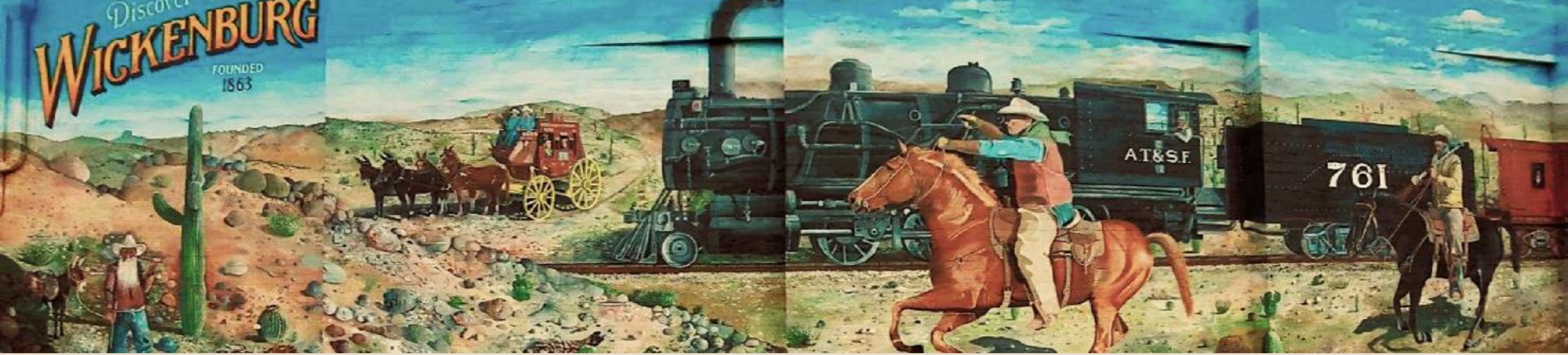


TOWN OF WICKENBURG

BUDGET WORK SESSION

April 7, 2025

Town of Wickenburg

INTRODUCTION & OVERVIEW

Town of Wickenburg

Town Council Budget Workshop Agenda

- **<u>Workshop I</u>**
  - Budget Creation
  - Financial Policy
  - Overview Revenue, Expenditures
  - Property Tax Philosophy
  - General Updates
  - Recycling
  - Nonprofit Funding Overview
  - Coconino Parking Lot
  - Community Center
  - Fee Schedule Discussion

Town of Wickenburg

Town Council Budget Workshop Agenda

- **Workshop II**
  - Capital Improvement Projects
  - Property Tax Rate
  - Departmental Budgets
  - Personnel Expenses
  - The Tentative Budget Presentation will put all the numbers together, complete Auditor General Schedules

Town of Wickenburg

Budget Direction Provided by Management

No Increases To Departmental Baseline Operating Budgets For The Fiscal Year

- Focus on maintaining core service levels
- Increased costs due to inflation, policy changes, utilities
- Departments encouraged to find internal efficiencies where possible

No New Personnel Requests

Create a 5-year CIP Plan

Reduce Reliance On One-time Revenues

- Construction activity is slowing
- Wickenburg Ranch has about 125 vacant lots left in phase I
- Global & National Economy unstable and we appear to be entering a period of economic retraction

Town of Wickenburg

Budget Creation

Emphasis On Strategic Resource Allocation

- Aligning funding with Council priorities and adopted plans
- Preserving financial resilience while supporting key initiatives
- Limit operational spending within anticipated revenue projections
- Department budget numbers presented today do not include personnel increases
- Use of fund balance limited to capital improvement projects

Recommend Creation of an Operating Contingency Line Item

- Designed to address unforeseen needs or emerging priorities
- Requests for expenditures require Town Manager approval
- Provides flexibility and increases accountability
- Funded by reducing General Fund departmental baseline budgets (what-if)

Town of Wickenburg

Budget Creation

The Annual Budget Is A Fundamental Policy Document of The Town

- It is a financial plan
- Establishes the Expenditure Limitation
- Establishes the tax rate for property taxes
- It is the provision of the Town's financial resources to provide the community programs, services, and projects

The Numbers Will Change As We Progress Through The Development of The Annual Budget – To Be Expected

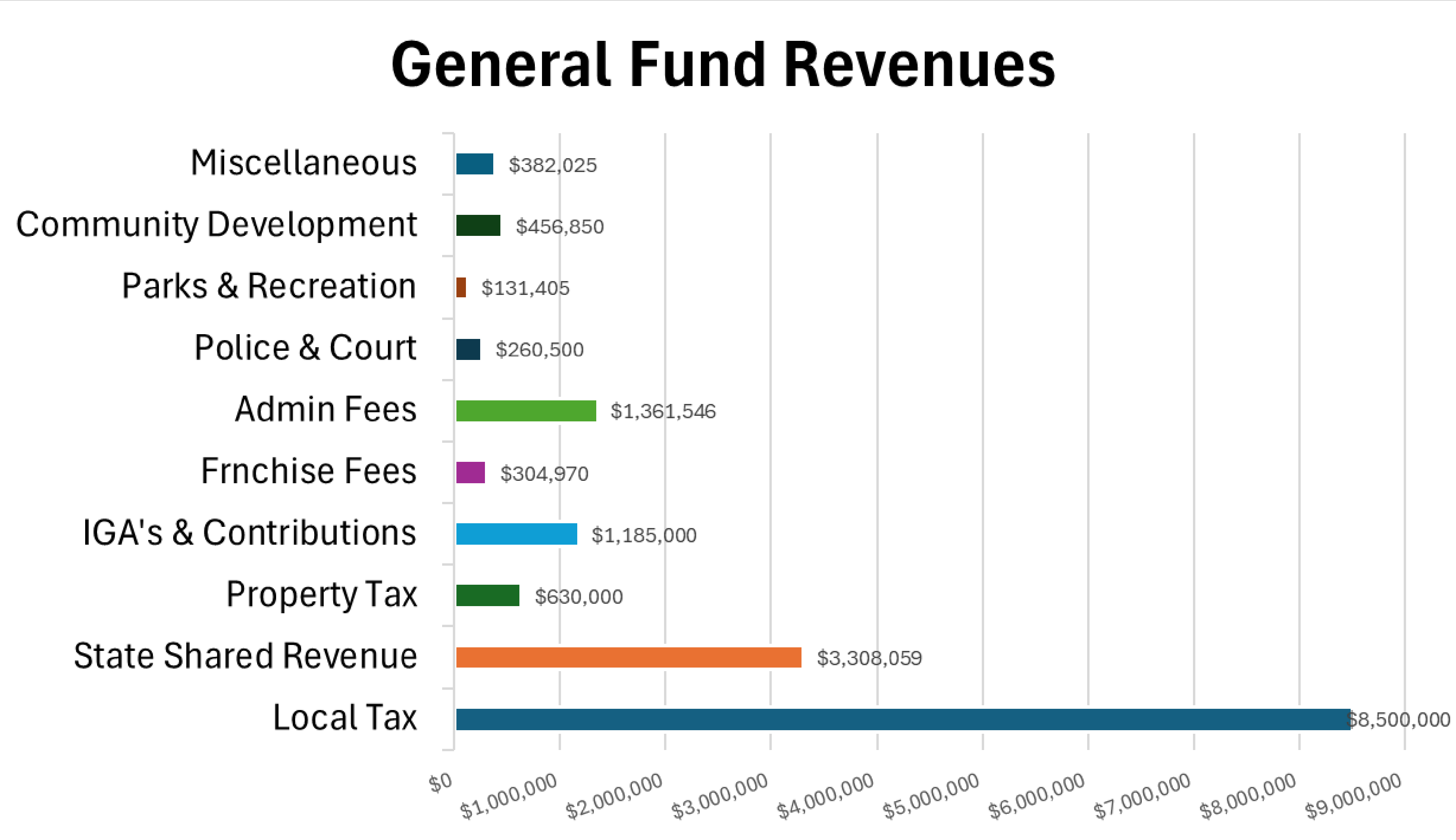
- Numbers in the budget are based on many projections
- Expenditures
- Revenue
- Operations – unknown conditions like the recent swimming pool breakage

Financial Overview

- General Fund Revenues
- State Shared Revenue and Local Tax
- Property Tax
- General Fund Expenditure Overview
- General Fund Budget Overview

Town of Wickenburg

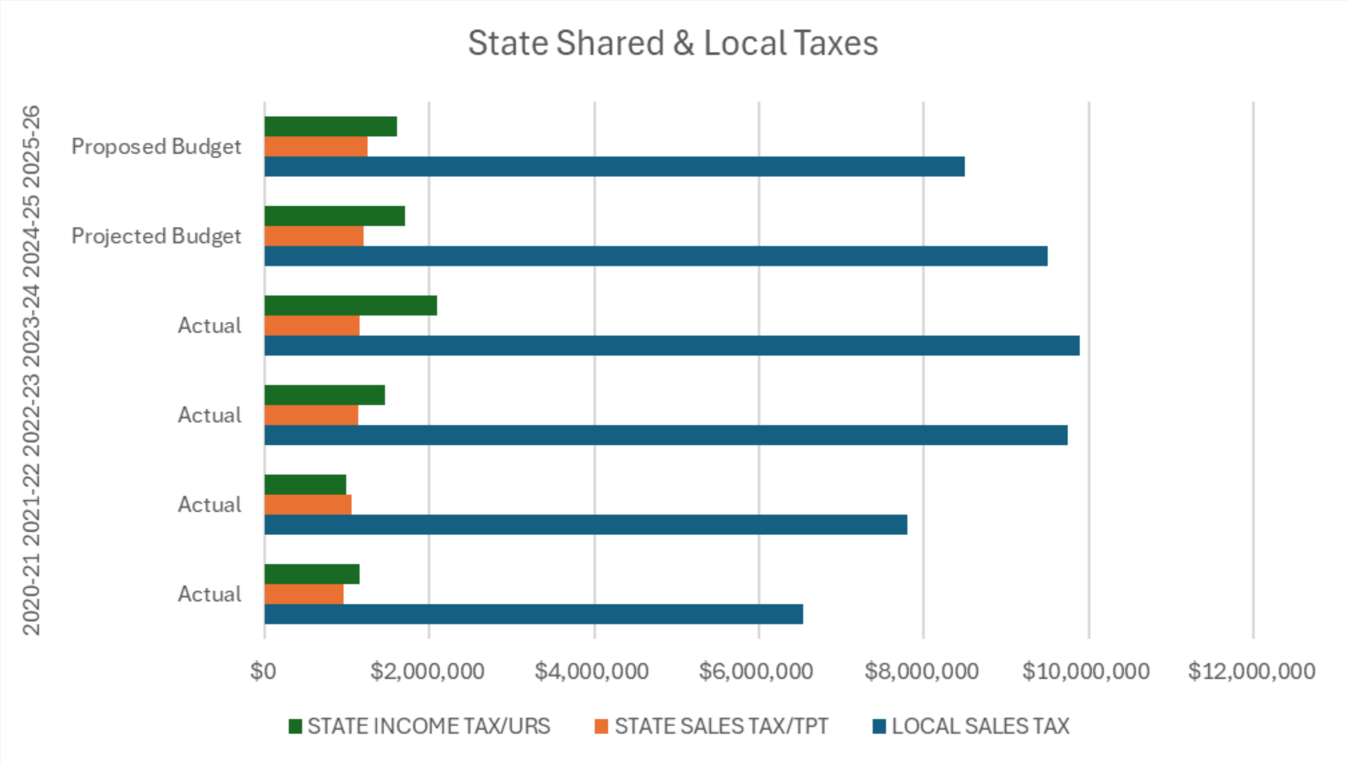
FY26 Projected General Fund Revenues



Town of Wickenburg

State Shared Revenue and Local Tax

	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budgeted	2025-26 Proposed
LOCAL SALES TAX	$6,530,424	$7,805,553	$9,745,888	$9,885,884	$9,500,000	$8,500,000
STATE SALES TAX/TPT	$959,977	$1,063,731	$1,137,480	$1,162,086	$1,208,395	$1,252,119
STATE INCOME TAX/URS	$1,156,464	$997,378	$1,459,752	$2,098,728	$1,700,982	$1,616,322
TOTALS	**$8,646,865**	**$9,866,662**	**$12,343,120**	**$13,146,698**	**$12,409,377**	**$11,368,441**



Town of Wickenburg

Year to Date State Shared and Local Sales Tax Collections

	2020-21 July-February	2021-22 July-February	2022-23 July-February	2023-24 July-February	2024-25 July-February
LOCAL SALES TAX	$4,349,854	$5,011,213	$5,333,787	$7,179,859	$5,684,552
STATE SALES TAX/TPT	$609,668	$685,811	$742,492	$797,635	$762,939
STATE INCOME TAX/URS	$770,976	$668,814	$973,168	$1,399,152	$1,151,992
TOTALS	**$5,730,498**	**$6,365,838**	**$7,049,447**	**$9,376,646**	**$7,599,483**

	2020-21 March-June	2021-22 March-June	2022-23 March-June	2023-24 March-June
LOCAL SALES TAX	$2,180,570	$2,794,340	$4,412,101	$2,706,025
STATE SALES TAX/TPT	$350,309	$377,920	$394,988	$364,451
STATE INCOME TAX/URS	$385,488	$328,564	$486,584	$699,576
TOTALS	$2,916,367	$3,500,824	$5,293,673	$3,770,052

Town of Wickenburg

Property Tax

- Town Current RATE is .4132 LEVY is $600,000

- Council Policy Direction
  - Does the Council wish to not increase collections beyond the allowable rate and avoid a truth in taxation hearing?
  - If yes, the net effect will be lowering the current tax rate

General Fund Actual Expenditure Overview

	2022-23 Actual	2023-24 Actual	2024-25 Projected
FINANCE	697,199	767,087	759,888
GENERAL SERVICES	557,823	751,138	691,186
TOWN MANAGER	549,674	658,450	366,414
HUMAN RESOURCES	0	0	365,927
TOWN CLERK	196,401	177,467	242,303
TOWN COURT	292,673	357,762	563,957
TOWN ATTORNEY	230,155	269,549	301,320
RECREATION	458,208	575,618	586,369
ECON DEV & PUBLIC OUTREACH	233,276	228,315	459,047
INFORMATION TECHNOLOGY	0	0	581,821
LIBRARY	229,985	263,155	269,422
PARKS & FACILITY MAINTENANCE	1,107,027	1,369,010	1,863,140
COMMUNITY DEVELOPMENT	523,945	665,084	671,437
PUBLIC SERVICES ADMIN	372,966	424,184	488,807
POLICE	3,508,758	4,934,169	5,397,237
FIRE	2,146,555	3,749,693	4,573,105
TOTALS	**11,104,645**	**15,190,681**	**18,181,380**

General Fund Budgeted Expenditure Overview

	2023-24 Budgeted	2024-25 Budgeted	2025-26 Requested
FINANCE	848,539	747,164	819,674
GENERAL SERVICES	693,857	696,016	555,697
TOWN MANAGER	701,972	366,414	542,398
HUMAN RESOURCES	0	365,927	370,225
TOWN CLERK	195,101	242,303	211,355
TOWN COURT	388,545	563,957	472,343
TOWN ATTORNEY	301,320	301,320	285,000
RECREATION	627,228	572,369	590,266
ECON DEV & PUBLIC OUTREACH	233,016	456,047	395,632
INFORMATION TECHNOLOGY	0	581,821	564,773
LIBRARY	268,108	269,422	313,070
PARKS & FACILITY MAINTENANCE	1,474,782	1,863,140	1,749,263
COMMUNITY DEVELOPMENT	704,080	671,437	689,267
PUBLIC SERVICES ADMIN	414,733	488,807	457,818
POLICE	5,023,649	6,397,237	6,317,815
FIRE	3,828,099	4,573,105	4,500,997
TOTALS	**15,703,029**	**19,156,486**	**18,835,593**

General Updates

- Transportation plan
- Restrooms Town Hall & Downtown
- Wellik Grant for Rodeo Ground Improvements
- Property Abatement Program - $50,000
- Water Wastewater Project Update
- Employee Compensation
- Insurance Renewals

Town of Wickenburg

Personnel: Compensation Philosophy & Personnel Rules

TOTAL REWARDS PHILOSOPHY & SUPPORTING STRATEGIES

TOTAL REWARDS PHILOSOPHY

The Town of Wickenburg seeks to attract, retain, and engage committed, hardworking, and thoughtful employees who support our shared goals in the areas of service delivery and responsible stewardship of public resources, and who are excited and energized by the possibilities and opportunities that emerge as we strive to build an even better Wickenburg.

Town of Wickenburg

PURPOSE

The Town of Wickenburg strives to be a high-performing organization. To that end, it is important for the Town to attract and retain employees who are customer-focused, innovative team players, exhibit initiative and accept responsibility and accountability for their work performance.

To support, encourage and reward employees, the Town has developed a total rewards system that is transparent, fair, and equitable. The Town is committed to recognizing and rewarding employees for their success and continuing professional development by ensuring appropriate training and educational opportunities to retain the most qualified and productive employees.

There are a variety of strategies, as detailed in the following sections, that the Town will employ to achieve the total rewards philosophy.

> *"The Town of Wickenburg is dedicated to attracting and retaining high performing employees as they are the most important element to the success of this organization."*
> *-Stephen Erno, Town Manager*

Town of Wickenburg Personnel Rules & Regulations

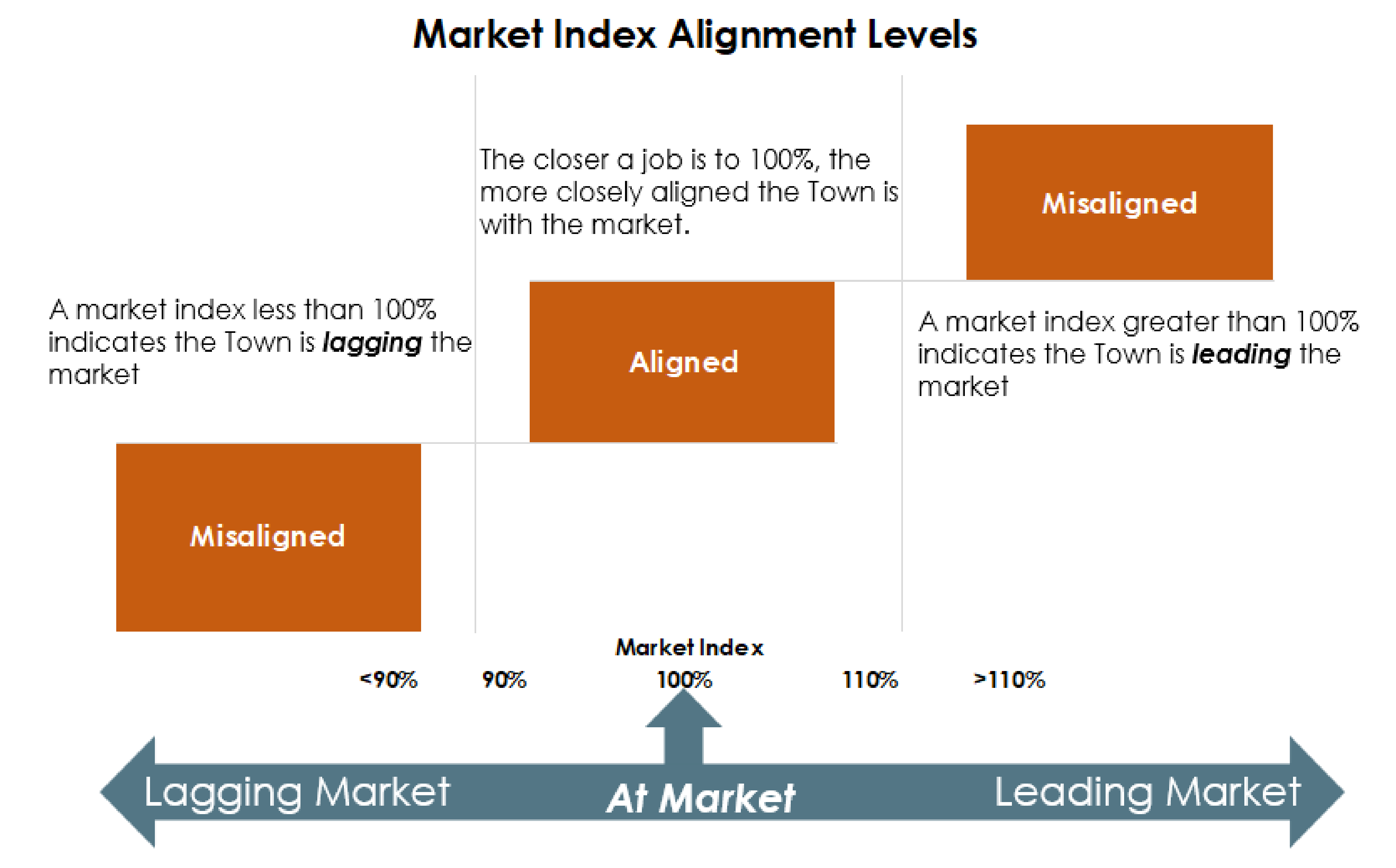
TOWN OF WICKENBURG

PERSONNEL RULES
&
REGULATIONS

Most Recent Update: Resolution No. 2324 / 03-20-2023

Town of Wickenburg

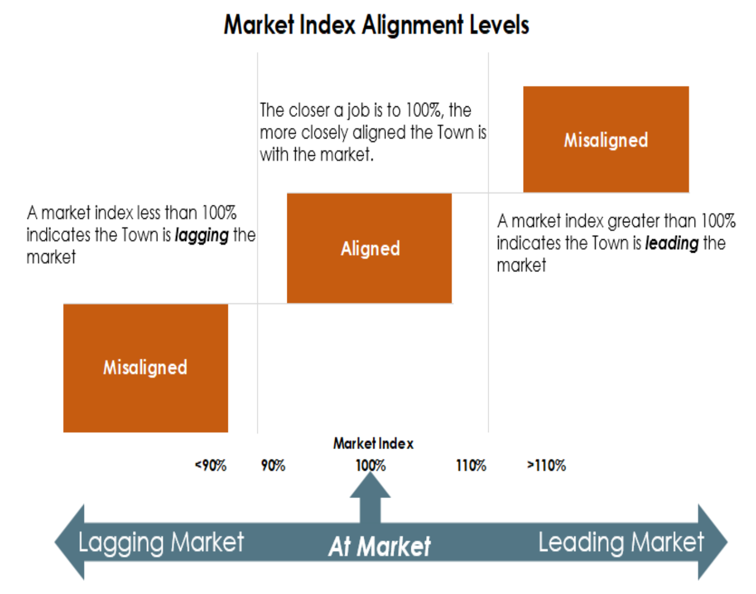
Understanding Compensation: Compa-Ratio & Market Alignment



- **Compa-Ratio**
  - Formula: *(Employee Salary ÷ Market Midpoint) × 100*.
  - A **100% Compa-ratio** means an employee is **exactly at market rate**.
- **Market Index Alignment**
  - Our **goal** is to stay at market (100%) to remain competitive and fair.

Town of Wickenburg

Compa-Ratio & Market Alignment Overview



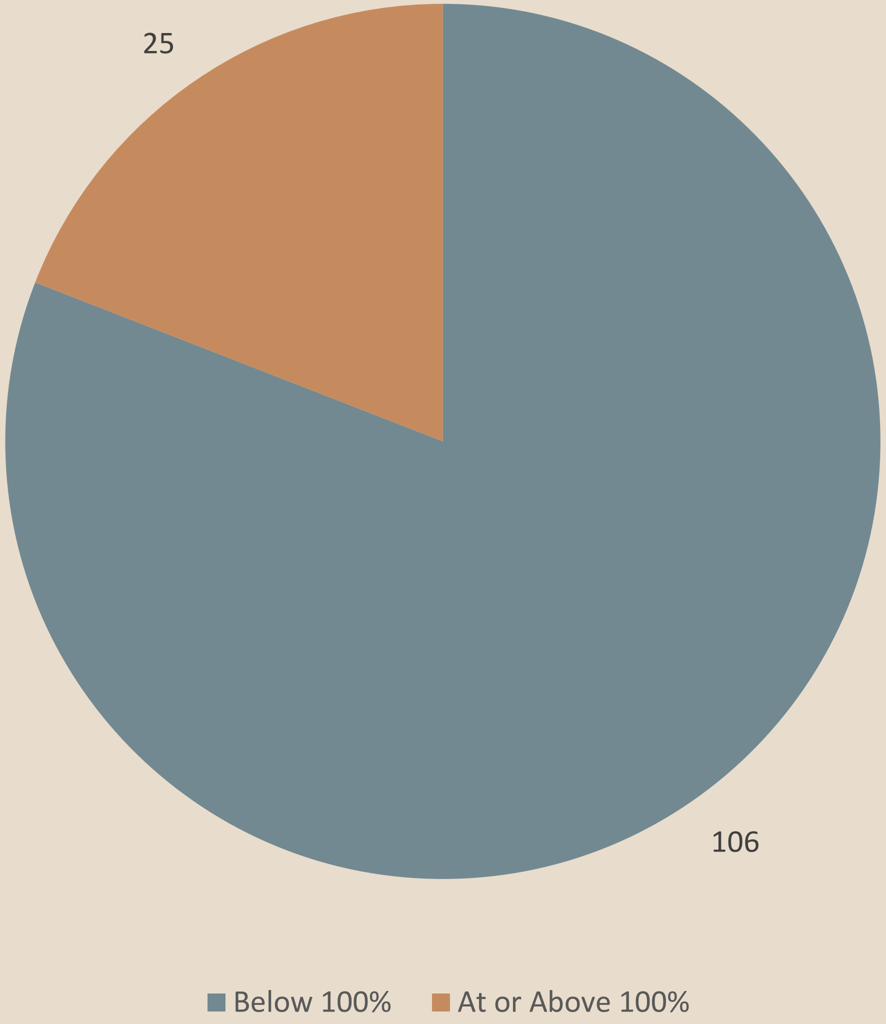
Interpretation:

- **100%** means the employee is paid *exactly* at the market midpoint.
- **Below 100%**: employee is paid *less than* midpoint.
- **Above 100%**: employee is paid *more than* midpoint.

- **Example:**
  - Market midpoint = $60,000
    - EE earns $57,000, their Compa-ratio is 95%.
      EE Earns $63,000, their Compa-ratio is 105%.
- Being above or below 100% doesn't mean someone is overpaid or underpaid
- It reflects experience, skills, or tenure—*not a problem*
- "Misaligned" just means outside the 10% market range—*not wrong, just a signal*
- **Why Some Positions Are Hired Below 100% (misaligned)?** We may hire below the full range for new or less experienced employees to stay budget-conscious and allow room for growth. Pay is based on qualifications—not a reflection of value.

Town of Wickenburg

Compa-Ratio Distribution Bar Chart



- **Example:**
  - **11-Year Employee:** *94.82% Compa-Ratio*
  - **New Hire:** *99.9% Compa-Ratio*

- **Retention Risk Statistic:**
  - *"Studies show that compression increases turnover. Towns that don't address it see *20-30% higher exit rates in key positions."*

Town of Wickenburg

Addressing Compression

- **Market-based pay was a strategic decision**
  - Council recognized that aligning pay with market rates could lead to some **compression** (smaller gaps between newer and tenured employees).
  - This approach ensures Wickenburg **remains competitive** for recruiting and retaining employees.
- **What is Compression?**
  - Happens when **pay gaps between new and experienced employees narrow** due to market adjustments.
  - This was **anticipated and planned for** when adopting the current pay structure.
  - **Adjustments are necessary** to ensure **fairness and long-term retention**.
- **How Are We Addressing It?**
  - **Base salary increase** helps keep pace with the market and cost of living.
  - **Compression adjustments** ensure that experienced employees aren’t left behind.
  - Everything is done **within budget constraints** while supporting our long-term workforce strategy.

Addressing Compression – TM's Proposed Budget

Step 1

4% Base Salary Increase

- Helps **keep pace with market trends and cost of living**.
- Benefits **all employees** while maintaining fiscal responsibility.

Step 2

Employees Below Midpoint (100%) Move to

- **Employees with MORE than 5 years of service** and below the market midpoint will be **brought to midpoint (100% Compa-ratio)**.
- This **prevents new hires from leapfrogging more experienced employees**.

Step 3

Employees Below 86% Move to 86% Compa-Ratio

- Employees **below 86% Compa-ratio** will be moved up to at least **86%**.
- Ensures the **most misaligned salaries are addressed first**.
- Allows new employees to reach midpoint in about 5-years

Town of Wickenburg

Employee Benefits

- Arizona Metropolitan Trust (AzMT)
  - Medical
  - Dental
  - Vision
  - Life and AD&D
  - Wellness
  - Perk Benefits

- 3-Year Agreement, Effective July 2023
- FY25-26 = overall 4.5% increase
  - *This increase is included in budget data presented today*
- Council Eligibility
- Voluntary Benefits (no cost to Town)
- Change in HSA Vendor

Town of Wickenburg

Risk Management

Arizona Municipal Risk Retention Pool (AMRRP) AMRRP is a Municipally-Governed Risk Pool Dedicated Solely to Coverage and Risk Management Solutions for Arizona Cities and Towns.

- Coverage: Auto, Cyber, Property & Causality, Liability, Workers Comp
- Member Benefits
- Renewal effective July 1
  - Property Analysis for FY24-25 changed to HR (temporary)

Risk Management

- **Town Requested an Audit through AMRRP**
  - $42 million additional property
  - Over 70 new locations
- **$76,000 annual increase for new property**
  - Over 5 years at appx $15,500 per year
    - *Ability to work with AMRRP due to self-insured and working relationship*
  - Change Property Deductible from $5k to $10k = Savings above current of $19,227
- **4 Claims since 2017 (2 under deductible, 2 at around $20k)**

Town of Wickenburg

Financial Policies

- Current Financial Structure – Town Code
- Reserve and Contingencies
- Develop a Centralized and Comprehensive – Council Adopted Financial Policy Manual

Town Code Procurement and Budget Transfers

PROCUREMENT THRESHOLDS

- $0 - $4,999.99: No quotations or bids required
- $5,000 - $24,999.99: 3 written quotes approved by Department Director
- $25,000 - $49,999.99: 3 written quotes approved by Town Manager
- $50,000 and Above: Sealed bids, competitively procured contract, or cooperative purchase approved by Town Council

BUDGET TRANSFERS

- A transfer from a capital line item (9#### account) requires Town Council approval prior to incurring the expense
- A transfer between funds requires Town Council approval prior to incurring the expense
- A transfer within the same department requires approval of the Department Director prior to incurring the expense

Town of Wickenburg

Reserves and Contingencies

- Should be appropriated to provide for emergencies, mid-year requests, and unanticipated expenditures
- General Fund Reserve will be maintained in an amount not less than 15% of new General Fund revenues for the budgeted fiscal year
- Contingency will be established for all other applicable funds of at least 10%, and the equity of all funds will be maintained to meet the objectives of the fund
- $100,000 will be budgeted under General Services each year to indemnify the Town of unanticipated insurance claims
- Expenditures may be made from contingencies only upon approval by the Town Council

Town of Wickenburg

Fee Schedule

During the Town Council Meeting when the proposed fees were posted to the public, Council indicated they wanted to have a discussion during the Budget Workshop.

Projects and Programs

Recycling Program

- **Regulation**: Maricopa County Environmental Health Code (MCEHC), P-14, Section 5, Regulation 4: Frequency of Collection requires ***two (2) pickups per week*** (Maricopa County Environmental Health Code (MCEHC) (PDF)_202503121620530812.pdf)
- **Council's Previous Direction**: Limited recycling losses to $25,000/year (previous losses were $66,000/year)
- **Resident Survey (2019)**: Indicated support for a $1.50 increase to offset losses – this was included in the recent rate increase
- **Current Recycling Limitation**:
  - Current budget funding does not guarantee the ability to recycle all year long
  - Contract service provider has both equipment and personnel reliability issues
  - This has led to resident concerns about whether the Town actually recycles, impacting program credibility and contamination rate increases

Town of Wickenburg

Recycling Program

- **Additional Challenges**: CR&R's ability to haul recycling for the Town.
- **Potential Options**:
  1. Maintain the $25K cap
  2. Increase the cap to $66K
  3. Eliminate the program entirely – no recycling
  4. Seek outside contracts for recycling

Coconino Parking Lot

2020

October

Council approved agreement with Desert Caballeros Museum

2023

August

Town entered into contract with Art Barber

2024

February

Town entered into Temporary Construction Easement with Desert Caballeros Museum

2024

October

Town entered into contract with John Lape, Architect, Inc. for design of Coconino parking lot

Town of Wickenburg

Recap and Close of Work Session

- Next Budget Work Session scheduled for **April 21**

Town of Wickenburg

New, Changed or Deleted Fees	Reason for Change to fee schedule and What is the Change	Dept	Service Name	Fee Description	2024/25 Fee	Unit of Measure
New	Court staff is required to monitor the case for compliance with the deferred sentence, which is generally for a year. Monitoring includes payments are made and confirming with outside agencies counseling was completed.	Court	Court	Deferred Sentence Fee	$50.00	Per Deferred Sentence Agreement A judge may waive all or any part of any fee established by this section in the interest of justice.
New	Court staff in order to guide a person; have to search in public access and multiple court's website to find a person's case when not in our database. It's harder for an individual to find their case than staff.	Court	Court	Research in Locating a Court File/Document that does not include a case number or complaint number and exceeds 15 minutes of search time	$20.00 per 15 minutes search beyond the first 15 minutes	Per request received that does not include a case number or complaint number and exceeds 15 minutes of search time. Person can decide not to have staff search for them.
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Books on Cassette~~	~~$1.00~~	~~Per Item~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Children's Books~~	~~$1.00~~	~~Per Item~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - DVDs~~	~~$1.00~~	~~Per Item~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Hard Cover Books~~	~~$1.00~~	~~Each~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Magazines~~	~~$0.25~~	~~Per Item~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Paperback Book~~	~~$0.50~~	~~Per Item~~

New, Changed or Deleted Fees	Reason for Change to fee schedule and What is the Change	Dept	Service Name	Fee Description	2024/25 Fee	Unit of Measure
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Puzzles~~	~~$0.25~~	~~Per Item~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - VHS~~	~~$0.25~~	~~Per Item~~
Delete	The town will no longer be handling any money from materials that are sold. Will be done through the Friends of the Library	~~Econ Dvlp~~	~~Library~~	~~Sold Material - Books on CD~~	~~$3.00~~	~~Per Item~~
Change	Added the word "materials"	Econ Dvlp	Library	Missing Materials Jacket	$2.00	Each
Change	Increase in materials cost to replace	Econ Dvlp	Library	Missing or damaged audio, video, or CD Case	~~$2.00 - $5.00~~ $5.00 - $20.00	Each
Change	Combined the Adult and Child into one item	Econ Dvlp	Library	Library Card for non-Town of Wickenburg resident outside Maricopa County Adult or Child	$30.00	Per Card for a Year
Delete	Cost to issue a 1 month card exceeds $5.00. Not a standard at other libraries	~~Econ Dvlp~~	~~Library~~	~~Library Card for non Wickenburg resident outside Maricopa County Adult or Child~~	~~$5.00~~	~~Per Card for 1 month~~
Change	Added the word "private" to the description - for a party not during the time the pool is open	Econ Dvlp	Rental	Private Pool Rental Fees - Resident	Base Rate: $50 per hour plus $15 per hour, per lifeguard. 2 hour min required. Lifeguards determined by Aquatics Manager to meet all safety regulations and guidelines.	Per Rental
New	Addition of birthday party rental space during time pool is open	Econ Dvlp	Rental	Birthday Pool Parties - Reserved Special Area with tables, chairs and canopy	$100.00	2 hour rental with a maximum of 24 guests - During regular pool hours
Delete	Has not been used in 4.5 years. Events at rodeo grounds take lots of prep so the hourly rate does not get used. Renters need full days and/or half days which is a rental option already.	~~Econ Dvlp~~	~~Rental~~	~~Everett Bowman Rodeo Grounds - Fee - Local Youth or Local Non-Profit Group~~	~~$5.00~~	~~Per Hour without Lights~~

New, Changed or Deleted Fees	Reason for Change to fee schedule and What is the Change	Dept	Service Name	Fee Description	2024/25 Fee	Unit of Measure
Delete	Has not been used in 4.5 years. Events at rodeo grounds take lots of prep so the hourly rate does not get used. Renters need full days and/or half days which is a rental option already.	~~Econ Dvlp~~	~~Rental~~	~~Everett Bowman Rodeo Grounds - Fee - Local Youth or Local Non-Profit Group~~	~~$10.00~~	~~Per Hour with Lights~~
Change	The cost on the new contract with AMR	Fire	Fire	Fire Rider Fee	~~$150.00~~ $105.00	Per Rider, Per Occurrence
Change	Industry Standard rates increased on average	Police	Police	Extra duty police services, Officer, hourly rate	~~$65.00~~ $70.00	Per Hour (4 hour minumum)
New	Industry Standard is $15.00 additional per hour for off-duty work that is not scheduled in advance	Police	Police	Extra duty police services - Emergency Rate (24 hours of less advance notice), Officer, hourly rate	$85.00	Per Hour (4 hour minumum)
New	Industry Standard is to pay time and a half for all federally observed holidays	Police	Police	Extra duty police services on Federally Observed Holiday, Officer, hourly rate	$105.00	Per Hour (4 hour minumum)
Change	Industry Standard rates increased on average	Police	Police	Extra duty police services, Sergeant, hourly rate	~~$70.00~~ $75.00	Per Hour (4 hour minumum)
New	Industry Standard is $15.00 additional per hour for off-duty work that is not scheduled in advance	Police	Police	Extra duty police services - Emergency Rate (24 hours of less advance notice), Sergeant, hourly rate	$90.00	Per Hour (4 hour minumum)
New	Industry Standard is to pay time and a half for all federally observed holidays	Police	Police	Extra duty police services on Federally Observed Holiday, Sergeant, hourly rate	$112.50	Per Hour (4 hour minumum)
Change	Industry Standard rates increased on average	Police	Police	Extra duty police services, Lieutenant, hourly rate	~~$75.00~~ $80.00	Per Hour (4 hour minumum)
New	Industry Standard is $15.00 additional per hour for off-duty work that is not scheduled in advance	Police	Police	Extra duty police services - Emergency Rate (24 hours of less advance notice), Lieutenant, hourly rate	$95.00	Per Hour (4 hour minumum)
New	Industry Standard is to pay time and a half for all federally observed holidays	Police	Police	Extra duty police services on Federally Observed Holiday, Lieutenant, hourly rate	$120.00	Per Hour (4 hour minumum)
New	Industry Standard Charge	Police	Police	Extra Duty police services Supervisor - This is required if 4 or more officers are being requested.	Standard rates apply for the supervisory position	Per Hour (4 hour minumum)

New, Changed or Deleted Fees	Reason for Change to fee schedule and What is the Change	Dept	Service Name	Fee Description	2024/25 Fee	Unit of Measure
New	Industry Standard is to have a cancellation charge if cancelled 24 hours or less	Police	Police	Cancellation Rate - if any Extra Duty Police Services is cancelled 24 hours or less	Pay the cost for 4 hours	Per Hour
Delete	Discounting staffing does not make sense because we have to pay the staff the same regardless. Also, a lot of these service fees for events end up being overtime which makes the town lose even more money for staffing and over works the staff.	~~Parks, Public Works, Police~~	~~Service Fees~~	~~Service Fees for Local Non-profit Organizations~~	~~Reduce the rates by 25% for local non-profit organizations~~	~~Per Event~~