



VOLUME ONE | BUDGET SUMMARY



CITY OF SCOTTSDALE
ARIZONA

ADOPTED FY 2010/11 BUDGET



City of Scottsdale, Arizona

Adopted FY 2010/11 Budget

Budget Summary - Volume One

City Council

W.J. "Jim" Lane, Mayor
Lisa M. Borowsky
Wayne Ecton
Suzanne Klapp
Robert W. Littlefield
Ron McCullagh
Marg Nelssen

Budget Review Commission

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Scott Miller, Vice Chair
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City Manager

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Senior Advisor

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City Treasurer

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Mayor and City Council's Mission

The mission of the City of Scottsdale is to cultivate citizen trust by fostering and practicing open, accountable, and responsive government; providing quality core services; promoting long-term prosperity; planning and managing growth in harmony with the City's unique heritage and desert surroundings; strengthening the City's standing as a preeminent destination for tourism; and promoting livability by enhancing and protecting neighborhoods. Quality of life shall be the City's paramount consideration.



Mayor W. J. "Jim" Lane

Mayor Lane began his first term as Mayor in January 2009. He previously served a term on the Scottsdale City Council from June 2004 until his election as Mayor. Mayor Lane served on the 2002 Scottsdale Fire & EMS Advisory Committee, which was convened to evaluate and make recommendations to the city regarding the desired level of fire and emergency medical services relative to cost. Mayor Lane currently represents the city as a member of the Flinn Foundation Arizona Bioscience Roadmap Steering Committee, as president of the Arizona Municipal Water Users Association, and as a member of the Executive Committee of the League of Arizona Cities and Towns and the Maricopa Association of Governments Executive, Regional Council and Transportation Policy committees. Mayor Lane serves on the Scottsdale Leadership Advisory Board and his community service also includes six years on the Scottsdale Paradise Valley YMCA Board of Management, where he chaired the 1999 Kids Campaign annual fund raising effort. He came to Scottsdale from New Jersey in 1973 to take a position with KPMG (Peat Marwick), an international CPA firm. He worked as a CPA for twenty years with five of those years in public accounting as a financial statement auditor. Mayor Lane has owned and operated businesses in construction, mining, computer technology, telecommunications and regional aviation. He currently owns the financial consulting company of Chatham Hill Group LLC. Mayor Lane is also an adjunct professor of business and accounting at Scottsdale Community College. He holds a bachelor's degree in accounting from Saint Joseph's University in Philadelphia.

Mayor and City Council's Broad Goals

GOAL A: NEIGHBORHOODS

Enhance and protect a diverse family-oriented community where neighborhoods are safe, protected from adverse impacts, well maintained and actively revitalized.

GOAL E: PUBLIC SAFETY

Protect Scottsdale residents and visitors by providing quality public safety and homeland security services.

GOAL B: ENVIRONMENTAL SUSTAINABILITY & PRESERVATION

Preserve Scottsdale's desert environment and natural resources, and honor the City's heritage and character.

GOAL F: FISCAL & RESOURCE MANAGEMENT

Provide the means to reach other goals by ensuring Scottsdale is fiscally responsible and fair in its management of taxpayer money and City assets, and coordinates land use and infrastructure planning within the context of financial demands and available resources.

GOAL C: TRANSPORTATION

Strengthen the transportation system for the safe, efficient and affordable movement of people and goods.

GOAL G: OPEN AND RESPONSIVE GOVERNMENT

Make government accessible, responsive and accountable so that decisions reflect community input and expectations.

GOAL D: ECONOMY

Position Scottsdale for short-and long-term economic prosperity by strengthening, expanding and diversifying our economic resources.

The Scottsdale City Council agreed to this statement of the Council's Mission and Goals at an informal workshop on November 2, 2004.



Councilwoman Lisa Borowsky

Councilwoman Borowsky began her first term on the Scottsdale City Council in January 2009. An attorney, she has limited her practice to civil litigation since being admitted to the State Bar of Arizona in 1994. The majority of her legal career has focused on community association representation, specifically related to construction issues. She founded Borowsky Law in 2006, where she focuses on settlement-oriented representation. She has a broad background in real estate, real estate law and complex civil litigation and serves regularly as a court-appointed arbitrator. Before founding her firm, Councilwoman Borowsky worked with mid-size, multi-state law firms primarily representing homeowners and associations dealing with defective construction issues. Prior to her career in law, she managed multi-family dwellings, working up the ranks in her family's apartment business. She is a member of the Arizona State Bar, Construction Law Section, and the Maricopa County Bar Association. Councilwoman Borowsky is active in the Community Associations Institute and Arizona Association of Community Managers, which support and educate the community associations industry. She is a precinct committeeperson in the District 8 Republicans organization and has been active at the State Legislature as a proponent on various issues, both professionally and personally. A native of the Valley, Councilwoman Borowsky completed her undergraduate degree at Arizona State University and her law degree at St. John's University School of Law. Councilwoman Borowsky's personal time is dedicated to raising her beautiful daughter, Savannah, riding cutting horses, skiing, culinary arts and travel. She is involved in various charitable organizations, primarily focusing upon those assisting children.



Councilman Wayne Ecton

Councilman Ecton was elected to his first term on the Scottsdale City Council in March 2002 and was reelected to a second term beginning in June 2006. Councilman Ecton has represented Scottsdale for the past 2 years on the Board of the Regional Public Transportation Authority where he currently serves as vice chair. He also serves as an Arizona representative to the Western Municipal Conference and is a member of the Board of Directors of the World Affairs Council. Councilman Ecton serves on the Energy, Environment and Natural Resources National League of Cities Steering Committee, and was a member of the Scottsdale Convention and Visitors Bureau Board from July 2004 through June 2009. He previously served on the Big Box Ideas Team, which helped the city develop an ordinance to regulate the placement and appearance of "big box" retail buildings. A Scottsdale resident since 1996, Councilman Ecton has been a member of the Honorable Order of Kentucky Colonels since 1966. He is a member of the Friends of the McDowell Land Trust, the Scottsdale Center for the Arts, the Friends of the Library and the Scottsdale Historical Society. Councilman Ecton retired from Alcoa after 33 years in high-level financial management positions in the U.S. corporate headquarters and international and U.S. operating locations. He holds a bachelor's degree in business. He was also a member of the Financial Executives Institute until his retirement. He and his wife Martha have been married for 42 years and have two grown children and four grandchildren.



Councilwoman Suzanne Klapp

Councilwoman Klapp began her first term on the Scottsdale City Council in January 2009. She has 37 years of broad management experience in manufacturing, distribution and retail operations. She began her career with the Whirlpool Corp. where she worked for 14 years in a variety of staff and operations management positions in marketing, internal and external communications, human resources, production and material control. She was Whirlpool's spokesman for the company's headquarters in Benton Harbor, Michigan. Councilwoman Klapp owned a custom injection molding plastics plant for five years in Indiana before moving west. She joined the FastFrame custom framing franchise stores in 1997 as a retailer in the Los Angeles area. She moved to Scottsdale in 1998 and since has owned custom framing retail stores in Scottsdale and Phoenix. She personally manages the only store she currently owns, which is located in Scottsdale. She and her husband Tim continue to pursue several entrepreneurial interests. Councilwoman Klapp is active in the Scottsdale Area Chamber of Commerce, Rotary Club of Pinnacle Peak, Women of Scottsdale, and Legislative District 8 Republican Committee. She is a graduate of Valley Leadership and is on the Advisory Board of Scottsdale Leadership. Councilwoman Klapp serves on the MAG Domestic Violence Council and the City Council's Audit and Economic Development subcommittees. She grew up in Evansville, Indiana and attended the University of Evansville where she obtained a Bachelor of Arts degree in English and Journalism and was Campus Editor of the school newspaper. She earned a Master of Business Administration degree from Southern Methodist University's Cox School of Business in Dallas, Texas.



Councilman Ron McCullagh

Councilman McCullagh began his first term on the Scottsdale City Council in June 2004 and was reelected to a second term that began in January 2009. Councilman McCullagh has lived in the Valley for 33 years and in Scottsdale for the past 17 years. His career experience includes six years as a university professor and 20 years as a businessman in the financial services industry. He is retired. He is past president of Valley Citizens League. He serves or has served on the boards of Scottsdale Leadership, Scottsdale Sister Cities, Scottsdale Rotary Club and the District 8 Republican Executive Committee. He also serves on the Scottsdale Unified School District Grants Subcommittee and the Scottsdale Area Chamber of Commerce Public Policy Committee. He is a member of Scottsdale Leadership Class XVIII, Arizona Town Hall and the Arizona Tax Research Association. He holds bachelor's and master's degrees in business from the University of North Dakota, and a doctorate in business administration from the University of Florida. He and his wife Mary Beth have been married for 43 years and have two children and eight grandchildren. In addition to family and civic duties, he enjoys tennis, sailing, hiking and golf.



Councilman Robert Littlefield

Councilman Littlefield was elected to his first term on the Scottsdale City Council in May 2002 and was reelected to a second term beginning in June 2006. Councilman Littlefield was the chairperson of the three-member City Council Budget Subcommittee for the FY 2006/07 and FY 2004/5 budgets. He currently serves as the chairman of the Audit Committee and the City Council Subcommittee on Water Issues. He is the founder and president of NetXpert Systems, Inc., a Scottsdale-based computer company. He also is a commercial pilot and flight instructor. Councilman Littlefield served 11 years as a board member in the Arcadia Scottsdale United Soccer Club and 20 years working with Scottsdale's kids as a youth soccer and baseball coach and soccer referee. He is a Joe Foss Institute Veteran Presenter and has been involved in a variety of other civic and professional organizations. A Vietnam combat veteran, Councilman Littlefield served in the U.S. Army from 1968 to 1970 and in the Arizona Army National Guard from 1971 to 1974. He is a member and former director of the Arizona Software & Internet Association. Other memberships include the Arizona Pilot's Association, Aircraft Owners and Pilots Association, National Federation of Independent Business, American Legion, Kiwanis Club and Civitan. Councilman Littlefield also is an Eagle Scout. He holds a bachelor's degree in engineering from Arizona State University. He and his wife Kathy have been married 37 years and have two grown children.

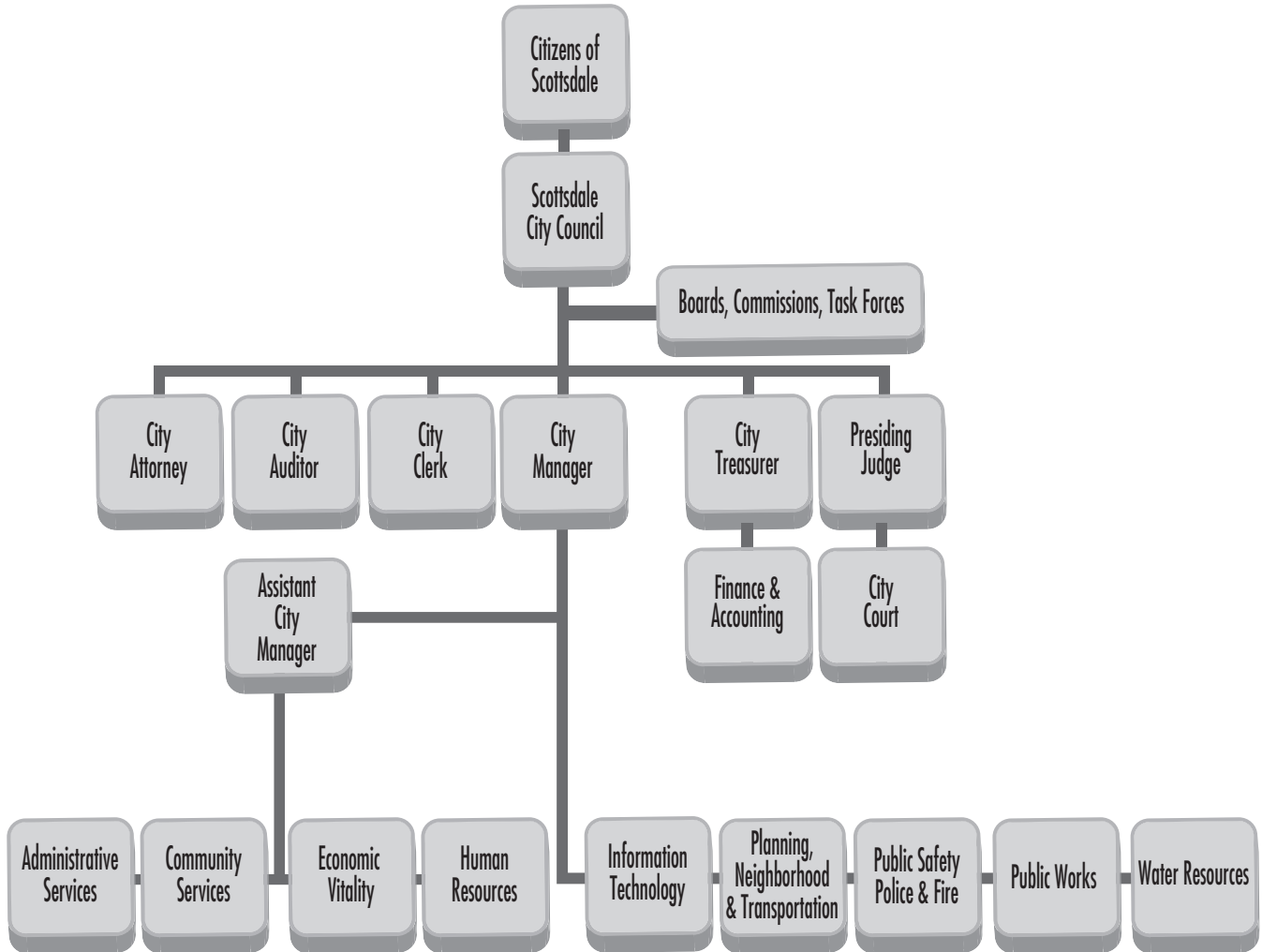


Councilman Tony Nelszen

Councilman Tony Nelszen passed away in office on May 26, 2010. He had served on the Scottsdale City Council since June 2006.

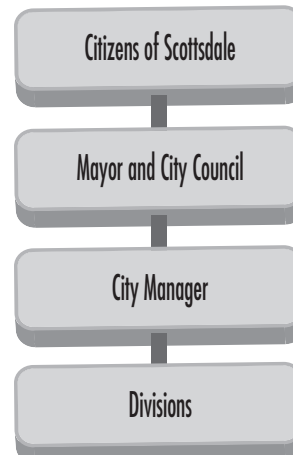
Councilwoman Marg Nelszen

Councilwoman Marg Nelszen was appointed to the Scottsdale City Council in June 2010 to serve the remainder of her late husband's term. Councilwoman Nelszen is an accomplished artist, educator, and civic advocate who has called Scottsdale home for 23 years. A native of Rochester, New York, her appreciation of the Sonoran desert took Nelszen to Arizona State University where she earned a bachelor of architecture degree and worked in the field of architecture for several years. In 1996, Tony and Marg Nelszen founded The Great Sonoran, a diverse group advocating innovative, site specific, and climate sensitive architecture suited to the Sonoran Desert. Scottsdale has derived much of its Sensitive Design Guidelines from those developed by 'The Great Sonoran.' Nelszen has been involved with a wide range of city efforts including the Desert Foothills working group and overlay, local area street circulation plans, metal screen design for local telecommunication boxes, rural road lighting and trail designs, and scenic drive guidelines. She was also involved in the first successful improvement district in Arizona set up specifically to bury 69-kilovolt power lines in the north Scottsdale area, and the first, with her husband Tony, to ride their mules on the new trails of Pinnacle Peak Park. She currently creates and teaches art at several Scottsdale art centers and galleries. She is a juried member and volunteer of the Sonoran Arts League and former board member of the Greater Pinnacle Peak Association. Councilwoman Nelszen lives in the Desert Foothills area of Scottsdale with her son Ian, daughter Hannah, four dogs, four mules and a horse called Ellie.



Form of Government and Organization

The Mayor and six City Council members are elected at large on a non-partisan ballot for a four-year term. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The City Manager, in turn, appoints City employees and Division Managing Directors under service procedures specified by the Charter.



INTRODUCTION

BUDGET AWARD



BUDGET AWARD FOR
FISCAL YEAR 2009/10 BUDGET

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to the City of Scottsdale, Arizona for its annual budget for fiscal year beginning July 1, 2009. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operating guide, and as a communications device.



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This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

INTRODUCTION



Date: September 3, 2010
To: Mayor and City Council;
Budget Review Commission
CC: Charter Officers,
Executive Committee
From: David E. Richert, City Manager
Subject: Final Adopted FY 2010/11 Operating
Budget and Capital Improvement Plan

I am pleased to provide you with this copy of the Final Adopted FY 2010/11 Operating Budget and Capital Improvement Plan for your review. This budget is the result of considerable collaboration between staff, the Budget Review Commission and the City Council. This letter highlights some issues we considered and actions we took in preparing the proposed budget, as well as changes made prior to final budget adoption.

The final budget as approved sets the maximum expenditure limit at \$1,287.3 million. This is up slightly from prior 2009/10 adopted of \$1,144.3 million, but down considerably from \$1,428.8 million adopted in 2008/09. Of this amount, the largest category is \$677.7 million for capital projects, which includes \$440.5 million of re-budgeted projects from prior years. The operating budgets are \$486.5 million, when you remove the Internal Service Fund offsets of approximately \$35.7 million. There is also \$107.9 million in contingencies and reserves. Within the operating budgets, the largest category is the General and Transportation Funds with total spending of \$235.0 million. Of that, fifty percent (\$115.6 million) of the General Fund is spent on Public Safety – Police, Fire and the City Court.

The FY 2010/11 Operating Budget is a maintenance budget. In preparing the budget, staff was asked to maintain or reduce expenditures from the prior year final approved budget. Increases were only allowed where contractually required or prudent based on changed conditions. Even with those guidelines, the initial difference between forecasted revenues and current year expenditures (including contractual cost increases) was \$18.0 million.

To balance the budget, we utilized several major approaches:

1. Eliminated or reduced lower priority expenditures and services, resulting in a reduction of \$8.3 million. Some (but not all) of these changes are structural reductions that will be maintained in future years.
2. Applied a portion of the beginning unreserved fund balance as a source, resulting in a one-time revenue of \$4.2 million.
3. Transferred excess Health Care Trust Fund reserves back to source funds and employees, resulting in a one-time revenue of \$3.2 million, and
4. Reduced the contingency reserve to a level consistent with historic average uses, resulting in a one-time revenue of \$2.5 million.

Each of these strategies is discussed in more detail below.

1. GENERAL FUND STAFF AND COST REDUCTIONS

We eliminated two full-time equivalent (FTE) positions: vacant public affairs manager in the Information Technology Division; and two vacant part-time secretaries in Planning, Neighborhoods and Transportation. In addition, it was agreed to keep 3.5 FTEs as authorized positions, but remove their funding for FY 2010/11 and FY 2011/12. These vacant positions are a Human Resources representative, an Associate City Judge and a Court Services Representative from the City Court, and a part-time Victim Services Representative from the City Attorney's Office. There were also reductions of 1.74 FTEs in Community Services that reduced part-time staff hours within aquatics, youth and adult sports, and libraries. In addition, further reductions to personnel costs, contracted services, printing, mailing, supplies and training were made within multiple division budgets resulting in savings of \$1.6 million. Overall, the FY 2010/11 Budget includes a staffing level of 2,546.47 FTEs, which is down 261.37 positions since the FY 2008/09 Adopted level of 2,807.84 FTEs. Below is a table summarizing FTE changes over the last fiscal year.

INTRODUCTION



SUMMARY OF FTE CHANGES

FY 2009/10 Adopted FTEs		2,607.69
FY 2010/11 Adopted FTEs:		
Eliminations	(73.72)	
Additions	12.50	
Net Reduction	(61.22)	
FY 2010/11 Adopted FTEs		2,546.47
Reduction		-2.3%

Positions were added in Finance and Accounting (2.0), Human Resources (.5), Fire (1.0), and Water Resources (9.0 due to a new treatment facility coming on-line).

IN LIEU TAX AND WATER CONSERVATION – In response to direction from the City Council to eliminate the in lieu tax payments made by Enterprise Funds to the General Fund, we proposed reducing the amount charged by one-third each year until eliminated. The table below shows the level of in lieu tax payments in FY 2009/10 and shows the reductions over FY 2010/11 and 2011/12 until eliminated in FY 2012/13.

<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
\$2.67 M	\$1.75 M	\$0.88 M	\$0.00 M

The 2010/11 reduction will be offset through \$700,000 in water conservation efforts designed to reduce municipal water consumption into the least expensive of the City's volume-based pricing tiers. Customers may notice this reduction at City facilities where fountains and water features may be shut-off (or their use curtailed); turf areas may be replaced with low-water-use desert landscaping, and annual flowers may be replaced with perennial, desert-adaptive plants.

TRANSPORTATION FUNDING - Dedicated transportation sales taxes have declined \$5.6 million since FY 2006/07 and \$1.4 million in lottery tax distributions were swept by the state legislature. The draft budget proposed a \$3.1 million reduction in transit funding. During the budget review process, considerable public

input asked that funding be restored on Route 76, which provides service on Miller Road. To address this, staff identified an option to increase the General Fund transfer to the Transportation Fund to \$1.8 million – which limited transit reductions to just \$1.4 million. These reductions will be made by changing peak hour frequencies for Route 72 (Scottsdale Road) and 81 (Hayden Road) from 15 to 20 minutes, eliminating Route 66 (68th Street), and utilizing the City's trolley contractor to operate Route 76 (Miller Road), with no fare collections until an analysis is completed.

2. USE PORTION OF BEGINNING UNRESERVED FUND BALANCE

Another strategy to help balance the budget is to use a portion of the beginning unreserved fund balance as a "source." This is allowed by and consistent with state law (ARS 42-17151) which defines a "balanced" budget as follows: "Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and * shall equal the total of amounts proposed to be spent in the budget for the current fiscal year." The following table outlines the changes in both the unreserved and reserved General Fund beginning fund balances over the past three years. This change only affects the unreserved fund balance – the reserved fund balance ("stabilization reserve") remains at 10% of General and Transportation Fund expenditures – consistent with the City Council's Comprehensive Adopted Financial Policies.

	<u>2008/09</u> <u>Actual</u>	<u>2009/10</u> <u>Forecast</u>	<u>2010/11</u> <u>Estimate</u>
Unreserved	\$12.01 M	\$10.77 M	\$ 6.31 M
Reserved	\$28.13 M	\$25.86 M	\$25.87 M



3. HEALTH CARE SELF-INSURANCE FUND RESERVES

As part of a review of the appropriateness of all reserve funds, staff also reviewed the Health Care Trust Fund reserves and found that they have increased to a level in excess of anticipated claims. Subsequent discussions with the Loss Trust Fund Board concluded that this amount could be lowered. The table below shows the level in past years and the proposed level for FY 2010/11.

<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
\$7.52 M	\$8.08 M	\$8.08 M	\$4.08 M

The reduction will occur by not charging the City and employees for a set time period to draw down the reserve. During that period the Health Care Trust Fund reserve will be reduced by \$300,000 over two pay periods (to cover contributions normally made by employees) and \$3.8 million over five pay periods (to cover the City's contributions over those five pay periods).

4. MAINTAIN CONTINGENCY RESERVE AT \$2.5M

Financial Policy 47 states that "Contingency Reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. Use of contingency funds should be utilized only after all budget sources have been examined for available funds, and subject to City Council approval." Staff reviewed the contingency fund levels and uses since 2005/06 and concluded that as long as staff and Council priorities are articulated and planned for as part of the budget process, that \$2.5 million is a sufficient level for the General Fund contingency reserves. The following table shows levels over the past five years.

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
Adopted Level	\$2.7 M	\$6.68 M*	\$ 2.94 M	\$5.0 M	\$5.0 M
Amount Used	\$650 K	\$4.75 M	\$854 K	\$3.7 M**	\$146.6 K

* \$4.1 M added by Council during budget process

** Used for Early Retirement Incentive Program

Capital Improvement Plan

In addition to the operating budget, this proposed budget also includes a Five Year Capital Improvement Plan (CIP). The expenditure level for the CIP is set at \$677.7 million. Here are some significant projects included in the proposed CIP which are planned to start in FY 2010/11.

- Advanced Water Treatment – Phase 4 (V0901)
- Granite Reef Watershed (F0201)
- Scottsdale Road – Thompson Peak to Pinnacle Peak (S0311)
- Upper Camelback Wash Watershed (F0203)
- Troon North Park (P0707)
- Thomas Road Bicycle Lanes & Enhanced Sidewalks (T0606)

In addition, here are some significant projects included in the proposed CIP which are expected to be completed in FY 2010/11.

- Soleri Bridge and Plaza (D0706)
- Pima Road – Deer Valley to Pinnacle Peak (S0901)
- Miller Road Sewer Phase 3 (V2101)
- Cactus Fire Station 8 (B0803)
- Eldorado Park Fire Station 1 (B0601)
- McCormick Ranch Park Model Railroad Museum (P0712)

Changes from the Proposed Budget

There were some changes identified between the release of the proposed budget on April 15, and tentative budget adoption on May 17. Changes that impacted the FY 2009/10 Year End Forecast are noted below:

- Early Retirement Incentive Program payment to the Arizona State Retirement System \$431 K
- Year-End Savings due to lower than anticipated utility costs (\$1.14 M)



- Year-End Savings due to lower than anticipated Police Overtime costs (\$350 K)

Changes to the FY 2010/11 Tentative Budget are noted below:

- Additional savings due to the vacant Assistant City Attorney position (\$123 K)
- Decrease in State Shared Revenue to the General Fund (\$31 K)
- Increase in State Shared Revenue (Highway User) add to Street Overlay Program \$815 K
- Increased revenues from Scottsdale Unified School District for School Resource Officers \$40 K
- Add American with Disabilities Act (ADA) capital project \$300 K
- Move Water Resources position to Library \$57 K

Changes to the FY 2010/11 Five-Year Capital Improvement Plan

- Adjust amount of the T0704 Scottsdale Road and Bicycle Improvements project \$204 K

Changes Prior to Final Budget Adoption

Prior to final budget adoption, three changes were made at Council direction. The first, based on a recommendation from the Budget Review Commission, the General Fund transfer to the Transportation Fund was increased to \$1.8 million, which limited necessary transit reductions to \$1.4 million as previously discussed. In addition, the proposed increases of 2.5 percent for water user fees and 3.0 for sewer user fees were not accepted by City Council. Finally, the contingencies/reserves amount was modified because there was excess budget authority in the Capital Improvement Plan contingency for Bond 2010, and there was insufficient budget authority to utilize the General Fund stabilization and other reserves if needed. Providing this amount within the maximum expenditure limit gives greater flexibility to the City Council. In any event, all uses require City Council approval prior to expenditure.

FY 2011/12 Approaches

As noted throughout the budget process, unless the economy rebounds quickly, there will be another budget deficit to close for FY 2011/12. At time of budget adoption, this gap was estimated at \$28.4 million. Resolving next year's budget gap requires a combination of both good budget management in the current year and implementing – as soon as practical – a series of changes in services and structures that will result in savings for next year and beyond.

From a management perspective this effort is focused on these goals moving forward:

1. Continue to provide high priority services, at a high level of quality, at the lowest practical cost.
2. Consider reducing costs, raising revenues, or eliminating low priority services.
3. Involve impacted customers and employees in the process – before recommendations are made.
4. Retain our high-quality, committed workforce of experienced employees.

In light of these goals, I have implemented these five steps to manage the current year budget and plan for next year's budget.

1. I have asked division executive directors to plan to spend no more than last year's actual expenses (or the current approved budget, whichever is less).
2. I have asked division executive directors to prepare a plan for how they could restructure their division to reduce costs further. I have asked that, at this time, any staff reductions occur through natural attrition (resignations and planned retirements).
3. To that end, I am also personally reviewing all vacant positions before authorizing recruitments, to see if we can avoid filling the position by redeploying existing employees.
4. I am also recommending that the ending fund balance from last fiscal year, which is anticipated to be larger than forecast due to employees' efforts to save money, be applied to next year's deficit.
5. Finally, I have asked six management teams to look at a number of key issues prepare a consolidated report of recommendations by the end of September 2010.

INTRODUCTION



Again, I am pleased to present the Final FY 2010/11 Budget Book to you. This book could not have been assembled without the diligent work of my staff in the City Manager's Office, particularly Brent Stockwell, Senior Advisor. Thanks to the City Treasurer David Smith, Budget Manager Judy McIlroy and Senior Budget Analyst Monica Staats, as well as the Executive Directors and their Budget Liaisons throughout the organization. For their work on the Capital Improvement Plan and on the Bond 2010 proposals, I want to specifically thank Public Works Executive Director Dan Worth, City Engineer Derek Earle and Senior Budget Analyst Sylvia Dlott. Finally, my particular appreciation goes to Graphic Design Coordinator Rick Forgus, who is primarily responsible for the improved appearance of this document, and Systems Integrator Amy Foster who designed most of the reports.

Sincerely,
David E. Richert, City Manager

INTRODUCTION



Date: April 1, 2010
To: Mayor and City Council; Budget Review Commission
CC: Charter Officers, Executive Committee
From: David E. Richert, Acting City Manager
Subject: Proposed FY 2010/11 Operating Budget and Capital Improvement Plan

I am transmitting the Proposed FY 2010/11 Operating Budget and Capital Improvement Plan for your review. This budget is the result of considerable collaboration with the Interim City Treasurer, other Charter Officers, and members of the Executive Committee. This letter highlights some issues we considered and actions we took in developing this budget.

Next year will be one of transition — not yet a rebuilding year, but neither a year of downsizing. While this will be the third straight year of declining revenues, there are some positive signs of recovery. Our challenge is to maintain important services, while focusing on new initiatives to position Scottsdale for success when the economy recovers. We will continue to evaluate expenditures and services to ensure they are responsible and sustainable.

It is also a year of transition in staffing. Both the City Manager and Treasurer are currently filled on an interim basis, and we have had other changes in key leadership positions. At the beginning of the current year, we implemented a 10 percent workforce reduction and a 20 percent reduction in total appropriations. The result is fewer employees doing more work with fewer resources. To the employees' credit, we have maintained a high level of service to our customers.

When doing more with less, prioritization becomes even more important. As a result, in planning for FY 2010/11, we listened to the City Council, advisory bodies and the community, and worked to include their feedback in the budget. We also created a list of key priorities consistent with General Plan goals (see page 1).

The initial difference between forecasted revenues and current year expenditures, including contractual cost increases, was \$18.0 million. To balance the budget, we utilized several major approaches:

- 1) Eliminated or reduced lower priority expenditures and services - \$8.3 M
- 2) Applied beginning unreserved fund balance (prior year surpluses) as a source - \$4.2 M

- 3) Transferred excess Health Care Trust Fund reserves back to source funds - \$3.2 M
- 4) Reduced contingency reserve to level consistent with historic average uses - \$2.5 M

Many of the service changes reflect imposed expenditure reductions on the Transportation Fund to eliminate what would otherwise require a General Fund subsidy. Dedicated transportation sales taxes have declined \$5.6 million since FY 2006/07 and the State Legislature has swept lottery tax distributions for transit in the amount of \$1.4 million.

With all these actions, our proposed General Fund Budget for FY 2010/11 develops a surplus of \$365,000 while maintaining stabilization reserves and contingency reserves of \$28.4 million. While we have used prior year surpluses to partially offset an imbalance between revenues and expenses, we are mindful this is a strategy that will not be available in future years.

We have not just focused on providing a proposed budget without a deficit. We have reviewed this proposed budget with an eye to the future, because if the economy does not rebound quickly, difficult decisions will be needed to balance future years' budgets. We are developing contingency plans, will work to get community input, and bring additional changes forward throughout FY 2010/11.

If you have questions, or need additional information, please let me know, or contact Brent Stockwell, in my office.

Sincerely,
David Richert
Acting City Manager



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One



PRESERVE MEANINGFUL OPEN SPACE

- Acquire 2,000-acre Preserve parcel from Arizona State Land Department (ASLD)
- Update the Preserve Strategic Acquisition Plan including funding, land values, priorities, options, etc.
- Finalize agreement with ASLD regarding trail maintenance and operations for the northern Preserve
- Explore Scottsdale participation in Papago Park, including possible annexation of Barnes Butte area
- Start construction of Troon North Park and McCormick-Stillman Railroad Park improvements

ENHANCE NEIGHBORHOODS

- Complete construction of Cactus Acres Fire Station 8 (Cactus Rd. & 96th Street) and Eldorado Park Fire Station 1 (Miller & McDowell Roads) to enhance response-time performance and service delivery to those neighborhoods
- Secure site for Desert Foothills Fire Station 13 to improve services provided in area
- Continue efforts to reduce property crimes and crimes against persons
- Provide options for noise mitigation, including consideration of a noise ordinance
- Develop and implement neighborhood planning program as a complement to the General Plan

SEEK SUSTAINABILITY

- Prepare, consider and approve balanced budget for FY 2011/12
- Conduct citywide election in November 2010 to select three Council members, as well as questions on bond projects and charter amendments
- Assist City Council in identify key projects needing bond funding, conduct bond election, and begin bond program if approved by voters.
- Complete study and make decision regarding Arizona American Water
- Enhance Water Conservation and Wastewater Pretreatment programs
- Expand the use of alternative and renewable fuels in City facilities and fleet operations

SUPPORT ECONOMIC VITALITY

- Complete the planning and design phase for the Desert Discovery Center
- Implement bed tax increase and associated changes in funding allocations
- Create local resident destination marketing program (include Preserve, WestWorld, TPC, Giants, etc.)
- Consider and begin implementation of Downtown and McDowell Road Task Force recommendations
- Implement business visitation program to aid in retention and expansion of existing businesses
- Complete comprehensive citywide economic analysis, and assess economic development programs

ADVANCE TRANSPORTATION

- Award and construct improvements to Pima Road from Thompson Peak to Pinnacle Peak
- Complete in house Design Concept Report for the Airpark Ring Road, and Phase II Design RFP
- Make substantial progress on ARRA funded projects (Goldwater underpass, Crosscut Canal trail, etc.)
- Construction underway on Scottsdale/McDowell Transit Center

VALUE SCOTTSDALE'S UNIQUE LIFESTYLE AND CHARACTER

- Work with Working Group to review and seek public input on the 2011 General Plan Update
- Process major general plan amendments or Greater Airpark and Southern Scottsdale area plans
- Complete design and construction of Soleri bridge project
- Construction underway on Scottsdale Road Streetscape

The Strategic Goals are the same as the chapter headings from the voter-approved 2001 General Plan and are also the guiding principles developed through the CityShape 2020 process. The key deliverables have been identified by City staff and placed under the appropriate Strategic Goal. More information about the General Plan and CityShape 2020 may be found at: <http://www.scottsdaleaz.gov/generalplan>

INTRODUCTION

DIVISION DIRECTORY



Mayor W.J. "Jim" Lane	(480) 312-2433	Human Resources La Verne Parker Diggs, Executive Director • Benefits Management • Staffing Services/Employee Relations • Workforce Management/Employee Programs • Technology Services	(480) 312-2491
Scottsdale City Council Vice Mayor Lisa Borowsky Councilman Wayne Ecton Councilwoman Suzanne Klapp Councilman Robert Littlefield Councilman Ron McCullagh Councilwoman Marg Nelssen	(480) 312-2550	Information Technology Brad Hartig, Executive Director and Chief Information Officer • Application Development & Support • Technology Infrastructure Support	(480) 312-2622
City Attorney Bruce Washburn • Civil • Prosecution • Victim's Services	(480) 312-2405	Planning, Neighborhoods & Transportation Connie Padian, Acting Executive Director • Advance Planning • Code Enforcement • Current Planning • Development Services • Neighborhood Planning • Transportation	(480) 312-2500
City Auditor Sharron Walker	(480) 312-7756	Public Safety - Fire Steve Randall, Acting Chief • Emergency Services • Support Services • Emergency Management	(480) 312-8000
City Clerk Carolyn Jagger • Elections	(480) 312-2412	Public Safety - Police Alan Rodbell, Chief • Administrative Services • Personnel Development • Investigative Services • Uniformed Services	(480) 312-5000
City Court Honorable B. Monte Morgan, Presiding Judge Janet Cornell, Court Administrator	(480) 312-2442	Public Works Dan Worth, Executive Director • Capital Project Management • Facilities Management • Fleet Management • Solid Waste Management • Street Operations	(480) 312-5550
City Manager David Richert, City Manager David Ellison, Assistant City Manager	(480) 312-2800 (480) 312-4510	Water Resources Marshall Brown, Executive Director • Engineering & Administration • Water Services • Reclamation Services • Water Quality	(480) 312-5685
City Treasurer - Finance & Accounting David Smith, City Treasurer • Accounting • Budget • Customer Service • Risk Management • Payroll	(480) 312-2364		
Administrative Services (currently reports to Asst. City Manager) • Purchasing • Tax Audit	(480) 312-5700 (480) 312-2437		
Community Services Bill Murphy, Executive Director • Human Services • Library Systems • Parks and Recreation • Preserve Management	(480) 312-7275		
Economic Vitality Harold Stewart, Executive Director • Aviation • Economic Vitality • WestWorld	(480) 312-7989		



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

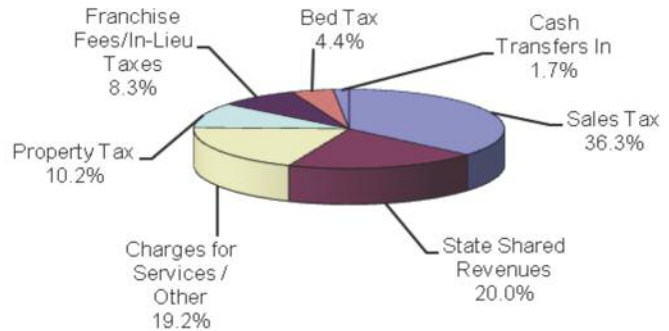


General Fund Sources & Uses

The General Fund is the 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, planning and economic development, general administration of the City and any other activity for which a special fund has not been created.

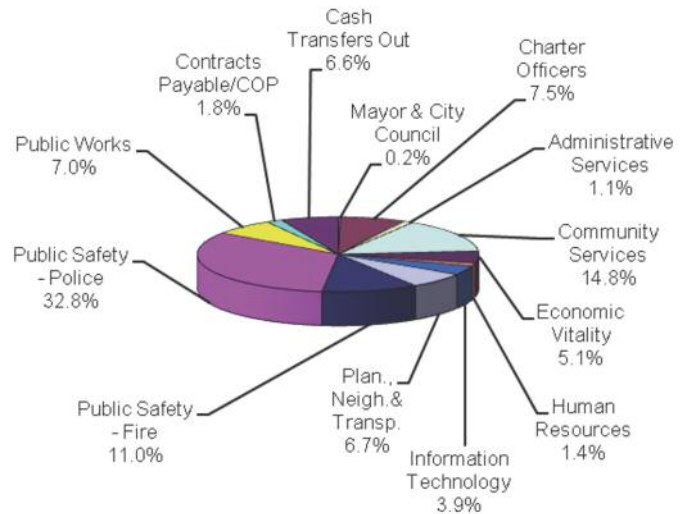
General Fund Sources

Sales Tax	\$88,324,648
State Shared Revenues	48,614,006
Charges for Services/Other	46,738,974
Property Tax	24,713,673
Franchise Fees/In-Lieu Taxes	20,205,764
Bed Tax	10,591,667
Cash Transfers In	4,026,238
Total Sources	\$243,214,970



General Fund Expenses by Division, Contracts Payable/COP and Cash Transfers Out

Mayor & City Council	\$616,489
Charter Officers	19,009,819
Administrative Services	2,816,220
Community Services	37,353,595
Economic Vitality	12,960,355
Human Resources	3,525,008
Information Technology	9,903,567
Plan., Neigh. & Transp.	16,997,179
Public Safety - Fire	27,893,809
Public Safety - Police	82,991,710
Public Works	17,659,448
Contracts Payable/COP	4,497,360
Cash Transfers Out	16,716,244
Total Gross Budget	252,940,802
Less: Vacancy Savings/Payouts	(1,245,393)
Total Uses	\$251,695,409





Other City Funds...

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains the following five Special Revenue Funds: Transportation, Preservation Privilege Tax, Special Programs, Special Districts and Grants.

Beginning Fund Balance - \$21.8M
FY 2010/11 Budgeted Sources - \$101.7M
FY 2010/11 Budget Uses - \$101.7M
Ending Fund Balance - \$21.8M

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal and interest that are not serviced by the General, Special Revenue, and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Beginning Fund Balance - \$15.7M
FY 2010/11 Budgeted Sources - \$73.0M
FY 2010/11 Budget Uses - \$72.9M
Ending Fund Balance - \$15.8M

Enterprise Funds

Enterprise Funds are used to account for operations, including debt service, which are financed and operated similarly to private businesses – where the intent is the service is self-sufficient, with all costs supported predominately by user charges. The City maintains three Enterprise Funds to account for Water & Sewer, Solid Waste, and Aviation activities.

Beginning Fund Balance - \$62.8M
FY 2010/11 Budgeted Sources - \$215.3M
FY 2010/11 Budget Uses - \$213.0M
Ending Fund Balance - \$65.1M

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Internal Service Funds

Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the City. The City maintains two Internal Service Funds to account for Fleet and Self-Insurance activities.

Beginning Fund Balance - \$33.3M
FY 2010/11 Budgeted Sources - \$13.1M
FY 2010/11 Budget Uses - \$18.5M
Ending Fund Balance - \$27.9M

Trust Funds

Trust Funds are used to administer resources received and held by the City as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Beginning Fund Balance - \$3.5K
FY 2010/11 Budgeted Sources - \$16.0K
FY 2010/11 Budget Uses - \$19.5K
Ending Fund Balance - \$0.0

Capital Improvement Funds

Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several capital project funds to ensure legal compliance and financial management for various restricted revenues.

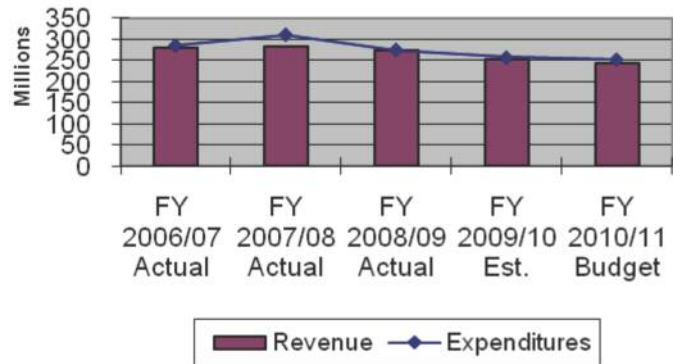
Beginning Fund Balance - \$296.0M
FY 2010/11 Budgeted Sources - \$839.3M
FY 2010/11 Budget Uses - \$732.2M
Ending Fund Balance - \$403.1M



General Fund Sources & Uses Trends

General Fund Sources are used to pay for the cost of “ongoing” municipal services such as police, fire, parks, libraries, etc. provided by the City. Over the five year period, the trend reflects a decrease in Sources and Uses as a result of the economic recession. The City has made difficult but necessary choices along the way to protect the programs and services most desired by the Community.

	Sources	Uses
FY 2006/07 Actual	\$280.5M	\$284.8M
FY 2007/08 Actual	\$283.4M	\$309.7M
FY 2008/09 Actual	\$272.1M	\$274.7M
FY 2009/10 Est.	\$252.2M	\$256.6M
FY 2010/11 Budget	\$243.2M	\$251.7M



How the Taxes are Distributed

SALES TAX DISTRIBUTION:

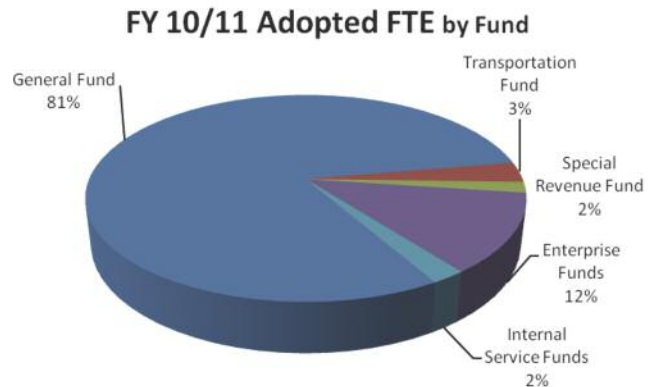
State of Arizona	6.60%
Maricopa County	0.70%
City of Scottsdale	1.65%
	8.95%

Property Tax Distribution:

Scottsdale Unified School District	58%
Maricopa County	14%
City of Scottsdale	10%
Community College	12%
Special Districts	6%
	100%

Staffing

	ADOPTED FY 2009/10	CHANGE	ADOPTED FY 2010/11
General Fund	2,115.30	(62.75)	2,052.55
Transportation Fund	82.00	(1.00)	81.00
Special Revenue Fund	42.39	0.53	42.92
Enterprise Funds	314.00	2.00	316.00
Internal Service Funds	54.00	0.00	54.00
Total FTE	2,607.69	(61.22)	2,546.47



OVERVIEW

BUDGET IN BRIEF

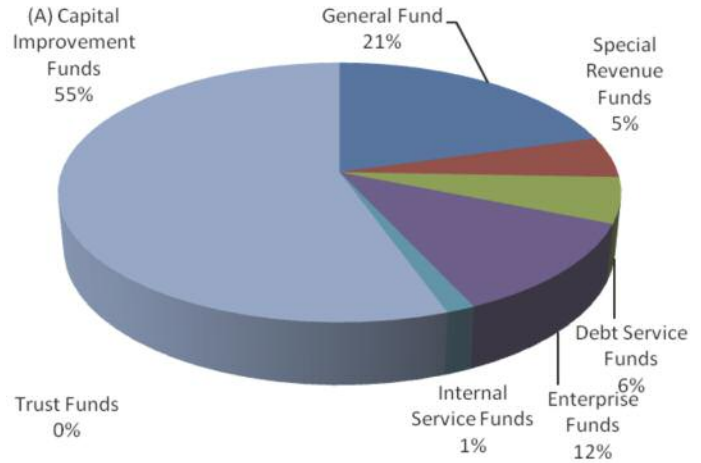


Total City Budget

General Fund	\$263,667,810
Special Revenue Funds	66,043,646
Debt Service Funds	72,939,186
Enterprise Funds	153,510,110
Internal Service Funds	18,429,213
Trust Funds	19,500
(A) Capital Improvement Funds	712,669,800
(B) Total City Budget	\$1,287,279,265

(A) Includes \$440.5M of re-budgets from prior years

(B) Includes \$107.9M in Reserves/Contingency





FY 2010/11 Budget - How to Use This Book - Volume One

The City of Scottsdale's budget for FY 2010/11 is comprised of three volumes:

Volume One - Budget Summary

Volume One - Budget Summary includes the City Council's Mission Statement and Broad Goals, the City Manager's Transmittal Letter, a Budget in Brief and Adopted Financial Policies. The Five-Year Financial Plans cover the period FY 2010/11 through FY 2014/15, which forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period. The Summary by Division contains description of services provided by each division, operating budgets by expenditure category and the applicable funding sources, current fiscal year priorities, as well as prior year achievements, significant changes, and performance measures.

Volume Two - Program Operating Budget

Volume Two - Program Operating Budget presents the individual programs within each division. The publication includes specific information about the program descriptions, significant budgetary changes, current fiscal year priorities, as well as prior year achievements. In addition, included are program operating budgets and their relationship with the Broad Goals, General Plan and CityShape 2020.

Volume Three - Capital Improvement Plan

Volume Three - Capital Improvement Plan (CIP) includes the Capital Project Budget and Five-Year Capital Improvement Plan with more detailed information for each project. Projects accounted for in Enterprise funds are also included in the Capital Project Budget. Capital Project Budget funding sources are matched with budgeted expenditures. Future year projected operating impacts are noted in the Capital Budget and are also included in the Five-Year Financial Plan.

FY 2010/11 Adopted Budget Summary - Volume One

City Manager's Transmittal

Volume One includes the City Manager's Transmittal letter dated September 3, 2010. The letter is used to transmit the adopted budget to City Council and highlights the prevailing economic condition under which the budget was prepared.

Overview

The Overview section of Volume One describes in further detail the City's budget development process, which includes the roles and responsibilities of the City Council, the Budget Review Commission, divisional staff, review teams, the budget development process, the budget adoption, implementation and amendment processes, the use of contingency/ reserves, the basis of accounting used to prepare the budget, and the relationship of the operating budget to the capital budget. This section concludes with a summary of the City's adopted Comprehensive Financial Policies, which are used to build the budget and manage the City's finances.

Budget by Fund

The Budget by Fund section of Volume One represent the core of the City of Scottsdale's adopted FY 2010/11 budget. The first part of the Budget by Fund section, entitled Legal Compliance and Financial Management, offers a brief explanation of the City's use of fund accounting to maintain fiscal accountability. Next, a summary entitled Fund Accounting-Fund Types provides the reader with a description of the generic governmental fund types used by the City. The Budget by Fund section ends with the fund summaries and Five-Year Plans, which provide a retrospective and prospective view of the City's funds.

OVERVIEW

HOW TO USE THIS BOOK



Summary by Division

The Summary by Division consist of description of services provided by each division, operating budgets by expenditure category and the applicable funding sources, current fiscal year priorities, as well as prior year achievements, significant changes, and performance measures.

Appendix

Volume One concludes with the Appendix that provides a summary of authorized full-time and part-time FTEs by division, a summary of authorized staff positions by City division and fund type, the City divisional staff support in the budget development effort, a Five-Year Debt Service Schedule, Schedule of Long-Term Debt Outstanding, a Computation of the Legal Debt Margin as of June 30, 2010, and a General Fund Five-Year Privilege Tax Forecast. A budget planning and development calendar is also to provide a visual timeline of the strategic planning process. A historical summary of the City and demographics are also included in this section. This section concludes with a list of Acronyms and a Glossary of terms used throughout the City's budget along with the City Council's ordinances reflecting the adoption of the City's FY 2010/11 budget and property tax levy.



Budget Development Process for Fiscal Year 2010/11

The development of the 2010/11 Budget did not follow the traditional process due to the economic recession. Below are several issues the City is currently facing and was faced with during the budget development process.

- Scottsdale is recovering from a severe recession, which impeded divisions from proposing changes to increase service levels, add new programs due to population and/or service growth, and request additional staff through an Evaluation Decision Package.
- The depth and duration of the economic recession was unprecedented and the City experienced a continued decline in revenues for 2009/10 and projects no growth for fiscal year 2010/11.
- Finance and Accounting forecasted a revenue deficit from the original adopted budget plan during the 2009/10 fiscal year and projected a continued deficit for the 2010/11 fiscal year.

How these issues were addressed was detailed in the City Manager's Final Budget Transmittal.

During the FY 2010/11 budget development process staff identified various projects that did not meet the criteria of a capital project, and moved them out of the CIP and into the operating budget under a new category titled Operating Projects. These projects specifically reflect operating and maintenance expenditures that do not result in the creation of a capital asset. Operating projects include:

- Additional, replacement, or repair of operating equipment and machinery.
- Master plans and studies
- Public art

The remainder of this section describes the traditional budget process that is followed by the City of Scottsdale.

City of Scottsdale's Traditional Budget Process Recommended Budget Practices

The City of Scottsdale traditional budget process incorporates the recommended practices promulgated by the National Advisory Council on State and Local Budgeting (NACSLB). Concurrently, City staff applies diligent effort into improving the process, decisions and outcomes with each new budget year.

The NACSLB was created to provide tools for governments to improve their budgeting processes and to promote their use. In fulfilling that role, the NACSLB set forth a framework that has provided the context for development of a set of budget practices for state and local governments. The significance about the practices is that they represent an unprecedented cooperative effort by several organizations with diverse interests to examine and agree on key aspects of good budgeting. The NACSLB was founded by eight organizations representing elected officials, government administrators, and finance professionals at both the state and local government level.

The NACSLB's work focused on long-term financial planning and encourages governments to consider the longer consequences of actions to ensure that impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained. Practices encourage the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies and plans. There is also a focus on measuring performance to determine what has been accomplished with scarce government resources. The following are excerpts of the NACSLB's guiding principles and budget practice recommendations.



Budget Definition

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets. A good budget process is characterized by several essential features:

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

Mission of the Budget Process

The mission of the budget process is to help decision-makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the budget mission allows issues to be addressed that have limited the success of budgeting in the past. It is in the best interests of government to have involved and knowledgeable stakeholders.

The term stakeholder refers to anyone affected by or who has a stake in government. This term stakeholder includes, but is not limited to: citizens, customers, elected officials, management, employees and their representatives (whether unions or other agents), businesses, vendors, other governments, and the media.

It is vital that the budget processes include diverse stakeholders. The budget process should accomplish the following:

- Involve stakeholders
- Identify stakeholder issues and concerns
- Obtain stakeholder support for the overall budgeting process
- Achieve stakeholder acceptance of decisions related to goals, services, and resource utilization
- Report to stakeholders on services and resource utilization, and serve generally to enhance the stakeholders' view of government

The importance of this aspect of the budget process cannot be overstated. Regular and frequent reporting is necessary to provide accountability, educate and inform stakeholders, and improve their confidence in the government. Communication and involvement are essential components of every aspect of the budget process.

Principles and Elements of the Budget Process

The budget process consists of four broad principles that stem from the definition and mission previously described. These principles encompass many functions that spread across a governmental organization. They reflect the fact that development of a balanced budget is a political and managerial process that also has financial and technical dimensions.

Each of the principles of the budget process incorporates components or elements that represent achievable results. These elements help translate the guiding principles into action components. Individual budgetary practices are derived from these elements and are a way to accomplish the elements. The principles and elements provide a structure to categorize budgetary practices.

1) Establish Broad Goals to Guide Government

Decision-Making - A government should have broad goals that provide overall direction for the government and serve as a basis for decision-making.

- a) Assess community needs, priorities, challenges and opportunities
- b) Identify opportunities and challenges for government services, capital assets, and management
- c) Develop and disseminate broad goals



- 2) Develop Approaches to Achieve Goals - A government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals.
 - a) Adopt financial policies
 - b) Develop programmatic, operating, and capital policies and plans
 - c) Develop programs and services that are consistent with policies and plans
 - d) Develop management strategies
- 3) Develop a Budget Consistent with Approaches to Achieve Goals - A financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted.
 - a) Develop a process for preparing and adopting a budget
 - b) Develop and evaluate financial options
 - c) Make choices necessary to adopt a budget
- 4) Evaluate Performance and Make Adjustments - Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.
 - a) Monitor, measure, and evaluate performance
 - b) Make adjustments, as needed

The NACSLB's work goes on to identify 59 practices to achieve the higher-level activities identified in the principles and elements of budgeting. Scottsdale's traditional budget process attempts to incorporate all of the NACSLB's recommended practices.

Budget Roles and Responsibilities

Traditionally, every City of Scottsdale employee plays a role in the City's budget — whether in its formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, each Executive Managing Director, through the City Manager, and the Charter Officers, is accountable to the City Council for the performance of program personnel in meeting City Council's Broad Goals (see the Introduction section) and specific work plan objectives within allocated resource limits.

The actual budget responsibilities of the employees are identified more specifically below:

PROGRAM MANAGER

The Program Manager is responsible for preparing an estimate of remaining cost requirements and revenues, if applicable, for the current fiscal year, projecting the base budget requirements for the next fiscal year, and developing other requests that change or revise the program so that it will be more effective, efficient, productive, and economical.

BUDGET LIAISONS

The City divisions have Budget Liaisons that coordinate the day-to-day budget management within their respective divisions along with the Budget staff. The Budget Liaisons serve as the vital communication link between their City division and the Finance and Accounting Division - Budget Program on matters related to their specific operating budget. Budget Liaisons are responsible for revenue and expenditure forecasts, monthly expenditure and revenue variance analysis, calculating user and indirect cost rates, monitoring the budget, support to the Finance and Accounting- Accounting Program in the Comprehensive Annual Financial Report preparation, and preparing budget review materials for the City Treasurer, Executive Managing Directors, City Manager, City Council, Budget Review Commission, media and citizen. The CIP Liaisons essentially serve the same role as the Budget Liaisons; however, their focus is on the coordination of capital projects, multi-year capital planning and capital project operating impacts with the Budget staff. In some cases, the same individual serves as both the divisional Budget Liaison and CIP Liaison. A list of Budget Liaisons and CIP Liaisons and their area of responsibility appears in the Appendix.

CIP TECHNOLOGY REVIEW TEAM

The CIP Technology Review Team and CIP Construction Review Team are comprised of Supervisors and Managers from various City divisions. These cross-divisional teams are traditionally responsible for the initial review of all of the City's capital projects. Their reviews are fo-

OVERVIEW

BUDGET DEVELOPMENT PROCESS



cused on timing and cost considerations, compiling life-cycle costs, and preparing a preliminary Capital Improvement Plan recommendation for review and revision by the Executive Managing Directors, Budget staff, City Treasurer, City Manager, City Council and various citizen boards and commissions.

EXECUTIVE MANAGING DIRECTORS AND CHARTER OFFICERS

The Executive Managing Directors and Charter Officers are responsible for reviewing historical performance, anticipating future problems and opportunities, considering alternative solutions, and modifying and assembling their program data into a cohesive budget information package. Traditionally, each Executive Managing Director is responsible for evaluating, reviewing, justifying and prioritizing all operating and capital budget requests for their division. Only those requests, that an Executive Managing Director believes support the City Council's Broad Goals, the City's General Plan, City Manager's work plan, administrative direction and program objectives are to be submitted to the Budget staff.

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SENIOR BUDGET ANALYSTS

The Senior Budget Analysts are responsible for preparing the multi-fund short-range and long-range revenue and expenditure forecasts, coordinating with Budget Liaisons in calculating user and indirect cost rates, developing the process and related forms for preparing and monitoring the budget, coordinating the compilation of budget data, analyzing operating and capital budget requests, supporting Finance and Accounting - Accounting Program in the Comprehensive Annual Financial Report preparation, asset monitoring, evaluating and summarizing budget requests from divisions and preparing budget review materials for the City Treasurer, Executive Managing Directors, City Manager, Budget Review Commission, City Council, media and citizens.

CITY TREASURER AND EXECUTIVE MANAGING DIRECTORS

The City Treasurer and Executive Managing Directors collaborate in developing programmatic, operating, and capital policies and financial plans that help define how Scottsdale will achieve its long-term goals. They are tra-

ditionally responsible for reviewing the program operating budget and capital budget requests and working with program managers to develop service recommendations that are consistent with City Council's Broad Goals, management strategies and the City's Adopted Comprehensive Financial Policies (see immediately after the Budget Process in the Overview section).

CITY MANAGER

The City Manager is responsible for reviewing the multi-year, multi-fund Financial Plan and submitting a balanced Citywide proposed budget to the Mayor and City Council, which supports their Broad Goals. Traditionally, from December through May, the City Manager holds weekly meetings with the Budget staff, City Treasurer, and Executive Managing Directors to ensure the staff is preparing a proposed budget that address Council's priorities and to provide guidance on key policy issues related to the budget development.

BUDGET REVIEW COMMISSION

The Budget Review Commission serves as an advisory body to the City Council and is responsible for reviewing and making recommendations regarding operating and capital budget recommendations from the divisional program and goals perspective, as well as financial policies and revenue forecast, taxes and fees. During the spring, the Commission holds budget work sessions with each of the division heads to review their proposed operating and capital budgets. The sessions are intended to assess how well the division's proposed budget aligns with the citizen input, priorities, and supports the City Council's Broad Goals and General Plan. All Commission budget meetings are open to the public for comment and are broadcast on CityCable 11 and the City's Internet web page.

MAYOR AND CITY COUNCIL

The Mayor and City Council set the direction for staff related to the forthcoming budget by establishing broad goals for the organization, which serve as a basis for decision-making. The Council reviews key aspects of the City Manager's proposed budget such as -- the City's



multi-year Financial Plan including an examination of the revenue forecast and related assumptions, employee compensation including healthcare and retirement costs, changes to rates and fees, comprehensive financial policies, debt schedules, property tax rate and the capital budget. The budget process culminates in late spring with the Mayor and City Council holding two public budget hearings. The Mayor and City Council are ultimately responsible for the review of the City Manager's proposed budget, tentative budget adoption (mid-May) and final adoption of the budget (early June). All Council budget hearings are open to the public for comment and are broadcast on CityCable 11 and the City's Internet web page.

City of Scottsdale's Traditional Budget Process

Scottsdale's budget process is a key aspect of its strategic visioning and planning efforts - allowing City Council and staff the opportunity to reassess goals and objectives and the means for accomplishing them. While the Budget Review Commission and City Council typically review the City's proposed budget in detail from March through the early June adoption, they also traditionally provide input to the City Manager and staff throughout the year in a series of work study sessions and regular Council meetings. In these sessions, the Council members collaborate to establish a mission and broad goals for the community, articulate their priorities, discuss relevant issues such as methods of expanding and enhancing public input, and the most recent Economic/Revenue Forecast, and emerging budget/legislative/policy issues. The City Council's feedback from the retreat provides the groundwork and starting point for the staff to begin framing the program operating budget and the capital project budget.

Needs Assessment and Financial Capacity Phase

In this phase, which traditionally begins in the late summer and continues up to the final budget adoption, the staff compiles and updates on an ongoing basis the City's multi-fund, multi-year revenue forecast. The first year of the revenue estimates is the most critical in the process, as they will ultimately define the expenditure

limitations for the forthcoming budget year. The multi-year revenue perspective further refines the City's planning for current and future period expenditures — with the goal of not adding programs, services or staff which do not have a “sustainable” funding source over the five year planning timeframe.

The preliminary assumptions are used to forecast the City's fiscal capacity and provide the financial framework within which the proposed program budget service levels, capital budget operating impacts and capital infrastructure project budgets must be developed.

Policy/Strategy Development and Prioritization Process Phase

In the fall and spring, City Council typically reviews citizen input, Citizen Board and Commission feedback, Financial Policies, Economic Trends Analysis, citizen survey results and the most current Financial Forecast. They discuss broad organizational goals, priorities, and constituents' suggestions and expectations for Scottsdale. From this, the Council establishes broad goals and strategic directives, which are the cornerstone for the development of the budget. These broad goals provide the overall direction for Scottsdale and serve as a basis for decision-making. The executive and senior management staff updates City financial policies, plans, programs, and management strategies to define how the City will achieve the broad goals. It is within this framework that the City staff formulates the proposed Program Operating and Capital Budgets.

Budget Development and Prioritization Process Phase

Traditionally, in the early fall, the Capital Improvement Plan (CIP) development begins in conjunction with the City's multi-year financial forecasts. Initial divisional capital project requests and changes to existing capital projects are reviewed by cross-divisional teams for accurate costing, congruence with City objectives and prioritized using a set of pre-determined criteria. Financing sources are then sought for the highest-ranking projects. The teams involved in this process include the CIP Technology Review Team and the CIP Construction Review



Team. The CIP Technology Review Team is made up of mid-level technology managers from various City divisions. The CIP Construction Review Team is made up of mid-level Capital Project Management staff with expertise in public building planning and construction, street improvements, stormwater management, landscaping, etc. The staff, when developing their Program Operating Budget plans, closely considers the ongoing operating impacts of current and proposed capital projects. Staff also considers City Council's Broad Goals and strategic directives as they develop program objectives and work plans for the budget period.

27 Later in the fall after the CIP is underway, the City staff update their proposed performance measurements. The performance measurements are developed to assess results and ensure accountability, which enable managers and policy makers to evaluate progress towards stated goals and objectives. The staff also prepares their proposed Program Operating Budgets at this time, using a modified zero-based program budget approach, which requires that the budget be prepared solely at the existing service operating levels – no modifications are permitted at this stage of the budget development process. The divisional staff is also asked to evaluate their programs and/or positions for possible trade-offs, reductions or eliminations, or service level changes to offset inflation, contractual, compensation, and benefit cost increases.

Under the City's modified zero-based program budget approach, traditionally any proposed changes in service levels, new programs, population/service growth, additional staff, and program trade-offs resulting in service level reductions/increases must be submitted to the Budget Office in an Evaluation Decision Package. An Evaluation Decision Package provides extensive analysis and justification for the division's request and is reviewed by the City Manager and Executive Managing Directors during the budget development and prioritization process. In the later stages of the City's budget development process, Evaluation Decision Packages are considered and balanced among numerous competing demands within the City's available, ongoing resources.

When funding needs exceed the City's funding limits (as they did in FY 2009/10 and were projected for FY 2010/11), remedies may include one or more of the following: reduce the base budget, identify new revenues, employ process management tools, and/or form partnerships with other City programs or non-profit organizations.

City Management Review and Modification Phase

Traditionally, in the early winter, the Divisions submit their proposed Program Operating Budget and Capital Project Budget requests to the Budget Office. The initial multifaceted review focuses on ascertaining the divisions complied with the Budget Office's budget instructions, reviewing the mathematical accuracy and logic of the divisional base budget and capital project requests, and any Evaluation Decision Packages. The review also includes a broader assessment of whether the divisional budget proposals address City Council's Broad Goals, strategic directives, and program service needs while maintaining a Citywide perspective ensuring the fiscal integrity of the City (not exceeding our forecasted resources/limits).

The City Manager, Executive Managing Directors, City Treasurer, and Budget staff collaborates on the development of a recommended Five-Year Financial Plan and proposed budget for each fund and then submit the plans to the Budget Review Commission and City Council for review and adoption. The Budget Review Commission and City Council also review the proposed multi-year revenue forecasts for reasonableness and the expenditure budgets for efficiencies and alignment with community needs and expectations.

Budget Review Commission and City Council Budget Review and Adoption Phase

In the early spring, staff presents an overview of the proposed operating and capital budgets to the Budget Review Commission and citizens for consideration and further public input. The budget is also communicated to the general public in a summary format using a newspaper insert, televised public Commission meetings, Internet and/or a combination of these formats.

OVERVIEW



The Budget Review Commission holds public work sessions to review each division's proposed budget and the City's Five-Year Financial Plan. This review focuses on how the division's program operating and capital budgets address citizens' priorities and City Council's Broad Goals. Additionally, the Commission holds meetings to review rates and fees, financial policies and compensation, including benefits.

After the Budget Review Commission completes their review of the City Manager's Proposed Budget, they hold a joint meeting with City Council to present their findings and recommendations.

Next, a series of required public budget hearings are held and the City Council adopts the budget and property tax levy consistent with the City Charter and State law. Per the City Charter, the City Council must have Tentative Adoption of the proposed budget, on or before the second regular council meeting in May each year. This meeting is usually held in mid-May. (Note: State law requires on or before the third Monday in July of each fiscal year, the City Council must adopt the tentative budget). Tentative Adoption sets the legal maximum expenditure limit (i.e., appropriation) for the coming fiscal year budget.

Under the City Charter, Final Adoption of the budget must occur at the first Regular City Council meeting in June. (Note: There is no specific date set by state law for adoption of the final budget. However, for jurisdictions with a property tax, such as Scottsdale, the deadline for adoption of the property tax levy is the third Monday in August. Since state law requires a period of at least fourteen (14) days between adoption of the final budget and adoption of the property tax levy, the budget should be adopted by the first Monday in August of each year).

Arizona State law requires a "balanced" budget, which is "all-inclusive". Arizona State Revised Statute (ARS 42-17151) defines a "balanced" budget as follow:

"Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year."

Under Arizona State law "all-inclusive" means if an item is not budgeted (i.e. does not have an appropriation), it cannot legally be spent during the fiscal year. Therefore, the budget must include sufficient appropriation and contingency provisions for expenditures related to revenues (i.e., possible future grants) that cannot be accurately determined or even anticipated when the budget is adopted in June. This budgetary flexibility allows the City to comply with the Arizona State law and to pro-actively pursue emerging revenue sources as the budget year unfolds. Expenditures (i.e., appropriations) associated with items such as possible future grants/revenues may not be spent without City Council's prior approval at a public meeting.

Arizona State Revised Statutes only requires communities to prepare budgets for two funds — the General Fund (ARS 42-17101) and Highway User Fund (ARS 28-6533) (See the Transportation Fund). In addition to these two funds the City prepares budgets and requests legal appropriation for all of its funds — Special Revenue, Debt Service, Enterprise, Internal Service, Grants, Trust and Capital Improvement Plan Funds. The ordinance adopting the annual budget requires City Council authorization for expenditures from the aforementioned funds, which in the aggregate constitute the City's total Operating, Capital Budget and Contingency/Reserves for purposes of complying with the State's balanced budget and legal maximum appropriations requirements.



Implementing, Monitoring, and Amending the Budget Phase

In July, the City staff begins the process of implementing the newly adopted budget and is accountable for budgetary control throughout the fiscal year. Revenue and expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. Members of the Finance and Accounting staff and divisional Budget Liaisons meet every month to review current demographic, economic and financial trends, which may impact the City, and to plan strategy to ensure the City's fiscal integrity. City management and City Council are also provided monthly Financial Reports disclosing actual revenue, expenditure, and fund balance performance as compared to the budget plan.

Upon the final adoption of the budget, staff incorporates any of City Council's approved changes to the Tentative Budget proposal and implements the Program Operating Budget and the Capital Improvement Plan. The final Program Operating Budget and Capital Improvement Plan books are typically published in August.

Scottsdale's programs and activities are periodically reviewed to determine if they are achieving City Council's Broad Goals, accomplishing strategic objectives and making efficient use of limited resources. City values of "plan and innovate for the future" and "focus on quality customer service" along with City Manager directed studies of several service and program areas during the next budget year help communicate this expectation. The Finance and Accounting staff, Executive Managing Directors, and the Internal Audit staff all provide assistance to staff in their review of programs.

The staff of every City service or program is expected to conduct self-assessments and develop cost and quality measures of efficiency and effectiveness. Internal performance measurements are developed and reviewed on a periodic basis by program managers. Scottsdale's culture, along with the City value of "listen, communicate, and take action" stresses open communication and stakeholder involvement determining satisfaction with

programs and services and in identifying areas needing additional attention.

Ongoing monitoring of the City's financial performance is required of all program managers on a monthly basis. Written budget to actual expenditure variance reports must be submitted monthly by all City divisions explaining any variances that exceeds pre-determined variance ranges and provide a solution for corrective action. Additionally, the divisions must be able to explain in writing to the Budget Office the projected year-end budget savings and/or fund balances.

The City of Scottsdale's Program Operating Budget is adopted at a division level and the Capital Improvement Plan is adopted at a project level.

The City uses the following as guidance throughout the fiscal year for adjustments to the budgeted amounts (Budget Transfers) and actual amounts (Request for Adjustment):

- All proposed Budget Transfers between divisions and capital projects must be approved by the Executive Managing Director, Budget Manager, City Treasurer and the City Manager before being submitted to City Council for consideration in a public meeting. If approved by City Council, the transfer is processed in the budget system by the Finance and Accounting Division staff.
- All proposed salary and benefit account Budget Transfers (51000 accounts) within the same division require the prior written approval of the Executive Managing Director, division Budget Liaison, and Budget Manager.
- All proposed non-salary and benefit account Budget Transfers (52000, 53000 and 54000 accounts) within the same division require the prior written approval of the division Executive Managing Director, division Budget Liaison, and the Budget Manager. If approved, the transfer is processed in the budget system by the Finance and Accounting Division staff.
- In addition, all proposed Budget Transfers to capital projects funded by Bond 2000 are reviewed by the



Citizen Bond Review Commission at a public meeting and their recommendation is forwarded to the City Council for review. If approved by City Council, the transfer is processed in the budget system by the Finance and Accounting Division staff.

- All Requests for Adjustments to actual expenditures require a written justification and an explanation of the fiscal impact, which is reviewed by the Finance and Accounting Division Accounting staff before being processed. If approved, the Finance and Accounting Division staff documents the approval in writing.
- All amendments to the budget that require a Budget Transfer from the Contingency/Reserve Funds require City Council's prior approval at a public meeting before the adjustment can be made by staff. If approved, the transfer is processed in the budget system by the Finance and Accounting Division staff.

Use of Contingency/Reserve Funds

The Contingency/Reserve Fund is strictly defined in the City's financial policies reviewed by the Budget Review Commission and adopted by City Council annually and used when additional funds are necessary to offset events such as: unexpected revenue shortfalls or expenditure increases so that budgeted citizen service measures can be maintained; unanticipated grants are received; and when unanticipated and/or inadequately budgeted events threaten the public health or safety. Use of Contingency/Reserve Funds is to be utilized only after all alternative budget funding sources and other options have been fully considered. All Contingency/Reserve Fund requests require a written justification and an explanation of the fiscal impact, which is reviewed and approved in writing by the Budget Liaison, Budget Manager, City Treasurer, the applicable service area Executive Managing Director, and City Manager before being presented to City Council for consideration in a public meeting.

Budgetary and Accounting Basis

Scottsdale's budget is prepared on a cash basis of accounting for all fund types, which means certain transactions are recognized in the budget on a basis other than Generally Accepted Accounting Principles (GAAP), which is the basis used to prepare the City's Comprehensive Annual Financial Report (CAFR). The major differences between the budgetary and GAAP basis are:

- Certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis. For example, increases or decreases in compensated absences are not reported for budget basis purposes, but are presented as revenues or expenditures on the GAAP basis.
- Indirect administrative cost allocations (including in-lieu property tax and franchise fees) charges to the Enterprise Funds are accounted for as transfers in or out on the budgetary basis, but are recorded as revenues or expenses on the GAAP basis.
- Capital outlays in the Enterprise Funds are presented as expenses for budget basis, but are recorded as assets along with associated depreciation expenses on the GAAP basis.
- Debt service principal payments in the Enterprise Funds are accounted for as expenses for budget purposes, but are reported as reductions of long-term debt liability on the GAAP basis.
- Certain debt service principal and interest payments are accounted for as expenses in the General Fund for budget basis purposes, but are reported as expenses in the Debt Service Fund on the GAAP basis.
- For budget purposes the Risk Fund presents claim expenditures on a cash basis, while on a GAAP basis the claim expenditures reflect an accrual for "incurred but not reported" (IBNR) claims.

All actual amounts in the budget document are shown on the budgetary basis to facilitate meaningful comparisons. Budgeted funds include the General, Special Revenue, Debt Service, Enterprise, Internal Service, Grants, Trust, and Capital Improvement Plan.



Operating and Capital Budget Relationship

The City of Scottsdale's Budget for FY 2010/11 is comprised of three volumes:

VOLUME ONE

Volume One includes the City Council's Mission Statement and Broad Goals, Budget in Brief, City Manager's Transmittal Letter and Adopted Financial Policies. The Five-Year Financial Plans cover the period FY 2010/11 through FY 2014/15 and forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

VOLUME TWO

Volume Two presents the individual programs within each division. The publication includes specific information about the program descriptions, significant budgetary changes, current fiscal year priorities, as well as prior year achievements

VOLUME THREE

Volume Three includes the Capital Project Budget and Five-Year Capital Improvement Plan with detailed information for each approved project. Projects accounted for in the City's Enterprise Funds (Water & Sewer, Solid Waste and Aviation) are also included in the Capital Project Budget. Capital Project Budget funding sources are matched with budgeted expenditures. Estimated future year operating impacts are noted in the Capital Budget and included in the Five-Year Financial Plan for all approved projects, if applicable.

Governmental accounting procedures and state law require expenditures for the Five-Year Capital Improvement Plan to be budgeted at an amount sufficient to pay for an entire contract, meaning the legal authority is available and appropriated in the period in which a contract is entered into by the City. Therefore, capital expenditures are presented on a budget basis reflecting the total appropriated amount, as opposed to a cash flow basis, which may take several fiscal years to be paid out. For example, a 180-day construction contract entered into in May of fiscal year one would have cash expenditures from May of fiscal year one through October of fis-

cal year two, however, the entire budget for this contract must be appropriated in fiscal year one, the year in which the contract was entered; any unspent funds at the end of fiscal year one would be carried forward and re-budgeted again in fiscal year two.

Funding sources for the Five-Year Capital Improvement Plan are presented on budget basis, except for cash transfers in from the Program Operating Budget, which are presented on a purely cash basis. These resources are presented in the period that the cash funding will be transferred in order to provide continuity between the Program Operating Budget and the Capital Improvement Plan. As a result of presenting the cash transfers in on a purely cash basis, the funding sources may not equal the budgeted expenditures in each period, creating a fund balance as cash accumulates each year for planned larger capital expenditures in later fiscal years.

For further information regarding capital project funding sources and expenditures, refer to the Capital Improvement Plan section, and the Fund Summaries and Five-Year Plan section of this Volume.

Five-Year Financial Plan

The City's five-year financial planning process used to develop the proposed budget is a year-round process. The budget process begins in the early fall with the Finance and Accounting staff's initial updating of the Five-Year Financial Plan for each of the City's major funds. The staff reviews the Five-Year Financial Plans for the following funds that appear in the budget – General, Transportation, Preservation Privilege Tax, Special Programs, Special Districts, Debt Service, Water & Sewer, Solid Waste, Aviation, Fleet, Self-Insurance, and Trust. Using the latest fiscal, operational, and legislative information, the staff works collaboratively with the City divisions to update the forecast for the current fiscal year related to the most recently adopted budget and to create a forecast for the coming budget year. The forecasts serve as the basis for the development of the City's proposed Five-Year Financial Plan.

OVERVIEW



In March, the City Manager provides the Budget Review Commission with the updated Five-Year Financial Plans for their review and consideration. The staff works with the Commission to review the underlying assumptions and reasonableness of the plans. The plans are used to develop the budget for the coming year (i.e. the first year of the plan) and subsequent years of the five-year financial forecast period. This time is also used to identify future service and financial issues requiring attention during the budget planning process.

The Five-Year Financial Plans provide the Budget Review Commission, City Council, City management, citizens and municipal bond rating agencies with the benefits of a long-term financial perspective of revenues, expenditures, cash transfers in/out, fund balances, and capital financing options. They also serve as the basis to test the potential impacts of proposed policy and operational modifications and pending legislative changes all intended to avoid subjecting citizens to wide or irregular fluctuations in rates/fees and service levels.

Proposed future operating impacts of capital projects are also included in the forecast, which facilitates the planning, integration, and timing of the capital projects into the City's Five-Year Financial Plans. The City Council and City management use the plans to assess the impact of their proposed decisions in a long-range financial context. These decisions may include the proposed addition of new staff, new debt issuances and debt refunding, tax rates changes, the desire to create, modify or eliminate fees/rates, new or expanded services and state legislation changes. Based on the fiscal impact of these decisions, City Council has an opportunity to modify the proposed plans.

As noted above, the development and updating of the Five-Year Financial Plans is a year-round process. The staff monitors the current budget on a monthly basis and makes adjustments to the estimated annual revenues and expenditures based on the latest economic information, legislative changes and Council priorities. The revenue and expenditure variance, and estimated ending

fund balances are reported monthly to the City Council, City management and other stakeholders via the City of Scottsdale Monthly Financial Report. The staff also monitors and identifies changes in the financial and economic climates and considers solutions to negative trends, thereby preserving the financial health of Scottsdale.

Revenue Forecasting

The City of Scottsdale uses both qualitative and quantitative methods for forecasting revenues, blending various techniques to develop conservative and prudent revenue projections. Qualitative revenue forecasting methods used by staff to develop multi-year financial plans include consensus, judgmental, and expert forecasting, while trend analysis is used as a quantitative technique. This balanced approach to revenue forecasting is strongly encouraged by the Government Finance Officers Association (GFOA), since research shows that forecasting accuracy is improved by combining qualitative and quantitative techniques. According to the GFOA, each method by itself has inherent weaknesses: qualitative methods can be too subjective at times and may be subject to wishful thinking and selective perception on behalf of the forecasters; quantitative methods may fail to consider changing conditions inside and outside a jurisdiction and also tend to discount important historical events. By combining qualitative and quantitative methods, forecasters integrate judgmental assumptions within the forecasting framework to produce more realistic revenue projections.

To enhance the revenue forecasting process and gain the broader input into the planning process, the Finance and Accounting staff works collaboratively with the City divisions throughout the year to prepare the revenue estimates. This multi-disciplinary approach and continual reassessment creates a synergy between the central finance staff and the division field staff, which reduces the likelihood of miscommunications in formulating the revenue estimates. The field staff's participation in the revenue estimates also increases their ownership and accountability for achieving the proposed plan.



Expenditure and Year-End Savings Forecasting

Each month throughout the fiscal year, the Finance and Accounting Division Budget staff works with the City divisions to monitor their year-to-date actual expenditures against the year-to-date approved budget. Each division is also required to forecast their year-end expenditures and related expenditure savings. All significant actual or forecasted variances are researched and a reason for the likely variance as well as possible alternatives to resolve the variance is considered by the staff. Proactive management of the budget to actual/forecasted expenditures allows staff the opportunity to promptly notify City management and the City Council of potential budget concerns.



The following City financial policies adopted by Resolution by the City Council establish the framework for Scottsdale's overall fiscal planning and management. They set forth guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated. Scottsdale's publicly adopted financial policies show the credit rating industry and prospective investors (bond buyers) the City's commitment to sound financial management and fiscal integrity. The financial policies also improve the City's fiscal stability by helping City officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies promotes sound financial management, which can lead to improvement in City bond ratings and lower cost of capital.

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements. In order to ensure compliance with policy, sunset provisions will be required on all grant program initiatives and incorporated into other service plans, as appropriate.

2. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.

3. Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and modified zero-base expenditure analysis that requires every program to be justified annually in terms of meeting intended objectives ("effectiveness criteria") and in terms of value received for dollars allocated ("efficiency criteria"). The process will include a diligent review of programs by staff, management, citizens, Budget Review Commission, and City Council.

4. The Budget Review Commission is responsible for reviewing the operating budget (division and program/service funding); the capital budget; the revenue forecast, taxes, and fees; and financial policies.

5. The full City Council will solicit citizen input and review the operating and capital budget recommendations from a departmental, program, and goals perspective.

6. Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.

7. Current revenues will fund current expenditures and a diversified and stable revenue system will be developed to protect programs from short-term fluctuations in any single revenue source. To ensure that Scottsdale does not become overly reliant on 'growth' revenues for operating needs, a minimum of 25% construction privilege tax revenues will be transferred annually to the Capital Improvement Program for one-time capital project use.

8. Addition of personnel will only be requested to meet program initiatives and policy directives; after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, personnel cost reductions will be achieved through attrition.

9. Enterprise (Water, Sewer, Solid Waste Management, and Airport) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service and be approved by the City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents. Rate adjustments for enterprise operations will be based on five-year financial plans.



10. All non-enterprise user fees and charges will be examined annually 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.

11. Development impact fees, as permitted by state law, for capital expenses attributable to new development will be reviewed annually to ensure that fees recover all direct and indirect development-related expenses and be approved by City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents.

12. Capital equipment replacement will be accomplished through the use of a “rental” rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for operation and replacement of vehicles and other capital equipment (fleet, computers, phones and copier systems). Replacement costs will be based upon equipment lifecycle financial analysis.

13. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process.

14. Balanced revenue and expenditure forecasts will be prepared to examine the City’s ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually, focus on a three-year horizon, but include a five-year outlook.

15. Alternative means of service delivery will be evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost. Departments, in cooperation with the City Manager, will identify all activities that could be provided by another source and review options/alternatives to current service delivery. The review of service delivery alternatives and the need for the service will be performed annually or on an “opportunity” basis.

16. Cash and Investment programs will be maintained in accordance with the City Charter and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.

17. The City will follow an aggressive, consistent, but sensitive to the circumstances policy of collecting revenues to the limit of our ability. Collection policy goal will be for all adjusted uncollectible accounts to be no more than .5 of 1% of the total City revenue being adjusted for bad debts annually.

Capital Management Policies

18. A five-year Capital Improvement Plan will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction which results in a capitalized asset costing more than \$25,000 and having a useful (depreciable life) of five years or more.

19. The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.



20. Proposed capital projects will be reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital, and operating) and overall consistency with the City's goals and objectives. Financing sources will then be identified for the highest ranking projects.

21. Capital improvement lifecycle costs will be coordinated with the development of the Operating Budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and included in the Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

22. Dedicated two tenths of percent (.2%) privilege tax revenue for transportation improvements will be restricted to funding the planning, design, construction and acquisition costs associated with building, renovating, or enhancing capital projects for streets, highways, traffic control, transit and aviation and transportation improvement operating costs.

23. Pay-as-you-go Capital Improvement Plan financing should account for a minimum of 25 percent of all capital improvement projects for each five-year planning period. Pay-as-you-go financing is defined as all sources of revenue other than City debt issuance, i.e., fund balance contributions, developer contributions, grants, endowments, etc.

24. Pay-as-you-go contributions up to 10% or \$500,000, whichever is less, may be authorized by City Council towards any single utility undergrounding improvement district. Any unused annual budget authorization may carry forward towards a maximum \$2 million appropriation for utility undergrounding capital projects that benefit the community as a whole.

Debt Management Policies

25. The City will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit.

26. An analysis showing how the new issue combined with current debt impacts the City's debt capacity and conformance with City debt policies will accompany every future bond issue proposal.

27. The City will communicate, and, where appropriate, coordinate with all jurisdictions with which we share a common tax base concerning our collective plans for future debt issues.

28. For all debt security transactions, the City will utilize bond legal counsel that is familiar with municipal law to ensure that the securities are issued in compliance with the City's governing statutes and regulations. The selection of any outside bond counsel to assist in debt security transactions will be subject to the City Attorney's review and involvement.

29. City Debt Service costs (GO, MPC, HURF, Revenue Bond, McDowell Sonoran Preservation and Contractual Debt) should not exceed 25% of the City's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District (ID) and Community Facility District (CFD) debt service is not included in this calculation because it is paid by district property owners and is not an obligation of the general citizenry. Separate criteria have been established regarding ID and CFD debt policies.

30. General Obligation debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation and/or property tax rate increases, will be utilized as authorized by voters. Other types of voter-approved debt (e.g., water, sewer, and HURF) may also be utilized when they are supported by dedicated revenue sources (e.g., fees and user charges).



31. General Obligation debt issuances will be managed on an annual basis to match funds to Capital Improvement Plan cash flow requirements while being sensitive to the property tax burden on citizens. Careful management of bond issuances will allow the City to not exceed \$1.50 property tax per \$100 assessed value.

32. Municipal Property Corporation and contractual debt, which is non-voter approved, will be utilized only when a dedicated revenue source (e.g., golf course revenue, privilege tax, bed tax) can be identified to pay debt service expenses. The following considerations will be made to the question of pledging of project (facility) revenues towards debt service requirements:

- a. The project requires monies not available from other sources.
- b. Matching fund monies are available which may be lost if not applied for in a timely manner.
- c. Catastrophic conditions.
- d. The project to be financed will generate net positive revenues (i.e., the additional tax revenues generated by the project will be greater than the debt service requirements). The net revenues should not simply be positive over the life of the bonds, but must be positive each year within a reasonably short period (e.g., by the third year of debt service payments).

33. McDowell Sonoran Preservation debt service will be funded by the dedicated .35% privilege tax. The City's privilege tax to revenue bond debt service goal will be at least 1.5:1 for senior lien debt to ensure the City's ability to pay for preserve debt from this elastic revenue source.

34. Improvement District (ID) and Community Facility District (CFD) Bonds shall be permitted only when there is a general City benefit. ID and CFD bonds will be utilized only when it is expected that they will be issued for their full term. It is intended that ID and CFD bonds will be primarily issued for existing neighborhoods desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage.

a. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, the City's cumulative improvement district debt will not exceed 5 percent of the City's secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years.

b. Community Facility District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. In addition, the City's cumulative facility district debt will not exceed 5 percent of the City's secondary assessed valuation. The landowner/developer shall also contribute \$.25 in public infrastructure improvement costs of each dollar of public infrastructure improvement debt to be financed by the district.

35. Debt financing should not exceed the useful life of the infrastructure improvement with the average (weighted) bond maturities at or below ten years.

36. A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the City's ability to pay short-term obligations.

37. Bond interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan, as approved by City Council, or be applied to debt service payment on the bonds issued for construction of this plan.



38. Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets our bond indenture requirement of 1.2/1. The City goal will be to maintain a minimum ratio of utility revenue to debt service of 1.6/1 or greater, to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes, and to ensure a balanced pay-as-you-go Capital Improvement Plan.

Reserve Policies

39. All fund designations and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's balanced five year financial plan.

40. General Fund Stabilization Reserve of 10 percent of annual general governmental (General and Transportation funds) operating expenditures will be maintained for unforeseen emergencies or catastrophic impacts to the City. Funds in excess of 10 percent, but not to exceed \$5 million, may be used for economic investment in the community when justified by the financial return to the City.

41. Debt Service Reserve will be funded with secondary property taxes, levied by City Council, sufficient to pay the bonded indebtedness for General Obligation bond principal and interest. A debt service sinking fund will be maintained to account for these restricted revenues and debt payments, as well as any additional debt amounts deemed to be advisable and necessary for any public or municipal purposes. An excise tax debt reserve will be funded at no less than the annual debt service for all currently outstanding (1%) excise tax supported debt.

42. Water and Sewer Fund Reserves will be maintained to meet three objectives: (1) ensure adequate funding for operations; (2) to ensure infrastructure repair and replacement; and, (3) to provide working capital to provide level rate change for customers.

- a. An Operating Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide sufficient expenditure flexibility during times of unusual weather resulting in variations in average consumption and associated operating expenses.
- b. A Replacement and Extension Reserve will be maintained, per bond indenture requirements, to meet the minimum requirement of 2% of all tangible assets of the system to ensure replacement of water and sewer infrastructure.
- c. In addition, Working Capital will be funded based upon a multi-year financial plan to provide adequate cash for water and sewer capital improvements and to level the impact of rate increases upon our customers.

43. Solid Waste Management Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with solid waste disposal. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of waste disposal activities.

44. Aviation Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with airport operations. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of airport activities.

45. Self-Insurance Reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels, which will be approved by Council.



46. Fleet Management Reserve will be maintained based upon lifecycle replacement plans to ensure adequate fund balance required for systematic replacement of fleet vehicles and operational contingencies. Operating departments will be charged for fleet operating costs per vehicle class and replacement costs spread over the useful life of the vehicles.

47. Contingency Reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. Use of contingency funds should be utilized only after all budget sources have been examined for available funds, and subject to City Council approval.

39 Financial Reporting Policies

48. 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 standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

49. An annual audit will be performed by an independent public accounting firm; with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR). The independent auditor will present CAFR and discuss audit findings concerning internal controls and operational efficiencies at a public meeting.

50. The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

51. The City's CAFR will also be submitted to Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) as a continuing commitment to disclose thoroughness to enable investors to make informed decisions.

52. The City's Budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.

53. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND



To ensure legal compliance and financial management for the various restricted revenues and program expenditures, the City's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. Fund accounting segregates functions and activities into separate self-balancing funds that are created and maintained for specific purposes; for example, Special Revenue Funds are used to account for the expenditure of restricted revenues, while Enterprise Funds account for self-sustaining "business" related activities for which a fee is charged to cover all costs associated with that business. The General Fund is the City's chief operating fund and is used to account for all financial resources, except those that are legally required to be accounted for in another fund.

Fund

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund

The General Fund is the 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, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains the following four Special Revenue Funds: Transportation Fund, Preservation Privilege Tax, Special Programs, and Grants.

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest which are not serviced by the General, Special Revenue, and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Enterprise Fund

Enterprise Funds are used to account for operations, including debt service, which are financed and operated similarly to private businesses, where the intent is that the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains three Enterprise Funds to account for Water & Sewer, Solid Waste, and Aviation activities.

Internal Service Fund

Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the City. The City maintains two Internal Service Funds to account for Fleet and Self-Insurance activities.

Trust Funds

Trust Funds are used to administer resources received and held by the City as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Capital Improvement Funds

Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several Capital Project funds to ensure legal compliance and financial management for various restricted revenues. Examples of restricted revenue funds are:

BOND CAPITAL FUNDS – used to account for bond proceeds to be used only for approved bond projects.

TRANSPORTATION PRIVILEGE TAX CAPITAL FUND – used to account solely for transportation projects.

GRANT CAPITAL FUNDS – used to account for the proceeds of capital grants.

ENTERPRISE CAPITAL FUNDS – used to account for utility rates and development fees for specific projects.

GENERAL CAPITAL FUNDS – used to account for transfers-in from the General Fund and for any other activity for which a restricted revenue fund has not been created.

BUDGET BY FUND

GENERAL FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance:				
General Fund Reserve	28,131,257	25,860,367	25,860,367	25,866,610
Photo Enforcement Loop 101 Program - Contingency	1,626,388	-	-	-
Operating Contingency	2,500,000	5,000,000	5,000,000	5,000,000
Unreserved Fund Balance ⁽¹⁾	12,010,835	3,836,635	10,769,901	6,319,503
Total Beginning Fund Balance	44,268,480	34,697,002	41,630,268	37,186,112
Revenues:				
Taxes - Local				
Privilege Tax	87,328,386	75,900,000	78,936,000	80,514,720
Privilege Tax - Public Safety	8,429,071	7,362,300	7,656,792	7,809,928
Property Tax	22,607,397	23,654,407	23,654,407	24,713,673
Transient Occupancy Tax (100% GF starting in FY09/10)	1,524,624	8,231,300	7,079,822	10,591,667
Light & Power Franchise	7,791,429	8,400,000	8,400,000	8,200,000
Cable TV Franchise	3,565,549	3,600,000	3,300,000	3,300,000
Salt River Project Lieu Tax	139,220	139,000	139,000	140,000
Stormwater Water Quality Charge	814,326	863,000	863,000	888,890
Taxes - From Other Agencies				
State Shared Sales Tax	18,935,910	18,047,839	17,347,839	17,611,632
State Revenue Sharing	35,102,991	30,308,042	30,308,948	22,845,634
Auto Lieu Tax	8,151,324	8,000,000	8,000,000	8,156,740
Licenses, Permits & Fees				
Building Permit Fees & Charges	6,911,195	8,149,000	8,149,000	8,220,000
Fire Service Charges	1,752,393	2,350,000	1,346,745	644,641
Business Licenses & Fees	1,733,104	1,680,000	1,680,000	1,709,167
Recreation Fees	3,206,506	3,022,000	3,022,000	3,360,000
WestWorld	2,663,389	2,888,000	2,873,000	2,610,500
Fines & Forfeitures				
Court Fines	6,670,715	7,166,300	7,156,414	7,277,439
Parking Fines	422,697	495,000	504,886	425,000
Photo Enforcement Revenue	1,683,826	1,655,700	1,655,700	1,756,727
Photo Enforcement Loop 101 Program	781,933	-	-	-
Library Fines & Fees	302,729	389,640	299,640	322,000
Interest Earnings/Property Rental				
Interest Earnings	3,690,990	1,656,860	1,656,860	958,956
Property Rental	3,222,002	3,194,029	3,194,029	2,776,170
Other Revenue				
Miscellaneous	643,477	1,000,000	1,016,400	500,000
30-Day Tow Program	200,000	400,000	400,000	430,000
Capital Improvement Plan Cost Allocation	901,002	861,588	861,588	861,562
Reimbursements	455,408	350,000	365,000	405,000
Intergovernmental Revenue	1,160,325	1,049,900	932,057	850,584
In Lieu Property Tax	2,480,099	2,675,320	2,675,320	1,752,180
Franchise Fees	6,328,619	6,684,785	6,542,388	6,813,584
Indirect/Direct Cost Allocation	12,936,936	14,773,794	12,163,344	12,742,338
Subtotal	252,537,572	244,947,804	242,180,179	239,188,732
Cash Transfers In				
CIP Funds	13,935,983	9,000,000	9,000,000	-
CIP Funds - Operating Projects	-	-	-	3,571,800
Special Programs Fund (Cultural Council)	-	300,000	300,000	-
Special Programs Fund (Community Services-Human Svcs)	130,000	130,000	269,658	-
Water & Sewer Fund - Security Contract	454,438	-	454,438	454,438
Self Insurance Fund	5,000,000	-	-	-
Subtotal	19,520,421	9,430,000	10,024,096	4,026,238
Total Sources	272,057,993	254,377,804	252,204,275	243,214,970

BUDGET BY FUND

GENERAL FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Use of Funds:				
Divisions				
City Clerk	1,156,255	904,960	1,212,987	1,189,115
City Attorney	6,220,155	6,384,959	6,363,097	5,979,807
City Auditor	996,880	837,820	815,564	827,586
City Court	5,772,082	4,699,829	4,572,059	4,669,882
Scottsdale City Council	935,551	790,904	716,023	616,489
City Manager	2,240,840	1,742,708	1,609,862	1,407,520
Community Services	43,417,063	38,499,263	37,879,504	37,353,595
Public Safety - Police	88,325,246	87,544,937	85,469,641	82,991,710
Public Safety - Fire	30,732,995	28,711,445	27,438,192	27,893,809
Public Works	17,684,695	18,983,113	18,360,893	17,659,448
Planning, Neighborhoods, & Transportation	22,310,557	17,163,847	16,871,107	16,997,179
Finance & Accounting	6,171,390	5,061,932	5,051,568	4,935,907
Human Resources	3,439,680	4,085,769	3,686,585	3,525,008
Information Technology	10,284,151	10,333,523	9,863,521	9,903,567
Economic Vitality	9,410,958	9,630,700	9,298,049	11,715,214
Administrative Services	3,414,922	3,213,317	3,135,881	2,816,220
Inventory/Other	249,694	-	-	-
Leave Accrual Payments	-	1,790,184	578,391	1,754,607
Estimated Personnel Savings from Vacant Positions	-	(5,000,000)	(1,022,306)	(3,000,000)
Estimated Personnel Savings - Other	-	-	(2,850,000)	-
Estimated Division Savings (non-vacant positions)	-	-	(2,118,000)	-
Early Retirement Incentive Program	-	-	431,000	-
Estimated Operating Impacts - CIP	-	-	-	-
Bed Tax Encumbrance	-	-	-	1,245,141
Future Budget Reductions/IOU	-	(12,536,834)	-	-
Subtotal	252,763,114	222,842,376	227,363,618	230,481,805
Contracts Payable/COP				
Contracts Payable	2,634,686	2,724,356	1,637,393	3,066,770
Certificates of Participation - Radio Financing	40,910	1,021,600	-	511,800
Certificates of Participation	918,790	918,790	918,790	918,790
Other	4,963	-	-	-
Subtotal	3,599,349	4,664,746	2,556,183	4,497,360
Total Operating Budget	256,362,463	227,507,122	229,919,801	234,979,165
Cash Transfers Out				
Debt Service Fund - MPC Excise Debt	5,787,446	6,695,185	6,691,810	6,686,825
Debt Service Fund - MPC Debt - Bed Tax	-	-	-	746,263
CIP - General Fund Maintenance	3,300,177	1,550,000	1,350,000	2,239,230
CIP - General Fund - Non-Maintenance	-	9,000,000	9,000,000	-
CIP - Public Safety Radio Sys-Photo Enforce Loop 101 Bal	1,877,298	-	-	-
Transportation Fund - Deficit Elimination Transfer	7,023,454	5,571,026	3,387,962	1,818,092
Special Programs Fund - Bed Tax	240,898	6,585,040	5,663,858	5,295,834
Special Programs Fund - Bed Tax/CVB Advancing of Funds	-	-	575,000	(300,000)
Special Programs Fund - Community Services	-	-	-	170,000
Special Programs Fund - Preservation Rehab	60,000	60,000	60,000	60,000
Special Programs Fund - Court Enhancement	2,223	-	-	-
Streetlight Districts Fund	37,245	-	-	-
Grants Fund	5,000	-	-	-
Total Cash Transfers Out	18,333,741	29,461,251	26,728,630	16,716,244
Total Uses	274,696,204	256,968,373	256,648,431	251,695,409
Sources Over/(Under) Uses - Before Future Initiatives	(2,638,211)	(2,590,569)	(4,444,156)	(8,480,439)
Future Initiatives	-	-	-	-
Sources Over/(Under) Uses - After Future Initiatives	(2,638,211)	(2,590,569)	(4,444,156)	(8,480,439)
Ending Fund Balance - After Future Initiatives				
General Fund Reserve	25,860,367	26,125,798	25,866,610	26,188,646
Operating Contingency	5,000,000	5,000,000	4,853,381	2,500,000
Unreserved Fund Balance	10,769,902	980,634	6,466,122	17,027
Total Ending Fund Balance	41,630,268	32,106,432	37,186,112	28,705,673

BUDGET BY FUND

GENERAL FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance:					
General Fund Reserve	25,866,610	26,188,646	24,801,881	25,598,725	26,371,942
Photo Enforcement Loop 101 Program - Contingency	-	-	-	-	-
Operating Contingency	5,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Unreserved Fund Balance ⁽¹⁾	6,319,503	17,027	1,403,793	606,949	(166,269)
Total Beginning Fund Balance	37,186,112	28,705,673	28,705,673	28,705,673	28,705,673
Revenues:					
Taxes - Local					
Privilege Tax	80,514,720	82,125,014	84,096,015	86,198,415	88,870,566
Privilege Tax - Public Safety	7,809,928	7,966,126	8,157,313	8,361,246	8,620,445
Property Tax	24,713,673	26,105,225	27,426,353	28,782,084	30,204,731
Transient Occupancy Tax (100% GF starting in FY09/10)	10,591,667	10,909,417	11,454,888	12,256,730	13,359,835
Light & Power Franchise	8,200,000	8,300,000	8,500,000	8,700,000	8,900,000
Cable TV Franchise	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Salt River Project Lieu Tax	140,000	145,600	151,424	157,481	163,780
Stormwater Water Quality Charge	888,890	915,557	943,023	971,314	1,000,454
Taxes - From Other Agencies					
State Shared Sales Tax	17,611,632	17,963,865	18,394,997	18,854,872	19,439,373
State Revenue Sharing	22,845,634	18,250,000	20,000,000	21,000,000	22,050,000
Auto Lieu Tax	8,156,740	8,200,000	8,300,000	8,400,000	8,500,000
Licenses, Permits & Fees					
Building Permit Fees & Charges	8,220,000	8,721,000	9,071,380	9,497,521	9,931,003
Fire Service Charges	644,641	319,741	320,079	324,424	327,776
Business Licenses & Fees	1,709,167	1,726,259	1,734,890	1,743,564	1,752,282
Recreation Fees	3,360,000	3,447,000	3,600,000	3,725,000	3,850,000
WestWorld	2,610,500	2,710,500	2,610,500	2,610,500	2,610,500
Fines & Forfeitures					
Court Fines	7,277,439	7,350,213	7,497,217	7,572,189	7,723,633
Parking Fines	425,000	425,000	425,000	425,000	425,000
Photo Enforcement Revenue	1,756,727	1,783,078	1,783,078	1,800,909	1,800,909
Photo Enforcement Loop 101 Program	-	-	-	-	-
Library Fines & Fees	322,000	331,000	340,000	350,000	360,000
Interest Earnings/Property Rental					
Interest Earnings	958,956	1,143,948	1,692,400	2,176,023	2,522,134
Property Rental	2,776,170	2,833,358	2,907,078	3,003,364	3,098,469
Other Revenue					
Miscellaneous	500,000	525,000	550,000	575,000	600,000
30-Day Tow Program	430,000	430,000	430,000	430,000	430,000
Capital Improvement Plan Cost Allocation	861,562	868,329	878,203	888,329	906,096
Reimbursements	405,000	410,000	415,000	420,000	425,000
Intergovernmental Revenue	850,584	850,584	850,584	850,584	850,584
In Lieu Property Tax	1,752,180	874,782	-	-	-
Franchise Fees	6,813,584	7,140,326	7,363,710	7,606,982	7,869,190
Indirect/Direct Cost Allocation	12,742,338	13,620,174	15,042,471	15,730,471	16,407,065
Subtotal	239,188,732	239,691,096	248,235,604	256,712,003	266,298,825
Cash Transfers In					
CIP Funds	-	-	-	-	-
CIP Funds - Operating Projects	3,571,800	691,000	252,152	-	-
Special Programs Fund (Cultural Council)	-	-	-	-	-
Special Programs Fund (Community Services-Human Svcs)	-	-	-	-	-
Water & Sewer Fund - Security Contract	454,438	463,527	472,797	482,253	491,898
Self Insurance Fund	-	-	-	-	-
Subtotal	4,026,238	1,154,527	724,949	482,253	491,898
Total Sources	243,214,970	240,845,623	248,960,553	257,194,256	266,790,723

BUDGET BY FUND

GENERAL FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Use of Funds:					
Divisions					
City Clerk	1,189,115	899,691	1,262,209	953,050	1,330,482
City Attorney	5,979,807	6,206,004	6,549,019	6,747,183	6,949,374
City Auditor	827,586	856,350	880,666	905,301	930,676
City Court	4,669,882	5,370,280	5,736,529	5,877,853	6,022,720
Scottsdale City Council	616,489	639,445	652,060	665,221	678,790
City Manager	1,407,520	1,452,507	1,490,673	1,529,522	1,569,488
Community Services	37,353,595	38,313,831	39,386,024	40,522,419	41,642,164
Public Safety - Police	82,991,710	85,933,225	88,282,533	90,697,968	93,169,500
Public Safety - Fire	27,893,809	28,940,400	29,697,588	30,473,442	31,265,168
Public Works	17,659,448	18,122,512	18,536,837	18,960,354	19,392,858
Planning, Neighborhoods, & Transportation	16,997,179	17,685,267	16,766,623	17,260,128	17,765,258
Finance & Accounting	4,935,907	5,141,909	5,300,510	5,462,044	5,627,997
Human Resources	3,525,008	3,638,091	3,797,856	3,900,216	4,004,895
Information Technology	9,903,567	10,168,552	10,322,218	10,656,860	10,932,240
Economic Vitality	11,715,214	11,858,925	11,280,078	11,408,635	11,673,192
Administrative Services	2,816,220	2,923,741	3,010,812	3,100,009	3,191,559
Inventory/Other	-	-	-	-	-
Leave Accrual Payments	1,754,607	2,523,445	1,873,529	1,886,872	1,901,967
Estimated Personnel Savings from Vacant Positions	(3,000,000)	(3,150,000)	(3,307,500)	(3,472,875)	(3,646,519)
Estimated Personnel Savings - Other	-	-	-	-	-
Estimated Division Savings (non-vacant positions)	-	-	-	-	-
Early Retirement Incentive Program	-	-	-	-	-
Estimated Operating Impacts - CIP	-	1,338,200	1,933,900	2,060,800	2,171,100
Bed Tax Encumbrance	1,245,141	2,402,657	2,576,471	2,851,636	2,942,213
Future Budget Reductions/IOU	-	-	-	-	-
Subtotal	230,481,805	241,265,031	246,028,635	252,446,638	259,515,122
Contracts Payable/COP					
Contracts Payable	3,066,770	4,086,785	3,220,030	3,291,918	3,422,754
Certificates of Participation - Radio Financing	511,800	2,622,200	2,621,913	2,624,675	2,625,375
Certificates of Participation	918,790	918,790	918,790	918,790	918,790
Other	-	-	-	-	-
Subtotal	4,497,360	7,627,775	6,760,733	6,835,383	6,966,919
Total Operating Budget	234,979,165	248,892,806	252,789,368	259,282,021	266,482,041
Cash Transfers Out					
Debt Service Fund - MPC Excise Debt	6,686,825	7,623,900	7,621,600	8,218,350	8,290,600
Debt Service Fund - MPC Debt - Bed Tax	746,263	886,823	897,166	903,117	907,664
CIP - General Fund Maintenance	2,239,230	2,247,643	2,421,748	2,524,980	2,628,212
CIP - General Fund - Non-Maintenance	-	-	-	-	-
CIP - Public Safety Radio Sys-Photo Enforce Loop 101 Bal	-	-	-	-	-
Transportation Fund - Deficit Elimination Transfer	1,818,092	4,188,881	4,221,195	4,246,567	4,127,079
Special Programs Fund - Bed Tax	5,295,834	5,454,709	5,727,444	6,128,365	6,679,918
Special Programs Fund - Bed Tax/CVB Advancing of Funds	(300,000)	(275,000)	-	-	-
Special Programs Fund - Community Services	170,000	170,000	170,000	170,000	170,000
Special Programs Fund - Preservation Rehab	60,000	60,000	60,000	60,000	60,000
Special Programs Fund - Court Enhancement	-	-	-	-	-
Streetlight Districts Fund	-	-	-	-	-
Grants Fund	-	-	-	-	-
Total Cash Transfers Out	16,716,244	20,356,956	21,119,153	22,251,379	22,863,472
Total Uses	251,695,409	269,249,762	273,908,521	281,533,401	289,345,513
Sources Over/(Under) Uses - Before Future Initiatives	(8,480,439)	(28,404,139)	(24,947,968)	(24,339,145)	(22,554,790)
Future Initiatives	-	28,404,139	24,947,968	24,339,145	23,587,478
Sources Over/(Under) Uses - After Future Initiatives	(8,480,439)	0	0	(0)	1,032,688
Ending Fund Balance - After Future Initiatives					
General Fund Reserve	26,188,646	24,801,881	25,598,725	26,371,942	27,231,592
Operating Contingency	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Unreserved Fund Balance	17,027	1,403,793	606,949	(166,269)	6,769
Total Ending Fund Balance	28,705,673	28,705,673	28,705,673	28,705,673	29,738,361



Fund Purpose

The General Fund exists to account for the activity associated with traditional local government services such as police, fire, parks and recreation, planning and economic development and general City administration. Under Arizona State law, each city and town must maintain a General Fund and account for Highway User Revenues (see the Transportation Fund in the Special Revenue Fund section). The General Fund is the largest fund and typically the fund of most interest and significance to citizens.

General Fund Revenues and Transfers-In

General Fund resources include both revenues and transfers-in from other fund types such as the Special Revenue, Enterprise, and the Capital Improvement Plan Funds. Estimated General Fund revenues and transfers-in for FY 2010/11 equals \$243.2 million, a decrease of approximately \$9.0 million, or 4.0 percent, from the FY 2009/10 year-end forecast of \$252.2 million. The decrease in the forecasted General Fund revenues reflects decreases in Scottsdale's revenue categories, such as State Shared Tax Revenues (12.7%) and Interest Earnings/Property Rental (23%). Certain components of the revenue sources are subject to dramatic peaks and valleys from year to year. These numbers reflect the current recovery from the economic recession and a continued decrease in consumer confidence. Revenues and transfers-in determine Scottsdale's capacity to provide program services to our citizens. The major resources, which fund the program operating budget, debt service, and capital projects, are identified in this section.



Local Tax Revenues

Local Tax Revenues of \$136.2 million represent 56 percent of the General Fund total operating resources and are the fund's largest category of revenue source. With the exception of property taxes, all of these revenues are "elastic", meaning they vary directly with the economy – during economic expansion, elastic tax revenues increase, due to higher levels of consumer spending and tourism activity. During an economic downturn, the opposite is true and tax revenue levels decline. Local Tax Revenues consist of the following:

Privilege (Sales) Tax

Privilege (Sales) Tax represents the 1.0 percent General Fund share of the City's total 1.65 percent sales tax that is available for any municipal purpose. The remaining 0.65 percent of the tax has dedicated uses and is allocated as follows: General Fund (Public Safety .10%), Special Revenue Fund (Transportation .20%) and Special Revenue Fund (Preservation .35%). This revenue also includes sales tax application and penalty fees. It is the General Fund's single largest revenue source, and the General Fund portion of the tax is used to pay for general governmental operations and the repayment of excise debt. For FY 2010/11, the adopted revenue budget is \$80.5 million, which is approximately a \$1.6 million, or a 2.0 percent increase over the FY 2009/10 year-end forecast of \$78.9 million. The regional economy continues to struggle during the economic recovery and privilege tax is expected to grow moderately in the five-year revenue forecast. The five-year privilege tax forecast is shown in detail by major business category in the Appendix. Staff forecast the privilege tax collections by category to arrive at more of precise total sales tax revenue. The revenue forecasts for each business category use various assumptions that combine historical elements as well as emerging fiscal, economic and legal considerations.

General Fund Privilege (Sales) Tax

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$80.5	\$80.5*
2009/10	\$75.9	\$78.9*
2008/09	\$106.3	\$87.3
2007/08	\$113.6	\$105.6
2006/07	\$110.3	\$109.7

BUDGET BY FUND

GENERAL FUND- REVENUE



Privilege (Sales) Tax - Public Safety

Privilege (Sales) Tax - Public Safety represents the .10 percent of the total 1.65 percent sales tax rate and is dedicated exclusively to public safety enhancements. The voters approved the .10 percent increase in the sales tax for public safety in May 2004. The Public Safety sales tax forecast calls for FY 2010/11 revenues of about \$7.8 million versus an expected FY 2009/10 year-end of approximately \$7.7 million. The same business category analysis used for the General Fund 1.0 percent tax was applied when forecasting the Public Safety Privilege Tax.

Privilege (Sales) Tax – Public Safety

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$7.8	\$7.8*
2009/10	\$7.4	\$7.7*
2008/09	\$10.3	\$8.4
2007/08	\$11.4	\$10.2
2006/07	\$11.0	\$10.5

Property Tax (Primary)

Property Tax (Primary) represents the General Fund's portion of the Primary Property Tax which is levied on the assessed value of all property within the City to help pay for City general governmental operation costs. By Arizona State Statute, the primary property levy is limited to a 2.0 percent increase per year, plus an allowance for annexations and new construction. Primary property tax accounts for 10.3 percent of the total Adopted FY 2010/11 General Fund sources. The FY 2010/11 revenue forecast of \$24.7 million represents an increase of slightly more than \$1.0 million, or 4.48 percent, from the FY 2009/10 year-end forecast of \$23.7 million. The adopted primary property tax rate of approximately 38 cents per \$100 of assessed valuation represents a 1 cents increase from the FY 2009/10 rate.

Property Tax (Primary)

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$24.7	\$24.7*
2009/10	\$23.7	\$23.7*
2008/09	\$22.4	\$22.6
2007/08	\$21.0	\$20.4
2006/07	\$20.1	\$19.6

BUDGET BY FUND

GENERAL FUND- REVENUE



Transient Occupancy (“Bed”) Tax

Transient Occupancy (“Bed”) Tax forecast reflects a voter approved Transient Occupancy Tax increase from 3.0 percent to 5.0 percent on hotel and motel room rentals in addition to the sales tax. By City ordinance, prior to FY 2009/10, 80 percent of the Bed Tax revenue was reflected as a revenue source within the Special Programs Fund. Beginning in FY 2009/10, 100 percent of the original 3.0 percent Bed Tax revenue was recorded in the General Fund with a corresponding transfer out of 80 percent to the Special Programs Fund. In March 2010 voters approved an increase to the bed tax from 3.0 percent to 5.0 percent, effective July 1, 2010. Half of the 5.0 percent tax is now restricted for destination marketing. The remaining half may be used in the General Fund for tourism-related uses. For FY 2010/11, this transfer-out amount will increase to be half of the 5.0 percent Transient Occupancy Tax.

Transient Occupancy (“Bed”) Tax

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$10.6	\$10.6*
2009/10	\$8.2	\$7.1*
2008/09	\$2.0	\$1.5
2007/08	\$2.2	\$2.0
2006/07	\$1.9	\$1.9

Stormwater Quality Charge

Stormwater Quality Charge revenue relates to the water quality charge to help pay a portion of the City’s Stormwater Management program costs. These costs are driven by “unfunded” federal mandates that require the City to operate under a National Pollution Discharge Elimination System (NPDES) permit and to address the quality of stormwater runoff. Charges are forecasted at \$0.9 million for FY 2010/11.

Stormwater Quality Charge

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.9	\$0.9*
2009/10	\$0.9	\$0.9*
2008/09	\$0.8	\$0.8
2007/08	\$0.7	\$0.9
2006/07	\$0.7	\$0.7

Other Taxes

Other Taxes — Light & Power and Cable TV Franchise, Salt River Project In-Lieu Tax and Fire Insurance Premium include franchise taxes charged on revenues from utility and cable companies for use of City right-of-ways and in-lieu property tax for municipal utilities. The light & power franchise tax is projected to decrease (2.38) percent, or \$0.2 million. The cable TV franchise tax is expected to remain relatively flat to the FY 2009/10 year-end forecast of \$3.3 million. The Salt River Project In Lieu Tax is expected to remain flat at the FY 2009/10 year-end forecast of \$0.1 million.

Other Taxes

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$11.6	\$11.6*
2009/10	\$12.1	\$11.8*
2008/09	\$11.5	\$11.5
2007/08	\$10.9	\$11.5
2006/07	\$9.5	\$10.8

State-Shared Tax Revenues

State-Shared Tax Revenues include the state sales tax, income tax collections, and auto lieu tax, which are shared with all cities and towns throughout the state. The formula for distribution of the sales and income tax revenue is based upon the relation of the City's population to the total state population. Under this distribution method, mature cities reaching build-out will see their portion of state-shared tax revenues decrease, as rapidly growing cities receive a greater share of the revenue distribution. The 2010 census will likely have an adverse impact on the City's share, as faster growing cities and towns within the region receive an increased proportion of the overall pool of state-shared revenues.

The State Department of Revenue collects and distributes funds and provides revenue forecasts to cities and towns for these revenue sources. The auto lieu tax is shared based on the City's population in relation to the total incorporated population of Maricopa County.

State-Shared Revenues consist of the following:

State Shared Sales Tax

State Shared Sales Tax cities and towns share in a portion of the 6.60 percent sales tax collected by the State – the State retains 50.0 percent, schools are designated to receive 40.0 percent, and the remaining 10.0 percent is allocated to cities and towns based on percentage of population. The forecast calls for FY 2010/11 revenues of approximately \$17.6 million versus an expected FY 2009/10 year-end of \$17.3 million. Revenue is expected to slightly increase about \$0.3 million in FY 2010/11.

State Shared Sales Tax

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$17.6	\$17.6*
2009/10	\$18.0	\$17.3*
2008/09	\$22.0	\$18.9
2007/08	\$23.9	\$21.6
2006/07	\$20.6	\$22.3

State Revenue Sharing (Income Tax)

State Revenue Sharing (Income Tax) there is a two-year lag between the time citizens earn and report results to the State and when the State submits the actual revenues to cities and towns. Cities and towns in Arizona are prohibited from levying a local income tax; however, they are entitled to 15.0 percent of state income tax collections from two years previous. Revenue from State Shared Income Tax is forecasted at \$22.8 million for FY 2010/11, a decrease over expected FY 2009/10 year-end forecast of \$30.3 million.

State Revenue Sharing (Income Tax)

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$22.8	\$22.8*
2009/10	\$30.3	\$30.3*
2008/09	\$34.0	\$35.1
2007/08	\$33.1	\$33.0
2006/07	\$20.8	\$26.7

BUDGET BY FUND

GENERAL FUND- REVENUE



State Auto Lieu Tax

State Auto Lieu Tax is part of the vehicle license fees collected by Maricopa County, but is actually a State revenue source. The City receives its share of the vehicle license tax collection based on its population in relation to the total incorporated population of Maricopa County. The only stipulation on the use of this revenue is that it must be spent on a public purpose. The budget for FY 2010/11 is forecasted at \$8.2 million, which is a slight increase from the FY 2009/10 year-end forecast of \$8.0 million.

State Auto Lieu Tax

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$8.2	\$8.2*
2009/10	\$8.0	\$8.0*
2008/09	\$9.7	\$8.2
2007/08	\$10.4	\$10.0
2006/07	\$9.6	\$9.8

Licenses, Permits & Fees Revenue

Licenses, Permits & Fees Revenue include revenue from various business licenses, all fees recovered as a part of the development process, and recreation fees. This category includes building, electrical, mechanical, and plumbing permits, as well as subdivision, zoning, and plan check fees. Recreation Fees include revenue from the various recreational programs, classes, entry fees, and WestWorld event revenue. In accordance with Scottsdale's adopted financial policy, all fees and charges are reviewed annually.

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Scottsdale's development activity is slowing as our community is changing from growth oriented to a maturing community focused more on sustaining its high quality of life. The new commercial and residential construction activity is expected to continue, but at a slower pace. The attractiveness of Scottsdale, low commercial vacancy rates and low mortgage interest rates are major contributors to the Licenses, Permits & Fees Revenue.

Licenses, Permits & Fees Revenue consist of the following:

Building Permits Fees & Charges

Building Permits Fees & Charges include fees assessed to developers/builders that recover the cost of four primary functions: 1) reviewing/processing development applications, 2) plan review of construction documents, 3) the issuance of building, electrical, mechanical and plumbing permits, and 4) the inspection of buildings/structures in the construction phase. The FY 2010/11 forecast of \$8.2 million takes into consideration the current economic conditions, along with a 3.0 percent increase to certain Planning and Development Services fees effective July 8, 2010.

Building Permit Fees & Charges

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$8.2	\$8.2*
2009/10	\$8.1	\$8.1*
2008/09	\$14.5	\$6.9
2007/08	\$16.5	\$12.5
2006/07	\$17.0	\$16.1

BUDGET BY FUND

GENERAL FUND- REVENUE



Fire Service Charges

Fire Service Charges include service fees for the cost recovery of fire and medical standbys at special events, after hours inspections, ambulance staffing, and medical enhancement cost associated with the ambulance agreement. In addition, the department collects fees for CPR classes, permits and incident reports. For FY 2010/11 revenues are forecasted at \$0.6 million, a significant decrease in the FY 2009/10 year-end forecast of \$1.3. This is primarily due to a change in the PMT dispatch fees, reduction in labor and delinquent charges. The City of Phoenix invoices PMT directly for dispatch and the reduction in labor fees is a result of a reduction in a rescue unit that will not be staffed by the City of Scottsdale when station 8 opens. The delinquent charges owed by PMT have been fully recovered.

Fire Service Charges

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.6	\$0.6*
2009/10	\$2.4	\$1.3*
2008/09	\$1.4	\$1.8
2007/08	\$1.1	\$1.1
2006/07	\$1.0	\$1.9

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Business Licenses & Fees

Business Licenses & Fees include the licensing of business activity that takes place in Scottsdale and the associated fees relating to the licensure and regulation of specific activity. Revenues of approximately \$1.7 million are expected in FY 2010/11, which is consistent with FY 2009/10 year-end forecast of \$1.7 million.

Business Licenses & Fees

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$1.7	\$1.7*
2009/10	\$1.7	\$1.7*
2008/09	\$1.8	\$1.7
2007/08	\$1.6	\$1.6
2006/07	\$2.1	\$1.6

Recreation Fees

Recreation Fees are budgeted at \$3.4 million and include revenue from the various recreational programs, classes, and entry fees. In accordance with the City's adopted financial policies, recreation fees are reviewed and adjusted annually, if the increase is justified by the analysis and approved by City Council.

Recreation Fees

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$3.4	\$3.4*
2009/10	\$3.0	\$3.0*
2008/09	\$3.1	\$3.2
2007/08	\$2.9	\$2.8
2006/07	\$2.8	\$2.8

BUDGET BY FUND

GENERAL FUND- REVENUE



WestWorld Fees

WestWorld Fees include event revenue (general facility rental, concessions, parking fees, etc.) from events such as horse shows, auto auctions and car shows, consumer and home shows, as well as RV space rental income. Revenues of approximately \$2.6 million are expected in FY 2010/11 versus an expected FY 2009/10 year-end of \$2.9 million. Staff's FY 2010/11 revenue forecast is based on future confirmed bookings for WestWorld, Feed and Bedding as well as historical activity.

WestWorld Fees

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$2.6	\$2.6*
2009/10	\$2.9	\$2.9*
2008/09	\$2.4	\$2.7
2007/08	\$2.0	\$2.3
2006/07	\$2.3	\$1.7

Fines and Forfeiture Revenues

Fines and Forfeiture Revenues include court, parking, photo radar, and library fines. In the aggregate, the revenue for these items in FY 2010/11 is projected to be \$9.8 million for an increase of approximately \$0.2 million over the FY 2009/10 year-end forecast.

Fines and Forfeiture Revenues consist of the following:

Court Fines

Court Fines are the General Fund portion of penalties or fees assessed by state statute, City ordinance or the Presiding Judge. Examples include: fines, a portion of the registration fee to attend Defensive Driving School, bonds forfeited to the City and collection fees. Revenues of approximately \$7.3 million are expected for FY 2010/11, which reflects a \$0.1 million increase from the FY 2009/10 year-end forecast of \$7.2.

Court Fines

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$7.3	\$7.3*
2009/10	\$7.2	\$7.2*
2008/09	\$6.5	\$6.7
2007/08	\$5.5	\$6.8
2006/07	\$5.3	\$5.9

Parking Fines

Parking Fines are the General Fund portion of parking fees assessed per City ordinance and are forecasted at slightly more than \$0.4 million for FY 2010/11 – which is slightly less than the FY 2009/10 year-end forecast of \$0.5 million. Staff developed revenue estimates based on historical trends.

Parking Fines

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.4	\$0.4*
2009/10	\$0.5	\$0.5*
2008/09	\$0.3	\$0.4
2007/08	\$0.3	\$0.5
2006/07	\$0.3	\$0.3

BUDGET BY FUND

GENERAL FUND- REVENUE



Photo Enforcement Fines

Photo Enforcement Fines are the General Fund portion of Photo Enforcement penalties as assessed by the Presiding Judge. Examples include: red light and speeding fines and a portion of the registration fee to attend Defensive Driving School. Revenues are budgeted at about \$1.8 million for FY 2010/11, which represents a decrease of \$0.1 million from the FY 2009/10 year-end forecast of \$1.7 million. Use of photo enforcement is intended to be a deterrent to unsafe driving and to modify driving habits, not as a revenue producer.

Photo Enforcement Fines

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$1.8	\$1.8*
2009/10	\$1.7	\$1.7*
2008/09	\$1.9	\$1.7
2007/08	\$2.6	\$1.5
2006/07	\$2.5	\$2.3

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Photo Enforcement Fines – Loop 101 Freeway

Photo Enforcement Fines – Loop 101 Freeway represents the revenue previously received from the Photo Enforcement Loop 101 Intergovernmental Agreement (IGA) with the Department of Public Safety (DPS) where photo enforcement was used to target speeding drivers on Scottsdale’s portion of the State Loop 101 Freeway. Scottsdale was the first community in the country to use photo enforcement on a multi-lane limited access freeway. There is no forecasted revenue for FY 2010/11 as DPS is now fully administering the freeway program.

Photo Enforcement Fines – Loop 101 Freeway

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	-	-*
2009/10	-	-*
2008/09	\$1.0	\$0.8
2007/08	\$4.1	\$4.3
2006/07	\$2.0	\$3.9

Library Fines & Fees

Library Fines & Fees are monies collected when library materials are returned after they are due, are lost, and/or are damaged. FY 2010/11 revenues are forecasted at \$0.3 million – virtually the same as the FY 2009/10 year-end forecast.

Library Fines & Fees

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.3	\$0.3*
2009/10	\$0.4	\$0.3*
2008/09	\$0.4	\$0.3
2007/08	\$0.7	\$0.4
2006/07	\$0.7	\$0.6

BUDGET BY FUND

GENERAL FUND- REVENUE



Interest Earnings

Interest Earnings are generated on idle General Fund cash balance throughout the year. Revenue from Interest Earnings is conservatively forecasted at \$1.0 million for FY 2010/11, \$0.7 million less than the expected FY 2009/10 year-end forecast of \$1.7 million. This revenue is a function of the relationship between the City's available cash balance and the interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers' acceptances, repurchase agreements, money market funds, and the State of Arizona's Local Government Investment Pool. Interest earnings applicable to bond proceeds and the Capital Improvement Plan (CIP) accrue to the CIP budget and are not included in General Fund revenues. Staff forecasted the interest earnings for FY 2010/11 based on recent activity and anticipated cash balances.

Interest Earnings

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$1.0	\$1.0*
2009/10	\$1.7	\$1.7*
2008/09	\$4.5	\$3.7
2007/08	\$5.2	\$6.4
2006/07	\$2.3	\$3.3

Property Rental

Property rental revenues are rental fees on facilities such as the Scottsdale Stadium, as well as amounts received from the Tournament Players Club and Princess Hotel for percent of revenue on gross sales agreements. The FY 2010/11 forecasted revenue of approximately \$2.8 million represents a decrease over the FY 2009/10 year-end forecast of \$3.2 million.

Property Rental

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$2.8	\$2.8*
2009/10	\$3.2	\$3.2*
2008/09	\$3.4	\$3.2
2007/08	\$3.3	\$3.5
2006/07	\$3.1	\$3.4

BUDGET BY FUND

GENERAL FUND- REVENUE



Miscellaneous and Reimbursements

Miscellaneous revenue includes various miscellaneous revenues the City receives during any given year that are not attributable to one of the specific revenue categories noted previously. The FY 2010/11 revenue is forecasted at \$0.5 million, which is less than the FY 2009/2010 year-end estimate of \$1.0 million.

Miscellaneous and Reimbursements

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.5	\$0.5*
2009/10	\$1.0	\$1.0*
2008/09	\$1.0	\$0.6
2007/08	\$0.7	\$0.7
2006/07	\$0.3	\$1.5

30-Day Tow Program

30-Day Tow Program is an inter-allocation process whereby salary/benefit expenses for the enforcement of the 30 day tow program is charged to the special revenue program. FY 2010/11 revenues are forecasted at \$0.4 million, which is virtually the same as the FY 2009/10 year-end forecast of \$0.4 million.

30 Day Tow Program

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.4	\$0.4*
2009/10	\$0.4	\$0.4*
2008/09	-	\$0.2
2007/08	-	-
2006/07	-	-

Capital Improvement Plan Cost Allocation

Capital Improvement Plan Cost Allocation revenue represents the reimbursement the staff time associated with managing the Capital Improvement Program. The cost allocation varies by position based on individual involvement in managing the program. FY 2010/11 revenues are forecasted at \$0.9 million, which remains flat with the FY 2009/2010 year-end forecast of \$0.9 million.

Capital Improvement Plan Cost Allocation

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.9	\$0.9*
2009/10	\$0.9	\$0.9*
2008/09	-	\$0.9
2007/08	-	-
2006/07	-	-

BUDGET BY FUND

GENERAL FUND- REVENUE



Reimbursements

This category represents reimbursements to the General Fund for the City's security contract. FY 2010/11 revenues are forecasted at \$0.4 million, which is a slight increase from the FY 2009/2010 year-end forecast of \$0.36 million.

Intergovernmental Revenue

Intergovernmental Revenue is related to School Resource Officers from the Scottsdale Police Department servicing local area schools, an intergovernmental agreement with the Scottsdale Unified School District for library shared use reimbursement of Palomino Library, and revenue received from the County Library District for reciprocal interlibrary use. FY 2010/11 revenues are forecasted at \$0.9 million, which remains flat with the FY 2009/10 year-end forecast of \$0.9 million.

Intergovernmental Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.9	\$0.9*
2009/10	\$1.0	\$0.9*
2008/09	\$0.7	\$1.2
2007/08	-	\$1.1
2006/07	-	\$0.7

Indirect/Direct Cost Allocation

Indirect/Direct Cost Allocation represents a reimbursement to the General Fund for centralized services provided to the Enterprise Funds such as payroll, accounts payable, human resources, information technology, city administration, etc. The FY 2010/11 forecasted revenue is approximately \$12.7 million, which reflects a \$0.5 million increase from the FY 2009/10 year-end forecast of \$12.2 million.

Indirect/Direct Allocation

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$12.7	\$12.7*
2009/10	\$14.8	\$12.2*
2008/09	\$12.9	\$12.9
2007/08	\$11.6	\$11.6
2006/07	\$10.2	\$10.2

Transfers-In

The Transfers-In for FY 2010/11 represent a reimbursement from the Enterprise Funds for providing security at various water facilities and from the Capital Improvement Fund for operating projects. Beginning in FY 2010/11, projects that were identified in the CIP that do not result in the creation of a capital asset were more appropriately moved to the operating budget. The total transfers-in for FY 2010/11 is expected to decrease by approximately \$6.0 million over the FY 2009/10 year-end forecast of \$10.0 million.

BUDGET BY FUND

GENERAL FUND EXPENDITURES



Fund Purpose

The General Fund exists to account for the activity associated with traditional local government services such as police, fire, parks and recreation, planning and economic development and general City administration. Under Arizona State law, each city and town must maintain a General Fund and account for Highway User Revenues (see the Transportation Fund in the Special Revenue Fund section). The General Fund is the largest fund and typically the fund of most interest and significance to citizens.

General Fund Expenditures By Expenditure Type

The General Fund expenditures are presented by the following five major operating expenditure categories: personnel services, contractual services, commodities, capital outlay, debt service, and operating projects. There is also cash transfers-out to other funds.

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Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The FY 2010/11 adopted budget of \$163.8 million is \$8.1 million less than the FY 2009/10 adopted budget. The budget change is due to budget reduction efforts and reduced staffing levels in FY 2009/10 to maintain a balanced budget.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$163.8	\$163.8*
2009/10	\$171.9	\$167.2*
2008/09	\$189.3	\$192.1
2007/08	\$183.4	\$180.2
2006/07	\$170.4	\$161.3

Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The FY 2010/11 adopted budget of \$54.8 million is \$1.0 million, or 2 percent, more than the FY 2009/10 adopted budget. Major contracts include the Maricopa County jail contract, software maintenance and licensing, fleet maintenance and operations, utilities, mowing/landscape maintenance and Fire Dispatch contract.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$54.8	\$54.8*
2009/10	\$53.8	\$52.9*
2008/09	\$58.5	\$51.4
2007/08	\$50.4	\$53.4
2006/07	\$48.3	\$48.3

Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted budget of \$8.9 million is \$0.4 million, or 4 percent, less than the FY 2009/10 adopted budget.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$8.9	\$8.9*
2009/10	\$9.3	\$9.1*
2008/09	\$10.5	\$8.5
2007/08	\$10.6	\$11.5
2006/07	\$10.2	\$10.4

BUDGET BY FUND

GENERAL FUND EXPENDITURES



Capital Outlay

Capital Outlay includes the purchase of land, the purchase of construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, have a unit cost of \$5,000 or more, and be a betterment or improvement. The FY 2010/11 adopted budget of \$0.3 million is \$0.1 million, or 25 percent, less than the FY 2009/10 adopted budget.

Capital Outlay

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.3	\$0.3*
2009/10	\$0.4	\$0.3*
2008/09	\$0.6	\$0.4
2007/08	\$0.9	\$0.9
2006/07	\$1.1	\$1.0

Operating Projects

Operating Projects capture costs associated with the repair and maintenance of capital assets; replacement of non capital assets; master plans; studies; public art; and all other project type costs that do not result in the acquisition or construction of a capital asset. The FY 2010/11 adopted budget is \$3.9 million.

Operating Projects

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$3.9	\$3.9*
2009/10	\$ -	\$ -*
2008/09	\$ -	\$ -
2007/08	\$ -	\$ -
2006/07	\$ -	\$ -

Debt Service

Debt Service is paid from the General Fund, is primarily contractual debt related to sales tax development agreements, and will vary based on the actual sales tax collections at each developed site. The FY 2010/11 Debt Service budget of \$4.5 million is \$0.2 million less than the FY 2009/10 adopted budget. The FY 2010/11 Debt Service budget is comprised of approximately \$3.1 million in Contracts Payable and approximately \$1.4 million in Certificates of Participation as follows:

Debt Service

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$4.5	\$4.5*
2009/10	\$4.7	\$2.6*
2008/09	\$6.0	\$3.6
2007/08	\$6.6	\$5.0
2006/07	\$6.0	\$5.6

Contracts Payable

Contracts Payable of approximately \$3.1 million represents debt related to sales tax development agreements such as the Nordstrom Garage Lease and Hotel Valley Ho.

Certificates of Participation

Certificates of Participation (COP) are instruments whereby the City enters into a lease-purchase agreement for the acquisition, operation and/or maintenance of a project. COPs are secured by a budgeted appropriation made each year by the City. At the completion of the lease period, the City owns the project. In FY 2005/06, the City issued \$7.65 million of COPs for the acquisition of the police/fire administration building. The COPs are payable over ten years at an average interest cost of 3.29 percent and are callable at the City's option after July 1, 2008. The FY 2010/11 forecast assumes a debt payment of approximately \$1.0 million related to the purchase of the building. The forecast also assumes a debt payment of approximately \$0.5 million related to the planned issuance in FY 2010/11 for Police/Fire Radio Communication Equipment.

Cash Transfers-Out

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Cash Transfers-Out are the authorized movement of cash to other funds, divisions, departments, and/or capital projects. Cash Transfers-Out in FY 2010/11 totals \$16.7 million and includes \$2.2 million to the Capital Fund to cover the cost of on-going capital maintenance. Also, \$1.8 million will be transferred-out as a subsidy to the Transportation Fund for transportation related operating costs; \$6.7 million will be transferred to the MPC Excise Debt Fund; \$1.0 million will be transferred to the MPC Excise Debt related to Bed Tax; \$5.0 million will be transferred to the Special Programs Fund for bed tax revenues (half of the 5.0 percent bed tax restricted for destination marketing); \$0.2 million will be transferred to the Special Programs Fund for Community Services; and \$60,000 will be transferred for neighborhood revitalization (\$50K) and for the preservation and maintenance of properties on Scottsdale's Historic Register (\$10K).

General Fund Balance/ Reserve/Operating Contingency

General Fund Balance/Reserve/

Operating Contingency Fund Balance/Reserve/Operating Contingency protects the City's financial condition and provides for unexpected economic challenges. Growth of fund balance occurs when revenues exceed expenditures. Fund balances are similar to a company's net equity (assets less liabilities) and should only be used for non-recurring (non-operational) expenditures, since once they are spent they are only replenished by future year resources in excess of expenditures.

The City's budget planning and adopted financial policies call for the establishment of reserves and an operating contingency as part of the resource allocation/limit setting process. The process allows the City to "set aside savings" before it is allocated or spent as budgeted expenditures. The specific make-up of the City's fund balance, reserves and operating contingencies are noted on the following page.

General Fund Reserve

General Fund Reserve continues the City's adopted financial policy of setting aside a reserve to protect Scottsdale in times of emergency. It is financially prudent to have a minimum General Fund Reserve of 10.0 percent of the General and Highway User Revenue Funds total annual operating costs. Based on the revenue and expenditure estimates included in the adopted budget, the ending FY 2010/11 General Fund Reserve is projected to be approximately \$26.2 million. Maintaining the General Fund Reserve is very important to the municipal credit rating agencies and in retaining the City's AAA bond ratings. It should be noted that the revenue sources that help build the General Fund Reserve during good economic times are considered "elastic" and, therefore, are subject to downturns during recessionary times.

Operating Contingency

Operating Contingency includes \$2.5 million of basic operating contingency to meet unforeseen expenses during the fiscal year. City Council approval will be required before the funds can be transferred from the contingency to an operating department budget.

Unreserved Fund Balance

Unreserved Fund Balance is the remainder after considering all of the other reserves/uses. The ending unreserved fund balance is forecasted at approximately \$17,027, which represents the cumulative General Fund revenues not designated for a specific purpose. This balance represents an accumulation of one-time revenues and is most appropriately used for one-time expenditures. Under prudent fiscal management practices, this amount should not be used to fund new or expanded programs with ongoing operating expenses.

BUDGET BY FUND

TRANSPORTATION FUND SUMMARY



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	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance	(1,560,056)	-	31,891	-
Revenues:				
Highway User Revenue Tax	14,141,719	14,187,000	12,900,000	13,814,970
Transportation Privilege Tax (0.2%)	16,474,270	14,345,100	14,918,904	15,217,282
Local Transportation Assistance Fund I	1,015,408	1,057,100	585,184	-
Local Transportation Assistance Fund II	432,214	-	336,302	-
Proposition 400 Regional Sales Tax	377,237	311,628	311,628	300,000
Charges for Services	247,561	1,568,364	-	-
Capital Improvement Plan Cost Allocation	879,108	819,926	819,926	819,926
Federal Grants	-	-	2,605,000	1,995,000
Miscellaneous	6,920	120,000	20,000	20,000
Subtotal	33,574,437	32,409,118	32,496,944	32,167,178
Cash Transfers In				
General Fund - Deficit Elimination Transfer	7,023,454	5,571,026	3,387,962	1,818,092
CIP	1,500,000	-	-	-
CIP - Operating Projects	-	-	-	249,000
Solid Waste - Alley Maintenance	334,012	358,550	358,550	380,063
Subtotal	8,857,466	5,929,576	3,746,512	2,447,155
Total Sources	42,431,903	38,338,694	36,243,456	34,614,334
Use of Funds:				
Division				
Transportation	15,437,011	-	-	-
Municipal Services	17,108,310	-	-	-
FY 2009/10 Reorganization				
Planning, Neighborhoods, & Transportation	-	13,631,274	13,540,306	12,063,783
Public Works & Water Resources	-	17,649,008	17,643,896	14,935,409
<i>Estimated Division Savings (non-vacant positions)</i>	-	-	(2,285,000)	-
<i>Leave Accrual Payments</i>	-	86,262	80,984	43,100
<i>Estimated Personnel Savings from Vacant Positions</i>	-	(270,000)	(233,891)	(135,000)
Subtotal	32,545,321	31,096,544	28,746,295	26,907,293
Total Operating Budget	32,545,321	31,096,544	28,746,295	26,907,293
Cash Transfers Out				
CIP Fund - Privilege Tax Allocation	8,237,135	7,172,550	7,459,452	7,608,641
CIP Fund - Tech. Replacement	57,500	69,600	69,600	98,400
Total Cash Transfers Out	8,294,635	7,242,150	7,529,052	7,707,041
Total Uses	40,839,956	38,338,694	36,275,347	34,614,334
Sources Over/(Under) Uses	1,591,947	-	(31,891)	-
Total Ending Fund Balance	31,891	-	-	-

BUDGET BY FUND

TRANSPORTATION FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance	-	-	-	-	-
Revenues:					
Highway User Revenue Tax	13,814,970	14,091,269	14,429,460	14,790,196	15,248,692
Transportation Privilege Tax (0.2%)	15,217,282	15,521,628	15,894,147	16,291,500	16,796,537
Local Transportation Assistance Fund I	-	-	-	-	-
Local Transportation Assistance Fund II	-	-	-	-	-
Proposition 400 Regional Sales Tax	300,000	309,000	318,270	327,818	337,653
Charges for Services	-	-	-	-	-
Capital Improvement Plan Cost Allocation	819,926	821,107	833,308	845,252	862,157
Federal Grants	1,995,000	-	-	-	-
Miscellaneous	20,000	20,000	21,000	22,000	23,000
Subtotal	32,167,178	30,763,004	31,496,185	32,276,767	33,268,039
Cash Transfers In					
General Fund - Deficit Elimination Transfer	1,818,092	4,188,881	4,221,195	4,246,567	4,127,079
CIP	-	-	-	-	-
CIP - Operating Projects	249,000	-	-	-	-
Solid Waste - Alley Maintenance	380,063	402,867	427,039	452,661	479,821
Subtotal	2,447,155	4,591,748	4,648,234	4,699,228	4,606,900
Total Sources	34,614,334	35,354,753	36,144,418	36,975,995	37,874,939
Use of Funds:					
Division					
Transportation	-	-	-	-	-
Municipal Services	-	-	-	-	-
FY 2009/10 Reorganization					
Planning, Neighborhoods, & Transportation	12,063,783	12,291,171	12,557,510	12,830,127	13,108,334
Public Works & Water Resources	14,935,409	15,335,462	15,689,654	16,052,803	16,424,731
<i>Estimated Division Savings (non-vacant positions)</i>	-	-	-	-	-
<i>Leave Accrual Payments</i>	43,100	45,255	47,518	49,894	52,388
<i>Estimated Personnel Savings from Vacant Positions</i>	(135,000)	(141,750)	(148,838)	(156,279)	(164,093)
Subtotal	26,907,293	27,530,139	28,145,845	28,776,545	29,421,360
Total Operating Budget	26,907,293	27,530,139	28,145,845	28,776,545	29,421,360
Cash Transfers Out					
CIP Fund - Privilege Tax Allocation	7,608,641	7,760,814	7,947,073	8,145,750	8,398,268
CIP Fund - Tech. Replacement	98,400	63,800	51,500	53,700	55,311
Total Cash Transfers Out	7,707,041	7,824,614	7,998,573	8,199,450	8,453,579
Total Uses	34,614,334	35,354,753	36,144,418	36,975,995	37,874,939
Sources Over/(Under) Uses	-	-	-	-	-
Total Ending Fund Balance	-	-	-	-	-

BUDGET BY FUND

TRANSPORTATION FUND REVENUES



Description

The City uses four separate Special Revenue Funds to account for the activity of restricted revenues and designated expenditure uses for FY 2010/11. The individual funds are: Transportation, Preservation Privilege Tax, Special Programs, and Grants. The applicable specific revenues, expenditures and fund balances of the individual Special Revenue Funds, along with each fund's purpose, are described below:

Transportation Fund - Fund Purpose

The Transportation Fund receives and expends the City's allocation of the Arizona Highway User Revenue Tax (HURF) as well as the City's Transportation Sales Tax (.20 percent) revenue and other transportation related revenues. The amount of HURF available to each City is allocated based on population, which is determined by the latest federal census. These monies must be used for street construction, reconstruction, maintenance, or transit. The State of Arizona requires the City to establish and maintain an accounting for Highway User Revenue funds. The fund also accounts for the 1989, voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. The budget assumes a policy that transfers 50 percent of the Transportation Privilege (Sales) Tax to the Capital Improvement Fund for transportation related capital improvement projects.

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Highway User Revenue (Gas Tax)

Highway User Revenue Tax ("Gas Tax") is distributed by the State of Arizona based upon the population of each city and the county of origin for the sales of fuel. The State constitution requires that all highway user revenue be used solely for street, highway or transit purposes. The cities share in the State collected highway user revenues based half on population, and half on the origin of the gas sale. The adopted FY 2010/11 budget of \$13.8 million represents an increase of \$0.9 million or 7 percent from the FY 2009/10 year-end forecast. Forecasted revenue growth is based on Scottsdale's population growth relative to other Arizona cities, as well as projected fuel sale activity for Maricopa County.

Highway User Revenue Tax (Gas Tax)

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$13.8	\$13.8*
2009/10	\$14.2	\$12.9*
2008/09	\$16.9	\$14.1
2007/08	\$17.0	\$16.3
2006/07	\$15.6	\$16.7

BUDGET BY FUND

TRANSPORTATION FUND REVENUES



Transportation Privilege (Sales) Tax

Transportation Privilege (Sales) Tax (.20%) represents the .20 percent of the City's sales tax dedicated solely to transportation. Please note there is a difference between the transportation and preservation privilege tax revenue amounts, which is attributable to differences in the taxing provisions for each of the revenues. The adopted FY 2010/11 budget of \$15.2 million represents an increase of \$0.3 million or 2 percent from the FY 2009/10 year-end forecast.

Transportation Privilege (Sales) Tax Revenue (0.20%) Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$15.2	\$15.2*
2009/10	\$14.3	\$14.9*
2008/09	\$20.1	\$16.5
2007/08	\$22.7	\$20.0
2006/07	\$22.1	\$20.8

Local Transportation Assistance Fund I and II

Local Transportation Assistance Fund (LTAF) Revenue ("State Lottery") is distributed by the State of Arizona based upon population as well as City and town participation in the lottery. The adopted FY 2010/11 budget of \$0.0 million reflects the actions taken per the State Legislature that these state shared revenues be eliminated retroactively as of February 2010.

Local Transportation Assistance Fund I and II Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$ -	\$ -*
2009/10	\$1.1	\$0.9*
2008/09	\$1.1	\$1.4
2007/08	\$1.6	\$1.5
2006/07	\$1.1	\$1.8

Proposition 400 Regional Sales Tax

Proposition 400 Regional Sales Tax represents the City's allocation of the 1.0 percent regional sales approved by Maricopa County voters in November 2004 for transportation and transit enhancements. Based on estimates from regional agencies, the City expects to receive an estimated \$0.3 million from this regional sales tax in the 2010/11 fiscal year, which remains flat with the FY 2009/10 year-end forecast.

Proposition 400 Regional Sales Tax Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.3	\$0.3*
2009/10	\$0.3	\$0.3*
2008/09	\$0.3	\$0.4
2007/08	\$0.3	\$0.4
2006/07	\$0.3	\$0.0

BUDGET BY FUND

TRANSPORTATION FUND REVENUES



Charges for Services

Charges for Services are budgeted at \$0.0 million in FY 2010/11, which remains flat with the FY 2009/10 year-end forecast. These fare box revenues are netted against the City's cost of the Transit contract for each fiscal year, except for FY 2008/09 when fare box revenues were received.

Charges for Services

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.0	\$0.0*
2009/10	\$1.6	\$0.0*
2008/09	\$0.0	\$0.2
2007/08	\$0.0	\$0.0
2006/07	\$0.0	\$0.0

Capital Improvement Plan Cost Allocation

Capital Improvement Plan Cost Allocation is budgeted at \$0.8 million in FY 2010/11. These are charges to the CIP as part of the allocation of staff time.

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Cash Transfers-In

Cash Transfers-In from the General Fund are to subsidize the Transportation Fund is budgeted at \$1.8 million in FY 2010/11. This is a \$3.8 million decrease from FY 2009/10 Adopted. Cash transfers-in from the General Fund was approved by City Council to minimize the budget reductions to Transit routes. Cash transfers-in from the Solid Waste Fund for Alley Maintenance are budgeted at \$0.4 million in FY 2010/11. Cash transfers-in from the CIP is budgeted at \$0.2 million in FY 2010/11 to fund the Operating Projects.

Cash Transfers-In

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$2.4	\$2.4*
2009/10	\$6.0	\$3.7*
2008/09	\$9.5	\$8.9
2007/08	\$1.3	\$2.8
2006/07	\$3.2	\$0.3

BUDGET BY FUND

TRANSPORTATION FUND EXPENDITURES



Transportation Fund Expenditures By Expenditure Type

The Transportation Fund expenditures are presented by four major expenditure categories: personnel services, contractual services, commodities, capital outlay, plus transfers-out to other funds.

Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted FY 2010/11 personnel services budget of \$6.2 million is a decrease of \$0.3 million, or 5 percent, from the FY 2009/10 adopted budget. The budget decrease is related to overall budget reduction efforts.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$6.2	\$6.2*
2009/10	\$6.5	\$6.5*
2008/09	\$7.4	\$7.9
2007/08	\$7.2	\$6.6
2006/07	\$6.5	\$5.8

Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2010/11 contractual services budget of \$19.7 million is a decrease of \$4.2 million, or 17 percent, from the FY 2009/10 adopted budget. The budget decrease is related to overall budget reduction efforts and reductions to the City's Transit contract for reduced transit routes.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$19.7	\$19.7*
2009/10	\$23.9	\$23.9*
2008/09	\$26.6	\$23.7
2007/08	\$25.5	\$24.8
2006/07	\$20.7	\$20.0

Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2010/11 commodities budget of \$0.8 million is an increase of approximately \$28,000 or 3 percent from the FY 2009/10 adopted budget, reflecting an increase in costs for traffic signal maintenance, as well as for streetlight maintenance.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.8	\$0.8*
2009/10	\$0.8	\$0.8*
2008/09	\$1.1	\$0.8
2007/08	\$0.9	\$0.9
2006/07	\$0.7	\$0.7

BUDGET BY FUND

TRANSPORTATION FUND EXPENDITURES



Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment, as well as operating projects. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2010/11 capital outlay budget of \$257,000 represents a \$125,000 increase from the FY 2009/10 adopted budget, which is attributable to new operating projects that were previously recorded in the CIP.

Capital Outlay

Adopted Budget to Actual/Approved* (in thousands)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$257,000	\$257,000*
2009/10	\$18,200	\$18,200*
2008/09	\$294,700	\$47,300
2007/08	\$254,800	\$100,800
2006/07	\$57,600	\$38,500

Transfers-Out

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The budget assumes 50% of Transportation Privilege Tax revenue will be transferred annually to the Capital Projects Fund to cover the cost of transportation system improvement operating costs.

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Transportation Fund Balance

The adopted FY 2010/11 Transportation Fund ending balance is projected to be zero. Typically, this fund does not have a planned fund balance due to its reliance on the General Fund to make up the difference between revenues and expenditures each year.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

PRESERVATION FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance	19,044,623	20,138,430	14,737,707	12,728,463
Revenues:				
Privilege Tax (0.20%)	16,951,797	14,724,600	15,313,584	15,619,856
Privilege Tax (0.15%)	12,643,622	11,385,000	11,840,400	12,077,208
Interest Earnings	1,101,238	302,000	302,000	234,680
Base Fines	100	-	-	-
Subtotal	30,696,757	26,411,600	27,455,984	27,931,744
Cash Transfers In				
Reimbursements	4,768,968	-	-	-
Subtotal	4,768,968	-	-	-
Total Sources	35,465,725	26,411,600	27,455,984	27,931,744
Use of Funds:				
Operating				
Miscellaneous	2,112	2,200	2,200	2,200
Subtotal	2,112	2,200	2,200	2,200
Debt Service				
McDowell Sonoran Contract	952,480	951,855	951,855	954,175
Subtotal	952,480	951,855	951,855	954,175
Total Expenditures	954,592	954,055	954,055	956,375
Cash Transfers Out				
Debt Service Fund (Preserve GO Bonds)	16,142,738	13,961,047	11,777,412	19,609,640
Debt Service Fund (Preserve Revenue Bonds)	11,651,248	6,739,761	6,733,761	6,701,105
CIP Fund (General Capital Projects)	11,024,063	10,610,000	10,000,000	-
Total Cash Transfers Out	38,818,049	31,310,808	28,511,173	26,310,745
Total Uses	39,772,641	32,264,863	29,465,228	27,267,120
Ending Fund Balance	14,737,707	14,285,167	12,728,463	13,393,087

BUDGET BY FUND

PRESERVATION FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
<u>Source of Funds:</u>					
Beginning Fund Balance	12,728,463	13,393,087	10,171,010	6,534,104	1,952,260
Revenues:					
Privilege Tax (0.20%)	15,619,856	15,932,253	16,314,627	16,722,493	17,240,890
Privilege Tax (0.15%)	12,077,208	12,318,752	12,614,402	12,929,762	13,330,585
Interest Earnings	234,680	279,952	414,171	532,526	617,227
Base Fines	-	-	-	-	-
Subtotal	27,931,744	28,530,957	29,343,200	30,184,781	31,188,702
Cash Transfers In					
Reimbursements	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Sources	27,931,744	28,530,957	29,343,200	30,184,781	31,188,702
<u>Use of Funds:</u>					
Operating					
Miscellaneous	2,200	2,200	2,200	2,200	2,200
Subtotal	2,200	2,200	2,200	2,200	2,200
Debt Service					
McDowell Sonoran Contract	954,175	953,750	955,500	-	-
Subtotal	954,175	953,750	955,500	-	-
Total Expenditures	956,375	955,950	957,700	2,200	2,200
Cash Transfers Out					
Debt Service Fund (Preserve GO Bonds)	19,609,640	24,109,379	25,346,501	28,099,765	26,336,542
Debt Service Fund (Preserve Revenue Bonds)	6,701,105	6,687,705	6,675,905	6,664,660	6,668,848
CIP Fund (General Capital Projects)	-	-	-	-	-
Total Cash Transfers Out	26,310,745	30,797,084	32,022,406	34,764,425	33,005,390
Total Uses	27,267,120	31,753,034	32,980,106	34,766,625	33,007,590
Ending Fund Balance	13,393,087	10,171,010	6,534,104	1,952,260	133,371

BUDGET BY FUND

PRESERVATION FUND



Preservation Privilege Tax Fund

Fund Purpose

This fund accounts for the portion of the City's Privilege (Sales) Tax (0.35 percent) dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. In 1995, voters approved increasing the City's sales tax rate by .20 percent for the purchase of land within the McDowell Sonoran Preserve. In May 2004, voters approved an additional .15 percent in the City's sales tax rate dedicated to the McDowell Sonoran Preserve land acquisition. As with the 1995 tax, the 2004 tax covers the purchase of land within the preserve plus the construction of essential preserve related necessities such as proposed trailheads.

Revenue collections and contractual debt associated with purchased land are accounted for in this fund. A transfer is made to the Debt Service Fund to pay debt service payments associated with bonds issued for land purchases.

Preservation Privilege Tax Fund Revenues

1995 Preservation Privilege (Sales) Tax represents the voter approved .20 percent of the City's sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. The FY 2010/11 budget of \$15.6 million represents an increase of approximately \$0.3 million from the FY 2009/10 year-end estimate. Please note there is a difference between the transportation and preservation privilege revenue tax amounts, which is attributable to differences in the taxing provisions for each of the revenues. The projected decrease in revenues by staff is based on the estimated economic decrease in sales activity for Scottsdale.

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Preservation Privilege Tax Fund

1995 Preservation

Privilege (Sales) Tax Revenue

Adopted Budget to Actual/Forecast* (in millions)

Fiscal Year	Adopted Budget	Actual/Forecast*
2010/11	\$15.6	\$15.6*
2009/10	\$14.7	\$15.3*
2008/09	\$20.6	\$17.0
2007/08	\$22.7	\$20.5
2006/07	\$22.1	\$21.3

2004 Preservation Privilege (Sales) Tax

2004 Preservation Privilege (Sales) Tax represents the voter approved .15 percent of the City's sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve, plus construction of essential preserve related necessities such as proposed trailheads. The FY 2010/11 budget of \$12.1 million represents an increase of approximately \$0.3 million from the FY 2009/10 year-end estimate. The projected decrease in revenues by staff is based on the estimated economic decrease in sales activity for Scottsdale.

Preservation Privilege Tax Fund

2004 Preservation

Privilege (Sales) Tax Revenue

Adopted Budget to Actual/Forecast* (in millions)

Fiscal Year	Adopted Budget	Actual/Forecast*
2010/11	\$12.1	\$12.1*
2009/10	\$11.4	\$11.8*
2008/09	\$14.9	\$12.6
2007/08	\$17.0	\$15.0
2006/07	\$16.5	\$15.8

BUDGET BY FUND

PRESERVATION FUND



Interest Earnings

Interest Earnings is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investments in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield. The FY 2010/11 budget of \$0.2 million represents a decrease of approximately \$0.1 million from the FY 2009/10 year-end forecast. The projected interest earnings by staff are based on current interest rates and the estimated available cash balance.

Preservation Privilege Tax Fund

Interest Earnings

Adopted Budget to Actual/Forecast* (in millions)

Fiscal Year	Adopted Budget	Actual/Forecast*
2010/11	\$0.2	\$0.2*
2009/10	\$0.3	\$0.3*
2008/09	\$1.1	\$1.1
2007/08	\$1.3	\$1.9
2006/07	\$0.8	\$1.9

Preservation Privilege Tax Fund Expenditures By Expenditure Type

There are no direct operating expenditures in the Preservation Privilege Tax Fund. All of the expenditures in this fund are for debt service on Preserve General Obligation and Revenue Bonds and transfers-out to the Capital Project Fund for land acquisition and construction of essential preserve related necessities such as proposed trailheads.

Preservation Privilege Tax Fund

Debt Service

Adopted Budget to Actual/Approved* (in millions)

Fiscal Year	Adopted Budget	Actual/Approved*
2010/11	\$1.0	\$1.0*
2009/10	\$1.0	\$1.0*
2008/09	\$1.0	\$1.0
2007/08	\$1.0	\$1.0
2006/07	\$1.0	\$1.0

Debt Service

Debt Service adopted budget for FY 2010/11 of approximately \$1.0 million remains flat with the FY 2009/10 adopted budget and consists of contractual debt for the McDowell Sonoran Preserve.

Cash Transfers

Cash Transfers-Out is authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The FY 2010/11 adopted budget of \$27.3 million consists of \$26.3 million in transfers out to the Debt Service Fund for debt payments on Preservation bonds. Unlike previous periods, no transfer related to capital improvement plan land acquisition is budgeted.

Preservation Privilege Tax Fund Balance

The projected ending fund balance for FY 2010/11 is \$13.4 million.

BUDGET BY FUND

SPECIAL PROGRAMS FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance/Reserve				
Operating Contingency ^(A)	-	1,500,000	1,500,000	1,500,000
Reserved:				
Economic Vitality - CVB	831,680	-	-	-
Courts	3,920,232	4,371,990	4,385,371	4,132,585
Downtown Cultural/Community Arts	699,869	494,533	638,057	388,057
Human Resources - Cultural Diversity	8,266	1,416	8,067	3,667
Police	372,724	701,702	665,503	770,290
Community Services	4,130,060	3,661,045	4,044,463	3,135,074
Planning, Neighborhoods & Transportation	295,700	333,200	335,714	255,714
Fire	6,186	1,686	6,676	6,676
Economic Vitality - WestWorld	-	-	-	-
Total Beginning Fund Balance	10,264,717	9,565,572	10,083,851	8,692,063
Revenues:				
Economic Vitality - CVB	6,098,496	-	-	-
Courts	1,068,257	1,129,334	1,129,334	1,079,508
Downtown Cultural/Community Arts	89,639	150,000	150,000	150,000
Human Resources - Cultural Diversity	17,570	10,000	5,600	5,600
Police	1,604,094	3,371,817	3,371,817	3,589,317
Community Services	2,012,250	1,955,260	1,955,260	1,740,900
Planning, Neighborhoods & Transportation	-	-	-	-
Fire	490	500	500	500
Economic Vitality - WestWorld	89,288	-	-	200,000
Subtotal	10,980,084	6,616,911	6,612,511	6,765,825
Cash Transfers In				
General Fund - Misc. Comm. Svc.	-	-	-	170,000
General Fund - Court Enhancement	2,223	-	-	-
General Fund - Planning, Neighborhoods & Transp	60,000	60,000	60,000	60,000
General Fund - 50% Bed Tax - CVB	-	6,585,040	5,663,858	5,295,834
General Fund - Bed Tax - CVB Advancing Funds	-	-	575,000	(300,000)
General Fund - Balance Econ Vit - Bed Tax Deficit Elim	240,898	-	0	-
Subtotal	303,121	6,645,040	6,298,858	5,225,834
Total Sources	11,283,205	13,261,951	12,911,369	11,991,659
Use of Funds:				
Programs				
Economic Vitality - CVB	6,864,253	5,983,476	5,638,858	4,995,834
Courts	415,941	1,439,826	1,382,120	1,363,190
Downtown Cultural/Community Arts	151,451	150,000	100,000	176,150
Human Resources - Cultural Diversity	17,769	10,000	10,000	5,000
Police	941,245	1,169,363	1,147,030	1,860,394
Community Services	1,967,847	2,596,270	2,594,991	2,336,378
Planning, Neighborhoods & Transportation	19,986	140,000	140,000	125,000
Fire	-	500	500	-
Economic Vitality - WestWorld	89,288	-	-	200,000
Subtotal	10,467,780	11,489,435	11,013,499	11,061,945
Total Operating Budget	10,467,780	11,489,435	11,013,499	11,061,945

BUDGET BY FUND

SPECIAL PROGRAMS FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Cash Transfers Out				
General Fund (Police)	220,000	-	-	-
General Fund (Cultural Council)	-	300,000	300,000	-
MPC Debt - Tourism Funds	600,000	600,000	600,000	-
General Fund (Community Services-Human Svcs)	-	130,000	269,658	-
CIP Fund - Community Services	130,000	3,200	-	1,000,000
CIP Fund - Police	75,000	120,000	120,000	50,000
CIP Fund - Police (RICO)	75,070	2,000,000	2,000,000	538,700
CIP Fund (Court)	189,400	-	-	-
Subtotal	1,289,470	3,153,200	3,289,658	1,588,700
Total Uses	11,757,250	14,642,635	14,303,157	12,650,645
GAAP to Budget Adjustment ^(A)	293,179	-	-	-
Ending Fund Balance				
Operating Contingency ^(B)	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:				
Economic Vitality - CVB	-	1,564	-	-
Courts	4,385,371	4,061,498	4,132,585	3,848,903
Downtown Cultural/Community Arts	638,057	194,533	388,057	361,907
Human Resources - Cultural Diversity	8,067	1,416	3,667	4,267
Police	665,503	784,156	770,290	1,910,513
Community Services	4,044,463	2,886,835	3,135,074	1,709,596
Planning, Neighborhoods & Transportation	335,714	253,200	255,714	190,714
Fire	6,676	1,686	6,676	7,176
Economic Vitality - WestWorld	-	-	-	-
Total Ending Fund Balance	10,083,851	8,184,888	8,692,063	8,033,076

^(A) The Operating Contingency for the Special Programs Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

^(B) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

BUDGET BY FUND

SPECIAL PROGRAMS FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance/Reserve					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:					
Economic Vitality - CVB	-	-	-	-	-
Courts	4,132,585	3,848,903	4,434,604	4,980,331	5,492,499
Downtown Cultural/Community Arts	388,057	361,907	361,907	361,907	361,907
Human Resources - Cultural Diversity	3,667	4,267	4,767	5,165	5,459
Police	770,290	1,910,513	1,588,737	1,266,799	888,237
Community Services	3,135,074	1,709,596	345,114	8,093	36,293
Planning, Neighborhoods & Transportation	255,714	190,714	123,214	123,214	123,214
Fire	6,676	7,176	7,676	8,176	8,676
Economic Vitality - WestWorld	-	-	-	-	-
Total Beginning Fund Balance	8,692,063	8,033,076	6,866,019	6,753,685	6,916,285
Revenues:					
Economic Vitality - CVB	-	-	-	-	-
Courts	1,079,508	1,086,602	1,090,303	1,101,206	1,123,340
Downtown Cultural/Community Arts	150,000	150,000	150,000	150,000	150,000
Human Resources - Cultural Diversity	5,600	5,600	5,600	5,600	5,600
Police	3,589,317	1,447,317	1,450,000	1,450,000	1,452,000
Community Services	1,740,900	1,801,896	1,829,357	1,858,200	1,885,200
Planning, Neighborhoods & Transportation	-	-	-	-	-
Fire	500	500	500	500	500
Economic Vitality - WestWorld	200,000	200,000	200,000	200,000	200,000
Subtotal	6,765,825	4,691,915	4,725,760	4,765,506	4,816,640
Cash Transfers In					
General Fund - Misc. Comm. Svc.	170,000	170,000	170,000	170,000	170,000
General Fund - Court Enhancement	-	-	-	-	-
General Fund - Planning, Neighborhoods & Transp	60,000	60,000	60,000	60,000	60,000
General Fund - 50% Bed Tax - CVB	5,295,834	5,454,709	5,727,444	6,128,365	6,679,918
General Fund - Bed Tax - CVB Advancing Funds	(300,000)	(275,000)	-	-	-
General Fund - Balance Econ Vit - Bed Tax Deficit Elim	-	-	-	-	-
Subtotal	5,225,834	5,409,709	5,957,444	6,358,365	6,909,918
Total Sources	11,991,659	10,101,624	10,683,204	11,123,871	11,726,558
Use of Funds:					
Programs					
Economic Vitality - CVB	4,995,834	5,179,709	5,727,444	6,128,365	6,679,918
Courts	1,363,190	500,901	544,576	589,038	634,436
Downtown Cultural/Community Arts	176,150	150,000	150,000	150,000	150,000
Human Resources - Cultural Diversity	5,000	5,100	5,202	5,306	5,412
Police	1,860,394	1,709,093	1,738,438	1,768,562	1,799,414
Community Services	2,336,378	2,336,378	2,336,378	2,000,000	2,050,000
Planning, Neighborhoods & Transportation	125,000	127,500	60,000	60,000	60,000
Fire	-	-	-	-	-
Economic Vitality - WestWorld	200,000	200,000	200,000	200,000	200,000
Subtotal	11,061,945	10,208,681	10,762,038	10,901,271	11,579,179
Total Operating Budget	11,061,945	10,208,681	10,762,038	10,901,271	11,579,179

BUDGET BY FUND

SPECIAL PROGRAMS FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Cash Transfers Out					
General Fund (Police)	-	-	-	-	-
General Fund (Cultural Council)	-	-	-	-	-
MPC Debt - Tourism Funds	-	-	-	-	-
General Fund (Community Services-Human Svcs)	-	-	-	-	-
CIP Fund - Community Services	1,000,000	1,000,000	-	-	-
CIP Fund - Police	50,000	60,000	33,500	60,000	70,000
CIP Fund - Police (RICO)	538,700	-	-	-	-
CIP Fund (Court)	-	-	-	-	-
Subtotal	1,588,700	1,060,000	33,500	60,000	70,000
Total Uses	12,650,645	11,268,681	10,795,538	10,961,271	11,649,179
GAAP to Budget Adjustment ^(A)	-	-	-	-	-
Ending Fund Balance					
Operating Contingency ^(B)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:					
Economic Vitality - CVB	-	-	-	-	-
Courts	3,848,903	4,434,604	4,980,331	5,492,499	5,981,403
Downtown Cultural/Community Arts	361,907	361,907	361,907	361,907	361,907
Human Resources - Cultural Diversity	4,267	4,767	5,165	5,459	5,647
Police	1,910,513	1,588,737	1,266,799	888,237	470,824
Community Services	1,709,596	345,114	8,093	36,293	41,493
Planning, Neighborhoods & Transportation	190,714	123,214	123,214	123,214	123,214
Fire	7,176	7,676	8,176	8,676	9,176
Economic Vitality - WestWorld	-	-	-	-	-
Total Ending Fund Balance	8,033,076	6,866,019	6,753,685	6,916,285	6,993,664

^(A) The Operating Contingency for the Special Programs Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

^(B) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

BUDGET BY FUND

SPECIAL PROGRAMS FUND REVENUES



Fund Purpose

This fund is used to account for dedicated funding sources and donations earmarked for specific purposes. All revenues not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose.

Transient Occupancy (“Bed”) Tax Revenue

Transient Occupancy (“Bed”) Tax Revenue comes from the City collecting a 5.0 percent Transient Occupancy Tax on hotel and motel room rentals in addition to the sales tax. Originally, this tax was adopted at 3.0 percent. Per City Ordinance 2045/2291 (amended), prior to July 2010, 80 percent of the first 3.0 percent of this tax revenue was restricted for tourism and hospitality purposes and paid for contracts to increase tourism and debt service for destination attractions. The remaining 20 percent could be used for general government operations and remained in the General Fund. In March 2010 voters approved an increase to the bed tax from 3.0 percent to 5.0 percent, effective July 1, 2010. Half of the 5.0 percent tax is now restricted for destination marketing. The remaining half may be used in the General Fund for tourism-related uses.

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Prior to FY 2009/10, 80 percent of the Bed Tax revenue was reflected as a revenue source within the Special Programs Fund. Beginning in FY 2009/10, 100 percent of the original 3.0 percent Bed Tax revenue was recorded in the General Fund with a corresponding transfer in of 80 percent to the Special Programs Fund, as reflected in the Cash Transfers-In section of the Five Year Financial Forecast. For FY 2010/11, this transfer-in amount will increase to be half of the 5.0 percent Transient Occupancy Tax.

Transient Occupancy (“Bed”) Tax Revenue Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ FORECAST*
2010/11	-	-*
2009/10	-	-*
2008/09	\$7.9	\$6.1
2007/08	\$8.7	\$7.8
2006/07	\$7.5	\$7.7

BUDGET BY FUND

SPECIAL PROGRAMS FUND REVENUES



Court Revenue

Court Revenue originates from three sources: Court Enhancement, Judicial Collections Enhancement Fund (JCEF) and Fill-the-Gap (FTG). The Court Enhancement is established by Scottsdale City Ordinance 2570 section 9-7.2 and provides funding to enhance the technological, operational, and security facilities of the Court. JCEF and FTG were established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013, which provide funding for maintaining and enhancing the Court's ability to collect and manage monies. Staff estimates the FY 2010/11 budget for restricted Court Revenue is approximately \$1.1 million.

Court Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$1.1	\$1.1*
2009/10	\$1.1	\$1.1*
2008/09	\$1.0	\$1.1
2007/08	\$1.0	\$1.6
2006/07	\$1.2	\$1.5

Downtown Cultural Trust Revenue

This account holds funds generated from donations and contributions from private development as outlined in the City's art in private development ordinance (Section 5.083). The FY 2010/11 budget for this revenue source is \$50,000.

Downtown Cultural Trust/Arts Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.2	\$0.2*
2009/10	\$0.2	\$0.2*
2008/09	\$0.2	\$0.1
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.2

Community Arts Trust Revenue

This account hold funds that are generated by the lease agreement with the Scottsdale Artists' School at Loloma. The FY 2010/11 budget for this revenue source is \$100,000.

Human Resources – Cultural Diversity Revenue

Human Resources – Cultural Diversity Revenue includes corporate sponsorship obtained through community outreach efforts in support of cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The FY 2010/11 budget for this restricted revenue source is \$5,600.

Human Resources Cultural Diversity Revenue

Adopted Budget to Actual/Forecast*

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$5,600	\$5,600*
2009/10	\$10,000	\$5,600*
2008/09	\$20,000	\$17,570
2007/08	\$10,000	\$18,500
2006/07	\$10,000	\$21,600

BUDGET BY FUND

SPECIAL PROGRAMS FUND REVENUES



Police Revenue

Police Revenue includes money from the following six sources: (1) Racketeering Influenced Corrupt Organization (RICO) funds, which is only to be used for law enforcement purposes; (2) Forensic Services Intergovernmental Agreements (IGA) with surrounding communities for full cost recovery of crime laboratory services provided; (3) donations for the Mounted Unit and Family Advocacy Center; (4) drug conviction assessments, which may only be used for crime laboratory analysis purposes; and (5) Police 30-Day Tow Program, which is only to be used for the enforcement of the State Statute relating to suspended driver's licenses, driving under the influence offenses, and driving without insurance. Staff estimates the FY 2010/11 budget for this restricted revenue source is \$3.6 million.

Police Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$3.6	\$3.6*
2009/10	\$3.4	\$3.4*
2008/09	\$1.4	\$1.6
2007/08	\$1.8	\$1.7
2006/07	\$0.7	\$0.5

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Community Services Revenue

Community Services Revenue includes donations and contributions that are restricted to fund specific uses. This may include enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park. This revenue also includes McCormick-Stillman Railroad Park revenue generated from the operations of the train and carousel owned by the Scottsdale Railroad and Mechanical Society. Staff estimates the FY 2010/11 budget for this restricted revenue source is \$1.7 million.

Community Services Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$1.7	\$1.7*
2009/10	\$2.0	\$2.0*
2008/09	\$1.9	\$2.0
2007/08	\$1.9	\$2.0
2006/07	\$1.5	\$1.7

BUDGET BY FUND

SPECIAL PROGRAMS FUND REVENUES



Planning, Neighborhood, and Transportation Services Special Revenue

Planning, Neighborhood, and Transportation Services Special Revenue reflected revenues from the annual Green Building Expo held in Scottsdale. During FY 2008/09, this expo was discontinued and the associated revenues are no longer budgeted.

Planning, Neighborhood & Transportation Special Revenue

Adopted Budget to Actual/Forecast*

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	-	-*
2009/10	-	-*
2008/09	\$151,000	-
2007/08	\$58,391	\$108,100
2006/07	\$19,215	\$70,440

Fire Department Revenue

Fire Revenue includes donations and contributions that are to be used for the specific purpose indicated by the donors. Categories include public education support, equipment acquisition, and fire station enhancements. The FY 2010/11 budget for this restricted revenue source is \$500.

Fire Department Revenue

Adopted Budget to Actual/Forecast*

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$500	\$500*
2009/10	\$500	\$500*
2008/09	\$4,000	\$490
2007/08	\$1,200	\$900
2006/07	\$4,140	\$3,989

Economic Vitality - WestWorld Special Revenue

WestWorld Special Revenue reflects revenues from Bureau of Reclamation for Sanctuary Golf Course reimbursements and Tournament Players Club reimbursements to be used for the specific purposed projects. The FY 2010/11 budget for this restricted revenue source is \$200,000.

Economic Vitality – WestWorld Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.2	\$0.2*
2009/10	-	-*
2008/09	-	\$0.1
2007/08	-	-
2006/07	-	-



Cash Transfer-In

Prior to FY 2009/10, 80 percent of the Bed Tax revenue was reflected as a revenue source within the Special Programs Fund. Beginning in FY 2009/10, 100 percent of the original 3.0 percent Bed Tax revenue was recorded in the General Fund with a corresponding transfer in of 80 percent to the Special Programs Fund, as reflected in the Cash Transfers-In section of the Five Year Financial Forecast. For FY 2010/11, this transfer-in amount will increase to be half of the 5.0 percent Transient Occupancy Tax. FY 2010/11 cash transfers-in from the General Fund also include budget for: \$170,000 cash transfer in for Community Services Partnership Funding in Parks and Recreation (\$70,000) and for Affordable Housing program in Human Services (\$100,000) used as local grant match to leverage federal and state housing grant funds; \$50,000 cash transfer in for the preservation and maintenance of properties on Scottsdale's Historic Register; and \$10,000 cash transfer in to fund neighborhood preservation.

BUDGET BY FUND

SPECIAL PROGRAMS FUND EXPENDITURES



Transient Occupancy Tax Expenditures

Prior to July 2010 the use of the tax was restricted for tourism and hospitality purposes and to pay for contracts to increase tourism and debt service for destination attractions. Beginning in July 2010 the use of this tax will be for destination marketing purposes. The entire FY 2010/11 budget of approximately \$5.0 million will cover payments associated with the Destination Marketing Contract.

Economic Vitality –

Transient Occupancy (“Bed”) Tax Expenditures Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$5.0	\$5.0*
2009/10	\$6.0	\$5.6*
2008/09	\$7.9	\$6.9
2007/08	\$7.6	\$7.9
2006/07	\$7.0	\$7.6

Court Expenditure

Court Expenditure budget for FY 2010/11 is approximately \$1.4 million and includes the following specific uses:

- Enhancements to the Court’s technological, operational, and security facilities, as allowed under the Court Enhancement established by Scottsdale City Ordinance 2570 section 9-7.2.
- Maintenance and enhancement of the Court’s ability to collect and manage monies, as allowed by Judicial Collections Enhancement Fund (JCEF) and Fill-the-Gap (FTG) established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013.

Court Expenditures

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$1.4	\$1.4*
2009/10	\$1.4	\$1.4*
2008/09	\$0.5	\$0.4
2007/08	\$0.4	\$0.4
2006/07	\$3.6	\$0.5

Downtown Cultural/Community Arts Expenditures

Downtown Cultural/Community Arts Expenditures special programs adopted budget for FY 2010/11 is approximately \$0.2 million and will support the arts and special events in the downtown.

Downtown Cultural/Arts Expenditures

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.2	\$0.2*
2009/10	\$0.2	\$0.1*
2008/09	\$0.3	\$0.2
2007/08	\$0.5	-
2006/07	\$0.7	\$0.1

BUDGET BY FUND

SPECIAL PROGRAMS FUND EXPENDITURES



Human Resources – Cultural Diversity Expenditures
Human Resources – Cultural Diversity Expenditures support cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The adopted budget for FY 2010/11 is \$5,000.

**Human Resources –
Cultural Diversity Expenditures
Adopted Budget to Actual/Approved***

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$5,000	\$5,000*
2009/10	\$10,000	\$10,000*
2008/09	\$25,000	\$17,769
2007/08	\$25,000	\$25,800
2006/07	\$15,957	\$17,281

Police Expenditures

Police Expenditures budget for FY 2010/11 is \$1.9 million and includes the following specific uses:

- Racketeering Influenced Corrupt Organization (RICO) funds may only be used for law enforcement purposes.
- Crime laboratory services expenditures incurred by the City on behalf of surrounding communities. The City recovers the full cost of the crime laboratory services through Forensic Services Intergovernmental Agreements (IGA).
- Mounted Unit, Family Advocacy Center and school resource education supplies, as specified by the donor.
- Crime laboratory analysis, as outlined in drug conviction assessments.
- Costs associated with administering the 30-Day Tow Program for the enforcement of the State Statute relating to suspended driver’s licenses, driving under the influence offenses, and driving without insurance.

Police Expenditures

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$1.9	\$1.9*
2009/10	\$1.2	\$1.1*
2008/09	\$1.1	\$0.9
2007/08	\$0.8	\$0.5
2006/07	\$0.9	\$0.5

BUDGET BY FUND

SPECIAL PROGRAMS FUND EXPENDITURES



Community Services Expenditures

Community Services Expenditures budget for FY 2010/11 is \$2.3 million. The use of funds is restricted to its intended purpose. This includes enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park.

Community Services Expenditures

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$2.3	\$2.3*
2009/10	\$2.6	\$2.6*
2008/09	\$2.3	\$2.0
2007/08	\$2.3	\$1.7
2006/07	\$4.2	\$1.7

Planning, Neighborhood, and Transportation Services Expenditures

Planning, Neighborhood, and Transportation Services Expenditures relate to the preservation and maintenance of properties on Scottsdale's Historic Register; and to fund neighborhood preservation. The FY 2010/11 adopted budget is \$125,000. This funding includes resources available for the City's Preservation Rehabilitation and Historic Preservation special programs.

Planning, Neighborhood & Transportation Expenditures

Adopted Budget to Actual/Approved*

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$125,000	\$125,000*
2009/10	\$140,000	\$140,000*
2008/09	\$280,000	\$19,986
2007/08	\$50,024	\$88,700
2006/07	\$50,000	\$24,109

WestWorld Expenditures

WestWorld Expenditures budget for FY 2010/11 is \$200,000. Expenditures made from this fund are to be used for projects related to maintaining and preserving the assets at the Sanctuary and TPC golf courses. Emergency issues that arise can also be funded. Approval must also be obtained from the Bureau of Reclamation prior to any funds being used.

Economic Vitality – WestWorld Expenditures

Adopted Budget to Actual/Approved*

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.2	\$0.2*
2009/10	-	-*
2008/09	-	\$0.1
2007/08	-	-
2006/07	-	-

BUDGET BY FUND

SPECIAL PROGRAMS FUND
EXPENDITURES



Transfers-out

Cash transfers-out is the authorized movement of cash or other resources to fund debt service and/or capital projects. The entire FY 2010/11 budget of approximately \$1.6 million will cover transfers to the Capital Improvement Fund for Police, RICO and Community Services projects.

Special Programs Fund Balance

Special Programs Fund projected ending balance of approximately \$8.0 million for FY 2010/11 represents the following individual ending fund balances: \$3.8 million for the Courts, \$0.4 million for Downtown Cultural/Community Arts, \$4,267 for Human Resources, \$1.9 million for Police, \$1.7 million for Community Services, \$0.2 million for Planning, Neighborhood, and Transportation, and \$7,176 for Fire.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

SPECIAL DISTRICTS FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Streetlight Districts	619,406	487,472	624,164	352,554
Total Beginning Fund Balance	619,406	487,472	624,164	352,554
Revenues:				
Streetlight Districts	600,057	621,068	279,376	574,387
Subtotal	600,057	621,068	279,376	574,387
Cash Transfers In	58,283	-	-	-
Subtotal	58,283	-	-	-
Total Sources	658,340	621,068	279,376	574,387
<u>Use of Funds:</u>				
Expenditures:				
Streetlight Districts	632,545	732,000	550,986	574,387
Subtotal	632,545	732,000	550,986	574,387
Total Expenditures	632,545	732,000	550,986	574,387
Cash Transfers Out				
Streetlight District	21,037	-	-	-
Subtotal	21,037	-	-	-
Total Uses	653,582	732,000	550,986	574,387
Ending Fund Balance				
Streetlight Districts	624,164	376,540	352,554	352,554
Total Ending Fund Balance	624,164	376,540	352,554	352,554

BUDGET BY FUND

SPECIAL DISTRICTS FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Streetlight Districts	352,554	352,554	352,554	352,554	352,554
Total Beginning Fund Balance	352,554	352,554	352,554	352,554	352,554
Revenues:					
Streetlight Districts	574,387	603,106	633,261	664,924	698,171
Subtotal	574,387	603,106	633,261	664,924	698,171
Cash Transfers In	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Sources	574,387	603,106	633,261	664,924	698,171
<u>Use of Funds:</u>					
Expenditures:					
Streetlight Districts	574,387	603,106	633,261	664,924	698,171
Subtotal	574,387	603,106	633,261	664,924	698,171
Total Expenditures	574,387	603,106	633,261	664,924	698,171
Cash Transfers Out					
Streetlight District	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Uses	574,387	603,106	633,261	664,924	698,171
Ending Fund Balance					
Streetlight Districts	352,554	352,554	352,554	352,554	352,554
Total Ending Fund Balance	352,554	352,554	352,554	352,554	352,554

BUDGET BY FUND

SPECIAL DISTRICTS FUND REVENUES



Special Districts Fund

Fund Purpose

This fund is used to account for proceeds received by property owners in return for the City providing agreed-upon increased levels of municipal services beyond the standard level of core City services. More specifically, the fund is used to account for the City's streetlight districts. All revenue not expended in the current fiscal year is carried over to the next fiscal year to continue funding the intended purpose.

Special Districts Fund Revenue

Streetlight Districts Revenue represents the levy assessed on property owners within each of the City's more than 350 streetlight districts. The adopted FY 2010/11 revenue budget is \$0.6 million.

Streetlight District Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ FORECAST*
2010/11	\$0.6	\$0.6*
2009/10	\$0.6	\$0.3*
2008/09	\$0.6	\$0.7
2007/08	\$0.6	\$0.6
2006/07	\$0.6	\$0.5

BUDGET BY FUND

SPECIAL DISTRICTS FUND EXPENDITURES



Special Districts Fund Expenditures By District

Streetlight District adopted FY 2010/11 expenditure budget is \$0.6 million and will be used for contractual services.

Streetlight District Expenditures

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.6	\$0.6*
2009/10	\$0.7	\$0.6*
2008/09	\$0.7	\$0.7
2007/08	\$0.6	\$0.7
2006/07	\$0.6	\$0.6

Special Districts Fund Balance

Special Districts Fund balance of approximately \$0.4 million represents cash received from special district assessments and is restricted for the specific uses for which the district was established. All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose.

BUDGET BY FUND

DEBT SERVICE FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Total Beginning Fund Balance	18,857,990	20,785,410	20,785,410	15,739,087
Revenues:				
Property Tax (Secondary)	34,887,185	31,795,488	31,795,488	37,910,300
Special Assessments	822,271	877,199	877,199	839,884
MCSD Contributions	700,458	204,028	204,028	112,370
AZSTA Contributions	263,040	408,116	408,116	224,774
Spring Exhibition Surcharge	165,282	145,000	145,000	145,000
GO Bond Premium	-	-	-	-
Interest Earnings	1,157	11,178	11,178	-
Subtotal	36,839,393	33,441,009	33,441,009	39,232,328
Cash Transfers In				
Preservation Privilege Tax Fund - G.O. Bonds	16,264,117	13,961,047	11,777,412	19,609,640
Preservation Privilege Tax Fund - Rev Bonds	6,760,901	6,739,761	6,733,761	6,701,105
General Fund - MPC Bonds	5,787,447	6,695,185	6,691,810	6,686,825
General Fund - MPC Bonds - Bed Tax	-	-	-	746,263
Special Programs Fund - MPC Bonds - Bed Tax	600,000	600,000	600,000	-
Subtotal	29,412,465	27,995,993	25,802,983	33,743,833
Total Sources	66,251,857	61,437,002	59,243,992	72,976,161
Use of Funds:				
Operating				
Advertising	459	-	-	-
Other Professional Services	1,680	-	-	-
Subtotal	2,139	-	-	-
Debt Service by Type				
General Obligation Bonds	36,184,051	37,315,488	37,866,614	37,910,300
Preserve G. O. Bonds	13,691,211	13,961,047	11,777,412	19,609,640
Special Assessment Bonds	1,002,711	868,625	-	834,825
Special Assessment - Series 104	-	8,574	8,574	5,059
Preserve Revenue Bonds (SPA)	6,762,271	6,739,761	6,733,761	6,701,105
MPC Bonds	6,682,053	7,907,329	7,903,954	7,878,257
Subtotal	64,322,298	66,800,824	64,290,315	72,939,186
Total Operating Budget	64,324,437	66,800,824	64,290,315	72,939,186
Total Uses	64,324,437	66,800,824	64,290,315	72,939,186
Total Ending Fund Balance	20,785,410	15,421,588	15,739,087	15,776,062

BUDGET BY FUND

DEBT SERVICE FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Total Beginning Fund Balance	15,739,088	15,776,063	15,708,874	15,669,018	15,589,753
Revenues:					
Property Tax (Secondary)	37,910,300	37,141,027	36,693,317	36,784,651	35,577,166
Special Assessments	839,884	803,992	770,806	-	-
MCSO Contributions	112,370	369,011	287,353	530,177	439,119
AZSTA Contributions	224,774	738,133	574,791	1,060,512	878,370
Spring Exhibition Surcharge	145,000	145,000	180,000	145,000	145,000
GO Bond Premium	-	-	-	-	-
Interest Earnings	-	-	-	-	-
Subtotal	39,232,328	39,197,163	38,506,267	38,520,340	37,039,655
Cash Transfers In					
Preservation Privilege Tax Fund - G.O. Bonds	19,609,640	24,109,379	25,346,501	28,099,765	26,336,542
Preservation Privilege Tax Fund - Rev Bonds	6,701,105	6,687,705	6,675,905	6,664,660	6,668,848
General Fund - MPC Bonds	6,686,825	7,623,900	7,621,600	8,218,350	8,290,600
General Fund - MPC Bonds - Bed Tax	746,263	886,823	897,166	903,117	907,664
Special Programs Fund - MPC Bonds - Bed Tax	-	-	-	-	-
Subtotal	33,743,833	39,307,807	40,541,172	43,885,892	42,203,654
Total Sources	72,976,161	78,504,970	79,047,439	82,406,231	79,243,309
Use of Funds:					
Operating					
Advertising	-	-	-	-	-
Other Professional Services	-	-	-	-	-
Subtotal	-	-	-	-	-
Debt Service by Type					
General Obligation Bonds	37,910,300	37,141,027	36,693,317	36,784,651	35,577,166
Preserve G. O. Bonds	19,609,640	24,109,379	25,346,501	28,099,765	26,336,542
Special Assessment Bonds	834,825	801,075	767,325	-	-
Special Assessment - Series 104	5,059	2,917	3,481	-	-
Preserve Revenue Bonds (SPA)	6,701,105	6,687,705	6,675,905	6,664,660	6,668,848
MPC Bonds	7,878,257	9,830,057	9,600,765	10,936,421	10,743,387
Subtotal	72,939,186	78,572,160	79,087,294	82,485,497	79,325,943
Total Operating Budget	72,939,186	78,572,160	79,087,294	82,485,497	79,325,943
Total Uses	72,939,186	78,572,160	79,087,294	82,485,497	79,325,943
Total Ending Fund Balance	15,776,063	15,708,874	15,669,018	15,589,753	15,507,119

BUDGET BY FUND

DEBT SERVICE FUND
REVENUES



Debt Service Fund

Fund Purpose

This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest not serviced by the proprietary funds, with the exception of the General Fund. The General Fund includes Contracts Payable for contractual debt related to sales tax development agreements, and will vary based on the actual sales tax collections at each development site. The applicable specific revenues, expenditures, and fund balance of the Debt Service Fund are described below:

Property Tax (Secondary)

Debt Service Fund Revenues and Cash transfers-in Property Tax (Secondary) represents the portion of the property tax that is exclusively limited to pay debt service by Arizona State Statute. While the growth is unlimited, the City's use of this portion of the property tax is restricted by State Statute to solely pay debt service on voter-approved general obligation bonds. The debt service for bonds already issued, plus estimated debt service for bonds planned to be issued within the budgeted fiscal year, is levied. The FY 2010/11 revenue forecast of \$37.9 million represents an increase of approximately \$6.1 million from the FY 2009/10 year-end forecast of \$31.8 million mainly due to the use in 2009/10 of a portion of the debt service reserve.

Property Tax (Secondary) Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$37.9	\$37.9*
2009/10	\$31.8	\$31.8*
2008/09	\$35.8	\$34.9
2007/08	\$29.7	\$29.4
2006/07	\$28.7	\$28.0

BUDGET BY FUND

DEBT SERVICE FUND REVENUES



Special Assessment Revenue

Special Assessment Revenue results from billings to the property owners within an Improvement District. Districts are formed when owners desire improvement to their property, such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City's budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Maricopa County Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3:1 prior to issuance of debt and 5:1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, per adopted financial policy, the City's cumulative improvement district debt will not exceed 5.0 percent of the City's secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years. The FY 2010/11 revenue is estimated to be approximately \$0.8 million, basically unchanged from the FY 2009/10 year-end forecast.

Special Assessment Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.8	\$0.8*
2009/10	\$0.9	\$0.9*
2008/09	\$1.0	\$0.8
2007/08	\$1.0	\$0.9
2006/07	\$1.1	\$1.8

Maricopa County Stadium District

Maricopa County Stadium District (MCSD) contributions are derived from a \$2.50 surcharge on car rentals in Maricopa County. The revenue forecast for FY 2010/11 of approximately \$0.1 million will be used to pay the debt services payments associated with the San Francisco Giants professional baseball practice facility.

Maricopa County Stadium District Contributions

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.1	\$0.1*
2009/10	\$0.2	\$0.2*
2008/09	\$0.1	\$0.7
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$1.3

BUDGET BY FUND

DEBT SERVICE FUND
REVENUES



Arizona Sports and Tourism Authority

Arizona Sports and Tourism Authority (AZSTA) revenue represents the City's disbursement from the state tourism sports authority that will be used to pay the debt service payments associated with the Cactus League. The FY 2010/11 revenue is estimated to be approximately \$0.2 million and is derived from a 1.0 percent hotel room tax and a 3.25 percent car rental surcharge (net of the \$2.50 MCSD surcharge mentioned above).

Arizona Sports and Tourism Authority

Contributions

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.2	\$0.2*
2009/10	\$0.4	\$0.4*
2008/09	\$0.2	\$0.3
2007/08	\$0.3	\$1.6
2006/07	\$0.2	\$0.03

Spring Exhibition Surcharge

Spring Exhibition Surcharge represents the ticket surcharge assessed on San Francisco Giants spring training games held in Scottsdale. The FY 2010/11 revenue is estimated to be \$0.1 million. The surcharge is used to pay for capital projects and debt service related to professional baseball facilities.

Spring Exhibition Surcharge

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.1	\$0.1*
2009/10	\$0.1	\$0.1*
2008/09	\$0.1	\$0.2
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.1

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Transfers-in

Cash transfers-in is the authorized movement of cash or other resources from other funds, divisions, departments, and/or capital projects. The cash transfers-in originate from the General Fund and the Special Programs Fund for MPC debt service payments (for years prior to 2010/11), and the Preservation Privilege Tax Fund for the payment of Preserve general obligation debt service and Preserve revenue bond debt service. Total cash transfers-in for FY 2010/11 equal \$33.7 million, consisting of \$20.0 million from Preservation Privilege Tax Fund-G.O. Bonds, \$6.7 million from Preservation Privilege Tax Fund-Revenue Bonds, \$6.7 million from General Fund-MPC Bonds, and \$0.7 million from General Fund-MPC Bonds/Bed Tax Funds.

BUDGET BY FUND

DEBT SERVICE FUND EXPENDITURES



Debt Service Fund Expenditures By Debt Type

General Obligation (GO)/Preserve GO Bonds – the GO Bonds represent debt issuances related to capital projects authorized in Bond 1989 and Bond 2000 programs. The Preserve GO Bonds represent debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. Preserve debt is repaid by a dedicated .20% sales tax authorized by voters in 1995 and a .15% sales tax authorized in 2004. The FY 2010/11 budget totals \$57.5 million, which represents an increase of approximately \$7.9 million from the FY 2009/10 year-end forecast of \$49.6 million. The majority of the increase in debt service is attributable to the planned issuance of GO Preserve debt to finance Preserve land acquisitions (\$4.7M) and the remainder of the increase is mainly due to an accounting adjustment.

General Obligation (GO)/Preserve GO Bond Debt Service Expenditures Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$57.5	\$57.5*
2009/10	\$51.3	\$49.6*
2008/09	\$50.0	\$49.9
2007/08	\$45.8	\$44.5
2006/07	\$46.2	\$46.2

Special Assessment Debt Service

Special Assessment Debt Service – Special Assessment Bonds are issued for property owners desiring improvements to their property such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City’s budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. The City’s debt management policy requires that the full cash value of the property to debt ratio is a minimum of 3:1 prior to issuance of debt and at least 5:1 after construction of the improvements. The FY 2010/11 budget totals \$0.8 million, basically unchanged from the FY 2009/10 year-end forecast.

Special Assessment Debt Service Expenditures Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.8	\$0.8*
2009/10	\$0.9	\$ -*
2008/09	\$1.0	\$1.0
2007/08	\$1.0	\$1.0
2006/07	\$1.1	\$1.1

BUDGET BY FUND

DEBT SERVICE FUND EXPENDITURES



Preserve Authority Revenue Bonds Debt Service
 Preserve Authority Revenue Bonds Debt Service – the Preserve Authority Revenue Bonds represent prior debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. Preserve Authority Revenue debt is repaid by the dedicated .20% sales tax authorized by voters in 1995. Obligations for FY 2010/11 total \$6.7 million, basically unchanged from the FY 2009/10 year-end forecast.

**Preserve Authority Revenue Bonds
 Debt Service Expenditures
 Adopted Budget to Actual/Approved*(in millions)**

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$6.7	\$6.7*
2009/10	\$6.7	\$6.7*
2008/09	\$6.8	\$6.8
2007/08	\$6.8	\$6.8
2006/07	\$6.8	\$6.8

Municipal Property Corporation
 Municipal Property Corporation (MPC) Bonds are issued by the City of Scottsdale Municipal Property Corporation (MPC), a nonprofit corporation created by the City in 1967, solely for the purpose of constructing, acquiring and equipping buildings, structures, or improvements on land owned by the City. A Board of Directors appointed by the City Council governs the MPC. The debt incurred by the corporation is a City obligation and the repayment of debt is financed by pledged General Fund excise taxes. FY 2010/11 obligations total approximately \$7.9 million, basically unchanged from the FY 2009/10 year-end forecast.

**MPC Bonds
 Debt Service Expenditures
 Adopted Budget to Actual/Approved* (in millions)**

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$7.9	\$7.9*
2009/10	\$7.9	\$7.9*
2008/09	\$7.0	\$6.7
2007/08	\$7.4	\$7.0
2006/07	\$5.9	\$5.9

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Debt Service Fund Balance
 The Debt Service Fund balance varies primarily due to the timing of debt issuances and related repayment schedules as mentioned above. The ending FY 2010/11 fund balance is approximately \$15.8 million, basically unchanged from the FY 2009/10 year-end forecast.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

WATER AND SEWER FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	18,251,299	18,545,677	18,545,677	16,604,405
Repair/Replacement Reserve	26,147,221	27,996,178	26,568,048	27,389,094
Revenue Bond Debt Service Reserve	-	-	-	5,466,237
Special Contractual Funds	2,121,650	2,891,681	2,871,783	2,871,755
Unreserved Fund Balance	57,931,130	36,066,651	7,227,107	-
Total Beginning Fund Balance	104,451,300	85,500,187	55,212,615	52,331,491
Revenues				
Water Charges	91,987,215	95,461,373	92,374,196	97,153,098
Sewer Charges	34,099,754	34,705,460	33,600,150	33,683,178
Effluent Sales	703,398	893,490	863,275	880,541
Interest Earnings	3,415,833	2,074,720	2,226,880	846,879
Miscellaneous Revenue	1,291,236	3,610,132	4,576,584	17,166,245
Subtotal	131,497,435	136,745,175	133,641,085	149,729,941
Cash Transfers In				
Development Fees Transfer for Debt Service ^(A)	13,874,389	13,886,230	13,874,388	15,689,290
CIP Fund	150,600	-	-	-
Subtotal	14,024,989	13,886,230	13,874,388	15,689,290
Total Sources	145,522,424	150,631,405	147,515,473	165,419,231
Use of Funds:				
Division				
Finance and Accounting	2,838,527	3,056,221	2,782,389	2,639,025
Water Resources	51,000,011	62,751,275	58,497,590	64,054,670
Indirect Cost Allocation	9,757,824	11,068,211	9,103,689	9,663,088
Subtotal	63,596,362	76,875,707	70,383,668	76,356,783
Debt Service				
Revenue Bonds	6,168,264	5,467,088	6,168,038	5,467,088
MPC Bonds	20,369,390	20,259,375	20,371,442	22,590,917
Contracts Payable	4,507	-	-	-
Subtotal	26,542,161	25,726,463	26,539,480	28,058,005
Total Operating Budget	90,138,523	102,602,170	96,923,148	104,414,788
Cash Transfers Out				
In Lieu Property Tax	2,423,099	2,616,388	2,616,388	1,745,130
Franchise Fee	6,328,619	6,684,785	6,542,388	6,813,584
Operating Projects	-	-	-	20,200
CIP Fund (General Capital Projects)	495,700	399,500	399,500	214,300
General, Fleet, Transportation & Spl Prgm Funds	454,438	-	-	454,438
MPC Bond Proceeds To CIP	35,874,025	-	-	-
WestWorld	531,852	-	-	-
Cost to prov AWT RO	1,513	-	-	-
CIP Fund	58,445,427	71,840,813	43,915,173	46,827,458
Subtotal	104,554,673	81,541,486	53,473,449	56,075,110
Total Uses	194,693,197	184,143,656	150,396,597	160,489,898
GAAP to Budget Adjustment ^(B)	67,913	-	-	-
Ending Fund Balance				
Operating Reserve	18,545,677	19,583,042	16,604,405	19,540,540
Repair/Replacement Reserve	26,568,048	29,116,298	27,389,094	29,044,159
Revenue Bond Debt Service Reserve	-	-	5,466,237	5,419,075
Special Contractual Fund Balance	2,871,783	3,288,596	2,871,755	3,257,050
Unreserved Balance	7,227,107	-	-	-
Total Ending Fund Balance	55,212,615	51,987,936	52,331,491	57,260,824

(A) Development fee revenues are received in the Capital Fund and paid by developers when new construction developments are permitted. A portion of these revenues is then transferred to the operating budget to pay for debt service costs associated with providing additional infrastructure to serve new development areas.

(B) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

BUDGET BY FUND

WATER AND SEWER FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	16,604,405	19,540,540	20,293,780	22,117,464	22,853,240
Repair/Replacement Reserve	27,389,094	29,044,159	29,981,823	30,751,733	31,394,006
Revenue Bond Debt Service Reserve	5,466,237	5,419,075	5,436,075	5,005,663	4,978,137
Special Contractual Funds	2,871,755	3,257,050	3,620,515	3,992,975	4,367,534
Unreserved Fund Balance	-	-	-	-	-
Total Beginning Fund Balance	52,331,491	57,260,824	59,332,193	61,867,835	63,592,917
Revenues					
Water Charges	97,153,098	98,950,158	101,948,040	105,146,929	108,584,795
Sewer Charges	33,683,178	34,862,929	36,168,599	37,586,532	39,055,753
Effluent Sales	880,541	902,554	929,631	962,168	1,000,654
Interest Earnings	846,879	1,242,395	1,607,725	1,667,714	1,702,986
Miscellaneous Revenue	17,166,245	5,285,929	5,395,789	5,514,583	5,651,078
Subtotal	149,729,941	141,243,965	146,049,784	150,877,926	155,995,266
Cash Transfers In					
Development Fees Transfer for Debt Service ^(A)	15,689,290	16,306,473	16,432,867	16,130,652	16,434,703
CIP Fund	-	-	-	-	-
Subtotal	15,689,290	16,306,473	16,432,867	16,130,652	16,434,703
Total Sources	165,419,231	157,550,438	162,482,651	167,008,578	172,429,969
Use of Funds:					
Division					
Finance and Accounting	2,639,025	2,718,084	2,801,353	2,897,251	3,007,029
Water Resources	64,054,670	67,685,026	76,605,539	80,365,636	83,905,181
Indirect Cost Allocation	9,663,088	10,405,595	11,751,428	12,324,438	12,865,724
Subtotal	76,356,783	80,808,705	91,158,320	95,587,325	99,777,934
Debt Service					
Revenue Bonds	5,467,088	5,419,926	5,436,926	5,006,513	4,978,987
MPC Bonds	22,590,917	23,367,750	23,474,949	23,511,650	23,598,250
Contracts Payable	-	-	-	-	-
Subtotal	28,058,005	28,787,676	28,911,875	28,518,163	28,577,237
Total Operating Budget	104,414,788	109,596,381	120,070,195	124,105,488	128,355,171
Cash Transfers Out					
In Lieu Property Tax	1,745,130	871,257	-	-	-
Franchise Fee	6,813,584	6,966,695	7,187,213	7,424,493	7,677,345
Operating Projects	20,200	27,500	18,800	22,600	21,500
CIP Fund (General Capital Projects)	214,300	175,700	149,200	139,700	197,900
General, Fleet, Transportation & Spcl Prgm Funds	454,438	-	-	-	-
MPC Bond Proceeds To CIP	-	-	-	-	-
WestWorld	-	-	-	-	-
Cost to prov AWT RO	-	-	-	-	-
CIP Fund	46,827,458	37,841,536	32,521,601	33,591,214	35,020,956
Subtotal	56,075,110	45,882,688	39,876,814	41,178,007	42,917,701
Total Uses	160,489,898	155,479,069	159,947,009	165,283,495	171,272,872
GAAP to Budget Adjustment ^(B)	-	-	-	-	-
Ending Fund Balance					
Operating Reserve	19,540,540	20,293,780	22,117,464	22,853,240	23,638,769
Repair/Replacement Reserve	29,044,159	29,981,823	30,751,733	31,394,006	31,829,287
Revenue Bond Debt Service Reserve	5,419,075	5,436,075	5,005,663	4,978,137	4,539,438
Special Contractual Fund Balance	3,257,050	3,620,515	3,992,975	4,367,534	4,742,521
Unreserved Balance	-	-	-	-	-
Total Ending Fund Balance	57,260,824	59,332,193	61,867,835	63,592,917	64,750,015

(A) Development fee revenues are received in the Capital Fund and paid by developers when new construction developments are permitted. A portion of these revenues is then transferred to the operating budget to pay for debt service costs associated with providing additional infrastructure to serve new development areas.

(B) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

BUDGET BY FUND

WATER AND SEWER FUND REVENUES



Enterprise Funds Description

The City uses three separate Enterprise Funds to account for the activity of this proprietary fund type. The individual funds are Water & Sewer, Solid Waste, and Aviation. In the aggregate, the Enterprise Funds are the City's second largest source of revenues, which are derived from user fees and charges. User fees and charges are established to promote efficiency by shifting payment of costs to specific users of services and avoiding general taxation. The applicable specific revenues of the individual funds, along with each fund's purpose, are described below.

Water & Sewer Funds

Fund Purpose

This fund accounts for the transactions related to the City's water and sewer business activities, including operating revenue, expenditures and debt service payments. Capital expenditures are accounted for in various CIP funds (see Volume Three for project detail).

Overview of User Fees Revenue Policy

Rate adjustments for Enterprise User Fees are based upon five-year financial plans developed for each operation and are reviewed annually per Scottsdale's adopted financial policies to meet the stated objectives of:

- Equity — to ensure that charges are borne by the beneficiaries of a project or service;
- Level distribution of necessary cost increases — to avoid large rate increases in any one year;
- Manage the level of debt - to ensure that the City can meet bond coverage requirements, provide for capital financing needs and remain financially healthy;
- Rate design —to encourage conservation and efficient use of City resources.

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Water Charges Revenue

Water Charges Revenue adopted budget for FY 2010/11 totals \$97.2 million, reflecting a 5.2 percent or \$4.8 million increase from the FY 2009/10 year-end forecast. The revenue forecast assumes no fee increases in the FY 2010/11 budget. The projected growth in revenues is based on a combination of the full year impact of 2008/09 rate increase and the return to a normal consumption year. Monthly water billings consist of a base charge according to meter size and a variable charge for the amount of water consumed. Fees are reviewed annually to determine if they cover the costs of the services provided.

Water Charges Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ FORECAST*
2010/11	\$97.2	\$97.2*
2009/10	\$95.5	\$92.4*
2008/09	\$95.6	\$92.0
2007/08	\$85.2	\$89.9
2006/07	\$79.8	\$82.8

BUDGET BY FUND

WATER AND SEWER FUND REVENUES



Sewer Charges Revenue

Sewer Charges Revenue adopted budget for FY 2010/11 totals \$33.7 million, reflecting a 0.2 percent or \$0.1 million increase from the FY 2009/10 year-end forecast. The revenue forecast assumes no fee increases in the FY 2010/11 budget. The projected growth in revenues is based on a slight increase in growth. Customers are charged a monthly fee based upon the volume and strength of their sewage discharge. Fees are reviewed annually to determine if they cover the costs of the services provided.

Sewer Charge Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$33.7	\$33.7*
2009/10	\$34.7	\$33.6*
2008/09	\$35.3	\$34.1
2007/08	\$33.7	\$32.9
2006/07	\$30.4	\$32.1

Effluent Sales Revenue

Effluent Sales Revenue adopted budget for FY 2009/10 totals \$0.9 million reflecting no anticipated change from the FY 2009/10 year-end forecast. Effluent sales relate to wastewater treated to irrigation standards at the City's Water Reclamation Plant for the 23 golf courses in north Scottsdale that are part of the Reclaimed Water Distribution System (RWDS), and the City's Gainey Water Reclamation Plant for irrigation use at the Gainey Ranch Golf Club. Both are contractual obligations to provide reclaimed water for irrigation uses and costs for providing these services are recovered through rates charged for the use.

Effluent Sales Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.9	\$0.9*
2009/10	\$0.9	\$0.9*
2008/09	\$0.7	\$0.7
2007/08	\$0.7	\$0.9
2006/07	\$0.6	\$0.7

Interest Earnings Revenue

Interest Earnings Revenue adopted budget for FY 2010/11 totals \$0.8 million, reflecting a \$1.4 million decrease from the FY 2009/10 year-end forecast. Interest earnings are generated on idle Water & Sewer Fund cash balances throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield, and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers' acceptances, repurchase agreements, money market funds, and the State of Arizona's Local Government Investment Pool.

Interest Earnings

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.8	\$0.8*
2009/10	\$2.1	\$2.2*
2008/09	\$2.3	\$3.4
2007/08	\$2.1	\$5.2
2006/07	\$1.5	\$5.7

BUDGET BY FUND

WATER AND SEWER FUND
REVENUES



Miscellaneous Revenue

Miscellaneous Revenue adopted budget for FY 2010/11 totals \$17.2 million, reflecting a \$12.6 million increase from the FY 2009/10 year-end forecast. The primary increase in revenue is the planned sale of Planet Ranch property and water rights for \$12.0 million.

Miscellaneous Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$17.2	\$17.2*
2009/10	\$3.6	\$4.6*
2008/09	\$4.1	\$1.3
2007/08	\$2.2	\$3.2
2006/07	\$2.3	\$2.0

Transfers-In

Transfers-In adopted FY 2010/11 budget totals \$15.7 million, reflecting a 13.1 percent or \$1.8 million increase from the FY 2009/10 year-end forecast. The increase in transfers-in is related to the portion of the new debt issued in FY 2009/10, which will be paid from the development fee impact funds. Transfers-in is the authorized movement of cash or other resources from other funds, divisions, departments, and/or capital projects.

BUDGET BY FUND

WATER AND SEWER FUND EXPENDITURES



Water and Sewer Fund Expenditures By Expenditure Type

The Water & Sewer Fund expenditures are presented by the following six major operating budget expenditure categories: personnel services, contractual services, commodities, capital outlay, debt service, and indirect cost allocation. Additionally, there are transfers-out to other funds.

Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted FY 2010/11 budget of \$16.5 million represents 14.6 percent of the total Water and Sewer operating budget. The budget reflects the full-year costs of positions added in FY 2009/10 and also includes 9.00 additional FTEs to address community facilities needs at the City's water treatment plants.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$16.5	\$16.5*
2009/10	\$16.7	\$14.4*
2008/09	\$15.7	\$16.7
2007/08	\$15.6	\$14.7
2006/07	\$14.1	\$12.9

Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2010/11 budget of \$27.4 million represents 25.4 percent of the total Water and Sewer operating budget and reflects \$1.2 million decrease from the adopted FY 2009/10 budget. The decrease is primarily due to cost reductions in the City's share of costs for the regional wastewater treatment facility, consultants and other professional services.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$27.4	\$27.4*
2009/10	\$28.6	\$27.3*
2008/09	\$29.7	\$24.9
2007/08	\$29.5	\$25.2
2006/07	\$27.7	\$23.9

BUDGET BY FUND

WATER AND SEWER FUND EXPENDITURES



Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2010/11 budget of \$24.0 million represents 23.3 percent of the total Water and Sewer operating budget and reflects a 13.2 percent or \$2.8 million increase from the adopted FY 2009/10 budget. The increase is primarily related to increases in granular activated carbon used in the water treatment process, materials to maintain and repair machinery and equipment, and purchased water costs.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$24.0	\$24.0*
2009/10	\$21.2	\$21.2*
2008/09	\$22.1	\$17.7
2007/08	\$17.6	\$17.1
2006/07	\$15.2	\$13.5

Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2010/11 budget of \$0.1 million represents 0.1 percent of the total Water and Sewer operating budget and reflects a \$0.1 million increase from the adopted FY 2009/10 budget. The increase is related to new vehicle purchases for additional FTEs.

Capital Outlay

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.1	\$0.1*
2009/10	-	-*
2008/09	\$0.1	\$0.3
2007/08	\$0.2	\$0.2
2006/07	\$0.3	\$0.1

Debt Service

Debt Service represents the repayment of general obligation, revenue and Municipal Property Corporation (MPC) bonds, along with the applicable annual fiscal agent fees. The adopted FY 2010/11 budget of \$28.1 million represents 27.2 percent of the total Water and Sewer operating budget and reflects a 9.1 percent or \$2.3 million increase from the adopted FY 2009/10. The increase is primarily related to the repayment of \$75.0 million in new MPC bonds issued in FY 2009/10.

Debt Service

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$28.1	\$28.1*
2009/10	\$25.7	\$26.5*
2008/09	\$26.5	\$26.5
2007/08	\$21.4	\$18.7
2006/07	\$19.1	\$16.7

BUDGET BY FUND

WATER AND SEWER FUND EXPENDITURES



Indirect Cost Allocation

Indirect Cost Allocation represents Enterprise Funds charges for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Management, Human Resources, Legal, etc.). The City's indirect costs are allocated to the Enterprise Funds based upon their proportion of the overall operating budgets for direct service providers. The adopted FY 2010/11 budget of \$9.7 million represents 9.4 percent of the total Water and Sewer operating budget and reflects a \$1.4 million decrease from the adopted FY 2009/10 budget.

Transfers-Out

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2010/11 budget of \$56.1 million reflects a \$25.5 million decrease from the adopted FY 2009/10 budget, primarily related to transfers to the water and sewer CIP funds.

Water and Sewer Fund Balance/Reserves

Fund balance/reserves protect the City's financial condition and provide for unexpected economic challenges. Growth of fund balance occurs when revenues exceed expenditures. Fund balances are similar to a company's net equity (assets less liabilities). Prudent fiscal management dictates fund balances should only be used for nonrecurring (non-operational) expenditures. Once fund balances are spent, they are only replenished by future year resources in excess of expenditures.

The City's budget planning and adopted financial policies call for the establishment of reserves as part of the resource allocation/limit setting process. This process allows the City to "set aside savings" before allocated or spent as budgeted expenditures. The specific make-up of the City's fund balance and reserves are noted below.

Operating Reserve

Operating Reserve of \$19.5 million is projected for the end of FY 2010/11. This reserve is intended to ensure adequate funding for operations for a maximum period of 90 days.

Repair/Replacement Reserve

Repair/Replacement Reserve of \$29.0 million is projected for the end of FY 2010/11. This reserve is required per the term of the revenue bond indenture to ensure that funds are set aside to preserve the assets, which, in turn, are the collateral for the Water Revenue Bonds. The reserve is required to be at least 2.0 percent of the revenues received during the year, or until the reserve equals 2.0 percent of the value of total tangible assets. The reserve may be used from time to time for replacement or extension of the assets.

Revenue Bond Debt Service Reserve

Revenue Bond Debt Service Reserve of \$5.4 million is projected for the end of FY 2010/11. This reserve is required per the term of the revenue bond indenture to ensure that funds are set aside as collateral for the Water Revenue Bonds debt service payments.

Special Contractual Fund Balance

Special Contractual Fund Balance of \$3.3 million is projected for the end of FY 2010/11. This balance reflects reserves established in accordance with various contractual agreements for delivery of non-potable water by the Water Resources Department.

BUDGET BY FUND

SOLID WASTE FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	4,646,448	4,543,482	5,016,537	4,453,718
Unreserved	683,686	100,000	1,026,619	1,238,816
Total Beginning Fund Balance	5,330,134	4,643,482	6,043,156	5,692,534
Revenues				
Refuse Collection Charges	20,030,707	19,536,531	19,406,284	19,409,471
Interest Earnings	213,139	54,692	106,611	53,453
Miscellaneous Revenue	-	727,800	637,505	687,242
Subtotal	20,243,846	20,319,023	20,150,400	20,150,166
Cash Transfers In				
CIP Fund	70,900	-	-	-
Subtotal	70,900	-	-	-
Total Sources	20,314,746	20,319,023	20,150,400	20,150,166
Use of Funds:				
Division				
Finance and Accounting	849,475	812,522	812,552	765,978
Public Works	15,368,048	16,331,205	15,687,169	15,659,117
Indirect Cost Allocation	2,568,528	3,040,175	2,500,566	2,509,556
Subtotal	18,786,051	20,183,902	19,000,287	18,934,651
Total Operating Budget	18,786,051	20,183,902	19,000,287	18,934,651
Cash Transfers Out				
Transp Fund - Alley Maintenance	334,012	358,550	358,550	380,063
Fleet Fund - Additional Vehicles	-	-	-	-
CIP Fund (Solid Waste Capital Projects)	423,000	1,100,000	1,100,000	1,400,000
CIP Fund (General Capital Projects)	48,100	31,600	31,600	69,400
In Lieu Property Tax	10,560	10,585	10,585	7,050
Total Cash Transfers Out	815,672	1,500,735	1,500,735	1,856,513
Total Uses	19,601,723	21,684,637	20,501,022	20,791,164
Ending Fund Balance				
Operating Reserve	5,016,537	3,277,868	4,453,718	4,566,241
Unreserved	1,026,619	-	1,238,816	485,295
Total Ending Fund Balance	6,043,156	3,277,868	5,692,534	5,051,536

BUDGET BY FUND

SOLID WASTE FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	4,453,718	4,566,241	4,813,200	5,043,942	5,232,082
Unreserved	1,238,816	485,295	358,145	390,836	162,423
Total Beginning Fund Balance	5,692,534	5,051,536	5,171,345	5,434,778	5,394,505
Revenues					
Refuse Collection Charges	19,409,471	19,625,809	20,174,999	20,761,827	21,357,490
Interest Earnings	53,453	76,101	105,011	107,221	107,217
Miscellaneous Revenue	687,242	709,495	731,408	753,522	761,236
Subtotal	20,150,166	20,411,405	21,011,418	21,622,570	22,225,943
Cash Transfers In					
CIP Fund	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Sources	20,150,166	20,411,405	21,011,418	21,622,570	22,225,943
Use of Funds:					
Division					
Finance and Accounting	765,978	781,298	808,643	836,945	866,239
Public Works	15,659,117	16,043,011	16,545,639	17,171,398	17,966,815
Indirect Cost Allocation	2,509,556	2,572,295	2,649,464	2,742,195	2,851,883
Subtotal	18,934,651	19,396,604	20,003,746	20,750,538	21,684,937
Total Operating Budget	18,934,651	19,396,604	20,003,746	20,750,538	21,684,937
Cash Transfers Out					
Transp Fund - Alley Maintenance	380,063	402,867	427,039	452,661	479,821
Fleet Fund - Additional Vehicles	-	-	-	443,844	-
CIP Fund (Solid Waste Capital Projects)	1,400,000	460,000	292,000	-	-
CIP Fund (General Capital Projects)	69,400	28,600	25,200	15,800	21,300
In Lieu Property Tax	7,050	3,525	-	-	-
Total Cash Transfers Out	1,856,513	894,992	744,239	912,305	501,121
Total Uses	20,791,164	20,291,596	20,747,985	21,662,843	22,186,058
Ending Fund Balance					
Operating Reserve	4,566,241	4,813,200	5,043,942	5,232,082	5,434,390
Unreserved	485,295	358,145	390,836	162,423	0
Total Ending Fund Balance	5,051,536	5,171,345	5,434,778	5,394,505	5,434,390

BUDGET BY FUND

SOLID WASTE FUND REVENUES



Solid Waste Fund

Fund Purpose

This fund accounts for the transactions related to the City's solid waste and recycling business activities, which includes operating revenues and expenditures. Capital expenditures are accounted for in a separate CIP fund.

Refuse Collection Charges

Refuse Collection Charges adopted FY 2010/11 budget totals \$20.1 million, reflecting a 0.3 percent or \$0.1 million increase from the FY 2009/10 year-end forecast. The revenue forecast assumes no fee increases in the FY 2010/11 budget. Solid Waste Charges are billed monthly for the pickup of solid waste. Residential customers are charged a flat fee per month, while commercial customers are charged based upon the size of the container and the number of pickups per month. In addition, the City also provides roll-off, uncontained service, recycling programs, and household hazardous waste collection. Fees are reviewed annually to determine if they cover the costs of the services provided.

Refuse Collection Charges

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$20.1	\$20.1*
2009/10	\$20.3	\$20.0*
2008/09	\$20.0	\$20.0
2007/08	\$18.8	\$19.8
2006/07	\$18.0	\$18.5

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Interest Earnings Revenue

Interest Earnings Revenue adopted FY 2010/11 budget of \$0.05 million remains flat from the FY 2009/10 year-end forecast. Interest earnings are generated on idle Solid Waste Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield.

Interest Earnings

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.05	\$0.05*
2009/10	\$0.05	\$0.1*
2008/09	\$0.2	\$0.2
2007/08	\$0.2	\$0.3
2006/07	\$0.1	\$0.3

BUDGET BY FUND

SOLID WASTE FUND EXPENDITURES



Solid Waste Fund Expenditures By Expenditure Type

The Solid Waste Fund expenditures are presented by the following six major operating budget expenditure categories: personnel services, contractual services, commodities, capital outlay, debt service, and indirect cost allocation. Additionally, there are transfers-out to other funds.

Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted FY 2010/11 budget of \$5.8 million represents 37.2 percent of the total Solid Waste operating budget and reflects a 3.0 percent or \$0.2 million decrease from the adopted FY 2009/10 budget.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$5.8	\$5.8*
2009/10	\$6.0	\$6.0*
2008/09	\$6.2	\$6.0
2007/08	\$5.5	\$5.8
2006/07	\$5.2	\$5.3

Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2010/11 budget of \$10.2 million represents 60.1 percent of the total Solid Waste operating budget and reflects a 4.3 percent or \$0.4 million decrease from the adopted FY 2009/10 budget, primarily related to operations costs and land-fill contracts.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$10.2	\$10.2*
2009/10	\$10.6	\$10.0*
2008/09	\$10.1	\$10.2
2007/08	\$5.5	\$9.8
2006/07	\$8.8	\$9.6

Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2010/11 budget of \$0.4 million represents 2.7 percent of the total Solid Waste operating budget, which reflects a 14.5 percent or \$0.1 million decrease from the adopted FY 2009/10 budget.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.4	\$0.4*
2009/10	\$0.5	\$0.5*
2008/09	\$0.5	\$0.5
2007/08	\$0.5	\$0.6
2006/07	\$0.5	\$0.6

BUDGET BY FUND

SOLID WASTE FUND EXPENDITURES



Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2010/11 budget is zero.

Solid Waste Fund

Capital Outlay

Adopted Budget to Actual/Approved*

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	-	-*
2009/10	-	-*
2008/09	\$0.2	-
2007/08	-	-
2006/07	-	-

Indirect Cost Allocation

Indirect Cost Allocation represents Enterprise Funds charges for specific General Fund central administrative functions, which benefit the Enterprise operations (e.g., City Manager, Financial Management, Human Resources, Legal, etc.). The City's indirect costs are allocated to the Enterprise Funds based upon their proportion of the overall operating budgets for direct service providers. The adopted FY 2010/11 budget of \$2.5 million represents 16.0 percent of the total Solid Waste operating budget and reflects a 17.4 percent or \$0.5 million decrease from the adopted FY 2009/10 budget.

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Transfers-Out

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2010/11 budget of \$1.9 million reflects a 23.7 percent or \$0.4 million increase from the adopted FY 2009/10 budget, primarily related to an increase in the transfers out to the CIP Fund.

Solid Waste Fund Balance

Operating Reserve

Operating Reserve of \$4.6 million is projected for the end of FY 2010/11. This reserve is intended to ensure adequate funding for operations for a maximum period of 90 days. The intent of the reserve is to provide for emergencies and the possibility of significant future increases in landfill costs.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

AVIATION FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	610,580	589,843	589,843	526,077
Repair and Replacement Reserve	1,911,330	2,357,010	3,346,631	2,661,113
Unreserved - Operating	-	849,213	0	1,556,154
Total Beginning Fund Balance	2,521,910	3,796,066	3,936,474	4,743,344
Revenues				
Aviation Fees	2,835,658	2,712,463	2,977,304	2,977,304
Interest Earnings	68,826	78,001	70,000	70,000
Jet Fuel Tax	119,381	126,842	123,000	123,000
Subtotal	3,023,865	2,917,306	3,170,304	3,170,304
Cash Transfers In				
CIP Airport Fund	1,590,954	-	-	-
Subtotal	1,590,954	-	-	-
Total Sources	4,614,820	2,917,306	3,170,304	3,170,304
Use of Funds:				
Division				
Economic Vitality - Aviation	1,576,232	1,604,983	1,510,699	1,729,622
Indirect/Direct Cost Allocation	282,538	301,466	143,894	154,500
Direct Cost Allocation (Fire)	328,046	363,942	415,195	415,195
Subtotal	2,186,816	2,270,391	2,069,788	2,299,317
Total Operating Budget	2,186,816	2,270,391	2,069,788	2,299,317
Cash Transfers Out				
In Lieu Property Tax	46,440	48,346	48,346	-
Operating Projects	-	-	-	900
CIP Fund (General Capital Projects)	11,200	28,200	15,400	10,700
CIP Fund (Aviation Capital Proj Fund)	955,800	229,900	229,900	1,572,574
Total Cash Transfers Out	1,013,440	306,446	293,646	1,584,174
Total Uses	3,200,256	2,576,837	2,363,434	3,883,491
Ending Fund Balance				
Operating Reserve	589,843	571,743	526,077	569,815
Repair and Replacement Reserve	3,346,631	3,235,590	2,661,113	3,366,463
Unreserved	0	329,202	1,556,154	93,879
Total Ending Fund Balance	3,936,474	4,136,535	4,743,344	4,030,157

BUDGET BY FUND

AVIATION FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	526,077	569,815	646,685	615,892	636,540
Repair and Replacement Reserve	2,661,113	3,366,463	3,601,463	3,863,463	3,863,463
Unreserved - Operating	1,556,154	93,879	154,847	181,860	841,500
Total Beginning Fund Balance	4,743,344	4,030,157	4,402,995	4,661,215	5,341,503
Revenues					
Aviation Fees	2,977,304	3,005,574	3,034,127	3,062,965	3,092,092
Interest Earnings	70,000	70,700	71,407	72,121	72,842
Jet Fuel Tax	123,000	124,230	125,472	126,727	127,994
Subtotal	3,170,304	3,200,504	3,231,006	3,261,813	3,292,928
Cash Transfers In					
CIP Airport Fund	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Sources	3,170,304	3,200,504	3,231,006	3,261,813	3,292,928
Use of Funds:					
Division					
Economic Vitality - Aviation	1,729,622	1,970,082	1,847,607	1,910,487	1,978,426
Indirect/Direct Cost Allocation	154,500	216,709	203,237	210,154	217,627
Direct Cost Allocation (Fire)	415,195	425,575	438,342	453,684	471,831
Subtotal	2,299,317	2,612,366	2,489,186	2,574,325	2,667,884
Total Operating Budget	2,299,317	2,612,366	2,489,186	2,574,325	2,667,884
Cash Transfers Out					
In Lieu Property Tax	-	-	-	-	-
Operating Projects	900	1,200	800	1,000	1,100
CIP Fund (General Capital Projects)	10,700	9,100	7,800	6,200	8,700
CIP Fund (Aviation Capital Proj Fund)	1,572,574	205,000	475,000	-	-
Total Cash Transfers Out	1,584,174	215,300	483,600	7,200	9,800
Total Uses	3,883,491	2,827,666	2,972,786	2,581,525	2,677,684
Ending Fund Balance					
Operating Reserve	569,815	646,685	615,892	636,540	660,251
Repair and Replacement Reserve	3,366,463	3,601,463	3,863,463	3,863,463	3,863,463
Unreserved	93,879	154,847	181,860	841,500	1,433,033
Total Ending Fund Balance	4,030,157	4,402,995	4,661,215	5,341,503	5,956,747

BUDGET BY FUND

AVIATION FUND REVENUES



Aviation Fund

Fund Purpose

This fund accounts for the transactions related to the City's aviation business activity at the Scottsdale Airport, which includes operating revenue and expenditures. Capital Expenditures are accounted for in a separate CIP fund.

Aviation Fees and Charges Revenue

Aviation Fees and Charges Revenue adopted FY 2010/11 budget totals \$3.0 million, which remains flat with the FY 2009/10 year-end forecast. The revenue forecast assumes no fee increases in the FY 2010/11 budget. Aviation fees and charges are for a variety of services provided to airport customers including tie down fees, hangar rentals, fuel sales, and other rental charges. Fees are reviewed annually to determine if they cover the costs of the services provided.

Aviation Fees and Charges

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$3.0	\$3.0*
2009/10	\$2.7	\$3.0*
2008/09	\$3.6	\$2.8
2007/08	\$3.5	\$3.4
2006/07	\$3.3	\$3.5

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Interest Earnings Revenue

Interest Earnings Revenue adopted FY 2010/09 budget totals \$0.1 million, reflecting no change from the FY 2009/10 year-end forecast. Interest earnings are generated on idle Aviation Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield.

Interest Earnings

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.1	\$0.1*
2009/10	\$0.1	\$0.1*
2008/09	\$0.1	\$0.1
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.2

Jet Fuel Tax Revenue

Jet Fuel Tax Revenue adopted FY 2010/11 budget totals \$0.1 million, remaining flat with the FY 2009/10 year-end forecast.

Jet Fuel Tax Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.1	\$0.1*
2009/10	\$0.1	\$0.1*
2008/09	\$0.1	\$0.1
2007/08	\$0.1	\$0.2
2006/07	\$0.1	\$0.2

BUDGET BY FUND

AVIATION FUND EXPENDITURES



Aviation Fund Expenditures By Expenditure Type

The direct operating expenditures of the Aviation Fund are divided into the following five major expenditure categories, plus transfers-out:

Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted FY 2010/11 budget of \$1.0 million represents 43.9 percent of the total Aviation Fund operating budget and reflects a 6.4 percent or \$0.1 million decrease from the adopted FY 2009/10 budget.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$1.0	\$1.0*
2009/10	\$1.1	\$1.0*
2008/09	\$1.1	\$1.2
2007/08	\$1.1	\$1.1
2006/07	\$1.0	\$1.0

Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2010/11 budget of \$0.7 million represents 29.2 percent of the total Aviation Fund operating budget and reflects a 36.6 percent or \$0.2 million increase from the adopted FY 2009/10 budget primarily related to consultants, facility services and custodial services.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.7	\$0.7*
2009/10	\$0.5	\$0.5*
2008/09	\$0.6	\$0.6
2007/08	\$0.6	\$0.6
2006/07	\$0.6	\$0.6

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Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2010/11 budget is zero.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	-	-*
2009/10	-	-*
2008/09	-	-
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.1

Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2010/11 budget is zero.

Indirect/Direct Cost Allocation

Indirect/Direct Cost Allocation represents charges to the Aviation Fund for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Management, Human Resources, Legal, etc.), as well as direct General Fund Fire services provided to the Scottsdale Airport. The City's indirect costs are allocated to the Enterprise Funds based upon their proportion of the overall operating budgets for direct service providers. The indirect cost allocation adopted FY 2010/11 budget of \$0.2 million represents 6.7 percent of the total Aviation Fund operating budget reflecting a 48.5 percent or a \$0.1 million decrease from the adopted FY 2009/10 budget. The direct charge for General Fund Fire services adopted FY 2010/11 budget of \$0.4 million represents 18.1 percent of the total Aviation Fund operating budget reflecting no change from the FY 2009/10 budget.

Transfers-Out

119 Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2010/11 budget of \$1.6 million reflects a \$1.3 million increase from the adopted FY 2009/10 budget. The increase is related to increased transfers out to the CIP Fund for Aviation capital projects.

Aviation Fund Balance

Operating Reserve

Operating Reserve of \$0.6 million is projected for the end of FY 2010/11. This reserve is intended to ensure adequate funding for operations for a maximum period of 90 days. The intent of the reserve is to provide for emergencies, provide for potential grant matches, and to ensure that General Fund subsidies are avoided.

Repair and Replacement Reserve of \$3.4 million is projected for the end of FY 2010/11. The intent of the reserve is to ensure adequate funding for emergency repair and replacement needs at the airport.

Unreserved Fund Balance is projected to be \$0.1 million at the end of FY 2010/11. The unreserved balance represents the net financial resources that are expendable or available for budgeting.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

FLEET FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance/Reserve	11,486,521	7,763,345	9,821,093	9,145,823
Revenues:				
Rates - Vehicle Acquisition	5,440,296	1,678,000	1,678,000	2,884,000
Rates - Maintenance & Operation	12,858,696	11,897,018	11,545,931	11,183,695
Insurance Recoveries	189,588	-	-	-
Sale of Capital Assets	128,384	-	-	-
Miscellaneous Revenue	-	200,000	244,000	200,000
Interest Earnings	409,925	155,000	170,000	91,000
Subtotal	19,026,889	13,930,018	13,637,931	14,358,695
Total Sources	19,026,889	13,930,018	13,637,931	14,358,695
Use of Funds:				
Division				
Public Works and Water Resources				
Vehicle Acquisition/capital Outlay	3,072,068	2,125,474	3,502,494	3,726,462
Fleet Operations	11,214,651	11,798,909	10,999,516	11,658,709
Leave Accrual Payments	25,529	40,809	25,614	53,337
Estimated Personnel Savings from Vacant Positions	(408,503)	(400,000)	(230,130)	(237,034)
Subtotal	13,903,745	13,565,192	14,297,494	15,201,474
Total Operating Budget	13,903,745	13,565,192	14,297,494	15,201,474
Cash Transfers Out				
CIP Fund - General Capital Projects	22,800	41,400	41,400	31,200
CIP Fund - Fleet Projects	6,983,000	-	721,864	-
Subtotal	7,005,800	41,400	763,264	31,200
Total Expenditures & Cash Transfers Out	20,909,545	13,606,592	15,060,758	15,232,674
Sources Over/(Under) Uses	(1,882,656)	323,426	(1,422,827)	(873,979)
GAAP to Budget Adjustment ^(A)	217,228	-	747,557	-
Total Ending Fund Balance	9,821,093	8,086,771	9,145,823	8,271,844
Fund Balance:				
Designated for Future Acquisition	9,821,093	7,542,334	8,224,062	7,858,061
Unreserved, Undesignated	-	544,437	921,761	413,783
Total Ending Fund Balance	9,821,093	8,086,771	9,145,823	8,271,844

^(A) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

BUDGET BY FUND

FLEET FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance/Reserve	9,145,823	8,271,844	6,544,417	6,634,492	6,565,719
Revenues:					
Rates - Vehicle Acquisition	2,884,000	3,100,000	3,300,000	3,500,000	3,550,000
Rates - Maintenance & Operation	11,183,695	11,479,051	11,823,422	12,178,125	12,578,691
Insurance Recoveries	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Miscellaneous Revenue	200,000	200,000	200,000	200,000	200,000
Interest Earnings	91,000	127,000	134,000	136,000	135,000
Subtotal	14,358,695	14,906,051	15,457,422	16,014,125	16,463,691
Total Sources	14,358,695	14,906,051	15,457,422	16,014,125	16,463,691
Use of Funds:					
Division					
Public Works and Water Resources					
Vehicle Acquisition/capital Outlay	3,726,462	5,125,427	3,522,525	3,883,373	2,131,613
Fleet Operations	11,658,709	11,649,003	12,017,409	12,378,413	12,762,517
Leave Accrual Payments	53,337	74,193	57,482	58,725	82,958
Estimated Personnel Savings from Vacant Positions	(237,034)	(244,145)	(251,469)	(259,013)	(266,784)
Subtotal	15,201,474	16,604,478	15,345,947	16,061,498	14,710,304
Total Operating Budget	15,201,474	16,604,478	15,345,947	16,061,498	14,710,304
Cash Transfers Out					
CIP Fund - General Capital Projects	31,200	29,000	21,400	21,400	21,400
CIP Fund - Fleet Projects	-	-	-	-	-
Subtotal	31,200	29,000	21,400	21,400	21,400
Total Expenditures & Cash Transfers Out	15,232,674	16,633,478	15,367,347	16,082,898	14,731,704
Sources Over/(Under) Uses	(873,979)	(1,727,427)	90,075	(68,773)	1,731,987
GAAP to Budget Adjustment ^(A)	-	-	-	-	-
Total Ending Fund Balance	8,271,844	6,544,417	6,634,492	6,565,719	8,297,706
Fund Balance:					
Designated for Future Acquisition	7,858,061	6,059,096	6,063,033	5,906,122	7,550,971
Unreserved, Undesignated	413,783	485,321	571,459	659,597	746,735
Total Ending Fund Balance	8,271,844	6,544,417	6,634,492	6,565,719	8,297,706

^(A) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

BUDGET BY FUND

FLEET FUND REVENUES



Internal Service Funds

Description

The City uses three separate Internal Service Funds to account for the activity of this fund type. The individual funds are Fleet Management, Risk Management Self-Insurance Fund and Healthcare Self-Insurance Fund.

Fleet Management Fund

Fund Purpose

This fund is used to account for the expenditures associated with purchasing and maintaining the City's vehicles. Replacement and operation of vehicles are charged to the City departments as internal operating costs to each program based on the quantity and type of vehicle used. The department charges become revenue to the Fleet Management Fund.

Rates-Vehicle Acquisition

Fleet Management Fund Revenues and Transfers-In Rates - Vehicle Acquisition represents the "rental" rate charged to other City funds and programs sufficient for the acquisition and replacement of City vehicles. For FY 2010/11, approximately 20 percent of the Fleet Management Fund's operating revenues come from rates related to vehicle acquisition. The adopted vehicle acquisition rates budget for FY 2010/11 totals approximately \$2.9M and represents a \$1.2M increase from the FY 2009/10 year-end revenue forecast. The increase is primarily attributed to the FY2009/2010 significant decrease from FY2008/09 as a result of the City's reduction plan to address the economic recession, and the effort for FY2010/11 to properly forecast a more realistic and sustainable requirement.

Rates - Vehicle Acquisition

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$2.9	\$2.9*
2009/10	\$1.7	\$1.7*
2008/09	\$5.4	\$5.4
2007/08	\$5.4	\$5.4
2006/07	\$5.0	\$5.0

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Rates-Maintenance & Operation

Maintenance & Operation represents the "rental" rate to other City programs sufficient for the maintenance and operation of City vehicles. For FY 2010/09, approximately 78 percent of the Fleet Management Fund's operating revenues come from rates related to vehicle maintenance and operation. The adopted maintenance and operations rates budget for FY 2010/11 totals \$11.2M for a decrease of approximately \$0.3M over the FY 2009/10 year-end revenue forecast.

Rates - Maintenance & Operation

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$11.2	\$11.2*
2009/10	\$11.9	\$11.5*
2008/09	\$12.9	\$12.9
2007/08	\$10.3	\$10.3
2006/07	\$9.2	\$9.3

BUDGET BY FUND

FLEET FUND REVENUES



Miscellaneous Revenue

Miscellaneous Revenue comes from the liquidation of surplus property. The FY 2010/11 budget is \$0.2 million, which remains relatively flat with the FY 2009/10 year-end revenue forecast.

Miscellaneous Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.2	\$0.2*
2009/10	\$0.2	\$0.2*
2008/09	\$0.2	\$0.3
2007/08	\$0.2	\$0.2
2006/07	\$0.2	\$0.5

Interest Earnings

Interest Earnings Interest earnings are generated on idle Fleet Management Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's adopted investment policy stresses safety above yield. The adopted FY 2010/11 interest earnings budget is \$0.1million.

Interest Earnings

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.1	\$0.1*
2009/10	\$0.2	\$0.2*
2008/09	\$0.3	\$0.4
2007/08	\$0.5	\$0.5
2006/07	\$0.4	\$0.6



**Fleet Management Fund Expenditures
By Category**

The direct operating expenditures of the Fleet Management Fund are divided into the following four major expenditure categories:

Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted personnel services budget totals approximately \$3.3 million, which represents 21 percent of the Fleet Management Fund total operating budget for FY 2010/11. The adopted FY 2010/11 personnel services budget decreased \$0.2 million from the FY 2009/10 adopted budget. The decrease is primarily attributed to the City’s budget reduction plan to address the economic recession.

Personnel Services

Adopted Budget to Actual/Approved*(in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$3.3	\$3.3*
2009/10	\$3.5	\$3.2*
2008/09	\$3.6	\$3.5
2007/08	\$3.7	\$3.7
2006/07	\$3.5	\$3.1

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Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted budget of nearly \$1.5M represents 10 percent of the Fleet Management Fund total operating budget for FY 2010/11. The adopted FY 2010/11 contractual services budget reflects a decrease totaling approximately \$0.1 million from the adopted budget FY 2009/10.

Contractual Services (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$1.5	\$1.5*
2009/10	\$1.6	\$1.6*
2008/09	\$1.2	\$1.4
2007/08	\$1.2	\$1.2
2006/07	\$1.0	\$1.0

BUDGET BY FUND

FLEET FUND EXPENDITURES



Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The budget of \$6.8 million represents 45 percent of the Fleet Management Fund total operating budget for FY 2010/11. The adopted FY 2010/11 commodities budget increased \$0.1 million from the adopted budget FY 2009/10, reflecting cost saving measures due to budget reduction strategies offset by rising fuel costs.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$6.8	\$6.8*
2009/10	\$6.7	\$6.2*
2008/09	\$8.4	\$5.9
2007/08	\$6.1	\$6.1
2006/07	\$5.5	\$5.8

Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget of \$3.7 million represents 24 percent of the Fleet Management Fund total operating budget for FY 2010/11. The adopted FY 2010/11 capital outlay budget increased approximately \$1.6 million from the FY 2009/10 adopted budget. The budget increase is primarily attributed to the FY2009/2010 significant decrease from FY2008/09 as a result of the City's reduction plan to address the economic recession, and the effort for FY2010/11 to properly forecast a more realistic and sustainable requirement .

Capital Outlay

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$3.7	\$3.7*
2009/10	\$2.1	\$3.5*
2008/09	\$3.4	\$3.1
2007/08	\$3.3	\$4.4
2006/07	\$5.9	\$7.2



Transfers-Out

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. Cash transfers-out totaling less than \$0.1 million are planned in FY 2010/11 to cover the cost of Fleet's share of general capital projects.

Fleet Management Fund Balance

The Fleet Management Fund balance varies primarily due to the vehicle replacement schedule. The portion of internal charges to programs for replacement vehicles is evenly spread over the expected life of the vehicles. This charge becomes revenue to the Fleet Management Fund and is representative of the replacement charge for many vehicles with differing useful lives. Therefore, the revenue does not vary significantly by year, but the year in which vehicles are purchased may vary significantly if, for example, several large, expensive vehicles are scheduled for replacement in a single year. The fund balance at the end of each year includes the accumulated balance to be used for future year vehicle purchases.

The ending FY 2010/11 fund balance is projected to be approximately \$8.3 million, which is a \$0.2 million increase from the FY 2009/10 year-end adopted.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

RISK MANAGEMENT SELF INSURANCE FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Property Casualty Claims Reserve	17,672,746	12,662,824	12,662,823	15,138,496
Total Beginning Fund Balance	17,672,746	12,662,824	12,662,823	15,138,496
Revenues				
Property, Liability, Work Comp Rates	6,235,234	6,604,860	6,604,860	5,104,860
Unemployment Taxes	54,940	60,000	60,000	60,000
Interest - Property Casualty	530,571	357,469	357,469	407,623
Property Tax (Tort Claims)	22,743	1,930,000	1,754,736	750,000
Insurance/Claim Recoveries	682,059	250,000	150,000	250,000
Special Event Reimbursements	-	50,000	50,000	50,000
Miscellaneous	59,727	-	-	-
Subtotal	7,585,274	9,252,329	8,977,065	6,622,483
Total Sources	7,585,274	9,252,329	8,977,065	6,622,483
<u>Use of Funds:</u>				
Expenditures				
Risk Mgmt - Operating Budget	1,068,431	980,092	930,952	980,092
Risk Mgmt - Excess Ins. Premiums	1,220,842	1,250,000	1,250,000	1,250,000
Claims (General Liability)	3,174,309	2,724,000	1,724,000	2,250,000
Claims (Property)	157,916	185,000	185,000	225,000
Claims (Workers' Compensation)	1,862,544	2,099,240	2,099,240	2,183,210
Claims (Unemployment)	103,854	300,000	300,000	350,000
Subtotal	7,587,896	7,538,332	6,489,192	7,238,302
Cash Transfers Out				
Operating Projects	-	-	-	1,700
CIP Fund (Tech. Replacement)	7,300	12,200	12,200	8,500
General Fund	5,000,000	-	-	-
Subtotal	5,007,300	12,200	12,200	10,200
Total Uses	12,595,196	7,550,532	6,501,392	7,248,502
Ending Fund Balance				
Property Casualty Claim Reserve	12,662,824	14,364,621	15,138,496	14,512,477
Total Ending Fund Balance	12,662,824	14,364,621	15,138,496	14,512,477

BUDGET BY FUND

RISK MANAGEMENT SELF INSURANCE FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance:					
Property Casualty Claims Reserve	15,138,496	14,512,477	14,128,849	13,780,423	14,429,060
Total Beginning Fund Balance	15,138,496	14,512,477	14,128,849	13,780,423	14,429,060
Revenues					
Property, Liability, Work Comp Rates	5,104,860	5,604,860	6,165,346	6,411,960	6,668,438
Unemployment Taxes	60,000	60,000	60,000	62,400	62,400
Interest - Property Casualty	407,623	447,129	479,491	498,671	432,872
Property Tax (Tort Claims)	750,000	850,000	1,000,000	2,000,000	1,000,000
Insurance/Claim Recoveries	250,000	250,000	250,000	250,000	250,000
Special Event Reimbursements	50,000	50,000	50,000	50,000	50,000
Miscellaneous	-	-	-	-	-
Subtotal	6,622,483	7,261,989	8,004,837	9,273,030	8,463,710
Total Sources	6,622,483	7,261,989	8,004,837	9,273,030	8,463,710
Use of Funds:					
Expenditures					
Risk Mgmt - Operating Budget	980,092	1,039,779	1,070,973	1,113,812	1,147,226
Risk Mgmt - Excess Ins. Premiums	1,250,000	1,300,000	1,325,000	1,325,000	1,325,000
Claims (General Liability)	2,250,000	2,475,000	3,064,130	3,186,695	3,314,163
Claims (Property)	225,000	250,000	275,000	286,000	275,000
Claims (Workers' Compensation)	2,183,210	2,271,538	2,361,360	2,455,814	2,554,047
Claims (Unemployment)	350,000	300,000	250,000	250,000	250,000
Subtotal	7,238,302	7,636,317	8,346,463	8,617,322	8,865,436
Cash Transfers Out					
Operating Projects	1,700	1,000	700	800	800
CIP Fund (Tech. Replacement)	8,500	8,300	6,100	6,272	6,000
General Fund	-	-	-	-	-
Subtotal	10,200	9,300	6,800	7,072	6,800
Total Uses	7,248,502	7,645,617	8,353,263	8,624,394	8,872,236
Ending Fund Balance					
Property Casualty Claim Reserve	14,512,477	14,128,849	13,780,423	14,429,060	14,020,534
Total Ending Fund Balance	14,512,477	14,128,849	13,780,423	14,429,060	14,020,534

BUDGET BY FUND

RISK MANAGEMENT SELF INSURANCE REVENUES



Risk Management Self-Insurance Fund

Fund Purpose

The Risk Management Self-Insurance Fund is used to account for the City's self-insurance, safety and risk management functions. Revenue to this fund is derived from internal charges to user programs. Payments for unemployment, workers' compensation, and property and liability claims are made from this fund.

Property Casualty Revenues

Property Casualty Revenues represent this fund's operating resources, which are derived from internal charges for services to other City funds. The fund covers excess insurance premiums, administrative charges and claim payments for general and auto liability/physical damages, workers' compensation, unemployment taxes, and property damage.

Property Casualty Revenues

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$5.9	\$5.9*
2009/10	\$7.3	\$7.2*
2008/09	\$6.7	\$7.6
2007/08	\$6.7	\$7.5
2006/07	\$6.2	\$7.2

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Property Taxes (Tort Claims)

Property Taxes (Tort Claims) this revenue represents a reimbursement to the City's Self-Insurance Fund for the "actual" cost of liability tort settlements and judgments paid during the most recently completed calendar year. The inclusion of the tort claim reimbursements in the City's primary tax levy is allowed per a March 20, 1986 Arizona Attorney General opinion. These are paid from the Risk Management Self-Insurance Fund and therefore, the reimbursement becomes revenue to this fund. In FY 2010/11, tort claims of \$0.7 million were included in the adopted budget.

Property Taxes (Tort Claims)

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.7	\$0.7*
2009/10	\$1.9	\$1.8*
2008/09	\$0.02	\$0.02
2007/08	\$0.20	\$0.17
2006/07	N/A	N/A **

** City Council opted not to assess torts in FY 2006/07

Cash Transfers-In

Cash Transfers-In may be used to address anticipated claim costs. In the adopted FY 2010/11 budget no cash transfers-in are planned to the Risk Management Self-Insurance Fund.

BUDGET BY FUND

RISK MANAGEMENT SELF INSURANCE EXPENDITURES



Internal Service Funds

Description

The City uses three separate Internal Service Funds to account for the activity of this fund type. The individual funds are Fleet Management, Risk Management Self-Insurance Fund and Healthcare Self-Insurance Fund.

Risk Management Self Insurance Fund Expenditures By Category

The direct operating expenditures of the Risk-Management Self-Insurance Fund are divided into the following four major expenditure categories plus transfers-out:

Personnel Services

Personnel Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted budget of less than \$0.6 million represents approximately 8 percent of the FY 2010/11 Risk Management Self-Insurance Fund total operating budget.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.6	\$0.6*
2009/10	\$0.5	\$0.6*
2008/09	\$0.7	\$0.9
2007/08	\$0.7	\$0.7
2006/07	\$0.7	\$0.7

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Contractual Services

Contractual Services include expenditures for excess insurance premiums, claim payments, services performed by firms, individuals, or other City departments. The budget of \$6.5 million represents approximately 90 percent of the FY 2010/11 Self-Insurance Fund operating budget.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$6.5	\$6.5*
2009/10	\$6.9	\$5.8*
2008/09	\$5.9	\$6.5
2007/08	\$5.9	\$6.2
2006/07	\$5.7	\$3.1

Commodities

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2010/11 commodities budget of approximately \$95,019 remains consistent with the adopted FY 2009/10 budget.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.1	\$0.1*
2009/10	\$0.1	\$0.1*
2008/09	\$0.14	\$0.2
2007/08	\$0.10	\$0.11
2006/07	\$0.03	\$0.11

BUDGET BY FUND

RISK MANAGEMENT SELF-INSURANCE
EXPENDITURES



Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. There is no capital outlay budget for FY 2010/11.

Transfers-Out

Cash Transfers-Out is the authorized movement of cash to other funds, divisions, departments, and capital projects. Cash transfers-out of \$10,200 are planned to help cover the cost of general capital projects.

Risk Management Self-Insurance Fund Balance

The Risk Management Fund balance is maintained to provide for coverage of unemployment, workers' compensation, and property and liability claims. The required fund balance is actuarially determined on an annual basis. The projected FY 2010/11 total ending fund balance is approximately \$14.5 million, which is a decrease of \$0.6 million from the FY 2009/10 year end forecast and is within actuary recommendations.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

HEALTHCARE SELF-INSURANCE FUND SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
<u>Source of Funds:</u>				
Beginning Fund Balance				
Healthcare - Beginning Claims Reserve	7,518,766	5,018,766	8,083,197	8,083,197
STD - Beginning Claims Reserve	628,163	773,163	773,163	903,163
Total Beginning Fund Balance	8,146,929	5,791,929	8,856,360	8,986,360
Revenues				
Healthcare/Dental Revenues	24,748,679	24,158,922	23,836,591	18,669,529
Healthcare - Other Revenues	645,713	615,000	643,441	3,118,140
STD - Rates	350,227	320,000	320,000	320,000
Subtotal	25,744,619	25,093,922	24,800,032	22,107,669
Total Sources	25,744,619	25,093,922	24,800,032	22,107,669
<u>Use of Funds:</u>				
Expenditures				
Healthcare Claims and Claims Administration	24,664,309	23,894,289	23,592,433	20,400,000
Healthcare - Dental Claims	-	-	-	1,658,554
Healthcare - Live Life Well Program	3,130	236,192	244,158	610,975
Healthcare - Other Administrative Expenses	162,522	643,441	643,441	3,118,140
STD - Claims	120,145	190,000	190,000	150,000
Subtotal	24,950,106	24,773,922	24,480,032	25,787,669
Total Uses	24,950,106	24,773,922	24,480,032	25,787,669
Ending Fund Balance				
Healthcare Claims Reserve	8,083,197	5,018,766	8,083,197	4,083,197
Short Term Disability	858,245	903,163	903,163	1,073,163
Total Ending Fund Balance	8,941,442	5,921,929	8,986,360	5,156,360

BUDGET BY FUND

HEALTHCARE SELF-INSURANCE FUND FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance					
Healthcare - Beginning Claims Reserve	8,083,197	4,083,197	3,083,197	3,083,197	3,083,197
STD - Beginning Claims Reserve	903,163	1,013,163	1,103,163	1,173,163	1,173,163
Total Beginning Fund Balance	8,986,360	5,096,360	4,186,360	4,256,360	4,256,360
Revenues					
Healthcare/Dental Revenues	18,669,529	22,755,871	24,895,867	26,092,173	27,347,576
Healthcare - Other Revenues	3,118,140	3,180,503	3,244,113	3,308,995	3,375,175
STD - Rates	320,000	-	-	-	-
Subtotal	22,107,669	25,936,374	28,139,980	29,401,168	30,722,751
Total Sources	22,107,669	25,936,374	28,139,980	29,401,168	30,722,751
Use of Funds:					
Expenditures					
Healthcare Claims and Claims Administration	20,400,000	21,420,000	22,491,000	23,615,550	24,796,328
Healthcare - Dental Claims	1,658,554	1,724,896	1,793,892	1,865,648	1,940,274
Healthcare - Live Life Well Program	610,975	610,975	610,975	610,975	610,975
Healthcare - Other Administrative Expenses	3,118,140	3,180,503	3,244,113	3,308,995	3,375,175
STD - Claims	150,000	-	-	-	-
Subtotal	25,787,669	26,936,374	28,139,980	29,401,168	30,722,751
Total Uses	25,787,669	26,936,374	28,139,980	29,401,168	30,722,751
Ending Fund Balance					
Healthcare Claims Reserve	4,083,197	3,083,197	3,083,197	3,083,197	3,083,197
Short Term Disability	1,073,163	1,013,163	1,103,163	1,173,163	1,173,163
Total Ending Fund Balance	5,156,360	4,096,360	4,186,360	4,256,360	4,256,360

BUDGET BY FUND

HEALTHCARE SELF-INSURANCE REVENUES



Healthcare Revenues

Healthcare Revenues are comprised of contributions from the City (i.e., employer), employees, retirees, COBRA participants, medical leave conversion contributions, and interest earnings allocated to health care. The FY 2010/11 adopted budget of \$21.8 million is \$2.7 million less than the FY 2009/10 forecast.

Healthcare Revenues

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$21.8	\$21.8*
2009/10	\$24.8	\$24.5*
2008/09	\$26.8	\$25.4
2007/08	\$24.5	\$23.0
2006/07	\$22.3	\$19.9

Short Term Disability Revenues

Short Term Disability Revenues represents the resources collected solely from employees participating in the City's short term disability plan – no City (i.e., employer) contributions are made for short term disability coverage. The FY 2010/11 revenue budget is \$320,000 and is consistent with the prior year end revenue forecast.

Short-Term Disability Revenues

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$0.32	\$0.32*
2009/10	\$0.32	\$0.32*
2008/09	\$0.32	\$0.35
2007/08	\$0.31	\$0.33
2006/07	\$0.14	\$0.30

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Transfers-In

Cash Transfers-In may be used to address unanticipated claim costs. In the adopted FY 2010/11 budget no cash transfers-in are planned to the Healthcare Self-Insurance Fund.

BUDGET BY FUND

HEALTHCARE SELF-INSURANCE FUND EXPENDITURES



Healthcare Self-Insurance Fund

Fund Purpose

The Healthcare Self-Insurance Fund is used to account for the City's self-insured medical and dental benefits. Revenue to this fund is derived from charges to user programs. This fund provides payment of actual healthcare expenses (medical, prescriptions and dental) and short term disability claims as well as claims administration and other benefit plan expenses.

Healthcare Self-Insurance Fund Expenditures By Category

The direct operating expenditures of the Healthcare Self-Insurance Fund are divided into the following four major expenditure categories plus transfers-out:

Personal Services

Personal Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted budget of approximately \$0.6 million represents approximately 2 percent of the FY 2010/11 Healthcare Self-Insurance Fund total operating budget.

Personnel Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.6	\$0.6*
2009/10	\$0.3	\$0.3*
2008/09	—	\$0.3
2007/08	—	—
2006/07	—	—

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Contractual Services

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The budget of \$25.3 million represents approximately 97 percent of the FY 2010/11 Healthcare Self-Insurance Fund operating budget. The contractual services budget includes \$23.2 million for healthcare claims and administration and \$0.2 million for short-term disability claims.

Contractual Services

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$25.3	\$25.3*
2009/10	\$24.5	\$24.1*
2008/09	\$26.8	\$24.5
2007/08	\$24.9	\$18.3
2006/07	\$22.0	\$20.9

Commodities

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2010/11 commodities budget of approximately \$27,000 is consistent with the adopted FY 2009/10 budget.

Commodities

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.03	\$0.03*
2009/10	\$0.03	\$0.03*
2008/09	—	\$0.1
2007/08	—	—
2006/07	—	—

BUDGET BY FUND

HEALTHCARE SELF-INSURANCE FUND
EXPENDITURES



Capital Outlay

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget for FY 2010/11 is \$50,000.

Capital Outlay

Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$0.05	0.05*
2009/10	\$0.05	0.05*
2008/09	—	—
2007/08	—	—
2006/07	—	—

Transfers-Out

Cash Transfers-Out is the authorized movement of cash to other funds, divisions, departments, and capital projects. In the adopted FY 2010/11 budget no cash transfers-in are planned to the Healthcare Self-Insurance Fund.

Healthcare Self-Insurance Fund Balance

The Healthcare Self-Insurance Fund balance is maintained to provide for coverage of self-insured benefits. The required fund balance is actuarially determined on an annual basis.

Reserves held in the Self Insurance Fund have grown to \$8.1 million as of June 30, 2009, an increase of nearly \$2 million in the past four years. Based on a review of reserve levels it has been determined that the reserve can safely be drawn down by approximately \$4 million. This will be accomplished by not charging medical and dental plan premiums to the City and employees for certain pay periods during FY 2010/11.

The projected FY 2010/11 total ending fund balance is approximately \$5.2 million, which is a decrease of \$3.8 million from the FY 2009/10 year end forecast and is within actuarial recommendations.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

TRUST FUNDS SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Operating Contingency ^(A)	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	4,121	2,921	2,921	3,521
Total Beginning Fund Balance	4,121	2,921	2,921	3,521
Revenues:				
Mayor's Committee for Employment of the Handicapped	5,400	8,800	6,000	6,000
Subtotal	5,400	8,800	6,000	6,000
Total Revenues	5,400	8,800	6,000	6,000
<u>Use of Funds:</u>				
Expenditures:				
Mayor's Committee for Employment of the Handicapped	6,600	8,882	5,400	9,500
Subtotal	6,600	8,882	5,400	9,500
Total Expenditures	6,600	8,882	5,400	9,500
Ending Fund Balance				
Operating Contingency ^(A)	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	2,921	2,839	3,521	21
Total Ending Fund Balance	2,921	2,839	3,521	21

^(A) The Operating Contingency for the Trust Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

BUDGET BY FUND

TRUST FUNDS FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	3,521	21	-	-	-
Total Beginning Fund Balance	3,521	21	-	-	-
Revenues:					
Mayor's Committee for Employment of the Handicapped	6,000	6,000	6,000	6,000	6,000
Subtotal	6,000	6,000	6,000	6,000	6,000
Total Revenues	6,000	6,000	6,000	6,000	6,000
<u>Use of Funds:</u>					
Expenditures:					
Mayor's Committee for Employment of the Handicapped	9,500	6,021	6,000	6,000	6,000
Subtotal	9,500	6,021	6,000	6,000	6,000
Total Expenditures	9,500	6,021	6,000	6,000	6,000
Ending Fund Balance					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	21	-	-	-	-
Total Ending Fund Balance	21	-	-	-	-

^(A) The Operating Contingency for the Trust Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

BUDGET BY FUND

TRUST FUNDS
REVENUES & EXPENDITURES



Description

This fund is used to account for assets “held in trust” by the City. The City holds the funds in a trustee capacity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 34. All funds not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose. The City maintains the following Trust Fund:

Mayor’s Committee for Employment of the Handicapped

Fund Purpose

Used to account for proceeds for programs and activities to promote employment of handicapped individuals. The FY 2010/11 adopted budget for this trust fund is \$6,000 and will be distributed to individuals in accordance with the program guidelines.

Trust Fund Balance

All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding for the intended purpose.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

BUDGET BY FUND

GRANTS FUND SUMMARY



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Grant Description	FY 2010/11 Adopted Budget
CDBG	2,291,263
HOME	1,159,838
Section 8	6,642,546
ARRA Byrne JAG - Court Auto-Dialer	3,084
ARRA CDBG-R Admin & Planning	25,000
ARRA Energy Community Audit Rebate Program	207,000
ARRA Energy Citywide Audit Program	131,324
ARRA Energy Streetlight Replacements	535,190
Library State Grant In Aid	12,500
Preserve America	35,800
Police DEA Task Force	135,228
Police Click It or Ticket It	10,000
Police DNA Backlog Reduction Program	14,000
Partners for Paiute Neighborhood Center Playground	10,712
COS Awarded Grants	486
Can-Do-Fund	15,500
Library Community Baby Showers	3,000
Library Services to the Hispanic Community	5,000
Police Arizona Criminal Justice Commission Full Service Crime Lab Cycle 10	56,000
Gila River Indian Community Ryan House	100,000
2008/09 12% Revenue Sharing Gila River Indian Community	10,000
2006/07 12% Revenue Sharing Salt River Pima Indian Community	15,000
2007/08 12% Revenue Sharing Salt River Pima Indian Community	40,000
2008/09 12% Revenue Sharing Salt River Pima Indian Community	60,000
2009/10 12% Revenue Sharing Salt River Pima Indian Community	160,000
2009/10 12% Revenue Sharing Fort McDowell Indian Community	1,000
2007/08 12% Revenue Sharing Pascau Yaqui Tribe	5,000
Subtotal Grants:	11,684,471

Future Grant Description	FY 2010/11 Adopted Budget
Community Services: 12% Revenue Sharing Salt River Pima Maricopa Indian Community	800,000
Community Services: 12% Revenue Sharing Gila River Indian Community	50,000
Community Services: 12% Revenue Sharing Fort McDowell	100,000
Fire: Emergency Operations Center	600,000
Fire: Terrorism Liaison Officer Sustainment	30,000
Fire: Urban Areas Security Initiative, Ballistic Engineered Armored Response Vehicle	300,000
Police: Justice Assistance Grant	100,000
Police: Government Office of Highway Safety: Click It or Ticket It	50,000
Police: Government Office of Highway Safety Plan Grant	50,000
Police: Arizona Automobile Theft Authority Public Awareness Grant	12,000
Police: Arizona Criminal Justice Commission Full Service Forensic Crime Lab	132,000
Police: Arizona Criminal Justice Commission Coverdell Formula	15,000
Police: Arizona Criminal Justice Commission DNA Capacity Enhancement	30,000
Police: Governor's Office of Highway Safety Equipment	50,000
Police: General Grants	550,000
Library: Arizona Library Services & Technology Act (LSTA) Technology Grant	20,000
Library: Arizona Library Services & Technology Act (LSTA) Digitization Grant	30,000
Library: Arizona Library Services & Technology Act (LSTA) Programming Grant	30,000
Other Future Grants Citywide	10,410,176
Subtotal Grants:	13,359,176

Total Grants:	25,043,647
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BUDGET BY FUND

GRANTS FUND REVENUES



Grant Fund

Fund Purpose

This fund receives and expends the City's federal, state, and local grant revenues. The amount of grants received is generally based upon application to granting agencies by the City and through entitlement grants, contingent upon availability of funding by the grantors. Grant revenues may be used only for the stated purpose in the approved grant agreement and are subject to grantor expenditure guidelines and audits. The City will only expend grant funds that have been appropriately awarded by the granting agency and accepted in accordance with the City's grant policy.

The City aggressively seeks grant funding to leverage City funds to address priority program and service needs. The major areas of the grant revenue budget are noted below:

CDBG and Section 8 Housing

Community Development Block Grant (CDBG) and Housing Choice Voucher funds are awarded annually by the U.S. Department of Housing and Urban Development (HUD) through entitlement grants, based on formula allocations. These grant revenues may only be used for those projects specifically approved in the funding agreement meeting applicable federal regulations and are subject to agency expenditure guidelines and audits. Staff estimates the CDBG and Housing Choice Voucher allocations and prior year's carryover for FY 2010/11 to be \$2.3 million and \$6.6 million respectively for a total of \$8.9 million.

CDBG and Section 8 Housing

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$8.9	\$8.9*
2009/10	\$9.5	\$9.5*
2008/09	\$7.2	\$6.8
2007/08	\$7.5	\$7.5
2006/07	\$7.7	\$7.7

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HOME funds

HOME funds are received through the Maricopa County Home Consortium. Staff estimates the HOME allocation and prior year's carryover for FY 2010/11 to total \$1.2 million.

HOME Grants Revenue

Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/FORECAST*
2010/11	\$1.2	\$1.2*
2009/10	\$1.0	\$1.0*
2008/09	\$0.6	\$0.2
2007/08	\$0.6	\$0.2
2006/07	\$0.4	\$0.4

BUDGET BY FUND

GRANTS FUND REVENUES



Miscellaneous Federal, State and Local Grants

Miscellaneous Federal, State and Local Grants include grants for law enforcement, fire services, community services, transportation, preservation projects and future grants contingency. The budget for these grants is estimated to total \$14.9 million for FY 20010/11.

Miscellaneous Federal & State Grants Revenue Adopted Budget to Actual/Forecast* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ FORECAST*
2010/11	\$14.9	\$14.9*
2009/10	\$14.6	\$14.6*
2008/09	1.5	\$1.8
2007/08	\$11.3	\$1.4
2006/07	\$12.2	\$2.2

BUDGET BY FUND

GRANTS FUND EXPENDITURES



Community Development Block Grants and Section 8 Housing

Community Development Block Grants (CDBG) and Housing Choice Voucher funds are used for social and housing services for the elderly, disabled and low-income families. The FY 2010/11 combined adopted budget is \$8.9 million, reflecting a decrease of \$0.6 million from the FY 2009/10 adopted budget.

CDBG and Section 8 Housing Grant Expenditures Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$8.9	\$8.9*
2009/10	\$9.5	\$9.5*
2008/09	\$7.2	\$7.2
2007/08	\$7.5	\$6.6
2006/07	\$7.7	\$7.7

HOME funds

HOME funds are used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. The FY 2010/11 adopted budget is \$1.2 million, reflecting an increase of \$0.2 million from the adopted FY 2009/10 budget.

HOME Grant Expenditures Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$1.2	\$1.2*
2009/10	\$1.0	\$1.0*
2008/09	\$0.6	\$0.2
2007/08	\$0.6	\$0.2
2006/07	\$0.4	\$0.4

Miscellaneous Federal, State & Local Grants

Miscellaneous Federal, State & Local Grants are typically used for the purchase of equipment and services related to the law enforcement, fire services, community services, transportation, preservation projects and future grants contingency. The FY 2010/11 adopted budget of \$14.9 million reflects an increase of \$0.3 million from the FY 2009/10 budget.

Miscellaneous Federal & State Grant Expenditures Adopted Budget to Actual/Approved* (in millions)

FISCAL YEAR	ADOPTED BUDGET	ACTUAL/ APPROVED*
2010/11	\$14.9	\$14.9*
2009/10	\$14.6	\$14.6*
2008/09	\$11.5	\$1.6
2007/08	\$11.3	\$1.5
2006/07	\$12.2	\$1.9

BUDGET BY FUND

CIP FUNDS SUMMARY



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	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Source of Funds:				
Beginning Fund Balance	273,728.1	76,184.3	179,672.7	296,006.8
Revenues:				
Bonds/Contracts				
Bond Proceeds	-	-	-	-
General Obligation	-	50,800.0	50,800.0	-
General Obligation Preserve	-	-	-	200,000.0
Municipal Properties Corporation	-	-	-	-
Municipal Properties Corporation-Water	-	-	17,000.0	-
Municipal Properties Corporation-Sewer	-	-	58,000.0	-
Certificates of Participation	-	-	20,000.0	-
Pay-As-You-Go				
Water & Sewer Development Fees	-	6,667.0	3,172.6	3,410.0
Regional Transportation Sales Tax (Prop 400)	-	9,025.4	17,100.0	50,184.9
Grants	3,973.3	21,057.3	16,217.2	25,208.7
Intergovernmental	16,794.8	30.0	-	-
In-Lieu Fees	-	50.0	37.0	37.0
Other Contributions	9,409.4	33,402.1	3,900.0	21,284.0
Interest Earnings	10,055.0	5,099.2	3,574.7	2,006.8
Miscellaneous	471.8	-	75.0	-
Subtotals	40,704.3	126,131.0	189,876.5	302,131.4
Transfers In				
General Fund	12,790.4	10,550.0	11,702.8	2,239.2
Transportation Fund	15,393.8	7,242.2	7,529.1	7,707.0
Preservation Privilege Tax Funds	11,024.1	10,610.0	10,000.0	-
Bed Tax	-	-	-	-
GO Bond	60,041.1	-	-	-
Special Programs Fund	559.5	2,123.2	2,120.0	1,588.7
Aviation Fund	998.7	258.1	245.3	1,584.2
Water & Sewer Fund	114,470.9	72,240.3	45,552.8	47,062.0
Solid Waste Fund	471.1	1,131.6	1,131.6	1,469.4
Fleet Fund	-	41.4	763.3	31.2
Internal Service Funds	30.1	12.2	12.2	10.2
Subtotals	215,779.5	104,209.0	79,057.0	61,691.9
Total Revenues & Transfers In	256,483.8	230,339.9	268,933.5	363,823.4
Total Sources of Funds	530,212.0	306,524.2	448,606.3	659,830.1
Use of Funds:				
Program Expenditures				
Community Facilities	52,439.6	50,149.7	19,313.2	37,742.6
Preservation	11,458.2	142,381.0	2,562.4	208,232.7
Drainage & Flood Control	6,292.4	30,560.4	1,679.2	44,625.4
Public Safety	21,874.5	23,690.9	4,591.6	20,597.1
Service Facilities	12,983.2	34,643.0	32,918.0	18,354.9
Transportation	55,471.0	121,330.3	31,007.7	167,610.6
Water Management	71,438.5	166,673.9	35,080.5	180,506.5
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	231,957.6	569,429.2	127,152.6	677,669.8
Less: Estimated Capital Improvement Expenditures (35%)		(199,300.2)		(237,184.4)
Subtotal: Unexpended at Year End (65%)		370,129.0		440,485.4

BUDGET BY FUND

CIP FUNDS SUMMARY



	Actual 2008/09	Adopted 2009/10	Forecast 2009/10	Adopted 2010/11
Transfers Out				
To CIP General Fund	21,035.1	-	-	-
To Operating General Fund	-	9,000.0	9,000.0	3,571.8
To Fleet Capital Project Fund	-	-	1,352.8	-
To General CIP Fund - Bond Exp Reimb	46,293.3	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	13,747.8	-	-	-
To CIP Water & Sewer Funds	33,529.2	-	-	-
To Transportation Fund	2,121.6	-	-	249.0
To Aviation CIP	1,622.8	-	-	-
To Water & Sewer Operating Funds	150.6	13,886.2	15,094.2	15,689.3
To Solid Waste Enterprise Fund	73.0	-	-	-
Subtotal	118,581.6	22,886.2	25,447.0	19,510.1
Total Use of Funds	350,539.2	222,186.5	152,599.5	256,694.5
Liabilities with No Related Revenue/Expenditure	-	-	-	-
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	40,000.0	32,599.5	5,000.0
Capital Airport Grant Contingency ^(B)	-	5,500.0	5,500.0	5,500.0
Capital Water Contingency ^(B)	-	10,000.0	10,000.0	10,000.0
Bond 2010 Contingency	-	-	-	10,000.0
Reserved:				
Capital General Contingency ^(C)	2,625.2	10,000.0	9,011.7	4,500.0
Reserved Fund Balance	177,047.5	18,837.8	238,895.6	368,135.6
Total Ending Fund Balance	179,672.7	84,337.8	296,006.8	403,135.6

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(A) Prior year unexpended sources and uses of funds are estimated and included in Beginning Fund Balance (Sources) or by program (Uses). Prior year unexpended uses are estimated at 65% of prior year budget.

(B) Capital Grant Contingency, Capital Airport Grant Contingency and Capital Water Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2009/10 Capital Contingency will carry forward in the five year CIP financial plan up to \$4.5 million.

The annual \$4.5 million Capital Contingency in 2011/12 to FY 2014/15 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the contingency amount used and replenished in a fiscal year is considered contingency funding.

BUDGET BY FUND

CIP FUNDS FIVE-YEAR PLAN



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	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Source of Funds:					
Beginning Fund Balance	296,006.8	403,135.6	306,902.0	227,390.8	163,408.2
Revenues:					
Bonds/Contracts					
Bond Proceeds	-	-	-	-	-
General Obligation	-	-	-	-	-
General Obligation Preserve	200,000.0	-	-	-	-
Municipal Properties Corporation	-	6,525.0	-	-	-
Municipal Properties Corporation-Water	-	-	-	-	-
Municipal Properties Corporation-Sewer	-	-	-	-	-
Certificates of Participation	-	-	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	3,410.0	5,507.6	7,370.1	9,046.9	11,238.6
Regional Transportation Sales Tax (Prop 400)	50,184.9	5,800.0	13,000.0	-	-
Grants	25,208.7	4,843.2	3,245.0	2,100.0	300.0
Intergovernmental	-	-	-	-	-
In-Lieu Fees	37.0	37.0	37.0	37.0	37.0
Other Contributions	21,284.0	25,412.4	8,167.4	-	18,300.0
Interest Earnings	2,006.8	2,055.1	2,426.7	2,669.4	2,977.0
Miscellaneous	-	-	-	-	-
Subtotals	302,131.4	50,180.3	34,246.2	13,853.3	32,852.6
Transfers In					
General Fund	2,239.2	2,247.6	2,421.7	2,525.0	2,628.2
Transportation Fund	7,707.0	7,824.6	7,998.6	8,199.5	8,453.6
Preservation Privilege Tax Funds	-	-	-	-	-
Bed Tax	-	-	-	-	-
GO Bond	-	-	-	-	-
Special Programs Fund	1,588.7	1,060.0	33.5	60.0	70.0
Aviation Fund	1,584.2	214.1	482.8	6.2	8.7
Water & Sewer Fund	47,062.0	38,044.7	32,689.6	33,753.5	35,240.4
Solid Waste Fund	1,469.4	488.6	317.2	15.8	21.3
Fleet Fund	31.2	29.0	21.4	21.4	21.4
Internal Service Funds	10.2	8.3	6.1	6.3	6.0
Subtotals	61,691.9	49,917.0	43,970.9	44,587.6	46,449.5
Total Revenues & Transfers In	363,823.4	100,097.3	78,217.1	58,440.9	79,302.1
Total Sources of Funds	659,830.1	503,232.9	385,119.1	285,831.7	242,710.3
Use of Funds:					
Program Expenditures					
Community Facilities	37,742.6	600.0	50.0	50.0	50.0
Preservation	208,232.7	2,700.0	-	-	-
Drainage & Flood Control	44,625.4	11,270.2	8,247.4	80.0	80.0
Public Safety	20,597.1	722.8	623.8	747.0	970.2
Service Facilities	18,354.9	3,897.4	2,940.2	3,384.4	5,035.1
Transportation	167,610.6	31,320.4	34,146.6	14,095.0	6,575.0
Water Management	180,506.5	21,385.0	23,925.0	23,400.0	33,900.0
Prior Year Unexpended ^(A)	-	440,485.4	333,047.8	261,937.5	197,401.0
Subtotal	677,669.8	512,381.2	402,980.8	303,693.9	244,011.3
Less: Estimated Capital Improvement Expenditures (35%)	(237,184.4)	(179,333.4)	(141,043.3)	(106,292.9)	(85,404.0)
Subtotal: Unexpended at Year End (65%)	440,485.4	333,047.8	261,937.5	197,401.0	158,607.4

BUDGET BY FUND

CIP FUNDS FIVE-YEAR PLAN



	Adopted 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15
Transfers Out					
To CIP General Fund	-	-	-	-	-
To Operating General Fund	3,571.8	691.0	252.2	-	-
To Fleet Capital Project Fund	-	-	-	-	-
To General CIP Fund - Bond Exp Reimb	-	-	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	-	-	-	-	-
To CIP Water & Sewer Funds	-	-	-	-	-
To Transportation Fund	249.0	-	-	-	-
To Aviation CIP	-	-	-	-	-
To Water & Sewer Operating Funds	15,689.3	16,306.5	16,432.9	16,130.7	16,434.7
To Solid Waste Enterprise Fund	-	-	-	-	-
Subtotal	19,510.1	16,997.5	16,685.1	16,130.7	16,434.7
Total Use of Funds	256,694.5	196,330.9	157,728.3	122,423.5	101,838.7
Liabilities with No Related Revenue/Expenditure	-	-	-	-	-
Ending Fund Balance					
Capital Grant Contingency ^(B)	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	5,500.0	-	-	-	-
Capital Water Contingency ^(B)	10,000.0	-	-	-	-
Bond 2010 Contingency	10,000.0	-	-	-	-
Reserved:					
Capital General Contingency ^(C)	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	368,135.6	297,402.0	217,890.8	153,908.2	131,371.7
Total Ending Fund Balance	403,135.6	306,902.0	227,390.8	163,408.2	140,871.7

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(A) Prior year unexpended sources and uses of funds are estimated and included in Beginning Fund Balance (Sources) or by program (Uses). Prior year unexpended uses are estimated at 65% of prior year budget.

(B) Capital Grant Contingency, Capital Airport Grant Contingency and Capital Water Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2009/10 Capital Contingency will carry forward in the five year CIP financial plan up to \$4.5 million.

The annual \$4.5 million Capital Contingency in 2011/12 to FY 2014/15 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the contingency amount used and replenished in a fiscal year is considered contingency funding.

BUDGET BY FUND

TOTAL APPROPRIATION



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	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Source of Funds:								
Beginning Fund Balance/Reserve	\$ 37,186,112	\$ 21,773,080	\$ 15,739,088	\$ 62,767,369	\$ 33,270,679	\$ 3,521	\$ 296,006,800	\$ 466,746,649
Revenues								
Taxes - Local								
Privilege Tax (1.0%)	80,514,720							80,514,720
Privilege Tax - Transportation (.20%)		15,217,282						15,217,282
Privilege Tax - McDowell Preserve (.20%)		15,619,856						15,619,856
Privilege Tax - Preservation (.15%)		12,077,208						12,077,208
Privilege Tax - Public Safety (.10%)	7,809,928							7,809,928
Property Tax	24,713,673		37,910,300		750,000			63,373,973
Transient Occupancy Tax	10,591,667							10,591,667
Light & Power Franchise	8,200,000							8,200,000
Cable TV	3,300,000							3,300,000
Salt River Project Lieu Tax	140,000							140,000
Stormwater Water Quality Charge	888,890							888,890
Taxes - From Other Agencies								
State Shared Sales Tax	17,611,632							17,611,632
State Revenue Sharing	22,845,634							22,845,634
AZ STA/MCSD Revenue			337,144					337,144
Transportation								
Highway User Revenue Tax		13,814,970						13,814,970
Auto Lieu Tax	8,156,740							8,156,740
Proposition 400 Regional Sales Tax		300,000					50,184,900	50,484,900
Internal Service Charges								
Fleet Management					14,067,695			14,067,695
Self-Insurance					27,572,529			27,572,529
Licenses, Permits & Fees								
Building Permit Fees & Charges	8,220,000						3,410,000	11,630,000
Fire Service Charges	644,641							644,641
Business Licenses & Fees	1,709,167							1,709,167
Recreation Fees	3,360,000							3,360,000
WestWorld	2,610,500							2,610,500
Fines & Forfeitures								
Court Fines	7,277,439							7,277,439
Parking Fines	425,000							425,000
Photo Enforcement	1,756,727							1,756,727
Library Fines & Fees	322,000							322,000
Interest Earnings/Property Rental								
Interest Earnings	958,956	234,680		970,332	498,623		2,006,800	4,669,391
Property Rental	2,776,170							2,776,170
Utilities & Enterprises								
Water Charges				97,153,098				97,153,098
Effluent Sales				880,541				880,541
Sewer Charges				33,683,178				33,683,178
Refuse/Recycling				19,409,471				19,409,471
Airport				3,100,304				3,100,304
Other Revenue								
In-Lieu Fees							37,000	37,000
Grant & Trust		16,628,471				6,000	25,208,700	41,843,171
Streetlight Districts		574,387						574,387
Special Assessments			839,884					839,884
Miscellaneous	500,000	20,000		17,853,487	200,000		21,284,000	39,857,487
30-Day Tow Program	430,000							430,000
Capital Improvement Plan Cost Allocation	861,562	819,926						1,681,488
Reimbursements	405,000							405,000
Intergovernmental Revenue	850,584							850,584
In-Lieu Property Tax	1,752,180							1,752,180
Franchise Fee	6,813,584							6,813,584
Indirect/Direct Cost Allocation	12,742,338							12,742,338
Special Programs Revenue		6,765,825						6,765,825
Bond Proceeds							200,000,000	200,000,000
Spring Exhibition Surcharge			145,000					145,000
CIP Unexpended Year End							440,485,400	440,485,400
Less Internal Service Funds Offset					(35,698,232)			(35,698,232)
Subtotal	239,188,732	82,072,605	39,232,328	173,050,411	7,390,615	6,000	742,616,800	1,283,557,491
Cash Transfers In								
Operating Transfers								
From General Fund		7,043,926	7,433,088				2,239,230	16,716,244
From Special Revenue Funds			26,310,745				9,295,741	35,606,486
From Enterprise Funds	454,438	380,063					50,115,532	50,950,033
From Internal Service Funds							41,400	41,400
From Capital Improvement Fund				15,689,290				15,689,290
From Capital Improvement Fund - Operating Project	3,571,800	249,000						3,820,800
Subtotal	4,026,238	7,672,989	33,743,833	15,689,290	-	-	61,691,903	122,824,253
Other Activity								
Reserve Appropriations								
Operating Contingency / Reserves	28,688,646	11,910,176				10,000	35,000,000	75,608,822
Solid Waste				5,066,241				5,066,241
Aviation				4,436,278				4,436,278
Self-Insurance					5,750,000			5,750,000
Water/Sewer				17,058,835				17,058,835
Subtotal	28,688,646	11,910,176	-	26,561,354	5,750,000	10,000	35,000,000	107,920,176
Total Sources	271,903,616	101,655,770	72,976,161	215,301,055	13,140,615	16,000	839,308,703	1,514,301,920

BUDGET BY FUND

TOTAL APPROPRIATION



	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Use of Funds:								
Divisions								
City Clerk	1,189,115							1,189,115
City Attorney	5,979,807							5,979,807
City Auditor	827,586							827,586
City Court	4,669,882	1,363,190						6,033,072
Scottsdale City Council	616,489							616,489
City Manager	1,407,520							1,407,520
Community Services	37,353,595	2,336,378						39,689,973
Public Safety - Police	82,991,710	1,860,394						84,852,104
Public Safety - Fire	27,893,809							27,893,809
Public Works	17,659,448	14,935,409		15,659,117	15,385,171			63,639,145
Water Resources				65,354,670				65,354,670
Planning, Neighborhoods, & Transportation	16,997,179	12,188,783						29,185,962
Finance and Accounting	4,935,907			3,405,003	7,238,302			15,579,212
Human Resources	3,525,008	5,000			25,937,669			29,467,677
Information Technology	9,903,567							9,903,567
Economic Vitality	11,715,214	5,371,983		1,729,622				18,816,819
Administrative Services	2,816,220							2,816,220
Leave Accrual Payments	1,754,607	43,100			53,337			1,851,044
Estimated Personnel Savings from Vacant Positions	(3,000,000)	(135,000)			(237,034)			(3,372,034)
Bed Tax Encumbrance	1,245,141							1,245,141
Indirect/Direct Cost Allocation				12,742,339				12,742,339
Less Internal Service Fund Offsets					(35,698,232)			(35,698,232)
Subtotal	230,481,804	37,969,237	-	98,890,751	12,679,213	-	-	380,021,005
Grant and Trust Activity								
Grants		14,633,471						14,633,471
Trust and Special Districts		574,387				9,500		583,887
Subtotal	-	15,207,858	-	-	-	9,500	-	15,217,358
Capital Improvements								
Community Facilities							37,742,600	37,742,600
Preservation							208,232,700	208,232,700
Neighborhood Drainage and Flood Control							44,625,400	44,625,400
Public Safety							20,597,100	20,597,100
Service Facilities							18,354,900	18,354,900
Transportation Improvements							167,610,600	167,610,600
Water and Wastewater							180,506,500	180,506,500
Subtotal	-	-	-	-	-	-	677,669,800	677,669,800
Debt Service								
General Obligation Bonds			37,910,300					37,910,300
General Obligation Bonds-Preserve			19,609,640					19,609,640
Preserve Authority Revenue Bonds			6,701,105					6,701,105
Revenue Bonds				5,467,088				5,467,088
MPC Bonds			7,878,257	22,590,917				30,469,174
Special Assessment Bonds			839,884					839,884
Certificates of Participation	918,790							918,790
Certificates of Participation - Radio Financi	511,800							511,800
Contracts Payable	3,066,770	956,375						4,023,145
Subtotal	4,497,360	956,375	72,939,186	28,058,005	-	-	-	106,450,926
Other Activity								
Reserve Appropriations								
Operating Contingency	28,688,646	11,910,176				10,000	35,000,000	75,608,822
Solid Waste				5,066,241				5,066,241
Aviation				4,436,278				4,436,278
Self-Insurance					5,750,000			5,750,000
Water/Sewer				17,058,835				17,058,835
Subtotal	28,688,646	11,910,176	-	26,561,354	5,750,000	10,000	35,000,000	107,920,176
Total Budget	263,667,810	66,043,646	72,939,186	153,510,110	18,429,213	19,500	712,669,800	1,287,279,265
Cash Transfers Out								
Capital Improvement Program	2,239,230	9,295,741		50,569,970	41,400			62,146,341
Operating Transfers								
To General Fund							3,571,800	3,571,800
To Special Revenue Fund	7,043,926			380,063			249,000	7,672,989
To Debt Service Fund	7,433,088	26,310,745						33,743,833
To Enterprise Fund							15,689,290	15,689,290
Enterprise Transfers								
In-Lieu Property Tax				1,752,180				1,752,180
Franchise Fee				6,813,584				6,813,584
Subtotal	16,716,244	35,606,486	-	59,515,797	41,400	-	19,510,090	131,390,017
Total Uses	280,384,054	101,650,132	72,939,186	213,025,907	18,470,613	19,500	732,179,890	1,418,669,282
Revenue Over/(Under) Expenditures	(8,480,438)	5,638	36,975	2,275,148	(5,329,998)	(3,500)	107,128,813	95,632,638
Ending Fund Balance/Reserve	28,705,674	21,778,718	15,776,063	65,042,517	27,940,681	21	403,135,613	562,379,287



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

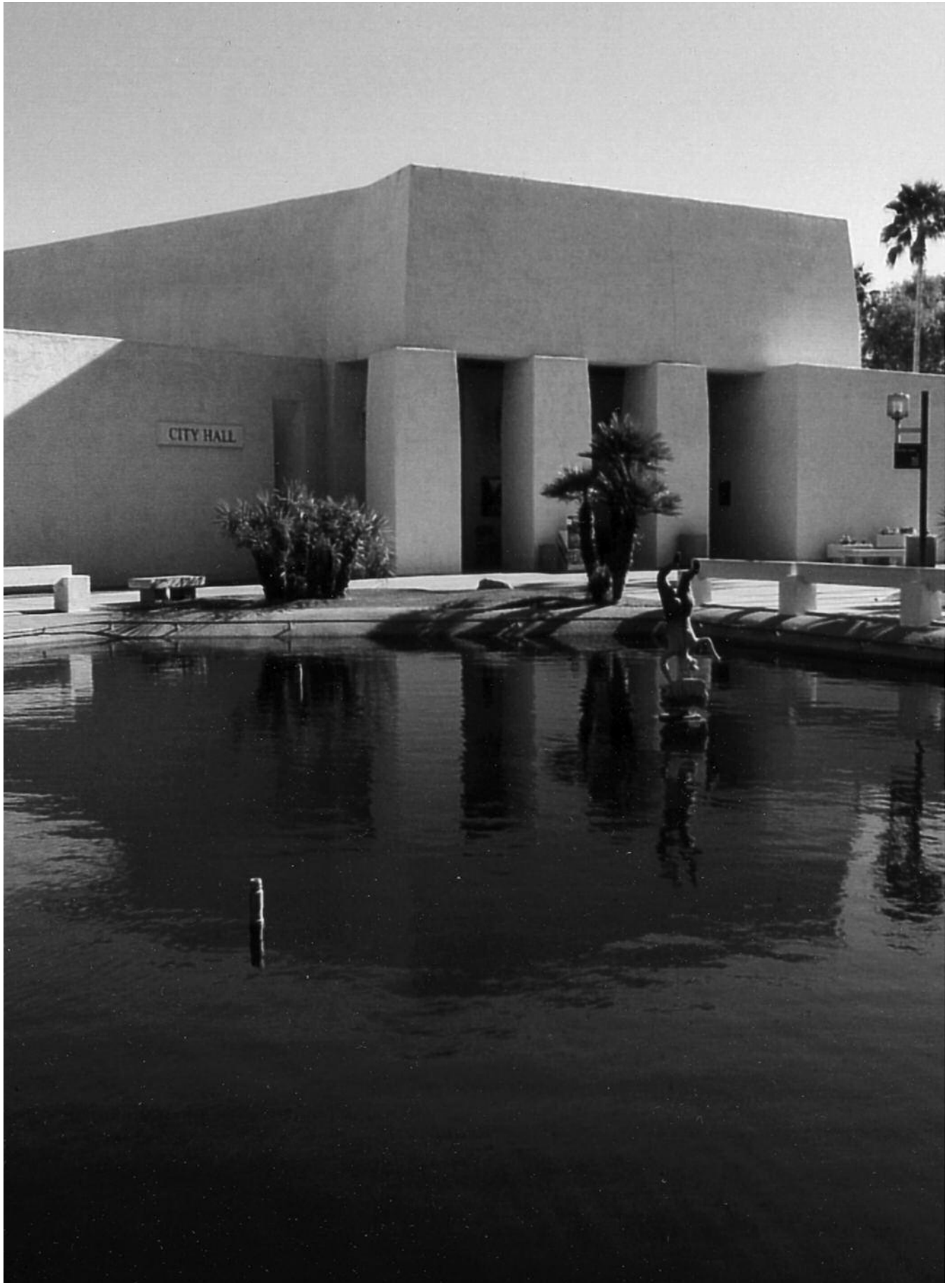


**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

CITY HALL

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SUMMARY BY DIVISION

MAYOR AND CITY COUNCIL



Mayor & City Council

The City Council shall enact local legislation, adopt budgets, determine policies and appoint charter officers as necessary and proper to serve Scottsdale citizens. These leadership responsibilities include establishing a mission, goals, programs, and policies to best serve the needs of Scottsdale.

This Year 2009/2010 Highlights

Balanced the budget without increasing taxes while dealing with a significant revenue shortfall.

The Charter Review Task Force recommendations were accepted by the City Council and the voters approved charter revisions.

The McDowell Road/South Scottsdale Economic Development Task Force report was accepted by the City Council.

Priorities for 2010/2011

The City Council's priorities continue to be neighborhoods, environmental sustainability and preservation, transportation, the economy, public safety, fiscal and resource management, and open and responsive government.

Continue to examine and adopt a fiscally sound budget that preserves the City's long-term fiscal stability.

Continue to pursue policies that preserve and enhance the quality of life and economic prosperity for the Scottsdale community.

Highlighted Changes

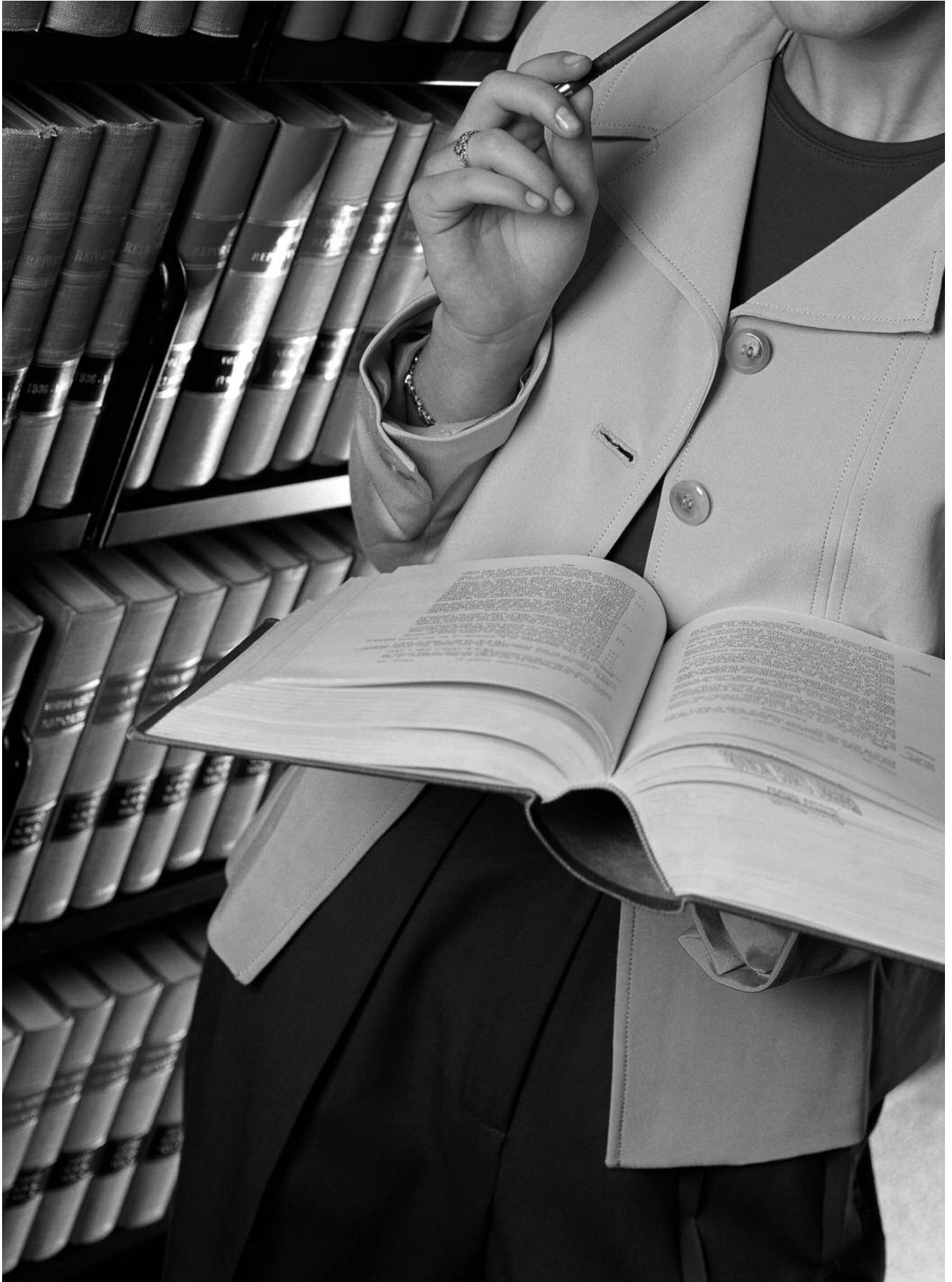
Mayor and City Council support staff was consolidated under the City Clerk to reduce the number of staff while maintaining adequate service levels.



Staff Summary				
	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	12.00	10.00	10.00	0.00
% of City's FTEs			0.39 %	

Funding Source				
	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	935,551	716,023	616,489	-99,534
Grants Fund	2,941	0	0	0
Total Division Budget	938,492	716,023	616,489	-99,534

Expenditures By Type				
	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	808,900	570,962	497,559	-73,403
Contractual Services	110,347	127,061	100,330	-26,731
Commodities	19,245	18,000	18,600	600
Capital Outlays	0	0	0	0
SubTotal Operating Budget	938,492	716,023	616,489	-99,534
Operating Projects	0	0	0	0
Total Division Budget	938,492	716,023	616,489	-99,534



City Attorney

The City Attorney is the chief legal advisor of all offices, departments and agencies and of all officers and employees in matters relating to their official powers and duties, and serves at the pleasure of the City Council. The office litigates civil claims and lawsuits filed on behalf of or against the City of Scottsdale and provides clients with legal advice to assist in preventing or limiting legal risks. In addition, the office prosecutes misdemeanor offenses in the City, including DUI, domestic violence, juvenile status offenses, minor traffic and other misdemeanor offenses. In addition to police and victim cases, the office supports code enforcement, zoning, fire code, tax & license, airport and photo radar violations. The office represents the City in all court proceedings required to prosecute offenders and to support the mission and goals of the City Council. Through the Victim Services program, the office provides legally mandated victim notification services as well as victim advocacy for victims of misdemeanor crime in Scottsdale.

This Year 2009/2010 Highlights

1. The City Attorney's office believes that training City employees on legal matters relating to their job performance results in fewer legal errors and in reduced legal exposure for the City. Consequently the office conducted the following training:

- Basic Real Estate training (12 hours) for City employees from Planning, CPM and other departments.
- Civil citation and courtroom procedures for Fire Department employees.
- Legal/legislative update training for 500 police officers and civilians.
- Contract Academy training for thirty-three employees.
- Council, Boards, and Commissions ethics training

2. City Attorney's Office's litigation included:

- Collection of \$168,356.56 during 2009 through revenue recovery.
- Resolution of 47 lawsuits
- Obtaining summary judgment and \$63,891 in an attorney fees award in the Arts District (Loloma) case.

3. The City Attorney's office involvement in major City projects included:

- Revising City's Streets, Floodplain, and Zoning ordinances.
- Revising the Water Resources Department's backflow and pretreatment code provisions.
- Drafting, reviewing and/or revising over 140 contracts and preparation of over 70 resolutions and ordinances.
- Interpreting and establishing purchasing and contracting procedures that address new statutes requiring E-Verify employment verification and the most recent immigration statute dealing with City contracts and public benefits.
- Redrafting and updating the City's standard purchasing contract templates.
- Drafting a new water treatment agreement with Carefree Ranch Homesteads.
- Negotiating a long term effluent sale agreement among the Sub-Regional Operating Group cities and Arizona Public Service.
- Negotiating for the sale of Planet Ranch and the transfer of associated water rights.
- Representing the City in complex telecommunication issues

Bruce Washburn
City Attorney





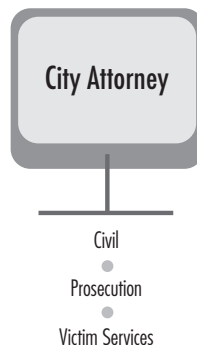
4. Prosecution Highlights:

- The City Prosecutor’s Office continued its efforts to maintain a strong cooperative team atmosphere by working with other city departments within the Criminal Justice Team. This group includes members of the Court and Police Department. It is vital for efficiency and productivity that all members of the City work together to develop cooperation between these team members whose work so vitally affects one another.
- In addition to its work in the Criminal Justice Team, the Prosecutor’s Office continued to work closely with other city departments such as Tax & License, Code Enforcement, Zoning and Fire. We also provide ongoing training for Police Officers. In addition, the office partnered closely with members of the Domestic Violence Team within the community to address issues that arise in these highly emotional and dangerous cases. The office works closely with Police, Probation and Victim Advocates to provide the safest environment possible and secure the best outcome for those involved.
- Maintained 96 percent (or better) compliance with Supreme Court mandates regarding resolution of all DUI cases within 180 days of initial filing. All legally mandated time limits for motions and appeals were also met.
- Several of the prosecutors were involved in community outreach throughout the year, traveling to school education and career fairs. Members of the office also participated in round table sessions with other legal professionals and as instructors and reviewers for training new prosecutors.

- Implementation of a document management solution continued. Upon completion, the system will reduce paper dependency and allow for easier transfer of appropriate information between departments.

5. Victim Services Highlights:

- Victim Advocates continue to make initial contact with all victims of domestic violence and DUI crimes. This outreach immediately assists victims and provides them with resources and education on the criminal justice process.
- The Victim Services Department believes that community education is an integral part of prevention. The department focused on education specifically surrounding domestic violence and teen dating violence. A display at the Civic Center library as well as informal discussion groups in the Teen Center focused on education and the availability of help through national and local resources. These activities took place during Domestic Violence Awareness month.
- Victim Services continues to work with members of Prosecution, Police, Police Crisis, City Court and various community agencies to meet the needs of victims in our community.



Priorities for 2010/2011

Continue to train City staff to prevent legal claims against the City. Additionally, at least one person in each City department will be trained to fully and promptly respond to Public Records Requests.

- Continue revenue recovery efforts.
- Continue to limit the use of outside counsel for civil legal matters.

Prosecution's priorities include:

- Continue resolving criminal matters in a competent and timely manner through effective prosecution processes.
- Continue to show consistency and fairness to all participants in our court system.
- Maintain open and effective communication to ensure an atmosphere of cooperation and teamwork with all of our city departments and team members.
- Continue strong community outreach so citizens of Scottsdale feel comfortable and secure in the fact that the office represents the community in a fair and just manner. Strive to make victims feel safe and to make the community feel comfortable working with the Criminal Justice Team.

Victim Services Priorities:

- Continue to maintain the highest level of service for victims/citizens within an environment of consistently increasing workload.
- Continue to meet legally mandated timelines for notification to victims.
- Maintain relationships with our criminal justice partners to ensure seamless response to crime victims.
- Increase community education by offering information on domestic violence and victims’ rights.

SUMMARY BY DIVISION

CITY ATTORNEY



Highlighted Changes

By reassigning work responsibilities, City Attorney's Office will continue to maintain open positions for a Deputy City Attorney and an Assistant City Attorney saving \$313,799.

City Attorney's office dedicated staff to administer citywide Public Records Requests

City Attorney's office dedicated staff to administer citywide public records requests.

Domestic Violence and DUI remain the two largest areas of prosecution. The number of cases in these areas is increasing as the legislature continues to increase penalties and law enforcement continues to improve their investigative skills. With the current economic en-

vironment, an increase in theft, assault and other victim crimes is evident. The prosecutor's office continues to strive to meet the needs of victims.

With a reduction in staff and a steady flow of cases, the office works hard each day to maintain quality services and just results.

The office continued strong teamwork with the Police Department and City Court to assure quality is maintained while caseloads continue to increase.

Victim Advocacy services are increasing in importance as the number of domestic violence victims also continues to increase. There is a direct correlation between the downturn of

the economy and the increased needs of victims. As a result, victim education, case management, and referrals to resources continue to be a significant function of the division. Victim Services also has seen an increased need to provide services to walk-in citizens, specifically to supply resources and assist with orders of protection.

By reassigning workload, Victim Services will maintain an open position for a part-time notification specialist, saving \$24,122.

Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	61.75	57.50	57.50	0.00
% of City's FTEs			2.26 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	6,220,155	6,363,097	5,979,807	-383,290
Total Division Budget	6,220,155	6,363,097	5,979,807	-383,290

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	6,058,212	5,775,412	5,422,111	-353,301
Contractual Services	84,573	501,455	469,502	-31,953
Commodities	77,370	86,230	88,194	1,964
Capital Outlays	0	0	0	0
SubTotal Operating Budget	6,220,155	6,363,097	5,979,807	-383,290
Operating Projects	0	0	0	0
Total Division Budget	6,220,155	6,363,097	5,979,807	-383,290



Performance Measures	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Customer satisfaction level Very Good or Excellent (1)	94%	97%	97%
Percentage of new lawsuits kept in-house. (2)	85%	92%	94%
Amount of revenue recovery and tax appeals	\$241,500	\$320,000	\$350,000
Number of Code Enforcement Abatements obtained from the court (3)	79	101	120
Number of contracts / ordinances and resolutions drafted, reviewed and/or revised	135/92	208/150	210/155
Average number of new files created per attorney	54	57	60
Average number of criminal cases per prosecutor	1,488	1539	1569
Percentage of citations reviewed by Prosecutors prior to 1st court date	100%	100%	100%
Percentage of cases resolved at 1st court appearance (4) where defendant appeared	45%	42%	43%
Number of victims served	3066	2852	2909
Number of victim notifications sent	8469	8146	8308
Percentage of victims satisfied with services (5)	98%	99%	98%

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1. Annual customer satisfaction survey sent this year to 236 individuals in various departments with 144 respondents.
2. Lawsuits sent to outside counsel include those with a conflict of interest, those requiring specialized expertise and large cases requiring more resources than the City Attorney's office can provide.
3. An abatement order is court authority to abate a public nuisance.
4. Defendant must appear for case to be resolved.
5. Victim satisfaction survey sent with all case dispositions.



**City of Scottsdale, Arizona
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City Auditor

The City Auditor conducts expanded scope audits to independently evaluate the operational efficiency and effectiveness, compliance and accountability of City departments, offices, boards, activities and agencies. The office conducts audits in accordance with generally accepted government auditing standards, which provide a framework for conducting high quality audits with competence, integrity, objectivity and independence.

This Year 2009/2010 Highlights

- Increased productivity by about 25 percent, with 16 audits/special reports completed scheduled for completion compared to 10 - 13 audits/special reports issued in each of the three previous years.
- Identified \$1.4 million in savings and/or revenue enhancements, while making 45 recommendations for improved controls and/or operational efficiencies or effectiveness.
- Established an Audit Follow-up Program to provide quarterly reports on the status of audit recommendations issued during the past 5 years, which encompassed 467 recommendations.
- Contributed approximately \$40,000 in vacancy savings and about \$5,000 in other cost savings for the City's FY 2009/10 budget.

Priorities for 2010/2011

- Develop an audit plan addressing the accountability, risks, and economy, efficiency and effectiveness of City programs and activities.
- Complete at least 90 percent of audits on the approved Audit Plan, which allows flexibility for unplanned changes or needs that may arise during the year.
- Develop meaningful recommendations to help City divisions, departments, offices, boards, and agencies identify cost savings, revenue enhancements, and operational efficiencies.
- Streamline and enhance internal processes to ensure efficient, effective and timely audits.

Highlighted Changes

- The FY 2010/11 budget does not change significantly from the prior year budget, continuing 7 FTE positions, office rent, internal City charges and a small amount of other expenses.



Sharron Walker
City Auditor

SUMMARY BY DIVISION

CITY AUDITOR



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	8.00	7.00	7.00	0.00
% of City's FTEs			0.27 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	996,880	815,564	827,586	12,022
Total Division Budget	996,880	815,564	827,586	12,022

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	769,662	704,032	718,450	14,418
Contractual Services	147,449	108,532	106,886	-1,646
Commodities	8,603	3,000	2,250	-750
Capital Outlays	71,166	0	0	0
SubTotal Operating Budget	996,880	815,564	827,586	12,022
Operating Projects	0	0	0	0
Total Division Budget	996,880	815,564	827,586	12,022

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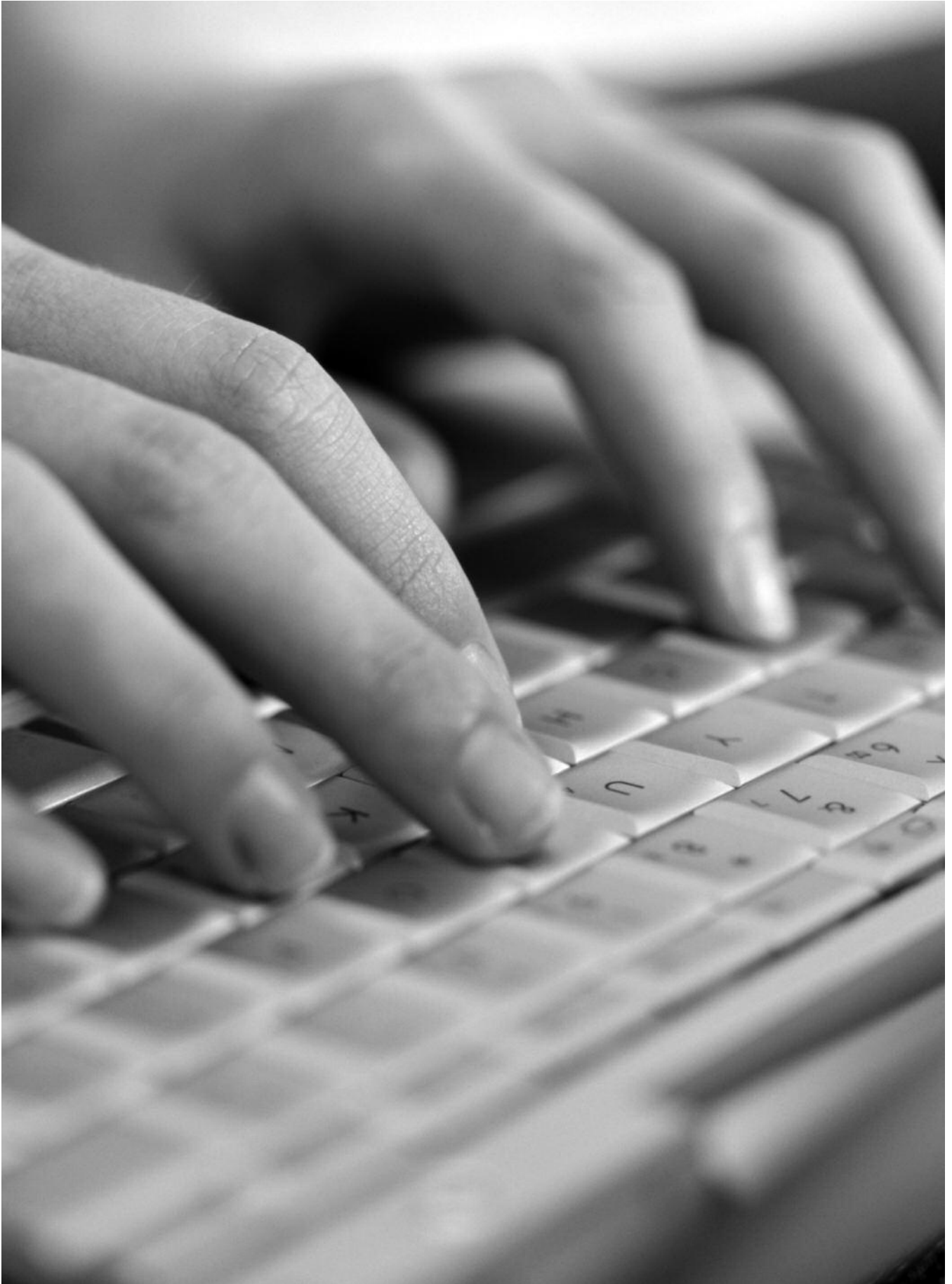
Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Number of audits and special reports issued	13	16	17
Percent of audits completed on the approved Audit Plan	87%	94%	90%
Two year audit recommendation implementation rate	N/A	95%	95%
Cost savings/revenue enhancements identified through audits	\$454,000	\$1,400,000	\$0



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One



City Clerk

The City Clerk conducts all local elections, gives notice of all Council meetings, keeps the record of Council proceedings, administers the City's Records Management Program, authenticates ordinances and resolutions, and provides administrative support to the Council. The Clerk's Office prepares and distributes Council meeting agendas, produces Council meeting minutes, preserves the permanent records of the City, ensures that legal requirements for the publication of ordinances and resolutions are met, and accepts legal filings on behalf of the City of Scottsdale.

This Year 2009/2010 Highlights

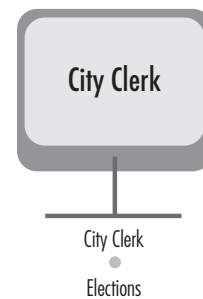
- Prepared and posted approximately 1,200 legal notices, and completed 79 sets of Council meeting minutes. All statutory requirements for posting and providing meeting notices were met.
- Submitted six propositions to the voters at a March 9, 2010 Special Election. Five propositions proposed changes to the City Charter relating to elections, and one proposition sought an increase in the City's Transient Lodging Tax. Scottsdale voters approved all six propositions.
- Trained and provided support to staff throughout the organization on the City's digital recording system. Board and Commission staff digitally record meetings, enabling the public to access the recordings at no cost on the City's website. Digital recordings reduce the need to produce detailed written minutes, saving money and staff time.
- Generated a projected \$50,000 in passport application processing revenue.
- Assumed responsibility for: providing administrative support to the Council; maintaining the Agenda Planner; and, coordinating the City's 42 boards, commissions, committees, and subcommittees.

Priorities for 2010/2011

- Comply with the Open Meeting Law and City policies by: ensuring notices of all public meetings are posted at least 24 hours in advance; completing and posting marked agendas on the City's website within three business days; posting approved minutes to the website within two business days; and posting recordings of Council meetings to the website within one business day.
- Accept legal filings on behalf of the City and forward to the Attorney's Office and appropriate staff the same day received.
- Administer the 2010 Scottsdale General Election to ensure it is conducted fairly, impartially, and without challenge; ensure all registered voter households receive candidate and election information pamphlets prior to the start of early voting and in compliance with State law; and ensure all election information and results are made available to the candidates and public in a timely manner.
- Continue efforts to improve efficiency and service delivery, while reducing costs.

Highlighted Changes

- The Clerk's Office converted a position from a Mayor/Council Assistant to a Clerk Assistant, which resulted in a \$40,000 reduction in salaries.
- The Clerk's Office returned \$97,000 at the end of FY 2009/10 as a result of cost savings efforts.



Carolyn Jagger
City Clerk

SUMMARY BY DIVISION

CITY CLERK



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	10.00	10.00	10.00	0.00
% of City's FTEs			0.39 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	1,156,255	1,212,987	1,189,115	-23,872
Total Division Budget	1,156,255	1,212,987	1,189,115	-23,872

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	899,697	792,012	738,693	-53,319
Contractual Services	249,641	414,500	443,947	29,447
Commodities	6,917	6,475	6,475	0
Capital Outlays	0	0	0	0
SubTotal Operating Budget	1,156,255	1,212,987	1,189,115	-23,872
Operating Projects	0	0	0	0
Total Division Budget	1,156,255	1,212,987	1,189,115	-23,872

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Number of Legal Postings	1158	1300	1300
Number of Minutes Prepared for City Council	71	80	80
Number of Passport Applications Processed	1924	2015	2000
Number of Council Reports Collected, Reviewed, Distributed and Posted to the Web	554	550	550
Number of Documents Scanned	1785	1919	1900
Number of Board and Commission Appointments	64	92	75
Number of Board and Commission Applications Processed	183	108	110
Number of Scottsdale Registered Voters	135991	143307	145000
Number of Publicity Pamphlets/Sample Ballots Mailed to Registered Voter Households	166137	86982	174000



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One





City Court

Scottsdale City Court, a municipal court, is part of the integrated judicial system for Arizona, and is the judicial branch for the City of Scottsdale. Scottsdale City Court serves the community by providing a dignified professional forum for the efficient resolution of cases. The court hears civil traffic and misdemeanor violations, petty offenses, City ordinance and code violations, and the issuance of orders of protection and injunctions against harassment.

This Year 2009/2010 Highlights

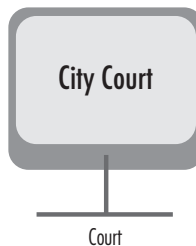
- During FY 2009/10, court staff levels decreased six percent while criminal case filings increased five percent, civil traffic filings increased two percent, on site customer visits increased 12 percent, phone call volumes increased three percent and the number of jury trials increased 700 percent from the prior year.
- Served on average day - more than 600 customers on site and more than 600 phone calls answered by staff. Scottsdale residents accounted for 37 percent of City Court cases; driving under influence (DUI) filings were the highest in Arizona, compared to other mid-size municipal courts.
- Identified and implemented efficient workflow processes for civil correspondence with an automated queuing system wherein filed motions are moved electronically from staff to judge.
- Focused on collections activities for current and delinquent outstanding balances through the: implementation of the Arizona Supreme Court FARE collection program, development of a new payment contracts module, and the development of the ARRA grant funded outbound call system.
- Continued deployment of technology including electronic document management, automated accessibility and court processing, and the installation of hardware and software in each courtroom.

Priorities for 2010/2011

- Establish Home Detention and Electronic Monitoring Program that allows non-violent DUI offenders to serve a portion of court ordered jail time in home detention with an electronic tracking system.
- Emphasize Scottsdale City Court's performance through external and internal reporting, enhanced performance measurement methods, timely statistics, and published reports.
- Enhance external customer accessibility and service demands by improving processes and redeploying staff to meet critical needs as they are identified.

Highlighted Changes

- Defer filling criminal judge and bailiff positions for period of two years resulting in an annual general fund savings of \$224,403.
- Implement electronic monitoring will result in an estimated general fund savings of \$500,000.
- Create and reinforce court order enforcement using staff, new processes, and technology deployment.



Monte Morgan
Presiding Judge

SUMMARY BY DIVISION

CITY COURT



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	66.38	62.48	62.48	0.00
% of City's FTEs			2.45 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	5,772,082	4,572,059	4,669,882	97,823
Grants Fund	0	6,840	3,084	-3,756
Special Programs Fund	413,648	1,382,120	1,363,190	-18,930
Total Division Budget	6,185,730	5,961,019	6,036,156	75,137

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	4,949,772	4,613,615	4,327,735	-285,880
Contractual Services	1,188,086	1,284,429	1,281,653	-2,776
Commodities	47,872	62,975	57,568	-5,407
Capital Outlays	0	0	0	0
SubTotal Operating Budget	6,185,730	5,961,019	5,666,956	-294,063
Operating Projects	0	0	369,200	369,200
Total Division Budget	6,185,730	5,961,019	6,036,156	75,137

SUMMARY BY DIVISION

CITY COURT

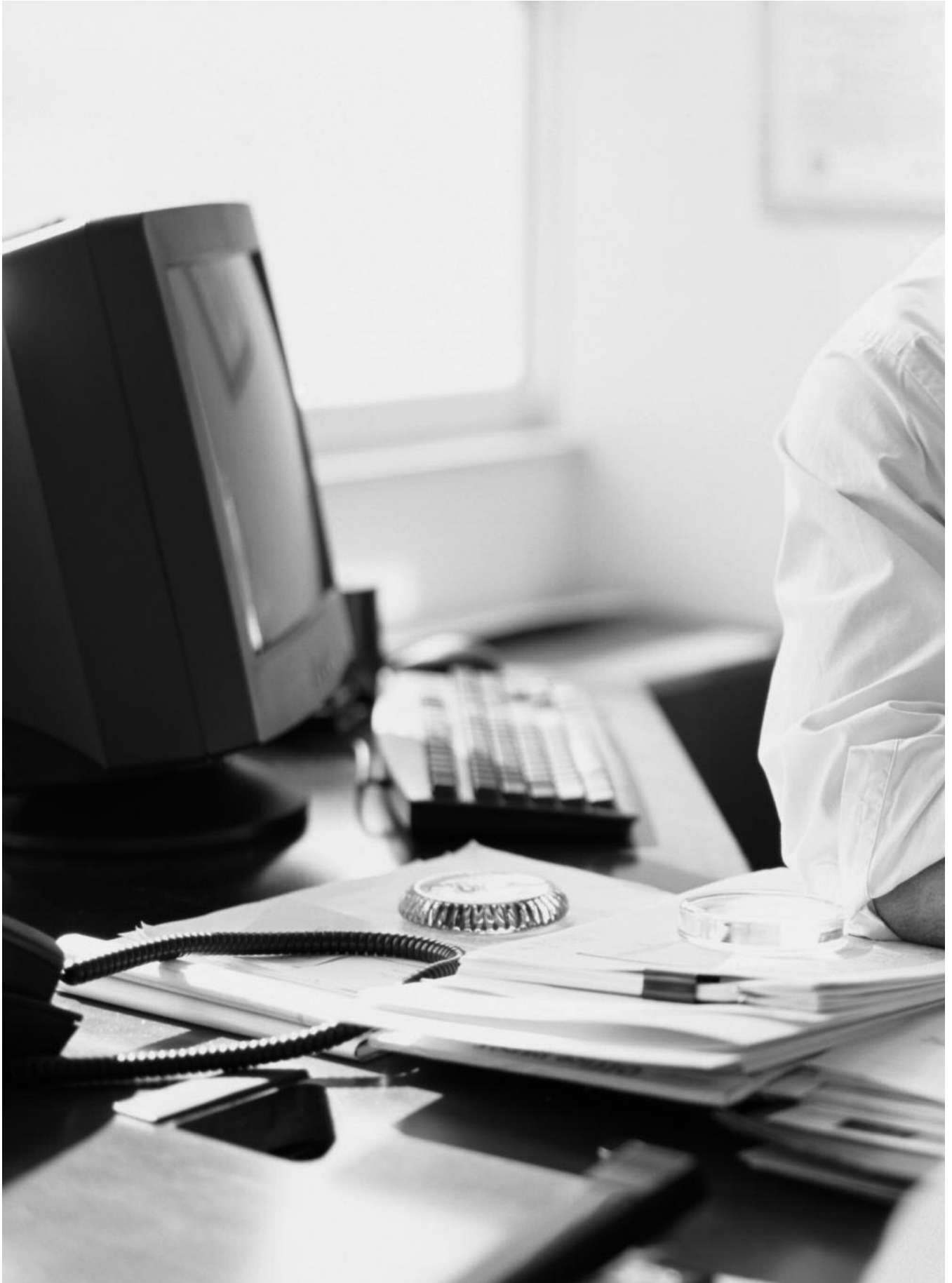


Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
CourTools © 1: Access and Fairness Survey (1)	82%	N/A	85%
CourTools © 2: Clearance Rates (2)	128%	105%	105%
CourTools © 3: Time to Disposition (3)	88%	89%	93%
CourTools © 4: Age of Active Pending Caseload (4)	95%	96%	97%
CourTools © 9: Court Employee Satisfaction (5)	98%	81%	90%
Total Cases filed per Judicial Officer (6)	11,664	12,786	13,041

The first five performance measures are CourTools © , developed by the National Center for State Courts, which are a set of ten trial court performance measures on court operations. Scottsdale City Court has begun to utilize some of these measures which are footnoted below to explain how they are compiled. The sixth measure is an internal work load statistic. The remaining five CourTools © will be implemented in FY 2010/11.

1. Court user ratings on court's accessibility and treatment of customers in terms of fairness, equality, and respect. (Average Ratings shown)
2. Number of resolved charges as a percentage of the number of charges filed.
3. Percentage of cases (DUI cases measured) disposed or otherwise resolved within 180 days from date of filing; standard is 93 percent of cases resolved within 180 days of filing.
4. Age of active cases (DUI cases measured) pending before the court, measured as the number of days from filing to report date; standard is the age of all DUI cases (percentage shown) to be equal to or less than 180-days.
5. Survey results to gauge employee perspective on the quality of the work environment and relations between court staff and management. Number of responses and response rate was 24 or 39% for FY 2008/09, and 34 or 52% for FY 2009/10. (Average ratings shown)
6. Total number of cases filed per Judicial Officer annually for six operational courtrooms (4 criminal and 2 civil)





City Manager

The City Manager's Office provides the organizational leadership necessary to successfully implement the policy direction of the City Council, communicate that direction to the organization, ensure the efficient and effective delivery of City services to Scottsdale's citizens, and to build and maintain effective working relationships with other governments.

This Year 2009/2010 Highlights

- Worked with City Treasurer to transition financial operations and collaborated on budget development process.
- Identified possible bond projects to support the City Council's decision-making process regarding a November 2010 bond election.
- Staffed City Charter Task Force review process to aid the City Council in making decisions on sending amendments to voters.
- Participated in national performance measurement effort for 17 service areas.
- Revitalization district bill proposed by Scottsdale and introduced by Rep. Reagan signed by Gov. Brewer into law.

Priorities for 2010/2011

- Maintain and enhance the economic and fiscal sustainability of the City while ensuring the City's strategic goals are accomplished.
- Continue implementation of performance management program to aid in improved policy and management decision-making processes.
- Ensure City Council meetings and decision-making processes are managed as effectively and efficiently as possible while maximizing public input opportunities.

Highlighted Changes

- Reduced staffing level by one government relations position by contracting for some state lobbying services.
- Funded an enhanced performance management program, including the addition of citizen and employee surveys to gain additional feedback on customer satisfaction with services.



City Manager's Office
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Government Relations

David Richert
City Manager



SUMMARY BY DIVISION

CITY MANAGER



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	9.00	8.00	7.00	-1.00
% of City's FTEs			0.27 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	2,240,840	1,609,862	1,407,520	-202,342
Total Division Budget	2,240,840	1,609,862	1,407,520	-202,342

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	2,428,465	1,234,784	957,794	-276,990
Contractual Services	-205,963	354,728	430,376	75,648
Commodities	18,338	20,350	19,350	-1,000
Capital Outlays	0	0	0	0
SubTotal Operating Budget	2,240,840	1,609,862	1,407,520	-202,342
Operating Projects	0	0	0	0
Total Division Budget	2,240,840	1,609,862	1,407,520	-202,342

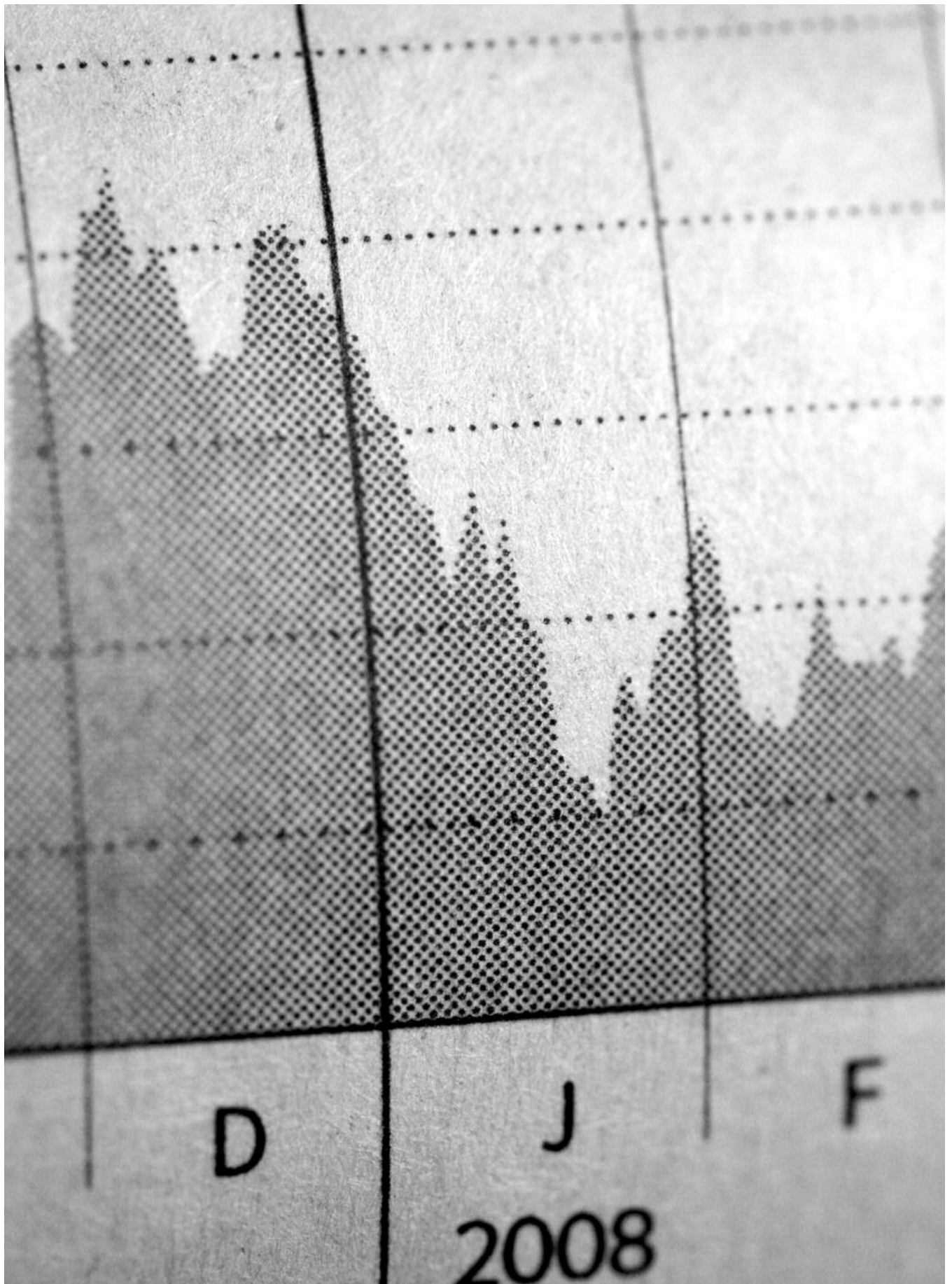
Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Population Estimate	240,124	242,337	243,501
Citywide Full-Time Equivalents	2,808	2,538	2,546
Citywide Full-Time Equivalents per 1000 residents	11.7	10.5	10.5
Personnel Costs per Full-Time Equivalent	\$83,509	\$80,223	\$78,178
Program Operating Budget (All Funds)	\$464,065,160	\$425,040,874	\$416,766,246
Program Operating Budget expense per resident	\$1,933	\$1,754	\$1,712



**City of Scottsdale, Arizona
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Program Operating Budget - Volume One





City Treasurer — Finance & Accounting Division

The City Treasurer's Office coordinates the Finance and Accounting departments and is primarily responsible for providing City Council and City management with timely financial reports and analysis and current information about economic conditions and their potential fiscal impact on Scottsdale.

This Year 2009/2010 Highlights

- Introduced enhanced automation with a web based report manager to enable timely financial reporting. Financial reports are now available on the City's intranet site.
- Staff assigned to Accounts Payable were reduced by one-third, even though the number of payments to be processed has remained steady. Accuracy of payments remains of highest priority.
- The Federal Trade Commission's Red Flag program, which required utility providers to maintain and identify their theft prevention program, was approved and fully implemented.
- The water meter reading team, in partnership with Water Resources, equipped another 3,500 water meters with automated meter reading technology.
- Earned the Government Finance Officers Association Distinguished Budget Presentation Award for the City's FY 2009/10 budget.

Priorities for 2010/2011

- Identify major policy issues for City Council which impact the City's financial sustainability.
- Seek optimum financial structure to mitigate debt service costs while reinforcing the city's solid standing with credit rating agencies and maintain or improve Scottsdale's excellent bond ratings.
- Assist in developing the November 2010 bond program to address the City's major infrastructure needs.
- Utility Billing will implement additional services for accepting payments online for utility bills via the Automated Clearing House — an electronic network for financial institutions.
- Continue to increase the number of water meters that are equipped with the automated meter reading technology.

Highlighted Changes

- Eliminated the Assistant City Treasurer position and replaced it with a Senior Budget Analyst, Accounting Coordinator, and Administrative Assistant all at a net budget impact of \$0.
- The deletion of the AutoPay program and significant reduction in allowance of credit card payments will produce an estimated savings of \$282,000 in the Water/Sewer Enterprise Funds.



David Smith
City Treasurer

SUMMARY BY DIVISION

CITY TREASURER



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	110.50	92.50	94.50	2.00
% of City's FTEs			3.71 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	6,171,390	5,051,568	4,935,907	-115,661
Self Insurance Fund	7,585,888	7,601,123	7,238,302	-362,821
Sewer Fund	849,319	778,852	765,978	-12,874
Solid Waste Management Fund	849,475	778,852	765,978	-12,874
Water Fund	2,280,199	2,003,537	1,873,047	-130,490
Total Division Budget	17,736,272	16,213,932	15,579,212	-634,720

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	8,721,862	6,772,637	6,574,150	-198,487
Contractual Services	8,736,337	9,270,822	8,852,442	-418,380
Commodities	278,005	168,973	152,620	-16,353
Capital Outlays	68	1,500	0	-1,500
SubTotal Operating Budget	17,736,272	16,213,932	15,579,212	-634,720
Operating Projects	0	0	0	0
Total Division Budget	17,736,272	16,213,932	15,579,212	-634,720

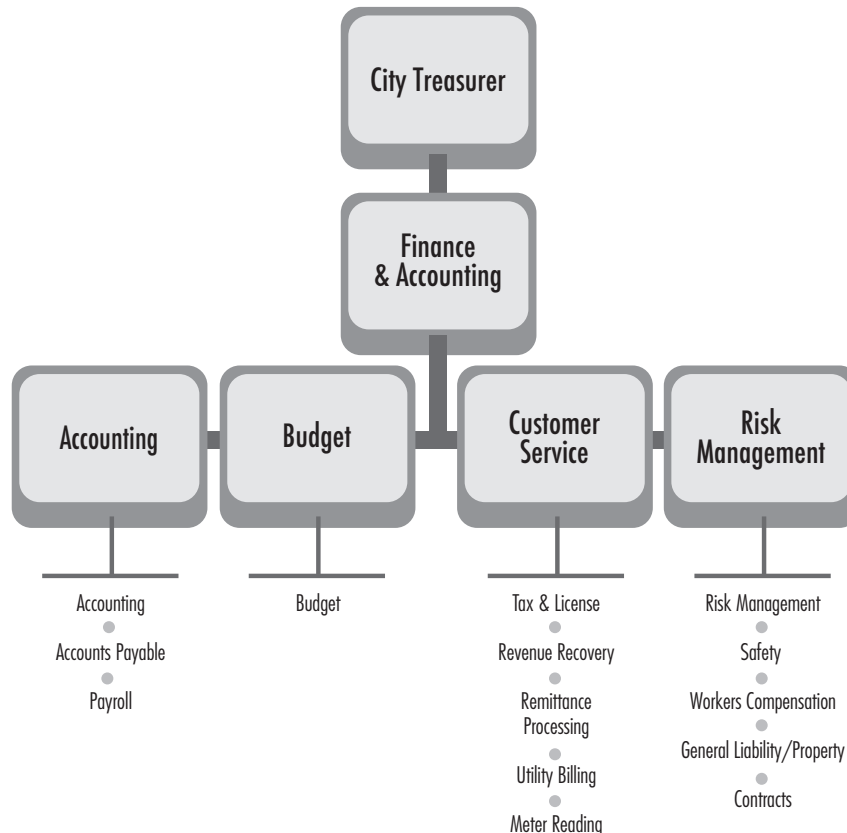
SUMMARY BY DIVISION

CITY TREASURER



Performance Measures	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Risk Management budget as a percentage of total City divisional budgets. Goal is less than 2.00%.	1.65%	1.75%	2.00%
Citywide - Total Injury Incident Rate per 200,000 hours worked	5.53	4.92	4.75
Citywide - Number of worker days lost to injury per 200,000 hours worked (1)	2.30	1.59	1.50
Average number of working days to post Monthly Financial Report to the City's webpage.	20.4	14.8	13.0
Scottsdale Portfolio Yield to maturity at cost versus average two year Treasury yield	3.83% vs 2.77%	2.53% vs 1.18%	1.10% vs 0.80%
Write-offs as a percent of total revenue collected	0.36%	0.50%	0.50%
Monthly water meters read per Full Time Equivalent	6,724	7,468	7,470
Total Customer Service customer contacts per Full Time Equivalent	5,891	6,366	6,300
Total number of remittance payments processed per Full Time Equivalent	106,359	132,496	132,850
Number of Tax & License transactions per Full Time Equivalent	9,111	9,286	9,370

The Finance and Accounting Division's net operating expenses are 3.1% of the City's total operating budget.
 1. This reporting industry standard measure is used by the federal Occupational Safety and Health Administration.







Administrative Services

Tax Audit Section: Promotes accurate and timely payment of privilege, use, and bed tax self-assessments by taxpayers through education programs; provides guidance in tax code interpretations; evaluates local economic strength through analysis of privilege, use, bed, and property tax collections; and develops innovative solutions that will ensure the City's financial stability.

Purchasing Services is responsible for the timely and best value acquisition and/or facilitating the acquisition of all materials, services, and construction required by the City and assists various contract administrators throughout the City. The section will continue to implement flexible procurement processes, secure long-term contracts, advantageous pricing arrangements and educate City staff about best value procurement methods. The Stores/Warehouse Operations service area maintains, dispenses, and delivers inventory items, manages surplus property disposition and is the primary receiving point for the delivery, inspection, and re-delivery of items procured through the City's purchase order system. Our Graphics, Printing and Mail service area provides a variety of internal services to assist City departments with all internal mail and incoming & outgoing postal mail, graphic design, print production and CD duplication as well as production and processing of utility billings.

This Year 2009/2010 Highlights

- Tax Audit Section: Conducted more than 350 audits/write-ups and compliance reviews, which included continuation of a project to ensure proper reporting of taxes under the speculative building classification. The projected tax collections for 2009/10 are approximately three to four times the cost to fund the Tax Audit Section.
- Tax Audit Section: Continued to provide revenue forecasts to budget staff for privilege/use and bed taxes.
- Purchasing Services: Received the National Procurement Institute Award for Excellence in Procurement for the 11th consecutive year.
- Purchasing Services (Graphics & Printing): New digital production equipment has enabled staff to bring a number of large projects back in-house, thus providing several benefits to the City in addition to cost savings (i.e. all carbonless forms, all business card shells, and all stationery).
- Purchasing Services: Continued to provide an excellent level of support services with a 13 percent staff reduction.

Priorities for 2010/2011

- Tax Audit Section: Provide taxpayer education through audit and review of taxpayer records to ensure tax code requirements are upheld.
- Tax Audit Section: Provide privilege, use, and property tax data to internal and external customer, including revenue forecasts to Budget staff.
- Purchasing Services: Complete the implementation of solicitation boilerplate and document management improvements that include review, approval, and retention processes.
- Purchasing Services (Graphics & Printing): Provide a full service professional print center that delivers a high quality and cost efficient product using City assets, ensuring that City print projects are designed and produced to specifications which allow 90 percent of projects to remain in-house.
- Purchasing Services (Mail): Improve Citywide efficiency so that mailing services achieve the goals set forth in developing the FY 2010/11 budget.



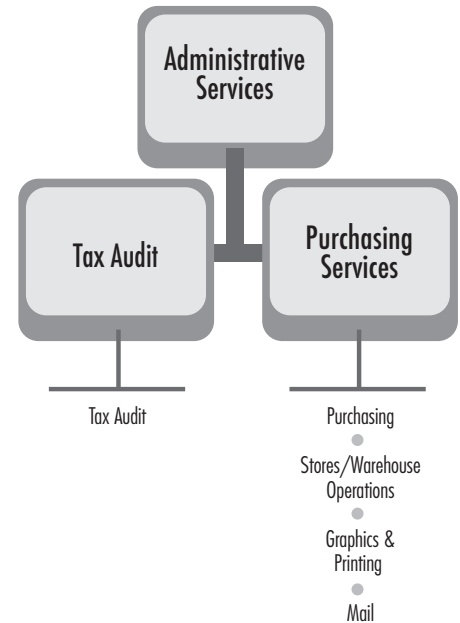
David Ellison
Assistant City Manager



Highlighted Changes

- **Tax Audit Section:** Nine employees are in the section: one Tax Audit Manager, four Senior Tax Auditors, one Tax Auditor, and three Audit Associates. An Audit Associate retired in September 2009 and a Tax Auditor was hired in December 2009 to fill the vacant position, which is an underfill of a Sr. Tax Auditor position. The Tax Audit Section was assigned from the Financial and Accounting Division to the Administrative Services Division in December 2009.
- **Tax Audit Section:** A project was launched to ensure privilege taxes are being paid on speculative builder houses in which foreclosures have occurred. The Model City Tax Code requires payment of such taxes by successors.

- **Purchasing Services:** Previously part of the Financial Management Division, now part of the Administrative Services Division reporting to the Assistant City Manager.
- **Purchasing Services (Graphics & Printing):** Printing needs have become increasingly more specialized, while still requiring a cost efficient method to produce. The flexibility of using updated Digital print press technology allows a faster and more cost effective in-house operation resulting in an overall savings to the City.
- **Purchasing Services (Mail and Stores/Warehouse Operations):** With reduced staffing and removal of the City's x-ray scanning equipment, the City has resumed receiving packages directly at each location (as was the case five years ago).



SUMMARY BY DIVISION

ADMINISTRATIVE SERVICES



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	38.50	35.00	35.00	0.00
% of City's FTEs			1.37 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	3,414,922	3,135,881	2,816,220	-319,661
Total Division Budget	3,414,922	3,135,881	2,816,220	-319,661

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	2,655,113	2,456,954	2,380,589	-76,365
Contractual Services	606,121	435,508	221,338	-214,170
Commodities	153,687	243,419	214,293	-29,126
Capital Outlays	0	0	0	0
SubTotal Operating Budget	3,414,922	3,135,881	2,816,220	-319,661
Operating Projects	0	0	0	0
Total Division Budget	3,414,922	3,135,881	2,816,220	-319,661

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Audits and Compliance Reviews	373	357	365
Audit Collection Per Dollar of Cost	\$3.40	\$3.57	\$3.00
Number of Purchase Orders Processed	6,234	5,748	6,000
Dollar Value of Purchase Orders Processed	\$179M	\$154M	\$175M
Percent of Contract Administrators trained in the Contract Administrators Academy	20% (60/296)	43.5% (129/296)	64% (189/296)
Number of Warehouse Items Issued	12,483	11,384	12,000
Dollar Value of Warehouse Items Issued	\$841,133	\$676,707	\$680,000
Orders Received and Re-delivered by Warehouse	11,708	7,626	8,000
Surplus Property Pick-up Requests	395	359	390
Number of Graphic Requisitions Processed	2,749	2,430	2,600
Number of Impressions processed by Graphics & Printing	6,750,000	6,038,136	6.5M
Number of Pieces of USPS and Inter-office Mail Processed	7,409,500	7,714,000	7.8M





Community Services

The Community Services Division strives to improve and preserve Scottsdale's quality of life by providing citizens with safe and highly maintained facilities and offering programs and services that focus on family interaction, cultural enrichment, community involvement, and the development of lifetime skills and healthy lifestyles. The division provides assistance and guidance to those in need and links citizens with information resources throughout the world.

The Community Services Division consists of four service areas: Preserve Management; Human Services; Parks and Recreation; and Library Systems. Preserve Management operates and manages the Scottsdale McDowell Sonoran Preserve consisting of more than 16,000 acres of dedicated open space including more than 60 miles of multi-use trails and 10 trailhead/parking facilities. Human Services operates two senior centers, Paiute Neighborhood Center, Vista del Camino and the Community Assistance Office. Parks and Recreation operates and manages 41 parks, four aquatic centers, four fitness centers, five community centers, two tennis centers, two skate facilities, eight urban lakes, three off-leash areas, three specialty parks, and maintains more than 400 acres of medians and rights-of-way. Library Systems consists of five libraries: Civic Center, Mustang, Palomino, Arabian and Appaloosa.

This Year 2009/2010 Highlights

- Number of Scottsdale youth and teens served in Recreation Programs provided by Human Services and Parks and Recreation: Youth Sports 2,170; Adapted Recreation 1,629; Afterschool & Summer Programs 4,548; and Summer Youth Volunteer Program 210.
- Human Services provided \$5.5 million to landlords for rental assistance for low-income tenants; more than 11,000 residents benefited from case management and supportive intervention sessions; 8,400 residents visited the career center or attended a career workshop. Seniors benefited from increased fitness center utilization and residents were seen more quickly by backfilling canceled emergency services appointments.
- Opened Appaloosa Library, and key usage measures in all libraries increased: attendance increased 10 percent, circulation 12 percent, new customers 15 percent and computer usage 23 percent.

- Parks and Recreation opened Phase 1 of Grayhawk Community Park by hosting the Senior Softball World Series. Highlights of key demand areas include: Teen Employment career counseling intakes increased 65 percent; citizens seeking assistance for outreach and outreach resources for individual alcohol education/risk assessments, individual life skills and parenting/family issues increased by 58 percent; learn-to-swim lessons up over 13 percent; Adapted Recreation Services has seen a 33 percent increase in overall program registration; Youth and Adult Sports registration is up just over one percent and participation at aquatic and fitness centers is up almost seven percent.
- Completed the ADA accessible Bajada Nature Trail at the Gateway trailhead. Began the design process for the Tom's Thumb Access Area. Established a Commercial Permit policy for guided hikes and trail rides in the Preserve. Constructed and signed five miles of rock climbing access routes in conjunction with the Arizona Mountaineering Club.

Bill Murphy
Executive Director





Priorities for 2010/2011

- Actively pursue alternative means of service delivery including growing volunteer base, enhancing revenue opportunities and fostering cooperative community relationships.
- Meet increased human service demands in the areas of crisis assistance, independent living challenges and social wellbeing for families and adults living on their own by providing basic necessities such as food, clothing, utility, rent/mortgage and by mitigating the causes of poverty and supporting independent living through support groups, case management, job search/career building, health / wellness activities and socialization.
- Complete remodel design and begin construction of the Civic Center Library entrance and automated check-in and public computer areas, improving service efficiencies for customers and staff.
- Preserve Scottsdale's unique lifestyle and character through development of park projects (McCormick-Stillman Railroad Exhibit, ADA Renovation of Eldorado ball field Restroom and Troon North Park); support economic vitality through an

economic feasibility study of City recreation amenities and fostering critical partnerships with San Francisco Giants, Phoenix Thunderbirds and Scottsdale Charros; seek sustainability through budget efficiencies, accounting practices, outsourcing opportunities and managed competition; aggressively pursue organizational re-accreditation as a nationally recognized mark of distinction while maintaining excellence in our recreation programs, services and parks maintenance efforts.

- Update the Preserve Strategic Acquisition Plan including funding, land values, priorities and operations. Acquire 2,000-acre Preserve parcel from Arizona State Land Department (ASLD). Finalize agreement with ASLD regarding trail maintenance and operations for the northern Preserve. Begin design on Alma School access area. Complete design and begin construction of the Tom's Thumb Access Area at the north end of the McDowell Mountains. Continue to advance the City's partnership with the McDowell Sonoran Conservancy. Begin issuing permits to commercial entities for use of the Preserve for activities such as guided hikes and trail rides.

Highlighted Changes

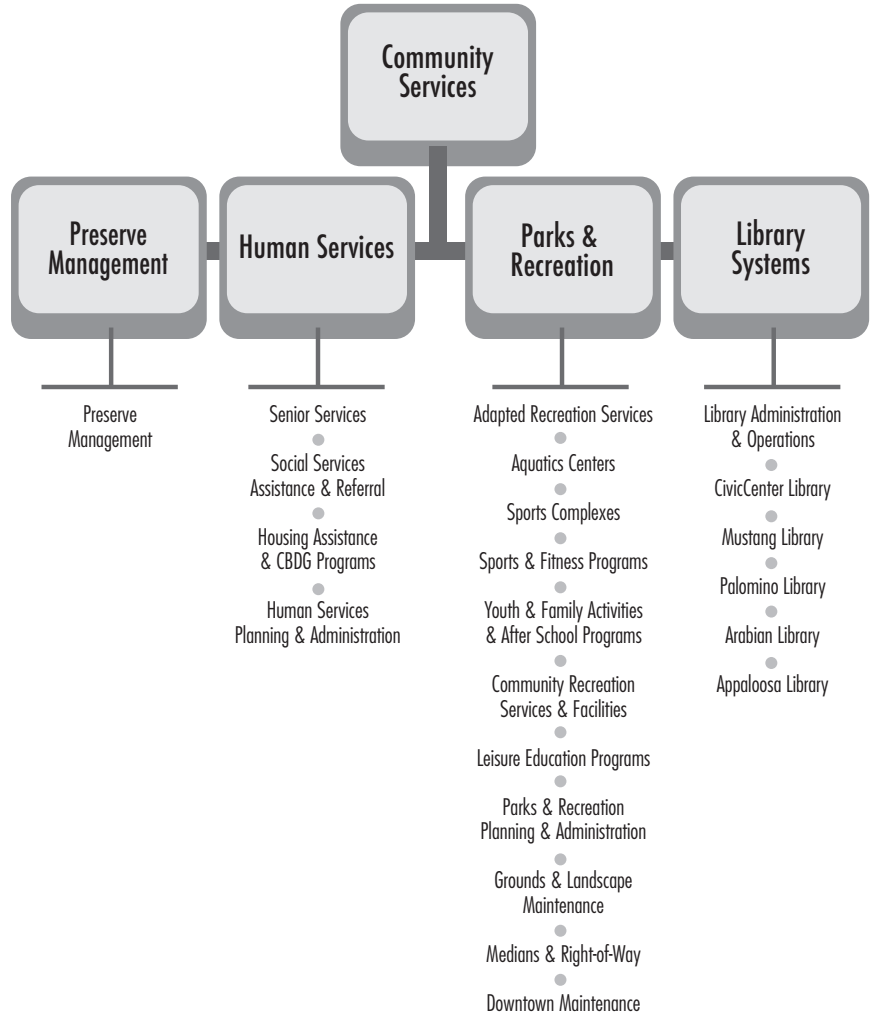
- Community Services' General Fund operating budget for FY2010/11 decreased \$1.2 million from the FY 2009/10 approved budget and was reduced by 2.74 full-time equivalent (FTE) positions. The FY2010/11 General Fund budget is \$6.1 million, or 15%, less than FY 2008/09 total expenditures and is 56.60 FTE, or 10.4%, less than FY 2008/09.
- Human Services completed the Housing & Human Services Five-Year Consolidated Plan, including a Human Services Strategic Plan, based on community feedback used to prioritize programs. Efficiencies such as utilization of volunteers, shared use of staff across service areas and staggered work schedules allowed staff to meet the 21 percent increased demand for services with an 11 percent reduction in FTE.
- Centralized selection of library materials, saving 1.5 FTE and increasing the amount of outsourced materials cataloged and processed from 30 percent to 80 percent.

SUMMARY BY DIVISION

COMMUNITY SERVICES



- Appaloosa Library purchased one automated sorter allowing customers to check in items they are returning. This sorter presorts over 10,000 items per month, reducing staff ergonomic issues and allowing 1.5 FTE to focus on customer service. Sorters for Mustang and Civic Center libraries will be purchased next in order to continue streamlining operational activities and further enhance customer service.
- With financial resources reduced by \$3.8 million from FY 2008/09 to FY 2010/11, Parks and Recreation leadership will continue pursuing new and creative sources of funding in the coming year including seeking sponsorships and donations. Additional operating efficiencies include: negotiating reductions in service and commodity contracts; eliminating program redundancies; implementing staffing model changes; transitioning turf to xeriscape for water conservation and cost reductions; and continual evaluation of maintenance operation and service delivery.



SUMMARY BY DIVISION

COMMUNITY SERVICES



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	543.08	489.32	487.58	-1.74
% of City's FTEs			19.15 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
CDBG Fund	959,051	2,337,089	2,291,263	-45,826
General Fund	43,417,063	37,879,504	37,353,595	-525,909
Grants Fund	965,148	403,000	462,198	59,198
Home Fund	180,594	1,000,264	1,159,838	159,574
Section 8 Housing Fund	6,230,134	7,205,858	6,642,546	-563,312
Special Programs Fund	1,961,923	2,594,991	2,336,378	-258,613
Total Division Budget	53,713,912	51,420,706	50,245,818	-1,174,888

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Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	33,435,466	28,075,967	26,893,971	-1,181,996
Contractual Services	16,054,633	18,617,971	18,127,173	-490,798
Commodities	4,133,930	4,567,768	4,507,607	-60,161
Capital Outlays	89,883	159,000	71,867	-87,133
SubTotal Operating Budget	53,713,912	51,420,706	49,600,618	-1,820,088
Operating Projects	0	0	645,200	645,200
Total Division Budget	53,713,912	51,420,706	50,245,818	-1,174,888



Performance Measures	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
1. Citizen visits to Parks and Park Programs per capita	20.6	19.9	20.3
2. Acres of Parks and Medians maintained per employee (1)	13.0	14.2	14.2
3. Park Acres per 1,000 population (2)	.04	.06	.06
4. Library registered borrowers as a percentage of Scottsdale population (3)	72%	60%	65%
5. Library check-out rates per capita	15.0	16.4	17.0
6. Library check-out rates per registered borrower (4)	21.0	27.2	30.0
7. Library visitation rates per capita	6.4	6.9	8.0
8. Library visitation rates per registered borrower	8.9	11.5	13.0
9. Number of units rehabilitated per \$100,000 of public financial assistance for housing rehabilitation	9.4	9.2	9.5
10. Sentence completion rates for children and youth ordered to perform community services	100%	100%	100%

1. Park acreage maintained includes the 41 parks and 400 acres of medians and rights-of-way maintained by the City.
2. Grayhawk and Camelback parks were added in 2009-10.
3. The reduction in FY 2009/10 is a result of database clean-up.
4. Library check-out rates increased due to the downturn in the economy, individuals searching for employment and the opening of Appaloosa Library.



Economic Vitality Division

The Economic Vitality Division is a multi-faceted organization with responsibilities over the areas of tourism, the Scottsdale Airport, WestWorld, business recruitment, business retention, revitalization, servicing the downtown business community, administering the Convention and Visitor's Bureau and Scottsdale Cultural Council contracts, and working with regional and local organizations on a wide range of economic issues and activities. The program is the point where various economic development strategies are connected and where the evaluation of economic development initiatives begins. The work of the Division is modeled on cooperative planning and implementation of programs and tactics. The combined effect of the identified programs is to maintain the existing economic foundation of Scottsdale and to position the community for sustainable, long-term economic vitality in order to enhance the quality of life for all residents.

This Year 2009/10 Highlights

WESTWORLD

- Continued excellent support of events such as the Arabian Horse Show, Barrett Jackson Auto Auction, and negotiated expansion of the Good Guys Car Show to twice annually.
- Initiated efforts to secure WestWorld as the National Arabian Horse Show event venue.
- Took on the management of the State land (101 SLUP) for special event support.

AIRPORT

- Completed the Airport Strategic Business Plan and started implementation.
- Worked with the FAA and secured approval to allow planes of 100,000 lbs. maximum certificated operating weight to fly in and out of Scottsdale Airport.
- Initiated the regulatory re-write of the airport rules and regulations.

REVITALIZATION/DOWNTOWN

- Managed City Council appointed McDowell Road/Southern Scottsdale Economic Development Task Force resulting in recommendations unanimously accepted by the Council.
- Issued Request for Proposals and received proposals to increase city revenue by acquiring a corporate event sponsorship broker.
- Organized Frank Lloyd Wright auto

dealerships resulting in a first ever area tent sale at WestWorld.

- Held over 100 successful special events in the downtown area.
- Directly assisted over 1500 visitors to the downtown office providing referrals to downtown businesses.
- Opened the Small Business Development Center in the Downtown Office.
- Coordinated various marketing and advertising programs promoting downtown as a destination.

BUSINESS RECRUITMENT/RETENTION

- Worked with the successful relocation or expansion of 7 targeted companies with 400 jobs, absorbing over 86,000 s.f. of commercial office space with approximately \$9.2 million in private capital investment.
- Conducted Targeted sales missions, along with public and private partners to attract clean and renewable energy industries, leading national retailers.
- Developed an expanded network of corporate real estate professionals representing national and international tenants to work with on creating new business and job opportunities.
- Held nine small business workshops with over 250 participants.
- Created the Shop Scottsdale program.
- Participated in the statewide business retention and expansion report focused on manufacturing.

TOURISM DEVELOPMENT/MARKETING

- Coordinated and provided direction in the creation of the proposed bed tax increase, including preparing base data and working with the Convention and Visitor's Bureau.
- Initiated the Phase II program for future development of the Desert Discovery Center along with planning, the Preservation Commission and the Tourism Development Commission.
- Created a program to better coordinate the marketing and operation efforts of all the departments within the Divisions.

Harold Stewart
Executive Director





Priorities for 2010/11

WESTWORLD

- Upgrade the Equidome to expand the horse event season and increase WestWorld’s income.
- Attract a new national and/or internationally recognized event to WestWorld.
- Continue to increase WestWorld income to reduce City general fund expenses.

AIRPORT

- Renovate the runway to add five years of serviceable life to the pavement.
- Complete regulatory rewrite and fee structure recommendations.
- Begin environmental assessment to allow complete reconstruction of the runway.

REVITALIZATION/DOWNTOWN

- Secure corporate sponsorships for City events resulting in increased revenue and decreased City expenditures.
- Coordinate implementation of the McDowell Road/Southern Scottsdale Economic Development Task Force recommendations.

- Design a five-year strategy to begin work on revitalization and reinvestment in the Airpark.
- Establish downtown event standards aimed at increasing awareness of downtown for shopping, eating, and socializing.
- Explore the creation of a downtown business association comprised of representatives from each of the districts.

BUSINESS RECRUITMENT/RETENTION

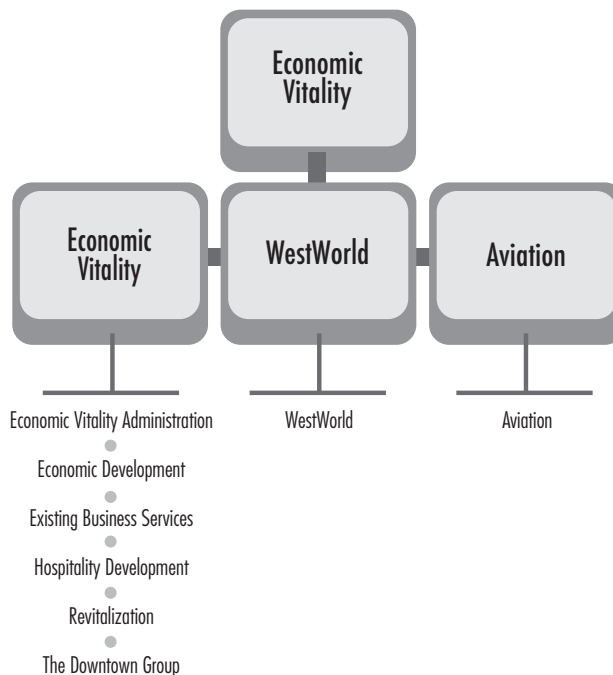
- Implement the recommendations that will be generated by the General Plan Economic Analysis.
- Create and implement a comprehensive marketing and outreach plan to increase Scottsdale’s exposure to business site selectors.
- Work with GPEC and other economic development partners to secure new targeted business to Scottsdale.
- Offer two rounds of the small business workshop series.
- Development of an “Opening a Small Business in Scottsdale” handbook.
- Expand the business visitation program to increase elected and appointed officials participation.

TOURISM DEVELOPMENT/MARKETING

- Create a division plan for cooperative marketing of WestWorld and the Airport to drive additional business to these operations.
- Update the Economic Vitality Strategic plan to reflect the broad goals and responsibilities of the Division.
- Provide support to the City Council Economic Development Subcommittee, WestWorld Subcommittee, Tourism Development Commission, and Industrial Development Authority.
- Complete planning of the Desert Discovery Center.
- Conduct the required update of the five year strategic plan for tourism development.
- Administer the Convention and Visitor’s Bureau contract.
- Initiate use of additional bed-tax funds.

Highlighted Changes

WestWorld saved over \$46,000 annually in personel costs by shifting contract employees to regular employee status.



SUMMARY BY DIVISION

ECONOMIC VITALITY



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	54.00	47.00	48.00	1.00
% of City's FTEs			1.88 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Aviation Fund	1,869,350	1,407,699	1,729,622	321,923
General Fund	9,410,958	9,298,049	12,960,355	3,662,306
Grants Fund	45,000	0	1,000	1,000
Special Programs Fund	7,104,992	6,121,942	5,371,983	-749,959
Total Division Budget	18,430,300	16,827,690	20,062,960	3,235,270

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	4,674,832	3,841,965	3,809,314	-32,651
Contractual Services	13,109,326	12,509,150	14,672,566	2,163,416
Commodities	482,914	476,575	488,380	11,805
Capital Outlays	163,228	0	0	0
SubTotal Operating Budget	18,430,300	16,827,690	18,970,260	2,142,570
Operating Projects	0	0	1,092,700	1,092,700
Total Division Budget	18,430,300	16,827,690	20,062,960	3,235,270

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Targeted Job Creation	Actual 7 companies with 364 jobs	Actual 11 companies with 740 jobs	7 companies with 450 jobs
Annual increase/decrease of sales tax revenue	-17%	-9%	2%
Number of jobs in Scottsdale	189,081	188,488	182,771
Number of assistance contacts and visits with existing businesses	275	285	295
Annual percentage increase/decrease in bed tax receipts	-21%	-7%	3%
Scottsdale hotel/motel average occupancy rate	58%	57%	59%
Housing appreciation rates (ASU Study) South Scottsdale District	-19%	-16%	-14%
Dollar value of new construction south of Chaparral Road	\$150M	\$34M	\$50M
Annual number of downtown special events coordinated	100	75	100
Number of equestrian use days at WestWorld	307	261	247
Number of special event use days at WestWorld	230	253	125





Human Resources

The Human Resources Division is committed to hiring, developing and retaining a competent, committed and diverse workforce to provide high quality and cost-effective services to the Scottsdale community. This is accomplished through excellent customer service and expertise from the five departments that comprise the human resources division: Executive Management; Staffing Services and Employee Relations; Workforce Management and Employee Programs; Benefits Management; and Technology Services. Efforts include:

- Managing employee relations.
- Implementing total compensation.
- Ensuring compliance with employment laws, practices and policies.
- Offering programs and services to facilitate individual, team and organizational performance improvements through learning and professional development opportunities.
- Cultivating an environment within the City of Scottsdale and community where differences are valued, respected and embraced through education, community outreach and deliberative dialogue.
- Administering City employee benefits programs.
- Coordinating and administering employee programs (i.e. wellness, city store operations, years of service and superior performance awards, City Manager Awards of Excellence).
- Designing and maintaining technological programs and systems that integrate with and enhance other department systems, eliminating duplication of efforts and improving efficiencies.

This Year 2009/2010 Highlights

- Implemented a retirement health savings plan that provides opportunity for retirees to pay for qualified medical expenses on a tax free basis.
- Implemented a new Supervisory Academy for aspiring and new supervisors.
- Completed the transition to an electronic records management system for all personnel files.
- Implemented an online job application system and expanded employee self services to include benefits enrollment, International City/County Management Association enrollment and tuition reimbursement management.
- Assisted City Council with several high level recruitments (City Manager, City Attorney, City Treasurer, Communications and Public Affairs Officer).

Priorities for 2010/2011

- Identify opportunities for automation and process improvement, benchmark with other organizations to assure the City remains competitive, and identify quality, cost effective benefit programs and administrators for consideration by City Management.
- Develop programs to promote employee wellness, reduce medical benefit costs, decrease workplace injuries and increase productivity.
- Centralize the Volunteer Program application process.
- Develop and implement Customer Service Program initiative.
- Develop and implement an exit interview process.



La Verne Parker Diggs
Executive Director

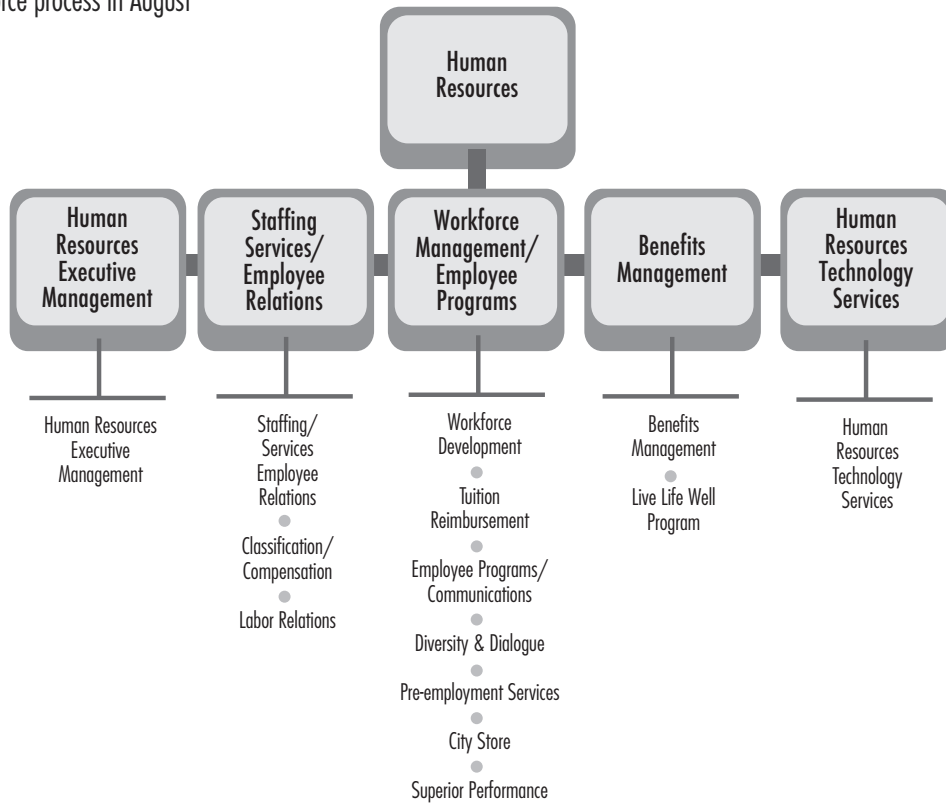
SUMMARY BY DIVISION

HUMAN RESOURCES



Highlighted Changes

- Transfer of Payroll department back to Finance and Accounting Services Division, effective November 2009, which included five FTEs and a fund 100 budget amount of \$421,697.
- Transfer of Risk Management department back to Finance and Accounting Services Division, effective November 2009, which included five FTEs and a fund 710 budget of \$7,602,566.
- Reduction of three FTEs (two from Human Resources and one from Payroll) through the reduction in force process in August 2009.
- Reduction of two FTEs (one from Human Resources and one from Risk Management) through the early retirement incentive in September 2009.
- Transfer of \$45,000 for qualifying medical services (executive physicals) from fund 100 to the self insured fund 715, Live Life Well Program. Delay filling a HR Representative position for a savings of \$50,000.



SUMMARY BY DIVISION

HUMAN RESOURCES



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	35.50	30.00	30.50	0.50
% of City's FTEs			1.20 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	3,439,680	3,686,585	3,525,008	-161,577
Self Insured Benefits Fund	24,946,928	24,963,534	25,937,669	974,135
Special Programs Fund	17,769	10,000	5,000	-5,000
Trust And Agency Fund	6,600	8,882	9,500	618
Total Division Budget	28,410,977	28,669,001	29,477,177	808,176

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	2,942,338	2,782,218	3,028,519	246,301
Contractual Services	25,090,347	25,563,836	26,162,411	598,575
Commodities	378,292	272,947	236,247	-36,700
Capital Outlays	0	50,000	50,000	0
SubTotal Operating Budget	28,410,977	28,669,001	29,477,177	808,176
Operating Projects	0	0	0	0
Total Division Budget	28,410,977	28,669,001	29,477,177	808,176



Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Percentage of favorable findings by Equal Employment Opportunity Commission (EEOC) on responses to formal complaints filed by employees. (1)	100%	75%	100%
Annual medical/dental cost per employee/retiree (2)	\$8,450	\$8,900	\$9,250
Citywide turnover (total)	5.7%	9.3%	5.5%
Citywide turnover (without retirements)	4.1%	4.8%	4.0%
Average expenditure per employee for training and development. (3)	\$50	\$63	\$55
Number of employees who participate in the tuition reimbursement program	193	161	161
Average hours of medical leave used annually per employee (includes Family Medical Leave Act covered leave)	54.1	62.3	65
Total number of applicants seeking employment opportunities with the City of Scottsdale	8,166	10,744	11,000
Minority applicants as a percentage of total applicants	25%	27%	27%
Total number of applicants hired for positions	329	356	350
Minority applicants hired	19%	16%	20%

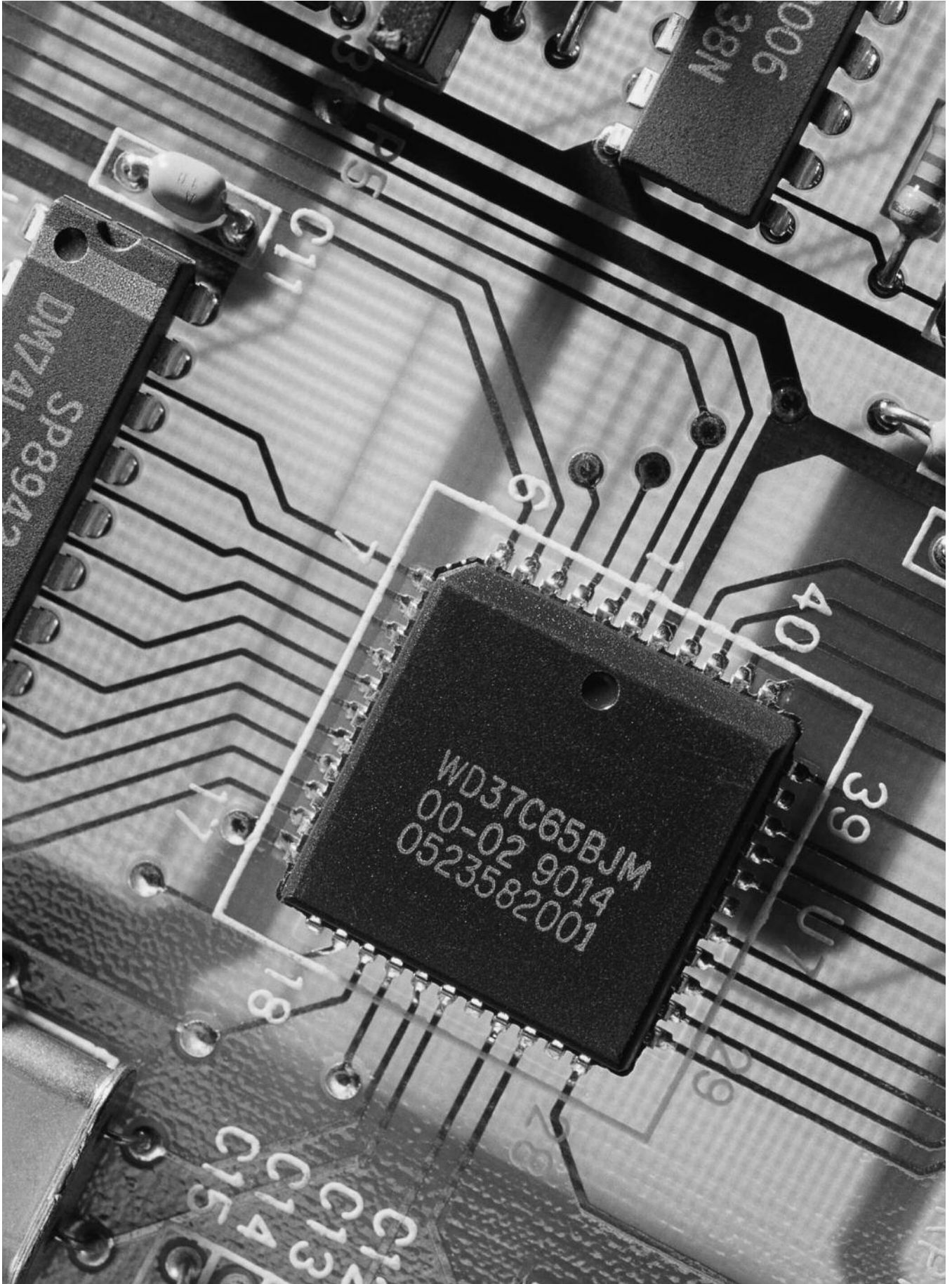
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1. Percentages are based on the number of resolved cases received each fiscal year; for FY 2009/10, 6 resolved cases were received from the EEO and 4 had favorable findings.
2. Based on the average cost of all plans; for FY 2010/11, the city pays approximately 88% of total costs, employees pay approximately 12%; retirees pay 100% of total cost.
3. The increase for FY 2009/10 is attributed to additional training provided to employees involuntarily separated and placed in the Employment Transition Center.



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One



Information Technology

Information Technology provides technical design, support, and maintenance for a variety of systems and services needed to support City business functions and communications. The infrastructure includes the City's telephone, computer and radio systems as well as the enterprise data storage devices and the wired and wireless networks. Among the services offered are custom software design and engineering, software support, design and management of databases, maintenance of GIS systems and maps, technical training for City staff, network and data security, technical support for microcomputers and peripherals, project management, Internet/ Intranet design and maintenance, Cable 11 program development and transmission, and providing direction for the communications standards and overall branding for the City.

This Year 2009/2010 Highlights

- Identified over 10,000 addresses that were not on Census lists. This has a potential of increasing funding to the community by over \$30M over the next 10 years.
- Completed a new microwave communications network which will support the Public Safety Radio System and provide redundant City business network communications between the Via Linda Civic Campus, the McKellips Service Center and the Civic Center Campus.
- Received six PTI Technology Solution Awards for excellence in deploying technology at the local level. In the category of Sustainability, "The Big Map" project was the winner with "Tax Audit Lead Finder" as a noted Significant Achievement. In the GIS category, "GIS Disaster Recovery Implementation" was the winner. In the Web & E-Government Services category, "Employee Self Service Portal" was the winner with "Quick Pay Utilities Application" as a noted Significant Achievement. Finally, in the category of Public Safety Technology, "e-Subpoena" was a noted Significant Achievement.

- Replaced the City's server backup software and hardware with new products to reduce costs, simplify data management functions through a single platform and assist in managing data growth for critical systems such as the water quality data in the Water Resources Department's Supervisory Control and Data Acquisition (SCADA) system. Redesigned the City's Intranet site using the Content Management System.

- Update several web based mapping tools used by field employees and the public to ensure ongoing support and increase efficiencies for the users of these systems.
- Transition the City's police and municipal radio users to the City's new Public Safety Radio System integrating the City into the greater Regional Wireless Cooperative.

Priorities for 2010/2011

- Provide day-to-day service and support for: the City's core technology infrastructure — install, monitor and maintain the City's core network systems, the City's desktop and peripheral infrastructure, and the key information systems throughout the City — e.g. - Document Management, Community Development, Code Enforcement, Water Operations and GIS.
- Continue the transition of the City telephone system to VOIP (Voice Over IP) technology. The City's migration to the new technology is less expensive to deploy, provides a better use of network resources and in the long term will be much less costly to maintain and support.
- Automate employee benefits enrollment process to eliminate the need to manually process applications.

Brad Hartig
Executive Director-CIO



SUMMARY BY DIVISION

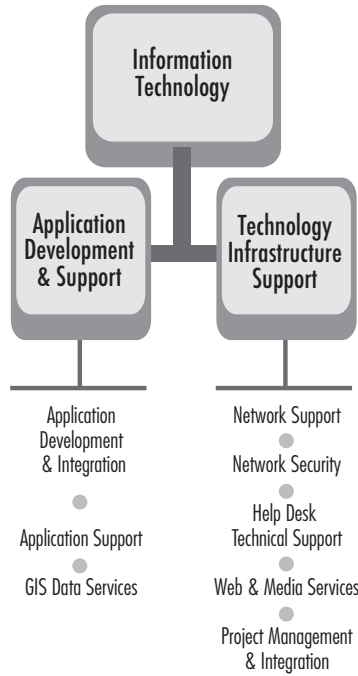
INFORMATION TECHNOLOGY



Highlighted Changes

- Due to a divisional restructure, \$45,244 in special pays were eliminated from the IT budget. Shift pay has been eliminated because the third shift was removed, and on-call and overtime budgets were reduced. This represents a permanent reduction in special pays.
- The Public Affairs Manager position was eliminated (the position had been vacant for more than 900 days).
- Eliminated the Scottsdale PRIDE utility bill insert newsletter to save printing and production costs. News and information carried previously in PRIDE is provided to the news media and is available at scottsdaleaz.gov, via email and on CityCable Channel 11.
- Increased revenue for FY10/11 by \$520,000 due to contracts with AGL, a company that provides dark fiber to businesses and carriers that want to lease it, and New Path Networks, a company that provides infrastructure for wireless carriers to use to provide service to their customers.

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SUMMARY BY DIVISION

INFORMATION TECHNOLOGY



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	81.81	78.81	75.81	-3.00
% of City's FTEs			2.98 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	10,284,151	9,863,521	9,903,567	40,046
Total Division Budget	10,284,151	9,863,521	9,903,567	40,046

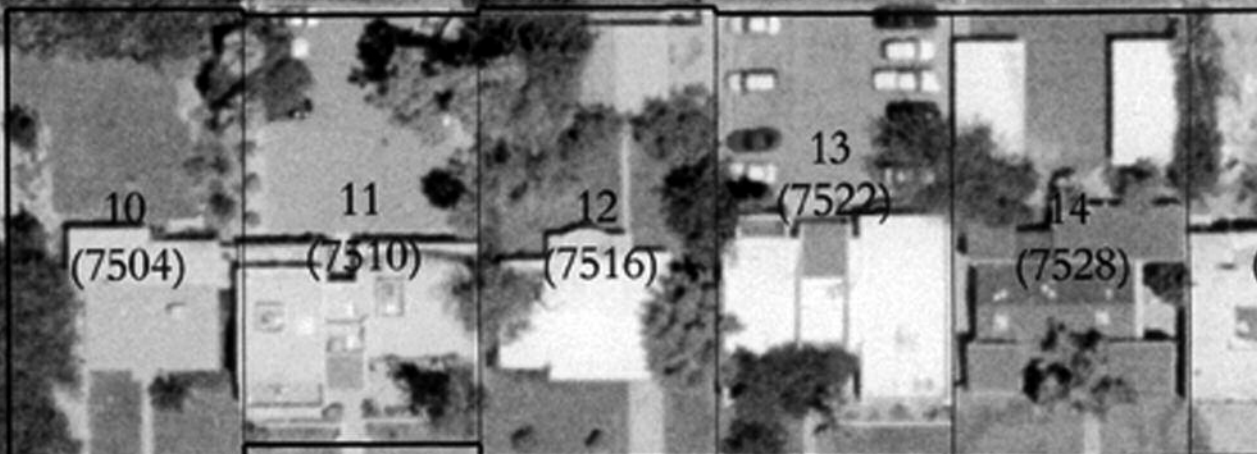
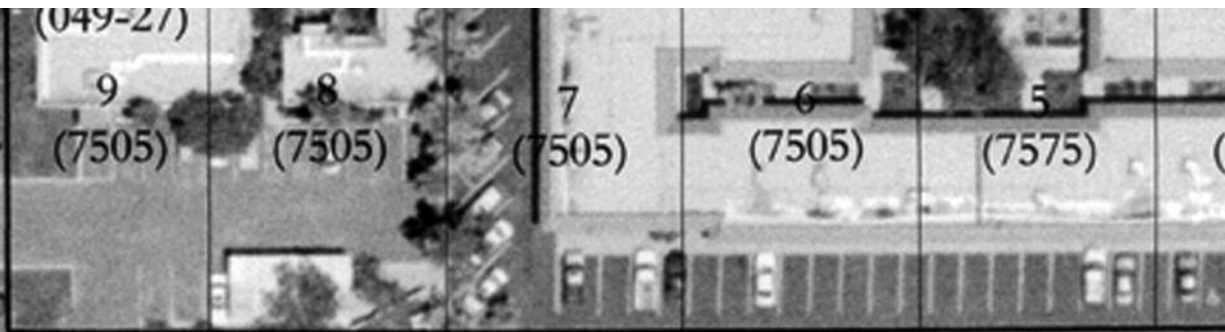
Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	8,562,657	7,968,389	7,565,999	-402,390
Contractual Services	1,578,617	1,634,725	1,623,876	-10,849
Commodities	140,608	238,407	230,892	-7,515
Capital Outlays	2,269	22,000	22,000	0
SubTotal Operating Budget	10,284,151	9,863,521	9,442,767	-420,754
Operating Projects	0	0	460,800	460,800
Total Division Budget	10,284,151	9,863,521	9,903,567	40,046

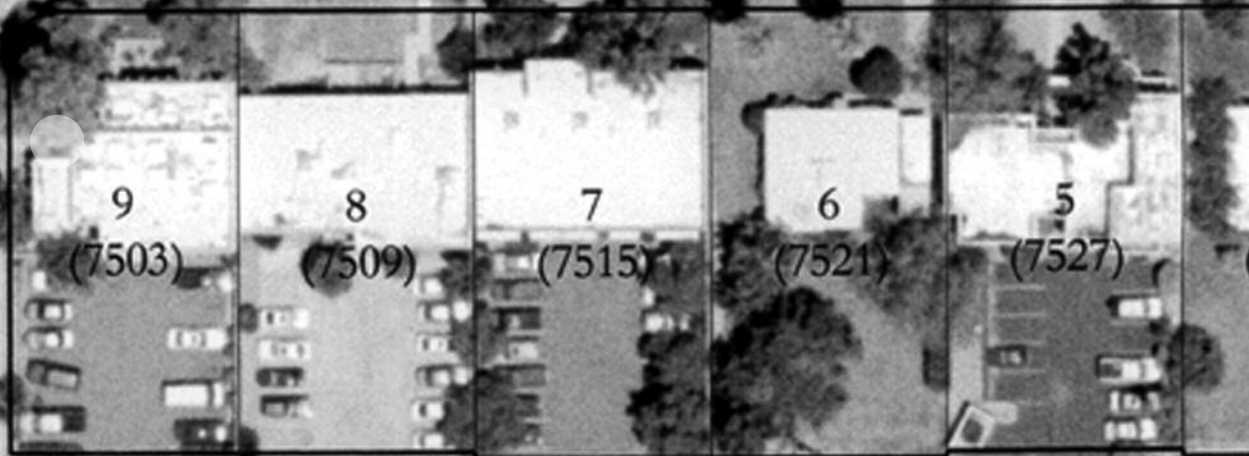
Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Percentage of internal employees who rated Information Technology service good/excellent	NA	87%	80%
Total Number of map layers maintained by City Staff	95	126	140
Number of software solutions supported	115	119	120
Number of databases supported	957	1187	1300
Percentage of City telephones transitioned to Voice over Internet Protocol (VoIP) technology	13.0%	29.4%	45.0%
Number of spam emails blocked monthly from entering the City email system	2,200,000	2,100,000	2,300,000
Total Disk Storage allocated (Storage Area Network storage only) in terabytes	47.7TB	62.0TB	67.0TB
Percentage of servers that have been migrated from physical to virtual servers	28%	40%	45%
Number of work orders completed	10,650	12,468	12,500
Ratio of personal computers to Field Technicians	340:1	390:1	390:1
Number of students completed instructor led IT training	715	597	650
Number of students completed IT generated eLearning	5766	4446	5000

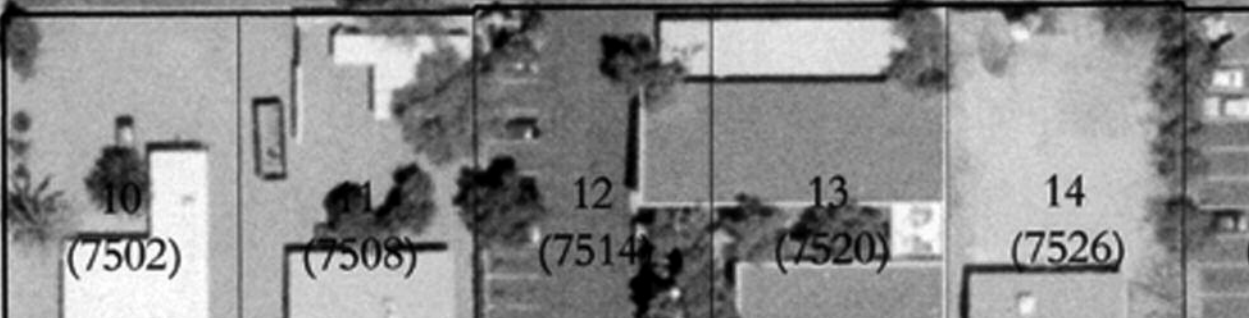
SOUTH



EAST 1ST



NORTH





Planning/Neighborhood/Transportation Division

Work in partnership with the community - citizens, businesses, civic organizations, visitors and stakeholders to: shape the physical and aesthetic form of the city; to safely, conveniently and efficiently move people, goods and information; and to preserve, reinforce and revitalize the characteristics and stability of commercial areas and residential neighborhoods to provide a high quality of life for all that live, work, and recreate in the city.

This Year 2009/2010 Highlights

- The McDowell Road/South Scottsdale Task Force Recommendations Report was completed and presented to the Scottsdale City Council.
- The General Plan (GP) Update 2011 process was initiated and the General Plan Citizen Working Group was established.
- Major projects included: (Solis) Waterview; Fashion Square Mall addition including Barney's New York; Scottsdale Quarter and Newpath.
- Completed reconstruction of Indian School Road.
- Completed an intergovernmental agreement with the Salt River Pima Maricopa Indian Community (SRPMIC) for roadway and flood control improvements in the Pima Road corridor.

Priorities for 2010/2011

- Process improvements and text amendments to implement Greater Airpark, Downtown, and Southern Scottsdale Character Area Plans.
- Revitalize the McDowell area corridor; Adopt the Greater Airpark Character Area Plan; Implement the Airpark Loop Road; Implement the Downtown Character Area Plan.
- Release draft 2011 General Plan for community review and input; initiate the 2011 General Plan public hearing process.
- Complete widening Pima Road between Thompson Peak Parkway and Pinnacle Peak Road.
- Complete the final section of the Upper Camelback Wash multi-use path.

Highlighted Changes

- Eliminated two part-time administrative positions.
- Eliminated the on-call program for inspectors in the field after a successful pilot program resulting in a \$20,000 savings.
- Reduced Transit by \$1.4 million to balance the Transportation Fund.



Connie Padian
Acting Executive Director

SUMMARY BY DIVISION

PLANNING/NEIGHBORHOOD/TRANSPORTATION



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	240.00	181.50	180.50	-1.00
% of City's FTEs			7.09 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	22,310,557	16,871,107	16,997,179	126,072
Grants Fund	11,500	64,000	242,800	178,800
Highway User Fund	14,725,884	13,540,306	12,063,783	-1,476,523
Special Programs Fund	19,986	140,000	125,000	-15,000
Streetlight Districts Fund	0	732,000	574,387	-157,613
Total Division Budget	37,067,927	31,347,413	30,003,149	-1,344,264

Expenditures By Type

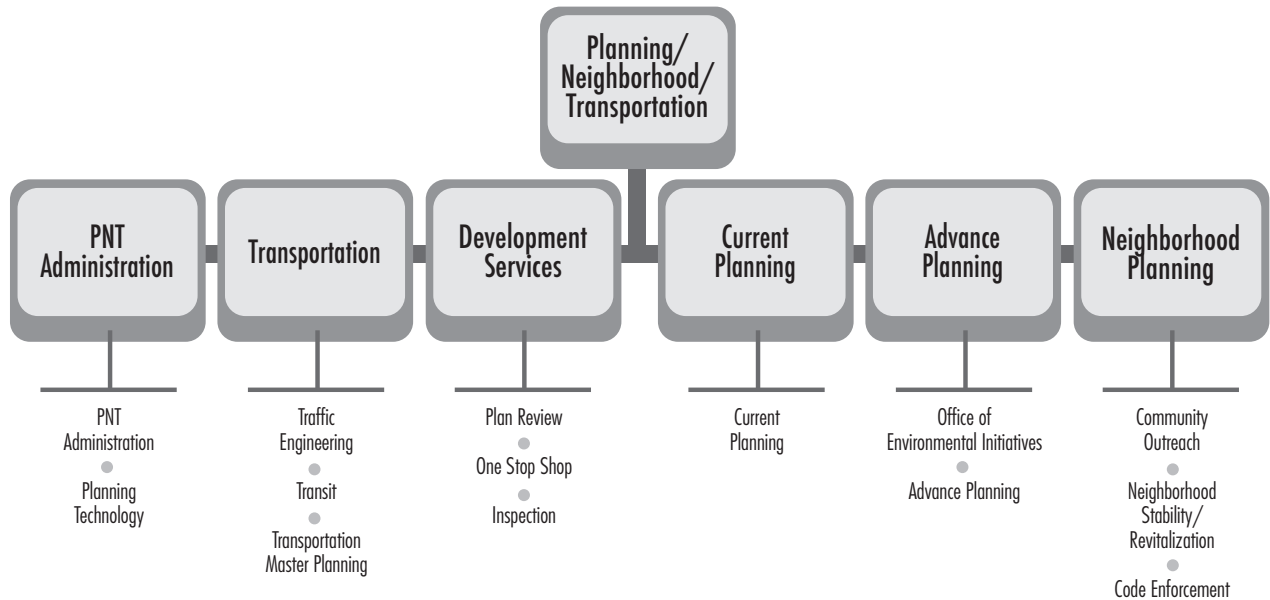
	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	22,270,078	16,004,907	15,395,976	-608,931
Contractual Services	14,440,620	14,831,871	12,565,882	-2,265,989
Commodities	354,409	490,635	478,391	-12,244
Capital Outlays	2,819	20,000	10,000	-10,000
SubTotal Operating Budget	37,067,927	31,347,413	28,450,249	-2,897,164
Operating Projects	0	0	1,552,900	1,552,900
Total Division Budget	37,067,927	31,347,413	30,003,149	-1,344,264

SUMMARY BY DIVISION

PLANNING/NEIGHBORHOOD/TRANSPORTATION



Performance Measures	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Percent of projects committed to, based on City Council and departmental work plans, completed within established timelines	98%	100%	100%
Number of General Plan, Character/Community Area Plan, & Neighborhood Plan Creation/Adoption Programs	2	3	3
Implement and leverage technology annually for efficiencies, such as Big Map and digital plan reviews	2	1	2
Percent of applicant pre-application meetings held within 30 days of submitting request	99%	100%	100%
Average initial case response time (Target: 2 calendar days)	.50	1.0	1.0
Percent of construction document reviews for engineering and building plans completed within 20 calendar days	99%	99%	99%
Percent of inspections performed within 24 hours	99%	100%	100%
Neighborhood Traffic projects completed	6	2	10
Total Citywide transit ridership (bus, Dial-a-Ride, circulators, Cab Connection)	2,600,000	2,700,000	2,750,000





Public Safety - Fire Division

The Fire Department provides fire protection, emergency medical, emergency services and emergency management to the community through 268 employees and 90 volunteers from 14 strategically located fire stations and headquarters. The purpose of the Fire Department is to reduce the incidence and severity of natural and man-made emergencies which occur within City limits.

This Year 2009/2010 Highlights

- Purchased property for future permanent Desert Mountain Fire Station 16 on Cave Creek Road, east of Lone Mountain Parkway. Completed design and began construction of Eldorado Park Fire Station 1 and Cactus Acres Fire Station 8. Downtown Fire Station earned LEED Platinum Certification.
- Further developed and expanded the Fire Department's Volunteer Program. The program includes approximately 90 dedicated volunteers who contributed more than 6,000 volunteer hours over the past 12 months. Volunteer activities included training more than 1,000 residents in Hands-Only CPR, which helped increase the presence of bystander CPR in Scottsdale from 25 to 50 percent. Volunteers also assist by delivering mail and supplies to stations, reducing the impact on the City and staff resources, and represent the department at special events.
- Created a Police-Fire Operations Working Group to improve field working relationships and operations. Collaborated to combine processes and functions to enhance service delivery and reduce costs in Police and Fire Records and Equipment Asset Management.
- Ancala West Estates was recognized as the first Firewise community in Maricopa County. Firewise is an aggressive vegetation management and hazard reduction program that reduces the potential impact of a wildland fire.

Priorities for 2010/2011

- Maintain FY2009/2010 service levels and, to maintain fire fighter skill proficiency, reinstate some personnel-training activities that had been eliminated in the past two years.
- Relocate and complete the construction of Eldorado Park Fire Station 1; complete the construction of Cactus Acres Fire Station 8; assign appropriate personnel, equipment, and apparatus, and open the new stations during fiscal year. Secure a permanent site for Desert Foothills Fire Station 13.
- Emergency Services will research alternatives to resolve demographic concerns, continue to monitor and reduce response times, maintain double-digit cardiac resuscitation rate, and aim to increase bystander CPR above 50 percent.
- Support Services will evaluate and consider modification of automatic fire sprinkler ordinance, support Bond 2010 if approved, reduce on-the-job injuries, seek alternative funding sources, and improve labor-management process and employee engagement.

Highlighted Changes

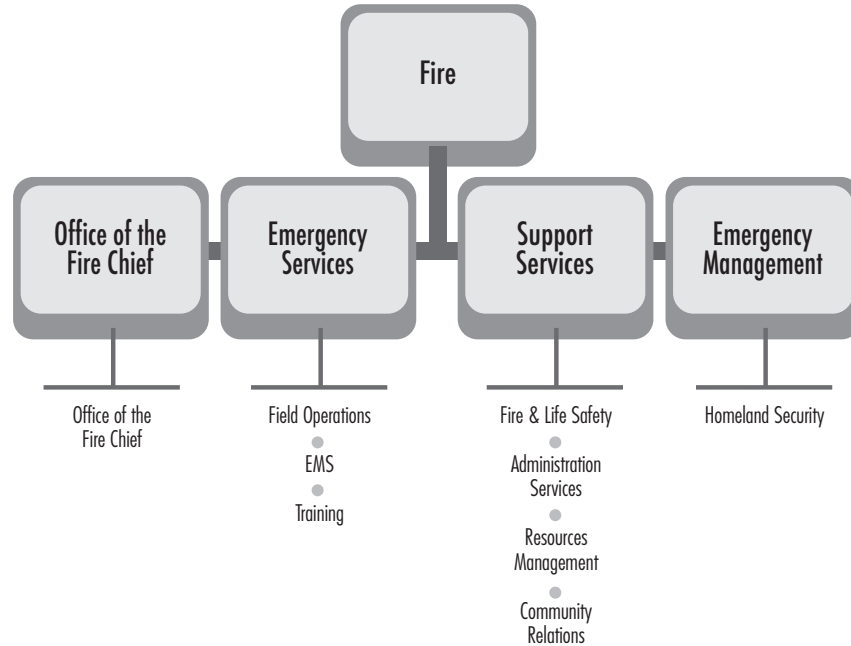
- Fiscal Year 2010/11 Operating Budget proposes to maintain service-delivery levels as provided through the Fiscal Year 2009/2010 Budget. Staff additionally proposes to reinstate some personnel-training activities that had been eliminated in the past two years.



Steve Randall
Interim Fire Chief

SUMMARY BY DIVISION

PUBLIC SAFETY - FIRE



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Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	268.00	265.00	268.00	3.00
% of City's FTEs			10.52 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	30,732,995	27,438,192	27,893,809	455,617
Grants Fund	79,546	0	0	0
Special Programs Fund	0	500	0	-500
Total Division Budget	30,812,541	27,438,692	27,893,809	455,117

SUMMARY BY DIVISION

PUBLIC SAFETY - FIRE



Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	24,095,633	22,759,128	22,717,096	-42,032
Contractual Services	5,217,891	3,591,561	4,089,738	498,177
Commodities	1,233,498	949,401	846,675	-102,726
Capital Outlays	265,520	138,602	240,300	101,698
SubTotal Operating Budget	30,812,541	27,438,692	27,893,809	455,117
Operating Projects	0	0	0	0
Total Division Budget	30,812,541	27,438,692	27,893,809	455,117

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Total Emergency Incidents (1)	21,358	21,494	21,630
Average Fire Emergency Response Time (2)	4:23	4:28	4:00
Cardiac Arrest Survival Rate (3)	NA	NA	15%
Property Loss due to Fire (4)	\$7,587,023	\$5,619,590	\$6,000,000
Property Saved in response to Fire (5)	\$66,981,236	\$58,082,212	\$60,000,000
Fire caused injuries/deaths (6)	13/1	15/0	10/0
Structure Fire Flamespread (7)	NA	NA	80%
Fire Unit Reliability (8)	NA	NA	80%
Work Related Injuries (9)	57	35	30
Building Inspection Rates (10)	8,556	8,623	8,600
Public Education/Outreach (11)	30,755	32,840	39,000
Volunteer Hours (12)	4,110	6,777	8,000

These measures are consistent with the standards developed by the Commission on Fire Accreditation International (CFAI).

1. Reflects the total number of dispatched responses by the fire department within the City of Scottsdale.
2. Reflects the average response time to all Code 3 incidents in the city.
3. Percentage of patients who were in cardiac arrest, treated and transported by the fire department, and with a pulse when delivered to the hospital.
4. Reflects the total value of property damaged because of fire.
5. Reflects the total value of property involved in a fire but not damaged. This value takes into consideration the potential of an actual fire.
6. Reflects injuries and deaths to firefighters and citizens due to fires, or the work related to extinguishing a fire.
7. Percentage of working fires that were confined to the room where they started.
8. Percentage of time that the assigned (first due) company is available to respond to an incident within the district.
9. Reflects reportable injuries to fire department employees.
10. Number of structures inspected and fire plans reviewed.
11. Reflects the total contacts made in a classroom setting, one on one contacts, or awareness opportunities with the public.
12. Reflects the total volunteer hours provided to the fire department.





Public Safety - Police

The Police Department provides efficient and effective delivery of police service throughout the community. The department is a professional organization that aggressively and creatively confronts community crime and service needs; responds to community needs; and actively seeks citizen involvement and partnerships, by emphasizing crime prevention as a cooperative effort.

The Police Department consists of five segments — Office of the Chief, Uniformed Services, Investigative Services, Administrative Services and Personnel Development. The Office of the Chief consists of administration and Internal Affairs. The Uniformed Services Bureau is the most visible component providing uniformed patrol services and specialized functions that augment police services. Investigative Services is responsible for completing thorough and complex investigations in a timely manner with an emphasis on crime prevention by targeting pattern crime through enforcement, regional community partnerships, and use of technology. The Administrative Services Bureau provides operational, administrative and logistical support through strategic planning, technology implementation, forensic services, communications and policy setting to all divisions in the department. The Personnel Development Bureau is responsible for the recruitment and training of sworn and civilian personnel.

This Year 2009/2010 Highlights

- Sworn positions within the Police Department were fully staffed, significantly reducing overtime expenditures.
- New police facilities were completed and occupied. The McKellips (District 1) Patrol Substation, the Forensic Services Division building and the Property & Evidence building are now fully functional.
- The City of Scottsdale continued to see an overall reduction of crimes reported. Part 1 crime volume dropped 13.4 percent (from 8,357 in 2008 to 7,240 in 2009).
- The Public Safety Division consisting of the Police and Fire Departments have formed an operations working group to improve effectiveness and efficiency through enhanced coordination. In addition, several internal efficiencies have been implemented in collaboration with both departments that include the consolidation of logistics/supply functions, public records distribution, and coordinated fleet oversight.

Priorities for 2010/2011

- Continue to enhance community safety through crime prevention and enforcement. This will lead to a continued reduction in crime rates while maintaining clearance rates higher than the Arizona average.
- Maintain full staffing levels to provide quality customer service. The staffing model presently in use can be credited for the department's double digit reductions in crime, high clearance rates, and reduced overtime costs.
- Implement the Public Safety Strategic Plan through the following strategic directions: 1) Establish a collaborative public safety culture; 2) Strengthen communications; 3) Integrate training; and 4) Improve efficiencies.
- Continue building community partnerships through leadership, participation and collaboration with citizens, community led organizations, businesses, and other government agencies. These collaborative partnerships lead to increased trust, enhanced crime prevention and a safer community.



Alan Rodbell
Chief of Police

SUMMARY BY DIVISION

PUBLIC SAFETY - POLICE



Highlighted Changes

- The overtime budget and related benefits were reduced by \$690,000. The Police Department continues to successfully manage its overtime since the department is at full staffing and due to reduction strategies implemented last year.
- The police officer pipeline program was reduced from 10 to 5 slots for a reduction of \$253,000. The remaining 5 slots will assist us in minimizing the impact of police officer vacancies caused by attrition, transitional duty, military leave, and the extensive 9.5 month police officer training program.
- The Police Department reduced expenses in most categories to accommodate large mandated increases such as the jail contract (a \$417,000 increase), new radio system maintenance fees (a \$63,000 increase), and extradition travel (a \$15,000 increase).
- The Special Revenue base budget increased to accommodate one time equipment purchases funded from Racketeering Influenced Corrupt Organization (RICO) funds such as patrol equipment, a utility truck for the installation/removal of camera equipment, and traffic crash survey equipment to replace aging equipment. Special revenue also includes budget for officer time spend enforcing the 30 Day Tow State Statute.
- The funding split for the School Resource Officers in the Scottsdale Unified School District (SUSD) changed from 77 percent SUSD-23 percent City to 55 percent SUSD-45 percent city, resulting in a decrease in General Fund revenue of \$147,555.

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Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	713.60	688.60	688.60	0.00
% of City's FTEs			27.04 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
General Fund	88,325,246	85,469,641	82,991,710	-2,477,931
Grants Fund	436,768	184,713	215,228	30,515
Special Programs Fund	939,009	1,147,030	1,860,394	713,364
Total Division Budget	89,701,023	86,801,384	85,067,332	-1,734,052

SUMMARY BY DIVISION

PUBLIC SAFETY - POLICE



Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	71,733,690	69,268,929	66,756,525	-2,512,404
Contractual Services	16,137,306	15,934,532	16,431,682	497,150
Commodities	1,650,130	1,597,923	1,686,675	88,752
Capital Outlays	179,897	0	192,450	192,450
SubTotal Operating Budget	89,701,023	86,801,384	85,067,332	-1,734,052
Operating Projects	0	0	0	0
Total Division Budget	89,701,023	86,801,384	85,067,332	-1,734,052

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Part I (Violent/Property) Crime Volume	8,357	7,240	6,744
Part I Crime Rate per 1,000 Residents	34.3	29.6	27.5
Homicide Clearance Rate (1)	140%	90%	100%
Total Property Crime Clearance Rate	16%	18%	19%
Average Response Time to Emergency Calls for Service	5:07	5:01	4:45
Calls for Service	231,241	232,177	229,072
Arrests	19,015	18,976	18,434
Incident Reports	31,987	29,952	28,909
Total Arrests for Driving Under the Influence (DUI)	2,418	2,481	2,464
Total Traffic Collisions	4,449	3,977	3,848
Total Traffic Collisions with Fatalities	12	5	10
Total Traffic Collisions with Injuries	968	806	880

These statistics are representative of core measures for law enforcement agencies as recommended by the International City/County Management Association's (ICMA) Center for Performance Management. These same measures are used to identify, prevent and reduce crime in the City, and are submitted to the Federal Government to compile National Uniform Crime Reporting (UCR).

1. FY 2008/09 includes homicide clearances from cold cases.

SUMMARY BY DIVISION

PUBLIC SAFETY - POLICE





**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One





Public Works Division

The Public Works Division includes the following five departments:

CAPITAL PROJECTS MANAGEMENT: Capital Projects Management oversees design, project management and construction of capital improvement projects such as streets, parks, stormwater, water and wastewater facilities, city and community buildings and WestWorld. The Real Estate program manages use of city owned land through revocable licenses, permits and/or leases that provide a financial return to the city and is also responsible for the acquisition of property interests that support the Capital Projects Management program.

SOLID WASTE MANAGEMENT: Solid Waste Management provides residential refuse, curbside recycling, and brush/bulk collection services to 79,034 single family customers. They also provide commercial collection services six days a week to businesses, multi-family housing developments, and all city facilities and parks. Along with these collection programs Solid Waste provides landfill diversion programs such household hazardous waste, electronics recycling, moving box, white goods collections and cardboard baling.

FLEET MANAGEMENT: Fleet Management maintains more than 1,200 city vehicles and equipment including police vehicles, fire trucks, refuse collection vehicles, street sweepers, pick-up trucks, vans, one-ton trucks, carts, backhoes, graders, and trailers.

STREET OPERATIONS: Street Operations provides cost effective maintenance and environmental compliance through efficient management of transportation, traffic control and drainage system components.

FACILITIES MANAGEMENT: The Facilities Management Department provides maintenance and repair services for 2,826,392 square feet of city-owned buildings, pathway lighting for parks and area lighting for parking lots. Skilled maintenance includes plumbing, electrical, HVAC, carpentry, concrete and metal work, and welding. The Strategic Space Planning program allows the City to more easily respond to organizational changes, budget for space needs and moves, more effectively use space in City facilities, and improve affinities among various City divisions.

This Year 2009/2010 Highlights

- Key construction projects completed include Appaloosa Library, CAP Water Treatment Plant Expansion, Scottsdale Center for the Performing Arts, South Corp Yard Crime Lab, Justice Center Remodel & Sally port, Indian Bend Road (Scottsdale to Hayden), Scottsdale Road (Frank Lloyd Wright to Thompson Peak Parkway), Cactus Road, Pima Road (Pinnacle Peak to Deer Valley), Osborn Road Pedestrian Islands, Miller Road Sewer (south of McDowell Road), Happy Valley Water line, Fuel Island Upgrades, and North Scottsdale Intelligent Transportation System.
- Reduced the commercial collection fleet by two vehicles, saving fleet acquisition and maintenance fees of \$72,000.
- Completed the Fuel Sites Monitor Upgrade and Alternative Fuel (CNG) Slow-Fill Facility Expansion to effectively monitor fuel tank site activity and provide overnight fueling for alternative fuel (CNG) replacement Solid Waste Trucks.
- Utilized grant funds from the American Recovery and Reinvestment Act of 2009 and Congestion Mitigation and Air Quality to overlay 10 miles of arterial roadway, install new traffic controllers at 50 percent of signalized intersections, and commence replacement of approximately 30% of city maintained street lights with more energy efficient fixtures.
- Saved the City approximately \$100,000 by accomplishing structural repairs to the roof at Fire Station 1 with City staff.



Dan Worth
Executive Director



Priorities for 2010/2011

- Inform citizens of the 2010 Bond election and assist in the development of a possible 2011 bond program.
- Negotiate extension of the intergovernmental agreement for landfill and related services with the Salt River-Pima Maricopa Indian Community through the year 2020. (The current agreement ends in 2015.)
- Continue outreach efforts for further fleet equipment/fuel use reduction.
- Maintain the city's paved street system at an average condition index rating of 80 on a 100 point scale.
- Identify and implement energy and water conservation programs to attain budgeted savings.

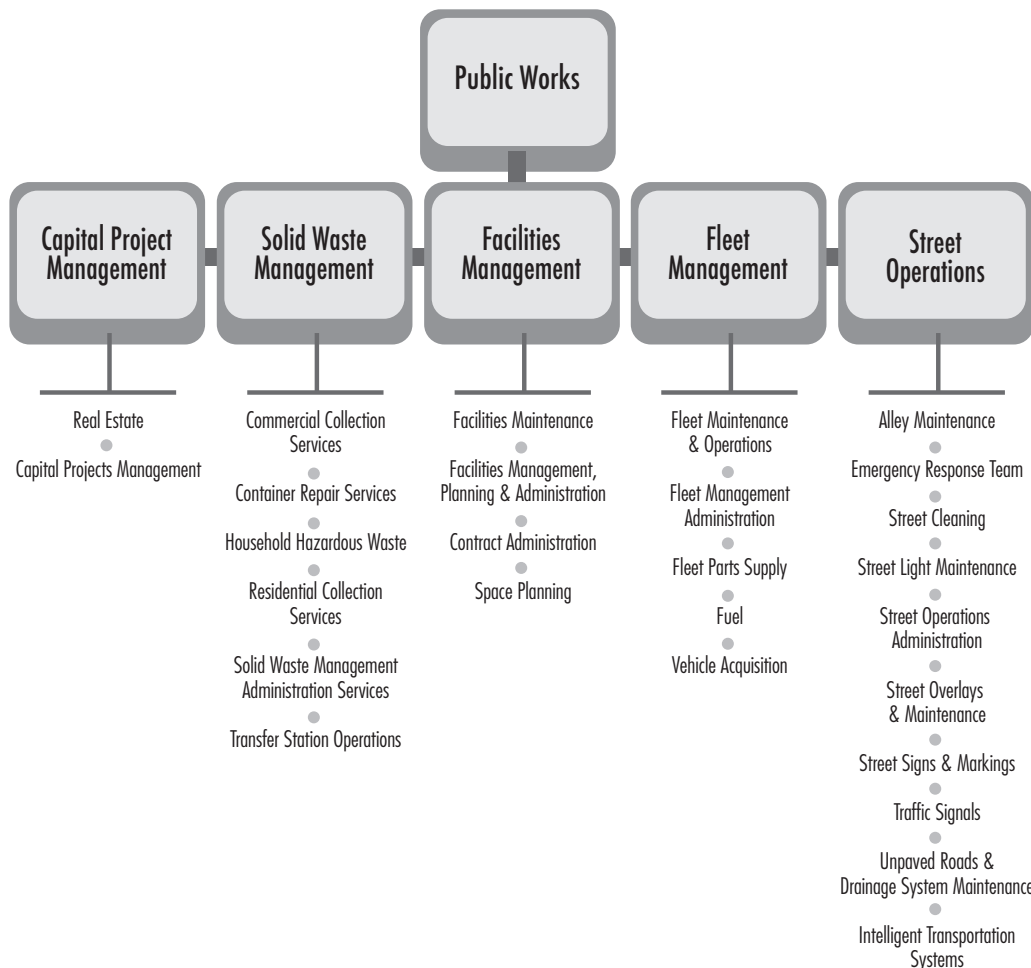
Highlighted Changes

- No change to customer service fees for residential and commercial collection are recommended for FY 2010/11.
- Fleet equipment reduction efforts have achieved annual cost savings in excess of \$600,000. Outreach on fuel usage has resulted in nearly a four percent reduction over FY 2008/09.
- Compressed Street Operations Division, Traffic Operations Division and Traffic Management Center into a single service achieving a 10 percent reduction in workforce with marginal reduction in service level and increased efficiencies

through a new organization model which shares staff by skill based task assignments between individual cost centers.

- Implementation of the new Computer Aided Facilities Management and Work Order system will allow better service through better facilities management techniques.
- As part of the ARRA grant program, building energy audits will be performed and future energy reduction projects will be developed.

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SUMMARY BY DIVISION

PUBLIC WORKS



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	323.00	295.00	295.00	0.00
% of City's FTEs			11.58 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Fleet Management Fund	13,234,751	13,606,703	15,385,171	1,778,468
General Fund	17,684,695	18,360,893	17,659,448	-701,445
Grants Fund	0	0	666,514	666,514
Highway User Fund	17,819,437	17,643,896	14,935,409	-2,708,487
Solid Waste Management Fund	15,926,075	16,290,480	15,659,117	-631,363
Total Division Budget	64,664,958	65,901,972	64,305,659	-1,596,313

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	21,043,579	18,341,917	18,105,050	-236,867
Contractual Services	32,852,881	35,633,242	32,357,080	-3,276,162
Commodities	8,396,323	9,679,642	10,109,092	429,450
Capital Outlays	2,372,176	2,247,171	3,734,437	1,487,266
SubTotal Operating Budget	64,664,958	65,901,972	64,305,659	-1,596,313
Operating Projects	0	0	0	0
Total Division Budget	64,664,958	65,901,972	64,305,659	-1,596,313

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Facilities scheduled preventive maintenance tasks completed	n/a	95%	95%
Custodial services satisfaction rating	n/a	95%	95%
Average pounds of recyclable material collected per account	710	718	724
Average monthly cost to the customer for residential solid waste services	\$15.96	\$15.96	\$15.96
Fleet maintenance/repair vehicles completed < 1 day	75.2%	85.7%	80.0%
Fleet direct labor hours billed as % of hours available	70.4%	71%	72%
Road rehabilitation expenditures per paved lane mile (1)	\$2,753	\$1,230	\$2,700
Operating and maintenance expenditures per linear mile swept	\$25.57	\$25.30	\$25.30
Capital Project Management expense allocation as a percentage of managed capital projects	5.5%	5.8%	6.3%
Number of real estate leases/licenses managed per employee (1.75 FTE committed to lease/license management)	71	80	85

1. Approximately \$4.4 million in ARRA pavement overlay funding originally anticipated for expenditure in 2009/10 will be completed in 2010/11.





Water Resources Division

Committed to providing efficient, high quality service to Scottsdale citizens by planning, managing and operating safe, reliable water systems, the Water Resources Division comprises four major program areas: Engineering and Administration, Water Services, Reclamation Services, and Water Quality. Engineering and Administration provides engineering, financial, planning and management support for the division and directly manages the Water Conservation program and Planet Ranch operations. Water Services manages the drinking water system, which provides service to approximately 95% of all incorporated areas within Scottsdale along with treatment and transport of potable water to neighboring areas of Maricopa County and Carefree. Reclamation Services manages the city's sanitary sewer system which serves most of the incorporated area within Scottsdale along with neighboring areas including Paradise Valley. Water Quality manages all aspects of both water and wastewater quality including water and wastewater laboratory services, management of the industrial pretreatment program, and ensuring that the City meets or surpasses all regulatory compliance requirements.

This Year 2009/2010 Highlights

- **Regulatory Compliance:** met all drinking water, wastewater and superfund program federal, state and local regulations. Completed installation of a regulatory compliance database to assist in the tracking of all monitoring requirements for the drinking water system. Published an annual report designed to communicate water quality information to customers in compliance with United States Environmental Protection Agency requirements.
- **Management:** renegotiated the effluent sales contract between Multi-city Sub-Regional Operating Group (SROG) member cities and the Palo Verde Nuclear Generating Station to increase revenue off sets to the costs of operating the SROG 91st Avenue Wastewater Treatment Plant, incorporated standardized benchmarking and implemented a refined staffing organization to create efficiencies, provide organizational clarity and consistency, improve opportunities for succession planning and professional growth, facilitate better communication, clarify accountability and help retain quality employees.
- **Efficiency Efforts:** redirected wastewater flows to minimize pumping costs at two of the City's largest wastewater pump stations and initiated the replacement of current blowers with more energy efficient turbo blowers at multiple facilities.
- **System Improvements:** converted the Reservoir 80 disinfection system to onsite chlorine generation, completed improvements to the Gainey Ranch Water Reclamation Plant (WRP), completed a new 6.5 million gallon reservoir and an additional 20 million gallon per day (MGD) membrane treatment facility (Plant 3) at the CAP Water Treatment Plant.
- **Asset Management:** an enhanced Asset Management Program (AMP) was installed on the computers of key staff members and training was supplied to staff. Staff began utilizing the program to improve maintenance strategies and budget forecasting.



Marshall Brown
Executive Director



Priorities for 2010/2011

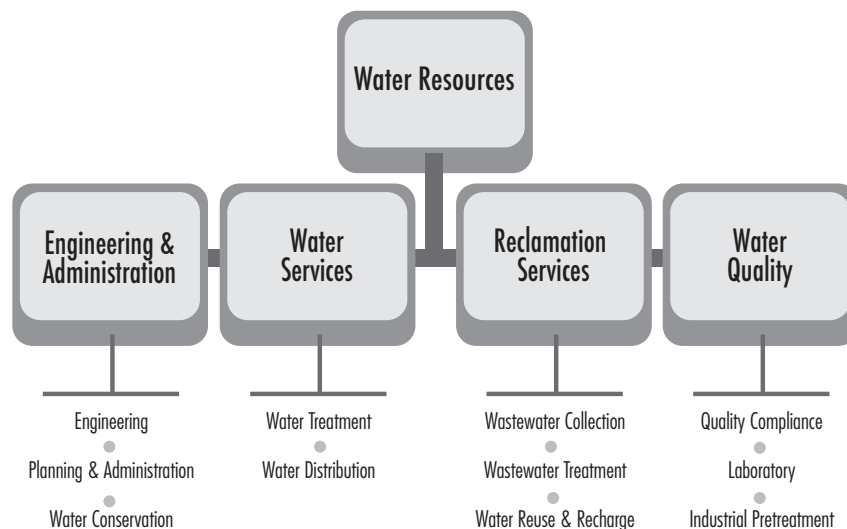
- **System Optimization:** initiate the process to develop and implement strategies and tools to improve efficiency of the City's water and wastewater systems, while at the same time recognizing a number of constraints including, but not limited to, water quality, supply sustainability, and energy consumption. This optimization effort will also capture valuable institutional knowledge by documenting unique operator perspectives and incorporating the most effective perspectives into optimization controls and software thereby resulting in a valuable tool for future system operation.
- **Efficiency Efforts:** explore options for reducing the future costs of acquiring Granular Activated Carbon (GAC). This commodity is an integral part of the City's water treatment process, but changing regulatory requirements and increases in GAC pricing justify exploring cost effective alternatives. The primary alternative identified is a potential partnership with private industry to establish a local facility that will reactivate spent GAC here in the Valley. This would establish a local, cost

effective supply of GAC for Scottsdale and other Valley cities.

- **Advanced Water Treatment (AWT):** complete the AWT expansion to facilitate additional groundwater replenishment and meet the needs identified by the golf courses receiving effluent from the Water Campus. The golf courses are contributing 100% of the funding necessary to complete the AWT Plant expansion associated with their needs. This expansion also will implement additional measures (Advanced Oxidation) to improve water quality and in particular, provide protection from contaminants of potential concern (such as pharmaceuticals and endocrine disrupters).
- **Enhance Water Conservation and Wastewater Pretreatment programs.**
- **Planet Ranch:** complete the transfer of the Planet Ranch property for habitat conservation purposes. The City entered into a purchase contract with Freeport McMoran, which is expected to close by December 2010. Upon closing, the City will receive \$12 million in cash and 50,000 acre-feet of Verde River water credits.

Highlighted Changes

- **Personnel Services** cost increases for nine new FTE's to operate and maintain the expanded Advanced Water Treatment Plant and support enhanced Fats, Oils & Grease Program compliance efforts.
- **Contractual Services** cost decreases due to a lower share of net operating costs for the Multi-City 91st Avenue Wastewater Treatment Plant resulting from better plant utilization and a renegotiated effluent sales contract with the Palo Verde Nuclear Generating Station.
- **Commodities** - cost increases for additional treatment filter media (GAC) to comply with disinfection byproduct regulations (accounting for \$2.3 million of the Water Resource Division's overall \$2.4 million budget increase). Various efficiencies/actions/factors allowed the division to absorb significant cost increases including CAP water delivery costs, electricity rates, and chemical prices.



SUMMARY BY DIVISION

WATER RESOURCES



Staff Summary

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Full-time Equivalents (FTE)	179.00	180.00	189.00	9.00
% of City's FTEs			7.42 %	

Funding Source

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
GW Trtmnt Facility Fund	703,756	992,722	945,601	-47,121
IWDS Fund	904,095	886,395	935,426	49,031
Inlet GC Irrigation Fund	45,987	51,850	51,880	30
Non-Potable RWDS Fund	3,372,774	3,727,480	3,745,408	17,928
Sewer Fund	12,564,962	14,566,623	15,939,730	1,373,107
WW Golf Fund	162,163	231,750	216,732	-15,018
Water Fund	38,713,075	42,470,357	43,519,893	1,049,536
Total Division Budget	56,466,812	62,927,177	65,354,670	2,427,493

Expenditures By Type

	ACTUAL 2008/09	APPROVED 2009/10	ADOPTED 2010/11	CHANGE 09/10 TO 10/11
Personnel Services	14,964,322	14,372,634	15,027,261	654,627
Contractual Services	23,438,522	27,347,320	26,203,816	-1,143,504
Commodities	17,727,902	21,207,223	24,001,593	2,794,370
Capital Outlays	336,066	0	122,000	122,000
SubTotal Operating Budget	56,466,812	62,927,177	65,354,670	2,427,493
Operating Projects	0	0	0	0
Total Division Budget	56,466,812	62,927,177	65,354,670	2,427,493

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
Drinking Water Delivered – Million Gallons Per Day (MGD)	69.4	68.4	71.0
Reclaimed Water Reused - MGD	9.6	11.2	11.4
Water Recharged - MGD	5.7	6.9	7.0
Wastewater Treated - MGD	19.7	21.0	21.5
Customer Accounts Per Employee	790	768	761
Combined Water/Wastewater Operation and Maintenance (O&M) Average Expenses Per MGD	\$1,834	\$1,737	\$1,760
Combined Water/Wastewater O&M Average Expenses Per Account	\$401	\$386	\$403
Water Conservation Customer Contacts	43,646	34,114	35,360
Water Meters Replaced To Increase Revenue & Water Accountability	6,536	7,063	7,000
Restaurant Grease Removal Systems Inspected	358	654	1,200



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One

APPENDIX

AUTHORIZED PERSONNEL POSITIONS- BY DIVISIONS



	Actual FY 2008/2009	Adopted FY 2009/2010	Approved FY 2009/2010	Adopted FY 2010/2011
MAYOR AND CITY COUNCIL				
Full Time	12.00	11.00	10.00	10.00
Total FTE	12.00	11.00	10.00	10.00
CITY ATTORNEY				
Full Time	60.00	57.00	56.00	56.00
Part Time	1.75	2.25	1.50	1.50
Total FTE	61.75	59.25	57.50	57.50
CITY AUDITOR				
Full Time	8.00	7.00	7.00	7.00
Total FTE	8.00	7.00	7.00	7.00
CITY CLERK				
Full Time	10.00	10.00	10.00	10.00
Total FTE	10.00	10.00	10.00	10.00
CITY COURT				
Full Time	65.00	62.00	60.00	60.00
Part Time	1.38	2.48	2.48	2.48
Total FTE	66.38	64.48	62.48	62.48
CITY MANAGER				
Full Time	9.00	8.00	8.00	7.00
Total FTE	9.00	8.00	8.00	7.00
FINANCE AND ACCOUNTING				
Full Time	108.00	96.00	92.00	94.00
Part Time	2.50	2.50	0.50	0.50
Total FTE	110.50	98.50	92.50	94.50
ADMINISTRATIVE SERVICES				
Full Time	38.00	37.00	35.00	35.00
Part Time	0.50	0.00	0.00	0.00
Total FTE	38.50	37.00	35.00	35.00
COMMUNITY SERVICES				
Full Time	322.00	292.00	285.00	285.00
Part Time	209.33	197.80	192.57	190.83
Grant	11.75	11.75	11.75	11.75
Total FTE	543.08	501.55	489.32	487.58
ECONOMIC VITALITY				
Full Time	54.00	51.00	47.00	48.00
Total FTE	54.00	51.00	47.00	48.00
HUMAN RESOURCES				
Full Time	35.00	35.00	29.00	29.00
Part Time	0.50	0.50	1.00	1.50
Total FTE	35.50	35.50	30.00	30.50
INFORMATION TECHNOLOGY				
Full Time	81.00	81.00	78.00	75.00
Part Time	0.81	0.81	0.81	0.81
Total FTE	81.81	81.81	78.81	75.81
PLANNING/NEIGHBORHOOD/TRANSPORTATION				
Full Time	237.00	182.00	179.00	178.00
Part Time	3.00	2.00	2.50	2.50
Total FTE	240.00	184.00	181.50	180.50
PUBLIC SAFETY - FIRE				
Full Time	268.00	267.00	265.00	268.00
Total FTE	268.00	267.00	265.00	268.00
PUBLIC SAFETY - POLICE				
Full Time	711.00	704.00	686.00	686.00
Part Time	2.60	2.60	2.60	2.60
Total FTE	713.60	706.60	688.60	688.60
PUBLIC WORKS				
Full Time	323.00	301.00	295.00	295.00
Total FTE	323.00	301.00	295.00	295.00
WATER RESOURCES				
Full Time	179.00	184.00	180.00	189.00
Total FTE	179.00	184.00	180.00	189.00
Total Full-time Position FTE	2,520.00	2,385.00	2,322.00	2,332.00
Total Part-time Position FTE	222.37	210.94	203.96	202.72
Total Grant Funded Position FTE	11.75	11.75	11.75	11.75
Total Citywide Position FTE	2,754.12	2,607.69	2,537.71	2,546.47

NOTE:

The budget includes funding for various services rendered by temporary or seasonal staffing, which is not included in the calculation of the full time equivalent (FTE) count. These slots are short-term and/or transitional in nature such as those in the Police and Fire pipelines. The number of slots listed below represents the number of positions allocated to each service area. The Human Resources Department uses the number of slots allocated solely for administrative control purposes. Fiscal control for these slots is maintained through the budget. However, due to the limited nature of the services performed by these slots, they are not considered part of the City's overall FTE count.

Recreation Specialists - are for up to 240 seasonal slots throughout various times of the year. The funding for these slots is included in the Community Services Division budget.

Police Reserve Officers - provide resources to assist the Police Department with sporadic spikes in the workload or special projects. When needed, up to 11 retired officer slots are available to assist. Funding for these slots is included in the Public Safety Division - Police Department budget.

Police Pipeline Officers - are used for up to 5 cadet slots while they are in the police academy or after completing the academy and waiting for a sworn police position. The funding for these slots is included in the Public safety Division - Police Department budget.

Fire Pipeline Firefighters - are used for up to 24 cadet slots while they are in the fire academy or after completing the academy and waiting for a sworn fire position. There is no funding in FY 2010/11 for these slots as no academy is planned.

Pro-Tem Judges - is used to compensate up to 24 Pro-Tem Judge slots that serve on an "as needed" basis to support the City Judge and Associate City Judges. The funding for these slots is included in the City Court budget.

WestWorld has 13 slots used to compensate up to 2 Custodial Workers, 4 Customer Service Clerks, 5 Maintenance Helpers and 2 Office Assistants. The funding for these slots is included in the WestWorld budget.

Temporary Workers - are slots used when the work circumstances necessitate a temporary assignment or reassignment of an employee. While the Human Resources Division manages these 20 slots, no funding is included in the budget for these slots. Funding would typically come from within a division's accepted budget.



	Adopted FY 2010/2011	General Fund	Transportation	Special Revenue	Enterprise	Internal Service	Total
MAYOR AND CITY COUNCIL							
Full Time	10.00	10.00	0.00	0.00	0.00	0.00	10.00
Total FTE	10.00	10.00	0.00	0.00	0.00	0.00	10.00
CITY ATTORNEY							
Full Time	56.00	56.00	0.00	0.00	0.00	0.00	56.00
Part Time	1.50	1.50	0.00	0.00	0.00	0.00	1.50
Total FTE	57.50	57.50	0.00	0.00	0.00	0.00	57.50
CITY AUDITOR							
Full Time	7.00	7.00	0.00	0.00	0.00	0.00	7.00
Total FTE	7.00	7.00	0.00	0.00	0.00	0.00	7.00
CITY CLERK							
Full Time	10.00	10.00	0.00	0.00	0.00	0.00	10.00
Total FTE	10.00	10.00	0.00	0.00	0.00	0.00	10.00
CITY COURT							
Full Time	60.00	47.00	0.00	13.00	0.00	0.00	60.00
Part Time	2.48	0.60	0.00	1.88	0.00	0.00	2.48
Total FTE	62.48	47.60	0.00	14.88	0.00	0.00	62.48
CITY MANAGER							
Full Time	7.00	7.00	0.00	0.00	0.00	0.00	7.00
Total FTE	7.00	7.00	0.00	0.00	0.00	0.00	7.00
FINANCE AND ACCOUNTING							
Full Time	94.00	63.00	0.00	0.00	24.00	7.00	94.00
Part Time	0.50	0.50	0.00	0.00	0.00	0.00	0.50
Total FTE	94.50	63.50	0.00	0.00	24.00	7.00	94.50
ADMINISTRATIVE SERVICES							
Full Time	35.00	35.00	0.00	0.00	0.00	0.00	35.00
Total FTE	35.00	35.00	0.00	0.00	0.00	0.00	35.00
COMMUNITY SERVICES							
Full Time	285.00	283.00	0.00	2.00	0.00	0.00	285.00
Part Time	190.83	180.54	0.00	10.29	0.00	0.00	190.83
Grant	11.75	0.00	0.00	11.75	0.00	0.00	11.75
Total FTE	487.58	463.54	0.00	24.04	0.00	0.00	487.58
ECONOMIC VITALITY							
Full Time	48.00	34.00	0.00	0.00	14.00	0.00	48.00
Total FTE	48.00	34.00	0.00	0.00	14.00	0.00	48.00
HUMAN RESOURCES							
Full Time	29.00	29.00	0.00	0.00	0.00	0.00	29.00
Part Time	1.50	1.50	0.00	0.00	0.00	0.00	1.50
Total FTE	30.50	30.50	0.00	0.00	0.00	0.00	30.50
INFORMATION TECHNOLOGY							
Full Time	75.00	75.00	0.00	0.00	0.00	0.00	75.00
Part Time	0.81	0.81	0.00	0.00	0.00	0.00	0.81
Total FTE	75.81	75.81	0.00	0.00	0.00	0.00	75.81
PLANNING/NEIGHBORHOOD/TRANSPORTATION							
Full Time	178.00	157.00	21.00	0.00	0.00	0.00	178.00
Part Time	2.50	2.50	0.00	0.00	0.00	0.00	2.50
Total FTE	180.50	159.50	21.00	0.00	0.00	0.00	180.50
PUBLIC SAFETY - FIRE							
Full Time	268.00	268.00	0.00	0.00	0.00	0.00	268.00
Total FTE	268.00	268.00	0.00	0.00	0.00	0.00	268.00
PUBLIC SAFETY - POLICE							
Full Time	686.00	682.00	0.00	4.00	0.00	0.00	686.00
Part Time	2.60	2.60	0.00	0.00	0.00	0.00	2.60
Total FTE	688.60	684.60	0.00	4.00	0.00	0.00	688.60
PUBLIC WORKS							
Full Time	295.00	99.00	60.00	0.00	89.00	47.00	295.00
Total FTE	295.00	99.00	60.00	0.00	89.00	47.00	295.00
WATER RESOURCES							
Full Time	189.00	0.00	0.00	0.00	189.00	0.00	189.00
Total FTE	189.00	0.00	0.00	0.00	189.00	0.00	189.00
Total Full-time Position FTE	2,332.00	1,862.00	81.00	19.00	316.00	54.00	2,332.00
Total Part-time Position FTE	202.72	190.55	0.00	12.17	0.00	0.00	202.72
Total Grant Funded Position FTE	11.75	0.00	0.00	11.75	0.00	0.00	11.75
Total Citywide Position FTE	2,546.47	2,052.55	81.00	42.92	316.00	54.00	2,546.47

See Note on
previous page

APPENDIX

BUDGET LIAISONS AND CIP LIAISONS



Budget Liaisons and CIP Liaisons coordinate the budget within their respective divisions. The Budget Liaison serves as the vital communication link between their City divisions and Finance and Accounting on matters related to their specific operating budget. Budget Liaisons are responsible for review and analysis coordinating information, checking to see if forms are completed properly, making sure that all necessary documentation is submitted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process. The CIP Liaisons (identified with an asterisk) essentially serve the same role; however, their focus is on coordination of capital projects and multiyear capital planning with the Finance and Accounting Division staff. In many cases the same individual serves both roles.

Mayor & City Council
Janet Secor

Public Safety – Fire
Teresa Martin/Rich Upham*

Economic Vitality
Kathy Montalvo*

City Manager
Monica Staats

City Attorney
Jane Callahan

Public Safety - Police
Holly Christian*/Melissa Miller

Human Resources
Valerie Wegner*

Finance and Accounting
Monica Staats*

City Auditor
Joyce Gilbride

Public Works
Teri Huston

Information Technology
Jennifer Jensen*

Administrative Services
Monica Staats

City Clerk
Laura Zook

Water Resources
John Ralston/Ron Dolan*

Planning, Neighborhoods & Transportation
Dan VandenHam

Community Services
Bryan Bundy/Tim Barnard*

City Court
Jack Miller*



DEBT SERVICE EXPENSE - ALL FUNDS

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Final Payment Date
General Fund							
<u>Contracts Payable</u>							
U.S. Corps of Engineers - IBW	231,166	231,166	231,166	231,166	231,166	231,166	2032
US Patent Office	3,054	-	-	-	-	-	2009
BOR Administration/Westworld	110,250	115,763	121,551	127,628	134,010	140,710	2033
BOR Administration/TPC	110,250	115,763	121,551	127,628	134,010	140,710	2035
Nordstrom Garage Lease (4% growth)	2,092,697	2,393,316	2,044,926	2,126,723	2,211,792	2,300,264	2028
Nordstrom Garage Sales Tax	44,993	51,456	43,966	45,725	47,554	49,456	2028
Waterfront Construction Sales Tax Rebate	-	-	-	-	-	-	2015
Hotel Valley Ho (max. 2M or 16 yr thru 2019-Caferella) (3% growth)	135,000	159,307	164,086	172,290	184,351	200,942	2019
Stacked 40's/Lund - Retail Sales Tax Rebate (max. 5,500,000 plus int.)	-	-	1,309,540	388,870	349,036	359,597	2014
Stacked 40's/Lund - Construction Sales Tax Rebate	-	-	50,000	-	-	-	2014
Total General Fund Contracts Payable	2,727,410	3,066,770	4,086,785	3,220,030	3,291,918	3,422,754	
<u>Certificates of Participation (COP)</u>							
2005 Certificates of Participation - Fire & Police Building	916,790	916,790	916,790	916,790	916,790	916,790	6/30/15
Fiscal Agent Fees	2,000	2,000	2,000	2,000	2,000	2,000	
Future COP - Police/Fire Radio Communication Equip.(Nov 10)	-	510,800	2,621,200	2,620,913	2,623,675	2,624,375	6/30/20
Fiscal Agent Fees (\$1,000 per issue)	1,000	1,000	1,000	1,000	1,000	1,000	
Total Certificates of Participation	919,790	1,430,590	3,540,990	3,540,703	3,543,465	3,544,165	
Total General Fund	3,647,200	4,497,360	7,627,775	6,760,733	6,835,383	6,966,919	
Debt Service Funds							
<u>General Obligation Bonds - Property Tax (Secondary) Supported</u>							
1993 G. O. Refunding	-	-	-	-	-	-	06/30/09
1997 G.O. Refunding Bonds	4,027,000	2,418,950	1,398,725	1,398,275	1,424,250	-	06/30/14
1989 G.O. Series I (1998)	177,800	177,800	177,800	177,800	177,800	177,800	06/30/18
1999A G.O. Bonds	-	-	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-6% & 20%	367,650	3,007,650	4,425,750	-	-	-	06/30/12
2002 Various Purpose G.O. Bonds-6% & 20% (28M iss. 5/02)	550,500	1,638,000	-	-	-	-	06/30/11
2002 G.O. Refunding Bonds-6% & 20%	8,772,725	10,359,475	7,702,000	6,316,000	6,319,500	6,334,250	06/30/16
2003 G.O. Refunding Bonds-6% & 20% (16,265,000 iss. 9/03)	5,933,731	1,965,556	1,438,244	1,424,844	-	-	06/30/13
2004 G.O. Var. Purpose-6% & 20% (48M iss. 4/04)	2,088,125	2,088,125	2,088,125	2,088,125	6,088,125	7,363,125	06/30/21
2005 G.O. Refunding Bonds-6% & 20% (8,542,000 iss. 3/05)	427,000	427,000	3,142,000	4,591,250	1,601,250	-	06/30/14
2005A G.O. Var. Purpose-6% & 20% (125M iss. 12/05)	8,540,750	8,660,750	9,520,750	10,295,750	10,520,750	10,720,750	06/30/24
2008A G.O. Var. Purpose-20% (100M iss. 4/08)	4,362,469	4,362,469	4,362,469	7,437,469	7,612,531	7,828,656	06/30/28
Prior year adjustment	2,181,235	-	-	-	-	-	
Fiscal Agent Fees	5,400	5,400	5,040	4,680	4,320	3,960	
Future G.O. Bond-Series 2010 Var. Purpose-20% (\$50.8M iss. 4/10)	431,229	2,798,125	2,879,125	2,958,125	3,035,125	3,147,625	06/30/30
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	1,000	1,000	1,000	1,000	1,000	1,000	
Total General Obligation Bonds	37,866,614	37,910,300	37,141,027	36,693,317	36,784,651	35,577,166	
<u>Preserve General Obligation Bonds - Preserve Sales Tax Supported</u>							
1999 Preserve G.O. Bonds (1995 tax)	-	-	-	-	-	-	06/30/09
2001 Preservation G.O. Bonds (1995 tax)	-	-	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-Preservation Portion (1995 tax)	1,488,913	1,488,913	2,318,913	4,959,300	4,415,369	2,720,519	06/30/22
2002 G.O. Bonds-Preservation Portion (40M iss. 5/02, prev. 70M) (1995 tax)	277,613	277,613	277,613	277,613	277,613	277,613	06/30/24
2002 G.O. Refunding Bonds-Preservation Portion (1995 tax)	360,693	360,693	360,693	360,693	360,693	360,692	06/30/19
2004 Preservation GO (65.4M, iss. 4/04) (1995 tax)	5,978,300	7,323,300	5,993,300	4,418,300	4,313,300	2,108,300	06/30/25
2005 G.O. Refunding Bonds-Preservation Portion (66.088M 3/05) (1995 tax)	2,838,128	2,838,128	2,838,128	2,838,128	5,843,128	7,532,878	06/30/24
2005B G.O. Bonds-Preservation Portion (20M 12/05) (2004 tax)	1,672,619	1,662,619	1,651,619	1,655,369	1,631,619	1,631,619	06/30/24
2008B G.O. Bonds-Preservation Portion (20M 04/08) (2004 tax)	1,340,281	1,325,281	1,335,281	1,319,531	1,327,469	1,334,594	06/30/34
Prior year adjustment	(2,181,235)	-	-	-	-	-	
Fiscal Agent Fees (1995 tax)	2,100	2,100	1,960	1,820	1,680	1,540	
Future G.O. Bond: \$200M issue Jan 2011 (2004 tax)	-	4,329,993	9,330,872	9,514,747	9,927,894	10,367,787	06/30/34
Fiscal Agent Fees (Future Bonds @ \$1,000/bond) (2004 tax)	-	1,000	1,000	1,000	1,000	1,000	
Preserve General Obligation Bonds - Preserve Sales Tax Supported	11,777,412	19,609,640	24,109,379	25,346,501	28,099,765	26,336,542	



DEBT SERVICE EXPENSE - ALL FUNDS

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Final Payment Date
Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supported							
1998 Scottsdale Preserve Revenue Bonds (1995 tax)	1,680,275	1,680,275	1,680,275	1,680,275	1,680,275	1,680,275	06/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds (1995 tax)	1,515,976	1,515,320	1,517,920	1,517,870	1,519,625	1,513,313	06/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds (1995 tax)	3,535,500	3,503,500	3,487,500	3,475,750	3,462,750	3,473,250	06/30/16
Fiscal Agent Fees	2,000	2,000	2,000	2,000	2,000	2,000	
Corporation Annual Report	10	10	10	10	10	10	
Total Scottsdale Preserve Authority Bonds	6,733,761	6,701,105	6,687,705	6,675,905	6,664,660	6,668,848	
McDowell Sonoran Preserve Contract - Preserve Sales Tax Supported (1995 tax)	951,855	954,175	953,750	955,500	-	-	06/30/13
Municipal Property Corp. (MPC) Bonds - Excise Tax Supported							
2004A MPC SkySong Bonds	1,323,175	1,323,275	1,322,400	1,320,550	1,320,150	1,322,650	06/30/19
2005 MPC Giants Practice Field (\$6.648M, June 2005) MSA funded	204,028	112,370	369,011	287,353	530,177	439,119	06/30/21
2005 MPC Giants Practice Field (\$13.297M, June 2005) TSA funded	408,116	224,774	738,133	574,791	1,060,512	878,370	06/30/21
2005D MPC Westworld Land Acquisition (\$46.5M, Dec 2005)	1,140,000	1,128,750	1,117,500	1,106,250	1,695,000	1,753,750	06/30/35
2006 MPC Refunding WestWorld	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	06/30/30
2006 MPC Refunding SkySong	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	06/30/34
2006A MPC TPC (10Mil, Nov 2006)	645,906	650,706	649,906	648,706	647,106	650,106	06/30/31
2006B MPC Westworld Land Acquisition (\$32.5M, Nov 2006) Excise Tax Funded	800,594	800,594	1,750,594	1,762,594	1,772,594	1,780,594	06/30/31
2006B MPC Westworld Land Acquisition (\$32.5M, Nov 2006) Bed Tax Funded	600,000	600,000	600,000	600,000	600,000	600,000	06/30/31
Fiscal Agent Fees	9,625	9,625	9,625	9,625	9,625	9,625	
Corporation Annual Report	10	10	10	10	10	10	
Future Bonds - Loloma Museum (\$2.779M Mar 2011) Excise Tax funded		108,390	212,555	220,220	224,630	227,999	06/30/30
Future Bonds - Loloma Museum (\$3.75M Mar 2011) Bed Tax funded		146,263	286,823	297,166	303,117	307,664	06/30/30
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)		1,000	1,000	1,000	1,000	1,000	
Subtotal:	6,691,810	6,794,850	7,836,090	7,841,455	8,442,615	8,518,234	
<i>MPC - General Fund/Excise Tax funded</i>	<i>600,000</i>	<i>746,263</i>	<i>886,823</i>	<i>897,166</i>	<i>903,117</i>	<i>907,664</i>	
<i>MPC - Bed Tax funded</i>	<i>204,028</i>	<i>112,370</i>	<i>369,011</i>	<i>287,353</i>	<i>530,177</i>	<i>439,119</i>	
<i>MPC - MSA funded</i>	<i>408,116</i>	<i>224,774</i>	<i>738,133</i>	<i>574,791</i>	<i>1,060,512</i>	<i>878,370</i>	
Total Municipal Property Corp. Bonds	7,903,954	7,878,257	9,830,057	9,600,765	10,936,421	10,743,387	
Special Assessments							
Series 104 Contract	8,574	5,059	2,917	3,481	-	-	01/01/13
Existing Districts (excluding ID 104)	868,125	834,375	800,625	766,875	-	-	01/01/13
Fiscal Agent Fees	450	450	450	450	-	-	
Total Special Assessments	877,149	839,884	803,992	770,806	-	-	
Total Debt Service Funds	66,110,745	73,893,361	79,525,910	80,042,794	82,485,497	79,325,943	
Water and Sewer Funds							
Water Sewer Revenue Bonds							
2004 Water Sewer Revenue Refunding Bonds-Water Portion	300,850	298,734	299,452	263,450	86,245	86,619	06/30/16
2008 Water Sewer Revenue Refunding Bonds-Water Portion	131,142	119,444	123,953	125,756	145,392	-	06/30/14
2004 Water Sewer Revenue Refunding Bonds-Sewer Portion	3,323,850	3,300,466	3,308,398	2,910,650	952,855	956,981	06/30/16
2008 Water Sewer Revenue Refunding Bonds-Sewer Portion	1,710,396	1,700,431	1,704,272	1,705,807	3,793,646	3,495,838	06/30/23
Fiscal Agent Fees	400	400	400	400	400	400	
Total Water Sewer Revenue Bonds	5,466,638	5,419,475	5,436,475	5,006,063	4,978,538	4,539,838	
Municipal Property Corp. (MPC) Bonds							
2004 Water & Sewer MPC Bonds-Water Portion	2,864,400	2,824,800	2,792,533	2,763,383	2,729,650	-	06/30/14
2005E Water & Sewer MPC Bonds	3,231,500	3,216,500	3,196,500	3,171,500	3,166,500	3,155,250	06/30/16
2006 MPC Refunding Water/Sewer MPC Bonds-Water Portion	4,937,178	4,937,178	4,937,178	4,937,178	4,937,178	8,153,872	06/30/30
2004 Water & Sewer-Sewer Portion	1,041,600	1,027,200	1,015,467	1,004,867	992,600	-	06/30/14
2006 MPC Refunding Water/Sewer-Sewer Portion	588,322	588,322	588,322	588,322	588,322	971,628	06/30/30
2008A MPC Bonds-Water Portion	5,796,286	5,793,995	5,788,650	5,778,150	5,781,968	5,780,059	06/30/32
2008A MPC Bonds-Sewer Portion	1,794,089	1,793,380	1,791,725	1,788,475	1,789,657	1,789,066	06/30/32
Fiscal Agent Fees	3,625	3,625	3,625	3,625	3,625	3,000	
Future Revenue Bonds - Water/Sewer (\$75 mil 4/2010)		4,158,677	3,551,900	3,666,500	3,797,500	3,929,900	06/30/36
Future Revenue Bonds - Water/Sewer (\$26 mil 11/2012)		-	-	544,764	1,420,510	1,844,764	06/30/37
Future Revenue Bonds - Water/Sewer (\$62 mil 11/2014)		-	-	-	-	3,365,719	06/30/39
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)		1,000	1,000	1,000	2,000	3,000	
Total MPC Bonds - Water and Sewer Supported	20,257,000	24,344,677	23,666,900	24,247,764	25,209,510	28,996,258	
Total Water and Sewer Funds	25,723,638	29,764,152	29,103,375	29,253,827	30,188,048	33,536,096	
TOTAL DEBT SERVICE	95,481,583	108,154,873	116,257,061	116,057,354	119,508,927	119,828,958	
Preserve Debt Service segregated by tax funding source:							
1995 .20% Tax	18,631,363	19,946,027	19,432,062	20,487,259	21,876,443	19,670,390	
2004 .15% Tax	3,012,900	7,318,893	12,318,772	12,490,647	12,887,982	13,335,000	
	21,644,263	27,264,920	31,750,834	32,977,906	34,764,425	33,005,390	



Long-Term Debt Outstanding - All Funds As of 6/30/10 through 6/30/14						
	Balance at 6/30/10	Balance at 6/30/11	Balance at 6/30/12	Balance at 6/30/13	Balance at 6/30/14	Final Payment Date
General Fund						
<u>Contracts Payable</u>						
U.S. Corps of Engineers - IBW	2,795,135	2,706,967	2,614,288	2,516,868	2,414,464	6/30/32
BOR Administration/Westworld	4,796,095	4,680,333	4,558,782	4,431,154	4,297,145	7/29/33
BOR Administration/TPC	5,525,008	5,409,246	5,287,695	5,160,067	5,026,057	6/10/35
Total General Fund Contracts Payable	13,116,238	12,796,546	12,460,765	12,108,089	11,737,666	
<u>Certificates of Participation</u>						
2005 Certificates of Participation - Fire & Police Building	4,194,561	3,409,567	2,598,496	1,760,479	894,622	6/30/15
Future COPS	-	19,300,000	17,445,000	15,530,000	13,550,000	6/30/20
Total Certificates of Participation	4,194,561	22,709,567	20,043,496	17,290,479	14,444,622	
Total General Fund	17,310,799	35,506,113	32,504,261	29,398,568	26,182,288	
Debt Service Funds						
<u>General Obligation Bonds - Property Tax (Secondary) Supported</u>						
1997 G.O. Refunding Bonds	5,890,000	3,795,000	2,605,000	1,350,000	-	6/30/14
1989 G.O. Series I (1998)	4,445,000	4,445,000	4,445,000	4,445,000	4,445,000	6/30/18
2001 G.O. Refunding Bonds-6% & 20%	6,840,000	4,200,000	-	-	-	6/30/12
2002 Various Purpose G.O. Bonds-6% & 20%	1,560,000	-	-	-	-	6/30/11
2002 G.O. Refunding Bonds-6% & 20%	33,025,000	24,230,000	17,720,000	12,290,000	6,585,000	6/30/16
2003 G.O. Refunding Bonds-6% & 20%	4,505,000	2,710,000	1,375,000	-	-	6/30/13
2004 G.O. Var. Purpose-6% & 20%	48,000,000	48,000,000	48,000,000	48,000,000	44,000,000	6/30/21
2005 G.O. Refunding Bonds-6% & 20%	8,540,000	8,540,000	5,825,000	1,525,000	-	6/30/14
2005A G.O. Var. Purpose-6% & 20%	113,250,000	109,750,000	105,250,000	99,750,000	93,750,000	6/30/24
2008A G.O. Var. Purpose-6% & 20%	100,000,000	100,000,000	100,000,000	96,925,000	93,575,000	6/30/28
2010 G.O.Var. Purpose Bonds-20%	50,800,000	49,850,000	48,800,000	47,650,000	46,400,000	6/30/30
Total General Obligation Bonds	376,855,000	355,520,000	334,020,000	311,935,000	288,755,000	
<u>Preserve General Obligation Bonds - Preserve Sales Tax Supported</u>						
2001 G.O. Refunding Bonds-Preservation Portion	28,715,000	28,715,000	27,885,000	24,370,000	21,210,000	6/30/22
2002 G.O. Bonds-Preservation Portion	5,755,000	5,755,000	5,755,000	5,755,000	5,755,000	6/30/24
2002 G.O. Refunding Bonds-Preservation Portion	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	6/30/19
2004 Preservation GO	56,800,000	52,200,000	48,700,000	46,600,000	44,500,000	6/30/25
2005 G.O. Refunding Bonds-Preservation Portion	66,090,000	66,090,000	66,090,000	66,090,000	63,085,000	6/30/24
2005B G.O. Bonds-Preservation Portion	16,700,000	15,800,000	14,875,000	13,900,000	12,900,000	6/30/24
2008B G.O. Bonds-Preservation Portion	19,175,000	18,675,000	18,150,000	17,625,000	17,075,000	6/30/34
Future G.O. Bonds	-	200,000,000	199,329,114	198,460,935	197,162,245	6/30/34
Total Preserve General Obligation Bonds	201,335,000	395,335,000	388,884,114	380,900,935	369,787,245	
<u>Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supported</u>						
1998 Scottsdale Preserve Revenue Bonds	36,725,000	36,725,000	36,725,000	36,725,000	36,725,000	6/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds	13,475,000	12,625,000	11,735,000	10,805,000	9,830,000	6/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds	17,670,000	15,050,000	12,315,000	9,455,000	6,465,000	6/30/16
Total Scottsdale Preserve Authority Bonds	67,870,000	64,400,000	60,775,000	56,985,000	53,020,000	
<u>McDowell Sonoran Preserve Contract - Preserve Sales Tax Supported</u>						
	2,600,000	1,775,000	910,000	-	-	6/30/13
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supported</u>						
2004A MPC SkySong Bonds	8,865,000	7,915,000	6,935,000	5,925,000	4,875,000	6/30/19
2005 MPC Giants Practice Field	19,403,356	19,334,928	18,679,092	18,069,092	17,549,092	6/30/21
2005D MPC WestWorld Land Acquisition	19,700,000	19,475,000	19,250,000	19,025,000	18,200,000	6/30/35
2006 MPC Refunding WestWorld	25,485,000	25,485,000	25,485,000	25,485,000	25,485,000	6/30/30
2006 MPC Refunding SkySong	29,965,000	29,965,000	29,965,000	29,965,000	29,965,000	6/30/34
2006A MPC TPC	8,855,000	8,585,000	8,305,000	8,015,000	7,715,000	6/30/31
2006B MPC Westworld Land Acquisition	32,500,000	32,500,000	31,550,000	30,550,000	29,500,000	6/30/31
Future MPC Bonds	-	6,383,163	6,202,944	5,995,706	5,767,743	6/30/30
Total Municipal Property Corp. Bonds	144,773,356	149,643,091	146,372,036	143,029,798	139,056,835	
<u>Special Assessments</u>						
Series 104 Contract	10,469	6,036	3,481	-	-	1/1/13
Existing Districts (excluding ID 104)	2,250,000	1,500,000	750,000	-	-	1/1/13
Total Special Assessments	2,260,469	1,506,036	753,481	-	-	
Total Debt Service Funds	795,693,825	968,179,127	931,714,631	892,850,733	850,619,080	



Long-Term Debt Outstanding - All Funds						
As of 6/30/10 through 6/30/14						
	Balance at	Balance at	Balance at	Balance at	Balance at	Final
	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	Payment
						Date
Water and Sewer Funds						
<u>Water Sewer Revenue Bonds</u>						
2004 Water Sewer Revenue Refunding Bonds	11,975,000	8,945,000	5,770,000	2,870,000	1,960,000	6/30/16
2008 Water Sewer Revenue Refunding Bonds	33,255,000	33,065,000	32,860,000	32,645,000	30,315,000	6/30/23
Total Water Sewer Revenue Bonds	<u>45,230,000</u>	<u>42,010,000</u>	<u>38,630,000</u>	<u>35,515,000</u>	<u>32,275,000</u>	
<u>Municipal Property Corp. (MPC) Bonds</u>						
2004 Water & Sewer MPC Bonds	13,440,000	10,260,000	6,965,000	3,545,000	-	6/30/14
2005E Water & Sewer MPC Bonds	16,330,000	13,930,000	11,430,000	8,830,000	6,105,000	6/30/16
2006 MPC Refunding Water/Sewer MPC Bonds	110,510,000	110,510,000	110,510,000	110,510,000	110,510,000	6/30/30
2008A Water & Sewer MPC Bonds	101,500,000	98,825,000	96,050,000	93,150,000	90,100,000	6/30/32
2010 Water & Sewer MPC Bonds	-	75,000,000	74,820,000	74,520,000	74,080,000	6/30/36
Future MPC Bonds	-	-	-	25,455,236	24,883,234	6/30/39
Total MPC Bonds - Water and Sewer Supported	<u>241,780,000</u>	<u>308,525,000</u>	<u>299,775,000</u>	<u>316,010,236</u>	<u>305,678,234</u>	
Total Water and Sewer Funds	<u>287,010,000</u>	<u>350,535,000</u>	<u>338,405,000</u>	<u>351,525,236</u>	<u>337,953,234</u>	
TOTAL LONG-TERM DEBT OUTSTANDING	<u>1,100,014,624</u>	<u>1,354,220,240</u>	<u>1,302,623,892</u>	<u>1,273,774,537</u>	<u>1,214,754,602</u>	
Sales Tax Agreements						
The City also has the following sales tax agreements, in which the City's payments are contingent upon the sales tax generated on the sites. These agreements are not included in the Long-term Debt Outstanding in accordance with generally accepted accounting principles. However, they are shown on the debt service schedule for purposes of budget expenditure authority and cash flow planning.						
Nordstrom						6/30/28
Hotel Valley Ho						6/30/19
Stacked 40's						6/30/14



COMPUTATION OF LEGAL DEBT MARGINS	
Forecast 6/30/2010	
Net Secondary Assessed Valuation Forecasted as of June 30, 2010	\$ 8,406,000,739
Debt Limit Equal to 20% of Assessed Valuation	1,681,200,148
General Obligation Bonded Debt Subject to 20% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2010):	
1997 Refunding	\$ 5,890,000
1989 Series I (1998)	4,445,000
2001 Refunding	35,555,000
2002	7,315,000
2002 Refunding	40,630,000
2003 Refunding	4,505,000
2004	87,800,000
2005 Refunding	74,630,000
2005A	52,500,000
2005B	16,700,000
2008A	100,000,000
2008B	19,175,000
2010	<u>50,800,000</u>
Net Outstanding Forecasted Bonded Debt Subject to 20% Limit	<u>499,945,000 (A)</u>
Forecasted Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 1,181,255,148 (C)</u>
Debt Limit Equal to 6% of Assessed Valuation	\$ 504,360,044
General Obligation Bonded Debt Subject to 6% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2010):	
2002 Refunding	\$ 495,000
2004	17,000,000
2005A	<u>60,750,000</u>
Net Outstanding Forecasted Bonded Debt Subject to 6% Limit	<u>78,245,000 (B)</u>
Forecasted Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 426,115,044 (D)</u>

State Regulation
 The Arizona Constitution (Article 9, Section 8), provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to an additional 20% of the secondary assessed valuation for supplying such city with water, artificial light, or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and transportation facilities.

City of Scottsdale Compliance with State Regulation

This schedule indicates the secondary assessed valuation of property tax within the City of Scottsdale allows a maximum legal bonding capacity of \$1,681,200,148 for projects subject to the 20% limitation and \$504,360,044 for projects subject to the 6% limitation.

Legal Debt Capacity Used

Based on the City's current outstanding general obligation debt, it is forecasted as of June 30, 2010, the City has used (borrowed) the following legal debt capacity by percentage limitation:

- 20% limitation (A) \$499,945,000 or 30%
- 6% limitation (B) \$78,245,000 or 16%

Legal Capacity Available

Based on the City's current outstanding general obligation debt, it is forecasted as of June 30, 2010, the City has available (for borrowing) the following legal debt capacity by percentage limitation:

- 20% limitation (C) \$1,181,255,148 or 70%
- 6% limitation (D) \$426,115,044 or 84%



**General Fund Five-Year Privilege Tax Forecast
By Business Category**

Revenue Category	FY 08/09 Actual	% of Total	FY 09/10 Forecast	% of Total	FY 10/11 Adopted	% of Total	FY 11/12 Forecast	% of Total
Automotive	9,596,981	11%	8,071,446	10%	8,659,876	11%	8,753,145	11%
Construction	13,538,414	16%	6,437,129	8%	8,536,109	11%	9,194,215	11%
Food	6,295,756	7%	6,699,469	8%	6,368,792	8%	6,517,991	8%
Hotel/Motel	4,400,462	5%	4,982,005	6%	4,280,063	5%	4,423,275	5%
Major Dept Stores	8,806,516	10%	8,442,947	11%	9,117,248	11%	9,239,356	11%
Misc. Retail	12,064,666	14%	11,253,398	14%	12,686,154	16%	12,856,060	16%
Other Taxable	6,248,034	7%	5,744,068	7%	5,390,913	7%	5,416,110	7%
Rental	12,467,197	14%	13,570,907	17%	11,492,277	14%	11,530,885	14%
Restaurants	6,909,459	8%	6,283,649	8%	6,994,428	9%	7,088,104	9%
Utilities	4,431,613	5%	4,918,702	6%	4,661,073	6%	4,770,266	6%
Other	2,569,287	3%	2,532,281	3%	2,327,787	3%	2,335,607	3%
Total	87,328,386	100%	78,936,000	100%	80,514,720	100%	82,125,014	100%

Revenue Category	FY 12/13 Forecast	% of Total	FY 13/14 Forecast	% of Total	FY 14/15 Forecast	% of Total
Automotive	8,886,640	11%	9,061,690	11%	9,282,119	10%
Construction	9,909,251	12%	10,328,606	12%	10,743,815	12%
Food	6,649,995	8%	6,780,988	8%	6,912,055	8%
Hotel/Motel	4,645,588	6%	4,969,308	6%	5,412,980	6%
Major Dept Stores	9,404,735	11%	9,602,468	11%	9,824,808	11%
Misc. Retail	13,052,128	16%	13,309,232	15%	13,699,485	15%
Other Taxable	5,487,074	7%	5,583,410	6%	5,699,320	6%
Rental	11,649,074	14%	11,878,540	14%	12,226,842	14%
Restaurants	7,160,756	9%	7,266,017	8%	7,406,459	8%
Utilities	4,914,589	6%	5,060,529	6%	5,259,486	6%
Other	2,336,185	3%	2,357,627	3%	2,403,197	3%
Total	84,096,015	100%	86,198,415	100%	88,870,566	100%

This same analysis by business category was applied when forecasting privilege tax revenues for Public Safety Privilege Tax (.10%), and Special Revenue Funds: Transportation Privilege Tax (.20%), McDowell Preserve Privilege Tax (.20%) and Preservation Privilege Tax (.15%).



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One



Origin and Historical Summary

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In 1888, Army Chaplain Winfield Scott, upon his retirement from the Army, visited the Valley of the Sun and subsequently made a down payment on a section of land in order to start a farming practice. Scott's purchase and subsequent farming of the land would be the impetus for the historic development of the town that is now modern day Scottsdale.

Like other Arizona cities and towns, the provision of a reliable water supply was critical to sustaining the community after its initial settlement by Chaplain Winfield Scott. The Granite Reef Dam was built in 1908 and the Roosevelt Dam in 1911 which transformed the Salt River Valley and allowed Scottsdale to share in the resulting population boom. Between 1908 and 1933 Scottsdale grew slowly, but steadily as a small market town principally providing services for families involved in the agricultural industry. Scottsdale's favorable climate, irri-

gated desert location, and beautiful scenery influenced its initial settlement as well. Many health seekers came to Scottsdale, and those who were able to relocate to enjoy the advantages of the climate tended to be more well to do. Many of the community's original settlers who were recruited by Winfield Scott from the East and Midwest were educated and had an established appreciation for cultural activities. These early settlers established the Scottsdale public school system in 1896, supported the burgeoning artists and writes culture that began relocation here in the early 1900's, and promoted Scottsdale's affiliation with the earliest area resorts, the Ingleside Inn (1909) and the Jokake Inn (1922).

The Depression Era saw an influx of artists and architects to Scottsdale, one of the most renowned being Frank Lloyd Wright. Wright first came to Arizona to work on a desert resort project in Chandler in 1927 and worked on the design for the Arizona Biltmore Resort in 1929. In 1937, Wright and his wife purchased 600 desert acres at the foot of the McDowell Mountains and built Taliesin West, his winter home and his architectural firm's southwestern headquarters. In 1947, the Scottsdale Chamber of Commerce was incorporated and Scottsdale leaders engaged in a conscious effort to promote a special identity for the town. Scottsdale was the only local community to formally embrace the western atmosphere that helped distinguish it from other tourist destinations. A design theme for the downtown

was established with a "western" image and lifestyle and the city's moniker the "West's Most Western Town" was coined. In 1951, the town incorporated into the City of Scottsdale.

Although Scottsdale has grown in size and population, its historic origins still shine through today. Scottsdale is nationally and internationally well known for its reputation as an artistically and culturally rich community; a premiere resort, tourist, and golf destination; as well as an attractive location for numerous corporate commercial, retail, and medical-biotechnical opportunities.

APPENDIX

DEMOGRAPHICS



Demographics

The following tables provide additional demographic statistics for the City of Scottsdale and its citizenry primarily from projections based on data from the US Census provided by SitesUSA, as well as the City of Scottsdale Economic Vitality Division.

GENDER	
Male	48.6%
Female	51.4 %

AGE COMPOSITION	
Under 5 years	5.8%
5 – 19 years	16.9%
20 – 24 years	4.8%
25 – 54 years	43.5%
55 – 74 years	21.5%
75+	7.3%
Median age (years)	40.6

OCCUPATIONAL COMPOSITION	
Managerial & Professional	49.5%
Service	12.4%
Sales & Office	30.1%
Construction, Extraction & Maintenance	4.2%
Production & Transportation	3.8%

Source: 2008 US Census American Community Survey 1-year estimate

RACE/ETHNIC ORIGIN	
White	88.2%
Asian	2.9%
African American	2.3%
Native American	.1.0%
Other	2.7%

EDUCATIONAL ATTAINMENT	
Bachelor Degree or Higher	44.8%
Associate Deg. Only/Some College	29.3%
High School Graduate Only	19.0%
Less than High School Graduate	7.0%

LAND USE	
Residential	50.5%
Industrial/Commercial	9.2%

Note: "Undeveloped/Agricultural" includes street right-of-ways, parks, golf courses, open-space preserves

Source: City of Scottsdale Planning, Neighborhood, and Transportation Division "2011 Proposed General Plan Land Uses"

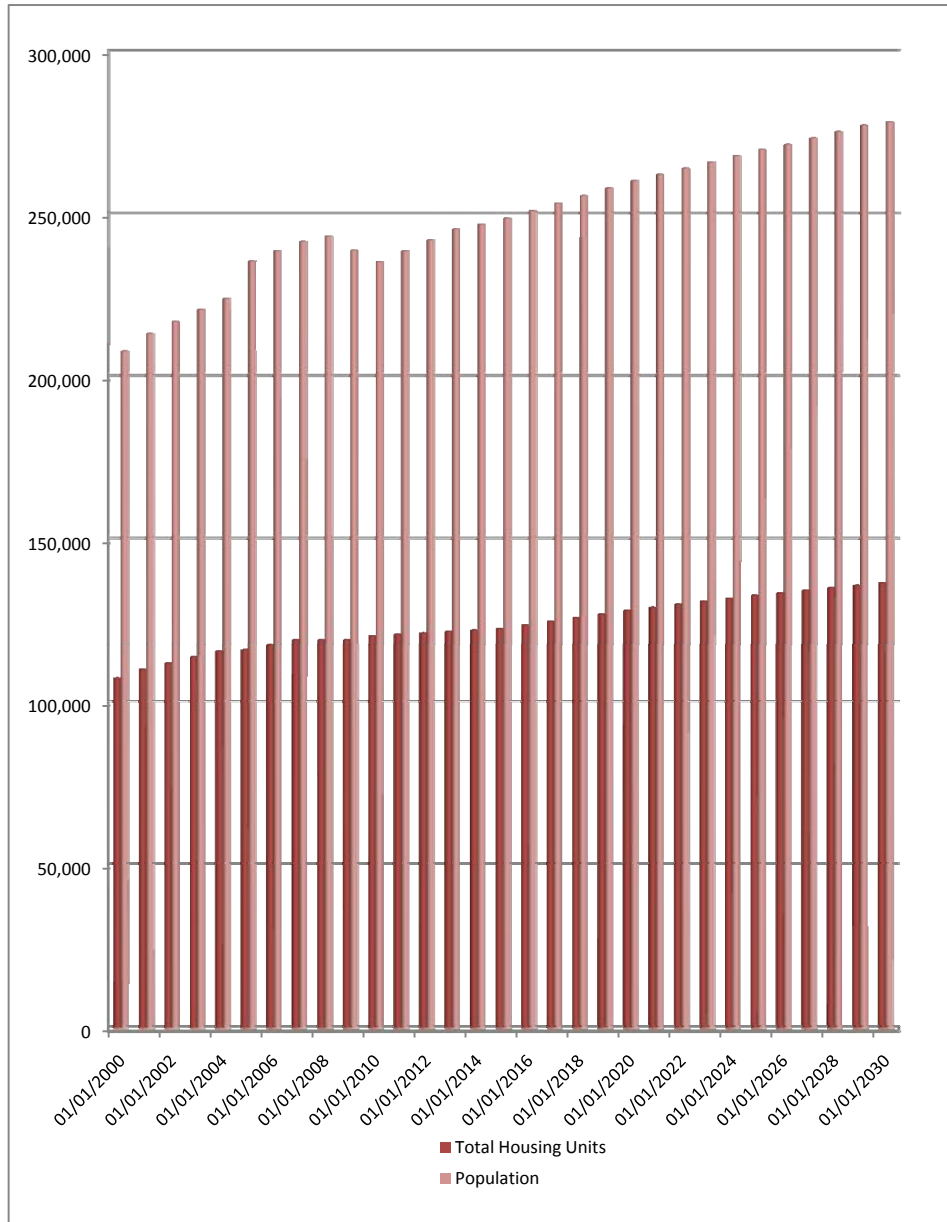
POPULATION	
1951	2,021
1960	27,010
1965	54,504
1970	67,841
1975	77,107
1980	88,364
1985	108,447
1990	130,069
1995	168,176
2000	204,680
2005.	235,010
2006 estimate*	237,120
2007 estimate*	240,126
2008 estimate*	242,337
2009 estimate*	243,501

*= Arizona Department of Commerce estimate

HOUSEHOLD INCOME DISTRIBUTION	
Less than \$25,000	13.1%
\$25,000- \$34,999	7.4%
\$35,000 - \$49,999	11.8%
\$50,000 – \$74,999	17.5%
\$75,000 – \$99,999	12.5%
\$100,000+	37.5%
Median Household Income	\$85,575



Population and Housing Unit Growth In Scottsdale, AZ
From 2000 to Build Out in 2030





Scottsdale Employment by Industry and Year

	2005		2008	
	EMPLOYMENT	PERCENT	EMPLOYMENT	PERCENT
Agriculture, forestry, fishing and hunting, and mining	187	0.2%	564	0.5%
Construction	5,563	5.2%	5,900	5.2%
Manufacturing	5,961	5.6%	6,791	6.0%
Wholesale trade	5,249	4.9%	4,372	3.8%
Retail trade	14,735	13.9%	16,206	14.3%
Transportation and warehousing, and utilities	3,612	3.4%	4,316	3.8%
Information	3,251	3.1%	2,777	2.4%
Finance, insurance, and real estate	17,457	16.5%	16,233	14.3%
Professional, scientific, and management	13,392	12.6%	16,822	14.8%
Educational, health and social services	16,681	15.7%	19,109	16.8%
Leisure and hospitality	12,404	11.7%	12,354	10.9%
Other services, except public administration	4,874	4.6%	5,699	5.0%
Public administration	2,751	2.6%	2,556	2.2%
TOTAL	106,117	100.0%	113,699	100.0%

Source: U.S. Census American Community Survey

Major Employers City of Scottsdale - 2009

RANK	COMPANY NAME	EMPLOYEES	RANK	COMPANY NAME	EMPLOYEES
1	Scottsdale Healthcare	6,650	16	The Boulders Resort	620
2	Mayo Clinic**	4,900	17	USPS - Scottsdale	595
3	General Dynamics***	3,600	18	Hyatt Regency at Gainey Ranch	583
4	Scottsdale Unified School District*	3,126	19	Pulte Homes	545
5	City of Scottsdale****	2,538	20	Nordstrom	500
6	CVS - CareMark	2,048	21	JDA Software Group	451
7	Go Daddy Group	1,915	22	Wal-Mart	450
8	The Vanguard Group	1,899	23	McKesson	450
9	Troon Golf LLC	1,539	24	Scottsdale Medical Imaging	380
10	Scottsdale Insurance Company	1,400	25	Taser	355
11	Fairmont Resort	1,000	26	Sage Software	350
13	Dial Corporation	700	27	Costco	313
14	Desert Mountain Properties	650	28	Scottsdale Conference Resort*	312
15	United Blood Services	647	29	Hotel Valley Ho	305
12	Coventry Health Care	631	30	Dillard's	290

Source: City of Scottsdale, Economic Vitality Department

* = Full-time equivalent (FTE) employees, as of Jan/Feb 2009

** = Includes all Mayo Clinic employees in Metro Phoenix

*** = Includes all employees that report to Scottsdale site

**** = Full-time equivalent (FTE)



Median Household Income

CITY	2005 MEDIAN HOUSEHOLD INCOME	2000 MEDIAN HOUSEHOLD INCOME	1995 MEDIAN HOUSEHOLD INCOME	1990 MEDIAN HOUSEHOLD INCOME	GROWTH RATE 2005 vs 1990
Scottsdale	\$65,361	\$57,484	\$48,319	\$39,037	67%
Phoenix	\$44,222	\$41,207	\$32,950	\$29,291	51%
Mesa	\$46,438	\$42,817	\$33,676	\$30,273	53%
Glendale	\$54,424	\$45,015	\$35,483	\$31,665	72%
Chandler	\$63,143	\$58,416	\$46,096	\$38,124	66%
Tempe	\$48,767	\$42,361	\$36,049	\$31,885	53%
Gilbert	\$73,960	\$68,032	\$51,660	\$41,081	80%
Peoria	\$58,742	\$52,199	\$40,820	\$34,205	72%
Metro Area	\$46,111	\$45,358	\$35,623	\$30,797	50%
Scottsdale median income is higher than Metro Area by:			42%	27%	36% 27%

Source: Sites USA, 2000 US Census, 1995 Special US Census, 1990 US Census

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APPENDIX

DEMOGRAPHICS



Principal Property Taxpayers
June 30, 2010
(in thousands)

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Scottsdale Fashion Square LLC*	\$ 66,131	1	0.787%	\$ 47,335	1	1.640%
Arizona Public Service Company	61,193	2	0.728%	44,413	2	1.540%
Gainey Drive Associates	26,771	3	0.318%	18,195	6	0.630%
Quest Corporation**	26,730	4	0.318%	26,778	3	0.930%
Portales Corporate Center LLC/Etal	25,786	5	0.307%	-	-	-
JEMB Scottsdale LLC	22,213	6	0.264%	-	-	-
Blackwell Robert L/Etal	22,152	7	0.264%	-	-	-
Pacific Promenade LLC	17,576	8	0.209%	-	-	-
DC Ranch LLC	17,529	9	0.209%	-	-	-
Scottsdale Fiesta Retail Center LLC	16,079	10	0.191%	-	-	-
First American Title	-	-	-	26,741	4	0.930%
Motorola, Inc.	-	-	-	20,656	5	0.720%
92 Mountain View LLC	-	-	-	14,965	7	0.520%
Massachusetts Mutual Life Ins. Co.	-	-	-	10,832	8	0.380%
Southwest Gas Corporation	-	-	-	10,179	9	0.350%
Gainey Ranch Financial Ltd. Ptr.	-	-	-	9,746	10	0.340%

Source: 2010 information - The Maricopa County Assessor's Office.

Source: 2001 information - The City of Scottsdale's Financial Advisor, as obtained from the records of the Arizona Department of Revenue, Division of Utilities and Mines and the tax rolls of the Maricopa County Assessor's office.

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The Salt River Project Agricultural Improvement and Power District's (SRP) assessed valuation is not reflected in the total assessed valuation of the City. SRP is subject to a "voluntary contribution" in lieu of ad valorem taxation. The 2009/10 secondary assessed valuation of the SRP within the City is \$19,333,564 as provided by SRP. The secondary in lieu contribution received by the City of Scottsdale for 2009/10 was \$143,094.

*Scottsdale Fashion Square LLC was operating under the name Scottsdale Fashion Square Ptr. in 2001.

**Quest Corporation was operating under the name U S West Wireless LLC in 2001.



Revitalization

Original neighborhoods form the core of southern Scottsdale. As this area continues to mature, the area requires focused and ongoing efforts to maintain and strengthen the economic and physical health of this important part of the Scottsdale community. Through its revitalization program, the City has stepped up its efforts to maintain, renovate, or rebuild City buildings, parks, and other public facilities, and to attract new businesses and investment. In addition, the City anticipates partnering with its property owners, residents, business owners, community groups, and development professionals to utilize the tools necessary for the revitalization, restoration, and renewal for southern Scottsdale.

Transportation

Scottsdale's transportation network offers citizens a variety of mobility choices, such as using streets, transit, downtown trolley, Cab Connection, sidewalks, unpaved trails, and downtown parking. The Pima and Red Mountain Freeways and City streets let people move into and around the City. Scottsdale's transportation planning efforts work together to support the mission of encouraging livable neighborhoods and providing for safe, efficient, and affordable movement of people and goods in Scottsdale.

Educational Facilities

Several institutions of higher learning are available to City residents. Arizona State University, one of the major universities in the nation, is located in Tempe just south of the City. The University has approximately 63,000 students, graduate and undergraduate, a choice of 23 colleges and has 3,095 full-time faculty members (as of Spring 2010). Also, the University of Arizona operates their Executive MBA program at their location in Scottsdale next to WestWorld. Scottsdale Community College, a part of the Maricopa Community College System, is located on the eastern border of the City, on the Salt River/Pima Maricopa Indian Community. The college is a two-year college, which offers a wide variety of academic, occupational, developmental, and special interest programs. Other higher educational facilities include the University of Phoenix and the Scottsdale Culinary Institute. The City is also served by 25 public elementary and middle schools, 6 public high schools, and a number of private schools.



APPENDIX

DEMOGRAPHICS



Location

Scottsdale is centrally located in Maricopa County, Arizona, with its boundaries encompassing an area approximately 184.5 square miles, stretching 31 miles from north to south.

The City is bordered to the west by Phoenix, the state capital, by Tempe to the south, and by the Salt River/Pima Maricopa Indian Community to the east. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.

Climate

Lying at an elevation of 1,260 feet above sea level, the City of Scottsdale averages 328 days of sunshine and 9.41 inches of rainfall per year, with the average minimum and maximum temperatures ranging from 53.4 degrees to 86.2 degrees (F), respectively.

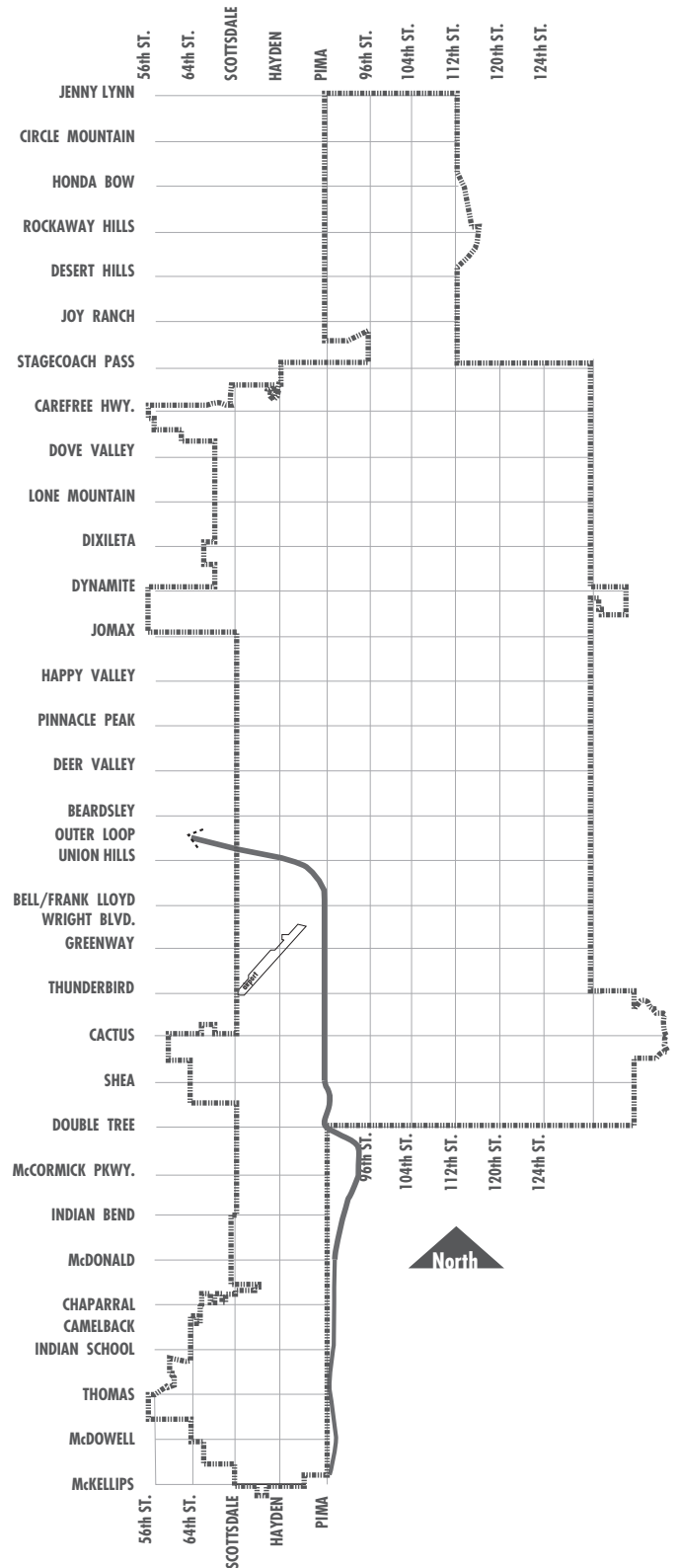
Scottsdale offers its residents the advantages of a warm, dry climate with low humidity even in the summer months.

- The average precipitation: 9.32 inches per year
- The average number of sunny days per year: 328

AVERAGE DAILY TEMPERATURES

	High	Low
January	67.0°F	36.7°F
April	84.3°F	49.3°F
July	105.6°F	74.8°F
October	87.2°F	54.1°F

Source: Western Regional Climate Center



Tourism

Scottsdale is an internationally recognized tourism destination community, widely known for its golf courses, recreational amenities, climate, and high end resorts, and beautiful open spaces of the McDowell Mountain Sonoran Preserve. Tourism generates millions of dollars in economic activity in the City each year and is one of the most significant sources of revenue for the City's operations and budget. In 2008, Scottsdale hosted over 8.1 million visitors with an economic impact of \$3.6 billion (direct and indirect) and tourism was responsible for \$7.6 million in bed tax receipts for the City.

Numerous resort and convention facilities, along with more than 82 hotels and resorts, provide nearly 16,150 guest rooms in the Scottsdale/ Paradise Valley market area. The City boasts many public and private golf courses, tennis courts, country clubs, day spas, night-clubs, bars, and lounges. More than 4,600 retail shops, boutiques, and galleries are located throughout the City and a selection of almost 600 restaurants is available. These services and facilities, complemented by the mild winter, have made Scottsdale a popular vacation spot for tourists and winter visitors.

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Photo Enforcement

Scottsdale has utilized photo enforcement on its City streets since 1997, augmenting a comprehensive traffic safety program proven to reduce both the number and severity of collisions. The city currently has nine fixed intersection cameras and four mobile vans in operation. Police and Traffic Engineering staff primarily chooses locations, both fixed and mobile, based on traffic volume, citizen complaints, and collision history.

WestWorld

WestWorld is a premier, nationally recognized, user-friendly equestrian center and special events facility serving the community and target market visitors. It is comprised of approximately 387 acres which are available for a variety of uses and events with a primary focus in the equestrian industry. It is located in a key activity corridor for the city. Close to the gateway of the McDowell Mountain Preserve. While The Bureau of Reclamation owns the land that WestWorld is situated on, the City of Scottsdale assumed management responsibility and purchased the fixed assets in 1997. WestWorld now serves as a community asset and major economic catalyst to the City as it hosts over 275 utilized days with approximately 600,000 visitors annually.



Preservation

In 1990, Scottsdale citizens (through the non-profit McDowell Sonoran Land Trust – today called the McDowell Sonoran Conservancy) initiated the preservation of Scottsdale’s McDowell Mountains and other remaining lush Sonoran Desert areas. The vision is to preserve approximately 36,000 acres, equivalent to 1/3 of Scottsdale’s total land area. Protected land in this geographic area is called the McDowell Sonoran Preserve.

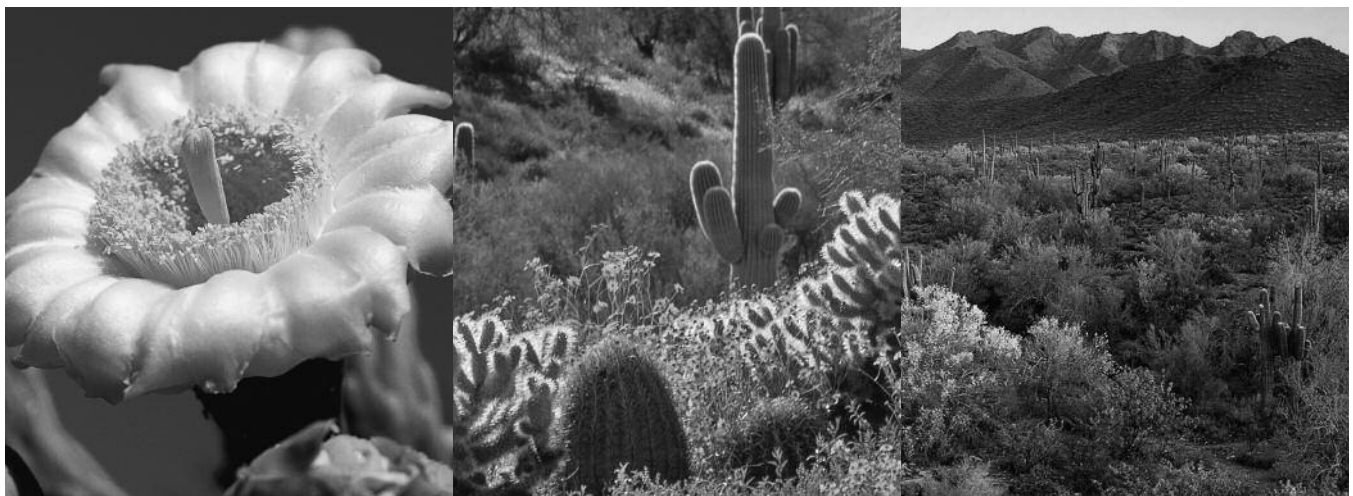
The Preserve will protect Scottsdale’s diverse Sonoran Desert environment and create corridors linking to natural open space in adjacent communities as well as to the Tonto National Forest and the Maricopa County Regional Park. The objective is to create a large sustainable natural desert habitat for wildlife and desert flora, available for appropriate public recreation use.

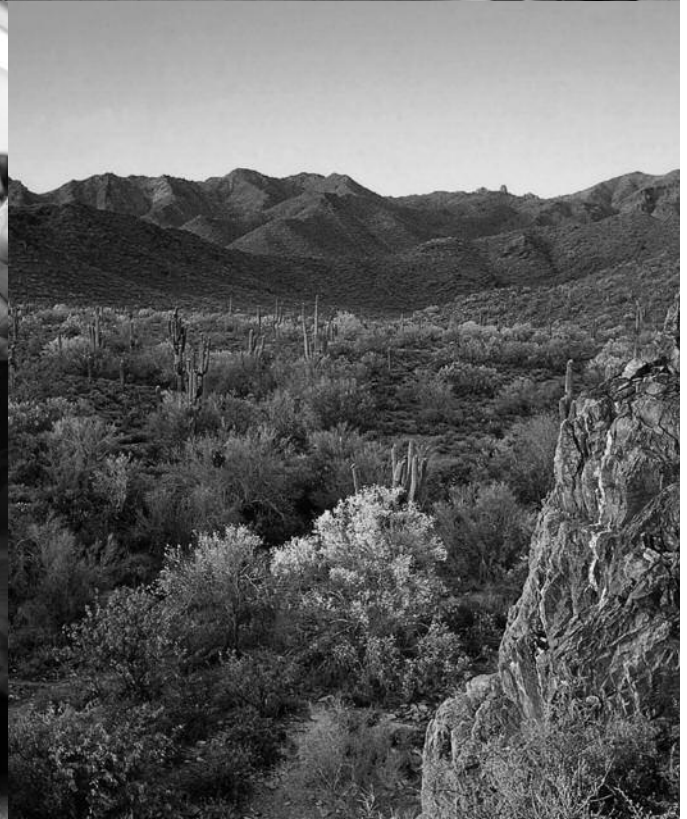
In 1995, Scottsdale voters approved initial funding - a .2 percent sales tax increase to purchase land in a 16,000 acre boundary encompassing the McDowell Mountains and surrounding desert. In 1998, voters approved using the sales tax to purchase land in an additional 19,000 acre boundary primarily north of the McDowell Mountains comprised of isolated mountains, deep washes and lush Sonoran Desert vegetation. In 2004, voters approved an additional .15 percent increase in the sales tax for land acquisition and for access area amenities. When completed, the McDowell Sonoran Preserve will be one of the largest urban preserves in the nation.

Proposed Desert Discovery Center at the Gateway to the Preserve

Planning continues for establishing a desert discovery center in the Gateway to the Preserve- east of Thompson Peak Parkway north of Bell Road (Gateway Access/Discovery Plans). The discovery center is envisioned to exist to provide opportunities for residents and visitors to discover the story of the Upper Sonoran Desert. Through exhibits and environmental experiences presented in a natural setting, the center will inspire learning about the desert through its programs which encourage preservation and instill a sense of harmony with and respect for the desert.

A task force comprised of the McDowell Sonoran Preserve Commission (MSPC) and Tourism Development Commission (TDC) members successfully managed Phase One of the Desert Discovery Center Feasibility Study to develop concepts for the desert discovery center through a public involvement process. The completed report was presented to both commissions in August 2008. The report identifies next steps the community should consider to move the planning process along. Phase Two of the Feasibility Study to further refine concepts, exhibitory, architectural and operational needs is being reviewed by a subcommittee of members of the MSPC and TDC, and is scheduled to be presented to both Commissions, the City Council and the general public in the late summer and early fall of 2010.





APPENDIX

ACRONYMS



ACJIS	Arizona Criminal Justice Information System
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADOT	Arizona Department of Transportation
ANTN	Aviation News and Training Network
APS	Arizona Public Service
ARS	Arizona Revised Statutes
ASRS	Arizona State Retirement System
ASU	Arizona State University
ATV	All Terrain Vehicle
AZ GOHS	Arizona Governor's Office of Highway Safety
AZSTA	Arizona Sports and Tourism Authority
CAD	Computer Aided Design; Computer Aided Dispatch (Police)
CAFR	Comprehensive Annual Financial Report
CAP	Central Arizona Project
CCTV	Closed Circuit Television
CDBG	Community Development Block Grant
CDL	Commercial Driver's License
CDS	Community Development System
CEF	Court Enhancement Fund
CFAI	Committee on Fire Accreditation International
CFD	Community Facility District
CGTF	Central Groundwater Treatment Facility
CIP	Capital Improvement Plan
CISM	Critical Incident Stress Management
CIT	Crisis Intervention Team
CNG	Compressed Natural Gas
COBRA	Consolidated Omnibus Budget Reconciliation Act
COP	Certificate of Participation
CPA	Certified Public Accountant
DAS	Direct Attached Storage
DAS	Distributed Antenna System
DMZ network	Demilitarized Zone (isolated protected network)
DPS	Department of Public Safety
DVAT	Domestic Violence Action Team
EDM	Electronic Document Management
EEOC	Equal Employment Opportunity Commission
EFT	Electronic File System
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
ESAP	Emergency Safety and Preparedness
ESRI	Environmental Systems Research Institute
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation
FCD	Flood Control District



FEMA	Federal Emergency Management Agency
FMLA	Family Medical Leave Act
FT	Full Time
FTA	Federal Transit Administration
FTE	Full Time Equivalent
FTG	Fill the Gap
FYE	Fiscal Year End
GAAP	Generally Accepted Accounting Principles
GAC	Granular Activated Carbon
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
GPS	Geographic Positioning System
HEAT	Help Desk Software
HIPAA	Health Insurance Portability and Accountability Act
HHW	Household Hazardous Waste
HR	Human Resources
HUD	U.S. Department of Housing and Urban Development
HURF	Highway User Revenue Fund
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International City/County Management Association
ID	Improvement District
IGA	Intergovernmental Agreement
IHS	Insurance Institute for Highway Safety
ILM	Information Lifecycle Management
ISO	International Organization for Standardization
IT	Information Technology
ITD	Inception to Date
ITS	Intelligent Transportation System
IVR	Interactive Voice Response System
IWDS	Irrigation Water Distribution System
JCEF	Judicial Collections Enhancement Fund
JTTF	Joint Terrorism Task Force
LEED	Leadership in Energy and Environmental Design
LIS	Land Information System
LTAf	Local Transportation Assistance Fund
MAG	Maricopa Association of Governments
MCSD	Maricopa County Stadium Project
MPC	Municipal Property Corporation
MS	Microsoft
NACSLB	National Advisory Council on State and Local Budgeting
NAS	Network Attached Storage
NEP	Neighborhood Enhancement Partnership
NFMA	National Federation of Municipal Analysts
NIMS	National Incident Management Systems
NLC	National League of Cities

APPENDIX

ACRONYMS



NPDES	National Pollutant Discharge Elimination System
NTO	Narcotics Trained Officer
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PC	Personal Computer
PD	Police Department
PIN	Prosecutor Information Network
PKI	Public Key Infrastructure
PO	Purchase Order
POS	Point of Sale
PSPRS	Public Safety Personnel Retirement System
PT	Part Time
REV	Revenue
RFP	Request for Proposal
RICO	Racketeering Influenced Corrupt Organizations
ROP	Repeat Offender Program
ROW	Right of way
RPTA	Regional Public Transit Authority
RWDS	Reclaimed Water Distribution System
SAN	Storage Area Network
SCADA	Supervisory Control and Data Acquisition
SOS	Delinquency Turn On Notification System
SPA	Scottsdale Preserve Authority
SQL	Structured Query Language
SRO	School Resource Officer
SRP	Salt River Project
SRPMIC	Salt River Pima-Maricopa Indian Community
SVC	Service
SW	Software
SWAT	Special Weapons and Tactics
TPC	Tournament Players Club
TRF	Transfer
UCR	Uniform Crime Report
VCC	Virtual Call Center
VPP	Voluntary Protection Program
WRP	Water Reclamation Plant
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant



Actual

Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Adopted

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the budget as approved by the City Council.

Appropriation

An authorization made by the City Council, which permits the City to incur obligations and to expend resources.

Assessed Valuation

A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions. In Arizona, real property is valued annually by the County Assessor for the assessment of property taxes.

Balanced Budget

Arizona State law requires a “balanced” budget, which is “all-inclusive”. Arizona State Revised Statute (42-17151) defines a “balanced” budget as follow:

“Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year.”

Under Arizona State law “all-inclusive” means if an item is not budgeted (i.e. does not have an appropri-

tion), it cannot legally be spent during the fiscal year. Therefore, the budget must include sufficient appropriation provisions for expenditures related to revenues (e.g., possible future grants) that cannot be accurately determined or even anticipated when the budget is adopted in June. This budgetary flexibility allows the City to comply with the Arizona State law and to proactively pursue emerging revenue sources as the budget year unfolds. The contingent expenditure appropriations associated with items such as possible future grants/revenues may not be spent without prior City Council approval during a public meeting.

Base Budget

Cost of continuing the existing levels of service in the current budget year.

Beginning Balance

The beginning balance is the residual non-restricted funds brought forward from the previous fiscal year (ending balance).

Bond 2000

General Obligation Bonds that were authorized by voters in calendar year 2000 and are secured by the full faith and credit of the issuer. General Obligation Bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power, and must be authorized by the electorate.

Bond Funds

Established to account for bond proceeds to be used only for approved bond projects.

Bonds

Bonds are debt instruments, which require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Budget

A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

Budget Calendar

The schedule of key dates, which a government follows in the preparation and adoption of the budget. Budgetary Basis – Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that (1) no depreciation is budgeted for proprietary funds; and (2) bond principal in the enterprise funds is subject to appropriation. The budgetary basis of accounting is used to present all proposed budget and forecast amounts in the budget document to facilitate meaningful comparisons. The differences between the budgetary and GAAP basis of accounting used by the City of Scottsdale are similar to those of many other local governments. The differences between budgetary basis and the GAAP basis exist largely because the budgetary basis provides a more conservative view of revenues and expenditures.

Capital Expenditures

The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary values (equal to or greater than \$25,000), (2) long asset life (equal to or greater than five years of useful life, and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

Capital Improvement Funds

Established to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several Capital Project

funds to ensure legal compliance and financial management for various restricted revenues.

Capital Improvement Plan (CIP)

A capital improvement plan is a comprehensive plan that projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvement plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

Capital Outlay

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. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) typically have a unit cost of \$5,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as a capital outlay under the same code as the original purchase. Replacement or repair parts are classified under commodities.

Capital Project

Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as streets, bridges, drainage, street lighting, and water systems.

Commodities

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.



Community Facilities Districts (CFD)

CFDs are special purpose public improvement districts. By utilizing a variety of public funding options such as bonds, special assessments, taxes and user fees, CFDs provide a mechanism to finance public infrastructure, the operation and maintenance of public infrastructure, and enhanced municipal services in qualifying areas.

Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contracts Payable

Contracts payable represents a liability reflecting amounts due on contracts of goods or services furnished to the City.

Contractual Services

Includes expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services accounts.

Cost Center

An organizational budget/operating unit within each City division or department.

Court Enhancement Fund

A fund to accumulate fees imposed by the City Court on fines, sanctions, penalties and assessments for the purpose of enhancing the technological, operational and security capabilities of the City Court.

Debt Service

Paid from the General Fund, is primarily contractual debt related to sales tax development agreements and will vary based on the actual sales tax collections at each developed site.

Debt Service Funds

Established to account for the accumulation of resources and for the payment of general long-term debt principal and interest that are not serviced by the General, Special Revenue, and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Department

A functional unit within a division consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives (e.g., Police and Fire departments within Public Safety Division).

Division

The combination of departments of the City with a specific and unique set of goals and objectives (i.e., Public Safety, Financial Management, Community Services, etc.).

Encumbrance

Includes obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, canceled, or when the actual liability is established.

Encumbrance Rebudgets

The balance of unliquidated purchase commitments brought forward from the previous fiscal year.

Ending Balance

The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Capital Funds

Used to account for utility rates and development fees for specific projects.



Enterprise Funds

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. The City maintains three Enterprise Funds to account for Water & Sewer, Solid Waste, and Aviation activities.

Equipment Rental

Represents fees charged to other areas of the City for the maintenance, repair, and replacement of City vehicles. The fee for these charges is returned to the fleet management internal service fund as revenue.

Estimate

Represents the original adopted budget plus any prior year open purchase orders, contingency transfers, approved changes, and anticipated year-end savings.

Excise Debt

Represents debt that is repaid by excise taxes. In this case, the excise taxes used to fund the debt service payments are a portion of the transaction privilege (sales) tax and transient occupancy tax.

Expenditures

Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees

Charges for specific services.

Financial Policy

A government's directive with respect to revenues, spending, reserves, and debt management as these relate to government services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of government budgets and its funding.

Fiscal Year

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Scottsdale's fiscal year is July 1 through June 30.

Five-Year Financial Plan

An estimation of revenues and expenses required by the City to operate for the next five-year period.

Forecast

A prediction of a future outcome based on known and unknown factors.

Franchise Fee

Charged to the water and sewer utility fund, is a reimbursement to the general fund for the utility's use of City streets and right-of-ways.

Fringe Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pension, medical, and life insurance plans.

Full-Time Equivalent (FTE)

A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Full Cash Value

Arizona Revised Statutes defines Full Cash Value (FCV) as being synonymous with market value. For assessment purposes, Full Cash value approximates market value. Also see Secondary Assessed Valuation.

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

The balance of net financial resources that are spendable or available for appropriation. As used in the budget, the excess of resources (revenues and cash transfers-in) over uses (expenditures, debt service, and cash transfers-out). The beginning fund balance is the residual funds brought forward from the previous fiscal year. The fund balance is comprised of a reserved fund balance and an unreserved fund balance. The reserved fund balance is restricted for specific purposes, while the unreserved fund balance is not restricted for a specific purpose and is available for general appropriation.

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Fund Summary

A combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, estimated budgets, and the current year's adopted budgets.

GAAP Adjustments

Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP). For example, depreciation and amortization in Enterprise Funds are not considered expenses on the budget basis of accounting, but are considered expenses on the GAAP basis.

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, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

General Long-Term Debt

Represents any unmatured debt not considered to be a fund liability.

General Obligation Bonds (G.O. Bonds)

Bonds secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). They are usually issued to pay for general capital improvements such as parks and roads.

Generally Accepted Accounting Principles (GAAP)

The uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides standards by which to measure financial presentations. The GAAP basis of accounting is used to prepare the City's Comprehensive Annual Financial Report (CAFR). The GAAP basis differs from the budgetary (or cash) basis in that certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis. Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Golf Course Surcharge

A \$1 per nine hole surcharge established in 1994 for all City owned golf courses. Revenue collected from this source is used for capital improvements, debt service on capital improvements, silt management, catastrophic flood funding, and support of the FBR Open golf tournament.



Grant

A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (i.e., education or drug enforcement), but it is sometimes for general purposes.

Grant Capital Funds

are used to account for the proceeds of capital grants.

Highway User Fuel Tax

Gasoline tax shared with municipalities; a portion is distributed based upon the population of the City and a portion is distributed based upon the origin of the sales of the fuel. The Arizona State Constitution requires that this revenue be used solely for street and highway purposes.

Improvement Districts

Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property. Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Indirect Cost Allocation

Funding transferred to the general fund from enterprise funds for specific central administrative functions, which benefit those funds (i.e., City Manager, Financial Services Department, Human Resources, Legal, etc.).

In-Lieu Property Tax

Charges to the enterprise funds, which compensates the general fund for the property tax that would have been paid if the utilities were for-profit companies.

Intergovernmental Revenues

Levied by one government but shared on a predetermined basis with another government or class of governments.

Internal Service Fund

Established to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the City. The City maintains two Internal Service Funds to account for Fleet and Self-Insurance activities.

Limited Property Value

The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislature and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation). Also see Primary Assessed Valuation.

Mission

Defines the primary purpose of the City and is intended to guide all organizational decisions, policies, and activities (internal and external) on a daily basis.

Municipal Property Corporation (MPC)

A non-profit corporation established to issue bonds to fund City capital improvements projects.

Needs Assessment

The foundation for determining what City customers feel is needed. Market surveys, public hearings, and boards and commission surveys are conducted.

Objective

Something to be accomplished in specific, well-defined, and measurable terms, and that is achievable within a specific time frame.

Operating Budget

The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is required by law in Arizona and is a requirement of Scottsdale's City Charter.



Operating Revenue

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Other Fiscal Activity

Refers to various trust and agency funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, and other funds.

Outstanding Debt

The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-As-You-Go Capital Improvement Projects (PAYGO)

Capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

Performance Measure

Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel Services

Include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance.

Preserve Bonds

Represent excise tax revenue bonds and G.O bonds. The bonds are special revenue obligations of the Scottsdale Preserve Authority payable solely from and secured by either a 0.2% sales tax approved by City voters in 1995 and issued for the purpose of acquiring land for the McDowell Sonoran Preserve or a 0.15% sales tax approved by City voters in 2004 and issued for the purpose of acquiring land and construction of essential preserve related necessities such as proposed trailheads for the McDowell Sonoran Preserve.

Primary Assessed Valuation (Limited Property Value)

In Arizona, the Primary Assessed Valuation is used to compute primary taxes for the maintenance and operation of school districts, community college districts, municipalities, counties, and the state. The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation).

Primary Assessment

The amount of tax calculated according to a statutory formula based on the Primary Assessed Valuation.

Primary Property Tax

Levied for the purpose of funding general government operations. Annual increases are limited to 2.0% of the previous year's maximum allowable primary property tax levy plus allowances for new construction and annexation of new property and tort litigation settlements.

Program

A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the City is responsible. A program differs from a division from the standpoint that cost centers from different departments may make up a program while cost centers from the same department make up a division.



Program Budget

A budget, which allocates money to the functions or activities of a government, rather than to specific items of cost or to specific departments.

Property Tax

Based according to value of property and is used as the source of monies to pay general obligation debt (secondary property tax) and to support the general fund (primary property tax). Each year the Maricopa County Assessor's Office determines the value of all property within the county, including City buildings and individual homes. These assessment values are then used on a pro-rata basis for levying property taxes. Property taxes are paid twice a year. The first half is due on October 1st and the second half is due on the following March 1st.

Proposition 400 (Regional Sales Tax)

Proposition 400 (Regional Sales Tax) represents revenues received from the 2004 voter approved 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction.

Racketeered Influenced Corrupt Organizations (RICO) Funds

Funds obtained from an anti-racketeering revolving fund maintained by either the Federal or State government as a result of asset forfeitures from criminal enterprises and are allocated to municipalities for approved non-recurring public safety expenditures.

Rebudget

Carryover represents encumbered and committed funds carried forward to the next fiscal year budget.

Refunding

A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: (1) to reduce the issuer's interest costs or (2) to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the

new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

Regional Sales Tax (Proposition 400)

Regional Sales Tax (Proposition 400) represents revenues received from the 2004 voter approved 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction.

Reserve

An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Revenue Bonds

Bonds payable from a specific source of revenue, which do not pledge the full faith, and credit of the issuer. Revenue bonds are payable from identified sources of revenue and do not affect the property tax rate. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Secondary Assessed Valuation (Full Cash Value)

In Arizona, the Secondary Assessed Valuation is used to compute secondary taxes, which may consist of bonds, budget overrides, and special districts such as fire, flood control, and other limited purpose districts. Full Cash Value is a reflection of the market value of property.

Secondary Assessment

The amount of tax calculated according to a statutory formula based on the Secondary Assessed Valuation.



Secondary Property Tax

Levied for the purpose of funding the principal, interest, and redemption charges on general obligation bonds of the City. The amount of this tax is determined by the annual debt service requirements on the City's general obligation bonds.

Self Insurance

The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Service Levels

Describe the present services provided by a City department and/or division within the department.

Sinking Fund

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An account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments there from are determined by the terms of the bond contract.

Special Assessment

A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Funds

Established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains the following five Special Revenue Funds: Highway User Revenue, Preservation Privilege Tax, Transportation Privilege Tax, Special Programs, and Grants.

Stakeholder

Stakeholder refers to anyone affected by or who has a stake in government. This term stakeholder includes, but is not limited to: citizens, customers, elected officials, management, employees, and their representa-

tives (whether unions or other agents), businesses, vendors, other governments, and the media.

Street Light Improvement Districts

Formed to provide a means for properties within a district to maintain streetlights within their boundaries. A street light tax is levied against the property owner to cover the cost of electrical billings received and paid by the City.

Tax Levy

The total amount of revenue to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate

The amount of tax levied for each \$100 of assessed valuation.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Transfers

The authorized exchanges of cash or other resources between funds, divisions, departments and/or capital projects.

Transportation Privilege Tax Capital Fund

Established to account solely for transportation projects.

Trend Analysis

Examines changes over time, which provides useful management information such as the City's current financial situation and its future financial capacity to sustain service levels.



Trust Funds

Established to administer resources received and held by the City as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Unrestricted General Capital Fund

Established to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

User Fee

The fee charged for services to the party or parties who directly benefits.



ORDINANCE NO. 3898

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF SCOTTSDALE FOR THE FISCAL YEAR BEGINNING JULY 1, 2010, AND ENDING JUNE 30, 2011, AND DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET FOR THE CITY OF SCOTTSDALE.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17 of the Arizona Revised Statutes, and the City Charter, the City Council did, on May 18, 2010, make a budget estimate of the different amounts required to meet the public expenses for the fiscal year beginning July 1, 2010, and ending June 30, 2011 ("Fiscal Year 2010/11"), an estimate of receipts from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Scottsdale, Arizona; and

WHEREAS, following publication of notice as required by law, the Council held a public hearing on June 8, 2010, at which any taxpayer could appear and be heard in favor of or against any proposed expenditure or property tax levy; and

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WHEREAS, immediately following the public hearing, the Council convened in a special meeting for purposes of finally determining and adopting the estimates of proposed expenditures, which estimates, when adopted, would constitute the budget of the City of Scottsdale for Fiscal Year 2010/11; and

WHEREAS, it appears that publication has been duly made, as required by law, of said budget estimates, together with a notice that the Council will meet on June 22, 2010, in the City Hall Kiva for the purpose of making the primary and secondary property tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not, in the aggregate, exceed that amount for primary property taxes as computed in A.R.S. § 42-17051; now, therefore

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. That pursuant to the laws of the State of Arizona, and the Charter and Ordinances of the City of Scottsdale, Schedules A through G, as further described below, are attached hereto and incorporated herein by this reference, and are hereby adopted as the Final Budget of the City of Scottsdale for Fiscal Year 2010/11:

Schedule A, Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2010/11

Schedule B, Summary of Property Tax Levy and Property Tax Rate Information Fiscal Year 2010/11

Schedule C, Summary By Fund Type of Revenues Other than Property Taxes Fiscal Year 2010/11

Schedule D, Summary By Fund Type of Other Financing Sources/(Uses) and Interfund Transfers Fiscal Year 2010/11

Schedule E, Summary By Division (Department) of Expenditures/Expenses Within Each Fund Type Fiscal Year 2010/11

Schedule F, Summary By Division (Department) of Expenditures/Expenses Fiscal Year 2010/11

Schedule G, Summary of Specific Budget Appropriations Fiscal Year 2010/11

SECTION 2. That upon the recommendation of the City Manager, and with the approval of the City Council, expenditures may be made for the budget from contingencies and reserves.

SECTION 3. That Article 6, Section 11 of the City Charter authorizes the City Manager, subject to the approval of the City Council, to transfer any unencumbered appropriation balance between general classifications of expenditures within an office, department or agency.

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SECTION 4. That, in accordance with the City Charter, the City Council by this Ordinance expressly authorizes the City Manager at any time to transfer any unencumbered appropriation balance between general classifications of expenditures within an office, department or agency.

SECTION 5. That, in accordance with Article 6, Section 11 of the City Charter, the City Council may, upon request of the City Manager, transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

SECTION 6. That resources from any fund may be used to meet the adopted budget, except funds specifically restricted by Federal or State law or by City ordinance or resolution.

SECTION 7. That pursuant to section 14-20 *et seq.* of the Scottsdale Revised Code, the FY 2010/11 Classification/Compensation Plan, including the number of Authorized Full-Time and Part-Time Equivalent positions, which is on file with, and available for review at, the Office of the City Clerk, is hereby adopted.

[Signature page follows]

APPENDIX

BUDGET ADOPTION ORDINANCE



PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this 8th day of June, 2010.

CITY OF SCOTTSDALE,
an Arizona municipal corporation

W. J. "Jim" Lane
Mayor

ATTEST:

Carolyn Jagger
City Clerk

APPROVED AS TO FORM:

Bruce Washburn, City Attorney
By: Paul M. Norman
Senior Assistant City Attorney

APPENDIX

BUDGET ADOPTION ORDINANCE



FUND	ADOPTED BUDGETED EXPENDITURES 2009/10	ACTUAL EXPENDITURES 2009/10*	ESTIMATED FUND BALANCE July 1, 2010**	DIRECT PROPERTY TAX REVENUES 2010/11	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2010/11***	OTHER FINANCING SOURCES/(USES) 2010/11	NET INTERFUND TRANSFERS IN/(OUT) 2010/11	TOTAL FINANCIAL RESOURCES AVAILABLE 2010/11	BUDGETED EXPENDITURES 2010/11	ENDING FUND BALANCE
PRIMARY:										
General Fund	\$ 232,507,122	\$ 230,191,420	\$ 37,186,112	\$ 24,713,673	\$ 234,597,941	\$ -	\$ (4,124,242)	\$ 292,373,484	\$ 263,667,810	\$ 28,705,674
Special Revenue Funds	70,893,771	59,546,275	21,773,080		93,982,781	-	(27,933,498)	87,822,363	66,043,646	21,778,717
SECONDARY:										
Debt Service Funds	66,800,824	64,290,315	15,739,088	37,910,300	1,322,028	-	33,743,833	88,715,249	72,939,186	15,776,063
Capital Projects Funds	634,929,200	134,446,509	296,006,800		577,616,800	200,000,000	42,181,814	1,115,805,414	712,669,800	403,135,614
Enterprise Funds	127,556,463	118,447,661	62,767,370		199,611,765	-	(43,826,507)	218,552,628	153,510,110	65,042,518
Expendable Trust Funds	18,882	5,400	3,521		16,000	-	-	19,521	19,500	21
PRIMARY:										
Internal Service Funds	11,563,506	6,875,839	33,270,679	1,702,544	11,438,071	-	(41,400)	46,369,894	18,429,213	27,940,681
TOTAL ALL FUNDS	\$ 1,144,269,768	\$ 613,803,419	\$ 466,746,650	\$ 64,326,517	\$ 1,118,585,386	\$ 200,000,000	\$ -	\$ 1,849,658,553	\$ 1,287,279,265	\$ 562,379,288

EXPENDITURE LIMITATION COMPARISON

	2009/10	2010/11
1. Budgeted expenditures	\$ 1,144,269,768	\$ 1,287,279,265
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures adjusted for reconciling items	1,144,269,768	1,287,279,265
4. Less: estimated exclusions	(777,814,382)	(918,334,597)
5. Amount subject to the expenditure limitation	\$ 366,455,386	\$ 368,944,668
6. EEC or voter-approved alternative expenditure limitation	\$ 436,288,678	\$ 445,247,515

* Includes expenditure adjustments approved in FY 2009/10 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.

*** Does not include transfers-in

APPENDIX

BUDGET ADOPTION ORDINANCE



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	<u>2009/10</u> <u>FISCAL YEAR</u>	<u>2010/11</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	<u>\$ 25,584,407</u>	<u>\$ 26,416,217</u>
2. Amount received from primary property taxation in the 2008/09 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	<u>\$ -</u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ 25,584,407	\$ 26,416,217
B. Secondary property taxes	<u>31,795,895</u>	<u>37,910,300</u>
C. Total property tax levy amounts	<u>\$ 57,380,302</u>	<u>\$ 64,326,517</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2009/10 levy	24,305,187	
(2) Prior years' levies	608,194	
(3) Total primary property taxes	<u>\$ 24,913,381</u>	
B. Secondary property taxes		
(1) 2009/10 levy	30,207,965	
(2) Prior years' levies	972,628	
(3) Total secondary property taxes	<u>\$ 31,180,593</u>	
C. Total property taxes collected	<u>\$ 56,093,974</u>	
5. Property tax rates		
A. City tax rate		
(1) Primary property tax rate	\$ 0.3650	\$ 0.3836
(2) Secondary property tax rate	<u>0.3782</u>	<u>0.5140</u>
(3) Total city tax rate	<u>\$ 0.7432</u>	<u>\$ 0.8976</u>
B. Special assessment district tax rates		

Secondary property tax rates - As of the date the tentative budget was prepared, the city was operating 355 special assessment districts (streetlight improvement districts) for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the City of Scottsdale Finance and Accounting Division.

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.

APPENDIX

BUDGET ADOPTION ORDINANCE



SOURCE OF REVENUES	BUDGETED REVENUES 2009/10	ACTUAL REVENUES 2009/10*	ESTIMATED REVENUES 2010/11
GENERAL FUND			
Taxes - Local			
Privilege & Use Tax (1.0%)	\$ 75,900,000	\$ 78,936,000	\$ 80,514,720
Privilege & Use Tax - Public Safety (.10%)	7,362,300	7,656,792	7,809,928
Transient Occupancy Tax	8,231,300	7,079,822	10,591,667
Light & Power Franchise Fee	8,400,000	8,400,000	8,200,000
Cable TV Franchise Fee	3,600,000	3,300,000	3,300,000
Salt River Project In Lieu Fee	139,000	139,000	140,000
Stormwater Water Quality Charge	863,000	863,000	888,890
Taxes - From Other Agencies			
State Shared Sales Tax	18,047,839	17,347,839	17,611,632
State Revenue Sharing	30,308,042	30,308,948	22,845,634
Auto Lieu Tax	8,000,000	8,000,000	8,156,740
Licenses/Permits/Service Charges			
Business Licenses & Fees	1,680,000	1,680,000	1,709,167
Building Permit Fees & Charges	8,149,000	8,149,000	8,220,000
Fire Service Charges	2,350,000	1,346,745	644,641
Recreation Fees	3,022,000	3,022,000	3,360,000
WestWorld Equestrian Facility Fees	2,888,000	2,873,000	2,610,500
Fines and Forfeitures			
Court Fines	7,166,300	7,156,414	7,277,439
Parking Fines	495,000	504,886	425,000
Photo Enforcement Fines	1,655,700	1,655,700	1,756,727
Library Fines & Fees	389,640	299,640	322,000
Interest Earnings/Property Rental			
Interest Earnings	1,656,860	1,656,860	958,956
Property Rental	3,194,029	3,194,029	2,776,170
Other Revenue/Resources			
Miscellaneous	1,000,000	1,016,400	500,000
30 Day Towing	400,000	400,000	430,000
Capital Improvement Plan Cost Allocation	861,588	861,588	861,562
Reimbursements	350,000	365,000	405,000
Intergovernmental Revenue	1,049,900	932,057	850,584
Indirect/Direct Cost Allocation	14,773,794	12,163,344	12,742,338
Contingent / Reserve Appropriation	5,000,000	4,853,381	28,688,646
Total General Fund	\$ 216,933,292	\$ 214,161,445	\$ 234,597,941

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.



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SOURCE OF REVENUES	BUDGETED REVENUES 2009/10	ACTUAL REVENUES 2009/10*	ESTIMATED REVENUES 2010/11
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund			
Highway User Tax	\$ 14,187,000	\$ 12,900,000	\$ 13,814,970
Privilege Tax (.20%)	14,345,100	14,918,904	15,217,282
Local Transportation Assistance Fund I	1,057,100	585,184	-
Local Transportation Assistance Fund II	-	336,302	-
Prop 400 Regional Sales Tax	311,628	311,628	300,000
Charges for Services	1,568,364	-	-
Capital Improvement Plan Cost Allocation	819,926	819,926	819,926
Federal Grants	-	2,605,000	1,995,000
Miscellaneous	120,000	20,000	20,000
Total Transportation/HURF Fund	\$ 32,409,118	\$ 32,496,944	\$ 32,167,178
Special Programs Fund			
Court Enhancement/JCEF/FTG	1,129,334	1,129,334	1,079,508
Downtown Cultural/Community Arts	150,000	150,000	150,000
Human Resources - Cultural Diversity Prog	10,000	5,600	5,600
Police	3,371,817	3,371,817	3,589,317
Community Services	1,955,260	1,955,260	1,740,900
Fire	500	500	500
Economic Vitality - WestWorld	-	-	200,000
Contingent / Reserve Appropriation	1,500,000	1,500,000	1,500,000
Total Special Programs Fund	\$ 8,116,911	\$ 8,112,511	\$ 8,265,825
Preservation Privilege Tax Funds			
Privilege Tax (.20%)	\$ 14,724,600	\$ 15,313,584	\$ 15,619,856
Privilege Tax (.15%)	11,385,000	11,840,400	12,077,208
Interest Earnings	302,000	302,000	234,680
Total Preservation Privilege Tax Funds	\$ 26,411,600	\$ 27,455,984	\$ 27,931,744
Grant Funds			
Community Development Block Grant	\$ 2,337,449	\$ 2,337,449	\$ 2,291,263
HOME Funds	1,000,264	1,000,264	1,159,838
Section 8 Housing	7,188,252	7,188,252	6,642,546
Federal and State Grants	5,095,773	7,763,133	4,539,824
Contingent / Reserve Appropriation	9,500,000	-	10,410,176
Total Grant Funds	\$ 25,121,738	\$ 18,289,098	\$ 25,043,647
Special Districts			
Street Light Districts	\$ 621,068	\$ 279,376	\$ 574,387
Total Special Districts	\$ 621,068	\$ 279,376	\$ 574,387
Total Special Revenue Funds	\$ 92,680,435	\$ 86,633,913	\$ 93,982,781

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

APPENDIX

BUDGET ADOPTION ORDINANCE



SOURCE OF REVENUES	BUDGETED REVENUES 2009/10	ACTUAL REVENUES 2009/10*	ESTIMATED REVENUES 2010/11
DEBT SERVICE FUNDS			
Special Assessment Debt Fund			
Special Assessments - Principal	\$ 877,199	\$ 877,199	\$ 839,884
Total Special Assessment Debt Fund	\$ 877,199	\$ 877,199	\$ 839,884
MPC Excise Debt			
MCSD/AZ STA Contributions	\$ 612,144	\$ 612,144	\$ 337,144
Spring Exhibition Surcharge	145,000	145,000	145,000
Total MPC Excise Debt Fund	\$ 757,144	\$ 757,144	\$ 482,144
Interest Earnings	\$ 11,178	\$ 11,178	\$ -
Total Interest Earnings	\$ 11,178	\$ 11,178	\$ -
Total Debt Service Funds	\$ 1,645,521	\$ 1,645,521	\$ 1,322,028
CAPITAL PROJECT FUNDS			
Capital Improvement Program			
Development Fees	\$ 6,667,000	\$ 3,172,600	\$ 3,410,000
Prop 400 Regional Sales Tax	9,025,400	17,100,000	50,184,900
Interest Earnings	5,099,200	3,574,700	2,006,800
Intergovernmental	30,000	-	-
Grant Revenue	21,057,300	16,217,200	25,208,700
Contributions	33,402,100	3,900,000	21,284,000
In-Lieu Fees	50,000	37,000	37,000
Miscellaneous	-	75,000	-
Estimated Unexpended Prior Year Budget	370,129,000	-	440,485,400
Contingent / Reserve Appropriation	65,500,000	58,206,091	35,000,000
Total Capital Project Funds	\$ 510,960,000	\$ 102,282,591	\$ 577,616,800
ENTERPRISE FUNDS			
Water and Sewer Utility Funds			
Sewer Charges	\$ 34,705,460	\$ 33,600,150	\$ 33,683,178
Water Charges	95,461,373	92,374,196	97,153,098
Effluent Sales	893,490	863,275	880,541
Interest Earnings	2,074,720	2,245,177	846,879
Miscellaneous	3,610,132	4,576,584	17,166,245
Contingent / Reserve Appropriation	2,000,000	2,000,000	17,058,835
Total Water and Sewer Funds	\$ 138,745,175	\$ 135,659,382	\$ 166,788,776
Aviation Fund			
Airport Fees	\$ 2,712,463	\$ 2,977,304	\$ 2,977,304
Interest Earnings	78,001	70,000	70,000
Jet Fuel Tax	126,842	123,000	123,000
Contingent / Reserve Appropriation	-	-	4,436,278
Total Aviation Fund	\$ 2,917,306	\$ 3,170,304	\$ 7,606,582

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.



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SOURCE OF REVENUES	BUDGETED REVENUES 2009/10	ACTUAL REVENUES 2009/10*	ESTIMATED REVENUES 2010/11
Solid Waste Fund			
Refuse Collection	\$ 19,536,531	\$ 19,406,284	\$ 19,409,471
Interest Earnings	54,692	106,611	53,453
Miscellaneous	727,800	637,505	687,242
Contingent / Reserve Appropriation	500,000	500,000	5,066,241
Total Solid Waste Fund	\$ 20,819,023	\$ 20,650,400	\$ 25,216,407
Total Enterprise Funds	\$ 162,481,504	\$ 159,480,086	\$ 199,611,765
EXPENDABLE TRUST FUNDS			
Trusts			
Mayor's Committee for Emp of Handicapped	\$ 8,800	\$ 6,000	\$ 6,000
Contingent / Reserve Appropriation	10,000	10,000	10,000
Total Trust Funds	\$ 18,800	\$ 16,000	\$ 16,000
INTERNAL SERVICE FUNDS			
Fleet Management Fund			
Equipment M & O/Acquisition Rates	\$ 13,575,018	\$ 13,223,931	\$ 14,067,695
Miscellaneous Revenue	200,000	244,000	200,000
Interest Earnings	155,000	170,000	91,000
Internal Service Offset	(13,575,018)	(13,223,931)	(14,067,695)
Contingent / Reserve Appropriation	-	-	750,000
Total Fleet Management Fund	\$ 355,000	\$ 414,000	\$ 1,041,000
Self Insurance Fund			
Property Casualty Revenues	\$ 7,322,329	\$ 7,222,329	\$ 4,919,939
Short-Term Disability Revenues	320,000	320,000	320,000
Group Health/Dental Revenues	24,773,922	24,480,032	21,787,669
Internal Service Offset	(25,928,922)	(25,356,948)	(21,630,537)
Contingent / Reserve Appropriation	5,000,000	5,000,000	5,000,000
Total Self Insurance Fund	\$ 11,487,329	\$ 11,665,413	\$ 10,397,071
Total Internal Service Funds	\$ 11,842,329	\$ 12,079,413	\$ 11,438,071
TOTAL ALL FUNDS	\$ 996,561,881	\$ 576,298,969	\$ 1,118,585,386

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

APPENDIX

BUDGET ADOPTION ORDINANCE



FUND	OTHER FINANCING SOURCES/(USES) 2010/11	INTERFUND TRANSFERS 2010/11	
		IN	OUT
GENERAL FUND	\$ -	\$ 12,592,002	\$ 16,716,244
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund	\$ -	\$ 2,447,155	\$ 7,707,041
Special Programs Fund	-	5,225,833	1,588,700
Preservation Privilege Tax Funds	-	-	26,310,745
Total Special Revenue Funds	\$ -	\$ 7,672,988	\$ 35,606,486
DEBT SERVICE FUNDS			
Debt Service Fund	\$ -	\$ 33,743,833	\$ -
Total Debt Service Funds	\$ -	\$ 33,743,833	\$ -
CAPITAL PROJECTS FUNDS			
Capital Projects Fund	\$ 200,000,000 *	\$ 61,691,904	\$ 19,510,090
Total Capital Projects Funds	\$ 200,000,000	\$ 61,691,904	\$ 19,510,090
ENTERPRISE FUNDS			
Water and Sewer Funds	\$ -	\$ 15,689,290	\$ 56,075,110
Aviation Fund	-	-	1,584,174
Solid Waste Fund	-	-	1,856,513
Total Enterprise Funds	\$ -	\$ 15,689,290	\$ 59,515,797
INTERNAL SERVICE FUNDS			
Fleet Management Fund	\$ -	\$ -	31,200
Self Insurance Fund	-	-	10,200
Total Internal Service Funds	\$ -	\$ -	\$ 41,400
TOTAL ALL FUNDS	\$ 200,000,000	\$ 131,390,017	\$ 131,390,017

* General Obligation and Municipal Properties Corporation Bonds



<u>Fund/Divisions</u>	<u>Adopted Budgeted Expenditures 2009/10</u>	<u>Expenditure Adjustments Approved 2009/10</u>	<u>Actual Expenditures 2009/10*</u>	<u>Budgeted Expenditures 2010/11</u>
GENERAL FUND				
Scottsdale City Council	\$ 790,904	\$ (74,881)	\$ 716,023	\$ 616,489
City Clerk	904,960	308,027	1,212,987	1,189,115
City Attorney	6,384,959	(21,862)	6,363,097	5,979,807
City Auditor	837,820	(22,256)	815,564	827,586
City Court	4,699,829	(127,770)	4,572,059	4,669,882
City Manager	1,742,708	(132,846)	1,609,862	1,407,520
Community Services	38,499,264	(619,760)	37,879,504	37,353,595
Public Safety - Police	87,544,937	(2,075,296)	85,469,641	82,991,710
Public Safety - Fire	28,711,445	(1,273,253)	27,438,192	27,893,809
Public Works	18,983,113	(622,220)	18,360,893	17,659,448
Planning, Neighborhoods & Transportation	17,163,847	(292,740)	16,871,107	16,997,179
Finance and Accounting	5,061,932	(10,364)	5,051,568	4,935,907
Human Resources	4,085,768	(399,183)	3,686,585	3,525,008
Information Technology	10,333,523	(470,002)	9,863,521	9,903,567
Economic Vitality	9,630,700	(332,651)	9,298,049	11,715,214
Administrative Services	3,213,317	(77,436)	3,135,881	2,816,220
Leave Accrual Payments	1,790,184	(1,211,793)	578,391	1,754,607
Estimated Division Savings	(5,000,000)	(865,306)	(5,865,306)	(3,000,000)
Future Savings from Reorganization	(12,536,834)	12,536,834	-	-
Early Retirement Incentive Program	-	431,000	431,000	-
Bed Tax Encumbrance	-	-	-	1,245,141
Debt Service	4,664,746	(2,108,563)	2,556,183	4,497,360
Contingency / Reserve Appropriation	5,000,000	(4,853,381)	146,619	28,688,646
Total General Fund	\$ 232,507,122	\$ (2,315,702)	\$ 230,191,420	\$ 263,667,810
SPECIAL REVENUE FUNDS				
Transportation/HURF Fund				
Planning, Neighborhoods & Transportation	\$ 13,631,274	\$ (90,968)	\$ 13,540,306	\$ 12,063,783
Public Works & Water Resources	17,649,007	(5,111)	17,643,896	14,935,409
Leave Accrual Payments	86,262	(5,278)	80,984	43,100
Estimated Division Savings	(270,000)	(2,248,891)	(2,518,891)	(135,000)
Total Transportation/HURF Fund	\$ 31,096,543	\$ (2,350,248)	\$ 28,746,295	\$ 26,907,292
Special Programs Fund				
Economic Vitality - CVB	\$ 5,983,476	\$ (352,276)	\$ 5,631,200	\$ 4,995,833
City Court	1,439,826	(57,706)	1,382,120	1,363,190
Downtown Cultural/Community Arts	150,000	(50,000)	100,000	176,150
Human Resource	10,000	-	10,000	5,000
Public Safety - Police	1,169,363	(22,333)	1,147,030	1,860,394
Community Services	2,596,270	(1,279)	2,594,991	2,336,378
Planning, Neighborhoods & Transportation	140,000	-	140,000	125,000
Public Safety - Fire	500	-	500	-
Economic Vitality - WestWorld	-	-	-	200,000
Contingency / Reserve Appropriation	1,500,000	(1,500,000)	-	1,500,000
Total Special Programs Fund	\$ 12,989,435	\$ (1,983,594)	\$ 11,005,841	\$ 12,561,945
Preservation Privilege Tax Funds				
Miscellaneous	\$ 2,200	\$ -	\$ 2,200	\$ 2,200
Debt Service	951,855	-	951,855	954,175
Total Preservation Privilege Tax Funds	\$ 954,055	\$ -	\$ 954,055	\$ 956,375

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

APPENDIX

BUDGET ADOPTION ORDINANCE



Fund/Divisions	Adopted Budgeted Expenditures 2009/10	Expenditure Adjustments Approved 2009/10	Actual Expenditures 2009/10*	Budgeted Expenditures 2010/11
Grant Funds				
CDBG/HOME/Section 8 Housing	\$ 10,525,965	\$ -	\$ 10,525,965	\$ 10,093,647
Other Federal & State Grants	5,095,773	-	5,095,773	4,539,824
Contingency / Reserve Appropriation	9,500,000	(6,832,640)	2,667,360	10,410,176
Total Grant Funds	\$ 25,121,738	\$ (6,832,640)	\$ 18,289,098	\$ 25,043,647
Special Districts				
Street Light Districts	\$ 732,000	\$ (181,014)	\$ 550,986	\$ 574,387
Total Special Districts	\$ 732,000	\$ (181,014)	\$ 550,986	\$ 574,387
Total Special Revenue Funds	\$ 70,893,771	\$ (11,347,496)	\$ 59,546,275	\$ 66,043,646
DEBT SERVICE FUNDS				
GO Debt Service				
GO Bonds/Revenue Bonds	\$ 51,276,535	\$ (1,632,509)	\$ 49,644,026	\$ 57,519,940
MPC Excise Debt				
MPC Bonds	\$ 7,907,329	\$ (3,375)	\$ 7,903,954	\$ 7,878,257
Special Assessment Debt				
Special Assessment Bonds	\$ 7,616,960	\$ (874,625)	\$ 6,742,335	\$ 7,540,989
Total Debt Service Funds	\$ 66,800,824	\$ (2,510,509)	\$ 64,290,315	\$ 72,939,186
CAPITAL PROJECT FUNDS				
Capital Improvement Program				
Capital Projects	\$ 569,429,200	\$ (442,276,600)	\$ 127,152,600	\$ 677,669,800
Contingency / Reserve Appropriation	65,500,000	(58,206,091)	7,293,909	35,000,000
Total Capital Projects Fund	\$ 634,929,200	\$ (500,482,691)	\$ 134,446,509	\$ 712,669,800
ENTERPRISE FUNDS				
Water and Sewer Utility Fund				
Finance and Accounting	\$ 3,056,221	\$ (273,832)	\$ 2,782,389	\$ 2,639,025
Water Resources	62,751,275	(4,253,685)	58,497,590	65,354,670
Debt Service	25,726,463	813,017	26,539,480	28,058,005
Indirect Cost Allocation	11,068,211	(1,964,522)	9,103,689	9,663,088
Contingency / Reserve Appropriation	2,000,000	(1,545,562)	454,438	17,058,835
Total Water and Sewer Fund	\$ 104,602,170	\$ (7,224,584)	\$ 97,377,586	\$ 122,773,623
Aviation Fund				
Economic Vitality	\$ 1,604,983	\$ (94,284)	\$ 1,510,699	\$ 1,729,622
Direct Cost Allocation (Fire)	363,942	51,253	415,195	415,195
Indirect Cost Allocation	301,466	(157,572)	143,894	154,500
Contingency / Reserve Appropriation	-	-	-	4,436,278
Total Aviation Fund	\$ 2,270,391	\$ (200,603)	\$ 2,069,788	\$ 6,735,595
Solid Waste Fund				
Finance and Accounting	\$ 812,522	\$ 30	\$ 812,552	\$ 765,978
Public Works	16,331,205	(644,036)	15,687,169	15,659,117
Indirect Cost Allocation	3,040,175	(539,609)	2,500,566	2,509,556
Contingency / Reserve Appropriation	500,000	(500,000)	-	5,066,241
Total Solid Waste Fund	\$ 20,683,902	\$ (1,683,615)	\$ 19,000,287	\$ 24,000,892
Total Enterprise Funds	\$ 127,556,463	\$ (9,108,802)	\$ 118,447,661	\$ 153,510,110

Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

APPENDIX

BUDGET ADOPTION ORDINANCE



<u>Fund/Divisions</u>	<u>Adopted Budgeted Expenditures 2009/10</u>	<u>Expenditure Adjustments Approved 2009/10</u>	<u>Actual Expenditures 2009/10*</u>	<u>Budgeted Expenditures 2010/11</u>
EXPENDABLE TRUST FUND				
Trusts				
Mayor's Com. For Emp. of the Handicapped	\$ 8,882	\$ (3,482)	\$ 5,400	\$ 9,500
Contingency / Reserve Appropriation	10,000	(10,000)	-	10,000
Total Trust Fund	<u>\$ 18,882</u>	<u>\$ (13,482)</u>	<u>\$ 5,400</u>	<u>\$ 19,500</u>
INTERNAL SERVICE FUNDS				
Fleet Management Fund				
Public Works & Water Resources	\$ 13,924,383	\$ 577,627	\$ 14,502,010	\$ 15,385,171
Internal Service Offset	(13,575,018)	351,087	(13,223,931)	(14,067,695)
Leave Accrual Payments	40,809	(15,195)	25,614	53,337
Estimated Division Savings	(400,000)	169,870	(230,130)	(237,034)
Contingency / Reserve Appropriation	-	-	-	750,000
Total Fleet Management Fund	<u>\$ (9,826)</u>	<u>\$ 1,083,389</u>	<u>\$ 1,073,563</u>	<u>\$ 1,883,779</u>
Self Insurance Fund				
Finance and Accounting	\$ 7,538,332	\$ (1,049,140)	\$ 6,489,192	\$ 7,238,302
Human Resources	24,963,922	(293,890)	24,670,032	25,937,669
Contingency / Reserve Appropriation	5,000,000	(5,000,000)	-	5,000,000
Internal Service Offset	(25,928,922)	571,974	(25,356,948)	(21,630,537)
Total Self Insurance Fund	<u>\$ 11,573,332</u>	<u>\$ (5,771,056)</u>	<u>\$ 5,802,276</u>	<u>\$ 16,545,434</u>
Total Internal Service Funds	<u>\$ 11,563,506</u>	<u>\$ (4,687,667)</u>	<u>\$ 6,875,839</u>	<u>\$ 18,429,213</u>
TOTAL ALL FUNDS	<u>\$ 1,144,269,768</u>	<u>\$ (530,466,349)</u>	<u>\$ 613,803,419</u>	<u>\$ 1,287,279,265</u>

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* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

APPENDIX

BUDGET ADOPTION ORDINANCE



Division/Fund	Adopted Budgeted Expenditures 2009/10	Expenditure Adjustments Approved 2009/10	Actual Expenditures 2009/10*	Budgeted Expenditures 2010/11
SCOTTSDALE CITY COUNCIL				
General Fund	\$ 790,904	\$ (74,881)	\$ 716,023	\$ 616,489
Total Scottsdale City Council	\$ 790,904	\$ (74,881)	\$ 716,023	\$ 616,489
CITY CLERK				
General Fund	\$ 904,960	\$ 308,027	\$ 1,212,987	\$ 1,189,115
Total City Clerk	\$ 904,960	\$ 308,027	\$ 1,212,987	\$ 1,189,115
CITY ATTORNEY				
General Fund	\$ 6,384,959	\$ (21,862)	\$ 6,363,097	\$ 5,979,807
Total City Attorney	\$ 6,384,959	\$ (21,862)	\$ 6,363,097	\$ 5,979,807
CITY AUDITOR				
General Fund	\$ 837,820	\$ (22,256)	\$ 815,564	\$ 827,586
Total City Auditor	\$ 837,820	\$ (22,256)	\$ 815,564	\$ 827,586
CITY COURT				
General Fund	\$ 4,699,829	\$ (127,770)	\$ 4,572,059	\$ 4,669,882
Special Revenue Fund - Special Programs	1,439,826	(57,706)	1,382,120	1,363,190
Total City Court	\$ 6,139,655	\$ (185,476)	\$ 5,954,179	\$ 6,033,072
CITY MANAGER				
General Fund	\$ 1,742,708	\$ (132,846)	\$ 1,609,862	\$ 1,407,520
Total City Manager	\$ 1,742,708	\$ (132,846)	\$ 1,609,862	\$ 1,407,520
COMMUNITY SERVICES				
General Fund	\$ 38,499,263	\$ (619,759)	\$ 37,879,504	\$ 37,353,595
Special Revenue Fund - Special Programs	2,596,270	(1,279)	2,594,991	2,336,378
Total Community Services	\$ 41,095,533	\$ (621,038)	\$ 40,474,495	\$ 39,689,973
PUBLIC SAFETY - POLICE				
General Fund	\$ 87,544,937	\$ (2,075,296)	\$ 85,469,641	\$ 82,991,710
Special Revenue Fund - Special Programs	1,169,363	(22,333)	1,147,030	1,860,394
Total Public Safety - Police	\$ 88,714,300	\$ (2,097,629)	\$ 86,616,671	\$ 84,852,104
PUBLIC SAFETY - FIRE				
General Fund	\$ 28,711,445	\$ (1,273,253)	\$ 27,438,192	\$ 27,893,809
Special Revenue Fund - Special Programs	500	-	500	-
Total Public Safety - Fire	\$ 28,711,945	\$ (1,273,253)	\$ 27,438,692	\$ 27,893,809
PUBLIC WORKS				
General Fund	\$ 18,983,113	\$ (622,220)	\$ 18,360,893	\$ 17,659,448
Special Revenue Fund - Transportation/HURF	17,649,008	(5,112)	17,643,896	14,935,409
Enterprise Fund - Solid Waste	16,331,205	(644,036)	15,687,169	15,659,117
Internal Service Fund - Fleet Management	13,924,383	577,627	14,502,010	15,385,171
Total Public Works	\$ 66,887,709	\$ (693,741)	\$ 66,193,968	\$ 63,639,145
PLANNING, NEIGHBORHOODS & TRANSPORTATION				
General Fund	\$ 17,163,847	\$ (292,740)	\$ 16,871,107	\$ 16,997,179
Special Revenue Fund - Transportation/HURF	13,631,274	(90,968)	13,540,306	12,063,783
Special Revenue Fund - Special Programs	140,000	-	140,000	125,000
Special Districts	732,000	(181,014)	550,986	574,387
Total Planning, Neighborhoods & Transportation	\$ 31,667,121	\$ (564,722)	\$ 31,102,399	\$ 29,760,349
FINANCE AND ACCOUNTING				
General Fund	\$ 5,061,932	\$ (10,364)	\$ 5,051,568	\$ 4,935,907
Enterprise Fund - Water & Sewer	3,056,221	(273,832)	2,782,389	2,639,025
Enterprise Fund - Solid Waste	812,522	30	812,552	765,978
Internal Service Fund - Self-Insurance	7,538,332	(1,049,140)	6,489,192	7,238,302
Total Finance and Accounting	\$ 16,469,007	\$ (1,333,306)	\$ 15,135,701	\$ 15,579,212

Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

APPENDIX

BUDGET ADOPTION ORDINANCE



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<u>Division/Fund</u>	<u>Adopted Budgeted Expenditures 2009/10</u>	<u>Expenditure Adjustments Approved 2009/10</u>	<u>Actual Expenditures 2009/10*</u>	<u>Budgeted Expenditures 2010/11</u>
HUMAN RESOURCES				
General Fund	\$ 4,085,769	\$ (399,184)	\$ 3,686,585	\$ 3,525,008
Special Revenue Fund - Special Programs	10,000	-	10,000	5,000
Internal Service Fund - Self-Insurance	24,963,922	(293,890)	24,670,032	25,937,669
Total Human Resources	<u>\$ 29,059,691</u>	<u>\$ (693,074)</u>	<u>\$ 28,366,617</u>	<u>\$ 29,467,677</u>
INFORMATION TECHNOLOGY				
General Fund	\$ 10,333,523	\$ (470,002)	\$ 9,863,521	\$ 9,903,567
Total Information Technology	<u>\$ 10,333,523</u>	<u>\$ (470,002)</u>	<u>\$ 9,863,521</u>	<u>\$ 9,903,567</u>
ECONOMIC VITALITY				
General Fund	\$ 9,630,700	\$ (332,651)	\$ 9,298,049	\$ 11,715,214
Special Revenue Fund - Special Programs	6,133,476	(402,276)	5,731,200	5,371,983
Enterprise Fund - Aviation	1,604,983	(94,284)	1,510,699	1,729,622
Total Economic Vitality	<u>\$ 17,369,159</u>	<u>\$ (829,211)</u>	<u>\$ 16,539,948</u>	<u>\$ 18,816,819</u>
ADMINISTRATIVE SERVICES				
General Fund	\$ 3,213,317	\$ (77,436)	\$ 3,135,881	\$ 2,816,220
Total Administrative Services	<u>\$ 3,213,317</u>	<u>\$ (77,436)</u>	<u>\$ 3,135,881</u>	<u>\$ 2,816,220</u>
WATER RESOURCES				
Enterprise Fund - Water & Sewer	\$ 62,751,275	\$ (4,253,685)	\$ 58,497,590	\$ 65,354,670
Total Water Resources	<u>\$ 62,751,275</u>	<u>\$ (4,253,685)</u>	<u>\$ 58,497,590</u>	<u>\$ 65,354,670</u>
OTHER				
Leave Accrual Payments	\$ 1,917,255	\$ (1,232,266)	\$ 684,989	\$ 1,851,044
Estimated Division Savings	(5,670,000)	(2,944,327)	(8,614,327)	(3,372,034)
Future Savings from Reorganization	(12,536,834)	12,536,834	-	-
Early Retirement Incentive Program	-	431,000	431,000	-
Bed Tax Encumbrance	-	-	-	1,245,141
Indirect Cost Allocation	14,409,852	(2,661,703)	11,748,149	12,327,144
Direct Cost Allocation (Fire)	363,942	51,253	415,195	415,195
Internal Offset	(39,503,940)	923,061	(38,580,879)	(35,698,232)
Total Other	<u>\$ (41,019,725)</u>	<u>\$ 7,103,852</u>	<u>\$ (33,915,873)</u>	<u>\$ (23,231,742)</u>
TOTAL DIVISIONS	<u>\$ 372,053,861</u>	<u>\$ (5,932,539)</u>	<u>\$ 366,121,322</u>	<u>\$ 380,595,392</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

APPENDIX

BUDGET ADOPTION ORDINANCE



	OPERATING BUDGET	CAPITAL BUDGET	OTHER FISCAL ACTIVITY	TOTAL ACTIVITY
Division:				
Scottsdale City Council	\$ 616,489			\$ 616,489
City Clerk	1,189,115			1,189,115
City Attorney	5,979,807			5,979,807
City Auditor	827,586			827,586
City Court	6,033,072			6,033,072
City Manager	1,407,520			1,407,520
Community Services	39,689,973			39,689,973
Public Safety - Police	84,852,104			84,852,104
Public Safety - Fire	27,893,809			27,893,809
Public Works	63,639,145			63,639,145
Planning, Neighborhoods & Transportation	29,185,962			29,185,962
Finance and Accounting	15,579,212			15,579,212
Human Resources	29,467,677			29,467,677
Information Technology	9,903,567			9,903,567
Economic Vitality	18,816,819			18,816,819
Administrative Services	2,816,220			2,816,220
Water Resources	65,354,670			65,354,670
Indirect/Direct Cost Allocation	12,742,339			12,742,339
Internal Service Fund Offsets	(35,698,232)			(35,698,232)
Debt Service	106,450,926			106,450,926
Leave Accrual Payments	1,851,044			1,851,044
Estimated Department Savings	(3,372,034)			(3,372,034)
Bed Tax Encumbrance	1,245,141			1,245,141
Capital Improvements		\$ 677,669,800		677,669,800
Other Fiscal Activity:				
Grants			\$ 14,633,471	14,633,471
Trusts and Special Districts			583,887	583,887
Total 2010/11 Budget	\$ 486,471,931	\$ 677,669,800	\$ 15,217,358	\$ 1,179,359,089
Contingency / Reserve Appropriation	62,500,000	35,000,000	10,420,176	107,920,176
Total Budget Appropriation	\$ 548,971,931	\$ 712,669,800	\$ 25,637,534	\$ 1,287,279,265



ORDINANCE NO. 3894

AN ORDINANCE OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF SCOTTSDALE SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR THE VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2011.

WHEREAS, by the provisions of the City Charter and State statute, an ordinance is required to set the property tax levy for the fiscal year beginning July 1, 2010, and ending June 30, 2011; and

WHEREAS, the County of Maricopa is the assessing and collecting authority for the City of Scottsdale, the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor; and

WHEREAS, the Truth in Taxation public hearing was held on June 8, 2010, and the City Council made the following policy decisions relating to the primary property taxes:

a. Increased the levy by the two percent (2%) maximum legal amount, plus new construction; and

b. Increased the levy rate by one million seven hundred two thousand five hundred forty four dollars (\$1,702,544) as reimbursement for calendar year 2009 tort claim payments, as recommended by the City's Loss Trust Fund Board; now, therefore,

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. There is hereby levied on each one hundred and no/100 dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a primary property tax levy not to exceed the maximum levy allowed by law for the fiscal year ending June 30, 2011, and allowable tort liability claims. The total primary levy is twenty six million four hundred sixteen thousand two hundred seventeen dollars (\$26,416,217), resulting in a tax rate of \$0.3836 per one hundred and no/100 dollars (\$100.00) of assessed value. Said figure subject to change only if a court decision were to reduce the net assessed valuation in a significant manner.

SECTION 2. In addition to the rate set in Section 1 hereinbefore, there is hereby levied on each one hundred and no/100 dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a secondary property tax rate of \$0.5140 per one hundred and no/100 dollars (\$100.00) of assessed value, which is a rate sufficient to raise the sum of thirty seven million nine hundred ten thousand three hundred dollars (\$37,910,300) for the purpose of providing a bond interest and redemption fund for General Obligation debt service for the fiscal year ending June 30, 2011.

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SECTION 3. Failure by the county officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in assessments or omission in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer(s) to timely perform any of the assigned duties shall not invalidate any proceedings or any deed or sale pursuant thereto; the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Scottsdale upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for the collection of taxes or the foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.


PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 22nd day of June, 2010.

ATTEST:

CITY OF SCOTTSDALE,
an Arizona municipal corporation

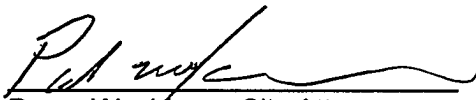


Carolyn Jagger
City Clerk



W.J. "Jim" Lare
Mayor

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: Paul M. Norman
Senior Assistant City Attorney



**City of Scottsdale, Arizona
Adopted FY 2010/11 Budget**

Program Operating Budget - Volume One
