

RESOLUTION NO: 3396

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, SETTING FORTH THE TENTATIVE BUDGET AND ESTABLISHING THE EXPENDITURE LIMITATION FOR THE TOWN OF PAYSON FOR FISCAL YEAR 2024-2025.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Council of the Town of Payson (the "Town Council") is required to adopt a budget; and

WHEREAS, in accordance with Arizona Revised Statute § 42-17102, the Town Manager has prepared and filed with the Town Council the Town Manager's recommended budget estimates for the fiscal year beginning July 1, 2024, and ending June 30, 2025; and

WHEREAS, the qualified electors of the Town of Payson (the "Town") did, on August 28 2018, approve the Home Rule Option for expenditure limitations pursuant to the Arizona Constitution Article IX, Section 20; and

WHEREAS, the Home Rule Option requires that an expenditure limitation must be established each year as part of the annual budget; and

NOW, THEREFORE, THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO RESOLVE AS FOLLOWS:

Section 1: The recitals above are hereby incorporated as if fully set forth herein.

Section 2: The statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the Town's official tentative budget for the fiscal year beginning July 1, 2024 and ending June 30, 2025, including the establishment of the expenditure limitation for such fiscal year, in the amount of \$106,058,016.

Section 3: Upon approval of the Town Council, the Town Manager or designee shall publish in the official newspaper once per week for two consecutive weeks (i) the official tentative budget and (ii) a notice of the public hearing of the Town Council to hear taxpayers and make levies at designated times and places. The notice shall include the physical address of Town Hall and the website where the tentative budget may be found.


Section 4: The Town Manager or designee shall, not later than seven business days following consideration of this Resolution by the Town Council, make available at the Town Hall a complete copy of the tentative budget and shall post the tentative budget on the Town's website.

Section 5: The Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

JUN 12 2024 SPA. 1

**PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF
PAYSON, ARIZONA**, this 12th day of June, 2024, by the following vote:

AYES 6 NOES 1 ABSTENTIONS 0 ABSENT 0




Chris Higgins, Mayor

ATTEST:



Tracie Bailey, Town Clerk

APPROVED AS TO FORM:



Jon Paladini, Town Attorney

EXHIBIT "A"

To Resolution No. 3396

Arizona Auditor General's Office
Official Towns/Cities Budget Documents
(Schedules A through G)

Town of Payson
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2025

Fiscal year	S c h	Funds								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds	
2024	Adopted/adjusted budgeted expenditures/expenses*	E 1	30,233,709	22,687,624	0	6,471,240	0	17,876,428	0	77,269,001
2024	Actual expenditures/expenses**	E 2	24,440,120	9,042,898	0	2,316,871	0	11,648,317	0	47,448,206
2025	Beginning fund balance/(deficit) or net position/(deficit) at July 1***	3	20,606,868	13,715,676	0	1,710,000	0	20,370,147	0	56,402,691
2025	Primary property tax levy	B 4	717,831							717,831
2025	Secondary property tax levy	B 5								0
2025	Estimated revenues other than property taxes	C 6	38,793,580	12,503,597	0	6,600,000	0	10,196,479	0	68,093,656
2025	Other financing sources	D 7	0	0	0	0	0	0	0	0
2025	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2025	Interfund transfers in	D 9	508,000	7,119,728	0	4,458,467	0	0	0	12,086,195
2025	Interfund Transfers (out)	D 10	10,666,236	911,959	0	0	0	508,000	0	12,086,195
2025	Line 11: Reduction for fund balance reserved for future budget year expenditures									0
	Maintained for future debt retirement									0
	Maintained for future capital projects	11		5,181,448		630,000		1,637,913		7,449,361
	Maintained for future financial stability		11,706,801							11,706,801
	Maintained for future retirement contributions									0
										0
2025	Total financial resources available	12	38,253,242	27,245,594	0	12,138,467	0	28,420,713	0	106,058,016
2025	Budgeted expenditures/expenses	E 13	38,253,242	27,245,594	0	12,138,467	0	28,420,713	0	106,058,016

Expenditure limitation comparison

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation or voter-approved alternative expenditure limitation

	2024	2025
1	\$ 77,269,001	\$ 106,058,016
2		
3	77,269,001	106,058,016
4		
5	\$ 77,269,001	\$ 106,058,016
6	\$	\$

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 beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the Instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

Town of Payson
Tax levy and tax rate information
Fiscal year 2025

	2024	2025
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>905,444</u>	\$ <u>941,434</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	\$ _____
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>702,804</u>	\$ <u>717,831</u>
Property tax judgment _____	<u>5,087</u>	_____
B. Secondary property taxes	_____	_____
Property tax judgment _____	_____	_____
C. Total property tax levy amounts	\$ <u>707,891</u>	\$ <u>717,831</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>0</u>	_____
(2) Prior years' levies	_____	_____
(3) Total primary property taxes	\$ <u>0</u>	_____
B. Secondary property taxes		
(1) Current year's levy	\$ _____	_____
(2) Prior years' levies	_____	_____
(3) Total secondary property taxes	\$ _____	_____
C. Total property taxes collected	\$ <u>0</u>	_____
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.3094</u>	<u>0.2992</u>
Property tax judgment _____	_____	_____
(2) Secondary property tax rate	_____	_____
Property tax judgment _____	_____	_____
(3) Total city/town tax rate	<u>0.3094</u>	<u>0.2992</u>
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating _____ 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.

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
General Fund			
Local taxes			
Sales Tax - Town	\$ 16,000,000	\$ 17,831,740	\$ 25,224,483
Property Tax - Prior Year	5,000	3,982	4,141
Licenses and permits			
Franchise Fees	416,000	325,054	785,743
Business Licenses	75,000	67,034	80,441
Short-Term Rental Licenses	45,000	20,680	21,508
Liquor Licenses	1,500	604	1,339
Building/ROW Permits	400,000	464,681	468,710
Intergovernmental			
State Shared Revenue - Urban Revenue	4,429,031	4,738,339	3,576,415
State Shared Revenue - Sales Tax	2,486,303	2,363,697	2,540,833
Property Tax - Prior Year			
Vehicle License Tax - Auto Lieu	1,425,140	1,121,614	1,393,722
Tonto Apache Tribe			
Police Services IGA	412,000	442,383	432,596
Gila County	15,000	7,123	7,407
Fire Services IGA	520,000	336,558	540,000
School District IGA (SRO)	198,700	160,003	198,685
Fire - SAFER Grant	200,076		384,000
Gov Office of Highway Safety	125,000	90,786	55,000
Grants - Not Otherwise Classified	164,819	15,075	16,500
Misc Intergovernmental Revenue		98,382	66,082
Charges for services			
Prosecution Fees	22,000	22,367	26,113
Law Enforcement Charges	5,400	14,086	14,983
Fire Service Charges	25,000	25,670	28,238
Recreation Fees	116,600	104,529	116,926
Zoning & Subdivision Charges	75,000	52,498	57,748
Building Inspections	13,000	18,659	20,525
Engineering/Plan Review Fees	628,000	422,067	464,274
Fines and forfeits			
Court Fines & Fees	175,000	142,117	185,000
Interest on investments			
Interest	840,000	1,420,024	1,450,000
In-lieu property taxes			
Contributions			
Voluntary contributions	4,500	2,899	1,100
Miscellaneous			
Other Revenue	7,900	4,310	254,784

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Insurance Dividends	139,966	225,431	292,684
Insurance Recoveries	10,000		
Surplus Sales	12,000	68,000	70,000
Facilities Lease Fees	13,500	12,755	13,600
Total General Fund	\$ 29,006,435	\$ 30,623,147	\$ 38,793,580

* 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.

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Special revenue funds			
Highway User Revenue Fund (HURF)			
Highway Users Gas Tax	\$ 2,297,061	\$ 2,243,343	\$ 2,302,775
Gila County Transportation Tax	1,250,000	1,395,755	1,282,500
Fees	138,200	8,096	9,000
Grants	4,148,644	1,772,955	6,345,168
Other Revenue	72,000	780,000	648,640
	\$ 7,905,905	\$ 6,200,149	\$ 10,588,083
Recreation Facility Improvement Fund			
Facility Fees	\$ 6,000	\$ 4,946	\$ 5,000
Donations		6,660	5,000
	\$ 6,000	\$ 11,606	\$ 10,000
Gifts & Grants Fund			
Grants - Public Safety Fire - Hazardous Fuels	300,000	93,826	300,000
Grants - Public Safety Fire - ICS Software	450,000		450,000
Grants - Other	276,294		255,000
Donations - Public Safety Police	1,200		2,500
Donations - Culture and Recreation	3,000	3,074	
Prop 207	154,000	89,965	85,000
Charges for Services	8,000		8,000
Opioid Settlement	37,000	10,848	90,000
	\$ 1,229,494	\$ 197,713	\$ 1,190,500
Wildland Fire Program Fund			
Wildland Fire Revenue	\$ 200,000	\$ 110,848	\$ 150,000
	\$ 200,000	\$ 110,848	\$ 150,000
Bed Tax Fund			
Bed Tax Revenue	\$ 439,500	\$ 593,967	\$ 640,000
Miscellaneous	25,100		17,100
	\$ 464,600	\$ 593,967	\$ 657,100
Police Dept of Justice/Impound Fund			
Public Surplus Sales	\$ 5,000	\$ 10,414	\$ 151,000
Impound Fees	15,000		30,618
	\$ 20,000	\$ 10,414	\$ 181,618
Library Fund			
Gila County Library District	\$ 263,400	\$ 151,252	\$ 275,300
Fines	7,200		7,696
Other Revenue			95,000
	\$ 270,600	\$ 151,252	\$ 377,996
Magistrate Court Funds			
JCEF	\$ 3,800	\$ 3,053	\$ 3,800
Fill the GAP	1,600	564	1,600
	\$ 5,400	\$ 3,617	\$ 5,400
Airport Fund			
Airport Grants	\$ 676,490	\$ 181,889	\$ 333,307
Charges for Services/Miscellaneous	109,800	120,993	129,240
	\$ 786,290	\$ 302,882	\$ 462,547
Event Center Fund			
Event Center Grants	\$ 5,000	\$ 17,500	\$
Event Revenue	25,000		5,000
	\$ 30,000	\$ 17,500	\$ 5,000
Health Insurance Fund			
Employee Contributions	\$ 484,114	\$ 260,364	\$
Employer Contributions	1,309,518	666,025	\$
Retiree Contributions	181,495	147,491	\$
Employer Retiree Contributions	764,735	63,050	\$
	\$ 2,739,862	\$ 1,136,930	\$

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Total special revenue funds	\$ 13,658,151	\$ 7,822,529	\$ 12,503,597

* 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.

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Debt service funds			
N/A	\$	\$	\$
Total debt service funds	\$	\$	\$
Capital projects funds			
Grants & Capital Project Fund	\$ 1,929,200	\$ 119,961	\$ 100,000
Capital Projects Fund			6,500,000
	\$ 1,929,200	\$ 119,961	\$ 6,600,000
Total capital projects funds	\$ 1,929,200	\$ 119,961	\$ 6,600,000

* 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.

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Permanent funds			
N/A	\$	\$	\$
	\$	\$	\$
Total permanent funds	\$	\$	\$
Enterprise funds			
Intergovernmental	\$ 51,000	\$ 40,397	\$ 20,000
Charges for Services	8,620,200	8,933,384	8,995,479
Facility Leases	80,000		86,000
Loan Repayment			
Other Revenue	114,000	155,287	78,000
Impact Fees	133,000		145,000
Interest Earnings	600,000	1,210,935	872,000
	\$ 9,598,200	\$ 10,340,003	\$ 10,196,479
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Total enterprise funds	\$ 9,598,200	\$ 10,340,003	\$ 10,196,479

* 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.

Town of Payson
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Internal service funds			
N/A	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	\$ _____	\$ _____	\$ _____
Total internal service funds	\$ _____	\$ _____	\$ _____
Total all funds	\$ <u>54,191,986</u>	\$ <u>48,905,640</u>	\$ <u>68,093,656</u>

* 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.

Town of Payson
Other financing sources/(uses) and interfund transfers
Fiscal year 2025

Fund	Other financing 2025		Interfund transfers 2025	
	Sources	(Uses)	In	(Out)
General Fund				
From : Enterprise Fund	\$	\$	\$ 508,000	\$
To: HURF				4,000,000
To: Library				355,748
To: Airport				302,021
To: Contingency				50,000
To: Capital Projects				3,898,467
To: Capital Replacement				460,000
To: Event Center				1,500,000
To: Grants & CIP				100,000
Total General Fund	\$	\$	\$ 508,000	\$ 10,666,236
Special revenue funds				
Highway User Revenue Fund	\$	\$	\$ 4,000,000	\$
Library			355,748	
Airport			302,021	
Council Contingency			50,000	
Bed Tax (to Event Center)				911,959
Event Center			2,411,959	
Total special revenue funds	\$	\$	\$ 7,119,728	\$ 911,959
Debt service funds				
	\$	\$	\$	\$
Total debt service funds	\$	\$	\$	\$
Capital projects funds				
Capital Projects funds	\$	\$	\$ 3,898,467	\$
Capital Replacement Fund			460,000	
Grants & Capital Projects Fund			100,000	
Total capital projects funds	\$	\$	\$ 4,458,467	\$
Permanent funds				
N/A	\$	\$	\$	\$
Total permanent funds	\$	\$	\$	\$
Enterprise funds				
Water Fund (to General)	\$	\$	\$	\$ 508,000
Water Fund (to Capital Projects)				

Town of Payson
Other financing sources/(uses) and interfund transfers
Fiscal year 2025

Fund	Other financing 2025		Interfund transfers 2025	
	Sources	(Uses)	In	(Out)
Total enterprise funds	\$ _____	\$ _____	\$ _____	\$ 508,000
Internal service funds				
N/A	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Internal Service Funds	\$ _____	\$ _____	\$ _____	\$ _____
Total all funds	\$ _____	\$ _____	\$ 12,086,195	\$ 12,086,195

**Town of Payson
Expenditures/expenses by fund
Fiscal year 2025**

Fund/Department	Adopted budgeted expenditures/ expenses 2024	Expenditure/ expense adjustments approved 2024	Actual expenditures/ expenses* 2024	Budgeted expenditures/ expenses 2025
General Fund				
Central Services	\$ 2,590,459	\$	\$ 1,026,140	\$ 7,443,892
Town Clerk/Elections	252,858		236,636	339,624
Town Manager	605,188		581,039	612,238
Human Resources	446,837		379,439	529,876
Finance	724,036		761,606	830,738
Information Technology	1,775,834		1,852,092	2,441,033
Tourism & Economic Vitality	82,765		79,961	60,774
Town Council	104,943		93,238	62,942
Town Attorney/Magistrate Court	741,650		747,533	802,838
Police	9,882,639		7,567,226	10,674,500
Fire	7,203,442		6,640,939	8,324,992
Parks & Recreation	2,755,051		2,413,359	2,938,409
Public Works	1,565,677		564,762	1,532,020
Community Development	1,502,330		1,496,150	1,659,366
Total General Fund	\$ 30,233,709	\$	\$ 24,440,120	\$ 38,253,242
Special revenue funds				
HURF	\$ 15,868,083	\$	\$ 4,833,251	\$ 21,793,758
Parks & Rec Facility Impr Fund				33,000
Gifts & Grants Fund	1,109,462		67,008	1,135,500
Fire Wildlands Fund	200,000		119,869	150,000
Magistrate Court FTG	1,600		200	1,600
Magistrate Court JCEF	3,800		4,765	3,800
Bed Tax Fund	218,476		163,712	1,621,544
Police Dept of Justice Fund	110,000		60,178	151,000
Police Impound Fund	42,000		6,028	30,618
Library Fund	594,788		584,522	743,247
Airport Fund	1,037,090		486,573	764,568
Event Center Fund	412,463		338,337	416,959
ARPA Fund				
Health Insurance Fund	2,739,862		2,377,644	
Council Contingency Fund	350,000		811	400,000
Total special revenue funds	\$ 22,687,624	\$	\$ 9,042,898	\$ 27,245,594
Debt service funds				
N/A	\$	\$	\$	\$
Total debt service funds	\$	\$	\$	\$
Capital projects funds				
Capital Projects Fund	\$ 3,982,693	\$	\$ 788,081	\$ 11,608,467
Capital Replacement Fund			128,280	300,000
Grant Capital Project Fund	2,393,000		1,359,594	200,000
Public Safety Bond Project	95,547		40,916	30,000
Total capital projects funds	\$ 6,471,240	\$	\$ 2,316,871	\$ 12,138,467
Permanent funds				
N/A	\$	\$	\$	\$
Total permanent funds	\$	\$	\$	\$
Enterprise funds				
Water Enterprise Fund	\$ 17,876,428	\$	\$ 11,648,317	\$ 28,420,713
Total enterprise funds	\$ 17,876,428	\$	\$ 11,648,317	\$ 28,420,713
Internal service funds				
N/A	\$	\$	\$	\$
Total internal service funds	\$	\$	\$	\$
Total all funds	\$ 77,269,001	\$	\$ 47,448,206	\$ 106,058,016

* 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.

Town of Payson
Full-time employees and personnel compensation
Fiscal year 2025

Fund	Full-time equivalent (FTE) 2025	Employee salaries and hourly costs 2025	Retirement costs 2025	Healthcare costs 2025	Other benefit costs 2025	Total estimated personnel compensation 2025
General Fund	153	\$ 15,025,797	\$ 5,461,816	\$ 2,228,801	\$ 1,475,147	\$ 24,191,561
Special revenue funds						
Highway User Revenue Fund	21	\$ 1,333,927	\$ 142,354	\$ 107,141	\$ 197,854	\$ 1,781,276
Bed Tax Fund	2	102,574	12,432	17,653	8,272	140,931
Airport Fund	2	204,705	24,912	13,109	18,215	260,941
Library Fund	7	459,003	44,861	35,644	36,880	576,388
Event Center Fund	3	139,422	15,691	23,000	16,247	194,360
Wildland Fire Fund		95,000	30,000		5,000	130,000
Total special revenue funds	34	\$ 2,334,631	\$ 270,250	\$ 196,547	\$ 282,468	\$ 3,083,896
Debt service funds						
N/A		\$	\$	\$	\$	\$
Total debt service funds		\$	\$	\$	\$	\$
Capital projects funds						
		\$	\$	\$	\$	\$
Total capital projects funds		\$	\$	\$	\$	\$
Permanent funds						
N/A		\$	\$	\$	\$	\$
Total permanent funds		\$	\$	\$	\$	\$
Enterprise funds						
Water Fund	23	\$ 2,085,612	\$ 249,836	\$ 244,753	\$ 223,701	\$ 2,803,902
Total enterprise funds	23	\$ 2,085,612	\$ 249,836	\$ 244,753	\$ 223,701	\$ 2,803,902
Internal service funds						
		\$	\$	\$	\$	\$

Town of Payson
Full-time employees and personnel compensation
Fiscal year 2025

Fund	Full-time equivalent (FTE) 2025	Employee salaries and hourly costs 2025	Retirement costs 2025	Healthcare costs 2025	Other benefit costs 2025	Total estimated personnel compensation 2025
Total internal service fund		\$	\$	\$	\$	\$
Total all funds	210	\$ 19,446,040	\$ 5,981,902	\$ 2,670,101	\$ 1,981,316	\$ 30,079,359