

City of Prescott, Arizona Annual Budget

for fiscal year
July 1, 2006 – June 30, 2007



City Council

Rowle P Simmons, Mayor

Robert Bell

Steve Blair

Jim Lamerson

Robert Luzius

Robert Roecker

Mary Ann Suttles

Administrative Staff

Steve Norwood
City Manager

Laurie Hadley
Assistant to the City Manager

Mark Woodfill
Finance Director

Jodi Fisher
Budget Analyst



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Prescott

Arizona

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Prescott, Arizona for its annual budget for the fiscal year beginning July 1, 2005. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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PRESCOTT VISION 2020

Prescott is a beautiful, growing city that has a vibrant historic downtown, is the regional economic center for the Tri-Cities and is a 1st class tourist destination.

Prescott is a livable, dynamic community where there is a range of housing choices for all, where residents and guests enjoy an active lifestyle with great recreation and leisure amenities, where people have quality living, where the community acts as a responsible environmental steward and where there is pride in our hometown.

The Gem of Arizona

CITY OF PRESCOTT MISSION STATEMENT

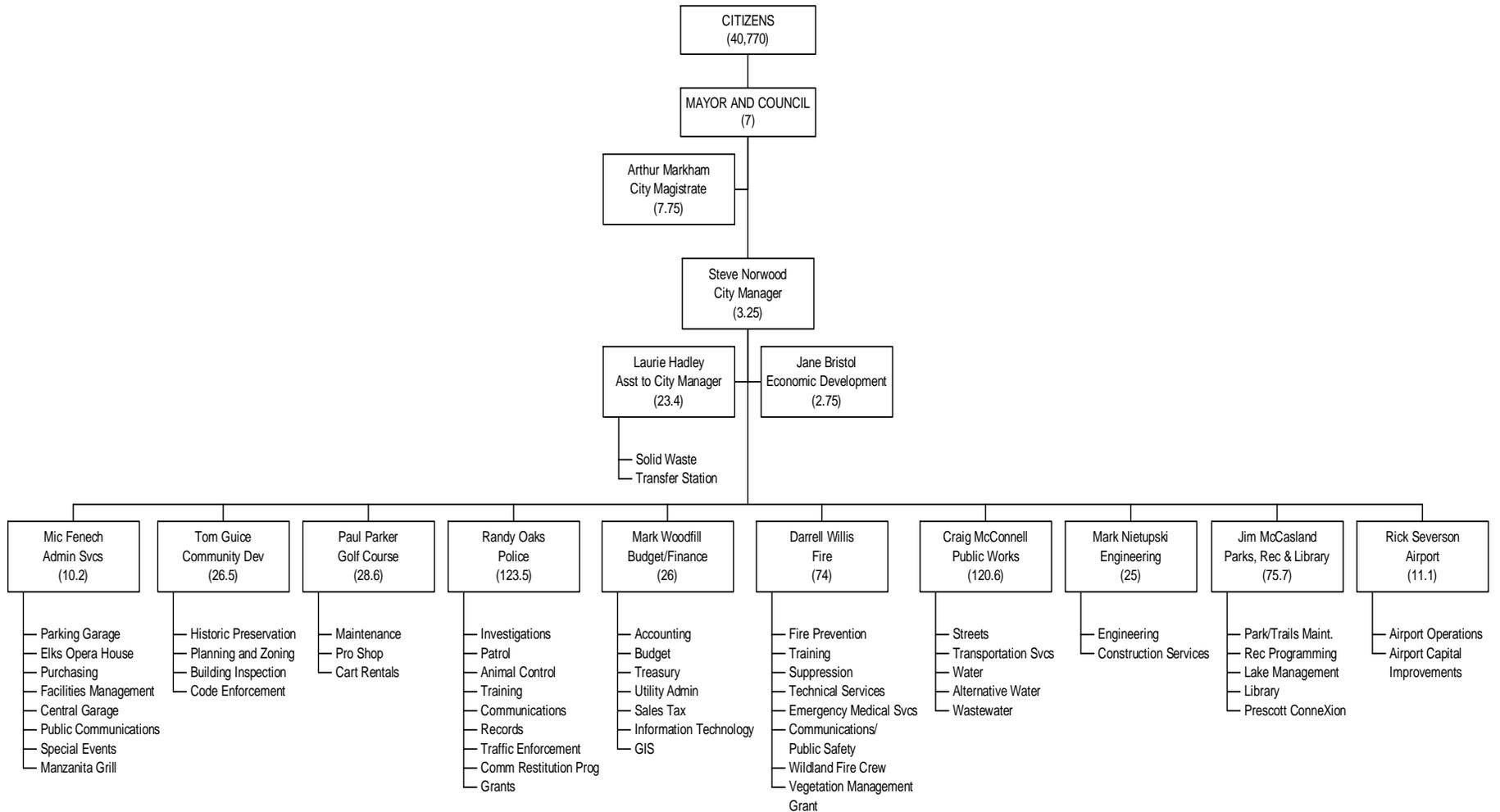
The mission of the City of Prescott is to provide superior city services, to create a financially sustainable city and serve as the leader of the region.

CITY OF PRESCOTT CORE BELIEFS

We believe in:

- Acting with integrity
- Having personal commitment and loyalty
- Working as a team
- Solving problems
- Taking pride in excellent results
- High level of productivity
- Being nice

CITY OF PRESCOTT ORGANIZATIONAL CHART - FY2007



Mayor and Council

Mayor Rowle Simmons



The Mayor serves as the chair of the City Council and presides over Council meetings. He or she is recognized as the head of the city government for all ceremonial purposes and is responsible for governing the city during times of crisis, such as natural disasters.

Mayor Rowle Simmons was elected to a two-year term in November 2001 and re-elected to a two-year term in November 2003. During his campaign, Rowle pledged both to “unite the community” and “rebuild relationships with neighboring communities.”

In keeping with these pledges, Rowle intends to be an accessible mayor, keeping his door open to all and listening to all viewpoints on the issues. He has initiated meetings with officials of neighboring Chino Valley and Prescott Valley with the goal of improving regional cooperation on such issues as growth and water.

Other top priorities for Rowle are alternative water resource acquisition and economic development.

Rowle is no stranger to Prescott civic affairs. While running his electronic communications business, he has given volunteer time to many community organizations such as the Salvation Army, Yavapai Regional Medical Center, Yavapai County Big Brothers/Big Sisters, the YMCA and the Prescott Rotary Club.

Rowle has three grown children. He and his wife enjoy exploring in their motor home, hunting and fishing.

Council Member Bob Bell

Bob Bell added Prescott City Councilman to his resume in November 2001. The elected position took its place alongside building contractor, Arizona Jamboree producer, police volunteer and father.

Bell produced the Jamboree, a musical review showcasing local talent, for more than a decade in Colorado and Arizona. He has been active in Prescott civic affairs since making the city his home in 1989. He is a former chairman of the City of Prescott Board of Adjustment and previously served on the boards of the Prescott Chamber of Commerce and the Prescott Downtown Partnership.



Bell enlisted with the Prescott Police Citizens on Patrol Corps in 1999. COPS are the eyes and ears of the police department, providing traffic control, event security and other services to enable sworn officers to concentrate on law enforcement.

Staying connected with and listening to citizens is a priority for Bell as a City Council member. As the former Jamboree producer, he is keenly interested in the future of the historic Elks Opera House.

A U.S. Marine veteran, Bell and his wife, Sharon, have a combined family of five children, six grandchildren and one great-grandchild.

Council Member Steve Blair



Steve Blair is the Prescott City Council's hometown boy. He was born in a spent his childhood in Prescott, rounding up cattle in Kirkland, water skiing on Willow Lake, hunting in Coyote Springs and playing softball in a town once known as the softball capital of the world.

Steve left home briefly to play and coach baseball at Oklahoma State University. Prescott lured Steve back after he graduated from Arizona State University. He manages a local bread distributorship and operates a window coverings business.

The father of two served four years on the Prescott Planning and Zoning Commission, including a year as chairman, before seeking a City Council seat. He served on the city's charter-review committee in 1977.

As a former Parks and Recreation Department volunteer and employee, Steve is committed to enhancing the city's park system and recreation services. He also devotes energy and time to ensuring the city develops in a quality and balanced fashion and to the implementation of sound water policy.

In 2005, Arizona Senate President Ken Bennett appointed Steve to a state panel that endeavors to strike a balance between government service and government regulation. Bennett appointed Steve to fill a vacancy on the Regulatory Reform and Enforcement Study Committee. The 18-member committee is composed of elected officials and citizens from across the state.

Council Member Jim Lamerson

With a well-worn copy of the Constitution of the United States in his shirt pocket and a personal commitment to the moral tenants of the Ten Commandments, Jim Lamerson is dedicated to his responsibility as a City Council member because, in his own words, "It's the right thing to do."

Lamerson, a long-time resident and local jeweler, was driven to serve the community in a decision-making capacity. He and his wife, Anne, have lived in Prescott since 1979. The couple have a daughter, April, who attends Prescott High School.



Serving on the Prescott City Council exemplifies Lamerson's intense desire for public service. He has served on various city boards and commissions, is a past Rotary Club of Prescott president and two-term board member. He served on the Prescott General Plan Committee, is a past chairman of the Prescott Chamber of Commerce, among other civic posts.

Lamerson's priorities include providing the basic services Prescott taxpayers pay for. He is an advocate for public safety, maintaining the infrastructure necessary for quality basic services, decreasing government involvement in private-property issues and the free-market system. Lamerson supports private-sector development of workforce housing by eliminating governmental barriers which prevent equal opportunity for a wide variety of housing to exist in Prescott. Expansion of the city limits and advancing intergovernmental relationships necessary to promote Prescott's interests are also areas of interest for Lamerson.

"I like a lot of non-essential things. My priorities, however, will always elevate those things that impacts peoples' safety and life essentials first. I don't know how I could serve this community any better than that."

Council Member Bob Roecker



Bob Roecker was elected to the Prescott City Council in November 2001 and currently serves as Mayor Pro Tem.

Bob is a former Prescott Chamber of Commerce president and helped to direct the former Prescott Area Economic Development Foundation. Roecker also served on the City of Prescott Industrial Development Authority.

As a Council member, Bob has been integrally involved in short and long-term water management initiatives. He serves both on the City of Prescott and Yavapai County Water Advisory Committees and the Northern Arizona Municipal Water Users Association. Bob is the Prescott City Council liaison to the Mayor's Open Space Advisory Committee. He represented the City

Council on the Central Yavapai County Transportation Planning Organization and is a 20-year member of the city's Municipal Property Corporation.

A University of Arizona graduate, Bob had a lengthy career in the property title business before joining Printpack Inc., as the Prescott Valley manufacturing firm's environmental and safety coordinator.

Councilman Roecker's top priority while in office is a cooperative effort by the tri-cities to attract business and industry to the region. Roecker is especially interested in creating a tri-city industrial park northeast of Prescott where the borders of the tri-cities of Prescott, Prescott Valley and Chino Valley are expected one day to merge.

Bob and his wife, Wendy, moved to Prescott in 1980. The couple have two children and five grandchildren.

Council Member Robert J. Luzius

Running for Prescott City Council was a natural byproduct of Robert Luzius' progressively keener interest in the community he first fell in love with while attending Prescott High School in the late 1940s.

Luzius fell in love with Prescott all over again when he returned for good in 1993. The intervening years in Ohio and Maryland were filled with, among other things, a U.S. Navy tour, careers in firefighting and small business ownership and raising five children with his wife, Joanne.

It was his affinity for Prescott that got Luzius involved as a retiree in variety of different civic and community causes, such as grass-roots efforts to preserve Acker Park and Badger "P" Mountain. His volunteer resume also includes helping organize and annual golf tournament benefiting the Prescott High School scholarship fund, service on the City of Prescott Fire Board of Appeals, Board of Adjustment and the citizens committee that drafted Prescott's new Land Development Code. As of November 22, 2005, it also includes a seat on the Prescott City Council.



Luzius' determination to make the jump from city commissioner to Council member paid off on this third bid for a Council seat. "Winners never quit and quitters never win," he said, quoting a friend and motivator.

Since he's attended most City Council meetings and many other public city meetings in the last four years, Luzius has a good grasp of city business and how he can be of help. He said he intends to conduct mini town halls and make himself be accessible in person or on the phone to listen to residents' ideas and concerns. He said he also intends to continue attending most public meetings so that "when something comes up on the Council agenda it won't be a surprise to me."

Luzius said as a City Council member he also will prioritize growth management, historic preservation and effective transportation, including possibly a quad-city public transit system.

Luzius' less serious pursuits include big-band dancing with Joanne, participation in the Scots of Prescott and membership in organizations such as the Knights of Columbus.

Council Member Mary Ann Suttles

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Once in politics, it's hard to stay away for good. Just ask Mary Ann Suttles, who managed about a two-year hiatus from the local political scene before she was talked into running for a second term on the Prescott City Council.

A 30-year resident of Prescott, Suttles first served on the Council from 1991 to 1995. She was recruited for a second term and in the fall of 2003 won election. "If you're in politics and you like it, you're back," she said.

Suttles made a downtown parking garage a priority issue on her second term and, in May 2005, the Garage on Granite – a five-story, 503-space parking structure, opened on South Granite Street. She also is focused on long-term water management, keeping close tabs on the city's acquisition of ranch lands north of the Prescott Active Management Area and plans for water importation from the ranch. She is also intent on ensuring that the city attracts businesses and jobs.

"What commercial (development) we can continue to get into town would be a plus," she said.

Suttles and her late husband, Ken, raised two sons in Prescott, Corey and Ryan, who attended Prescott schools and now live with their families in Cedar Rapids, Iowa, and Lubbock, Texas, respectively. She enjoys photographing her extended family members, including grandchildren, Max, Emily, Carter and the newest arrival, Kendall.

When she's not working, attending meetings of the Republican Women of Prescott, the Prescott Frontier Days board and a variety of other community organizations, Suttles enjoys keeping up the yard that her late husband labored in.

Readers' Guide

The City of Prescott FY2006-07 Annual Budget contains a narrative description of revenue sources, our financial policies, and programs and services planned for the upcoming fiscal year. Multi-year comparisons for each City department and fund, staffing allocations, and planned expenditures by organizational sub-unit and type are also included. To further enhance and clarify the presentation, graphs appear throughout the document. Presenting the budget in distinct levels of detail allows the user to choose the degree of specificity best suited to his/her needs.

Copies of the budget document in book form or on CD are available in the Prescott Public Library, on the City of Prescott website – www.cityofprescott.net, or by contact the City of Prescott Budget and Finance Department at (928) 777-1242.

City Manager's Budget Transmittal and Budget Summary

The City Manager's Budget Transmittal and Budget Summary provide an in-depth look at the City Managers' priorities and outlook for the upcoming fiscal year. These priorities reflect months of working with the Mayor and City Council, City Staff, and community groups, as well as referencing many other guiding documents including the Community Strategic Plan and the 2003 General Plan.

Community Profile and Trends

This section provides a look at Prescott's major service level trends over the past several years along with a brief demographic history.

FY2006-07 Budget Process, Amendments and Basis of Presentation

This segment elaborates on our budget process as well as major assumptions included in the preparation of the FY2006-07 Annual Budget. A narrative describing each significant revenue source is presented. The planned budget accomplishments, financial policies, and a brief description of the basis of accounting are provided.

Department Program Summaries

Each City Department's/Division's missions, goals, strategies, performance measures, prior year highlights, funding, and staffing levels are contained in this section. Significant budget changes in Departments and Divisions are explained as well.

Capital Improvement Plan

In this area, projects to be completed throughout the next five years as well as outlay for new and replacement capital items are identified.

Schedules

The schedules provided in the Annual Budget consist of Resolutions, Legal Schedules required by the State of Arizona to be prepared and published, Salary and Pay Range Schedules, an Authorized Positions Schedule, and a Schedule of Outstanding Debt Principal.

Glossary

Definitions of the terms used throughout the budget document are presented in the Glossary. If you need further clarification of any of the terms used in this document, please contact the City of Prescott Budget and Finance Department.

FY07 Budget Transmittal Message

To the Honorable Mayor and City Council Members of the City of Prescott:

It is my pleasure to submit to you the adopted fiscal year 2006/07 Operating Budget for the City of Prescott. This budget document is responsive to the needs of the citizens and business community of Prescott and is designed to provide a comprehensive overview of City activities during the next twelve months. The document includes basic program descriptions and performance measures, an overview of the City's finances and related budget issues. To enhance utilization of this document as a communication device, financial plan, policy tool, and operations guide for the City Council and citizens of Prescott, we will continue to make the City's priorities and spending plans available to the public on our website or on disk.

The last few years have been challenging ones for local governments throughout Arizona. A prolonged disagreement in the state budget allocations, which has yet to be fully resolved, triggered a shift in local revenues to the state. Because of these forays on local revenues and the threat of additional losses, many local governments were forced to reduce expenses in some cases by reducing or eliminating public services, in order to maintain balanced budgets. The City successfully managed this difficult period without impacts on City services or the City's workforce. Locally, Prescott's economy remains strong. The City's unemployment rate is consistently below county and state averages. The local real estate market is competitive, with home values typically above the median for Arizona and office space vacancy rates half of the county average. Building activities are expected to remain largely unchanged from recent prior years and several large businesses are in various stages of expansion.

The City's debt levels remain moderate despite the issuance of \$39.4 million of bonds to fund the water ranch and water related projects. While Prescott's financial outlook appears strong, the City still faces fiscal challenges as the cost of providing services to the public continues to rise. City's five-year capital plan helps guide the development of the budget by tracking and trending current and anticipated revenues and expenses. As in prior budgets, revenues are expected to fully match expenses in fiscal year 2007. Our projections tend to be conservative and there is every reason to believe that by continuing to monitor revenues and expenses closely, reducing costs through efficiencies, pursuing new revenues, and if necessary, making reasonable and balanced cost reductions, the overall financial health of the City will stay strong and City services will be maintained.

The Operating Budget for fiscal year 2007 takes a "hold the line" approach in an effort to maintain the City's fiscal discipline, but also includes funding intended to further the goals of the City Council. The following provides examples of how the Budget furthered these goals. Additional information regarding how the programs of each City department relate to and support the City Council goals is provided in detail in the budget document.

1st Class Utility System

- ✓ Realignment and underground utilities in Whiskey Row Alley.
- ✓ Long Term Water Policy completion.
- ✓ Water Conservation Coordinator and conservation program added
- ✓ Water Model and rate study completed
- ✓ Water Tank maintenance program

Financially Sustainability of City

- ✓ Impact Fee Study Completed
- ✓ New rate structure for Golf Course and Solid Waste
- ✓ Vehicle Replacement Fund created and funded
- ✓ Retained Bond Rating
- ✓ Capital Reserves Funded

Alive Downtown

- ✓ The completion of The Garage on Granite parking garage and the associated work in the Whiskey Row Alley
- ✓ Two high-efficiency trash compactors installed in downtown area
- ✓ Continued restoration on the Elk's Opera House

Regional Economic Center

- ✓ Secured Development Agreement with Lowe's Home Improvement Store
- ✓ New Walgreen's Pharmacy opened
- ✓ Addition of Olive Garden Restaurant
- ✓ Shops at the Boulders opened
- ✓ Expansion of Nissan Dealership
- ✓ Redevelopment of Marler's Square

Great Recreation and Leisure Amenities

- ✓ Hosted 2006 Summer Arizona Cardinals NFL Training Camp
- ✓ Opened first rate skate park in downtown area
- ✓ New Adult Center construction started
- ✓ 14,000 foot Library expansion
- ✓ Replaced wood floor in Activity Center
- ✓ 2005 Air Show – over 18,000 in attendance
- ✓ Opening of sand volleyball courts

Quality Living

- ✓ Opened Regional Communications Center serving eleven Public Safety Agencies and improving communication and response times
- ✓ Added K-9 Unit to Police Department
- ✓ Acquisition of 28 acres of open space in the Granite Dells
- ✓ Preservation of Petroglyphs on the Dalke Property
- ✓ Funded the unpaved roads and alleys project

The FY2007 budget represents a carefully crafted approach to furthering City Council goals and maintaining quality service to the community. The energy invested by City staff in bringing together the information and working through the budget decision process demonstrates the high level of competence and commitment of our city employees. The budget team is a testament to our continuous effort to improve the way city government does business and to assure that we continue to keep Prescott a World Class City. It is appropriate to thank the City staff, especially Finance Director Mark Woodfill, Budget Analyst Jodi Fisher, and the entire Budget and Finance staff, who have put much time and expertise into the development of the proposed budget and balanced Five-Year Capital Plan. Departments have worked closely with the Budget staff and senior management in developing, documenting and reviewing every component of this proposal. The staff has embraced the City Council's Goals in building a financial plan that delivers the highest quality services at the most reasonable cost to the residents and businesses of Prescott.

Respectfully Submitted,
/s/ Steven P. Norwood
City Manager

2006-07 Budget Summary

Concepts presented in the Prescott Community Strategic Plan encourage the City to invest any available funds in projects that would return, and eventually exceed, its investment while still providing basic services during the investment period. Strategic investments, in turn, would insure the ability to provide basic services in the future. In order to fulfill that objective, we will continue to strengthen five-year planning efforts in all funds and target all available excess resources to economic investments including the downtown commercial area, economic development incentives in accordance with the Council adopted economic development policy while, at the same time, maintaining the flexibility to respond to unknown opportunities.

In formulating the FY2006-07 budget, recommendations were keyed on feedback from Mayor and Council through its goals, policies, and guidelines, input from various advisory committees, 2003 General Plan, community input (from individuals, neighborhood groups or service clubs), downtown groups, as well as corridor and area plans.

At the Council/staff retreat of January 13-14, City Council developed their vision, mission, core beliefs, and goals for the City thereby providing clear-cut guidance to staff in the formulation of the FY2007 budget. The goals that were defined at this retreat are listed below:

Future goals identified as part of the 2003 General Plan are as follows:

Population: Achieving a Balanced Community
Balanced Mix of Land Uses
Meeting Housing Needs
Balancing Community Values
Managing Current and Projected Traffic
Preserving and Protecting the Environment
Historic Preservation
Adequate Water Resources for Future Needs
Strong Economic Base

Stronger Local Economy and Expanded Tax Base

More quality jobs with family wages
More diverse economy which is less retail dependent
Development of our airport as an "economic engine"
Continue as the Regional Retail Center
Make land available for developing business/commercial sites

Better Mobility through Improved Roads and Transportation System

Improved condition and quality of city streets
All city streets and alleys paved
Air service to alternative hubs
Effective and functioning Municipal Planning Organization
Sidewalks on Major Arterials

Managed Growth for a Balanced Community

More affordable (workforce) housing units
Well-planned annexed areas with mixed and balanced uses
Preservation of Prescott's historic charm and character
Growth paying for growth
Development consistent with Land Development Code

Polished City – Beautiful and Clean

Cleaner and well-maintained streets, alleys and right-of-way
Reduced number of blighted homes and buildings
Effective solid waste collection and management

Redevelopment of aging commercial centers
Well maintained Parks and Recreational areas

First Class Utility System

Water supply for the next 100 years
Sewers for all residences and businesses
Well-maintained water treatment and distribution system
Well-maintained wastewater collection and treatment facility
Effective storm water management system

Alive Downtown

Cleaner downtown with improved infrastructure
More commercial offices with people working downtown
More activity venues for attracting residents and events
More people living downtown
More evening activities with businesses open beyond 5:30

Summary:

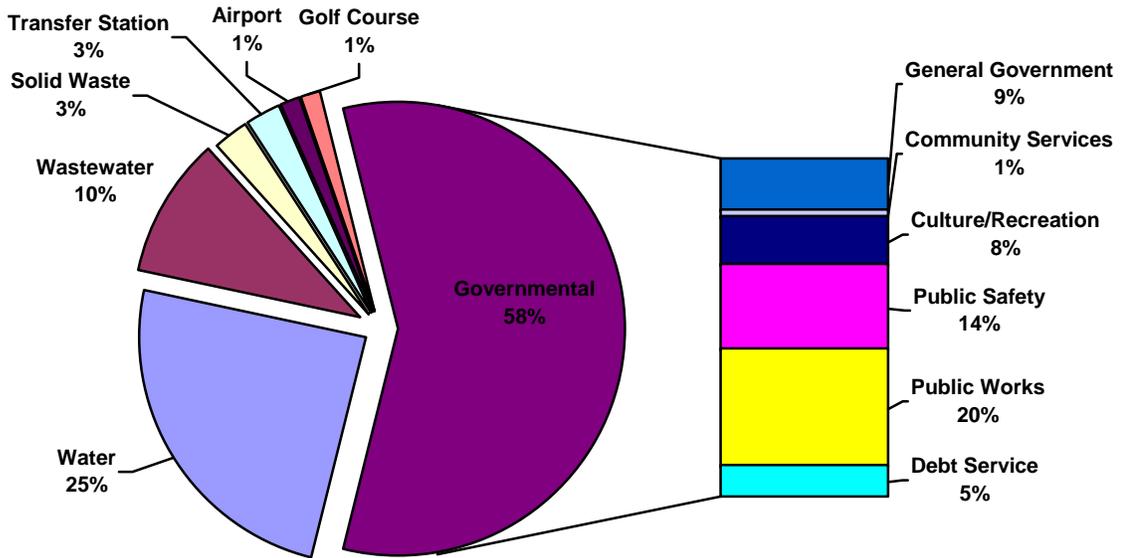
The FY2006-2007 budget consists of two different components – the operating budget and the capital budget. The operating budget is \$75,614,463 representing a 21.2% increase from FY2005-2006. The operating budget is comprised of the costs to continue operations from year to year without any capital expenditures. It encompasses all the basic services provided to Prescott’s residents: police and fire protection; parks, recreation, and library services; water; sewer; solid waste collection including recycling; streets maintenance; planning and zoning; building inspection; economic development and administrative services. The operating budget has been prepared without an increase in taxes.

The second component, the capital budget, is set at \$112,110,066, a 230.4% increase over FY2005-2006. It includes projects and new programs that are included in the five-year plan and considered affordable within current revenue sources or planned debt issuance. Capital budgets tend to rise and fall each year depending on the timing of projects – especially if a city, such as Prescott, is primarily on a “pay-as-you-go” program. The wide variation between the estimated ending in FY2005-2006 and the budgeted amount for FY2006-2007 is the result of some large projects budgeted in FY2005-2006 were not completed as planned and have been carried over to FY2006-2007.

The operational and capital components bring the total budget for FY2006-2007 to \$187,724,529.

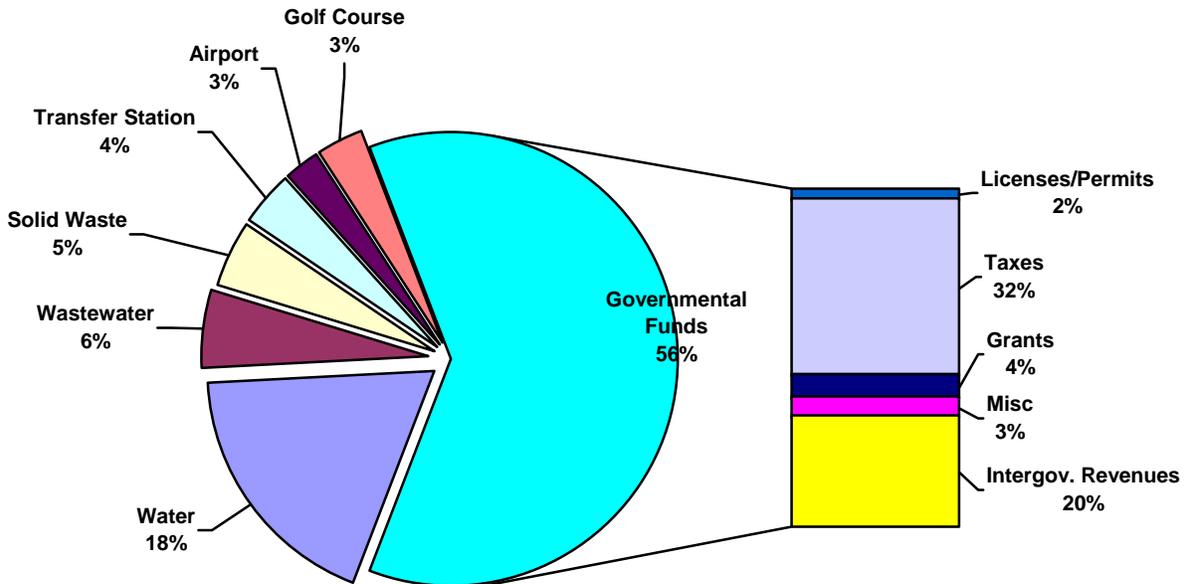
The following pie chart shows how the FY2006-2007 expenditures of \$187,724,529 are spread percentage wise among the various Enterprise Funds and Governmental Funds.

City of Prescott Expenditures



FY2006-2007 revenues of \$119,048,353 are shown below in the same format for your easy comparison.

City of Prescott Revenues



The ensuing tables summarize beginning fund balances, revenues, expenditures, other financing sources, transfers in and out, and ending fund balances for the City's major fund types. The fund balance levels are sufficient to maintain adequate cash flow and a reserve to cover unanticipated expenditures and revenue shortfalls.

**CITY OF PRESCOTT
GENERAL FUND
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
<u>Source of Funds:</u>				
Beginning Fund Balance				
General Fund Reserve	5,371,586	5,723,761	5,723,761	6,262,415
Long-Term Commitments	-	-	-	1,628,516
Interfund Loans	2,122,516	1,741,726	1,741,726	1,187,896
Unreserved Fund Balance	1,506,758	3,289,512	3,289,512	965,365
Total Beginning Fund Balance	9,000,860	10,754,999	10,754,999	10,044,192
Revenues				
Taxes				
Sales/Use Tax	13,387,444	13,821,933	14,778,526	15,174,828
Primary Property Tax	1,000,493	1,048,406	1,048,406	1,128,971
Franchise Taxes	1,235,890	1,142,832	1,313,357	1,352,757
Intergovernmental Revenues				
State Sales Tax	3,144,027	3,324,444	3,324,444	3,960,497
State Income Tax	3,119,837	3,551,883	3,551,883	4,512,412
State Vehicle License	2,228,192	2,365,570	2,365,570	2,436,537
Joint Dispatch	428,146	863,796	863,796	1,069,744
Library	447,590	477,328	480,309	651,099
Other	408,436	405,748	414,179	419,861
Licenses and Permits	1,512,748	1,201,650	1,267,662	1,226,600
Service Charges	775,281	524,380	590,364	672,700
Fines & Forfeitures	323,678	294,000	485,377	406,072
Miscellaneous	616,239	424,049	828,207	655,575
Subtotal	28,628,001	29,446,019	31,312,080	33,667,653
Other Funding Sources				
Lease Purchase Proceeds	-	800,000	734,000	-
Transfers In	30,000	-	-	-
Subtotal	30,000	800,000	734,000	-
Total Revenues & Other Funding Sources	28,658,001	30,246,019	32,046,080	33,667,653
<u>Use of Funds:</u>				
Departments				
General Government				
<i>Mayor and City Council</i>	61,344	47,441	47,049	63,757
<i>City Clerk</i>	29,721	70,759	111,789	107,356
<i>City Court</i>	431,420	479,427	479,387	532,210
<i>City Manager</i>	483,235	939,644	814,983	698,994
<i>Legal</i>	538,834	376,427	375,709	274,651
<i>Economic Development</i>	273,443	299,329	290,253	325,707
General Government Total	1,817,997	2,213,027	2,119,170	2,002,675

**CITY OF PRESCOTT
GENERAL FUND
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
Budget and Finance	1,140,488	1,181,726	1,093,517	1,322,314
Administrative Services	546,219	509,015	668,613	463,398
Community Development	1,634,020	1,794,997	1,742,602	2,219,442
Parks, Recreation and Library	4,419,299	4,998,670	4,870,257	5,533,714
Police	7,830,646	10,572,518	10,014,428	12,389,468
Fire	5,483,464	6,182,502	5,898,657	7,264,741
Debt Service	-	89,784	81,007	162,014
Total Operating Budget	<u>22,872,133</u>	<u>27,542,239</u>	<u>26,488,251</u>	<u>31,357,766</u>
Capital Outlay/Projects				
General Government				
<i>City Clerk</i>	-	-	-	145,000
<i>City Manager</i>	19,250	-	-	-
<i>Economic Development</i>	50,000	80,000	53,424	25,000
Budget and Finance	(54)	886,000	632,000	206,000
Administrative Services	35,438	-	90,000	-
Community Development	10,690	31,000	499	92,000
Parks, Recreation and Library	247,178	130,887	130,887	425,362
Police	25,368	229,413	145,577	339,672
Fire	100,276	12,500	13,372	47,500
Total Capital Outlay/Projects	<u>488,146</u>	<u>1,369,800</u>	<u>1,065,759</u>	<u>1,280,534</u>
Transfers Out				
Economic Incentives	1,280,199	1,125,000	1,125,000	1,310,000
Vehicle Replacements	330,500			
Surplus (Revenues over Expenditures)	1,725,214	530,914	3,808,463	243,862
Grant Matches	187,368	367,918	199,900	341,236
Facilities Maintenance	-	-	8,517	-
Parking Garage	-	8,650	60,996	-
Planned Growth Strategy	-	-	-	150,000
Parks Master Plan	-	-	-	30,000
One Day Hazardous Disposal Event	-	-	-	25,000
Total Transfers Out	<u>3,523,281</u>	<u>2,032,482</u>	<u>5,202,876</u>	<u>2,100,098</u>
Total Expenditures & Transfers Out	<u>26,883,560</u>	<u>30,944,521</u>	<u>32,756,886</u>	<u>34,738,398</u>
Ending Fund Balance				
General Fund Reserve	5,723,761	5,891,003	6,262,415	6,733,531
Long-Term Commitments	-	-	1,628,516	1,628,516
Interfund Loans	1,741,726	1,187,896	1,187,896	611,401
Unreserved Fund Balance	3,289,512	3,475,597	965,365	-
Total Ending Fund Balance	<u>10,754,999</u>	<u>10,554,496</u>	<u>10,044,192</u>	<u>8,973,448</u>

**CITY OF PRESCOTT
SPECIAL REVENUE FUNDS
SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
<u>Source of Funds:</u>				
Beginning Fund Balance				
Streets (HURF) Fund	483,024	908,613	908,613	975,387
1% Streets and Open Space Fund	9,714,857	13,251,152	13,251,152	21,432,171
Transient Occupancy Tax	497,062	564,027	564,027	273,283
Impact Fee Fund Accounts	3,937,947	4,918,043	4,918,043	2,083,415
Capital Improvement Fund	14,573,378	9,501,123	9,501,123	8,278,828
Grants Fund	11,207	27,145	27,145	26,964
Public Safety Initiative	-	-	-	-
Total Beginning Fund Balance	29,217,475	29,170,103	29,170,103	33,070,048
Revenues				
Taxes	13,276,824	13,763,433	14,631,935	17,479,021
Intergovernmental Revenues	6,588,086	8,030,455	5,046,392	9,863,600
Licenses and Permits	1,847,102	1,431,050	1,418,400	1,418,400
Interest Income	831,612	385,500	879,081	573,000
Miscellaneous	973,107	1,755,882	1,762,400	900,815
Subtotal	23,516,731	25,366,320	23,738,208	30,234,836
Other Funding Sources				
Transfers In	3,826,870	4,518,296	7,836,806	3,964,709
Subtotal	3,826,870	4,518,296	7,836,806	3,964,709
Total Revenues & Other Funding Sources	27,343,601	29,884,616	31,575,014	34,199,545
<u>Use of Funds:</u>				
Expenditures				
Streets (HURF) Fund				
<i>Operating</i>	3,569,303	4,086,236	4,009,085	4,675,366
<i>Capital</i>	230,895	399,627	209,311	282,294
1% Streets and Open Space Fund	10,320,909	25,722,791	6,175,573	30,861,406
Transient Occupancy Tax	306,167	526,441	742,426	672,707
Impact Fee Fund Accounts	733,968	3,323,725	3,119,653	2,946,822
Capital Improvement Fund	9,213,549	9,862,000	7,681,197	6,604,226
Grants Fund	2,066,414	4,616,096	1,536,749	5,320,012
Public Safety Initiative	-	-	-	814,011
Total Expenditures	26,441,205	48,536,916	23,473,994	52,176,844
Transfers Out				
1% Streets and Open Space Fund	359,410	750,000	750,000	965,000
Impact Fee Fund Accounts	274,679	554,610	2,100,000	454,610
Capital Improvement Fund	315,679	850,672	1,351,075	975,923
Total Transfers Out	949,768	2,155,282	4,201,075	2,395,533
Total Expenditures & Transfers Out	27,390,973	50,692,198	27,675,069	54,572,377

**CITY OF PRESCOTT
SPECIAL REVENUE FUNDS
SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
Ending Fund Balance				
Streets (HURF) Fund	908,613	425,456	975,387	243,514
1% Streets and Open Space Fund	13,251,152	1,003,086	21,432,171	6,732,593
Transient Occupancy Tax	564,027	403,086	273,283	3,773
Impact Fee Fund Accounts	4,918,043	3,794,383	2,083,415	248,783
Capital Improvement Fund	9,501,123	3,109,365	8,278,828	3,950,541
Grants Fund	27,145	27,145	26,964	26,964
Public Safety Initiative	-	-	-	1,439,985
Total Ending Fund Balance	29,170,103	8,762,521	33,070,048	12,646,153

**CITY OF PRESCOTT
OTHER FUNDS
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
<u>Source of Funds:</u>				
Beginning Fund Balance				
Capital Projects Funds				
<i>Willow/Watson Lake Development</i>	916,357	(312,803)	(312,803)	(333,290)
Expendable Trust Funds				
<i>Acker Trust Fund</i>	527,746	530,239	530,239	532,739
<i>Miscellaneous Gifts & Donations</i>	172,715	209,141	209,141	92,896
<i>Employee Relations Trust</i>	9,908	-	-	-
Internal Service Funds				
General Self-Insurance Fund	1,562,672	1,694,493	1,694,493	1,869,039
Central Garage Fund	261,816	867,711	867,711	939,011
Engineering Services Fund	181,727	113,275	113,275	115,997
Facilities Maintenance Fund	-	(56,713)	(56,713)	(51,313)
Debt Service Fund	<u>59,112</u>	<u>106,951</u>	<u>106,951</u>	<u>117,162</u>
Total Beginning Fund Balance	3,692,053	3,152,294	3,152,294	3,282,241
Revenues				
Taxes	1,713,379	1,697,025	1,697,025	1,706,825
Employee Contributions	4,060	-	-	-
Gifts and Donations	91,205	60,000	38,350	75,000
Interest	314,866	258,227	315,267	278,535
Miscellaneous	<u>335,885</u>	<u>384,151</u>	<u>410,937</u>	<u>417,151</u>
Subtotal	746,016	702,378	764,554	770,686
Other Funding Sources				
Lease/Purchase Proceeds	-	3,800,000	-	4,853,029
Cost Recovery from Other Funds	6,059,059	7,050,540	6,953,334	8,471,747
Transfers In	<u>330,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	6,389,559	10,850,540	6,953,334	13,324,776
Total Revenues & Other Funding Sources	<u>7,135,575</u>	<u>11,552,918</u>	<u>7,717,888</u>	<u>14,095,462</u>
<u>Use of Funds:</u>				
Departments				
Internal Service Funds				
<i>General Self-Insurance Fund</i>	1,443,646	1,441,504	1,413,879	1,532,644
<i>Central Garage Fund</i>	883,967	1,206,904	1,199,221	1,663,051
<i>Engineering Services Fund</i>	1,655,047	2,126,012	2,059,091	2,064,337
<i>Facilities Maintenance Fund</i>	508,568	811,689	749,335	902,034
Debt Service Fund	<u>2,191,873</u>	<u>2,185,721</u>	<u>2,185,721</u>	<u>2,188,946</u>
Total Operating Budget	6,683,101	7,771,830	7,607,247	8,351,012
Capital Outlay/Projects				
Capital Projects Funds				
<i>Willow/Watson Lake Development</i>	1,241,395	419,299	20,487	529,299

**CITY OF PRESCOTT
OTHER FUNDS
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
Transfers Out				
Expendable Trust Funds				
<i>Miscellaneous Gifts & Donations</i>	-	-	94,595	-
Total Transfers Out	-	-	94,595	-
Total Expenditures & Transfers Out	9,388,713	14,186,129	9,284,966	18,070,230
Ending Fund Balance				
Capital Projects Funds				
<i>Willow/Watson Lake Development</i>	(312,803)	(725,102)	(333,290)	(862,589)
Expendable Trust Funds				
<i>Acker Trust Fund</i>	530,239	530,239	532,739	533,739
<i>Miscellaneous Gifts & Donations</i>	209,141	208,641	92,896	92,896
<i>Employee Relations Trust</i>	-	-	-	-
Internal Service Funds				
General Self-Insurance Fund	1,694,493	1,760,498	1,869,039	1,950,104
Central Garage Fund	867,711	369,005	939,011	(893,198)
Engineering Services Fund	113,275	118,875	115,997	117,497
Facilities Maintenance Fund	(56,713)	(55,736)	(51,313)	(51,313)
Debt Service Fund	106,951	116,033	117,162	127,162
Total Ending Fund Balance	3,152,294	2,322,453	3,282,241	1,014,298

**CITY OF PRESCOTT
ENTERPRISE FUNDS
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
<u>Source of Funds:</u>				
Beginning Fund Balance				
Water Fund	13,880,631	17,248,727	17,248,727	17,382,844
Wastewater Fund	6,099,243	5,554,893	5,554,893	4,807,621
Solid Waste Fund	1,567,527	1,928,765	1,928,765	2,474,038
Transfer Station/Regional Landfill	(11,386)	383,846	383,846	919,813
Airport Fund	21,224	125,304	125,304	216,858
Golf Course Fund	(259,750)	(455,302)	(455,302)	(455,061)
Parking Garage	-	-	-	-
Total Beginning Fund Balance	7,416,858	7,537,506	7,537,506	7,963,269
Revenues				
Water	21,636,880	13,666,448	14,621,554	21,078,782
Wastewater	6,094,054	6,115,107	6,117,785	6,390,341
Solid Waste	4,832,180	4,945,063	5,300,273	5,635,085
Transfer Station/Regional Landfill	3,774,876	3,820,520	4,168,913	4,293,338
Airport				
<i>Operations</i>	1,737,846	1,886,311	1,764,375	1,950,869
<i>Grants</i>	822,593	1,097,447	1,649,292	1,001,979
Golf Course	5,771,579	3,057,634	2,756,398	3,756,148
Parking Garage	-	117,800	65,454	90,064
Subtotal	44,670,008	34,706,330	36,444,044	44,196,606
Other Funding Sources				
Bond Proceeds	14,728,794	42,450,000	-	52,326,327
Transfers In	350,377	59,097	196,284	150,822
Subtotal	15,079,171	42,509,097	196,284	52,477,149
Total Revenues & Other Funding Sources	59,749,179	77,215,427	36,640,328	96,673,755
<u>Use of Funds:</u>				
Departments				
Water Fund	6,728,232	8,699,699	6,681,633	10,781,469
Wastewater Fund	5,133,950	4,940,040	4,739,889	5,741,764
Solid Waste Fund	4,294,833	4,776,170	4,755,000	5,125,605
Transfer Station/Regional Landfill	3,295,422	3,663,262	3,532,946	4,046,473
Airport Fund	1,615,972	1,829,266	1,672,820	1,760,063
Golf Course Fund	5,120,667	2,801,817	2,756,157	3,685,404
Parking Garage	-	126,450	126,450	89,541
Total Operating Budget	26,189,076	26,836,704	24,264,895	31,230,319

**CITY OF PRESCOTT
ENTERPRISE FUNDS
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
Capital Outlay/Projects				
Water Fund	25,524,442	43,459,100	7,805,804	37,130,663
Wastewater Fund	2,249,358	15,850,200	2,125,168	14,538,371
Solid Waste Fund	176,109	-	-	-
Transfer Station/Regional Landfill	84,222	3,900,000	100,000	850,000
Airport Fund	1,190,764	2,497,894	1,784,581	1,089,802
Golf Course Fund	846,464	-	-	-
Total Capital Outlay/Projects	30,071,359	65,707,194	11,815,553	53,608,836
Transfers Out				
Water Fund	-	-	-	250,000
Wastewater Fund	-	-	-	275,000
Total Transfers Out	-	-	-	525,000
Total Expenditures & Transfers Out	56,260,435	92,543,898	36,080,448	85,364,155
Ending Fund Balance				
Water Fund	17,248,727	6,291,376	17,382,844	29,715,294
Wastewater Fund	5,554,893	544,760	4,807,621	2,703,354
Solid Waste Fund	1,928,765	2,097,658	2,474,038	2,983,518
Transfer Station/Regional Landfill	383,846	541,104	919,813	1,241,678
Airport Fund	125,304	182,349	216,858	395,663
Golf Course Fund	(455,302)	(199,485)	(455,061)	(384,317)
Parking Garage	-	-	-	523
Total Ending Fund Balance	7,537,506	3,166,386	7,963,269	6,940,419

Financial Issues:

Adjustments were made to the City of Prescott's percentage share of state shared revenues as a result of the mid-decade adjustment. With this adjustment, state shared revenues continue to climb as is evident in the estimated revenues to be received during FY2007. The City's share of the state income tax is up 27.0% over FY2006 estimated endings. This, along with a 19.1% increase projected in the City's share of the state sales tax, will go toward maintaining basic service levels in the general fund service areas.

Sales tax revenues exhibit strong growth with estimated revenues for FY2007 at 3.2% over FY2006 revised estimates. The continued outlook for Prescott is good with the construction of a 146,000 square foot (116,000 under roof – 30,000 garden center) Lowes Building Supply Store. The Lowe's Home Improvement Store was delayed due to rising construction costs; however, it is hoped that construction will begin in FY07 and conclude with a store opening about 15 months later. A 93-room Residence Inn has broken ground in FY07 at Lee Circle and Highway 69. The Village at the Boulders has announced or opened stores in FY06/07 for Big Lots, Tuesday Morning, Dollar Tree, JoAnn's Fabrics, Starbucks and FedEx/Kinko's. The Shops at the Boulders has announced a Chili's bar and restaurant and has 17,000 SF of new space available for lease, with construction to begin in FY07. Gateway Mall has announced a 42,000 SF The Room Store on a free-standing pad. Annexation of 43 acres at Willow Creek and Pioneer Parkway was completed, with rezoning, site plan, and building permits to follow in FY07. FY07 should also see 157 acres annexed at Centerpoint South near the Granite Dells with commercial and high-end residential uses planned.

Our property tax revenue is \$2,835,796 (Primary \$1,128,971, Secondary \$1,706,825). Prescott's net assessed values for 2006 of \$517,225,694 represents 24.3% of the county's net assessed values.

All fund balance reserves have been maintained at the levels required by the policy and there is not plan to reduce or utilize any of the reserves.

Employee Compensation and Related Issues:

The significant increases in costs of benefits that had to be addressed this year were:

Health insurance increases for employees (paid by the City) and for dependents (paid by the employee) were budgeted at 2.0%.

The City's share of Public Safety Personnel Retirement costs increased. Police went from 20.99% to 27.10% of gross pay for FY2007. Fire went from 16.60% to 22.39% of gross pay in FY2007. Employees' share did not increase.

Both the City's and Employees' share of Arizona State Retirement costs increased by 1.7% going from 7.40% to 9.10%.

The Tuition Assistance program remained in affect for FY2007. This program continues to receive a tremendous positive response from the employees.

The payroll budgets include a 2% salary adjustment. The City has been able to maintain funding for merit increases, market sensitive benchmark adjustments, the pay-for-performance awards for exemplary employees funding at .5% of salaries, and the 35.0% subsidy for employees' dependent coverage. As in years past, funding has been allocated for an employee recognition breakfast, employee picnic, Christmas party planned by employees, as well as service awards dinner.

The City continues to have a large number of major projects planned or underway which, directly and indirectly, places an increased workload on existing staff. Population growth as well has affected our ability to deliver the current level of services. Achievement of Council's goals has, of course, been a factor in staffing decisions. Listed below are staffing changes approved for FY2007.

New regular staff positions for FY2007 total 34.25 full-time equivalents and consist of the following:

Secretary – Administrative Services

At the direction of City Council the Central Garage assumed the fire fleet maintenance beginning in March of 2005. Additional staffing is required to support the Fleet Maintenance Superintendent in the daily functions required to provide an adequate level of service for all of our internal fleet customers, including all public safety fleet vehicles in the police and fire departments. The volume of tasks to be completed on a daily basis in providing maintenance services to over 450 pieces of rolling stock and stationary equipment and over 100 additional pieces of auxiliary equipment require additional staff in effort to maintain a satisfactory level of service through efficient processing of repair orders, warranty tracking, minimizing out-of-service times and providing a safe and efficient fleet. The secretary will sort and inventory a large volume old files, setup and organize files and office spaces in new fleet facility and support division personnel.

Administrative Assistant – Administrative Services

This position provides administrative support to the Administrative Services Department – Purchasing, Elks Opera House, Special Events, and Public Communications.

Network Engineer – Finance Department

The Network Engineer position will be responsible for the design and maintenance of the City's core IT infrastructure which includes network connectivity, network security, data integrity, and servers. This position must be able to maintain the currently installed systems as well as work toward identifying future technology needs and plan appropriately for those needs.

Account Clerk (.5) – Finance Department

This position is a front-line customer service position which will wait on walk-in, drive-up, e-mail and phone customers. The Account Clerk position will set-up and maintain customer accounts, answer questions and complaints. They will also process incoming and outgoing mail, receive payments, prepare daily deposits and daily cash reports, file, scan, maintain archives, order supplies, and other office related duties. This request is to make the current part-time account clerk a full-time account clerk.

Combination Plans Examiner/Building Inspector – Community Development

This position would perform a dual role with our division. The immediate need would be to help ease the expected work load created by the water impact rate increase. Even though a deadline is established this division expects to have a backlog of 40+ plans after that date. During the last increase Building division received approximately 200 plans the week of the deadline. After these plans have been permitted this division expects to see a significant rise in inspection requests. Currently inspectors are performing 16 to 20 inspections a day.

Code Enforcement Supervisor – Community Development

This position supervises the Code Enforcement Officers in investigating complaints alleging violations of municipal codes pertaining to land uses, garage sales, signs, property maintenance, building and codes and abandoned/junked automobiles, establishes and maintains photographic evidence and written records of cases. They will also supervise and assist in preparation and presentation of cases before hearing officers, testifies in court and assures follow-up actions ordered by hearing officers. He/she will manage Code Enforcement Officer's work schedules.

Code Enforcement Officer – Community Development

The Code Enforcement Officer investigates complaints alleging violation of municipal codes pertaining to land uses, garage sales, signs, property maintenance, building codes and abandoned/junked automobiles, establishes and maintains photographic evidence and written records of cases. It issues notices of violation, testifies in court, mediates conflict between neighbors, conducts field investigations and follow-up reviews to monitor on-going compliance. Presents cases before Hearing Officers and follows-up to verify compliance with Hearing Officer fines or mitigation orders.

Human Resources Specialist (.5) – Human Resources

The Human Resources Specialist will facilitate the benefits program for the City of Prescott to include: FMLA administration and tracking, City expert and liaison for ASRS/PSPRS, HIPAA, Long term disability, Yavapai Combined Trust (YCT Health Insurance), Life Insurance, COBRA, Flexible Spending Account, EAP - employee assistance program and other ancillary City benefits. Additionally, this position is taking on new responsibilities for the HRIS system and training component (planning, delivery and reporting). This position involves an extreme amount of employee/dependent contact and employee relations with customer service being a huge factor. The request is to make the current ½ position a full-time position.

Construction Inspector – Engineering

Under general supervision, the Construction Inspector conducts on-site inspections of public works projects to ensure conformance with plans and specifications and resolve issues related to adherence to contract specifications. This position performs a wide variety of paraprofessional duties reviewing plans and specifications and ensuring conformance to City standards and specifications for the construction of public facilities. He/she will ensure all materials conform to current City standards and specifications; reviews as-built drawings for accuracy; conduct inspections of City sewer, water and drainage facilities within right-of-way; schedule inspections and QA testing; follow up on warranty work and coordinate with contractors and City staff. The Inspector inspects both capital improvement and private development projects and assures sufficiency of erosion protection plans.

Construction Project Manager – Engineering

The Construction Project Manager oversees and directs the construction management of capital improvement projects for the City's transportation and utilities infrastructure; ensures that projects are constructed within budget, on schedule and meet or exceed the standard specifications outlined by the contract. Reviews plans and specifications of assigned projects for conformance with all applicable standards and codes and conducts public meetings. Negotiates rights-of-way and easements;

schedules, conducts and coordinates pre-construction meetings with all interested parties and responds to inquiries and complaints from the public. This position prepares recommendations for revisions and improvements to construction plans and specifications. Maintains appropriate records and files, assists in development of projects scope and budget, conducts and participates in professional and public meetings, prepares and presents project overview and updates to the City Council.

Civil Engineer – Engineering

This position will be responsible for: (1) implementation of the Drainage Master Plan; (2) compliance with NPDES Phase II stormwater quality requirements; (3) review of City capital improvement and private development project plans to assure sufficiency of erosion protection, drainage conveyance and retention (including grading and drainage plans); (4) provision of technical support for FEMA floodplain management issues; (5) formulation of land development standards, policies and procedures pertaining to stormwater management; (6) evaluation of and response to public drainage requests and concerns; (7) review of geotech and soils reports; and (8) performance of field inspections to assure compliance with approved plans, the LDC, and standards set forth relating to compaction, slope and erosion control.

Firefighter – Fire Department

Under general supervision, respond to emergency service calls, including fire suppression, auto accidents, medical emergencies, and rescue situations to protect life and property. Firefighter duties include, providing basic life support, deploying hose and associated equipment on fire scenes, extricating victims from vehicles, inspecting apparatus and equipment daily, and station and surrounding general maintenance and cleaning.

Risk Management Technician (.5) – Self-Insurance

This position identifies, analyzes and provides/coordinates training for job related safety practices. Develops, coordinates and implements OSHA compliance (and required OSHA documentation) and safe working conditions through facilities and random field inspections, identification of loss trends and necessary safety programs. The Risk Management Technician provides assistance to Risk Manager and Legal Department in risk management functions, workers compensation claims, as well as claims adjustment and investigation as directed by risk management or legal staff. This request is to make current ½ time position a full-time position.

Deputy Chief of Police – Police Department

This position will create a two-tiered management system within the police department. This will provide for a more succinct span of control within the command structure to better streamline the daily operations and responsibilities. An additional position within the management team will also assist with a workload that surpasses the capacity of the current staff. The projects and personnel within the police department have outgrown the ability of the current management staff positions to be capable of keeping pace with both the internal needs and the community expectations.

Communications Specialist (3.25) – Police Department

The 3.25 Communications Specialist positions are necessary to complete essential duties assigned and keep up with the volume of calls into the Prescott Regional Public Safety Communications Center. This position is necessary to make the Prescott Regional Communications Center a "highly responsive, efficient and effective public safety answering point".

Communications Supervisor (2) – Police Department

Currently, the three communications supervisors can only cover half the normal hours worked by communications specialists, leaving communications personnel assigned between 1200-2400 hours each day unsupervised. This lack of consistent supervision has led to serious personnel issues, inconsistent application of policy, and a lack of effective quality control. Additionally, NFPA Standards and ISO recommend 1-supervisor for every 5-dispatchers' on duty. The addition of two communications shift supervisors will provide 24/7 supervision, add to the minimum shift staffing, and provide consistent monitoring of center operations, employee work habits, and employee performance. These two communications shift supervisor positions will assist in making the Prescott Regional Communications Center a highly responsive, efficient and effective public safety answering point.

Police K-9 Officer – Police Department

The Prescott Police Department has one K-9 unit and this unit has been in high demand since its inception. In conjunction with the City of Prescott growing in size, comes the increase in crime and the need for additional officers and resources. The K-9 unit is able to facilitate the patrol division by offering additional police presence therefore aiding in officer safety. The K-9 unit reduces the amount of time spent on calls. Having another K-9 unit would allow for better training and allow more time to be available for patrol's use. It would allow for added city coverage without over working one K-9 and handler. Having another K-9 means having an additional resource for call-outs and availability to assist patrol.

Police Officer (3) – Police Department

The Prescott community is growing in size every year. In conjunction with the growth of the city comes an increase in crime. The Prescott Police Department superior customer service would increase due to the ability to enhance the proactive patrolling. These officers will also help create another team within the patrol division. With the creation of this team, another patrol schedule could be implemented in order to eliminate the need for the 2.75 hours of overtime currently used by each officer in patrol to satisfy shift coverage needs. This new schedule could increase morale due to increased scheduling flexibility of required training. In addition, ensuring officers are available to provide a high level of customer satisfaction and continued creative approaches towards solving law enforcement problems.

Records Clerk – Police Department

This position is necessary because numerous mandated duties have been added partially due to law/requirements by the State of Arizona (Title 15, NIBRS, validations on-line). The addition of a combined communications center also had an impact on the workload of Records. Many duties that had previously been the responsibility of our dispatchers were given to Records. Clerks had to become TOC certified and handle many of the ACJIS duties, running criminal histories for the City Prosecutor, applicants, sex offenders and handling Silent Witness calls. This is a support division and it has become difficult to timely meet the needs and keep up with the increased workload generated by additional personnel. The state now requires that we check YCSO's AZAFIS fingerprint cards and disposition sheets against our records for accuracy on criminal history information.

Secretary – Public Works

When Utilities were added to Public Works 7-1-03 one (1) Secretary position was abolished. One of the two (2) remaining positions is located at the Water Building on Sundog; the second is the departmental Secretary at N. Virginia Street. With creation of the new Engineering Services Department, this second position now supports two entire departments. On the basis of a workload analysis it has been concluded restoration of the previously deleted position is necessary: (1) the workload exceeds that which can be accomplished by one FTE; (2) temporary staffing services are now used to supplement the one FTE; (3) a new building at N. Virginia Street is required which may relocate the incumbent; (4) the aggressive \$300 million water capital program and similar sewer program now being defined will dramatically increase workload, and activity at the front office interface.

Assistant Public Works Director – Public Works

City long term utilities and transportation capital infrastructure needs, both for existing systems and new growth, have been estimated in the range of \$500 - \$750 million. For water operations, maintenance, and system expansion alone, water rates and fees were revised in 2006 based upon a \$319 million capital improvement program over the next 10-15 years. Similar wastewater and transportation capital programs are anticipated to be identified and programmed for implementation during the next 1-2 years based upon the Sewer Model now being completed, and CYMPO 2030 Regional Transportation Plan. Two (2) project managers have been requested for the water system capital program in FY 07, and will require communication and support on various high level issues involving projects finance, design, construction, operation, and regulatory/intergovernmental aspects. Position is required to achieve water and sewer extension, POR/GD Ranches annexation, and other Council Goals.

Engineering Technician – Public Works

Under general supervision of the City Utilities Engineer, performs a variety of technical level work in two principal areas: (1) responds to citizen and development community inquiries regarding obtaining City water and wastewater services and associated engineering; and (2) coordinates requests for, availability

determinations, accounting, and reporting of resources in the City's water portfolio with the Water Resources Management Division of Public Works. Provides maps and drawings for engineers and project managers in the Utilities Division; works with Auto-cad and GIS layers and files inputting, outputting, and interpreting water and wastewater information.

Project Manager (2) – Public Works

These positions will perform high-level professional project management for implementation of the comprehensive Water Capital Improvement Program. They will initiate, negotiate, prepares, and administer contracts for the design and construction of complex City utilities projects. Formulate and maintain ownership of project budgets, schedules, and status reports. Present briefings and updates to the City Council, Public Works, other City departments, and citizens groups; initiate effective public information and involvement strategies and resolves project impacts. Prepare documents providing cost estimates, construction phasing alternatives, and analysis of contract design, construction, and budgetary issues.

Accounting Clerk – Public Works

This position will input and track information in the Wastewater component of the Utilities Division Maintenance Management System (MMS). They will field customer service calls received by Wastewater Collection and Treatment; create work orders for scheduled activities with completion and documentation of work performed, materials and equipment used for tracking with the MMS; assist in reporting requirements for ADEQ permits; perform data entry for the Pretreatment Program; assist in the administration of sludge service contract to assure compliance; maintain office files and records; requisition supplies, services and equipment; and assist in preparing specifications for material, equipment and services.

Custodian (.5) – Parks, Recreation & Library

There will be a 60% increase in floor space of the downtown library when the expansion and renovation is completed. Five additional restrooms will need to be cleaned and maintained. Anecdotal evidence indicates that a new or renovated library results in an increase in use beyond what can be expected with normal growth. Before the temporary relocation of the library, the downtown library restrooms were only cleaned once a day, no cleaning was done on Sundays and the existing maintenance staff had little or no time to clean the Prescott ConneXion. Since the Prescott Public Library is a very visible arm of the city to both citizens and visitors it is important that it be presented in the best light possible. This request is to increase a ½ time custodian to a full-time employee.

Library Assistant (1.5) – Parks, Recreation & Library

The Library Assistant performs a variety of routine library and clerical duties. Issues library cards to new patrons, renews cards and updates patron information. Provides a variety of services to patrons at Circulation Desk; checks books and other library materials out to patrons using the automated library computer system; holds items requested by patrons and contacts patrons about availability; checks in returned items from book drops, processing through check-in machine and onto shelving carts; processes from book drops, processes books and other materials for circulation through the Yavapai Library Network.

Librarian (.5) – Parks, Recreation & Library

Use of the library continues to increase with the increasing population of the area. The library expansion will add 14000 sq. ft., a 60% increase over the former facility. Anecdotal data indicates that a library expansion will result not only in increased visitation, but also in higher citizen expectations. Current staff works to capacity. Increased usage and demand from the public will require additional resources to maintain current service levels and provide superior customer service. Increased library usage and off-desk time required for reference staff to fulfill their adult services responsibilities mean additional resources will be necessary to meet our goals. Reference staffing has decreased over the past year due to the need to shift one staff member to work full time with the library's staff and public access computers. This request will change a part-time Librarian to a full-time employee.

Library Specialist – Parks, Recreation & Library

Under direction of the Youth Services Librarian, this position will perform specialized clerical and paraprofessional duties in the Library's Youth Services Department. The Youth Services library specialist may assist patrons in use of the Children's Room; provide on-line catalog and searching assistance to younger patrons with respect and enthusiasm; process youth materials; shelve and straighten collections; prepare and lead weekly story times and/or craft times; participate in the planning and promotion of programming within the department; function in an on-line environment with hardware/software competence; assist patrons in an electronic environment; care for and feed pets; and carry out other related duties as assigned.

Equipment Operator (2) – Solid Waste Department

The sanitation division currently has over 17,000 residential accounts and 1100 commercial accounts. Industry standards suggest a residential driver should pick up no more than 800 cans in one eight-hour shift, we are currently averaging 914 per driver per shift. This is not only stressful for the driver but also is a strain on our equipment. Over the last three years, the city has issued 1800 new residential permits and 174 commercial permits. In terms of pickups, this equates to three days. In addition to this, calls for service (broken cans, replacement cans, new deliveries, missed pickups, etc) have been averaging 500 per month, or 20 calls for service per day, six days a week. The two new equipment operators should help alleviate the workload on the other employees.

The City's staffing level now stands at 565.25 regular employees and 62.40 seasonal/temporary employees. This total includes the Assistant City Manager who is not funded during FY2007. Also included in the total are the seven Mayor and Council positions.

For an easy reference to determine which departments had changes in funded positions, please see the following chart.

Regular Staff Employees

	FY05	FY06	FY07
General Government	35.10	35.75	36.25
Budget/Finance	22.00	22.00	23.00
Administrative Services	4.50	3.80	5.25
Community Development + Grants	26.50	26.50	29.50
Parks, Recreation & Library	54.50	56.50	59.50
Police Department + Grants	110.25	122.75	134.00
Fire Department + Grants	74.00	74.00	75.00
Total General Fund + Grants	326.85	341.30	362.50
Central Garage	8.20	9.20	10.25
Self Insurance	1.90	1.50	2.00
Facilities Maintenance	3.55	5.20	6.40
Engineering	24.50	24.60	22.10
Total Internal Service Funds	38.15	40.50	40.75
Water Department	33.67	35.50	40.33
Wastewater Department	28.50	29.50	31.97
Solid Waste	16.13	16.00	18.00
Transfer Station	6.20	6.40	6.40
Airport Operations	10.00	9.20	9.00
Golf Course	17.00	17.00	17.00
Parking Garage	-	1.10	0.10
Total Enterprise Funds	111.50	114.70	122.80
Streets (HURF)	33.50	34.50	39.20
Total Regular Staff Positions	510.00	531.00	565.25

The City has continued its partnership with Yavapai College, Yavapai County, and the town of Chino Valley in the self-insured employee and dependent health insurance program known as the Yavapai Combined Trust. This partnership has enabled each of our organizations to keep employee benefit costs at a more affordable level compared with purchasing insurance in the private market. Nevertheless, due to rising medical costs, it was necessary to include a 2% increase for premiums in the FY2006-2007. Additionally, as part of its employee compensation and benefit package, the City will maintain the subsidy toward dependent insurance coverage with the Trust at 35% of the cost of dependent health insurance purchased outside the Yavapai Combined Trust for those employees enrolled as of June 30, 2002. New enrollment for this benefit was discontinued as of July 1, 2002.

Capital Investments to Maintain Quality Basic Services:

With a few modifications, the capital investments included in the FY2006-2007 budget are part of the Five-Year Capital Improvement Plan adopted during the FY2005-2006 budget process.

Water Fund

The major funding allocation in the Water Fund is \$11,925,618 for consulting, pilot testing, and installation of a treatment plant to address the new arsenic rule instituted by the Environmental Protection Agency that went into effect January 23, 2006.

Other notable projects in the Water Fund include:

- \$8,150,000 for the design of a pipeline, reservoirs, wells and related infrastructure to deliver water from the Big Chino Ranch that was purchased during FY2005.
- Funding for water improvements and upgrades as part of the Copper Basin Road (\$1,600,000) and Iron Springs Road (\$1,500,000) street projects.

- \$1,765,000 for the Recovery Wells at the Airport Recharge Facility

Each year the City plans several ongoing capital projects such as replacement of undersized water service lines, the small reservoir maintenance program, meter replacement program, fire hydrant upgrades along with miscellaneous equipment replacements.

Wastewater Fund

Within the Wastewater Fund, the largest allocations are the improvements made as part of the Iron Springs Road street project (\$1,580,000) and the North Prescott Regional Force Main project (\$1,495,000). Funding for additional wastewater main replacements/improvements necessitated by street projects is included in this fund.

Like the Water Department, the Wastewater Department each year plans several ongoing capital projects such as recharge cell cleaning at the Wastewater Treatment Plant, lift station rehabilitation, manhole rehabilitation, etc. Equipment purchases are minimal and include a forklift (\$25,000), an equipment trailer (\$6,000), and a portion of the Project Manager vehicle (\$5,250).

Solid Waste Fund

There are no capital expenditures anticipated during FY2007 for this fund. Replacement vehicles are budgeted to be replaced out of the Vehicle Replacement Fund.

Transfer Station

\$750,000 has been budgeted in this fund for the expansion of the Transfer Station. The current facility is at capacity and could create a safety risk to our customers should transactions increase. An additional \$100,000 is included for a One-Day Hazardous Material Disposal Day to be held at the Transfer Station.

Airport Fund

Infrastructure projects totaling over \$1.0 million are grant funded for FY2006-2007 with the City's share of these grants being \$39,526.

Golf Course

No specific capital outlay and projects were provided for in the FY2006-2007 budget.

Parking Garage

There are no anticipated capital purchases for FY2006-2007.

Streets

Street maintenance operations continue to be funded at a level of \$4.7 million. Maintenance operations include snow removal, striping (in-house and contractual), signage, signal maintenance, installation of new street lights including maintenance through Arizona Public Service, drainage improvements, brush and weed removal, crack sealing, pothole patching, unpaved road grading, and electricity for the street light system and traffic signals.

1% Tax – Streets and Open Space Fund

Included in the FY2006-2007 budget is \$5.8 million for potential open space purposes. Also in this fund is over \$25.0 million in street projects such as construction of the Iron Springs Road project (\$5,000,000), Copper Basin Road construction (\$3,500,000), and Williamson Valley Road Widening project (\$2,757,000). Additional funding will be requested for these projects in subsequent years.

General Fund

These are the departments/divisions providing basic services (administration, city court, legal department, parks programs and maintenance, library services, building inspection, planning and zoning, economic development, police, fire, etc.). All have been funded to provide quality service at the levels currently offered to Prescott residents.

Notable capital outlay in the General Fund for FY2006-2007 includes: \$145,000 for a document management system and several new police vehicles.

Future Issues:

While the city's progress has been exciting, certain challenges still exist. As we undertook the task of developing the 2007 budget, we recognized the following issues confronting the city.

- ✓ Increasing traffic demands create problems which need regional solutions. However, the City must look to itself to solve local transportation issues, such as the Iron Springs Road and Copper Basin Road projects, and the pavement preservation program. This year's budget will fund the formulation of the 2030 Transportation Plan. This plan will provide the basis for developing a regional transportation system to accommodate growth.
- ✓ Water is a limited resource. We must be diligent in our efforts to conserve water as well as educate the public on consumption patterns. Many projects in this budget are designed to better manage our water, such as water meter replacements, new force mains and transmission lines, reservoir rehabilitation and upgrading booster stations. The leak detection program will survey miles of underground water facilities, pinpointing leaks that are not detectable on the surface. These leaks would in turn be repaired, saving city water.
- ✓ Prescott will grow. We need to manage and direct growth in order to continue to provide for a balanced community. This year's budget includes funds to complete a Planned Growth Strategy. The Strategy will analyze all facets of anticipated development in order to accurately project corresponding future transportation and utility needs.
- ✓ Prescott is in competition with other cities for tourism, retail and sales tax revenue and employees. We cannot lose sight of this challenge. Continued strong economic development is vital to Prescott's continued financial stability. Determining the feasibility of specific venues in Prescott will be explored this year, including a convention center and a baseball stadium. Funds are also set aside to partner with the Arizona Department of Tourism on economic projects.
- ✓ City services and service levels will require additional resources. Citizen expectations and populations continue to increase. These increases cause a greater demand for employees, services and maintenance costs. Several projects designed to address this situation are in the FY-07 budget. Funding for an expansion of the Prescott ConneXion would provide for an 80% increase in square footage and allow the City to fill the need for library services in east Prescott. Funding for a one-day on-site collection of household hazardous waste material have been budgeted. Costs will be shared by the Transfer Station, General, Sanitation, and Wastewater Funds, as well as the surrounding communities and Yavapai County. The City will complete installation of integrated software system that includes Human Resources, Payroll, Time and Attendance, and Employee self-service packages. The system should help all involved work together.

Community Profiles

History

Prescott was founded in 1863 and incorporated in 1883. During the late 1800s, Prescott twice served as the territorial capital, and the Governor's Mansion is now preserved at the Sharlot Hall Museum.

In 1864, the town site of Prescott was surveyed and laid out along Granite Creek where gold had been panned. The town was designated the capital of the new territory of Arizona after Arizona was separated from New Mexico. President Lincoln wanted the territorial capital in the northern part of the territory, far away from the Confederate sympathizing cities to the south.

Lincoln also decided to populate this new capital with Northerners and Mid-westerners and this decision resulted in Prescott being the most Mid-western looking city in Arizona. Victorian homes and peaked roof homes were built, a far cry from the adobe structures that were more common in the Southwest.

The early economy of the area centered on cattle ranching and mining. In July of 1900, a fire destroyed much of Prescott's commercial district. Within hours, make-shift shelters were erected on the Courthouse Plaza and business began rebuilding. Following the fire, most buildings in the downtown area were reconstructed of brick, providing today's rich architectural heritage.

Dubbed "Everybody's Hometown", Prescott is culturally diverse from its downtown Courthouse Plaza, famous Whiskey row, preservation emphasis with 711 buildings on the National Register of Historic Places, World's Oldest Rodeo, Prescott Fine Arts Association, Sharlott Hall Museum, Phippen Art Museum, Folk Arts Fair, Frontier Days, and Territorial Days to its official designation by the State of Arizona as "Arizona's Christmas City".

Location

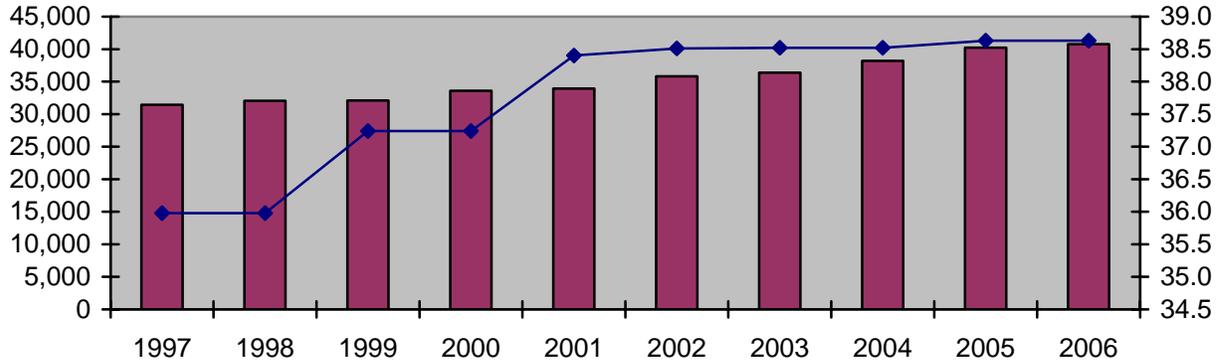
Located in the mountains of north central Arizona approximately 90 miles northwest of Phoenix and 90 miles southwest of Flagstaff, the City borders the Prescott National Forest to the south and west. The average elevation is 5,400 feet. The local climate is mild, with average high temperatures ranging from fifty degrees to ninety degrees F and the average precipitation recorded at 19.8 inches, most of which is rain. Prescott and the nearby towns of Chino Valley, Prescott Valley and the newly incorporated Dewey-Humboldt form what is known locally as the Quad-City area.

City Government

The council-manager form of government was adopted in 1958. The Mayor is elected on a nonpartisan ballot to represent the entire City for a two-year term. The six members of Council are elected at large for four year terms on a nonpartisan ballot. Three of the six positions and the Mayor's position are up for reelection at the same time. Under the provisions of the City Charter, the Council appoints a City Manager who is responsible for carrying out its established policies and administering operations.

Demographics

The City of Prescott is the largest city in Yavapai County and the base of county government operations.



Population and Area				
Year	Population	Population		
		Yavapai County	as % of County	Land Area
1997	31,428	151,924	20.7%	35.98 square miles
1998	32,037	157,686	20.3%	35.98 square miles
1999	32,086	162,943	19.7%	37.24 square miles
2000	33,581	167,517	20.0%	37.24 square miles
2001	33,938	173,743	19.5%	38.40 square miles
2002	35,815	179,138	20.0%	38.51 square miles
2003	36,375	184,576	19.7%	38.52 square miles
2004	38,180	190,628	20.0%	38.52 square miles
2005	40,225	196,760	20.4%	38.63 square miles
2006	40,770	205,105	19.9%	38.72 square miles

Racial/Ethnic Composition, 2006 Est	
White, Non-Hispanic	85.70%
Hispanic	10.83%
Black	0.30%
Other	3.17%

Population by Sex, 2006 Est	
Male	49.13%
Female	50.87%

Population by Age, 2006 Est	
Under 5	5.39%
5-9	5.71%
10-14	6.44%
15-19	8.31%
20-24	4.77%
25-34	10.63%
35-44	11.49%
45-54	6.88%
55-59	6.97%
60-64	6.70%
65-74	6.74%
75 and Over	19.97%

Households by Income, 2006 Est	
\$250,000 or more	2.36%
150,000 to 249,999	2.43%
100,000 to 149,999	7.21%
75,000 to 99,999	8.88%
50,000 to 74,999	18.14%
35,000 to 49,999	18.60%
25,000 to 34,999	14.69%
15,000 to 24,999	14.69%
under 14,999	12.90%

Average Income	\$ 55,109
Median Income	\$ 40,242
Per Capita Income	\$ 22,964

Economy

Although small in population, 40,770, the City is not dependent on any one company or industry for economic vitality. The region is diverse in nature and benefits from the following industries who are the major employers in the City of Prescott:

Major Employers	
(Based on number of full-time equivalent positions)	
Yavapai County	1,739
Yavapai Regional Medical Center	1,599
Prescott Unified School District	808
Wal-Mart Stores	775
Veteran's Administration Medical Center	682
City of Prescott	510
State of Arizona	440
Yavapai College	410
Embry Riddle Aeronautical University	383
Fry's Food & Drug	359
Fann Contracting	279

Personal Income (thousands of dollars) (Yavapai County - Calendar Year)	
1997	2,640,465
1998	2,859,137
1999	3,099,004
2000	3,214,577
2001	3,443,871
2002	3,713,436
2003	3,927,080
2004	4,425,695
2005	N/A

Annual Unemployment Rate (Yavapai County - Calendar Year)	
1997	4.8%
1998	4.0%
1999	3.3%
2000	3.4%
2001	2.8%
2002	3.0%
2003	3.7%
2004	3.3%
2005	2.9%

Per Capita Personal Income	
1997	\$18,034
1998	18,820
1999	19,653
2000	19,728
2001	20,383
2002	21,379
2003	21,936
2004	23,203
2005	N/A

School Enrollment	
1997	5,195
1998	5,242
1999	5,149
2000	5,046
2001	5,049
2002	5,031
2003	5,000
2004	5,113
2005	5,242

Financial

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
Total Operating Budget (000s)	\$ 44,230	\$ 46,694	\$ 57,338	\$ 66,356	\$ 70,730
Total Regular Employees (Note 1)	482.675	485.425	509.375	530.000	565.25
Total Employees per 1000	13.81	12.94	12.91	13.18	13.86
Assessed Valuation (000s)	340,963	384,740	419,846	466,996	517,402
Property Tax Rate	0.7205	0.6487	0.6146	0.5658	0.5275
City Prop Tax Paid Per Capita	\$ 72.25	\$ 69.40	\$ 68.07	\$ 68.25	\$ 69.55
City Sales Tax Rate	2%	2%	2%	2%	2%
City Sales Tax Paid Per Capital	\$ 277.94	\$ 304.34	\$ 317.47	\$ 349.32	\$ 358.32

Note: Regular employees does not include part-time temporary or seasonal employees.

City Services

Neighborhood Resources

Parks	24
Playgrounds	7
Golf Courses	2
Other Recreational Facilities	11
Open Space (acres)	10
Libraries	1
Circulation of Library Materials	723,141

Public Safety

Police Employees	134.25
Calls for Services	36,671
Part 1 Crimes	2,088
Part 2 Crimes	3,856
Fire Stations	5
Fire Employees	75
Responses	7,007
Inspections	1,620

Building Inspections

Number of Permits Issued	2,135
Value of Permits (in millions)	184

Transportation

Total Miles of Streets (paved miles)	222
Potholes Repaired	7,493

Refuse Collection

Household Accounts	16,974
Commercial Accounts	1,532
Refuse Collected (tons)	34,986

Transfer Station

Transactions Per Year	84,826
Tons Per Year	70,905

Airport (Calendar Year 2005)

Passenger Aircraft Landings	1,576
Passengers	10,363
FAA Traffic Count	237,990

City of Prescott Water

Miles of Water Mains	452.5
Number of Connections	21,143
Millions of Gallons of Potable Water Storage Capacity	25.641
Acre Feet of Potable Water Delivered Annually	8,437

City of Prescott Wastewater

Miles of Wastewater Lines	344.7
Number of Connections	16,696

FY2006-07 Budget Process, Budget Amendments and Basis of Presentation

Each year, using a modified zero-based budgeting process, the City of Prescott's budget is developed by the Budget and Finance Department in conjunction with the individual departments, the City Manager, the Mayor and Council, citizen advisory groups, and general citizen input.

FY2006-07 Budget Calendar	
January 13-14	Held Council Retreat on Goals and Objectives
January	Provided Departments/Divisions with Budget Preparation Manual for FY2006-07.
April 17 - April 28	Review of base budgets, capital, new personnel, and issued by Manager, Budget Department, and each Department
May 24	Budget presented to full council and public at a workshop.
June 13	Council adopted tentative budget and set June 27 as date for public hearing on final budget, expenditure limitation, and tax levy
June 18 and 25	Published tentative budget and public hearing notice.
June 27	Public hearing on final budget, Council adoption of final budget and five year capital improvement program, and establishment of expenditure limitation.
July 11	Council adopted property tax levy ordinance.

The Budget and Finance Department produced a new Budget Preparation Manual in January to assist department/division heads, supervisors, and budget coordinators in developing and entering their FY2007 budgets. Along with the FY2007 budget preparation detail, forms, instructions, and information regarding the preparation of the Five-Year Capital Improvement Program (2008-2012) were provided to all department heads at this time.

Base budgets (the costs associated with providing current levels of service for the following year) were submitted by the departments electronically by March 3 to the Budget and Finance Department. The deadline for decision packages (requests for new positions, capital equipment or new programs not submitted in the Five-Year Capital Plan) was March 22. Payroll forecasts were entered by the Budget and Finance Department. Input was provided by the departments concerning temporary/seasonal employment needs as well as overtime requirements. Lists of capital outlay and projects budgeted for in FY2006 but not expected to be received or completed by June 30, 2006, were needed to determine estimated expenditures in FY2006 and the carry forward amounts for FY2007.

Meetings with each department, the City Manager, and the Budget and Finance Department for the purpose of internal review of bases, additional decision packages, and any issues that may affect the budget were held during the weeks of April 17 through April 28. During these meetings the Capital Improvement Plan issues were also discussed and any reductions or movement from year to year was determined.

After these meetings were completed, a proposed balanced budget was prepared for submittal to the full Council and public at workshops held on May 24, 2006.

Expenditure Limit Hearing: The City currently operates under the Home Rule Option which has been approved by the voters. As part of that process, a public hearing is mandatory. At the Council meeting of June 13, 2006, the hearing date was set for June 27, 2006.

Tentative Adoption: On June 13, 2006, Council adopted the tentative budget and set June 27, 2006, as the date for the public hearing on the final budget, expenditure limitation, and tax levy for fiscal year 2007. Upon tentative adoption, the budget becomes the City Council's program of services for the ensuing fiscal year. The Council may later reduce or adjust the budget; however, the total may not be increased.

Final Budget Adoption, Adoption of the Five-Year Capital Improvement Plan, and establishment of Expenditure Limitation: On June 27, 2006, the final budget and the five-year capital improvement plan were adopted and the expenditure limitation was established (Resolution 3764).

Property Tax Levy: Adoption of the property tax levy ordinance follows fourteen days later, or July 11, 2006, in accordance with State Law.

AMENDING THE BUDGET

Control of each legally adopted annual budget, according to City Charter, is at the department level. The City Manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditure (line items) within an office, department or agency. The City Manager generally gives authority to department heads to exceed one line item as long as other line items are reduced by a like amount. These arrangements are usually made directly between the requesting department and the Budget and Finance Department.

At the request of the City Manager, the Council may transfer any unencumbered appropriation balance or portion thereof between one office, department or agency to another.

Pursuant to Arizona Revised Statutes, "No expenditure shall be made for a purpose not included in such budget. . ." Thus a Council Contingency is included within the General fund to accommodate most unplanned expenditures. The other option in amending the budget, according to state law, is for the Council to declare an emergency and then transfer the monies from one project to another. In essence, any approved Council transfers do amend the budget although the budget is never reprinted. All transfers are reflected on the following year's legal schedules as required by the Auditor General's Office.

BUDGET BASIS

The City of Prescott budget as adopted is substantially consistent with generally accepted accounting principles (GAAP) with major differences being (1) encumbrances are treated as expenditures at fiscal year end; (2) certain liabilities, such as vacation and sick pay, are not accrued at year end for budget purposes; (3) interest expense has been accrued for GAAP in some general fund departments, but not expenses in the budget comparisons; (4) depreciation is not budgeted as an expenditure in budgetary accounting; and (5) capital outlay is an expenditure in budgetary accounting and an asset in GAAP.

BASIS OF PRESENTATION – FUND ACCOUNTING

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City of Prescott uses the following funds in its budget process:

The **GENERAL FUND** is established for the revenue and expenditures necessary to carry out basic governmental activities of the City such as police protection, recreation, planning, legal services, administrative services, etc. General Fund expenditures are made primarily for current day-to-day operating expenses and operating equipment. Capital expenditures for large-scale public improvements, such as parks or streets, are accounted for elsewhere in the Special Revenue Funds, Capital Project Funds, Enterprise Funds or Expendable Trust Funds.

SPECIAL REVENUE FUNDS are used to account for revenues derived from specific taxes or other earmarked revenue sources. These funds are usually required by statute, charter provision or ordinance to finance particular functions or activities. The Special Revenue funds listed below are used by the City of Prescott.

Highway Users Fund – This fund is used to account for the operation of the Street Department. Financing is provided by the City's share of State gasoline taxes. State law requires these gasoline taxes to be used to maintain or construct streets.

Streets and Open Space – 1% Additional Tax – In September, 1995, the voters approved increasing the sales tax rate from 1.0% to 2.0% for the purpose of street repairs and improvements for a ten year period effective January 1, 1996. In May, 2000, the voters expanded the use of the funds to include open space acquisitions and extended the sunset to January 1, 2016. The accumulation and expenditure of these funds are accounted for in this area.

Transient Occupancy Tax Fund – In 1987 the voters established a two percent (2.0%) transient occupancy (hotel/bed) tax. By ballot provision, these revenues can only be used for tourism promotion and development of recreational facilities.

Grants Funds – This represents a group of funds which expend grant monies received for various projects. Grant funds must be used for the stated purpose of the grant and must meet grantor expenditure guidelines.

Impact Fee Fund – This fund represents a group of accounts which expend impact fees received to offset the cost of growth related projects.

Capital Improvement Fund – This fund, established by Council policy, receives revenues from the sale of unrestricted municipal property and transfers of General Fund unobligated reserves for the purpose of general capital improvements for infrastructure improvements, special capital projects as approved by Council or improvements to existing City facilities.

CAPITAL PROJECTS FUNDS are established to account for the purchase or construction of major capital facilities other than those financed by Proprietary Funds or Trust Funds.

DEBT SERVICE FUNDS are established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City of Prescott's Debt Service Fund was established during FY1999 to pay for the principal and interest of general obligation debt for the police station construction and the Watson and Willow Lakes water rights and land purchase as well as improvement district bond payments.

ENTERPRISE FUNDS are established to account for operations that (1) are financed and operated in a manner similar to private business operations where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City of Prescott has seven enterprise funds as follows:

Water Fund – To account for the provision of water services to the residents of the City and some residents of the County. All activities necessary to provide for water services are accounted for in this fund.

Wastewater Fund – Previously this fund was combined with the Water Fund. However, beginning in FY94 this fund accounts for the provision of wastewater services to the residents of the City. All activities necessary to provide for sewer services are accounted for in this fund.

Golf Course Fund – To account for the provision of year-around golf to the residents of the City, county and visitors to the area. Beginning in FY94, the Golf Course was established as a separate department. Prior to FY94 the Golf Course was under direction of Recreation Services.

Airport Fund – To account for the provision of airport services to the general aviation and commercial flying public. Services include fueling, hangar and tie down rentals, etc.

Solid Waste Fund – To account for sanitation, landfill, and recycling services provided to City and County residents. All activities necessary to provide these services are accounted for in this fund. Since April of 1994, only fill materials have been accepted at the City's landfill.

Transfer Station Fund – To account for the operations of the City's transfer station. This facility was opened in September, 1991 and all activities necessary to provide this service are accounted for in this fund.

Parking Garage Fund – To account for the operations of the City's parking garage. This facility was opened in June, 2005 and all activities necessary to maintain and operating the parking garage facility are accounted for in this fund.

EXPENDABLE TRUST FUNDS are used to account for assets held by a government unit in a trustee capacity for others. Expendable trust funds are those whose principal and income may be expended in the course of their designated operations. The City of Prescott maintains the Acker Trust Fund to account for assets willed to the City of Prescott by J.S. Acker. Revenue from investments and land sales are to be expended for cultural and recreational purposes only.

The City also maintains a Miscellaneous Gifts Trust Fund as expendable trust funds.

INTERNAL SERVICE FUNDS are used to account for services and commodities furnished by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's Central Garage, Engineering Services, Self-Insurance Fund, and Facilities Maintenance Fund are operated as Internal Service Funds.

General Budget, Debt & Investment Policies

Budget Policy

Background

The focus of the City of Prescott's budget policy is the process by which a budget is formulated from departmental requests to the Mayor and Council adoption, including the adoption of the Five-Year Capital Improvement Plan and other issues presented to the Mayor and Council during the budget process.

A budget policy addresses the authorization levels for the approval of the annual budget and all budget adjustments for revenues and expenditures of all funds.

Standards

Generally accepted accounting principles (GAAP)
Government Finance Officers Association's (GFOA) Criteria for Distinguished Budget Award
Constitution of the State of Arizona
Arizona Revised Statutes (ARS)
Prescott City Code
City of Prescott Charter

Fund Reserves

Sound financial policy requires the establishment of appropriate fund balance levels to maintain adequate cash flow and a reserve to cover unanticipated expenditures and revenue shortfalls.

The following General Fund balances will be maintained through the budgeting process:

- Reserve of amounts for inventories, advances to other funds, or other amounts unavailable for appropriation.
- Designation of amounts re-appropriated from unencumbered balances for the completion of projects in subsequent periods.
- An unreserved and undesignated balance equal to 20% of the Fund's operating revenues: 10% to be used for the cash flow need due to timing differences between receipts and disbursements during the fiscal year and 10% that can only be used with approval of the City Council to cover unanticipated expenditure and revenue shortfalls.

All other fund equities will be maintained to meet the objectives of the fund.

Budget Objectives

The Mayor and Council of the City of Prescott annually set priorities for the City and the budget objectives will be consistent with such priorities.

The budget objectives will provide policy direction for the formulation of the City of Prescott's proposed budget and the budget schedule will identify important dates throughout the budget preparation and adoption period.

The following issues shall be considered in the development of budget objectives:

- Adoption of budget and five-year capital improvement program
- Anticipated property tax rate levels
- Provision of employee compensation including pay for performance bonuses for City employees and market sensitive salary benchmark adjustments that will ensure that the City continues to retain and attract outstanding employees. The dependent health insurance subsidy shall be equal to thirty-five percent (35%) of the cost of the dependent health insurance of the "Preferred

Plan” if purchased within the Yavapai Combined Trust. The City will continue to provide a monthly subsidy of \$45.00 towards the cost of dependent health insurance purchased outside of the Yavapai Combined Trust for those employees enrolled as of June 30, 2002. Enrollment for this benefit will be discontinued as of July 1, 2002. This subsidy shall be funded as part of the base budget.

- Compliance with financial policies and maintenance of bond ratings.

The following items will be considered in conjunction with the budget preparation and adoption process unless it has been determined that the issues must be considered in a more expeditious manner.

- Ordinance changes involving fee/rate changes
- New positions or changes involving fee/rate changes
- Requests for long-term financing

The operating budget will be balanced with current revenues along with beginning fund balances less required reserves as established by City Council, greater than or equal to current expenditures.

In order to present the full cost of providing goods and services, it is necessary that all indirect costs be allocated to the service levels. General fund internal support and administrative costs will be allocated to the Enterprise Funds, Internal Service Funds, and Special Revenue Funds that benefit from the services being provided. The City’s cost allocation plan will be maintained in accordance with generally accepted accounting principles for governmental organizations. The internal support and administrative systems below will be allocated based on the following factors:

- A method that allocates costs in proportion to the support or benefit received
- A method that is clearly understood and easy to explain
- A measure that is readily available and easy to apply

General Fund Function	Allocation Basis
City Council	Total City budget
City Clerk	Total City budget
City Manager	Total City budget
City Attorney	Total City budget
Purchasing	Total City budget
Budget and Finance	Total City budget
Human Resources	Full-time equivalent employees in each fund
Information Technology	Number of computers in each division

Five-Year Capital Improvement Program (CIP)

CIP is a program for capital expenditures and a means of funding facilities, projects, equipment and vehicles with a unit cost greater than \$5,000 during the next five fiscal years.

The operating impact of proposed capital projects, including personnel, operating expenditures, capital outlay and debt service, as applicable, will be identified in the CIP document and considered in preparing the Five-Year Capital Improvement Program.

Financing of capital expenditures from available funds, pay-as-you-go-funding, is the least costly and most desirable method to cover capital expenditure. Every effort will be made in the CIP to accumulate funds to allow this method of funding.

Necessary capital expenditures, which are unable to be funded from available resources, will follow financing options and methods outlined in the Debt Management Policy.

Utility projects will be primarily funded by user fees as resources are available.

The program will identify all major budget assumptions, including the anticipated collection of revenues, use of fund balance, expenditures, future operating costs of capital improvements and proposed changes in services levels and fees.

The program will clearly illustrate proposed service levels and the means to finance such service levels over the five-year period.

Compliance with debt and fund balance policies shall be maintained for each year of the program.

The funding of on-going programs with nonrecurring revenues will need to be supplanted with on-going revenues and/or corresponding decrease in another on-going expenditure as identified in the five-year capital improvement program in order for on-going programs to continue.

Budget Preparation

The Finance Department and City Manager will establish a budget schedule by December 1 that will include important dates throughout the budget preparation period.

All departments will submit their budget requests to the Finance Department in accordance with the budget preparation schedule. Budget requests will include, but not be limited to, detail as to personnel, operating and capital requests, including five-year capital improvement program requests and performance measures.

The Planning and Zoning Commission shall review the City Manager's Proposed Five-year Capital Improvement Program (CIP).

Public workshops on the budget, CIP, ordinance changes and property tax rates shall be held in accordance with the budget calendar.

A public hearing on Expenditure Limitation and tentative adoption of the budget will occur on or before the third Monday in July. Mayor and Council will convene to adopt tentative budget and Expenditure Limitation.

Tentative budget and public hearing notices along with a notice of final budget adoption meeting shall be advertised once a week for two consecutive weeks following the adoption of the tentative budget.

If the proposed primary tax levy, excluding amounts attributable to new construction, is greater than the amount levied by the City the previous year, notification of the public hearing will be published. The following requirements will be met:

- The notice has to be published twice in a newspaper of general circulation in the city. The first publication shall be at least fourteen but no more than twenty days before the date on which the proposed levy will be discussed. The second publication must be at least seven but not more than ten days before the hearing.
- The notice must be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.
- The headline of the notice must read "Truth in Taxation Hearing – Notification of Tax Increase" in at least 18-point type and the text must be in substantially the same form as the statute.
- In lieu of publishing the notice, the City has the option of mailing the notice to all registered voters in the city at least ten but not more than twenty days before the hearing on the proposed levy.

A public hearing on budget adoption and property tax levy will occur on or before the 7th day before the tax levy is adopted.

Adoption of property tax levy will occur on or before the third Monday in August.

Budget Adoption

Following the public hearing on final budget adoption, Mayor and Council will convene to adopt the Final Budget and Five-Year Capital Improvement Program.

The budget is legally enacted through adoption of an appropriations resolution for all governmental and proprietary fund types, which places legal restrictions on expenditures at the department level.

For all funds, the level of control is at the department level as established by the City of Prescott Charter.

Although legal limits on expenditures are established at the department level, effective administrative control over expenditures is maintained through the establishment of a more detailed line-item budget.

At all times, the City will maintain compliance with the Arizona Revised Statutes in appropriating, advertising public notices, ordinance changes, requests for bond financing and any other legal restrictions imposed upon localities.

All appropriations and encumbrances unexpended at year-end lapse and are not available in the following year. Included with the budget resolutions is approval for the reappropriation of all encumbered balances.

As part of the adopted budget, all ordinance changes and other budgetary issues requiring Mayor and Council approval will be presented to the Mayor and Council for consideration.

All new positions and reclassifications approved in the budget will be effective July 1 of the new fiscal year unless presented differently to the Mayor and Council.

The Adopted Budget Document will be forwarded to the Government Finance Officers Association (GFOA) and other interested parties within 90 days of budget adoption for the Distinguished Budget Award program.

Budget Amendments

The City Manager may transfer any unencumbered appropriation between divisions within a department. Council will be notified of this transaction. Only the Council may transfer any unencumbered appropriation balance or portion thereof from one department to another.

If fund deficits are anticipated within a fiscal year recommended spending reductions will be proposed by the City Manager and presented to the Mayor and Council during the fiscal year, in a timely manner, in order to sufficiently offset the deficit.

Budgetary Accounting

Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) with the major differences being:

- Accrued compensated absences are not recognized as expenditures for budgetary purposes.
- Capital outlays for Proprietary Funds are treated as expenditures.
- Debt service principal payments are treated as expenditures for Proprietary funds.
- Capital grants in Enterprise Funds are budgeted as revenue.
- Depreciation is not budgeted as an expenditure.

Debt Policy

Background

A debt policy addresses the level of indebtedness the City of Prescott can reasonably expect to incur without jeopardizing its existing financial position and to ensure the efficient and effective operation of the City.

The debt policy shall conform to Federal and State Regulations.

A debt policy also addresses the purposes for the types of debt that will be issued.

The debt policy is to be used in conjunction with the Adopted Budget, the Capital Improvement Program and other financial policies as directed by Mayor and Council.

Planning and Performance

The planning, issuance and review of outstanding and proposed debt issuances will ensure that compliance with the debt policy is maintained.

The City may issue debt for the purpose of acquiring or constructing capital projects including buildings, machinery, equipment, furniture and fixtures.

Debt issuances will be pooled together when feasible to minimize issuance costs.

The City will prepare and adopt annually a Five-year Capital Improvement Program to identify and establish an orderly plan to meet the City's infrastructure needs with all debt-related projects and the debt service impact upon operations identified, appropriately adjusted by inflation to properly reflect costs incurred in the applicable future fiscal year.

All issuance subject to arbitrage constraints shall be monitored by the applicable personnel and have arbitrage liability calculations performed in a timely manner.

Investment of bond proceeds shall at all times be in compliance with the City's Investment Policy and meet all requirements of bond proceeds covenants.

Debt shall be within statutory and sound financial management limits.

Types of Debt

Interfund Borrowing is the borrowing by one fund from another is an acceptable means of meeting cash flow needs.

- Short-term interfund borrowing, defined as paid back in less than one year, will occur due to occasional cash shortages in a fund. All funds borrowing from the City's available cash pool on a short-term basis should be charged an interest rate equivalent to the State Treasurers Pool for the prior month.
- Long-term borrowing, defined as paid back in more than one year, must come from a specific fund and be established by Council action. This action would include the fund borrowing the cash, fund lending the cash, terms (length of repayment period and amount of payments) of loan, and interest rate to be paid.

Lease Purchase Financing – It is legal to use lease purchasing for any lawful or necessary short-term or long-term projects; however, it is the objective not to use lease purchase financing on future equipment replacements, additions or building acquisitions. It is recognized that future events such as new services of unfunded legal mandates may require the City to provide unanticipated services or programs and that this financing technique may have to be utilized to fund start-up capital costs of such new services or

programs. If this is the case, the City can first look to its own cash pool to ascertain if a fund would have sufficient moneys to lend, with interest, over the desired term of the needed financing.

General Obligation Bonds may be used for any lawful project approved by the voters. Pursuant to Arizona Constitution, principal outstanding may not exceed:

- 20% of net secondary assessed value for water, wastewater, lighting, parks, open spaces and recreational purposes; or
- 6% of net secondary assessed value for all other purposes.
- This type of debt issuance is generally the lowest cost financing approach since the debt repayment is backed by property taxes. However, it is the policy of this Council that if general obligation debt is issued for a project with a revenue stream (i.e., water/wastewater project), that revenues from the appropriate enterprise fund be used to pay for the debt repayment and not property taxes. Debt repayment for non-revenue supported projects such as park improvements would have to be repaid through property taxes.

Utility Revenue Bonds – These voter-approved bonds may be used for acquiring, constructing or improving “utility undertakings” including water, wastewater, gas, electric light or power, airport buildings or facilities, and garbage disposal systems. Utility revenue bonds are not a general or full faith and credit obligation of the City and are secured by revenues of the applicable utility undertaking. Debt repayment is from revenues from the appropriate enterprise. A limitation on these bonds is that the prior year’s net revenues must exceed maximum annual debt service by a specific factor. These bonds would be appropriate to use if the City wanted to preserve general obligation capacity for future needs.

Municipal Property Corporation Bonds – These non-voter approved bonds are for all city-approved projects. In essence, the City makes annual payments equal to debt service under a lease-purchase or loan agreement with the Municipal Property Corporation. City payments may be guaranteed by pledge of excise taxes, enterprise revenues or annual appropriations. After the debt is retired, the City receives ownership of the financed project. The Municipal Property Corporation bonds are appropriate to use for (1) mandated projects that the City has no choice, but to complete, (2) projects that are a matter of public safety and welfare which can be backed by a sufficient revenue stream to allow retirement of the debt, or (3) projects which meet a stated economic development goal of the City. Examples of mandates include a required upgrade of a wastewater treatment plant or a landfill closure. Current City of Prescott limitations on this financing technique is that the prior year’s excise tax revenues must exceed maximum annual debt service by two times. Examples of public safety and welfare projects include water storage tanks, water transmission and distribution lines, sewer plan expansions and sewer collection system.

Street and Highway Revenue Bonds (HURF Bonds) are voter-approved bonds that can be used for improving, constructing or maintaining City streets and highways as well as for acquisition of necessary rights of way for street projects. Debt repayment is through use of HURF revenues. The legal limit on the amount of bonds that can be issued is government by the amount of HURF receipts in that the maximum annual debt service may not exceed two-thirds (three times coverage) of the most recent year’s receipts as long as the bonds are rated “A” or above. If the bonds are rated below “A”, the maximum annual debt service may not exceed 50% of the most recent year’s receipts (two times coverage). Recommendation for issuance of these bonds should be carefully considered since if the maximum allowable were issued (approximately \$15 million), there would not be sufficient yearly revenues available after debt repayment to operate the streets department.

Improvement District Bonds are issued for numerous governmental purposes including financing streets, curbs, gutters, sidewalks, streetlights, wastewater systems, etc. Although the bonds are not subject to voter authorization, they may be rejected by a majority of property owners within the boundaries of the designated district. The debt repayment is through assessments levied against property located within the district and the debt is backed by a contingent liability of the City’s general fund. One restriction is that the improvements to be made cannot be of general benefit to the City as a whole. These bonds are recommended to be issued to bring unpaved streets to a paved status and installing wastewater systems within neighborhoods.

Investment of Municipal Funds

City of Prescott Investment Policy

I. SCOPE OF POLICY

This investment policy shall govern the investment activities of all funds of the City of Prescott, excluding any specific funds cited hereafter. This policy serves to satisfy the state statute requirement to define and adopt a formal investment policy.

A. FUND INCLUDED:

All financial assets of all current funds of the City of Prescott, Arizona and any new funds created in the future, unless specifically exempted, will be administered in accordance with the objectives and restrictions set forth in this policy. These funds are accounted for in the City's Comprehensive Annual Financial Report.

B. POOLING OF FUNDS:

Except for cash in certain restricted and special funds, the City of Prescott will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. PRUDENCE

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probably safety of the capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio of funds, rather than a consideration as to the prudence of a single investment. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Manager and the City Council of the City of Prescott, and appropriate action is taken in accordance with the terms of this policy.

III. OBJECTIVES OF POLICY

The primary objectives in priority order of investment activities shall be preservation and safety of principal, liquidity, and yield:

A. SAFETY:

The foremost and primary objective of the City's investment program is the preservation and safety of capital in the overall portfolio. The objectives will be to mitigate credit risk and interest rate risk. To control credit risk, investments should be limited to the safest types of securities, financial institutions, broker/dealers intermediaries and advisers which the City will do business.

To control interest rate risk, the City will structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations and monitoring credit rating of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act.

B. LIQUIDITY:

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow funding requirements, by investing in securities with active secondary markets and by diversification of maturities and call dates. Furthermore, since all possible cash demands cannot be anticipated, a small portion of the portfolio may also be placed in money market mutual funds or local government investment pools which offer same day liquidity for short term funds.

C. YIELD:

The City's investment portfolio will be designed with the objective of regularly exceeding the average rate of return on three month U.S. Treasury Bills. The investment program will seek to augment returns above this threshold consistent with risk constraints identified herein, cash flow characteristics of the portfolio and prudent investment principles. The care of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1. A security swap that would improve the quality, yield or target duration in the portfolio.
2. Liquidity needs of the portfolio require that the security be sold.
3. If market conditions present an opportunity for the City to benefit from the sale.

D. RISK OF LOSS:

All participants in the investment process will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. INVESTMENT STRATEGY

The City of Prescott intends to pursue an active vs. passive portfolio management philosophy. Active management means that the financial markets will be monitored by investment officials and investments will be purchased and sold based on the City's parameters for liquidity and based on market conditions. All marketable securities purchased by the City shall have active secondary markets, unless a specific cash outflow is being matched with an investment that will be held to maturity to meet that obligation. Securities may be purchased as a new issue or in the secondary markets. Securities may be sold before they mature if market conditions present an opportunity for the city to benefit from the trade or if changes in the market warrant the sale of securities to avoid future losses. Securities may be purchased with the intent from the beginning, to sell them prior to maturity or with the expectation that the security would likely be called prior to maturity under the analyzed market scenario. Market and credit risk shall be minimized by diversification. Diversification by market sector and security types, as well as maturity will be used to protect the city from credit and market risk in order to meet liquidity requirements.

The portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value between asset groups shall be analyzed and pursued as part of the active investment program within the restrictions set forth by this policy.

V. RESPONSIBILITY AND CONTROL

A. DELEGATION:

Oversight management responsibility for the investment program has been delegated to the Chief Financial Officer, to establish written procedures and controls for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of

authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting.

B. SUBORDINATES:

All persons involved in investment activities shall be referred to as "investment officials". No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Chief Financial Officer and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The City Council, by resolution, has authorized the City Manager to appoint these individuals. The Chief Financial Officer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate investment officials.

C. CONFLICTS OF INTEREST:

Investment officials and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials and employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. THIS POLICY EXPRESSLY INCORPORATES THE PROVISIONS OF TITLE 38, CHAPTER 3, ARTICLE 8, ARIZONA REVISED STATUTES.

D. DISCLOSURE:

Investment officials and employees shall disclose to the City Manager any material financial interest in financial institutions that conduct business with the City of Prescott. Investment officials and employees shall further disclose any material, personal investment positions that could be related to the performance of the City's investment portfolio. Investment officials and employees shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales. An investment official who is related within the second degree by affinity or consanguinity to individuals seeking to sell an investment to the city shall file a statement disclosing that relationship.

E. INVESTMENT TRAINING:

Investment officials shall have a finance, account or related degree and knowledge of treasury functions. Investment training must take place not less than once in a two year period and receive no less than ten hours of instruction relating to investment responsibilities from an independent source such as Government Finance Officers Association, Municipal Treasurers Association, American Institute of Certified Public Accountants, Arizona Finance Officers Association, Arizona Society of Public Accounting or other professional organizations. The Chief Financial Officer and all investment officials of the City shall attend at least one training session relating to their cash management and investment responsibilities within 12 months after assuming these duties for the City. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with State investment statutes.

VI. AUTHORIZED INVESTMENTS

Funds of the City of Prescott, Arizona may be invested in the following investments. Investments not specifically listed below are not authorized:

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of this state or its agencies;
3. Collateralized Mortgage Obligations and pass-through securities directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Arizona or the United States or its instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state, rated as to investment quality by a nationally recognized investments rating firm not less than A or its equivalent;
6. Certificates of deposit that are issued by a state or national bank or savings and loan domiciled in the State of Arizona and that are guaranteed or insured by the Federal Deposit Insurance Corporation or are secured as to principal by obligations described in the preceding clauses or in any other manner and amount provided by law for City deposits.
7. Fully collateralized Repurchase or Reverse Repurchase Agreements that have a defined termination date and are fully secured by obligations described in the preceding paragraphs (1) through (5) of this section of the policy;
8. The pooled investment funds established by the state treasurer pursuant to ARS 35-326;
9. Money Market Mutual Funds investing exclusively in obligations authorized by the preceding paragraphs (1) through (5) of this section of the policy.

VII. INVESTMENT REPORTS

The Chief Financial Officer shall submit quarterly an investment report including a management summary that provides and analysis of the status of the current investment portfolio with comparison to the average three-month US Treasury Bill.

VIII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS

A. BIDDING PROCESS FOR INVESTMENTS:

Investment officials for the City may accept bids for certificates of deposit and for all marketable securities either orally, in writing, electronically, or in any combination of these methods. The investment official will strive to receive two to three price quotes on marketable securities being sold, but may allow one broker/dealer to sell at a predetermined price under certain market conditions. Investments purchased shall be shopped competitively between approved financial institution and broker/dealers. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

B. MAXIMUM MATURITIES:

The City of Prescott will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than seven years from the date of purchase. The City shall adopt weighted average maturity limitations consistent with the investment objectives.

C. MAXIMUM DOLLAR-WEIGHTED AVERAGE MATURITY:

Under most market conditions, the composite portfolio will be managed to achieve a two year dollar-weighted average maturity. However, under certain market conditions, investments officials may need to shorten or lengthen the average life or duration of the portfolio to protect the city. The maximum-dollar weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three years.

D. PRICING:

Market price for investments acquired for the City's Investment Portfolio shall be priced using independent pricing sources and market value monitor at least monthly.

IX. SELECTION OF DEPOSITORY, FINANCIAL INSTITUTIONS AND BROKER/DEALERS

A. BIDDING PROCESS:

Depositories shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP) issued at least every five years with a typical contract being for two (2) years with an option to extend the contract for three (3) additional one (1) year terms. In selecting depositories, the credit worthiness of institutions shall be considered, and the Chief Financial Officers shall conduct a comprehensive review of prospective depositories credit characteristics and financial history. No public deposit shall be made except in a qualified public depository as established by state depository laws. The depository bank bid will not include bids for investment rates on certificates of deposit. Certificate of deposit rates will be shopped competitively between qualified financial institutions in accordance with the manner in which all other types of investment assets are purchased.

B. INSURABILITY:

Banks and Savings and Loan Associations seeking to establish eligibility for the City's competitive certificate of deposit purchase program, shall submit financial statements, evidence of federal insurance and other information as required by the investment officials of the City of Prescott.

C. AUTHORIZED DEPOSITORY, FINANCIAL INSTITUTIONS AND BROKER/DEALERS:

The Chief Financial Officer will maintain a list of financial institutions authorized to provide investment services. All financial institutions and broker/dealers or bank/dealers who desire to become a qualified bidder for investment transactions must supply the Chief Financial Officer with the following:

1. Audited financial statements.
2. Proof of National Association of Security Dealers certification where applicable.
3. Proof of state registration where applicable.
4. Completed broker/dealer questionnaire.
5. Certification of having read the City of Prescott's investment policy.

A current audited financial statement is required to be on file for each financial institution and broker/dealer which the City of Prescott uses.

X. COLLATERALIZATION OF CITY'S DEPOSITS

A. INSURANCE OR COLLATERAL PLEDGED:

Collateralization shall be required on depository bank deposits, certificates of deposit, and repurchase (and reverse) agreements in accordance with the "Public Funds Collateral Act" and depository laws (see Appendix B). In order to anticipate market changes and provide a level of security for all funds, the collateralization level will not be less than 102% of market value of principal and accrued interest, less an amount of \$100,000, which represents insurance by the FDIC or FSLIC on certain types of bank deposits. Evidence of the pledged collateral shall be documented by a safekeeping agreement or a master repurchase agreement with the collateral pledged clearly listed in the agreement and safekeeping confirmations. The master repurchase agreement must be executed and in place prior to the investment of funds. Collateral shall be monitored daily to ensure that the market value of the securities pledged equals or exceeds the related deposit or investment balance.

B. COLLATERAL DEFINED:

The City of Prescott shall accept only the following insurance and securities as collateral for cash deposits, certificates of deposit, and repurchase agreements:

1. FDIC insurance coverage

2. Obligations of the United States of America, its agencies and instrumentalities, including agency and instrumentality issued mortgage backed collateral.
3. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Arizona or the United States of America or its agencies and instrumentalities.
4. Obligations of states, agencies thereof, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investments rating firm and having received a rating of no less than A or its equivalent.

C. COLLATERAL SAFEKEEPING AGREEMENT:

The City shall not accept, as depository collateral, any security that is not specifically allowed to be held as a direct investment by the City's portfolio and that the maximum maturity of the collateral securities may not be greater than five years. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The safekeeping agreement must clearly define the responsibility of the safekeeping bank. The safekeeping institution shall be the Federal Reserve Bank or an institution not affiliated with the financial institution or broker/dealer that is pledging the collateral. The safekeeping agreement shall include the authorized signatures of the City and the firm pledging collateral.

D. AUDIT OF PLEDGED COLLATERAL:

All collateral shall be subject to verification and audit by the Chief Financial Officer or the City's independent auditors.

XI. SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

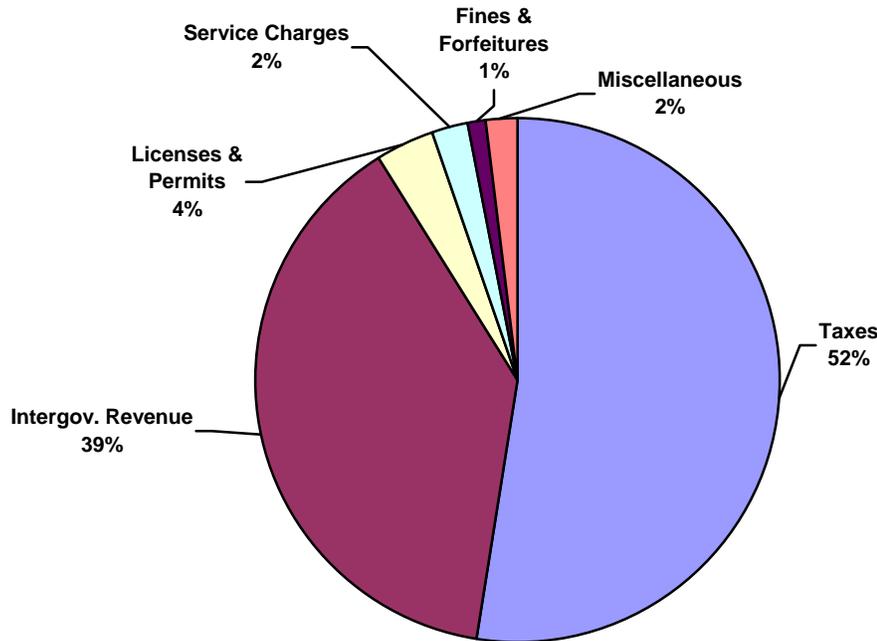
All security transactions, including collateral for repurchase (reverse) agreements, entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the Chief financial Office and evidenced by safekeeping receipts. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

GENERAL FUND

REVENUE SUMMARY	51
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ADMINISTRATIVE SERVICES	70
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POLICE DEPARTMENT	111
FIRE DEPARTMENT	135

General Fund Summary

General Fund pays for basic governmental services including legal, manager, council, finance and administrative services, police, fire, library, parks and recreation, and community development. Revenues are from the local city sales tax, intergovernmental state shared revenues, primary property tax, franchise taxes, licenses and permits, service charges, and fines and forfeitures.



The General fund budget for FY2007 totals \$32,638,300. Current year projected revenues total \$33,667,653, which is a 7.5% increase over the revised estimates for FY2006 projected at \$31,312,080.

Cash available as of July 1, 2006 is estimated at \$10,044,192. As per the Budget Policy, \$6,262,415, or 20% of operating revenues, of the available cash will continue to be held as a reserve. An additional \$1,628,516 is reserved to meet long-term commitments along with \$1,187,896 for interfund loans. The remaining \$965,365 is to assist in the funding for capital projects and equipment budgeted in FY2007 including carryovers for items not completed or received during FY2006.

Necessary transfers for FY2007 include the General Fund's portion of certain grant matches totaling \$341,236, rebates per Economic Development agreements for \$1,310,000, contribution toward the Planned Growth Strategy Project in the amount of \$150,000 (total project cost \$800,000), \$30,000 for the Parks Master Plan budgeted in the Parks Impact Fee Fund, and \$25,000 for the contribution towards the One-Day Hazardous Material Disposal Event. Also, according to Council policy, all excess General Fund revenues over expenditures at the end of the fiscal year will be transferred to the Capital Improvement Fund. That amount is estimated at \$243,862. Total transfers for FY2007 are \$2,100,098.

Total General Fund revenue and expenditure activity for the past two years and projections for FY2007 are as follows:

**CITY OF PRESCOTT
GENERAL FUND
FUND SUMMARY**

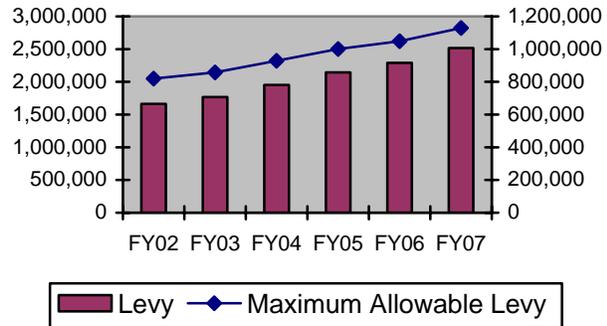
	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
<u>Source of Funds:</u>				
Beginning Fund Balance				
General Fund Reserve	5,371,586	5,723,761	5,723,761	6,262,415
Long-Term Commitments	-	-	-	1,628,516
Interfund Loans	2,122,516	1,741,726	1,741,726	1,187,896
Unreserved Fund Balance	<u>1,506,758</u>	<u>3,289,512</u>	<u>3,289,512</u>	<u>965,365</u>
Total Beginning Fund Balance	9,000,860	10,754,999	10,754,999	10,044,192
Revenues				
Taxes				
Sales/Use Tax	13,387,444	13,821,933	14,778,526	15,174,828
Primary Property Tax	1,000,493	1,048,406	1,048,406	1,128,971
Franchise Taxes	1,235,890	1,142,832	1,313,357	1,352,757
Intergovernmental Revenues				
State Sales Tax	3,144,027	3,324,444	3,324,444	3,960,497
State Income Tax	3,119,837	3,551,883	3,551,883	4,512,412
State Vehicle License	2,228,192	2,365,570	2,365,570	2,436,537
Joint Dispatch	428,146	863,796	863,796	1,069,744
Library	447,590	477,328	480,309	651,099
Other	408,436	405,748	414,179	419,861
Licenses and Permits	1,512,748	1,201,650	1,267,662	1,226,600
Service Charges	775,281	524,380	590,364	672,700
Fines & Forfeitures	323,678	294,000	485,377	406,072
Miscellaneous	<u>616,239</u>	<u>424,049</u>	<u>828,207</u>	<u>655,575</u>
Subtotal	28,628,001	29,446,019	31,312,080	33,667,653
Other Funding Sources				
Lease Purchase Proceeds	-	800,000	734,000	-
Transfers In	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	30,000	800,000	734,000	-
Total Revenues & Other Funding Sources	<u>28,658,001</u>	<u>30,246,019</u>	<u>32,046,080</u>	<u>33,667,653</u>
<u>Use of Funds:</u>				
Departments				
General Government				
<i>Mayor and City Council</i>	61,344	47,441	47,049	63,757
<i>City Clerk</i>	29,721	70,759	111,789	107,356
<i>City Court</i>	431,420	479,427	479,387	532,210
<i>City Manager</i>	483,235	939,644	814,983	698,994
<i>Legal</i>	538,834	376,427	375,709	274,651
<i>Economic Development</i>	<u>273,443</u>	<u>299,329</u>	<u>290,253</u>	<u>325,707</u>
General Government Total	1,817,997	2,213,027	2,119,170	2,002,675

**CITY OF PRESCOTT
GENERAL FUND
FUND SUMMARY**

	Actual FY2005	Adopted FY2006	Est End FY2006	Adopted FY2007
Budget and Finance	1,140,488	1,181,726	1,093,517	1,322,314
Administrative Services	546,219	509,015	668,613	463,398
Community Development	1,634,020	1,794,997	1,742,602	2,219,442
Parks, Recreation and Library	4,419,299	4,998,670	4,870,257	5,533,714
Police	7,830,646	10,083,518	10,014,428	12,389,468
Fire	5,483,464	6,182,502	5,898,657	7,264,741
Debt Service	-	89,784	81,007	162,014
Total Operating Budget	22,872,133	27,053,239	26,488,251	31,357,766
Capital Outlay/Projects				
General Government				
<i>City Clerk</i>	-	-	-	145,000
<i>City Manager</i>	19,250	-	-	-
<i>Economic Development</i>	50,000	80,000	53,424	25,000
Budget and Finance	(54)	886,000	632,000	206,000
Administrative Services	35,438	-	90,000	-
Community Development	10,690	31,000	499	92,000
Parks, Recreation and Library	247,178	130,887	130,887	425,362
Police	25,368	229,413	145,577	339,672
Fire	100,276	12,500	13,372	47,500
Total Capital Outlay/Projects	488,146	1,369,800	1,065,759	1,280,534
Transfers Out				
Economic Incentives	1,280,199	1,125,000	1,125,000	1,310,000
Vehicle Replacements	330,500			
Surplus (Revenues over Expenditures)	1,725,214	530,914	3,808,463	243,862
Grant Matches	187,368	367,918	199,900	341,236
Facilities Maintenance	-	-	8,517	-
Parking Garage	-	8,650	60,996	-
Planned Growth Strategy	-	-	-	150,000
Parks Master Plan	-	-	-	30,000
One Day Hazardous Disposal Event	-	-	-	25,000
Total Transfers Out	3,523,281	2,032,482	5,202,876	2,100,098
Total Expenditures & Transfers Out	26,883,560	30,455,521	32,756,886	34,738,398
Ending Fund Balance				
General Fund Reserve	5,723,761	5,891,003	6,262,415	6,733,531
Long-Term Commitments	-	-	1,628,516	1,628,516
Interfund Loans	1,741,726	1,187,896	1,187,896	611,401
Unreserved Fund Balance	3,289,512	3,475,597	965,365	-
Total Ending Fund Balance	10,754,999	10,554,496	10,044,192	8,973,448

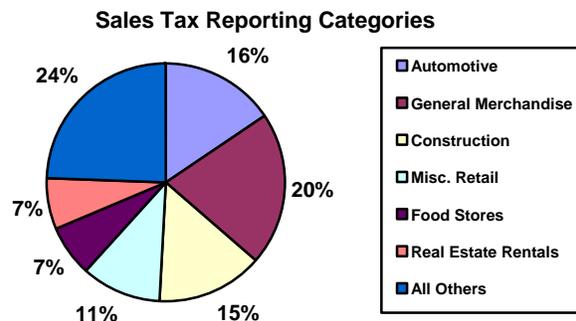
Property Tax: The primary property tax levy for FY2006-2007 is \$1,128,971. This increase is caused by new construction not increased property valuations. The primary property tax levy remaining fairly constant and the property values increasing has the effect of a reduction in the tax rate. The current financial policy of the City Council calls for a slight reduction of the primary property tax rate each year. The FY2007 estimated primary rate is \$0.2182 per \$100 assessed valuation.

Fiscal Year	Primary Levy	% Change from Prev. Year	Primary Tax Rate
2001-02	820,000	0.0%	0.2627
2002-03	858,120	4.6%	0.2517
2003-04	929,147	8.3%	0.2415
2004-05	1,000,493	7.7%	0.2383
2005-06	1,048,406	4.8%	0.2245
2006-07	1,128,971	7.7%	0.2182



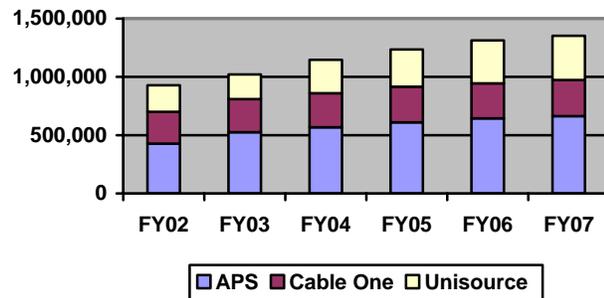
Transaction Privilege Tax (Sales Tax): All Arizona cities and towns have a transaction privilege tax which is commonly referred to as a sales tax. However, the transaction privilege tax is far more extensive than retail sales. It includes taxation of residential and commercial rentals; taxation of utilities and communications; taxation of retail sales; construction activities; and auto dealerships to mention a few. Thus, even if retail sales do not increase due to a competing regional environment, this revenue category can still increase. Sales tax is projected at 4% over FY2006 revised estimates which should yield \$14,608,828. The growth rate is based on a continued population growth within the City of 3% as well as continued strong transaction privilege tax economy throughout FY2007.

Fiscal Year	Revenues	% Change from Prev. Year
2001-02	9,109,803	10.0%
2002-03	9,715,516	6.6%
2003-04	11,418,890	17.5%
2004-05	12,743,801	11.6%
2005-06 (est.)	14,051,336	10.3%
2006-07 (est.)	14,608,828	4.0%



Franchise Taxes: Franchise taxes are from Cable One, Unisource Gas and Arizona Public Service. Franchise rates for Unisource Gas and Arizona Public Service are set (by the voters) at 2.0% of gross revenues while the negotiated rate for the cable company is 4.0% of gross revenues. From the ensuing table it can be observed the projection for FY2007 is 3.0% over FY2006 revised estimates.

Fiscal Year	Revenues	% Change from Prev. Year
2001-02	1,008,081	5.0%
2002-03	1,020,608	1.2%
2003-04	1,147,098	12.4%
2004-05	1,235,890	7.7%
2005-06 (est.)	1,313,357	6.3%
2006-07 (est.)	1,352,757	3.0%



State Sales Tax (Transaction Privilege Tax): Through May 31st, 2001, citizens of Prescott, through collection by local businesses, pay the State 5.0% on retail purchases and varying rates on other transactions. State sales tax was increased to 5.6% on June 1, 2001. A portion of that sales tax is returned to the City based on Prescott's population compared to the incorporated population of the State. Cities and towns share in 25.0% of two percent of the State's 5.6 percent.

State Shared Sales Tax			
Fiscal Year	Prescott's Share of Total Distributed to Cities	Prescott's \$ Share of Total Distributed to Cities	% Change from Prev. Year
2001-02	0.84%	2,615,277	3.7%
2002-03	0.84%	2,654,216	1.5%
2003-04	0.84%	2,855,210	7.6%
2004-05	0.84%	3,144,027	10.1%
2005-06 (est.)	0.84%	3,324,444	5.7%
2006-07 (est.)	0.84%	3,960,497	19.1%

State Income Tax: The State of Arizona collects income taxes and shares that revenue with incorporated cities and towns based on population.

The City of Prescott's share of State Income Tax is estimated to be \$4,512,412 which is an increase of \$960,529 or 27.0%. The State has estimated state income tax 24.6% higher than last year's estimate. This is the only one of the state shared revenues which can be accurately forecast since it is drawn from collections two years ago. From 1973 through FY92, cities in Arizona shared in 15% of the State personal and corporate income tax collected two years prior and distributed in proportion to the cities' share of State population. Beginning in FY93, the cities' share was lowered to 12.8%. This change was enacted by the State, along with revisions to the individual and corporate State income tax in 1990, and was designed to keep the cities' share revenue neutral. The portion of the State tax which will be distributed to cities and towns in FY2007 is estimated at \$465.0 million and represents individual and corporate income tax collections by the State in the 2004-05 fiscal year.

The following table shows the City of Prescott's % allocation, \$ share and % change since 2001-02.

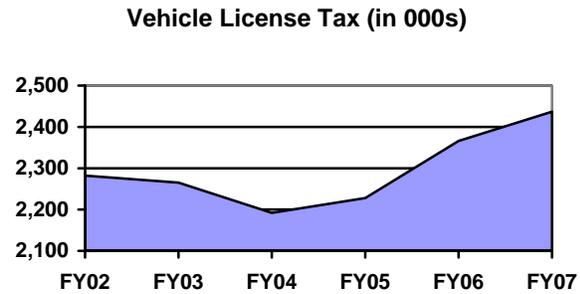
State Income Tax			
Fiscal Year	Prescott's % of State Collection	Prescott's \$ Share of State Collection	% Change from Prev. Year
2001-02	0.84%	3,539,777	-2.1%
2002-03	0.84%	3,612,061	2.0%
2003-04	0.84%	3,060,168	-15.3%
2004-05	0.84%	3,119,837	1.9%
2005-06 (est.)	0.84%	3,551,883	13.8%
2006-07 (est.)	0.84%	4,512,412	27.0%

Vehicle License Tax (Auto Lieu Tax): Prescott's share of the vehicle tax for 2006-07 is estimated at a higher level than the FY2006 revised estimate. Twenty-five percent of the net revenues collected for the licensing of motor vehicles by a particular county is distributed back to incorporated cities and towns within that county. License fees are collected by the State and distributed to Counties, cities and towns. A city or town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county. The only stipulation on the use of this revenue is that it must be expended for a public purpose.

A factor in the decrease of revenue in this category for FY2004 is the repayment to Yavapai County for previous years' Vehicle License Tax revenue received by the City of Prescott from Yavapai County. These revenue payments were made in error.

The following chart illustrates the City's actual collections and percentage change since FY2002.

Vehicle License Tax		
Fiscal Year	Revenues	% Change from Prev. Year
2001-02	2,282,337	-2.1%
2002-03	2,264,660	-0.8%
2003-04	2,191,848	-3.2%
2004-05	2,228,192	1.7%
2005-06 (est.)	2,365,570	6.2%
2006-07 (est.)	2,436,537	3.0%



Joint Dispatch: Revenues for this category are received from other governmental agencies participating in the Regional Communications Center. The Regional Communications Center became fully functional during fiscal year 2006. At that time seven and one-half dispatchers were transferred to the City from Central Yavapai Fire District. FY2007 revenues are projected to be 23.8% higher than the FY2006 revised estimates. This is the result of an additional of 5.25 new employees that were approved during the FY2007 budget process.

Library: Intergovernmental revenues for the Library consist of contributions from Yavapai County and percentage share of costs from other governmental members participating as part of the Library Network.

Other Intergovernmental Revenues: This category is primarily made up of the Fire contract with Yavapai Prescott Indian Tribe for the city to provide fire protection for homes and businesses located on the reservation. It also consists of monies received by the Fire Department for a portion of the reimbursements received from Arizona State Land Department for fire assistance on state lands. The remaining components of this category are for contributions towards Animal Control and City Court.

Licenses and Permits: This revenue category consists mainly of Building Permit fees and Plan Check fees. Other revenues in this area are Dog Licenses, Liquor Licenses, Blasting Permits, and Film Permits.

Service Charges: Recreation fees for sports and programs are the main element of the Service Charges grouping. A large increase in revenues is anticipated during FY2007 due to the expansion of Special Events presented by the City of Prescott.

Fines and Forfeitures: This category covers monies paid to the City of Prescott for fines and forfeitures assessed by the Police Department, City Court, Legal Department, Library and Animal Control. The spike in revenues during FY2006 is a result of recognizing revenue received for Vehicle Registration Fines during previous budget years that was placed in a holding account. In the future, this revenue will be recognized in the year in which it was received.

Miscellaneous: The largest revenue source in this area is Interest Earned. Typically staff is conservative when projecting interest earnings. This is evident when comparing the FY2006 estimated ending to the FY2006 budget. Another large revenue source listed under Miscellaneous is rents received by the City of Prescott. A majority of the rent received is for wireless sites located on City owned property. Other minor revenues in this category are Administrative Fees for Hassayampa Community Facilities District and Sale of Property.

GENERAL GOVERNMENT

Mayor and Council

Division Mission: The Mayor and Council serve as the legislative and policy-making body of the municipal government and have responsibility for enacting City ordinances, appropriating funds to conduct City business, and providing policy direction to the administrative staff.

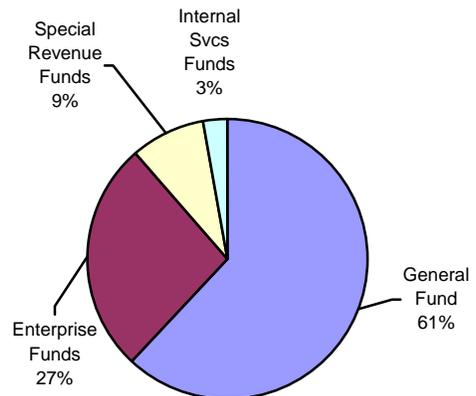
Mayor and Council Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 49,957	\$ 48,595	\$ 48,587
Supplies	10,672	6,850	7,100
Other Services & Charges	83,026	86,052	110,291
Total	\$ 143,655	\$ 141,497	\$ 165,978
Cost Recovery	\$ (82,311)	\$ (94,448)	\$ (102,221)

Mayor and Council Staffing Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	7.00	7.00	7.00
Mayor	1.00	1.00	1.00
Councilmembers	6.00	6.00	6.00

Mayor and Council Funding Sources



Significant Expenditures Changes: The Personnel and Supplies categories remained fairly constant in the Mayor and Council's FY2007 budget. The significant change in this budget can be observed in the Other Services & Charges area. This is a result of spreading the facilities maintenance costs throughout the General Fund divisions instead of having one cost center for charges as in previous years. This charge is based on square footage usage by the corresponding divisions.

City Manager

Division Mission: The City Manager provides professional administration of the policies and objectives established by the City Council; develops alternative solutions to community problems for Council consideration; and plans programs that meet the future public needs of the City. The City Manager also oversees the City economic development efforts, which provides resources for businesses look to open a new location, expand and existing business or learn of networking groups and business services.

Prior Year Results and Outcomes: See Budget Transmittal Letter

**City Manager
Expenditure Summary**

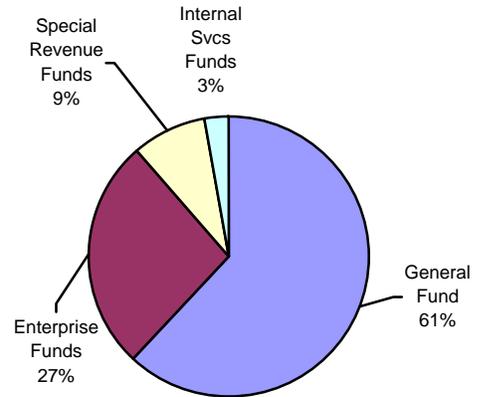
	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 322,201	\$ 368,664	\$ 406,908
Supplies	6,403	4,593	6,100
Other Services & Charges	68,812	57,845	76,221
Capital Outlay/Projects	19,250	-	-
Total	\$ 416,666	\$ 431,102	\$ 489,229
Cost Recovery	\$ (357,111)	\$ (265,306)	\$ (339,929)

**City Manager
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	4.25	4.25	4.25
City Manager	1.00	1.00	1.00
Asst. City Manager*	1.00	1.00	1.00
Asst. to City Manager**	1.00	0.70	0.70
Management Analyst***	0.00	0.30	0.30
Executive Assistant	1.00	1.00	1.00
Secretary****	0.25	0.25	0.25

*Assistant City Manager not funded in FY2007.
 **30% of Asst City Manager is charged to Transfer Station.
 ***Management Analyst is also charged 50% Alt Water Fund, 10% Transfer Station and 10% Engineering.
 ****The remaining 75% of Secretary is charged to Economic Development.

**Mayor and Council
Funding Sources**



Significant Expenditure Changes: The large increase in the Personnel category for the City Manager's Department is a result of the annual salary adjustment along with increases in health care costs and retirement. An additional amount was included in this area for future career and market growth in salaries.

Other Services and Charges also reflect a significant increase in FY07 over FY06 estimated endings. This is a result of charging building maintenance, custodial and utilities to each General Fund division as opposed to having one General Fund cost center. All divisions will be charged for these services based on a square foot usage basis.

City Clerk

Division Mission: The mission of the City Clerk's Office is to maintain integrity in the governing process by processing, maintaining and preserving the official records of the City of Prescott; overseeing all municipal elections in an efficient and effective manner, and in accordance with State Statutes; and providing courteous and responsive customer service to internal and external customers.

Goal: Provide excellent customer service to customers, by making available more information electronically.			
Strategy: Expand use of scanner to provide legislative documents on-line and/or internally on the City's Portal			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Scanning legislative document within one week from when they become available (Ordinances, Resolutions, Minutes, Contracts/Agreements)	N/A	N/A	600/100%

Goal: Maintain and preserve the official records of the City.			
Strategy: Develop and implement a citywide Records Management Program.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Develop program	N/A	N/A	Complete by Spring 2007
Implement program	N/A	N/A	Complete by Summer 2007

Goal: Prepare and make available legislative documents in a timely manner.			
Strategy: Streamline minutes process so that unofficial minutes of all meetings, regardless of type, may be available to the public within three days after meetings.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of Special/Regular Council Meetings requiring minutes	40	36	95
% of Special/Regular Council Meeting minutes available to public within three days	60%	85%	100%
Number of other meetings for which minutes will now be prepared	N/A	53	Included in above number
% of other meeting minutes available to public within three days	N/A	85%	N/A
Number of hours spent preparing minutes	100	200	200

Goal: Maintain, preserve and make available legislative documents in a timely manner.			
Strategy: Complete all documentation and actions from Council meetings within three days of meeting.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
# of Ordinances/% processed within three days	95/100%	95/100%	100/100%
# of Resolutions/% processed within three days	85/100%	95/100%	100/100%
# of Liquor Licenses/% processed within three days	24/100%	41/100%	40/100%
# of Contracts, Leases and Agreements/% processed within three days	260/70%	300/85%	300/100%

Prior Year Results and Outcomes

Elections - The Primary Election was held on September 13, 2005, with a 54.66% voter turnout. The General Election was held on November 8, 2005, with a 67.3% voter turnout. Both elections were mail ballot elections. In addition to candidates, the General Election also included Proposition 400, which voters approved, requiring a charter amendment.

City Code Update - This past year the Department has converted the City Code, previously maintained on the City's web site by an outside vendor, into PDF format, allowing changes to be made in house as

soon as legislation becomes effective. This not only provides current information to staff and the public, but also saves the City the cost of the vendor.

During the year the following items were processed:

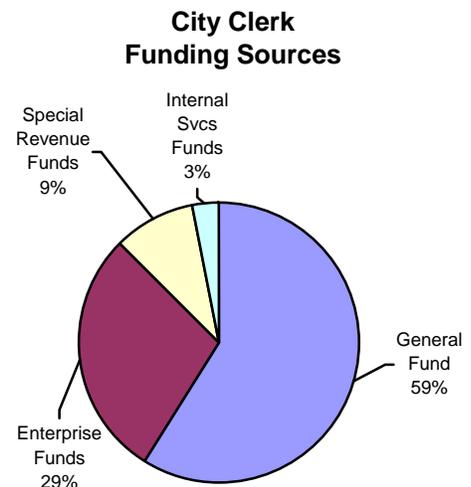
- **Final Plats/Replats** – 42 plats were approved by City Council, requiring signatures and recordation with the County Recorder’s office.
- **Contracts** – 332 contracts, agreements or leases were prepared, which were entered into a database for tracking purposes, and required documentation such as signing, recording, payment approval, bonds, insurance. 97 of these were brought before Council.
- **Appointments** – 25 appointments were made to various Boards and Commissions, which required interviews, appointment letters and thank you letters for serving, Council action and revision of membership lists.
- **Legislative Action** – 80 resolutions and 62 ordinances (requiring publication) were adopted by City Council. Ten of these were adopting Council policies.
- **Liquor Licenses** – 15 regular liquor licenses were processed, with approval by City Council, requiring Council memos, posting of property, and notification to applicants; 20 Special Event licenses and 18 Extension of Premises were processed by the Department.
- **Bids** – 75 bids or requests for proposal were processed by the Department, requiring publication, bid opening, and some Council action with related contracts.
- **Meetings/Minutes** – Attended approximately 95 meetings, with 53 sets of minutes being prepared. Minutes are now being prepared for study sessions regular voting meetings, workshops and special meetings, and are being posted to the City’s web site once they are approved by City Council.

**City Clerk
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 136,823	\$ 159,562	\$ 171,209
Supplies	1,834	2,800	11,800
Other Services & Charges	31,199	91,261	101,301
Capital Outlay/Projects	-	-	145,000
Total	\$ 169,856	\$ 253,623	\$ 429,310
Cost Recovery	\$(140,135)	\$(141,834)	\$(176,954)
Capital Outlay/Projects			
Document Management System			145,000
Total Capital Outlay/Projects			\$ 145,000

**City Clerk
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.00	2.00	2.00
City Clerk	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00



Significant Expenditure Changes: The 7.2% growth observed in the personnel category can largely be attributed to the budgeting of temporary salaries for help scanning a multitude of documents from prior years. The remaining cause for the increase is the annual salary adjustment and retirement increase.

FY07 Supplies budget shows a significant increase due to the budgeting of monies for the purchase of storage supplies, printers and new furniture. The old furniture will be used in the scanning room.

Finally, the Other Services and Charges classification displays an 11.0% gain over FY06 estimated endings. As shown in other divisions, this is a result of the inclusion of a facilities maintenance charge throughout the General Fund areas for maintenance, utility and janitorial cost recoveries to the Facilities Maintenance Fund.

Information regarding the Document Management System can be located in the Capital Improvement Plan section of the budget book.

City Court

Division Mission: The City Court is a Municipal Court that will provide prompt and effective judicial services, adjudicating violations of the Arizona Revised Statutes and Prescott City Code occurring within the city limits.

Goal: Utilize aggressive, court-driven case management to decrease litigant time and costs.			
Strategy: Manage the processing of cases from inception to completion and monitor case progress to assume control of scheduling specific events from filing to disposition.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Case Closure Rates (Cases both filed and paid in full during FY)	75%	75%	80%
Strategy: Utilize case management system to identify problems and monitor caseload status.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Case Disposition Rate (Calendar Year)	92.7%	95.3%	98%
Strategy: Conduct trial management conferences on each jury trial to minimize last-minute delays.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Trial Rate (3-10% rate nationwide)	.81%	1.1%	1.0%

Goal: Emphasize enforcement of court orders and collection efforts.			
Strategy: Serve victims through court-ordered restitution.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Restitution \$ collected by the Court for crime victims	\$43,483	\$40,000	\$40,000
Strategy: Use a collection agency on previously uncollectible accounts.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
\$ Collected by collection agency for consolidated court on old and uncollectible accounts.	\$199,000	\$215,000	\$220,000

Goal: Continue project to reconnect court to local community			
Strategy: Expand restorative justice concept by aggressive assignment of community restitution in lieu of jail.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Defendant's assigned	1,509	1,650	1,790
Hours completed	18,361	18,500	18,640
Minimum wage value	\$94,560	\$96,820	\$99,000
Incarceration savings @ \$60 per day	\$157,380	\$158,580	\$170,000
Strategy: Expand Domestic Recovery Court, providing periodic judicial review of defendant's progress during counseling programs to include DUI and drug offenders.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Domestic violence related crimes	222	220	220
DUI related crimes	368	460	500

Prior Year Results and Outcomes:

Continued to foster good relations between the City of Prescott and Yavapai County concerning the consolidation of the Prescott City Court and the Prescott Justice Court.

Continued aggressive court-driven case management resulting in decreased time and costs.

Continued project to reconnect the court to the local community by use of:

- Civility/Aggressive Behavior Offenders Class with Court follow-up to ensure participation
- Domestic Recovery/Drug/Alcohol court providing periodic judicial review of defendants' progress during various counseling programs.

Expanded restorative justice concept by aggressive assignment of community service in lieu of jail.

Continued emphasis of enforcement of court orders and collection efforts.

Continued very successful use of a collection agency on previously uncollectible accounts.

Continued handling juvenile criminal traffic cases allowing juveniles and their parents to take care of cases at one court rather than having to go to both City Court and the Juvenile Probation Department.

**City Court
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 326,847	\$ 349,655	\$ 387,880
Supplies	9,808	8,380	8,000
Other Services & Charges	<u>102,833</u>	<u>132,702</u>	<u>148,330</u>
Total	\$ 439,488	\$ 490,737	\$ 544,210
Cost Recovery	\$ (8,068)	\$ (11,350)	\$ (12,000)

**City Court
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	7.75	7.75	7.75
Magistrate	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00
Senior Court Clerk	1.00	1.00	1.00
Court Clerk	4.75	4.75	4.75

Significant Expenditure Changes: The 10.9% increase in FY07 Personnel costs over FY06 estimated endings can be linked to the annual payroll adjustments and the increase in retirement costs. Another factor in this area is the increase in temporary salaries. It is anticipated that during FY07 the Court Administrator will be retiring and this funding will allow for hiring the current Court Administrator as a temporary employee for the training of the new Court Administrator.

Other Services and Charges for FY07 is 11.7% higher than FY06 estimated endings. This is mainly due to contingency items that are difficult to budget such as Rule 11 evaluations, court appointed attorneys for the indigent, and visiting and pro tem judges and weekend clerk fees.

Legal Department

Division Mission: To provide quality legal services, representation and counsel to the Prescott Police Department and other City officials in criminal matters; to successfully prosecute criminal and traffic cases occurring within the City limits, keeping in mind societal concerns and the rights of (an harm caused to) victims.

To provide quality legal services, representation and counsel to the City of Prescott government, its elected and appointed officials and employees in civil matters.

To maintain active enforcement of the City Codes and regulations.

To be pro-active in Risk Management and loss prevention in order to prevent or minimize potential claims and losses.

Goal: To successfully prosecute violations of misdemeanors, traffic violations and City code violations; to provide ongoing training to the Police Department; to pursue restitution in criminal cases; to pursue community service in criminal cases.

Strategy: To provide, either in person or via memo, advice to Police Department personnel advising of new laws, tactics and procedures, or suggested changes to same; to maintain a current law library concerning criminal matters.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Restitution ordered	\$85,829	\$87,974	\$90,173
Community service days ordered	1,792	1,836	1,882
Conviction rate	99.9%	95%	95%
Fines ordered	\$431,896	\$442,694	\$453,761
Jail days ordered	3,564	3,653	3,744
Hours of Specialized training/attorney attendance at Continuing Legal Education seminars	30.25	15	15

Goal: To provide quality legal services, representation and counsel to the City of Prescott government, it's elected appointed officials and employees in civil matters.			
Strategy: To maintain an adequate law library, research and resource materials, and maintain continuing legal education for the departmental staff. To attend and advise the City Council, employees, Boards and Commissions on legal matters; to prepare and/or review all ordinances, resolutions, contracts, and other legal documents prior to consideration by the Council or City staff. To educate City staff and actively advise them in areas of loss prevention, potential claims. To assist them in risk management.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Civil cases resolved	81 wins 1 settled 0 losses 12 dismissed	40 cases resolved	50 cases resolved
Restitution obtained for the City	\$88,931	\$40,000	\$42,500
Hearing/depositions conducted	119	40	43
Percentage of Council meetings, Board of Adjustment meetings and P & Z Commission Hearings attended by legal counsel	100%	100%	100%
Number of other scheduled meetings attended (does not include council or Board meetings)	468	480	492
Percentage of contracts, ordinances, resolutions reviewed prior to action by Council or staff	99%	99%	99%
Hours of Legal Support Staff Training	12	30	45

Prior Year Results and Outcomes

180 civil cases were handled which included:

- Settlement of two civil cases – Dain vs. City of Prescott and Cassel vs. City of Prescott. Dain settlement was \$800,000 less than the original jury verdict in 1999.
- Attended over 66 hearings
- Conducted over 20 depositions
- Aggressively handled two injunctive hearings resulting in resounding victories.
- Handled a two week federal court jury trial (Howell vs. Polk, et al.) resulting in a unanimous verdict in favor of the City of Prescott police department and officers.
- \$319,434 was collected through numerous lawsuits initiated by the legal department to collect past due funds for the City.

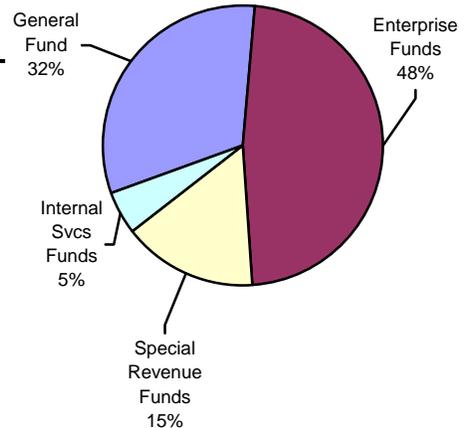
4,023 criminal cases were processed which included:

- 99.8% conviction rate on the total cases.
- One jury trial resulted in a guilty verdict.
- \$601,408 was collected for the City in fines.
- \$134,763 was collected in restitution for crime victims.
- \$1,097 was collected for the city in disclosure costs.
- 1,796 days of community service were performed for the City.
- 2,078 hearings were conducted.
- 86 depositions were attended or conducted.

**Legal
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 642,928	\$ 689,028	\$ 760,912
Supplies	6,019	7,000	6,600
Other Services & Charges	49,887	63,880	90,818
Total	\$ 698,834	\$ 759,908	\$ 858,330
Cost Recovery	\$ (160,000)	\$ (384,199)	\$ (583,679)

Legal Department



**Legal
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	8.50	8.50	8.50
City Attorney	1.00	1.00	1.00
Chief Asst City Attorney	1.00	1.00	1.00
Sr Asst City Attorney	1.00	1.00	1.00
Prosecutor	1.00	1.00	1.00
Investigator	1.00	1.00	1.00
Business Manager	0.00	1.00	1.00
Legal Assistant	1.00	0.00	0.00
Legal Secretary	2.50	1.50	1.50
Paralegal	0.00	1.00	1.00

Significant Expenditure Changes: The annual salary adjustment and the increase in costs relating to health insurance coverage and retirement contributions are reflected in the Personnel section of the budget.

The primary reason for the rise in Other Services and Charges is the addition of the facilities maintenance charge in FY07. Other factors are the increase in funding of the Vehicle Replacement Fund to 75% and the inclusion of a contingency for consultants or lobbyists should the need arise.

Economic Development

Division Mission: To lead in building a stronger and more diversified economy by promoting increased public/private sector collaboration, delivering business development initiatives focused on new investment and quality job growth, enhancing the competitiveness of Prescott's business climate, and driving regional initiatives.

Goal: Facilitate the development of new or expanded retail opportunities within City limits.

Strategy: Discuss business opportunities throughout the city with potential clients and commercial real estate community and assist prospects with development process.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Meetings with clients and property owners	22	28	35
New transaction privilege tax licenses issued	801	798	850
Retail square footage	115,000	450,000	400,000

Goal: Continue to ensure the viability and vitality of downtown Prescott.			
Strategy: Work with downtown organizations, private property owners, and business owners to develop signature events downtown and encourage private investment downtown.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Taxable sales downtown	\$147M	\$155M	\$165M
Transaction privilege tax licenses issued for downtown	151	200	220
New downtown events	1	2	2

Goal: Assist in the development of Embry-Riddle Aeronautical University Technology Park and Deep Well Ranch Airpark as viable economic development assets in Northern Arizona.			
Strategy: Work with appropriate state and regional agencies, property owners, prospective tenants, and city staff to facilitate development of initial phases and create new jobs.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Meetings with federal, state and regional officials	4	5	6
Meetings with property owners and developers	4	8	15
Apply for federal and state grants to assist development	2	2	1
Meetings with prospective employers for relocation or expansion	12	15	25

Goal: Increase outreach efforts to local employers and regional economic development professionals to foster improved mutual understanding of issues or challenges facing the employer, the city, and the region.			
Strategy: Schedule meetings with employers at neutral locations to discuss issues and use the information gained to better assist business community. Schedule meetings with regional interests.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Meetings with local business owners	10	25	40
Meetings with regional interests	2	3	5

Goal: Aggressively market Prescott region and “the” place to do business in central Arizona.			
Strategy: Advertise, send mailings to targeted industries, attend trade shows, maintain Economic Development web site and address real estate and business groups throughout the Prescott region.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Formal information requests fulfilled	188	210	250
Trade shows attended	4	5	6
Unique web site visitors	7,200	15,500	18,000
Speeches to real estate and business groups	1	4	6
New non-residential square footage built (non-retail)	427,626	520,000	550,000

Prior Year Results and Outcomes

Established Mayor’s Advisory Committee to provide closer linkage with major employers.

Village at the Boulders redevelopment project leased space to Big Lots, Tuesday Morning, Dollar Tree, JoAnn’s Superstore, Game Stop, Fantastic Sam’s, Hi Health, Starbucks, and FedEx/Kinko’s.

Shops at the Boulders attracted new Walgreen’s and Arizona State Savings and Credit Union and announced 2nd phase will include Chili’s restaurant.

Prescott Gateway Mall announces 42,000 square foot The Room Store and Lamb Nissan opens new sales/service center on Prescott Lakes Parkway.

Surgical hospital and physician offices announced for Centerpointe West and Unisource Natural Gas Regional Office is built near the Prescott Airport. Tri City Prep charter high school opens in new building at Centerpointe East.

City Council authorized feasibility study for Minor League Baseball Facility.

Worked with area Chambers of Commerce, Public School Districts, and the Arizona K-12 Center to stage a week-long class for public school teachers called Partners Advancing Student Success (PASS). The program works with teachers to instill workplace skill standards that will transfer well from school to work and includes participation by Prescott's major employers.

Published results of Business Retention and Expansion Survey of major Prescott employers and began work on Convention, Retail, Service and Tourism surveys for FY07.

Prescott received awards and recognition for (1) One of Twelve Distinctive Destinations, (2) Top Ten Western Towns by True West Magazine (3) One of 25 Hottest Small Cities by Inc Magazine; (4) Number 3 in a list of Best Performing Cities by the Milken Institute for business growth and amenities; (5) One of 7 Great Places to Live by Bottom Line Magazine; (6) Ranked #5 among 284 U.S. towns as a Small Business Hot Spot by The Business Journal.

**Economic Development
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 159,985	\$ 186,475	\$ 205,704
Supplies	2,516	1,704	1,725
Other Services & Charges	110,942	102,074	118,278
Capital Outlay/Projects	50,000	53,424	25,000
Total	\$ 323,443	\$ 343,677	\$ 350,707
Capital Outlay/Projects			
Feasibility Study Convention Center			25,000
Total Capital Outlay/Projects			\$ 25,000

**Economic Development
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.75	2.75	2.75
Economic Dev Director	1.00	1.00	1.00
Business Dev Manager	1.00	1.00	1.00
Secretary	0.75	0.75	0.75

Note: Remainder of Secretary is charged to the City Manager.

Significant Expenditure Changes: Personnel costs reflect the annual salary adjustment and the increase in costs relating to Arizona State retirement contributions.

The 15.9% boost in the category of Other Services and Charges is a result of the additional facilities maintenance charge to this department along with extra funding for marketing and tourism opportunities that may arise during the fiscal year.

Information regarding the capital outlay and projects for this division can be found in the Capital Improvement Plan.

Human Resources

Division Mission: Human Resources Division provides services which are responsive to the individual employee needs and the City's mission, vision and core values. This division facilitates and helps foster a culture, which encourage the effective development of the City's most valuable asset, its employees.

Goal: To maintain sustainable employment levels to ensure consistent delivery of services for the citizens of Prescott.

Strategy: Ensure a fair and equitable workplace that views employees as our most valuable asset by maintaining a low number of grievances and turnover rate.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
# of grievances	2	1	2
Turnover rate (FT turnover/# of FT budgeted employees)	9.2%	11.5%	13.0%
Succession planning/talent management programs	0	1	2

Prior Year Results and Outcomes

Sponsor four blood drives annually with overwhelming community and employee support.

Held 3rd Annual YCT Benefits Fair entitled "your passport to good health" held at the Yavapai College Performing Arts Center. This fair is in partnership with Yavapai College, Yavapai County and The Town of Chino Valley.

Conducted 1st ever Supervisor Academy with 24 participants. Session trains City supervisors on "The Role of the Supervisor at the City of Prescott, Employment Law Basics, Painless Performance Management, Discipline and Corrective Action, Coaching Conversations, Workforce of the Future, and The Challenge of Leadership.

Conducted 1st ever Talent Management Program intended to train, self-evaluate and mentor leaders within the organization in preparation to take on new roles within the City through promotion and/or growth.

Staff serves as President for local professional association, PAHRA (Prescott Area Human Resources Association).

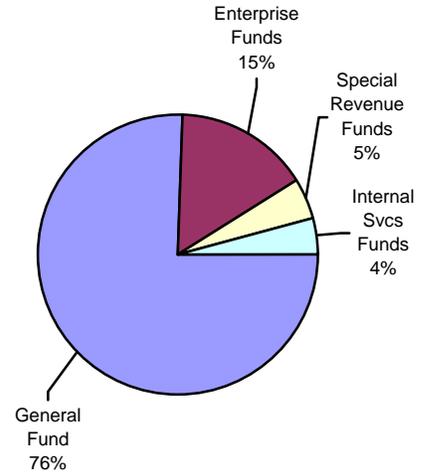
**Human Resources
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 159,819	\$ 168,930	\$ 234,994
Supplies	5,215	8,600	8,275
Other Services & Charges	54,551	117,538	153,370
Debt Service	-	81,007	162,014
Tuition Assistance	29,097	50,000	45,000
Insurance & Retirements	322,088	464,140	336,960
Total	\$ 570,770	\$ 890,215	\$ 940,613
Cost Recovery	\$ (127,840)	\$ (160,021)	\$ (228,905)

**Human Resources
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	2.85	3.50	4.00
Admin Svcs Director	0.35	0.00	0.00
Human Resources Mgr	1.00	1.00	1.00
Human Resources Analyst	0.00	1.00	1.00
Human Resources Asst	1.00	0.00	1.00
Benefits Specialist	0.50	0.50	1.00
Administrative Assistant	0.00	1.00	0.00

Human Resources



Significant Expenditures Changes: The largest increase in this budget is noticed in the Personnel category. During previous fiscal years, the Benefits Specialist was charged to the Self-Insurance Division, but partially utilized by the Human Resources Division. With the reorganization of the Administrative Services Department during FY06, the Self-Insurance Division responsibilities were transferred to the Legal Department. This made it difficult to share this position as a result the Benefits Specialist was fully charged to the Self-Insurance Fund for a majority of the year. In the upcoming fiscal year, Council authorized the addition of a .5 equivalent employee be added to this position in both the Self-Insurance Division and Human Resources Division; thus, both divisions will possess a full-time employee.

Another significant increase can be found in the Other Services and Charges area. As in other divisions, the facilities maintenance cost recovery charges resulted in a rises in this budget section. An additional factor is the annual maintenance costs for the newly implemented Human Resources/Payroll system.

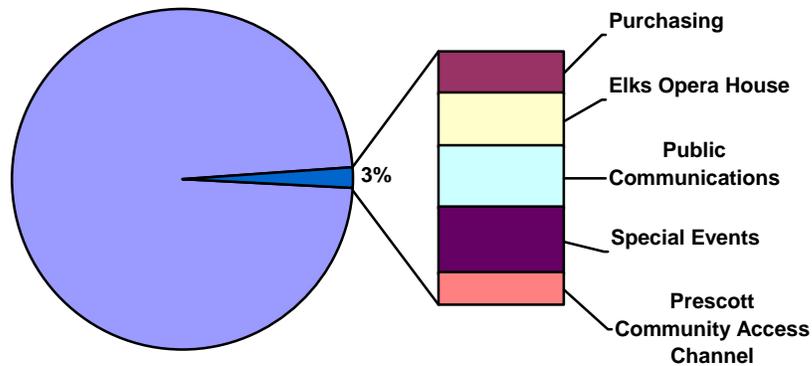
ADMINISTRATIVE SERVICES

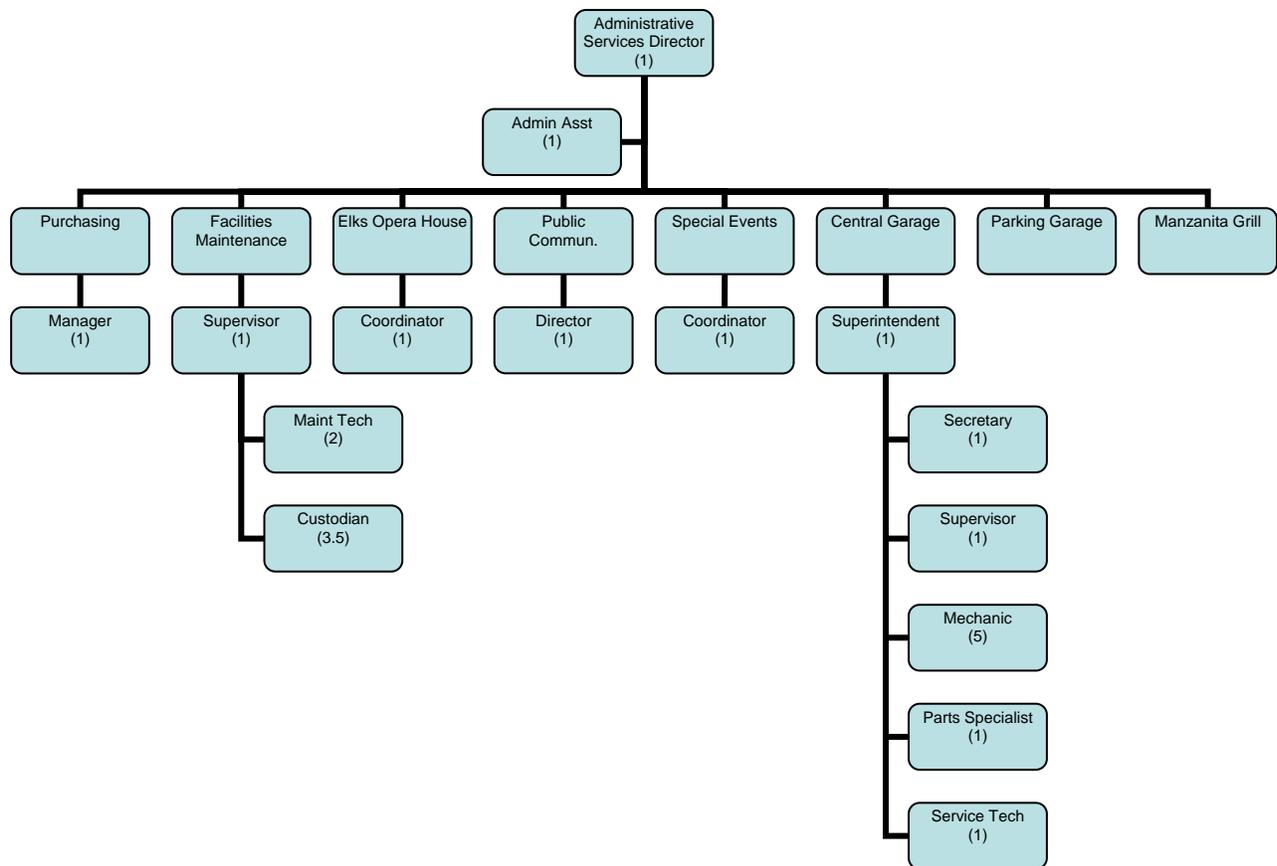
During FY2005, the Administrative Services Department was reorganized to include Central Purchasing, Elks Opera House, Parking Garage, Public Communications, Fleet Maintenance and Facilities Maintenance. Human Resources and Risk Management are no longer a function of this department. In FY06, the responsibility for the Manzanita Grille was assigned to the Administrative Services Director. Previously the restaurant was privately owned and operated.

For additional information on Facilities Maintenance and Fleet Maintenance, see the Internal Services Funds section of this document. The Parking Garage information can be located in the Enterprise Funds section.

DEPARTMENT MISSION: The delivery of internal services to the organization in order to facilitate and enhance the City's overall mission of providing superior customer service to our citizens and visitors.

% of General Fund Operating Budget





**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 238,349	\$ 339,093	\$ 341,999
Supplies	14,451	101,153	42,700
Other Services & Charges	415,031	436,780	280,589
Cost Recovery	(121,612)	(208,413)	(201,890)
Capital Outlay/Projects	35,438	90,000	-
Total	\$ 581,657	\$ 758,613	\$ 463,398
Authorized Staffing Level	4.750	8.350	6.850
Purchasing	2.000	1.850	1.350
Public Communications	2.000	2.100	1.350
Elks Opera House	0.750	0.750	2.275
Special Events	0.000	0.000	1.875
Manzanita Grill	0.000	3.650	0.000

Purchasing

Division Mission: To obtain the correct materials or services (meeting quality requirements) in the correct quantity for delivery at the correct time to the correct place from the correct source (a responsive and responsible supplier) with the correct service at the right price in compliance with State law, the City Charter and Procurement Code, and all applicable ordinances, rules and policies and promotes environmental stewardship practices where practical.

To supply internal customers with an uninterrupted flow of goods and services.

To place emphasis on quality and best value, not simply on the lowest price and to purchase competitively by keeping ahead of the marketplace.

Goal: Contribute towards the City vision of an environmentally responsible community.			
Strategy: Replace existing janitorial cleaners with environmentally friendly cleaners where practical and replace all restroom paper goods with goods containing a minimum of 10% post-consumer waste.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% of environmentally preferable cleaners	N/A	50%	75%
% of restroom paper goods containing a minimum of 10% post-consumer waste	N/A	N/A	60%

Goal: Each employee/position shall have access to a comprehensive standard operating procedures manual for all tasks pertaining to his job function.			
Strategy: Develop a comprehensive standard operating procedures manual for each position in Purchasing.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% completion of new manuals	N/A	10%	50%

Goal: Establish and maintain excellence in customer service.			
Strategy: Process properly completed requisitions within forty-eight (48) hours of receipt and formal solicitations (greater than \$10,000) within two (2) weeks of receiving complete specifications.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% of properly completed requisitions processed into purchase orders within 48 hours of receipt.	N/A	90%	100%
% of formal solicitation requests processed within two (2) weeks of receiving complete specifications	N/A	80%	90%

Prior Year Results and Outcomes

Implementation of on-line solicitation packages so that suppliers can download specifications and addenda on their own.

- Saves paper, toner and postage associated with mailing and paper, toner and telephone costs associated with faxing.

Implemented electronic purchase orders that are now emailed to requesters and, if e-mail address provided, to suppliers.

Easy filing and retrieval for Requesters and faster order placement for suppliers

Implemented Job Order Contracting and Construction Manager-at-Risk Procurement Methodologies

- Job Order Contracting saves time associated with formal bidding requirements and the Construction Manager-at-Risk process assists in better defining costs for a given project as well as improves the understanding between architect, contractor and the City.

Assisted in the design and implementation of contract scanning in Fortis.

- Any employee can access a contract in the system saving retrieval and filing time for the City Clerk and associated copy requests.

Implemented and completed annual citywide fire extinguisher inspection program to include testing and re-charging as necessary.

- Safety benefit to life and property.

Contributed just under \$1,000 to the Human Resources Employee Recognition fund via negotiated office supply rebate contract and vending contract.

Processed 39 formal sealed solicitations (4 fewer than FY05 due to introduction of additional piggyback opportunities to staff)

Processed 560 purchase orders (a 26% increase over FY05)

Purchasing Manager received MBA degree

**Purchasing
Expenditure Summary**

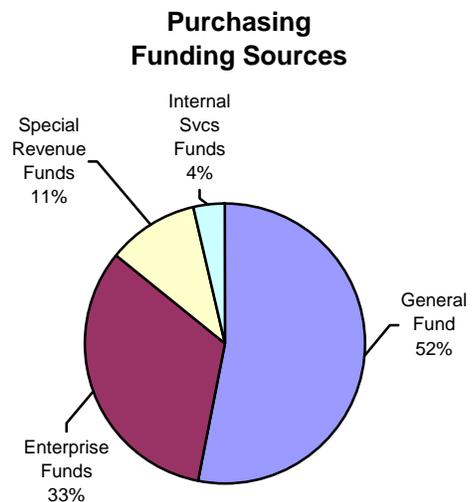
	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 87,498	\$ 99,926	\$ 92,342
Supplies	4,650	8,886	9,475
Other Services & Charges	4,338	6,757	13,574
Total	\$ 96,486	\$ 115,569	\$ 115,391
Cost Recovery	\$ -	\$ (81,180)	\$ (102,160)

**Purchasing
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.00	1.85	1.35
Administrative Svcs Dir*	0.00	0.20	0.10
Purchasing Manager	1.00	1.00	1.00
Administrative Assistant**	1.00	0.00	0.25
Administrative Asst (temp)	0.00	0.65	0.00

*Also charged .40 to Facilities Maintenance, .25 to Central Garage, .10 to Public Communications, .10 to Parking Garage, .025 to Special Events and .025 to Elks Opera House.

**Remainder of Administrative Assistant position is charged to Public Communications (25%), Special Events (25%) and Elks Opera House (25%).



Significant Expenditures Changes: As in other divisions, the Purchasing Division personnel category reflects the annual salary adjustment and increased cost of retirement contributions. This in combination with reallocation of the Administrative Services Director, 25% of the new Administrative Assistant position approved by Council, and the elimination of the temporary Administrative Assistant position make up the change in this area.

Other Services and Charges presents a 100.9% increase in the FY07 budget over the FY06 estimated ending. This is a result of the inclusion of the facilities maintenance charge for square footage occupied by this division.

Public Communications

Division Mission: To provide effective communication between the City of Prescott and its employees, residents, businesses and visitors; and to represent the city's leaders by conveying and practicing their vision and mission declarations through exceptional marketing efforts.

Prior Year Results and Outcomes:

The new city web site was launched in August 2005.

A new employee intranet portal increased employee access to important documents and information.

Mayor's Youth Advisory Council had a successful second season.

Won a "Silver Circle" Savvy award from City, County Communications and Marketing Association in the one-time special events category for the Elks Opera House Centennial celebration the previous year.

Collected 3,000 pounds of food for local food banks during the Sept. 11 Memorial Food Drive.

Public Communications Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 111,765	\$ 130,694	\$ 84,591
Supplies	4,543	17,050	16,000
Other Services & Charges	46,693	53,510	60,273
Total	\$ 163,001	\$ 201,254	\$ 160,864
Cost Recovery	\$(121,612)	\$(127,233)	\$(99,730)

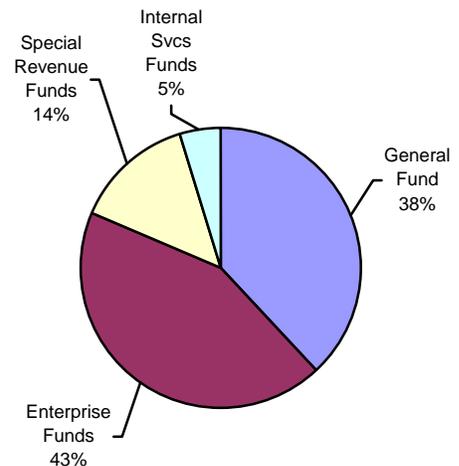
Public Communications Staffing Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.00	2.10	1.35
Administrative Svcs Dir*	0.00	0.10	0.10
Marketing Manager	1.00	1.00	1.00
Marketing Assistant	1.00	1.00	0.00
Administrative Assistant**	0.00	0.00	0.25

**Also charged .40 to Facilities Maintenance, .25 to Central Garage, .10 to Purchasing, .10 to Parking Garage, .025 to Special Events, and .025 to Elks Opera House.

*Remainder of Administrative Assistant position is charged to Purchasing (25%), Special Events (25%), and Elks Opera House (25%).

Public Communications Funding Sources



Significant Expenditure Changes: A 35.2% decrease can be observed in the Personnel section for this division during FY07. This is the result of the reclassification of the Marketing Manager to the Elks Opera House Coordinator and the movement to the Elks Opera House division.

As in other divisions, the increase in Other Services and Charges is caused by the facilities maintenance cost recovery charge assessed to each of the divisions in FY07.

Elks Opera House

Division Mission: Increase annual revenues of the theater through bookings of entertainment events, conferences, and public and private events to bring the theater to a self-sustaining financial position within three years.

Goal: Offer more entertainment events for more age ranges; increase service to clients by maintaining a well trained staff with experience in operating all aspects of the theater.

Strategy: Acquire private funding for programming through grants from corporate and private foundations. Create programming that will keep the Elks in the public eye, such as regularly scheduled events funded by grants, and give patrons an opportunity and reason to visit the Elks every week. Create a more effective marketing plan that extends into other regions of Arizona, including travel agencies, travel networks and hotels.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Revenue from rental	\$20,000	\$35,000	\$47,500
Number of events booked	30	52	70

Goal: Continue to improve the level of service and professionalism at the theater by resolving serious safety and security issues. Reduce operating expenses by fixing problems permanently and utilizing existing resources for labor.

Strategy: Address the most visible and at-risk areas of the theater, including but not limited to, front entrance lighting, exterior exit doors and stage stairs that are all areas that endure heavy usage. By fixing/replacing these entirely this year we will not have to make these repairs again and they will significantly impact the functioning and appearance of the theater, plus reduce time and cost spent in band-aid fixes that are not effective long-term.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Staff hours dedicated to small repairs on items suffering from deferred maintenance	N/A	150	60

Prior Year Results and Outcomes

Since July 2005 the following safety, equipment and aesthetic improvements have been completed with a combination of contractors, city staff, volunteers and community service workers at the Elks Opera House:

- Hemp rigging replaced with safer, stronger lines and new sandbags.
- Broken, dangerous neon lighting in entrance canopy replaced with new fixtures and old, hazardous wiring abandoned.
- Fire safety equipment replaced, updated and inspected on a regular basis.
- Back stairs repaired to eliminate slipping hazard.
- Stage surface was patched and painted.
- On stage equipment storage constructed to open up wing space.
- Torn and worn stage curtains were replaced.
- Full remodel of green room and dressing rooms made the lower level more usable and better accommodates needs of performers.

- Wing rooms painted to improve appearance.
- New amplifier, snake and microphones acquired to improve sound abilities.

In addition to physical improvements the Elks was able to benefit for the first time from a marketing plan.

- New sales kits, contracts and guidelines were established for clients. Protocols were established for working with clients and executing events.
- Qualified part time seasonal staff was hired to work lights and sound at events and provide customer service to make each event go smoothly.
- Revenues were at 100 percent over projected revenues for FY05-06.

Bookings for FY 06-07 currently extend into June 2007 and exceed the theater's number of days in use over the previous fiscal year.

- The Arizona Revue: That's Entertainment" signed a contract for a season of shows every Saturday night through September as well as six holiday shows. We anticipate the success and rebooking of this show in the following year.
- "Curtain Call Series" booked four shows in 2007 bringing legendary performers and talent to the Elks for a high-caliber production. They have announced their intention to become regular customers of the Elks.
- Young Star Musical Theater's production of "Peter Pan" surpassed expectations and nearly sold out ten public performances and nine school performances. Young Star has re-booked for two more productions in the 06-07 school year, a two-week theater camp, and plans to expand the theater camp to eight weeks in the summer of 2007.
- The EOHF will receive a \$5100 grant from the Acker Trust to fund children's programming at the Elks. The funds will be used to offset the rental, operation and staffing costs for schools and private music instructors to utilize the Elks for recitals and children's performances. This is a great way to keep the Elks in touch with the needs of the community as well as use Sunday through Thursday dates that are more difficult to book.
- The City of Prescott and the EOHF were awarded a Heritage Fund grant for the restoration of the second lobby.

**Elks Opera House
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 39,086	\$ 47,713	\$ 79,979
Supplies	5,258	6,552	11,450
Other Services & Charges	29,996	42,678	45,852
Capital Outlay/Projects	35,438	-	-
Total	\$ 109,778	\$ 96,943	\$ 137,281

**Elks Opera House
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.750	0.750	2.275
Administrative Svcs Dir	0.000	0.000	0.025
Elks Opera House Coord.	0.000	0.000	1.000
Recreation Supervisor	0.500	0.500	0.000
Administrative Assistant	0.000	0.000	0.250
Maintenance Worker (temp)	0.250	0.250	1.000

Significant Expenditure Changes: Several factors contribute to the 67.6% increase in Personnel charges for this division – 25% of the new Administrative Assistant position will be charged to this

division, 2.5% of the Administrative Services Director's salary will be charged here in FY07, the Elks Opera House Coordinator is charged here beginning FY07, and increased temporary salary funding. These matters combined with the annual salary adjustment, increased retirement costs and transfer of Recreation Supervisor back to Recreation Programming compose the change in Personnel costs.

The other category that shows a significant change is the Supply section. As discussed in the FY06 highlights, the Elks Opera House has shown a tremendous increase in usage and along with this increased usage come the need to purchase increased quantities of janitorial supplies, concession inventory, and small tools and equipment. The FY07 budget reflects this need.

Special Events

Division Mission: The development, presentation, support and promotion of special events which entertain, enhance quality of life, encourage community pride and participation, aid in developing a greater cross cultural community and assist all special event sponsors throughout the community.

Prior Year Results and Outcomes:

Dickens of a Christmas was held December 3 at the Court House Plaza. This was the first year with over two thousand people enjoying the event. The kids were able to visit with Mr. and Mrs. Claus and get their pictures taken. Piñatas, balloon makers, face painters, and a heated craft tent were the kids got to make toys and crafts. A strolling ten foot Walking Tree Man lit up with Christmas lights. Two horse drawn carriages taking people around the square to admire the lights and sing carols. Hot chocolate, sweet treats and carolers were all around the square to enjoy. Throughout the evening people went into the different business and got a raffle ticket and deposited them into a drum, at the end of the evening we raffled off three four foot stocking filled with gifts from the merchants. Business owners were thrilled with the foot traffic it created for them and are looking forward to participating this year.

Decorate your own stocking and stuff it with goodies was a huge hit. Over 200 kids filled the Elk's Opera House. Kids decorated their own plush stocking and then off to Santa's Toy Shop were they picked out 5 toys to put in the stockings. Santa was there to listen to their wish list while a photographer snapped their pictures.

Decorate a Christmas cookie plate and cookies for Santa and you. This event was held at the Elk's Opera House. One hundred plus kids decorated a plate and then received two large sugar cookies to decorate with colored icings. Santa and his elf were there for pictures.

Easter basket decorating and gift hunt was held April 15, at the Court House Plaza along with the Egg Hunt and Fun Day. Thousands came out with over 350 kids getting a basket to decorate plus a stuffed bunny and stickers. Then it was off to the bunny hop gift hunt. We supplied the merchants with toys to drop in the kid's baskets creating fun for the kids and great business for the merchants.

This years July 4th Celebration was the largest crowd ever with thousands enjoying a day of non-stop fun. The fun started at 12:00noon and went till 10:00PM. Entrance into the Pioneer Park was free with live bands playing throughout the day and night. \$10 got you a wrist band that gave you unlimited rides, games, contests and a craft tent where you got to make jewelry, decorate a baseball cap, sport cup and a tote bag to bring home all the goodies they won from the carnival games. Contests such as bubble blowing, watermelon eating and seed spiting occurred during the day with prizes for the winners. Dozens of artisans and craft booths were set up along with a variety of food booths. 9:00PM showcased a spectacular fireworks show in spite of the monsoons. This event brought visitors from all over including the tri-city areas. Thank you's came in from our locals and out of town guests through the mail, e-mails and the newspapers editorials thanking the city for a great event.

**Special Events
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ -	\$ -	\$ 85,087
Supplies	-	-	5,775
Other Services & Charges	-	-	81,044
Total	\$ -	\$ -	\$ 171,906

**Special Events
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.000	0.000	1.875
Administrative Svc Director	0.000	0.000	0.025
Special Events Coord.	0.000	0.000	1.000
Administrative Assistant	0.000	0.000	0.250
Temp Employees	0.000	0.000	0.600

Significant Expenditure Changes: Special Events funding was previously part of Recreation Programming division in the Parks, Recreation, and Library Department. Beginning FY07, a separate budget has been created to provide a cost center for charging special event costs. These monies are not an additional burden to the General Fund, but a shift in cost centers.

Anticipated special events for FY07 include, but are not limited to, 4th of July Celebration, Dickens of a Christmas, and Prescott Days.

Building Maintenance

Division Mission: To provide safe, clean and well-maintained buildings and facilities for use by employees and the general public.

**Building Maintenance
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Other Services & Charges	257,442	258,481	-
Total	\$ 257,442	\$ 258,481	\$ -

Significant Expenditure Changes: This account previously tracked custodial and building maintenance services costs associated with the General Fund. Effective FY07, these costs will be charged directly to the requesting division.

Manzanita Grill

Division Mission: To provide value oriented food and beverage service to Antelope Hills golfers and tournaments. To provide course concessions in a professional and timely manner, and protect the course as a valued asset of the city.

**Manzanita Grill
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ -	\$ 60,760	\$ -
Supplies	-	68,665	-
Capital Outlay/Projects	-	90,000	-
Total	\$ -	\$ 219,425	\$ -

**Manzanita Grill
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	0.00	3.65	0.00
Temp Restaurant Emp	0.00	3.65	0.00

Significant Expenditure Changes: During FY06, operations of the restaurant at Antelope Hills Golf Course reverted back to the City of Prescott. Until an appropriate cost center was created, operating costs for the restaurant were charged to this area. Beginning FY07, these charges will be made to the Golf Course Fund. More information on the Manzanita Grill can be found in the Enterprise Fund section under the Golf Course.

Prescott Community Access Channel

Division Mission: Through the Prescott Community Access Channel, all City Council study sessions and regular meetings are televised on a weekly basis. Special programs concerning city issues are televised as well. Funding is provided primarily by an agreement to pay the Access Channel one percent of cable franchise fees received by the City of Prescott.

**Prescott Community Access Channel
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Contractual Services	\$ 76,562	\$ 75,354	\$ 79,846

Significant Expenditures Changes: The City receives 4% of the cable company's gross revenues and 25% of this amount is allocated to the Prescott Community Access Channel. This expenditure remains fairly level from year to year.

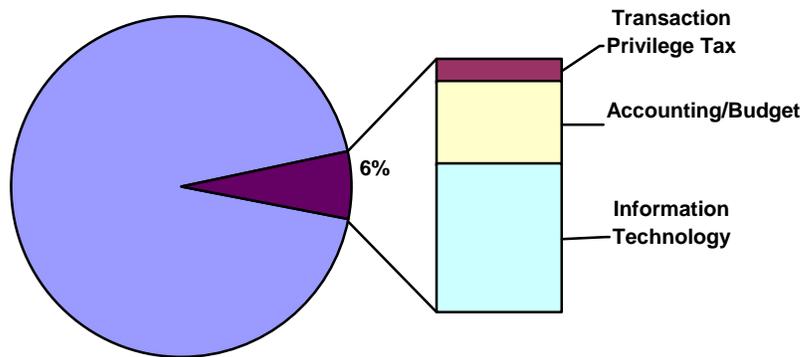
BUDGET AND FINANCE

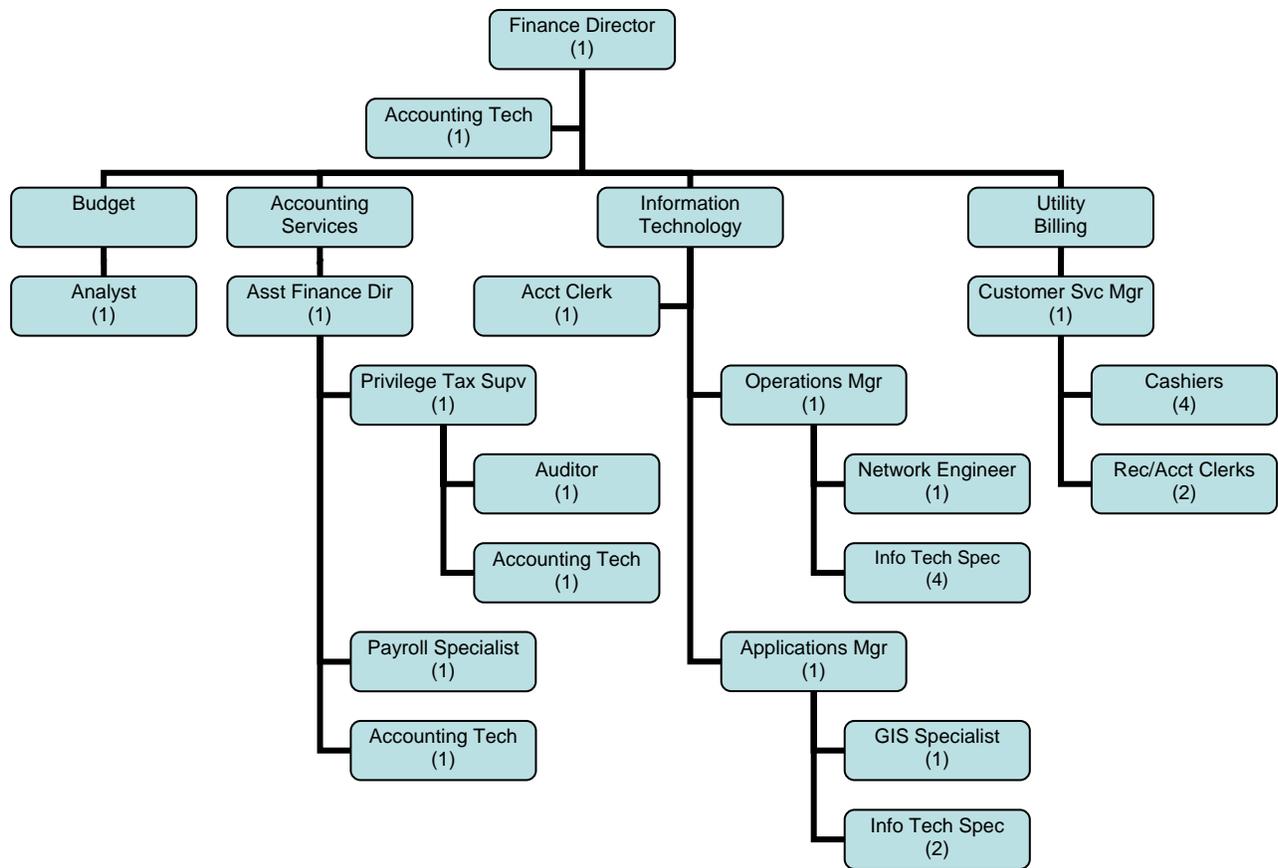
The Budget and Finance Department is accountable for all major financial management functions of the City. In addition to facilitating overall financial management and reporting for the City Manager, City Council, and the general public, this department has the responsibility for budget preparation and management, accounting, transaction privilege tax, utility billing, project management accounting, grants accounting, investments, payroll, and information technology.

For additional information on Utility Billing, see the Water Fund in the Enterprise Funds section of this book.

DEPARTMENT MISSION: The Finance Department will continue to lead in government accountability, providing creative solutions to problems while efficiently managing city resources.

% of General Fund Operating Budget





Consolidated Departmental Expenditure and Staffing Level Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 1,289,705	\$ 1,415,992	\$ 1,597,740
Supplies	314,329	287,249	287,400
Other Services & Charges	308,900	299,045	404,717
Cost Recovery	(772,446)	(908,769)	(967,543)
Capital Outlay/Projects	(54)	632,000	206,000
Total	\$ 1,140,434	\$ 1,725,517	\$ 1,528,314
Authorized Staffing Level	22.10	22.60	23.60
Transaction Privilege Tax	3.00	3.00	3.00
Accounting	9.00	9.20	9.20
Information Technology	10.10	10.40	11.40

Transaction Privilege Tax and Licensing Division

Division Mission: To enforce the tax code by educating the public, providing clear interpretation of the tax code, and performing compliance audits; to administer the collection of privilege tax; to issue transaction privilege tax licenses as well as nonprofit and transient merchant/peddler/solicitor licenses; to maintain the privilege tax and licensing records; to keep the Budget and Finance Director apprised of proposed legislation that may affect the city's tax revenues; and to provide technical support to the director of Budget and Finance for special financial projects.

Goal: Efficiently provide taxpayer forms and information.			
Strategy: All information requests will be handled within 3 working days.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% compliance with promised response time to taxpayer inquiries	100%	100%	100%

Goal: Promote accurate privilege tax self-assessments through compliance audits and educations			
Strategy: Conduct education seminars for the various taxable activities.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of information handouts available for selected areas of taxation, business related matters	28	28	28
Number of Privilege Tax Audits (Desk & Field)	136	140	140

Goal: Collect delinquent privilege tax accounts and minimize write-offs.			
Strategy: Maximize collection effort by phone calls and timely followup			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Audit assessments which have gone to hearing	0	0	0

Prior Year Results and Outcomes

Successfully completed 87 field and Multi-Jurisdictional Audit Committee audits for a total of \$415,000.

Completed 49 desk reviews for a total of \$16,500.

Completed and collected Use Tax on out of state vehicle purchases in the amount of \$37,500.

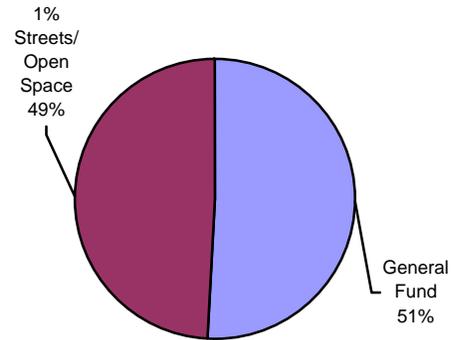
Maintained the service level of getting privilege tax forms out in three days or less from the closing date of the reporting period. Eight of the 12 months the forms were mailed out within two days.

In FY06, there were 801 new licenses issued: 62 were commercial rental, 130 were residential rentals and the balance of the 609 new licenses was the various taxable classifications such as retail sales and construction contracting.

**Transaction Privilege Tax & Licensing
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 158,405	\$ 165,638	\$ 177,982
Supplies	1,666	1,300	1,800
Other Services & Charges	36,321	34,588	45,899
Total	\$ 196,392	\$ 201,526	\$ 225,681
Cost Recovery	\$ (98,757)	\$ (107,964)	\$ (110,748)

Transaction Privilege Tax & Licensing Funding Sources



**Transaction Privilege Tax & Licensing
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	3.00	3.00	3.00
Privilege Tax Supervisor	1.00	1.00	1.00
Privilege Tax Auditor	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00

Significant Expenditures Changes: As in other divisions, the Transaction Privilege Tax and Licensing Division personnel category reflects the annual salary adjustment and increased cost of retirement contributions.

Other Services and Charges presents a 32.7% increase in the FY07 budget over the FY06 estimated ending. This is a result of the inclusion of the facilities maintenance charge for square footage occupied by this division in city hall.

Accounting/Budget

Division Mission: To provide accurate and meaningful financial solutions and information that meets our customer's expectations.

Goal: Leverage technology to deliver efficient, economic and innovative financial solutions.

Strategy: Provide effective and efficient accounting and financial support through the use of innovative and creative approaches.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Cost to deliver financial services as a percentage of total City operating budget	.99%	1.03%	1.19%
Payroll checks processed per FTE payroll staff	15,864	16,650	17,000
City credit card purchases			
• Volume	1,282	1,880	2,400
• Dollars	\$349,118	\$500,000	\$600,000
Checks issued per FTE accounts payable staff	11,906	13,600	14,250

Goal: Produce a comprehensive, user-friendly budget document that meets the criteria prescribed by the Government Finance Officers Association (GFOA).			
Strategy: Follow the guidelines established by the GFOA.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Receive the GFOA award	Yes	Yes	Yes

Goal: Encourage involvement and distinction in reporting.			
Strategy: Coordinate the annual financial audit maintaining accuracy, consistency and integrity.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Unqualified opinion on the annual financial audit and single audit from external auditors, which are completed by November 30 th .	Yes	Yes	Yes
Comprehensive annual Financial Report in conformance with GAAP and GFOA financial reporting benchmarks	Yes	Yes	Yes

Goal: Safeguard the City's cash and maximize yields.			
Strategy: Manage the City's investments in accordance with the investment policy and while obtaining high yields.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Average yield on investments (that exceeds the benchmarks below)	4.00%	4.25%	4.75%
Three month U.S. Treasury Bill average	2.26%	3.72%	4.25%
Federal funds average	2.25%	3.75%	4.25%

Prior Year Results and Outcomes:

Received the Distinguished Budget Presentation Award (highest form of recognition) for the fourth year in a row.

Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for the City's Comprehensive Annual Financial Report.

Acquired a new Payroll/Human Resource software package which is in the development stage, once implemented the system should provide greater efficiency and addition tools to manage our growing workforce.

By actively managing the City's idle cash we earned an average of 4.25%. This rate exceeded our benchmarks, 3-month treasury bill by .53% and the federal funds rate by .50%.

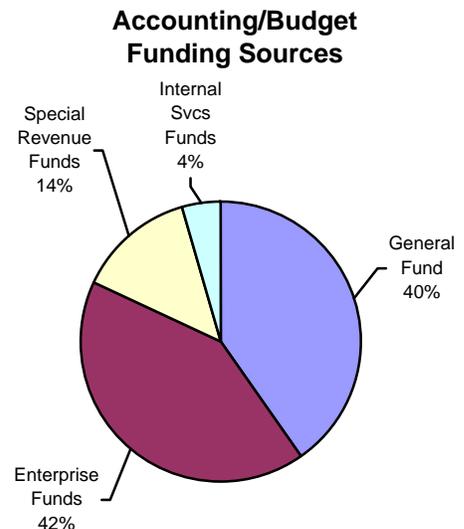
**Accounting/Budget
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 528,639	\$ 575,445	\$ 623,103
Supplies	4,684	6,649	6,500
Other Services & Charges	78,319	68,625	114,541
Capital Outlay/Projects	(1,248)	300,000	124,000
Total	\$ 610,394	\$ 950,719	\$ 868,144
Cost Recovery	\$(418,023)	\$(466,908)	\$(519,097)
Capital Outlay/Projects			
HR & Payroll Software (carryover)			124,000
Total Capital Outlay/Projects			\$ 124,000

**Accounting/Budget
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	9.00	9.20	9.20
Finance Director*	0.90	0.90	0.90
Asst Finance Director	1.00	1.00	1.00
Customer Services Mgr	1.00	1.00	1.00
Budget Analyst	1.00	1.00	1.00
Payroll Specialist	1.00	1.00	1.00
Accounting Technician	2.00	2.00	2.00
Account Clerk	2.00	2.00	2.00
Temp Employees	0.10	0.30	0.30

*The remainder of the Finance Director is charged to the Information Technology Division.



Significant Expenditure Changes: The Personnel category shows an 8.2% increase due to the annual salary adjustment and the increased costs relating to retirement contributions.

The large increase shown in the Other Services and Charges area is the result of several factors. One factor is the addition of the facilities maintenance cost recovery charge to this division.

Information regarding the HR & Payroll Software can be located in the Capital Improvement Plan at the end of this book.

Information Technology

Division Mission: The Information Technology Division will provide and deliver quality and innovative information solutions and services in a timely manner through the appropriate use of technology within a long-range plan that enables departments within the city to meet their goals in the most cost-effective and efficient manner possible.

Goal: Provide the City a stable, secure, and accessible network.			
Strategy: To maintain the city network up time at 100% during the fiscal year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% of up time	100%	99.9%	100%

Goal: Provide user training and support to maximize user productivity.			
Strategy: To train 15% of users during the fiscal year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% of users trained	20%	25%	25%

Goal: Assist the departments in cost effective automation solutions.			
Strategy: Implement 100% of approved projects successfully.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
% of approved projects	100%	100%	100%

Goal: Provide an up-to-date technology road map for the City.			
Strategy: Review and update the technology plan annually.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Reviewed and updated plan.	Yes	Yes	Yes

Prior Year Results and Outcomes

Development of web-based property information and streets lookup tools tied to GIS data

Interagency data sharing developed for Regional Dispatch Systems Training for employees in MS Office (word, excel, power point)

Fillable web forms online to assist the public in submitting the correct information

Implemented new anti-spam system which is highly effective and efficient

**Information Technology
Expenditure Summary**

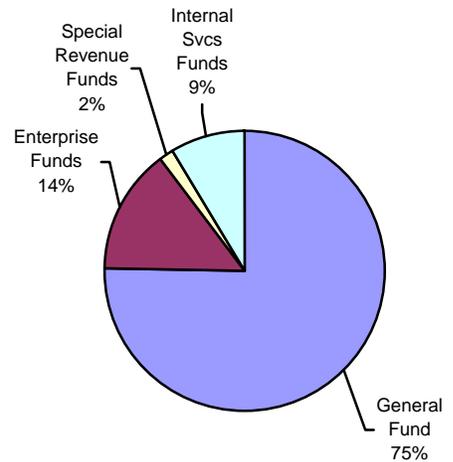
	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 602,752	\$ 674,909	\$ 796,655
Supplies	307,979	279,300	279,100
Other Services & Charges	194,260	195,832	244,277
Capital Outlay/Projects	1,194	332,000	82,000
Total	\$ 1,106,185	\$ 1,482,041	\$ 1,402,032
Cost Recovery	\$ (255,666)	\$ (333,897)	\$ (337,698)
Capital Outlay/Projects			
VoIP Phone System			\$ 64,000
Geodesy			18,000
Total Capital Outlay/Projects			\$ 82,000

**Information Technology
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	10.10	10.40	11.40
Finance Director*	0.10	0.10	0.10
Operations Manager	1.00	1.00	1.00
Applications Manager	1.00	1.00	1.00
Network Engineer	0.00	0.00	1.00
Info Tech Specialists	6.00	6.00	6.00
GIS Specialist	1.00	1.00	1.00
Info Technology Tech	0.50	0.00	0.00
Account Clerk	0.50	1.00	1.00
Temp Employees	0.00	0.30	0.30

*The remainder of the Finance Director is charged to the Accounting/Budget Division.

**Information Technology
Funding Sources**



Significant Expenditure Changes: The 18% increase in Personnel in the Information Technology Division is a result of the annual payroll adjustment along with higher costs for retirement contributions. Another cause for the increase is the new Network Engineer position that was approved for FY07.

Other Services and Charges also show a notable increase. As in other General Fund divisions, this area increased due to the inclusion of the facilities maintenance cost recovery charge to cover the utility, maintenance, and custodial services performed by the Facilities Maintenance Division.

The two capital outlay/projects budgeted in this area are the VoIP Phone System and Geodesy. More information can be found relating to these items in the Capital Improvement Plan section of this book.

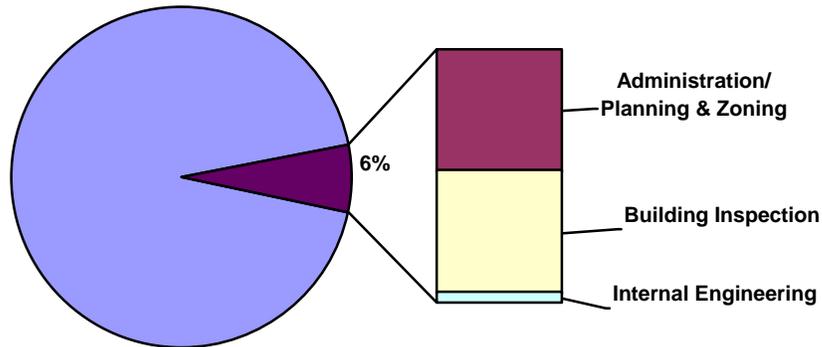
COMMUNITY DEVELOPMENT

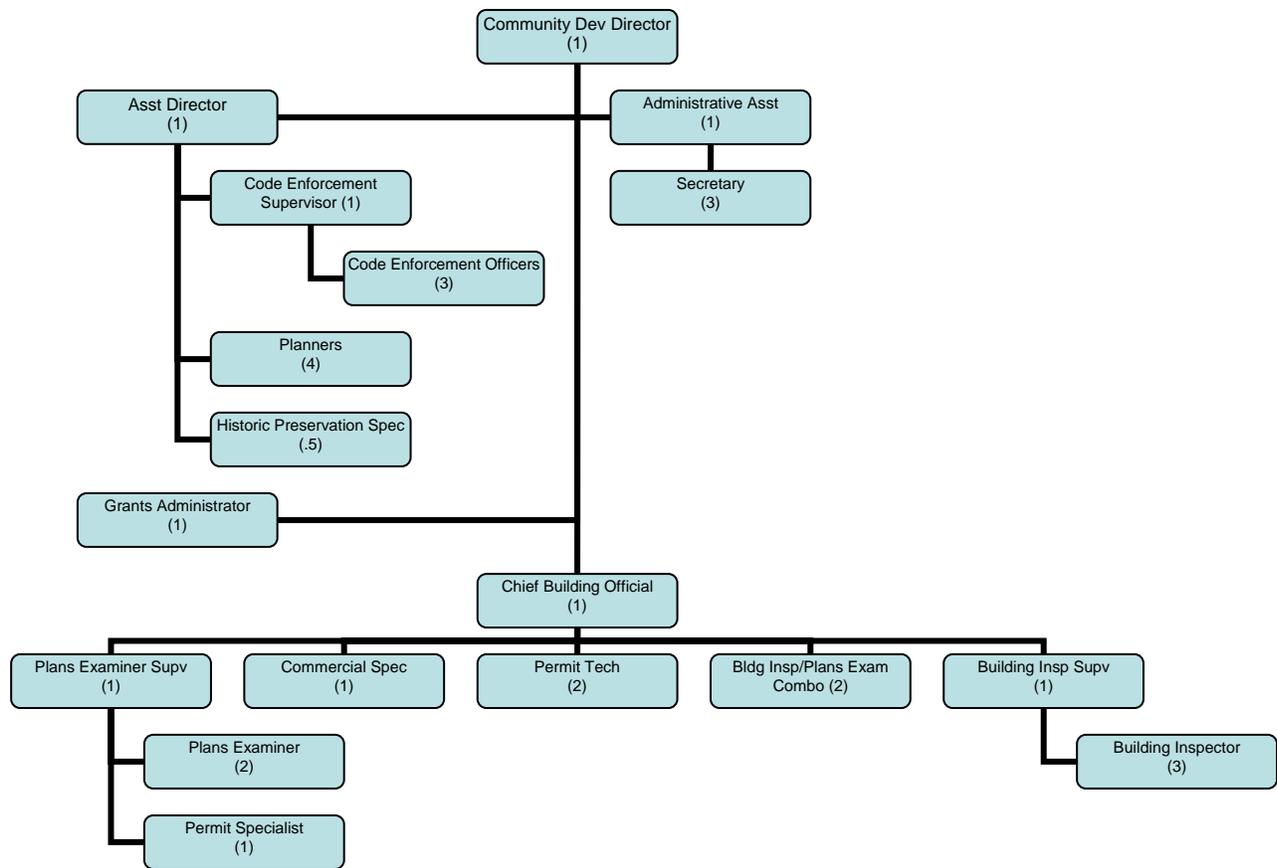
The Community Development Department consists of the divisions of Administration (incorporating the functions of planning and zoning and community development), building inspection, and grants administration.

DEPARTMENT MISSION: Our mission is to provide the citizenry and development community a superior level of customer service that exemplifies the City of Prescott CORE Beliefs; as directed by City Council, guided by the 2003 General Plan, the Land Development Code, City Code and the International Building Codes.

Our staff strives to accomplish this mission through high levels of productivity, efficiency, responsiveness and professionalism.

% of General Fund Operating Budget





Consolidated Departmental Expenditure and Staffing Level Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 1,368,257	\$ 1,470,653	\$ 1,898,908
Supplies	29,489	38,981	45,700
Other Services & Charges	236,274	232,968	274,834
Capital Outlay/Projects	10,690	499	92,000
Total	\$ 1,644,710	\$ 1,743,101	\$ 2,311,442
Authorized Staffing Level	26.50	26.50	29.50
Administration/P&Z	11.30	11.30	13.30
Building Inspections	14.20	14.20	15.20
Grant Administration	1.00	1.00	1.00

*Grant Administrator is funded out of the Grants Fund

Administration/Planning & Zoning

Division Mission: To serve the citizens of Prescott and the development community efficiently, as directed by the City Council, guided by the 2003 General Plan and the Land Development Code. Our goal is to provide superior customer service.

Goal: Improved Code enforcement response times and closure rates.			
Strategy: Improve efforts to reach case closure through timely investigation. Use the Hearing Officer process to more quickly resolve cases against repeat offenders and to avoid lengthy court proceedings.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Cases opened	472	700	750
Cases closed	446	750	800
Cases presented to hearing officers	2	4	10

Goal: Increase the number of neighborhood clean-ups as a means of more pro-active code enforcement.			
Strategy: Use the "Neighborhood Cleanup Fund" to conduct more neighborhood clean-ups. Increase the number of clean-ups from two per year to at least four per year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of neighborhood cleanups	2	2	4

Goal: Further improve public notification and participation in planning processes.			
Strategy: Provide timely notifications to interested parties through mailings to surrounding property owners and posting of properties.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of public notices	58	63	70
Number of neighborhood mailings	107	120	130
Number of property postings	60	65	70
Number of newspaper display ads	12	15	20

Prior Year Results and Outcomes

Facilitated the creation of over 350 acres industrial/business parks in the vicinity of the airport.

Proactive annexation of 43 acres for regional shopping center.

Rewrite of Land Development Code Sections

Added staff to assist with processing record breaking private development applications.

**Administration/Planning & Zoning
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 613,501	\$ 701,386	\$ 935,437
Supplies	16,616	20,884	22,300
Other Services & Charges	79,910	89,057	110,730
Capital Outlay/Projects	10,668	499	56,000
Total	\$ 720,695	\$ 811,826	\$ 1,124,467
Capital Outlay/Projects			
Vehicle for New Code Enforcement Supv			\$ 18,000
Vehicle for New Code Enforcement Officer			18,000
Repair and Demolition Fund			10,000
Neighborhood Cleanup			10,000
Total Capital Outlay/Projects			\$ 56,000

**Administration/Planning & Zoning
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	11.30	11.30	13.30
Director	0.80	0.80	0.80
Asst Comm Dev Director	0.00	1.00	1.00
Planning Manager	1.00	0.00	0.00
Planner	4.00	4.00	4.00
Administrative Assistant	1.00	1.00	1.00
Historic Preservation Spec	0.50	0.50	0.50
Secretary	2.00	2.00	2.00
Code Enforcement Supv	0.00	0.00	1.00
Code Enforcement Officer	2.00	2.00	3.00

Note: 20% of Community Development Director's position charged to Building Department.

Significant Expenditures Changes: The two new positions approved by Council for this division along with the annual salary adjustment and increased retirement costs account for the significant increase in Personnel costs. A Code Enforcement Supervisor and a Code Enforcement Officer was added to this area for FY07. It is anticipated that these two new positions will allow the city to become proactive in their code enforcement as opposed to reactive.

FY07 budget for Other Services and Charges reflect a 24.3% increase over FY06 estimated endings. Two factors compose this increase – the cost recovery for the facilities maintenance fund and additional funding (\$10,000) for training on the Trak-it system.

More detail regarding the capital outlay/projects can be found in the Capital Improvement Plan area of the budget book.

Building Inspections

Division Mission: Provide the community with the best possible plan review and inspection services by applying nationally recognized construction codes, in a timely and cost effective manner and to promote a better built community through working partnerships with the construction community and our neighboring jurisdictions.

Goal: Reduce the amount of re-inspections by providing more time for each inspection.			
Strategy: Assign geographical areas to each inspector to better utilize their inspection times by reducing the amount of travel time during their day.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
CRW reports tracking the amount of re-inspections	20%	18%	16%

Goal: Reduce the plan review turnaround times for tenant improvements from four weeks to two weeks maximum.			
Strategy: Implement a "Permits by Appointment" program to expedite the tenant improvement plan review process. One Plans Examiner and the Permit Specialist will be assigned to this program.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
CRW reports to track plan review time from log-in to permit	80%	40%	20%

Goal: Review 90% of plan submittals by published turn around times.			
Strategy: Implement program to track amount of work being produced by plans examiners. Permit Specialist to review plans for completeness at counter prior to log in. Assign Permit Specialist residential re-submittals to allow plans examiners to concentrate on first reviews.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
CRW reports to verify status of plan review times for each plan	40%	90%	90%

Prior Year Results and Outcomes:

Streamlined the process and created a new "permits by appointment".

Performed 29,738 inspections

Issued 42 commercial permits including:

- Summit Bank Building
- Tri City Surgical Center
- Empire CAT Maintenance/Repair Facility
- Residence Inn on State Route 69

Issued 592 single family residence permits

**Building Inspections
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 754,756	\$ 769,267	\$ 963,471
Supplies	12,474	18,097	23,400
Other Services & Charges	107,117	87,284	88,945
Capital Outlay/Projects	22	-	36,000
Total	\$ 874,369	\$ 874,648	\$1,111,816
Capital Outlay/Projects			
New Vehicle for Division			\$ 18,000
Vehicle for New Building Inspector			18,000
Total Capital Outlay/Projects			\$ 36,000

**Building Inspections
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	14.20	14.20	15.20
Comm. Development Dir	0.20	0.20	0.20
Chief Building Official	0.00	1.00	1.00
Building Inspection Mgr	1.00	0.00	0.00
Plans Examiner Supv	1.00	1.00	1.00
Commercial Specialist	0.00	1.00	1.00
Plans Examiner	2.00	2.00	2.00
Building Inspections Supv	1.00	0.00	1.00
Building Insp Journeyman	0.00	1.00	0.00
Combo Bldg Insp/Plan Exa	0.00	1.00	2.00
Building Inspector	4.00	3.00	3.00
Private Develop. Coord.	1.00	0.00	0.00
Secretary	2.00	1.00	1.00
Permit Specialist	1.00	1.00	1.00
Permit Tech	1.00	2.00	2.00

Note: The remainder of the Community Development Director is charged to Administration/Planning & Zoning.

Significant Expenditure Changes: The Personnel category shows a 25.2% increase due to the annual salary adjustment, increased costs relating to retirement contributions, and a new position. The new position approved is a Combination Building Inspector/Plans Examiner. It is anticipated that there will be a dramatic increase in plan submissions due to the water rate increase and potential impact fee increase. This position will help to alleviate the load for the current plans examiners and building inspectors so that this division can continue to provide quality customer service.

The rise in Supplies expenditures is due to the anticipated purchase of a new desk, computer and other office supplies for the new Combination Building Inspector/Plans Examiner that has been approved for FY07.

Information regarding the two vehicles budgeted in capital for this division can be located in the back of the budget book in the Capital Improvement Plan.

Internal Engineering

This division provides an account within the General Fund for the Engineering Services Division to bill its charges.

**Internal Engineering
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Other Services & Charges	\$ 49,646	\$ 56,627	\$ 75,159

Significant Expenditure Changes: This amount includes \$67,120 for 30% of 80% of the Development Services Manager's and Engineering Tech's salaries. The remainder is budgeted for other Internal Engineering charges billed to the General Fund on an as used basis.

PARKS, RECREATION AND LIBRARY

The Parks, Recreation and Library Department strive to provide a leisure services system to meet the needs of all Prescott residents and visitors. By involving the public in the planning and evaluation of leisure services through user surveys and citizen boards and committees, the Department has developed facilities and activities to provide maximum recreational opportunities for all ages.

This department offers organized recreation space for softball, football, soccer, jogging, fishing, boating, picnicking, camping, tennis, volleyball, basketball, hiking, bird watching and myriad benefits of the outdoor experience for approximately 150,000 citizens and visitors. They provide turf, trees, trails, open space, lakes, tables, benches, ramadas, restrooms, campgrounds, ball fields, children's play areas, and a public library with a circulation of over 500,000 books per year.

DEPARTMENT MISSION: To preserve, protect, and enhance the parklands, trails, lakes and public open spaces of the City of Prescott for the benefit of citizens and visitors, acting as conscientious stewards of the environment.

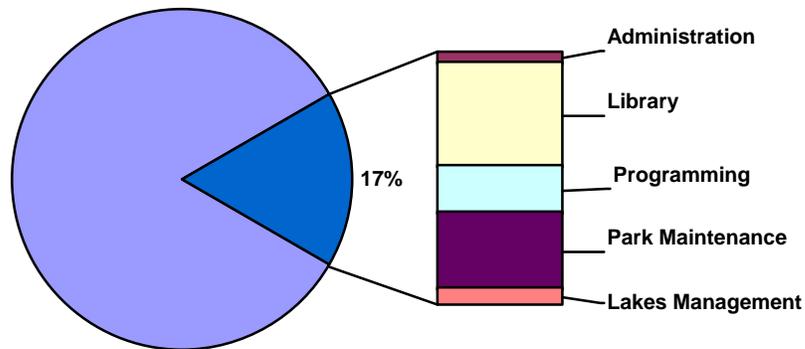
To provide leisure services system that is responsive to and directed by the diverse and changing needs of our patrons.

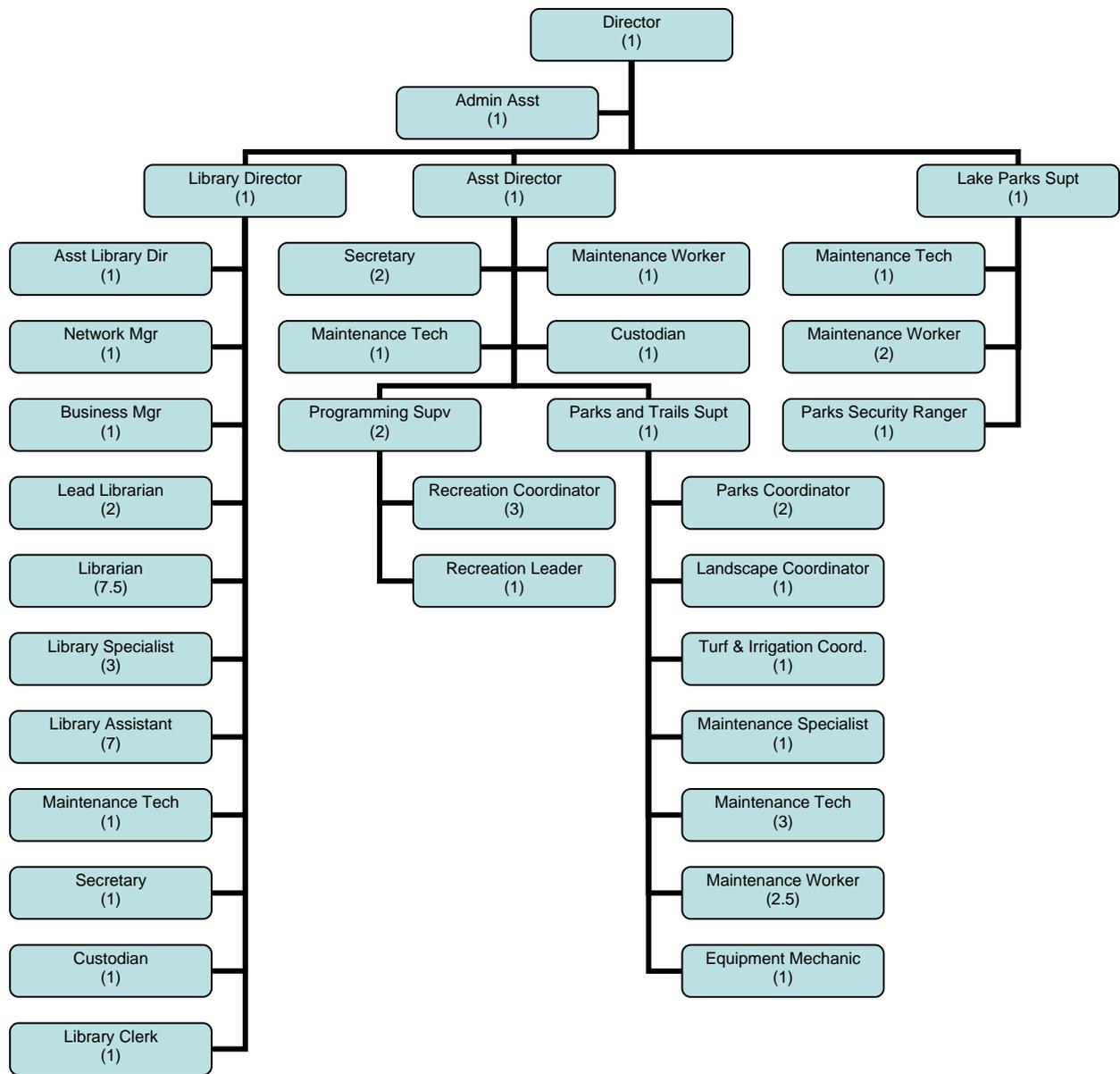
To plan for future growth and expansion of park facilities, lake properties, open spaces, trails, activity centers, and library services.

To operate well-maintained facilities including parks, recreation centers, and library facilities, supporting our image of a polished city – beautiful and clean.

To promote Prescott's reputation as a first class tourist destination by offering great recreation and leisure amenities.

% of General Fund Operating Budget





**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 2,794,725	\$ 3,205,972	\$ 3,611,414
Supplies	492,654	550,643	501,233
Other Services & Charges	1,131,920	1,113,642	1,421,067
Capital Outlay/Projects	247,178	130,887	425,362
Total	\$ 4,666,477	\$ 5,001,144	\$ 5,959,076
Authorized Staffing Level	68.275	75.500	79.900
Administration	3.200	3.200	3.200
Library/Library Network	22.420	25.070	28.470
Prescott ConneXion	2.830	2.830	3.630
Programming	16.125	20.000	19.500
Park Maintenance	18.500	19.000	19.700
Watson & Willow Lakes	3.400	3.600	3.600
Goldwater Lake	1.800	1.800	1.800

Administration

<p>Division Mission: To facilitate improved maintenance of park facilities through improved communications between staff members.</p> <p>To promote Prescott's reputation as a first class tourist destination.</p> <p>To manage a well-trained, professional staff.</p> <p>To provide a wide variety of recreational opportunities to our diverse group of park patrons.</p> <p>To establish plans and goals for future community needs.</p>
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Goal: To oversee, enable the department staff to meet and exceed goals and priorities set by Council, as well as, individual goals set by divisions consistent with the City's Core Beliefs.			
Strategy: Hold bi-weekly Team Leader meetings to establish and follow through with all capital improvement projects for the department.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Completion of capital improvement projects	50%	90%	100%
Strategy: Empower staff to achieve excellent customer service by recognizing employee successes and needs.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Holding departmental meetings	16	18	20
Strategy: Encourage and promote good team chemistry to better provide quality service to our customers.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of informal employee gatherings held	2	2	2

**Administration
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 224,866	\$ 251,262	\$ 260,489
Supplies	4,368	5,752	5,100
Other Services & Charges	22,521	36,163	34,376
Capital Outlay/Projects	3,335	-	-
Total	\$ 255,090	\$ 293,177	\$ 299,965

**Administration
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	3.20	3.20	3.20
Director	1.00	1.00	1.00
Lake Parks Superintendent	0.20	0.20	0.20
Parks Security Ranger	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00

Note: Remainder of Lake Parks Superintendent is charged .4 in Goldwater Lake and Watson/Willow Lakes respectively.

Significant Expenditures Changes: The Personnel and Supplies categories remained fairly constant in the Administration division of the Parks, Recreation and Library Department. The only change is a result of the annual salary adjustment and the increased cost associated with retirement contributions. Supplies and Other Services & Charges have no significant expenditure changes.

Library and Library Network

Division Mission: The Prescott Public Library mission is to be the learning center of our community and the place people turn to for the discovery of ideas, the joy of reading and the power of information. Community needs drive our service and we take a personal interest in ensuring that they are delivered in a welcoming, convenient and responsive manner. To be a destination of choice for area residents and visitors, a keystone of Prescott's Alive Downtown. To continue library services to the Prescott community during construction.

The Yavapai Library Network mission is to provide efficient, convenient, responsive and cost-effective library services to the region via centralized hardware, software, and system administration. To lead Yavapai county and Arizona libraries by demonstrating appropriate and innovative use of technology to meet community needs. To maintain Prescott Public Library's leadership of a nationally known consortium of school, academic, museum and public libraries. To increase access to information for all Yavapai County libraries, schools, offices and homes.

Goal: Be the learning center of our community and the place people turn to for the discovery of ideas, the joy of reading and the power of information.			
Strategy: To remain responsive to community needs as demonstrated by the number of items (books, videos, CDs, & magazines) checked out as well as by the number of active library cardholders. FY2007 forecasts assume downtown library reopens late September 2006.			
Service Area Population is defined as residents of the 86301, 86303 and 86305 Zip Code Tabulation Areas (ZCTA). Census 2000 Population = 47,209 Assuming a 3% annual growth rate, FY05 population is estimated at 53,134, FY06 population at 54,725 and FY07 at 56,370			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Maintain high circulation per 1,000 population ICMA 2000 Median = 9,879	18,123	11,877	15,362
Maintain high number of active borrowers as a percentage of Service Area Population ICMA 2000 Median = 69%	86%	75%	80%

Goal: To be a destination of choice of area residents and visitors, a keystone of Prescott's Alive Downtown.			
Strategy: Maintain high service levels to library visitors. Put resources in place to allow expanded hours for evening activities.			
FY07 Forecasts assume downtown library re-opens late September 2006.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Gate count	477,768	225,000	395,000
Circulation	962,922	650,000	866,000
Meeting Room Use (# of bookings)	859	Downtown library closed	1,600
Program attendance	12,113	5,500	15,000
Hours open (per week)	65.5	61	73

Goal: Lead Yavapai County and Arizona libraries by demonstrating appropriate and innovative use of technology to meet community needs.			
Strategy: Reduce lines and busy signals for Prescott Public Library borrowers via use of self-service technology.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Increase calls to the automated library clerk (TeleCirc) – Number of calls received	10,125	10,300	10,500
Increase in self-placed holds – Number of holds placed	73,746	84,000	94,000
Increase in self-renewal of library materials – Number of items renewed	79,669	62,000	84,000
Increase in use of self-checkout – Number of items checked out	114,557	N/A	143,000

Goal: Increase access to information for all Yavapai County libraries, schools, offices and homes.			
Strategy: Promote use of resources and facilities of the Networks 40+ libraries, as well as of library services available 24/7.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Uses of Remote Patron Authentication	38,307	39,200	40,800
Number of Intra-Network Requests (items loaned to each other by member libraries)	193,254	203,985	209,492
Circulation of materials by Network member libraries	2,184,986	2,180,000	2,250,000

Goal: Maintain Prescott Public Library's leadership of a nationally known consortium of school, academic, museum and public libraries.			
Strategy: Accept new members, with a focus on schools and special collections, such as the Yavapai County Law Library. Growth of the Network enhances regional resource sharing while reducing the City of Prescott's share of Network operating and maintenance costs.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Prescott's share of Network costs	18.4%	16.6%	15.7%
Yavapai Library Network Members	33	40	42
Special collections	6	6	7
Titles in iPAC with Accelerated Reader (AR) information for area schools	14,462	15,474	16,557

Prior Year Results and Outcomes

The relocation of the downtown library was completed on schedule, and the Prescott Library at Prescott Gateway Mall opened to the public September 19 at 10 AM. Over 3,000 items were checked out on opening day. By June 2006, the daily gate count averaged 450 at Prescott Library, 250 at the Prescott ConneXion and 175 at the Friends Book Sale.

Despite the closure of the downtown library, FY2006 circulation was over 700,000 items loaned. The Friends Book Sale raised almost \$64,000 selling used books and magazines from a temporary storefront on Walnut Street. The storefront also served as a pickup location for books reserved by library patrons, and proved very popular – in June 2006, almost 4,000 books were sent to the Friends Book Sale for pickup.

With the downtown library closed for construction, two popular library programs - TaxAide services and Spotlight on the Stars continued at temporary locations. The TaxAide program broke records again, filing over 2,000 returns and bringing over \$1.4 million in refunds to Prescott.

The Spotlight on the Stars program "Starry Nights at Watson Lake," was held on the third Saturday of each month from January through April. The programs attracted approximately 100 people for star viewing. Spotlight on the Stars III, May 19 and 20, drew over 300 people to an evening of star talks at the Elks Theater, and an all-day and evening astronomy fair at Watson Lake Park.

The library's summer reading program, "Claws, Paws, Scales & Tales," attracted over 350 children. A series of craft programs, storytimes, family movies and parties was held through the end of the fiscal year.

May 7th, 2006 was a night to remember as 500 guests ate, drank, danced and explored Prescott's Living Room during Jazz in the Stacks III. A final \$25,000 challenge grant from the Ritter Charitable Trust got donations flowing, and soon resulted in new donations and pledges totaling well over \$30,000. By the end of the evening the Second Century Committee's capital campaign raised more than \$55,000, reaching, and then exceeding its \$1.2 million goal.

Between funds contributed by the Friends of the Library and funds raised by the Second Century Committee, public support of the new library adds up to almost \$1.5 million, or 25% of the \$6 million project. With the help of these two groups, the library was able to complete the construction, including a new roof, as well as fully furnish the new library.

Library construction is on schedule and completed to over 90% by the end of the fiscal year. Tile, painting, floors and trim work are on track and progressing as electrical, data and heating/cooling systems near completion.

The Yavapai Library Network (YLN), headquartered at Prescott Public Library, added 7 new libraries (Granite Mountain Middle School, Miller Valley School, Lincoln Elementary School, Prescott Mile High Middle School, Taylor Hicks Elementary School, the Orme School, and Prescott College Tucson Campus).

To keep the county-wide Network up and running during library construction, the YLN moved servers and telecommunications twice, first to the County Archives on Prosser Lane, back to the downtown library. Downtime during each move was less than 12 hours.

Combined YLN collections now exceed 1 million items. Thanks to the cooperative spirit of member libraries and the sophistication of the Network's integrated library system, these library materials are available to every citizen in Yavapai County. Resource sharing among the 40 school, academic, museum and public libraries in the network continues to reduce costs for everyone.

**Library/Library Network
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 948,739	\$ 1,100,509	\$ 1,357,333
Supplies	197,806	190,341	188,478
Other Services & Charges	306,042	279,827	366,109
Capital Outlay/Projects	117,488	121,387	342,737
Total	\$ 1,570,075	\$ 1,692,064	\$ 2,254,657
Capital Outlay/Projects			
County Automation Project			\$ 289,387
Sidewalks & Pavement Repair			53,350
Total Capital Outlay/Projects			\$ 342,737

**Library/Library Network
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	22.42	25.07	28.47
Director	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00
Lead Librarian	0.00	2.00	2.00
Librarian	6.50	6.50	7.00
Business Manager	0.00	0.67	0.67
Administrative Assistant	1.00	0.00	0.00
Library Specialist	2.00	2.00	3.00
Library Assistant	5.00	4.00	5.00
Library Clerk	1.00	1.00	1.00
Maintenance Technician	0.00	1.00	1.00
Secretary	0.00	1.00	1.00
Custodian	0.50	0.50	1.00
Library Network Manager	1.00	1.00	1.00
Library Resource Analyst	0.67	0.00	0.00
Clerks (Temporary)	2.75	3.40	3.80

*.33 of Business Manager charged to Prescott ConneXion.

Significant Expenditure Changes: Major changes can be observed in the Library/Library Network divisions. These changes can be linked to the expansion of the main library in downtown Prescott. With the anticipated re-opening of the library in the fall of 2006, new personnel have been added to this area to support the existing library staff in servicing the library patrons in the increased space. New positions added for the fiscal year are ½ time custodian, a library assistant, a library specialist and a ½ time

librarian. These new positions along with the annual salary adjustment and increased retirement costs contribute to the increase in the Personnel category.

Other Services and Charges also reflect a significant increase in FY07 over FY06 estimated endings. This can also be tied to the library expansion project. During FY06, the library was closed a good portion of the year to accommodate construction; thus, utilities were not being paid for this division. The FY07 Other Services and Charges budget anticipates increased utilities charges due to the additional space and the rise in costs. The higher utility costs make up the 30.8% increase in this area.

Information regarding the capital outlay and projects for the Library can be located in the Capital Improvement Plan section of this book.

Prescott ConneXion

Division Mission: To provide a dynamic popular reading, video and recorded books collection, and a convenient pickup and drop-off point for materials from other Network libraries.

To provide convenient passport application acceptance services to the region.

To provide popular services, such as public Internet access, to citizens and visitors.

To provide meeting, event, display and brochure spaces that can be used by citizens and city officials for various purposes.

Goal: Provide a dynamic popular reading, video and recorded books collection, as well as public Internet access and passport services, to citizens and visitors.

Strategy: Maintain high level of service despite increases in gate count and circulation. Increase customer satisfaction by increasing open hours.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Hours open (per week)	61	61	73
Passport applications accepted	187	196	215
Visitors	58,341	85,000	89,000
Circulation of materials	55,223	83,000	87,000

Prior Year Results and Outcomes

The Prescott ConneXion in the Gateway Mall offers library services to shoppers and to residents of east Prescott.

In FY06 circulation at the ConneXion increased more than 36% and visitation increased by more than 46%.

In an unusual partnership with the U.S. State Department, the Prescott ConneXion accepts passport applications. In FY06 the ConneXion helped over 200 people get their passports. Each passport accepted puts \$30 in the City's General Fund.

**Prescott ConneXion
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 97,106	\$ 115,036	\$ 154,287
Supplies	4,656	2,926	1,905
Other Services & Charges	14,891	15,772	23,197
Total	\$ 116,653	\$ 133,734	\$ 179,389

**Prescott ConneXion
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.83	2.83	3.63
Library Specialist	1.00	1.00	1.00
Library Resource Analyst	0.33	0.00	0.00
Business Manager*	0.00	0.33	0.33
Library Assistant	1.50	1.50	2.00
Clerks (Temporary)	0.00	0.00	0.30

*.67 of Business Manager is charged to Library/Library Network.

Significant Expenditure Changes: The 34.1% growth observed in the personnel category can be attributed to additional ½ time library assistant position that was approved for FY07. Also, monies have been budgeted for temporary salaries for the Prescott ConneXion.

The increase in Other Services and Charges can be linked to the contingency budgeted to cover environmental charges for a possible expansion at the mall. Westcor does not charge the city a lease payment, but it does charge an environmental charge.

Recreation Programming

Division Mission: Develop and provide recreation opportunities serving the citizen's of Prescott recreational and leisure needs in a sustainable and cost-effective manner. In vertical alignment with the City of Prescott mission we will provide superior customer service for our programs, classes, leagues and special events. These activities will be planned, implemented and evaluated to satisfy the recreational, social and cultural needs of the community and its welcomed guests.

The division will continue to promote and attract tourism, community and private partnerships and co-sponsorships.

Continuous improvement of staff and volunteers developing the Recreation Programming Division to be a model of excellence in the State of Arizona enhancing the City of Prescott image as a dynamic and exciting community.

Goal: Expand programs for citizens to increase service opportunities and utilization of the City's recreational facilities creating an environment where Prescott citizens view park and recreation as a very positive and valuable asset.

Strategy: Utilizing the new city web site and more effective use of City "Quality Time" publication to

create a greater public awareness and interest in our recreational facilities.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Compare rental revenue annually	202,219	227,000	235,000
Develop customer satisfaction survey cards	N/A	N/A	Evaluate a statistical report comparing users, user feedback and follow through
Number of website contacts per month	N/A	3,000	5,000

Goal: Increase youth participation by partnering with the Prescott Unified School District, local YMCA and Prescott Fine Arts theater providing expanded active and passive recreation and intramural opportunities with elementary, middle school and high school students.			
Strategy: Provide statistical analysis report on participation and survey results with each partner (PUSD, YMCA and Prescott Fine Arts Theater) on an annual basis expanding youth passive and active related activities.			
Number of participants in "after school latch-key program"	N/A	3,000	4,500
Number of teams in "middle school and high school intramural programs"	N/A	N/A	60
Number of participants in "Fine Arts Theater programs"	N/A	N/A	2,000
Develop continuous improvement process with customer satisfaction surveys and follow up feedback	N/A	N/A	Yes

Goal: Involvement with other organizations to increase the economic impact on the community.			
Strategy: Promote Prescott through active participation in the Amateur Softball Association National Convention to be held in Colorado Springs, CO in the fall of 2006. Assist State ASA Commissioner with convention hospitality and administration of state wide operations. Actively participate in the tournament bid process through bid presentations and lobbying national ASA board members on behalf of the City of Prescott.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Perform statistical review and analysis of annual impact study results	Yes	Yes	Yes

Prior Year Results and Outcomes:

Over 900 people from the region including California, New Mexico, Texas, Utah, Nevada and Arizona participated in 25 Senior Olympics events.

Sixty-two children from ages of 2-5 participated in the Tiny Tot Olympics at Ken Lindley Field in September. They competed in the 25 foot run, the football throw and obstacle course. Representatives from the Prescott Fire department and Police Department were on hand as well many parents and grandparents.

Recreation Staff partnered with different agencies, such as Four County Conference and Creative Networks to offer additional Special Needs programs this year. The May Day event held at Goldwater Lake where 45 special needs folks came to play games, have a picnic and socialize. A spaghetti dinner served 150 special needs folks while raising funds for Horses with Heart – the special needs equestrian program.

While the Library was having its renovation, Recreation Programming partnered with Library staff at the Grace Sparkes Activity Center to offer after school programs for children. The staff team offered crafts, computers, games, and outdoor activities.

The City of Prescott partnered with PUSD to offer programming for middle school children on early release days – every Wednesday in the school year. The program offered homework assistance, dance and theater, sports and games and a computer lab. Participation varied from 75 – 200 children every week. Fifty-four teenagers participated in the second week of the Teen Winter Break Program, which included trips to Flagstaff, Phoenix and local hot spots.

The 2005 ASA Men’s 50 and Over Fast-Pitch Softball National Championships received the “Award of Excellence” for one of the highest rated tournaments conducted in the Nation.

Parks Programming established the Best of the West ASA Girl’s Fast-Pitch Softball Tournament as an annual event through a partnership with the State Commissioners of the ASA Rocky Mountain Region. Twenty-eight 28 teams participated in the inaugural event.

A new Adult Soccer League was coordinated during the fall with 20 team entries. This program was extremely popular with gatherings of close to a hundred people at each weekend game. The Mile-High Soccer Classic tournament attracted upwards of 105 teams and 2,200 youth.

Staff partnered favorably with the Yavapai Indian Tribe assisting them with their annual Pai Pride Youth Basketball tournament.

Staff received and relocated the “Arizona Softball Hall of Fame” to Prescott.

**Recreation Programming
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 646,510	\$ 729,578	\$ 723,613
Supplies	68,325	121,291	91,850
Other Services & Charges	237,968	246,305	277,020
Capital Outlay/Projects	81,832	9,500	-
Total	\$ 1,034,635	\$ 1,106,674	\$ 1,092,483

**Recreation Programming
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	16.125	20.000	19.500
Superintendent	1.000	0.000	0.000
Adult Center Coordinator	1.000	1.000	1.000
Recreation Supervisor	0.500	1.500	2.000
Recreation Coordinator	3.000	3.000	2.000
Recreation Leader	2.000	1.000	1.000
Secretary	2.000	2.000	2.000
Maintenance Technician	1.500	1.500	1.500
Maintenance Worker	1.000	1.000	1.000
Custodian	0.000	1.000	1.000
Summer Inst. (temp)	4.125	8.000	8.000

Significant Expenditure Changes: Personnel in this division reflect an increase of .5 employees. This is a result of transferring one Recreation Coordinator to a different department to be responsible for special events. One half of a Recreation Supervisor has been moved back to this division from the Elks Opera House. These changes along with the annual salary adjustment and increased retirement contribution costs account for the difference in the personnel costs.

A decrease can be observed the Supply section due to the movement of Special Events to its own division under Administrative Services. The supplies necessary for the events will now be purchased to the new division.

The increase in Other Services and Charges is a result of a lease payment to the Adult Center Inc. As a result of this lease payment, Adult Center Inc will now be responsible for their staffing.

Parks, Trails and Landscape Maintenance

Division Mission: Our mission is to provide daily upkeep of existing park facilities, athletic fields, parks, trails, streetscapes and planters, and to construct and maintain park facilities in a safe, aesthetically pleasing and efficient manner. We strive to encourage pride and a sense of personal ownership by staff in the appearance and function of our park facilities. The Park Maintenance Division is responsible for maintenance services for 601 acres of public Parks, Recreation facilities and Unified School District facilities identified in the IGA.

Another mission of this division is to complement the City's vision "as a responsible environmental steward" in providing high quality recreational and transportational trails for residents and visitors, and conserving lands that have unique biological, historical, scenic, geological, and recreational characteristics. This mission is also complimentary to the City's mission "to serve as the Leader of the Region", as there is great potential to establish an example for other communities to follow. The outdoor recreation opportunities provided by this division have social, health, and fitness benefits to Prescott's current and future generations.

Goal: Establish playground inspection program and upgrade playground maintenance.

Strategy: Create monthly safety inspection program and follow through with needed maintenance in a prompt and efficient manner.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Inspect each playground monthly	1	2	2

Goal: To provide a parks system for our diverse group of park patrons that is safe, aesthetically pleasing and functional.

Strategy: Provide daily upkeep of existing facilities and develop new facilities in an economically responsible manner.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Acreage of developed park land	601	601	601
FTE Park Maintenance Staff	12.5	12.5	12.5

Goal: Improve the maintenance service level at all park facilities.

Strategy: Changing the work culture and attitudes in the Park Maintenance Division through the use of positive reinforcement, employee involvement, and encouraging employee to exceed customer expectation in everything we do.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of staff meetings soliciting employee input	1	2	3

Prior Year Results and Outcomes

Staff prepared and maintained Prescott's exceptional ballfields to perfection for dozens of softball and baseball tournaments, the Annual Southwest Girls Fast Pitch softball camp, a successful Little League season and associated tournaments. The Mile-High Soccer Classic tournament attracted upwards of 105 teams and 2,200 youth.

Parks Maintenance prepared and supported the grand opening of the Mike Fann Community Skatepark, which attracted nearly 2000 visitors. The Division provided support for the park's first Skate Expo, in May, which was a huge success with professional skaters demonstrating their techniques, DJ music and prizes from local merchants.

Parks and Recreation Maintenance staff prepared, set up, and helped host the City's annual Fourth of July event at Pioneer Park that attracted an estimated 8,000 people. In addition, there were many set-ups for three large events at Pioneer Park, the sand volleyball complex, and dozens of family and company picnics at the various ramadas managed by the Division. The portable stage/band shell was set-up by the Division for 22 special events (up from 16 events last year) Reservations for its use continue to increase annually. The Division strives to provide each special event with superior customer service helping to ensure the success of each event.

Maintenance staff worked with and accommodated many groups seeking community service projects during the summer months (i.e., church groups, scouts, YMCA, etc.). Projects included bridges, trails, and park improvements. Numerous upgrades to the Roughrider Park/Bill Vallely complex were completed, including many donated services and products from the local little League organization and local contractors.

The Division completed many upgrades to the Ken Lindley sports complex in the areas of landscaping, painting, and turf. The score booth was rebuilt with the assistance of donated materials and labor from a local business.

A major beautification project at the Pioneer Park ballfield complex was completed, which included 200 tons of rip-rap work. Much assistance was provided by ERAU Air Force ROTC students. The Division completed the horseshoe complex at Watson Lake Park with contributions of materials and labor from citizens and local businesses.

Trails - Began the upgrades, expansion, and restrooms for the Sun Dog Trailhead and the Prescott Peavine National Recreation Trail excavation project. Staff supported the National Trail Day at Pioneer Park.

Completed the Prescott Circle Trail through the Embry-Riddle Aeronautical University campus, and thereby connecting Pioneer Park to Willow Lake for bicycling, walking, running, and horseback riding. Once again, Yavapai County Juvenile Probation Services conducted outstanding work through trail construction.

Continued to work with a dedicated citizens' committee on further expansion of the City's Downtown Greenways Multi-Use Trail System This involves securing access on private property in order to utilize the \$500K grant. Residents in west Prescott were "Coached" in their efforts to secure the former Santa Fe Railroad for permanent use as a trail (i.e., identified in the Council-adopted 2003 Prescott Bicycle-Pedestrian Master Plan).

Staff began the process of planning the two Willow Lake south shore access points that will entail developing two new parking areas along Willow Lake Road. The project will involve working closely with the Public Works Department as turn lanes are required.

Open Space - Staff completed the purchase of a scenic 28-acre parcel of Open Space land in Granite Dells from the Trust for Public Lands. Staff and the Open Space Acquisition Advisory Committee continue

to negotiate purchases of land within Granite Dells to further accommodate the City's growing demand for outdoors / adventure recreation and eco-tourism.

**Parks, Trails and Landscape Maintenance
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 721,057	\$ 807,211	\$ 873,527
Supplies	170,716	192,727	177,430
Other Services & Charges	492,607	464,174	643,796
Capital Outlay/Projects	44,523	-	82,625
Total	\$ 1,428,903	\$ 1,464,112	\$ 1,777,378
Capital Outlay/Projects			
Turf Mower			\$ 35,625
Turf Top Dresser			18,500
Turf Airifier			16,500
Playground Equipment Replacements			12,000
Total Capital Outlay/Projects			\$ 82,625

**Parks, Trails and Landscape Maintenance
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	18.50	19.00	19.70
Asst Parks & Rec Dir.*	0.00	1.00	1.00
Parks Maintenance Supt.	1.00	0.00	0.00
Trails/Parks Supt.	0.00	1.00	1.00
Maintenance Specialist	4.00	4.00	0.00
Maintenance Worker	4.00	4.00	3.00
Equipment Operator	1.00	1.00	0.00
Open Space Coordinator	1.00	0.00	0.00
Turf & Irrigation Coordinator	0.00	0.00	1.00
Landscape Coordinator	0.00	0.00	1.00
Parks Coordinator	0.00	0.00	2.00
Equipment Mechanic	0.00	0.00	1.00
Urban Forester	1.00	1.00	0.00
Maintenance Technician	1.00	1.00	3.00
Seasonal Maintenance	5.50	6.00	6.70

*Remainder of Asst Parks & Recreation Director is charged to Recreation Programming.

Significant Expenditure Changes: The reorganization of the Parks, Recreation and Library Department during FY06 makes it difficult to compare the Personnel category of this budget due to the shifting of employees between divisions and the reclassification of several employees. The annual salary adjustment and the increase in costs relating to retirement contributions are reflected in the Personnel section of the budget. It also shows increased funding for seasonal maintenance employees.

The Supplies section the FY07 budget presents a decrease of 7.9% over FY06 estimated endings. The major reason for this is the shifting of budgets between Supplies and Other Services and Charges. Also,

the replacement playground equipment that is typically budgeted in Other Operating Supplies is reflected in Capital Outlay/Projects in FY07.

A 38.7% increase is illustrated in the Other Services and Charges category from FY07 budget over FY06 estimated endings. There are many factors contributing to this increase. This division will feel the effect of the increased water rates and other utilities due to being the cost center for maintenance of all the parks and fields. Another reason for the larger budget is the vehicle replacement charges. During FY06 vehicle replacement charges were funded at 50%; that was increased to 75% in FY07. Parks, Trails and Landscape Maintenance division has a large number of vehicles and it is reflected in this charge. Finally, the basis for the insurance cost recovery was altered for FY07. In previous years this charge was based one-half on loss history and one-half on division's budget compared to the city as a whole. It was decided that for this fiscal year the city would become fully-self insured and would include vehicles. As a result, insurance cost recovery is now allocated one-third loss history, one-third size of budget and one-third number of vehicles. This division has several vehicles so it has affected the bottom line.

Information regarding the capital outlay for this division can be found in the Capital Improvement Plan in the annual budget book.

Watson and Willow Lakes

Division Mission: To provide a variety of safe and appealing educational and recreational opportunities, while protecting the natural and cultural resources of Willow and Watson Lakes.

To assist community groups in the presentation of high quality, entertaining and educational large events and festivals in Watson Lake's unique amphitheater setting.

Goal: To assist community groups in the presentation of high quality, entertaining and educational large events and festivals in Watson Lake's unique amphitheater setting.

Strategy: Develop an educational program at the Willow Lake Archaeological Interpretive Center. The program will include guided tours and displays of artifacts found at Willow Lake.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of tours	0	4	12
Number of participants	0	60	240

Prior Year Results and Outcomes

The Division completed implementation of a Master Plan for improvements at Willow and Watson Lakes, which were approved by City Council in May of 1999. Grant fund reimbursements have been received from State Lake Improvement Fund in the amount of \$1,048,310 and Land and Water Conservation Fund in the amount of \$560,000.

Tournament-quality horseshoe courts have been constructed at Watson Lake Park thanks to donations of materials and labor from local merchants and horseshoe enthusiasts. The courts have been sanctioned for national tournament play. Several tournaments are planned for the coming year. The courts are open to the public when not scheduled for tournament play, adding another amenity to Watson Lake Park at low cost to the City.

Parking fee collection at Willow & Watson Lakes began on April 15. Parking fee income for FY 06 totaled \$7,126 for Watson and \$1,618 for Willow.

**Willow and Watson Lakes
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 84,989	\$ 124,876	\$ 158,861
Supplies	37,509	28,816	27,600
Other Services & Charges	45,118	56,868	61,388
Total	\$ 167,616	\$ 210,560	\$ 247,849

**Willow and Watson Lakes
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	3.40	3.60	3.60
Lake Parks Supt*	0.40	0.40	0.40
Maintenance Worker	2.00	2.00	2.00
Maint. Worker - temp	1.00	1.20	1.20

*Lake Superintendent also charged .2 to Administration and .4 to Goldwater Lake.

Significant Expenditure Changes: Personnel costs reflect the annual salary adjustment and the increase in costs relating to Arizona State retirement contributions.

As in other divisions, the Other Services and Charges category displays the increase in utility costs.

Goldwater Lake

Division Mission: To provide a variety of safe and appealing educational and recreational opportunities for visitors of all ages and abilities.

To enhance and preserve the health of the forest using a systematic approach, restoring the health of the Ponderosa forest through partnerships with other organizations concerned with fire safety.

Goal: To enhance and preserve the health of the forest using a systematic approach, restoring the health of the Ponderosa forest.

Strategy: Continue our successful partnerships with other organizations concerned with fire safety – Prescott Area Wildland Urban Interface Committee, Prescott Fire Department Wildland Crews, and Arizona Public Service arborists.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Acreage of forest thinned and restored to its natural healthy state	0	3	10

Prior Year Results and Outcomes

Improvements completed at Goldwater Lake Park in FY06 include construction of an additional restroom, construction of an entrance station, rehabilitation of the east fishing dock, and replacement of the boat launch road.

Parking fee collection has been voluntary at Goldwater Lake Park until construction of the entry station was completed. Seasonal employees began collecting parking fees at peak times in May 2006. Parking fees collected in FY 06 totaled \$10,613, an increase of 35% over FY 05.

**Goldwater Lake
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 71,458	\$ 77,500	\$ 83,304
Supplies	9,274	8,790	8,870
Other Services & Charges	12,773	14,533	15,181
Total	\$ 93,505	\$ 100,823	\$ 107,355

**Goldwater Lake
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	1.80	1.80	1.80
Lake Parks Supt*	0.40	0.40	0.40
Maintenance Technician	1.00	1.00	1.00
Maint. Worker - Temp	0.40	0.40	0.40

*Lake Parks Superintendent also charged .2 to Administration and .4 to Willow and Watson Lakes.

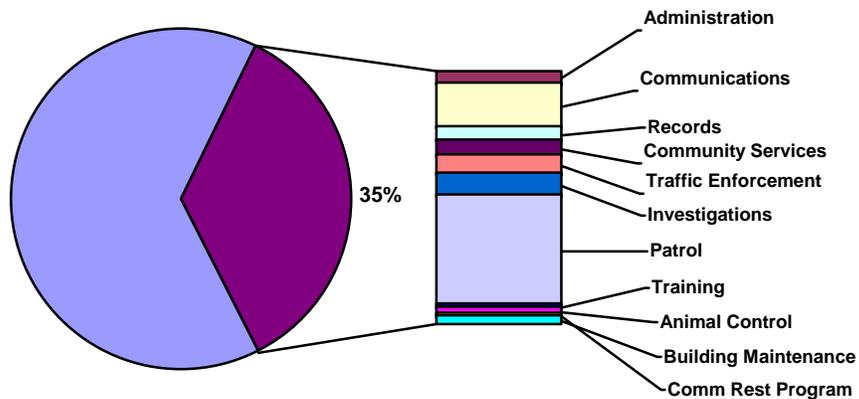
Significant Expenditures Changes: The increase in retirement contributions and annual salary adjustment is exhibited in the Personnel category of this division. There are no other significant expenditures changes found in the Goldwater Lake budget.

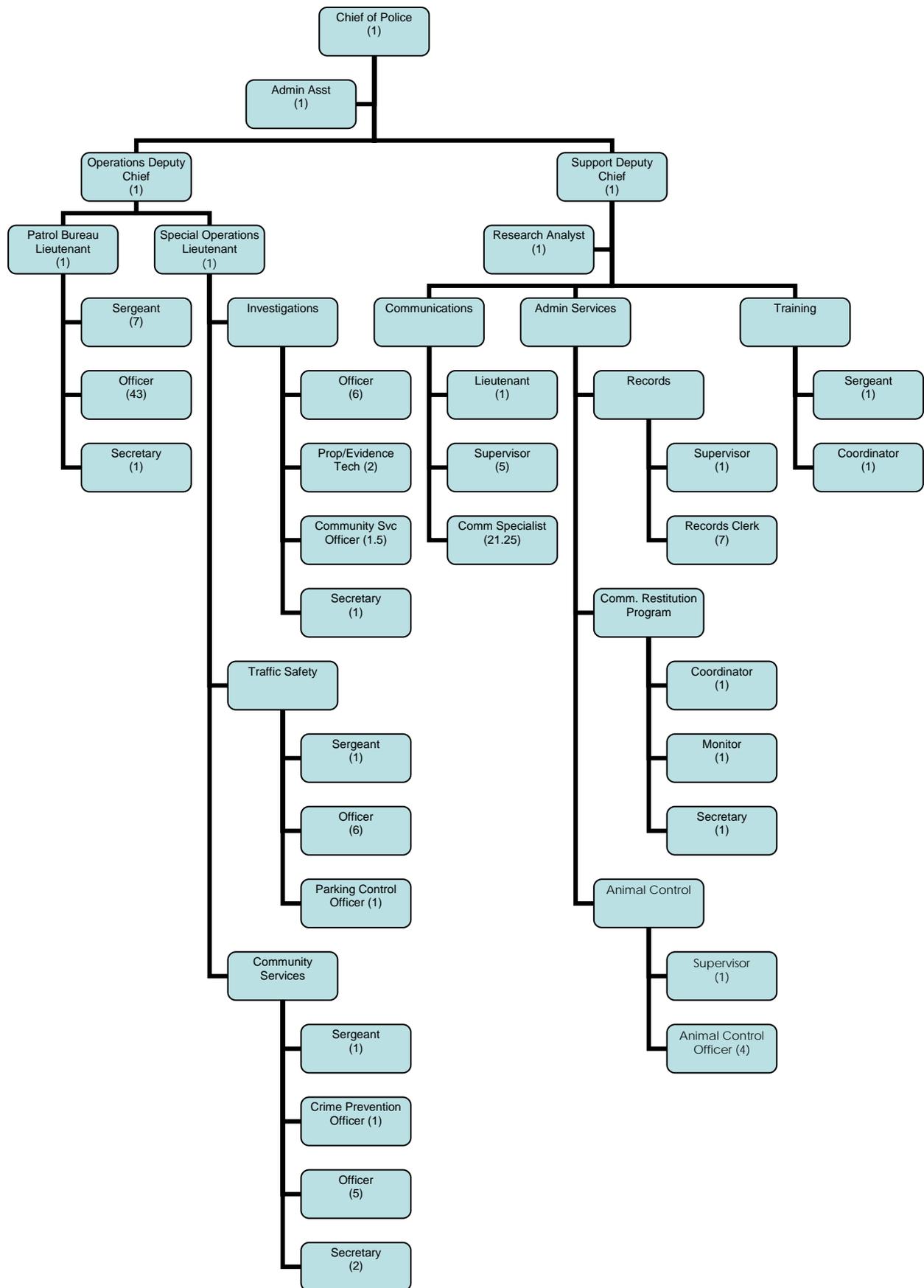
POLICE DEPARTMENT

The Prescott Police Department is dedicated to providing our community with the best professional services available within our resources. The department is committed to establishing close working relationships with our citizens and visitors to resolve problems and issues. This department is committed to an aggressive response to criminal activity throughout the City of Prescott in a manner consistent with safeguarding the rights of all citizens.

DEPARTMENT MISSION: The mission of the Prescott Police Department is to protect people, property and rights in our community.

% of General Fund Operating Budget





**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 6,652,057	\$ 8,774,351	\$ 10,470,078
Supplies	222,928	295,524	356,157
Other Services & Charges	955,661	944,553	1,563,233
Capital Outlay/Projects	25,368	145,577	339,672
Total	\$ 7,856,014	\$ 10,160,005	\$ 12,729,140
Authorized Staffing Level	111.50	124.00	135.60
Administration	4.00	4.00	5.00
Communications	20.75	29.00	34.20
Records	8.00	8.00	9.00
Community Services	10.00	9.75	10.00
Traffic Enforcement	8.00	8.00	8.00
Investigations	12.25	11.75	11.90
Patrol	40.00	45.00	49.00
Training	1.00	1.00	1.00
Animal Control	5.00	5.00	5.00
Comm Restitution Prog	2.50	2.50	2.50

Administration

Division Mission: The mission of the Police Administration is to manage and support the divisions within the Prescott Police Department to insure all divisions are working toward the accomplishment of their goals and the Department's mission.

Goal: Attract, develop and retain the best members for the Prescott Police Department.

Strategy: The Police Administration will insure the community receives efficient public safety responses to reduce loss and injury in a fiscally responsible way.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
UCR Part I	2,104	2,150	2,200
UCR Part II	3,651	3,900	4,000
Calls for Service	35,945	36,500	37,000

Prior Year Results and Outcomes

Introduced new Department Goals, Mission Vision and Values.

Upon resignation of Communications Director, Lieutenant Kappel assigned as replacement.

Through the joint efforts of all surrounding law enforcement agencies, the request for "Traffic Safety Zone – Zero Tolerance" was issued.

New Patrol Bureau work schedule developed and implemented. New radio procedures and call signs were then established to coincide with the schedule.

One new Sergeant promoted in the Patrol Bureau.

Two detectives rotated back to Patrol, one PANT officer to the Investigations Section, one Patrol officers was assigned to Investigations on a 6 month rotating assignment and one Patrol officer assigned to PANT.

One Traffic Safety officer trained and certified in Commercial Truck Enforcement.

Lieutenant promotional conducted for hire in Fiscal Year 06/07.

Assigned a Sergeant to prepare a Pandemic Plan for the Prescott Police Department.

Budget request for 11 new Police Officers.

Department re-organization announced in conjunction with new budgeted positions. Department to be split into two major Divisions commanded by a Deputy Chief (eliminated Assistant Chief position). Two new specialty positions created for Sergeants – Administrative Services and Training/Recruiting.

Aggressive processing police officer and communications specialist candidates to fill vacancies.

The Prescott Police Department continues to participate in the Northern Arizona Regional Academy (NARTA) and serves on the Board of Directors. Our department personnel continues to contribute a significant number of hours to provide quality class instruction, as well as a full time class advisor to each of the classes held during the year. Three officer recruits are currently in the FTO (Field Training Officer) portion of training.

During this fiscal year, our department hired eight applicants who received their training at NARTA.

Continued to serve as a member of the Board of Directors for the Partners Against Narcotics Trafficking (PANT). Continued operational support of PANT through our assignment of personnel to assist in this special investigative and enforcement unit.

Continued participation with the Tri-City Gang Task Force through the liaison assignment of a Community Based Policing Sergeant.

Continued our efforts in the participation in the Yavapai Silent Witness as the house agency for the countywide program.

Adapted our involvement in the National Night Out crime prevention neighborhood event to coordinate various crime prevention events with other agencies.

Continued expansion efforts in the Neighborhood Watch, Multi-housing, Business Block Watch, Crime Watch and Bicycle Safety crime prevention events with other agencies.

Continued our Community Restitution Program in which court assigned violators perform a wide range of community service work projects for numerous community organizations and groups.

Continue to enhance our presence on the World Wide Web through our Police Department by providing resources and crime statistical information for our citizens and site visitors.

Maintained our extremely active volunteer program that consists of our Citizens on Patrol (COP), who assist patrol officers with support activities: Volunteers in Policing (VIP), who assist department personnel in Records, Investigations and audio/visual operations. The Cold Case Unit, also comprised of volunteers, continues to actively investigate unsolved, high profile cases.

The public safety step plan continues to ensure quality employment and incentives for new and existing law enforcement officers.

Completed renovation and technical upgrades at the Regional Public Safety Communication Center located at 216 Couth Cortez.

Work continues with the consultant/contractor to assist with the improvements and expansion of our radio infrastructure.

Advancement continues with the Community Oriented Policing and problem solving partnership philosophy within the department and the Prescott community.

Completion of our map interface with our computer aided dispatch system has now given us the ability to view "real time" computer maps as to the location of a 911 call. This allows dispatch to provide directions to the location to our officers, thereby increasing response time.

Successfully pursued grants that have allows us to continue participating in DUI saturation patrols, partnering with the Prescott Valley Police Department for education and enforcement of auto theft, seatbelt and child restraint safety, purchase and issue body armor to our officers. Continue to see additional grant funding opportunities in support of police services to our community.

Administration Expenditure Summary			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 315,530	\$ 356,791	\$ 583,290
Supplies	3,138	15,541	16,075
Other Services & Charges	60,839	69,639	62,348
Capital Outlay/Projects	-	-	29,567
Total	\$ 379,507	\$ 441,971	\$ 691,280
Capital Outlay/Projects			
Crimeview 9.X Software Upgrade			29,567
Total Capital Outlay/Projects			\$ 29,567

Administration Staffing Summary			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	4.00	4.00	5.00
Police Chief	1.00	1.00	1.00
Deputy Police Chief	1.00	1.00	2.00
Police Research Analyst	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00

Significant Expenditures Changes: Several causes make up the increase in Personnel costs for the Administration division of the Police Department. As in other city divisions, annual salary adjustments and increased retirement costs affected all areas within the municipal government. Public Safety Retirement for Police increased 29.1% going from 20.99% to 27.10%. Another reason for the increased costs directly ties to the new Deputy Chief position that was approved by Council during the budget process.

Other Services and Charges reflect a 10.5% decrease comparing FY07 budget to FY06 estimated endings due to the payment to the Family Advocacy Center for FY2005 and FY2006 being made during FY2006.

Details regarding the Crimeview 9.X Software Upgrade can be located in the Capital Improvement Plan section of this book.

Records

Division Mission: To maintain, account for and disseminate complete records for the Police Department.

Goal: Improve accuracy and completeness of criminal history records on arrests through the Arizona Automated Fingerprint identification System (AZAFIS).

Strategy: Report to Yavapai County Sheriff Office and the courts corrections made.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Corrections reported to YCSO and courts	1,100	1,000	500

Goal: Maintain the high level of accuracy we obtained on Federal, State and Associated press audits.

Strategy: The Records Division will be responsible for the timely, accurate and completeness of data collection, dissemination and retention of police-related information.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
State ACJIS audit results	100% compliance	100% compliance	100% compliance
FBI audit results	Model Agency Classification	Model Agency Classification	Model Agency Classification
Associated Press Audit results	Compliant on Records Release Laws	Compliant on Records Release Laws	Compliant on Records Release Laws

Goal: To maintain an accurate and complete records management system.

Strategy: The Records Division will be responsible for the timely, accurate and completeness of data collection, dissemination and retention of police-related information.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of part one crimes processed	2,104	2,200	2,600
Number of part two crimes processed	3,651	4,000	4,400
Number of accidents processed	2,047	2,000	2,100
Number of citations and warnings processed	25,203	26,000	29,000
Number of warrants validated	1,203	1,300	1,350

Prior Year Results and Outcomes:

Received approval for a new Records Clerk Position.

Participated in the committee involved with the install of the new Tyler-Munis and Telestaff payroll systems.

Handled the phone configuration for the Police Department, Animal Control and the Communications Center. Worked with IT and Mitel in choosing the types of phones for each area.

Drafted a new Bomb Threat Policy for Records Operation Manual.

Added all the violation codes and a new class code for the commercial vehicle inspections into the RIM's system.

Completed writing a proposal for the ADSi PHP (web-based) upgrade and the Tow Rotation Module for the Prescott Communication Center.

Activated the Vodavi Telephone Auto Attendant for after hours business calls.

Drafted a new policy on the Release of Communication Recordings.

ADSi changes made it necessary to rewrite all cyber science queries.

Worked with IT in obtaining the NCIC/ACIC hook up for the new Regional Communication Center.

The Records Division received letters of commendation from the City of Prescott for the high degree of accuracy shown on several audits within the last year.

All the Fire Dispatchers and Station Officers were TOC certified. Maintained Terminal Operator Certifications for all Records and Communications personnel.

Renewed the ACJIS User Agreement contract.

The Records division was instrumental in solving numerous Silent Witness cases.

Reprogrammed the accident file in ADSi to accept traffic crash reports that are not investigated at the crash scene.

The Records Division completed scanning the 2002 felonies and purged the 2002 misdemeanors.

Obtained new blinds for the Records Division.

**Records
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 441,929	\$ 484,989	\$ 569,325
Supplies	7,278	12,200	12,300
Other Services & Charges	35,049	58,148	66,387
Total	\$ 484,256	\$ 555,337	\$ 648,012

**Records
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	8.00	8.00	9.00
Lieutenant	1.00	1.00	1.00
Records Supervisor	1.00	1.00	1.00
Records Clerk	6.00	6.00	7.00

Significant Expenditure Changes: An additional Records Clerk was approved by Council during the FY07 budget process. This new position along with the annual salary adjustment and increased retirement costs contribute to the increase in the Personnel category.

Other Services and Charges reflect a 14.2% increase in FY07 over FY06 estimated endings. The rising costs can be tied to computer software licensing and telephones. With additional employees being added to the Police Department there is an increasing amount of cell phones and other phone charges.

Communications

Division Mission: The Prescott Regional Communications Center is dedicated to being a highly responsive, efficient and effective public safety answering point.

Goal: To assure standardized compliance to communications policies and procedures.			
Strategy: Identify specific problems and provide solutions to correct deficiencies utilizing random weekly and monthly special topics quality assurance reviews.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Completed random weekly QA reviews	0	0	24
Identify monthly special subjects and complete QA reviews	0	0	6

Goal: To provide a backup Emergency Communications Center.			
Strategy: Develop and administer plans for training existing personnel on the operation of the backup communications center.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Complete mobile communications unit	N/A	N/A	Yes
Train personnel	N/A	N/A	Yes
Number of regular evacuation exercises and tests conducted according to plan	0	0	4

Goal: To implement an emergency notification system to notify the public of a potentially dangerous situation and provide specific instructions on actions to take.			
Strategy: Utilizing WMD grant funds, research potential vendors, purchase, install and test system.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Complete system planning	N/A	Yes	N/A
Purchase, install & test system	N/A	N/A	Yes

Goal: To assure the safety of public safety responders by providing timely, accurate and complete emergency response information.			
Strategy: Reduce the amount of non-emergency telephone traffic handled by emergency dispatch personnel by providing alternatives for citizens to obtain needed information currently provided by calling Prescott Regional Communications Center.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Design and install auto attendant and/or voice recognition software on specific non-emergency telephone lines	N/A	N/A	2-lines
Complete weekly QA review of telephone statistics	0-weeks	6-weeks	24-weeks
Strategy: Reduce the amount of non-emergency telephone traffic handled by emergency dispatch personnel by providing alternatives for citizens to obtain needed information currently provided by calling Prescott Regional Communications Center.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of telephone traffic per month	0	30,000	30,000
Provide adequate emergency call-takers to handle 911 telephone traffic	0	2	2-minimum 4-peak shifts

Prior Year Results and Outcomes

All Communications personnel maintained ACJIS terminal operator certification.

Three dispatchers completed CPR training and certification.

Police and Fire policies and procedures dispatch operations manual updated.

Housing and maintaining NEI files for Prescott and Prescott Valley.

One dispatcher served as a TIP volunteer.

Sharon Martinez served on the crisis debriefing team for two dispatcher related calls.

Updated 911 service plan with Arizona Department of administration.

Nine additional dispatchers received EMD certification.

Completed the 911 service budget plan for the Arizona Department of Administration.

Received grant money from the Arizona Department of Administration for 911 Local Network Management.

Work continued with Yavapai County Addressing Department on phase 2-911 addressing project near completion.

Several Dispatchers actively participated in cadet training at NARTA.

Communications

Expenditure Summary

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 848,720	\$ 1,521,413	\$ 1,961,741
Supplies	6,068	14,828	15,560
Other Services & Charges	48,224	73,900	171,258
Capital Outlay/Projects	-	21,296	-
Total	\$ 903,012	\$ 1,631,437	\$ 2,148,559

Communications

Staffing Summary

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	20.75	29.00	34.20
Regional Comm. Director	1.00	0.00	0.00
Lieutenant	0.00	1.00	1.00
Communication Supv.	3.00	3.00	5.00
Communications Spec.	16.25	24.00	27.00
Comm. Spec - Temp	0.50	1.00	1.20

Significant Expenditure Changes: Communications displays a 28.9% growth in Personnel as a result of several factors. The most noteworthy factor is the additional employees approved during the FY07 budget process by the Mayor and City Council. Positions approved include three Communications Specialists and two Communications Supervisors. These new employees along with the annual salary adjustment and increased retirement costs makeup the increase.

The other area that demonstrates a large increase is Other Services and Charges. FY06 was the first year of operations as the Regional Communications Center and charges are still being incorporated into this budget. For FY07 additional computer and phone maintenance costs are being considered, utilities

costs are growing, maintenance on machinery and equipment are anticipated, and the facilities maintenance charges for custodial services have been added for the new building.

Traffic Enforcement

Division Mission: To provide safe and efficient travel on the roadways within the city through a well trained, professional and motivated team that will be responsive to our citizens and visitors traffic concerns.

Goal: To provide education to our community regarding traffic safety and laws.			
Strategy: Public education is designed to gain voluntary compliance without the need for a constant presence and enforcement by the police. Education will be provided through speaking engagements to neighborhood watch groups, homeowners associations, public interest groups, radio, newspaper and TV.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of public education events	100	110	120

Goal: To be attentive and responsive to concerns regarding special events and activities.			
Strategy: The Traffic Division will build effective working relationships with our community by working with our Special Events committee in planning and providing assistance at numerous Special Events throughout the year. The Traffic Division also responds to citizen concerns regarding traffic issues. These concerns are handled with enforcement and education.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of special events/calls for special enforcement and education	1,100	1,200	1,300

Goal: To provide access to parking spaces in the downtown business area for merchants and customers alike.			
Strategy: A Parking Enforcement Officer will enforce the City and State parking regulations in the downtown area. Enforcement is required to promote parking space turnover for availability by merchants and their customers alike.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Parking citations	6,149	6,000	6,000

Goal: To provide efficient motor vehicle crash investigations with well-trained, professional Traffic Officers.			
Strategy: Respond and investigate motor vehicle crashes. These crashes are investigated on city streets and state highways.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of crash investigations	1,293	1,350	1,375

Goal: To enhance safety on our roadways with aggressive enforcement of state and city traffic codes.			
Strategy: Traffic Division personnel will target high crash investigation locations for enforcement in an attempt to reduce collisions in those areas.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of citations/warnings issued	10,752	12,500	12,750

Prior Year Results and Outcomes:

The Traffic Safety Section consists of one Motor Sergeant, six Motor Officers and one Parking Enforcement Officer. No personnel changes this fiscal year.

Motor Officers attended several training courses which include:

- Advanced Crash Investigation Course
- Commercial Vehicle Inspection Course
- Traffic Engineering for Police Course
- Drug Recognition Expert Training Course
- Drug Recognition Expert Instructor Course
- Governor's Office of Highway Safety Summit
- Glock Armorers School
- Supervisory Training Course
- MILO (Multiple Interactive Learning Objectives) Training Course

Two new 2006 Honda ST 1300 Motorcycles, purchased through the Federal 1122 Program, were added to the Traffic Safety Section.

A new Digital Eyewitness video camera, received through a grant, was installed in a Motors vehicle.

Two new moving radars were purchased and installed on the two Honda motorcycles

Two new Laser speed detection devices were purchased and added to the Traffic Safety Section.

Two new Preliminary Breath Testing devices were purchased and added to the Traffic Safety Section.

Fax machine purchased and placed in the DUI processing room.

All radar units in the department were recertified.

Traffic Enforcement was provided at 19 different races, parades and various community special events.

Nine multi-agency enforcement details were conducted on State Route 69.

Twelve DUI Saturation Patrols and Checkpoints were conducted with the Tri-City DUI Task Force.

The Traffic Safety Section provided Child Safety Seat Inspections at three different events as well as walk-in traffic for individuals at the Police Department.

The Traffic Safety Section installed 67 Child Safety Seats.

The Traffic Safety Section qualified at the annual In-Service Motor Training.

The Traffic Safety Section provided 121 hours of instruction at the NARTA Facility.

The Traffic Safety Section provided Radar training to the Yavapai Tribal Police Department.

The Traffic Safety Section wrote 13,398 traffic contacts.

The Traffic Safety Section investigated 1343 traffic crashes

The Traffic Safety Section made 216 DUI arrests.

The Traffic Safety Section tagged 325 abandoned vehicles.

The Traffic Safety Section towed 122 abandoned vehicles.

**Traffic Enforcement
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 513,031	\$ 668,219	\$ 745,368
Supplies	18,427	24,350	27,400
Other Services & Charges	43,836	50,637	113,782
Capital Outlay/Projects	-	16,406	-
Total	\$ 575,294	\$ 759,612	\$ 886,550

**Traffic Enforcement
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	8.00	8.00	8.00
Sergeant	1.00	1.00	1.00
Police Officer	6.00	6.00	6.00
Parking Control Officer	1.00	1.00	1.00

Significant Expenditure Changes: As in other divisions, Personnel costs have increased due to the annual salary adjustment and retirement contributions.

Other Services and Charges FY07 budget shows a significant increase over FY06 estimated endings. This growth correlates to the number of vehicles in the Traffic Enforcement division. Vehicle Replacement charges were budgeted at 75% in FY07 as opposed to 50% in FY06. These replacement costs include the equipment that is part of a police vehicle. The equipment costs were not part of the replacement charge in FY06. Also, with the city insuring vehicles as part of the Self-Insurance fund, this is another area that has a large number of vehicles so it will have a significant impact on its budget.

Building Maintenance

Division Mission: To maintain the Police Department facility in the most efficient manner possible within available financial means, through scheduled inspections, servicing and repairs; to provide a clean, safe working environment for all employees.

Prior Year Results and Outcomes

Continued to provide a clean, safe working environment for all employees by scheduling regular maintenance services, safety and operational inspections and repairs as needed.

**Building Maintenance
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Supplies	\$ 1,188	\$ -	\$ -
Other Services & Charges	141,357	237,127	251,531
Capital Outlay/Projects	-	462	59,538
Total	\$ 142,545	\$ 237,589	\$ 311,069
Capital Outlay/Projects			
Remodel Dispatch Space (carryover)			59,538
Total Capital Outlay/Projects			\$ 59,538

Significant Expenditure Changes: Starting in FY2005, a Facilities Maintenance Fund was created that is the funding source for the maintenance of all city facilities. This budget area represents the cost of maintaining the police department building. The increase in this budget can be contributed to the ability in FY07 to assign actual square footage costs to each city owned building.

Additional information regarding the remodel of the dispatch space can be found in the Capital Improvement Program section of the FY07 budget book.

Investigations

Division Mission: The Investigations Division of the Prescott Police Department is committed to timely and high quality follow up on all assigned cases.

Goal: The Investigations Division will provide investigative services to our community in a cooperative effort to identify, solve and reduce crime.

Strategy: Utilize the VIP program extensively for the Pawn Shop detail. The pawn slips are maintained in a file for future investigative purposes. They are entered into a tracking database. Maintain a computer program which will have the capability to compare pawned property to reported stolen property for the purpose of identifying suspects.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Pawn items reviewed entered and evaluated	10,000	10,500	11,000
Strategy: Utilize the CVSA (Computer Voice Stress Analyzer), truth verification equipment, as an investigative tool to verify suspect's and victim's statements in criminal cases. Additionally, the CVSA is used in the police department hiring process (civilian and volunteers) and in internal investigations.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Total number of CVSA tests, including criminal investigations and pre-employment	67	70	75
Strategy: Arrange scheduling to give time for out of office public contact, conduct surveillance and do special details. To utilize special equipment, to conduct on-street interviews and work with other agencies in the field.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Increased investigative time away from the station. (% of time away from the station)	25%	25%	30%

Goal: The Investigations Division will focus on the investigation of serious crimes involving threats to personal safety and substantial financial loss.			
Strategy: Emphasis on the investigation of Part I crimes. Investigation of Part II crimes and misdemeanor cases as they relate to Part I crimes.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of cases assigned	1,164	1,279	1,400
Percentage cases cleared to cases assigned	57%	55%	58%
Number of Part I cases cleared	35%	38%	40%

Goal: Maintain our customer service and efficiency in the property and evidence section.			
Strategy: Maintain our tracking of all items processed through the property and evidence unit. The use of the bar coding system will maintain our ability to effectively track all our property in an accurate and efficient manner.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of property items impounded	6,257	6,600	7,100
Number of property items released	1,137	1,240	1,400

Prior Year Results and Outcomes

Cold Case Unit solved a homicide that occurred in Prescott in 2000. The suspect was identified and arrested in Bellingham, Washington and returned to Yavapai County.

Five Canon Digital Cameras were purchased for the Investigations Division. They are used for the processing of crime scene and will provide valuable evidence in the prosecution of crimes.

An Investigations Division vehicle was outfitted with emergency lights. This will enable a detective to provide a more proactive service to the public.

New office furniture was purchased and installed in the Community Service Officers' work area. The furniture included two new desks, chairs and overhead storage areas.

The rotating detective position was put in place enabling a patrol officer to gain experience working as a detective in the Investigations Division for six months. Upon completion of six months, the officer will return to Patrol.

An Ink Jet Fax machine was purchased for the Investigations Division.

A volunteer was trained to run the Sex Offender Notification Program. The SON Program is monitored by the Investigations Supervisor; however, the volunteer performs the basic work.

Prepared and executed eleven Sex Offender Notifications in Prescott.

Prepared and executed twenty-three search warrants.

Conducted seventy-four Computerized Voice Stress Analyzer tests.

Hosted a Gang Seminar in Prescott during which over twenty-five different agencies participated.

Purchased two new detective vehicles: a 2005 Ford Crown Victoria and a 2005 Ford Explorer.

Investigations seized seven and one half pounds of marijuana from one Prescott home.

Continued to participate in and support the activities of the Yavapai Family Advocacy Center, Elder Abuse Task Force, Tri-City Gang Prevention Task Force, Domestic Violence Task Force and the Citizen's Advisory Board for the Juvenile Court Center.

Continued to conduct forensic interviews on a regular basis. The division also continues to assist other area agencies with forensic interviewing.

**Investigations
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 775,908	\$ 943,146	\$ 977,550
Supplies	21,393	31,490	31,300
Other Services & Charges	85,430	57,106	73,180
Capital Outlay/Projects	-	57,413	-
Total	\$ 882,731	\$ 1,089,155	\$ 1,082,030

**Investigations
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	12.25	11.75	11.90
Lieutenant	1.00	1.00	1.00
Police Officer	6.00	6.00	6.00
Secretary	1.00	1.00	1.00
Property/Evidence Tech	2.00	2.00	2.00
Community Svcs Officer	1.50	1.50	1.50
Temp Admin Staff	0.75	0.25	0.40

Significant Expenditure Changes: Personnel costs reflect the annual salary adjustment and the increase in costs relating to Arizona State retirement contributions.

As in other Police divisions, the Other Services and Charges category displays the adjustment in the vehicle replacement charge and rise in insurance costs due to the inclusion of vehicles in the allocation formula.

Patrol

Division Mission: The mission of the Patrol Division is to provide public safety using dedicated professionals and volunteers.

Goal: To provide a specialized K-9 resource to enhance law enforcement tactics and community relations.

Strategy: To assist School Resource Officers, Special Tactic Unit, Prescott Area Narcotics Force and assisting other agencies and high-risk patrol situations.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of high-risk calls for service	43	65	90
Number of narcotics calls for service	63	100	130
Strategy: Make the K-9 available for community contacts and special engagements.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of community contacts and special engagements	10	15	25

Goal: Utilize the Citizen on Patrol Program to augment community based policing and patrol functions.			
Strategy: To use Citizen on Patrol volunteers to assist with specialty functions.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Traffic control	180	200	220
Evidence transports	17	17	17
Property watches	544	600	650
Citizen patrol volunteer hours	6,256	6,650	6,700
Number of handicap citations issued	0	15	40
Crime scene security	10	15	20
Transport of city funds	289	289	289
Abandoned vehicles	0	10	30

Goal: To promote safer roads and reduce crime through the enforcement of civil and criminal codes.			
Strategy: Use crime analysis and mapping to target selected areas for crime and traffic enforcement. Investigate crimes reported or "on-view" and arrest or cite offenders based on probable cause.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of accidents investigated	491	500	520
Number of citations/warnings issued	7,216	8,000	8,500
Number of arrests	2,335	2,800	3,000

Goal: Increase the Community Based Policing concept in an effort to promote public awareness and community involvement in crime prevention and detection.			
Strategy: Develop partnerships and networks with the business community and citizens to be proactive in community problem solving through interaction with clubs, organizations, and citizen groups.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of neighborhood contacts	2,393	2,500	2,600
Number of business contacts	4,995	5,000	5,050
Problem solving	3	8	10
Number of meetings attended	30	35	40

Prior Year Results and Outcomes

Officers continue to reinforce the Community Based Policing philosophy by attending Block Watch meetings, participating in the school lunch program in the schools, in addition to assisting other departments within the City.

Continued to support the NARTA Academy by assigning two officers to act as Recruit Training Officers.

Three Officers retired - one with 13 years of service, one with 4 years of service and one with 3 years of service.

Seven new officers were trained and assigned to the Patrol Division.

Outfitted ten new patrol vehicles, one being a Ford Explorer used as a K-9 patrol vehicle and one is a Chevrolet Tahoe used as the Supervisors' vehicle.

Our Department brought on 14 new volunteers and lost 12 volunteers in the last 12 months.

**Patrol
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 2,875,620	\$ 3,684,371	\$ 4,474,070
Supplies	110,914	127,366	150,605
Other Services & Charges	474,409	310,850	740,134
Capital Outlay/Projects	<u>25,368</u>	<u>50,000</u>	<u>280,134</u>
Total	\$ 3,486,311	\$ 4,172,587	\$ 5,644,943
Capital Outlay/Projects			
New Police Vehicles (5)			\$ 232,000
Call Logger			40,134
Opticom			<u>8,000</u>
Total Capital Outlay/Projects			\$ 280,134

**Patrol
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	40.00	45.00	49.00
Lieutenant	1.00	1.00	1.00
Sergeant	6.00	7.00	7.00
Officer	32.00	36.00	40.00
Secretary	1.00	1.00	1.00

Significant Expenditures Changes: Four new officers were approved for FY07 during the budget process. These four new positions along with the annual salary adjustment and increased retirement costs contributed to the 21.4% growth in Personnel costs for the Patrol division.

Supplies is another area that grew larger in FY07. This growth can be tied to the four additional officers that were added to Patrol. Along with the personnel costs are the increased cost in uniforms, uniform cleaning, operating supplies and fuel for the additional vehicles.

The category that displayed the most significant increase in the Patrol division is Other Services and Charges. The 138.1% increase can be directly linked to the vehicle replacement charges. As mentioned before, the vehicle replacement fund was funded at 50% in FY06 and was increased to 75% in FY07. This increase in funding along with the inclusion of police vehicle equipment as part of the charge forced the escalation in this area.

Capital items in this division include five new police vehicles, a call logger, and an opticom. More information on these items can be located in the Capital Improvement Program section of this book.

Training

Division Mission: To schedule appropriate training, maintain records, and assist in the hiring process.

Goal: To identify and recruit the best candidates to become members of the department.			
Strategy: Utilize print and web based media to recruit police employees.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of officer only applications processed	87	100	120
Number of background (sworn & civilian) investigations completed	33	40	50
Number of new employees hired	15	20	25

Goal: To insure that the provided training meets AZPOST and Department requirements.			
Strategy: Schedule and coordinate approved training.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
AZPOST/OSHA continuing and proficiency training hours	1,680	1,680	1,680
Department and AZPOST required firearms training hours.	500	500	500

Goal: Provide the appropriate share of instructional staff at the Northern Arizona Regional Training Academy.			
Strategy: To maintain training records and coordinate with the staff of the Northern Arizona Regional Training Academy.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
NARTA training provided in hours	250	300	300

Prior Year Results and Outcomes

Managed events for the recruiting and selection of police officer candidates. Completed testing of 75 applicants.

Completed background investigations of 25 police officer candidates.

Completed background investigations of 26 other city personnel working within the Police Department.

Coordinated instruction required by OSHA for department personnel.

Coordinated instruction required to sustain AzPOST certification of sworn police personnel.

Participated in organizational meetings and provided direct instruction in support of the Northern Arizona Regional Training Academy (NARTA).

Participated in organizational meetings and provided direct instruction in support of AzPOST General Instructor Programs.

Coordinated the department Field Training Program.

Identified fiscally effective sources and coordinated the purchase of munitions, equipment and uniforms required for the functions of the department.

Facilitated acquisition and maintenance of equipment for department gym and firearms range.

**Training
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 53,840	\$ 110,131	\$ 116,307
Supplies	19,447	28,600	29,300
Other Services & Charges	29,109	31,579	22,141
Total	\$ 102,396	\$ 170,310	\$ 167,748

**Training
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	1.00	1.00	1.00
Training Coordinator	1.00	1.00	1.00

Significant Expenditures Changes: Personnel costs reflect the annual salary adjustment and increased retirement costs.

The 29.8% decrease in Other Services and Charges is a result of the amount budgeted in FY07 for Medical Services and Advertising being lower than the amount estimated to be spent in FY06. The amounts budgeted in this fiscal year are in line with previous years actual amounts expended.

Community Services

Division Mission: To be a resource for special enforcement, education, training, patrol and community based policing projects.

Goal: To build positive relationships between youth and the Police.

Strategy: Maintain the School Resource Officer program in the public school system, as well as provide an approachable and available officer to students and faculty for the purposes of mentoring and enforcement.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of schools covered	3	3	3
Strategy: Conduct law related education and character building classes to our youth.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of character and law related education classes taught	164	165	170
Number of students in character and law related education classes	4,100	4,125	4,250
Strategy: Maintain the expended DARE program which currently contacts children from Kindergarten through Eighth grade.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of schools in which DARE curriculum is taught	7	7	7
Total number of DARE classes taught	464	465	465
Total number of students in DARE classes	11,600	11,625	11,625

Goal: To increase existing Crime Prevention Programs within the City of Prescott.			
Strategy: Encourage new and maintain existing block watch programs.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of current Block Watch programs	447	451	455
Strategy: Promote the use of Yavapai Silent Witness.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of Silent Witness calls	576	600	625
Felony arrests resulting from Silent Witness calls	55	60	65
Rewards paid by Silent Witness	\$11,050	\$13,000	\$15,000

Goal: Increase our response to neighborhood concerns.			
Strategy: Form partnerships within the community to develop innovative solutions to community concerns.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of community concern forms addressed	22	25	28
Number of speaker requests (educational) completed	109	110	115

Prior Year Results and Outcomes

The Community Services Section helped coordinate and participated in the annual Crime Prevention Fair to kick off National Night Out. This year's event was held in Prescott Valley. The Crime Prevention Specialist coordinated and visited Block Parties held the night of National Night Out.

The Community Services Section coordinated and participated in the 8th annual "Shop with a Cop" program, which afforded 62 children the opportunity to shop for Christmas.

The Crime Prevention Specialist started seven new Block Watch programs this year, bringing the total number of blocks to 477 with 251 signs covering the area.

The Crime Prevention Specialist of the Community Services Section coordinated the 21st annual Yavapai Silent Witness Golf Tournament to raise money for the Silent Witness program. This year they raised over \$8,500.00. These funds will be used to pay for operating costs and to pay cash rewards.

The Yavapai Silent Witness program continued their efforts in the "Catch 22" program. Offered twice each year, the program advertises 22 felons during twenty-two consecutive days and offers a \$500.00 cash reward for each felon arrested.

The Community Services Section was responsible for handling approximately 95 requests for speaker presentations. This does not include the classes taught by the DARE and our School Resource Officers.

The DARE program continues to have two full time DARE officers These officers provided DARE curriculum to children in Kindergarten through the 8th grade.

The School Resource Officer program continues to provide full time service to Prescott High School. This resource is also divided between the two middle schools.

**Community Services
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 556,300	\$ 692,177	\$ 695,879
Supplies	10,403	13,150	15,050
Other Services & Charges	11,643	16,848	21,399
Total	\$ 578,346	\$ 722,175	\$ 732,328

**Community Services
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	10.00	9.75	10.00
Sergeant	1.00	1.00	1.00
Police Officer	7.00	7.00	7.00
Crime Prevention Officer	1.00	1.00	1.00
Secretary	1.00	0.75	1.00

Significant Expenditures Changes: Personnel costs reflect the annual salary adjustment and increased retirement costs.

The higher budget in Other Services & Charges for FY07 relates to the inclusion of vehicles in the insurance cost recovery and increased vehicle replacement charges.

Animal Control

Division Mission: To promote and protect the health, safety and welfare of animals and the public.

Goal: Maintain regional Animal Control facility for use by City of Prescott and our partner agencies.			
Strategy: Contract with Yavapai County, Prescott Valley and the Yavapai Humane Society to obtain operating funds to maintain regional services.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of dogs impounded by Yavapai County	1,341	1,360	1,380
Number of dogs impounded by Prescott Valley	608	630	650
Number of dogs impounded by Prescott	1,085	1,060	1,040

Goal: To increase adoptions and return as many animals as possible to owners.			
Strategy: To work closely with animal support groups to increase the number of adoptions from the Prescott animal Control Center.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of dogs adopted from the City of Prescott (includes Yavapai County and Prescott Valley)	499	525	550
Number of animals returned to owners (includes Yavapai County and Prescott Valley)	1,464	1,525	1,550
Number of animals euthanized (includes Yavapai County and Prescott Valley)	894	900	925

Goal: Provide proactive enforcement of Animal Control codes and statutes.			
Strategy: Enforcement of City Codes and State statutes related to Animal Control by routinely/proactively patrolling the community and responding to calls for service, including dog license requirements and rabies vaccinations and clinic.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of dogs licensed for the City of Prescott	4,786	4,800	4,825
Total animal related citations and warnings given	490	520	555

Prior Year Results and Outcomes

Animal Control has provided all levels of service to the Community from enforcement of the laws regarding the containment of animals and noise problems to assisting with injury cases, animal bites and the operation of the Animal Center and licensing of dogs.

One replacement Animal Control Officer, with prior experience in pet stores and veterinarian practices, was added to the staff increasing the personnel to full capacity. No new vehicle was projected for use by this officer one has not been ordered.

Dogs licensed in the City of Prescott for the license year actually increased from 4690 in 2004 to 4786 for 2005.

The annual rabies clinic in November resulted in the vaccination of 115 dogs and the renewal or sale of 113 City licenses, 3 Prescott Valley licenses, and 8 County licenses.

Participated with United Animal Friends in a Pet-A-Palooza event held in September 2005 in Sedona. Seven of the eight dogs taken from the Animal Control Center were adopted on that day.

Bringing many years of prior experience with the Maricopa Animal Care and Control to the Yavapai Humane Society, Manager Mike Wilster continued to enhance the relationship between the Animal Control Center and the Yavapai Humane Society. Unfortunately, Mike relinquished his position at the Humane Society at the end of June 2006 to return to the Phoenix area, but we expect the good relationship to continue as it has in the past years.

Animal Control was represented at the 2005 Regional Urban Wildlife Symposium and Expo held in September 2005 at the Sharlot Hall Museum. This program was designed to present sensible cohabitation with our wildlife neighbors.

Participated in the City Fair and presented our program to approximately 650 school age students.

Animal Control Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 177,571	\$ 214,312	\$ 236,857
Supplies	18,968	19,999	20,300
Other Services & Charges	23,045	30,347	33,037
Total	\$ 219,584	\$ 264,658	\$ 290,194

**Animal Control
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	5.00	5.00	5.00
Supervisor	1.00	1.00	1.00
Animal Control Officer	4.00	4.00	4.00

Significant Expenditures Changes: This division faced the same issues as many other divisions. The annual salary adjustment and increased retirement costs affected the Personnel category. The inclusion of police equipment in the vehicle replacement charges and vehicles in the insurance cost recovery charges negatively impacted the Other Services and Charges area.

Community Restitution Program

Division Mission: To provide monitored labor services of individuals as assigned by the court.

Goal: Use the court orders restitution program to benefit the community.			
Strategy: Schedule and maintain hours of court ordered workers.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Total hours completed	21,357	18,361	18,500
Strategy: Account for number of court ordered defendants assigned to the program.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of defendants assigned	2,308	1,509	1,650
Strategy: Conduct work with court assigned community restitution workers saving the City at a rate of \$5.15/hour.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
City savings	\$109,988	\$92,025	\$90,000
Strategy: Wash city vehicles with court ordered community restitution workers in lieu of commercial washing.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of city vehicles washed	1,334	1,068	1,300
Savings @ \$7.50 per vehicle	\$13,273	\$10,626	\$12,000
Goal: Offer training to Community Restitution workers so they can be more productive members of our community.			
Strategy: Provide Life Skills classes and track classes taught.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of Life Skills classes taught	4	8	10

Prior Year Results and Outcomes

Two Life Skills classes were conducted for Hepatitis/HIV for four defendants.

A total of 375 city vehicles were washed at a savings of \$3,731.25 (\$9.95 each) to the City of Prescott.

Work crews assisted with the following events:

- Frontier Days Rodeo and Parade
- Empty Bowls on the Courthouse Plaza
- Vietnam Memorial
- Moto Guzzi
- Arizona Youth Soccer Organization
- Elks Theatre Statehood
- 4th of July Festivities
- The Highland Games
- Astronomy Fair
- Cardinals Camp
- Camp Pine Rock

A total of 14,279 manpower hours were expended on 550 city and community organizations' project requests.

Approximately 3,640 pounds of debris/trash were disposed of at the Transfer Station.

1,180 defendants performed community restitution.

Defendants served 2,562 days of community restitution.

Community Restitution Program Expenditure Summary			
	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 93,608	\$ 98,802	\$ 109,691
Supplies	5,704	8,000	8,700
Other Services & Charges	2,720	8,372	8,036
Total	\$ 102,032	\$ 115,174	\$ 126,427

Community Restitution Program Staffing Summary			
	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.50	2.50	2.50
Coordinator	1.00	1.00	1.00
Monitor	1.00	1.00	1.00
Secretary	0.50	0.50	0.50

Significant Expenditures Changes: Personnel costs reflect the annual salary adjustment and increased retirement costs. There are no other significant expenditure changes in this division.

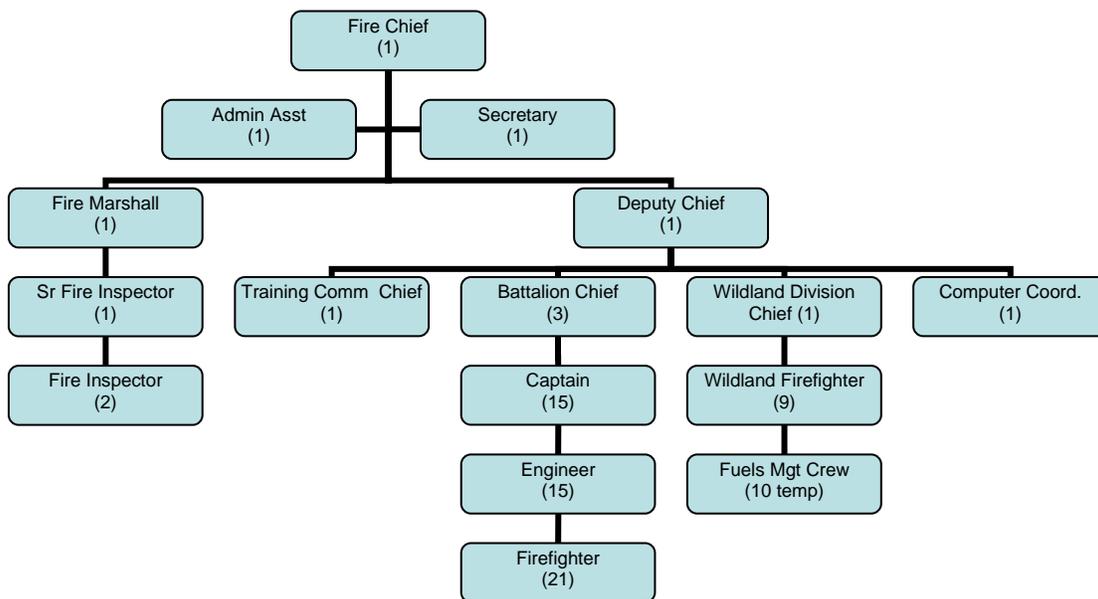
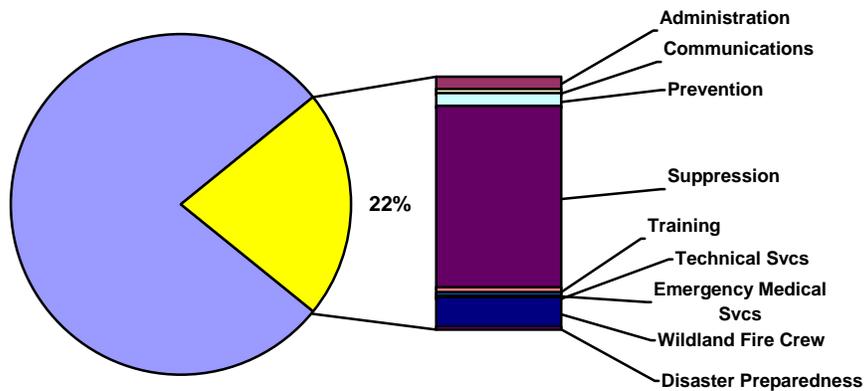
FIRE DEPARTMENT

The Prescott Fire Department is the oldest fire department in the state of Arizona. It was established in 1885 and is today a modern and highly professional career fire department. The department has a wonderful history full of firefighting traditions and past times.

The department is dedicated to providing the highest level of service in the prevention and mitigation of emergency incidents in a growing community and treating our citizens and employees in a fair and considerate manner while remaining financially responsible. The Prescott Fire Department values a creative and proactive work place, and is involved in numerous joint partnerships to include automatic aid with the Central Yavapai Fire District, United States Forest Service, and Yavapai-Prescott Indian Tribe.

DEPARTMENT MISSION: The Prescott Fire Department is dedicated to superior customer service by providing the most efficient and effective life safety services to our beautiful and growing city, preserving our reputation as a livable, dynamic community.

% of General Fund Operating Budget



**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 5,173,485	\$ 5,790,268	\$ 6,493,125
Supplies	189,238	220,276	219,655
Other Services & Charges	651,364	713,113	1,001,961
Cost Recovery	(530,623)	(825,000)	(450,000)
Capital Outlay/Projects	100,276	13,372	47,500
Total	\$ 5,583,740	\$ 5,912,029	\$ 7,312,241
Authorized Staffing Level	84.00	84.00	85.00
Administration	4.00	4.00	4.00
Communications	1.00	1.00	1.00
Prevention	4.00	4.00	4.00
Suppression	54.00	54.00	55.00
Training	1.00	1.00	1.00
Fire Vegetation Crew	20.00	20.00	20.00

A portion of the Fire Vegetation Crew is charged to the Vegetation Grant.

Administration

Division Mission: To administer an all-risk public safety and disaster preparedness program that provides superior customer services action and accountability, teamwork, loyalty and problem solving with a high level of productivity.

Goal: To provide leadership, guidance and administrative services that support a superior customer service oriented, all-risk emergency management department.

Strategy: Fire administration will ensure the prompt delivery of emergency services as well as the mitigation of emergencies, while maintaining financial responsibility.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
To minimize fire loss to structures within the City of Prescott.	\$1,358,083	\$5,524,020	\$2,500,000
To minimize the number of industrial injuries and lost time. # injuries/# hours of lost time.	14/104	14/104	10/100
To minimize the number of unscheduled vehicle breakdowns.	5	5	5

Prior Year Results and Outcomes

Purchased property for Central Prescott Fire Station.

Moved Fire Administration to 2086 Willow Creek Road.

Continued membership on Governor's Forest Health subcommittee.

Developed a 10-year capital improvement program.

Deputy Chief retired and a new Deputy Chief and Battalion Chief were promoted.

**Administration
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 286,536	\$ 341,846	\$ 358,720
Supplies	9,464	9,245	8,500
Other Services & Charges	17,906	27,696	86,685
Total	\$ 313,906	\$ 378,787	\$ 453,905

**Administration
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	4.00	4.00	4.00
Fire Chief	1.00	1.00	1.00
Deputy Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Secretary	1.00	1.00	1.00

Significant Expenditures Changes: As in other city divisions, annual salary adjustments and increased retirement costs affected all areas within the municipal government. Public Safety Retirement for Fire increased 34.9% going from 16.60% to 22.39%.

Other Services and Charges increased from \$27,696 (FY06 estimated ending) to \$86,685. This can be contributed to rent payments for the administration offices of the Prescott Fire Department. With the widening of Iron Springs Road, it was necessary to move the offices out of Fire Station #72 during FY06. This is a temporary move until the Downtown Fire Station is complete. Design for the new fire station is budgeted in FY07.

Communications

Division Mission: To provide superior customer services by processing all requests for emergency fire, medical and other life threatening situations in the most expeditious manner possible in a joint communications center, while supporting the emergency communications needs of the fire department.

Goal: To provide superior customer services through communications support by processing telephone, radio and data communications in the most expeditious and complete manner possible through the intergovernmental cooperation of 6 fire departments, and to support the communications needs of the fire department.

Strategy: The communications division will supervise all incoming and outgoing emergency communications, provide quality control and regular review and procedure update to ensure effective communications are maintained.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
To process all emergency requests for service in 50 seconds or less, 90% of the time	98%	90%	90%
# of incidents dispatched for 5 fire agencies	15,883	17,271	18,000
# of telephone calls received in dispatch	61,800	65,000	68,000
% of completion of Regional Communications Center	10%	100%	100%
% of completion of voice communications infrastructure	5%	85%	100%

Prior Year Results and Outcomes:

Completed the move of the Fire Dispatch Center to a Regional Communications Center.

Dispatched 18000 emergency fire incidents for 6 jurisdictions.

Answered 68000 telephone calls.

Implemented a \$2,000,000 plan in communications infrastructure improvements.

**Communications
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 60,934	\$ 73,642	\$ 88,309
Supplies	2,449	1,500	1,500
Other Services & Charges	146,379	46,163	41,688
Capital Outlay/Projects	5,569	5,000	-
Total	\$ 215,331	\$ 126,305	\$ 131,497

**Communications
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	1.00	1.00	1.00
Info Technology Tech	1.00	1.00	1.00

Significant Expenditure Changes: The annual salary adjustment and increased retirement costs are shown in Personnel.

There are no other significant expenditure changes for this division.

Prevention

Division Mission: To provide superior life safety, property conservation, public education, code enforcement, plan review and fire investigative services to maintain a livable and dynamic community.

Goal: To provide risk mitigation services in the areas of public education, code enforcement, fire investigation, plan reviews and complaint investigation.

Strategy: Using the most current codes and work policies, conduct a full service risk mitigation program that is customer friendly and reduces the threat of fire and other emergencies.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of complaints	43	54	60
Number of existing (3,478) business inspections conducted	344	900	1,000
Number of plan reviews completed	1,447 total	1,693 total	1,980 total
• Commercial	274	300	300
• Subdivision	116	128	140
• Suppression systems	421	450	500
• Residential	553	542	531

• Miscellaneous	83	87	91
Number of students trained in life-safety	3,280 total	4,296 total	5,585 total
• 1 st grade	1,880	2,000	2,000
• 7 th grade firetrap	300	350	350
• Engine public-education	600	650	650
• Fire prevention week at the Mall	250	300	350
• Miscellaneous	250	300	350
Number of public contacts	34,054	40,000	40,000
Number of new construction inspections	1,010 total	1,434 total	2,036 total
• Certificate of occupancy	55	81	120
• Vegetation	423	604	864
• Suppression systems	532	1,010	1,920
Number of miscellaneous inspections	61	70	80

Prior Year Results and Outcomes

Added one new Fire Inspector and replaced one fire prevention aide.
Developed a work plan for new employees.

Improved fire prevention Standard Operating Guidelines.

Conducted 1,000 business inspections.

Reviewed 1,980 plans for construction.

Trained 5,585 students in life safety procedures.

Fire Prevention Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 268,243	\$ 322,125	\$ 346,393
Supplies	10,019	13,763	10,730
Other Services & Charges	14,830	26,094	26,645
Total	\$ 293,092	\$ 361,982	\$ 383,768

Fire Prevention Staffing Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	4.00	4.00	4.00
Fire Marshall/Division Chief	1.00	1.00	1.00
Senior Fire Inspector	0.00	1.00	1.00
Fire Inspector	2.00	2.00	2.00
Fire Prevention Aide	1.00	0.00	0.00

Significant Expenditure Changes: This division was impacted by the increase in retirement costs and the annual salary adjustment. The Supplies category is lower in FY07 due to purchasing of small tools and equipment along with uniforms in FY06 that will not be purchased at the same level in the new fiscal year.

Suppression

Division Mission: To provide superior customer services in fire protection, emergency medical services, hazardous materials and technical rescue response, with a well-trained professional workforce that is responsive to citizen needs and has a high level of productivity.

Goal: To provide a highly motivated, rapid response force to all-risk emergency incidents, limiting damage and injuries in the most effective way possible.

Strategy: To be strategically located and respond to emergencies efficiently, as well as providing for community services and excellent customer service.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
To respond to all emergencies within 50 seconds of notification, 90% of the time.	78%	80%	95%
Travel time to incidents will not exceed 5 minutes, 90% of the time for the first due unit on code 3 calls.	82%	83%	83%
Number of emergency incidents responded to	6,776	7,000	7,250

Prior Year Results and Outcomes:

Implemented a Shift Qualified Firefighter program with the Wildland Firefighters increasing staffing and decreasing overtime costs.

Responded to 6750 calls for emergency service.

Took delivery of four replacement vehicles including one new engine, two wildland crew carriers and one staff vehicle.

Suppression Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 3,857,549	\$ 4,297,586	\$ 4,791,815
Supplies	107,590	127,940	126,500
Other Services & Charges	215,433	455,368	639,596
Capital Outlay/Projects	1,859	8,372	-
Total	\$ 4,182,431	\$ 4,889,266	\$ 5,557,911

Suppression Staffing Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	54.00	54.00	55.00
Battalion Chief	3.00	3.00	3.00
Captain	15.00	15.00	15.00
Engineer	15.00	15.00	15.00
Firefighter	21.00	21.00	22.00

Significant Expenditure Changes: The Suppression division experienced the impact of the increase in retirement costs more than any division in the Fire Department because of the number of personnel participating in the public safety retirement system. This increase along with annual salary adjustment

and the addition of a firefighter accounts for the 11.5% increase in FY07 budget over FY06 estimated ending.

Other Services and Charges faced increased costs in FY07 due to the vehicle replacement fund being funded at 75% instead of the 50% funding in FY06. The vehicles assigned to this division are costly so the effect is greater.

Training

Division Mission: To provide for the educational needs of a well-trained, professional and motivated work force that acts with integrity, solves customer problems, and works as a team.

Goal: To provide a regional all-risk training program that improves services and provides for maximum safety of both the Prescott and Central Yavapai Fire Department personnel.

Strategy: To provide for regularly scheduled in-service training that meets NFPA, OSHA, and State emergency service training requirements.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of man-hours of training	24,275	25,000	26,000
% of proficiency drills complete and passed	100%	100%	100%
Number of wildland fire training classes provided	38	40	40
% of completion of the design of a joint police/fire training center	0%	10%	75%
Number of special operations classes provided	38	45	45

Prior Year Results and Outcomes

26,000 man-hours of in-service training.

Conducted 40 specialized wildfire-training classes.

Conducted proficiency testing of all personnel with 100% passing.

Conducted four promotional tests.

Conducted one recruit firefighter test.

Training Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 77,804	\$ 102,735	\$ 130,528
Supplies	5,326	7,324	7,555
Other Services & Charges	11,788	9,781	11,890
Total	\$ 94,918	\$ 119,840	\$ 149,973

**Training
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	1.00	1.00	1.00
Battalion Chief	1.00	1.00	1.00

Significant Expenditure Changes: As in other divisions in the Fire Department, Personnel costs increased due to the annual salary adjustment and retirement costs. Training overtime for FY07 also shows an increase over FY06 estimated endings due to this division not expending their budgeted amount for FY06.

Several areas in Other Services and Charges show increases – vehicle replacement charges, utility and maintenance costs, and insurance cost recovery. All of these cost centers compile the 21.6% increase.

Emergency Medical Services

Division Mission: To provide superior customer services, coordination, training, and support services to facilitate professional pre-hospital care that is responsive to citizen needs.

Goal: To provide Basic and Advanced Life Support to those in need of medical care.			
Strategy: To provide rapid ALS service and community based training programs in First Aid and CPR.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of citizens trained in CPR and First Aid	1,600	1,650	1,650
Number of Advance Life Support responses	2,330	2,500	2,600
Number of basic life support responses	1,553	1,650	1,750

Prior Year Results and Outcomes

Trained 1,655 citizens in first-aid/CPR.

Treated 2,600 Advanced Life Support patients.

Treated 1,750 Basic Life Support patients.

**Emergency Medical Services
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 29,082	\$ 31,874	\$ 35,593
Supplies	12,007	21,023	19,500
Other Services & Charges	16,047	25,547	34,289
Capital Outlay/Projects	92,848	-	25,000
Total	\$ 149,984	\$ 78,444	\$ 114,382
Capital Outlay/Projects			
Heart Monitor			25,000
Total Capital Outlay/Projects			\$ 25,000

Significant Expenditure Changes: Personnel costs reflect the annual salary adjustment and the increase in costs relating to retirement contributions.

Other Services and Charges have increased in FY07 due to the increased training costs and the inclusion of a \$5,000 contingency in the EMS assistance area.

Information regarding the Heart Monitor can be located in the Capital Improvement Plan section of this book.

Technical Services

Division Mission: To provide superior customer services, regional leadership, training, and specialized equipment to facilitate well-trained, professional, hazardous materials, swift water, lake rescue and high angle rescue team.

Goal: To respond and mitigate emergency situations that deal with specialized technical operations. These situations that deal with specialized technical operations. These situations that are over and above the training and equipment capabilities of the basic fire department engine company.

Strategy: To provide specialized training in technical rescue and to provide a framework of interagency cooperation and support of specialized rescue operations.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of monthly technical rescue training exercises conducted	12	24	24
% time met OSHA requirements for training and equipment standards	80%	100%	100%
Number of quarterly Local Emergency Planning Meetings attended while maintaining membership	4	4	4
Number of Regional Emergency Training meetings attended	0	4	4

Prior Year Results and Outcomes

Implemented new technical rescue training to all firefighters on a monthly basis.

Developed a five-year plan for technical rescue.

Responded to 4 open water rescue incidents.

Maintained FAA certification for Airport protection needs.

Technical Services Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Supplies	\$ 5,662	\$ 2,811	\$ 5,700
Other Services & Charges	8,623	23,304	38,439
Total	\$ 14,285	\$ 26,115	\$ 44,139

Significant Expenditures Changes: The increased Supply budget is a result of items being budgeted in FY06, but not expended. It is anticipated that these items will be purchased in FY07.

Other Services and Charges has grown due to the increased vehicle replacement charge and insurance cost recovery. As previously explained, the methodology for the insurance allocation was revised and this has impacted divisions with vehicles.

Wildland Fire Crew

Division Mission: To provide superior customer service and to maintain regional leadership in wild land fire mitigation and protection through a well-trained, professional workforce that acts as a responsible environmental steward.

Goal: To provide wild land fire mitigation services to the Community.

Strategy: To reduce the threat from wild land fire through education, risk assessments, fuel reduction and response to wild land fire.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of interagency training simulations conducted	3	3	2
Number of residential risk assessments conducted	556	550	550
Number of homes on private property treated with defensible space treatments	219	279	300
Tons of flammable vegetation removed	4,800	4,800	4,800
Number of acres treated	325	350	350

Prior Year Results and Outcomes

Implemented a seasonal 20-person wild land firefighting crew, one of only 4 in the nation sponsored by fire departments.

Awarded for the fourth year Fire Assistance Grant to continue defensible space program.

Implemented an integrated mapping program with GIS.

Conducted 550 residential risk assessments.

Conducted 300 defensible space treatments.

Removed 4,800 tons of flammable vegetation.

Treated 350 acres of vegetation.

Wild Land Fire Crew Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 593,337	\$ 620,460	\$ 741,767
Supplies	36,721	36,670	39,670
Other Services & Charges	205,044	83,483	107,447
Cost Recovery	(529,558)	(825,000)	(450,000)
Capital Outlay/Projects	-	-	22,500
Total	\$ 305,544	\$ (84,387)	\$ 461,384
Capital Outlay/Projects			
Fire Shelters (75)			22,500
Total Capital Outlay/Projects			\$ 22,500

**Wild Land Fire Crew
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	20.00	20.00	20.00
Wildland Division Chief	1.00	1.00	1.00
Fuels Management Super	1.00	1.00	1.00
Fuels Tech/Wild Land FF	8.00	8.00	8.00
Wildland Crew (Seasonal)	10.00	10.00	10.00

Significant Expenditures Changes: Personnel costs reflect a higher budget in FY07 compared to FY06 Estimated Endings. This is a result of all of the salaries are reflected in this budget for FY07 as opposed to the Fire Vegetation Grant in FY06. This, along with the annual salary adjustment and higher retirement costs account for the increase.

There is a 28.7% increase in Other Services and Charges because of the higher funding of the Vehicle Replacement Fund. During FY06 it was funded at 50% and it has been raised to 75% in FY07.

The only capital item in this division is for 75 fire shelters. More information regarding these shelters can be found in the Capital Improvement Plan at the end of the budget book.

Disaster Preparedness

Division Mission: To provide local and regional leadership in disaster preparedness services to the community that will mitigate any potential emergency as well as providing for emergency management services during any disaster.

Goal: To participate with Yavapai Division of Emergency Management as a unified emergency management partner to mitigate and train for potential disasters.

Strategy: To prepare for and conduct annual disaster management training sessions and to maintain an updated disaster management operation manual.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of disaster preparedness exercises conducted (Goal: at least two)	2	3	4
Update disaster operations manual	Yes	Yes	Yes
Number of annual disaster preparedness training programs conducted	4	4	4

Prior Year Results and Outcomes

Conducted 3 disaster preparedness exercises.

Participated in one Weapons of Mass Destruction Statewide exercise.

Adopted a Prescott area Hazard Mitigation plan.

**Disaster Preparedness
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Other Services & Charges	\$ 15,314	\$ 15,677	\$ 15,282

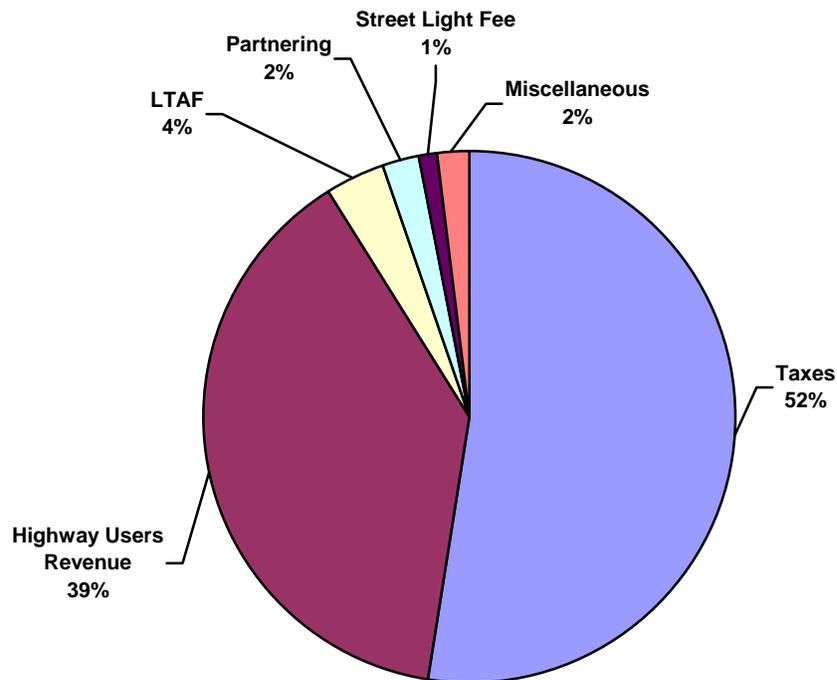
Significant Expenditures Changes: This charge, which is based on population, is in accordance with an agreement with Yavapai County. There is no significant expenditure change for FY07.

SPECIAL REVENUE FUNDS

STREETS (HURF)	147
STREETS AND OPEN SPACE – ADDITIONAL 1% TAX	155
TRANSIENT OCCUPANCY TAX	160
IMPACT FEE FUND	161
CAPITAL IMPROVEMENT FUND	164
GRANTS	166
PUBLIC SAFETY SALES TAX INITIATIVE	168

STREETS (HURF) FUND

Revenues from this fund are from Highway Users, Local Transportation Assistance (lottery) funds, street light fee established during FY95, County partnering money, and State partnering money. State statutes limit the uses of Highway Users funds and Local Transportation funds to street and transportation purposes. The County partnering money is specific to the uses of the required intergovernmental agreements with the County as is the State partnering money to the uses of the required intergovernmental agreements with the State. The street light fee revenues are used to offset the cost of paying for the electricity and maintenance of the street light system as well as paying for installation of new street lights.



The following table illustrates the activity of this fund for FY05, Revised Estimates for FY06 and FY07 Budget Projections.

	FY05 Actual	FY06 Rev. Est.	FY07 Budget
Beginning Unrestricted Cash Balance, 7/1	\$ 483,024	\$ 878,613	\$ 945,387
Revenues	4,225,787	4,285,170	4,426,469
Expenditures	(3,800,198)	(4,218,396)	(5,008,750)
Transfers In/Out (Net)	(30,000)	-	-
Ending Unrestricted Cash Balance, 6/30	\$ 878,613	\$ 945,387	\$ 363,106

Cash available as of July 1, 2006 is estimated at \$945,387. This amount along with the anticipated revenues of \$4,426,469 is available to fund operating costs for street operations and capital outlay and projects that may be deemed necessary for this fund. The estimated expenditures for FY07 total \$5,008,750 leaving an estimated ending balance of \$363,106. There are no anticipated transfers for this fund.

Total Streets (HURF) Fund revenue activity for the past two years and projections for FY2007 are as follows:

Revenue Source	FY05 Actual	FY06 Rev. Est.	FY07 Budget
Highway Users Revenue	\$ 3,244,735	\$ 3,341,684	\$ 3,588,164
Street Light Fee	204,843	208,655	214,915
Intergovernmental Partnering	253,373	168,144	205,404
Local Transportation Assistance (LTAF)	196,338	199,896	195,486
Developer Reimbursements/Partnering	121,800	150,000	100,000
Engineering Inspection Fees	109,127	175,000	100,000
FEMA Reimbursements	43,977	-	-
Sale of Property	30,031	1,921	-
Interest Earnings	17,355	24,000	20,000
Miscellaneous	4,208	15,870	2,500
Total	\$ 4,225,787	\$ 4,285,170	\$ 4,426,469

Arizona Highways Users Revenue: The 2006-07 revenue estimate of \$3,588,164 is provided by the State and is higher than the FY06 revised estimate by \$246,480. The distribution formula provides for 50.0% of the Highway Users Revenue to go to the Arizona Department of Transportation, 20.0% to the counties and 30.0% to the cities and towns. Revenue allocated from the 30.0% share to incorporated cities is distributed on the basis of (a) one-half based on the city's population relative to statewide population of incorporated cities and towns and (b) one-half, first, on the basis of county origin of sales of motor vehicle fuel, and secondly, on the basis of the City's population relative to county-wide population of incorporated cities.

Street Light Fee: This fee, which was implemented during FY95, is projected to bring in \$214,915. The fee is based on \$.75 per residence or commercial unit and \$.75 per unit for multi-family structures. The purpose of this fee is to help offset electrical costs for street lights located throughout the City of Prescott.

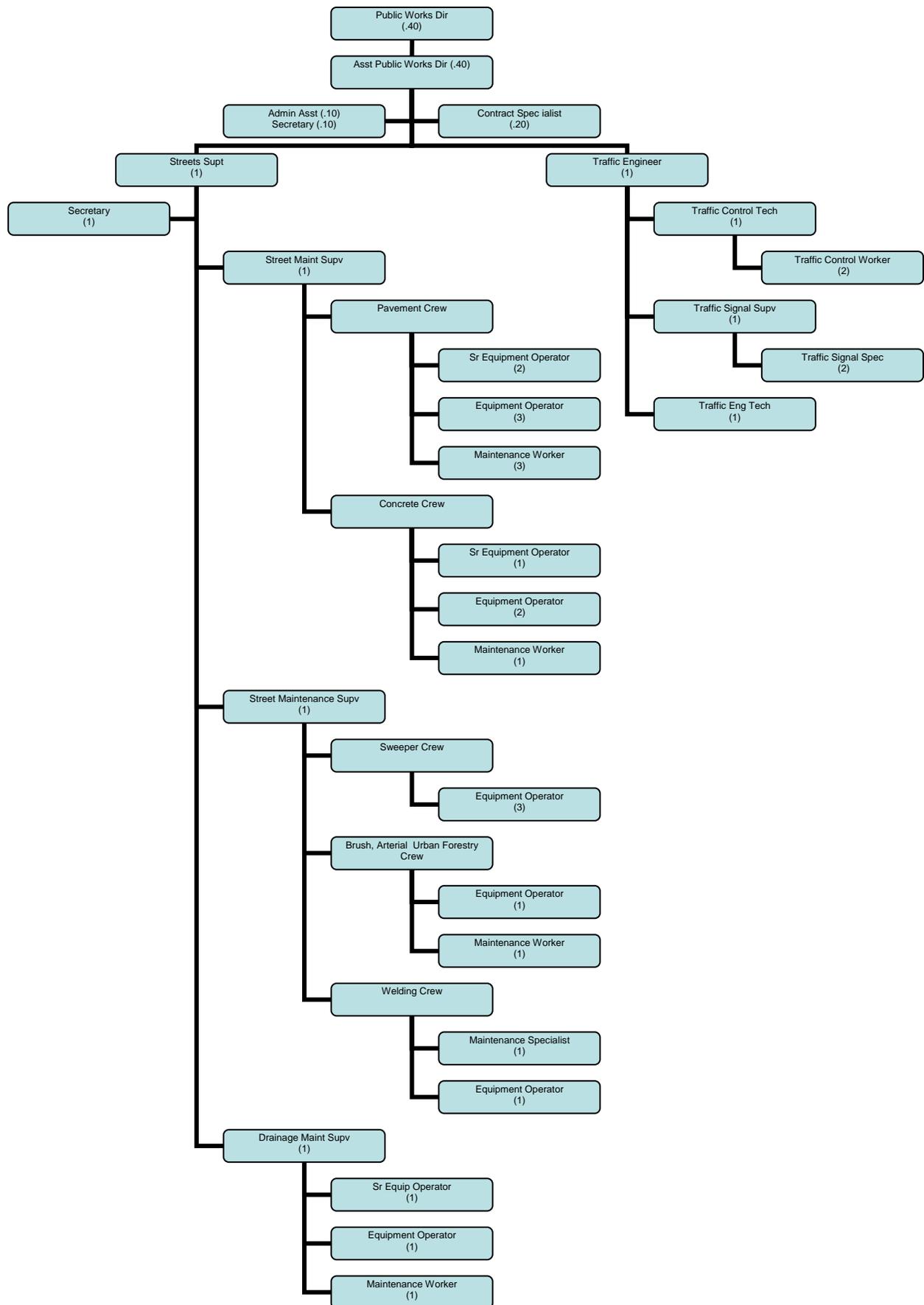
Intergovernmental Partnering: Intergovernmental Partnering revenues included in this fund relate to the Central Yavapai Municipal Planning Organization monies that will be reimbursed to the City of Prescott by the participating governmental entities. These participants include – Prescott Valley, Chino Valley and Yavapai County.

Local Transportation Assistance (LTAF): The State anticipates the City will receive \$195,486 from lottery funds during FY07. This is a \$4,410 decrease from FY06 estimates. LTA Funds are disbursed based on estimates developed by the Department of Economic Security population figures. The LTA Funds are distributed to incorporated cities and towns in proportion to the population of each city to the total population of all cities and towns with the minimum distribution being \$10,000. The funds may be used for any transportation purpose. The law also provides that up to 10.0% of the City's lottery funds can be used for

Developer Reimbursement/Partnering: This fee is a \$200.00 per lot fee assessed to all residential subdivisions and some commercial depending on the configuration. The fee is for the on-going and perpetual maintenance of streets. Additionally, there may be reimbursement costs associated with traffic signals or other capital items needed due to the additional burden created by the subdivision or commercial development.

Engineering Inspection Fees: Engineering Inspection Fees are to cover the costs for the Inspectors to inspect the infrastructure to ensure the work is in compliance with the approved plans and specifications and codes.

Interest Earnings: This amount is interest earned on the cash balance in the fund. It is a difficult estimate to make due to the fluctuation of cash balances and the interest rates.



**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 1,554,337	\$ 1,686,685	\$ 2,219,250
Supplies	506,655	532,146	591,260
Other Services & Charges	1,508,311	1,790,254	1,864,856
Capital Outlay/Projects	230,895	209,311	282,294
Total	\$ 3,800,198	\$ 4,218,396	\$ 4,957,660
Authorized Staffing Level	33.50	34.50	39.20
Street Operations	33.50	34.50	30.50
Transportation Services	0.00	0.00	8.70

Street Operations

Division Mission: To preserve and maintain City streets and related drainage infrastructure effectively and efficiently with a community customer service orientation; to prepare for and respond to events and emergencies, applying resources as necessary to expedite return to normal operating conditions.

Goal: Deliver maintenance of City streets and related infrastructure effectively and efficiently, at budgeted levels of service.

Strategy: Apply automated maintenance management system (MMS) linked to geographic information system (GIS), pavement management system (PMS), and City's cost accounting/financial management system to formulate and accomplish activity-based maintenance services at levels of service budgeted in Annual Work Program.

Workload Indicators:	FY05 Actual	FY06 Estimate	FY07 Forecast
Lane-miles of paved streets maintained	256	281	309
Miles of unpaved streets graded	19.14	17.23	15.5
Miles of unpaved alleys graded	9.57	8.61	7.75
Lineal feet of piped drainage ways	53,560	54,560	55,560
Lineal feet of open drainage ways	925,045	926,250	927,500
Number of drainage structures	2,025	2,125	2,250
Number of work requests from public	1,168	1,170	1,170
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Ratio of [scheduled: total work] accomplished Target: 75%	71%	75%	75%
Pavement condition index (PCI) of major thoroughfare system Target: 8.0	6.29	6.24	6.19
Average response time for all minor work requests from public Target: 5 working days	10	8	6

Prior Year Results and Outcomes:

Responded to 1,445 citizen's requests for service.

Responded with 2,890 hours of weather related activities.

Provided 2,543 hours of work related to special events.

Maintained roadway markings by painting 915,713 feet of stripping.

Maintained 25 bridges.

Maintained 229 lane miles of pavement.

Streets			
Expenditure Summary			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 1,554,337	\$ 1,686,685	\$ 1,699,984
Supplies	506,655	532,146	481,110
Other Services & Charges	1,508,311	1,790,254	1,599,969
Capital Outlay/Projects	<u>230,895</u>	<u>209,311</u>	<u>282,294</u>
Total	\$ 3,800,198	\$ 4,218,396	\$ 4,063,357
Capital Outlay/Projects			
Central Yavapai Municipal Planning Organization			\$ 205,294
NPDES Phase II Implementation/Compliance			52,000
Drainage Master Plan			<u>25,000</u>
Total Capital Outlay/Projects			\$ 282,294

**Streets
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	33.50	34.50	30.50
Public Works Director*	0.20	0.20	0.20
Asst Public Works Dir*	0.00	0.00	0.20
Street Maint. Supt	1.00	1.00	1.00
Street Maint. Supervisor	1.00	2.00	2.00
Drainage/Maint. Supervisor	1.00	1.00	1.00
Maintenance Specialist	1.00	1.00	1.00
Traffic Control Technician	1.00	1.00	0.00
Senior Equip Operator	4.00	4.00	4.00
Traffic Control Worker	2.00	2.00	0.00
Equipment Operator	11.00	11.00	11.00
Maintenance Worker	9.00	9.00	9.00
Secretary	1.00	1.00	1.00
Traffic Engineering Tech	1.00	1.00	0.00
Contract Specialist**	0.00	0.30	0.10
Accounting Technician	0.30	0.00	0.00

*Public Works Director and Asst Public Works Director also charged to Transportation Services (20%), Water Utilities Administration (20%), Alt Water Sources (20%), and Wastewater Administration (20%).

**The remainder of the Contract Specialist is charged .10 to Transportation Services, .30 to Water Administration, .20 to Alt Water Sources, and .30 to Wastewater Administration.

Significant Expenditures Changes: Several items affected the Personnel costs of this division along with the annual salary adjustment and increased retirement costs. Beginning FY07, a new division was created in the Streets (HURF) Fund that encompasses Transportation Services. Four employees – one Traffic Control Technician, two Traffic Control Workers, and one Traffic Engineering Tech – were moved to the new division together with 20% of the Contract Specialist. This shift of employees is reflected in the decrease in Personnel costs. Finally, an Assistant Public Works Director was approved as part of the budget process. A portion of this position is charged to this division.

Supplies and Other Services & Charges were also affected by the shift employees. A portion of these budgets were transferred to the new division; thus, decreasing the FY07 budgets.

Information regarding the capital outlay/projects for this division can be located in the Capital Improvement Plan section of this book.

Transportation Services

Division Mission: Facilitate safe and efficient vehicular and alternate mode traffic circulation within the City street system through transportation planning, traffic engineering, and traffic operations including traffic signals, signing, and marking.

Goal: To provide for the safe, efficient and convenient movement of persons and goods by coordination of planning, geometric design and traffic operation of roads, streets, abutting lands and other modes of transportation.

Strategy: Install and maintain traffic signs, traffic signals and pavement markings in order to improve traffic safety, minimize delay and City liability. Evaluate existing traffic control facilities for adequacy. Review roadway construction and development plans for conformance with current national, state and local traffic engineering and highway design policies and guidelines.

Performance Measures	FY05 Actual	FY06 Estimate	FY07 Forecast
Traffic signals maintained (intersections)	48	49	51
Traffic signs maintained	30,000	31,500	33,000
Service requests	125	125	130
Traffic volume counts (each)	95	90	95

**Transportation Services
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ -	\$ -	\$ 519,266
Supplies	-	-	110,150
Other Services & Charges	-	-	264,887
Total	\$ -	\$ -	\$ 894,303

**Transportation Services
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.00	0.00	8.70
Public Works Director*	0.00	0.00	0.20
Asst Public Works Dir*	0.00	0.00	0.20
Traffic Engineer	0.00	0.00	1.00
Traffic Signal Supervisor	0.00	0.00	1.00
Contract Specialist**	0.00	0.00	0.10
Traffic Engineering Tech	0.00	0.00	1.00
Traffic Signal Specialist	0.00	0.00	2.00
Administrative Assistant***	0.00	0.00	0.10
Traffic Control Technician	0.00	0.00	1.00
Traffic Control Worker	0.00	0.00	2.00
Secretary****	0.00	0.00	0.10

*Public Works Director and Asst Public Works Director also charged to Streets (20%), Water Utilities Administration (20%), Alt Water Sources (20%), and Wastewater Administration (20%).

**The remainder of the Contract Specialist is charged .10 to Streets, .30 to Water Administration, .20 to Alt Water Sources, and .30 to Wastewater Administration.

***Administrative Assistant also charged to Water Admin (35%), Alt Water (20%), and Wastewater Administration (35%).

****Remainder of Secretary charged .30 to Water Administration, .30 to Alt Water, and .30 to Wastewater Administration.

Significant Expenditure Changes: This is a new division created in FY07. A majority of the budget is a shift from the Streets division. The remainder is the result of the new Assistant Public Works Director and Secretary that were approved for FY07.

STREETS AND OPEN SPACE FUND

On September 26, 1995 the voters of Prescott approved increasing the sales tax rate from 1.0% to 2.0% for the purpose of street repairs and improvements for a ten year period effective January 1, 1996.

Total revenue from the 1% sales tax increase was initially projected at \$54.5 million for the ten-year authorization, assuming no growth in collections, or about \$5.5 million per year. Collections have outpaced the initial forecast – by FY05, the annual revenue had increased to \$14.2 million.

Revenue collected through FY05 totaled approximately \$90.0 million, funding expenditures for right-of-way acquisition, engineering road construction and rehabilitation, inspection and testing, and program administration of about \$76.9 million. Projected revenue/expenditures for the ten-year program are now anticipated to total over \$100 million.

In May 2000 voters approved extension of the 1% sales tax through December 2015, with the use of proceeds expanded to include acquisition of open space. A schedule for acquisition of specific properties and associated financing plan, have not yet been adopted.

	Beginning Cash, 7/1	Revenues	Open Space	Streets	Ending Cash, 6/30
FY1996	97,722	2,030,042	-	(286,857)	1,840,907
FY1997	1,840,907	6,111,953	-	(4,914,692)	3,038,168
FY1998	3,038,168	7,403,428	-	(5,277,019)	5,164,577
FY1999	5,164,577	7,494,722	-	(4,349,310)	8,309,989
FY2000	8,309,989	8,519,686	-	(5,654,361)	11,175,314
FY2001	11,175,314	10,371,737	(2,027,186)	(18,363,434)	1,156,431
FY2002	1,156,431	11,686,530	(13,047)	(11,680,504)	1,149,410
FY2003	1,149,410	10,256,404	(31,997)	(3,421,868)	7,951,949
FY2004	7,951,949	11,946,704	(1,518,267)	(8,665,529)	9,714,857
FY2005	9,714,857	14,216,614	-	(10,680,319)	13,251,152
FY2006	13,251,152	15,086,592	(190,114)	(6,735,459)	21,412,171

Summary of Fund

	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Cash, 7/1	\$ 9,714,857	\$ 13,251,152	\$ 21,432,171
Revenues			
1% Tax	12,918,249	14,245,336	14,826,828
Partnering	683,268	-	1,000,000
Interest Income	315,097	441,256	
Miscellaneous	-	20,000	300,000
Total Revenues	\$ 13,916,614	\$ 14,706,592	\$ 16,126,828
Adjustments/Other Revenue Sources			
Transfers In/Out (Net)	(59,410)	(350,000)	35,000
Total Adjustments/Other Sources	\$ (59,410)	\$ (350,000)	\$ 35,000
Expenditures	(10,320,909)	(6,175,573)	(30,861,406)
Ending Cash, 6/30	\$ 13,251,152	\$ 21,432,171	\$ 6,732,593

Prior Year Results and Outcomes:

Provided construction management and/or inspection services on the following City projects completed during FY06:

- ACFC placement project
 - Gail Gardner Way – Iron Springs Rd. to Willow Creek Rd.
 - Granite St. – Gurley St. to Goodwin St.
 - Black Dr. – Gail Gardner Way to Willow Creek Rd.
 - Gateway Blvd. – SR69 to Lee Blvd.
 - Willow Creek Rd. (Ph. IV)
- Gurley St. (emergency pavement reconstr.) – Cortez St. to Marina St.
- Whiskey Row alley
- Unpaved Streets
 - Northside Dr. – Black Dr. to Prescott Hts. Dr.
 - Fairway View – Country Club Dr. to Country Club Dr.
 - Hillside Ave. – 5th St. to 6th St.
- E. Gurley St. – Arizona Ave. to Robinson Dr.
- Willow Lake Villas – Detention Basin & Drg. Improvements

Provided construction management and/or inspection services on the following City projects commenced during FY06 to be completed in FY07:

- Unpaved Alleys – as described by the following bounds:
 - Churchill St./Washington St./Arizona Ave./Moeller St.
 - Washington St./Arizona Ave./Carleton St./Gurley St.
 - Montezuma St./Cortez St./Leroux St./Carleton St.
- Gail Gardner Way – Fair St. to Iron Springs Rd.

Completed right-of-way acquisition for capital projects to be constructed in FY07:

- Copper Basin Rd. – White Spar Rd. to Sheriff's Posse Rd.
- Iron Springs Rd. – Gail Gardner Way to Williamson Valley Rd.
- Ruth St. – Whipple St. to Whetstine Ave.

Inspected street and utilities infrastructure for 71 private development projects within the City including subdivisions and commercial projects.

Inspected work performed under 423 right-of-way construction permits.

Completed in-house designs –

- Middlebrook Rd. – Cypress Dr. to Low-Water Crossing
- Frisco Peaks Dr. – Willow Creek Rd. to S. End
- Panarama Dr. – Kelmo Dr. to Frederick Ln.
- Panarama Dr. – Frederick Ln. to N. End
- Estrella Rd. – Meadowridge Rd. to Green Ln.
- Sandretto Dr. Intersection Improvements (at Willow Creek Rd.)

Commenced in-house designs on 4 alley segments.

Completed designs for a number of water and sewer improvement projects.

Completed designs by outside engineering firms:

- Ruth St. – Whipple St. to Whetstine Ave.
- Park Ave. – Gurley St. to Copper Basin Rd.
- Mt. Vernon Ave. – Gurley St. to Senator Hwy.
- Lee Blvd. Det. Basin (at Gateway Blvd.)
- Goodwin St. Sidewalk Project – McCormick St. to Summit Ave.
- Montana Dr. ROW Enhancements (at Willow Creek Rd.)
- Marina St. (E. Side) Sidewalk Project – Union St. to Goodwin St.

Awarded design contracts for:

- Rosser St. – Willow Creek Rd. to Campbell Ave.
- Williamson Valley Rd. – Sidewinder Dr. to Shadow Valley Ranch Rd. (County lead)
- SR89A/Side Rd. Traffic Interchange Location Study and Design

Provided City Input/Guidance on the ADOT SR89 Widening Project

**Streets Projects and Open Space - 1% Sales Tax
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Supplies	\$ 71,406	\$ 20,000	\$ -
Other Services	590,943	435,806	523,020
Capital Outlay/Projects	9,369,166	5,719,767	30,338,386
Total	\$ 10,031,515	\$ 6,175,573	\$ 30,861,406

**Streets Projects and Open Space - 1% Sales Tax
Capital Outlay/Projects**

Open Space	\$ 5,809,886
Iron Springs Road Widening	5,000,000
Copper Basin Road	3,500,000
Williamson Valley	2,757,000
Pavement Preservation	2,435,000
Ruth St & Demerse St	1,198,000
Rosser St Traffic Calming	1,025,000
Intersection Signals	975,000
Downer Trail	958,000
Planned Growth Strategy	800,000
Alley Paving	782,000
Pavement Intersection Rebuilds	769,000
Gail Gardner/Fair Street Repairs	695,000
SR89A/Side Road	600,000
Unpaved Streets	492,000
Assessment & Planning Project	300,000
Robinson Drive	300,000
Bradshaw Drive	265,000
ROW Iron Springs Road	250,000
Lee Blvd Detention Basin Modification	166,000
CYMPO Projects	160,000
WCR/Pleasant Valley Wall Facing	136,000
Sidewalks - Arterial	121,000
Marina-E Side Union to Goodwin	111,000
South Side Traffic Circ Analysis	95,000
Montana Dr ROW Enhancements	91,000
55 Ft Bucket Lift Truck	75,000
Power Screen	65,000
Traffic Calming - Various Streets	50,000
Signal Replacement Equipment	50,000
Engineering & Safety Projects	50,000
Scale Equipment Truck	46,500
Sandretto/Willow Creek Intersection	45,000
3/4 Ton 2WD Pickup (2)	40,000
Traffic Sign Design - various	30,000
2030 Transportation Study	25,000
3/4 Ton 2WD Crew Cab Pickup	25,000
Pavement Management Program	20,000
Street Lights	10,000
Park Ave (Gurley to Copper Basin)	10,000
PAC Parking Lot & Road	6,000
Total Capital Outlay/Projects	\$ 30,338,386

Significant Expenditure Changes: The Supplies category shows a \$20,000 decrease from the FY2006 estimated ending. This is a result of the maintenance management project carryover that was budgeted in FY06 is now complete.

Other Services and Charges experienced an increase due to the methodology for the allocation of the cost recovery charges for administration, legal, and accounting services. These charges are based on the previous year's budget compared to the city-wide budget as a whole.

Capital Outlay/Projects – This allocation includes, but is not limited to, \$5,809,886 for open space purchases, Iron Springs Road Widening project, Copper Basin Road construction, Williamson Valley Road construction, several pavement preservation projects, completion of Ruth and Demerse reconstruction, \$800,000 for a planned growth strategy, Downer Trail construction, pavement of unpaved streets and alleys, and limited traffic calming mitigation. Details on these projects and others in this department are included in the Capital Improvement Plan section of the FY2007 budget book.

TRANSIENT OCCUPANCY TAX

The Transient Occupancy Tax (Bed Tax) Fund is limited by ballot language to tourism promotion and recreational development.

Traditionally the portion of revenues allocated towards recreation development has been used to improve or expand parks, which serve tourists.

Bed tax revenue for FY07 is estimated to produce \$398,197. Interest earnings, audits and penalties are projected to yield \$5,000 during FY07.

	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Cash Balance, 7/1	\$ 497,062	\$ 564,027	\$ 273,283
Revenues			
Transient Occupancy Tax	358,575	386,599	398,197
Audits, Penalties and Interest	14,557	7,825	5,000
Miscellaneous	-	57,258	-
Total	\$ 373,132	\$ 451,682	\$ 403,197
Expenditures/Transfers:			
Tourism	\$ (218,210)	\$ (229,406)	\$ (426,602)
Recreation Development	\$ (87,957)	\$ (513,020)	\$ (246,105)
Ending Cash Balance, 6/30	\$ 564,027	\$ 273,283	\$ 3,773

Expenditures:

The City is again entering into contractual arrangements for tourism promotion and \$193,712 has been allocated from Transient Occupancy Tax revenues for this purpose.

Also, the following items have been budgeted in tourism related expenditures:

Overtime Costs by City Employees during Special Events	\$ 76,090
Performing Arts Groups	39,800
Sanitation Costs for Special Events	39,800
Downtown Christmas Lights Contribution	30,000
Rodeo	25,000
Fourth of July Fireworks	17,000
Elks Opera House Marketing	5,000

Budgeted in FY07 for recreational development are the following projects totaling \$246,105.

<u>Skate Park</u>	\$ 149,105
Final payment to contractor as per agreement	
<u>Ken Lindley Tennis Courts</u>	97,000
Replacement of the surface on the two south courts near Grace Sparkes Activity Center	

IMPACT FEES FUND

The City currently has nine impact fee accounts; however, water and wastewater buy-in fees are included within the Water and Wastewater Funds. The remaining seven impact fees cover the areas of Park Development, Recreational Development, Library, Police, Fire, Streets and Public Buildings.

During FY07 impact fees are based on 600 building permits for residential units. A basis of 600 building permits was used for the FY06 revised estimates. The current policy is that if the residential growth does not produce the required revenues to fund the planned projects, the projects will have to be delayed.

Park Development Impact Fee. This fund was originally the Neighborhood Parks Fund and was changed to Park Development Fund at the time the overall impact fee system was developed. Primarily, it has been used to expand the use of existing facilities for growth related purposes.

Park Development Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 1,385,078	\$ 1,578,094	\$ 1,847,666
Revenues/Transfers In	601,569	469,000	499,000
Expenditures/Transfers Out	(408,553)	(199,428)	(1,446,110)
Ending Cash Balance, 6/30	\$ 1,578,094	\$ 1,847,666	\$ 900,556

Effective March 1, 2002 the fee charged on every residential unit building permit was increased from \$500 to \$715. Projected FY07 revenues are based on 600 residential building permits at \$715 each. Combining that revenue with the beginning cash balance of \$1,797,023, estimated interest earnings of \$40,000, and a transfer in from the General Fund for the Parks Master Plan provide a total available for FY07 of \$2,296,023.

FY07 commitments total \$1,446,110 which includes grant matches of \$104,610 for ISTE A II Grant, Greenways Multi-Use Trail System and Phase II of Rails to Trails. The remaining allocations are as follows:

\$781,000 has been allocated for design and construction of a ten acre park site in Prescott Lakes Subdivision.

Another \$256,000 has been set aside for Sundog Trailhead Enhancements.

A budget of \$170,000 is in FY07 for the Parks Master Plan.

Design for a 19 acre park at the corner of Rosser and Blooming Hills Drive adjacent to the new City of Prescott Adult Center is planned in the amount of \$82,000.

Finally, \$52,500 is budgeted per an agreement with the developers of Prescott Lakes subdivision (M3). This account comprises the entire Prescott Lakes Parks System including the petroglyph areas.

Recreational Development Impact Fee. Effective March 1, 2002 the fee charged on every residential unit building permit was increased from \$400 to \$401. All fees collected (except those prior to July 1, 1996, and interest earnings) were dedicated toward the commitment to the YMCA for the new community center partnership arrangement. During FY01, the City fulfilled its obligation towards the \$1,000,000 commitment.

Recreational Development Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 859,797	\$ 1,070,135	\$ -
Revenues/Transfers	338,336	1,070,825	245,600
Interfund Loan		779,265	936,397
Expenditures/Transfers	(127,998)	(2,920,225)	(1,181,997)
Ending Cash Balance, 6/30	\$ 1,070,135	\$ -	\$ -

Revenues for FY07 include impact fees (\$240,600) and interest (\$5,000). Also included is an Interfund Loan from the Capital Improvement Fund in the amount of \$936,397.

The construction of the new Adult Center Building commenced in FY06 and is anticipated that it will be completed during FY07. \$1,181,997 is budgeted in the Recreational Development Impact Fee Fund.

Fire Impact Fee. Effective March 1, 2002 the fee increased from \$128 to \$167. Revenues in this area consist of fire impact fees (\$100,200), rent from Life Line ambulance (\$20,400), and interest earned (\$18,000).

Fire Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 359,001	\$ 518,515	\$ 507,115
Revenues	159,514	138,600	138,600
Expenditures/Transfers	-	(150,000)	(380,000)
Ending Cash Balance, 6/30	\$ 518,515	\$ 507,115	\$ 265,715

The only budgeted expenditure planned for FY07 is the purchase of property in the downtown area to locate the new fire station. \$380,000 has been allocated for this purchase.

Library Impact Fee. Effective March 1, 2002 the Library Impact fee increased from \$208 to \$253. FY07 expected revenues include impact fees in the amount of \$151,800 along with interest earned in the amount of \$5,000.

Library Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 478,082	\$ 617,446	\$ 39,246
Revenues	212,869	171,800	156,800
Expenditures/Transfers	(73,505)	(750,000)	(43,325)
Ending Cash Balance, 6/30	\$ 617,446	\$ 39,246	\$ 152,721

Planned expenditures for FY07 include \$22,700 for the Adult Center Library presence and \$20,625 for the potential Prescott ConneXion expansion.

Police Impact Fee. Effective March 1, 2002 the fee charged on every residential unit building permit was increased from \$48 to \$84. At the end of FY06, it is estimated that \$145,070 will be available for growth related expenditures. Anticipated revenues for FY07 encompass impact fees totaling \$50,400 and interest earnings of \$12,000.

Police Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 307,631	\$ 382,670	\$ 145,070
Revenues	75,039	62,400	62,400
Expenditures/Transfers	-	(300,000)	-
Ending Cash Balance, 6/30	\$ 382,670	\$ 145,070	\$ 207,470

No expenditures are anticipated during FY07.

Street Impact Fee. This impact fee increased from \$456 to \$469 per residential unit effective march 1, 2002. Forecasted revenues for FY07 are made up of street impact fees (\$281,400) and interest earnings (\$8,000).

Street Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 120,633	\$ 194,680	\$ 84,080
Revenues	374,047	289,400	289,400
Expenditures/Transfers	(300,000)	(400,000)	(350,000)
Ending Cash Balance, 6/30	\$ 194,680	\$ 84,080	\$ 23,480

\$350,000 is to be transferred out in FY07 to reimburse the 1% Tax – Streets and Open Space Fund for the Willow Creek Road Project.

Public Buildings Impact Fee. This impact fee was the latest to be adopted by the City Council and has been set at the rate of \$275 per residential unit. The Public Buildings Impact Fee was implemented to provide funding for adequate public buildings to support the expanding population. Revenues projected for FY07 include impact fees in the amount of \$165,000 and interest earnings in the amount of \$10,000.

Public Buildings Impact Fee			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 427,725	\$ 556,504	\$ 239,504
Revenues	227,370	183,000	175,000
Expenditures/Transfers	(98,591)	(500,000)	-
Ending Cash Balance, 6/30	\$ 556,504	\$ 239,504	\$ 414,504

No expenditures are anticipated during FY07.

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund was originally created by Resolution 2620 during FY94. This Resolution was rescinded and a new policy was adopted to define the purpose of this fund. Proceeds from the sale of unneeded real estate are deposited in this fund unless the sale of property is Acker Trust or enterprise fund related. The primary source of funding has been the transfer of excess revenues over expenditures from the General Fund. The funding of the account is considered "non-renewable" so it is understood by Council that once all the money has been spent, it will take time to rebuild the balance in this account.

CAPITAL IMPROVEMENT FUND			
	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Fund Balance, 7/1	\$ 14,573,378	\$ 9,501,123	\$ 8,278,828
Funding Sources			
Library Expansion Contributions	-	624,000	426,000
Intergovernmental Contribution	250,000	-	-
Sale of Property	500,000	70,000	-
Miscellaneous	3,098	19,296	37,000
Interest Earned	339,052	260,000	150,000
Transfer In	3,364,823	6,836,681	2,488,862
Total Sources of Income	\$ 4,456,973	\$ 7,809,977	\$ 3,101,862
Expenditures/Transfers Out			
Downtown Parking Garage	\$ 5,503,578	\$ 354,144	\$ -
Economic Development and Projects	1,818,385	2,110,000	2,790,000
Dispatch Center Bldg Improvements	1,046,064	458,000	7,000
Downtown Fire Station	501,070	46,000	350,000
Whiskey Row Alley Rehabilitation	315,849	16,664	-
Transfer to Airport for Grants	315,679	171,585	39,526
Radio Frequency Infrastructure	26,636	35,000	2,040,000
Library Expansion	1,967	4,082,774	1,017,226
Old Adult Center Property	-	578,615	-
Fire Station Refurbishment	-	-	150,000
Training Center Design	-	-	250,000
Transfer to Impact Fees for Adult Center	-	400,225	-
Interfund Loan to Recreational Impact Fees	-	779,265	936,397
Total Expenditures/Transfers Out	\$ 9,529,228	\$ 9,032,272	\$ 7,580,149
Ending Fund Balance, 6/30	\$ 9,501,123	\$ 8,278,828	\$ 3,800,541

Sources of Income:

The beginning cash balance of slightly above \$8.2 million has been the result of previous year's transfers from the General Fund of excess revenues over expenditures. These transfers were made in accordance with Council policy.

Current year sources of income include estimated interest income of \$300,000. Also included are transfers in from the General Fund and 1% Streets and Open Space Fund totaling \$2,275,000 for rebate payments of Westcor, Wal-Mart, Villages at the Boulders, Ehert Car Dealership and various economic

incentive agreements as defined in council approved agreements. \$426,000 in donations and contributions for the Library Expansion project, \$36,000 in rent from Unisource Gas Service for city-owned property on Sixth Street, and \$1,000 for book sales is budgeted in FY07.

Expenditures:

The list of FY07 expenditures appears on the preceding page.

The \$2,790,000 allocation for Economic Development and Projects is comprised of economic development incentives and reimbursements as well as potential opportunities that may arise.

A carry over allocation of \$2,040,000 for radio frequency infrastructure is for placement of buildings and utilities on five to seven sites on City-owned property. These locations will be identified as capable of supporting Public Safety radio transmission needs. The purpose of this project is to eliminate voice "dead spots" from which police and fire currently cannot communicate, and to provide for the use of data transmissions that Public Safety is not currently capable of using. The data transmissions may be for uses such as car computers and automatic vehicle locators.

Another carry over is \$1,017,226 for completion of the library expansion. This project commenced in FY06 and is expected to be completed during the fall of FY07.

\$350,000 is budgeted for the purchase of property in the downtown area for a new Fire Station.

FY07 budget includes \$250,000 for the design of a joint training center for Police and Fire. It is anticipated that the training center will include a multi-use classroom, live fire room, flashover chamber, storage building, wild land fire crew quarters, indoor shooting house/fire training prop and driving simulator.

\$150,000 is allocated for the refurbishment of Fire Station #71.

A \$7,000 carry over has been budgeted for completion of the Regional Dispatch Center Building Improvements. This building, formerly the Social Security Building, was given to the City by the Federal Government for use as a dispatch center.

GRANT FUNDS

The total Grant Funds, excluding Airport grants, is funded at \$5,320,012 of which total matches are anticipated at a level of \$445,847. The General Fund transfer is estimated at \$341,237 with the Park Development Impact Fee providing the remaining \$104,610.

GRANT AND PURPOSE	TOTAL PROJECT	CITY'S SHARE
Judicial Collection Enhancement Fund – Provides funding for court collection efforts.	20,000	-0-
Rural Economic Development Grant – Provides funding for rural economic development projects	10,000	5,000
Economic Strengths Projects – Arizona Department of Commerce reimbursement grant. This will provide funds for improvements on: ERAU – Business Park	150,000	-0-
APS Economic Development Grant – Provides funding for economic development projects.	2,000	-0-
Arizona Office of Tourism – Provides funding for tourism related projects.	25,000	7,500
Community Development Block Grant (CDBG) – Provides funding for the following: Adult Center/Meals on Wheels Project Aware Transitional Housing Habitat for Humanity West Yavapai Guidance Clinic Administration – State Housing Entitlement Program Admin Entitlement - Unprogrammed	287,490 262,755 90,100 6,931 79,270 59,537 500,966	-0- -0- -0- -0- -0- -0- -0-
Public Transit – Money will be used as pass through funds to qualified non-profit agencies to subsidize capital costs to provide public transit services such as vehicle purchases and for new sidewalk construction.	143,750	28,750
State Historic Office of Preservation – Funding will provide historic nominations	2,978	1,192
Arizona State Parks – Historic Preservation – Funding for annual conferences Funding for Elks restoration – second lobby	22,766 16,000	8,606 -0-
Tribal Gaming Compact Grant -	25,000	-0-
State Library Grants in Aid – LSTA Intro to Living Room LSTA Training Grant	12,000 1,000	-0- -0-
ISTEA II Grant – Provides funding to purchase seven miles of abandoned Atchison, Topeka and Sante Fe Railroad right-of-way north of Prescott for conversion into a multi-use trail. City share is from Park Development Fees.	318,392	63,678
Greenways Multi-Use Trail System – Provides funding to continue development of the trail system and to provide enhancements to existing trails. City share is from Park Development Fees.	508,895	29,007
Rails to Trails Phase II – Grant will fund physical improvements to the rail-trail system. City share is from Park Development Fees.	209,209	11,925
Prescott East Trails ROW – Provides funding for land acquisition. Construction will be performed in-house and with volunteers.	15,000	-0-
Governor's Office of Highway Safety – Traffic Enforcement – Provides funding for overtime involving traffic safety and related equipment.	5,112	-0-

Seatbelt Enforcement Grant – Provides funding to offset officers overtime costs associated with special seatbelt enforcement assignments.	12,000	-0-
DUI Enforcement Tri City Grant – Provides funding for officers' overtime costs and equipment associated with special DUI traffic enforcement assignments and underage youth liquor enforcement.	58,000	-0-
Arizona Department of Administration – Local Network Management – Provides funding for emergency telecommunications.	4,500	-0-
Yavapai County Community Foundation Canine Grant – Provides funding for canine equipment.	10,000	-0-
Prescott Area Narcotics Task Force – Provides funding for a unified narcotics enforcement team in Yavapai County to investigate, apprehend, and prosecute drug violators and to solve violent and gang related crimes that occur within the communities. This grant represents one Prescott Officer.	92,854	-0-
STU/Rico Reimbursement – Provides funding to support the Prescott Area Narcotics Task Force in its operations making high risk entries by special tactical units.	3,000	-0-
Federal Emergency Management Grants – Homeland Security grant provides funding for a wide range of activities aimed to increase security and prepare for emergencies. Will be used for the regional communications center.	159,969	-0-
Mobile Data Computer/AVL – Provides the funding for mobile computes to locate vehicles.	261,090	82,840
Bureau of Justice Assistance Equipment Grant – Provides funding for a police car, bullet proof vests, and other operational equipment. Bullet Proof Vests	14,698	7,349
Miscellaneous Police Department Grants – Budget to enable the Police Department to take advantage of grant opportunities that may arise during the fiscal year.	250,000	-0-
Federal Emergency Management Grants – Homeland Security grant provides funding for a wide range of activities aimed to increase security and prepare for emergencies. FY06 Equipment Grant – Fire FY07 Tactical Rescue Grant – Fire	29,750 1,200,000	-0- -0-
Fire Department Vegetation Management Crew – provides staffing for a ten-month, 13-member community wide vegetation management plan to prevent and suppress wildfires. Also includes equipment, supplies and services.	400,000	200,000
Federal Emergency Management Grant – City Hall Security	50,000	-0-

PUBLIC SAFETY SALES TAX INITIATIVE

Division Mission: To provide a cost center for public safety projects and capital outlay to be expended as part of the Public Safety Tax Initiative presented to the voters.

Summary of Fund			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ -	\$ -	\$ -
Revenues			
Public Safety Sales Tax	\$ -	\$ -	\$ 2,253,996
Interest Income	-	-	-
Total Revenues	\$ -	\$ -	\$ 2,253,996
Expenditures	-	-	(814,011)
Ending Cash, 6/30	\$ -	\$ -	\$ 1,439,985

Significant Expenditure Changes: FY07 expenditures include the purchase of a Mobile Communications Center to be purchased for the Police and Fire Departments in the amount of \$500,000 and a contingency of \$314,011. More information regarding these projects can be located in the Capital Improvement Plan section of this book.

OTHER FUNDS

CAPITAL PROJECTS FUNDS	169
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INTERNAL SERVICE FUNDS	172
DEBT SERVICE FUND	185

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for the purchase or construction of major capital facilities other than those financed by Enterprise Funds or Trust Funds. The City of Prescott will use Willow/Watson Lakes Development Fund during FY07.

Willow/Watson Lakes Development

Division Mission: Continue commitments of Intergovernmental Agreement with Chino Valley Irrigation District.

Continue implementation of the master plan for development of recreational facilities at Willow and Watson Lakes.

Summary of Fund			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ 916,357	\$ (312,803)	\$ (333,290)
Revenues			
Interest Income	12,235	-	-
Total Revenues	\$ 12,235	\$ -	\$ -
Expenditures	(1,241,395)	(20,487)	(529,299)
Ending Cash, 6/30	\$ (312,803)	\$ (333,290)	\$ (862,589)

Significant Expenditure Changes: FY07 expenditures include the Willow Creek South Shore Project, engineering on the dam, and completion of the boat ramp. More information on these projects can be found in the Capital Improvement Program section of this book.

Although this table shows the fund at a negative at the completion of FY07, it is anticipated that the remainder of the bonds that were approved in 1998 will be issued in FY08. This issuance will take this fund out of the deficit.

EXPENDABLE TRUST FUNDS

Expendable Trust Funds are used to account for assets held by the City of Prescott in a trustee capacity for others. The City will use three trust funds during FY07: Acker Trust Fund, Miscellaneous Gifts Trust Fund, and Employee Relations Trust.

Acker Trust Fund

Division Mission: Account for assets will to the City of Prescott by J.S. Acker. Revenue from investments and land sales are to be expended for cultural and recreation purposes only.

Prior Year Results and Outcomes:

Continued scholarship program for music at Prescott High School.

Continued support for the Artists in Residence program with Yavapai College.

Visited local schools and conducted work shops with music students.

Provided Prescott Fine Arts scholarships for attendance at music camps and continuing music education.

Summary of Fund			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ 527,746	\$ 530,239	\$ 532,739
Revenues			
Sale of Property	-	1,500	-
Interest Income	15,198	21,000	26,000
Total Revenues	\$ 15,198	\$ 22,500	\$ 26,000
Expenditures	(12,705)	(20,000)	(25,000)
Ending Cash, 6/30	\$ 530,239	\$ 532,739	\$ 533,739

Significant Expenditures Changes: The Acker Trust's goal is to always maintain a balance and to spend only the interest earnings off the principal. For FY07, an expenditure allowance in the amount of \$25,000 will be made to cover annual scholarships and bequests.

Miscellaneous Gifts & Donations

Division Mission: Provide an account to track any contributions for miscellaneous gifts which the City may receive as well as the expenditures made.

Prior Year Results and Outcomes:

Shop-with-a-Cop (Police Gift Fund) – Coordinated and participated in the eighth annual Shop-with-a-Cop program which provides an opportunity for disadvantaged children to shop for Christmas gifts. This year's project resulted in financial aid in the amount of \$12,491.

Summary of Fund			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ 172,715	\$ 209,141	\$ 92,896
Revenues			
Gifts and Donations	91,205	38,350	75,000
Interest Income	141	-	-
Total Revenues	\$ 91,346	\$ 38,350	\$ 75,000
Expenditures	(54,920)	(60,000)	(75,000)
Transfers Out	-	(94,595)	-
Ending Cash, 6/30	\$ 209,141	\$ 92,896	\$ 92,896

Significant Expenditure Changes: Throughout the year, the City receives gifts and donations. Some of them are for a specific purpose such as the DARE program and library bequests, and some are unspecified.

The City is budgeting \$75,000 this year to provide spending authority for any donations/bequests that may be received.

Employee Relations Trust

Division Mission: More emphasis is being placed on employee recognition through recommendations of the Employee Council and Employee Relations Committee. Remaining in the City/Employee Health Insurance Trust (before the time the city joined the Yavapai Combined Trust) was \$56,875. This amount represented the balance of the reserve after all final claims were paid. It was decided beginning in FY95 to use the money as an Employee Relations Trust to fund various employee recognition programs and celebrations.

Summary of Fund			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ 9,908	\$ -	\$ -
Revenues			
Employee Contributions	4,060	-	-
Miscellaneous	1,500	-	-
Interest Income	119	-	-
Total Revenues	\$ 5,679	\$ -	\$ -
Expenditures	(15,587)	-	-
Ending Cash, 6/30	\$ -	\$ -	\$ -

Significant Expenditure Changes: This fund was exhausted during FY2005. In future years funding for employee appreciation programs will be through the general fund.

INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for services and commodities furnished by one department to other departments of the City on a cost reimbursement basis. The City has the following Internal Service Funds: General Self-Insurance Fund, Central Garage, Engineering Services and Facilities Maintenance.

General Self Insurance

The Risk Management program is designed to reduce, eliminate or transfer liability for loss exposures associated with city operations, and to manage and properly dispose of liability claims against the city. Risk Management assesses and purchases appropriate insurance coverage with adequate self-insured retention levels. Additionally, the division strives to improve city operations through an internal review function and employee training.

From August 17, 1986, through June 20, 1992, the City of Prescott was totally self-insured. For the period of July 1, 1992, through September 30, 1993, the City was insured with the Arizona Municipal Risk Retention Pool. Effective October 1, 1993, the City again became totally self insured except for property insurance and airport liability insurance.

During FY95 the City settled an extraordinary claim in the amount of \$3.5 million. In order to pay for the claim, the City used \$1.0 million of cash available from the Self Insurance fund and borrowed \$2.5 internally from the Alternative Water Sources Fund. The self insurance fund will pay back the Alternative Water Sources Fund the \$2.5 million over 20 years at no interest. As a result of this settlement, the City decided to re-enter the insurance market, purchase excess insurance above an approximate level of \$.5 million and keep the cash balance of the Self Insurance Fund at approximately \$1 million.

On July 1, 1996, it was decided that this fund would be used to pay workers' compensation claims against the city. After a self-insurance feasibility study was performed by an independent actuarial, it was decided to leave State Compensation Fund. The goal of this division is twofold: to provide an increasingly safe work environment and to provide adequate self-insurance and purchase insurance to cover work related injuries to city employees. The Workers' Compensation funds are appropriated from the employee related workers' compensation expense.

Division Mission: The Self-Insurance Division provides leadership, direction and education in promoting, developing and maintaining sound safety practices to protect the City of Prescott's human, financial and property assets from the adverse impact of loss.

Goal: Establish comprehensive safety/risk management programs.

Strategy: Review existing policies and procedures in conjunction with Legal Department; prepare and implement new procedures where appropriate to enhance safety, i.e., cell phone policy, driving policy; Implement safety review team providing accident investigation training and education; assist in the procurement of Automated External Defibrillators (AEDs); partner with Police and Fire departments for internal safety and risk training; provide departments and divisions with loss information semi-annually and conduct follow-ups where indicated to reduce further claims and safety hazards.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of AEDs added	12	0	20
Police Department partner: driving awareness school	0	3 sessions 8 participants	4

Goal: Administer the city's self-insurance (umbrella coverage) programs; oversee the City's re-insurance programs.			
Strategy: Provide complete and accurate underwriting information to broker to ensure appropriate insurance coverage with adequate self-insured retention levels. Manage liability claims to resolution with a minimum of assistance from independent adjusters and aggressively pursue restitution to the City.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Premiums for all coverages (except Workers' Comp) with \$0.5 million retention	\$463,637	\$417,229	\$450,000
Total liability claims	77	100	90
Total liability claims with outside adjuster assistance	2	3	2
Total restitution collected	\$10,939	\$10,000	\$10,000
Total liability claims resulting in litigation	2	1	1

Goal: Increase in-house administration of workers' compensation claims to reduce reliance on outside third-party administration. Emphasize the return to work program.			
Strategy: Revise policies and procedures; train employees to respond to Risk Management on all injuries as soon as possible; Risk Management to take employees statement; pro-actively and aggressively work with doctors and supervisors for return-to-work program; assign nurse case manager at very beginning of cases involving more than primary medical care; follow-up by Risk Management; supervisory training on awareness, reporting and hazard assessment.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Average lost time (days) in two years	11	15	9
Claims with nurse	3	5	6

Goal: Encourage and assist in attaining workplace safety.			
Strategy: Provide specific departmental training as indicated by trends from reported injuries. This year's safety program emphasizes strains: proper lifting techniques, back safety, ergonomics and general safety awareness through presentations, safety meetings and written programs. Encourage senior management involvement to promote overall safety culture.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Average cost per claim	\$4,575	\$4,575	\$4,000
Lost time claims	11	15	9
Average number of claims	68	68	65
Claims costs due to low back strains and ankle/foot injuries	60%	60%	50%

Prior Year Results and Outcomes:

Evaluated programs and options relating to Self-Insured Retention (SIR) and excess insurance to determine the most appropriate levels of coverage based on premiums and risk factors. The City maintained the same coverage levels but lowered the SIR from \$500,000 to \$250,000. A Tenant Users Liability Insurance Policy (TULIP) was provided to users of City facilities for special events ensuring coverage for these events.

Provided safety/loss control training to City staff including:

- Bucket truck training for a total of 24 people
- HAZWOPER 24 hour certification training and 8 hour recertification
- General safety awareness training concentrating on OSHA required training
- Partnered with Fire and Police Departments for specialized training
 - Fire Department – Trench Rescue Training – 4 sessions – 73 trained
 - Police Department – Driving Awareness – 3 sessions – 12 trained
- Finalized safety and health audits by workplace safety specialists for the water department

There were a total of 63 workers' compensation claims for the fiscal year which is an 11% reduction over the prior fiscal year.

Provided the following safety/loss control training to City staff designed to reduce our claims:

- Back safety
- Dehydration at high altitude
- Hazardous chemicals

Partnered with the Fire Department for specialized training including:

- Blood borne pathogens – 2 sessions with 83 trained
- Trench safety training

**Self Insurance Fund
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Cash Balance, 7/1	\$ 1,562,672	\$ 1,569,493	\$ 1,619,039
Revenues			
Interest Income and Misc	82,811	95,000	81,065
Total Revenues	\$ 82,811	\$ 95,000	\$ 81,065
Expenditures			
Personnel Supplies	\$ 171,295	\$ 113,005	\$ 121,849
Supplies	2,405	4,380	4,945
Other Services & Charges	1,269,946	1,296,494	1,405,850
Cost Recovery	(1,492,656)	(1,501,345)	(1,532,644)
Loan Payments	125,000	125,000	125,000
Capital Outlay/Projects	-	7,920	-
Total Expenditures	\$ 75,990	\$ 45,454	\$ 125,000
Ending Cash Balance, 6/30	\$ 1,569,493	\$ 1,619,039	\$ 1,575,104

Note 1: Loan payments are automatically transferred each year and are not reflected in the budget totals; however, to present the correct cash picture, the loan payments have been deducted.

**Self Insurance Fund
Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	1.90	1.50	2.00
Administrative Services Director	0.40	0.00	0.00
Risk Manager	1.00	1.00	1.00
Benefits Specialist	0.50	0.50	0.00
Risk Management Specialist	0.00	0.00	1.00

Significant Expenditure Changes: FY07 Personnel costs reflect a 7.8% increase over FY06 estimated endings. This is a result of the annual salary adjustment and increased retirement costs.

Other Services and Charges for the new fiscal year display an 11.9% decrease from the previous fiscal year's estimated endings. This can be explained by the fact there was a large settlement that were paid

out of this fund during FY06. The city does not anticipate any large settlements will affect this account during FY07.

Central Garage

Division Mission: To provide effective and efficient fleet maintenance/repair and acquisition services to maximize equipment availability and serviceability for internal customer departments.

Goal: Maximize equipment availability and serviceability.

Strategy: (1) Use fleet management software integrated with Streets Division maintenance management system (MMS) and City's cost accounting/financial management system; (2) Balance in-house mechanic and parts activities with vendor sublet services to achieve competitive, cost effective operation; and (3) Monitor equipment utilization, cumulative operating and repair costs, and market value of units to be disposed of.

Workload Indicators:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of pieces of rolling stock including mobile off road equipment	479	502	512
Number of light vehicle preventive maintenance services	418	522	552
Number of heavy duty preventive maintenance services	156	194	200
Number of off-road equipment preventive maintenance services	73	92	98
Number of emergency road service calls	5	8	10
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Average equipment availability (%) Target: 95% minimum	95%	95%	96%
Ratio of [sublet/vendor services costs: total expenditures] Target: 6%	5.86%	8.19%	7.0%

Prior Year Results and Outcomes:

Passed the \$1,000,000 mark in parts and labor

New shop is on line for construction

Over 500 vehicles and equipment are now in the City of Prescott's fleet

Vehicle replacement schedule and criteria are now being utilized and that as available funding increases the city will, over time, be able to upgrade the appearance and condition of the city fleet and will have the ability to maintain a regular replacement interval for all fleet vehicles and construction equipment.

**Central Garage
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 123,984	\$ 231	\$ (287,380)
Beginning Designated Cash Balance, 7/1	\$ 137,832	\$ 867,480	\$ 1,226,391
Revenues			
Proceeds from Sale of Assets	(422)	77,075	75,000
Interest Income and Misc	4,435	30,000	20,000
Total Revenues	\$ 4,013	\$ 107,075	\$ 95,000
Other Funding Sources			
Lease/Purchase Proceeds	-	-	4,853,029
Transfers In	330,500	-	-
Total Other Funding Sources	\$ 330,500	\$ -	\$ 4,853,029
Total Revenues and Other Funding Sources	\$ 334,513	\$ 107,075	\$ 4,948,029
Expenditures			
Personnel Supplies	\$ 428,436	\$ 523,589	\$ 623,355
Supplies	388,928	538,315	555,450
Other Services & Charges	66,603	137,317	237,651
Cost Recovery	(2,514,581)	(2,582,220)	(3,889,732)
Debt Service	-	-	246,595
Capital Outlay/Projects	1,359,232	1,418,774	9,006,919
Total Expenditures	\$ (271,382)	\$ 35,775	\$ 6,780,238
Ending Cash Balance, 6/30	\$ 231	\$ (287,380)	\$ (943,657)
Ending Designated Cash Balance, 6/30	\$ 867,480	\$ 1,226,391	\$ 50,459
Capital Outlay/Projects			
Central Garage Expansion			\$ 4,753,029
Vehicle Replacements (as approved by Fleet Mnt Manager)			4,150,664
60,000# Portable Wheel Lift Jacks			102,000
Computers (carryover)			1,226
Total Capital Outlay/Projects			\$ 9,006,919

**Central Garage Fund
Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	8.20	9.20	10.25
Administrative Services Director	0.20	0.20	0.25
Fleet Maintenance Supt	1.00	1.00	1.00
Fleet Maintenance Supv	0.00	1.00	1.00
Equipment Mechanic	5.00	5.00	5.00
Parts Specialist	1.00	1.00	1.00
Service Technician	1.00	1.00	1.00
Secretary	0.00	0.00	1.00

Note: Administrative Services Director is also charged to Facilities Maintenance (40%), Parking Garage (10%), Purchasing (10%), Public Communications (10%), Special Events (2.5%) and Elks (2.5%).

Significant Expenditure Changes: In addition to the annual salary adjustment and increase in retirement costs, the 18.8% increase in Personnel can be linked to the new secretary position that was approved during the budget process and the change in the amount of the Administrative Services Director that is charged to this division.

With the addition of the secretary, it is necessary to purchase office supplies and equipment for this position. Also, the increased number of vehicles and equipment make it essential to purchase a higher amount of revolving inventory. These two factors have forced an increase in the Supply category for this division.

The methodology for several cost recoveries – city administration, legal services and auditing and accounting – are based on the previous year’s budget compared to the city as a whole. The Central Garage’s FY06 budget included the building expansion project which was not part of the FY05 budget. This change caused several increases throughout the Other Services and Charges budget.

The Debt Service depicted in FY07 is for the lease/purchase proceeds anticipated to be received for the garage expansion.

Information regarding the capital outlay and projects can be found in the Capital Improvement Program section of this year’s budget book.

Engineering Services

Division Mission: To deliver superior engineering services in project design, review, and construction to provide enhanced mobility implementing a safe and effective transportation system for the citizens of Prescott and visitors.

To provide and/or procure professional engineering and other associated services for City streets and/or storm water management projects, to include surveying, design, contracting and quality assurance; and to implement provisions of the City Development Code pertaining to engineering and quality assurance.

To provide timely and effective construction management and inspection of new City public infrastructure (streets, drainage and utilities) including permitted work in right-of-way, private development and capital improvement projects; and to attain quality construction products through the consistent and accurate interpretation and application of City Standards.

Goal: Provide quality design and construction phase technical support services for capital improvement and private development projects (e.g., roadway, sidewalk, curb & gutter, drainage, traffic control, etc.). Provide quality review of private development project plans for compliance with the City's Development Code.

Strategy: Prepare complete sets of design bid documents in-house for capital improvement projects to utilize design staff to the fullest. Manage preparation of design bid documents by outside engineering firms for capital improvement projects.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Ratio of actual number of in-house designs completed vs. total number planned. Target: 80%	16/16 = 100%	9/10 = 90%	7/7 = 100%
Ratio of actual number of designs completed by outside services vs. total number planned Target: 6%	3/11 = 27%	11/11 = 100%	3/3 = 100%

Goal: To attain quality construction of public infrastructure.

Strategy: Deploy competent inspection and management forces to oversee public project construction and actively participate in the resolution of construction issues; encourage continuing education in construction technologies and interpersonal communication skills to promote capable performance in the development of effective working relationships with City departments, design engineers, contractors and the public.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of capital projects managed and inspected	16	17	17
Number of private projects inspected	51	58	60
Number of right-of-way permits issued and inspected	432	455	460

Prior Year Results and Outcomes:

Provided construction management and/or inspection services on the following City projects completed during FY06:

- ACFC placement project
 - Gail Gardner Way – Iron Springs Rd. to Willow Creek Rd.
 - Granite St. – Gurley St. to Goodwin St.
 - Black Dr. – Gail Gardner Way to Willow Creek Rd.
 - Gateway Blvd. – SR69 to Lee Blvd.
 - Willow Creek Rd. (Ph. IV)

- Gurley St. (emergency pavement reconstruction) – Cortez St. to Marina St.
- Whiskey Row alley
- Unpaved Streets
 - Northside Dr. – Black Dr. to Prescott Hts. Dr.
 - Fairway View – Country Club Dr. to Country Club Dr.
 - Hillside Ave. – 5th St. to 6th St.
- E. Gurley St. – Arizona Ave. to Robinson Dr.
- Willow Lake Villas – Detention Basin & Drainage Improvements

Provided construction management and/or inspection services on the following City projects commenced during FY06 to be completed in FY07:

- Unpaved Alleys – as described by the following bounds:
 - Churchill St./Washington St./Arizona Ave./Moeller St.
 - Washington St./Arizona Ave./Carleton St./Gurley St.
 - Montezuma St./Cortez St./Leroux St./Carleton St.
- Gail Gardner Way – Fair St. to Iron Springs Rd.

Completed right-of-way acquisition for capital projects to be constructed in FY07:

- Copper Basin Rd. – White Spar Rd. to Sheriff's Posse Rd.
- Iron Springs Rd. – Gail Gardner Way to Williamson Valley Rd.
- Ruth St. – Whipple St. to Whetstine Ave.

Inspected street and utilities infrastructure for 71 private development projects within the City including subdivisions and commercial projects.

Inspected work performed under 423 right-of-way construction permits.

Completed in-house designs –

- Middlebrook Road – Cypress Dr. to Low-Water Crossing
- Frisco Peaks Drive – Willow Creek Rd. to S. End
- Panarama Drive – Kelmo Drive to Frederick Lane
- Panarama Drive – Frederick Ln. to N. End
- Estrella Road – Meadowridge Road to Green Lane
- Sandretto Drive Intersection Improvements (at Willow Creek Rd.)

Commenced in-house designs on 4 alley segments.

Completed designs for a number of water and sewer improvement projects.

Completed designs by outside engineering firms:

- Ruth St. – Whipple Street to Whetstine Ave.
- Park Avenue – Gurley Street to Copper Basin Rd.
- Mt. Vernon Avenue – Gurley Street to Senator Hwy.
- Lee Blvd. Detention Basin (at Gateway Blvd.)
- Goodwin St. Sidewalk Project – McCormick St. to Summit Ave.
- Montana Dr. ROW Enhancements (at Willow Creek Rd.)
- Marina St. (E. Side) Sidewalk Project – Union St. to Goodwin St.

Awarded design contracts for:

- Rosser St. – Willow Creek Rd. to Campbell Ave.
- Williamson Valley Rd. – Sidewinder Dr. to Shadow Valley Ranch Rd. (County lead)
- SR89A/Side Rd. Traffic Interchange Location Study and Design

Provided City Input/Guidance on the ADOT SR89 Widening Project

Engineering Expenditure Summary			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash Balance, 7/1	\$ 181,727	\$ 113,275	\$ 115,997
Revenues			
Interest Income and Misc	8,401	2,722	1,500
Total Revenues	\$ 8,401	\$ 2,722	\$ 1,500
Expenditures			
Personnel Supplies	\$ 1,420,711	\$ 1,649,935	\$ 1,647,246
Supplies	50,665	65,679	65,500
Other Services & Charges	183,671	343,477	351,591
Cost Recovery	(1,592,606)	(2,084,111)	(2,137,337)
Capital Outlay/Projects	14,412	25,020	73,000
Total Expenditures	\$ 76,853	\$ -	\$ -
Ending Cash Balance, 6/30	\$ 113,275	\$ 115,997	\$ 117,497
Capital Outlay/Projects			
Vehicle for Project Manager			\$ 25,000
Vehicle for Construction Inspector			25,000
Vehicle for Civil Engineer			23,000
Total Capital Outlay/Projects			\$ 73,000

**Engineering Fund
Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	24.50	24.60	22.10
Public Works Director	0.40	0.40	0.00
Engineering Services Director	0.00	0.00	1.00
City Engineer	0.00	0.00	1.00
Engineering Services Manager	1.00	1.00	0.00
Construction Services Manager	1.00	1.00	1.00
Civil Engineer	0.00	0.00	1.00
Traffic Engineer	1.00	1.00	0.00
Development Services Manager	1.00	1.00	1.00
Management Analyst	0.00	0.10	0.10
Supervisory Inspector	1.00	1.00	1.00
Senior Engineering Technician	1.00	1.00	1.00
Construction Project Manager	1.00	1.00	2.00
Traffic Signal Supervisor	1.00	1.00	0.00
Construction Contracts Specialist	1.00	1.00	1.00
CAD Technician	1.00	1.00	1.00
Registered Land Surveyor	1.00	1.00	1.00
Construction Inspector	7.00	7.00	7.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Specialist	2.00	2.00	0.00
Accounting Technician	0.10	0.10	0.00
Administrative Assistant	1.00	1.00	1.00
Permit Technician	1.00	1.00	1.00
Secretary	1.00	1.00	0.00

Note: Remainder of Management Analyst is charged 50% to Alternate Water Sources, 30% City Manager and 10% Transfer Station.

Significant Expenditure Changes: Although the budget does not show any significant expenditure change in Personnel costs, several changes were made to this budget that are notable. A reorganization was made involving Public Works and Engineering was made a separate department. As part of this change, several employees were moved out of Engineering and made part of the Streets/Transportation Department under the supervision of the Public Works Director; thus, the Public Works Director is no longer charged to this area. The employees moved include the Traffic Engineer, Traffic Signal Supervisor, two Traffic Signal Specialists, and an Administrative Assistant. Several positions were upgraded as part of this reorganization including the Engineering Services Manager becoming the Engineering Services Director, the Civil Engineer is now the City Engineer, and the Secretary is now an Administrative Assistant. These changes along with the annual salary adjustment and increase in retirement costs had an effect on this department.

There are no other significant expenditure changes in this department. Information regarding the capital outlay and projects can be found toward the end of this book in the Capital Improvement Program.

Facilities Maintenance

Division Mission: To provide safe, clean and well maintained buildings and facilities, using division personnel and assets whenever possible. To reduce dependence on service providers thereby reducing expense to the City.

Goal: Discover, analyze, and repair City facility assets. Implement ongoing and preventive maintenance programs that include all facilities assets, from the parking lot to the roof, both inside and out.			
Strategy: (1) Finish mapping current City facilities in our areas of responsibility for current layout, HVAC, electrical, and plumbing components; (2) Continue to look for ways to eliminate contract services when safety, cost savings and efficiency are the primary results; (3) Develop preventive maintenance schedules for each facility's assets to ensure efficient and long life; and (4) Rehabilitate City facilities that are beginning to show wear and tear.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Map all facilities	N/A	50%	100%
Other services	N/A	\$656,429	Reduce by 25%
Supplies	N/A	\$52,110	Increase by 20%
Personnel	N/A	\$200,000	Increase by 60%
Net Result	N/A	\$908,539	\$877,854

Prior Year Results and Outcomes:

Elks re-model: (downstairs) Dressing Rooms optimized; Main Stage area storage cabinet made; stage floor repainted and new piano storage area constructed; stairs re-surfaced; wing rooms optimized & re-painted.

City Hall/Annex: several "dings" on walls patched & painted; HVAC filters replaced; burned out motors replaced; 6-month filter (check/replace) HVAC completed in June '06; repaint of basement; new electrical outlets/service to IT; numerous flourescent ballast replacements.

Antelope Hills: The new Manzanita Grille was a complete kitchen re-model (floor and walls). This included re-wiring of circuits, re-plumbing of most all water supplies and drains, replacement of ceiling tiles, HVAC repair & replacement, placement of Melamine wallboard throughout, as well as replacement of lightbulbs, re-plumb & new wiring in the bar area. The Old Clubhouse required similar work to all of its interior facilities, just not on as grand a scale. As this is one of the most-used sets of buildings on the Facilities Maint work list, there appears to be continuing improvements and on-going maintenance repairs.

Legal Dept: Starting out as a leaky drain and dripping faucet, Fac Maint discovered rotted plumbing within the walls of both the Men's & Women's Restroom facilities, which required a complete re-plumb. The timing on this discovery was fortunate, as the pipes were near the point of bursting at several "joints" and could have created a major flooding issue had it not been discovered beforehand; Ongoing flourescent ballast replacement(s); re-paint of John Moffit's (now, Gary Kidds') Office.

Communication Center: Roof patch/sealant applied to every in/out service/utility access to stop the water leaks which have been ongoing. Rear Lot motorized access gate repaired/maintained.

Ongoing modifications/repairs/replacements to bring all City Buildings under Facilities Maintenance into Fire Code Compliance. Includes: placement/hanging of fire extinguishers; repair/replace Emergency Light Units; repair/replace Exit signs; moving/removal of flammable materials from within distance limits of sprinkler systems and ceilings; repair/replace "panic" bars on exits; removal/replacement of multiple extension cords and power strips.

Garage On Granite St: Ongoing repair/assessment of electrical/lighting failures. This has included replacement of several ceiling ballasts/bulbs, as well as numerous calls out for elevator problems. Community Service Worker Volunteer(s) and Graffiti Abatement have helped remove/re-paint wall surface(s) to maintain overall, aesthetic quality; Elevator Cab Interior has been the target of several incidents of spray paint/permanent marker graffiti which has been quickly removed, as well.

Garage on Granite Street/Parking, including but not limited: Use Assessment, first six months of use. Included Use Survey, Customer Info & Contact, Final Phase Construction and Public Use Co-ord, Weekly Reports on same; Employee Discount Parking Fee Program (75% of historical-use employees would not use the parking garage on Fee Days. That employee use is now optimized); Third-month Downtown Business/User Evaluation Survey (Sept '05) offered insight to customer concerns and requests; On-Street Parking Assessment (Sun - Sat, am/pm, varied hours) to evaluate the impact of the parking garage on available downtown parking, during "peak" business use; Enter/Exit Traffic Control during "heavy"- use days/hours by Parking Garage Staff, allowed Prescott P.D. to work in other areas.

**Facilities Maintenance
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Cash Balance, 7/1	\$ -	\$ (56,713)	\$ (51,313)
Expenditures			
Personnel Supplies	\$ 223,457	\$ 214,819	\$ 305,530
Supplies	26,589	65,087	62,275
Other Services & Charges	258,522	469,429	534,229
Cost Recovery	(459,216)	(785,658)	(912,034)
Capital Outlay/Projects	7,361	30,923	10,000
Total Expenditures	\$ 56,713	\$ (5,400)	\$ -
Ending Cash Balance, 6/30	\$ (56,713)	\$ (51,313)	\$ (51,313)
Capital Outlay/Projects			
Low Flow Plumbing Fixtures			10,000
Total Capital Outlay/Projects			\$ 10,000

**Facilities Maintenance Fund
Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	3.55	5.20	6.40
Administrative Services Director*	0.05	0.40	0.40
Maintenance Supervisor	0.00	0.00	1.00
Maintenance Specialist	0.00	0.80	0.00
Maintenance Technician	0.00	1.00	2.00
Lead Custodian	1.00	0.00	0.00
Custodian	2.50	3.00	3.00

*Administrative Services Director also charged 25% to Central Garage, 10% to Parking Garage, Purchasing and Public Communications, and 2.5% to Special Events and Elks Opera House.

Significant Expenditure Changes: In addition to the annual salary adjustment and increased retirement costs, changes made in Personnel for FY07 increased costs for the Facilities Maintenance Division. A maintenance technician that was in the Parking Garage division was transferred to this division for FY07. Also, the maintenance specialist that was charged 80% to this division in FY06 has been upgraded to a maintenance supervisor and is being charged 100% to the Facilities Maintenance division in FY07.

Increased utility costs created a larger Other Services and Charges budget in FY07. This division encompasses all utility costs for city buildings that it maintains. Several of the utility companies have or anticipate raising rates during the new fiscal year. Line items for outside maintenance costs have also been increased due to additional office space being added to the responsibilities of this division.

Information regarding the low flow plumbing fixtures can be found in the Capital Improvement Plan section of the annual budget book.

DEBT SERVICE FUND

The Debt Service Fund was created during FY99 primarily as the result of the voter-approved general obligation issue for the purchase of Watson and Willow Lakes in September, 1998. Added to the debt service payments for the aforementioned project are the debt service for the Police Station building approved by the voters in 1989 and special assessment payments for Improvement Districts previously issued and to be issued in the future.

As part of the issuance of the bonds for the purchase of Watson and Willow Lakes, the remainder of the debt for the police station was also refunded without extending the life of the debt service (final payment still to be made in FY09). There was a savings by the reissuance due to a lower interest rate being available than when the bonds were originally issued in FY89.

Total principal and interest payments for FY07 will be \$2,187,478 to be offset by property tax revenues for the two general obligation issues and assessments paid by property owners for Improvement districts. Fiscal agents' fees amount to \$1,468.

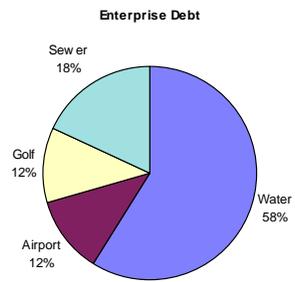
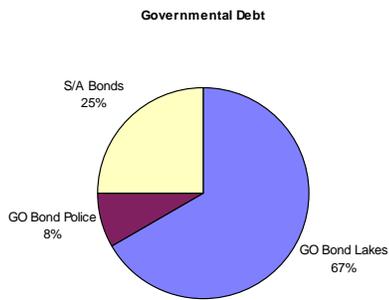
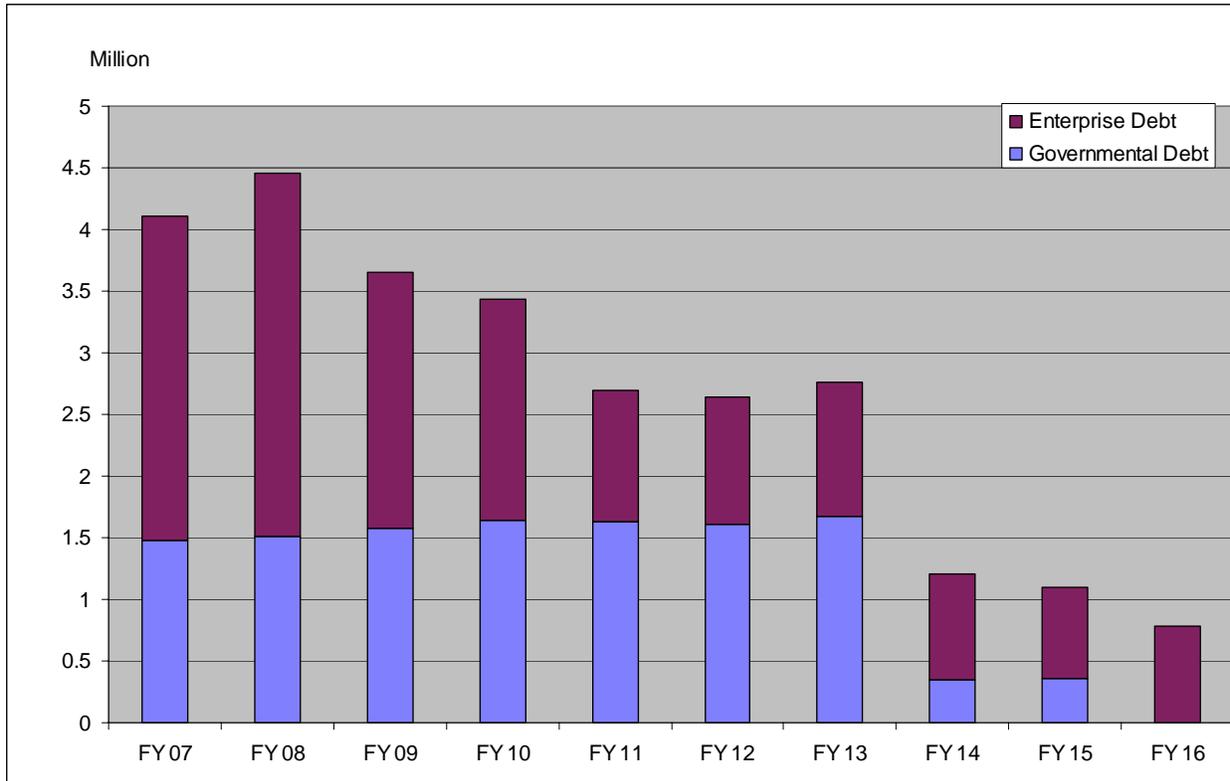
Debt Service Expenditure Summary			
	FY05 Actual	FY06 Estimate	FY07 Budget
Principal	\$ 1,530,051	\$ 1,587,151	\$ 1,657,151
Interest	660,391	597,102	530,327
Fiscal Agents Fee	1,431	1,468	1,468
Total	\$ 2,191,873	\$ 2,185,721	\$ 2,188,946

Legal Debt Margins:

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, lighting, parks, open space and recreational purposes may not exceed 20% of a city's net secondary assessed valuation. Outstanding general obligation bonded debt for other general municipal purposes may not exceed 6% of a city's net secondary assessed valuation. As of June 30, 2006, the City is well within its debt limits, having \$91.3 million in borrowing capacity in the 20% category, and \$28.8 million in borrowing capacity in the 6% category. Calculations for these figures are included in the following chart:

	General Obligation Bonds	
	All Others 6%	Water & Sewer 20%
Legal Debt Limitation		
Secondary Assessed Valuation - \$497,226,209	\$ 29,833,573	\$ 99,445,242
Outstanding Debt		
Municipal facilities & refunding bond series 1998	1,010,000	8,130,000
Total outstanding debt	1,010,000	8,130,000
Total margin available	28,823,573	91,315,242
Total debt applicable to the limit as a percentage	3.4%	8.2%

The break down of outstanding debt principal can be observed in the charts below.

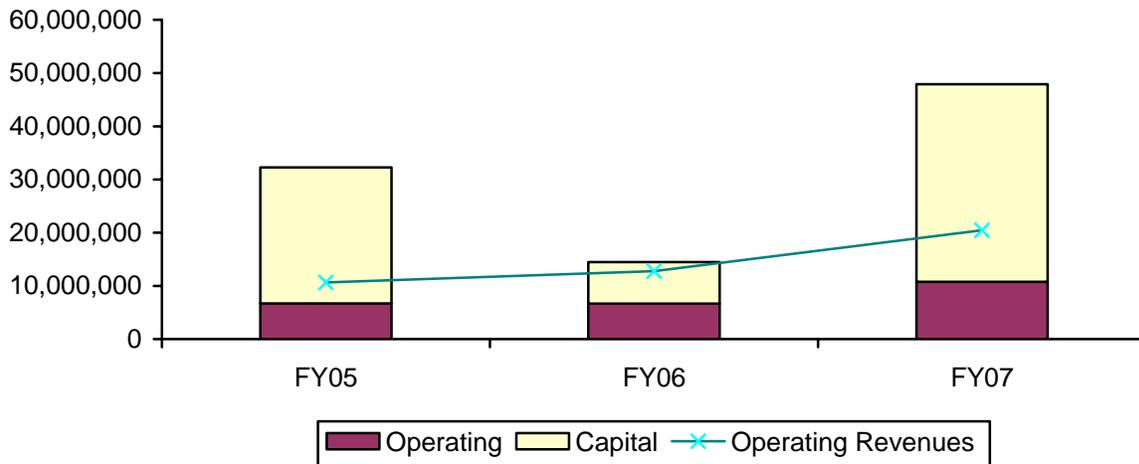


ENTERPRISE FUNDS

WATER FUNDS	187
WASTEWATER FUND	210
SOLID WASTE FUND	225
TRANSFER STATION FUND	231
AIRPORT FUND	235
GOLF COURSE FUND	241
PARKING GARAGE FUND	249

WATER FUND

The purpose of the Water Fund is to insure a safe and reliable supply of water to our customer base through the protection of existing supplies, the acquisition of new supplies, and the continued maintenance and upgrade of the existing water delivery infrastructure. All activities necessary to provide this service are accounted for in this fund. Emphasis will continue to be placed on upgrading the City's water system during FY07 through replacement of various undersized water lines as part of our regular maintenance program plus an expanded program to keep up with replacing water lines prior to streets being repaired and/or replaced, routine maintenance projects such as small reservoir maintenance, pressure reducing valve upgrades and fire hydrant upgrades.



The water fund budget for FY07 totals \$47,912,132 including \$1,653,448 in Alternative Water Sources, \$5,933,000 in Water System Impact, and \$8,150,000 in Water Resource Development. Current year revenues are estimated at \$55,528,382 (Alternative Water Sources - \$918,743, Water System Impact - \$6,980,558, and Water Resource Development - \$13,565,229).

Combined Water Historical Activity

	FY05	FY06	FY07
	Actual	Estimate	Budget
Water Utilities Beginning Cash, 7/1	\$ 9,721,570	\$ 9,620,821	\$ 8,630,741
Alt Water Sources Beginning Cash, 7/1	\$ 4,159,061	\$ 6,327,906	\$ 3,125,006
Water System Impact Beginning Cash, 7/1	\$ -	\$ 1,300,000	\$ 2,128,077
Water Resource Development Beginning Cash, 7/1	\$ -	\$ 1,094,642	\$ 4,443,662
Water Utilities Revenues	9,734,543	7,523,111	33,763,852
Water Utilities Expenditures	(8,535,292)	(8,513,191)	(32,175,684)
Transfers In/(Out)	(1,300,000)	-	(250,000)
Alt Water Revenues	25,886,227	2,275,000	918,743
Alt Water Expenditures	(23,717,382)	(5,477,900)	(1,653,448)
Transfers In/(Out)	(1,094,642)	-	-
Water System Impact Revenues	-	1,324,423	6,980,558
Water System Impact Expenditures	-	(496,346)	(5,933,000)
Transfers In/(Out)	1,300,000	1,300,000	1,300,000
Water Resource Development Revenues	-	3,349,020	13,565,229
Water Resource Development Expenditures	-	-	(8,150,000)
Transfers In/(Out)	1,094,642	-	-
Water Utilities Beginning Cash, 7/1	\$ 9,620,821	\$ 8,630,741	\$ 9,968,909
Alt Water Sources Beginning Cash, 7/1	\$ 6,327,906	\$ 3,125,006	\$ 2,390,301
Water System Impact Beginning Cash, 7/1	\$ 1,300,000	\$ 2,128,077	\$ 3,175,635
Water Resource Development Beginning Cash, 7/1	\$ 1,094,642	\$ 4,443,662	\$ 9,858,891
Interfund Loan Receivable	\$ 1,275,000	\$ 1,150,000	\$ 1,025,000

Note: Interfund Loan Receivable is due to the Alternative Water Source Account from the General Self-Insurance Fund as a result of a loan made by the Alternative Water Source Account to the General Self-Insurance Fund in the amount of \$2.5 million during fiscal years 1995 and 1996.

Combined Water Fund Revenues

Revenue Source	FY05 Actual	FY06 Rev. Est.	FY07 Budget
Water Utilities			
Bond Proceeds	\$ 1,204,188	\$ -	\$ 24,650,800
Water Sales	6,097,912	6,676,152	8,622,771
Water Buy-In Fees	1,515,229	-	-
Water Connection Fees	515,774	475,000	475,000
Interest Income	356,917	350,000	40,000
Proceeds from Sale of Assets	7,157	328	-
Miscellaneous	187,366	171,631	125,281
Rechargeable Effluent Fee	(150,000)	(150,000)	(150,000)
Total Water Utilities	9,734,543	7,523,111	33,763,852
Alternative Water Sources			
Alternative Water Source Fees	2,046,585	2,075,000	898,743
Bond Proceeds	12,525,000	-	-
Intergovernmental Contributions	10,967,153	-	-
Miscellaneous	242,505	-	-
Interest Income	104,984	200,000	20,000
Total Alternative Water Sources	25,886,227	2,275,000	918,743
Water System Impact			
Water System Impact Fee	-	1,300,000	3,685,648
Bond Proceeds	-	-	3,265,000
Interest Income	-	24,423	29,910
Total Water System Impact	-	1,324,423	6,980,558
Water Resource Development			
Water Resource Development Fee	-	1,543,650	3,381,457
Intergovernmental Contributions	-	1,675,350	3,740,850
Bond Proceeds	-	-	6,383,800
Interest Income	-	130,020	59,122
Total Water Resource Development	-	3,349,020	13,565,229
Total Revenues	\$ 35,620,770	\$ 14,471,554	\$ 55,228,382

Explanation of Water Fund Revenues:

Water Sales. During FY06 the City of Prescott staff worked with Red Oak Consulting on a water rate and development fee review. Water rates had not been adjusted since September 1995. The new rates have been restructured to strongly encourage conservation so the percentage increase depends on the customer's usage. At the January 31, 2006 workshop council directed staff to reduce the consumption portion of the proposed rates by 15% which results in an 18% increase for a residential account using 5,000 gallons a month effective July 1, 2006 and another 25.6% increase for the same account effective July 1, 2007. The rate increase is reflected in the FY07 budget projections. Water sales are projected at \$8,622,771 for FY07 compared to \$6,676,152 for FY06 representing a 29.2% change. This revenue is very weather sensitive.

The following chart represents the water sales revenues received since FY96.

Water Sales

Fiscal Year	Revenues	% Change from Previous Year
1995-96	4,931,188	13.40%
1996-97	4,847,505	-1.7%
1997-98	4,867,355	0.4%
1999-00	5,042,781	3.6%
2000-01	5,277,371	4.7%
2001-02	5,540,084	5.0%
2002-03	5,982,575	8.0%
2003-04	6,219,200	4.0%
2004-05	6,303,294	1.4%
2005-06 (est)	6,676,152	5.9%
2006-07 (est)	8,622,771	29.2%

Note: Since water sales are extremely weather sensitive, the lower than normal rainfall in spring of 1996 caused an increase in water sales.

Water System Impact Fee (formerly Water Buy-In Fees). Buy-in fees were adjusted during FY06. Previously this charge was based on the number of fixture units (\$63 per fixture unit). As a result of the water rate and development fee review by Red Oak Consulting, this fee is now determined by the water meter size ranging from \$4,888 for a ¾ inch meter to \$26,053 for a 2" meter. This adjustment was predicated upon growth related projects needed in future years.

Bond Proceeds. Proceeds from a bond issue that will fund capital improvements on water infrastructure. During FY2006 the major funding need is for the Arsenic Treatment Plant. The remainder is for miscellaneous water projects that are necessary, but do not have funding available. The monies to repay this debt issue come from existing water fees.

Water Connection Fees. These fees are for costs involved with the City installing new water meters and administrative fees for setting up the account. The installation fee is based on a cost plus 10% fee with a minimum charge at \$420 for a 5/8" meter. This fee did not change during the rate study.

Interest Income. This is monies earned on the available cash in the Water fund. It is a difficult estimate to make due to the fluctuation of cash balances and the interest rates.

Miscellaneous. Miscellaneous income encompasses NSF charges, sales tax accounting allowance and other minor fees that may be collected by this fund throughout the year.

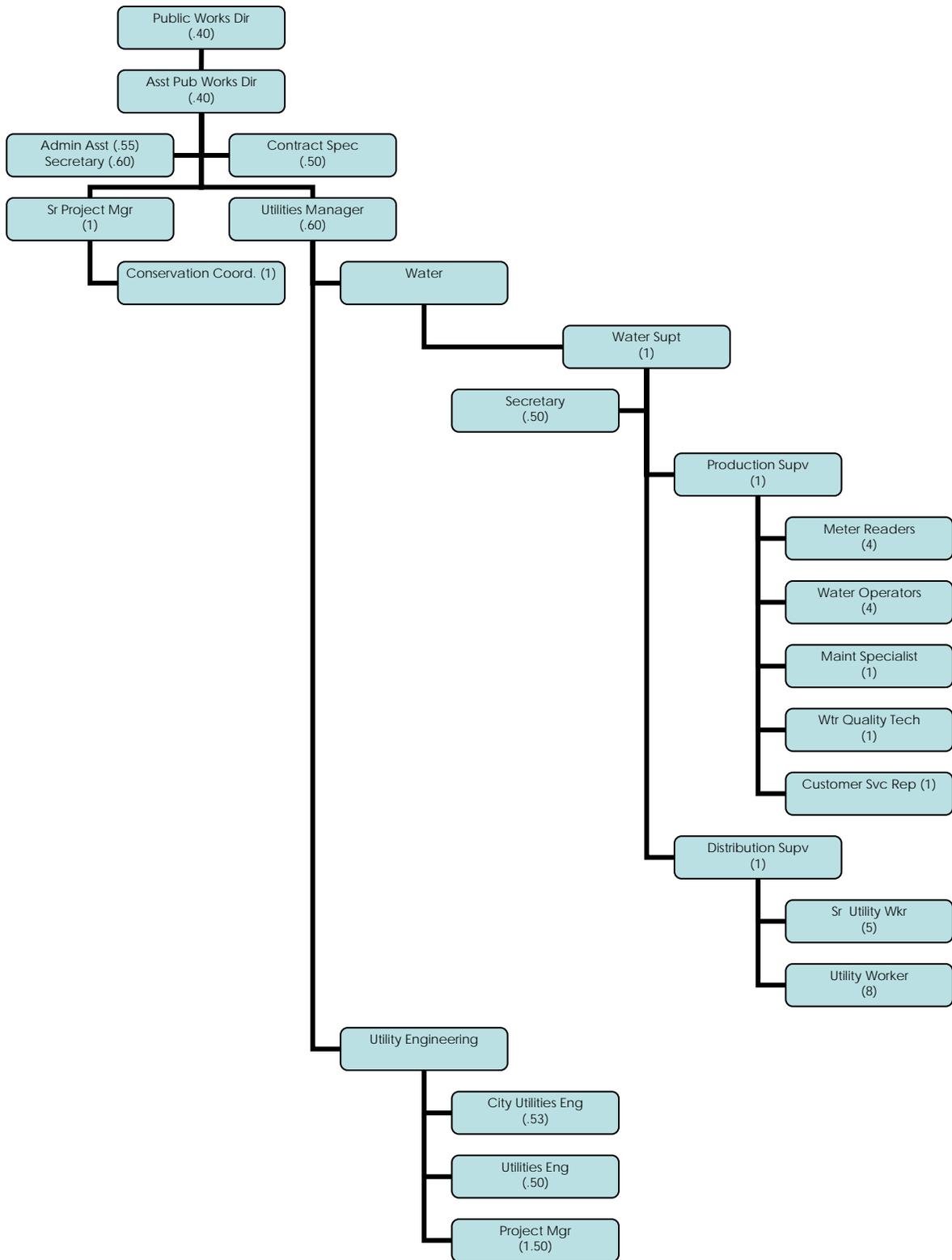
Rechargeable Effluent Fee. This is the fee charged by the Wastewater Fund to the Water Fund for treating effluent which is eventually discharged into the recharge ponds providing the Water Fund with recharge credits. The charge was increased to \$150,000 in FY98 because the City is entering into an effluent delivery business and will be selling a portion of previously recharged effluent.

Alternative Water Sources. This is a surcharge fee based on water consumption. During FY04, a study was conducted by Rick Giardina and Associates on City of Prescott's fees to cover the research and implementation costs of alternative water sources. As a result of this study the Alternative Water Sources Fee was increased. This increase from a sliding scale ranging from \$.10/1000 gallons to \$.16/1000 gallons to a scale of \$.21/1000 gallons to \$.33/1000 gallons will be phased in over the next four fiscal years with the final phase occurring FY08. The FY07 budget reflects the incremental increase for FY07.

Water Resource Development Fee (formerly Alternative Water Impact Fee). Effective July 12, 2004, the City of Prescott instituted the Alternative Water Impact Fee to help cover new development impact on the City's water system. The fee will go toward the recovery of costs related to the research and implementation of alternative water sources. This fee is based on the customer's meter size ranging from

\$4,485 for a ¾" meter to \$23,905 for a 2 inch meter. It is anticipated that the City will receive \$3,381,457 in revenues during FY07.

Intergovernmental Contributions. This category is for reimbursements made to the City of Prescott by the Town of Prescott Valley for expenditures made regarding the Big Chino Ranch that was purchased during FY06. As per an intergovernmental agreement, the Town of Prescott Valley is responsible for 45.9% of the costs involved with the water ranch.



Note: Utility Billing personnel report to the Finance Director; therefore, these personnel are not reflected on the Water Department organizational chart.

**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 1,775,187	\$ 1,915,782	\$ 2,505,321
Supplies	368,306	544,013	742,100
Other Services & Charges	2,851,316	3,142,651	3,821,771
Cost Recovery	(186,595)	(206,532)	(225,358)
Debt Service	1,920,018	1,285,719	3,937,635
Capital Outlay/Projects	25,524,442	7,805,804	37,130,663
Total	\$ 32,252,674	\$ 14,487,437	\$ 47,912,132
Authorized Staffing Level	33.67	35.50	40.33
Utility Billing*	3.50	3.50	4.00
Meter Reading	5.00	5.00	5.00
Water Utilities Admin.	2.00	2.00	4.48
Water Production	7.50	7.50	7.50
Water Distribution	15.00	15.00	15.00
Alternative Water	0.67	2.50	4.35

*Utility Billing personnel report to the Budget and Finance Director.

Legal

Division Mission: To account for the Legal Department charges for water related matters.

**Legal - Water Fund
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Other Services & Charges	84,010	181,508	191,269
Total	\$ 84,010	\$ 181,508	\$ 191,269

Significant Expenditures Changes: Effective FY06, the methodology for cost recovering legal services was altered. It is now based on the percentage of a department's budget in comparison to the total city budget. This accounts for the fluctuation in this division's budget on an annual basis.

Utility Billing

Division Mission: To accurately and efficiently process all monies received by the City including revenues generated by other departments such as the golf course, recreational services and airport as well as receive all payments for utility billing, sales tax and license fees, building permits and impact fees. To generate all billing for water, sewer and sanitation services in a timely manner. To provide good customer service in response to customer requests for new service, transfer of service and explanation of charges and complaints.

Goal: Continue to provide good customer service to the rapidly growing number of customers.			
Strategy: Utilize modern technology by providing services on-line such as applications, rate schedules and sure-pay forms. Offer payments by phone to customers and explore the availability of electronic payment via the internet.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of utility accounts per month per employee	5,820	6,300	6,800
Number of phone calls received per month per employee	3,800	3,800	3,900
Number of walk-in customer contacts per month per employee	5,700	5,700	5,800

Goal: Continue to increase customer usage of surepay automatic payment system by 10 sign-ups per week.			
Strategy: Offer sign-up forms to customers through the City's newsletter, Quality Time, and also to new customers when they sign up for service.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of surepay customers	4,195	4,500	4,600

Goal: To maintain consistent monthly billing cycles for utility customers.			
Strategy: Initiate program for meter readers that will enable them to know by what date meter should be read.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Utility bills sent	235,989	241,115	246,250

Prior Year Results and Outcomes:

Continued to provide same level of good customer service even though the number of our customers continues to increase.

Processed a total of 241,115 utility bills in routine monthly billing cycles.

Increased the number of surepay customers by over 6%.

**Utility Billing
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 143,448	\$ 143,287	\$ 178,274
Supplies	6,215	8,800	5,000
Other Services & Charges	125,349	153,573	173,181
Cost Recovery	(186,595)	(206,532)	(225,358)
Total	\$ 88,417	\$ 99,128	\$ 131,097

**Utility Billing
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	3.50	3.50	4.00
Utility Billing Supervisor	1.00	0.00	0.00
Sr Utility Billing Clerk	0.00	1.00	1.00
Accounting Clerk	2.50	2.50	3.00

Significant Expenditure Changes: Personnel costs reflect the citywide increase in Arizona State Retirement costs and the annual salary adjustment. Also included is the increase of the half-time accounting clerk to a full-time position. The number of utility accounts for the City of Prescott is continually rising and this increase was necessary to maintain quality customer service.

There is a decrease in the FY07 budget over the FY06 estimated endings in Supplies. This is a result of the purchase of payment drop boxes that were placed around the community. The purchase of these drop boxes was a one time purchase.

Other Services and Charges FY07 budget increased 12.8% over FY06 estimated endings for a few different reasons. As in other divisions that are maintained by the city's facilities maintenance crew, Utility Billing has a facilities maintenance cost recovery charge based on the square footage this division occupies. Another reason for the rise in Other Services and Charges costs is the inclusion of the credit card service charges. Previously these charges were used to offset interest earnings, but it was decided to move them into this division's cost center to properly monitor the costs.

Meter Reading

Division Mission: To provide exceptional customer service while efficiently and effectively performing monthly reading of water meters.

Goal: Read all city water meters accurately on a monthly basis.

Strategy: Provide an average of 99.9% accurate reads on a monthly basis.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of meters read per meter reader per month	3,929	3,999	4,119
Percentage of accurate reads	99.9%	99.9%	99.9%

Goal: Provide exceptional customer service.

Strategy: Respond to customer requests quickly and safely.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Average response times for emergency offs	15 min.	15 min.	15 min.
Respond to customer service requests within one day	95%	95%	95%

Goal: Assure meter accuracy meets AWWA standards to account for actual water used and lost throughout the system.

Strategy: Continue conversion to remote-read, including existing large meters in vaults and small meters included in the meter replacement program. Meters are to be changed out based upon age and use analysis.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Replace 500 meters per year	500	500	500

Prior Year Results and Outcomes

1410 new meters were added to the system, a 5% increase.

Estimated meter reads - less than 1% average per month (meters that cannot be physically read due to construction/landscaping activities, vehicles parked on top of meter boxes, etc.).

A total of 21,114 meters are currently read monthly.

Continued cross training of Meter Readers in Water Production and Water Quality.

Continued with implementing radio-read meter system in all new developments and subdivisions to increase efficiency and meter reading accuracy.

Replaced 161 dead (non-recording) meters in the system.

Over 5,300 Utility Billing and customer service calls accomplished in addition to reading of the meter routes.

**Meter Reading
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 213,390	\$ 214,901	\$ 228,420
Supplies	209,512	170,071	223,800
Other Services & Charges	50,034	46,599	61,818
Capital Outlay/Projects	-	736,990	1,000,000
Total	\$ 472,936	\$ 1,168,561	\$ 1,514,038
Capital Outlay/Projects			
Water Meter Changeout Program			1,000,000
Total Capital Outlay/Projects			\$ 1,000,000

**Meter Reading
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	5.00	5.00	5.00
Customer Service Rep	1.00	1.00	1.00
Meter Reader	4.00	4.00	4.00

Significant Expenditure Changes: The expenditure change in Personnel relates to the annual salary market adjustment and increased retirement costs.

Supplies increased in FY07 due to anticipated purchase of materials to maintain the water system. These purchases include all meters and associated appurtenances needed for installation in new development and malfunctioning meters.

The changes in Other Services and Charges that forced the FY07 budget to be higher than the FY06 estimated endings all relate to standard charges such as computer service, vehicle replacement charges and insurance. All of these charges are based on pieces of equipment and/or size of previous year's budget compared to the city as a whole.

Details on the Water Meter Changeout Program can be found in the Capital Improvement Plan in the back of this book.

Water Utilities Administration

Division Mission: To provide exceptional customer service to the citizens and business community, and to ensure the design and construction of public and private water and wastewater infrastructure is in compliance with all local, State and federal standards.

Goal: To attain quality design and construction of public utilities water and wastewater infrastructure, in full compliance with all applicable state and federal standards relative to design, implementation, and operations.			
Strategy: Manage preparation of design plans and bid documents by in-house and external engineering firms for capital improvement, rehabilitation/repair and other projects.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of capital projects managed/designed	25	39	24
Percentage of capital projects on time and within budget	50%	75%	85%
Strategy: Review private and commercial development in a timely manner while providing accurate information and comments relative to the proposed development.			
Number of Private Developments reviewed within 3 weeks	42	53	50
Percentage of Private Developments reviewed within 3 weeks	80%	90%	90%
Number of Commercial Developments reviewed within 2 weeks	146	131	140
Percentage of Commercial Developments reviewed within 2 weeks	50%	75%	85%

Prior Year Results and Outcomes:

Completed the water rate and fee analysis based on the Water Model and associated facilities Master Plan

Achieved increase in Designation of Assured Water Supply from the State Department of Water Resources augmenting the City's Water Portfolio

Water Management Policy 2005-2010 approved by the City Council

Completed Arsenic Treatment Pilot Testing and Analysis; selected treatment method at 90% design level by year-end

**Water Utilities Administration
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 166,750	\$ 191,739	\$ 363,755
Supplies	4,712	5,009	6,150
Other Services & Charges	551,865	584,518	564,396
Capital Outlay/Projects	591,501	968,857	12,362,368
Total	\$ 1,314,828	\$ 1,750,123	\$ 13,296,669
Capital Outlay/Projects			
Arsenic Treatment Plant			\$ 11,925,618
Production/Distribution Warehouse			411,000
Vehicle for New Project Manager (75%)			15,750
Maintenance Management			10,000
Total Capital Outlay/Projects			\$ 12,362,368

**Water Utilities Administration
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.00	2.00	4.48
Public Works Director*	0.20	0.20	0.20
Asst Public Works Dir*	0.00	0.00	0.20
Utilities Manager**	0.50	0.50	0.40
City Utilities Engineer***	0.50	0.50	0.48
Utilities Engineer (Civil)****	0.30	0.50	0.50
Project Manager*****	0.00	0.00	1.50
Engineering Technician*****	0.00	0.00	0.25
Contract Specialist*****	0.00	0.30	0.30
Administrative Asst.*****	0.00	0.00	0.35
Accounting Technician	0.50	0.00	0.00
Secretary*****	0.00	0.00	0.30

*Public Works Director and Asst Public Works Director also charged to Transportation Services (20%), Streets (20%), Alt Water Sources (20%), and Wastewater Administration (20%).

**Also charged to Alt Water Sources (.20) and Wastewater Administration (.40)

***Remainder of City Utilities Engineer is charged to Alt Water Sources (5%) and Wastewater Administration (47%).

****Utilities Engineer (Civil) also charged to Wastewater Admin.

*****Two Project Managers are charged 25% each to Wastewater Administration.

*****Remainder of Engineering Technician is charged to Alt Water Sources (50%) and Wastewater Administration (25%).

*****The remainder of the Contract Specialist is charged .10 to Transportation Services, .10 to Streets, .20 to Alt Water Sources, and .30 to Wastewater Administration.

*****Administrative Assistant is also charged .20 to Alt Water Sources, .35 to Wastewater Administration, and .10 to Transportation Services.

*****This position also charged to Alt Water Sources (30%), Transportation Services (10%), and Wastewater Admin (30%).

Significant Expenditure Changes: Personnel costs increased significantly in this division due to the reallocation of some of the positions as part of the reorganization of the Public Works and Engineering Areas. Also, four positions were added during the FY07 budget process that affect this division – two project managers, one engineering technician and one secretary. This reallocation and new positions along with the annual salary adjustment and increased retirement costs caused the change in this division.

New positions led to the category of Supplies for FY07 to be higher than the FY06 estimated endings. These employees will require additional office supplies, uniforms and fuel.

Information on the capital outlay/projects can be located in the Capital Improvement Plan section of this book.

Water Fund Improvements

Division Mission: To track expenses for water projects not necessarily related to a specific division.

Goal: To complete water department projects in a timely manner within budget.

Strategy: Monitor budget and project performance for those projects not necessarily related to a division.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of water projects completed within authorized budget	100%	100%	100%

Prior Year Results and Outcomes:

Constructed 8" water main on Larry Caldwell Drive connecting two existing mains, resulting in improved pressure and flow.

Completed E. Gurley replacement of all existing water services, meters and installed backflow prevention devices.

Gail Gardner Way – coordinated with street replacement to upgrade existing 6 and 8" mains to 12". Project is still underway.

Completed emergency replacement of existing 10" main all water services and fire lines with street reconstruction project.

Coordinated water improvements and upgrades with various unpaved street and alley projects.

**Water Improvements
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Capital Outlay/Projects	924,195	429,293	6,370,000
Total	\$ 924,195	\$ 429,293	\$ 6,370,000
Capital Outlay/Projects			
Iron Springs Road			\$ 1,500,000
16" Line - Old South Reservoir			870,000
Copper Basin Road			800,000
Willow Creek 14" Transmission Main			578,000
Unpaved Streets			500,000
Gail Gardner Way			460,000
Rosser Street			387,000
Downer Trail			345,000
12" Line - Granite St			312,000
Granite Creek & Willow Creek Dam			250,000
Alley Paving Project			149,000
Ruth/Demerse			115,000
Williamson Valley Road			59,000
College Heights			40,000
Park Avenue			5,000
Total Capital Outlay/Projects			\$ 6,370,000

Significant Expenditure Changes: Please see the preceding box for the list of projects comprising this \$6,370,000 allocation. More information on these projects can be found in the Capital Improvement Program in this book.

Water Production

Division Mission: To deliver high quality drinking water efficiently and effectively, meeting all applicable local, State and Federal drinking water standards.

Goal: To meet all drinking water standards.

Strategy: Monitor water quality by sampling as required by the Arizona Department of Environmental Quality and taking any action required to meet standards.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of water quality samples collected (calendar year)	880	880+	880+
Percentage of samples meeting requirements	100%	100%	100%

Goal: To maintain an adequate water supply to meet peak demands with reserve capacity.

Strategy: Monitor reservoir and storage tank levels throughout the City and maintain adequate storage capacities.

Total acre feet pumped (calendar year)	8,100	7,901	8,100
Peak day gallons	14,549,000	13,530,000	14,072,000
Maximum storage levels maintained % of the time	95%	95%	95%

Goal: To produce water efficiently and effectively.			
Strategy: Monitor pump performance and explore new technologies to maximize pumping effectiveness and efficiency.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Pump stations improved	6	6	7
Pressure reducing stations improved	6	6	6

Goal: Meet new Environmental Protection Agency arsenic compliance requirements effective January 2006.			
Strategy: Implement blending plan until new treatment facility comes on-line. Design and construction of Arsenic Treatment Plant at Chino Valley Water Production Facility.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Take monthly Arsenic samples for tracking and trending	100%	100%	100%

Prior Year Results and Outcomes:

199 customer service calls were responded to by Water Production (low/high pressure, water quality).

Produced 8,436 acre-feet in FY 2006, an 8% increase from FY 2005.

Maintained full compliance with ADEQ/EPA water quality requirements (113 constituents).

Met goal of maintaining water loss below 10%, as required by ADWR (7.55% actual – down from 7.66% previous year).

Continued the City-wide Cross Connection/Backflow Protection Program established by City Resolution No. 2471, and per EPA/ADEQ requirements.

Maintained training for OSHA Mandated Written Programs (Asbestos Cement Pipe, Respirator Protection, Confined Space, Excavation/Trenching, Hot Work Permit Program, Hazcom/MSDS, & Lockout/Tagout).

Programming and hardware installation for operation SCADA for Wells #1 to #6 completed. The Supervisory Control & Data Acquisition (SCADA) enables automatic control of wells to meet demand and for optimum arsenic blending.

Completed all system upgrades and repairs resulting in “0” deficiencies in ADEQ inspection of the water system.

Continued monthly monitoring (sampling) of arsenic levels in all wells and blending to reduce concentration in water purveyed.

The interiors of both of the Mingus tanks and both the interior and exterior of the Robinson water tank were completely renovated. All 27 steel water storage tanks in the system were comprehensively inspected.

Participated with technical contractor in implementing Maintenance Management System.

Two operators graduated from the Supervisor Academy.

Continued the installation of additional alarm points in the water system for advance warning of problems.

**Water Production
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 461,684	\$ 487,614	\$ 530,612
Supplies	51,208	124,588	195,600
Other Services & Charges	1,281,814	1,582,942	2,063,229
Capital Outlay/Projects	924,195	429,293	2,343,295
Total	\$ 2,718,901	\$ 2,624,437	\$ 5,132,736

Capital Outlay/Projects

Storage Tank Maintenance			\$ 626,112
Mingus North Reservoir Renovation			500,000
Copper Basin Reservoir			300,000
Telemetry/SCADA Program			186,000
Booster Station Upgrade			125,000
Combination Drives for Chino Boosters			113,183
Indian Hills Reservoir			110,000
Portable Generator			110,000
Village Water Reservoir Abandonment			90,000
Production Well Maintenance			80,000
Chino Chlorine Storage Building			65,000
PRV Upgrade			38,000
Total Capital Outlay/Projects			\$ 2,343,295

**Water Production
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	7.50	7.50	7.50
Water Superintendent	0.50	0.50	0.50
Water Production Supv	1.00	1.00	1.00
Water Operator	4.00	4.00	4.00
Water Quality Technician	1.00	1.00	1.00
Maintenance Specialist	1.00	1.00	1.00

Note: Superintendent also charged 50% to Water Distribution.

Significant Expenditure Changes: As in other divisions, Personnel costs have increased due to the annual salary adjustment and retirement contributions. There is also more overtime budgeted for FY07. It is anticipated that there could be a large number of "call out" and "emergency overtime" pay due to the aged mechanical and electrical equipment and the lack of redundancy in the City's water pumping system.

The reason for the large increase in the Supplies category can be found in Chemicals and Laboratory supplies. In FY07 this division will discontinue the use of chlorine gas because of safety considerations and tightened regulatory requirements and switching to much safer but more expensive chlorine tablets at the production wells.

Other Services and Charges FY07 budget is 30.3% higher than the FY06 estimated ending. A couple of factors make up this increase. Electrical costs are expected to increase based on proposed rate changes by Arizona Public Service, demand from new growth and development and the addition of the arsenic

treatment facilities. Another prominent reason for the higher budget is insurance costs recovery. As explained in other divisions, this charge is based on loss history, number of vehicles and size of budget. This charge fluctuates yearly for the divisions.

Details on the capital outlay and projects for this division can be located at the back of the budget book in the Capital Improvement Plan.

Water Distribution

Division Mission: To deliver reliable and superior customer service through the maintenance and operation of the City's water distribution system.

Goal: Provide exceptional customer service for requests and emergencies.			
Strategy: Respond to emergencies within 15 minutes during working hours and 30 minutes after hours.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Respond to emergencies within 15 minutes during working hours and 30 minutes after hours.	87%	90%	90%
Strategy: Provide same day service on customer service requests.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of customer service requests that were served same day.	95%	97%	98%
Goal: Ensure adequate fire protection.			
Strategy: Replace or install a total of 30 new fire hydrants per year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of fire hydrants replaced	80%	90%	95%
Goal: To reduce water losses.			
Strategy: Replace a minimum of 100 services and 10 broken main line valves per year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Services repaired or replaced	199	451	464
Mainline valves repaired or replaced	28	36	38

Prior Year Results and Outcomes

Responded to 1043 customer service calls (no water; leaks, etc.)

Responded to and performed 8,216 Blue Stake locates (marking of water facilities).

Installed/repaired/replumbed (modified) 83 service lines.

Repaired and or replaced 68 fire hydrants to maintain protection.

Repaired 104 water leaks minimizing water loss, downtime, and customer inconvenience.

Repaired 39 line breaks due to construction projects.

Performed 68 live water taps on mains throughout City for new development.

Performed 74 backflow inspections on City-owned facilities.

Repaired/replaced 18 water system main line valves.

Performed 32 flow tests for Fire Department and outside contractors/developers for fire flow capacities.

Performed 163 repairs/modifications on meter assemblies throughout the City system.

Abandoned 9 water lines (mains or service lines) due to condition or no longer in use.

Sent out 927 backflow protection device annual inspection letters for EPA/ADEQ compliance measures.

One operator graduated from the Supervisor Academy.

Completed Air release valve modifications to satisfy ADEQ requirements on the 36" Water Main.

One operator certified as a Backflow Prevention Assembly Tester.

**Water Distribution
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 716,671	\$ 716,025	\$ 781,944
Supplies	88,743	226,127	302,100
Other Services & Charges	365,954	224,065	271,111
Capital Outlay/Projects	67,714	219,110	972,000
Total	\$ 1,239,082	\$ 1,385,327	\$ 2,327,155
Capital Outlay/Projects			
Small Water Main Upgrades			\$ 660,000
Valve Machine			54,000
Leak Detection Program			50,000
36" Distribution Water Main			50,000
New Water Service Lines			45,000
Fire Hydrant Program			40,000
Replacement Air Compressors (2)			34,000
Vacuum Unit			29,000
Replacement Transport Trailer			10,000
Total Capital Outlay/Projects			\$ 972,000

**Water Distribution
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	15.00	15.00	15.00
Water Superintendent	0.50	0.50	0.50
Water Distribution Supv	1.00	1.00	1.00
Senior Utility Worker	5.00	5.00	5.00
Utility Worker	8.00	8.00	8.00
Secretary	0.50	0.50	0.50

Note: Superintendent also charged 50% to Water Distribution;
Secretary to Wastewater Collection.

Significant Expenditure Changes: Personnel section reflects the annual salary adjustments and increased retirement costs. These factors forced a 9.2% increase in this area.

The increase in Supplies can be linked to materials to maintain buildings and infrastructure. More money was budgeted in FY07 for the purchase of all materials, supplies, components, appurtenances & inventory needed to maintain the water distribution system and associated facilities.

As in other divisions, the root cause of the increase in Other Services and Charges can be tied to costs that are recovered by other funds such as vehicle replacement charges, insurance, facilities maintenance charges and computer service. The methodology for all of these charges is the source that causes the fluctuation in these areas.

More information regarding the capital outlay and projects can be found at the end of this book in the Capital Improvement Program.

Private Development

Division Mission: To provide an account in which to charge plan reviews of water infrastructure installations for new private developments. These plan reviews are performed by the Development Services Manager and Permit Technician; a proportionate share of their salaries is charged her in the Internal Engineering Services line item.

Private Development Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Supplies	40,672	47,127	56,055
Total	\$ 40,672	\$ 47,127	\$ 56,055

Significant Expenditure Changes: This division was restructured in FY04 and provides for an account in which to charge plan reviews of water infrastructure installations for new private development. Plans are reviewed by the Development Services Manager and Permit Technician whose time is charged at 80% of 25% of their salaries.

Insurance/Retirements

Division Mission: To provide an account to pay for costs of retirement bonuses for Water Department retirees.

Water - Insurance/Retirements Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	9,952	-	68,000
Total	\$ 9,952	\$ -	\$ 68,000

Significant Expenditures Changes: There are two anticipated retirements in the Water Fund during FY07.

Debt Service

Division Mission: This division provides an account in which to charge the water fund debt service.

Debt Service Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Other Services & Charges	\$ 26,709	\$ 3,725	\$ 3,725
Debt Service	1,581,974	433,624	3,084,940
Total	\$ 1,608,683	\$ 437,349	\$3,088,665

Significant Expenditures Changes: The significant increase in debt service is due to the potential issuance of debt for several water projects.

Alternative Water Sources

Division Mission: To develop and implement alternative water sources and water conservation to offset groundwater pumping.

Goal: To provide effluent for re-use whenever possible and provide effluent for recharge when re-use is not possible, to provide surface water for recharge when possible, to divert surface water to downstream users as needed, and to promote the use of treated effluent in irrigation and construction.

Strategy: Monitor the production of effluent and distribute by priority.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of acre-feet effluent delivery re-use	1,390	1,600	1,640
Number of acre-feet effluent recharge	2,899	2,435	2,496

Strategy: Recharge surface water to meet the agreement of 1,500 acre-feet (weather dependent).

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of acre-feet surface water recharged	1,546.95	1,500	1,500

Strategy: Monitor lake levels and communicate with downstream users to provide and adjust flows to meet their requirements and maintain limits.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of time delivered the required downstream surface water rights in a timely manner.	100%	100%	100%

Strategy: Closely monitor effluent recharge and reuse to ensure most efficient use.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of acre-feet effluent use monitored	4,289.64	4,036.9	4,137.8

Goal: To achieve safe yield by 2025.

Strategy: Develop short and long-term water strategies.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
2005-2010 Water Policy Adopted by City Council	N/A	12/2005	N/A
City Council Adoption of Long-Term Water Policy	N/A	7/2006	N/A

Goal: To promote water resource conservation through improved public education and accountability.			
Strategy: Work with Water Conservation Committee to develop comprehensive water conservation program.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of incentive program rebate participants	0	50	100
Number of incentive program retrofit awards programs	0	1	3
Number of water conservation education media publicity campaign advertisements and announcements	15	25	35
Number of water conservation education community preservations	5	15	25
Number of water conservation education workshops	0	3	6
Number of water conservation education newsletters	0	4	4

Prior Year Results and Outcomes

Pumped 7,883.5 acre-feet of groundwater and recharged 1,547 acre-feet from Watson and Willow Lakes for a net of 6,336.5 acre-feet, a decrease of 14% from 2004.

The Chino Valley Irrigation District (CVID) purchased and used 1,500 acre-feet of recovery credits from the City of Prescott.

Following application the Arizona Department of Water Resources (ADWR) increased the City's Assured Water Supply designation by 2,682 acre-feet.

Hired City of Prescott Water Conservation Coordinator

Initiated Water Conservation Incentive Program

Initiated Spray Irrigation Restriction Ordinance

Initiated New Meter and Irrigation Meter Ordinance

Retrofitted Smoke Tree Fire Station with water conservation landscape

Joined Central Yavapai County Water Conservation Partnership as founding member

**Alternative Water Sources
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 63,302	\$ 162,216	\$ 354,316
Supplies	7,916	9,418	9,450
Other Services & Charges	324,909	318,594	436,987
Debt Service	338,044	852,095	852,695
Capital Outlay/Projects	22,983,211	4,135,577	-
Total	\$ 23,717,382	\$ 5,477,900	\$ 1,653,448

**Alternative Water Sources
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.67	2.50	4.35
Public Works Director*	0.00	0.00	0.20
Asst Public Works Dir*	0.00	0.00	0.20
Utilities Manager**	0.00	0.00	0.20
City Utilities Engineer***	0.00	0.00	0.05
Senior Project Manager	0.00	1.00	1.00
Management Analyst****	0.67	0.50	0.50
Water Conservation Coord.	0.00	1.00	1.00
Engineering Tech*****	0.00	0.00	0.50
Contract Specialist*****	0.00	0.00	0.20
Admin Assistant*****	0.00	0.00	0.20
Secretary*****	0.00	0.00	0.30

*Public Works Director and Asst Public Works Director also charged to Transportation Services (20%), Streets (20%), Water Admin (20%), and Wastewater Administration (20%).

**Also charged 40% to Water Admin. and Wastewater Admin.

***Remainder of City Utilities Engineer is charged to Water Administration (48%) and Wastewater Administration (47%).

****Management Analyst is also charged 30% City Manager, 10% Transfer Station and 10% Engineering.

*****Remainder of Engineering Technician is charged to Water Administration (25%) and Wastewater Administration (25%).

*****The remainder of the Contract Specialist is charged .10 to Transportation Services, .10 to Streets, .30 to Water Administration and .30 to Wastewater Administration.

*****Administrative Assistant is also charged .35 to Water Administration, .35 to Wastewater Administration, and .10 to Transportation Services.

*****This position also charged to Water Administration (30%), Transportation Services (10%), and Wastewater Admin (30%).

Significant Expenditures Changes: Personnel costs reflect the annual salary adjustment, increased retirement costs, reorganization of the Public Works Department and three new positions. As part of the reorganization a portion of the Public Works Director, Utilities Manager, City Utilities Engineer, Contract Specialist, and Administrative Assistant are now charged to this division. The new positions added to Public Works that are partially charged to this division are the Assistant Public Works Director, Engineering Technician and Secretary.

The increase in Other Services and Charges can be tied to the increased funding for water conservation incentives.

Water System Impact

Division Mission: To provide an account to charge costs for water improvement projects that are related to growth.

Water System Impact Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Capital Outlay/Projects	-	-	5,933,000
Total	\$ -	\$ -	\$5,933,000
Capital Outlay/Projects			
Recovery Wells at Airport Recharge			\$1,765,000
Surface Water Recharge Pipeline			1,500,000
Prescott Canyon Reservoir/Piping			1,400,000
Copper Basin Road			800,000
Indian Hills Reservoir			390,000
12" Line - Granite Street			78,000
Total Capital Outlay/Projects			\$5,933,000

Significant Expenditures Changes: This cost center was created in FY07 to separate and track funding for projects that are needed due to growth impacts. Information on the individual projects can be located in the Capital Improvement Plan of this budget book.

Water Resource Development

Division Mission: To provide an area to charge projects related to providing alternative sources of water to the citizens of Prescott.

Water Resource Development Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Capital Outlay/Projects	-	-	8,150,000
Total	\$ -	\$ -	\$8,150,000
Capital Outlay/Projects			
Big Chino Water Ranch			8,150,000
Total Capital Outlay/Projects			\$8,150,000

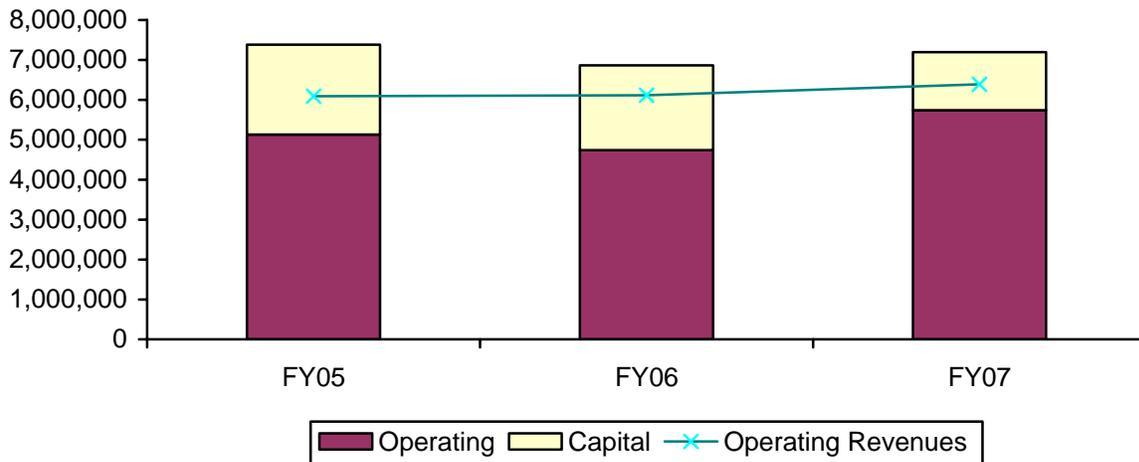
Significant Expenditures Changes: This cost center was created in FY07 to separate and monitor projects that are needed due for providing alternative water sources to the citizens of Prescott. Additional information on the Big Chino Water Ranch project can be located in the Capital Improvement Plan.

WASTEWATER FUND

The purpose of the Wastewater Fund is to account for the provision of wastewater services to the residents of the City of Prescott and some residents of the County. Wastewater Collections is responsible for the operation and maintenance of the city wastewater system. The system requires cleaning of 400+ miles of mainline, 8,200+ manholes and 64 lift stations. System maintenance includes mainline repairs, manhole rehabilitation, pump replacement/repairs and response to customer services requests.

Wastewater collected by the City wastewater system flows to the Wastewater Treatment Plant, where it undergoes a multi-faceted biological process to separate out the solids and treat the water for reuse and recharge. The Wastewater Fund operates and maintains two wastewater treatment plants: Sundog – 6.5 million gallons and Airport – 2.2 million gallons. All plants are operated in accordance with Environmental Protection Agency and State Health Department standards. The treated water, called effluent, is sold for use in watering golf courses and construction to reduce potable water demand. The solids are used in land application and/or hauled off to a landfill for cover.

All activities necessary to provide wastewater services are accounted for in the fund.



Current year revenues are estimated at \$18,450,868 while current year expenditures are estimated at \$20,280,135.

Wastewater Fund Historical Activity			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ 6,099,243	\$ 5,554,893	\$ 4,807,621
Revenues	6,838,958	6,117,785	18,450,868
Expenditures	(7,383,308)	(6,865,057)	(20,280,135)
Transfers Out	-	-	(275,000)
Ending Cash, 6/30	\$ 5,554,893	\$ 4,807,621	\$ 2,703,354

Wastewater Fund Revenues

Revenue Source	FY05 Actual	FY06 Rev. Est.	FY07 Budget
Improvement District Bonds	\$ -	\$ -	\$ 7,270,480
Bond Proceeds	744,904	-	4,790,047
Wastewater User Charges	3,914,983	4,084,807	4,207,351
Wastewater Buy-In Fees	1,273,510	1,133,000	1,166,990
Effluent Sales	231,397	229,498	247,000
Effluent Sales to Other Funds	165,000	185,000	205,000
Rechargeable Effluent Fee	150,000	150,000	150,000
Interest Earned	177,048	150,000	150,000
Septage Disposal Fees	88,358	90,000	90,000
Miscellaneous	44,062	1,980	80,500
Plan Reviews and Inspection Fees	37,096	78,500	78,500
Wastewater Connections	12,600	15,000	15,000
Total Revenues	\$ 6,838,958	\$ 6,117,785	\$ 18,450,868

Explanation of Wastewater Fund Revenue Sources:

Improvement District Bonds: It is estimated that \$7,270,480 will be collected by the Wastewater Fund in the form of Improvement District bond proceeds or property owner payments. Projects that are being considered in this area are the Prescott North Improvement District, Antelope Hills Improvement District and White Oak Circle Improvement district. Property owners are given the opportunity to pay their costs associated with the project before the City bonds for the project.

Bond Proceeds: If several of the capital projects planned for this fund are completed during the fiscal year, it may become necessary for the city to borrow monies necessary to pay for the projects. Should the projects not come to fruition; the city will not proceed with the process of borrowing money.

Wastewater User Charges: Wastewater fees are projected to increase 3.0% over FY06 revised estimates. No rate increase is anticipated in this fund for FY07, but a study off the fees will be underway during the fiscal year.

Revenues from Wastewater User Charges		
Fiscal Year	Revenues	% Change
1996-97	3,092,315	2.34%
1997-98	3,092,296	0.00%
1998-99	3,195,239	3.33%
1999-00	3,430,830	7.37%
2000-01	3,553,223	3.57%
2001-02	3,553,662	0.01%
2002-03	3,656,594	2.90%
2003-04	3,662,948	0.17%
2004-05	3,914,983	6.88%
2005-06 (est)	4,084,807	4.34%
2006-07 (est)	4,207,351	3.00%

Wastewater Buy-In Fees: Buy-in fees were increased from \$37.00 to \$56.00 per fixture unit during FY95. As part of an overall analysis of the wastewater fund, it was decided to place more emphasis on new connections to the wastewater system paying for growth related capital projects rather than to increase the rates placing the burden on existing wastewater customers. The FY07 Wastewater Buy-in fees projected revenues are a 3.0% increase over FY06 estimated revenues. The City serves a smaller area with its wastewater system than its water system and, therefore, does not have as many connections each year.

Effluent Sales: The City of Prescott charges for the sale of effluent. This revenue category reflects the sale of effluent to private golf courses such as Hassayampa and Prescott Lakes. It is also used by vendors in the construction field such as Hanson Concrete. The fees for the effluent are based on existing contract agreements with these users.

Effluent Sales to Other Funds: This is the charge to the Golf Course for effluent used for watering the two golf courses. This charge to the Golf Course is adjusted annually to become more compatible with charges to private consumers purchasing the City's effluent product. It was increased from \$165,000 to \$185,000 in FY06 and to \$205,000 in FY07.

Rechargeable Effluent Fee: This is the 11th year of this revenue source to the wastewater fund. This is the charge to the Water Fund for treating effluent which is being discharged into the water table for recharge credit.

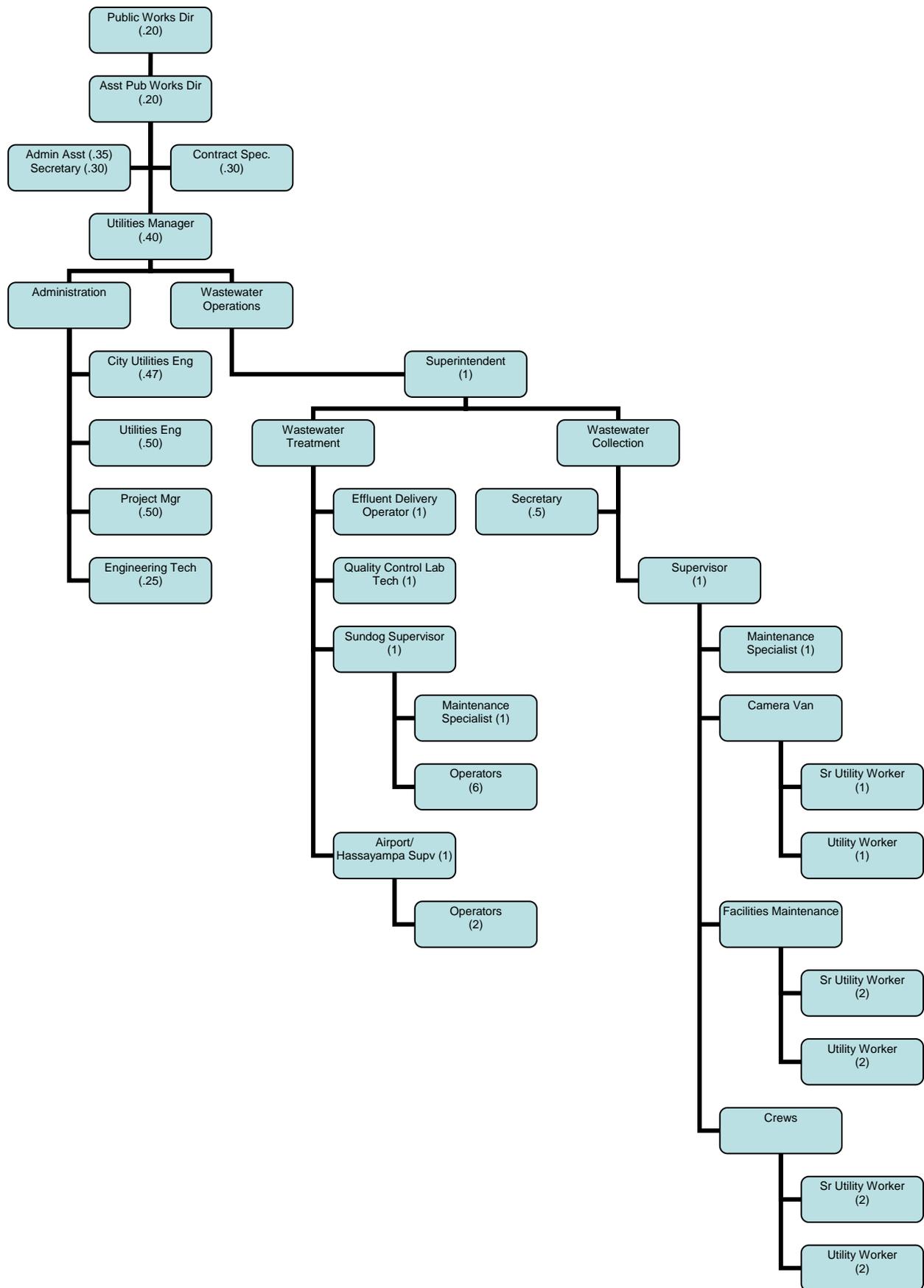
Interest Earned: This is monies earned on the available cash in the Wastewater fund. It is a difficult estimate to make due to the fluctuation of cash balances and the interest rates.

Septage Disposal Fees: These are fees collected at the wastewater treatment plant from septic pumpers and private recreational vehicles.

Miscellaneous: Miscellaneous revenues are items that are not expected to occur on a yearly basis. The amount budgeted this year includes a payment that we anticipate receiving from FEMA for assistance on the Willow Creek Wastewater Rehab project.

Plan Reviews and Inspection Fees: Engineering Plan Check Fees are to cover costs for Engineering and Public Works staff to review infrastructure plans to ensure compliance with codes. Inspection Fees are to cover the costs for the Inspectors to inspect the infrastructure to ensure the work is in compliance with the approved plans and specifications and codes.

Wastewater Connections: This is the charge for customers hooking on to the existing wastewater mains. The budget for this line item is based on historical data and the reasonable expectation that this trend will continue.



**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 1,566,176	\$ 1,706,772	\$ 2,028,189
Supplies	312,476	321,498	335,400
Other Services & Charges	1,482,178	1,659,954	2,015,451
Debt Service	1,773,120	1,051,665	1,362,724
Capital Outlay/Projects	2,249,358	2,125,168	14,538,371
Total	\$ 7,383,308	\$ 6,865,057	\$ 20,280,135
Authorized Staffing Level	28.50	29.50	31.97
Administration	2.00	2.00	3.47
WWTP	12.00	12.00	12.00
Wastewater Collection	13.50	14.50	15.50
Effluent Delivery	1.00	1.00	1.00

Wastewater Utilities Administration

Division Mission: To provide exceptional customer service to the citizens and business community, and to ensure the design and construction of public and private wastewater infrastructure is in compliance with all local, State and federal standards.

Goal: To attain quality design and construction of public utilities wastewater infrastructure, in full compliance with all applicable state and federal standards relative to design, implementation, and operations.

Strategy: Manage preparation of design plans and bid documents by in-house and external engineering firms for capital improvement, rehabilitation/repair and other projects.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of capital projects managed/designed	22	24	25
Percentage of capital projects on time and within budget	50%	75%	85%
Strategy: Review private and commercial development in a timely manner while providing accurate information and comments relative to the proposed development.			
Number of Private Developments reviewed within 3 weeks	42	53	50
Percentage of Private Developments reviewed within 3 weeks	80%	90%	90%
Number of Commercial Developments reviewed within 2 weeks	146	131	140
Percentage of Commercial Developments reviewed within 2 weeks	95%	96%	97%

Prior Year Results and Outcomes:

Commenced work on the Sewer Model and Master Plan

Completed Centrifuge design plans for the Airport Wastewater Treatment Plant

Completed Phase I of Pretreatment Program and Code Update

**Wastewater Utilities Administration
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 165,946	\$ 189,390	\$ 295,136
Supplies	4,005	4,959	5,500
Other Services & Charges	220,376	291,897	416,025
Capital Outlay/Projects	<u>41,874</u>	<u>151,523</u>	<u>186,250</u>
Total	\$ 432,201	\$ 637,769	\$ 902,911
Capital Outlay/Projects			
Rate Analysis			\$ 100,000
Wastewater Model			71,000
Maintenance Management System			10,000
New Project Manager Vehicle (25%)			<u>5,250</u>
Total Capital Outlay/Projects			\$ 186,250

**Wastewater Utilities Administration
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	2.00	2.00	3.47
Public Works Director*	0.20	0.20	0.20
Asst Public Works Dir*	0.00	0.00	0.20
Utilities Manager**	0.50	0.50	0.40
City Utilities Engineer***	0.50	0.50	0.47
Utilities Engineer (Civil)****	0.50	0.50	0.50
Project Manager*****	0.00	0.00	0.50
Engineering Technician*****	0.00	0.00	0.25
Contract Specialist*****	0.00	0.30	0.30
Administrative Asst.*****	0.00	0.00	0.35
Accounting Technician	0.30	0.00	0.00
Secretary*****	0.00	0.00	0.30

*Public Works Director and Asst Public Works Director also charged to Transportation Services (20%), Streets (20%), Alt Water Sources (20%), and Water Administration (20%).

**Also charged to Alt Water Sources (.20) and Water Admin. (.40)

***Remainder of City Utilities Engineer is charged to Alt Water Sources (5%) and Water Administration (48%).

****Utilities Engineer (Civil) also charged to Water Administration

*****Two Project Managers are charged 75% each to Water Admin

*****Remainder of Engineering Technician is charged to Alt Water Sources (50%) and Water Administration (25%).

*****The remainder of the Contract Specialist is charged .10 to Transportation Services, .10 to Streets, .20 to Alt Water Sources, and .30 to Water Administration.

*****Administrative Assistant is also charged .20 to Alt Water Sources, .35 to Water Admin, and .10 to Transportation Services

*****This position also charged to Alt Water Sources (30%), Transportation Services (10%), and Water Administration (30%).

Significant Expenditures Changes: Personnel costs increased significantly in this division due to the reallocation of some of the positions as part of the reorganization of the Public Works and Engineering Areas. Also, four positions were added during the FY07 budget process that affect this division – two project managers, one engineering technician and one secretary. This reallocation and new positions along with the annual salary adjustment and increased retirement costs caused the change in this division.

New positions led to the category of Supplies for FY07 to be higher than the FY06 estimated endings. These employees will require additional office supplies, uniforms and fuel.

The changes in Other Services and Charges can be tied to the methodology used for recovering costs such as auditing and accounting, and administration costs. The methodology used for the allocation of these costs is based upon the size of the division's previous year budget compared to the citywide budget.

Details on the capital items budgeted in this division can be located in the back of this book in the Capital Improvement Plan.

Legal - Wastewater

Division Mission: To provide an account for Legal Department time spent on wastewater related activities.

Legal Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Other Services and Charges	12,976	46,975	91,533
Total	\$ 12,976	\$ 46,975	\$ 91,533

Significant Expenditure Changes: Effective FY06, the methodology for cost recovering legal services was altered. It is now based on the percentage of a department's budget in comparison to the total city budget. This accounts for the fluctuation in this division's budget on an annual basis.

Wastewater Improvements

Division Mission: To monitor the expenses associated with wastewater projects not necessarily related to a specific division.

Goal: To complete wastewater department projects in a timely manner within budget.

Strategy: Monitor budget and project performance for those projects not necessarily related to a division.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of wastewater projects completed within authorized budget	100%	100%	100%

Prior Year Results and Outcomes:

Completed E. Gurley replacement of existing 8" and 10" sewer mains with both pipe bursting and conventional excavation. Project also included replacement of all existing manholes and service laterals.

Completed engineering and design for sewer replacement of Gail Gardner Way.

Completed 50% construction of 8" and 15" sewer main replacement on Gail Gardner Way.

Completed Ruth Street pipe bursting upgrade prior to street construction in front of Prescott high school.

Completed preliminary engineering and cost estimates of Prescott North and Mullen Way Sewer Improvement Districts.

Coordinated sewer improvements and upgrades with various unpaved street and alley projects.

**Wastewater Fund Improvements
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Capital Outlay/Projects	1,032,169	1,144,760	8,659,641
Total	\$ 1,032,169	\$ 1,144,760	\$ 8,659,641
Capital Outlay/Projects			
Iron Springs Road - Wastewater			\$ 1,580,000
N Prescott Regional Force Main			1,495,000
Prescott North Improvement District			1,000,000
Copper Basin Road			900,000
Ruth/Demerse			898,641
Unpaved Streets			700,000
Gail Gardner Way			460,000
Willow Creek Wastewater Rehab			382,000
Alleys Paving Project			380,000
Downer Trail			350,000
E Prescott Regional Force Main			300,000
Rosser Street			100,000
Williamson Valley Road			49,000
Bradshaw Drive			30,000
College Heights			30,000
Park Avenue			5,000
Total Capital Outlay/Projects			\$ 8,659,641

Significant Expenditure Changes: As noted in the Wastewater Fund Expenditure Summary, there are 16 projects budgeted in this area – several of them large-scale. The most costly are the wastewater work associated with the Iron Springs Road project (\$1,580,000), North Prescott Regional Force Main (\$1,495,000), and the Prescott North Improvement District (\$1,000,000).

Information regarding all wastewater improvement projects listed above can be found in the Capital Improvement Program section of the budget book.

Wastewater Treatment Plants

Division Mission: To provide the community with the highest quality of treated wastewater effluent in the most efficient, economical, and safe manner through operation and maintenance of the Sundog and Airport Treatment plants.

Goal: To treat all wastewater to ADEQ standards and maintain full compliance on both treatment plants in the most efficient, economical, and safe manner.

Strategy: To utilize the expertise assigned personnel and available technology to the fullest extent.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Acre-feet of Sundog WWTP effluent for reuse/recharge	3,490	3,600	3,700
Acre-feet of Airport WWTP effluent for reuse/recharge	1,040	1,100	1,150
Tons of Sundog WWTP sludge treated and disposed	4,100	4,200	4,300
Tons of Airport WWTP sludge treated and disposed	2,100	2,200	2,300

Prior Year Results and Outcomes:

Completed full rehabilitation of the Sand Filters at the Sundog Treatment Plant, including under drain repairs, sand and anthracite replacement.

Completed rehabilitation of one secondary clarifier at the Sundog Treatment Plant, consisting of complete gear change-out, replacement of all sweeps, chains and partial flight replacement.

Produced 4,245 acre-feet of treated effluent water for reuse and recharge.

Treated an average of 4.04 million gallons per day of wastewater at the Sundog and Airport Treatment Plants.

Completed rehabilitation project of Recharge Cells #3 and #4 requiring complete grading to remove all vegetation with subsurface scarification to restore absorption capabilities of the cells.

Received safety award from the "Arizona Water & Pollution Control Association" for both treatment plants.

**Wastewater Treatment Plants
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 656,681	\$ 704,746	\$ 756,559
Supplies	122,188	116,915	140,100
Other Services & Charges	782,028	809,947	973,191
Capital Outlay/Projects	<u>193,082</u>	<u>84,275</u>	<u>2,886,000</u>
Total	\$ 1,753,979	\$ 1,715,883	\$ 4,755,850
Capital Outlay/Projects			
Sundog Plant Paving			\$ 805,000
Sludge Dryer			750,000
Airport WWTP Centrafuge and Building			500,000
RAS/WAS Pump Station			345,000
Digester Cleaning			250,000
WWTP SCADA System			95,000
Recharge Cell Rehab			90,000
Pretreatment Study			26,000
WWTP Meters			<u>25,000</u>
Total Capital Outlay/Projects			\$ 2,886,000

**Wastewater Treatment Plants
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	12.00	12.00	12.00
WWTP Superintendent	1.00	1.00	0.00
WWTP Supervisor	1.00	1.00	2.00
WWTP Operator	8.00	8.00	8.00
Wastewater Lab Tech	1.00	1.00	1.00
WWTP Maint. Spec.	1.00	1.00	1.00

Significant Expenditure Changes: The higher Personnel budget for FY07 reflects the annual salary adjustment and increased costs of retirement contributions. The only personnel change in the wastewater treatment plant is the deletion of the WWTP Superintendent and the addition of another

WWTP Supervisor. One of the supervisors will be in charge of the Sundog plant and the other is in charge of the Hassayampa and Airport plants.

The FY07 Supplies category shows a 19.8% increase over FY06 estimated endings. This is caused by the inclusion of a materials to maintain buildings and structures budget that was not part of the budget in FY06. Previously, charges that would be applied to this account were charged in Other Services and Charges. It was decided that these charges were being applied incorrectly.

Finally, Other Services and Charges illustrates an amplified budget of 20.2% due to larger vehicle replacement and facilities maintenance charges. The Facilities Maintenance and Vehicle Replacement funds are still in the early stages of development so the cost recoveries are still being implemented and "fine tuned". Another factor for the increase is electrical charges. This division is a high electric user and the potential of a rate increase by Arizona Public Services will clearly affect its electrical expenditure line item.

Details regarding the capital outlay/projects for the Wastewater Treatment Plants can be located in the Capital Improvement Plan.

Wastewater Collection

Division Mission: To deliver superior customer service through the maintenance and operation of the City's wastewater system.

Goal: To maintain wastewater mains free of system backups and overflows.			
Strategy: Clean a minimum of 200 miles of wastewater mains per year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of wastewater mains cleaned per year	75%	85%	100%
Goal: To operate and maintain lift stations to prevent mechanical failures.			
Strategy: Clean wastewater lift stations on a quarterly basis.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of wastewater lift stations cleaned on a quarterly basis.	100%	100%	100%
Goal: To provide emergency response for wastewater back-ups to minimize overflows and property damage.			
Strategy: Respond to emergencies within 30 minutes during working hours and 45 minutes after hours.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of emergencies responded to in 30 minutes during working hours and 45 minutes after hours.	95%	95%	95%
Goal: To provide superior customer service for all requests and daily operations.			
Strategy: Customer service requests receive next day service.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of customer service requests received next day service.	75%	85%	90%

Goal: Implement the Wastewater Model and Maintenance Management Systems as the basis for system enhancements and operational improvements.			
Strategy: Assist with the development of the long term capital program identified by the Wastewater Model and population of the Maintenance Management System.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Support technical contractors for the Wastewater Model and Maintenance Management System projects	N/A	100%	100%

Prior Year Results and Outcomes:

Completed over 8,000 Blue Stake Locates for marking of wastewater infrastructure prior to excavation by contractors and City departments.

Cleaned over 566,000 lineal feet of sewer main lines to remove obstructions and debris, reducing the potential for system back-ups and overflows.

Installed 63 taps for new residential and commercial construction.

Completed video inspection of 75,000 lineal feet of sewer mainline identifying potential failures, repairs required, and system integrity prior to street rehabilitation projects.

Contracted for trenchless replacement of 315 lineal feet of mainline prone to possible failure in deep conditions and under property improvements, resulting in substantial savings and avoiding service interruptions.

Completed the first cycle of the "Structured Cleaning Program". The program identified and tracked cleaning of the entire Collection System.

**Wastewater Collection
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 686,994	\$ 755,964	\$ 858,033
Supplies	182,435	189,017	180,650
Other Services & Charges	382,450	418,425	433,383
Capital Outlay/Projects	958,909	744,520	2,806,480
Total	\$ 2,210,788	\$ 2,107,926	\$ 4,278,546
Capital Outlay/Projects			
Sewer Mainline Replacement/Rehab			\$ 1,000,000
Antelope Hills Improvement District			870,480
White Oak Circle Improvement District			400,000
Chemical Root Control			205,000
Lift Station Abandonment			150,000
Lift Station Rehab Program			100,000
Manhole Rehab Program			50,000
Forklift (carry over)			25,000
20' Equipment Trailer			6,000
Total Capital Outlay/Projects			\$ 2,806,480

**Wastewater Collections
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	13.50	14.50	15.50
Wastewater Coll. Supt.	1.00	1.00	1.00
Wastewater Coll. Supv.	0.00	1.00	1.00
Senior Utility Worker	5.00	5.00	5.00
Utility Worker	6.00	6.00	6.00
Secretary	0.50	0.50	0.50
Maintenance Specialist	1.00	1.00	1.00
Accounting Clerk	0.00	0.00	1.00

Significant Expenditure Changes: The addition of an accounting clerk for this division along with the annual salary adjustment and increased retirement costs account for the change in Personnel costs for the Wastewater Collection division.

The slight change in Supplies can be linked to the decreased spending in materials to maintain buildings, infrastructure and equipment. The increase in Other Services and Charges can be directly tied to the increased electrical costs anticipated due to a potential rate increase. This division is responsible for the utility charges for the lift stations so it will be impacted by any increase.

Please see the preceding box for the list of projects comprising this \$2,806,480 allocation. More information on these projects can be found in the Capital Improvement Program in this book.

Effluent Delivery

Division Mission: To efficiently distribute and account for the amount of effluent and surface water reused and recharged.

Goal: To provide effluent for re-use whenever possible and provide effluent for recharge when re-use is not possible.			
Strategy: Monitor the production of effluent and distribute by priority.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Reuse: Number of acre feet for effluent delivery	1,390	1,600	1,640
Recharge: Number of acre feet recharged	2,899	2,435	2,496

Goal: To provide surface water for recharge when possible.			
Strategy: Recharge surface water to meet the agreement of 1,500 acre-feet (weather dependent)			
Total acre feet surface water recharged	1,546.95	1,500	1,500

Goal: To divert surface water to downstream users as needed.			
Strategy: Monitor lake levels and communicate with downstream users to provide and adjust flows to meet their requirements and maintain limits.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Deliver the required downstream surface water rights in a timely manner.	100%	100%	100%

Goal: To promote the use of treated effluent in irrigation and construction.			
Strategy: Closely monitor effluent recharge and reuse to ensure most efficient use.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Effluent use monitored (acre-feet/calendar year)	4,829.64	4,036.9	4,137.8

Prior Year Results and Outcomes:

Delivered 3,085.0 acre-feet of effluent water to the recharge facility. This is a 29.7% increase from 2004.

Recovered 23.14 acre-feet of effluent credits to supplement effluent delivered to golf courses and for construction water.

Delivered 1,390.3 acre-feet of effluent water to the following golf courses and for construction:

- Antelope Hills Golf Course 648 acre-feet
- Prescott Lakes 437 acre-feet
- Hassayampa Golf Course 198 acre-feet
- Construction Use 4.3 acre-feet
- Hansen 103 acre-feet

**Effluent Delivery
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 56,555	\$ 56,672	\$ 59,961
Supplies	3,848	10,607	9,150
Other Services & Charges	35,630	45,583	45,264
Capital Outlay/Projects	23,324	90	-
Total	\$ 119,357	\$ 112,952	\$ 114,375

**Effluent Delivery
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	1.00	1.00	1.00
Water Operator	1.00	1.00	1.00

Significant Expenditure Changes: As in other divisions, Personnel costs have increased due to the annual salary adjustment and retirement contributions. There are no other significant expenditure changes for this division.

Private Development

Division Mission: To provide an account in which to charge plan reviews of wastewater infrastructure installations for new private developments. These plan reviews are performed by the Development Services Manager and Permit Technician; a proportionate share of their salaries is charged her in the Internal Engineering Services line item.

**Private Development
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Supplies	40,527	47,127	56,055
Total	\$ 40,527	\$ 47,127	\$ 56,055

Significant Expenditure Changes: This division was restructured in FY04 and provides for an account in which to charge plan reviews of wastewater infrastructure installations for new private development. Plans are reviewed by the Development Services Manager and Permit Technician whose time is charged at 80% of 25% of their salaries.

Insurance/Retirements

Division Mission: To provide an account to pay for costs of retirement bonuses for Wastewater Department retirees.

**Wastewater - Insurance/Retirements
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	-	-	58,500
Total	\$ -	\$ -	\$ 58,500

Significant Expenditures Changes: There is one anticipated retirement in the Wastewater Fund during FY07.

Debt Service

Division Mission: This division provides an account in which to charge the wastewater fund debt service.

**Debt Service
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Other Services & Charges	\$ 8,191	\$ -	\$ -
Debt Service	1,773,120	1,051,665	1,362,724
Total	\$ 1,781,311	\$ 1,051,665	\$ 1,362,724

Significant Expenditures Changes: The increase in debt service budgeted for FY07 is due to the potential issuance of debt for several wastewater projects.

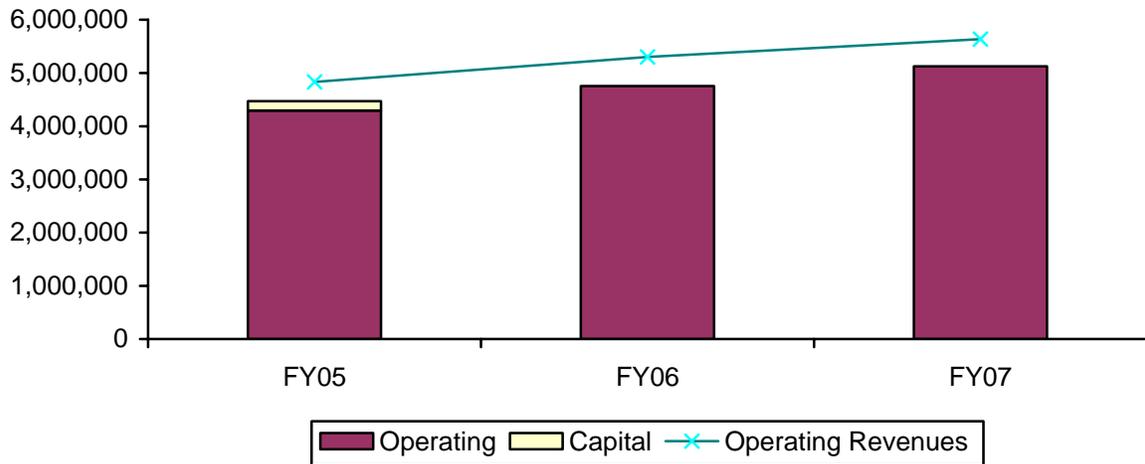
SOLID WASTE FUND

The purpose of the Solid Waste Fund is to account for the financial activities of providing refuse collection and disposal, recycling and related services to the citizens of Prescott.

The City is responsible for providing sanitation collection services to its residents according to Arizona State law. Pickup is provided weekly for residential customers and pickup for commercial customers ranges from once per week to six times per week depending on the individual commercial customer's needs.

During FY92 the Landfill was closed to residential and commercial customers with the exception of continuing to accept construction debris from city accounts and private contractors. In actuality, very few private construction firms are using the landfill because the construction debris has to be separated. The partial closing was necessary because the landfill had almost reached capacity. The collected sanitation is now taken to the City's Transfer Station and then hauled by a contracted firm to a private disposal site. Sludge is hauled to private disposal sites.

Voluntary curbside recycling began in 1992, following a very successful pilot program. Recyclables are collected on a weekly basis with the City providing the containers to the customers. In June 1996, the City added plastics to items collected for recycling purposes. During FY99, the City mailed a survey along with the utility bills asking the public their opinions on expanding the residential recycling program. As a result of the favorable responses, Council approved expanding and automating the program to enable collection and transportation of commingled recyclable materials. The new program commenced in spring of FY2000.



Current year revenues are estimated at \$18,450,868 while current year expenditures are estimated at \$20,280,135.

Solid Waste Fund Historical Activity

	FY05	FY06	FY07
	Actual	Estimate	Budget
Unrestricted Beginning Cash, 7/1	\$ 1,550,139	\$ 1,773,768	\$ 2,299,420
Restricted Beginning Cash, 7/1	\$ 17,388	\$ 154,997	\$ 174,618
Revenues	\$ 4,832,180	\$ 5,300,273	\$ 5,635,085
Expenditures	\$ (4,470,942)	\$ (4,755,000)	\$ (5,125,605)
Unrestricted Ending Cash, 6/30	\$ 1,773,768	\$ 2,299,420	\$ 2,794,532
Restricted Ending Cash, 6/30	\$ 154,997	\$ 174,618	\$ 188,986

Solid Waste Fund Revenues

Revenue Source	FY05	FY06	FY07
	Actual	Rev. Est.	Budget
Refuse Collection Charges	\$ 4,496,969	\$ 4,925,134	\$ 5,260,442
Landfill Closure Surcharge	142,563	150,139	154,643
Interest Earned	67,339	75,000	75,000
Recycling Revenue	61,564	95,000	90,000
Tipping Fees	63,745	55,000	55,000
Total Revenues	\$ 4,832,180	\$ 5,300,273	\$ 5,635,085

Explanation of Solid Waste Fund Revenue Sources:

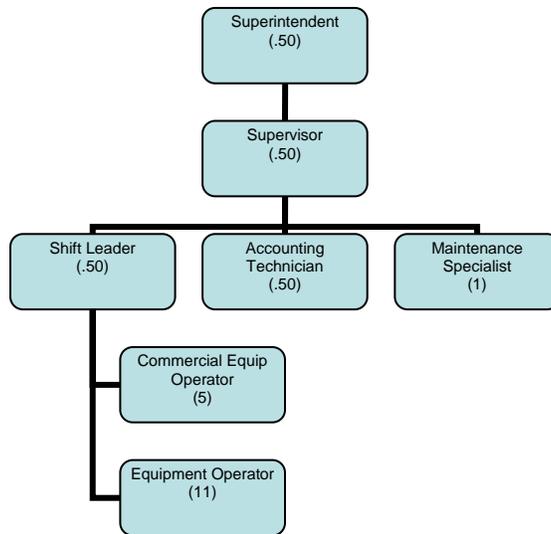
Revenue Collection Charges: FY07 collection charges are expected to yield \$5,260,442 which represents a 6.8% growth over FY06 revised estimates. Residential rates are \$14.50 per month structured as follows: \$11.00 to pay for the collection and disposal of solid waste; \$3.00 for the voluntary recycling program; and \$.50 for a landfill closure surcharge.

The **landfill closure surcharge** became effective September 1, 1993 and is designed to help defray the long term costs of closing the City's existing landfill. The landfill closure plan has been approved by the State. The State granted the City a small landfill exemption which avoids full closure requirements. After the landfill has been closed, this fee will be reevaluated.

Interest Earned: This is monies earned on the available cash in the Solid Waste fund. It is a difficult estimate to make due to the fluctuation of cash balances and the interest rates.

Recycling Revenue: Revenues received from the sale of recyclables obtained from residents and commercial vendors. FY2007 is estimated to remain at the approximately same levels as FY2006. This revenue is based on the market value of recyclable materials.

Tipping Fees: When City departments use the landfill to dispose of inert debris, these departments are billed for their usage. With the closure of the MSW (municipal solid waste) landfill in FY99, the City opened a new site for inert debris disposal.



Consolidated Departmental Expenditure and Staffing Level Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 794,071	\$ 892,809	\$ 987,247
Supplies	2,249,355	2,691,080	2,769,900
Other Services & Charges	1,251,407	1,171,111	1,368,458
Capital Outlay/Projects	176,109	-	-
Total	\$ 4,470,942	\$ 4,755,000	\$ 5,125,605
Authorized Staffing Level	16.13	16.00	18.00
Sanitation	12.43	16.00	18.00
Landfill	0.10	0.00	0.00
Recycling	3.60	0.00	0.00

Sanitation

Division Mission: To provide comprehensive solid waste management programs which incorporate modern technologies in order to maximize the protection of the environment and efficiently utilize the disposal system.

Continue to operate and expand an efficient, customer friendly curbside recycling and drop-off recycling program that maximizes waste diversion from landfill operations.

Goal: To collect an average of 110 carts per man hour per fiscal year by adding an additional route to each day. 125+ pickups are too many to be able to maintain high safety standards and excellent customer service.

Strategy: Provide weekly collections of all residential accounts within city limits.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of carts collected per man hour	135	125	110

Goal: To provide for effective and efficient collection of all residential recycle and commercial accounts within minimum number of incidents, such as personal property damage, accidents, etc.			
Strategy: Provide for continued training for operators and provide incentives for "accident free" drivers.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Total number of pickups (commercial and residential)	1,500,000	1,856,000	1,900,000
Total number of incidents	15	10	20
Total number of "accident free" drivers	2	5	5

Goal: Increase the number of commercial recycle accounts by 25% during the fiscal year.			
Strategy: Contact high volume commercial users and demonstrate the cost savings that can be associated with the diversion of recyclable materials out of their commercial waste container.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of commercial accounts	32	58	75

Goal: Provide effective and efficient weekly curbside collection of recyclables from all participating customers within the City of Prescott to reduce the volume of material sent to Grey wolf Landfill.			
Strategy: Encourage participation in recycling by educating customers as to the benefits of recycling as well as to provide them with excellent customer service.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of tons diverted	2,730	3,125	3,400

Prior Year Results and Outcomes:

Staff once again successfully completed the Spring/Fall cleanups, Christmas tree pickups, and free brush disposal weekends.

Provided Prescott daily service for the courtesy cans located in the downtown area.

Collected and diverted over 3,125 tons of recyclable material from transfer station disposal, saving more than \$43,500 in related fees.

Expanded and maintained the recycling program for commercial accounts.

Sanitation

Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 608,014	\$ 892,327	\$ 987,247
Supplies	2,216,555	2,691,080	2,769,900
Other Services & Charges	659,538	1,041,075	1,228,183
Capital Outlay/Projects	97,899	-	-
Total	\$ 3,582,006	\$ 4,624,482	\$ 4,985,330

**Sanitation
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	12.43	16.00	18.00
Solid Waste Superintendent	0.35	0.50	0.50
Solid Waste Supervisor	0.35	0.50	0.50
Shift Leader	1.00	0.50	0.50
Sanitation Equipment Oper	9.90	9.00	11.00
Commercial Equipment Oper	0.00	4.00	4.00
Maintenance Specialist	0.00	1.00	1.00
Accounting Technician	0.00	0.50	0.50
Secretary	0.50	0.00	0.00
Management Analyst	0.33	0.00	0.00

Note: Remainder of Superintendent, Solid Waste Supervisor, Shift Leader and Accounting Technician are charged to the Transfer Station

Significant Expenditures Changes: Personnel costs increased in this division in part due to the approval of two new equipment operators during the budget process. These new positions along with the annual salary adjustment and increased retirement costs caused the change in this division.

The changes in Other Services and Charges can be tied to the vehicle replacement charges. The vehicles in this division are expensive and with the vehicle replacement fund being funded at 75% in FY07 as opposed to 50% in FY06 this area suffers a significant impact.

Landfill

Division Mission: To continue operating an affordable and accessible alternative to existing disposal methods for inert debris in conformance with ADEQ and EPA regulations.

Goal: To continue to provide an accessible site for Prescott businesses and residential customers to dispose of inert debris materials, in order to reduce the volume of materials sent to the Grey Wolf Landfill.

Strategy: Analyze each load of debris into the Transfer Station and divert the maximum amount of inert materials into the inert debris yard.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of tons of inert debris diverted	1,292	2,217	3,200

Prior Year Results and Outcomes:

Successful operation of an inert debris yard, diverting approximately 2,300 tons of material out of the local landfill.

**Landfill
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 1,627	\$ 482	\$ -
Other Services & Charges	3,327	130,036	140,275
Total	\$ 4,954	\$ 130,518	\$ 140,275

**Landfill
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.10	0.00	0.00
Equipment Operator transferred from Transfer Station as needed	0.10	0.00	0.00

Significant Expenditure Changes: There is a 7.5% increase in the FY07 budget for Other Services and Charges over FY06 estimated endings. The amount budgeted in this area is for services that may become necessary for the landfill during the fiscal year as part of the landfill closure requirements.

Recycle

Division Mission: Continue to operate and expand an efficient, customer friendly curbside recycling and drop-off recycling program that maximizes waste diversion from landfill operations.

**Recycle
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 184,430	\$ -	\$ -
Supplies	32,800	-	-
Other Services & Charges	588,542	-	-
Capital Outlay/Projects	78,210	-	-
Total	\$ 883,982	\$ -	\$ -

**Recycle
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	3.60	0.00	0.00
Solid Waste Supt	0.30	0.00	0.00
Solid Waste Supv	0.30	0.00	0.00
Sanitation Equip Oper.	3.00	0.00	0.00

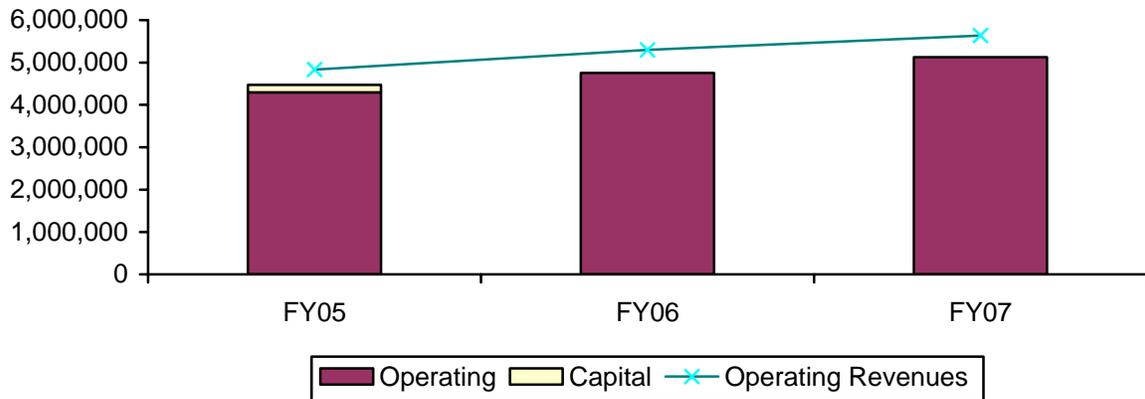
Significant Expenditure Changes: Beginning FY06, the Recycling Division was consolidated with the Sanitation Division.

TRANSFER STATION FUND

During FY92 a transfer station was constructed in partnership with Yavapai County. All vehicles, including the City's sanitation trucks, are weighed at the station and are charged accordingly. This fund accounts for the payments of tipping fees and hauling costs to private companies for the transporting and disposal of solid waste and collects tipping fees from individuals, contractors and private collection companies opting to use the transfer station.

The City and County are partners in the transfer station operations. The City is ultimately responsible for 65.0% of any losses or gains with the County responsible for the remaining 35.0%.

Transfer Station Fund - Revenues vs Expenditures



Current year revenues are estimated at \$18,450,868 while current year expenditures are estimated at \$20,280,135.

Transfer Station and Regional Landfill Fund Historical Activity

	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Cash, 7/1	\$ (11,386)	\$ 383,846	\$ 919,813
Revenues	\$ 3,774,876	\$ 4,168,913	\$ 5,143,338
Transfers In	\$ -	\$ -	\$ 75,000
Expenditures	\$ (3,379,644)	\$ (3,632,946)	\$ (4,896,473)
Ending Cash, 6/30	\$ 383,846	\$ 919,813	\$ 1,241,678

Transfer Station and Regional Landfill activity for the past two years and FY07 is as follows:

Transfer Station and Regional Landfill Fund Revenues

Revenue Source	FY05 Actual	FY06 Rev. Est.	FY07 Budget
Transfer Station Fees	\$ 3,763,329	\$ 4,148,593	\$ 4,273,018
Lease/Purchase Proceeds	-	-	850,000
Interest	6,483	15,000	15,000
County Tire Contribution	2,520	2,520	2,520
Charge Accounts Permits	2,544	2,800	2,800
Total Revenues	\$ 3,774,876	\$ 4,168,913	\$ 5,143,338

Explanation of Solid Waste Fund Revenue Sources:

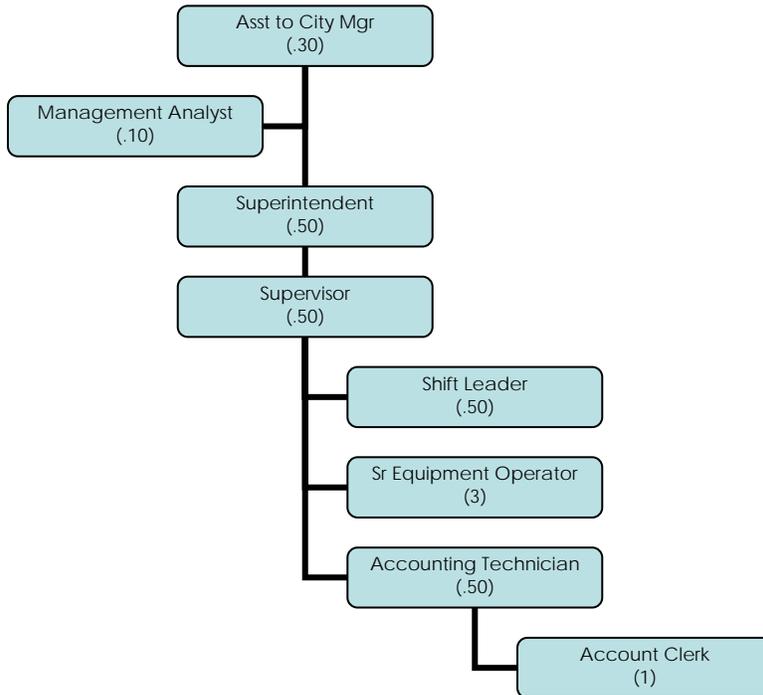
Transfer Station Fees: Effective 1/01/2005 the tipping fee rate went from \$55.00 per ton to \$57.25 per ton for vehicles under 10,000 pounds gross vehicle weight and \$62.98 for vehicles over 10,000 pounds gross vehicle weight. It is mainly commercial vehicles that exceed the 10,000 pounds gross vehicle weight.

Lease/Purchase Proceeds: This debt issuance will be used to cover the costs associated with the expansion of the Transfer Station.

Interest Earned: This is monies earned on the available cash in the Transfer Station fund. It is a difficult estimate to make due to the fluctuation of cash balances and the interest rates.

County Tire Contribution: Contribution received from Yavapai County for use of land south of the transfer station for the Yavapai County Tire Yard. Up to five passenger tires per year can be dumped by City of Prescott residents at no charge. There is a charge for additional or heavier tires.

Charge Account Permits: The City of Prescott handles approximately 350 charge accounts for users of the transfer station. Each account is charged a \$12 annual fee plus \$12 for every plate received by each user.



Transfer Station/Regional Landfill

Division Mission: To provide a well maintained facility and equipment in order to provide waste disposal services promptly, efficiently and safely to our citizens as well as to enhance the professionalism of the City of Prescott.

Goal: To operate and maintain the Transfer Station at its current level of service, specifically while the expansion is being constructed.

Strategy: Use existing Transfer Station to handle the approximate 244 tons per day without interruption.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of tons per day/year	213/66,566	231/72,000	244/76,000

Goal: To provide a convenient permanent household hazardous waste (HHW) product disposal site at the Transfer Station for area residents to reduce pollution of area landfills, streams and waterways.

Strategy: Pursue ADEQ funding for certified storage units at the existing Transfer Station as part of the transfer station expansion project.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Purchase certified storage units	N/A	N/A	Yes
Train operators to process HHW	N/A	N/A	Yes
Contract with vendors for HHW disposal	N/A	N/A	Yes

Prior Year Results and Outcomes:

Approximate number of customer visits in FY05 was 66,000; projected by the end of FY06 to be 83,000.

Tonnage increased from almost 67,000 in FY05 to a projected number of 72,000 in FY06.

Transfer Station Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 310,470	\$ 385,472	\$ 409,352
Supplies	54,803	65,358	75,400
Other Services & Charges	2,930,149	3,082,116	3,513,051
Debt Service	-	-	48,670
Capital Outlay/Projects	84,222	100,000	850,000
Total	\$ 3,379,644	\$ 3,632,946	\$ 4,896,473
Capital Outlay/Projects			
Transfer Station Master Plan			\$ 750,000
Hazardous Waste Disposal Event			100,000
Total Capital Outlay/Projects			\$ 850,000

**Transfer Station
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	6.20	6.40	6.40
Assistant to the City Mgr*	0.00	0.30	0.30
Management Analyst**	0.00	0.10	0.10
Solid Waste Supt***	0.35	0.50	0.50
Solid Waste Supv***	0.35	0.50	0.50
Shift Leader***	0.00	0.50	0.50
Senior Equipment Operator	3.00	3.00	3.00
Equipment Operator	1.00	0.00	0.00
Accounting Technician***	0.00	0.50	0.50
Accounting Clerk	1.00	1.00	1.00
Secretary	0.50	0.00	0.00

*Assistant to the City Manager is also charged 70% to City Manager

**Management Analyst is also charged 50% Alt Water, 30% City Manager, and 10% Engineering.

***Remainder of Superintendent, Solid Waste Supervisor, Shift Leader and Accounting Technician are charged to the Transfer Station

Significant Expenditures Changes: Personnel costs increased in this division in part due to the annual salary adjustment and increased retirement costs.

Supplies increased as a result of rising fuel costs for vehicles. The amount of the change in this line item accounts for the 15.4% increase in this section for FY07 over FY06 estimated endings.

The 14.0% increase in Other Services and Charges can be linked to the increase in tipping fees anticipated in FY07. This figure is justified by increasing the tonnage accepted at the transfer station by 20 tons per day which is equivalent to two garbage trucks.

Information regarding the capital projects for this area can be located in the Capital Improvement Plan section of this budget book.

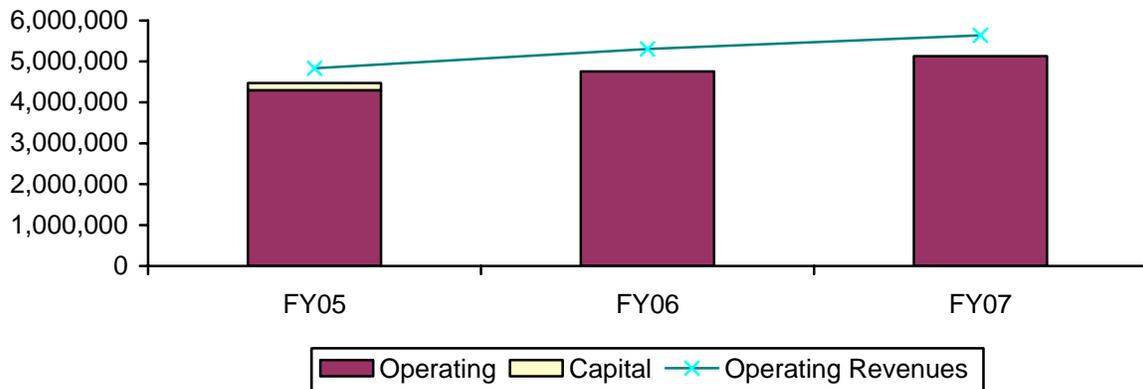
AIRPORT FUND

The Airport fund accounts for the financial activities at Ernest A Love Field, Prescott's municipal airport. In addition to the sale of 100 octane gas and jet fuel, the terminal houses a waiting area, a restaurant, rent-a-car agencies and Great Lakes airlines.

T-hangar and tie down rentals are available to accommodate approximately 260 planes based at Love Field. Other facilities at the airport include charter flight schools, aircraft maintenance operations, and a U.S. Forest Service firefighting operations base.

Embry-Riddle Aeronautical University, the world's only accredited 100% aviation-oriented university, has established flight operations at Love Field.

Airport Fund - Revenues vs Expenditures



The total Airport budget, including grant and airport operations capital projects, is \$2,849,865. Revenues are estimated to be sufficient to cover operational expenditures.

Airport Fund Historical Activity

	FY05 Actual	FY06 Estimate	FY07 Budget
Beginning Cash, 7/1	\$ 21,224	\$ 125,304	\$ 216,858
Revenues	\$ 2,910,816	\$ 3,548,955	\$ 3,042,870
Expenditures	\$ (2,806,736)	\$ (3,457,401)	\$ (2,849,865)
Ending Cash, 6/30	\$ 125,304	\$ 216,858	\$ 409,863

Airport Fund Revenues

Revenue Source	FY05 Actual	FY06 Rev. Est.	FY07 Budget
100 Octane Gas	\$ 1,683,344	\$ 2,107,520	\$ 2,191,820
Jet Fuel	1,216,883	1,176,472	1,235,295
Less: Cost of fuel sales	(2,114,535)	(2,523,251)	(2,620,526)
Oil Sales	13,429	18,000	8,000
Tie Down Fees	37,619	41,500	43,000
Hangar Rentals	561,475	576,828	598,171
Rentals/Concessions	322,551	349,309	476,528
Landing Fees	8,810	10,000	10,370
Interest Earnings	1,790	4,000	4,000
Miscellaneous	6,480	3,997	4,211
Total Operating Revenues	\$ 1,737,846	\$ 1,764,375	\$ 1,950,869
Add: Other Sources			
FAA & ADOT Grants	822,593	1,649,292	1,001,979
Transfer In/Grants Received	350,377	135,288	75,822
Total Other Sources	\$ 1,172,970	\$ 1,784,580	\$ 1,077,801
Total Combined Sources	\$ 2,910,816	\$ 3,548,955	\$ 3,028,670

Explanation of Revenue Sources:

100 Octane and Jet Fuel Sales: Total net fuel revenues are expected to yield \$806,589. Jet Fuel sales can be very cyclical due to the major customer being the U.S. Forest Service and Forest Service sales depend upon the number of forest fires during the summer season. Thus, beginning in FY00 the City decided to reduce revenue projections to exclude summer fuel sales to the Forest Service, which may result in understated revenue projections while still providing a more reliable revenue source to base operating expenditures.

Oil Sales: Projected revenues for oil sales are \$8,000. This amount is less than the estimated ending for FY06 and the actual for FY05. It is the City's policy to be conservative on these revenue projections due to the cyclical nature of the airport business.

Tie Downs: Tie downs are projected to yield \$43,000 during FY07. There are tie downs available for rent.

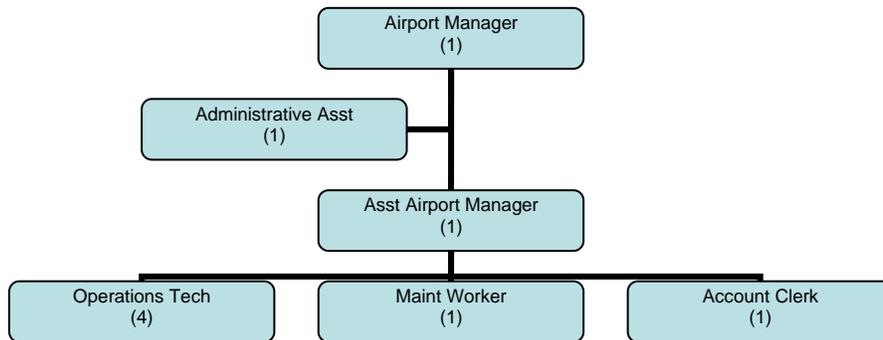
Hangar Rentals, Shades and Storage Unit Fees: Based upon fair market appraisals for vacant property as well as facilities at the airport, rates were adjusted for hangars, shades and storage units during FY97. Additionally, the rates were changed to be exclusive of tax rather than inclusive of tax.

Airport Rentals/Concessions: This revenue source is anticipated to produce \$476,528. The majority of the leases for the property under this category are tied to an annual adjustment based on the consumer price index.

Landing Fees: Landing fees in the amount of \$5 per landing are assessed to all airlines and cargo carriers. Monies received from this fee are used to help fund maintenance and repairs of the runways.

Interest Earnings: This is monies earned on the available cash in the Airport fund. It is a difficult estimate to make due to the fluctuation of cash balances and the interest rates.

Miscellaneous: Miscellaneous revenues consist of airport access fees and other revenue items that do not occur on a regular basis.



Airport Operations and Capital

Division Mission: Prescott Municipal Airport, as a public facility, will meet the region's air transportation needs for corporate travel, scheduled airline service, governmental, military and general aviation. The airport will also provide citizens interested in aviation an opportunity for education, recreation and personal enrichment.

Goal: Improve and diversify the airport generated revenues by leasing airport property for aeronautical purposes at market rates.

Strategy: Complete the airport master plan study in conjunction with a rental rate evaluation. This will identify locations for lease activity and rental rates

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Acres of ground leases	N/A	8	10

Goal: Extend the main runway to accommodate future regional jet service.

Strategy: Complete the environmental study and seek support from the region for extending the runway and convince FAA to fund the design of the project.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of letter of support	N/A	3	5
FAA Approval	N/A	N/A	Yes

Goal: Provide the level of services necessary to attract, promote and retain corporate and business aviation use of the airport.

Strategy: Continue to increase the level of training provided to staff to increase performance levels including customer service.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Gallons of jet fuel sales	451,267	465,000	500,000
Number of failed inspections	0	0	0

Goal: Continue to train staff to meet the requirements of Federal Aviation Regulation Part 139, the Airport Certification Manual and airport operations and aviation security training programs. Compliance with the requirements of FAR Part 139 (airport certification) and Transportation Security Administration Part 1542 (airport security) is mandatory.

Strategy: Update, and develop, as needed, the required airport training programs. Increase staff training budget to provide adequate resources to conduct the training programs or send staff to training programs that are outside the scope or capability of the airport to conduct in-house.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of training hours	200	300	300

Inspection discrepancy	0	0	0
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Goal: Continue to maintain the airport in a safe and efficient operating environment; increase maintenance of airport facilities to improve visual aesthetics of the airport; continue to improve maintenance response to customer's maintenance requests.

Strategy: Purchase the necessary tools and equipment to provide the maintenance staff with the means to perform their jobs efficiently; provide maintenance-related training and/or send staff to maintenance training courses.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of work orders	312	300	325
Number of FAA Annual Airport Certification Inspection Discrepancies	0	0	0

Goal: Develop a marketing program designed to market the airport, its facilities and services, and the land available for commercial development adjacent or near the airport to meet the council goal of development of the airport as an economic engine.

Strategy: Market the airport to prospective corporate customers in conjunction with the Economic Development Department of the City; focus on aviation development along Melville Road.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Jet fuel gallons sold	451,267	465,000	500,000
New leases	1	2	2

Prior Year Results and Outcomes:

The Airport Department completed several construction projects that have enhanced the safety of our airport facilities. A new runway and taxiway electrical control system was installed replacing the manual controls with a computer control system. The incandescent lighting on our main taxiway was replaced with new LED light fixtures which include new runway elevated guard lights.

The Prescott Air Fair air show was held in October. This annual event featured several aerobatic performances as well as static displays of unique aircraft and military jets. An estimated 15,000 persons attended the one day event.

The airport cooperated with the Prescott Chamber of Commerce to perform an Airport Economic Impact Study. The results of the study show a \$68.7 Million direct and indirect economic impact to the region from airport related activity.

**Airport
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 599,521	\$ 579,796	\$ 643,721
Supplies	62,770	53,850	60,450
Other Services & Charges	421,159	506,652	523,370
Capital Outlay/Projects	17,792	-	12,000
Grant Projects	1,172,972	1,784,581	1,077,802
Debt Service	<u>532,522</u>	<u>532,522</u>	<u>532,522</u>
Total	\$ 2,806,736	\$ 3,457,401	\$ 2,849,865
Capital Outlay/Projects			
Sump Pump for Storage Tank			<u>12,000</u>
Total Capital Outlay/Projects			12,000
Grant Projects			
Pavement Preservation			\$ 349,800
Airport Master Plan			235,000
Airport Terminal Design			175,000
Airport Beacon State Grant			165,000
Pavement Seal Coat			131,175
Envir, Taxi, Lights and Security			<u>21,827</u>
Total Grant Projects			\$ 1,077,802

**Airport
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	12.80	11.10	11.60
Airport Manager	1.00	1.00	1.00
Asst Airport Manager	1.00	1.00	1.00
Airport Operations Tech	4.00	4.00	4.00
Airport Oper Tech (temp)	2.80	1.90	2.60
Maintenance Specialist	1.00	0.20	0.00
Administrative Assistant	0.00	1.00	1.00
Admin. Secretary	1.00	0.00	0.00
Accounting Clerk	1.00	1.00	1.00
Maintenance Worker	1.00	1.00	1.00

Significant Expenditure Changes: Personnel services experienced the same citywide increase as all other departments due to the annual salary adjustment and rising costs associated with Arizona State Retirement. There is also an increased amount budgeted in FY07 for temporary salaries. These temporary workers provide coverage for the delivery and sales of aviation fuel, staffing the general aviation terminal on weekends, dispatching fuel truck and accounting for the daily sales. Finally, the maintenance specialist position that was budgeted 20% in this department during FY06 has been completely moved to the Facilities Maintenance fund in FY07.

The 12.2% increase in the FY07 Supply budget over FY06 estimated endings is the result of several factors. Expenditures for uniforms, agricultural supplies, gas and oil, and street maintenance materials are anticipated in FY07 that were budgeted, but not expended, in FY06.

Please refer to the foregoing summary box for a complete listing of capital outlay/projects and grant projects. More information can be located in the Capital Improvement Plan section of the budget book.

GOLF COURSE FUND

The purpose of the Golf Course Fund is to account for the financial activities of Antelope North and South Golf Courses. It is the mission of the Golf Course to provide a positive golf experience and an enjoyable atmosphere for our customers while assuring revenues are more than sufficient to cover operating expenses, capital investments and debt payments.

Antelope Hills North Golf Course is a championship 18-hole course located on Highway 89 at the intersection of Highway 89 and Willow Creek Road. The PGA-sanctioned course, which surrounds the City of Prescott's municipal airport, is open to the public year-round. Antelope Hills South Golf Course was completed during FY92. This 18 hole, par 72 course was opened for play July 1, 1992. The scenic landscaped course has views of Mingus Mountain, Granite Dells, Granite Mountain and a 100 mile view of the San Francisco Peaks, the highest point in Arizona. The South course is state of the art and includes a computerized irrigation system, multi-tees, bent grass greens and three lakes.

Seventy-seven homes sites were developed surrounding the course and all sites have been sold.

The clubhouse on Perkins Drive was built in 1993 and contains a restaurant, bar and full-line golf shop. The restaurant, Manzanita Grill, is currently operated by the city and is open daily to serve the public. Golfers are able to start on either course from the clubhouse.

Wastewater effluent from the City's wastewater treatment plant is used to irrigate the golf course turf on both courses. A well organized golf maintenance and development program is carried out including daily upkeep of golf course greens, fairways, tees and rough.

Many changes have been made over the last several years in the golf course operations. The objective to achieve financial self-sufficiency is being met. Other objectives include no further borrowing by the Golf Course Fund from the General Fund or other city funds (except for incidental cash flow purposes). In FY98, the Golf Course completed payment to the General Fund of the approximately \$2 million previously borrowed. Golf Course objectives are being accomplished by using conservative estimates of increases in play while still insuring Prescott and Yavapai County residents receive preferred golf rates.

In September 1997, Council approved a change to the rate structure which established the same rates for City and County residents while keeping a differential for outside Yavapai County residents.

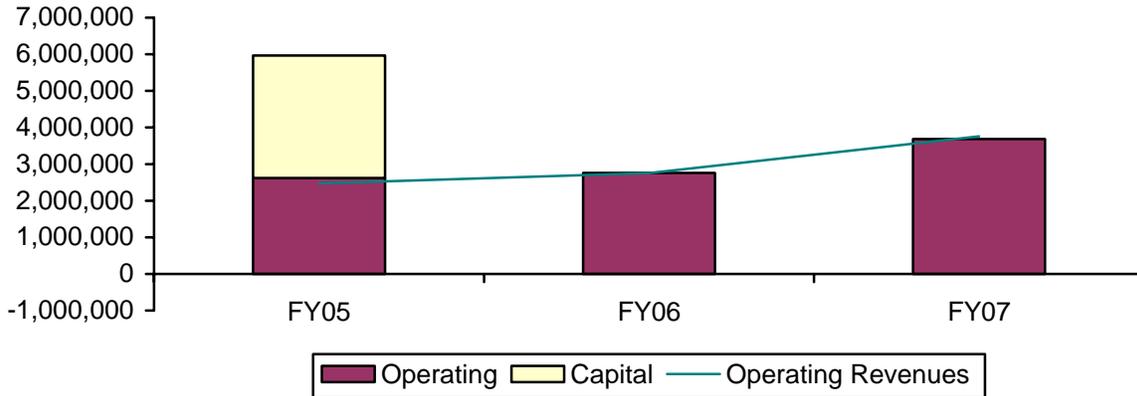
The overall cash strategy of the golf course fund is to pay its operations, capital needs and debt obligations in the following order:

First, payment of the operations of the golf course;

Second, payment of bonded debt principal and interest; and

Third, use of revenues exceeding expenses for capital improvement to the course.

Golf Course Fund - Revenues vs Expenditures



Golf Course revenues and expenditure activity for the past two years and current year is as follows:

Golf Course Fund Historical Activity			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ (259,750)	\$ (455,302)	\$ (455,061)
Revenues	\$ 5,771,579	\$ 2,756,398	\$ 3,756,148
Expenditures	\$ (5,967,131)	\$ (2,756,157)	\$ (3,685,404)
Ending Cash, 6/30	\$ (455,302)	\$ (455,061)	\$ (384,317)

Adopted Council financial policies require that any time an enterprise fund is in a deficit position, interest will be charged to that fund. Accordingly, interest will be charged to the Golf Course Fund as long as it is not operating in a full self-sufficient manner. Golf Course revenues are extremely reliant on weather.

At the end of each fiscal year, large debt service payments are made for the construction of the second course and the recently installed replacement irrigation system on the North course. The payments result in a negative cash balance for approximately two to three months into the next fiscal year at which time the golf course operates in a positive cash balance position until the following June.

Golf Course Fund Revenues			
Revenue Source	FY05 Actual	FY06 Rev. Est.	FY07 Budget
Greens Fees	\$ 1,192,734	\$ 1,553,415	\$ 1,697,712
Rentals	601,007	706,284	775,317
Pro Shop Sales	393,171	441,832	477,850
Concession/Restaurant	52,839	44,880	805,269
Sale of Assets	211,389	-	-
Lease/Purchase Proceeds	3,298,377	-	-
Miscellaneous	21,569	8,476	-
Interest Earned	493	1,511	-
Total Revenues	\$ 5,771,579	\$ 2,756,398	\$ 3,756,148

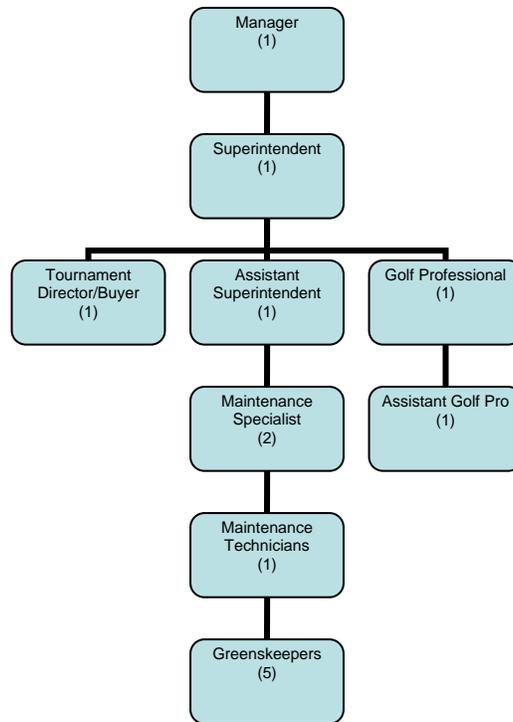
Explanation of Golf Course Fund Revenue Sources:

Greens Fees: The Golf Course manager is projecting an increase in greens fees of 9.3% over the FY06 revised estimates. This projected increase is based on an anticipated increase in rounds played.

Rentals: Cart rental fees are also expected to increase during FY07 because of an anticipated increase in rounds played.

Pro Shop Sales: FY2007 merchandise sales are expected to increase 8.1% over FY2006 due to an anticipated larger volume of rounds played at the golf course.

Concession/Restaurant: This revenue source exhibits a significant increase in FY07 over FY06 estimated endings as a result of the city taking over operations of the restaurant at the golf course. In FY05 and most of FY06, as per the concessionaire contract, operators of the Sand Trap Restaurant compensated the city with a portion of revenues received while running the city-owned restaurant at the golf course. During FY07, the golf course fund will be receiving all revenues for the operation of the golf course as well as expenditures.



**Consolidated Departmental Expenditure
and Staffing Level Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 852,734	\$ 963,009	\$ 1,381,542
Supplies	327,707	334,165	616,307
Other Services & Charges	591,406	593,297	782,103
Debt Service	3,348,820	868,104	905,452
Capital Outlay/Projects	846,464	(2,418)	-
Total	\$ 5,967,131	\$ 2,756,157	\$ 3,685,404
Authorized Staffing Level	28.60	28.60	42.60
Maintenance	21.00	20.00	20.00
Pro Shop	7.60	7.00	7.00
Golf Carts	0.00	1.60	1.60
Manzanita Grill	0.00	0.00	14.00

Note: The staff of the Maintenance Division consists of 13 regular full time employees. The remainder are seasonal and are the equivalent of 7 full time employees.

The Pro Shop has 4 regular full time employees with a seasonal staff of 3 full time equivalent employees.

The Golf Cart Division employes a temporary staff equivalent to 1.6 full time time employees.

There are 14 full time equivalent employees at the Manzanita Grill.

Golf Course Maintenance

Division Mission: To provide the best possible golf course conditions depending on the season through efficient and flexible planning while operating within the limits of our budget.

Goal: Provide golf car paths from tee to green on all 36 holes			
Strategy: Prioritize locations to maximize impact on customer satisfaction and to minimize turf damage due to compaction caused by golf car traffic.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of holes with paths constructed while staying within budget	12	4	7
Percentage of holes completed	30%	10%	20%

Goal: Provide improved drainage			
Strategy: Relieve 25% of standing water using sub surface and surface drains under normal irrigation conditions.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Percentage of standing water relieved	10%	20%	30%

Prior Year Results and Outcomes:

New driving range facility opened

Rate increase approved and in effect August 26, 2005

League play expanded on Tuesday and Thursday evenings

Junior Golf expanded to include play on the course—over 100 juniors participated

**Golf Course Maintenance
Expenditure Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Personnel	\$ 523,836	\$ 600,394	\$ 695,379
Supplies	98,902	125,309	142,095
Other Services & Charges	441,153	430,577	487,899
Debt Service	2,977,712	749,232	742,698
Capital Outlay/Projects	337,367	(4,997)	-
Total	\$ 4,378,970	\$ 1,900,515	\$ 2,068,071

**Golf Course Maintenance
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	21.00	20.00	20.00
Greens Superintendent	1.00	1.00	1.00
Asst Greens Superintendent	1.00	1.00	1.00
Golf Course Maint Tech	1.00	1.00	1.00
Greenskeeper	9.00	8.00	8.00
Maintenance Specialist	2.00	2.00	2.00
Seasonal Maint. Employees	7.00	7.00	7.00

Significant Expenditures Changes: Personnel costs increased in this division due to the annual salary adjustment and increased retirement contributions. Another reason for the larger budget is with the seasonal salaries. Not all monies were spent in this line item during FY06 so the FY07 number is somewhat skewed.

The Supplies section is 13.4% higher than the previous year as a result of expenditures for agricultural supplies, earth products and small tools and equipment that were not made during FY06. It is anticipated that purchases in these areas will be made during FY07.

The changes in Other Services and Charges can be tied to vehicle replacement charges and the effluent charge by the Wastewater fund. As mentioned previously, the vehicle replacement funding was increased from 50% in FY06 to 75% in FY07. This change had a big effect on this division. The effluent charge is to compensate the Wastewater fund for effluent used by the Golf Course for watering the two golf courses. This charge to the Golf Course is adjusted annually to become more compatible with charges to private consumers purchasing the City's effluent product.

Pro Shop

Division Mission: To provide excellent customer service in all areas expected of a first class public golf facility, which will allow our fees to be perceived as a value while covering necessary cash outflows.

Goal: To increase merchandise sales.

Strategy: Better train the pro shop staff to improve customer service and accumulate information regarding customer needs. Credit won in outside tournaments can be redeemed for merchandise only.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Merchandise sales	3.19/round	3.20/round	3.50/round

Prior Year Results and Outcomes

New POS system installed and operating in April

Demo Day in May --- 6 vendors generated over \$6,000 in sales

John Bishop hired as Head Golf Professional in May

Pro Shop

Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 315,649	\$ 329,586	\$ 362,039
Supplies	202,711	172,353	166,300
Other Services and Charges	109,735	128,881	137,609
Capital Outlay/Projects	5,076	3,728	-
Total	\$ 633,171	\$ 634,548	\$ 665,948

Pro Shop

Staffing Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	7.60	7.00	7.00
General Manager	1.00	1.00	1.00
Golf Professional	1.00	1.00	1.00
Tournament Dir/Buyer	1.00	1.00	1.00
Assistant Pro	0.00	1.00	1.00
Seasonal Pro Shop Emp	4.60	3.00	3.00

Significant Expenditure Changes: This division reflects the annual salary adjustment and increased retirement costs with the increase in the Personnel budget.

The 6.7% change in Other Services and Charges is a result of the methodology now used for cost recovery for the Legal Department. The charge is based on the percentage of the particular fund's budget compared to the overall budget of the city.

Manzanita Grill

Division Mission: To provide value oriented food and beverage service to Antelope Hills golfers and tournaments. To provide course concessions in a professional and timely manner, and protect the course as a valued asset of the city.

Manzanita Grill Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ -	\$ -	\$ 294,372
Supplies	8	3	268,212
Other Services & Charges	34,155	26,765	147,747
Debt Service	8,156	8,156	52,038
Total	\$ 42,319	\$ 34,924	\$ 762,369

Manzanita Grill Staffing Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.00	0.00	14.00
Temp Employees	0.00	0.00	14.00

Significant Expenditure Changes: This budget was previously used to track utility costs and concession related costs at the restaurant at the Golf Course when it was operated by the contracted concessionaire. The city assumed control of the restaurant at the end of FY06 and the FY07 budget reflects the operating costs for running this restaurant.

Golf Carts

Division Mission: To provide a sufficient number of clean, mechanically sound, and attractive golf cars, which will entice more usage and are perceived by the customer to be a value.

Golf Carts Expenditure Summary

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ 13,249	\$ 33,029	\$ 29,752
Supplies	26,086	36,500	39,700
Other Services & Charges	6,363	7,074	8,848
Debt Service	362,952	110,716	110,716
Capital Outlay/Projects	504,021	(1,149)	-
Total	\$ 912,671	\$ 186,170	\$ 189,016

**Golf Carts
Staffing Summary**

	FY05	FY06	FY07
	Actual	Estimate	Budget
Authorized Staffing Level	0.00	1.60	1.60
Temp Golf Cart Attendant	0.00	1.60	1.60

Significant Expenditure Changes: There are no significant expenditure changes in this division.

PARKING GARAGE FUND

The City of Prescott opened the Garage on Granite, a five-story, downtown parking garage in June 2005. The garage is conveniently located on South Granite Street, just a block from the Courthouse Plaza and Sharlot Hall Museum. Along with ample parking, garage users will find a glass elevator to transport them from floor to floor as well as a paved pedestrian access to downtown restaurants, shops, art galleries and lodging.

Parking in the garage is free for everyone on all but certain holidays and special event periods throughout the year.

Parking Garage revenue and expenditure activity for the past two years and current year is as follows:

Parking Garage Fund Historical Activity			
	FY05	FY06	FY07
	Actual	Estimate	Budget
Beginning Cash, 7/1	\$ -	\$ -	\$ -
Revenues	\$ -	\$ 126,450	\$ 90,064
Expenditures	\$ -	\$ (126,450)	\$ (89,541)
Ending Cash, 6/30	\$ -	\$ -	\$ 523

The following table shows the projected revenues for FY07.

Parking Garage Fund Revenues			
Revenue Source	FY05	FY06	FY07
	Actual	Rev. Est.	Budget
Parking Revenue	\$ -	\$ 20,000	\$ 20,419
Lease/Rental Revenue	-	42,000	40,200
Miscellaneous	-	3,454	29,445
Transfer In from General Fund	-	60,996	-
Total Revenues	\$ -	\$ 126,450	\$ 90,064

Explanation of Parking Garage Fund Revenue Sources:

Parking Revenue: The parking garage is free for everyone except for certain events such as Fall Fest in the Park, Oktoberfest, Holiday Light Parade, Christmas Parade, Courthouse Lighting and the Acker Music Festival. For these events a nominal fee is charged for parking in the Garage on Granite.

Miscellaneous: Miscellaneous revenues consist of advertising signage fees and miscellaneous parking lot fees such as the Farmer’s Market.

Parking Garage Operations

Division Mission: To provide downtown visitors, tourists, and workers ample convenient and safe off-street parking.

Goal: To efficiently and effectively operate the Parking Garage while remaining within legal budget limits and maintaining a positive cash flow.

Strategy: Increase the number of parking spaces leased by 5% during the fiscal year.

Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of leased parking spaces	N/A	90	95
Percentage increase in leased parking spaces	N/A	N/A	5%
Parking space lease revenue	N/A	\$38,000	\$40,200
Strategy: Increase the number of sign licenses assigned by 300% during the fiscal year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of sign licenses	N/A	3	12
Percentage increase in sign licenses	N/A	N/A	300%
Sign license revenue	N/A	\$4,000	\$29,400
Strategy: Increase the parking revenue by 36% during the fiscal year.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Number of paid fee parking	N/A	4,286	5,834
Percentage increase in number of paid fee parking	N/A	N/A	36.1%
Paid fee parking revenue	N/A	\$15,000	\$20,419
Strategy: Decrease expenditures by at least 25% during FY07.			
Performance Measures:	FY05 Actual	FY06 Estimate	FY07 Forecast
Operating and maintenance expenditures	N/A	\$126,450	\$89,541
Percentage decrease in operating and maintenance expenditures	N/A	N/A	29%

**Parking Garage
Expenditure Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Personnel	\$ -	\$ 28,393	\$ 22,304
Supplies	-	7,857	5,575
Other Services & Charges	-	89,836	61,662
Debt Service	-	364	-
Total	\$ -	\$ 126,450	\$ 89,541

**Parking Garage
Staffing Summary**

	FY05 Actual	FY06 Estimate	FY07 Budget
Authorized Staffing Level	0.00	1.10	0.10
Admin Services Director	0.00	0.10	0.10
Lead Parking Ambassador	0.00	1.00	0.00

Administrative Services Director also charged .40 to Facilities Maintenance, .25 to Central Garage, .10 to Public Communications, .10 to Purchasing, .025 to Special Events and .025 to Elks Opera House.

Significant Expenditures Changes: There are decreases across every category in this department due to FY06 being the first year that the Parking Garage was in existence for a full fiscal year and the budget was based on many uncertainties. The FY07 budget should be more appropriate for the needs of operating the parking garage.

CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN

The five-year capital improvement plan identifies projects to be completed throughout the next five years. The plan outlines project costs, funding sources, and future operating costs associated with each capital improvement. Because these projects typically span more than one fiscal year, the plan is updated annually to track existing projects and to identify new projects.

The five-year capital improvement plan is an important component of the City's budgeting process. It helps focus the budget process on a longer-term than just the next fiscal year. Here are some of the benefits from this longer-term approach:

- Facilitates long-range financial planning, allowing us to look at not only what the community wants, but also what they can afford.
- Enhances coordination of capital improvements among City departments and other governmental agencies.
- Clearly identifies the Council's goals and their capital priorities to achieve those goals.

Long-range planning requires estimating and projecting of revenues as well as expenditures. Therefore, this is a dynamic process and will be reviewed and changed every year as the first step in the budgeting process. Organizational changes, funding uncertainties, unforeseen emergencies, project delays, or plans by other governmental units can throw off even the most carefully orchestrated capital plan.

To provide a complete capital picture, the City's plan includes all capital requests over \$5,000, including replacements. Management established the funding levels through review of available resources after projecting operational costs. Revenues and operating expenditures were projected using historic trends and anticipated changes.

In developing this financial plan, current Council policies were used. The annual review and update of a long-term plan is an excellent opportunity to reexamine Council goals and policies.

The following list describes the capital projects and capital outlay that were approved in the FY2007 Annual Budget.

Arsenic Treatment Plant	
Description: Per the Environmental Protection Agency's (EPA's) Arsenic Rule (66 Federal Register 6976) of 10 parts per billion (ppb), effective January 23, 2006. This dictates the need for consulting, pilot testing, and installation of a treatment plant to address the new arsenic rule. Additional funding will be budgeted in FY08 should this project come to fruition.	
FY2007 Budget:	\$11,925,618
Average Yearly Operating Impact:	\$250,000

Iron Springs Road Widening	
Description: This project provides for the widening of Iron Springs Road to a five lane section with (two through lanes in each direction with a continuous left-turn lane), curb & gutter, sidewalk on both sides, width to accommodate bicyclists and significant drainage improvements. A 1,000 LF segment of Williamson Valley Road (Iron Springs Road to Sidewinder Road) is included with the project to allow full construction of the approaches to the Williamson Valley Road/iron Springs Road intersection. Budget includes funding for right-of-way purchases (\$250,000), water line improvements (\$1,500,000), wastewater line improvements (\$1,580,000), and construction costs (\$5,000,000). Additional funding will be budgeted in FY08.	
FY2007 Budget:	\$8,330,000
Average Yearly Operating Impact:	\$100,000

Big Chino Water Ranch	
Description: Design of a pipeline, reservoirs, wells and related infrastructure to deliver water from the Big Chino Ranch to the City of Prescott. Implementation of a monitoring program and preliminary easement identification.	
FY2007 Budget:	\$8,150,000
Average Yearly Operating Impact:	\$1,000,000

Copper Basin Road	
Description: \$3,500,000 is for the reconstruction of Copper Basin Road including curb and gutter, sidewalk along one side, drainage improvements and left turn lanes at three intersections. Budget also includes funding in the Water Fund (\$1,600,000) and Wastewater Fund (\$900,000) for water and wastewater line improvements. Additional funding will be requested in FY08 to complete this project.	
FY2007 Budget:	\$6,000,000
Average Yearly Operating Impact:	\$50,000

Open Space	
Description: Continue to provide funding for the acquisition of open space. The budgeted amount in FY07 includes a \$2,809,886 carryover from FY06.	
FY2007 Budget:	\$5,809,886
Average Yearly Operating Impact:	\$50,000

Central Garage Expansion	
Description: Funding for design and construction of the Central Garage. Project will provide additional service bays and equipment necessary to maintain acceptable service levels. The amount budgeted also allows for the purchase of some equipment necessary for the operations in the Central Garage.	
FY2007 Budget:	\$4,753,029
Average Yearly Operating Impact:	\$30,000

Vehicle Replacements	
Description: Provides funding for the replacement of vehicles and equipment as recommended by the Fleet Maintenance Manager.	
FY2007 Budget:	\$4,150,664
Average Yearly Operating Impact:	\$0

Williamson Valley Road	
Description: Yavapai County will be the lead in this project which will include the widening of Williamson Valley Road to a five-lane section from Sidewinder Road to Yakashba Drive then tapering to a four lane section from Yakashba Drive to the city limits. Also included in the budget figure is \$59,000 and \$49,000 for water and wastewater line improvement respectively. Additional funding will be requested in FY09 to complete this project.	
FY2007 Budget:	\$2,865,000
Average Yearly Operating Impact:	\$100,000

Economic Development and Projects	
Description: The Economic Development and Projects account provides funding for economic development incentives and reimbursements per existing agreements as well as potential opportunities that may arise.	
FY2007 Budget:	\$2,790,000
Average Yearly Operating Impact:	\$0

Pavement Preservation	
Description: This project is to preserve and improve the condition of residential and collector streets throughout the City. The primary strategy for this project will be to prepare the roadways for the placement of a rubber chip seal.	
FY2007 Budget:	\$2,435,000
Average Yearly Operating Impact:	\$0

Ruth Street & Demerse St	
Description: Reconstruction of Ruth and Demerse Streets from Whipple Street to Montebello Lane. Project will be completed in three phases. Included in the budget figure is \$898,641 for wastewater improvements and \$115,000 for water improvements.	
FY2007 Budget:	\$2,211,641
Average Yearly Operating Impact:	\$0

Radio Frequency Infrastructure (carryover)	
Description: Improvement and construction of radio tower sites. Project also includes the addition of mobile data computers and automatic vehicle locators to about 50 public safety vehicles along with the inclusion of the radio frequency interface equipment needed to interface with a computer aided dispatch system.	
FY2007 Budget:	\$2,040,000
Average Yearly Operating Impact:	\$0

Recovery Wells at Airport Recharge	
Description: Design and construction of to recovery wells at the Airport Recharge Facility.	
FY2007 Budget:	\$1,765,000
Average Yearly Operating Impact:	\$150,000

Unpaved Streets	
Description: Paving of unpaved City-maintained streets including improvements for drainage. Funding includes \$700,000 for wastewater improvements and \$500,000 for water improvements.	
FY2007 Budget:	\$1,692,000
Average Yearly Operating Impact:	\$10,000

Downer Trail	
Description: Two sections of Downer Trail are involved in this street project – a new approximately 700 foot segment north of Sierry Peaks Drive and reconstruction of Downer Trail between Oregon Avenue and Fairview Lane. Costs include \$958,000 for construction, \$350,000 wastewater improvements and \$345,000 water improvements.	
FY2007 Budget:	\$1,653,000
Average Yearly Operating Impact:	\$20,000

Gail Gardner/Fair Street Repairs	
Description: Provide for the reconstruction of Gail Gardner Way from Iron Springs Road to Fair Street with associated upgrading of major City water mains (\$460,000) and wastewater collection mains (\$460,000).	
FY2007 Budget:	\$1,615,000
Average Yearly Operating Impact:	\$0

Rosser Street Traffic Calming	
Description: Construction of traffic calming improvements on Rosser Street from Willow Creek Road to State Route 89. Also includes funding from the Wastewater Fund (\$100,000) and the Water Fund (\$387,000).	
FY2007 Budget:	\$1,512,000
Average Yearly Operating Impact:	\$10,000

Surface Water Recharge Pipeline	
Description: Design and construction to replace existing surface water recharge pipeline and related infrastructure. Additional funding will be requested in FY08 for the completion of the project.	
FY2007 Budget:	\$1,500,000
Average Yearly Operating Impact:	\$0

North Prescott Regional Force Main	
Description: Evaluate the condition, design and replace the existing North Regional Force main which is a 14" wastewater collection main that collects flow from eight different wastewater lift stations.	
FY2007 Budget:	\$1,495,000
Average Yearly Operating Impact:	\$0

Prescott Canyon Reservoir/Piping	
Description: This project is to locate, purchase land and install a new 1.25 million gallon water reservoir located west of Prescott Canyon along Highway 69. The first phase of the project would be to purchase the land necessary for the project and the second phase would be to design and install a new water reservoir. Upon the installation of the Copper Basin Road improvements and pump station upgrades, this reservoir can be installed.	
FY2007 Budget:	\$1,400,000
Average Yearly Operating Impact:	\$250,000

Alley Paving	
Description: The Alley Paving project provides funding for the paving of unpaved alleys. The FY07 budget amount of \$1,311,000 includes \$149,000 for water improvements and \$380,000 for wastewater improvements.	
FY2007 Budget:	\$1,311,000
Average Yearly Operating Impact:	\$10,000

Federal Emergency Management Grants – FY07 Tactical Rescue Grant	
Description: Homeland Security grant to provide funding for a wide range of activities aimed to increase security and prepare for emergencies. This grant will be used for tactical rescue for the Fire department.	
FY2007 Budget:	\$1,200,000
Average Yearly Operating Impact:	unknown

Adult Center Construction (carryover)	
Description: Carryover from FY06 to complete the construction of the new Adult Center.	
FY2007 Budget:	\$1,181,997
Average Yearly Operating Impact:	Operating costs for this project will be funded by Adult Center, Inc.

Library Expansion (carryover)	
Description: Carryover for the completion of the Library Expansion project. This project will add an additional 14,000 square feet to the existing buildings. It will provide more comfortable seating, more reading tables, more public workstations, a fully accessible elevator, new meeting rooms, conference room, and soundproof study room along with new public restrooms. The Youth Services will be expanded to include a children's activity room and a family restroom.	
FY2007 Budget:	\$1,017,226
Average Yearly Operating Impact:	\$70,000

Prescott North Improvement District	
Description: Conduct a feasibility analysis, develop conceptual plans, formation of the improvement district, formalize the construction plans and construct the North Prescott Wastewater Improvement District. This project is defined by the boundaries of Dunn Drive to the north, Shinnery Lane to the east, La Paloma Lane to the south and Nolte Drive to the west.	
FY2007 Budget:	\$1,000,000
Average Yearly Operating Impact:	\$100,000

Wastewater Mainline Replacement/Rehab	
Description: Replacement, rehabilitation or installation of wastewater manholes in the wastewater collection system.	
FY2007 Budget:	\$1,000,000
Average Yearly Operating Impact:	\$0

Water Meter Change Out Program	
Description: This project is to replace all meters in the City of Prescott water system with new radio read meters. These meters will send a signal that contains the meter read to a handheld or mobile data collector. There will be several phases of this project.	
FY2007 Budget:	\$1,000,000
Average Yearly Operating Impact:	\$0

Intersection Signals	
Description: Design and install complete signal systems at three intersections: 1) Gail Gardner Way & Westridge Dr.; 2) SR89 & Industrial Way; and 3) Willow Creek Rd & College Heights Dr.	
FY2007 Budget:	\$975,000
Average Yearly Operating Impact:	\$5,000

Antelope Hills Improvement District	
Description: Currently there are no city wastewater services in the Antelope Hills area. This project would be to develop conceptual plans, form the improvement district, formalize the construction plans and construct the needed wastewater infrastructure.	
FY2007 Budget:	\$870,480
Average Yearly Operating Impact:	\$15,000

16" Line – Old South Reservoir	
Description: This project is to upgrade the existing 14" water line in Aubrey Street that currently supplies water to the Pioneer Pump Station to a 16" water line that will connect the 20" water line in Aubrey Street to the 14" by the pump station. The 16" line will provide a second supply line to the pump station and would increase the supply to the Pioneer Pump Station.	
FY2007 Budget:	\$870,000
Average Yearly Operating Impact:	\$10,000

Sundog Plant Paving	
Description: Remove and replace existing asphalt at the Sundog Wastewater Treatment plant. This project would include all necessary adjustments to valves, manholes, and preparation work. It would also cover striping and the gate loop replacement. Four inches of asphalt, AB rock and add some concrete paving in areas that have heavy use.	
FY2007 Budget:	\$805,000
Average Yearly Operating Impact:	\$0

Planned Growth Strategy	
Description: Analyze all facets of development growth to project corresponding future transportation and utility needs. Funding for this project comes from 1% Streets and Open Space Fund (\$350,000), Water Fund (\$150,000), Wastewater Fund (\$150,000), and General Fund (\$150,000).	
FY2007 Budget:	\$800,000
Average Yearly Operating Impact:	\$0

Ten Acre Park Site in Prescott Lakes Subdivision	
Description: Construction of a 10 acre park site at Sarafina Drive and Samaritan Way. This park is intended to maintain and protect the existing landscape, including vegetation, wildlife and landforms. Amenities will include site parking, trail head, turf play area, sand volleyball court, basketball court, event Ramada, shade ramada, play structure, trails, security lighting, restroom, signage and miscellaneous items.	
FY2007 Budget:	\$781,000
Average Yearly Operating Impact:	\$10,000

Pavement Intersection Rebuilds	
Description: Reconstruction of a number of intersection legs which have manifested serious rutting and/or shoving failures.	
FY2007 Budget:	\$769,000
Average Yearly Operating Impact:	\$0

Transfer Station Master Plan	
Description: Construct a new, more efficient transfer station that will handle the needs of the tri-city area.	
FY2007 Budget:	\$750,000
Average Yearly Operating Impact:	\$5,000

Sludge Dryer	
Description: Funding to purchase sludge dryer equipment and design a building to house this equipment.	
FY2007 Budget:	\$750,000
Average Yearly Operating Impact:	\$55,000

Small Water Main Upgrades	
Description: This project will remove existing undersized 4" water lines with larger 6" lines to meet ADEQ regulations to provide firefighting capabilities.	
FY2007 Budget:	\$660,000
Average Yearly Operating Impact:	\$0

Storage Tank Maintenance	
Description: Renovation of water storage tanks to maintain their water containment capabilities and minimize existing structural deficiencies.	
FY2007 Budget:	\$626,112
Average Yearly Operating Impact:	\$0

SR89A/Side Road	
Description: This project provides for the design and construction of a grade-separated traffic interchange on SR89A to Side Road. It is anticipated that additional funding will be requested in FY10 for the actual construction of this intersection.	
FY2007 Budget:	\$600,000
Average Yearly Operating Impact:	\$0

Willow Creek 14" Transmission Main	
Description: This project is to relocate, replace and upgrade the existing 12' transmission main washed out during the January 2005 floods with a 14" main to meet capacity requirements.	
FY2007 Budget:	\$578,000
Average Yearly Operating Impact:	\$0

Willow/Watson Lake Development	
Description: FY2007 funding is for the completion of improvements at Willow and Watson Lakes.	
FY2007 Budget:	\$529,299
Average Yearly Operating Impact:	\$0

Greenways Multi-Use Trail System	
Description: Provides funding to continue development of the trail system and to provide enhancements to existing trails.	
FY2007 Budget:	\$508,895
Average Yearly Operating Impact:	\$0

CDBG Entitlement Unprogrammed	
Description: Grant funds to be used for Dexter Sidewalk Improvements and rehab of West Yavapai Guidance Clinic buildings.	
FY2007 Budget:	\$500,966
Average Yearly Operating Impact:	\$0

Mingus North Reservoir Renovation	
Description: Perform an engineering study to determine upgrades and refurbishments to the Mingus North Reservoir necessary to bring it up to current sanitary and safety design standards.	
FY2007 Budget:	\$500,000
Average Yearly Operating Impact:	\$2,000

Mobile Communications Center	
Description: Mobile Communications Center to be purchased and utilized by the Police and Fire Departments should the Public Safety Tax Initiative be presented to and passed by the voters.	
FY2007 Budget:	\$500,000
Average Yearly Operating Impact:	\$2,000

Airport WWTP Centrifuge and Building	
Description: This project is to complete the design, construct and startup of a sludge dewatering centrifuge and building at the Airport Wastewater Treatment Plant.	
FY2007 Budget:	\$500,000
Average Yearly Operating Impact:	\$13,000

Production/Distribution Warehouse	
Description: Construction of a 50' x 100' steel industrial building, concrete approach aprons, pipe storage area and paving for housing of the supply warehouse for water utilities.	
FY2007 Budget:	\$411,000
Average Yearly Operating Impact:	\$5,000

Fire Department Vegetation Management Crew	
Description: Provides staffing for a ten-month, 13-member community wide vegetation management plan to prevent and suppress wildfires. Also includes equipment, supplies and services.	
FY2007 Budget:	\$400,000
Average Yearly Operating Impact:	\$0

White Oak Circle Improvement District	
Description: Design and construction of wastewater improvements as part of an improvement district containing a portion of White Oak Circle and Quarry Lane. Currently there are no wastewater services to this area.	
FY2007 Budget:	\$400,000
Average Yearly Operating Impact:	\$10,000
12" Line – Granite Street	
Description: This project is to upgrade the existing 6" water line in SR89 to a 12" water line. This line would connect to the existing 12" water line in Granite Street to the new 12" water line in Copper Basin Road.	
FY2007 Budget:	\$390,000
Average Yearly Operating Impact:	\$0
Indian Hills Reservoir	
Description: Upgrade the Indian Hills Reservoirs from the existing capacity of 450,000 gallons to 2,000,000 gallons. Additional funding will be requested in subsequent years for completion of the project.	
FY2007 Budget:	\$390,000
Average Yearly Operating Impact:	\$0
Willow Creek Wastewater Rehab	
Description: This project is to reconstruct and relocate portions of the wastewater collection system located in Willow Creek that were damaged during the floods of January 2005.	
FY2007 Budget:	\$382,000
Average Yearly Operating Impact:	\$0
Property Purchase for Downtown Fire Station	
Description: Purchase of Roadhouse 69 property located in the downtown area for the future sight of the Downtown Fire Station.	
FY2007 Budget:	\$380,000
Average Yearly Operating Impact:	\$0
Downtown Fire Station	
Description: Funding for the design of the downtown fire station.	
FY2007 Budget:	\$350,000
Average Yearly Operating Impact:	\$0
Pavement Preservation - Airport	
Description: This project is for the seal coat, crack fill and pavement replacement at the terminal area, aircraft parking aprons and two taxiways.	
FY2007 Budget:	\$349,800
Average Yearly Operating Impact:	\$0
RAS/WAS Pump Station	
Description: Construct new return activated sludge (RAS)/waste activated sludge (WAS) pump station, pumps and piping; install new head works fine screen and compactor; upgrade existing unused concrete filter tank to serve as an aerobic sludge digester.	
FY2007 Budget:	\$345,000
Average Yearly Operating Impact:	\$0
ISTEA II Grant	
Description: Funding for the purchase of seven miles of abandoned Atchison, Topeka and Santa Fe Railroad right-of-way north of Prescott for conversion into a multi-use trail.	
FY2007 Budget:	\$318,392
Average Yearly Operating Impact:	\$0

Public Safety Tax Initiative Contingency	
Description: Contingency funds for Public Safety items should the tax initiative be presented to and passed by the voters.	
FY2007 Budget:	\$314,011
Average Yearly Operating Impact:	\$0

Copper Basin Reservoir	
Description: This project is to locate, purchase land, and install a new 1.0 million gallon water reservoir located near the end of Copper Basin Road.	
FY2007 Budget:	\$300,000
Average Yearly Operating Impact:	\$50,000

E Prescott Regional Force Main	
Description: The East Regional Force Main is a 10" sewer main that collects flow from six different lift stations located in Yavapai Hills subdivision and the commercial area located on Walker Road. These lift stations serve the residential areas and commercial areas and direct the flow into the 10 inch force main.	
FY2007 Budget:	\$300,000
Average Yearly Operating Impact:	\$0

Assessment and Planning Project	
Description: The project will provide inventory evaluation and assessment of water and sewer facilities in conjunction with integration of Water Model, Sewer Model and Pavement Management System data sets to prioritize and develop a Five-year Plan and Ten-year Forecast for a comprehensive Capital program to improve City street, water and sewer facilities.	
FY2007 Budget:	\$300,000
Average Yearly Operating Impact:	\$0

Robinson Drive	
Description: Reconstruction of Robinson Drive from Gurley Street to city limits.	
FY2007 Budget:	\$300,000
Average Yearly Operating Impact:	\$0

Bradshaw Drive	
Description: Reconstruct Bradshaw Drive from Goodwin St to Double D Drive and provide water and wastewater improvements. There is wastewater funds (\$30,000) included in this project. Additional funds will be requested in FY09.	
FY2007 Budget:	\$295,000
Average Yearly Operating Impact:	\$0

County Automation Project	
Description: Funding for automation needs at the Prescott Public Library.	
FY2007 Budget:	\$289,387
Average Yearly Operating Impact:	\$0

CDBG – Adult Center/Meals on Wheels	
Description: Grant to provide additional funding for the construction of the Adult Center.	
FY2007 Budget:	\$287,490
Average Yearly Operating Impact:	\$0

CDBG – Project Aware Transitional Housing	
Description: To help provide funding for site planning, design and construction of a “transitional housing” 4 unit apartment building.	
FY2007 Budget:	\$262,755
Average Yearly Operating Impact:	\$0

Mobile Data Computer/AVL	
Description: Provide funding for mobile computers to locate vehicles.	
FY2007 Budget:	\$261,090
Average Yearly Operating Impact:	\$0

Sundog Trailhead Enhancements	
Description: First of two phases to implement upgrades to the Sundog Trailhead of Prescott Peavine National Recreation Trail. This phase will include enlarging parking to better accommodate more vehicles and horse trailers, and paving the entire parking with the exception of the horse staging area.	
FY2007 Budget:	\$256,000
Average Yearly Operating Impact:	\$500

Granite Creek & Willow Creek Dam	
Description: Provide engineering and administration funds for the engineering and rehabilitation of Granite Creek and Goldwater Lake Dams.	
FY2007 Budget:	\$250,000
Average Yearly Operating Impact:	\$0

Digester Cleaning	
Description: This project will remove all solids and liquids along with cleaning and re-coating the secondary digester at the Sundog Wastewater Treatment Plant.	
FY2007 Budget:	\$250,000
Average Yearly Operating Impact:	\$0

Training Center Design	
Description: This project is for the design of a joint training center for Police and Fire. It is anticipated that the training center will include a multi-use classroom, live fire room, flashover chamber, storage building, wild land fire crew quarters, indoor shooting house/fire training prop and driving simulator.	
FY2007 Budget:	\$250,000
Average Yearly Operating Impact:	\$0

Miscellaneous Police Department Grants	
Description: Budget to enable the Police Department to take advantage of grant opportunities that may arise during the fiscal year.	
FY2007 Budget:	\$250,000
Average Yearly Operating Impact:	\$0

Airport Master Plan	
Description: Funding for the creation of a master plan involving Ernest A. Love Field.	
FY2007 Budget:	\$235,000
Average Yearly Operating Impact:	\$0

New Police Vehicles	
Description: Funds for the purchase of several new police vehicles: three new police vehicles (\$45,000 each), vehicle for new police officers (\$45,000), and vehicle for K-9 Officer (\$52,000).	
FY2007 Budget:	\$232,000
Average Yearly Operating Impact:	\$8,500

Rails to Trails Phase II	
Description: Budget is to fund physical improvements to the rail-trail system.	
FY2007 Budget:	\$209,209
Average Yearly Operating Impact:	\$0

Central Yavapai Municipal Planning Organization	
Description: Provision of fund to front payment for operational expenses by Central Yavapai Municipal Planning Organization and provision of the City of Prescott's share toward these expenses.	
FY2007 Budget:	\$205,294
Average Yearly Operating Impact:	\$0
Chemical Root Control	
Description: The purpose of the project is to apply chemical root control agent to sanitary sewers in order to kill root growth present in the main lines and to inhibit re-growth without permanently damaging the vegetation producing the roots.	
FY2007 Budget:	\$205,000
Average Yearly Operating Impact:	\$0
Telemetry/SCADA Program	
Description: Telemetry/SCADA installations/upgrades at wells, booster station and storage tank sites.	
FY2007 Budget:	\$186,000
Average Yearly Operating Impact:	\$3,000
Airport Terminal Design	
Description: Funds for the design of an airport terminal building at the Prescott Airport.	
FY2007 Budget:	\$175,000
Average Yearly Operating Impact:	\$0
Parks Master Plan	
Description: A new master plan to replace the 1987 Parks and Recreation Master Plan. This plan will help to establish the direction for Parks and Recreation.	
FY2007 Budget:	\$170,000
Average Yearly Operating Impact:	\$0
Lee Blvd Detention Basin Modification	
Description: Funds for the landscape detention basin at the southwest corner of Lee Boulevard and provide secured access control.	
FY2007 Budget:	\$166,000
Average Yearly Operating Impact:	\$0
Airport Beacon State Grant	
Description: State grant to replace airport rotating beacon. 10% City match (\$16,500)	
FY2007 Budget:	\$165,000
Average Yearly Operating Impact:	\$0
CYMPO Projects	
Description: City's proportionate share of funding towards projects initiated by Central Yavapai Municipal Planning Organization.	
FY2007 Budget:	\$160,000
Average Yearly Operating Impact:	\$0
Federal Emergency Management Grant	
Description: Homeland Security grant provides funding for a wide range of activities aimed to increase security and prepare for emergencies. Will be used for the regional communications center.	
FY2007 Budget:	\$159,969
Average Yearly Operating Impact:	\$0

Lift Station Abandonment	
Description: Funds for the abandonment of 10 to 12 lift stations that have been identified and be replaced by a gravity wastewater collection system.	
FY2007 Budget:	\$150,000
Average Yearly Operating Impact:	\$0

Fire Station Refurbishment	
Description: This project will provide funds for the refurbishment of Fire Station 71 located on White Spar Road.	
FY2007 Budget:	\$150,000
Average Yearly Operating Impact:	\$0

Economic Strengths Projects	
Description: Arizona Department of Commerce reimbursement grant that will provide funds for improvements on ERAU business park.	
FY2007 Budget:	\$150,000
Average Yearly Operating Impact:	\$0

Skate Park (Final Payment)	
Description: Funds for the final payment to Fann Contracting for the construction of the Skate Park.	
FY2007 Budget:	\$149,105
Average Yearly Operating Impact:	\$0

Document Management System	
Description: This system will be used to digitally process, store, share, and track documents throughout the City's network. It will replace and upgrade capabilities from the current Fortis Imaging System and the current Clerk's Index system used to retrieve documents and process public requests.	
FY2007 Budget:	\$145,000
Average Yearly Operating Impact:	\$14,000

Public Transit	
Description: funds will be used as pass through funds to qualified non-profit agencies to subsidize capital costs to provide public transit service such as vehicle purchases and for new sidewalk construction.	
FY2007 Budget:	\$143,750
Average Yearly Operating Impact:	\$0

Willow Creek Road/Pleasant Valley Wall Facing	
Description: Removal and replacement of stone facing on existing retaining wall on Willow Creek Road in proximity to Pleasant Valley Drive.	
FY2007 Budget:	\$136,000
Average Yearly Operating Impact:	\$0

Pavement Seal Coat	
Description: Pavement seal coat seals the previous pavement project the second phase of the paving project. This was originally slated for FY 2004 but delayed because of state funding issues- 90% State grant funded city share is \$13,117	
FY2007 Budget:	\$131,175
Average Yearly Operating Impact:	\$0

Booster Station Upgrade	
Description: New buildings or refurbishments of existing buildings/enclosures at wells and booster station sites.	
FY2007 Budget:	\$125,000
Average Yearly Operating Impact:	\$0

Integrated Human Resources/Payroll Software System (carryover)	
Description: Completion of the purchase of an integrated software system that includes Human Resources, Payroll, Time and Attendance, and Employee self-service packages. The system should help all involved work together. Operating impact is based on annual debt service for the lease/purchase proceeds necessary to purchase this product.	
FY2007 Budget:	\$124,000
Average Yearly Operating Impact:	\$0
Sidewalks-Arterial	
Description: Construction of new sidewalk along City arterials where it does not currently exist.	
FY2007 Budget:	\$121,000
Average Yearly Operating Impact:	\$0
Employee Costs for Special Events	
Description: Funding set aside in the Transient Occupancy Tax Fund for downtown special event costs. This will help alleviate the impact on the budget in the individual departments.	
FY2007 Budget:	\$115,890
Average Yearly Operating Impact:	\$0
Combination Drives for Chino Boosters	
Description: Purchase of combination drives for realizing backup pumping capabilities when power outages occur and affect the critical booster pumps at the Chino Production Facility.	
FY2007 Budget:	\$113,183
Average Yearly Operating Impact:	\$8,000
Marina – East Side – Union to Goodwin	
Description: Construct new sidewalk and driveways along the east side of Marina Street between Union Street and Goodwin Street to provide safer pedestrian use and better driveway accesses to adjoining properties.	
FY2007 Budget:	\$111,000
Average Yearly Operating Impact:	\$0
Indian Hills Reservoir	
Description: Upgrade the Indian Hills Reservoir from the existing capacity of 450,000 gallons to 2,000,000 gallons. Additional funds will be requested in subsequent years to complete the project.	
FY2007 Budget:	\$110,000
Average Yearly Operating Impact:	\$0
Portable Generator	
Description: Portable generator is for realizing backup pumping capabilities when power outages occur and affect critical well pumps within the Chino Valley Well Field.	
FY2007 Budget:	\$110,000
Average Yearly Operating Impact:	\$7,500
60,000# Portable Wheel Lift Jacks	
Description: Two sets of portable wheel truck lifting equipment and safety support stands for large truck repair operations.	
FY2007 Budget:	\$102,000
Average Yearly Operating Impact:	\$600
Rate Analysis (Wastewater)	
Description: Perform a wastewater collection rate and fee analysis.	
FY2007 Budget:	\$100,000
Average Yearly Operating Impact:	\$0

Hazardous Waste Disposal Event	
Description: Funds for a one-day on-site collection of household hazardous waste material. Costs will be shared by the Transfer Station, General, Sanitation and Wastewater Funds.	
FY2007 Budget:	\$100,000
Average Yearly Operating Impact:	\$0

Lift Station Rehab Program	
Description: Rehabilitation of wastewater collection infrastructure including 68 lift stations.	
FY2007 Budget:	\$100,000
Average Yearly Operating Impact:	\$0

Ken Lindley Tennis Courts	
Description: Replacement of the surface on the two south courts near Grace Sparkes Activity Center.	
FY2007 Budget:	\$97,000
Average Yearly Operating Impact:	\$0

South Side Traffic Circulation Analysis	
Description: Detailed traffic circulation analysis of the area south of Gurley Street between State Routes 69 and 89.	
FY2007 Budget:	\$95,000
Average Yearly Operating Impact:	\$0

WWTP SCADA System	
Description: The project is to complete the design, installation and startup of a Supervisory Control and Data Acquisition (SCADA) system at the Airport Wastewater Treatment Plant.	
FY2007 Budget:	\$95,000
Average Yearly Operating Impact:	\$0

Prescott Area Narcotics Task Force	
Description: Provides funding for a unified narcotics enforcement team in Yavapai county to investigate, apprehend and prosecute drug violators and to solve violent and gang related crimes that occur within the communities.	
FY2007 Budget:	\$92,854
Average Yearly Operating Impact:	\$0

Montana Dr ROW Enhancements	
Description: Provide landscaping improvements in drainage area between Montana Drive and Willow Creek Road.	
FY2007 Budget:	\$91,000
Average Yearly Operating Impact:	\$0

CDBG – Habitat for Humanity	
Description: This grant will help to provide funding for site preparation, utility services and building permit and impact/development fees involved for the construction of three single-family residences.	
FY2007 Budget:	\$90,100
Average Yearly Operating Impact:	\$0

Recharge Cell Rehab	
Description: This program consists of removal of weeds, trees and brush growing in the recharge cells along with grading the cell bottom level to facilitate even percolation across the cell maximizing the recharge capability. Recharge cells are located at the Airport Recharge Facility.	
FY2007 Budget:	\$90,000
Average Yearly Operating Impact:	\$0

Village Water Reservoir Abandonment	
Description: This project is to abandon and remove the Village water reservoir upon the installation of the Copper Basin Road improvements and pump station upgrades.	
FY2007 Budget:	\$90,000
Average Yearly Operating Impact:	\$0

19 Acre Park Design	
Description: Design and engineering services to develop a 19 acre park site at the corner of Rosser and Blooming Hills Drive adjacent to the new Adult Center. Funding will be requested in FY08 to construct the project.	
FY2007 Budget:	\$82,000
Average Yearly Operating Impact:	\$0

Production Well Maintenance	
Description: Maintenance/repair any of the six existing wells in Chino Valley that are the source of water supply for the City of Prescott.	
FY2007 Budget:	\$80,000
Average Yearly Operating Impact:	\$0

Administration – State Housing	
Description: Funding for the administration of the CDBG program.	
FY2007 Budget:	\$79,270
Average Yearly Operating Impact:	\$0

Gifts and Donations	
Description: Contingency funds for expenditures made as a result of a gift to the City of Prescott.	
FY2007 Budget:	\$75,000
Average Yearly Operating Impact:	\$0

55 Ft Bucket Lift Truck	
Description: Funds for the purchase of a used 55 foot bucket lift truck to be used by the Street Division.	
FY2007 Budget:	\$75,000
Average Yearly Operating Impact:	\$8,000

Wastewater Model	
Description: This project is to continue the development of a wastewater collection system computer model to analyze flows, system capacity and identify existing deficiencies along with growth related needs for development into specific projects for inclusion in the Capital Improvement Plan.	
FY2007 Budget:	\$71,000
Average Yearly Operating Impact:	\$0

College Heights	
Description: Provides funding for the water (\$40,000) and wastewater (\$30,000) for upgrades and improvements on College Heights Drive in advance of the funding of a street improvement project for the reconstruction of College Heights Drive from Willow Creek Road to Harvard Drive. This street project is anticipated to commence in FY09.	
FY2007 Budget:	\$70,000
Average Yearly Operating Impact:	\$0

Chino Chlorine Storage Building	
Description: Funds for the construction of a two compartment block building for the storage of chlorine tablet containers.	
FY2007 Budget:	\$65,000
Average Yearly Operating Impact:	\$100

Power Screen	
Description: Funds for a mobile aggregate screening plant.	
FY2007 Budget:	\$65,000
Average Yearly Operating Impact:	\$4,000

VoIP Phone System	
Description: Carryover funding to complete the purchase of the new phone system for all City of Prescott office buildings.	
FY2007 Budget:	\$64,000
Average Yearly Operating Impact:	\$0

Remodel Dispatch Space (carryover)	
Description: Carryover funds for the remodel of area vacated by dispatch to expand the women's locker room into the lounge area, move the traffic division into the downsized lounge, move the lounge to the vacated communication area and expand property/evidence into the vacated traffic division office space.	
FY2007 Budget:	\$59,538
Average Yearly Operating Impact:	\$0

CDBG – Entitlement Program Administration	
Description: Grant funds for the Development of Consolidated Plan, Analysis of Impediments to Fair Housing and general administration.	
FY2007 Budget:	\$59,537
Average Yearly Operating Impact:	\$0

DUI Enforcement Tri City Grant	
Description: A grant that provides funding for officers' overtime costs and equipment associated with special DUI traffic enforcement assignments and underage youth liquor enforcement.	
FY2007 Budget:	\$58,000
Average Yearly Operating Impact:	\$0

Valve Machine	
Description: Purchase of a trailer mounted valve machine with small vacuum unit.	
FY2007 Budget:	\$54,000
Average Yearly Operating Impact:	\$2,000

Sidewalks & Pavement Repair at Library	
Description: Remove curb and parking lane paving in front of Goodwin Street entrance and replace with new concrete. Replace valley gutter where previous repairs have failed and extend new product 6" beyond valley gutter. Over-pour stairs and parking lot on east side of building. Adjust drainage, slope of ramp and entrance/exit to outdoor courtyard. Over-pour walk to rear of building.	
FY2007 Budget:	\$53,350
Average Yearly Operating Impact:	\$0

Prescott Lakes Parks System	
Description: Construct the soft trail system.	
FY2007 Budget:	\$52,500
Average Yearly Operating Impact:	\$0

NPDES Phase II Implementation/Compliance	
Description: This project deals with the funding of various tasks for the city to remain in compliance with federal regulations.	
FY2007 Budget:	\$52,000
Average Yearly Operating Impact:	\$0

Leak Detection Program	
Description: The leak detection program would be the surveying of miles of underground water facilities and pinpointing leaks that are not detectable on the surface. These leaks would in turn be repaired.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$0

Manhole Rehab Program	
Description: Replacement, rehabilitation or installation of wastewater collection manholes in the wastewater collection system.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$0

36" Distribution Water Main	
Description: Modify the existing air vent/vacuum breaker installations on the 36" water transmission main from Chino Valley to Prescott. The project would require the installation of expansion joints on piping and core drilling the concrete ARV lids to extend the ARV discharge piping above ground and vault level.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$600

Traffic Calming	
Description: Construction of traffic calming improvements on various streets throughout the City.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$0

Federal Emergency Management Grant – City Hall Security	
Description: FEMA grant fund for city hall security projects.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$0

Signal Replacement Equipment	
Description: Provides funds for the annual replacement of signal equipment as needed.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$0

Engineering and Safety Projects	
Description: Contingency funding for miscellaneous minor safety and maintenance programs.	
FY2007 Budget:	\$50,000
Average Yearly Operating Impact:	\$0

Scale Equipment Truck	
Description: Purchase of a truck and necessary equipment to enforce commercial truck weight requirements for travel on city streets. The Police Department has sent a traffic officer to the Federal Department of Transportation training on commercial truck enforcement. This type of traffic stop requires a federal certification.	
FY2007 Budget:	\$46,500
Average Yearly Operating Impact:	\$7,500

New Water Service Lines	
Description: In house installations of new service lines to existing properties where they have not been previously installed. Additionally, in areas where services need to be modified/upgraded to accommodate the housing in the 5,000 square footage and above range or in the Urban Wildland Interface Areas based upon fire protection requirements.	
FY2007 Budget:	\$45,000
Average Yearly Operating Impact:	\$0

Sandretto/Willow Creek Intersection	
Description: Increase the radius of the curb return on the NW corner of Sandretto Drive and Willow Creek Road and reposition an existing signal pole to better facilitate truck turning movements.	
FY2007 Budget:	\$45,000
Average Yearly Operating Impact:	\$0

Call Logger	
Description: Purchase new call logger for the Police Department that is compatible with the new Mitel phone system.	
FY2007 Budget:	\$40,134
Average Yearly Operating Impact:	\$1,000

Fire Hydrant Program	
Description: Program is for replacing old, non-working fire hydrants where rebuilding or repair is not feasible. Additionally, this program entails installing new fire hydrants at locations that currently do not have fire hydrants and where fire flow protection is essential.	
FY2007 Budget:	\$40,000
Average Yearly Operating Impact:	\$0

¾ Ton 2WD Pickup (2)	
Description: Two ¾ Ton 2 wheel drive pickups for the streets division.	
FY2007 Budget:	\$40,000
Average Yearly Operating Impact:	\$6,500

Performing Arts Groups	
Description: Funds for performing arts groups.	
FY2007 Budget:	\$39,800
Average Yearly Operating Impact:	\$0

PRV Upgrade	
Description: Continues the program of replacing and upgrading water pressure regulating stations throughout the City. For FY07 it will be used to change-out County yard PRVs from obsolete Balley Valves to standardized Cla-Val, install relief valves, and modify to above ground application.	
FY2007 Budget:	\$38,000
Average Yearly Operating Impact:	\$0

Turf Mower	
Description: Funds to lease or purchase a large mower with verticutter blades to ensure high quality turf at all the City's sports fields and parks.	
FY2007 Budget:	\$35,625
Average Yearly Operating Impact:	\$4,000

Replacement Air Compressors (2)	
Description: The budgeted monies will replace two air compressors for the Water Distribution Division of the Water Fund.	
FY2007 Budget:	\$34,000
Average Yearly Operating Impact:	\$1,400

Downtown Christmas Lights Contribution	
Description: Funds will be used to contribute to either the purchase of lights or to help the Prescott Downtown Partnership pay a contractor to put up lights on the Courthouse Plaza and remove and store lights at the completion of the holiday system.	
FY2007 Budget:	\$30,000
Average Yearly Operating Impact:	\$0

Traffic Signal Design - various	
Description: Engineering of new signals and other traffic related items that arise throughout the year.	
FY2007 Budget:	\$30,000
Average Yearly Operating Impact:	\$0

Federal Emergency Management Grants – FY06 Equipment Grant	
Description: Homeland Security grant provides funding for a wide range of activities aimed to increase security and prepare for emergencies. These funds will be utilized by the Fire Department for equipment purchases.	
FY2007 Budget:	\$29,750
Average Yearly Operating Impact:	\$0

Crimeview 9.X Software Upgrade	
Description: Purchase software upgrades to provide continued GIS based crime incident mapping, query and reporting. This software allows us to analyze incident data, perform crime analysis, determine response zones, and create maps, charts, and reports of crime incident data.	
FY2007 Budget:	\$29,567
Average Yearly Operating Impact:	\$0

Vacuum Unit	
Description: Funds for purchase of a trailer-mounted vacuum unit with air knife and water jet attachments.	
FY2007 Budget:	\$29,000
Average Yearly Operating Impact:	\$2,000

Pretreatment Study	
Description: This project is to continue the development of a wastewater pretreatment program to ensure compliance with EPA and ADEQ requirements. It will include an analysis of businesses and sewage discharges, along with a review and an update of the City's Pretreatment Code.	
FY2007 Budget:	\$26,000
Average Yearly Operating Impact:	\$0

Forklift (Carryover)	
Description: Carryover for the purchase of a forklift to be utilized at the Sundog Ranch Road facility yards.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$1,000

WWTP Meters	
Description: Funds for the purchase of new meters at the Airport and Sundog Wastewater Treatment Plants to accurately track treated effluent.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

Tribal Gaming Contract Grant	
Description: Grant funding from the Yavapai Prescott Indian Tribe to be used for furnishings in the expanded Library.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

Rodeo	
Description: Contribution for the operations of Prescott Frontier Days Rodeo.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

Drainage Master Plan	
Description: Carryover funding for the completion of the Phase II of the Drainage Master Plan to: 1) identify storm water drainage problems; 2) develop alternatives for correcting these problems; 3) generate a list of projects from the alternatives and estimates for each; and 4) study alternative funding sources and methods and make a recommendation for implementation.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

2030 Transportation Study	
Description: Funding for the formulation of the 2030 Transportation Plan. This plan will provide the basis for developing a regional transportation system to accommodate growth.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

¾ Ton 2WD Crew Cab Pickup	
Description: Purchase of a new vehicle for the Streets Department.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$1,000

Acker Trust – Scholarship and Bequests	
Description: Budget allowance to cover annual scholarships and bequests as directed by the Acker Trust Board.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

Feasibility Study Convention Center	
Description: Conduct a feasibility and market study to identify the best sites for a hotel/conference center. With this information the city can pursue developers with an interest in constructing and/or operating the development. It is also possible that the study will conclude the project is not feasible.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

Arizona Office of Tourism	
Description: Provides funding for tourism related projects.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$0

Vehicle for Project Manager	
Description: New vehicle for construction inspector approved in the budget process.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$1,000

Vehicle for Construction Inspector	
Description: New vehicle for construction inspector approved in the budget process.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$1,000

Heart Monitor	
Description: Funding for the purchase of one new 12 lead cardiac monitor/defibrillator/pacemaker unit with capnography.	
FY2007 Budget:	\$25,000
Average Yearly Operating Impact:	\$3,000

Vehicle for Civil Engineer	
Description: New vehicle for civil engineer approved in the FY07 budget process.	
FY2007 Budget:	\$23,000
Average Yearly Operating Impact:	\$1,000

Arizona State Parks – Historic Preservation - Conferences	
Description: Funding for annual historic preservation conferences.	
FY2007 Budget:	\$22,766
Average Yearly Operating Impact:	\$0

Adult Center Library Presence	
Description: This project would provide a small un-staffed library presence at the new Adult Center. The mini-library would include 6 networked computers and a shared printer, linked to the downtown library and the Internet via cable.	
FY2007 Budget:	\$22,700
Average Yearly Operating Impact:	\$5,100

Fire Shelters (75)	
Description: Purchase of 75 new generation fire shelter that will give improved protection from radiant, thermal and convective heat.	
FY2007 Budget:	\$22,500
Average Yearly Operating Impact:	\$0

Envir, Taxi, Lights and Security	
Description: Airport grant to provide funding for environmental, taxiways, lighting and security. Grant is funded by federal, state and local monies.	
FY2007 Budget:	\$21,827
Average Yearly Operating Impact:	\$0

Vehicle for Project Manager (Public Works)	
Description: Vehicle for new project manager approved as part of the budget process. Funding for vehicle is split between water (75%) and wastewater (25%).	
FY2007 Budget:	\$21,000
Average Yearly Operating Impact:	\$1,000

Prescott ConneXion Expansion	
Description: Funding for a potential expansion out at the Prescott ConneXion. It would provide for an 80% increase and would allow library staff to fill the need for library services in east Prescott.	
FY2007 Budget:	\$20,625
Average Yearly Operating Impact:	\$7,528

Maintenance Management System	
Description: Carryover for the purchase of the Maintenance Management System for the purpose of establishing an automated system to plan, organize, and schedule maintenance through a network accessible database; establishing a systematic approach for continuous improvement; and training and guiding staff to fully utilize the system to plan, track and improvement maintenance. (water - \$10,000 – wastewater \$10,000)	
FY2007 Budget:	\$20,000
Average Yearly Operating Impact:	\$2,000

Park Avenue (Gurley to Copper Basin)	
Description: Reconstruction and improvement of Park Avenue from Gurley Street to Copper Basin Road and provide water and wastewater upgrades and improvements. Funding is from 1% Streets and Open Space (\$10,000), Water Fund (\$5,000), and Wastewater (\$5,000).	
FY2007 Budget:	\$20,000
Average Yearly Operating Impact:	\$0

Pavement Management Program	
Description: Professional service for ongoing updating of the condition of the City's maintained street system.	
FY2007 Budget:	\$20,000
Average Yearly Operating Impact:	\$0

Judicial Collection Enhancement Fund	
Description: This grant provides funding for court collection efforts.	
FY2007 Budget:	\$20,000
Average Yearly Operating Impact:	\$0

Turf Top Dresser	
Description: Funds to lease or purchase a new tractor-pulled top dresser for the City's parks and athletic fields. The benefits to top dressing include safer playing conditions, thatch control, improved drainage, better compaction of soil, smoothing surface irregularities, and allowing grass to be cut higher to ensure health during times of stress.	
FY2007 Budget:	\$18,500
Average Yearly Operating Impact:	\$500

Vehicle for New Code Enforcement Supervisor	
Description: New vehicle for Code Enforcement Supervisor that was approved during the FY07 budget process.	
FY2007 Budget:	\$18,000
Average Yearly Operating Impact:	\$1,000

Vehicle for New Code Enforcement Officer	
Description: New vehicle for Code Enforcement Officer that was approved as part of the budget process.	
FY2007 Budget:	\$18,000
Average Yearly Operating Impact:	\$1,000

Geodesy	
Description: The Geodesy organizes and packages GIS graphics and related attributes and makes the data accessible to a broad audience. It makes it easy to create high quality printed maps and reports.	
FY2007 Budget:	\$18,000
Average Yearly Operating Impact:	\$3,000

Vehicle for Building Inspection Division	
Description: This will provide the building division with an extra vehicle. Currently they are using a pool car for this purpose.	
FY2007 Budget:	\$18,000
Average Yearly Operating Impact:	\$1,000

Vehicle for New Building Inspector	
Description: Funding for a new vehicle for the building inspector position that was approved in the FY07 budget process	
FY2007 Budget:	\$18,000
Average Yearly Operating Impact:	\$1,000

Fourth of July Fireworks	
Description: Funds for the fireworks display during the annual Fourth of July Celebration.	
FY2007 Budget:	\$17,000
Average Yearly Operating Impact:	\$0

Turf Airifier	
Description: Lease or purchase a new tractor-pulled airifier that would allow penetration of small diameter holes that are eight-plus inches deep into all City-managed turf areas. This would allow precipitation and irrigation to more efficiently penetrate into existing root systems, thereby conserving water and reducing run-off.	
FY2007 Budget:	\$16,500
Average Yearly Operating Impact:	\$500

Arizona State Parks – Historic Preservation – Elks Restoration	
Description: Provides grant funding to be used for the restoration of the second lobby of the Elks Opera House.	
FY2007 Budget:	\$16,000
Average Yearly Operating Impact:	\$0

Prescott East Trails ROW	
Description: Provides funding for land acquisition. Construction will be performed in-house and with volunteers.	
FY2007 Budget:	\$15,000
Average Yearly Operating Impact:	\$0

Bureau of Justice Assistance Equipment Grant	
Description: Provides funding for a police car, bullet proof vests, and other operational equipment.	
FY2007 Budget:	\$14,698
Average Yearly Operating Impact:	\$0

Sump Pump for Storage Tank	
Description: Purchase an industry approved sump fuel pump that will filter the waste fuel and send it back into the bulk fuel tank. The operating impact is estimated to be additional revenue at \$24,000 per year due to the ability to pump this fuel back into the tank eliminating the lost fuel.	
FY2007 Budget:	\$12,000
Average Yearly Operating Impact:	(\$24,000)

Seatbelt Enforcement Grant	
Description: Grant to provide funding to offset officers overtime costs associated with special seatbelt enforcement assignments.	
FY2007 Budget:	\$12,000
Average Yearly Operating Impact:	\$0

Playground Equipment Replacements	
Description: This budget item will provide repairs and upgrades to the City's existing playgrounds. These upgrades include surfacing and replacement of playground accessories. It will also ensure compliance with National Standards for Playground Safety, and compliance with the Americans with Disabilities Act.	
FY2007 Budget:	\$12,000
Average Yearly Operating Impact:	\$2,000

LSTA – Intro to Living Room	
Description: State Library Grants in Aid for Intro to living room.	
FY2007 Budget:	\$12,000
Average Yearly Operating Impact:	\$0

Replacement Transport Trailer	
Description: Concrete transport trailer to replace trailer #815.	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	\$0

Yavapai County Community Foundation Canine Grant	
Description: A grant to provide funding for canine equipment.	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	\$0

Low Flow Plumbing Fixtures	
Description: Replace all toilets and urinals in City Hall and the Annex buildings with low-flow toilets (which use approximately 1.6 gallons per flush) and waterless urinals (which use no water).	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	(\$1,000)

Rural Economic Development Grant	
Description: Provides funding for rural economic development projects.	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	\$0

Repair and Demolition Fund	
Description: Provides funds for emergency abatement of a public nuisance if a property owner fails to repair or demolish a safety hazard on his/her property.	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	\$0

Neighborhood Cleanup	
Description: Funding of tipping fees associated with six neighborhood cleanup projects throughout the fiscal year.	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	\$0

Street Lights	
Description: Annual project to fund the replacement of existing and install new street lights.	
FY2007 Budget:	\$10,000
Average Yearly Operating Impact:	\$500

Opticom	
Description: Purchase 20 mobile infrared transmitters for emergency vehicles. This device would be installed on each police vehicle that has the ability to respond to emergencies with emergency flashing red and blue lights and a siren. The transmitters would turn traffic lights green when these emergency vehicles approach intersections installed with compatible equipment.	
FY2007 Budget:	\$8,000
Average Yearly Operating Impact:	\$0

Dispatch Center Building Improvements (carryover)	
Description: This amount is a carryover from FY06 to complete the remodeling of property and building for the regional communications center. Funding may be used for the placement of necessary infrastructure to operate a dispatch center.	
FY2007 Budget:	\$7,000
Average Yearly Operating Impact:	\$0

CDBG – West Yavapai Guidance Clinic	
Description: This grant is to providing funding for renovations to the Hillside Center located at 642 Dameron Drive. The budgeted amount is a carryover from the previous budget year.	
FY2007 Budget:	\$6,931
Average Yearly Operating Impact:	

Grace Sparkes Activity Center Parking Lot and Road	
Description: Funding to chip seal approximately 3,000 square yards of parking lot area surrounding Grace Sparkes Activity Center.	
FY2007 Budget:	\$6,000
Average Yearly Operating Impact:	

20' Equipment Trailer	
Description: Purchase of a 20' equipment trailer for the wastewater collection division in the Wastewater Fund.	
FY2007 Budget:	\$6,000
Average Yearly Operating Impact:	\$100

Governor's Office of Highway Safety – Traffic Enforcement	
Description: Provides funding for overtime involving traffic safety and related equipment.	
FY2007 Budget:	\$5,112
Average Yearly Operating Impact:	\$0

Elks Opera House Marketing	
Description: Additional funding for the marketing of the Elks Opera House. The operating impact would be an increase to revenue by the higher exposure of events occurring at the theatre.	
FY2007 Budget:	\$5,000
Average Yearly Operating Impact:	(\$20,000)

Arizona Department of Administration – Local Network Management	
Description: Annual funding from a State of Arizona Department of Administration grant funding local area network expenses.	
FY2007 Budget:	\$4,500
Average Yearly Operating Impact:	\$0

STU/Rico Reimbursement	
Description: Provides funding to support the Prescott Area Narcotics Task Force in its operations making high risk entries by special tactical units.	
FY2007 Budget:	\$3,000
Average Yearly Operating Impact:	\$0

State Historic Office of Preservation – National Register Nomination Grant	
Description: This grant will provide funds for national register nomination expenses.	
FY2007 Budget:	\$2,978
Average Yearly Operating Impact:	\$0

APS Economic Development Grant	
Description: Provides funding for economic development projects	
FY2007 Budget:	\$2,000
Average Yearly Operating Impact:	\$0

Computers (carryover)	
Description: This is a carryover for the Central Garage from FY06 after the purchase of computers for the shop.	
FY2007 Budget:	\$1,226
Average Yearly Operating Impact:	\$0

LSTA Training Grant	
Description: The LSTA Training Grant is part of the State Library Grants in Aid. There is no match required by the city.	
FY2007 Budget:	\$1,000
Average Yearly Operating Impact:	\$0

Five-Year Capital Plan

Project	FY2008	FY2009	FY2010	FY2011	FY2012
General Fund					
19 Acre Park Design and Construction	1,550,000				
Total General Fund	1,550,000	-	-	-	-
Water Fund					
Arsenic Treatment/Mitigation	9,808,317				
Indian Hills Reservoir	1,000,000	1,000,000			
Big Chino Water Ranch	34,100,000	34,100,000			
New Copper Basin Road Reservoir	500,000	1,250,000			
Upgrade Prescott Canyon Pump Station & Water Main	2,645,000				
Surface Water Recharge Pipeline Replacement	1,000,000				
Water Meter Change-Out Program	1,500,000	1,500,000	1,500,000	1,263,010	
12" Line Pioneer Pump Station to Indian Hills Tank	750,000	350,000			
12" Line HWY 89 - Copper Basin Road to Prescott Pines Pump Station	1,275,000				
12" Line Airport Second Feed	1,150,000				
New Thumb Butte Reservoir	400,000	1,550,000			
North-South Zone 12" Pipeline		1,370,600	1,370,600	1,370,600	1,370,600
12" Line Hassayampa Village - Copper Basin to Thumb Butte		1,550,000			
12" Line Thumb Butte Rd - Idylwild to Hassayampa Village Rd		980,000			
Intermediate Storage Facility - Reservoirs		200,000	9,535,000		
Haisley New Reservoir		300,000	1,612,000		
Airport New Reservoir		400,000	3,480,800		
16" Line Willow Creek Road - North Reservoirs to Whipple			1,168,000		
18" Line Smoke Tree Lane - 30" Main to Birchwood Cove			1,387,000		
16" Line Delano Avenue - North Reservoirs to Cedarwood Tank			1,248,000		
Intermediate Storage Facility - Piping			1,343,000		
12" Line Kile St/Downer Trail			1,453,000		
New Chino Valley Pump Station			5,200,000		

Project	FY2008	FY2009	FY2010	FY2011	FY2012
New Pinnacle Circle Reservoir			750,000	2,450,000	
12" Line Miller Valley Road - Whipple St to Lincoln and Grove				1,125,000	
12" Line Sierry Peaks - Iron Springs to Forest View				1,010,000	
12" Line Yakashba Dr - Williamson Valley to Pinnacle Cr Tank				890,000	
12" Line Rill Rd - Pinnacle Road to Country Park Pump Sta.			750,000	625,000	
Upper Thumb Butte Replacement Reservoir				800,500	800,500
Copper Basin Rd	1,040,000				
Total Water Fund	55,168,317	44,550,600	30,797,400	9,534,110	2,171,100
Wastewater Fund					
Prescott North ID	5,000,000				
Airport WWTP Process Upgrades		1,500,000			
Total Wastewater Fund	5,000,000	1,500,000	-	-	-
1% Streets and Open Space Fund					
Pavement	22,810,000	22,840,000	21,199,000	12,660,000	14,560,000
Construction/Reconstruction Projects					
Iron Springs Road Widening	XXX				
Copper Basin Rd. R/W & Phase I & II	XXX	XXX			
Williamson Valley - Roadway		XXX			
Ruth St & Demerse - Phase II	XXX				
Rosser Street Reconstruction - Phase II	XXX				
Bradshaw Drive		XXX			
S. Mt Vernon Ave Gurley - Senator Hwy	XXX				
Park Ave Gurley to Copper Basin			XXX		
Beach Avenue & McCormick Street	XXX	XXX			
College Heights Drive		XXX			
SR89A- Side Road			XXX		
Robinson Drive Gurley St - City Limits	XXX				
Pavement Reconstruction Program w / Utilities	XXX	XXX	XXX	XXX	XXX
Unpaved Streets	618,000	1,934,000	2,224,500	2,558,125	2,946,367
Unpaved Alleys	400,000	400,000	400,000	400,000	400,000
Sidewalks - Extensions	172,000	100,000	100,000	100,000	100,000
Pavement Preservation - Arterial	1,066,250	1,227,750	1,409,700	1,621,200	1,865,700
Collector Local					
Planning / Design Projects	220,000	225,000	225,000	235,000	235,000
Open Space	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total 1% Streets and Open Space Fund	28,286,250	29,726,750	28,558,200	20,574,325	23,107,067

Project	FY2008	FY2009	FY2010	FY2011	FY2012
Airport Fund					
Runway and Taxiway Extension	11,015,000				
Construction of the new Air Terminal		12,050,000			
Drainage Improvements		1,220,000			
Total Airport Fund	11,015,000	13,270,000	-	-	-
TOTAL	101,019,567	89,047,350	59,355,600	30,108,435	25,278,167

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APPENDIX

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RESOLUTION NO. 3759

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ADOPTING A TENTATIVE BUDGET, ADOPTING THE ESTIMATED AMOUNTS REQUIRED TO MEET THE PUBLIC EXPENSES FOR THE CITY OF PRESCOTT FOR THE FISCAL YEAR 2006-07, AUTHORIZING AND DIRECTING PUBLICATION OF STATEMENTS AND SCHEDULES OF THE TENTATIVE BUDGET, TOGETHER WITH NOTICE OF HEARING ON SAID BUDGET AND NOTICE OF DATE OF FINAL ADOPTION OF SAID BUDGET, AND NOTICE OF DATE OF ESTABLISHMENT OF THE EXPENDITURE LIMITATION, AND NOTICE OF THE DATE FOR FIXING A TAX LEVY

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the statements and schedules attached are hereby adopted as the estimated amounts required to meet the public expenses for the City of Prescott and as the tentative budget for the fiscal year 2006-07. Copies of said statements and schedules have been distributed to the Council and are on file in the office of the City Manager. Said copies are attached hereto for the purpose of publication only, except that they are hereby ordered to be entered into the minutes of the City Council of the City of Prescott.

SECTION 2. THAT, the Clerk is hereby authorized and directed to publish in the manner prescribed by law, the attached statements and schedules as said tentative budget, together with a copy of this Resolution as notice of the meetings of the City Council, to wit:

- A. That the City Council will meet on the 27th day of June, 2006, at 3:00 P.M., in the Council Chambers of the Municipal Offices Building, 201 South Cortez Street, Prescott, Arizona, at a Regular Meeting to hold a public hearing when and where any citizen may appear and be heard or submit written comments in favor of or against any proposed use within the budget, expenditure limitation, or the tax levy; at said time and place or after said hearing for the purpose of finally adopting the budget and establishment of the expenditure limitation for the fiscal year 2006-07 for the City of Prescott. The proposed budget may be examined on weekdays at 201 South Cortez Street, Prescott, Arizona, between 8:00 A.M. and 5:00 P.M. or on the Internet at www.cityofprescott.net.
- B. That the City Council will further meet at a Regular Meeting on the 11th day of July, 2006, at 3:00 P.M. in the Council Chambers of the Municipal Building, 201 South Cortez Street, Prescott, Arizona, for the purpose of adopting the property tax levy for fiscal year 2006-07 for the City of Prescott.

SECTION 3. THAT, upon the recommendation by the City Manager and with the approval of the Council, expenditures may be made from the appropriation for contingencies. The transfers of any sums within or without any specific appropriations shall conform to Article VI, Section 11, Prescott City Charter.

SECTION 4. THAT, money from any fund may be used for any of these appropriations except money specifically restricted by State Law, City Charter, codes, ordinance, or resolution.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 13th day of June, 2006.

/s/ ROWLE SIMMONS, Mayor

ATTEST:
APPROVED AS TO FORM:

/s/ ELIZABETH A BURKE, City Clerk
/s/ GARY D KIDD, City Attorney

RESOLUTION NO. 3764

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES FOR THE FISCAL YEAR 2007, AND DECLARING THAT THE SAME SHALL CONSTITUTE THE BUDGET FOR THE CITY OF PRESCOTT FOR SAID FISCAL YEAR AND ESTABLISHING THE EXPENDITURE LIMITATION AND ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2008 THROUGH 2012.

RECITALS:

WHEREAS, in accordance with the Provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes, the City Council did, on the 13th day of June, 2006, make an estimate of the different amounts required to meet the public expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Prescott; and

WHEREAS, in accordance with said sections of said title, and following due public notice, the Council met on June 27, 2006, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures, establishing the expenditure limitation, or tax levies; and

WHEREAS, during the budgeting process for fiscal year 2007 the Council established a Capital Improvement Program for fiscal year 2008 through fiscal year 2012; and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the City Council would meet on July 11, 2006, in Prescott City Council Chambers at 201 South Cortez Street, Prescott, Arizona for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Arizona Revised Statutes, Title 42, Section 17051.A.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the said estimates of revenue and expenditures shown on the accompanying schedules as now increased, reduced or changed by and the same are hereby adopted as the budget of the City of Prescott for the fiscal year 2007.

SECTION 2. THAT, the expenditure limitation for the City of Prescott for fiscal year 2007 be established at \$187,724,529.

SECTION 3. THAT, the Capital Improvement Program shown in the accompanying exhibit be adopted by the City of Prescott for the fiscal years 2008 through 2012.

PASSED, APPROVED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 27th day of June, 2006.

/s/ ROWLE SIMMONS, Mayor

ATTEST:

/s/ ELIZABETH A BURKE, City Clerk

APPROVED AS TO FORM:

/s/ GARY D KIDD, City Attorney

CITY OF PRESCOTT, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2006-07

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES 2005-06*	ACTUAL EXPENDITURES/EXPENSES 2005-06**	FUND BALANCE/NET ASSETS*** July 1, 2006**	DIRECT PROPERTY TAX REVENUES 2006-07	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2006-07	OTHER FINANCING 2006-07		INTERFUND TRANSFERS 2006-07		TOTAL FINANCIAL RESOURCES AVAILABLE 2006-07	BUDGETED EXPENDITURES/EXPENSES 2006-07
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 28,412,039	\$ 27,554,010	\$ 10,044,192	\$ 1,128,971	\$ 32,538,682				\$ (2,100,098)	\$ 41,611,747	\$ 32,638,300
2. Special Revenue Funds	48,536,916	23,473,994	33,160,126	Secondary:	30,234,836			4,826,495	(2,290,923)	67,637,359	52,176,844
3. Debt Service Funds Available	2,185,721	2,185,721	117,163	1,706,825	492,121					2,316,109	2,188,946
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	2,185,721	2,185,721	117,163	1,706,825	492,121					2,316,109	2,188,946
6. Capital Projects Funds	419,299	20,487	(333,290)							(333,290)	529,299
7. Permanent Funds	80,500	80,000	658,913		101,000					759,913	100,000
8. Enterprise Funds Available	92,543,898	36,080,448	19,082,055		44,196,606	52,326,327		114,526	(550,000)	115,169,514	84,839,155
9. Less: Designation for Future Debt Retirement											
10. Total Enterprise Funds	92,543,898	36,080,448	19,082,055		44,196,606	52,326,327		114,526	(550,000)	115,169,514	84,839,155
11. Internal Service Funds	11,500,609	6,904,163	2,325,709		8,649,312	4,956,255				15,931,276	15,251,985
12. TOTAL ALL FUNDS	\$ 183,678,982	\$ 96,298,823	\$ 65,054,868	\$ 2,835,796	\$ 116,212,557	\$ 57,282,582		\$ 4,941,021	\$ (4,941,021)	\$ 243,092,628	\$ 187,724,529

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

	2005-06	2006-07
	\$ 183,678,982	\$ 187,724,529
	183,678,982	187,724,529
	\$ 183,678,982	\$ 187,724,529
	\$	\$

* Includes Expenditure/Expense Adjustments Approved in 2005-06 from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts invested in capital assets, net of related debt, and reserved/restricted amounts established as offsets to assets presented for informational purposes (i.e., prepaids, inventory, etc.).

CITY OF PRESCOTT, ARIZONA
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2006-07

	<u>2005-06</u> <u>FISCAL YEAR</u>	<u>2006-07</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A).	\$ 2,291,083	\$ 2,517,161
2. Amount received from primary property taxation in the 2005-06 fiscal 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	\$ 1,048,406	\$ 1,128,971
B. Secondary property taxes	1,697,025	1,706,825
C. Total property tax levy amounts	\$ 2,745,431	\$ 2,835,796
4. Property taxes collected*		
A. Primary property taxes		
(1) 2005-06 year's levy	\$ 1,022,208	
(2) Prior years' levies	26,198	
(3) Total primary property taxes	\$ 1,048,406	
B. Secondary property taxes		
(1) 2005-06 year's levy	\$ 1,650,873	
(2) Prior years' levies	46,152	
(3) Total secondary property taxes	\$ 1,697,025	
C. Total property taxes collected	\$ 2,745,431	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.2245	0.2182
(2) Secondary property tax rate	0.3413	0.3093
(3) Total city/town tax rate	0.5658	0.5275

B. Special assessment district tax rates
Secondary property tax rates - As of the date the proposed budget was prepared, the City of Prescott did not operate any special assessment districts for which secondary property taxes are levied.

* 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.

CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2006-07

SOURCE OF REVENUES	ESTIMATED REVENUES 2005-06	ACTUAL REVENUES 2005-06*	ESTIMATED REVENUES 2006-07
GENERAL FUND			
Local taxes			
Privilege and Use Tax	\$ 13,821,933	\$ 14,778,526	\$ 15,174,828
Franchise Taxes	1,142,832	1,313,357	1,352,757
Licenses and permits	1,180,650	1,267,662	1,226,600
Intergovernmental			
State	6,897,327	6,876,327	8,472,909
County	2,400,500	2,403,047	2,476,899
Local Jurisdictions	1,711,942	1,720,807	2,100,342
Charges for services	524,380	590,364	672,700
Fines and forfeits	284,000	485,377	406,072
Interest on investments	125,000	300,000	300,000
In-lieu property taxes	55,149	94,550	94,550
Miscellaneous	253,900	433,657	261,025
Total General Fund	\$ 28,397,613	\$ 30,263,674	\$ 32,538,682
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Intergovernmental - State	\$ 3,541,580	\$ 3,541,580	\$ 3,783,650
Intergovernmental - Local Jurisdictions	168,144	168,144	205,404
Miscellaneous	292,982	575,446	437,415
Total Highway User Revenue Fund	\$ 4,002,706	\$ 4,285,170	\$ 4,426,469
Streets and Open Space Fund			
Streets and Open Space Tax	\$ 13,402,933	\$ 14,245,336	\$ 14,826,828
Intergovernmental - County	301,792		1,000,000
Interest Earned	120,000	441,256	300,000
Miscellaneous		20,000	
Total Streets and Open Space Fund	\$ 13,824,725	\$ 14,706,592	\$ 16,126,828
Transient Occupancy Fund			
Transient Occupancy Tax	\$ 360,500	\$ 387,424	\$ 398,197
Miscellaneous	5,000	64,258	5,000
Total Transient Occupancy Fund	\$ 365,500	\$ 451,682	\$ 403,197
Capital Improvement Fund			
Donations/Contributions	\$ 1,050,000	\$ 624,000	\$ 426,000
Miscellaneous	150,000	279,296	187,000
Sale of Property		70,000	
Total Capital Improvement Fund	\$ 1,200,000	\$ 973,296	\$ 613,000
Impact Fee Fund			
Impact Fees	\$ 1,431,050	\$ 1,418,400	\$ 1,418,400
Miscellaneous	523,400	566,400	118,400
Total Impact Fee Fund	\$ 1,954,450	\$ 1,984,800	\$ 1,536,800
Grants Fund			
Miscellaneous Grants	\$ 4,018,939	\$ 1,336,668	\$ 4,874,546
Total Grants Fund	\$ 4,018,939	\$ 1,336,668	\$ 4,874,546

* 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.

CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2006-07

SOURCE OF REVENUES	ESTIMATED REVENUES 2005-06	ACTUAL REVENUES 2005-06*	ESTIMATED REVENUES 2006-07
Public Safety Tax Fund			
Public Safety Tax	\$	\$	\$ 2,253,996
Total Public Safety Tax Fund	\$	\$	\$ 2,253,996
Total Special Revenue Funds	\$ 25,366,320	\$ 23,738,208	\$ 30,234,836
DEBT SERVICE FUNDS			
Special Assessments	\$ 332,151	\$ 332,362	\$ 342,151
Interest Earned	165,627	166,756	149,970
Total Debt Service Funds	\$ 497,778	\$ 499,118	\$ 492,121
CAPITAL PROJECTS FUNDS			
Willow/Watson Lake Development	\$ 7,000	\$	\$
Total Capital Projects Funds	\$ 7,000	\$	\$
PERMANENT FUNDS			
Acker Trust	\$ 13,000	\$ 22,500	\$ 26,000
Miscellaneous Gift Fund	60,000	40,000	75,000
Total Permanent Funds	\$ 73,000	\$ 62,500	\$ 101,000
ENTERPRISE FUNDS			
Water Fund	\$ 10,366,948	\$ 12,923,461	\$ 21,078,782
Wastewater Fund	6,115,107	6,117,785	6,390,341
Solid Waste Fund	4,945,063	5,300,273	5,635,085
Transfer Station Fund	3,820,520	4,168,913	4,293,338
Golf Course Fund	3,057,634	2,756,398	3,756,148
Airport Fund	2,983,758	3,625,262	2,952,848
Parking Garage Fund	107,800	65,454	90,064
Total Enterprise Funds	\$ 31,396,830	\$ 34,957,546	\$ 44,196,606
INTERNAL SERVICE FUNDS			
Central Garage Fund	\$ 2,791,198	\$ 2,689,295	\$ 3,984,732
Self-Insurance Fund	1,515,009	1,596,345	1,613,709
Facilities Maintenance Fund	812,666	785,658	912,034
Engineering Fund	2,155,612	2,086,833	2,138,837
Total Internal Service Funds	\$ 7,274,485	\$ 7,158,131	\$ 8,649,312
TOTAL ALL FUNDS	\$ 93,013,026	\$ 96,679,177	\$ 116,212,557

* 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.

CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2006-07

FUND	OTHER FINANCING 2006-07		INTERFUND TRANSFERS 2006-07	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Grants Fund	\$	\$	\$	\$ (341,236)
1% Streets and Open Space Fund				(150,000)
Transfer Station Fund				(25,000)
Impact Fees Fund				(30,000)
Capital Improvement Fund				(1,553,862)
Total General Fund	\$	\$	\$	\$ (2,100,098)
SPECIAL REVENUE FUNDS				
Grants Fund	\$	\$	\$ 341,236	\$
1% Streets and Open Space Fund			1,000,000	(965,000)
Impact Fees Fund			966,397	(350,000)
Capital Improvement Fund			2,518,862	(975,923)
Total Special Revenue Funds	\$	\$	\$ 4,826,495	\$ (2,290,923)
ENTERPRISE FUNDS				
Transfer Station Fund	\$ 850,000	\$	\$ 75,000	\$
Water Fund	39,415,800			(250,000)
Wastewater Fund	12,060,527			(275,000)
Airport Fund			39,526	
Solid Waste Fund				(25,000)
Total Enterprise Funds	\$ 52,326,327	\$	\$ 114,526	\$ (550,000)
INTERNAL SERVICE FUNDS				
Central Garage Fund	\$ 4,956,255	\$	\$	\$
Total Internal Service Funds	\$ 4,956,255	\$	\$	\$
TOTAL ALL FUNDS	\$ 57,282,582	\$	\$ 4,941,021	\$ (4,941,021)

CITY OF PRESCOTT, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2006-07

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2005-06	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2005-06	ACTUAL EXPENDITURES/ EXPENSES 2005-06*	BUDGETED EXPENDITURES/ EXPENSES 2006-07
GENERAL FUND				
City Council	\$ 47,441	\$	\$ 47,049	\$ 63,757
City Clerk	70,759	45,000	111,789	252,356
City Court	479,427		479,387	532,210
City Manager	1,408,757		1,239,667	1,211,715
Legal Department	376,427		375,709	274,651
Budget & Finance	2,067,726	(295,000)	1,725,517	1,528,314
Administrative Services	509,015	250,000	758,613	463,398
Community Development	1,825,997		1,743,101	2,311,442
Parks, Recreation & Library	5,129,557		5,001,144	5,959,076
Police Department	10,301,931		10,160,005	12,729,140
Fire Department	6,195,002		5,912,029	7,312,241
Total General Fund	\$ 28,412,039	\$	\$ 27,554,010	\$ 32,638,300
SPECIAL REVENUE FUNDS				
Highway User Fund	\$ 4,485,863	\$	\$ 4,218,396	\$ 4,957,660
1% Streets and Open Space	25,722,791		6,175,573	30,861,406
Transient Occupancy Tax	526,441	216,000	742,426	672,707
Capital Improvement Fund	9,862,000	(216,000)	7,681,197	6,604,226
Impact Fee Fund	3,323,725		3,119,653	2,946,822
Grant Fund	4,616,096		1,536,749	5,320,012
Public Safety Tax				814,011
Total Special Revenue Funds	\$ 48,536,916	\$	\$ 23,473,994	\$ 52,176,844
DEBT SERVICE FUNDS	\$ 2,185,721	\$	\$ 2,185,721	\$ 2,188,946
CAPITAL PROJECTS FUNDS				
Willow/Watson Lake Develop.	\$ 419,299	\$	\$ 20,487	\$ 529,299
Total Capital Projects Funds	\$ 419,299	\$	\$ 20,487	\$ 529,299
PERMANENT FUNDS				
Trust Funds	\$ 80,500	\$	\$ 80,000	\$ 100,000
Total Permanent Funds	\$ 80,500	\$	\$ 80,000	\$ 100,000
ENTERPRISE FUNDS				
Water Fund	\$ 52,158,799	\$	\$ 14,487,437	\$ 47,912,132
Wastewater Fund	20,790,240		6,865,057	20,280,135
Solid Waste Fund	4,776,170		4,755,000	5,125,605
Transfer Station Fund	7,563,262		3,632,946	4,896,473
Golf Course Fund	2,801,817		2,756,157	3,685,404
Airport Fund	4,327,160		3,457,401	2,849,865
Parking Garage Fund	126,450		126,450	89,541
Total Enterprise Funds	\$ 92,543,898	\$	\$ 36,080,448	\$ 84,839,155
INTERNAL SERVICE FUNDS				
Central Garage	\$ 7,089,904	\$	\$ 2,617,995	\$ 10,669,970
Self-Insurance Fund	1,449,004		1,421,799	1,532,644
Engineering Fund	2,150,012		2,084,111	2,137,337
Facilities Maintenance Fund	811,689		780,258	912,034
Total Internal Service Funds	\$ 11,500,609	\$	\$ 6,904,163	\$ 15,251,985
TOTAL ALL FUNDS	\$ 183,678,982	\$	\$ 96,298,823	\$ 187,724,529

* 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.

Fiscal Year 2006-07 Budget Salary Ranges

Salary Range	Minimum	Midpoint	Maximum	Salary Range	Minimum	Midpoint	Maximum
11	11,702.00	14,042.40	16,382.80	61	40,221.05	48,265.26	56,309.47
12	11,994.56	14,393.47	16,792.38	62	41,226.57	49,471.89	57,717.20
13	12,294.42	14,753.31	17,212.19	63	42,257.23	50,708.68	59,160.12
14	12,601.78	15,122.14	17,642.49	64	43,313.67	51,976.41	60,639.14
15	12,916.82	15,500.19	18,083.55	65	44,396.51	53,275.81	62,155.11
16	13,239.74	15,887.69	18,535.64	66	45,506.42	54,607.71	63,708.99
17	13,570.73	16,284.88	18,999.02	67	46,644.09	55,972.91	65,301.73
18	13,910.01	16,692.01	19,474.01	68	47,810.19	57,372.23	66,934.27
19	14,257.75	17,109.30	19,960.85	69	49,005.45	58,806.54	68,607.63
20	14,614.20	17,537.04	20,459.88	70	50,230.58	60,276.70	70,322.81
21	14,979.56	17,975.47	20,971.38	71	51,486.35	61,783.62	72,080.89
22	15,354.05	18,424.86	21,495.67	72	52,773.50	63,328.20	73,882.90
23	15,737.90	18,885.48	22,033.06	73	54,092.84	64,911.41	75,729.98
24	16,131.34	19,357.61	22,583.88	74	55,445.16	66,534.19	77,623.22
25	16,534.63	19,841.56	23,148.48	75	56,831.29	68,197.55	79,563.81
26	16,947.99	20,337.59	23,727.19	76	58,252.07	69,902.49	81,552.90
27	17,371.69	20,846.03	24,320.37	77	59,708.37	71,650.05	83,591.72
28	17,805.99	21,367.19	24,928.39	78	61,201.08	73,441.30	85,681.51
29	18,251.14	21,901.37	25,551.60	79	62,731.11	75,277.33	87,823.55
30	18,707.41	22,448.89	26,190.37	80	64,299.40	77,159.28	90,019.16
31	19,175.10	23,010.12	26,845.14	81	65,906.88	79,088.26	92,269.63
32	19,654.48	23,585.38	27,516.27	82	67,554.56	81,065.47	94,576.38
33	20,145.85	24,175.02	28,204.19	83	69,243.41	83,092.09	96,940.77
34	20,649.49	24,779.39	28,909.29	84	70,974.50	85,169.40	99,364.30
35	21,165.72	25,398.87	29,632.01	85	72,748.86	87,298.63	101,848.40
36	21,694.87	26,033.85	30,372.82	86	74,567.59	89,481.11	104,394.63
37	22,237.24	26,684.69	31,132.14	87	76,431.77	91,718.13	107,004.48
38	22,793.18	27,351.82	31,910.45	88	78,342.56	94,011.07	109,679.58
39	23,363.00	28,035.60	32,708.20	89	80,301.12	96,361.35	112,421.57
40	23,947.07	28,736.49	33,525.90	90	82,308.65	98,770.38	115,232.11
41	24,545.75	29,454.90	34,364.05	91	84,366.36	101,239.63	118,112.90
42	25,159.39	30,191.27	35,223.15	92	86,475.53	103,770.64	121,065.74
43	25,788.37	30,946.05	36,103.72	93	88,637.42	106,364.91	124,092.39
44	26,433.09	31,719.71	37,006.33	94	90,853.36	109,024.03	127,194.70
45	27,093.91	32,512.69	37,931.47	95	93,124.69	111,749.63	130,374.57
46	27,771.25	33,325.50	38,879.75	96	95,452.81	114,543.37	133,633.93
47	28,465.54	34,158.65	39,851.76	97	97,839.13	117,406.96	136,974.78
48	29,177.17	35,012.61	40,848.04	98	100,285.10	120,342.12	140,399.14
49	29,906.60	35,887.92	41,869.24	99	102,792.23	123,350.68	143,909.12
50	30,654.27	36,785.13	42,915.98	100	105,362.05	126,434.46	147,506.87
51	31,420.63	37,704.76	43,988.88	101	107,996.10	129,595.32	151,194.54
52	32,206.14	38,647.37	45,088.60	102	110,696.01	132,835.21	154,974.41
53	33,011.30	39,613.56	46,215.82	103	113,463.40	136,156.08	158,848.76
54	33,836.58	40,603.90	47,371.24	104	116,299.99	139,559.99	162,819.99
55	34,682.49	41,618.99	48,555.49	105	119,207.49	143,048.99	166,890.49
56	35,549.55	42,659.46	49,769.37	106	122,187.68	146,625.22	171,062.75
57	36,438.29	43,725.95	51,013.61	107	125,242.37	150,290.85	175,339.32
58	37,349.24	44,819.09	52,288.94	108	128,373.44	154,048.13	179,722.82
59	38,282.97	45,939.57	53,596.16	109	131,582.76	157,899.31	184,215.86
60	39,240.04	47,088.05	54,936.06	110	134,872.33	161,846.80	188,821.26

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Mayor and Council						
Mayor	1.000	1.000	1.000	9,000	9,000	0
Councilman	6.000	6.000	6.000	6,000	6,000	0
Total Mayor and Council	7.000	7.000	7.000			
City Manager						
City Manager	1.000	1.000	1.000	134,872	188,821	110
Assistant City Manager	1.000	1.000	1.000	88,637	124,092	93
Assistant to the City Manager	1.000	0.700	0.700	65,907	92,270	81
Management Analyst	-	0.300	0.300	45,506	63,709	66
Executive Assistant	1.000	1.000	1.000	35,550	42,659	56
Secretary	0.250	0.250	0.250	25,159	35,223	42
Total City Manager	4.250	4.250	4.250			
City Clerk						
City Clerk	1.000	1.000	1.000	67,555	94,576	82
Deputy City Clerk	1.000	1.000	1.000	34,682	48,555	55
Total City Clerk	2.000	2.000	2.000			
City Court						
City Magistrate	1.000	1.000	1.000	Contract		0
Court Administrator	1.000	1.000	1.000	56,831	79,564	75
Senior Court Clerk	1.000	1.000	1.000	27,771	38,880	46
Court Clerk	4.750	4.750	4.750	25,159	35,223	42
Total City Court	7.750	7.750	7.750			
Legal Department						
City Attorney	1.000	1.000	1.000	95,453	133,634	96
City Prosecutor	1.000	1.000	1.000	78,343	109,680	88
Chief Assistant City Attorney	1.000	1.000	1.000	78,343	109,680	88
Senior Asst City Attorney	1.000	1.000	1.000	70,975	99,364	84
Investigator	1.000	1.000	1.000	41,227	57,717	62
Business Manager	-	1.000	1.000	34,682	48,555	55
Legal Assistant	1.000	-	-	33,837	47,371	54
Paralegal	-	1.000	1.000	33,837	47,371	54
Legal Secretary	2.500	1.500	1.500	29,177	40,848	48
Total Legal Department	8.500	8.500	8.500			
Economic Development						
Economic Dev Director	1.000	1.000	1.000	67,555	94,576	82
Business Dev Manager	1.000	1.000	1.000	50,231	70,323	70
Secretary	0.750	0.750	0.750	25,159	35,223	42
Total Economic Development	2.750	2.750	2.750			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Human Resources						
Administrative Svcs Director	0.350	-	-	74,568	104,395	86
Human Resources Manager	1.000	1.000	1.000	64,299	90,019	80
Human Resources Analyst	-	1.000	1.000	43,314	60,639	64
Benefits Specialist	0.500	0.500	1.000	34,682	48,555	55
Human Resources Asst	1.000	1.000	1.000	30,654	42,916	50
Total Human Resources	2.850	3.500	4.000			
Administrative Services						
<u>Purchasing</u>						
Administrative Svcs Director	-	0.200	0.100	74,568	104,395	86
Purchasing Manager	1.000	1.000	1.000	47,810	66,934	68
Administrative Assistant	1.000	-	0.250	30,654	42,916	50
Total	2.000	1.200	1.350			
<u>Public Communications</u>						
Administrative Svcs Director	-	0.100	0.100	74,568	104,395	86
Communications Director	1.000	1.000	1.000	36,438	51,014	57
Marketing Assistant	1.000	1.000	-			47
Administrative Assistant	-	-	0.250	30,654	42,916	50
Total	2.000	2.100	1.350			
<u>Elks Opera House</u>						
Administrative Svcs Director	-	-	0.025	74,568	104,395	86
Recreation Supervisor	0.500	0.500	-	41,227	57,717	62
Elks Opera House Coordinator	-	-	1.000	36,438	51,014	57
Administrative Assistant	-	-	0.250	30,654	42,916	50
Total	0.500	0.500	1.275			
<u>Special Events</u>						
Administrative Svcs Director	-	-	0.025	74,568	104,395	86
Special Events Coordinator	-	-	1.000	39,240	54,936	60
Administrative Assistant	-	-	0.250	30,654	42,916	50
Total	-	-	1.275			
Total Administrative Services	4.500	3.800	5.250			
Finance Department						
<u>Tax & Licensing</u>						
Privilege Tax Supervisor	1.000	1.000	1.000	47,810	66,934	68
Privilege Tax Auditor	1.000	1.000	1.000	45,506	63,709	66
Accounting Technician	1.000	1.000	1.000	29,177	40,848	48
Total	3.000	3.000	3.000			
<u>Accounting Services</u>						
Finance Director	0.900	0.900	0.900	84,366	118,113	91
Assistant Finance Director	1.000	1.000	1.000	65,907	92,270	81
Customer Service Manager	1.000	1.000	1.000	50,231	70,323	70
Budget Analyst	1.000	1.000	1.000	45,506	63,709	66
Payroll Specialist	1.000	1.000	1.000	45,506	63,709	66
Accounting Technician	2.000	2.000	2.000	29,177	40,848	48
Accounting Clerk	2.000	2.000	2.000	24,546	34,364	41
Total	8.900	8.900	8.900			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
<u>Information Technology</u>						
Finance Director	0.100	0.100	0.100	84,366	118,113	91
Application Mgr/GIS Coordinator	1.000	1.000	1.000	56,831	79,564	75
Operations Manager	1.000	1.000	1.000	56,831	79,564	75
Network Engineer	-	-	1.000	44,397	62,155	65
Information Technology Tech	0.500	1.000	1.000	33,011	46,216	53
Accounting Clerk	0.500	-	-	24,546	34,364	41
GIS Specialist	1.000	1.000	1.000	33,946	63,648	00
Info Tech Specialist	6.000	6.000	6.000	33,946	63,648	00
Total	10.100	10.100	11.100			
Total Finance Department	22.000	22.000	23.000			
 Community Development						
<u>Administration/Planning & Zoning</u>						
Comm. Devel. Director	0.800	0.800	0.800	74,568	104,395	86
Asst Comm. Devel. Director	-	1.000	1.000	64,299	90,019	80
Planning Manager	1.000	-	-	64,299	90,019	80
Planner	4.000	4.000	4.000	44,397	62,155	65
Code Enforcement Supervisor	-	-	1.000	43,314	60,639	64
Historic Preservation Spec.	0.500	0.500	0.500	39,240	54,936	60
Administrative Assistant	1.000	1.000	1.000	29,177	40,848	48
Code Enforcement Officer	2.000	2.000	3.000	28,466	39,852	47
Secretary	2.000	2.000	2.000	25,159	35,223	42
Total	11.300	11.300	13.300			
<u>Building Inspections</u>						
Comm. Devel. Director	0.200	0.200	0.200	74,568	104,395	86
Chief Building Official	-	1.000	1.000	56,831	79,564	75
Building Inspection Mgr	1.000	-	-	47,810	66,934	68
Plans Examiner Supv.	1.000	1.000	1.000	47,810	66,934	68
Building Insp. Supv.	1.000	-	1.000	47,810	66,934	68
Commercial Specialist	-	1.000	1.000	45,506	63,709	66
Combo Bldg Insp/Plans Examiner	-	1.000	2.000	45,506	63,709	66
Building Insp. Journeyman	-	1.000	-	43,314	60,639	64
Private Develop. Coord.	1.000	-	-	43,314	60,639	64
Plans Examiner	2.000	2.000	2.000	41,227	57,717	62
Building Inspector	4.000	3.000	3.000	35,550	49,769	56
Permit Specialist	1.000	1.000	1.000	33,837	47,371	54
Permit Tech	1.000	2.000	2.000	29,177	40,848	48
Secretary	2.000	1.000	1.000	25,159	35,223	42
Total	14.200	14.200	15.200			
<u>CDBG Administration</u>						
Grants Administrator	1.000	1.000	1.000	43,314	60,639	64
Total	1.000	1.000	1.000			
Total Community Development	26.500	26.500	29.500			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Parks, Recreation & Library						
<u>Administration</u>						
Recreation Services Director	1.000	1.000	1.000	74,568	104,395	86
Lake Parks Superintendent	0.200	0.200	0.200	49,005	68,608	69
Park Security Ranger	1.000	1.000	1.000	31,421	43,989	51
Administrative Asst	1.000	1.000	1.000	30,654	42,916	50
Total	3.200	3.200	3.200			
<u>Library/Library Network</u>						
Library Director	1.000	1.000	1.000	64,299	90,019	80
Assistant Director	1.000	1.000	1.000	52,774	73,883	72
Systems Coordinator - Network	1.000	1.000	1.000	42,257	59,160	63
Lead Librarian	-	2.000	2.000	42,257	59,160	63
Librarian	6.500	6.500	7.000	38,283	53,596	59
Business Manager	-	0.670	0.670	34,682	48,555	55
Library Resource Analyst	0.670	-	-	34,682	48,555	55
Library Specialist	2.000	2.000	3.000	29,907	41,869	49
Administrative Asst	1.000	-	-	29,177	40,848	48
Maintenance Technician	-	1.000	1.000	28,466	39,852	47
Library Assistant	5.000	4.000	5.000	25,788	36,104	43
Secretary	-	1.000	1.000	25,159	35,223	42
Custodian	0.500	0.500	1.000	20,146	28,204	33
Library Clerk	1.000	1.000	1.000	18,251	25,552	29
Total	19.670	21.670	24.670			
<u>Prescott ConneXion</u>						
Librarian	-	-	1.000	38,283	53,596	59
Business Manager	-	0.330	0.330	34,682	48,555	55
Library Resource Analyst	0.330	-	-	34,682	48,555	55
Library Specialist	1.000	1.000	-	29,907	41,869	49
Library Assistant	1.500	1.500	2.000	25,788	36,104	43
Total	2.830	2.830	3.330			
<u>Recreation Programming</u>						
Superintendent	1.000	-	-	47,810	66,934	68
Recreation Supervisor	0.500	1.500	2.000	43,314	60,639	64
Adult Center Coordinator	1.000	1.000	1.000	39,240	54,936	60
Recreation Coordinator	3.000	3.000	2.000	39,240	54,936	60
Maintenance Technician	1.500	1.500	1.500	28,466	39,852	47
Secretary	2.000	2.000	2.000	25,159	35,223	42
Recreation Leader	2.000	1.000	1.000	24,546	34,364	41
Maintenance Worker	1.000	1.000	1.000	21,695	30,373	36
Custodian	-	1.000	1.000	20,146	28,204	33
Total	12.000	12.000	11.500			
<u>Parks, Trails, and Landscape Maintenance</u>						
Assistant Parks & Rec Director	-	1.000	1.000	64,299	90,019	80
Trails/Parks Superintendent	-	1.000	1.000	49,005	68,608	69
Parks Maintenance Supt.	1.000	-	-	47,810	66,934	68
Open Space Coordinator	1.000	-	-	43,314	60,639	64
Parks Coordinator	-	-	2.000	39,240	54,936	60
Urban Forester	1.000	1.000	-	37,349	52,289	58
Landscape Coordinator	-	-	1.000	35,550	49,769	56

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Equipment Mechanic	-	-	1.000	33,837	47,371	54
Turf & Irrigation Coordinator	-	-	1.000	32,206	45,089	52
Maintenance Specialist	4.000	4.000	-	29,907	41,869	49
Maintenance Technician	1.000	1.000	3.000	28,466	39,852	47
Equipment Operator	1.000	1.000	-	26,433	37,006	44
Maintenance Worker	4.000	4.000	3.000	21,695	30,373	36
Total	13.000	13.000	13.000			
<u>Watson and Willow Lakes</u>						
Lake Parks Superintendent	0.400	0.400	0.400	49,005	68,608	69
Maintenance Worker	2.000	2.000	2.000	21,695	30,373	36
Total	2.400	2.400	2.400			
<u>Goldwater Lake</u>						
Lake Parks Superintendent	0.400	0.400	0.400	49,005	68,608	69
Maintenance Technician	1.000	1.000	1.000	28,466	39,852	47
Total	1.400	1.400	1.400			
Total Parks, Recreation & Library	54.500	56.500	59.500			
Police Department						
<u>Administration</u>						
Police Chief	1.000	1.000	1.000	84,366	118,113	91
Deputy Police Chief	1.000	1.000	2.000	78,343	109,680	88
Police Research Analyst	1.000	1.000	1.000	41,227	57,717	62
Administrative Assistant	1.000	1.000	1.000	30,654	42,916	50
Total	4.000	4.000	5.000			
<u>Records</u>						
Lieutenant	1.000	1.000	1.000	75,254	91,562	Police
Records Supervisor	1.000	1.000	1.000	41,227	57,717	62
Records Clerk	6.000	6.000	7.000	29,177	40,848	48
Total	8.000	8.000	9.000			
<u>Communications</u>						
Regional Communications Director	1.000	-	-	56,831	79,564	75
Lieutenant	-	1.000	1.000	75,254	91,562	Police
Communications Supervisor	3.000	3.000	5.000	38,283	53,596	59
Communications Specialist	16.250	24.000	27.000	33,011	46,216	53
Total	20.250	28.000	33.000			
<u>Traffic</u>						
Sergeant	1.000	1.000	1.000	60,070	73,091	Police
Police Officer	6.000	6.000	6.000	41,163	58,594	Police
Parking Control Officer	1.000	1.000	1.000	28,466	39,852	47
Total	8.000	8.000	8.000			
<u>Investigations</u>						
Lieutenant	1.000	1.000	1.000	75,254	91,562	Police
Police Officer	6.000	6.000	6.000	41,163	58,594	Police
Property/Evidence Tech	2.000	2.000	2.000	31,421	43,989	51
Community Services Officer	1.500	1.500	1.500	29,907	41,869	49
Secretary	1.000	1.000	1.000	25,159	35,223	42
Total	11.500	11.500	11.500			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
<u>Patrol</u>						
Lieutenant	1.000	1.000	1.000	75,254	91,562	Police
Sergeant	6.000	7.000	7.000	60,070	73,091	Police
Officer	32.000	36.000	40.000	41,163	58,594	Police
Secretary	1.000	1.000	1.000	25,159	35,223	42
Total	40.000	45.000	49.000			
<u>Training</u>						
Training Coordinator	1.000	1.000	1.000	38,283	53,596	59
Total	1.000	1.000	1.000			
<u>Community Services</u>						
Sergeant	1.000	1.000	1.000	60,070	73,091	Police
Police Officer	7.000	7.000	7.000	41,163	58,594	Police
Crime Prevention Officer	1.000	1.000	1.000	36,438	51,014	57
Secretary	1.000	0.750	1.000	25,159	35,223	42
Total	10.000	9.750	10.000			
<u>Animal Control</u>						
Supervisor	1.000	1.000	1.000	36,438	51,014	57
Animal Control Officer	4.000	4.000	4.000	28,466	39,852	47
Total	5.000	5.000	5.000			
<u>Community Restitution Program</u>						
Com. Serv. Worker Coordinator	1.000	1.000	1.000	29,907	41,869	49
Com. Serv. Worker Monitor	1.000	1.000	1.000	26,433	37,006	44
Secretary	0.500	0.500	0.500	25,159	35,223	42
Total	2.500	2.500	2.500			
Total Police Department	110.250	122.750	134.000			
 Fire Department						
<u>Administration</u>						
Fire Chief	1.000	1.000	1.000	84,366	118,113	91
Deputy Chief	1.000	1.000	1.000	78,343	109,680	88
Administrative Assistant	1.000	1.000	1.000	30,654	42,916	50
Secretary	1.000	1.000	1.000	25,159	35,223	42
Total	4.000	4.000	4.000			
<u>Communications</u>						
Info Technology Technician	1.000	1.000	1.000	33,946	63,648	00
Total	1.000	1.000	1.000			
<u>Prevention</u>						
Fire Marshal/Division Chief	1.000	1.000	1.000	73,445	85,925	Fire
Senior Fire Inspector	-	1.000	1.000	43,314	60,639	64
Fire Inspector	2.000	2.000	2.000	33,011	46,216	53
Fire Prevention Aide	1.000	-	-	25,788	36,104	43
Total	4.000	4.000	4.000			
<u>Suppression</u>						
Battalion Chief	3.000	3.000	3.000	73,445	85,925	Fire
Captain	15.000	15.000	15.000	58,386	71,032	Fire
Engineer	15.000	15.000	15.000	47,986	58,386	Fire
Firefighter	21.000	21.000	22.000	38,459	54,725	Fire
Total	54.000	54.000	55.000			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
<u>Training</u>						
Training Division Chief	1.000	1.000	1.000	73,445	85,925	Fire
Total	1.000	1.000	1.000			
<u>Fire Vegetation Crew</u>						
Wildland Division Chief	1.000	1.000	1.000	73,445	85,925	73
Fuels Management Supervisor	1.000	1.000	1.000	37,349	52,289	Fire
Fuels Tech/Wildland Firefighter	8.000	8.000	8.000	25,788	36,104	Fire
Total	10.000	10.000	10.000			
Total Fire Department	74.000	74.000	75.000			
Highway Users Revenue Fund						
<u>Streets</u>						
Public Works Director	0.200	0.200	0.200	84,366	118,113	91
Asst Public Works Director	-	-	0.200	72,749	101,848	85
Street Maint. Superintendent	1.000	1.000	1.000	49,005	68,608	69
Street Maint. Supervisor	1.000	2.000	2.000	43,314	60,639	64
Drainage/Maint. Supervisor	1.000	1.000	1.000	43,314	60,639	64
Contract Specialist	-	0.300	0.100	40,221	56,309	61
Traffic Engineering Technician	1.000	1.000	-	36,438	51,014	57
Maintenance Specialist	1.000	1.000	1.000	33,837	47,371	54
Senior Equipment Operator	4.000	4.000	4.000	31,421	43,989	51
Traffic Control Technician	1.000	1.000	-	29,907	41,869	49
Accounting Technician	0.300	-	-	29,177	40,848	48
Equipment Operator	11.000	11.000	11.000	28,466	39,852	47
Traffic Control Worker	2.000	2.000	-	27,094	37,931	45
Secretary	1.000	1.000	1.000	25,159	35,223	42
Maintenance Worker	9.000	9.000	9.000	21,695	30,373	36
Total	33.500	34.500	30.500			
<u>Transportation Services</u>						
Public Works Director	-	-	0.200	84,366	118,113	91
Asst Public Works Director	-	-	0.200	72,749	101,848	85
Traffic Engineer	-	-	1.000	61,201	85,682	78
Traffic Signal Supervisor	-	-	1.000	45,506	63,709	66
Contract Specialist	-	-	0.100	40,221	56,309	61
Traffic Engineering Technician	-	-	1.000	36,438	51,014	57
Traffic Signal Specialist	-	-	2.000	35,550	49,769	56
Administrative Assistant	-	-	0.100	30,654	42,916	50
Traffic Control Technician	-	-	1.000	29,907	41,869	49
Traffic Control Worker	-	-	2.000	29,177	40,848	48
Secretary	-	-	0.100	25,159	35,223	42
Total	-	-	8.700			
Total Highway Users Fund	33.500	34.500	39.200			
Water Fund						
<u>Utility Billing</u>						
Utility Billing Supervisor	1.000	-	-			
Senior Utility Billing Clerk	-	1.000	1.000	33,837	47,371	54
Accounting Clerk	2.500	2.500	3.000	24,546	34,364	41
Total	3.500	3.500	4.000			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
<u>Meter Reading</u>						
Customer Service Representative	1.000	1.000	1.000	29,177	40,848	48
Meter Reader	4.000	4.000	4.000	25,159	35,223	42
Total	5.000	5.000	5.000			
<u>Water Administration</u>						
Public Works Director	0.200	0.200	0.200	84,366	118,113	91
Asst Public Works Director	-	-	0.200	72,749	101,848	85
Utilities Manager	0.500	0.500	0.400	72,749	101,848	85
City Utilities Engineer	0.500	0.500	0.480	64,299	90,019	80
Utilities Engineer (Civil)	0.300	0.500	0.500	58,252	81,553	76
Project Manager	-	-	1.500	56,831	79,564	75
Engineering Technician	-	-	0.250	41,227	57,717	62
Contract Specialist	-	0.300	0.300	40,221	56,309	61
Administrative Assistant	-	-	0.350	30,654	42,916	50
Accounting Technician	0.500	-	-	29,177	40,848	48
Secretary	-	-	0.300	25,159	35,223	42
Total	2.000	2.000	4.480			
<u>Water Production</u>						
Water Superintendent	0.500	0.500	0.500	52,774	73,883	72
Water Production Supervisor	1.000	1.000	1.000	45,506	63,709	66
Water Quality Technician	1.000	1.000	1.000	33,837	47,371	54
Water Operator	4.000	4.000	4.000	33,837	47,371	54
Maintenance Specialist	1.000	1.000	1.000	33,837	47,371	54
Total	7.500	7.500	7.500			
<u>Water Distribution</u>						
Water Superintendent	0.500	0.500	0.500	52,774	73,883	72
Water Distribution Supervisor	1.000	1.000	1.000	45,506	63,709	66
Senior Utility Worker	5.000	5.000	5.000	30,654	42,916	50
Utility Worker	8.000	8.000	8.000	27,771	38,880	46
Secretary	0.500	0.500	0.500	25,159	35,223	42
Total	15.000	15.000	15.000			
<u>Alternate Water Sources</u>						
Public Works Director	-	-	0.200	84,366	118,113	91
Asst Public Works Director	-	-	0.200	72,749	101,848	85
Utilities Manager	-	-	0.200	72,749	101,848	85
City Utilities Engineer	-	-	0.050	64,299	90,019	80
Senior Project Manager	-	1.000	1.000	62,731	87,824	79
Management Analyst	0.670	0.500	0.500	45,506	63,709	66
Water Conservation Coordinator	-	1.000	1.000	43,314	60,639	64
Engineering Technician	-	-	0.500	41,227	57,717	62
Contract Specialist	-	-	0.200	40,221	56,309	61
Administrative Assistant	-	-	0.200	30,654	42,916	50
Secretary	-	-	0.300	25,159	35,223	42
Total	0.670	2.500	4.350			
Total Water Fund	33.670	35.500	40.330			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Wastewater Fund						
<u>Wastewater Utilities Administration</u>						
Public Works Director	0.200	0.200	0.200	84,366	118,113	91
Asst Public Works Director	-	-	0.200	72,749	101,848	85
Utilities Manager	0.500	0.500	0.400	72,749	101,848	85
City Utilities Engineer	0.500	0.500	0.470	64,299	90,019	80
Utilities Engineer (Civil)	0.500	0.500	0.500	58,252	81,553	76
Project Manager	-	-	0.500	56,831	79,564	75
Engineering Technician	-	-	0.250	41,227	57,717	62
Contract Specialist	-	0.300	0.300	40,221	56,309	61
Administrative Assistant	-	-	0.350	30,654	42,916	50
Accounting Technician	0.300	-	-	29,177	40,848	48
Secretary	-	-	0.300	25,159	35,223	42
Total	2.000	2.000	3.470			
<u>Wastewater Treatment Plant</u>						
WWTP Superintendent	1.000	1.000	1.000	52,774	73,883	72
WWTP Supervisor	1.000	1.000	1.000	47,810	66,934	68
WWTP Operator	8.000	8.000	8.000	36,438	51,014	57
WWTP Lab Technician	1.000	1.000	1.000	36,438	51,014	57
WWTP Maintenance Specialist	1.000	1.000	1.000	33,837	47,371	54
Total	12.000	12.000	12.000			
<u>Wastewater Collection</u>						
Wastewater Collection Superintendent	1.000	1.000	1.000	52,774	73,883	72
Wastewater Collection Supervisor	-	1.000	1.000	45,506	63,709	66
Maintenance Specialist	1.000	1.000	1.000	33,837	47,371	54
Senior Utility Worker	5.000	5.000	5.000	30,654	42,916	50
Utility Worker	6.000	6.000	6.000	27,771	38,880	46
Accounting Clerk	-	-	1.000	25,159	35,223	42
Secretary	0.500	0.500	0.500	25,159	35,223	42
Total	13.500	14.500	15.500			
<u>Effluent Delivery</u>						
Water Operator	1.000	1.000	1.000	33,837	47,371	54
Total	1.000	1.000	1.000			
Total Wastewater Fund	28.500	29.500	31.970			
Solid Waste Fund						
<u>Sanitation</u>						
Solid Waste Superintendent	0.650	0.500	0.500	52,774	73,883	72
Management Analyst	0.330	-	-	45,506	63,709	66
Solid Waste Supervisor	0.650	0.500	0.500	43,314	60,639	64
Shift Leader	1.000	0.500	0.500	30,654	42,916	50
Commercial Equipment Operator	-	4.000	4.000	29,907	41,869	49
Sanitation Equipment Operator	12.900	9.000	11.000	28,466	39,852	47
Maintenance Specialist	-	1.000	1.000	33,837	47,371	54
Accounting Technician	-	0.500	0.500	29,177	40,848	48
Secretary	0.500	-	-	25,159	35,223	42
Total	16.030	16.000	18.000			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
<u>Landfill</u>						
Sanitation Equipment Operator	0.100	-	-	26,433	37,006	44
Total	0.100	-	-			
Total Solid Waste Fund	16.130	16.000	18.000			
Transfer Station Fund						
Assistant to the City Manager	-	0.300	0.300	65,907	92,270	81
Solid Waste Superintendent	0.350	0.500	0.500	52,774	73,883	72
Management Analyst	-	0.100	0.100	45,506	63,709	66
Solid Waste Supervisor	0.350	0.500	0.500	43,314	60,639	64
Senior Equipment Operator	3.000	3.000	3.000	31,421	43,989	51
Shift Leader	-	0.500	0.500	30,654	42,916	50
Accounting Technician	-	0.500	0.500	29,177	40,848	48
Sanitation Equipment Operator	1.000	-	-	26,433	37,006	44
Secretary	0.500	-	-	24,546	34,364	41
Accounting Clerk	1.000	1.000	1.000	24,546	34,364	41
Total Transfer Station Fund	6.200	6.400	6.400			
Airport Fund						
Airport Manager	1.000	1.000	1.000	67,555	94,576	82
Assistant Airport Manager	1.000	1.000	1.000	49,005	68,608	69
Administrative Assistant	-	1.000	1.000	30,654	42,916	50
Maintenance Specialist	1.000	0.200	-	29,907	41,869	49
Airport Operations Technician	4.000	4.000	4.000	28,466	39,852	47
Administrative Secretary	1.000	-	-	25,788	36,104	43
Accounting Clerk	1.000	1.000	1.000	24,546	34,364	41
Maintenance Worker	1.000	1.000	1.000	21,695	30,373	36
Total Airport Fund	10.000	9.200	9.000			
Golf Course Fund						
<u>Maintenance</u>						
Greens Superintendent	1.000	1.000	1.000	49,005	68,608	69
Asst Greens Superintendent	1.000	1.000	1.000	43,314	60,639	64
Maintenance Specialist	2.000	2.000	2.000	33,837	47,371	54
Golf Course Maintenance Tech	1.000	1.000	1.000	28,466	39,852	47
Greenskeeper	9.000	8.000	8.000	21,695	30,373	36
Total	14.000	13.000	13.000			
<u>Pro Shop</u>						
General Manager	1.000	1.000	1.000	67,555	94,576	82
Golf Professional	1.000	1.000	1.000	49,005	68,608	69
Tournament Director/Buyer	1.000	1.000	1.000	39,240	54,936	60
Assistant Pro	-	1.000	-	27,771	38,880	46
Pro Shop Assistant	-	-	1.000	25,159	35,223	42
Total	3.000	4.000	4.000			
Total Golf Course Fund	17.000	17.000	17.000			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Parking Garage Fund						
Administrative Services Director	-	0.100	0.100	74,568	104,395	86
Lead Parking Ambassador	-	1.000	-	19,175	26,845	31
Total Parking Garage Fund	-	1.100	0.100			
Central Garage						
Administrative Services Director	0.200	0.200	0.250	74,568	104,395	86
Fleet Maintenance Superintendent	1.000	1.000	1.000	49,005	68,608	69
Fleet Maintenance Supervisor	-	1.000	1.000	43,314	60,639	64
Equipment Mechanic	5.000	5.000	5.000	33,837	47,371	54
Parts Specialist	1.000	1.000	1.000	26,433	37,006	44
Service Technician	1.000	1.000	1.000	25,788	30,946	43
Secretary	-	-	1.000	25,159	35,223	42
Total Central Garage Fund	8.200	9.200	10.250			
Engineering Fund						
Public Works Director	0.400	0.400	-	84,366	118,113	91
Engineering Services Director	-	-	1.000	74,568	104,395	86
City Engineer	-	-	1.000	67,555	94,576	82
Engineering Services Manager	1.000	1.000	-	64,299	90,019	80
Construction Services Manager	1.000	1.000	1.000	64,299	90,019	80
Traffic Engineer	1.000	1.000	-	61,201	85,682	78
Civil Engineer	-	-	1.000	58,252	81,553	76
Development Services Manager	1.000	1.000	1.000	45,506	63,709	66
Management Analyst	-	0.100	0.100	45,506	63,709	66
Senior Engineering Technician	1.000	1.000	1.000	45,506	63,709	66
Supervisory Inspector	1.000	1.000	1.000	44,397	62,155	65
Construction Project Manager	1.000	1.000	2.000	43,314	60,639	64
Traffic Signal Supervisor	1.000	1.000	-	43,314	60,639	64
Construction Contracts Specialist	1.000	1.000	1.000	40,221	56,309	61
CAD Technician	1.000	1.000	1.000	36,438	51,014	57
Registered Land Surveyor	1.000	1.000	1.000	36,438	51,014	57
Engineering Technician	1.000	1.000	1.000	36,438	51,014	57
Construction Inspector	7.000	7.000	7.000	35,550	49,769	56
Administrative Assistant	1.000	1.000	1.000	30,654	42,916	50
Traffic Signal Specialist	2.000	2.000	-	29,907	41,869	49
Accounting Technician	0.100	0.100	-	29,177	40,848	48
Permit Technician	1.000	1.000	1.000	29,177	40,848	48
Secretary	1.000	1.000	-	24,546	34,364	41
Total Engineering Fund	24.500	24.600	22.100			
Self-Insurance Fund						
Administrative Services Director	0.400	-	-	74,568	104,395	86
Risk Manager	1.000	1.000	1.000	46,644	65,302	67
Benefits Specialist	0.500	0.500	-	34,682	48,555	55
Risk Management Specialist	-	-	1.000	34,682	48,555	55
Total Self-Insurance Fund	1.900	1.500	2.000			

**Fiscal Year 2006-07 Budget
Authorized Positions by Fiscal Year**

Authorized Positions Job Classifications	Number of FTE's			Salary Range		Range Number
	2004-05	2005-06	2006-07	Min	Max	
Facilities Maintenance Fund						
Administrative Services Director	0.050	0.400	0.400	74,568	104,395	86
Maintenance Supervisor	-	-	1.000	43,314	60,639	64
Maintenance Specialist	-	0.800	-	29,907	41,869	49
Maintenance Technician	-	1.000	2.000	28,466	39,852	47
Lead Custodian	1.000	-	-	23,363	32,708	39
Custodian	2.500	3.000	3.000	20,146	28,204	33
Total Facilities Maint. Fund	3.550	5.200	6.400			
Total City-wide Authorized						
Full-Time Equivalents	510.000	531.000	565.250			

GLOSSARY OF TERMS

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.

Actual - Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Adopted Budget - Formal action made by City Council which sets the spending limits for the fiscal year.

Appropriation - An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

Assessed Valuation - A value placed upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes.

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

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the year.

Balanced Budget - Arizona State law requires a "balanced" budget, which is "all-inclusive". Arizona State Revised Statute (42-17151) defines a "balanced" budget as follows:

"Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year."

Base Budget Allowances - Ongoing expense for personnel, commodities, and contractual services.

Beginning Balance - The beginning balance is the residual funds brought forward from the previous fiscal year (ending balance).

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

Bonds - Bonds are debt instruments which require repayment of a specified principal amount on a certain date (maturity data), together with interest at a stated rate, or according to a formula for determining the interest rate.

Budget - A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them.

Budget Basis - This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar - The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budgetary Control - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

C.Y.M.P.O. - Central Yavapai Metropolitan Planning Organization

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

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 Improvement Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Outlay - Items costing more than \$5,000 and having a useful life of more than one year are defined as capital outlay.

Carryover - Any equipment, contractual, commodity, or capital project that has been previously approved by the Mayor and Council but for various reasons has not been implemented on schedule. Under the State laws and generally accepted accounting principals only those costs relating to work actually done on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and, therefore, a violation of State budget law, such project and the associated projected costs are included in the subsequent year's budget.

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

Commodities - Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants, etc.

Community Development Block Grant (CDBG) - Grant funds allocated by the Federal Government to the City of Prescott to use for the prevention and removal of slum and blight, and to benefit low and moderate income persons. The City of Prescott disburses these funds via an application process open to all non-profit organizations and City of Prescott departments.

Compression - A problem that occurs when, due to market conditions, the bottom of the pay range moves up more rapidly than salaries of the incumbents.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue and similar eventualities.

Contractual Services - Contractual Services are services provided to the City by firms, individuals, or other City departments.

Cost Center - An organizational budget/operating unit within each City division or department.

Cost-of-living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

D.A.R.E. - Drug Abuse Resistance Education

Debt Service - Payment of interest and principal on an obligation resulting from the issuance of bonds and/or lease purchase contracts.

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

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

Development-related Fees - Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement - The expenditure of monies from an account.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Employee Benefits - Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.

Encumbrance - A reservation of funds to cover purchase orders, contracts or other funding commitments which are yet to be fulfilled. The budget basis of accounting considers an encumbrance to be the equivalent of an expenditure.

Enterprise Funds - Funds which are accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs (including depreciation) through user fees. The City of Prescott has six such self-supporting funds: Airport, Water, Wastewater, Golf, Solid Waste, and Transfer Station.

Estimate - As used throughout the budget document, represents the most recent estimate for current year revenue and expenditures. The estimates used are prepared using several months of actual expenditure and revenue experience and are prepared to consider the impact of unanticipated price or other economic changes.

Expenditures - Refers to current cash operating expenses and encumbrances.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Expenditure Limitation - The Arizona State Legislature imposed constitutional amendment which limits the annual expenditures of all municipalities. This limit is set by the Economic Estimates Commission based on population growth and inflation.

Fiscal Year - The time period designated by the City satisfying the beginning and ending period for recording financial transactions. The City of Prescott has specified July 1 to June 30 as its fiscal year.

Fixed Assets - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Full-Time Equivalent Position - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be equivalent to .5 of a full-time position.

Fund - An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities and fund balance.

Fund Balance - The excess of the assets of a fund over its liabilities, reserves, and carryover.

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

General Fund - A fund used to account for all general-purpose transactions of the City which do not require a special type of fund.

General Obligation Bonds (G.O. Bonds) - Bonds that require voter approval and finance a variety of public capital projects such as streets, buildings, parks and improvements. The bonds are backed by the "full faith and credit" of the issuing government.

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grant - A grant is a contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function, i.e., library materials, drug enforcement, but it is sometimes for general purposes.

Highway User Revenue Fund (HURF) - Highway user revenues are a gasoline tax collected by the state and distributed to counties and cities based on the county of origin and population. These revenues are to be used for highways and streets maintenance and construction.

Impact Fees - Fees charged to developers or individuals to cover, in whole or in part, the anticipated costs of improvements that will be necessary as a result of the development.

Improvement Districts - Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property. Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure - The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Transfers - Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, such as data processing, or insurance funded from a central pool.

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.

Mandate - Legislation passed by the State or Federal government requiring action or provision of services and/or programs. Examples include the Americans With Disabilities Act which requires actions such as physical facility improvements and provision of specialized transportation services.

Municipal Property Corporation (MPC) - The Municipal Property Corporation is a non-profit corporation established to issue bonds to fund City capital improvement projects.

Net Budget - The legally adopted budget less all interfund transfers and interdepartmental charges.

Objective - Desired output oriented accomplishments which can be measured and achieved within a given time frame. Achievement of the objective advances the activity organization toward a corresponding goal.

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget - A budget for general expenditures such as salaries, utilities, and supplies.

Operating Expenses - The cost for personnel, materials and equipment required for a department to function.

Operating Funds - Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

Pay-As-You-Go Capital Projects - Pay-as-you-go capital projects are capital projects whose funding source is derived from City revenue sources other than through the use of debt.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure - Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel - All employer's costs related to compensating employees of the City of Prescott, including employee fringe benefit costs such as City portion of retirement, social security, and health and industrial insurance.

Primary Property Tax - A limited tax levy used to support general government operations. The total levy for primary property taxes is restricted to a 2% annual increase, plus allowances for previously unassessed property (primarily new construction).

Program - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the City is responsible.

Property Tax - A levy upon each \$100 of assessed valuation of property within the City of Prescott. Arizona has two types of property taxes. Primary property taxes support the City of Prescott's general fund, and secondary property taxes pay general obligation debt.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

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

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

Revenue - Sources of income financing the operations of government.

SCADA - Supervisory Control and Data Acquisition

Secondary Property Tax - An unlimited tax levy restricted to general bonded debt obligations.

Service Level - Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

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

Special Assessment - A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

State-Shared Revenues - Revenues levied and collected by the State but shared on a predetermined basis with local governments.

Tax Levy - The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate - The amount of tax levied for each \$100 of assessed valuation.

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 - Transfers are the authorized exchanges of cash or other resources between funds.

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

U/W/I - Urban Wildland Interface

Unrestricted Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received, the number of household receiving refuse collection service, or the number of burglaries to be investigated).

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