



## Town of Mammoth

### MINUTES OF A SPECIAL MEETING OF THE MAMMOTH TOWN COUNCIL

HELD ON JUNE 26, 2017

Minutes of a Special Meeting of the Mammoth Town Council held June 26, 2017 pursuant to the notice required by law.

**1. Call to Order**

- a. Mayor Dietz called this meeting to order at 1:07PM

**2. Pledge of Allegiance –**

**3. Roll Call**

**a. Council Members Present**

Mayor Joe Dietz  
Vice Mayor Al Anaya  
Councilman Bob Sloan  
Councilman Mike Martinez  
Councilwoman Rogina Medina

**Staff Members Present**

Sharon Christiansen, Librarian  
Chief T. Villar

**Council Members Absent**

Stephen Cooper, Attorney  
Councilman Ernest Bustamante  
Councilwoman Frances Amparano

**4. REGULAR SESSION**

- a. **Presentation by Pat Walker Consultation LLC concerning the Adoption of a Tentative Budget for fiscal year 2017-2018 in the amount of \$2,821,350**

- b. **Setting the date and time for the public hearing of the property tax levy and final budget.**

The presentation by Pat Walker consisted of information on the following:

- i. **Good News for 2016-17 the Town had a surplus in Revenue of \$82,882, the Bad News is that it is all going to the HURF to pay on the debt the town still has. Since 2012 we have been in the red finally showing some gains at the end of 2015-16 and finally getting out and into the black in the 2016-2017 fiscal year. Our trend is on the rise let's keep up the good work.**
- ii. **The Town Audits are now up to date they are currently working on 2016 and will begin work on 2017 at the close of the fiscal year, June 30, 2017. Two years ago when we began this new path the audits were backed up beginning with 2013, Congratulations to all, we are good with the Auditor - General.**
- iii. **Revenues-**
  1. **Local Sales Tax-performing better than expected. This includes not only retail, but also construction, utilities, rentals, and services.**
  2. **Franchise Tax- this includes utilities permission to use the town's right of way for underground lines.**

Handicapped individuals with special accessibility needs may contact the ADA Coordinator for the Town of Mammoth at (520) 487-2331 (V/TDD)

3. **In Revenues we also receive a share of the State Shared Revenues which include State Sales Tax, Income Tax, Auto Lieu, and Highway User Tax**
  4. **Property Tax- Primary tax rate can be used for any municipal purpose, a 60 day notice is required if property tax rate increases. If the town should raise the rate to the maximum allowable levy increase this would change the property tax rate from \$2.3582 to \$3.6483 which is an increase of \$1.2901 per \$100 of assessed value. Keeping the levy at the same rate, the tax rate would then increase from \$2.3582 to \$2.5822 which is an increase of \$0.224 per \$100 of assessed value. For the tax year 2017 our assessed property values dropped \$182,641 from 2016 but will increase in 2018 by \$44,018 which gives a town value of \$2,201,133. We property values are on the increase. This will be looked at closer during a future session.**
  5. **The concentration will be on Water, Sewer, and Sanitation rates. More to come on this at a later date.**
  6. **The Power Point Presentation is located at the end of this document.**
  7. **The Town of Mammoth Tentative Budget may be viewed on the website under the Annual Financial Tab.**
5. **Action by the Town of Mammoth on the Following:**
- a. **Adoption of a tentative budget for fiscal year 2017-2018 in the amount of \$2,821,350**  
**Motion by: Councilman Sloan**  
**Second by: Councilman Martinez**  
**Motion Passes Vote 5-0**
  - b. **Setting the date and time for the public hearing of the property tax levy and final budget for July 12, 2017 @ 1:00PM**  
**Motion by: Councilman Sloan**  
**Second by: Councilman Martinez**  
**Motion Passes Vote 5-0**
6. **ADJOURN – 3:14PM**  
**Motion to Adjourn Meeting at 1:49PM**  
**Motion: Councilwoman Medina Second: Vice Mayor Anaya**  
**Motion Passes Vote 5-0**  
**Meeting is Adjourned at 1:49PM**

**I certify that the preceding is a true and correct copy of the minutes of the Mammoth Town Council's Special Meeting held on June 26, 2017. I further certify that the meeting was duly called and held.**

---

**Town Manager Don Jones**



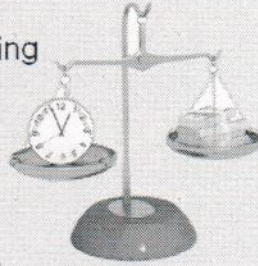
# Town of Mammoth

## FY2017-2018

Budget & Property Tax Hearing  
Special Council Meeting

June 26, 2017

Pat Walker  
Pat Walker Consulting LLC



Walker  
Consulting

## Agenda



**A LOOK**  
*at the*  
**BUDGET**

- Introduction/Overview
- 2016-17 Est. Results
- 2017-18 Proposed Budget  
ARS 9-511.1 Water,  
Sewer, Sanitation Study
- ARS 9-499.15, Notices
- Next steps
- Questions/Discussions

Walker  
Consulting

## General Fund FY12-17

Fund	Expenditures							
	Department	Actual FY12	Estimated FY13	Estimated FY14	Estimated FY15	Adopted FY16	Estimated * FY16	Estimated FY17
	Mayor & Council	5,674	2,490	1,821	1,325	14,288	4,216	5,544
	PL2 Board	-	-	95	48	590	-	-
	Administration	121,485	117,496	79,287	86,144	226,495	87,548	175,543
	Magicross	42,270	35,850	35,427	33,800	88,288	42,270	55,977
	Attorney	29,260	18,218	51,067	90,500	89,000	25,018	36,000
	Police	432,954	498,217	451,418	387,814	294,406	318,951	344,971
	Library	17,935	38,840	35,481	37,889	37,420	26,413	45,261
	Department Services	6,325	2,871	4,250	319	9,000	3,052	4,000
	Fees	89,577	94,174	89,227	128,081	94,975	65,121	40,790
	CLAG	-	-	1,358	2,237	1,200	-	1,200
	WSP Acknowledgment	-	-	-	-	6,000	6,000	6,000
	<b>Total General Fund</b>	<b>697,027</b>	<b>724,426</b>	<b>705,130</b>	<b>712,845</b>	<b>737,671</b>	<b>548,526</b>	<b>718,176</b>
	<b>Revenues</b>							
	General Fund	\$ 509,641	\$ 676,654	\$ 580,951	\$ 460,086	\$ 737,971	\$ 737,170	\$ 796,497
	(DEFICIT)/SURPLUS	\$ (187,380)	\$ (57,932)	\$ (122,189)	\$ (251,909)	\$ 0	\$ (196,373)	\$ (82,682)

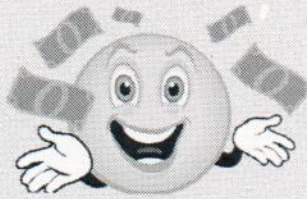
Walker  
Consulting

## Funds

- General Fund
- Special Revenue Funds
- Capital Projects
- Enterprise Funds

Walker  
Consulting

## Revenues



## Revenues

- Local revenues
  - Sales tax
  - Franchise taxes
  - Licenses, permits & fees
  - Fines
  - Property taxes



## Local Sales Taxes

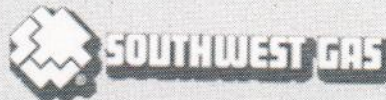
- Major Revenue Categories:
  - Retail
  - Construction
  - Utilities
  - Rental
  - Services

Walker  
Consulting

Walker  
Consulting

## Franchise Taxes

- Permission for utilities to use City/Town's right away for underground lines
- Must be approved by vote of the people
- Usually based on % of gross sales
- Cannot exceed 25 years



Walker  
Consulting

Walker  
Consulting

## Property Taxes

- Primary tax rate can be used for any municipal purpose
- Secondary rate can only be used for payment of debt service (principal and interest) on bonds approved by voters
- 60 day notice required if property tax rate increases (not the levy)

Walker  
Consulting

Walker  
Consulting

## Property Tax Summary

- To raise rate for maximum allowable levy increase to Town would only be \$22,697
- Property tax rate would go from \$2.3582 to \$3.6483 per \$100 of assessed value
- To keep the levy amount the same, tax rate will go from \$2.3582 to \$2.5822 but homeowner pays the same amount of local primary property taxes on average

Walker  
Consulting

## Assessed Values

- FY 16 - \$2,339,756
- FY 17 - \$2,157,115
- FY 18 - \$2,201,133

Loss of value in Town \$182,641 in FY17,  
gain of \$44,018

To keep same amount of levy, amount paid  
on value of home goes down, rate goes up  
but taxes stay the same. See next slide.....

Walker  
Consulting

## State Shared Revenues

- State Sales tax
- Income tax
- Auto Lieu
- Highway User Revenue



Walker  
Consulting

FUND	Adopted 2016-17 Budget	Estimated 2016-17 Expenditures	Proposed 2017-18 Budget	% increase (-decrease)
GENERAL	\$ 750,626	\$ 688,615	\$ 809,700	7.87%
HIGHWAY USERS	\$ 187,935	\$ 187,935	\$ 147,874	-21.32%
TRANS. EXCISE TAX			\$ 68,776	NA
WATER	\$ 177,271	\$ 179,619	\$ 226,700	27.88%
SEWER	\$ 115,254	\$ 109,616	\$ 137,900	19.65%
SANITATION	\$ 128,000	\$ 76,019	\$ 150,000	17.19%
CEMETARY	\$ 26,500	\$ 4,257	\$ 30,400	14.72%
GRANTS	\$ 1,250,000	\$ 15,445	\$ 1,250,000	0.00%
<b>TOTAL ALL FUNDS</b>	<b>\$ 2,636,586</b>	<b>\$ 1,261,506</b>	<b>\$ 2,821,350</b>	<b>7.05%</b>

## Review of Auditor General Forms



## HURF Fund

Walker  
Consulting

## Water Fund

- FY 16 Rev = Exp of \$153,847
- FY 17 Budget of \$177,271
- FY 17 Est. Revenue - \$160,369
- FY18 Proposed Budget - \$226,700
- FY18 Proposes additional increase of \$66K
- Transfer to GF of \$10,712
- Need water meter grant from CDBG!

Walker  
Consulting

## Sewer Fund

- FY16 Rev = \$104,777 Exp. = \$102,104 or surplus of \$2,672
- FY17 Rev = Budget -\$115,254
- FY17 Est. Rev. = \$96,800
- FY18 Proposed Budget - \$137,900
- FY18 Proposes annual increase of \$33K

Walker  
Consulting

## Sanitation & Cemetery Fund

- FY16 Rev = \$127,047
  - FY17 Budget Rev. = \$128K
  - FY17 Est. = \$76,019
  - FY18 Proposed = \$150,000
- Cemetery:
- FY16 Rev = \$28,000
  - FY17 Budget Rev = \$26,500
  - FY17 Est. Rev. = \$4,257
  - FY18 Proposed = \$30,400

Walker  
Consulting

## FY 2017-2018 Budget Schedule

### Budgeting in Arizona

- Must adopt a balanced budget
- Tentative budget must be adopted by third Monday in July
- No requirement for final budget unless City/Town has property tax
- Property Tax must be adopted by 3<sup>rd</sup> Monday in August but 14 days after final budget adoption
- Various restrictions on funds – HURF, Impact Fees

## Budgeting in Arizona

- Tentative budget is required to be itemized per Auditor General Forms
- Published once a week for two consecutive weeks
- Notice of hearing date for final budget
- Both tentative and final must be published on City/Town website 7 business days after adoption
- Must remain posted for 60 months (five years)

Walker  
Consulting

## Publication Requirements

- Cities/Towns must establish and maintain an official internet website
- Posted no more than 7 days after estimates of revenues and expenditures are given to governing body
- A.R.S 42-17105 & 17103:
- Requires adoption of expenditure estimates (tentative budget)
- Posting of tentative and final budgets for 60 months

Walker  
Consulting

## Next Steps

- Public Hearings and Final Budget Adoption July 12, 2017
- Publish auditor general forms for 2 consecutive weeks in local newspaper
- August 1, 2017 – Adoption of Property Tax Levy

Walker  
Consulting

Questions?



**Town of Mammoth**  
**2017-18 Tentative Budget**

<b>FUND</b>	<b>Adopted 2016-17 Budget</b>	<b>Estimated 2016-17 Expenditures</b>	<b>Proposed 2017-18 Budget</b>	<b>% increase (-decrease)</b>
GENERAL	\$ 750,626	\$ 688,615	\$ 809,700	7.87%
HIGHWAY USERS	\$ 187,935	\$ 187,935	\$ 147,874	-21.32%
TRANS. EXCISE TAX			\$ 68,776	NA
WATER	\$ 177,271	\$ 179,619	\$ 226,700	27.88%
SEWER	\$ 115,254	\$ 109,616	\$ 137,900	19.65%
SANITATION	\$ 128,000	\$ 76,019	\$ 150,000	17.19%
CEMETARY	\$ 26,500	\$ 4,257	\$ 30,400	14.72%
GRANTS	\$ 1,250,000	\$ 15,445	\$ 1,250,000	0.00%
<b>TOTAL ALL FUNDS</b>	<b>\$ 2,635,586</b>	<b>\$ 1,261,506</b>	<b>\$ 2,821,350</b>	<b>7.05%</b>