

Financial and Capital Improvement Plan (CIP) Update Preliminary Fiscal Year 2023

City Treasurer's Office

City Council Meeting – August 21, 2023

FY22/23 Financial Reporting Timeline



FY22/23 General Fund Operating Highlights

□ Strong Revenue Growth

- General Fund operating revenues ◇ 9.6% increase from prior year; 10.4% over budget
- Sales Tax revenues ◇ 9.7% increase from prior year; 17.2% over budget
- Fees and Charges ◇ 3.6% increase from prior year; 13.2% over budget

□ Increased Expenditures Offset by Budget Savings

- Personnel costs ◇ 6.6% increase from prior year ; 2.3% under budget
- Commodities and Contracts ◇ 11.8% increase from prior year; 0.4% over budget

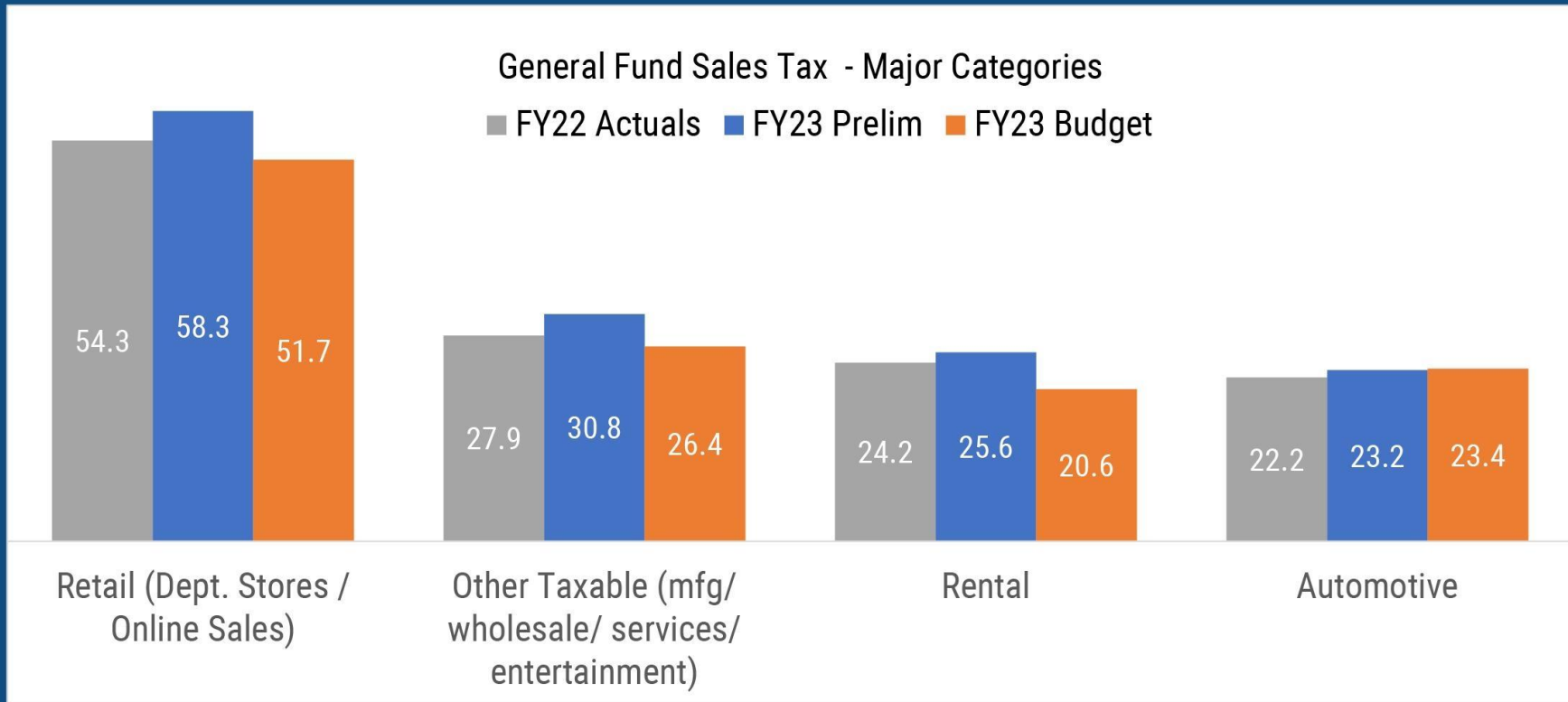
General Fund Total Revenues – Preliminary FY22/23

9.6% Increase from prior year

(in millions)	FY22 Actuals	FY23 Prelim	FY23 Budget	Budget Variance	
				\$	%
Local Sales Tax	181.8	199.4	170.1	29.3	17.2%
State Shared	78.5	94.0	93.8	0.2	0.2%
Charges for Services	16.6	17.2	15.2	2.0	13.2%
Other	96.0	99.6	92.5	7.1	7.7%
Subtotal	\$ 372.9	\$ 410.2	\$ 371.6	\$ 38.6	10.4%
Land sale proceeds	20.5	21.2	-	21.2	
Total	\$ 393.4	\$ 431.4	\$ 371.6	\$ 59.8	16.1%

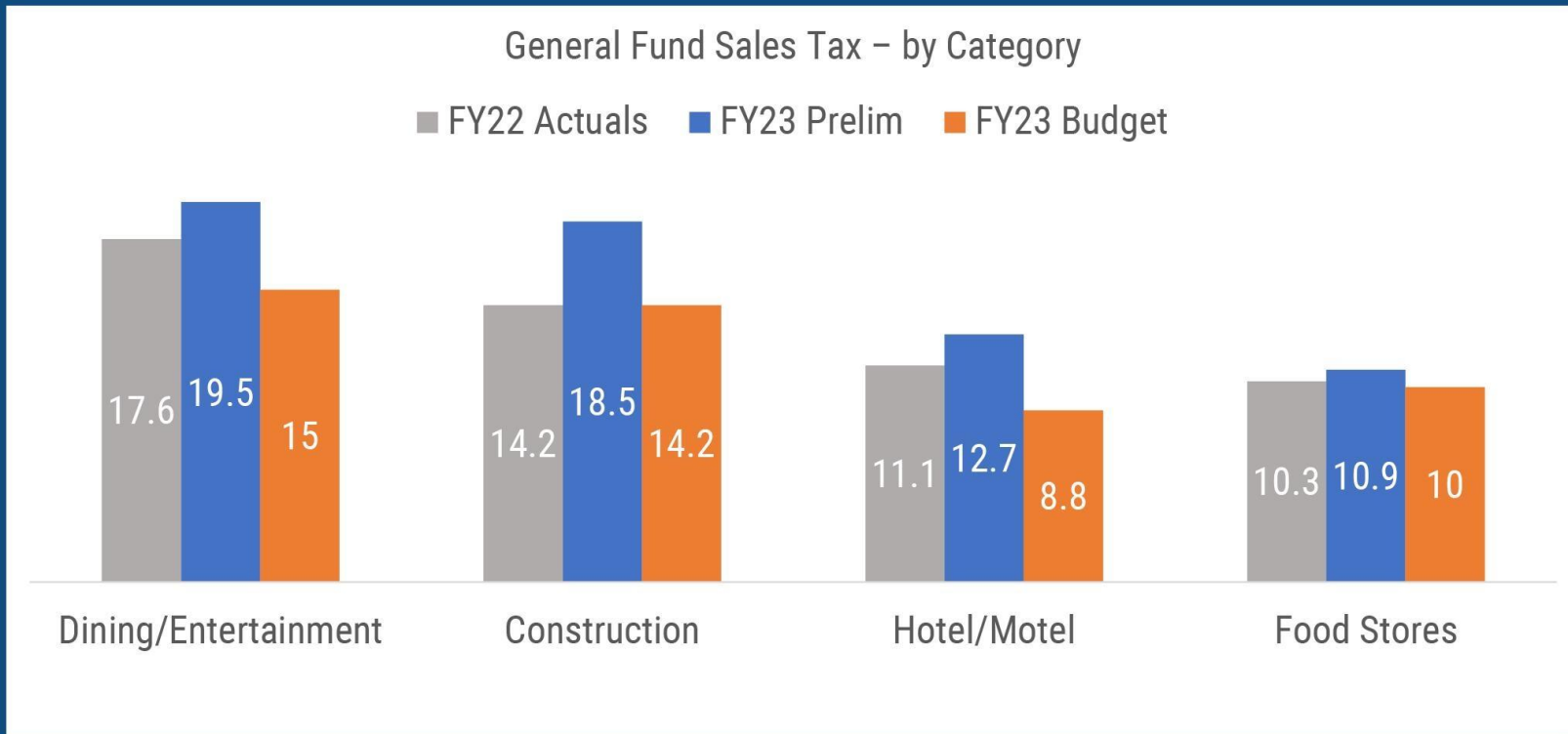
Note: Amounts excludes Transfers In. Preliminary amounts are subject to change with year-end adjustments

General Fund Local Sales Tax – Preliminary FY22/23



Note: Sales tax accounted for in the General Fund consists of the general sales tax of 1.0% and the Public Safety sales tax of 0.1%. The city's total sales tax rate is 1.75%.

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FY22/23 Sales Tax Results

- ❑ Retail - continued strong growth due to inflation and consumer spending
- ❑ Dining / Entertainment – much higher pent-up demand for travel than expected and new hotels
- ❑ Construction - speculative sales and large audit recoveries
- ❑ Higher than normal audit recoveries ♦ \$8.5M recoveries in General Fund
- ❑ Several categories showing relatively flat or negative trends
 - Major department stores
 - Automotive sales
 - Food stores

General Fund Operating Expenditures – Preliminary FY22/23

(in millions)	FY22 Actuals	FY23 Prelim	FY23 Budget	Budget Variance	
				\$	%
Personnel Costs	207.9	221.7	227.0	5.3	2.3%
PSPRS Extra Contributions	40.0	10.0	12.0	2.0	16.7%
Commodities and Contracts	80.5	90.0	89.6	(0.4)	-0.4%
Debt	0.4	0.4	0.4	0.0	0.0%
Total Operating Exp	\$ 328.8	\$ 322.1	\$ 329.0	\$ 6.9	2.1%

Note: Amounts excludes Transfers Out. Preliminary amounts are subject to change with year-end adjustments.

Superbowl Expenses - Preliminary FY22/23

(in millions)	FY22/23 Prelim.*	FY22/23 Approved Budget	Budget Variance
Super Bowl contract (contract amount \$1,212,401)	0.3	0.3	0.0
Police Overtime	0.5	1.0	0.5
Entertainment District lighting, security cameras and bollards	4.0	5.2	1.2
Other	0.6	1.0	0.4
Total Superbowl Expenses	\$5.4	\$7.5	\$2.1

West World - Preliminary FY22/23

(in millions)	FY21/22 Actual	FY22/23 Prelim.*	FY22/23 Approved Budget	Budget Variance
Operating Revenues	\$7.4	\$7.6	\$5.8	\$1.8
Operating Expenses				
Personnel Services	\$2.3	\$2.4	\$2.9	\$0.5
Utilities	\$1.3	\$1.5	\$1.5	\$0.0
Equipment, Supplies, Maint. & Repairs	\$0.9	\$1.4	\$1.1	-\$0.3
Other	\$2.6	\$3.2	\$3.0	-\$0.2
Operating Expenses	\$7.1	\$8.5	\$8.5	\$0.0
Net Debt Service	\$4.6	\$3.6	\$3.7	\$0.1
Operating Income After Debt Service	-\$4.3	-\$4.5	-\$6.4	\$1.7

Bond 2019 Projects – Preliminary FY22/23

Total Debt Issued To-Date- \$132.7M

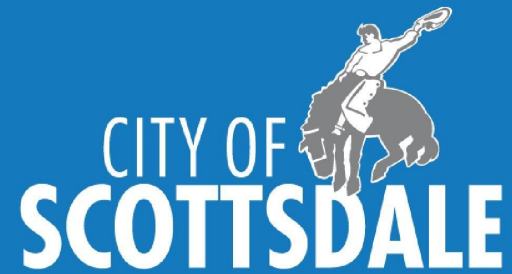
G.O. Bond 2019 - Preliminary June 2023

Bond 2019 Program 3 Questions	# of Projects	Voter Authorized	YTD Expenditures	
1) Parks, Recreation and Senior Services	14	\$112.6	\$15.9	14%
2) Community Spaces and Infrastructure	20	\$112.3	\$24.3	22%
3) Public Safety and Technology	24	\$94.1	\$2.3	2%
Total	58	\$319.0	\$42.5	13%

Rounding differences may occur.

Note: FY23 Actuals are preliminary results and subject to year-end adjustments.

Questions ?



FY 2022/23 CIP Quarterly Update Quarter 4

City Council Meeting – August 21, 2023

Agenda

- Bond 2019
- CIP Projects In Design
- CIP Projects Under Construction

Bond 2019 Program

Bond 2019 – Question 1 - FY 2022/23 Projects

No.	Title	Status
2	Add Splash Pad and Improve Walkways at McCormick-Stillman Railroad Park	Design progressing
30	Indian School Park Field 1 Lighting	Project is complete
41	Install Solar Heating System for Eldorado Pool	Analyzing alternatives
42	Add a Dog Park to Thompson Peak Park	Design progressing
53	Build Multi-Use Sports Fields in the area of Bell Road	Phase 2 construction progressing
55	Build a 17-Acre Park at Ashler Hills Drive & 74 th Way (Whisper Rock)	100% plans in for review
61	Purchase land, expand Pinnacle Peak Park parking lot, staff office and restrooms, renovate hiking trail and construct an interpretive trail	Waiting on ASLD for approval to submit application for auction

Two question 1 projects are completed

2 - Add Splash Pad and Improve Walkways at McCormick-Stillman Railroad Park

Project description:

- Add a splash pad and Improve walkways at McCormick-Stillman Railroad Park to implement the park's master plan to boost attendance and revenues. The splash pad will boost park attendance and revenues from May through August when both numbers drop off.

Status:

- Will be constructed with the new Roundhouse project (formerly the Bunkhouse Replacement project)
- Plans are at 90%
- Construction Manager at Risk is updating pricing
- Construction planned to start this winter; 12-month construction

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$917k	\$80k	\$175k	\$662k







55- Build a 17-Acre Park at Ashler Hills Drive & 74th Way (Whisper Rock)

Project description:

- Open turf play areas
- Shaded playground
- Restrooms
- Lighted Sport Courts (basketball and pickleball)
- Walking Paths and Trails
- Lighted Parking (70 spaces)

Status:

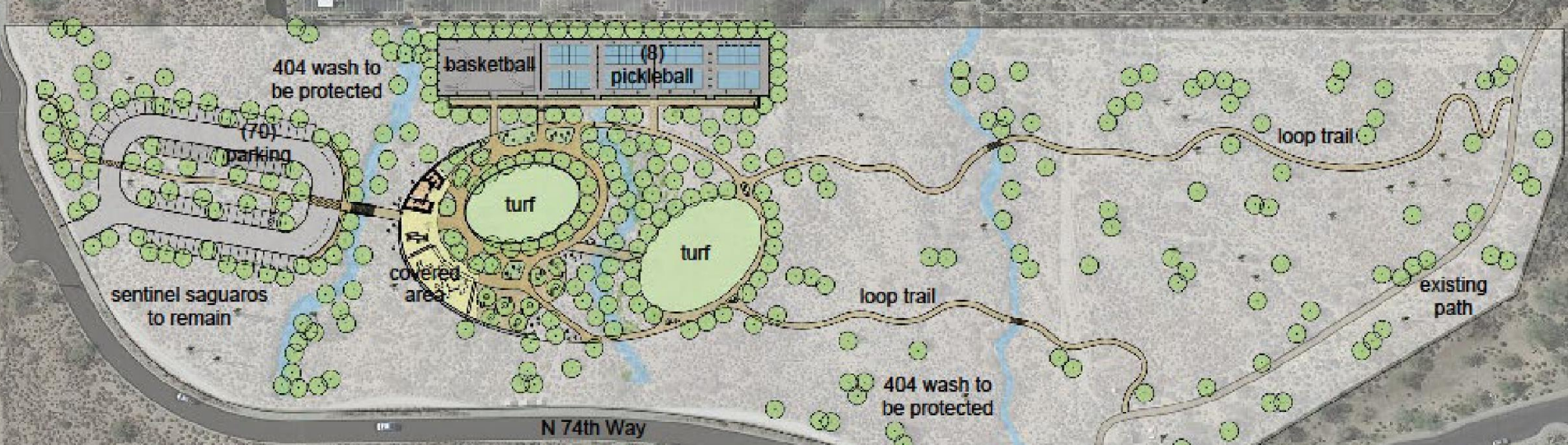
- Native plant salvage to begin this summer
- Design is at 100%
- Minor modifications to bridge, UG storage and roof structure
- Construction GMP anticipated later this winter; 12-month construction-



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$6.1 M	\$610k	\$90k	\$5.4 M

Ashler Hills Dr

SITE PLAN



AERIAL VIEW FROM NORTHWEST



ENTRY BRIDGE



Bond 2019 – Question 2 - FY 2022/23 Projects

No.	Title	Status
1	Replace Aging Infrastructure and Improve Public Event Spaces on Civic Center Plaza	Construction is complete and Civic Center is open. Working on punch list. Grand re-opening to be held in October.
15	Build 200 space Parking Lot off 75 th Street to serve the City Court and Scottsdale Stadium	Will be built with Scottsdale Stadium Phase 2 project
18	Build Roadway & Pedestrian Improvements along 2 nd Street from Drinkwater Boulevard to Goldwater Boulevard	In design; evaluating concepts
23	Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash	GMP 1 and 2 have been awarded and construction is progressing
45	Renovate Horse Barns to Increase Rentable Space	First barn was completed in February 2023. Four additional barns are currently being replaced
57	Install Solar Systems at North Corp Campus	In construction with parking deck
63	Build Parking Structures in Old Town Scottsdale	Pending decisions on location, scope

Four question 2 projects are completed

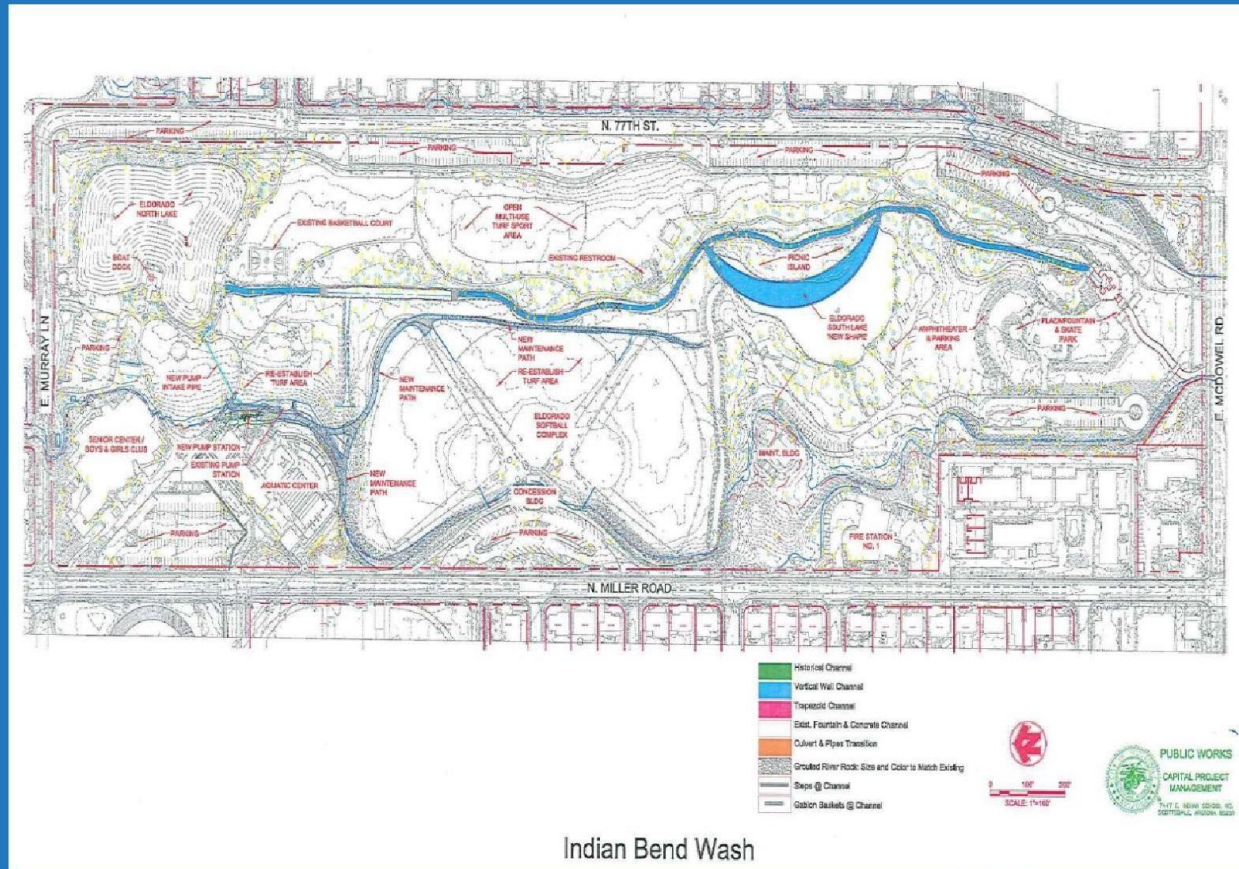
23- Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash

Project Description:

- Repair failing lakes and irrigation from McKellips Road to Thomas Road

Status:

- Construction at Eldorado Park is underway
- Lake dredging complete
- Landscape conversion in process
- Most new trees and plants installed
- DG being installed



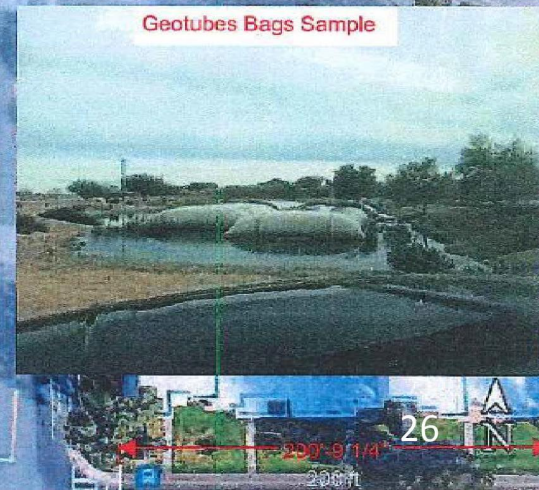
Indian Bend Wash

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$11.0 M	\$1.6 M	\$7.5 M	\$1.9 M

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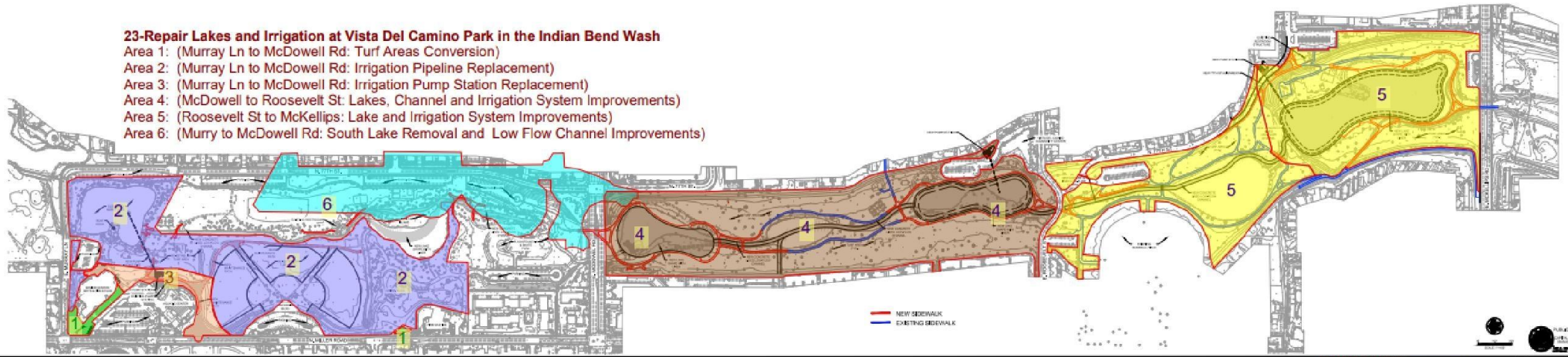
- Legend**
- 7641 E Murray Ln Parking
 - Boys & Girls Clubs of Greater Scottsdale?
 - Eldorado Aquatic & Fitness Center
 - Eldorado Park Playground



Project Areas

23-Repair Lakes and Irrigation at Vista Del Camino Park in the Indian Bend Wash

- Area 1: (Murray Ln to McDowell Rd: Turf Areas Conversion)
- Area 2: (Murray Ln to McDowell Rd: Irrigation Pipeline Replacement)
- Area 3: (Murray Ln to McDowell Rd: Irrigation Pump Station Replacement)
- Area 4: (McDowell to Roosevelt St: Lakes, Channel and Irrigation System Improvements)
- Area 5: (Roosevelt St to McKellips: Lake and Irrigation System Improvements)
- Area 6: (Murry to McDowell Rd: South Lake Removal and Low Flow Channel Improvements)



Indian Bend Wash

BOOTHSCALE_A2

57 – Install Solar Systems at North Corp Campus

Project Description:

- Install photovoltaic solar systems at North Corp Yard
- Being delivered with the North Corporation Yard Garage project

Status:

- NCY Garage is complete
- All solar panels are installed and contractor is completing wiring activities
- Due to long lead electrical items and APS approvals, the final connection will occur in November with activation in December 2023



View of shade structure

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$4.81 M	\$3.77 M	\$466k	\$574k





Bond 2019 – Question 3 - FY 2022/23 Projects

No.	Title	Status
5	Modernize Computer Equipment Rooms to Protect City Servers	Power portion of the project (UPS) complete; next phase will be HVAC unit replacement
7	Replace Outdated 911 Computer Aided Dispatch and Records Management to Improve Efficiency	RMS went live November 2022; Working on scheduling Computer Aided Dispatch
8	Replace Website Management Software	Building out website content; target end date Fall 2023
9	Install Fiber Optic Infrastructure to Reduce Operating Costs	Multiple locations in design and construction
11	Replace Document Management System to Improve Public Access to Information	Project completed
12	Update Scottsdale's 15 Year-old Digital Terrain Model	On hold pending evaluation of USGS data
14	Replace Obsolete Planning and Permitting Software	Consultant proceeding with evaluation and assessment
17	Obtain a Citywide Data Management and Analytics Solution for Data-Based Decision Making	Project completed
28	Build New Fire Station near Hayden Road and Loop 101 to Improve Response Times	In design
29	Replace Workstations at 911 Communications Dispatch Center to Accommodate New Technology	Furniture vendor finalizing design. Delivery and install scheduled for November

Bond 2019 – Question 3 (continued)

No.	Title	Status
26	Replace Deteriorating Vehicle Track at Police and Fire Training Facility	FD and PD training facilities are under construction. Target completion end of 2024.
27	Modernize and Expand the Police and Fire Training Facility	
38	Build a New Fire Department Training Facility	
33	Renovate Via Linda Police Station to Increase Efficiency	Portion is in design in support of Bond project 29
35	Install Bullet Proof Glass in Reception Areas of Police Department Facilities	One remaining facility is Via Linda
36	Provide Free Wi-Fi at the Civic Center Plaza	Project is complete
37	Implement an Inventory and Asset Control System for City Technology	Starting to receive equipment and building servers for first phase
40	Renovate & Expand Civic Center Jail and Downtown Police Facility to Meet Demand	Design progressing

Six question 3 projects are completed

40 - Renovate & Expand Civic Center Jail and Downtown Police Facility to Meet Demand

Project Description:

- Renovate Civic Center Jail and Downtown Police facility
- These facilities were built in 1971 and no longer provide appropriate working environments for staff or holding environments for prisoners.

Status:

- Schematic design is complete
- Proceeding with Design Development for Phase 1
- First phase will address the jail remodel and 2-story addition
- Second phase will address the relocation of the prosecutor to the former District Two station space.



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$13.1M	\$300k	\$1.2M	\$11.6M

Completed Bond 2019 Projects

Question 1:

10 - Replace Tennis Court Surface at Indian School Park and Tennis Center

24 - Install High Efficiency Sports Lighting at 4 Facilities

30 – Indian School Park Field 1 Lighting

Question 2:

46 - Replace the Public Address System at WestWorld

47 - Replace WestWorld Arena Lights to Reduce Operating Costs

50 - Renovate Arena at WestWorld to Provide Flexible Event Space

52 - Expand Restrooms in WestWorld North Hall

Question 3:

4 - Replace Outdated Emergency Response Equipment for Fire Department

6 - Replace Emergency Power Source for Public Safety Radio Network

11 - Replace Document Management System to Improve Public Access to Information

16 - Replace the City's Obsolete Training Software

17 - Obtain a Citywide Data Management and Analytics Solution for Data-Based Decision Making

36 - Provide Free Wi-Fi at the Civic Center Plaza

44 - Replacement of Fire Utility truck to be used on Fire Ground Activity and Response to Hazard Materials and Technical Rescue Incidents

Capital Improvement Projects: In Design

Granite Reef Wash Phase 2B

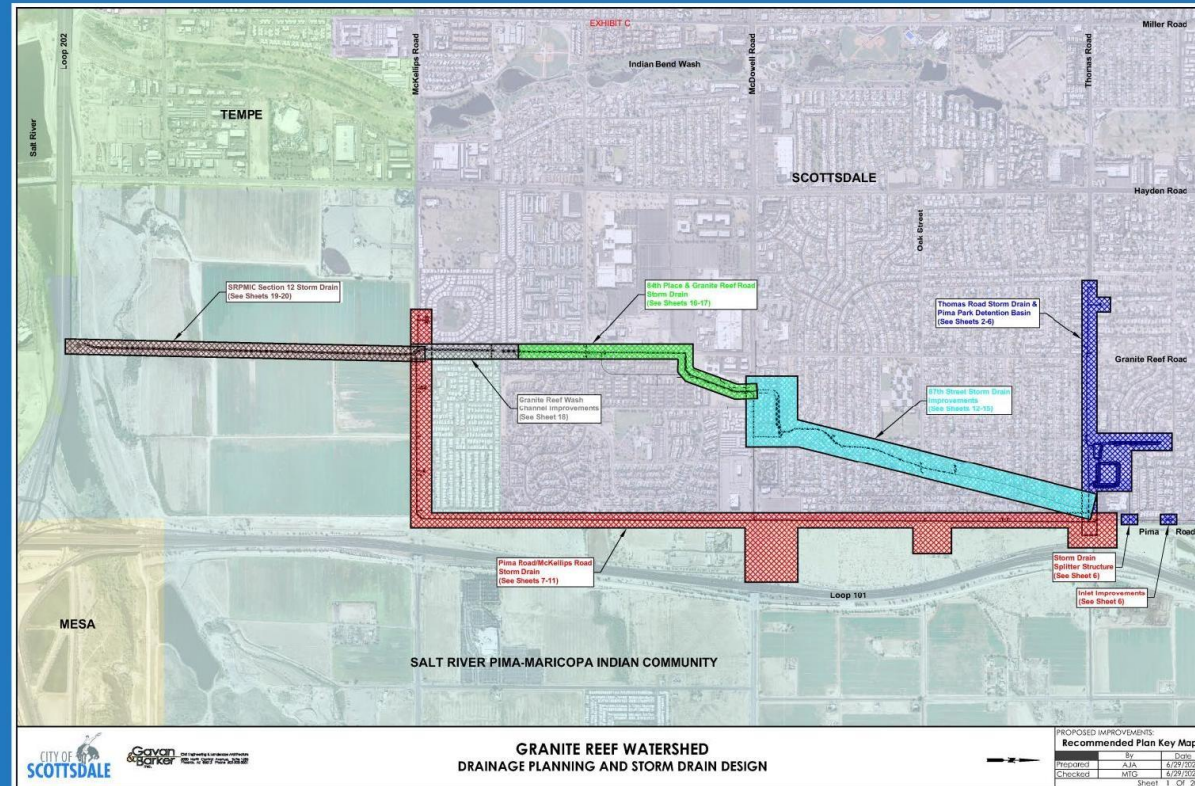
Project Description:

- Construct a detention basin in Pima Park and storm drain, channel and culvert improvements along Granite Reef Wash from Thomas Road to McKellips Road
- The primary purpose of this project is to eliminate the FEMA floodplain along Granite Reef Wash

Status:

- Engineering Services contract awarded July 10, 2023
- Design kick-off meeting was held in August 2023
- Construction anticipated to begin in 2025

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$2.62 M	\$35k	\$4k	\$2.58 M



Capital Improvement Projects: Under Construction

Pima Road – Pinnacle Peak Road to Happy Valley Road

Project Description:

- Design and acquire right of way and construct a six-lane major arterial cross-section with landscaped median, turn lanes, bike lanes, sidewalk, curb and gutter, roadway drainage and ITS

Status:

- Work continues with installation of sound wall on west side of Pima Road
- West half of draining components to complete culverts under Pima Road
- Two lanes of traffic in each direction during this work with no lefts at Pinnacle Peak and Happy Valley Road
- Project completion Summer 2024



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$50.2 M	\$22.5 M	\$19.8 M	\$7.9 M





Miller Road - Pinnacle Peak Road to Happy Valley Road

Project Description:

- Improvements to Miller Road from approximately 400 feet north of Pinnacle Peak Road to Parkview Lane, including a vehicular bridge crossing of the Rawhide Wash.
- The main purpose of this project is to fill in the missing gap in Miller Road and provide a continuous roadway corridor for all modes of transportation

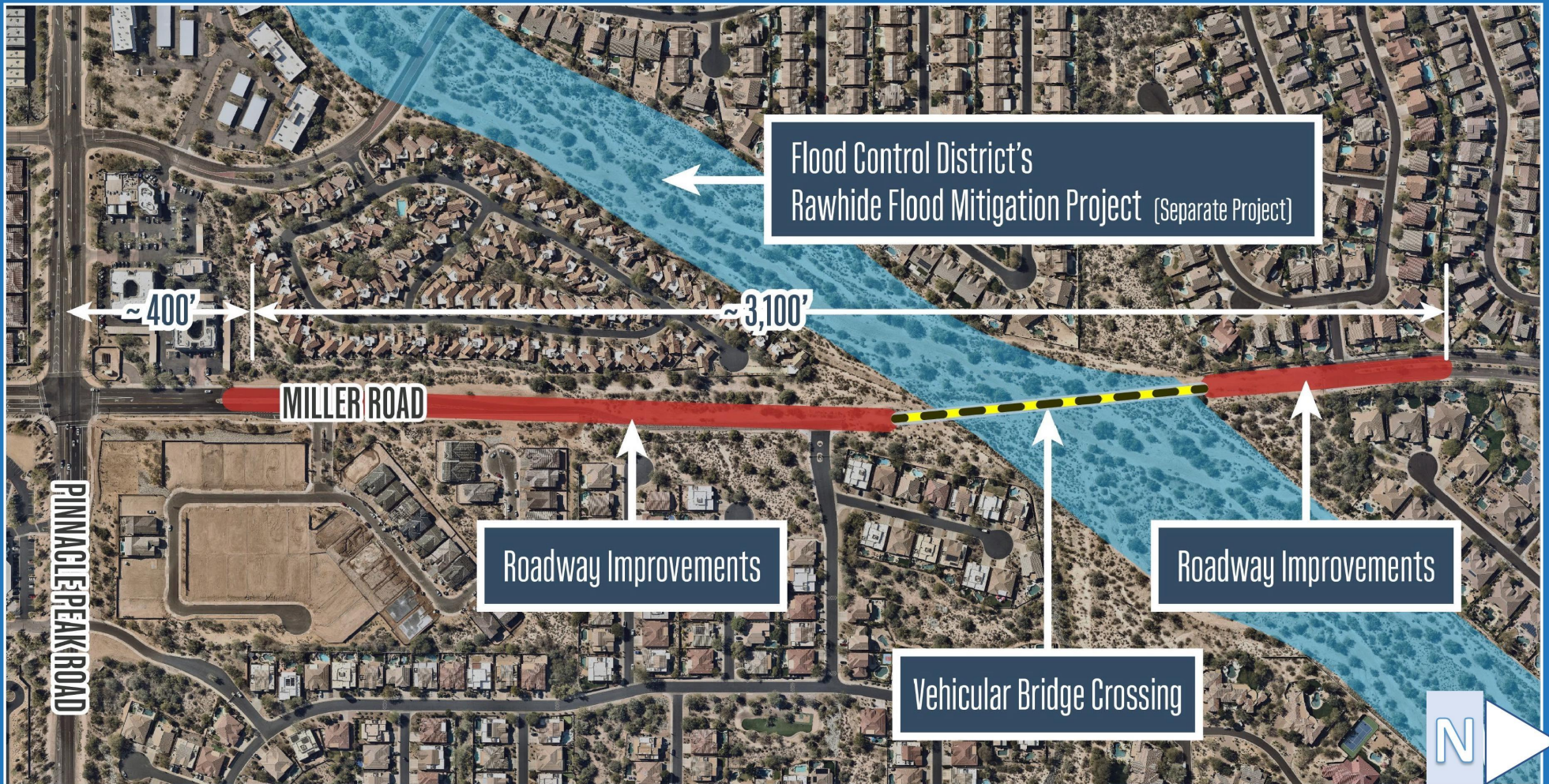
Status:

- Construction bid award authorized by City Council on June 13, 2023
- Notice to Proceed was issued in July
- Contractor has started Native Tree salvage and removals
- Target completion Summer 2024

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$20.4 M	\$4.2 M	\$130k	\$15.9 M



Project Corridor Limits



Scottsdale Road Waterline from Gold Dust Avenue to Shea Blvd.

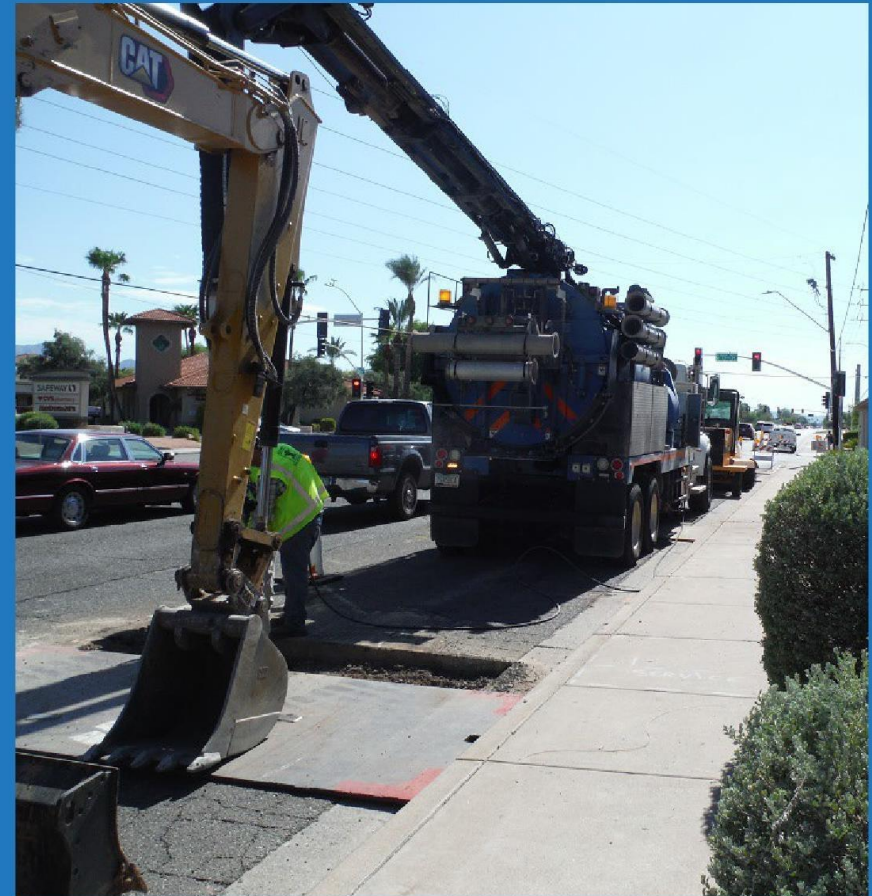
Project Description:

- An existing segment of waterline on Scottsdale Road, between Gold Dust Avenue and Shea Boulevard has been identified as at risk of failing and needs to be replaced.
- The project will install 1,300 feet of new 8-inch polyethylene encased, ductile iron pipe, 850 feet of new copper service and relocate 15 service meters.

Status:

- Work began July 31 and is scheduled to be complete in late October
- The majority of construction work will take place at night in order to provide minimal disruption to businesses and the traveling public

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$2.1 M	\$0 M	\$2.0 M	\$100k





Chaparral Pool Renovation

Project Description:

- Renovate the existing main pool to accommodate an increase in swim area/lanes

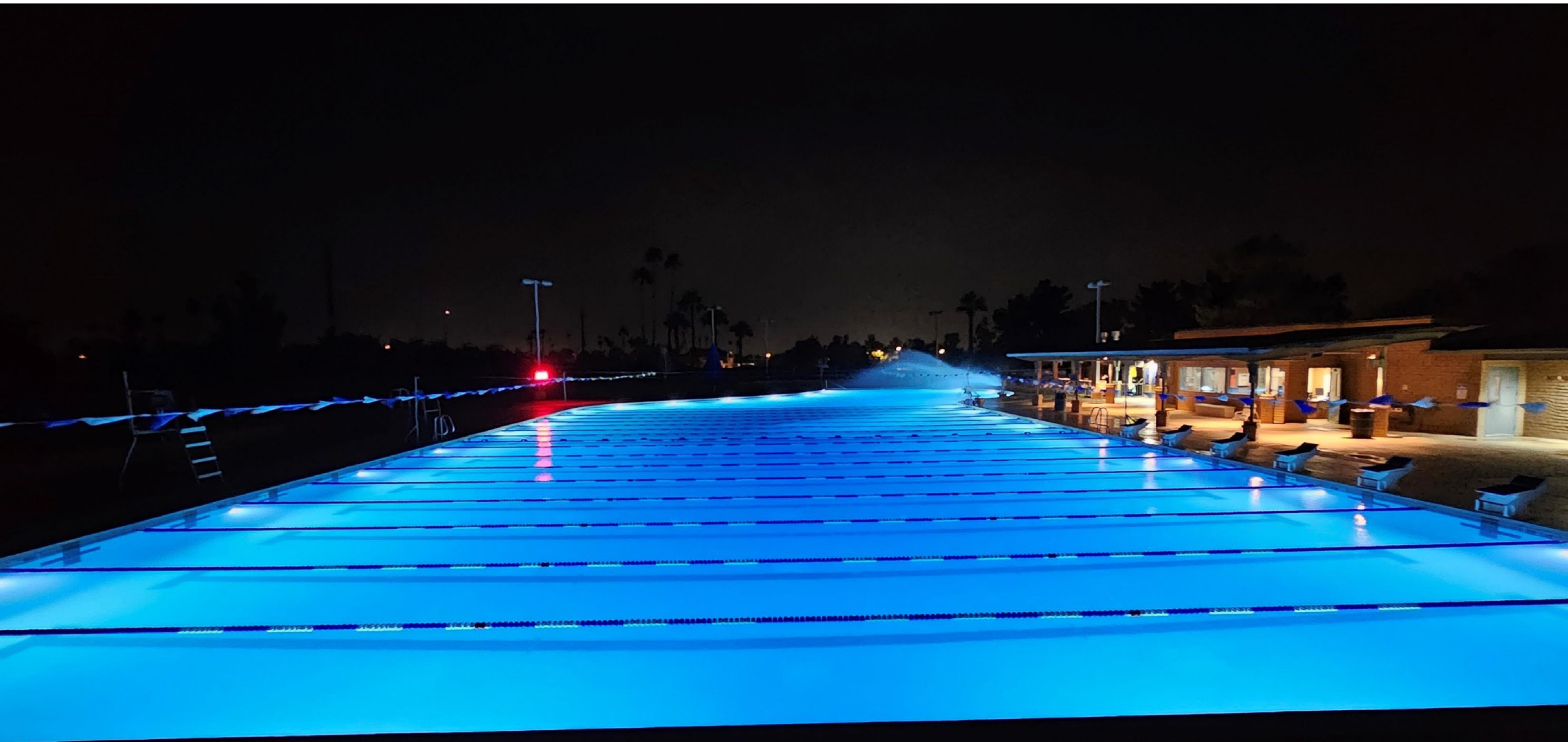
Status:

- Pool has been reopened
- Aquatic facility has been expanded to 16 lap lanes including 8 USA Swimming competition lanes with Olympic grade starting blocks
- Concrete shaded area with bleachers for competition viewing
- Commercial aeration system to cool the pool during high summer temperatures



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$1.1 M	\$846k	\$252k	\$1k





Questions and Comments?