



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

**STUDY SESSION
WEDNESDAY, MAY 10, 2017
6:00 P.M.**

**Council Chambers
202 N. State Route 89
Chino Valley, Arizona**

AGENDA

- 1) CALL TO ORDER; ROLL CALL
- 2) Presentation and discussion regarding the fiscal year 2017/2018 preliminary budget. (Joe Duffy, Finance Director)
- 3) ADJOURNMENT

Dated this 4th day of May, 2017.

By: **Jami C. Lewis, Town Clerk**

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/agendacenter>, and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date: _____ Time: _____ By: _____
Jami C. Lewis, Town Clerk

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session

2)

Meeting Date: 05/10/2017
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Estimated length 60 minutes
of Staff Presentation:
Physical location of item: N/A

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding the fiscal year 2017/2018 preliminary budget. (Joe Duffy, Finance Director)

SITUATION & ANALYSIS:

N/A

Attachments

Budget Packet

Town of Chino Valley								
Fund Balance by Fiscal Year								
	Total All Funds	General Fund	HURF Fund	Water Enterprise	Sewer Enterprise	Capital Improvement	Debt Service	Total Non Major Funds
Fund Balance 6/30/16	19,089,738	5,053,280	456,204	3,777,322	8,116,957	582,130	128,708	975,137
Fiscal Year 2017								
Revenues	18,887,061	8,486,352	971,387	712,249	2,910,257	1,484,126	727,000	3,595,690
Expenditures	18,312,314	8,153,083	866,100	548,415	3,265,595	1,414,000	398,695	3,666,426
Fund Balance 6/30/17	19,664,485	5,386,549	561,491	3,941,155	7,761,619	652,256	457,014	904,401
Fiscal Year 2018								
Revenues	23,823,000	8,865,000	998,000	2,690,600	2,365,000	4,621,900	698,000	3,584,500
Expenditures	24,739,800	9,204,300	1,090,000	2,632,800	2,339,700	4,619,500	698,000	4,155,500
Fund Balance 6/30/18	18,747,684	5,047,248	469,491	3,998,955	7,786,919	654,656	457,014	333,401
Fiscal Year 2019								
Revenues	23,149,000	9,106,700	1,050,600	2,649,300	2,349,000	3,559,900	849,000	3,584,500
Expenditures	23,261,500	9,461,900	1,044,500	2,609,200	2,184,800	3,544,000	848,500	3,568,600
Fund Balance 6/30/19	18,635,184	4,692,048	475,591	4,039,055	7,951,118	670,556	457,514	349,301

TOWN OF CHINO VALLEY**GENERAL FUND**

Budget FY 16-17

Estimate FY 16-17

Budget FY 17-18

REVENUES

On Going Revenues	8,054,500	8,236,352	8,465,000
Transfers In - Capital Improvement Fund	250,000	250,000	400,000
Carry Over	200,000		339,300
TOTAL REVENUES	\$ 8,504,500	\$ 8,486,352	\$ 9,204,300

EXPENDITURES

Department Expenditures	8,029,500	7,803,083	8,689,300
Contingencies	400,000	275,000	440,000
Transfers To HURF	75,000	75,000	75,000

TOTAL EXPENDITURES	\$ 8,504,500	\$ 8,153,083	\$ 9,204,300
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REVENUES (UNDER) OVER EXPENDITURES	\$0	\$333,269	\$0
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BEGINNING FUND BALANCE	\$ 4,776,202	\$ 5,053,280	\$ 5,047,249
REVENUES (UNDER) OVER EXPENDITURES	\$0	\$333,269	\$0
ENDING FUND BALANCE	\$ 4,776,202	\$ 5,386,549	\$ 5,047,249

LESS INTERFUND LOANS	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
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TOTAL AVAILABLE RESOURCES	\$ 2,976,202	\$ 3,586,549	\$ 3,247,249
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Minimum Reserve Requirement @ 25% of total expenditures	2,126,125	2,038,271	2,301,075
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The Total Available Resources reflect the current assets available for use less the Interfund Loans.

TOWN OF CHINO VALLEY
HURF FUND

	Budget FY 16-17	Estimate FY 16-17	Budget FY 17-18
REVENUES			
On Going Revenues	855,500	896,387	923,000
Transfers In - General Fund	75,000	75,000	75,000
Carry Over	35,500	-	92,000
TOTAL REVENUES	\$ 966,000	\$ 971,387	\$ 1,090,000
EXPENDITURES			
Department Expenditures	841,000	741,100	840,000
Road Material	125,000	125,000	250,000
Perkinsville Roundabout	-	-	-
TOTAL EXPENDITURES	\$ 966,000	\$ 866,100	\$ 1,090,000
REVENUES (UNDER) OVER EXPENDITURES	\$0	\$105,287	\$0
BEGINNING FUND BALANCE	\$ 349,201	\$ 456,204	\$ 469,491
REVENUES (UNDER) OVER EXPENDITURES	\$0	\$105,287	\$0
ENDING FUND BALANCE	\$ 349,201	\$ 561,491	\$ 469,491
 Minimum Reserve Requirement @ 25% of department expenditures	 178,500	 216,525	 272,500

TOWN OF CHINO VALLEY
CAPITAL IMPROVEMENT FUND

	Budget FY 16-17	Estimate FY 16-17	Budget FY 17-18
REVENUES			
On Going Revenues	1,372,500	1,374,126	2,013,900
Transfers In from Road Impact Fees	553,000	-	498,000
Bond Proceeds/Other	2,000,000	-	2,000,000
Yavapai Drainage District	110,000	110,000	110,000
TOTAL REVENUES	\$ 4,035,500	\$ 1,484,126	\$ 4,621,900
EXPENDITURES			
Department Expenditures	2,069,000	115,000	2,745,000
Road Impact Fee Projects	553,000	-	498,000
Yavapai Drainage District	110,000	110,000	110,000
Grant Match	137,000	137,000	143,500
TFRS To General Fund	250,000	250,000	400,000
TFRS To Water Enterprise	75,000	75,000	25,000
TFRS To Debt Service Fund	727,000	727,000	698,000
TOTAL EXPENDITURES	\$ 3,921,000	\$ 1,414,000	\$ 4,619,500
REVENUES (UNDER) OVER EXPENDITURES	\$114,500	\$70,126	\$2,400
BEGINNING FUND BALANCE	\$ 609,586	\$ 582,130	\$ 652,256
REVENUES (UNDER) OVER EXPENDITURES	\$114,500	\$70,126	\$2,400
ENDING FUND BALANCE	\$ 724,086	\$ 652,256	\$ 654,656

TOWN OF CHINO VALLEY
WATER FUND

	Budget FY 16-17	Estimate FY 16-17	Budget FY 17-18
REVENUES			
On Going Revenues	470,000	580,446	608,600
Prescott IGA/Misc.	61,000	56,803	57,000
Transfers From Capital Improvement Fund	75,000	75,000	25,000
Water System Acquisition Funds	2,000,000		2,000,000
TOTAL REVENUES	\$ 2,606,000	\$ 712,249	\$ 2,690,600
EXPENDITURES			
Department Expenditures	511,500	479,915	561,100
Debt/Contingency	94,500	68,500	71,700
Water System Acquisition Expense	2,000,000		2,000,000
TOTAL EXPENDITURES	\$ 2,606,000	\$ 548,415	\$ 2,632,800
REVENUES (UNDER) OVER EXPENDITURES	\$0	\$163,834	\$57,800
BEGINNING FUND BALANCE	\$ 3,900,277	\$ 3,777,322	\$ 3,941,156
REVENUES (UNDER) OVER EXPENDITURES	\$ -	\$163,834	\$57,800
ENDING FUND BALANCE	\$ 3,900,277	\$ 3,941,156	\$ 3,998,956
 Minimum Reserve Requirement @ 25% of total department expenditures	 151,500		 158,200

**TOWN OF CHINO VALLEY
SEWER FUND**

	Budget FY 16-17	Estimate FY 16-17	Budget FY 17-18
REVENUES			
On Going Revenues	1,619,500	1,644,571	1,865,000
Bond Proceeds - WIFA	500,000	1,265,686	500,000
Carry Over	365,500	-	-
TOTAL REVENUES	\$ 2,119,500	\$ 2,910,257	\$ 2,365,000
EXPENDITURES			
Department Expenditures	1,113,500	1,075,794	937,700
WIFA Project	500,000	1,308,227	500,000
Debt/Contingency	871,500	881,574	902,000
TOTAL EXPENDITURES	\$ 2,485,000	\$ 3,265,595	\$ 2,339,700
REVENUES (UNDER) OVER EXPENDITURES	(\$365,500)	(\$355,338)	\$25,300
BEGINNING FUND BALANCE	\$ 8,442,331	\$ 8,116,957	\$ 7,761,619
REVENUES (UNDER) OVER EXPENDITURES	(\$365,500)	(\$355,338)	\$25,300
ENDING FUND BALANCE	\$ 8,076,831	\$ 7,761,619	\$ 7,786,919
Minimum Reserve Requirement @ 25% of total department expenditures	621,250	816,399	584,925

Town of Chino Valley							
Total Expenditure Summary by Department							
	Description	2016-17 Adopted Budget	2016-17 Estimate	2017-18 Adopted Budget	Budget Change	Budget Changes next Fiscal Year	Impact
GENERAL FUND							
41	PROSECUTOR	123,700	113,317	116,100	(7,600)	Salaries and Benefits	2,400
						Reduction in Prosecutor Contract	(10,000)
42	TOWN CLERK	224,000	189,350	197,900	(26,100)	Salaries and Benefits	12,400
						Election Costs	(38,500)
43	TOWN MANAGER	371,400	377,150	352,300	(19,100)	PT Front Desk	12,000
						Salaries and Benefits	(31,100)
44	HUMAN RESOURCES	221,600	212,000	233,000	11,400	Salaries and Benefits	4,200
						Services and Supplies	(2,800)
						Advertising	2,000
						Contract Services	8,000
45	MUNICIPAL COURT	278,600	263,500	281,500	2,900	Salaries and Benefits	6,400
						Audit every three years	(3,500)
46	FINANCE	343,200	342,250	356,100	12,900	Salaries and Benefits	8,800
						Audit Increase	2,500
						Services and Supplies	1,600
47	MGMT INFORMATION	336,400	290,150	285,300	(51,100)	Salaries and Benefits	(35,200)
						Services and Supplies	(11,400)
						Capital Prior Fiscal Year	(37,000)
						Document Management	30,000
						Aerial Imagry	2,500
50	MAYOR AND COUNCIL	43,200	35,300	40,700	(2,500)	Services and Supplies	(2,500)
55	PLANNING	207,000	177,400	212,600	5,600	Salaries and Benefits	4,600
						Services and Supplies	1,000
56	BUILDING INSPECTION	257,700	236,640	189,200	(68,500)	Salaries and Benefits	(47,800)
						Services and Supplies	(5,700)
						Clean up Campaign - moved to Cust Svs	(15,000)
60	POLICE	2,768,800	2,724,800	3,140,300	371,500	1/2 time officer to FT	47,000
						PSPRS Increase	150,000
						Police Officer Salary Adjustment	103,000
						Services and Supplies	22,500
						Police Cars Lease Payment	49,000
61	ANIMAL CONTROL	128,300	112,000	127,400	(900)	Salaries and Benefits	(900)
63	RECREATION	96,100	86,536	110,000	13,900	Salaries and Benefits	(2,300)
						Services and Supplies	1,200
						Recreation Programs	5,000
						Fireworks	10,000
64	LIBRARY	312,600	308,250	326,400	13,800	Salaries and Benefits	13,800
66	SENIOR CENTER	271,600	265,300	300,600	29,000	Salaries and Benefits	9,800
						Rent Machinery & Equipment	3,200
						Capital Prior FY	(4,000)
						ADA Bathroom	20,000

Town of Chino Valley							
Total Expenditure Summary by Department							
	Description	2016-17 Adopted Budget	2016-17 Estimate	2017-18 Adopted Budget	Budget Change	Budget Changes next Fiscal Year	Impact
68	PARKS MAINTENANCE	373,400	401,448	430,200	56,800	Salaries and Benefits	4,500
						Contract and Support Services PT Help	10,000
						Parks Maintenance	5,000
						Utilities - Water	30,000
						Other Services and Supplies	(2,700)
						Equipment - Lease Purchase	10,000
69	AQUATICS CENTER	220,400	257,779	206,000	(14,400)	Salaries and Benefits	13,100
						Utilities Gas	(7,000)
						Capital Prior Fiscal Year	(20,000)
						Services and Supplies	(500)
71	FACILITIES MAINTENANCE	343,500	356,198	421,600	78,100	Salaries and Benefits	6,100
						Maint Town Facilities	10,000
						Utilities - Electric	3,000
						Travel & Training	1,000
						Other Services and Supplies	2,000
						Paints North Campus Buildings	25,000
						Memory Park Restrooms	25,000
						Equipment - Lease Purchase	6,000
73	FLEET MAINTENANCE	283,000	251,274	278,700	(4,300)	Salaries and Benefits	3,700
						Maint Police Vehicles	6,000
						Other Services and Supplies	3,000
						Gas - Pool Vehicles	(5,000)
						Gas - Police Vehicles	(10,000)
						Gas - Parks Vehicles	(2,000)
74	ENGINEERING	125,900	75,750	230,100	104,200	Reduce Interdepartmental to HURF	100,000
						Salaries and Benefits	3,700
						Services and Supplies	500
75	CUSTOMER SERVICE	118,100	101,000	240,800	122,700	Salaries and Benefits	88,800
						Services and Supplies	1,300
						Professional Services	12,600
						Small Tools/Equip/Furniture	(5,000)
						Clean Up Campaign - From Building	25,000
95	NON DEPARTMENTAL	1,056,000	975,691	1,127,500	71,500	Legal Services	50,000
						Liability Insurance	15,000
						Website Redesign	(13,000)
						Other Services and Supplies	(500)
						Contingencies (Total \$440,000)	40,000
						UDO Update	(20,000)
TOTAL GENERAL FUND		8,504,500	8,153,083	9,204,300	699,800		699,800

Town of Chino Valley							
Total Expenditure Summary by Department							
	Description	2016-17 Adopted Budget	2016-17 Estimate	2017-18 Adopted Budget	Budget Change	Budget Changes next Fiscal Year	Impact
HIGHWAY USER REVENUE FUND							
278	ROAD MAINTENANCE	966,000	866,100	1,090,000	124,000	Salaries and Benefits	14,200
						Professional Services	(5,000)
						Services and Supplies	800
						Gas/Oil	(2,000)
						Road Signs	5,000
						Road Materials (\$250,000 Total)	125,000
						Hwy 89 Maintenance (New Item)	50,000
						Lease Purchase Payments	36,000
						Interdepartmental	(100,000)
							124,000
WATER ENTERPRISE FUND							
482	WATER UTILITY OPERATI	2,537,500	479,915	561,100	(1,976,400)	Water Acquisition	(2,000,000)
						Salaries and Benefits	18,800
						Professional Services	(10,000)
						System Maintenance and Repair	20,000
						Lease Purchase CWMHP LOT	(4,300)
						Lease Purchase Payments	9,000
						Services and Supplies	(9,900)
495	WATER ENTERPRISE FUN	68,500	68,500	2,071,700	2,003,200	Debt Service	3,200
						Water Acquisition (Placeholder)	2,000,000
		2,606,000	548,415	2,632,800	26,800		26,800
CAPITAL IMPROVEMENT FUND							
590	MISC CAPITAL PROJECTS	3,921,000	1,414,000	4,619,500	698,500	Community Center Remodel	50,000
						Community Center WIFI & Tower	50,000
						RED Grant Match	69,000
						ACA Econ Strength Projects	74,500
						USDA Old Home Manor	30,000
						Lease Purchase Equipment GF	615,000
						Transfer to GF - Police	100,000
						Transfer to Water Enterprise Fund	(50,000)
						Transfer to Debt Service	(30,000)
						Capital Prior Fiscal Year	(210,000)
							698,500
SEWER ENTERPRISE FUND							
683	SEWER	1,613,500	2,384,021	937,700	(675,800)	Salaries and Benefits	21,900
						Compliance/Testing	7,000
						Bad Debt Expense	10,000
						Sludge Disposal Fees	10,000
						Maint - Collections	15,000
						Capital Projects	(893,000)
						Services and Supplies	(700)
						Building	50,000
						Drying Bed	50,000
						Regional Grant Match	15,000
						Plant Improvements	30,000
						Lease Purchase Payments	9,000
695	CAP/DEBT CONTINGENCI	871,500	881,574	1,402,000	530,500	Debt Service	30,500
						Sewer Extensions - (Place Holder)	500,000
		2,485,000	3,265,595	2,339,700	(145,300)		(145,300)

Town of Chino Valley							
Total Expenditure Summary by Department							
	Description	2016-17 Adopted Budget	2016-17 Estimate	2017-18 Adopted Budget	Budget Change	Budget Changes next Fiscal Year	Impact
GRANTS FUND							
7	GRANTS	3,500,000	3,500,000	3,500,000	-		-
DEBT SERVICE FUND							
8	DEBT SERVICE	727,000	398,695	698,000	(29,000)	Debt Service	(29,000)
SPECIAL REVENUE FUND COURT							
9	SPECIAL REV FUND	38,500	9,700	38,500	-		
CAPITAL ASSET REPLACEMENT							
10	ASSET REPLACEMENT EX	50,000	47,500	60,000	10,000	Capital Prior Fiscal Year	(40,000)
						New Police Car/Other Equipment	50,000
							10,000
IMPACT FEE FUNDS							
11	TOTAL IMPACT FEES	571,500	50,226	498,000	(73,500)	Impact Fees	(73,500)
SPECIAL REVENUE FUND PD							
16	VEHICLE IMPOUND EXPE	45,000	55,000	55,000	10,000		10,000
LIGHTING IMPROVEMENT DISTRICTS							
40	CVSLID	4,000	4,000	4,000	-		
TOTAL EXPENDITURES							
		23,418,500	18,312,314	24,739,800	1,321,300		1,321,300

**Town of Chino Valley
Interfund Transfers
Budget 2017/2018**

	Capital Improvement	General Fund	HURF Fund	Water Fund	Debt Service	Road Impact
General Fund To Hurf for Road Materials		\$ (75,000)	\$ 75,000			
Capital Improvement to General Fund - Police	\$ (250,000)	\$ 250,000				
Capital Improvement to General Fund - Aquatics	\$ (150,000)	\$ 150,000				
Capital Improvement to Water	\$ (25,000)			\$ 25,000		
Capital Improvement to Debt Service Fund	\$ (698,000)				\$ 698,000	
Road Impact Fees	\$ 498,000					\$ (498,000)
Total Transfer by Fund	\$ (625,000)	\$ 325,000	\$ 75,000	\$ 25,000	\$ 698,000	\$ (498,000)
Net Transfers In	\$ 498,000	\$ 400,000	\$ 75,000	\$ 25,000	\$ 698,000	
Net Transfers Out	\$ (1,123,000)	\$ (75,000)				\$ (498,000)
Total Transfer by Fund	\$ (625,000)	\$ 325,000	\$ 75,000	\$ 25,000	\$ 698,000	\$ (498,000)

Town of Chino Valley				
Interdepartmental Charges				
		Budget FY 17-18 Public Works	Budget FY 17-18 Customer Service	Net Effect FY 17-18
General Fund				
74	Engineering	(200,000)	-	
75	Customer Service		(190,000)	
Total General Fund		(200,000)	(190,000)	(390,000)
		-		
HURF Fund		100,000	-	100,000
Total Water Fund		50,000	50,000	100,000
Total Sewer Fund		50,000	140,000	190,000
Net Interdepartmental by Fund		-	-	-
Total Water Customers		27%	50,790	
total Sewer Customers		73%	139,210	
Total Customers		100%	190,000	

**Town of Chino Valley
Equipment Needs**

Department	Equipment	Estimated Cost
Police	Police Cars (6)	\$300,000
Roads	Backhoe	\$120,000
Roads	Enclosed Mower	\$100,000
Utilities	Service Truck	\$45,000
Utilities	F650 Dump Truck	\$65,000
Parks	Mowers	\$60,000
Facilities	Maintenance Van - Library	\$35,000
	Total	\$725,000

**Town of Chino Valley
Budget Calendar
Fiscal Year Ending June 30, 2018**

	Date
Council Retreat to determine next year budget goals / strategic plan	1/31/2017
Modify/update budget database/format budget	January
Budget Calendar to departments	February 14, 2017
Distribute budget materials to departments	February 17, 2017
Complete first draft of Revenue Manual	February 28, 2017
Finance Director meeting with departments	March 1 - 9, 2017
Budget worksheets due from departments with performance measures	March 16, 2017
Departments budget meetings with Town Manager to review base budgets, capital budgets, new personnel requests and other issues	March 27 - 30, 2017
Revenue Manual Presentation To Council	March 14, 2017
Council Budget Presentation	May 6, 2017
Council Budget Hearing #1	May 10, 2017
Council Budget Hearing #2 if needed	May 16, 2017
Adopt Tentative Budget	May 23, 2017
Adopt CVSLID Resolution approving estimates, set public hearing	
Tentative Budget posted on website (within 5 business days)	May 24, 2017
First publication of Tentative Budget	June 6, 2017
Second publication of Tentative Budget	June 13, 2017
Adopt Final Budget	June 27, 2017
Public Hearing CVSLID, adopt resolution setting budget	
Final Budget posted on website (within 7 business days)	June 28, 2017
Adopt CVSLID Resolution set tax rate	July 11, 2017