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Dewey-Humboldt, Arizona

Annual Budget

Fiscal Year 2016-2017

Tentative

adopted on

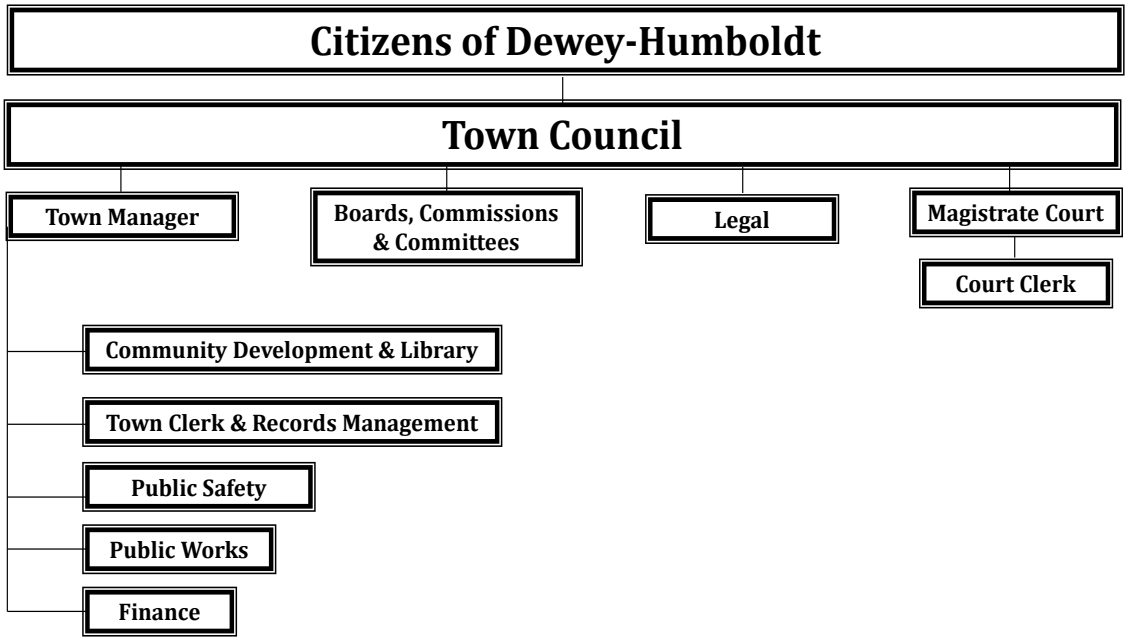
June 17, 2016

Town of Dewey-Humboldt
Annual Budget
Fiscal Year 2016-2017

Town Council

Terry Nolan, Mayor
Doug Treadway, Vice Mayor
Arlene Alen
Jack Hamilton
Mark McBrady
Dennis Repan
Nancy Wright

Organizational Chart



Contact Town Hall at 928.632.7362

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Users' Guide

The budget document serves a myriad of purposes. Most importantly is its use as a communications device. The budget presents the public an opportunity to review the types of services and levels of service provided within the financial constraints of the community. The allocation of financial resources translates into what services will be provided to the community. As community needs and demands for service change, the allocation of resources should respond accordingly. Therefore, this document attempts to communicate financial information to allow for informed citizenry.

Transmittal - The Town Manager's Message**.**

Budget Overview - The overview provides a summary of the key policy issues, priorities and strategies which shaped the fiscal year 2016 budget, the budget process fiscal policies, revenue assumptions, and expenditure highlights.

Financial Summaries – The schedules consolidate the major financial information and operating data elements. Several schedules also serve to meet state statutory reporting requirements. The expenditure summaries are used primarily for operational purposes, e.g., monitoring expenditures at a fund level and at a category level, and maintaining accountability at a department level, with managers accountable at the cost center level.

Program Detail - Each operating Department Summary provides a description, goals and objectives, major accomplishments, commentary on significant changes, budget and sources of funding.

Capital Improvements - The current year portion of the ten-year capital improvement program is also presented. A more detailed project planning sheet is available in the separately published ten-year Capital Budget and Capital Improvement Plan.

Financial Policies and Background - This section provides information on fiscal and budget policies as it relates to certain funds, debt performance, fund balances, expenditure limitation control, revenues, operating budget impact, and capital investments**.**

Community Profile - The profile provides background information so that the budget can be viewed in the context of the factors that shape and affect budget decisions, priorities, and financial parameters within which the community operates. Also provided are select statistical tables providing historical trend information on tax rates, expenditures, and assessed valuations of property.

Appendix - In the appendices, the user will find a glossary of budget terminology, summaries, policies, statistical data, and Auditor General Forms.

For additional information, please call Town Hall directly at (928) 632-7362. This budget document may also be viewed on the Town of Dewey-Humboldt website, www.dhaz.gov, in Adobe Acrobat format.

Message from Town Staff

The Honorable Mayor, Town Council and Citizens of Dewey-Humboldt:

Staff is pleased to present the budget for Fiscal Year 2016-2017. This budget is the result of months of dedicated work by all of us here in Dewey-Humboldt.

The municipal government of the Town of the Dewey-Humboldt operates under a council-manager form of government. The seven-member elected Town Council provides legislative directives, establishes town policy and monitors its execution by the town staff. The Town Manager serves as the Town's chief administrative officer and is responsible for directing the day-to-day administrative operations of the Town. The Town encompasses 23 square miles of area, with a population of 3,894.

The overall financial forecast is positive for Fiscal Year 2016-2017. The Town has three funds: the General Fund, the Highway User Revenues Fund (HURF) and the Grant Fund. The General Fund Revenues are $1.68 million which represents a 4.6% increase from FY 15-16. The HURF revenues are $343,843 this year which includes a transfer from the General Fund in order to fund additional road projects this year. We also expect about $300,000 community development block grant funds and $60,000 from Yavapai County Flood Control in FY 16-17. These two funding sources are planned to complement HURF and be used towards roads and drainage. Additionally, road maintenance has always been Council's priority. We are planning for additional road projects in FY 17 and will utilize some HURF fund balance to help to offset additional road projects. The total operational expenditures are approximately $1.66 million in the General Fund and $433,000 in HURF; the total budgeted expenditure including the General Fund, the HURF and the Grants is $4,182,302. It is clear that in FY17, Town Council places emphasis on road projects and community outreach programs.

The Town's Budget is subject to the "expenditure limitation requirement" established by the State of Arizona. The limitation, in general, sets the ceiling for a municipality's total expenditure in the coming year. FY 16-17's expenditure limitation is $4,303,973. Dewey-Humboldt's total budgeted expenditure is below the limitation.

Led by the Town Council's conservative fiscal approach, the Town's financial status is solvent. At this level of expenditure, with sufficient contingency and reserve funds, the Town has $2.79 million in the unassigned fund balance. The Town does not have debt.

Throughout the Budget, in each chapter, one will find the progress we are making in the current year and their impacts on the future years. I look forward to another year of productivity and teamwork in Dewey-Humboldt.

Sincerely,

Yvonne Kimball, ICMA-CM

Town Manager

Chapter 1: Budget Overview

Revenues are expected to increase by over $60,000 in FY2017. Existing programs are to continue and/or improve in public works service levels and building safety services. We believe that those limited services that the Town does provide are being provided as efficiently, professionally, and sustainably as possible for the money.

Several contracted services are seeing fee increases in FY. The fees for Town Public Safety services (provided by Yavapai County Sheriff's Office), legal services, and IT services are all going up in FY17.

The FY17 Budget funds a cost overrun contingency of $200,000 and sets aside the maximum amount of reserves $744,182 (equal to 50% of the average General and HURF fund total revenues or expenditures for the preceding three years; whichever amount is higher). The Town's uncommitted, unallocated funds ending balance should be $2,728,839 after all budgeted expenditures occur.

The Town has no current debt obligations and no capital lease payments. The basis of budgeting for all funds is the same as the basis of accounting used in the annual audit.

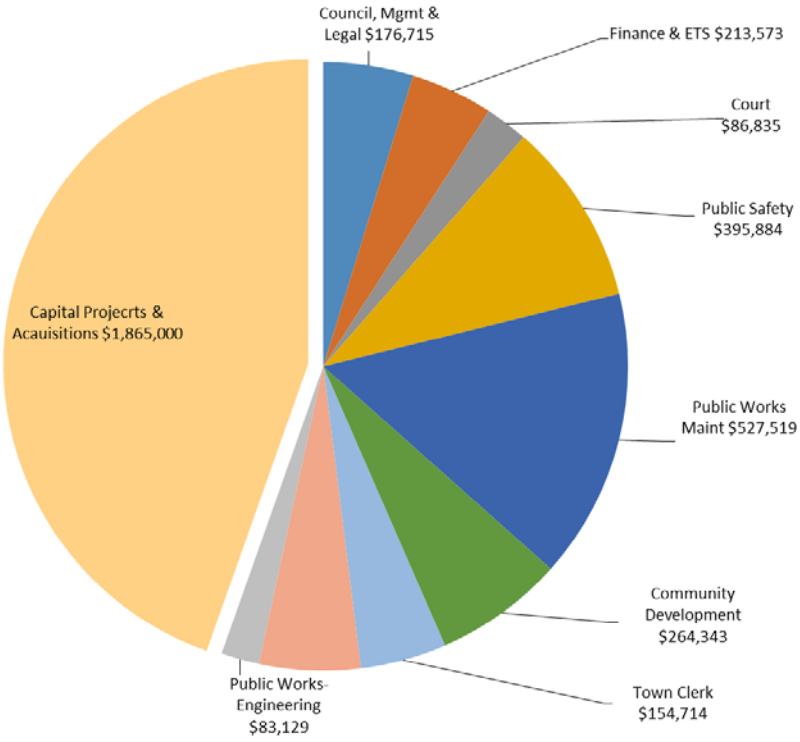
Summary of Changes in Major Programs and Projects

Most of the Town's expenses are on a modest scale. Accordingly, the best way to look at expenditures is to look at totals by program. Because the "Public Works and Engineering" program includes the allocations for road projects, it is the program with the largest amount of dedicated funds.

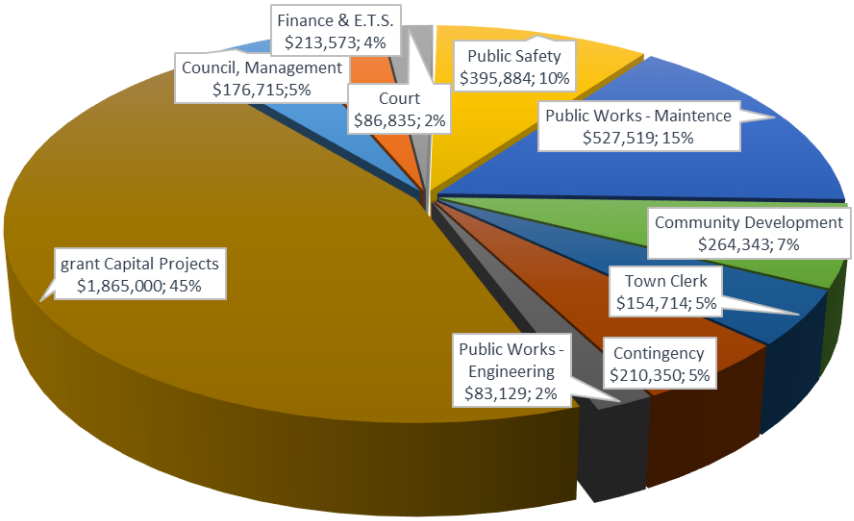
It is the intention of the Town to do everything reasonably possible to avoid consuming either the reserve or the contingency, except when clearly warranted after careful consideration by the Council. The total financial program proposed for FY2015-16 is $4,182,302 and consists of the following:

	EXPENDITURE SUMMARY BY FUNDING SOURCE (REVENUE)				
	GENERAL REVENUES	***HURF REVENUES***	***GRANTS***	***CASH FUND BALANCE ALL FUNDS***	***TOTAL***
Estimates of Revenues and Expenditures					
Revenues and Available CF Balance	**1,684,302**	**343,843**	**1,865,000**	**289,157**	**4,182,302**
Expenditures					
Town Council&Legal	199,481				199,481
Magistrate	95,410				95,410
Public Safety	406,804				406,804
Town Clerk	191,074				191,074
Finance	148,588				148,588
IT Support	34,600				34,600
Cost Over-run Contingency					-
Community Development	287,625				287,625
Public Works & Engineering					
Operational	284,285	210,000			494,285
Capital Expenditures	12,000	223,000	1,865,000		2,100,000
Cost Over-run Contingency				200,000	200,000
Transfer (GF to HURF)				24,435	24,435
Budgeted Expenditures	$ 1,659,867	$ 433,000	$ 1,865,000	$ 224,435	$ 4,182,302

EXPENDITURE SUMMARY ALL FUNDS



COMBINED EXPENDITURE SUMMARY: General Fund,HURF and Grants



Consolidated Expenditure Summary by Source of Funding

Expenditures	FUNDING SOURCE					
	General Fund FY2016-17		HURF Fund FY2016-17		Grant Effort 2017	
	Local, Intergovernment, and	Existing Cash Fund Balance	Local, Intergovernment, and	HURF Fund Existing Cash Fund	Misc. Grant Revenues	TOTAL
Salary	$ 573,220	$ -	$ -	$ -	$ -	$ 573,220
Overtime	800					$ 800
Allowances	4,560					$ 4,560
Health Insurance (BCBS, Life, HS)	99,144					$ 99,144
Dental & Vision	7,800					$ 7,800
Retirement	60,676					$ 60,676
Medicare	8,229					$ 8,229
State Unemployment	6,300					$ 6,300
Workers Compensation	6,650					$ 6,650
OSP: Ongoing Contracts, IGAs(for non-capital)	593,913					$ 593,913
OSP: Facility Leases	66,108					$ 66,108
Dues and Memberships- Town and Staff	13,887					$ 13,887
Training, Travel, Education - Staff	7,700					$ 7,700
Training, Education - Council/Committees	14,580					$ 14,580
Printing & Publishing Newsletter	18,000					$ 18,000
Printing Publishing Advertising	5,000					$ 5,000
General Supplies/Rd. Maintainance Materials	9,700					$ 9,700
Software: Granicus & American Legal	16,000					$ 16,000
Software Maintenance & Acquisition	18,400					$ 18,400
Hardware Maintenance & Acquisition	8,500					$ 8,500
Maintenance Town Hall Office/PW Yard	500					$ 500
Facilities Utilities	21,000					$ 21,000
Building & Auto Liability Insurance	29,200					$ 29,200
Vehicle/Equip Maintenance & Fuel	1,000		84,000			$ 85,000
Facilities/Open Space Maintenance	500					$ 500
Neighborhood Outreach	56,500					$ 56,500
Road Preservation & Chipsealing			7,000			$ 7,000
Captal Outlay (property equipment)	12,000		52,808	74,757	1,865,000	$ 2,004,565
Operating Contingency & Transfer	10,000	214,435		214,435		$ 438,870
Total Expenditure	**$ 1,669,867**	$ 214,435	**$ 143,808**	289,192	**$ 1,865,000**	**$ 4,182,302**

SUMMARY OF EFFORTS BY PROGRAM

Expenditure Items	Town Council Mgt & Legal	Town Clerk	Finance	E.T.S.	Magistrate Court	Public Safety	Com. Dev. (inc. library)	Public Works Engineering	Public Works Maintenance	2015 $ Total	% of Operating
OPERATIONS											
Salary	$ 88,098	$ 93,890	$ 81,117		$ 51,159		$ 132,114	$ 54,817	$ 72,025	$ 573,220	34.8%
Overtime									800	$ 800	0.0%
Allowances	4,560									$ 4,560	0.3%
Health Insurance (BCNS, Life, HS)	9,952	19,976	19,904				20,048	9,852	19,412	$ 99,144	6.0%
Dental & Vision Insurance	780	1,560	1,560				1,560	780	1,560	$ 7,800	0.5%
Retirement	9,771	11,267	9,735		2,558		12,884	6,579	7,882	$ 60,676	3.7%
Medicare	1,181	1,362	1,177		742		1,916	795	1,056	$ 8,229	0.5%
State Unemployment	420	1,260	840		840		1,260	420	1,260	$ 6,300	0.4%
Workers Compensation	212	399	255		128		1,200	1,781	2,675	$ 6,650	0.4%
OSP: Contracts, IGAs (non-captial)	58,000	18,000	25,000	24,000	27,100	394,170	41,143	1,000	5,500	$ 593,913	36.0%
OSP: Facility Leases					3,983	10,134	13,000		38,991	$ 66,108	4.0%
Dues and Memberships	11,927	360	500		400		500	200		$ 13,887	0.8%
Training and Travel Staff		1,500	1,500		2,000		1,500	1,000	200	$ 7,700	0.5%
Training Council & Committees	14,580									$ 14,580	0.9%
Printing & Publishing Newsletter		18,000								$ 18,000	1.1%
Printing Publishing Advertising		5,000								$ 5,000	0.3%
General Supplies&Rd. Maint. Material					1,500		200		8,000	$ 9,700	0.6%
Software: Granicus & American Legal		16,000								$ 16,000	1.0%
Software Maint & Acquisition		2,500	7,000	5,100			3,800			$ 18,400	1.1%
Hardware Maint & Acquisition				5,500	3,000					$ 8,500	0.5%
Maint Town Hall Office/PW yard									500	$ 500	0.0%
Facilities Utilities					2,000	2,500			16,500	$ 21,000	1.8%
Building and Auto Liability Insurance									29,200	$ 29,200	1.8%
Facilities/Open Space Maint						-			500	$ 500	0.0%
Vehicle/Equip Maint & Fuel									1,000	$ 1,000	0.1%
Neighborhood Outreach							56,500			$ 56,500	3.4%
TOTAL OPERATIONS	$ 199,481	$ 191,074	$ 148,588	$ 34,600	$ 95,410	$ 406,804	$ 287,625	$ 77,224	$ 207,061	$ 1,647,867	100%
OTHER											% of Total
Capital Outlay General Fund									12,000	$ 12,000	0.3%
Maintainance HURF									84,000	$ 84,000	2.0%
Capital Outlay HURF								7,000	342,000	$ 349,000	8.3%
Capital Projects Grant Funded										$ 1,865,000	44.6%
Operating Contingency & Transfer										$ 224,435	5.4%
TOTAL	$ 199,481	$ 191,074	$ 148,588	$ 34,600	$ 95,410	$ 406,804	$ 287,625	$ 84,224	$ 645,061	$ 4,182,302	

Personnel Detail

In early 2016, 1 additional full-time employee was added to accommodate Building Services, which was brought back in-house from the County. In FY17, personnel level will remain the same as FY16.

The total personnel information for FY2016-17 is as follows:

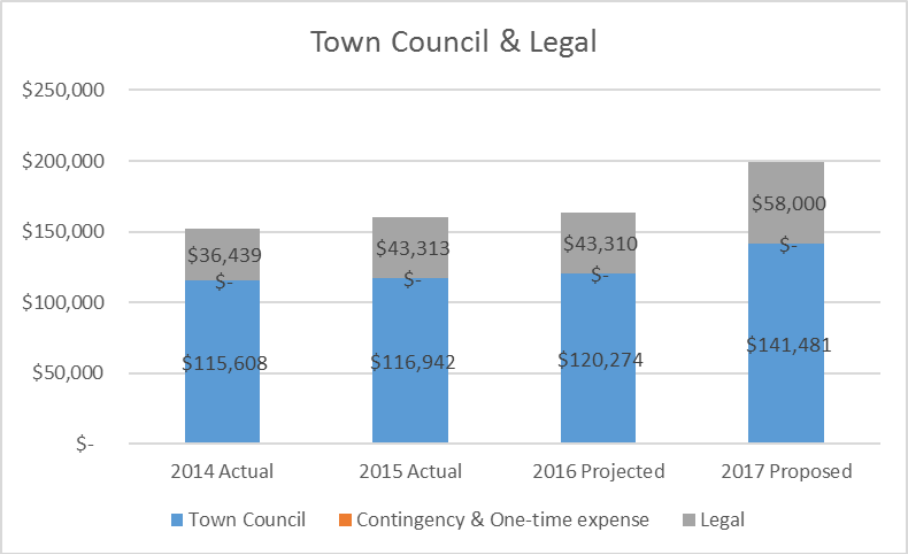
Town of Dewey-Humboldt
Personnel Detail - All Funds

Department	POSITION	FY2016 ACTUAL	FY 2017 PLANNED
Town Council	Town Manager	1.00	1.00
Community Development	Planner/Code Officer	1.00	1.00
	Building Official/Building Inspector	0.80	0.80
	Community Development Technician	1.00	1.00
Engineering/ Pubic Works	Public Works Supervisor	1.00	1.00
	Public Works Operator	2.00	2.00
Finance	Finance Supervisor	1.00	1.00
	Accounting Clerk	1.00	1.00
Town Clerk	Town Clerk	1.00	1.00
	Administrative Assistant	1.00	1.00
Magistrate Court	Magistrate	0.20	0.20
	Court Clerk	0.60	0.60
	Total FTE	**11.60**	**11.60**
	Total # of Employees	**13.00**	**13.00**

Town Council

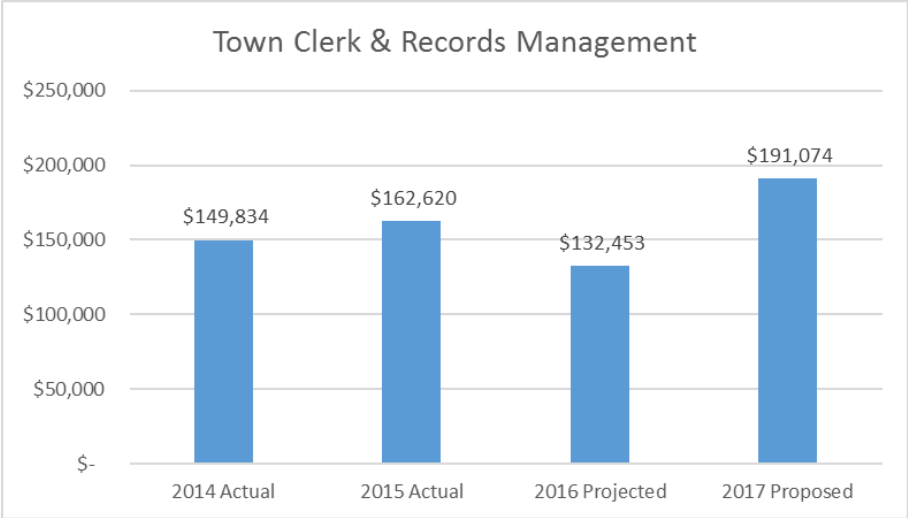
Through Council initiative, efficiency and effectiveness remains a strong focus as Council and staff work on a continuous process of review and improvement. The Town has a Council-Manager form of government, with the Council and Manager roles defined by separate ordinances. The Town does not have a charter.

The Town Council is responsible for establishing goals and adopting public policy that meets the community's needs. In addition, they are responsible for adopting an annual budget that maintains the fiscal stability of the Town.



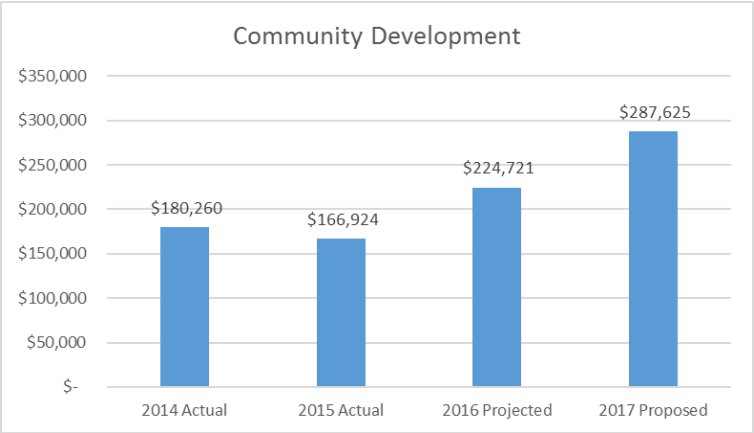
Town Clerk and Records Management

The Town Clerk's Department continues to focus on communication, open government, and the Town's legal responsibility to maintain its records.



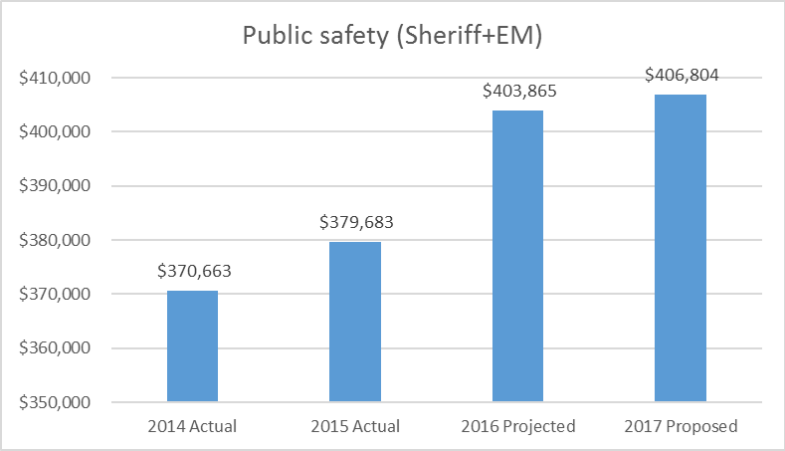
Community Development

The Community Development Department strives to promote sustainable and fair development in Dewey-Humboldt. In FY15, Building Safety in-house transition was an operation priority. In FY16, the building safety function continues to operate in-house and the permit revenue has seen a trend of steady but gradual increase from prior years. To reflect the workload, in FY16, a full time undivided, instead of a shared, Administrative Assistant is budgeted under the Department. The Department filled the Planner/Code Officer vacancy in early FY16. We continue to restructure and improve the Community Development operating procedures. The goal is to provide a complete one-stop solution for development services while enhancing customer services. The Community Development Department also oversees the library expenditures.



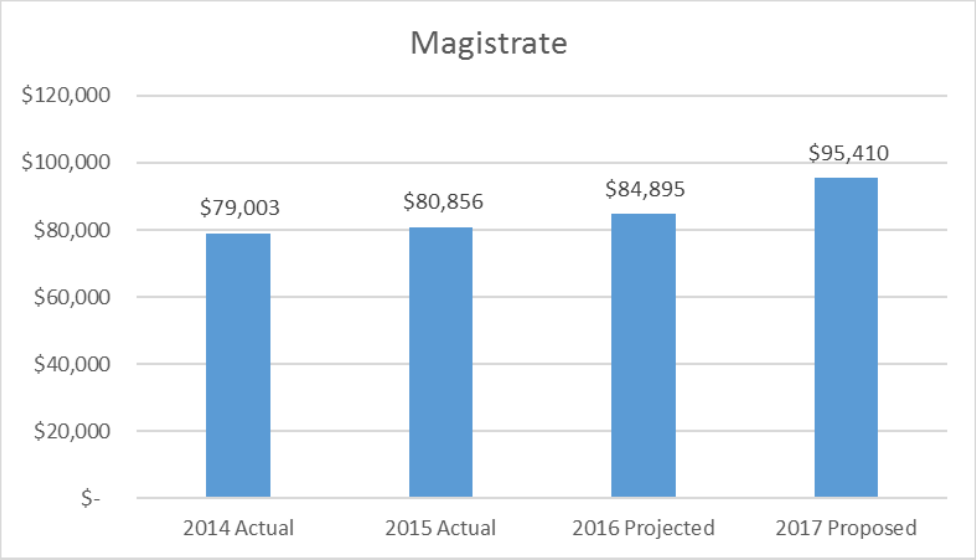
Public Safety

The Town's Fire and Emergency Management Services are provided by Central Yavapai Fire District separately from the Town's services. Dewey-Humboldt's policing services are managed through an intergovernmental agreement with the Yavapai County Sheriff's Office. This program provides the resources to accomplish the mission of public safety for the citizens of Dewey-Humboldt. Under the Public Safety Program, the Town also has an IGA with Yavapai County Emergency Management office for disaster planning and responses. The cost remains steady in FY16.



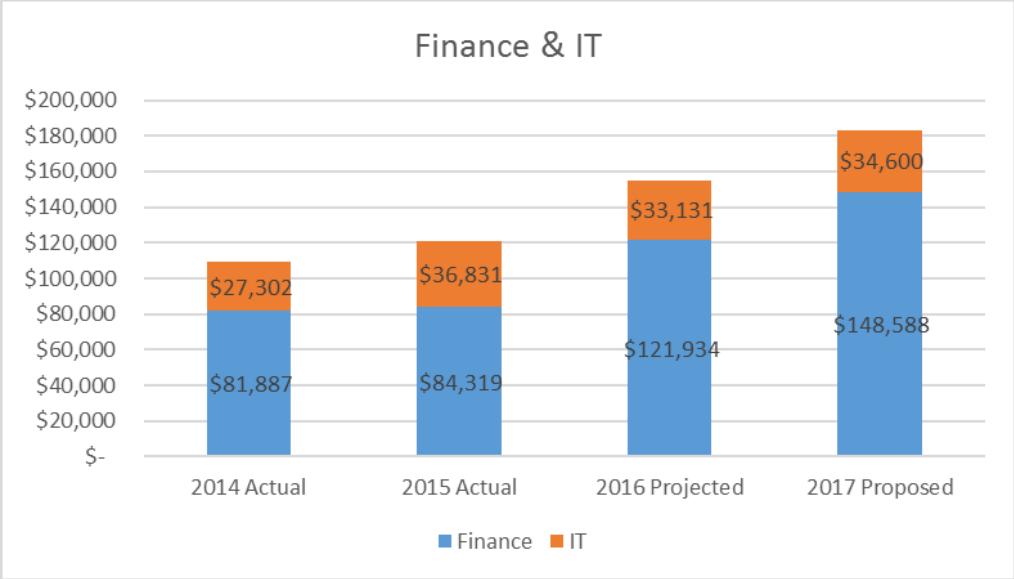
Municipal Court

The Town Magistrate oversees the Municipal Court. The Court's function is to promptly and fairly process all criminal and traffic violations filed in court and to effectively obtain compliance of the court's orders. The Court contracts out the prosecutor services.



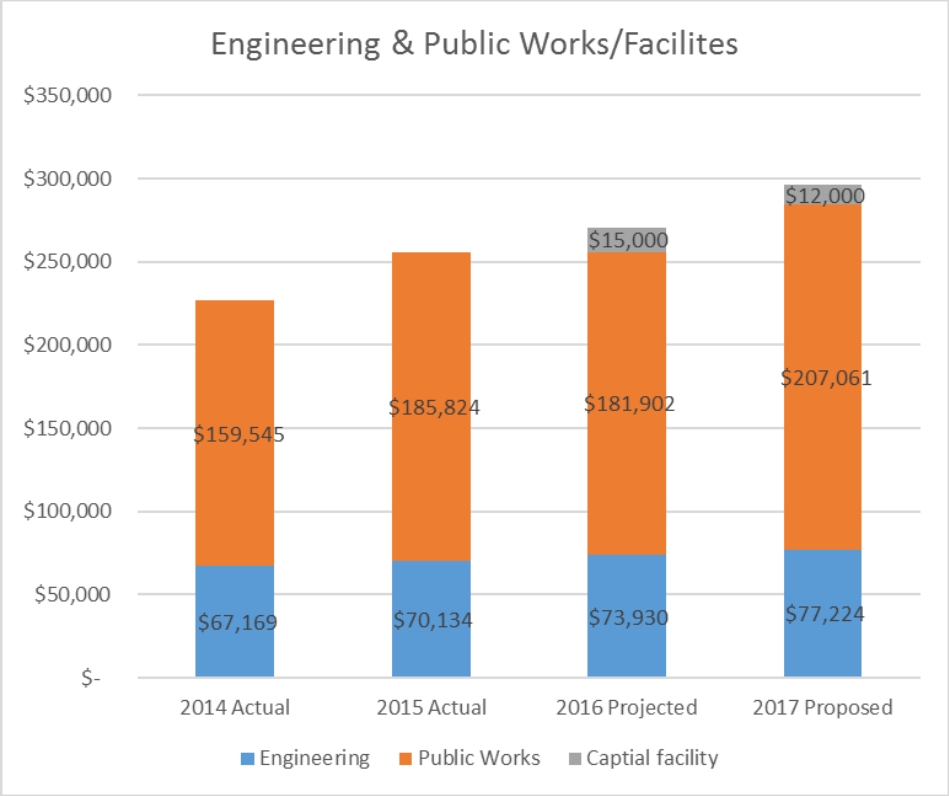
Finance

Under the direction of the Town Manager, the Finance Department coordinates activities related to budget, finance, investments, human resource, performance management, enterprise technology and grants. The Town's IT service is provided by a consultant firm through a service contract. The increase in the proposed budget is for an additional employee which was previously budgeted under the Town Clerk's Office.



Engineering & Public Works

Engineering and Public Works collectively manage the maintenance and development of Town infrastructure (i.e. roads, rights-of-way, culverts and river crossings). In FY16, Council continues to emphasize road maintenance. The Town began to implement a six-year paved road maintenance plan in FY13; staff designed and began to implement a 5-year unpaved road maintenance plan in FY16. As a result, overall road maintenance will see a higher level of services. Under Public Works, in addition to road services, facility maintenance is also a budget function. The town leases its Town Hall and Library Facilities. The Town Hall lease (including Dewey-Humboldt police station) is up for renewal in FY16.



Capital Expenditures

The Capital Improvement Program (CIP) began in FY2008, and has progressed each year. The total dollar amount of capital improvement projects for FY2016 is approximately $1,877,000 and planned to be funded through grants. For a more detailed discussion of the FY2016 CIP, please see the Engineering Department chapter. Capital projects are included in the FY2016 CIP that can be funded

with one-time revenues, but most of the funding is planned to come from unidentified, even speculative, grant sources.

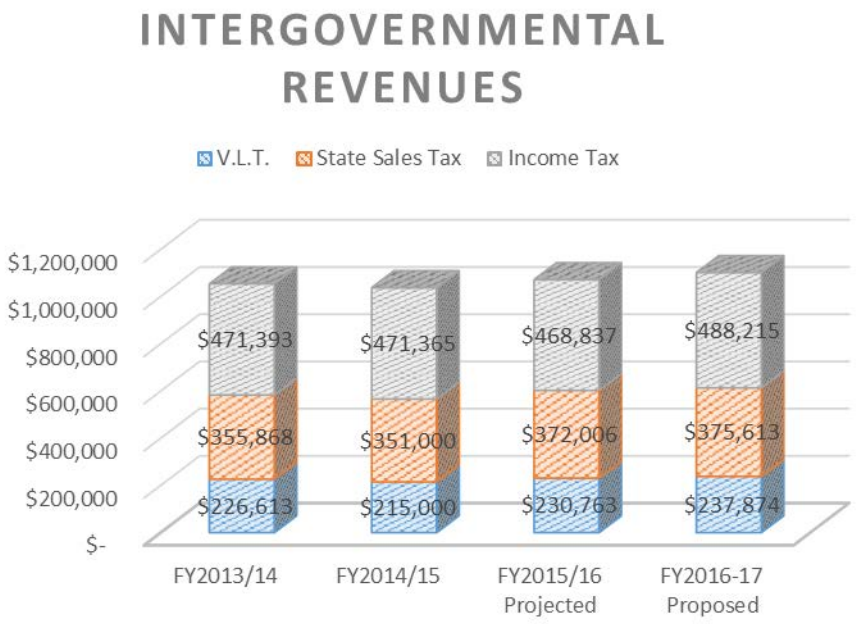
In FY17, the town is expecting to receive an approximate $300,000 Community Development Block Grant. This fund will be utilized for drainage and sidewalk improvements for Blue Hills Farm #3 neighborhood and Huron Street sidewalk extension at the elementary school area.

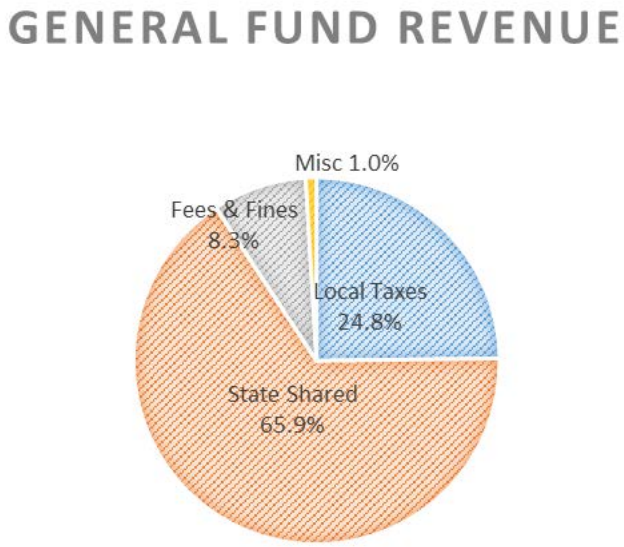
In FY17, Yavapai County Flood Control fund continues to allocate funds for Dewey-Humboldt. The Town is scheduled to receive $65,000 for drainage improvement throughout the Town.

Also in FY 17, the Town is expecting the completion of the full signal traffic light at the intersection of Main St. and SR 69. This light has been in planning for a couple of years. This is a partnership between the Town, the Arizona Department of Transportation and Central Yavapai County Metropolitan Organization.

Summary of Changes in Major Revenues

As a result of the overall economic recovery, we expect FY16 total general fund revenues to increase about 7%. The revenues are collected from across the state and fund most of our operations:





Projected Changes in Fund Balances

Based on previous years' budget figures, the General Fund Balance is projected to be $2,766,511 when FY2016 begins; please be advised that the actual fund balance reflected in the financial statement for the year ending on June 30, 2016 is likely to be higher than $2, 766,511. However, for consistency reasons, the $2,766,511 which is derived from previous budgets is used as the fund balance for the beginning of the FY 2017. With that, the Town will continue to fund a contingency of $200,000. The maximum amount of operational reserves is $744,182. Under the contingency fund, the Council is considering potential acquisition of land. Should any or all of the activities be funded in FY17, under Council direction, a change in the General Fund Balance would occur.

Although the level of service for roads is to increase, there is no projected change in the HURF Fund due to receiving the CDBG funding and County Flood Control funding.

	General Fund	HURF Fund	Subtotal of General and HURF Funds	Grants Fund	2016-17 Total
Excess of Revenues over (under) Expenditures	-	(89,157)	(89,157)	-	(89,157)
Other (Uses) Operating Contingency	(200,000)	-	(200,000)	-	(200,000)
Net Increase (Decrease) in Fund Balance	(200,000)	(89,157)	(289,157)	-	(289,157)
Fund Balance at the Start ot the Year	2,766,511	320,124	3,086,635	-	3,086,635
Fund Balance at the End ot the Year	2,566,511	230,967	2,797,478	-	2,797,478

Budgeted expenditures were managed without using any of the Contingency or Operational Reserve Funds from the prior year. To provide a vital margin of safety, total committed funds are $744,182 leaving an unassigned fund balance of $1,822,329.

	General Fund	HURF Fund	Subtotal of General and HURF Funds	Grants Fund	2016-17 Total
Summary					
Committed for Contingency	-		-		-
Committed for Reserves	744,182		744,182		744,182
Unassigned Fund Balance	1,822,329	230,967	2,053,296		2,053,296
Total Fund Balance	2,566,511	230,967	2,797,478		2,797,478

Budget Process

The Budget process has been the Town's primary strategic planning tool since incorporation. Other planning processes include development of the Town's General Plan and Master Plans. Once a budget is adopted, it may be amended by a simple majority of Council, but only by transferring funds between allocations and only if the transfer is "in the public interest and based on a demonstrated need." State law (A.R.S. § 42-17106) also requires that the Town must ***not:*** spend money for a purpose that is not included in its budget; or spend more money or promise to spend more money than is stated for each purpose in the finally adopted budget for that year, even if the Town has more money than it planned at the beginning of the year.

Budget Calendar

FISCAL YEAR 2016-17 Budget SCHEDULE (revised)	
Date	**Task**
February - March 2016	State Expenditure Limitation information available Preliminary Budget guidelines provided to Staff, Developing Budget Calendar Council consideration of Budget programs State Shared Revenues provided by the League of Cities/Towns
March 1 - 25, 2016	Departmental Budget estimates and narrative prep, including Sheriff and IT proposals
April 1 - 30, 2016	Revised State Shared Revenues provided by the League of Cities/Towns
April 4, 2016	Council Budget Worksheet Completion Begin composing narrative, graphs and charts
April 19, 2016	Preliminary Budget Worksheet Council Acknowledgment at Regular Council meeting at 6:30 pm
April 26, 2016	Council Budget disucssion at Special Council Meeting at 9:00 a.m. (Detailed discussion #1) Revisions by staff; preparation of narratives and graphics
May 10, 2016	Council Budget discussion at Study Session Meeting at 2:00 p.m. (Detialed disucssion #2) Revisions by staff, preparation of narratives and graphics
May 24, 2016	Council Budget disucssion at Special Session at 9:00 a.m. (detailed discussion #3) Revision by staff
June 7, 2016	Council adoption of the Tentative Budget at Regular Council Meeting Publication of the Tentative Budget within 7 days, Prepare and post notice of final Budget hearing and adoption
June 14, 2016	Council Tentative Budget final review at Study Session at 2:00 p.m. Revisions by staff, if necessary
June 21, 2016	Public Hearing at 6:30 p.m. Regular Council Meeting Planned Adoption of FY16-17 Budget; publication within 7 days upon adoption
June - July 2016	Fiscal Year 2016-17 Setup in accounting system
July 1, 2016	Fiscal Year 2016-2017 begins
July 1, 2016 - June 30, 2017	FY15-16 Audit; FY16-17 Budget monitor; measure; assess; report

Budget Resolution

RESOLUTION Nº 16 -_

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF DEWEY-HUMBOLDT, COUNTY OF YAVAPAI, ARIZONA, ADOPTING THE DEWEY-HUMBOLDT FY2017 BUDGET; AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Town of Dewey-Humboldt has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities; and

Whereas, the Town of Dewey-Humboldt FY2017 Budget (the "Budget") has been developed by the Town of Dewey-Humboldt to deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar; to maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the Town of Dewey-Humboldt; and to have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the Town's residents; and

Whereas, the Budget has been carefully reviewed by Council, who believes that it fairly provides for the provision of public goods and services to further the health, safety, and welfare of the Town's citizens.

Now, Therefore, Be it resolved by the Mayor and Common Council of the Town of Dewey-Humboldt, Arizona:

1. The Dewey-Humboldt FY2017 Budget shall be adopted as follows:
   1.1. The Budget is hereby adopted as an official Budget of the Town of Dewey-Humboldt for fiscal year 2017 (beginning on July 1, 2016, and ending on June 30, 2017).

   1.2. The Budget shall be implemented, monitored, and maintained by the officials and staff of the Town for a period of one year (FY2017) with the support of this resolution.

2. Effective Date. That this resolution shall be effective as of the __ day of July 2016.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Dewey-Humboldt, Arizona, this ___ day of July 2016.

_____

Terry Nolan, Mayor

ATTEST:

_____

Judy Morgan, Town Clerk

APPROVED AS TO FORM:

_____

Town Attorney

Chapter 2: Town Council Department

This department's major focus is on connecting the Council with the community and connecting Council's Vision to the delivery of Town services.

The Town Council has three major appointed positions that report directly to them: Town Manager, Town Attorney, and Town Magistrate. It is the Town Council's responsibility to oversee these functions and to provide the needed policy direction for the effective management of the Town.

One full-time employee, the Town Manager, is budgeted under this department. Pursuant to Town Code, the 7-member Town Council does not receive salary, benefits or other form of monetary compensation for their services.

In FY2016,

- The Town Council continued updating the Town's codes to clarify procedures and policies governing the public bodies, including procedures for council regional appointments, code clarification of Vice Mayor appointment, updating board/commission/committee appointment process, and other subjects relating to rules, protocol and procedures. These updates are formalized into ordinances or council policies.
- The Town offered a well-water testing kit program to all citizens free of charge. It was a very well-received program.
- Town continued dialogues and discussions on animal related ordinances and adopted the animal control ordinance which would revise current Town Code Title X. Chapter 90 Animals.
- Town adopted the 2012 International Building Codes. Town also obtained favorable ratings by the Insurance Service Office, Inc. (ISO). The town earned better ratings in overall building safety efficiency and effectiveness than surrounding agencies.
- Town was awarded with approximately $300,000 Community Development Block Grant fund.
- Town successfully partnered with Prescott National Forest Office to proceed with constructing a multi-use trailhead at the end of Newtown Ave. The trailhead would improve the accessibility of Prescott National Forest which abuts the Town's western boundary and hopefully enhance the Town's economic development outlook.
- The traffic light at the corner of Main St. and SR 69 has been awarded to a contractor. Construction and completion is expected any day. This light is fully funded by federal and state funds. Total cost for the project is a $329,000.
- Town Council revised and adopted the Sound Principles of Financial Management.
- Town Council carefully considered the road, trail projects recommended 2011-2021 CIP along with the alternative ingress/egress in the Blue Hills area.
- Town Council carefully considered citizens' requests to maintain those privately owned dirt roads in town and consulted the request with the Town Attorney.
- Town had a citizen survey conducted and the response rate was 18%.
- Town has made the initial steps to update the website.
- Town has authorized the update of the audio/video system in Council chamber.
- Town Council underwent the selection process and re-appointed the Town Attorney.
- Town Council continued the consideration of the Museum building and discussions about future Town Hall facilities.
- Town continued its financial assistance to D-H Historical Society (DHHS) by reimbursing the annual museum rent fully and sponsoring the Aqua Fria Festival.
- The Council continued the Volunteer of the Year program to recognize volunteers in the community.

- Town continues to operate within the operational budget and maintain a plum level of surplus and the debt-free finance status.
- Town Council adopted council policy and acknowledged an administrative policy to recognize public body members and employees.
- Town manager created and implemented a master project database as a tool to ensure accountability.
- Town council endorsed the effort to establish "Firewise" communities. Initial efforts have been made toward this designation.
- Town secured $60,000 Flood Control Fund for drainage maintenance in FY 17.
- Town participated in a regional FEMA fire grant application for regional data consolidation.
- Town utilizes OpenGov financial software to enhance transparency.

In FY 2017,

- The Council desires to continue its effort to address issues that are of the community's general interest and analyze the effects of proposed changes to ensure maximum efficiency and positive impact on the community.
- The Council continues to institute Town Code clarification and revisions.
- The Council continues to explore more ways to improve Town-owned roads.
- The Council continues to financially support DH Historical Society. Council also decided to make financial contribution to Mayer Area Meals on Wheels which provides services to DH residents.
- A new Town website is expected to be in use.
- Under the direction of the Council, Town is continuing the free private well testing kit program. Council is also considering a program to encourage residents to take actions to resolve drinking water contamination concerns.
- Under the Town Council's direction, the Town Manger will continue to:

  Implement Council's decisions and visions;
  Update the Town codes, especially sections pertaining to land uses;
  Improve the organizational structure;
  Strengthen operational procedures and internal policies;
  Emphasize customer services;
  Work with the community to address daily issues, such as pursuing "FIREWISE Community" designation, reinstating the Town- sponsored "dump day" event and the "Citizens' Academy";
  Explore alternative options to expedite the EPA Superfund clean-up process;
  Utilize technology to address financial transparency, performance measurement, citizen engagement, and other daily challenges.

Town Council

The Town Council serves Dewey-Humboldt's citizens as elected representatives and provides for the orderly government of the Town. The town is a general law town organized in December 2004 under Arizona Revised Statutes (ARS) Title 9, Chapter 2, Article 3. The Town has a Council-Manager form of government, with the Council and Manager roles defined by separate ordinances. The Town does not have a charter at this time.

The Town Council is responsible for establishing goals and adopting public policy that meets the community's needs. In addition, they are responsible for adopting an annual budget that maintains the fiscal stability of the Town.

Unlike many other cities and towns, Dewey-Humboldt Town Council members and all other public body members receive no financial compensation for any of the services and support they provide to the Town. Members are only reimbursed for mileage and travel expenses when on Town duty.

In support of the Council's mission, the Town Attorney is Gust Rosenfeld, PLC. The firm supports the Town's legal concerns with principled, ethical, and professional counsel and insightful research.

In the Council's intergovernmental outreach, professional memberships are important for the Town to remain a vital part of regional, statewide, and national efforts to maintain the voice of our Town in these significant areas, and to maintain the professionalism of town management. The Town (or a representative staff member of the Town) is a member of the following organizations:

- Arizona League of Cities and Towns
- Arizona City and County Management Association
- Arizona Bar Association
- Arizona Municipal Clerks Association
- Arizona Planning Association
- Arizona Building Officials Association – Grand Canyon Chapter
- Central Yavapai Metropolitan Planning Organization
- Government Finance Officers Association of Arizona
- Governor's Groundwater User Council
- Greater Prescott Regional Economic Partnership
- International Code Council
- International Institute of Municipal Clerks
- Northern Arizona Council of Governments
- International City and County Management Association
- Yavapai Regional Medical Center Board

Town Council assignments to the regional appointments are as follows. These appointments are subject to change at any time at Council's discretion:

Councilmember Arlene Alen – Central Yavapai Metropolitan Planning Organization

Councilmember Dennis Repan – Greater Prescott Regional Economic Partnership

Vice Mayor Treadway - Northern Arizona Council of Governments

The Council's Vision is central to everything done by the Town. It is as follows:

Dewey – Humboldt Vision 2028
A Statement Describing the Next Twenty Years

The Town of Dewey-Humboldt was created in 2004 to preserve the low- density lifestyle that area residents came to enjoy, and were fearful of losing. People live in Dewey-Humboldt because they like a slower pace, more elbow room, and a more rural character. They like the freedom to be themselves, to respect and be respected regardless of their role in the community. They like the view of the mountains and want to know the skies will be clear, the water clean, and the air fresh. Keeping these attributes will make Dewey-Humboldt a jewel in the quad-cities.

We know and expect that…

1. Our population will grow in conformance with the General Plan. People will be attracted by our low-density residential community and small-town lifestyle.
2. Some commercial enterprises will be needed to help support the Town's population, but the locations of those businesses should be focused and concentrated.
3. Non-industrial type home-based businesses will be part of the future growth.
4. Some property owners will want to maximize the value of their land and make it available for development.
5. Water supply will be a limiting factor in our growth and development. We need to emphasize water conservation and reuse.
6. With increased growth, transportation and circulation needs to be well planned.

No one can stop change from coming and not all change is bad. Therefore, we, the Town Council, will focus any changes we're asked to support on meeting the following fundamental criteria.

We promote…

1. Broad, inclusive and effective involvement by residents in all planning activities.
2. Development that will foster the look and feel of openness and protect the viewscape.
3. Codes, laws, standards and regulations that balance the rights of the individual and low-density residential living with the rights of the collective population.
4. Protection and non-destructive use of our natural resources including the surrounding mountains and hills, natural open space, public lands, rivers, and streams.
5. A balanced, cost-effective outlook to maintain a healthy environment and future development.
6. Public safety and the quiet enjoyment of this wonderful place by all that live or visit here.

Town Staff is responsible to identify how each proposed Council action relates to the following values:

- ***Active Citizenship*** – each Dewey-Humboldt citizen has the right and responsibility to participate in the governance of the Town.
- ***Sustainable Development*** – the land regulated by the Town should be developed such that it remains at least as valuable in future generations as it is today, *ceteris paribus*, with no additional external resources.

- ***Creating Community*** – Town activities should tend to create mutual respect and understanding between citizens; shared resources like air, the river, the mountains, and the feeling of openness should be preserved by governance, public investment, and celebration.
- ***Self-Reliance*** – whenever civil, each person should earn the benefits and bear the burdens of his or her own actions.
- ***Efficient Public Services*** – the few services of the Town should be delivered as efficiently and fairly as possible, with strong fiscal discipline.
- ***Limited Public Services*** – the Town should only deliver those public services that cannot be efficiently provided by the private sector.
- ***Durable Public Improvements*** – the Town should deliver public services with the expectation that the Town will live for as long as the State of Arizona exists.

Town Boards, Commissions, and Committees

Town Boards and Commissions are critical to our government. They provide support to Town Council by acting on Council's behalf in important land use areas or by providing a recommendation to Council. The Town's committees are formed by Council resolution, in accordance with the Town Council Rules and Procedures. This year's budget provides for comprehensive Council training, including the annual Council retreat for policy development, training for all members of the Planning and Zoning Commission through the annual Arizona Planning Association Annual Conference, and additional funds for committee training and projects.

Planning and Zoning Commission

Barry Smylie, Chairperson
Jeff Siereveld
Joe Garcia
Vacant
Victor Hambrick
Rich Schauwecker
Patrick McGill

Open Space and Trails Committee

Sandra Goodwin, Chairperson
Laurence McCormick
Valerie James
Carl Marsee, Associate Member
Skip Gladue
Kevin Leonard
Vacant (2)
Becky Paloutzian, Associate Member

Town Manager

The Town Manager is responsible for overseeing the day-to-day operations of the Town and for carrying out the policies that are adopted by the Town Council. The Town Manager's office provides the overall administrative leadership necessary for the implementation of Town Council policies, administration of the organization and delivery of services to the citizens, promotes interaction with other levels of government to serve the best interests of Dewey-Humboldt's citizens, advocates the Town's position, and encourages and develops public-private partnerships that support Council direction and meet the needs of the community in a cost-effective manner.

Legal Counsel Services

The Town Attorney serves as legal advisor to the Council, Manager, and all Town programs and represents the Town in all legal proceedings. The Town Attorney is also responsible for civil court proceedings in various state and federal courts in all areas of the law, including but not limited to, zoning, contract, public bidding, personnel, bankruptcy, water, real estate and environmental. The Town Attorney also provides verbal and written legal opinions to the Town Council, Town Manager, Town programs, boards, commissions, and committees. The Town Attorney drafts Town ordinances, resolutions, leases, contracts, and other legal documents. Town also hires an independent Hearing Officer to hear and address public body code of ethics complaints. The Town Prosecutor and Public Defender are not part of the Town Attorney services. Instead, they work closely with the Municipal Court which is a separate division.

Town Council, Management and Legal

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	General Fund Existing Cash Fund Balance	HURF Revenues	HURF Fund Existing Cash Fund Balance	Grant Effort 2017	2017 Total Estimate	NOTES
10-413-4000	Salary Town Manager	$ 88,098	$ -	$ -	$ -	$ -	$ -	$ 88,098	Salary
10-413-4100	Allowances	$ 4,560						$ 4,560	TM Phone & Vehicle
10-413-4110	Health Insurance	$ 9,952						$ 9,952	Health/Life insurances, Health Equity
10-413-4111	Dental & Vision Insurance	$ 780						$ 780	Delta Dental, Avesis Vision
10-413-4120	Retirement	$ 9,771						$ 9,771	ICMA 401A
10-413-4150	Medicare	$ 1,181						$ 1,181	ADP Payroll
10-413-4160	State Unemployment	$ 420						$ 420	ADP Payroll
10-414-4160	Workers Compensation	$ 212						$ 212	AMRRP
10-413-6010	Dues and Memberships	$ 11,927						$ 11,927	League of AZ Cities and Towns, CYMPO, NACOG, GPREP, APA, AZBO and ICC: Acronyms defined below
10-413-6020	Training: Town Manager	$ 2,100						$ 2,100	ICMA, ACMA and Professional Development per contract
10-413-6020	Training: Council Individualized	$ 11,780						$ 11,780	Council to Annual League Conf., newly elected official training, routine representations and individual trainings
10-413-6020	Training: Boards, Committees and Commissions	$ 700						$ 700	
10-416-5001	OSP Town Attorney	$ 58,000						$ 58,000	Municipal legal services
	TOTAL	**$ 199,481**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 199,481**	

Non-departmental Expenditures

10-499-9995	Cost overurns contigency	200,000.00	-	-	-	-	-	$ 200,000	11% of total GP expenditure for contigency. Council considers to fund possible real property purchases and rental needs. This expenditure is paid by the Town's sufficient fund balance.
10-499-9994	Transfer out to HURF	24,435.00						$ 24,435	FY 17 anticipates revenue supplus over expenditures. Council desires to utlize some of this fund to do more road projects.
10-499-9998	Employee one-time bonus	-	-	-	-	-	-	$ -	This line was established in FY 15-16. For FY 16-17, Council authorized a 2% salary raise and 2 addtional holdiays for eligible employees.
	TOTAL	**$ 224,435**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 224,435**	

Acronyms defined:

CYMPO - Central Yavapai Metropolitan Planning Association (4% + State Transportation Board Meeting),

ACMA - Arizona City/County Management Association, ICMA -International City/County Management Association,

APA- American Planning Association

AZBO - Arizona Building Officlais(DH belongs to AZBO's Grand Canyon Chapter), ICC- Interntational Code Council

NACOG - Northern Arizona Council of Governments, and the Water Advisory Committee

Chapter 3: Finance Department

Under direction of the Town Manager, the Finance Department oversees Budget, Finance, Performance Management, Grants, Human Resources, and Enterprise Technology. Currently 2 full-time employees are budgeted under the Finance Department.

FY2016 Accomplishments

- Banking change through a Request for Proposal process.
- Revised reporting procedures to improve audit trail.
- Established a savings account with the Town's banking institution.
- Research employee and public body recognition policies and IT use policies.
- Banking change through a request for proposal process.
- Implemented OpenGov financial software to enhance transparency.
- Continued to coordinate the current CDBG grant cycle.
- Recruited the Accounting Clerk.
- Improved operational procedures for accounts payable, payroll and accounts receivable.
- Completed ICMA-RC 401 Retirement Plan Restatement Adoption agreement.
- Provided multiple employee health care options.
- Applied for the Northern Arizona Council of Governments (NACOG)'s summer intern program.

FY2017 Performance Goals

- Banking transition.
- Increase the number and amount of grant awards.
- Continue updating and revising operational procedures.
- Research and attempt to earn the GFOA Distinguished Budget presentation award.
- Continue to improve local sales tax collections by working with the Arizona Department of Revenue, town consultant, and local businesses to bring noncompliant taxpayers into compliance.
- Continue to closely monitor LGIP fund and research investment options for the Town. Inform Town Council and the public about investment process.
- Improve grant pursuit efforts.
- Improve the implementation of "OpenGov", a web-based portal, to promote financial transparency, performance measurement, bench making for the Town.

Finance

Under the direction of the Town Manager, the Finance Department provides financial management and support services to other Town programs. In addition to maintaining the financial integrity of the Town with comprehensive financial and budget administration, this department also provides assistance for all grant activities throughout the Town and directs the performance management efforts of the Town.

The adopted *Principles of Sound Financial Management* establishes guidelines for the Town's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the Town, as reflected in its financial goals. The Town's financial goals are broad, fairly timeless statements of the financial position the Town seeks to attain:

- To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the Town of Dewey-Humboldt.
- To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the Town's residents.
- To maintain a high bond credit rating to ensure the Town's access to the bond markets and to provide assurance to the Town's taxpayers that the Town government is well managed and financially sound.

Adhering to these principles protects the Town's financial health as well as its image and credibility with its citizens; the public in general, bond rating agencies and investors. The *Principles* are reproduced in their entirety as ***Appendix C*** hereof.

In accordance with the *Principles*, Finance is responsible for maintaining accurate financial records and providing timely financial information to the public, any future bondholders, grantors, auditors, Town Council and Town management. This program is responsible for the areas of general ledger, accounts payable, accounts receivable, payroll, special assessments, fixed assets, cash management, investments, debt management, risk management, and grant accounting.

Budget

Fiscal planning is the process of identifying resources and allocating those resources among numerous and complex competing purposes. The primary vehicle for this planning is the preparation, monitoring and analysis of the Town's budget. It is increasingly important to incorporate a long-term perspective and to monitor the performance of the programs competing to receive funding. The Budget Program ensures effective and efficient allocation of Town resources to enable the Town Council, Town Manager, and Town programs to provide quality services to our citizens. The program prepares, monitors, researches alternatives, and presents the Town's Annual Budget.

Performance Management

This program provides uniform, nationally comparable standards for all areas of Town performance, and includes an on-going survey effort to ensure that the Town is maintaining the highest standards of citizen service. In FY16, Council desires to consider a town-wide survey to gauge the current satisfaction for the current service provision and future service needs.

Grants Acquisition and Management

Staff has ongoing research into Federal, State and private grant opportunities with several applications pending. The strategy in this document is to authorize the maximum amount under the state expenditure limits, with the difference between income and costs being made up by grant funds. Of course, since the Town is unlikely to qualify for as much grant money as is in the budget, it should

be assumed that some or many of the grant-funded projects in the budget will not be inaugurated in this year.

Human Resources

This program strives to provide human resources services and develop opportunities in support of the following guiding principles: practice open and constructive communication; promote excellence in teamwork, customer service, and respect for individuals; and provide programs that balance the needs of the Town with that of its employees and citizens.

Finance

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	General Fund Existing Cash Fund Balance	HURF Revenues	HURF Fund Existing Cash Fund Balance	Grant Effort 2017	2017 Total Estimate	NOTES
10-415-4000	Salary	$ 81,117	$ -	$ -	$ -	$ -	$ -	$ 81,117	Salary for 2 positions
10-415-4110	Health Insurance	19,904	-	-	-	-	-	$ 19,904	Health/Life insurance, Health Equity
10-415-4111	Dental & Vision Insurance	1,560						$ 1,560	Delta Dental, Avesis Vision
10-415-4120	Retirement	9,735						$ 9,735	ICMA 401A
10-415-4150	Medicare	1,177	-	-	-	-	-	$ 1,177	ADP Payroll
10-415-4160	State Unemployment	840	-	-	-	-	-	$ 840	ADP Payroll
10-415-4160	Workers Compensation	255	-	-	-	-	-	$ 255	AMRRP
10-415-5001	OSP: Audit Services	13,000	-	-	-	-	-	$ 13,000	Audit
10-415-5200	OSP: miscellenous	12,000						$ 12,000	ADOR sales tax collection, ADP payroll service fee, Banking fee, Credit Card Fee and miscellenaous service fees
10-415-6010	Dues and Memberships	500	-	-	-	-	-	$ 500	GFOA, GFOAz Acronyms below
10-415-6020	Training and Travel	1,500	-	-	-	-	-	$ 1,500	Annual Conference
10-415-6380	Software Maint & Acquisition	7,000	-	-	-	-	-	$ 7,000	Accounting Software annual license, grant software, transpenrancy software (OpenGov)
	TOTAL	**$ 148,588**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 148,588**	

Acronyms defined:

GFOA - Government Finance Officers of America and Canada, GFOAz - Local Chapter,

Chapter 4: Enterprise Technology

The Enterprise Technology Program is responsible for developing and coordinating the use of technology across the various programs of Dewey-Humboldt Town government, to ensure that accurate and timely information is provided to residents, elected officials, management, and staff.

The ET program also manages technology investments and assets such as the Town's enterprise computer network, systems, and applications. Other areas of responsibility include providing customer service, project management, business analysis and process re-engineering, training, technology upgrades, Town-wide technology and desktop personal computer management, security management, and disaster recovery of enterprise-wide systems.

FY2016 Accomplishments

Hardware:

We continued with our hardware rotation plan to keep all critical hardware in warranty or under service contract. In 2014 we purchased the following:

- SonicWall Firewall and Content Filter with three years of maintenance. This device enhances network security, helps with malware prevention, and blocks access to inappropriate web sites.
- Replaced two old laptop systems.
- Replaced Wi-Fi access points with current technology to allow support for new Wi-Fi radio spectrum.
- Solved the perpetual problems with the office phone system.

Software:

The Microsoft agreement was completed and all PC Operating System and Productivity Suite software is now licensed at the current version levels.

- Renewed the subscriptions for Symantec AntiVirus, Postlayer Email Filtering, and iBackup Offsite Cloud Backup service.
- Assisted with Town website vendor research.
- Provided technical support to the Town chamber's audio/video system vendor selection.

FY2017 Performance Goals

Hardware:

- Replace two old computer systems.
- Fix broken network wiring in the walls.

Software:

- Renew the subscriptions for Symantec AntiVirus, Postlayer Email Filtering, and iBackup Offsite Cloud Backup service.
- Renew email server PKI Security Certificate (once every three years)
- Windows Server 2016 will be released late this year. Upgrade servers to the new release when available.
- Update all staff computers to Windows 10.
- Continue advising and implementing special projects, such as the website and the meeting room audio system.

Enterprise Technical Support

ACCT#	DESCRIPTION	General Fund Revenues: Local & Shared	General Revenues: Fines & Fees	General Fund Existing Cash Fund Balance	HURF Revenues	HURF Fund Existing Cash Fund Balance	Grant Effort 2017	2017 Total Estimate	NOTES
10-417-5100	Enterprise Technical Support ETS	$ 24,000	$ -	$ -	$ -	$ -	$ -	$ 24,000	Contract with Four D, general maintainance @ 16 hours/week+8 hrs/month contigency
10-417-5110	Town Website	2,100						$ 2,100	Town website maintenance
10-417-6380	Software Maint & Acquisition	3,000						$ 3,000	Routine licensing & maintenance
10-417-6900	Equipment Non-Capital Repair	2,500						$ 2,500	Repair hardware, remote storage
10-417-6950	Hardware Maint & Acquisition	3,000						$ 3,000	Monitors and 2 computers replacement
	TOTAL	**$ 34,600**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 34,600**	

Chapter 5: Community Development Department

The Community Development Department handles a broad range of municipal services. The Department strives to promote sustainable and fair development in Dewey-Humboldt. The Department is responsible for the overall functioning of Planning, Code Enforcement, Building Safety and Permitting functions. Two full-time and 1 part-time employees are budgeted under this Department. In addition, Library Services and Community Outreach programs are accounted for under the Community Development Department. All duties are carried out within the department and are provided by Town Staff, contract consultants, or in coordination with intergovernmental agreements.

FY2016 Accomplishments

- Stabilized the Building safety services in-house operation.
- Utilized a customer satisfaction survey form to gauge customer satisfaction with the permitting process.
- Accomplished the transition of Planning and Code Enforcement personnel.
- Designed and administrated a free well-water testing kits program. Handed out 200 kits.
- Conducted extensive research related to animal regulations. As a result, Ordinance 16-124 Animal Control was adopted.
- Accomplished the adoption and implementation of the 2012 International Building Codes.
- Further standardized procedures for zoning requests and code enforcement. Began the process of focus on "Municipal Bill of Rights" requirements.
- Applied for a federal grant for a firebreak along western border.
- Began to work on the Firewise Community Designation for two neighborhoods in Dewey-Humboldt. Began to be involved in the Prescott Area Wildland Urban Interface Commission meetings.
- Began to work with other departments to implement steps towards revamping the town website.
- Made plan for the annexation of a 200-foot-wide strip. This has been a historical issue since the Town's initial incorporation.
- Reviewed Medical Marijuana regulations in light of state law changes. Made a presentation to Council.
- Participated in teaching a Master level planning course at a North Arizona University.
- Conducted the social media research and make a Council presentation in preparation for implementation.
- Implemented an online payment feature which allows residents to pay for permit fees with a credit card. This feature is available via town website.

- In 2016 calendar year (from January 1 to December 31, 2016) a total of 129 permits were issued including 12 single-family home permits and 9 manufactured home permits.
- Library: continue to expand computer classes, provide summer programs.

FY2017 Performance Goals

- Proceed with the "Firewise" program to completion, by achieving the Firewise community certification.
- Complete the animal-related code of ordinance revision task.
- Continue to fine-tune procedures for zoning requests and code enforcement and comprising the standard procedures for all permits in light of the Municipal Bill of Rights requirements.
- Continue to enhance customer service and accountability.
- Sign code revision in light of a supreme court decision.
- Consider establishing an abatement process allowed by the state law.
- Assist the Planning and Zoning Commission to gain more knowledge in the area of land use.
- Further utilize technology tools, such as Constant Contact, Facebook, to engage citizens,
- Establish the new Town website and achieve full function.
- Increase Library patron visits.

Planning

The Planning and Zoning services are provided by in-house Town staff: the Community Development Coordinator, the Town Manager/Zoning Administrator and other supporting town staff.

Current planning provides zoning administration and site plan review. This zoning administration function is to review private development projects to ensure consistency with the Town's General Plan, zoning codes, and other laws and regulations; and to provide professional support to the Planning & Zoning Commission, Board of Adjustment, and Town Council.

Long range planning guides and directs growth through the development of plans, policies, and ordinances that preserve the character and enhance the livability of the Town. Long range planning tracks land use and population statistics, prepares development policies and code amendments, and manages the General Plan as required by state statutes. In the coming year, particular attention will be paid to a revised general plan and ordinance revision.

Building Safety

Building Safety reviews applications and plans, issues permits and performs inspections for all development projects.

Code Enforcement

The Code Enforcement program provides public information and enforcement efforts to bring about compliance with Town zoning, property maintenance, and nuisance code requirements. This program also engages in public education through community outreach wherein citizens are advised of their

right to due process under the law whether they are filing a complaint or have been cited for a violation. When necessary, code enforcement cases are adjudicated by the Town's Hearing Officer.

Community Outreach

Under this program, the Town financially supports the Dewey-Humboldt Historical Society which is a non-profit organization. reimbursed Historical Society's museum rent for in FY13, FY14 and FY15. In FY16, Council decided to reimburse 80% of the rent. In FY17, Council decided that the Town will reimburse the full annual rent. In addition, the Town is providing $2000 to sponsor the Aqua Fria Festival.

The Town began to partner with the Town of Prescott Valley and Yavapai County in the roving dumpster program in FY 14. The partnerships are expected to continue. In addition, the Town is expected to reinstate the free "dump day" event for our residents in FY16-17.

The Town will continue the Volunteer(s) of the Year program into the FY17. Recognizing the water quality issue in the Town of Dewey-Humboldt, Council allocated $20,000 this year for educational and grant programs to encourage private well owners to test the well water regularly and to take action to improve the quality of their drinking water. In FY16, the Council allocated $10,000 to provide private well-testing kits to residents. In FY17, this program is expected to continue; we also plan for a few additional initiatives, such as a grant for our residents to promote individuals taking actions to solve water contamination concerns. The Town does not provide regular municipal water services.

Library

The Library services are provided by Yavapai County Library District through an intergovernmental agreement (IGA) with the Town. Under the direction of the Town Librarian, Mr. Jeff Franklin, the library is entering its tenth year as a valued service and asset to the citizens of our community. The library provides numerous programs especially for children. The Town leases the building where the Library is located. The current estimate of the district's contribution in FY2016 is $36,143 in addition to the amount budgeted by the Town for the building lease.

Community Development: Planning, Zoning & Community Outreach

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	General Fund Existing Cash Fund Balance	HURF Revenues	HURF Fund Existing Cash Fund Balance	Grant Effort 2017	2017 Total Estimate	NOTES
10-465-4000	Salary	$ 132,114	$ 69,000	$ -	$ -	$ -	$ -	$ 132,114	Salary for 3 positions
10-465-4110	Health Insurance	20,048						$ 20,048	Health/Life Insurance, Health Equity
10-465-4111	Dental & Vision Insurance	1,560						$ 1,560	Delta Dental, Avesis Vision
10-465-4120	Retirement	12,884						$ 12,884	ICMA 401A for FTE, ICMA 457 for part-time
10-465-4100	Medicare	1,916						$ 1,916	ADP Payroll
10-465-4150	State Unemployment	1,260						$ 1,260	ADP Payroll
10-465-4170	Workers Compensation	1,200						$ 1,200	AMRRP
10-465-5001	OSP: Planning & Zoning Support	5,000						$ 5,000	Building inspection service OSP, if needed
10-465-5505	Facilities: Library YCO IGA	36,143						$ 36,143	IGA with Yavapai County for Library Support
10-465-5501	Facilities: Library CAP Lease	13,000						$ 13,000	Library building lease and up to $1200 repair.
10-465-5900	OSP: Other (IGA Yav Bldg Insp)	-						$ -	In-house transition service overlap.
10-465-6010	Dues and Memberships	500						$ 500	APA, CELA, AACE; Acronym defined below
10-465-6020	Training and Travel	1,500						$ 1,500	Planner, Building Inspection Certs Trainings
10-465-6100	Supply: Book Subscriptions	200						$ 200	
10-465-6380	Software Maint - Windoware	3,800						$ 3,800	Buidling Permit Software
10-465-6950	Neighborhood Outreach	14,400						$ 14,400	Aqua Fria Festival, Musuem yearly rent, Meals on Wheels
10-465-6590	Neighborhood Outreach	22,100						$ 22,100	D-H annual dump days, other dumpster days, community events,Firewise, Citizen Academy, Miscellenous programs
10-465-6950	Neighborhood Outreach	20,000						$ 20,000	Private well testing kits continued, education and grant for water/public health
	TOTAL	**$ 287,625**	**$ 69,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 287,625**	

Acronyms defined:

OSP: Outside Service Providers, for example an Environmental Consultant, Hearing Officer,

APA - American Planning Association *AACE - American Association of Code Enforcement* *CELA - Code Enforcement League of Arizona* *NACOG - Northern Assn Council of Governments*

Chapter 6: Engineering and Public Works Department

The Engineering and Public Works program promotes safety while maintaining and developing the infrastructure of Dewey-Humboldt to preserve the rural atmosphere. The Town Engineer, Shepard and Wesnitzer Inc., has been retained to provide on-call engineering services. The Town utilizes the on-call services for flexible and professional outside engineering services.

Public Works

The Public Works Department is charged with providing management direction and support to capital improvements and overall street maintenance. The Town Public Works Supervisor is in charge of the public works program, which maintains data on all Town's infrastructure and assures compliance with town code.

The streets maintenance program provides for the care, repair, and maintenance of all Town-owned rights-of-way. As a result of the personnel and equipment inventory expansion in the last couple of years, the Department is able to maintain the roadways at a higher level of standard. In FY16, a 5-year dirt road maintenance plan will be implemented. The Town has implemented a 6-year paved road maintenance plan since FY12. The town maintains about 38 miles of paved roads and 10 miles of dirt roads.

This Department's expenditure is made up by two budget units under General Fund and HURF: Engineering and Maintenance. The General Fund funds all personnel expenses and the costs for town facilities (rents, maintenance and utilities), Park and Recreation services and general supplies for all town offices. The HURF portion is designated for maintenance and development of the Town's roadway infrastructure (i.e. roads, rights-of-way, culverts and river crossings). Additionally, in FY 16, the Town is expecting a $300,000 CDBG fund and a $65,000 County Flood Control fund. Both moneys are budgeted under the Grant Fund and to be used towards roads projects.

The Public Works budget unit under the General Fund also accounts for the expenses of town facility and its maintenance. The budget unit includes Town Hall yearly rent. In FY 16, the lease is up for renewal. Town also plans for a new audio recording system in FY16 for the Council Chamber.

Three full-time positions are under this Department: 1 Public Works Supervisor and 2 Public Works Operators. An on-call engineering firm supplements services when needed.

FY2017 Road Maintenance Schedule and 5 onetime road projects for FY17

Like previous years, FY2017 does not propose to add any new chip sealed miles. But Council authorized fund to expedite the maintenance schedule. The Town has numerous failing roads and needs to concentrate money on repairing the existing roads rather than paving more roadways. Total expenditure for road maintenance is higher than previous years partially because of expected grant funds. The higher expenditures indicated a higher level of maintenance standard to both the paved *and* dirt roads. The maintenance program will:

- Preserve the existing asphalt roads with a fog and crack seal.
- Increase maintenance on the chipseal roads by patching them and preparing them for single chipseal in future years.
- Implement a 5-year dirt road maintenance plan which includes grading, rebuilding and stabilization by adding AB and/or millings.
- Implement a snow removal plan.

The increased levels of service in several maintenance activities are expected to continue. The associated costs, based on addressing these trends, are shown in the "level of service" chart. The costs are based on bringing a majority of the maintenance in-house, adjusting costs due to existing Town contracts, and estimates based on projects in our region.

The Town intends to only maintain public roads that have been dedicated to the Town via documents on record with the Yavapai County Recorder's Office. Roads with questionable ownership or roads that were not built to Town standards are maintained, with a lower level of priority. Roads that are clearly in private ownership are not maintained.

For Town-owned paved roads sections suggested for pavement preservation, 6.53 miles in total:

Merrill Rd. - 0.27 miles

S. Piute Rd. - 0.83 miles

East Hopi Trail - 0.42 miles

South Hopi trail - 0.86 miles

E. Marilyn Ln. - 0.42 miles

E. Shirley Ln. - 0.80 miles

Tonto Dr. - 0.37 miles

E. White Dr. - 1.00 miles

S. Golden View Dr. - 0.15 miles

S. Gladstone Ave. - 0.14 miles

E. McCabe Circle - 0.15 miles

Blue Ridge Rd. - 0.73 miles

Nancy Ln. - 0.16 miles

Kathy Ln. - 0.23 miles

Suggested road sections for 2016 Fall chipsealing, 6.19 miles in total:

S. Wicklow Place - .10 miles
E. Cranberry Drive - .15 miles
S. Acoma Trail - .17 miles
E. Smoki Trail - .75 miles
E. Lazy River Drive(From Old Black Canyon to End) - 1.30 miles
Rancho Pl. - .12 miles
S. Third street (from Hwy 69 to Main St.) .56 miles
Clear View Dr.
Tanya Blvd.
Deer Path
Main Street From Hwy 69 To End - .40 miles
E. Kloss Ave. - .15 miles
E. Humboldt St. - .08Miles

S. Huron St. - .32 miles
S. Hill St. - .20 miles
Yavapai Dr. - .37 miles
Richards Ln. - .15 miles

For Town-owned unpaved (dirt) roads, in FY16, the Town will implement a 5-year enhanced maintenance plan. Based on the plan, the Town will grade all 10 miles of roads twice a year and some roads, based on their condition, will receive a higher level of the maintenances of road profile rebuilding. Additional materials will also be added to stabilize the road. In FY17, the dirt roads that are scheduled to receive higher levels of maintenance are:

Earl Way – 0.51 miles
Jones Place – 0.16 miles
Esther Lane – 0.22 miles
Yavapai Dr. – 0.12 miles
Glen Dunn Rd. (Newtown Rd. to Antrim Rd.) – 0.30 miles

Additionally, Council authorized **5 additional one-time projects for the FY17** in the amount of $126,000. They will be completed through the surplus in the FY17 General Fund and the HURF fund balances. The projects are:

1. Additional crack sealing and fog coating for Kachina; Pony; & Newtown-Henderson Roads. These are the roads from the intersection of Kachina Road and Highway 69 to Cranberry Road and Newtown intersection. This is the main ingress/egress route for a large portion of the Town residents that live on the west side of Highway 69. This would be in addition to the scheduled annual Maintenance programs. This project will cost approximately $15,000.

2. Additional fog-coating on Foothill Road; East Bradshaw Road; Little Green Valley Road; Lazy River Road; Prescott Street and Main Street. This is the main route through Humboldt attaching Highways 69 and 169. This would be in addition to the scheduled annual Maintenance programs. It will cost approximately $26,000.

3. To expedite the hot patch repairs needed on Old Black Canyon Highway in preparation of chipseal tentatively scheduled for spring of 2018. This would bring the hot patch repair for Old Black Canyon to about 75% complete. $25,000 is budgeted for the expediting work.

4. To upgrade dirt roads located within the Parker Hill Subdivision; Yavapai St., Corley St., Colina Lane; Parker Street and (portion of) Reno Drive. This project includes relocation of the cattle guard at the intersection of Corley Street and Highway 69; raising the road bed and improving drainage at the intersection. Then improving the dirt roads in that area to a Level 3 Maintenance. The cost is approximately $38,000.

5. To use $22,000 of Town local funds to complete the full scope of work on the CDBG project which would provide drainage, road improvement and sidewalks for the Blue Hills Farm subdivision area (behind the Dewey Post Office) and Huron Street (behind Humboldt Elementary School). The added local funding would enable double chipseal of the roads within the Blue Hills area that receives the grand (including sections of McAllister Drive; Montezuma Way; Graham Way and Manzanita Boulevard) and an extended sidewalk on Huron Street.

Road Level of Service (LOS)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
					budget	tentative	tentative	tentative
PAVEMENT PRESERVATION, IMPROVEMENTS, AND MAINTENANCE								
Fog coat asphaltic concrete roads by OSP every 6 years and crack seal, if necessary	$ 40,000	$ 40,000	$ 41,600	$ 44,000	$ 44,000	$ 48,510	$ 48,510	$ 48,510
One-time pavement preservation work for busiest paved roads located on two sides of Hwy 69					*$ 41,000*			
Single chipseal on black roads by OSP every 6 years; 16.7% of roads	$ 125,000	$ 144,000	$ 149,760	$ 167,000	$ 169,000	$ 184,118	$ 184,118	$ 184,118
Road rebuild to prepare for preservation and chipsealing (potentially funded by Flood Control Funding)	N/A	$ 60,000	$ 20,000	$ 10,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000
Asphalt concrete for road failures (hot patch) by OSP	$ 25,000	$ 28,800	$ 21,000	$ 30,000	$ 31,500	$ 20,000	$ 20,000	$ 20,000
One-time OSP expense to expedite Old Black Canyon Hwy repair					*$ 25,000*			
ROADSIDE MAINTENANCE								
Pothole repair by In-house staff: 30 tons cold patch	$ 3,500	$ 4,000	$ 4,000	$ 5,000	$ 5,000	$ 3,000	$ 3,000	$ 3,000
ROW weed abatement x2; all applicable roads	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house
Tree trimming along right-of-way by In-house personnel; where applicable	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house
Tree trimming along right-of-way by OSP or In-house personnel	$ 2,000	$ 2,000	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house
Sloped area weed abatement; areas with poor sight distance; highly visible areas	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house
DIRT ROAD MAINTENANCE								
Grade dirt roads x 2 pe year and additional maintenance	$ 10,000	$ 14,000	$ 14,000	$ 25,192	$ 27,000	$ 25,192	$ 25,192	$ 25,192
One-time work to expedite Parker Hill Subdivsion dirt roads upgrade					*$ 38,000*			
Dirt Road Grading In-house with rental equipment, as needed by weather condition	$ 10,000	$ 8,000	$ 6,000	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
DRAINAGE MAINTENANCE								
Ditch maintenance by OSP, in high liability areas (potentially funded by Flood Control Fund)	$ 3,000	$ 3,000	$ 3,000	$ 26,000	$ 22,500	$ 3,000	$ 3,000	$ 3,000
Ditch maintenance by In-house personnel (potntially funded by Flood Control Fund)	$ 7,500	$ In-house	$ 20,000	$ 29,000	$ 25,000	$ 20,000	$ 20,000	$ 20,000
Agua Fria River crossing, culvert clean out and roadway debris removal	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house
Culvert Maintenance conducted by In-house (potentailly funded by Flood Control Fund)	$ 4,000	$ 4,000	$ 4,000	$ In-house	$ 2,000	$ 2,500	$ 2,500	$ 2,500
Snow removal according to snow removal procedure (created in 2015)	N/A	N/A	N/A	$ In-house	$ In-house	$ In-house	$ In-house	$ In-house
Sidewalks on Huron St.; drainage improvement and road rebuild in the area south of Kachina St.	N/A	N/A	N/A	$ 300,000	$ 300,000	N/A	N/A	N/A
One-time town contribution to complete the full scope of work designed for the CDBG fund					*$ 22,000*			
FISCAL YEAR TOTALS (obligated projects)								
Services (funded by the combination revenues of HURF, Flood Control fund, CDBG and fund balances)	**N/A**	**N/A**	**N/A**	**$ 638,692**	**$ 762,500**	**$ 316,820**	**$ 316,820**	**$ 316,820**
Servcies (funded by the combiation revenues of annaul HURF and Flood Control fund)	**N/A**	**N/A**	**N/A**	**$ 338,692**	**$ 336,500**	**$ 316,820**	**$ 316,820**	**$ 316,820**
Servcies (funded by HURF annaul revenue only)	**$ 222,500**	**$ 307,800**	**$ 283,360**	**$ 273,692**	**$ 276,500**	**$ 316,820**	**$ 316,820**	**$ 316,820**
Servcies (One time projects funded by HURF fund balances)	**N/A**	**N/A**	**N/A**	**N/A**	**$ 126,000**	**N/A**	**N/A**	**N/A**

- In FY 17, the Council has authorized 5 one-time road projects. They are denoted in the LOS table as 1-1,2; 4-3, 10-4, and 17-5. These projects will utilzie HURF fund balance to complete. Full description of the projects can be found within the budget text under Chpater 6. All work is to be conducted by contractors with town supplied materials in some cases.
- In FY 17, Town expects $60K Flood Control District fund allocation(22-100-3400); the fund is utlized for activities in Lines 3,12, 13 and partially 10 ($2500 of Line 10 total cost).
- $ In-house indicates that the activity will be included in the overall department budget
- Old Black Canyon Hwy drainage/hotpatch work is included in Line 4 and 4-3
- Lines 1+2: 202-431-7006 capital road maintenance (done by contractors)
- Lines 4+10: 20-431-5900 OSP other means ongoing maintenance done by "outside service providers" ie. contractors.
- Lines 5+11: 20-431-7001 In-house ROW materials

FY2016 Accomplishments

- In-house staff applied approximately 60 tons of pothole repair material on town roads, maintained/repaired 43 low-water crossings (some areas required multiple times of cleaning), cleaned out and rebuilt approximately 22,000 linear feet of ditches, installed 80 linear feet of new culverts, cleaned and flushed culverts (too many to count). Installed approximately 80 tons of Rip-Rap at areas that needed additional erosion control. Utilizing outside contractors, the Town preserved 6.83 miles of black roads through crack sealing and fog coating and chipsealed 6.37 miles of additional black road, graded a total of 12 miles of roads twice, (approximately 1.38 miles were done at a Level 2+3) and using Flood Control funds rebuilt 10 drainage areas that were having erosion concerns on the existing drainage systems. These were done as a preventive maintenance to reduce the potential need of large budget projects created from storm damage.
- Continued to implement a higher level of maintenance to dirt roads in addition to the biannual grading schedule. Some dirt road conditions can be improved by applying milling material (in-house work)
- Continued the level of maintenance established the last 3 years by:
    - * Preserving approximately 6 miles of existing "black" roads with fog coating and crack sealing (to be conducted by utilizing continuing contract services).
    - * Single chipsealing approximately 6 miles of existing "black" roads (to be conducted by utilizing continuing contract services).
- Received $65,000 from Yavapai County Flood Control District. The fund has been used to solve various drainage problems. Devised a plan for future funding requests and secured $60,000 for FY 17.
- Detected a road failure on Deer Path and obtained authorization from the council for the repair.
- Continued implementing safety procedures in the Department and made safety a priority.
- Public Works Supervisor continued to represent the Town at Central Yavapai Metropolitan Planning Organization (CYMPO)'s Mutli-modal Technical Advisory Committee (MTAC). In 2016, Public Works Supervisor Hanks was appointed the chair of the MTAC for a 1-year term.
- Coordinated with CYMPO and Arizona Department of Transportation (ADOT) on the Main St. traffic light project. This $329,000 project consists of installation of new traffic signal system; construction of a short sidewalk; sidewalk ramps; pavement markings; and drainage improvements at the corners.
- Documented daily activities and complaints to assist in developing subsequent budgets and work requests. Citizen complaints were handled by the Public Works Department in a timely fashion.
- Reviewed the 2011-2021 Capital Improvement Plan under the Town Manager's direction, recommended revisions to the Council. The CIP was repealed as there is no designated or realistic funding source to complete the projects. The projects identified are considered as a working plan.
- Looked into ways to potentially provide alternative egress/ingress in the Blue Hills area to create a looping system for emergency situations.
- Coordinated the CDBG drainage and road improvement project and actively participated in the design phase.
- Assisted in revising the Town's ordinances and codes as they relate to Engineering and Public Works. Responded to residents' concerns regarding grading, code enforcement, and ROW issues.

FY2017 Performance Goals

- Continue high level and responsive roadway and roadside maintenance. The continued goal is to increase maintenance activities while utilizing the Town's HURF revenues and grant revenues to their maximum potential.

- Continue repairing the drainage so that needed paving or preservation maintenance can last through expected lifespan.
- Continue the level of maintenance established the last 3 years by:
    * Preserving approximately 7 miles of existing "black" roads with fog coating and crack sealing (to be conducted by utilizing continuing contract services).
    * Single chipsealing approximately 6.5 miles of existing "black" roads (to be conducted by utilizing continuing contract services).
    * Provide a higher level of maintenance to dirt roads according to the 5-year dirt road plan.
- Continue to seek grants for the unfunded capital Improvement projects. Manage implementation of the fully-funded FY2016 Capital Improvement Program.
- Assist the Open Space and Trail Committee's trail initiative. The Newtown trailhead is scheduled to be completed late summer of 2016 by Prescott National Forest's contractors.
- Complete the CDBG project.
- Continue to manage and maintain the Town's leased facilities and property.

Capital Engineering

Capital Engineering is responsible for maintaining the orderly development and construction of the Town's infrastructure. Master plans of public works infrastructure are implemented through a Capital Improvement Program. Infrastructure design and construction are coordinated through this program, while actual construction is managed by the Public Works division. This program assures compliance with Town standards and code requirements for public and private development.

Town of Dewey-Humboldt

FY2017 Capital Improvement Projects (primarily funded by grant funding)

Project Title		FY 2016-17
Community Facilities - Parks, Recreation, Trails, Open Space and Library		
	Multi-use trails	$ 146,768
	Open Space project - Planning Phase	35,000
	Equine uses &Trailhead Parking Area by Precott Ntnl. Forest	10,000
General Government		
	Road/Facility; Property Acquisition	200,000
	General Office Operations	20,000
Transportation - Roads and Right-Of-Way		
	Miscellanous road acquisition and improvement	341,732
	Sign Replacement	111,500
	Capital Equipment	45,000
	Traffic Control/ Light at Main St. and SR 69	600,000
	CDBG: Blue Hills Farm #3 neighbhorhood drainage, road improvement and Huron Street sidewalk (near the elementry school)	300,000
Utilities - Drainage, Sanitation, Water, and Sewer		
	Drainage Improvements	65,000
	Total	$ 1,875,000

Project Funding	
Other Funds(general fund)	
Grant Revenues	1,865,000
Total	$ 1,865,000

Engineering: Public Works, Facilities, Infrastructure

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	General Fund Existing Cash Fund Balance	HURF Revenues	HURF Fund Existing Cash Fund Balance	Grant Effort 2017	2017 Total Estimate	NOTES
	ENGINEERING								
10-430-4000	Salary	$ 54,817	$ 5,000	$ -	$ -	$ -	$ -	54,817	1 FTE salary, Supervisor
10-430-4110	Health Insurance	9,852						9,852	
10-430-4111	Dental & Vision Insurance	780						780	
10-430-4120	Retirement	6,579						6,579	ICMA 401A
10-430-4150	Medicare	795						795	ADP Payroll
10-430-4160	State Unemployment	420						420	ADP Payroll
10-414-4160	Workers Compensation	1,781						1,781	AMRRP
10-430-5001	OSP: Engineering	1,000						1,000	General engineering needs, such as sign enginering, surveys, appraisals
10-430-6010	Dues and Memberships	200						200	
10-430-6020	Training and Travel	1,000						1,000	Conferences or trainings
	Total Engineering	$ 77,224	$ 5,000	$ -	$ -	$ -	$ -	$ 77,224	
	PUBLIC WORKS, FACILITIES								
10-431-4000	Salary	72,025						$ 72,025	2 FTE's and a seasonal employee salary and benefits
10-431-4010	Overtime	800						$ 800	
10-431-4110	Health Insurance (BCBS, Life, HS)	19,412						$ 19,412	
20-431-4111	Dental & Vision Insurance	1,560						$ 1,560	
10-431-4120	Retirement	7,882						$ 7,882	
10-431-4150	Medicare	1,056						$ 1,056	
10-431-4160	State Unemployment	1,260						$ 1,260	
10-431-4170	Workers Compensation	2,675						$ 2,675	
10-431-5200	OSP: Janitorial Service	3,000						$ 3,000	Town hall cleaning service.
10-431-5500	Facilities Town Hall Rent	38,991						$ 38,991	Lease, Town Hall
10-431-5503	Maint Town Hall Offices/PW Yard	500						$ 500	
10-431-5900	OSP: Other	2,500						$ 2,500	Town Hall alarm,insect control, storage and misc. inpsections
10-431-5903	Liability & Auto Insurance	29,200						$ 29,200	AMRRP
10-431-6020	Training and Travel	200						$ 200	
10-431-6300	General Supplies	8,000						$ 8,000	Office supplies, furnitures
10-431-6500	Facilities: Electric	8,000						$ 8,000	Town Hall Utilities & Traffic Signal @ Kachina Pl. and Main St.
10-431-6510	Facilities: UNS Gas	800						$ 800	Town Hall Utilities
10-431-6520	Facilities: Telephone	6,500						$ 6,500	Town offices phones
10-431-6530	Facilities: Cellular	1,200						$ 1,200	Cell phones/ allowances for PW and B/S
10-431-6600	Facilities: Fuel	500						$ 500	Non-road maintenance related
10-431-6595	Facilities: Vehicle Maint	500						$ 500	Increased use of trucks for inpsections
10-431-7001	Road/Facility Accquisition	12,000						$ 12,000	Chamber audio,property purchase related
10-431-7006	Parks & Recreation	500						$ 500	Park operation & $10,000 for trails
HURF									
20-430-7002	Capital Road Improvement - Eng				7,000			$ 7,000	
20-431-5900	OSP: Road Maintenance				56,000			$ 56,000	See Level of Service sheet
20-431-6600	Facilities: Fuel				8,000			$ 8,000	
20-431-6595	Facilities: Vehicle Maint				2,500			$ 2,500	
20-431-6900	Heavy Equip Maintenance				10,000			$ 10,000	
20-431-7001	In-house ROW Maint Materials				7,500			$ 7,500	See Level of Service sheet
20-431-7008	One-time road projects				126,000	74,757		$ 126,000	One-time projects are paid for by tranfer from the GF and HURF reserve.
20-431-7006	Capital Road Improvements - PW				213,000			$ 213,000	
	Total Public Works	$ 219,061	$ -	$ -	$ 430,000	$ 74,757	$ -	$ 649,061	
	TOTAL	**$ 296,285**	**$ 5,000**	**$ -**	**$ 430,000**	**$ 74,757**	**$ -**	**$ 726,285**	
			Acronyms defined:	*APWA*	*American Public Works Association*			*AZBTR*	*Arizona Board of Technical Registration*
22-430-7810	Capital: Flood Control Fund	-	-	-	-	-	$ 65,000	$ 65,000	Various drainage projects (reimbursable by County Flood Control District)
22-430-7800	Capital: CDBG fund	-	-	-	-	-	$ 300,000	$ 300,000	Road and drainage improvement for Blue Hills Farm subdivision #2 and sidewalk along Huron Sreet
	Total Grant Funded PW projects							$ 365,000	

Chapter 7: Town Clerk Department

The Town Clerk's office is responsible for the preservation of legal documents and is the source of information on Town Council legislation and actions. The Town Clerk's office also conducts all municipal elections, assists the Town Council in administering the appointment of members to serve on various Town boards, commissions, and committees, and provides special services to the public, including notary services. The Town Clerk's Office is also the direct liaison with the Town's insurance provider – AZ Municipal Risk Retention Pool. With the ongoing implementation of a new departmental-wide records management system, we expect to improve the organization and accessibility of the Town's vital records.

The Town Clerk's Office consists of the Town Clerk and an Administrative Assistant. In FY17, the Office's budget accounts for the personnel cost for the Clerk and the Administrative Assistant. In addition, the Department's budget reflects records-related operating costs and accounts for state of the art technologies, such as the Granicus live meeting streaming and minutes-taking tool and the Laserfiche system for record archiving and searching. The Town's monthly newsletter cost is also included in the Clerk's budget.

FY2016 Accomplishments

- Processed and conducted all Council meetings; managed live and archived online audio and video broadcasts of Town Council and other meetings.
- Codification of adopted ordinances.
- Continued to support the transitions in Community Development Department.
- 2016 elections. In addition to national and state elections, 3 Council seats and the Mayor seat are up for election in 2016.
- Hired and trained the new Administrative Assistant. This positon is not a shared position as the previous Administrative Assistant.
- Managed the Town's Volunteer of the Year events.
- Administrative Assistant obtained the Notary Public credential.
- Entered all old permit records into the town's current permitting system. Organized all old code enforcement files.
- Researched Chamber Audio system upgrade options. Presented before the Council and entered into a contract with a qualified vendor.
- Researched website redevelopment options and presented before the Council and staff. Town entered a contract with CivicPlus for the new website design and maintenance.

FY2017 Performance Goals

- Will continue to index records.
- Develop searchable electronic versions of existing records for staff and public.
- Adopt records management protocols for all departments.
- Complete Town Council Chamber audio recording system replacement.
- Play a critical role in Town's new website establishment.

Town Clerk

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	General Fund Existing Cash Fund Balance	HURF Revenues	HURF Fund Existing Cash Fund Balance	Grant Effort 2017	2017 Total Estimate	NOTES
10-414-4000	Salary	$ 93,890	$ -	$ -	$ -	$ -	$ -	$ 93,890	Salary for town clerk & admin asst
10-414-4110	Health Insurance	$ 19,976	-	-	-	-	-	$ 19,976	Equity
10-414-4111	Dental & Vision Insurance	$ 1,560						$ 1,560	Delta Dental, Avesis Vision
10-414-4120	Retirement	$ 11,267						$ 11,267	ICMA 401A
10-414-4150	Medicare	$ 1,362	-	-	-	-	-	$ 1,362	ADP Payroll
10-414-4160	State Unemployment	$ 1,260	-	-	-	-	-	$ 1,260	ADP Payroll
10-414-4160	Workers Compensation	$ 399	-	-	-	-	-	$ 399	AMRRP
10-414-5100	Software Impl: Granicus & American Legal	$ 18,000	-	-	-	-	-	$ 18,000	$11,000 Granicus (open meeting software) annual; Am Legal is the codification company -$5000 annual/rate depending on quantity
10-414-5300	OSP Elections	$ 18,000	-	-	-	-	-	$ 18,000	Elections
10-414-6010	Dues and Memberships	$ 360						$ 360	AMCA and IIMC Acronym defined below
10-414-6020	Training and Travel	$ 1,500						$ 1,500	Clerk's Institute/Academy, Annual Conf.
10-414-6100	Newsletter Publication	$ 16,000	-	-	-	-	-	$ 16,000	Monthly Issue(Melcher),12 B&W Publications, Postage, 6-page limit
10-41-6200	Print, Publish, Advertise-printer	$ 1,900						$ 1,900	SHARP printer lease
10-414-6200	Print, Publish, Advertise-other	$ 3,100	-	-	-	-	-	$ 3,100	Legal ads, Public Hearings, etc.
10-414-6380	Software License	2,500	-	-	-	-	-	$ 2,500	Annual Support Records Mgmt Software (Laserfiche) $2500; new permit module(rebudget)
	TOTAL	**$ 191,074**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 191,074**	

Acronyms defined:

AMCA - American Municipal Clerks Association, IIMC - International Institute of Municipal Clerks

Chapter 8: Public Safety

Dewey-Humboldt's Town Public Safety Program is managed through an intergovernmental agreement with the Yavapai County Sheriff's Office. This program provides the resources to accomplish the mission of public safety for the citizens of Dewey-Humboldt.

The Town's public safety is an effort that begins with law enforcement, continues through adjudication, and concludes with process improvements.

The Public Safety department handles law enforcement while the Municipal Court includes the Magistrate Judge, the Town prosecutor, the public defender, and related services.

FY 2016-17's IGA maintains the previous years' level of services which provides for one Deputy Sheriff to the Town for 20 hours per day between the hours of 6 a.m. and 2 a.m. daily (rotation of 3 full-time Deputy Sheriff positions). The Yavapai County Sheriff's Department also provides related ancillary and support services, such as Sergeant Supervision, Dispatch Services and Animal Control Services. FY17 IGA cost will be $392,370 which represents a 2.74% increase from FY16. The Town is responsible for the facility and utility costs of the Sheriff's Dewey-Humboldt Station.

The Town also anticipates an approximate $1,800 for emergency response services that the County's Emergency Management Office provides through an intergovernmental agreement.

Public Safety (Sheriff Services, Emergency Management)

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	Grant Effort 2017	2017 Total Estimate	NOTES
10-425-5300	OSP: Sheriff Services	392,370	-	-	$ 392,370	Intergovernmental Agreement (IGA) with Yavapai County; 4.3% increase from FY15
10-425-5301	OSP: YC Emergency Management	1,800	-	-	$ 1,800	Intergovernmental Agreement (IGA) with Yavapai County
10-425-5501	Facilities: Sheriff Office Rent	10,134	-	-	$ 10,134	Local Office for Sheriff and Deputies
10-425-5503	Maintenance Sheriff's Office	-	-	-	$ -	Maintenance and supplies
10-425-6500	Utilities	2,500	-	-	$ 2,500	Electricity
	TOTAL	**$ 406,804**	**$ -**	**$ -**	**$ 406,804**	

Chapter 9: Municipal Court

The Town Court budget unit accounts for costs associated with the judicial branch of the town government. The Town Court consists of 1 (part-time) Judge, 1 (part-time) Court Clerk, 1 contracted Prosecutor and 1 contracted Public Defender. The Judge of the Town Court hears cases involving violations of town ordinances, civil and criminal traffic cases, and misdemeanor cases that occur within the Town limits. The court also issues orders of protection, injunctions against harassment and performs marriage licenses. The expenditures are funded by the General Fund revenues.

FY2016 Accomplishments

- An excellent line of communication between law enforcement, prosecution, defense and the court continued.
- Renewed the Town Prosecutor's contract and the Public Defender's contract.
- Reported to the Council every quarter along with other public safety personnel.
- Heard 4r code enforcement cases as the Town's Hearing Officer.
- The Court Clerk completed court supervisory training through the Arizona Supreme Court and received her Court Supervisor Certification.
- The Court entered into a joint project with Town Administration to pay for enhanced audiovisual equipment for Council Chambers and an updated web page. Both of these projects are being paid for from funds restricted by the Arizona Supreme Court for these types of purposes.

FY2017 Performance Goals

- Court clerk will begin working towards a national certification in Court Administration through the Arizona Supreme Court. Completion of course work takes an average of 2 - 3 years and is funded through the Supreme court.
- Continued efforts will be made to improve the citizens' ease of locating and accessing the Court through enhanced signage and information available from the Sheriff's Office. Additionally, downloadable forms will be made available on the Town Web page which will make obtaining various court orders easier for those who need access to the Court.
- The Court will meet quarterly with Public Safety and the Council to report on caseload and court activity.
- The continuing emphasis of the court will be on providing convenient services for citizens - regardless of the type of need.

Magistrate Court

ACCT#	DESCRIPTION	General Revenues: Local & Shared	General Revenues: Fines & Fees	Grant Effort 2017	2017 Total Estimate	NOTES
10-421-4000	Salary: Town Magistrate	$ 51,159	$ 50,100	$ -	$ 51,159	Salary
10-421-4120	Retirement	2,558	-		$ 2,558	ICMA 457
10-421-4150	Medicare	742	-	-	$ 742	ADP Payroll
10-421-4160	State Unemployment	840	-	-	$ 840	ADP Payroll
10-421-4170	Workers Compensation	128	-	-	$ 128	AMRP
10-421-5303	Lease, Magistrate Court	3,983			$ 3,983	
10-421-6300	OSP: Specialized Court Fees	5,000	-	-	$ 5,000	Translator, Judge Pro Term
10-421-6010	Dues and Memberships	400	-	-	$ 400	
10-421-6020	Training and Travel	2,000	-	-	$ 2,000	Includes travel to Jail appearances
10-421-6300	Books & Subscription	500	-	-	$ 500	Legal research
10-421-6300	General Supplies	1,000	-	-	$ 1,000	General office supplies as related to
10-421-6500	Utilities - Electric & Gas	1,500			$ 1,500	
10-421-6520	Telephone	500			$ 500	
10-421-6900	Equipment Non-Capital	3,000	-	-	$ 3,000	Annual hardware lease from State and new Quick Book software
10-421-5001	OSP: Legal Services -Public Defender	500	-	-	$ 500	Public Defender $60/hr
10-421-5003	OSP: Legal Services - Prosecutor	21,600			$ 21,600	Prosecutor Contract $1,800/mo
	TOTAL	$ 95,410	$ 50,100	$ -	$ 95,410	

Appendix A: Fund Summary

The Town's budgetary fund structure is organized around financial principles and legal requirements. Financial principles explain why the General Fund is divided into funds with fundamentally different purposes. Legal requirements attach to other income like HURF, Court restricted funds, and grant fund. Other funds are maintained to help match income available to the General Fund with activities supported by the General Fund, like the building and court fees.

Fund	Purpose	Source
General Fund (ongoing)	Operational costs supporting programs and services that are intended to continue more than one year.	Current revenues: Town sales tax, franchise fees, state shared sales tax, income tax and vehicle license tax, interest and miscellaneous revenues.
General Fund (one-time)	Operational or capital costs for programs and services that can be accomplished in a single year.	Cash reserves of unspent Town sales tax, fees, state shared sales tax, income tax and vehicle license tax, permit fees, fines and interest and miscellaneous revenues. Town invests unspent revenues in the state managed LGIP (Local Government Investment Pool).
General Fund (Fees)	Support the costs associated with staff review.	Current local fee revenues.
General Fund (Court Fines)	Contribute to the costs associated with Court administration.	Current court fines and fee revenues. Some are restricted for special purposes.
HURF (Highway User Revenue Fund)	Development and maintenance of transportation improvements.	State collection and distribution.
Grants	Purpose stated in grant applications.	Federal, state or local allocations, private donors. One grant is CDBG (Community Development Block Grant).

Town of Dewey Humboldt
General Fund Summary

GENERAL FUND	2015 BUDGET	2016 BUDGET	2017 BUDGET
REVENUES			
Local Taxes	380,000	403,000	432,000
Permits and Fees	56,000	77,500	85,000
Intergovernmental	1,038,150	1,071,606	1,101,702
Fines, Forfeitures and Penalties	25,650	41,600	50,100
Interest Earnings	5,000	15,000	15,000
Miscellaneous	200	200	500
Total Revenues	1,505,000	1,608,906	1,684,302
EXPENDITURES			
Town Council, Mgt & Legal	173,599	176,715	199,481
Magistrate Court	86,837	86,835	95,410
Public Safety	380,238	395,884	406,804
Town Clerk	207,022	154,714	191,074
Finance	85,172	160,168	148,588
IT Support	41,980	53,405	34,600
Com. Devel.& Library	219,242	264,343	287,625
Public Works &Engineering			
Operational	266,572	279,486	284,285
Capital Expenditures	30,000	27,000	12,000
Total Expenditures	1,490,662	1,598,550	1,659,867
Excess of Revenues over (under)	14,338	10,356	24,435
Other (Uses)			
Tranfer out	-	-	(24,435)
Operating Contingency	(240,000)	(210,350)	(200,000)
Net Increase (Decrease) in Fund	(225,662)	(199,994)	(200,000)
Fund Balance at the Start of the Year	3,192,167	2,966,505	2,766,511
Fund Balance at the End of the Year	2,966,505	2,766,511	2,566,511
Summary			
Committed for Contingency	240,000	210,350	200,000
Committed for Reserves	654,920	654,920	654,920
Unassigned Fund Balance	2,071,585	1,901,241	1,711,591
Total Fund Balance	2,966,505	2,766,511	2,566,511

Town of Dewey Humboldt
HURF Fund Summary

HURF FUND	2015 BUDGET	2016 BUDGET	2017 BUDGET
REVENUES			
HURF	290,037	303,662	318,908
Transfer in	-	-	24,435
Interest Earnings	500	500	500
Total Revenues	290,537	304,162	343,843
EXPENDITURES			
Operational	92,000	86,162	210,000
Capital Expenditures	251,360	218,000	223,000
Total Expenditures	343,360	304,162	433,000
Expenditures	(52,823)	-	(89,157)
Other (Uses)			
Operating Contingency			
Net Increase (Decrease) in Fund Balance	(52,823)	-	(89,157)
Fund Balance at the Start of the Year	372,947	320,124	320,124
Fund Balance at the End of the Year	320,124	320,124	230,967
Summary			
Committed for Contingency			
Committed for Reserves			
Unassigned Fund Balance	320,124	320,124	230,967
Total Fund Balance	320,124	320,124	230,967

Town of Dewey Humboldt
Combined Budget Summary
General Fund, HURF (Special Revenue) Fund and Grants Fund
2016-2017

	General Fund	HURF Fund	Subtotal of General and HURF Funds	Grants Fund	2016-17 Total
Total Revenues	1,684,302	343,843	2,028,145	1,865,000	3,893,145
Total Expenditures	1,684,302	433,000	2,117,302	1,865,000	3,982,302
Excess of Revenues over (under) Expenditures	-	(89,157)	(89,157)		(89,157)
Other (Uses)					
Operating Contingency	(200,000)		(200,000)		(200,000)
Net Increase (Decrease) in Fund Balance	(200,000)	(89,157)	(289,157)		(289,157)
Fund Balance at the Start of the Year	2,766,511	320,124	3,086,635	-	3,086,635
Fund Balance at the End of the Year	2,566,511	230,967	2,797,478		2,797,478
Summary					
Committed for Contingency	200,000		200,000		200,000
Committed for Reserves	744,182		744,182		744,182
Unassigned Fund Balance	1,622,329	230,967	1,853,296		1,853,296
Total Fund Balance	2,566,511	230,967	2,797,478		2,797,478

Appendix B: Four Year Financial Detail

FY 2016-17 Budget Worksheet		2013-14 Prior year 2 Actual	2014-15 Prior year Actual	2015-16 Current year Budget	FY2015-16 Projected	2016-17 Proposed Budget
Account Number	Account Title					
GENERAL FUND						
Revenues						
10-100-3100	Local Sales Tax	422,434.50	411,381.63	403,000.00	499,336.00	432,000.00
10-100-3200	Business License	-	-	-	-	-
10-100-3202	Building Inspection Permits	47,234.09	85,825.22	60,000.00	75,827.00	65,000.00
10-100-3310	Income Tax	434,035.68	471,392.76	468,837.00	468,837.00	488,215.00
10-100-3320	State Sales Tax	338,944.44	355,867.64	372,006.00	369,137.00	375,613.00
10-100-3330	Vehicle License Tax	214,892.72	226,612.50	230,763.00	232,715.00	237,874.00
10-100-3403	Planning & Zoning Fees	4,228.00	5,527.31	5,500.00	4,440.00	4,000.00
10-100-3420	Plan Check Fees	-	720.00	1,000.00	4,725.00	5,000.00
10-100-3425	Utility Franchise Fees	13,467.14	14,555.51	11,000.00	8,655.00	11,000.00
10-100-3501	Court Revenues	36,196.66	47,540.84	41,600.00	64,187.00	50,100.00
10-100-3801	Interest Earnings	39,095.31	22,109.22	15,000.00	35,954.00	15,000.00
10-100-3804	Miscellaneous	9,682.71	694.25	200.00	1,850.00	500.00
Total Revenues:		1,560,211.25	1,642,226.88	1,608,906.00	1,765,663.00	1,684,302.00
Expenditures						
Town Council and Management						
10-413-4000	Salary and Wages	75,292.58	76,118.72	79,821.00	79,973.00	88,098.00
10-413-4100	Allowances	4,472.85	4,559.88	4,560.00	4,560.00	4,560.00
10-413-4110	Health Insurance	7,459.22	6,911.30	8,640.00	8,563.00	9,952.00
10-413-4111	Dental & Vision Insurance	584.52	622.92	780.00	573.00	780.00
10-413-4120	Retirement	8,998.12	9,846.02	9,579.00	9,596.76	9,771.00
10-413-4150	Medicare	1,156.07	1,160.28	1,158.00	1,242.00	1,181.00
10-413-4160	State Unemployment	355.44	364.20	420.00	295.00	420.00
10-413-4170	Workers Compensation	171.00	190.00	212.00	212.00	212.00
10-413-6010	Dues & Memberships	9,456.83	10,819.26	11,765.00	10,837.00	11,927.00
10-413-6020	Training and Travel	7,661.55	6,349.63	13,780.00	10,000.00	14,580.00
Total Town Council and Management:		115,608.18	116,942.21	130,715.00	125,851.76	141,481.00
Town Clerk & Records Management						
10-414-4000	Salary & Wages	88,100.05	83,590.56	85,806.00	73,538.12	93,890.00
10-414-4010	Overtime	-	99.01	-	-	-
10-414-4110	Health Insurance	14,399.56	11,057.83	8,640.00	11,505.00	19,976.00
10-414-4111	Dental & Vision Insurance	1,097.43	1,029.94	780.00	734.00	1,560.00
10-414-4120	Retirement	9,997.98	10,085.01	10,297.00	8,824.57	11,267.00
10-414-4150	Medicare	1,268.13	1,200.06	1,245.00	647.12	1,362.00
10-414-4160	State Unemployment	728.38	1,042.33	840.00	596.46	1,260.00
10-414-4170	Workers Compensation	192.00	193.00	246.00	246.00	399.00
10-414-5100	Software (Granicus, AmerLegal)	11,079.96	14,242.75	18,000.00	13,875.00	18,000.00
10-414-5300	Elections	-	6,170.06	2,000.00	-	18,000.00
10-414-6010	Professional Memberships	255.00	365.00	360.00	254.00	360.00
10-414-6020	Training and Travel	357.92	955.04	1,500.00	1,216.94	1,500.00
10-414-6100	Newsletter	15,481.18	12,825.30	16,000.00	14,520.00	16,000.00
10-414-6200	Print, Publish, Advertise	3,480.68	4,561.53	6,500.00	4,500.00	5,000.00
10-414-6380	Software Maintenance	2,490.90	10,839.90	2,500.00	2,490.90	2,500.00
10-414-7400	Capital Equipment	904.40	4,362.84	-		-
Total Town Clerk and Public Records:		149,833.57	162,620.16	154,714.00	132,948.11	191,074.00
Finance and Budget						
10-415-4000	Salary & Wages	41,655.46	42,742.21	85,599.00	64,615.69	81,117.00
10-415-4110	Health Insurance	7,705.52	7,160.32	17,640.00	13,092.00	19,904.00
10-415-4111	Dental & Vision Insurance	607.42	622.92	1,560.00	835.00	1,560.00
10-415-4120	Retirement	4,691.26	5,229.76	10,032.00	7,753.88	9,735.00
10-415-4150	Medicare	584.01	608.85	1,242.00	934.50	1,177.00

FY 2016-17 Budget Worksheet		2013-14 Prior year 2 Actual	2014-15 Prior year Actual	2015-16 Current year Budget	FY2015-16 Projected	2016-17 Proposed Budget
Account Number	Account Title					
10-415-4160	State Unemployment	365.62	329.92	840.00	709.63	840.00
10-415-4170	Workers Compensation	90.00	101.00	255.00	113.00	255.00
10-415-5001	OSP Audit Services	12,500.00	12,500.00	16,000.00	13,000.00	13,000.00
10-415-5200	OSP Contracts	11,314.44	11,687.96	20,000.00	18,388.65	12,000.00
10-415-6010	Professional Memberships	60.00	60.00	500.00	-	500.00
10-415-6020	Training and Travel	165.00	438.00	500.00	165.00	1,500.00
10-415-6380	Software Maint and Acquisition	2,148.00	2,838.00	6,000.00	2,327.00	7,000.00
Total Finance and Budget:		81,886.73	84,318.94	160,168.00	121,934.35	148,588.00
Legal						
10-416-5001	OSP Town Attorney	36,438.54	43,312.92	46,000.00	43,310.00	53,000.00
10-416-5005	OSP Ethics Hearing Officer	-	-	-	-	5,000.00
Total Legal:		36,438.54	43,312.92	46,000.00	43,310.00	58,000.00
Information Technology						
10-417-5100	OSP Technical	17,197.50	21,271.25	24,480.00	24,178.00	24,000.00
10-417-5110	Website & such	3,618.75	-	5,000.00	1,099.97	2,100.00
10-417-6380	Software Maint and Acquisition	2,150.55	5,958.70	12,675.00	12,000.00	3,000.00
10-417-6900	Equipment - Non Capital	1,905.50	891.71	2,500.00	798.87	2,500.00
10-417-6950	IT Hardware & Equipment	2,429.91	8,709.14	8,750.00	5,417.00	3,000.00
Total Information Technology:		27,302.21	36,830.80	53,405.00	43,493.84	34,600.00
Magistrate Court						
10-421-4000	Salary and Wages	42,958.28	44,409.05	47,446.00	47,339.50	51,159.00
10-421-4120	Retirement	1,945.39	2,216.31	2,373.00	2,840.37	2,558.00
10-421-4150	Medicare	628.07	635.41	688.00	694.10	742.00
10-421-4160	State Unemployment	742.96	603.99	840.00	597.33	840.00
10-421-4170	Workers Compensation	89.00	100.00	128.00	118.00	128.00
10-421-5001	OSP Public Defender	924.00	522.00	1,000.00	-	500.00
10-421-5002	OSP Magistrate		100.00			-
10-421-5003	OSP Prosecutor	19,200.00	19,200.00	19,200.00	18,800.00	21,600.00
10-421-5005	OSP Specialized Court Fees	1,214.28	1,767.06	2,000.00	3,844.62	5,000.00
10-421-5224	OSP Contracts	-	-	-		-
10-421-5303	Lease, Magistrate Court	3,610.80	3,610.80	3,540.00	3,790.76	3,983.00
10-421-6010	Professional Memberships	295.00	335.00	400.00	325.00	400.00
10-421-6020	Training and Travel	1,401.38	2,124.47	2,000.00	1,393.47	2,000.00
10-421-6300	General Supplies	1,455.19	532.12	1,000.00	520.63	800.00
10-421-6301	Supply:Books & Subscriptions	338.60	1,696.80	500.00	666.40	700.00
10-421-6500	Utilities (electricity & gas)	1,950.53	1,137.67	2,620.00	1,116.05	1,500.00
10-421-6520	Telephone		739.82	500.00	598.34	500.00
10-421-6900	Equip Supply	2,250.00	1,125.00	2,600.00	2,250.00	3,000.00
Total Magistrate Court:		79,003.48	80,855.50	86,835.00	84,894.57	95,410.00
Public Safety						
10-425-5300	OSP Sheriff Services	357,531.00	366,237.96	381,884.00	381,884.00	392,370.00
10-425-5301	OSP Emergency Response	1,674.00	1,674.00	1,800.00	1,674.00	1,800.00
10-425-5501	Facilities Sheriff Office	9,400.32	9,400.32	9,500.00	8,145.00	10,134.00
10-425-5503	Maintenance Sheriff Office	-	110.00	200.00	9,868.00	-
10-425-6500	Utilities (electricity)	2,057.93	2,260.53	2,500.00	2,294.00	2,500.00
Total Public Safety:		370,663.25	379,682.81	395,884.00	403,865.00	406,804.00
Engineering						
10-430-4000	Salary and Wages	51,201.55	50,830.42	53,757.00	54,538.79	54,817.00
10-430-4110	Health Insurance	7,304.95	7,320.82	8,460.00	8,519.24	9,852.00
10-430-4111	Dental & Vision Insurance	584.52	580.10	780.00	572.96	780.00

FY 2016-17 Budget Worksheet		2013-14 Prior year 2 Actual	2014-15 Prior year Actual	2015-16 Current year Budget	FY2015-16 Projected	2016-17 Proposed Budget
Account Number	Account Title					
10-430-4120	Retirement	5,280.11	6,297.79	6,451.00	6,544.65	6,579.00
10-430-4150	Medicare	927.50	735.19	780.00	787.56	795.00
10-430-4160	State Unemployment	362.77	382.19	420.00	296.65	420.00
10-430-4170	Workers Compensation	1,408.00	1,187.00	1,781.00	1,781.00	1,781.00
10-430-5001	OSP Engineering	-	2,800.00	3,000.00	-	1,000.00
10-430-6010	Professional Memberships	-	-	200.00	-	200.00
10-430-6020	Training and Travel	-	-	500.00	889.64	1,000.00
10-430-6300	General Supplies	100.02		-		-
Total Engineering:		67,169.42	70,133.51	76,129.00	73,930.49	77,224.00
Public Works & Facilities						
10-431-4000	Salary & Wages	45,797.90	55,252.62	70,127.00	65,659.15	72,025.00
10-431-4010	Overtime	501.06	240.07	800.00	-	800.00
10-431-4110	Health Insurance	9,654.78	11,148.79	16,680.00	17,036.29	19,412.00
10-431-4111	Dental & Vision Insurance	779.36	1,090.11	1,560.00	1,148.92	1,560.00
10-431-4120	Retirement	4,437.05	4,982.52	7,801.00	7,879.10	7,882.00
10-431-4150	Medicare	650.00	772.73	1,029.00	926.34	1,056.00
10-431-4160	State Unemployment	744.66	649.70	1,260.00	596.28	1,260.00
10-431-4170	Workers Compensation	1,266.00	2,097.00	2,675.00	1,625.00	2,675.00
10-431-5200	OSP Janitorial Services	2,940.00	2,945.00	3,000.00	2,695.00	3,000.00
10-431-5500	Facilities, Town Hall Rental	36,169.20	36,169.20	36,200.00	37,969.56	38,991.00
10-431-5503	Facility Maintenance	183.92	534.41	1,500.00	245.27	500.00
10-431-5900	OSP Other	2,459.58	2,075.67	2,500.00	2,749.00	2,500.00
10-431-5903	Liability & Auto Insurance	28,540.19	24,831.00	27,825.00	26,032.00	29,200.00
10-431-6020	Training and Travel	93.79	307.70	200.00	-	200.00
10-431-6300	General Supplies - Town	7,477.81	9,888.82	10,000.00	7,800.00	8,000.00
10-431-6500	Facilities, Electric Utilities	5,883.57	5,892.47	9,000.00	4,704.04	8,000.00
10-431-6510	Facilities, Gas Utilities	893.25	640.31	1,500.00	409.82	800.00
10-431-6520	Facilities, Telephone	5,876.67	6,217.42	6,000.00	4,520.25	6,500.00
10-431-6530	Facilities, Cellular	220.00	513.42	1,200.00	744.54	1,200.00
10-431-6595	Vehicle Maintenance	-	8.00	1,500.00	45.31	500.00
10-431-6600	Facilities, Fuel	-	814.72	1,000.00	201.45	500.00
10-431-7001	Road / Facility Acquisit	103.50	17,412.81	15,000.00	15,000.00	12,000.00
10-431-7006	Open Space & Park	4,872.50	1,339.55	12,000.00	192.49	500.00
Total Public Works:		159,544.79	185,824.04	230,357.00	198,179.81	219,061.00
Community Development						
10-465-4000	Salary & Wages	54,003.13	82,103.36	126,281.00	128,227.18	132,114.00
10-465-4010	Overtime	26.65	-			-
10-465-4110	Health Insurance	7,224.25	1,929.63	17,100.00	9,370.38	20,048.00
10-465-4111	Dental & Vision Insurance	1,169.04	814.66	1,560.00	1,148.92	1,560.00
10-465-4120	Retirement	5,907.20	5,759.03	12,469.00	12,428.06	12,884.00
10-465-4150	Medicare	787.11	1,166.67	1,832.00	1,243.45	1,916.00
10-465-4160	State Unemployment	748.50	1,610.70	1,260.00	1,431.82	1,260.00
10-465-4170	Workers Compensation	534.00	1,042.00	1,200.00	1,189.00	1,200.00
10-465-5001	OSP P&Z Management	-	252.14	5,000.00	-	5,000.00
10-465-5005	IGA Library Service	36,143.00	36,143.00	36,141.00	36,143.00	36,143.00
10-465-5501	Facilities, Library (rental+repair)	13,306.32	12,200.56	13,000.00	10,121.30	13,000.00
10-465-5900	OSP Other	32,186.63	5,827.21	5,000.00	-	-
10-465-6010	Professional Memberships	192.00	125.00	500.00	150.00	500.00
10-465-6020	Training and Travel	879.68	112.28	1,500.00	1,761.52	1,500.00
10-465-6100	Supply: Book Subscriptions	-	-	200.00	205.95	200.00
10-465-6380	Software maint (windoware; GIS)	-	-	1300	1300	3,800.00
10-465-6950	Neighborhood Outreach	27,152.56	17,837.29	40,000.00	21,000.00	56,500.00
Total Community Development:		180,260.07	166,923.53	264,343.00	225,720.58	287,625.00

FY 2016-17 Budget Worksheet		2013-14 Prior year 2 Actual	2014-15 Prior year Actual	2015-16 Current year Budget	FY2015-16 Projected	2016-17 Proposed Budget
Account Number	Account Title					
Non-Departmental						
10-499-9994	Transfer out to HURF	-	-	-	-	24,435.00
10-499-9995	Cost Overruns Contingency	-	30,256.34	200,000.00	-	200,000.00
10-499-9998	Employee one time bonus	-	-	10,350.00	10,350.00	
Total Non-Departmental:		-	30,256.34	210,350.00	10,350.00	224,435.00
GENERAL FUND REVENUE TOTAL:		1,560,211.25	1,642,226.88	1,608,906.00	1,765,663.00	1,684,302.00
EXPENDITURES before transfer/Contigency:		1,267,710.24	1,357,700.76	1,598,550.00	1,464,478.52	1,659,867.00
GENERAL FUND EXPENDITURE TOTAL:		1,267,710.24	1,357,700.76	1,808,900.00	1,464,478.52	1,884,302.00
Net Excess no contigency(under):		292,501.01	284,526.12	10,356.00	301,184.48	24,435.00
Net Increase (decrease) in FUND BALANCE:		292,501.01	254,269.78	(199,994.00)	290,834.48	(200,000.00)
Highway User Revenue Fund (HURF)						
Revenues						
20-100-3340	HURF	279,319.19	304,039.24	303,662.00	304,000.00	318,908.00
20-100-3490	Impact Fees	6,342.00		-	-	-
20-100-3600	Interest Earnings	768.96	542.62	500.00	340.57	500.00
20-100-3340	Transfer-in from General Fund					24,435.00
Total Revenues:		286,430.15	304,581.86	304,162.00	304,340.57	343,843.00
Engineering						
20-430-5001	OSP Engineering	-	-	-		-
20-430-6380	Software Maint and Acquisition	2,233.35		-	-	-
20-430-7001	Roadway Maintenance	4,770.64		-		-
20-430-7002	CAPITAL ROAD IMPROVEMENT	6,384.92	2,057.50	7,000.00	-	7,000.00
Total Engineering:		13,388.91	2,057.50	7,000.00		7,000.00
Public Works						
20-431-5900	OSP Other(On-going Road Maint)	43,829.44	38,087.92	55,192.00	55,192.00	56,000.00
20-431-6595	Vehicle Maintenance	1,515.27	1,597.86	1,470.00	1,000.00	2,500.00
20-431-6600	Facilities, Fuel	7,663.95	7,344.12	12,000.00	5,000.00	8,000.00
20-431-6900	Heavy Equip Maintenance	12,850.52	5,527.41	10,000.00	6,000.00	10,000.00
20-431-7001	In-house ROW Maint Materials	12,997.15	23,364.20	7,500.00	7,500.00	7,500.00
20-431-7006	CAPITAL ROAD Maint (OSP)	228,846.41	219,841.36	211,000.00	230,000.00	213,000.00
20-431-7400	Capital Equipment	20,175.47	39,385.91	-	-	3,000.00
20-431-7008	One-time road projects					126,000.00
Total Public Works:		327,878.21	335,148.78	297,162.00	304,692.00	426,000.00
HURF FUND REVENUE TOTAL:		286,430.15	304,581.86	304,162.00	304,340.57	343,843.00
HURF FUND EXPENDITURE TOTAL:		341,267.12	337,206.28	304,162.00	304,692.00	433,000.00
Net HURF FUND:		(54,836.97)	(32,624.42)	-	(351.43)	(89,157.00)
GRANT FUND						
22-100-3380	CDBG Grant Revenue	-	-	300,000.00	-	300,000.00
22-100-3390	Misc. Grants	11,780.00	-	1,500,000.00	-	1,505,000.00
22-100-3400	Yav Co. flood control fund	63,220.00	75,000.00	65,000.00	65,000.00	60,000.00
Total Revenues:		75,000.00	75,000.00	1,865,000.00	65,000.00	1,865,000.00
22-430-7800	CDBG Qualified Expenditures	9,565.00	75.00	300,000.00	-	300,000.00
22-430-7810	Misc Grant Expenditure	11,780.00	427.75	1,500,000.00	-	1,505,000.00

FY 2016-17 Budget Worksheet		2013-14 Prior year 2 Actual	2014-15 Prior year Actual	2015-16 Current year Budget	FY2015-16 Projected	2016-17 Proposed Budget
Account Number	Account Title					
22-430-3400	Flood control reimburse	63,220.00	72,623.00	65,000.00	65,000.00	60,000.00
Total Expenditures		84,565.00	73,125.75	1,865,000.00	65,000.00	1,865,000.00
Net GRANT FUND:		(9,565.00)	1,874.25	-	-	-
GRAND TOTALS - ALL FUNDS						
REVENUES		1,921,641.40	2,021,808.74	3,778,068.00	2,135,003.57	3,893,145.00
EXPENDITURES		1,693,542.36	1,768,032.79	3,978,062.00	1,844,520.52	4,182,302.00
NET GRAND TOTALS		228,099.04	253,775.95	(199,994.00)	290,483.05	(289,157.00)

Appendix C: Glossary

AMRRP means the "Arizona Municipal Risk Retention Pool," a not-for-profit corporation, owned and operated by its Members in a cooperative effort to provide protection from losses to Members' resources.

ARS means "Arizona Revised Statutes," as found at http://www.azleg.state.az.us/ArizonaRevisedStatutes.asp.

CAFR means "Comprehensive Annual Financial Report," an annual financial report prepared by local governments.

Capital Assets are assets of the Town costing more than $10,000 with a useful life of longer than one year.

Capital Expenditures are expenditures for Capital Assets.

CIP means "Capital Improvement Program." A CIP helps plan multi-year construction, supplementing the one-year Budget.

Development Agreements are agreements between the Town and a Developer to facilitate development. Described by ARS § 9-500.05, development agreements can be used in a variety of ways to ensure that capital facilities are adequate to serve new development. Some examples are a developer constructing capital facilities to serve a greater area than their particular development with an agreement that he or she will be paid back as new developments come online and tie into the facilities, or a development agreement that specifies that certain facilities will be constructed at different phases of development.

Development fees or Impact fees are defined under ARS § 9-463.05. A municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development. Fees must be assessed in a nondiscriminatory manner. The Town has a development fee program.

Fiscal year (FY) means the year used by the Town for accounting and budgeting purposes, from July 1 to June 30. FY2016 begins on July 1, 2014, and ends on June 30, 2016.

FTE means "Full Time Equivalent," that is, approximately the number of persons performing the work on a full time basis.

Fund Balance is the difference between assets and liabilities reported in a governmental fund.

GFOA means the "Government Finance Officers Association of the US & Canada," a professional association of state, provincial and local finance officers in the United States and Canada.

HURF means "Highway User Revenue Fund" as outlined by ARS § 28-6501.

ICMA means the "International City/County Management Association," the professional and educational association for appointed local government administrators throughout the world.

Impact fees: see "Development fees."

Income Tax Revenues are the Town's portion of the State income tax. Although local governments in Arizona do not have the authority to assess income tax, the State issues 15% of the previous two years income tax collected by the State to the Town based on the Town's population as a percentage of total State population.

LTAF means "Local Transportation Assistance Fund" as outlined by ARS § 28-8101 and following.

NCS means "National Citizens Survey," which provides tailored data to help with performance management, longitudinal trends, and comparisons with other communities.

NFIP means "National Flood Insurance Program," the program provides flood insurance in more than 20,000 communities and is managed by the Federal Insurance and Mitigation Administration (FIMA). See http://www.floodsmart.gov/ for more information

"Part 1 crimes" are murder, non-negligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson.

State-Shared Revenues are the Town's portion of the state transaction privilege tax. All sales transactions in the State are subject to a 5% state transaction privilege tax. This is allocated to state government (50%), school districts (40%) and cities and towns (10%). The formula for calculating the share of these funds that will be distributed to a given municipality is based on the population as a percentage of the total State population

Town Staff means:
Town Manager
Community Planner/Code Officer
Community Development Technician
Building Official/Inspector
Town Clerk
Administrative Assistant
Public Works Supervisor
Public Works Operators
Finance Supervisor
Accounting Clerk
Town Magistrate
Court Clerk

Town IT Consultants: Four D. LLC
Town Attorney Curtis, Goodwin, Sullivan, Udall & Schwab PLC
Town Engineer: Shepard and Wesnitzer Inc.

Transaction Privilege Tax (TPT) is basically the same thing as a sales tax, except that the person responsible for paying the tax is the vendor, not the purchaser. In addition to sales tax received from State shared revenues, a municipality may assess a sales tax within its jurisdictional boundaries to fund a variety of capital facilities and services. The Town assesses TPT at the 2% rate for most activities in FY2015-16.

Transportation Revenues are revenues for street and highway funding distributed by the state to the Town from several sources. These include HURF, LTAF, State lottery, and vehicle license fees. There are restrictions on many of these funds.

User Fees mean revenues assessed per Council ordinance for work done by the Town primarily benefiting a specific person or parcel owner, and requested by that person or owner. Examples include zoning permits and building fees.

Appendix D: Town Statistical and Supplemental Data

The Town of Dewey-Humboldt is located in Central Yavapai County approximately 18 miles west of Interstate 17 and 15 miles east of the City of Prescott. Two major state highways, SR 69 and SR 169, transect the Town, providing access to services, employment and transportation throughout the County and Arizona.

On December 20, 2004, the Town of Dewey-Humboldt was incorporated with an estimated population of approximately 4,005.

The Town of Dewey-Humboldt's incorporation in December 2004 combined two adjacent unincorporated communities: Dewey and Humboldt. These distinct but interconnected places share a rich history from the first non-Indian settlers in the area in the 1860's. The settlers found ruins providing evidence of Indians, engaged in raising livestock, growing crops, and mining from 900 to 1300 A.D. Rock Art was left by the earliest of these people who may have been known as the "Tribe with White Dogs." It is believed that they were the Hohokom People, and were later followed by the Yavapai Tribe who inhabited the area and continued the agricultural and mining traditions.

The 1860's brought prospectors to Dewey and Humboldt in search of gold. The first of these was King Woolsey, whose house near the Agua Fria River was built from stones of Indian ruins on his property. Later, Levi Bashford built a small smelter that operated from 1876 through 1884. When it was destroyed by fire, the remains were bought and operated by a company that built the Val Verde Smelter, a larger operation running from 1899 until 1904. The company-owned town of Val Verde developed, including a post office.

After another fire and subsequent purchase of the land and water rights by the Arizona Smelting Company, a new and larger smelter was constructed in 1906, and the Town was renamed Humboldt after the naturalist and explorer, Friedrich Heinrich Alexander Von Humboldt. This was the beginning of a period of growth and prosperity with the forming of the Humboldt Improvement District resulting in the building of a hospital, fire station, clubhouse, stores, large homes and a population over 1,000 in 1907. The area prospered until after World War I when the demand for ore diminished and the population declined. The smelter's closing in 1930 was followed by the closings of the hospital and many businesses during the Depression years.

In the Dewey area, formerly known as Cherry Siding, settlers came for ranching and growing crops in addition to mining. With a train stop and stage coach station, Dewey expanded. Just prior to the turn of the 20th Century, there was a hotel, boarding house, saloons, livery stable and grocery located near the present intersection of SR 69 and SR 169. After fires destroyed many buildings, the community rebuilt including a schoolhouse, which closed in 1931 during the Great Depression. Farming and ranching continued to be mainstays in the fertile, temperate area.

The populations of the Dewey and Humboldt communities continued to decline until the 1950's with the paving of SR-69, the rebuilding of the Humboldt Elementary School and the Blue Hills subdivision. Other land divisions and the Lazy River Acres subdivision in the 1960's resulted in population growth through the area, even with the closing of the Iron King Mine and later removal of the railroad tracks in 1971.

Young's Farm, established by Elmer Young in 1946 at the intersection of SR 69 and SR 169, was the center of activity in the area, hosting a variety of activities including a farmer's market, corn festival, and the annual pumpkin festival which drew 150,000 people from throughout the state in the 1980's, and continued to prosper until it closed in 2006. Through those 30 years and into the present, the Dewey-Humboldt area enjoys slow growth, which ensures the survival and continuation of the Town's rural character.

Appendix E: Financial Policies

Dewey-Humboldt Principals of Sound Financial Management

(updated in 2016)

Introduction

The Town has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. In these times of tight budgets, of major changes in federal and state policies toward local government, and of limited growth in the Town's tax base, the Town needs to ensure that it is capable of adequately funding and providing those government services desired by the community. Ultimately, the Town's reputation and success will depend on the public's awareness and acceptability of the management and delivery of these services.

These adopted Principles of Sound Financial Management establish guidelines for the Town's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the Town of Dewey-Humboldt as reflected in its financial goals. The Town's financial goals are broad, fairly timeless statements of the financial position the Town seeks to attain:

- ☑ To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- ☑ To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the Town of Dewey-Humboldt.
- ☑ To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the Town's residents.
- ☑ The Town does not have bond obligations now. If and when the Town begins to issue bonds, town will do the following: to maintain a high bond credit rating to ensure the Town's access to the bond markets and to provide assurance to the Town's taxpayers that the Town government is well managed and financially sound.

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

Resolution adopting these Principals

RESOLUTION № 16-119

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF DEWEY-HUMBOLDT, ARIZONA, ADOPTING THE PRINCIPLES OF SOUND FINANCIAL MANAGEMENT, AUTHORIZING THE PREPARATION OF DOCUMENTS, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities;

WHEREAS, in these times of tight budgets, of major changes in federal and state policies toward local government, and of limited growth in the Town's tax base, the Town needs to ensure that it is capable of adequately funding and providing those government services desired by the community; and

WHEREAS, ultimately, the Town's reputation and success will depend on the public's awareness and acceptability of the management and delivery of these services.

WHERAS, the Town Council has adopted the "Principles of Sound Financial Management" (PoSFM) through Resolution 08-58 in October 2008.

WHERAS, several years have gone by since the original PoSFM was adopted. Town Council wishes to update the PoSFM to reflect current changes and progresses.

NOW THEREFORE, be it resolved by the Mayor and Town Council of the Town of Dewey-Humboldt, Arizona that:

Section 1: Revised Principles of Sound Financial Management Adoption. the Town of Dewey Humboldt is to adopt the revised Principles of Sound Financial Management (PoSFM), attached hereto as ***Exhibit A***, as Resolution № 16-119, to establish guidelines for the Town's overall fiscal planning and management in order to foster and support the continued financial strength and stability of the Town of Dewey-Humboldt as reflected in its financial goals.

Section 2: Authorization to Prepare Documents. The Town Manager, Town Clerk, Town Attorney, and any other necessary persons are hereby authorized to prepare the agreements, forms and instruments contemplated to be used by the Town in implementing the provisions of the PoSFM.

Section 3: Effective Date. This Resolution shall be effective immediately.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Dewey-Humboldt, Arizona, this 16th day of February 2016.

_____

Mayor Nolan, Mayor

ATTEST:

APPROVED AS TO FORM:

_____

Judy Morgan, Town Clerk

_____

Gust Rosenfeld, PLC, Town Attorney

Fiscal Planning and Budgeting

Fiscal planning refers to the process of identifying resources and allocating those resources among numerous and complex competing purposes. The primary vehicle for this planning is the preparation, monitoring and analysis of the Town's budget. It is increasingly important to incorporate a long-term perspective and to monitor the performance of the programs competing to receive funding.

Forecasting

The Finance Department will prepare a ***2-year*** financial forecast that will incorporate both revenue and expenditure estimates for the Town's major operating funds. The ***2-year*** revenue forecast will ***focus solely on*** revenues that are anticipated to be sustainable over the ***2-year*** period. The estimates of non-agency revenues, **grant** and agency revenues, and inter-fund transfers will also be provided. Expenditure projections should include the anticipated operating impacts of the adopted capital improvement program. The 2-***year*** long-range forecast will be updated ***annually*** and presented to the Town Council at the start of the Town budget process. In the event that the Town issues debt securities, the Department will prepare ***5-year*** forecasts..

Schedule

The Town Manager shall submit a proposed annual budget to the Town Council before April 30th ***in each year***. This proposed budget must be based on Council's established goals. The Town Manager shall execute the budget as finally adopted. The Town will budget revenues and expenditures on the basis of a fiscal year which begins July 1st and ends on the following June 30th. The Town Council shall make every effort to adopt the budget for the following fiscal year no later than July 1st. If the budget is not adopted before July 1st, the Council may adopt a continuing resolution to allow the Town to expend funds until the budget is adopted.

The Town Manager shall provide ***annually*** a budget preparation schedule outlining the preparation timelines for the proposed budget.

Standards

The Town will prepare a budget in accordance with the framework established by the National Advisory Council on State and Local Budgeting in Recommended Budget Practices – A Framework for Improved State and Local Government Budgeting and the Government Finance Officers Association in its Distinguished Budget Award Program. The proposed budget will contain the following:

- ☑ Revenue estimates by major category, by fund;
- ☑ Expenditure estimates by program levels and major expenditure category, by fund;
- ☑ Estimated fund balance by fund;
- ☑ Debt service, by issue, detailing principal and interest amounts;
- ☑ Proposed personnel staffing levels per program;
- ☑ A detailed schedule of capital projects; and
- ☑ Any additional information, data, or analysis requested of management by the Town Council.

The Town maintains its financial records in accordance with accounting principles generally accepted in the United States of America known as GAAP. Although the Town's budget is prepared on a modified cash basis that differs from GAAP, the Town will attempt to minimize these differences between the budget basis of accounting and GAAP.

Operating Budget

The operating budget will be organized around policy outcomes, typically in programs, intended to be achieved within the budget period. It is often appropriate to refer to interim outcomes towards a longer-term outcome beyond the current year. The preferred policy outcomes will be explicitly outlined and will describe the changes in the lives of individuals, families, organizations, or the Town as a result of the program. Line items within programs should describe discrete actions, and should be neither so vague as to confuse the expected outcome nor so granular that the mass of detail is distracting.

Fiscally, the operating budget will be based on the principle that current operating expenditures, including debt service when it occurs, will be funded with current revenues creating a balanced budget. The budget will not use one-time (non-recurring) sources to fund continuing (recurring) uses, postpone expenditures, or use external borrowing for operational requirements. The budget will incorporate the best available estimates of revenues and expenditures.

The budget will fully appropriate the estimated actual expenditures needed for authorized regular staffing. A system will be used to facilitate position control. At no time shall the number of full-time and regular part-time employees on the payroll exceed the total number of positions authorized by the Town Council. Pursuant to Personnel Administrative Regulations, additional temporary appointment of employees can be made with the approval of the Town Manager.

Unspent appropriations for significant programs and major projects will be considered for re-appropriation in the subsequent fiscal year. Such re-appropriation shall be included to finance the overall proposed budget. ***There may be transfers of appropriations between programs that occur only by Council action amending the adopted budget***.

Performance Measures

Performance measurement indicators will be integrated into the budget process as appropriate. Performance measures will be monitored and reported on an annual basis.
Alternatives for improving the efficiency and effectiveness of the Town's programs and the productivity of its employees will be considered during the budget process. Duplication of services and inefficiency in service delivery ***should*** be eliminated wherever they are identified.

Budget Risk Management

The Town's annual budget will include contingency appropriation to provide for unanticipated increases in service delivery costs, emergencies, and needs that may arise throughout the fiscal year. The contingency appropriation can only be expended upon separate Council action.
The Town shall establish appropriate management controls to monitor expenditure budgets to ensure they do not exceed authorizations. For operating budgets, this control shall be exercised at the program/fund level. For capital budgets, this control shall be at the project level.

A ***quarterly*** report on the status of the General Fund budget and trends will be prepared by the Finance Department and presented to the Town Council by ***no later than 60 days of the end of each quarter***. In addition, the ***quarterly*** report shall include revenue and expenditure projections through the end of the fiscal year.

If a deficit is projected during any fiscal year, the Town will take steps to reduce expenditures, increase revenues or, if a deficit is caused by an emergency, consider using the Undesignated General Fund Balance, to the extent necessary to ensure a balanced budget at the close of the fiscal year. The Town Manager may institute a cessation during the fiscal year on new hires, promotions, transfers, and

capital equipment purchases. Such action will not be taken arbitrarily and without knowledge and support of the Town Council.

Capital Budget

The Capital Budget will be prepared in accordance with the *Capital Improvement Program* section hereof.

Fund Balance

Fund balance is an important indicator of the Town's financial position. Adequate fund balances must be maintained to allow the Town to continue providing services to the community in case of economic downturns and/or unexpected emergencies or requirements.

Fund Balance is comprised of Nonspendable, Restricted, Committed, Assigned, or Unassigned components. This policy refers to unrestricted fund balances which would include the latter three fund balance components: Committed, Assigned, or Unassigned. See the chart at the end of this section for an explanation of Fund Balance Reporting.

The Town's Unrestricted Fund Balances will be maintained to provide the Town with a comfortable margin of safety to address emergencies and/or unexpected declines in revenue without borrowing.

Committed Fund Balance

Mayor and Council action is required to "commit" and "uncommit" funds for a specific purpose.

The Town will maintain a Contingency Reserve Fund as part of the committed component. This fund will maintain a balance of at least 10% and no more than 30% of the general fund budgeted expenditures for the current fiscal year. The exact percentage will be set by Council each year as part of the budget process.

The Town will maintain an Operational Reserve at least 30% and no more than 50% of the average General and HURF fund total revenues or expenditures for the preceding three years; whichever amount is higher. The intent of this is to provide additional stability to the General Fund recognizing the cyclical nature of the economy. The Operational Reserve may only be used to cover unforeseen emergencies and unexpected declines in revenue.

To the extent these reserves are expended, the Town will increase its General Fund revenues or decrease its expenditures as necessary to prevent the continued use of these reserves. The Town must restore to the minimum limit over a period not to exceed three years.

Assigned Fund Balance

Use of any Assigned Fund Balance up to $4,999 requires approval of both the Town Manager and finance. Amounts $5,000 and up requires finance, Town Manager and Council approval.

Unassigned

Funds in excess of the minimum targets will be retained in the Unassigned General Fund Balance, and may be considered to supplement "pay as you go" capital outlay and one-time operating expenditures, or may be used to prepay existing Town debt. These funds may not be used to establish or support costs that are recurring in nature.

Fund Balance Reporting			
CLASSIFICATION		***DEFINITION***	***EXAMPLES***
NONSPENDABLE		"Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact."	Permanent principal of an endowment fund, Prepaid items, inventories
RESTRICTED		"Fund balance should be reported as restricted when constraints placed on the use of resources are either: a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation."	Restricted by state statute, Taxes dedicated to a specific purpose (HURF), Revenues restricted by enabling legislation, Grants earned but not spent, Unspent bond proceeds, Debt covenants
UNRESTRICTED	***COMMITTED***	"Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority"	Formal Minimum Fund Balance Contingency Reserve Fund Economic Uncertainty Fund Town Council decides to set aside $1M for a new town hall
	ASSIGNED	"Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed"	Other Specified Contingencies, Appropriated Fund Balance, Council deligates the authority to assign fund balance to the Town Manager (during budget process)
	UNASSIGNED	Unassigned fund balance is the residual classification for the General Fund. This is fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.	

Expenditure Control

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

Expenditures will be controlled by an annual appropriated budget at the program/fund level. The Town Council shall establish appropriations through the budget process. The Town Manager may transfer expenditure authority between line items within a program, but only the Council may transfer appropriations between programs. Written procedures will be maintained for administrative approval and processing of budget transfers between line items, programs, and funds. All purchases, including contracts exceeding ***$5,000*** must be executed by the Town Council: other purchases, including contracts and financial obligations may be executed by the Town Manager when appropriated in the annual budget.

Program heads are responsible for monitoring expenditures to prevent exceeding their total program expenditure budget. It is the responsibility of these program heads to immediately notify the Town's

Chief Financial Officer and the Town Manager of any circumstances that could result in a program budget being exceeded.

The Town will maintain a purchasing system that provides needed commodities and services in a timely manner to avoid interruptions in the delivery of services. All purchases shall be made in accordance with the Town's procurement code, purchasing policies, guidelines and procedures and applicable state and federal laws. The Town will endeavor to obtain supplies, equipment and services that provide the best value.

A system of appropriate internal controls and procedures using best practices shall be maintained for the procurement and payment processes. These internal controls will be reviewed in conjunction with the Town's annual financial audit.

The Town will make all payments within the established terms. The Town shall pay applicable contractor invoices in accordance with the requirements of Arizona Revised Statutes § 34-221.

The State of Arizona sets a limit on the expenditures of local jurisdictions. The Town will comply with these expenditure limitations and will submit an audited expenditure limitation report, audited financial statements, and audited reconciliation report as defined by the Uniform Expenditure Reporting System (A.R.S. § 41-1279.07) to the State Auditor General within the prescribed timelines.

The Town Council will pursue local override of the State expenditure limitation as provided by the State Constitution if the projected expenditures within ***2 years*** are anticipated to exceed the expenditure limitation. This override may be through local voter approval of a permanent base adjustment (Article IX, Section 20, Subsection 6), or by local voter approval of Home Rule (Article IX, Section 20, Subsection 9).

Revenues and Collections

In order to provide funding for service delivery, the Town must have reliable revenue sources. These diverse revenues must be assessed and collected equitably, timely, and efficiently.

The Town's goal is a General Fund revenue base balanced between local sales (transaction privilege) taxes, state shared revenues (including state sales taxes), and other revenue sources.

The Town will maintain a diversified and stable revenue base to shelter it from economic changes or short-term fluctuations by doing the following:

- ☑ Conducting a cost of service study as needed to determine if all allowable fees are being properly calculated and set at an appropriate level.
- ☑ Establishing new charges and fees as appropriate and as permitted by law.
- ☑ Pursuing legislative change, when necessary, to permit changes or establishment of user charges and fees.
- ☑ Actively collecting all revenues, late penalties and related interest as authorized by the Arizona Revised Statues. When collecting civil penalties that have been imposed by the Town, the town has the following policies: A. Town utilizes a collection agency. The Town Manager shall have discretion to determine the length of time the collection agency will have to collect the amounts due to the Town. B. If a civil penalty was imposed in a case related to the occupancy or use of land. The Town can also record a notice of civil sanction and/or an abatement order and/or violation notice with the Yavapai County Recorder.

Grants

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

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

The Town shall attempt to recover all allowable costs – direct and indirect – associated with the administration and implementation of programs funded through grants. The Town may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Town's policy objectives. When the potential for ongoing expenditures exceeds the program budget allocation, programs shall seek Council approval prior to submission of the grant application. If time constraints under the grant program make this impossible, the program shall obtain approval to submit an application from the Town Manager and then, at the earliest feasible time, seek formal Council approval. If there is a cash match requirement, the source of funding shall be identified prior to application.

The Town may terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified. When such grant funding is terminated, Town staff will prepare a report evaluating the results of the grant program and will make a finding to determine whether to continue funding the project with other financial resources. Many grants are given to enable towns to try a program or to provide seed money to establish a program, and follow-up analysis is required to make the best use of such funds.

User Fee Cost Recovery and Indirect Cost Allocations

User fees and charges are payments for voluntarily purchased, publicly provided services that benefit specific individuals. The Town relies on user fees and charges to supplement other revenue sources in order to provide public services.

Indirect cost charges are assessed to recover a portion of the costs for services provided between various funds.

The Town may establish user fees and charges for certain services provided to users receiving a specific benefit.

Development Impact Fees (policy reserved)

The Council's policy is that growth should pay for itself to the maximum extent possible. As such, the Council has adopted a system of development impact fees. Development impact fees are one-time charges assessed against new customers to recover a proportional share of capital costs incurred to provide service capacity for new customers. Appropriate development fees are an important component in the overall strategy for pricing services. In 2009 the Council adopted Ordinance 09-59 to impose impact fees in the Town.

However, in 2011 State Legislature adopted comprehensive legislation that substantially revised the procedures for adoption and imposition of development fees. Ordinance 05-59 remained in place until July 31, 2014. The 2011 "impact fee" state legislature (A.R.S. 9-463.05) has made significant

changes that the cost associated with administrating impact fees are higher while the regulation for impact fee uses are stricter. Based on the Town's population growth projection trend, it has become impractical and not cost-effective to continue the impact fee program. Therefore, Council has decided to remove impact fee charge as of August 1, 2014. Town council can at any time decide to reinstate the impact fees upon a study by a qualified firm.

Capital Improvement Program

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

The Capital Improvement Program shall provide:

- ☑ A statement of the objectives of the Capital Improvement Program and the relationship with the Town's General Plan, program master plans, necessary service levels, and expected facility needs.
- ☑ An implementation program for each of the capital improvements that provides for the coordination and timing of project construction among various Town programs.
- ☑ An estimate of each project's costs, anticipated sources of revenue for financing the project, and an estimate of the impact of each project on Town revenues and operating budgets. The *operating impact information* shall be provided for the period covered in the Town's current ***10-year*** Capital Improvement Program. No capital project shall be funded unless operating impacts have been assessed and the necessary funds can be reasonably anticipated to be available when needed for the systematic improvement and maintenance of the Town's capital infrastructure.
- ☑ Revenues and project costs will be calculated in current dollars.
- ☑ Debt ratio targets that comply with the Debt Management section of these policies.
- ☑ A schedule of proposed debt issuance.

The Town will match programs and activities identified in the Capital Improvement Program with associated funding sources. The Town will also seek to match project costs with project users, with may require the issuance of debt to allow future users to pay in the future and to maintain intergenerational equity.

When current revenues or resources are available for capital improvement projects, consideration will be given first to those capital assets with the shortest useful life and to those capital assets whose nature makes them comparatively more difficult to finance with bonds or lease financing. Using cash for projects with shorter lives and bonds for projects with longer lives facilitates intergenerational equity, wherein projects with long useful lives are paid over several generations using the project through debt service payments.

Capital improvement projects will not be authorized or awarded until the funding sources have been identified to finance the project and operating costs have been accounted.

Staff will monitor projects in progress to insure their timely completion or the adjustment of the Capital Improvement Program as approved by Council if a project is delayed or deferred. A ***quarterly*** status report will be presented to Town Council to monitor each project's progress and to identify any significant issues associated with a project. A prior year capital project status report shall be presented to the Town Council for information purposes when the capital improvement budget is considered.

Within ***90 days*** of the completion of a capital project any remaining appropriated funds for the project will be closed off and will revert to the fund balance of the funding source.

The Capital Improvement Program will be updated as needed as a multi-program effort.

Note – Council adopted Resolution 10-74 to adopt the Capital Improvement Plan FY 2011-2021 in 2010. Subsequently, following state law changes Council adopted Resolution 16- 121 to repeal Resolution 10-74 adopting the Capital Improvement Plan.

Staff is using the adopted CIP as a working document .

Cash Management and Investment

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

The Town shall maintain and comply with a written Investment Policy that has been approved by the Town Council. The Chief Financial Officer, as Chief Investment Officer, or his designee shall invest all funds of the Town according to the approved Investment Policy.

The Town will collect, deposit and disburse all funds on a schedule that insures optimum cash availability for investment.

In order to maximize yields from its overall portfolio, the Town will consolidate cash balances from various funds for investment purposes, and will allocate investment earnings to each participating fund.

Bond funds will be segregated from all other funds for arbitrage and accounting purposes.

The Town will project the cash needs of the Town to optimize the efficiency of the Town's investment and cash management program.

The Town will conduct its treasury activities with financial institution(s) based upon written contracts.

Ownership of the Town's investment securities will be protected through third party custodial safekeeping.

All Town bank accounts shall be reconciled and reviewed on a ***monthly*** basis.

Investment performance will be measured using standard indices specified in the Town's written investment policy. The Chief Financial Officer shall provide the Town Council with a ***quarterly*** investment report within ***45 days*** of the end of each ***quarter***.

The Town's Cash Management and Investment processes will be in accordance with written internal controls and procedures.

Debt Management (policy reserved)

Town currently does not issue debt securities. However, Town Council desires to establish thoughtful debt management policies when Town begins to issue debt security. For consideration of debt management policies:

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

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

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

All projects funded with Town general obligation bonds or revenue bonds must be included in the Town's Capital Improvement Plan and can only be undertaken after voter authorization is obtained through a Town-wide bond election.

The overall debt management policy of the Town is to ensure that financial resources of the Town are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.

The Town will not use long-term debt to fund current operations or projects that can be financed from current revenues or resources. The Town will first attempt to utilize "pay as you go" capital financing and/or the use of operating funds or impact fees where applicable.

The Town does not intend to issue commercial paper (CP) or bond anticipation notes (BANs) for periods longer than ***2 years*** or for the term of a construction project. If CP or a BAN is issued for a capital project, it will be converted to a long-term bond or redeemed at its maturity.

The issuance of variable rate debt by the Town will be subject to the most careful review and will be issued only in a prudent and fiscally responsible manner.

The Town shall make every effort to combine debt issuances in order to minimize issuance costs.

Whenever the Town finds it necessary to issue tax-supported bonds, the following policy will be adhered to:

- ☑ Tax supported bonds are bonds for which funds used to make annual debt service expenditures are derived from Ad Valorem Tax (property tax) revenue of the Town.
- ☑ The target for the maturity of general obligation bonds will typically be between ***20 and 30 years***. The target for the "average weighted maturities" for general obligation bonds of the Town will be ***12 years and 6 months***.
- ☑ Where applicable, the Town will structure general obligation bond issues to create level debt service payments over the life of the issue.
- ☑ Debt supported by the Town's General Fund will not exceed ***10%*** of the annual General Fund revenues.
- ☑ Secondary property tax rates will be determined each year as part of the budgetary process (pursuant to State law) to pay the necessary debt service payments of general obligation bonds currently outstanding or expected to be issued within the fiscal year.

- ☑ In accordance with requirements of the State of Arizona Constitution, total bonded debt will not exceed the ***20%*** limitation and ***6%*** limitation of the total secondary assessed valuation of taxable property in the Town.
- ☑ Reserve funds, when required, will be provided to adequately meet debt service requirements in subsequent years.
- ☑ Interest earnings on bond fund balances will only be used to pay debt service on the bonds unless otherwise committed for other uses or purposes of the project.
- ☑ The term of any bond will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.

Revenue bonds are defined as a bond on which the debt service is payable from the revenue generated from the operation of the project being financed or a category of facilities, from other non-tax sources of the Town, or from other designated taxes such as highway user's revenues, excise tax, or special fees or taxes. For any bonds or lease-purchase obligations in which the debt service is paid from revenue generated by the project and/or partially paid from non-property tax sources, that debt service is deemed to be revenue bonds and are excluded from the calculation of the annual debt service limitation. Whenever the Town finds it necessary to issue revenue bonds, the following guidelines will be adhered to:

- ☑ Revenue bonds of the Town will be analyzed carefully by the Finance Department for fiscal soundness. Part of this analysis shall include a feasibility report prepared by an independent consultant prior to the issuance of utility supported revenue bonds to ensure the generation of sufficient revenues to meet debt service requirements, compliance with existing bond covenants and to protect the bondholders.
- ☑ Revenue bonds should be structured to provide level annual debt service over the life of the issue.
- ☑ Debt Service Reserve Funds will be provided when required by rating agencies, bond insurers or existing bond covenants.
- ☑ Interest earnings on the reserve fund balances will be used to pay debt service on the bonds unless otherwise committed for other uses or purposes of the project.
- ☑ The term of any revenue bond or lease obligation issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
- ☑ The target for the term of revenue bonds will typically be between ***20*** and ***30 years***. The target for the "average weighted maturities" for revenue bonds of the Town (except for those issued through the Arizona-Water Infrastructure Finance Authority) will be ***12 years and 6 months***.

Improvement District (ID) and Community Facility District (CFD) Bonds shall be issued only when the formation of the district demonstrates a clear and significant purpose for the Town. It is intended that Improvement District and Community Facility District bonds will be primarily issued for neighborhoods desiring improvements to their property such as roads, water lines, sewer lines, street lights, and drainage. The District must provide a specific benefit to the property owner(s). The Town will review each project through active involvement of Town staff and/or selected consultants to prepare projections, review pro-forma information and business plans, perform engineering studies, and analyze minimum debt coverage and value to debt ratios, and other analyses necessary to consider the proposal against specified criteria. Both ID and CFD bonds will be utilized only when it is expected that they will be outstanding for their full term.

An expanded policy will be maintained detailing the policy and procedures of the Town related to any future consideration of the formation of a Community Facilities District. Use of a CFD would require compliance with the new guidelines and procedures and specific Council approval.

Refunding bonds will be measured against a standard of the net present value debt service savings exceeding ***5%*** of the debt service amount of the bonds being refunded, or if savings exceed ***$250,000***, or for the purposes of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town.

The investment of bond proceeds shall at all times be in compliance with the Town's Investment and Portfolio Policies and meet all requirements of bond covenants. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness. The Town shall comply with Arizona Revised Statutes and all other legal requirements regarding the issuance of bonds and certificates of the Town or its debt issuing authorities. The Town will maintain contact with rating agencies through meetings and visits on and off-site. The Town will secure ratings on all bonds issued when economically feasible.

The Town shall maintain a debt profile for all bonds issued and update the profile on an annual basis. The debt profile shall include specific information regarding the size and type of debt issued, projects financed by the bonds, debt service schedules and other pertinent information related to each specific bond issue.

Risk Management

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

The Town shall make diligent efforts to prevent or mitigate the loss of Town assets and to reduce the Town's exposure to liability

Accounting, Auditing and Financial Reporting

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

The Town will comply with accounting principles generally accepted in the United States in its accounting and financial reporting, as contained in the following publications:

- ☑ Codification of Governmental Accounting and Financial Reporting Standards, issued by the Governmental Accounting Standard Board (GASB).
- ☑ Pronouncements of the Financial Accounting Standards Board, (FASB).
- ☑ Governmental Accounting, Auditing, and Financial Reporting (GAAFR), issued by the Government Finance Officers Association (GFOA) of the United States and Canada.
- ☑ Municipal Budget and Finance Manual, prepared by the League of Arizona Cities and Towns.
- ☑ Audits of State and Local Governmental Units, an industry audit guide published by the American Institute of Certified Public Accounts (AICPA).
- ☑ Government Accounting Standards, issued by the Comptroller General of the United States.

- ☑ U.S. Office of Management and Budget (OMB) Circular A-133, issued by the U.S. Office of Management and Budget.

Quarterly financial reports will be provided for all programs summarizing financial activity comparing actual revenues and expenditures with budgeted amounts.

A system of internal accounting controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions of the Town and compliance with applicable laws and regulations.

In accordance with State law, a comprehensive financial audit, including an audit of federal grants according to the Single Audit Act and the OMB Circular A-133, will be performed ***annually*** by an independent public accounting firm, with the objective of expressing an opinion on the Town's financial statements. The Town will prepare its financial statements in accordance with applicable standards and will account for its operations in a manner consistent with the goal of obtaining an unqualified opinion from its auditors.

When the Town utilizes bonds to fund programs, all programs will provide notice of all significant events and financial and related matters to the Chief Financial Officer for the Town's annual disclosures, as required by the SEC Rule 15c2-12, for the municipal markets, financial statements and bond representations. A listing of significant events is included in ***Appendix A*** to this document. The Chief Financial Officer will notify all Nationally Recognized Municipal Securities Information Repositories of these significant events.

The Town's Comprehensive Annual Financial Report (CAFR) will include the bond related on-going disclosure requirements and will fully disclose all significant events and financial and related issues. The Town will provide the CAFR to the Town Council, rating agencies, municipal bond insurers, national bond disclosure repositories and other interested parties.

Policy Review

By their nature policies must change and evolve over time. As with any other policies, these financial policies should be subject to periodic review and revision.

Reporting of Significant Events (Continuing Disclosure Requirements)

If knowledge of the occurrence of a listed event would be material to the Town, the Town shall promptly file a "Notice of Material Event" with the Municipal Securities Rulemaking Board and with each depository. The following events are defined as significant events with respect to municipal securities:

- ☑ Principal and interest payment delinquencies.
- ☑ Non-payment related defaults.
- ☑ Unscheduled draws on debt service reserves reflecting financial difficulties.
- ☑ Unscheduled draws on credit enhancements reflecting financial difficulties.
- ☑ Substitution of credit or liquidity providers or their failure to perform.
- ☑ Adverse tax opinions or events affecting the tax-exempt status of the securities.
- ☑ Modifications to rights of holders (i.e., owners).
- ☑ Bond calls (which are other than mandatory or scheduled redemptions, not otherwise contingent upon the occurrence of an event are optional or unscheduled).

- ☑ Defeasances.
- ☑ Release, substitutions or sale of property securing repayment of the securities (including property leased, mortgaged or pledged as such security).
- ☑ Bond rating changes.

Appendix F: State Auditor Forms (to be prepared)

1. Schedule A - Summary schedule of estimated revenues and expenditures
2. Schedule C - Revenues other than property taxes
3. Schedule E - Expenditures/Expenses by Fund
4. Schedule F - Expenditures/expense by department

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Dewey-Humboldt, Arizona

2017

Town of Dewey-Humboldt
Annual Budget
2015-2016