

Monthly Financial Report

**Fiscal Year to Date as
of January 31, 2021**

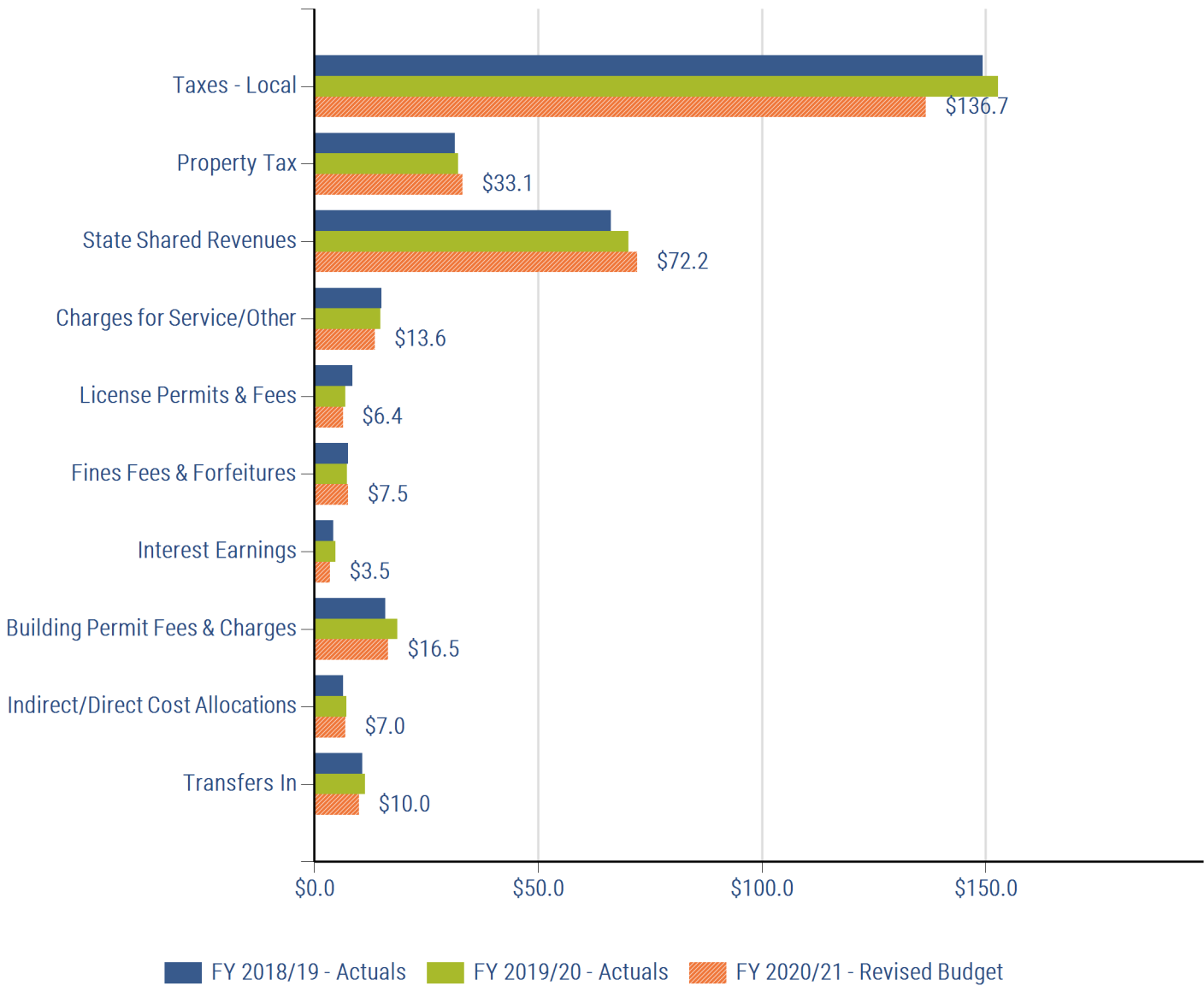
Report to the City Council
Prepared by the City Treasurer
March 16, 2021



Sources

General Fund

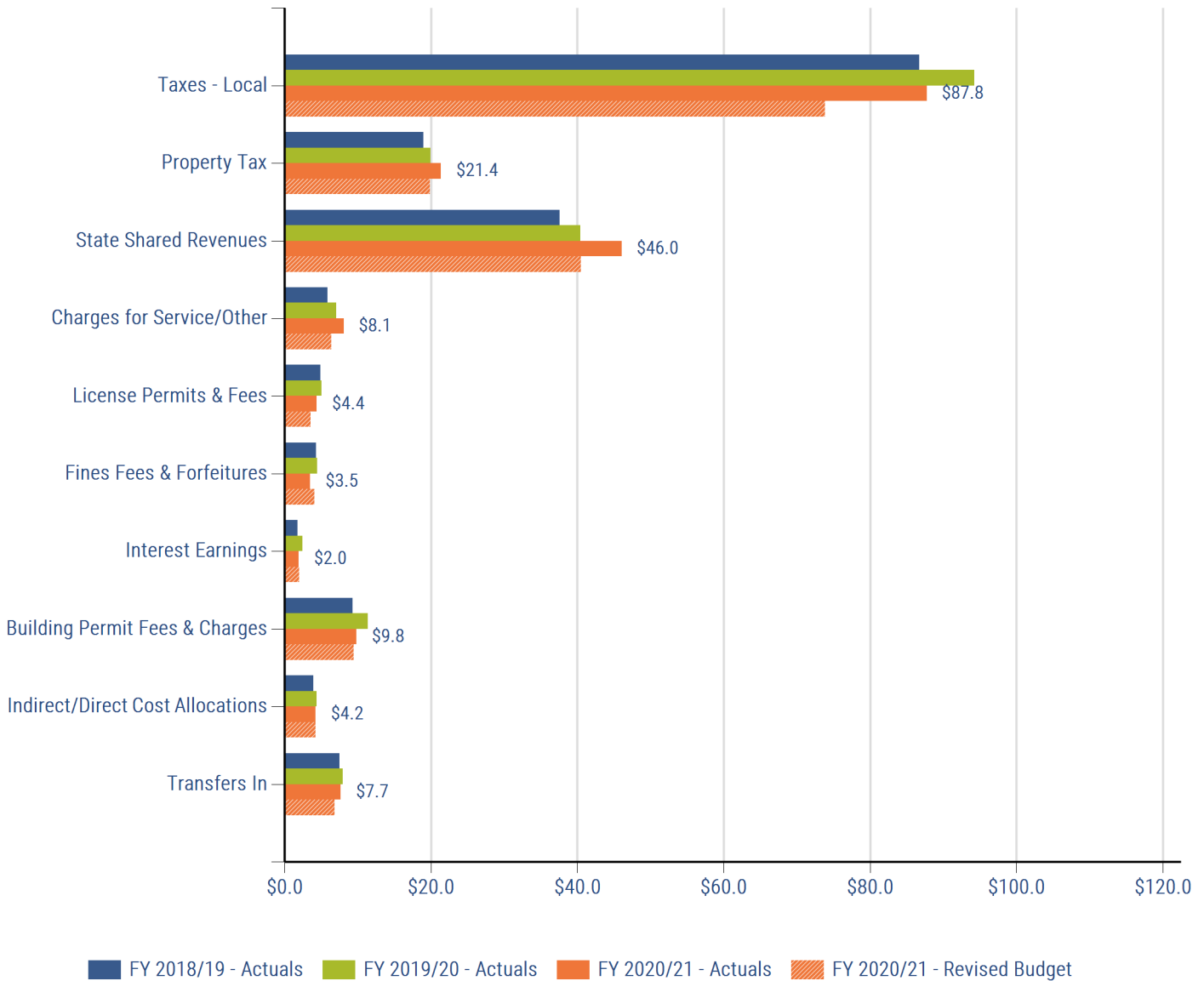
Twelve Months: Fiscal Year



| | FY 2018/19 <u>Actuals</u> | FY 2019/20 <u>Actuals</u> | FY 2020/21 <u>Revised Budget</u> |
|----------------------------------|------------------------------|------------------------------|---|
| Taxes - Local | \$149.3 | \$152.8 | \$136.7 |
| Property Tax | 31.4 | 32.2 | 33.1 |
| State Shared Revenues | 66.2 | 70.2 | 72.2 |
| Charges for Service/Other | 14.9 | 14.7 | 13.6 |
| License Permits & Fees | 8.5 | 6.9 | 6.4 |
| Fines Fees & Forfeitures | 7.5 | 7.3 | 7.5 |
| Interest Earnings | 4.3 | 4.7 | 3.5 |
| Building Permit Fees & Charges | 15.9 | 18.5 | 16.5 |
| Indirect/Direct Cost Allocations | 6.5 | 7.2 | 7.0 |
| Transfers In | 10.7 | 11.3 | 10.0 |
| Total Sources | \$315.2 | \$326.0 | \$306.4 |



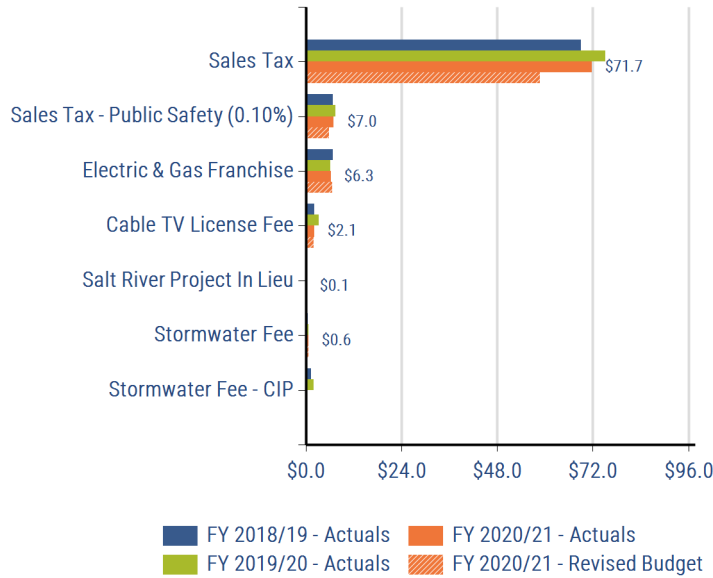
Sources (Fiscal Year to Date: January 2021)



| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Taxes - Local | \$86.7 | \$94.2 | \$87.8 | \$73.8 | \$13.9 | 19% |
| Property Tax | 19.0 | 20.0 | 21.4 | 19.9 | 1.5 | 7% |
| State Shared Revenues | 37.6 | 40.4 | 46.0 | 40.5 | 5.5 | 14% |
| Charges for Service/Other | 5.9 | 7.1 | 8.1 | 6.4 | 1.7 | 27% |
| License Permits & Fees | 4.9 | 5.0 | 4.4 | 3.5 | 0.8 | 24% |
| Fines Fees & Forfeitures | 4.3 | 4.4 | 3.5 | 4.1 | (0.6) | (14%) |
| Interest Earnings | 1.8 | 2.5 | 2.0 | 2.0 | (0.1) | (3%) |
| Building Permit Fees & Charges | 9.3 | 11.4 | 9.8 | 9.5 | 0.4 | 4% |
| Indirect/Direct Cost Allocations | 3.9 | 4.4 | 4.2 | 4.2 | - | - |
| Transfers In | 7.5 | 7.9 | 7.7 | 6.9 | 0.8 | 12% |
| Total Sources | \$180.9 | \$197.3 | \$194.9 | \$170.8 | \$24.0 | 14% |



Taxes - Local (Fiscal Year to Date: January 2021)

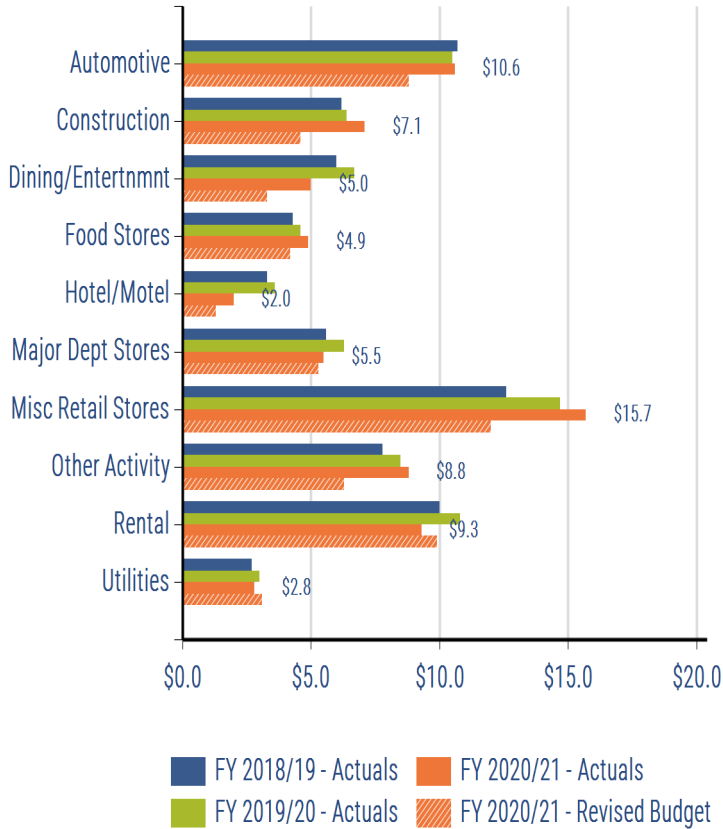


Actual to Revised Budget variance of \$13.9 million or 19%:
 The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5. Electric & Gas Franchise is unfavorable due to the APS quarterly franchise payment coming in lower than expected largely due to the Tax Cuts and Jobs Act of 2017.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Sales Tax | \$69.1 | \$75.1 | \$71.7 | \$58.8 | \$12.9 | 22% |
| Sales Tax - Public Safety (0.10%) | 6.8 | 7.4 | 7.0 | 5.8 | 1.2 | 21% |
| Electric & Gas Franchise | 6.7 | 6.1 | 6.3 | 6.6 | (0.3) | (5%) |
| Cable TV License Fee | 2.1 | 3.2 | 2.1 | 2.0 | 0.1 | 5% |
| Salt River Project In Lieu | 0.2 | 0.1 | 0.1 | 0.1 | - | - |
| Stormwater Fee | 0.5 | 0.6 | 0.6 | 0.6 | - | - |
| Stormwater Fee - CIP | 1.3 | 1.9 | - | - | - | - |
| Taxes - Local Total | \$86.7 | \$94.2 | \$87.8 | \$73.8 | \$13.9 | 19% |



Sales Tax (Fiscal Year to Date: January 2021)

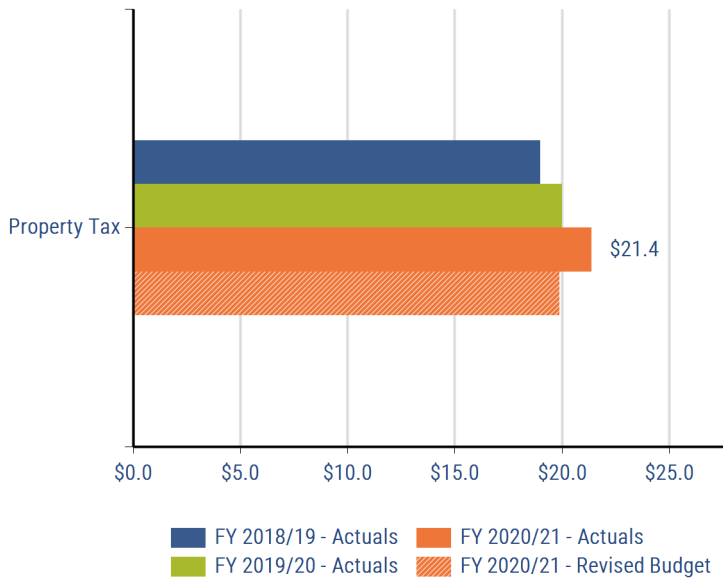


Actual to Revised Budget variance of \$12.9 million or 22%: While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. The favorable variance is also the result of the following: 1) Automotive – car dealers doing better than expected; 2) Construction – unanticipated increases in construction and speculative sale activity; 3) Dining/Entertainment – restaurants doing better than anticipated even with their reduced capacity as a result of the COVID-19 pandemic; 4) Food Stores – more people eating at home due to the COVID-19 pandemic; 5) Hotel/Motel - hotels doing better than anticipated despite less people traveling, an increase in bookings with short term vacation rental properties and a new hotel opening; 6) Major Dept Stores - some stores performing better than expected taking into account the COVID-19 pandemic; 7) Misc Retail Stores - increased software sales and additional revenue from online marketplace facilitators and remote sellers and; 8) Other Activity – increase in taxable sales from computer software and hardware wholesalers and manufacturers. The favorable variance would have been greater but is being partially offset by: 1) Rental - less rents being collected by commercial and residential properties due to the COVID-19 pandemic; and 2) Utilities - decreases in the telecommunications sector.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) | |
|------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| | | | | | Amount | Percent |
| Automotive | \$10.7 | \$10.5 | \$10.6 | \$8.8 | \$1.8 | 21% |
| Construction | 6.2 | 6.4 | 7.1 | 4.6 | 2.5 | 55% |
| Dining/Entertainment | 6.0 | 6.7 | 5.0 | 3.3 | 1.7 | 51% |
| Food Stores | 4.3 | 4.6 | 4.9 | 4.2 | 0.6 | 15% |
| Hotel/Motel | 3.3 | 3.6 | 2.0 | 1.3 | 0.7 | 58% |
| Major Dept Stores | 5.6 | 6.3 | 5.5 | 5.3 | 0.2 | 4% |
| Misc Retail Stores | 12.6 | 14.7 | 15.7 | 12.0 | 3.7 | 31% |
| Other Activity | 7.8 | 8.5 | 8.8 | 6.3 | 2.5 | 40% |
| Rental | 10.0 | 10.8 | 9.3 | 9.9 | (0.6) | (6%) |
| Utilities | 2.7 | 3.0 | 2.8 | 3.1 | (0.3) | (10%) |
| Sales Tax Total | \$69.1 | \$75.1 | \$71.7 | \$58.8 | \$12.9 | 22% |



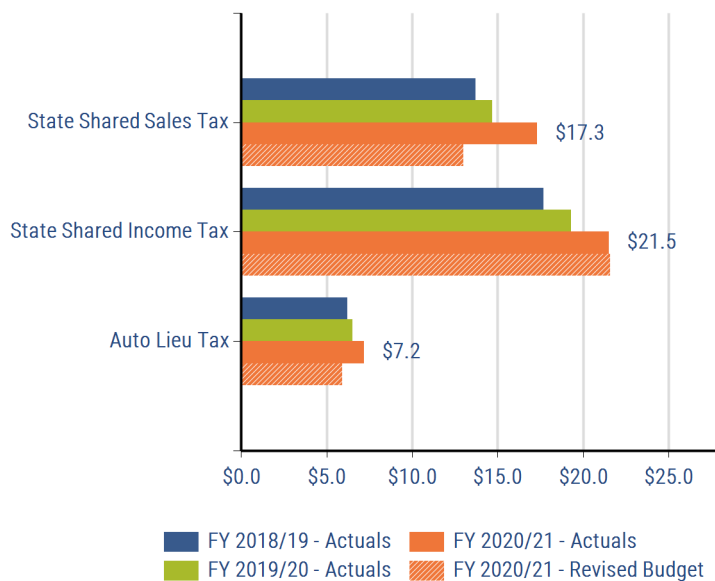
Property Tax (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$1.5 million or 7%: Favorable variance is due to the budget spread, which is based on the way people paid on average over the last two years and may vary year over year.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|---------|
| Property Tax | \$19.0 | \$20.0 | \$21.4 | \$19.9 | \$1.5 | 7% |
| Property Tax Total | \$19.0 | \$20.0 | \$21.4 | \$19.9 | \$1.5 | 7% |

State Shared Revenues (Fiscal Year to Date: January 2021)

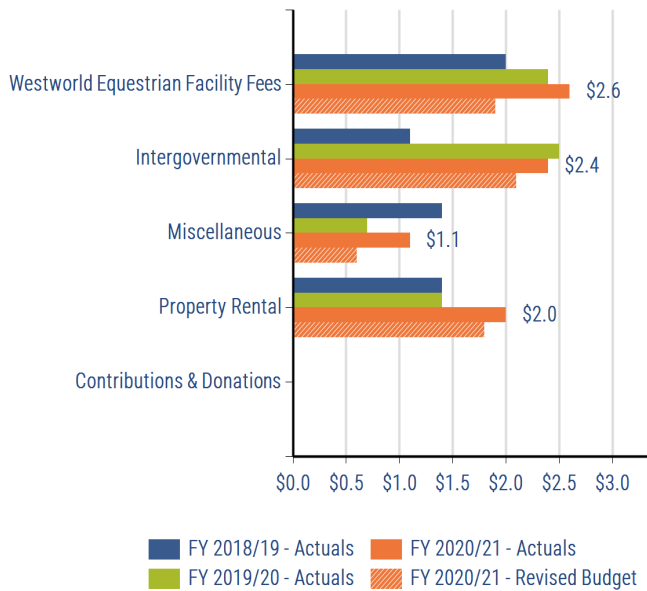


Actual to Revised Budget variance of \$5.5 million or 14%: State Shared Sales Tax is favorable due to better than expected state shared sales tax revenue brought in and shared with cities than originally projected based on the expected economic conditions caused by the COVID-19 virus. Additionally, Scottsdale is continuing to see the effects of the 2019 Wayfair Bill on online sales and higher overall online shopping than in previous years due to the pandemic. Auto Lieu Tax is favorable due to higher than expected vehicle sales as a result of aggressive promotions by auto dealers.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|-----------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|---------|
| State Shared Sales Tax | \$13.7 | \$14.7 | \$17.3 | \$13.0 | \$4.4 | 34% |
| State Shared Income Tax | 17.7 | 19.3 | 21.5 | 21.6 | (0.1) | (1%) |
| Auto Lieu Tax | 6.2 | 6.5 | 7.2 | 5.9 | 1.3 | 22% |
| State Shared Revenues Total | \$37.6 | \$40.4 | \$46.0 | \$40.5 | \$5.5 | 14% |



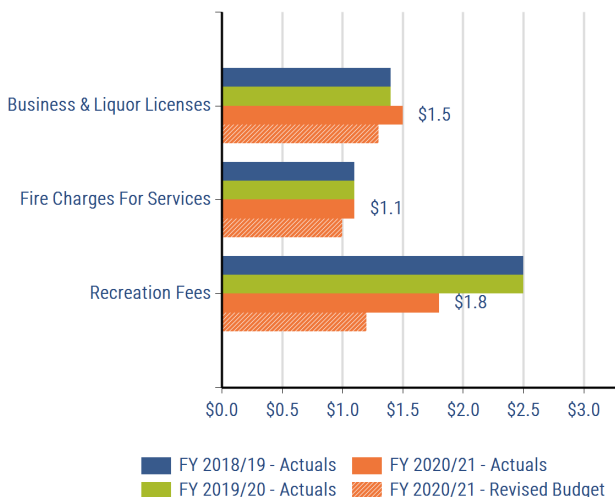
Charges for Service/Other (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$1.7 million or 27%: Westworld Equestrian Facility Fees is favorable primarily due to hosting a much larger AZ Fall Championship (equestrian national show) at WestWorld since it absorbed the participants from another state’s event that was canceled, and to revenue from FY 2019/20 events received in FY 2020/21. Intergovernmental is favorable due to the timing of the School Resource Officer invoice with Scottsdale Unified School District. Miscellaneous is favorable due to recovery reimbursements for Public Safety – Fire from the state and county for costs related to assistance the Division provided in response to fires around Arizona and reimbursements for emergency rent and utility assistance services performed at Vista del Camino from Maricopa County. Several months of this reimbursement were received at the same time in December due to an oversight by the county. Property Rental is favorable due to advanced billings for cell tower and outdoor dining leases and because the fourth quarter FY 2019/20 Tournament Player’s Club payment was paid in FY 2020/21.

| | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2020/21 | Actual vs. Budget | |
|--|--------------|--------------|--------------|----------------|----------------------------------|------------|
| | Actuals | Actuals | Actuals | Revised Budget | Favorable / (Unfavorable) Amount | Percent |
| Westworld Equestrian Facility Fees | \$2.0 | \$2.4 | \$2.6 | \$1.9 | \$0.7 | 35% |
| Intergovernmental | 1.1 | 2.5 | 2.4 | 2.1 | 0.3 | 15% |
| Miscellaneous | 1.4 | 0.7 | 1.1 | 0.6 | 0.5 | 92% |
| Property Rental | 1.4 | 1.4 | 2.0 | 1.8 | 0.2 | 11% |
| Contributions & Donations | - | - | - | - | - | - |
| Charges for Service/Other Total | \$5.9 | \$7.1 | \$8.1 | \$6.4 | \$1.7 | 27% |

License Permits & Fees (Fiscal Year to Date: January 2021)



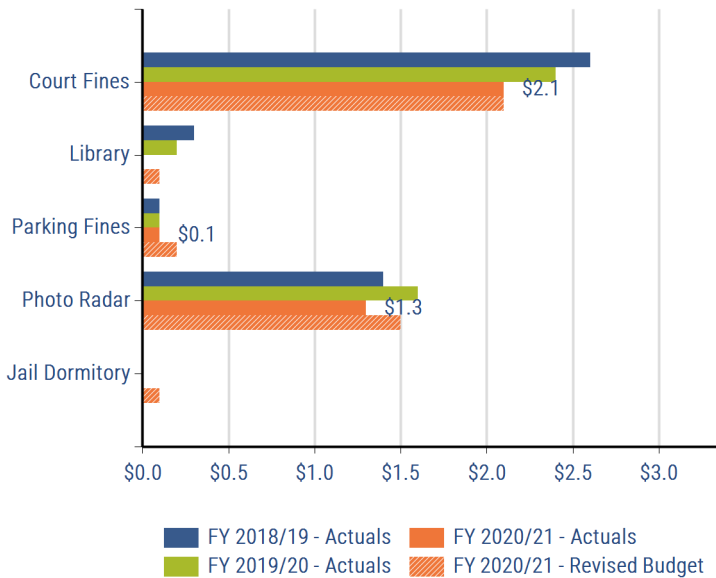
Actual to Revised Budget variance of \$0.8 million or 24%: Business & Liquor Licenses is favorable due to changes in the business and liquor licenses accounting methodology process from cash to accrual which occurred in November 2020. The variance should realign over the next couple of months. Recreation Fees is favorable due to the difficulty in predicting how the occupancy status of recreation facilities would be affected by the COVID-19 pandemic, increased lessons offered and pool “drop-in” activity than anticipated at aquatic facilities, and a higher than expected number of summer camp sessions offered and total registrations received for those sessions.

| | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2020/21 | Actual vs. Budget | |
|---|--------------|--------------|--------------|----------------|----------------------------------|------------|
| | Actuals | Actuals | Actuals | Revised Budget | Favorable / (Unfavorable) Amount | Percent |
| Business & Liquor Licenses | \$1.4 | \$1.4 | \$1.5 | \$1.3 | \$0.2 | 12% |
| Fire Charges For Services | 1.1 | 1.1 | 1.1 | 1.0 | - | - |
| Recreation Fees | 2.5 | 2.5 | 1.8 | 1.2 | 0.6 | 54% |
| License Permits & Fees Total | \$4.9 | \$5.0 | \$4.4 | \$3.5 | \$0.8 | 24% |

\$ in millions / rounding differences may occur



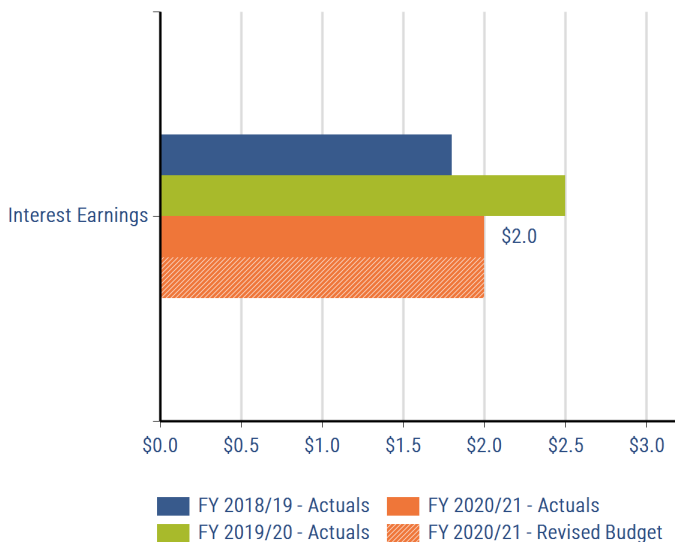
Fines Fees & Forfeitures (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of (\$0.6) million or (14%): While Court Fines is showing an overall net zero variance there is actually an unfavorable variance in some areas due to people delaying payments related to fines and the number of criminal filings being down being almost completely offset by higher Court Fines revenue being brought in when compared to the reduction in budget made due to COVID-19 and unexpected revenue received from the recently passed Nuisance Ordinance. Library is unfavorable due to reduced library fine revenue as a result of the continued closure of two city libraries. Photo Radar is unfavorable due to photo enforcement sites being down, less people out on the roads and others delaying payments related to fines. Jail Dormitory is unfavorable due to fewer offenders being housed in the jail due to COVID-19 concerns.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|--------------|
| Court Fines | \$2.6 | \$2.4 | \$2.1 | \$2.1 | \$ - | - |
| Library | 0.3 | 0.2 | - | 0.1 | (0.1) | (60%) |
| Parking Fines | 0.1 | 0.1 | 0.1 | 0.2 | - | - |
| Photo Radar | 1.4 | 1.6 | 1.3 | 1.5 | (0.3) | (18%) |
| Jail Dormitory | - | - | - | 0.1 | (0.1) | (89%) |
| Fines Fees & Forfeitures Total | \$4.3 | \$4.4 | \$3.5 | \$4.1 | (\$0.6) | (14%) |

Interest Earnings (Fiscal Year to Date: January 2021)

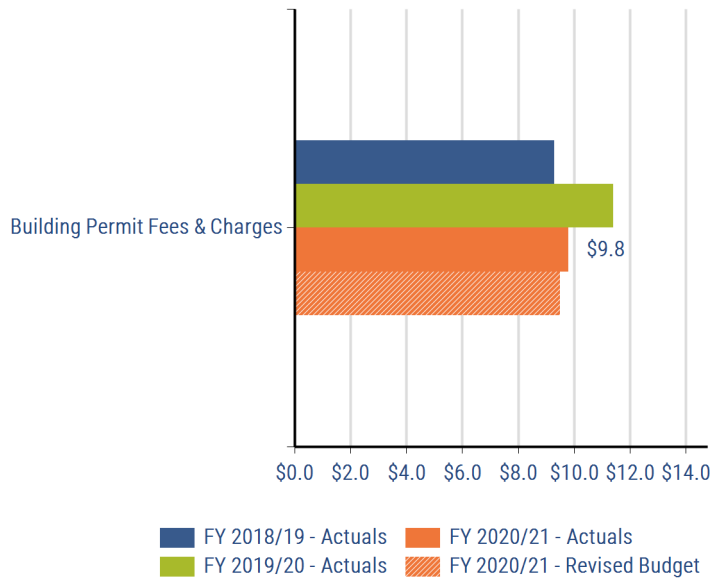


Actual to Revised Budget variance of (\$0.1) million or (3%):
No explanation necessary.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------|
| Interest Earnings | \$1.8 | \$2.5 | \$2.0 | \$2.0 | (\$0.1) | (3%) |
| Interest Earnings Total | \$1.8 | \$2.5 | \$2.0 | \$2.0 | (\$0.1) | (3%) |



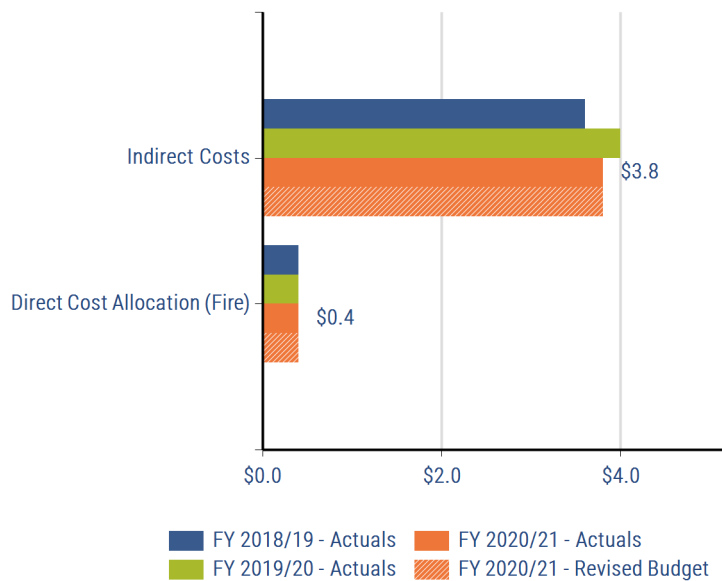
Building Permit Fees & Charges (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$0.4 million or 4%: Favorable variance mostly due to encroachment permits received in December related to Asteria Highlands and Alameda Road utilities and 118th Street and Ranch Gate Road. The favorable variance is offset by Plan Review Fees, Development Application Fees and other development permit collections being lower than anticipated and to mistakenly having the rate increase for Plan Review Fees occurring in July vs January when they actually occurred.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Building Permit Fees & Charges | \$9.3 | \$11.4 | \$9.8 | \$9.5 | \$0.4 | 4% |
| Building Permit Fees & Charges Total | \$9.3 | \$11.4 | \$9.8 | \$9.5 | \$0.4 | 4% |

Indirect/Direct Cost Allocations (Fiscal Year to Date: January 2021)

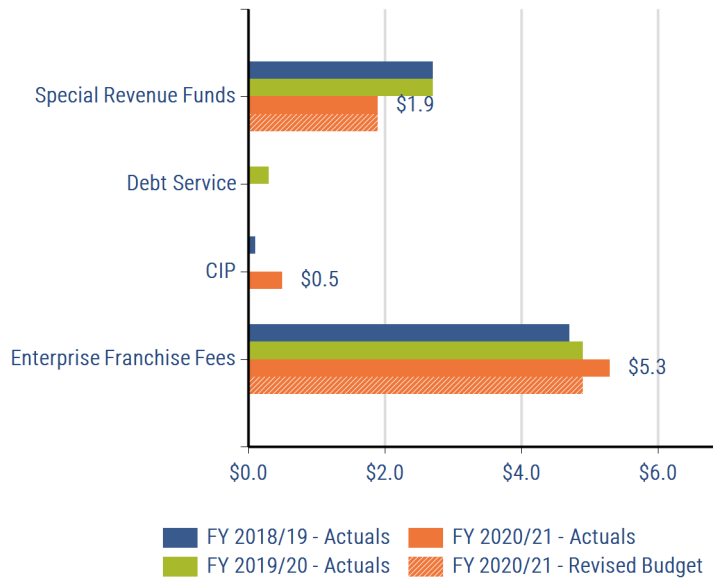


Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|----------|
| Indirect Costs | \$3.6 | \$4.0 | \$3.8 | \$3.8 | \$ - | - |
| Direct Cost Allocation (Fire) | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Indirect/Direct Cost Allocations Total | \$3.9 | \$4.4 | \$4.2 | \$4.2 | \$ - | - |



Transfers In (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$0.8 million or 12%: CIP is favorable due to a reimbursement to the General Fund for a transfer out to the Debt Service Fund that should have been funded by Capital Improvement Plan (CIP) Stormwater Fees. Enterprise Franchise Fees is favorable due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the four-year running average due to the lack of rain and excessive temperatures Scottsdale faced during the summer and fall.

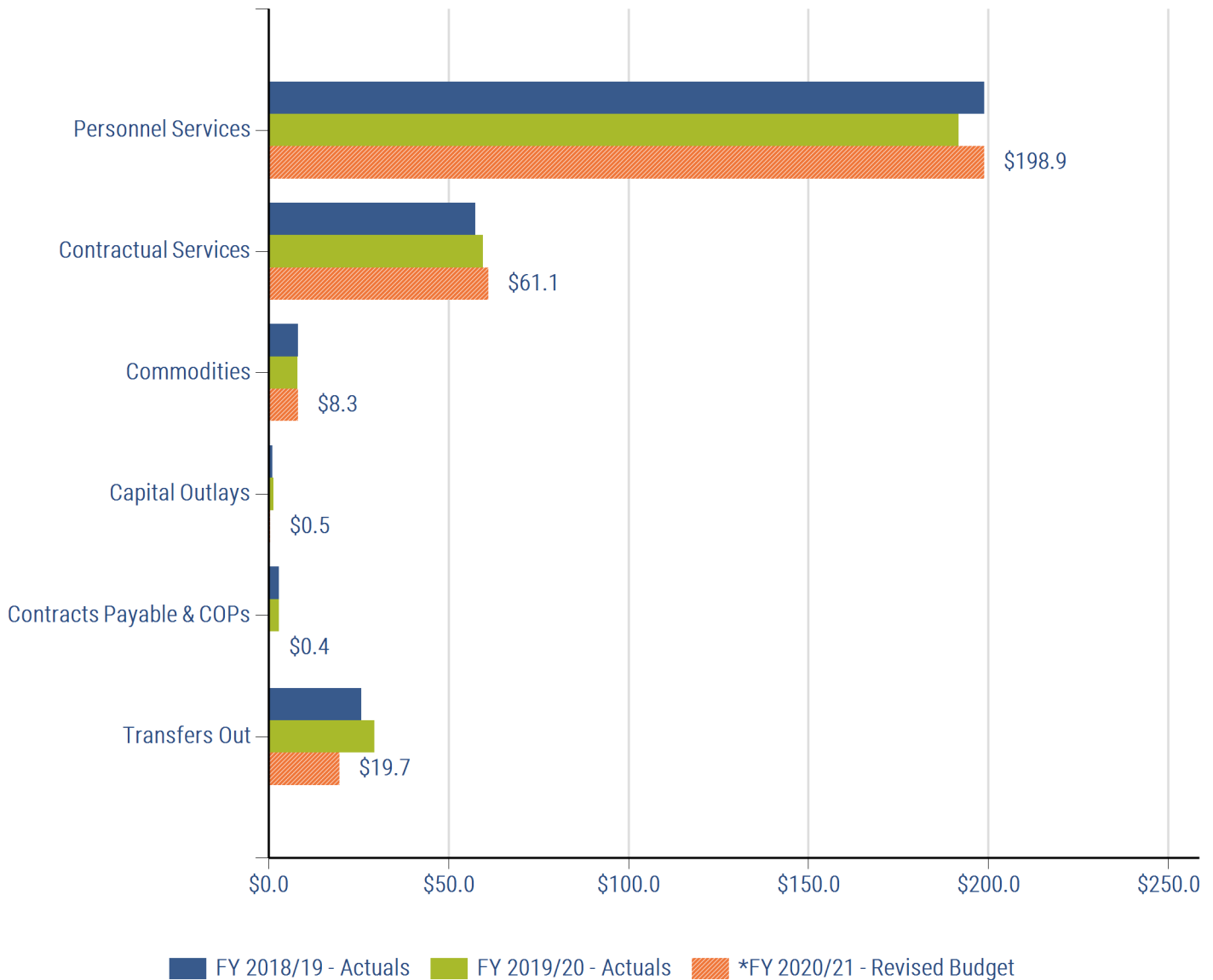
| | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2020/21 | Actual vs. Budget | |
|---------------------------|----------------|----------------|----------------|-----------------------|---|----------------|
| | <u>Actuals</u> | <u>Actuals</u> | <u>Actuals</u> | <u>Revised Budget</u> | <u>Favorable / (Unfavorable) Amount</u> | <u>Percent</u> |
| Special Revenue Funds | \$2.7 | \$2.7 | \$1.9 | \$1.9 | \$ - | - |
| Debt Service | - | 0.3 | - | - | - | - |
| CIP | 0.1 | - | 0.5 | - | 0.5 | n/a |
| Enterprise Franchise Fees | 4.7 | 4.9 | 5.3 | 4.9 | 0.4 | 8% |
| Transfers In Total | \$7.5 | \$7.9 | \$7.7 | \$6.9 | \$0.8 | 12% |



Uses

General Fund

Twelve Months: Fiscal Year

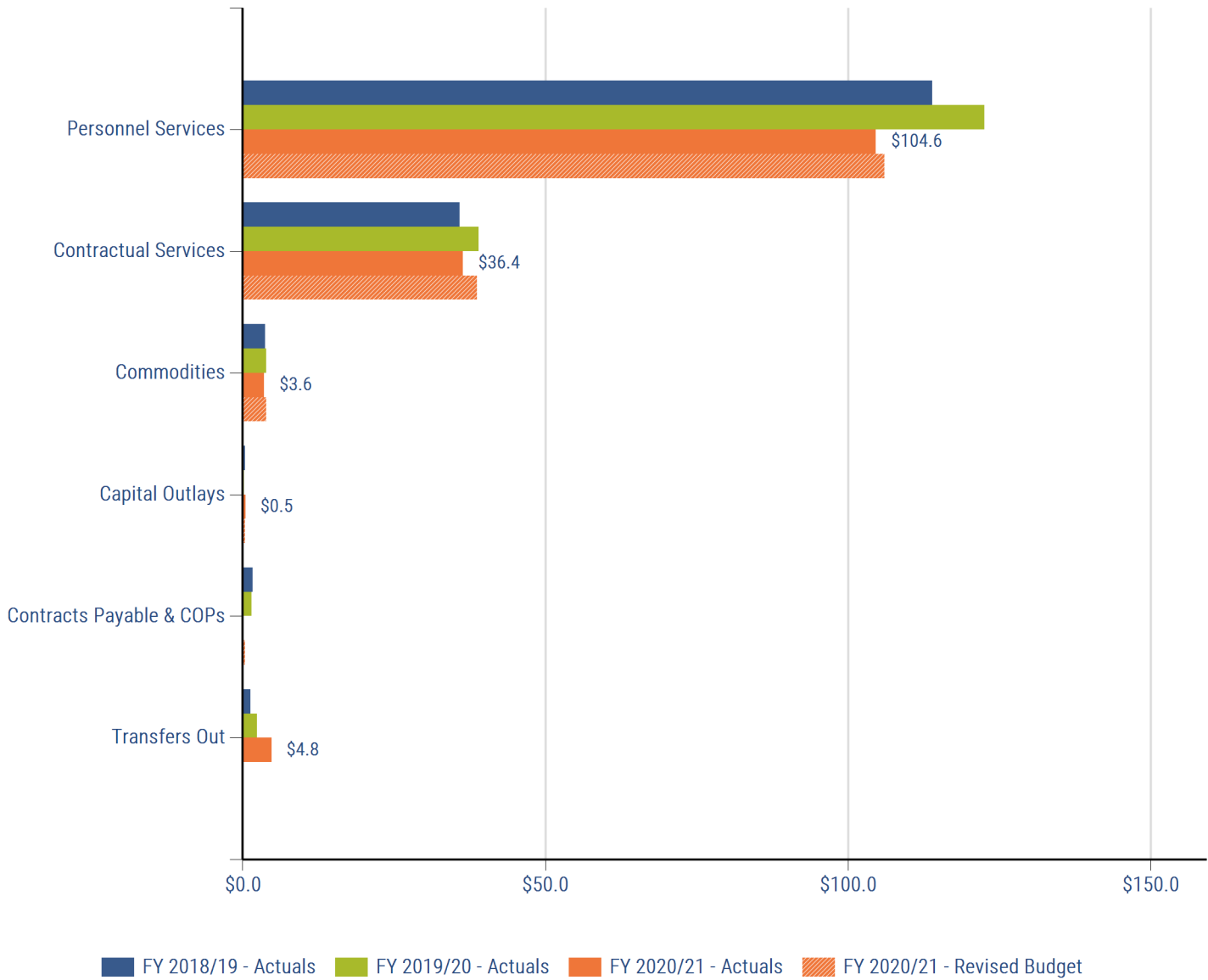


| | FY 2018/19 <u>Actuals</u> | FY 2019/20 <u>Actuals</u> | FY 2020/21 <u>Revised Budget</u> |
|--------------------------|------------------------------|------------------------------|---|
| Personnel Services | \$198.9 | \$191.8 | \$198.9 |
| Contractual Services | 57.4 | 59.6 | 61.1 |
| Commodities | 8.3 | 8.1 | 8.3 |
| Capital Outlays | 1.0 | 1.5 | 0.5 |
| Contracts Payable & COPs | 2.9 | 2.9 | 0.4 |
| Transfers Out | 25.8 | 29.4 | 19.7 |
| Total Uses | \$294.3 | \$293.2 | \$288.8 |

*Includes budgeted vacancy savings net of Leave Accrual Payouts, Utilities, Fleet Replacement, Fleet Maintenance and Fuel costs.



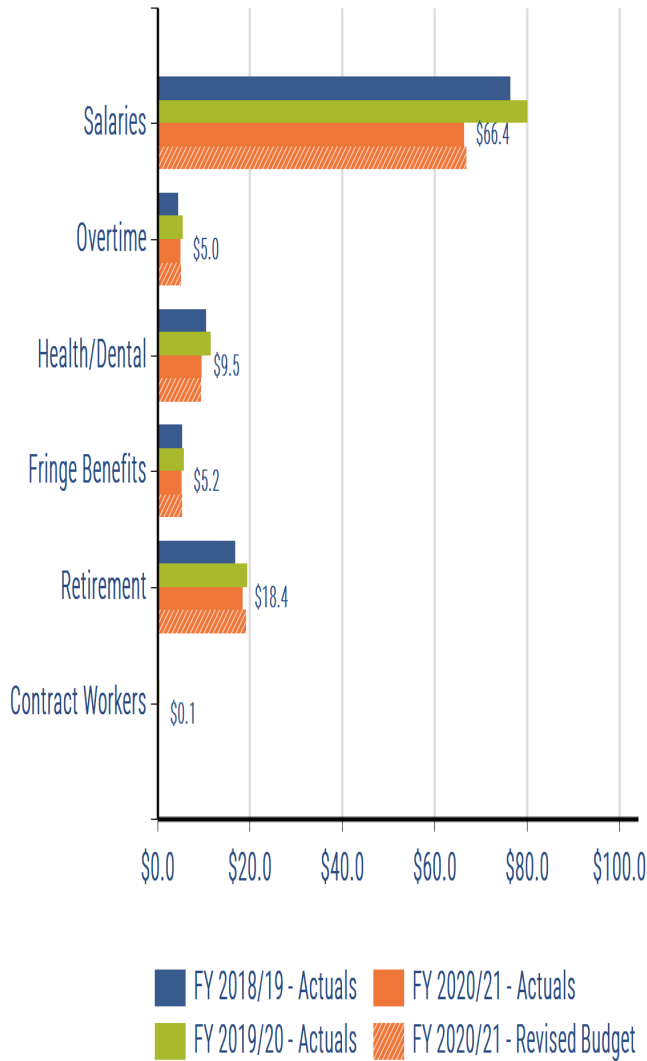
Uses (Fiscal Year to Date: January 2021)



| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) | |
|--------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| | | | | | Amount | Percent |
| Personnel Services | \$113.9 | \$122.5 | \$104.6 | \$106.0 | \$1.4 | 1% |
| Contractual Services | 35.9 | 39.0 | 36.4 | 38.7 | 2.3 | 6% |
| Commodities | 3.7 | 3.9 | 3.6 | 3.9 | 0.4 | 9% |
| Capital Outlays | 0.4 | 0.2 | 0.5 | 0.4 | (0.1) | (19%) |
| Contracts Payable & COPs | 1.6 | 1.5 | - | 0.4 | 0.4 | 100% |
| Transfers Out | 1.3 | 2.4 | 4.8 | - | (4.8) | n/a |
| Total Uses | \$156.9 | \$169.5 | \$149.8 | \$149.4 | (\$0.4) | 0% |



Personnel Services (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$1.4 million or 1%: Salaries is favorable due to rank promotions in Public Safety – Police and Public Safety - Fire, with replacement employees coming in at a lower rate than the person who was promoted and less than estimated other compensations such as specialty pay and translator pay for Public Safety – Fire. The favorable variance would have been greater, but is being partially offset by a greater number of part time hours needed to staff the opening of recreation facilities, learn to swim and other community programs than what was originally expected due to the COVID-19 pandemic. Overtime is unfavorable primarily due to 16 firefighters out of work due to workers comp, off duty injury and Family Medical Leave Act (FMLA). It is also due to covering apparatuses while the wildland fire team prepared for the fire season which was worse than usual due to the dry conditions experienced earlier in the fiscal year. It is also due to the use of overtime during the holidays for details and special investigations and to a new policy to pay holiday pay for city recognized and actual holidays when they fall on two different days. The unfavorable variance would have been greater but is being partially offset by less overtime needed in Public Safety – Police due to several special events being canceled or rescheduled due to COVID-19. Retirement is favorable due to overall Public Safety Personnel Retirement System (PSPRS) expenses being lower than estimated as a result of less experienced employees replacing retirees who were more of a cost to the retirement system.

| | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2020/21 | Actual vs. Budget | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------------------------|-----------|
| | Actuals | Actuals | Actuals | Revised Budget | Favorable / (Unfavorable) Amount | Percent |
| Salaries | \$76.4 | \$80.1 | \$66.4 | \$66.9 | \$0.6 | 1% |
| Overtime | 4.5 | 5.5 | 5.0 | 5.1 | - | - |
| Health/Dental | 10.6 | 11.5 | 9.5 | 9.4 | (0.1) | (1%) |
| Fringe Benefits | 5.3 | 5.7 | 5.2 | 5.3 | 0.1 | 1% |
| Retirement | 16.8 | 19.4 | 18.4 | 19.2 | 0.8 | 4% |
| Contract Workers | 0.3 | 0.4 | 0.1 | 0.1 | - | - |
| Personnel Services Total | \$113.9 | \$122.5 | \$104.6 | \$106.0 | \$1.4 | 1% |



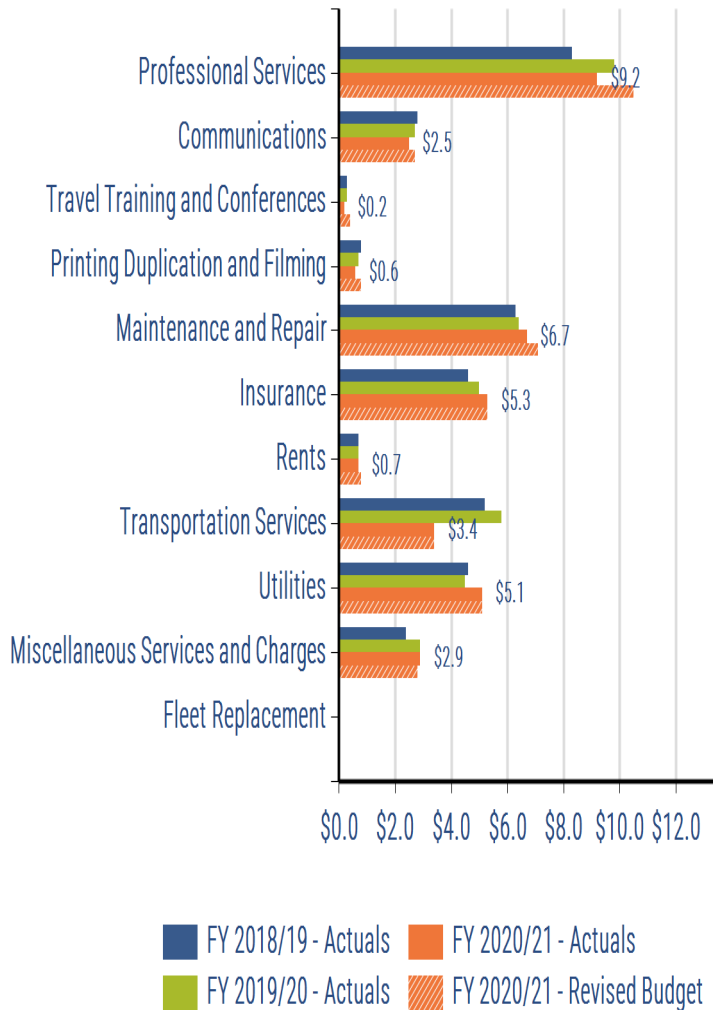
Personnel Services Macro Adjustments

| | FY 2020/21 Adopted <u>Budget</u> | FY 2020/21 Year-To-Date Saved/(Used) | Remaining |
|---|--|--|-----------------------|
| Vacancy Savings | (4.0) | 3.2 | (0.8) |
| Medical Leave Payouts | 1.2 | (0.9) | 0.3 |
| Vacation Leave Payouts | 0.7 | (0.6) | 0.1 |
| PSPRS DROP Savings | - | 0.2 | 0.2 |
| Personnel Services Macro Adjustments Total | <u>(\$2.1)</u> | <u>\$1.9</u> | <u>(\$0.2)</u> |

Total Saved/(Used) YTD of \$1.9 million: The city has achieved \$3.2 million in vacancy savings and \$0.2 million in PSPRS DROP savings year-to-date offset by (\$1.5) million in vacation and medical leave payouts.



Contractual Services (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$2.3 million or 6%: Professional Services is favorable primarily due to savings in Leisure Education and Adult Sports as a result of lower operating costs due to facility closures and program cancellations related to the COVID-19 pandemic, fewer offenders arrested and sent to Maricopa County Jail in an attempt to mitigate the spread of COVID-19, fewer successful dispositions from Photo Enforcement and some radar sites being down. It is also due to lower-than-expected banking services charges and the timing of invoices and contract charges. Communications is favorable due to the timing of invoices and lower postage and shipping costs. Travel Training and Conferences is favorable due to the virtualization or cancellation of conferences and trainings due to the COVID-19 pandemic. Printing Duplication and Filming is favorable due to several divisions spending less on printing promotional and informational costs than anticipated as a result of the COVID-19 pandemic. Maintenance and Repair is favorable mainly due to the timing in receiving and processing software, license and other invoices, as well as one-time savings in equipment maintenance. It is also due to delays in the starting of projects in the Public Works Division due to material backorders or scheduling concerns. The favorable variance would have been greater but is being partially offset by the unbudgeted purchase of software in Public Safety – Police to assist with civil unrest activity, the timing of other software maintenance and licensing as well as the unexpected need for on-call service technicians to assist with secure access control and closed caption television (CCTV) maintenance and the timing of tree pruning and court resurfacing projects. Rents is favorable due to the timing of invoices.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Professional Services | \$8.3 | \$9.8 | \$9.2 | \$10.5 | \$1.3 | 12% |
| Communications | 2.8 | 2.7 | 2.5 | 2.7 | 0.2 | 7% |
| Travel Training and Conferences | 0.3 | 0.3 | 0.2 | 0.4 | 0.2 | 51% |
| Printing Duplication and Filming | 0.8 | 0.7 | 0.6 | 0.8 | 0.2 | 25% |
| Maintenance and Repair | 6.3 | 6.4 | 6.7 | 7.1 | 0.4 | 6% |
| Insurance | 4.6 | 5.0 | 5.3 | 5.3 | - | - |
| Rents | 0.7 | 0.7 | 0.7 | 0.8 | 0.1 | 9% |
| Transportation Services | 5.2 | 5.8 | 3.4 | 3.4 | - | - |
| Utilities | 4.6 | 4.5 | 5.1 | 5.1 | - | - |
| Miscellaneous Services and Charges | 2.4 | 2.9 | 2.9 | 2.8 | - | - |
| Fleet Replacement | - | - | - | - | - | - |
| Contractual Services Total | \$35.9 | \$39.0 | \$36.4 | \$38.7 | \$2.3 | 6% |

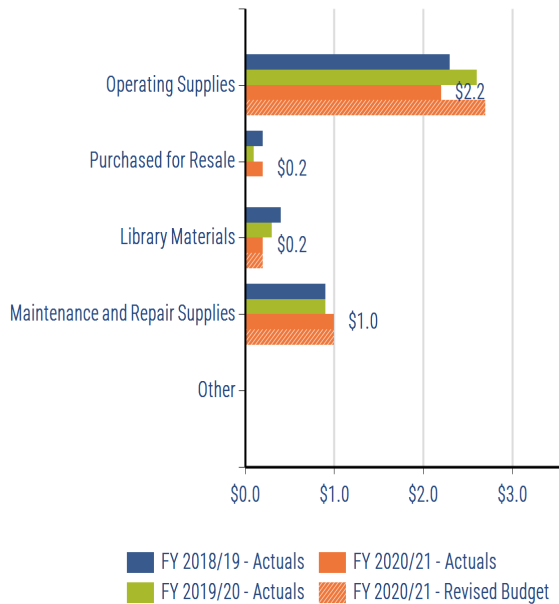


| Contractual Services Macro Adjustments | FY 2020/21 | FY 2020/21 | |
|--|---------------|----------------|--------------|
| | Adopted | Year-To-Date | |
| | <u>Budget</u> | Used | Remaining |
| Fleet Replacement | \$1.7 | (\$1.7) | \$ - |
| Fuel and Maint and Repair | 4.5 | (2.4) | 2.1 |
| Utilities | 8.6 | (5.1) | 3.5 |
| Contractual Services Macro Adjustments Total | <u>\$14.8</u> | <u>(\$9.1)</u> | <u>\$5.6</u> |

Total Saved/(Used) YTD of (\$9.1) million: Fleet Replacement, Fuel and Maint and Repair, and Utilities are budgeted on a macro level. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each Division. Fleet Replacement is on target. Fuel is trending favorably due to lower than expected fuel prices and Maint and Repair is trending unfavorably due to higher than expected rates of accidents, major repairs, and upfitting of vehicles. Utilities is trending unfavorably due to the timing of invoices and higher than expected electric and water expenses. Offsetting the Utilities unfavorable balance are lower natural gas expenses than projected.



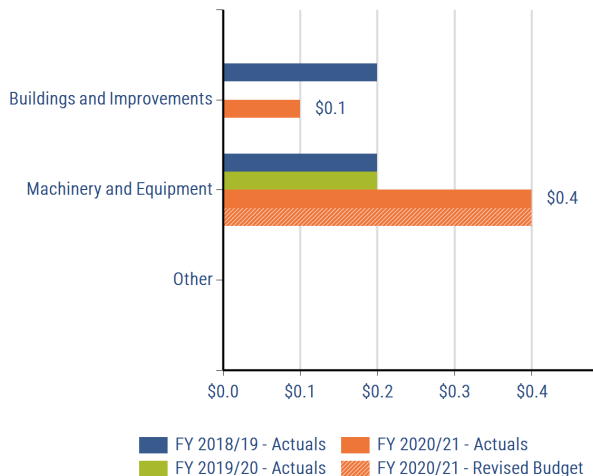
Commodities (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$0.4 million or 9%: Operating Supplies is favorable due to delays in procurement and invoicing of furniture, protective clothing, fitness equipment and other supplies due to COVID-19. It is also due to reduced costs for food at the detention facility due to fewer prisoners being housed there and the lower expected need to purchase operating equipment, education, and agricultural supplies. The favorable variance would have been greater but is being partially offset by unexpected supplies needed because Facilities staff moved from one floor to another at North Corp Yard to accommodate Public Safety - Fire personnel, the timing of ammunition purchases by Public Safety - Police, and higher-than-expected costs for pool and fountain chemicals. Purchased for Resale is unfavorable due to the AZ Fall Championship show being double in size because of the cancellation of the same event in another state. Maintenance and Repair Supplies is favorable due to fewer maintenance and repair materials needed in the Public Works Division as a result of delays in projects. The favorable variance would have been greater but is being partially offset by the timing of the purchase of irrigation supplies.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) | |
|---------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| | | | | | Amount | Percent |
| Operating Supplies | \$2.3 | \$2.6 | \$2.2 | \$2.7 | \$0.5 | 19% |
| Purchased for Resale | 0.2 | 0.1 | 0.2 | - | (0.2) | nm |
| Library Materials | 0.4 | 0.3 | 0.2 | 0.2 | - | - |
| Maintenance and Repair Supplies | 0.9 | 0.9 | 1.0 | 1.0 | 0.1 | 5% |
| Other | - | - | - | - | - | - |
| Commodities Total | \$3.7 | \$3.9 | \$3.6 | \$3.9 | \$0.4 | 9% |

Capital Outlays (Fiscal Year to Date: January 2021)



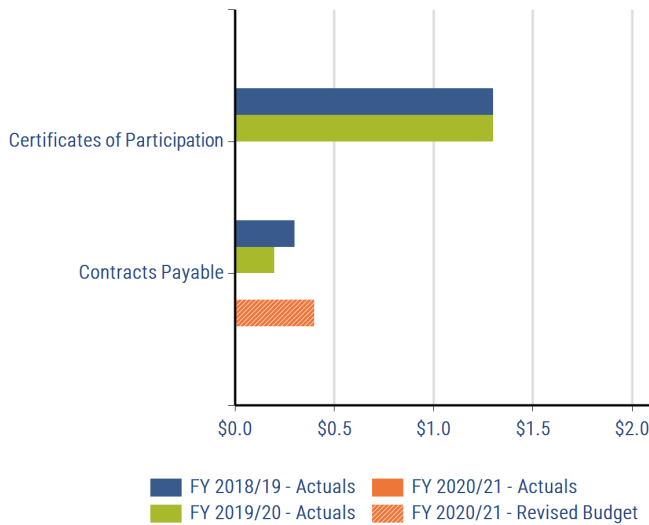
Actual to Revised Budget variance of (\$0.1) million or (19%): Buildings and Improvements is unfavorable due to a delay in the roof recoating project at the Scottsdale Museum of Contemporary Art (SMOCA). Capital Outlays is expected to be on budget by fiscal year end.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) | |
|------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|--------------|
| | | | | | Amount | Percent |
| Buildings and Improvements | \$0.2 | \$ - | \$0.1 | \$ - | (\$0.1) | nm |
| Machinery and Equipment | 0.2 | 0.2 | 0.4 | 0.4 | - | - |
| Other | - | - | - | - | - | - |
| Capital Outlays Total | \$0.4 | \$0.2 | \$0.5 | \$0.4 | (\$0.1) | (19%) |

\$ in millions / rounding differences may occur



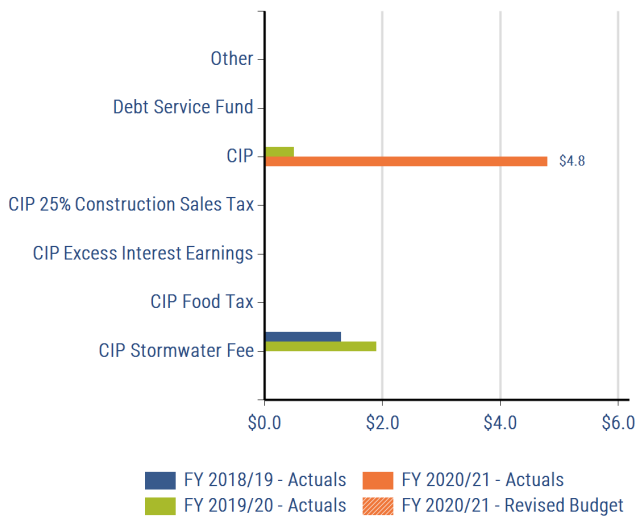
Contracts Payable & COPs (Fiscal Year to Date: January 2021)



Actual to Revised Budget variance of \$0.4 million or 100%: Contracts Payable is favorable due to the timing of payments for service concession arrangements with the Bureau of Reclamation (BOR).

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|---|-----------------------|-----------------------|-----------------------|---------------------------------|--|-------------|
| Certificates of Participation | \$1.3 | \$1.3 | \$ - | \$ - | \$ - | - |
| Contracts Payable | \$0.3 | \$0.2 | \$ - | \$0.4 | \$0.4 | 100% |
| Contracts Payable & COPs Total | \$1.6 | \$1.5 | \$0.0 | \$0.4 | \$0.4 | 100% |

Transfers Out (Fiscal Year to Date: January 2021)



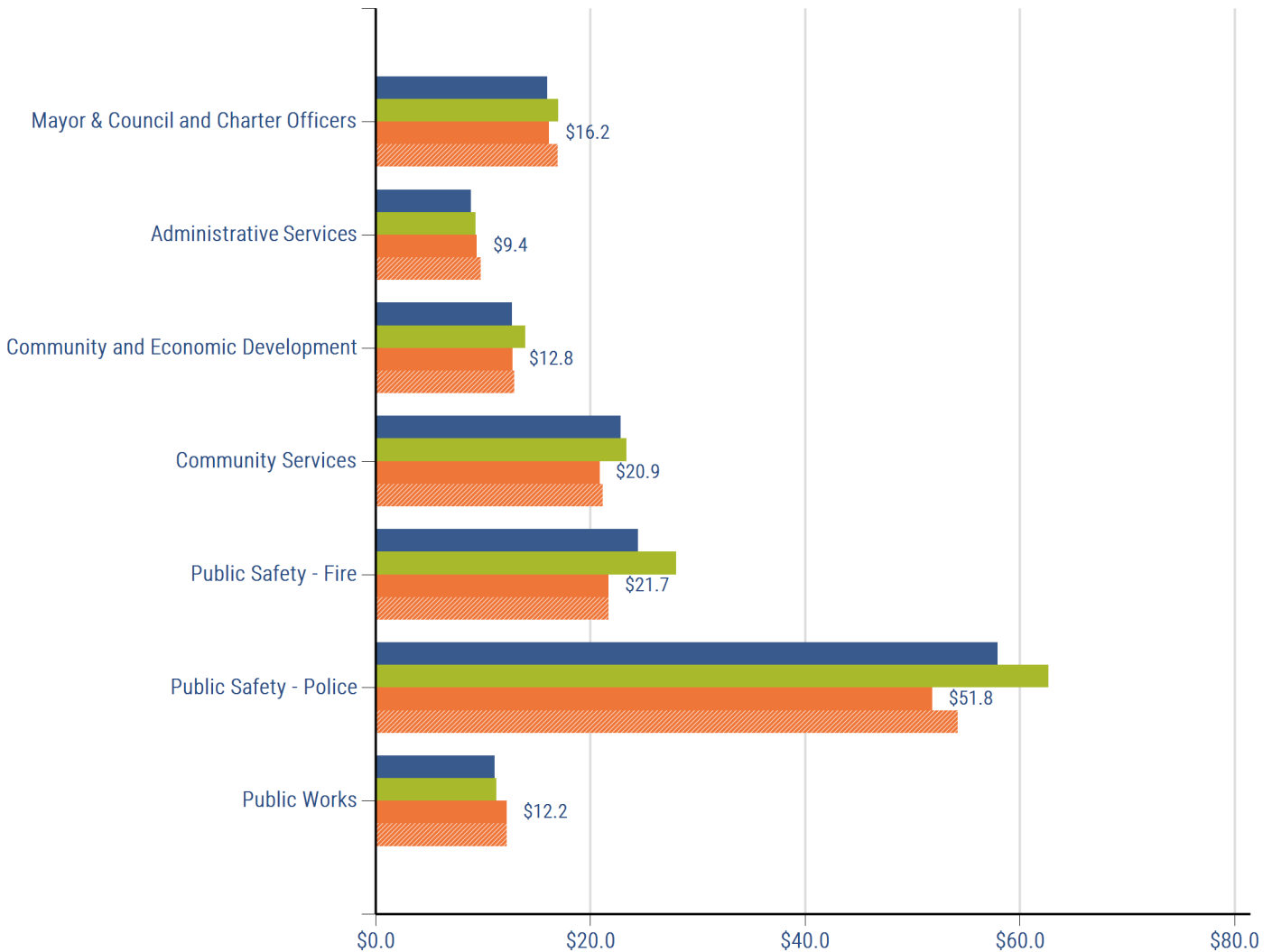
Actual to Revised Budget variance of (\$4.8) million or 0%: CIP is unfavorable due to a transfer related to the purchase of land from the Arizona State Land Department for the WestWorld Main Access and Master Plan project approved by City Council at the December 1st, 2020 meeting.

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|------------|
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Debt Service Fund | - | - | - | - | - | - |
| CIP | - | 0.5 | 4.8 | - | (4.8) | n/a |
| CIP 25% Construction Sales Tax | - | - | - | - | - | - |
| CIP Excess Interest Earnings | - | - | - | - | - | - |
| CIP Food Tax | - | - | - | - | - | - |
| CIP Stormwater Fee | 1.3 | 1.9 | - | - | - | - |
| Transfers Out Total | \$1.3 | \$2.4 | \$4.8 | \$0.0 | (\$4.8) | n/a |

\$ in millions / rounding differences may occur



Division Expenditures (Fiscal Year to Date: January 2021)



■ FY 2018/19 - Actuals
 ■ FY 2019/20 - Actuals
 ■ FY 2020/21 - Actuals
 ■ FY 2020/21 - Revised Budget

| | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2020/21 Revised Budget | Actual vs. Budget Favorable / (Unfavorable) Amount | Percent |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--|-----------|
| Mayor & Council and Charter Officers | \$16.0 | \$17.0 | \$16.2 | \$17.0 | \$0.8 | 5% |
| Administrative Services | 8.9 | 9.3 | 9.4 | 9.8 | 0.4 | 4% |
| Community and Economic Development | 12.7 | 14.0 | 12.8 | 13.0 | 0.2 | 1% |
| Community Services | 22.9 | 23.4 | 20.9 | 21.1 | 0.3 | 1% |
| Public Safety - Fire | 24.5 | 28.0 | 21.7 | 21.7 | - | - |
| Public Safety - Police | 57.9 | 62.7 | 51.8 | 54.2 | 2.4 | 4% |
| Public Works | 11.1 | 11.2 | 12.2 | 12.3 | - | - |
| Total | \$154.0 | \$165.7 | \$145.0 | \$149.1 | \$4.0 | 3% |



Actual to Revised Budget variance of \$4.0 million or 3%: Mayor & Council and Charter Officers is favorable due to lower-than-expected banking services charges and less postage, shipping, printing and graphic costs in the City Treasurer Division due to events being canceled as a result of COVID-19. It is also due to fewer consultant and other professional services needs than expected in the City Manager's Division. Administrative Services is favorable due to timing in receiving and processing software and license invoices, as well as one-time savings in equipment maintenance. Community Services is showing a small favorable variance. However, there is actually a larger favorable variance due primarily to the timing of software maintenance, WestWorld promotional material and other invoices, and lower printing and graphic costs related to less promotional material being sent out due to the COVID-19 pandemic. It is also due to delays in and the lower expected need to purchase operating equipment and agricultural supplies for field maintenance based on usage rates. The favorable variance is being almost completely offset by part-time employees' hours needed based on the ebb and flow of the COVID-19 pandemic as facilities are opening at a higher rate than what was expected during budget development. It is also due to the purchase of inventory for resale at WestWorld for the AZ Fall Championship show that was doubled in size because of the cancellation of the same event in another state, the timing of the purchase of irrigation supplies and higher than expected costs for pool and fountain chemicals. Public Safety – Fire is showing a net zero favorable variance. However there is actually an unfavorable variance almost completely being offset by a favorable variance. The unfavorable variance is primarily due to 16 firefighters out of work due to workers comp, off duty injury and FMLA. It is also due to overtime needed for covering apparatuses while the wildland fire team prepared for the fire season which is worse than usual due to the dry conditions currently being faced and unbudgeted emergency sick leave costs related to COVID-19. The offsetting favorable variance is due to delays in purchasing furniture, clothing, small equipment, fitness supplies and other items, less than estimated other compensations such as specialty pay and rank promotions with replacement employees coming in at a lower rate than the person who was promoted. Public Safety – Police is favorable primarily due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted, lower Jail Services contract costs as a result of fewer offenders being arrested and sent to Maricopa County Jail in an attempt to mitigate the spread of COVID-19 and less food needing to be purchased to feed those offenders. It is also due to fewer Photo Enforcement dispositions, some photo radar sites being down as well as several special events requiring overtime support being canceled or rescheduled due to COVID-19. Finally, it is due to the timing of invoices, delays in purchasing some supplies and overall PSPRS expenses being lower than estimated as a result of less experienced employees replacing retirees who were more of a burden on the retirement system. The favorable variance would have been greater but is being partially offset primarily by unexpected software costs to assist with potential civil unrest activities, higher than expected overtime worked during the holidays for details and special investigations and a decision to pay holiday pay for city recognized and actual holidays when they fall on two different days. It is also due to invoice timing, and an unexpected need for on-call service technicians to assist with secure access control and closed caption television (CCTV) maintenance. Public Works is showing a net zero variance, but actually has a favorable variance due to delays and rescheduling of projects being almost completely offset by unexpected supplies needed to accommodate Facilities staff who moved from one floor to another at North Corp Yard to accommodate Public Safety - Fire personnel and the timing of the roof recoating project at the Scottsdale Museum of Contemporary Art (SMOCA).