

CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION

Agenda Item: 6
Tab Number: A
Date: 04-08-13

Date Submitted:
3-15-13
Date Requested:
4-8-13

Action:
 Resolution
 Ordinance
 Formal
 Other

**Subject: Review Fund
20 Debt Service provide
direction to Staff**

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: The City maintains several "Funds"; each Fund is treated like a separate company with its own set of financial records (books). There are also several different types of Funds. I have previously discussed the City's four Enterprise funds during the Rate reviews. The Debt Service Fund is a "Governmental fund"; the main purpose of a governmental fund is to track the available amount of money and match it to the services to be provided. The Debt Service fund is set up because the money borrowed was approved by the voters and the property tax collected (Secondary Property Tax) may only be used to service and pay for the debt authorized, i.e. cannot be mixed with other monies. This type of debt is known as General Obligation Debt (GO).

The City of Willcox has three (3) GO bonds. One of the bonds is secured by property tax however the interest and principal are actually paid by the Water Fund by transfers into the Debt Service Fund from the Water Fund. There are two (2) additional bonds which are paid from the Secondary Property Tax levy. (This is different from the Primary Property Tax levy which is used for Operations in the General Fund).

The amount levied each year for the Secondary property Tax is the amount necessary to pay for the Principal, Interest, bad Debt, and service fees. This amount varies slightly from year to year and either increase significantly up or down only when an issue is paid off, or the voters approve a new issue.

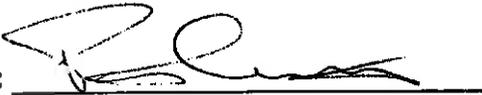
The City has other debt/bonds: however these are not secured by the property tax base. They are usually known as "Revenue Bonds" and are secured by a source of income to the City: like Sewer revenue or Streets Bond by sales tax. These are discussed in each Fund as it is presented.

The Water Bond will be paid off in FY14. The GADA-2004B will be paid off in FY18. The GADA-2007 will be paid off in FY28.

RECOMMENDATION: Approve the debt Service Budget

FISCAL IMPACT: Income of approximately \$164,703 and expense of approximately \$164,703.

Prepared by: Pat McCourt

Approved by: 
City Manager

Projection Sheet Debt Service Fund #20
Date of Sheet 4-2-13

| | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|
| | \$160,314 | \$161,895 | \$159,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$143,204 | \$117,848 | \$93,329 | \$69,735 | \$47,141 | \$25,547 |
| \$5,700 | \$5,700 | \$6,200 | | | | | | | | | | | | | | | |
| \$151,094 | \$157,300 | \$158,503 | \$154,448 | \$153,178 | \$152,613 | \$151,728 | \$151,728 | \$23,319 | \$22,569 | \$21,894 | \$8,653 | \$0 | \$0 | \$0 | \$0 | 0 | \$0 |
| \$156,794 | \$163,000 | \$164,703 | \$154,448 | \$153,178 | \$152,613 | \$151,728 | \$151,728 | \$23,319 | \$22,569 | \$21,894 | \$8,653 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$5,700 | \$5,700 | \$6,200 | | | | | | | | | | | | | | | |
| \$125,409 | \$131,409 | \$132,109 | \$127,984 | \$128,019 | \$127,734 | \$127,734 | | | | | | | | | | | |
| \$21,894 | \$25,394 | \$26,394 | \$25,794 | \$24,594 | \$23,994 | \$23,994 | | | | | | | | | | | |
| \$2,210 | \$2,660 | | | | | | | | | | | | | | | | |
| \$155,213 | \$165,163 | \$164,703 | \$153,448 | \$153,178 | \$152,613 | \$151,728 | \$151,728 | \$23,319 | \$22,569 | \$21,894 | \$26,181 | \$25,356 | \$24,519 | \$23,594 | \$22,594 | 21,594 | \$25,547 |
| \$161,895 | \$159,732 | \$159,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$160,732 | \$143,204 | \$117,848 | \$93,329 | \$69,735 | \$47,141 | \$25,547 | \$0 |

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: 6
Tab Number: B
Date: 04-08-2013

Date Submitted:
3-15-13
Date Requested:
4-8-13

Action:
 Resolution
 Ordinance
 Formal
 Other

**Subject: Review of the
Magistrate Court Trust
Fund #61**

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: The City maintains several "Funds"; each Fund is treated like a separate company with its own set of financial records (books). There are also several different types of Funds. I have previously discussed the City's four Enterprise funds during the Rate reviews. The Magistrate Court Trust Fund is actually a "Fiduciary Fund". Fiduciary Funds are used to report assets held in a trustee capacity and which cannot be used to support the government's own programs.

The monies collected and placed into this fund, and the distributions out of this fund are all State mandated collections through the City Magistrate Court. The City has no discretion in the collection or use of these funds.

RECOMMENDATION: Approve the budget for the Magistrate Court Trust Fund #61.

FISCAL IMPACT: Approximately \$10,000/yr.

Prepared by: Pat McCourt

Approved by:



City Manager

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: 6
Tab Number: C
Date: 04-08-2013

| |
|---|
| Date Submitted: 3-15-13 Date Requested: 4-8-13 |
|---|

| |
|---|
| Action: <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal <input checked="" type="checkbox"/> Other |
|---|

| |
|--|
| Subject: Discuss, Review, Direction, & Approve Volunteer Fire Fighters Pension Fund #72 |
|--|

TO: MAYOR AND COUNCIL

FROM: City Manager

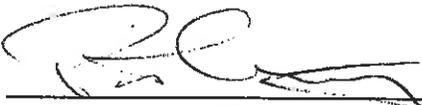
DISCUSSION: The City maintains several "Funds"; each Fund is treated like a separate company with its own set of financial records (books). There are also several different types of Funds. I have previously discussed the City's four Enterprise funds during the Rate reviews. The Volunteer Fire Fighters Pension Fund is actually a "Fiduciary Fund". Fiduciary Funds are used to report assets held in a trustee capacity and which cannot be used to support the government's own programs.

The monies collected and placed into this fund, and the distributions out of this fund are established by State Law or the Volunteer Fire Fighters Board. The City has no discretion in the collection or use of these funds.

RECOMMENDATION: Approve the Volunteer Fire Fighters Fund.

FISCAL IMPACT: Estimated income of approximately \$7500/yr and estimated expenses of approximately \$3000/yr.

Prepared by: Pat McCourt

Approved by: 

City Manager

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: 7
Tab Number: —
Date: 04-08-13

| |
|-----------------------------------|
| Date Submitted: 2-22-13 |
| Date Requested: 4-08-13 |

| |
|---|
| Action: |
| <input type="checkbox"/> Resolution |
| <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Formal |
| <input checked="" type="checkbox"/> Other |

| |
|--|
| Subject: Over view of the City's General Fund #10 |
|--|

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: The City maintains several "Funds"; each Fund is treated like a separate company with its own set of financial records (books). There are also several different types of Funds. I have previously discussed the City's four Enterprise funds, the "Trust Funds", the Debt service Funds, and the HURF. The General Fund (GF) is a "Governmental Fund" in the terminology of the Government Finance Officers Association (GFOA); the main purpose of a governmental fund is to track the available amount of money and match it to the services to be provided.

The GF is where the financial records for everything that is not required to be in a separate fund are maintained. The City of Willcox's GF includes:

- Mayor and Council – The elected policy makers;
- Administration – Oversees day to day operations of the entire City;
- Community Programs – provides for programs not directly delivered by the City;
- Public Safety Adm. – Oversees the daily operations of the Dispatch, Patrol, Fire, Humane, K-9, and Investigations;
- Dispatch- Provides for the Communication to and from Public Safety Officers and coordination of emergency responses within and without the City;
- Patrol – Provides for immediate response and protection of the Public by trained Officers,
- Fire – Provides for the immediate response in the case of fire, explosions, or other life threatening situations,
- Humane – Provides for the protection of the Public from animals, protects and seeks homes for animals, protects animals from abusive situations;
- K-9 - Provides for support of the Patrol with a trained Canine unit to assist in finding suspects and protecting Officers and the Public;
- Investigations – Provides for the long term investigation of crimes against the Public and the prosecution of Criminals;
- Finance – Handles and records all financial transactions within the City;

Legal & Courts – the Prosecution, Legal advice, Judicial system and Jail;
Library – Public information/education, recreation;
Swimming Pool – Recreation;
Public Works Adm. – Oversees all the operations of Buildings and Grounds, Enterprise Operations, Vehicles, Cemetery, Golf Course, and Parks;
Cemetery – provides for maintenance and operation of the sunset Cemetery;
Vehicle maintenance – provides for the maintenance and repair of all City Vehicles and mechanical tool;
Buildings & Grounds – Provides for all the maintenance and repairs on City owned facilities;
Parks & Recreation – provides for the maintenance of the public parks and support for activities throughout the City; and
Development Services – Provides for the orderly development of the City to ensure municipal services may be provided, that any construction is performed in a manner which protects the public, and that structures are maintained in a safe and sanitary manner.
Transfers – this is used to shift money to the Repair and Demolition Fund #22, the General Fund Capital Improvements Fund #21, and the Special Revenue/Grants Fund #17 (Challenge grants and fireworks).

As can be seen the City's GF provides a broad range of services to the Community. We have previously discussed the Community Programs Department, and the Legal and Courts Department; in the Work Sessions to follow we will be discussing more on each of the other GF Departments and the budgetary needs to perform the services to the Public.

The first attachment is a multiyear projection designed to show some history, current year actual and projections and long term projection of the City's GF. The projection shows that the Opening Balance in the GF has been declining – more money has been spent than has been coming in – deficit spending. This trend is expected to continue until FY 17. This is despite the reduction in expenses from FY 09 through FY 13 (and probably FY 13). This is due to the dramatic reduction in revenue from State shared sources. There is a recovery under way and revenue is increasing. The City has little ability to increase revenue sources in the GF. While the City has reduced services in some areas these areas have been minimized, and the City has increased services in some areas (Demolition and Repair, and Challenge Grants). The deficit has been made up from the Opening Balance of the GF. This is why the City maintains a reserve amount in the Opening Balance; so services may be maintained in the short term during an economic downturn.

There is no requirement for the GF to have a reserve amount. Due to the high level of activity and the lack of ability to generate any money; I recommend that the City Council develop at least a six (6) month reserve of the operational costs. The attached projections show a four (4) month reserve balance.

The Operational budget of the GF is the largest of the Operational Funds that the City maintains. (There are larger Capital Funds; these usually are due to some large project like the Waste Water Treatment plant). This is also the area where most of the direct

interface with the Public occurs. The vast majority of employees (85 positions out of a total of 103 approved city positions [includes part-time positions {30}]) are in the GF. There is a Capital Fund associated with the GF. This Capital Fund is called "Capital Improvements" #21. This fund is slightly different than the Capital Funds we discussed in association with the Enterprise Funds or the HURF. The Capital Fund for the GF is Fund 21. This Fund does involve large improvements made in association with the GF. Fund 21 is not as refined as the other capital funds and does not include all vehicles and lease purchases; which are frequently included in the department operational budgets. The reason for this is the broad diversity of services in the GF and the interest in defining the "Cost of Service" in a specific area within the GF. (The Enterprise Funds and HURF are very narrowly focused areas of service). While it is a goal to establish a method of capital accumulation for the GF to avoid "spikes" in spending, this has not been done as of this date. This Fund 21 tends to have large expenditures which can be deferred and there are often efforts to use a capital investment in Fund 21 to reduce operating expenses.

Changes to the compensation plan of the City have a very large impact on the GF. There are changes being made to the compensation over which the City has little control: specifically the retirement systems. The Arizona State Retirement systems are some of the best systems from the standpoint of having enough money in the bank to pay for the current and future retiree benefits. The systems annually reevaluate the reserve funds and adjust based upon actuarial estimates. The recent downturns in the market resulted in substantial losses of projected income, although the markets have recovered the "lost income" for a couple of years has to be made up, therefore the employee and the employer (City) contributions have been adjusted upward. The retirement systems have also taken other long range steps to reduce the future liability of the retirement systems. Health care costs continue to grow. The City has been very aggressive in holding down the costs through sharing risk with our employees. The City has been able to minimize any rate increases to the employees while absorbing increases by the Employer (City). The current budget continues this practice.

The second attached sheet shows the GF income. This sheet has actual data for FY 11 & FY12, half a year actual and half a year estimates for FY 13 and estimates beyond FY 13.

The third attachment is projections of the expenses in the General Fund.

RECOMMENDATION: Provide input on the proposed work plan, establishment of the Operating Reserve, and approve the FY 14 Budget

FISCAL IMPACT: For FY 14 the estimated Operating Budget will be \$4,170,065 before Capital transfer is put in.

Prepared by: _____

Approved by: _____



City Manager

The General Fund Income
Date this sheet 4-2-13

| | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 | FY 24 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| INCOME | | | | | | | | | | | | | | |
| Taxes | | | | | | | | | | | | | | |
| City Sales Tax | 1,499,615 | 1,430,343 | 1,515,845 | 1,515,845 | 1,591,637 | 1,671,219 | 1,721,356 | 1,772,996 | 1,826,186 | 1,880,972 | 1,937,401 | 1,995,523 | 2,055,389 | 2,117,050 |
| Primary Property Tax | 70,090 | 69,714 | 72,444 | 73,893 | 75,371 | 76,878 | 78,416 | 79,984 | 81,584 | 83,215 | 84,880 | 86,577 | 88,309 | 90,075 |
| Law Agency Tax | 748 | 840 | 300 | 725 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| Lodger's Tax 4% | 149,646 | 152,774 | 150,000 | 160,000 | 171,200 | 183,184 | 188,680 | 194,340 | 200,170 | 206,175 | 212,360 | 218,731 | 225,293 | 232,052 |
| Sub Total | 1,770,099 | 1,633,670 | 1,736,569 | 1,790,463 | 1,838,508 | 1,931,681 | 1,988,751 | 2,047,620 | 2,108,240 | 2,170,662 | 2,234,941 | 2,301,132 | 2,369,291 | 2,439,477 |
| License & Permits | | | | | | | | | | | | | | |
| Electric License 3% | 187,978 | 122,787 | 110,000 | 125,000 | 128,750 | 132,613 | 136,591 | 140,689 | 144,909 | 149,257 | 153,734 | 158,346 | 163,097 | 167,990 |
| Cable TV | 3,264 | 2,928 | 9,000 | 9,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Liquor | 2,358 | 2,196 | 3,000 | 2,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Refuse Hauler License 3% | 0 | 16,771 | 16,000 | 16,000 | 16,480 | 16,974 | 17,484 | 18,008 | 18,548 | 19,105 | 19,678 | 20,268 | 20,876 | 21,503 |
| Dog | 110 | 25 | 100 | 150 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Building permit 3% | 41,905 | 137,927 | 80,000 | 50,000 | 51,500 | 53,045 | 54,636 | 56,275 | 57,964 | 59,703 | 61,494 | 63,339 | 65,239 | 67,196 |
| Business | 5,768 | 9,572 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| City Utilities | 0 | 0 | 131,137 | 134,000 | 138,020 | 142,161 | 146,425 | 150,818 | 155,343 | 160,003 | 164,803 | 169,747 | 174,840 | 180,085 |
| Sub Total | 241,383 | 292,206 | 354,237 | 341,150 | 348,850 | 358,893 | 369,236 | 379,890 | 390,864 | 402,167 | 413,809 | 425,800 | 438,151 | 450,873 |
| Shared State Tax | | | | | | | | | | | | | | |
| State Sales Tax | 271,473 | 289,573 | 298,453 | 324,633 | 340,865 | 357,908 | 368,645 | 379,704 | 391,096 | 402,828 | 414,913 | 427,361 | 440,182 | 453,387 |
| Auto Lieu | 156,628 | 166,702 | 150,000 | 172,757 | 181,395 | 190,465 | 196,179 | 202,064 | 208,126 | 214,370 | 220,801 | 227,425 | 234,247 | 241,275 |
| Revenue/Income Tax | 378,138 | 317,094 | 363,735 | 419,149 | 440,106 | 462,112 | 475,975 | 490,254 | 504,962 | 520,111 | 535,714 | 551,786 | 568,339 | 585,389 |
| Sub Total | 806,239 | 777,368 | 832,188 | 916,539 | 962,366 | 1,010,484 | 1,049,799 | 1,072,023 | 1,104,183 | 1,137,308 | 1,171,428 | 1,206,571 | 1,242,768 | 1,280,051 |
| Other Fees | | | | | | | | | | | | | | |
| Court Fines | 5,946 | 7,146 | 1,000 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library Fines | 5,584 | 5,491 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Cemetery Fees | 17,196 | 21,367 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| Park Fees | 400 | 2,480 | 600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Community Center | 3,457 | 4,405 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Property/Board Income | 3,107 | 400 | 600 | 1,030 | 1,030 | 1,061 | 1,093 | 1,126 | 1,159 | 1,194 | 1,230 | 1,267 | 1,305 | 1,344 |
| Rent City Hall | 0 | 3,800 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| Interest Income 1% | 19,653 | 31,016 | 25,809 | 16,607 | 16,335 | 16,201 | 16,000 | 16,984 | 17,333 | 17,686 | 17,963 | 18,242 | 18,481 | 18,702 |
| Swimming pool | 12,969 | 11,886 | 6,500 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| Impound Fees | 1,201 | 2,600 | 2,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Alarm Fee | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Railroad Video | 111 | 56 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Record | 684 | 376 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| Marriage Lic | 78 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Asset | 0 | 0 | 173,075 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| School Resource Officer | 28,042 | 26,042 | 28,669 | 37,018 | 37,017 | 37,017 | 37,017 | 37,017 | 37,017 | 37,017 | 37,017 | 37,017 | 37,017 | 37,017 |
| County Animal Facility | 104 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Court - Resubstion | 52,401 | 52,551 | 40,200 | 41,408 | 42,848 | 43,928 | 45,245 | 46,603 | 48,001 | 49,441 | 50,924 | 52,452 | 54,025 | 55,646 |
| Insurance Rebate 3% | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc Receipts | 148,946 | 169,458 | 348,614 | 175,300 | 176,519 | 177,696 | 181,268 | 183,041 | 185,755 | 188,593 | 192,428 | 194,271 | 198,294 | 200,175 |
| Sub Total | 465,300 | 568,437 | 604,888 | 593,699 | 574,837 | 591,876 | 609,632 | 627,921 | 646,759 | 666,162 | 686,147 | 706,731 | 727,933 | 749,771 |
| Transfers In | | | | | | | | | | | | | | |
| Adm Fees Gas | 145,200 | 190,735 | 190,731 | 215,895 | 222,475 | 229,149 | 236,024 | 243,104 | 250,397 | 257,909 | 265,647 | 273,616 | 281,824 | 290,279 |
| Adm Fees Water | 181,500 | 128,543 | 128,264 | 116,053 | 119,535 | 123,121 | 126,814 | 130,619 | 134,537 | 138,573 | 142,731 | 147,012 | 151,423 | 155,966 |
| Adm Fees Sewer | 85,800 | 115,228 | 127,961 | 121,485 | 125,130 | 128,883 | 132,750 | 136,732 | 140,834 | 145,059 | 149,411 | 153,894 | 158,510 | 163,266 |
| Adm Fees Garage | 52,800 | 100,132 | 122,833 | 104,367 | 107,498 | 110,723 | 114,045 | 117,466 | 120,990 | 124,620 | 128,358 | 132,209 | 136,175 | 140,261 |
| Loan Repayment | 0 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 | 35,799 |
| Sub Total | 465,300 | 568,437 | 604,888 | 593,699 | 574,837 | 591,876 | 609,632 | 627,921 | 646,759 | 666,162 | 686,147 | 706,731 | 727,933 | 749,771 |
| Total Income GF | 3,381,967 | 3,461,139 | 3,878,616 | 3,777,151 | 3,900,880 | 4,070,530 | 4,188,686 | 4,310,496 | 4,436,802 | 4,564,864 | 4,698,783 | 4,834,505 | 4,976,437 | 5,120,348 |

School Resource Officer before FY 13 was shown in Fund 17

Transferred in because the actual expense is in the GF for services to the Enterprise funds. Loan repayment is not an income but a return of Capital

Increase 3% FY15-

Increase biannually 6%

General Fund Long Term Projections

Date of sheet 4-1-13

| | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | \$2,121,186 | \$1,657,949 | \$1,720,625 | \$1,799,181 | \$1,325,367 | \$1,240,824 | \$1,207,118 | \$1,170,199 | \$1,128,054 | \$1,082,406 | \$1,031,122 | \$976,026 | \$914,857 | \$849,546 |
| Income + | \$3,381,967 | \$3,461,139 | \$3,878,616 | \$3,777,151 | \$3,900,880 | \$4,070,530 | \$4,189,686 | \$4,310,496 | \$4,436,802 | \$4,564,864 | \$4,698,753 | \$4,834,505 | \$4,976,437 | \$5,120,348 |
| Expense - | \$3,645,204 | \$3,598,463 | \$3,800,060 | \$4,250,965 | \$3,985,423 | \$4,104,235 | \$4,226,606 | \$4,352,641 | \$4,482,450 | \$4,616,147 | \$4,753,849 | \$4,895,674 | \$5,041,748 | \$5,192,197 |
| Ending Balance = | \$1,857,949 | \$1,720,625 | \$1,799,181 | \$1,325,367 | \$1,240,824 | \$1,207,118 | \$1,170,199 | \$1,128,054 | \$1,082,406 | \$1,031,122 | \$976,026 | \$914,857 | \$849,546 | \$777,697 |

Recommended General Fund Opening Balance (OBO) = six (6) Months Operations

\$2,125,482 \$1,992,711 \$2,052,118

Assuming all estimates are correct on the Expense and Income sheets.

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: 8

Tab Number: —

Date: 04-08-2013

| |
|-----------------------------------|
| Date Submitted: 3-15-13 |
| Date Requested: 4-8-13 |

| |
|---|
| Action: |
| <input type="checkbox"/> Resolution |
| <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Formal |
| <input checked="" type="checkbox"/> Other |

| |
|---|
| Subject: Review, discuss, and provide direction on Economic Development and the contracts with the Willcox Chamber of Commerce & Agriculture |
|---|

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: The Community Programs department Budget is part of the City's General Fund. This department collects and puts forth the estimated costs of operation of the Community services. The primary source of revenue is from the City's retained portion of the Lodger's tax: the city levies a 7% "Lodger's Tax" this tax is only on short term lodging services in the City a portion is used to contract for operation of the City's "Visitor Center". The remainder of the money to operate this Department comes from other General Fund revenue sources.

The page shows two years of actual data; one year of partial year actual and partial year estimate and the projected budget numbers for FY14.

The Department includes the estimated cost of the utilities at the Community Center. The fees which are collected for rental at the Community Center are deposited into the General Fund; these are a couple of thousand dollars per year.

The Department includes the cost of the Contract with the Willcox Chamber of Commerce & Agriculture (Chamber) for operation of the Willcox Visitor Center (Center). The Center is owned by the City. The City contracts with the Chamber to operate the Center for an amount equal to one half (1/2) of the Lodgers Tax collected each year. (the amount varies based upon the amount collected each year, the amount is estimated high to comply with State Budgeting Laws). The Chamber pays all operating costs. This contract expires June 30, 2014.

The City is a member of the Cochise County Tourism Board. There are two (2) members appointed by the City Manager to represent the City on this board, the current members are the Alan Baker the Director of the Chamber and Brenda Haas from the Holiday Inn Express. This money is pooled by all the entities participating and used to purchase advertising promoting the Cochise County Tourist Attractions.

The City contracts with Willcox Against Substance Abuse (WASA) to provide various recreational activities and teen court.

The Economic Development Item in this Department is listed as "Economic Development". The Council has not provided any guide lines for the expenditure of these appropriations. This area has been under some judicial review in recent years (Turken v. Gordon, et al known commonly as the CityNorth case). These cases revolve around the "Arizona Gift Clause (Article 9, Section 7 of the Arizona Constitution):

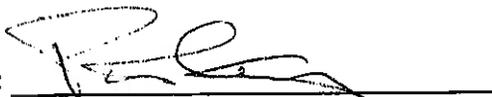
"Neither the state, nor any county, city, town, municipality or other subdivision of the state shall ever give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual, association or corporation, or become a subscriber to, or shareholder in, any company or corporation, or become a joint owner with any person, company, or corporation...". There are several guidelines from that case; one of which is that the City or town must be able to quantify the benefits received. This is an area that the Council should carefully review with Legal Counsel prior to making any commitments.

RECOMMENDATION: Review the proposed budget and provide any direction to the Staff so it may be integrated into the overall City budget.

FISCAL IMPACT: Unknown at this time estimated at \$217,000 from the General Fund.

Prepared by: Pat McCourt

Approved by: _____



City Manager

Projection Sheet Community Programs Department - General Fund #10
Date of Sheet 4-3-13

| | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 |
|-------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Utilities - Community Center | | | | | | | | | | | | | |
| Chamber - Visitor Center | \$12,884 | \$15,000 | \$15,000 | \$15,450 | \$15,914 | \$16,391 | \$16,883 | \$17,389 | \$17,911 | \$18,448 | \$19,002 | \$19,572 | \$20,159 |
| Economic Development | \$63,834 | \$75,000 | \$80,000 | \$85,600 | \$91,582 | \$94,340 | \$97,170 | \$100,085 | \$103,088 | \$106,180 | \$109,366 | \$112,647 | \$116,026 |
| Cochise County Tourism | \$7,277 | \$7,000 | \$39,296 | \$23,780 | \$48,622 | \$50,186 | \$51,797 | \$53,455 | \$55,164 | \$56,924 | \$58,737 | \$60,604 | \$62,527 |
| WASA | \$9,615 | \$9,615 | \$10,000 | \$10,300 | \$10,609 | \$10,927 | \$11,255 | \$11,593 | \$11,941 | \$12,299 | \$12,668 | \$13,048 | \$13,439 |
| | \$12,000 | \$12,000 | \$12,204 | \$12,570 | \$12,947 | \$13,336 | \$13,736 | \$14,148 | \$14,572 | \$15,009 | \$15,460 | \$15,923 | \$16,401 |
| | | | | | | | | | | | | | |
| Transfers for other purposes | | | | | | | | | | | | | |
| Fireworks | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 |
| Match for Theater | \$0 | \$15,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Skate Park | \$15,000 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| City 100 years | \$0 | \$0 | \$0 | \$20,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | 124,110 | 140,115 | 160,000 | 171,200 | 183,184 | 188,680 | 194,340 | 200,170 | 206,175 | 212,360 | 218,731 | 225,293 | 232,052 |
| Income Lodger's Tax - total | 152,774 | \$150,000 | \$160,000 | \$171,200 | \$183,184 | \$188,680 | \$194,340 | \$200,170 | \$206,175 | \$212,360 | \$218,731 | \$225,293 | \$232,052 |

FY 15 +/- 3%

1/2 of estimated Lodgers Tax

FY 15 +/- 3%

FY 15 +/- 3%

FY 14 +1.7%

FY 15 +/- 3%

