



Annual Budget Fiscal Year 2015

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FY2015

City of Surprise, Arizona Adopted Budget Fiscal Year 2015

Adopted June 2014

**Prepared by the City of Surprise
Finance Department**



For information regarding this document please contact:

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Finance Department
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
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**City of Surprise
Arizona**

For the Fiscal Year Beginning

July 1, 2013

Jeffrey R. Egan

Executive Director

CITY OF SURPRISE, ARIZONA
FY2015 ANNUAL BUDGET
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FORMAT OF THIS DOCUMENT

This document accounts for the planned activities of the city for the next twelve months. It has been divided by tabs into 14 major sections. The sections are as follows:

The **City Manager's Transmittal Letter** provides the framework under which financial decisions are based for FY2015. It also gives the reader a summary of major revenue changes. It provides a brief discussion of expenditures including personnel changes, operational changes, and capital projects. Other considerations of note are also included.

The **general information** section contains Mayor and City Council profiles, the City Council districts map, the City Council Strategic Plan summary, a map of Surprise, the city's special planning area map, historical and statistical information, and an organization chart. This information provides the reader with background information on the structure, location, demographics, and strategic vision of the city.

The **budget overview** describes why a budget is prepared, how it is prepared, how it may be amended, and how it is structured. It also provides a summary of the major sources and uses of funds, the budget calendar, and a fund structure chart.

The **revenue and sources** section details the major revenue types for the city of Surprise. It also provides a ten-year view of the city's major revenue accounts. Five years of this view are historical and five years are projected revenues. The schedules present summary information of the revenue projections, trends, and underlying assumptions.

The **expenditures and uses** section includes all fund detail expenditures by: category, department, category then object, and department then category. This section is for informational purposes that should allow the reader to investigate more thoroughly expenditures associated with particular questions.

The next six sections including **general government, community development, community and recreations services, public safety, public works, and utilities** present the city's operating budget by service area. Each area may contain multiple departments and funds. The department and fund pages contain a description and a narrative describing major expenditure allocations and changes. Expenditure and personnel tables for each department/operating fund depict FY2012 actual results, FY2013 actual results, FY2014 amended budget, and FY2015 adopted budget. Department operating pages include accomplishments, goals, objectives, and performance measures.

The **Marley Park CFD** section includes a summary page describing the community facilities district and its purpose as well as the state forms. Marley Park CFD is classified as a separate entity from the city, but the city still maintains certain responsibilities.

The **capital improvement plan (CIP)** section contains the FY2015-FY2019 CIP, capital fund pages, the vehicle replacement fund, and schedules of operating costs associated with capital improvement plan projects.

The final section, the **appendix**, contains the budget adoption resolution, the official state budget forms, the primary property tax levy resolution, the street light improvement district tax levies, the city's adopted budget amendment policies and procedures, the comprehensive financial management policies, summary of major revenues and expenditures, and personnel schedules. Also, it contains a glossary that defines terms and acronyms used frequently in this book.

This document serves as a guide to the FY2015 budget of the city of Surprise. It provides insight into the operations of the city and, with a balanced budget, demonstrates the city's commitment to fiscal responsibility and the needs of its residents.

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City Manager's Transmittal Letter

July 1, 2014

The Honorable Sharon Wolcott, Mayor
Members of the City Council

Dear Mayor Wolcott and Members of the City Council:

I am pleased to present the **City of Surprise Fiscal Year 2015 Budget** beginning July 1, 2014. Despite limited resources in challenging times, the FY2015 budget continues our commitment to service. It is designed to maintain our safe community, build stronger neighborhoods, and plan for the future. The budget endeavors to maintain existing levels of service and to program public funds in a focused and effective manner based upon desired outcomes identified by the Mayor, City Council, and the community.

Budget Overview

The budget includes a broad expansion of Surprise amenities and services including new youth and sports programs, improvements of city parks and major roads, Surprise Stadium improvements, support for Economic Development efforts, employee pay increases, and backing the city's first Boys and Girls Club in a \$311 million FY2015 budget.

The adopted budget shows a projected \$28.3 million general fund balance by June 30, 2014. \$14.9 million of the surplus will constitute the two-month general fund reserve, fulfilling a Council goal to have the reserve restored by June 30, 2014.

Budget Approach

We have been conservative and careful in projecting our revenues and expenses. We will continue to do so and we are committed to living within our means.

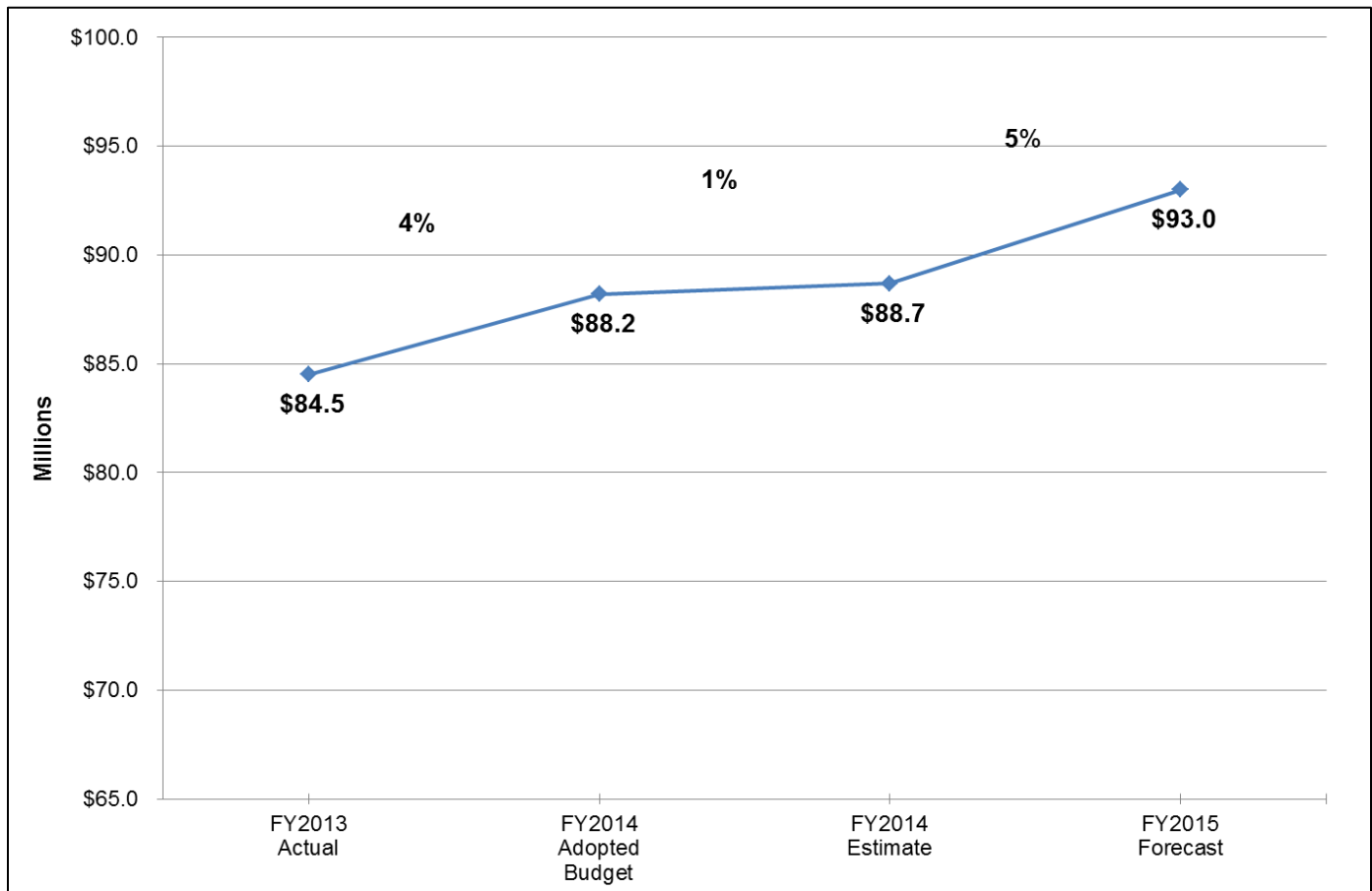
Regarding future budget capacity, the city's approach to creating our 3-5 year budget strategy is as follows:

1. Take care and manage the needs of our current employees.
2. Take care of and manage the upkeep, maintenance, and repair of our current facilities.
3. Take care of and manage the upkeep, maintenance, repair, and/or replacement of our current assets.
4. Ensure the city has enough human and capital resources at the department level to maintain our current service levels in the most efficient and effective manner possible.
5. Expand programs, services, and capital to reach beyond current service levels: "Grow the city."

General Fund

Sources

The city's operating revenues are projected to increase by \$4.3 million, or 5% in FY2015, mainly the result of increased local sales taxes and state shared revenues due to a strengthening economy. The projected revenue collections are highly influenced by the economy for which the city expects a steady recovery that will result in increased consumer spending.



Primary Property Taxes

The FY2015 property tax levy is set at \$6.5 million which includes increases for new construction only. The FY2015 budget does not include a 2 percent increase over the maximum allowable levy permitted under state law.

Sales Tax Revenues

As consumer spending continues to improve with the economy, sales taxes are expected to increase by 5%, or \$1.8 million.

State Shared Revenues

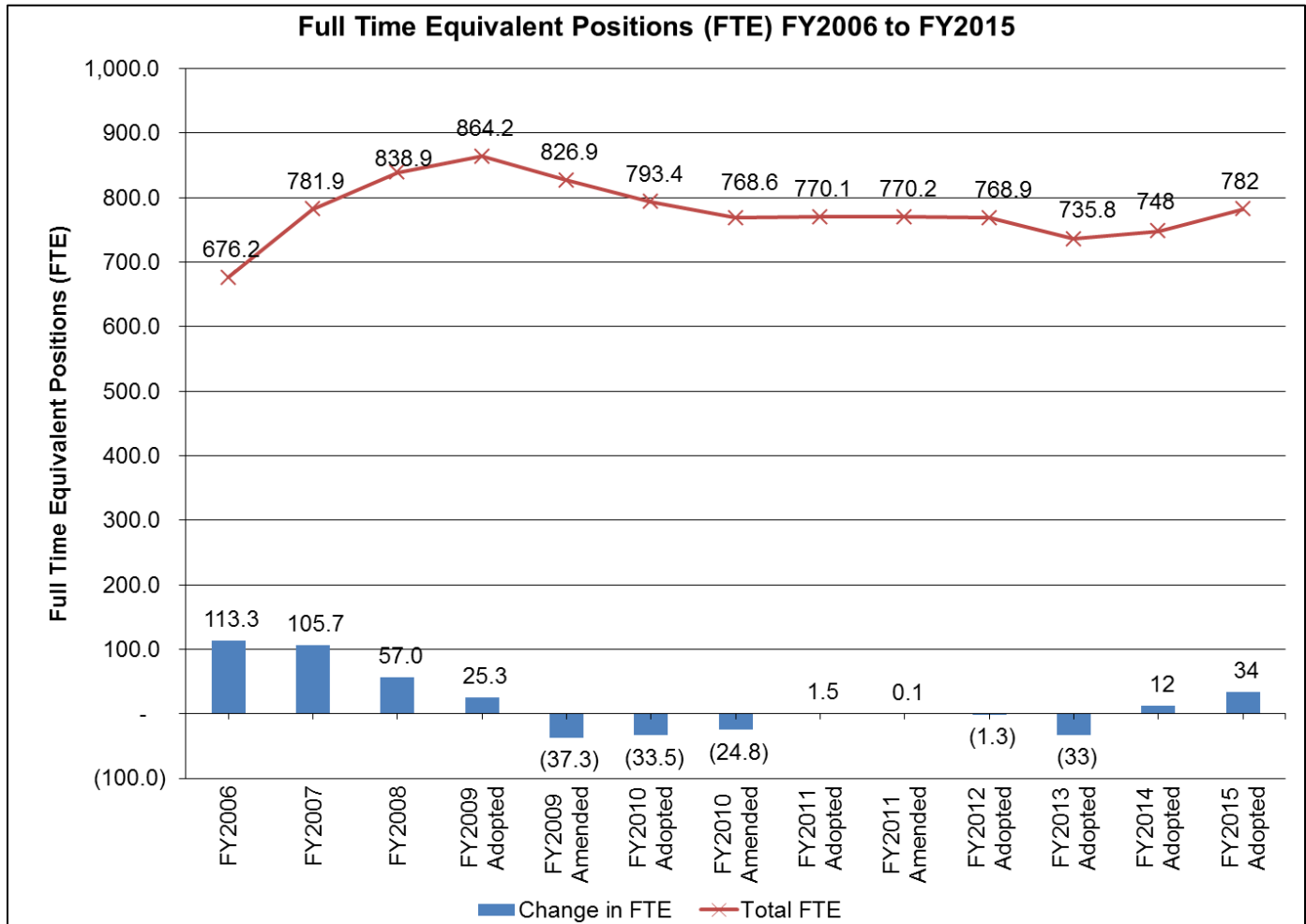
In FY2015, state shared revenues are projected to increase by \$1.6 million, or 6%. Currently, the city of Surprise is the tenth most populated city and receives approximately 2.3% of the shared revenue.

Uses

The city's operating expenses are expected to increase \$7.6 million, or 10%, over the prior year. The city's expense increases are primarily due to personnel expenses (i.e., cost of living adjustment (COLA), health Insurance, and retirement) and professional services. The expenses are necessary to maintain existing service levels and position the city for future growth.

Personnel

Under the adopted budget, all city employees on the general salary plan will see a COLA of 1.3% in July. Step Plans for represented public safety employees will be implemented at a cost of \$2.2 million effective July 1, 2014. Non-represented employees will receive a merit increase of 2% effective July 1, 2015 and the implementation of an updated classification and compensation study. We made it through the tough times in part due to the sacrifice of our employees, who have not had raises for seven years, outside of the 2.2% COLA in FY2014, and took on more work due to layoffs while seeing their health care and other costs rise. It is time to stand up for employees too.



Other Operating Expenses

Cost increases such as utilities, fuel, and contractual agreements to maintain existing levels of service are included in this budget. The major increase was for developer reimbursements.

Contingency

An additional \$1.0 million was programmed as a one-time contingency for those expenses identified at the time of the budget adoption. A \$1.0 million economic development contingency has been programmed to allow the city to incent economic development projects. In addition, the adopted budget has \$70,000 for possible match funding to support grant applications.

Fund Balance

The FY2015 budget is projected to be \$28.3 million after meeting the city's operating reserve of \$14.9 million. The FY2015 budget picture contrasted with the situation two years ago, when the city had just \$500,000 in its general fund reserve.

All Funds Related to Capital Projects

Capital Improvements Plan (CIP)

We delayed improvements and maintenance, cut staff and deferred employee pay increases in a planned strategy to regain fiscal health. Now, it is time to move. The CIP is reviewed and updated annually. In addition, the CIP is evaluated to ensure the city has the ability to fund all recommended projects through completion. We are ready to address overdue maintenance and improvements:

Surprise Stadium team and public improvements	(financed)	\$14,900,000
Skate Park		\$500,000

Boys and Girls Club in east Surprise	\$2,000,000
Linking Mt. View to Grand Ave	\$300,000
Median and ROW landscaping	\$550,000
Park 'N Ride enhancements	\$108,200
Surprise Farms Park Improvements	\$1,686,300
Veramonte Park Improvements	\$948,800
Dial a Ride expansion	\$75,000

Stadium Improvements

2014 Spring Training broke revenue records for the city and teams. It is critical we keep Surprise Stadium among the very best anywhere.

Team clubhouse expansion at Surprise Stadium is a matter of polishing the city's crown jewel. The proposed \$15 million expansion of team facilities will allow the Texas Rangers and Kansas City Royals to continue to train in a more modern facility. An additional \$1.7 million will refurbish stadium elements and practice fields that are available to the public.

The expansion would be funded by refinancing 2003 Municipal Property Corporation bonds, an approach that became possible and prudent as our credit ratings improved over the past year. This method also frees up more than a million dollars since we will no longer have to maintain a cash reserve associated with the bond issue. That money can go directly to the Stadium expansion expense.

Enterprise Funds

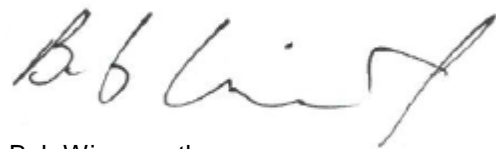
Water, Wastewater, and Solid Waste

A study of water, wastewater and solid waste utility rates was undertaken for FY2015. A five-year rate plan was adopted, including a water rate increase for FY2015. The utility rates support important projects and ensure funds are available for maintenance and operating as the city continues to grow.

Conclusion and Acknowledgements

I appreciate the Council's involvement led to more in-depth discussion around capital projects and special items. Also, the Council's superb policy direction gave staff the proper course for the adopted budget. As the fiscal years pass by, the city of Surprise finds itself in a very good financial position.

Sincerely,



Bob Wingenroth
City Manager

General Information

- Mayor and City Council Members
- City Council District Map
- City Council Strategic Plan
- City Map
- Special Planning Area Map
- History of Surprise
- Citywide Organizational Chart

MAYOR AND CITY COUNCIL MEMBERS

MAYOR SHARON WOLCOTT – Mayor@surpriseaz.gov



Mayor Sharon Wolcott was elected into office in November 2011 on a platform that called for creating more jobs, providing new educational options and addressing traffic congestion in Surprise.

The former District 1 council member also has worked hard to bring about more fiscal accountability and transparency at City Hall.

As Mayor, she has promised to reach out to the community with regular town hall meetings in neighborhoods across Surprise. Mayor Wolcott believes city government works best when elected officials and senior staff members take time away from City Hall to engage residents on the issues.

In December 2011, she joined several members of the City Council in an initial round of public meetings to discuss what citizens believe the city's priorities should be in 2012 and beyond. Her hands-on style of leadership is expected to help drive solutions to some of our community's most pressing and important challenges and opportunities.

Mayor Wolcott first visited Surprise in 2003. Her first opportunity to serve the City came in 2008, when she was appointed to the Surprise Transportation Commission, serving as Vice-Chair. She was elected to the Surprise City Council in 2009.

Before coming to Surprise, Mayor Wolcott lived in Minnesota and served as a state legislator in both the Minnesota House of Representatives and Senate. She also served on the City Council in Newport, Minnesota.

The mayor's term expires in December 2016.

VICE MAYOR SKIP HALL – Skip.Hall@surpriseaz.gov



Skip Hall was elected to the City Council in an April 2008 special election in District 6 (Palo Verde) and re-elected to office in 2009 to a full term. Redistricting placed Skip in the newly-configured District 5, and on August 27, 2013, he was elected to the District 5 seat. He was sworn in on January 1, 2014 to a four-year term and elected Vice Mayor by the City Council on January 14, 2014.

Skip served as Vice Mayor in 2011. He has been part of the united Council effort that helped pull Surprise back to fiscal health in the last two years, generating a budget surplus and placing the City's fiscal house in order.

Skip's goals for the city include a 100-year water plan, working with transportation partners to expand east-west connections, developing a local circulator, expanding youth involvement in the community, and attracting new businesses to Surprise.

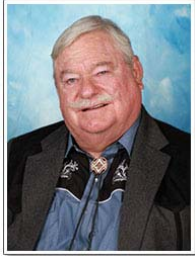
Skip currently serves on the Mayor's Business Roundtable Committee, the Form Based Code Sub-committee, and chairs the Water Sub-Committee. Skip also volunteers his time with the St. Mary's Food Bank at the Surprise location.

Skip is active with the City's Tourism Commission and in promoting the City to local, regional and national organizations. He is active with the Chamber of Commerce and the AZ TechCelerator to promote business growth.

He grew up in Idaho and received a business degree from Seattle University. Skip is a Vietnam War Veteran and was awarded the Bronze Star for his outstanding service 1969-1970.

Skip has two daughters, a son and five grandchildren.

ROLAND WINTERS – Roland.Winters@surpriseaz.gov



Roland F. Winters Jr. was elected in the newly-configured District 1 (Acacia) on August 27, 2013 and will serve a four-year term, which began January 1, 2014.

Born and educated through high school in New Jersey, Roland earned a degree in Business Administration and Pre Law at Fullerton College in Fullerton, Ca. He earned a BA degree in Marketing Management from the University of California.

He worked thirty five years at Hughes Air Craft Company in Fullerton, Ca. and also owned and operated a photo studio in Fullerton and Placentia, Ca. He served on the State Board of Directors for Californians for Disability Rights (CDR).

Roland and his wife Carroll have been married 44 years. They moved with their adult daughter to Surprise in 2008. He was appointed to the Surprise Disability Advisory Commission by the City Council and served 3 years.

In 2011, he was elected to the Board of Directors of his HOA in 2011 and in 2013 elected Vice president by his peers.

JIM BIUNDO – Jim.Biundo@surpriseaz.gov



Jim Biundo was appointed District 2 Councilmember on January 28, 2014, to fill a vacancy. He has been a resident of Surprise since 2003.

Jim was first appointed to the City Council's District 1 on June 14, 2011, to fill a vacancy and he served as Vice Mayor in 2013. His appointment to the District 1 seat expired December 31, 2013. Redistricting places Jim within the new District 2 boundaries.

Jim served in the United States Marine Corps from 1954 to 1957. Following military service, he attended college in Colorado and received Bachelor of Arts and Master of Arts degrees in English, Speech, and Theatre and continued studies in a post-graduate doctoral graduate program.

Jim has had a career in education as a high school teacher, associate professor, and administrator at colleges in Colorado, Iowa, Arizona, and Missouri. During that time, he also pursued a parallel track in public service. He has served as a Councilmember at-large and has been on boards of directors of chambers of commerce, convention and visitor's bureaus, civic/service organizations, and was on the Board of Directors of Brucemore, Inc., and a National Trust for Historic Preservation property located in Cedar Rapids, Iowa.

Jim is the author of two books, several published poems, and over thirty published articles. He has made over forty presentations at regional, national, and international conferences. He retired in 2000 from Southeast Missouri State University where he served as Assistant to the President.

Jim and his wife Antoinette have three daughters: Terrilee Day in Del Norte, Colorado; Kimberly Peets in Las Vegas, Nevada; and Tammy Gerstner in Lee's Summit, Missouri. They also have four grandchildren.

JOHN WILLIAMS – John.Williams@surpriseaz.gov



John Williams was elected to the City Council from District 3 (Mesquite) in November 2007. As a teacher, parent, and husband, John brings a community perspective to his commitment to serve as a voice for all residents. John has been in Education and Sports Medicine since he and his wife Melissa bought their home in Surprise in 2000.

A graduate of Hofstra University in New York, John also holds a Masters in Health Science from Towson University in Maryland. His professional career began in Sports Medicine and transitioned into education when he and Melissa came to Surprise.

John is a certified teacher and for the last several years has been building the Peoria Unified School District's Career and Technical Education Sports Medicine program. He has been selected by his peers to be the program lead.

John and Melissa have three children, Connor, Ashlyn, and Matthew. Melissa and John are animal lovers and have opened their home to numerous animals in need including Blaze, the three-legged cocker spaniel whose life was extended for 8 years after they took him into their home in 1999.

"I want to give my kids, our kids, the opportunity to be part of a community of connection and opportunity. In 15 years, I hope my oldest, Connor, can attend the next great university right here in Surprise. I hope when he graduates he will have the option of building his own family here because we will have grown a sustainable economy that offers high quality jobs to our residents. These are my hopes and dreams. I believe working together, we can make them happen."

RACHEL VILLANUEVA – Rachel.Villanueva@surpriseaz.gov



Rachel Villanueva will serve out the remainder of her late husband, Roy Villanueva's term as the new District 4 Councilmember, following a unanimous vote by the Surprise City Council Tuesday night.

Rachel has lived in Surprise for 37 years in the Original Town Site (OTS) and is retired following a 30-year career with Honeywell.

The 74-year old currently serves on the OTS Revitalization Committee and for 10 years served on the Dysart Unified School District Board.

Rachel was instrumental in creating the Fiestas Patrias at Gaines Park, a long-running festival recognizing Mexican Independence Day formally held in the OTS.

"I am honored to carry on the legacy of Roy and will work hard to represent my constituents," said Villanueva. "I plan to continue efforts to revitalize and preserve the history of the OTS and work with this Council for the betterment of the entire City of Surprise."

The term expiration for this appointment is December 31, 2016.

TODD TANDY – Todd.Tande@surpriseaz.gov

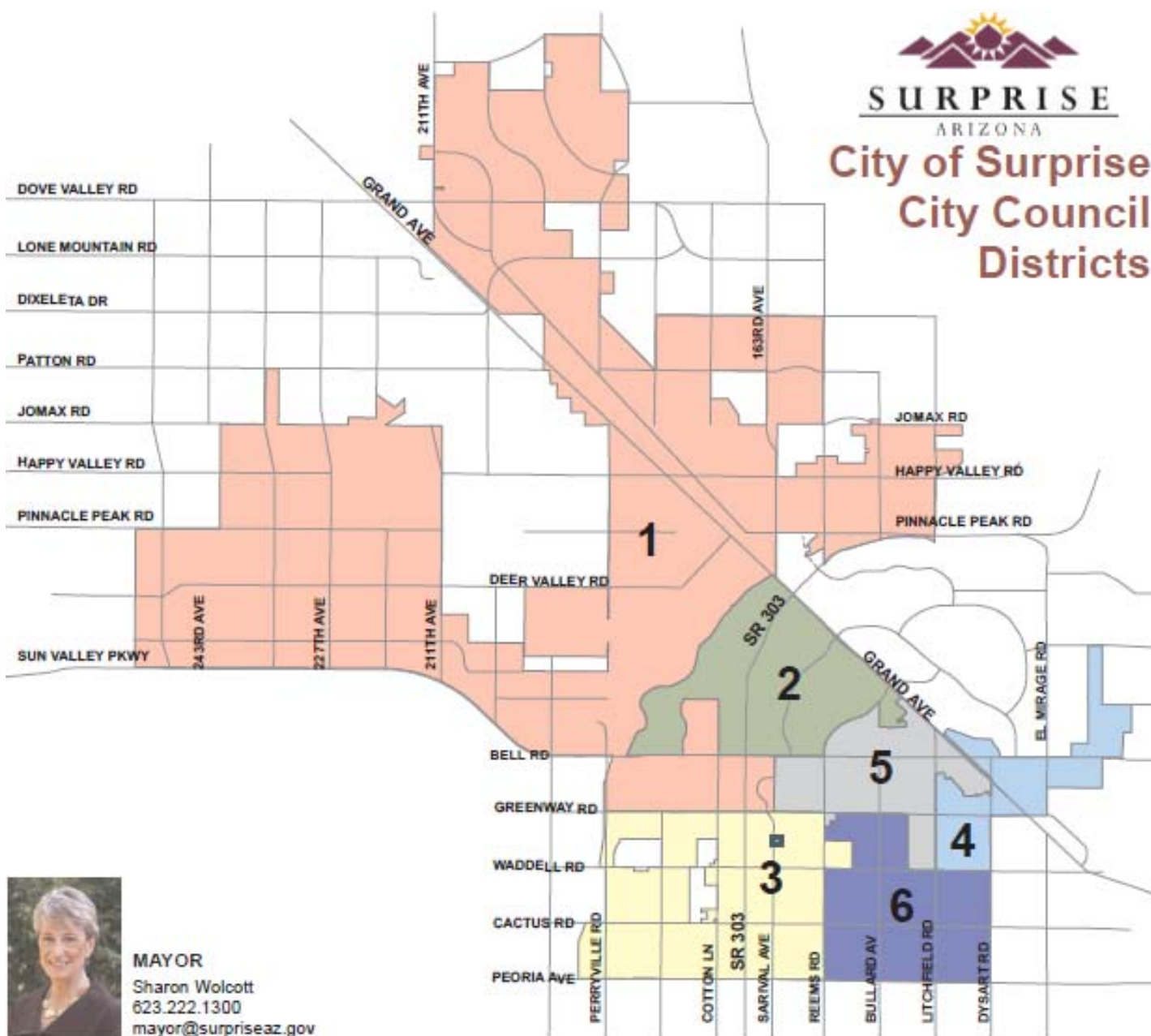


Todd Tande was elected in the newly-configured District 6 (Palo Verde) on August 27, 2013 to a four-year term beginning January 1, 2014.

Todd is a local Realtor and a business owner of Education Connection Solutions, LLC. He received his Bachelor of Science degree in Management and his MBA from California State Polytechnic University, Pomona. Todd's career in the private sector includes many years in the theme park and defense industries.

Todd also has experience in public service in California and Indiana. He served as Chief Financial Officer for Indianapolis-Marion County DPS until he joined Indiana State Government as Deputy Director for the Department of Natural Resources. Todd also served in the Indiana State Capitol a Finance Director responsible for Statewide Finances.

Todd and his wife Blossom have been married since 1980 and they have two children and one grandchild who call Surprise home. Todd's parents, Paul and Lois Tande, live in Sun City Grand - making it four generations of Tande's in Surprise.



MAYOR

Sharon Wolcott
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DISTRICT 1

Roland Winters
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DISTRICT 2

Jim Biundo
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DISTRICT 3

John Williams
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DISTRICT 4

Rachel Villanueva
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DISTRICT 5

Skip Hall, Vice Mayor
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DISTRICT 6

Todd Tande
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CITY COUNCIL STRATEGIC PLAN

The Strategic Plan establishes seven elements to guide policy and financial decision making, shape partnerships, and involve the residents of Surprise in building our future based on a shared vision of the community's future.

Vision Statement

"Develop a high standard of community life through shared vision, superior service, and sustainable practices."

Transportation

Develop an efficient, cost effective, multi-modal transportation system that provides connectivity to the region, ease of movement into, within, and out of Surprise, and supports a high standard of community life.

1. Improve access to and from Surprise, specifically east/west connections.
2. Improve internal circulation by completing the arterial network in the city.
3. Develop a robust multimodal transit plan that provides for transit connectivity to the region.
4. Provide local public transit service in Surprise.
5. Institute comprehensive Intelligent Transportation Systems (ITS) in the city.
6. Develop and institute a plan to maintain the city's streets and roads.
7. Identify funding sources for the transportation system.
8. Develop and maintain a balanced transportation system for alternative modes of travel.

Sustainability

Provide a vibrant and sustainable community for a green Surprise today and tomorrow.

1. Reduce total energy usage in city owned facilities, i.e. city hall, stadium.
2. Make good use of our physical resources and ensure proper disposal of those resources.
3. Respect nature by protecting critical wildlife corridors.
4. Ensure sufficient water resources for current and future needs.
5. Protect the air quality in Surprise.

Economic Development

Create a robust business environment that attracts employment, wealth, capital investment, and enhanced opportunities for investors and residents.

1. Promote Surprise as a location for clean industry, high-tech manufacturing, and corporate offices.
2. Continue hands-on approach with small business start-ups and retention/expansion opportunities.
3. Partner with Regional Chamber of Commerce to promote jobs.
4. Investigate opportunities to attract family-oriented entertainment venues.
5. Attract specialty medical and/or research clinics.
6. Assist property owners with development of Surprise Center.
7. Implement and market foreign trade zone.
8. Identify and secure additional funding methods for economic development.

Community Lifestyle

Enhance community lifestyle for the current and the future residents of Surprise.

1. Enhance the beauty of neighborhoods throughout our community.
2. Maintain Surprise as a safe community.
3. Continue to promote quality neighborhoods in design and amenities and smart, controlled growth.
4. Encourage community connectivity when considering development.



CITY COUNCIL STRATEGIC PLAN

Tourism

Infuse tourism dollars into Surprise's economy by diversifying the events, programs, and partnerships offered that make Surprise an attractive destination for a wide variety of interests.

1. Lay the groundwork for creating a multi-use facility that will draw entertainment and tourism.
2. Develop an annual festival framework.
3. Develop a regional entertainment corridor.
4. Create partnerships that offer visitors a wide range of non-baseball activities.

Public Safety

Public safety departments will work cooperatively with the community to provide a safe and secure city.

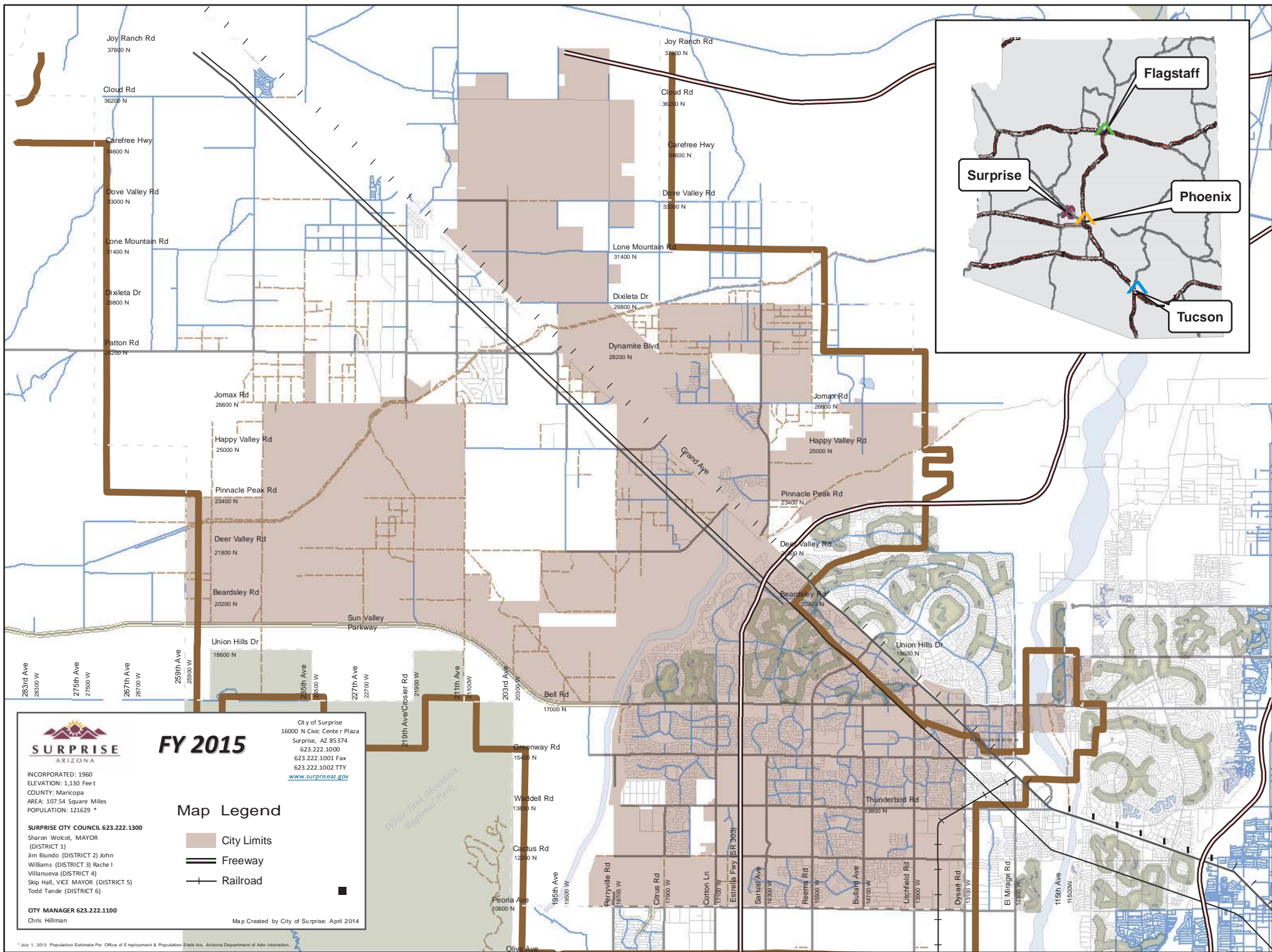
1. Mitigate crime and accidents by enhancing community awareness of public safety systems and partnering with other fire and crime prevention programs.
2. Provide public safety workers with the tools and training necessary to meet community public safety needs.
3. Ensure timely and appropriate response.
4. Provide extraordinary internal and external customer service.
5. Ensure fiscal responsibility in all public safety efforts.

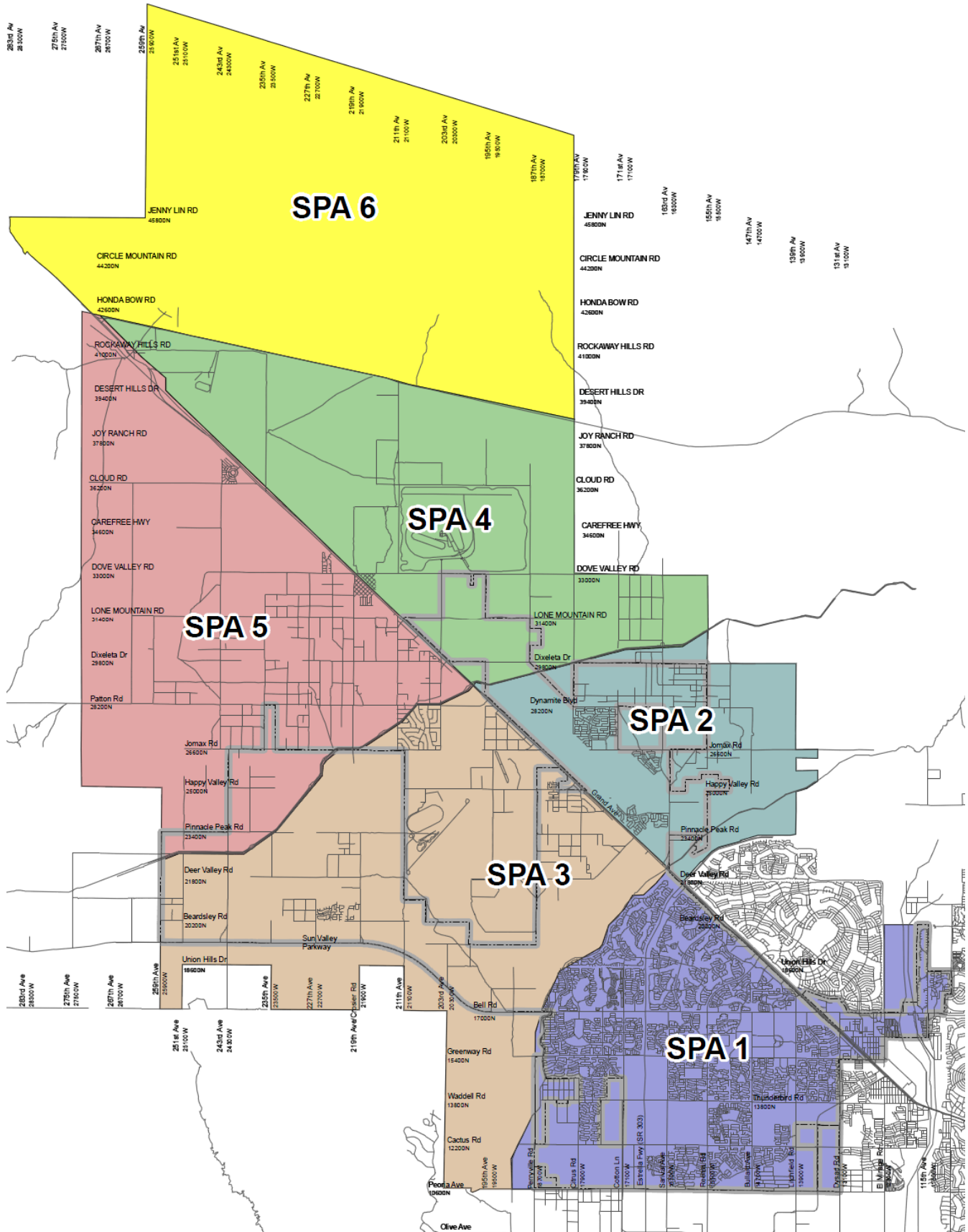
Education

Strive to develop world class education in Surprise by seeking and enhancing educational opportunities that support initiatives, programs, projects, and lifelong learning opportunities throughout the community.

1. Support K-12 initiatives.
2. Expand partnerships and maximize resources for greater access to education.
3. Facilitate development of a 4-year liberal arts college campus.
4. Facilitate development of a technical college.







HISTORY OF SURPRISE

Surprise, located just 45 minutes west of downtown Phoenix along U.S. Route 60/State Highway 93, was founded on May 17, 1938 by Flora Mae Statler who purchased and subdivided the original townsite. The former small farming village now encompasses 108 square miles, including urban and commercial developments, ranches, industrial, and business parks. Surprise strives to achieve a balance between the needs of residential communities and the growth of business and industrial areas. Industrial growth zones are selected to operate competitively, but harmoniously, with the residential community.

Over the past 52 years, Surprise has grown from 500 residents to a city of over 121,000 people, evolving from a small town government to a regional governmental entity. The city offers a broad range of living styles, from small family subdivisions to a number of secluded ranches. Surprise also offers a number of retirement communities that address the needs and lifestyles of active adults.

Besides year-round sunshine and new, clean, safe neighborhoods, bustling Surprise offers excellent opportunities to share great southwestern lifestyle.

Check out awesome White Tank Mountain Regional Park, with ancient petroglyphs and hiking to a seasonal waterfall, or camping under twinkling desert stars. Enjoy Spring Training in Surprise, when major leaguers for many of the 12 Cactus League teams visit beautiful Surprise Stadium, home to the Texas Rangers and Kansas City Royals. Play tennis at the Tennis and Racquet Complex featuring 25 tennis courts, racquetball and table tennis. Surprise Aquatic Center is the perfect place to cool off in the one of the pools featuring two slides and a zero depth play area for children. Enjoy our eight open to the public golf courses, the region's finest fully accessible community park, and year round events including a fabulous 4th July fireworks display and a December community-wide Surprise Party.

Health and education are top priorities. Medical services are provided at nearby Banner Hospitals and several urgent care centers. Kindergarten through twelfth grade schools are run by the rapidly growing Dysart Unified School District and a number of charter schools. Rio Salado Community College and the Communiversity at Surprise offer collegiate classes in the city. According to the U.S. Census Bureau, 2010 American Community Survey:

- 92% of people 25 years and over had at least graduated from high school and 29% had a bachelor's degree or higher.
- Total school enrollment in Surprise was 26,000
 - Nursery school and kindergarten enrollment was 3,599
 - Elementary or high school enrollment was 22,230 children
 - College or graduate school enrollment was 7,553

Surprise residents are employed in a variety of occupations including management, professional, and related occupations 36%; sales and office occupations 29%; service occupations 17%, natural resources, construction, and maintenance occupations 6%; and production transportation, and material moving occupations 12% (U.S. Census Bureau, 2010 American Community Survey).

Excellence in municipal services is a city of Surprise standard. Surprise is a city that operates under the Council/Manager form of government.

Values

We are Surprise!

- ♦ Integrity ♦ Professional ♦ Accountable ♦ High Quality Services ♦ Customer Focused

Vision Statement

Develop a high standard of community life through shared vision, superior service, and sustainable practices.

Year	End of the Year Population	Percentage Change
2003	51,885	14%
2004	64,210	23%
2005	88,265	37%
2006	96,425	9%
2007	98,140	1%
2008	104,895	6%
2009	108,040	6%
2010	117,517	9%
2011	118,349	1%
2012	119,530	1%
2013	121,629	2%

Statistical Information

Population Information:

City of Surprise				Maricopa County	
Year	Population	Percentage Change	Percentage of County Population	Population	Percentage Change
1970	2,427		0.25%	971,228	
1980	3,723	53%	0.25%	1,509,175	55%
1990	7,122	91%	0.34%	2,122,101	41%
1995	10,737	51%	0.44%	2,419,394	14%
2000	30,848	187%	1.0%	3,072,149	27%
2005	88,265	186%	2.5%	3,524,175	13%
2010	117,517	33%	3.1%	3,817,117	8%

Source: U.S. Census Bureau

Median Household Income

Year	Median Household Income	Percentage Change
1990	\$21,750	
1995	\$26,443	22%
2000	\$44,156	67%
2005	\$53,958	22%
2010	\$60,687	12%

Source: U.S. Census Bureau

Median Age

Year	Median Age	Percentage Change
1980	20.3	
1985	24.2	19%
1990	33.0	36%
1995	41.7	26%
2000	46.1	11%
2005	35.4	-23%
2010	36.8	4%

Source: U.S. Census Bureau

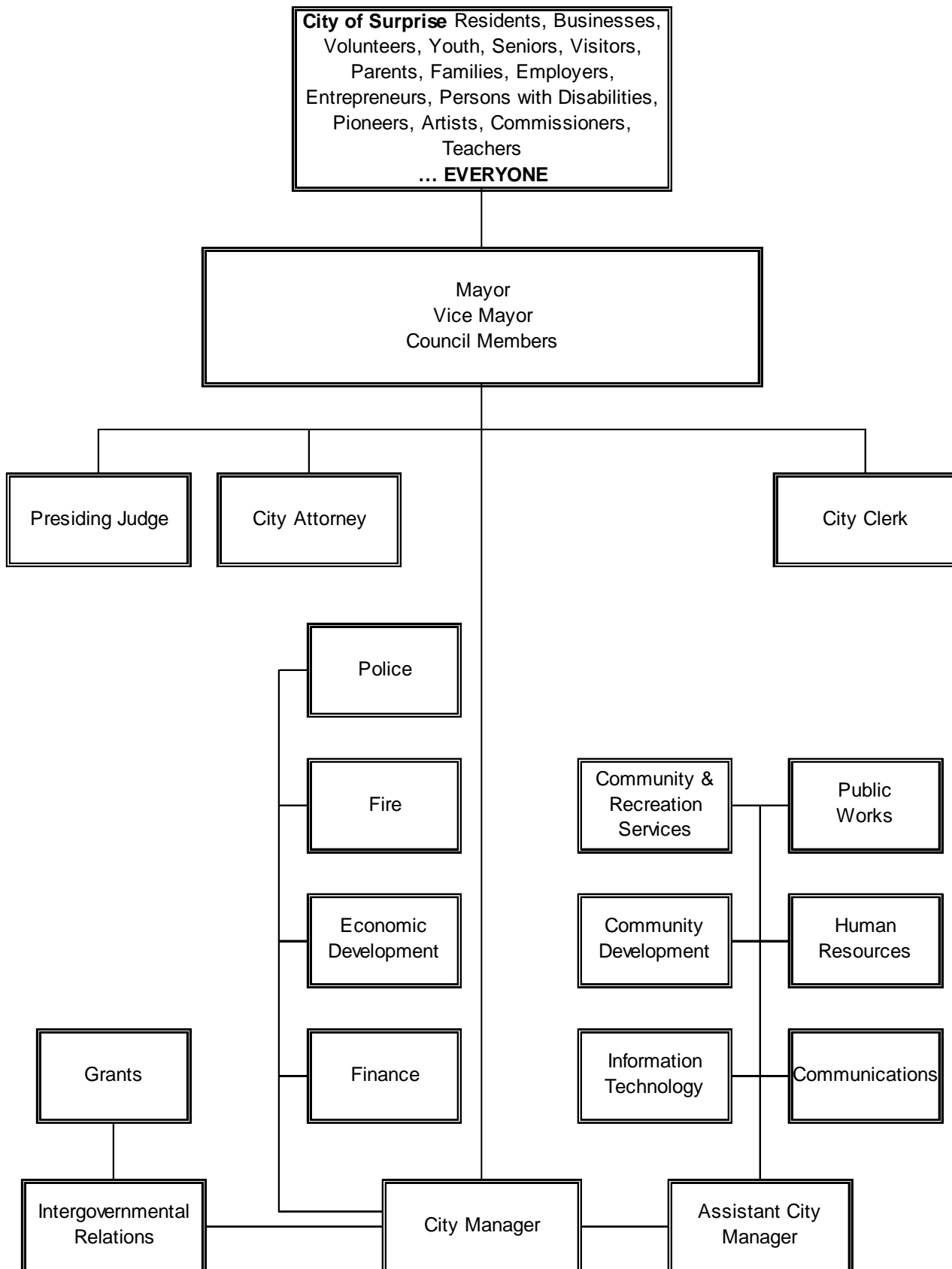
City of Surprise Incorporated Area – Date of Incorporation: December 1960

Date	Incorporated Square Miles (Approximately)
1960	1
1970	1
1980	2
1990	63
2000	72
2005	76
2010	107
2011	107
2012	108
2013	108
2014	108

Source: City of Surprise

GENERAL INFORMATION

Citywide Organization Chart



Budget Overview

- Budget Summary
- FY2015 Fund Balance Summary
- Budget Calendar
- Budget Organization Chart

BUDGET SUMMARY

Why have we prepared a budget?

For residents and the general public, the budget reveals the planned activities of the city for the next twelve months. The budget goes beyond a single year planning document, providing a framework for the future with revenue projections and planned capital projects extending five years.

The adopted budget is used as a management tool. It has been programmed to allow as much flexibility as possible while still establishing useful guidelines. The city budget is adopted by department within the general fund, by project in the capital funds, and by fund in total for all other funds. In addition, the full time equivalent (FTE) position count is adopted by department within the general fund and by fund in total for all other funds changes to the budget that are deemed reasonable and necessary are made through the budget amendment process.

Prior to the adoption of a city budget, Arizona state law requires the publication of estimates of expenses under A.R.S. §42-17103. This is accomplished with the publication of the state budget forms provided by the Auditor General. Following the publication of these estimates of expenses, the city is required to adopt an annual expenditure budget under A.R.S. §42-17105. With the adoption of the budget, the total budgeted expenditures shall not exceed the total of amounts that were proposed for expenditure in the published estimates. For the city of Surprise, the FY2015 adopted expenditure budget is \$311,616,900. The state forms provided by the Auditor General have been reproduced in the appendix of this document as adopted by the city. The state budget forms include consolidated revenues and expenditures by department and fund, as well as primary and secondary property tax levy information.

Budget Amendments

Changes to the adopted budget must be made in accordance with the city's budget amendment policy. This policy specifies the approval levels required for various types of budget amendments. During the fiscal year, amendment requests are submitted to the finance department for preparation and processing. Changes can be made pursuant to the policy only if funds are unencumbered and available. The full policy is included in the appendix of this document.

Budget Basis

All governmental and proprietary funds are generally accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end and on behalf of the government are also recognized as revenue.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. All purchases of capital assets are expensed when purchased; as a result, depreciation is not considered for the budget. Payments for debt service are recognized as expenditures when made.

The budget basis used does have a few exceptions to the modified accrual basis of accounting. These exceptions include recording expenditures for prepayments entirely in the period the payment is made and recording expenditures for inventory purchases. A reconciliation of budgetary and GAAP fund balances is provided each year within the comprehensive annual financial report (CAFR).

State law only requires the appropriation of two funds, the general fund and the highway user revenue fund (HURF). All other funds of the city have been created by agreement, ordinance, contract, or for tracking purposes. The following section outlines all of the funds utilized by the city.

BUDGET OVERVIEW

Budget Summary



City of Surprise FY2015 Summary of Major Revenues and Expenditures (\$'s in thousands)

	General Fund	General Fund - CFDs	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Agency Funds	Enterprise Funds	Internal Service Funds	Total
Beginning Fund Balance	\$ 29,195	\$ 3	\$ 5,409	\$ 12	\$ 49,638	\$ 60	\$ 64,309	\$ 3,678	\$ 152,303
Revenues									
Local Sales Tax	35,792	-	183	-	6,251	-	-	-	42,226
State Shared	29,099	-	7,358	-	-	-	-	-	36,458
Charges for Services/Other	10,256	-	10,268	-	5,032	-	43,829	11,727	81,112
Property Tax	6,514	-	2,385	750	-	-	-	-	9,648
Franchise Fees	5,523	-	-	-	-	-	-	-	5,523
Sub-Total Revenue	\$ 87,183	\$ -	\$ 20,194	\$ 750	\$ 11,283	\$ -	\$ 43,829	\$ 11,727	\$ 174,967
Transfers In	5,823	-	-	3,969	3,000	-	10,231	-	23,023
Other Financing Sources	-	-	-	-	-	-	-	-	-
Total Revenue	93,006	-	20,194	4,719	14,283	-	54,060	11,727	197,990
Expenditures									
Community & Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development	4,095	-	2,083	-	-	-	-	-	6,178
General Government	22,099	-	297	63	1,226	-	881	11,545	36,111
Non-Departmental	-	-	-	-	-	-	-	-	-
Public Safety	40,325	-	2,599	-	93	-	-	-	43,017
Public Works	6,857	-	11,463	-	2,522	-	4,984	-	25,827
Utilities	-	-	-	-	-	-	17,237	-	17,237
Capital and Depreciation	55	-	2,374	-	20,652	-	17,878	-	40,959
Debt Service	-	-	-	4,643	-	-	10,158	-	14,800
Contingency	12,070	-	7,105	25	36,449	-	51,177	3,860	110,685
Sub-Total Expenditures	\$ 85,501	\$ -	\$ 25,921	\$ 4,731	\$ 60,942	\$ -	\$ 102,315	\$ 15,405	\$ 294,814
Transfers Out	4,500	-	645	-	1,824	-	16,054	-	23,023
Other Financing Uses	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 90,001	\$ -	\$ 26,566	\$ 4,731	\$ 62,766	\$ -	\$ 118,369	\$ 15,405	\$ 317,837
Ending Fund Balance (FB)	\$ 32,201	\$ 3	\$ (963)	\$ -	\$ 1,155	\$ 60	\$ -	\$ -	\$ 32,456
FB Excluding Contingency	\$ 44,271	\$ 3	\$ 6,141	\$ 25	\$ 37,604	\$ 60	\$ 51,177	\$ 3,860	\$ 143,142

- **General Fund** – The primary operating fund of the city. Any activity that is not accounted for in another fund is placed in the general fund.
- **Special Revenue Funds** – These funds account for specific non-capital and non-debt service revenue sources that are restricted or committed for specific purposes.
 - *Donations* – This fund is set up to monitor revenues and expenditures associated with donated funds including sponsorships. City policy restricts the use of these funds.
 - *Employee Dependent Scholarship* – This fund is used to track employee dependent scholarships awarded to the dependents of current city of Surprise employees. A share of vending machine proceeds and interest earnings fund these scholarships. City policy restricts the use of these funds.
 - *Grants and Contingency* – This fund is used to track grant activity and maintains excess budget authority to allow for unforeseen grants that may be received throughout the year.
 - *Highway User Revenue Fund (HURF)* – This fund is used to account for revenues and expenditures that are legally restricted to expenditures for transportation and the construction, repair, and maintenance of highways and streets.

- *Municipal Court Enhancement* – This fund is used to track revenue associated with fines dedicated to Municipal Court technology improvements. City ordinance #30-19 and §12-113 restricts the use of these funds.
- *Municipal Court FARE* – This fund is used to track revenue and expenses related to the Surprise City Court's participation in the Fines and Restitution Enforcement (FARE) program. [A.R.S. §41-2421(K)]
- *Municipal Court JCEF* – This fund is used to track revenue and expenses related to the Surprise City Court's participation in the Judicial Collection Enhancement Fund (JCEF) program. (A.R.S. §12-113)
- *Municipal Court MFTG Fund* – This fund is used to track revenue and expenses related to the Surprise City Court's participation in the Municipal Fill the Gap (MFTG) program. [A.R.S. §41-2421(K)]
- *Neighborhood Revitalization* – This fund is used to track all revenues and expenditures associated with the city's neighborhood revitalization program. This program is funded through a combination of federal, state, and local funds. City policy, grant agreements, and contractual obligations restrict the use of these funds.
- *Police Department DEA* – This fund is used to discretely track funds received from participation on Drug Enforcement Activity (DEA) task forces in the Greater Phoenix area. The use of these funds is limited to approval by the disbursing program manager and is generally related to purchase and maintenance of departmental equipment not included in the general operating budget.
- *Police Department RICO* – This fund is used to discretely track funds received from participation in the Maricopa County Attorney's Office Anti-Racketeering Influenced and Corrupt Organizations (RICO) task force.
- *Police Department Towing Fund* – This fund is used to track activity in the police department for vehicle impounds. The use of these funds is limited to administrative management of the vehicle impound program.
- *Street Lighting Districts* – Approximately 100 Street Light Improvement District Funds (SLIDs) have been established by ordinance to provide a centralized location for the collection of taxes from properties located within a respective district. These proceeds are legally restricted to the payment of electricity to operate the street lights within that district.
- *Tourism* – This fund is used to track all restricted and committed revenues associated with the city's hotel/motel transaction privilege tax (bed tax). These funds are used to support tourism within the city. City policy and state statute restrict the use of these funds.
- *Net Premium Seating* – This fund is used to account for revenues and expenditures related to a ticket surcharge on the sale of spring training tickets in premium seating areas. These funds are used to offset expenditures related to requests made by the Texas Rangers or Kansas City Royals.
- *Spring Training Ticket Surcharge* – This fund is used to account for the ticket surcharge on the sale of spring training tickets. These funds are assigned to future facility operational improvements at the stadium.
- *SB1398 Fines* – The city received funds from the state of Arizona pursuant to A.R.S. §12-116.04, which established funding to pay for the purchase of officer safety equipment.
- *Arizona Lottery Fund* – The city received funds from the state of Arizona pursuant to A.R.S. §28-8131, which established funding to be used to support transit operations, facilities, and equipment purchases.
- *Proposition 400* – For this fund, Proposition 400 was passed by the voters of Maricopa County, which authorized the continuation of a countywide, half-cent sales tax for regional transportation improvements. The city receives funding for capital improvement projects and transportation operations as part of the Regional Transportation Plan.
- *Wildland Fire* – This fund is used to separately manage funds related to the city's deployment on wildland fire operations. The city is reimbursed for overtime and backfill costs incurred when Surprise Fire deploys red card certified firefighters on state or federal fires.
- *HALO* – The city is a participating partner in an intergovernmental agreement with the city of Glendale to cooperatively provide necessary firefighter paramedics, emergency medical services, and special operations personnel services in support of the Helicopter Air-Medical Logistics Operations (HALO) program. The fire department is reimbursed for the costs associated with providing these services.
- *Ambulance Contract* – This fund is used to separately manage funds related to the establishment of an ambulance at one of the fire stations during peak activity times. The fire department provides some staffing for the ambulance and reimbursement for the overtime and all other costs is associated with this contract.
- *Debt Service Funds* – The funds were established to account for projects funded through the proceeds of the Municipal Property Corporation (MPC) bond sales of 2000, 2003 (2000 refunding), and 2007. Bond proceeds are to be used for the acquisition or construction of capital assets for general government, public safety facilities, sewer facilities, and recreation facilities. Proprietary funds are defined as being either internal service funds or enterprise funds (i.e., water, wastewater, and sanitation).

BUDGET OVERVIEW

Budget Summary



- o *2000-03 Governmental Debt Service* – This fund is used to track the debt service payments made by the governmental funds for the 2003 bond refunding.
 - o *2000-03 Proprietary Debt Service* – This fund is used to track the debt service payments made by the proprietary funds for the 2003 bond refunding.
 - o *2007 Proprietary Debt Service* – This fund is used to track the debt service payments made by the Proprietary Funds for the 2007 bond issuance.
 - Capital Project Funds – These funds are used to track the activities related to the collection and expenditure of funds dedicated to capital acquisition.
 - o *Fire and EMS Development Impact Fee Fund* – The fund is used to account for the inflow of fire development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on fire services caused by growth.
 - o *General Government Development Impact Fee Fund* – This fund is used to account for revenues and expenditures associated with general government development impact fees assessed to fund infrastructure and other expenditures for growth-related general government projects.
 - o *General Capital Projects*– This fund is used to account for construction sales tax revenue and expenditures relating to the acquisition of capital items.
 - o *Library Development Impact Fee Fund* – This fund is used to account for the inflow of library development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on library services due to growth.
 - o *Parks and Recreation Development Impact Fee Fund* – This fund is used to account for the inflow of parks and recreation development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on parks and recreation services due to growth.
 - o *Police Development Impact Fee Fund* – This fund is used to account for the inflow of police development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on police services due to growth.
 - o *Public Works Expansion Development Impact Fee Fund* – This fund is used to account for the inflow of public works development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on public work services due to growth.
 - o *Roads of Regional Significance Special Planning Area 2, 4, and 6* – The fund for planning areas 2, 4, and 6 is used to account for the inflow of development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or on-time items directly related to the increased demand on roadways due to growth.
 - o *Roads of Regional Significance Special Planning Area 3 and 5* – The fund for planning areas 3 and 5 is used to account for the inflow of development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or on-time items directly related to the increased demand on roadways due to growth.
 - o *163rd Avenue Development Impact Fee Fund* - This fund is used to account for the inflow of 163rd Avenue development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on 163rd Avenue due to growth.
 - o *Transportation Improvement* – This fund is used for revenues and expenditures that are legally restricted to expenditures of existing roadway corridor improvements and the related costs of the construction of new roadways.
 - o *Vehicle Replacement* – The fund is used to track funding that has been set aside for future vehicle replacement costs.
 - Enterprise Funds – These funds are used to account for the business-type activities of a government. These are activities which are financed and operated in a manner where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
-

- o *Water Operations* – These funds account for the operation of the water treatment and distribution to some of the residents and commercial users of the city.
- o *Water Systems Development Fee* – These funds were established to account for the inflow of water system development fees levied on new residential and commercial construction. The fees can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on the water system due to growth.
- o *Water Replenishment Development Fee* – These funds were established to account for the inflow of water replenishment development fees levied on new residential and commercial construction. The fees can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on the water services due to growth.
- o *Wastewater Operations* – This fund accounts for sanitary sewer services provided to the residential and commercial users of the city.
- o *Wastewater Systems Development Fee* - These funds were established to account for the inflow of wastewater service development fees levied on new residential, commercial, and industrial development. The fees can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on wastewater services.
- o *Sanitation Operations* – This fund accounts for trash collection services provided to residential and some commercial users of the city.
- **Internal Service Funds** – These funds are used to report any activity that provides goods or services to other funds, departments, or divisions of the city, or to other governments, on a cost-reimbursement basis. The goal of an internal service fund is to measure the full cost of providing goods or services for the purpose of fully recovering that cost through fees or charges.
 - o *Healthcare Self Insurance* – This fund provides a mechanism whereby health insurance related expenses are monitored and health insurance reserves are established. City policy restricts the use of these funds.
 - o *Risk Management* – This fund provides a mechanism whereby all risk related (e.g. general liability) expenditures are monitored and insurance reserves are established. City policy restricts the use of these funds.
- **Fiduciary Funds** – These funds are used to track the city's non-expendable trust activities for outside agencies.
 - o *Firefighter's Pension Fund* – This fund is used to account for the assets of the city's volunteer firefighter pension and trust. The Mayor and City Council act as the governing board and city staff perform all administrative and accounting functions for this fund. However, the city no longer has any volunteer firefighters and, in lieu, is providing an alternative pension and benefits for ineligible PSPRS firefighters.

Sources of Funds

The city has three primary sources of funding for its budgeted expenditures. These include fund balances, current year revenues, and borrowing.

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

Revenues – Expenditures = Fund Balance

Although fund balances are available to be spent, these are not a recurring revenue source for the city. They can only be replenished by an excess of revenues over expenditures in a given year. To protect the city's operating fund balance and to ensure that the city has enough funds on hand to continue day-to-day operations, the city has established a minimum fund balance policy. The full policy can be found in the appendix.

Currently, the city is projected to meet the minimum requirements as stated in the minimum fund balance policy. Although the city has an estimated beginning fund balance of \$152.3 million, the city is anticipating drawing down some restricted funds for various projects.

Current year revenues are generated by a variety of activities. Such activities include, but are not limited to, local sales tax, state shared revenue, charges for services, property taxes, franchise fees, and development fees. The city is projecting \$175.0 million (\$198.0 million including transfers) in revenues from all funds in FY2015. Included in this amount are both one-time and ongoing revenues. It is the city's policy not to use one-time revenues to meet ongoing operational expenditures.

BUDGET OVERVIEW

Budget Summary



Borrowing can be accomplished through a variety of methods including obtaining loans or issuing bonds. There are various legally separate component units of the city that have issued general obligation bonded (G.O. Bond) debt for the Marley Park Community Facilities District and revenue bonds for the Surprise Municipal Property Corporation. The city has no financial liability for their debt, so it is not included in the debt limit calculation.

The Arizona Constitution provides that the general obligation bonded indebtedness for a city may not exceed twenty percent of the net secondary assessed valuation of the taxable property of the city for projects for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities. Outstanding G.O. Bond indebtedness for all other purposes may not exceed six percent of the city's net secondary assessed valuation. The following summarizes the city's legal general obligation bonded debt borrowing capacity for the fiscal year ended June 30, 2014 as this is the most recent assessed valuation data available.

Legal General Obligation Bond Capacity

Secondary Assessed Valuation	\$904,721,043	\$904,721,043
Limitation	X 6%	20%
G.O. Bond Limit	= 54,283,263	180,944,209
Less Outstanding G.O. Debt	= 0	0
Available Debt Capacity	= \$54,283,263	\$180,944,209

The city of Surprise plans to refinance the existing 2003 MPC bonds as well as borrow additional funds for anticipated stadium improvement projects. The following table details the bond ratings for each agency and debt issuance:

Rating Agency	Debt Issue	Rating
Standard & Poor's	General obligation bond	A
Standard & Poor's	2003 MPC bonds	AA
Fitch Ratings	General obligation bond	A+
Fitch Ratings	2003 MPC bonds	A+
Fitch Ratings	2007 wastewater bonds	A-

Expenditure limitation laws are state imposed upon Arizona cities and towns. The Arizona Economic Estimates Commission (EEC) uses the expenditure of local revenues as reported by the city in FY1980 to calculate the base. The EEC uses this base, adjusted by a standard inflation and the population growth of the city, to calculate the expenditure limitation.

If the calculated limit appears to be correct but does not allow for the expenditure of sufficient funds to meet local needs, then state law provides the following five options:

1. Local Home Rule (Alternative Expenditure) Limitation
2. Permanent Base Adjustment
3. Capital Projects Accumulation Fund
4. One-time Override
5. Emergency Override

The voters of the city of Surprise in 1987, 1991, 1995, 1999, and 2003 approved an alternative expenditure limitation (Local Home Rule Limitation option). Under this option, the city may adopt its own alternative expenditure limitation (subject to specific procedures) if a majority of the qualified electors votes in favor of the adjustment. This option is effective for four years and requires the city to repeat the procedure with Auditor General review, public notice, and election every four years.

In November 2006, voters approved a Permanent Base Adjustment by 73.22% under option two. This option allows the city to permanently adjust the base when a majority of qualified electors vote in favor of the adjustment. The approved adjustment to the base is then used in calculating the new limitation (taking into account inflation and population) beginning the fiscal year immediately following approval and every year thereafter until a new base is adopted.

The permanent base adjustment increased the base from \$474,998 to \$9,000,000 effective for FY2008. This figure is adjusted by inflation and population for every subsequent year. The city's FY2015 expenditure limitation is \$919,730,200; while the budgeted expenditures subject to the limitation are \$276,108,300.

Uses of Funds

Fund expenditures are broken into five major categories. These include personnel, supplies and services, capital and depreciation, debt service, and contingency.

Personnel is used to record all personnel related expenditures including full-time, part-time, and overtime salaries. Also included are stipends, taxes, and benefits. For FY2015 personnel is budgeted at \$75.9 million or 22.7% of all uses.

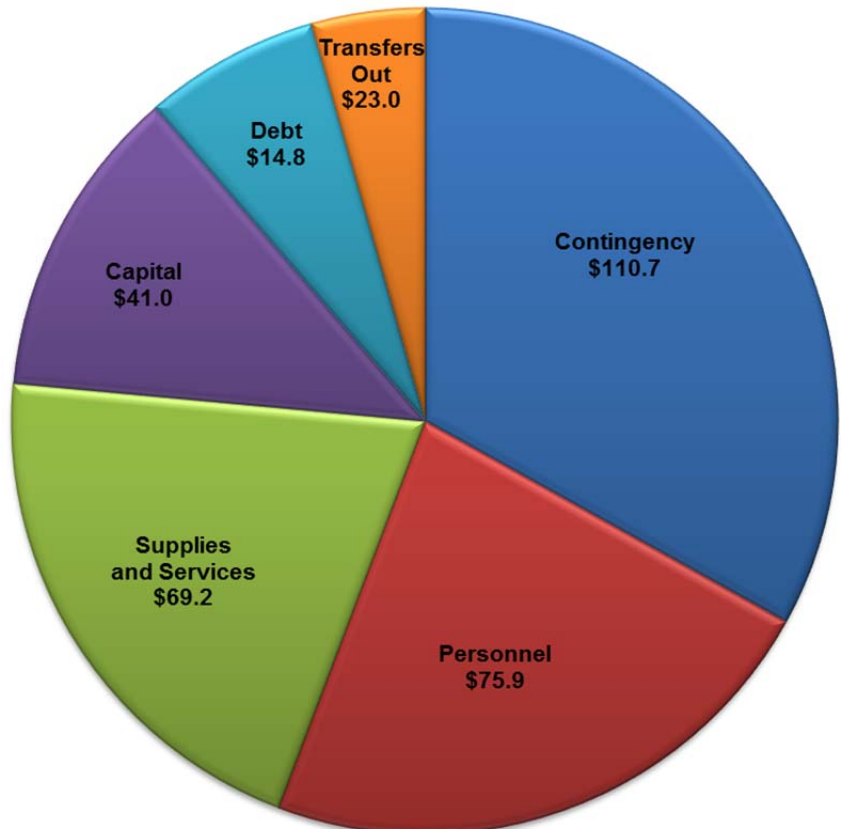
Supplies and services include expenditures for supplies used to continue the operations of the city. Examples of expenditures under this category include office and computer supplies, fuel, and postage. Utilities, service agreements, developer agreements, building maintenance, and general consulting services all fall under the services side of this category. In addition, developer agreements include payments for various residential or commercial projects totaling \$4.7 million. Supplies and services account for 20.7% of the FY2015 total uses at \$69.2 million.

Capital is budgeted in the third category at \$41.0 million, 12.2% of the FY2015 total uses. Vehicle purchases, building and structure purchases, land purchases, and street improvements are all included under capital.

Debt service includes principal and interest payments, and is budgeted at \$14.8 million, 4.4% of the FY2015 total uses. The total outstanding principal is \$79.2 million with payments scheduled through FY2033.

Budgeted expenditures that are set aside for future fiscal years or unforeseen uses are labeled **contingency**. The financial policy states, "All use of budgetary contingency accounts must be approved by City Council prior to being expended." Contingency monies are not intended to be spent and represent budget authority that may be approved for use by the City Council. Impact fee funds total \$38.2 million have been set aside due to changes in the impact fee law or unknown timing of specific projects and total contingencies of \$110.7 million, 33.1% of total uses, have been budgeted for FY2015. The contingency amounts are subjected to expenditure limitation.

Inter-fund transfers represent a reallocation of resources between funds. For FY2015 inter-fund transfers have been programmed at \$23.0 million (6.9% of total uses). Transfers are detailed in the appendix of this document as part of the required state budget forms.



Changes in Fund Balance

The city is planning on having an increase in its actual ending fund balance. However, the budgeted fund balance for the city shows a \$136.7 million decrease primarily as a result of recording \$110.7 million in contingencies.

The recording of a contingency gives the city budgeted capacity to spend a certain amount; however, the specific use of the funds has not been identified at the time the budget was completed. In addition, the contingency is required to be programmed by state statute and the finance department uses contingency as a budget balancing mechanism. It is likely that the majority of contingencies programmed will not be used by the city during the year. Most funds have a zero fund balance or close to a zero fund balance except for those funds that have reserve requirements, negative fund balances, or an enterprise fund. When removing the contingency amount, a number of funds have large positive fund balances. Some of these balances are considerable due to either timing or unknown expenditures for FY2015. The capital projects fund has a combined \$37.5 million in fund balance. However, these funds are on hold due to recent changes in the impact fee law or the unknown timing of specific projects. The special revenue funds have a combined \$5.3 million fund balance which is primarily attributed to grants and contingency fund (\$5.0 million) and HURF (\$0.3 million). For the grants and contingency, all expenditures are in the contingency line item as the timing of grant expenditures varies. For HURF, this amount is reserved for emergencies and possible projects where the timing is unknown. Enterprise funds (\$61.3 million) are required to maintain certain level of reserve based on operating expenditures. For more detailed information, please see the schedule titled 'Fund Balance Summary' on the next couple of pages.

The general fund has a budgeted fund balance decrease of \$12.9M million for an ending fund balance of \$16.3 million. If general fund contingency is excluded, the draw down is \$859,400. This is the result of the city's effort to maintain general fund expenditures and an increase in overall tax collections (i.e., sales, construction, etc.) due to improved economic conditions. Over the past year the Mayor, City Council, and City Manager worked to maintain expenditures or increase expenditures if it would increase the services offered to the residents. Capital projects have increased, supplies and service budgets have been maintained and the city is anticipating hiring 34 full time equivalent positions. The city's finances are healthy with the Mayor, City Council and City Manager's main objective of maintaining a two month reserve.

Financial Policies

The Mayor and City Council unanimously re-affirmed the financial policies. Comprehensive financial policies are an important element of a solid financial structure and long-term financial planning. Updates to the comprehensive financial policies were last approved by Council on June 26, 2012 via Resolution 2012-70. The policies cover the following five areas:

1. Operating Management
2. Capital Management
3. Debt Management
4. Minimum Fund Balance
5. Financial Reporting

Policies added for FY2014 include budgeting mechanics, clarification on FTE counts, 1.5% transaction privilege tax on construction, the Healthcare Self-Insurance Trust Fund and Loss Trust Fund Board, and actuarial evaluations of health insurance claims. Policy changes for FY2014 include the Street Light Improvement Districts reserve requirement from 10% to 5%; language clarifications to other policies; changes to language regarding the City's bond rating; and language clarifications on G.O. Bonds and Indebtedness.

The complete list of all 48 financial policies is included in the appendix of this document.

FY2015 Budget Process

The budget is monitored year-round and various informal FY2015 budget meetings and work session presentations to Mayor and City Council members are held through-out the year. A meeting was held on December 12, 2013 with all department directors and budget points of contacts for each department to discuss the mechanics of the budget process. The deadline for department submissions as well as the entire budget calendar was discussed during this

meeting. The budget database was then opened to allow reallocation of existing base budgets, input of budget change requests, update of existing capital projects, and input of new capital projects.

All budget inputs were due by January 30, 2014, at which time the budget database was closed. February 24, 2014 to March 13, 2014, finance department budget staff met with departments to review and discuss major budget changes. From March 7th to April 4th, the City Manager's Office reviewed the base budgets, budget change requests, capital projects, and available resources with finance department staff and the individual departments. A key component of the meetings with the City Manager was the comprehensive line items review requested by the Mayor and City Council. The City Manager delivered the recommended budget to the Mayor and City Council on April 22, 2014.

The City Manager's recommended budget was presented to the Mayor and City Council for review and discussion on April 22, 26, 29, May 6 and 27. During the work sessions, city staff presented the recommended budget and was available to address questions from the Mayor and City Council.

As a result of the retreats, revisions were made to the recommended budget, and the tentative budget was presented to the Mayor and City Council for adoption at a regular City Council meeting on May 6, 2014. Following adoption, the tentative budget was published for two consecutive weeks in the local paper. A public hearing was then held on the budget, after which the Mayor and City Council voted on the final budget adoption on June 3, 2014. Budget adoption adheres to all statutory hearings, publications, and requirements. The property tax was levied on June 17, 2014, fourteen days after the final budget adoption.

The budget calendar contained in this section summarizes the steps involved in adopting the budget.

Strategic Planning

In August 2010, the Mayor and City Council initiated a process to bring staff together and focus on the community's priorities in the development of a City Council strategic plan. The initial focus of the strategic plan was accomplished via a series of exercises by the Mayor and City Council on August 17, 2010. These exercises were supported and facilitated by the City Manager and department directors to lend technical expertise. Following this work by Mayor and Council, various Boards and Commissions reviewed and provided input on the initially identified strategic areas during the month of November 2010. In early 2011, the city's communications department initiated a public outreach program to educate and solicit resident inputs on the strategic plan. Several public meetings were held in the month of January 2011, in addition to online and printed surveys, comment cards and news releases to local media identifying the opportunity for residents to provide input to the strategic planning process.

On March 26, 2013, the Surprise City Council unanimously approved a revised Strategic Plan that includes two new elements and more specific goals and strategies. The Strategic Plan Committee, comprised of Mayor Sharon Wolcott, Vice Mayor Jim Biundo and Councilmember John Williams, went to work late last year to identify more detailed, specific goals within each of the priorities to further guide the city moving forward. Among the most notable changes are the addition of two priorities- Public Safety and Community Lifestyle. They join Economic Development, Transportation, Sustainability, Tourism and Education.

The revised 2013 City Council Strategic Plan contains priorities organized in seven focus areas:

1. **Transportation:** Develop an efficient, cost effective, multi-modal transportation system that provides connectivity to the region, ease of movement into, within, and out of Surprise, and supports a high standard of community life.
2. **Sustainability:** Provide a vibrant and sustainable community for a green Surprise today and tomorrow.
3. **Economic Development:** Create a robust business environment that attracts employment, wealth, capital investment, and enhanced opportunities for investors and residents.
4. **Community Lifestyle:** Enhance community lifestyle for the current and the future residents of Surprise.
5. **Tourism:** Infuse tourism dollars into Surprise's economy by diversifying the events, programs, and partnerships offered that make Surprise an attractive destination for a wide variety of interests.
6. **Public Safety:** Public safety departments will work cooperatively with the community to provide a safe and secure city.
7. **Higher Education:** Strive to develop world class education in Surprise by seeking and enhancing educational opportunities that support initiatives, programs, projects, and lifelong learning opportunities throughout the community.

BUDGET OVERVIEW

FY2015 Fund Balance Summary



	Beginning Fund Bal	Sources		Total Sources	Appropriated Operating Uses				Subtotal Operations
		Revenues	Transfer In		Personnel	Supplies	Services	Capital	
General Fund									
City Council	0	0	0	0	(308,500)	(18,000)	(77,800)	0	(404,300)
City Manager	0	180,400	0	180,400	(2,384,900)	(77,700)	(4,566,800)	(15,000)	(7,044,400)
Legal	0	0	0	0	(1,806,100)	(29,000)	(170,500)	0	(2,005,600)
City Clerk	0	600	0	600	(391,300)	(28,500)	(84,800)	0	(504,600)
Finance	0	930,700	0	930,700	(2,952,500)	(41,900)	(980,100)	0	(3,974,500)
Human Resources	0	0	0	0	(1,114,500)	(50,100)	(581,500)	(5,800)	(1,751,900)
Information Technology	0	0	0	0	(2,586,700)	(193,700)	(1,806,500)	(34,000)	(4,620,900)
General Operations	29,195,300	76,479,700	5,823,000	82,302,700	0	0	0	0	0
Community Development	0	2,289,700	0	2,289,700	(3,757,900)	(93,300)	(243,700)	0	(4,094,900)
City Court	0	1,214,800	0	1,214,800	(1,732,800)	(25,900)	(88,900)	0	(1,847,600)
Police	0	728,300	0	728,300	(20,560,200)	(721,700)	(1,821,400)	0	(23,103,300)
Emergency Services (Fire)	0	704,800	0	704,800	(15,057,500)	(496,400)	(1,667,800)	0	(17,221,700)
Parks & Recreation	0	3,987,300	0	3,987,300	(7,025,400)	(2,119,000)	(6,790,300)	0	(15,934,700)
Engineering	0	547,100	0	547,100	(1,482,700)	(24,300)	(112,900)	0	(1,619,900)
Vehicle Maintenance	0	0	0	0	(992,500)	(453,500)	(248,300)	0	(1,694,300)
Facilities Management	0	120,000	0	120,000	(1,165,700)	(219,400)	(1,385,700)	0	(2,770,800)
Traffic Engineering	0	0	0	0	0	(6,100)	(743,800)	0	(749,900)
Stormwater	0	0	0	0	0	(2,900)	(19,600)	0	(22,500)
Total General Fund	29,195,300	87,183,400	5,823,000	93,006,400	(63,319,200)	(4,601,400)	(21,390,400)	(54,800)	(89,365,800)
General Fund - CFDs									
Asante CFD	800	0	0	0	0	0	0	0	0
Cyburst Hall CFD	800	0	0	0	0	0	0	0	0
Prasada CFD	1,600	0	0	0	0	0	0	0	0
West Side Land CFD	200	0	0	0	0	0	0	0	0
Total General Fund - CFDs	3,400	0	0	0	0	0	0	0	0
Special Revenue Fund									
Ambulance Contract	0	247,000	0	247,000	(134,200)	0	(53,600)	0	(187,800)
Animal Seizure Bond Forfeiture	0	5,000	0	5,000	0	0	(5,000)	0	(5,000)
Donations	679,100	451,700	0	451,700	0	(136,900)	(335,700)	0	(472,600)
Employee Dep Scholarship	4,700	1,200	0	1,200	0	0	(3,000)	0	(3,000)
Grants And Contingency	0	5,596,500	0	5,596,500	(416,200)	(75,700)	(28,600)	(44,500)	(565,000)
HALO	0	158,000	0	158,000	(158,000)	0	0	0	(158,000)
Highway User Revenue	2,386,800	7,008,400	0	7,008,400	(3,313,000)	(1,010,700)	(4,238,100)	(35,000)	(8,596,800)
LTAf II	0	350,000	0	350,000	0	0	(350,000)	0	(350,000)
Municipal Court Enhancement	387,600	110,000	0	110,000	0	0	(100,000)	(20,000)	(120,000)
Municipal Court FARE	14,500	4,400	0	4,400	0	0	0	0	0
Municipal Court JCEF	81,000	23,300	0	23,300	(64,700)	0	(40,000)	0	(104,700)
Municipal Court MFTG	22,200	8,600	0	8,600	0	(15,000)	0	0	(15,000)
Neighborhood Revitalization	0	2,083,200	0	2,083,200	(379,500)	0	(1,703,700)	0	(2,083,200)
Net Premium Seating	30,600	22,000	0	22,000	0	(30,000)	(20,000)	0	(50,000)
Program 1033 Auction Proceed	0	5,000	0	5,000	0	0	(5,000)	0	(5,000)
Proposition 400	108,500	19,300	0	19,300	0	0	(19,600)	0	(19,600)
SB1398 Fines	2,600	17,000	0	17,000	0	(19,600)	0	0	(19,600)
SLIDs	163,400	2,384,700	0	2,384,700	0	0	(2,531,800)	0	(2,531,800)
SPD RICO	797,900	480,000	0	480,000	0	(1,162,900)	(115,000)	0	(1,277,900)
SPD Towing	258,100	117,000	0	117,000	(32,500)	(342,600)	0	0	(375,100)
Spring Training Ticket Surcharge	398,000	635,000	0	635,000	0	0	(250,000)	0	(250,000)
Stadium Improvements	(417,900)	136,400	0	136,400	0	0	0	0	0
Tourism	491,400	185,500	0	185,500	0	0	0	0	0
Unclaimed Property Disposal	0	5,000	0	5,000	0	0	(5,000)	0	(5,000)
Wildland Fire	0	140,000	0	140,000	(119,800)	(20,200)	0	0	(140,000)
Total Special Revenue Fund	5,408,500	20,194,200	0	20,194,200	(4,617,900)	(2,813,600)	(9,804,100)	(99,500)	(17,335,100)

	Appropriated Non-Operating Uses				Transfer Out	Total Uses	Ending Fund Balance		Operating Reserve
	Capital Projects	Debt Service	Contingency	Subtotal Uses			With Contingency	Without Contingency	
General Fund									
City Council	0	0	0	(404,300)	0	(404,300)	(404,300)	(404,300)	0
City Manager	0	0	(1,070,000)	(8,114,400)	0	(8,114,400)	(7,934,000)	(6,864,000)	0
Legal	0	0	0	(2,005,600)	0	(2,005,600)	(2,005,600)	(2,005,600)	0
City Clerk	0	0	0	(504,600)	0	(504,600)	(504,000)	(504,000)	0
Finance	0	0	0	(3,974,500)	0	(3,974,500)	(3,043,800)	(3,043,800)	0
Human Resources	0	0	0	(1,751,900)	0	(1,751,900)	(1,751,900)	(1,751,900)	0
Information Technology	0	0	0	(4,620,900)	0	(4,620,900)	(4,620,900)	(4,620,900)	0
General Operations	0	0	(11,000,000)	(11,000,000)	(4,500,000)	(15,500,000)	95,998,000	106,998,000	12,525,300
Community Development	0	0	0	(4,094,900)	0	(4,094,900)	(1,805,200)	(1,805,200)	0
City Court	0	0	0	(1,847,600)	0	(1,847,600)	(632,800)	(632,800)	0
Police	0	0	0	(23,103,300)	0	(23,103,300)	(22,375,000)	(22,375,000)	0
Emergency Services (Fire)	0	0	0	(17,221,700)	0	(17,221,700)	(16,516,900)	(16,516,900)	0
Parks & Recreation	0	0	0	(15,934,700)	0	(15,934,700)	(11,947,400)	(11,947,400)	0
Engineering	0	0	0	(1,619,900)	0	(1,619,900)	(1,072,800)	(1,072,800)	0
Vehicle Maintenance	0	0	0	(1,694,300)	0	(1,694,300)	(1,694,300)	(1,694,300)	0
Facilities Management	0	0	0	(2,770,800)	0	(2,770,800)	(2,650,800)	(2,650,800)	0
Traffic Engineering	0	0	0	(749,900)	0	(749,900)	(749,900)	(749,900)	0
Stormwater	0	0	0	(22,500)	0	(22,500)	(22,500)	(22,500)	0
Total General Fund	0	0	(12,070,000)	(101,435,800)	(4,500,000)	(105,935,800)	16,265,900	28,335,900	12,525,300
General Fund - CFDs									
Asante CFD	0	0	0	0	0	0	800	800	0
Cyburst Hall CFD	0	0	0	0	0	0	800	800	0
Prasada CFD	0	0	0	0	0	0	1,600	1,600	0
West Side Land CFD	0	0	0	0	0	0	200	200	0
Total General Fund - CFDs	0	0	0	0	0	0	3,400	3,400	0
Special Revenue Fund									
Ambulance Contract	0	0	(59,200)	(247,000)	0	(247,000)	0	59,200	0
Animal Seizure Bond Forfeiture	0	0	0	(5,000)	0	(5,000)	0	0	0
Donations	0	0	(658,200)	(1,130,800)	0	(1,130,800)	0	658,200	0
Employee Dep Scholarship	0	0	(2,900)	(5,900)	0	(5,900)	0	2,900	0
Grants And Contingency	0	0	(5,031,500)	(5,596,500)	0	(5,596,500)	0	5,031,500	0
HALO	0	0	0	(158,000)	0	(158,000)	0	0	0
Highway User Revenue	(475,000)	0	(323,400)	(9,395,200)	0	(9,395,200)	0	323,400	0
LTAf II	0	0	0	(350,000)	0	(350,000)	0	0	0
Municipal Court Enhancement	(200,000)	0	(177,600)	(497,600)	0	(497,600)	0	177,600	0
Municipal Court FARE	0	0	(18,900)	(18,900)	0	(18,900)	0	18,900	0
Municipal Court JCEF	0	0	400	(104,300)	0	(104,300)	0	(400)	0
Municipal Court MFTG	0	0	(15,800)	(30,800)	0	(30,800)	0	15,800	0
Neighborhood Revitalization	0	0	0	(2,083,200)	0	(2,083,200)	0	0	0
Net Premium Seating	0	0	(2,600)	(52,600)	0	(52,600)	0	2,600	0
Program 1033 Auction Proceed	0	0	0	(5,000)	0	(5,000)	0	0	0
Proposition 400	(108,200)	0	0	(127,800)	0	(127,800)	0	0	0
SB1398 Fines	0	0	0	(19,600)	0	(19,600)	0	0	0
SLIDs	0	0	0	(2,531,800)	0	(2,531,800)	16,300	16,300	0
SPD RICO	0	0	0	(1,277,900)	0	(1,277,900)	0	0	0
SPD Towing	0	0	0	(375,100)	0	(375,100)	0	0	0
Spring Training Ticket Surcharge	0	0	(137,900)	(387,900)	(645,100)	(1,033,000)	0	137,900	0
Stadium Improvements	(1,491,200)	0	0	(1,491,200)	0	(1,491,200)	(1,772,700)	(1,772,700)	0
Tourism	0	0	(676,900)	(676,900)	0	(676,900)	0	676,900	5,000
Unclaimed Property Disposal	0	0	0	(5,000)	0	(5,000)	0	0	0
Wildland Fire	0	0	0	(140,000)	0	(140,000)	0	0	0
Total Special Revenue Fund	(2,274,400)	0	(7,104,500)	(26,714,000)	(645,100)	(27,359,100)	(1,756,400)	5,348,100	5,000

BUDGET OVERVIEW

FY2015 Fund Balance Summary

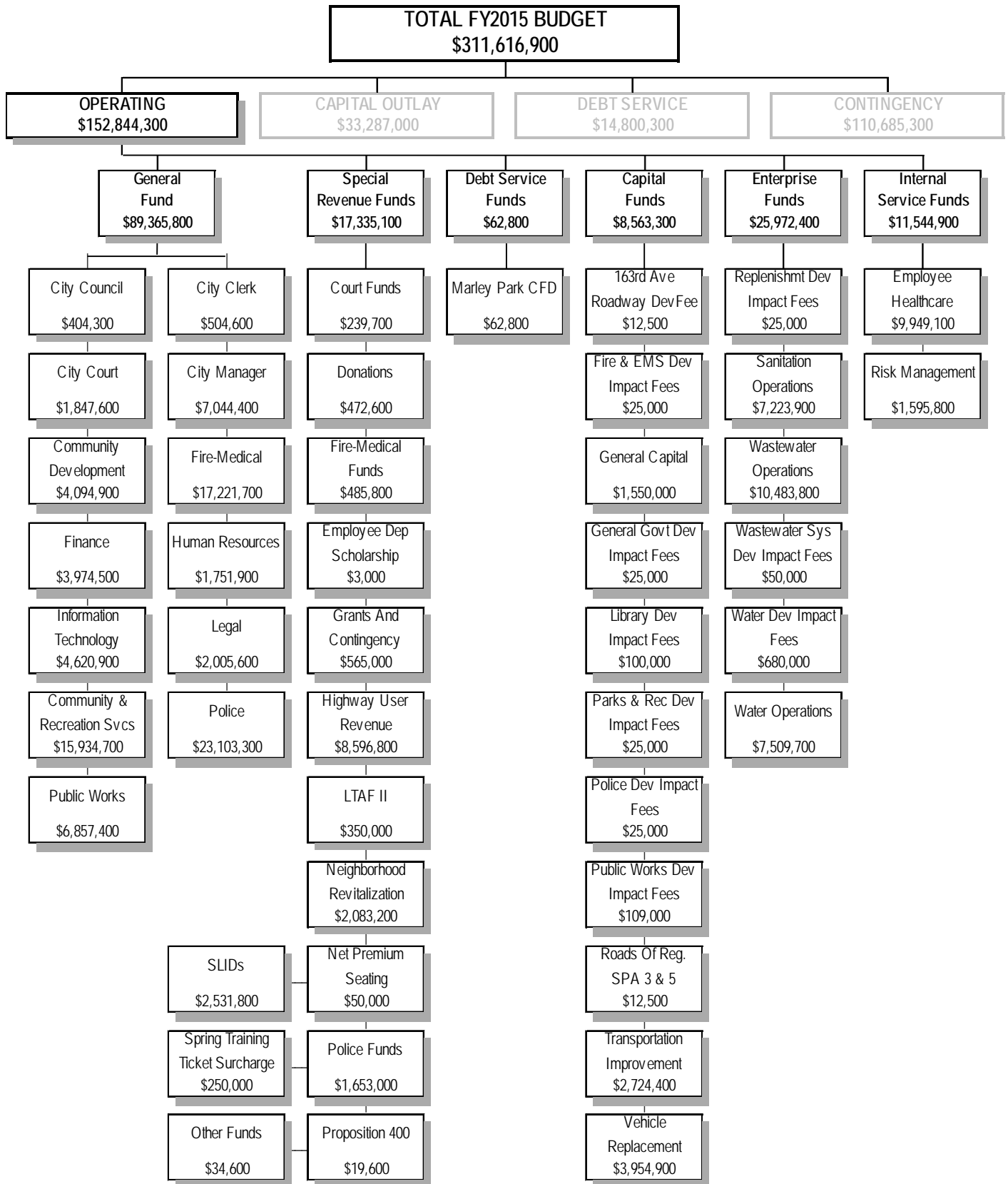


	Beginning Fund Bal	Sources		Total Sources	Appropriated Operating Uses				Subtotal Operations
		Revenues	Transfer In		Personnel	Supplies	Services	Capital	
Debt Service Fund									
Gov Debt Service 2014	0	0	3,968,900	3,968,900	0	0	0	0	0
Marley Park CFD	0	62,800	0	62,800	0	0	(62,800)	0	(62,800)
MP Debt Service	11,900	687,000	0	687,000	0	0	0	0	0
Total Debt Service Fund	11,900	749,800	3,968,900	4,718,700	0	0	(62,800)	0	(62,800)
Capital Projects Fund									
163rd Ave Roadway Dev Fee 2	0	19,800	0	19,800	0	0	(12,500)	0	(12,500)
Fire & EMS Dev Fee 2012	359,700	851,100	0	851,100	0	0	(12,500)	0	(12,500)
Fire & EMS Dev Fee 2014	0	891,800	0	891,800	0	0	(12,500)	0	(12,500)
Fire & EMS Development Fee	68,200	0	0	0	0	0	0	0	0
General Capital	8,847,300	3,596,600	2,000,000	5,596,600	0	(308,000)	(550,000)	(692,000)	(1,550,000)
General Govt Dev Fee	(411,200)	0	0	0	0	0	0	0	0
General Govt Dev Fee 2012	779,900	804,300	0	804,300	0	0	(25,000)	0	(25,000)
Gov Construction 2014	13,004,400	0	0	0	0	0	0	0	0
Library Dev Fee 2012	167,500	1,200	0	1,200	0	0	(100,000)	0	(100,000)
Library Development Fee	4,334,900	53,600	0	53,600	0	0	0	0	0
Parks & Rec Dev Fee	3,228,300	0	0	0	0	0	0	0	0
Parks & Rec Dev Fee 2012	1,041,700	841,800	0	841,800	0	0	(25,000)	0	(25,000)
Police Dev Fee	571,400	8,500	0	8,500	0	0	0	0	0
Police Dev Fee 2012	741,300	487,200	0	487,200	0	0	(25,000)	0	(25,000)
Public Works Dev Fee	9,181,400	144,800	0	144,800	0	(84,000)	0	0	(84,000)
Public Works Dev Fee 2012	347,700	2,000	0	2,000	0	0	(25,000)	0	(25,000)
Roads Of Regional SPA 2, 4, 6	2,097,600	27,100	0	27,100	0	0	0	0	0
Roads Of Regional SPA 3, 5	18,700	300	0	300	0	0	(12,500)	0	(12,500)
Transportation Improvement	2,430,700	3,087,500	0	3,087,500	(131,900)	(1,000)	(2,591,500)	0	(2,724,400)
Vehicle Replacement	2,828,000	465,800	1,000,000	1,465,800	0	0	0	(3,954,900)	(3,954,900)
Total Capital Projects Fund	49,637,500	11,283,400	3,000,000	14,283,400	(131,900)	(393,000)	(3,391,500)	(4,646,900)	(8,563,300)
Enterprise Fund									
Prop Debt Service 2007	1,224,500	0	8,776,400	8,776,400	0	0	0	0	0
Prop Debt Service 2014	0	0	1,454,500	1,454,500	0	0	0	0	0
Prop Reserve 2007	5,069,400	73,400	0	73,400	0	0	0	0	0
Replenishmt Dev Impact Fees	6,100,300	1,272,900	0	1,272,900	0	0	(25,000)	0	(25,000)
Sanitation Operations	9,734,700	7,198,400	0	7,198,400	(2,376,900)	(944,300)	(1,662,700)	(2,240,000)	(7,223,900)
Sewer Operations	21,643,500	16,469,000	0	16,469,000	(3,237,100)	(1,751,800)	(5,093,900)	(401,000)	(10,483,800)
Sewer System Dev Impact Fee	8,050,300	5,448,700	0	5,448,700	0	0	(25,000)	(25,000)	(50,000)
Water Dev Impact Fees	5,937,900	2,506,200	0	2,506,200	0	0	(475,000)	(205,000)	(680,000)
Water Operations	6,547,900	10,860,500	0	10,860,500	(1,954,700)	(791,000)	(4,764,000)	0	(7,509,700)
Total Enterprise Fund	64,308,500	43,829,100	10,230,900	54,060,000	(7,568,700)	(3,487,100)	(12,045,600)	(2,871,000)	(25,972,400)
Internal Service Fund									
Employee Healthcare	1,671,200	9,989,900	0	9,989,900	(96,800)	(40,500)	(9,811,800)	0	(9,949,100)
Risk Management	2,006,700	1,737,000	0	1,737,000	(197,800)	(6,700)	(1,391,300)	0	(1,595,800)
Total Internal Service Fund	3,677,900	11,726,900	0	11,726,900	(294,600)	(47,200)	(11,203,100)	0	(11,544,900)
Agency Fund									
FSA Special Account	60,300	0	0	0	0	0	0	0	0
Total Agency Fund	60,300	0	0	0	0	0	0	0	0
Grand Total	152,303,300	174,966,800	23,022,800	197,989,600	(75,932,300)	(11,342,300)	(57,897,500)	(7,672,200)	(152,844,300)

	Appropriated Non-Operating Uses				Transfer Out	Total Uses	Ending Fund Balance		Operating Reserve
	Capital Projects	Debt Service	Contingency	Subtotal Uses			With Contingency	Without Contingency	
Debt Service Fund									
Gov Debt Service 2014	0	(3,968,900)	0	(3,968,900)	0	(3,968,900)	0	0	0
Marley Park CFD	0	0	0	(62,800)	0	(62,800)	0	0	0
MP Debt Service	0	(673,900)	(25,000)	(698,900)	0	(698,900)	0	25,000	0
Total Debt Service Fund	0	(4,642,800)	(25,000)	(4,730,600)	0	(4,730,600)	0	25,000	0
Capital Projects Fund									
163rd Ave Roadway Dev Fee 2	0	0	(7,300)	(19,800)	0	(19,800)	0	7,300	0
Fire & EMS Dev Fee 2012	0	0	(1,077,100)	(1,089,600)	(121,200)	(1,210,800)	0	1,077,100	0
Fire & EMS Dev Fee 2014	0	0	(879,300)	(891,800)	0	(891,800)	0	879,300	0
Fire & EMS Development Fee	0	0	(68,200)	(68,200)	0	(68,200)	0	68,200	0
General Capital	(10,070,300)	0	(2,823,600)	(14,443,900)	0	(14,443,900)	0	2,823,600	1,000,000
General Govt Dev Fee	0	0	0	0	0	0	(411,200)	(411,200)	0
General Govt Dev Fee 2012	0	0	(894,200)	(919,200)	(665,000)	(1,584,200)	0	894,200	0
Gov Construction 2014	0	0	(11,513,200)	(11,513,200)	0	(11,513,200)	1,491,200	13,004,400	0
Library Dev Fee 2012	0	0	(68,700)	(168,700)	0	(168,700)	0	68,700	0
Library Development Fee	0	0	(4,388,500)	(4,388,500)	0	(4,388,500)	0	4,388,500	0
Parks & Rec Dev Fee	(2,635,100)	0	(593,200)	(3,228,300)	0	(3,228,300)	0	593,200	0
Parks & Rec Dev Fee 2012	0	0	(1,066,100)	(1,091,100)	(792,400)	(1,883,500)	0	1,066,100	0
Police Dev Fee	0	0	(334,700)	(334,700)	(245,200)	(579,900)	0	334,700	0
Police Dev Fee 2012	0	0	(1,203,500)	(1,228,500)	0	(1,228,500)	0	1,203,500	0
Public Works Dev Fee	(1,009,600)	0	(8,232,600)	(9,326,200)	0	(9,326,200)	0	8,232,600	0
Public Works Dev Fee 2012	0	0	(324,700)	(349,700)	0	(349,700)	0	324,700	0
Roads Of Regional SPA 2, 4, 6	0	0	(2,124,700)	(2,124,700)	0	(2,124,700)	0	2,124,700	0
Roads Of Regional SPA 3, 5	0	0	(6,500)	(19,000)	0	(19,000)	0	6,500	0
Transportation Improvement	(2,290,200)	0	(503,600)	(5,518,200)	0	(5,518,200)	0	503,600	500,000
Vehicle Replacement	0	0	(338,900)	(4,293,800)	0	(4,293,800)	0	338,900	0
Total Capital Projects Fund	(16,005,200)	0	(36,448,600)	(61,017,100)	(1,823,800)	(62,840,900)	1,080,000	37,528,600	1,500,000
Enterprise Fund									
Prop Debt Service 2007	0	(8,703,000)	(1,297,900)	(10,000,900)	0	(10,000,900)	0	1,297,900	0
Prop Debt Service 2014	0	(1,454,500)	0	(1,454,500)	0	(1,454,500)	0	0	0
Prop Reserve 2007	0	0	(5,069,400)	(5,069,400)	(73,400)	(5,142,800)	0	5,069,400	0
Replenishmt Dev Impact Fees	(2,600,000)	0	(4,748,200)	(7,373,200)	0	(7,373,200)	0	4,748,200	0
Sanitation Operations	(1,250,000)	0	(6,538,200)	(15,012,100)	(1,921,000)	(16,933,100)	0	6,538,200	0
Sewer Operations	(5,809,700)	0	(19,555,700)	(35,849,200)	(2,263,300)	(38,112,500)	0	19,555,700	0
Sewer System Dev Impact Fee	(1,800,000)	0	(1,491,500)	(3,341,500)	(10,157,500)	(13,499,000)	0	1,491,500	0
Water Dev Impact Fees	(1,743,200)	0	(6,020,900)	(8,444,100)	0	(8,444,100)	0	6,020,900	0
Water Operations	(1,804,500)	0	(6,455,500)	(15,769,700)	(1,638,700)	(17,408,400)	0	6,455,500	0
Total Enterprise Fund	(15,007,400)	(10,157,500)	(51,177,300)	(102,314,600)	(16,053,900)	(118,368,500)	0	51,177,300	0
Internal Service Fund									
Employee Healthcare	0	0	(1,712,000)	(11,661,100)	0	(11,661,100)	0	1,712,000	710,000
Risk Management	0	0	(2,147,900)	(3,743,700)	0	(3,743,700)	0	2,147,900	261,600
Total Internal Service Fund	0	0	(3,859,900)	(15,404,800)	0	(15,404,800)	0	3,859,900	971,600
Agency Fund									
FSA Special Account	0	0	0	0	0	0	60,300	60,300	0
Total Agency Fund	0	0	0	0	0	0	60,300	60,300	0
Grand Total	(33,287,000)	(14,800,300)	(110,685,300)	(311,616,900)	(23,022,800)	(334,639,700)	15,653,200	126,338,500	15,001,900

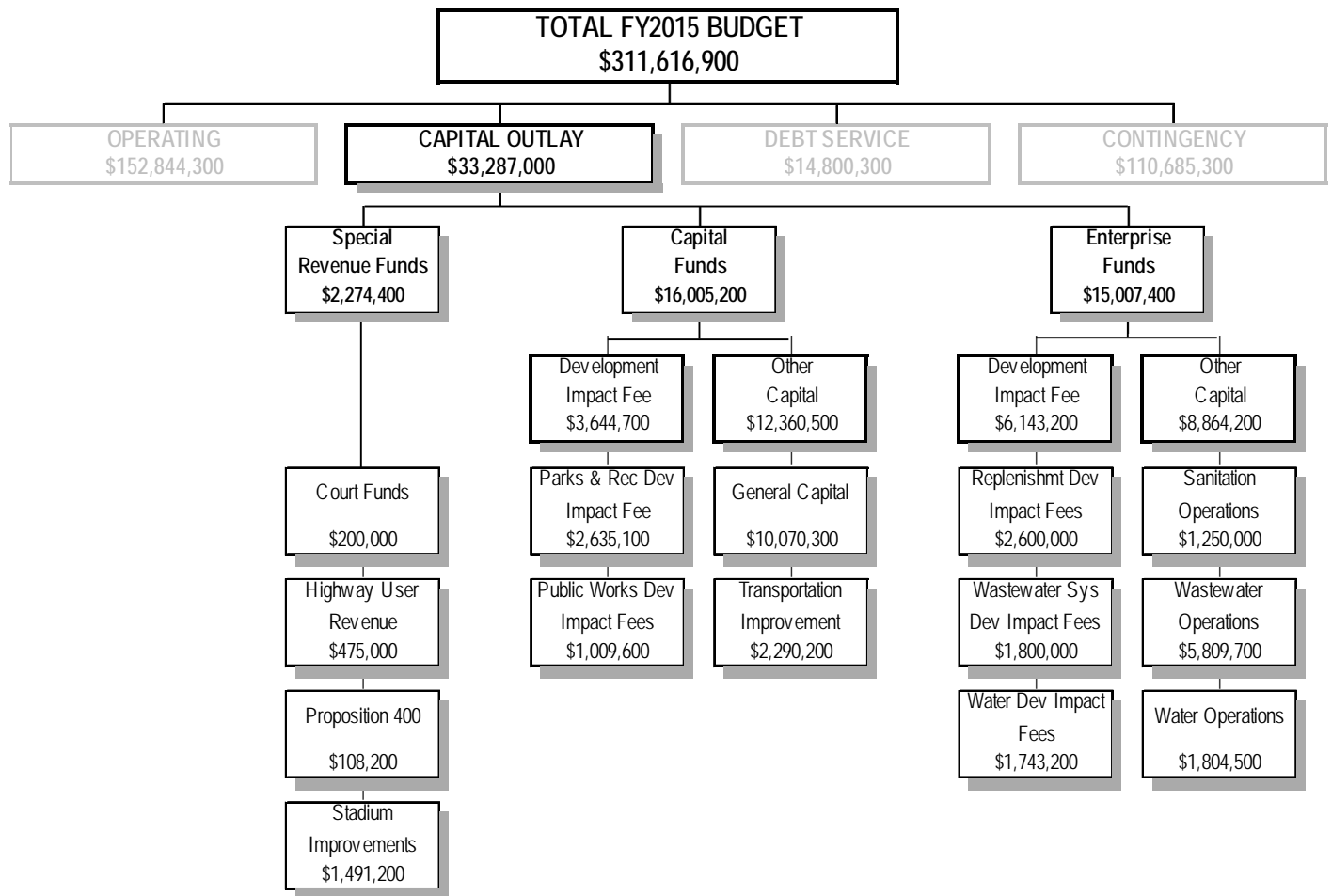
BUDGET CALENDAR

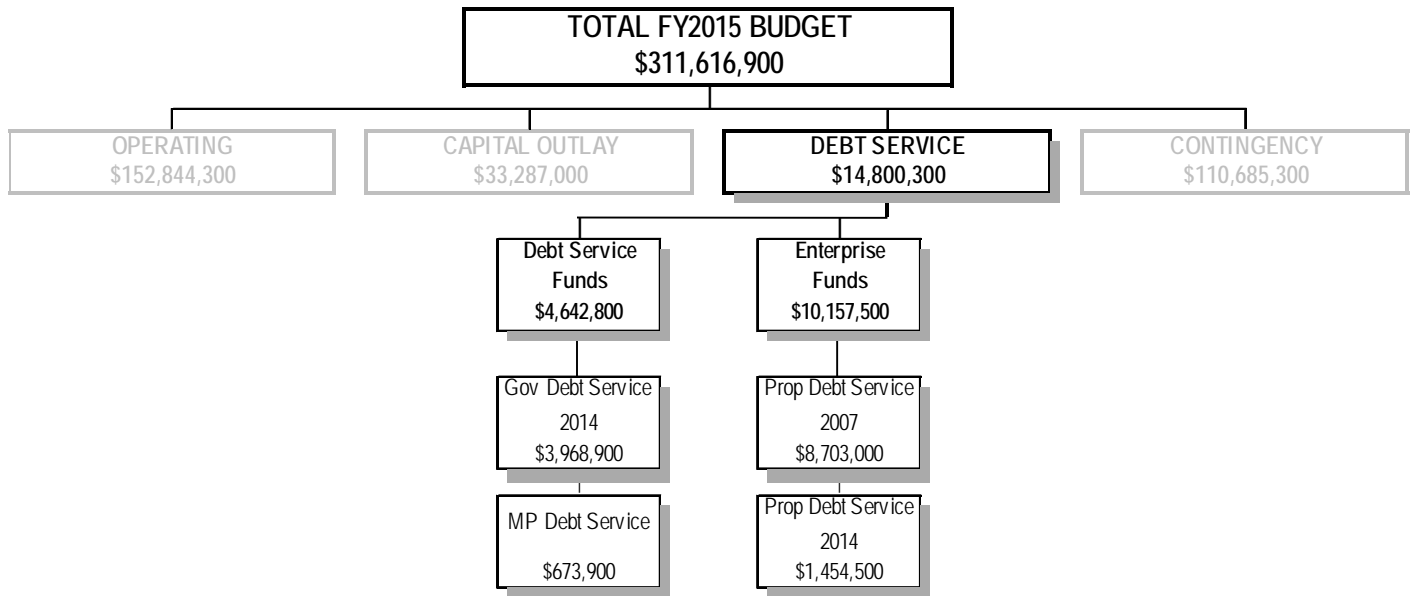
<u>Date</u>	<u>Activity</u>
11/09/2013	Mayor and Council Planning Retreat
12/12/2013	Budget kick-off – initial meeting with budget contacts (budget process overview, identifying activities, performance measures)
12/16/2013	TeamBudget opened for department input
01/30/2014	TeamBudget closed
02/11/2014	Board and Commission Budget Recommendations Due
02/24/2014 – 03/13/2014	Finance meeting with departments on supplemental requests and capital
03/17/2014 – 04/4/2014	Meeting with City Manager's Office on supplemental requests and capital
04/23/2014	City Manager's Recommended Budget delivered to Mayor and Council
4/22, 4/26, 4/29, 5/6 & 5/27/2014	Mayor and Council review of the City Manager's recommended budget at Council Retreat/Work Sessions
05/06/2014	Public Hearing and Tentative Budget Adoption – City of Surprise
05/17/2014	Public Notice #1 – Truth in taxation & FY2015 budget estimates
05/24/2014	Public Notice #2 – Truth in taxation & FY2015 budget estimates
06/03/2014	Property Tax Hearing – Primary Property Taxes Property Tax Hearing – Street Light Improvement Districts Public Hearing and Final Budget Adoption – City Of Surprise
06/17/2014	Property Tax Levy Adoption – Primary Property Taxes Property Tax Levy Adoption – Street Light Improvement Districts



BUDGET OVERVIEW

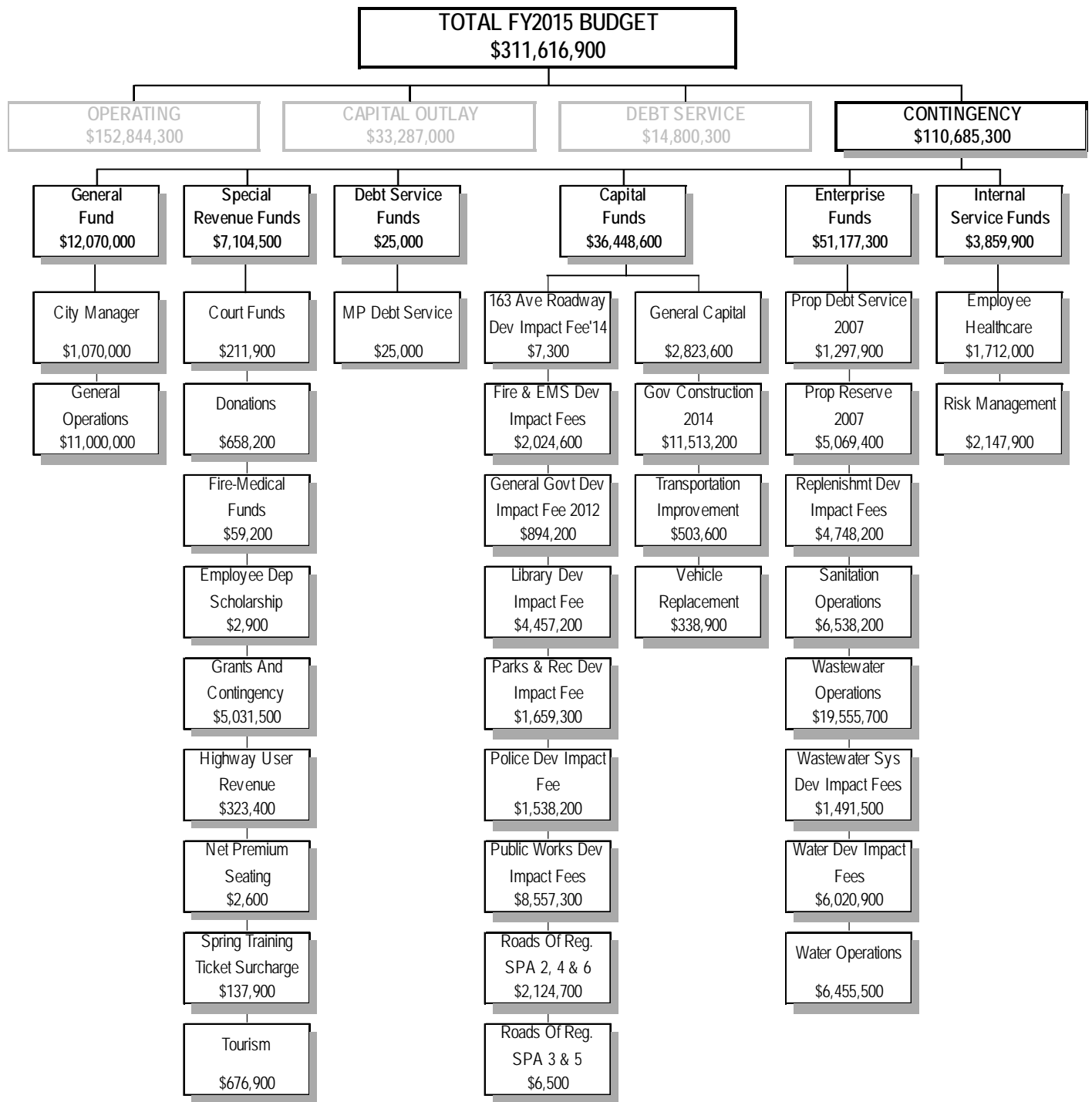
Budget Organization Chart





BUDGET OVERVIEW

Budget Organization Chart



Revenue and Sources

- General Fund Revenue Summary
- Revenue Forecast Summary
- Revenue Forecast Detail

GENERAL FUND REVENUE SUMMARY

General Fund Operating Revenues

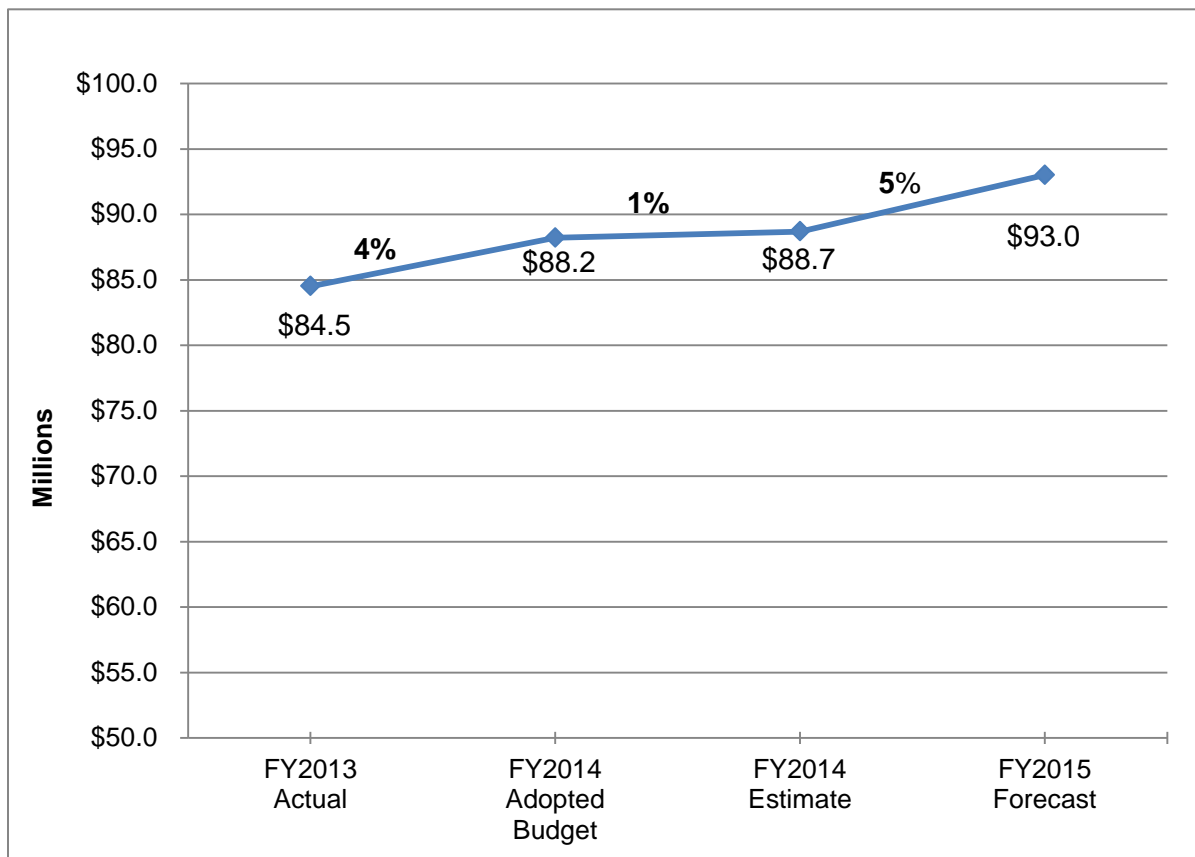
Operating revenues are those used to provide core government services (e.g. police, fire, library, parks, etc.) and are recorded in the general fund. The general fund is the primary operating fund of the city and is used to account for all financial resources not accounted for in the other funds.

Key Assumptions

A number of assumptions influence the revenue forecast including the character of the economy and the effect on the city of legislation on the state level. The city is experiencing a slow and steady recovery following the recent economic downturn with increases showing in most revenue categories. The city's population will continue to grow at a rate greater than that of many neighboring communities. As a result, the city is expected to capture a greater portion of state shared revenues and will receive a greater share of city revenues from building related activity.

Consumers are beginning to spend more discretionary income and the city is experiencing an increase in sales tax revenues. Additionally, resident participation in city recreation programs continues to drive up demand for services, also resulting in greater revenue streams to recover associated costs.

The degree of forecast accuracy varies by revenue source. Some revenue sources, such as state shared income tax, which is based on collections from two years prior, are known to the city in advance and the forecast is completely accurate. Other sources, such as construction sales tax, are much more sensitive to market forces and are more difficult to forecast.



REVENUE AND SOURCES

General Fund Revenue Summary



Overview

The operating revenue forecast for fiscal year (FY) 2015 is \$93 million, an increase of \$4.3 million or 5% over the FY2014 estimate, mainly the result of increased local sales taxes and state shared revenues due to a strengthening economy. General fund sources may be categorized into six major groups:

1. Sales Tax
2. State Shared Revenue
3. Charges for Services/Other
4. Property Tax
5. Franchise Fees
6. Transfers In

The graph to the right depicts the general fund sources (\$ in millions), percentage of the total general fund sources, and percent increase over the FY2014 estimated sources (boxed) for each of the six categories.

Sales Tax

This category represents the local sales taxes collected for the city of Surprise including construction sales tax. A sales tax projection team comprised of the budget manager, revenue manager and staff prepares and monitors the local sales tax forecast. Forecasts are done individually within each of 11 different categories (industries) using industry specific information (e.g. big box retail, construction, etc).

The general fund forecast of \$35.8 million is an increase of 5% over the prior year estimate. A number of the sales tax categories are driving the increase including major retailers and auto dealerships with new accounts, communications/utilities with increased utility user rates, and the continued rebounding of transient lodging, restaurants/bars, and arts/entertainment as households begin to recognize greater discretionary income and improving consumer confidence.

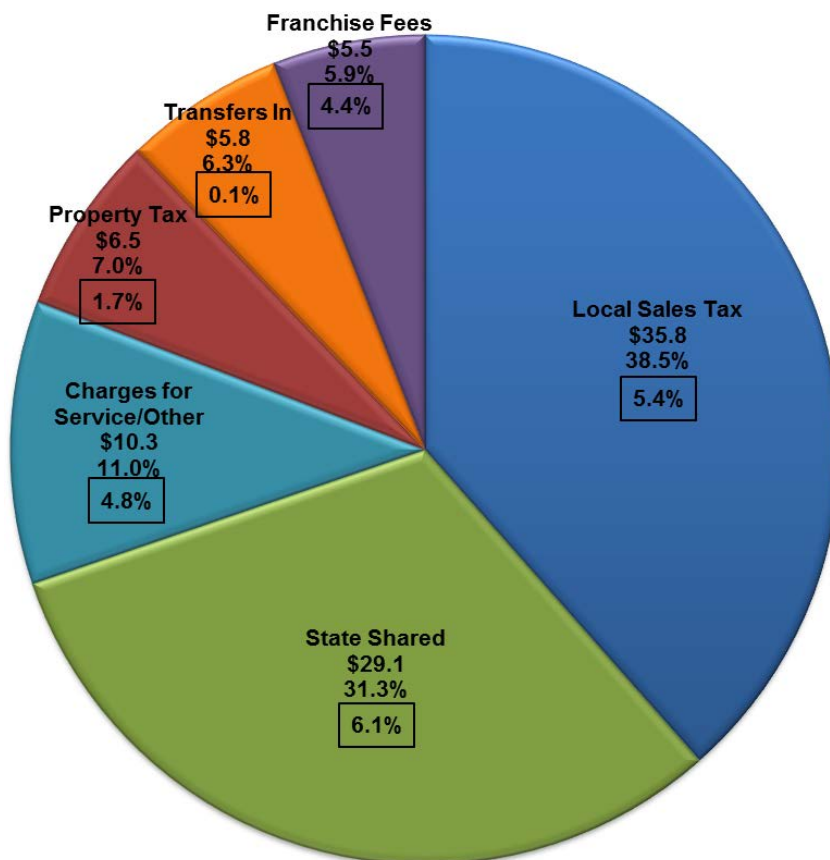
From the construction sales tax, the general fund receives a flat \$1.25 million from the 2.2% construction sales tax. The remaining portion after the \$1.25 million is distributed to the general capital fund. The transportation improvement fund also receives an allocation from a dedicated 1.5% construction sales tax. In total, the city anticipates collecting \$7.5 million in construction sales tax during next fiscal year between the three funds.

State Shared Revenue

The state shared revenue forecast is \$29.1 million, an increase of 6% over the prior year estimate. State shared revenue sources include income tax, state sales tax, and vehicle license taxes (VLT). The changes over the prior year are attributable to an improving economy.

The largest state shared revenue source, income taxes, is distributed to the city of Surprise based on census population. The amount is certain because there is a two-year lag in receipts in which FY2015 revenue results from FY2013 activity. Income tax collections of \$14.2 million results in an increase from the prior year amount of \$13.1 million after an increase from \$12.0 million in FY 2013, resulting in year-over-year increases of 9% annually.

The state sales taxes reflect the city's portion of statewide collections based on population. State sales taxes are economy driven and are expected to increase 4% to \$10.7 million. State shared sales taxes estimates are derived from conservative estimates produced by the Arizona League of Cities and Towns.



The vehicle license tax is population based. Vehicle license taxes imposed annually in lieu of a personal property tax on automobiles and anticipated to increase by 3% to \$4.2 million. This estimate is also prepared by the Arizona League of Cities and Towns.

Charges for Services/Other

All fees for services charged by city departments are recorded in this category. The three major components include community and recreation services revenue, building/engineering fees, and court revenue. This category increased by 5% from the prior year estimate to \$10.3 million.

The largest external service component is the community and recreation services fee revenue at \$4.0 million. This represents the revenue collected from fees charged to participate in the various recreation programs offered by the city including baseball's Spring Training related revenue. Also included are the rental fees for the stadium and parks.

The next notable category is the building/engineering fees as the economy continues its slow recovery. This is the combination of community development fees and public works fees. These sources include building activity related to single-family residential, commercial, office, institutional, and industrial permits. For FY2015, building/engineering fees estimates are at \$2.8 million, which represents an 11% increase over the prior year estimate. The prior year estimate decreases from budget to reflect a likely four-month lag in permits pulled after the March 2014 publication of reduced impact fee rates effective August 2014. All other indicators point to continued construction growth, despite the decline in permits issued.

The next notable category is the court revenue. All fees charged by the court in the city of Surprise recorded in this category increase by 18% over the prior year estimate to \$1.2 million.

Property Taxes

The property tax category captures the taxes levied on properties in the city of Surprise and is set at \$6.5 million for FY2015. State law allows the city to increase property tax revenues annually by 2% over the prior year's maximum allowable amount. The tax revenue is computed by multiplying the tax levy rate by the assessed value. The adopted budget does not include the 2% increase over the prior year's allowable amount for current taxpayers. The FY2015 property tax revenues only include allowable increases for new construction.

Franchise Fees

Franchise fee revenue is related to the gross sales from franchised utility companies within the city of Surprise. This includes Arizona Public Service, Cox Communications, Southwest Gas, and EPCOR water. Increases in this category mainly reflect utility rate increases charged to customers. Total operating revenue for this category equates to \$5.5 million, or 4% increase over the prior year estimate. Also included in this category are Business licenses and sanitation hauler's licenses.

Transfers In

The largest source of transfers in to the general fund is the indirect cost assessment charged to the enterprise funds. Services provided by the general fund on behalf of the enterprise funds are recovered through the indirect cost assessment, which serves as the invoice to the enterprise funds. The allocation ensures the general fund revenues are not subsidizing the enterprise funds of water, wastewater, and sanitation. For FY2015, the indirect cost assessment budgeted for \$4.7 million and remains unchanged from the prior year. Also included are in lieu franchise fees and property tax paid by city-operated utilities (i.e. water and wastewater).

Forecast of Major Operating Revenue Accounts

The following schedule presents a summary of the major revenue accounts with historical and forecasted revenues for the general fund and most other major funds.

REVENUE AND SOURCES

Revenue Forecast Summary



	ACTUAL					Adopted	Estimate	Estimate to Adopted	
Major Revenue Accounts	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2014	Amount	Pct.
General Fund									
Local Sales Tax									
Local Sales Tax-Operating	23,846,276	23,275,823	26,240,033	29,546,020	30,771,549	32,051,500	32,584,100	532,600	2%
Local Sales Tax - Construction	5,036,719	3,926,485	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	0	0%
Local Sales Tax-Bed Tax	0	0	0	110,429	108,091	114,000	122,600	8,600	8%
Subtotal Local Sales Tax	28,882,995	27,202,308	27,490,033	30,906,449	32,129,640	33,415,500	33,956,700	541,200	2%
State Shared Revenue									
State Shared Income Tax	13,080,276	11,395,938	8,591,077	9,918,521	12,004,109	13,111,000	13,100,600	(10,400)	(0%)
State Shared Sales Tax	7,022,643	6,464,521	7,158,275	9,220,163	9,660,697	10,154,400	10,280,300	125,900	1%
Vehicle License Tax	3,207,654	2,960,716	2,930,709	3,951,413	3,973,600	3,917,200	4,047,300	130,100	3%
Subtotal State Shared Revenue	23,310,572	20,821,175	18,680,061	23,090,098	25,638,406	27,182,600	27,428,200	245,600	1%
Charges for Services/Other									
Parks & Rec. Program Fees	3,538,989	3,892,092	4,389,606	4,732,333	4,718,258	4,487,800	4,468,600	(19,200)	(0%)
Court Revenue	1,757,682	1,759,817	1,266,929	1,275,954	1,294,477	1,256,200	1,029,700	(226,500)	(18%)
Fire-Medical Revenue	515,291	824,702	682,868	880,554	632,850	754,100	666,300	(87,800)	(12%)
Police Revenue	818,244	560,104	638,061	643,045	657,656	655,200	709,400	54,200	8%
Community Development Fees	1,481,772	873,132	1,369,212	1,623,175	2,011,274	2,052,500	1,748,800	(303,700)	(15%)
Interest Income	296,400	183,766	128,503	4,742	15,011	14,000	15,700	1,700	12%
Public Works Fees	729,800	185,638	290,885	276,513	559,681	633,100	417,800	(215,300)	(34%)
Facilities Revenue	68,880	212,339	383,334	350,896	363,163	397,300	373,300	(24,000)	(6%)
Grant Revenue	307,560	680,204	23,934	0	0	0	0	0	-
All Other Operating Revenue	1,095,839	12,515,168	1,017,160	730,484	695,054	500,000	359,200	(140,800)	(28%)
Subtotal Charges for Services/Other	10,610,458	21,686,963	10,190,492	10,517,697	10,947,424	10,750,200	9,788,800	(961,400)	(9%)
Property Tax									
Primary Property Tax	6,349,918	6,749,926	7,023,619	6,178,758	6,294,185	6,406,700	6,406,700	0	0%
Franchise Fees									
APS Franchise Fee	2,029,779	2,071,407	2,108,514	2,242,092	2,291,309	2,186,500	2,540,900	354,400	16%
Cable Franchise Fee	1,042,123	1,022,863	1,071,176	1,022,937	1,018,406	990,400	1,153,800	163,400	16%
Business Licenses	412,276	575,825	625,705	625,919	653,413	680,000	743,100	63,100	9%
Southwest Gas Franchise Fee	314,091	326,264	308,232	309,623	297,424	292,000	315,300	23,300	8%
Water Franchise Fee	275,502	313,538	334,987	347,050	472,097	490,600	500,400	9,800	2%
Sanitation Hauler's License	0	32,650	42,050	39,000	39,000	40,000	38,900	(1,100)	(3%)
Subtotal Franchise Fees/Licenses	4,073,771	4,342,546	4,490,664	4,586,621	4,771,649	4,679,500	5,292,400	612,900	13%
Transfers In									
Indirect Cost Assessment	3,511,100	4,449,225	3,660,700	3,660,700	3,660,700	4,682,900	4,682,900	0	0%
In Lieu Property Tax	0	0	379,077	421,917	511,130	550,700	570,700	20,000	4%
CoS Wastewater Franchise Fee	0	0	314,216	304,409	317,237	314,300	320,500	6,200	2%
CoS Water Franchise Fee	0	0	228,525	216,818	216,155	200,400	216,600	16,200	8%
CoS Sanitation Hauler's License	0	19,250	25,000	25,000	24,000	24,000	24,000	0	0%
Subtotal Transfers In	3,511,100	4,468,475	4,607,518	4,628,844	4,729,222	5,772,300	5,814,700	42,400	1%
Total - General Fund Revenue	76,738,813	85,271,393	72,482,388	79,908,468	84,510,525	88,206,800	88,687,500	480,700	1%

REVENUES AND SOURCES

Revenue Forecast Summary

	Forecast	Forecast to PY Estimate		Forecast			
Major Revenue Accounts	FY2015	Amount	Pct.	FY2016	FY2017	FY2018	FY2019
General Fund							
Local Sales Tax							
Local Sales Tax-Operating	34,422,000	1,837,900	6%	35,158,400	36,578,800	38,243,100	40,178,200
Local Sales Tax - Construction	1,250,000	0	0%	1,250,000	1,250,000	1,250,000	1,250,000
Local Sales Tax-Bed Tax	120,200	(2,400)	(2%)	122,800	127,800	133,600	140,400
Subtotal Local Sales Tax	35,792,200	1,835,500	5%	36,531,200	37,956,600	39,626,700	41,568,600
State Shared Revenue							
State Shared Income Tax	14,225,300	1,124,700	9%	14,509,800	15,972,900	16,292,300	16,618,200
State Shared Sales Tax	10,718,600	438,300	4%	10,933,000	12,035,400	12,276,100	12,521,600
Vehicle License Tax	4,155,300	108,000	3%	4,238,400	4,665,800	4,759,100	4,854,300
Subtotal State Shared Revenue	29,099,200	1,671,000	6%	29,681,200	32,674,100	33,327,500	33,994,100
Charges for Services/Other							
Parks & Rec. Program Fees	3,987,300	(481,300)	(11%)	4,067,000	4,148,400	4,231,400	4,316,000
Court Revenue	1,214,800	185,100	15%	1,310,400	1,420,900	1,535,300	1,416,000
Fire-Medical Revenue	704,800	38,500	5%	719,900	749,000	783,100	822,700
Police Revenue	728,300	18,900	3%	743,900	773,900	809,200	850,100
Community Development Fees	2,289,700	540,900	26%	3,747,900	4,921,700	5,528,600	5,778,900
Interest Income	16,500	800	6%	17,500	19,100	20,200	21,300
Public Works Fees	547,100	129,300	20%	895,500	1,175,900	1,321,000	1,380,800
Facilities Revenue	390,900	17,600	4%	399,300	415,400	434,300	456,300
Grant Revenue	0	0	-	0	0	0	0
All Other Operating Revenue	376,200	17,000	3%	384,200	399,800	418,000	439,100
Subtotal Charges for Services/Other	10,255,600	466,800	4%	12,285,600	14,024,100	15,081,100	15,481,200
Property Tax							
Primary Property Tax	6,513,600	106,900	2%	6,634,700	6,758,200	6,884,200	7,012,600
Franchise Fees							
APS Franchise Fee	2,660,900	120,000	5%	2,717,900	2,827,700	2,956,300	3,105,900
Cable Franchise Fee	1,208,300	54,500	6%	1,234,200	1,284,000	1,342,500	1,410,400
Business Licenses	759,600	16,500	2%	790,300	822,200	855,400	890,000
Southwest Gas Franchise Fee	330,200	14,900	5%	337,300	350,900	366,900	385,500
Water Franchise Fee	524,100	23,700	5%	535,300	556,900	582,200	611,700
Sanitation Hauler's License	39,700	800	2%	40,500	41,300	42,100	42,900
Subtotal Franchise Fees/Licenses	5,522,800	230,400	5%	5,655,500	5,883,000	6,145,400	6,446,400
Transfers In							
Indirect Cost Assessment	4,682,900	0	0%	4,776,500	4,776,500	4,872,100	4,872,100
In Lieu Property Tax	559,000	(11,700)	(2%)	558,200	576,200	582,300	579,300
CoS Wastewater Franchise Fee	321,700	1,200	0%	333,800	349,600	367,100	385,100
CoS Water Franchise Fee	233,400	16,800	8%	233,600	252,900	273,700	296,300
CoS Sanitation Hauler's License	26,000	2,000	8%	27,000	28,000	29,000	30,000
Subtotal Transfers In	5,823,000	8,300	0%	5,929,100	5,983,200	6,124,200	6,162,800
Total - General Fund Revenue	93,006,400	4,318,900	5%	96,717,300	103,279,200	107,189,100	110,665,700

REVENUE AND SOURCES

Revenue Forecast Summary



	ACTUAL					Adopted	Estimate	Estimate to Adopted	
Major Revenue Accounts	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2014	Amount	Pct.
Special Revenue Funds									
HURF	5,480,263	5,129,733	5,395,324	5,957,241	6,507,830	6,629,100	6,677,400	48,300	1%
LTAIF & LTAIF II	443,564	262,631	87,905	344,813	345,576	350,000	357,100	7,100	2%
Transit Fees	19,543	22,672	26,073	0	0	0	0	0	-
Tourism	0	147,275	152,605	167,852	164,298	172,000	186,400	14,400	8%
Enterprise Funds									
Water Service Fee	8,751,802	9,666,702	9,759,186	9,873,000	10,011,257	10,020,500	10,010,800	(9,700)	(0%)
Water System Develop Fund SPA 1	560,195	(2,558)	310,527	430,672	661,087	1,320,800	3,895,500	2,574,700	195%
Water System Develop Fund SPA 2	0	165,836	0	4,993	0	0	0	0	-
Water Replenishment Service Fee	431,398	0	0	0	0	0	0	0	-
Water Resources Dev Fund SPA 1	228,287	46,966	166,877	232,694	355,720	290,000	2,085,300	1,795,300	619%
Water Resources Dev Fund SPA 2	55,559	21,140	39,457	3,039	0	0	0	0	-
Wastewater Service Fee	13,519,397	14,628,974	15,196,067	15,196,544	15,766,128	15,713,500	15,897,500	184,000	1%
Wastewater System Dev Fund SPA 1	2,214,531	936,196	1,584,437	2,034,194	2,932,749	2,352,700	3,941,600	1,588,900	68%
Wastewater System Dev Fund SPA 2	2,200,870	128,459	0	(3,713)	0	0	0	0	-
Wastewater System Dev Fund SPA 3	(478,609)	18,250	2,052	7,706	0	0	0	0	-
Wastewater System Dev Fund SPA 4	0	0	140	0	0	0	0	0	-
Sanitation Service Fee	5,549,225	6,134,835	6,479,386	6,267,774	6,480,232	6,644,200	6,563,100	(81,100)	(1%)
Capital Project Funds									
General Capital Fund	3,988,770	1,391,875	1,953,879	1,685,090	2,950,369	1,950,000	2,089,300	139,300	7%
Transportation Improvement Fund	6,986,698	4,051,776	2,696,525	2,018,864	2,892,040	2,228,300	2,276,800	48,500	2%
General Government Dev Fund	688,951	235,747	455,045	140,644	0	0	0	0	-
General Government Dev Fund 2012	0	0	0	417,199	633,619	528,800	324,900	(203,900)	(39%)
Police Development Fund	395,950	112,634	198,945	61,726	28	0	0	0	-
Police Development Fund 2012	0	0	0	244,804	296,692	227,800	214,000	(13,800)	(6%)
Parks & Recreation Dev Fund	627,627	573,541	418,690	195,493	0	0	0	0	-
Parks & Recreation Dev Fund 2012	0	0	0	335,675	372,028	482,000	290,500	(191,500)	(40%)
Public Works Dev Fund	926,136	318,452	528,549	173,480	(109)	0	0	0	-
Public Works Dev Fund 2012	0	0	0	111,579	144,730	137,800	110,500	(27,300)	(20%)
Fire & EMS Dev Fund	787,923	259,683	539,652	165,214	0	0	0	0	-
Fire & EMS Dev Fund 2012	0	0	0	453,467	706,495	754,100	353,000	(401,100)	(53%)
Fire & EMS Dev Fund 2014	0	0	0	0	0	0	0	0	-
Library Dev Fund	138,504	127,564	109,001	45,912	0	0	0	0	-
Library Dev Fund 2012	0	0	0	62,391	76,071	81,700	49,200	(32,500)	(40%)
Roads of Reg.Significance Dev SPA 2,4,6	359,499	91,440	241,971	2,641	5,715	0	0	0	-
Roads of Reg.Significance Dev SPA 3, 5	5,396	2,219	2,992	5,066	5,396	0	0	0	-
163rd Ave Dev Fund 2014	0	0	0	0	0	0	0	0	-

REVENUES AND SOURCES

Revenue Forecast Summary

	Forecast	Forecast to PY Estimate		Forecast			
Major Revenue Accounts	FY2015	Amount	Pct.	FY2016	FY2017	FY2018	FY2019
<u>Special Revenue Funds</u>							
HURF	6,688,400	11,000	0%	6,822,200	7,510,100	7,660,300	7,813,500
LTAIF & LTAIF II	350,000	(7,100)	(2%)	350,500	357,500	366,400	377,400
Transit Fees	0	0	-	0	0	0	0
Tourism	182,800	(3,600)	(2%)	186,700	194,200	203,000	213,300
<u>Enterprise Funds</u>							
Water Service Fee	10,789,000	778,200	8%	11,679,100	12,642,600	13,685,600	14,814,700
Water System Develop Fund SPA 1	2,285,000	(1,610,500)	(122%)	3,171,600	3,702,800	3,911,300	3,497,000
Water System Develop Fund SPA 2	179,200	179,200	-	342,000	594,800	570,400	1,086,500
Water Replenishment Service Fee	0	0	-	0	0	0	0
Water Resources Dev Fund SPA 1	1,171,500	(913,800)	(315%)	1,626,100	1,898,400	2,005,300	1,792,900
Water Resources Dev Fund SPA 2	101,300	101,300	-	193,400	336,300	322,600	614,400
Wastewater Service Fee	16,083,100	185,600	1%	16,687,100	17,478,600	18,355,000	19,254,400
Wastewater System Dev Fund SPA 1	5,403,700	1,462,100	62%	7,472,700	8,729,100	9,247,800	8,316,200
Wastewater System Dev Fund SPA 2	41,600	41,600	-	53,100	243,700	132,400	300,000
Wastewater System Dev Fund SPA 3	0	0	-	0	0	0	0
Wastewater System Dev Fund SPA 4	0	0	-	0	0	0	0
Sanitation Service Fee	6,690,000	126,900	2%	7,029,900	7,475,200	7,968,500	8,474,500
<u>Capital Project Funds</u>							
General Capital Fund	3,210,200	1,120,900	57%	5,907,400	7,964,600	8,897,900	9,149,400
Transportation Improvement Fund	3,041,000	764,200	34%	4,880,000	6,282,600	6,919,100	7,090,500
General Government Dev Fund	0	0	-	0	0	0	0
General Government Dev Fund 2012	795,700	470,800	89%	1,207,600	1,564,500	1,726,500	1,770,100
Police Development Fund	0	0	-	0	0	0	0
Police Development Fund 2012	482,800	268,800	118%	700,200	900,500	991,400	1,015,900
Parks & Recreation Dev Fund	0	0	-	0	0	0	0
Parks & Recreation Dev Fund 2012	836,000	545,500	113%	1,366,700	1,790,600	1,982,900	2,034,700
Public Works Dev Fund	0	0	-	0	0	0	0
Public Works Dev Fund 2012	0	(110,500)	(80%)	0	0	0	0
Fire & EMS Dev Fund	0	0	-	0	0	0	0
Fire & EMS DevFund 2012	845,100	492,100	65%	1,267,400	1,638,900	1,807,500	1,852,900
Fire & EMS Dev Fund 2014	891,800	891,800	-	1,287,700	1,654,900	1,821,500	1,866,400
Library Dev Fund	0	0	-	0	0	0	0
Library Dev Fund 2012	0	(49,200)	(60%)	0	0	0	0
Roads of Reg.Significance Dev Fund SPA 2,4,6	0	0	-	0	0	0	0
Roads of Reg.Significance Dev Fund SPA 3, 5	0	0	-	0	0	0	0
163rd Ave Dev Fund 2014	19,800	19,800	-	41,600	47,700	75,500	124,000

REVENUE AND SOURCES

Revenue Forecast Detail



Local Sales Tax (excluding construction and bed tax)

FY2014	FY2015	\$	%
Estimate	Forecast	Inc/(Dec)	Inc/(Dec)
32,584,100	34,422,000	1,837,900	6%

Description

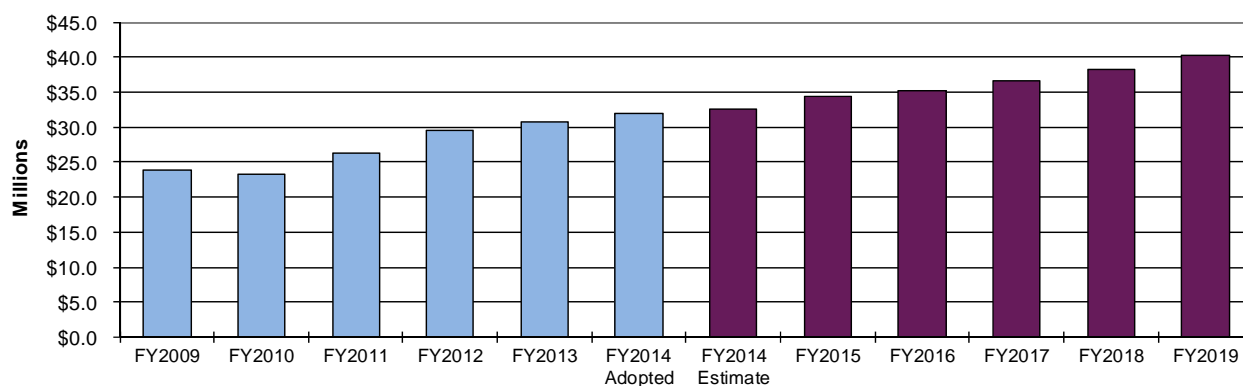
The local sales tax (excluding construction and bed tax) is the recurring sales tax revenue that is collected by the city on an annual basis through the course of doing business. Both the construction sales taxes and the bed taxes have been separated out and addressed under local sales tax (construction sales tax) and local bed tax. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	23,846,276	23,275,823	26,240,033	29,546,020	30,771,549	32,051,500

Forecast Assumptions

Forecasts are prepared individually within each of 12 different categories (industries) using industry specific information (e.g. big box retail, restaurant and bar, etc.). Sales taxes declined from FY2007 through FY2010. Revenue increases annually beginning in FY2011 with the addition of new retailers while the economy improves and consumer confidence is restored. In addition, increases in FY2015 reflect the addition of two major big box/auto category retailers.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	32,584,100	34,422,000	35,158,400	36,578,800	38,243,100	40,178,200



Local Construction Sales Tax (Construction Sales Tax)

FY2014	FY2015	\$	%
Estimate	Forecast	Inc/(Dec)	Inc/(Dec)
5,616,100	7,501,200	1,885,100	34%

Description

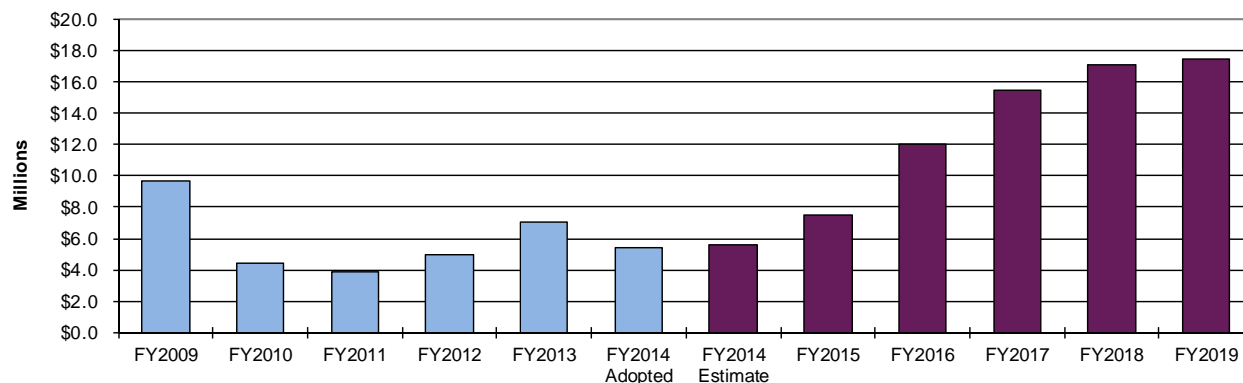
This represents the one-time construction sales tax that is assessed on new construction by the city of Surprise. The city's total construction sales tax rate is 3.7%. A dedicated construction sales tax of 1.5% is deposited in the transportation improvement fund. Of the remaining 2.2%, the first \$1.25M is recorded in the general fund and amounts in excess of that are recorded in the general capital fund per Council policy.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	9,677,265	4,391,089	3,870,561	4,936,286	7,071,712	5,381,800

Forecast Assumptions

The construction sales tax forecast is based on estimates of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. This source, which previously decreased due to the recessionary economy and reduced construction activity, is now showing signs of recovery as construction activity resumes.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
General Capital Fund	2,089,300	3,210,200	5,907,400	7,964,600	8,897,900	9,149,400
Transportation Improvement Fund	2,276,800	3,041,000	4,880,000	6,282,600	6,919,100	7,090,500



Local Sales Tax - Bed Tax

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
309,000	303,000	(6,000)	(2%)

Description

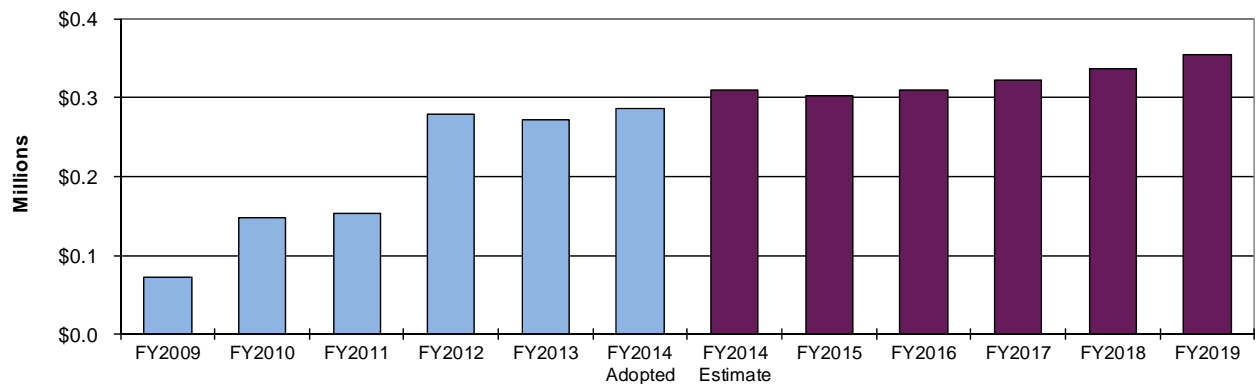
The city currently imposes a 2.52% transient lodging tax. During FY2010, the City Council approved an increase in the bed tax rate from 1.52% to 2.52%. Of the total tax, 1.52% is to be recorded in the tourism fund to be used for promoting tourism and 1.0% is to be recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	71,821	147,275	152,605	278,281	272,388	286,000

Forecast Assumptions

Forecasts are prepared using industry specific data and year-to-date trends. The FY2014 estimate is greater than the adopted budget and the FY2015 forecast due to a strong Spring Training season. Revenue increases as the economy improves and consumer confidence is restored.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	122,600	120,200	122,800	127,800	133,600	140,400
Tourism Fund	186,400	182,800	186,700	194,200	203,000	213,300



State Shared Income Tax

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
13,100,600	14,225,300	1,124,700	9%

Description

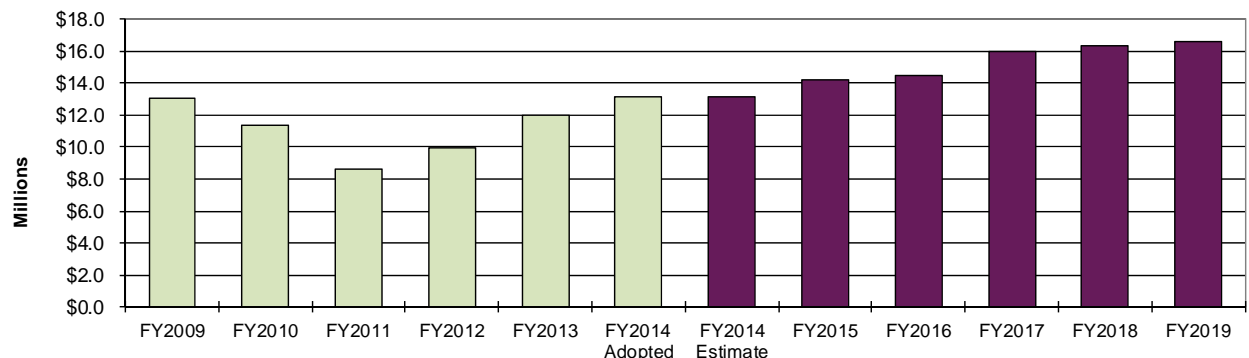
State shared revenues are distributed to cities and towns based generally on the population at the last census or special census. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	13,080,276	11,395,938	8,591,077	9,918,521	12,004,109	13,111,000

Forecast Assumptions

The current year estimate and next year forecast are based on data from the League of Arizona Cities and Towns detailing actual income tax collections from two years prior. State shared income tax is distributed based on population. The 2010 census, completed in FY2011, accounts for the increase in the city's share of state revenues. The 2010 census resulted in increased revenues beginning in FY2012 as the city share of total population increased. The city expects to experience another census-based increase starting in FY2017 as the city of Surprise grows at a faster rate than other cities that receive shared revenue.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	13,100,600	14,225,300	14,509,800	15,972,900	16,292,300	16,618,200



REVENUE AND SOURCES

Revenue Forecast Detail



State Shared Sales Tax

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
10,280,300	10,718,600	438,300	4%

Description

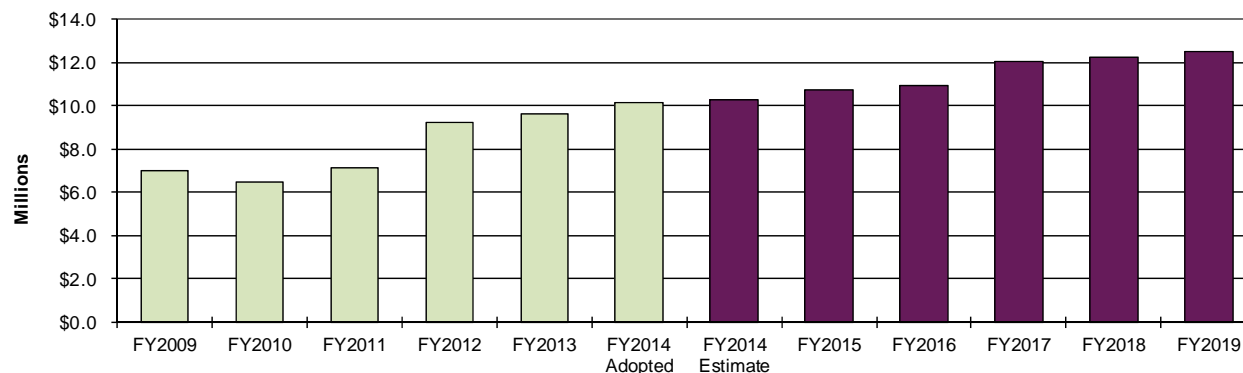
State shared revenues are distributed to cities and towns based generally on the population at the last census or special census. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	7,022,643	6,464,521	7,158,275	9,220,163	9,660,697	10,154,400

Forecast Assumptions

The current year estimate is based on year-to-date trends while the next year forecast is based on year-over-year percent increase data from the League of Arizona Cities and Towns. The forecast for future years is based on population and revenue per capita. The 2010 census resulted in increased revenues beginning in FY2012 as the city share of total population increased. The city expects to experience another census-based increase starting in FY2017 as the city of Surprise grows at a faster rate than other cities receiving shared revenue.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	10,280,300	10,718,600	10,933,000	12,035,400	12,276,100	12,521,600



Vehicle License Tax

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
4,047,300	4,155,300	108,000	3%

Description

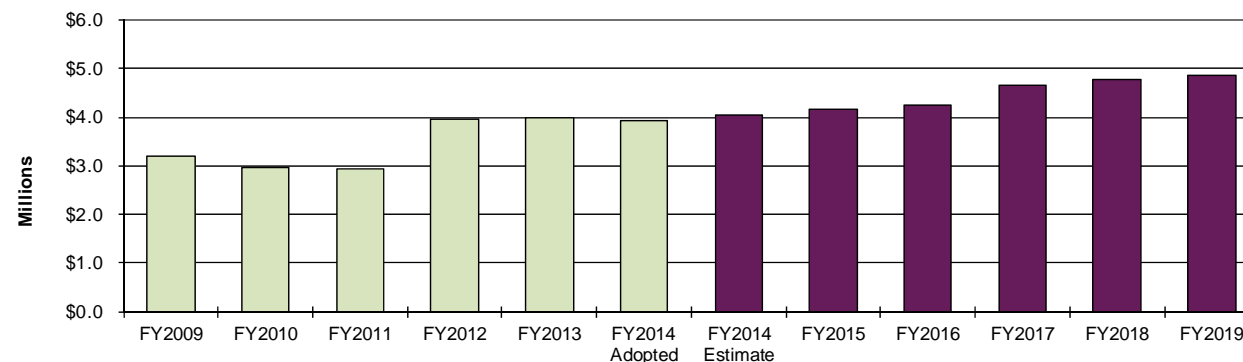
In lieu of a personal property tax on automobiles, the state imposes an annual vehicle license tax (VLT). These state shared revenues are distributed to cities and towns based generally on the population at the last census or special census. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	3,207,654	2,960,716	2,930,709	3,951,413	3,973,600	3,917,200

Forecast Assumptions

The current year estimate is based on year-to-date trends while the next year forecast is based on year-over-year percent increase data from the League of Arizona Cities and Towns. The forecast for future years is based on population and revenue per capita. The 2010 census resulted in increased revenues beginning in FY2012 as the city share of total population increased. The city expects to experience another census-based increase starting in FY2017 as the city of Surprise grows at a faster rate than other cities receiving shared revenue.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	4,047,300	4,155,300	4,238,400	4,665,800	4,759,100	4,854,300



PARKS AND RECREATION PROGRAM FEES

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
4,468,600	3,987,300	(481,300)	(11%)

Description

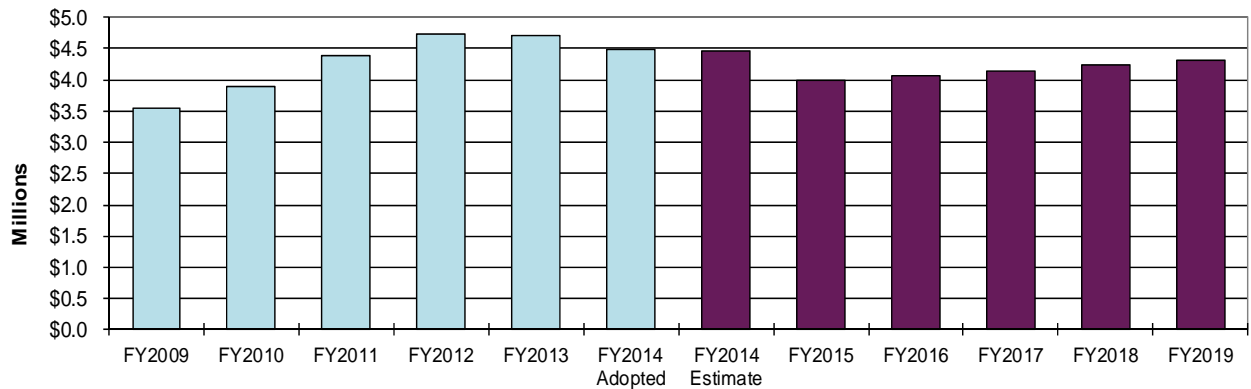
This source reflects revenue collected from fees charged by the Community and Recreation Services Department to participate in the various recreational programs offered by the city. Also included are revenues related to Spring Training games at the Surprise Stadium. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	3,538,989	3,892,092	4,389,606	4,732,333	4,718,258	4,487,800

Forecast Assumptions

Forecasts are supplied by the Community and Recreation Services Department based on estimates of revenue per participant for recreation programs, sports programs, special events, games, etc. Decreases in FY2015 reflect the exclusion of the Cancer Treatment Centers of America Tennis Tournament programmed in prior years, as well as a shift in the sale of novelties during Spring Training to a vendor, and a transfer of surcharge revenue to the spring training ticket surcharge special revenue fund to support annual debt payments.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	4,468,600	3,987,300	4,067,000	4,148,400	4,231,400	4,316,000



COURT REVENUE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
1,029,700	1,214,800	185,100	18%

Description

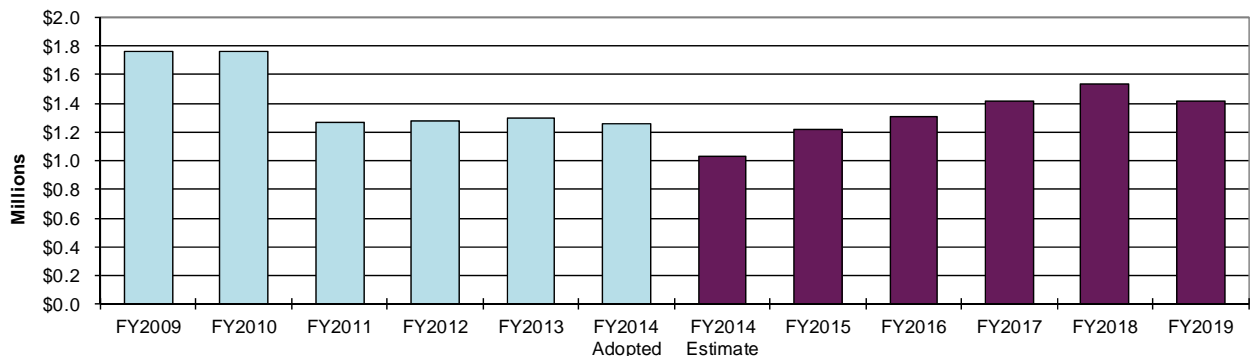
This revenue is generated by all fines imposed by the City Court. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	1,757,682	1,759,817	1,266,929	1,275,954	1,294,477	1,256,200

Forecast Assumptions

The forecast is based on revenue per court case, where the number of court cases is relative to population growth. Cases are comprised primarily of civil traffic citations. The current estimate is based on year-to-date trends, with the forecast returning to FY2013 levels BY FY2016.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	1,029,700	1,214,800	1,310,400	1,420,900	1,535,300	1,416,000



REVENUE AND SOURCES

Revenue Forecast Detail



FIRE-MEDIC REVENUE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
666,300	704,800	38,500	6%

Description

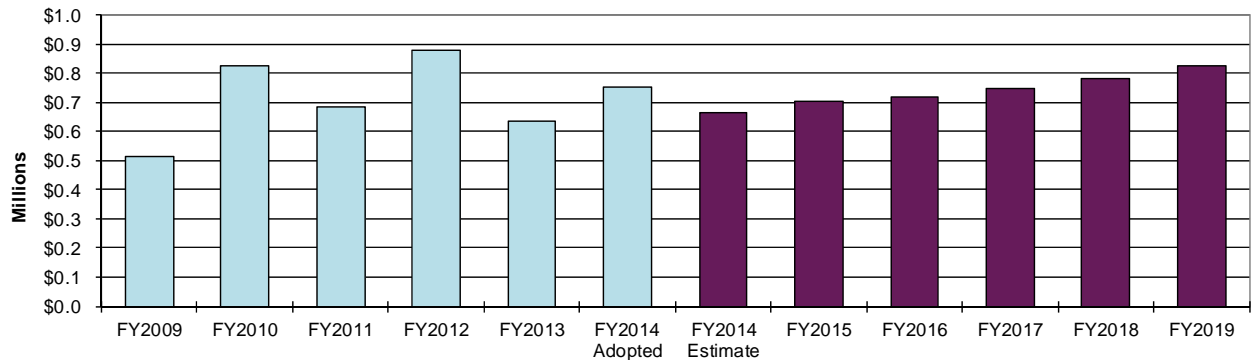
This revenue source reflects revenue related to Fire-Medical Department activities. Sources include fire insurance premium tax, reimbursements for advanced life support (ALS) transportation costs, and various inspection fees. These revenues are recorded in the general fund. Also included in prior years were wild land fire intergovernmental revenue, and Helicopter Air-Medical and Logistics Operations (HALO) intergovernmental revenue which have been moved to a separate special revenue fund for tracking and reporting.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	515,291	824,702	682,868	880,554	632,850	754,100

Forecast Assumptions

The fire revenue forecast is prepared by the fire department for individual revenue sources based on year-to-date trends and known contracts. The revenue increases significantly in FY2010 for a change in the accounting of the fire insurance premium tax which was previously netted against retirement expenditures. Relatively high intergovernmental revenue at the state and local level drove Fire-Medic revenue in FY's 2010 and 2012.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	666,300	704,800	719,900	749,000	783,100	822,700



POLICE REVENUE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
709,400	728,300	18,900	3%

Description

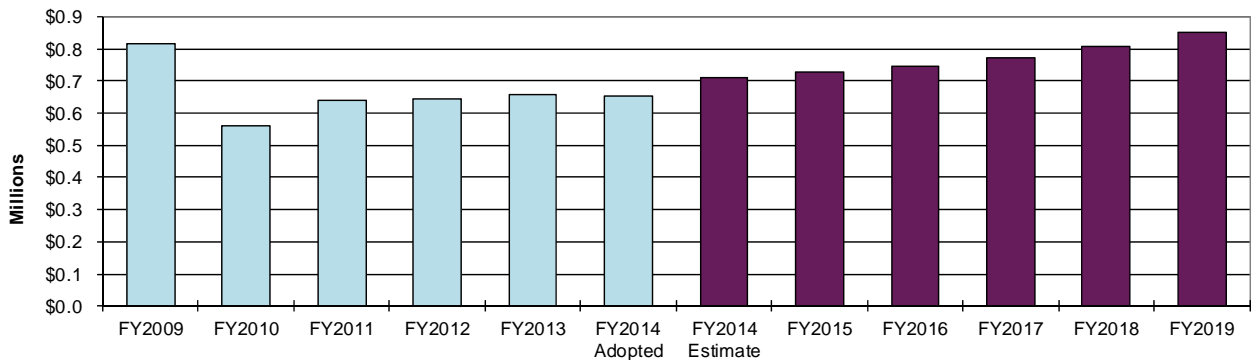
This source reflects the revenue collected by the Police Department, including off-duty fees, finger printing, and an intergovernmental agreement with the city of El Mirage for various services. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	818,244	560,104	638,061	643,045	657,656	655,200

Forecast Assumptions

The police revenue forecast is based on projections of individual revenue sources based on year-to-date trends and known contracts. The city of Surprise participates in an intergovernmental agreement with the city of El Mirage to provide emergency dispatch, animal control, and police records management on behalf of the city of El Mirage for an annual fee.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	709,400	728,300	743,900	773,900	809,200	850,100



COMMUNITY DEVELOPMENT REVENUE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
1,748,800	2,289,700	540,900	31%

Description

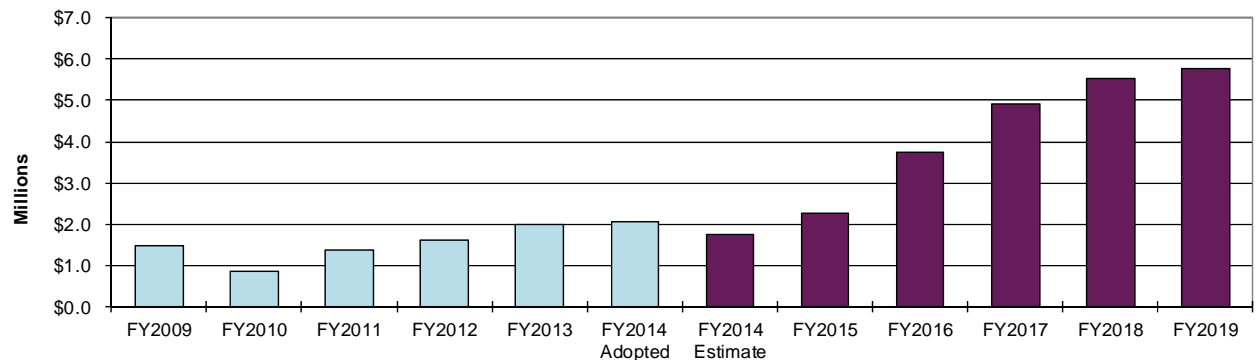
This source reflects fees collected by the city of Surprise including building inspection fees, permit fees, plan review fees, and fire building inspection fees related to new construction activities. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	1,481,772	873,132	1,369,212	1,623,175	2,011,274	2,052,500

Forecast Assumptions

The revenue forecast is based on estimates from the Community and Economic Development Department of the number of single family residential permits issued and the valuation of non-single family residential permits issued. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. Revenue is forecast by square foot based on year-to-date trends. This source is projected to increase due to increased construction activity and a general housing recovery.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	1,748,800	2,289,700	3,747,900	4,921,700	5,528,600	5,778,900



INTEREST INCOME

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
15,700	16,500	800	5%

Description

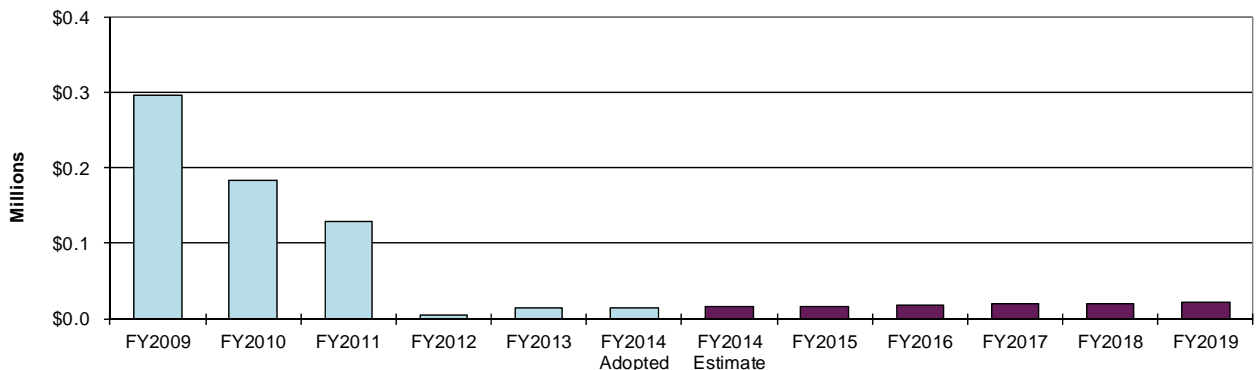
This source includes all interest income earned by the city of Surprise that is recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	296,400	183,766	128,503	4,742	15,011	14,000

Forecast Assumptions

The activity reflects the recessionary economy with historically low interest rates. Investments are managed by a professional management firm. Current year estimates are based on overall general fund revenues at prior fiscal year's interest rates.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	15,700	16,500	17,500	19,100	20,200	21,300



REVENUE AND SOURCES

Revenue Forecast Detail



PUBLIC WORKS REVENUE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
417,800	547,100	129,300	31%

Description

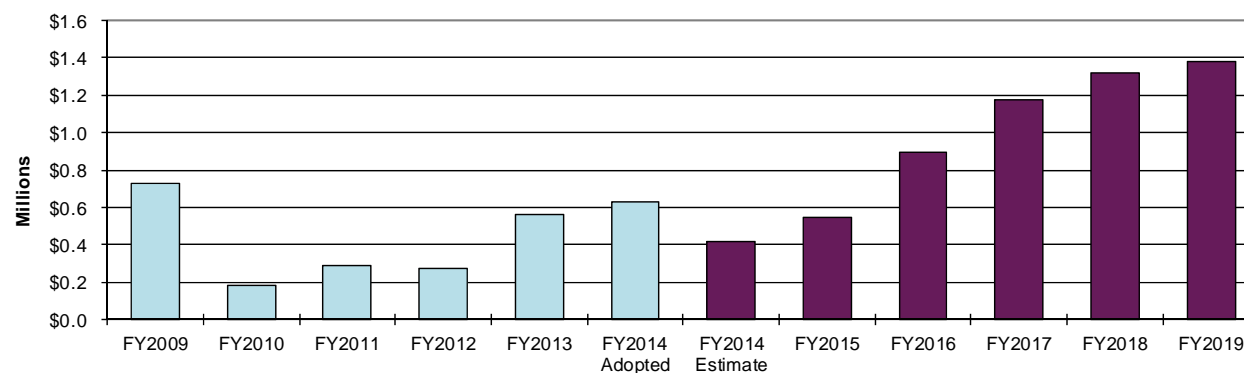
This source reflects revenue collected for engineering and permit fees related to residential and commercial construction activities. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	729,800	185,638	290,885	276,513	559,681	633,100

Forecast Assumptions

The revenue forecast is based on estimates from the Community and Economic Development Department of the number of single family residential permits issued and the valuation of non-single family residential permits issued. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. Revenue is forecast by square foot based on year-to-date trends. This source is projected to increase due to increased construction activity and a general housing recovery.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	417,800	547,100	895,500	1,175,900	1,321,000	1,380,800



FACILITIES FEES

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
373,300	390,900	17,600	5%

Description

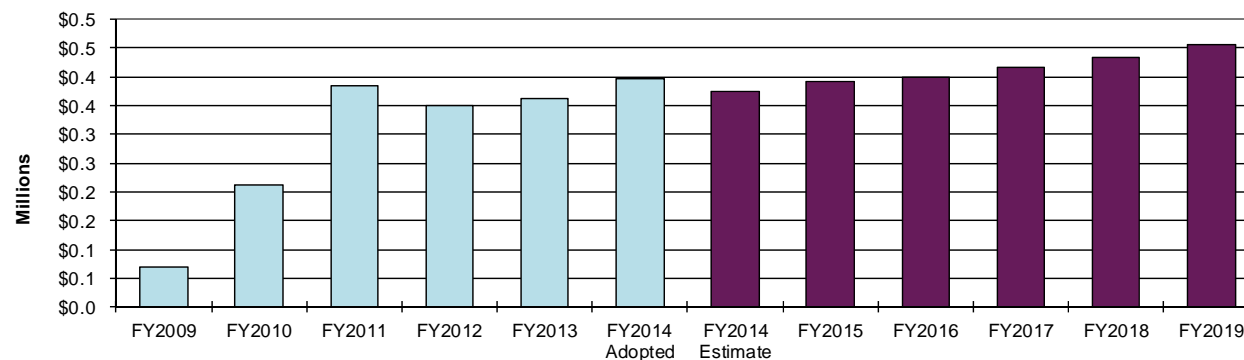
This source includes rent revenue collected by the city of Surprise for the tenant use of city owned facilities/property. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	68,880	212,339	383,334	350,896	363,163	397,300

Forecast Assumptions

This forecast is based on estimates of individual revenue sources within this category based on year-to-date trends and known contracts. Forecasts in the out-years are based on population and revenue per capita where population is expected to increase by approximately 2% per year. The 2010 increase represents payments for utilities by new tenants occupying the Community adjacent to City Hall. The FY2011 increase is attributable to the increased tenant occupancy at the city's former city hall, the AZ TechCelerator, now operating as a business incubator.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	373,300	390,900	399,300	415,400	434,300	456,300



ALL OTHER OPERATING REVENUE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
359,200	376,200	17,000	5%

Description

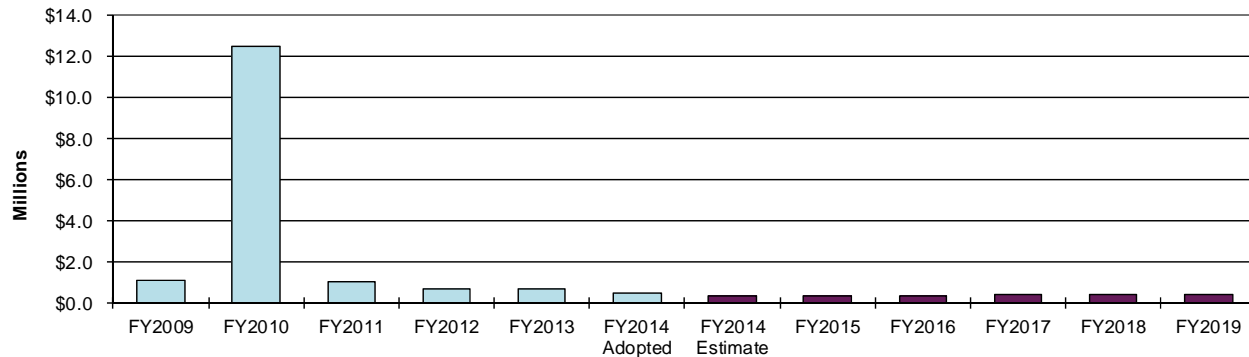
This source includes all other operating revenue collected by the city of Surprise for various programs and services provided on a day to day basis. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	1,095,839	12,515,168	1,017,160	730,484	695,054	500,000

Forecast Assumptions

This forecast is based on estimates of individual revenue sources within this category based on year-to-date trends and known contracts. Forecasts in the out-years are based on population and revenue per capita where population is expected to increase by approximately 2% per year thereafter. A number of revenue sources that had been recorded in this category in past fiscal years have been eliminated or moved to other categories. Fiscal year 2010 includes amounts transferred into the general fund to close out the former vehicle replacement (which has since been restored) and a number of prior period adjustments made to correct accounting errors.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	359,200	376,200	384,200	399,800	418,000	439,100



PRIMARY PROPERTY TAX

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
6,406,700	6,513,600	106,900	2%

Description

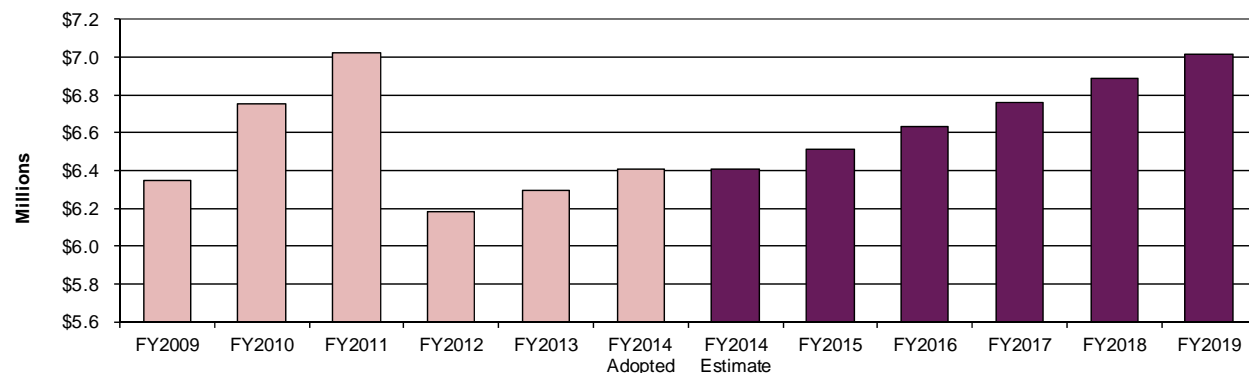
This source reflects the primary property tax levied for general government operations. State statute restricts the total levy to a maximum 2% annual increase over the prior year allowable levy plus an increase for any new construction and/or annexation. The levy amount is set annually by City Council policy. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	6,349,918	6,749,926	7,023,619	6,178,758	6,294,185	6,406,700

Forecast Assumptions

The levy amount calculation is based on assessed valuation data provided by the Maricopa County Assessor's Office. Revenue increases for the next fiscal year forecast is the result of new construction only. Forecasts in future years are based on maintaining the levy amount while increasing for growth, held constant at current year rates.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	6,406,700	6,513,600	6,634,700	6,758,200	6,884,200	7,012,600



REVENUE AND SOURCES

Revenue Forecast Detail



ARIZONA PUBLIC SERVICE (APS) FRANCHISE FEE

FY2014	FY2015	\$	%
Estimate	Forecast	Inc/(Dec)	Inc/(Dec)
2,540,900	2,660,900	120,000	5%

Description

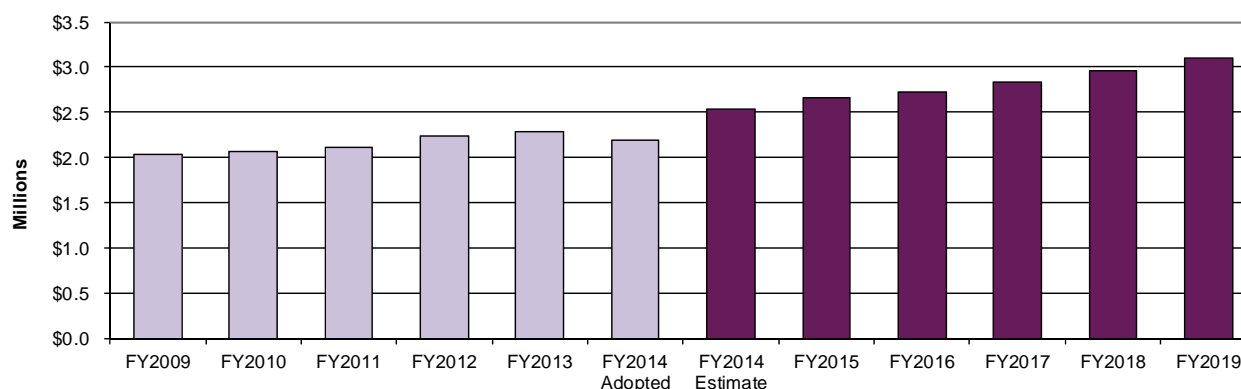
The fee is 2% of revenue earned by the Arizona Public Service (APS) electric utility company operating within the city of Surprise. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	2,029,779	2,071,407	2,108,514	2,242,092	2,291,309	2,186,500

Forecast Assumptions

The current year estimate is based on year-to-date trends and reflects rate increases approved for the utility by the Arizona Corporation Commission. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate inflation.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	2,540,900	2,660,900	2,717,900	2,827,700	2,956,300	3,105,900



COX COMMUNICATIONS CABLE FRANCHISE FEES

FY2014	FY2015	\$	%
Estimate	Forecast	Inc/(Dec)	Inc/(Dec)
1,153,800	1,208,300	54,500	5%

Description

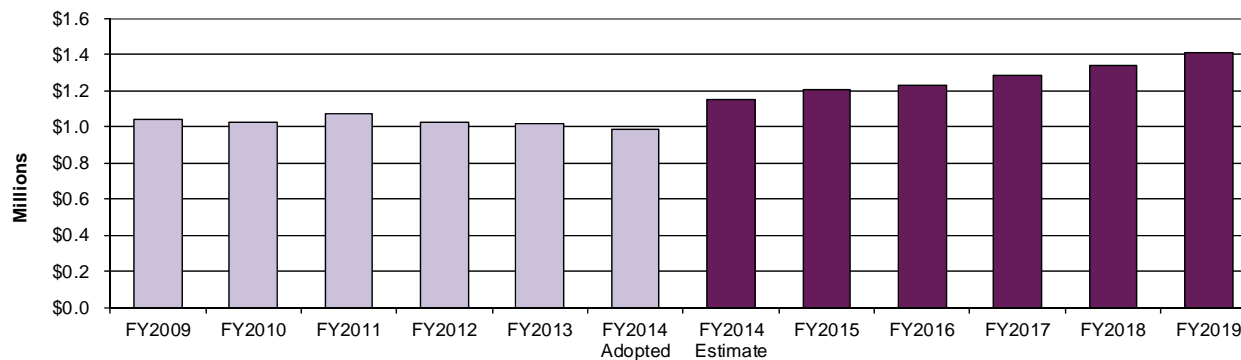
The fee is 5% of revenue earned by the Cox Communications cable utility company operating within the city of Surprise. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	1,042,123	1,022,863	1,071,176	1,022,937	1,018,406	990,400

Forecast Assumptions

The current year estimate is based on year-to-date trends and reflects rate increases. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate inflation.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	1,153,800	1,208,300	1,234,200	1,284,000	1,342,500	1,410,400



BUSINESS LICENSE REVENUE

FY2014	FY2015	\$	%
Estimate	Forecast	Inc/(Dec)	Inc/(Dec)
743,100	759,600	16,500	2%

Description

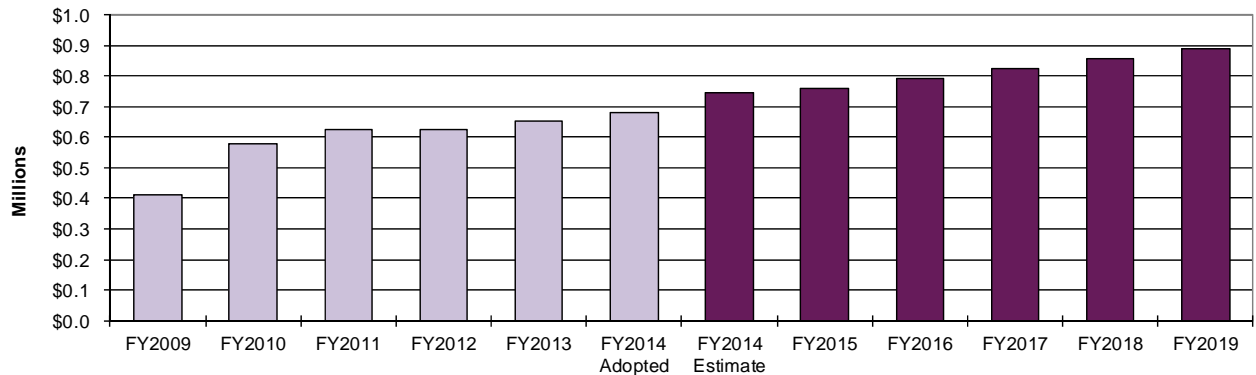
This source reflects the revenue received to obtain a license that permits a business to operate within the city of Surprise. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	412,276	575,825	625,705	625,919	653,413	680,000

Forecast Assumptions

The forecast is based on the number of business licenses and the average business license fee.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	743,100	759,600	790,300	822,200	855,400	890,000



SOUTHWEST GAS FRANCHISE FEE

FY2014	FY2015	\$	%
Estimate	Forecast	Inc/(Dec)	Inc/(Dec)
315,300	330,200	14,900	5%

Description

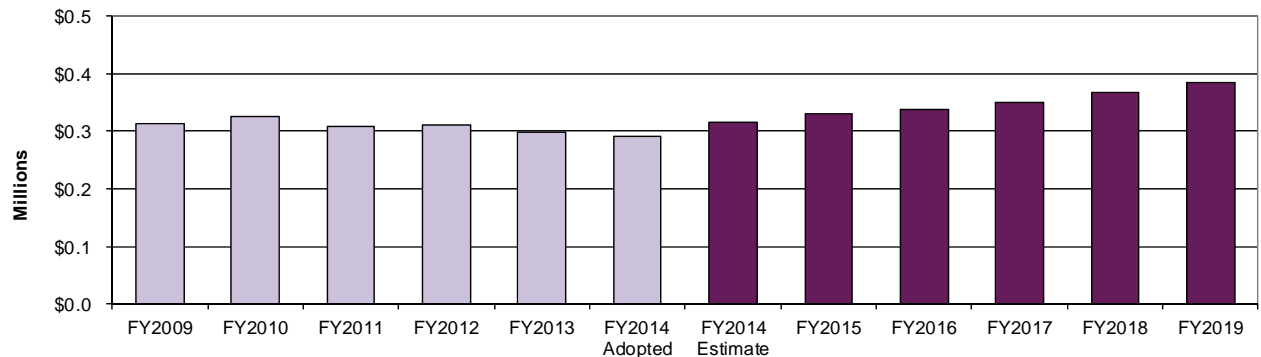
The fee is 2% of revenue earned by the Southwest Gas utility company operating within the city of Surprise. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	314,091	326,264	308,232	309,623	297,424	292,000

Forecast Assumptions

The current year estimate is based on year-to-date trends and reflects rate increases approved for the utility by the Arizona Corporation Commission. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate inflation.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	315,300	330,200	337,300	350,900	366,900	385,500



REVENUE AND SOURCES

Revenue Forecast Detail



EPCOR FRANCHISE FEE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
500,400	524,100	23,700	5%

Description

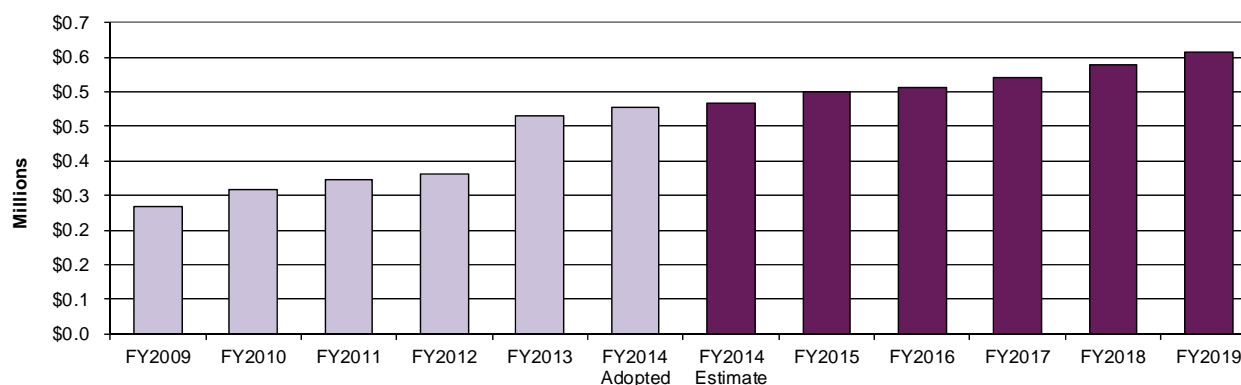
The fee is 2% of revenue earned by the EPCOR Water utility company operating within the city of Surprise. About two-thirds of all water customers in the city are served by EPCOR Water. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	275,502	313,538	334,987	347,050	472,097	490,600

Forecast Assumptions

The current year estimate is based on year-to-date trends and reflects rate increases approved for the utility by the Arizona Corporation Commission. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate inflation.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	500,400	524,100	535,300	556,900	582,200	611,700



SANITATION HAULER'S LICENSE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
38,900	39,700	800	2%

Description

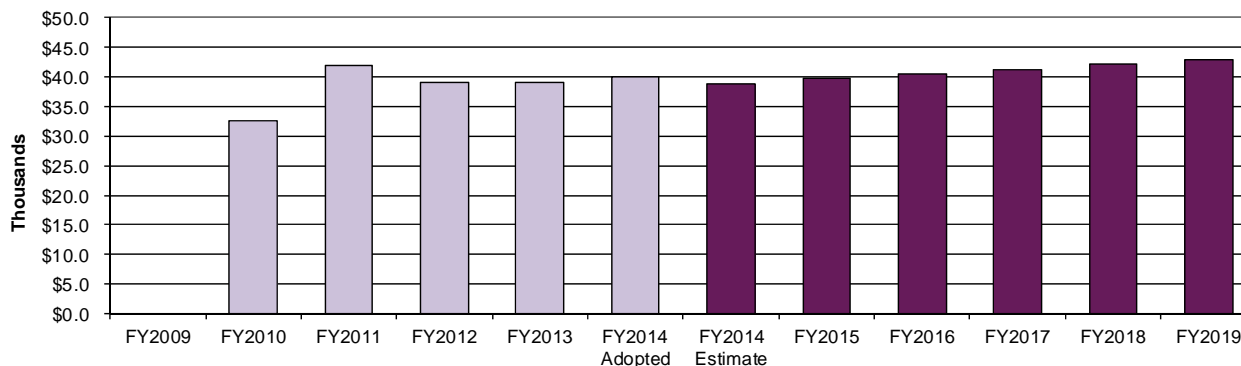
This source reflects the revenue for sanitation hauler's licenses charged per vehicle to all private sanitation providers operating within the city of Surprise. These revenues are recorded in the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	0	32,650	42,050	39,000	39,000	40,000

Forecast Assumptions

Nominal growth in the number of vehicles operated within the city is expected.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	38,900	39,700	40,500	41,300	42,100	42,900



INDIRECT COST ASSESSMENT

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
4,682,900	4,682,900	0	0%

Description

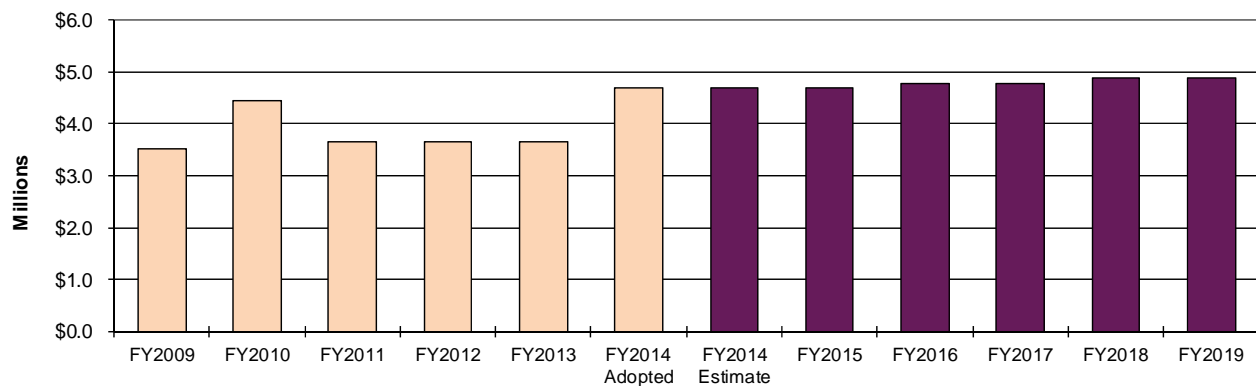
Expenses incurred by the general fund on behalf of the enterprise funds (water, waste water, and sanitation) are recovered through the indirect cost assessment and are recorded as a revenue in the general fund. Examples of expenses incurred in the general fund include City Administration, human resources, facilities costs, etc.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	3,511,100	4,449,225	3,660,700	3,660,700	3,660,700	4,682,900

Forecast Assumptions

Indirect cost assessments are calculated through the bi-annual update to the Full Cost Central Services Cost Allocation Plan and are based on actual costs from the most recently completed fiscal year. The cost allocation plan is prepared by an independent consultant using data provided by city personnel.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	4,682,900	4,682,900	4,776,500	4,776,500	4,872,100	4,872,100



IN LIEU PROPERTY TAX

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
570,700	559,000	(11,700)	(2%)

Description

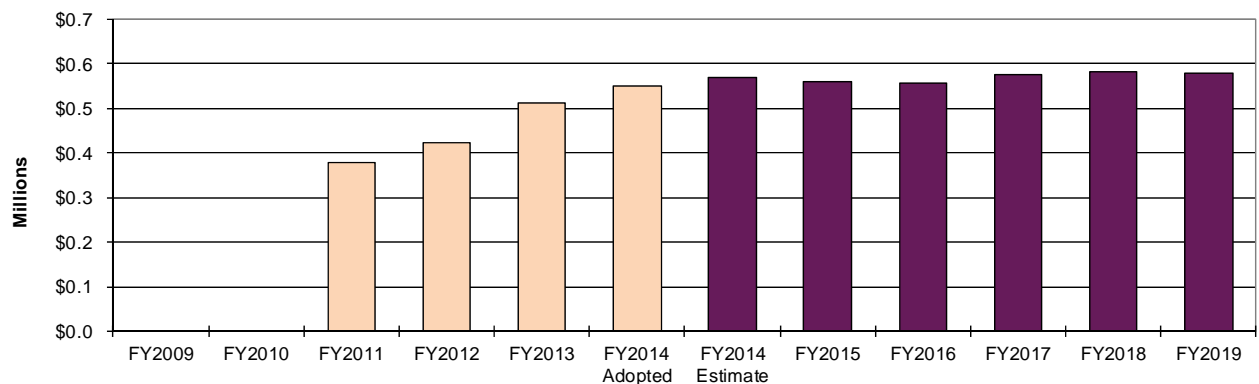
This source reflects a transfer from the enterprise funds (water, wastewater, and sanitation) to the general fund as a payment in lieu of property taxes (PILOT) and was initiated in FY2011.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	0	0	379,077	421,917	511,130	550,700

Forecast Assumptions

This source is forecast based on the valuation of water, wastewater, and sanitation capital assets.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	570,700	559,000	558,200	576,200	582,300	579,300



REVENUE AND SOURCES

Revenue Forecast Detail



CITY OF SURPRISE WASTEWATER FRANCHISE FEE

	FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
	320,500	321,700	1,200	0%

Description

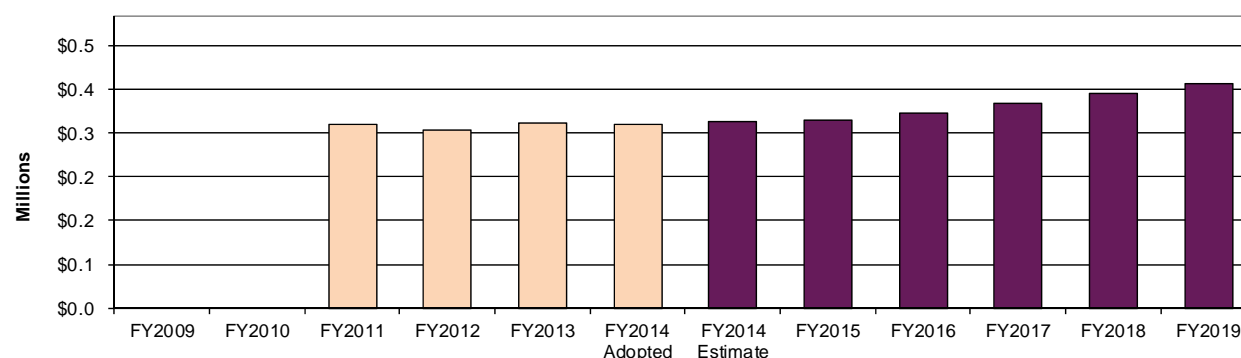
The fee is 2% of revenue earned by the wastewater utility operated by the city of Surprise and is paid in lieu of a franchise fee charged to a franchised utility operating in the city. This fee was initiated in FY2010. This source is transferred from the wastewater operations fund to the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	0	0	314,216	304,409	317,237	314,300

Forecast Assumptions

The current year estimate is based on year-to-date trends and reflect current rates. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate inflation.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	320,500	321,700	333,800	349,600	367,100	385,100



CITY OF SURPRISE WATER FRANCHISE FEE

	FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
	216,600	233,400	16,800	8%

Description

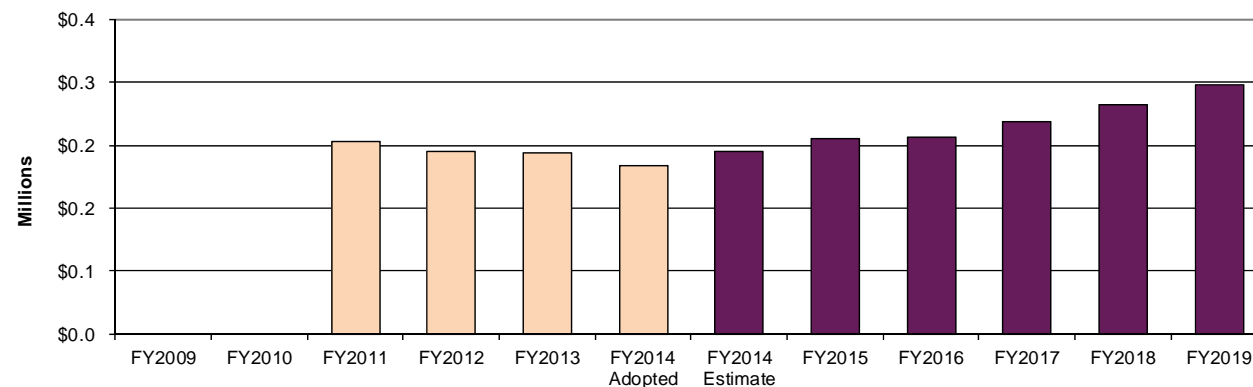
The fee is 2% of revenue earned by the water utility operated by the city of Surprise and is paid in lieu of a franchise fee charged to a franchised utility operating in the city. This fee was initiated in FY2010. About one-third of all water customers are served by the city of Surprise. This source is transferred from the water operations fund to the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	0	0	228,525	216,818	216,155	200,400

Forecast Assumptions

The current year estimate is based on year-to-date trends and reflect rate increases submitted to City Council for consideration for the next five years. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate inflation.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	216,600	233,400	233,600	252,900	273,700	296,300



CITY OF SURPRISE SANITATION HAULER'S LICENSE

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
24,000	26,000	2,000	8%

Description

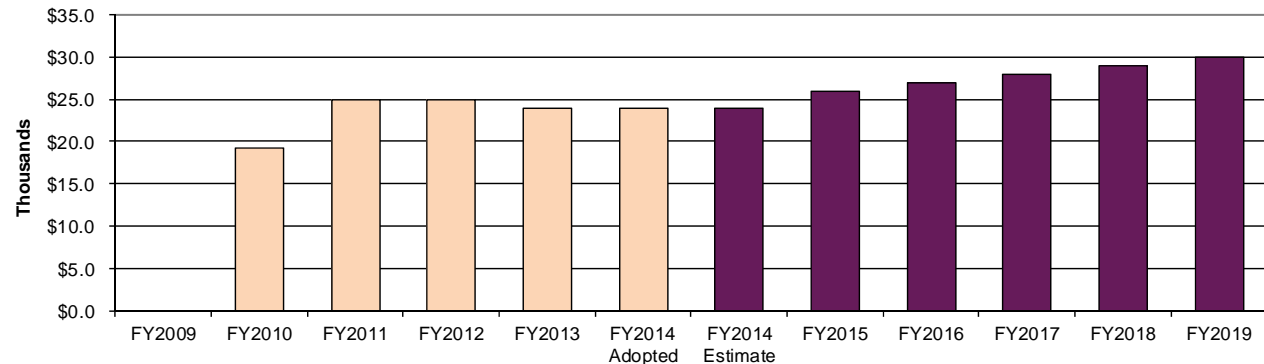
This source reflects the sanitation hauler's licenses charged per vehicle to city of Surprise sanitation operations. This source is transferred from the sanitation operations fund to the general fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	0	19,250	25,000	25,000	24,000	24,000

Forecast Assumptions

The city plans to add two vehicles to its sanitation fleet for FY2015. Nominal growth is expected thereafter.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	24,000	26,000	27,000	28,000	29,000	30,000



HIGHWAY USERS REVENUE FUND (HURF)

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
6,677,400	6,688,400	11,000	0%

Description

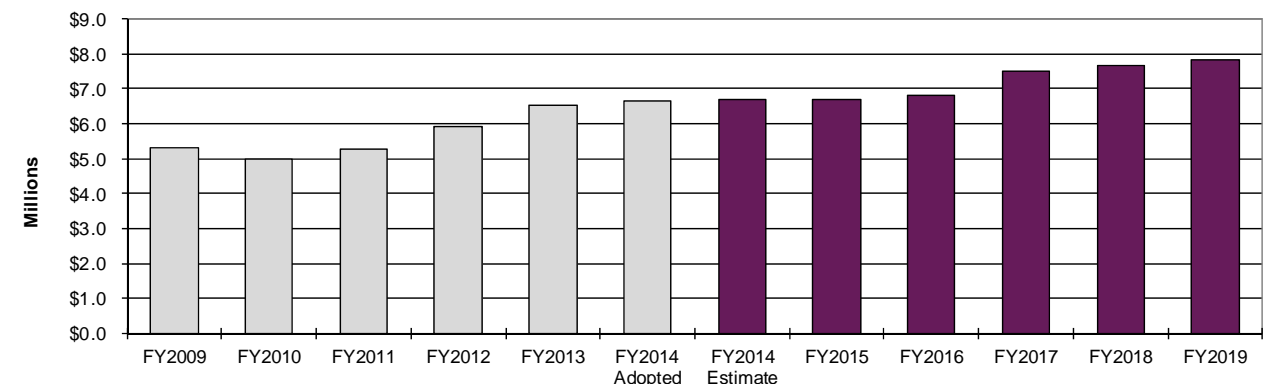
State shared revenues are distributed to cities and towns based generally on the population at the last census or special census. Included in this category is the Highway Users Revenue Fund (HURF). This revenue source consists of state taxes collected on gasoline, vehicle licenses, and a number of other additional transportation related fees. These funds must be used for street and highway purposes. These revenues are recorded in the city's HURF.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	5,295,936	4,984,457	5,275,645	5,906,800	6,507,830	6,629,100

Forecast Assumptions

The current year estimate is based on year-to-date trends while the next year forecast is based on year-over-year percent increase data from the League of Arizona Cities and Towns. The forecast for future years is based on population and revenue per capita. The 2010 census resulted in increased revenues beginning in FY2012 as the city share of total population increased. The city expects to experience another census-based increase starting in FY2017 as the city of Surprise grows at a faster rate than other cities receiving shared revenue.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	6,677,400	6,688,400	6,822,200	7,510,100	7,660,300	7,813,500



REVENUE AND SOURCES

Revenue Forecast Detail



ARIZONA LOTTERY FUND (ALF) / LOCAL TRANSPORTATION ASSISTANCE FUND (LTAF)

FY2014 Estimate	FY2015 Forecast	\$ Inc/(Dec)	% Inc/(Dec)
357,100	350,000	(7,100)	(2%)

Description

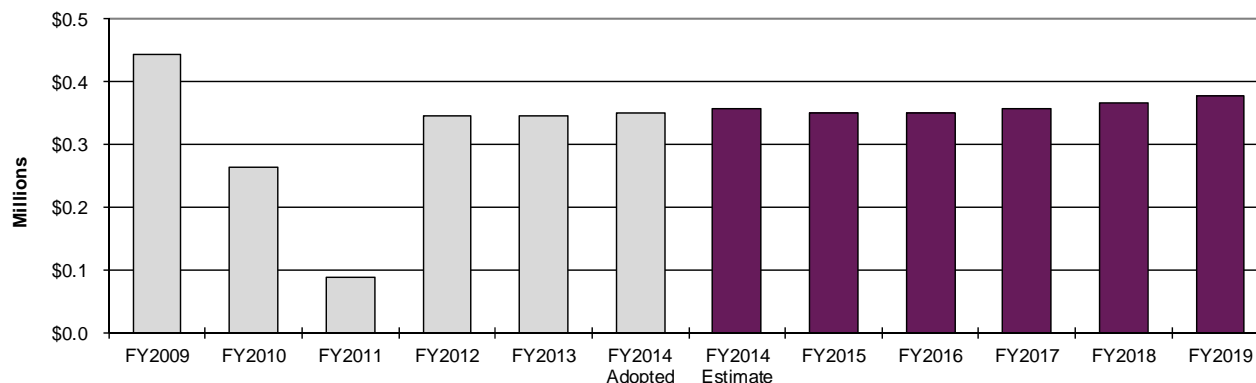
The source of this funding is the Arizona State Lottery and is received from disbursements from the local transportation assistance II fund (LTAF II) and are restricted to transit uses. The fund name was changed at the state level to the Arizona Lottery Fund (ALF) in FY2014. These revenues have been recorded in a variety of funds depending on use: FY2009 - transit fund, FY2010 - transit and transportation improvement fund, FY2011 - general fund, FY2012 through FY2012 - LTAF II fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	443,564	262,631	87,905	344,813	345,576	350,000

Forecast Assumptions

In February 2010, the distribution of these funds to the cities was discontinued by the state legislature. This was reversed by the U.S. District Court in 2011, and the city received a distribution in March 2011 for lottery earnings collected from July 2009 to February 2010. Estimates for this fund are based on historical actuals are unknown until the time of distribution.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	357,100	350,000	350,500	357,500	366,400	377,400



WASTEWATER SERVICE FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
15,897,500	16,083,100	185,600	1%

Description

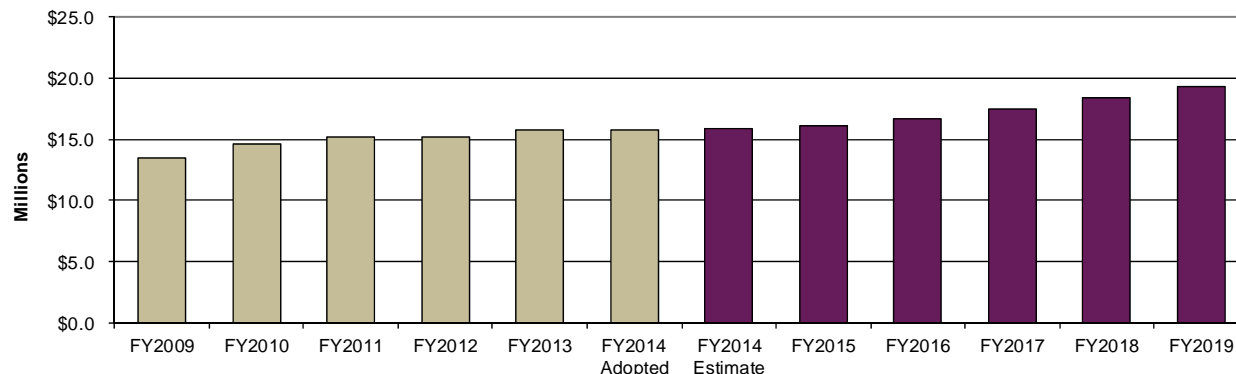
This source reflects the user charges collected from users of the city of Surprise wastewater service. The city is the only wastewater service provider. These revenues are recorded in the wastewater service fee fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	13,519,397	14,628,974	15,196,067	15,196,544	15,766,128	15,713,500

Forecast Assumptions

The wastewater service fee forecast is based on estimates of residential customer monthly bills and commercial customer gallons. The monthly service rate for FY2010 through FY2014 were based on a rate increase adopted by the Mayor and City Council effective January 1, 2010. Increases beginning in FY2015 reflect customer forecasts based on current rate (no increase for FY2015) as adopted by Mayor and Council along with the FY2015 budget.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	15,897,500	16,083,100	16,687,100	17,478,600	18,355,000	19,254,400



WATER DEVELOPMENT FEE

FY2014	FY2015	\$	%
Estimate	Adopted	Inc/(Dec)	Inc/(Dec)
3,895,500	2,464,200	(1,431,300)	(37%)

Description

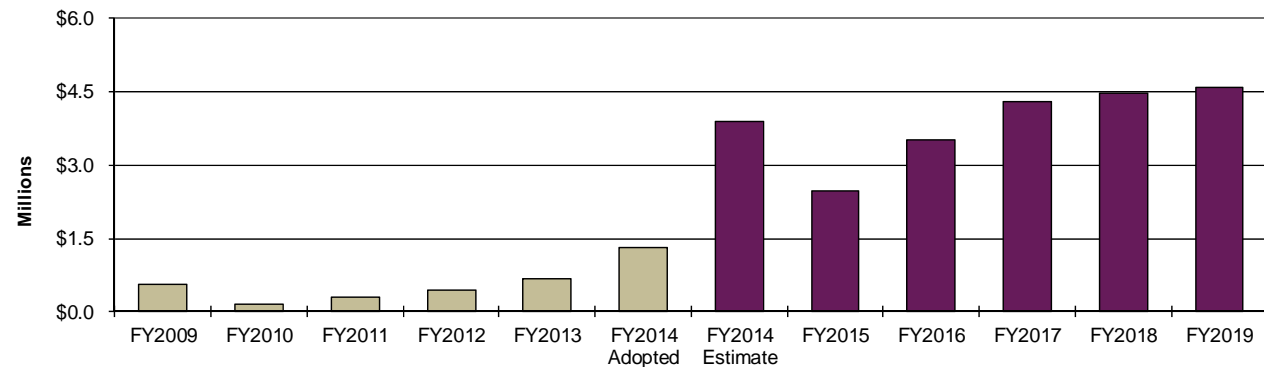
This source reflects one-time impact fees (effective 8/1/2014 per resolution #2014-59) charged to developers to recover costs associated with providing water related facilities and services to the community. This revenue is collected specifically to fund growth related projects and activities. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. These revenues are recorded in the water development impact fee funds.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected - SPA 1	560,195	(2,558)	310,527	430,672	661,087	1,320,800
Revenue Collected - SPA 2	0	165,836	0	4,993	0	0

Forecast Assumptions

The revenue forecast for future years was prepared by the third party consultant who prepared the 2014 development impact fee study calculated to recover the costs of growth related infrastructure improvements. Future year forecasts are based on established fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue - SPA 1	3,895,500	2,285,000	3,171,600	3,702,800	3,911,300	3,497,000
Projected Revenue - SPA 2	0	179,200	342,000	594,800	570,400	1,086,500



WATER REPLENISHMENT DEVELOPMENT FEE

FY2014	FY2015	\$	%
Estimate	Adopted	Inc/(Dec)	Inc/(Dec)
2,085,300	1,272,800	(812,500)	(39%)

Description

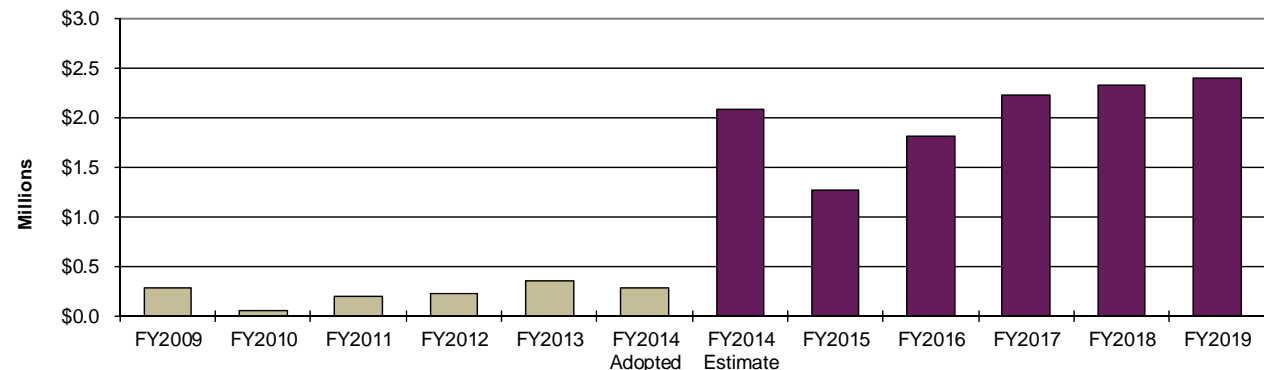
This source reflects one-time impact fees (effective 8/1/2014 per resolution #2014-59) charged to developers to recover costs associated with providing water replenishment related facilities and services to the community. This revenue is collected specifically to fund growth related projects and activities. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. These revenues are recorded in the water replenishment development impact fee funds.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected - SPA 1	228,287	46,966	166,877	232,694	355,720	290,000
Revenue Collected - SPA 2	55,559	21,140	39,457	3,039	0	0

Forecast Assumptions

The revenue forecast for future years was prepared by the third party consultant who prepared the 2014 development impact fee study calculated to recover the costs of growth related infrastructure improvements. Future year forecasts are based on established fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue - SPA 1	2,085,300	1,171,500	1,626,100	1,898,400	2,005,300	1,792,900
Projected Revenue - SPA 2	0	101,300	193,400	336,300	322,600	614,400



REVENUE AND SOURCES

Revenue Forecast Detail



WASTEWATER SERVICE FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
15,897,500	16,083,100	185,600	1%

Description

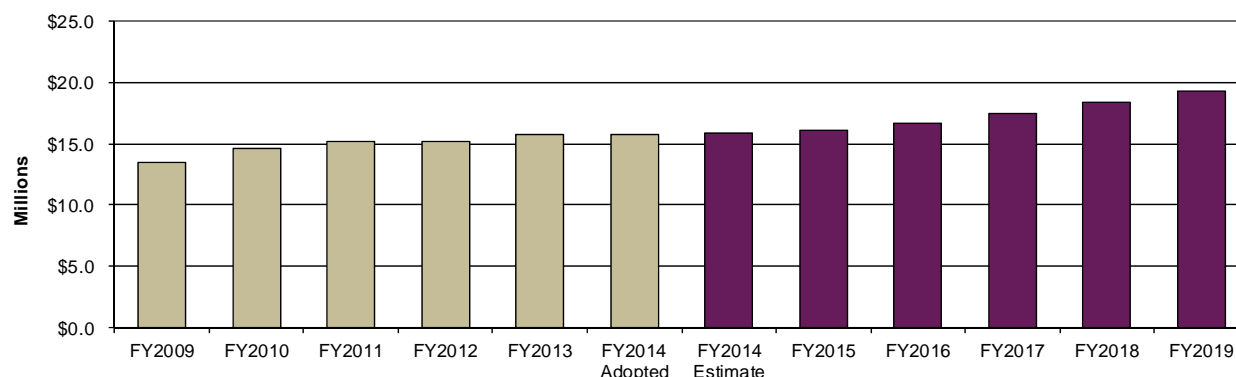
This source reflects the user charges collected from users of the city of Surprise wastewater service. The city is the only wastewater service provider. These revenues are recorded in the wastewater service fee fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	13,519,397	14,628,974	15,196,067	15,196,544	15,766,128	15,713,500

Forecast Assumptions

The wastewater service fee forecast is based on estimates of residential customer monthly bills and commercial customer gallons. The monthly service rate for FY2010 through FY2014 were based on a rate increase adopted by the Mayor and City Council effective January 1, 2010. Increases beginning in FY2015 reflect customer forecasts based on current rate (no increase for FY2015) as adopted by Mayor and Council along with the FY2015 budget.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	15,897,500	16,083,100	16,687,100	17,478,600	18,355,000	19,254,400



WASTEWATER DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
3,941,600	5,445,300	1,503,700	38%

Description

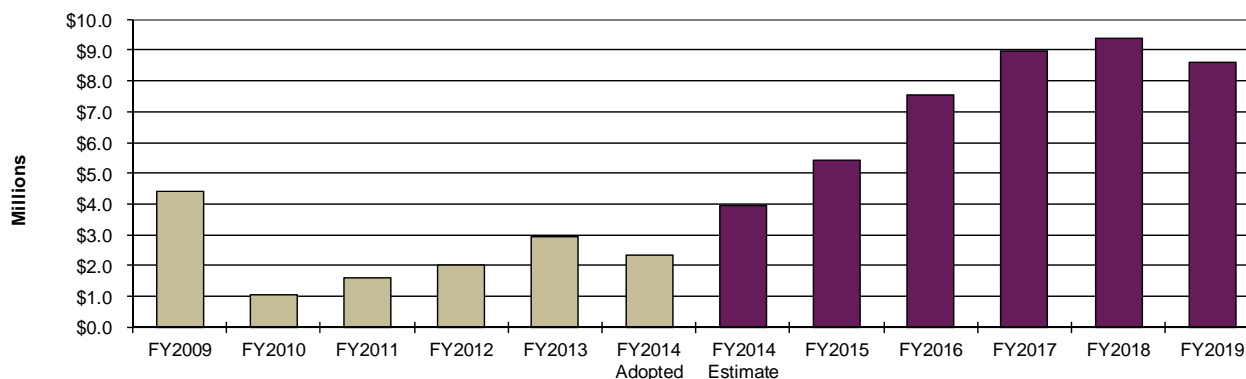
This source reflects one-time impact fees (effective 8/1/2014 per resolution #2014-59) charged to developers to recover costs associated with providing wastewater related facilities and services to the community. This revenue is collected specifically to fund growth related projects and activities. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. Revenues are recorded in the wastewater development impact fee funds.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected - SPA 1	2,214,531	936,196	1,584,437	2,034,194	2,932,749	2,352,700
Revenue Collected - SPA 2	2,200,870	128,459	0	(3,713)	0	0

Forecast Assumptions

The revenue forecast for future years was prepared by the third party consultant who prepared the 2014 development impact fee study calculated to recover the costs of growth related infrastructure improvements. Future year forecasts are based on established fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue - SPA 1	3,941,600	5,403,700	7,472,700	8,729,100	9,247,800	8,316,200
Projected Revenue - SPA 2	0	41,600	53,100	243,700	132,400	300,000



SANITATION SERVICE FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
6,563,100	6,690,000	126,900	2%

Description

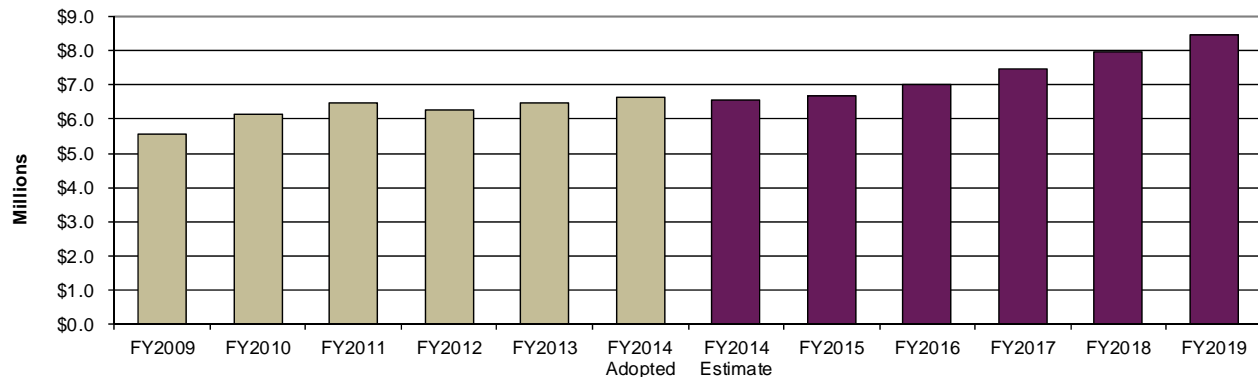
This source reflects the user charges collected from users of the city of Surprise sanitation service. Revenues are recorded in the sanitation service fee fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	5,549,225	6,134,835	6,479,386	6,267,774	6,480,232	6,644,200

Forecast Assumptions

The sanitation service fee forecast is based on estimates of residential customer monthly bills. Also included is an estimate of recycling revenue based on FY2010 year-to-date trends. The monthly service rate for FY2010 through FY2014 were based on a rate increase adopted by the Mayor and City Council effective January 1, 2010. Increases beginning in FY2015 reflect customer forecasts and future rate increases adopted by Mayor and Council along with the FY2015 budget.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	6,563,100	6,690,000	7,029,900	7,475,200	7,968,500	8,474,500



GENERAL GOVERNMENT DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
324,900	795,700	470,800	145%

Description

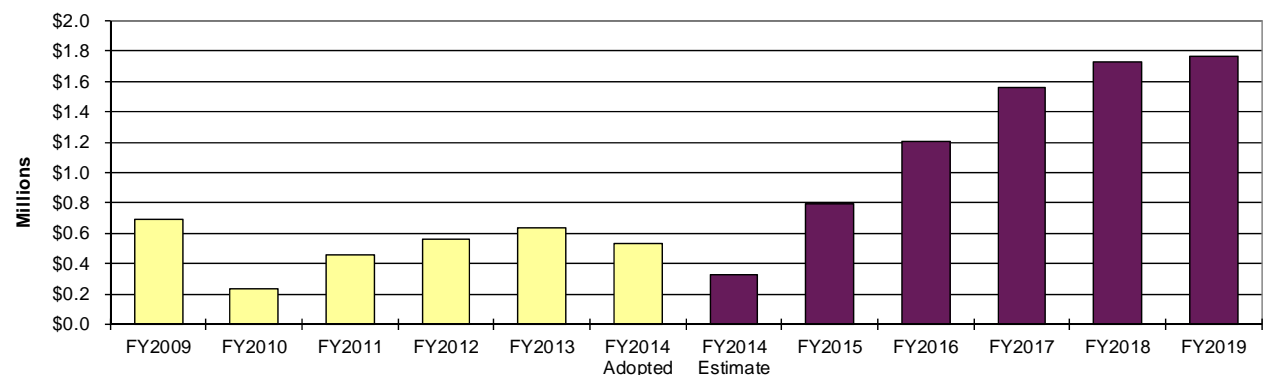
This source reflects one-time impact fees charged to developers for the increased cost associated with general government activities due to growth. The fees are effective as of 1/1/2012 per resolution #2011-149 and permitted to continue per resolution #2014-59 to repay debt pledged with DIF revenue prior to July 1, 2011. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. Revenue is recorded in the general government development impact fee fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	688,951	235,747	455,045	140,644	0	0
Revenue Collected - 2012 Impact Fee	0	0	0	417,199	633,619	528,800

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. This source, which previously decreased due to the recessionary economy and reduced construction activity, is now showing signs of recovery as construction activity resumes. Future year forecasts are based on average fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	324,900	795,700	1,207,600	1,564,500	1,726,500	1,770,100



REVENUE AND SOURCES

Revenue Forecast Detail



POLICE DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
214,000	482,800	268,800	126%

Description

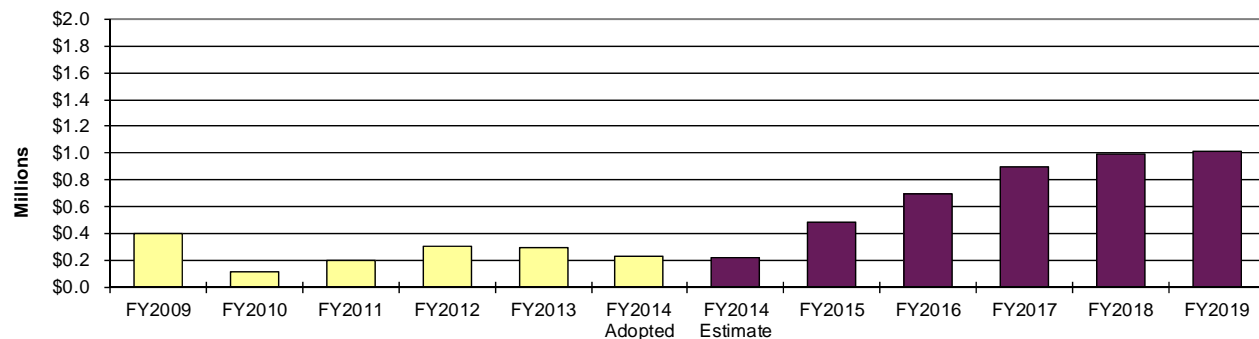
This source reflects one-time impact fees charged to developers for the increased cost associated with providing police facilities and services due to growth. The fees are effective as of 1/1/2012 per resolution #2011-149 and permitted to continue per resolution #2014-59 to repay debt pledged with the DIF revenue prior to July 1, 2011. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. Revenues are recorded in the police development impact fee fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	395,950	112,634	198,945	61,726	28	0
Revenue Collected - 2012 Impact Fee	0	0	0	244,804	296,692	227,800

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. This source, which previously decreased due to the recessionary economy and reduced construction activity, is now showing signs of recovery as construction activity resumes. Future year forecasts are based on average fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	214,000	482,800	700,200	900,500	991,400	1,015,900



PARKS AND RECREATION DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
290,500	836,000	545,500	188%

Description

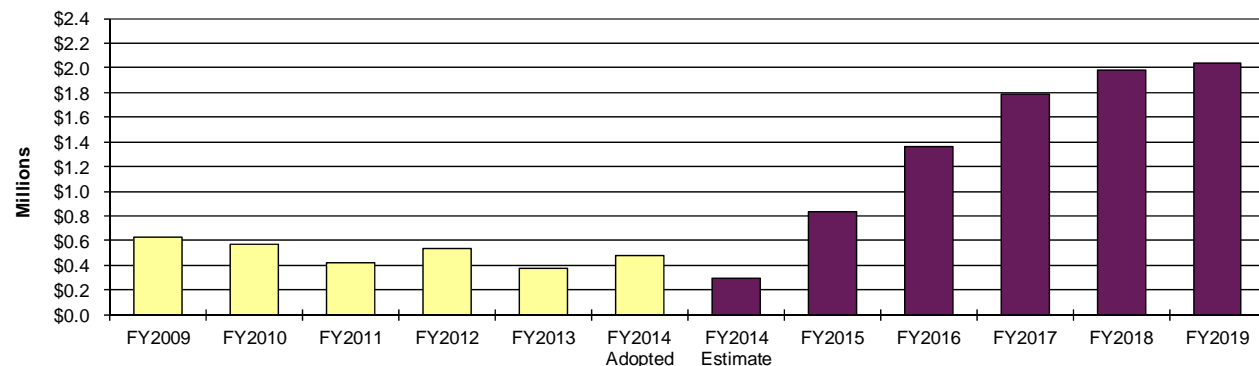
This source reflects one-time impact fees charged to developers for the increased cost associated with providing parks and recreation facilities and services due to growth. The fees are effective as of 1/1/2012 per resolution #2011-149 and permitted to continue per resolution #2014-59 to repay debt pledged with the DIF revenue prior to 7/1/2011. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. Revenue is recorded in the parks and recreation DIF fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	627,627	573,541	418,690	195,493	0	0
Revenue Collected - 2012 Impact Fee	0	0	0	335,675	372,028	482,000

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. This source, which previously decreased due to the recessionary economy and reduced construction activity, is now showing signs of recovery as construction activity resumes. Future year forecasts are based on average fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	290,500	836,000	1,366,700	1,790,600	1,982,900	2,034,700



PUBLIC WORKS DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
110,500	0	(110,500)	(100%)

Description

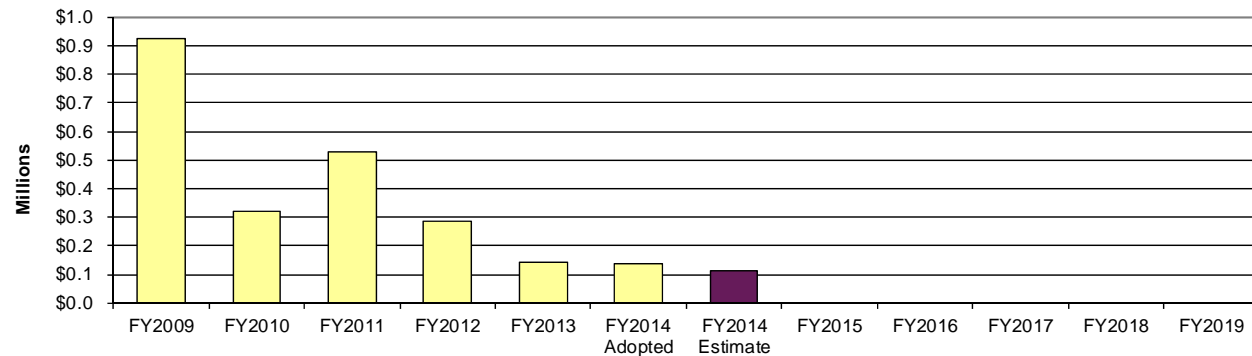
This source reflected one-time impact fees charged to developers for the increased cost associated with providing public works facilities and services due to growth. The fees were effective as of 1/1/2012 per resolution #2011-149 but have been discontinued after FY2014.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	926,136	318,452	528,549	173,480	(109)	0
Revenue Collected - 2012 Impact Fee	0	0	0	111,579	144,730	137,800

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	110,500	0	0	0	0	0



FIRE AND EMS DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
353,000	1,736,900	1,383,900	392%

Description

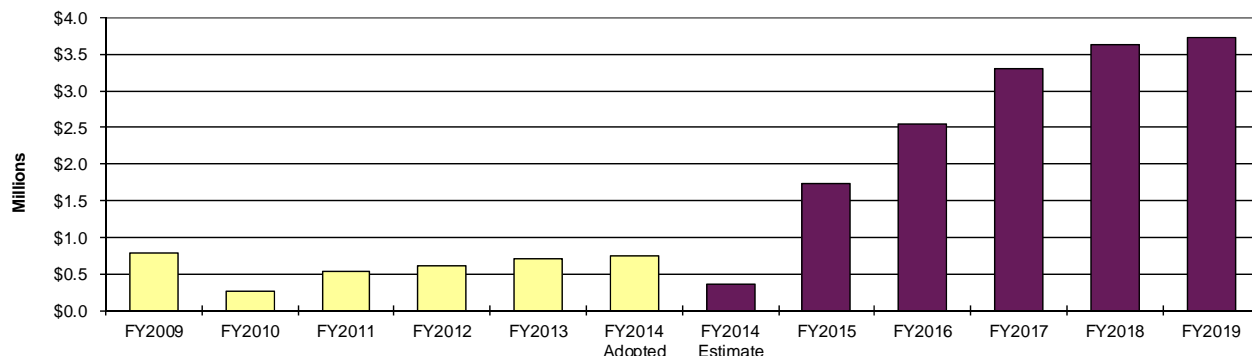
This source reflects one-time impact fees charged to developers for the increased cost associated with fire and emergency facilities and services due to growth. FY2012 fees are effective as of 1/1/2012 per resolution #2011-149 and permitted to continue per resolution #2014-59 to repay debt pledged with DIF revenue prior to July 1, 2011. FY2014 fees are effective 8/1/2014 per resolution #2014-59. Authorized under A.R.S. §9-463.05 and city ordinance §109-48. These revenues are recorded in the fire and EMS development impact fee funds.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	787,923	259,683	539,652	165,214	0	0
Revenue Collected - 2012 Impact Fee	0	0	0	453,467	706,495	754,100

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service. This source, which previously decreased due to the recessionary economy and reduced construction activity, is now showing signs of recovery as construction activity resumes. Future year forecasts are based on average fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study. Increases in this source for FY2015 also reflect the addition of the new fees associated with two fire stations included in the IIP.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue - 2012 Impact Fee	353,000	845,100	1,267,400	1,638,900	1,807,500	1,852,900
Projected Revenue - 2014 Impact Fee	0	891,800	1,287,700	1,654,900	1,821,500	1,866,400



REVENUE AND SOURCES

Revenue Forecast Detail

LIBRARY DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
49,200	0	(49,200)	(100%)

Description

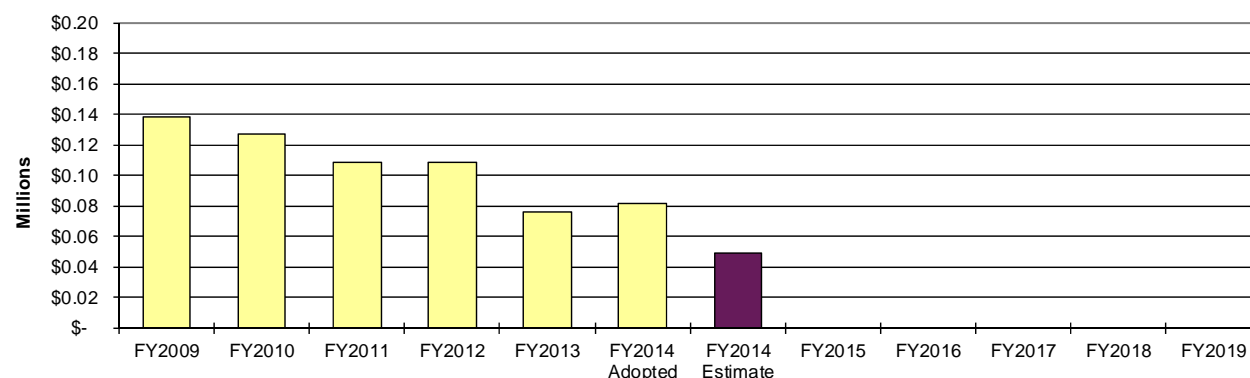
This source reflected one-time impact fees charged to developers for the increased cost associated with providing library facilities and services due to growth. The fees were effective as of 1/1/2012 per resolution #2011-149 but have been discontinued after FY2014.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	138,504	127,564	109,001	45,912	0	0
Revenue Collected - 2012 Impact Fee	0	0	0	62,391	76,071	81,700

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	49,200	0	0	0	0	0



ROADS OF REGIONAL SIGNIFICANCE DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
205,800	0	(205,800)	(100%)

Description

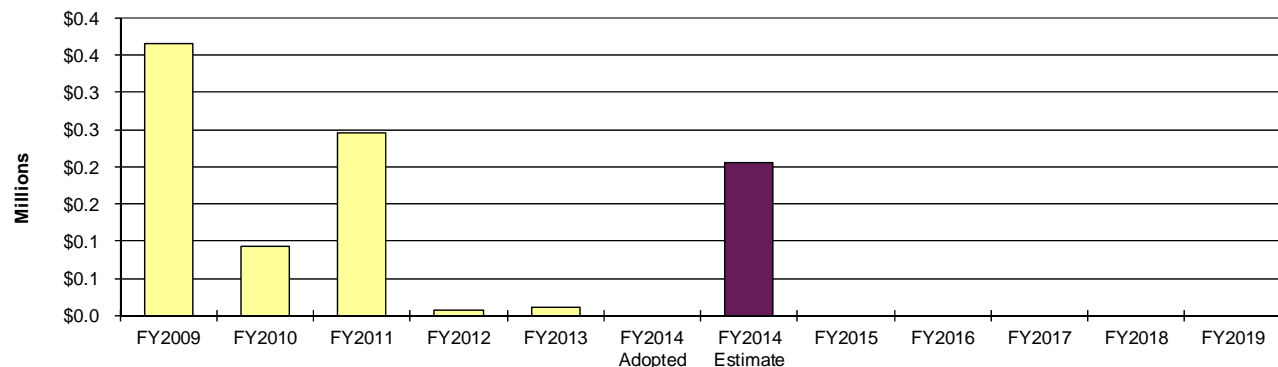
This source reflected one-time impact fees charged to developers to recover costs associated with roads of regional significance. This revenue is collected specifically to fund growth related projects and activities. The fees were effective as of 1/1/2012 per resolution #2011-149 but have been discontinued after FY2014. These fees were authorized under A.R.S. §9-463.05 and city ordinance §109-48.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected - SPA 2, 4, 6	359,499	91,440	241,971	2,641	5,715	0
Revenue Collected - SPA 3, 5	5,396	2,219	2,992	5,066	5,396	0

Forecast Assumptions

The current year estimate is based on year-to-date trends and an estimate of the number of single family residential permits completed and valuation of non-single family residential permits completed. Non-single family residential permits include multi-family, office/institution, and commercial/customer service.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue - SPA 2, 4, 6	205,800	0	0	0	0	0
Projected Revenue - SPA 3, 5	0	0	0	0	0	0



163RD AVENUE ROADWAY DEVELOPMENT FEE

FY2014 Estimate	FY2015 Adopted	\$ Inc/(Dec)	% Inc/(Dec)
0	19,800	19,800	-

Description

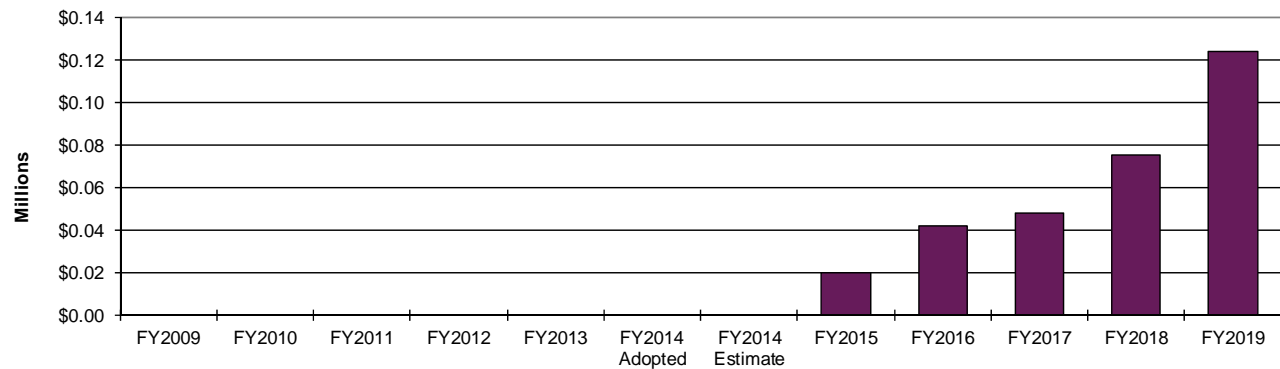
This source reflects one-time impact fees (effective 8/1/2014 per resolution #2014-59) charged to developers to recover costs associated with 163rd Avenue Roadway construction. This revenue is collected specifically to fund growth related projects and activities. This fee was initiated in FY2015 and is authorized under A.R.S. §9-463.05 and city ordinance §109-48. These revenues are recorded in the 163rd avenue roadway development impact fee fund.

Actuals	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 Adopted
Revenue Collected	0	0	0	0	0	0

Forecast Assumptions

This development fee category was initiated in FY2015. Forecasts are based on average fee rates with conservative permit estimates prepared by Elliot D. Pollack and Co. in the City of Surprise Economic Conditions Report dated March 2012 and rates adopted under the fee study.

Forecast	FY2014 Estimate	FY2015	FY2016	FY2017	FY2018	FY2019
Projected Revenue	0	19,800	41,600	47,700	75,500	124,000



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Expenditures and Uses

- General Fund Expenditure Summary
- Uses by Category
- Uses by Department
- Uses by Category and Object
- Uses by Department and Category

GENERAL FUND EXPENDITURES

General Fund Operating Expenses

Operating expenses are those used to provide core government services (e.g. police, fire, library, parks, etc.) and recorded in the general fund. The general fund is the primary operating fund of the city and is used to account for all financial uses not accounted for in the other funds.

Overview

The general fund operating expense and uses forecast for fiscal year (FY) 2015 is \$105.9 million, an increase of \$25.3 million (\$14.4 million excluding contingency) or 31.4% (18.1% excluding contingency) over the FY2014 adopted budget. An increase in personnel costs and a larger contingency account for \$19.5 million of the increase. Personnel increases were the result of adding 32 FTE as well as step plan, compensation/classification, cost of living, and merit increases for existing staff. Total uses within the general fund are categorized into six major groups:

1. Personnel
2. Services
3. Supplies
4. Operating Capital
5. Contingency
6. Transfers Out

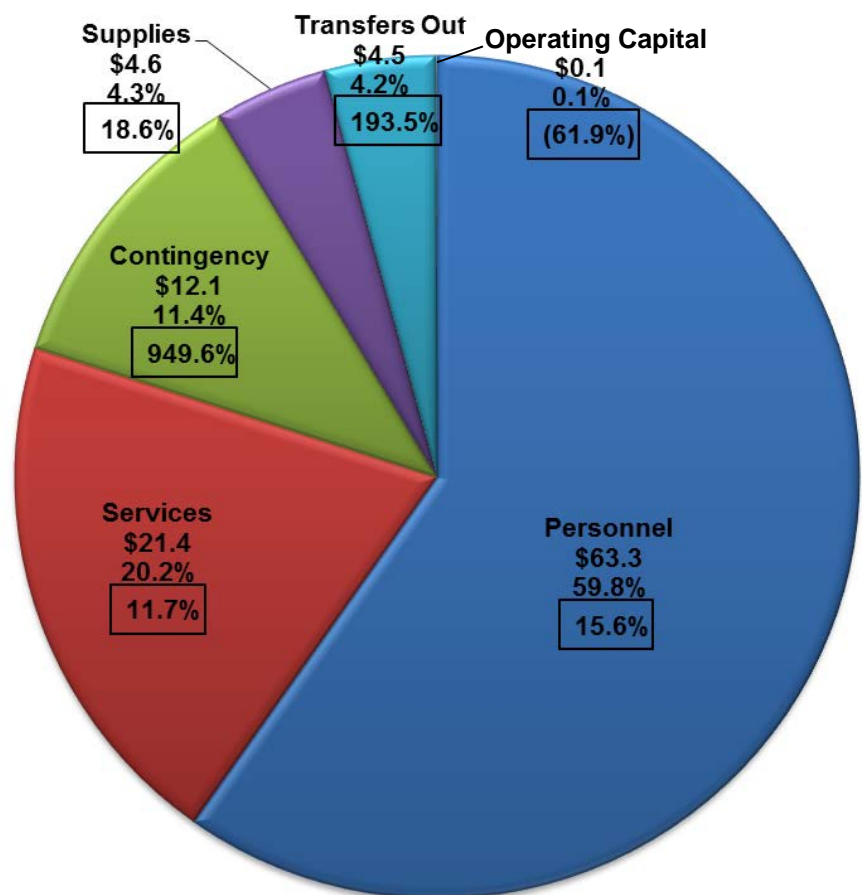
The graph to the right depicts the general fund uses (\$ in millions), percentage of the total general fund use, and percent increase over the FY2014 adopted budget (boxed) for each of the six categories.

Personnel

For FY2015 general fund personnel expenses of \$63.3 million increase 15.6% over the FY2014 adopted budget. This increase is primarily due to the addition of 32 new FTE and step plan, compensation/classification, cost of living, and merit adjustments for existing staff. The increase in staff is to maintain current service levels of the city while the compensation adjustments assist in retaining high quality employees. The city has lost 11%, or 71 FTE, since FY2008. City employees saw no merit or COLA increases in FY2008 and FY2009, while dealing with increased healthcare premiums in FY2009, FY2010, FY2013, FY2014, and FY2015.

Services

As the economy continues to recover, the city anticipates increases for services. The total change from FY2014 budget is \$2.2 million or 11.7% increase for total service budget of \$21.4 million. The biggest increase relates to the developer agreements and professional services the city utilizes to maintain service levels (i.e. operating libraries) (\$1.6 million). The remaining increases include travel, training, and education expenses (\$223,300), and utilities expenses (\$188,000). Each departmental section contains additional details about these changes. Note that for the FY2015 budget document, Services includes development agreements.



EXPENDITURES AND USES

General Fund Expense Summary



Supplies

For FY2015, the city is anticipating an increase of \$721,600 for a total of \$4.6 million. The increase is due to the city assuming control of Asante Park for a full fiscal year and other operational increases.

Operating Capital

Operating capital represents the smallest portion of general fund uses at \$54,800. A majority of the FY2014 adopted capital budget were one-time expenses resulting in a 61.9% decrease in the year over year budget.

Contingency

The general fund contingency was programmed to provide statutory expenditure authority in case a need arises to spend fund balance in excess of the two-month operating reserve required by policy. Of the \$12 million, \$70,000 is dedicated to a grant match contingency, \$1 million to economic development, \$11 million to expenditure authority for Council identified needs. The city does not anticipate spending the remaining \$11 million in FY2015. Per the city's Comprehensive Financial Management Policies, # 24, "All uses of budgetary contingency accounts must be approved by City Council prior to being expended."

Transfers Out

Scheduled transfers out of the general fund increase in FY2015 by \$3.0 million. In addition to a continuing transfer out for debt payments, there will be one-time transfers of \$2.0 million to the general capital fund and \$1.0 million to the vehicle replacement fund.

Major Operating Expense Accounts

The following reports present various summaries of the major expense accounts with prior year and budgeted expense for the general fund and most other funds.

EXPENDITURES AND USES Uses by Category

Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Personnel	63,976,538	61,271,037	66,289,400	75,932,300	9,642,900	15%
Supplies	9,094,233	8,854,896	9,288,900	11,342,300	2,053,400	22%
Services	38,227,286	43,203,879	47,869,300	57,897,500	10,028,200	21%
Operating Capital	9,793,795	10,483,079	5,155,200	7,672,200	2,517,000	49%
Capital	6,408,905	3,296,637	19,822,500	33,287,000	13,464,500	68%
Debt	6,235,470	6,046,219	12,572,700	14,800,300	2,227,600	18%
Contingency	0	0	44,976,900	110,685,300	65,708,400	146%
Transfer Out	14,722,103	12,710,795	17,737,900	23,022,800	5,284,900	30%
Total	148,458,330	145,866,542	223,712,800	334,639,700	110,926,900	50%

EXPENDITURES AND USES

Uses by Department



Departments	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
111 - City Council	397,772	401,057	432,300	404,300	(28,000)	(6%)
121 - City Manager	745,934	1,646,620	2,193,400	9,286,200	7,092,800	323%
122 - Intergovt Relations	258,008	0	0	0	0	-
131 - Legal	1,651,924	1,752,571	1,851,600	2,572,700	721,100	39%
141 - City Clerk	650,686	382,401	669,800	504,600	(165,200)	(25%)
142 - Finance	3,177,369	3,401,898	3,099,500	4,224,500	1,125,000	36%
143 - Human Resources	9,674,412	10,907,926	16,734,100	17,156,700	422,600	3%
144 - Information Technology	3,599,316	3,885,941	5,224,100	6,041,700	817,600	16%
145 - Public Information	761,820	0	0	0	0	-
191 - General Operations	9,800,488	9,555,065	25,228,100	63,174,700	37,946,600	150%
242 - Community Development	7,767,630	7,878,670	10,069,700	6,178,100	(3,891,600)	(39%)
331 - City Court	2,147,930	2,018,538	2,599,400	2,499,200	(100,200)	(4%)
341 - Police	19,927,090	19,893,045	23,313,500	27,228,400	3,914,900	17%
342 - Emergency Services (fire)	15,578,113	15,353,172	16,332,800	20,191,300	3,858,500	24%
444 - Parks & Recreation	14,219,709	14,230,903	25,581,200	31,850,700	6,269,500	25%
445 - Arts Commission	128,323	0	0	0	0	-
600 - Public Works	57,298,162	53,881,241	89,708,700	142,627,700	52,919,000	59%
791 - Debt Service	673,645	677,495	674,600	698,900	24,300	4%
Total	148,458,330	145,866,542	223,712,800	334,639,700	110,926,900	50%

EXPENDITURES AND USES

Uses by Category and Object

Category/Object	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Personnel						
36111 Full-Time Salaries	38,415,033	35,443,514	42,645,900	48,877,000	6,231,100	15%
36112 Part-Time Employees (Reg)	1,609,500	1,470,506	1,497,700	1,777,200	279,500	19%
36113 Overtime Compensation	1,520,794	1,430,318	1,767,100	2,059,700	292,600	17%
36114 Fair Labor Act Ot Compliance	470,843	500,544	590,600	681,600	91,000	15%
36115 Holidays (Reg)	1,504,123	1,520,166	886,900	1,112,600	225,700	25%
36116 Paid Time Off	4,050,554	4,443,381	0	0	0	-
36118 City Council	156,783	154,787	158,900	160,600	1,700	1%
36119 Shift Differential	0	0	37,200	112,200	75,000	202%
36131 Full Time Salaries	21,238	0	0	0	0	-
36132 Part-Time Employees (Temp)	0	13,252	0	49,100	0	-
36151 Stipend	183,814	155,679	161,800	150,000	(11,800)	(7%)
36152 Uniform Allowance	250,926	298,264	325,200	328,900	3,700	1%
36153 Vehicle Allowance	4,200	4,375	1,500	4,200	2,700	180%
36157 Payroll Payable Due	0	0	0	0	0	-
36158 Housing Allowance	0	0	0	0	0	-
36211 FICA	2,951,338	2,750,408	3,016,000	3,456,900	440,900	15%
36231 Medical	6,212,144	6,166,562	7,233,500	7,967,800	734,300	10%
36232 Dental	392,785	397,246	435,600	472,700	37,100	9%
36233 Vision	67,063	62,247	67,700	69,500	1,800	3%
36234 Life	169,796	177,665	188,900	215,200	26,300	14%
36235 Short Term Disability	0	0	0	0	0	-
36251 Deferred	32,339	40,198	32,800	34,100	1,300	4%
36252 AZ State Retirement	2,833,729	2,790,926	3,312,100	3,764,300	452,200	14%
36253 AZ Public Safety Retirement	2,123,416	2,457,475	2,867,000	3,515,900	648,900	23%
36255 Post Emp. Health Plan	9,445	17,395	0	0	0	-
36256 457 & 401A Contribution & Match	60,811	53,591	0	0	0	-
36257 AZ Elected Officials Retirement	51,894	56,498	65,500	66,400	900	1%
36259 Other Retirement	2,743	0	0	0	0	-
36261 Retire Alt. Contr. Rate Psprs	61,550	74,960	0	0	0	-
36278 Workers Compensations	867,950	872,677	944,700	1,066,800	122,100	13%
36279 Other Compensation	0	0	0	0	0	-
36999 Labor Dist. Inter-Department	(2,506)	(675)	52,800	(10,400)	(63,200)	(120%)
Personnel Subtotal	64,022,304	61,351,959	66,289,400	75,932,300	9,642,900	15%
Supplies						
37111 Office Supplies	132,595	120,268	141,000	137,700	(3,300)	(2%)
37112 Computer Supplies	210,676	166,866	159,600	172,800	13,200	8%
37113 Postage	0	193	800	200	(600)	(75%)
37114 Books & Subscriptions	49,119	37,855	72,700	74,700	2,000	3%
37131 Uniforms	146,034	72,462	93,700	117,600	23,900	26%
37132 Clothing	0	102	500	500	0	0%
37133 Personal Protective Equipment	0	54,148	85,800	117,200	31,400	37%
37141 Radio Supplies	47,096	59,802	19,200	26,900	7,700	40%
37142 Phone Supplies	14,740	10,636	8,300	8,500	200	2%
37151 Ammunition	36,612	24,513	49,700	59,000	9,300	19%

EXPENDITURES AND USES

Uses by Category and Object



Category/Object	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Supplies						
37152 Weapons	13,339	7,042	3,500	12,000	8,500	243%
37153 Canine	3,103	2,940	3,800	3,800	0	0%
37154 Investigation Supplies	9,519	5,183	6,000	6,000	0	0%
37161 Operational Supplies	778,389	684,662	770,300	1,032,900	262,600	34%
37162 Furn/Fixture/Equip <\$10,000	910,702	289,308	626,800	1,029,600	402,800	64%
37163 Traffic Signal Supplies	106,766	128,674	88,800	88,800	0	0%
37164 Signs And Sign Supplies	214,529	224,511	255,700	351,500	95,800	37%
37165 Op Equip, Tool, Part <10000	1,013,339	1,065,654	1,513,400	2,677,600	1,164,200	77%
37171 Insurance	877,770	666,345	0	0	0	-
37172 Claim/Settlemt/Deductable	142,968	485,435	0	0	0	-
37173 Wellness	15,242	21,653	39,500	39,500	0	0%
37181 Purchases For Resale (COS)	375,591	370,749	321,500	106,800	(214,700)	(67%)
37191 Food (Non-Travel)	219,835	(252)	800	20,500	19,700	2,463%
37192 Awards & Recognition	116,790	122,133	134,600	146,100	11,500	9%
37193 Safety & First Aid Supplies	108,297	175,262	137,500	139,800	2,300	2%
37194 Community Relations Supplies	68,238	118,586	332,400	71,300	(261,100)	(79%)
37195 Special Event Hosting	0	208,365	173,300	249,200	75,900	44%
37196 Meeting Supplies	0	17,796	19,400	25,600	6,200	32%
37211 Gas & Fuel	1,557,361	1,484,057	1,374,100	1,522,800	148,700	11%
37212 Auto Parts & Lubricants	769,495	669,467	822,100	887,700	65,600	8%
37221 Repair And Maintenance	174,571	190,030	185,200	240,400	55,200	30%
37222 Cleaning/Janitorial	98,672	96,150	111,700	119,600	7,900	7%
37223 Agricultural/Grounds	442,177	383,839	397,800	555,000	157,200	40%
37232 Chemical Supplies	851,349	798,539	1,102,400	1,238,700	136,300	12%
37233 Street Repair Supplies	158,240	96,166	163,800	168,800	5,000	3%
37391 District 1-Expenditures	2,234	0	2,000	2,000	0	0%
37392 District 2-Expenditures	248	0	2,000	2,000	0	0%
37393 District 3-Expenditures	1,603	0	2,000	2,000	0	0%
37394 District 4-Expenditures	1,322	0	2,000	2,000	0	0%
37395 District 5-Expenditures	279	0	2,000	2,000	0	0%
37396 District 6-Expenditures	3,335	0	2,000	2,000	0	0%
37397 Mayor Expenditures	8,860	0	0	0	0	-
37398 Council Community Outreach	0	4,642	0	0	0	-
37992 Licenses/Permits	2,463	0	0	0	0	-
37996 Packaging Supplies	2,728	1,418	5,000	3,000	(2,000)	(40%)
37997 Training & Education Supplies	34,010	36,344	43,600	87,900	44,300	102%
37998 Photography Supplies	6,124	6,120	10,900	8,600	(2,300)	(21%)
37999 Miscellaneous Supplies	6,041	13,228	1,700	1,700	0	0%
Supplies Subtotal	9,732,401	8,920,890	9,288,900	11,562,300	2,273,400	24%
Services						
38111 Dist. 1-Travel & Training Fund	1,164	4,129	0	0	0	-
38112 Dist. 2-Travel & Training Fund	868	4,045	0	0	0	-
38113 Dist. 3-Travel & Training Fund	3,477	4,643	0	0	0	-
38114 Dist. 4-Travel & Training Fund	773	488	0	0	0	-

EXPENDITURES AND USES

Uses by Category and Object

Category/Object	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Services						
38115 Dist. 5-Travel & Training Fund	0	408	0	0	0	-
38116 Dist. 6-Travel & Training Fund	1,573	734	0	0	0	-
38117 Mayor Travel & Training Fund	8,578	15,714	0	0	0	-
38118 Election Expense	248,556	0	0	0	0	-
38119 Boards & Commissions	0	0	32,800	88,000	55,200	168%
38122 Financial Services	157,832	119,128	106,400	125,500	19,100	18%
38123 Taxes & Service Fees	314,185	187,956	123,500	184,300	60,800	49%
38124 Audit Services	195,729	134,089	152,000	132,600	(19,400)	(13%)
38125 Legal Services	109,980	43,701	120,000	620,000	500,000	417%
38126 Service Agreements	2,118,905	3,053,324	3,605,700	3,876,600	270,900	8%
38127 Economic Development	1,728,694	1,738,602	1,831,100	2,333,400	502,300	27%
38128 Recording, License Fees	109,052	111,902	119,600	127,900	8,300	7%
38129 Software Licenses	353,495	512,505	515,100	853,700	338,600	66%
38131 Collection Fees-Delinq. Accts	13	10	500	500	0	0%
38132 Entryfees/Applicationfees	0	41	0	0	0	-
38141 Animal Control Services	384	0	800	4,000	3,200	400%
38142 Jail Services	728,088	722,299	788,000	800,000	12,000	2%
38143 Public Defender	191,650	173,000	194,500	194,500	0	0%
38144 Court Reporters	236	578	1,000	1,000	0	0%
38145 Juries	3,205	2,430	3,000	6,000	3,000	100%
38146 Interpreters	6,584	7,327	10,100	10,100	0	0%
38147 Code Enforcement	33,787	27,188	50,000	50,000	0	0%
38149 Annual Fire Fighter Physicals	77,850	80,015	97,500	102,600	5,100	5%
38162 Landscape Services	670,809	694,879	865,300	1,520,800	655,500	76%
38181 Grants To Outside Agencies	0	0	10,000	15,000	5,000	50%
38183 Community Relations Services	258,634	33,812	72,600	66,600	(6,000)	(8%)
38184 Admissions	58,875	57,010	37,100	74,800	37,700	102%
38185 Council Community Outreach	0	0	50,000	50,000	0	0%
38186 Council Regional Outreach	0	0	10,000	0	(10,000)	(100%)
38191 Pre-Employment Services	65,580	61,367	49,000	394,800	345,800	706%
38192 Lab Services	159,948	123,483	153,600	164,600	11,000	7%
38193 Film Services	3,332	996	2,200	1,200	(1,000)	(45%)
38194 Real Property Services	19,760	16,905	16,000	16,000	0	0%
38195 Gis Services	28,785	28,245	30,000	30,000	0	0%
38196 Aerial Photography	44,890	5,919	6,000	33,500	27,500	458%
38197 Sporting Officials	0	216,508	240,300	327,000	86,700	36%
38198 Class Instructors	0	64,829	87,500	75,100	(12,400)	(14%)
38199 Professional & Outside Service	3,359,995	4,486,000	5,118,100	12,371,200	7,253,100	142%
38211 Water	1,448,329	1,348,897	1,733,400	1,037,900	(695,500)	(40%)
38212 Electricity	6,547,523	6,767,391	7,062,400	7,323,100	260,700	4%
38213 Propane/Natural Gas	79,071	83,910	128,800	121,200	(7,600)	(6%)
38214 Telephone Service	296,173	307,065	310,700	322,800	12,100	4%
38216 Sanitary/Landfill	1,127,489	1,178,208	1,186,900	1,205,100	18,200	2%
38217 Postage & Mailings	127,358	133,256	175,500	173,300	(2,200)	(1%)
38221 Cell Phone/Pagers	202,257	178,136	169,200	186,800	17,600	10%

EXPENDITURES AND USES

Uses by Category and Object



Category/Object	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Services						
38223 Cap Recharge Water	0	0	0	1,701,400	0	-
38311 Building Maintenance	583,969	353,772	551,600	501,500	(50,100)	(9%)
38312 Streets Maintenance	214,334	2,108,028	2,197,500	4,471,400	2,273,900	103%
38321 Radio Equip. Maint.	183,739	213,963	383,800	443,100	59,300	15%
38322 Computer Maintenance	36,719	51,261	126,300	128,200	1,900	2%
38323 Office Equipment Maint.	1,476	9,641	18,800	18,900	100	1%
38324 Machinery & Equipment Maint	525,993	1,088,287	586,400	1,304,900	718,500	123%
38331 Vehicle Maintenance	395,695	378,510	414,100	397,000	(17,100)	(4%)
38341 Traffic Signal R&M	170	0	15,000	15,000	0	0%
38351 Wells/Sewer/Lins/Etc.	454,494	407,058	549,100	1,024,100	475,000	87%
38361 Building Contractors	111,532	131,035	159,700	150,700	(9,000)	(6%)
38371 Janitorial Services	326,165	299,089	323,000	335,600	12,600	4%
38372 Pest Control Services	97,338	98,780	107,600	111,500	3,900	4%
38381 Grounds Maintenance	101,284	269,895	140,400	434,700	294,300	210%
38382 Parks Maintenance	51,741	46,443	47,700	62,800	15,100	32%
38391 Other	425	1,075	0	0	0	-
38411 Water Service Contract	1,307,782	1,338,964	1,330,000	289,000	(1,041,000)	(78%)
38412 Sewer Service Contract	456,679	530,560	520,000	662,000	142,000	27%
38413 Trash Collection Contract	362,115	418,662	410,000	501,000	91,000	22%
38511 Building & Structures Rental	29,822	31,945	51,500	53,400	1,900	4%
38521 Equipment Rental	527,558	429,333	507,500	480,200	(27,300)	(5%)
38591 Other Rentals/Leases	241,839	352,112	260,200	400,700	140,500	54%
38911 Unemployment Contribution	56,118	72,322	132,000	42,000	(90,000)	(68%)
38912 Risk Insurance Premium	1,448,626	1,600,000	1,600,000	1,600,000	0	0%
38913 Claim Settlement	5,857,315	7,187,782	8,061,400	8,836,800	775,400	10%
38914 Cobra Insurance	14,131	17,017	15,700	0	(15,700)	(100%)
38915 Medical Insurance Prem	803,942	832,936	927,800	1,056,500	128,700	14%
38916 Event General Insurance	0	1,000	3,300	3,400	100	3%
38917 General Insurance Admin	0	0	1,000,000	1,000,000	0	0%
38918 Limited Purpose Flex Spending	0	0	0	0	0	-
38919 FSA EE Claim Settlement	0	12,004	0	0	0	-
38921 Tuition Reimbursement	120,913	95,171	89,600	80,000	(9,600)	(11%)
38922 Travel & Training	339,628	269,672	402,600	517,000	114,400	28%
38924 Dues & Memberships	258,786	254,668	273,400	318,000	44,600	16%
38925 Federal Mileage Allowance	13,428	9,441	17,000	17,900	900	5%
38926 Employee Orientation	374	200	500	500	0	0%
38927 EE Certifications & Licensing	4,160	24,216	55,500	119,700	64,200	116%
38928 Council Travel & Training	0	0	46,000	46,000	0	0%
38931 Advertising	269,872	255,566	261,200	218,500	(42,700)	(16%)
38942 Radio Dispatch Service	520,372	555,600	615,400	615,400	0	0%
38951 Printing	176,896	159,687	279,800	256,100	(23,700)	(8%)
38991 Uniform/Laundry Services	62,463	52,535	59,700	56,300	(3,400)	(6%)
38993 User Fees	0	0	13,000	13,000	0	0%
38994 Developer Reimbursment	2,544,247	1,663,919	2,987,600	2,330,700	(656,900)	(22%)
38995 Other Refunds	0	67,829	0	0	0	-

EXPENDITURES AND USES

Uses by Category and Object

Category/Object	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Services						
38999 Other Professional Services	69,559	95,630	398,500	243,800	(154,700)	(39%)
Services Subtotal	39,465,166	44,516,680	51,206,400	65,880,200	14,673,800	29%
Capital						
39111 Land Purchases	19,833	159	628,100	358,700	(269,400)	(43%)
39112 Improvements To Land	4,900	0	0	1,906,200	0	-
39210 Building & Structures (Ye)	(3,256,469)	(584,107)	0	0	0	-
39211 Building & Structure Purchases	4,229,296	524,123	14,758,600	12,379,000	(2,379,600)	(16%)
39212 Improvements To Buildings	99,198	234,936	54,000	3,091,200	3,037,200	5,624%
39220 Streets/Infrastructure (Ye)	(201,915)	(23,373)	0	0	0	-
39221 Streets Purchases	0	0	67,500	0	(67,500)	(100%)
39222 Street Improvements	1,107,681	133,802	61,200	2,360,000	2,298,800	3,756%
39223 Infrastructure Purchases	0	82,332	0	2,250,000	0	-
39224 Infrastructure Improvements	102,109	0	15,000	2,486,800	2,471,800	16,479%
39310 Imp's Otr Than Bldgs/Land (Ye)	(575,387)	(933,202)	0	0	0	-
39311 Imp's Otr Than Bldg & Land	935,428	378,693	584,000	519,900	(64,100)	(11%)
39410 Furn/Fixtures/Office Equip(Ye)	(23,981)	(95,591)	0	0	0	-
39411 Furn/Fixtures/Office Equip	350,182	338,952	1,408,000	282,300	(1,125,700)	(80%)
39420 Vehicles (Year-End)	(1,344,646)	0	0	0	0	-
39421 Vehicles	2,455,994	1,584,819	3,932,300	6,448,200	2,515,900	64%
39422 Improvements To Vehicles	47,889	8,563	0	0	0	-
39430 Machinery & Equipment (Ye)	(75,978)	0	0	0	0	-
39431 Mach. & Equipment	256,560	219,130	131,900	674,200	542,300	411%
39432 Imp's To Mach. & Equipment	0	52,301	0	0	0	-
39510 Mineral/Water	0	(153,735)	0	0	0	-
39511 Rights	0	153,735	0	0	0	-
39520 Easements (Year-End)	(9,160)	0	0	0	0	-
39521 Easements	9,160	0	0	0	0	-
39600 Capital Interest	(60,391)	(160,206)	0	0	0	-
39610 Capital Interest Expense	60,391	160,206	0	0	0	-
39711 Buildings & Structures	912,340	912,892	0	0	0	-
39712 Imp's Other Thn Bldgs & Land	8,379,759	8,576,212	0	0	0	-
39713 Equipment	858,096	909,359	0	0	0	-
Capital Subtotal	14,280,887	12,320,000	21,640,600	32,756,500	11,115,900	51%
Debt						
39813 Other (Leases)	9,000	6,500	6,600	4,000	(2,600)	(39%)
39821 Principal Bonds	2,449,900	2,533,136	8,400,000	9,757,100	1,357,100	16%
39822 Interest Bonds	4,405,416	4,183,039	4,166,100	5,039,200	873,100	21%
39823 Other (Bonds)	1,000	3,000	0	0	0	-
39824 Amortization - Bonds	83,275	9,104	0	0	0	-
39832 Interest Notes	6,569	0	0	0	0	-
39833 Other (Notes)	19,706	0	0	0	0	-
39834 Amortization - Notes	22,603	0	0	0	0	-
39861 Bad Debt Expense	153,998	0	0	0	0	-
39871 Water Storage Inventory Adjust	(789,308)	(474,737)	0	0	0	-

EXPENDITURES AND USES

Uses by Category and Object



Category/Object	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
Debt						
39872 Inventory Adjustment	(126,690)	(191,711)	0	0	0	-
39891 Prepaids	0	(22,112)	0	0	0	-
Debt Subtotal	6,235,470	6,046,219	12,572,700	14,800,300	2,227,600	18%
Contingency						
39995 Economic Dev Contingency	0	0	791,000	1,000,000	209,000	26%
39996 Grant Match Contingency	0	0	70,000	70,000	0	0%
39999 Contingency	0	0	44,115,900	109,615,300	65,499,400	148%
Contingency Subtotal	0	0	44,976,900	110,685,300	65,708,400	146%
Transfer Out						
34011 COS Wtr In Lieu Franch. Tr Out	216,818	216,155	200,400	233,400	33,000	16%
34012 COS Swr In Lieu Franch. Tr Out	304,409	317,237	314,300	321,700	7,400	2%
34013 COS Sani. Hauler's Lic. Tr Out	25,000	24,000	24,000	26,000	2,000	8%
34021 Water Indirect Costs Tr Out	1,453,900	1,453,900	1,244,100	1,244,100	0	0%
34022 Sewer Indirect Costs Tr Out	1,349,000	1,349,000	1,552,400	1,552,400	0	0%
34023 Sani. Indirect Costs Tr Out	857,800	857,800	1,886,400	1,886,400	0	0%
34031 Wtr Pymt ILO Prop Tax Tran Out	122,480	139,895	153,900	161,200	7,300	5%
34032 Swr Pymt ILO Prop Tax Tran Out	293,470	364,654	388,200	389,200	1,000	0%
34033 Sani Pymt ILO Proptax Tran Out	5,967	6,581	8,600	8,600	0	0%
34041 MPC03 Rent Payments-Trnsfr Out	4,825,448	4,818,348	4,819,200	0	(4,819,200)	(100%)
34047 MPC07 Rent Payments-Trnsfr Out	2,401,733	2,397,688	7,072,700	8,703,000	1,630,300	23%
34048 Debt14 Rent Payments-Xfer Out	0	0	0	5,423,400	0	-
34999 TRF To Other Funds	2,866,078	765,536	73,700	3,073,400	2,999,700	4,070%
Transfer Out Subtotal	14,722,103	12,710,795	17,737,900	23,022,800	5,284,900	30%
Grand Total	148,458,330	145,866,542	223,712,800	334,639,700	110,926,900	50%

EXPENDITURES AND USES

Uses by Department and Category

Department/Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
111 - City Council						
Personnel	294,654	292,376	307,200	308,500	1,300	0%
Supplies	25,092	10,229	18,000	18,000	0	0%
Services	78,026	93,752	107,100	77,800	(29,300)	(27%)
Debt	0	4,700	0	0	0	-
111 - City Council Total	397,772	401,057	432,300	404,300	(28,000)	(6%)
121 - City Manager						
Personnel	644,936	1,289,711	1,595,100	2,384,900	789,800	50%
Supplies	3,125	28,653	33,100	100,200	67,100	203%
Services	97,873	306,719	445,200	5,658,600	5,213,400	1,171%
Operating Capital	0	0	50,000	72,500	22,500	45%
Capital	0	21,766	0	0	0	-
Debt	0	(229)	0	0	0	-
Contingency	0	0	70,000	1,070,000	1,000,000	1,429%
121 - City Manager Total	745,934	1,646,620	2,193,400	9,286,200	7,092,800	323%
122 - Intergovt Relations						
Personnel	187,816	0	0	0	0	-
Supplies	5,826	0	0	0	0	-
Services	64,367	0	0	0	0	-
122 - Intergovt Relations Total	258,008	0	0	0	0	-
131 - Legal						
Personnel	1,530,760	1,686,248	1,682,000	1,873,200	191,200	11%
Supplies	14,251	16,713	23,100	29,000	5,900	26%
Services	106,914	51,508	146,500	670,500	524,000	358%
Debt	0	(1,898)	0	0	0	-
131 - Legal Total	1,651,924	1,752,571	1,851,600	2,572,700	721,100	39%
141 - City Clerk						
Personnel	345,276	355,247	362,500	391,300	28,800	8%
Supplies	5,563	6,817	8,000	28,500	20,500	256%
Services	299,847	20,337	299,300	84,800	(214,500)	(72%)
141 - City Clerk Total	650,686	382,401	669,800	504,600	(165,200)	(25%)
142 - Finance						
Personnel	2,333,346	2,082,584	2,287,400	2,952,500	665,100	29%
Supplies	33,955	27,774	32,100	41,900	9,800	31%
Services	754,076	1,291,862	749,000	1,230,100	481,100	64%
Operating Capital	0	0	25,000	0	(25,000)	(100%)
Capital	55,992	0	0	0	0	-
Debt	0	(322)	0	0	0	-
Contingency	0	0	6,000	0	(6,000)	(100%)

EXPENDITURES AND USES

Uses by Department and Category



Department/Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
142 - Finance						
142 - Finance Total	3,177,369	3,401,898	3,099,500	4,224,500	1,125,000	36%
143 - Human Resources						
Personnel	1,095,074	1,040,526	1,217,100	1,409,100	192,000	16%
Supplies	1,119,706	1,220,943	99,800	97,300	(2,500)	(3%)
Services	7,460,839	8,667,467	10,956,000	11,784,600	828,600	8%
Operating Capital	0	0	0	5,800	0	-
Debt	(1,207)	(21,010)	0	0	0	-
Contingency	0	0	4,461,200	3,859,900	(601,300)	(13%)
143 - Human Resources Total	9,674,412	10,907,926	16,734,100	17,156,700	422,600	3%
144 - Information Technology						
Personnel	2,189,442	2,219,800	2,338,100	2,586,700	248,600	11%
Supplies	145,389	99,791	102,700	443,700	341,000	332%
Services	1,127,664	1,236,238	1,648,300	1,806,500	158,200	10%
Operating Capital	54,597	41,035	20,000	34,000	14,000	70%
Capital	82,225	271,144	1,115,000	1,170,800	55,800	5%
Debt	0	17,933	0	0	0	-
144 - Information Technology Total	3,599,316	3,885,941	5,224,100	6,041,700	817,600	16%
145 - Public Information						
Personnel	575,526	0	0	0	0	-
Supplies	21,487	(206)	0	0	0	-
Services	164,807	0	0	0	0	-
Debt	0	206	0	0	0	-
145 - Public Information Total	761,820	0	0	0	0	-
191 - General Operations						
Personnel	2,743	0	0	0	0	-
Supplies	0	0	0	0	0	-
Services	91,046	77,302	53,700	65,800	12,100	23%
Operating Capital	126,034	1,653,441	2,281,300	3,979,700	1,698,400	74%
Debt	6,360,119	6,217,491	11,898,100	14,126,400	2,228,300	19%
Contingency	0	0	9,387,900	40,429,400	31,041,500	331%
Transfer Out	3,220,546	1,606,832	1,607,100	4,573,400	2,966,300	185%
191 - General Operations Total	9,800,488	9,555,065	25,228,100	63,174,700	37,946,600	150%
242 - Community Development						
Personnel	2,956,388	2,993,473	3,398,800	4,137,400	738,600	22%
Supplies	85,845	57,534	87,900	93,300	5,400	6%
Services	4,725,398	4,825,664	4,667,000	1,947,400	(2,719,600)	(58%)
Operating Capital	0	0	25,000	0	(25,000)	(100%)
Capital	0	0	1,100,000	0	(1,100,000)	(100%)

EXPENDITURES AND USES

Uses by Department and Category

Department/Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
242 - Community Development						
Debt	0	2,000	0	0	0	-
Contingency	0	0	791,000	0	(791,000)	(100%)
242 - Community Development Total	7,767,630	7,878,670	10,069,700	6,178,100	(3,891,600)	(39%)
331 - City Court						
Personnel	1,741,818	1,635,326	1,641,200	1,797,500	156,300	10%
Supplies	29,336	28,399	28,900	40,900	12,000	42%
Services	376,776	354,812	410,300	228,900	(181,400)	(44%)
Operating Capital	0	0	11,100	20,000	8,900	80%
Capital	0	0	0	200,000	0	-
Contingency	0	0	507,900	211,900	(296,000)	(58%)
331 - City Court Total	2,147,930	2,018,538	2,599,400	2,499,200	(100,200)	(4%)
341 - Police						
Personnel	16,643,145	16,794,454	18,108,000	20,905,800	2,797,800	15%
Supplies	795,742	977,209	1,395,600	2,319,500	923,900	66%
Services	1,650,655	1,710,532	1,836,600	1,980,000	143,400	8%
Operating Capital	591,450	144,717	223,800	19,700	(204,100)	(91%)
Capital	0	26,291	0	220,000	0	-
Debt	0	(5,893)	0	0	0	-
Contingency	0	0	1,503,700	1,538,200	34,500	2%
Transfer Out	246,098	245,736	245,800	245,200	(600)	0%
341 - Police Total	19,927,090	19,893,045	23,313,500	27,228,400	3,914,900	17%
342 - Emergency Services (fire)						
Personnel	12,645,604	12,710,440	13,558,300	15,481,800	1,923,500	14%
Supplies	461,157	483,776	573,000	558,100	(14,900)	(3%)
Services	1,305,830	1,330,331	1,605,000	1,771,400	166,400	10%
Operating Capital	(46,604)	97,636	0	175,000	0	-
Capital	637,052	83,068	475,000	0	(475,000)	(100%)
Debt	0	(11,669)	0	0	0	-
Contingency	0	0	0	2,083,800	0	-
Transfer Out	575,072	659,590	121,500	121,200	(300)	0%
342 - Emergency Services (fire) Total	15,578,113	15,353,172	16,332,800	20,191,300	3,858,500	24%
444 - Parks & Recreation						
Personnel	6,255,086	5,648,467	6,335,800	7,049,100	713,300	11%
Supplies	2,069,385	1,976,027	2,205,100	2,282,900	77,800	4%
Services	5,043,743	5,585,510	6,547,400	7,471,000	923,600	14%
Operating Capital	0	0	656,000	0	(656,000)	(100%)
Capital	25,303	226,663	670,000	6,676,300	6,006,300	896%
Debt	0	171	0	0	0	-
Contingency	0	0	8,372,700	6,933,900	(1,438,800)	(17%)

EXPENDITURES AND USES

Uses by Department and Category



Department/Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amount Change	Percent Change
444 - Parks & Recreation						
Transfer Out	826,193	794,064	794,200	1,437,500	643,300	81%
444 - Parks & Recreation Total	14,219,709	14,230,903	25,581,200	31,850,700	6,269,500	25%
445 - Arts Commission						
Supplies	1,593	0	0	0	0	-
Services	26,430	0	0	0	0	-
Transfer Out	100,300	0	0	0	0	-
445 - Arts Commission Total	128,323	0	0	0	0	-
600 - Public Works						
Personnel	14,534,926	12,522,385	13,457,900	14,654,500	1,196,600	9%
Supplies	4,276,782	3,921,237	4,681,600	5,289,000	607,400	13%
Services	14,852,997	17,651,846	18,397,900	23,120,100	4,722,200	26%
Operating Capital	9,068,318	8,546,251	1,863,000	3,365,500	1,502,500	81%
Capital	5,608,333	2,667,705	16,462,500	25,019,900	8,557,400	52%
Debt	(797,087)	(832,755)	0	0	0	-
Contingency	0	0	19,876,500	54,533,200	34,656,700	174%
Transfer Out	9,753,893	9,404,573	14,969,300	16,645,500	1,676,200	11%
600 - Public Works Total	57,298,162	53,881,241	89,708,700	142,627,700	52,919,000	59%
791 - Debt Service						
Debt	673,645	677,495	674,600	673,900	(700)	0%
Contingency	0	0	0	25,000	0	-
791 - Debt Service Total	673,645	677,495	674,600	698,900	24,300	4%
Grand Total	148,458,330	145,866,542	223,712,800	334,639,700	110,926,900	50%

General Government

- Mayor and City Council
- City Manager's Office
- City Attorney's Office
- City Clerk's Office
- Finance
 - Donations and Sponsorships Fund
 - Grants and Contingency Fund
 - Street Light Improvement District Funds
- Human Resources
 - Risk Management Fund
 - Healthcare Self Insurance Fund
 - Employee Dependent Scholarship Fund
- Information Technology
- General Operations

MAYOR AND CITY COUNCIL

Department Description

The Mayor and City Council are the legislative body of the city of Surprise. The Council is comprised of seven elected officials: six council members (one of whom is appointed Vice Mayor) and the Mayor.

Primary Functions

- Set policy for the city of Surprise

Major Budget Changes

The FY2015 budget decreased 6.4% over the FY2014 amended budget.

- Services decreased 27.4% over the FY2014 budget primarily due to:
 - Decrease in dues and memberships due to moving the Fighter Country Partnership to the Intergovernmental division.
 - The decrease in dues and memberships was partially offset by an increase in the dues to the National League of Cities.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	294,654	292,376	307,200	308,500	0%
Supplies	25,092	10,229	18,000	18,000	0%
Services	73,026	93,752	107,100	77,800	(27%)
Sub-Total Operating	392,772	396,357	432,300	404,300	(6%)
Debt	0	4,700	0	0	-
Total	392,772	401,057	432,300	404,300	(6%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
General Operations	392,772	401,057	432,300	404,300	(6%)
Total	392,772	401,057	432,300	404,300	(6%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	0	0	0	-
Total	0	0	0	0	-

Personnel Count	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	8.0	7.0	7.0	7.0	0.0

Accomplishments, Enhancements, and Efficiencies

- Employee Wellness Program for reduced healthcare costs
- Management Partners Study – Public Works Restructuring
- Rate Study
- Planning Downtown
- Tax Increment Financing Initiative

- “For Our City” initiative
- Improved Regional Partnerships
- Completed appointed officials evaluations
- Improved Court environment
- Arts – West Valley Art Commission at City Hall and Art displays at City Hall
- New Stadium scoreboard
- City Center Deed Restriction Intergovernmental Agreement with Phoenix
- Bond Rating updated to improved status
- Loop 303 open through Surprise
- Same Day Trash Service
- False Alarm Ordinance instituted
- Form Based Code Committee initiated
- HOA Summit
- Youth Leadership Summit
- Initiated Self Certification Program
- Built stronger relationship with Dysart Unified School District
- New Subcommittees and Working Groups
- Endorsed Bell/Grand Avenue interchange design

Major Initiatives and Policy Issues

- **Transportation:** Develop an efficient, cost effective, multi-modal transportation system that provides connectivity to the region, ease of movement into, within, and out of Surprise, and supports a high standard of community life
- **Sustainability:** Provide a vibrant and sustainable community for a green Surprise today and tomorrow
- **Economic Development:** Create a robust business environment that attracts employment, wealth, capital investment, and enhanced opportunities for investors and residents
- **Community Lifestyle:** Enhance community lifestyle for the current and the future residents of Surprise
- **Tourism:** Infuse tourism dollars into Surprise’s economy by diversifying the events, programs, and partnerships offered that make Surprise an attractive destination for a wide variety of interests
- **Public Safety:** Public safety departments will work cooperatively with the community to provide a safe and secure city
- **Higher Education:** Strive to develop world class education in Surprise by seeking and enhancing educational opportunities that support initiatives, programs, projects, and lifelong learning opportunities throughout the community

CITY MANAGER'S OFFICE

Department Description

The city of Surprise operates under a Council/City Manager form of government. The Mayor and City Council are responsible for appointing a City Manager who carries out Council adopted policies and directs the day-to-day operations of city government.

The City Manager's Office is responsible for ensuring operations are running effectively throughout the entire organization. The City Manager is responsible for presenting a balanced recommended budget to the Mayor and City Council for review and approval each year. To that end, the office focuses on funding programs to achieve the Mayor and City Council's goals through strategic planning, process improvement assessments, and improving internal and external customer service.

In FY2015, the economic development division will move from the community and economic development department to the City Manager's Office.

The city has one Assistant City Manager (ACM) who reports to the City Manager. The ACM oversees the output and budgets of various city departments, assuring high quality work, and facilitating inter-departmental cooperation on important issues.

Uses by Category & Fund	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating					
Donations	0	0	0	7,500	-
General*	745,934	1,625,083	2,073,400	7,044,400	240%
General Capital	0	0	50,000	47,500	(5%)
Transportation Improvement	0	0	0	286,100	-
Wastewater Dev Fee	0	0	0	25,000	-
Wastewater Operations	0	0	0	327,900	-
Water Dev Fee	0	0	0	450,000	-
Water Operations	0	0	0	27,800	-
Operating - All Funds	745,934	1,625,083	2,123,400	8,216,200	287%
Capital					
General Capital	0	21,766	0	0	-
Capital - All Funds	0	21,766	0	0	-
Debt - All Funds	0	(229)	0	0	-
Contingency - All Funds	0	0	70,000	1,070,000	1,429%
Total Uses All Funds	745,934	1,646,620	2,193,400	9,286,200	323%

*Additional detail in subsequent sections

Personnel by fund	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	4.0	13.2	15.2	21.1	5.9
Personnel All Funds	4.0	13.2	15.2	21.1	5.9

Primary Functions

- Support the Mayor and City Council
- Provide financial guidance to maintain the city of Surprise as a fiscally sustainable organization
- Provide leadership and direction to staff
- Ensure an enhanced quality of life to residents
- Design and implement strategies to engage and inform the community on important issues
- Design and implement strategies to maximize residents' ease of access to city service and information
- Create, operate, and/or strategically direct city of Surprise official communications such as:
 - News releases, official statements, media remarks
 - The city's internet site www.surpriseaz.gov
 - The city's intranet site "Inside Surprise"
 - The city's social media sites: multiple Twitter and Facebook accounts/pages
 - The city's government access TV station, Surprise 11
 - The quarterly magazine, *Progress*
 - Event planning and management such as ground breaking and ribbon cutting ceremonies, news conferences, and other special events
 - The creation (design, writing, and printing) of brochures, programs, fliers, maps, logos, informational signage, advertising, and other public relations collateral
 - The photography required to execute these functions
- Strategically coordinates the communications needs of individual city departments, provides material support, promotion, and publicity of programs, events, and activities
- Strategically coordinates employee communication and facilitates employee participation so that city employees are informed and engaged
- Liaison to the Mayor, Council, and the City Manager's office on legislative issues at the local, state and federal level
- Business attraction
- Economic development higher education
- Business outreach and retention
- AZ TechCelerator
- Monitor and discuss state and federal legislation impacting the city
- Strengthen relationships and partnerships with major regional public policy organizations
- Seek funding opportunities through grants and federal appropriations
- Monitor grants contractual obligations to ensure compliance
- Strengthen relationships and partnerships with local municipalities, non-profits, and private organizations through coordinated efforts that maximize resources and funding leverage

Divisions

Administration -

Responsible for ensuring operations are running effectively throughout the entire organization and focuses on funding programs to achieve the Mayor and Council's goals through strategic planning, process improvement assessments, and improving internal and external customer service

Economic Development -

Provides services for business attraction, retention, and expansion. The division also provides small business assistance and administers the city's business innovation center, the AZ TechCelerator.

Marketing and Communications -

Engage and inform Surprise residents on activities and issues; achieve a positive image of Surprise as a responsive, open government, and a community of connection and opportunity; promote the advancement of the city of Surprise Strategic Plan; assist and advise city departments and management in their communication needs; and supervise internal employee communications

Intergovernmental Relations -

Develop, represent, and advocate the interests of the city of Surprise by fostering and maintaining the city's relationships with other governmental entities and the community organizations

Accomplishments, Enhancements, and Efficiencies

- Directed implementation and reporting of the National Citizen Survey
- Enhanced and expanded citizen involvement in state, regional, and federal issues
- Initiated citizen outreach for Bell/Grand Interchange enhancement and received over 3,000 responses
- Increased emphasis on Facebook as a community builder resulting in doubling our "likes"
- Designed and implemented the General Plan campaign
- First valley city to institute innovative video recording device which is used by Economic Development department for recruitment, Arizona League of Cities and Towns booth etc.
- Developed a more accountable strategic plan with specific goals and strategies
- Developed a budget that prioritizes programs, services, capital projects, and asset replacement

Major Initiatives and Policy Issues

- Increase city presence in the community and at the state/federal levels
- Launch pro-Tax Incremental Financing campaign and produced educational collateral
- Develop a technical training program that can promote confidence in the availability of a skilled workforce to prospective business/manufacturing firms
- Increase city presence in the community and at the state/federal levels

Goals, Objectives, and Performance Measures

Department Goal	The economic development division will assist small companies, increase large employment and retail opportunities, and aid AZ TechCelerator program tenants				
Objective	Help 20+ new small businesses, 4 large businesses, and 15 program tenants				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Small business start-up successes	22	33	28	29	32
Large business and retail successes	4	3	4	4	5
AZ TechCelerator program tenants	15	13	15	12	14
AZ TechCelerator events/programs	5	8	8	11	12

CITY MANAGER'S OFFICE GENERAL FUND

Major Budget Changes

The FY2015 budget increased 278.6% over the FY2014 amended budget.

- Personnel expenditures increased 49.5% overall primarily due to:
 - Increased due to a 1.3% COLA for all employees
 - Increased due to a 2.0% merit increase for all general salary plan employees
 - Increased based on the implementation of the updated classification and compensation study for all general salary plan employees
 - Increased due to a 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increased due to a 0.06% increase in ASRS contributions
 - Increased due to the addition of a youth community leader position from a change request
 - Increased due to the addition of an executive administrative specialist position from a change request
 - Relocation of the economic development division to the City Manager's Office
- Supplies increased 134.7% over the FY2014 budget primarily due to:
 - Increased special event hosting for business lunch meetings
 - Increased meeting supplies for employee lunches
 - Increased books and subscriptions to fully fund legislative monitoring software
 - Relocation of the economic development division to the City Manager's Office
- Services increased 925.8% over the FY2014 budget primarily due to:
 - Increased due to funding for the grants management software
 - Increased due to funding for Council Community Outreach
 - Increased due to funding for the National Citizen Survey
 - Increased due to funding for the Fighter Country Partnership moving from the City Council budget
 - Increased due to funding for the Tax Incremental Financing initiative
 - Relocation of the economic development division to the City Manager's Office
- Operating Capital budgeted in FY2015 in the amount of \$15,000 for:
 - Furniture, fixtures and office equipment for a shared working space at the Techcelerator called the Beehive

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	644,936	1,289,711	1,595,100	2,384,900	50%
Supplies	3,125	28,653	33,100	77,700	135%
Services	97,873	306,719	445,200	4,566,800	926%
Operating Capital	0	0	0	15,000	-
Sub-Total Operating	745,934	1,625,083	2,073,400	7,044,400	240%
Debt	0	(229)	0	0	-
Contingency	0	0	70,000	1,070,000	1,429%
Total	745,934	1,624,854	2,143,400	8,114,400	279%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	745,934	578,383	760,300	1,042,800	37%
Communications	0	744,019	912,500	964,900	6%
Economic Development	0	0	0	5,559,400	-
Intergovernmental Relations	0	302,452	470,600	547,300	16%
Internal Audit	0	0	0	0	-
Total	745,934	1,624,854	2,143,400	8,114,400	279%

Sources by Category

Charges for Services/Other	0	0	0	180,400	-
Total	0	0	0	180,400	-

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	4.0	13.2	15.2	21.1	5.9

CITY ATTORNEY'S OFFICE

Department Description

The City Attorney is the chief legal advisor to the city. The City Attorney's Office, which is comprised of a criminal and civil division, provides legal representation to the city in matters concerning official city business.

Mission Statement

The mission of the City Attorney's Office is to provide effective, timely and professional legal representation to the city, and its Mayor, Council, appointed officials and employees acting within the scope of their employment.

Primary Functions

- In-house legal work
- Prompt and knowledgeable legal services
- Advice to the Mayor and City Council and all city departments
- Prepare legal forms for departmental use
- Ensures compliance with applicable laws

Divisions

Civil- The civil division acts as general counsel for the city, providing advice, and representation in civil matters to city council members, appointed officials, and employees who act on behalf of the city; represents the city and oversees outside counsel in litigation involving the city; creates and reviews legal documents, ordinances, and resolutions; and assists the city to comply with federal, state and local laws. The civil division also interprets and provides advice concerning city code, Arizona state law and federal law.

Criminal- The criminal division prosecutes misdemeanor violations of state law and city code violations filed in the city court, including cases through appeal. The criminal division also provides services to victims of crime, including notification of proceedings, notice of victim rights, referrals, and acts as a liaison between the victim and the city court.

Major Budget Changes

The FY2015 budget increased 11.3% over the FY2014 amended budget.

- Personnel expenditures increase 11% overall due to:
 - 1.3% COLA and 2% merit increase for all general salary plan employees
 - The implementation of the updated classification and compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
 - The addition of two part-time positions for victims services.
- Supplies increased 36.2% over the FY2014 budget primarily due to:
 - Increased furniture/fixtures/equipment to build out a new cubicle to accommodate increased volunteer activity in victim's services
 - The increase was partially offset by a decrease in books and subscriptions
- Services increased 16.4% over the FY2014 budget primarily due to:
 - Increased software licenses due to a mandatory software upgrade
 - Increased travel and training to accommodate attorney cross-training and obtain software certifications for administrative staff
 - The increase was partially offset by:
 - Decreased legal services due to trend
 - Decreased dues and memberships as attorney's are now personally responsible for paying for their own out-of-state bar memberships

Uses by Category

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	1,530,760	1,686,248	1,634,100	1,806,100	11%
Supplies	14,251	16,713	21,300	29,000	36%
Services	106,914	51,508	146,500	170,500	16%
Sub-Total Operating	1,651,924	1,754,468	1,801,900	2,005,600	11%
Debt	0	(1,898)	0	0	-
Total	1,651,924	1,752,571	1,801,900	2,005,600	11%

Uses by Division

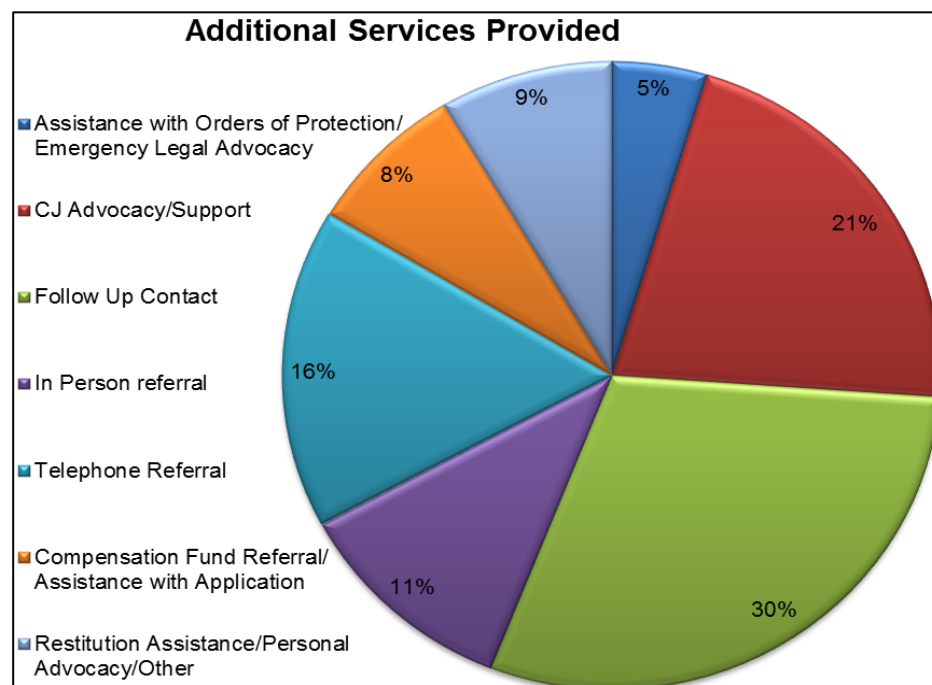
Criminal	651,958	668,430	727,100	847,800	17%
General Operations	999,967	1,084,140	1,074,800	1,157,800	8%
Total	1,651,924	1,752,571	1,801,900	2,005,600	11%

Total Personnel Count

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
	14.0	14.0	14.0	15.0	1.0

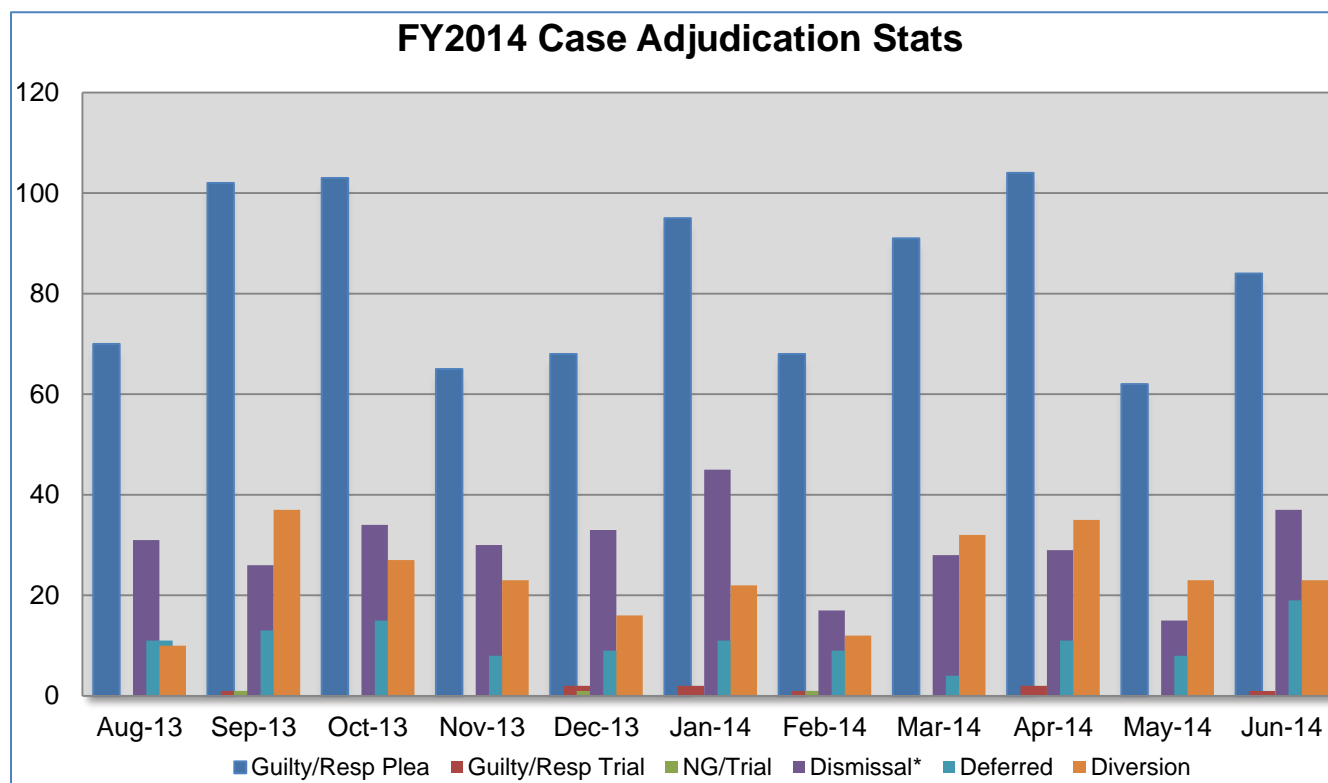
Accomplishments, Enhancements, and Efficiencies

- In collaboration with other city departments, developed a recommendation to City Management regarding the feasibility for a self insured general liability program.
- In collaboration with other city departments, developed a strategy and process for evaluating development agreements, augmenting current processes.
- Developed a grant-funded victim services program aimed at improving services to victims of crime in the Surprise Community.



- Grant funded victim advocate hired in October 2013.
- Two part time volunteers recruited and utilized for indirect/direct services.
- 288 victims provided services October 2013 through February 2014 (5 months).
- 564 total services provided to crime victims, includes notifications.
- Chart reflects 276 additional services provided.

- Effective Prosecutorial Services
 - 1,672 cases adjudicated from August 2013 through June 2014
 - 80% rate of successful prosecutions (*though dismissals are not currently counted as “successful prosecution”, many cases are dismissed to allow felony prosecution by the County Attorney’s Office or as an agreement between the parties in dispute).
 - 75% rate of conviction at trial



Major Initiatives and Policy Issues

- Analyze grant opportunities to maximize victim service program to meet the needs of program recipients, as demonstrated by utilization data.
- Collaborate with the legal departments of other west valley cities to maximize opportunities for legal education and department development.
- Devote significant department resources to achieve council objectives.

CITY CLERK'S OFFICE

Department Description

The City Clerk is appointed by the Mayor and City Council and maintains city records in accordance with Arizona state law. The City Clerk also serves as the city's Chief Elections Officer.

Primary Functions

- Official Records Custodian
- Chief Elections Officer
- City Historian
- Administration of Mayor and City Council meetings
- Posting of meeting notices and advertisement of public hearings

Major Budget Changes

The FY2015 budget decreased 24.7% over the FY2014 amended budget.

- Personnel expenditures increase 7.9% overall due to:
 - 1.3% COLA and 2% merit increase for all general salary plan employees
 - The implementation of the updated classification and compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
- Supplies increased 256.3% over the FY2014 budget due to an increase in meeting supplies and refreshments for long Council meetings
- Services decreased 71.7% over the FY2014 budget primarily due to:
 - Professional and outside service decreased due to one-time expenditures in FY2014 for a general election involving citywide ballot issues and markers for the Surprise Women's Heritage Trail.
 - Other professional services decreased because there is no election planned in FY2015

Uses by Category

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	345,276	355,247	362,500	391,300	8%
Supplies	5,563	6,817	8,000	28,500	256%
Services	299,847	20,337	299,300	84,800	(72%)
Sub-Total Operating	650,686	382,401	669,800	504,600	(25%)
Total	650,686	382,401	669,800	504,600	(25%)

Uses by Division

General Operations	650,686	382,401	669,800	504,600	(25%)
Total	650,686	382,401	669,800	504,600	(25%)

Sources by Category

Charges for Services/Other	806	1,396	600	600	0%
Total	806	1,396	600	600	0%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Personnel	4.0	4.0	4.0	4.0	0.0

Accomplishments, Enhancements and Efficiencies

- A draft of the Surprise Women's Heritage Trail plaques have been designed and should be installed by June 2014. The plaques (15 total, both north and south side of original townsite) will be installed in a section of sidewalk located in front of each property; this will eliminate seeking property owner permissions since the sidewalk is owned by the city. The launch celebration of the heritage trail took place in April 2013
- Completed a regular election cycle in August 2013 for Districts 1, 5 and 6, and held a general election for two ballot issues (Southwest Gas Franchise and General Plan 2035) which both passed with 72%
- Purchased two glass shelves for history photos and memorabilia placed in atrium.
- Updated past and present board at the entrance of council chambers with newly elected/appointed Councilmembers

Major Initiatives and Policy Issues

- Continue working on archiving historical documents collected from research for the history book.
- Continue to stay current with the city records retention changes through Arizona State Library and Archives.
- Establish a working group to analyze records retention and document management needs citywide.
- Created and maintaining a spreadsheet for boards/commissions vacancy and replacement process. In the process of creating a web-based program to notify the public of vacancies and other board/commission updates.
- Create and implement a City Clerk's Office procedures manual by June 2014.
- Major records retention and destruction project (ongoing).

Goals, Objectives, and Performance Measures

Department Goal	Provide timely public access to city information				
Objective	Efficient communication of city related information and data and effective management of bi-annual election process				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Mayor and City Council agendas	50	48	50	60	40
Posting of all City agendas including all Mayor and Council, boards and commissions	130	125	140	175	110
Number of city code updates	4	4	4	10	5
Number of requests for public records	740	703	700	550	400
Percent of public records requests completed in 3-5 days*	90%	90%	90%	92%	95%
Agreements (new Category)*	*	*	*	212	150
Resolutions (New Category)*	*	*	*	88	80
Ordinances (New Category)	*	*	*	11	09
Liquor Licenses(New Category)	*	*	*	10	10
Records Retention/Boxes Destroyed	*	*	*	10	10

*New performance measures

Department Goal	Ensure citizen access to elective process				
Objective	Increase registered voters, ballots cast, and percentage of votes cast for city-wide elections				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of registered voters	59,000	59,700	60,000	62,780	No election scheduled
Number of ballots cast in election	27,000	27,560	20,000	17,870	No election scheduled
Percent of votes cast in city-wide election	30%	30%	30%	30%	No election scheduled

Department Goal	Continue to memorialize and archive the city's history				
Objective	Increase historical documentation collection and educate citizens				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Collecting historic photos (annually)	250	200	150	Maintain	Maintain
Collection of city historic documents (cumulative)	1,500	1,700	1,800	Maintain	Maintain
On-the-road history presentations *	5	4	4	1	---

*Totals include presentations at local schools and various neighborhoods throughout Surprise

FINANCE DEPARTMENT

Mission Statement

The city of Surprise Finance Department strives to be professional proactive leaders, identifying issues, and offering innovative solutions while providing high quality customer service.

Primary Functions

- Financial analysis and general ledger accounting and reporting
- Preparing and monitoring operating and capital budgets to comply with financial policies and legal requirements
- Bi-weekly payroll processing
- Contract and purchasing services and support
- Business license processing, sales tax audits, and city cashiering
- Processing and distribution of city payments
- Fiscal management of city grants
- Administration of the Health Benefits Trust Board and the Municipal Property Corporation Board

Divisions

<u>Administration</u> -	The administration division is primarily responsible for department oversight and policy development.
<u>Accounting</u> -	The accounting division is responsible for the city's comprehensive annual financial report (CAFR), maintaining financial reporting in conformance with state and federal laws, Generally Accepted Accounting Principles, Governmental Accounting Standards Board, and Government Finance Officers Association. Additionally, providing assistance with development agreement preparation and tracking, construction project expense tracking, and fixed assets.
<u>Budget</u> -	The budget division provides research, budget, and special projects services. The division is responsible for delivering accurate, reliable, and timely information and advice that will assist in making informed budgetary decisions.
<u>Payroll</u> -	The payroll division is responsible for processing all city employee's payroll.
<u>Procurement</u> -	The procurement division is responsible for processing all city payments and managing the contract and procurement services of the city.
<u>Revenue</u> -	The revenue division is responsible for issuing business licenses, managing the cashiering and accounts receivable functions of the city, tracking and auditing transaction privilege tax, managing the utility billing contract, and providing investment oversight and reporting.

Major Budget Changes

The FY2015 budget is 37.1% higher than the FY2014 amended budget.

- Personnel expenditures increase 29.1% overall due to:
 - 1.3% COLA for all employees
 - 2% merit increase for all general salary plan employees
 - The implementation of the updated class & compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
 - The addition of three full-time positions and one part-time position from change requests.
 - A Contract Administrator will be responsible for professional level tracking of obligations, triggers, expiration dates, contract compliance, performance requirements and other commitments defined in development agreements, IGA's and service contracts.

- A fiscal support specialist will expand the city's ability to ensure compliance from local businesses with the business license ordinance and the model city tax code, which will include inspecting businesses that do not have a city of Surprise business license and are remitting sales taxes to the department of revenue.
- An accounting supervisor will enhance internal controls by providing enhanced separation of duties as well as enhanced supervisory review, as well as perform reconciliations, review journal entries, and review grant expenditures for compliance with grant provisions.
- Supplies increased 30.5% over the FY2014 budget primarily due to:
 - Increased furniture/fixtures/equipment primarily due to the ergonomic assessment
 - The increase was partially offset by a decrease in office supplies
- Services increased 78.9% over the FY2014 budget primarily due to:
 - Increased third party investment management fees
 - Increase in the cost of software licenses
 - Increase of \$194,500 due to the public defenders budget moving from court to the finance department
 - Increase of \$135,000 due to Dysart Unified School District permit fees moving from community and recreation services department

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,319,694	1,803,663	2,287,400	2,952,500	29%
Supplies	33,955	27,774	32,100	41,900	31%
Services	518,427	676,598	547,800	980,100	79%
Operating Capital	0	0	25,000	0	(100%)
Sub-Total Operating	2,872,076	2,508,035	2,892,300	3,974,500	37%
Debt	0	(322)	0	0	-
Contingency	0	0	6,000	0	(100%)
Total	2,872,076	2,507,713	2,898,300	3,974,500	37%

Uses by Division					
Administration	406,074	410,532	326,000	678,700	108%
Budget & Accounting	1,072,283	777,321	1,171,600	1,617,600	38%
Internal Audit	140,639	121,313	0	0	-
Procurement & Payroll	683,691	666,455	775,100	917,900	18%
Revenue(tax & License)	569,389	532,091	625,600	760,300	22%
Total	2,872,076	2,507,713	2,898,300	3,974,500	37%

Sources by Category					
Charges for Services/Other	43,520	46,880	46,100	46,100	0%
Franchise Fees	625,919	653,413	680,000	759,600	12%
Local Sales Tax	431,677	537,505	400,000	125,000	(69%)
Total	1,101,117	1,237,798	1,126,100	930,700	(17%)

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	27.0	24.0	26.5	30.2	3.7

Accomplishments, Enhancements, and Efficiencies

- Obtained ratings increases from Fitch for the \$28.5 million excise tax revenue refunding bonds, series 2003 and the general obligation rating, both were upgraded to AA- from A+
- Restored the targeted reserve levels in the general fund
- Completed implementation of new budget software

Major Initiatives and Policy Issues

- Began looking at replacing the city's current financial software system
- Identify current citywide financial related policies and procedures. Prepare, update, and enhance policies and procedures to ensure financial accountability and sound practices
- Develop a plan for funding of long term capital projects

Goals, Objectives, and Performance Measures

Department Goal	Effectively administer the stewardship of public resources through responsible fiscal management and planning				
Objective	Achieve an optimal rate of return on investments				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Rate of return on portfolio	0.9%	0.4%	0.8%	0.73%	0.8%

Department Goal	Effectively administer the stewardship of public resources through responsible fiscal management and planning				
Objective	Accurately forecast operating (general fund) revenues				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Estimated	FY2015 Target
Actuals Over/(Under) Adopted	5.2%	1.9%	±5.0%	+2.0%	±5.0%
Actuals Over/(Under) Estimate	-4.7%	0.1%	±5.0%	+1.0%	±5.0%

DONATIONS AND SPONSORSHIPS FUND

Fund Description

The donations and sponsorships fund is established to temporarily hold and collect assets that have been donated to the city for a specific department or purpose. These assets are expended according to the designated use of the donation. The establishment of a separate fund allows these donations to be carried forward. These funds will be monitored to ensure adequate revenue is available prior to expenditures being approved.

Major Budget Changes

The FY2015 budget represents a 79.2% increase from the FY2014 amended budget. In FY2015, revenue has been estimated based on historical trends and programmed in contingency providing adequate budget authority if needed. Requests for budget authority will be brought before Mayor and City Council for approval as an amendment from contingency.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	105	0	0	0	-
Supplies	63,147	123,677	296,600	136,900	(54%)
Services	108,645	227,811	0	335,700	-
Sub-Total Operating	171,897	351,489	296,600	472,600	59%
Capital	25,303	0	0	0	-
Debt	0	483	0	0	-
Contingency	0	0	334,400	658,200	97%
Transfer Out	100,300	0	0	0	-
Total	297,500	351,971	631,000	1,130,800	79%

Uses by Department

City Manager	0	0	0	7,500	-
General Operations	0	0	334,400	658,200	97%
Police	14,249	18,037	14,300	14,700	3%
Emergency Services (fire)	10,898	1,552	15,000	7,100	(53%)
Parks & Recreation	144,030	332,382	267,300	443,300	66%
Arts Commission	128,323	0	0	0	-
Total	297,500	351,971	631,000	1,130,800	79%

Sources by Category

Charges for Services/Other	258,387	329,730	210,100	451,700	115%
Total	258,387	329,730	210,100	451,700	115%

Personnel Summary

There are no dedicated personnel assigned to this fund.

GRANTS AND CONTINGENCY FUND

Fund Description

The grants and contingency fund is used to centralize budget appropriation authority for budget contingencies and future grant awards. This budget authority allows the city flexibility to address unplanned expenses and participate in new grant funding opportunities without exceeding the annually established maximum authorized expenditure limit.

Use of this budget appropriation authority requires Mayor and City Council approval of a budget amendment for the specific authorized purpose. For example, as grants are awarded to the city and approved by the City Council, budget transfers from unforeseen revenue and expenses into grant project line items are processed. Previously, these activities were recorded on project line items within the general fund budget under the respective department managing the grant award.

Major Budget Changes

The FY2015 budget is 20.0% more than FY2014 amended budget, but only 7.1% higher than the FY2014 adopted budget. During FY2014, \$557,000 was transferred out of the grants and contingency fund for the purchase of the Surprise Stadium scoreboard. The FY2015 remaining increase is a result of budgeting anticipated carryover for a number of grant projects that did not include carryover funding in past years. The FY2015 budget includes programming for grants and contingency for unplanned operating and capital expenses.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	159,466	190,000	265,700	416,200	57%
Supplies	86,740	110,313	172,700	75,700	(56%)
Services	24,613	25,699	49,100	28,600	(42%)
Operating Capital	524,721	67,111	32,800	44,500	36%
Sub-Total Operating	795,540	393,122	520,300	565,000	9%
Contingency	0	0	4,145,300	5,031,500	21%
Total	795,540	393,122	4,665,600	5,596,500	20%

Uses by Department

City Council	5,000	0	0	0	0%
Legal	0	0	49,700	67,100	35%
General Operations	0	0	4,145,300	5,056,300	22%
Community Development	0	0	0	0	0%
Police	592,769	244,206	340,200	376,400	11%
Emergency Services (fire)	33,968	103,896	80,400	46,700	(42%)
Parks & Recreation	41,724	42,340	50,000	50,000	0%
Public Works	122,079	2,680	0	0	0%
Total	795,540	393,122	4,665,600	5,596,500	20%

Sources by Category

Charges for Services/Other	795,540	393,121	5,172,800	5,596,500	8%
Total	795,540	393,121	5,172,800	5,596,500	8%

Personnel Summary

There are no dedicated personnel assigned to this fund.

STREET LIGHT IMPROVEMENT DISTRICT FUNDS

Description

Street light improvement district (SLID) funds are established by ordinance to provide a centralized location for the collection of taxes from properties directly benefiting from the district. These proceeds are legally restricted to expenditures for a specified purpose (including the payment for electricity to operate the streetlights within the district). The Mayor and City Council serve as the governing board for each of the districts. The city has the authority to levy taxes on properties included in the district.

Major Budget Changes

There are approximately 100 SLIDs operated by the city. Additional districts will be added as new subdivisions open. All street light operational costs are paid for through a special district property tax assessment. For each district, the city of Surprise assesses up to the maximum levy of \$1.20 per hundred dollars of assessed valuation and has established a separate fund. Actual assessment is based upon estimated expenditures.

As homes are constructed and sold within the SLID, the property tax levy should reach a point wherein the funds raised are adequate to cover the operating costs of the street lights. Currently, several districts have negative fund balances. The maximum tax rate is being charged to property owners within each district to the extent warranted by the expenditures of the SLID. As assessed valuation of the district increases, the SLID tax levy rate will generally decrease.

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Uses by Category					
Services	2,379,396	2,396,604	2,624,500	2,531,800	(4%)
Sub-Total Operating	2,379,396	2,396,604	2,624,500	2,531,800	(4%)
Debt	30,056	0	0	0	-
Contingency	0	0	32,600	0	(100%)
Total	2,409,452	2,396,604	2,657,100	2,531,800	(5%)
Uses by Division					
General Operations	2,409,452	2,396,604	2,657,100	2,531,800	(5%)
Total	2,409,452	2,396,604	2,657,100	2,531,800	(5%)
Sources by Category					
Charges for Services/Other	10,172	1,805	0	0	-
Property Tax	2,168,216	2,412,420	2,235,600	2,384,700	7%
Total	2,178,388	2,414,226	2,235,600	2,384,700	7%

HUMAN RESOURCES

Mission Statement

The mission of the human resources department is to support the goals and challenges of the city by providing services that promote a work environment that is characterized by integrity, professionalism, and accountability. We seek and provide solutions to workplace issues that support and optimize the operating principles of the city.

Department Description

The human resources department provides customer service and support to city departments in recruitment/selection, compensation/classification, benefits, organizational planning/development, employee training, and employee relations.

Additional services include risk management which encompasses general liability insurance, worker's compensation insurance, and Americans with Disability Act (ADA) compliance for employees and residents.

The focus of the department budget is to develop and revise effective personnel policies and procedures, manage effective programs in recruitment/selection, oversee employee compensation/classification, administer self-insured medical, dental, and vision benefits; develop supervisory/management employee relations, and provide employee training. Staff will focus activities and provide guidance to management, supervisors, and employees in these target areas to achieve operational consistency, excellence, and legal compliance.

Department-Wide

The human resources department is primarily funded by the general fund. In addition, it has two special revenue funds that provide restricted-use funding including the employee healthcare self-insurance fund and risk management fund.

Uses by Category & Fund

Operating

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Employee Healthcare*	6,836,899	8,195,629	9,043,700	9,949,100	10%
FSA Account	0	12,004	0	0	-
General*	1,437,334	1,343,726	1,659,000	1,751,900	6%
Risk Management*	1,401,385	1,377,576	1,570,200	1,595,800	2%
Operating - All Funds	9,675,619	10,928,936	12,272,900	13,296,800	8%
Debt - All Funds	(1,207)	(21,010)	0	0	-
Contingency - All Funds	0	0	4,461,200	3,859,900	(13%)
Total Uses All Funds	9,674,412	10,907,926	16,734,100	17,156,700	3%

*Additional detail in subsequent sections

Personnel by fund

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Employee Healthcare	1.0	1.0	1.0	1.0	0.0
General	11.0	10.0	10.0	11.0	1.0
Risk Management	2.0	2.0	2.0	2.0	0.0
Personnel All Funds	14.0	13.0	13.0	14.0	1.0

Primary Functions

- Recruitment
- Applicant tracking system administration
- Compensation and classification system administration
- Employee relations
- Benefits administration
- Wellness program administration
- Oversight of employee health and wellness committee
- Human resources information system administration
- Performance management; goals and performance system administration
- Employee training and development
- Risk Management
- Employee leave administration (including worker's compensation, Family and Medical Leave Act, medical leave, military leave, unpaid leave of absence, etc.)
- Policy development
- Workforce planning and development
- Records management
- Document management system administration in compliance with Arizona Records Retention laws
- Compliance with federal, state, and local laws
- Employee Appreciation Committee participants and staff advisor
- Boards and Commissions administration:
 1. Public Safety Retirement Board – Police
 2. Public Safety Retirement Board – Fire
 3. Personnel Appeals Board
 4. Judicial Selection Advisory Commission
 5. Disability Advisory Board
 6. Health Benefits Trust Board

Accomplishments, Enhancements, and Efficiencies

- Implementation of revised employee policy manual after significant collaboration with legal and other city departments through a year-long review process
- Implementation of the learning management software system to provide easily accessible online training to staff; successfully utilized software for FY2014 employee policy manual training for over 650 staff
- Completion of classification and compensation study and development of city compensation philosophy and procedures
- Partnered with public works management for the successful implementation of the management partners study including department re-organization, staff recruitments, position reclassifications, equity adjustments, etc.
- Management of executive recruitment for Fire Chief

Major Initiatives and Policy Issues

- Develop and implement memorandum of understanding for police and fire associations for a two-year agreement
- Implement employee policy manual changes to ensure consistency city-wide
- Collaborate with IT and finance to determine enhancements to existing human resource information system and other support software to improve operational efficiencies
- Implement workforce planning to assist departments in identifying required staffing and employee skill sets to ensure departmental goals and objectives are achieved

Goals, Objectives, and Performance Measures

Department Goal	Achieve excellence in customer service				
Objective	Provide customers with responsive, accurate, and efficient service				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of HR customer service contacts	3,551	3,809	3,450	4,784	3,500
Customer overall satisfaction rating with HR excellent or good	97%	98%	95%	98%	95%

Department Goal	Provide employee and organizational training and development opportunities				
Objective	Facilitate and coordinate city-wide training programs in three categories: compliance, skill based, and employee engagement				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of compliance trainings offered/number of attendees	31/529	97/1,824	50/1,500	66/1,855	30/1,600
Number of skill based trainings offered/number of attendees	8/145	43/412	36/360	43/445	36/400
Number of employee engagement trainings offered/number of attendees	10/63	24/111	20/100	29/155	24/125

Department Goal	Collaborate with city departments and provide resources to proactively and effectively manage employee relations issues				
Objective	Ensure policies are applied consistently and appropriately and maintain legal compliance related to employee matters				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of elevated employee matters	74	53	45	41	40

HUMAN RESOURCES GENERAL FUND

Major Budget Changes

The FY2015 budget increased 5.6% over the FY2014 amended budget.

- Personnel expenditures increase 17.5% overall due to:
 - 1.3% COLA for all employees
 - 2% merit increase for all general salary plan employees
 - The implementation of the updated classification and compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - .06% increase in ASRS contributions
 - The addition of a senior HR analyst position to address areas of high exposure and liability which current staffing levels do not permit, such as auditing, meeting federal mandates, and other internal control measures.
- Services decreased 11.9% from the FY2014 budget primarily due to:
 - A decrease in the amount of unemployment contribution needed based on trend
 - The decrease was partially offset by:
 - An increase in the annual HRIS software maintenance
 - An increase in professional and outside services for medical evaluations

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	874,112	779,041	948,500	1,114,500	18%
Supplies	66,358	43,048	50,100	50,100	0%
Services	496,864	521,637	660,400	581,500	(12%)
Operating Capital	0	0	0	5,800	-
Sub-Total Operating	1,437,334	1,343,726	1,659,000	1,751,900	6%
Debt	0	(24,250)	0	0	-
Total	1,437,334	1,319,476	1,659,000	1,751,900	6%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	1,437,334	1,319,476	1,659,000	1,751,900	6%
People Employment	0	0	0	0	-
Total	1,437,334	1,319,476	1,659,000	1,751,900	6%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	11.0	10.0	10.0	11.0	1.0

HUMAN RESOURCES RISK MANAGEMENT FUND

Fund Description

The risk management fund is established to provide general liability and workers compensation insurance coverage as well as risk management, loss control, and safety programs citywide. The fund operates as an internal service fund of the city. The costs of these services are charged directly back to appropriate funds. Risk management is a division under the human resources department.

Primary Functions

- Perform research and analysis on exposure to losses
- Provide recommendations in procuring insurance coverage for such loss exposures
- Investigate claims made against the city
- Assist the insurance administrator in resolving claims
- Manage worker's compensation program
- Serve as Occupational Health and Safety Administration (OSHA) liaison and maintain compliance with all federal, state, and local regulations
- Maintain compliance with department of transportation requirements related to the city's Commercial Driver's License (CDL) program
- Develop city policies related to safety and risk management
- Ensure compliance with current and future Americans with Disabilities Act (ADA) standards for both internal and external customers
- Provide on-going safety related training to city employees and citizens regarding ADA, OSHA, and more
- Support the city's disability advisory commission

Major Budget Changes

The FY2015 budget decreased 2.0% over the FY2014 recommended budget.

- Personnel expenditures increase 15.0% overall due to:
 - 1.3% COLA for all employees
 - 2.0% mid-year merit increase for all general salary plan employees
 - The implementation of the updated classification and compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
- Supplies increased 81.1% over the FY2014 budget primarily due to the budget for meeting supplies moving from a services object code

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	135,183	175,812	172,300	197,800	15%
Supplies	1,038,106	1,156,102	3,700	6,700	81%
Services	228,096	45,663	1,394,200	1,391,300	0%
Sub-Total Operating	1,401,385	1,377,576	1,570,200	1,595,800	2%
Debt	0	3,713	0	0	-
Contingency	0	0	2,269,000	2,147,900	(5%)
Total	1,401,385	1,381,289	3,839,200	3,743,700	(2%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Risk Management	1,401,385	1,381,289	3,839,200	3,743,700	(2%)
Total	1,401,385	1,381,289	3,839,200	3,743,700	(2%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	1,557,318	1,677,366	1,646,000	1,735,900	5%
Total	1,557,318	1,677,366	1,646,000	1,735,900	5%

Total Personnel Count	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
	2.0	2.0	2.0	2.0	0.0

Accomplishments, Enhancements, and Efficiencies

- Initiated job shadow program to get out in the field and work one on one with city staff in high risk areas to better understand job duties and create tailored safety programs and initiatives to maximize effectiveness
- Expanded the safety breakfast program to include two additional divisions in public works. The program is now offered to water/wastewater, streets, solid waste, fleet maintenance, and facilities
- Updated OSHA trainings to incorporate current statistics and new information while maintaining compliance and increasing participation and engagement
- Continued interaction between risk management and city departments concerning OSHA, ADA, worker's compensation, and Family and Medical Leave Act (FMLA) issues
- Continued proactive safety/ADA audit program to mitigate potential workplace hazards and safety issues and comply with regulations

Major Initiatives and Policy Issues

- Conduct research and analysis to assess funding, staff, and information technology requirements to implement self-insurance for worker's compensation, general liability, and property liability
- Prepare reports detailing options for self-insurance for worker's compensation, general liability, and property liability; analyze potential financial impacts and overall benefits versus risk
- Continue to promote a city-wide culture focused on safety; expand safety programs and awareness throughout the city and capitalize on current safety programs. Example programs include Employees Yielding Effective Safety (EYES) hazard reporting program and the circle of safety program encouraging safe backing in city vehicles to prevent accidents
- Work with medical providers to manage time lost from work and modify the return to work program to reduce time lost from work and restricted duty days
- Actively participate in Public Risk Insurance Manager's Association (PRIMA) and Arizona Government Safety Association (AGSA) to stay up-to-date on industry standards and learn new techniques to increase employee engagement and participation in safety programs

Goals, Objectives, and Performance Measures

Department Goal	Reduce the number of workplace accidents/injuries		
Objective	Provide employees and departments with resources, training, and incentives to ensure a safe work environment for all city employees		
Performance Measures	CY2012** Actual	CY2013** Actual	CY2014** Target
Total number of Incidents	58	62	60
Number of Incidents Resulting in Days Away or Restricted Duty Assignments	41	42	39
Percent of Incidents Resulting in Days Away or Restricted Duty Assignments	70.6%	67.7%	65%

**Data is from OSHA 300 report which is prepared at the conclusion of the calendar year.

Department Goal	Reduce preventable worker's compensation injuries and vehicle accidents in high risk departments/divisions				
Objectives	<ul style="list-style-type: none"> o Reward employees by providing safety breakfasts when a participating department/division achieves 120 days without a preventable worker's compensation injury or vehicle accident o The average cost of a worker's compensation claim is \$5,200 while the average cost of a safety breakfast is between \$80-95; program has been successful in reducing accidents/injuries, saving money, and increasing safety awareness 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of Safety Breakfasts	1*	5	8	9	12

*Program began February 2012

Department Goal	Reduce Experience Modifier Rate (Emod) to achieve a 1.0 and reduce costs for the city's workers compensation insurance				
Objectives	Partner with all city departments to reduce workplace accidents/injuries; promote safety awareness programs and create a city-wide culture focused on safety				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
City's Experience Modifier Rate	1.07	1.01	1.0	0.95	1.0

HUMAN RESOURCES HEALTHCARE SELF INSURANCE FUND

Fund Description

The healthcare self insurance fund is an internal service fund established to provide health insurance claims, plan administration, stop loss premiums, and fund reserves. The costs of these services are charged directly back to the appropriate funds. The employee health insurance fund is managed by the Health Benefits Trust Board. Employee health insurance administration is managed by the human resources department.

Major Budget Changes

The FY2015 budget increased 3.8% over the FY2014 amended budget.

- Supplies decreased 12.0% from the FY2014 budget primarily due to one-time expenditures in books and subscriptions in FY2014
- Services increased 10.2% over the FY2014 budget primarily due to:
 - Increase in professional and outside services due to an increase in fees for the city's benefits consultant
 - Increase in claims projections
 - Increase in contractual medical insurance premiums
 - Increase in other professional services for increases in the transitional reinsurance fee city's benefits consultant HMO and PPO required under the Affordable Care Act
 - The increase in services was partially offset by:
 - Decrease in audit fees due to one-time expenditures in FY2014
 - Decrease in service agreements
- Contingency is programmed for the adverse times. Contingency reserve is set by policy at 10.0% of expected claims. All remaining fund balance is programmed in a separate contingency

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	85,779	85,673	96,300	96,800	1%
Supplies	15,242	21,794	46,000	40,500	(12%)
Services	6,735,878	8,088,162	8,901,400	9,811,800	10%
Sub-Total Operating	6,836,899	8,195,629	9,043,700	9,949,100	10%
Debt	(1,207)	(473)	0	0	-
Contingency	0	0	2,192,200	1,712,000	(22%)
Total	6,835,692	8,195,156	11,235,900	11,661,100	4%

Uses by Division

Administration	0	3,833	2,222,200	0	(100%)
Administrative Services	6,835,692	8,191,323	9,013,700	11,661,100	29%
Total	6,835,692	8,195,156	11,235,900	11,661,100	4%

Sources by Category

Charges for Services/Other	8,211,564	8,517,948	8,945,900	9,958,100	11%
Total	8,211,564	8,517,948	8,945,900	9,958,100	11%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	1.0	1.0	1.0	1.0	0.0

Accomplishments, Enhancements, and Efficiencies

- Recognition and awards for the city's wellness program:
 - American Heart Association Fit Friendly Organization for the third year in a row. This is the first time receiving platinum level recognition. The city is one of 2,776 organizations that have earned this recognition out of more than 7.7 million employers nationwide.
 - Phoenix Business Journal recognition as one of The Valley's Healthiest Employers out of more than 50 organizations. Surprise is one of only three cities being recognized.
- Achieved over 50% participation from the overall employee population in health risk assessments for the fourth year in a row.
 - Reports from Blue Cross/Blue Shield of Arizona regarding the health risk assessments show:
 - 8.6% reduction in health risk factors from "high" to "low/moderate"
 - 11.9% overall health improvement based on employee's answers to the survey questions and medical test results
- The city offered over 50 Wellness events with the goal of improving work/life balance including:
 - Stress management programs averaging 12% participation from total employee population. Chair massages continue to be an employee favorite
 - Lunchtime workshops on topics such as nutrition/cooking, parenting, caring for older adults, work/life balance, meditation sessions, and more
 - Established employee fitness room for lunchtime and evening onsite fitness classes including yoga, boot camp, pilates, and more
 - Weekend hiking club
- Implemented the one-on-one nutrition counseling program to provide employees with customized resources to assist in achieving health goals and strengthening long-term behavior change.

Major Initiatives and Policy Issues

- Continue development of city-wide wellness program with the goal of improving employee health and productivity, while also containing healthcare costs through education, training, and the promotion of a healthier lifestyle.
- Continue development of fitness classes by adding classes for employees with the goal of lowering risk of chronic disease.
 - Studies indicate that physical inactivity costs employers 15% of total healthcare expenditures.
- Oversight of city's healthcare plans to ensure continued compliance with federal healthcare reform to prevent potential employer penalties; provide employees with communication to increase awareness, make them better consumers of the city's health plan, and other benefits.
- Development of city-wide wellness discount premium program with Blue Cross/Blue Shield of Arizona. The program contains a point system for employees with incentives to motivate behavior change.

Goals, Objectives, and Performance Measures

Department Goal	Achieve 50% or greater participation from the overall employee population in the health risk assessment				
Objective	With successful completion of this goal the city earns a \$10,000 wellness incentive from Blue Cross/Blue Shield of Arizona along with onsite flu shots, mammograms, nutrition workshops, and other wellness program resources				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Percentage of employees who complete medical Health Risk Assessment (HRA)	50%	52%	50%	52%	50%

Department Goal	Contribute to cost containment measures by continuing wellness program initiatives				
Objective	Provide custom wellness programs to educate, empower, and support better health among employees and family members				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of medical wellness Programs	9	15	12	12	12
Percentage of participants of total employee benefit population at medical wellness programs	18%	18%	19%	20%	22%

Department Goal	Oversight of city's healthcare plan to ensure continued compliance with federal healthcare reform through 2018				
Objective	Apply applicable compliance laws to city's health plan to avoid costly employer penalties				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Complete employer reporting of health coverage on form W-2	*	100% complete	100% complete	100% complete	On-going
Employer distribution of uniform summary of benefits to participants	*	*	100% distributed by 7/1/13	100% complete by 7/1/13	On-going
Federal Insurance Exchange information distributed to participants	*	*	100% distributed by 10/1/14	100% complete by 10/1/14	On-going
Update COBRA Notice with Federal Insurance Exchange information	*	*	100% updated by 10/1/14	100% complete by 10/1/14	On-going
Waiting period for coverage not to exceed 90 days	*	100% compliant	100% compliant	100% compliant	100% compliant

*New measure, data not available

EMPLOYEE DEPENDENT SCHOLARSHIP FUND

Fund Description

The employee dependant scholarship fund is established to temporarily hold and collect assets for a third party (employees). These assets are then awarded as scholarships to dependants of employees who are attending or plan to attend college. Two scholarships are planned for award to city of Surprise employee dependants on a merit basis prior to the commencement of fall 2015 classes.

Major Budget Changes

For FY2015, the employee dependent scholarship fund has been programmed with expenditures equal to the anticipated amounts of the two scholarships to be awarded. Additional fund balance is programmed as contingency. Resources for this fund are comprised of a beginning fund balance, investment earnings, and revenues from a portion of the vending machine concessions at city hall. All expenditures are dedicated to scholarships.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	6,000	4,000	6,000	3,000	(50%)
Sub-Total Operating	6,000	4,000	6,000	3,000	(50%)
Contingency	0	0	100	2,900	2,800%
Total	6,000	4,000	6,100	5,900	(3%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
General Operations	6,000	4,000	6,100	5,900	(3%)
Total	6,000	4,000	6,100	5,900	(3%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	1,379	1,210	1,400	1,200	(14%)
Total	1,379	1,210	1,400	1,200	(14%)

Personnel Summary

There are no dedicated personnel assigned to this fund.

INFORMATION TECHNOLOGY

Department Description

The information technology department provides world-class, technology-based solutions to effectively manage city assets. The department provides service excellence in the support of internal and external customers, develops highly skilled and knowledgeable staff, and provides training in the effective use of computer technology and applications. The department collaborates with other departments and organizations to provide the delivery of effective and efficient government services.

Primary Functions

- Provide and support a secure centralized network, telephony, and computer technology
- Integrate and maintain existing applications and development of new applications
- Mitigate risk of loss to the city's information and computer resources. Develop security policies and guidelines
- Provide a spatial data repository, tools, and services for city departments so they can create, maintain, represent, and analyze geographic information
- Provide timely right of way, leasing, property, and land management services
- Provide professional cadastral surveys and research

Divisions

Information Services -

Provides centralized information technology services required by all city departments

Geographical Information Systems (GIS) -

Provides centralized geographical information services, real estate, and surveying services to all city departments

Major Budget Changes

The FY2015 budget increased 12.4% over the FY2014 amended budget.

- Personnel expenditures increase 10.6% overall due to:
 - Increased due to a 1.3% COLA and 2.0% merit increase for all general salary plan employees
 - Increased based on the implementation of the updated classification and compensation study for all general salary plan employees
 - Increased due to a 6.0% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increased due to a 0.06% increase in ASRS contributions
 - The addition of a real estate specialist position in the geographical information systems division to maintain current levels of service due to increased work load
- Supplies increased 88.6% over the FY2014 budget primarily due to:
 - Increase in furniture, fixtures, and equipment for replacement of laptops, servers, storage area network hard drives, and remote access tokens
- Services increased 9.6% over the FY2014 budget primarily due to:
 - Increase in service agreements – net increase of \$102K primarily due to enterprise software licensing agreement
 - Increase in aerial photography due to the addition of a change request for high resolution aerial photos
 - Increase in travel and training
- Operating capital increased 70.0% over the FY2014 budget primarily due to added centralized security management of \$14,000

INFORMATION TECHNOLOGY General Fund Overview



Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,189,442	2,219,800	2,338,100	2,586,700	11%
Supplies	145,389	99,791	102,700	193,700	89%
Services	1,127,664	1,236,238	1,648,300	1,806,500	10%
Operating Capital	54,597	19,980	20,000	34,000	70%
Sub-Total Operating	3,517,091	3,575,809	4,109,100	4,620,900	12%
Capital	52,240	17,690	0	0	-
Debt	0	17,933	0	0	-
Total	3,569,331	3,611,432	4,109,100	4,620,900	12%

Uses by Division					
Geographical Info.sys.	929,117	901,844	974,100	1,166,300	20%
Information Technology	2,640,214	2,709,588	3,135,000	3,454,600	10%
Total	3,569,331	3,611,432	4,109,100	4,620,900	12%

Sources by Category					
Charges for Services/Other	0	11	0	0	-
Total	0	11	0	0	-

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	26.0	24.0	24.0	25.0	1.0

Accomplishments, Enhancements, and Efficiencies

- Data backup system replacement and server consolidation
- Enhanced safety and security at multiple city facilities
- Enhanced Network Access Control (NAC) System
- Needs assessment for core system replacement (enterprise resource planning)
- Data integration and data warehousing of existing systems to provide improved business analytics

Major Initiatives and Policy Issues

- Enterprise resource planning system selection
- Identify recovery options for business continuity
- Continue asset replacement and technology refresh
- Continue to analyze and identify data security compliance
- Continue to analyze and identify an enterprise document management solution

Goals, Objectives, and Performance Measures

Department Goal	Utilize technology to link transportations and land use planning				
Objective	Develop an active vertical and horizontal control network increasing density by 8% to ensure continuity between existing infrastructure and new construction				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
Number of vertical and horizontal survey controls	127	147	160	160	172

Department Goal	Provide effective and efficient information technology support and improve city services by maintaining reliable up to date technology ensuring those technologies are highly available, recoverable, and the integrity of data is maintained				
Objective	Integrate new technologies and replace obsolete equipment/services and financial systems to meet an ever-changing environment. Limit risks and any negative impacts to existing systems				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
End user devices supported	2,664	2,694	2,731	2,731	3,063
Network devices supported	221	252	252	252	252
Security devices supported	431	553	566	567	596
Applications supported	*	59	63	66	68

*New measure, data not available

Department Goal	Update the GIS service				
Objective	Develop and implement an accurate, comprehensive, and up-to-date geographic information system in order to improve department efficiency and decision processes				
Performance Measures	FY2011 Actual	FY2012 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
GIS data layers maintained	159	159	162	162	162
New GIS applications developed	10	10	11	11	11

GENERAL OPERATIONS

Description

General operations was established to provide support to the general operating activities of the city. General operating activities are those that cannot be accurately charged to a specific department, or those that serve a city-wide purpose, such as operating fund transfers and contingency planning.

Budget Summary

General operations serves as a clearinghouse for spending not directly associated with a specific department. Included in this budget are funds for debt payments and transfers to other funds.

The FY2015 general fund budget of \$15.5 million represents a net increase of 910.8% from the FY2014 amended budget of \$1.5 million, due primarily to appropriating contingency. Although appropriated, the city does not anticipate spending the \$11.0 million in contingency in FY2015. The use of this contingency would first have to be approved by City Council per the city's Comprehensive Financial Management Policy #24.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,743	0	0	0	-
Supplies	0	0	0	0	-
Services	0	0	0	0	-
Operating Capital	0	99	0	0	-
Sub-Total Operating	2,743	99	0	0	-
Contingency	0	0	0	11,000,000	-
Transfer Out	3,220,546	1,533,198	1,533,400	4,500,000	193%
Total	3,223,289	1,533,297	1,533,400	15,500,000	911%

Uses by Division

General Operations	3,223,289	1,533,297	1,533,400	15,500,000	911%
Total	3,223,289	1,533,297	1,533,400	15,500,000	911%

Sources by Category

Charges for Services/Other	603,391	651,125	660,200	436,500	(34%)
Franchise Fees	3,960,702	4,118,235	3,999,500	4,763,200	19%
Local Sales Tax	30,498,196	31,592,135	33,015,500	35,667,200	8%
Property Tax	6,178,758	6,294,185	6,406,700	6,513,600	2%
State Shared	23,090,098	25,638,406	27,182,600	29,099,200	7%
Transfers In	4,729,148	4,729,222	5,772,300	5,823,000	1%
Total	69,060,293	73,023,308	77,036,800	82,302,700	7%

Transfers

For FY2015, \$1.5 million is budgeted as a transfer to the 2000-2003 debt service funds for the general fund's share of MPC rental payments. There will be additional one-time transfers of \$2.0 million to the general capital fund and \$1.0 million to the vehicle replacement fund. The transfer from enterprise funds (i.e., water, wastewater, and sanitation) into the general fund totals \$5.8 million.

Community Development

- Community Development Department
 - Neighborhood Revitalization Fund

COMMUNITY DEVELOPMENT

Department Description

The community development department provides development services, planning and zoning, building safety, code enforcement, neighborhood services, and welcome center. The department is charged with ensuring responsible planning within the current and future city limits, long range transportation planning, and those new and existing structures are safe for occupancy.

Department-Wide

The community development department is primarily funded by the general fund. In addition, it has a special revenue fund that provides restricted-use funding to support the neighborhood revitalization program. Expenditures and personnel related to the special revenue fund are included in the tables below.

Uses by Category & Fund	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating					
General*	6,602,043	5,831,803	6,470,300	4,094,900	(37%)
Grants And Contingency	0	0	0	0	-
Neighborhood Revitalization*	682,785	1,710,349	692,400	2,083,200	201%
Risk Management	9,657	13,034	0	0	-
Transportation Improvement	51,549	61,504	260,000	0	(100%)
Wastewater Dev Fee	0	0	25,000	0	(100%)
Wastewater Operations	400,905	234,819	251,000	0	(100%)
Water Dev Fee	0	0	450,000	0	(100%)
Water Operations	20,692	25,161	30,000	0	(100%)
Operating - All Funds	7,767,630	7,876,670	8,178,700	6,178,100	(24%)
Capital					
General Capital	0	0	1,100,000	0	(100%)
Capital - All Funds	0	0	1,100,000	0	(100%)
Debt - All Funds	0	2,000	0	0	-
Contingency - All Funds	0	0	791,000	0	(100%)
Total Uses All Funds	7,767,630	7,878,670	10,069,700	6,178,100	(39%)

*Additional detail in subsequent sections

Personnel by fund	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	34.8	33.5	40.0	43.3	3.3
Neighborhood Revitalization	1.0	2.0	0.0	0.0	0.0
Personnel All Funds	35.8	35.5	40.0	43.3	3.3

Primary Functions

- Building plan review and approval
- Inspections
- Code enforcement
- Development center – one stop shop
- Development coordination
- Code administration
- General plan development and implementation
- Development review
- Long range transportation planning
- Community clean up
- Revitalization planning and implementation
- Block party trailer
- Welcome Center
- Design development – in house
- Civic education

Divisions

<u>Administration</u> -	The administration division is responsible for the overall coordination of the department's activities and performance in relation to the organization.
<u>Building Safety</u> -	The building safety division reviews, approves, and inspects new developments, tenant improvements, and restorations.
<u>Code Enforcement</u> -	The code enforcement division is charged with ensuring the health and safety of residents as it relates to property maintenance and zoning regulations. These activities are completed through education and enforcement.
<u>Development Services</u> -	The development services division provides a single point of contact for city services to the customer so they may complete their development project in a faster, more cost efficient manner.
<u>Neighborhood Services</u> -	Neighborhood services is committed to improving the condition of neighborhoods through reinvestment. Staff works closely with community members in implementing revitalization programs that include homeownership, housing rehabilitation, social service assistance, community education, and event coordination.
<u>Planning & Zoning</u> -	The planning division ensures projects are developed in accordance with city standards to promote a vibrant community. The division fosters long range planning through the creation and implementation of the general plan, village planning, and long-range transportation planning.

Accomplishments, Enhancements, and Efficiencies

- Agreement with medical development group, specializing in traumatic brain injury rehabilitation
- Successful certificate of occupancy for new headquarters and manufacturing operation
- Successful certificate of completion for 420,000 square foot speculative industrial building
- General plan 2035 ratified by 72% of the voters – November 2013
- Adoption of 2012 international building codes
- Implementation of self certification building permit process
- Successful integration of transportation planning into community development

Major Initiatives and Policy Issues

- Implement Council's strategic framework initiatives including medical, renewable energy, economic development, and recruitment of a new four year residential college or university
- Update application process for assisted living facilities
- Complete the next village plan as directed by Council
- Surprise uniform development code update and adoption
- Continue of the form based code discussions
- Implementation of second phase of self certification permit process to include civil permits
- Implement general plan
- Create transportation planning tools for the city of Surprise. Tools include an access management plan, bicycle pedestrian plan, complete streets plan and major thoroughfare plan to be used within the city's planning boundary

Goals, Objectives, and Performance Measures

Department Goal	Provide accurate planning and development information to customers so they can make knowledgeable development decisions and receive timely delivery of property based services				
Objective	Assist 95% of development center customers within 15 minutes of sign-in				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of customers anticipated	8,000	8,500	8,900	8,900	9,000
Number of customers assisted	8,385	8,591	8,900	9,711	9,000
Average time spent per customer	25 minutes	21 minutes	20 minutes	19 minutes	20 minutes
Percent of customers assisted within 15 minutes of sign in	81%	89%	90%	87%	90%

Department Goal	The code enforcement division ensures the health and safety of residents as it relates to property maintenance, zoning regulations, education, and enforcement				
Objective	The number of cases opened, resolved, and inspections completed directly reflects the primary work by the code enforcement division to meet the department goal				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of new cases opened	4,879	4,163	4,300	4,855	4,600
Number of cases resolved	4,346	3,992	4,000	4,413	4,300
Number of inspections	12,027	11,651	12,000	13,561	13,000
Proactive inspections	2,675	2,829	3,150	2,999	2,750

Department Goal	The building safety division reviews, approves, and inspects new development, tenant improvements and restoration				
Objective	The number of plan sheets reviewed and inspections completed demonstrates the output to meet the department goal				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Average number of inspections performed (per inspector per day)	16	20	15	18	16
Number of building permit inspections performed	13,280	20,150	21,840	18,220	19,500
Number of building plan sheets reviewed	39,802	40,119	44,000	39,078	38,000
Number of building reviews completed	4,358	6,628	5,050	7,067	5,600

COMMUNITY DEVELOPMENT GENERAL FUND

Major Budget Changes

The FY2015 budget is 43.6% less than the FY2014 amended budget.

- Personnel expenditures increase 19.1% overall due to:
 - 1.3% COLA and 2.0% merit increase for all general salary plan employees
 - The implementation of the updated classification and compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
 - The addition of five FTE:
 - Two planner II positions were added to maintain current levels of service due to increased development since July of 2012
 - Two contract administrators were added to assist in managing additional tasks due to development agreement contract management moving from legal to the community development department
 - A zoning coordinator was added to handle zoning related items that are currently being managed by planners
 - The increase was partially offset by:
 - Transferring two existing staff and two new additional staff to the City Manager's Office
- Supplies increased 6.1% over the FY2014 budget primarily due to replacement of the block party trailer
- Services decreased 92.4% from the FY2014 budget primarily due to the economic development division moving to the City Manager's Office
 - The decrease was partially offset by:
 - Increase in professional and outside services due to revisions of the Surprise uniform development code, director recruiting, and form based building code
- Contingency decreased 100.0% due to the economic development division moving to the City Manager's Office

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,784,671	2,819,129	3,156,400	3,757,900	19%
Supplies	83,725	57,534	87,900	93,300	6%
Services	3,733,647	2,955,140	3,226,000	243,700	(92%)
Operating Capital	0	0	0	0	-
Sub-Total Operating	6,602,043	5,831,803	6,470,300	4,094,900	(37%)
Debt	0	2,000	0	0	-
Contingency	0	0	791,000	0	(100%)
Total	6,602,043	5,833,803	7,261,300	4,094,900	(44%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	263,069	225,693	229,900	260,100	13%
Building Safety	788,443	830,920	1,049,600	1,133,900	8%
Code Enforcement	528,065	504,421	569,700	653,200	15%
Development Services	524,462	472,103	506,900	861,000	70%
Economic Development	3,757,784	2,977,496	4,105,500	0	(100%)
Neighborhood Services	196,822	289,914	196,100	324,100	65%
Planning & Zoning	543,397	533,255	603,600	862,600	43%
Total	6,602,043	5,833,803	7,261,300	4,094,900	(44%)

Sources by Category

Charges for Services/Other

Total

FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
1,622,594	2,011,274	2,188,200	2,289,700	5%
1,622,594	2,011,274	2,188,200	2,289,700	5%

Total Personnel Count

FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
34.8	33.5	40.0	43.3	3.3

COMMUNITY DEVELOPMENT NEIGHBORHOOD REVITALIZATION FUND

Description

The neighborhood revitalization fund is established to track revenues and expenses associated with the city's neighborhood revitalization program. This special revenue fund includes a combination of federal, state, and local funding sources. The neighborhood services division of the community department administers the programs associated with this fund.

Accomplishments, Enhancements, and Efficiencies

- Construction of three new replacement homes under the HOME program.
- Purchased two properties to be sold under the Neighborhood Stabilization Program (NSP).
- Assisted 32 qualified families under the emergency rehabilitation assistance.
- Secured grant funding for the continuation of the summer youth employment program for summer 2014 allowing the employment of 19 income qualified youths.
- Met grant expenditure deadlines for the NSP 3 grant fund.

Major Initiatives and Policy Issues

- Completion of fair housing testing as recommended through the analysis of impediments to fair housing.
- Organization of a fair housing event that will be geared to provide resources and education to the community.
- Organization of a Home Owner's Association (HOA) Summit to assist with improved communication and service to HOA's.

Major Budget Changes

The FY2015 budget is a 200.9% increase from the FY2014 amended budget. The changes are due to estimated grant spending during FY2015.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	162,060	161,310	242,400	379,500	57%
Supplies	2,120	0	0	0	-
Services	518,605	1,549,039	450,000	1,703,700	279%
Sub-Total Operating	682,785	1,710,349	692,400	2,083,200	201%
Total	682,785	1,710,349	692,400	2,083,200	201%

Uses by Division					
Neighborhood Services	682,785	1,710,349	692,400	2,083,200	201%
Total	682,785	1,710,349	692,400	2,083,200	201%

Sources by Category					
Charges for Services/Other	682,785	1,451,450	0	1,433,200	-
Total	682,785	1,451,450	0	1,433,200	-

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	1.0	2.0	0.0	0.0	0.0

Goals, Objectives, and Performance Measures

Department Goal	Increase the number of residents served in neighborhood programs				
Objective	Create neighborhood reinvestment programs that are easily accessible				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Homes improved through grant funds	19	45	30	33	33
Grant amounts awarded for neighborhood revitalization activities	445,732	554,119	630,172	630,172	800,141
Number of community revitalization events	3	2	2	3	3
Number of CDBG funded social service programs	3	4	4	3	3

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Community and Recreation Services

- Community and Recreation Services Department
 - Tourism Fund
 - Net Premium Seating Surcharge Fund
 - Spring Training Ticket Surcharge Fund
 - Stadium Improvements Fund

COMMUNITY AND RECREATION SERVICES

Department Description

The city of Surprise Community and Recreation Services (CRS) Department is responsible for recreational programming, sports tourism events, signature and community special events, recreational facility operations, and ground maintenance of city parks. Recreation programming includes aquatics, youth and adult sports, tennis programming, library services, senior programs, teen programming, and adaptive programming. Special event and sports tourism includes spring training, regional and national tennis tournaments, as well as community and signature events such as the annual Surprise Party event and Performances in the Park.

Mission Statement

The mission of the city of Surprise Community and Recreation Services Department is to enrich and complement the lives of Surprise residents through stewardship of our resources while providing responsive programs which promote and prioritize diversity, cultural, neighborhood, family, education, recreation, and wellness opportunities.

Department-Wide

The community and recreation services department is primarily funded by the general fund. In addition, it has several special revenue funds that provide restricted-use funding including the tourism fund, the net premium seating fund, and the spring training ticket surcharge fund. Expenditures and personnel related to these special revenue funds are included in the tables below.

Uses by Category & Fund	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating					
Donations	118,727	332,116	267,300	443,300	66%
General*	13,121,598	12,620,752	14,689,000	15,934,700	8%
Grants And Contingency	41,724	42,340	50,000	50,000	0%
Library Dev Fees	0	0	0	75,000	-
Net Premium Seating*	26,721	31,916	50,000	50,000	0%
Sanitation Operations	0	0	0	0	-
Spring Training Ticket Surcharge*	0	24,381	100,000	250,000	150%
Stadium Improvements*	0	0	557,000	0	(100%)
Tourism*	59,443	158,499	31,000	0	(100%)
Operating - All Funds	13,368,213	13,210,005	15,744,300	16,803,000	7%
Capital					
Donations	25,303	0	0	0	-
General Capital	0	226,663	670,000	2,550,000	281%
Parks and Rec Dev Fees	0	0	0	2,635,100	-
Stadium Improvements	0	0	0	1,491,200	-
Capital - All Funds	25,303	226,663	670,000	6,676,300	896%
Debt - All Funds	0	171	0	0	-
Contingency - All Funds	0	0	8,372,700	6,933,900	(17%)
Transfer Out - All Funds	826,193	794,064	794,200	1,437,500	81%
Total Uses All Funds	14,219,709	14,230,903	25,581,200	31,850,700	25%

*Additional detail in subsequent sections

Personnel by fund	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	100.5	96.8	110.0	122.1	12.1
Personnel All Funds	100.5	96.8	110.0	122.1	12.1

Primary Functions

- Provide quality, cost-effective and safe recreational programs to the community
- Provide safe and clean parks, trails, sports and recreation facilities to the residents
- Operate a two team spring training facility
- Facilitate quality, affordable special events
- Promotion of community, recreation, and sports tourism programs enhancing and creating quality of life opportunities for residents
- Parks and recreation open space and facility master planning development and implementation
- Administrative oversight of personnel, budget, resources, program development, and policy development
- Operational, organizational, and daily general facility and park maintenance
- Staff liaisons for tourism advisory commission, CRS advisory commission, teen advisory commission, arts and cultural advisory commission, and Surprise Sundancers Board

Divisions

<u>Administration</u> -	Provides leadership and overall department oversight for community and recreation services, including 122 full time equivalents in part time employee support, and five boards and commissions. The division provides fiscal oversight for an operating budget of \$15.9 million and ensures revenue recovery of at least \$4.0 million.
<u>Aquatics</u> -	Manages the Surprise Aquatic Center and the Hollyhock Community Pool. Water safety, lessons, open swim, special events, competitive and recreational swim teams, dive team, and pool rentals are offered at the pools.
<u>Campus & Park Maint.</u> -	Oversees turf and ground maintenance of the 140-acre Surprise Recreation Campus and 400 acres within 15 parks and recreation center grounds. Parks maintenance supports a variety of recreational activities and provides an overall aesthetically pleasing appearance for the community. Activity includes ramada/private rental support, aquatics and splash pad maintenance, lake quality, special event support, CRS recreation sports and practice leagues support, routine grounds maintenance, maintain parks playground units, dog park, graffiti/ vandalism/storm reports and repairs, and capital improvement support.
<u>Library</u> -	Provides for a service agreement with the Maricopa County Library District which operates the Northwest Surprise Regional Library and the Hollyhock Branch Library.
<u>Recreation</u> -	Manages programming that includes youth and adult sports, adaptive recreation, tennis, senior programs, special interest classes, summer camp, tot time, and teens totaling over 1,700 programs.
<u>Sports Tourism & Events</u> -	Responsible for sports tourism and events as well as the operation and facility maintenance of the 140-acre Surprise Recreation Campus, specifically stadium operations. This division markets, plans, and implements events, as well as acquires sponsorships/donations for the entire department. The primary focus is to bring forward activities and events that provide an economic impact to the city which attracts local, regional, and national participants. Regular activities include Spring Training, year round Major League Baseball training operations, Arizona Fall League, six National United States Tennis Association events, the Cancer Treatment Centers of America Tennis Championships, Surprise Party, Performances in the Park, Memorial Day, Spring Eggstravaganza, and the annual 4th of July celebration.
<u>Support Services</u>	Provides human resources support, internal and external customer service, procurement and contractual services, bookkeeping and departmental support to all divisions of the community and recreation services department. This activity supports the recreation department as a whole.
<u>Recreation Centers</u>	Sierra Montana and Countryside Recreation Centers offer quality, cost-effective, safe, and enjoyable recreational programs and facilities to Surprise residents of all ages and abilities

so they can recreate, learn a variety of new skills, improve health and/or self-esteem, and socialize. Activities include facility operations and maintenance, drop-in recreation for youth and teens, special events such as a father daughter dance, a variety of special interest classes, preschool programs, and teen dances. Countryside Elementary uses the gym for physical education classes and sports programs.

Teens

Provide quality, cost-effective, safe, and enjoyable teen programs to Surprise residents age 13 – 17 so they can learn lifelong skills, have a voice in their community, gain leadership skills, showcase their skills, and socialize at teen events and activities. Activities include a 15 member teen advisory commission, a youth leadership summit and program for 160 youth, art competitions such as battle of the bands and teen talent, and tournaments.

Accomplishments, Enhancements, and Efficiencies

- The community and recreation services department delivered over 1,700 recreation and special events programs, servicing over 460,000 participants.
- Completed new restroom and parking lot at Heritage Park at Marley Park on time and under budget.
- The Surprise Stadium hosted two Korean professional baseball teams for winter training: Lotte Giants and Nexen Heroes.
- Surprise hosted a record number of sports tournaments at the Surprise Recreation Campus. A total of six state baseball tournaments featuring 53 teams. A total of 17 teams competed for the chance to advance to their respective World Series. Two American Amateur Baseball Congress World Series tournaments capped off the summer tournament season with teams competing for a National Championship in the Gil Hodges (11 year olds) and Ken Griffey Jr. (15 year olds) divisions. A total of 16 teams between the two events generated over 450 room nights.
- CRS successfully negotiated a \$2 million dollar contract to extend the concession contract up to 15 years for stadium improvements which paid for a new LED scoreboard.

Major Initiatives and Policy Issues

- Complete public process and recommendations from the recreation advisory commission for parks and recreation development fee fund project priorities to include Veramonte and Surprise Farms Park improvements
- Negotiate memorandum of understanding with the Texas Rangers and Kansas City Royals to discuss expanding clubhouse facilities and possibly extend team agreements
- Recommend funds through the transient lodging tax (bed tax) to conduct a sports tourism feasibility study
- Complete public process for parks and recreation master plan update.
- Offer first city-run competitive/club sports by starting a year-round USA swim team and new youth sports.

Goals, Objectives, and Performance Measures

Department Goal	Provide quality recreation programs to residents and visitors of Surprise				
Objective	Provide recreation programs at a 50% revenue recovery rate or greater				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of programs offered	1,604	1,700	1,700	1,734	1,700
Number of participants	185,232	191,648	193,377	192,300	190,000
Revenue	\$1,702,949	\$1,868,900	\$1,783,300	\$1,907,528	\$1,785,800
Revenue recovery (net revenue less expenses)	63%	70%	65%	70%	65%

COMMUNITY AND RECREATION SERVICES
Citywide Overview



Department Goal	To provide Cactus League Spring Training Major League Baseball in the city of Surprise generating an economic impact of over \$30 million dollars				
Objective	Surprise Stadium to have annual attendance of at least 180,000 and generate gross revenue of 4.4 million				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Gross revenue	\$4,799,507	\$4,984,400	\$4,400,000	\$5,788,444	\$4,400,000
Attendance	180,681	190,991	182,000	184,338	182,000
Number of games	29	35	29	28	29

Department Goal	Provide safe and well-maintained facilities that protect public safety, maximize the usability of facilities, and instill community pride in its parks				
Objective	Maintain parks at an average level of service of 2.5 or better				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Total park acres	392.5	392.5	392.5	392.5	392.5
Actual hours of parks maintenance	66,600	65,500	68,900	68,000	68,900
Maintenance cost per acre	\$10,015	\$9,500	\$10,000	\$10,000	\$10,000

COMMUNITY AND RECREATION SERVICES GENERAL FUND

Major Budget Changes

The FY2015 budget is 8.4% higher than the FY2014 amended budget.

- Personnel expenditures increased 11.3% from the FY2014 budget due to:
 - 1.3% COLA for all employees
 - 2% merit increase for all general salary plan employees
 - Implementation of the updated classification and compensation study for general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
 - The addition of four full-time and additional part-time positions from change requests
 - A swim coach position to assist in the implementation of a year round USA swim team
 - A recreation coordinator to assist in the introduction of soccer, basketball and volleyball leagues that offer a greater level of competition beyond what is currently offered
 - A parks maintenance and operations technician and a groundskeeper to maintain current levels of service
 - 8.1 part-time positions were added to maintain current levels of service and assist with the new USA swim team and competitive sports programs.
- Supplies increased 11.4% and services increased 6.4% from the FY2014 budget primarily due to addition/removal of the following programs:
 - Youth sports – competitive sports leagues
 - Hollyhock pool special interest classes
 - Additional summer camp at Nadaburg School
 - Concession items for resale at aquatic center
 - Competitive tennis camp
 - Additional youth sport camps
 - Aquatics USA competitive swim team
 - Teen advisory commission open recreation transportation
 - Special events – Fiesta Festival
 - Additional hours at Sierra Montana, Villanueva, and Countryside
 - Operating Asante Park for a full fiscal year
 - Increase level of service of Veramonte and Surprise Farms Parks
 - ADA pool lifts for both aquatic facilities
 - Increases cost with Maricopa County for operating the library
 - Special event hosting for spring training
 - These increases were partially offset by the removal of the tennis championship tournament
- Operating capital decreased 100.0% from the FY2014 budget due to one-time purchases for Asante Park in FY2014.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	6,231,834	5,622,513	6,312,100	7,025,400	11%
Supplies	1,971,905	1,842,116	1,901,100	2,119,000	11%
Services	4,917,859	5,156,122	6,376,800	6,790,300	6%
Operating Capital	0	0	99,000	0	(100%)
Sub-Total Operating	13,121,598	12,620,752	14,689,000	15,934,700	8%
Debt	0	(95)	0	0	-
Transfer Out	30,960	0	0	0	-
Total	13,152,558	12,620,657	14,689,000	15,934,700	8%

COMMUNITY AND RECREATION SERVICES
General Fund



Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	476,831	603,558	585,900	598,400	2%
Aquatics	516,326	582,285	10,700	0	(100%)
Campus Operations	4,105,663	3,925,381	4,289,000	4,246,100	(1%)
Community Promotions	37,858	145,938	137,700	147,700	7%
Country Side Rec Center	218,736	200,010	234,000	238,000	2%
Hollyhock Community Pool	0	0	109,600	119,900	9%
Library	122,871	549,166	994,600	1,409,600	42%
Park Maintenance	2,476,664	2,050,104	2,512,800	2,986,200	19%
Recreation	3,380,053	3,089,799	3,317,400	3,809,500	15%
Sierra Montana Rec Center	289,237	298,734	289,900	311,400	7%
Special Events	537,886	450,891	548,700	718,800	31%
Surprise Aquatic Center	0	0	614,400	821,600	34%
Tennis	990,432	724,792	1,044,300	527,500	(49%)
Total	13,152,558	12,620,657	14,689,000	15,934,700	8%

Sources by Category

Charges for Services/Other	4,732,333	4,718,258	4,487,800	3,987,300	(11%)
Total	4,732,333	4,718,258	4,487,800	3,987,300	(11%)

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	100.5	96.8	110.0	122.1	12.1

COMMUNITY AND RECREATION SERVICES TOURISM FUND

Description

The tourism fund is established to track expenses and revenue associated with the dedicated 1.52% transient lodging tax (bed tax). The fund was a newly established special revenue fund for FY2010. The city of Surprise Tourism Board recommended on January 5, 2010, as part of the on-going strategic plan development, a 1.52% increase to the then 1% transient lodging tax for a total of 2.52%. The increase was approved by Mayor and City Council on January 28, 2010 and is authorized by city code §46-3.14-447. Its use is restricted to promoting and marketing tourism for the city of Surprise.

Major Budget Changes

Fund balance and estimated revenues are programmed as contingency at \$676,900 and is available for expenditure authority if an eligible program is brought before the tourism commission for consideration and recommendation to the Mayor and City Council. There are no dedicated personnel assigned to this fund.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	31,714	0	0	0	-
Services	27,729	158,499	31,000	0	(100%)
Sub-Total Operating	59,443	158,499	31,000	0	(100%)
Contingency	0	0	0	676,900	-
Total	59,443	158,499	31,000	676,900	2,084%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Special Events	44,443	58,499	31,000	676,900	2,084%
Tennis	15,000	100,000	0	0	-
Total	59,443	158,499	31,000	676,900	2,084%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	1,605	941	1,800	2,700	50%
Local Sales Tax	167,852	164,298	172,000	182,800	6%
Total	169,457	165,239	173,800	185,500	7%

Accomplishments and Recommendations

- The tourism commission recommended funding the 2014 Thunderbird Artists Fine Art and Wine Festival in an amount not to exceed \$31,000. Mayor and Council approved the recommendations in September 2013. The nationally recognized Thunderbird Artist hosted the Surprise Fine Art and Wine Festival event, which took place January 24-26, 2014 at 8 acres park.
- In October 2013 the commission recommended funding the marketing/planning/capital reserve portion of the tourism fund to initiate a feasibility study, initial master plans, and associated estimated project costs for a conceptual sports village and the possible expansion of existing Surprise recreational facilities to be utilized to host sports tourism events.
- In November 2013 the commission recommended funding the 2014 Surprise Fest in an amount not to exceed \$20,000 exclusively for talent fees for Sawyer Brown. The third party later pulled the event prior to council consideration. In November 2013 the commission recommended funding 2014 Step Higher Crossfit Fitness Festival exclusively for advertising. Mayor and Council did not recommend this event.
- The city will utilize up to \$50,000 for the 2015 NFL Super Bowl Flag Football event as recommended by the commission in February 2014.

COMMUNITY AND RECREATION SERVICES
NET PREMIUM SEATING SURCHARGE FUND

Fund Description

The net premium seating surcharge fund is a special revenue fund established in June 2012 to account for revenue and expenditures related to a ticket surcharge on the sale of spring training tickets in premium seating areas. These premium seating areas are located in the upper deck sections 201-206. The community and recreation services department is able to use this revenue to offset expenditures related to requests made by the Texas Rangers or Kansas City Royals. The net premium seating surcharge fund was established after the adoption of the FY2013 budget.

Major Budget Changes

The FY2015 budget decreased 32.0% from the FY2014 budget. The decrease is due to programming to provide authority for requests made by teams, up to \$5,000. The facility use agreements require \$50,000 to be appropriated annually.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	0	9,638	10,400	30,000	188%
Services	26,721	22,278	39,600	20,000	(49%)
Sub-Total Operating	26,721	31,916	50,000	50,000	0%
Contingency	0	0	27,400	2,600	(91%)
Total	26,721	31,916	77,400	52,600	(32%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Campus Operations	26,721	31,916	77,400	52,600	(32%)
Total	26,721	31,916	77,400	52,600	(32%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	25,419	24,824	25,500	22,000	(14%)
Transfers In	30,960	0	0	0	-
Total	56,379	24,824	25,500	22,000	(14%)

Personnel Summary

There are no dedicated personnel assigned to this fund.

COMMUNITY AND RECREATION SERVICES
SPRING TRAINING TICKET SURCHARGE FUND

Fund Description

The spring training ticket surcharge fund is a special revenue fund established in June 2012 to account for revenue from a ticket surcharge on the sale of spring training tickets. The community and recreation services department is able to use this revenue to address future facility operational improvements at the stadium. The spring training ticket surcharge fund was established after the adoption of the FY2013 budget.

Major Budget Changes

The FY2015 budget increased 242.6% from the FY2014 budget. The increase is due to:

- Renovation/rehabilitation of two practice fields
- Transfer of annual payment for anticipated new debt issuance related to upgrades and enhancements to clubhouses
- Contingency decreased 54.3% due to planned spending and budgeting of fund balance in line items instead of contingency

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	0	24,381	0	250,000	-
Sub-Total Operating	0	24,381	0	250,000	-
Contingency	0	0	301,500	137,900	(54%)
Transfer Out	0	0	0	645,100	-
Total	0	24,381	301,500	1,033,000	243%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Campus Operations	0	24,381	301,500	1,033,000	243%
Total	0	24,381	301,500	1,033,000	243%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	100,266	192,137	100,600	635,000	531%
Total	100,266	192,137	100,600	635,000	531%

Personnel Summary

There are no dedicated personnel assigned to this fund.

COMMUNITY AND RECREATION SERVICES
STADIUM IMPROVEMENTS FUND

Fund Description

In FY2014, the city renewed its agreement with the concessionaire to provide concessions for the Surprise Stadium. As part of that agreement, the concessionaire provided an additional two million dollars for improvements to the stadium. The community and recreation services department is able to use this funding to address current and future facility improvements at the stadium.

Major Budget Changes

The FY2015 budget increased 168.0% from the FY2014 budget. The increase is due to the anticipation of renovating the team clubhouses at Surprise Stadium in FY2015.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating Capital	0	0	557,000	0	(100%)
Sub-Total Operating	0	0	557,000	0	(100%)
Capital	0	0	0	1,491,200	-
Total	0	0	557,000	1,491,200	168%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Campus Operations	0	0	557,000	1,491,200	168%
Total	0	0	557,000	1,491,200	168%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	0	0	136,400	-
Total	0	0	0	136,400	-

Personnel Summary

There are no dedicated personnel assigned to this fund.

Public Safety

- Fire-Medical Department
 - Firefighter's Pension Fund
 - HALO Fund
 - Wildland Fire Fund
 - Ambulance Contract Fund
- Police Department
 - DEA Fund
 - RICO Fund
 - Tow Fund
 - SB 1398 Fund
 - Animal Seizure Bond Forfeiture Fund
 - Program 1033 Auction Proceeds Fund
 - Unclaimed Property Disposal Fund
- Surprise City Court
 - Municipal Court Enhancement Fund
 - FARE Fund
 - JCEF Fund
 - MFTG Fund

FIRE-MEDICAL DEPARTMENT

Department Description

The fire-medical department is a full-service all hazard response organization that provides fire suppression, emergency medical services, hazardous material response, fire prevention services, community educational services, and crisis response services.

Department-Wide

The fire-medical department is primarily funded by the general fund. In addition, it has several special revenue funds that provide restricted-use funding including the fire fighter's pension fund, the helicopter air-medical logistics operations (HALO) fund, the ambulance contract fund, and the wildland fire fund. Expenditures and personnel related to these special revenue funds are included in the tables below.

Uses by Category & Fund	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating					
Ambulance Contract*	0	0	93,600	187,800	101%
Donations	10,898	1,552	15,000	7,100	(53%)
Firefighters Pension*	57,210	22,732	18,000	0	(100%)
General*	14,311,158	14,311,178	15,299,300	17,221,700	13%
General Capital	(47,245)	0	0	225,000	-
Grants And Contingency	33,968	103,896	80,400	46,700	(42%)
HALO*	0	120,299	132,000	158,000	20%
Wildland Fire*	0	62,526	98,000	140,000	43%
Operating - All Funds	14,365,988	14,622,182	15,736,300	17,986,300	14%
Capital					
General Capital	637,052	83,068	475,000	0	(100%)
Capital - All Funds	637,052	83,068	475,000	0	(100%)
Debt - All Funds	0	(11,669)	0	0	-
Contingency - All Funds	0	0	0	2,083,800	-
Transfer Out - All Funds	575,072	659,590	121,500	121,200	0%
Total Uses All Funds	15,578,113	15,353,172	16,332,800	20,191,300	24%

*Additional detail in subsequent sections

Personnel by fund	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	122.0	118.0	118.0	120.0	2.0
Personnel All Funds	122.0	118.0	118.0	120.0	2.0

Primary Functions

- Administrative services
- All hazard emergency response
- Automatic aid consortium participant
- Crisis response volunteer program
- Community life safety education
- Emergency Operations Center (EOC)
- Emergency Medical Services (EMS)
- Facility and apparatus management
- Fire inspections and investigations
- Lockbox program management
- Personal protective equipment inspections
- Records management
- Self-Contained Breathing Apparatus (SCBA) maintenance and replacement
- Smoke detector installs/replacement
- Training division management

Divisions

<u>Administration</u> -	Provides leadership, fiscal management, long-range planning, interdepartmental coordination, budget development, grant management, payroll, and administrative support to all divisions
<u>Community Life Safety Education</u> -	Identifies, develops, and provides a variety of needed public education and life safety programs to the citizens of Surprise
<u>Crisis Response</u> -	The division provides a support system to the citizens of Surprise 24 hours a day, seven days a week. Incidents are turned over to crisis response putting essential resources back in service, thus decreasing fire and police on scene times
<u>Emergency Medical Services(EMS)</u> -	Provides basic and advanced life support services to the community 24 hours a day, seven days a week while maintaining compliance with the Arizona Department of Health Services mandates for personnel and equipment resources
<u>Operations</u> -	Responsible for maintaining an all hazards response to the city, its citizens, and all regional aid partners while ensuring the safety of operational staff at all times
<u>Fire Prevention</u> -	Supports programs designed to reduce the loss of life and property through education, prevention, and code enforcement.
<u>Support Services</u> -	Provides logistical support to all fire facilities, apparatus, and safety equipment maintenance ensuring compliance with federal and state mandates while maintaining the continuity of critical service delivery
<u>Training</u> -	Coordinates training programs, inter-agency and multi-company drills, and develops training academy curriculum while maintaining compliance with safety mandates

Accomplishments, Enhancements, and Efficiencies

- Achieved EMS premier agency and heart safe city status from Arizona Department of Health Services
- Received two urban areas security initiative grants totaling \$64,000 which include hazardous material training and chemical, biological, radiological, nuclear, and explosives (CBRNE) software and equipment enhancements; as well as a third grant for \$17,000 in stadium equipment from Firehouse Subs.
- Replaced five outdated cardiac monitors with more enhanced cardiac monitors.
- The department deployed a new pumper with a 1,500 gallon per minute (gpm) pump, new advanced life support equipment, and all equipment needed for fire suppression activities in October 2013 and has already initiated the purchase of a second pumper to be deployed in FY2015.
- Reviewed and adopted the 2012 fire code and also entered into a new Memorandum of Understanding (MOU) with the state Fire Marshal's Office for inspections of public and charter schools, state, and county buildings.
- Achieved an improved Insurance Services Office (ISO) public protection classification from a 3 to a 2.

Major Initiatives and Policy Issues

- Conduct an ambulance feasibility study
- Enhance geographical information system software to optimize and enhance response standards, resource allocation, and deployment strategies within the department
- Seek grant funding to implement Phase II of department's citywide risk assessment project to initiate the development of a tactical premise program
- Implement and initiate the new fire code enforcement program
- Research and apply for additional grant funding to enhance and expand fire services

Goals, Objectives, and Performance Measures

Department Goal	Annually review existing training curriculum, programs, facilities, inter-agency agreements, and new training opportunities to ensure the department continues to utilize the most effective training delivery plan				
Objective	Ensure department personnel receive sufficient annual training to maintain compliance with applicable national fire protection association standards				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of target training hours per firefighter	292	238	297	167*	250
Number of training hours	31,518	25,783	32,112	18,248*	27,500
Percent of target hours attained	116%	95%	118%	72%	100%

*Training totals reflect 101 operational personnel not administrative personnel

Department Goal	Ensure the city of Surprise remains a viable location for new business				
Objective	Continue on path of continuous quality improvement with a long-range goal of further reducing the ISO rating from a 3 to a 2 by FY2016				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
ISO rating	3	3	3	2	2

Department Goal	Maintain efficient and timely inspections/plan reviews to Surprise businesses and citizens				
Objectives	<ul style="list-style-type: none"> o Inspect all commercial structures annually o Conduct plan reviews according to department standards (20 days for new plans and 10 days for tenant improvements) o Inspect new construction in a timely efficient manner 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of inspections completed*	700	944	701	1,411	1,300
Number of plans reviewed	361	348	288	409	330
Percent of plan review compliance	N/A	N/A	100%	100%	100%
Number of new construction inspections	N/A	568	416	167	300

*Inspections include follow up, assisted living, food program, liquor license, Knox Box, and citizen complaints

FIRE-MEDICAL DEPARTMENT
Citywide Overview



Department Goal	Improve department emergency response times to better serve the needs of the residents and citizens living and working in Surprise				
Objective	Review incident response data monthly to identify the nature of delays in incident responses and appropriate remedies for improvement				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Total incidents	11,176	12,304	13,649	14,004	14,200
Percent of time 5 minute response attained*	36.7%	36.3%	38.1%	39.8%	41.0%
90 th percentile response time**	8:37	8:26	8:24	8:37	8:17
Average response time	5:53	5:49	5:51	5:47	5:40

*% of total calls where an emergency response unit arrived in 5 minutes or less (1 minute turnout; 4 minute travel)

**90% of all calls had an emergency response unit on-scene within the stated time frame

Note: Response times are an aggregate of all fire, emergency medical and special operations calls (Omega, FireView 2013)

FIRE-MEDICAL DEPARTMENT GENERAL FUND

Major Budget Changes

The FY2015 budget increased 12.6% over the FY2014 amended budget.

- Personnel expenditures increase 13.0% overall primarily due to:
 - Increased due to the implementation of updated compensatory steps per the negotiated MOU
 - Increased due to a 1.3% COLA for all general salary plan employees
 - Increased due to a 2% merit increase for all general salary plan employees
 - Increased based on the implementation of the updated classification and compensation study for all general salary plan employees
 - Increased due to a 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increase due to a 0.06% increase in ASRS contributions for general salary plan employees
 - The increase was offset by a 0.35% reduction in the employer contribution for the public safety retirement system
 - Increased due to the addition of two engineer positions. The additions will help to reduce current overtime deficits and reduce fatigue for current staff while helping to maintain current levels of service
- Supplies increased 11.3% over the FY2014 budget due to:
 - Increased fuel based on trends and estimated needs
 - Increased personal protective equipment due to the addition of the two engineer positions.
 - Increased need for training and education supplies/props
 - The increase was partially offset by a decrease in operating tools and equipment due to one-time expenditures in FY2014
- Services increased 8.9% over the FY2014 budget due to:
 - Increased need for promotional testing. In addition, this item was increased based on trend
 - Increased promotional testing due to the addition of the two engineer positions. Costs include the testing and the test validation.
 - Increased need for water service. This item was increased based on trend and estimated rate increase
 - Increased employee certifications and licensing due to the addition of the two Engineer positions. Costs include the fire academy and paramedic school
 - The increase was partially offset by a decrease in software licenses due to the citywide consolidation of a contract that resulted in lower costs

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	12,588,289	12,486,044	13,322,500	15,057,500	13%
Supplies	428,874	468,698	445,900	496,400	11%
Services	1,293,995	1,325,911	1,530,900	1,667,800	9%
Operating Capital	0	30,525	0	0	-
Sub-Total Operating	14,311,158	14,311,178	15,299,300	17,221,700	13%
Debt	0	(11,669)	0	0	-
Total	14,311,158	14,299,509	15,299,300	17,221,700	13%

FIRE-MEDICAL DEPARTMENT
General Fund



Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	1,748,054	1,721,632	1,940,700	2,033,000	5%
Comm. Life Safety Education	0	0	121,900	178,100	46%
Community Services	152,508	30,619	0	0	-
Crisis Response	115,947	15,469	30,300	29,500	(3%)
Ems	205,266	220,377	244,600	243,800	0%
Fire Operations	11,172,691	11,688,894	12,112,900	13,838,300	14%
Prevention	408,036	292,132	344,100	354,000	3%
Support Services	340,226	293,049	314,300	315,300	0%
Training	168,430	37,336	190,500	229,700	21%
Total	14,311,158	14,299,509	15,299,300	17,221,700	13%

Sources by Category

Charges for Services/Other	881,135	632,850	754,100	704,800	(7%)
Total	881,135	632,850	754,100	704,800	(7%)

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	122.0	118.0	118.0	120.0	2.0

FIRE-MEDICAL DEPARTMENT FIREFIGHTER'S PENSION FUND

Description

The firefighter's pension fund was established to temporarily hold or collect resources on behalf of a third party (firefighters). However, the city no longer has volunteer firefighters. Per Arizona Revised Statutes §9-981, the city may use the monies in the firefighter pension fund to pay alternative pension and benefits to firefighters not covered by Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS). Employees who are not eligible for ASRS, PSPRS, and are not participating in the PSPRS Drop program are eligible for an alternative pension benefit contribution. Accordingly, the city passed Resolution 09-87 in order to expend the remainder of the fund with alternative pension benefit contributions.

Major Budget Changes

The firefighter's pension fund was programmed with estimated expenditures in the fire department for alternative pension contributions. The remaining fund balance of approximately \$20,000 is estimated to be exhausted in FY2014 and will be closed out.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	57,210	22,732	18,000	0	(100%)
Sub-Total Operating	57,210	22,732	18,000	0	(100%)
Total	57,210	22,732	18,000	0	(100%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Fire Operations	46,455	7,467	18,000	0	(100%)
Training	10,755	15,265	0	0	-
Total	57,210	22,732	18,000	0	(100%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	706	146	100	0	(100%)
Total	706	146	100	0	(100%)

Personnel Summary

There are no dedicated personnel assigned to this fund.

FIRE-MEDICAL DEPARTMENT HALO FUND

Fund Description

The city is a participating partner in an intergovernmental agreement (IGA), with the city of Glendale, to cooperatively provide necessary firefighter paramedics, emergency medical services, and special operations personnel services in support of the Helicopter Air-Medical Logistics Operations (HALO) program. The fire-medical department is reimbursed for the costs associated with providing these services. A new special revenue fund was established during FY2013 to manage these funds.

Major Budget Changes

The FY2015 budget consists of labor charges, which occur when the city provides staffing for the HALO program. The wages incurred are reimbursable, based on a fixed rate amount, under the HALO contract. The FY2015 budget shows a 19.7% increase from FY2014 for anticipated participation.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	0	120,299	132,000	158,000	20%
Sub-Total Operating	0	120,299	132,000	158,000	20%
Total	0	120,299	132,000	158,000	20%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Fire Operations	0	120,299	132,000	158,000	20%
Total	0	120,299	132,000	158,000	20%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	120,299	132,000	158,000	20%
Total	0	120,299	132,000	158,000	20%

Personnel Summary

There are no dedicated personnel assigned to this fund.

FIRE-MEDICAL DEPARTMENT WILDLAND FIRE FUND

Fund Description

The wildland fire fund was set up during FY2013, as a special revenue fund, to separately manage funds related to the city's deployment on wildland fire operations. The city is reimbursed for overtime and back-fill costs incurred when Surprise Fire deploys red card certified firefighters on state or federal fires. In addition, the fire-medical department recovers costs for the use of fire apparatus resources deployed on those fires.

Major Budget Changes

The FY2015 budget consists of overtime, which allows the city to deploy to wildland fire operations. The overtime incurred is reimbursable, based on a fixed rate amount, by the state of Arizona. The FY2015 budget shows no significant revenue increase over the FY2014 budget.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	0	48,930	76,800	119,800	56%
Supplies	0	13,526	21,200	20,200	(5%)
Services	0	69	0	0	-
Sub-Total Operating	0	62,526	98,000	140,000	43%
Total	0	62,526	98,000	140,000	43%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Fire Operations	0	62,526	98,000	140,000	43%
Total	0	62,526	98,000	140,000	43%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	94,860	140,000	140,000	0%
Total	0	94,860	140,000	140,000	0%

Personnel Summary

There are no dedicated personnel assigned to this fund.

FIRE-MEDICAL DEPARTMENT AMBULANCE CONTRACT FUND

Fund Description

The city has entered into a contract with an ambulance company to establish and house an ambulance at one of the fire stations during peak activity times. The fire-medical department will provide some staffing for the ambulance and will be reimbursed for the overtime and all other costs associated with this contract. A new special revenue fund was established in FY2014 to manage these funds.

Major Budget Changes

The FY2015 budget increased 163.9% from the FY2014 amended budget.

- Personnel increased \$134,200 from the FY2014 amended budget. However, the FY2014 adopted personnel budget was \$185,100. Operations were originally anticipated during FY2014, but ultimately the city only realized start-up costs. FY2015 reflects the first year of anticipated operations including staffing.
- Supplies decreased 100% due to one-time expenditures in FY2014
- The decrease was offset by an increase in contingency to account for estimated fund balance

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	0	0	0	134,200	-
Supplies	0	0	40,000	0	(100%)
Services	0	0	53,600	53,600	0%
Sub-Total Operating	0	0	93,600	187,800	101%
Contingency	0	0	0	59,200	-
Total	0	0	93,600	247,000	164%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	0	0	93,600	112,800	21%
Fire Operations	0	0	0	134,200	-
Total	0	0	93,600	247,000	164%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	0	278,700	247,000	(11%)
Total	0	0	278,700	247,000	(11%)

Personnel Summary

There are no dedicated personnel assigned to this fund, personnel costs listed above are for overtime expenses only.

POLICE DEPARTMENT

Department Description

The Surprise Police Department, in partnership with the community, provides the delivery of progressive services, including, but not limited to, community-based policing, proactive and responsive patrol, criminal investigations, traffic enforcement and safety, and crime prevention and protection. The department provides proactive patrols and responds to police-related calls for service. These calls for service, from 9-1-1 emergencies and non-emergencies, are dispatched through the communications unit. Criminal investigations are conducted for crimes against persons and for property crimes. Traffic enforcement and safety is provided through enforcement and education programs. Crime prevention is provided through multiple programs involving communities, business, and schools. The department also provides victim support services and sex offender notices to the community.

Mission Statement

The Surprise Police Department is committed to maintaining a safe community by providing extraordinary law enforcement service with an emphasis on professionalism, accountability, and respect.

Department-Wide

The police department is primarily funded by the general fund. In addition, it has several special revenue funds that provide restricted-use funding including the Drug Enforcement Agency (DEA) fund, the Racketeer Influenced and Corrupt Organizations (RICO) fund, the tow fund, the SB1398 fund, the animal seizure bond forfeiture fund, the unclaimed property disposal fund, and the Program 1033 auction proceeds fund. Expenditures and personnel related to these special revenue funds are included in the tables below.

Uses by Category & Fund

Operating

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Animal Seizure Bond Forfeiture*	0	0	0	5,000	-
Donations	14,249	17,821	14,300	14,700	3%
General*	18,721,309	18,840,244	20,129,900	23,103,300	15%
General Capital	0	0	72,000	43,000	(40%)
Grants And Contingency	592,769	244,206	340,200	376,400	11%
Program 1033 Auction Proceeds*	0	0	0	5,000	-
SB 1398 Fines*	0	6,084	40,100	19,600	(51%)
SPD DEA*	66,457	150,673	116,000	0	(100%)
SPD RICO*	220,140	315,941	485,000	1,277,900	163%
SPD Towing*	66,067	51,942	366,500	375,100	2%
Unclaimed Property Disposal*	0	0	0	5,000	-

Operating - All Funds

19,680,992	19,626,911	21,564,000	25,225,000	17%
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Capital

General Capital	0	26,291	0	220,000	-
Capital - All Funds	0	26,291	0	220,000	-
Debt - All Funds	0	(5,893)	0	0	-
Contingency - All Funds	0	0	1,503,700	1,538,200	2%
Transfer Out - All Funds	246,098	245,736	245,800	245,200	0%
Total Uses All Funds	19,927,090	19,893,045	23,313,500	27,228,400	17%

*Additional detail in subsequent sections

Personnel by fund	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	183.0	179.9	182.0	184.0	2.0
Grants And Contingency	0.0	0.6	0.0	0.0	0.0
SPD Towing	1.0	0.5	0.0	0.0	0.0
Personnel All Funds	184.0	181.0	182.0	184.0	2.0

Primary Functions

- Administration/professional standards
- Animal control
- Communications
- Community services
- Crime analysis
- Crime prevention
- Criminal Investigations
- Law enforcement and education
- Information to the media and public
- Internal audits and inspections
- Internal Investigations
- Jail transport
- Court transportation and jail booking
- Notifications and referrals
- Park ranger services
- Patrol services-proactive
- Patrol services-responsive
- Police accreditation management
- Policy management
- Property and evidence management
- Public information and notification
- Quality management
- Records management
- Recruitment
- School resource services
- Sex offender registration/notification
- Special assignments
- Strategic planning and management
- Traffic enforcement
- Training
- Victim advocacy

Divisions

- Office of the Chief - This division is responsible for the performance of the police department and its commanding officers. The professional standards unit is also a component of this office. Additional functions of the division are internal financial review, strategic planning, quality management, criminal history records management, property and evidence management, crime prevention, and the citizen patrol.
- Professional Standards - This division is responsible for recruiting, training, departmental accreditation, policy management, internal audits, inspections, investigations, and the vehicle impound program.
- Criminal Investigations - This division is the investigative arm of the department and performs criminal investigations related to property and person crimes. Also included in the division are dispatch and 9-1-1 service, crime and intelligence analysis, and victim services.
- Field Operations - This division is responsible for providing patrol and police response services to the community utilizing community-based policing methods, beat team programs, traffic enforcement, the school resource officer program, animal control services, the K-9 program, jail transportation, front desk services, and other directed community policing activities.

Accomplishments, Enhancements, and Efficiencies

- Reduction of Uniformed Crime Reporting (UCR) part I crime by 14%.
- Awarded Commission on Accreditation of Law Enforcement Agencies (CALEA) re-accreditation status.
- Passed new city false alarm ordinance, which will greatly reduce unneeded patrol officer response to false alarms.
- Procured and implemented on-officer cameras, which are extremely effective in aiding documentation and prosecution of criminal offenses as well as assisting in resolution of resident complaints.
- Procured a software module, which allows report writing from the patrol vehicles, resulting in greater public visibility of patrol officers.

Major Initiatives and Policy Issues

- Pursue mobile electronic ticket writers for all patrol vehicles.
- Expand space for records unit
- Expand school safety and educational internships and drug awareness programs.

Goals, Objectives, and Performance Measures

Department Goal	Achieve agency reaccreditation for the international law enforcement standards developed and maintained by CALEA				
Objectives	<ul style="list-style-type: none"> ○ Review and revise policies in accordance with CALEA standards. ○ Provide sufficient evidence of SPD compliance and institutional use. ○ Demonstrate proficiency in Annual Quality Assurance (AQA) program. ○ Maintain the high standard of excellence through annual analysis of critical operations including: vehicle pursuits, internal investigations, use of force, and bias based complaints. 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Reviewed/revised policies	88	21	50+	26	50+
Completed AQA of 481 standards	August	April	August	April	August
Successful reaccreditation**	N/A	N/A	August	August	N/A
Complete time-sensitive audits/inspections	23	23	23	23	23

Department Goal	Provide rapid response to service calls, maintain high visibility in neighborhoods and business locations, and enforce traffic safety laws throughout the city.				
Objective	Respond quickly (under 5 minutes) to police calls for service, increase proactive patrol volume, and continue to enforce traffic safety.				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Calls for service	42,007	39,857	41,000	37,566	40,055
Number of report actions*	19,066	19,108	25,000	21,996	19,520
Priority 1 average response times	4min 50sec	4min 24sec	4min 40sec	4min 44sec	4min 40sec
Officer initiated call volume	84,278	54,550	90,000	56,204	65,494

*Arrests, incident reports, accident reports, and citations

Department Goal	Prevent, reduce, and disrupt crime				
Objective	Increase arrest volume and maintain or reduce UCR part 1 violent and property crimes				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of arrests	3,872	3,732	3,800	3,749	3,748
UCR Part 1 crimes	2,956	2,348	2,500	2,230	2,447
UCR Part 1 crimes per 1,000	24.80	19.70	26.00	18.33	18.71

POLICE DEPARTMENT GENERAL FUND

Major Budget Changes

The FY2015 budget increased 14.8% over the FY2014 amended budget.

- Personnel expenditures increase 14.9% overall due to:
 - Increased due to the implementation of updated compensatory steps per the negotiated MOU
 - Increased overtime to accommodate mandatory training, FMLA, military leave, and sick time
 - 1.3% COLA for general pay plan employees
 - 2% merit increase for all general salary plan employees
 - Implementation of updated classification and compensation study for general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increase due to a 0.06% increase in ASRS contributions for general salary plan employees
 - 0.68% increase in the employer contribution for the public safety retirement system
 - The addition of two public safety communications officer positions to manage increased calls for service and ensure responsiveness to 911 dispatch calls for service
 - The addition of standby pay for SWAT and Motors officers from a change request
- Supplies increased 27.4% over the FY2014 budget primarily due to:
 - One-time purchase of helmets for patrol officers
 - Increased ammunition needs
 - Increased equipment needs, such as bicycle repair and replacement parts for on-officer cameras
 - Increased fuel based on trends and estimated needs
- Services increased 8.9% over the FY2014 budget primarily due to:
 - Increased costs related to the federally mandated regional wireless conversion
 - Increased booking and housing fees at Maricopa County Sheriff's Office (MCSO) jails
 - Increased pre-employment services costs due to increased hiring and the inability to use MCSO for free polygraphs
 - Increased costs related to aircards for laptops and mobile data computers (MDCs)
 - Increased travel and training
 - The addition of SWAT medic training from a change request

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	16,441,623	16,629,444	17,890,400	20,560,200	15%
Supplies	652,075	615,753	566,500	721,700	27%
Services	1,627,030	1,595,047	1,673,000	1,821,400	9%
Operating Capital	580	0	0	0	-
Sub-Total Operating	18,721,309	18,840,244	20,129,900	23,103,300	15%
Debt	0	(6,109)	0	0	-
Total	18,721,309	18,834,134	20,129,900	23,103,300	15%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	3,346,986	3,493,972	2,680,500	3,123,500	17%
Communications	1,970,523	1,860,723	2,181,400	2,513,100	15%
Information Technology	0	0	0	0	-
Investigations	2,834,759	2,681,523	2,862,700	3,119,900	9%
Patrol	10,280,620	10,496,383	12,209,300	14,127,500	16%
Technical Services	288,420	301,533	196,000	219,300	12%
Total	18,721,309	18,834,134	20,129,900	23,103,300	15%

Sources by Category

Charges for Services/Other

Total

FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
643,045	657,656	720,200	728,300	1%
643,045	657,656	720,200	728,300	1%

Total Personnel Count

FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
183.0	179.9	182.0	184.0	2.0

POLICE DEPARTMENT DEA FUND

Fund Description

The Drug Enforcement Agency (DEA) fund is a special revenue fund established in September 2010 to account for revenue from the sale of seized assets, which is shared among all participating agencies. The police department is able to use this revenue to supplement services and supplies necessary to support operations.

Major Budget Changes

The FY2015 budget decreased 100% from the FY2014 budget. There are no planned expenditures in FY2015. The decrease is due to:

- One-time purchases in FY2014
- Revenue recorded in this fund was assumed to be from the DEA, but nearly all revenue was from Racketeer Influence and Corrupt Organizations (RICO). Corrective actions were taken for FY2015 to move the revenue and corresponding budget to the RICO fund.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	57,940	18,466	16,000	0	(100%)
Services	8,517	66,968	100,000	0	(100%)
Operating Capital	0	65,240	0	0	-
Sub-Total Operating	66,457	150,673	116,000	0	(100%)
Contingency	0	0	38,400	0	(100%)
Total	66,457	150,673	154,400	0	(100%)

Uses by Division					
Administration	0	0	16,000	0	(100%)
Investigations	66,457	150,673	138,400	0	(100%)
Total	66,457	150,673	154,400	0	(100%)

Sources by Category					
Charges for Services/Other	19,485	289,186	120,000	0	(100%)
Total	19,485	289,186	120,000	0	(100%)

Personnel Summary

There are no dedicated personnel assigned to this fund.

POLICE DEPARTMENT RICO FUND

Fund Description

The RICO fund is a special revenue fund established in September 2010 to account for revenue from the sale of seized assets, which is shared among all participating agencies. The Surprise Police Department is able to use this revenue to supplement services and supplies necessary to support operations.

Major Budget Changes

The FY2015 budget increased 58.5% from the FY2014 budget. An overall increase is due to revenue and expenditures from the DEA fund now being budgeted in the RICO fund. Funding also previously budgeted in contingency has been budgeted in supplies and services for potential spending throughout the year.

- Supplies increased 180.2% over the FY2014 amended budget due to:
 - One-time funding for the purchase of ballistic helmets
 - One-time funding for on-officer camera purchases
- Services increased 228.6% over the FY2014 amended budget due to:
 - Increased donations to Drug Free AZ and FBI National Academy Associates Arizona Leadership Education and Development (ALEAD) academy
 - One-time funding for the modernization of the police fitness facility
- Capital decreased 100% due to one-time expenditures in FY2014 for fitness equipment
- Contingency decreased 100% due to available funding being budgeted in supplies and services

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	35,482	210,198	415,000	1,162,900	180%
Services	9,795	26,266	35,000	115,000	229%
Operating Capital	174,863	79,477	35,000	0	(100%)
Sub-Total Operating	220,140	315,941	485,000	1,277,900	163%
Contingency	0	0	321,000	0	(100%)
Total	220,140	315,941	806,000	1,277,900	59%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	220,140	315,602	806,000	842,300	5%
Communications	0	0	0	21,800	-
Investigations	0	0	0	413,800	-
Patrol	0	339	0	0	-
Total	220,140	315,941	806,000	1,277,900	59%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	357,962	206,080	360,000	480,000	33%
Total	357,962	206,080	360,000	480,000	33%

Personnel Summary

There are no dedicated personnel assigned to this fund.

POLICE DEPARTMENT TOWING FUND

Fund Description

The tow fund is a special revenue fund established in September 2010 to account for the program expenses and administrative charges (revenues) related to the vehicle impound requirements as stipulated in ARS §28-3511 and ARS §28-3513. Revenues collected are to be used for the purpose of implementing and managing a vehicle impound program pursuant to A.R.S. §28-872.

Major Budget Changes

The FY2015 budget decreased 29.4% from the FY2014 budget:

- Supplies increased 37.0% over the FY2014 budget due to:
 - Carryover of funding for purchases/projects that could not be completed in FY2014
 - The addition of \$8,000 for radio console maintenance and repair
 - Funding previously budgeted in contingency has been budgeted in supplies for potential spending throughout the year and includes
 - Funding for electronic ticket writers and related software
- Operating capital decreased 100% due to one-time expenditures in FY2014
- Contingency decreased 100% due to available funding being budgeted exclusively in personnel and supplies

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	66,007	33,399	32,500	32,500	0%
Supplies	0	18,544	250,000	342,600	37%
Services	60	0	0	0	-
Operating Capital	0	0	84,000	0	(100%)
Sub-Total Operating	66,067	51,942	366,500	375,100	2%
Contingency	0	0	165,500	0	(100%)
Total	66,067	51,942	532,000	375,100	(29%)

Uses by Division					
Patrol	66,067	51,942	532,000	375,100	(29%)
Total	66,067	51,942	532,000	375,100	(29%)

Sources by Category					
Charges for Services/Other	115,995	106,015	117,000	117,000	0%
Total	115,995	106,015	117,000	117,000	0%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	1.0	0.5	0.0	0.0	0.0

Personnel Summary:

The position that was previously budgeted in the towing fund is currently budgeted in the general fund; however the towing fund still covers a portion of the position costs through a labor distribution charge.

POLICE DEPARTMENT SB 1398 FUND

Fund Description

The city receives funds from the state of Arizona pursuant to A.R.S. §12-116.04, which established funding to pay for the purchase of officer safety equipment. A.R.S. §12-116.04 entitles the city to receive four dollars of the penalties assessed for each criminal offense, civil traffic violation, violation of the motor vehicle statutes, violation of any vehicle-related local ordinance, or the game and fish statutes in Title 17. In October 2012, a new special revenue fund was established to manage these funds.

Major Budget Changes

The FY2015 budget, a 51.1% decrease from the FY2014 budget, is due to one-time purchases in FY2014.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	0	6,084	40,100	19,600	(51%)
Sub-Total Operating	0	6,084	40,100	19,600	(51%)
Total	0	6,084	40,100	19,600	(51%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Patrol	0	6,084	40,100	19,600	(51%)
Total	0	6,084	40,100	19,600	(51%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	16,927	14,883	17,000	17,000	0%
Total	16,927	14,883	17,000	17,000	0%

Personnel Summary

There are no dedicated personnel assigned to this fund.

POLICE DEPARTMENT
ANIMAL SEIZURE BOND FORFEITURE FUND

Fund Description

On occasion, the police department may seize an animal from its owner and will hold it until due process is complete. Pursuant to A.R.S §13-4281 owners of seized animals must post a bond of \$25 per animal to cover the expenses related to housing, care, and treatment of the animal. In 2014, a new special revenue fund was established to manage these funds.

Major Budget Changes

This is a new fund in FY2015. There are no planned expenditures at this time; however, budget authority has been established to allow the Police department to procure veterinary care for seized animals as needed.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	0	0	0	5,000	-
Sub-Total Operating	0	0	0	5,000	-
Total	0	0	0	5,000	-

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Patrol	0	0	0	5,000	-
Total	0	0	0	5,000	-

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	0	0	5,000	-
Total	0	0	0	5,000	-

Personnel Summary

There are no dedicated personnel assigned to this fund.

POLICE DEPARTMENT
PROGRAM 1033 AUCTION PROCEEDS FUND

Fund Description

The department of defense excess property program (1033 program) is authorized under federal law and managed through the Defense Logistics Agency's Law Enforcement Support office (LESO). The 1033 program provides surplus department of defense military equipment to state and local civilian law enforcement agencies for use in counter-narcotics and counter-terrorism operations, and to enhance officer safety. The city of Surprise participates in the 1033 program from time to time. A new special revenue fund was established to manage the revenue and expenditures related to auction proceeds received from the disposal of military equipment received through this program.

Major Budget Changes

This is a new fund in FY2015. There are no planned expenditures at this time; however, budget authority has been established to allow the Police department to expend funds, when they become available.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	0	0	0	5,000	-
Sub-Total Operating	0	0	0	5,000	-
Total	0	0	0	5,000	-

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	0	0	0	5,000	-
Total	0	0	0	5,000	-

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	0	0	5,000	-
Total	0	0	0	5,000	-

Personnel Summary

There are no dedicated personnel assigned to this fund.

POLICE DEPARTMENT
UNCLAIMED PROPERTY DISPOSAL FUND

Fund Description

Throughout the year, the city of Surprise may receive funds from the disposal of unclaimed property pursuant to Article VII of the city of Surprise Municipal Code and A.R.S. §12-945, which govern the handling of unclaimed property. In November 2013, a new special revenue fund was established to manage the funds received through this activity. These funds are the remaining balance of any revenues from the disposal less selling and advertising costs. Presently, no restrictions have been issued on the use of these funds, however funds must be held on account for six months before they can be used.

Major Budget Changes

This is a new fund in FY2015. There are no planned expenditures at this time; however, budget authority has been established to allow the Police department to expend funds, when they become available.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	0	0	0	5,000	-
Sub-Total Operating	0	0	0	5,000	-
Total	0	0	0	5,000	-

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	0	0	0	5,000	-
Total	0	0	0	5,000	-

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	0	0	0	5,000	-
Total	0	0	0	5,000	-

Personnel Summary

There are no dedicated personnel assigned to this fund.

SURPRISE CITY COURT

Department Description

The Surprise City Court's primary function is to fairly and impartially adjudicate all cases filed in the court and to effectively obtain compliance with the court's orders, as prescribed by the code of judicial conduct and all other standards as set by the Arizona Supreme Court. Court staff answers questions from the public and provides assistance to those having business at the court and also ensures accounting for both judicial and financial activities.

Department-Wide

The Surprise City Court is primarily funded by the general fund. In addition, it has several special revenue funds that provide restricted-use funding including the municipal court enhancement fund, the fines/fees and restitution enforcement (FARE) fund, the judicial collection enhancement fund (JCEF), and the municipal fill the gap (MFTG) fund. Expenditures and personnel related to these special revenue funds are included in the tables below.

Uses by Category & Fund	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating					
General*	2,031,375	1,895,780	1,942,100	1,847,600	(5%)
Municipal Court Enhancement*	78,790	78,689	96,100	120,000	25%
Municipal Court FARE*	0	3,500	0	0	-
Municipal Court JCEF*	0	9,568	53,300	104,700	96%
Municipal Court MFTG*	37,765	31,000	0	15,000	-
Operating - All Funds	2,147,930	2,018,538	2,091,500	2,087,300	0%
Capital					
Municipal Court Enhancement	0	0	0	200,000	-
Capital - All Funds	0	0	0	200,000	-
Contingency - All Funds	0	0	507,900	211,900	(58%)
Total Uses All Funds	2,147,930	2,018,538	2,599,400	2,499,200	(4%)

*Additional detail in subsequent sections

Personnel by fund	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	22.1	19.1	19.1	19.1	0.0
Municipal Court JCEF	0.0	0.0	0.0	1.0	1.0
Personnel All Funds	22.1	19.1	19.1	20.1	1.0

Primary Functions

- Organizational policies, procedures, and reports
- Resolution of all criminal and civil cases filed in the court
- Quality customer service, accurate information, and timely support

Accomplishments, Enhancements, and Efficiencies

- Online payments – Justice 20/20 Initiatives 1, 2 and 3 (as listed in “Major Initiatives and Policy Issues” section of this document)
 - Web and IVR system was implemented in November 2013 which allows payment of fines, fees and restitution.
- Enhanced court security – Justice 20/20 Initiatives 1, 2 and 4
 - The number of security cameras throughout the courthouse has been increased thereby ensuring a continued safe environment for all court users.

- Enhanced customer web access – Justice 20/20 Initiatives 1, 2 and 3
 - The motion, order and notice of hearing date form, one of the most commonly used forms are now provided online as PDF fillable with one-click online filing with direct routing quicker response time.
 - The court's website was recently updated in response to court user feedback. We have improved the overall aesthetic appearance of the website, in addition to increasing efficiency, user friendliness and accessibility.
- Enhanced customer service – Justice 20/20 Initiatives 1, 2 and 3
 - Installation and implementation of desktop microphone paging system for use by front counter staff.
- Community outreach – Justice 20/20 Initiatives 1, 3 and 5
 - Continued participation in teen court program
 - Participation with city of Surprise summer youth employment program

Major Initiatives and Policy Issues

- Justice 20/20, A Vision for the Future of the Arizona Judicial Branch includes the following initiatives:
 1. Strengthen the administration of justice
 2. Maintain a professional workforce and improve operational efficiencies
 3. Improve communications
 4. Protect children, families and communities
 5. Improve the legal profession
- Surprise City Court initiatives also include:
 - Implement state legislature changes
 - Implement federal and state rule and policy Initiatives
 - Implement new city ordinances
 - The court will replace and upgrade audio/visual equipment in all three courtrooms. In an effort to ensure the consistency of producing accurate and clear records of all proceedings, we seek to contract with a qualified vendor to identify the specific needs of our court to ensure a properly designed audio/video system is installed with the capability of allowing for continued necessary upgrades to accommodate future growth.
 - The court will install an electronic docket display system in the court lobby. This display system will effectively manage courtroom traffic by allowing court users the ability to quickly and easily ascertain up-to-the minute information for scheduled hearings by displaying data from the court case management system on large, visible LCD panels. The use of an electronic display will result in a more efficient use of court staff time by eliminating the need to manually update the court calendar on a daily basis. The court calendar currently consists of a piece of paper that is taped to one of three easel boards in the court lobby.

Goals, Objectives, and Performance Measures

Department Goal	Maintain an access and fairness rating of the court's accessibility and treatment of customers in terms of fairness, equality, and respect				
Objective	Maintain court access and fairness				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of court visitors	48,393	46,530	47,000	41,961	43,000
Number of surveys distributed	0*	-	300	158	300
Number of surveys returned	303	-	200	151	200
Percent of court users surveyed with a positive experience	63%	-	75%	84%	75%

*Number actually distributed was not counted

**Survey was not conducted in FY2013.

Department Goal	Improve customer service by ensuring case files meet established standards for completeness and accuracy of contents				
Objective	Maintain reliability and integrity of case files				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Total number of filings	16,167	16,708	17,000	13,136	14,000
Number of cases audited	2,000	2,000	2,000	2,000	2,000
Percent of cases meeting conformance criteria for timely retrieval	87%	94%	98%	97%	98%
Percent of cases accurate and complete	86%	98%	98%	97%	98%

Department Goal	Improve "time to disposition" – the percentage of cases disposed or otherwise resolved within established time frames				
Objective	Resolve DUI cases according to AZ Supreme Court standards (Administrative Order 2007-94): <ul style="list-style-type: none"> ○ 85% of all DUI cases must be resolved within 120 days ○ 93% of all DUI cases must be resolved within 180 days 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Number of criminal cases filed	3,182	3,241	3,100	2,994	3,100
Number of criminal cases resolved	4,067	4,049	3,900	3,624	3,700
Percent of criminal cases resolved	128%	125%	126%	126%	127%
Percent of DUI's resolved within 120 days	79%	76%	85%	121%	85%
Percent of DUI's resolved within 180 days	92%	91%	93%	92%	93%

SURPRISE CITY COURT GENERAL FUND

Major Budget Changes

The FY2015 budget decreased 4.9% from the FY2014 amended budget.

- Personnel expenditures increased 5.6% overall primarily due to:
 - 1.3% COLA and 2% merit increase for all general salary plan employees
 - The implementation of the updated classification and compensation study for all general salary plan employees
 - 6.1% increase in health insurance premiums and 3.3% increase in dental premiums
 - 0.06% increase in ASRS contributions
 - Decreased need to utilize pro-tem judges
- Supplies decreased 10.4% from the FY2014 budget primarily due to a reduction in the need for office supplies due to decreased case filings.
- Services decreased 67.3% from the FY2014 budget primarily due to:
 - Taxes and services fees decreased due to the implementation of on-line payments
 - Public defender fees decreased as this was moved to the finance department budget, per administration
 - Decreased need for postage and printing due to decreased case filings
 - The decrease in services was partially offset by:
 - Increase in audit services due to the triennial audit in FY2015
 - Increase in jury expenditures as the cost per summons is expected to rise
 - Increase in travel and training – the funding has been moved back to the general fund from the JCEF special revenue fund. JCEF is temporary funding only and was used to assist when the city was in need

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	1,741,818	1,635,326	1,641,200	1,732,800	6%
Supplies	29,336	28,399	28,900	25,900	(10%)
Services	260,221	232,055	272,000	88,900	(67%)
Sub-Total Operating	2,031,375	1,895,780	1,942,100	1,847,600	(5%)
Total	2,031,375	1,895,780	1,942,100	1,847,600	(5%)

Uses by Division					
General Operations	2,031,375	1,895,780	1,942,100	1,847,600	(5%)
Total	2,031,375	1,895,780	1,942,100	1,847,600	(5%)

Sources by Category					
Charges for Services/Other	1,275,954	1,294,477	1,256,200	1,214,800	(3%)
Total	1,275,954	1,294,477	1,256,200	1,214,800	(3%)

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	22.1	19.1	19.1	19.1	0.0

SURPRISE CITY COURT MUNICIPAL COURT ENHANCEMENT FUND

Fund Description

The municipal court enhancement fund is established to account for the inflow of municipal court enhancement fees added to all fines levied by the Surprise City Court. Funds collected by this fee are to be used exclusively for capital acquisitions and court enhancements. City Code §30-19 authorizes this fee.

Major Budget Changes

The FY2015 budget increased 1.2% over the FY2014 amended budget.

- Services increased 17.6% over the FY2014 budget due to an increase in the expected renewal costs of service agreements
- Operating capital increased 80.2% over the FY2014 amended budget due to the additional budget for the purchase of an electronic docket system
- Capital increased \$200,000 due to a new capital project added in FY2015 for courtroom audio/visual equipment
- Fund balance and remaining available revenue is programmed as contingency

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	78,790	78,689	85,000	100,000	18%
Operating Capital	0	0	11,100	20,000	80%
Sub-Total Operating	78,790	78,689	96,100	120,000	25%
Capital	0	0	0	200,000	-
Contingency	0	0	395,700	177,600	(55%)
Total	78,790	78,689	491,800	497,600	1%

Uses by Division					
General Operations	78,790	78,689	491,800	497,600	1%
Total	78,790	78,689	491,800	497,600	1%

Sources by Category					
Charges for Services/Other	105,280	109,611	113,000	110,000	(3%)
Total	105,280	109,611	113,000	110,000	(3%)

Personnel Summary

There are no dedicated personnel assigned to this fund.

SURPRISE CITY COURT FARE FUND

Fund Description

Throughout the year, the Surprise City Court may receive funds from the state pursuant to Arizona Supreme Court Administrative Order No. 2003-126 which established the Fines/Fees and Restitution Enforcement Program (FARE). FARE is a private/public partnership between the Arizona Supreme Court, administrative office of the court, and affiliated computer services to provide enhanced collection services to Arizona courts.

In September 2010, a new special revenue fund was established to manage the funds received through participation in this program. These funds are the remaining balance of any revenues which have been divided between the administrative office of the courts and local courts to recover costs incurred to administer the FARE program. Presently, no restrictions have been issued on the court's use of these funds.

Major Budget Changes

There are no planned expenditures. Fund balance and remaining available revenue is programmed as contingency.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	0	3,500	0	0	-
Sub-Total Operating	0	3,500	0	0	-
Contingency	0	0	14,700	18,900	29%
Total	0	3,500	14,700	18,900	29%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
General Operations	0	3,500	14,700	18,900	29%
Total	0	3,500	14,700	18,900	29%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	84	4,347	4,400	4,400	0%
Total	84	4,347	4,400	4,400	0%

Personnel Summary

There are no dedicated personnel assigned to this fund.

SURPRISE CITY COURT JCEF FUND

Fund Description

The city court generates revenue through the collection of monies pursuant to the judicial collection enhancement fund (JCEF) established in A.R.S. §12-113 et seq. In September 2010, a new special revenue fund was established to manage this revenue source. Revenues generated may be used to improve the administration of justice by enhancing the enforcement of court orders. JCEF funds may also be used to train court personnel, improve, maintain, and enhance the ability to collect and manage monies assessed or received by the courts, and to improve court automation projects likely to improve case processing or the administration of justice.

Major Budget Changes

The FY2015 budget decreased 20.1% from the FY2014 amended budget due to travel and training moving back to the general fund. JCEF is temporary funding only and was used to assist when the city was in need. This decrease was offset by the addition of one fiscal support specialist, which will be funded by JCEF for two years and then will be moved to the general fund.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	0	0	0	64,700	-
Supplies	0	0	0	0	-
Services	0	9,568	53,300	40,000	(25%)
Sub-Total Operating	0	9,568	53,300	104,700	96%
Contingency	0	0	77,300	(400)	(101%)
Total	0	9,568	130,600	104,300	(20%)

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
General Operations	0	9,568	130,600	104,300	(20%)
Total	0	9,568	130,600	104,300	(20%)

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	22,865	22,897	23,000	23,300	1%
Total	22,865	22,897	23,000	23,300	1%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	0.0	0.0	0.0	1.0	1.0

SURPRISE CITY COURT MFTG FUND

Fund Description

The Surprise City Court receives funds from the state of Arizona pursuant to the Municipal Fill the Gap Fund (MFTG) program established by A.R.S § 41-2421(J)(6) and (K). In September 2010, a new special revenue fund was established to manage these funds. Municipal courts may use these funds to improve, maintain, and enhance the ability to collect and manage monies assessed or received by the courts, to improve court automation, and to improve case processing or the administration of justice.

Major Budget Changes

The FY2015 budget increased 52.4% over the FY2014 amended budget, which had no expenditures. The increase in FY2015 is due to:

- Supplies increased due to the approved change request for the purchase of ergonomic furnishings

Fund balance and remaining available revenue is programmed as contingency

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	0	0	0	15,000	-
Services	37,765	31,000	0	0	-
Sub-Total Operating	37,765	31,000	0	15,000	-
Contingency	0	0	20,200	15,800	(22%)
Total	37,765	31,000	20,200	30,800	52%

Uses by Division					
General Operations	37,765	31,000	20,200	30,800	52%
Total	37,765	31,000	20,200	30,800	52%

Sources by Category					
Charges for Services/Other	8,466	11,551	8,600	8,600	0%
Total	8,466	11,551	8,600	8,600	0%

Personnel Summary

There are no dedicated personnel assigned to this fund.

Public Works

- Public Works Department
 - Highway User Revenue Fund
 - Arizona Lottery Fund
 - Proposition 400 Fund

PUBLIC WORKS

Department Description

The public works department provides services to both internal and external customers through its four branches: engineering, operations, utilities, and business management. These services include vehicle maintenance, facilities management, development review engineering, traffic engineering, streets maintenance, environmental programs, and project management for all city capital improvement projects. The public works department also operates and manages the city's water, wastewater, and solid waste enterprises.

Department-Wide

The public works department has five operational funds that include the general fund, highway user revenue fund (HURF), water, wastewater, and sanitation funds. There are several special revenue funds that provide restricted-use funding including the Arizona lottery funds for local transportation assistance (ALF), and the transportation improvement fund. Expenditures and personnel related to these special revenue funds are included in the tables below.

Uses by Category & Fund	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Operating					
Arizona Lottery Fund*	344,813	345,576	350,000	350,000	0%
General*	6,105,633	5,155,829	6,306,400	6,857,400	9%
General Capital	144,805	67,829	0	484,500	-
Grants And Contingency	122,079	2,680	0	0	-
HURF*	5,776,668	5,382,140	5,996,600	8,596,800	43%
Proposition 400*	68,737	0	19,600	19,600	0%
Public Works Dev Fees	186,612	19,816	64,000	84,000	31%
Sanitation Operations*	5,254,075	5,118,267	6,197,400	7,223,900	17%
Transit	971	0	0	0	-
Transportation Improvement	929,516	2,025,561	2,125,400	2,438,300	15%
Vehicle Replacement Fund	834,696	0	0	0	-
Wastewater Dev Fee	4,531	0	0	0	-
Wastewater Operations*	11,343,769	13,109,631	7,941,900	10,155,900	28%
Water Dev Fee	47,522	140,545	154,000	205,000	33%
Water Operations*	9,189,200	8,877,241	6,620,600	7,481,900	13%
Operating - All Funds	40,353,627	40,245,114	35,775,900	43,897,300	23%
Capital					
General	4,270	9,856	0	0	-
General Capital	1,013,603	524,009	2,867,500	6,129,500	114%
HURF	4,599	10,613	0	475,000	-
Proposition 400	302,320	0	0	108,200	-
Public Works Dev Fees	148,947	81,730	109,800	1,009,600	819%
Sanitation Operations	4,599	10,613	0	1,250,000	-
Transportation Improvement	16,768	15,380	2,917,700	2,290,200	(22%)
Wastewater Dev Fee	6,750	0	1,000,000	1,800,000	80%
Wastewater Operations	3,276,916	1,307,339	3,354,900	5,809,700	73%
Water Dev Fee	233,131	249,552	5,613,100	4,343,200	(23%)
Water Operations	596,430	458,612	599,500	1,804,500	201%
Capital - All Funds	5,608,333	2,667,705	16,462,500	25,019,900	52%

Uses by Category & Fund (continued)

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Debt - All Funds	(827,143)	(832,755)	0	0	-
Contingency - All Funds	0	0	19,843,900	54,533,200	175%
Transfer Out - All Funds	9,753,893	9,404,573	14,969,300	16,645,500	11%
Total Uses All Funds	54,888,710	51,484,637	87,051,600	140,095,900	61%

*Additional detail in subsequent sections

Personnel by fund

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
General	51.9	45.7	43.0	41.0	(2.0)
HURF	44.6	40.3	39.0	41.0	2.0
Sanitation Operations	33.8	33.0	31.0	32.0	1.0
Transportation Improvement	0.0	1.0	1.0	1.0	0.0
Wastewater Operations	36.5	35.6	36.2	37.2	1.0
Water Operations	32.6	28.7	25.0	24.0	(1.0)
Personnel All Funds	199.3	184.3	175.2	176.2	1.0

Primary General Fund Functions

- Civil plan review, permitting, assurance, acceptance, and inspections for infrastructure to be added to city asset base built by developers.
- City fleet maintenance and operations including all motorized equipment.
- City facility maintenance and operations related to heating, ventilation and air conditioning (HVAC), electrical, general maintenance, and custodial services.
- Civil infrastructure and capital projects for city including city-funded and other agency-funded projects.
- Administration of the city transit services and representing the city on regional boards and commissions.
- Administration of city's MS4 permit addressing storm water pollution prevention program.
- Regional representation involving storm water management to monitor changes and updates in federal, state, and county regulations.

Divisions

<u>Engineering Services</u> -	The engineering development services division provides engineering development review, civil engineering plan review, permit issuance, and construction inspection within the public right-of-way
<u>Facilities Management</u> -	The facilities management division provides energy management, service, and maintenance to city-owned facilities
<u>Vehicle Maintenance</u> -	The vehicle maintenance division maintains, repairs, and assists in the acquisition and disposition of the city's fleet of vehicles and equipment
<u>Stormwater</u> -	Is a component of the wastewater division responsible for compliance with the Federal Clean Water Act (CWA), the Arizona Pollution Discharge Elimination System (AZPDES), Water Quality Permits, and enforcement of regulations regarding illegal discharges to the MS4 and is funded by numerous funds.
<u>Transit</u> -	Administers city transit services including the Dial-a-Ride contract and 571 Route and represents the city on regional boards and commissions.
<u>CIP</u> -	The capital improvement projects (CIP) division provides the delivery and management of capital projects from project initiation through closeout. The CIP division manages improvement projects for all departments and divisions within the city.

Accomplishments, Enhancements, and Efficiencies

- Reorganized the public works department according to the management partners organizational review
- Implemented a second vehicle maintenance shift to improve preventative maintenance, decrease vehicle and equipment down time, and provide a higher level of service to all city departments
- Combined business functions reporting to the public works director
- Increased Dial-a-Ride service by an additional 10,000 one way trips
- CIP stakeholder outreach to all city departments
- Refined recruitment, hiring, and cross training for public works department

Major Initiatives and Policy Issues

- Determine if city intends to pursue a circulator route and identify funding options
- Review the engineering development standards for minor edits or updates
- Work with the City Manager's Office to complete a facility use policy
- Increase the city's use of alternative fuels and technologies
- Complete implementation of an asset management program, including training and development

Goals, Objectives, and Performance Measures

Department Goal	Ensure all city facilities are properly maintained and functional in the most efficient and effective manner				
Objective	<ul style="list-style-type: none"> ○ Emergency maintenance requests (i.e. air conditioning down, loss of power, elevator malfunction, smoke/fire alarm, continuous leak, broken window, door that can't be secured) to be addressed within 30 minutes ○ Perform all maintenance work order requests within 30 day time frame ○ Perform custodial services within 95% of industry standard 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Percentage of emergency response – on time completion	98%	96%	98%	98%	99%
Percentage of maintenance – on time completion	95%	94%	95%	93%	96%
Custodial expenditures per sq. ft. for admin/office facilities as compared to ICMA mean (In-house services)	98%	97%	98%	97%	98%
Custodial Expenditures per sq. ft. for admin/office facilities as compared to ICMA Mean (Contracted services)	100%	100%	100%	100%	100%

Department Goal	Improve the public's knowledge of the review process and maintain staff presence on active construction sites				
Objectives	<ul style="list-style-type: none"> ○ Reduce the number of "third and subsequent submittals approved" by increasing approvals in the "initial submittal approval" ○ Maintain percentage of inspector time on site at 45% despite expected increase in permit load 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Plan review – number of sheets reviewed	619	1,894	1,650	3,009	3,500
Plan review – percent of submittals approved on first or second review	*	92%	85%	47%	85%
Inspections – number of permits issued for civil inspection	302	354	350	291	400
Inspection – percent of time on site	48%	36%	45%	45%	45%

* New measure, data not available

Department Goal	Perform preventive maintenance, scheduled and unscheduled vehicle repairs and diagnostic services				
Objectives	<ul style="list-style-type: none"> o Maintain service level by completing all preventative maintenance (PM) in four hours for heavy vehicles and one hour for light vehicles o Maintain standard using American Public Works Association (APWA) data of 1,415 billable hours for each mechanic annually o Average maintenance cost per mile for general fund vehicles o Set and maintain a fleet miles per gallon (MPG) standard of 70% 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Percentage of PM's completed in allowable time	35%	45%	45%	43%	45%
Percentage of billable hours for each mechanic	60%	91%	94%	95%	95%
Average maintenance cost per mile for general fund vehicles	26¢	63¢	35¢	32¢	35¢
Percentage of fleet vehicles meeting MPG standards	*	40%	60%	42%	65%

* New measure, data not available

PUBLIC WORKS GENERAL FUND

Major Budget Changes

The FY2015 budget increased 8.7% over the FY2014 amended budget.

- Personnel expenditures increased by 12.4% overall due to:
 - Increased due to a 1.3% COLA for all employees
 - 2.0% merit increase for all general salary plan employees
 - Implementation of an updated classification and compensation study for general salary plan employees
 - Increased due to a 6.0% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increased due to a 0.06% increase in ASRS contributions
 - Increased due to an Assistant Department Director position added for FY2015
 - The increase is offset by the reallocation of personnel resources
 - An Administrative Specialist was moved to the HURF fund
 - A Manager position was re-classed to a Streets Supervisor and moved to the HURF fund
 - A Manager position was re-classed to a CIP Manager and moved to the wastewater operations fund
- Supplies increased 20.6% over the FY2014 budget primarily due to:
 - Increase in vehicle maintenance for operational supplies (nuts, bolts, paints, etc.)
 - Increase in operating tools and equipment for ten employees and specialty shop tools
 - Increase in auto parts and lubricants for fire apparatuses
 - Increase in building maintenance supplies and for energy management opportunities
- Services increased by 4.0% over the FY2014 budget primarily due to:
 - Increase in service agreement for Dial-A-Ride for expanded services, including Saturday service
 - Increase in utility costs for water
 - Increase in building maintenance to replace air conditioners
 - Decrease in fleet costs for non-fire vehicles
 - The increase in services is partially offset by the decrease in fleet costs for non-fire vehicles

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	3,289,990	2,668,123	3,236,800	3,640,900	12%
Supplies	703,711	626,380	585,600	706,200	21%
Services	2,012,715	1,861,326	2,430,000	2,510,300	3%
Operating Capital	99,217	0	54,000	0	(100%)
Sub-Total Operating	6,105,633	5,155,829	6,306,400	6,857,400	9%
Capital	4,270	9,856	0	0	-
Debt	0	(3,065)	0	0	-
Total	6,109,903	5,162,619	6,306,400	6,857,400	9%

Uses by Division					
Administration	446,133	313,620	956,800	996,700	4%
Civil Inspection	195,090	208,909	195,700	181,500	(7%)
General Operations	4,658,893	4,290,080	4,842,400	4,928,700	2%
Project Management	162,153	0	0	0	-
Sustainability	60,418	3,121	6,700	600	(91%)
Transit	587,217	346,889	304,800	749,900	146%
Total	6,109,903	5,162,619	6,306,400	6,857,400	9%

PUBLIC WORKS
General Fund



Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	591,190	933,497	701,800	667,100	(5%)
Total	591,190	933,497	701,800	667,100	(5%)

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	51.9	45.7	43.0	41.0	(2.0)

PUBLIC WORKS

HIGHWAY USER REVENUE FUND

Fund Description

The highway user revenue fund (HURF) is established to track non-transit transportation related activities. The HURF fund is required by state law. The transportation, traffic engineering workgroups, and the streets division of the public works department are funded by HURF. The streets division is structured in eight functions as follows: operations, asphalt, concrete, crack sealing, right of way, street sweeping, signs and striping, and pavement preservation. The traffic engineering division is structured in three primary functions as follows: general operations, traffic management, and signals.

Primary Functions

- Street maintenance services including asphalt patching, surface repairs and milling, level up and deep patching, pothole repairs, and crack sealing
- Construct, repair, and maintain sidewalks, ramps, curbs, gutters, truncated domes, utility access covers, guardrails, and barricades
- Street preservation including systematically applying a series of preventative maintenance treatments over the life of the pavement areas
- Right-of-way (ROW) maintenance including landscaping, weed abatement, graffiti removal, response to road hazards and accident cleanups, including street sweeping.
- Intelligent Transportation System operation, traffic signal service and maintenance
- Traffic signs and markings service, and maintenance
- Traffic engineering, planning, management, and control services

Divisions

- Streets - Responsible for the care and maintenance of dedicated pavement, sidewalks, rights of way, and traffic signing and marking, within the city of Surprise
- Traffic Engineering - Responsible for the traffic engineering operations, signal operations, traffic control, and intelligent transportation systems for the city

Major Budget Changes

The FY2015 budget increased 21.5% over the FY2014 amended budget.

- Personnel expenditures increase 14.2% overall due to:
 - Increased due to a 1.3% COLA for all employees
 - 2.0% merit increase for all general salary plan employees
 - Increased based on the implementation of the updated classification and compensation study for all general salary plan employees
 - Increased due to a 6.0% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increased due to a 0.06% increase in ASRS contributions
 - Added a supervisor position and the reallocation of personnel resources
- Supplies increased 10.7% over the FY2014 budget primarily due to:
 - Increase in signs and sign supplies for knock downs and rehabilitation
 - Increase in auto parts and lubricants related to crack sealing, ROW, general operations, and asphalt
 - The increase in supplies was partially offset by a decrease in fuel costs
- Services increased 94.2% over the FY2014 budget primarily due to:
 - Increase in engineering consulting service agreements and video wall maintenance
 - Increase in landscape services
 - Increase in professional and outside services due to a FY2014 budget reallocation and a contract for traffic signals
 - Increase in streets maintenance for the pavement preservation program moved from the transportation improvement fund
- Contingency decreased by 81.3% primarily due to increase in programed expenditures

PUBLIC WORKS
Highway User Revenue Fund



Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	3,158,277	2,664,739	2,901,500	3,313,000	14%
Supplies	866,964	819,160	912,600	1,010,700	11%
Services	1,751,427	1,898,240	2,182,500	4,238,100	94%
Operating Capital	0	0	0	35,000	-
Sub-Total Operating	5,776,668	5,382,140	5,996,600	8,596,800	43%
Capital	4,599	10,613	0	475,000	-
Debt	15,806	(284)	0	0	-
Contingency	0	0	1,734,000	323,400	(81%)
Total	5,797,073	5,392,469	7,730,600	9,395,200	22%

Uses by Division					
Asphalt	250,275	344,090	456,600	473,400	4%
Concrete	369,511	332,412	359,400	395,500	10%
Crack Sealing	258,433	237,473	266,700	292,900	10%
General Operations	1,821,431	1,514,186	1,621,500	3,763,600	132%
Project Management	0	0	0	125,000	-
Right Of Way	1,484,668	1,289,918	1,524,900	1,834,600	20%
Signals	428,305	445,642	450,800	445,900	(1%)
Signs	628,001	598,939	2,415,300	1,245,200	(48%)
Street Sweeping	556,451	629,810	635,400	819,100	29%
Total	5,797,073	5,392,469	7,730,600	9,395,200	22%

Sources by Category					
Charges for Services/Other	50,441	20,056	11,600	0	(100%)
State Shared	5,906,800	6,487,774	6,617,500	7,008,400	6%
Total	5,957,241	6,507,830	6,629,100	7,008,400	6%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	44.6	40.3	39.0	41.0	2.0

Accomplishments, Enhancements, and Efficiencies

- Placed surface treatments on 74 lane miles of pavement as part of the annual pavement preservation program at a cost of \$26,217 per mile
- Installed 2,640 linear feet of sidewalk for community access
- Connect the high intensity activated crosswalk (HAWK) operations at the stadium to the city's intelligent traffic system (ITS)
- Continued the long term signage replacement plan by replacing 1,218 traffic and street name signs in the following neighborhoods: Sycamore Farms, Greer Ranch, and Surprise Farms

- Realigned streets and signs under operations branch
- Holding training classes with the engineering branch to train streets staff on reading and understanding construction standards
- Reviewed landscape maintenance operations and determined it was best kept with streets ROW

Major Initiatives and Policy Issues

- Analyze wireless solar radar speed display data to determine their effectiveness with slowing traffic through school zones
- Expand the "Traffic Signal Pre-emption" technology to the State Route 303 and Grand Avenue intersection
- Conduct a pilot study on the use of radar detection at signalized intersections as a method of more accurately identifying and enhancing traffic flows during peak periods
- Enhance street sweeper routes to increase efficiency and PM10 compliance
- Implement an asset management program, including training and development
- Update the pavement condition assessment study

Goals, Objectives, and Performance Measures

Department Goal	Ensure regulatory compliance related to PM 10 standards agreed to by the city and Maricopa Association of Governments (MAG)				
Objective	100% compliance with PM 10 regulations by providing effective sweeping services matched to targeted efficiency benchmarks				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
Lane miles swept/target	*	100%	100%	100%	98%
Hours sweeper operation/total hours available	*	86%	85%	85%	85%
Sweeping cycles/targeted 20 cycles per year	*	100%	95%	100%	100%

* New measure, data not available

Department Goal	Respond to street maintenance customer service requests within targeted time frames				
Objectives	<ul style="list-style-type: none"> o Complete all work orders within 20 days o Complete customer service response requests within the target timeframe of 3 days o Maintain average pavement condition of city streets as good or better o Complete all graffiti work orders within 24 hours 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
Work orders completed within 20 day target	*	99%	98%	100%	100%
Service requests completed within 3 day target	*	100%	100%	100%	100%
Percent of streets in good or better condition compared with 85% target	*	81%	85%	80%	85%
Graffiti work orders completed with 72 hour target period **	*	50%	98%	98%	100%

* New measure, data not available

**Police implemented a new procedure where they review all locations reported prior to removal. This extended the turnaround time to an average of 2 days

Department Goal	Enhance traffic safety and efficiency in the city by focusing on proactive maintenance and by utilizing the latest technology and traffic engineering standards to minimize traffic accidents and maximize traffic flow				
Objectives	<ul style="list-style-type: none"> ○ Maintain traffic signs and markings to ensure 100% compliance with reflectivity and visibility standards ○ Maintain ornamental street lights to ensure 100% operations and monitor Arizona Public Service installed 'SLID' street lights to ensure 95% operations ○ Maintain 100% completion of signs/signals, pavement markings, and street light maintenance schedules in order to minimize related traffic accidents and to maximize traffic flow within existing street network 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
Percent of traffic signs within current reflectivity/visibility standards compared to sign PM schedule	*	98%	98%	98%	98%
Percent of pavement marking within current reflectivity/visibility standards compared to pavement marking PM schedule	*	98%	98%	98%	98%
Percent of street lights in operation compared to target	*	97%	95%	96%	95%

* New measure, data not available

PUBLIC WORKS ARIZONA LOTTERY FUND (ALF)

Fund Description

This was formerly the local transportation assistance fund II (LTAF II) fund, but the name was changed at the state level during FY2014. The city receives funds from the state of Arizona pursuant to A.R.S. §28-8103, which established the funding. The city receives a distribution of lottery money based on population. The funds may be used to fund transit operations, facilities, and equipment purchases. In June 2012, a new special revenue fund was established to manage these funds.

Major Budget Changes

The FY2015 budget includes no signification changes from the FY2014 budget. This budget authority is used to pay for a portion of dial-a-ride services. The budget authority is moving from personnel to services as city personnel no longer provide this service. Dial-a-Ride services are now provided through a contract with a cab company as part of the Northwest Valley Dial-a-Ride program.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	344,813	242,500	350,000	0	(100%)
Services	0	103,076	0	350,000	-
Sub-Total Operating	344,813	345,576	350,000	350,000	0%
Total	344,813	345,576	350,000	350,000	0%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Transit	344,813	345,576	350,000	350,000	0%
Total	344,813	345,576	350,000	350,000	0%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
State Shared	344,813	345,576	350,000	350,000	0%
Total	344,813	345,576	350,000	350,000	0%

Personnel Summary

There are no dedicated personnel assigned to this fund.

PUBLIC WORKS PROPOSITION 400 FUND

Fund Description

On November 2, 2004, Proposition 400 was passed by the voters of Maricopa County, which authorizes pursuant to A.R.S. §42-6105, the continuation of a countywide, half-cent sales tax for regional transportation improvements (*Maricopa County Transportation Excise Tax*). Proposition 400 is the major funding sources for the Maricopa Association of Governments' (MAG) Regional Transportation Plan (RTP). The city receives funding for capital improvement projects and transportation operations as part of the RTP. Beginning in FY2014, the city receives funding only for ADA trips. In June 2012, a new special revenue fund was established to manage these funds.

Major Budget Changes

The FY2015 budget includes no significant changes from the FY2014 budget. The FY2015 budget will be used to offset the cost of Dial-a-Ride services provided by a cab contractor as part of the Northwest Valley Dial-a-Ride program. Additionally a capital project was added in FY2015 for park and ride enhancements.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	15,334	0	19,600	0	(100%)
Services	0	0	0	19,600	-
Operating Capital	53,403	0	0	0	-
Sub-Total Operating	68,737	0	19,600	19,600	0%
Capital	302,320	0	0	108,200	-
Total	371,058	0	19,600	127,800	552%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Project Management	0	0	0	108,200	-
Transit	371,058	0	19,600	19,600	0%
Total	371,058	0	19,600	127,800	552%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	371,058	400	19,600	19,300	(2%)
Total	371,058	400	19,600	19,300	(2%)

Personnel Summary

There are no dedicated personnel assigned to this fund.

Utilities

- Water Operations Fund
- Wastewater Operations Fund
- Sanitation Operations Fund

PUBLIC WORKS

WATER OPERATIONS FUND

Fund Description

The water operations fund is established as an enterprise fund to account for the provision of water services to users within the city of Surprise water service area. The public works department manages this fund to provide the city and customers water for drinking, irrigation, commercial, and industrial uses in a quantity and quality that meets or exceeds standards. The department also provides water infrastructure that supports a long-term assured water supply and sustainable operations through the planning, implementation, operation, and maintenance of city of Surprise-owned water facilities and systems.

The public works department is responsible for oversight of an agreement with a third party for the billing services of city of Surprise water customers. The residents of Surprise are serviced by several water systems including EPCOR Utilities Inc., the city of El Mirage, the Beardsley Water Company, and the city of Surprise. The city-owned system serves about one-third of the total residents in Surprise.

Primary Functions

- Coordinates and provides centralized administrative and management services, including purchasing, budget, information technology, and management support, related to the drinking and reclaimed water systems
- Operates and maintains the drinking and reclaimed water pipeline infrastructure systems
- Participates in development reviews, management and planning of architectural and engineering design, and construction of city capital projects
- Operate a centralized call center to provide efficient service responses to customers' needs
- Provides utility locating services to ensure legal compliance with the Arizona Blue Stake laws requiring all facility owners to accurately mark all underground facilities within specified time frames
- Ensures environmental regulatory compliance in such areas as drinking water quality, air quality, cross connection controls, water conservation, water resource management, water quality control and assurance, and data administration

Divisions

<u>Administration</u> -	Maintains all the centralized administrative functions
<u>Operations</u> -	Oversees all the day-to-day operations and maintenance of the production, treatment, and distribution of drinking water
<u>CIP</u> -	Responsible for city related water infrastructure construction projects
<u>Customer Service</u> -	Responds to customer's water service requests, complaints, and customer needs
<u>Utility Locating</u> -	Performs utility locating - blue stake activities
<u>Environmental</u> -	Oversees compliance and reporting aspects of the government regulations regarding reclaimed water quality, drinking water quality and supply, storm water quality, and air quality, relating specifically to the city's water facilities

Major Budget Changes

The FY2015 budget increased 76.6% over the FY2014 amended budget.

- Personnel expenditures increased by 0.2% overall due to:
 - An increase due to a 1.3% COLA and 2.0% merit increase for general salary plan employees
 - Implementation of an updated classification and compensation study for general salary plan employee
 - Increase due to a 6.0% increase in health insurance premiums and 3.3% increase in dental premiums
 - An increase due to a 0.06% increase in ASRS contributions
 - An increase due to the addition of a senior project manager from the wastewater operations fund
 - The increase is partially offset by a decrease in personnel due to reallocation of resources

PUBLIC WORKS
Water Operations Fund



- A utilities analyst was re-classed to a water conservation analyst and moved to the wastewater operations fund
 - A manager position was re-classed to a water manager position and moved to the wastewater operations fund
- Supplies increased 22.9% over the FY2014 budget primarily due to:
 - Increase in operating tools and equipment
 - Water system asset replacement
 - Permanent well level sensor
 - General repairs performed by staff
 - Increase in gas and fuel based on historical trending
 - Increase in chemical supplies for general operations and arsenic treatment
 - The increase in supplies was partially offset by decreases in furniture, fixtures, and equipment from completion of the FY2014 cathodic protection system at Rancho Gabriela
- Services increased 17.9% over the FY2014 budget primarily due to:
 - Increase in software licenses for automated alarm notification software support
 - Increase in professional and outside services
 - Well assessment and abandonment change request
 - Integrated water master plan update change request
 - Groundwater modeling change request
 - Water emergency response plan change request
 - Increase in electricity based on historical trending and estimated rate increase
 - Increase in CAP recharge water for 100% recharge change request
 - Increase in wells, water lines, and other water infrastructure
 - Water system asset replacement
 - Sample stations projects phase II
 - The increase in services was partially offset by:
 - A decrease in administrative operations for the utility billing contract
 - A decrease in wells, water lines, and other water infrastructure in general operations
- Capital increased by 201.0% due to:
 - Four new project in FY2015 as well as carryover from four FY2014 projects
- Transfers increased by 2.5% due to:
 - Increase in franchise fees based on historical trending and utility rate increase
 - Increase in lieu property tax based on capital asset activity
- Contingency increased by 532.3% due to the programming of fund balance

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,501,051	1,987,294	1,951,400	1,954,700	0%
Supplies	632,253	417,195	643,700	791,000	23%
Services	3,678,078	4,207,029	4,018,000	4,736,200	18%
Operating Capital	2,377,818	2,265,723	7,500	0	(100%)
Sub-Total Operating	9,189,200	8,877,241	6,620,600	7,481,900	13%
Capital	596,430	458,612	599,500	1,804,500	201%
Debt	(810,079)	(465,702)	0	0	-
Contingency	0	0	1,021,000	6,455,500	532%
Transfer Out	1,793,198	1,809,951	1,598,400	1,638,700	3%
Total	10,768,750	10,680,102	9,839,500	17,380,600	77%

Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	6,461,522	3,706,179	4,121,900	8,736,600	112%
Customer Service	266,879	179,877	300,100	248,000	(17%)
Environmental	349,148	435,906	1,077,800	2,249,200	109%
General Operations	3,034,333	5,786,877	3,725,400	5,102,500	37%
Project Management	182,037	111,949	128,700	765,200	495%
Sustainability	230,340	224,598	226,200	0	(100%)
Utility Locating	244,491	234,716	259,400	279,100	8%
Total	10,768,750	10,680,102	9,839,500	17,380,600	77%

Sources by Category					
Charges for Services/Other	14,671,372	10,253,367	10,087,000	10,860,500	8%
Transfers In	596,255	153,735	0	0	-
Total	15,267,626	10,407,102	10,087,000	10,860,500	8%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	32.6	28.7	25.0	24.0	(1.0)

Accomplishments, Enhancements, and Efficiencies

- Water and wastewater divisions collectively reached two years without a recordable accident
- Completed rehabilitation of the Rancho Gabriela Well 1
- Installed new cathodic protection and a 36" valve to the Rancho Gabriela water supply facility 3.5 million gallon storage reservoir
- Completed Ashton Ranch water supply facility isolation study
- Implemented the SPA 2 line flushing program and started the water temperature study
- Completed drilling and test pumping of Mountain Vista Well #2
- Completed review of the work order backlog and reviewed all work orders that were older than 30 days
- Completed reorganization of the division, aligning the operations and maintenance functions under one division

Major Initiatives and Policy Issues

- Start the Bell Road lake study to more efficiently deliver irrigation water to the Bell Road right-of-way
- Start the Roseview water supply facility arsenic optimization study
- Start implementing the SPA 2 water temperature reduction program
- Install two new fire hydrants for flushing improvement in SPA 1 and SPA 2
- Update Council on water resources planning for policy direction
- Rehabilitation of the Ashton Ranch 1 million gallon storage reservoir
- Implement the new drinking water rule and OSHA lockout/tag out programs
- Continue development of an asset management program
- Complete an update of integrated water master plan

Goals, Objectives, and Performance Measures

Department Goal	Operate and maintain the drinking water facilities and distribution systems in a safe, efficient, and effective manner according to the American Water Works Association (AWWA)				
Objectives	<ul style="list-style-type: none"> o Successfully meet the drinking water demand by placing wells in/out of service, treating high arsenic water, maintaining storage tank levels, distributing drinking water at needed volumes and pressure, and monitoring flow to determine when additional facilities should be constructed o Achieve the median value of 61.6% for preventative maintenance of assets as cited in the AWWA benchmarking performance indicators o Demonstrate successful implementation of safety programs, training, and work practices 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
SPA1 WRF: Millions of gallons of drinking water produced per day	6.6	6.8	6.8	6.74	6.8
Preventative maintenance to total maintenance ratio (hours)	*	*	62%	35%	50%
OSHA recordable accidents	2	0	0	0	0

* New measure, data not available

Department Goal	Provide efficient customer service to city's water customer				
Objectives	<ul style="list-style-type: none"> o Provide developers prompt response for design submittals o Provide prompt response to contractors for utility locating requests o Maintain current standard of two minutes for response on all customer service calls o New residential water meters installed within the standard timeframe of seven days upon completion of contractors requirements 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Percentage of master plans reviewed within allotted time	100%	95%	95%	100%	95%
Percent of utility locating requests completed within 48 hours	97%	98%	98%	98%	98%
Call center average speed of answer	1:53	1:48	2:00	1:25	2:00
Percent of new residential water meters installed within allotted time	*	*	100%	100%	100%

* New measure, data not available

Department Goal	Provide high quality drinking water to our customers while complying with local, state, and federal regulations				
Objectives	<ul style="list-style-type: none"> o Meet all monitoring and reporting requirements to comply with the Safe Drinking Water Act and Arizona administrative code o Reduce lost and unaccounted for water through proper documentation of all water uses from the city's water system o Purchase Central Arizona Project (CAP) allotment for recharge to build the city's long term water bank 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Compliance with federal, state, and local wastewater and water reuse regulations	100%	100%	100%	100%	100%
Lost and unaccounted water percentage	5.2%	6.9%	<5%	9.5%	<7%
Central Arizona Project (CAP) water allotment recharged	51%	51%	50%	53%	100%
Cumulative years of water banked	2.54	2.56	2.68	3.23	4.5

PUBLIC WORKS

WASTEWATER OPERATIONS FUND

Fund Description

The wastewater operations fund is established as an enterprise fund to account for the provision of wastewater services for the users and to protect the city and its residents from exposure to health related diseases and issues caused by inadequately treated sewage. The fund is used to plan, design, implement, operate, and maintain the city's wastewater infrastructure in a cost effective and efficient manner. The public works department strives to satisfy all federal, state, county, and local agency permits, regulations, and requirements related to the treatment of wastewater and use of the subsequent effluent. The department is also responsible for the planning, implementation, operation, and maintenance of the city's wastewater facilities and pipes.

Primary Functions

- Operation and maintenance of the wastewater collections pipeline infrastructure systems
- Participation in development reviews, management and planning of architectural and engineering design, and construction of city capital projects
- Operation of a centralized call center to provide efficient service responses to customers' needs
- Provides utility locating services to ensure legal compliance with the Arizona Blue Stake Laws requiring facility owners to accurately mark underground facilities within specified time frames
- Ensures environmental regulatory compliance, wastewater treatment and aquifer protection, bio- solids, pretreatment, wastewater quality control and assurance, and data administration

Division

<u>Administration</u> -	Coordinates and provides centralized administrative and management functions associated with the wastewater treatment plants, reclaimed water system, and wastewater collection system
<u>Operations</u> -	Operations and maintenance of city wastewater treatment plants, reclaimed water system, and wastewater collection system
<u>CIP</u> -	Responsible for city related wastewater treatment plants and infrastructure construction projects
<u>Customer Service</u> -	Responds to customer's wastewater service requests, complaints, and needs
<u>Collections</u> -	Responsible for all the day-to-day operations and maintenance activities for the wastewater collection system
<u>Utility Locating</u> -	Performs utility locating - blue stake activities
<u>Environmental</u> -	Assures all regulated public works operations remain in compliance with all federal, state, county, and city regulations, as well as hazardous materials management for all wastewater operations

Major Budget Changes

The FY2015 budget increased 153.4% over the FY2014 amended budget.

- Personnel expenditures increase 17.4% overall due to:
 - Increased due to a 1.3% COLA and 2% merit increase for all general salary plan employees
 - Increased based on the implementation of the updated classification and compensation study for all general salary plan employees
 - Increased due to a 6.0% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increased due to a 0.06% increase in ASRS contributions
 - Increase of part-time employees to establish a budget for the intern program

- Supplies increased 10.8% over the FY2014 budget primarily due to:
 - Increase in operational and maintenance supplies in general operations for electrical parts: breaker, motor starter, contactor, relays, and motor starters, etc. (deferred maintenance)
 - Increase in operating equipment, tools, and parts
 - Wastewater system asset replacement
 - Increase in general operations for items such as electrical parts and relays
 - Increase in chemical supplies
 - Increase for general operations for effluent disinfection and for odor scrubber
 - Ammonia for trihalomethane (TTHM) reduction
- Services increased 32.5% over the FY2014 budget primarily due to:
 - Increase in service agreements related to the SPA 1 supervisory control and data acquisition (SCADA) programming evaluation change request
 - Increase in professional and outside services
 - Emergency response plan change request
 - Stormwater utility study change request
 - Increase in water costs based on historical trending and rate increases
 - Increase in machinery and equipment maintenance
 - Wastewater system asset replacement change requests
 - Increase in general operations for service to mechanical equipment or repair/replacement of non-working equipment (deferred maintenance)
 - Increase in administrative operations for the utility billing contract
 - Increase in development agreement reimbursements associated with Prasada
 - The increase in services was partially offset by:
 - A decrease in electricity based on historical trending with an offset for an anticipated rate increase
 - A decrease in streets maintenance due to the completion of SPA 1 road resurfacing at the south wastewater treatment plant.
- Operating capital increased by 5,246.7% over the FY2014 budget primarily due:
 - Scheduled acquisition of replacement vehicles
 - Covered parking at SPA 2 water reclamation facility change request
- Capital project funding increased by 73.2% over the FY2014 budget primarily due to:
 - New funding in FY2015 for eight new projects as well as carryover from FY2014 projects
- Contingency increased by 1,340.7% due to the programming of fund balance

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,773,504	2,645,894	2,757,900	3,237,100	17%
Supplies	1,169,891	1,165,635	1,580,800	1,751,800	11%
Services	3,519,570	3,541,509	3,595,700	4,766,000	33%
Operating Capital	3,880,804	5,756,592	7,500	401,000	5,247%
Sub-Total Operating	11,343,769	13,109,631	7,941,900	10,155,900	28%
Capital	3,276,916	1,307,339	3,354,900	5,809,700	73%
Debt	(23,943)	(265,323)	0	0	-
Contingency	0	0	1,357,400	19,555,700	1,341%
Transfer Out	1,946,879	2,030,890	2,254,900	2,263,300	0%
Total	16,543,620	16,182,537	14,909,100	37,784,600	153%

PUBLIC WORKS
Wastewater Operations Fund



Uses by Division	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Administration	8,367,658	1,314,632	2,651,800	20,967,400	691%
Customer Service	60,653	62,935	69,400	70,300	1%
Environmental	97,194	178,185	169,800	393,900	132%
General Operations	7,259,335	13,858,901	11,182,800	13,515,500	21%
Project Management	232,189	252,935	256,200	2,118,100	727%
Recycling	0	0	0	0	-
Swr Collection System Ops	426,015	408,046	477,500	611,500	28%
Utility Locating	100,574	106,902	101,600	107,900	6%
Total	16,543,620	16,182,537	14,909,100	37,784,600	153%

Sources by Category

Charges for Services/Other	22,625,119	16,253,548	16,046,900	16,469,000	3%
Total	22,625,119	16,253,548	16,046,900	16,469,000	3%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	36.5	35.6	36.2	37.2	1.0

Accomplishments, Enhancements, and Efficiencies

- The water and wastewater divisions collectively reached two years without a recordable accident
- Began routine operation of 20 vadose zone wells at SPA1 water reclamation facility (WRF) to maximize recharge capabilities of reclaimed water
- Completed review of work order backlog and reviewed all work orders older than 30 days
- Completed the erosion control and dust migration project on the SPA1 WRF
- Filled all open positions within the wastewater division
- At SPA1 WRF, removed plant five from service for cleaning and placed plant three back in service
- The public works safety committee implemented a safety recognition program throughout the department
- Completed reorganization of the wastewater division, aligning the operations and maintenance functions under one division
- Completed the design and construction of the SPA2 WRF overhead crane

Major Initiatives and Policy Issues

- Complete the TTHM Reduction project at SPA1 WRF
- Complete the mobile solutions initiative, which will allow for utilizing tablets to collect field data and access programs remotely from the field in real time
- Implement OSHA lockout/tag out policy and program
- Continue development of an asset management program
- Update of Integrated Water Master Plan

Goals, Objectives, and Performance Measures

Department Goal	Operate and maintain the SPA 1 and SPA2 (WRF) and wastewater collection systems in an effective manner				
Objectives	<ul style="list-style-type: none"> o Successfully treat all wastewater received at the WRF and monitor influent flow to determine when additional facilities should be placed in service or constructed o Achieve the median value of 66.5% for investing in preventative maintenance of assets as cited in the American Water Works Association (AWWA) benchmarking performance indicators o Clean 100 miles of the wastewater system annually so that the entire system is cleaned in a five year period by following the Environmental Protection Agency's (EPA's) Capacity, Management, Operations, and Maintenance (CMOM) program to prevent sanitary sewer overflows 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
SPA1 WRF: percentage of millions of gallons of wastewater treated per day vs. capacity	41%	48.8%	44%	43.3%	48%
SPA2 WRF: percentage of millions of gallons of wastewater treated per day vs. capacity	5%	5.3%	6%	5.9%	6%
Preventative maintenance to total maintenance ratio (hours)	*	*	66.5%	40.4%	66.5%
Percentage of 100 miles of wastewater collection system cleaned	98%	33%	100%	110%	100%

* New measure, data not available

Department Goal	Maximize use of effluent from WRF through various applications				
Objectives	<ul style="list-style-type: none"> o Recharge 80% of wastewater treatment facility effluent per day o Provide customers with reclaimed water o Produce grade A+ reclaimed water quality 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
Percentage of effluent recharged vs. wastewater treated	66%	71.8%	80%	69%	80%
Percentage of effluent recharged vs. groundwater withdrawal	66%	104.1%	80%	73%	80%
Percentage of reclaimed water provided to customers	34%	28.2%	20%	27%	20%
Percentage of days at grade rating	*	99.3%	99%	99%	99%

* New measure, data not available

PUBLIC WORKS
Wastewater Operations Fund



Department Goal	Protect the city's groundwater, reclaimed water, environment, and public health through programs designed to achieve regulatory compliance with local, state, and federal regulations associated with the city's wastewater systems.				
Objectives	<ul style="list-style-type: none"> ○ Meet all monitoring and reporting requirements to comply with wastewater regulations ○ Demonstrate compliant operation and maintenance of facilities with permit conditions and regulatory requirements to avoid agency issued violations and penalties ○ Achieve the median value of 2.73 when operating and maintaining the wastewater collection system to minimize blockages and pipe breaks that result in a report of a sanitary sewer overflow to the governing agency as cited in the AWWA benchmarking performance indicators 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actuals	FY2015 Target
Compliance with federal, state, and local wastewater and water reuse regulatory reporting	100%	100%	100%	100%	100%
Wastewater Effluent Compliance Rate of No Violations Issued (% Days)	0	0	0	0	0
Sanitary Sewer Overflow Rate	*	0.31	2.73	0.36	2

** New measure, data not available*

PUBLIC WORKS

SANITATION OPERATIONS FUND

Fund Description

The sanitation operations fund is established as an enterprise fund to account for the collection of trash and recyclable materials. The solid waste division of the public works department manages this fund to provide solid waste and recycling services within Surprise. Commercial solid waste services and residential service to non-city customers is provided by private companies.

The city provides weekly curbside collections for trash and recyclable materials. Each customer is provided with a 95 gallon trash and 95 gallon recycle container. Customers also receive on-demand curbside bulk trash pickup of up to 20 cubic-yards per year. The city household hazardous waste collection events and recycle drop-off programs are available to all city residents. The solid waste division also provides trash, recycle, and roll-off services to city departments and weekly recycle service to public schools within the city.

The solid waste division is managed by the public works department as a division under the assistant director of operations.

Primary Functions

- Residential curbside trash and recycle collection services
- Residential curbside brush and bulk collection services
- Operation of a centralized call center to provide efficient service responses to customers' needs.
- Trash, recycle, and roll-off collection services for city departments
- Recycle drop-off centers and residential household hazardous waste drop-off services

Divisions

Operations - Conducts residential curbside solid waste collection operations

Bulk Trash - Handles operations and issues related to bulk trash and roll-off collection services

Recycling - Conducts the recycling education and waste inspection program, as well as the household hazardous waste events

Major Budget Changes

The FY2015 budget increased 91.8% over the FY2014 amended budget.

- Personnel expenditures increased by 12.2% overall due to:
 - Increased due to a 1.3% COLA and 2.0% merit increase for all general salary plan employees
 - Increased based on the implementation of the updated classification and compensation study for all general salary plan employees
 - Increased due to a 6.0% increase in health insurance premiums and 3.3% increase in dental premiums
 - Increased due to a 0.06% increase in ASRS contributions
 - Increased due to the addition of two sanitation drivers and trucks. Two new sanitation drivers are needed to maintain industry standards. One is needed to cover a new route that was added due to growth. The second driver is needed to replace bulk crew that was reassigned as a route driver.
 - The increase is offset by the elimination of a vacant manager position
- Supplies increased 5.6% over the FY2014 budget primarily due to:
 - Increase in operating supplies in bulk trash and general operations
 - Increase in gas and fuel
 - Increase due to the addition of trucks for the two new sanitation drivers
 - Offset by a decrease in general fuel costs based on historical trending
 - Decrease in auto parts and lubricants
 - Decrease is primarily due to the replacement of five high maintenance collection vehicles

PUBLIC WORKS
Sanitation Operating Fund



- The decrease in auto part and lubricants was partially offset by increased need related to the addition of two solid waste trucks for the new sanitation drivers
- Services increased 7.6% over the FY2014 budget primarily due to:
 - Increase in service agreements for GPS locating equipment and repairs for roll off containers
 - Increase in sanitary/landfill costs based on a 0.09% increase in disposal fees and a projected increase for sanitation services
 - Increase in general operations for the utility billing contract
 - The increase in services was partially offset by a decrease in vehicle maintenance for 22 automated side loaders
- Operating capital increased 36.6% over the FY2014 budget primarily due the addition of two solid waste collection vehicle for the new solid waste drivers
- Capital project funding was added in FY2015 in the amount of \$1.3 million due to:
 - The addition of two new capital projects
- Contingency increased by 816.6% due to the programming of fund balance

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	2,451,258	2,204,994	2,117,800	2,376,900	12%
Supplies	885,572	872,502	893,900	944,300	6%
Services	1,436,421	1,516,835	1,545,700	1,662,700	8%
Operating Capital	480,824	523,935	1,640,000	2,240,000	37%
Sub-Total Operating	5,254,075	5,118,267	6,197,400	7,223,900	17%
Capital	4,599	10,613	0	1,250,000	-
Debt	(68,630)	(98,381)	0	0	-
Contingency	0	0	713,300	6,538,200	817%
Transfer Out	888,767	888,381	1,919,000	1,921,000	0%
Total	6,078,811	5,918,880	8,829,700	16,933,100	92%

Uses by Division					
Bulk Trash	318,502	416,730	434,700	535,900	23%
General Operations	5,418,849	5,232,609	8,079,400	15,832,400	96%
Project Management	0	0	0	250,000	-
Recycling	341,460	269,541	315,600	314,800	0%
Total	6,078,811	5,918,880	8,829,700	16,933,100	92%

Sources by Category					
Charges for Services/Other	6,698,095	6,876,865	6,958,100	7,198,400	3%
Total	6,698,095	6,876,865	6,958,100	7,198,400	3%

	FY2012 Adopted	FY2013 Adopted	FY2014 Adopted	FY2015 Budget	Adopted to Budget
Total Personnel Count	33.8	33.0	31.0	32.0	1.0

Accomplishments, Enhancements, and Efficiencies

- Awarded the 2013 Voice of the People Award for Excellence in Garbage Collection Services by the International City/County Management Association (ICMA) and the National Research Council (NRC)
- Implemented same day curbside collection of trash and recycling
- Completed rerouting of all residential collections to accommodate future growth and maximize efficiency of resources for the first time in six years
- Completed realignment of a customer service work schedule to better align with solid waste collection days

Major Initiatives and Policy Issues

- Improve recycling outreach, waste diversion, and waste reduction
- Evaluate equipment options to improve capacity for better efficiency
- Continue providing exceptional customer service to our residents

Goals, Objectives, and Performance Measures

Department Goal	Improve recycling collection, outreach, and education				
Objective	Increase residential and roll-off recycling participation				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Recycling tons collected	7,200	7,643	7,730	8,300	8,500
Recycling diversion	20%	22%	22%	22%	25%
Roll-off recycling collected	412	494	500	557	500
Education outreach events	8	8	15	15	15

Department Goal	Provide value added services to customers				
Objectives	<ul style="list-style-type: none"> ○ Promote and provide Christmas tree drop off services ○ Promote and provide household hazardous waste events ○ Promote and provide fall and spring cleaning events with the landfill ○ Promote and provide an annual E-waste event with AZStRUT and APS 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
Christmas tree drop off (trees)	2,103	1,550	2,000	3,027	3,000
Household hazardous waste participation (tons)	64.8	54.8	50	45	55
Fall and spring cleaning events at landfill participation (tons)	92.4	115	130	148	130
AZStRUT E-Waste participation (tons)	2.5	3	3.5	4	4

PUBLIC WORKS
Sanitation Operating Fund



Department Goal	Maintain a high level of customer service				
Objectives	<ul style="list-style-type: none"> ○ Continue scoring high on the national citizens survey ○ Minimize customer complaints ○ Schedule on demand bulk services within 10 days on average 				
Performance Measures	FY2012 Actual	FY2013 Actual	FY2014 Target	FY2014 Actual	FY2015 Target
National Citizen Survey garbage collection service quality score (good or excellent)**	88%	91%	80%	91%	85%
National Citizen Survey recycling service quality score (good or excellent)**	87%	91%	80%	91%	85%
Annual missed pickups*	25	6	20	21	20
Maintain a 10 day annual average service level for on demand bulk trash collection	5	10	10	8	10
Call center average speed of answer	1:53	1:48	2:00	1:25	2:00

* For reference, the Solid Waste Division interacts with customers over 3,500,000 times annually

** National Citizen Survey is conducted every two years.

Marley Park Community Facilities District

- Community Facilities District – Marley Park Summary
- Resolution for Marley Park CFD
- State Forms for Marley Park CFD

COMMUNITY FACILITIES DISTRICT FUND
MARYLEY PARK

Description

Community facilities district (CFD) funds are established by ordinance to provide a centralized location for the collection of taxes from properties directly benefiting from the district. These proceeds are legally restricted to expenditures associated with the construction, development, and ongoing maintenance of infrastructure within the district and the repayment of general obligation bonds. The Mayor and City Council serve as the governing board for the district, which is a separate legal entity with the authority to levy taxes on all properties included in the district.

Budget Summary

Currently there is one CFD, Marley Park CFD, operated by the city with the possibility of additional districts to be added as the city continues to grow. The city of Surprise assesses a levy of \$3.74 per hundred dollars of assessed valuation for the district and has established a separate fund for the district. The property tax rate is separated into an operational element and a debt service portion. Of the total rate, \$0.30 may be used for operational expenditures including maintenance and administrative costs, the remaining \$3.40 may only be used for the payment of general obligation debt incurred by the district. The actual rate to be assessed is based upon estimated expenditures and required bond payments. This fund represents the operational expenditures associated with the Marley Park CFD. The debt service portion is represented in the debt service fund.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	54,741	46,460	47,700	62,800	32%
Sub-Total Operating	54,741	46,460	47,700	62,800	32%
Debt	674,645	677,495	674,600	673,900	0%
Contingency	0	0	0	25,000	-
Total	729,386	723,955	722,300	761,700	5%

Uses by Department	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
General Operations	55,741	46,460	47,700	62,800	32%
Debt Service	673,645	677,495	674,600	698,900	4%
Total	729,386	723,955	722,300	761,700	5%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Property Tax	613,149	637,554	675,300	749,800	11%
Total	613,149	637,554	675,300	749,800	11%

The CFD has been authorized by the board to issue up to \$80.0 million of bonds. A total of \$62,800 has been set aside for the purpose of supporting the operations of the CFD. The contingency represents the minimum \$25,000 fund balance reserve per policy. The following schedules represent the adopted budget for the district.

RESOLUTION MPCFD2014-02

MARLEY PARK COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE MARLEY PARK COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2015 PURSUANT TO SECTION 48-716, ARIZONA REVISED STATUTES, AS AMENDED; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on February 12, 2004, the Mayor and Council of the City of Surprise, Arizona (the "City"), adopted Resolution 04-51 forming Marley Park Community Facilities District ("MPCFD"), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended, as described in Exhibit "A" attached hereto and expressly made a part hereof;

WHEREAS, MPCFD is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and [except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City;

WHEREAS, a primary purpose for creating MPCFD was to finance certain public infrastructure needed for the development known as "Marley Park" through assessment of ad valorem taxes on all real and personal property within MPCFD; and

WHEREAS, by Resolution MPCFD2014-01, adopted on May 6, 2014 the District Board of MPCFD (a) approved a tentative budget for FY 2015, (b) filed required statements and estimates of operation and maintenance expenses of MPCFD, the costs of capital improvements to be financed by the authorized ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of MPCFD, (c) set a date of June 3, 2014 for a public hearing on the tentative budget and particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds, and (d) provided for notice of the filing and of the public hearing date.

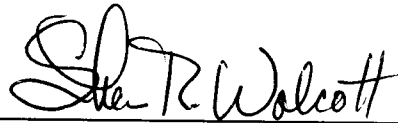
NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE MARLEY PARK COMMUNITY FACILITIES DISTRICT AS FOLLOWS:

Section 1. That certain proposed budget prepared by the MPCFD Treasurer for Fiscal Year 2014-2015, attached hereto and expressly made a part hereof as Exhibit "B", is hereby finally adopted.

Section 2. That if any provision in this Resolution is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

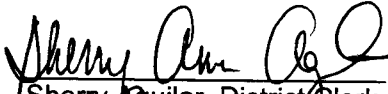
Section 3. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Marley Park Community Facilities District this 3rd day of June, 2014.



Sharon Wolcott, Chairman, District Board
Marley Park Community Facilities District

ATTEST:



Sherry Aguilar, District Clerk
Marley Park Community
Facilities District

1499079.1-5/27/14

OFFICIAL BUDGET FORMS

MARLEY PARK COMMUNITY FACILITIES DISTRICT

SURPRISE, ARIZONA

Fiscal Year 2015

MARLEY PARK COMMUNITY FACILITIES DISTRICT
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MARLEY PARK COMMUNITY FACILITIES DISTRICT
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2015

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2014	ACTUAL EXPENDITURES/ EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/ EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund			\$	Primary: \$		\$	\$	\$	\$	\$	
2. Special Revenue Funds	47,700	48,900	11,900	Secondary: 62,800						74,700	62,800
3. Debt Service Funds Available	674,600	674,600		687,000						687,000	698,900
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	674,600	674,600		687,000						687,000	698,900
6. Capital Projects Funds											
7. Permanent Funds											
8. Enterprise Funds Available											
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds											
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 722,300	\$ 723,500	\$ 11,900	\$ 749,800	\$	\$	\$	\$	\$	\$ 761,700	\$ 761,700

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

2014	2015
\$ 722,300	\$ 761,700
722,300	761,700
\$ 722,300	\$ 761,700
\$	\$

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

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

MARLEY PARK COMMUNITY FACILITIES DISTRICT
Tax Levy and Tax Rate Information
Fiscal Year 2015

	<u>2014</u>	<u>2015</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u> </u>	\$ <u> </u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u> </u>	\$ <u> </u>
B. Secondary property taxes	<u>657,300</u>	<u>749,800</u>
C. Total property tax levy amounts	\$ <u><u>657,300</u></u>	\$ <u><u>749,800</u></u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u> </u>	
(2) Prior years' levies		
(3) Total primary property taxes	\$ <u> </u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>657,300</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u><u>657,300</u></u>	
C. Total property taxes collected	\$ <u><u>657,300</u></u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate		
(2) Secondary property tax rate	<u>4.2500</u>	<u>3.7400</u>
(3) Total city/town tax rate	<u><u>4.2500</u></u>	<u><u>3.7400</u></u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>1</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

MARLEY PARK COMMUNITY FACILITIES DISTRICT
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
CAPITAL PROJECTS FUNDS			
Marley Park Community Facility District Fund Operations			
Charges for Services/Other	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Total Capital Projects Funds	\$ _____	\$ _____	\$ _____

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was

MARLEY PARK COMMUNITY FACILITIES DISTRICT
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2015

FUND	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
	\$	\$	\$	\$
Total General Fund	\$	\$	\$	\$
SPECIAL REVENUE FUNDS				
	\$	\$	\$	\$
Total Special Revenue Funds	\$	\$	\$	\$
DEBT SERVICE FUNDS				
	\$	\$	\$	\$
Total Debt Service Funds	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS				
	\$	\$	\$	\$
Total Capital Projects Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
	\$	\$	\$	\$
Total Enterprise Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$	\$

MARLEY PARK COMMUNITY FACILITIES DISTRICT
Expenditures/Expenses by Fund
Fiscal Year 2015

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
DEBT SERVICE FUNDS				
Marley Park Community Facility District Fund				
Debt Service	\$ 674,600	\$	\$ 674,600	\$ 673,900
Contingency				25,000
Total Debt Service Funds	\$ 674,600	\$	\$ 674,600	\$ 698,900
SPECIAL REVENUE FUNDS				
Marley Park Community Facility District Fund				
General Operations	\$ 47,700	\$	\$ 48,900	\$ 62,800
Total Special Revenue Funds	\$ 47,700	\$	\$ 48,900	\$ 62,800
TOTAL ALL FUNDS	\$ 722,300	\$	\$ 723,500	\$ 761,700

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

MARLEY PARK COMMUNITY FACILITIES DISTRICT
Expenditures/Expenses by Department
Fiscal Year 2015

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Debt Service				
Marley Park CFD	\$ 674,600	\$	\$ 674,600	\$ 698,900
Department Total	<u>\$ 674,600</u>	<u>\$</u>	<u>\$ 674,600</u>	<u>\$ 698,900</u>
General Operations				
Marley Park CFD	\$ 47,700	\$	\$ 48,900	\$ 62,800
Department Total	<u>\$ 47,700</u>	<u>\$</u>	<u>\$ 48,900</u>	<u>\$ 62,800</u>
Total All Departments	<u>\$ 722,300</u>	<u>\$</u>	<u>\$ 723,500</u>	<u>\$ 761,700</u>

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

MARLEY PARK COMMUNITY FACILITIES DISTRICT
Full-Time Employees and Personnel Compensation
Fiscal Year 2015

FUND	Full-Time Equivalent (FTE) 2015	Employee Salaries and Hourly Costs 2015	Retirement Costs 2015	Healthcare Costs 2015	Other Benefit Costs 2015	Total Estimated Personnel Compensation 2015
CAPITAL PROJECTS FUNDS						
Marley Park CFD		\$	\$	\$	\$	= \$
Total Capital Projects Funds		\$	\$	\$	\$	= \$
 TOTAL ALL FUNDS		\$	\$	\$	\$	= \$

Capital Improvement Plan

- Capital Improvement Plan Summary
 - General Capital Fund
 - Transportation Improvement Fund
 - Vehicle Replacement Fund
 - General Government Development Fee Fund
 - Police Development Fee Fund
 - Parks and Recreation Development Fee Fund
 - Public Works Development Fee Fund
 - Fire and EMS Development Fee Fund
 - Library Development Fee Fund
 - Roads of Regional Significance Development Fee Fund
 - 163rd Avenue Development Fee Fund
 - Water System and Replenishment Development Fee Fund
 - Wastewater System Development Fee Funds
 - Governmental Construction Fund
- Debt Service Funds
- Summary of Expenditures by Fund
- Summary of Expenditures by Fund and Project
- Project Detail

Capital Improvement Plan Summary

The city of Surprise has transitioned from a small agricultural community to one of the fastest growing communities in the nation. The 2010 census results show a population of 118,349, more than triple the 2000 census tabulation of approximately 30,000 residents. It is estimated that the population will increase slightly to 121,000 by the end of FY2016.

Much of Surprise's infrastructure was developed with a mix of public and private investment. Large master planned communities like Sun City Grand and Marley Park installed local infrastructure (roads, water, and sewer lines) to service the projects while the city provides police, fire, and wastewater treatment infrastructure and services for new residents expected to be added annually.

Management works with the Mayor and City Council and all departments throughout the Capital Improvement Plan (CIP) process to develop the adopted CIP. The CIP process runs in conjunction with the operating budget process and both culminate with the adoption of the recommended budget and CIP by the Mayor and City Council in June.



The city is working on a comprehensive, multi-year CIP that outlines projects anticipated to fulfill current and future capital and infrastructure needs. The plan incorporates estimated project costs and associated ongoing operating costs. It addresses both repair and replacement of existing infrastructure, purchase of capital equipment, and construction of new facilities.

The proposed CIP is limited to the budgeted year. It reflects the city's strengthened financial status with the programming of a number of projects placed on hold during the fiscal downturn. During the course of FY2015, staff will be working to improve and refine the five-year CIP and identify funding strategies.

Funding

The CIP is broken down into four major fund types:

1. general capital fund
2. transportation improvement fund
3. development impact fee funds
4. water and wastewater enterprise funds

1. general capital fund

Projects in this fund are paid for primarily by construction sales tax in excess of the first \$1.25M as well as third party funding (e.g. grants, intergovernmental revenue, etc.).

2. transportation improvement fund

Projects in this fund are primarily funded by a 1.5% dedicated construction sales tax and third party funding (e.g. grants, intergovernmental revenue, etc.).

3. development impact fee funds

Projects in these funds represent the proportional share that growth contributes towards the cost of public facilities. They are paid by impact fees assessed to new development.

4. water and wastewater enterprise funds

These CIP projects are paid for by a combination of user rates and development impact fees.

Capital and Operational Finances

In keeping with the city's policy of sustainability, approved capital projects stress continuation of current service levels. Surprise residents deserve, and have come to expect the high level of service provided by the city. In order to maintain this high level of service, the city has committed many of its one-time sources of funds to pay for capital and infrastructure needs.

The operational costs associated with the capital constructed by the city of Surprise will have an impact on the city's operating budget. With each new completed project there are staffing, maintenance, supply, and other service costs that must be funded on an ongoing basis. The funding of these ongoing operational costs must be determined before a

project is approved. By examining operational requirements early in the process, the city is assured that when a public building is completed, there is funding to open and operate the facility without negatively affecting other city services.

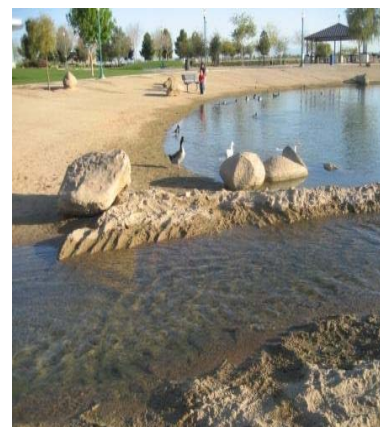
Recommended capital projects include those to maintain the current level of service as well as a number of new projects to construct new or expand existing facilities/amenities. New residents who move to Surprise will be greeted with a high level of service and amenities.

CIP Development

The following section provides information that served as the background for the development of the Infrastructure Improvement Plan.

What should be addressed in this planning effort?

- financial responsibility
- improved transportation
- expansion of public safety facilities
- coordination with utilities
- allocation of funding for advanced organizational planning
- maintaining the necessary “tools” to provide quality customer service
- expansion of parks and recreation facilities
- economic development implications
- environmental issues
- community aesthetics and image
- public input
- sustainability for Surprise



Capital Project Definition

In order to distinguish between capital projects and minor-capital operating expenses, the following capital project definition was developed:

Projects included in the Surprise CIP will be those with a cost of at least \$100,000 with a useful life of at least three years. All other projects shall be included in departmental operating budgets.

The CIP is to be used as a guide in decision-making. The CIP is intentionally developed in the most a-political environment possible with the full knowledge that the final decisions will be made in the political arena. The CIP is an objective basis for making decisions in a very subjective environment.

The process for the CIP's development is divided into three key components, culminating in the presentation of a Capital Improvement Plan to the Mayor and City Council for approval.

1. Needs Assessment. Future needs are outlined utilizing the General Plan, department master plans, and growth pattern studies.
2. Financial Analysis. Examination of the city's recent revenues, expenditures, current debt, and bonding capacity are included in the financial analysis.
3. Capital Improvement Plan Policies. The plan document includes policies, an implementation section, and outlines how the CIP will be updated on an annual basis.

1. Needs Assessment

The needs assessment encompasses all of the anticipated needs for the community within the definition of capital projects.

During the plan development process, an inclusive capital project list is created. However, additional needs will be identified on a continuing basis and will be included in the annual update process. Some unanticipated needs will occur during the budget year and will be weighed against needs already identified in the annually adopted CIP.

2. Financial Analysis

In developing the CIP, a complete financial analysis is conducted. Like most communities, the city of Surprise will always have more needs than financial resources. Funding options, the community's borrowing capacity, and current debt are discussed below:

Funding Options

As a growing community, the city of Surprise has continuing capital needs that may be funded by a variety of sources. The following options are possible sources considered when programming the city's CIP.

- **Pay-as-you-go from current revenues:** Funding of projects through available cash on hand (fund balance) and the revenue forecasted for the budgeted year represents pay-as-you-go financing. Construction sales taxes are commonly used by the city to fund pay-as-you-go projects. A majority of new projects are currently funded on this basis.
- **Municipal bonds:** The city may issue bonds to finance capital projects. Borrowing allows the city to construct assets as needed, rather than wait for sufficient cash to construct. Bonds are secured by secondary property taxes and are repaid over time with interest. The city's ability to use bond financing is discussed in greater detail in the bonding capacity section. The issuance of municipal bonds must be approved by the voters.
- **Certificates of participation/municipal property corporations:** These are alternative funding mechanisms used to issue non-voter approved bonds. The debt may be secured by a variety of on-going revenue sources. The city of Surprise has outstanding debt issued by the municipal property corporation.
- **Lease-purchase agreements:** A method of financing capital projects that lessens the up-front costs to the municipality. While interest is paid, the payoff period is typically a shorter period than bonds and the municipality will own the asset upon the completion of the agreement.
- **Improvement districts:** This financing method is used to raise capital for projects in which the residents, who benefit from the improvements, pay for them over time through secondary property taxes (e.g. street light improvement district).
- **Development impact fees:** Fees imposed on new development to defray the impact and additional costs the development places on municipal infrastructure. The city currently has an impact fee ordinance that applies fees to new development.
- **Development agreements:** Developers construct infrastructure and convey the asset to the city. According to the terms of the agreement, developers are reimbursed for the infrastructure by the city through collections of development impact fees, permit fees, water and wastewater fees, and/or sales tax revenue.
- **Grants:** Federal, state, and county grants are available to finance capital projects. Many of these grants require the municipality to participate either financially or through "in kind" matches. The city is the recipient of various federal, state, and county grants and pursues grant funding as opportunities arise.
- **User fees:** Fees paid by service users to maintain existing facilities and meet regulatory requirements. Utilities such as water, wastewater, and sanitation fall under this category.

Borrowing Capacity

Surprise has used various financing methods in the past to purchase vehicles and equipment and finance the development of other municipal services.

The most commonly utilized large project municipal financing method in the United States of America is the general obligation bond (G.O. bond). This is the most inexpensive way to finance projects because the bond's repayment is based on the full taxing authority of the municipality and backed up by real property. Voters have to approve the property taxes (secondary) instituted to pay for the issuance of G.O. bonds.

The state of Arizona places limits on this type of financing. Under Arizona Law, Article IX, Section 8, municipalities may issue G.O. bonds for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities up to an amount not exceeding 20 percent of the secondary assessed value. Based on Surprise's secondary assessed valuation of \$904,721,043, a total of \$180,944,209 could be borrowed utilizing G.O. bonds. The city currently has no outstanding G.O. bonds debt in the 20 percent category.

In addition, Arizona law allows municipalities to issue G.O. bonds for all other purposes not listed above up to an amount not exceeding six percent of the valuation. This would allow Surprise to bond for \$54,283,263 under this category. The city currently has no outstanding G.O. bonded debt in the six percent category.

CAPITAL IMPROVEMENT PLAN FY2015 Summary



Surprise's other debt does not count against these limits; although, the overall financial position of the city would be considered by lending institutions.

Outstanding Debt

As of June 30, 2013, the city of Surprise held the following outstanding long-term debt obligations. The total amount of outstanding debt and year of debt retirement are indicated:

Outstanding Debt	Debt Retirement Date	Outstanding Balance as of June, 30 2013
Municipal Property Corporation Bonds: 2000-2003 Issuance	7/1/2020	28,524,999
Municipal Property Corporation Bonds: 2007 Issuance	4/1/2032	50,675,000
	Total	\$ 79,199,999

3. Capital Improvement Plan Policies

Policies

The following capital improvement policies are adopted annually by the Mayor and City Council as part of the Comprehensive Financial Management Policies (full policy document included in the appendix of this book).

25. The city shall use an integrated approach to capital planning and financing in preparing a five-year Capital Improvement Plan. Only the first year of the plan will be adopted by the City Council.
26. The Capital Improvement Plan will include funding to support repair and replacement of capital equipment and infrastructure. A high priority should be placed on those items where deferring maintenance will result in greater cost to restore or replace.
27. Proposed capital projects will be prioritized based on the City Council's goals and objectives, the General Plan, and master plans.
28. Future operating, maintenance, and replacement costs associated with new capital improvements will be included as a schedule within the annual budget document. Capital project will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.
29. The first \$1.25 million received in revenues from the 2.2% transaction privilege tax on construction will be retained in the general fund. Any additional amount will be recorded in general capital fund and will be used to fund the Capital Improvement Plan.
30. The city currently imposes an additional 1.5% transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the transportation improvement fund and will be used to fund transportation projects in the Capital Improvement Plan.
31. As permitted by state law, the city shall maintain a financial structure to ensure future development pays for itself and is not a burden on existing residents (i.e. "growth pays for growth"). Elements of this financial structure include impact fees, development agreements, improvement districts (IDs) and community facility districts (CFDs).
32. Impact fees for infrastructure attributable to new development will be reviewed at least every other year to ensure that fees recover all direct and indirect development-related expenses, as permitted by state law and will be approved by the City Council.

Implementation

The success of a plan or a planning process is measured by the degree of its implementation. Since resources are limited, it is crucial for the city of Surprise to follow a consistent, objective path to allocate funding for future capital improvements needs.

The following implementation program outlines the specific steps necessary to implement the CIP and perform the annual update.



General Implementation Guidelines

- The Surprise CIP is adopted along with the operating budget each year by the Mayor and City Council. The document is published and widely distributed. The CIP is updated annually.
- Citizen input is sought periodically to determine the desires of the public. Attitudes and circumstances change and informed decision making requires that the city have an up-to-date awareness of what the public's attitudes are toward community facilities and services and how to pay for them.
- Department directors are responsible for project management and regular monitoring to ensure efficient and effective construction and cost management.

Update Process

Updating the CIP takes place annually along with the development of the city's annual budget. The annual update includes projects by funding source for presentation to the Mayor and City Council.

The prior year process is reviewed annually to discuss the plan's process and implementation. Project requests are updated in the budget preparation software by the responsible department. The project information includes: project name and department, description, council district location, funding source(s), cost detail by category and year, and estimated ongoing operational costs.

Projects are prioritized within each fund.

CAPITAL IMPROVEMENT PLAN

General Capital Fund



Description

The general capital fund is established to provide a centralized location for the acquisition of capital with resources that are not restricted, such as development impact fees. The intent is to remove capital costs from department operating budgets to better analyze the cost of departmental operations as well as the need for capital and infrastructure.

At the direction of the Mayor and City Council, the city of Surprise dedicates the first \$1,250,000 of construction related sales tax collections to operating expenses. The remaining construction sales tax is considered a one-time revenue source and is dedicated for capital expenses in this fund. The dedicated sales tax amount for FY2015 is estimated at \$3,210,200.

Major Budget Changes

The expenditures are primarily for capital projects that include asset replacements, multiple transportation projects, CRS master plan, project to replace the financial system, Regional Wireless Cooperative radios, and ambulance feasibility study. The FY2015 budget also includes \$2,823,600 in contingency programming.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	0	0	0	308,000	-
Services	0	67,829	0	550,000	-
Operating Capital	208,272	0	122,000	692,000	467%
Sub-Total Operating	208,272	67,829	122,000	1,550,000	1,170%
Capital	1,680,641	1,135,251	6,227,500	10,070,300	62%
Contingency	0	0	2,294,200	2,823,600	23%
Total	1,888,913	1,203,080	8,643,700	14,443,900	67%

Uses by Department					
City Manager	0	21,766	50,000	47,500	(5%)
Legal	0	0	0	500,000	0%
Information Technology	29,985	253,454	1,115,000	1,420,800	27%
General Operations	110,712	0	2,294,200	2,823,600	23%
Community Development	0	0	1,100,000	0	(100%)
Police	0	26,291	72,000	263,000	265%
Emergency Services (fire)	589,807	83,068	475,000	225,000	(53%)
Parks & Recreation	0	226,663	670,000	2,550,000	281%
Public Works	1,158,409	591,838	2,867,500	6,614,000	131%
Total	1,888,913	1,203,080	8,643,700	14,443,900	67%

Sources by Category					
Charges for Services/Other	227,344	252,978	0	386,400	-
Local Sales Tax	0	2,950,369	1,950,000	3,210,200	65%
Transfers In	1,685,089	0	0	2,000,000	-
Total	1,912,433	3,203,347	1,950,000	5,596,600	187%

Description

The transportation improvement fund is established to provide for the collection and expenditure of the dedicated 1.5% local construction transaction tax adopted by the Mayor and City Council through ordinance 05-13 (city code section 46-3.14-415). This tax is dedicated for the improvement of existing roadway corridors and the related costs of the construction of new roadways.

Major Budget Changes

The FY2015 budget increased by 4% from the FY2014 amended budget. Personnel expenditures are impacted by a 1.3% cost of living adjustment, 2% merit increase, 6% increase in health insurance premiums and 3.3 % increase in dental premiums.

The increase for capital is directly related to the ongoing capital improvement projects. The decrease in services is due to pavement preservation cost being moved to the highway user revenue fund for FY2015.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Personnel	0	108,840	122,900	131,900	7%
Supplies	0	548	1,000	1,000	0%
Services	233,117	2,176,598	2,261,500	2,591,500	15%
Operating Capital	929,516	0	0	0	-
Sub-Total Operating	1,162,633	2,285,986	2,385,400	2,724,400	14%
Capital	24,585	15,380	2,917,700	2,290,200	(22%)
Debt	2,500	0	0	0	-
Contingency	0	0	0	503,600	-
Total	1,189,719	2,301,366	5,303,100	5,518,200	4%

Uses by Department

City Manager	0	0	0	286,100	0%
Finance	189,386	198,921	0	0	0%
Community Development	51,549	61,504	260,000	0	(100%)
Public Works	948,784	2,040,941	5,043,100	5,232,100	4%
Total	1,189,719	2,301,366	5,303,100	5,518,200	4%

Sources by Category

Charges for Services/Other	17,667	20,699	46,500	46,500	0%
Local Sales Tax	2,001,197	2,871,342	2,181,800	3,041,000	39%
Total	2,018,864	2,892,040	2,228,300	3,087,500	39%

	2012 Adopted	2013 Adopted	2014 Amended	FY2015 Budget	Adopted to Budget
Personnel	0.0	1.0	1.0	1.0	0.0

CAPITAL IMPROVEMENT PLAN

Vehicle Replacement Fund



Description

Vehicle replacement funding was established to allow the city to replace vehicles and equipment as they reach the end of useful life. The Fleet Management Division of the Public Works Department administers the fleet replacement program. The city's capital asset policy is the guideline for the replacement timeline with minor exceptions for reserve vehicles. The fleet manager and department director evaluate vehicles during the budget process and adjustments in the replacement schedule may be made. All vehicles are replaced turn key. Adjustments are made annually for inflation. Replacement funds are not used to upgrade or enhance vehicles.

Major Budget Changes

The fund is scheduled to receive \$1,000,000 transfer from the general fund. The programmed capital expenditures are for approximately 30 motorized vehicles and equipment that have been through the evaluation process and are being recommended for replacement. Fund balance and remaining available revenue is programmed as contingency at \$338,900.

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Uses by Category					
Operating Capital	834,696	1,618,771	2,281,300	3,954,900	73%
Sub-Total Operating	834,696	1,618,771	2,281,300	3,954,900	73%
Contingency	0	0	1,998,000	338,900	(83%)
Total	834,696	1,618,771	4,279,300	4,293,800	0%
Uses by Department					
General Operations	0	1,618,771	2,281,300	3,954,900	73%
Public Works	834,696	0	1,998,000	338,900	(83%)
Total	834,696	1,618,771	4,279,300	4,293,800	0%
Sources by Category					
Charges for Services/Other	63,687	393,071	65,800	465,800	608%
Transfers In	0	0	0	1,000,000	-
Total	63,687	393,071	65,800	1,465,800	2,128%

Description

The general government development fee fund is established to account for the inflow of general government development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on general government services caused by growth. Development fees cannot be used to subsidize operating needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2015. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014. These fees will be continued as they have been pledged to repay existing debt, based on the new statute.

Major Budget Changes

With minimal forecasted development revenue for the funds, the only programed expenditures are for the impact fee study and rental payments. Fund balance and remaining available revenue is programmed as contingency at \$894,200 and are held for future debt payments.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	782	10,022	20,000	25,000	25%
Sub-Total Operating	782	10,022	20,000	25,000	25%
Capital	11,949	0	0	0	-
Contingency	0	0	0	894,200	-
Transfer Out	667,359	666,378	666,500	665,000	0%
Total	680,091	676,399	686,500	1,584,200	131%
Uses by Department					
Finance	12,731	10,022	20,000	25,000	25%
General Operations	0	0	0	894,200	0%
Public Works	667,359	666,378	666,500	665,000	0%
Total	680,091	676,399	686,500	1,584,200	131%
Sources by Category					
Charges for Services/Other	686,792	635,458	537,400	804,300	50%
Transfers In	0	0	0	0	-
Total	686,792	635,458	537,400	804,300	50%

CAPITAL IMPROVEMENT PLAN

Police Development Fees Fund



Description

The police development fee fund is established to account for the inflow of police development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on police services caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014. These fees will be continued as they have been pledged to repay existing debt, based on the new statute.

Major Budget Changes

The programed expenditures are for the impact fee study and rental payments. Fund balance and remaining available revenue is programmed as contingency at \$1,538,200 and are held for future debt payments. The city will continue to review and evaluate potential projects through the preparation of the Infrastructure Improvement Plan (IIP) for the impact fee study update.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	12,265	10,022	20,000	25,000	25%
Sub-Total Operating	12,265	10,022	20,000	25,000	25%
Capital	7,817	0	0	0	-
Contingency	0	0	978,800	1,538,200	57%
Transfer Out	246,098	245,736	245,800	245,200	0%
Total	266,180	255,757	1,244,600	1,808,400	45%
Uses by Department					
Finance	8,599	10,022	20,000	25,000	25%
General Operations	11,483	0	0	0	0%
Police	246,098	245,736	1,224,600	1,783,400	46%
Total	266,180	255,757	1,244,600	1,808,400	45%
Sources by Category					
Charges for Services/Other	313,693	300,147	240,700	495,700	106%
Transfers In	0	0	0	0	-
Total	313,693	300,147	240,700	495,700	106%

Description

The parks and recreation development fee fund is established to account for the inflow of parks and recreation development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on parks and recreation services caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014. These fees will be continued as they have been pledged to repay existing debt, based on the new statute.

Major Budget Changes

The programmed expenditures are for the impact fee study, rental payments, and two capital projects for the expansion and improvement of Surprise Farms and Veramonte parks. Fund balance and remaining available revenue is programmed as contingency at \$1,659,300.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	15,664	9,171	20,000	25,000	25%
Sub-Total Operating	15,664	9,171	20,000	25,000	25%
Capital	7,817	0	0	2,635,100	-
Contingency	0	0	3,554,000	1,659,300	(53%)
Transfer Out	795,234	794,064	794,200	792,400	0%
Total	818,715	803,234	4,368,200	5,111,800	17%
Uses by Department					
Finance	8,599	9,171	20,000	25,000	25%
General Operations	14,882	0	0	0	0%
Parks & Recreation	795,234	794,064	4,348,200	5,086,800	17%
Total	818,715	803,234	4,368,200	5,111,800	17%
Sources by Category					
Charges for Services/Other	562,939	386,383	533,600	841,800	58%
Transfers In	0	0	0	0	-
Total	562,939	386,383	533,600	841,800	58%

CAPITAL IMPROVEMENT PLAN

Public Works Development Fees Fund



Description

The public works development fee fund is established to account for the inflow of public works development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on public works services caused by growth. Development fees cannot be used to subsidize operational needs.

Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014. Based on the new statute these fees will be discontinued.

Major Budget Changes

The expenditures are primarily for capital projects that includes the new north public works yard. Fund balance and remaining available revenue is programmed as contingency at \$8,557,300.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Supplies	18,391	19,816	64,000	84,000	31%
Services	782	10,022	20,000	25,000	25%
Operating Capital	183,543	0	0	0	-
Sub-Total Operating	202,716	29,837	84,000	109,000	30%
Capital	148,947	81,730	109,800	1,009,600	819%
Contingency	0	0	9,624,900	8,557,300	(11%)
Total	351,663	111,568	9,818,700	9,675,900	(1%)
Uses by Department					
Finance	782	10,022	20,000	25,000	25%
General Operations	15,322	0	0	0	0%
Public Works	335,559	101,546	9,798,700	9,650,900	(2%)
Total	351,663	111,568	9,818,700	9,675,900	(1%)
Sources by Category					
Charges for Services/Other	353,157	235,442	255,100	146,800	(42%)
Total	353,157	235,442	255,100	146,800	(42%)

Description

The fire and emergency medical services (EMS) development fee fund is established to account for the inflow of fire and EMS development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on fire and emergency medical services caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2015. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes

The programed expenditures are for the impact fee study and rental payments. The city will continue to review and evaluate potential projects through the preparation of the Infrastructure Improvement Plan (IIP) for the impact fee study update. Fund balance and remaining available revenue is programmed as contingency at \$2,024,600 for future fire stations.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	4,676	36,854	20,000	25,000	25%
Sub-Total Operating	4,676	36,854	20,000	25,000	25%
Capital	7,817	0	0	0	-
Contingency	0	0	0	2,024,600	-
Transfer Out	575,072	659,590	121,500	121,200	0%
Total	587,565	696,444	141,500	2,170,800	1,434%
Uses by Department					
Finance	8,599	10,022	20,000	25,000	25%
General Operations	3,894	26,832	0	0	0%
Emergency Services (fire)	575,072	659,590	121,500	2,145,800	1,666%
Total	587,565	696,444	141,500	2,170,800	1,434%
Sources by Category					
Charges for Services/Other	633,662	706,904	760,100	1,742,900	129%
Transfers In	453,471	538,168	0	0	-
Total	1,087,133	1,245,072	760,100	1,742,900	129%

CAPITAL IMPROVEMENT PLAN

Library Development Fees Fund



Description

The library development fee fund is established to account for the inflow of library development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on library services caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014. Based on the new statute these fees will be discontinued.

Major Budget Changes

With minimal forecasted interest revenue for the funds, the only programed expenditures is for the impact fee study and library expansion study. Fund balance and remaining available revenue is programmed as contingency at \$4,457,200. The city will continue to review and evaluate potential projects through the preparation of the Infrastructure Improvement Plan (IIP) for the impact fee study update.

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Uses by Category					
Services	782	10,873	20,000	100,000	400%
Sub-Total Operating	782	10,873	20,000	100,000	400%
Capital	7,817	0	0	0	-
Contingency	0	0	4,589,800	4,457,200	(3%)
Total	8,599	10,873	4,609,800	4,557,200	(1%)
Uses by Department					
Finance	8,599	10,873	20,000	25,000	25%
Parks & Recreation	0	0	4,589,800	4,532,200	(1%)
Total	8,599	10,873	4,609,800	4,557,200	(1%)
Sources by Category					
Charges for Services/Other	138,588	90,841	136,500	54,800	(60%)
Total	138,588	90,841	136,500	54,800	(60%)

Description

The roads of regional significance development fund are established to account for the inflow of development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on roadways caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes

With no forecasted development revenue for the funds, the only programed expenditures are for the impact fee study. Fund balance and remaining available revenue is programmed as contingency at \$2,131,200. The city will continue to review and evaluate potential projects through the preparation of the Infrastructure Improvement Plan (IIP) for the impact fee study update.

	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Uses by Category					
Services	782	10,022	20,000	12,500	(38%)
Sub-Total Operating	782	10,022	20,000	12,500	(38%)
Capital	1,240	0	0	0	-
Debt	27,282	0	0	0	-
Contingency	0	0	2,130,900	2,131,200	0%
Total	29,303	10,022	2,150,900	2,143,700	0%
Uses by Department					
Finance	2,022	10,022	20,000	12,500	(38%)
General Operations	27,282	0	2,130,900	2,131,200	0%
Total	29,303	10,022	2,150,900	2,143,700	0%
Sources by Category					
Charges for Services/Other	22,542	18,224	27,400	27,400	0%
Total	22,542	18,224	27,400	27,400	0%

CAPITAL IMPROVEMENT PLAN
163rd Avenue Development Fees Fund



Description

The 163rd avenue development fee fund is established to account for the inflow of development fees levied on new residential and commercial construction. This fee can only be used for the purchase, construction, financing, and furnishing of new capital or one-time items directly related to the increased demand on 163rd avenue caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes

The fund expects to collect \$19,800 in development fees. The only programed expenditures are for the impact fee study. Fund balance and remaining available revenue is programmed as contingency at \$7,300.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	0	0	0	12,500	-
Sub-Total Operating	0	0	0	12,500	-
Contingency	0	0	0	7,300	-
Total	0	0	0	19,800	-
Uses by Department					
Finance	0	0	0	12,500	0%
General Operations	0	0	0	7,300	0%
Total	0	0	0	19,800	0%
Sources by Category					
Charges for Services/Other	0	0	0	19,800	-
Total	0	0	0	19,800	-

Description

The water system and replenishment development fee funds are established to account for the inflow of water system and replenishment development fees levied on new construction. This fee can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on the water system caused by growth. Development fees cannot be used to subsidize operational needs.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes

The expenditures are primarily for continued capital projects that include CAP water allocation, Mountain Vista Ranch well #2, Desert Oasis WSF arsenic treatment, Greenway Road improvements – reclaimed line, SPA 1 effluent storage reservoir covers, and developer reimbursements. Fund balance and remaining available revenue is programmed as contingency at \$10,100,000. The city will continue to review and evaluate potential projects through the preparation of the Infrastructure Improvement Plan (IIP) for the impact fee study update.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	62,676	160,588	490,800	500,000	2%
Operating Capital	(13,591)	0	154,000	205,000	33%
Sub-Total Operating	49,085	160,588	644,800	705,000	9%
Capital	235,610	249,552	5,613,100	4,343,200	(23%)
Debt	57,203	0	0	0	-
Contingency	0	0	3,122,300	10,769,100	245%
Transfer Out	588,982	153,735	0	0	-
Total	930,879	563,875	9,380,200	15,817,300	69%

Uses by Department

City Manager	0	0	0	450,000	0%
Finance	4,043	20,043	40,800	50,000	23%
Community Development	0	0	450,000	0	(100%)
Public Works	926,836	543,832	8,889,400	15,317,300	72%
Total	930,879	563,875	9,380,200	15,817,300	69%

Sources by Category

Charges for Services/Other	733,795	1,042,150	1,700,700	3,779,100	122%
Total	733,795	1,042,150	1,700,700	3,779,100	122%

CAPITAL IMPROVEMENT PLAN

Wastewater System Development Fee Funds



Description

The wastewater system development fee funds are established to account for the inflow of wastewater service development fees levied on new residential, commercial, and industrial development. This fee can only be used for the purchase, construction, financing, and furnishing of new items directly related to the increased demand on wastewater services caused by growth. Development fees cannot be used to subsidize operational needs. The city provides these services to the entire city.

Revenues are based upon an estimated issuance of 1,065 single family residential permits and the estimated square feet of 323,000 non-single family residential permits in FY2013. Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees. In April of 2011, statutory revisions were made by the approval of Senate Bill (SB) 1525 that significantly changed the requirements for development impact fees. As required by law, the city of Surprise retained the services of an outside consultant to complete an update of the City's development impact fees for compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes

The expenditures are for the SPA 1 centrifuge installation capital project, rental payments, developer reimbursements, and debt service. MPC debt rental payments include \$6,500,000 in a planned defeasance payment in FY2015. Fund balance and remaining available revenue is programmed as contingency at \$1,491,500.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Services	782	10,022	20,400	25,000	23%
Operating Capital	4,531	0	25,000	25,000	0%
Sub-Total Operating	5,313	10,022	45,400	50,000	10%
Capital	7,990	0	1,000,000	1,800,000	80%
Contingency	0	0	273,000	1,491,500	446%
Transfer Out	3,861,431	3,855,238	8,530,500	10,157,500	19%
Total	3,874,734	3,865,260	9,848,900	13,499,000	37%

Uses by Department	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
City Manager	0	0	0	25,000	0%
Finance	2,022	10,022	20,400	25,000	23%
Community Development	0	0	25,000	0	(100%)
Public Works	3,872,712	3,855,238	9,803,500	13,449,000	37%
Total	3,874,734	3,865,260	9,848,900	13,499,000	37%

Sources by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Charges for Services/Other	2,074,401	2,934,108	2,356,100	5,448,700	131%
Transfers In	0	0	0	0	-
Total	2,074,401	2,934,108	2,356,100	5,448,700	131%

Description

This fund is established to account to bond proceeds received from a planned FY2014 debt issuance.

Major Budget Changes

Proceeds are programmed in contingency and may be transferred to projects relating to clubhouse expansions and enhancement upon Mayor and City Council approval.

Uses by Category	FY2012 Actual	FY2013 Actual	FY2014 Amended	FY2015 Budget	Amended to Budget
Contingency	0	0	0	11,513,200	-
Transfer Out	0	0	0	0	-
Total	0	0	0	11,513,200	-
Uses by Department					
General Operations	0	0	0	11,513,200	0%
Total	0	0	0	11,513,200	0%
Sources by Category					
Charges for Services/Other	0	0	0	0	-
Total	0	0	0	0	-

CAPITAL IMPROVEMENT PLAN

Debt Service Funds



Description

Municipal property corporation (MPC) debt service funds:

The MPC governmental debt service 2000-03 fund, MPC proprietary debt service 2000-03 fund and MPC proprietary debt service 2007 fund were established to account for projects funded through the proceeds of the municipal property corporation (MPC) bond sales of 2000, 2003 (2000 refunding), and 2007. Bond proceeds are to be used for the acquisition or construction of capital assets for general government, public safety facilities, sewer facilities, and recreation facilities.

Debt service funds have been created for each municipal property corporation issue. The charts below summarize each fund.

2003 MPC Debt Service Issuance

Fiscal Year	Principal	Interest	Annual Requirements Debt Service
FY2005	935,000	2,081,494	3,016,494
FY2006	155,000	1,904,726	2,059,726
FY2007	160,000	1,901,376	2,061,376
FY2008	160,000	1,897,176	2,057,176
FY2009	165,000	1,892,301	2,057,301
FY2010	170,000	1,887,276	2,057,276
FY2011	2,925,000	1,811,601	4,736,601
FY2012	3,080,000	1,661,476	4,741,476
FY2013	3,240,000	1,527,776	4,767,776
FY2014	3,345,000	1,387,451	4,732,451
FY2015	3,515,000	1,215,951	4,730,951
FY2016	3,680,000	1,036,076	4,716,076
FY2017	3,875,000	847,201	4,722,201
FY2018	4,075,000	648,451	4,723,451
FY2019	4,280,000	460,976	4,740,976
FY2020	4,460,000	283,388	4,743,388
FY2021	4,640,000	95,700	4,735,700
	42,860,000	22,540,396	65,400,396

2003 MPC Debt Service Issuance Allocation Percentage

Description	Allocation Percentage
General Fund	31.28%
Genral Government Development Fee Fund	13.83%
Police Development Fee Fund	5.10%
Parks and Recreation Development Fee Fund	16.48%
Fire and EMS Development Fee Fund	2.52%
Sewer System Development Fee Fund	30.25%
Total	100.00%

2007 MPC Debt Service Issuance

Fiscal Year	Principal	Interest	Annual Requirements Debt Service
FY2008		2,197,880	2,197,880
FY2009		2,397,688	2,397,688
FY2010		2,397,688	2,397,688
FY2011		2,397,688	2,397,688
FY2012		2,397,688	2,397,688
FY2013		2,397,688	2,397,688
FY2014	4,675,000	2,397,688	7,072,688
FY2015	-	2,199,000	2,199,000
FY2016	-	2,199,000	2,199,000
FY2017	6,500,000	2,199,000	8,699,000
FY2018	-	1,906,500	1,906,500
FY2019	-	1,906,500	1,906,500
FY2020	-	1,906,500	1,906,500
FY2021	-	1,906,500	1,906,500
FY2022	14,500,000	1,906,500	16,406,500
FY2023	-	1,225,000	1,225,000
FY2024	-	1,225,000	1,225,000
FY2025	-	1,225,000	1,225,000
FY2026	-	1,225,000	1,225,000
FY2027	-	1,225,000	1,225,000
FY2028	-	1,225,000	1,225,000
FY2029	-	1,225,000	1,225,000
FY2030	-	1,225,000	1,225,000
FY2031	-	1,225,000	1,225,000
FY2032	25,000,000	1,225,000	26,225,000
	50,675,000	44,963,508	95,638,508

CAPITAL IMPROVEMENT PLAN

Summary by Fund



Fund	2014 Estimate	Carry Forward	2015 Request	Total CF and FY2015
General Capital Fund	\$1,698,000	\$1,770,200	\$8,300,100	\$10,070,300
Highway User Revenue Fund	\$0	\$0	\$475,000	\$475,000
Municipal Court Enhancement	\$0	\$0	\$200,000	\$200,000
Proposition 400	\$0	\$0	\$108,200	\$108,200
Stadium Improvements	\$0	\$0	\$1,491,200	\$1,491,200
Parks and Recreation Developmnet Fees Fund	\$0	\$0	\$2,635,100	\$2,635,100
Public Works Development Fees Fund	\$59,700	\$4,800	\$1,004,800	\$1,009,600
Transportation Improvement Fund	\$585,600	\$1,400,200	\$890,000	\$2,290,200
Water Operations	\$0	\$599,500	\$1,205,000	\$1,804,500
Water System and Replenishment Dev Fee Funds	\$1,031,800	\$3,812,200	\$531,000	\$4,343,200
Wastewater Operations	\$494,900	\$2,339,700	\$3,470,000	\$5,809,700
Wastewater System Development Fee Funds	\$0	\$400,000	\$1,400,000	\$1,800,000
Sanitation Operations	\$0	\$0	\$1,250,000	\$1,250,000
Total	\$3,870,000	\$10,326,600	\$22,960,400	\$33,287,000

CAPITAL IMPROVEMENT PLAN

General Capital Fund Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21103 - BELL RD SIDEWALKS E OF GRAND	\$384,200	\$332,900	\$575,000	\$907,900
21105 - DOVE VALLEY PARKWAY (203rd Avenue to 187th Aven	\$29,900	\$255,400	\$52,700	\$308,100
21106 - MARTIN ACRES FLOOD CONTROL	\$0	\$100,000	\$750,000	\$850,000
21107 - FIBER OPTICS-BELL RD PH 3SR303	\$1,900	\$0	\$0	\$0
21108 - FIBER OPTICS-LOOP 303-PEOR-BEL	\$32,300	\$2,700	\$4,100	\$6,800
21204 - 107th & Union Hills Drainage	\$72,000	\$178,000	\$2,250,000	\$2,428,000
21205 - Pave Dirt Shoulders	\$44,600	\$105,400	\$0	\$105,400
21206 - SR303 Peoria to Mt View	\$9,100	\$0	\$0	\$0
21301 - 163rdAve&PatTillmanStrmwtr	\$109,800	\$0	\$0	\$0
21315 - HERITAGE PARK IMPR AMND1	\$520,000	\$0	\$0	\$0
21407 - FIRE STATION #304	\$300,000	\$0	\$0	\$0
21408 - ENTERPRISE RESOURCE PLANNING SYSTEM	\$119,100	\$380,900	\$500,000	\$880,900
21409 - IT DISASTER RECOVERY	\$25,100	\$289,900	\$0	\$289,900
21410 - BOOSTER STATION BELL RD LAKE	\$0	\$125,000	\$0	\$125,000
21414 - CRS MASTER PLAN UPDATE	\$50,000	\$0	\$50,000	\$50,000
21501 - RWC Radio Replacement	\$0	\$0	\$220,000	\$220,000
21502 - Bell Rd Adaptive Signal Control Technology Deployment	\$0	\$0	\$27,300	\$27,300
21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)	\$0	\$0	\$35,000	\$35,000
21504 - Jomax 147th to 133rd Pave Dirt Road	\$0	\$0	\$200,000	\$200,000
21506 - Enhancement SR303 Mountain View to Grand Ave	\$0	\$0	\$300,000	\$300,000
21507 - Skatepark - In- Ground	\$0	\$0	\$500,000	\$500,000
21508 - Boys and Girls Club	\$0	\$0	\$2,000,000	\$2,000,000
21509 - Median & ROW Landscaping	\$0	\$0	\$250,000	\$250,000
21510 - City Entry Monuments	\$0	\$0	\$250,000	\$250,000
21524 - Electric Service Upgrade at Techcelerator	\$0	\$0	\$336,000	\$336,000
Total	\$1,698,000	\$1,770,200	\$8,300,100	\$10,070,300

CAPITAL IMPROVEMENT PLAN

Highway User Revenue Fund Project Summary



Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21410 - BOOSTER STATION BELL RD LAKE	\$0	\$0	\$125,000	\$125,000
21509 - Median & ROW Landscaping	\$0	\$0	\$300,000	\$300,000
21511 - Sidewalk Gaps	\$0	\$0	\$50,000	\$50,000
Total	\$0	\$0	\$475,000	\$475,000



CAPITAL IMPROVEMENT PLAN Municipal Court Enhancement Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21512 - Courtroom Audio/Video Equipment	\$0	\$0	\$200,000	\$200,000
Total	\$0	\$0	\$200,000	\$200,000

CAPITAL IMPROVEMENT PLAN Proposition 400 Project Summary



Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21513 - Park N Ride Enhancements	\$0	\$0	\$108,200	\$108,200
Total	\$0	\$0	\$108,200	\$108,200



CAPITAL IMPROVEMENT PLAN Stadium Improvements Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21514 - Clubhouse improvements	\$0	\$0	\$1,491,200	\$1,491,200
Total	\$0	\$0	\$1,491,200	\$1,491,200

CAPITAL IMPROVEMENT PLAN
Parks and Recreation Developmnet Fees Fund Project Summary



Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21417 - Surprise Farms Improvements	\$0	\$0	\$1,686,300	\$1,686,300
21418 - Veramonte Park Improvements	\$0	\$0	\$948,800	\$948,800
Total	\$0	\$0	\$2,635,100	\$2,635,100



CAPITAL IMPROVEMENT PLAN

Public Works Development Fees Fund Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21107 - FIBER OPTICS-BELL RD PH 3SR303	\$3,300	\$0	\$0	\$0
21108 - FIBER OPTICS-LOOP 303-PEOR-BEL	\$56,400	\$4,800	\$7,100	\$11,900
21502 - Bell Rd Adaptive Signal Control Technology Deployment	\$0	\$0	\$47,700	\$47,700
21515 - New Public Works Yard (North)	\$0	\$0	\$950,000	\$950,000
Total	\$59,700	\$4,800	\$1,004,800	\$1,009,600

CAPITAL IMPROVEMENT PLAN

Transportation Improvement Fund Project Summary



Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
20509 - DYSARTRD IMP @ GRAND	\$85,000	\$0	\$0	\$0
20815 - GREENWAY RD IMP. LITCHFD-BULRD	\$0	\$0	\$0	\$0
21109 - EL MIRAGE RD-NORTHERN TO BELL	\$500,000	\$0	\$500,000	\$500,000
21210 - Peoria (Sarival to Reems)	\$0	\$510,000	\$390,000	\$900,000
21303 - Mtn. View Blvd. (West of Grand Ave.)	\$600	\$595,200	\$0	\$595,200
21304 - Cactus Rd 175th to Cotton Ln.	\$0	\$295,000	\$0	\$295,000
Total	\$585,600	\$1,400,200	\$890,000	\$2,290,200



CAPITAL IMPROVEMENT PLAN Water Operations Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
20671 - SPA 2 Desert Oasis WSF-Arsenic Treatment	\$0	\$37,500	\$0	\$37,500
21110 - SITE AND SECURITY IMPROVEMENTS	\$0	\$85,000	\$210,000	\$295,000
21211 - City Hall Reclaim Connections	\$0	\$0	\$230,000	\$230,000
21213 - SPA 1 Variable Frequency Drives (VFD's) Plant 4 & 5	\$0	\$137,000	\$355,000	\$492,000
21410 - BOOSTER STATION BELL RD LAKE	\$0	\$0	\$340,000	\$340,000
21413 - ASHTON RANCH RESERVIOR COATING	\$0	\$340,000	\$0	\$340,000
21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)	\$0	\$0	\$70,000	\$70,000
Total	\$0	\$599,500	\$1,205,000	\$1,804,500

CAPITAL IMPROVEMENT PLAN

Water System and Replenishment Dev Fee Funds Project Summary



Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
20671 - SPA 2 Desert Oasis WSF-Arsenic Treatment	\$0	\$112,500	\$0	\$112,500
20911 - GREENWAY RD IMP RECLAIMED & SEWER LINES	\$0	\$0	\$0	\$0
21111 - SPA 1 MOUNTAIN VISTA WELL #2	\$1,031,800	\$1,104,700	\$526,000	\$1,630,700
21308 - SPA1 EFFLUENT STRG RESER COVERS	\$0	\$2,595,000	\$5,000	\$2,600,000
Total	\$1,031,800	\$3,812,200	\$531,000	\$4,343,200

CAPITAL IMPROVEMENT PLAN

Wastewater Operations Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21110 - SITE AND SECURITY IMPROVEMENTS	\$0	\$17,700	\$140,000	\$157,700
21113 - SPA 1 RECHARGE WELLS @S PLANT	\$29,200	\$0	\$0	\$0
21114 - DISINFECTION BYPRDCT REDUCTION	\$41,100	\$865,700	\$0	\$865,700
21215 - SPA 1 WRF Stabilization, Dust	\$25,000	\$219,900	\$0	\$219,900
21216 - Additonal Chlorine Generation	\$202,800	\$647,200	\$0	\$647,200
21305 - SPA2 OVERHEAD CRANE	\$35,800	\$264,200	\$0	\$264,200
21307 - SPA2 WRF PLANT WTR SYSTEM	\$161,000	\$0	\$0	\$0
21410 - BOOSTER STATION BELL RD LAKE	\$0	\$0	\$1,160,000	\$1,160,000
21411 - SPA1 WRF SLUICE GATE REPAIRS	\$0	\$325,000	\$0	\$325,000
21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)	\$0	\$0	\$245,000	\$245,000
21516 - SPA1 WRF North Entrance Gate and Block Wall around	\$0	\$0	\$150,000	\$150,000
21517 - Litchfield Road - East Side (Cactus Road to Desert Cove)	\$0	\$0	\$300,000	\$300,000
21518 - Solar BioSolids Dryer	\$0	\$0	\$200,000	\$200,000
21519 - SPA1 Influent Line Hydraulic Rehabilitation	\$0	\$0	\$300,000	\$300,000
21520 - Wastewater SCADA Upgrade	\$0	\$0	\$250,000	\$250,000
21521 - Greewnway Rd Lift Station Rehabilitation	\$0	\$0	\$325,000	\$325,000
21522 - Line Installations at the SPA1 WRF	\$0	\$0	\$400,000	\$400,000
Total	\$494,900	\$2,339,700	\$3,470,000	\$5,809,700

CAPITAL IMPROVEMENT PLAN

Wastewater System Development Fee Funds Project Summary



Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
20911 - GREENWAY RD IMP RECLAIMED & SEWER LINES	\$0	\$0	\$0	\$0
21303 - Mtn. View Blvd. (West of Grand Ave.)	\$0	\$0	\$300,000	\$300,000
21412 - SPA 1 Installation of 2nd Centrifuge	\$0	\$400,000	\$1,100,000	\$1,500,000
Total	\$0	\$400,000	\$1,400,000	\$1,800,000



CAPITAL IMPROVEMENT PLAN Sanitation Operations Project Summary

Project	2014 Estimate	Carry Forward	2015 Request	Total CF and 2015
21515 - New Public Works Yard (North)	\$0	\$0	\$250,000	\$250,000
21523 - Compressed Natural Gas (CNG) Fueling Station	\$0	\$0	\$1,000,000	\$1,000,000
Total	\$0	\$0	\$1,250,000	\$1,250,000

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 20671 - SPA 2 Desert Oasis WSF-Arsenic Treatment

Default Fund: 22511 - WATER OPERATIONS

Department: 641-112 - WATER-GENERAL OPS

Location: Desert Oasis WSF District: District 1

Start Date: 7/1/2013 End Date: 6/30/2016

*3rd Party Funding \$0 **Total Project Cost \$2,200,000

Description:

Design and construction of a 2,000 gallons per minute arsenic treatment plant located at Desert Oasis Water Supply Facility (WSF). Using a series of treatments, filters, tanks and pumps, raw water is piped through the arsenic removal treatment plant. Treated water is compliant with the Environmental Protection Agency arsenic level standards.

Justification:

New Federal rules require reduction of arsenic levels in potable water. This will reduce the arsenic levels of water leaving the Desert Oasis Water Supply Facility.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22511	38199 - PROFESSIONAL & OUTS	0	37,500	0	0	0	0	0	37,500
22511	39223 - INFRASTRUCTURE PUR	0	0	512,500	0	0	0	0	512,500
22513	38199 - PROFESSIONAL & OUTS	0	112,500	0	0	0	0	0	112,500
22513	39223 - INFRASTRUCTURE PUR	0	0	1,537,500	0	0	0	0	1,537,500
Total		0	150,000	2,050,000	0	0	0	0	2,200,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21103 - BELL RD SIDEWALKS E OF GRAND
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Grand Avenue to Avenue of the Arts District: District 4
 Start Date: 7/1/2011 End Date: 6/30/2016
 *3rd Party Funding \$1,463,000 **Total Project Cost \$2,453,000

Description:

This project is for the design and construction of a ten foot wide multi-purpose concrete sidewalk along the south side of Bell Road. The sidewalk will start at Park & Ride and continue on Bell to 114th Ave. The total project budget is \$2,453,000. Design and ROW are to be paid by the city (design \$200,000 and ROW \$700,000). Total construction is estimated at \$1,350,000 (\$775,000 federal funds and \$575,000 City funds). Due to federal funding requirements Arizona Department of Transportation (ADOT) will be administering the construction portion of the project. Design review fees are estimated at \$75,000 and will be paid by the city. Post design fees are estimated at \$13,000. The total project budget also includes a \$115,000 owner's contingency for any unforeseen changes. This project is eligible for reimbursement of \$688,000 for design, ROW, and post design services.

Justification:

Design IGA/JPA 10-174-I. Construction IGA/JPA 13-0001269I. Design is still underway and is expected to be completed in June 2014. ROW is expected to be complete by December 2014. Construction is expected to begin in April 2015. Expect to be billed for Design Review Fees in December 2014. Expect to be billed for Post Design in December 2015.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38194 - REAL PROPERTY SERVI	13,500	0	0	0	0	0	0	13,500
21112	38199 - PROFESSIONAL & OUTS	247,300	43,900	13,000	0	0	0	0	304,200
21112	39111 - LAND PURCHASES	371,300	289,000	0	0	0	0	0	660,300
21112	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
21112	39222 - STREET IMPROVEMENT	10,000	575,000	115,000	0	0	0	0	700,000
21112	39999 - CONTINGENCY	0	0	0	0	0	0	0	0
Total		642,100	907,900	128,000	0	0	0	0	1,678,000
Revenues:									
21112	31543 - FEDERAL GRANT REVE	213,700	0	0	0	0	0	0	213,700
21112	31944 - MISC REIMBURSEMENT	196,100	278,200	0	0	0	0	0	474,300
Total		409,800	278,200	0	0	0	0	0	688,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21105 - DOVE VALLEY PARKWAY (203rd Avenue to 187th Avenue)

Default Fund: 21112 - GENERAL CAPITAL

Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT

Location: Dove Valley Parkway District: District 1

Start Date: 7/1/2010 End Date: 6/30/2015

*3rd Party Funding \$984,300 **Total Project Cost \$1,395,000

Description:

Design and construction of two miles (one 14 ft wide lane in each direction) from 203rd Avenue to 187th Avenue. Under the ADEQ PM-10 program, the City is taking an active part in reducing its amount of unpaved roads. The project includes low water crossings at current wash locations. The total project budget is \$1,395,000. Design and ROW are to be paid by the city (design \$170,000 and ROW \$100,000). Total construction is estimated at \$1,052,300 (\$872,300 federal funds and \$180,000 City funds). Due to federal funding requirements Arizona Department of Transportation (ADOT) will be administering the construction portion of the project. Design review fees are estimated at \$60,000. Post design fees are estimated at \$12,700. This project is eligible for reimbursement of \$112,000 for ROW and post design services.

Justification:

The City of Surprise has an approved IGA with ADOT.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38128 - RECORDING, LICENSE F	1,300	0	0	0	0	0	0	1,300
21112	38194 - REAL PROPERTY SERVI	4,900	0	0	0	0	0	0	4,900
21112	38199 - PROFESSIONAL & OUTS	184,300	58,400	0	0	0	0	0	242,700
21112	38931 - ADVERTISING	0	0	0	0	0	0	0	0
21112	39111 - LAND PURCHASES	24,100	69,700	0	0	0	0	0	93,800
21112	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
21112	39222 - STREET IMPROVEMENT	0	180,000	0	0	0	0	0	180,000
Total		214,600	308,100	0	0	0	0	0	522,700

Revenues:

21112	31542 - STATE GRANT REVENU	2,900	0	0	0	0	0	0	2,900
21112	31944 - MISC REIMBURSEMENT	5,800	91,300	12,000	0	0	0	0	109,100
Total		8,700	91,300	12,000	0	0	0	0	112,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21106 - MARTIN ACRES FLOOD CONTROL
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Martin Acres District: District 1
 Start Date: 7/1/2010 End Date: 6/30/2015
 *3rd Party Funding \$250,000 **Total Project Cost \$910,000

Description:

Maricopa County Flood Control District (MCFCD) drafted a preliminary design concept report (DCR) for the Martin Acres development area. This project will account for the design and construction of storm water mitigation measures necessary to elevate the flooding being experienced in the area. This project will apply for small project assistance through the FCD. The maximum funding amount by the FCD is \$250,000.

Justification:

The Martin Acres Development was platted as a county development over 30 years ago. The development was annexed into the City of Surprise in 1994. The development standards utilized for Martin Acres were less strict than the current Flood Control District of Maricopa County/City of Surprise development standards. A large portion of the Martin Acres development is located within the floodplain/floodway of the Wash 3 East that contributes to the eastern end of McMicken Dam. The development blocks/obstructs a large portion of the wash. Martin Acres has experienced frequent flooding during the past 30 years. The proposed project will provide improved flood protection for the community. Current IGA between city and Flood Control District of Maricopa County for conceptual design. IGA FCD 2011A006.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	60,000	850,000	0	0	0	0	0	910,000
Total		60,000	850,000	0	0	0	0	0	910,000
Revenues:									
21219	31544 - OTHER GRANT REVENUE	0	250,000	0	0	0	0	0	250,000
Total		0	250,000	0	0	0	0	0	250,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21108 - FIBER OPTICS-LOOP 303-PEOR-BEL

Default Fund: 21415 - PUBLIC WORKS DEV FEE

Department: 545-112 - TRAFFIC ENGINEERING-GENERAL OPS

Location: Loop 303 (Peoria Avenue to Bell Road) District: Multiple

Start Date: 7/1/2011 End Date: 9/30/2014

*3rd Party Funding \$400,200 **Total Project Cost \$660,700

Description:

In FY11, the City entered into a JPA with the ADOT for the SR303. As part of the JPA, ADOT will install fiber optic conduit for the City's Intelligent Transportation System (ITS). The total project budget is \$660,700 and has split funding for growth (63.6%) and non-growth (36.4%). The growth portion is funded from the PW Development Fee Fund (21415) and the non-growth portion is funded from the General Capital Fund (21112). For this project the City funded Design and Post Design fees (\$122,200), ADOT Design review fees (\$22,900) and ITS Conduit (\$126,500), 5.7% of Construction and Right of Way (ROW) plus contingency (\$40,300). Federal funds associated with construction of this project are (\$348,800). Due to federal funding requirements ADOT will be administering the construction portion of the project.

Justification:

The City has an Intergovernmental Agreement (IGA)/JPA #13-0000821-I with the Arizona Department of Transportation (ADOT) for this project. The City is eligible for reimbursement from ADOT for post design fees (\$11,100) and the difference paid to ADOT on the estimated construction cost versus the final construction cost (\$40,300). The project is a growth and non-growth project as identified in the Development Fee and MPC Bond Fund Analysis performed by Malcolm Pirnie in 2011.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	10,000	6,800	0	0	0	0	0	16,800
21112	39222 - STREET IMPROVEMENT	97,200	0	0	0	0	0	0	97,200
21415	38199 - PROFESSIONAL & OUTS	17,300	11,900	0	0	0	0	0	29,200
21415	39222 - STREET IMPROVEMENT	164,700	0	0	0	0	0	0	164,700
Total		289,200	18,700	0	0	0	0	0	307,900

Revenues:

21112	31944 - MISC REIMBURSEMENT	1,800	16,900	0	0	0	0	0	18,700
21415	31944 - MISC REIMBURSEMENT	3,200	29,500	0	0	0	0	0	32,700
Total		5,000	46,400	0	0	0	0	0	51,400

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21109 - EL MIRAGE RD-NORTHERN TO BELL
 Default Fund: 21418 - TRANSPORTATION IMPROVEMENT
 Department: 545-112 - TRAFFIC ENGINEERING-GENERAL OPS
 Location: El Mirage Road at Bell Rd. District: District 4
 Start Date: 7/1/2010 End Date: 6/30/2015
 *3rd Party Funding \$5,000,000 **Total Project Cost \$6,310,000

Description:

Reimbursement to the City of El Mirage for up-front design concept review of \$310,500. Reimbursement to Maricopa County Department of Transportation (MCDOT) for the construction widening of El Mirage Road in Surprise using City funds not to exceed \$1,000,000 and MCDOT funds of \$5,000,000. The proposed project includes the widening of El Mirage Road in Surprise between Paradise and Bell with additional turn lanes off of Bell onto El Mirage Road both North and South, and various Right of Way (ROW) and utility adjustments.

Justification:

The Maricopa Association of Governments (MAG) Regional Transportation Plan (RTP) has identified the need to widen and extend El Mirage Road between Northern Ave and Bell Road. El Mirage Road varies between a 5-lane and 2-lane facility throughout the area; and is discontinuous in the vicinity of Grand Ave.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21418	38199 - PROFESSIONAL & OUTS	250,000	250,000	0	0	0	0	0	500,000
21418	39211 - BUILDING & STRUCTUR	560,500	250,000	0	0	0	0	0	810,500
Total		810,500	500,000	0	0	0	0	0	1,310,500

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21110 - SITE AND SECURITY IMPROVEMENTS

Default Fund: 22511 - WATER OPERATIONS

Department: 641-112 - WATER-GENERAL OPS

Location: Various District: Citywide

Start Date: 6/1/2011 End Date: 6/30/2016

*3rd Party Funding \$0 **Total Project Cost \$2,300,000

Description:

Design and construction of site improvements and security upgrades for the water and wastewater facilities based on the security master plan. Project will be phased. The first phase will include physical security improvements including the installation of cameras and access control at SPA1, SPA2, Ashton Ranch WSF, and Rancho Gabriela WSF. Phase two improvements will include the construction of perimeter fencing at SPA1, and other security enhancements as required by the security master plan.

Justification:

In light of new Department of Homeland Security (DHS) and Environmental Protection Agency's (EPA) designation of water and wastewater systems as critical infrastructure. The City of Surprise has taken a proactive approach to dealing with security of its water and wastewater facilities. The development of the Water and Wastewater Security Master Plan has identified areas in need of increased security.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22511	38199 - PROFESSIONAL & OUTS	146,000	0	0	0	0	0	0	146,000
22511	39211 - BUILDING & STRUCTUR	84,300	295,000	475,000	0	0	0	0	854,300
22511	39311 - IMP.'S OTR THAN BLDG.	285,800	0	0	0	0	0	0	285,800
22511	39411 - FURN., FIXTURES & OF	34,400	0	0	0	0	0	0	34,400
22531	39211 - BUILDING & STRUCTUR	364,300	157,700	415,500	0	0	0	0	937,500
22531	39411 - FURN., FIXTURES & OF	31,200	0	0	0	0	0	0	31,200
22531	39610 - CAPITAL INTEREST EXP	11,000	0	0	0	0	0	0	11,000
Total		957,000	452,700	890,500	0	0	0	0	2,300,200

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
22511	38212 - ELECTRICITY	0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$30,000	\$45,000
22531	38212 - ELECTRICITY	0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$30,000	\$45,000
Total		0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$60,000	\$90,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21111 - SPA 1 MOUNTAIN VISTA WELL #2
 Default Fund: 22512 - WATER SYSTEM DEV FEE SPA1
 Department: 641-112 - WATER-GENERAL OPS
 Location: Mountain Vista Ranch District: District 5
 Start Date: 7/1/2012 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$2,789,200

Description:

Design and construction of a 1,500 gallons per minute (GPM) well site, Mountain Vista Well #2.

Justification:

Supply an additional well to the Mountain Vista Ranch Water Supply Facility. Additional water capacity and storage for fire flow emergencies is needed within the Mountain Vista Ranch system. Remaining undeveloped commercial area to pay an impact fee of \$430,000 to cover the difference of water needed for their activities as part of this project

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22512	38192 - LAB SERVICES	11,100	10,000	0	0	0	0	0	21,100
22512	38199 - PROFESSIONAL & OUTS	229,300	247,900	0	0	0	0	0	477,200
22512	39111 - LAND PURCHASES	7,000	0	0	0	0	0	0	7,000
22512	39211 - BUILDING & STRUCTUR	911,100	1,372,800	0	0	0	0	0	2,283,900
Total		1,158,500	1,630,700	0	0	0	0	0	2,789,200

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
22511	38212 - ELECTRICITY	0	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$350,000	\$525,000
Total		0	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$350,000	\$525,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21114 - DISINFECTION BYPRDCT REDUCTION

Default Fund: 22531 - SEWER OPERATIONS

Department: 643-112 - SEWER-GENERAL OPS

Location: SPA 1 WRF District: District 6

Start Date: 7/1/2011 End Date: 6/30/2015

*3rd Party Funding \$0 **Total Project Cost \$1,050,000

Description:

Complete process or design change implemented as a result of a completed disinfection byproduct study. Due to permit exceedances of total trihalomethanes (TTHM), a process or facility design change may be needed to comply with the facility Aquifer Protection Permit for the Special Planning Area (SPA) 1 Water Reclamation Facility. Develop disinfection byproduct study to analyze all available total trihalomethanes (TTHM) reduction technologies. Based on the results of the study, the most advantageous solution will be tested. As a result of the test, the project will construct and install a permanent TTHM reduction solution.

Justification:

The Aquifer Protection Permit (APP102478) for the SPA1 Water Reclamation Facility specifies a discharge limit of 0.1 mg/L and an alert level of 0.08 mg/L for total trihalomethanes. Trihalomethanes are a formed byproduct of disinfection processes using chlorine as a primary disinfectant. Based on compliance samples collected at the permitted sample point, the level of total trihalomethanes is 0.174 mg/L, exceeding the permitted discharge limit. The exceedance has been confirmed through verification sampling, with a result of 0.136 mg/L.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	37165 - OP EQUIP, TOOL, PART	5,800	0	0	0	0	0	0	5,800
22531	38128 - RECORDING, LICENSE F	11,300	0	0	0	0	0	0	11,300
22531	38192 - LAB SERVICES	6,300	0	0	0	0	0	0	6,300
22531	38199 - PROFESSIONAL & OUTS	156,000	58,900	0	0	0	0	0	214,900
22531	39211 - BUILDING & STRUCTUR	0	806,800	0	0	0	0	0	806,800
22531	39411 - FURN., FIXTURES & OF	0	0	0	0	0	0	0	0
22531	39610 - CAPITAL INTEREST EXP	4,900	0	0	0	0	0	0	4,900
Total		184,300	865,700	0	0	0	0	0	1,050,000

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
22531	38212 - ELECTRICITY	0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000	\$75,000
Total		0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000	\$75,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21204 - 107th & Union Hills Drainage
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: 107th Avenue and Union Hills Road District: District 4
 Start Date: 7/1/2011 End Date: 6/30/2015
 *3rd Party Funding \$7,500,000 **Total Project Cost \$10,000,000

Description:

The City of Surprise, City of Peoria, and the Maricopa County Flood Control District are partnering to complete a drainage improvement project to mitigate flooding in the vicinity of 107th Avenue and Union Hills Road. The Flood Control District will take the lead on this project. The scope of the project will include design and construction of storm water mitigation improvements along 115th Ave between Beardsley Road and Bell Road. The City's funding share of the project is 25%.

Justification:

Approved IGA FCD 2012A005 from April 2013 was for design. Cost estimates for construction and right-of-way and utility relocation is expected to be received in March 2014. Once those estimates are received and with council's direction two new IGA's will be drafted. One for construction and the other for right-of-way and utility relocation.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	72,000	178,000	0	0	0	0	0	250,000
21112	39223 - INFRASTRUCTURE PUR	0	2,250,000	0	0	0	0	0	2,250,000
Total		72,000	2,428,000	0	0	0	0	0	2,500,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21205 - Pave Dirt Shoulders
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Various District: Citywide
 Start Date: 7/1/2012 End Date: 6/30/2015
 *3rd Party Funding \$590,400 **Total Project Cost \$801,400

Description:

Paving 4 miles of dirt shoulders along various arterial roads with significant traffic. Six feet of pavement will be placed on each of the identified shoulders to prevent the generation of dust from traffic that drives on the present dirt shoulders. This project will be federally funded under the pave dirt road PM 10 (particulate matter) program from Maricopa Association of Governments (MAG). Design is estimated at \$80,000 and funded by the City. Total construction is estimated at \$682,400 (\$581,400 Federal funds and \$101,000 City funds). Due to federal funding requirements Arizona Department of Transportation (ADOT) will be administering the construction portion of the project. ADOT design review fees are an additional \$30,000. Post design review fees are expected to be \$9,000, and will be eligible for reimbursement.

Justification:

This project will be federally funded under the pave dirt road PM-10 (particulate matter) program from Maricopa Association of Governments (MAG). Approved IGA/JPA #13-0000832-I.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	79,500	39,500	0	0	0	0	0	119,000
21112	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
21112	39222 - STREET IMPROVEMENT	35,100	65,900	0	0	0	0	0	101,000
Total		114,600	105,400	0	0	0	0	0	220,000

Revenues:

21112	31944 - MISC REIMBURSEMENT	9,000	0	0	0	0	0	0	9,000
Total		9,000	0	0	0	0	0	0	9,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21210 - Peoria (Sarival to Reems)
 Default Fund: 21418 - TRANSPORTATION IMPROVEMENT
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Peoria Avenue (Sarival Avenue to Reems Road) District: District 3
 Start Date: 7/1/2013 End Date: 6/30/2015
 *3rd Party Funding \$360,000 **Total Project Cost \$900,000

Description:

Design and construction of Peoria Avenue on the south side from Greer Ranch Parkway to Reems Road. The distance is 1/2 mile with curb, gutter, and sidewalk. The project is partially funded by Maricopa County of Department of Transportation (MCDOT) in the amount of \$360,000. An Intergovernmental Agreement (IGA) was signed with (MCDOT) in 2011 for the City to take the lead on construction.

Justification:

This project will complete Peoria Avenue on the south side from Reems Rd to Sarival Ave with two eastbound lanes that will tie in future expansion of Peoria Ave on the north side that will be completed by the developer.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
21418	38199 - PROFESSIONAL & OUTS	0	45,900	0	0	0	0	0	45,900
21418	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
21418	39222 - STREET IMPROVEMENT	0	854,100	0	0	0	0	0	854,100
Total		0	900,000	0	0	0	0	0	900,000
<u>Revenues:</u>									
21418	31944 - MISC REIMBURSEMENT	0	360,000	0	0	0	0	0	360,000
Total		0	360,000	0	0	0	0	0	360,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21211 - City Hall Reclaim Connections
 Default Fund: 22511 - WATER OPERATIONS
 Department: 641-112 - WATER-GENERAL OPS
 Location: City Hall Complex District: District 5
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$230,000

Description:

This project will connect the City Hall Complex to the existing reclaimed water system. The reclaimed water will be used for irrigation.

Justification:

This project will be to reduce the City's own usage of ground water and build on one of the Council's major goals of Sustainability. This switch will also reduce the City's operational costs on the general fund by using non-potable water vs. potable water in irrigating City Hall landscaping.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22511	39212 - IMPROVEMENTS TO BUI	0	230,000	0	0	0	0	0	230,000
Total		0	230,000	0	0	0	0	0	230,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21213 - SPA 1 Variable Frequency Drives (VFD's) Plant 4 & 5
 Default Fund: 22511 - WATER OPERATIONS
 Department: 641-112 - WATER-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2012 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$500,000

Description:

Analysis of current reclaimed water system to develop interconnection(s) between the existing reuse and recharge pumping systems that will achieve the best use of existing equipment to optimize overall operational efficiencies and energy utilization. Operational optimization will be achieved through the installation of demand based Variable Frequency Drives (VFDs) on the existing reclaimed pumps and the possible rerouting of reclaimed water lines to more efficiently transmit water throughout the SPA1 plant.

Justification:

Proper pump operations and control will reduce electrical consumption, operational wear and tear on equipment and improve lifecycle operating costs.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
22511	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
22511	39212 - IMPROVEMENTS TO BUI	0	492,000	0	0	0	0	0	492,000
22511	39223 - INFRASTRUCTURE PUR	8,000	0	0	0	0	0	0	8,000
Total		8,000	492,000	0	0	0	0	0	500,000

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
22511	38212 - ELECTRICITY	0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$20,000	\$30,000
Total		0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$20,000	\$30,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21215 - SPA 1 WRF Stabilization, Dust
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2011 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$250,000

Description:

Design and placement of large rock, gravel, and chemicals for embankment stabilization and erosion control of the storm water retention/infiltration basins. In addition, the installation of landscaping will occur for dust mitigation.

Justification:

The City's Special Planning Area 1 Water Reclamation Facility (SPA-1WRF) contains a large amount of vacant lot space and unpaved areas that require dust control measures. If such areas remain unused and undeveloped for more than 15 days then the owner and/or operator must use a control measure to help limit the emission of dust from the area.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	37223 - AGRICULTURAL/GROUN	0	0	0	0	0	0	0	0
22531	38216 - SANITARY/LANDFILL	0	0	0	0	0	0	0	0
22531	39112 - IMPROVEMENTS TO LA	29,900	219,900	0	0	0	0	0	249,800
22531	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
22531	39610 - CAPITAL INTEREST EXP	200	0	0	0	0	0	0	200
Total		30,100	219,900	0	0	0	0	0	250,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21216 - Additonal Chlorine Generation
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA1 WRF District: District 6
 Start Date: 7/1/2013 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$850,000

Description:

Includes the development of performance specifications and the purchase/installation of a 3rd sodium hypochlorite generation unit at the SPA1 Water Reclamation Facility (WRF). This unit is for the disinfection of reclaimed water. Due to higher than expected chlorine demands, an additional chlorine generation unit is needed to disinfect increasing flows. The specifications development is dependant on the results of CIP #21114 Disinfection Byproduct Reduction project.

Justification:

Due to higher than expected chlorine demands, an additional (3rd) chlorine generation unit is needed to disinfect increasing flows. Currently, one unit is running at 100% capacity to meet the demand. An existing second unit was designed as a backup. Current flows have forced the back-up unit to be placed into service. As a result, a 3rd unit is required to back-up the first two units in cases of emergency or maintenance.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
22531	38199 - PROFESSIONAL & OUTS	105,000	0	0	0	0	0	0	105,000
22531	39211 - BUILDING & STRUCTUR	97,800	647,200	0	0	0	0	0	745,000
Total		202,800	647,200	0	0	0	0	0	850,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21303 - Mtn. View Blvd. (West of Grand Ave.)
 Default Fund: 21418 - TRANSPORTATION IMPROVEMENT
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Mtn. View Blvd. (West of Grand Ave.) District: District 2
 Start Date: 7/1/2012 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$900,000

Description:

Project will occur in two phases. The first phases will include the purchase of Right of Way (ROW) and the application of milling to connect the two ends of existing pavement. The second phase will consist of the design, and construction. This project will also include design and construction of a sewer line along Mountain View Boulevard from Grand Avenue to Parkview Place. Roadway Improvements are funded from the Transportation Improvement Fund (21418) and the Sewer line is funded from the Sewer Development SPA1 Fund (22532).

Justification:

Mt. View Blvd. lies parallel to Grand Ave. to the southwest. Mt. View is not currently constructed all the way through, but dead ends from both directions, ending southeast of Parkview Pl. and northwest of White Horse Trail. The improvements that have already been constructed at the intersections of Parkview Pl. & Mt. View Blvd., as well as White Horse Trail & Mt. View Blvd. are experiencing difficulty draining properly. In addition, existing paving from the intersection of Parkview Pl. & Mt. View Blvd. to the current dead end is in need of repair. There are also MWD irrigation facilities and easements that parallel and cross the Mt. View Blvd. alignment.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21418	38194 - REAL PROPERTY SERVI	4,200	0	0	0	0	0	0	4,200
21418	38199 - PROFESSIONAL & OUTS	600	35,200	0	0	0	0	0	35,800
21418	39111 - LAND PURCHASES	0	0	0	0	0	0	0	0
21418	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
21418	39222 - STREET IMPROVEMENT	0	560,000	0	0	0	0	0	560,000
22532	39224 - INFRASTRUCTURE IMP	0	300,000	0	0	0	0	0	300,000
Total		4,800	895,200	0	0	0	0	0	900,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21304 - Cactus Rd 175th to Cotton Ln.
 Default Fund: 21418 - TRANSPORTATION IMPROVEMENT
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Cactus Road (175th Avenue to Cotton Lane) District: District 3
 Start Date: 7/1/2012 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$8,515,300

Description:

This project scope is in two phases. Phase I is for the design, construction, and potential ROW of temporary pavement on Cactus Road between Cotton Lane and 175th Ave. The scope will provide for one travel lane in the east/west direction. Phase II is programmed for FY19 and FY20 and includes design, ROW, and construction for a permanent roadway.

Justification:

Cactus Road is not complete between Cotton Lane and 175th Ave. This project will install a temporary roadway between Cotton and 175th Ave. The permanent roadway will be contingent upon development and is programmed in FY19 and FY20.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
21418	38199 - PROFESSIONAL & OUTS	0	295,000	0	0	0	507,300	1,170,700	1,973,000
21418	39111 - LAND PURCHASES	0	0	0	0	0	2,640,000	0	2,640,000
21418	39222 - STREET IMPROVEMENT	0	0	0	0	0	0	3,902,300	3,902,300
Total		0	295,000	0	0	0	3,147,300	5,073,000	8,515,300

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21305 - SPA2 OVERHEAD CRANE
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA2 WRF District: District 1
 Start Date: 7/1/2012 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$300,000

Description:

Design and construction for an overhead crane to be installed at the SPA2 WRF.

Justification:

Enhance daily operations of plant by enabling staff to schedule and plan change outs of membrane filters and cleanup of retention residue without scheduling crane rental.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	38199 - PROFESSIONAL & OUTS	35,800	4,200	0	0	0	0	0	40,000
22531	39211 - BUILDING & STRUCTUR	0	0	0	0	0	0	0	0
22531	39212 - IMPROVEMENTS TO BUI	35,000	0	0	0	0	0	0	35,000
22531	39431 - MACH. & EQUIPMENT	0	260,000	0	0	0	0	0	260,000
22531	39610 - CAPITAL INTEREST EXP	800	0	0	0	0	0	0	800
Total		71,600	264,200	0	0	0	0	0	335,800

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
22531	38212 - ELECTRICITY	0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$30,000	\$45,000
Total		0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$30,000	\$45,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21308 - SPA1 EFFLUENT STRG RESER COVERS
 Default Fund: 22522 - REPLENISHMT SYSTEM DEV FEE SPA1
 Department: 642-112 - REPLENISHMENT-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2013 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$2,600,000

Description:

Includes the design and construction of a cover to be installed over the remaining lined reclaimed reservoir located at the SPA1 Water Reclamation Facility (WRF).

Justification:

Currently the reclaimed reservoir is lined and uncovered and we are having operation & maintenance challenges with them. Covering will preserve the quality of our highly treated effluent.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
22522	38199 - PROFESSIONAL & OUTS	0	200,000	0	0	0	0	0	200,000
22522	39211 - BUILDING & STRUCTUR	0	2,400,000	0	0	0	0	0	2,400,000
Total		0	2,600,000	0	0	0	0	0	2,600,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21408 - ENTERPRISE RESOURCE PLANNING SYSTEM

Default Fund: 21112 - GENERAL CAPITAL

Department: 144-832 - INFORMATION TECHNOLOGY-INFORMATION TECHNOLOGY

Location: City Hall - Multiple Departments District: District 5

Start Date: 7/1/2013 End Date: 6/30/2017

*3rd Party Funding \$0 **Total Project Cost \$4,500,000

Description:

The focus of this project is to identify, define, evaluate and plan for the potential replacement of the financial management software, human resources and payroll system, land information system, the prosecutor's case management system and other potential applications that support related business processes. The process will include: defining needs, evaluating products, negotiating product cost, implementation and training.

Justification:

The current systems are several years old and purchased for a city of 30,000 residents. Technology changes and the increased demand for more and timely data to enable departments to effectively manage their resources requires upgrades in our current reporting programs. The proposed cost should reflect software prices five years from now and would include purchase of software and hardware as well as implementation costs and introductory training.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	119,100	880,900	2,000,000	1,500,000	0	0	0	4,500,000
Total		119,100	880,900	2,000,000	1,500,000	0	0	0	4,500,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21409 - IT DISASTER RECOVERY
Default Fund: 21112 - GENERAL CAPITAL
Department: 144-832 - INFORMATION TECHNOLOGY-INFORMATION TECHNOLOGY
Location: To Be Determined District: District 5
Start Date: 7/1/2013 End Date: 6/30/2016
*3rd Party Funding \$0 **Total Project Cost \$315,000

Description:

This solution will provide timely recovery of City of Surprise information during virtually any type of disaster or outage and ensure availability of critical resources by developing and procuring advance arrangements and procedures that will enable the City to resume critical business functions with a defined time frame, minimizing loss, and restoring affected technology.

Justification:

Equipment and Network infrastructure to restore critical business functions.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	39311 - IMP.'S OTR THAN BLDG.	25,100	289,900	0	0	0	0	0	315,000
Total		25,100	289,900	0	0	0	0	0	315,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21410 - BOOSTER STATION BELL RD LAKE
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Bell Road Lake District: District 5
 Start Date: 7/1/2014 End Date: 6/30/2016
 *3rd Party Funding \$0 **Total Project Cost \$1,750,000

Description:

The existing booster station located at the Bell Road Lake site, constructed in the mid-1980's to irrigate the Bell Road's median, is beyond its useful life. The operation and maintenance resources associated with keeping the system functioning are very high due to its age and the presence of zebra mussels in the water purchased from Maricopa Water District (MWD). It was recently discovered that the inoperable irrigation well also located on the site, once thought to be the property of MWD, is owned by the City. It is this project's intent to place this well back into service to provide irrigation water to Bell Road. Recapturing this well for service will require the well to be cleaned, relined, installation of new pump, new electrical and controls, and additional booster pumps along Bell Road. The lake will then be converted to a reclaimed water basin for recharging the aquifer. This will require permitting, draining and cleaning of existing basin and modifications to the basin to allow for recharge, along with a monitoring well.

Justification:

By changing Bell Road Lake to a reclaim water basin it gives the City the ability to recharge water back into the aquifer which will add to the City's water portfolio.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	0	125,000	0	0	0	0	0	125,000
21212	39212 - IMPROVEMENTS TO BUI	0	125,000	0	0	0	0	0	125,000
22511	39212 - IMPROVEMENTS TO BUI	0	340,000	0	0	0	0	0	340,000
22531	39212 - IMPROVEMENTS TO BUI	0	1,160,000	0	0	0	0	0	1,160,000
Total		0	1,750,000	0	0	0	0	0	1,750,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21411 - SPA1 WRF SLUICE GATE REPAIRS
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA1 WRF District: District 6
 Start Date: 7/1/2013 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$325,000

Description:

The influent sluice gate at Plant 3 is inoperable and requires a new sluice gate be installed. A temporary bypass and suction lift will need to be installed while the work is being conducted.

Justification:

The gate is needed to isolate the wet well for Plant 3 for preventative maintenance activities. Critical for sewer operations, will help control the inflow process.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
22531	39211 - BUILDING & STRUCTUR	0	325,000	0	0	0	0	0	325,000
Total		0	325,000	0	0	0	0	0	325,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21412 - SPA 1 Installation of 2nd Centrifuge
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA1 WRF District: District 6
 Start Date: 7/1/2014 End Date: 6/30/2016
 *3rd Party Funding \$0 **Total Project Cost \$1,500,000

Description:

Installation of a second centrifuge in the dewatering building, in the present configuration there is one centrifuge which can be used in conjunction with the aerobic digestion system. By adding the second centrifuge it will allow the operational group to have redundancy and avoid the need to start up the digestion system if the one centrifuge fails, which could increase operational costs by as much as \$500,000.

Justification:

This conversion will aid the City by reducing the amount of operating time and hold down operational costs by as much as \$500,000 if the digestion system were needed to operate.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22532	38199 - PROFESSIONAL & OUTS	0	400,000	0	0	0	0	0	400,000
22532	39211 - BUILDING & STRUCTUR	0	1,100,000	0	0	0	0	0	1,100,000
Total		0	1,500,000	0	0	0	0	0	1,500,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21413 - ASHTON RANCH RESERVIOR COATING
Default Fund: 22511 - WATER OPERATIONS
Department: 641-112 - WATER-GENERAL OPS
Location: Ashton Ranch WSF District: District 6
Start Date: 7/1/2013 End Date: 6/30/2015
*3rd Party Funding \$0 **Total Project Cost \$340,000

Description:

The 1.2 Million Gallon storage tank at the Ashton Ranch Water Supply Facility has experienced a deterioration of the interior coating surface. The paint is pitted, has large areas of blistering and some exposed metal. This project is to perform recoating of the storage tank. The tasks are: tank cleaning, sandblasting and surface preparation, coatings, and waste disposal. The work will be performed by an independent contractor and certified by a National Association of Corrosion Engineers (NACE) certified coating inspector to monitor the entire coating process to confirm proper procedures are adhered to throughout the contract.

Justification:

This is an asset rehabilitation project. this tank has reached the end of its useful life expectancy, without re-coating the City would have to demolish and reconstruct new tank.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22511	39211 - BUILDING & STRUCTUR	0	340,000	0	0	0	0	0	340,000
Total		0	340,000	0	0	0	0	0	340,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21414 - CRS MASTER PLAN UPDATE

Default Fund: 21112 - GENERAL CAPITAL

Department: 444-111 - PARKS & RECREATION-ADMIN

Location: Citywide District: Citywide

Start Date: 1/1/2014 End Date: 6/30/2015

*3rd Party Funding \$0 **Total Project Cost \$100,000

Description:

This would be the final year in the project and would include

Implementation Strategy

- a. Immediate Needs
- b. Long Range
- c. PartneringBLM (White Tanks), FCD (McMicken), BOR (CAP)
- d. Bond CampaignSupportive Materials

Land Acquisition Strategy

- a. BLM (White Tanks) Partnering / Use Agreements
- b. FCD (McMicken Dam) Partnering / Use Agreements
- c. BOR (CAP) Partnering / Use Agreements
- d. Fee Simple Priorities for acquisition (location/threatened)

Justification:

To date CRS has worked with consultant on Master Plan outline Inventory of Facilities, Schedule for CIP and costing, Benchmarking, public input, vision, goals and objectives and compilation of the master plan to include all of above and incorporate General plan.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	50,000	50,000	0	0	0	0	0	100,000
Total		50,000	50,000	0	0	0	0	0	100,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21417 - Surprise Farms Improvements
 Default Fund: 21414 - PARKS & REC DEV FEE
 Department: 444-421 - PARKS & RECREATION-CAMPUS OPERATIONS
 Location: 17894 W Westpark Blvd District: District 1
 Start Date: 9/1/2014 End Date: 4/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$1,686,300

Description:

Surprise Farms to include Restrooms and Drinking Fountains, Large Splash Pad, Paved Parking Lots, Soccer Goals, Tot Lot and Large Playground, Disc Golf, Ramadas, Fitness Stations and Dog Park.

Justification:

Surprise Farms Park is a large community park that currently has softball complex, grass and walking paths. Residents and CRS advisory commission have recommended improvements need to be made.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21414	39112 - IMPROVEMENTS TO LA	0	1,686,300	0	0	0	0	0	1,686,300
Total		0	1,686,300	0	0	0	0	0	1,686,300

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21111	36112 - PART-TIME EMPLOYEES	0.5	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700	\$21,700	\$29,200
21111	37161 - OPERATIONAL SUPPLIE	0	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$65,000	\$97,500
21111	37164 - SIGNS AND SIGN SUPPL	0	\$500	\$500	\$500	\$500	\$500	\$5,000	\$7,500
21111	37165 - OP EQUIP, TOOL, PART	0	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000	\$135,000
21111	37221 - REPAIR AND MAINTENA	0	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$65,000	\$97,500
21111	37222 - CLEANING/JANITORIAL	0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$25,000	\$37,500
21111	37223 - AGRICULTURAL/GROUN	0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000	\$150,000
21111	38162 - LANDSCAPE SERVICES	0	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$190,000	\$285,000
21111	38211 - WATER	0	\$9,600	\$9,700	\$9,800	\$9,900	\$10,000	\$105,500	\$154,500
21111	38212 - ELECTRICITY	0	\$14,400	\$14,500	\$14,600	\$14,700	\$14,800	\$153,500	\$226,500
21111	38311 - BUILDING MAINTENANC	0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$150,000	\$225,000
21111	38372 - PEST CONTROL SERVIC	0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$439,000	\$444,000
21111	38381 - GROUNDS MAINTENAN	0	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$80,000	\$120,000
Total		0.5	\$103,300	\$103,600	\$103,900	\$104,200	\$104,500	\$1,489,700	\$2,009,200

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21418 - Veramonte Park Improvements
 Default Fund: 21414 - PARKS & REC DEV FEE
 Department: 444-431 - PARKS & RECREATION-PARK MAINTENANCE
 Location: 12741 N Tierra Buena District: District 5
 Start Date: 8/4/2014 End Date: 4/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$948,800

Description:

Growth related improvements to 8 1/2 acre Veramonte Park which will include paved parking Lot, lighted soccer and softball fields, restrooms and Ramada.

Justification:

Vetted through public process this was a priority as determined by the CRS advisory commission. Current parking lot is dirt and lighted soccer and softball fields would allow for evening programming. By adding programming restrooms and ramada are a must. This project has long been requested by residents and is positioned to provide more support for programmed activities due to its location and acreage. This would take the park from a level 2 to a level 1 which means that turf and athletic fields would be maintained at a higher level.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21414	39224 - INFRASTRUCTURE IMP	0	948,800	0	0	0	0	0	948,800
Total		0	948,800	0	0	0	0	0	948,800

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21111	36112 - PART-TIME EMPLOYEES	0.75	\$16,300	\$16,300	\$16,400	\$16,500	\$16,600	\$171,500	\$253,600
21111	37161 - OPERATIONAL SUPPLIE	0	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$45,000	\$67,500
21111	37162 - FURN-FIXTURE-EQUIP <	0	\$500	\$500	\$500	\$500	\$500	\$5,000	\$7,500
21111	37221 - REPAIR AND MAINTENA	0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$15,000	\$22,500
21111	37222 - CLEANING/JANITORIAL	0	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$35,000	\$52,500
21111	37223 - AGRICULTURAL/GROUN	0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$20,000	\$30,000
21111	38162 - LANDSCAPE SERVICES	0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000	\$75,000
21111	38212 - ELECTRICITY	0	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$340,000	\$510,000
21111	38311 - BUILDING MAINTENANC	0	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000	\$135,000
21111	38372 - PEST CONTROL SERVIC	0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	\$15,000
21111	38381 - GROUNDS MAINTENAN	0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000	\$75,000
Total		0.75	\$82,300	\$82,300	\$82,400	\$82,500	\$82,600	\$831,500	\$1,243,600

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project:	21501 - RWC Radio Replacement		
Default Fund:	21112 - GENERAL CAPITAL		
Department:	341-312 - POLICE-PATROL		
Location:	Police Department	District:	District 5
Start Date:	7/1/2015	End Date:	6/30/2016
*3rd Party Funding	\$0	**Total Project Cost	\$0

Description:

FCC manadated replacement of radios as part of the Regional Wireless Cooperative (RWC)

Justification:

Failure to replace the radios to meet the new FCC standards will result in an inability to communicate.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
21112	37165 - OP EQUIP, TOOL, PART	0	220,000	980,000	0	0	0	0	1,200,000
Total		0	220,000	980,000	0	0	0	0	1,200,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21502 - Bell Rd Adaptive Signal Control Technology Deployment
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 545-511 - TRAFFIC ENGINEERING-SIGNALS
 Location: Bell Rd: Ave of the Arts to Cotton Rd. District: Multiple
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$870,000 **Total Project Cost \$945,000

Description:

MCDOT has applied for and has been awarded funding for the procurement and deployment of adaptive traffic signal control systems along the Bell Road corridor. This is a multi-agency project which includes the partnering agencies from the City of Surprise, Maricopa County Department of Transportation, the City of Peoria, the City of Glendale, the City of Phoenix, the City of Scottsdale and the Arizona Department of Transportation. The project consists of four deployment areas along Bell Road with the area within the City of Surprise consisting of 21 intersections starting at Avenue of the Arts and ending at Cotton Lane. The deployment of this equipment will allow for the signal timing to automatically adjust to changing traffic patterns and keep traffic moving along the corridor safely and efficiently.

Justification:

Total Construction Cost Estimate is \$945,000 (\$45,000 per signal x 21 signals). The City of Surprise has 20 signals from Avenue of the Arts to Cotton Lane and 1 signal is ADOT's. The estimated cost involving the 20 signals is \$900,000. With a 5.7% match requirement for the City, the City's estimated contribution is \$51,300. This is a Federally funded project being administered through MCDOT. The City will have an IGA memorializing the construction cost match in July of 2014. The cost match will be a onetime IGA payment with no ongoing O&M costs. There is no cost to the city for the design. The budget of \$75,000 is to cover the city's cost match, ADOT design review fees, and contingency. This is a growth (63.6%) and non-growth (36.4%) project. The non-growth portion is funded through the General Capital Fund and the growth portion is funded through the PW Development Fee Fund.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	39222 - STREET IMPROVEMENT	0	27,300	0	0	0	0	0	27,300
21415	39222 - STREET IMPROVEMENT	0	47,700	0	0	0	0	0	47,700
Total		0	75,000	0	0	0	0	0	75,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Cactus Road - South Side (Railroad Tracks to Lit District: District 6
 Start Date: 7/1/2014 End Date: 6/30/2017
 *3rd Party Funding \$0 **Total Project Cost \$1,850,000

Description:

Design and construction of new pavement, sidewalk, bike lanes, curb, gutter, street lighting, and landscaping. This project will complete the South side of Cactus Rd. between the Railroad tracks and Dysart Rd. This project is split between the Sewer Fund (70% SPA1 WRF), Water Fund (20 %Rancho Gabriella), and Fire (10% Station 308).

Justification:

In 2007 the city conducted an arterial capacity study that identified all of the major arterial roadways within Special Planning Area 1 not currently built to their ultimate capacity. This project is identified within this study and preliminary design plans and cost estimates have been prepared for the improvements.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	0	35,000	0	0	0	0	0	35,000
21112	39222 - STREET IMPROVEMENT	0	0	105,000	45,000	0	0	0	150,000
22511	38199 - PROFESSIONAL & OUTS	0	70,000	0	0	0	0	0	70,000
22511	39222 - STREET IMPROVEMENT	0	0	210,000	90,000	0	0	0	300,000
22531	38199 - PROFESSIONAL & OUTS	0	245,000	0	0	0	0	0	245,000
22531	39222 - STREET IMPROVEMENT	0	0	735,000	315,000	0	0	0	1,050,000
Total		0	350,000	1,050,000	450,000	0	0	0	1,850,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21504 - Jomax 147th to 133rd Pave Dirt Road

Default Fund: 21112 - GENERAL CAPITAL

Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT

Location: Jomax 147th to 133rd District: District 1

Start Date: 7/1/2014 End Date: 6/30/2017

*3rd Party Funding \$717,200 **Total Project Cost \$1,107,200

Description:

Design, acquire right of way from Arizona State Land, and construct Jomax Road from 147th to 133rd Avenue as one lane in each direction. The lanes will be 14 ft wide and will have several low water crossings. This is a pave dirt road project the City will be responsible for funding Design (\$120,000), ROW acquisition (\$197,200). The City will partner with Arizona Department of Transportation (ADOT) through an IGA for construction. The current construction estimate is \$750,000 (\$707,200 federal funds and \$42,800 City funds). The City will also pay ADOT \$30,000 for design review fees. Due to federal funding ADOT will be administering the construction portion of the project. The City will be administering the post design and construction review (\$10,000) which will be eligible for reimbursement from ADOT.

Justification:

Under the ADEQ PM-10 program, the City is taking an active part in reducing its amount of unpaved roads.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	0	200,000	147,200	10,000	0	0	0	357,200
21112	39222 - STREET IMPROVEMENT	0	0	42,800	0	0	0	0	42,800
Total		0	200,000	190,000	10,000	0	0	0	400,000
Revenues:									
21112	31944 - MISC REIMBURSEMENT	0	0	0	10,000	0	0	0	10,000
Total		0	0	0	10,000	0	0	0	10,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21506 - Enhancement SR303 Mountain View to Grand Ave
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT
 Location: Loop 303 Mountainview to Grand Ave District: Citywide
 Start Date: 7/1/2014 End Date: 6/30/2018
 *3rd Party Funding \$45,000,000 **Total Project Cost \$45,500,000

Description:

Arizona Department of Transportation (ADOT) is in the process of improving the SR303 between Mountainview Road and US60. As part of the ADOT project City is requesting enhancement to the freeway walls and conduit for future fiber optics.

Justification:

The city is expected to enter into an Intergovernmental Agreement (IGA) with Arizona Department of Transportation (ADOT) in FY15. The city is expected to be responsible for the funding of the traffic conduit and aesthetics on the sound walls related to the SR303 Mountain View to Grand Ave project. The construction of the ADOT project will complete Loop 303 from Peoria to Grand Ave.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	39224 - INFRASTRUCTURE IMP	0	300,000	200,000	0	0	0	0	500,000
Total		0	300,000	200,000	0	0	0	0	500,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21507 - Skatepark - In- Ground

Default Fund: 21112 - GENERAL CAPITAL

Department: 444-431 - PARKS & RECREATION-PARK MAINTENANCE

Location: TBD District: To Be Determined

Start Date: 8/1/2014 End Date: 6/30/2015

*3rd Party Funding \$0 **Total Project Cost \$500,000

Description:

Design and construction of an in -ground skate park. Will include approximately 12,000 square feet of skating surface for skateboard, BMX, bike and roller blade use. Will include bowl, vertical and transition areas.

Justification:

A skate park was designed and scheduled to start construction back in 2009. This would be the first of this kind of amenity for Surprise residents.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	39211 - BUILDING & STRUCTUR	0	500,000	0	0	0	0	0	500,000
Total		0	500,000	0	0	0	0	0	500,000

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21111	36112 - PART-TIME EMPLOYEES	0.75	\$7,000	\$7,100	\$7,200	\$7,300	\$7,400	\$79,500	\$115,500
21111	37161 - OPERATIONAL SUPPLIE	0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$40,000	\$60,000
21111	38126 - SERVICE AGREEMENTS	0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$30,000	\$45,000
Total		0.75	\$14,000	\$14,100	\$14,200	\$14,300	\$14,400	\$149,500	\$220,500

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21508 - Boys and Girls Club
Default Fund: 21112 - GENERAL CAPITAL
Department: 444-429 - PARKS & RECREATION-RECREATION
Location: Original Town Site District: District 4
Start Date: End Date:
*3rd Party Funding \$0 **Total Project Cost \$2,000,000

Description:

Expand Villanueva Recreation Center by 9400 square feet to create new Boys and Girls Club in the Original Town Site. To include learning center, Teen Center, Youth center, Art area and Admin offices.

Justification:

Provide Original Town Site residents a safe place for programs and activities for youth and families.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	39211 - BUILDING & STRUCTUR	0	2,000,000	0	0	0	0	0	2,000,000
Total		0	2,000,000	0	0	0	0	0	2,000,000

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21111	38999 - OTHER PROFESSIONAL	0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$5,000,000	\$7,000,000
Total		0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$5,000,000	\$7,000,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21509 - Median & ROW Landscaping
 Default Fund: 21212 - HIGHWAY USER REVENUE
 Department: 544-516 - STREETS-RIGHT OF WAY
 Location: Various City Locations District: Citywide
 Start Date: 7/1/2014 End Date: 6/30/2017
 *3rd Party Funding \$0 **Total Project Cost \$1,350,000

Description:

This project is to landscape existing medians and ROW along various City streets. The project is programmed in two phases. Phase I will be to landscape the following medians as identified in the 2010 GAP Study: Waddell - 175th Ave to Citrus; Citrus - Cactus to Waddell; Litchfield - Cactus Intersection median approaches; Bullard - Peoria to Cholla St. Phase I also includes a landscape cleanup at the following locations: Bell Rd - South side Civic Center to Bullard; Bullard - Cactus to Waddell; Bullard - Peoria to Cactus; Cactus & Litchfield Intersection; Cactus - Litchfield to 151st Ave; Sarival South of Bell Rd intersection; and Litchfield South side of Waddell intersection.

Phase II of this project will be to install full landscaping at Reems Rd - Peoria to Cactus and Bell Rd - 115th to El Mirage.

Justification:

The City of Surprise currently contains medians and ROW that are not landscaped at all and some areas where the landscaping needs to be cleaned up by adding granite and plants. For those areas in need of full landscaping, that would include granite, plants, and irrigation. Due to the location of some of the medians in regards to development, payback agreements will need to be put into place. This project includes locations that were identified in the 2010 GAP Study.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38162 - LANDSCAPE SERVICES	0	250,000	0	0	0	0	0	250,000
21212	38162 - LANDSCAPE SERVICES	0	300,000	300,000	500,000	0	0	0	1,100,000
Total		0	550,000	300,000	500,000	0	0	0	1,350,000

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21212	38162 - LANDSCAPE SERVICES	0	\$17,900	\$49,000	\$62,100	\$62,100	\$62,100	\$621,000	\$874,200
21212	38211 - WATER	0	\$4,800	\$13,200	\$16,800	\$16,800	\$16,800	\$168,000	\$236,400
Total		0	\$22,700	\$62,200	\$78,900	\$78,900	\$78,900	\$789,000	\$1,110,600

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21510 - City Entry Monuments
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 544-512 - STREETS-SIGNS
 Location: Various District: Citywide
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$250,000

Description:

Fund study to determine type and size of entry monuments at multiple entrances to the city. At conclusion on the study construct monuments based on study recommendation.

Justification:

Entry monuments are an important statement of the city's identity, conveying the city's spirit, character, and pride to residents, businesses, and visitors.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21112	38199 - PROFESSIONAL & OUTS	0	50,000	0	0	0	0	0	50,000
21112	39224 - INFRASTRUCTURE IMP	0	200,000	0	0	0	0	0	200,000
Total		0	250,000	0	0	0	0	0	250,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21511 - Sidewalk Gaps

Default Fund: 21212 - HIGHWAY USER REVENUE

Department: 544-515 - STREETS-CONCRETE

Location: Various City Sidewalks District: Citywide

Start Date: 7/1/2014 End Date: 6/30/2016

*3rd Party Funding \$0 **Total Project Cost \$200,000

Description:

Currently, there are City sidewalks that contain gaps or are in need of section repairs. Some of these gaps or "missing links" have been identified in the 2010 GAP study. This project is to construct or repair the missing sections of sidewalk in those various areas to make the sidewalk more complete and useable. The project has been programmed in two fiscal years in effort to begin addressing the gaps in City sidewalks.

Justification:

There are missing sections of sidewalks in various areas throughout the City. Some of which are identified in the 2010 GAP Study. The sidewalks with missing links mean there is a section missing from the sidewalk where it goes from concrete to dirt and then back to concrete where the sidewalk picks up again. In some locations, the sidewalk needs a section repaired because the concrete has been damaged or is severely cracked.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21212	39222 - STREET IMPROVEMENT	0	50,000	50,000	100,000	0	0	0	200,000
Total		0	50,000	50,000	100,000	0	0	0	200,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21512 - Courtroom Audio/Video Equipment
 Default Fund: 21215 - MUNICIPAL COURT ENHANCEMENT
 Department: 331-112 - CITY COURT-GENERAL OPS
 Location: City Court District: District 5
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$200,000

Description:

The Surprise City Court is seeking to replace and upgrade the audio/visual recording equipment in each of the three courtrooms to a system that is more compatible to meet the needs of the Court.

Justification:

The production of an accurate and clear record is critical in all stages of legal proceedings, including the trial court's ability to provide a sufficient record pursuant to public records laws and when applicable, submission to the appellate court. In 2013, due to the poor quality of the audio record, which inhibited the appellant from completing an accurate transcript as part of the appeal process, the Surprise City Court was ordered by the appellate court to conduct three separate new trials.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21215	39431 - MACH. & EQUIPMENT	0	200,000	0	0	0	0	0	200,000
Total		0	200,000	0	0	0	0	0	200,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21513 - Park N Ride Enhancements
 Default Fund: 21230 - PROPOSITION 400
 Department: 543-115 - FACILITIES MANAGEMENT-PROJ. MANAGEMENT
 Location: Surprise Park N Ride District: District 1
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$108,200

Description:

Enhancements to the City's Park n Ride facility located at 134th Ave and Bell Rd. will include installation of backlit signage, easier passenger access to site, additional signage related to transit information about Valley Metro services, and infrastructure improvements.

Justification:

At a November work session Councilman Hall had requested signage enhancements to the location. Funding associated with this project has already been received as part of the City's Prop 400 jurisdictional equity allocation. Attached is the Regional TLCP plan where the City had designated \$3,800,000 to the project. the FY2009 project was complete a separate attachment reflects the summary of original project costs and prop 400 funding received against the project the difference is \$108,102 of funds that have already been received. We will not be asking for additional prop 400 funds for this project. There will be additional power associated with signage.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21230	39212 - IMPROVEMENTS TO BUI	0	108,200	0	0	0	0	0	108,200
Total		0	108,200	0	0	0	0	0	108,200

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21111	38126 - SERVICE AGREEMENTS	0	\$200	\$200	\$200	\$200	\$200	\$2,000	\$3,000
21111	38211 - WATER	0	\$100	\$100	\$100	\$100	\$100	\$1,000	\$1,500
21111	38212 - ELECTRICITY	0	\$500	\$500	\$500	\$500	\$500	\$5,000	\$7,500
Total		0	\$800	\$800	\$800	\$800	\$800	\$8,000	\$12,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21514 - Clubhouse improvements
 Default Fund: 21236 - STADIUM IMPROVEMENTS
 Department: 444-421 - PARKS & RECREATION-CAMPUS OPERATIONS
 Location: Surprise Stadium District: District 5
 Start Date: 4/1/2015 End Date: 2/28/2016
 *3rd Party Funding \$0 **Total Project Cost \$16,491,200

Description:

Design services and construction for the expansion of Major League clubhouse improvements to the City's existing Major League spring training facility.

Justification:

Increase lease agreement with the Kansas City Royals and Texas Rangers for another seven years.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
21236	38199 - PROFESSIONAL & OUTS	0	1,491,200	0	0	0	0	0	1,491,200
21236	39212 - IMPROVEMENTS TO BUI	0	0	15,000,000	0	0	0	0	15,000,000
Total		0	1,491,200	15,000,000	0	0	0	0	16,491,200

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21515 - New Public Works Yard (North)

Default Fund: 21415 - PUBLIC WORKS DEV FEE

Department: 543-115 - FACILITIES MANAGEMENT-PROJ. MANAGEMENT

Location: SPA 3 Wastewater Treatment site approximately District: District 1

Start Date: 7/1/2014 End Date: 3/20/2018

*3rd Party Funding \$0 **Total Project Cost \$6,200,000

Description:

The project is to plan, design, site preparation, and construction of a 6 bay vehicle maintenance building with parking and storage areas, fuel station (unleaded, diesel, and CNG), four wash racks and a operational building for solid waste which will include with restrooms, lockers, meeting and break room.

Justification:

Currently the Public Works Department has a 5 acre site that houses the entire Public Works Streets, Sanitation and Traffic Engineering divisions as well as all of their equipment and supplies. There simply is not enough space to allow all of the different divisions to continue to operate with all of their equipment without getting in each other's way. This yard will also allow us to enhance our vehicle maintenance operations by adding a second facility designed to handle heavy duty trucks and equipment. By moving the heavy equipment and sanitation vehicles to the Deer Valley location, it will put the sanitation division closer to the landfill and alleviate morning traffic congestion on Bell Road.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
21415	38199 - PROFESSIONAL & OUTS	0	250,000	0	0	0	0	0	250,000
21415	39211 - BUILDING & STRUCTUR	0	700,000	3,600,000	500,000	0	0	0	4,800,000
22541	38199 - PROFESSIONAL & OUTS	0	250,000	0	0	0	0	0	250,000
22541	39211 - BUILDING & STRUCTUR	0	0	900,000	0	0	0	0	900,000
Total		0	1,200,000	4,500,000	500,000	0	0	0	6,200,000

Operating Impacts:

Fund	Object	FTE	2015	2016	2017	2018	2019	2020 - 2029	City Total
21111	38211 - WATER	0	\$0	\$8,000	\$8,000	\$8,000	\$8,000	\$80,000	\$112,000
21111	38212 - ELECTRICITY	0	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$200,000	\$280,000
22541	38126 - SERVICE AGREEMENTS	0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$20,000	\$28,000
22541	38211 - WATER	0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000	\$140,000
22541	38212 - ELECTRICITY	0	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$200,000	\$280,000
22541	38213 - PROPANE/NATURAL GA	0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000	\$70,000
Total		0	\$0	\$65,000	\$65,000	\$65,000	\$65,000	\$650,000	\$910,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21516 - SPA1 WRF North Entrance Gate and Block Wall around SPA 1.
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2014 End Date: 6/30/2017
 *3rd Party Funding \$0 **Total Project Cost \$3,150,000

Description:

Design, construction, and installation of automatic gate entrance and block wall for SPA 1 sewer treatment facility.

Justification:

Installation of automtaic gate and block wall for enhanced security at the SPA 1 treatment plant.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	38199 - PROFESSIONAL & OUTS	0	150,000	0	0	0	0	0	150,000
22531	39211 - BUILDING & STRUCTUR	0	0	1,500,000	1,500,000	0	0	0	3,000,000
Total		0	150,000	1,500,000	1,500,000	0	0	0	3,150,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21517 - Litchfield Road - East Side (Cactus Road to Desert Cove Road)

Default Fund: 22531 - SEWER OPERATIONS

Department: 541-115 - ENGINEERING-PROJ. MANAGEMENT

Location: East side of Litchfield Rd Cactus to Desert Cove District: District 6

Start Date: 7/1/2014 End Date: 6/30/2016

*3rd Party Funding \$0 **Total Project Cost \$1,237,500

Description:

Design and construction of streetlights, restriping, Intelligent Transportation System (ITS) conduits, and landscaping. This project will complete the East side of Litchfield Road between Cactus and Desert Cove Road. Two travel lanes already exist in front of the Desert Cove Business Park property on Litchfield Rd from Desert Cove north to the property line of the South Plant.

Justification:

In 2007 the city conducted an arterial capacity study that identified all of the major arterial roadways within Special Planning Area 1 not currently built to their ultimate capacity. This project is identified within this study and preliminary design plans and cost estimates have been prepared for the improvements. This project may be constructed by the adjacent landowner once the property develops.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	38199 - PROFESSIONAL & OUTS	0	300,000	0	0	0	0	0	300,000
22531	39222 - STREET IMPROVEMENT	0	0	937,500	0	0	0	0	937,500
Total		0	300,000	937,500	0	0	0	0	1,237,500

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21518 - Solar BioSolids Dryer
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA1 WRF District:
 Start Date: 7/1/2014 End Date: 6/30/2016
 *3rd Party Funding \$0 **Total Project Cost \$1,200,000

Description:

Design and construction of biosolids drying system to facilitate further drying of sludge produced at SPA1 Water Reclamation Facility (WRF) in an effort to reduce hauling and disposal costs of waste material. A project feasibility study and pilot are currently under way to determine project parameters and long term benefits. The project is anticipated to save the City approximately \$200,000 a year in disposal costs.

Justification:

Through this improved bio-solid drying system the City should experience a net \$200,000 year savings in landfill and hauling fees. This process is also more economical and sustainable system that will put less wear and tear on operational equipment and reduce the City's carbon footprint.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
22531	38199 - PROFESSIONAL & OUTS	0	200,000	0	0	0	0	0	200,000
22531	39223 - INFRASTRUCTURE PUR	0	0	1,000,000	0	0	0	0	1,000,000
Total		0	200,000	1,000,000	0	0	0	0	1,200,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21519 - SPA1 Influent Line Hydraulic Rehabilitation
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2015 End Date: 6/30/2018
 *3rd Party Funding \$0 **Total Project Cost \$3,000,000

Description:

Design and construction of modifications to influent and process piping at plants 3, 4, and 5. As constructed, the influent entrance and exits to plant 3 are at different elevations than those of plant 4/5. As flows have increased, staff has been forced to make feed modifications that are restrictive to the plants' overall capacity. This project is intended to construct permanent modifications to allow the plant to operate at its fullest capacity, preventing the City from having to construct additional plants to increase capacity.

Justification:

Modifications will need to be done as described above in order for the plants to operate closer to their capacity limits with these improved efficiencies the City will be able to delay future construction of additional plants.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	39212 - IMPROVEMENTS TO BUI	0	300,000	2,200,000	500,000	0	0	0	3,000,000
Total		0	300,000	2,200,000	500,000	0	0	0	3,000,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.



CAPITAL IMPROVEMENT PLAN FY2015 Project Detail

Project: 21520 - Wastewater SCADA Upgrade
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$250,000

Description:

Upgrade software communications and links with in the SCADA system. Current generation of SCADA at SPA1 plant is several generations old and the SPA2 plant does not have a complete SCADA system installed (only allows staff to view present conditions; no alarm or control functions). Both plants are in compliance, however additional monitoring and control will allow staff to better respond to issues that may take the City out of compliance.

Justification:

An efficient and up to date SCADA system will ensure regulatory compliance by providing staff with real time information pertaining to the health of the water reclamation systems. An accurate SCADA system will allow staff to properly trend plant conditions and make necessary modifications in advance of potential failures.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	38129 - SOFTWARE LICENSES	0	250,000	0	0	0	0	0	250,000
Total		0	250,000	0	0	0	0	0	250,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21521 - Greewnway Rd Lift Station Rehabilitation
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: Greenway lift station District: District 4
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$325,000

Description:

The Greenway Lift Station was installed in the early 1980s and has not been refurbished since that time. The scope of the refurbishment includes touching up the concrete walls, recoating the well, replacing the pumps, electrical service, and metal rails, in addition to renting a pump around to keep the lift station in operation while work is being conducted.

Justification:

Improved wastewaterflows coming from original townsite to the SPA 1 treatment plant. This rehab work is required to prevent the ultimate failure of the site avoiding the potential overflow of sewage from the facility.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22531	39224 - INFRASTRUCTURE IMP	0	325,000	0	0	0	0	0	325,000
Total		0	325,000	0	0	0	0	0	325,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21522 - Line Installations at the SPA1 WRF
 Default Fund: 22531 - SEWER OPERATIONS
 Department: 643-112 - SEWER-GENERAL OPS
 Location: SPA 1 WRF District: District 6
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$400,000

Description:

This project is to install a waste activated sludge meter and line from plant 4/5 to plant 3 and piping from the centrifuge to the post holding tank. Permanently install the HDPE pipe to pump sludge to plant 4/5 from plant 3's RAS sump. After start up of plant 4/5 it was determine that this line was needed to run WAS from plant 4/5 to the centrifuges. Because of age and potential for spills this line needs to be replaced with a permanent line and meter to monitor flow from plant 4/5. This meter would also allow operations to run Plant 3 at the same time reducing down time. Replace HDPE pipe lines coming from the Thickener Building to the centrifuges feed lines at the Post Holding Tank. Connect to line in street around the Auto Thermophilic Aerobic Digestion (ATAD) and run to the centrifuge feed line at the Post Holding Tank. This line would increase flow to centrifuge feed line and get rid of aged HDPE pipe, along with stopping flow from going through the Thickener Building, which reduces the flow.

Justification:

This project is to improve overall efficiency in operations related to treatment of sludge. The installation of the line will also help the operations avoid potential spills which would lead to additional environmental reporting requirements and possible fines associated with the spills.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
22531	39224 - INFRASTRUCTURE IMP	0	400,000	0	0	0	0	0	400,000
Total		0	400,000	0	0	0	0	0	400,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

CAPITAL IMPROVEMENT PLAN

FY2015 Project Detail



Project: 21523 - Compressed Natural Gas (CNG) Fueling Station
 Default Fund: 22541 - SANITATION OPERATIONS
 Department: 644-112 - SANITATION-GENERAL OPS
 Location: SPA 3 WRF 187th Ave South of Deer Valley District: District 1
 Start Date: 7/1/2015 End Date: 6/30/2016
 *3rd Party Funding \$0 **Total Project Cost \$1,000,000

Description:

This project will be to bring a CNG fueling station at the new PW North yard. The station will consist of all pumps, motors, holding tanks, power connections, meters and compressors necessary to construct a compressed natural gas (CNG) fueling station. The station will consist of both a slow fill overnight fueling connection and a fast fill connection to allow for rapid fills during the day. The department would anticipate to convert the majority of the solid waste fleet to CNG through the replacement process.

Justification:

Transitioning the sanitation collection fleet from petroleum based diesel to compressed natural gas (CNG) will provide environmental and economic benefits to the city. CNG-powered engines produce 30% less greenhouse gases, require less maintenance, and are significantly quieter to operate. CNG fuel is also dramatically cheaper than diesel and is produced domestically. Anticipated savings based on current fuel rates would be around 50% of fuel costs, or \$225,000 annually; for solid waste maintenance costs are not calculable at this time.

1.Compressed Natural Gas [CNG] provides many advantages over other fuels:

- a)Lower emissions, reduced carbon footprint (30% less greenhouse gasses)
- b)Significantly more cost effective (averages more than \$1.50 less per gallon)
- c)Abundant, domestic supply (less pricing volatility, and improved national energy security)
- d)Quieter (CNG engines can reduce noise by as much as 50% compared to diesel engines)
- e)Reduced engine wear and tear; and operating costs (clean CNG with no particulates extends service intervals and equipment life)

2.CNG powered vehicles and equipment can cost as much as 15-20% more upfront, than diesel powered alternatives but vehicles last longer

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
Capital Cost:									
22541	39211 - BUILDING & STRUCTUR	0	1,000,000	0	0	0	0	0	1,000,000
Total		0	1,000,000	0	0	0	0	0	1,000,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

Project: 21524 - Electric Service Upgrade at Techcelerator
 Default Fund: 21112 - GENERAL CAPITAL
 Department: 543-112 - FACILITIES MANAGEMENT-GENERAL OPS
 Location: Techcelerator District: District 4
 Start Date: 7/1/2014 End Date: 6/30/2015
 *3rd Party Funding \$0 **Total Project Cost \$336,000

Description:

Bldg "C" - Replacement of electrical service entry sections (SES) that were manufactured by Federal Pacific and have been out of business for 20 plus years. The SES units were originally installed in 1964 and parts are no longer available. The estimated cost to replace this 1,000 amp SES is \$108,000.

Bldg "D" - Replace ADA lift to second floor. The existing lift can no longer be re-certified for use. The estimated cost is \$50,000.

Bldg "B" – Replacement of 2 electrical service entry sections (SES) that were manufactured by Federal Pacific and have been out of business for 20 plus years. The SES units were originally installed in 1964 and parts are no longer available. Building "B" has two sections. The first has an estimated cost to replace the 1,000 amp SES of \$106,000. The second section is 400 amp SES and the estimated cost is \$72,000.

Justification:

Would allow techcelerator to increase rental spaces. These spaces are not operational at this time.

Fund	Object	***Prior Years	2015	2016	2017	2018	2019	2020 - 2029	City Total
<u>Capital Cost:</u>									
21112	39212 - IMPROVEMENTS TO BUI	0	336,000	0	0	0	0	0	336,000
Total		0	336,000	0	0	0	0	0	336,000

* Third party funding includes expenses paid directly by a third party plus reimbursements received by the City.

** Total Project cost includes expenses paid directly by a third party plus expenses paid by the City.

***Prior Years include actuals up to FY2013 plus FY2014 estimates.

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Appendix

- Property Tax Levy Resolution
- Budget Adoption Resolution
- State Forms
- Street Light Improvement District (SLID) Tax Levy Resolution
- SLIDs
- Comprehensive Financial Management Policies
- Budget Amendment Policies and Procedures
- Summary of Major Funds
- Personnel Detail
- Glossary

RESOLUTION # 2014-52

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA LEVYING UPON THE ASSESSED VALUATION OF PROPERTY WITHIN THE CITY A CERTAIN SUM OF MONEY FOR FISCAL YEAR 2015 TO BE ASSESSED AGAINST THE VALUATION OF REAL AND PERSONAL PROPERTY FOR PRIMARY AND SECONDARY TAX PURPOSES.

WHEREAS, the City Council is required by Arizona Revised Statutes ARS §42-17253 to adopt an annual tax levy based upon the rate to be assessed per each One Hundred Dollars (\$100.00) of assessed valuation of property within the City;

WHEREAS, the primary and secondary tax levy for Fiscal Year 2015 beginning July 1, 2014 must be adopted by resolution prior to the third Monday in August, and not less than fourteen days after adoption of the municipal budget;

WHEREAS, the municipal budget of the City of Surprise was adopted at a special meeting of the City Council held on June 3, 2014, at least fourteen days prior to the adoption of this Resolution 2014-52; and


WHEREAS, the City has computed tax rates at \$0.7591 per One Hundred Dollars (\$100.00) of assessed valuation to be levied and collected as primary taxes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That there is hereby levied, as a primary property tax, \$0.7591 per each One Hundred Dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City, except such property as may be by law exempt from taxation, a primary property tax rate sufficient to raise the sum of six million, five hundred thirteen thousand, six hundred dollars (\$6,513,600.00) for the fiscal year ending on June 30, 2015.

Section 2. Any failure by the Maricopa County officials to properly return the delinquent tax list, irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings nor invalidate any title conveyed by any tax deed, any sale or proceeding pursuant thereto, the validity of the assessment or levy of taxes, nor the judgment of sale by which the collection of taxes may be enforced. All actions by officers de facto shall be valid as if performed by officers de jure.

APPROVED AND ADOPTED this 17th day of June, 2014.


Sharon R. Wolcott, Mayor

Attest:


Sherry Aguilar, City Clerk

Approved as to form:


Misty Leslie, City Attorney

RESOLUTION 2014-53

**A RESOLUTION OF THE MAYOR AND CITY
COUNCIL OF THE CITY OF SURPRISE, ARIZONA
ADOPTING THE BUDGET FOR FISCAL YEAR 2015.**

WHEREAS, in accordance with the provisions of Arizona Revised Statute, Sections §42-17101 *et. seq.*, the Council of the City of Surprise (the "City Council") did, on May 6, 2014, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the City of Surprise, Arizona;

WHEREAS, publication has been duly made as required by law of said estimates together with a notice that the City Council would meet on June 3, 2014, at City Hall, City Council Chambers for the purpose of hearing taxpayers and making tax levies as set forth in said estimates;

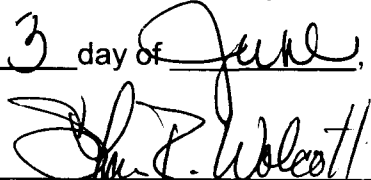
WHEREAS, in accordance with state law and following due public notice, the City Council met on June 3, 2014, at which time taxpayers were privileged to appear and be heard in favor of or against any of the proposed expenditures and tax levies; and

WHEREAS, it appears that the sums to be raised by taxation do not in the aggregate amount exceed that amount as computed according to Arizona Revised Statute §42-17051(A).

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

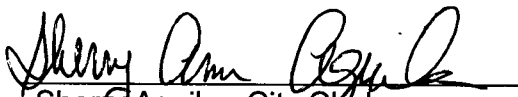
Section 1. That the statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the budget of the City of Surprise, Arizona for the fiscal year July 1, 2014 through June 30, 2015.

APPROVED AND ADOPTED this 3 day of June, 2014.


Sharon R. Wolcott, Mayor

Attest:

Approved as to form:


Sherry Aguilar, City Clerk


Misty Leslie, City Attorney

EXHIBIT “A”

Fiscal Year 2015 Budget Statements and Schedules

CITY OF SURPRISE
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CITY OF SURPRISE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2015

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2014	ACTUAL EXPENDITURES/ EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/ EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 79,109,500	\$ 75,527,200	\$ 29,198,700	Primary: \$ 6,513,600	\$ 80,669,800	\$	\$	\$ 5,823,000	\$ 4,500,000	\$ 117,705,100	\$ 101,435,800
2. Special Revenue Funds	20,940,400	13,012,900	\$ 5,408,500	Secondary: 2,384,700	17,673,100				645,100	24,821,200	26,714,000
3. Debt Service Funds Available	11,898,100	37,542,000	19,298,300		73,400			14,199,800	73,400	33,498,100	32,006,900
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	11,898,100	37,542,000	19,298,300		73,400			14,199,800	73,400	33,498,100	32,006,900
6. Capital Projects Funds	50,116,900	9,092,300	56,721,600		20,511,200			3,000,000	11,981,300	68,251,500	68,662,700
7. Fiduciary Fund	25,600	20,600	60,300							60,300	
8. Enterprise Funds Available	28,087,000	20,741,800	37,926,100		34,527,900				5,823,000	66,631,000	66,631,000
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	28,087,000	20,741,800	37,926,100		34,527,900				5,823,000	66,631,000	66,631,000
11. Internal Service Funds	15,075,100	11,010,500	3,677,900		11,726,900					15,404,800	15,404,800
12. TOTAL ALL FUNDS	\$ 205,252,600	\$ 166,947,300	\$ 152,291,400	\$ 8,898,300	\$ 165,182,300	\$	\$	\$ 23,022,800	\$ 23,022,800	\$ 326,372,000	\$ 310,855,200

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

	2014	2015
1. Budgeted expenditures/expenses	\$ 205,252,600	\$ 310,855,200
2. Add/subtract: estimated net reconciling items	(10,494,700)	(10,494,700)
3. Budgeted expenditures/expenses adjusted for reconciling items	194,757,900	300,360,500
4. Less: estimated exclusions	24,252,200	24,252,200
5. Amount subject to the expenditure limitation	\$ 170,505,700	\$ 276,108,300
6. EEC or voter-approved alternative expenditure limitation	\$ 912,481,200	\$ 919,730,200

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

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

CITY OF SURPRISE
Tax Levy and Tax Rate Information
Fiscal Year 2015

	<u>2014</u>	<u>2015</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>8,285,245</u>	\$ <u>8,591,967</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>6,406,700</u>	\$ <u>6,513,600</u>
B. Secondary property taxes	<u>2,235,600</u>	<u>2,384,700</u>
C. Total property tax levy amounts	\$ <u>8,642,300</u>	\$ <u>8,898,300</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>6,306,400</u>	
(2) Prior years' levies	<u>100,300</u>	
(3) Total primary property taxes	\$ <u>6,406,700</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>2,235,600</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u>2,235,600</u>	
C. Total property taxes collected	\$ <u>8,642,300</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.7783</u>	<u>0.7591</u>
(2) Secondary property tax rate		
(3) Total city/town tax rate	<u>0.7783</u>	<u>0.7591</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>107</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
GENERAL FUND			
Local taxes			
Local sales tax	\$ 33,301,500	\$ 32,584,100	\$ 34,422,000
Bed tax	114,000	122,600	120,200
Construction sales tax		1,250,000	1,250,000
Licenses and permits			
Electric Franchise Fee	2,186,500	2,540,900	2,660,900
Cable Franchise Fee	990,400	1,153,800	1,208,300
Business Licenses	680,000	743,100	759,600
Natural Gas Franchise Fee	292,000	315,300	330,200
Water Franchise Fee	490,600	500,400	524,100
Sanitation Hauler's License	40,000	38,900	39,700
Intergovernmental			
State Shared Income Tax	13,111,000	13,100,600	14,225,300
State Shared Sales Tax	10,154,400	10,280,300	10,718,600
Vehicle License Tax	3,917,200	4,047,300	4,155,300
Fines and foreits			
Court	1,256,200	1,029,700	1,214,800
Charges for services			
Parks & Recreation	4,487,800	4,468,600	3,987,300
Fire	754,100	666,300	704,800
Police	655,200	709,400	728,300
Community Development	2,052,500	1,748,800	2,289,700
All other	500,000	359,200	376,200
Interest Income	14,000	15,700	16,500
Public Works Fees	633,100	417,800	547,100
Facilities	397,300	373,300	390,900
Total General Fund	\$ 76,027,800	\$ 76,466,100	\$ 80,669,800

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

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
State Shared	\$ 6,617,500	\$ 6,697,400	\$ 7,008,400
Charges for Services/Other	11,600		
	\$ 6,629,100	\$ 6,697,400	\$ 7,008,400
Employee Dep Scholarship			
Charges for Services/Other	\$ 1,400	\$ 1,200	\$ 1,200
	1,400	1,200	1,200
Donations Fund			
Charges for Services/Other	\$ 210,100	\$ 728,800	\$ 451,700
	\$ 210,100	\$ 728,800	\$ 451,700
Municipal Court Enhancement			
Charges for Services/Other	\$ 113,000	\$ 95,000	\$ 110,000
	\$ 113,000	\$ 95,000	\$ 110,000
Neighborhood Revitalization			
Charges for Services/Other	\$ 692,400	\$ 2,090,300	\$ 2,083,200
	\$ 692,400	\$ 2,090,300	\$ 2,083,200
Tourism			
Charges for Services/Other	\$ 1,800	\$ 2,700	\$ 2,700
Local Sales Tax	172,000	186,400	182,800
	\$ 173,800	\$ 189,100	\$ 185,500
Grants			
Charges for Services/Other	5,227,800	159,400	5,596,500
	\$ 5,227,800	\$ 159,400	\$ 5,596,500
SPD RICO Funds			
Charges for Services/Other	\$ 360,000	\$ 480,000	\$ 480,000
	\$ 360,000	\$ 480,000	\$ 480,000
SPD DEA Fund			
Charges for Services/Other	\$ 120,000	\$	\$
	\$ 120,000	\$	\$
SPD Towing Fund			
Charges for Services/Other	\$ 117,000	\$ 117,000	\$ 117,000
	\$ 117,000	\$ 117,000	\$ 117,000
Municipal Court JCEF			
Charges for Services/Other	\$ 23,000	\$ 21,300	\$ 23,300
	\$ 23,000	\$ 21,300	\$ 23,300
Municipal Court MFTG			
Charges for Services/Other	\$ 8,900	\$ 8,300	\$ 8,600
	\$ 8,900	\$ 8,300	\$ 8,600
Municipal Court FARE			
Charges for Services/Other	\$ 4,400	\$ 4,200	\$ 4,400
	\$ 4,400	\$ 4,200	\$ 4,400
Net Premium Seating			
Charges for Services/Other	\$ 25,500	\$ 26,000	\$ 22,000
	\$ 25,500	\$ 26,000	\$ 22,000
Spring Training Ticket Surcharge			
Charges for Services/Other	\$ 100,600	\$ 180,000	\$ 635,000
	\$ 100,600	\$ 180,000	\$ 635,000
SB1398 Fines			
Charges for Services/Other	\$ 17,000	\$ 17,000	\$ 17,000
	\$ 17,000	\$ 17,000	\$ 17,000

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
LTAF II			
State Shared	\$ 350,000	\$ 345,600	\$ 350,000
	\$ 350,000	\$ 345,600	\$ 350,000
Proposition 400			
Charges for Services/Other	\$ 19,600	\$ 19,600	\$ 19,300
	\$ 19,600	\$ 19,600	\$ 19,300
Wildland Fire			
Charges for Services/Other	\$ 140,000	\$ 69,100	\$ 140,000
	\$ 140,000	\$ 69,100	\$ 140,000
HALO			
Charges for Services/Other	\$ 132,000	\$ 132,000	\$ 158,000
	\$ 132,000	\$ 132,000	\$ 158,000
Ambulance Contract			
Charges for Services/Other	\$ 278,700	\$ 40,000	\$ 247,000
	\$ 278,700	\$ 40,000	\$ 247,000
Animal Seizure Bond Forfeiture			
Charges for Services/Other	\$	\$	\$ 5,000
	\$	\$	\$ 5,000
Unclaimed Property Disposal			
Charges for Services/Other	\$	\$	\$ 5,000
	\$	\$	\$ 5,000
Program 1033 Auction Proceeds			
Charges for Services/Other	\$	\$	\$ 5,000
	\$	\$	\$ 5,000
Stadium Improvement Fund			
Charges for Services/Other	\$	\$ 90,900	\$ 136,400
	\$	\$ 90,900	\$ 136,400
Total Special Revenue Funds	\$ 14,744,300	\$ 11,421,300	\$ 17,673,100

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
DEBT SERVICE FUNDS			
2000-03 Government Reserve Fund			
Charges for Services/Other	\$ 48,800	\$ 46,200	\$
	\$ 48,800	\$ 46,200	\$
2000-03 Proprietary Reserve Fund			
Charges for Services/Other	\$ 21,200	\$ 20,100	\$
	\$ 21,200	\$ 20,100	\$
Prop Reserve 2007			
Charges for Services/Other	73,700	73,400	73,400
	\$ 73,700	\$ 73,400	\$ 73,400
Prop Debt Service 2000-2003			
Charges for Services/Other	100	100	
	\$ 100	\$ 100	\$
Gov Debt Service 2000-2003			
Charges for Services/Other	100	200	
	\$ 100	\$ 200	\$
Total Debt Service Funds	\$ 143,900	\$ 140,000	\$ 73,400
FIDUCIARY FUNDS			
Firefighters Pension Fund			
Charges for Services/Other	\$ 100	\$	\$
	\$ 100	\$	\$
Total Fiduciary Funds	\$ 100	\$	\$
CAPITAL PROJECTS FUNDS			
General Capital Fund			
Charges for Services/Other	\$	\$ 227,500	\$ 386,400
Local Sales Tax	1,950,000	2,089,300	3,210,200
	\$ 1,950,000	\$ 2,316,800	\$ 3,596,600
Transportation Improvement Fund			
Charges for Services/Other	\$ 46,500	\$	\$ 46,500
Local Sales Tax	2,181,800	2,276,800	3,041,000
	\$ 2,228,300	\$ 2,276,800	\$ 3,087,500
Vehicle Replacement Fund			
Charges for Services/Other	\$ 65,800	\$	\$ 465,800
	\$ 65,800	\$	\$ 465,800
General Government Development Fund 2012			
Charges for Services/Other	\$ 537,400	\$ 324,900	\$ 804,300
	\$ 537,400	\$ 324,900	\$ 804,300
Roads of Regional Significance Development SPA 2, 4, 6 Fund			
Charges for Services/Other	\$ 27,100	\$	\$ 27,100
	\$ 27,100	\$	\$ 27,100
Roads of Regional Significance Development SPA 3,5 Fund			
Charges for Services/Other	\$ 300	\$	\$ 300
	\$ 300	\$	\$ 300
Police Development Fee Fund			
Charges for Services/Other	\$ 8,500	\$ 8,500	\$ 8,500
	\$ 8,500	\$ 8,500	\$ 8,500

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
Police Development Fee Fund 2012			
Charges for Services/Other	\$ 232,200	\$ 218,400	\$ 487,200
	\$ 232,200	\$ 218,400	\$ 487,200
Parks and Recreation Development Fee Fund			
Charges for Services/Other	\$ 45,800	\$	\$
	\$ 45,800	\$	\$
Parks and Recreation Development Fee Fund 2012			
Charges for Services/Other	\$ 487,800	\$ 290,500	\$ 841,800
	\$ 487,800	\$ 290,500	\$ 841,800
Fire and EMS Development Fee Fund 2012			
Charges for Services/Other	\$ 760,100	\$ 353,000	\$ 851,100
	\$ 760,100	\$ 353,000	\$ 851,100
Fire and EMS Development Fee Fund 2014			
Charges for Services/Other	\$	\$	\$ 891,800
	\$	\$	\$ 891,800
Library Development Fee Fund			
Charges for Services/Other	\$ 53,600	\$	\$ 53,600
	\$ 53,600	\$	\$ 53,600
Library Development Fee Fund 2012			
Charges for Services/Other	\$ 82,900	\$ 49,200	\$ 1,200
	\$ 82,900	\$ 49,200	\$ 1,200
Public Works Development Fee Fund			
Charges for Services/Other	\$ 115,300	\$ 6,500	\$ 144,800
	\$ 115,300	\$ 6,500	\$ 144,800
Public Works Development Fee Fund 2012			
Charges for Services/Other	\$ 139,800	\$ 110,500	\$ 2,000
	\$ 139,800	\$ 110,500	\$ 2,000
Sewer Development Fee Fund			
Charges for Services/Other	\$ 2,352,700	\$ 3,941,600	\$ 5,403,700
	\$ 2,352,700	\$ 3,941,600	\$ 5,403,700
Sewer Development Fee Fund SPA 2			
Charges for Services/Other	\$ 2,800	\$	\$ 44,400
	\$ 2,800	\$	\$ 44,400
Sewer Development Fee Fund SPA 3			
Charges for Services/Other	\$ 600	\$	\$ 600
	\$ 600	\$	\$ 600
Water Development Fee Fund			
Charges for Services/Other	\$ 1,368,700	\$ 3,931,600	\$ 2,327,000
	\$ 1,368,700	\$ 3,931,600	\$ 2,327,000
Water Development Fee Fund SPA 2			
Charges for Services/Other	\$	\$	\$ 179,200

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
	\$	\$	\$
			179,200
Replenishment System Development Fee Fund SPA 1			
Charges for Services/Other	\$ 332,000	\$ 2,085,300	\$ 1,171,600
	\$ 332,000	\$ 2,085,300	\$ 1,171,600
Replenishment System Development Fee Fund SPA 2			
Charges for Services/Other	\$	\$	\$ 101,300
	\$	\$	\$ 101,300
163rd Ave Development Fee Fund			
Charges for Services/Other	\$	\$	\$ 19,800
	\$	\$	\$ 19,800
Total Capital Projects Funds	\$ 10,791,700	\$ 15,913,600	\$ 20,511,200

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was

CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
ENTERPRISE FUNDS			
Water Fund			
Charges for Services/Other	\$ 10,087,000	\$ 10,107,900	\$ 10,860,500
	<u>\$ 10,087,000</u>	<u>\$ 10,107,900</u>	<u>\$ 10,860,500</u>
Wastewater Fund			
Charges for Services/Other	\$ 16,046,900	\$ 16,293,500	\$ 16,469,000
	<u>\$ 16,046,900</u>	<u>\$ 16,293,500</u>	<u>\$ 16,469,000</u>
Sanitation Fund			
Charges for Services/Other	\$ 6,958,100	\$ 7,063,900	\$ 7,198,400
	<u>\$ 6,958,100</u>	<u>\$ 7,063,900</u>	<u>\$ 7,198,400</u>
Total Enterprise Funds	<u>\$ 33,092,000</u>	<u>\$ 33,465,300</u>	<u>\$ 34,527,900</u>
INTERNAL SERVICE FUNDS			
Risk Management Fund			
Charges for Services/Other	\$ 1,647,100	\$ 1,691,900	\$ 1,737,000
	<u>\$ 1,647,100</u>	<u>\$ 1,691,900</u>	<u>\$ 1,737,000</u>
Employee Healthcare Fund			
Charges for Services/Other	\$ 8,971,900	\$ 9,448,700	\$ 9,989,900
	<u>\$ 8,971,900</u>	<u>\$ 9,448,700</u>	<u>\$ 9,989,900</u>
Total Internal Service Funds	<u>\$ 10,619,000</u>	<u>\$ 11,140,600</u>	<u>\$ 11,726,900</u>
TOTAL ALL FUNDS	<u>\$ 145,418,800</u>	<u>\$ 148,546,900</u>	<u>\$ 165,182,300</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was

CITY OF SURPRISE
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2015

FUND	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
2014 Debt Payment	\$	\$	\$	\$ 1,500,000
Sanitation Hauler's License			26,000	
Franchise Fees			555,100	
Indirect Cost Allocation			4,682,900	
Payments in Lieu of Property Taxes			559,000	
General Capital Fund				2,000,000
Vehicle Replacement Fund				1,000,000
Total General Fund	\$	\$	\$ 5,823,000	\$ 4,500,000
SPECIAL REVENUE FUNDS				
Spring Training Ticket Surcharge	\$	\$	\$	\$ 645,100
Total Special Revenue Funds	\$	\$	\$	\$ 645,100
DEBT SERVICE FUNDS				
2000-03 Government Debt Service	\$	\$	\$	\$
2000-03 Proprietary Debt Service				
2014 Government Debt Service			3,968,900	
2014 Government Constr Service				
2014 Prop Debt Service			1,454,500	
2007 Debt Service				
Prop Reserve 2007				73,400
Prop Debt Service 2007			8,776,400	
Total Debt Service Funds	\$	\$	\$ 14,199,800	\$ 73,400
CAPITAL PROJECTS FUNDS				
Police Development Fee	\$	\$	\$	\$ 245,200
P&R Development Fee 2012				792,400
General Government Development Fee				665,000
Fire and EMS Development Fee				121,200
Wastewater Development Fee				10,157,500
General Capital Fund			2,000,000	
Vehicle Replacement Fund			1,000,000	
Total Capital Projects Funds	\$	\$	\$ 3,000,000	\$ 11,981,300
ENTERPRISE FUNDS				
Water	\$	\$	\$	\$ 1,638,700
Wastewater				2,263,300
Sanitation				1,921,000
Total Enterprise Funds	\$	\$	\$	\$ 5,823,000
TOTAL ALL FUNDS	\$	\$	\$ 23,022,800	\$ 23,022,800

CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2015

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
GENERAL FUND				
City Clerk	\$ 669,800	\$	\$ 647,000	\$ 504,600
City Court	1,942,100		1,864,500	1,847,600
City Manager	2,073,400		1,896,600	7,044,400
Community and Rec Services	14,689,000		14,140,700	15,934,700
Community Development	6,305,300	165,000	7,025,500	4,094,900
Finance	2,892,300		3,036,800	3,974,500
Fire-Emergency Services	15,072,200		15,504,600	17,221,700
General Operations			(2,544,800)	
Human Resources	1,659,000		1,582,100	1,751,900
Information Services	4,109,100		3,887,800	4,620,900
Legal	1,796,700		1,769,100	2,005,600
Mayor & Council	432,300		435,200	404,300
Police	20,129,900		20,126,800	23,103,300
Public Works	6,188,400	44,000	6,155,300	6,857,400
Contingency	1,150,000	(209,000)		12,070,000
Total General Fund	\$ 79,109,500	\$	\$ 75,527,200	\$ 101,435,800
SPECIAL REVENUE FUNDS				
Employee Dep Scholarship Fund				
General Operations	\$ 6,000	\$	\$ 3,000	\$ 3,000
Contingency	100			2,900
Donations Fund				
City Manager				7,500
Community and Rec Services	267,300		343,900	443,300
Fire-Emergency Services	15,000		400	7,100
Police	14,300		200	14,700
Contingency	334,400			658,200
Municipal Court Enhancement				
City Court	85,000	11,100	91,100	320,000
Information Services				
Contingency	406,800	(11,100)		177,600
Neighborhood Revitalization				
Community Development	692,400		2,090,300	2,083,200
Contingency				
Tourism				
Community and Rec Services		31,000	31,000	
General Operations				
Contingency	506,400	(31,000)		676,900
Grants				
Community and Rec Services	50,000		50,000	50,000
Fire-Emergency Services		80,400		46,700
Police	177,800	72,300	109,400	376,400
Public Works				
General Operations				24,800
Legal				67,100
Contingency	5,000,000	(661,500)		5,031,500
SPD RICO				
Police	400,000	85,000	526,000	1,277,900
Contingency	406,000	(85,000)		
SPD DEA				
Police	116,000			
Contingency	38,400			
SPD Towing				
Police	32,500	334,000	250,000	375,100
Contingency	499,500	(334,000)		
Municipal Court JCEF				
City Court	53,300		52,000	104,700
Contingency	77,300			(400)
Municipal Court MFTG				
City Court				15,000
Contingency	20,200			15,800
Municipal Court FARE				
City Court				
Contingency	14,700			18,900
Net Premium Seating				
Community and Rec Services	10,400		18,000	50,000
Contingency	67,000			2,600
Spring Training Ticket Surcharge				
Community and Rec Services			50,000	250,000
Contingency	301,500			137,900
SB1398 Fines				
Police	40,100		40,100	19,600
Contingency				

CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2015

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
LTAff				
Public Works	350,000		345,600	350,000
Contingency				
Proposition 400				
Public Works	19,600		19,600	127,800
Contingency				
Wildland Fire				
Fire-Emergency Services	140,000		101,400	140,000
Contingency				
HALO				
Fire-Emergency Services	132,000		132,000	158,000
Contingency				
Ambulance Contract				
Fire-Emergency Services	278,700		40,000	187,800
Contingency				59,200
Highway User Revenue Fund				
Public Works	5,996,600		5,804,800	9,071,800
Contingency	1,734,000			323,400
Street Lights Improvement District				
Public Works	2,624,500		2,405,300	2,531,800
Contingency	32,600			
Animal Seizure Bond Forfeiture				
Police				5,000
Contingency				
Unclaimed Property Disposal				
Police				5,000
Contingency				
Program 1033 Auction Proceeds				
Police				5,000
Contingency				
Stadium Improvement Fund				
Community and Rec Services		508,800	508,800	1,491,200
Contingency				
Total Special Revenue Funds	\$ 20,940,400	\$	\$ 13,012,900	\$ 26,714,000
DEBT SERVICE FUNDS				
2000-03 Government Debt Service Fund				
General Operations	\$ 3,362,900	\$	\$ 21,115,500	\$
2000-03 Proprietary Debt Service Fund				
General Operations	7,076,700		7,076,700	8,703,000
Contingency				1,297,900
2007 Proprietary Reserve Fund				
Contingency				5,069,400
2007 Proprietary Debt Service Fund				
General Operations	1,458,500		9,157,700	
2014 Government Debt Service Fund				
General Operations			192,100	3,968,900
2014 Government Construction Fund				
Contingency				11,513,200
2014 Prop Debt Service Fund				
General Operations				1,454,500
Total Debt Service Funds	\$ 11,898,100	\$	\$ 37,542,000	\$ 32,006,900
CAPITAL PROJECTS FUNDS				
General Capital Fund				
Community Development	\$ 1,100,000	\$	\$ 520,000	\$
City Manager	50,000		50,000	47,500
Community and Rec Services	670,000		150,000	2,550,000
Fire-Emergency Services	475,000		475,000	225,000
Information Services	1,115,000		444,200	1,420,800
Police	72,000		72,000	263,000
Finance				
General Operations				
Legal				500,000
Public Works	2,906,100	(38,600)	783,800	6,614,000
Contingency	2,255,600	38,600		2,823,600
Transportation Improvement Fund				
Community Development	260,000		262,800	
Public Works	5,043,100		2,707,900	4,728,500
City Manager				286,100
Contingency				503,600
Vehicle Replacement Fund				
General Operations	2,281,300		1,777,300	3,954,900
Public Works				
Contingency	1,998,000			338,900
Roads of Regional Significance SPA 2, 4, 6				
Finance	10,000		4,500	
General Operations				
Contingency	2,126,000			2,124,700
Roads of Regional Significance SPA 3, 5				
Finance	10,000		4,500	12,500
Contingency	4,900			6,500

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FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
General Government Development Fee				
General Operations				
Finance				
Public Works				
Contingency				
General Government Development Fee 2012				
General Operations				
Finance	20,000		8,900	25,000
Public Works				
Contingency				894,200
Police Development Fee				
Police				
Finance				
Contingency	309,300			334,700
Police Development Fee 2012				
Police				
Finance	20,000		8,900	25,000
Contingency	669,500			1,203,500
Parks and Recreation Development Fee				
Community and Rec Services				2,635,100
Finance				
Contingency	2,473,500			593,200
Parks and Recreation Development Fee 2012				
Community and Rec Services				
Finance	20,000		8,900	25,000
Contingency	1,080,500			1,066,100
Public Works Development Fee				
Public Works	64,000	109,800	124,100	1,093,600
Finance		(109,800)		
Contingency	9,481,900			8,232,600
Public Works Development Fee 2012				
Public Works				
Finance	20,000		8,900	25,000
Contingency	252,800			324,700

CITY OF SURPRISE
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FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Fire & EMS Development Fee				
Fire-Emergency Services				
Finance				
General Operations				
Contingency				68,200
Fire & EMS Development Fee 2012				
Fire-Emergency Services				
Finance	20,000		8,900	12,500
General Operations				
Contingency				1,077,100
Fire & EMS Development Fee 2014				
Fire-Emergency Services				
Finance				12,500
General Operations				
Contingency				879,300
Library Development Fee				
Community and Rec Services				
Finance				
Contingency	4,427,000			4,388,500
Library Development Fee 2012				
Community and Rec Services				75,000
Finance	20,000		8,900	25,000
Contingency	162,800			68,700
163rd Ave Roadway Dev Fee 2014				
Community and Rec Services				
Finance				12,500
Contingency				7,300
Water Development Fee				
Community Development	450,000		450,000	
City Manager				450,000
Finance	3,400		7,500	8,400
Public Works	2,290,500		1,185,800	1,835,700
Contingency	2,199,000			5,974,500
Water Development Fee SPA2				
Community Development				
Finance	3,400		1,500	8,300
Public Works	112,500			112,500
Contingency				46,400
Water Development Fee SPA3				
Community Development				
Finance	3,400			8,300
Public Works				
Contingency				
Water Development Fee SPA 4				
Community Development				
City Manager				
Finance	3,400			
Public Works				
Contingency				
Water Development Fee SPA5				
Community Development				
Finance	3,400			
Public Works				
Contingency				
Water Development Fee SPA 6				
Community Development				
Finance	3,400			
Public Works				
Contingency				
Water Replenishment Development Fee SPA 1				
Finance	3,400		1,500	8,400
Public Works	3,364,100			2,600,000
Contingency	585,000			4,312,700
Water Replenishment Development Fee SPA 2				
Finance	3,400		7,500	8,300
Public Works				
Contingency	338,300			435,500
Water Replenishment Development Fee SPA 3				
Finance	3,400			8,300
Public Works				
Contingency				
Water Replenishment Development Fee SPA 4				
Finance	3,400			
Public Works				
Contingency				
Water Replenishment Development Fee SPA 5				
Finance	3,400			
Public Works				
Contingency				

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Expenditures/Expenses by Fund
Fiscal Year 2015

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Water Replenishment Development Fee SPA 6				
Finance	3,400			
Public Works				
Contingency				
Sewer Development Fee SPA1				
Community Development	25,000			
City Manager				25,000
Finance	3,400		6,000	8,400
Public Works	1,000,000			1,800,000
Contingency				1,100,000
Sewer Development Fee SPA2				
Community Development				
Finance	3,400		1,500	8,300
Public Works				
Contingency	229,600			351,700
Sewer Development Fee SPA3				
Community Development				
Finance	3,400		1,500	8,300
Public Works				
Contingency	43,400			39,800
Sewer Development Fee SPA4				
Community Development				
Finance	3,400			
Public Works				
Contingency				
Sewer Development Fee SPA5				
Community Development				
Finance	3,400			
Public Works				
Contingency				
Sewer Development Fee SPA6				
Community Development				
Finance	3,400			
Public Works				
Contingency				
Total Capital Projects Funds	\$ 50,116,900	\$	\$ 9,092,300	\$ 68,662,700
FIDUCIARY FUNDS				
Firefighters Pension Fund				
General Operations	\$	\$	\$ 20,600	\$
Fire-Emergency Services	18,000			
Contingency	7,600			
Total Fiduciary Funds	\$ 25,600	\$	\$ 20,600	\$
ENTERPRISE FUNDS				
Water Fund				
Community Development	\$ 30,000	\$	\$ 27,000	\$
City Manager				27,800
Finance				
Public Works	7,145,100	75,000	6,246,700	9,286,400
Contingency	1,096,000	(75,000)		6,455,500
Wastewater Fund				
Community Development	251,000		270,100	
City Manager				327,900
Finance				
Public Works	11,296,800		8,151,800	15,965,600
Contingency	1,357,400			19,555,700
Sanitation				
Finance				
Public Works	6,157,700		6,046,200	8,473,900
Contingency	753,000			6,538,200
Total Enterprise Funds	\$ 28,087,000	\$	\$ 20,741,800	\$ 66,631,000
INTERNAL SERVICE FUNDS				
Risk Management Fund				
Community Development	\$	\$	\$	\$
Finance				
Human Resources	1,570,200		1,549,500	1,595,800
Contingency	2,269,000			2,147,900
Employee Healthcare Fund				
Human Resources	9,043,700		9,461,000	9,949,100
Contingency	2,192,200			1,712,000
Total Internal Service Funds	\$ 15,075,100	\$	\$ 11,010,500	\$ 15,404,800
TOTAL ALL FUNDS	\$ 205,252,600	\$	\$ 166,947,300	\$ 310,855,200

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

CITY OF SURPRISE
Expenditures/Expenses by Department
Fiscal Year 2015

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
City Clerk				
General	\$ 669,800	\$	\$ 647,000	\$ 504,600
Department Total	<u>\$ 669,800</u>	<u>\$</u>	<u>\$ 647,000</u>	<u>\$ 504,600</u>
Mayor & Council				
General	\$ 432,300	\$	\$ 435,200	\$ 404,300
Department Total	<u>\$ 432,300</u>	<u>\$</u>	<u>\$ 435,200</u>	<u>\$ 404,300</u>
City Court				
General	\$ 1,942,100	\$	\$ 1,864,500	\$ 1,847,600
Municipal Court Enhancement	491,800		91,100	497,600
Municipal Court FARE	14,700			18,900
Municipal Court JCEF	130,600		52,000	104,300
Municipal Court MFTG	20,200			30,800
Department Total	<u>\$ 2,599,400</u>	<u>\$</u>	<u>\$ 2,007,600</u>	<u>\$ 2,499,200</u>
City Manager				
General	\$ 2,143,400	\$	\$ 1,896,600	\$ 8,114,400
General Capital Fund	50,000		50,000	47,500
Donations				7,500
Transportation Improvement				286,100
Water Operations fund				27,800
Water System Dev Fee Fund				450,000
Sewer Operations				327,900
Sewer System Dev Fee				25,000
Department Total	<u>\$ 2,193,400</u>	<u>\$</u>	<u>\$ 1,946,600</u>	<u>\$ 9,286,200</u>
Community Development				
General	\$ 7,305,300	\$ (44,000)	\$ 7,025,500	\$ 4,094,900
General Capital Fund	1,100,000		520,000	
Donations				
Neighborhood Revitalization	692,400		2,090,300	2,083,200
Transportation Improvement	260,000		262,800	
Water Operations fund	30,000		27,000	
Water System Dev Fee Fund	450,000		450,000	
Sewer Operations	251,000		270,100	
Sewer System Dev Fee	25,000			
Department Total	<u>\$ 10,113,700</u>	<u>\$ (44,000)</u>	<u>\$ 10,645,700</u>	<u>\$ 6,178,100</u>
Finance				
General	\$ 2,972,300	\$	\$ 3,036,800	\$ 3,974,500
RDS Regional sig. SPA 2,4 & 6	10,000		4,500	
RDS Regional sig. SPA 3 & 5	10,000		4,500	12,500
General Govt Dev Fee 2012	20,000		8,900	25,000
Police Dev Fee 2012	20,000		8,900	25,000
Parks & Recreation Dev Fee 2012	20,000		8,900	25,000
Public Works Dev Fee 2012	20,000		8,900	25,000
Fire Dev Fee 2012	20,000		8,900	12,500
Library Dev Fee 2012	20,000		8,900	25,000
163rd Ave Roadway Dev Fee 2014				12,500
Fire & EMS Dev Fee 2014				12,500
Water System Dev Fee Fund	3,400		7,500	8,400
Water Sys Dev Fee Fund SPA 2	3,400		1,500	8,300
Water Sys Dev Fee Fund SPA 3	3,400			8,300
Water Sys Dev Fee Fund SPA 4	3,400			
Water Sys Dev Fee Fund SPA 5	3,400			
Water Sys Dev Fee Fund SPA 6	3,400			
WTR Resources Sys Dev Fee SPA	3,400		1,500	8,400
WTR Resources Sys Dev Fee SPA2	3,400		7,500	8,300
WTR Resources Sys Dev Fee SPA3	3,400			8,300
Sewer System Dev Fee	3,400		6,000	8,400
Sewer System Dev Fee SPA 2	3,400		1,500	8,300
Sewer System Dev Fee SPA 3	3,400		1,500	8,300
Risk Management Fund				
Department Total	<u>\$ 3,173,500</u>	<u>\$</u>	<u>\$ 3,126,200</u>	<u>\$ 4,224,500</u>

CITY OF SURPRISE
Expenditures/Expenses by Department
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DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Fire				
General	\$ 15,072,200	\$	\$ 15,504,600	\$ 17,221,700
General Capital Fund	475,000		475,000	225,000
Donations	15,000		400	7,100
Grants		80,400		46,700
Wildland Fire	140,000		101,400	140,000
HALO	132,000		132,000	158,000
Ambulance Contract	278,700		40,000	247,000
Fire & EMS Dev Fee				68,200
Fire Dev Fee 2012				1,077,100
Fire & EMS Dev Fee 2014				879,300
Department Total	\$ 16,130,900	\$ 80,400	\$ 16,253,400	\$ 20,070,100
General Operations				
General	\$	\$	\$ (2,544,800)	\$ 11,000,000
General Capital Fund	2,255,600	38,600		2,823,600
Vehicle Replacement Fund	2,281,300		1,777,300	3,954,900
Donations	334,400			658,200
Tourism	506,400	(31,000)		
Grants	5,000,000	(661,500)		5,056,300
RDS Regional sig. SPA 2,4 & 6	2,126,000			2,124,700
Transportation Improvement				
RDS Regional sig. SPA 3 & 5	4,900			6,500
General Govt Dev Fee 2012				894,200
Public Works Dev Fee 2012				
Fire Dev Fee 2012				
Library Dev Fee 2012				
163rd Ave Roadway Dev Fee 2014				7,300
Employee Healthcare				
Employee Dep Scholarship FD	6,100		3,000	5,900
Firefighters Pension Fund	7,600		20,600	
Gov Debt Service 2000-2003	3,362,900		21,115,500	
Gov Reserve Fund 2000-2003				
Prop Debt Service 2007	7,076,700		7,076,700	10,000,900
Prop Reserve Fund 2007				5,069,400
Prop Debt Service 2000-2003	1,458,500		9,157,700	
Prop Reserve Fund 2000-2003				
Gov Debt Service 2014			192,100	3,968,900
Gov Construction 2014				11,513,200
Prop Debt Service 2014				1,454,500
Department Total	\$ 24,420,400	\$ (653,900)	\$ 36,798,100	\$ 58,538,500
Human Resources				
General Fund	\$ 1,659,000	\$	\$ 1,582,100	\$ 1,751,900
Employee Healthcare Fund	11,235,900		9,461,000	11,661,100
Risk Management Fund	3,839,200		1,549,500	3,743,700
Department Total	\$ 16,734,100	\$	\$ 12,592,600	\$ 17,156,700
Information Services				
General Fund	\$ 4,109,100	\$	\$ 3,887,800	\$ 4,620,900
General Capital Fund	1,115,000		444,200	1,420,800
Department Total	\$ 5,224,100	\$	\$ 4,332,000	\$ 6,041,700
Legal				
General Fund	\$ 1,796,700	\$	\$ 1,769,100	\$ 2,005,600
General Capital Fund				500,000
Grants				67,100
Department Total	\$ 1,796,700	\$	\$ 1,769,100	\$ 2,572,700

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Community and Recreation Services				
General	\$ 14,689,000	\$	\$ 14,140,700	\$ 15,934,700
General Capital Fund	670,000		150,000	2,550,000
Donations	267,300		343,900	443,300
Tourism		31,000	31,000	676,900
Grants	50,000		50,000	50,000
Net Premium Seating	77,400		18,000	52,600
Spring Training Ticket Surcharge	301,500		50,000	387,900
Parks & Recreation Dev Fee	2,473,500			3,228,300
Library Dev Fee	4,427,000			4,388,500
Parks & Recreation Dev Fee 2012	1,080,500			1,066,100
Library Dev Fee 2012	162,800			143,700
Stadium Improvement Fund		508,800	508,800	1,491,200
Department Total	\$ 24,199,000	\$ 539,800	\$ 15,292,400	\$ 30,413,200
Police				
General	\$ 20,129,900	\$	\$ 20,126,800	\$ 23,103,300
General Capital Fund	72,000		72,000	263,000
Donations	14,300		200	14,700
Grants	177,800	72,300	109,400	376,400
SPD RICO Funds	806,000		526,000	1,277,900
SPD DEA Funds	154,400			
SPD Towing Funds	532,000		250,000	375,100
Municipal Court MFTG				
SB1398 Fines	40,100		40,100	19,600
Animal Seizure Bond Forfeiture				5,000
Unclaimed Property Disposal				5,000
Program 1033 Auction Proceeds				5,000
Police Development Fee	309,300			334,700
Police Dev Fee 2012	669,500			1,203,500
Department Total	\$ 22,905,300	\$ 72,300	\$ 21,124,500	\$ 26,983,200

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DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Public Works				
General	\$ 6,188,400	\$ 44,000	\$ 6,155,300	\$ 6,857,400
General Capital Fund	2,906,100	(38,600)	783,800	6,614,000
Vehicle Replacement Fund	1,998,000			338,900
Highway User	7,730,600		5,804,800	9,395,200
Grants				
LTAF II	350,000		345,600	350,000
Proposition 400	19,600		19,600	127,800
RDS Regional sig. SPA 2,4 & 6				
General Govt Dev Fee				
Public Works Dev Fee	9,545,900		124,100	9,326,200
Transportation Improvement	5,043,100		2,707,900	5,232,100
General Govt Dev Fee 2012				
Public Works Dev Fee 2012	252,800			324,700
163rd Ave Roadway Dev Fee 2014				
Water Operations fund	8,241,100		6,246,700	15,741,900
Water System Dev Fee Fund	4,489,500		1,185,800	7,810,200
Water Sys Dev Fee Fund SPA 2	112,500			158,900
Water Sys Dev Fee Fund SPA 3				
Water Sys Dev Fee Fund SPA 4				
Water Sys Dev Fee Fund SPA 5				
WTR Resources Sys Dev Fee SPA	3,949,100			6,912,700
WTR Resources Sys Dev Fee SPA	338,300			435,500
Sewer Operations	12,654,200		8,151,800	35,521,300
Sewer System Dev Fee	1,000,000			2,900,000
Sewer System Dev Fee SPA 2	229,600			351,700
Sewer System Dev Fee SPA 3	43,400			39,800
Sewer System Dev Fee SPA 4				
Sewer System Dev Fee SPA 5				
Sanitation Operations Fund	6,910,700		6,046,200	15,012,100
Gov Reserve Fund 2000-2003				
Streetlight Improvement District	2,657,100		2,405,300	2,531,800
Department Total	\$ 74,660,000	\$ 5,400	\$ 39,976,900	\$ 125,982,200
Total All Departments	\$ 205,252,600		\$ 166,947,300	\$ 310,855,200

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

CITY OF SURPRISE
Full-Time Employees and Personnel Compensation
Fiscal Year 2015

FUND	Full-Time Equivalent (FTE) 2015	Employee Salaries and Hourly Costs 2015	Retirement Costs 2015	Healthcare Costs 2015	Other Benefit Costs 2015	Total Estimated Personnel Compensation 2015
GENERAL FUND	642.3	\$ 46,149,400	\$ 6,380,200	\$ 6,973,900	\$ 3,815,700	= \$ 63,319,200
SPECIAL REVENUE FUNDS						
Neighborhood Revitalization		\$ 379,500	\$	\$	\$	= \$ 379,500
SPD Towing Fund	0.5	32,500				32,500
Highway User Revenue Fund	41.0	2,261,400	262,300	504,500	284,800	3,313,000
Grants		366,900	30,600		18,700	416,200
HALO		133,700	19,000		5,300	158,000
Wildland Fire		101,300	14,400		4,100	119,800
Ambulance Contract		134,200				134,200
Municipal Court JCEF	1.0	40,700	4,700	15,900	3,400	64,700
Total Special Revenue Funds	42.5	\$ 3,409,500	\$ 326,300	\$ 504,500	\$ 312,900	= \$ 4,617,900
CAPITAL PROJECTS FUNDS						
Transportation Improvement	1.0	\$ 95,500	\$ 11,100	\$ 16,400	\$ 8,900	= \$ 131,900
Total Capital Projects Funds	1.0	\$ 95,500	\$ 11,100	\$ 16,400	\$ 8,900	= \$ 131,900
INTERNAL SERVICE FUNDS						
Employee Healthcare Fund	1.0	\$ 71,100	\$ 8,200	\$ 11,700	\$ 5,800	= \$ 96,800
Risk Management Fund	2.0	151,500	25,700	8,000	12,600	197,800
Total Permanent Funds	3.0	\$ 222,600	\$ 33,900	\$ 19,700	\$ 18,400	= \$ 294,600
ENTERPRISE FUNDS						
Water Fund	24.0	\$ 1,396,700	\$ 161,900	\$ 255,900	\$ 140,200	= \$ 1,954,700
Wastewater Fund	37.2	2,395,000	277,800	322,900	241,400	3,237,100
Sanitation Fund	32.0	1,593,300	184,800	400,800	198,000	2,376,900
Total Enterprise Funds	93.2	\$ 5,385,000	\$ 624,500	\$ 979,600	\$ 579,600	= \$ 7,568,700
TOTAL ALL FUNDS	782.0	\$ 55,262,000	\$ 7,376,000	\$ 8,494,100	\$ 4,735,500	= \$ 75,932,300

RESOLUTION 2014-51

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE
CITY OF SURPRISE, ARIZONA, SETTING FORTH THE
LEVY OF PROPERTY TAX RATES FOR STREET
LIGHTING IMPROVEMENT DISTRICTS.**

WHEREAS, the provisions of Arizona Revised Statutes Section 48-616 require the governing body to levy taxes upon all property in municipal street lighting improvement districts necessary to pay the annual expenses of said districts;

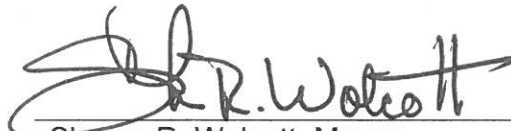
WHEREAS, the City Council is required by Arizona Revised Statutes Section 42-17103 et seq. to hold a public hearing on or before the fourteenth day before the day on which it levies taxes, and the City council held such hearing on June 3, 2014; and

WHEREAS, the City has computed tax rates for Street Lighting Improvement Districts up to the maximum rate of \$1.20 for each One Hundred Dollars (\$100.00) of assessed valuation, as set forth on *Exhibit A* attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

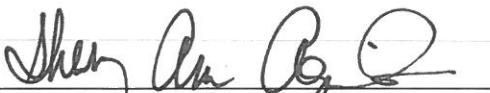
Section 1. For each Street Lighting Improvement District as set forth in *Exhibit A*, attached and incorporated herein, there is hereby levied an amount not to exceed the maximum rate of \$1.20 on each One Hundred Dollars (\$100.00) of assessed valuation, to be collected as provided by law and for the purpose provided by law.

APPROVED AND ADOPTED this 17th day of June, 2014.


Sharon R. Wolcott, Mayor

Attest:

Approved as to form:


Sherry Aguilar, City Clerk



Misty Leslie, City Attorney

EXHIBIT "A"

Fiscal Year 2015

Street Light Improvement Districts – (SLIDS)

Expense Estimates and Levy Rates



**Street Light Improvement Districts
Expense Estimates and Levy Rates
Fiscal Year 2015**

County Number \ City District Name By Assessment Type	Net Assessed Value ¹	Estimated Expenses	Levy Amount	Levy Rate ²
Ad Valorem				
23667 Asante Parcel 1.16	35,744	1,100	400	1.1191
23641 Asante Phase 1	2,732,544	46,600	32,700	1.1967
23183 Ashton Ranch I	2,541,979	12,600	12,400	0.4878
23238 Ashton Ranch II	2,941,891	14,100	13,700	0.4657
23355 Ashton Ranch III	2,679,596	15,700	15,200	0.5672
23358 Ashton Ranch IV	2,665,665	11,400	11,100	0.4164
Autoshow East 1 #126 (Coulter Nissan)	0	0	0	0.0000
Autoshow East 3 #132 (Toyota)	0	0	0	0.0000
23682 Autoshow NW #114 SLID	2,736,975	500	0	0.0000
23468 Bell Pointe I	4,375,604	21,700	20,800	0.4754
23193 Bell West Ranch	1,683,806	7,400	7,600	0.4514
23323 Bell West Ranch 1A	2,307,652	10,400	10,300	0.4463
23351 Bell West Ranch 1B	1,404,980	7,100	7,300	0.5196
23424 Bell West Ranch II	2,489,259	9,700	9,500	0.3816
23461 Bell West Ranch III	2,317,377	9,800	9,900	0.4272
23660 Cactus Ward LDS NONTAX	0	0	0	0.0000
23194 Canyon Ridge West	8,923,695	12,200	11,700	0.1311
23537 City @ Surprise Ph 1	2,218,753	7,700	7,600	0.3425
23125 Continental at Kingswood Parke	3,971,558	11,700	11,400	0.2870
23456 Cotton Gin	2,964,847	14,600	21,600	0.7285
23330 Countryside	7,737,816	29,000	32,700	0.4226
23590 Desert Oasis Lancer 5 A5B14A	2,335,860	28,000	27,100	1.1602
23450 Desert Oasis No. 1	4,566,562	19,100	19,000	0.4161
23700 Desert Oasis Pcl 13A	321,842	7,000	3,800	1.1807
23706 Desert Oasis Pcl 14C	120,500	7,000	1,400	1.1618
23258 Greenway Parc #1	3,120,079	18,200	17,600	0.5641
23329 Greenway Parc #2	2,795,140	15,300	15,000	0.5366
23268 Greenway Parc #3	726,116	5,700	5,700	0.7850
23525 Greer Ranch North Ph1	3,877,190	24,600	23,200	0.5984
23555 Greer Ranch North PH2	1,446,355	6,700	6,600	0.4563
23460 Greer Ranch South	9,987,916	41,700	39,200	0.3925
23644 Johnson Townhomes	402,620	1,200	1,600	0.3974
23469 Kenly Farms	2,956,199	11,200	10,900	0.3687
13980 Kingswood Parke	9,402,787	34,800	33,200	0.3531
23319 Legacy Parc	5,842,764	23,800	22,600	0.3868
23356 Legacy Parc G,H,I	2,493,226	14,200	13,800	0.5535
23419 Legacy Parc Parcels e, f, & j	2,932,262	10,000	9,900	0.3376
23449 Litchfield Manor	13,445,142	50,700	48,400	0.3600
23457 Marley Park I, p 1-4	5,972,050	26,900	25,800	0.4320
23521 Marley Park Ph 1, P 5, 6	3,317,349	16,500	15,900	0.4793
23512 Marley Park Ph 1, P 7, 8	2,717,425	10,400	10,200	0.3754
23566 Marley Park Ph 2, 9,11,12	2,373,872	13,800	15,200	0.6403
23135 Mountain Vista	7,201,000	18,500	17,700	0.2458
23191 Mountain Vista II	6,828,283	11,400	11,200	0.1640
23239 Mountain Vista III	4,872,611	17,100	16,500	0.3386
23267 Northwest Ranch #1	3,871,322	8,300	8,200	0.2118



**Street Light Improvement Districts
Expense Estimates and Levy Rates
Fiscal Year 2015**

County Number \ City District Name By Assessment Type	Net Assessed Value ¹	Estimated Expenses	Levy Amount	Levy Rate ²
Ad Valorem				
23335 Northwest Ranch II	5,021,527	24,300	23,300	0.4640
23409 Orchards 1,2,3,4,5	7,421,308	28,200	26,700	0.3598
23686 Paradise #117 NONTAX	437	0	0	0.0000
23417 Parke Row	718,346	2,900	3,100	0.4315
23661 Quick Trip # 410	275,443	800	0	0.0000
23390 Rancho Gabriella - Phase I	7,847,548	27,300	26,300	0.3351
23401 Rancho Gabriella 2,3,4A-B	16,865,791	56,900	53,900	0.3196
23487 Rancho Gabriella Ph 2 pcl 11	946,580	3,500	3,700	0.3909
23536 Rancho Gabriella PH 3 pcl 17	1,027,780	3,500	3,500	0.3405
23336 Roseview Units 1-6	8,003,651	35,200	33,500	0.4186
23333 Roseview Units 5, 5a, 7, 8	4,946,426	18,800	18,000	0.3639
23542 Royal Ranch Unit 2, P7	1,854,630	6,400	0	0.0000
23524 Royal Ranch Unit 2, pcl 8	1,216,440	5,500	13,300	1.0934
23506 Royal Ranch Unit II, pcl 5,6,9	6,126,941	19,100	35,100	0.5729
23673 Santa Fe Ave #111	634,888	1,300	1,600	0.2520
23591 Sarah Ann Ranch	13,015,555	57,400	53,700	0.4126
23455 Sierra Montana Parcel 12	1,220,950	8,000	8,000	0.6552
23668 Sierra Montana Parcel 14	1,998,010	10,000	9,600	0.4805
23581 Sierra Montana Parcel 7	677,000	3,500	3,200	0.4727
23448 Sierra Montana Phase II	11,417,965	37,400	35,600	0.3118
23510 Sierra Verde Parcel 4	1,336,850	3,300	3,600	0.2693
23467 Sierra Verde Ph I	8,036,085	36,100	33,900	0.4218
23458 Summerfield @ Litchfields	1,089,442	5,000	5,200	0.4773
23110 Sun City Grand (DW)	37,220,429	268,400	244,500	0.6569
23174 Sun City Grand II	103,387,128	464,000	421,300	0.4075
23184 Sun City Grand III	5,013,100	30,800	28,000	0.5585
23338 Sun City Grand IV	71,336,249	152,300	138,800	0.1946
23414 Surprise Farms 1A	10,973,596	39,400	37,400	0.3408
23444 Surprise Farms 1B	12,402,276	58,100	54,700	0.4410
23498 Surprise Farms Ph 2	9,925,150	42,700	40,300	0.4060
23517 Surprise Farms Ph 3	6,246,576	35,800	34,100	0.5459
23582 Surprise Farms PH 4, Par 1-6	8,217,592	30,500	28,900	0.3517
23654 Surprise Farms Phase 5	4,335,986	13,900	13,300	0.3067
23683 Surprise Medical Plaza SLID	613,552	3,200	2,000	0.3260
23645 Surprise Pointe CommI Subdivision	9,876,500	12,300	12,900	0.1306
23653 Surprise Valley Station (Trader Joe's)	493,388	1,100	800	0.1621
23563 Sycamore Estates Par 13	3,455,948	24,100	23,200	0.6713
23405 Tash/Western Meadows	3,073,310	13,600	13,700	0.4458
23470 Veramonte	4,260,142	24,400	23,200	0.5446
23663 Westfield Commons	1,758,134	500	0	0.0000
23124 WestPoint Towne Center	15,778,432	64,700	57,100	0.3619
Total Ad Valorem	570,723,294	2,359,600	2,224,600	



**Street Light Improvement Districts
Expense Estimates and Levy Rates
Fiscal Year 2015**

County Number \ City District Name By Assessment Type	Net Assessed Value ¹	Estimated Expenses	Levy Amount	Levy Rate ²
Equal Apportionment				
23708 Autoshow East 2 #127 (L Miller Dodge)	869,273	1,300	1,400	1,400.00
23670 Commerce Park East #109 SLID	2,569,670	3,800	0	0.00
23671 Coyote Lakes #95 SLID	11,240,921	34,100	31,600	41.41
23662 Crescent Crown #82	3,029,334	2,100	2,500	1,250.00
23676 Kingswood Parke #105 SLID	390,042	1,700	2,100	44.68
23666 Marley Park Parcel 12	1,191,890	12,400	14,300	91.08
23665 Marley Park Plaza #91	2,007,875	1,300	0	0.00
23702 OTS Commercial B #123	696,465	2,100	6,300	1,575.00
23693 OTS Market Street #121	0	600	0	0.00
23674 Parkview Place #112	842,420	2,300	2,800	466.66
23434 Royal Ranch Unit I	6,312,908	20,000	19,100	37.01
23418 Sierra Montana Phase 1a	15,878,218	59,100	50,400	36.07
23692 Skyway Business Park #92	13,200,952	15,800	15,000	217.39
23669 Stadium Village Small A #107	5,407,194	7,100	4,900	700.00
23672 Stonebrook #103	1,486,770	4,700	3,900	23.77
23659 Surprse Farm Chrch 84 NONTAX	0	0	0	0.00
23694 Westgate #122	164,521	700	800	800.00
Total Equal Apportionment	65,288,453	169,100	155,100	
Grand Total	636,011,747	2,528,700	2,379,700	

¹ Net Assessed Value based on Maricopa County Assessor's Office 2014 February State Abstract report.

² Levy rate per \$100 of assessed value for Ad Valorem assessments. Dollar levy per parcel for Equal Apportionment assessments.

CITY OF SURPRISE, ARIZONA
COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES
EFFECTIVE JUNE 25, 2013

Introduction

The City Council's Strategic Plan Framework, goals and objectives provide the foundation for the comprehensive financial management policies. The City's comprehensive financial policies provide the roadmap to achieve financial resiliency and demonstrate the City's commitment to sound financial management practices. As defined by the Government Finance Officers Association (GFOA), the City Council strives to build a financially resilient government through financial policies and long-term financial planning. The GFOA has identified eight characteristics of a financially resilient government:

1. Diversity: Avoid reliance on a single solution.
2. Redundancy: Avoid having only one path of rescue.
3. Decentralization: Centralized systems look strong, but failure is catastrophic.
4. Transparency: Make it easier to figure out where a problem may lie. Share plans and listen when people point out flaws.
5. Collaboration: Working together to become stronger.
6. Fail Gracefully: Failure happens. Make sure failure won't make things worse.
7. Flexibility: Be ready to change when plans aren't working. Don't expect stability.
8. Foresight. Think and prepare.

Financial policies contribute to increased public confidence and trust as well as provide clear direction to City staff concerning the diligence and stewardship with which public monies are to be managed. Adopted financial policies show our citizens, the credit rating industry, and prospective investors (bond buyers) the City's commitment to financial resiliency. These policies are presented in the following five areas:

1. Operating Management
2. Capital Management
3. Debt Management
4. Minimum Fund Balance
5. Financial Reporting

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial resiliency.
 2. The budget shall be considered balanced if revenues plus use of fund balance are equal to or exceed total expenses, by fund. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints.
 3. The City Budget is adopted by department within the General Fund, by project in the capital funds, and by fund in total for all other funds.
 4. The full time equivalent (FTE) position count is adopted by department within the General Fund and by fund in total for all other funds.
 5. Long-range financial plans will be prepared to guide the City and ensure the delivery of needed services due to changes in the economy, service demands, and capital improvements.
 6. Regional considerations and intergovernmental relationships will be evaluated to fund both operating services and capital projects.
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APPENDIX

Comprehensive Financial Management Policies



7. The City Council will consider citizen input and review the operating and capital budget recommendations from an outcome and goals perspective.
 8. A diversified revenue system will be developed to protect City services.
 9. The City Council will set the amount to be received from primary property taxes annually. The amount is limited to 102% of the prior fiscal year's maximum allowable levy plus new construction and reimbursement for the prior calendar year's tort liability payments.
 10. To ensure that the City does not become overly reliant on "one-time" revenues for operating needs, the first \$1.25 million received in revenues from the 2.2% transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in General Capital Fund and will be used to fund the Capital Improvement Plan.
 11. The City currently imposes an additional 1.5% transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.
 12. The City currently imposes a 2.52% transaction privilege tax on transient lodging. The 2.52% tax rate is then split, with 1.52% recorded in the Tourism Fund to be used for promoting tourism and 1.0% recorded in the General Fund. Of the 1.52% recorded in the Tourism Fund, 0.52% is restricted by A.R.S. §9-500.06 and 1.0% has been committed by City Council to be used for promoting tourism. Of the amount recorded in the Tourism Fund the Tourism Advisory Board has designated that 60% is spent for special events and 40% is spent for marketing, planning and capital.
 13. Water, Wastewater, and Solid Waste user fees and charges will be examined annually to ensure they recover all direct and indirect costs of service and will be approved by the City Council.
 14. All user fees (excluding water, wastewater, and solid waste) will be examined periodically to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.
 15. Grant funding will be considered to leverage City funds and requires City Council approval prior to acceptance. In situations where the timing does not permit City Council approval prior to acceptance, the grant funding will be approved by the City Manager.
 16. Cash and investment programs will be maintained in accordance with the State law and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.
 17. Employee compensation and benefits will be administered in accordance with the policy given by the City Council. Healthcare costs will be shared between the City and employees and this allocation will be evaluated annually.
 18. The Healthcare Self-Insurance Trust Fund was created under the authority of Arizona Revised Statute Section 11-981. The Board of Trustees is charged to administer the trust fund and "make recommendations to the City Council regarding trust fund programs, including amount of appropriations to assure stability and security of the trust fund."
 19. An actuarial evaluation will be performed annually to determine the Incurred but Not Reported (IBNR) claim liability. This amount is required by accounting practices and represents the cost of unpaid claims (claims run-out), assuming the City stops being self-insured.
 20. The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
-

21. The City will maintain a methodology for allocating the City's indirect costs to service departments. A consultant will be hired to update the plan periodically.
22. All cash transfers between funds must be approved by City Council. Transfers to record capital assets within operating funds are not presented to the City Council as these are administrative in nature.
23. All initial interfund loans must be approved by City Council.
24. All use of budgetary contingency accounts must be approved by City Council prior to being expended.

Capital Management Policies

25. The City shall use an integrated approach to capital planning and financing in preparing a five-year Capital Improvement Plan. Only the first year of the plan will be adopted by the City Council.
26. The Capital Improvement Plan will include funding to support repair and replacement of capital equipment and infrastructure. A high priority should be placed on those items where deferring maintenance will result in greater cost to restore or replace.
27. Proposed capital projects will be prioritized based on the City Council's goals and objectives, the General Plan, and master plans.
28. Future operating, maintenance and replacement costs associated with new capital improvements will be included as a schedule within the annual budget document. Capital project will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.
29. The first \$1.25 million received in revenues from the 2.2% transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in General Capital Fund and will be used to fund the Capital Improvement Plan.
30. The City currently imposes an additional 1.5% transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.
31. As permitted by State law, the City shall maintain a financial structure to ensure future development pays for itself and is not a burden on existing residents (i.e. "growth pays for growth"). Elements of this financial structure include impact fees, development agreements, Improvement Districts (IDs) and Community Facility Districts (CFDs).
32. Impact fees for infrastructure attributable to new development will be reviewed at least every other year to ensure that fees recover all direct and indirect development-related expenses, as permitted by state law and will be approved by the City Council.

Debt Management Policies

33. The City shall periodically report on measurable steps taken while striving towards achieving and then maintaining the highest bond ratings in order to minimize borrowing costs, preserve access to credit, and demonstrate excellent financial stewardship by the City to our taxpayers and residents.
 34. An analysis showing how a new debt issue combined with current outstanding debt impacts the City's debt capacity and conformance with City debt policies will accompany every proposal.
 35. General Obligation debt, which is supported by property tax revenues, will be utilized as authorized by voters. Other types of voter-approved debt (e.g. water and wastewater) may also be utilized when they are supported by dedicated revenue sources (e.g. fees and user charges).
-

36. Municipal Property Corporation, trust agreements and contractual debt, all of which are non-voter approved, will be utilized only when approved by City Council.
37. Improvement District (ID) and Community Facility District (CFD) bonds shall be permitted only when there is a general City benefit as defined and approved by the City Council.
38. Utility rates will be established to ensure the ratio of revenue to debt service meets bond indenture requirements.

Minimum Fund Balance Policies

39. Minimum fund balances are not intended to be spent. The purpose of the minimum fund balance is to ensure the City has adequate resources to meet its needs. If the necessity arises to draw down a fund balance below the minimum requirements that have been set, a plan to replenish the minimum fund balance will be presented to the Council for approval.
40. Minimum fund balance requirements will be evaluated annually for long-term adequacy and use requirements.
41. There is no affect on the presentation of fund balance on the face of the financial statements within the Comprehensive Annual Financial Report (CAFR). The minimum fund balance policy will be disclosed within the notes of the CAFR.
42. The City has formally adopted a minimum fund balance policy for the following governmental funds:
 - a. The minimum spendable fund balance in the General Fund is updated annually by calculating an average of budgeted personnel, supplies and services expenses over a two month period for that year's Council Adopted Budget.
 - b. General Capital Fund of \$1.0M
 - c. Transportation Improvement Fund of \$0.5M
 - d. Street Light Improvement Districts (SLIDs). SLIDs have a maximum levy limit of \$1.20 per \$100 of assessed valuation in accordance with A.R.S. 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of 5% of its budgeted annual expenses.
 - e. Tourism Fund of \$5,000.
43. Minimum spendable net asset balances for the proprietary funds:
 - a. Within the Water, Waste water, and Solid Waste Funds, spendable net assets are to be maintained at an amount equal to the average budgeted personnel, supplies and services expenses over a two month period for that year's Council Adopted Budget.
 - b. Within the Water, Waste water, and Solid Waste Funds, an amount will be maintained for repair and replacement at a minimum of 2% of all tangible capital assets of the system.
 - c. The Risk Management Fund will maintain spendable net assets at an amount that, together with purchased insurance policies, will adequately indemnify the City. An actuarial evaluation will be performed periodically to recommend appropriate funding levels, which will be approved by the City Council.
 - d. The Healthcare Self-Insurance Trust Fund will maintain net assets at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The City has established an Adverse Times Reserve. The purpose of this reserve is to address cash flow needs caused by periods in which claim payments exceed projections. The target amount of this reserve is at least ten percent of expected annual claims.

Financial Reporting Policies

44. The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and the standards of the Governmental Accounting Standards Board (GASB).

45. An annual audit will be performed by an independent public accounting firm. The City will prepare a Comprehensive Annual Financial Report (CAFR) with the objective of receiving an unqualified ("clean") audit opinion. The independent auditor will present and discuss audit findings regarding internal controls and operational issues at a public meeting.

CAFR Fund Balance Reporting

1. The hierarchy from least spendable to most spendable fund balance for governmental funds of the City shall be: nonspendable, restricted, committed, assigned and unassigned. When funds are available from multiple classifications of fund balance to meet the City's obligations, it is the City's policy to charge the least spendable fund balance available.
 2. Nonspendable and restricted fund balances are determined solely by the nature of the fund balance itself.
 3. Committed fund balance represents amounts that have been constrained to a specific use by the formal action of the City's highest level of decision-making authority, the City Council. A majority vote of the City Council is necessary to establish, modify or rescind a fund balance commitment.
 4. The City has elected the following commitments of fund balance to be standardized from year to year.
 - a. A commitment for repair and replacement of general government vehicles and other rolling stock will be maintained based upon lifecycle replacement plans prepared annually. This commitment shall be maintained in the Vehicle Replacement Fund.
 - b. A commitment of a 1.5% construction sales tax to be used solely for the purposes of paying costs related to new roadways and to refurbish existing transportation corridors, to be maintained in the Transportation Improvement Fund (Ordinance No. 05-13).
 - c. In addition to the 0.52% transient lodging tax restricted by state statute a commitment of a 1.0% transient lodging tax will be used to promote tourism and be maintained in the Tourism Fund (Ordinance No. 2010-04).
 5. In order to be reported as committed fund balance in the CAFR the City Council must approve the commitments prior to June 30th. However, the amount of the commitment may be determined after June 30th.
 6. Amounts that have been constrained by the City's intent to be used for a specific purpose and are neither restricted nor committed are reported as assigned fund balance. The City Council has designated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer (CFO).
46. The City's CAFR will be submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.
47. The City's Budget will be submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.
48. A monthly financial report will be presented to the City Council.

BUDGET AMENDMENT POLICIES AND PROCEDURES

A. Purpose

The following policy and procedures are established to implement a consistent and efficient process by which the adopted city budget may be amended.

B. Policy

Throughout the course of the fiscal year, amendments to the budget are necessary to address new issues, increased prices, and changes in scope of existing projects. This policy applies to all budget amendments initiated by the Mayor and City Council, the City Manager's Office, and/or departments. The Finance Department will process budget amendments in the financial management system, following appropriate authorization by the Mayor and City Council, the City Manager, or a Department Director.

Adopted Level of Budgetary Control

The budget is appropriated by department in the general fund. All other funds are appropriated in total; and the Capital Improvement Plan (CIP) is appropriated by project.

C. Procedure

1. The requesting department shall prepare and submit to the Budget Manager with a copy to the respective budget liaison in the Finance Department:
 - a. The Budget Amendment Request form (must include the department director signature) including the description/background, budget amendment type, Council action information, and financial impact statement,
 - b. The draft Budget Amendment Resolution, and
 - c. The Budget Amendment Entry form.
2. The budget liaison shall review the request for availability of budget to be amended, appropriate authorization level, accuracy, and general reasonableness. The budget liaison shall communicate any questions or comments to the department and recommend revisions as necessary. The budget liaison shall then advance the request to the Budget Manager if approved.
3. The Budget Manager shall review and approve the request by signing the Budget Amendment Request form. The form shall then be advanced for the next approval as appropriate.
 - a. Requests requiring Chief Financial Officer approval shall be reviewed and approved by signing the Budget Amendment Request and returning to the Budget Manager.
 - b. Requests requiring City Manager approval shall be reviewed and approved by signing the Budget Amendment Request form and returning such form to Finance.
 - c. Amendments requiring Mayor and City Council approval shall be returned to the submitting department to initiate a Request for Legal Services and City Council agenda item.
4. Upon approval of the budget amendment request, the Finance Department shall execute the amendment in the financial management system and notify the requesting department of completion.

D. Authorization Levels:

Type of Amendment	Category	Sub-Category	Authorization
Between Funds	All	All	Mayor and City Council
Between Departments (in general fund)	All	All	Mayor and City Council
Grants	Revenue Expense	Establishment of a grant budget	Mayor and City Council
Personnel	Full Time Personnel	Between divisions	Department Director
		Between part time and full time (no change in total FTE)	City Manager
		To/from any other category (Change in total FTE)	Mayor and City Council
Commodities/Supplies Contractual Services	Within a Department	Between divisions or within a division	Department Director
Capital	Non-CIP or minor CIP	Between divisions	City Manager
	Major CIP (including change in total amount and/or change in scope)	All	Mayor and City Council
Contingency	All	All	Mayor and City Council
Targeted Savings	All	All	Chief Financial Officer

E. Relationship to Previously Established Policy

No qualifying statement, previously established rules or procedures shall be used to negate the spirit or intent of this statement of policy.

APPENDIX

Summary of Major Funds



MAJOR GOVERNMENTAL GENERAL FUND

	FY2013 Actual	FY2014 Estimate	FY2015 Budget
Sources			
Local Sales Tax	32,129,640	33,956,700	35,792,200
State Shared	25,638,406	27,428,200	29,099,200
Charges for Services/Other	10,947,424	9,788,800	10,255,600
Property Tax	6,294,185	6,406,700	6,513,600
Franchise Fees	4,771,649	5,292,400	5,522,800
Transfers In	4,729,222	5,814,700	5,823,000
Total Revenue	84,510,525	88,687,500	93,006,400
Uses			
Operating Expenses			
Community & Recreation	12,620,752	14,140,700	15,934,700
Community Development	5,831,803	7,025,500	4,094,900
General Government	11,585,772	10,709,800	20,306,200
Public Safety	35,047,202	37,495,900	42,172,600
Public Works	5,155,829	6,155,300	6,857,400
Capital Projects	27,546	-	-
Debt Service	(22,800)	-	-
Contingency	-	-	12,070,000
Transfers Out	1,533,198	1,534,200	4,500,000
Total Expenditures	71,779,302	77,061,400	105,935,800

NON-MAJOR GOVERNMENTAL FUNDS

	FY2013 Actual	FY2014 Estimate	FY2015 Budget
	5,986,008	4,552,500	6,434,000
	6,833,350	7,043,000	7,358,400
	6,707,989	36,866,500	15,300,500
	3,049,974	2,894,300	3,134,500
	-	-	-
	3,898,966	7,176,800	6,968,900
	26,476,288	58,533,100	39,196,300
	589,253	1,001,700	868,300
	1,771,854	2,353,100	2,083,200
	1,965,135	1,941,600	5,378,700
	1,197,697	1,414,600	3,126,000
	10,240,205	10,762,000	14,505,000
	1,242,975	3,018,300	18,279,600
	4,038,650	21,482,000	4,642,800
	-	-	43,578,100
	2,365,767	5,642,600	2,468,900
	23,411,536	47,615,900	94,930,600

MAJOR PROPRIETARY WASTEWATER OPERATIONS FUND

	FY2013 Actual	FY2014 Estimate	FY2015 Budget
Sources			
Charges for Services/Other	16,253,548	16,293,500	16,469,000
Transfers In	-	-	-
Total Revenue	16,253,548	16,293,500	16,469,000
Uses			
Operating Expenses			
Community Development	234,819	270,100	-
General Government	67,188	-	327,900
Public Safety	-	-	-
Public Works	13,109,631	7,656,900	10,155,900
Capital Projects	1,307,339	494,900	5,809,700
Debt Service	(265,323)	-	-
Contingency	-	-	19,555,700
Transfers Out	2,030,890	2,271,300	2,263,300
Total Expenditures	16,484,544	10,693,200	38,112,500

NON-MAJOR PROPRIETARY FUNDS

	FY2013 Actual	FY2014 Estimate	FY2015 Budget
	31,350,998	46,063,300	39,087,000
	4,082,607	10,183,100	10,230,900
	35,433,605	56,246,400	49,317,900
	38,195	477,000	-
	10,198,772	11,058,100	12,122,700
	22,732	-	-
	14,136,053	12,446,900	14,910,800
	718,778	1,031,800	9,197,700
	2,295,692	16,100,800	10,157,500
	-	-	35,481,500
	6,780,939	13,726,500	13,790,600
	34,191,160	54,841,100	95,660,800

TOTAL ALL FUNDS

	FY2013 Budget	FY2014 Estimate	FY2015 Budget
Sources			
Local Sales Tax	38,115,648	38,509,200	42,226,200
State Shared	32,471,756	34,471,200	36,457,600
Charges for Services/Other	65,259,959	109,012,100	81,112,100
Property Tax	9,344,159	9,301,000	9,648,100
Franchise Fees	4,771,649	5,292,400	5,522,800
Transfers In	12,710,795	23,174,600	23,022,800
Total Revenue	162,673,965	219,760,500	197,989,600
Uses			
Operating Expenses			
Community & Recreation	13,210,005	15,142,400	16,803,000
Community Development	7,876,670	10,125,700	6,178,100
General Government	23,816,866	23,709,500	38,135,500
Public Safety	36,267,631	38,910,500	45,298,600
Public Works	42,641,718	37,021,100	46,429,100
Capital Projects	3,296,637	4,545,000	33,287,000
Debt Service	6,046,219	37,582,800	14,800,300
Contingency	-	-	110,685,300
Transfers Out	12,710,795	23,174,600	23,022,800
Total Expenditures	145,866,542	190,211,600	334,639,700

	FY2012 Adopted Budget	FY2013 Adopted Budget	FY2014 Adopted Budget	FY2015 Adopted Budget	Change FY2014 to FY2015
GENERAL FUND					
CITY COUNCIL	8.00	7.00	7.00	7.00	0.00
CITY MANAGER	4.00	13.20	15.20	21.10	5.90
INTERGOVT RELATIONS	1.00	0.00	0.00	0.00	0.00
LEGAL	14.00	14.00	14.00	15.00	1.00
CITY CLERK	4.00	4.00	4.00	4.00	0.00
FINANCE	27.00	24.00	26.50	30.20	3.70
HUMAN RESOURCES	11.00	10.00	10.00	11.00	1.00
INFORMATION TECHNOLOGY	26.00	24.00	24.00	25.00	1.00
PUBLIC INFORMATION	7.20	0.00	0.00	0.00	0.00
COMMUNITY DEVELOPMENT	34.80	33.50	40.00	43.30	3.30
CITY COURT	22.10	19.10	19.10	19.10	0.00
POLICE	183.00	179.88	182.00	184.00	2.00
EMERGENCY SERVICES (FIRE)	122.00	118.00	118.00	120.00	2.00
PARKS & RECREATION	100.50	96.80	110.00	122.10	12.10
PUBLIC WORKS	51.89	45.67	43.00	41.00	(2.00)
FUND TOTAL	616.49	589.15	612.80	642.80	30.00
HIGHWAY USER REVENUE FUND					
PUBLIC WORKS	44.56	40.29	39.00	41.00	2.00
FUND TOTAL	44.56	40.29	39.00	41.00	2.00
NEIGHBORHOOD REVITALIZATION FUND					
COMMUNITY DEVELOPMENT	1.00	2.00	0.00	0.00	0.00
FUND TOTAL	1.00	2.00	0.00	0.00	0.00
GRANTS AND CONTINGENCY FUND					
POLICE	0.00	0.62	0.00	0.00	0.00
FUND TOTAL	0.00	0.62	0.00	0.00	0.00
SPD TOWING FUND					
POLICE	1.00	0.50	0.00	0.00	0.00
FUND TOTAL	1.00	0.50	0.00	0.00	0.00
MUNICIPAL COURT JCEF FUND					
CITY COURT	0.00	0.00	0.00	1.00	1.00
FUND TOTAL	0.00	0.00	0.00	1.00	1.00
TRANSPORTATION IMPROVEMENT FUND					
PUBLIC WORKS	0.00	1.00	1.00	1.00	0.00
FUND TOTAL	0.00	1.00	1.00	1.00	0.00

*The FTE schedule presented is different than prior years due to the city undertaking a compensation and classification study in which titles and grades were finalized after the completion of the budget.

APPENDIX

Personnel Detail



	FY2012 Adopted Budget	FY2013 Adopted Budget	FY2014 Adopted Budget	FY2015 Adopted Budget	Change FY2014 to FY2015
WATER OPERATIONS FUND					
FINANCE	0.00	0.66	0.00	0.00	0.00
PUBLIC WORKS	32.57	28.74	25.00	24.00	(1.00)
FUND TOTAL	32.57	29.40	25.00	24.00	(1.00)
SEWER OPERATIONS FUND					
FINANCE	0.00	0.68	0.00	0.00	0.00
PUBLIC WORKS	36.48	35.62	36.20	37.20	1.00
FUND TOTAL	36.48	36.30	36.20	37.20	1.00
SANITATION OPERATIONS FUND					
FINANCE	0.00	0.66	0.00	0.00	0.00
PUBLIC WORKS	33.80	32.98	31.00	32.00	1.00
FUND TOTAL	33.80	33.64	31.00	32.00	1.00
RISK MANAGEMENT FUND					
HUMAN RESOURCES	2.00	2.00	2.00	2.00	0.00
FUND TOTAL	2.00	2.00	2.00	2.00	0.00
EMPLOYEE HEALTHCARE FUND					
HUMAN RESOURCES	1.00	1.00	1.00	1.00	0.00
FUND TOTAL	1.00	1.00	1.00	1.00	0.00
GRAND TOTAL	768.90	735.90	748.00	782.00	34.00

*The FTE schedule presented is different than prior years due to the city undertaking a compensation and classification study in which titles and grades were finalized after the completion of the budget.

GLOSSARY

Accrual Basis	A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.
ADA	Americans with Disabilities Act - A wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability. Disability is defined by the ADA as "a physical or mental impairment that substantially limits a major life activity."
ADOT	Arizona Department of Transportation - An Arizona state government agency charged with facilitating mobility within the state.
Adoption	Formal action by the Mayor and Council that sets the spending limits for the fiscal year.
ALF	Arizona Lottery Funds - State lottery funds shared with cities for the purposes of transportation and transit. Also included in this funding source is LTAF and LTAF II which are grants distributed to cities when and if all other funding requirements of state lottery funds are met.
AOC	Administrative Office of the Courts - The Arizona Constitution authorizes an administrative director and staff to assist the Chief Justice with administrative duties. Under the direction of the Chief Justice, the administrative director and the staff of the AOC provide the necessary support for the supervision and administration of all state courts.
Appropriation	Specific amount of monies authorized by the Mayor and Council for the purposes of incurring obligations and acquiring goods and services.
APS	Arizona Public Service – A utility provider of retail and wholesale electric services primarily in the state of Arizona.
ARRA	American Recovery and Reinvestment Act of 2009 - The primary objective for ARRA was to save and create jobs almost immediately. Secondary objectives were to provide temporary relief programs for those most impacted by the recession and invest in infrastructure, education, health, and 'green' energy.
Assessed Valuation	A value set upon real property by the County Assessor for the purpose of levying property taxes.
Automatic Aid	In emergency services, mutual aid (automatic aid) is an agreement among emergency responders to lend assistance across jurisdictional boundaries. Resources are dispatched by the nearest fire apparatus, regardless of which side of the jurisdictional boundary the incident is located.
AWWA	American Water Works Association - The association was established in 1881 and is the oldest and largest nonprofit, scientific and educational association dedicated to safe and sustainable water in the world. With more than 50,000 members worldwide and 43 Sections in North America, AWWA advances public health, safety and welfare by uniting the efforts of the entire water community.
AVL	Automatic Vehicle Locator – A device for automatically determining the geographic location of a vehicle.

AZPDES	Arizona Pollution Discharge Elimination System – A permit program for all facilities that discharge pollutants from any point source into waters of the United States (navigable waters) and requires the facility to obtain or seek coverage under an AZPDES permit.
AZStRUT	Arizona students recycling used technology - Formed in 1997 by founding sponsors Intel & Motorola, Arizona StRUT is a partnership between local schools and businesses, where students learn new skills by refurbishing used computer equipment. The equipment is then donated to schools and other qualified non-profit organizations throughout Arizona. Over 100 companies such as Intel, Avnet and APS currently donate hardware through the program.
AZ TechCelerator	A four building, nearly 60,000 square feet campus, serving as a business incubator. Designed to grow businesses by providing affordable space, tools and resources.
Base Budget	The ongoing expense for personnel, contractual services, commodities, to maintain service levels.
Bonds	Debt instruments that require repayment of a specified principal amount on a certain date (maturity date), along with interest at a stated rate or according to a formula for determining the interest rate.
Budget	Financial plan of estimated expenditures and anticipated resources adopted for a specific period of time outlining a plan for achieving Mayor and Council goals and objectives.
CALEA	Commission on Accreditation for Law Enforcement Agencies - The purpose of CALEA's programs is to improve the delivery of public safety services, primarily by: maintaining a body of standards, developed by public safety practitioners, covering a wide range of up-to-date public safety initiatives; establishing and administering an accreditation process; and recognizing professional excellence.
CAP	Central Arizona Project – CAP was designed to bring about 1.5 million acre-feet of Colorado River water per year to Pima, Pinal and Maricopa counties. CAP carries water from Lake Havasu near Parker to the southern boundary of the San Xavier Indian Reservation southwest of Tucson. It is a 336-mile long system of aqueducts, tunnels, pumping plants and pipelines and is the largest single resource of renewable water supplies in the state of Arizona.
Capital Expenditure	Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset.
Capital Items (Asset)	For a capital expenditure to qualify as a capital item or asset, it must meet all of the following requirements:(1) have an estimated useful life of greater than two years;(2) have a unit cost of \$10,000 or more; and (3) be a betterment or improvement.
Capital Projects Budget	The expenditures of revenues for major capital projects and items such as city buildings, parks, acquisition of land, major street construction, and reconstruction, water and sewer lines, and any other project which adds to the capital assets or infrastructure of the city.
Capital Project Funds	These funds account for resources providing for the acquisition or construction of capital facilities and items.

CAFR	Comprehensive Annual Financial Report - A CAFR is the financial report of a state, municipal or other governmental entity that contains at a minimum, three sections: introductory, financial, and statistical. Additionally, the financial section provides information on each individual fund and component unit.
CAWCD	Central Arizona Water Conservation District - The purpose of the CAWCD is to provide a mechanism for landowners and water providers to demonstrate an assured 100-year water supply.
CCTV	Closed-Circuit Television - The use of video cameras to transmit a signal to a specific place, on a limited set of monitors.
CD-ED	Community and Economic Development Department – The department provides development services, planning and zoning, building safety, code enforcement, neighborhood services, welcome center, and economic development. The department is charged with ensuring responsible planning within the current and future city limits, long-range transportation planning, and that new and existing structures are safe for occupancy.
CDBG	Community Development Block Grant – The grant program is administered by the U.S. Department of Housing and Urban Development and funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.
CDBG-R	Community Development Block Grant-Recovery- This is the grant portion of the Title XII of Division A of the American Recovery and Reinvestment Act of 2009 and appropriates \$1 billion to carry out the CDBG program under Title I of the Housing and Community Development Act of 1974 on an expedited basis. These funds will be distributed to grantees that received CDBG funding in Fiscal Year 2008 in accordance with the provisions of 42 U.S.C. 5306. The grant program under Title XII is commonly referred to as the CDBG Recovery (CDBG-R) program.
CDR	Community Development and Regulation - The rules and regulations governing the activities of community development programs are broken down into three categories: the Laws as enacted by Congress, the Regulations created by HUD to achieve the result prescribed by the Laws, and the Policy Memoranda that address specific instances and questions.
CFD	Community Facility District – A special assessment district established by the Mayor and Council to levy taxes to pay for new infrastructure improvements associated with growth.
CIP	Capital Improvement Plan – A plan that identifies: (a) all capital improvements which are proposed to be undertaken during a five fiscal year period; (b) the cost estimate for each improvement; (c) the method of financing each improvement; (d) the recommended time schedule for each project; and (e) the estimated annual operating and maintenance costs.
CMAQ	Congestion Mitigation and Air Quality – The program is a federally funded program of surface transportation improvements designed to improve air quality and mitigate congestion.

COBRA	Consolidated Omnibus Budget Reconciliation Act - COBRA gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events.
Contingency	Monies that have not been allocated to any specific purpose and may only be utilized after receiving Mayor and Council approval. In addition, it is a good budget practice to use this line item as a budget balancing mechanism ensuring that ending fund balance is zero. In accordance with A.R.S.§42-17102(A)(4), an amount must be budgeted for unanticipated contingencies or emergencies.
CTCA	Cancer Treatment Centers of America - CTCA is a private, for-profit operator of cancer treatment hospitals and outpatient clinics which provide both conventional and alternative medical treatments.
CRS	Community and Recreation Services –The department is responsible for recreational programming, sports tourism events, signature and community special events, recreational facility operations and ground maintenance of city parks.
CWA	Clean Water Act – The act establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
DEA	Drug Enforcement Administration – The DEA's mission is to enforce the controlled substances laws and regulations of the United States and bring to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States; and to recommend and support non-enforcement programs aimed at reducing the availability of illicit controlled substances on the domestic and international markets.
Debt Service	Payment of principal, interest, and related service charges on obligations resulting from the issuance of bonds.
Debt Service Funds	Funds that are used to account for the accumulation of resources and the payment of general long-term debt principal and interest.
DUI	Driving Under the Influence – The act of a person driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor, any drug, a vapor releasing substance containing a toxic substance or any combination of liquor, drugs or vapor releasing substances if the person is impaired to the slightest degree.
DVR	Digital Vehicle Repeater – DVR is a radio system component that provides repeater capability between portable subscribers and the RF base station infrastructure. It extends the portable radio coverage in areas where only mobile radio coverage is available and portable radio coverage is either intermittent or nonexistent.
ED7	Electrical District Number Seven- ED7 is an electrical district formed pursuant to Arizona Revised Statutes for the purpose of providing water and electricity to agricultural, municipal and industrial customers throughout Arizona.

EMOD	Experience modifier rate - EMOD is a premium modifier that reflects the loss experience of a policyholder compared with payroll exposure during the same time period. The modifier increases or decreases the current premium depending on how the actual exposure and losses, for the past three years, compares with expected losses for the same amount of exposure.
EMS	Emergency Medical Services - Provides basic and advanced life support services to the community 24 hours a day, seven days a week while maintaining compliance with the Arizona Department of Health Services mandates with personnel and equipment resources.
Encumbrance	A reservation of funds to cover purchase orders, contracts, or other funding commitments that are yet to be fulfilled. The budget basis of accounting considers an encumbrance to be the equivalent of an expenditure.
Enterprise Fund	Funds that are established to account for operations, including debt service that are financed and operated similarly to private businesses - where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.
Estimated Revenue	The amount of projected revenue to be collected during the fiscal year.
Expenditure	Represents a decrease in fund resources for the acquisition of goods or services.
Expenditure Limitation	An amendment to the Arizona State Constitution that limits annual expenditures of all municipalities. The Economic Estimates Commission sets the limit based upon population growth and inflation.
FARE	Fines/Fees and Restitution Enforcement – The program is a statewide initiative of the Arizona Judicial branch. The program was developed in 2003 to assist Arizona courts with the compliance of monetary court orders. Courts are given the ability to assign outstanding debt associated to civil traffic, criminal traffic and criminal violations. The program is a public/private partnership between the Administrative Office of the Courts, the Motor Vehicle Division, Arizona Department of Revenue and a private vendor.
FFE	Furniture, Fixtures, and Equipment – FFE is movable furniture, fixtures or other equipment that have no permanent connection to the structure of a building.
FMS	Financial Management Software – FMS is an information system used for collecting, processing, and reporting data about financial events.
FTE	Full Time Equivalent – Represents a conversion of hours worked to a count of positions. 2,080 hours worked annually equates to 1.0 full time equivalent position. The 2,080 hours may represent a single individual working 40 hours per week or the sum of two part time employees each working 20 hours per week.
Fiscal Year	Any period of twelve consecutive months that establishes the beginning and the ending of financial transactions. For the city of Surprise this period begins July 1 and ends June 30.
FMLA	Family and Medical Leave Act – FMLA is a United States federal law requiring covered employers to provide employees job-protected and unpaid leave for qualified medical and family reasons. Qualified medical and family reasons include: personal or family illness, family military leave, pregnancy, adoption, or the foster care placement of a child.

FY	Fiscal Year
Fund	A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
Fund Balance	As used in the budget, the excess of resources over expenditures. The beginning fund balance is residual funds brought forward from the previous fiscal year.
GAAP	Generally Accepted Accounting Principles - A collection of rules, procedures, and conventions that define accepted accounting practice; includes broad guidelines as well as detailed procedures.
General Fund	Primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, parks and recreation, community and economic development, general administration of the City, and any other activity for which a special fund has not been created.
GFOA	Government Finance Officers Association - The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.
GIS	Geographic Information Systems - is a system of hardware and software used for storage, retrieval, mapping, and analysis of geographic data.
GL	General Ledger – The central repository of the accounting information in which the summaries of all financial transactions are recorded. The repository tracks assets, liabilities, revenues, and expenditures.
G.O. Bond	General Obligation Bond - A bond that requires voter approval and finance a variety of public capital projects. The bond is backed by the “full faith and credit” of the issuing government.
Goal	A statement of broad direction, purpose, or intent on the needs of the community. A goal is general and timeless.
GPM	Gallons Per Minute - A unit of measurement that indicates the flow capabilities of a hydraulic component.
Grant	A contribution by the state or federal government or other organization to support a particular function.
HOA	Homeowners Association –A common interest organization to which all the owners of lots in a planned community or owners of units in a condominium must belong. The defining characteristics of all HOAs are all owners are automatically members, governing documents create mutual obligations, mandatory fees or assessments are generally levied against owners and used for the operation of the association, and owners share a property interest in the community.

HR	Human Resources – HR is the department that provides service and support to city departments in recruitment and selection, compensation and benefits, employee and organizational development, and employee relations.
HVAC	Heating, Ventilation And Cooling – The systems control the ambient environment (temperature, humidity, air flow, and air filtering)
HURF	Highway Users Revenue Fund - This revenue source consists of state taxes collected on gasoline, vehicle licenses, and a number of other additional transportation related fees. These funds must be used for street and highway purposes.
ICMA CPM	International City/County Management Association, Center for Performance Measurement - A results-oriented system that allows local governments to: 1) set appropriate targets and assess whether they are being met, 2) distinguish success from failure, 3) highlight accomplishments, and 4) demonstrate results to win support.
IDDE	Illicit Discharge Detection Elimination – The process to locate and resolve instances of discharges into a municipal separate storm sewer that are not composed entirely of stormwater.
Infrastructure	The large-scale public systems, services, and facilities that are necessary for economic activity, including water supplies, sewers, public buildings, parks, and roads.
IGA	Intergovernmental Agreement – A contract between governmental entities as authorized by State law.
Intergovernmental Revenue (Shared)	The funds received from federal, state and other local government sources in the form of grants, shared revenue, and payments in lieu of taxes. (e.g., state sales tax, state income tax, gasoline tax, motor vehicle license)
Internal Service Funds	Established to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, on a cost-reimbursement basis.
IS	Information Systems – Any combination of information technology and people's activities that support operations, management and decision making.
ISO	Insurance Services Office - ISO collects information on municipal fire-protection efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data using our Fire Suppression Rating Schedule. ISO then assigns a Public Protection Classification from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria.
IT	Information Technology - The use of computers and telecommunications equipment to store, retrieve, transmit and manipulate data.
ITS	Intelligent Transportation System – ITS is the application of advanced sensor, computer, electronics, and communication technologies and management strategies to improve the safety and efficiency of the surface transportation.
LAN	Local Area Network – A computer network that interconnects computers in a limited area.

LIS	Land Information System - A system that designed specifically to create, visualize, analyze, report and publish land-based data such as parcel information, zoning, land use, ownership and general property information.
Long Term Debt	Debt with a maturity of more than one year after the date of issuance.
LTAF	Local Transportation Assistance Fund—State lottery funds shared with cities for the purposes of transportation and transit. Also included in this funding source is LTAF II which are grants distributed to cities when and if all other funding requirements of state lottery funds are met.
MAG	Maricopa Association of Governments - An association of governments that represents the bulk of the metropolitan area of Phoenix, Arizona and is responsible for developing policy in the areas of regional development and transportation, air and water quality, and human services.
Maint	Maintenance – The purpose of maintaining equipment and facilities in satisfactory operating condition by providing for systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects.
Management Indicators	A measurable means of evaluating impact of budget on achieving stated objects.
MCDOT	Maricopa County Department of Transportation - Plans, designs, constructs, and maintains roadways within the county's unincorporated areas.
MCT	Mobile Computer Terminal – A mobile computer system that provides full system access through wireless mobile data terminals.
Membrane Treatment Process	Membrane technology utilizes a semipermeable membrane for the separation of suspended and dissolved solids from water.
MGD	Millions of Gallons per Day – MGD is a rate of flow of water equal to 133,680.56 cubic feet per day, or 1.5472 cubic feet per second, or 3.0689 acre-feet per day. A flow of one million gallons per day for one year equals 1,120 acre-feet (365 million gallons).
MHZ	Megahertz - A measurement of transmission frequency, either over the airwaves or through a copper wire; also, a measurement of the clock speed on a computer. One megahertz is one million times a second.
MOU	Memorandum of Understanding. Refers to agreements negotiated with the Police and Fire labor associations.
MPC	Municipal Property Corporation - A non-profit corporation established for issuing debt to purchase municipal facilities and equipment that it leases to the city.
MS4	Municipal Separate Storm Sewer System – A system of conveyances (including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains). An MS4 is owned by a state, city, town, village, or other public entity that discharges to waters of the U.S., designed or used to collect or convey stormwater (including storm drains, pipes, ditches, etc.), not a combined sewer, and is not part of a publicly owned wastewater treatment plant.

MWD	Maricopa Water District - The district was formally organized in 1925, as a political subdivision, and latter an irrigation and water conservation district under Arizona state statutes was successfully completed in 1927. MWD is the only privately financed reclamation project of its kind and provides water and power to service an area of approximately 60 square miles.
O&M	Operation and Maintenance - The day-to-day operating and maintenance cost of a municipality including such things as personnel, gas, electric utility bills, telephone expense, reproduction costs, postage, and vehicle maintenance.
Operating Budget	A budget for the delivery of ongoing city services, to include expenditures such as personal services, contractual services, commodities, and operating capital items.
OSHA	Occupational Safety and Health Administration - OSHA is an agency of the United States Department of Labor. OSHA's mission is to "assure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education and assistance.
P&R	Parks and Recreation Development - The parks and recreation development fee fund was established to account for the inflow of parks and recreation development fees levied on new residential construction.
Permanent Adjustment of Expenditure Base	Any city or town can permanently adjust its State imposed expenditure limitation base if a majority of the qualified electors voting on the issue at a regular city/town election vote in favor of the adjustment. A base adjustment may be referred to the voters by an affirmative vote of two-thirds of the members of the city/town council, or qualified electors of the city/town may propose an adjustment through the initiative process.
Performance Measures	Measurable means of evaluating the effectiveness of an activity, department, or division in achieving its objectives, goals, or policy.
PILOT	Payment in Lieu of Taxes – The payments made to compensate a local government for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property.
PM	Particulate Matter - The small, distinct solids suspended in a liquid or gas.
PPE	Personal Protective Equipment – PPE refers to protective clothing, helmets, goggles, or other garment designed to protect the wearer's body from injury by blunt impacts, electrical hazards, heat, chemicals, and infection, for job-related occupational safety and health purposes.
Primary Property Tax	A limited tax levy used for general government operations. State statute restricts the total levy to a 2% annual increase plus an increase for any new construction and / or annexation.
Pro Tempore (Pro Tem) Judge	A pro tempore judge is a judge who serves or expects to serve once or only sporadically on a part-time basis under a separate appointment for each period of service.
Property Tax Rate	The amount of tax levied for each \$100 of assessed valuation.

PW	Public Works - The divisions of the Public Works Department funded by the general fund include: vehicle maintenance, facilities management, sustainability, engineering development, and storm water services. Other divisions and funds managed by the Public Works Department and detailed on separate pages include streets and transportation funded by the highway user revenue fund (HURF), transit funded by the transit fund, and water, wastewater, and sanitation.
Reserves	Money that has been set aside in the event of revenue shortfalls.
Resources	Total monies available for appropriation purposes to include revenues, fund balances, transfers, and other financing services (i.e. bond proceeds).
Revenue Bond	Bonds that are backed by revenues from a specific system (i.e. Water and Sewer Revenue Bonds are payable from water and sewer revenues).
Revenue	Resources achieved from taxes, user charges/fees, and other levels of government.
RFP	Request for Proposal - A RFP is a formal invitation to a potential respondent to submit a proposal to provide a good or service to fulfill a need that the city has identified.
ROW	Right of Way - A general term denoting land, property, or interest therein, usually in a strip, acquired for or devoted to transportation purposes.
RPTA	Regional Public Transportation Authority - The Arizona Legislature passed a law enabling the citizens of Maricopa County to vote in 1985 on a sales tax increase to fund regional freeway improvements and to provide for the creation of the Regional Public Transportation Authority.
SB 1598	Senate Bill 1598 –This is a “Regulatory Bill of Rights” that grants regulated private parties a series of rights in their dealings with cities, counties, and flood control districts. The bill imposes significant obligations on municipalities regarding applications for permits and licenses, as well as the protocol of compliance inspections.
SCBA	Self-Contained Breathing Apparatus - An atmosphere-supplying respirator for which the breathing air source is designed to be carried by the user.
SPA	Special Planning Area - Designated areas within a city of Surprise planning area designed to ensure that land resources are utilized efficiently and that the community’s long-term development needs are addressed. The goal of each SPA is to ensure a balanced mix of land uses, adequate support resources, proper ratio of people to jobs, and an efficient and effective multi-modal transportation network. There are six SPAs in the city of Surprise.
SPD	Surprise Police Department – The department, in partnership with the community, provides the delivery of progressive crime prevention and protection.
Secondary Property Tax	Voter approved tax levy that can only be used to retire general bonded debt obligations.
Special Revenue Funds	Used to record the receipt of funding from specific revenue sources (other than special assessments, trusts, or major capital projects) which are legally restricted to expenditure for specific purposes.

SLID	Streetlight Improvement District - Special taxing district established to pay the costs of electricity associated with streetlights within a specific sub-division. Tax rate is limited to a maximum of \$1.20 per \$100 of assessed value.
SPM	Street Preservation and Maintenance Program - Road preservation for all city streets including repair, crack sealing, fog seal with seal master, mill and overlay, and reconstruction.
SR	State Route - A broad highway designed for high-speed traffic.
SWPPP	Stormwater Pollution Prevention Plan - A plan that describes the strategies and steps that will be taken to prevent nonpoint source pollution discharging from a construction/industrial site into a municipal storm sewer system.
Tax Levy	The total amount to be raised by general property taxes for purposes specified in the Tax Levy ordinance.
TE	Traffic Engineering – The division is responsible for the operations of the intelligent transportation system, traffic signal service and maintenance, traffic signs and markings service and maintenance, and traffic engineering, planning, management, and control services.
TTHM	Total Trihalomethanes – Is the total concentration of the four chief constituents (chloroform, bromoform, bromodichloromethane, and dibromochloromethane). Trihalomethanes are formed as a by-product predominantly when chlorine is used to disinfect water for drinking. They represent one group of chemicals generally referred to as disinfection by-products. They result from the reaction of chlorine and/or bromine with organic matter present in the water being treated.
Transfer	An inter-fund transaction where one fund contributes resources to another fund where the resources are expended.
Trust Fund	Used to account for resources held by the city as a trustee for a private party such as volunteer firefighters' pension boards.
Turn key	Supplied, installed, or purchased in a condition ready for immediate use, occupation, or operation.
UASI	Urban Areas Security Initiative - UASI provides funding support for target-hardening activities to nonprofit organizations that are at high risk of terrorist attack and are located within one of the specific UASI-eligible Urban Areas.
UCR	Uniform Crime Reports – The UCR are official data on crime in the United States, published by the Federal Bureau of Investigation. UCR is a nationwide, cooperative statistical effort of nearly 18,000 city, university and college, county, state, tribal, and federal law enforcement agencies voluntarily reporting data on crimes brought to their attention.
USTA	United States Tennis Association – The USTA is the national governing body for the sport of tennis and the recognized leader in promoting and developing the sport's growth on every level in the United States, from local communities to the crown jewel of the professional game, the US Open.

VFD	Variable Frequency Drive - a type of adjustable-speed drive used in electro-mechanical drive systems to control alternating current motor speed and torque by varying motor input frequency and voltage.
WRF	Water Reclamation Facility – A facility that utilizes processes to separate, modify, remove, and destroy objectionable, hazardous, and pathogenic substances carried by wastewater in solution or suspension in order to render the water fit and safe for intended uses.
WSF	Water Supply Facility - A facility that provides a source of water for drinking, irrigation, commercial, and industrial uses in a quantity and quality that meets or exceeds standards.



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