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SURPRISE
ARIZONA

FY2017 CITY MANAGER'S RECOMMENDED BUDGET

FY2017

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CITY OF SURPRISE, ARIZONA
FY2017 CITY MANAGER'S RECOMMENDED BUDGET
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SURPRISE
ARIZONA

April 12, 2016

City Council of the City of Surprise

Based on results from the National Citizens Survey conducted in 2015, 90% of residents say they value Surprise as a place to live. Respondents also report they see Surprise as a clean and safe community. The $298.6 million Fiscal Year 2017 Recommended Budget for the city of Surprise focuses on continuing the Council's commitment to maintaining the quality public services and infrastructure our residents value most.

This year, during operating budget discussions we explored the opportunity to invest in a public safety program, enhancing public safety across the board including: Police, Fire-Medical, Emergency Management, Prosecution, and City Court services. The recommended budget includes the addition of 23 positions across these areas to maintain a high level of service for the city's growing population. These positions are financed through a combination of a reduction in the city's transaction privilege tax ("sales tax") base from 2.2% to 2.12% and an addition of a food for home consumption tax of 2.12% to generate an estimated $2.4 million.

The city is also committed to allocating resources to maintain, preserve, and/or replace infrastructure including roads, buildings, and equipment. The recommended budget increases funding for maintaining the city's roads through the pavement preservation program to $4.5 million. Investments in communications, facility, information technology, recreation, and utility infrastructure amount to $6.8 million. Replacement of the financial, human resource, and permitting software with an Enterprise Resource Planning System is continued from the prior year. This system will replace outdated software with a consolidated platform. The budget also includes $10.5 million for the replacement of aged vehicles minimizing future maintenance costs.

The recommended budget includes allocations for maintaining other key services. Twenty four new positions are added for public safety, eleven for utility billing operations, and six in other general governmental areas including fleet, information technology, human resources, community development, finance, and the senior center. These were determined to be the most critical areas of need for the upcoming fiscal year.

The city will assume responsibility for billing the water, waste water, and sanitation utilities beginning in November 2016. The conversion of these operations from the former third party biller will allow the city to have control over the customer experience as well as providing for more efficient and effective operations. A total of 11 positions are added in FY2017. The ongoing utility billing budget of $1.7 million anticipated for city operations is equivalent to the amount currently paid to the third party.

The city will continue to maintain its commitment to residents by providing quality transportation options to and from downtown Phoenix with the continuation of express route 571. The mid-year increase in service for dial-a-ride is fully funded as well. Also included is the addition of Sunday service for the dial-a-ride which is funded through an increase in user fees to match other systems in the region. Senior center staffing is enhanced in the new Human Service and Community Vitality Department to provide for improved programming and services. Funding is continued for the Veteran's Day parade as well as the proposed regional veterans' center. The enhancements to these will have a direct impact on the residents of Surprise.

The recommended budget includes funding for the capital improvement plan in the amount of $55.2 million. Of this total, $21.8 million is for infrastructure efforts mentioned above. Utility related projects account for $18.2 million. Among the projects are higher education facilities, the completion of the Greenway Road from Litchfield Road to Bullard Avenue, Peoria Avenue from Sarival Avenue to Reems Road, Martin Acres Flood Control, and Civic Center Drive from Bell Road to Paradise Lane.

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Among the recommended financial policy revisions; one revision will commemorate changes to the bed tax rate. A second revision will increase the reserve from 10% to 25% of the expected claims in the Health Benefits Trust fund representing the city's maximum risk before coverage under the updated stop loss insurance policy. These will further strengthen the city's financial position.

With help from staff in each department and direction from you, I submit to you the recommended budget. I look forward to further collaboration with you as we complete the City of Surprise's FY2017 budget.

Sincerely,

Bob Wingenroth
City Manager

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General Information

- Mayor and City Council Members
- City Council District Map
- City Map
- City Council Strategic Plan
- Citywide Organization Chart
- History of Surprise

MAYOR AND CITY COUNCIL MEMBERS

MAYOR SHARON WOLCOTT – Mayor@surpriseaz.gov

Mayor Sharon Wolcott was elected in 2011 on a platform of job creation, new education opportunities, and improved mobility through transportation. She also committed publicly to bringing fiscal accountability and transparency to municipal government and setting a course for progress in Surprise. Her Jobs, Education, and Transportation (J.E.T.) initiative has generated strong results and impressive reviews from residents, local businesses, and regional and national stakeholders.

Under her leadership, the city has adopted new financial policies, ordered sweeping reviews of financial records, and cut budgets to address serious shortfalls without raising taxes or impacting essential services. The current FY2016 annual budget is testament to the city's rapid financial turnaround in a very short time. In just two years, Surprise has turned a $500,000 general fund balance into a $28.9 million general fund balance and restored the city's two-month operating reserve. The completion of an exhaustive review of the city's financial activities has also added transparency to her promise of fiscal accountability.

Mayor Wolcott uses a team approach to job creation — working with Economic Development staff, the Greater Surprise Chamber of Commerce team and regional partners, such as the Greater Phoenix Economic Council, where she serves as a board member. Since taking office, more than 700 new permanent jobs and 300 construction positions have been created in Surprise as a result of $55 million in new capital investments. In addition, Mayor Wolcott continues to support "the arts" to help fuel community and economic development. Most recently, she was instrumental in bringing a new 2,500-square-foot art museum and performance space operated by the West Valley Arts Council to the Surprise Civic Center in July 2014.

She spearheaded the implementation of the *Rachel's Challenge* anti-bullying initiative in local schools, and is active with the innovative Arizona Charter Academy, where she recently delivered an inspirational speech to graduating students. She presided over a City Council vote to approve a new agreement between Surprise and the Dysart Unified School District to share facilities and reduce costs. The Mayor has also encouraged development of youth leadership initiatives to include involvement with the City Council and summer employment at the city. She is sharply focused on securing a four-year liberal arts university in Surprise.

Mayor Wolcott is a strong advocate for a broad transportation vision for Surprise and Arizona. She is a board member of the I-11 Coalition, promoting the development of a congressionally authorized freeway linking Phoenix and Las Vegas and recognizing its vast economic potential for the West Valley. She serves on the Transportation Policy Committee of the regional Maricopa Association of Governments, and is active on the Transportation, Infrastructure & Services Policy and Advocacy Committee of the National League of Cities. She also has taken on a leadership role with the Grand Avenue Coalition, an initiative to redevelop Grand Avenue by involving regional leaders from all communities along its length. Her leadership revived a decades-old plan to solve the congestion at the city's main gateway at Bell Road and Grand Avenue.

A life-long communicator and bridge builder, Mayor Wolcott is an effective advocate for Surprise at the State Legislature and with her colleagues around the Valley. She has led the way to improve communications between Council and residents through regularly held community meetings, a constantly updated web presence, and social media tools.

Mayor Wolcott has 25 years of experience in three states as an elected official, serving at both the state and local levels. As a mother of two and a grandmother of three, she brings a well-balanced perspective to her passion for public service and for making Surprise a great place to live and work.

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VICE MAYOR 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 and again in 2016. 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 visitors bureaus, civic/service organizations, and was on the Board of Directors of Brucemore, Inc., 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.
Councilmember Biundo's current term expires December 31, 2016.

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 for one-year terms by the City Council in 2014 and 2011.

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 Water Resource Planning; Development, Boards & Commissions and General Plan and Zoning Code revision Sub-Committees. 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, California. He earned a BA degree in Marketing Management from the University of California.

He worked 35 years at Hughes Air Craft Company in Fullerton, California, and also owned and operated a photo studio in Fullerton and Placentia, California. He served on the State Board of Directors for Californians for Disability Rights (CDR).

Roland and his wife Carroll have been married 45 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 three years.

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

RACHEL VILLANUEVA – Rachel.Villanueva@surpriseaz.gov

The Surprise City Council unanimously voted to appoint Rachel Villanueva as the District 4 City Council member at its August 20, 2013 meeting. Villanueva fills the seat left vacant by the death of her husband, City Council member and former Mayor Roy Villanueva.

Rachel's first order of business was to host open meetings to discuss constituent questions or concerns on the 3rd Wednesdays of each month from 6-8 p.m. at the Surprise Senior Center.

She has lived in the Original Town Site (OTS) neighborhood of Surprise for nearly 40 years and retired following a 30-year career with Honeywell. Rachel was instrumental in creating the Fiestas Patrias at Gaines Park, a long-running festival recognizing Mexican Independence Day formerly held in the OTS and currently chairs the I Heart Grand Festival City Council Working Group, which helped coordinate the October 4, 2014 Surprise Fiesta Grande Festival at Gaines Park and Hollyhock Street.

She also serves on the Youth Master Plan City Council Working Group.

Rachel served on the Dysart Unified School District Board of Directors for ten years and currently serves on the OTS Stakeholders Group.

She enjoys spending time with her children and grandchildren.

The term to which Villanueva has been selected expires December 31, 2016.

JOHN WILLIAMS – John.Williams@surpriseaz.gov

John Williams has lived in Surprise for 15 years and is very proud to call Surprise home. A native to New York, John has Bachelor's degree in Athletic Training from Hofstra University, a Master's Degree in Health Administration out of Towson University, and a Masters in Educational Leadership from Grand Canyon University. His professional career began in sports medicine, where he worked as an athletic trainer for the New York Islanders, Johns Hopkins University in Baltimore, and as Head Athletic Trainer and Strength and Conditioning Coach for the New Mexico Scorpions Hockey Club before coming to Surprise. He transitioned into education upon his arrival to Surprise and spent the last 13 years helping build the Peoria Unified School District's Career and Technical Education Sports Medicine Program. He now serves as an Assistant Principal and Athletic Director with the Dysart Unified School District for Willow Canyon High School.

John was elected to the City Council from District 3 (Mesquite) in November 2007. He was elected Vice Mayor by the City Council in 2012 and again in 2015. John has served on several municipal, regional and federal committees during his tenure on the Council. Some of those committees include Impact Ed, an education stakeholders committee, and the critical Water Resource Planning Committee. He also serves as chair of both the Committee on Rules and the Committee on Community Outreach, Partnerships and Grants. John has been a part of the WESTMARC Education & Workforce Development Committee and has served on the National League of Cities Human Services Committee. John's leadership also puts a strong emphasis on youth, community engagement, job creation, partnerships, education and developing a four-year university.

As a teacher, parent and husband, John brings a community perspective to his commitment to serve as the voice for all residents. "Surprise is not just a suburb of Phoenix or a bedroom community at the far reaching corners of the northwest valley. Surprise is a place that offers opportunities for families to live, grow and help build this great city. In District 3, our streets are new, our housing is new, our schools are new, and they all set a stage for limitless potential for this young and growing community. Melissa and I are so thankful for the opportunities Surprise has afforded us, and we look forward to being a part of this community for years to come."

John is an avid runner and trains at a local CrossFit gym in Surprise. He and Melissa have three children, Connor, Ashlyn and Matthew.

TODD TANDE – Todd.Tande@surpriseaz.gov

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

Council Member Todd Tande is a local Realtor, in the Coldwell Banker Residential Brokerage Sun City Grand Surprise Office; and he also serves on the Board as a co-founder of Education Connection Solutions, LLC. a management consulting firm with International clientele. He received his Bachelor of Science degree in Management and his MBA from California State Polytechnic University, Pomona. Todd spent half of his career in the private sector with many years in the theme park (Disney and Knott's) and defense (Rockwell International, Hughes Aircraft, Raytheon) industries including directly supporting top corporate management of a Fortune 27 company.

Todd also has experience in public service in California and Indiana. He served in a Budget and Policy Management role in the County Executive Office for Orange County, California where he was hired to help resolve the County multi-

billion dollar bankruptcy. As part of the initial recovery efforts, Todd wrote the minute order (local law), unanimously adopted by the Board of Supervisors, to set up a Treasurer's Oversight Committee consisting of top financial experts from the private sector investment community. Todd also coordinated restructuring of major agency budgets, and prepared the recovery briefing charts with information presented to Wall Street and Sacramento during successful recovery efforts.

Todd later served as Chief Financial Officer for Indianapolis-Marion County DPS for six years where his ideas and efforts led to improvements and changes in federal and state policies. Todd then was asked to join the Indiana state government as the Deputy Director serving in the Chief Operating Officer role tasked with achieving a successful turnaround for the Indiana Department of Natural Resources, which included over 20 operating divisions and over 4,000 employees during peak seasons. Todd was then promoted and completed his Indiana public service in the State Capitol as Finance Director responsible for statewide finances at a time when the state achieved its first ever AAA credit rating.

Todd has served in many volunteer roles including as a Council Member and Treasurer of his churches in California and Arizona, and as a Board Member and current Vice Chairman of the Navajo Mission and School in Rock Point, Arizona. Todd also founded and led the local Surprise C3G group providing free services to job seekers. Todd has served his political party in Arizona, Indiana, and California, in roles such as Precinct Committeeman, State Delegate, Candidate Volunteer Team Member, and as an advisor for newly elected candidates on their transition teams. Todd also has served as a volunteer Docent Leader and Chair of the Ways and Means Committee at the Nixon Presidential Library and Birthplace Museum in Yorba Linda, California. Todd is an Eagle Scout from historic Troop 99 in Yorba Linda California, and he also received the title of "Honored Citizen" for Orange County, California from the Board of Supervisors.

Todd and his wife Blossom, who recently completed a term serving as a Governing Board Member for our local award winning "A" rated Dysart Unified School District, have been married since 1980 and they have two children and one grandchild. Todd's parents, moved to Sun City Grand in 2003 – and now four generations of Tande's live in Surprise, Arizona.

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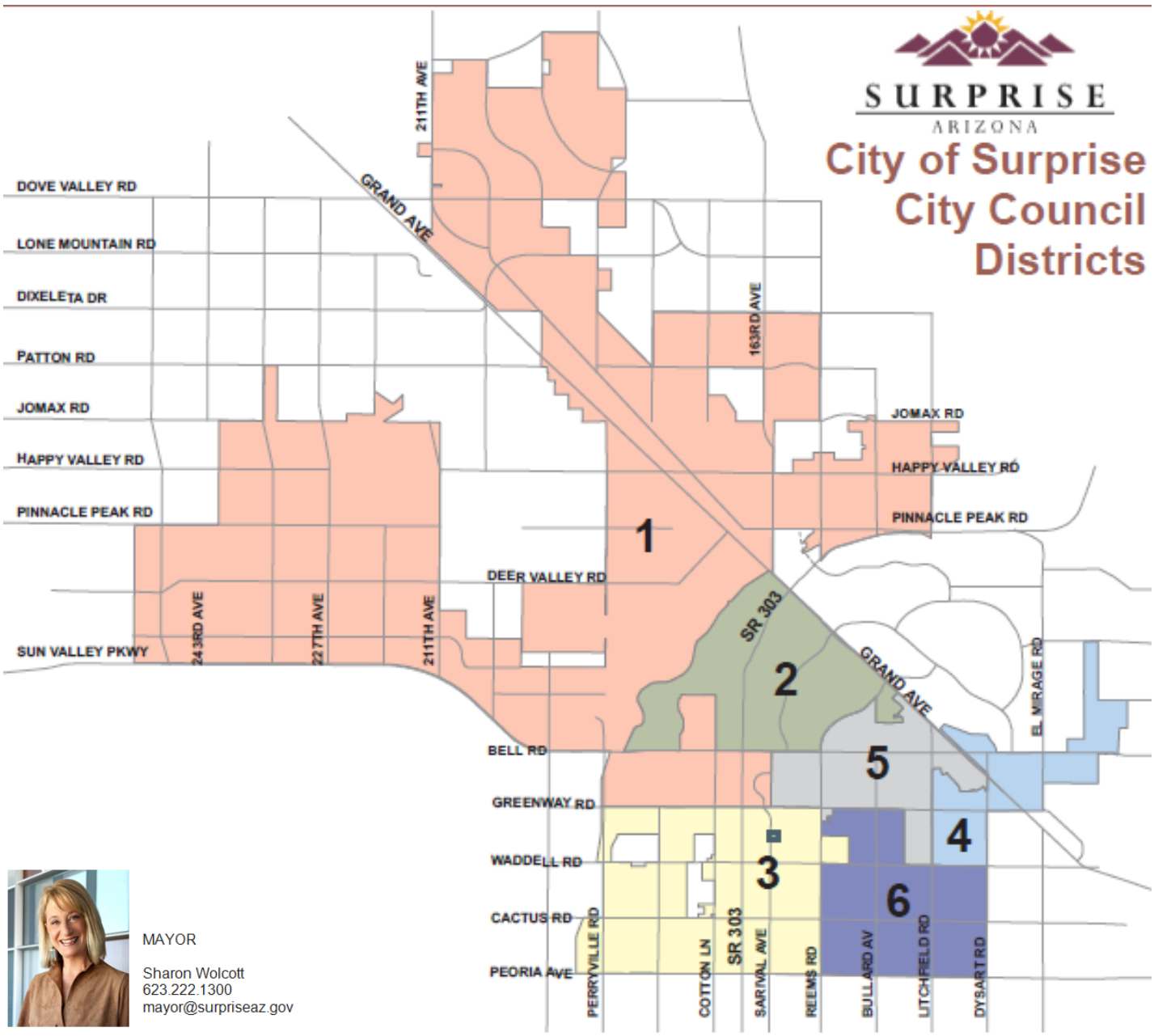
CITY OF SURPRISE, AZ
City Council District Map



MAYOR

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DISTRICT 1

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DISTRICT 2

Jim Biundo, Vice Mayor
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DISTRICT 3

John Williams
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DISTRICT 4

Rachel Villanueva
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DISTRICT 5

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DISTRICT 6

Todd Tande
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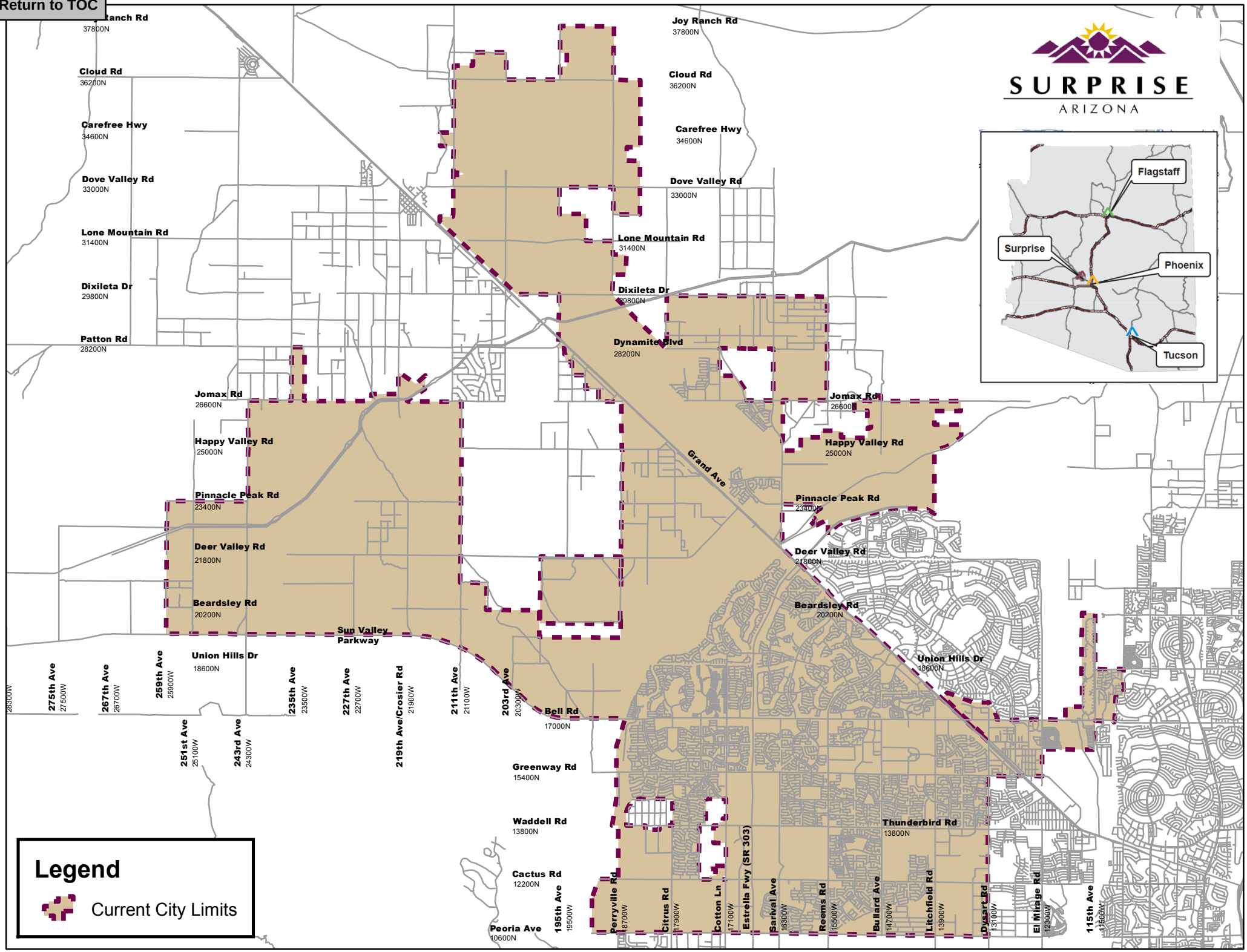

CITY COUNCIL STRATEGIC PLAN

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.

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.

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.

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.

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.

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.

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.

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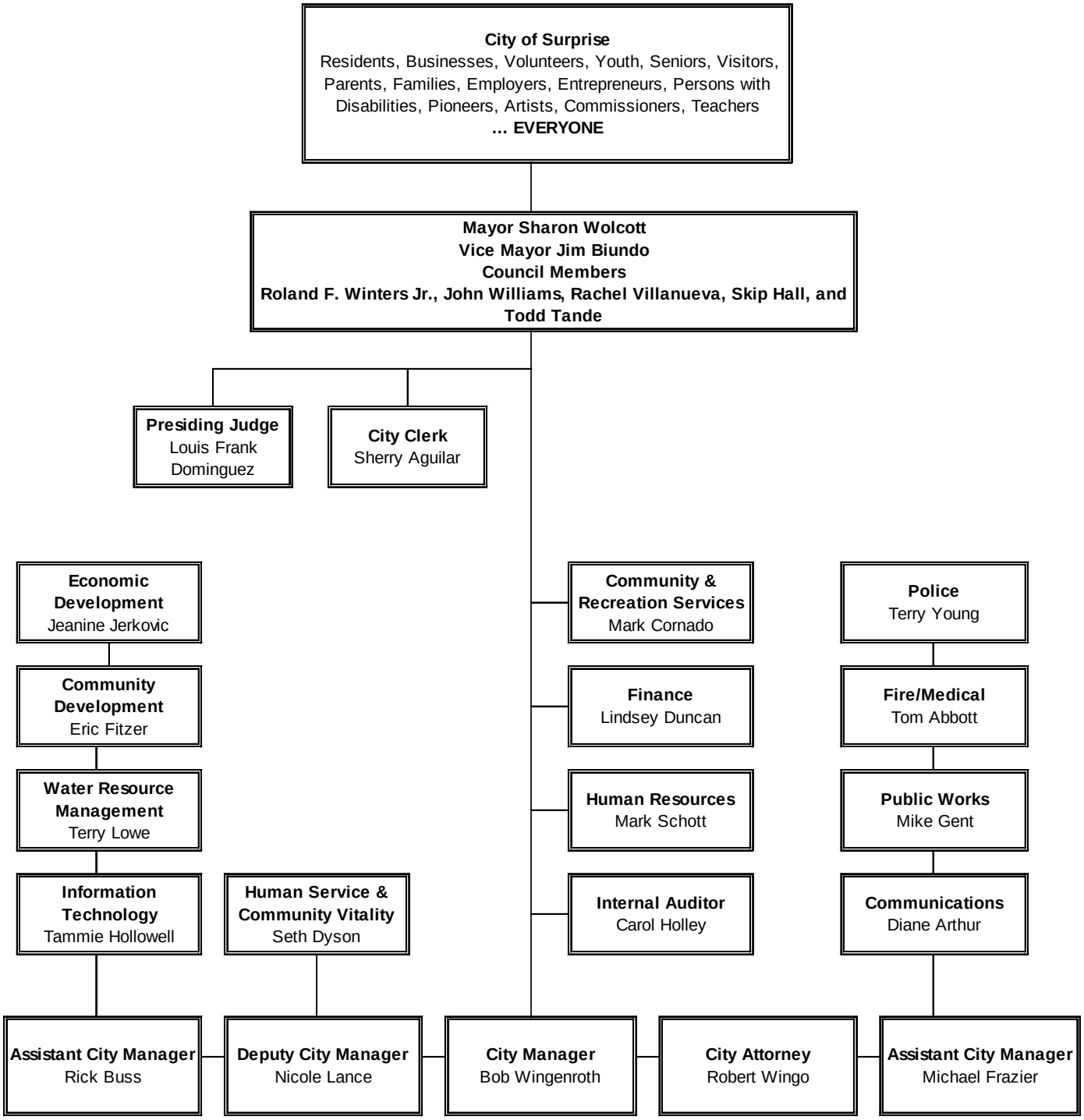
GENERAL INFORMATION
Citywide Organization Chart



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.

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%
2014	123,797	2%

Over the past 52 years, Surprise has grown from 500 residents to a city of over 123,000 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 a 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 from 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, 2013 American Community Survey:

- 92.8% of people 25 years and over had at least graduated from high school and 28.8% had a bachelor's degree or higher.
- Total school enrollment in Surprise was 31,474
    - Nursery school and kindergarten enrollment was 4,231
    - Elementary or high school enrollment was 21,147 children
    - College or graduate school enrollment was 6,096

Surprise residents are employed in a variety of occupations including management, professional, and related occupations 32%; sales and office occupations 27%; service occupations 23%, natural resources, construction, and maintenance occupations 9%; and production transportation, and material moving occupations 9% (U.S. Census Bureau, 2013 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.

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
2015	108

Source: City of Surprise

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Budget Overview

- Budget Summary
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- 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 FY2017 recommended expenditure budget is $268,257,300. Including transfers of $30,336,800, the total uses for FY2017 is recommended to be $298,594,100. The state forms provided by the Auditor General have been reproduced in the appendix of this document. The state budget forms include consolidated revenues and expenditures by department and fund, primary and secondary property tax levy information, and full time equivalent (FTEs) employees and personnel cost by fund.

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, including principal amounts, are recognized as expenditures when made.

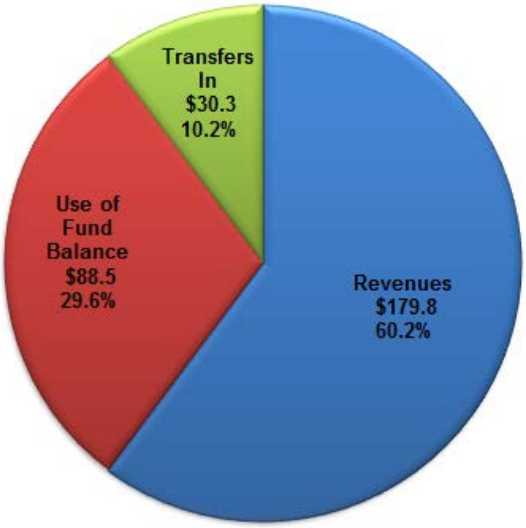
The budget basis used does have a few exceptions to the modified accrual basis of accounting. These exceptions include recording expenditures for prepayments entirely in the period the payment is made and recording expenditures for inventory purchases. A reconciliation of budgetary and Generally Accepted Accounting Principles (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.

Sources of Funds

For FY2017, the city has identified sources of funding in the amount of $298.6 million to be allocated to its budgeted uses. These fall into three main categories: operating sources (ongoing and one time), fund balances, and borrowing.

Operating sources are generated by a variety of activities and are expected to total $210.1 million or 70.4% of total sources in FY2017. Such activities include, but are not limited to, revenues such as local sales tax, state shared revenue, charges for services, property taxes, franchise fees, and development fees as well as transfers in from other funds. Of the operating sources, revenues are expected to make up 85.6% or $179.8 million, and transfers in from other funds will be 14.4% or $30.3 million.



Operating sources are categorized as ongoing if they are expected to continue for the foreseeable future, such as local sales tax, and one time if they are expected to only occur for a short period of time, like grant funding. The recommended budget limits the use of one time sources for ongoing uses, such as permanent staffing costs, to avoid potential service reductions when one time sources expire. One time sources are projected to be $8.1 million, or 4.5% of operating sources and ongoing sources are projected to be $171.7 million, or 95.5% of operating sources.

Fund Balances, for the purpose of the recommended budget**,** fund balance or net position amounts exclude items that are not in spendable form (e.g., pre-paids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Revenues – Expenditures = Fund Balance

For FY2017, the estimated beginning fund balance is $122.1. The recommended budget includes the use of $88.5 million of this fund balance. This represents 29.6% of total uses. Of the use of fund balance, $33.6 million is held in contingency that is not identified for a specific use, and can only be used with the approval of the Mayor and Council.

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 minimum fund balance policies. For FY2017, the amount reserved by minimum fund balance policies is $35.0 million. The full list of financial policies can be found in the appendix.

The General Fund has a recommended use of fund balance of $11.3 million and $2.4 million to back contingency amounts. The remaining $8.9 million will be used for increased asset replacement ($3.7M), vehicle replacement ($2.7M), and a transfer to capital projects ($2.5M).

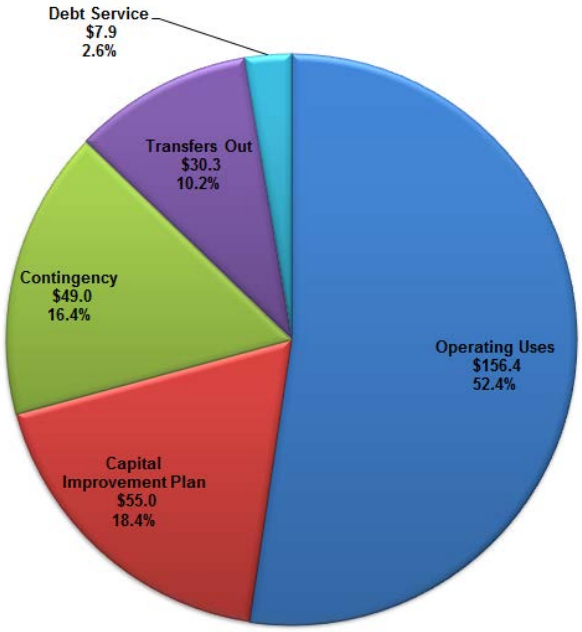
The Stadium Improvements Fund is expected to have a negative fund balance of ($1.5) million. This negative balance is due to an agreement restricting the recognition of revenue over a period of fiscal years. Fund balances by fund are listed on the FY2017 Fund Balance Summary found later in this section.

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 (MPC). The city has no financial liability for their debt, so it is not included in the debt limit calculation. This recommended budget does not include any borrowing, however the discussion of a potential G.O. bond election in the Fall of 2016 will continue through the budget process.

Uses of Funds

The FY2017 recommended budget includes a total of $298.6 million in identified uses. These fall into four main categories: operating uses, capital improvement plan, debt service, and contingency.

Operating uses include operating expenses such as personnel, supplies, service, and operating capital costs as well as transfers out. For FY2017, operating uses total $186.7 million, 62.5% of total uses, with $156.4 million in expenses and $30.3 million in transfers out. Operating uses are categorized into ongoing and one-time. Ongoing uses are defined as expenditures that regularly occur year-over-year, such as most staffing costs. One-time uses are expenditures that will only incur in the given budget year, such as capital projects. It is important to allocate one-time sources to one-time uses. Of the total of operating uses, $149.3 million are ongoing and $7.1 million are one-time.



Capital improvement plan (CIP) is projected to be $55.0 million, 18.4% of total uses for FY2017. The Capital Improvement Plan includes projects designed to enhance and improve existing city assets or create new structures and amenities.

Debt service includes principal and interest payments for outstanding debt, and is budgeted at $7.9 million, 2.6**%** of the FY2017 total uses. The total outstanding principal is $76.0 million with payments scheduled through FY2030.

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. For FY2017, contingencies total $49.0 million or 16.4% of total uses. Contingency amounts by fund are listed on the FY2017 Fund Balance Summary found later in this section.

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.

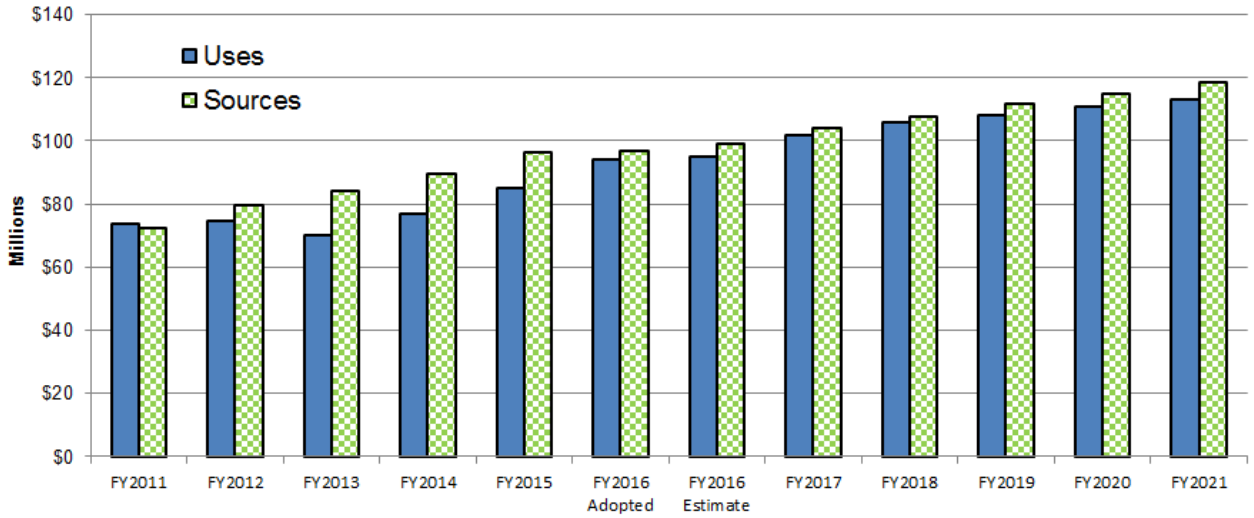
In November 2006, voters approved a Permanent Base Adjustment by 73.22% under option two. This option allows the city to permanently adjust the base when a majority of qualified electors vote in favor of the adjustment. The

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 FY2017 expenditure limitation is $981,408,916; while the budgeted expenditures subject to the limitation are $268,257,300.

Sources and Uses Compared (General Fund)

The chart below compares the General Fund ongoing source and uses for the last five fiscal years and extends forward five forecasted fiscal years. The comparison shows that since FY2012 ongoing sources have exceeded ongoing uses. This surplus has been used to rebuild the General Fund's reserve, pay for one-time expenses within the General Fund, and transferred out to other funds for asset replacement, vehicle replacement, and various other projects in the capital improvement plan. The city will remain dependent on this surplus for those purposes in the future. Additional information on the data below can be found in the Operating Sources and Operating Uses sections of this document.



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. These polices are reviewed and updated annually. The policies cover the following five areas:

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

For FY2017, finance staff is recommending the following edits to the financial policies:

- Revise Operating Management Policy 12 to change all references to the transient lodging tax rate to reflect the 2% increase approved by the Mayor and Council in August of 2015.
- Revise Minimum Fund Balance Policy 43 d. to increase the Healthcare Self-Insurance Trust Fund reserve to target twenty five percent of expected annual claims instead of 10%.

The complete list of all 48 current financial policies is included in the appendix of this document. Staff will return for action on this and other policies, if necessary, prior to the beginning of FY2017.

FY2017 Budget Process[1]

The budget is monitored year-round and various informal FY2017 budget meetings and work session presentations to Mayor and City Council members are held throughout the year. A meeting was held on November 5, 2015 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 December 7, 2015, at which time the budget database was closed. January 11, 2016 to February 8, 2016, finance department budget staff met with departments to review and discuss major budget changes. From February 8, 2016 to April 11, 2016, the budget staff reviewed the base budgets, budget change requests, capital projects, and available resources with the City Manager's Office. The City Manager will deliver the recommended budget to the Mayor and City Council on April 12, 2016.

The City Manager's recommended budget will be presented to the Mayor and City Council for review and discussion on April 19, 2016, May 3, 2016 and May 17, 2016 with possible additional time reserved for explanations and clarifications. During the work sessions, city staff will present the recommended budget and will be available to address questions from the Mayor and City Council.

The tentative budget is scheduled to be presented to the Mayor and City Council for adoption at a regular City Council meeting on May 17, 2016. Following adoption, the tentative budget will be published for two consecutive weeks in the local paper. A public hearing will be held on the budget, after which the Mayor and City Council will vote on the final budget adoption on June 7, 2016. Budget adoption will adhere to all statutory hearings, publications, and requirements. The property tax will be levied on June 21, 2016, fourteen days after the final budget adoption.

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

[1] The budget process will not be complete at the time of publication, and, therefore, the dates presented in this section are subject to change.

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 input 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 in 2013 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. **Economic Development:** Create a robust business environment that attracts employment, wealth, capital investment, and enhanced opportunities for investors and residents.

3. **Community Lifestyle:** Enhance community lifestyle for the current and the future residents of Surprise.
4. **Sustainability:** Provide a vibrant and sustainable community for a green Surprise today and tomorrow.
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. **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.
7. **Public Safety:** Public safety departments will work cooperatively with the community to provide a safe and secure city.

BUDGET CALENDAR

Date	Activity
11/05/2015	Budget kick-off – initial meeting with budget contacts (budget process overview, identifying activities, performance measures)
11/05/2015	Budget software opened for department input
12/07/2015	Budget software closed
01/11/2016 – 02/08/2016	Finance meeting with departments on change requests and capital
02/08/2016 – 04/11/2016	Review with the City Manager's Office on change requests and capital
04/12/2016	City Manager's Recommended Budget delivered to Mayor and Council
04/19/2016, 05/03/2016, 05/17/2016	Mayor and Council review of the City Manager's Recommended Budget at Work Session
05/17/2016	Public Hearing and Tentative Budget Adoption – City of Surprise
05/23/2016	Public Notice #1 – Truth in Taxation & FY2017 budget estimates
05/30/2016	Public Notice #2 – Truth in Taxation & FY2017 budget estimates
06/07/2016	Property Tax Hearing – Primary Property Taxes Property Tax Hearing – Street Light Improvement Districts Public Hearing and Final Budget Adoption – City of Surprise
06/21/2016	Property Tax Levy Adoption – Primary Property Taxes Property Tax Levy Adoption – Street Light Improvement Districts

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BUDGET OVERVIEW
FY2017 Fund Balance Summary

	Ongoing Sources		Ongoing Uses		Ongoing	One-Time Sources		One-Time Uses	
	Revenues	Transfer In	Expenses	Transfer Out	Surplus/ Shortfall	Revenues	Transfer In	Expenses	Transfer Out
General Fund									
Total General Fund	98,014,100	6,597,200	(99,348,600)	(2,514,200)	2,748,500	(477,700)	0	(1,659,600)	(9,498,900)
Special Revenue Fund									
Animal Seizure Bond Forfeiture	1,000	0	(1,000)	0	0	0	0	0	0
Donations	505,600	0	(497,500)	0	8,100	0	0	0	0
Employee Dep Scholarship	0	0	0	0	0	0	0	(200)	0
Grants And Contingency	0	0	0	0	0	5,790,700	0	(790,700)	0
Ground Ambulance Service	1,505,400	0	(526,700)	(153,500)	825,200	0	0	0	0
HALO	137,300	0	(175,300)	0	(38,000)	0	0	29,000	0
Highway User Revenue	7,747,700	0	(6,822,100)	0	925,600	108,000	0	(61,900)	0
LTAF II	350,000	0	(350,000)	0	0	0	0	0	0
Municipal Court Enhancement	85,000	0	(85,000)	0	0	0	0	0	0
Municipal Court FARE	4,200	0	0	0	4,200	0	0	0	0
Municipal Court JCEF	20,100	0	0	0	20,100	0	0	(33,200)	0
Municipal Court MFTG	10,400	0	0	0	10,400	0	0	0	0
Neighborhood Revitalization	799,100	0	(799,100)	0	0	2,449,400	0	(2,273,700)	0
Net Premium Seating	25,000	125,000	(50,000)	0	100,000	0	0	0	0
Program 1033 Auction Proceeds	1,000	0	(700)	0	300	0	0	0	0
Proposition 400	0	0	0	0	0	0	0	0	0
SB1398 Fines	18,300	0	(43,000)	0	(24,700)	0	0	0	0
SLIDs	2,507,200	0	(2,545,400)	0	(38,200)	88,700	0	0	0
SPD DEA	0	0	0	0	0	0	0	0	0
SPD RICO	245,000	0	(695,000)	0	(450,000)	0	0	0	0
SPD Towing	105,000	0	(32,500)	0	72,500	0	0	0	0
Spring Training Ticket Surcharge	645,000	0	0	(645,000)	0	0	0	0	0
Stadium Improvements	137,100	0	0	0	137,100	0	0	0	0
SW Gas Capital Expenditure	0	0	0	0	0	0	0	0	0
Tourism	531,100	0	0	(398,300)	132,800	0	0	0	0
Unclaimed Property Disposal	1,000	0	(1,000)	0	0	0	0	0	0
Wildland Fire	150,000	0	(148,500)	0	1,500	0	0	0	0
Total Special Revenue Fund	15,531,500	125,000	(12,772,800)	(1,196,800)	1,686,900	8,436,800	0	(3,130,700)	0
Debt Service Fund									
Gov Debt Service 2015	0	1,854,700	0	0	1,854,700	0	0	0	0
Gov Debt Service 2015	0	1,585,500	0	0	1,585,500	0	0	0	0
Total Debt Service Fund	0	3,440,200	0	0	3,440,200	0	0	0	0
Capital Projects Fund									
163rd Ave Roadway Dev Fee 2014	37,300	0	0	0	37,300	0	0	(12,500)	0
Fire & EMS Dev Fee	1,546,700	0	0	(67,000)	1,479,700	0	0	(25,000)	0
General Capital	2,047,400	0	(125,000)	0	1,922,400	7,300	6,798,900	(397,400)	0
General Govt Dev Fee	694,000	0	0	(367,400)	326,600	0	0	(25,000)	0
Gov Construction 2015	0	0	0	0	0	0	0	0	0
Library Development Fee	0	0	0	0	0	0	0	(25,000)	0
Parks & Rec Dev Fee	354,700	0	0	(437,800)	(83,100)	0	0	(25,000)	0
Police Dev Fee	308,500	0	0	(135,500)	173,000	0	0	(25,000)	0
Public Works Dev Fee	0	0	(84,000)	0	(84,000)	12,700	0	(25,000)	0
Roads Of Regional SPA 2, 4, 6	0	0	0	0	0	0	0	0	0
Roads Of Regional SPA 3, 5	0	0	0	0	0	0	0	(12,500)	0
Transportation Improvement	2,300,900	0	(442,400)	0	1,858,500	0	0	0	0
Vehicle Replacement	34,100	1,000,000	0	0	1,034,100	0	2,700,000	0	0
Total Capital Projects Fund	7,323,600	1,000,000	(651,400)	(1,007,700)	6,664,500	20,000	9,498,900	(572,400)	0

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BUDGET OVERVIEW
FY2017 Fund Balance Summary

	Borrowing	Other Non-Operating Uses: Capital	Other Non-Operating Uses: Debt Service	Other Non-Operating Uses: Contingency	Total Fund Balance Inc/(Dec)	FY2016 Beginning Fund Bal	Ending Fund Balance With Contingency	Ending Fund Balance w/o Contingency	Fund Balance Reserve
General Fund									
Total General Fund	0	(4,100)	0	(2,364,700)	(11,256,500)	29,464,600	18,208,100	20,572,800	18,208,100
Special Revenue Fund									
Animal Seizure Bond Forfeiture	0	0	0	0	0	0	0	0	0
Donations	0	0	0	(362,000)	(353,900)	353,900	0	362,000	0
Employee Dep Scholarship	0	0	0	0	(200)	200	0	0	0
Grants And Contingency	0	0	0	(5,000,000)	0	0	0	5,000,000	0
Ground Ambulance Service	0	0	0	(825,200)	0	0	0	825,200	0
HALO	0	0	0	0	(9,000)	9,000	0	0	0
Highway User Revenue	0	(2,626,000)	0	0	(1,654,300)	1,654,300	0	0	0
LTAF II	0	0	0	0	0	0	0	0	0
Municipal Court Enhancement	0	(150,000)	0	(7,200)	(157,200)	157,200	0	7,200	0
Municipal Court FARE	0	0	0	(25,900)	(21,700)	21,700	0	25,900	0
Municipal Court JCEF	0	0	0	(4,000)	(17,100)	17,100	0	4,000	0
Municipal Court MFTG	0	0	0	(44,700)	(34,300)	34,300	0	44,700	0
Neighborhood Revitalization	0	(175,700)	0	0	0	0	0	0	0
Net Premium Seating	0	0	0	(135,100)	(35,100)	35,100	0	135,100	0
Program 1033 Auction Proceeds	0	0	0	(5,400)	(5,100)	5,100	0	5,400	0
Proposition 400	0	(72,400)	0	(12,900)	(85,300)	85,300	0	12,900	0
SB1398 Fines	0	0	0	0	(24,700)	24,700	0	0	0
SLIDs	0	0	0	0	50,500	23,300	73,800	73,800	0
SPD DEA	0	0	0	(16,500)	(16,500)	16,500	0	16,500	0
SPD RICO	0	(34,100)	0	(627,500)	(1,111,600)	1,111,600	0	627,500	0
SPD Towing	0	0	0	(321,500)	(249,000)	249,000	0	321,500	0
Spring Training Ticket Surcharge	0	0	0	0	0	600,000	600,000	600,000	600,000
Stadium Improvements	0	0	0	0	137,100	(1,641,700)	(1,504,600)	(1,504,600)	0
SW Gas Capital Expenditure	0	(13,000)	0	(111,900)	(124,900)	124,900	0	111,900	0
Tourism	0	(20,600)	0	(446,600)	(334,400)	339,400	5,000	451,600	5,000
Unclaimed Property Disposal	0	0	0	0	0	0	0	0	0
Wildland Fire	0	0	0	(115,700)	(114,200)	114,200	0	115,700	0
Total Special Revenue Fund	0	(3,091,800)	0	(8,062,100)	(4,160,900)	3,335,100	(825,800)	7,236,300	605,000
Debt Service Fund									
Gov Debt Service 2015	0	0	(1,854,700)	0	0	0	0	0	0
Gov Debt Service 2015	0	0	(1,585,500)	0	0	0	0	0	0
Total Debt Service Fund	0	0	(3,440,200)	0	0	0	0	0	
Capital Projects Fund									
163rd Ave Roadway Dev Fee 2014	0	0	0	(57,300)	(32,500)	32,500	0	57,300	0
Fire & EMS Dev Fee	0	0	0	(2,916,700)	(1,462,000)	1,462,000	0	2,916,700	0
General Capital	0	(14,312,200)	0	0	(5,981,000)	6,981,000	1,000,000	1,000,000	1,000,000
General Govt Dev Fee	0	0	0	(1,265,500)	(963,900)	963,900	0	1,265,500	0
Gov Construction 2015	0	(3,315,400)	0	0	(3,315,400)	3,315,400	0	0	0
Library Development Fee	0	0	0	(4,547,000)	(4,572,000)	4,572,000	0	4,547,000	0
Parks & Rec Dev Fee	0	(4,200)	0	(1,024,200)	(1,136,500)	1,136,500	0	1,024,200	0
Police Dev Fee	0	0	0	(1,685,600)	(1,537,600)	1,537,600	0	1,685,600	0
Public Works Dev Fee	0	(493,500)	0	(8,104,400)	(8,694,200)	8,694,200	0	8,104,400	0
Roads Of Regional SPA 2, 4, 6	0	0	0	(2,464,800)	(2,464,800)	2,464,800	0	2,464,800	0
Roads Of Regional SPA 3, 5	0	0	0	(11,000)	(23,500)	23,500	0	11,000	0
Transportation Improvement	0	(4,012,900)	0	0	(2,154,400)	2,654,400	500,000	500,000	500,000
Vehicle Replacement	0	(5,864,300)	0	(103,900)	(2,234,100)	2,234,100	0	103,900	0
Total Capital Projects Fund	0	(28,002,500)	0	(22,180,400)	(34,571,900)	36,071,900	1,500,000	23,680,400	1,500,000

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BUDGET OVERVIEW
FY2017 Fund Balance Summary

	Ongoing Sources		Ongoing Uses		Ongoing	One-Time Sources		One-Time Uses	
	Revenues	Transfer In	Expenses	Transfer Out	Surplus/ Shortfall	Revenues	Transfer In	Expenses	Transfer Out
Enterprise Fund									
Prop Debt Service 2007	0	3,642,700	0	0	3,642,700	0	0	0	0
Prop Debt Service 2015	0	804,300	0	0	804,300	0	0	0	0
Prop Reserve 2007	0	0	0	0	0	0	0	0	0
Replenishmt Dev Impact Fees	181,400	0	0	0	181,400	0	0	(25,000)	0
Sanitation Operations	7,451,200	0	(5,338,200)	(2,512,800)	(399,800)	61,900	0	(311,500)	(143,000)
Sewer Operations	16,487,100	827,600	(10,256,900)	(2,508,300)	4,549,500	0	289,400	(1,098,600)	(4,111,500)
Sewer System Dev Impact Fees	1,520,900	0	0	(4,447,000)	(2,926,100)	0	4,111,500	(75,000)	0
Water Dev Impact Fees	286,300	0	(235,800)	0	50,500	0	0	(25,000)	0
Water Operations	12,286,400	0	(7,786,800)	(2,250,200)	2,249,400	0	0	(168,000)	(146,400)
Total Enterprise Fund	38,213,300	5,274,600	(23,617,700)	(11,718,300)	8,151,900	61,900	4,400,900	(1,703,100)	(4,400,900)
Internal Service Fund									
Employee Healthcare	10,895,800	0	(11,014,100)	0	(118,300)	0	0	0	0
Risk Management	1,735,900	0	(1,889,200)	0	(153,300)	0	0	0	0
Total Internal Service Fund	12,631,700	0	(12,903,300)	0	(271,600)	0	0	0	0
Grand Total	171,714,200	16,437,000	(149,293,800)	(16,437,000)	22,420,400	8,041,000	13,899,800	(7,065,800)	(13,899,800)

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SURPRISE
ARIZONA

BUDGET OVERVIEW
FY2017 Fund Balance Summary

	Borrowing	Other Non-Operating Uses			Total Fund Balance Inc/(Dec)	FY2016 Beginning Fund Bal	Ending Fund Balance With Contingency	Ending Fund Balance w/o Contingency	Fund Balance Reserve
		Capital	Debt Service	Contingency					
Enterprise Fund									
Prop Debt Service 2007	0	0	(3,642,700)	0	0	0	0	0	0
Prop Debt Service 2015	0	0	(804,300)	0	0	0	0	0	0
Prop Reserve 2007	0	0	0	(5,068,700)	(5,068,700)	5,068,700	0	5,068,700	0
Replenishmt Dev Impact Fees	0	(1,533,300)	0	(1,432,300)	(2,809,200)	2,809,200	0	1,432,300	0
Sanitation Operations	0	(3,682,600)	0	(2,750,900)	(7,225,900)	8,283,600	1,057,700	3,808,600	1,057,700
Sewer Operations	0	(11,943,800)	0	(1,929,000)	(14,244,000)	21,567,500	7,323,500	9,252,500	7,323,500
Sewer System Dev Impact Fees	0	(1,439,000)	0	(549,500)	(878,100)	878,100	0	549,500	0
Water Dev Impact Fees	0	(496,000)	0	(834,700)	(1,305,200)	1,305,200	0	834,700	0
Water Operations	0	(4,822,100)	0	(367,400)	(3,254,500)	7,111,700	3,857,200	4,224,600	3,857,200
Total Enterprise Fund	0	(23,916,800)	(4,447,000)	(12,932,500)	(34,785,600)	47,024,000	12,238,400	25,170,900	12,238,400
Internal Service Fund									
Employee Healthcare	0	0	0	(1,811,800)	(1,930,100)	4,130,100	2,200,000	4,011,800	2,200,000
Risk Management	0	0	0	(1,643,800)	(1,797,100)	2,058,700	261,600	1,905,400	261,600
Total Internal Service Fund	0	0	0	(3,455,600)	(3,727,200)	6,188,800	2,461,600	5,917,200	2,461,600
Grand Total	0	(55,015,200)	(7,887,200)	(48,995,300)	(88,502,100)	122,084,400	33,582,300	82,577,600	35,013,100

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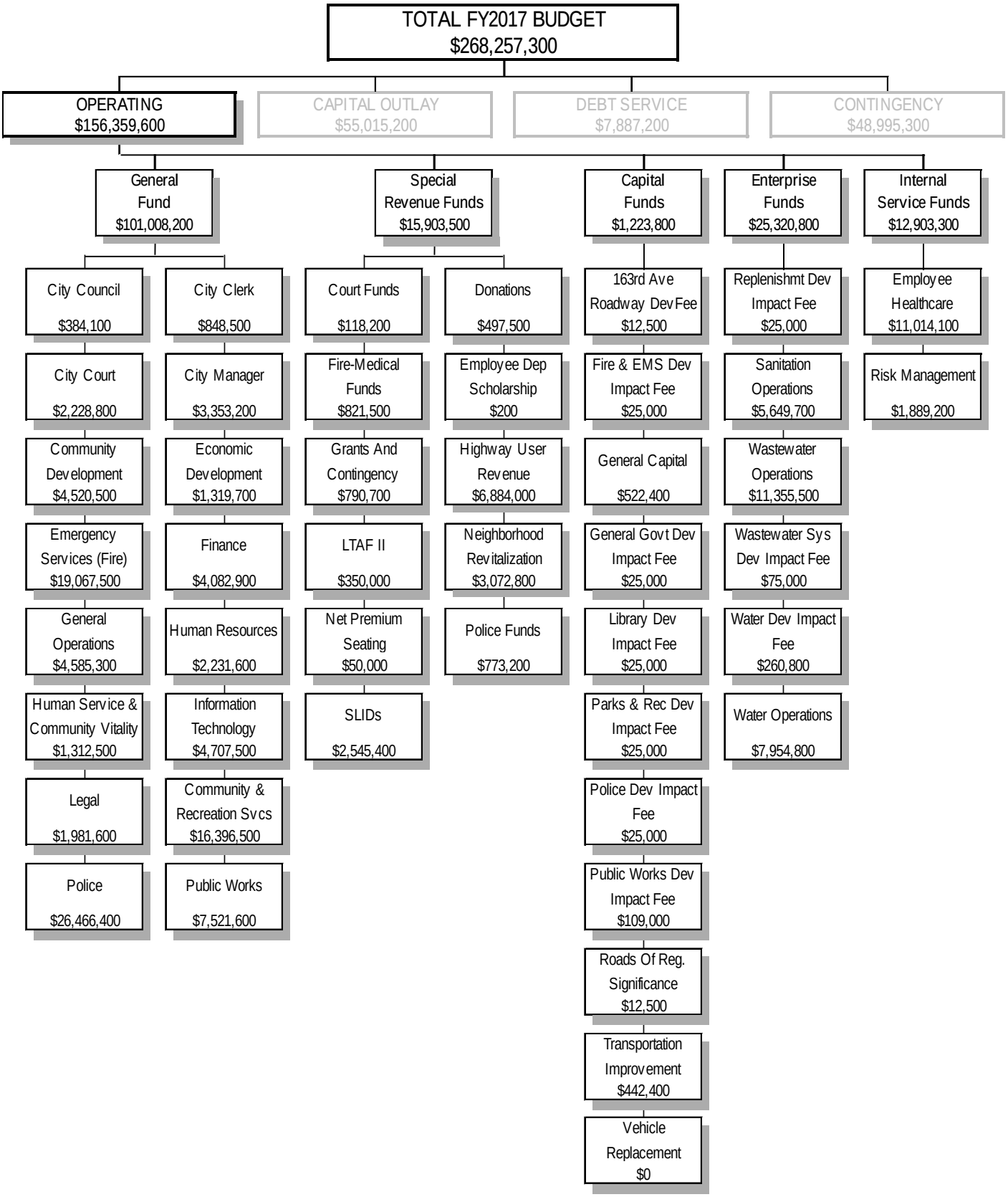

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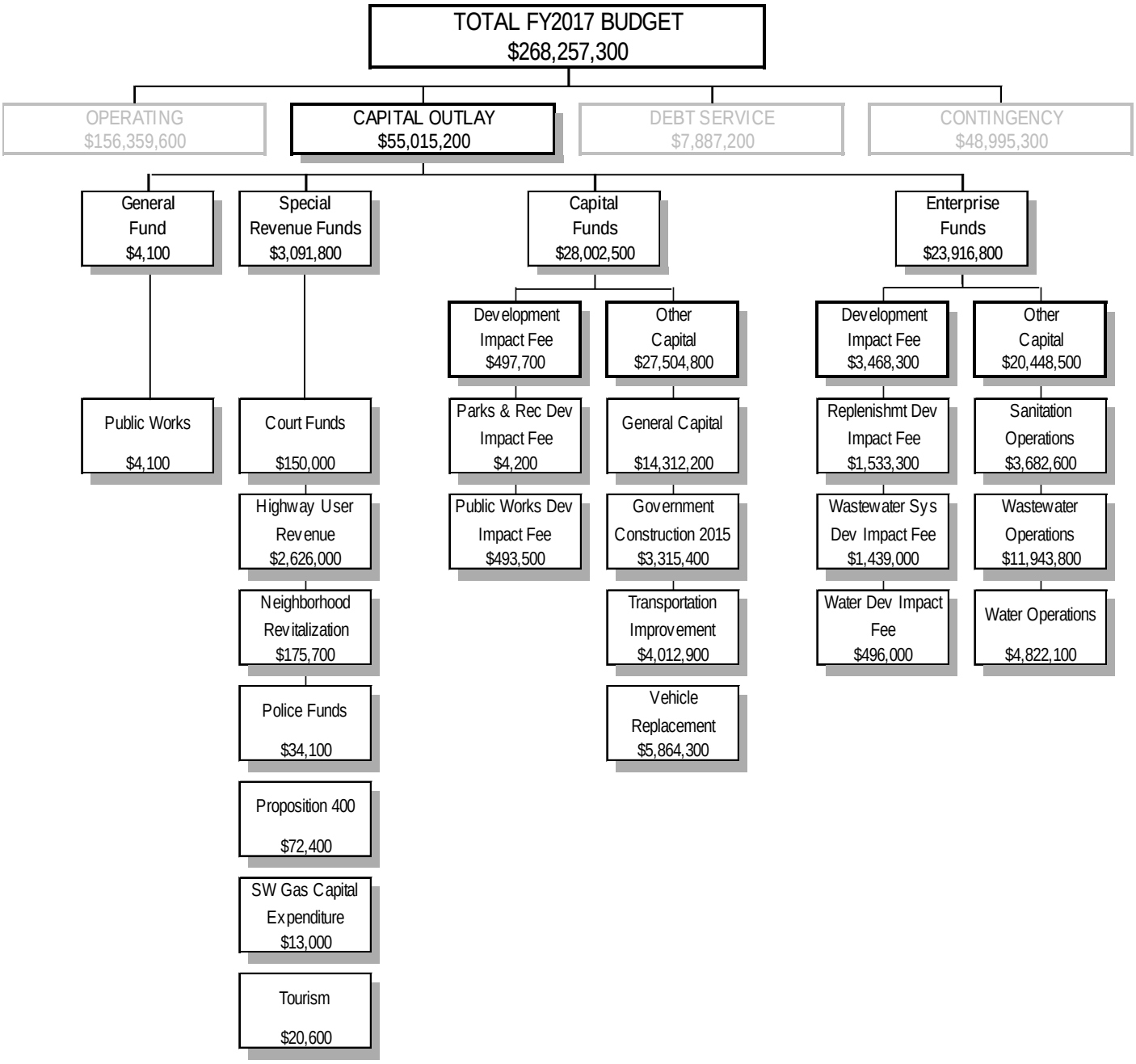
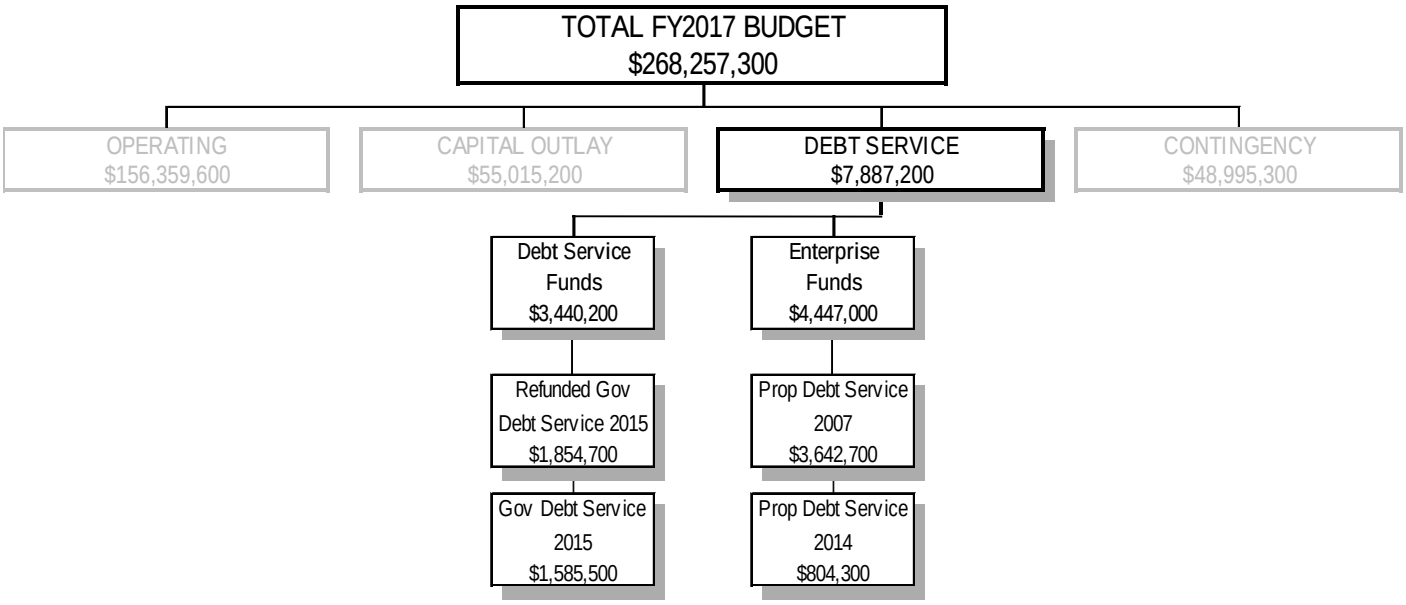
BUDGET OVERVIEW
Budget Organization Chart



SURPRISE
ARIZONA

BUDGET OVERVIEW
Budget Organization Chart



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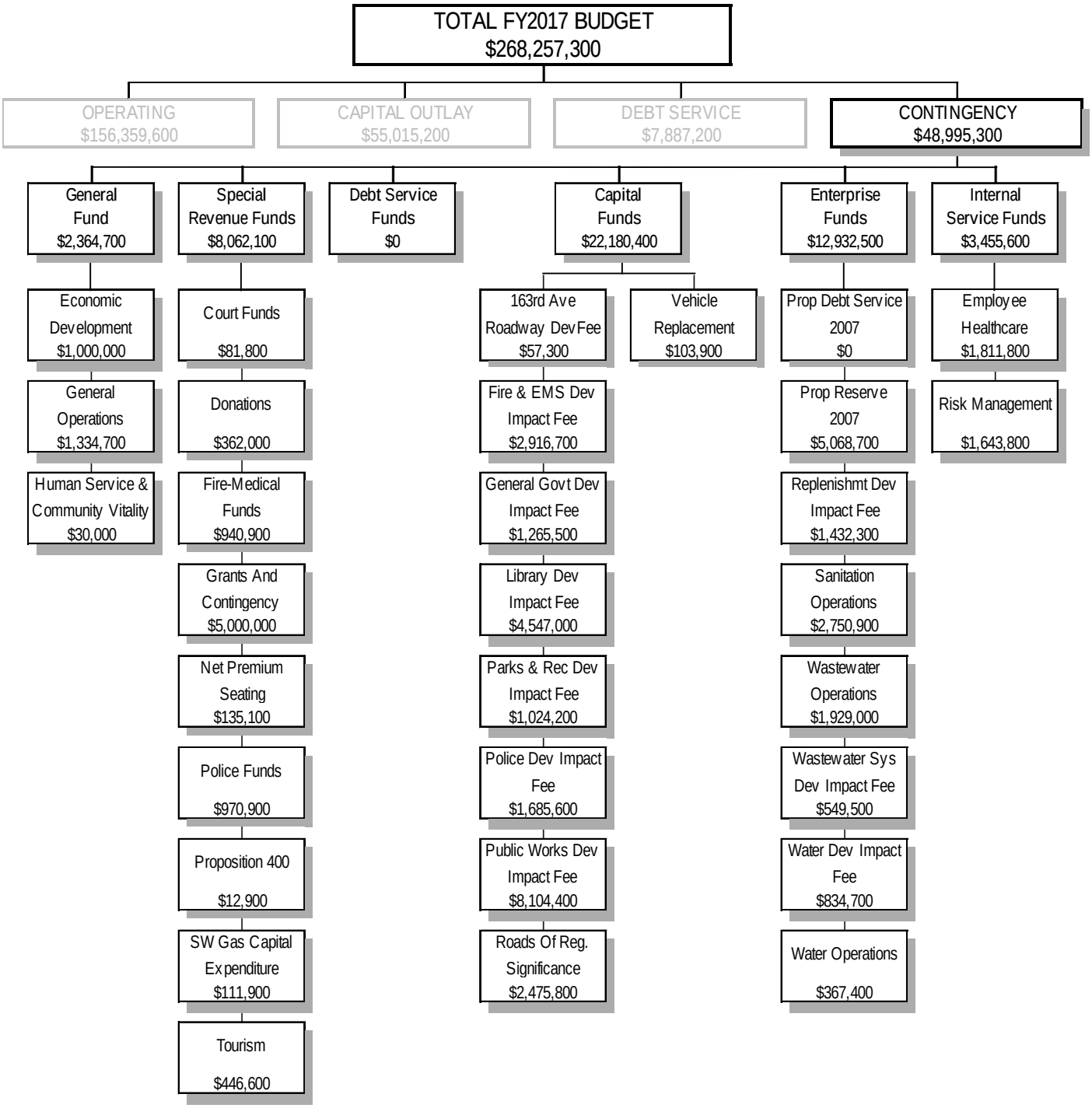
BUDGET OVERVIEW
Budget Organization Chart



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Operating Sources

- Citywide Sources Summary
- Revenue Forecast Summary
- Revenue Forecast Detail
- Operating Sources by Fund
- Operating Sources by Object

CITYWIDE OPERATING SOURCES SUMMARY

The operating sources forecast for fiscal year (FY) 2017 totals $210.1 million with $179.8 million in revenue and $30.3 million in transfers in.

Key Assumptions
A number of assumptions influence the revenue forecast including the character of the economy, population growth of the city and surrounding area, and the effect 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. 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 city's population has grown at a rate greater than the statewide average over the last five years. As a result, the city is expected to capture a greater portion of state shared revenues beginning in FY2017. For FY2016, the forecast is expecting a modest increase in new construction from the prior year resulting in minor increases in construction related revenues, customers, participants, and shoppers.

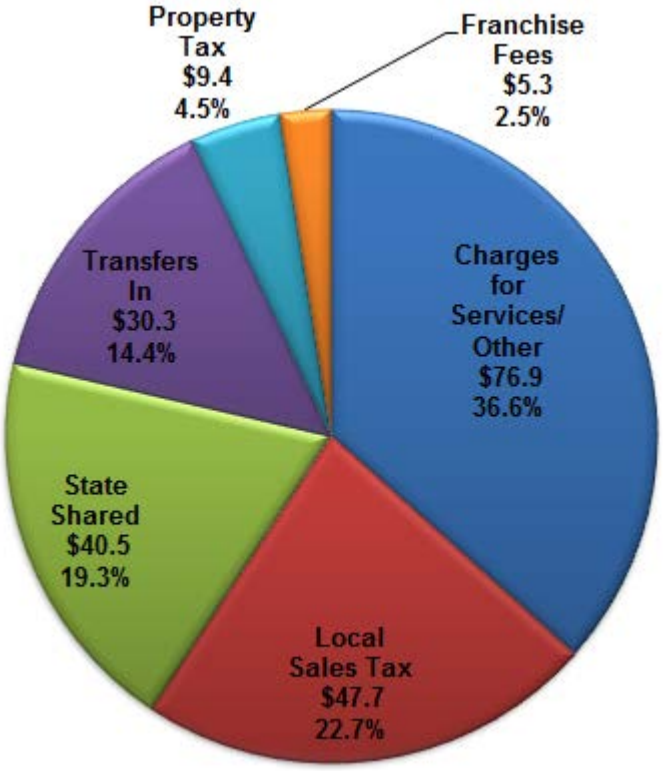
A number of legislative items enacted within the state over the last few years are affecting the FY2017 forecast. The two largest being the reduction in the corporate income tax rate and a transaction privilege tax simplification effort which have had negative impacts on state shared income tax and local construction sales tax respectively.

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 more difficult to forecast.

The operating sources are categorized into six major groups:

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

The graph to the right depicts the citywide sources ($ in millions), percentage of the total sources, and the six categories.



Charges for Services/Other
All fees for services charged by city departments are recorded in this category, which totaled $76.9 million, 36.6% of total operating sources. The three major components include the utilities of water, wastewater, and sanitation. Mainly the rates charged and the number of customers or participants drives these revenues.

For the FY2017 projections, mild population growth result in an increased number of participants. The water service rates are scheduled to receive an 8.25% increase as well.

Sales Tax
The citywide forecast of $47.7 million is an increase of 9% over the prior year estimate. The increase to local sales tax is attributed in large part to the inclusion of a food tax that will be used to implement enhancements to public safety. For the recommended budget, the food tax is set at 2.15% and the overall tax rate will be reduced from 2.20% to 2.15%. Additionally, the number of car dealerships is expected to increase boosting collections in the second half of the fiscal year. These increases will be offset by a decrease in collections near the construction of Bell Road overpass at Grand Avenue. This project will run from April to mid-November of 2016, crossing fiscal years 2016 and 2017.

Construction sales tax has traditionally been much more volatile than other local sales tax categories. For that reason, construction sales tax collections are split between operating and capital specific uses. It is expected that construction sales tax collections will equal $5.6 million during FY2016 split between operating ($1.25M) and capital ($4.35M).

State Shared Revenue
The state shared revenue forecast is $40.5 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). Most of this increase can be attributed to an increase in population and income tax collections

State shared revenue in Arizona is distributed based on the population of each municipality. This population has been fixed to the last federal decennial census amount. This year, the state legislature is modifying the allocation to use the latest available census amounts. As Surprise's population has grown faster than the state average, the city's allocation is expected to increase.

The largest revenue within this category, income tax, is expected to see a 10% increase over the prior year estimate. The growth in this source is driven by large capital gains and corporate profits within Arizona. Continued growth at this rate is not anticipated as much of that new revenue will be considered one-time in nature.

Transfers In
The transfers in related to the various funds include the indirect cost assessment, payments in lieu of tax, inter-fund transfers, and debt service related payments. The total of all transfers in for FY2017 is $30.3 million.

Property and Street Light Improvement District (SLID) Taxes
The property and SLID taxes captures the taxes levied on properties in the city and set at $9.4 million for FY2017. 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 recommended budget does not include the 2% increase over the prior year's allowable amount for current taxpayers. The FY2017 property tax revenues only include allowable increases for new construction. For SLIDs, the city cannot exceed $1.20 per assessed value of the property. These taxes pay for maintaining lights within the neighborhoods.

Franchise Fees
Franchise fee revenue is related to the gross sales from franchised utility companies within the city. This includes Arizona Public Service, Cox Communications, Southwest Gas, and EPCOR water. Increases in this category mainly reflect utility rate increases charged to customers and some minor growth in the number of customers. Total operating revenue for this category equates to $5.3 million. Also included in this category are business licenses and sanitation hauler's licenses.

Citywide Revenues by Fund

General Fund
The primary operating fund of the city and any activity that is not accounted for in another fund is placed in the General Fund. The General Fund accounts for $104.1 million, or 49.6%, of all operating sources.

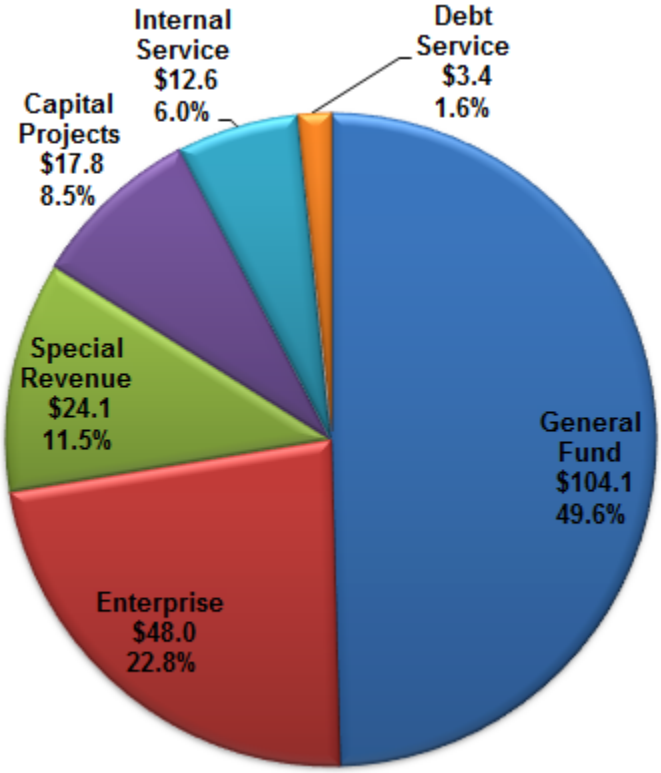
Enterprise Funds
These funds are used to account for the business-type activities of a government. These activities are financed and operated in a manner where the intent of the governing body is that the costs of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges. The enterprise funds account for $48.0 million, or 22.8%, of all operating sources.

Special Revenue Funds
These funds account for specific non-capital and non-debt service revenue sources that are restricted or committed for specific purposes. The special revenue funds account for $24.1 million, or 11.5%, of operating sources.

Capital Project Funds
These funds are used to track the activities related to the collection and expenditure of funds dedicated to capital acquisition. The capital project funds account for $17.8 million, or 8.5%, of all operating sources.

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 fully recovering cost through fees or charges. The internal service funds account for $12.6 million, or 6.0%, of all operating sources.

Debt Service Funds
These 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. The debt service funds account for $3.4 million, or 1.6%, of all operating sources and is entirely made up of transfers from other funds.



GENERAL FUND OPERATING SOURCES SUMMARY

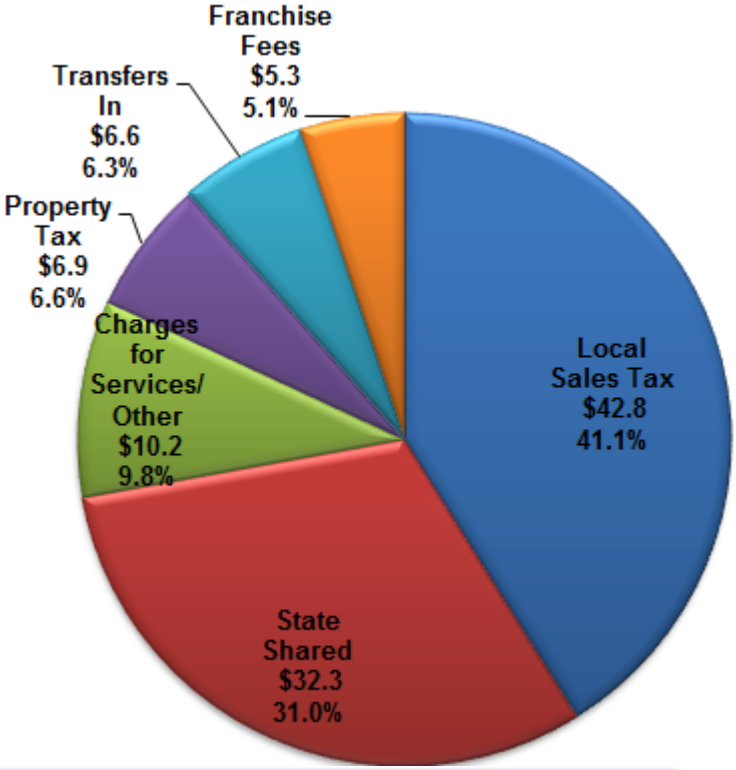
General Fund Operating Sources

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.

Overview
The operating sources forecast for FY2017 is $104.1 million, an increase of $5.1 million over the FY2016 estimate. With the expected change in state statutes regarding allocation and increased income tax collections, state shared revenue makes up a large portion of this increase. Equally as impactful is the inclusion of a food tax to offset public safety enhancements.

Forecast of Major Operating Sources Accounts

The following presents the general summary narrative and a summary of the major operating sources with historical and forecasted sources for most other major funds.



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OPERATING SOURCES
Revenue Forecast Summary

	ACTUAL					Adopted	Estimate	Estimate to Adopted	
Major Revenue Accounts	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2016**	**Amount**	**%**
General Fund									
Local Sales Tax									
Local Sales Tax-Operating	26,819,424	29,569,445	30,771,549	32,830,162	36,782,751	37,620,900	37,481,100	(139,800)	(0%)
Local Sales Tax - Construction	642,593	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	-	0%
Local Sales Tax-Bed Tax	100,398	110,429	108,091	116,652	143,251	141,600	150,900	9,300	7%
Subtotal Local Sales Tax	**27,562,415**	**30,929,873**	**32,129,640**	**34,196,814**	**38,176,002**	**39,012,500**	**38,882,000**	**(130,500)**	**(0%)**
State Shared Revenue									
State Shared Income Tax	8,591,077	9,918,521	12,004,109	13,098,761	14,226,160	14,149,000	14,149,000	-	0%
State Shared Sales Tax	7,158,275	9,220,163	9,660,697	10,245,322	10,784,980	11,178,700	11,231,100	52,400	0%
Vehicle License Tax	2,930,709	3,951,413	3,973,600	4,177,424	4,516,327	4,535,200	4,652,600	117,400	3%
Subtotal State Shared Revenue	**18,680,061**	**23,090,098**	**25,638,406**	**27,521,507**	**29,527,466**	**29,862,900**	**30,032,700**	**169,800**	**1%**
Charges for Services/Other									
Parks & Rec. Program Fees	4,073,203	4,732,333	4,718,258	4,746,968	4,397,198	3,962,800	4,362,800	400,000	10%
Court Revenue	1,266,929	1,275,954	1,294,477	1,199,998	1,064,103	1,184,100	1,090,600	(93,500)	(8%)
Fire-Medical Revenue	684,647	881,135	632,850	685,611	847,168	790,600	904,400	113,800	14%
Police Revenue	645,284	643,045	657,656	723,732	708,632	736,800	711,200	(25,600)	(3%)
Community Development Fees	1,367,433	1,622,594	2,011,274	1,536,223	1,988,132	2,057,400	2,015,300	(42,100)	(2%)
Public Works Fees	587,793	591,190	933,497	623,662	550,671	699,100	700,000	900	0%
Interest Income	128,503	4,742	15,011	86,303	151,261	117,300	106,800	(10,500)	(9%)
All Other Operating Revenue	1,024,603	642,975	684,401	813,897	1,835,533	537,100	622,600	85,500	16%
Subtotal Charges for Services/Other	**9,778,396**	**10,393,969**	**10,947,424**	**10,416,394**	**11,542,698**	**10,085,200**	**10,513,700**	**428,500**	**4%**
Property Tax									
Primary Property Tax	7,023,619	6,178,758	6,294,185	6,340,641	6,479,210	6,750,200	6,750,200	-	0%
Franchise Fees									
APS Franchise Fee	2,108,514	2,242,092	2,291,309	2,449,342	2,419,554	2,325,900	2,538,000	212,100	9%
Cable Franchise Fee	1,071,176	1,022,937	1,018,406	1,163,268	1,271,876	1,350,900	1,356,600	5,700	0%
Business Licenses	625,705	625,919	653,413	729,780	383,785	467,100	357,000	(110,100)	(24%)
Southwest Gas Franchise Fee	308,232	309,623	297,424	307,699	335,671	357,100	344,500	(12,600)	(4%)
Water Franchise Fee	334,987	347,050	472,097	509,867	519,512	543,300	527,000	(16,300)	(3%)
Sanitation Hauler's License	42,050	39,000	39,000	38,000	45,000	39,700	47,000	7,300	18%
Subtotal All Franchise Fees/Licenses	**4,490,664**	**4,586,621**	**4,771,649**	**5,197,956**	**4,975,397**	**5,084,000**	**5,170,100**	**86,100**	**2%**
Transfers In									
Indirect Cost Assessment	3,660,700	3,660,700	3,660,700	4,682,772	4,682,772	4,983,700	4,947,900	(35,800)	(1%)
In Lieu Franchise Fees	542,741	521,227	533,392	552,610	560,995	574,400	548,900	(25,500)	(4%)
CoS Sanitation Hauler's License	25,000	25,000	24,000	24,000	26,000	25,000	27,000	2,000	8%
In Lieu Property Tax	379,077	421,917	511,130	570,571	545,149	554,400	540,300	(14,100)	(3%)
Transfer From Other Funds	394,984	100,304	-	61,125	50	-	1,664,000	1,664,000	-
Subtotal Transfers In	**5,002,503**	**4,729,148**	**4,729,222**	**5,891,078**	**5,814,966**	**6,137,500**	**7,728,100**	**1,590,600**	**26%**
Total - General Fund Revenue	**72,537,656**	**79,908,468**	**84,510,525**	**89,564,390**	**96,515,740**	**96,932,300**	**99,076,800**	**2,144,500**	**2%**

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SURPRISE
ARIZONA

OPERATING SOURCES
Revenue Forecast Summary

	Forecast	Forecast to Prior Year Estimate		Forecast			
Major Revenue Accounts	**FY2017**	**Amount**	**%**	**FY2018**	**FY2019**	**FY2020**	**FY2021**
General Fund							
Local Sales Tax							
Local Sales Tax-Operating	41,421,600	3,940,500	11%	43,528,500	45,020,400	46,557,900	48,141,200
Local Sales Tax - Construction	1,250,000	-	0%	1,250,000	1,250,000	1,250,000	1,250,000
Local Sales Tax-Bed Tax	150,900	-	0%	154,400	157,900	161,500	165,100
Subtotal Local Sales Tax	**42,822,500**	**3,940,500**	**10%**	**44,932,900**	**46,428,300**	**47,969,400**	**49,556,300**
State Shared Revenue							
State Shared Income Tax	15,600,700	1,451,700	10%	15,448,800	15,755,400	15,772,700	15,789,500
State Shared Sales Tax	11,785,500	554,400	5%	12,466,400	13,756,900	14,465,400	15,208,200
Vehicle License Tax	4,943,800	291,200	6%	5,258,000	5,819,500	6,171,900	6,549,600
Subtotal State Shared Revenue	**32,330,000**	**2,297,300**	**8%**	**33,173,200**	**35,331,800**	**36,410,000**	**37,547,300**
Charges for Services/Other							
Parks & Rec. Program Fees	3,962,800	(400,000)	(9%)	4,028,000	4,094,100	4,160,900	4,228,500
Court Revenue	1,084,100	(6,500)	(1%)	1,111,500	1,139,600	1,168,400	1,197,900
Fire-Medical Revenue	795,900	(108,500)	(12%)	819,900	845,000	871,300	899,000
Police Revenue	711,300	100	0%	734,900	759,200	784,100	809,700
Community Development Fees	2,191,600	176,300	9%	2,307,900	2,354,000	2,401,100	2,449,100
Public Works Fees	717,500	17,500	3%	751,300	764,800	778,400	792,400
Interest Income	74,900	(31,900)	(30%)	74,500	79,700	86,500	95,900
All Other Operating Revenue	620,900	(1,700)	(0%)	640,700	661,800	683,500	705,900
Subtotal Charges for Services/Other	**10,159,000**	**(354,700)**	**(3%)**	**10,468,700**	**10,698,200**	**10,934,200**	**11,178,400**
Property Tax							
Primary Property Tax	6,885,900	135,700	2%	6,953,300	7,021,700	7,090,200	7,159,800
Franchise Fees							
APS Franchise Fee	2,626,900	88,900	4%	2,714,000	2,803,600	2,895,600	2,990,200
Cable Franchise Fee	1,404,100	47,500	4%	1,450,700	1,498,500	1,547,700	1,598,300
Business Licenses	358,000	1,000	0%	367,000	376,200	385,700	395,300
Southwest Gas Franchise Fee	356,600	12,100	4%	368,400	380,500	393,000	405,900
Water Franchise Fee	545,500	18,500	4%	563,500	582,100	601,300	620,900
Sanitation Hauler's License	47,900	900	2%	48,900	49,900	50,900	51,900
Subtotal All Franchise Fees/Licenses	**5,339,000**	**168,900**	**3%**	**5,512,500**	**5,690,800**	**5,874,200**	**6,062,500**
Transfers In							
Indirect Cost Assessment	5,327,100	379,200	8%	5,433,600	5,542,200	5,653,100	5,766,100
In Lieu Franchise Fees	569,800	20,900	4%	592,100	616,200	620,500	624,800
CoS Sanitation Hauler's License	27,000	-	0%	27,000	27,000	27,000	27,000
In Lieu Property Tax	519,800	(20,500)	(4%)	524,800	529,700	534,800	539,900
Transfer From Other Funds	153,500	(1,510,500)	(91%)	156,600	159,700	162,900	166,200
Subtotal Transfers In	**6,597,200**	**(1,130,900)**	**(15%)**	**6,734,100**	**6,874,800**	**6,998,300**	**7,124,000**
Total - General Fund Revenue	**104,133,600**	**5,056,800**	**5%**	**107,774,700**	**112,045,600**	**115,276,300**	**118,628,300**

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OPERATING SOURCES
Revenue Forecast Summary

	ACTUAL					Adopted	Estimate	Estimate to Adopted	
Major Revenue Accounts	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2016**	**Amount**	**%**
Special Revenue Funds									
HURF Fund	5,395,324	5,957,241	6,507,830	6,700,547	7,318,490	7,390,200	7,611,400	221,200	3%
LTAF & LTAF II	87,905	-	345,576	346,740	352,337	350,000	333,000	(17,000)	(5%)
Transit Fees	26,073	-	-	-	-	-	-	-	-
Tourism Bed Tax Revenue	152,605	167,852	164,298	177,312	217,742	215,200	461,100	245,900	114%
Enterprise Funds									
Water Operations Fund	10,125,559	10,091,183	10,107,541	10,001,077	10,501,256	12,061,300	11,382,300	(679,000)	(6%)
Water System DIF SPA 1	310,527	430,672	661,087	317,221	144,563	134,800	154,600	19,800	15%
Water System DIF SPA 2	-	4,993	-	169,618	64,395	91,900	72,600	(19,300)	(21%)
Water Replenishment Operations Fund	-	-	-	-	-	-	-	-	-
Water Resource DIF SPA 1	166,877	232,694	355,720	170,829	71,745	69,100	79,300	10,200	15%
Water Resource DIF SPA 2	39,457	3,039	-	37,050	68,278	51,900	84,700	32,800	63%
Wastewater Operations Fund	15,986,526	16,372,103	16,169,393	16,218,279	16,380,339	16,767,000	16,457,800	(309,200)	(2%)
Wastewater System DIF SPA 1	1,584,437	2,034,194	2,932,749	1,878,278	1,658,581	1,229,500	1,439,900	210,400	17%
Wastewater System DIF SPA 2	-	(3,713)	-	961	-	-	-	-	-
Wastewater System DIF SPA 3	2,052	7,706	-	-	-	-	-	-	-
Wastewater System DIF SPA 4	140	-	-	-	-	-	-	-	-
Sanitation Operations Fund	6,704,530	6,698,095	6,876,865	7,059,024	7,004,575	7,282,600	7,124,900	(157,700)	(2%)
Capital Project Funds									
General Capital Fund	2,505,922	1,912,433	3,203,347	3,198,636	1,977,315	5,529,800	10,566,000	5,036,200	91%
Transportation Improvement Fund	2,696,525	2,018,864	2,892,040	2,343,471	2,265,681	2,281,000	2,267,300	(13,700)	(1%)
General Government Dev Impact Fees	455,045	557,843	633,619	377,348	511,202	514,400	607,100	92,700	18%
Police Dev Impact Fees	198,945	306,529	296,719	248,764	255,942	217,600	305,800	88,200	41%
Parks & Recreation Dev Impact Fees	418,690	531,168	372,028	280,630	360,955	330,500	317,100	(13,400)	(4%)
Public Works Dev Impact Fees	528,549	285,059	144,621	136,254	9,828	-	-	-	-
Fire & EMS Dev Impact Fees	539,652	618,681	706,495	413,024	1,004,189	1,252,200	1,397,100	144,900	12%
Library Dev Impact Fees	109,001	108,303	76,071	54,407	4,256	-	-	-	-
Roads of Reg.Significance Dev Imp Fees	244,963	7,707	11,111	280,035	57,150	-	-	-	-
163rd Ave Dev Impact Fees	-	-	-	-	18,538	17,800	29,000	11,200	63%

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SURPRISE
ARIZONA

OPERATING SOURCES
Revenue Forecast Summary

	Forecast	Forecast to Prior Year Estimate		Forecast			
Major Revenue Accounts	**FY2017**	**Amount**	**%**	**FY2018**	**FY2019**	**FY2020**	**FY2021**
Special Revenue Funds							
HURF Fund	7,855,700	244,300	3%	8,131,200	8,584,400	8,970,100	9,371,700
LTAF & LTAF II	350,000	17,000	5%	355,300	360,700	366,100	371,700
Transit Fees	-	-	-	-	-	-	-
Tourism Bed Tax Revenue	531,100	70,000	15%	543,300	555,800	568,400	581,200
Enterprise Funds							
Water Operations Fund	12,286,400	904,100	8%	13,272,300	14,357,500	14,458,900	14,556,500
Water System DIF SPA 1	119,800	(34,800)	(23%)	163,900	163,900	168,000	168,000
Water System DIF SPA 2	163,000	90,400	125%	118,500	118,500	121,500	121,500
Water Replenishment Operations Fund	-	-	-	-	-	-	-
Water Resource DIF SPA 1	61,400	(17,900)	(23%)	92,200	92,200	94,500	94,500
Water Resource DIF SPA 2	109,000	24,300	29%	67,000	67,000	68,700	68,700
Wastewater Operations Fund	17,604,100	1,146,300	7%	17,384,100	17,476,500	17,599,600	17,775,700
Wastewater System DIF SPA 1	1,327,300	(112,600)	(8%)	1,585,800	1,585,800	1,625,500	1,625,500
Wastewater System DIF SPA 2	193,600	193,600	-	273,100	273,100	279,900	279,900
Wastewater System DIF SPA 3	-	-	-	-	-	-	-
Wastewater System DIF SPA 4	-	-	-	-	-	-	-
Sanitation Operations Fund	7,513,100	388,200	5%	7,995,800	8,595,000	9,247,600	9,952,900
Capital Project Funds							
General Capital Fund	8,853,600	(1,712,400)	(16%)	1,685,400	1,735,800	2,024,600	2,737,600
Transportation Improvement Fund	2,300,900	33,600	1%	2,044,200	2,080,300	2,117,000	2,154,300
General Government Dev Impact Fees	694,000	86,900	14%	697,000	697,000	714,400	714,400
Police Dev Impact Fees	308,500	2,700	1%	328,000	328,000	336,200	336,200
Parks & Recreation Dev Impact Fees	354,700	37,600	12%	369,700	369,700	380,500	380,500
Public Works Dev Impact Fees	-	-	-	-	-	-	-
Fire & EMS Dev Impact Fees	1,546,700	149,600	11%	1,571,200	1,571,200	1,610,500	1,610,500
Library Dev Impact Fees	-	-	-	-	-	-	-
Roads of Reg.Significance Dev Imp Fees	-	-	-	-	-	-	-
163rd Ave Dev Impact Fees	37,300	8,300	29%	37,000	38,800	38,800	39,300

GENERAL FUND
LOCAL SALES TAX

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
38,882,000	42,822,500	3,940,500	10%

Description

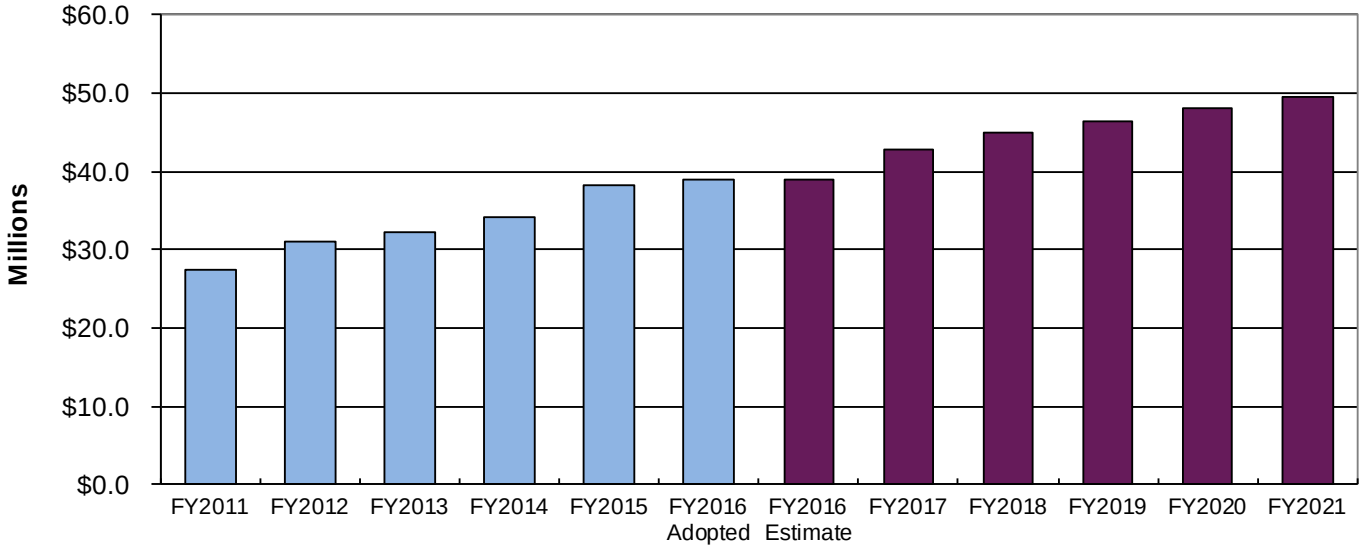
Local sales tax consists of three components including construction sales tax, bed tax and all other transaction or use taxes. A proposed 0.08% decrease to the base transaction privilege and use tax would bring the rate to 2.12% from the previous rate of 2.2%. In addition, the bas tax would be applied to food for home consumption starting in FY2017. This is the recurring sales tax revenue that is collected by the city on an annual basis through the course of doing business. The resulting construction sales tax (CST) rate would be 3.62% and is split between the General Fund (2.12%) and the Transportation Improvement Fund (1.5%). Due to its volatile nature, the first $1.25M of General Fund CST is used for ongoing purposes with the remainder dedicated to capital needs. The city currently imposes a 4.52% transient lodging tax; revenue generated from 1% of this rate is deposited into the General Fund, the remaining 3.52% is deposited into the Tourism Fund.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Local Sales Tax	26,819,424	29,569,445	30,771,549	32,830,162	36,782,751	37,620,900
Construction Sales Tax	642,593	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Bed Tax	100,398	110,429	108,091	116,652	143,251	141,600
General Fund Total	**27,562,415**	**30,929,873**	**32,129,640**	**34,196,814**	**38,176,002**	**39,012,500**

Forecast Assumptions

Forecasts are prepared individually within each of 12 different categories (industries) using industry specific information (e.g. retail, vehicles, restaurant and bar, etc.). An influx of new retail establishments in FY2011 and FY2012 resulted in double digit year over year increases. Additional retail establishments arrived in FY2014 resulting in a 9% year over year increase. With retail and commercial development remaining steady, the future year forecast growth is based on expected increases in the population and inflationary price increases on taxable goods and services. The FY2017 local sales tax reflects the proposed rate of 2.12% beginning in August of 2016. A one-time decrease in local sales tax revenue is expected to span FY2016 and FY2017 due to the Bell Road closure starting in April for the Bell Road and Grand Avenue Intersection Improvement Project. Bell road is expected to re-open in the Fall of 2016.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Local Sales Tax	37,481,100	41,421,600	43,528,500	45,020,400	46,557,900	48,141,200
Construction Sales Tax	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Bed Tax	150,900	150,900	154,400	157,900	161,500	165,100
General Fund Total	**38,882,000**	**42,822,500**	**44,932,900**	**46,428,300**	**47,969,400**	**49,556,300**



GENERAL FUND
STATE SHARED REVENUE

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
30,032,700	32,330,000	2,297,300	8%

Description

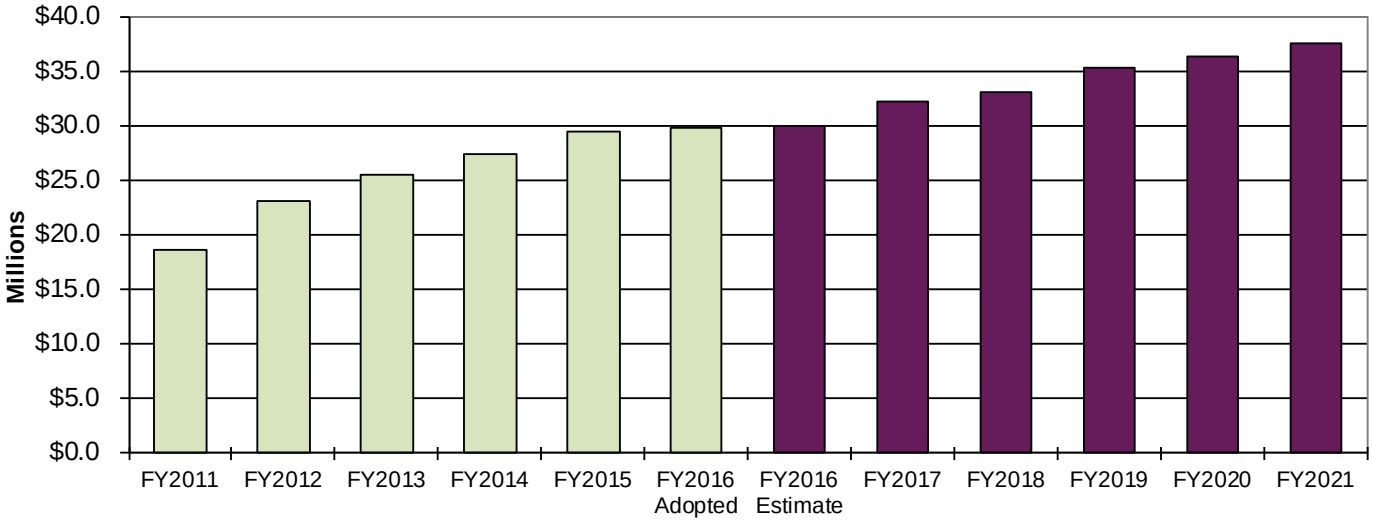
State shared revenues deposited into the General Fund are comprised of state shared income tax, state shared sales tax and vehicle license tax. State shared sales tax and vehicle license tax distributions are based on a proportionate share of population numbers from the last census or special census. State shared income tax distributions are based on revised population numbers that sets the population to 1,500 for cities and towns that fall under 1,500 from the same census, resulting in a slightly smaller distribution percentage from that used for the sales and vehicle license tax distributions.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
State Shared Income Tax	8,591,077	9,918,521	12,004,109	13,098,761	14,226,160	14,149,000
State Shared Sales Tax	7,158,275	9,220,163	9,660,697	10,245,322	10,784,980	11,178,700
Vehicle License Tax	2,930,709	3,951,413	3,973,600	4,177,424	4,516,327	4,535,200
General Fund Total	**18,680,061**	**23,090,098**	**25,638,406**	**27,521,507**	**29,527,466**	**29,862,900**

Forecast Assumptions

The 2010 census resulted in increased revenues beginning in FY2012 as the city share of total population increased. A legislative bill is expected to be passed that would use an annual US Census estimate to determine the distribution amount for incorporated cities and towns. The latest population numbers have not yet been released but the city of Surprise is expected to have grown and continue to grow faster than the average rate of other incorporated cities and towns. State shared income tax will increase sharply in FY2017 and is expected to experience a small decline in FY2018 before leveling off due to increased capital gains and corporate profits in FY2015 that may not be able to be sustained. State shared sales tax and vehicle license tax are expected to rise throughout the forecast period due to an overall population increase at the state level and increases in money spent on taxable goods and services.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
State Shared Income Tax	14,149,000	15,600,700	15,448,800	15,755,400	15,772,700	15,789,500
State Shared Sales Tax	11,231,100	11,785,500	12,466,400	13,756,900	14,465,400	15,208,200
Vehicle License Tax	4,652,600	4,943,800	5,258,000	5,819,500	6,171,900	6,549,600
General Fund Total	**30,032,700**	**32,330,000**	**33,173,200**	**35,331,800**	**36,410,000**	**37,547,300**



Return to TOC

GENERAL FUND
CHARGES FOR SERVICES/OTHER

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
10,513,700	10,159,000	(354,700)	(3%)

Description

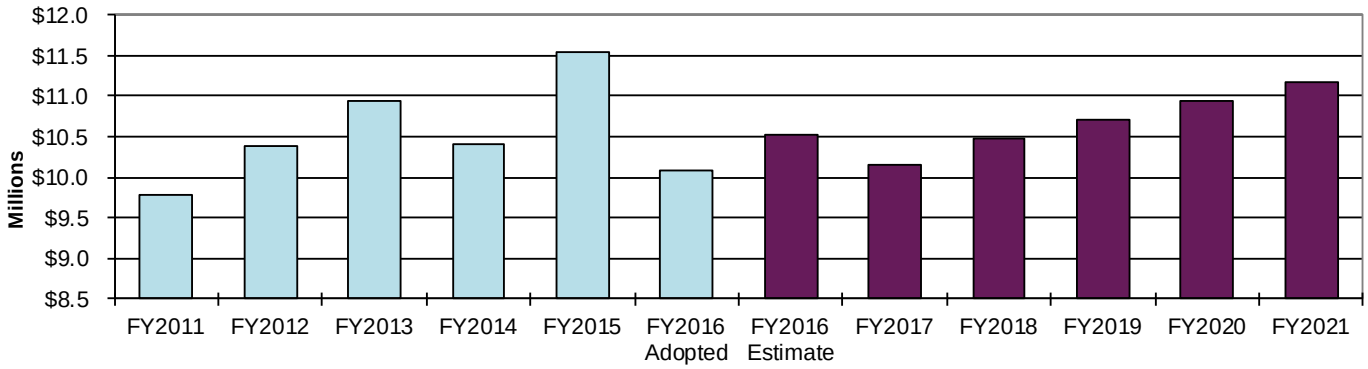
Charges for services include revenues generated by fees city departments charge for services provided to residents, businesses, and visitors of Surprise. This category also includes interest, grant, and intergovernmental agreement revenue. Revenue sources include but are not limited to rent/lease of city buildings, permit and plan check fees, zoning fees, court imposed fines and jail cost reimbursements, recreational program fees, park rental fees, and engineering inspection.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Parks & Rec Program Fees	4,073,203	4,732,333	4,718,258	4,746,968	4,397,198	3,962,800
Court Revenue	1,266,929	1,275,954	1,294,477	1,199,998	1,064,103	1,184,100
Fire-Medical Revenue	684,647	881,135	632,850	685,611	847,168	790,600
Police Revenue	645,284	643,045	657,656	723,732	708,632	736,800
Community Development Fees	1,367,433	1,622,594	2,011,274	1,536,223	1,988,132	2,057,400
Public Works Fees	587,793	591,190	933,497	623,662	550,671	699,100
Interest Income	128,503	4,742	15,011	86,303	151,261	117,300
All Other Operating Revenue	1,024,603	642,975	684,401	813,897	1,835,533	537,100
General Fund Total	**9,778,396**	**10,393,969**	**10,947,424**	**10,416,394**	**11,542,698**	**10,085,200**

Forecast Assumptions

Forecasts are based on factors related to the particular areas, i.e. number of anticipated recreation program participants, court cases or building permits. While each area is different, the projections are dependent on accurate population and development estimates. The Parks & Rec Program Fees estimate is higher than the FY2016 budget due to increased attendance for the World Series Champion Kansas City Royals and cooperative weather; a conservative approach is used for future year forecasts due to overall decreases in spring training attendance. The Fire-Medical revenue estimate is over budget due to a rate increase and increased call volume related to life support paramedic pay charged to Southwest Ambulance. This category decreases starting in FY2017 due to the tracking of city provided ambulance services in the Ground Ambulance Services Fund.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Parks & Rec Program Fees	4,362,800	3,962,800	4,028,000	4,094,100	4,160,900	4,228,500
Court Revenue	1,090,600	1,084,100	1,111,500	1,139,600	1,168,400	1,197,900
Fire-Medical Revenue	904,400	795,900	819,900	845,000	871,300	899,000
Police Revenue	711,200	711,300	734,900	759,200	784,100	809,700
Community Development Fees	2,015,300	2,191,600	2,307,900	2,354,000	2,401,100	2,449,100
Public Works Fees	700,000	717,500	751,300	764,800	778,400	792,400
Interest Income	106,800	74,900	74,500	79,700	86,500	95,900
All Other Operating Revenue	622,600	620,900	640,700	661,800	683,500	705,900
General Fund Total	**10,513,700**	**10,159,000**	**10,468,700**	**10,698,200**	**10,934,200**	**11,178,400**



GENERAL FUND
PRIMARY PROPERTY TAX

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
6,750,200	6,885,900	135,700	2%

Description

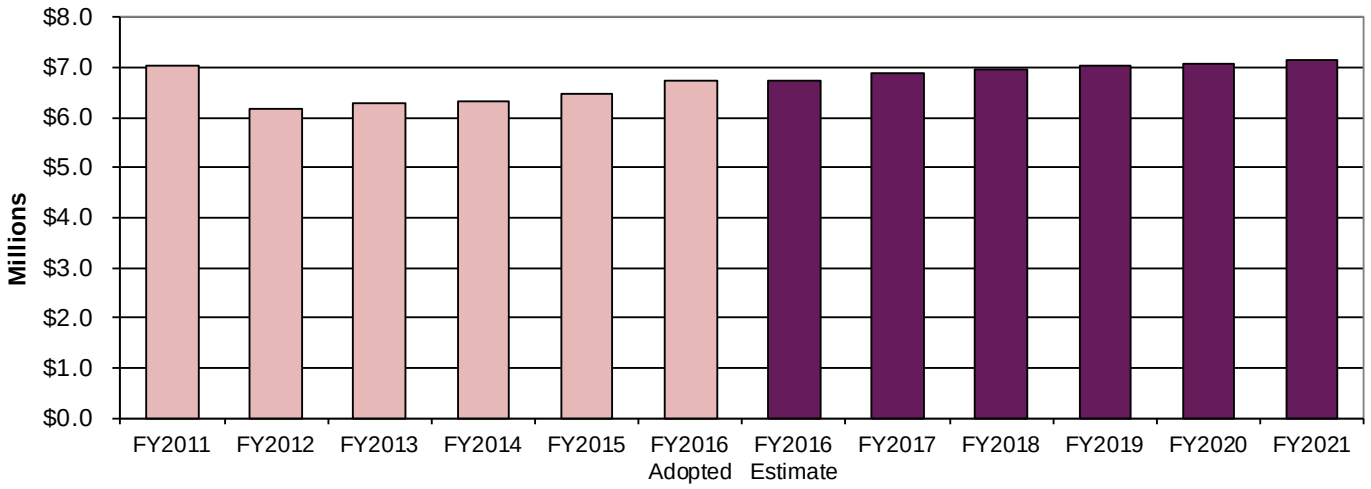
This source reflects the primary property tax levied for general government operations. State statute restricts the total levy to a maximum 2% annual increase over the prior year allowable levy plus an increase for any new construction and/or annexation. The levy amount is set annually by City Council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

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Primary Property Tax	7,023,619	6,178,758	6,294,185	6,340,641	6,479,210	6,750,200

Forecast Assumptions

The FY2017 levy amount is based on assessed valuation data provided by the Maricopa County Assessor's Office. A Truth-in-Taxation hearing will not be necessary for the upcoming property tax year since the property tax rate will be reduced from $0.7591 to $0.7413. Future forecast years also assume no Truth-in-Taxation hearings. Year over year increases are due to increased assessed values on new construction only.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Primary Property Tax	6,750,200	6,885,900	6,953,300	7,021,700	7,090,200	7,159,800



OPERATING SOURCES
Revenue Forecast Detail

GENERAL FUND
FRANCHISE FEES

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
5,170,100	5,339,000	168,900	3%

Description

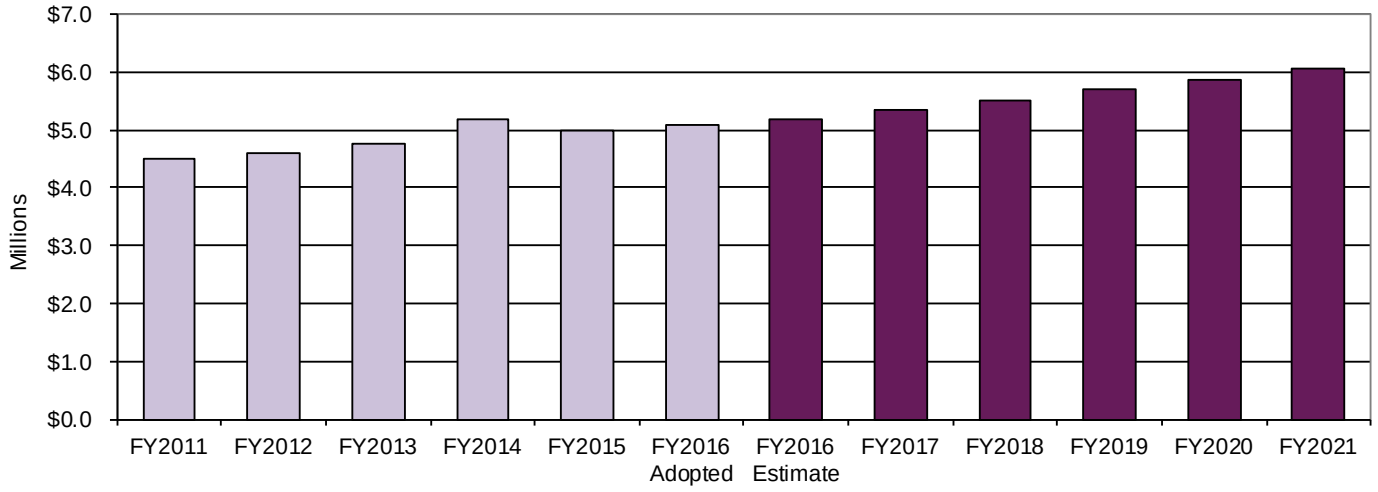
Franchise fees are charged in exchange for use of public right-of-way. These fees equate to 2% of revenue earned by Arizona Public Service (APS) electric utility company, Southwest Gas, and EPCOR Water. Additionally, cable franchise fees are set at 5% of revenue. Franchise fees are only charged to operations within the city of Surprise. Sanitation haulers license fees are charged on a per vehicle basis for both private and public sanitation providers operating within the city.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Arizona Public Service (APS)	2,108,514	2,242,092	2,291,309	2,449,342	2,419,554	2,325,900
Cable Franchise Fees	1,071,176	1,022,937	1,018,406	1,163,268	1,271,876	1,350,900
Southwest Gas	308,232	309,623	297,424	307,699	335,671	357,100
EPCOR Water	334,987	347,050	472,097	509,867	519,512	543,300
Sanitation Haulers License	42,050	39,000	39,000	38,000	45,000	39,700
Business Licenses	625,705	625,919	653,413	729,780	383,785	467,100
General Fund Total	**4,490,664**	**4,586,621**	**4,771,649**	**5,197,956**	**4,975,397**	**5,084,000**

Forecast Assumptions

FY2016 estimated franchise fee and sanitation haulers license revenue are based on year-to-date trends. Future year forecasts are based on projected revenue per capita and reflect a modest 2% rate of inflation for the private sector and scheduled rate increases for the Surprise services. Business license revenue dropped sharply in FY2015 from prior year actuals due to residential rentals no longer requiring a business license.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Arizona Public Service (APS)	2,538,000	2,626,900	2,714,000	2,803,600	2,895,600	2,990,200
Cable Franchise Fees	1,356,600	1,404,100	1,450,700	1,498,500	1,547,700	1,598,300
Southwest Gas	344,500	356,600	368,400	380,500	393,000	405,900
EPCOR Water	527,000	545,500	563,500	582,100	601,300	620,900
Sanitation Haulers License	47,000	47,900	48,900	49,900	50,900	51,900
Business Licenses	357,000	358,000	367,000	376,200	385,700	395,300
General Fund Total	**5,170,100**	**5,339,000**	**5,512,500**	**5,690,800**	**5,874,200**	**6,062,500**



GENERAL FUND TRANSFERS IN

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
7,728,100	6,597,200	(1,130,900)	-15%

Description

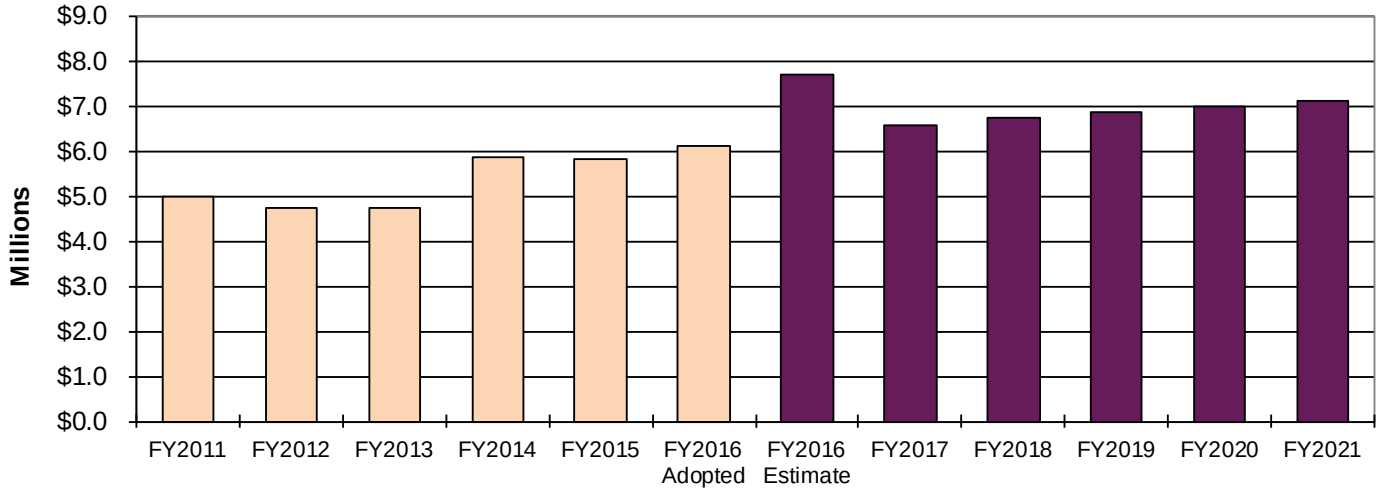
Expenses incurred by the General Fund on behalf of the Enterprise Funds (water, wastewater, and sanitation) are recovered through the indirect cost assessment and are recorded in the General Fund as a transfer in. Examples of expenses incurred in the General Fund include but are not limited to city administration, human resources, and facilities costs. Starting in FY2011 the General Fund also started receiving payments in-lieu of property tax (PILOT) as a transfer in from the Enterprise Funds. The city of Surprise water and wastewater utilities are charged franchise in-lieu fees equivalent to 2% of service fees in exchange for use of public right-of-way. Finally, the city's sanitation utility is charge a sanitation hauler's license fee of $1,000 per vehicle.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Indirect Cost Assessment	3,660,700	3,660,700	3,660,700	4,682,772	4,682,772	4,983,700
Franchise In-Lieu	542,741	521,227	533,392	552,610	560,995	574,400
City Sanitation Haulers Lic	25,000	25,000	24,000	24,000	26,000	25,000
Property Tax In-Lieu	379,077	421,917	511,130	570,571	545,149	554,400
Transfer from Other Funds	394,984	100,304	-	61,125	50	
General Fund Total	**5,002,503**	**4,729,148**	**4,729,222**	**5,891,078**	**5,814,966**	**6,137,500**

Forecast Assumptions

Starting in FY2016 indirect cost assessments are based on the FY budget, rather than actuals from two years prior as was the past practice. Ultimately, the assessments will be based on the years actual expenses, which could lead to a variance. PILOT revenue is projected to decrease slightly in FY2017 due to a final half-percent assessment ratio reduction on commercial property (which is now 18%) as well as a property tax rate reduction. Future PILOT revenue assumes a similar percentage increase in valuation and property tax rate as other property within the city. A portion of a debt reserve that is no longer required is being transferred back to the General Fund in FY2016.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Indirect Cost Assessment	4,947,900	5,327,100	5,433,600	5,542,200	5,653,100	5,766,100
Franchise In-Lieu	548,900	569,800	592,100	616,200	620,500	624,800
City Sanitation Haulers Lic	27,000	27,000	27,000	27,000	27,000	27,000
Property Tax In-Lieu	540,300	519,800	524,800	529,700	534,800	539,900
Transfer from Other Funds	1,664,000	153,500	156,600	159,700	162,900	166,200
General Fund Total	**7,728,100**	**6,597,200**	**6,734,100**	**6,874,800**	**6,998,300**	**7,124,000**



VARIOUS FUNDS
CONSTRUCTION SALES TAX

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
5,592,600	5,598,300	5,700	0%

Description

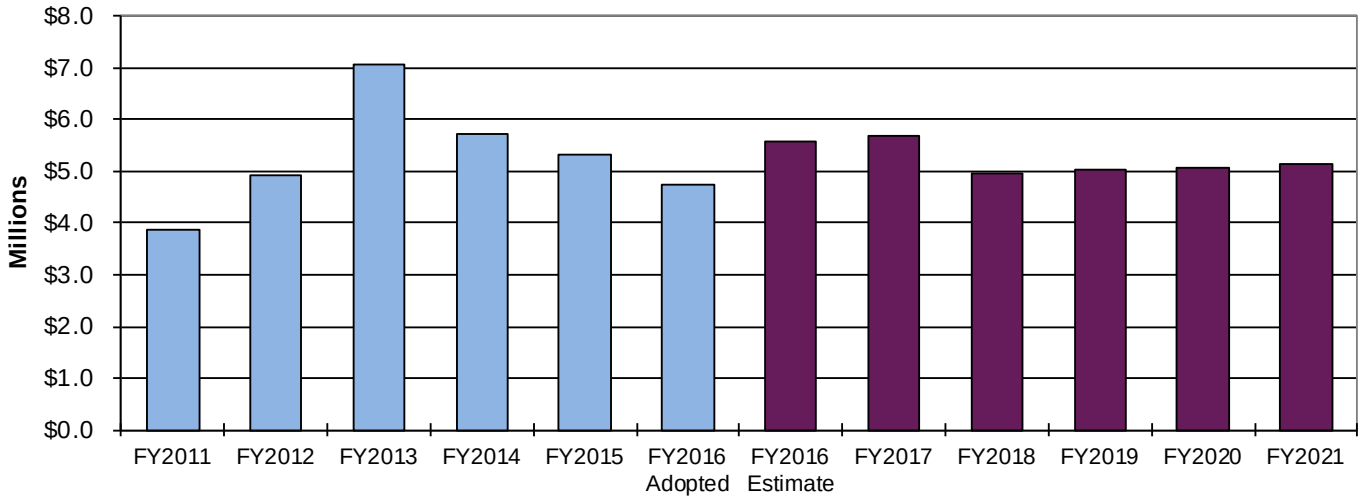
This represents the one time construction sales tax (CST) that is assessed on new construction by the city of Surprise. The city's proposed total CST rate is 3.62%. A dedicated CST rate of 1.5% is deposited in the Transportation Improvement Fund. Of the remaining 2.12%, the first $1.25 million is recorded in the General Fund and amounts in excess of that are recorded in the General Capital Fund per financial policy #10 adopted by Council.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
General Fund CST	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
General Capital Fund CST	1,050,837	1,685,089	2,950,369	2,140,766	1,863,652	1,567,500
Transportation Imp Fund CST	1,569,724	2,001,197	2,871,343	2,311,886	2,204,709	1,921,000
CST - All Funds	**3,870,561**	**4,936,286**	**7,071,712**	**5,702,652**	**5,318,361**	**4,738,500**

Forecast Assumptions

The CST 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, started showing signs of recovery as construction activity resumes. However, recent transaction privilege tax reform, including changes to the taxation of modifications, additions, and renovations that are not considered new construction have partially stalled this recovery. Forecasted revenue also reflects the proposed decrease to the base sales tax beginning in August 2016.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund CST	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
General Capital Fund CST	2,075,300	2,047,400	1,639,100	1,690,200	1,742,000	1,794,700
Transportation Imp Fund CST	2,267,300	2,300,900	2,044,200	2,080,300	2,117,000	2,154,300
CST - All Funds	**5,592,600**	**5,598,300**	**4,933,300**	**5,020,500**	**5,109,000**	**5,199,000**



HIGHWAY USER REVENUE FUND (HURF)

FY2016 Estimate	FY2017 Forecast	$ Inc/(Dec)	% Inc/(Dec)
7,611,400	7,855,700	244,300	3%

Description

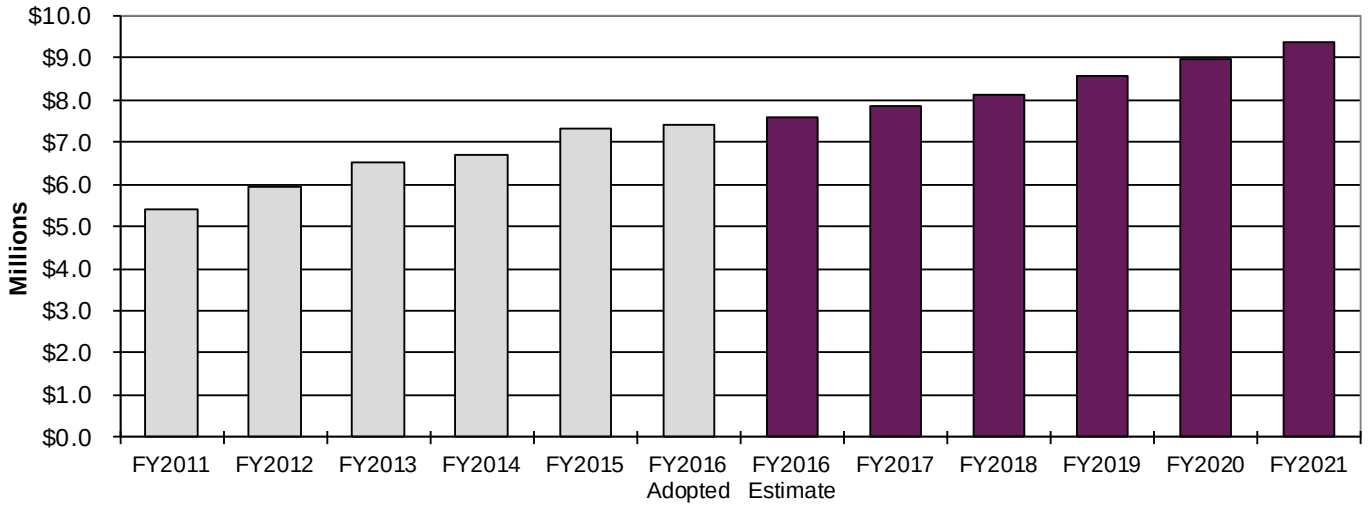
The largest revenue source for the HURF fund is the 27.5% distribution of state shared HURF revenue. State shared HURF revenues consist of state taxes collected on gasoline, vehicle registration, vehicle license tax, and a number of other additional transportation related fees. The first half of the cities and towns distribution is based on the city's population percentage of all incorporated places, the second half is based on the county's percentage of gasoline sales and a city's/town's population percentage within the county. Other sources consist of auction revenue, sales of recyclable materials, and interest. These funds must be used for street and highway purposes.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
State Shared HURF	5,275,645	5,906,800	6,487,774	6,677,050	7,292,171	7,377,200
Charges for Services/Other	119,679	50,441	20,056	23,496	26,320	13,000
HURF Fund Total	**5,395,324**	**5,957,241**	**6,507,830**	**6,700,547**	**7,318,490**	**7,390,200**

Forecast Assumptions

The current year estimate and future year forecasted revenue for state shared HURF is based on the Arizona Department of Transportation statewide HURF forecast for fiscal year's 2016-2025. A legislative bill is expected to be passed that would use an annual US Census estimate to determine the distribution amount for incorporated cities and towns. The latest population numbers have not yet been released but the city of Surprise is expected to have grown and continue to grow faster than the average rate of other incorporated cities and towns. An additional $30.0 million in FY2017 is scheduled to be distributed to cities, towns and counties per the Economic Strength Project.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
State Shared HURF	7,596,400	7,747,700	8,022,500	8,584,400	8,970,100	9,371,700
Other Revenue	15,000	108,000	108,700	-	-	-
HURF Fund Total	**7,611,400**	**7,855,700**	**8,131,200**	**8,584,400**	**8,970,100**	**9,371,700**



WATER OPERATIONS FUND

FY2016 Estimate	FY2017 Adopted	$ Inc/(Dec)	% Inc/(Dec)
11,382,300	12,286,400	904,100	8%

Description

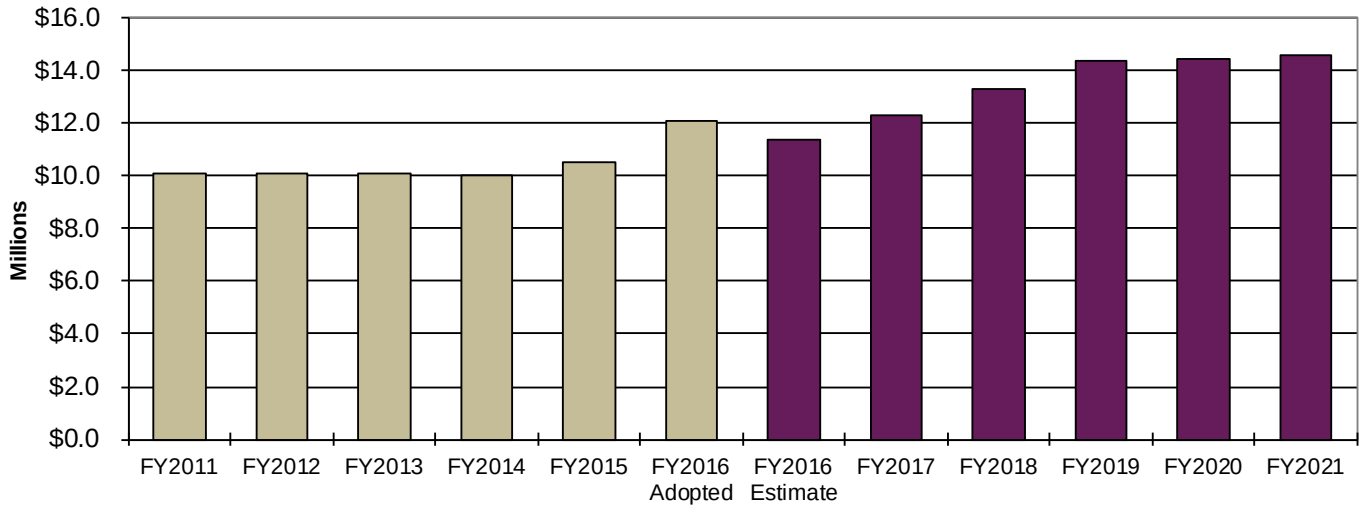
The largest component of the Water Operations Fund is service/collections fees collected from users of the city of Surprise water service. The fees consist of both base charges related to the water meter size and volumetric charges based on water usage. The city services approximately one-third of all water customers in the city. Also included within this fund are water meter installation revenue for connecting new development to the utility, anticipated grant revenue, and interest income.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Service/Collection Fees	9,759,186	9,873,000	10,011,257	9,896,495	10,361,173	11,853,900
Water Meter Installation	81,230	31,600	42,990	35,375	47,030	36,700
Other Revenue	285,142	186,583	53,293	69,206	93,053	170,700
Water Operations Fund Total	**10,125,559**	**10,091,183**	**10,107,541**	**10,001,077**	**10,501,256**	**12,061,300**

Forecast Assumptions

The water service fee forecast is based on estimates of customers' monthly bills and rates. Due to slow growth of customer counts and flat rates, revenues remained relatively stable between FY2011 and FY2014. Annual rate increases of 8.25% were adopted by the Mayor and Council along with the FY2015 budget and were implemented beginning August 1, 2014. Additional rate increases are planned for each fiscal year through FY2019. The current utility fee schedule can be found on the city's Internet site.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Service/Collection Fees	11,245,000	12,173,300	13,177,000	14,264,100	14,364,100	14,464,400
Water Meter Installation	50,000	50,000	50,400	50,700	51,100	51,400
Other Revenue	87,300	63,100	44,900	42,700	43,700	40,700
Water Operations Fund Total	**11,382,300**	**12,286,400**	**13,272,300**	**14,357,500**	**14,458,900**	**14,556,500**



WASTEWATER OPERATIONS FUND

FY2016 Estimate	FY2017 Adopted	$ Inc/(Dec)	% Inc/(Dec)
16,457,800	17,604,100	1,146,300	7%

Description

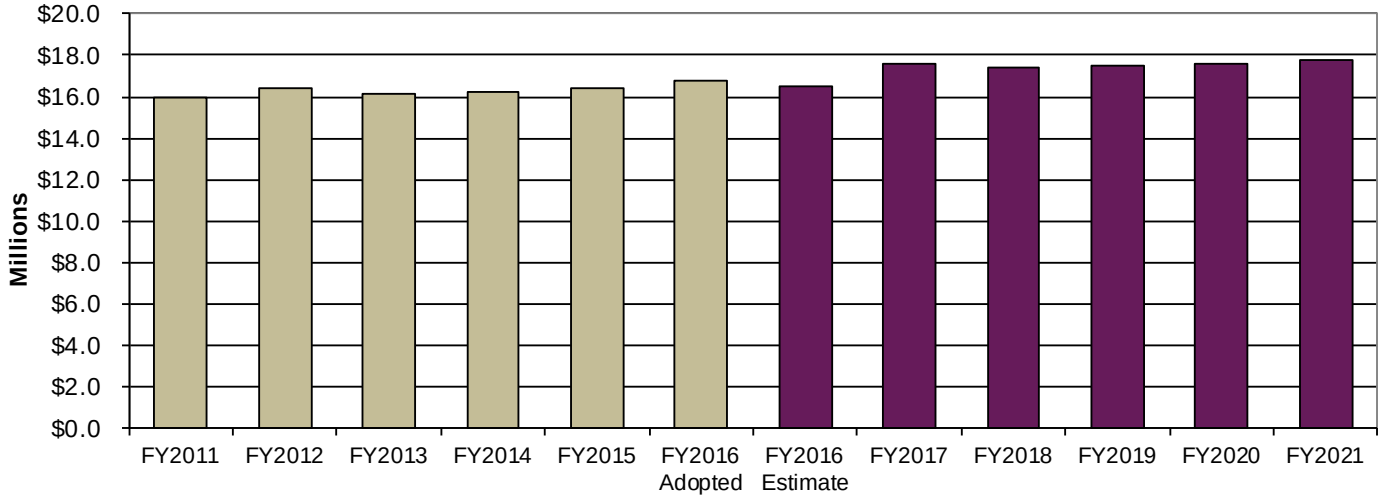
The largest Wastewater Operations Fund revenue source is service/collections fees collected from users of the city of Surprise wastewater service. Wastewater service fees are collected from users of the city of Surprise wastewater service and are a flat rate for residential customers and volumetric with a small base rate for commercial customers. Other revenue sources included in the Wastewater Operating Fund include sewer line extension fees related to adding new development to the utility and interest income.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Service Fees	15,301,407	15,196,544	15,766,128	15,914,183	16,140,757	16,517,800
Service Fees - Onsite Imp	0	47,292	76,289	86,265	42,903	0
Service Fees - Hydro-Vac Truck	105,340	104,410	45,850	0	0	0
Line Extensions	25,360	52,642	52,312	29,657	39,869	45,900
Other	554,419	971,215	228,814	188,174	156,811	203,300
Wastewater Operations Total	**15,986,526**	**16,372,103**	**16,169,393**	**16,218,279**	**16,380,339**	**16,767,000**

Forecast Assumptions

The wastewater service fee forecast is based on estimates of residential customers' monthly bills, metered usage of commercial customers, and rates. With no rate changes currently planned during the forecast period, revenue increases beginning in FY2015 reflect an equivalent percentage increase in the number of customers to the percentage increase in total population.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Service Fees	16,200,000	16,313,400	16,427,600	16,542,600	16,658,400	16,775,000
Line Extensions	25,000	24,500	24,700	25,000	25,200	25,500
Utility Billing Allocation	94,100	1,117,000	844,200	861,000	878,200	895,800
Other	138,700	149,200	87,600	47,900	37,800	79,400
Wastewater Operations Total	**16,457,800**	**17,604,100**	**17,384,100**	**17,476,500**	**17,599,600**	**17,775,700**



SANITATION OPERATIONS FUND

FY2016 Estimate	FY2017 Adopted	$ Inc/(Dec)	% Inc/(Dec)
7,124,900	7,513,100	388,200	5%

Description

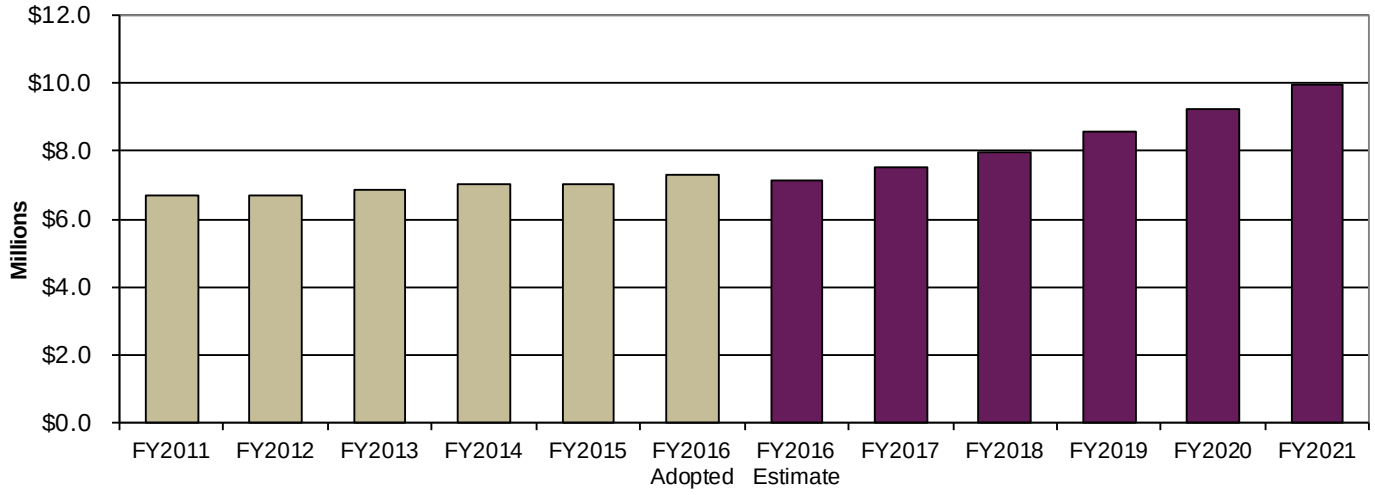
The main revenue source for the Sanitation Operations Fund is service/collection fees charged to users of the city of Surprise utility. The monthly service fee is charged on a per solid waste can basis. Other revenue is comprised of roll-off fees for commercial customers, sale of recycled materials, and interest income.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Service Fees	6,479,400	6,267,774	6,480,232	6,612,797	6,515,389	6,734,500
Sanitation Roll Off Fees	0	196,462	205,466	200,971	218,616	209,600
Sale of Recycled Material	119,164	167,546	160,556	186,325	217,007	36,311
Other Revenue	105,967	66,313	30,610	58,932	53,563	302,189
Sanitation Fund Total	**6,704,530**	**6,698,095**	**6,876,865**	**7,059,024**	**7,004,575**	**7,282,600**

Forecast Assumptions

The sanitation service fee forecast is based on estimates of residential customer's monthly bills and rates. Also included is an estimate of recycling revenue and roll-off fee revenue based on previous year trends. Increases beginning in FY2015 reflect customer forecasts and future rate increases adopted by Mayor and Council along with the FY2015 budget. The current residential fee for a single solid waste can is $16.63 and is anticipated to stay unchanged until FY2018. Starting in FY2018 additional revenue will be necessary for this fund to meet its reserve requirements. Staff will continue to monitor the fund balance and propose changes as necessary.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Service Fees	6,700,000	7,000,000	7,560,000	8,164,800	8,818,000	9,523,400
Sanitation Roll Off Fees	210,000	210,000	210,000	210,000	210,000	210,000
Sale of Recycled Material	165,000	210,000	210,000	210,000	210,000	210,000
Other Revenue	49,900	93,100	15,800	10,200	9,600	9,500
Sanitation Fund Total	**7,124,900**	**7,513,100**	**7,995,800**	**8,595,000**	**9,247,600**	**9,952,900**



VARIOUS CAPITAL PROJECTS FUNDS
DEVELOPMENT IMPACT FEES

FY2016 Estimate	FY2017 Adopted	$ Inc/(Dec)	% Inc/(Dec)
2,656,100	2,941,200	285,100	11%

Description

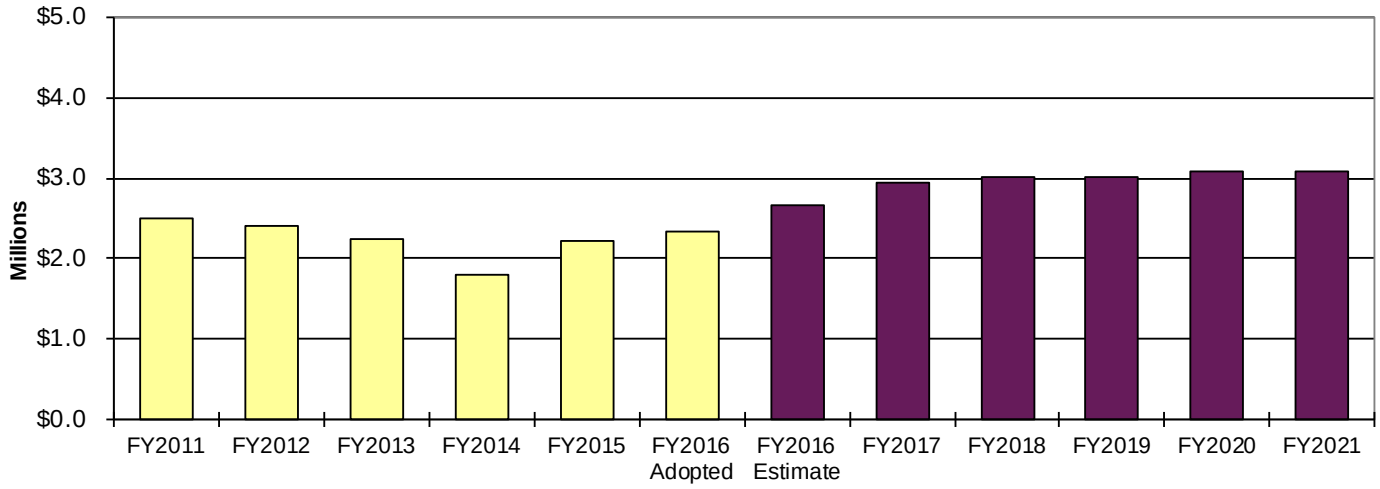
Development impact fees (DIF) are one time fees charged to developers to cover the cost of infrastructure needs due to new growth. Development impact fees are authorized under A.R.S. §9-463.05 and City Ordinance §109-48.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
General Government DIF	455,045	557,843	633,619	377,348	511,202	514,400
Police DIF	198,945	306,529	296,719	248,764	255,942	217,600
Parks and Recreation DIF	418,690	531,168	372,028	280,630	360,955	330,500
Public Works DIF	528,549	285,059	144,621	136,254	9,828	-
Fire DIF	539,652	618,681	706,495	413,024	1,004,189	1,252,200
Library DIF	109,001	108,303	76,071	54,407	4,256	-
Roads of Regional Significance	244,963	7,707	11,111	280,035	57,150	-
163rd Ave Roadway DIF	-	-	-	-	18,538	17,800
Caoital Project DIF Revenue	**2,494,845**	**2,415,290**	**2,240,664**	**1,790,462**	**2,222,060**	**2,332,500**

Forecast Assumptions

The development impact fee forecast is based on the expected residential and commercial growth and average fee rates. The FY2016 estimate and FY2017 forecast are based on assumptions from potential development plans and actual historical activity. Future projections beyond FY2017 are based on modest residential and commercial development growth and a slight increase to the rates a year after each planned DIF study is completed. Funding is available in FY2017 for a DIF study. As of FY2015 the city will no longer collect fees for the public works, library, or roads of regional significance categories and a new fee for the 163rd Avenue roadway was introduced.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
General Government DIF	607,100	694,000	697,000	697,000	714,400	714,400
Police DIF	305,800	308,500	328,000	328,000	336,200	336,200
Parks and Recreation DIF	317,100	354,700	369,700	369,700	380,500	380,500
Public Works DIF	-	-	-	-	-	-
Fire DIF	1,397,100	1,546,700	1,571,200	1,571,200	1,610,500	1,610,500
Library DIF	-	-	-	-	-	-
Roads of Regional Significance	-	-	-	-	-	-
163rd Ave Road DIF	29,000	37,300	37,000	38,800	38,800	39,300
Caoital Project DIF Revenue	**2,656,100**	**2,941,200**	**3,002,900**	**3,004,700**	**3,080,400**	**3,080,900**



VARIOUS ENTERPRISE FUNDS
DEVELOPMENT IMPACT FEES

FY2016 Estimate	FY2017 Adopted	$ Inc/(Dec)	% Inc/(Dec)
1,831,100	1,974,100	143,000	8%

Description

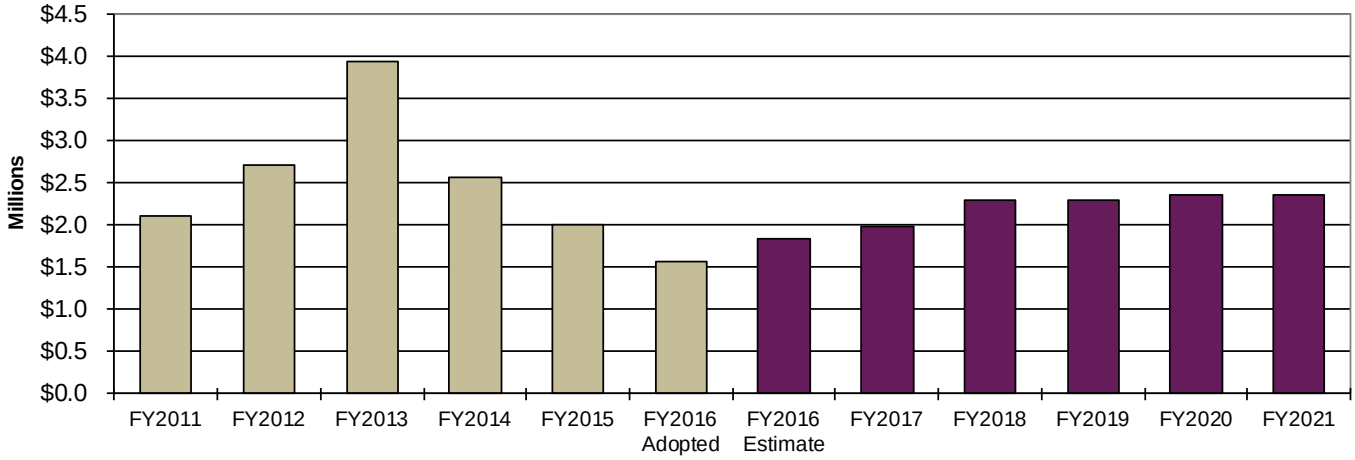
This source reflects one time development impact fees (DIF) charged to developers to recover costs associated with providing water and wastewater related facilities and services to the community. This revenue is collected specifically to fund growth related projects and activities. These fees are specific to geographic areas called Special Planning Areas (SPA) and are authorized under A.R.S. §9-463.05 and City Ordinance §109-48.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Water Resources DIF - SPA 1	310,527	430,672	661,087	317,221	144,563	134,800
Water Resources DIF - SPA 2	0	4,993	0	169,618	64,395	91,900
Water Replenish DIF - SPA 1	166,877	232,694	355,720	170,829	71,745	69,100
Water Replenish DIF - SPA 2	39,457	3,039	0	37,050	68,278	51,900
Wastewater DIF - SPA 1	1,584,437	2,034,194	2,932,749	1,878,278	1,658,581	1,229,500
Wastewater DIF - SPA 2	0	(3,713)	0	961	0	0
Wastewater DIF - SPA 3	2,052	7,706	0	0	0	0
Wastewater DIF - SPA 4	140	0	0	0	0	0
Enterprise DIF Revenue	**2,103,490**	**2,709,585**	**3,949,556**	**2,573,957**	**2,007,562**	**1,577,200**

Forecast Assumptions

Utility related development impact fee rates are based on the number and size of meters installed at each new development that will utilize city services. Future projections beyond FY2016 are based on modest residential and commercial development growth. Funding is available in FY2017 for a DIF study. As a fee study was completed for FY2015, the rates are held constant throughout the remainder of the forecast.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Water Resources DIF - SPA 1	154,600	119,800	163,900	163,900	168,000	168,000
Water Resources DIF - SPA 2	72,600	163,000	118,500	118,500	121,500	121,500
Water Replenish DIF - SPA 1	79,300	61,400	92,200	92,200	94,500	94,500
Water Replenish DIF - SPA 2	84,700	109,000	67,000	67,000	68,700	68,700
Wastewater DIF - SPA 1	1,439,900	1,327,300	1,585,800	1,585,800	1,625,500	1,625,500
Wastewater DIF - SPA 2	0	193,600	273,100	273,100	279,900	279,900
Enterprise DIF Revenue	**1,831,100**	**1,974,100**	**2,300,500**	**2,300,500**	**2,358,100**	**2,358,100**



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SURPRISE ARIZONA

OPERATING SOURCES
Sources by Fund

Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
Revenue						
General	90,698,432	90,794,800	91,348,700	97,536,400	6,741,600	7%
Ambulance Contract	190,933	295,700	89,600	0	(295,700)	(100%)
Animal Seizure Bond Forfeiture	0	1,000	1,000	1,000	0	0%
Arizona Lottery Fund	352,337	350,000	344,800	350,000	0	0%
Donations	246,611	461,300	480,500	505,600	44,300	10%
Employee Dep Scholarship	919	1,100	700	0	(1,100)	(100%)
Grants And Contingency	342,460	9,148,900	770,900	5,790,700	(3,358,200)	(37%)
Ground Ambulance Service	0	0	541,500	1,505,400	1,505,400	-
HALO	134,942	156,000	136,900	137,300	(18,700)	(12%)
HURF	7,318,490	7,390,200	7,611,400	7,855,700	465,500	6%
Municipal Court Enhancement	79,667	97,400	73,200	85,000	(12,400)	(13%)
Municipal Court FARE	3,191	4,600	4,100	4,200	(400)	(9%)
Municipal Court JCEF	20,177	25,000	19,300	20,100	(4,900)	(20%)
Municipal Court MFTG	11,281	13,500	11,600	10,400	(3,100)	(23%)
Neighborhood Revitalization	969,021	2,220,900	1,083,400	3,248,500	1,027,600	46%
Net Premium Seating	29,587	25,000	25,000	25,000	0	0%
Program 1033 Auction Proceeds	5,360	1,000	1,000	1,000	0	0%
Proposition 400	55,458	0	0	0	0	-
SB 1398 Fines	18,522	18,300	18,300	18,300	0	0%
SPD RICO	540,186	245,000	110,000	245,000	0	0%
SPD Towing	105,663	105,000	105,000	105,000	0	0%
Spring Training Ticket Surcharge	765,665	635,000	800,000	645,000	10,000	2%
Stadium Improvements	137,174	137,100	137,100	137,100	0	0%
Street Lighting Districts	2,375,446	2,416,600	2,416,000	2,595,900	179,300	7%
Tourism	220,637	215,200	461,100	531,100	315,900	147%
Unclaimed Property Disposal	0	1,000	1,000	1,000	0	0%
Wildland Fire	73,509	143,700	159,300	150,000	6,300	4%
Gov Debt Service	143	0	0	0	0	-
Gov Reserve	21,149	0	31,900	0	0	-
163rd Avenue Dev Fee	18,538	17,800	29,000	37,300	19,500	110%
Fire and EMS Dev Fees	1,004,920	1,252,200	1,397,100	1,546,700	294,500	24%
General Capital	1,977,315	2,093,200	2,075,300	2,054,700	(38,500)	(2%)
General Government Dev Fees	512,059	514,400	607,100	694,000	179,600	35%
Library Dev Fees	30,998	0	0	0	0	-
Parks and Rec Dev Fees	382,879	330,500	317,100	354,700	24,200	7%
Police Dev Fees	260,903	217,600	305,800	308,500	90,900	42%
Public Works Dev Fees	71,450	0	0	12,700	12,700	-
Roads of Regional Significance Dev Fees	71,665	0	0	0	0	-
Transportation Improvement	2,265,681	2,281,000	2,267,300	2,300,900	19,900	1%
Vehicle Replacement Fund	395,884	893,300	893,300	34,100	(859,200)	(96%)
Prop Debt Service	185	0	0	0	0	-
Prop Reserve	9,678	0	4,300	0	0	-

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OPERATING SOURCES
Sources by Fund

Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
Revenue						
Replenishment Operations	0	0	0	0	0	-
Sanitation Operations	6,972,017	7,282,600	7,124,900	7,513,100	230,500	3%
Wastewater Dev Fee	1,687,513	1,229,500	1,445,900	1,520,900	291,400	24%
Wastewater Operations	16,380,339	16,767,000	16,363,700	16,487,100	(279,900)	(2%)
Water Dev Fee	386,869	391,700	417,500	467,700	76,000	19%
Water Operations	10,501,531	12,061,300	11,382,800	12,286,400	225,100	2%
Employee Healthcare	10,058,624	10,021,000	10,609,600	10,895,800	874,800	9%
Risk Management	1,702,465	1,735,900	1,735,900	1,735,900	0	0%
FSA Account	318,110	0	0	0	0	-
Sub-Total Revenue	**159,726,585**	**171,992,300**	**163,759,900**	**179,755,200**	**7,762,900**	**5%**
Transfers In						
General	5,814,966	6,137,500	7,728,100	6,597,200	459,700	7%
Net Premium Seating	0	0	0	125,000	125,000	-
Gov Debt Service	18,234,512	3,193,700	1,571,000	1,585,500	(1,608,200)	(50%)
Refunded Gov Debt Service 2015	0	0	1,853,100	1,854,700	1,854,700	-
Fire and EMS Dev Fees	960,067	0	131,800	0	0	-
General Capital	0	3,436,600	8,490,700	6,798,900	3,362,300	98%
General Government Dev Fees	9,854	0	1,182,600	0	0	-
Parks and Rec Dev Fees	0	0	861,800	0	0	-
Police Dev Fees	0	0	266,800	0	0	-
Vehicle Replacement Fund	0	1,910,400	3,948,000	3,700,000	1,789,600	94%
Prop Debt Service	16,085,620	4,520,900	3,763,400	4,447,000	(73,900)	(2%)
Wastewater Dev Fee	3,613	4,051,300	1,572,200	4,111,500	60,200	1%
Wastewater Operations	0	0	94,100	1,117,000	1,117,000	-
Water Dev Fee	14,459	0	0	0	0	-
Sub-Total Transfers In	**41,123,092**	**23,250,400**	**31,463,600**	**30,336,800**	**7,086,400**	**30%**
Grand Total	**200,849,677**	**195,242,700**	**195,223,500**	**210,092,000**	**14,849,300**	**8%**

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Category/Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
LOCAL SALES TAX						
Local Sales Tax	36,782,751	37,620,900	37,481,100	41,421,600	3,800,700	10%
Bed Tax	360,993	356,800	612,000	682,000	325,200	91%
Construction Sales Tax	5,318,361	4,738,500	5,592,600	5,598,300	859,800	18%
Sub-Total Local Sales Tax	**42,462,105**	**42,716,200**	**43,685,700**	**47,701,900**	**4,985,700**	**12%**
STATE SHARED						
Highway User Tax	7,292,171	7,377,200	7,596,400	7,747,700	370,500	5%
Auto Lieu Tax	4,516,327	4,535,200	4,652,600	4,943,800	408,600	9%
State Shared Sales Tax	10,784,980	11,178,700	11,231,100	11,785,500	606,800	5%
State Shared Income Tax	14,226,160	14,149,000	14,149,000	15,600,700	1,451,700	10%
State Shared Lottery Tax	352,337	350,000	344,800	350,000	0	0%
Sub-Total State Shared	**37,171,974**	**37,590,100**	**37,973,900**	**40,427,700**	**2,837,600**	**8%**
CHARGES FOR SERVICES/OTHER						
State Fire Ins. Prem Tax	286,943	309,900	281,100	239,300	(70,600)	(23%)
Area Agency On Aging	38,759	50,000	50,000	50,000	0	0%
Intergov Rev Non-Grant Local	284,994	335,100	276,000	275,300	(59,800)	(18%)
Intergov Rev Non-Grant County	13,253	0	0	0	0	-
Intergov Rev Non-Grant State	87,677	161,200	174,600	164,000	2,800	2%
Bldg. Insp. & Permit Fees	1,076,937	1,037,800	1,037,800	1,225,000	187,200	18%
Zoning & Subdivision Fees	194,261	151,200	190,000	190,000	38,800	26%
Map/Publication Sales	3,299	4,800	1,500	1,600	(3,200)	(67%)
Bldg. Plan Check Fees	322,479	419,200	419,200	400,000	(19,200)	(5%)
Labor Reimb	123,649	303,700	50,800	6,000	(297,700)	(98%)
Eng. Inpect. & Permit Fees	227,049	275,300	350,000	350,000	74,700	27%
Eng. Plan Check Fees	196,035	275,300	250,000	250,000	(25,300)	(9%)
Landscape Permits	21,613	26,100	19,400	21,400	(4,700)	(18%)
Landscape Plan Check Fees	9,366	8,700	11,900	12,500	3,800	44%
Special Events	150,636	71,000	71,500	80,000	9,000	13%
Program Fees	2,059,097	2,099,700	2,024,800	2,100,800	1,100	0%
Surprise Store Revenue	2,470	0	1,000	0	0	-
Concession Sales	124,119	55,000	55,000	54,000	(1,000)	(2%)
Finger Prints/Police Rpts	34,151	32,500	29,400	29,400	(3,100)	(10%)
Fire Report	226	300	300	300	0	0%
Class Fees	291,977	276,300	290,100	286,100	9,800	4%
Transportation (Dart) Fees	(680)	0	0	0	0	-
Line Extension Fees	42,904	45,900	25,000	24,500	(21,400)	(47%)
Service/Collection Fees	33,106,622	35,154,000	34,192,900	35,534,500	380,500	1%
Meal Fee	15,545	14,500	14,500	14,500	0	0%
Clean Up Fees	78,630	101,700	33,000	34,000	(67,700)	(67%)
Tennis Lessons	84,453	119,600	96,000	97,000	(22,600)	(19%)
Park Permits	54,819	71,000	71,000	71,000	0	0%

Return to TOC

OPERATING SOURCES
Sources by Object

Category/Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
CHARGES FOR SERVICES/OTHER						
Copy Fees	14,231	15,000	16,200	15,000	0	0%
Returned Check Fee	225	0	0	0	0	-
Fire Inspection Fees	0	0	0	38,300	38,300	-
Fire Plan Review	111	0	0	0	0	-
Tennis Pro Shop Retail	107,592	68,300	70,000	68,500	200	0%
Temporary Traffic Control	9,000	0	0	0	0	-
Off-Duty Processing Fees	2,448	6,500	3,700	3,700	(2,800)	(43%)
Off-Duty Patrol Vehicle Fees	7,037	21,200	12,700	12,700	(8,500)	(40%)
NW Reg. Landfill Annual Pymt	143,390	138,200	165,200	138,200	0	0%
Water Meter Installation Fee	47,305	36,700	50,000	50,000	13,300	36%
Admin Fee - Development Svs	303,812	311,500	303,000	327,500	16,000	5%
Sanitation Roll Off Fees	218,616	209,600	210,000	210,000	400	0%
Revenue Recovery-Utility Bill	3,372	0	0	0	0	-
ATM Surcharge Revenue	35,771	0	400	0	0	-
SW Gas 2% Capital Exp Fee	318,922	0	0	0	0	-
Passport Fees	0	0	55,500	71,400	71,400	-
Ambulance Service	0	0	541,500	526,700	526,700	-
County Grant Revenue	45,390	250,000	0	0	(250,000)	(100%)
State Grant Revenue	19,146	24,900	24,900	24,800	(100)	0%
Federal Grant Revenue	1,345,713	3,209,100	2,558,400	3,064,900	(144,200)	(4%)
Other Grant Revenue	7,363	8,634,900	0	5,000,000	(3,634,900)	(42%)
Grant Program Income	201,909	629,100	44,200	863,500	234,400	37%
Fines Forfeitures & Penalties	537,112	246,000	111,000	246,000	0	0%
Court Imposed Fines	1,160,180	1,302,000	1,182,300	1,187,900	(114,100)	(9%)
Payment Fee/Court	19,849	23,700	18,900	19,000	(4,700)	(20%)
County Jail Reimbursements	39,349	62,400	31,900	31,900	(30,500)	(49%)
Pawn Tickets	12,180	0	21,100	21,100	21,100	-
Interest Income	1,081,835	573,100	413,100	321,600	(251,500)	(44%)
Bond Interest Income	835	0	0	0	0	-
Unrealized Gain/Loss	(395,690)	0	0	0	0	-
Building Rents	444,909	498,900	495,200	502,100	3,200	1%
Park Rents	103,671	137,100	138,300	137,300	200	0%
Locker Rental	821	600	1,700	1,100	500	83%
Donations-Operating	245,622	461,700	480,500	504,900	43,200	9%
Donations-Capital	50	700	700	700	0	0%
Suite Vouchers	7,326	9,000	9,000	9,000	0	0%
APS Rebates	21,298	0	0	108,000	108,000	-
Other Reimbursements	35,687	33,400	39,800	153,300	119,900	359%
ALS Paramedic	546,234	466,900	610,000	504,500	37,600	8%
Revenue Payable Cobra	637	0	0	0	0	-
Miscellaneous Refunds	10,695	0	0	0	0	-
Insurance - General	1,600,000	1,735,900	1,735,900	1,735,900	0	0%

Return to TOC

Category/Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
CHARGES FOR SERVICES/OTHER						
Recoveries	837,935	0	0	0	0	-
Ins Claims Reimbursement	52,414	0	0	0	0	-
Insurance Claim Subrogation	35,187	0	0	0	0	-
Misc Reimbursements	33,467	385,700	55,200	20,000	(365,700)	(95%)
Employer Insurance Contrib.	7,859,561	7,873,600	8,342,200	8,535,600	662,000	8%
Employee Insurance Contrib.	2,054,253	2,057,400	2,184,800	2,238,400	181,000	9%
Wellness Reimbursement	0	10,000	10,000	10,000	0	0%
Cobra Reimbursement	36,325	80,000	72,600	72,600	(7,400)	(9%)
NPC Po-Cty Shr Ticket Sales	464,941	300,000	435,300	300,000	0	0%
NPC Po-Cty Shr Tkt Surcharg	764,013	635,000	800,000	645,000	10,000	2%
NPC Po-Cty Shr Clb St Tkt Prem	29,466	25,000	25,000	25,000	0	0%
Baseball Advertising	296,242	212,200	212,000	212,200	0	0%
Baseball Concessions	600,136	475,000	661,100	475,000	0	0%
Baseball Novelties	301,075	290,000	362,300	290,000	0	0%
NPC Po-Cty Shr Programs	7,924	10,000	16,300	10,000	0	0%
Sale Of Recycled Material	222,962	206,000	165,000	210,000	4,000	2%
Medical Ibnr Adjustment	71,193	0	0	0	0	-
Subrogation Recovery	7,265	0	0	0	0	-
FSA Employee Contributions	318,110	0	0	0	0	-
Cancer Treatment Centers Of Am	76,112	32,000	98,000	57,000	25,000	78%
Auction Revenue	44,589	2,000	40,700	78,300	76,300	3,815%
Miscellaneous Revenue	213,410	288,100	294,100	1,253,400	965,300	335%
Cash Over/Short	81	0	0	0	0	-
Recovery Of Prior Year Exp.	174,235	10,000	10,000	10,000	0	0%
Novelties	97	0	0	0	0	-
Ticket Sales	74,760	70,000	70,000	70,000	0	0%
Banner Advertising	10,885	8,300	9,000	9,000	700	8%
DEA/DAG	34,012	36,000	36,000	36,000	0	0%
Sale Of Assets	176,258	13,000	15,000	10,000	(3,000)	(23%)
Sub-Total Charges for Services/Other	**62,032,142**	**73,525,500**	**63,276,500**	**71,978,200**	**(1,547,300)**	**(2%)**
PROPERTY TAX						
Property Tax	8,814,825	9,166,800	9,166,500	9,393,100	226,300	2%
Property Tax Prior Years	38,453	0	0	0	0	-
Sub-Total Property Tax	**8,853,278**	**9,166,800**	**9,166,500**	**9,393,100**	**226,300**	**2%**
FRANCHISE FEES						
APS Franchise	2,419,554	2,325,900	2,538,000	2,626,900	301,000	13%
Cable TV Franchise	1,271,876	1,350,900	1,356,600	1,404,100	53,200	4%
Southwest Gas Franchise	335,671	357,100	344,500	356,600	(500)	0%
Water Franchise	519,512	543,300	527,000	545,500	2,200	0%
Business License	383,785	467,100	357,000	358,000	(109,100)	(23%)

Return to TOC

OPERATING SOURCES
Sources by Object

Category/Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
FRANCHISE FEES						
Sanitation Hauler's License	45,000	39,700	47,000	47,900	8,200	21%
Sub-Total Franchise Fees	**4,975,397**	**5,084,000**	**5,170,100**	**5,339,000**	**255,000**	**5%**
DEVELOPMENT IMPACT FEES						
Development Fees	4,231,689	3,909,700	4,487,200	4,915,300	1,005,600	26%
Sub-Total Development Impact Fees	**4,231,689**	**3,909,700**	**4,487,200**	**4,915,300**	**1,005,600**	**26%**
TRANSFERS IN						
COS Wtr In Lieu Franch. Tr In	224,701	239,100	224,900	243,500	4,400	2%
COS Wwtr In Lieu Fran. Tr In	336,293	335,300	324,000	326,300	(9,000)	(3%)
COS Sani Hauler's Lic Tr In	26,000	25,000	27,000	27,000	2,000	8%
Water Indirect Costs Tr In	1,244,052	1,425,400	1,343,200	1,436,800	11,400	1%
Wwtr Indirect Costs Tr In	1,552,368	1,709,400	1,701,000	1,821,000	111,600	7%
Sani Indirect Costs Tr In	1,886,352	1,848,900	1,903,700	2,069,300	220,400	12%
Wtr Pymt ILO Prop Tax Tran In	157,195	159,800	154,300	151,300	(8,500)	(5%)
Wwtr Pymt ILO Prop Tax Tran In	379,567	385,900	377,500	361,000	(24,900)	(6%)
Sani Pymt ILO Prop Tax Tran In	8,387	8,700	8,500	7,500	(1,200)	(14%)
MPC03 Rent Payments-Trnsfr In	26,142,670	0	0	0	0	-
MPC07 Rent Payments-Trnsfr In	8,177,463	3,638,400	1,405,900	3,642,700	4,300	0%
2014 Debt-Transfer In	0	4,002,800	4,221,400	4,244,500	241,700	6%
From Other Funds	988,044	9,471,700	19,772,200	16,005,900	6,534,200	69%
Sub-Total Transfers In	**41,123,092**	**23,250,400**	**31,463,600**	**30,336,800**	**7,086,400**	**30%**
Grand Total	**200,849,677**	**195,242,700**	**195,223,500**	**210,092,000**	**14,849,300**	**8%**

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Operating Uses

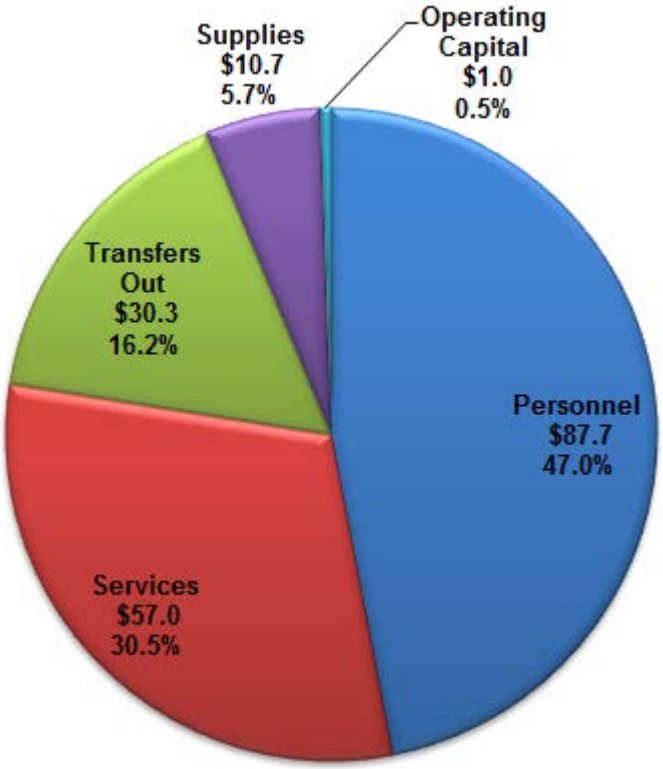
- Citywide Uses Summary
- Uses Forecast Detail
- Uses by Department
- Uses by Fund
- Uses by Object

CITYWIDE OPERATING USES SUMMARY

The operating uses forecast for fiscal year (FY) 2017 totals $186.7 million with $156.4 million in expenses and $30.3 million in transfers out. The operating uses are categorized into five major groups:

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

The graph to the right depicts the citywide uses ($ in millions) and the percentage of the total citywide use for each of the five categories.



Personnel
For FY2017 personnel expenses is $87.7 million, or 47.0% of total uses. The FY2017 budget includes the addition of 42.9 full time equivalents (FTE). Two major initiatives are driving the increase in FTE count. First, a focus on public safety is resulting in an increase of 24 full time equivalents (FTE) across the Police, Fire-Medical, City Attorney, and City Court departments. This is offset by a corresponding change to local sales tax rates. Second, with the decision by the city to operate billing activities for the Sanitation, Wastewater, and Water utilities, 15 FTE will be added, 4 in FY2016 and 11 in FY2017. This change will be offset by a decrease to the current billing contract. Additionally, staff will be added at the Senior Center, Fleet, Human Resources, Information Technology, Finance, and Community Development. The FY2017 budget also includes step pay plan increase for sworn employees and a 2% merit for general pay plan employees.

Services
The total service budget is $57.0 million, or 30.5% of total uses. Increases in developer reimbursements, landscape maintenance, and fire dispatching are mostly offset by the reduction in the utility billing contract, leaving the services category up slightly over last year's budget.

Supplies
Like the services category, supplies are expected increase slightly over last fiscal year to $10.7 million, or 5.7% of total uses. The increases are mostly due to the enhancement of public safety activities and operations of utility billing.

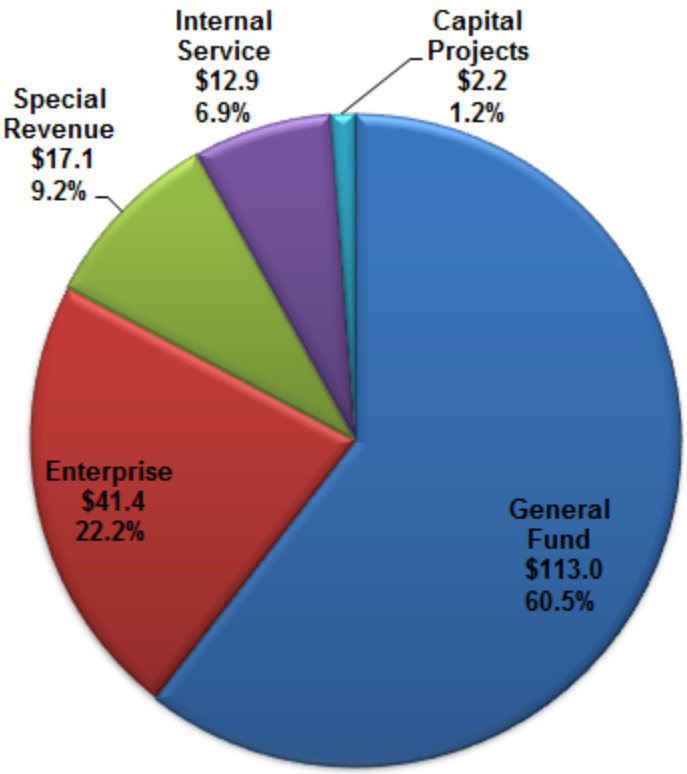
Operating Capital
Operating capital represents the smallest portion of city uses at $1.0 million, or 0.5% of total uses. The majority of the FY2017 recommended capital budget are one-time expenses again associated with public safety enhancements and utility billing. The category has decreased considerably from the prior fiscal year as asset replacement has been moved from operating capital to the capital improvement plan section of the budget.

Transfers Out
Scheduled transfers out for FY2017 total $30.3 million, or 16.2% of total uses. Inter-fund transfers are not appropriated, as these items represent movement between funds. According to the city's Financial Management Policy, "All inter-fund transfers need to be approved by Council," therefore this action is performed during the formal

adoption of the budget. The transfers out have increased for FY2017 as operating funds transfer asset replacement funds out to the Capital Improvement Plan.

Citywide Uses by Fund

General Fund
The primary operating fund of the city and any activity that is not accounted for in another fund is placed in the General Fund. The General Fund accounts for $113.0 million, or 60.5%, of operating uses.



Enterprise Funds
These funds are used to account for the business-type activities of a government. These activities 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 public on a continuing basis be financed or recovered primarily through user charges. The enterprise funds account for $41.4 million, or 22.2%, of operating uses.

Special Revenue Funds
These funds account for specific non-capital and non-debt service revenue sources that are restricted or committed for specific purposes. The special revenue funds account for $17.1 million, or 9.2%, of operating uses.

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 fully recovering cost through fees or charges. The internal service funds account for $12.9 million, or 6.9%, of operating uses.

Capital Project Funds
These funds are used to track the activities related to the collection and expenditure of funds dedicated to capital acquisition. The capital project funds account for $2.2 million, or 1.2%, of operating uses.

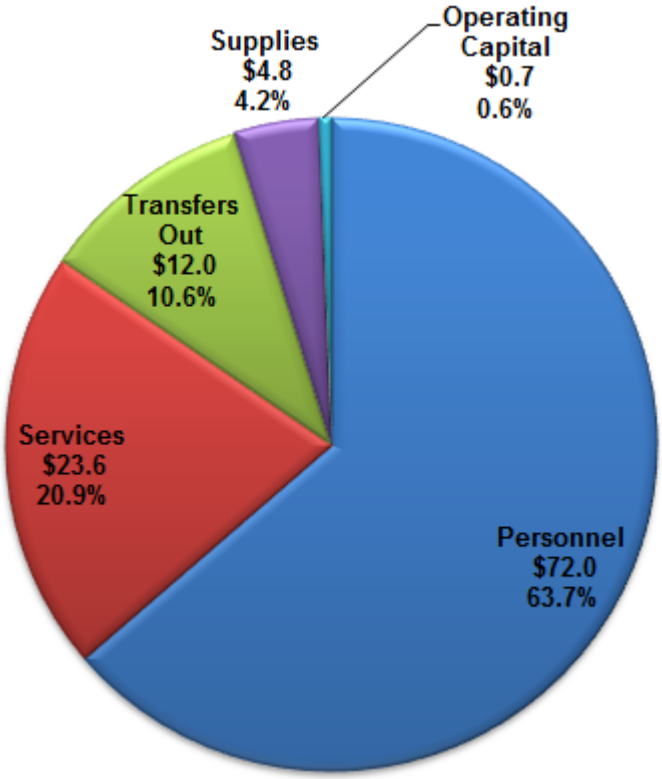
General Fund Operating Uses

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. General Fund operating uses are those used to provide core government services (e.g. police, fire, library, parks, etc.). The General Fund is not restricted and can be used for any purpose within the city.

Overview
The General Fund operating expense and uses forecast for fiscal year FY2017 is $113.0 million, an increase of $11.3 million or 11.1% over the FY2016 adopted budget. An increase in public safety personnel and transfers out for vehicle and asset replacement account for the majority of the increase. Public safety personnel account for 24 of the total 36.5 FTE added to the General Fund for FY2017.

Forecast of Operating Expenditures/Uses

The following reports present a narrative on the general fund, summary of general fund accounts, and various summaries of the major operating uses with prior year and budgeted uses for the General Fund and most other funds.



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OPERATING USES
Uses Forecast Detail – General Fund

GENERAL FUND OPERATING USES				
	FY2016 Ongoing Estimate	FY2017 Ongoing Forecast	$ Ongoing Inc/(Dec)	% Ongoing Inc/(Dec)
	94,878,000	101,862,800	6,984,800	7%

Description

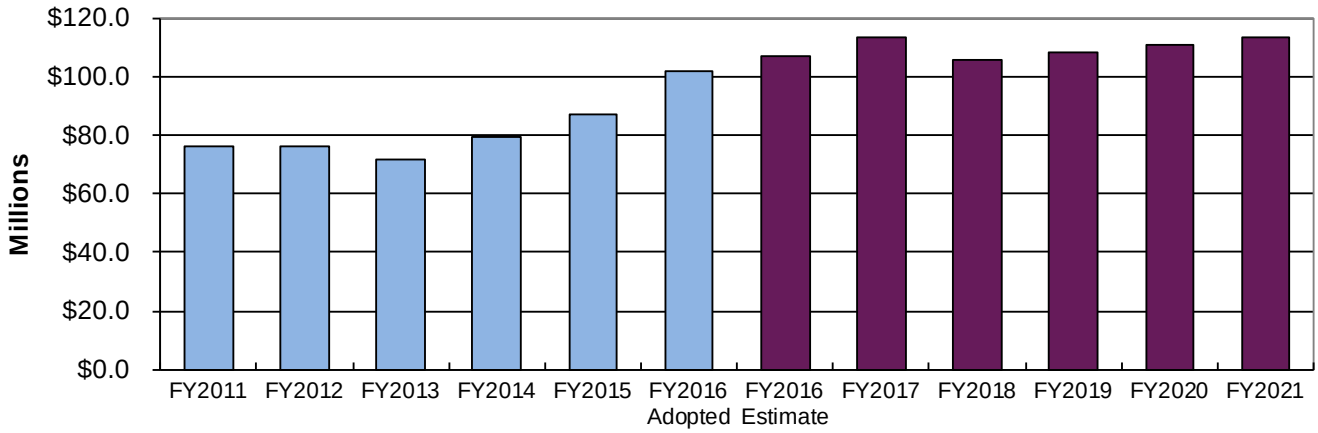
Operating expenditures are those used to provide core government services (e.g. police, fire, library, parks, etc.) and recorded in the General Fund. The General Fund is the primary operating fund of the city and is used to account for all financial uses not accounted for in the other funds.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Personnel	50,865,612	52,032,095	50,275,579	55,087,119	61,157,863	67,029,600
Supplies	3,917,036	4,190,671	3,864,579	4,087,846	4,341,907	4,602,500
Services	12,235,256	16,479,663	15,772,656	17,688,324	19,422,042	22,470,900
Operating Capital	142,944	54,597	48,008	158,787	200,741	28,300
Subtotal Operating Expenses	**67,160,849**	**72,757,026**	**69,960,823**	**77,022,076**	**85,122,552**	**94,131,300**
Transfers Out	6,645,717	1,716,048	-	-	-	2,534,300
Subtotal Ongoing Uses	**73,806,566**	**74,473,075**	**69,960,823**	**77,022,076**	**85,122,552**	**96,665,600**
Subtotal One Time Uses	**1,996,056**	**1,746,137**	**1,813,734**	**2,198,707**	**2,009,858**	**5,081,600**
Total Operating Uses	**75,802,622**	**76,219,212**	**71,774,557**	**79,220,783**	**87,132,410**	**101,747,200**

Forecast Assumptions

The increases in the FY2016 estimate and FY2017 budget are due to scheduled transfers being pushed back to correspond with project funding being carried forward from FY2015 and FY2016 in the General Capital Fund. See corresponding pages for the individual forecast assumptions. For capital, the forecast uses the FY2016 estimate and multiplies the amount by an inflationary factor of 2%.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Personnel	66,168,600	71,939,400	75,117,200	76,956,400	78,781,400	80,539,400
Supplies	4,623,500	4,604,300	4,696,400	4,790,300	4,886,100	4,983,800
Services	21,953,200	22,716,500	23,300,600	23,902,900	24,524,000	25,164,700
Operating Capital	37,100	88,400	90,200	92,000	93,800	95,700
Subtotal Operating Expenses	**92,782,400**	**99,348,600**	**103,204,400**	**105,741,600**	**108,285,300**	**110,783,600**
Transfers Out	2,095,600	2,514,200	2,503,800	2,496,700	2,483,300	2,474,400
Total Ongoing Uses	**94,878,000**	**101,862,800**	**105,708,200**	**108,238,300**	**110,768,600**	**113,258,000**
Total One Time Uses	**11,979,600**	**11,158,500**	**0**	**0**	**0**	**0**
Total Operating Uses	**106,857,600**	**113,021,300**	**105,708,200**	**108,238,300**	**110,768,600**	**113,258,000**



GENERAL FUND
PERSONNEL SERVICES

FY2016 Ongoing Estimate	FY2017 Ongoing Forecast	$ Ongoing Inc/(Dec)	% Ongoing Inc/(Dec)
66,168,600	71,939,400	5,770,800	9%

Description

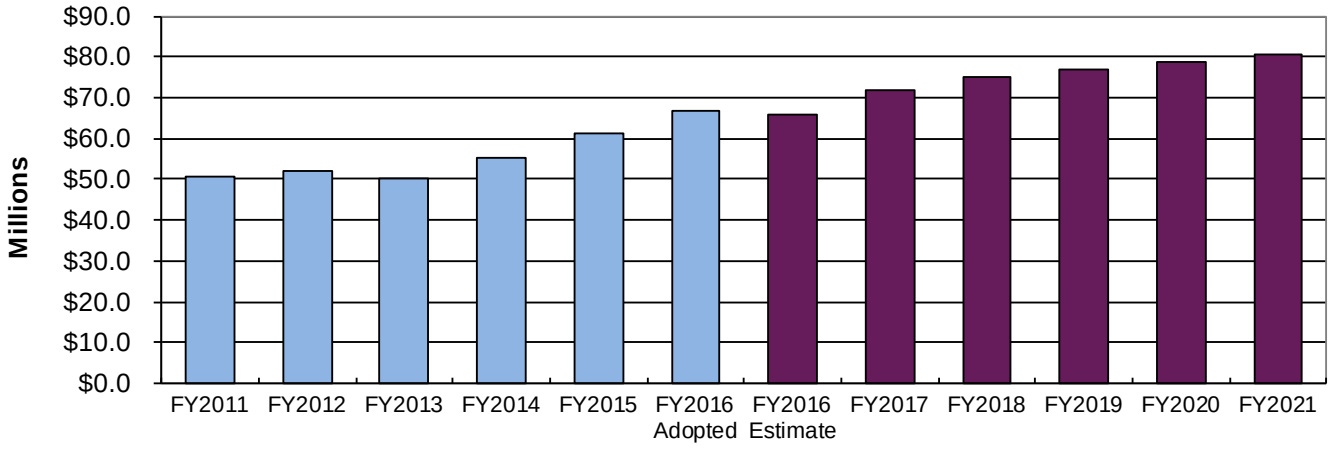
Personnel services is used to record all costs for employee related expenditures including full-time, part-time, and overtime expenses. Overtime expenses are applicable to hourly employees that work beyond their scheduled times. Benefits/Other consists of social security and Medicaid taxes, retirement, medical/dental/vision, and any other additional personnel related expenditures.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
FTEs	608.10	616.49	589.15	612.80	642.30	653.30
Fulltime	35,628,361	36,610,802	35,039,302	37,583,175	42,065,267	45,459,200
Part-Time	1,466,702	1,560,753	1,428,287	1,478,061	1,604,839	1,739,400
Overtime	1,495,477	1,327,063	1,015,774	1,567,505	1,286,822	1,416,600
Benefits/Other	12,275,072	12,533,477	12,792,217	14,458,378	16,200,935	18,414,400
One-Time Personnel	9,960	11,086	11,086	15,153	23,519	(49,000)
Total Personnel Services	**50,875,572**	**52,043,181**	**50,286,665**	**55,102,272**	**61,181,382**	**66,980,600**

Forecast Assumptions

The FY2017 full-time budget includes funding for 28 new positions. The future year personnel forecast uses specific assumptions for salary increases and an overall benefit rate applied to current FTEs. The rates are applied to the specific category and carried through for future years. One-time personnel is typically associated with grants awarded to the city either in the form of a grant match with in the General Fund or a labor distribution that moves acceptable personnel related expense into the Grant and Contingency Fund. One-time personnel in FY2017 also includes backfill overtime during the hiring and training processes for the new public safety personnel.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
FTEs	655.30	689.90	689.90	689.90	689.90	689.90
Fulltime	44,804,800	47,888,500	49,408,300	50,489,600	51,539,800	52,517,300
Part-Time	1,755,900	1,903,400	1,941,100	1,979,900	2,019,300	2,059,400
Overtime	1,594,400	1,547,000	1,713,200	1,747,700	1,782,600	1,818,300
Benefits/Other	18,013,500	20,600,500	22,197,100	22,881,700	23,582,200	24,286,900
One-Time Personnel	(221,100)	29,500	-	-	-	-
Total Personnel Services	**65,947,500**	**71,968,900**	**75,259,700**	**77,098,900**	**78,923,900**	**80,681,900**



Return to TOC

GENERAL FUND
SUPPLIES

FY2016 Ongoing Estimate	FY2017 Ongoing Forecast	$ Ongoing Inc/(Dec)	% Ongoing Inc/(Dec)
4,623,500	4,604,300	(19,200)	0%

Description

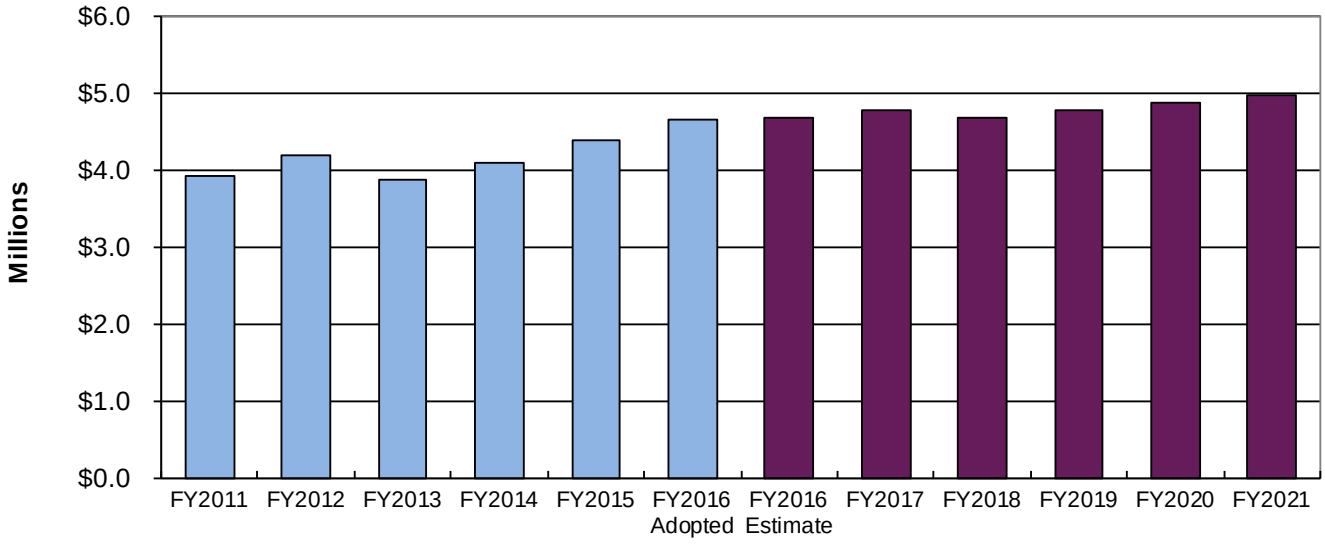
Supplies include expenditures for continuing the operations of the city. Examples of expenditures under this category include office and computer supplies, fuel, and postage.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Ongoing Supplies	3,917,036	4,190,671	3,864,579	4,087,846	4,341,907	4,602,500
One time Supplies	1,049	-	7,119	16,101	46,617	53,800
Total Supplies	**3,918,085**	**4,190,671**	**3,871,698**	**4,103,947**	**4,388,523**	**4,656,300**

Forecast Assumptions

The forecast assumption for supplies includes applying an inflationary rate of 2% for FY2018 - FY2021. Much of the FY2017 one-time amount is attributed to equipment needed for new public safety employees.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Ongoing Supplies	4,623,500	4,604,300	4,696,386	4,790,314	4,886,120	4,983,842
One-time Supplies	54,000	168,100	-	-	-	-
Total Supplies	**4,677,500**	**4,772,400**	**4,696,386**	**4,790,314**	**4,886,120**	**4,983,842**



GENERAL FUND SERVICES

FY2016 Ongoing Estimate	FY2017 Ongoing Forecast	$ Ongoing Inc/(Dec)	% Ongoing Inc/(Dec)
21,953,200	22,716,500	763,300	3%

Description

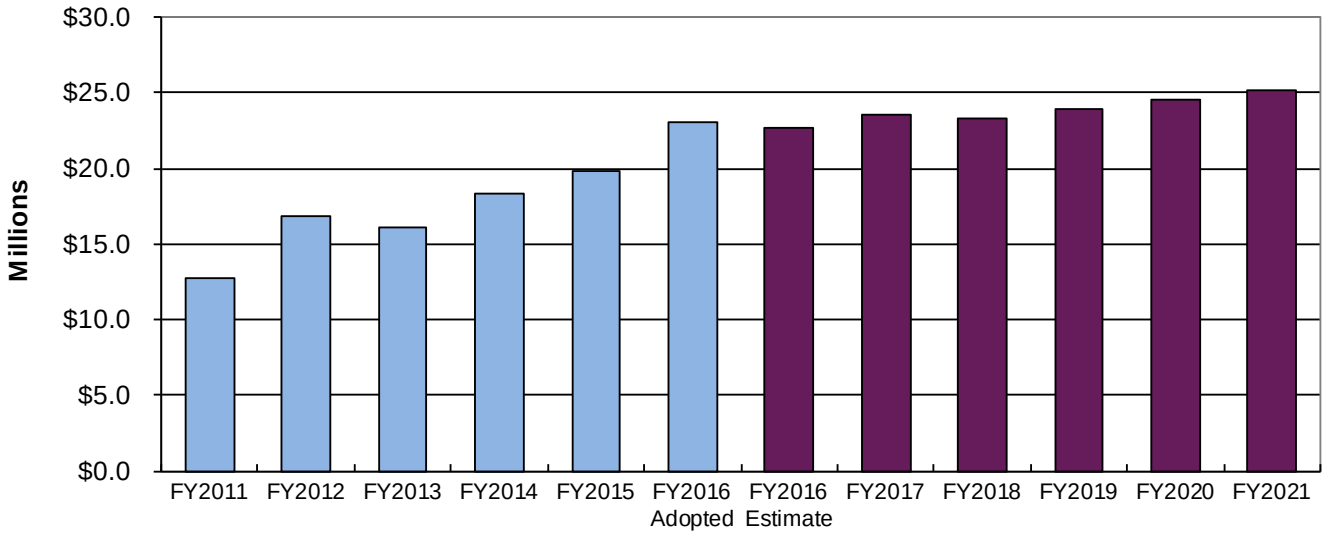
Utilities, service agreements, developer agreements, building maintenance, and general consulting services all fall under the services side of this category. In addition, developer agreements include payments for various residential or commercial projects.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Ongoing Services	12,235,256	16,479,663	15,772,656	17,688,324	19,422,042	22,470,900
One Time Services	451,878	99,797	259,735	587,767	395,697	602,800
Total Services	**12,701,127**	**16,828,859**	**16,059,937**	**18,337,269**	**19,817,739**	**23,073,700**

Forecast Assumptions

The forecast assumption for services includes applying an inflationary rate of 2% for FY2018 - FY2021. One-time services in FY2017 include an arts master plan, library operations and construction plan, election costs, and training associated with new public safety personnel. FY2017 ongoing costs include increases for contracted library services, fire dispatching, and police body cameras/conducted electrical devices.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Ongoing Services	21,953,200	22,716,500	23,300,598	23,902,866	24,523,993	25,164,695
One-Time Services	701,200	882,000	-	-	-	-
Total Services	**22,654,400**	**23,598,500**	**23,300,598**	**23,902,866**	**24,523,993**	**25,164,695**



OPERATING USES
Uses Forecast Detail – General Fund

GENERAL FUND TRANSFERS OUT				
	FY2016 Ongoing Estimate	FY2017 Ongoing Forecast	$ Ongoing Inc/(Dec)	% Ongoing Inc/(Dec)
	2,095,600	2,514,200	418,600	20%

Description

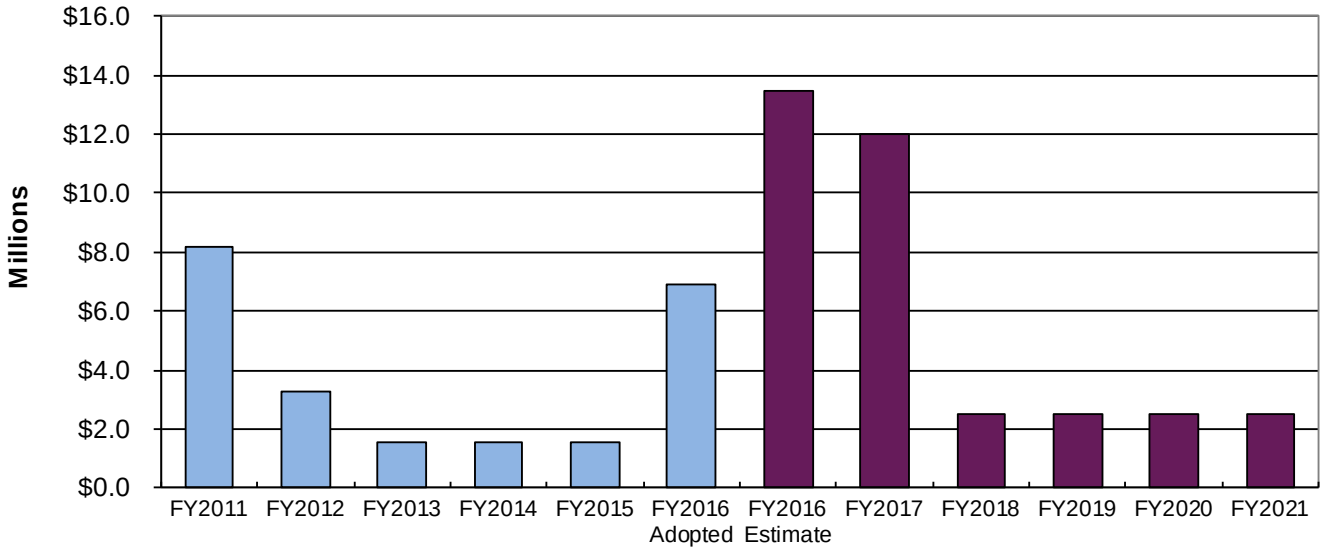
Transfers out represent a reallocation of resources between funds. This category includes transfers to the Vehicle Replacement Fund and the General Capital Fund to support as needed replacement of vehicles and maintenance, construction, or purchase of city assets. This category also includes transfers to cover a portion of debt service payments.

Actuals	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted
Ongoing Transfers Out	6,645,717	1,716,048	-	-	-	2,534,300
One Time Transfers Out	1,531,102	1,535,457	1,533,198	1,533,297	1,531,392	4,347,000
Total Transfers Out	**8,176,819**	**3,251,506**	**1,533,198**	**1,533,297**	**1,531,392**	**6,881,300**

Forecast Assumptions

The FY2011 transfers included a repayment to the Vehicle Replacement Fund for funds moved to the General Fund in FY2010 in order to meet the reserve policy. Ongoing transfers out of the General Fund in FY2011 and FY2012 include movement of construction sales tax (CST) to the General Capital Fund. After FY2012, CST revenue is recorded directly into the General Capital Fund. The one-time transfers in FY2011 through FY2015 are the General Fund's portion of the municipal property corporation (MPC) debt service payments. The debt related transfers are considered ongoing in FY's 2017-2021 and includes the General Fund's portion of both the refunded 2003 MPC and 2015 revenue obligation debt service payments. An emphasis was placed on vehicle and asset replacement in FY2015, however due to project carry forward from both FY2015 and FY2016, the scheduled transfers are expected to occur in FY2016 and FY2017. Future year transfers out also include $1.0M per year for vehicle replacement.

Forecast	FY2016 Estimate	FY2017	FY2018	FY2019	FY2020	FY2021
Ongoing Transfers Out	2,095,600	2,514,200	2,503,800	2,496,700	2,483,300	2,474,400
One-Time Transfers Out	11,363,500	9,498,900	0	0	0	0
Total Transfers Out	**13,459,100**	**12,013,100**	**2,503,800**	**2,496,700**	**2,483,300**	**2,474,400**



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OPERATING USES
Uses by Department

Department	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
Operating						
Mayor & Council	361,354	378,400	380,800	384,100	5,700	2%
City Manager	8,820,251	2,707,700	2,886,800	3,357,600	649,900	24%
Legal	2,062,649	2,497,600	2,687,600	2,572,300	74,700	3%
City Clerk	447,293	459,500	451,700	848,500	389,000	85%
Finance	3,263,871	4,138,100	3,722,600	6,598,100	2,460,000	59%
Human Resources	12,731,087	13,472,200	13,709,400	15,199,900	1,727,700	13%
Information Services	4,188,538	4,225,200	4,119,500	4,707,500	482,300	11%
General Operations	1,981,710	4,770,500	3,193,400	5,373,200	602,700	13%
Economic Development	0	7,609,400	7,637,800	1,319,700	(6,289,700)	(83%)
Community Development	5,074,392	4,149,700	4,081,000	4,723,300	573,600	14%
City Court	1,998,360	2,139,500	2,072,600	2,347,000	207,500	10%
Police	23,249,235	25,539,000	23,957,100	27,522,000	1,983,000	8%
Fire-Emergency Services	16,719,287	18,355,600	18,358,600	19,956,900	1,601,300	9%
Human Service and Community Vitality	0	3,425,000	1,782,700	4,453,500	1,028,500	30%
Community and Recreation Services	15,463,757	16,642,300	16,471,700	16,913,000	270,700	2%
Public Works	21,563,841	29,835,100	27,939,600	24,067,400	(5,767,700)	(19%)
Water Services	16,120,025	17,518,600	16,985,500	16,015,600	(1,503,000)	(9%)
Debt Service	466,858	0	0	0	0	-
Sub-Total Operating	**134,512,507**	**157,863,400**	**150,438,400**	**156,359,600**	**(1,503,800)**	**(1%)**
Transfers Out						
General Operations	41,123,092	23,250,400	31,463,600	30,336,800	7,086,400	30%
Sub-Total Transfers Out	**41,123,092**	**23,250,400**	**31,463,600**	**30,336,800**	**7,086,400**	**30%**
Grand Total	**175,635,599**	**181,113,800**	**181,902,000**	**186,696,400**	**5,582,600**	**3%**

Return to TOC

SURPRISE ARIZONA

OPERATING USES
Uses by Fund

Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
Operating						
General	85,601,019	94,865,900	93,398,500	101,008,200	6,142,300	6%
Ambulance Contract	214,496	223,100	66,000	0	(223,100)	(100%)
Animal Seizure Bond Forfeiture	0	1,000	1,000	1,000	0	0%
Arizona Lottery Fund	352,337	350,000	344,800	350,000	0	0%
Donations	67,945	463,600	467,800	497,500	33,900	7%
Employee Dep Scholarship	3,000	3,000	3,000	200	(2,800)	(93%)
Grants And Contingency	342,457	869,000	770,900	790,700	(78,300)	(9%)
Ground Ambulance Service	0	0	466,300	526,700	526,700	-
HALO	126,655	168,900	149,100	146,300	(22,600)	(13%)
HURF	6,535,909	7,786,600	7,793,500	6,884,000	(902,600)	(12%)
Municipal Court Enhancement	128,675	85,000	85,000	85,000	0	0%
Municipal Court JCEF	42,195	58,000	61,400	33,200	(24,800)	(43%)
Municipal Court MFTG	14,479	13,100	0	0	(13,100)	(100%)
Neighborhood Revitalization	969,021	2,220,900	612,100	3,072,800	851,900	38%
Net Premium Seating	3,089	50,000	50,000	50,000	0	0%
Program 1033 Auction Proceeds	895	1,700	1,000	700	(1,000)	(59%)
Proposition 400	0	54,700	54,700	0	(54,700)	(100%)
SB 1398 Fines	0	42,800	0	43,000	200	0%
SPD RICO	216,304	710,000	124,400	695,000	(15,000)	(2%)
SPD Towing	211,193	82,500	83,800	32,500	(50,000)	(61%)
Spring Training Ticket Surcharge	187,704	0	0	0	0	-
Street Lighting Districts	2,453,137	2,520,400	2,471,800	2,545,400	25,000	1%
Tourism	78,150	0	0	0	0	-
Unclaimed Property Disposal	0	1,000	1,000	1,000	0	0%
Wildland Fire	47,091	143,700	126,100	148,500	4,800	3%
Gov Debt Service	212,361	0	0	0	0	-
Refunded Gov Debt Service 2015	177,512	0	0	0	0	-
163rd Avenue Dev Fee	0	12,500	0	12,500	0	0%
Fire and EMS Dev Fees	68,685	25,000	0	25,000	0	0%
General Capital	981,232	1,056,600	1,124,200	522,400	(534,200)	(51%)
General Government Dev Fees	0	25,000	0	25,000	0	0%
Library Dev Fees	0	25,000	0	25,000	0	0%
Parks and Rec Dev Fees	0	25,000	0	25,000	0	0%
Police Dev Fees	0	25,000	0	25,000	0	0%
Public Works Dev Fees	84,000	109,000	781,000	109,000	0	0%
Roads of Regional Significance Dev Fees	0	12,500	0	12,500	0	0%
Transportation Improvement	435,615	2,556,900	2,564,300	442,400	(2,114,500)	(83%)
Vehicle Replacement Fund	1,955,111	4,512,200	2,935,100	0	(4,512,200)	(100%)
Prop Debt Service	76,985	0	0	0	0	-
Sanitation Operations	5,137,659	8,695,100	6,340,300	5,649,700	(3,045,400)	(35%)
Wastewater Dev Fee	40	50,000	0	75,000	25,000	50%
Wastewater Operations	9,583,872	10,376,500	10,014,100	11,355,500	979,000	9%

Return to TOC

OPERATING USES
Uses by Fund

Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
Operating						
Water Dev Fee	443,735	357,300	307,300	285,800	(71,500)	(20%)
Water Operations	6,878,329	7,970,700	7,661,300	7,954,800	(15,900)	0%
Employee Healthcare	8,920,676	9,697,600	9,695,300	11,014,100	1,316,500	14%
Risk Management	1,642,833	1,616,600	1,883,300	1,889,200	272,600	17%
FSA Account	318,110	0	0	0	0	-
Sub-Total Operating	**134,512,507**	**157,863,400**	**150,438,400**	**156,359,600**	**(1,503,800)**	**(1%)**
Transfers Out						
General	1,531,392	6,881,300	13,459,100	12,013,100	5,131,800	75%
Community Facilities Districts	50	0	0	0	0	-
Ground Ambulance Service	0	0	75,200	153,500	153,500	-
Spring Training Ticket Surcharge	0	645,000	975,900	645,000	0	0%
Tourism	0	0	345,800	398,300	398,300	-
Gov Reserve	0	0	3,647,700	0	0	-
Refunded Gov Debt Service 2015	14,877,675	0	0	0	0	-
Fire and EMS Dev Fees	1,081,347	67,400	66,900	67,000	(400)	(1%)
General Government Dev Fees	675,446	369,900	826,400	367,400	(2,500)	(1%)
Parks and Rec Dev Fees	793,128	440,700	437,400	437,800	(2,900)	(1%)
Police Dev Fees	245,446	136,400	135,400	135,500	(900)	(1%)
Prop Debt Service	6,452,325	0	0	0	0	-
Prop Reserve	0	73,400	1,572,200	0	(73,400)	(100%)
Sanitation Operations	1,920,739	1,882,600	1,985,700	2,655,800	773,200	41%
Wastewater Dev Fee	9,633,295	4,447,500	3,763,400	4,447,000	(500)	0%
Wastewater Operations	2,279,960	6,481,900	2,402,500	6,619,800	137,900	2%
Water Operations	1,632,290	1,824,300	1,770,000	2,396,600	572,300	31%
Sub-Total Transfers Out	**41,123,092**	**23,250,400**	**31,463,600**	**30,336,800**	**7,086,400**	**30%**
Grand Total	**175,635,599**	**181,113,800**	**181,902,000**	**186,696,400**	**5,582,600**	**3%**

Return to TOC

SURPRISE ARIZONA

OPERATING USES
Uses by Object

Category/Object	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
PERSONNEL						
Full-Time Salaries	42,576,362	51,685,300	47,565,400	55,265,800	3,580,500	7%
Part-Time Employees (Reg)	1,655,793	1,791,600	1,810,000	1,970,700	179,100	10%
Overtime Compensation	1,737,565	2,085,700	2,202,000	2,365,000	279,300	13%
Fair Labor Act Ot Compliance	580,986	699,800	620,900	721,200	21,400	3%
Holidays (Reg)	1,772,684	1,178,700	1,583,800	1,229,900	51,200	4%
Paid Time Off	4,753,032	0	3,329,000	0	0	-
City Council	155,918	155,200	156,600	155,900	700	0%
Shift Differential	34,815	56,500	41,000	600	(55,900)	(99%)
Stipend	175,776	163,000	152,800	173,400	10,400	6%
Uniform Allowance	329,691	340,200	340,200	366,400	26,200	8%
Vehicle Allowance	11,751	9,000	12,300	18,000	9,000	100%
FICA	3,292,141	3,790,800	3,592,200	4,078,300	287,500	8%
Medical	7,437,692	8,137,700	8,025,000	8,927,800	790,100	10%
Dental	442,475	492,000	479,400	598,900	106,900	22%
Vision	66,724	69,300	70,200	128,800	59,500	86%
Life	203,470	228,200	231,300	248,700	20,500	9%
Deferred	17,872	17,100	10,800	17,000	(100)	(1%)
AZ State Retirement	3,519,129	4,024,000	3,851,800	4,339,700	315,700	8%
AZ Public Safety Retirement	3,188,426	4,178,900	4,000,000	4,837,500	658,600	16%
Post Emp. Health Plan	7,864	0	2,000	0	0	-
457 & 401A Contribution &Match	30,094	0	0	609,000	609,000	-
AZ Elected Officials Retiremnt	36,641	38,400	37,500	38,500	100	0%
Retire Alt. Contr. Rate Psprs	174,823	177,700	224,600	109,100	(68,600)	(39%)
ASRS - GASB 68 Adj	49,356	0	0	0	0	-
Workers Compensations	1,177,138	1,167,500	1,372,500	1,484,700	317,200	27%
Labor Dist. Inter-Department	(124)	6,500	0	0	(6,500)	(100%)
Sub-Total Personnel	**73,428,092**	**80,493,100**	**79,711,300**	**87,684,900**	**7,191,800**	**9%**
SUPPLIES						
Office Supplies	131,700	135,600	136,900	144,900	9,300	7%
Computer Supplies	223,666	169,300	163,700	177,100	7,800	5%
Postage	825	0	0	0	0	-
Books & Subscriptions	53,005	62,600	54,500	58,000	(4,600)	(7%)
Uniforms	110,294	99,900	103,000	183,900	84,000	84%
Clothing	0	1,700	2,500	1,700	0	0%
Personal Protective Equipment	62,345	141,100	51,600	106,000	(35,100)	(25%)
Radio Supplies	16,334	28,900	23,400	25,900	(3,000)	(10%)
Phone Supplies	8,368	19,300	10,200	12,400	(6,900)	(36%)
Ammunition	38,227	59,000	62,000	62,000	3,000	5%
Weapons	15,956	21,100	21,100	12,200	(8,900)	(42%)
Canine	13,624	3,800	3,800	3,800	0	0%
Investigation Supplies	6,829	4,000	4,000	4,000	0	0%

Return to TOC

OPERATING USES
Uses by Object

Category/Object	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
SUPPLIES						
Operational Supplies	868,854	1,033,900	973,000	1,048,000	14,100	1%
Furn/Fixture/Equip <$10,000	942,067	633,500	820,900	757,600	124,100	20%
Traffic Signal Supplies	102,131	88,800	88,800	98,800	10,000	11%
Signs And Sign Supplies	318,779	350,900	350,700	350,800	(100)	0%
Op Equip, Tool, Part <10000	1,315,150	1,815,300	1,223,400	1,725,300	(90,000)	(5%)
Wellness	38,071	39,500	39,500	39,500	0	0%
Purchases For Resale (COS)	119,744	106,800	113,000	97,600	(9,200)	(9%)
Food (Non-Travel)	39	0	100	0	0	-
Awards & Recognition	121,038	148,800	143,500	160,200	11,400	8%
Safety & First Aid Supplies	199,273	155,600	233,400	208,400	52,800	34%
Community Relations Supplies	90,574	80,800	73,800	104,600	23,800	29%
Special Event Hosting	252,621	269,600	295,700	308,400	38,800	14%
Meeting Supplies	43,850	47,700	35,400	47,500	(200)	0%
Gas & Fuel	1,225,597	1,541,900	1,404,100	1,588,600	46,700	3%
Auto Parts & Lubricants	883,961	895,700	966,900	1,013,900	118,200	13%
Repair And Maintenance	215,313	242,500	260,300	249,300	6,800	3%
Cleaning/Janitorial	131,099	125,600	128,200	128,900	3,300	3%
Agricultural/Grounds	624,379	554,600	542,300	543,300	(11,300)	(2%)
Chemical Supplies	894,503	1,405,300	1,244,000	1,112,800	(292,500)	(21%)
Street Repair Supplies	124,226	235,600	337,800	218,500	(17,100)	(7%)
District 1-Expenditures	71	2,500	2,500	2,500	0	0%
District 2-Expenditures	4	2,500	2,500	2,500	0	0%
District 3-Expenditures	295	2,500	2,500	2,500	0	0%
District 4-Expenditures	234	2,500	2,500	2,500	0	0%
District 5-Expenditures	1,295	2,500	2,500	2,500	0	0%
District 6-Expenditures	0	2,500	2,500	2,500	0	0%
Mayor Expenditures	0	5,000	5,000	5,000	0	0%
Council Community Outreach	1,828	0	0	0	0	-
Taxes, Charges & Fees	8	0	0	0	0	-
Packaging Supplies	2,476	3,000	3,000	3,000	0	0%
Training & Education Supplies	28,536	38,000	37,300	30,000	(8,000)	(21%)
Photography Supplies	4,813	8,600	10,000	8,400	(200)	(2%)
Miscellaneous Supplies	12,955	1,700	1,900	1,700	0	0%
Sub-Total Supplies	**9,244,956**	**10,590,000**	**9,983,700**	**10,657,000**	**67,000**	**1%**
SERVICES						
Dist. 1-Travel & Training Fund	10,527	0	0	0	0	-
Dist. 2-Travel & Training Fund	703	0	0	0	0	-
Dist. 3-Travel & Training Fund	4,675	0	0	0	0	-
Dist. 4-Travel & Training Fund	5,594	0	0	0	0	-
Dist. 5-Travel & Training Fund	471	0	0	0	0	-
Dist. 6-Travel & Training Fund	5,549	0	0	0	0	-

Return to TOC

Category/Object	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
SERVICES						
Mayor Travel & Training Fund	8,186	0	0	0	0	-
Election Expense	0	0	0	244,300	244,300	-
Boards & Commissions	7,629	14,000	14,100	11,800	(2,200)	(16%)
Financial Services	587,076	130,200	129,200	129,200	(1,000)	(1%)
Taxes & Service Fees	191,053	206,700	183,100	212,000	5,300	3%
Audit Services	106,982	99,000	99,000	99,000	0	0%
Legal Services	217,282	505,000	757,600	517,400	12,400	2%
Service Agreements	3,389,369	4,129,300	4,062,100	5,866,700	1,737,400	42%
Economic Development	2,728,616	3,328,000	3,206,600	2,608,000	(720,000)	(22%)
Recording, License Fees	115,515	130,800	133,000	147,600	16,800	13%
Software Licenses	569,081	547,400	557,800	568,900	21,500	4%
Collection Fees-Delinq. Accts	0	500	0	0	(500)	(100%)
Entry/Application Fees	6,600	0	7,200	0	0	-
Animal Control Services	1,563	4,000	4,000	4,000	0	0%
Jail Services	552,186	750,000	550,000	702,000	(48,000)	(6%)
Public Defender	168,070	186,900	170,000	186,900	0	0%
Court Reporters	0	1,000	1,000	1,000	0	0%
Juries	3,853	6,000	4,500	5,000	(1,000)	(17%)
Interpreters	9,704	10,000	10,000	10,000	0	0%
Code Enforcement	53,690	50,000	83,000	50,000	0	0%
Annual Fire Fighter Physicals	80,242	103,400	103,400	116,500	13,100	13%
Landscape Services	867,521	1,008,800	1,012,200	1,008,400	(400)	0%
Grants To Outside Agencies	20,000	15,000	0	0	(15,000)	(100%)
Community Relations Services	30,747	70,000	52,800	49,300	(20,700)	(30%)
Admissions	45,374	74,800	70,000	78,400	3,600	5%
Council Community Outreach	69,350	75,000	50,000	50,600	(24,400)	(33%)
Pre-Employment Services	90,367	64,300	64,500	67,100	2,800	4%
Lab Services	123,145	153,600	172,400	87,300	(66,300)	(43%)
Film Services	1,500	1,200	500	1,200	0	0%
Real Property Services	8,576	16,000	16,000	20,000	4,000	25%
GIS Services	17,860	30,000	30,000	30,000	0	0%
Aerial Photography	33,472	33,500	33,500	33,500	0	0%
Sporting Officials	244,832	304,500	247,300	292,900	(11,600)	(4%)
Class Instructors	60,580	75,100	82,400	79,500	4,400	6%
Professional & Outside Service	3,377,480	5,642,000	3,819,800	6,830,000	1,188,000	21%
Water	768,728	995,100	847,600	944,200	(50,900)	(5%)
Electricity	6,912,721	7,369,800	7,161,400	7,320,200	(49,600)	(1%)
Propane/Natural Gas	123,924	121,200	115,100	130,600	9,400	8%
Telephone Service	322,220	363,600	363,600	364,600	1,000	0%
Sanitary/Landfill	1,342,188	1,292,800	1,333,300	1,340,900	48,100	4%
Postage & Mailings	125,704	164,700	141,800	162,700	(2,000)	(1%)
Cell Phone/Pagers	207,822	183,100	183,900	189,100	6,000	3%

Return to TOC

OPERATING USES
Uses by Object

Category/Object	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
SERVICES						
CAP Recharge Water	1,627,700	1,726,800	1,726,800	1,788,500	61,700	4%
Building Maintenance	497,032	504,200	525,100	512,700	8,500	2%
Streets Maintenance	158,462	3,879,100	3,921,200	186,700	(3,692,400)	(95%)
Radio Equip. Maint.	371,511	403,500	318,500	347,400	(56,100)	(14%)
Computer Maintenance	103,298	122,200	115,500	183,600	61,400	50%
Office Equipment Maint.	6,283	18,900	16,800	20,600	1,700	9%
Machinery & Equipment Maint	762,897	901,600	898,600	873,400	(28,200)	(3%)
Vehicle Maintenance	441,139	411,500	460,100	511,700	100,200	24%
Traffic Signal R&M	0	15,000	15,000	15,000	0	0%
Wells/Sewer/Lins/Etc.	901,016	517,700	463,700	442,700	(75,000)	(14%)
Building Contractors	112,966	134,700	134,700	134,700	0	0%
Janitorial Services	315,052	349,100	350,900	369,400	20,300	6%
Pest Control Services	91,920	118,600	123,000	168,100	49,500	42%
Grounds Maintenance	232,851	182,300	194,100	191,300	9,000	5%
Water Service Contract	519,965	289,000	289,000	96,300	(192,700)	(67%)
Sewer Service Contract	683,195	662,000	662,000	220,700	(441,300)	(67%)
Trash Collection Contract	509,095	501,000	492,000	169,000	(332,000)	(66%)
Building & Structures Rental	42,367	19,400	21,500	19,900	500	3%
Equipment Rental	436,698	485,000	491,000	481,400	(3,600)	(1%)
Other Rentals/Leases	335,304	409,500	317,800	382,700	(26,800)	(7%)
Unemployment Contribution	22,705	42,000	42,000	42,000	0	0%
Risk Insurance Premium	1,600,523	1,600,000	1,604,100	1,604,100	4,100	0%
Claim Settlement	6,501,797	8,484,700	8,734,700	9,930,700	1,446,000	17%
Cobra Insurance	4,062	0	0	0	0	-
Medical Insurance Prem	1,082,171	1,189,100	1,189,100	1,291,700	102,600	9%
Event General Insurance	0	2,900	1,000	2,900	0	0%
General Insurance Admin	982,665	1,000,000	1,000,000	1,000,000	0	0%
Limited Purpose Flexible Spending	5,894	0	0	0	0	-
FSA EE Claim Settlement	318,110	0	0	0	0	-
Tuition Reimbursement	96,189	100,000	100,000	100,000	0	0%
Travel & Training	419,063	624,800	624,200	683,900	59,100	9%
Dues & Memberships	305,149	339,800	402,500	340,600	800	0%
Federal Mileage Allowance	4,427	18,200	17,700	18,500	300	2%
Employee Orientation	0	500	500	500	0	0%
EE Certifications & Licensing	54,991	70,900	69,500	107,200	36,300	51%
Council Travel & Training	0	46,000	46,000	46,000	0	0%
Advertising	202,141	196,000	202,600	255,800	59,800	31%
Medical Rx	1,439,428	0	0	0	0	-
Dist 1 Federal Mileage Allow	923	0	0	0	0	-
Dist 2 Federal Mileage Allow	760	0	0	0	0	-
Dist 3 Federal Mileage Allow	364	0	0	0	0	-
Dist 4 Federal Mileage Allow	255	0	0	0	0	-

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SURPRISE
ARIZONA

OPERATING USES
Uses by Object

Category/Object	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change in Budget	% Change
SERVICES						
Dist 5 Federal Mileage Allow	829	0	0	0	0	-
Dist 6 Federal Mileage Allow	592	0	0	0	0	-
Mayor Federal Mileage Allow	893	0	0	0	0	-
Radio Dispatch Service	638,474	615,400	585,400	670,600	55,200	9%
Federal Medical Ins Fee	79,233	0	0	0	0	-
Printing	199,280	224,300	219,300	276,200	51,900	23%
Uniform/Laundry Services	45,888	50,300	49,700	51,700	1,400	3%
User Fees	13,554	268,300	268,300	269,900	1,600	1%
Developer Reimbursment	2,438,356	2,948,800	2,866,500	2,455,300	(493,500)	(17%)
Other Professional Services	53,504	149,100	104,000	177,100	28,000	19%
Sub-Total Services	**48,279,293**	**57,878,500**	**55,538,100**	**57,001,300**	**(877,200)**	**(2%)**
OPERATING CAPITAL						
Building & Structure Purchases	516,132	0	0	0	0	-
Improvements To Buildings	126,400	0	0	0	0	-
Infrastructure Improvements	40	70,000	70,000	0	(70,000)	(100%)
Imp's Otr Than Bldg & Land	226,710	332,300	307,300	285,800	(46,500)	(14%)
Furn/Fixtures/Office Equip	201,659	103,800	93,800	187,800	84,000	81%
Vehicles	2,219,904	7,635,700	4,341,500	313,400	(7,322,300)	(96%)
Improvements To Vehicles	0	67,500	67,500	167,500	100,000	148%
Mach. & Equipment	316,808	692,500	325,200	61,900	(630,600)	(91%)
Capital Interest	(47,487)	0	0	0	0	-
Sub-Total Operating Capital	**3,560,166**	**8,901,800**	**5,205,300**	**1,016,400**	**(7,885,400)**	**(89%)**
TRANSFERS OUT						
COS Wtr In Lieu Franch. Tr Out	216,583	239,100	224,900	243,500	4,400	2%
COS Swr In Lieu Franch. Tr Out	344,411	335,300	324,000	326,300	(9,000)	(3%)
COS Sani. Hauler's Lic. Tr Out	26,000	25,000	27,000	27,000	2,000	8%
Water Indirect Costs Tr Out	1,244,052	1,425,400	1,343,200	1,436,800	11,400	1%
Sewer Indirect Costs Tr Out	1,552,368	1,709,400	1,701,000	1,821,000	111,600	7%
Sani. Indirect Costs Tr Out	1,886,352	1,848,900	1,903,700	2,069,300	220,400	12%
Wtr Pymt ILO Prop Tax Tran Out	157,195	159,800	154,300	151,300	(8,500)	(5%)
Swr Pymt ILO Prop Tax Tran Out	379,567	385,900	377,500	361,000	(24,900)	(6%)
Sani Pymt ILO Prop Tax Tran Out	8,387	8,700	8,500	7,500	(1,200)	(14%)
MPC03 Rent Payments-Trnsfr Out	26,142,670	0	0	0	0	-
MPC07 Rent Payments-Trnsfr Out	8,177,463	3,638,400	1,405,900	3,642,700	4,300	0%
Debt15 Rent Payments-Transfer Out	0	4,002,800	4,221,400	4,244,500	241,700	6%
TRF To Other Funds	988,044	9,471,700	19,772,200	16,005,900	6,534,200	69%
Sub-Total Transfers Out	**41,123,092**	**23,250,400**	**31,463,600**	**30,336,800**	**7,086,400**	**30%**
Grand Total	**175,635,599**	**181,113,800**	**181,902,000**	**186,696,400**	**5,582,600**	**3%**

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Department Overview – General Government

- Mayor and City Council
- City Manager's Office
- City Attorney
- City Clerk
- Finance
- Human Resources
- 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.

Major Budget Changes

The overall FY2017 operating budget increased by 2% over the FY2016 budget.

- Personnel increased due to salary and benefit increases consisting of medical, dental, vision.
- Supplies increased by 17% primarily due to a movement of funding from community relations services to supplies to better align budget with expenditures.
- Services decreased 6% primarily due to:
  - Funding from community relations services was moved to supplies to better align budget with expenditures.
  - In FY2016, the Human Service and Community Vitality (HSCV) department was established in an effort to implement programs, projects, and partnerships to meet goals in coordination with the City Manager's Action Plan. Pre-existing budget authority from various departments was combined to establish the budget for the newly established department. As a result, funding for the Community Outreach Program was moved from the Mayor and City Council to HSCV.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	277,363	274,600	277,000	280,300	5,700	2%
Supplies	14,311	26,000	26,100	30,500	4,500	17%
Services	69,679	77,800	77,700	73,300	(4,500)	(6%)
Sub-Total Operating Expenses	**361,354**	**378,400**	**380,800**	**384,100**	**5,700**	**2%**
One-Time Uses Included Above	0	0	0	0		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	276	0	0	0	0	-
Sub-Total Operating Revenue	**276**	**0**	**0**	**0**	**0**	**-**

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Mayor and Council Office	361,354	378,400	380,800	384,100	5,700	2%
Total Uses	**361,354**	**378,400**	**380,800**	**384,100**	**5,700**	**2%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Mayor and Council Office	7.0	7.0	7.0	7.0	0.0
Total Personnel	**7.0**	**7.0**	**7.0**	**7.0**	**0.0**

Elements of the City Council Strategic Plan

- 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.

DEPARTMENT OVERVIEW
Mayor and City Council

- 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.

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	361,354	378,400	380,800	384,100	5,700	2%
Total Uses	**361,354**	**378,400**	**380,800**	**384,100**	**5,700**	**2%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	276	0	0	0	0	-
Total Sources	**276**	**0**	**0**	**0**	**0**	**-**

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 run 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.

The office continues to focus on being a global community with world class aspirations and standards, by building a sustainable Surprise making sure we have an abundant, secure water supply, capital improvement project implementation, bringing jobs to our city and an added focus to emergency preparedness within our Police and Fire-Medical departments.

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.

Major Budget Changes

The overall FY2017 operating budget increased by 24% over the FY2016 budget.

- Personnel increased 18% primarily due to:
  - Ongoing funding for a Management Analyst position approved by Council during FY2016. This position was added for staff support, additional analysis and general project support.
  - Funding for a part time position approved during FY2016. This position was added to provide professional level support and coordinate youth-related activities within the City Manager's Office.
  - Compensation adjustments for two positions and a reclassification of one position within the City Manager's Office increased the FY2017 budget.
  - Merit increases will be granted to eligible general pay plan employees.
- Supplies increased 128% primarily due to:
  - The Arts and Cultural Advisory Commission moved to the City Manager's Office transferring all related expenses out of the Community and Recreation Services Department.
  - The Teen Summit program moved to the City Manager's Office transferring all related expenses out of the Community and Recreation Services Department.
  - A slight increase in supplies to support the continued growth of the Dysart Athletic program within the Youth Services Division.
- Services increased 30% primarily due to:
  - The Arts and Cultural Advisory Commission moved to the City Manager's Office transferring all related expenses out of the Community and Recreation Services Department.
  - The Teen Summit program moved to the City Manager's Office transferring all related expenses out of the Community and Recreation Services Department.
  - A service agreement moved to the City Manager's Office from Economic Development Department.
  - Ongoing funding added in FY2017 to support lobbying activities for the Intergovernmental Relations Division with specific emphasis on Federal support and relationships for transit/transportation, flood control, and other federal priorities in addition to preservation of local revenues.
  - Ongoing funding added in FY2017 to support Veterans Services in Surprise and the West Valley including local services, regional partnerships and the West Valley Veterans Success Center.

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Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	2,645,852	2,162,200	2,346,000	2,554,300	392,100	18%
Supplies	112,770	50,500	50,300	115,200	64,700	128%
Services	5,942,205	495,000	490,500	644,100	149,100	30%
Operating Capital	119,424	0	0	44,000	44,000	-
Sub-Total Operating Expenses	**8,820,251**	**2,707,700**	**2,886,800**	**3,357,600**	**649,900**	**24%**
One-Time Uses Included Above	269,006	17,600	17,600	56,900		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	240,936	0	0	0	0	-
Sub-Total Operating Revenue	**240,936**	**0**	**0**	**0**	**0**	**-**

Divisions

City Manager's Office

This division is 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. The City Manager office also provides an internal audit function that provides independent, reliable, accurate, and timely information to city management for the purpose of identifying opportunities to minimize risks, and strengthen internal controls as well as public accountability.

The Arts & Cultural Advisory Commission members make recommendations to the city council regarding art projects to ensure that art, culture and entertainment are central elements of the quality of life for city residents.

The Surprise Youth Council works to establish partnerships for serving youth with citizens, city departments, schools, and nonprofit agencies, cultivate Young Leaders and increase civic engagement

Intergovernmental Relations

This division develops, supports, and advances local and regional strategic priorities through high value partnerships with community, regional, and government organizations.

Marketing and Communications

This division engages and informs Surprise residents of activities and issues; achieves a positive image of Surprise as a responsive, open government, and a community of connection and opportunity; promotes the advancement of the city of Surprise Strategic Plan; assists and advises city departments and management in their communication needs; and supervises internal employee communications.

Youth Services

The youth services function provides extensive professional assistance, project management, and recommendations on youth-related issues, programs, initiatives and services. The division also provides oversight of the plans and activities of the Surprise Youth Council and works to establish partnerships for serving youth with citizens, city departments, schools, and nonprofit agencies.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
City Manager's Office	1,436,723	1,340,600	1,489,300	1,794,600	454,000	34%
Intergovernmental Relations	493,815	322,600	358,200	501,600	179,000	55%
Marketing and Communications	971,103	1,044,500	1,039,300	1,055,200	10,700	1%
Youth Services	0	0	0	6,200	6,200	-
Economic Development	5,918,610	0	0	0	0	-
Total Uses	**8,820,251**	**2,707,700**	**2,886,800**	**3,357,600**	**649,900**	**24%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
City Manager's Office	7.2	9.1	8.0	9.7	1.7
Intergovernmental Relations	2.0	2.0	1.0	2.0	1.0
Marketing and Communications	6.0	6.0	9.2	8.5	(0.7)
Economic Development	0.0	4.0	0.0	0.0	0.0
Total Personnel	**15.2**	**21.1**	**18.2**	**20.2**	**2.0**

Accomplishments, Enhancements, and Efficiencies

- City Manager office promotes a Servant Leadership culture by focusing on: Listening, Empathy, Healing, Awareness, Persuasion, Conceptualization, Foresight, Stewardship, Commitment to the Growth of People, and Building Community.
- Council's constituent outreach was supported with new/detailed web sites for Council Members and new Mayor/Council columns in Progress Magazine.
- Web support was increased to better manage demand and begin a process to redesign and streamline the city web site.
- The Communications Standard Operating Policies and Procedures was revised and enhanced.
- Resident communication was enhanced with a redesigned Progress Magazine (more modern look, added youth/arts pages).
- The accountability of the strategic plan was enhanced with specific goals and strategies.
- Intergovernmental Relations was successfully transitioned to Deputy City Manager of Government and Community Partnerships, increasing the scope of support for partner initiatives and community and regional priorities.
- A Citywide Risk Assessment was developed for use in generating future annual audit plans.
- The Surprise Youth Council was established consisting of a group of 25 students representing five local high schools and nine local middle schools to be advisory to the City Council on issues, initiatives, projects, and program implementation citywide.
- Surpriseaz.gov was redesigned and modernized for mobile functionality and streamlined for ease of use.

Major Initiatives and Policy Issues

- Resident engagement will improve with the direct implementation and reporting of the National Citizen Survey (last conducted in 2012).
- The level of activity and engagement among youth and all Surprise residents will continue to improve.
- Existing strategic partnerships in the community and at the state/federal levels will be enhanced and new partnerships will be developed.

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Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	7,991,172	2,703,300	2,882,400	3,353,200	649,900	24%
General Capital	49,203	0	0	0	0	-
Fire and EMS Dev Fees	68,685	0	0	0	0	-
Transportation Improvement	302,549	0	0	0	0	-
Water Operations	35,036	4,000	4,000	4,000	0	0%
Wastewater Operations	373,607	0	0	0	0	-
Sanitation Operations	0	400	400	400	0	0%
Total Uses	**8,820,251**	**2,707,700**	**2,886,800**	**3,357,600**	**649,900**	**24%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	235,936	0	0	0	0	-
Donations	5,000	0	0	0	0	-
Total Sources	**240,936**	**0**	**0**	**0**	**0**	**-**

CITY ATTORNEY

Department Description

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. The City Attorney is the chief legal advisor to the city.

Mission Statement

The mission of the department 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.

Major Budget Changes

The overall FY2017 operating budget increased by 3% over the FY2016 budget.

- Personnel increased 5% primarily due to:
  - The budget for full-time salaries and benefits increased due to the addition of one Assistant City Prosecutor which will help support the increased workload related to the addition of public safety personnel. The addition of this personnel is dependent upon the implementation of additional revenue sources.
  - Merit increases will be granted to eligible general pay plan employees.
- Supplies decreased 36% primarily due to:
  - The budget for supplies, equipment, and subscriptions decreased due to a shift to legal services which will help offset the need for specialized lititagion services.
- Services increased 3% primarily due to:
  - The budget for legal services decreased due to a one-time FY2016 budget of $385,000 which was carried over to FY2017 in the amount of $332,400 and a decrease of the ongoing budget for items such as software licenses, postage, and travel and training. Offsetting this decrease, is an increase to the ongoing legal services budget of $65,000.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to a mid-year increase for specialized litigation services which allowed existing staff to more efficiently address other duties.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	1,775,932	1,893,100	1,827,200	1,997,100	104,000	5%
Supplies	34,728	40,100	49,600	25,700	(14,400)	(36%)
Services	240,989	564,400	810,800	549,500	(14,900)	(3%)
Operating Capital	11,000	0	0	0	0	-
Sub-Total Operating Expenses	**2,062,649**	**2,497,600**	**2,687,600**	**2,572,300**	**74,700**	**3%**
One-Time Uses Included Above	185,281	434,000	515,600	358,000		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	38,494	78,000	95,300	133,300	55,300	71%
Sub-Total Operating Revenue	**38,494**	**78,000**	**95,300**	**133,300**	**55,300**	**71%**

Divisions

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Civil — This 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 — This 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.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Civil	1,259,252	1,617,000	1,828,300	1,636,700	19,700	1%
Criminal	803,397	880,600	859,300	935,600	55,000	6%
Total Uses	**2,062,649**	**2,497,600**	**2,687,600**	**2,572,300**	**74,700**	**3%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Civil	7.0	7.0	8.0	8.0	0.0
Criminal	7.0	8.0	8.0	9.0	1.0
Total Personnel	**14.0**	**15.0**	**16.0**	**17.0**	**1.0**

Accomplishments, Enhancements, and Efficiencies

- Clients at all levels within the organization were provided with timely and effective legal services.
- A total of 439 formal requests for service from March 2015 through February 2016 were provided. Requests decreased from the previous year by improving our forms and working closely with Procurement and the departments to ensure the contract process is followed.
- The Prosecutor's Office successfully procured and implemented Justware, a robust case management system with the ability to track both prosecution and Victim Services Program data.
- The Victim Services Program (VSP) provided service to 977 victims in calendar year 2015 and provided 1,410 direct services to those victims.
- 1,768 cases were adjudicated in calendar year 2015 with a 94% rate of conviction at trial. The number of adjudicated cases includes dismissals, as many dismissals occur as a stipulation between the parties involved or to allow the County Attorney's Office to pursue felony prosecution.

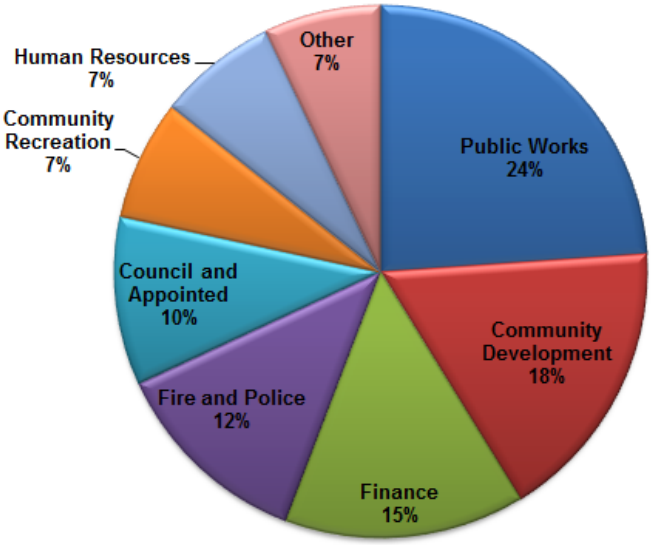
Major Initiatives and Policy Issues

- The department seeks 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.
- The Victim Services Program (VSP) provides education, resources, notification, and direct support to victims throughout the criminal justice process, beyond that which is statutorily required.
- The Prosecutor’s Office seeks to promote the fair and impartial pursuit of justice with integrity for all individuals involved within the criminal justice system in the continued efforts with other departments to ensure the safety and well-being of all citizens within the community.
- The Prosecutor's Office and Victim Services seek to become paperless in FY17 with the continued customization and implementation of Justware.

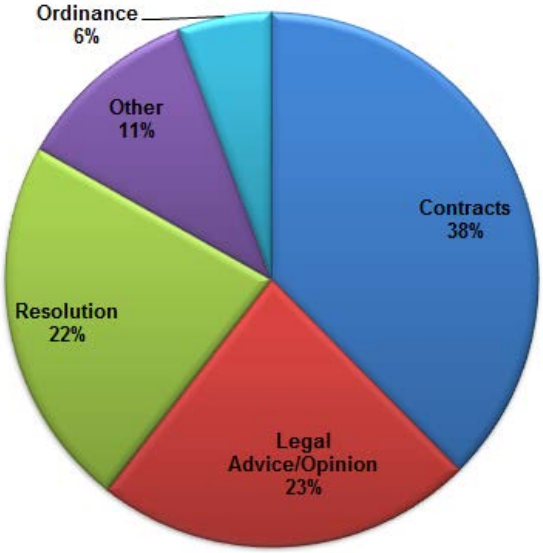
Return to TOC

Goals, Objectives, and Performance Measures

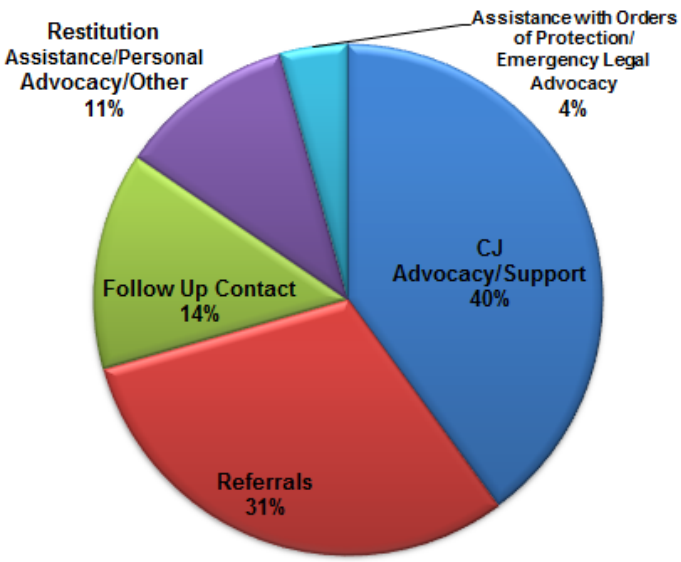
Requests by Department



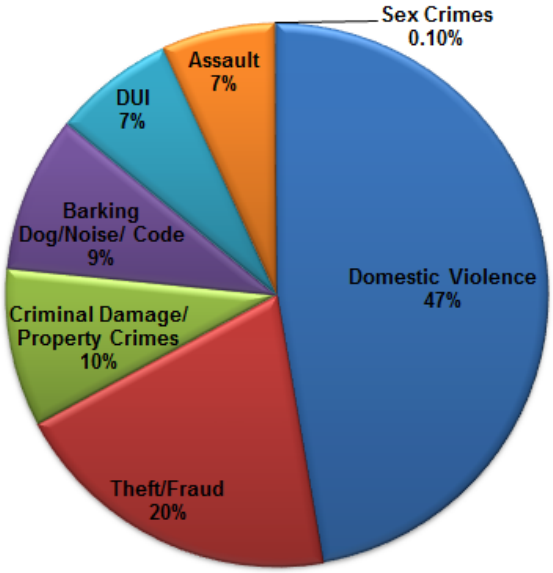
Requests by Type

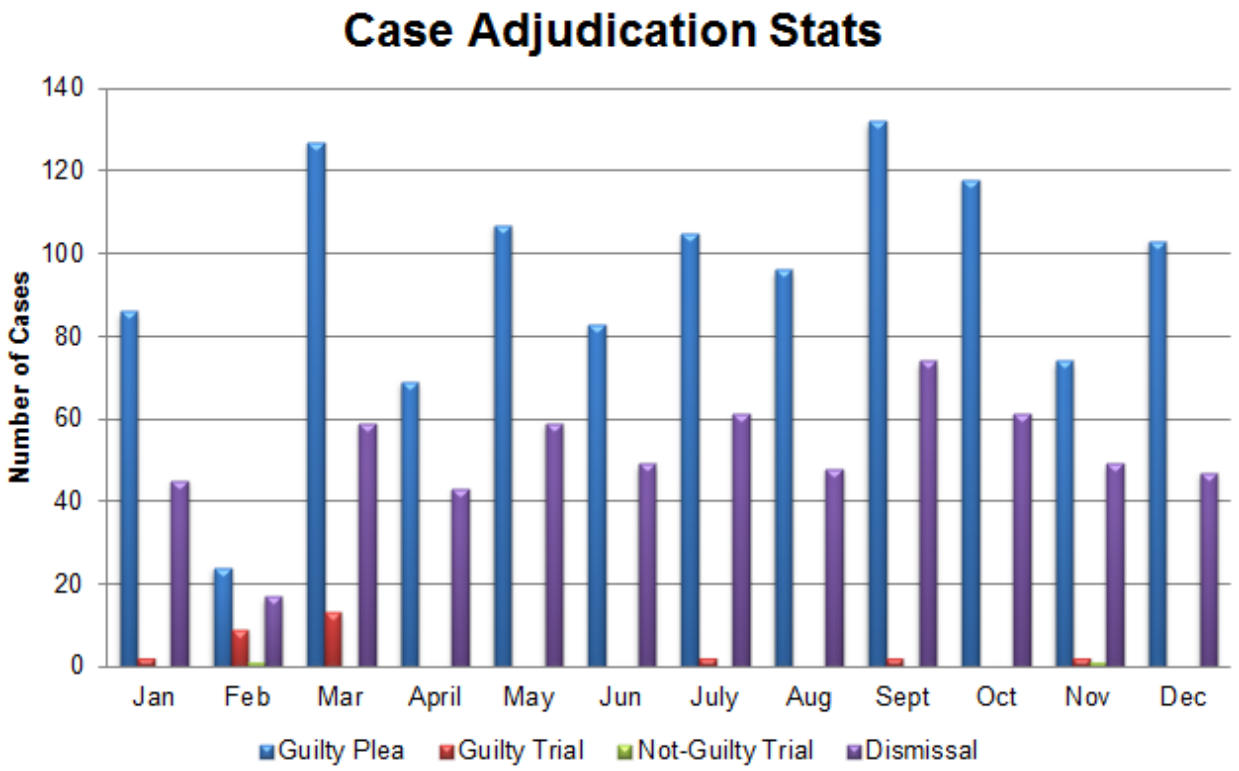


Services Provided to Crime Victims



Victims Served by Crime Type





Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,882,221	2,034,600	2,139,700	1,981,600	(53,000)	(3%)
General Capital	141,934	385,000	452,600	457,400	72,400	19%
Grants And Contingency	38,494	78,000	95,300	133,300	55,300	71%
Total Uses	**2,062,649**	**2,497,600**	**2,687,600**	**2,572,300**	**74,700**	**3%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Grants And Contingency	38,494	78,000	95,300	133,300	55,300	71%
Total Sources	**38,494**	**78,000**	**95,300**	**133,300**	**55,300**	**71%**

CITY CLERK

Department Description

The City Clerk, appointed by the Mayor and Council, serves as the city's official records custodian which includes maintaining the Surprise City Code, council meeting minutes, all Council approved documents, administers liquor license postings and notifications, notarized affidavits of publications, meeting and agenda postings.

The City Clerk also serves as the City's Chief Elections Officer; administers City Council Meetings and attests to all official acts of the Mayor posting meeting notices, advertising public hearings and handles the administrative duties for the Boards and Commission application process including advertising vacant positions, collecting applications and setting up interviews. The City Clerk's Office is a newly approved Passport Acceptance Facility and provides passport services to our residents and residents of neighboring communities.

Major Budget Changes

The overall FY2017 operating budget increased by 85% over the FY2016 budget.

- Personnel increased by 21% from the FY2016 adopted budget primarily due to:
  - An Administrative Specialist was approved by Council during FY2016 to assist with an increased workload associated with the addition of passport services.
  - Merit increases will be granted to eligible general pay plan employees.
  - Please refer to the expenditures/uses summary for information regarding personnel changes.
- Services increased by 957% from the FY2016 adopted budget primarily due to:
  - One-time funding added in FY2017 for the 2016 general election predominantly for publicity and postage expenses related to holding the general election.
- Operating sources increased by 11,900% from the FY2016 adopted budget primarily due to:
  - The addition of passport services during FY2016, this service was not being offered when the FY2016 budget was being developed and was not included in the adopted budget. The anticipated FY2017 passport revenue is $71,400.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	390,925	406,200	403,700	490,900	84,700	21%
Supplies	14,960	21,500	15,300	21,500	0	0%
Services	41,408	31,800	32,700	336,100	304,300	957%
Sub-Total Operating Expenses	**447,293**	**459,500**	**451,700**	**848,500**	**389,000**	**85%**
One-Time Uses Included Above	596	0	0	304,300		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	582	600	56,000	72,000	71,400	11,900%
Sub-Total Operating Revenue	**582**	**600**	**56,000**	**72,000**	**71,400**	**11,900%**

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
City Clerk Office	447,293	459,500	451,700	848,500	389,000	85%
Total Uses	**447,293**	**459,500**	**451,700**	**848,500**	**389,000**	**85%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
City Clerk Office	4.0	4.0	4.0	5.0	1.0
Total Personnel	**4.0**	**4.0**	**4.0**	**5.0**	**1.0**

Accomplishments, Enhancements, and Efficiencies

- Launched the Voter Outreach Program including an informational brochure; Election Information Magnets; bookmarks designed by Dysart School Student and Voter Outreach Displays placed at 40 locations throughout the City.
- 1st City Veteran's Day Float recognizing Veteran's with roots to the Original Townsite in November 2015.
- Continuation of the History Project of collection of historic photos, memorabilia and Histroy Tours.
- Launched the new Passport Program on January 6, 2016.

Major Initiatives and Policy Issues

- Work continues on archiving historical documents collected from research for the history book.
- Changes to records retention through the Arizona State Library and Archives remain current.
- New Program - Passport Services started on January 6, 2016.
- A spreadsheet will be created and maintained for boards/commissions vacancies and a web-based program is in process to notify the public of vacancies and other updates.
- City Clerk Procedures Manual created in June 2014 and updated as needed.
- An ongoing major records retention and destruction project remains in effect.

Goals, Objectives, and Performance Measures

Department Goal	The department will provide timely public access to city information.				
Objective	The objective is to provide efficient communication of city related information and data and effective management of the bi-annual election process.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Mayor and City Council agendas	60	40	50	56	50
Posting of all city agendas including all Mayor and Council, boards and commissions	175	110	100	114	100
Number of city code updates	10	5	5	5	5
Number of requests for public records	550	400	500	467	500
Percent of public records requests completed in 3-5 days	92%	95%	95%	95%	97%
Agreements	212	150	120	112	120
Resolutions	88	80	80	87	80
Ordinances	11	9	10	17	10
Liquor licenses	10	10	10	8	10
Records retention/boxes destroyed	10	10	2	2	4

Return to TOC

Department Goal	The department will ensure citizen access to the elective process.				
Objective	The objective is to increase registered voters, ballots cast, and the percentage of votes cast for city-wide elections.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of registered voters	62,780	65,000	67,000	67,000	68,000
Number of ballots cast in election	17,870	No Election Scheduled	30,000	35,000	35,000
Percent of votes cast in city-wide election	30%	No Election Scheduled	40%	40%	40%

Department Goal	The department will continue to memorialize and archive the city's history.				
Objective	The objective is to increase historical documentation collection and educate citizens.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Collecting historic photos (annually)	200 (maintained)	Maintain	Maintain	Maintain	Maintain
Collection of city historic documents (cumulative)	1,700 (maintained)	Maintain	Maintain	Maintain	Maintain
On-the-road history presentations	1	1	1	3	4

Department Goal	New Program offered by the City Clerk's Office effective January 6, 2016				
Objective	Provide efficient passport services to our residents and residents of neighboring communities				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Passports Processed	0	0	3,000	3,000	4,000

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	447,293	459,500	451,700	848,500	389,000	85%
Total Uses	**447,293**	**459,500**	**451,700**	**848,500**	**389,000**	**85%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	582	600	56,000	72,000	71,400	11,900%
Total Sources	**582**	**600**	**56,000**	**72,000**	**71,400**	**11,900%**

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FINANCE

Department Description

The Finance Department is responsible for providing financial analysis, general ledger accounting, reporting, contract support, processing payments, cash handling, business license processing, budget development, and fiscal management of grants. The department's stakeholders include, but are not limited to, residents, City Council, other departments, and outside entities.

Mission Statement

The department strives to be professional proactive leaders, identifying issues, and offering innovative solutions while providing high quality customer service.

Major Budget Changes

The overall FY2017 operating budget increased by 59% over the FY2016 budget.

- Personnel increased 46% primarily due to:
  - The city will be cancelling the contract from a third party utility billing provider by providing all utility billing components within the Finance Department. This move will provide a higher level of customer service and account accuracy for the city's residents as well as increased internal financial support. The new utility billing division will cover all aspects of utility billing including setting up new customers, reading meters, servicing existing customers, taking payments, and providing financial reporting to internal staff. The department added four new positions in FY2016 and eleven new positions in FY2017. The fifteen new positions include one Rate/Financial Analyst, one IT Analyst, one Field Supervisor, one Customer Service Supervisor, two Lead Customer Service Representatives, four Customer Service Representatives, three Field Customer Service Representatives, and two Cashiers. The utility billing positions were offset by the anticipated savings in the utility billing contract.
  - The department added one Policy and Procedures Analyst in FY2017. The Policy and Procedures Analyst will assist the department with documenting procedures related to the new Enterprise Resource Planning (ERP) system. The cost of the Policy and Procedures Analyst is offset by the reduction of part-time salaries, overtime, and general services dollars.
  - The FY2016 estimate is below the FY2016 Adopted Budget primarily due to vacant positions which include a Senior Buyer, Administrative Services Assistant, and Accounting Supervisor. Saving in the overall department were offset by the use of temporary staff charged to the professional and outside services budget.
  - Merit increases will be granted to eligible general pay plan employees who meet expectations.
- Supplies increased 276% primarily due to:
  - The department added more supply expenses for the new utility billing division. The additional supplies includes gas and fuel for meter reading trucks, new work stations for customer service representatives, office equipment (computers, etc.), and office/computer supplies. The majority of these supplies are one-time expenses and will decrease the following year.
  - Offsetting the increase in supplies for the new utility billing division, the budget for supplies was shifted to personnel based on estimated needs identified with the addition of the new Policy and Procedures Analyst.
  - The FY2016 estimate exceeds the FY2016 Adopted Budget primarily due to purchasing desks, phones, computers, and office related supplies for the four new utility billing positions.
- Services increased 82% primarily due to:
  - The department added more service expenses for the new utility billing division. The additional service expenses include lock box contract, bill print service, and a one-time expense from cancelling the utility billing contract. These service costs were offset by the anticipated savings in the utility billing contract.
  - Offsetting service expense increases, the budget for the development impact fee study was moved from the Finance department to the General Operations department. The impact fee study identifies projects based on the various development fees charged by the city (general government, fire, police, and utilities).

- A shift to personnel expenses based on estimated needs identified with the addition of the new Policy and Procedures Analyst.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	2,452,416	2,857,000	2,797,700	4,171,900	1,314,900	46%
Supplies	36,116	48,200	49,500	180,700	132,500	275%
Services	775,339	1,232,900	875,400	2,245,500	1,012,600	82%
Sub-Total Operating Expenses	**3,263,871**	**4,138,100**	**3,722,600**	**6,598,100**	**2,460,000**	**59%**
One-Time Uses Included Above	37,215	257,000	7,000	774,800		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Local Sales Tax	394,825	0	32,000	0	0	-
Charges for Services/Other	408,950	47,800	47,400	47,800	0	0%
Franchise Fees	383,785	467,100	357,000	358,000	(109,100)	(23%)
Sub-Total Operating Revenue	**1,187,560**	**514,900**	**436,400**	**405,800**	**(109,100)**	**(21%)**

Divisions

Finance Admin	This division is primarily responsible for department oversight, strategic planning, and policy development.
Accounting	This 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, fixed assets, and processing all city payments.
Revenue	This division is responsible for issuing business licenses, managing the cashiering and accounts receivable functions of the city, tracking and auditing transaction privilege tax, and providing investment oversight and reporting.
Budget	This 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.
Procurement	This division is responsible for managing the contract and procurement services of the city.
Customer Svcs and Util Support	This division is responsible for customer service and billing for all the city's utility functions (water, wastewater, and solid waste).

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Finance Admin	550,754	1,040,600	743,000	1,337,400	296,800	29%
Accounting	94	1,129,600	1,099,100	1,169,000	39,400	3%
Budget	60	650,700	636,100	645,300	(5,400)	(1%)
Budget & Accounting	1,325,714	0	0	0	0	-
Revenue	759,317	800,100	828,200	698,900	(101,200)	(13%)
Payroll	8,350	0	0	0	0	-
Procurement	38	517,100	416,200	482,300	(34,800)	(7%)
Procurment & Payroll	619,544	0	0	0	0	-
Customer Svcs and Util Support	0	0	0	2,265,200	2,265,200	-
Total Uses	**3,263,871**	**4,138,100**	**3,722,600**	**6,598,100**	**2,460,000**	**59%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Finance Admin	2.5	3.2	3.3	5.0	1.7
Accounting	0.0	0.0	9.0	9.0	0.0
Budget	0.0	0.0	5.0	5.0	0.0
Budget & Accounting	11.0	11.0	0.0	0.0	0.0
Revenue	4.0	6.0	6.0	5.0	(1.0)
Procurement	0.0	0.0	4.0	4.8	0.8
Procurment & Payroll	9.0	10.0	0.0	0.0	0.0
Customer Svcs and Util Support	0.0	0.0	0.0	15.0	15.0
Total Personnel	**26.5**	**30.2**	**27.3**	**43.8**	**16.5**

Accomplishments, Enhancements, and Efficiencies

- Completed the installation and training on the new enterprise resource planning Phase 1, core financials.
- Established 457 Deferred Compensation Committee in which the committee received fiduciary training, developed plan outcomes and performance measures, and drafted an investment policy plan.
- Enhanced banking services at a lower cost to the city from a new comprehensive treasury services agreements.
- Developed online Procurement Assistance Request (PAR) system for internal customers to initiate service requests to streamline workflow, communicate recommendations, and anticipate turn around times.
- Formalized solicitation templates for commodities, low bid construction, and Construction Manager at Risk (CMAR) project delivery methods to expedite the time it takes to issue formal solicitation opportunities.

Major Initiatives and Policy Issues

- The replacement of the city's current financial software system.
- Current citywide financial related policies and procedures will be identified, updated, and enhanced to ensure financial accountability and sound business practices.
- Transition utility billing from third party service to in-house operations and implement enterprise resource planning Phase 5, utility billing.
- Initiate Development Impact fee study.
- Conduct citywide procurement training.

DEPARTMENT OVERVIEW
Finance

Goals, Objectives, and Performance Measures

Department Goal	The department will effectively administer the stewardship of public resources through responsible fiscal management and planning.				
Objective	The objective is to achieve an optimal rate of return on investments.				
Council Strategic Plan Element	Sustainability				
Performance Measure	FY2014 Actual	FY2015 Actual	FY2016 Target	FY2016 Estimate	FY2017 Target
Rate of return on portfolio	0.73%	0.89%	0.8%	0.8%	0.8%

Department Goal	The department will effectively administer the stewardship of public resources through responsible fiscal management and planning.				
Objective	The objective is to accurately forecast operating revenues.				
Council Strategic Plan Element	Sustainability				
Performance Measure	FY2014 Actual	FY2015 Actual	FY2016 Target	FY2016 Estimate	FY2017 Target
Actuals Over/(Under) Adopted	+2.0%	+3.6%	+/- 5.0%	+/- 5.0%	+/- 5.0%
Actuals Over/(Under) Estimate	+1.0%	+2.1%	+/- 5.0%	+/- 5.0%	+/- 5.0%

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	3,263,871	3,888,100	3,674,300	4,082,900	194,800	5%
Roads of Regional Significance Dev Fees	0	12,500	0	12,500	0	0%
General Government Dev Fees	0	25,000	0	25,000	0	0%
Police Dev Fees	0	25,000	0	25,000	0	0%
Parks and Rec Dev Fees	0	25,000	0	25,000	0	0%
Public Works Dev Fees	0	25,000	0	25,000	0	0%
Fire and EMS Dev Fees	0	25,000	0	25,000	0	0%
Library Dev Fees	0	25,000	0	25,000	0	0%
Transportation Improvement	0	0	0	0	0	-
163rd Avenue Dev Fee	0	12,500	0	12,500	0	0%
Water Operations	0	0	19,200	403,800	403,800	-
Water Dev Fee	0	50,000	0	50,000	0	0%
Wastewater Operations	0	0	29,100	1,861,400	1,861,400	-
Wastewater Dev Fee	0	25,000	0	25,000	0	0%
Total Uses	**3,263,871**	**4,138,100**	**3,722,600**	**6,598,100**	**2,460,000**	**59%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,152,373	514,900	436,400	405,800	(109,100)	(21%)
Risk Management	35,187	0	0	0	0	-
Total Sources	**1,187,560**	**514,900**	**436,400**	**405,800**	**(109,100)**	**(21%)**

HUMAN RESOURCES

Department Description

The Human Resources Department (HR) 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 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 through training and employee relations efforts; be a strategic partner to leverage human capital to accomplish the mission and vision of the organization. Staff focuses activities and provides guidance to management, supervisors, and employees in these target areas to achieve operational consistency, excellence, and legal compliance.

Mission Statement

The mission of the 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.

Major Budget Changes

The overall FY2017 operating budget increased by 13% over the FY2016 budget.

- Personnel increased 9% primarily due to:
  - The department added one administrative specialist position in FY2017. This position will assist with the current deployment of the Enterprise Resource Planning (ERP) system.
  - Merit increases will be granted to eligible general pay plan employees.
- Supplies increased 5% primarily due:
  - The budget for supplies increased based on estimated needs within the department.
- Services increase 13% primarily due to:
  - The services budget has increased to match the current liability in the risk pool which was initially budgeted at $250,000. Over the last five years, claims have been relatively low, however, as a matter of good budgeting practice the city will be increasing the services budget by $250,000 to match the maximum deductible amount of $500,000.
  - The budget for the employee healthcare fund increased due to an anticipated 2% increase in benefit claims. The city reviews the employee health insurance fund on an annual basis with the assistance from a consultant. The consultant provides the city with an analysis of claims and recommends an increase or decrease which will allow the fund to maintain its solvency.
  - The increase in services is partially offset by a shift to the supplies budget based on estimated needs within the department.
  - The FY2016 estimate is exceeds the FY2016 Adopted Budget primarily due to an estimated increase in risk claims for FY2016. The city has experienced either unfavorable judgments or incidents that have required the use of insurance to cover losses. These judgments or claims are not typical given the history of the risk fund.

Return to TOC

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	1,608,177	1,827,500	1,814,700	1,993,400	165,900	9%
Supplies	101,599	99,400	99,400	103,900	4,500	5%
Services	11,015,602	11,539,500	11,789,500	13,096,800	1,557,300	13%
Operating Capital	5,709	5,800	5,800	5,800	0	0%
Sub-Total Operating Expenses	**12,731,087**	**13,472,200**	**13,709,400**	**15,199,900**	**1,727,700**	**13%**
One-Time Uses Included Above	756	0	0	65,000		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	12,024,624	11,756,900	12,345,500	12,592,500	835,600	7%
Sub-Total Operating Revenue	**12,024,624**	**11,756,900**	**12,345,500**	**12,592,500**	**835,600**	**7%**

Divisions

Human Resources Admin — The human resources department provides customer service and support to city departments in recruitment/selection, compensation/classification, benefits, organizational planning/development, employee training, employee relations and processing of all city employee's payroll.

Benefits — This division is budgeted primarily within the Employee Healthcare Fund which is an internal service fund established to provide health insurance claims, plan administration, stop loss premiums, and fund reserves citywide. 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.

Risk Management — This division provides general liability and workers compensation insurance coverage as well as risk management, loss control, and safety programs citywide. The Risk Management division is budgeted within the Risk Management Fund and operates as an internal service fund of the city. The costs of these services are charged directly back to appropriate funds.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Human Resources Admin	1,849,364	1,876,500	1,860,600	2,474,200	597,700	32%
Payroll	0	281,500	270,200	0	(281,500)	(100%)
Benefits	9,238,787	9,697,600	9,695,300	10,836,500	1,138,900	12%
Risk Management	1,642,936	1,616,600	1,883,300	1,889,200	272,600	17%
Total Uses	**12,731,087**	**13,472,200**	**13,709,400**	**15,199,900**	**1,727,700**	**13%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Human Resources Admin	10.0	11.0	12.0	17.0	5.0
Payroll	0.0	0.0	3.0	0.0	(3.0)
Benefits	1.0	1.0	1.0	0.0	(1.0)
Risk Management	2.0	2.0	2.0	2.0	0.0
Total Personnel	**13.0**	**14.0**	**18.0**	**19.0**	**1.0**

Accomplishments, Enhancements, and Efficiencies

- A new accident prevention committee was formed to create a culture of “safety”
- Work-related injury reporting has been automated. Employees who suffer a workplace injury are now provided an immediate professional resource, via a nurse triage service. This has eliminated the need for supervisors to determine clinical care needs and has also resulted in cost savings. The program was implemented August 1, 2015 and has resulted in an 11% decline in injury reporting. Most importantly, emergency room visits have decreased by 55% in the same timeframe.
- Revisions were made to municipal code and the employee policy manual to address compliance and best practice philosophies.
- Risk Management has aggressively sought subrogation recoveries, for City losses that fall within the statute of limitations. A total of $107,288.82, in uncollected debt, has been billed, of which $104,923.24 has been recovered to date.
- A compensation study was completed to be compliant with municipal code.

Major Initiatives and Policy Issues

- Risk Management has created a Distracted Driving Presentation, which will be rolled out to all City drivers in 2016, as inattention has been deemed the primary cause of nearly 1/3 of City vehicle accidents. The program has already been delivered to approximately 100 employees.
- Continue collaboration with the Information Technology Department and Finance Department to determine enhancements to existing human resource information system and other support software to improve operational efficiencies.
- Workforce planning will be implemented to assist departments in identifying required staffing and employee skill sets to ensure departmental goals and objectives are achieved.
- IRS reporting of ACA Employer Shared Responsibility Mandate (4980H, 6055, 6056) will be completed

Goals, Objectives, and Performance Measures

Department Goal	The department will achieve excellence in customer service.				
Objective	The objective is to provide customers with responsive, accurate, and efficient service.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of HR customer service contacts	4,784	3,650	3,550	3,900	3,600
Customer overall satisfaction rating with HR excellent or good	98%	98%	95%	97%	95%

DEPARTMENT OVERVIEW
Human Resources

Department Goal	The department will provide employee and organizational training and development opportunities.				
Objective	The objective is to facilitate and coordinate city-wide training programs in three categories: compliance, skill based, and employee engagement.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of compliance trainings offered/number of attendees	66/1,855	51/1,200	36/1,000	36/1,000	36/800
Number of skill based trainings offered/number of attendees	43/445	42/375	30/200	13/107	12/100
Number of employee engagement trainings offered/number of attendees	29/155	34/125	24/75	18/95	12/75

Department Goal	The department will contribute to cost containment measures by continuing wellness program initiatives.				
Objective	The objective is to provide customer wellness programs to educate, empower, and support better health among employees and family members.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of medical wellness programs	12	13	15	15	15
Percentage of participants of total employee benefit population at medical wellness programs	20%	25%	27%	27%	29%

Department Goal	The department will ensure the city's healthcare plan remains compliant with federal healthcare reform through 2018.				
Objective	The objective is to adhere to applicable compliance laws and avoid costly employer penalties.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Complete employer reporting of health coverage on form W-2	100% Complete	100% Complete	100% Complete	100% Complete	100% Complete
Compliance with ACA Patient Centered Outcome Research Institute Fees	-	100% Complete	100% Complete	100% Complete	100% Complete
Compliance with ACA Transitional Reinsurance Program Fees	-	100% Complete	100% Complete	100% Complete	100% Complete

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,849,467	2,158,000	2,130,800	2,231,600	73,600	3%
General Capital	0	0	0	65,000	65,000	-
Risk Management	1,642,833	1,616,600	1,883,300	1,889,200	272,600	17%
Employee Healthcare	8,920,676	9,697,600	9,695,300	11,014,100	1,316,500	14%
FSA Account	318,110	0	0	0	0	-
Total Uses	**12,731,087**	**13,472,200**	**13,709,400**	**15,199,900**	**1,727,700**	**13%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Risk Management	1,667,279	1,735,900	1,735,900	1,735,900	0	0%
Employee Healthcare	10,039,234	10,021,000	10,609,600	10,856,600	835,600	8%
FSA Account	318,110	0	0	0	0	-
Total Sources	**12,024,624**	**11,756,900**	**12,345,500**	**12,592,500**	**835,600**	**7%**

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INFORMATION TECHNOLOGY

Department Description

The Information Technology Department is the city's centralized department responsible for providing strategic technology direction. Staff is highly skilled in operations, networking, application development, information security, and geographic information systems (GIS). The department is committed to providing innovative, secure, reliable, and integrated technology solutions, collaborating with city departments and the community to provide the most effective and efficient services.

Mission Statement

The department provides secure, reliable, and integrated technology solutions in alignment with the city's strategic plan, while delivering excellence in customer service.
In support of this mission, we will:
• Partner with internal and external stakeholders to understand their information technology needs;
• Provide leadership and planning for the effective and strategic use of emerging technologies;
• Ensure the confidentiality, integrity, and availability of data;
• Demonstrate technical and operational excellence through a commitment to professionalism and continuous improvement; and
• Maintain the highest level of protection of information technology assets and reduce overall threats.

Major Budget Changes

The overall FY2017 operating budget increased by 11% over the FY2016 budget.

- Personnel increased 12% from the FY2016 adopted budget primarily due to:
  - Ongoing funding added in FY2017 for a Network Administrator within the Technical Services Division for added resources to maintain the city's complex network and telephony systems to ensure peak efficiency and minimize downtime for city resources.
  - Ongoing funding added in FY2017 to allow for natural job progression of qualified staff within the Applications Services and GIS divisions.
  - A Business Services Project Manager and a Sr. Financial Management Analyst were included in the IT Department during FY2016 as part of the Enterprise Resource Planning CIP Project. The Sr. Financial Management Analyst was moved to the Finance Department decreasing the IT Department staffing by 1 FTE. The increase in the IT personnel budget is a result of the two positions being funded through the Capital Improvement Plan in FY2016; both positions are now being funding within the operating budget.
  - Merit increases will be granted to eligible general pay plan employees.
  - Please refer to the expenditures/uses summary for information regarding personnel changes.
- Supplies decreased by $800 from the FY2016 adopted budget primarily due to:
  - One-time funding in FY2016 to purchase desk phones and computers for new staffing added in FY2016.
- Services increased 3% from the FY2016 adopted budget primarily due to:
  - One-time funding for FY2017 for consulting services to ensure the City of Surprise is in compliance with the Health Insurance Portability and Accountability Act and Payment Car Industry Data Security standards.
  - Ongoing funding was added to cover an increase in the annual software maintenance related to the eCitation interface and an analytics module.
- Operating capital increased 810% from the FY2016 adopted budget due to:
  - One-time funding in FY2017 in the amount of for additional storage drives for city data and backup for recovery purposes.
  - One-time funding in FY2017 for essential equipment related to the addition of the Network Administrator.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	2,066,140	2,281,000	2,177,200	2,552,700	271,700	12%
Supplies	394,425	179,200	326,600	178,400	(800)	0%
Services	1,648,696	1,745,000	1,595,700	1,794,400	49,400	3%
Operating Capital	79,277	20,000	20,000	182,000	162,000	810%
Sub-Total Operating Expenses	**4,188,538**	**4,225,200**	**4,119,500**	**4,707,500**	**482,300**	**11%**
One-Time Uses Included Above	251,585	3,900	3,900	198,100		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	233	0	0	0	0	-
Sub-Total Operating Revenue	**233**	**0**	**0**	**0**	**0**	**-**

Divisions

IT Admin — This division provides leadership, strategic planning, policy direction, interdepartmental coordination, career development, fiscal management, and administrative support to all divisions.

Technical Services — This division provides centralized information technology services required by all city departments. This includes technical support for desktops, telephony, hardware and software requests, network infrastructure, and data center operations.

Security Services — This division focuses on the protection of information systems from theft, misuse or damage, mitigation of vulnerabilities, security investigations, security awareness education, cyber security, physical security, and technology audit and compliance.

Application Services — This division provides support for enterprise software applications such as Enterprise Resources Planning (Finance, HR/Payroll, Licensing/Permitting and Utility Billing), Asset Management, Electronic Document Management and Work Order systems. Application Services creates custom developed web applications for internal department needs and for the city's e-services online. Application Services is additionally responsible for the database and business intelligence architecture for the city

Geographical Information Systems (GIS) — This division provides a centrally located enterprise GIS for all city departments. GIS establishes and maintains in a digital geospatial format all water, sewer, storm, reclamation, streets, parcels, city fiber optics, and signage infrastructure/assets. GIS also establishes and maintains all addresses and street names for Surprise providing an automated address lookup for many of Surprises' applications.

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Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Information Technology	3,666,571	3,532,700	3,495,100	0	(3,532,700)	(100%)
IT Admin	0	0	0	301,300	301,300	-
Technical Services	0	0	0	2,393,200	2,393,200	-
Security Services	0	0	0	461,800	461,800	-
Application Services	0	0	0	893,500	893,500	-
Geographcial Info Systems	521,967	692,500	624,400	657,700	(34,800)	(5%)
Total Uses	**4,188,538**	**4,225,200**	**4,119,500**	**4,707,500**	**482,300**	**11%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Information Technology	16.0	16.0	18.0	0.0	(18.0)
IT Admin	0.0	0.0	0.0	2.0	2.0
Technical Services	0.0	0.0	0.0	9.0	9.0
Security Services	0.0	0.0	0.0	2.0	2.0
Application Services	0.0	0.0	0.0	5.0	5.0
Geographcial Info Systems	8.0	9.0	5.0	5.0	0.0
Total Personnel	**24.0**	**25.0**	**23.0**	**23.0**	**0.0**

Accomplishments, Enhancements, and Efficiencies

- Implemented eCitation & eCrash to improve officer safety, decrease data entry time, improve data accuracy and transmit citation and traffic collision data electronically between departments and other public safety agencies.
- The City Hall camera upgrade project has been completed.
- Replacement of aging hardware and software, including Police Voice recording system.
- Physical and cyber security throughout the city has been enhanced.
- Impervious surface data acquisition and analysis for the storm water system.

Major Initiatives and Policy Issues

- ERP Phase 1 – Financials projected completion July 2016. ERP Phase 5 – Utility Billing projected completion December 2016. ERP Phase 2 – HR/Payroll projected completion January 2017. ERP Phase 3 – Licensing/Permitting projected completion March 2017.
- Centralized Mobile Device Management.
- Asset replacement and technology refresh will continue.
- Data Security, Disaster Recovery and Compliance will continue to be analyzed, exercised, identified, and enhanced.
- GIS Data Dictionary and Public facing internet web mapping application

Goals, Objectives, and Performance Measures

Department Goal	The department will provide effective and efficient information technology support and improve city services by maintaining reliable up to date technology and ensuring those technologies are highly available, recoverable, and the integrity of data is maintained.				
Objective	The objective is to integrate new technologies, replace obsolete equipment/services/systems, and limit risks and negative impacts to existing systems.				
Council Strategic Plan Element	Economic Development				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
End user devices supported	2,731	2,892	2,892	3,561	3,561
Network devices supported	252	261	261	319	329
Security devices supported	567	595	613	642	655
Applications supported	66	65	65	65	72

Department Goal	The department will update the GIS service.				
Objective	The objective is to develop and implement an accurate, comprehensive, and up-to-date geographic information system in order to improve department efficiency and decision processes.				
Council Strategic Plan Element	Economic Development				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
GIS data layers maintained	162	162	164	168	168
New GIS applications developed	11	11	13	13	15

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	3,950,427	4,225,200	4,119,500	4,707,500	482,300	11%
General Capital	238,111	0	0	0	0	-
Total Uses	**4,188,538**	**4,225,200**	**4,119,500**	**4,707,500**	**482,300**	**11%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	233	0	0	0	0	-
Total Sources	**233**	**0**	**0**	**0**	**0**	**-**

GENERAL OPERATIONS

Department 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.

Major Budget Changes

The overall FY2017 operating budget increased by 27% over the FY2016 budget.

- Services increased 1,961% from the FY2016 adopted budget primarily due to:
  - Development reimbursements being moved from the Economic Development Department to General Operations.
- Operating capital decreased 99% from the FY2016 adopted budget primarily due to:
  - Vehicle replacement was included in the operating budget in FY2016. Vehicle replacement funding is now being budgeted within a capital project.
- Transfers out increased 30% from the FY2016 adopted budget primarily due to:
  - Both Transfers Out and Transfers In are fully budgeted within the General Operations Department. Previously, transfers were being departmentalized if a department was correlated with the fund the transfer was impacting. However, transfers in and out are determined by the availability of funds and these transactions are outside the department's responsibility.
- Operating sources increased 9% from the FY2016 adopted budget primarily due to:
  - Please refer to the Operating Sources Section for detailed information related to changes in each category.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	3,000	258,300	258,300	5,323,200	5,064,900	1,961%
Operating Capital	1,978,710	4,512,200	2,935,100	50,000	(4,462,200)	(99%)
Sub-Total Operating Expenses	**1,981,710**	**4,770,500**	**3,193,400**	**5,373,200**	**602,700**	**13%**
Transfers Out	41,123,092	23,250,400	31,463,600	30,336,800	7,086,400	30%
Total Uses	**43,104,802**	**28,020,900**	**34,657,000**	**35,710,000**	**7,689,100**	**27%**
One-Time Uses Included Above	13,860,448	12,910,500	21,707,300	14,349,800		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Local Sales Tax	42,067,280	42,716,200	43,653,700	47,701,900	4,985,700	12%
State Shared	29,527,466	29,862,900	30,032,700	32,330,000	2,467,100	8%
Charges for Services/Other	1,913,810	9,514,800	1,302,700	5,385,900	(4,128,900)	(43%)
Property Tax	6,479,210	6,750,200	6,750,200	6,885,900	135,700	2%
Franchise Fees	4,591,612	4,616,900	4,813,100	4,981,000	364,100	8%
Development Impact Fees	535,417	17,800	29,000	37,300	19,500	110%
Sub-Total Operating Revenue	**85,114,796**	**93,478,800**	**86,581,400**	**97,322,000**	**3,843,200**	**4%**
Transfers In	41,123,092	23,250,400	31,463,600	30,336,800	7,086,400	30%
Total Sources	**126,237,888**	**116,729,200**	**118,045,000**	**127,658,800**	**10,929,600**	**9%**

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General Operations	43,104,802	28,020,900	34,657,000	30,596,700	2,575,800	9%
Agreements	0	0	0	5,113,300	5,113,300	-
Total Uses	**43,104,802**	**28,020,900**	**34,657,000**	**35,710,000**	**7,689,100**	**27%**

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,531,392	7,136,600	13,714,400	16,598,400	9,461,800	133%
Vehicle Replacement Fund	1,953,939	4,512,200	2,935,100	0	(4,512,200)	(100%)
Tourism	0	0	345,800	398,300	398,300	-
Grants And Contingency	24,771	0	0	0	0	-
Spring Training Ticket Surcharge	0	645,000	975,900	645,000	0	0%
Ground Ambulance Service	0	0	75,200	153,500	153,500	-
General Government Dev Fees	675,446	369,900	826,400	367,400	(2,500)	(1%)
Police Dev Fees	245,446	136,400	135,400	135,500	(900)	(1%)
Parks and Rec Dev Fees	793,128	440,700	437,400	437,800	(2,900)	(1%)
Fire and EMS Dev Fees	1,081,347	67,400	66,900	67,000	(400)	(1%)
Transportation Improvement	0	0	0	299,200	299,200	-
Water Operations	1,632,290	1,824,300	1,770,000	2,427,300	603,000	33%
Wastewater Operations	2,279,960	6,481,900	2,402,500	7,027,600	545,700	8%
Wastewater Dev Fee	9,633,295	4,447,500	3,763,400	4,497,000	49,500	1%
Sanitation Operations	1,920,739	1,882,600	1,985,700	2,655,800	773,200	41%
Employee Dep Scholarship	3,000	3,000	3,000	200	(2,800)	(93%)
Gov Reserve	0	0	3,647,700	0	0	-
Prop Debt Service	6,452,325	0	0	0	0	-
Prop Reserve	0	73,400	1,572,200	0	(73,400)	(100%)
Refunded Gov Debt Service 2015	14,877,675	0	0	0	0	-
Community Facilities Districts	50	0	0	0	0	-
Total Uses	**43,104,802**	**28,020,900**	**34,657,000**	**35,710,000**	**7,689,100**	**27%**

DEPARTMENT OVERVIEW
General Operations

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	85,570,434	86,720,500	88,546,600	93,929,200	7,208,700	8%
General Capital	1,901,195	5,004,100	10,566,000	8,846,300	3,842,200	77%
Vehicle Replacement Fund	385,884	2,803,700	4,841,300	3,734,100	930,400	33%
Donations	1,844	0	0	0	0	-
Municipal Court Enhancement	2,527	0	0	0	0	-
Tourism	220,637	215,200	461,100	531,100	315,900	147%
Grants And Contingency	24,849	8,279,900	0	5,000,000	(3,279,900)	(40%)
Net Premium Seating	0	0	0	125,000	125,000	-
Roads of Regional Significance Dev Fees	57,287	0	0	0	0	-
General Government Dev Fees	469,779	0	1,182,600	0	0	-
Police Dev Fees	4,769	0	266,800	0	0	-
Parks and Rec Dev Fees	5,987	0	861,800	0	0	-
Public Works Dev Fees	2,321	0	0	0	0	-
Fire and EMS Dev Fees	960,779	0	131,800	0	0	-
Library Dev Fees	1,097	0	0	0	0	-
Transportation Improvement	2,220,292	1,921,000	2,267,300	2,300,900	379,900	20%
163rd Avenue Dev Fee	18,538	17,800	29,000	37,300	19,500	110%
Water Dev Fee	14,459	0	0	0	0	-
Wastewater Operations	0	0	94,100	1,117,000	1,117,000	-
Wastewater Dev Fee	3,613	4,051,300	1,572,200	4,111,500	60,200	1%
Employee Healthcare	19,390	0	0	39,200	39,200	-
Employee Dep Scholarship	919	1,100	700	0	(1,100)	(100%)
Gov Debt Service	18,234,655	3,193,700	1,571,000	1,585,500	(1,608,200)	(50%)
Gov Reserve	21,149	0	31,900	0	0	-
Prop Debt Service	16,085,805	4,520,900	3,763,400	4,447,000	(73,900)	(2%)
Prop Reserve	9,678	0	4,300	0	0	-
Refunded Gov Debt Service 2015	0	0	1,853,100	1,854,700	1,854,700	-
Total Sources	**126,237,888**	**116,729,200**	**118,045,000**	**127,658,800**	**10,929,600**	**9%**

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Department Overview – Community Development

- **Economic Development**
- **Community Development**

ECONOMIC DEVELOPMENT

Department Description

The Economic Development Department provides services for business attraction, retention, and expansion. The department also provides small business assistance and administers the city's business innovation center, the AZ TechCelerator.

Mission Statement

The city of Surprise Economic Development Department's mission is to create a sustainable, world-class community with global connectivity. The department strives to facilitate an improved quality of life and an advanced level of services for the community through the promotion of entrepreneurship, employment, and enhanced opportunities for investors and residents.

Major Budget Changes

The overall FY2017 operating budget decreased by 83% from the FY2016 budget.

- Personnel increased 10% from the FY2016 adopted budget primarily due to:
  - Ongoing funding added in FY2017 for part-time staffing at the AZ TechCelerator. With the addition of the Beehive and Global Concierge programs, there is an additional need for customer service and enhanced tenant and facility management.
  - Funding was shifted from services to increase the number of hours for the part-time Administrative Technician. The administrative workload has increased due to growth in Economic Development Department staffing and programming since FY2014.
  - Merit increases will be granted to eligible general pay plan employees.
- Supplies are over budget in FY2016 primarily due to:
  - The supplies category is over budget in FY2016 due to a budget amendment from Economic Development contingency to supplies in the amount of $52,500 to fund reconstituted programs that align with the City Council strategic plan on Economic Development and Education that when fully implemented will increase economic and social sustainability for the community.
- Services decreased 93% from the FY2016 adopted budget primarily due to:
  - Development agreements moving from the Economic Development budget to General Operations.
  - Additional Economic Development contingency was utilized to promote businesses impacted by the Bell Road and Grand Avenue Intersection Improvement Project. Approximately $13,300 of the $50,000 is expected to be carried forward to FY2017.
  - A service agreement moving to the City Manager's Office.
  - A portion of the service budget moving to the Economic Development Department's personnel budget to fund additional hours for the part-time Administrative Technician.
  - The decrease was partially offset by ongoing funding added in FY2017 for consulting services to assist with the City to Business Canada and Higher Education initiatives and/or anticipated feasibility and economic impact studies to research potential target industries.
  - The services budget is over budget in FY2016 due to the budget amendments from Economic Development contingency to services in the amount of $210,000 to fund reconstituted programs.
- Operating capital decreased by 83% from the FY2016 adopted budget primarily due to:
  - A development agreement within the Sewer SPA 1 Develolopment Impact Fee Fund moving to the General Government Department, as was the case with all developer agreements.

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Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	0	739,500	791,100	811,400	71,900	10%
Supplies	0	40,600	69,100	40,600	0	0%
Services	0	6,804,300	6,777,600	467,700	(6,336,600)	(93%)
Operating Capital	0	25,000	0	0	(25,000)	(100%)
Sub-Total Operating Expenses	**0**	**7,609,400**	**7,637,800**	**1,319,700**	**(6,289,700)**	**(83%)**
One-Time Uses Included Above	0	950,000	1,032,600	17,300		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	0	239,500	227,500	238,400	(1,100)	0%
Sub-Total Operating Revenue	**0**	**239,500**	**227,500**	**238,400**	**(1,100)**	**0%**

Divisions

Economic Development — The division provides services for business attraction, retention, and expansion. The division also provides small business assistance.

AZ TechCelerator — The AZ TechCelerator has a focus on innovation, technology and entrepreneurship with new programs including the Beehive Co-working Space and Global Concierge Services.

Comm Initiative and Membership — City partnerships, both regional and local, that aid in business attraction, business retention and community enhancement.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Economic Development	0	7,609,400	7,637,800	1,009,900	(6,599,500)	(87%)
AZ TechCelerator	0	0	0	189,500	189,500	-
Comm Initiative and Membership	0	0	0	120,300	120,300	-
Total Uses	**0**	**7,609,400**	**7,637,800**	**1,319,700**	**(6,289,700)**	**(83%)**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Economic Development	0.0	0.0	8.3	7.5	(0.8)
AZ TechCelerator	0.0	0.0	0.0	0.6	0.6
Total Personnel	**0.0**	**0.0**	**8.3**	**8.1**	**(0.2)**

Accomplishments, Enhancements, and Efficiencies

- The AZ TechCelerator completed a $500,000 facility renovation and program expansion for Beehive co-working space, tenant services, and Soft Landings.
- Department recognized by Phoenix Business Journal as one of the top organizations and an Economic Development staff member recognized by the Arizona Association For Economic Development as Economic Developer of the Year.
- IRIS USA constructed a 300,000 sq ft facility that will employ 100 positions. Activation of first foreign trade zone in Surprise by IRIS. Cobalt Medical opened its new traumatic brain injury rehabilitation hospital at Bell Road and Dysart Road. Honda, Hyundai, and Subaru announced plans for new dealerships. Mainstreet Rehabilitation announced plans to build a new 70,000 sq ft facility in Surprise.

- Business expansions were completed at Janus International which comprised of a 30,000 sq ft expansion, 25 jobs and a $2 million investment. Intrepid Tool's project comprised of a 20,000 sq ft expansion, 25 jobs and a $1 million investment. Saigon Kitchen on Bell Road expanded the restaurant's square footage for additional seating and kitchen prep space.
- Two of the top ten most desired restaurants by city residents came into Surprise. Texas Roadhouse opened for business and Oregano's started construction. Department activity gained positive attention through an NPR segment on innovation and a local radio show, Money Radio, hosting city representatives to discuss the City and the AZ TechCelerator.
- Targeted sales missions to Canada and California utilizing city to business outreach. Continued membership with the Canada Arizona Business Council (CABC), a Canada marketing strategy consisting of trips to Toronto and reciprocal business visits to Surprise by Canadian business representatives. Prospect trips and sales mission trips to California, Kansas and Germany.
- Development of a retention and business outreach program, in partnership with the Chamber of Commerce, to provide information, resources and marketing for 300 businesses in the Bell Road and Grand Avenue area.

Major Initiatives and Policy Issues

- Canada and California marketing strategy including visits and delegations to Surprise.
- A four-year residential college campus for higher education.
- Market mega site options for advanced industry attraction.
- Entrepreneurship, innovation and international services through the AZ TechCelerator.
- Internal training will be conducted via the Arizona Association for Economic Development (AAED), International Economic Development Council (IEDC), International Council of Shopping Centers (ICSC), National Business Incubation Association (NBIA), and AZ Tech Council courses and conferences.
- Signature amenity and quality of life attraction through retail sector recruitment.
- The WESTMARC Economic Development Committee focusing on workforce development.

Goals, Objectives, and Performance Measures

Department Goal	The department will assist small companies, increase large employment and retail opportunities, and aid AZ TechCelerator program tenants.				
Objective	The objective is to help at least 10 new small businesses, 4 large businesses, and 10 program tenants.				
Council Strategic Plan Element	Economic Development				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Small business start-up successes	29	26	28	23	24
Large business and retail successes	4	4	4	6	5
AZ TechCelerator Program tenants	12	12	20	14	22
AZ TechCelerator events/programs	11	10	16	20	24

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	0	6,330,400	6,363,500	1,319,700	(5,010,700)	(79%)
Donations	0	0	12,500	0	0	-
Transportation Improvement	0	291,400	299,200	0	(291,400)	(100%)
Water Operations	0	480,700	480,700	0	(480,700)	(100%)
Wastewater Operations	0	481,900	481,900	0	(481,900)	(100%)
Wastewater Dev Fee	0	25,000	0	0	(25,000)	(100%)
Total Uses	**0**	**7,609,400**	**7,637,800**	**1,319,700**	**(6,289,700)**	**(83%)**

DEPARTMENT OVERVIEW
Economic Development

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	0	232,000	220,000	230,900	(1,100)	0%
Donations	0	7,500	7,500	7,500	0	0%
Total Sources	**0**	**239,500**	**227,500**	**238,400**	**(1,100)**	**0%**

COMMUNITY DEVELOPMENT

Department Description

The Community Development Department provides development review, planning and zoning, building safety, code enforcement, 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.

Mission Statement

To facilitate sustainable quality development and growth, enhancing economic opportunity, building strong neighborhoods, and creating a sense of place while providing exceptional customer service.

Major Budget Changes

The overall FY2017 operating budget increased by 14% over the FY2016 budget.

- Personnel increased 5% from the FY2016 adopted budget primarily due to:
  - Ongoing funding added in FY2017 for a Building Safety Inspector II who will perform commercial and residential inspections. The position is needed due to increased permit activity as well as more complex projects.
  - Merit increases will be granted to eligible general pay plan employees
- Supplies increased 33% from the FY2016 adopted budget primarily due to:
  - One-time and ongoing funding added in FY2017 for essential equipment related to the addition of the Building Safety Inspector II, including but not limited to a computer and an ongoing uniform allowance.
  - The increase is partially offset by $700 of the supplies budget being shifted to the services budget during the FY2017 budget development process.
- Services increased 85% from the FY2016 adopted budget primarily due to:
  - One-time funding added in FY2017 for a planning consultant dedicated to an overhaul of the Surprise Unified Development Code (SUDC). The SUDC has a number of inconsistencies and areas where the code is in conflict which creates issues relative to interpretation. An overhaul of the SUDC will address these issues.
  - One-time funding added in FY2017 for a consultant to assist with creating an Art and Cultural Master Plan to incorporate public arts policies and procedures.
  - One-time funding in FY2017 for the White Tank Mountains Conservancy charter membership program.
  - A small portion of the supplies budget being shifted to the service budget during the FY2017 budget development process.
  - The increase was partially offset due to one-time carryover in the amount of $45,000 for the General Plan Update which was competed during FY2016
  - The services budget is over budget due to a mid year budget amendment in the amount of $42,200 for a court ordered abatement that was not included in the adopted FY2016 budget.
- Operating Capital increased by $25,000 over the FY2016 adopted budget due to:
  - One-time funding in FY2017 for the purchase of a truck related to the addition of the Building Safety Inspector II position.

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Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	3,862,829	3,807,800	3,706,900	3,997,500	189,700	5%
Supplies	86,597	51,900	40,800	68,800	16,900	33%
Services	1,124,966	290,000	333,300	632,000	342,000	118%
Operating Capital	0	0	0	25,000	25,000	-
Sub-Total Operating Expenses	**5,074,392**	**4,149,700**	**4,081,000**	**4,723,300**	**573,600**	**14%**
One-Time Uses Included Above	1,102,335	45,000	122,000	438,900		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	2,955,491	2,057,400	2,015,300	2,394,400	337,000	16%
Sub-Total Operating Revenue	**2,955,491**	**2,057,400**	**2,015,300**	**2,394,400**	**337,000**	**16%**

Divisions

Community Development — This division is responsible for the overall coordination of the department's activities and performance in relation to the organization, budget, and undertakes special projects.

Planning — This division ensures projects are developed in accordance with city standards to promote a vibrant community. The division fosters the development process, current and long range planning through the creation and implementation of the zoning ordinance, general plan, and long-range transportation planning. The real planning function procures; approves and negotiates the acquisition of real property and any rights thereon; and provides the city with property management duties as well as title, appraisal verification, and relocation.

Building Safety — This division reviews, approves, and inspects new developments, tenant improvements, and restorations.

Development Services — This division provides facilitation and a point of contact for plans examination and building safety to the customer so they may complete their development project in a faster, more cost efficient manner.

Real Property — This division is charged with procuring real property, rights-of-ways and any rights therein, property management, conducting appraisals, reviewing development applications relative to title reports and so forth.

Code Enforcement — This 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.

Transportation Planning — This division looks at ways to improve the City's multimodal transportation system through policies, grants, studies and works closely with the Public Works Department.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Community Development	195,507	398,300	376,800	348,100	(50,200)	(13%)
Planning	1,197,590	1,199,500	1,202,600	1,145,100	(54,400)	(5%)
Building Safety	1,135,077	1,189,500	1,184,900	1,304,500	115,000	10%
Devlopment Services	736,353	771,400	683,600	592,000	(179,400)	(23%)
Real Property	0	0	0	246,900	246,900	-
Code Enforcement	594,785	591,000	633,100	622,400	31,400	5%
Transportation Planning	0	0	0	464,300	464,300	-
Neighborhood Services	1,215,081	0	0	0	0	-
Total Uses	**5,074,392**	**4,149,700**	**4,081,000**	**4,723,300**	**573,600**	**14%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Economic Development	3.0	0.0	0.0	0.0	0.0
Community Development	3.0	3.3	2.0	2.3	0.3
Planning	6.0	8.0	11.0	9.0	(2.0)
Building Safety	12.0	12.0	12.0	13.0	1.0
Devlopment Services	7.0	10.0	10.0	8.0	(2.0)
Real Property	0.0	0.0	0.0	2.0	2.0
Code Enforcement	5.0	6.0	5.0	5.0	0.0
Transportation Planning	0.0	0.0	0.0	2.0	2.0
Neighborhood Services	4.0	4.0	0.0	0.0	0.0
Total Personnel	**40.0**	**43.3**	**40.0**	**41.3**	**1.3**

Accomplishments, Enhancements, and Efficiencies

- The General Plan Summit was conducted and a report completed.
- The Major General Plan Amendment was approved by City Council.
- The Original Town Site Heritage District Overlay ordinance has been written and is undergoing public comment and legal review. This should be adopted by the City Council in June of 2016.
- The Wireless Telecommunication Facilities text amendment, lot coverage text amendment, and political sign text amendment have been adopted by Council. Staff is also bringing forward text amendments for the sign code, subdivision section, and the Temporary Use Permit section of the ordinance.
- Project Iris was approved by the Planning and Zoning Commission and is under construction.
- The Temporary Sign Policy has been rewritten, one for the Bell and Grand area and the other citywide.
- The Safe Routes to Schools Grants have been accepted and the project is underway.
- Bullard Avenue grant funding, for design and construction.
- Property abatement was conducted at old motel on Grand Avenue.
- International Fire Code Amendments in coordination with the Fire-Medical Department have been drafted and are out for public review.

Major Initiatives and Policy Issues

- Major overhaul of the Surprise Unified Development Code
- Rewrite of the Sign Code
- Community Development transition for LIS
- The Surprise development code and fee schedule.

- Heritage District Overlay Implementation
- Development Impact Fee update in coordination with Finance and Public Works
- Policy rewrites for the annexation policy and special taxing district policy
- Adoption of the amendments to the fire code
- City Center Master Planning effort
- Wireless Telecommunications Master Lease Agreement

Goals, Objectives, and Performance Measures

Department Goal	The department will provide accurate planning and development information to customers so they can make knowledgeable development decisions and receive timely delivery of property based services.				
Objective	The objective is to assist 95% of development center customers within 15 minutes of sign-in.				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of customers anticipated	8,900	9,000	9,500	13,050	9,000
Number of customers assisted	9,711	11,500	11,500	13,050	9,000
Average time spent per customer	19 minutes	16 minutes	15 minutes	11 minutes	15 minutes
Percent of customers assisted within 15 minutes of sign in	87%	94%	100%	97%	97%

Department Goal	The department will ensure 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 demonstrates the output to meet the department goal.				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of new cases opened	4,855	5,096	5,200	4,586	4,615
Number of cases resolved	4,413	5,134	5,500	4,710	4,710
Number of inspections	13,561	14,524	14,900	23,871	22,900
Proactive inspections	2,999	4,177	4,300	3,650	3,650

Department Goal	The department will review, approve, and inspect 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 Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Average number of inspections performed (per inspector per day)	18	13	14	17	14
Number of building permit inspections performed	18,220	18,000	19,000	20,172	20,500
Number of building plan sheets reviewed	39,078	34,619	36,542	59,708	38,590
Number of building reviews completed	7,067	9,334	9,800	11,604	11,300

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	4,105,371	4,149,700	4,081,000	4,520,500	370,800	9%
Neighborhood Revitalization	969,021	0	0	0	0	-
Grants And Contingency	0	0	0	202,800	202,800	-
Total Uses	**5,074,392**	**4,149,700**	**4,081,000**	**4,723,300**	**573,600**	**14%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,986,470	2,057,400	2,015,300	2,191,600	134,200	7%
Neighborhood Revitalization	969,021	0	0	0	0	-
Grants And Contingency	0	0	0	202,800	202,800	-
Total Sources	**2,955,491**	**2,057,400**	**2,015,300**	**2,394,400**	**337,000**	**16%**

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Department Overview – Public Safety

- City Court
- Police
- Surprise Fire – Medical

CITY COURT

Department Description

The City Court is committed to providing the community with an independent judiciary, which serves the public by the fair and impartial administration of justice.

Mission Statement

The department's primary function is to fairly and impartially adjudicate all cases 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. Department staff answers questions from the public and provides assistance to those having business at the court. The department ensures accountability for judicial and financial orders.

Major Budget Changes

The overall FY2017 operating budget increased by 10% over the FY2016 budget.

- Personnel increased 11% primarily due to:
  - The budget for full-time salaries and benefits increased due to the addition of one Associate Judge which will help ensure consistent courtoom coverage is maintained and strengthen case management accountablity. The addition of this personnel is dependent upon the implementation of additional revenue sources.
  - Merit increases will be granted to eligible general pay plan employees.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to mid-year compensation adjustments for two positions.
- Supplies decreased 32% primarily due to:
  - The budget for furniture, fixtures, and equipment decreased due to the replacement of office chairs which was completed in FY2015 and therefore not utilized in FY2016 and removed from the FY2017 budget.
- Services increased 4% primarily due to:
  - The budget for computer maintenance increased due to Arizona Court Automation Project (ACAP) maintenance and support costs.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	1,746,450	1,896,900	1,843,100	2,108,700	211,800	11%
Supplies	50,590	40,000	31,600	27,100	(12,900)	(32%)
Services	178,083	202,600	189,100	211,200	8,600	4%
Operating Capital	23,238	0	8,800	0	0	-
Sub-Total Operating Expenses	**1,998,360**	**2,139,500**	**2,072,600**	**2,347,000**	**207,500**	**10%**
One-Time Uses Included Above	0	0	0	2,800		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	1,175,892	1,324,600	1,198,800	1,203,800	(120,800)	(9%)
Sub-Total Operating Revenue	**1,175,892**	**1,324,600**	**1,198,800**	**1,203,800**	**(120,800)**	**(9%)**

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Court Administration	1,998,360	2,139,500	2,072,600	2,347,000	207,500	10%
Total Uses	**1,998,360**	**2,139,500**	**2,072,600**	**2,347,000**	**207,500**	**10%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Court Administration	19.1	20.1	20.3	21.1	0.8
Total Personnel	**19.1**	**20.1**	**20.3**	**21.1**	**0.8**

Accomplishments, Enhancements, and Efficiencies

- Enhanced Court Security - Security cameras were installed in the courthouse that provide a clear view for court security to monitor the two courtrooms used most often. The cameras provide a 180 degree view of activity inside the courtroom, lobby, and the entry/exit doors.
- Enhanced Court Security - Distress buttons were installed in key locations within the courthouse. The addition of these buttons provide enhanced security for all court users.
- ATM Installation - ATM banking services are now available in the court lobby, a convenient and secure location. This provides enhanced customer service to court users and allows access to their accounts for payment of fines and fees due.
- Enhancing Professionalism in the Court - 2015 Surprise Summer Seminar: This seminar was presented and hosted by the Surprise City Court. Court leaders facilitated court staff training to ensure that our staff maintains a high level of service and professionalism. The training sessions were well-received. Approximately 100 participants from courts state-wide, including Surprise City Court staff, attended this seminar.
- Promoting Access to Justice - Veterans Court : Maricopa County and the City of Glendale each hold annual events for veterans and invite other courts to participate. The Surprise City Court participates and supports these initiatives to assist veterans with their court obligations by considering the circumstances of each individual and their specific needs. At these events, veterans have an opportunity to address Motor Vehicle Department services and social services, address legal issues with attorneys, and apply for health care and other benefits. Educational opportunities are also provided.

Major Initiatives and Policy Issues

- Arizona Supreme Court strategic agenda Advancing Justice Together, Courts and Communities 2014-2019 includes the following goals:
  Goal 1. Promoting access to justice
  Goal 2. Protecting children, families, and communities
  Goal 3. Improving court processes to better serve the public
  Goal 4. Enhancing professionalism within Arizona's courts
  Goal 5. Improving communications and community participation
- Department initiatives also include:
  - Implement state legislature changes
  - Implement federal and state rule and policy initiatives
  - Implement new city ordinances
- Audio/Video project-FY2017 Phase II: complete installation of courtroom audio/video equipment.
- ADA door opener switches-FY2017 Phase II: complete installation of ADA switches throughout courthouse.
- Self-Service Kiosk- A project is underway to install a self-service kiosk in the court lobby that will provide advanced customer service. The kiosk will allow court users to conduct business online, such as completing forms for Petition For An Order of Protection and Injunction Prohibiting Harassment; to pay fines/fees; or to file motions with the court.

DEPARTMENT OVERVIEW
City Court

Goals, Objectives, and Performance Measures

Department Goal	To comply with the standards and requirements set forth by the Committee on Judicial Education (COJET) outlined in the Arizona Code of Judicial Administration Section 1-302, court staff must complete a minimum of 16 hours of continuing education per calendar year.				
Objective	The objective is to exceed the annual minimum education requirements and proactively improve competence, professionalism and excellence (Supreme Court Strategic Agenda- Goal 4: Enhancing Professionalism within Arizona Courts).				
Council Strategic Plan Element	Education				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Minimum number of COJET training hours required	288	304	304	348	348
Number of COJET hours completed	498	828	600	700	700
Percent above the minimum hours required	73%	172%	98%	101%	101%

Department Goal	The department will improve the "time to disposition" (the percentage of cases disposed or otherwise resolved within established time frames for Driving Under the Influence (DUI) cases).				
Objective	The objective is to resolve DUI cases according to Arizona Supreme Court standards and Administrative Order 2014-108 (Supreme Court Strategic Agenda- Goal 3: Improving Court Processes to Better Serve the Public).				
Council Strategic Plan Element	Public Safety				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percent of DUI's resolved within 120 days (Standard 85%)	80%	67%	85%	85%	85%
Percent of DUI's resolved within 180 days (Standard 93%)	92%	88%	93%	93%	93%

Department Goal	The department will improve the "time to disposition" (the percentage of cases disposed or otherwise resolved within established time frames for civil traffic cases).				
Objective	The objective is to resolve civil traffic cases according to Arizona Supreme Court standards and Administrative Order 2014-108 (Supreme Court Strategic Agenda- Goal 3: Improving Court Processes to Better Serve the Public).				
Council Strategic Plan Element	Public Safety				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percent of civil traffic cases resolved within 30 days (Standard 65%)	65%	n/a	n/a	n/a	n/a
Percent of civil traffic cases resolved within 60 days (Standard 80%)	82%	87%	80%	80%	80%
Percent of civil traffic cases resolved within 90 days (Standard 95%)	97%	98%	95%	95%	95%

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,813,012	1,983,400	1,926,200	2,228,800	245,400	12%
Municipal Court Enhancement	128,675	85,000	85,000	85,000	0	0%
Municipal Court JCEF	42,195	58,000	61,400	33,200	(24,800)	(43%)
Municipal Court MFTG	14,479	13,100	0	0	(13,100)	(100%)
Total Uses	**1,998,360**	**2,139,500**	**2,072,600**	**2,347,000**	**207,500**	**10%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	1,064,103	1,184,100	1,090,600	1,084,100	(100,000)	(8%)
Municipal Court Enhancement	77,140	97,400	73,200	85,000	(12,400)	(13%)
Municipal Court JCEF	20,177	25,000	19,300	20,100	(4,900)	(20%)
Municipal Court MFTG	11,281	13,500	11,600	10,400	(3,100)	(23%)
Municipal Court FARE	3,191	4,600	4,100	4,200	(400)	(9%)
Total Sources	**1,175,892**	**1,324,600**	**1,198,800**	**1,203,800**	**(120,800)**	**(9%)**

POLICE

Department Description

The Surprise Police Department (SPD), 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, businesses, and schools. The department also provides victim support services and sex offender notices to the community.

Mission Statement

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

Major Budget Changes

The overall FY2017 operating budget increased by 8% over the FY2016 budget.

- Personnel increased 8% primarily due to:
  - The budget for full-time salaries and benefits increased due to the addition of thirteen full-time equivalents (FTEs) which includes seven police officers, two lieutenants, one sergeant, two transportation officers, and one property and evidence supervisor. The additional personnel will enhance public safety, increase the availability of transportation officers to transport prisoners, and enhance the oversight and accountability of managing stored evidence and property. The addition of this personnel is dependent upon the implementation of additional revenue sources.
  - The budget for overtime was increased to allow sworn staff the flexibility to participate in the Donated Leave Program which was agreed to as a part of Memorandum of Understanding (MOU) discussions with the Surprise Police Employee Association (SPEA).
  - The budget for overtime increased due to Tactical Emergency Medical Service (TEMS) personnel that participate during Special Weapons and Tactics (SWAT) response activities on an overtime basis as they are each full-time employees of the Surprise Fire-Medical Department (SFMD).
  - Merit increases will be granted to eligible general pay plan employees and sworn staff will receive increased retirement benefits and step increases.
- Supplies decreased 3% primarily due to:
  - The budget for personnel protective equipment, weapons, and equipment decreased primarily due to asset replacement being accounted for in the FY2017 Capital Improvement Plan.
  - The budget for operational supplies increased due to donation funded projects that support programs such as Citizen's Patrol and Victim's Assistance. This item was included in the FY2016 budget as a one-time expenditure, but has now been added to FY2017 as an ongoing expense.
  - The decrease was partially offset by one-time increases in the budget for uniforms, equipment, and supplies associated with the addition of thirteen FTEs as discussed above.
- Services increased 2% primarily due to:
  - The budget for service agreements increased due to a new agreement which will incorporate video camera systems, data storage, and the replacement of Electronic Control Devices (ECD) to facilitate the replacement of the department's current inventory of ECDs and increase the efficiency in which police video records are maintained.
- Operating capital increased 415% primarily due to:
  - The budget for operating capital increased due to the need for four equipped patrol vehicles and two equipped police administration vehicles for the additional FTEs discussed above.

Return to TOC

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	20,628,512	22,100,200	21,565,500	23,818,800	1,718,600	8%
Supplies	964,339	1,519,200	868,200	1,477,900	(41,300)	(3%)
Services	1,563,051	1,853,600	1,457,400	1,885,200	31,600	2%
Operating Capital	93,333	66,000	66,000	340,100	274,100	415%
Sub-Total Operating Expenses	**23,249,235**	**25,539,000**	**23,957,100**	**27,522,000**	**1,983,000**	**8%**
One-Time Uses Included Above	525,708	406,600	245,700	588,300		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	1,587,081	1,339,700	1,130,000	1,365,000	25,300	2%
Development Impact Fees	254,664	217,600	305,800	308,500	90,900	42%
Sub-Total Operating Revenue	**1,841,745**	**1,557,300**	**1,435,800**	**1,673,500**	**116,200**	**7%**

Divisions

PD Administrative Services — This division is responsible for the performance of the Police Department and its commanding officers. Additional functions of the division are internal financial review, strategic planning, quality management, criminal history records management, property and evidence management, the vehicle impound program, and the public safety communications/911 section, and the Office of the Chief which includes internal audits, inspections, internal administrative investigations, and public information.

Professional Development — This division is responsible for recruiting, departmental Commission on Accreditation of Law Enforcement Agencies accreditation, policy management, internal audits, inspections, internal administrative investigations, and department-wide training.

Police 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.

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 the Neighborhood Response Unit (NRU), community relations, crime and intelligence analysis, and victim services.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
PD Administrative Services	6,278,396	6,347,600	5,756,600	5,500,200	(847,400)	(13%)
Professional Development	0	0	0	1,721,600	1,721,600	-
Police Field Operations	13,722,819	14,396,600	13,787,100	14,991,700	595,100	4%
Criminal Investigations	3,248,021	4,794,800	4,413,400	5,308,500	513,700	11%
Total Uses	**23,249,235**	**25,539,000**	**23,957,100**	**27,522,000**	**1,983,000**	**8%**

DEPARTMENT OVERVIEW
Police

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
PD Administrative Services	46.0	48.0	49.0	43.0	(6.0)
Professional Development	0.0	0.0	0.0	11.0	11.0
Police Field Operations	111.0	112.0	106.0	112.0	6.0
Criminal Investigations	25.0	24.0	33.0	35.0	2.0
Total Personnel	**182.0**	**184.0**	**188.0**	**201.0**	**13.0**

Accomplishments, Enhancements, and Efficiencies

- A community program to collect unwanted/expired prescription drugs was established. Over 700 pounds were collected in the first 6 months.
- Department policies and procedures regarding application, documentation, and analysis of Use of Force incidents was established and each incident was reviewed.
- The mobile electronic ticket writers were installed in all patrol vehicles.
- A Crisis Intervention Training (C.I.T.) was developed and implemented to enhance the response to incidents involving individuals suffering from mental illness.
- A community program to collect unwanted/expired prescription drugs was established. Over 700 pounds were collected in the first 6 months.

Major Initiatives and Policy Issues

- Integration of IAPro Blue Team, an internal investigation management software program.
- Transition all sworn personnel to the new duty weapons with appropriate training and qualifications.
- Commission on Accreditation for Law Enforcement Agencie (CALEA) re-accreditation.
- Transition of policy from "Use of Force" to "Response to Resistance"
- Formal integration of our Crisis Intervention Program

Goals, Objectives, and Performance Measures

Department Goal	The department will achieve agency reaccreditation for the international law enforcement standards developed and maintained by CALEA.				
Objective	The objective is to 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, and maintain the high standard of excellence through annual analysis of critical operations including: vehicle pursuits, internal investigations, use of force, and bias based complaints.				
Council Strategic Plan Element	Public Safety				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Reviewed/revised policies	26	25	25	25	25
Completed AQA of 481 standards	April	August	April	April	April
Successful reaccreditation	August	N/A	N/A	N/A	August
Complete time-sensitive audits/inspections	23	23	23	23	23

Department Goal	The department will provide rapid response to service calls, maintain high visibility in neighborhoods and business locations, and enforce traffic safety laws throughout the city.				
Objective	The objective is to respond to police calls for service in less than five minutes, increase proactive patrol volume, and continue to enforce traffic safety.				
Council Strategic Plan Element	Public Safety				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Calls for service	37,566	37,756	38,393	39,350	39,500
Number of report actions	21,996	22,806	21,303	15,812	21,500
Priority 1 average response times	4min 44sec	4min 36sec	4min 35sec	4 Min 50sec	4 Min 45sec
Officer initiated call volume	56,204	59,571	56,775	48,146	50,000

Department Goal	The department will prevent, reduce, and disrupt crime.				
Objective	The objective is to increase arrest volume and maintain or reduce UCR part 1 violent and property crimes.				
Council Strategic Plan Element	Public Safety				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of arrests	3,749	3,610	3,697	3,240	3,700
UCR Part 1 crimes	2,230	2,343	2,307	2,421	2,400
UCR Part 1 crimes per 1,000	18.3	19.3	19.0	19.4	19.0

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	22,577,591	24,469,400	23,573,000	26,466,400	1,997,000	8%
General Capital	39,573	0	0	0	0	-
Donations	8,643	12,400	12,400	12,400	0	0%
Grants And Contingency	195,037	218,200	160,500	270,000	51,800	24%
SPD RICO	216,304	710,000	124,400	695,000	(15,000)	(2%)
SPD Towing	211,193	82,500	83,800	32,500	(50,000)	(61%)
SB 1398 Fines	0	42,800	0	43,000	200	0%
Animal Seizure Bond Forfeiture	0	1,000	1,000	1,000	0	0%
Unclaimed Property Disposal	0	1,000	1,000	1,000	0	0%
Program 1033 Auction Proceeds	895	1,700	1,000	700	(1,000)	(59%)
Total Uses	**23,249,235**	**25,539,000**	**23,957,100**	**27,522,000**	**1,983,000**	**8%**

DEPARTMENT OVERVIEW
Police

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	708,632	736,800	711,200	711,300	(25,500)	(3%)
Donations	12,287	13,400	22,000	12,400	(1,000)	(7%)
Grants And Contingency	194,962	218,200	160,500	270,000	51,800	24%
SPD RICO	540,186	245,000	110,000	245,000	0	0%
SPD Towing	105,663	105,000	105,000	105,000	0	0%
SB 1398 Fines	18,522	18,300	18,300	18,300	0	0%
Animal Seizure Bond Forfeiture	0	1,000	1,000	1,000	0	0%
Unclaimed Property Disposal	0	1,000	1,000	1,000	0	0%
Program 1033 Auction Proceeds	5,360	1,000	1,000	1,000	0	0%
Police Dev Fees	256,134	217,600	305,800	308,500	90,900	42%
Total Sources	**1,841,745**	**1,557,300**	**1,435,800**	**1,673,500**	**116,200**	**7%**

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SURPRISE FIRE - MEDICAL DEPARTMENT

Department Description

The Surprise Fire-Medical Department (SFMD) is a full-service, all hazard response organization that provides fire suppression, emergency medical services, hazardous material response, fire prevention services, community educational services, ground ambulance transportation services, and crisis response services.

Mission Statement

The department's mission is to protect and serve life and property with the highest level of safety, customer service, pride, and professionalism.

Major Budget Changes

The overall FY2017 operating budget increased by 9% over the FY2016 budget.

- Personnel increased 8% primarily due to:
  - The budget for full-time salaries and benefits increased due to the addition of seven full-time equivalents (FTEs) which includes three firefighter paramedics, three firefighter engineers, and one fire inspector. The additional personnel will enhance emergency response services and improve the department's efficiency in conducting annual life safety fire inspections. The addition of this personnel is dependent upon the implementation of additional revenue sources.
  - The budget for part-time salaries increased due to the transition of one temporary part-time fire inspector to a permanent part-time position which will improve the department's efficiency in conducting annual life safety fire inspections.
  - The budget for overtime increased in order to maintain the department's constant staffing initiatives and to allow sworn staff the flexibility to participate in the Donated Leave Program which was agreed to as a part of Memorandum of Understanding (MOU) discussions with the Northwest Valley Firefighter's Association.
  - The budget for overtime also increased for the ground ambulance service due to mid-year implementation and pro-rated operational costs included in the FY2016 budget. This adjustment increases the overtime budget to account for a full year of ground ambulance operations.
  - Merit increases will be granted to eligible general pay plan employees and sworn staff will receive increased retirement benefits and step increases.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to the mid-year implementation of the ground ambulance service resulting in the addition of six FTEs which included three paramedics and three Emergency Medical Technicians (EMTs).
- Supplies increased 7% primarily due to:
  - The budget for uniforms, equipment, and supplies increased due to the addition of seven FTEs and one part-time position as discussed above.
  - The budget for first-aid supplies and fuel increased for the ground ambulance service due to mid-year implementation and pro-rated operational costs included in the FY2016 budget. This adjustment increases the first-aid supply and fuel budget to account for a full year of ground ambulance operations.
  - The increases are partially offset by personal protective equipment being accounted for in the FY2017 Capital Improvement Plan and a decrease in operating equipment and tools previously funded by a federal Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) grant.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to the mid-year implementation of the ground ambulance service.
- Services increased 12% primarily due to:
  - The budget for software, training, and physicals increased due to the addition of seven FTEs and one part-time position as discussed above.
  - The budget for travel and training increased to provide education, training, and testing for two department employees to become Certified Ambulance Privacy Officers (CAPO) which will enhance compliance with the Health Insurance Portability and Accountability Act (HIPAA).

- The budget for service agreements and fees increased for the ground ambulance service due to mid-year implementation and pro-rated operational costs included in the FY2016 budget. This adjustment increases the service agreement and fees budget to account for a full year of ground ambulance operations.
- The budget for computer maintenance and radio dispatch services increased due to anticipated infrastructure improvements associated with the department's participation in the Regional Wireless Cooperative (RWC) that supports the city's public safety communications system. This increase will be partially offset by an increase in revenue collected from the city's third-party ground ambulance provider.
- The increases are offset by a shift in budget from the Fire-Medical department to the Public Works department for vehicle maintenance associated with the fire utility truck. This shift was done to align with the practice of maintaining all vehicle maintenance costs within the Public Work's Fleet division.
- The FY2016 estimate exceeds the FY2016 adopted budget due to the mid-year implementation of the ground ambulance service.

- Operating capital increased 618% primarily due to:
  - The budget for operating capital increased due to the need for one equipped fire inspection vehicle for the addition of a fire inspector as discussed above.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to the mid-year implementation of the ground ambulance service.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	14,632,053	16,068,300	16,030,100	17,361,200	1,292,900	8%
Supplies	442,069	576,900	611,600	614,700	37,800	7%
Services	1,614,720	1,700,400	1,706,600	1,909,200	208,800	12%
Operating Capital	30,445	10,000	10,300	71,800	61,800	618%
Sub-Total Operating Expenses	**16,719,287**	**18,355,600**	**18,358,600**	**19,956,900**	**1,601,300**	**9%**
One-Time Uses Included Above	63,802	171,700	14,900	545,600		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	1,274,871	1,539,800	1,911,600	2,661,200	1,121,400	73%
Development Impact Fees	1,004,208	1,252,200	1,397,100	1,546,700	294,500	24%
Sub-Total Operating Revenue	**2,279,079**	**2,792,000**	**3,308,700**	**4,207,900**	**1,415,900**	**51%**

Divisions

Fire Administration and Finance — Consists of Administration, Finance and Medical Invoicing. Administration provides leadership, fiscal management, long-range planning, interdepartmental coordination, budget development, grant management, payroll, medical invoicing and administrative support to all divisions

Fire Operations — Consists of Medical Services & Training and Operations. Operations is 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. Operations achieves this by providing basic and advanced life support services to the community 24 hours a day, seven days a week as well as coordinating training programs, inter-agency and multi-company drills while always maintaining compliance with AZ state statutes.

Planning and Logistics — Consists of Community Services & Personnel, Logistics, Prevention and Strategic Planning. Planning & Logistics provides public education, personnel management, crisis response, risk reduction, safety, fire prevention, code enforcement and volunteer management. Additionally, this division provides logistical support to all fire facilities, apparatus and safety equipment to ensure the safety of the membership and the citizens of Surprise at all times.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
	0	0	0	25,000	25,000	-
FD Administration and Finance	1,941,332	2,236,900	2,103,300	2,411,200	174,300	8%
Fire Operations	13,898,929	15,217,000	15,308,800	15,949,300	732,300	5%
Planning and Logistics	879,026	901,700	946,500	1,571,400	669,700	74%
Total Uses	**16,719,287**	**18,355,600**	**18,358,600**	**19,956,900**	**1,601,300**	**9%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
FD Administration and Finance	7.0	7.0	8.0	8.0	0.0
Fire Operations	106.0	108.0	108.0	120.0	12.0
Planning and Logistics	4.0	5.0	5.0	7.8	2.8
Community Services	1.0	0.0	0.0	0.0	0.0
Total Personnel	**118.0**	**120.0**	**121.0**	**135.8**	**14.8**

Accomplishments, Enhancements, and Efficiencies

- Deployed the Engine Company Inspection Program. This program was developed and staff trained in late FY15. Technology equipment was purchased to allow the completion of this pilot program in FY16 which is estimated to yield an additional 620 occupancy inspections this year.
- Received an Urban Areas Security Initiative (UASI) grant totaling $50,000 which includes hazardous material training and chemical, biological, radiological, nuclear, and explosives (CBRNE) software and equipment enhancements; as well as additional UASI reallocation funding totaling $15,000. SFMD also received a $50,000 grant from the Tohono O'odham Nation in funding to replace a compressor on the department's utility truck. Applied for funding through the Assistance to Firefighter's grant programs in Fire Prevention, Operations and Staffing for Adequate Fire and Emergency Response (SAFER) as well as a Firehouse Subs grant.
- SFMD was granted their Certificate of Necessity (CON) with the Arizona Department of Health Services to provide ground ambulance transportation services within the City of Surprise on August 7, 2015. As a result, the department was able to hire, train and deploy an additional three civilian EMT's, three civilian paramedics and one Financial Specialist to implement the program. An ambulance was purchased (M305) and ground ambulance transportation commenced November 2, 2015 to the citizens of the City of Surprise.
- The department deployed a ladder tender, a pumper, new advanced life support equipment, and all equipment needed for fire suppression activities as well as a new Crisis Response Van in FY16. SFMD has already initiated the purchase of another replacement pumper for FS302, which is anticipated to deploy in FY17.
- SFMD initiated a pilot behavioral health program in early spring 2016 that assists in transporting behavioral health patients to designated mental health facilities. This program will help lessen the burden on operational staff and resources as well as area hospitals while simultaneously providing quality care to our citizens in need.

Major Initiatives and Policy Issues

- Enhance the ground transportation ambulance program to add two additional ambulances and provide greater, enhanced, and more reliable medical service to the citizens of the City of Surprise.
- Research the feasibility of developing a community paramedicine program.

- Research and apply for additional grant funding to enhance and expand fire services such as operational, safety, equipment, and community life safety education programs.
- Enhance geographical information system software to optimize and enhance response standards, resource allocation, and deployment strategies within the department in an effort to develop an updated Standards of Cover document.

Goals, Objectives, and Performance Measures

Department Goal	Existing training curriculums, programs, facilities, interagency agreements, and new training opportunities will be annually reviewed to ensure the department continues to utilize the most effective training delivery plan.				
Objective	The objective is to maintain compliance with applicable National Fire Protection Association (NFPA) standards.				
Council Strategic Plan Element	Education				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Target training hours per operational employee	168	127	250	128	250
Total training hours completed by all operational personnel	18,374	14,130	27,500	14,231	28,500
Percent of target hours attained	67%	51%	100%	51%	100%

Department Goal	The department will ensure the city of Surprise remains a viable location for new business.				
Objective	The objective is to reduce the Insurance Services Office (ISO) rating from a three to a two by FY2016.				
Council Strategic Plan Element	Economic Development				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
ISO rating	2	2	2	2	2

Department Goal	The department will conduct efficient and timely inspections and plan reviews for Surprise businesses and residents. (*As of FY2015, inspections other than plan reviews and new construction will be reported separately to improve transparency.)				
Objective	The objective is to inspect all commercial structures annually, conduct plan reviews within 20 days for new plans and 10 days for tenant improvements, and inspect new construction in a timely, efficient manner.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of inspections completed	1,411	0	0	0	0
Number of plans reviewed	409	412	300	420	450
Number of new construction inspections	167	201	300	210	300

Department Goal	The department will improve emergency response times to better serve the needs of the residents and citizens living and working in Surprise. (*From FY15 forward, response time reporting was refined to include only Code 3 responses within the City of Surprise.)				
Objective	The objective is to review incident response data monthly to identify the nature of delays in incident responses and appropriate remedies for improvement.				
Council Strategic Plan Element	Public Safety				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Total incidents	14,004	15,748	15,600	16,624	17,500
Percent of time 5 minute response attained	39%	*61%	45%	61%	65%
90th percentile response time	8:37	*6:57	7:45	7:08	6:57
Average response time	5:47	*4:41	5:30	4:41	4:20

Department Goal	The department will maintain efficient and timely inspections to Surprise businesses and residents. (*As of FY2015, inspections other than plan reviews and new construction will be reported separately to improve transparency.)				
Objective	The objective is to inspect all commercial structures annually and provide other inspections as deemed appropriate by fire code, state agency, or safety need.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Commercial Fire Code inspections (Occupancy & Assisted Living)	0	1,508	1,300	1,550	1,600
Other Inspections (DES Food, Liquor, Knox Box, citizen contacts)	0	165	250	200	220

Uses by Fund	**FY2015 Actual**	**FY2016 Adopted**	**FY2016 Estimate**	**FY2017 Budget**	**Change In Budget**	**% Change**
General	16,276,788	17,664,400	17,472,100	19,067,500	1,403,100	8%
General Capital	30,445	0	0	0	0	-
Donations	2,420	4,200	4,200	400	(3,800)	(90%)
Grants And Contingency	21,393	151,300	74,800	67,500	(83,800)	(55%)
Wildland Fire	47,091	143,700	126,100	148,500	4,800	3%
HALO	126,655	168,900	149,100	146,300	(22,600)	(13%)
Ambulance Contract	214,496	223,100	66,000	0	(223,100)	(100%)
Ground Ambulance Service	0	0	466,300	526,700	526,700	-
Total Uses	**16,719,287**	**18,355,600**	**18,358,600**	**19,956,900**	**1,601,300**	**9%**

DEPARTMENT OVERVIEW
Surprise Fire - Medical Department

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	847,168	790,600	904,400	795,900	5,300	1%
General Capital	4,475	0	0	0	0	-
Donations	2,450	2,500	5,100	5,100	2,600	104%
Grants And Contingency	21,393	151,300	74,800	67,500	(83,800)	(55%)
Wildland Fire	73,509	143,700	159,300	150,000	6,300	4%
HALO	134,942	156,000	136,900	137,300	(18,700)	(12%)
Ambulance Contract	190,933	295,700	89,600	0	(295,700)	(100%)
Ground Ambulance Service	0	0	541,500	1,505,400	1,505,400	-
Fire and EMS Dev Fees	1,004,208	1,252,200	1,397,100	1,546,700	294,500	24%
Total Sources	**2,279,079**	**2,792,000**	**3,308,700**	**4,207,900**	**1,415,900**	**51%**

Return to TOC

Department Overview – Community and Recreation Services

- **Human Service and Community Vitality**
- **Community and Recreations Services**

HUMAN SERVICE AND COMMUNITY VITALITY

Department Description

The Human Service and Community Vitality Department will maintain and enhance community programs, projects, and partnerships to serve the residents of Surprise and the Northwest Valley region. The department focus is neighborhood services, senior services and community services.

Mission Statement

Proudly investing in and connecting our people.

Major Budget Changes

The overall FY2017 operating budget increased by 30% over the FY2016 budget.

- Personnel increased 31% primarily due to:
  - The budget for full-time salaries and benefits increased due to the addition of one Senior Services Program Coordinator which will provide administrative support and ensure the continuation of senior programs and services.
  - The budget for part-time salaries increased to ensure the continuation of senior programs and services which was affected by the loss of part-time employees provided through the National Indian Commission on Aging (NICOA) Title V Employee Program and the FY2016 re-classification of all part-time employees which resulted in higher salary rates.
  - Merit increases will be granted to eligible general pay plan employees.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to the mid-year separation of the Department Director which was filled on an interim basis while the recruitment process was completed and the mid-year addition of one grant funded Resource Center Coordinator position.
- Supplies increased 17% primarily due to:
  - The budget for food and supplies increased due to grant funded congregate meals that are provided by the Senior Center.
  - The FY2016 estimate exceeds the FY2016 adopted budget due to the mid-year implementation of the grant funded Surprise Resource Center and Community Action Program (CAP) Office.
- Services increased 30% primarily due to:
  - The budget for professional and outside services increased due to grant funded projects that are planned for neighborhood revitalization.
  - The Human Service and Community Vitality Department receives approximately 80% of the grant funding awarded to the city which also includes grant program income. The majority of this grant funding is received from the U.S. Department of Housing and Urban Development (HUD). The receipt and expenditure of this funding are treated as one-time items and adjusted each fiscal year to coincide with grant awards.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	0	996,000	1,055,700	1,304,500	308,500	31%
Supplies	0	128,500	160,700	150,600	22,100	17%
Services	0	2,300,500	566,300	2,998,400	697,900	30%
Sub-Total Operating Expenses	**0**	**3,425,000**	**1,782,700**	**4,453,500**	**1,028,500**	**30%**
One-Time Uses Included Above	0	2,260,500	636,100	2,323,700		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	0	2,308,400	1,266,400	3,347,000	1,038,600	45%
Sub-Total Operating Revenue	**0**	**2,308,400**	**1,266,400**	**3,347,000**	**1,038,600**	**45%**

Divisions

HSCV Administration — This division provides community based services that help to partner with public, private, non-profits, schools, veterans, and faith based organizations. The overall mission is to assist entities with city resources that will help them successfully meet their goals.

Senior Services — The Senior Services Division is located in the Heritage District and facilitates activities, programs, and events that meet the health and wellness needs of the community. Services are for all residents and programmed in a manner that fosters an age friendly network. The overall mission is to energize residents through appropriate social interactions.

Neighborhood Services — The Neighborhood Services Division is responsible for providing resources at the community, neighborhood, and household level. Programs, projects, and services are specifically targeted at specific needs. The overall mission is to revitalize neighborhoods and advocate for self-help opportunities within the community.

Community Resources — The Community Resources Division is responsible for operating the Surprise Resource Center. This division is also responsible for administering the Community Action Program.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
HSCV Administration	0	416,800	507,300	364,300	(52,500)	(13%)
Senior Services	0	363,400	393,800	569,800	206,400	57%
Neighborhood Services	0	2,644,800	881,600	3,512,000	867,200	33%
Community Resources	0	0	0	7,400	7,400	-
Total Uses	**0**	**3,425,000**	**1,782,700**	**4,453,500**	**1,028,500**	**30%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
HSCV Administration	0.0	0.0	2.0	3.0	1.0
Senior Services	0.0	0.0	1.5	6.5	5.0
Neighborhood Services	0.0	0.0	5.8	5.7	(0.1)
Total Personnel	**0.0**	**0.0**	**9.3**	**15.2**	**5.9**

Accomplishments, Enhancements, and Efficiencies

- Establishment of the Surprise Resource Center.
- Launched operation of the Surprise/El Mirage Community Action Program.
- Senior Services successfully implemented new programming while strengthening financial policies and procedures.

Major Initiatives and Policy Issues

- Through partnerships, increase services to residents at the Surprise Resource Center.
- Increase the number of Veteran services.
- Implement workforce development services and opportunity.
- Grow the Surprise Youth Employment Program.

- Increase the number of Senior Service programs offered.

Goals, Objectives, and Performance Measures

Department Goal	In support of Economic Development efforts, the department will grow community services with a hands on approach to workforce development.				
Objective	The objective is to outline city support				
Council Strategic Plan Element	Economic Development				
Performance Measure	FY2014 Actual	FY2015 Actual	FY2016 Target	FY2016 Estimate	FY2017 Target
Grant amount to support non-profits	$49,938	$81,291	$132,696	$124,696	$137,770
Number of partners working in the Resource Center	0	0	1	1	5
Number of students served through the Surprise Youth Employment Program (SYEP)	20	20	20	20	25
Number of Veteran programs offered	-	-	2	2	4

Department Goal	The department will provide quality senior programs to residents and visitors of Surprise.				
Objective	The objective is to provide quality meals and programs to increase congregate meals and enrollment.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	FY2014 Actual	FY2015 Actual	FY2016 Target	FY2016 Estimate	FY2017 Target
Number of programs offered	178	160	165	135	145
Number of enrolled members	290	590	450	425	450
Number of meals served	6,797	4,695	5,000	4,900	5,150
Average donation for meal	2.15	3.22	3.00	3.06	3.00
Volunteer hours	8,036	3,922	2.800	2,600	3,000

Department Goal	The department will enhance neighborhood services throughout the community.				
Objective	The objective is to emphasize neighborhood preservation and rehabilitation, continue clean up programs, and expand revitalization and reinvestment programs.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	FY2014 Actual	FY2015 Actual	FY2016 Target	FY2016 Estimate	FY2017 Target
Community Education classes offered	0	22	25	25	30
Block parties attended/organized	0	40	45	45	50
Number of multi-generation programs/events	0	0	2	2	5
Community Trainings (Fair Housing, etc.)	0	0	1	1	2
Homes improved through grant funds	33	10	12	18	15

DEPARTMENT OVERVIEW
Human Service and Community Vitality

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	0	1,174,200	1,029,500	1,312,500	138,300	12%
Donations	0	18,200	13,600	18,200	0	0%
Neighborhood Revitalization	0	2,220,900	612,100	3,072,800	851,900	38%
Grants And Contingency	0	11,700	127,500	50,000	38,300	327%
Total Uses	**0**	**3,425,000**	**1,782,700**	**4,453,500**	**1,028,500**	**30%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	0	33,500	33,500	32,500	(1,000)	(3%)
Donations	0	4,000	12,000	16,000	12,000	300%
Neighborhood Revitalization	0	2,220,900	1,083,400	3,248,500	1,027,600	46%
Grants And Contingency	0	50,000	137,500	50,000	0	0%
Total Sources	**0**	**2,308,400**	**1,266,400**	**3,347,000**	**1,038,600**	**45%**

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, 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 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.

Major Budget Changes

The overall FY2017 operating budget increased by 2% over the FY2016 budget.

- Personnel increased 2% primarily due to:
  - Merit increases will be granted to eligible general pay plan employees as well as part time staff.
- Supplies decreased 2% primarily due to:
  - The budget for supplies decreased based on estimated needs within the department and a shift to the service agreement budget.
  - The budget for the Arts Commission was moved from the Community and Recreation Services department to the City Manager's Office.
  - Offsetting the decrease in supplies, the department anticipates hosting youth sports volunteer/coaches banquet which the departments anticipates raising funds to cover the cost of the banquet
- Services increased 2% primarily due to:
  - The budget for service agreements increased for a library operations study which will survey residents, review current assets, identify capital needs, identify operational impacts, and price future assets required as the city continues to grow.
  - The Northwest Regional Library anticipates an 2.7% increase in medical cost for full-time staff. The city is responsible for the operating cost of the library, however the Maricopa County Library District operates the facilities.
  - The city will be hosting the Veteran's Day Parade for FY2017.
  - The increase was partially offset by the movement of the Arts Commission budget from Community and Recreation Services to the City Manager's Office.
- Operating sources increased by 1% primarily due to:
  - The department anticipates raising additional funding for a youth sports volunteer/coaches banquet. The youth sports division is supported by 800 volunteers and head coaches saving the city money and staff time. Currently, there are no other awards, reimbursements, or incentives for volunteers.

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Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	6,496,681	7,031,800	6,953,600	7,204,700	172,900	2%
Supplies	2,252,166	2,199,900	2,130,600	2,162,900	(37,000)	(2%)
Services	6,678,757	7,410,600	7,387,500	7,545,400	134,800	2%
Operating Capital	36,153	0	0	0	0	-
Sub-Total Operating Expenses	**15,463,757**	**16,642,300**	**16,471,700**	**16,913,000**	**270,700**	**2%**
One-Time Uses Included Above	68,149	38,300	10,000	100,000		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	5,634,962	5,193,800	5,758,800	5,234,500	40,700	1%
Development Impact Fees	367,658	330,500	317,100	354,700	24,200	7%
Sub-Total Operating Revenue	**6,002,620**	**5,524,300**	**6,075,900**	**5,589,200**	**64,900**	**1%**

Divisions

CRS Admin and Support — The Administration Division provides leadership and overall department oversight for Community and Recreation Services and three boards and commissions.

Aquatics — The Aquatics Division manages the Surprise Aquatic Center and the Hollyhock Community Pool. Aquatic programs offered at the pools include water safety, special interest classes, lessons, open swim, special events, competitive and recreational swim teams, dive team, and pool rentals.

Campus — The Sports Tourism and Campus Operations Division are responsible for facilitating sports tourism events as well as the overall operation and facility maintenance of the Surprise Recreation Campus. To maximize tourism marketing, this division establishes planning strategies towards the success of special events, community partnerships and sponsorship/donations for the Surprise Recreation Campus. 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 for the Texas Rangers and Kansas City Royals, year round Major League Baseball (MLB) training operations, Major League Baseball (MLB) Arizona Fall League, 12-15 year-round competitive organizational tournaments, national United States Tennis Association (USTA) events, as well as 3rd party events such as Surprise Fine Art and Wine Festival, and Korean Baseball.

Park Maintenance — The Park Maintenance Division oversee turf and ground maintenance of the 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.

Recreation Programs — The Recreation Division manages programming that includes youth recreation and competitive sports, adult sports, adaptive recreation, special interest classes, tournaments, summer camp, and teens. This division also includes support services staff which provide 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.

Special Events — The Special Events Division is responsible for marketing, planning, and implementing events. Annual events include Surprise Party, Performances in the Park, Movie Nights, Pet Event, Surprise Fiesta Grande, Spring Eggstravaganza, and the annual 4th of July celebration.

Recreation Centers — Sierra Montana, Countryside, and Villanueva Recreation Centers offer quality, cost-effective, safe, and enjoyable recreational programs and facilities to participants 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 father daughter dance, a variety of special interest classes, summer camp, preschool programs, and teen dances. Countryside Elementary uses the gym for physical education classes and sports programs as well.

Library — The Library Division provides for a service agreement with the Maricopa County Library District which operates the Northwest Regional Library and the Hollyhock Branch Library.

Tennis — The Tennis Division manages racquet sports that include tennis classes and programs, drop-in programs, tennis and racquet rental, pickle ball programs, tournaments, pro shop as well as facility operations for the Surprise Tennis and Racquet complex.

Promotions — This division is responsible for managing the promotion and community relations for the department. This includes print ads, social media, press releases, flyers, and the recreation brochure.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
CRS Admin and Support	573,282	666,200	668,300	602,000	(64,200)	(10%)
Aquatics	880,511	918,800	872,800	932,200	13,400	1%
Campus	4,489,698	4,674,200	4,712,500	4,718,600	44,400	1%
Recreation Programs	3,491,665	3,611,500	3,451,200	3,654,200	42,700	1%
Special Events	699,968	689,200	702,700	719,900	30,700	4%
Recreations Centers	442,801	547,700	497,000	567,500	19,800	4%
Library	1,347,602	1,807,000	1,824,700	1,957,000	150,000	8%
Tennis	602,051	537,900	537,700	607,600	69,700	13%
Promotions	162,507	151,600	159,800	126,000	(25,600)	(17%)
Park Maintenance	2,773,673	3,038,200	3,045,000	3,028,000	(10,200)	0%
Total Uses	**15,463,757**	**16,642,300**	**16,471,700**	**16,913,000**	**270,700**	**2%**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
CRS Admin and Support	49.0	57.1	53.9	2.0	(51.9)
Aquatics	1.0	2.0	2.0	14.9	12.9
Campus	21.0	20.0	20.0	30.0	10.0
Recreation Programs	19.0	21.0	20.0	32.1	12.1
Special Events	2.0	2.0	2.0	2.4	0.4
Recreations Centers	0.0	0.0	0.0	10.9	10.9
Tennis	2.0	2.0	2.0	6.0	4.0
Promotions	1.0	1.0	1.0	1.0	0.0
Park Maintenance	15.0	17.0	17.0	17.4	0.4
Total Personnel	**110.0**	**122.1**	**117.9**	**116.7**	**(1.2)**

Accomplishments, Enhancements, and Efficiencies

- The department delivered over 1,900 recreation and special events programs, servicing over 490,000 participants.
- New park projects for Surprise Farms Park and Veramonte Park were completed. New amenities include restrooms, parking, playgrounds, splash pads, ramadas, basketball court, dog park, and the city's' first skate park.
- CRS hosted the first Veterans Day Parade on November 11, 2015. There were 68 parade entries and approximately 4,500 in attendance.
- The Parks and Recreation Master Plan update was completed and approved by Mayor and Council. The plan aligns with the general plan update and lays out a 15 year plan to include new parks, facilities, trails, and open space.
- The clubhouses for both the Rangers and the Royals were renovated as a result of a successful contract extension to extend spring training an additional seven years. The renovations, improvements, and expansion include improvements to player and coaches major league areas including locker areas, trainer areas and weight rooms, addition of kitchens in the Royals Clubhouse & in the Rangers major league area, new Hydrotherapy equipment, utility relocation, new stadium seats, and landscape enhancements.

Major Initiatives and Policy Issues

- With approval of the Parks and Recreation Master Plan update staff will begin Land Acquisition and Development Process to achieve the Trails/Parks Inventory envisioned by the Parks and Recreation Master Plan.
- Complete a library feasibility study to determine future library needs and operation.
- Replace CLASS recreation software which will reach end of life November 2017.
- Continue National Accreditation from CAPRA (Commission for Accreditation of Parks and Recreation Agencies).
- Continue to update CRS standard operating procedures and conduct training as necessary.

Goals, Objectives, and Performance Measures

Department Goal	The department will provide quality recreation programs to residents and visitors of Surprise.				
Objective	The objective is to provide recreation programs at a revenue recovery rate of 50% of direct costs or greater.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Number of programs offered	1,734	1,936	1,700	1,700	1,700
Number of participants	192,300	178,186	193,000	170,000	170,000
Revenue	$1,907,528	$2,125,692	$2,100,300	$2,166,600	$2,108,000
Revenue recovery (net revenue less expenses)	70%	68%	65%	65%	65%

Department Goal	The department will provide Cactus League Spring Training Major League Baseball in the city of Surprise.				
Objective	The objective is for the Surprise Stadium to have annual attendance of at least 180,000 and generate gross revenue of $4.4m.				
Council Strategic Plan Element	Tourism				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Gross revenue of the city and spring training partners	$5,784,298	$6,346,267	$4,400,000	$4,400,000	$4,400,000
Attendance	184,338	194,329	182,000	182,000	182,000
Number of games	28	29	29	29	29

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	15,099,172	16,125,200	15,986,600	16,396,500	271,300	2%
Donations	56,883	428,800	425,100	466,500	37,700	9%
Tourism	78,150	0	0	0	0	-
Grants And Contingency	38,759	38,300	10,000	0	(38,300)	(100%)
Net Premium Seating	3,089	50,000	50,000	50,000	0	0%
Spring Training Ticket Surcharge	187,704	0	0	0	0	-
Total Uses	**15,463,757**	**16,642,300**	**16,471,700**	**16,913,000**	**270,700**	**2%**

DEPARTMENT OVERVIEW
Community and Recreation Services

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	4,397,198	3,962,800	4,362,800	3,962,800	0	0%
General Capital	2,415	0	0	0	0	-
Donations	225,031	433,900	433,900	464,600	30,700	7%
Grants And Contingency	38,759	0	0	0	0	-
Net Premium Seating	29,587	25,000	25,000	25,000	0	0%
Spring Training Ticket Surcharge	765,665	635,000	800,000	645,000	10,000	2%
Stadium Improvements	137,174	137,100	137,100	137,100	0	0%
Parks and Rec Dev Fees	376,891	330,500	317,100	354,700	24,200	7%
Library Dev Fees	29,900	0	0	0	0	-
Total Sources	**6,002,620**	**5,524,300**	**6,075,900**	**5,589,200**	**64,900**	**1%**

Return to TOC

Department Overview – Public Works

- **Public Works**

PUBLIC WORKS

Department Description

The Public Works Department provides services to both internal and external customers through its three branches: Engineering, Operations, and Business Management. The services provided by the operations branch include vehicle maintenance, facilities management in the general fund, and streets maintenance, including pavement preservation and sign maintenance as part of the HURF fund. The operations branch also serves the majority of the City for weekly curbside collections for trash and recyclable materials as part of the sanitation enterprise fund.

The services provided by the Engineering branch include development review engineering and permitting and inspections. Traffic Engineering and the Intelligent Transportation System (ITS), traffic signal operations and maintenance operations which are part of the HURF fund as well. The Engineering branch also manages the entire City's capital improvement plan for vertical and horizontal construction. Lastly, the Engineering branch manages the Survey department.

The Business Management branch supports both Operations and Engineering with their budget and reporting needs as well as contracts. The Business Management branch services as the transit services operations for express bus and Dial-a-Ride services to City residents.

Mission Statement

The City of Surprise Public Works Department is dedicated to the community by delivering safe, customer focused services with the highest level of integrity and professionalism.

Major Budget Changes

The overall FY2017 operating budget decreased by 19% from the FY2016 budget.

- Personnel increased 12% primarily due to:
  - During FY2016, Council approved the addition of a Solid Waste Inspector and Supervisor within the Sanitation Recycling program. The personnel additions will increase the focus on recycling through inspection, education, and enforcement.
  - A total of seven positions moved from the Water Resource Management Department to the Public Works Project Management and Inspections programs due to restructuring.
  - The increase was partially offset by the movement of one Customer Service Representative position from Public Works to the Water Resource Management Customer Service Division due to restructuring.
  - Merit increases will be granted to eligible general pay plan employees.
- Supplies increased 8% primarily due to:
  - Ongoing funding was added in FY2017 to cover operational base increases within the Public Works Operations division to include supplies and services for fleet maintenance and facilities, Sanitation Recycling program in support of two new positions approved by Council during FY2016, Sanitation Collections, and Utility Locating.
  - One-time funding was added in FY2017 for the purchase of specialty tires for the Police Department's armored car and the replacement of radios for Sanitation staff.
- Services decreased 28% primarily due to:
  - Pavement preservation program funding moved from operating to the FY2017 Capital Improvement Plan.
  - A reduction to the 3rd party Utility Billing contract. In FY2017, the City will be taking all components of utility billing in-house. This move will provide a higher level of customer service and account accuracy for residents as well as increase internal financial support and expedite reporting.
  - Decrease is partially offset by an increase in funding related to Dial-a-Ride and Transit services to maintain the current level of transit services to residents. Also, funding for Sunday transit service is being added to enhance the level of service to residents and to be consistent with the region.

- Ongoing funding was added in FY2017 to cover increases in costs associated with vehicle maintenance and landfill fees, landscape maintenance of medians, fleet maintenance and facilities, and for the Household Hazardous Waste Events in order to help cover pricing increases with current vendor.
- Operating capital decreased 98% primarily due to vehicle and equipment replacement being accounted for in the FY2017 Capital Improvement Plan.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	9,585,643	10,103,000	10,275,100	11,311,500	1,208,500	12%
Supplies	2,645,481	2,979,000	3,076,400	3,231,700	252,700	8%
Services	8,400,838	13,132,600	12,931,100	9,462,300	(3,670,300)	(28%)
Operating Capital	931,878	3,620,500	1,657,000	61,900	(3,558,600)	(98%)
Sub-Total Operating Expenses	**21,563,841**	**29,835,100**	**27,939,600**	**24,067,400**	**(5,767,700)**	**(19%)**
One-Time Uses Included Above	932,875	7,697,100	5,636,500	500,100		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
State Shared	7,644,508	7,727,200	7,941,200	8,097,700	370,500	5%
Charges for Services/Other	7,827,250	9,251,900	8,142,400	8,514,400	(737,500)	(8%)
Property Tax	2,374,067	2,416,600	2,416,300	2,507,200	90,600	4%
Development Impact Fees	62,180	514,400	607,100	694,000	179,600	35%
Sub-Total Operating Revenue	**17,908,004**	**19,910,100**	**19,107,000**	**19,813,300**	**(96,800)**	**0%**

Divisions

Public Works Operations

The Operations Division consists of four areas: Facilities, Fleet, Streets, and Sanitation. The purpose of these work groups is to deliver safe, customer focused support and services to both internal and external customers in these specific areas.

The Operations Division is responsible for the repair, maintenance and support of approximately 475,000 square feet of City facilities; managing the acquisition, maintenance and disposition of the entire city fleet; maintaining 1,458 lane miles of city streets, city-owned sidewalks and right-of-way; pavement preservation, asphalt and concrete repair; managing traffic signs, landscape design and maintenance, and street sweeping; providing service to 34,300 residents with weekly curbside collection of trash and recyclable materials and scheduled bulk trash pickup.

Engineering

The Engineering Division consists of three areas; which include Engineering (Planning and Permitting, Inspections, Land Survey, and Utility Locating); Traffic Engineering Signals which performs routine and emergency service to maintain some 50 traffic signals within the City; as well as the City's Intelligent Transportation system which controls the flow of traffic throughout the City by monitoring and adjusting signal timing according to traffic volumes. And the City's Project Management team which oversees the City's Capital Improvement Plan for both vertical and horizontal construction.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Public Works Operations	19,354,284	27,475,800	25,321,100	18,969,600	(8,506,200)	(31%)
Engineering	2,209,557	2,359,300	2,595,800	5,097,800	2,738,500	116%
Customer Service	0	0	22,700	0	0	-
Total Uses	**21,563,841**	**29,835,100**	**27,939,600**	**24,067,400**	**(5,767,700)**	**(19%)**

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Public Works Operations	100.0	102.0	105.0	96.0	(9.0)
Engineering	14.0	13.0	12.0	29.0	17.0
Total Personnel	**114.0**	**115.0**	**117.0**	**125.0**	**8.0**

Accomplishments, Enhancements, and Efficiencies

- In the FY16 budget, Fleet Maintenance was awarded to replace approximately 95 vehicles and equipment. All of the vehicles have been identified and are currently on order.
- The City was awarded just under $1 million dollars through MAG funding for the purchase of (4) new sweepers. Through the combined efforts of the Streets and Fleet divisions there was an extensive on-site performance and review process of purchasing new sweepers to ensure the most innovative, practical sweepers were purchased.
- Facilities was able to support the renovation of the AZ TechCelerator campus. The scope of work covered everything from electrical outlets to matching exterior cement window trim. The positive attitude and “creative” thinking from the entire facility team led to another success story for the City of Surprise.
- Facilities completed three energy efficiency upgrade projects for FY16 while improving our facilities for our customers at the same time. We upgraded lighting in the Tennis Facility, TechCelerator and City Hall Parking Garage expected savings of over $1,600 annually in electricity costs. Additionally we received over $4,000 in one time APS rebates.
- Completed FY16 annual Pavement Preservation Program funded by Council.
- Complete replacing signs not meeting the MUTCD reflectivity standards
- The City Council approved the addition of two solid waste staff positions, including one inspector and one supervisor, which provides the Division with a greater opportunity to enhance the City’s recycling outreach program and to reduce recycling contamination.
- The "RecycleWise in Surprise" campaign was rolled out successfully to residents; the outreach and education efforts included marketing in the Progress magazine and through social media (i.e., YouTube, Facebook) as well as the distribution of door hangers with magnets showing the do's and do not's of recycling to all 35,000 residents.
- A new process for Due Diligence and Concept meetings for new development within the City was created, published, and implemented.
- Complete Horizontal and Vertical Control Network pending publication on City's website by IT.
- In conjunction with MAG, the City developed optimized traffic signal plans for the Bell Road corridor. Including an evaluation of existing signal timing plans, collecting turning movement counts at the signalized intersections, and update the pedestrian timings in the signal timing software program Synchro 9.0.
- Created the City's first ADA compliant intersection at Dysart and Greenway Road.
- The development of a city-wide speed limit ordinance and map for Council approval has begun.

Major Initiatives and Policy Issues

- The current Vehicle Replacement Policy will be reviewed to identify a more defined replacement process.
- A comprehensive update of city of Surprise Engineering Development Standards will be published.
- Facilities will be replacing nine air condition units at the TechCelerator Campus.
- The racket ball courts require light changes.

- Update five year plan for Pavement Preservation street segment listing will be updated based on the FY2015 pavement condition assessment and work accomplished in 2016.
- Continue second year of five plan to restripe all city streets
- Continue efforts to improve recycling outreach and education, increase waste diversion, and reduce waste contamination rates.
- Implement a new collection route strategy, in which each equipment operator collects both trash and recycling on their assigned route; the anticipated result is a significant improvement in customer service and operational efficiencies.
- A comprehensive update of city of Surprise Engineering Development Standards will be published.
- Pursue the research of developing technologies as they relate to survey data acquisition, manipulation, and publishing.
- Begin conversion of illuminated street signs associated with traffic signal intersections. This improvement will save energy and reduce the maintenance costs associated with the old fluorescent bulbs. The LED lights have a 5 year or 50,000 hours of use warranty.
- CIP will expand their outreach to other departments by assisting with the Asset Replacement Program and assisting Streets with Pavement Preservation.

Goals, Objectives, and Performance Measures

Department Goal	The department will ensure all city facilities are properly maintained and function in the most efficient and effective manner.				
Objective	The objective is to address emergency maintenance requests within 30 minutes, perform all maintenance work order requests within 30 days, and perform custodial services within 95% of industry standards.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percentage of emergency response – on time completion	98%	75%	99%	99%	99%
Percentage of maintenance – on time completion	93%	67%	96%	96%	96%
Custodial expenditures per sq. ft. for admin/office facilities as compared to ICMA mean (In-house services)	97%	91%	98%	98%	98%
Custodial Expenditures per sq. ft. for admin/office facilities as compared to ICMA Mean (Contracted services)	100%	100%	100%	100%	100%

Department Goal	The department will improve the public's knowledge of the review process and maintain staff presence on active construction sites.				
Objective	The objective is to reduce the number of "third and subsequent submittals approved" by increasing approvals in the "initial submittal approval" and maintain the percentage of inspector time on site at 45%.				
Council Strategic Plan Element	Economic Development				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Plan review – number of sheets reviewed	3,009	2,948	3,000	5,000	3,500
Plan review – percent of submittals approved on first or second review	47%	89%	85%	85%	90%
Inspections – number of permits issued for civil inspection	291	416	400	450	400
Inspection – percent of time on site	45%	55%	70%	70%	70%

Department Goal	The department will perform preventive maintenance, scheduled vehicle repairs, unscheduled vehicle repairs, and diagnostic services.				
Objective	The objective is to complete preventative maintenance (PM) within four hours for heavy vehicles and one hour for light vehicles, maintain standards using American Public Works Association (APWA) data of 1,415 billable hours per year for each mechanic, average maintenance costs per mile for general fund vehicles, and set and maintain a fleet miles per gallon (MPG) standard of 70%.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percentage of PM's completed in allowable time	43%	47%	48%	48%	50%
Percentage of billable hours for each mechanic	95%	98%	98%	98%	98%
Average maintenance cost per mile for general fund vehicles	32¢	59¢	54¢	54¢	50¢
Percentage of fleet vehicles meeting MPG standards	42%	70%	70%	70%	70%

DEPARTMENT OVERVIEW
Public Works

Department Goal	The department will ensure regulatory compliance related to PM-10 standards agreed to by the city and Maricopa Association of Governments (MAG).				
Objective	The objective is to maintain 100% compliance with PM-10 regulations by providing effective sweeping services matched to targeted efficiency benchmarks.				
Council Strategic Plan Element	Transportation				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Lane miles swept/target	100%	99%	100%	100%	100%
Hours sweeper operation/total hours available	85%	94%	90%	90%	94%
Sweeping cycles/targeted 20 cycles per year	100%	100%	100%	100%	100%

Department Goal	The department will respond to street maintenance customer service requests within targeted time frames.				
Objective	The objective is to complete all work orders within 20 days, complete customer service response requests within three days, maintain average pavement condition of city streets as good or better, and complete all graffiti work orders within 24 hours.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Work orders completed within 20 day target	100%	97%	100%	100%	98%
Service requests completed within 3 day target	100%	100%	100%	100%	100%
Percent of streets in good or better condition compared with 85% target	80%	81%	78%	78%	79%
Graffiti work orders completed with 72 hour target period	98%	100%	100%	100%	100%

Department Goal	The department will enhance traffic safety and efficiency by focusing on proactive maintenance and by utilizing the latest technology and traffic engineering standards to minimize traffic accidents and maximize traffic flow.				
Objective	The objective is to maintain traffic signs and markings to ensure 100% compliance with reflectivity and visibility standards, maintain ornamental street lights to ensure 100% operations, monitor Arizona Public Service installed street lights to ensure 95% operations, and 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 the existing street network.				
Council Strategic Plan Element	Transportation				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percent of traffic signs within current reflectivity/visibility standards compared to sign PM schedule	98%	98%	98%	98%	99%
Percent of pavement marking within current reflectivity/visibility standards compared to pavement marking PM schedule	98%	98%	98%	98%	99%
Percent of street lights in operation compared to target	96%	92%	95%	95%	95%

Department Goal	The department will improve recycling collection, outreach, and education.				
Objective	The objective is to increase residential and roll-off recycling participation.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Recycling tons collected	8,300	8,900	8,800	8,800	8,900
Recycling diversion	22%	22%	25%	24%	25%
Roll-off recycling collected	557	691	500	700	500
Education outreach events	15	20	15	15	15

Department Goal	The department will provide value added services to customers.				
Objective	The objective is to promote and provide Christmas tree drop off services, household hazardous waste events, fall and spring cleaning events with the landfill, and an annual E-waste event with AZStRUT and APS.				
Council Strategic Plan Element	Community Lifestyle				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Christmas tree drop off (trees)	3,027	1,833	2,000	1,776	1,500
Household hazardous waste participation (tons)	45.0	48.1	55.0	50	50
Fall and spring cleaning events at landfill participation (tons)	148	106	140	90	100
AZStRUT E-Waste participation (tons)	4	8	4	10	10

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DEPARTMENT OVERVIEW
Public Works

Department Goal	The department will maintain a high level of customer service.				
Objective	The objective is to continue scoring high on the national citizens survey, minimize customer complaints, and schedule on demand bulk services within 10 days on average.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Annual missed pickups	21	19	20	19	20
Maintain a 10 day annual average service level for on demand bulk trash collection	8	10	10	8	10
Call center average speed of answer	1:25	1:00	2:00	1:30	2:00

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	5,972,342	6,849,100	6,914,400	7,505,000	655,900	10%
General Capital	481,967	671,600	671,600	0	(671,600)	(100%)
Vehicle Replacement Fund	1,172	0	0	0	0	-
HURF	6,535,909	7,786,600	7,793,500	6,884,000	(902,600)	(12%)
Grants And Contingency	24,003	371,500	302,800	67,100	(304,400)	(82%)
Arizona Lottery Fund	352,337	350,000	344,800	350,000	0	0%
Proposition 400	0	54,700	54,700	0	(54,700)	(100%)
Public Works Dev Fees	84,000	84,000	781,000	84,000	0	0%
Transportation Improvement	133,067	2,265,500	2,265,100	143,200	(2,122,300)	(94%)
Water Operations	0	110,000	0	609,000	499,000	454%
Wastewater Operations	388,208	77,000	0	290,600	213,600	277%
Wastewater Dev Fee	40	0	0	0	0	-
Sanitation Operations	5,137,659	8,694,700	6,339,900	5,589,100	(3,105,600)	(36%)
Street Lighting Districts	2,453,137	2,520,400	2,471,800	2,545,400	25,000	1%
Total Uses	**21,563,841**	**29,835,100**	**27,939,600**	**24,067,400**	**(5,767,700)**	**(19%)**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	549,991	699,100	700,000	717,500	18,400	3%
General Capital	69,230	525,700	0	7,300	(518,400)	(99%)
Vehicle Replacement Fund	10,000	0	0	0	0	-
HURF	7,318,490	7,390,200	7,611,400	7,855,700	465,500	6%
Grants And Contingency	24,004	371,500	302,800	67,100	(304,400)	(82%)
Arizona Lottery Fund	352,337	350,000	344,800	350,000	0	0%
Proposition 400	55,458	0	0	0	0	-
Roads of Regional Significance Dev Fees	14,378	0	0	0	0	-
General Government Dev Fees	52,134	514,400	607,100	694,000	179,600	35%
Public Works Dev Fees	69,130	0	0	12,700	12,700	-
Transportation Improvement	45,390	360,000	0	0	(360,000)	(100%)
Sanitation Operations	6,972,017	7,282,600	7,124,900	7,513,100	230,500	3%
Street Lighting Districts	2,375,446	2,416,600	2,416,000	2,595,900	179,300	7%
Total Sources	**17,908,004**	**19,910,100**	**19,107,000**	**19,813,300**	**(96,800)**	**0%**

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Department Overview – Water Resource Management

- **Water Resource Management (Water and Wastewater)**

WATER RESOURCE MANAGEMENT - WATER

Department Description

The Water Resource Management (WRM) Department is responsible for operation of three (3) of the City's four Utility funds; Water, Wastewater, and Stormwater.

The Water Utility Fund is responsible for the operations, maintenance, and asset management of all City owned water treatment and distribution systems that produce and deliver safe, dependable, and affordable drinking water for the City of Surprise residents within the City's drinking water service area. The Water Utility is also responsible for managing the City's assured water supply and water portfolio to ensure a sustainable sources of available for the future. In addition, the administration of regulatory required activities in order to maintain compliance with applicable local, state, and federal laws; and the development of educational and informational resources and programs, including water management and water conservation best practices, are managed by the Water Utility.

The Wastewater Utility Fund is responsible for the operations, maintenance, and asset management of all City owned water reclamation facilities, collection and reclaimed systems, which include Bio-solids processing, pest control spraying, sewer line cleaning, and lift station operation to collect wastewater from customers. This fund is responsible for reclaimed management, including aquifer recharge and non-potable water delivery to customers. In addition, the administration of regulatory required activities in order to maintain compliance with applicable local, state, and federal laws; and the development of educational and informational resources and programs, including wastewater pre-treatment disposal best practices, are managed by the Wastewater Utility.

The Stormwater Utility Fund which is new for FY2017 (partial year) is responsible for maintenance activities, schedules, and long-term inspection procedures for controls to reduce pollutants or eliminate the discharge of pollutants to the infrastructure systems (water, wastewater and roadways) as required by the city's small MS4 permit. Public Education and implementation of an outreach program on Stormwater impacts to those public water bodies. Self-evaluate compliance with the SWMP, to ensure it is appropriate for permit compliance for known water quality issues or pollutant sources, or for any changes requested by ADEQ.

Mission Statement

Serving the Surprise community at the front line of public safety. Providing safe, quality drinking water, effective waste removal, and managing the use of water in a sustainable and efficient manner.

Major Budget Changes

The overall FY2017 operating budget decreased by 9% from the FY2016 budget.

- Personnel decreased 5% primarily due to:
  - A total of seven positions moved from the Water Resource Management Department to the Public Works Project Management and Inspections programs due to restructuring.
  - The decrease was partially offset by the movement of one Customer Service Representative position from Public Works to the Water Resource Management Customer Service Division due to restructuring and funding for standby pay.
  - Merit increases will be granted to eligible general pay plan employees.
- Supplies decreased 14% primarily due to a reduction of expenses related to chemical supplies.
- Services decreased 5% primarily due to:
  - A reduction to the 3rd party Utility Billing contract. In FY2017, the City will be taking all components of utility billing in-house.
  - One-time funding in FY2016 for an emergency response plan, inspection and preventative maintenance, and the Integrated Water Master Plan Update phase II.
  - The decrease was partially offset by increased funding in FY2017 for a Sanitary Survey of Community Water Systems as required by EPA Groundwater Rule 2006.
- Operating capital decreased 63% primarily due to vehicle and equipment replacement being accounted for in the FY2017 Capital Improvement Plan.

- Operating sources increased by 1% primarily due to:
  - An increase in development impact fees which was partially offset by a decrease in interest income.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	5,259,119	6,048,000	5,846,700	5,726,000	(322,000)	(5%)
Supplies	2,094,805	2,589,100	2,377,900	2,226,800	(362,300)	(14%)
Services	8,515,103	8,239,200	8,258,600	7,827,000	(412,200)	(5%)
Operating Capital	250,998	642,300	502,300	235,800	(406,500)	(63%)
Sub-Total Operating Expenses	**16,120,025**	**17,518,600**	**16,985,500**	**16,015,600**	**(1,503,000)**	**(9%)**
One-Time Uses Included Above	1,220,490	560,600	420,600	342,000		

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Charges for Services/Other	26,948,690	28,872,300	27,778,800	28,788,000	(84,300)	0%
Development Impact Fees	2,007,562	1,577,200	1,831,100	1,974,100	396,900	25%
Sub-Total Operating Revenue	**28,956,252**	**30,449,500**	**29,609,900**	**30,762,100**	**312,600**	**1%**

Divisions

Water Resource Operations — Coordinates and provides centralized operations, administration, and management functions associated with the treatment and delivery of safe, quality drink water, the collection and treatment of wastewater, recharge and delivery of reclaimed water, and stormwater infrastructure management operations. This includes routine maintenance preventative maintenance, on going asset replacement, and long term forecasting to ensure system optimization. It manages 5 water supply facilities, 16 well sites, and produces 6.9 million gallons of water per day (MGD). In addition, managing 2 water reclamation facilities, collects and treats 8.2 MGD of wastewater, and recharges 4.4 MGD of reclaimed water back into the ground.

Environmental — Oversees compliance and reporting aspects of the government regulations (federal, state, county, and city regulations) regarding wastewater, reclaimed water quality, drinking water quality and supply, storm water quality, and air quality for the city's, water resource management department. The division also monitors all hazardous material generated by the water reclamation facilities.

Customer Service — Responds to customer's water resource management departments service requests, complaints, and needs. This division also performs meter reading and field testing and maintenance on all city owned water meters.

Uses by Division	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Water Resource Operations	12,517,336	13,617,400	13,153,700	12,729,100	(888,300)	(7%)
Environmental	2,384,153	2,484,600	2,483,800	2,683,700	199,100	8%
Customer Service	243,254	385,000	397,300	602,800	217,800	57%
Engineering	1,101,737	1,031,600	950,700	0	(1,031,600)	(100%)
Sustainability	(126,455)	0	0	0	0	-
Total Uses	**16,120,025**	**17,518,600**	**16,985,500**	**16,015,600**	**(1,503,000)**	**(9%)**

DEPARTMENT OVERVIEW
Water Resource Management - Water

Personnel by Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Adopted	Change from FY2016
Water Resource Operations	44.2	44.2	51.3	52.3	1.0
Environmental	4.0	4.0	4.0	4.0	0.0
Customer Service	4.0	3.0	4.0	6.0	2.0
Engineering	7.0	10.0	9.0	0.0	(9.0)
Sustainability	2.0	0.0	0.0	0.0	0.0
Total Personnel	**61.2**	**61.2**	**68.3**	**62.3**	**(6.0)**

Accomplishments, Enhancements, and Efficiencies

- Complete installation of 2 drywells on SPA1 WRF, improving stormwater management.
- The water and wastewater divisions collectively reached four years without a recordable loss of time.
- Water Policy language was integrated into the citywide General Plan Update.
- Completely rehabilitated the Roseview Water Supply Facility as part of the FY16 Asset Management program.
- Completed approximately $600,000 worth of Water Utility asset replacement or rehabilitation.
- Eliminated the need to haul Arsenic sludge to the landfill from the Ashton Ranch Water System.
- Established an IGA with Maricopa Water District to recharge CAP water within the City's Area of Hydrologic Impact (AHI).
- Completed drafting of department wide policies and procedures critical for the American Public Works Association (APWA) accreditation credential.
- All open positions within the wastewater division have been filled.
- Wastewater Utility asset rehabilitation and replacement has been completed in the amount of $420,000.
- Progress has continued on identifying wastewater system assets and evaluating their condition as part of the ongoing asset management program.
- Participated in the City's Youth Explorers Program.
- Conducted many site tours with residents and students, most notably, 50 students from Country Side Elementary School.
- Commenced the construction of the Surprise-Gateway Training Center.
- Continued Internship partnership program with Gateway Community College.

Major Initiatives and Policy Issues

- Live action training exercises as outlined by the Emergency Response Plan will be performed.
- Complete development of the Water Utility asset management program by inspecting and identifying the criticalities within the water system.
- Complete Water portfolio targets, due diligence, and recommendations.
- Complete design of Combined Transmission CIP which will connect the raw water lines between the Ashton Ranch and Rancho Gabriela Water Systems.
- Implement the first Smart Irrigation Controller rebate program as part of the Water Conservation Program.
- Commence evaluation of automated water meters and read systems to better account for the City's water usage.
- Complete APWA accreditation requirements and submit for APWA Review.
- Complete City Xeriscape Walk conservation project.
- Development of the asset management program will continue by establishing criticalities in the wastewater system.
- Begin classes out of the Surprise-Gateway Training Center.
- Complete construction of new centrifuge, reclaimed water basin cover, and new Campus entry and parking lot.

Goals, Objectives, and Performance Measures

Department Goal	The department will 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).				
Objective	The objective is to successfully meet 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; achieve the median value of 61.6% for preventative maintenance of assets as cited in the AWWA benchmarking performance indicators; and demonstrate successful implementation of safety programs, training, and work practices.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
SPA1 WRF: Millions of gallons of drinking water produced per day	6.7	6.9	6.9	7.3	7.4
Preventative maintenance to total maintenance ratio (hours)	35%	50%	55%	65	65
Occupational Safety Health Administration (OSHA) recordable accidents	0	0	0	0	0

Department Goal	The department will provide efficient customer service to city's water customer.				
Objective	The objective is to provide developers prompt response for design submittals, provide prompt response to contractors for utility locating requests, maintain the current standard of two minutes for response on all customer service calls, and install new residential water meters within seven days upon completion of contractors requirements.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percentage of master plans reviewed within allotted time	100%	100%	95%	95%	95%
Percent of new residential water meters installed within allotted time	100%	98%	100%	99%	100%

DEPARTMENT OVERVIEW
Water Resource Management - Water

Department Goal	The department will provide high quality drinking water to our customers while complying with local, state, and federal regulations.				
Objective	The objective is to meet all monitoring and reporting requirements to comply with the Safe Drinking Water Act and Arizona administrative code, reduce lost and unaccounted for water through proper documentation of all water uses from the city's water system, and purchase Central Arizona Project (CAP) allotment for recharge to build the city's long term water bank.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Compliance with federal, state, and local wastewater and water reuse regulations	100%	100%	100%	100%	100%
Lost and unaccounted water percentage	9.5%	8.2%	6.0%	7.3%	6%
Central Arizona Project (CAP) water allotment recharged	53%	100%	100%	100%	100%
Cumulative years of water banked	3.23	2.56	3.00	4.00	5.00

Department Goal	The department will operate and maintain the SPA1 and SPA2 Water Reclamation Facility (WRF) and wastewater collection systems in an effective manner.				
Objective	The objective is to successfully treat all wastewater received at the WRF, monitor influent flow to determine when additional facilities should be placed in service or constructed, 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, and 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.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
SPA1 WRF: percentage of capacity used per day	43%	51%	50%	0.52	54%
SPA2 WRF: percentage of capacity used per day	5%	6%	6%	6%	7%
Preventative maintenance to total maintenance ratio (hours)	40%	50%	65%	65%	66%
Percentage of 100 miles of wastewater collection system cleaned	110%	101%	110%	101%	110%

Department Goal	The department will maximize use of effluent from WRF through various applications.				
Objective	The objective is to recharge 80% of wastewater treatment facility effluent per day, provide customers with reclaimed water, and produce grade A+ reclaimed water quality.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Percentage of wastewater recharged to aquifer	69%	81%	80%	88%	89%
Percentage of groundwater withdrawal replaced with wastewater recharge	73%	85%	80%	100%	100%
Percentage of treated wastewater provided to customers	27%	20%	17%	10%	10%
Percentage of days at grade rating	99%	97%	99%	99%	99%

Department Goal	The department will 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.				
Objective	The objective is to 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, and 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.				
Council Strategic Plan Element	Sustainability				
Performance Measure	**FY2014 Actual**	**FY2015 Actual**	**FY2016 Target**	**FY2016 Estimate**	**FY2017 Target**
Compliance with federal, state, and local wastewater and water reuse regulatory reporting	100%	100%	100%	100%	100%
Percentage of days wastewater effluent compliance without violation	100%	100%	100%	86%	100%
No. of sanitary sewer overflows	0.36	0.002	1	1	1

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
General	10,939	17,700	17,700	16,600	(1,100)	(6%)
Water Operations	6,843,294	7,376,000	7,157,400	6,907,300	(468,700)	(6%)
Water Dev Fee	443,735	307,300	307,300	235,800	(71,500)	(23%)
Wastewater Operations	8,822,057	9,817,600	9,503,100	8,795,700	(1,021,900)	(10%)
Sanitation Operations	0	0	0	60,200	60,200	-
Total Uses	**16,120,025**	**17,518,600**	**16,985,500**	**16,015,600**	**(1,503,000)**	**(9%)**

DEPARTMENT OVERVIEW
Water Resource Management - Water

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Water Operations	10,501,531	12,061,300	11,382,800	12,286,400	225,100	2%
Water Dev Fee	386,869	391,700	417,500	467,700	76,000	19%
Replenishment Operations	0	0	0	0	0	-
Wastewater Operations	16,380,339	16,767,000	16,363,700	16,487,100	(279,900)	(2%)
Wastewater Dev Fee	1,687,513	1,229,500	1,445,900	1,520,900	291,400	24%
Total Sources	**28,956,252**	**30,449,500**	**29,609,900**	**30,762,100**	**312,600**	**1%**

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Capital Improvement Plan

- **Capital Improvement Plan (CIP) FY2017 Summary**
- **CIP Fund Overview**
  - General Capital Fund
  - Vehicle Replacement Fund
  - Municipal Court Enhancement Fund
  - Neighborhood Revitalization
  - Tourism Fund
  - SPD RICO
  - Proposition 400 Fund
  - SW Gas Capital Expenditures
  - Parks and Recreation Development Fee Fund
  - Public Works Development Fee Fund
  - Transportation Improvement Fund
  - Water System and Replenishment Development Fee Fund
  - Wastewater System Development Fee Fund
  - Government Construction Fund
- **CIP Summary by Fund**
- **Project Summary by Fund**

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 has increases slightly to 126,275 at the end of 2015.

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 wastewater 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 adopted 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, a CIP committee made up of city staff worked to improve and refine the five-year CIP and identify funding strategies.

Funding
Funding for FY2016 is $55.0 million. 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.

A fund summary of operating and maintenance (O&M) costs resulting from projects included in FY2017 and anticipated to impact the FY2018 operating budget are included in the table to the right. Each year, departments are expected to either absorb the additional costs or seek council approval to increase their ongoing operating budget through the change request process.

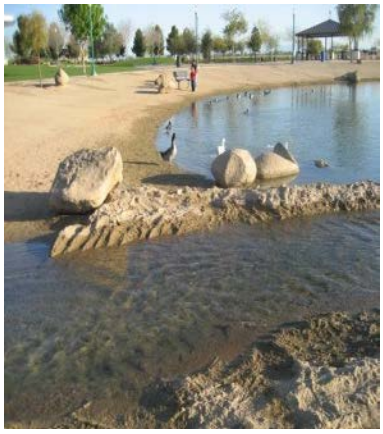
FUND NAME	FY2018 ANTICIPATED O&M
General Fund	$83,200
Highway User Revenue	$78,900
Water Operations	$5,000
Sewer Operations	$3,000
TOTAL ALL FUNDS	**$170,100**

CIP Development

The following section provides information that served as the background for the development of the Infrastructure Improvement Plan.

What was addressed in this planning effort?

- Public health, safety, and other mandates
- Supports stated community goals and policies
- Capital fiscal impact
- Promotes economic development
- Operation and maintenance fiscal impact
- Impact on service levels
- Relationship to other projects/coordination



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 Management 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 are discussed below:

Funding Options

As a growing community, the city of Surprise has continuing capital needs that may be funded by 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 ongoing 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.

3. Capital Management 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 projects 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 the 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.
- Resident 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.

Description

The General Capital Fund was 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.

Major Budget Changes

The dedicated sales tax for FY2017 is estimated at $2,047,400, 31% higher than the FY2016 adopted budget. The increase is primarily due to development growth. The General Fund transfer provides funding for citywide asset replacement and to meet the fund balance reserve requirement.

The expenditures are primarily for capital projects related to asset replacement to include police radios, multiple transportation projects, and pavement preservation.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	0	0	0	65,000	65,000	-
Supplies	288,592	0	0	0	0	-
Services	148,618	1,056,600	1,124,200	457,400	(599,200)	(57%)
Operating Capital	544,023	0	0	0	0	-
Sub-Total Operating Expenses	**981,232**	**1,056,600**	**1,124,200**	**522,400**	**(534,200)**	**(51%)**
Debt	1,311	0	0	0	0	-
Capital	4,155,930	16,818,000	5,887,600	14,312,200	(2,505,800)	(15%)
Total Uses by Category	**5,138,473**	**17,874,600**	**7,011,800**	**14,834,600**	**(3,040,000)**	**(17%)**
Uses by Department						
City Manager	49,203	220,000	220,000	260,000	40,000	18%
Legal	141,934	385,000	452,600	457,400	72,400	19%
Human Resources	0	0	0	65,000	65,000	-
Information Services	1,077,848	2,500,000	1,802,400	2,359,600	(140,400)	(6%)
City Court	0	200,000	0	182,000	(18,000)	(9%)
Police	259,573	375,000	45,000	860,000	485,000	129%
Fire-Emergency Services	47,842	938,000	150,000	105,000	(833,000)	(89%)
Community and Recreation Services	2,074,520	4,135,000	1,886,800	833,200	(3,301,800)	(80%)
Public Works	1,487,554	9,121,600	2,455,000	9,712,400	590,800	6%
Total Uses by Department	**5,138,473**	**17,874,600**	**7,011,800**	**14,834,600**	**(3,040,000)**	**(17%)**
Sources by Category						
Local Sales Tax	1,863,652	1,567,500	2,075,300	2,047,400	479,900	31%
Charges for Services/Other	113,663	525,700	0	7,300	(518,400)	(99%)
Transfers In	0	3,436,600	8,490,700	6,798,900	3,362,300	98%
Total Sources by Category	**1,977,315**	**5,529,800**	**10,566,000**	**8,853,600**	**3,323,800**	**60%**

Return to TOC

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 decrease in operating capital is due to vehicle and equipment replacement being accounted for in the FY2017 Capital Improvement Plan.

The General Fund transfer provides funding for citywide vehicle replacement.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Operating Capital	1,955,111	4,512,200	2,935,100	0	(4,512,200)	(100%)
Sub-Total Operating Expenses	**1,955,111**	**4,512,200**	**2,935,100**	**0**	**(4,512,200)**	**(100%)**
Contingency	0	0	0	103,900	103,900	-
Capital	675,971	0	272,700	5,864,300	5,864,300	-
Total Uses by Category	**2,631,082**	**4,512,200**	**3,207,800**	**5,968,200**	**1,456,000**	**32%**
Uses by Department						
General Operations	2,629,910	4,512,200	3,207,800	477,300	(4,034,900)	(89%)
Public Works	1,172	0	0	5,490,900	5,490,900	-
Total Uses by Department	**2,631,082**	**4,512,200**	**3,207,800**	**5,968,200**	**1,456,000**	**32%**
Sources by Category						
Charges for Services/Other	395,884	893,300	893,300	34,100	(859,200)	(96%)
Transfers In	0	1,910,400	3,948,000	3,700,000	1,789,600	94%
Total Sources by Category	**395,884**	**2,803,700**	**4,841,300**	**3,734,100**	**930,400**	**33%**

Description

The Municipal Court Enhancement Fund was 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 FY2017 capital budget includes a project for courtroom audio/visual equipment. This project is scheduled to be completed in FY2017. No additional capital projects are anticipated for FY2017.

The 13% decrease in sources are due to a decline in filings.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	105,437	85,000	85,000	85,000	0	0%
Operating Capital	23,238	0	0	0	0	-
Sub-Total Operating Expenses	**128,675**	**85,000**	**85,000**	**85,000**	**0**	**0%**
Contingency	0	162,600	0	7,200	(155,400)	(96%)
Capital	170,311	0	0	150,000	150,000	-
Total Uses by Category	**298,986**	**247,600**	**85,000**	**242,200**	**(5,400)**	**(2%)**
Uses by Department						
City Court	298,986	247,600	85,000	242,200	(5,400)	(2%)
Total Uses by Department	**298,986**	**247,600**	**85,000**	**242,200**	**(5,400)**	**(2%)**
Sources by Category						
Charges for Services/Other	79,667	97,400	73,200	85,000	(12,400)	(13%)
Total Sources by Category	**79,667**	**97,400**	**73,200**	**85,000**	**(12,400)**	**(13%)**

Return to TOC

The Neighborhood Revitalization Fund was established 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.

Major Budget Changes

Capital expenditures for FY2017 are due to carryforward for three projects approved for funding by Council during FY2016.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	237,759	110,000	220,200	236,000	126,000	115%
Supplies	67	0	0	0	0	-
Services	731,195	2,110,900	391,900	2,836,800	725,900	34%
Sub-Total Operating Expenses	**969,021**	**2,220,900**	**612,100**	**3,072,800**	**851,900**	**38%**
Capital	0	0	471,300	175,700	175,700	-
Total Uses by Category	**969,021**	**2,220,900**	**1,083,400**	**3,248,500**	**1,027,600**	**46%**
Uses by Department						
Community Development	969,021	0	0	0	0	-
Human Service and Community Vitality	0	2,220,900	1,083,400	3,248,500	1,027,600	46%
Total Uses by Department	**969,021**	**2,220,900**	**1,083,400**	**3,248,500**	**1,027,600**	**46%**
Sources by Category						
Charges for Services/Other	969,021	2,220,900	1,083,400	3,248,500	1,027,600	46%
Total Sources by Category	**969,021**	**2,220,900**	**1,083,400**	**3,248,500**	**1,027,600**	**46%**

Description

The Tourism Fund was established in FY2010 to track expenses and revenue associated with the then dedicated 1.52% Transient Lodging Tax (bed tax). An increase of 1% was approved by Mayor and Council on January 28, 2010 based on recommendation from the city of Surprise Tourism Advisory Commission.

On April 13, the Tourism Advisory Commission approved recommendation to the City Council to increase the bed tax by an amount not to exceed 2%. An increase of 2% was approved by Mayor and Council on August 4, 2015 and is authorized by city code §46-3.14-447 bringing the total tax rate to 4.52%.

Of the total rate, 1% is included in the General Fund and the remaining 3.52% is restricted to promoting and marketing tourism for the city of Surprise.

The Comprehensive Financial Management Policies approved by Mayor and Council on May 19, 2015 includes a designation of bed tax collected for the Tourism Fund to be allocated at 75% for sports tourism facility development and improvement and 25% for marketing, studies and special events.

Major Budget Changes

In FY2015, the clubhouse renovation project at Surprise Stadium was recommended by the Tourism Advisory Commission and approved by city council. Total estimated cost for the clubhouse renovation project is $21,207,300. The Tourism Fund is funding $420,000 of the project. The FY2017 capital expenditures are due to carryforward for this project. No additional capital projects are scheduled for FY2017 in the Tourism Fund.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	78,150	0	0	0	0	-
Sub-Total Operating Expenses	**78,150**	**0**	**0**	**0**	**0**	**-**
Contingency	0	469,600	0	446,600	(23,000)	(5%)
Transfers Out	0	0	345,800	398,300	398,300	-
Capital	130,795	345,100	268,700	20,600	(324,500)	(94%)
Total Uses by Category	**208,945**	**814,700**	**614,500**	**865,500**	**50,800**	**6%**
Uses by Department						
General Operations	0	0	345,800	398,300	398,300	-
Community and Recreation Services	208,945	814,700	268,700	467,200	(347,500)	(43%)
Total Uses by Department	**208,945**	**814,700**	**614,500**	**865,500**	**50,800**	**6%**
Sources by Category						
Local Sales Tax	217,742	215,200	461,100	531,100	315,900	147%
Charges for Services/Other	2,895	0	0	0	0	-
Total Sources by Category	**220,637**	**215,200**	**461,100**	**531,100**	**315,900**	**147%**

Return to TOC

Description

Surprise Police Department (SPD) Racketeer Influenced Corrupt Organization (RICO) funds are generated by law enforcement activities that result in asset forfeiture proceedings. Forfeited proceeds are held by the Maricopa County and are expended by the city in accordance with state and federal laws and guidelines.

Major Budget Changes

In FY2016, Council approved per resolution number 2016-04 a reallocation of appropriations within the SPD RICO Fund to establish a capital budget for the replacement of consoles and firearms. The FY2017 capital expenditures are due to carryforward for this project. No additional capital projects are scheduled for FY2017 in the SPD RICO Fund.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Supplies	88,762	645,000	117,400	615,000	(30,000)	(5%)
Services	42,315	65,000	7,000	80,000	15,000	23%
Operating Capital	85,227	0	0	0	0	-
Sub-Total Operating Expenses	**216,304**	**710,000**	**124,400**	**695,000**	**(15,000)**	**(2%)**
Debt	1,020	0	0	0	0	-
Contingency	0	120,300	0	627,500	507,200	422%
Capital	0	0	200	34,100	34,100	-
Total Uses by Category	**217,324**	**830,300**	**124,600**	**1,356,600**	**526,300**	**63%**
Uses by Department						
Police	217,324	830,300	124,600	1,356,600	526,300	63%
Total Uses by Department	**217,324**	**830,300**	**124,600**	**1,356,600**	**526,300**	**63%**
Sources by Category						
Charges for Services/Other	540,186	245,000	110,000	245,000	0	0%
Total Sources by Category	**540,186**	**245,000**	**110,000**	**245,000**	**0**	**0%**

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 RTP funds the construction of regional area roads and public transit programs and projects.

Major Budget Changes

The city received funds in FY2014 that were directed to capital improvements at the Park and Ride facility. Revenue received during FY2015 was for the sale of Dial-a-Ride vehicles previously funded with RTP funding. The Dial-a-Ride services were outsourced to a third party and the vehicles were no longer necessary. In agreement with MAG, these funds will be directed towards the Americans with Disabilities Act (ADA) paratransit program in FY2016. The FY2017 capital expenditures are due to carryforward for the Park and Ride facility. No additional funding or projects are anticipated for FY2017.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	0	54,700	54,700	0	(54,700)	(100%)
Sub-Total Operating Expenses	**0**	**54,700**	**54,700**	**0**	**(54,700)**	**(100%)**
Contingency	0	12,100	0	12,900	800	7%
Capital	7,715	100,500	28,100	72,400	(28,100)	(28%)
Total Uses by Category	**7,715**	**167,300**	**82,800**	**85,300**	**(82,000)**	**(49%)**
Uses by Department						
Public Works	7,715	167,300	82,800	85,300	(82,000)	(49%)
Total Uses by Department	**7,715**	**167,300**	**82,800**	**85,300**	**(82,000)**	**(49%)**
Sources by Category						
Charges for Services/Other	55,458	0	0	0	0	-
Total Sources by Category	**55,458**	**0**	**0**	**0**	**0**	**-**

Return to TOC

Description

The city of Surprise has an active franchise agreement with Southwest Gas Corporation. The agreement allows the Corporation to construct, maintain, and operate its gas system within the public rights-of-way. In addition to and separate from the franchise fee, Southwest Gas remits to the city an additional 2% of gross revenues collected within city limits. These revenues may be used to reimburse the Corporation for expenditures arising from a city-driven project that requires the relocation of Southwest Gas facilities.

Major Budget Changes

The clubhouse renovation project at Surprise Stadium required a relocation of Southwest Gas facilities. In FY2016, Council approved funding from the Southwest Gas Capital Expenditure fund in the amount of $30,000 for this project. The FY2017 capital expenditures are due to carryforward for this project. No additional capital projects are scheduled for FY2017.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Contingency	0	0	0	111,900	111,900	-
Capital	0	0	17,000	13,000	13,000	-
Total Uses by Category	**0**	**0**	**17,000**	**124,900**	**124,900**	**-**
Uses by Department						
General Operations	0	0	0	111,900	111,900	-
Community and Recreation Services	0	0	17,000	13,000	13,000	-
Total Uses by Department	**0**	**0**	**17,000**	**124,900**	**124,900**	**-**

Description

The Parks and Recreation Development Fee Fund was 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.

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 in 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, rental payments, and carryforward for the Veramonte Park Improvement project. No additional capital projects are scheduled for FY2017.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	0	25,000	0	25,000	0	0%
Sub-Total Operating Expenses	**0**	**25,000**	**0**	**25,000**	**0**	**0%**
Contingency	0	1,153,000	0	1,024,200	(128,800)	(11%)
Transfers Out	793,128	440,700	437,400	437,800	(2,900)	(1%)
Capital	558,990	2,135,100	2,036,200	4,200	(2,130,900)	(100%)
Total Uses by Category	**1,352,118**	**3,753,800**	**2,473,600**	**1,491,200**	**(2,262,600)**	**(60%)**
Uses by Department						
Finance	0	25,000	0	25,000	0	0%
General Operations	793,128	1,593,700	437,400	1,447,900	(145,800)	(9%)
Community and Recreation Services	558,990	2,135,100	2,036,200	18,300	(2,116,800)	(99%)
Total Uses by Department	**1,352,118**	**3,753,800**	**2,473,600**	**1,491,200**	**(2,262,600)**	**(60%)**
Sources by Category						
Charges for Services/Other	19,477	0	0	0	0	-
Development Impact Fees	363,402	330,500	317,100	354,700	24,200	7%
Transfers In	0	0	861,800	0	0	-
Total Sources by Category	**382,879**	**330,500**	**1,178,900**	**354,700**	**24,200**	**7%**

CAPITAL IMPROVEMENT PLAN
Public Works Development Fees Fund

Description
The Public Works Development Fee Fund was 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 in compliance with the requirements of ARS §9-463.05 effective August 1, 2014. Based on the new statute these fees will be discontinued. Previously collected funds will be utilized to fund projects until funds are expended.

Major Budget Changes
The FY2017 expenditures are primarily due to carryforward and continuation of existing capital projects as well as new vehicle purchases directly related to the increased demand on services caused by growth.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Supplies	84,000	84,000	84,000	84,000	0	0%
Services	0	25,000	0	25,000	0	0%
Operating Capital	0	0	697,000	0	0	-
Sub-Total Operating Expenses	**84,000**	**109,000**	**781,000**	**109,000**	**0**	**0%**
Debt	2,290	0	0	0	0	-
Contingency	0	4,797,800	0	8,104,400	3,306,600	69%
Capital	48,804	4,693,000	29,400	493,500	(4,199,500)	(89%)
Total Uses by Category	**135,094**	**9,599,800**	**810,400**	**8,706,900**	**(892,900)**	**(9%)**
Uses by Department						
Finance	0	25,000	0	25,000	0	0%
Public Works	135,094	9,574,800	810,400	8,681,900	(892,900)	(9%)
Total Uses by Department	**135,094**	**9,599,800**	**810,400**	**8,706,900**	**(892,900)**	**(9%)**
Sources by Category						
Charges for Services/Other	61,404	0	0	12,700	12,700	-
Development Impact Fees	10,046	0	0	0	0	-
Total Sources by Category	**71,450**	**0**	**0**	**12,700**	**12,700**	**-**

Description

The Transportation Improvement Fund was 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 dedicated sales tax for FY2017 is estimated at $2,300,900, 20% higher than the FY2016 adopted budget. The increase is primarily due to development growth.

For FY2017, funding for pavement preservation will be accounted for in the Capital Improvement Plan. As a result, the FY2017 operating budget decreased by 83% and the capital budget increased by 99%.

The FY2017 budget is for completion of several existing road projects. There are no new projects scheduled for FY2017.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Personnel	131,976	137,600	137,200	140,700	3,100	2%
Supplies	577	1,000	1,000	1,000	0	0%
Services	303,063	2,418,300	2,426,100	300,700	(2,117,600)	(88%)
Sub-Total Operating Expenses	**435,615**	**2,556,900**	**2,564,300**	**442,400**	**(2,114,500)**	**(83%)**
Contingency	0	293,100	0	0	(293,100)	(100%)
Capital	932,346	2,013,000	487,100	4,012,900	1,999,900	99%
Total Uses by Category	**1,367,961**	**4,863,000**	**3,051,400**	**4,455,300**	**(407,700)**	**(8%)**
Uses by Department						
City Manager	302,549	0	0	0	0	-
Finance	0	0	0	0	0	-
General Operations	0	0	0	299,200	299,200	-
Economic Development	0	291,400	299,200	0	(291,400)	(100%)
Public Works	1,065,413	4,571,600	2,752,200	4,156,100	(415,500)	(9%)
Total Uses by Department	**1,367,961**	**4,863,000**	**3,051,400**	**4,455,300**	**(407,700)**	**(8%)**
Sources by Category						
Local Sales Tax	2,204,709	1,921,000	2,267,300	2,300,900	379,900	20%
Charges for Services/Other	60,972	360,000	0	0	(360,000)	(100%)
Total Sources by Category	**2,265,681**	**2,281,000**	**2,267,300**	**2,300,900**	**19,900**	**1%**

CAPITAL IMPROVEMENT PLAN
Water System and Replenishment Development Fee Funds

Description
The Water System and Replenishment Development Fee Funds were 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.

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 in compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes
The FY2017 projected revenue for development impact fees is $453,200, 30% higher than the FY2016 adopted budget. The FY2016 estimate and FY2017 forecast are based on assumptions from potential development plans and actual historical activity.

The expenditures are primarily for continued capital projects including Desert Oasis Water Supply Facility arsenic treatment, Greenway Rd Improvement, and SPA 1 effluent storage reservoir covers.

The 23% decrease in operating capital is primarily due to the Central Arizona Project (CAP) Allocation Subcontract capital expenditures being included in the FY2017 Capital Improvement Plan.

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	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	217,025	50,000	0	50,000	0	0%
Operating Capital	226,710	307,300	307,300	235,800	(71,500)	(23%)
Sub-Total Operating Expenses	**443,735**	**357,300**	**307,300**	**285,800**	**(71,500)**	**(20%)**
Contingency	0	2,820,400	0	2,267,000	(553,400)	(20%)
Capital	1,519,226	2,943,500	1,648,900	2,029,300	(914,200)	(31%)
Total Uses by Category	**1,962,961**	**6,121,200**	**1,956,200**	**4,582,100**	**(1,539,100)**	**(25%)**
Uses by Department						
Finance	0	50,000	0	50,000	0	0%
Public Works	0	0	1,100	698,900	698,900	-
Water Services	1,962,961	6,071,200	1,955,100	3,833,200	(2,238,000)	(37%)
Total Uses by Department	**1,962,961**	**6,121,200**	**1,956,200**	**4,582,100**	**(1,539,100)**	**(25%)**
Sources by Category						
Charges for Services/Other	40,439	44,000	26,300	14,500	(29,500)	(67%)
Development Impact Fees	346,430	347,700	391,200	453,200	105,500	30%
Transfers In	14,459	0	0	0	0	-
Total Sources by Category	**401,329**	**391,700**	**417,500**	**467,700**	**76,000**	**19%**

Description

The Wastewater System Development Fee funds were 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.

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 in compliance with the requirements of ARS §9-463.05 effective August 1, 2014.

Major Budget Changes

The FY2017 projected revenue for development impact fees is $1,520,900. This is 24% higher than the FY2016 adopted budget. The FY2016 estimate and FY2017 forecast are based on assumptions from potential development plans and actual historical activity.

The 100% increase in operating capital is due to a development reimbursement agreement. FY2017 expenditures include carryforward for SPA 1 centrifuge installation capital project, rental payments, developer reimbursements, and debt service.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	0	25,000	0	25,000	0	0%
Operating Capital	40	25,000	0	50,000	25,000	100%
Sub-Total Operating Expenses	**40**	**50,000**	**0**	**75,000**	**25,000**	**50%**
Debt	(2,811)	0	0	0	0	-
Contingency	0	699,500	0	549,500	(150,000)	(21%)
Transfers Out	9,633,295	4,447,500	3,763,400	4,447,000	(500)	0%
Capital	119,216	1,500,000	61,000	1,439,000	(61,000)	(4%)
Total Uses by Category	**9,749,740**	**6,697,000**	**3,824,400**	**6,510,500**	**(186,500)**	**(3%)**
Uses by Department						
Finance	0	25,000	0	25,000	0	0%
General Operations	9,633,295	4,447,500	3,763,400	4,497,000	49,500	1%
Economic Development	0	25,000	0	0	(25,000)	(100%)
Public Works	116,445	0	0	0	0	-
Water Services	0	2,199,500	61,000	1,988,500	(211,000)	(10%)
Total Uses by Department	**9,749,740**	**6,697,000**	**3,824,400**	**6,510,500**	**(186,500)**	**(3%)**
Sources by Category						
Charges for Services/Other	26,381	0	6,000	0	0	-
Development Impact Fees	1,661,132	1,229,500	1,439,900	1,520,900	291,400	24%
Transfers In	3,613	4,051,300	1,572,200	4,111,500	60,200	1%
Total Sources by Category	**1,691,126**	**5,280,800**	**3,018,100**	**5,632,400**	**351,600**	**7%**

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Description

This fund was established to account for bond proceeds from a FY2015 debt issuance approved by Mayor and City Council on May 19, 2015 per resolution number 2015-50.

Major Budget Changes

Expenditures are programmed for the clubhouse renovation capital project at Surprise Stadium. The total estimated cost for the clubhouse renovation project is $21,207,300. This project is being funded by multiple funds and $18,900,000 will be funded from debt issuance.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Contingency	0	4,800	0	0	(4,800)	(100%)
Capital	746,442	18,900,000	14,772,700	3,315,400	(15,584,600)	(82%)
Total Uses by Category	**746,442**	**18,904,800**	**14,772,700**	**3,315,400**	**(15,589,400)**	**(82%)**
Uses by Department						
General Operations	0	4,800	0	0	(4,800)	(100%)
Community and Recreation Services	746,442	18,900,000	14,772,700	3,315,400	(15,584,600)	(82%)
Total Uses by Department	**746,442**	**18,904,800**	**14,772,700**	**3,315,400**	**(15,589,400)**	**(82%)**
Sources by Category						
Borrowing	18,900,000	0	0	0	0	-
Total Sources by Category	**18,900,000**	**0**	**0**	**0**	**0**	**-**

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CAPITAL IMPROVEMENT PLAN
Summary by Fund

Fund	2016 Estimate	Carry Forward	2017 Request	Total CF and FY2017
General Fund	$738,600	$4,100	$0	$4,100
General Capital Fund	$5,887,600	$5,363,600	$8,948,600	$14,312,200
Vehicle Replacement Fund	$272,700	$2,131,300	$3,733,000	$5,864,300
Highway User Revenue Fund	$30,700	$730,700	$1,895,300	$2,626,000
Donations	$130,000	$0	$0	$0
Municipal Court Enhancement	$0	$0	$150,000	$150,000
Neighborhood Revitalization	$471,300	$175,700	$0	$175,700
Tourism	$268,700	$20,600	$0	$20,600
SPD RICO	$200	$283,900	$0	$283,900
SB 1398 Fines	$54,900	$0	$0	$0
Proposition 400	$28,100	$72,400	$0	$72,400
Stadium Improvements	$400	$0	$0	$0
SW Gas Capital Expenditures	$17,000	$13,000	$0	$13,000
Parks and Recreation Development Fees Fund	$2,036,200	$4,200	$0	$4,200
Public Works Development Fees Fund	$29,400	$429,900	$63,600	$493,500
Transportation Improvement Fund	$487,100	$1,542,900	$2,470,000	$4,012,900
Water Operations	$2,922,500	$2,590,100	$2,232,000	$4,822,100
Water System and Replenishment Dev Fee Funds	$1,648,900	$1,683,300	$346,000	$2,029,300
Wastewater Operations	$1,340,600	$7,575,700	$4,368,100	$11,943,800
Wastewater System Development Fee Funds	$61,000	$1,439,000	$0	$1,439,000
Sanitation Operations	$25,500	$2,002,600	$1,680,000	$3,682,600
Government Construction Fund	$14,772,700	$3,315,400	$0	$3,315,400
Total	**$31,224,100**	**$29,378,400**	**$25,886,600**	**$55,265,000**

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GENERAL FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21527 - Jerry Street and Rimrock Drainage Improvement	$188,600	$0	$0	$0
21528 - Surprise Campus/Fields Electrical Panel Split	$170,000	$0	$0	$0
21529 - AZ TechCelerator Renovation	$380,000	$0	$0	$0
AUTO - 1119 - Vehicle and Equipment Replacement	$0	$4,100	$0	$4,100
Total	**$738,600**	**$4,100**	**$0**	**$4,100**

GENERAL CAPITAL FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
20815 - Greenway Rd Imp. (Litchfield-Bullard)	$183,200	$2,216,800	$0	$2,216,800
21103 - Bell Rd Sidewalks E of Grand	$16,200	$162,400	$0	$162,400
21105 - Dove Valley Parkway (203rd Avenue to 187th Avenue)	$21,700	$245,900	$0	$245,900
21106 - Martin Acres Flood Control	$0	$728,700	$0	$728,700
21204 - 107th & Union Hills Drainage	$0	$75,000	$0	$75,000
21408 - Enterprise Resource Planning System	$1,286,800	$874,600	$185,000	$1,059,600
21409 - IT Disaster Recovery	$15,600	$0	$0	$0
21414 - CRS Master Plan Update	$25,000	$2,000	$0	$2,000
21501 - RWC Radio Replacement	$0	$330,000	$0	$330,000
21502 - Bell Rd Adaptive Signal Control Technology Deployment	$0	$27,400	$0	$27,400
21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)	$0	$138,800	$45,000	$183,800
21504 - Jomax 147th to 133rd Pave Dirt Road	$277,900	$202,400	$0	$202,400
21506 - Enhancement SR303 Mountain View to Grand Ave	$0	$30,100	$0	$30,100
21507 - Skate Park located at Surprise Farms Community Park	$446,800	$0	$0	$0
21510 - City Entry Monuments	$25,700	$13,600	$0	$13,600
21524 - Electric Service Upgrade at Techcelerator	$156,800	$114,600	$20,000	$134,600
21525 - Medians Waddell Rd West of Litchfield	$22,800	$11,400	$0	$11,400
21527 - Jerry Street and Rimrock Drainage Improvement	$250,000	$0	$0	$0
21601 - Fiber Optics - Reems Road (Waddell Road to Peoria Ave	$36,700	$18,300	$91,400	$109,700
21602 - Sidewalk on Reems (Cactus to Peoria) west side	$0	$100,000	$51,100	$151,100
21603 - Ambulance	$150,000	$0	$0	$0
21609 - Dysart and Greenway Intersection Improvements	$292,400	$7,600	$0	$7,600
21614 - Civic Center Design/Master Plan	$0	$64,000	$0	$64,000
28019 - Pavement Preservation	$0	$0	$278,700	$278,700
28026 - Asset Repl-Communications	$220,000	$0	$260,000	$260,000
28027 - Asset Repl-IT	$500,000	$0	$1,300,000	$1,300,000
28028 - Asset Repl-CRS	$500,000	$0	$831,200	$831,200
28029 - Asset Repl-Facilities	$500,000	$0	$519,200	$519,200
28032 - Asset Repl-Police	$45,000	$0	$0	$0
28034 - Surprise Stadium Seating Replacement	$915,000	$0	$0	$0
AUTO - 1166 - Fire Asset Replacement	$0	$0	$105,000	$105,000
AUTO - 1190 - Asset Replacement - Police	$0	$0	$530,000	$530,000
AUTO - 1196 - Higher Education Facilities	$0	$0	$4,000,000	$4,000,000
AUTO - 547 - Civic Center Parkway (Bell Road to Paradise Lane)	$0	$0	$550,000	$550,000
AUTO - 829 - Courtroom Audio/Video Equipment - Phase II	$0	$0	$182,000	$182,000
Total	**$5,887,600**	**$5,363,600**	**$8,948,600**	**$14,312,200**

VEHICLE REPLACEMENT FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
28033 - Pumper 4029 Replacement	$272,700	$477,300	$0	$477,300
AUTO - 1119 - Vehicle and Equipment Replacement	$0	$1,654,000	$3,733,000	$5,387,000
Total	**$272,700**	**$2,131,300**	**$3,733,000**	**$5,864,300**

HIGHWAY USER REVENUE FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21410 - Booster Station Bell Rd Lake	$0	$125,000	$0	$125,000
21509 - Median & ROW Landscaping	$30,700	$526,700	$0	$526,700
21511 - Sidewalk Gaps	$0	$51,100	$0	$51,100
28019 - Pavement Preservation	$0	$0	$1,751,300	$1,751,300
AUTO - 1119 - Vehicle and Equipment Replacement	$0	$27,900	$0	$27,900
AUTO - 1129 - Asset Repl – Traffic Engineering, Signals	$0	$0	$144,000	$144,000
Total	**$30,700**	**$730,700**	**$1,895,300**	**$2,626,000**

DONATIONS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21417 - Surprise Farms Community Park	$130,000	$0	$0	$0
Total	**$130,000**	**$0**	**$0**	**$0**

MUNICIPAL COURT ENHANCEMENT

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
AUTO - 829 - Courtroom Audio/Video Equipment - Phase II	$0	$0	$150,000	$150,000
Total	**$0**	**$0**	**$150,000**	**$150,000**

NEIGHBORHOOD REVITALIZATION

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21610 - Desert Sage	$111,700	$69,900	$0	$69,900
21611 - Sunny Lane	$72,900	$34,100	$0	$34,100
21612 - Jerry St	$286,700	$71,700	$0	$71,700
Total	**$471,300**	**$175,700**	**$0**	**$175,700**

TOURISM

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21514 - Clubhouse Renovation at Surprise Stadium	$268,700	$20,600	$0	$20,600
Total	**$268,700**	**$20,600**	**$0**	**$20,600**

SPD RICO

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
28032 - Asset Repl-Police	$200	$283,900	$0	$283,900
Total	**$200**	**$283,900**	**$0**	**$283,900**

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SB 1398 FINES

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
28032 - Asset Repl-Police	$54,900	$0	$0	$0
Total	**$54,900**	**$0**	**$0**	**$0**

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PROPOSITION 400

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21513 - Park N Ride Enhancements	$28,100	$72,400	$0	$72,400
Total	**$28,100**	**$72,400**	**$0**	**$72,400**

STADIUM IMPROVEMENTS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21514 - Clubhouse Renovation at Surprise Stadium	$400	$0	$0	$0
Total	**$400**	**$0**	**$0**	**$0**

SW GAS CAPITAL EXPENDITURES

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21514 - Clubhouse Renovation at Surprise Stadium	$17,000	$13,000	$0	$13,000
Total	**$17,000**	**$13,000**	**$0**	**$13,000**

PARKS AND RECREATION DEVELOPMENT FEES FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21417 - Surprise Farms Community Park	$1,322,300	$0	$0	$0
21418 - Veramonte Park Improvements	$713,900	$4,200	$0	$4,200
Total	**$2,036,200**	**$4,200**	**$0**	**$4,200**

PUBLIC WORKS DEVELOPMENT FEES FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21502 - Bell Rd Adaptive Signal Control Technology Deployment	$0	$47,600	$0	$47,600
21515 - New Public Works Yard	$25,500	$15,400	$0	$15,400
21601 - Fiber Optics - Reems Road (Waddell Road to Peoria Ave	$3,900	$91,500	$63,600	$155,100
AUTO - 1199 - Vehicles / PW DIF	$0	$275,400	$0	$275,400
Total	**$29,400**	**$429,900**	**$63,600**	**$493,500**

TRANSPORTATION IMPROVEMENT FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21210 - Peoria (Sarival to Reems)	$121,700	$832,900	$0	$832,900
21304 - Cactus Rd 175th to Cotton Ln.	$4,100	$268,100	$0	$268,100
21504 - Jomax 147th to 133rd Pave Dirt Road	$202,100	$181,100	$0	$181,100
21525 - Medians Waddell Rd West of Litchfield	$159,200	$40,800	$0	$40,800
21613 - Bullard Avenue Greenway Road to Peoria Avenue	$0	$220,000	$0	$220,000
28019 - Pavement Preservation	$0	$0	$2,470,000	$2,470,000
Total	**$487,100**	**$1,542,900**	**$2,470,000**	**$4,012,900**

WATER OPERATIONS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
20671 - SPA 2 Desert Oasis WSF-Arsenic Treatment	$0	$50,000	$500,000	$550,000
21110 - Site and Security Improvements	$4,900	$195,100	$0	$195,100
21211 - City Hall Reclaim Connections	$8,500	$184,400	$0	$184,400
21213 - SPA 1 Variable Frequency Drives (VFD's) Plant 4 & 5	$429,100	$15,500	$0	$15,500
21410 - Booster Station Bell Rd Lake	$35,000	$299,500	$0	$299,500
21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)	$2,100	$266,000	$90,000	$356,000
21516 - SPA1 WRF North Entrance Gate and Block Wall around	$0	$570,000	$0	$570,000
21604 - Combined Transmission System for Ashton Ranch and R	$0	$100,000	$100,000	$200,000
21606 - Well Transmission Line Hydraulic Transient Protection	$40,400	$109,600	$150,000	$259,600
21608 - SPA1 WRF Conference and Training Center	$1,287,500	$675,000	$0	$675,000
21614 - Civic Center Design/Master Plan	$0	$20,000	$0	$20,000
28030 - Asset Repl-Water	$1,115,000	$0	$720,000	$720,000
AUTO - 1119 - Vehicle and Equipment Replacement	$0	$105,000	$72,000	$177,000
AUTO - 643 - SPA 1 Rancho Gabriela WSF - Arsenic Treatment	$0	$0	$200,000	$200,000
AUTO - 803 - Water Acquisitions	$0	$0	$400,000	$400,000
Total	**$2,922,500**	**$2,590,100**	**$2,232,000**	**$4,822,100**

WATER SYSTEM AND REPLENISHMENT DEV FEE FUNDS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
20671 - SPA 2 Desert Oasis WSF-Arsenic Treatment	$0	$150,000	$100,000	$250,000
20815 - Greenway Rd Imp. (Litchfield-Bullard)	$1,100	$698,900	$0	$698,900
21308 - SPA1 Effluent Strg Reser Covers	$1,647,800	$834,400	$0	$834,400
AUTO - 536 - CAP Allocation (M&I Subcontract)	$0	$0	$246,000	$246,000
Total	**$1,648,900**	**$1,683,300**	**$346,000**	**$2,029,300**

WASTEWATER OPERATIONS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
20815 - Greenway Rd Imp. (Litchfield-Bullard)	$1,100	$1,098,900	$0	$1,098,900
21411 - SPA1 WRF Sluice Gate Repairs	$0	$425,000	$0	$425,000
21503 - Cactus Road - South Side (Railroad Tracks to Litchfield)	$47,100	$877,000	$370,900	$1,247,900
21516 - SPA1 WRF North Entrance Gate and Block Wall around	$51,300	$1,509,000	$0	$1,509,000
21517 - Litchfield Road - East Side (Cactus Road to Desert Cove	$249,800	$923,900	$63,800	$987,700
21518 - Solar BioSolids Dryer	$78,300	$356,800	$0	$356,800
21519 - SPA1 Influent Line Hydraulic Rehabilitation	$62,400	$183,700	$1,500,000	$1,683,700
21520 - Wastewater SCADA Upgrade	$25,400	$12,700	$0	$12,700
21521 - Greewnway Rd Lift Station Rehabilitation	$29,000	$280,700	$0	$280,700
21522 - Line Installations at the SPA1 WRF	$0	$200,000	$0	$200,000
21607 - SPA 1 Recharge Expansion	$0	$0	$500,000	$500,000
21608 - SPA1 WRF Conference and Training Center	$387,400	$1,475,000	$100,000	$1,575,000
21614 - Civic Center Design/Master Plan	$0	$16,000	$0	$16,000
28031 - Asset Repl-Wastewater	$408,800	$0	$400,400	$400,400
AUTO - 1119 - Vehicle and Equipment Replacement	$0	$217,000	$533,000	$750,000
AUTO - 1152 - SPA 2 Recharge expansion	$0	$0	$600,000	$600,000
AUTO - 547 - Civic Center Parkway (Bell Road to Paradise Lane)	$0	$0	$300,000	$300,000
Total	**$1,340,600**	**$7,575,700**	**$4,368,100**	**$11,943,800**

WASTEWATER SYSTEM DEVELOPMENT FEE FUNDS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21412 - SPA 1 Installation of 2nd Centrifuge	$61,000	$1,439,000	$0	$1,439,000
Total	**$61,000**	**$1,439,000**	**$0**	**$1,439,000**

SANITATION OPERATIONS

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21515 - New Public Works Yard	$25,500	$15,400	$0	$15,400
AUTO - 1119 - Vehicle and Equipment Replacement	$0	$1,987,200	$1,680,000	$3,667,200
Total	**$25,500**	**$2,002,600**	**$1,680,000**	**$3,682,600**

GOVERNMENT CONSTRUCTION FUND

Project	2016 Estimate	Carry Forward (CF)	2017 Request	Total CF and 2017
21514 - Clubhouse Renovation at Surprise Stadium	$14,772,700	$3,315,400	$0	$3,315,400
Total	**$14,772,700**	**$3,315,400**	**$0**	**$3,315,400**

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Borrowing and Debt

- **Borrowing and Debt Service Summary**

BORROWING AND DEBT SERVICE SUMMARY

During FY2015, the city of Surprise refinanced the Municipal Property Corporation (MPC) 2003 and 2007 Series bonds to take advantage of better interest rates and smooth annual debt service payments. The MPC 2003 Series bonds were reissued as revenue obligation bonds. The city also took the opportunity issue and additional $17.4M for clubhouse improvements. No borrowing was planned for FY2016. This recommended budget does not include borrowing, however discussions regarding a potential G.O. Bond election in November 2016 will occur during the remainder of the budget process.

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 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 as of February 2016.

Legal General Obligation Bond Capacity

Secondary Assessed Valuation		$928,869,805	$928,869,805
Limitation	X	6%	20%
G.O. Bond Limit	=	55,733,808	$185,779,361
Less Outstanding G.O. Debt	=	0	0
Available Debt Capacity	**=**	**$55,733,808**	**$185,779,361**

Surprise's current outstanding debt does not count against these limits; although, the overall financial position of the city would be considered by lending institutions.

Outstanding Debt

The city of Surprise holds 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
Municipal Property Corporation: 2007 Issuance	7/1/2033	39,365,000
Revenue Obligation: 2015 Issuance	7/1/2030	36,665,000
	Total	76,030,000

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Borrowing and Debt Service Summary

The current payment schedule for the outstanding debt for the city of Surprise is below.

Year Ended	2007 MPC		Revenue Obligation 2015		Total	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2016	1,780,000	1,858,325	2,685,000	1,553,369	4,465,000	3,411,694
2017	1,865,000	1,772,668	2,800,001	1,439,050	4,665,001	3,211,718
2018	1,950,000	1,683,015	2,910,000	1,327,050	4,860,000	3,010,065
2019	2,045,000	1,589,132	3,000,000	1,239,751	5,045,000	2,828,883
2020	2,140,000	1,490,785	3,115,000	1,119,750	5,255,000	2,610,535
2021-2025	10,855,000	5,892,163	15,084,999	3,444,249	25,939,999	9,336,412
2026-2030	12,715,000	3,091,532	7,070,000	841,850	19,785,000	3,933,382
2031-2033	6,015,000	298,288	-	-	6,015,000	298,288
Total	39,365,000	17,675,908	36,665,000	10,965,069	76,030,000	28,640,977

The following table details the bond ratings for each agency and debt issuance:

Rating Agency	Debt Issue	Rating
Standard & Poor's	General obligation bond	AA-
Standard & Poor's	2003 MPC bonds	AA-
Fitch Ratings	General obligation bond	AA-
Fitch Ratings	2015 Revenue Obligation	AA-
Fitch Ratings	2007 MPC bonds	A

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Marley Park Community Facilities District

- **Marley Park Overview**
- **State Forms for Marley Park CFD**

MARLEY PARK COMMUNITY FACILITY DISTRICT

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.

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. For FY2017, the city of Surprise will assess a levy of $2.9790 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 $2.6790 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.

The CFD has been authorized by the board to issue up to $80.0 million of bonds. A total of $72,200 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.

Uses by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Services	66,122	77,700	74,400	72,200	(5,500)	(7%)
Debt	676,868	672,500	675,500	678,300	5,800	1%
Contingency	0	25,000	0	25,000	0	0%
Total Uses	**742,989**	**775,200**	**749,900**	**775,500**	**300**	**0%**

Sources by Category	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Property Tax	785,441	731,200	730,900	716,900	(14,300)	(2%)
Total Sources	**785,441**	**731,200**	**730,900**	**716,900**	**(14,300)**	**(2%)**

Uses by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Marley Park Bond Debt Service	679,868	697,500	675,500	703,300	5,800	1%
Marley Park Comm Fac Dist	63,122	77,700	74,400	72,200	(5,500)	(7%)
Total Uses	**742,989**	**775,200**	**749,900**	**775,500**	**300**	**0%**

Sources by Fund	FY2015 Actual	FY2016 Adopted	FY2016 Estimate	FY2017 Budget	Change In Budget	% Change
Marley Park Bond Debt Service	722,438	672,000	671,700	644,700	(27,300)	(4%)
Marley Park Comm Fac Dist	63,003	59,200	59,200	72,200	13,000	22%
Total Sources	**785,441**	**731,200**	**730,900**	**716,900**	**(14,300)**	**(2%)**

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

Fiscal Year		Sch	FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	0	77,700	697,500	0	0	0	0	775,200
2016	Actual Expenditures/Expenses**	E	0	74,400	675,500	0	0	0	0	749,900
2017	Fund Balance/Net Position at July 1***		0	15,200	62,400	0	0	0	0	77,600
2017	Primary Property Tax Levy	B	0	0	0	0		0	0	0
2017	Secondary Property Tax Levy	B	0	59,200	671,700	0		0	0	730,900
2017	Estimated Revenues Other than Property Taxes	C	0	0	0	0	0	0	0	0
2017	Other Financing Sources	D	0	0	0	0	0	0	0	0
2017	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2017	Interfund Transfers In	D	0	0	0	0	0	0	0	0
2017	Interfund Transfers (Out)	D	0	0	0	0	0	0	0	0
2017	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:									0
										0
										0
										0
2017	Total Financial Resources Available		0	74,400	734,100	0	0	0	0	808,500
2017	Budgeted Expenditures/Expenses	E	0	72,200	703,300	0	0	0	0	775,500

EXPENDITURE LIMITATION COMPARISON	2016	2017
1. Budgeted expenditures/expenses	$ 775,200	$ 775,500
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	775,200	775,500
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	$ 775,200	$ 775,500
6. EEC expenditure limitation	$	$

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 the 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 on this line 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).

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Tax Levy and Tax Rate Information
Fiscal Year 2017

	2016	2017
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	$	$
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	$	$
B. Secondary property taxes	730,900	716,900
C. Total property tax levy amounts	$ 730,900	$ 716,900
4. Property taxes collected*		
A. Primary property taxes		
(1) **Current** year's levy	$	
(2) Prior years' levies		
(3) Total primary property taxes	$	
B. Secondary property taxes		
(1) **Current** year's levy	$ 730,900	
(2) Prior years' levies		
(3) Total secondary property taxes	$ 730,900	
C. Total property taxes collected	$ 730,900	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate		
(2) Secondary property tax rate	3.7025	2.9790
(3) Total city/town tax rate	3.7025	2.9790

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 1 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.

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
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

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017 SOURCES	OTHER FINANCING 2017 <USES>	INTERFUND TRANSFERS 2017 IN	INTERFUND TRANSFERS 2017 <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	$	$	$	$

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
DEBT SERVICE FUNDS				
Marley Park Community Facility District Fund				
Debt Service	$ 672,500	$	$ 675,500	$ 678,300
Contingency	25,000			25,000
Total Debt Service Funds	$ 697,500	$	$ 675,500	$ 703,300
SPECIAL REVENUE FUNDS				
Marley Park Community Facility District Fund				
General Operations	$ 77,700	$	$ 74,400	$ 72,200
Total Special Revenue Funds	$ 77,700	$	$ 74,400	$ 72,200
TOTAL ALL FUNDS	$ 775,200	$	$ 749,900	$ 775,500

* 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.

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Debt Service				
Marley Park CFD	$ 697,500	$	$ 675,500	$ 703,300
Department Total	$ 697,500	$	$ 675,500	$ 703,300
General Operations				
Marley Park CFD	$ 77,700	$	$ 74,400	$ 72,200
Department Total	$ 77,700	$	$ 74,400	$ 72,200
Total All Departments	$ 775,200	$	$ 749,900	$ 775,500

* 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.

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MARLEY PARK COMMUNITY FACILITES DISTRICT
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
CAPITAL PROJECTS FUNDS						
Marley Park CFD		$	$	$	$	= $
Total Capital Projects Funds		$	$	$	$	= $
TOTAL ALL FUNDS		$	$	$	$	= $

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Appendix

- State Forms for the City of Surprise
- Comprehensive Financial Management Policies
- Budget Amendment Policies and Procedures
- Personnel Schedule
- Glossary

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CITY OF SURPRISE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

Fiscal Year		Sch	FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	98,028,800	27,441,700	13,091,700	68,252,700	0	59,654,300	14,952,200	281,421,400
2016	Actual Expenditures/Expenses**	E	94,137,100	14,735,000	7,901,400	30,890,300	0	30,321,500	11,578,600	189,563,900
2017	Fund Balance/Net Position at July 1***		29,464,600	3,335,100	5,068,700	36,071,900	0	41,955,300	6,188,800	122,084,400
2017	Primary Property Tax Levy	B	6,885,900	0						6,885,900
2017	Secondary Property Tax Levy	B	0	2,595,900						2,595,900
2017	Estimated Revenues Other than Property Taxes	C	90,650,500	21,461,100	0	7,343,600	0	38,275,200	12,631,700	170,362,100
2017	Other Financing Sources	D	0	0	0	0	0	0	0	0
2017	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2017	Interfund Transfers In	D	6,597,200	125,000	7,887,200	10,498,900	0	5,228,500	0	30,336,800
2017	Interfund Transfers (Out)	D	12,013,100	1,196,800	0	1,007,700	0	16,119,200	0	30,336,800
2017	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:									0
										0
										0
										0
2017	Total Financial Resources Available		121,585,100	26,320,300	12,955,900	52,906,700	0	69,339,800	18,820,500	301,928,300
2017	Budgeted Expenditures/Expenses	E	103,377,000	27,057,400	12,955,900	51,406,700	0	57,101,400	16,358,900	268,257,300

EXPENDITURE LIMITATION COMPARISON	2016	2017
1. Budgeted expenditures/expenses	$ 281,421,400	$ 268,257,300
2. Add/subtract: estimated net reconciling items	(10,494,700)	(10,494,700)
3. Budgeted expenditures/expenses adjusted for reconciling items	270,926,700	257,762,600
4. Less: estimated exclusions	24,252,200	24,252,200
5. Amount subject to the expenditure limitation	$ 246,674,500	$ 233,510,400
6. EEC expenditure limitation	$ 979,787,734	$ 981,408,916

☐ 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 the 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 on this line 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).

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CITY OF SURPRISE
Tax Levy and Tax Rate Information
Fiscal Year 2017

	2016	2017
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	$ 8,852,420	$ 9,211,870
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	$ 6,750,200	$ 6,885,900
B. Secondary property taxes	2,416,600	2,595,900
C. Total property tax levy amounts	$ 9,166,800	$ 9,481,800
4. Property taxes collected*		
A. Primary property taxes		
(1) **Current** year's levy	$ 6,702,306	
(2) Prior years' levies	47,894	
(3) Total primary property taxes	$ 6,750,200	
B. Secondary property taxes		
(1) **Current** year's levy	$ 2,416,600	
(2) Prior years' levies		
(3) Total secondary property taxes	$ 2,416,600	
C. Total property taxes collected	$ 9,166,800	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.7591	0.7413
(2) Secondary property tax rate		
(3) Total city/town tax rate	0.7591	0.7413

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 99 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.

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CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
GENERAL FUND			
Local taxes			
Local sales tax	$ 37,620,900	$ 37,481,100	$ 41,421,600
Bed tax	141,600	150,900	150,900
Construction sales tax	1,250,000	1,250,000	1,250,000
Licenses and permits			
Electric Franchise Fee	2,325,900	2,538,000	2,626,900
Cable Franchise Fee	1,350,900	1,356,600	1,404,100
Business Licenses	467,100	357,000	358,000
Natural Gas Franchise Fee	357,100	344,500	356,600
Water Franchise Fee	543,300	527,000	545,500
Sanitation Hauler's License	39,700	47,000	47,900
Intergovernmental			
State Shared Income Tax	14,149,000	14,149,000	15,600,700
State Shared Sales Tax	11,178,700	11,231,100	11,785,500
Vehicle License Tax	4,535,200	4,652,600	4,943,800
Fines and foreits			
Court	1,184,100	1,090,600	1,084,100
Charges for services			
Parks & Recreation	3,962,800	4,362,800	3,962,800
Fire	790,600	904,400	795,900
Police	736,800	711,200	711,300
Community Development	2,057,400	2,015,300	2,191,600
Human Services	33,500	33,500	32,500
All other	340,100	320,800	309,300
Interest Income	117,300	106,800	74,900
Public Works Fees	579,100	620,000	717,500
Facilities	283,500	348,300	279,100
Total General Fund	$ 84,044,600	$ 84,598,500	$ 90,650,500
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
State Shared	$ 7,377,200	$ 7,596,400	$ 7,747,700
Charges for Services/Other	13,000	15,000	108,000
	$ 7,390,200	$ 7,611,400	$ 7,855,700
Employee Dep Scholarship			
Charges for Services/Other	$ 1,100	$ 700	$
	1,100	$ 700	$
Donations Fund			
Charges for Services/Other	$ 461,300	$ 480,500	$ 505,600
	$ 461,300	$ 480,500	$ 505,600
Municipal Court Enhancement			
Charges for Services/Other	$ 97,400	$ 73,200	$ 85,000
	$ 97,400	$ 73,200	$ 85,000
Neighborhood Revitalization			
Charges for Services/Other	$ 2,220,900	$ 1,083,400	$ 3,248,500
	$ 2,220,900	$ 1,083,400	$ 3,248,500
Tourism			
Charges for Services/Other	$	$	$
Local Sales Tax	215,200	461,100	531,100
	$ 215,200	$ 461,100	$ 531,100

* 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.

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CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
Grants			
Charges for Services/Other	$ 9,148,900	$ 770,900	$ 5,790,700
	$ 9,148,900	$ 770,900	$ 5,790,700
SPD RICO Funds			
Charges for Services/Other	$ 245,000	$ 110,000	$ 245,000
	$ 245,000	$ 110,000	$ 245,000
SPD DEA Fund			
Charges for Services/Other	$	$	$
	$	$	$
SPD Towing Fund			
Charges for Services/Other	$ 105,000	$ 105,000	$ 105,000
	$ 105,000	$ 105,000	$ 105,000
Municipal Court JCEF			
Charges for Services/Other	$ 25,000	$ 19,300	$ 20,100
	$ 25,000	$ 19,300	$ 20,100
Municipal Court MFTG			
Charges for Services/Other	$ 13,500	$ 11,600	$ 10,400
	$ 13,500	$ 11,600	$ 10,400
Municipal Court FARE			
Charges for Services/Other	$ 4,600	$ 4,100	$ 4,200
	$ 4,600	$ 4,100	$ 4,200
Net Premium Seating			
Charges for Services/Other	$ 25,000	$ 25,000	$ 25,000
	$ 25,000	$ 25,000	$ 25,000
Spring Training Ticket Surcharge			
Charges for Services/Other	$ 635,000	$ 800,000	$ 645,000
	$ 635,000	$ 800,000	$ 645,000
SB1398 Fines			
Charges for Services/Other	$ 18,300	$ 18,300	$ 18,300
	$ 18,300	$ 18,300	$ 18,300
LTAF II			
State Shared	$ 350,000	$ 344,800	$ 350,000
	$ 350,000	$ 344,800	$ 350,000
Proposition 400			
Charges for Services/Other	$	$	$
	$	$	$
Wildland Fire			
Charges for Services/Other	$ 143,700	$ 159,300	$ 150,000
	$ 143,700	$ 159,300	$ 150,000
HALO			
Charges for Services/Other	$ 156,000	$ 136,900	$ 137,300
	$ 156,000	$ 136,900	$ 137,300
Ambulance Contract			
Charges for Services/Other	$ 295,700	$ 89,600	$
	$ 295,700	$ 89,600	$
Animal Seizure Bond Forfeiture			
Charges for Services/Other	$ 1,000	$ 1,000	$ 1,000
	$ 1,000	$ 1,000	$ 1,000

* 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.

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CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
Unclaimed Property Disposal			
Charges for Services/Other	$ 1,000	$ 1,000	$ 1,000
	$ 1,000	$ 1,000	$ 1,000
Program 1033 Auction Proceeds			
Charges for Services/Other	$ 1,000	$ 1,000	$ 1,000
	$ 1,000	$ 1,000	$ 1,000
Stadium Improvement Fund			
Charges for Services/Other	$ 137,100	$ 137,100	$ 137,100
	$ 137,100	$ 137,100	$ 137,100
Ground Ambulance Service			
Charges for Services/Other	$	$ 541,500	$ 1,505,400
	$	$ 541,500	$ 1,505,400
Street Light Improvement District			
Charges for Services/Other	$	$ (300)	$ 88,700
	$	$ (300)	$ 88,700
Total Special Revenue Funds	$ 21,691,900	$ 12,986,400	$ 21,461,100
DEBT SERVICE FUNDS			
2000-03 Government Reserve Fund			
Charges for Services/Other	$	$ 31,900	$
	$	$ 31,900	$
2000-03 Proprietary Reserve Fund			
Charges for Services/Other	$	$ 4,300	$
	$	$ 4,300	$
Prop Reserve 2007			
Charges for Services/Other	$	$	$
	$	$	$
Prop Debt Service 2000-2003			
Charges for Services/Other	$	$	$
	$	$	$
Gov Debt Service 2000-2003			
Charges for Services/Other	$	$	$
	$	$	$
Gov Debt Service 2014			
Charges for Services/Other	$	$	$
	$	$	$
Total Debt Service Funds	$	$ 36,200	$
CAPITAL PROJECTS FUNDS			
General Capital Fund			
Charges for Services/Other	$ 525,700	$	$ 7,300
Local Sales Tax	1,567,500	2,075,300	2,047,400
	$ 2,093,200	$ 2,075,300	$ 2,054,700
Transportation Improvement Fund			
Charges for Services/Other	$ 360,000	$	$
Local Sales Tax	1,921,000	2,267,300	2,300,900
	$ 2,281,000	$ 2,267,300	$ 2,300,900
Vehicle Replacement Fund			
Charges for Services/Other	$ 893,300	$ 893,300	$ 34,100
	$ 893,300	$ 893,300	$ 34,100
General Government Development Fund 2012			
Charges for Services/Other	$	$	$
	$	$	$

* 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.

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CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
Roads of Regional Signficiance Development SPA 2, 4, 6 Fund			
Charges for Services/Other	$	$	$
	$	$	$
Roads of Regional Signficiance Development SPA 3,5 Fund			
Charges for Services/Other	$	$	$
	$	$	$
Police Development Fee Fund			
Charges for Services/Other	$	$	$
	$	$	$
Police Development Fee Fund 2012			
Charges for Services/Other	$	$	$
	$	$	$
Parks and Recreation Development Fee Fund			
Charges for Services/Other	$	$	$
	$	$	$
Parks and Recreation Development Fee Fund 2012			
Charges for Services/Other	$	$	$
	$	$	$
Fire and EMS Development Fee Fund 2012			
Charges for Services/Other	$	$	$
	$	$	$
Fire and EMS Development Fee Fund 2014			
Charges for Services/Other	$ 662,400	$ 711,900	$ 821,600
	$ 662,400	$ 711,900	$ 821,600
Library Development Fee Fund			
Charges for Services/Other	$	$	$
	$	$	$
Library Development Fee Fund 2012			
Charges for Services/Other	$	$	$
	$	$	$
Public Works Development Fee Fund			
Charges for Services/Other	$	$	$ 12,700
	$	$	$ 12,700
Public Works Development Fee Fund 2012			
Charges for Services/Other	$	$	$
	$	$	$
163rd Ave Development Fee Fund			
Charges for Services/Other	$ 17,800	$ 29,000	$ 37,300
	$ 17,800	$ 29,000	$ 37,300
Police Dev Fees Grandfathered			
Charges for Services/Other	$ 217,600	$ 305,800	$ 308,500
	$ 217,600	$ 305,800	$ 308,500
Fire/EMS Dev Fee Grandfathered			
Charges for Services/Other	$ 589,800	$ 685,200	$ 725,100
	$ 589,800	$ 685,200	$ 725,100

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CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
Gen Govt Dev Fee Grandfathered			
Charges for Services/Other	$ 514,400	$ 607,100	$ 694,000
	$ 514,400	$ 607,100	$ 694,000
Park/Rec Dev Fee Grandfathered			
Charges for Services/Other	$ 330,500	$ 317,100	$ 354,700
	$ 330,500	$ 317,100	$ 354,700
Gov Construction 2014			
Charges for Services/Other			
	$	$	$
Total Capital Projects Funds	$ 7,600,000	$ 7,892,000	$ 7,343,600
ENTERPRISE FUNDS			
Water Fund			
Charges for Services/Other	$ 12,061,300	$ 11,382,800	$ 12,286,400
	$ 12,061,300	$ 11,382,800	$ 12,286,400
Water Development Fee Fund			
Charges for Services/Other	$ 20,000	$ 2,000	$ 3,000
	$ 20,000	$ 2,000	$ 3,000
Water Development Fee Fund SPA 2			
Charges for Services/Other	$ 2,000	$ 1,000	$ 500
	$ 2,000	$ 1,000	$ 500
Replenishment System Development Fee Fund SPA 1			
Charges for Services/Other	$ 18,000	$ 18,000	$ 10,000
	$ 18,000	$ 18,000	$ 10,000
Replenishment System Development Fee Fund SPA 2			
Charges for Services/Other	$ 4,000	$ 4,000	$ 1,000
	$ 4,000	$ 4,000	$ 1,000
Wtr Res SPA1 Dev Fee 2014 Law			
Charges for Services/Other	$ 69,100	$ 79,600	$ 61,400
	$ 69,100	$ 79,600	$ 61,400
Wtr Res SPA2 Dev Fee 2014 Law			
Charges for Services/Other	$ 51,900	$ 85,000	$ 109,000
	$ 51,900	$ 85,000	$ 109,000
Water System Dev Fee SPA1 2014 Law			
Charges for Services/Other	$ 134,800	$ 155,100	$ 119,800
	$ 134,800	$ 155,100	$ 119,800
Water System Dev Fee SPA2 2014 Law			
Charges for Services/Other	$ 91,900	$ 72,800	$ 163,000
	$ 91,900	$ 72,800	$ 163,000
Wastewater Fund			
Charges for Services/Other	$ 16,767,000	$ 16,363,700	$ 16,487,100
	$ 16,767,000	$ 16,363,700	$ 16,487,100
Sewer Development Fee Fund			
Charges for Services/Other	$	$	$
	$	$	$
Sewer Development Fee Fund SPA 2			
Charges for Services/Other	$	$	$
	$	$	$
Sewer Development Fee Fund SPA 3			
Charges for Services/Other	$	$	$
	$	$	$
Sewer SPA1 Devel Fee 2014 Law			
Charges for Services/Other	$ 1,229,500	$ 1,445,900	$ 1,327,300
	$ 1,229,500	$ 1,445,900	$ 1,327,300
Sewer SPA2 Dev Fee 2014 Law			
Charges for Services/Other	$	$	$ 193,600
	$	$	$ 193,600
Sanitation Fund			
Charges for Services/Other	$ 7,282,600	$ 7,124,900	$ 7,513,100
	$ 7,282,600	$ 7,124,900	$ 7,513,100
Total Enterprise Funds	$ 37,732,100	$ 36,734,800	$ 38,275,200

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CITY OF SURPRISE
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
INTERNAL SERVICE FUNDS			
Risk Management Fund			
Charges for Services/Other	$ 1,735,900	$ 1,735,900	$ 1,735,900
	$ 1,735,900	$ 1,735,900	$ 1,735,900
Employee Healthcare Fund			
Charges for Services/Other	$ 10,021,000	$ 10,609,600	$ 10,895,800
	$ 10,021,000	$ 10,609,600	$ 10,895,800
Total Internal Service Funds	$ 11,756,900	$ 12,345,500	$ 12,631,700
TOTAL ALL FUNDS	$ 162,825,500	$ 154,593,400	$ 170,362,100

* 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.

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CITY OF SURPRISE
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017 SOURCES	OTHER FINANCING 2017 <USES>	INTERFUND TRANSFERS 2017 IN	INTERFUND TRANSFERS 2017 <OUT>
GENERAL FUND				
Debt Payment	$	$	$	(1,389,200)
Sanitation Hauler's License			27,000	
Franchise Fees			569,800	
Indirect Cost Allocation			5,327,100	
Payments in Lieu of Property Taxes			519,800	
Allocation			153,500	
General Capital Fund				(9,498,900)
Vehicle Replacement Fund				(1,125,000)
Total General Fund	$	$	$ 6,597,200	$ (12,013,100)
SPECIAL REVENUE FUNDS				
Spring Training Ticket Surcharge	$	$	$	$ (645,000)
Ground Ambulance				(153,500)
Tourism				(398,300)
Net Premium Seating			125,000	
Total Special Revenue Funds	$	$	$ 125,000	$ (1,196,800)
DEBT SERVICE FUNDS				
2000-03 Government Debt Service	$	$	$	$
2014 Government Debt Service			1,585,500	
2014 Prop Debt Service			804,300	
Refunded Gov Debt Service 2015			1,854,700	
Prop Debt Service 2007			3,642,700	
Total Debt Service Funds	$	$	$ 7,887,200	$
CAPITAL PROJECTS FUNDS				
Police Development Fee	$	$	$	$ (135,500)
P&R Development Fee 2012				(437,800)
General Government Development Fee Grandfathered				(367,400)
Fire and EMS Development Fee 2012				(64,900)
Fire and EMS Development Fee 2014				(2,100)
General Capital Fund			6,798,900	
Vehicle Replacement Fund			3,700,000	
Total Capital Projects Funds	$	$	$ 10,498,900	$ (1,007,700)
ENTERPRISE FUNDS				
Water	$	$	$	$ (2,396,600)
Wastewater			1,117,000	(6,619,800)
Sanitation				(2,655,800)
Sewer SPA1 Development Fee 2014 Law			4,111,500	(4,447,000)
Total Enterprise Funds	$	$	$ 5,228,500	$ (16,119,200)
TOTAL ALL FUNDS	$	$	$ 30,336,800	$ (30,336,800)

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CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
GENERAL FUND				
City Clerk	$ 459,500	$	$ 451,700	$ 848,500
City Court	1,983,400		1,926,200	2,228,800
City Manager	5,903,300	(2,735,100)	3,262,400	3,353,200
Community and Rec Services	16,295,200	18,300	16,156,600	16,396,500
Community Development	4,149,700	42,200	4,081,000	4,520,500
Economic Development	6,330,400	208,000	6,363,500	1,319,700
Finance	3,888,100		3,674,300	4,082,900
Fire-Emergency Services	17,664,400		17,472,100	19,067,500
General Operations	255,300		255,300	4,585,300
Human Service	1,174,200	6,700	1,029,500	1,312,500
Human Resources	2,158,000		2,130,800	2,231,600
Information Services	4,225,200		4,119,500	4,707,500
Legal	2,034,600	147,600	2,139,700	1,981,600
Mayor & Council	378,400		380,800	384,100
Police	24,469,400		23,573,000	26,466,400
Public Works	7,055,800	46,500	7,120,700	7,525,700
Contingency	2,925,500	(1,055,800)		2,364,700
Total General Fund	$ 101,350,400	$ (3,321,600)	$ 94,137,100	$ 103,377,000
SPECIAL REVENUE FUNDS				
Employee Dep Scholarship Fund				
General Operations	$ 3,000	$	$ 3,000	$ 200
Contingency	600			
Donations Fund				
City Manager				
Community and Rec Services	428,800		555,100	466,500
Fire-Emergency Services	4,200		4,200	400
Economic Development		12,500	12,500	
Human Services	18,200		13,600	18,200
Police	12,400		12,400	12,400
Contingency	282,200	(12,500)		362,000
Municipal Court Enhancement				
City Court	85,000	29,700	85,000	235,000
Contingency	162,600			7,200
Neighborhood Revitalization				
Community Development				
Human Services	2,220,900	500,400	1,083,400	3,248,500
Contingency				
Tourism				
Community and Rec Services	345,100	(25,800)	268,700	20,600
General Operations				
Contingency	469,600	(30,000)		446,600
Grants				
Community and Rec Services	38,300	(38,300)	10,000	
Fire-Emergency Services	151,300	19,000	74,800	67,500
Police	218,200	(17,900)	160,500	270,000
Community Development				202,800
Public Works	371,500	38,900	302,800	67,100
General Operations				
Legal	78,000	42,100	95,300	133,300
Human Services	11,700	130,800	127,500	50,000
Contingency	8,279,900	(672,900)		5,000,000
SPD RICO				
Police	710,000		124,600	729,100
Contingency	120,300			627,500
SPD DEA				
Police				
Contingency	16,500			16,500
SPD Towing				
Police	82,500		83,800	32,500
Contingency	119,800			321,500
Municipal Court JCEF				
City Court	58,000		61,400	33,200
Contingency	25,700			4,000
Municipal Court MFTG				
City Court	13,100			
Contingency	24,000			44,700

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CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Municipal Court FARE				
City Court				
Contingency	23,300			25,900
Net Premium Seating				
Community and Rec Services	50,000		50,000	50,000
Contingency				135,100
Spring Training Ticket Surcharge				
Community and Rec Services				
Contingency				
SB1398 Fines				
Police	42,800	12,100	54,900	43,000
Contingency	17,000	(12,100)		
LTAFII				
Public Works	350,000		344,800	350,000
Contingency				
Proposition 400				
Public Works	155,200		82,800	72,400
Contingency	12,100			12,900
Wildland Fire				
Fire-Emergency Services	143,700		126,100	148,500
Contingency				115,700
HALO				
Fire-Emergency Services	168,900		149,100	146,300
Contingency				
Ambulance Contract				
Fire-Emergency Services	223,100		66,000	
Contingency	72,600			
Highway User Revenue Fund				
Public Works	8,579,100	(59,000)	7,824,200	9,510,000
Contingency	347,300			
Street Lights Improvement District				
Public Works	2,520,400		2,471,800	2,545,400
Contingency				
Animal Seizure Bond Forfeiture				
Police	1,000		1,000	1,000
Contingency				
Unclaimed Property Disposal				
Police	1,000		1,000	1,000
Contingency	1,000			
Program 1033 Auction Proceeds				
Police	1,700		1,000	700
Contingency	1,000			5,400
Stadium Improvement Fund				
Community and Rec Services		400	400	
Contingency				
Ground Ambulance Service				
Fire-Emergency Services		431,700	466,300	526,700
Contingency				825,200
SW Gas Capital Expenditures				
Community and Rec Services		30,000	17,000	13,000
Contingency				111,900
Total Special Revenue Funds	$ 27,062,600	$ 379,100	$ 14,735,000	$ 27,057,400
DEBT SERVICE FUNDS				
2000-03 Government Debt Service Fund				
General Operations	$	$	$	$
2007 Proprietary Debt Service Fund				
General Operations	3,638,400		3,643,400	3,642,700
Contingency	529,100			
2007 Proprietary Reserve Fund				
Contingency	4,921,400			5,068,700
2000-03 Proprietary Debt Service Fund				
General Operations				
Stadium Gov Debt Service 2015				
General Operations	3,193,700		1,586,900	1,585,500
2014 Prop Debt Service Fund				
General Operations	809,100		803,600	804,300
Refunded Gov Debt Service 2015				
General Operations			1,867,500	1,854,700
Total Debt Service Funds	$ 13,091,700	$	$ 7,901,400	$ 12,955,900

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CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
CAPITAL PROJECTS FUNDS				
General Capital Fund				
City Manager	$ 220,000	$	$ 220,000	$ 260,000
Community and Rec Services	2,960,000	(786,200)	1,886,800	833,200
City Court				182,000
Fire-Emergency Services	188,000		150,000	105,000
Information Services	2,500,000	181,400	1,802,400	2,359,600
Police	375,000		45,000	860,000
Legal	385,000	400,000	452,600	457,400
Public Works	6,717,700	2,437,300	2,455,000	9,712,400
Human Resources				65,000
Contingency				
Transportation Improvement Fund				
Public Works	4,089,500	206,000	2,752,200	4,156,100
Economic Development	291,400		299,200	
City Manager				
General Operations				299,200
Contingency	293,100	(220,000)		
Vehicle Replacement Fund				
General Operations	4,512,200	1,067,000	3,207,800	477,300
Contingency				103,900
Roads of Regional Significance SPA 2, 4, 6				
Contingency	2,450,500			2,464,800
Roads of Regional Significance SPA 3, 5				
Finance	12,500			12,500
Contingency	10,800			11,000
General Government Development Fee Grandfathered				
Finance	25,000			25,000
Contingency	748,300			1,265,500
Police Development Fee				
Contingency				27,000
Police Development Fee 2012				
Finance	25,000			
Contingency	725,200			807,900
Police Development Fee Grandfathered				
Contingency	689,700			850,700
Parks and Recreation Development Fee				
Community and Rec Services	2,135,100	(94,700)	1,939,900	
Contingency				
Parks and Recreation Development Fee 2012				
Finance	25,000			25,000
Contingency				14,100
Parks and Recreation Development Fee Grandfathered				
Contingency	1,153,000			1,010,100
Public Works Development Fee				
Public Works	4,777,000	(43,700)	810,400	577,500
Contingency	4,427,800			7,731,800
Public Works Development Fee 2012				
Finance	25,000			25,000
Contingency	370,000			372,600
Fire & EMS Development Fee 2014				
Finance	12,500			25,000
Contingency	1,137,000			1,506,400
Fire & EMS Development Fee Grandfathered				
Finance	12,500			
Contingency	1,159,700			1,410,300
Library Development Fee				
Contingency	4,358,700			4,359,300
Library Development Fee 2012				
Community and Rec Services				
Finance	25,000			
Contingency	161,700			187,700
163rd Ave Roadway Dev Fee 2014				
Finance	12,500			12,500
Contingency	1,400			57,300
2014 Government Construction Fund				
Community and Rec Services	18,900,000	(812,000)	14,772,700	3,315,400
Contingency	4,800			
Total Capital Projects Funds	$ 65,917,600	$ 2,335,100	$ 30,890,300	$ 51,406,700

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CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
ENTERPRISE FUNDS				
Water Fund				
Community Development	$	$	$	$
City Manager	$ 4,000	$	$ 4,000	$ 4,000
Finance			19,200	403,800
Economic Development	480,700		480,700	
Public Works	11,626,000	(39,900)	10,079,900	12,338,400
General Operations				30,700
Contingency	2,513,500			367,400
Water Development Fee				
Community Development				
City Manager				
Finance	8,400			8,400
Economic Development				
Public Works	607,300		307,300	481,800
Contingency	392,400			254,200
Water Development Fee SPA2				
Community Development				
Finance	8,300			8,300
Public Works	150,000			150,000
Contingency	39,200			38,300
Water Development Fee SPA1 2014 Law				
Community Development				
Finance	4,200			4,200
Public Works				
Contingency	284,000			396,000
Water Development Fee SPA2 2014 Law				
Community Development				
Finance	4,100			4,100
Public Works				100,000
Contingency	162,900			146,200
Water Replenishment Development Fee SPA 1				
Finance	8,400			8,400
Public Works	2,493,500	688,700	1,648,900	1,533,300
Contingency	1,293,000	(700,000)		607,300
Water Replenishment Development Fee SPA 2				
Finance	8,300			8,300
Public Works				
Contingency	395,400			395,200

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CITY OF SURPRISE
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Water Replenishment Development Fee SPA1 2014 Law				
Finance	4,200			4,200
Public Works				
Contingency	147,800			193,700
Water Replenishment Development Fee SPA2 2014 Law				
Finance	4,100			4,100
Public Works				
Contingency	105,700			236,100
Wastewater Fund				
Community Development				
City Manager				
Finance			29,100	1,861,400
Economic Development	481,900		481,900	
Public Works	19,165,100	900,300	10,843,700	21,030,100
General Operations				407,800
Contingency	3,239,100	(1,100,000)		1,929,000
Sewer Development Fee SPA2				
Community Development				
Finance	8,300			8,300
Public Works				
Contingency	311,500			313,400
Sewer Development Fee SPA3				
Community Development				
Finance	8,300			8,300
Public Works				
Contingency	41,100			41,500
Sewer Development Fee SPA4				
Community Development				
Finance				
Public Works				
Contingency	1,000			1,000
Sewer Development Fee SPA1 2014 Law				
Community Development				
Economic Development	25,000			
Finance	8,400			8,400
Public Works	1,500,000		61,000	1,439,000
General Operations				50,000
Contingency	300,000			
Sewer Development Fee SPA2 2014 Law				
Community Development				
Finance				
Public Works				
Contingency	45,900			193,600
Sanitation				
Finance				
City Manager	400		400	400
Public Works	10,844,700	989,700	6,365,400	9,331,900
Contingency	2,320,800	(131,400)		2,750,900
Total Enterprise Funds	$ 59,046,900	$ 607,400	$ 30,321,500	$ 57,101,400
INTERNAL SERVICE FUNDS				
Risk Management Fund				
Human Resources	$ 1,616,600	$	$ 1,883,300	$ 1,889,200
Contingency	2,142,800			1,643,800
Employee Healthcare Fund				
Human Resources	9,697,600		9,695,300	11,014,100
Contingency	1,495,200			1,811,800
Total Internal Service Funds	$ 14,952,200	$	$ 11,578,600	$ 16,358,900
TOTAL ALL FUNDS	$ 281,421,400	$	$ 189,563,900	$ 268,257,300

* 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.

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CITY OF SURPRISE
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
City Clerk				
General Fund	$ 459,500	$	$ 451,700	$ 848,500
Department Total	$ 459,500	$	$ 451,700	$ 848,500
Mayor & Council				
General Fund	$ 378,400	$	$ 380,800	$ 384,100
Department Total	$ 378,400	$	$ 380,800	$ 384,100
City Court				
General Fund	$ 1,983,400	$	$ 1,926,200	$ 2,228,800
Municipal Court Enhancement	247,600	29,700	85,000	242,200
Municipal Court FARE	23,300			25,900
Municipal Court JCEF	83,700		61,400	37,200
Municipal Court MFTG	37,100			44,700
General Capital Fund				182,000
Department Total	$ 2,375,100	$ 29,700	$ 2,072,600	$ 2,760,800
City Manager				
General Fund	$ 5,903,300	$ (2,735,100)	$ 3,262,400	$ 3,353,200
General Capital Fund	220,000		220,000	260,000
Water Operations fund	4,000		4,000	4,000
Sanitation Operations	400		400	400
Department Total	$ 6,127,700	$ (2,735,100)	$ 3,486,800	$ 3,617,600
Community Development				
General Fund	$ 4,149,700	$ 42,200	$ 4,081,000	$ 4,520,500
Grants				202,800
Department Total	$ 4,149,700	$ 42,200	$ 4,081,000	$ 4,723,300
Economic Development				
General Fund	$ 7,330,400	$ (42,000)	$ 6,363,500	$ 2,319,700
General Capital Fund				
Donations		12,500	12,500	
Neighborhood Revitalization				
Transportation Improvement	291,400		299,200	
Water Operations fund	480,700		480,700	
Water System Dev Fee Fund				
Sewer Operations	481,900		481,900	
Sewer System Dev Fee SPA1 2014 Law	25,000			
Department Total	$ 8,609,400	$ (29,500)	$ 7,637,800	$ 2,319,700
Finance				
General Fund	$ 3,888,100	$	$ 3,674,300	$ 4,082,900
RDS Regional sig. SPA 3 & 5	12,500			12,500
General Govt Dev Fee Grandfathered	25,000			25,000
Police Dev Fee 2012	25,000			
Parks & Recreation Dev Fee 2012	25,000			25,000
Public Works Dev Fee 2012	25,000			25,000
Library Dev Fee 2012	25,000			
163rd Ave Roadway Dev Fee 2014	12,500			12,500
Fire & EMS Dev Fee 2014	12,500			25,000
Fire & EMS Dev Fee Grandfathered	12,500			
Water System Dev Fee Fund	8,400			8,400
Water Sys Dev Fee Fund SPA 2	8,300			8,300
Water Sys Dev Fee Fund SPA1 2014 Law	4,200			4,200
Water Sys Dev Fee Fund SPA2 2014 Law	4,100			4,100
WTR Resources Sys Dev Fee SPA1	8,400			8,400
WTR Resources Sys Dev Fee SPA2	8,300			8,300
WTR Resources Sys Dev Fee SPA1 2014 Law	4,200			4,200
WTR Resources Sys Dev Fee SPA2 2014 Law	4,100			4,100
Sewer System Dev Fee SPA 2	8,300			8,300
Sewer System Dev Fee SPA 3	8,300			8,300
Sewer System Dev Fee SPA1 2014 Law	8,400			8,400
Water Operations fund			19,200	403,800
Sewer Operations			29,100	1,861,400
Police Development Fee				25,000
Library Dev Fee				25,000
Department Total	$ 4,138,100	$	$ 3,722,600	$ 6,598,100

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CITY OF SURPRISE
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Fire				
General Fund	$ 17,664,400	$	$ 17,472,100	$ 19,067,500
General Capital Fund	188,000		150,000	105,000
Donations	4,200		4,200	400
Grants	151,300		74,800	67,500
Wildland Fire	143,700		126,100	264,200
HALO	168,900		149,100	146,300
Ambulance Contract	295,700		66,000	
Fire & EMS Dev Fee 2014	1,137,000			1,506,400
Ground Ambulance		506,900	466,300	1,351,900
Department Total	$ 19,753,200	$ 506,900	$ 18,508,600	$ 22,509,200
General Operations				
General Fund	$ 2,080,800	$ 4,586,400	$ 255,300	$ 5,920,000
General Capital Fund		(4,401,600)		
Vehicle Replacement Fund	4,512,200	29,400	3,207,800	477,300
Donations	282,200	(12,500)		362,000
Tourism				
Grants	8,279,900	(36,800)		5,000,000
RDS Regional sig. SPA 2,4 & 6	2,450,500			2,464,800
Transportation Improvement				299,200
RDS Regional sig. SPA 3 & 5	10,800			11,000
General Govt Dev Fee Grandfathered	748,300			1,265,500
P&R Dev Fee Grandfathered	1,153,000			1,010,100
Fire-Medical Dev Fee Grandfathered	1,159,700			1,410,300
Police Dev Fee Grandfathered	689,700			850,700
163rd Ave Roadway Dev Fee 2014	1,400			57,300
Employee Healthcare				
Employee Dep Scholarship FD	3,600		3,000	200
Prop Debt Service 2007	4,167,500		3,643,400	3,642,700
Prop Reserve Fund 2007	4,921,400			5,068,700
Gov Debt Service 2014	3,193,700		1,586,900	1,585,500
Gov Construction 2014	4,800			
Prop Debt Service 2014	809,100		803,600	804,300
Water Operations fund				30,700
Sewer Operations				407,800
SW Gas Capital Expenditures				111,900
Sewer Development Fee SPA1 2014 Law				50,000
Refunded Gov Debt Service 2015			1,867,500	1,854,700
Department Total	$ 34,468,600	$ 164,900	$ 11,367,500	$ 32,684,700
Human Resources				
General Fund	$ 2,158,000	$	$ 2,130,800	$ 2,231,600
Employee Healthcare Fund	11,192,800		9,695,300	12,825,900
Risk Management Fund	3,759,400		1,883,300	3,533,000
General Capital Fund				65,000
Department Total	$ 17,110,200	$	$ 13,709,400	$ 18,655,500
Information Services				
General Fund	$ 4,225,200	$	$ 4,119,500	$ 4,707,500
General Capital Fund	2,500,000	181,400	1,802,400	2,359,600
Department Total	$ 6,725,200	$ 181,400	$ 5,921,900	$ 7,067,100
Legal				
General Fund	$ 2,034,600	$ 147,600	$ 2,139,700	$ 1,981,600
General Capital Fund	385,000	400,000	452,600	457,400
Grants	78,000		95,300	133,300
Department Total	$ 2,497,600	$ 547,600	$ 2,687,600	$ 2,572,300

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CITY OF SURPRISE
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Human Service and Community Vitality				
General Fund	$ 1,274,200	$ (21,500)	$ 1,029,500	$ 1,342,500
General Capital Fund				
Donations	18,200	(12,000)	13,600	18,200
Tourism				
Grants	11,700	38,300	127,500	50,000
Neighborhood Revitalization	2,220,900		1,083,400	3,248,500
Spring Training Ticket Surcharge				
Parks & Recreation Dev Fee				
Library Dev Fee				
Parks & Recreation Dev Fee 2012				
Library Dev Fee 2012				
Stadium Improvement Fund				
Department Total	$ 3,525,000	$ 4,800	$ 2,254,000	$ 4,659,200
Community and Recreation Services				
General Fund	$ 16,295,200	$ 18,300	$ 16,156,600	$ 16,396,500
General Capital Fund	2,960,000	(786,200)	1,886,800	833,200
Donations	428,800	12,000	555,100	466,500
Tourism	814,700	(55,800)	268,700	467,200
Grants	38,300	(38,300)	10,000	
Net Premium Seating	50,000		50,000	185,100
Spring Training Ticket Surcharge				
Parks & Recreation Dev Fee	2,135,100	(94,700)	1,939,900	
Library Dev Fee	4,358,700			4,359,300
Parks & Recreation Dev Fee 2012			96,300	18,300
Library Dev Fee 2012	161,700			187,700
Stadium Improvement Fund		400	400	
2014 Government Constr	18,900,000	(812,000)	14,772,700	3,315,400
SW Gas Capital Expenditures		30,000	17,000	13,000
Department Total	$ 46,142,500	$ (1,726,300)	$ 35,753,500	$ 26,242,200
Police				
General Fund	$ 24,469,400	$	$ 23,573,000	$ 26,466,400
General Capital Fund	375,000		45,000	860,000
Donations	12,400		12,400	12,400
Grants	218,200		160,500	270,000
SPD RICO Funds	830,300		124,600	1,356,600
SPD DEA Funds	16,500			16,500
SPD Towing Funds	202,300		83,800	354,000
SB1398 Fines	59,800		54,900	43,000
Animal Seizure Bond Forfeiture	1,000		1,000	1,000
Unclaimed Property Disposal	2,000		1,000	1,000
Program 1033 Auction Proceeds	2,700		1,000	6,100
Police Development Fee				27,000
Police Dev Fee 2012	725,200			807,900
Department Total	$ 26,914,800	$	$ 24,057,200	$ 30,221,900

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CITY OF SURPRISE
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Public Works				
General Fund	$ 7,055,800	$ 46,500	$ 7,120,700	$ 7,525,700
General Capital Fund	6,717,700	2,437,300	2,455,000	9,712,400
Vehicle Replacement Fund				5,490,900
Highway User Revenue Fund	8,926,400	(59,000)	7,824,200	9,510,000
Grants	371,500	38,900	302,800	67,100
LTAF II	350,000		344,800	350,000
Proposition 400	167,300		82,800	85,300
RDS Regional sig. SPA 2,4 & 6				
General Govt Dev Fee				
Public Works Dev Fee	9,204,800	(43,700)	810,400	8,309,300
Transportation Improvement	4,382,600	(14,000)	2,752,200	4,156,100
General Govt Dev Fee 2012				
Public Works Dev Fee 2012	370,000			372,600
Water Operations fund	14,139,500	(39,900)	10,079,900	12,705,800
Water System Dev Fee Fund	999,700		307,300	736,000
Water Sys Dev Fee Fund SPA 2	189,200			188,300
Water Sys Dev Fee Fund SPA1 2014 Law	284,000			396,000
Water Sys Dev Fee Fund SPA2 2014 Law	162,900			246,200
WTR Resources Sys Dev Fee SPA1	3,786,500	(11,300)	1,648,900	2,140,600
WTR Resources Sys Dev Fee SPA2	395,400			395,200
WTR Resources Sys Dev Fee SPA1 2014 Law	147,800			193,700
WTR Resources Sys Dev Fee SPA2 2014 Law	105,700			236,100
Sewer Operations	22,404,200	(199,700)	10,843,700	22,959,100
Sewer System Dev Fee SPA 2	311,500			313,400
Sewer System Dev Fee SPA 3	41,100			41,500
Sewer System Dev Fee SPA 4	1,000			1,000
Sewer System Dev Fee SPA 5				
Sewer System Dev Fee SPA1 2014 Law	1,800,000		61,000	1,439,000
Sewer System Dev Fee SPA2 2014 Law	45,900			193,600
Sanitation Operations Fund	13,165,500	858,300	6,365,400	12,082,800
Gov Reserve Fund 2000-2003				
Streetlight Improvement District	2,520,400		2,471,800	2,545,400
Department Total	$ 98,046,400	$ 3,013,400	$ 53,470,900	$ 102,393,100
Total All Departments	$ 281,421,400	$	$ 189,563,900	$ 268,257,300

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.

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CITY OF SURPRISE
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
GENERAL FUND	689.9	$ 51,133,800	$ 8,520,700	$ 7,626,100	$ 4,688,300	= $ 71,968,900
SPECIAL REVENUE FUNDS						
Neighborhood Revitalization		$ 186,800	$ 11,000	$ 27,200	$ 11,000	= $ 236,000
SPD Towing Fund	0.5	32,500				32,500
Highway User Revenue Fund	39.0	2,282,100	284,400	493,900	324,100	3,384,500
Grants	1.3	444,700	(3,700)		(1,400)	439,600
HALO		113,800	20,200		12,300	146,300
Wildland Fire		103,300	18,400		11,200	132,900
Ground Ambulance Service	7.0	276,200	36,500	58,600	29,200	400,500
Municipal Court JCEF	0.5	33,200				33,200
Total Special Revenue Funds	48.3	$ 3,439,400	$ 366,800	$ 579,700	$ 386,400	= $ 4,805,500
CAPITAL PROJECTS FUNDS						
Transportation Improvement	1.0	$ 101,300	$ 12,600	$ 16,900	$ 9,900	= $ 140,700
General Capital	1.0	40,200	5,000	16,400	3,400	65,000
Total Capital Projects Funds	2.0	$ 141,500	$ 17,600	$ 33,300	$ 13,300	= $ 205,700
INTERNAL SERVICE FUNDS						
Employee Healthcare Fund	1.0	$ 76,200	$ 9,400	$ 16,900	$ 6,300	= $ 108,800
Risk Management Fund	2.0	172,600	21,500	32,700	14,400	241,200
Total Permanent Funds	3.0	$ 248,800	$ 30,900	$ 49,600	$ 20,700	= $ 350,000
ENTERPRISE FUNDS						
Water Fund	33.0	$ 2,162,600	$ 269,400	$ 394,500	$ 225,900	= $ 3,052,400
Wastewater Fund	50.3	3,177,600	396,000	572,700	324,500	4,470,800
Sanitation Fund	35.0	1,930,000	240,300	399,600	261,700	2,831,600
Total Enterprise Funds	118.3	$ 7,270,200	$ 905,700	$ 1,366,800	$ 812,100	= $ 10,354,800
TOTAL ALL FUNDS	861.5	$ 62,233,700	$ 9,841,700	$ 9,655,500	$ 5,920,800	= $ 87,684,900

CITY OF SURPRISE, ARIZONA
COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES
EFFECTIVE JULY 1, 2015

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.

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 75% is spent for sports tourism facility development and improvement and 25% on marketing, studies, and special events.

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 measurable steps taken in striving towards achieving and maintaining the highest possible bond ratings. This will minimize borrowing costs, optimize access to credit, and demonstrate excellent financial stewardship on behalf of our 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.

39. 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 general obligation bonded indebtedness for all other purposes may not exceed six percent of the City's net secondary assessed valuation

40. The City will follow appropriate procedures with regard to obligations under continuing disclosure undertakings as identified by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

41. The City will follow appropriate procedures with regard to tax exempt obligations as identified by the Internal Revenue Code of 1986.

Minimum Fund Balance Policies

42. 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.

43. Minimum fund balance requirements will be evaluated annually for long-term adequacy and use requirements.

44. There is no effect 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.

45. 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 for the General Fund and the Highway User's Revenue Fund.

    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.

f. The Spring Training Ticket Surcharge Fund will have a minimum fund balance of $600,000. Any excess fund balance remaining as of June 30 shall be used for debt service in lieu of the General Fund contribution.

46. 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

47. 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).

48. 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).

49. The City's CAFR will be submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.

50. The City's Budget will be submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

51. 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.

Return to TOC

APPENDIX
Personnel Schedule

Department/Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Budget	Change from FY2016
Mayor & Council					
Mayor And Council Office	7.0	7.0	7.0	7.0	0.0
Total	7.0	7.0	7.0	7.0	0.0
City Manager					
City Manager's Office	7.2	9.1	8.0	9.7	1.7
Intergovernmental Relations	2.0	2.0	1.0	2.0	1.0
Marketing And Communications	6.0	6.0	9.2	8.5	(0.7)
Economic Development	0.0	4.0	0.0	0.0	0.0
Total	15.2	21.1	18.2	20.2	2.0
Legal					
Civil	7.0	7.0	8.0	8.0	0.0
Criminal	7.0	8.0	8.0	9.0	1.0
Total	14.0	15.0	16.0	17.0	1.0
City Clerk					
City Clerk Office	4.0	4.0	4.0	5.0	1.0
Total	4.0	4.0	4.0	5.0	1.0
Finance					
Finance Admin	2.5	3.2	3.3	5.0	1.7
Accounting	0.0	0.0	9.0	9.0	0.0
Budget	0.0	0.0	5.0	5.0	0.0
Budget & Accounting	11.0	11.0	0.0	0.0	0.0
Revenue	4.0	6.0	6.0	5.0	(1.0)
Procurement	0.0	0.0	4.0	4.8	0.8
Procurment & Payroll	9.0	10.0	0.0	0.0	0.0
Customer Svcs And Util Support	0.0	0.0	0.0	15.0	15.0
Total	26.5	30.2	27.3	43.8	16.5
Human Resources					
Human Resources Admin	10.0	11.0	12.0	17.0	5.0
Payroll	0.0	0.0	3.0	0.0	(3.0)
Benefits	1.0	1.0	1.0	0.0	(1.0)
Risk Management	2.0	2.0	2.0	2.0	0.0
Total	13.0	14.0	18.0	19.0	1.0
Information Services					
Information Technology	16.0	16.0	18.0	0.0	(18.0)
It Admin	0.0	0.0	0.0	2.0	2.0
Technical Services	0.0	0.0	0.0	9.0	9.0
Security Services	0.0	0.0	0.0	2.0	2.0
Application Services	0.0	0.0	0.0	5.0	5.0

SURPRISE ARIZONA

APPENDIX
Personnel Schedule

Department/Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Budget	Change from FY2016
Information Services					
Geographcial Info Systems	8.0	9.0	5.0	5.0	0.0
Total	24.0	25.0	23.0	23.0	0.0
Economic Development					
Economic Development	0.0	0.0	8.3	7.5	(0.8)
Az Techcelerator	0.0	0.0	0.0	0.6	0.6
Total	0.0	0.0	8.3	8.1	(0.2)
Community Development					
Economic Development	3.0	0.0	0.0	0.0	0.0
Community Development	3.0	3.3	2.0	2.3	0.3
Planning	6.0	8.0	11.0	9.0	(2.0)
Building Safety	12.0	12.0	12.0	13.0	1.0
Devlopment Services	7.0	10.0	10.0	8.0	(2.0)
Real Property	0.0	0.0	0.0	2.0	2.0
Code Enforcement	5.0	6.0	5.0	5.0	0.0
Transportation Planning	0.0	0.0	0.0	2.0	2.0
Neighborhood Services	4.0	4.0	0.0	0.0	0.0
Total	40.0	43.3	40.0	41.3	1.3
City Court					
Court Administration	19.1	20.1	20.3	21.1	0.8
Total	19.1	20.1	20.3	21.1	0.8
Police					
Pd Administrative Services	46.0	48.0	49.0	43.0	(6.0)
Professional Development	0.0	0.0	0.0	11.0	11.0
Police Field Operations	111.0	112.0	106.0	112.0	6.0
Criminal Investigations	25.0	24.0	33.0	35.0	2.0
Total	182.0	184.0	188.0	201.0	13.0
Fire-Emergency Services					
Fd Administration And Finance	7.0	7.0	8.0	8.0	0.0
Fire Operations	106.0	108.0	108.0	120.0	12.0
Planning And Logistics	4.0	5.0	5.0	7.8	2.8
Community Services	1.0	0.0	0.0	0.0	0.0
Total	118.0	120.0	121.0	135.8	14.8
Human Service and Community Vitality					
Hscv Administration	0.0	0.0	2.0	3.0	1.0
Senior Services	0.0	0.0	1.5	6.5	5.0
Neighborhood Services	0.0	0.0	5.8	5.7	(0.1)
Total	0.0	0.0	9.3	15.2	5.9

Return to TOC

APPENDIX
Personnel Schedule

Department/Division	FY2014 Adopted	FY2015 Adopted	FY2016 Adopted	FY2017 Budget	Change from FY2016
Community and Recreation Services					
Crs Admin And Support	49.0	57.1	53.9	2.0	(51.9)
Aquatics	1.0	2.0	2.0	14.9	12.9
Campus	21.0	20.0	20.0	30.0	10.0
Recreation Programs	19.0	21.0	20.0	32.1	12.1
Special Events	2.0	2.0	2.0	2.4	0.4
Recreations Centers	0.0	0.0	0.0	10.9	10.9
Tennis	2.0	2.0	2.0	6.0	4.0
Promotions	1.0	1.0	1.0	1.0	0.0
Park Maintenance	15.0	17.0	17.0	17.4	0.4
Total	110.0	122.1	117.9	116.7	(1.2)
Public Works					
Public Works Operations	100.0	102.0	105.0	96.0	(9.0)
Engineering	14.0	13.0	12.0	29.0	17.0
Total	114.0	115.0	117.0	125.0	8.0
Water Services					
Water Resource Operations	44.2	44.2	51.3	52.3	1.0
Environmental	4.0	4.0	4.0	4.0	0.0
Customer Service	4.0	3.0	4.0	6.0	2.0
Engineering	7.0	10.0	9.0	0.0	(9.0)
Sustainability	2.0	0.0	0.0	0.0	0.0
Total	61.2	61.2	68.3	62.3	(6.0)
Citywide Total	748.0	782.0	803.6	861.5	57.9

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 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.

Return to TOC

SURPRISE
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