

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING AND WORK STUDY SESSION MINUTES
TUESDAY, MARCH 5, 2024**



**CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting and Work Study Session of the Scottsdale City Council at 5:23 P.M. on Tuesday, March 5, 2024 in the City Hall Kiva Forum.

ROLL CALL

Present: Mayor David D. Ortega; Vice Mayor Solange Whitehead; and Councilmembers Tammy Caputi, Tom Durham, Barry Graham (participated electronically), Betty Janik, and Kathy Littlefield

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Sonia Andrews, Acting City Auditor Lai Cluff, and City Clerk Ben Lane

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilwoman Janik.

MAYOR'S REPORT

Mayor Ortega asked for a moment of silent reflection for the people of Ukraine as they continue their fight for freedom and democracy.

Mayor Ortega presented a proclamation to City purchasing staff declaring March 13th as Purchasing Professionals Day in Scottsdale.

CITY MANAGER'S REPORT

Fast Five Video Update

Note: The Council may make comments or ask questions to the presenter(s); however, no Council action will be taken.

City Manager Jim Thompson introduced a "Fast Five" video produced by the City's Communications Office which provided updates on several City events and offerings.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

PRESENTATIONS/INFORMATION UPDATES

Experience Scottsdale Update

Presenter(s): Rachel Sacco, President and Chief Executive Officer

Note: The Council may make comments or ask questions to the presenter(s); however, no Council action will be taken.

Experience Scottsdale President and Chief Executive Officer Rachel Sacco gave a PowerPoint presentation (attached) noting recent events and accomplishments.

PUBLIC COMMENT

Lizbeth Congiusti stated she filed a citizen petition (attached) requesting restitution for attorney fees due a permitting situation between the Pleasant Run Homeowners Association and the City's Planning Department.

Lee Kauftheil presented a video and spoke about the increased safety to the street after a lane restriping was completed on Thomas Road, noting the restriping did not cause traffic or congestion concerns.

Brent Bieser noted he filed a citizen petition (attached) requesting an amendment to the City's Zoning Ordinance for S-R Zoning and that these projects go to the Development Review Board to allow for more public input.

MINUTES

Request: Approve the following Council meeting minutes from February 2024:

- a. **Special Meeting Minutes of February 6, 2024**
- b. **Executive Session Minutes of February 6, 2024**
- c. **Regular Meeting and Work Study Session Minutes of February 6, 2024**

MOTION AND VOTE - MINUTES

Vice Mayor Whitehead made a motion to approve the Special Meeting Minutes of February 6, 2024; Executive Session Minutes of February 6, 2024; and Regular Meeting and Work Study Session Minutes of February 6, 2024. Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

CONSENT AGENDA

1. Taco Papi Liquor License (2-LL-2024)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 14891 N. Northsight Boulevard, Suites 119 and 120

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

2. Well Seasoned Liquor License (4-LL-2024)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 4280 N. Drinkwater Boulevard, Suite 200

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

3. La Cocina Authentic Mexican Kitchen Liquor License (5-LL-2024)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 32527 N. Scottsdale Road

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

4. Life Time Liquor License (6-LL-2024)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a location/owner transfer of a Series 6 (bar) State liquor license for a new location and owner.

Location: 4724 N. Goldwater Boulevard

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

5. XOXO Charcuterie Liquor License (7-LL-2024)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.

Location: 7001 N. Scottsdale Road, Suite C-145

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

6. On-Call Traffic and Electrical Engineering Services Contracts

Request: Adopt **Resolution No. 13046** authorizing the following on-call structural design engineering services contracts for two years with the option to extend for three additional one-year periods, in an amount not to exceed \$1,500,000 for the initial two-year term of each contract:

1. Contract No. 2024-041-COS with Greenlight Traffic Engineering, LLC

2. Contract No. 2024-042-COS with Kimley-Horn and Associates, Inc.

3. Contract No. 2024-043-COS with Y2K Engineering, LLC

Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

7. Cox Heights and Pima Meadows Pavement Reconstruction Project Construction Bid

Request: Adopt **Resolution No. 13042** to authorize Construction Bid Award No. IFB-042023-081 with Primavera Grading & Paving, LLC, in the amount of \$294,531, for the reconstruction of streets and ADA upgrades in the residential neighborhoods of Cox Heights and Pima Meadows.

Staff Contact(s): Judy Doyle, Community Services Assistant Executive Director, 480-312-2691, jdoyle@scottsdaleaz.gov

8. Arizona Bike Week Event Funding

Request: Adopt **Resolution No. 13063** to authorize:

1. Funding, not to exceed \$75,000, from the portion of the Fiscal Year 2023/24 Tourism Development Fund that is allocated toward event retention and development for the Arizona Bike Week.
2. New Event Funding Agreement No. 2024-048-COS with FX Promotions, Inc.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

9. Scottsdale Jazz Blues and Brews Festival Event Funding

Request: Adopt **Resolution No. 13064** to authorize:

1. Funding, not to exceed \$65,000, from the portion of the Fiscal Year 2023/24 Tourism Development Fund that is allocated toward event retention and development for the Scottsdale Jazz Blues and Brews Festival.
2. New Event Funding Agreement No. 2024-049-COS with the International Jazz Day AZ Foundation.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

10. Water Conservation Grant Fund Agreement

Request: Adopt **Resolution No. 13061** to authorize:

1. Water Conservation Grant Fund Agreement No. 2024-046-COS with the Water Infrastructure Finance Authority of Arizona, accepting a grant, in the amount of \$985,826, to expand the City's commercial program for reducing water use through water efficiency audits, landscape consultations, rebates, and large leak detection assistance.
2. The Water Resources Executive Director to accept and electronically sign the Water Conservation Grant Fund Agreement.
3. The Water Resources Executive Director, and designees, to perform all acts necessary to give effect of this Resolution.

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

11. Property and Evidence Storage Grant

Request: Adopt **Resolution No. 13062** to authorize:

1. Grant Agreement No. 2024-047-COS with the Arizona Department of Public Safety, accepting a grant, in the amount of \$111,000, related to Property and Evidence Storage.
2. A Budget Transfer, of up to \$111,000, from the Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

Staff Contact(s): Jeff Walther, Chief of Police, 480-312-1900, jwalther@scottsdaleaz.gov

12. Designating the City of Scottsdale's Chief Fiscal Officer

Request: Adopt **Resolution No. 13053** designating Sonia Andrews, the City Treasurer/Chief Financial Officer, as the City of Scottsdale's Chief Fiscal Officer for officially submitting the Fiscal Year 2024/25 Expenditure Limitation Report to the Arizona Auditor General.

Staff Contact(s): Sarah Delgado, Accounting Manager, 480-312-7805, sdelgado@scottsdaleaz.gov

13. Presiding City Judge Reappointment and Employment Agreement

Request: Adopt **Resolution No. 13060** to authorize:

1. The reappointment of Marianne T. Bayardi as Presiding City Judge, to a term of four years, as set forth in the City Code, to begin on March 21, 2024.
2. Employment Agreement No. 2024-045-COS with Marianne T. Bayardi

Staff Contact(s): Monica Boyd, Human Resources Director, 480-312-2615, mboyd@scottsdaleaz.gov

14. Declaratory Judgment Lawsuit Authorization

Request: Adopt **Resolution No. 13067** authorizing the filing of a declaratory judgment lawsuit by the City to resolve a legal question and determine legal rights and responsibilities relative to the validity of Scottsdale Ordinance, Scottsdale Revised Code, §2-241, requiring term limits on the City's Public Safety Personnel Retirement Police and Fire Local Boards.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

15. 2024 Primary and General Elections

Request: Adopt **Resolution No. 13065** repealing Resolution No. 12953 and calling the City of Scottsdale's Primary Election for Tuesday, July 30, 2024, and the City's General Election, if necessary, for Tuesday, November 5, 2024, for the purpose of electing a Mayor and three Councilmembers.

Staff Contact(s): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

There was no public comment on the Consent Agenda items.

Vice Mayor Whitehead made a motion to approve Consent Agenda Items 1 through 15. Councilmember Durham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

REGULAR AGENDA

16. City's Proposed Fiscal Year (FY) 2024/25 Rates and Fees

Request: Presentation, discussion, and possible direction to staff regarding the City's proposed FY 2024/25 rates and fees.

Presenter(s): Ana Lia Johnson, Acting Budget Director; Brian Biesemeyer, Water Resources Executive Director; Dave Bennett, Solid Waste Department Director; Michael Clack, Chief Development Officer; Judy Doyle, Community Services Assistant Executive Director; Jeff Walther, Chief of Police; Luis Santaella, Deputy City Attorney; Marianne T. Bayardi, Presiding City Judge

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893, anjohanson@scottsdaleaz.gov

Acting Budget Director Ana Lia Johnson, Water Resources Executive Director Brian Biesemeyer, Solid Waste Department Director Dave Bennett, Chief Development Officer Michael Clack, Community Services Assistant Executive Director Judy Doyle, Chief of Police Jeff Walther, Deputy City Attorney Luis Santaella, and Presiding City Judge Marianne T. Bayardi gave a PowerPoint presentation (attached) on the City's Proposed Fiscal Year 2024/25 Rates and Fees.

There was no public comment on this item.

Councilmembers made the following observations and suggestions:

- There has been 16.3% employee turnover in the Water Services Department due to retirements and a competitive job market.
- The landscaping volume charges are specific to landscaping meters only and separate from home water meters.
- Support expansion of the Bartlett Dam.
- Scottsdale Water is a world-class water utility provider.
- Concern about water rate increases between six to nine percent.
- Support water rate increases between one to three percent.
- The City's population has not grown much overall.
- The proposed water rate increases address short- and long-term needs.
- The City is in competition with other entities for supplies, such as water pipelines, and staff.
- There is a reduction in fees paid for commercial clients if they choose to recycle compared to having larger refuse containers.
- The recycling program is voluntary.
- Late fees for use of City right-of-way are a method for incentivizing efficiency.
- The continued use of technological advancements in the City Court has been beneficial.

17. Comprehensive Financial Policies Annual Review and Adoption

Requests: Adopt **Resolution No. 13031** to authorize:

1. Adoption of Comprehensive Financial Policies as the formal guidelines for the City of Scottsdale's Fiscal Year 2024/25 financial planning and management.
2. Repealing in their entirety, the financial policies passed and adopted through Resolution No. 12755 on February 28, 2023 and amended by Resolution No. 13034 on January 23, 2024.
3. The provisions of this Resolution shall be effective July 1, 2024.

Presenter(s): Sonia Andrews, City Treasurer

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893,
anjohanson@scottsdaleaz.gov

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the proposed Comprehensive Financial Policies Annual Review and Adoption.

There was no public comment on this item.

MOTION AND VOTE – ITEM 17

Vice Mayor Whitehead made a motion to adopt Resolution No. 13031 to authorize:

1. Adoption of Comprehensive Financial Policies as the formal guidelines for the City of Scottsdale's Fiscal Year 2024/25 financial planning and management.
2. Repealing in their entirety, the financial policies passed and adopted through Resolution No. 12755 on February 28, 2023 and amended by Resolution No. 13034 on January 23, 2024.
3. The provisions of this Resolution shall be effective July 1, 2024.

Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

PUBLIC COMMENT

No public comments were received.

CITIZEN PETITIONS

18. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

MOTION AND VOTE – ITEM 18: CITIZEN PETITION #1

Mayor Ortega made a motion to take no action on a citizen petition requesting restitution for attorney fees from the Pleasant Run Homeowners Association. Councilwoman Caputi seconded the motion, which carried 6/1, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, and Janik voting in the affirmative and Councilwoman Littlefield dissenting.

MOTION AND VOTE – ITEM 18: CITIZEN PETITION #2

Vice Mayor Whitehead made a motion to direct the City Manager to investigate the matter related to amending the zoning ordinance regarding SR zoning and Development Review Board approval and prepare a written response to the Council, with a copy to the petitioner. Mayor Ortega seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

MAYOR AND COUNCIL

19. Agendize Review of the Recommendations of the Protect and Preserve Scottsdale Task Force at a Future Council Work Study Session

Request: At the request of Councilmember Graham, direct the City Manager, City Treasurer and City Clerk to agendize an item for a future Work Study Session related to discussions with staff on the recommendations of the Protect and Preserve Scottsdale Task Force.

Note: The only possible Council action to be taken on Item No. 19 is: (1) Direct the City Manager or responsible Charter Officer to agendize the item for a future meeting; (2) direct the City Manager or responsible Charter Officer to investigate the matter and prepare a written response to the Council; or (3) take no action. No public comment will be taken at this time.

MOTION AND VOTE – ITEM 19

Councilmember Graham made a motion to direct the City Manager or responsible Charter Officer to agendize the item for a future meeting. Councilwoman Littlefield seconded the motion.

Councilmember Durham made a motion to call the question. Mayor Ortega seconded the motion, which carried 5/2, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, and Janik voting in the affirmative and Councilmembers Graham and Littlefield dissenting.

The Council then voted on the first motion which failed 3/4, with Councilmembers Caputi, Graham, and Littlefield voting in the affirmative and Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Durham and Janik dissenting.

WORK STUDY SESSION

PUBLIC COMMENT

Mayor Ortega opened public comment on this item.

Michelle Pabis, Vice President for Government and Community Affairs at HonorHealth, spoke about HonorHealth's innovative collaboration with the city of Scottsdale and the importance of pre-hospital care and supported a continued partnership.

Austin Fairbanks spoke about the proposed permanent base adjustment draft ballot language and suggested revisions to the ballot language.

Linda Milhaven, former City Councilmember, noted the previous years' budget spending and suggested further review as to what has increased recent spending.

Sasha Weller, President of the Scottsdale Fire Fighter Association, spoke in support of the ambulance transportation program to increase the level of service and spoke in support of the permanent base adjustment to ensure resources are available for public safety needs.

Mayor Ortega closed public comment on this item.

1. **Scottsdale Ambulance Transportation Program**

Request: Presentation, discussion, and possible direction to staff regarding the intended Scottsdale Fire Department Ambulance Transportation Program and operational, logistical, and budgetary considerations.

Presenter(s): Tom Shannon, Fire Chief

Staff Contact(s): Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov

Fire Chief Tom Shannon, Deputy Fire Chief Danny Ables, Battalion Chief Brian Joseph, and Medical Director Casey Solem gave a PowerPoint presentation (attached) on the Scottsdale Ambulance Transportation Program.

There was Council consensus on the following items:

- Continue the process towards creating the Scottsdale Ambulance Transportation Program.
- This program would be an enhanced service to provide better care for residents and visitors.

Councilmembers made the following observations and suggestions:

- The Fire Department should provide additional information regarding the percentage of the operating budget that would be used by the ambulance service.
- The Fire Department currently has space to house these ambulances.
- One-time expenses are high at \$11 million.
- World-class public safety is a hallmark for Scottsdale.

2. **Permanent Base Adjustment Update**

Request: Presentation, discussion, and possible direction to staff regarding sending a potential permanent base adjustment to the 1979-80 base expenditure limitation to the voters in the form of a ballot question.

Presenter(s): Sonia Andrews, City Treasurer and Ben Lane, City Clerk

Staff Contact(s): Anna Henthorn, Accounting Director, 480-312-7805, ahenthorn@scottsdaleaz.gov

City Treasurer Sonia Andrews and City Clerk Ben Lane gave a PowerPoint presentation (attached) on the Permanent Base Adjustment.

There was Council consensus on the following items:

- For the ballot language, use the recommended \$22 million increase.
- Use the previous Scottsdale "Yes/No" statements language that was presented to the voters in the 1998 and 2006 city elections.
- Use the presented ballot language including the official title, descriptive title, and tagline text.
- Move forward with this process and present a referral for the Council to consider.

Councilmembers made the following observations and suggestions:

- The ballot language from 2006 was very clear.
- In January 2024, the City Council set a new policy to review the permanent base expenditure limitation every five years or if the expenditure limitation came within 90 percent of capacity.
- The City has increased the amenities and services it provides since the last permanent base adjustment.
- The General Fund is used to supplement shortages in the Bond 2019 projects.
- The recommended permanent base adjustment would be \$22 million which is a 45% increase; a 40% increase should be considered.

MOTION AND VOTE – ADJOURNMENT

Councilwoman Janik made a motion to adjourn the Regular Meeting and Work Study Session. Vice Mayor Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

ADJOURNMENT

Mayor Ortega adjourned the Regular Meeting and Work Study Session at 9:37 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on April 16, 2024

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting and Work Study Session of the City Council of Scottsdale, Arizona, held on the 5th day of March 2024.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 16th day of April 2024.



Ben Lane, City Clerk

EXPERIENCE SCOTTSDALE

1

THE POWER OF TOURISM



2

CANADA CAMPAIGN & TAKEOVER



3

SCOTTSDALE SUN GLOBE EXPERIENCE



4

SCOTTSDALE SUN GLOBE EXPERIENCE



5

SCOTTSDALE SUN GLOBE EXPERIENCE



6

SIGNATURE EVENT SEASON

DISCOVER SCOTTSDALE, ARIZONA

From luxury to authentic and sporting events to historic preservation to inspiring...
 Scottsdale, Arizona is a vibrant and diverse community. It's a place where...
 The city is home to some of the most beautiful golf courses in the world...
 From the historic Old Scottsdale Inn to the modern Scottsdale Fashion Square...
 The city is also home to some of the most beautiful desert landscapes in the world...
 From the iconic Camelback Mountain to the stunning McDowell Mountain...
 The city is a true gem of the Southwest, offering a unique blend of...
 From the historic Old Scottsdale Inn to the modern Scottsdale Fashion Square...
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 From the iconic Camelback Mountain to the stunning McDowell Mountain...
 The city is a true gem of the Southwest, offering a unique blend of...



SCOTTSDALE SIGNATURE EVENTS

From luxury to authentic and sporting events to historic preservation to inspiring...
 Scottsdale, Arizona is a vibrant and diverse community. It's a place where...
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 The city is a true gem of the Southwest, offering a unique blend of...



7

GENERATING POSITIVE MEDIA HITS



8

SECURING MEETINGS BUSINESS



“I feel like I left that event with so much valuable information that I can share with the businesses I support. There’s truly a hotel that can service every various type of event we have, and, honestly, I had no idea there were that many in the area.”

– Participating Meeting Planner

9

EDUCATING LUXURY ADVISORS



10

THANK YOU!

Citizen Petition

March 5, 2024

Petition Purpose

As a homeowner in Pleasant Run, Chairman of the Architectural Review Committee, and HOA Vice President, I have witnessed firsthand the unnecessary financial burden that our community has been subjected to due to the lack of communication and unnecessary delays by Scottsdale's Planning Department. Our association has had to bear legal expenses that could have been avoided with proper communication and timely responses.

The City of Scottsdale's Planning Department's actions have not only caused an unnecessary financial burden on our 2023 budget but also resulted in mental and emotional strife among homeowners and HOA board members. This is not just about money; it's about respect for our community, our time, and our peace of mind.

We are asking for \$11,675 reimbursement or compensation from either the City of Scottsdale or its planning department for these unwarranted expenses. We believe this is a fair request considering that we are a self-funded organization working towards maintaining a pleasant living environment for all residents.

Our plea is simple: The City should take responsibility for its part in this debacle. It should ensure better communication moving forward so no other community has to go through what we did.

Please sign this petition if you believe in fairness, accountability, and good governance. Your support will help us bring about much-needed change in how local authorities interact with homeowners associations like ours.
Contact Information for Petition

Printed Name: Lizbeth Congiusti

Signature: *Lizbeth Congiusti*

Mailing Address: 7405 East Pleasant Run, Scottsdale AZ 85258

Email Address: Lizbeth_Congiusti@yahoo.com

Phone Number: 480-510-7906

Additional Signer Information

Signature	Printed Name	Address	Date
<i>Mary L Dokes</i>	Mary L Dokes	7422 Pleasant Run Scottsdale AZ 85258	2/29/2024
<i>Gary D. Dokes</i>	GARY D. Dokes	7472 Pleasant Run 85258	2/24/2024
<i>D. Neumeister</i>	Dan Neumeister	7479 E. Pleasant Run 85258	2/29/2024

City of Scottsdale City Council
3939 N. Drinkwater Blvd.
Scottsdale, AZ 85251

March 5, 2024

Dear Mayor and City Council members,

As a Scottsdale resident of over 35 years and a registered Architect in the State of Arizona since 1989, I respectfully request an amendment to the Scottsdale Zoning Ordinance.

Over the last several years, there has been a serious lack a care on the part of the Planning Department staff regarding the administering and enforcement of the S-R Zoning Ordinance as written. This lack of care has resulted in numerous problems that have occurred within our residential neighborhood.


It has come to my attention that at some point in the past, the Scottsdale City Council removed the requirement that any new construction and remodels on S-R zoned parcels were required to go before the full Development Review Board for review and approval with the appropriate public notifications. The Scottsdale Planning staff has neither the time nor resources to properly research these projects for the proper handling these important projects require. This mishandling has resulted in damage occurring to our residential neighborhood that is virtually impossible to repair through the available City channels.

In light of the special nature of S-R Zoning and the sensitive treatment that this zoning is supposed to possess, it would be in the best interest of the citizens who live adjacent to S-R parcels to reinstitute the full Development Review Board requirement.

I have attempted to find out how Zoning Amendments are supposed to be formally submitted but my emails have been unanswered.

Please accept this letter as my formal request to amend the S-R Zoning ordinance and reinstitute the Development Review Board requirement.

Yours very respectfully,



Brent M. Bieser
7317 East. Vista Drive
Scottsdale, AZ 85250
602-568-7261
Bbieser2@cox.net

Item 16

FY 2024/25 PROPOSED RATE & FEE CHANGES

*City Council Meeting
March 5, 2024*

1

FY 2024/25 PROPOSED RATE & FEE CHANGES

Present in
Detail

60-Day
Posting
Compliance

Public Hearing
& Adopt on
May 14, 2024

2

ENTERPRISE

PROPOSED RATE & FEE CHANGES



Annual Review of Rates & Fees per
Financial Policy No. 9.02



Ensure Rates & Fees Recover All
Direct/Indirect Cost of Service, Debt
Service and Provide Adequate Funding
for Future Capital Needs



Proposed Rate & Fee
Changes Submitted
by:

Water & Sewer
Solid Waste

NON- ENTERPRISE

PROPOSED RATE & FEE CHANGES



Periodic Review of Rates & Fees
per Financial Policy No. 4.05



Rates & Fees Based on Acceptable
Recovery Rates for Direct/Indirect
Cost of Service



Proposed Rate &
Fee Changes
Submitted by:

Community & Economic Development
Planning & Development Services
Community Services
WestWorld
Public Safety - Police
City Court
City Attorney

FY 2024/25 FORECASTED REVENUE

NON-ENTERPRISE

General Fund	Revenue
C&ED – Planning & Dev. Services	\$1,245,363
Community Services	\$124,000
Public Safety - Police	\$10,000
City Court	\$119,600
City Attorney	\$92,000
General Fund Total	\$1,590,963

Special Programs Fund	Revenue
City Court	\$750,000

CIP Stormwater Fund	Revenue
C&ED – Planning & Dev. Services	\$1,136,051

ENTERPRISE

Enterprise Funds	Revenue
Water Resources	\$11,671,031
Public Works – Solid Waste	\$2,758,678
Enterprise Funds Total	\$14,429,709

5

FY 2024/25 Enterprise Water Resources

6

FY 2024/25 PROPOSED RATE & FEE CHANGES

◆ Enterprise Funds

Water, Sewer and Contractual Funds

- Recovery of all direct and indirect costs of service
- Rate-revenue based on multi-year financial plans

7

NEW REALITY

1. Drought and post 2026 Colorado River allocation reductions
 - Cost of new resources
 - Cost of infrastructure to use our existing water more effectively
2. Inflationary cost have created a “new normal” for both operating and capital costs
3. Aging utility infrastructure
4. Competitive job market

8

NEW REALITY

The image shows a collage of news articles. On the left, an article from azcentral.com is titled "48% more? Phoenix's rising water rates could hurt — unless you conserve. What to know". Below it is a photo of a desert landscape with a road. On the right, an article from hoodline.com is titled "Gilbert Council Unanimously Approves 50% Water Rate Hike, Residents to Face Stiffer Utility Bills". Below it is a photo of a town council meeting. A video player is also visible, showing a news anchor and a man in a suit.

9

AT A CROSSROADS

Commit to a road that can supply us with enough water to...
secure our future.

CITY OF SCOTTSDALE

10

CROSSROADS

We've been here before in the early 1990's

- 1980 Groundwater Management Act implementation
- Central Arizona Canal
- Creation of the Scottsdale Water Campus

11

CROSSROADS

Rate increases in the early 1990's

Fiscal Year	Water Rate Increase	Wastewater Rate Increase
FY 93	8.0%	9.5%
FY 94	10.0%	15.0%
FY 95	5.5%	10.0%

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ENTERPRISE – WATER RESOURCES

Significant Cost Drivers

💧 Operations

Increasing raw water costs

- CAP Water costs up 9%
- SRP Water costs up 13%

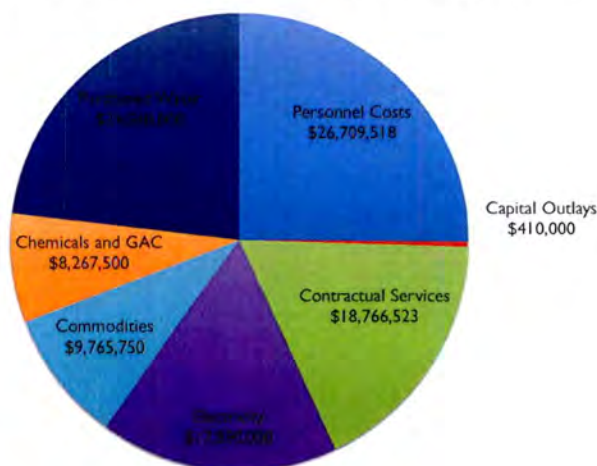
Other

- Increased cost of electricity
- Increased conservation budget
- Increased cost of personnel services

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ENTERPRISE – WATER RESOURCES

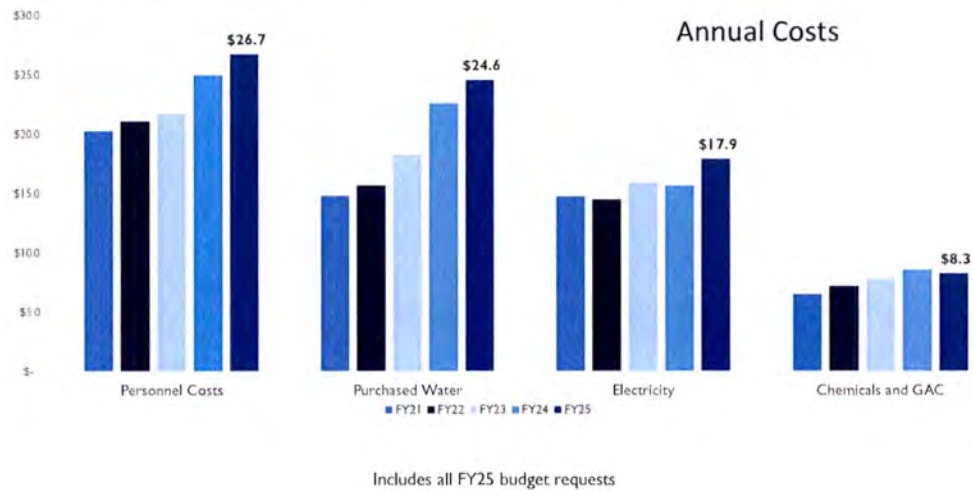
FY25 Proposed Division Expenses by Category - \$106,377,291



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ENTERPRISE – WATER RESOURCES

Major Divisional Costs



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ENTERPRISE – WATER RESOURCES

Significant Cost Drivers

💧 CIP

- Drought driven improvements – ASR wells, automated meter programs, and water reuse and processing efforts
- Bartlett Dam feasibility study
- Booster Station modifications and improvements
- Scottsdale Water Campus expansion

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ENTERPRISE – WATER RESOURCES

CIP – Water & Sewer

CIP Summary (In \$ Millions)	FY2024/25 Request 5-Year Impact
Water	\$88.7
Sewer	\$34.8

Water and Sewer Total	\$123.5

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ENTERPRISE – WATER RESOURCES

Water and Sewer Rate-Revenue

	Estimated Revenue (Current)	% Change (2025)	Estimated Revenue (Increase)
Water Rate-Revenue	\$121.1	6.3%*	\$7.6
Sewer Rate-Revenue	\$ 49.0	8.0%**	\$3.9
Total Rate-Revenue	\$170.1		\$11.5

Amounts in millions – rounding differences occur

*Water rates effective November 1, 2024

**Sewer rates effective July 1, 2024

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ENTERPRISE – WATER RESOURCES

Water Rates

Base Fees (All Customers)

	Current	Proposed
5/8" Meter	\$15.05	\$15.10
3/4" Meter	\$19.40	\$20.90
1" Meter	\$27.55	\$30.10
1.5" Meter	\$45.15	\$60.20
2" Meter	\$60.20	\$75.30
3" Meter	\$120.40	\$165.60
4" Meter	\$188.20	\$263.50
6" Meter	\$376.25	\$526.80
8" Meter	\$526.75	\$903.00

Proposed Implementation Date: November 1, 2024

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ENTERPRISE – WATER RESOURCES

Water Rates

Current Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)

Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.10	5,001	12,000
3	\$4.25	12,001	20,000
4	\$5.70	20,001	30,000
5	\$7.05	Over 30,000	

Proposed Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)

Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.10	5,001	12,000
3	\$4.55	12,001	20,000
4	\$6.00	20,001	30,000
5	\$7.70*	Over 30,000	

Proposed Implementation Date: November 1, 2024

*Rate applicable to commercial and residential water haulers and hydrant meters.

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ENTERPRISE – WATER RESOURCES

Water Rates

Current Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)				Proposed Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To	Tier	Rate	From	To
1	\$1.65	0	5,000	1	\$1.65	0	5,000
2	\$3.10	5,001	12,000	2	\$3.10	5,001	12,000
3	\$4.25	12,001	20,000	3	\$4.55	12,001	20,000
4	\$5.70	Over 20,000		4	\$6.00	Over 20,000	

Proposed Implementation Date November 1, 2024

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ENTERPRISE – WATER RESOURCES

Sewer Rates

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$6.50	\$7.75
3/4" Meter	\$6.50	\$7.75
1" Meter	\$6.50	\$7.75
1.5" Meter	\$39.00	\$46.50
2" Meter	\$91.00	\$108.50
3" Meter	\$117.00	\$139.50
4" Meter	\$171.50	\$204.50
6" Meter	\$325.00	\$387.50
8" Meter	\$455.00	\$542.50

Proposed Implementation Date July 1, 2024

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ENTERPRISE – WATER RESOURCES

Sewer Rates

Customer Category	Current Rates	Proposed Rates	Customer Category	Current Rates	Proposed Rates
Single Family Residential	\$2.82	\$2.97	Commercial Laundry	\$3.70	\$3.90
Multi Family Residential	\$2.82	\$2.97	Laundromats	\$2.82	\$2.97
Commercial Without Dining	\$2.82	\$2.97	Metal Platers	\$3.22	\$3.39
Commercial With Dining	\$4.50	\$4.74	Restaurants/Bakeries	\$6.07	\$6.39
Hotels Without Dining	\$2.82	\$2.97	Service Station Auto Repair	\$2.84	\$2.99
Hotels With Dining	\$4.50	\$4.74	Medical Institutions	\$2.82	\$2.97
Car Washes	\$2.82	\$2.97	Schools	\$2.82	\$2.97

Proposed Implementation Date July 1, 2024

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ENTERPRISE – WATER RESOURCES

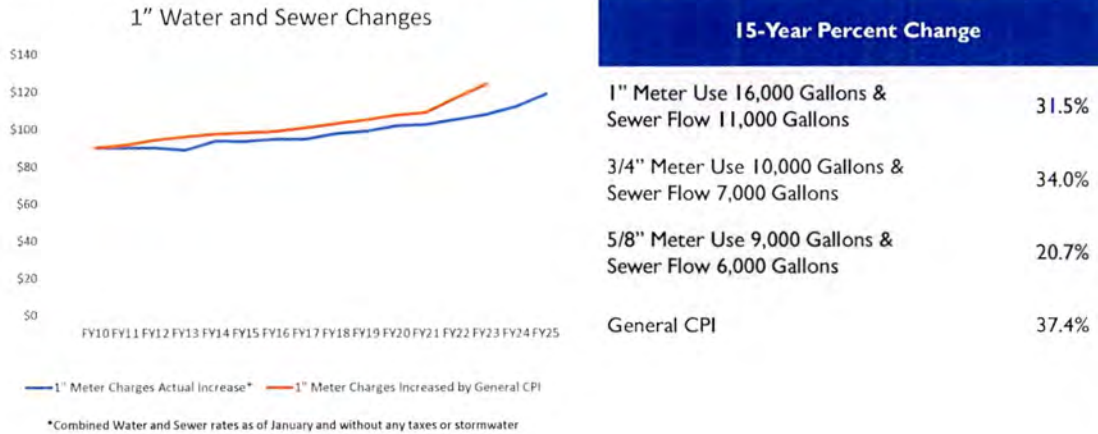
Historical Revenue Percent Change

Fiscal Year	Water	Sewer	Weighted Average
2020/21	- 0 -	1.5%	0.4%
2021/22	2.7%	2.4%	2.6%
2022/23	3.4%	4.7%	3.8%
2023/24	4.2%	5.8%	4.7%
<u>2024/25</u>	<u>6.3%</u>	<u>8.0%</u>	<u>6.9%</u>
5 Yr Average	3.3%	4.5%	3.7%
10 Yr Average	2.7%	3.1%	2.8%

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ENTERPRISE – WATER RESOURCES

Water & Sewer Increase Trends



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ENTERPRISE – WATER RESOURCES

Miscellaneous Service Charges

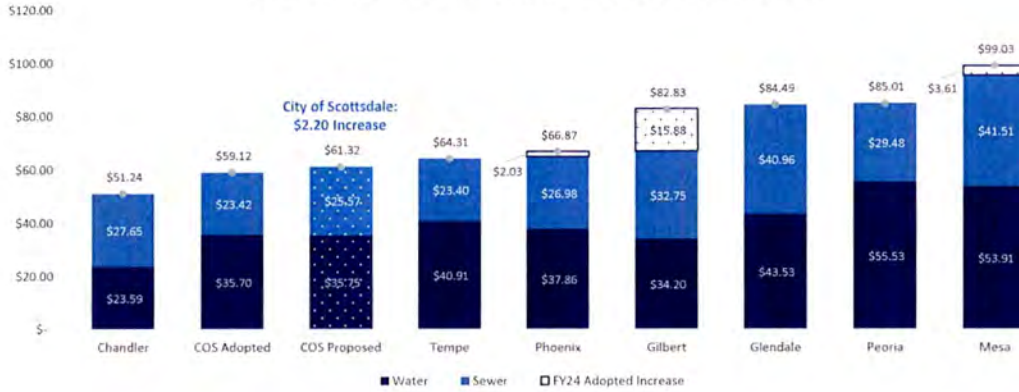
Service Charges	Est. # Of Sales	FY 2023/24 Fee	Proposed FY 2024/25 Fee	Increase Amt	Est. Revenue Change
Meter and Service Lines (All Sizes)	480	\$290 - \$4,100	\$300 - \$4,580	Various	\$99,347
Other Meter Maintenance	3,654	\$5 - \$310	\$10 - \$370	Various	\$62,355
Bulk Water Rate	3	\$2.18	\$2.32	\$0.14	\$3,829
Additional Water Fund Revenue					\$165,531

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ENTERPRISE – WATER RESOURCES

Utility Comparison

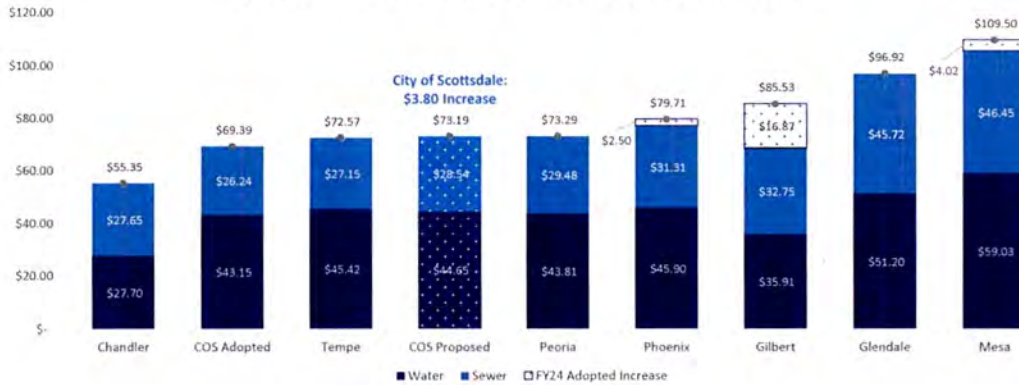
Residential Utility Bill Comparison
5/8" Meter - Water Use 9,000 Gallons and Sewer Use 6,000 Gallons



ENTERPRISE – WATER RESOURCES

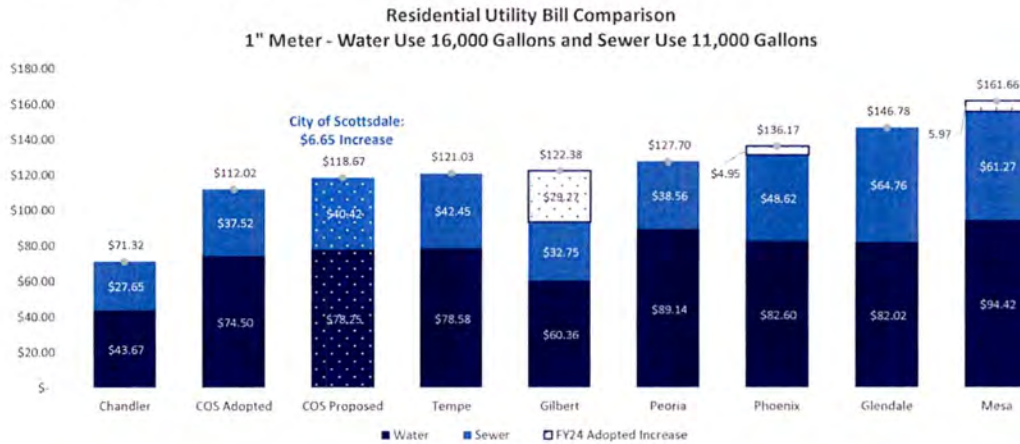
Utility Comparison

Residential Utility Bill Comparison
3/4" Meter - Water Use 10,000 Gallons and Sewer Use 7,000 Gallons



ENTERPRISE – WATER RESOURCES

Utility Comparison



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ENTERPRISE – WATER RESOURCES

National Industry Metrics

Measure	Industry Median	Top 25%	Scottsdale Water
Customer Accounts per Employee	485	626	760
Debt Service Coverage Ratio	2.28	2.98	2.95
Employee Turnover	10.6%	6.8%	16.3%
Water Breaks and Leaks per 100 miles	18.8	7.2	4.7
Hydrant Out of Service Rate	0.9%	0.2%	0.05%
Sanitary Sewer Overflows per 100 miles	1.6	0.7	0.0

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ENTERPRISE – WATER RESOURCES

Residential Customer Impact

- ◆ Residential customers that use less than 10,000 gallons a month will experience the following monthly bill increase.

Meter Size	Monthly Water Increase
5/8 inch	\$0.05
3/4 inch	\$1.50
1 inch	\$2.55

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ENTERPRISE – WATER RESOURCES

Revenue Proposals

- ◆ Proposed
 - Water revenue increase (6.3%) – Effective November 1, 2024
 - Sewer revenue increase (8.0%) – Effective July 1, 2024
 - Misc. service charges, changes vary by type – Effective July 1, 2024

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FY 2024/25 Enterprise Public Works – Solid Waste

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Solid Waste: Rate Analysis



SOLID WASTE RATE ANALYSIS

Austin - Buckeye - Casa Grande - Coolidge - Dallas - Denver - Fort Worth - Glendale -
Goodyear - Houston - Kansas City - Phoenix - Queen Creek - Tempe - Tucson

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Solid Waste: Rate Study Objectives

- **Determining the Total Cost of Providing Solid Waste and Recycling Services**
- **Allocating Costs to the Appropriate Customer Classes**
- **Designing Rates to Safeguard the Financial Integrity of the Operation**

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Solid Waste: Proposed FY 2024/25 Rates

	Type	FY 2023/24 Rate	FY 2024/25 Rate	% Incr.
RESIDENTIAL	First Can	\$28.03*	\$30.27*	8.0%
	Additional Can	\$14.22	\$15.36	8.0%
COMMERCIAL				
Front Load	2 Cubic Yard	\$102.73	\$113.00	10.0%
	3 Cubic Yard	\$110.51	\$121.56	10.0%
	4 Cubic Yard	\$118.65	\$130.52	10.0%
	5 Cubic Yard	\$126.13	\$138.74	10.0%
	6 Cubic Yard	\$133.91	\$147.30	10.0%
	8 Cubic Yard	\$145.38	\$159.92	10.0%
Roll-Off (incl. 3 tons)		\$569.10	\$626.01	10.0%
Holiday Park		\$104.75	\$115.23	10.0%
Recycling Carts	90 Gallon	\$11.11	\$13.60	22.4%
	300 Gallon	\$36.33	\$44.48	22.4%
Container Recycling	2 Cubic Yard	\$79.00	\$85.72	8.5%
	3 Cubic Yard	\$83.03	\$90.09	8.5%
	4 Cubic Yard	\$87.08	\$94.48	8.5%
	6 Cubic Yard	\$95.14	\$103.23	8.5%
	8 Cubic Yard	\$103.23	\$112.00	8.5%

* Total current rate of \$28.03 and proposed rate of \$30.27 include \$0.04 fee paid to the State of Arizona section 49.836

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Solid Waste: Revenue Estimates

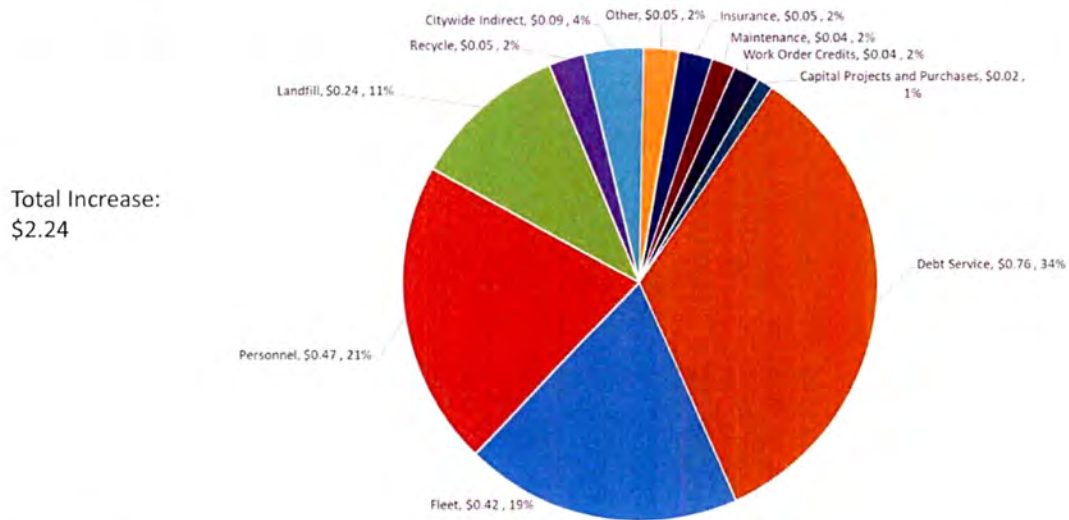
Revenue	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Residential Rates	\$29,279,831	8.0%	\$2,343,323
Commercial Front Load Refuse Rates*	\$3,300,009	10.0%	\$330,033
Commercial Roll Off	\$447,881	10.0%	\$44,788
Commercial Front Load Recycling	\$126,186	8.5%	\$10,725
Commercial Side Load Recycling	\$101,538	22.4%	\$22,770
Miscellaneous Charges**	\$228,069	Varies	\$7,039
Total Rates	\$33,483,515		\$2,758,678

*Includes Holiday Park

**Reflects Commercial Licensing Fee, Roll-Off Compactor Fee, Roll-Off Additional Ton Fee
Rounding difference may occur.

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Solid Waste: Residential Rate Increase – Cost Drivers



Rounding difference may occur.

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Solid Waste: Transfer Station Expansion Project

Construction Begins Early 2025



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Solid Waste: Transfer Station Expansion Project



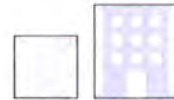
Expand Transfer Station Bays

- Increase from 3 to 6 Bays
- Doubles Processing Capacity
- Future Revenue Opportunities
- Divert Green Waste from Brush and Bulk Loads



Green Waste Drop-Off Area

- Dedicated Disposal Area for:
- Commercial landscapers
 - HOA's
 - Golf Courses
 - Local Businesses



Permanent Household Hazardous Waste Facility

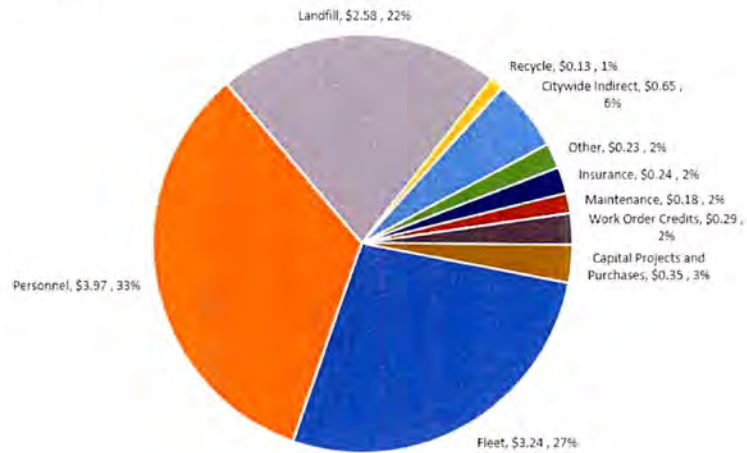
- Greater Accessibility for Residents
- Residents Can Bring Larger Quantities of Material.
- Between 20 – 30% of the material can be safely reused

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Solid Waste: Commercial Front Load Refuse Rate Increase – Cost Drivers

Total Increase:
\$11.87*

*4 YD container
dollar amounts used
for example



Solid Waste: Recycling Rate Increases

**Achieve 10%
Recycling Discount**

Commercial 4-Yard Frontload Container Increase

Fiscal Year	Monthly Fee
FY 23/24	\$87.08
FY 24/25	\$94.48

8.5% increase indicated by arrow

Residential 90-Gallon Container Increase

Fiscal Year	Monthly Fee
FY 23/24	\$11.11
FY 24/25	\$13.60

22.4% increase indicated by arrow

Residential 300-Gallon Container Increase

Fiscal Year	Monthly Fee
FY 23/24	\$36.33
FY 24/25	\$44.48

22.4% increase indicated by arrow

Solid Waste: Recycling Costs

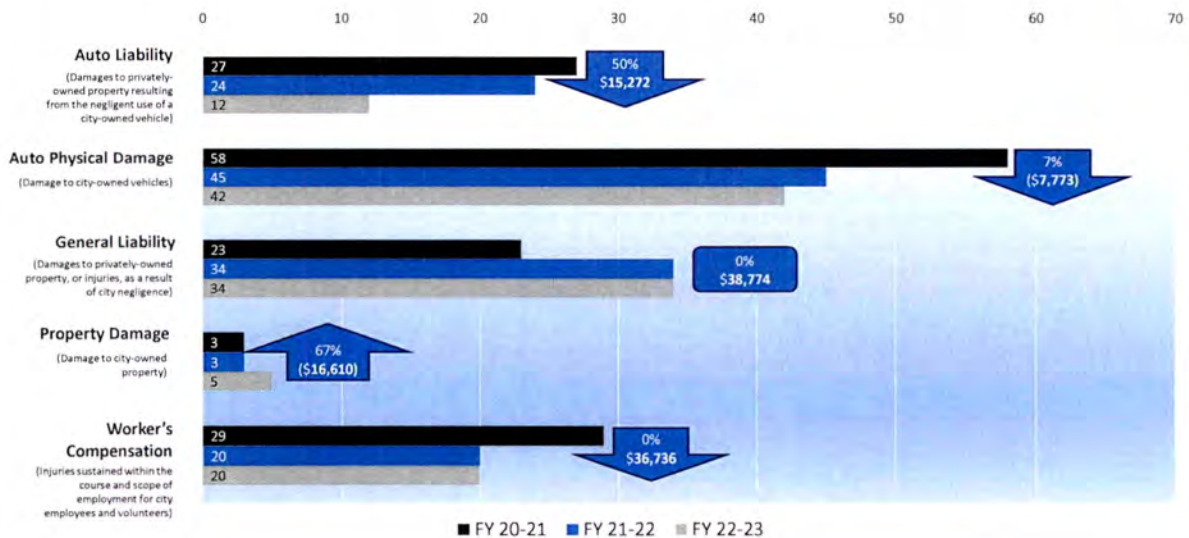
Recycling Charges per ton January 2022 - December 2023
(per ton)



Base Processing Fee - The fee imposed by the City of Phoenix without credits applied for recycling revenue based on the current market conditions.
 AQOBR - The Average Quarterly Outbound Blended Rate (AQOBR), or Blended Rate, is the average revenue Phoenix receives from marketing the individual commodities based on the prior quarter's market conditions.
 Net Charge - The Base Processing Fee with the AQOBR applied by the City of Phoenix. This is the net amount the City of Scottsdale pays (earns) for recycling processing per ton.
 A negative amount denotes an earnings received for the materials.

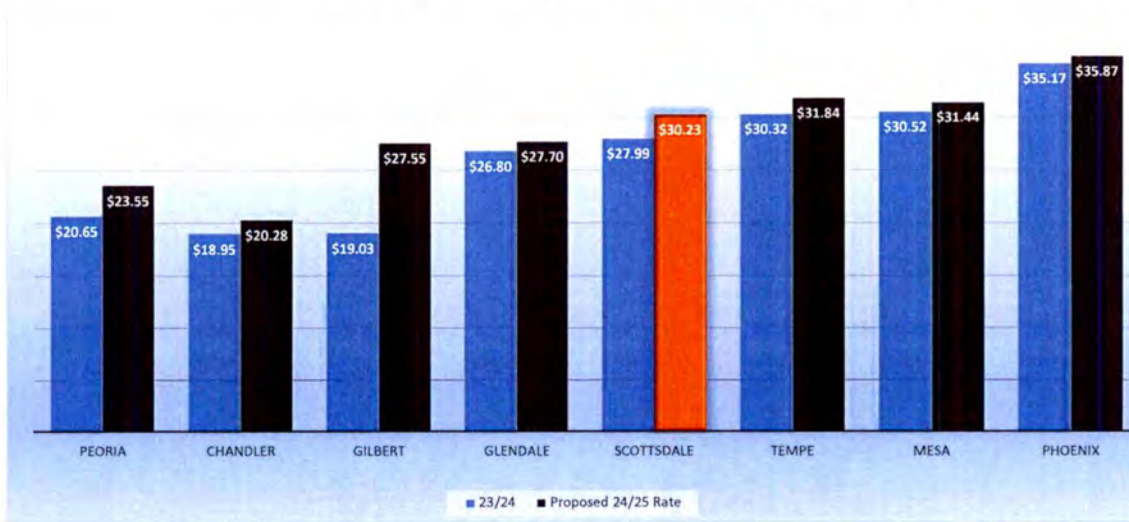
43

Loss Reduction: (Accident & Injury Claims - 3 Years)



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Waste:Valley Rate Comparison



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Solid Waste: Proposed FY 2024/25 Rates

	Type	FY 2023/24 Rate	FY 2024/25 Rate	% Incr.
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	Additional Can	\$14.22	\$15.36	8.0%
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* Total current rate of \$28.03 and proposed rate of \$30.27 include \$0.04 fee paid to the State of Arizona section 49.836

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Solid Waste: Revenue Estimates

Revenue	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Residential Rates	\$29,279,831	8.0%	\$2,343,323
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Miscellaneous Charges**	\$228,069	Varies	\$7,039
Total Rates	\$33,483,515		\$2,758,678

*Includes Holiday Park
 **Reflects Commercial Licensing Fee, Roll-Off Compactor Fee, Roll-Off Additional Ton Fee
 Rounding difference may occur.

FY 2024/25 Non-Enterprise C&ED – Planning & Development Services

C&ED – Planning & Development Services

Pre-Application Fee

Propose increasing pre-application fee from \$115 to \$125

Rezoning Fee (per acre)

Propose adding \$125 (per acre) fee for rezoning projects less than 21 acres (21+ fees currently exist)

<u>Acres</u>	<u>Current</u>	<u>Proposed</u>
0 - 20	\$0	\$125 (new fee)
21 - 100	\$95	\$100
100 +	\$70	\$75

Marshalling/Storage Yard Fees

Propose increasing fees to address volume of projects requiring marshalling

<u>Current</u>	<u>Proposed</u>
\$1,000 + \$.10/sq ft	\$1,500 + \$.25/sq ft
\$2,000 + \$.10/sq ft	\$2,500 + \$.25/sq ft (projects beyond the timeframe)

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C&ED – Planning & Development Services

Additional Planning and Development Services Rates & Fees Adjustments

Increase **remaining rates & fees** by approximately 5% to allow higher cost recovery to properly and timely address customer needs within planning & development services

Wireless Communications Facilities (WCF) in Right-of-Way (ROW)

Increase fees by approximately 5% to allow higher cost recovery and to be consistent with lease payments in the wireless industry

Drainage and Flood Control Capital Projects

Increase the stormwater fee on the city utility bills by \$1.00 per month to be dedicated entirely to city drainage and flood control CIP projects

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C&ED – Planning & Development Services

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Pre-Application Fee	Per project	\$115	\$125	\$10	\$20,000
NEW: Rezoning per acre 0-20	Per acre range	\$0	\$125	\$125	\$25,000
Marshalling/Storage Yard Fees	Per charge	\$1,000 \$1,500	\$1,500 \$2,500	\$500	\$125,000
Planning & Development Services Rates & Fees	Per rate & fee	varies	varies	varies	\$1,034,756
Wireless Communications Facilities (WCF) in Right-of-Way (ROW) Fees	Per charge	varies	varies	varies	\$40,607
Drainage and Flood Control Capital Projects	Per utility customer /per month	\$5.95	\$6.95	\$1.00	\$1,136,051

Additional General Fund revenue of \$1,245,363 for FY 2024/25
 Additional CIP Stormwater Fund revenue of \$1,136,051 for FY 2024/25

FY 2024/25 Non-Enterprise Community Services

Community Services

Adaptive Recreation

- Update current formula from 50% recovery of the direct costs for Adaptive Recreation Special Interest Programs, including instructor, supplies, and equipment costs to up to 50% recovery of direct costs for Adaptive Recreation Programs, including instructor, supplies, admission fees for community attractions, and equipment costs.
 - The proposed change will provide flexibility to administer the fee depending on the nature of the program or event.

Stadium Porter Fee

- Migrate from a fixed-fee approach to a cost-recovery formula that reflects the cost from the porter contractor to the Stadium passed directly to the client.
 - The formula will allow the Stadium to stay current with market costs and rising contractor prices.
 - Porter Fee Formula – Recover 100% of Scottsdale Stadium contract cost for hourly porter labor.

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Community Services

WestWorld Rental Fees

- Increase rental fee of Tony Nelssen Equestrian Center Facility from \$9,000 per day to \$11,000 per day
- Increase rental fee of North Hall Commercial Use from \$6,500 per day to \$7,000 per day
- Increase rental fee of South Hall Commercial Use from \$1,250 per day to \$3,000 per day
- Eliminate the \$600 per day fee for rental of South Hall when also renting the Equidome

These fee changes are necessary as the South Hall will be undergoing a renovation changing the floor from dirt to concrete which will create additional rental opportunities.

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Community Services

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Estimated Revenue	Revenue Change
Adaptive Recreation	Per Registration	50% recovery of directly-related costs, including instructor, supplies, and equipment costs.	Up to 50% recovery of direct costs for Adaptive Recreation Programs, including instructor, supplies, admission fees for community attractions, and equipment costs.	\$10,000	\$4,000
Stadium Porter Fee	Per Hour/Per Staff Member	\$22	Porter Fee Formula Recover 100% of Scottsdale Stadium contract cost for hourly porter labor.	\$375	\$45

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Community Services

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Estimated Revenue	Revenue Change
WestWorld TNEC Facility	Per Day	\$9,000	\$11,000	\$198,000	\$44,000
WestWorld North Hall: Commercial Use	Per Day	\$6,500	\$7,000	\$305,500	\$23,500
WestWorld South Hall: Commercial Use	Per Day	\$1,250	\$3,000	\$37,500	\$52,500
WestWorld South Hall: Rental fee when also renting the Equidome	Per Day	\$600	-\$600	\$0	\$0

Additional General Fund revenue of \$124,000 for FY 2024/25
 Additional Stadium Facility Fund revenue of \$45 for FY 2024/25

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FY 2024/25 Non-Enterprise Public Safety - Police

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Public Safety – Police

Off-Duty Officer Rate Adjustment

- As a service to the community, the Scottsdale Police Department fills requests to hire off-duty sworn employees as well as police aides to work police-related duties. The proposed increase to the off-duty rate will pay the police officer at a more competitive hourly rate of surrounding valley agencies. Please see next slide for detailed proposed rates.

On Body Camera (OBC) Fee Adjustment

- In FY 2018/19, a flat rate of \$20.00 per departmental report was established for public records requests of OBC videos and has not been increased since. The number of OBC in use increased from 10 to nearly 400 in the past five years. The complexity and time spent preparing the public request continues to increase as more OBC's are deployed and more request are being made. Per State Statute, victims of crimes cannot get charged to receive OBC video related to the incident in which they were involved. Police department proposed to increase the public request fee from \$20.00 per departmental report to \$40.00 per video request.

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Public Safety – Police

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Off-Duty Officer	Per Hour	\$60	\$75	\$15	N/A
Off-Duty Sergeant	Per Hour	\$70	\$85	\$15	N/A
Off-Duty Lieutenant	Per Hour	\$80	\$95	\$15	N/A
Off-Duty Officer - Holiday	Per Hour	\$90	\$113	\$23	N/A
Off-Duty Sergeant - Holiday	Per Hour	\$105	\$128	\$23	N/A
Off-Duty Lieutenant - Holiday	Per Hour	\$120	\$143	\$23	N/A
On Body Camera Video Per Video Request	Current-Per Departmental Report (DR); Proposed-Per Video	\$20	\$40	\$20	\$10,000

Additional General Fund revenue of \$10,000 for FY 2024/25

FY 2024/25 Non-Enterprise City Attorney

City Attorney

Service Enhancement Fee

A Service Enhancement Fee is imposed on every civil and criminal citation, including photo radar, but excluding parking violations and non-traffic civil ordinance violations to provide defendants in the City Court with enhanced services such as weekend and holiday jail court, diversion programs, probation and home monitoring. Introduced in 2014, fee collections peaked in 2016 and have declined 28.4% over the past eight years without a fee adjustment, while the cost of service has continued to increase. The proposed increase will assist in offsetting declining revenue and increased costs to provide the services, and will allow the City Attorney's Office to continue providing weekend/holiday jail court, diversion programs, probation, and home monitoring to impacted individuals.

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Service Enhancement Fee	Per Civil or Criminal Citation	\$10	\$14	\$4	\$92,000

Additional General Fund revenue of \$92,000 for FY 2024/25

FY2024/25 Non-Enterprise City Court

City Court

Court Enhancement Fee

- For Scottsdale, this fee is assessed to exclusively enhance the technological, operational and security capabilities of the court. The cost of computer equipment, including software and hardware, has increased substantially since the fee was last increased in 2014. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

Warrant Fee

- The warrant fee is imposed on criminal cases in which the defendant has failed to comply with a court order to appear or comply with the terms of sentencing. This fee has not increased since 2014. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

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City Court

Default Fee

- The default fee is imposed on civil traffic charges in which the defendant has failed to comply with a court order to appear. This fee has not increased since 2014. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

Contract Administration Fee

- The contract administration fee is assessed for each case where a payment contract is established at time of final adjudication, and any subsequent modifications to a payment contract resulting from a defendant's non-compliance to account for the work that clerks dedicate in interviewing and evaluating a defendant's economic status. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

Please see next slide for detailed proposed rates.

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City Court

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Court Enhancement Fee	Per Charge	\$30.00	\$45.00	\$15.00	\$750,000.00
Warrant Fee	Fail to Appear/Comply per warrant issued	\$65.00	\$100.00	\$35.00	\$47,600.00
Default Fee	Fail to Appear/Fail to Pay per civil charge	\$65.00	\$75.00	\$10.00	\$47,000.00
Contract Administration Fee	Per Payment Contract/Modified Payment Contract	\$10.00	\$15.00	\$5.00	\$25,000.00

Additional Special Program Fund revenue of \$750,000 for FY 2024/25
 Additional General Fund revenue of \$119,600 for FY 2024/25

Questions?

Item 17

Item 17 – Comprehensive Financial Policies

1

Comprehensive Financial Policies

- **Purpose of Financial Policies**

1. Formalize National Government Finance Best Practices
2. Guide City Staff to Ensure Fiscal Integrity and Responsibility
3. Allow Bond Rating Agencies to Assess City's Financial Management Practices

- **Annual Review and Adoption by City Council**

2

2

Proposed Changes to Comprehensive Financial Policies

1. Enhance Capital Project Cost Controls
2. Other Housekeeping Changes to Incorporate Current Practices or Prior Council Resolutions and Clarify Language in Policy
3. New Expenditure Limitation Review Policy already incorporated into Financial Policies on 1/23/24 through Council Resolution 13034

3

3

Enhance Capital Project Cost Controls

Policy 3.02 – Capital Expenditure Management

- **New under 3.02(c) - Capital projects will be monitored to ensure that no unnecessary budget appropriation authority exists due to inactivity or upon project completion. Before fiscal year-end, any unspent funding for inactive or completed projects will revert to the fund balance of the funding source.**

4

4

Enhance Capital Project Cost Controls

Policy 3.02 – Capital Expenditure Management

- **New under 3.02(f)** - In unique circumstances, the city manager and budget director, based on additional review, may require council discussion or presentation and council approval for increases that do not meet the policy threshold of 10 percent and \$1.0 million. .

5

5

Questions/Comments

6

Work Study 1

SCOTTSDALE FIRE DEPARTMENT

- City of Scottsdale Proposed Ground Ambulance Program
- March 5th, 2024

1

YOUR SFD TEAM

- COS Legal/Risk
- COS Budget
- COS Fleet
- COS Information Technology
- COS Human Resources

- Kathy Steadman, Kutak Rock Law Firm
- Dr. Casey Solem, Medical Director
- Teresa Martin, Finance Manager
- Deputy Fire Chief Danny Ables EMS Division Chief
- Battalion Chief Brian Joseph, Project Lead
- Liz Sharp RN, EMS Performance Improvement Coordinator

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2

WHY

- Continuity of patient care for the citizens and visitors of Scottsdale.
- More equitable accounting for costs associated with delivering standard fire-based EMS in Scottsdale.
- Greater reliability of response times and transportation capability of Scottsdale residents and visitors.

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3

UPDATE SINCE INITIAL APPLICATION

- Application submitted March 29, 2022
 - Received Administratively Complete Status 6/14/2022
 - Began Substantive Review process 6/15/2022
 - 10/12/2022, AZDHS send request for additional information
 - 11/22/2022, SFD provided detailed information to address AZDHS questions.
 - 2/24/2023, AZDHS sends second request for additional information with response provided by SFD on 3/27/2023.
 - On August 29, 2023, the Bureau issued a Findings Letter, Control No. 00361-22, proposing rates.
 - On November 16, 2023, ADHS noticed the instant hearing, which was conducted on January 5, 2023.

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PHASE I STATUS

- On February 12th, Judge Tammy Eigenheer recommended that the Director of the Arizona Department of Health Services grant The City of Scottsdale a Certificate of Necessity, as set forth herein.
 - The City has accepted the Judges recommendation as of 2/20/24.
 - The City should expect a confirmation of approval in April 2024.
- The City currently possesses 4 Ambulances
- Council Actions and contractual services and software for program have been identified and ready to execute once authorized.
- Focused coordination with city stakeholders is underway in anticipation of a January 2025 first transported patient.
- Discussions with third party insurers to begin in March 2024.

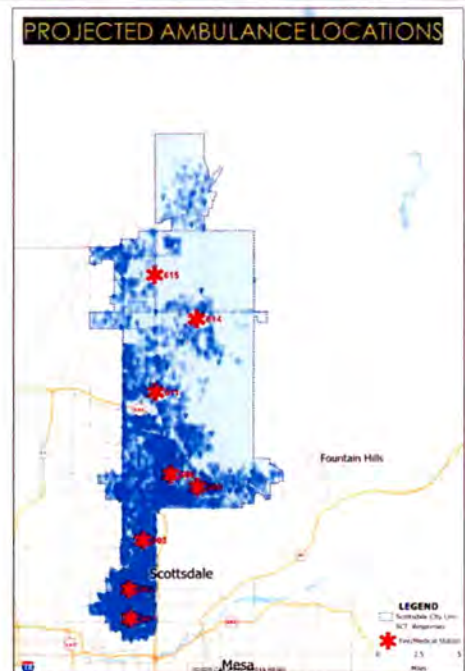
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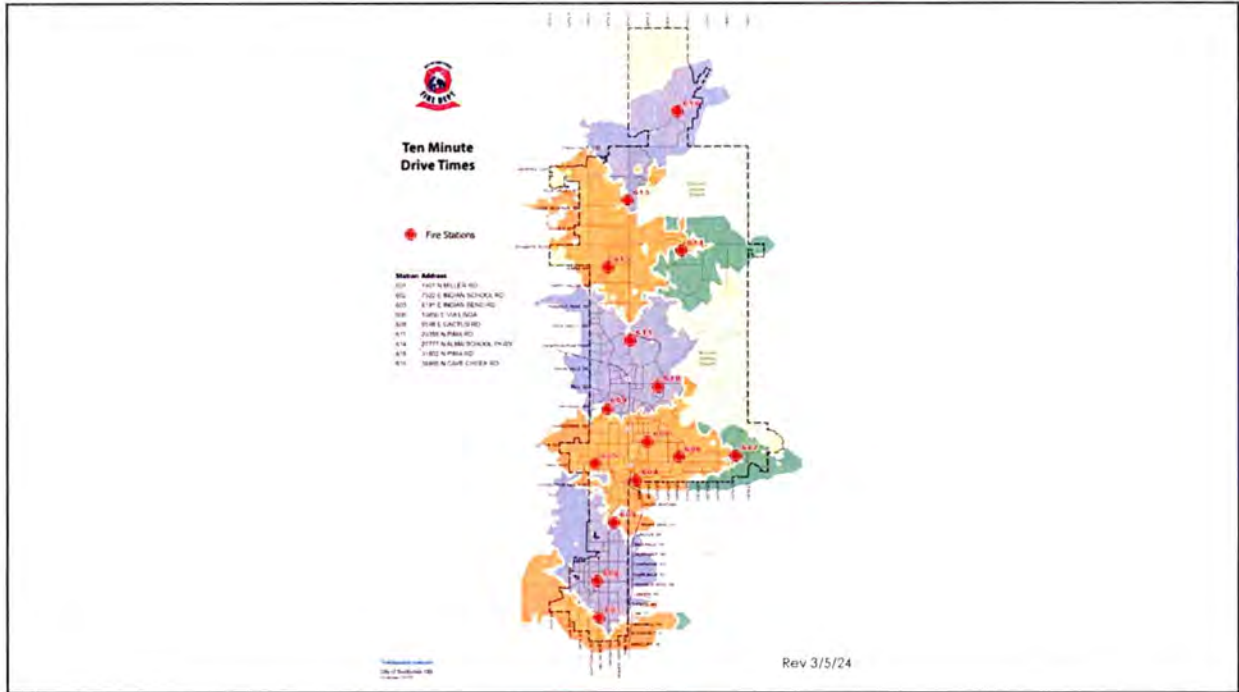
OPERATIONAL PLAN

- Scottsdale Fire partnership with Maricopa
- Ambulance Locations
 - Phase 1
FS602, FS608, FS615
 - Phase 2
FS601, FS606, FS611
 - Phase 3
FS602, FS603, FS614
- 29,000 Dispatched Medical Calls for Service
 - Phase 1- 6,000 anticipated transports
 - Phase 2-12,000 anticipated transports
 - Phase 3-18,000 anticipated transports

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6



7

Comparable Cities

	Scottsdale	Tempe	Gilbert
Payor Mix	46.7% Medicare 16.3% AHCCCS 37% Commercial Policy*	25% Medicare 33% AHCCCS 42% Commercial Policy & Self Pay	54% Medicare 16% AHCCCS 25% Commercial Policy 5% Self Pay
Anticipated Collections	Anticipate 63-70% aggregate of all payor mix types	68% Average of last 12-months. \$4.2m Billed	67% Average over last 12-months. \$1.2m Billed.
Settlements/Bad Debt	~13% (Pessimistic Estimate - JVG)*	~ 7% billed was uncollectable	~9% billed was uncollectable
# of Units Running	Anticipate (3) 24-hour units during 1st yr. (9)24-hour units at total build out.	6 Units, 24-Hour	6 Units, 24-Hour
Overhead Staff**	1 Transport Manager, 1 Billing Scrubber, 1 Quality Analyst, 1 Admin Support	1 Transport Manager Only, Shared Admin with EMS Division.	1 Transport Manager, 1 Quality Analyst, 1 Billing Scrubber, 1 Admin Support
Billing Company	Anticipated to be EMS MC with 3.95% Net Collections Fee. Collaborative process with other COS Divisions	EMS MC @ 3.95 % Net Collections Fee	EMS MC @ 3.95 % Net Collections Fee, was with "Digitek" @ 4.9% Fee

*Reference: The City of Scottsdale Fire Department Review of City of Scottsdale prepared Certificate of Necessity (CON) financial model and proforma. Prepared by the James Vincent Group, Submitted 2/23/2023. Contact information (480)422-9777

**Overhead Staff represent baseline comparison between cities. Additional personnel needed are represented on a future slide in this presentation.

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Financial Estimates

	Phase 1	Phase 2	Phase 3
# of Ambulances Anticipated	4 Units (3 Operational, 1 Spare)	8 Units (6 Operational, 2 Spare)	12 Units (9 Operational, 3 Spare)
Transports	~6,000 Transports	~12,000 Transports	~18,000 Transports
# of EMT/Paramedics	10 EMT/10 Paramedic	20 EMT/20 Paramedic	30 EMT/30 Paramedic
Gross Revenue	~\$8.2m	~\$17.2m	~\$25.6m
Anticipated Settlements (Medicare/AHCCCS)	~\$1.6m	~\$5.6m	~\$8.4m
Bad Debt	~\$0.73m	~\$1.5m	~\$2.3m
Net Revenue	~\$4.9m	~\$10.1m	~\$14.9m
Total Operating Expenses* (Excludes One-Time Expenses)	~\$5.7m	~\$10.5m	~\$15.1m
Net Income (loss)	~(\$0.9m)	~(\$0.4m)	~(\$0.2m)

• Includes Indirect and Replacement Costs.
 • Figures assume a Full Year (12-months) of operation.
 • All figures rounded.

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ONE TIME EXPENSES

FINANCIALS

- **Phase 1 One Time Expenses (~\$4.4m)**
 - Ambulances ~\$1.6m
 - Vehicles ~\$0.2m
 - Equipment ~\$0.9m
 - Personnel Related ~\$0.4m
 - Overtime ~\$0.2m (Fire Academy Training)
- **Phase 2 One Time Expenses (~\$3.5m)**
 - Ambulances ~\$2.3m
 - Vehicles ~\$0.05m
 - Equipment ~\$0.6m
 - Personnel Related ~\$0.35m
 - Overtime ~\$0.2m (Fire Academy Training)
- **Phase 3 One Time Expenses (~\$3.6m)**
 - Ambulances ~\$2.4m
 - Equipment ~\$0.6m
 - Personnel Related ~\$0.35m
 - Overtime ~\$0.2m (Fire Academy Training)

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**NET
INCOME
(LOSS)**

F/Y	Scottsdale	Peoria (6)	Tempe (6)	Mesa (15)
2017		(\$398,292)	————	\$16,996
2018		\$534,179	\$237,752	(\$1,853,736)
2019		\$595,305	\$772,630	(\$938,299)
2020		\$656,846	\$227,430	\$(843,981)
2021		\$274,018	\$157,691	\$285,591)
2022		(\$1,335,267)*	\$568,743*	\$417,867*
2023			Not Filed Yet	

- Based Off of Ambulance Revenue and Cost Report (ARCR) submitted to the State of Arizona (Source: [ADHS - Emergency Medical Services & Trauma System - Ground Ambulance Program - Certificate of Necessity \(CON\) Holders \(azdhs.gov\)](#))
- F/Y 2022-2023
 - Tempe had 11,000 transports, 6 Ambulances,
 - Peoria with ~ 9,000 Transports, 6 Ambulances,
 - Mesa with ~ 24,000 transports, 15 Ambulances

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**OPERATING
REVENUE**

F/Y	Scottsdale	Peoria (6)	Tempe (6)	Mesa (15)
2017		\$819,265	————	\$219,573
2018		\$2.22m	\$2.20m	\$255,459
2019		\$2.61m	\$4.54m	\$1.02m
2020		\$5.80m	\$6.74m	\$2.72m
2021		\$6.39m	\$6.71m	\$6.95m
2022		\$6.68m	\$8.86m	\$11.2m
2023/24	\$5.58m (12 Month pro-forma)		Not Filed Yet	

- Based Off of Ambulance Revenue and Cost Report (ARCR) submitted to the State of Arizona (Source: [ADHS - Emergency Medical Services & Trauma System - Ground Ambulance Program - Certificate of Necessity \(CON\) Holders \(azdhs.gov\)](#))
- F/Y 2022-2023
 - Tempe had 11,000 transports, 6 Ambulances,
 - Peoria with ~ 9,000 Transports, 6 Ambulances,
 - Mesa with ~ 24,000 transports, 15 Ambulances

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MEDICAL DIRECTION

Administrative Medical Director: Casey Solém, M.D.

- Purpose/Mission of the Medical Director
 - Protect the public by ensuring that patients consistently receive the highest quality prehospital medical care
- Roles/Responsibilities of the Medical Director
 - Education
 - Training
 - Verification of Paramedic skills for certification
 - EMT/Paramedic Credentialing
 - Protocol Development (Offline Medical Direction)
 - Scene Response & Direct Oversight (Ride Alongs)
 - Continuous Quality Improvement
 - Quality Assurance
 - Quality Improvement
 - Medical Liaison with Hospital Partners
 - Medical Liaison with Regional/State Groups
 - Controlled Substances (DEA)
 - Provide Direction Regarding Tools/Equipment used to provide medical care
 - Medical Advisor to City Leadership
- Relationship with HonorHealth remains strong and mutually supportive

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PERSONNEL & TRAINING

Personnel

- The Fire Department is prepared to hire necessary staff once authorized.
 - 1 Transport Manager (Ambulance business management)
 - 1 Billing Scrubber (Required for billing quality assurance)
 - 1 Equipment Coordinator (ambulance and EMS logistics support)
 - 1 Logistics Supervisor (SFD manages division)
 - 1 Systems Integrator (EMS reporting, charting, hardware)
 - 1 Administrative Assistant (dedicated EMS Division support)
 - 1 Medical Director (City-wide EMS medical direction, authority)
 - 10 Firefighter EMTs, 10 Firefighters Paramedics
 - 1 40 hr. Captain (Administrative Captain)
 - 1 56 hr. Captain (Operations Captain)

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NEXT STEPS

- Coordination with our regional partners to reserve Academy positions to ensure we have adequate staffing for these units.
- Our current estimate is an August 2024 academy start date for 22 new Firefighter positions tied to the Ambulance operations.
- Trainers are prepared to deliver the curriculum for driving ambulances.
- FY 23/24 Start up package (logistics, supplies, IT, etc.) will be brought to Council on March 19th
- Greater cost recovery methods being explored through GEMT.
 - The program allows municipalities an opportunity to collect an additional Medicaid reimbursement for ambulance services, above and beyond what the State reimburses for Medicaid claims for Emergency Transportation.

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Questions?

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Work Study 2

State Imposed Expenditure Limitation and Permanent Base Adjustment

City Council Work Study
March 5, 2024



1

A Permanent Base Adjustment is Not a Tax Increase

This Statement from 2006 Permanent Base Adjustment
Ballot Pamphlet Applies Today

This ballot measure will allow the City of Scottsdale to spend the revenue it collects to maintain the level of services it now provides. Its adoption will not result in an increase in City taxes.

2

A Permanent Base Adjustment is Needed to Increase Expenditure Limitation for New Operating Costs

Excerpt from 2006 Permanent Base Adjustment Ballot Pamphlet

When cities add new services or build new facilities, the added operating costs count against the base. New programs are not exempt, even if they have their own revenue source such as the City's public safety program supported by the .1% Public Safety Tax approved by voters in 2004.

Raising the base will assure that the City can continue to use this voter approved revenue source to enhance police, fire and other public safety services. Additionally, the City will continue to cover the operating costs associated with the voter approved 2000 bond programs such as the

3

What is the State Imposed Expenditure Limitation



Imposed by State Law in 1979/80 on Local Revenues



City's Operating Expenditures* Cannot Exceed State Imposed Limitation Regardless of Revenues Collected



Annual Audit Required by Auditor General
Penalty for Exceeding Limitation

* Expenditures subject to Limitation does not include capital infrastructure costs, debt service, special revenue and grant funded expenditures and other specific exclusions allowed by state law.

4

Adjustments to State Expenditure Limitation



State Computes Limitation using 1979/80 Base
Adjusted Annually for Population and Inflation

No Adjustment for Increased New Revenues or Services & Programs



State Law Allows Cities to Request Voter Approval for a **Permanent Base Adjustment to Increase Expenditure Limitation**

Adjustments to State Expenditure Limitation

- 82 of 91 Cities/Towns in Arizona have had one or more Permanent Base Adjustments or adopted an Alternate Limitation
- 21 Cities in Arizona have had a Permanent Base Adjustment in the last 8 years
- Scottsdale's last Permanent Base Adjustment was 18 years ago in 2006 (increase effective in FY 2007/08)

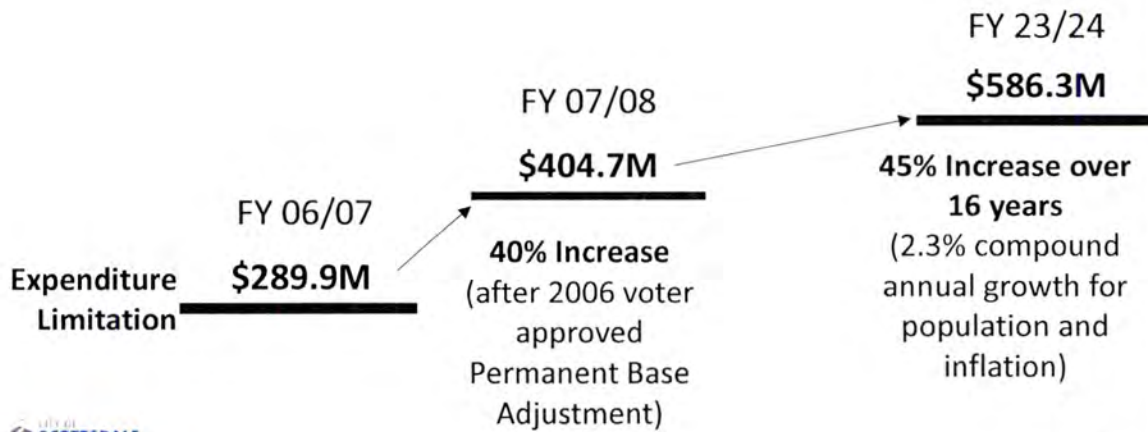
Scottsdale has one of the Lowest Limitation Per Capita in the Valley

City	FY23/24 Expenditure Limitation	Limitation Per Capita
Phoenix*	\$11,623,359,000	\$7,015
Mesa*	\$2,560,000,000	\$4,957
Chandler *	\$1,656,274,385	\$5,855
Surprise	\$1,478,748,668	\$9,517
Peoria	\$1,232,516,693	\$6,180
Glendale	\$730,770,870	\$2,877
Maricopa	\$644,026,349	\$9,948
Queen Creek	\$631,421,266	\$8,899
Tempe	\$624,338,073	\$3,332
Goodyear	\$622,516,993	\$5,868
Buckeye	\$595,412,188	\$5,600
Scottsdale	\$586,300,525	\$2,393
Avondale	\$567,836,304	\$6,150
Gilbert	\$544,824,047	\$1,963

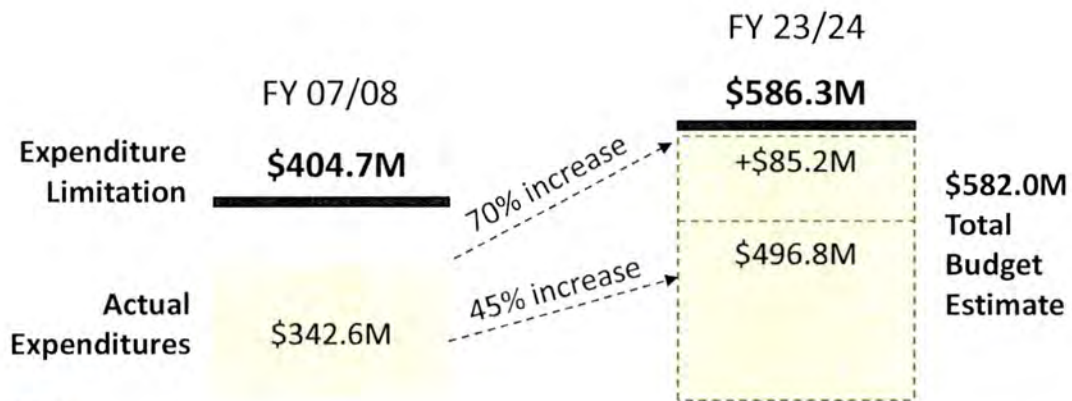
* Expenditure Limitation based on voter approved Home Rule.



Scottsdale's Expenditure Limitation Since 2006 Permanent Base Adjustment (effective in FY07/08)



Scottsdale's Expenditures Subject To Limitation



Police Officer Costs Increases

FY2007/08

Salary (mid range)	
+Benefits	\$ 98,724
Vehicle and Upfit	\$ 38,590
Uniform and Gear	\$ 1,351
Ballistic Vest	\$ 861
Radio	\$ 4,827
Cell phone (with monthly service)	-
On Body Camera	\$ -
Taser and Weapon	\$ 1,632

\$145,985

Source: Treasurer and Police Department records



FY2023/24

Salary (mid range)	
+Benefits	\$ 168,628
Vehicle and Upfit	\$ 68,147
Uniform and Gear	\$ 3,780
Ballistic Vest	\$ 2,218
Radio	\$ 7,376
Cell phone (with monthly service)	1,400
On Body Camera	\$ 2,082
Taser and Weapon	\$ 3,149

\$256,780

76% Increase

Fire Cost for Single Unit Response (1 Ladder Truck with 4 Firefighters)

FY2007/08

Ladder Truck	\$ 747,557
<u>Cost for 4 Firefighters:</u>	
Salaries & Benefits	\$ 302,937
Uniform and Gear	\$ 8,600
SCBA	\$ 19,508
Radio	\$ 17,780
Cell phone	-

\$1,096,382



FY2023/24

Ladder Truck	\$ 1,350,305
<u>Cost for 4 Firefighters:</u>	
Salaries & Benefits	\$ 430,066
Uniform and Gear	\$ 46,485
SCBA	\$ 40,000
Radio	\$ 27,168
Cell phone per truck	1,400

\$1,895,424

73% Increase

Source: Treasurer and Fire Department records

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Public Safety Operating Costs Increases

	FY2007/08	FY2023/24	\$ Change	% Change
Total Police Operating Budget	\$ 84,983,070	\$ 149,299,294	64,316,224	76%
Total Fire Operating Budget	\$ 32,354,253	\$ 66,085,448	33,731,195	104%

Examples of New Operating Costs				
Included in Budget	FY2007/08	FY2023/24	\$ Change	% Change
Addressing pension liability	\$ -	\$ 10,000,000	10,000,000	100%
Phoenix Fire dispatch contract	\$ 820,540	\$ 1,643,657	823,117	100%
2023 New real time crime center	\$ -	195,000	195,000	100%
2023 New evidence storage	\$ -	239,630	239,630	100%

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Water Central Arizona Project Costs

FY2007/08

CAP Water
Purchase and
Treatment

\$6,993,458



2011 CAP Water Treatment
Plant Expansion

FY2023/24

CAP Water
Purchase and
Treatment

\$28,639,685

310% Increase

Water Operating Cost Increases

	FY2007/08	FY2023/24	\$ Change	% Change
Total Water Operating Budget	\$ 60,102,985	\$ 100,909,490	\$ 40,806,505	68%
Operating Costs Increases Included in Budget	FY2007/08	FY2023/24	\$ Change	% Change
CAP Treatment Plant (2011 expansion)	\$ 6,993,458	\$ 28,639,685	\$ 21,646,227	310%
Advanced Water Treatment Plant (2013 expansion)	\$ 2,095,874	\$ 3,479,923	\$ 1,384,049	66%
Chaparral Water Treatment Plant	\$ 3,000,680	\$ 4,785,037	\$ 1,784,357	59%
Thomas Groundwater Treatment Facility (2018 new)	\$ -	\$ 618,636	\$ 618,636	100%
Reclaimed Water Distribution	\$ 3,361,807	\$ 7,773,211	\$ 4,411,404	131%

New Operating Costs from Voter Approvals

- 2010 Voters approved hotel/motel tax increase from 3% to 5%
- 2015 Voters approved Bond 2015 program for 2 new Fire Stations completed in 2021.
- 2019 Voters approved Bond 2019 program for new Fire Stations, Fire and Police training facility, multi-use sports fields, new parks etc to be completed over next 1-3 years

New Operating Costs

- Operating costs of Bond 2015 and 2019 projects
- Enhanced Police and Fire costs and services
- Water costs increases

State Law Regarding Exceeding Expenditure Limitation for Emergencies (AZ Constitution Article IX, §20,)

- **Governor-declared emergency (no citizen vote required)**

2/3 Council can approve exceeding Limitation and only for “expenditures directly necessitated by a natural or man-made disaster declared by the governor.”

- **Non-governor-declared emergency (citizen vote required unless next FY expenditures are reduced by amount expended on disaster)**

70% of Council can approve exceeding Limitation, again only for “expenditures directly necessitated by a natural or man-made disaster.” If this option is used, in the following FY, Council must reduce expenditures by the amount of money it expended on the disaster UNLESS they ask the voters to approve the excess expenditures retroactively and the voters approve.

AMOUNT OF BASE ADJUSTMENT AND LIMITATION INCREASE

State Law Requirement for Permanent Base Adjustment

ARS 41-563.03 requires Specific Methodology to determine Permanent Base Adjustment and Limitation Increase

- Must be based on revenue projections.
- Cannot increase Limitation beyond what projected revenues can support in year which increase will become effective
- Must support revenue projections with at least 4 years of actual growth

2006 Expenditures Limitation Increase



Applying State Law Requirements

Operating Revenues (Does Not Include Revenues Restricted for Capital Projects)

	FY2024 Budget	FY2025	FY2026	Amounts in thousands
State Income Tax Share	\$ 64,406	\$ 52,200	\$ 46,987	
Residential Rental Tax	10,799	-	-	
Preserve Taxes	57,235	-	-	
Secondary Property Tax	35,657	-	-	
All Other Operating Rev.	704,795	761,179	822,073	
	\$ 872,892	\$ 813,379	\$ 869,060	
Ambulance Revenues		10,000	15,000	
Estimated Revenues Available For Expenditures Subject to Limitation			\$ 884,060	

Analysis Shows a **\$22M Permanent Base Adjustment** would result in an estimated \$884M Limitation in FY25/26

State Calculation of Expenditure Limitation

Preliminary FY 2024/25 EXPENDITURE LIMITATIONS: CITIES & TOWNS

CITY	POPULATION ** 2023	POPULATION ** 1978	POPULATION FACTOR	INFLATION FACTOR*	FY 1979/80 BASE LIMIT	Preliminary FY 2024/25 EXPENDITURE LIMITATION
------	-----------------------	-----------------------	----------------------	----------------------	--------------------------	--

SCOTTSDALE	248.542	83.000	2.9945	3.6704	\$55,861,444	\$613,962,787
------------	---------	--------	--------	--------	--------------	---------------

+ \$22M

\$884M est. in
FY25/26
(45% Increase)

Examples of Recent Limitation Increases by Peer Cities

City (Year of Last Voter Approval)	Permanent Base Adjustment	Expenditure Limitation Before	Expenditure Limitation After	% Increase
Tempe (in 2018)	\$30M	\$336M	\$507M	51%
Chandler (in 2022)	Home rule (voters approve every 4 years)	\$1.058B	\$1.353B	28%

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State Calculation of Expenditure Limitation

Preliminary FY 2024/25 EXPENDITURE LIMITATIONS: CITIES & TOWNS

CITY	POPULATION ** 2023	POPULATION 1978	POPULATION FACTOR	INFLATION FACTOR*	FY 1979/80 BASE LIMIT	Preliminary FY 2024/25 EXPENDITURE LIMITATION
SURPRISE	160,273	3,550	45.1473	3.6704	\$9,500,000	\$1,574,214,154
PEORIA	202,183	10,500	19.2555	3.6704	\$18,247,857	\$1,289,660,507
GLENDALE	257,962	84,000	3.0710	3.6704	\$67,955,628	\$765,967,026
QUEEN CREEK	76,752	2,525	30.3968	3.6704	\$6,318,277	\$704,912,413
TEMPE	194,205	102,000	1.9040	3.6704	\$95,579,379	\$667,932,590
BUCKEYE	109,729	3,175	34.5603	3.6704	\$5,000,000	\$634,243,304
SCOTTSDALE	248,542	83,000	2.9945	3.6704	\$55,861,444	\$613,962,787

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What If We Don't Increase the Limitation

- Council will need to make decisions on priorities for operations to stay within Limitation
- City will not be able to spend all revenues received including voter approved revenues for operations
- Unexpected expenditures that cannot be avoided will require reduction in other operating expenditures to stay within Limitation
- Impacts city-wide operations including water, solid waste, airport, police and fire and other General Fund operations

Permanent Base Adjustment Is NOT a Budget Override

This Statement from 2006 Permanent Base Adjustment
Ballot Pamphlet is Still True Today

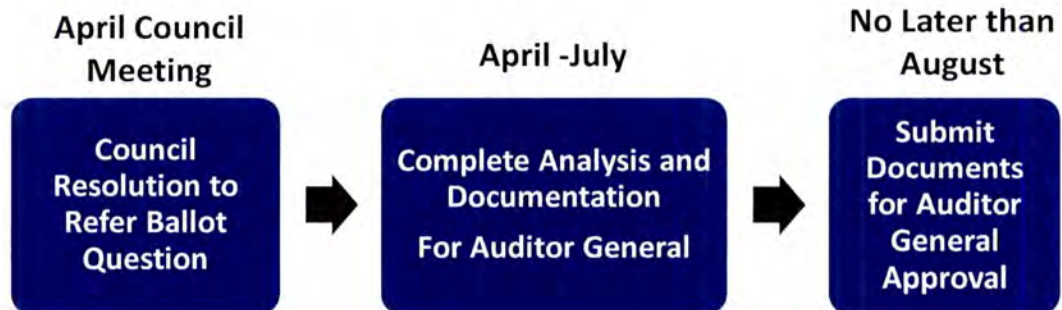
Scottsdale's annual budget will continue to be subject to all state laws, including the requirement that cities must pass balanced budgets and spend no more money than they receive.

City's Financial Strength

- AAA Bond Rating from all 3 rating agencies
- Clean Audits Every Year
- Certificate of Achievement for Excellence in Financial Reporting (51 consecutive years)
- Distinguished Budget Award (34 consecutive years)

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Timeline



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Election Date

Arizona Constitution, [Article IX, §20\(6\)](#), allows a city or town to permanently adjust its base limit with voter approval at a regularly scheduled general election or at a nonpartisan election held for the nomination or election of its governing board members.

City's General Election Date: Tuesday, November 5, 2024.

Ballot Items:

- Mayor and 3 Councilmember offices up for election.
- Another possible city ballot measure is under consideration.
- Other federal, state, county, judicial races and ballot measures.

Ballot Language Statutory Considerations

Full Text

- Official Title – brief explanation of what measure is doing
- Descriptive Title – summary of principal provisions of measure; not to exceed 50 words
- Yes / No Statements

Tagline Text

- Summary not to exceed 50 words
- Yes / No Statements

If insufficient space on ballot, tagline text is printed with reference to where full text can be found

Considerations When Drafting Ballot Language

Understandable and
Clear Wording

Meeting Statutory
Requirements

Reviewed Other Local
Ballot Language

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Proposed Ballot Language

OFFICIAL TITLE: A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA PROPOSING A PERMANENT ADJUSTMENT TO THE STATE-IMPOSED EXPENDITURE LIMITATION FOR THE CITY OF SCOTTSDALE.

DESCRIPTIVE TITLE: Pursuant to the Arizona State Constitution, the City of Scottsdale seeks voter approval to permanently adjust the expenditure base of the City of Scottsdale as determined by the Economic Estimates Commission. The City of Scottsdale seeks an adjustment of \$XX million.

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Proposed Ballot Language

Option #1 – Yes / No Statements (Scottsdale)

A **“YES”** vote shall have the effect of allowing the City of Scottsdale to adjust its base expenditure limit to permit the use of previously budgeted funds to maintain existing and planned City services and programs.

A **“NO”** vote shall have the effect of not allowing the City of Scottsdale to adjust its base expenditure limit and will not permit the City to use previously budgeted funds to maintain existing and planned City services and programs.

Proposed Ballot Language

Tagline Text

SHALL THE EXPENDITURE BASE OF THE CITY OF SCOTTSDALE BE PERMANENTLY ADJUSTED BY \$XX MILLION?

Questions/Comments

