



Monthly Financial Report

Fiscal Year to Date as of August 31, 2016

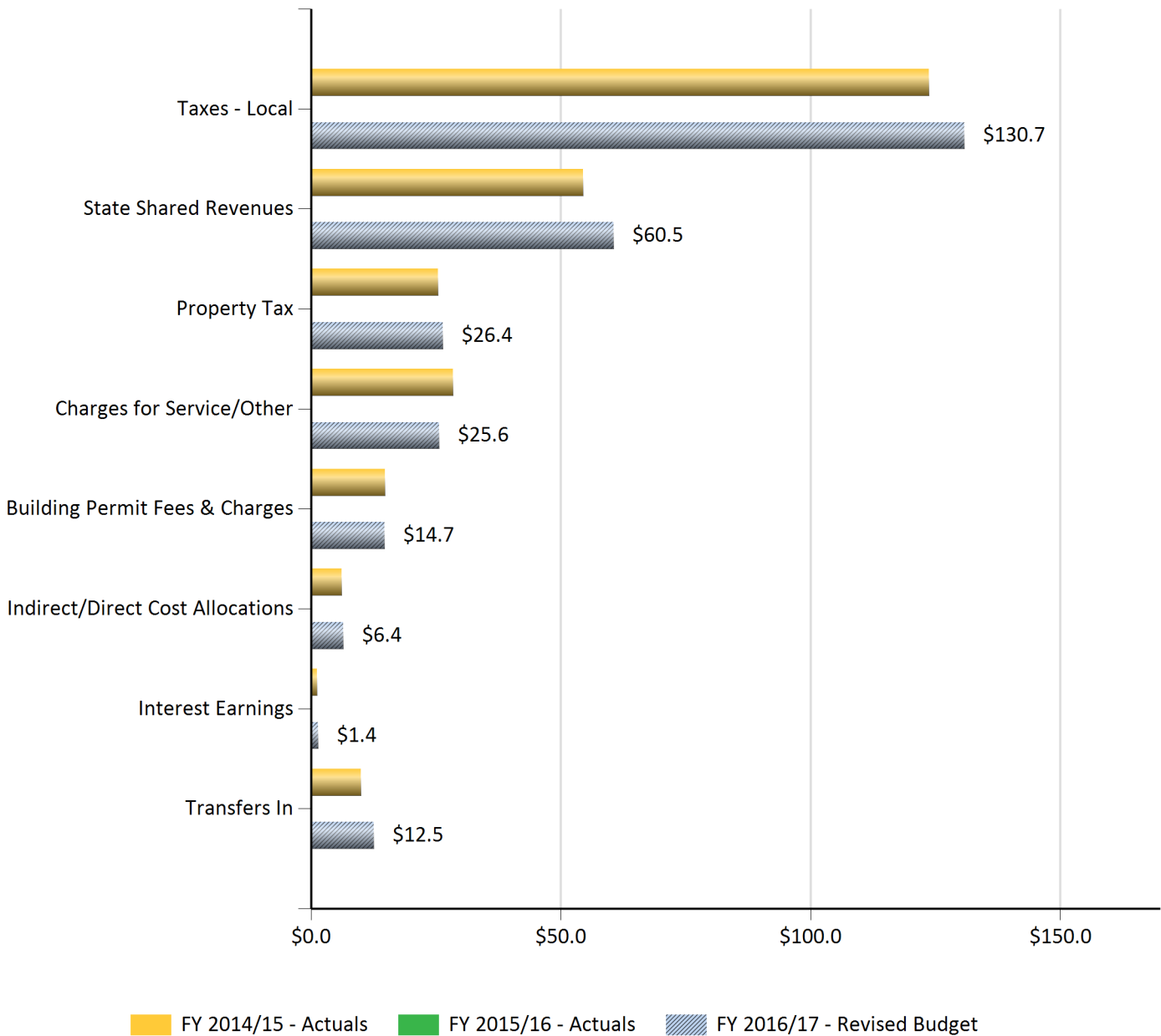
Scottsdale Airport Operations Center

Report to the City Council
Prepared by the City Treasurer
September 28, 2016



Sources

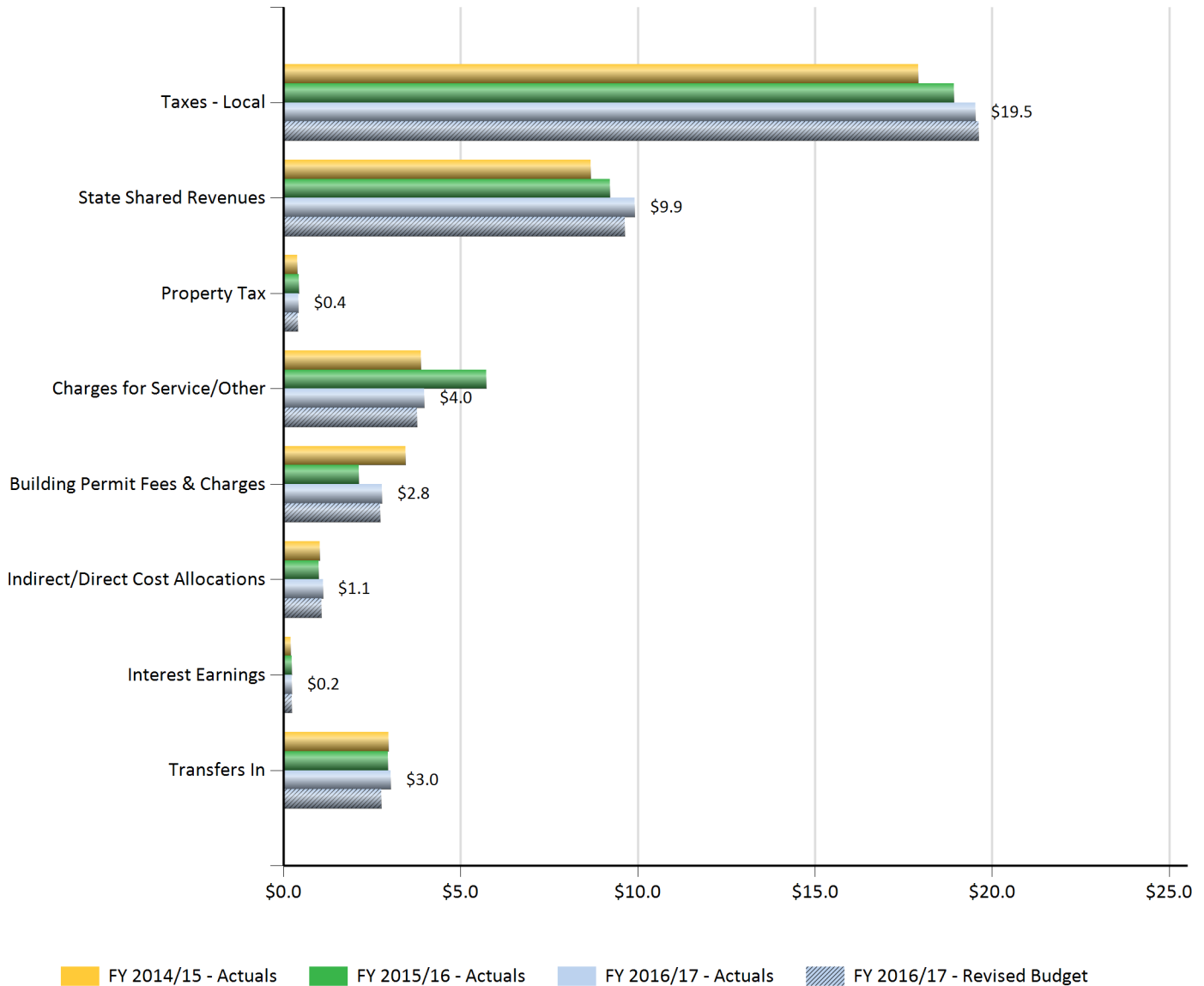
Twelve Months: Fiscal Year



Note: FY 2015/16 twelve month actuals are not available at this time. Once completed, they will be included within the report.



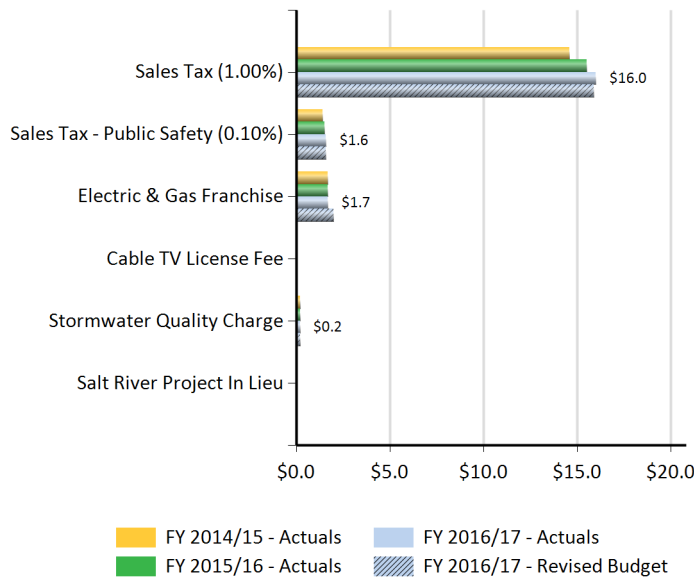
Sources (Fiscal Year to Date: August 2016)



	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$17.9	\$18.9	\$19.5	\$19.6	(\$0.1)	0%
State Shared Revenues	8.7	9.2	9.9	9.6	0.3	3%
Property Tax	0.4	0.4	0.4	0.4	-	-
Charges for Service/Other	3.9	5.7	4.0	3.8	0.2	5%
Building Permit Fees & Charges	3.4	2.1	2.8	2.7	-	-
Indirect/Direct Cost Allocations	1.1	1.0	1.1	1.1	-	-
Interest Earnings	0.2	0.2	0.2	0.2	-	-
Transfers In	3.0	2.9	3.0	2.8	0.3	9%
Total Sources	\$38.5	\$40.6	\$41.0	\$40.2	\$0.7	2%



Taxes - Local (Fiscal Year to Date: August 2016)



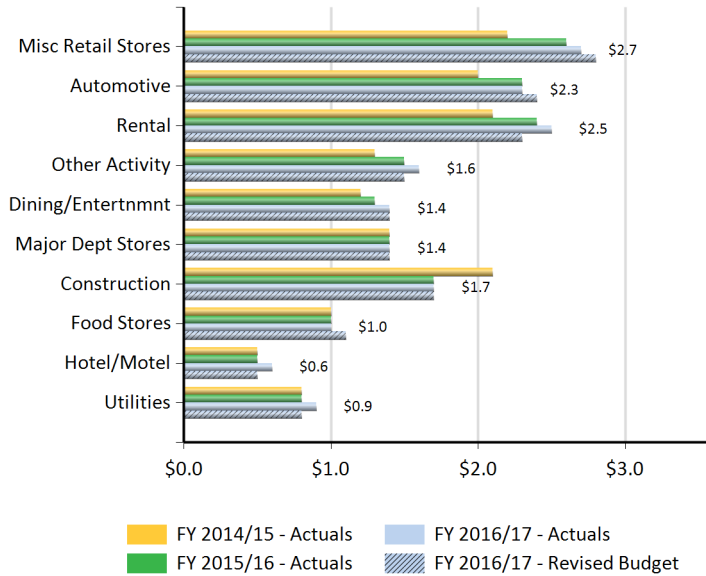
Actual to Revised Budget variance of (\$0.1) million or 0%:

The favorable variance in sales tax (1.00%) is driven mostly by the rental and utilities categories (refer to page 5 for details). It is offset by the unfavorable variance in Electric & Gas Franchise which is due to a Southwest Gas payment not being received as anticipated.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax (1.00%)	\$14.6	\$15.5	\$16.0	\$15.9	\$0.1	1%
Sales Tax - Public Safety (0.10%)	1.4	1.5	1.6	1.6	-	-
Electric & Gas Franchise	1.7	1.7	1.7	2.0	(0.2)	(12%)
Cable TV License Fee	-	-	-	-	-	-
Stormwater Quality Charge	0.2	0.2	0.2	0.2	-	-
Salt River Project In Lieu	-	-	-	-	-	-
Taxes - Local Total	\$17.9	\$18.9	\$19.5	\$19.6	(\$0.1)	0%



Sales Tax (1.00%) (Fiscal Year to Date: August 2016)

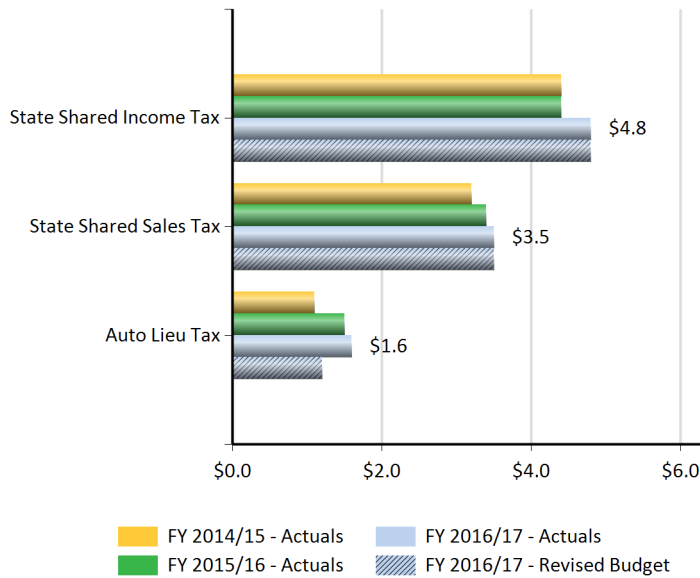


Actual to Revised Budget variance of \$0.1 million or 1%:
 The unfavorable variance in Automotive is due to decrease in sales, following the national trend. The favorable variance in Rental is due to the unanticipated sale of an apartment complex. The favorable variance in Other Activity is due to higher than anticipated license fees and penalties received. Finally, the favorable variance in Utilities is the result of reclassifying a taxpayer from the construction category.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$2.2	\$2.6	\$2.7	\$2.8	\$ -	-
Automotive	2.0	2.3	2.3	2.4	(0.2)	(6%)
Rental	2.1	2.4	2.5	2.3	0.2	6%
Other Activity	1.3	1.5	1.6	1.5	0.1	4%
Dining/Entertainment	1.2	1.3	1.4	1.4	-	-
Major Dept Stores	1.4	1.4	1.4	1.4	-	-
Construction	2.1	1.7	1.7	1.7	-	-
Food Stores	1.0	1.0	1.0	1.1	-	-
Hotel/Motel	0.5	0.5	0.6	0.5	-	-
Utilities	0.8	0.8	0.9	0.8	0.1	14%
Sales Tax (1.00%) Total	\$14.6	\$15.5	\$16.0	\$15.9	\$0.1	1%



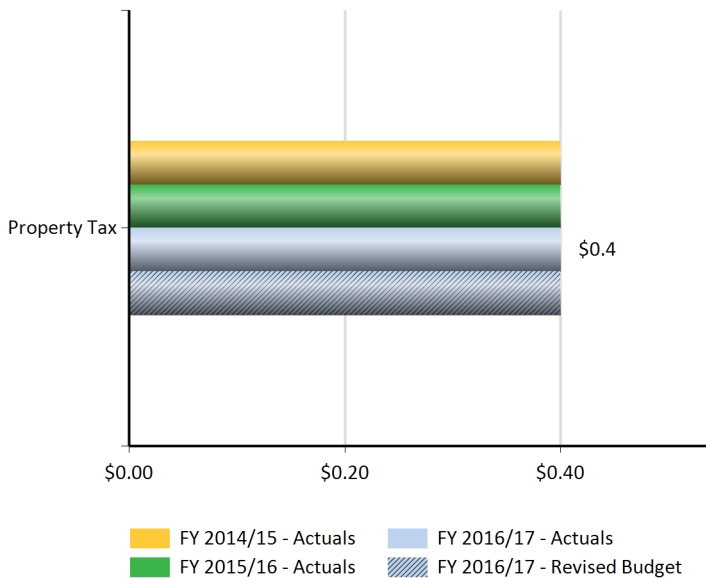
State Shared Revenues (Fiscal Year to Date: August 2016)



Actual to Revised Budget variance of \$0.3 million or 3%:
 The favorable variance in Auto Lieu Tax is due to higher than forecasted sales of new and used vehicles in prior months, which resulted in additional licensing fees being collected. While current trends show vehicle sales slowing there is a 60 day lag in the receipt of these revenues.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$4.4	\$4.4	\$4.8	\$4.8	\$ -	-
State Shared Sales Tax	3.2	3.4	3.5	3.5	-	-
Auto Lieu Tax	1.1	1.5	1.6	1.2	0.3	26%
State Shared Revenues Total	\$8.7	\$9.2	\$9.9	\$9.6	\$0.3	3%

Property Tax (Fiscal Year to Date: August 2016)

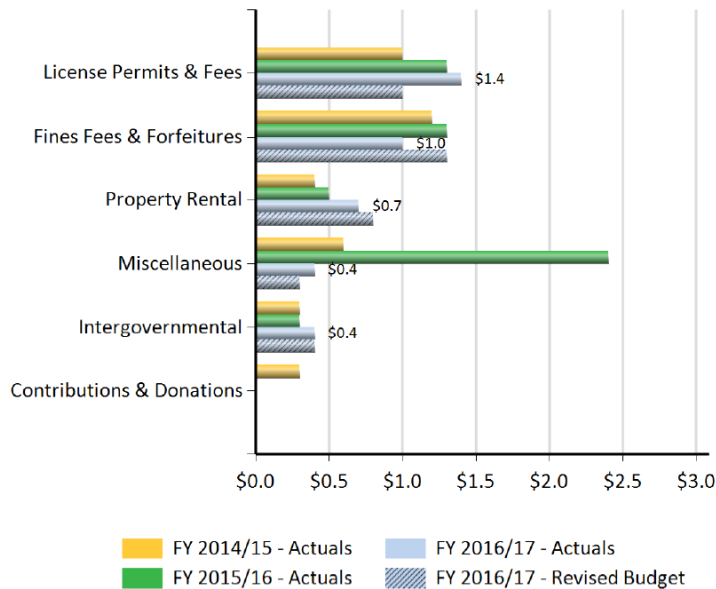


Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation is necessary.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-
Property Tax Total	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-



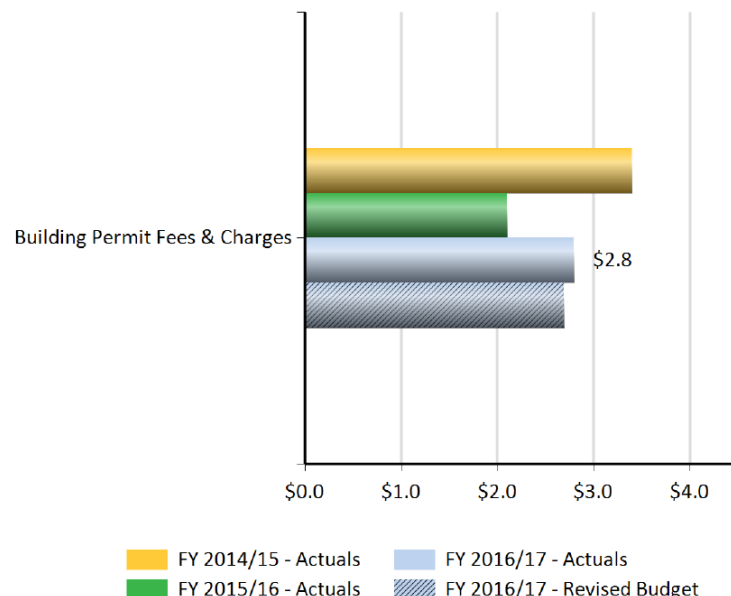
Charges for Service/Other (Fiscal Year to Date: August 2016)



Actual to Revised Budget variance of \$0.2 million or 5%:
 The favorable variance in License Permits & Fees is due to Community Services having higher than forecasted aquatic lesson fees, recreation fees, as well as after school program and Active Net revenues. The unfavorable variance in Fines, Fees & Forfeitures is mainly due to photo enforcement fees. There is a decrease in collections as a result of the cameras being off from mid February to April. The unfavorable variance in Property Rentals is due to the quarterly rental revenue from the Tournament Players Club which was anticipated in July but will be delayed until October. Miscellaneous has a favorable variance mainly due to the reimbursement from the Boys and Girls Club of Greater Scottsdale for HVAC related expenditures and late charges associated with cell tower and dining licenses. FY 2015/16 Miscellaneous includes \$2.0 million of one-time revenue from the sale of the HR building.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
License Permits & Fees	\$1.0	\$1.3	\$1.4	\$1.0	\$0.5	47%
Fines Fees & Forfeitures	1.2	1.3	1.0	1.3	(0.3)	(20%)
Property Rental	0.4	0.5	0.7	0.8	(0.1)	(14%)
Miscellaneous	0.6	2.4	0.4	0.3	0.1	46%
Intergovernmental	0.3	0.3	0.4	0.4	-	-
Contributions & Donations	0.3	-	-	-	-	-
Charges for Service/Other Total	\$3.9	\$5.7	\$4.0	\$3.8	\$0.2	5%

Building Permit Fees & Charges (Fiscal Year to Date: August 2016)



Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation is necessary.

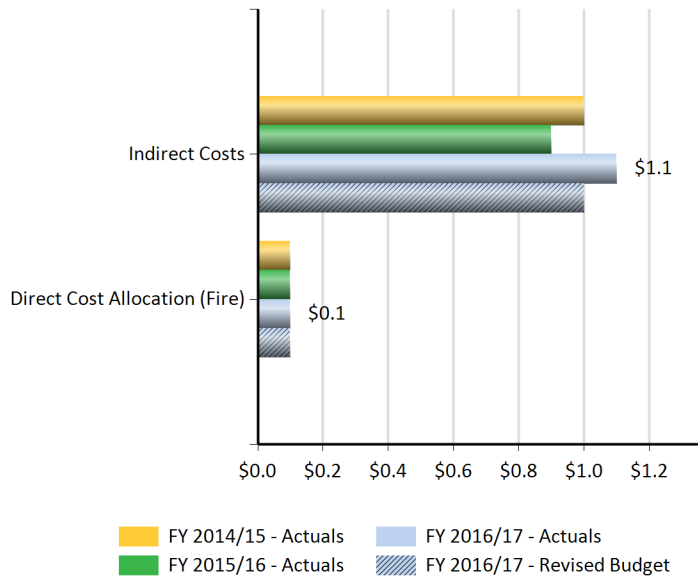
	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Building Permit Fees & Charges	\$3.4	\$2.1	\$2.8	\$2.7	\$ -	-
Building Permit Fees & Charges Total	\$3.4	\$2.1	\$2.8	\$2.7	\$ -	-

\$ in millions / rounding differences may occur



Indirect/Direct Cost Allocations (Fiscal Year to Date: August 2016)

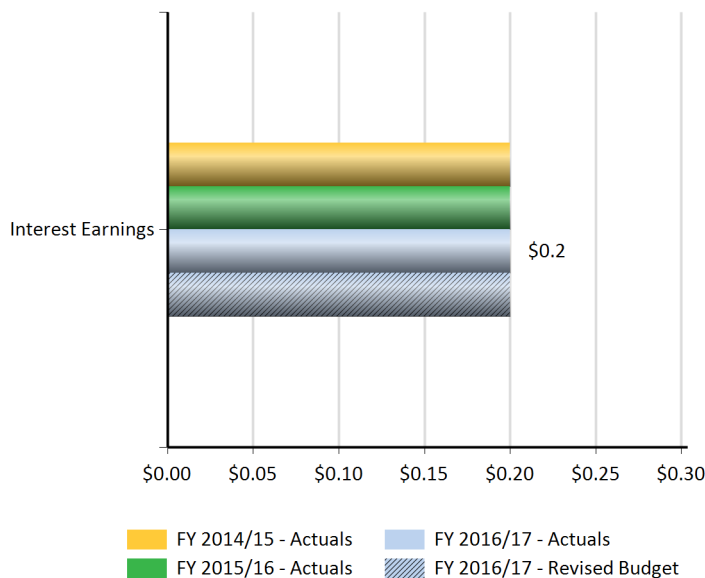
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$1.0	\$0.9	\$1.1	\$1.0	\$ -	-
Direct Cost Allocation (Fire)	0.1	0.1	0.1	0.1	-	-
Indirect/Direct Cost Allocations Total	\$1.1	\$1.0	\$1.1	\$1.1	\$ -	-

Interest Earnings (Fiscal Year to Date: August 2016)

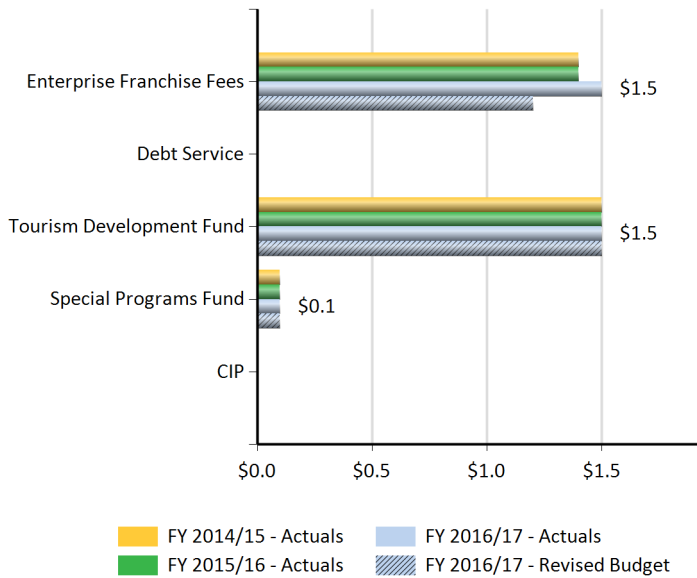
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.2	\$0.2	\$0.2	\$0.2	\$ -	-
Interest Earnings Total	\$0.2	\$0.2	\$0.2	\$0.2	\$ -	-



Transfers In (Fiscal Year to Date: August 2016)



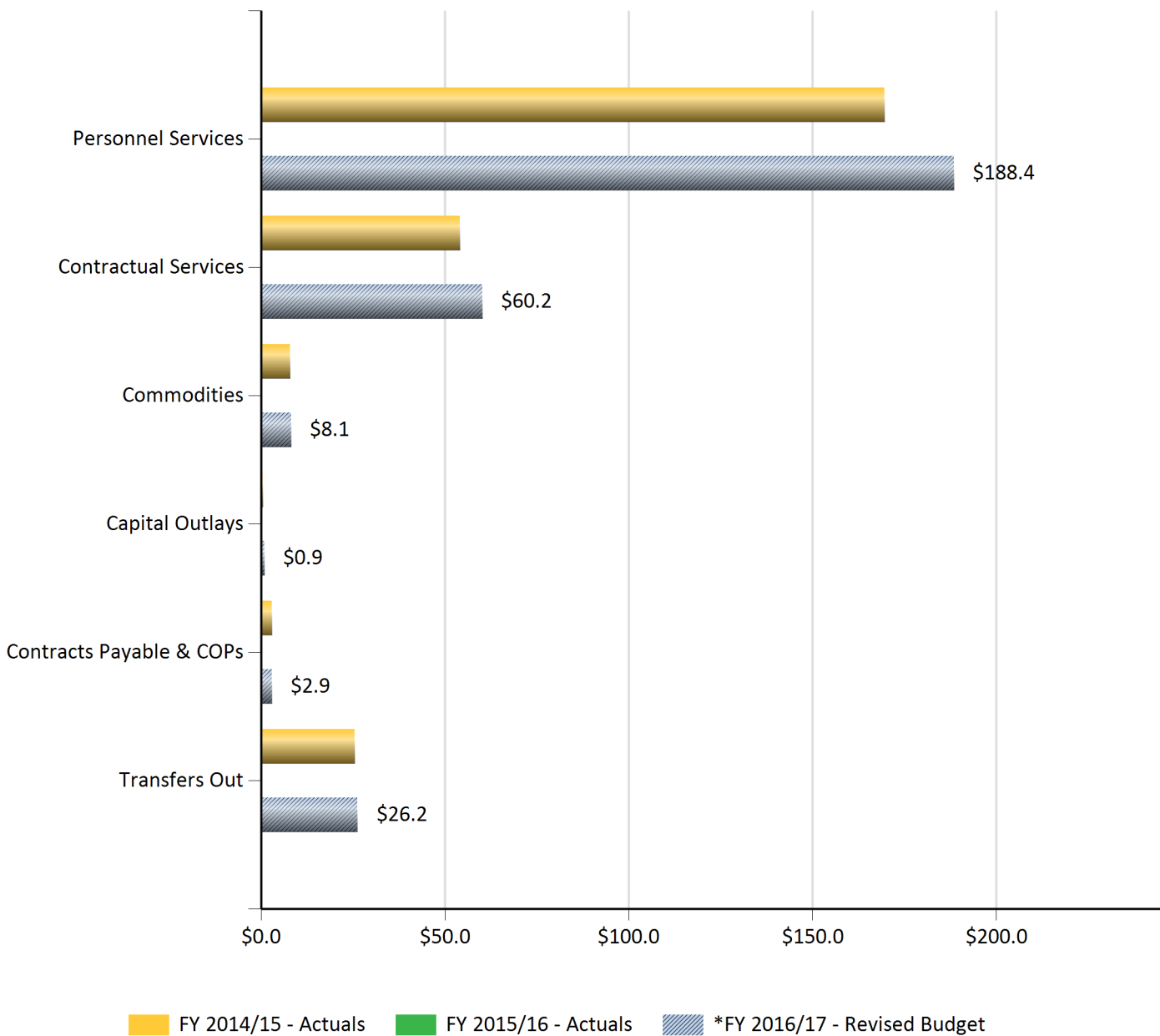
Actual to Revised Budget variance of \$0.3 million or 9%:
 The favorable variance in Enterprise Franchise Fees is due to higher revenue collected in the Water & Water Reclamation Fund than anticipated which consequently affects the transfer in to the General Fund. This increase is the result of greater water deliveries compared to the three year running average.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Enterprise Franchise Fees	\$1.4	\$1.4	\$1.5	\$1.2	\$0.3	22%
Debt Service	-	-	-	-	-	-
Tourism Development Fund	1.5	1.5	1.5	1.5	-	-
Special Programs Fund	0.1	0.1	0.1	0.1	-	-
CIP	-	-	-	-	-	-
Transfers In Total	\$3.0	\$2.9	\$3.0	\$2.8	\$0.3	9%



Uses

Twelve Months: Fiscal Year



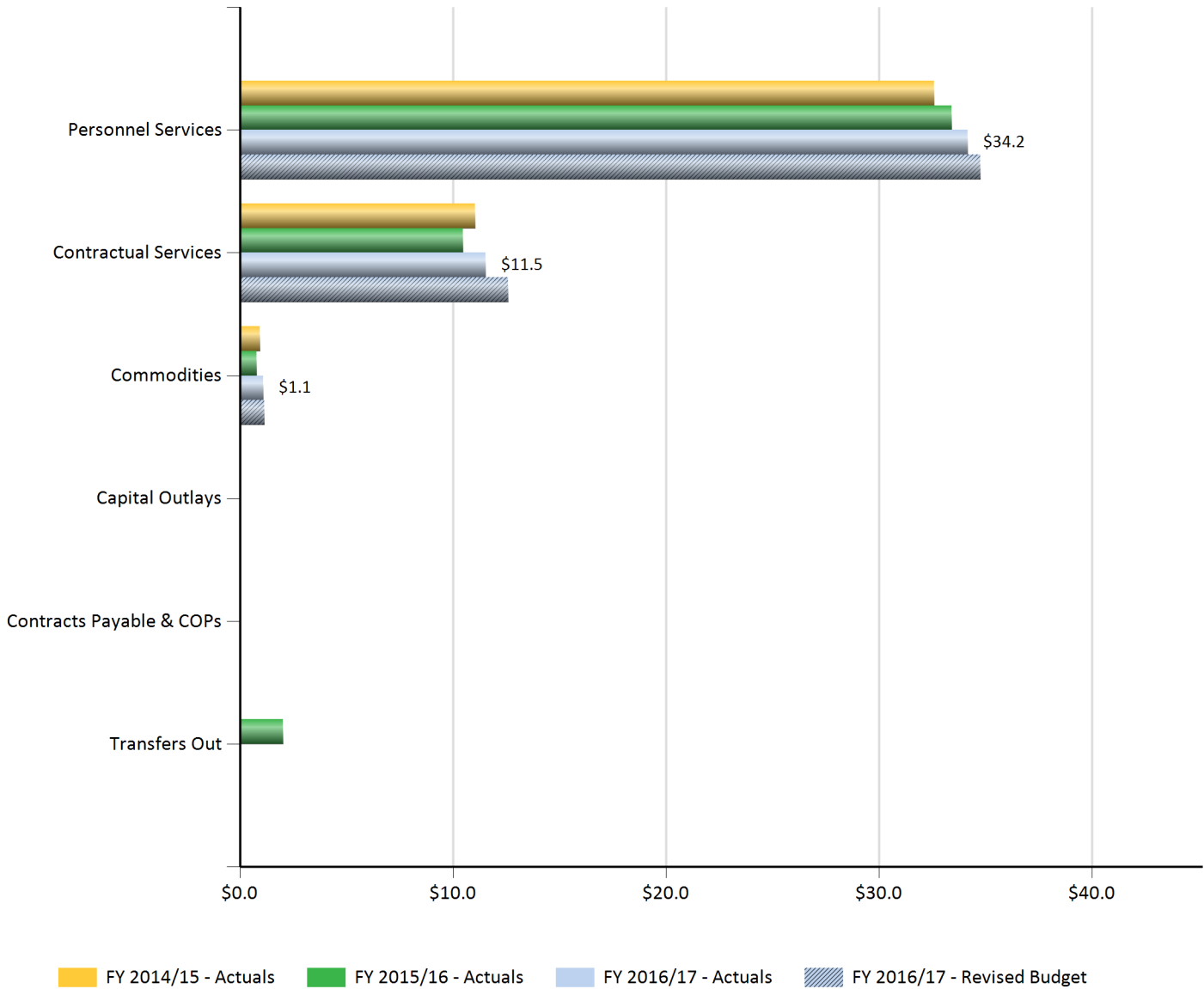
*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Programs, and compensation adjustments.

Note: FY 2015/16 twelve month actuals are not available at this time. Once completed, they will be included within the report.

\$ in millions / rounding differences may occur



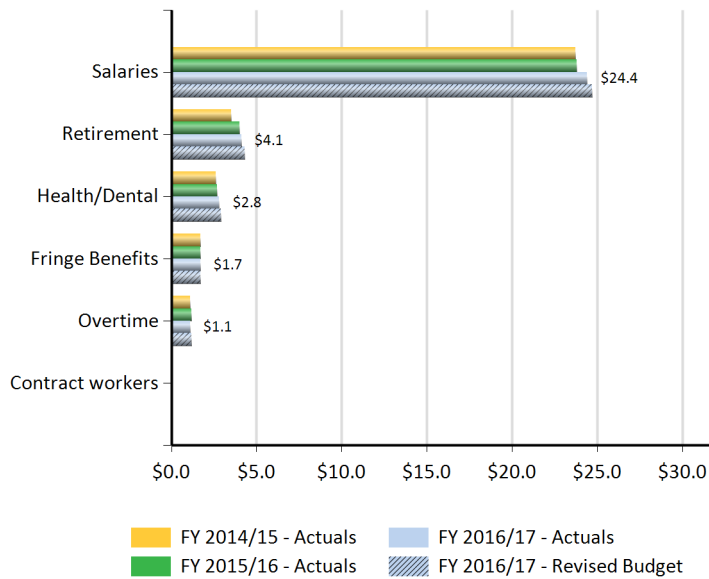
Uses (Fiscal Year to Date: August 2016)



	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Personnel Services	\$32.6	\$33.4	\$34.2	\$34.8	\$0.6	2%
Contractual Services	11.0	10.5	11.5	12.6	1.1	8%
Commodities	0.9	0.8	1.1	1.2	0.1	6%
Capital Outlays	-	-	-	-	-	-
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	-	2.0	-	-	-	-
Total Uses	\$44.6	\$46.7	\$46.8	\$48.5	\$1.7	4%



Personnel Services (Fiscal Year to Date: August 2016)



Actual to Revised Budget variance of \$0.6 million or 2%:

The favorable variance in Personnel Services is due to savings in the Police Public Safety Personnel Retirement System (PSPRS) contributions. There are 10 employees in Police DROP (Deferred Retirement Option Program) who are funded for retirement contributions but are not currently required to pay. A budget adjustment occurred in August to address this variance. Also, the Police Division has a large favorable variance in Overtime usage, which subsequently impacts other lines such as retirement contributions, resulting in lower costs. This favorable variance in Overtime was offset by the Fire Division which currently has 17 sworn employees on various leaves due to injuries or FMLA. Additionally, Fire has seen increased leave usage for staff trained in Advanced Life Support (ALS - paramedics) and currently has 16 sworn staff attending paramedic school to alleviate ongoing Overtime impacts related to this leave. Fire's unfavorable variance is expected to continue into future periods. Finally, there is a citywide favorable impact in Health Insurance due to plan selection occurring after each position had been budgeted and adopted.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries	\$23.7	\$23.8	\$24.4	\$24.7	\$0.2	1%
Retirement	3.5	4.0	4.1	4.3	0.2	5%
Health/Dental	2.6	2.7	2.8	2.9	0.1	2%
Fringe Benefits	1.7	1.7	1.7	1.7	-	-
Overtime	1.1	1.2	1.1	1.2	-	-
Contract workers	-	-	-	-	-	-
Personnel Services Total	\$32.6	\$33.4	\$34.2	\$34.8	\$0.6	2%

Macro Personnel Adjustments

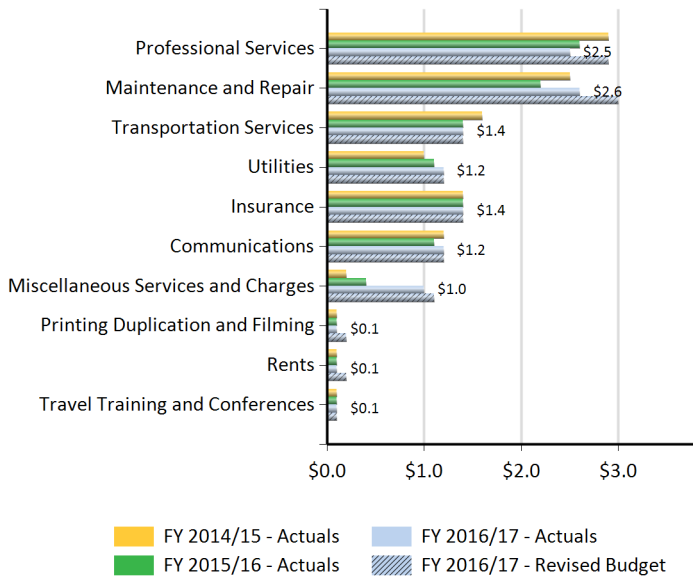
	2014/15	2015/16	2016/17	2016/17	
	Actual	Actual	Adopted Budget	Year-To-Date Saved/(Used)	Remaining
3% Pay for Performance	\$4.6	n/a	\$2.6	(\$2.6)	\$ -
5% Step - Fire	-	n/a	0.9	(0.9)	-
5% Step - Police	-	n/a	1.3	(1.3)	-
Retirement Savings	-	n/a	-	0.3	0.3
Vacancy Savings	(3.8)	n/a	(3.9)	1.0	(2.8)
Medical Leave Payouts	1.6	n/a	1.0	(0.5)	0.5
Vacation Leave Payouts	0.7	n/a	0.9	(0.2)	0.7
Total Vacancy Savings/Payouts	\$3.1	n/a	\$2.9	(\$4.1)	(\$1.2)

Total Saved/(Used) YTD of (\$4.1) million:

The city has achieved \$1.0 million in vacancy savings year-to-date offset by (\$0.7) million in vacation and medical leave payouts. In July, the Citywide Pay for Performance Program was funded and implemented initiating the use of ongoing dollars for compensation increases. These increases include a 5 percent step program for Firefighters, Fire Engineers and Fire Captains; a 5 percent step program for Police Officers and a 3 percent pay program based on performance for all other city employees. (FY 2015/16 twelve month actuals are not available at this time. Once completed, they will be included within the report.)



Contractual Services (Fiscal Year to Date: August 2016)

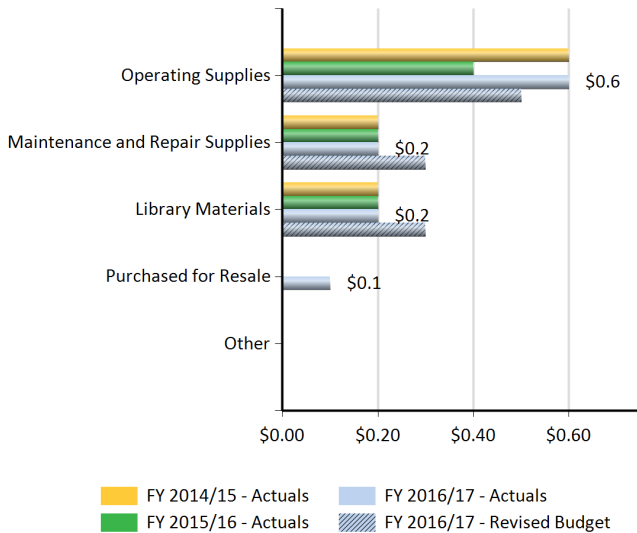


Actual to Revised Budget variance of \$1.1 million or 8%:
 The favorable variance in Contractual Services is due largely to Professional Services and Maintenance and Repair. Professional Services is favorable due to a timing issue by Police in payment of their jail services contract. Additionally, the photo radar program was suspended in the spring for two months which is having an impact now. The cost of administering this program is lower in July and August due to fewer tickets making their way through the process. Finally, WestWorld is favorable in this area due to a marketing fee that was lower than anticipated. Professional Services is partially offset by Administrative Services purchasing desktop licenses earlier than anticipated. Maintenance and Repair is favorable due to Public Works having several major facility maintenance projects that have not commenced yet. There is a favorable variance in Utilities (electric, gas, water, sewer) due to a reduction in summer usage. Other favorable variances are related to timing in the payments of invoices and spending less year to date than anticipated.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Professional Services	\$2.9	\$2.6	\$2.5	\$2.9	\$0.4	14%
Maintenance and Repair	2.5	2.2	2.6	3.0	0.3	11%
Transportation Services	1.6	1.4	1.4	1.4	-	-
Utilities	1.0	1.1	1.2	1.2	0.1	5%
Insurance	1.4	1.4	1.4	1.4	-	-
Communications	1.2	1.1	1.2	1.2	0.1	5%
Miscellaneous Services and Charges	0.2	0.4	1.0	1.1	0.1	11%
Printing Duplication and Filming	0.1	0.1	0.1	0.2	-	-
Rents	0.1	0.1	0.1	0.2	0.1	37%
Travel Training and Conferences	0.1	0.1	0.1	0.1	0.1	43%
Contractual Services Total	\$11.0	\$10.5	\$11.5	\$12.6	\$1.1	8%



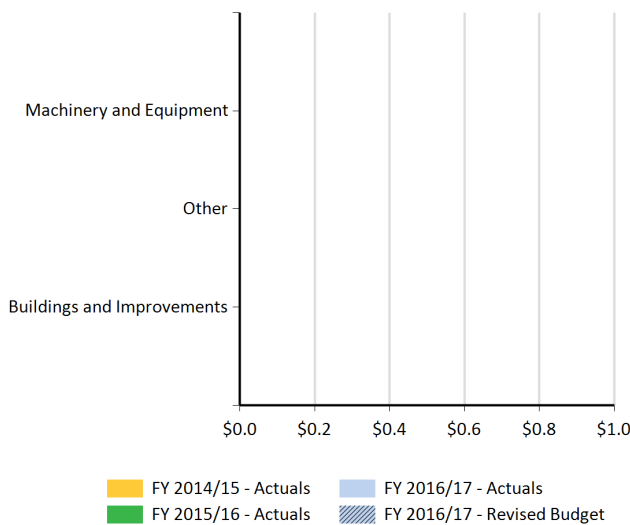
Commodities (Fiscal Year to Date: August 2016)



Actual to Revised Budget variance of \$0.1 million or 6%:
 The favorable variance is due to Public Works Building Maintenance and Repair budget residing in July. This variance will smooth in future periods as ongoing activities occur. This is partially offset due to Community Services purchasing supplies for parks & pools, which occurred sooner than anticipated, and WestWorld purchasing wood shavings earlier than normal in preparation for new summer events.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$0.6	\$0.4	\$0.6	\$0.5	\$ -	-
Maintenance and Repair Supplies	0.2	0.2	0.2	0.3	0.2	46%
Library Materials	0.2	0.2	0.2	0.3	-	-
Purchased for Resale	-	-	0.1	-	(0.1)	nm
Other	-	-	-	-	-	-
Commodities Total	\$0.9	\$0.8	\$1.1	\$1.2	\$0.1	6%

Capital Outlays (Fiscal Year to Date: August 2016)



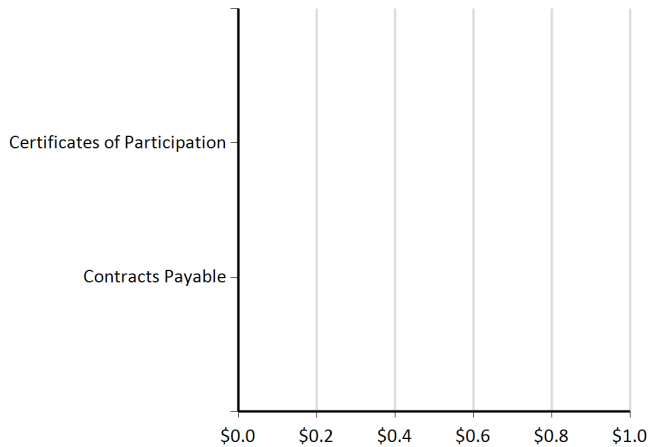
Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation is necessary.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Machinery and Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other	-	-	-	-	-	-
Buildings and Improvements	-	-	-	-	-	-
Capital Outlays Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-



Contracts Payable & COPs (Fiscal Year to Date: August 2016)

Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.

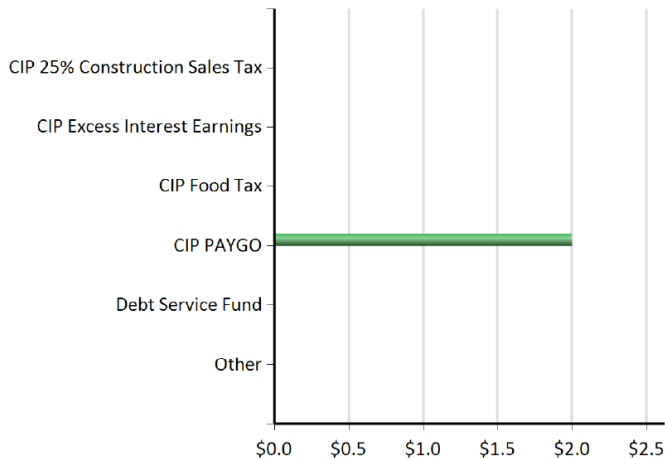


■ FY 2014/15 - Actuals ■ FY 2016/17 - Actuals
■ FY 2015/16 - Actuals FY 2016/17 - Revised Budget

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	-	-	-	-	-	-
Contracts Payable & COPs Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-

Transfers Out (Fiscal Year to Date: August 2016)

Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.



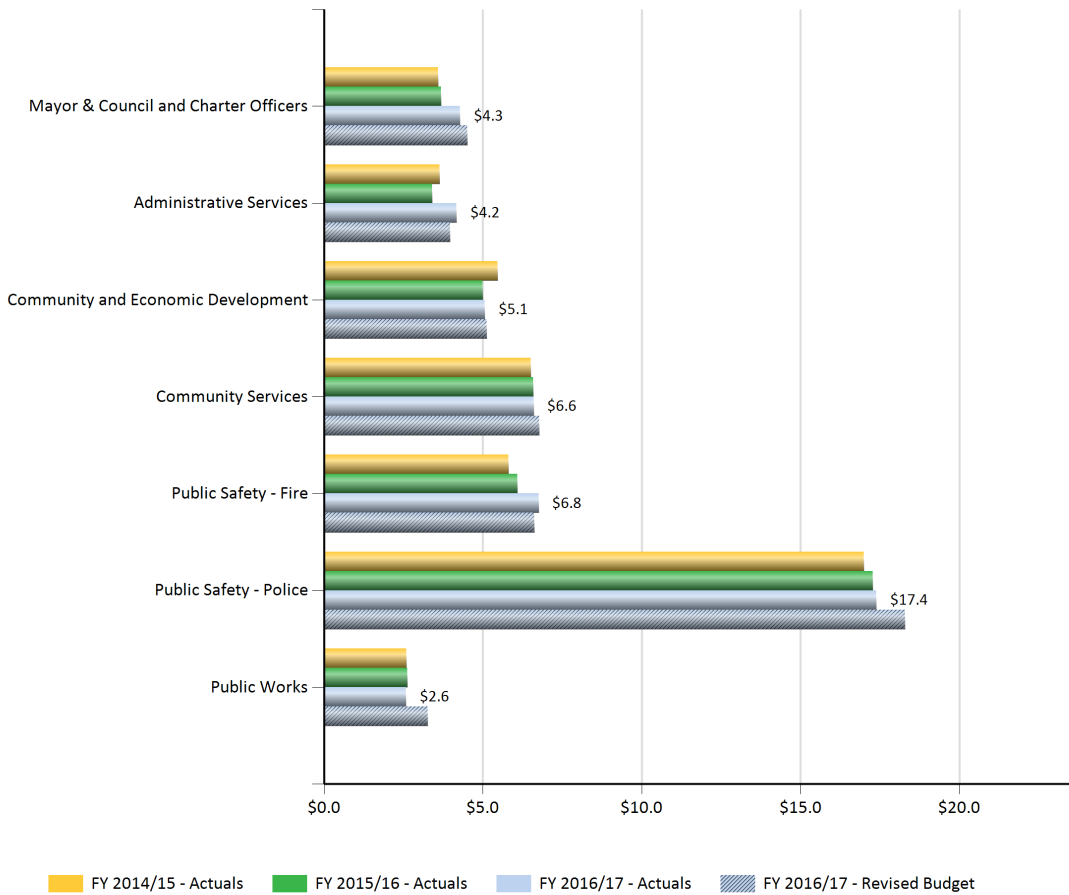
■ FY 2014/15 - Actuals ■ FY 2016/17 - Actuals
■ FY 2015/16 - Actuals FY 2016/17 - Revised Budget

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP 25% Construction Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP PAYGO	-	2.0	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers Out Total	\$0.0	\$2.0	\$0.0	\$0.0	\$ -	-

\$ in millions / rounding differences may occur



Division Expenditures (Fiscal Year to Date: August 2016)



Division	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$3.6	\$3.7	\$4.3	\$4.5	\$0.2	5%
Administrative Services	3.6	3.4	4.2	4.0	(0.2)	(5%)
Community and Economic Development	5.5	5.0	5.1	5.1	0.1	1%
Community Services	6.5	6.6	6.6	6.8	0.2	3%
Public Safety - Fire	5.8	6.1	6.8	6.6	(0.1)	(2%)
Public Safety - Police	17.0	17.3	17.4	18.3	0.9	5%
Public Works	2.6	2.6	2.6	3.3	0.7	21%
Total	\$44.6	\$44.7	\$46.8	\$48.5	\$1.7	4%

Actual to Revised Budget variance of \$1.7 million or 4%: Mayor & Council and Charter Officers is favorable mainly due to spending less in postage, printing & graphics intergovernmental payments and banking services than planned. The unfavorable variance in Administrative Services is mainly driven by the purchase of desktop software licenses earlier than anticipated but is offset in part by savings on the data resiliency program's storage contract. In Community Services, the favorable variance is due to invoice timing. There is an unfavorable status in Fire related largely to overtime needed to cover for sworn employees on various leaves due to injuries or FMLA. For Police, the favorable variance is related to additional personnel entering the DROP program, which means retirement is no longer paid, creating a savings. Additionally there are savings in Overtime related to dynamic staffing, timing in the payment of the jail services contract and the temporary suspension of the photo radar program resulting in fewer tickets being processed. Finally, for Public Works, the favorable variance is due to savings in utilities and to the timing of major facility maintenance and repair projects which have not yet started.