

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MAY 22, 2018**



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:03 P.M. on Tuesday, May 22, 2018, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Virginia L. Korte; and Councilmembers Suzanne Klapp, Kathleen S. Littlefield, Linda Milhaven, Guy Phillips, and David N. Smith

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Troop 1667, Troop Leader Anita Elco

INVOCATION – Azra Hussain, President of Islamic Speakers Bureau of Arizona

MAYOR'S REPORT

Mayor Lane announced that this is Vice Mayor Korte's last meeting as Vice Mayor and thanked her for her service.

Mayor Lane congratulated Water Resources Director Brian Biesemeyer on receiving the Arizona Water Environmental Stewardship Award for significant contributions and sustaining practices in the Arizona water/wastewater industry.

Mayor Lane announced that Sequoya Elementary was this year's recipient of the "Bench the Bag" award, having collected 2,126 pounds of thin film soft plastic. As the winning school, Sequoya Elementary received a bench made from recycled plastic bags. Mayor Lane thanked the Scottsdale schools for their participation in the program, noting that every school that participated received a bird house made from recycled plastic bags.

Mayor Lane read a proclamation in honor of Home Fire Sprinkler Day.

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

- **Check Presentation to Operation Fix-It**

Presenter(s): Mark DeWane, President of Scottsdale Business Development Forum

Scottsdale Business Development Forum President Mark DeWane presented a check in the amount of \$35,000 to Operation Fix-It.

Operation Fix-It Program Manager Michelle Holmes expressed appreciation to Mayor Lane and Mark DeWane for their support of Operation Fix-It.

PUBLIC COMMENT – None

ADDED ITEMS

A1. Added Items

The council report and supporting materials for Item No. 33 were added to the agenda less than ten days prior to the meeting and will require a separate vote to remain on the agenda.

Request: Vote to accept the agenda as presented or to continue the added item(s) to the June 12, 2018 Council meeting.

MOTION AND VOTE – ADDED ITEMS

Vice Mayor Korte made a motion to accept the agenda as presented. Councilman Smith seconded the motion, which carried 7/0.

MINUTES

Request: Approve the Work Study Session Minutes of March 27, 2018, and April 17, 2018; Special Meeting Minutes of April 17, 2018; and Regular Meeting Minutes of April 24, 2018, and May 1, 2018.

MOTION AND VOTE – MINUTES

Vice Mayor Korte made a motion to approve the Work Study Session Minutes of March 27, 2018, and April 17, 2018; Special Meeting Minutes of April 17, 2018; and Regular Meeting Minutes of April 24, 2018, and May 1, 2018. Councilwoman Littlefield seconded the motion, which carried 7/0.

CONSENT AGENDA

1. Joyful Chinese Dining Liquor License (13-LL-2018)

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: 9699 N. Hayden Road, Suite 102

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

- 2. Fresh Barbeque Innovations Liquor License (14-LL-2018)**
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: 15111 N. Hayden Road, Suites 170 and 180
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 3. Schmooze Workspace & Café Liquor License (19-LL-2018)**
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 a new location and owner.
Location: 4222 N. Marshall Way
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. The Herb Box Liquor License (21-LL-2018)**
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: 7051 E. 5th Avenue, Suite J
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 5. Safeway No. 966 Liquor License (23-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a person transfer of a Series 9 (liquor store) with sampling privileges State liquor license for an existing location with a new owner.
Location: 6965 N. Hayden Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Safeway No. 2955 Liquor License (24-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a person transfer of a Series 9 (liquor store) with sampling privileges State liquor license for an existing location with a new owner.
Location: 2785 N. Scottsdale Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Kelly's at Southbridge Liquor License (25-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for an acquisition of control change for an existing Series 6 (bar) State liquor license.
Location: 7117 E. 6th Avenue
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 8. Riot House Liquor License (26-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a person transfer of a Series 6 (bar) State liquor license for an existing location with a new owner.
Location: 4425 N. Saddlebag Trail, Suites 101 and 105
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 9. Maui Pasta Liquor License (27-LL-2018)**
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 a new location and owner.
Location: 7704 E. Doubletree Ranch Road, Suite 115
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 10. Ocean 44 Liquor License (28-LL-2018)**
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 a new location and owner.
Location: 4748 N. Goldwater Boulevard
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 11. Circle K Store No. 274 1711 Liquor License (29-LL-2018)**
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 an existing location with a new owner.
Location: 2865 N. Scottsdale Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 12. T-Mobile Scottsdale Ranch Conditional Use Permit (27-UP-2006#3)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 11117** approving a Conditional Use Permit for an existing Type 4 Alternative Concealment Wireless Communication Facility concealed within an artificial palm tree with Single-Family Residential, Planned Community District (R1-18 PCD) zoning.
Location: Southwest corner of E. Shea Boulevard and N. 100th Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 13. Rack Conditional Use Permits (4-UP-2018 and 5-UP-2018)**
Request: Find that the conditional use permit criteria have been met and adopt:
 1. **Resolution No. 11114** approving a Conditional Use Permit for a bar on a .84±-acre site with Downtown District, Office Commercial Type 2, Downtown Overlay (D/OC-2 DO) zoning.
 2. **Resolution No. 11115** approving a Conditional Use Permit for a pool hall on a .84±-acre site with Downtown District, Office Commercial Type 2, Downtown Overlay (D/OC-2 DO) zoning.**Location:** 3636 N. Scottsdale Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

- 14. Thompson Abandonment (2-AB-2018)**
Request: Adopt **Resolution No. 11112** authorizing the abandonment of the 33-foot General Land Office Patent Easement located along the western boundary of Parcel No. 217-32-032D, with Single-Family Residential Environmentally Sensitive Lands (R1-43 ESL) zoning.
Location: 12310 E. Gold Dust Avenue
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 15. Ironwood Village Final Zoning Classification Ordinance Adoption (47-ZN-1987#2)**
Request: Adopt **Ordinance No. 4343** affirming zoning classification as approved in 47-Z-1987 and approving final ordinance adoption for a 2.6±-acre site located within Parcel 1 of the Ironwood Village as Central Business, Environmentally Sensitive Lands (C-2 ESL) zoning.
Location: Northwest corner of N. Pima Road and E. Legacy Boulevard
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 16. Valley View Homes Rezoning (2-ZN-2015)**
Requests:
 1. Adopt **Ordinance No. 4342** approving a zoning district map amendment from Single-Family Residential (R1-43) zoning to Single-Family Residential, Planned Residential Development (R1-18 PRD) zoning, including a development plan with amended site development standards for a proposed 8-lot subdivision on a 5±-acre site.
 2. Adopt **Resolution No. 11113** declaring the document titled "*Valley View Homes Development Plan*" to be a public record.**Location:** 7450 and 7522 E. Valley View Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 17. Fire Station 616 Improvements Hardship Exemption (2-HE-2018)**
Request: Adopt **Resolution No. 11116** approving a hardship exemption from the current Environmentally Sensitive Lands overlay requirements pertaining to an increase in allowable height located at 10905 E. Loving Tree Lane with Single-Family District, Environmentally Sensitive Lands (R1-43 ESL) zoning.
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 18. Cable Television License Agreement**
Request: Adopt **Resolution No. 11098** authorizing Agreement No. 2007-004-COS-A2 with Cox Communications Arizona, LLC, to extend the term of the agreement until October 31, 2018.
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 19. McDowell Mountain Ranch Park Underground Electrical Easement**
Request: Adopt **Resolution No. 11121** authorizing the conveyance of an underground electrical easement to Arizona Public Service (APS) on the Scottsdale McDowell Mountain Ranch Park site. APS will pay the City the estimated fair market value of \$26,205 for the easement.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

- 20. Library Assistance Program Intergovernmental Agreement**
Request: Adopt **Resolution No. 11088** to authorize Agreement No. 2018-051-COS with the Maricopa County Library District for the Library Assistance Program and the acceptance of new library materials valued at \$408,879 for FY 2018/19.
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 21. Grayhawk Elementary School and Grayhawk Park Intergovernmental Agreement**
Request: Adopt **Resolution No. 11095** authorizing Agreement No. 1996-036-COS-A1 with Paradise Valley Unified School District No. 69 pertaining to the joint use of Grayhawk Elementary School and Grayhawk Park.
Location: 20726 N. 76th Place
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 22. Sonoran Hills Park Intergovernmental Agreement**
Request: Adopt **Resolution No. 11096** authorizing Agreement No. 1997-186-COS-A2 with Paradise Valley Unified School District No. 69 pertaining to the continued joint use of Sonoran Hills Park and adjacent school site.
Location: 7625 E. Williams Drive
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 23. School Resource Officer Intergovernmental Agreement**
Request: Adopt **Resolution No. 11110** authorizing Agreement No. 2018-049-COS with Cave Creek Unified School District for the provision of a Scottsdale Police Officer to serve as a School Resource Officer.
Staff Contact(s): Alan Rodbell, Chief of Police, 480-312-1900, arodbell@scottsdale.gov
- 24. Photo Enforcement Contract**
Request: Adopt **Resolution No. 11087** authorizing Contract No. 2018-045-COS with American Traffic Solutions, Inc., for the provision of photo enforcement services for a five-year period from June 1, 2018 through May 31, 2023.
Staff Contact(s): Alan Rodbell, Chief of Police, 480-312-1900, arodbell@scottsdale.gov
- 25. Information Technology Infrastructure License and Services Agreement**
Request: Adopt **Resolution No. 11134** authorizing Agreement No. 2016-082-COS-A1 with Iron Mountain Data Centers, LLC, the successor in interest to IO Capital Princess, LLC, to lease additional power needed to support City IT services for an additional \$1,875 plus tax per month.
Staff Contact(s): Brad Hartig, Chief Information Officer, 480-312-7615, bhartig@scottsdaleaz.gov
- 26. Independent Pre-Employment Medical Professional Services Contract**
Request: Adopt **Resolution No. 11109** authorizing Contract No. 2018-048-COS with NextCare Arizona, LLC, in an amount not to exceed \$46,290, for independent pre-employment medical services.
Staff Contact(s): Donna Brown, Human Resources Director, 480-312-2615, dbrown@scottsdaleaz.gov

- 27. Employment Respiratory Testing Professional Services Contract**
Request: Adopt **Resolution No. 11133** authorizing Contract No. 2018-056-COS with Tri-City Express Care, PLLC, dba FastMed Urgent Care, in an amount not to exceed \$50,000 annually, for work-related medical clearance for respirator use.
Staff Contact(s): Katherine Callaway, Risk Management Director, 480-312-7841, kcallaway@scottsdaleaz.gov
- 28. Water and Wastewater Development Fees**
Request: Adopt **Ordinance No. 4344** amending Scottsdale Revised Code, Chapter 49, Water, Sewers, and Sewage Disposal, Section 49-82, to adopt new water and wastewater development fees and modify certain related procedures.
Staff Contact(s): Brian Biesemeyer, Water Resources Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov
- 29. Strada Racing Club WestWorld Event Agreement**
Request: Adopt **Resolution No. 11093** authorizing Contract No. 2018-047-COS with Strada Racing Club, Inc., to practice and train on Lot D, the asphalt pad of the recessed retention area at WestWorld, from May 2018 through July 2018.
Staff Contact(s): Brian Dygert, WestWorld General Manager, 480-312-6825, bdygert@scottsdaleaz.gov
- 30. Municipal Property Corporation and Scottsdale Preserve Authority Appointments**
Request: Approve the appointments of Judith Frost and Dennis Robbins to the Municipal Property Corporation and Scottsdale Preserve Authority boards.
Staff Contact(s): Gina Kirklin, Enterprise and Finance Director, 480-312-5006, gkirklin@scottsdaleaz.gov
- 31. Kathleen Gonzalez v. City of Scottsdale et al. Settlement Agreement**
Request: Adopt **Resolution No. 11143** authorizing settlement in the amount of \$45,000 to settle a lawsuit titled *Kathleen Gonzalez v. City of Scottsdale et al.*, Case No. CV2017-090023, currently pending in the Maricopa County Superior Court.
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Vice Mayor Korte made a motion to approve Consent Agenda Items 1 through 31. Councilwoman Littlefield seconded the motion, which carried 7/0.

REGULAR AGENDA

- 32. Public Hearing and Adoption of Fiscal Year 2018/19 Rates and Fees**
Requests:
1. Accept citizen comments at a public hearing regarding proposed rates and fees.
 2. Adopt **Ordinance No. 4338** amending Scottsdale Revised Code, Chapter 49, Water, Sewers, and Sewage Disposal, by adjusting sewer/water reclamation rates and charges, effective July 1, 2018, and adjusting miscellaneous water and water rate (volumetric and base) charges effective November 1, 2018.

3. Adopt **Resolution No. 11080** declaring the document titled "*Amendments to Chapter 49, Scottsdale Revised Code – Water, Sewers and Sewage Disposal*" to be a public record.
4. Adopt **Ordinance No. 4339** amending Scottsdale Revised Code, Chapter 24, Solid Waste Management, by adjusting solid waste rates and charges, effective July 1, 2018.
5. Adopt **Resolution No. 11099** authorizing the *Prosecution Department Fee Schedule*.
6. Adopt **Resolution No. 11140** authorizing adjustments to the *Planning and Development Services Rates and Fees Schedule*, effective July 1, 2018.
7. Adopt **Resolution No. 11097** authorizing adjustments to *WestWorld Rates and Fees Schedule*, effective July 1, 2018.
8. Adopt **Resolution No. 11120** authorizing adjustments to the *Community Services Division Schedule of Program Charges, Rental Fees, and Fines*, effective July 1, 2018.
9. Adopt **Resolution No. 11089** authorizing adjustments to the *Fire Department Fees and Charges Schedule*, effective July 1, 2018.
10. Adopt **Resolution No. 11027** authorizing an off-duty fee for the Police Department, effective July 1, 2018.
11. Adopt **Resolution No. 11028** authorizing a new off-duty holiday fee for the Police Department, effective July 1, 2018.
12. Adopt **Resolution No. 11029** authorizing a new off-duty vehicle use fee for the Police Department, effective July 1, 2018.
13. Adopt **Resolution No. 11030** authorizing an increase in fees for Police Department On-Body Camera Videos, effective July 1, 2018.

Presenter(s): Judy Doyle, Budget Director

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2018/19 rates and fees.

Public Works Director Dan Worth gave a PowerPoint presentation (attached) on changes to the solid waste rates and charges.

Mayor Lane opened the public hearing on the proposed Fiscal Year 2018/19 rates and fees, noted for the record that there were no requests to speak, and closed the public hearing.

MOTION AND VOTE – ITEM 32

Vice Mayor Korte made a motion to adopt the resolutions and ordinances as set forth in the agenda, with the amendment to Page 4 of Ordinance No. 4339 presented by Dan Worth. Councilwoman Littlefield seconded the motion, which carried 7/0.

33. Public Hearing on and Adoption of Proposed Fiscal Year 2018/19 Budget (Tentative Budget)

Requests:

1. The City Council solicits and receives public input relative to the entire Proposed FY 2018/19 Budget, which includes both the Operating Budget and Capital Improvement Plan. The City Council may direct staff to revise the Proposed FY 2018/19 Budget prior to adoption or may adopt the proposed version as the Tentative Budget required for conformity with Arizona Revised Statutes and City Charter.

2. Adopt **Ordinance No. 4345** as presented (or as modified by Council) establishing the Tentative Budget for FY 2018/19. Establishment of the Tentative Budget statutorily fixes the maximum expenditure limit. The maximum expenditure limit may still be lowered by Council before final budget adoption.

Adoption of Ordinance No. 4345 also directs the City Clerk to meet obligations regarding publication and notices imposed by Arizona Revised Statutes and City Charter. Through adoption of Ordinance No. 4345, Council also tentatively adopts the FY 2018/19 Classification Plan in conformity with Scottsdale Revised Code Sec. 14-20, *et seq.*

Presenter(s): Judy Doyle, Budget Director

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2018/19 budget.

City Engineer Dave Lipinski gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2018/19 Capital Improvement Plan.

Mayor Lane opened the public hearing on the proposed Fiscal Year 2018/19 Budget, noted for the record that there were no requests to speak, and closed the public hearing.

MOTION AND VOTE – ITEM 33

Councilwoman Klapp made a motion to adopt Ordinance No. 4345, as presented, establishing the Tentative Budget for FY 2018/19. Councilman Phillips seconded the motion, which carried 7/0.

34. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of April 2018.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's financial status as of April 2018.

PUBLIC COMMENT – None

CITIZEN PETITIONS

35. 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): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

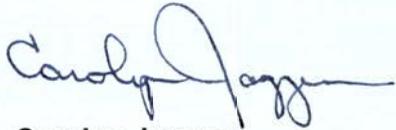
No citizen petitions were received.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:07 P.M.

SUBMITTED BY:



**Carolyn Jagger
City Clerk**

Officially approved by the City Council on

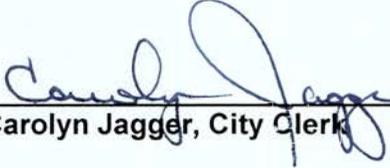
June 12, 2018

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 22nd day of May 2018.

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

DATED this 12th day of June 2018.



Carolyn Jagger, City Clerk

Item 32

**Public Hearing & Adoption of
FY 2018/19 Rates & Fees**

City Council
May 22, 2018

FY 2018/19 Rates & Fees

- **Proposed Rate & Fee Changes Presented in Detail on March 6, 2018**
- **60 Day Posting Compliance**
- **Public Hearing**

FY 2018/19 Rates & Fees

Enterprise Funds

Water Resources	\$ 3,188,800
Public Works	<u>1,905,064</u>
Total Revenue Increase	\$ <u>5,093,864</u>

FY 2018/19 Rates & Fees

General Fund

City Attorney	\$ 0
C&ED - Planning & Development	3,422,880
C&ED - WestWorld	138,012
Community Services	67,889
Public Safety - Fire	3,000
Public Safety - Police	<u>64,090</u>
Total Revenue Increase	\$ <u>3,695,871</u>

FY 2018/19 Rates & Fees

Special Programs Fund

Community Services	\$	118,523
Total Revenue Increase	\$	118,523

FY 2018/19 Rates & Fees Recommendation

Adopt Resolution No. 11080 and Ordinance No. 4338, amending Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal sewer/water reclamation rates and charges, effective July 1, 2018 and by adjusting miscellaneous water and water rate (volumetric and base) charges effective November 1, 2018.

Adopt Resolution No. 11081 and Ordinance No. 4339, amending Scottsdale Revised Code, Chapter 24, Solid Waste Management by adjusting solid waste rates and charges, effective July 1, 2018.

Adopt Resolution No. 11099, authorizing and approving the Prosecution Department's Fee Schedule.

FY 2018/19 Rates & Fees Recommendation

Adopt Resolution No. 11040, authorizing and approving adjustments to the Planning & Development Services Department's rates and fees.

Adopt Resolution No. 11097, authorizing and approving adjustments to WestWorld's fees.

Adopt Resolution No. 11120, authorizing and approving adjustments to the Community Services Division schedule of program charges, rental fees and fines.

Adopt Resolution No. 11089, authorizing an adjustment of fees and charges by the Fire Department.

FY 2018/19 Rates & Fees Recommendation

Adopt Resolution No. 11027, off duty fee for the Police Department.

Adopt Resolution No. 11028, implementing new off duty fee for the 4th of July, Thanksgiving, Christmas, and New Year's Day for the Police Department.

Adopt Resolution No. 11029, implementing new off duty vehicle use fee for the Police Department.

Adopt Resolution No. 11030, increasing the fee for copies of on body camera videos.

FY 2018/19 Proposed Rates & Fees Changes

City Council
March 6, 2018

Enterprise Rates & Fees Policy

💧 Enterprise Funds

- Water, Sewer and Contractual Funds
 - Recovery of all direct and indirect costs of service
 - Rates based on multi-year financial plans

Enterprise - Water Resources Significant Cost Drivers

- **Operational**
 - Supervisory Control and Data Acquisition (SCADA) technology needs
 - Upgrade of software
 - Additional staff
 - Sewer System Condition Assessment in the Town of Paradise Valley (expense has a revenue offset)

Enterprise - Water Resources Significant Cost Drivers

- **CIP**
 - Growth driven system expansion (impact fee revenue)
 - Replacement and Rehabilitation
 - Technology and Security
 - Water Quality Improvements

Enterprise - Water Resources Significant CIP – Growth Driven System Expansion

Water Resources (In \$ Millions)	FY19 Request	ITD Thru FY19 Requested	5 Year
Cross Roads East Water and Sewer	\$5.3	\$16.3	\$16.3
Zone 14/16 Water System Expansion	(\$0.6)	\$14.5	\$14.5
Other	\$27.8	\$39.2	\$48.6
Total Growth Driven Capital Program	\$32.5	\$69.9	\$79.4

Enterprise - Water Resources Significant CIP – Rehab and Replacement

Water Resources (In \$ Millions)	FY19 Request	ITD Thru FY19 Requested	5 Year
Advanced Water and Sewer Treatment Membranes	\$2.14	\$6.3	\$11.9
SROG Improvements	\$1.75	\$50.4	\$57.6
Sewer System Improvements	\$4.39	\$33.5	\$48.4
Water Distribution System Improvements	\$10.18	\$55.3	\$95.1
Other	\$11.26	\$120.7	\$145.9
Total Rehab and Replacement Driven Capital Program	\$29.72	\$266.2	\$358.9

Enterprise - Water Resources Significant CIP – Technology and Security

Water Resources (In \$ Millions)	FY19 Request	ITD Thru FY19 Requested	5 Year
Radio Telemetry Monitoring Auto – Water and Sewer	\$0.8	\$6.7	\$11.5
Water Meter Replacement Program	\$2.4	\$10.8	\$19.7
Water and Sewer Security Enhancements	\$0.7	\$5.7	\$8.4
Other	\$0.9	\$6.6	\$10.8
Total Technology and Security Driven Capital Program	\$4.9	\$29.9	\$50.4

Enterprise - Water Resources Significant CIP – Water Quality Improvements

Water Resources (In \$ Millions)	FY19 Request	ITD Thru FY19 Requested	5 Year
Chaparral Water Treatment Plant Pretreatment	\$0.0	\$10.2	\$25.2
Thomas Groundwater Treatment Facility	\$0.0	\$25.1	\$25.1
Total Water Quality Improvement Driven Capital Program	\$0.0	\$35.3	\$50.3

Enterprise – Water Resources

Long Term Financing

💧 Water and Sewer capital financing:

Fiscal Year	Water	Sewer	Combined Issuance
2020/21 Forecasted	\$25.0 million	-	\$25.0 million
2023/24 Forecasted	\$20.0 million	-	\$20.0 million

Long term debt is used for system rehabilitation and replacement and improved system capabilities.

Enterprise - Water Resources

Rate and Service Charge Proposals

- 💧 Water rate increase proposed for FY 2018/19
- 💧 Sewer rate increase proposed for FY 2018/19
- 💧 Commercial Water Hauler base charge increase from \$10 to \$15 proposed for FY 2018/19 to meet cost recovery requirements

Enterprise - Water Resources

Water and Sewer Rates

	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Water Rates	\$92,780,820	2.8%	\$2,623,200
Sewer Rates	\$37,491,000	1.5%	\$565,000
Total Rates	\$130,271,820	2.5%	\$3,188,200

Enterprise - Water Resources

Water Rates

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$11.90	\$12.40
3/4" Meter	\$15.40	\$16.00
1" Meter	\$21.75	\$22.60
1.5" Meter	\$35.75	\$37.20
2" Meter	\$47.75	\$49.70
3" Meter	\$95.00	\$98.80
4" Meter	\$148.50	\$154.40
6" Meter	\$297.00	\$308.90
8" Meter	\$413.50	\$430.00

Proposed implementation date – November 1, 2018

Enterprise - Water Resources

Water Rates

Current Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)				Proposed Residential 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	\$2.95	5,001	12,000	2	\$2.95	5,001	12,000
3	\$3.70	12,001	30,000	3	\$3.75	12,001	30,000
4	\$4.75	30,001	65,000	4	\$4.85	30,001	65,000
5	\$5.55	Over 65,000		5	\$5.70	Over 65,000	

Proposed implementation date – November 1, 2018

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	\$2.95	5,001	12,000	2	\$2.95	5,001	12,000
3	\$3.70	12,001	30,000	3	\$3.75	12,001	30,000
4	\$4.05	Over 30,000		4	\$4.25	Over 30,000	

Proposed implementation date – November 1, 2018

Enterprise - Water Resources

Sewer Rates

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$3.25	\$3.50
3/4" Meter	\$3.25	\$3.50
1" Meter	\$3.25	\$3.50
1.5" Meter	\$19.50	\$21.00
2" Meter	\$45.50	\$49.00
3" Meter	\$58.50	\$63.00
4" Meter	\$84.50	\$92.00
6" Meter	\$162.50	\$175.00
8" Meter	\$227.50	\$245.00

Proposed implementation date – July 1, 2018

Enterprise - Water Resources

Sewer Rates

Proposed implementation date – July 1, 2018	Customer Category	Current Rates	Proposed Rates
	Single Family Residential	\$2.63	\$2.64
Multi Family Residential	\$2.63	\$2.64	
Commercial Without Dining	\$2.63	\$2.64	
Commercial With Dining	\$3.50	\$3.52	
Hotels Without Dining	\$2.87	\$2.88	
Hotels With Dining	\$3.50	\$3.52	
Car Washes	\$2.60	\$2.61	
Commercial Laundry	\$3.15	\$3.17	
Metal Platers	\$2.90	\$2.91	
Laundromats	\$2.63	\$2.64	
Restaurants/Bakeries	\$4.90	\$4.92	
Service Station Auto Repair	\$2.63	\$2.64	
Medical Institutions	\$2.63	\$2.64	
Schools	\$2.63	\$2.64	

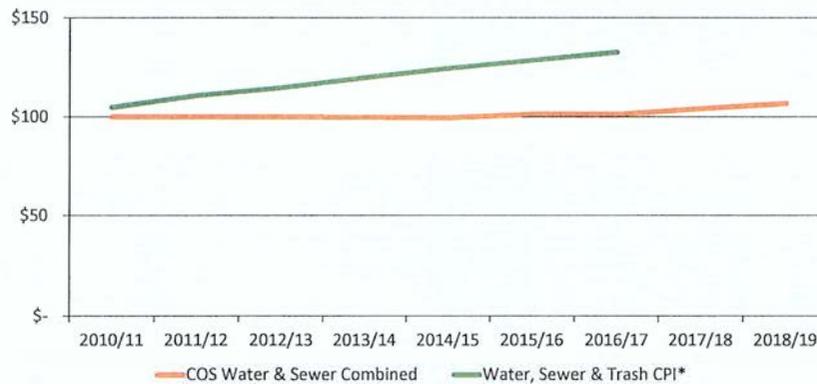
Enterprise - Water Resources Historical Rate Changes

◆ Water and Sewer Average Rate Adjustments:

Negative Percentages: Rate reductions driven by rate structural changes as recommended by cost of service study results and revenue stability goals.

Fiscal Year	Water	Sewer	Weighted Average
2014/15	- 0 -	(1.2%)	(0.3%)
2015/16	1.3%	2.6%	1.7%
2016/17	- 0 -	- 0 -	- 0 -
2017/18	2.9%	2.6%	2.8%
2018/19	2.8%	1.5%	2.5%
5 Yr Average	1.4%	1.1%	1.3%

Enterprise - Water Resources Historical Rate Changes and Utility CPI



*Water, Sewer and Trash Collection Services CPI/All Urban Consumers

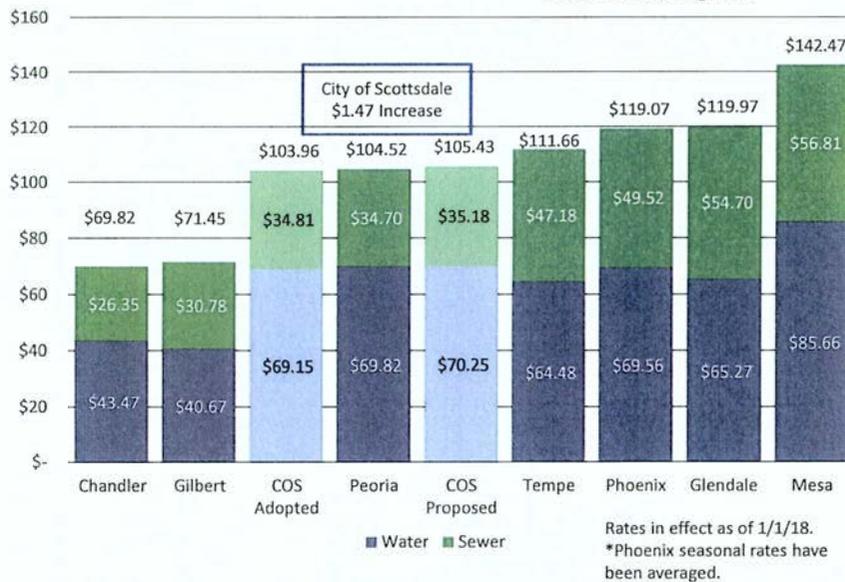
Utility Comparison

Residential Utility Bill Comparison
Water Use 11,500 gallons on 5/8" Meter and
Sewer Use 8,000 gallons



Utility Comparison

Residential Utility Bill Comparison
Water Use 17,000 gallons on 1" Meter and
Sewer Use 12,000 gallons



Enterprise - Water Resources

💧 Questions?

**Solid Waste, Reuse & Recycling
Strategic Plan**

**FY 2018/19 Solid Waste Rate
Proposal**

Agenda

- Background: Proposed FY 2016/17 rate increases
- Strategic planning process
- Plan objectives
- Implementation
- Rates & 5-year plan



Background: FY 2016/17 Proposal

Current Rate Recovery Residential and Commercial (in millions)

	Revenue Projections Based on Current Rates				
	Year 1 FY 2016	Year 2 FY 2017	Year 3 FY 2018	Year 4 FY 2019	Year 5 FY 2020
Residential Revenue	\$15.8	\$15.8	\$15.9	\$16.0	\$16.1
Residential Expenses	\$14.4	\$14.8	\$15.2	\$15.7	\$16.2
Over / (Under) Recovery	\$1.4	\$1.0	\$0.7	\$0.3	\$(0.2)
Commercial Revenue	\$3.5	\$3.5	\$3.5	\$3.5	\$3.5
Commercial Expenses	\$5.6	\$5.7	\$5.9	\$6.0	\$6.2
Over / (Under) Recovery	\$(2.0)	\$(2.2)	\$(2.3)	\$(2.5)	\$(2.7)

- Residential: Declining surplus, projected rate increase in FY 2019/20
- Commercial: Growing deficit; proposed increases:
 - 2 years @ 15% per year for front-loaders
 - Very large increases for roll-off, recycling

Background: FY 2016/17 Approved Rates

- Proposed in FY 2016/17:

Proposed Rate Recovery

Revenue Projections Based on Proposed Rates					
	Year 1 FY 2016	Year 2 FY 2017	Year 3 FY 2018	Year 4 FY 2019	Year 5 FY 2020
Residential Revenue	\$15.8	\$15.8	\$15.9	\$16.0	\$17.1
Residential Expenses	\$14.4	\$14.8	\$15.2	\$15.7	\$16.2
Over / (Under) Recovery	\$1.4	\$1.0	\$0.7	\$0.3	\$0.9
Commercial Revenue	\$3.5	\$5.3	\$5.9	\$6.0	\$6.2
Commercial Expenses	\$5.6	\$5.7	\$5.9	\$6.0	\$6.2
Over / (Under) Recovery	\$(2.0)	\$(0.4)	\$0.0	\$0.0	\$0.0

6% increase

Two 15% increases

- Commercial rates approved for FY 2016/17:
 - First year *only* @ 15% for front-loaders
 - Very large increases for roll-off
 - No increase for recycling
- Direction to develop strategic plan

Strategic Plan: Direction

“Formulate what a solid waste vision could be for Scottsdale that embodies Scottsdale’s community values, and develop a strategic plan to achieve that vision.”

– from motion adopted
by Council 5-17-2016



Strategic Plan Process: General Plan



Chapter 2: Environment

Environmental Planning Element

Conservation Element

Energy Element



Chapter 4: Community Well-Being

Safety Element



Chapter 6: Revitalization

Conservation, Rehab & Redevelopment
Element

Public Services and Facilities Element

Strategic Plan Process: General Plan



Chapter 2: Environment

Environmental Planning Element

Goal EP-2 Demonstrate Leadership in
Stewardship and Sustainability

Goal EP-4 Maximize resource recovery, reuse,
and recycling

Strategic Plan Process: General Plan



Chapter 2: Environment

Environmental Planning Element

Goal EP-4 Maximize resource recovery, reuse, and recycling

EP 4.1 Maintain and expand citywide recycling

EP 4.2 Minimize waste generation

EP 4.3 Use paperless media

EP 4.4 Reduce construction waste

EP 4.5 Support regional waste reduction efforts

EP 4.6 Use solid waste and recycled materials as marketable commodities

EP 4.7 Reduce single-use, non-recyclable, and non-compostable packaging

EP 4.8 Promote composting, reduce biodegradable waste going to the landfill.

Strategic Plan Policies

- | | |
|----------|---|
| Policy 1 | Expand citywide recycling programs- single family residential |
| Policy 2 | Expand recycling in City facilities and programs |
| Policy 3 | Expand citywide recycling programs- multi-family residential |
| Policy 4 | Expand citywide recycling programs- commercial |
| Policy 5 | Minimize waste generation, and establish programs for waste reduction, reuse, and recycling |
| Policy 6 | Encourage reduction, reuse of building materials |
| Policy 7 | Identify opportunities to use solid waste & recyclable materials as marketable commodities |
| Policy 8 | Promote composting & other programs that reduce biodegradable waste to landfill |

Strategic Plan Outreach

- Boards and Commissions
 - EQAB
 - DRB
 - Planning
 - Parks
 - Libraries
 - Tourism
 - Neighborhood Advisory
- Other Stakeholders
 - Waste Management
 - Republic Services
 - Salt River Pima-Maricopa Indian Community
 - Landfill
 - Material Recycling Facility



Strategic Plan Outreach

- Citizen feedback:

What do you believe Scottsdale should do with the majority of its trash?

93%	Recycle it
7%	Take it to the landfill

Residents support recycling

To what extent do you agree or disagree with the following statement: My household could do more to recycle.

24%	strongly agree
26%	somewhat agree
25%	somewhat disagree
20%	strongly disagree



Many feel they can do more

Strategic Plan Outreach

- Citizen feedback:

What segment of our community should the city focus its efforts on in order to increase the percentage of waste recycled in Scottsdale? (You may select more than one answer.)

- 244 Residential customers
- 245 Retail
- 210 Tourism
- 274 Food services
- 231 Special events
- 644 All of the above



Recycle everywhere

Strategic Plan Outreach

- Citizen feedback:

How much of an increase would you be willing to pay on your monthly residential utility bill to support programs that would increase recycling throughout Scottsdale?

- 14% none
- 19% \$0.01 to \$1
- 32% \$1 to \$2
- 36% \$2 to \$3

Most are willing to pay to do better



Strategic Plan Policy Objectives

	<i>Policy</i>	<i>Objective</i>
Policy 1	Single family residential diversion	50% by 2030
Policy 2	City facilities and programs diversion	90% by 2030
Policy 3	Multi-family residential diversion	30% by 2030
Policy 4	Commercial diversion	30% by 2030
Policy 5	Minimize waste generation	Expand education programs
Policy 6	Reduction, reuse of building materials	Reduction in landfilled waste for CIP projects
Policy 7	Use solid waste & recyclable materials as marketable commodities	New opportunities, marketing revenue
Policy 8	Promote composting, reduce biodegradable waste to landfill	Divert 75% of brush & bulk to green waste uses

Strategic Plan Policy Strategies

- Best practices
- 60 proposed strategies:
 - **Get the word out:** Education, advertising, rebranding, resource directories
 - **Incentives:** Pay-as-You-Throw, favorable rates for recycle vs refuse
 - **Process:** Changes to brush collection, reporting
 - **Mandates:** Design guidelines, waste hauler mandates, property manager mandates
- Partnerships

Strategic Plan Implementation

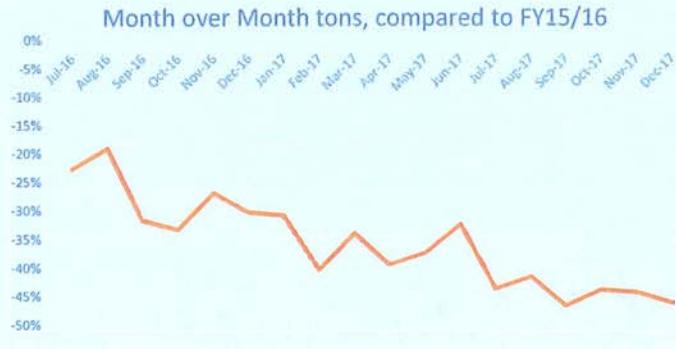
- Actions to date, ongoing changes:
 - Policy 1, 8: Changes to brush & bulk
 - Policy 1: Alley conversion
 - Policy 2: Changes to process at City buildings
 - Policy 3, 4: Baseline
 - Policy 5: Reorg, Outreach Manager
- Future implementation



Background: FY 2017/18 Rates

- Residential: No change
- Commercial: No change
 - Did not take forecasted 2nd 15% increase in commercial front load
 - Kept commercial recycling below cost recovery
- FY 2016/17 Rate increase impact on commercial business:
 - Tonnage down
 - Revenues up

Background: Front-load Rate Increase



Revenue:	First 6 month total:	Compared to FY 2015/16:
FY 2015/16	\$1,185,541	-
FY 2016/17	\$1,253,164	5.7%
FY 2017/18	\$1,295,123	9.2%

Enterprise – Solid Waste Solid Waste Rates

Revenue:	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Residential Rates	\$15,851,742	7.8%	\$1,238,313
Commercial Rates *	\$2,527,565	28.4%	\$666,751
Total Rates	\$18,379,307	10%	\$1,905,064

* Dependent on type: Front Load, Commercial Recycling

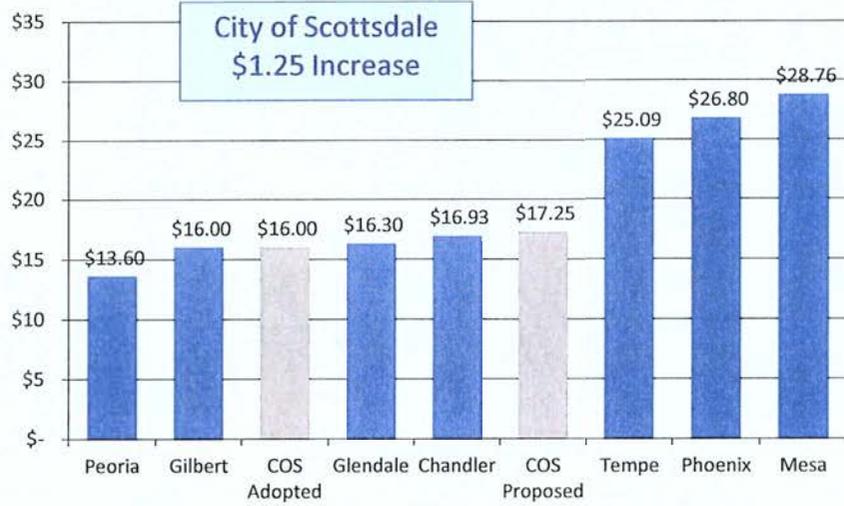
Proposed FY 2018/19 Rates

	Type	FY 17/18 Rate	FY 18/19 Rate	% Incr.
RESIDENTIAL		\$16.00	\$17.25	7.8%
COMMERCIAL				
Front Load	2 Cubic Yard	\$71.67	\$82.50	15.1%
	3 Cubic Yard	\$77.12	\$88.75	15.1%
	4 Cubic Yard	\$82.61	\$95.25	15.3%
	5 Cubic Yard	\$88.03	\$101.25	15.0%
	6 Cubic Yard	\$93.41	\$107.50	15.1%
	8 Cubic Yard	\$101.37	\$116.75	15.2%
Roll-Off (incl. 3 tons)		\$468.38	\$468.38	0.0%
Recycling Carts	90 Gallon	\$7.95	\$20.00	151.6%
	300 Gallon	\$26.00	\$33.00	26.9%
Container Recycling	2 Cubic Yard	\$54.18	\$65.02	20.0%
	3 Cubic Yard	\$56.95	\$68.34	20.0%
	4 Cubic Yard	\$59.72	\$71.66	20.0%
	6 Cubic Yard	\$65.25	\$78.30	20.0%
	8 Cubic Yard	\$70.79	\$84.95	20.0%

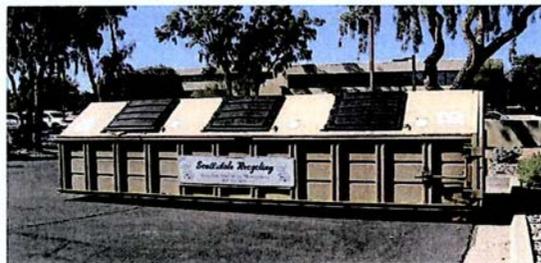
Proposed FY 2018/19 Five-Year Increases

		FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
RESIDENTIAL		7.8%	2.3%	2.3%	2.5%	3.0%
COMMERCIAL						
Front Load	2 Cubic Yard	15.1%	3.0%	3.2%	3.1%	3.0%
	3 Cubic Yard	15.1%	3.1%	3.0%	3.2%	3.1%
	4 Cubic Yard	15.3%	3.1%	3.1%	3.2%	3.1%
	5 Cubic Yard	15.0%	3.2%	3.1%	3.0%	3.2%
	6 Cubic Yard	15.1%	3.0%	3.2%	3.1%	3.2%
	8 Cubic Yard	15.2%	3.2%	3.1%	3.0%	3.1%
Roll-off (incl. 3 tons)		0.0%	3.0%	3.0%	3.0%	3.0%
Recycling Carts	90 Gallon	151.6%	2.5%	2.4%	2.4%	2.3%
	300 Gallon	26.9%	2.3%	2.2%	2.2%	2.1%
Container Recycling	2 Cubic Yard	20.0%	3.1%	3.4%	3.2%	3.1%
	3 Cubic Yard	20.0%	3.2%	3.2%	3.1%	3.0%
	4 Cubic Yard	20.0%	3.3%	3.0%	3.3%	3.2%
	6 Cubic Yard	20.0%	3.1%	3.1%	3.0%	3.2%
	8 Cubic Yard	20.0%	3.0%	3.1%	3.0%	3.2%

Rate Comparison



Questions and Comments



Non-Enterprise Rate Change Proposals

- Annual review to determine direct and indirect cost of service recovery rate
- Acceptable recovery rate and associated rates & fees changes approved by City Council
- Proposals for rates & fees changes submitted by:
 - City Attorney
 - Community & Economic Development
 - Planning & Development
 - Westworld
 - Community Services
 - Public Safety – Fire
 - Public Safety – Police

Non-Enterprise Rates & Fees Change Proposals

- New/adjusted fees estimated to increase General Fund revenue by \$3.7 million for FY 2018/19

City Attorney	\$	0
C&ED - Planning & Development		3,422,880
C&ED - WestWorld		138,012
Community Services		67,889
Public Safety - Fire		3,000
Public Safety - Police		64,090
Total General Fund Revenue Increase	\$	3,695,871

Non-Enterprise Rates & Fees Change Proposals

- New/adjusted fees estimated to increase Special Programs Fund revenue by \$0.1 million for FY 2018/19

Community Services	\$	118,523
Total Special Programs Fund Increase	\$	118,523

City Attorney

The following fees were put in place before Scottsdale's current process for rate & fee submission. Therefore, the items detailed below have existing authority but have been included on the list of rates & fees for Council approval as a formality to provide for maximum transparency. No changes in the fee costs are being requested.

Prosecution pursuant to state law is permitted to charge fees to defendants requesting materials related to their cases. The following fees detail the amount charged for each type of material:

Non-DUI Reports Produced by Prosecution:

- This fee covers the cost of producing police and related reports pertaining to prosecutions for matters other than DUIs

DUI Reports Produced by Prosecution:

- This fee covers the cost of producing police and related reports pertaining to prosecutions for DUIs

A/V File and Other Media Produced by Prosecution:

- This fee covers the cost of producing A/V files for defendants and other materials such as photos, body camera videos and 911 calls

City Attorney

Jail DVD Prosecution Production:

- This fee covers the cost of producing videos of activities in the City Jail related to a defendant's case
- These videos require extensive redaction for security and other reasons, which require the use of substantial City resources

Defendant Report Inspection:

- This fee, charged per hour, covers the cost of providing the facilities for the inspection of a report connected to a defendant's case

Defendant A/V File and Other Media Inspection:

- This fee, charged per hour, covers the cost of providing the facilities for the inspection of A/V files and other media connected to a defendant's case

Additional General Fund revenue of \$0 for FY 2018/19

City Attorney

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per user	Revenue Change
Non-DUI Reports Produced by Prosecution	per document produced	\$5	\$5	\$0	\$0
DUI Reports Produced by Prosecution	per document produced	\$10	\$10	\$0	\$0
A/V File and Other Media Produced by Prosecution	per piece of media produced	\$10	\$10	\$0	\$0
Jail DVD Prosecution Production	per video produced	\$100	\$100	\$0	\$0
Defendant Report Inspection	per document produced/per hour	\$25	\$25	\$0	\$0
Defendant A/V File and Other Media Inspection	per A/V file/per hour	\$25	\$25	\$0	\$0
Total Additional Revenue					\$0

C&ED – Planning & Development

Annual review of Fee Schedule resulted in the following proposals:

General

- Base Rate & Fee increase of 6% for all Planning and Development rates & fees apart from small cell sites to help cover inflationary costs and department operating costs in order to provide for a better customer experience and to properly and timely address customer needs
- Establish Expedited Plan Review Fee as a premium service for projects meeting approved criteria
- Update schedule to include Annual Facilities Permit Fees. These fees have been included in the adopted Building Code for more than 20 years but have never appeared on the schedule.

Additional General Fund revenue of **\$1,154,600** for FY 2018/19

C&ED – Planning & Development

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per user	Revenue Change
Base Rate & Fee Increase	for all Planning rates & fees	varies	varies	varies	\$854,600
NEW Expedited Plan Review Fee	per plan expedited	n/a	varies	varies	\$300,000
Annual Facilities Program Permit	per permit	\$1,000	\$1,000	\$0	\$0
Total Additional Revenue					\$1,154,600

C&ED – Planning & Development

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

- Proposed increase of 3% for all installations
- Ordinance No. 7983 states Council is authorized to establish fees for WCF and may adjust these fees on an annual basis
- Since adoption in 2009, the fee schedule has been increased each year by 3%
- Licenses and leases for wireless communication sites on City property have annual escalators set at 5% of the annual rent
- The 3% increase being proposed is consistent with lease payments in the wireless industry

Additional General Fund revenue of **\$15,000** for FY 2018/19

C&ED – Planning & Development

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change In Fee per user	Revenue Change
Wireless Communications Facilities (WCF) in Right-of-Way (ROW) Fees, Excluding pre-July 2009 sites	per charge	varies	varies	varies	\$15,000
Total Additional Revenue					\$15,000

C&ED – Planning & Development

Stormwater Management Fees

- Goal No. 2 of the Public Services and Facilities Element of Scottsdale's adopted General Plan is to *protect the health, safety, and welfare of the public from the impacts of flooding*
 - Therefore, Stormwater Management staff review development applications
- New fees are warranted to cover staff costs associated with review of requests for appeals and variances from the Floodplain Board in accordance with the city's Stormwater and Floodplain Management Ordinance
 - These are extremely rare
- New fees are warranted to cover staff costs associated with reviewing applications to revise FEMA's Flood Insurance Rate Maps
 - 2-6 applications per year typical

C&ED – Planning & Development

Stormwater Management Fees

- Where conditions warrant, certain proposed development projects qualify for a stormwater storage waiver; however, when granted, an in-lieu fee is assessed for this privilege as specified in the City's Stormwater and Floodplain Management Ordinance
 - Fee is based on what it would cost the city to construct an equivalent volume of stormwater storage
 - Fee has been \$1.87 per cubic foot since 2012
 - Recommended new fee is \$3.00 per cubic foot; increase is primarily due to increased costs for land and operations & maintenance

C&ED – Planning & Development

Stormwater Management Fees

- City receives 175 drainage complaints per year
- There are 20,000 parcels in FEMA 100-year floodplains in Scottsdale
- There are 8,000 flood insurance policies in Scottsdale (30% of all policies in Arizona); premiums total \$4 million annually
- Three recently completed Area Drainage Master Studies comprising half the city identified 3,250 structures at risk of flooding

C&ED – Planning & Development

Stormwater Management Fees

- Currently, there is no reliable, significant dedicated funding source for Drainage and Flood Control Capital Improvement Projects in Scottsdale
- City staff have identified 28 recommended, but currently unfunded, Drainage and Flood Control CIP projects totaling \$96.4 million
- The CIP Subcommittee and city staff recommend increasing the stormwater fee on city utility bills by \$2.00 per month
- This is forecast to generate \$2,170,000 per year in reliable funding dedicated entirely to city Drainage and Flood Control CIP projects
- Most projects will qualify for 50% matching funds from the Flood Control District of Maricopa County

Additional General Fund revenue of **\$2,253,280** for FY 2018/19

C&ED – Planning & Development

Stormwater Fee History:

Effective Date	Means of Assessment	Total Stormwater Fee	GF Allocation	Sewer Allocation	Applied to Base and Volume Charges GF Allocation	Notes
July 1, 2016	Flat Fee	\$1.10	\$0.85	\$0.25		
November 1, 2015	Flat Fee	\$0.95	\$0.85	\$0.10		
July 1, 2013	Flat Fee	\$0.85	\$0.85	\$0.00		Changing the Stormwater fee to a flat fee avoids State Sales Taxes.
July 1, 2012	Percentage				1.00%	The Water Fund's Environmental Water Quality charge (2.677%) went away, the Stormwater Fee (1%) remained.
July 1, 2004	Percentage				1.00%	In addition to the Water Fund's Environmental Water Quality charge (2.677%), an additional 1% was approved.

C&ED – Planning & Development

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per user	Revenue Change
NEW Stormwater Management Fees - Appeals	per appeal	n/a	\$250	\$250	\$0
NEW Stormwater Management Fees - Variances	per variance	n/a	\$2,600	\$2,600	\$0
NEW Stormwater Management Fees - Variance Continuance (Applicant's Request)	per variance	n/a	\$50	\$50	\$0
NEW Stormwater Management Fees - Variance (New Posting Required)	per variance	n/a	\$170	\$170	\$0
NEW Stormwater Management Fees - CLOMR (MT-1) Review	per review	n/a	\$880	\$880	\$1,760
NEW Stormwater Management Fees - CLOMR (MT-2) Review	per review	n/a	\$3,000	\$3,000	\$6,000
NEW Stormwater Management Fees - LOMR (MT-1) Review	per review	n/a	\$880	\$880	\$3,520
NEW Stormwater Management Fees - LOMR (MT-2) Review	per review	n/a	\$3,000	\$3,000	\$12,000
Stormwater Management Fees - Stormwater Storage Waiver In-Lieu Fee	per cubic foot	\$1.87	\$3.00	\$1.13	\$60,000
	per utility customer/per month				
Stormwater Fee Increase		\$1.10	\$3.10	\$2.00	\$2,170,000
Total Additional Revenue					\$2,253,280

C&ED WestWorld

Annual review of Fee Schedule resulted in the following proposals:

General:

- Increase move in/out rates from 33% to 50% of the event base rate
- Based on a combination of market demand, limited availability of facilities, and increased maintenance costs, many of the base rates are increasing. The facilities affected by these increases are included below:

Tony Nelssen Equestrian Center:

- Increase base rate for North Hall Commercial use

Fields:

- Increase base rates for all fields (full day and 4 and 6 hour block periods)

Arenas:

- Increase base rates for Arenas 3 and 5A (covered open-air arenas)

C&ED WestWorld

Parking Lots:

- Increase base rates for Parking Lots F, H, and K
- Establish base rate and move in/out fees for Parking Lot K1 which was formerly part of Parking Lot K

Other Fees:

- Increase base horse stall rental rate
- Increase base RV parking rate
- Establish drop in schooling rate for local schooling/practice in the Equidome
- Dumpster Rental Fee increased in FY 2017/18 but was not updated on WestWorld's schedule
- Food Concessionaire and Outside Catering rates have been eliminated from schedule because WestWorld has an exclusive food provider on contract
- IT rates for hard line connections and network/wi-fi service increased due to higher cost in providing service, installing permanent hardware, and an increase in commercial bandwidth

C&ED WestWorld

Other Fees continued:

- Establish rates for City of Scottsdale IT labor support services for event set up
- Establish labor equipment rate to offset cost of Fleet equipment expenses used for event services
- Remove power rates for polo fields as they are not used
- Roll and pack arena floor rate needs to be established in the rate schedule
- Increase RV use of dump station rates for non RV, commercial and outside pumping providers
- Establish fine for loss of RV dump site access cards
- Remove temporary stall fee for water and electricity provision as it is no longer applicable
- Increase horse stall clean out/manure haul off rate due to higher costs of labor and removal
- Change summer discount. Eliminate 15% discount rate to all events. Offer a 20% discount rate to first time only events held in June-August in order to increase demand
- Exclude Equidome arena from a sole use of the warm up rate

Additional/New General Fund revenue of **\$138,012** for FY 2018/19

C&ED WestWorld

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per user	Revenue Change
Equidome and Paddock (TNEC) Move In/Out	per day	\$825	\$1,250	\$425	\$4,250
North Hall: Commercial Use Move In/Out	per day	\$1,815	\$3,000	\$1,185	\$27,400
North Hall: Commercial Use Base Rate	per day	\$5,500	\$6,000	\$500	
South Hall: Commercial Use Move In/Out	per day	\$825	\$1,250	\$425	\$0
South Hall: Rental fee when also renting the Equidome Move In/Out	per day	\$330	\$500	\$170	\$15,410
Field East and West when rented together Move In/Out	per day	\$990	\$2,250	\$1,260	\$9,000
Field East and West when rented together Base Rate	per day	\$3,000	\$4,500	\$1,500	
Field East or West Move In/Out	per day	\$660	\$1,500	\$840	\$2,000
Field East or West Base Rate	per day	\$2,000	\$3,000	\$1,000	
Field East or West (4 Hours or Less) Base Rate	per 4 hours	\$450	\$500	\$50	\$600
Polo Rate for Field West Base Rate	per 6 hours	\$450	\$500	\$50	\$100
Wendell Arena	per day	\$208	\$315	\$107	\$0
Arenas 3, 5A (Covered) Move In/Out	per day	\$173	\$300	\$127	\$0
Arenas 3, 5A (Covered) Base Rate	per day	\$525	\$600	\$75	\$2,400
Arenas 4, 5, 6, 7, 8	per day	\$104	\$158	\$54	\$0
Arena 9	per day	\$61	\$92	\$31	\$0
Multi-Use Tent	per sq. foot	\$0.023	\$0.035	\$0.012	\$0
Parking Lots A, B	per day	\$100	\$150	\$50	\$0
Parking Lot C	per day	\$350	\$525	\$175	\$0
Parking Lot F2 Move In/Out	per day	\$660	\$1,200	\$540	\$0
Parking Lot F2 Base Rate	per day	\$2,000	\$2,400	\$400	
Parking Lot H Move In/Out	per day	\$908	\$1,625	\$717	\$2,000
Parking Lot H Base Rate	per day	\$2,750	\$3,250	\$500	
Parking Lot K Move In/Out	per day	\$465	\$850	\$385	\$0
Parking Lot K Base Rate	per day	\$1,400	\$1,700	\$300	
Parking Lots M, R	per day	\$155	\$233	\$78	\$0

C&ED WestWorld

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per user	Revenue Change
Facility access for use of WestWorld roadways Move In/Out	per day	\$825	\$1,250	\$425	\$0
Horse Stall Rental Base Rate	per stall, per day	\$16	\$17	\$1	\$18,939
Horse Stall Clean Out/Manure Haul Off	1st night	\$17	\$18	\$1	\$5,958
RV Parking Fee	per night	\$25	\$27	\$2	\$20,900
RV Use of Dump Station (non RV guest)	per dump	\$5	\$10	\$5	\$1,200
IT: Hard Line Connection per Port	per day	\$50	\$65	\$15	\$1,080
IT: Network/Wi-Fi Service	per day	\$450	\$475	\$25	\$8,025
NEW Parking Lot K1 (New lot formerly part of Parking Lot K)	n/a	n/a	\$375	\$375	\$0
Move In/Out & Warm Up	per day	n/a	\$750	\$750	\$2,250
NEW Parking Lot K1 Base Rate	per day	n/a	\$750	\$750	\$0
NEW Drop in Schooling Rate for Equidome (based on availability)	per hour	n/a	\$250	\$250	\$500
NEW IT: City of Scottsdale IT Labor Pre-scheduled Weekdays	per hour	n/a	\$125	\$125	\$3,000
NEW IT: City of Scottsdale IT Labor Unscheduled Weekdays	per hour	n/a	\$175	\$175	\$0
NEW Labor with Equipment Rate	per hour	n/a	\$40	\$40	\$10,000
NEW RV Dump Access Card Fine for Card Not Being Returned	per occurrence	n/a	\$50	\$50	\$0
NEW RV Use of Dump Station for Commercial Dump for WestWorld Events	per dump	n/a	\$100	\$100	\$2,500
NEW RV Use of Dump Station for Outside Pumping Providers	per dump	n/a	\$250	\$250	\$500
Dumpster Rental Fee - 40 yd. Container	per container	\$250	\$468	\$218	\$0
Roll and Pack Arena Floor	each	\$300	\$300	\$0	\$0
REMOVE Food Concessionaires	20% of Gross Sales	\$0	\$0	\$0	\$0
REMOVE Outside Catering	10% of Gross Sales	\$0	\$0	\$0	\$0
REMOVE Power Rate for Polo Field	per kwh	\$0.25	\$0.00	(\$0.25)	\$0
REMOVE Power Rate for Polo Field (connect/disconnect fee)	per occurrence	\$75	\$0	(\$75)	\$0
REMOVE Temporary Stall Fee for Water and Electric	per day	\$0.53	\$0.00	(\$0.53)	\$0
Total Additional Revenue					\$138,012

Community Services

Annual review of Programming and Rental Fees Schedule resulted in the following proposals:

Scottsdale Sports Complex:

- Rename "Veranda/Patio Area Fee" to "Special Use Fee" and expand definition to include additional areas of the complex
- Increase fees for standard and custom soccer field prep to recover full costs

Library:

- Establish fees to replace the loss of pieces from the new 'Brain Box' activity kits and lost or damaged supplemental book materials (inserts, book discussion questions, etc)
- Establish fee for new 8.5x14 size paper copy and printing costs

Aquatics:

- Establish annual fee for non-resident members of aquatic sponsored youth teams
- Establish fee for aquatic sponsored youth teams to use non-reservable rooms alongside the public

Community Services

Facility Rentals:

- Establish one classification fee for all ramada and picnic areas to streamline online reservation process, replacing separate rates for residents, non-residents and commercial use
- Adjust resident and non-resident rates for premium volleyball court rentals to offset increased cost to maintain them at professional level quality

McCormick-Stillman Railroad Park:

- Establish 'Fast Pass' program allowing an attendee to reduce ride wait times during the Holiday Lights event
- Increase train ride price during the holiday lights event to offset the higher cost of staffing the park for extended days and times of operation during the event and to help cover the costs of the greatly increased numbers of displays and lights
- Establish one classification fee for all ramada and picnic areas to streamline reservation process, replacing separate rates for residents, non-residents and commercial use

Additional General Fund revenue of **\$67,889** and Special Programs Fund revenue of **\$118,523** for FY 2018/19

Community Services

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Scottsdale Sports Complex:					
Special Use Fee	per hour	\$25	\$25	\$0	\$0
Field Prep Fee - Standard Soccer	per field	\$75	\$100	\$25	\$6,900
Field Pre Fee - Custom	per field	\$115	\$150	\$35	\$2,560
Total Additional Revenue					\$9,460

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Library:					
NEW Brain Box - Missing/Lost Box Pieces	per piece missing	\$0	\$12	\$12	\$204
NEW Brain Box - Full Box Replacement	per box	\$0	\$180	\$180	\$720
NEW 8.5x14 Copy and Print Fee - Black and White	per page	\$0	\$0.50	\$0.50	\$350
NEW 8.5x14 Copy and Print Fee - Color	per page	\$0	\$1.75	\$1.75	\$350
NEW Lost or Damaged Miscellaeous Supplemental Materials/Contents Replacement Fee	per supplemental item lost or damaged	\$0	\$5	\$5	\$525
Total Additional Revenue					\$2,149

Community Services

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Aquatics:					
NEW Non-Resident Aquatic Team Participation Fee	per non-resident per number of months per year on team	\$0	\$5	\$5	\$14,000
NEW Aquatic Room Use Fee	25% of the cost of a medium size room/per hour	\$0	\$5	\$5	\$3,500
Total Additional Revenue					\$17,500

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Facilities:					
Small Ramada Fee	per 1/2 day	\$25	\$30	\$5	\$3,040
Medium Ramada Fee	per 1/2 day	\$38	\$50	\$12	\$4,488
Large Ramada Fee	per 1/2 day	\$50	\$65	\$15	\$14,550
Picnic Area Fee	per 1/2 day	\$15	\$20	\$5	\$310
Small Ramada Fee - Low	per 1/2 day	\$13	\$15	\$2	\$292
Medium Ramada Fee - Low	per 1/2 day	\$19	\$25	\$6	\$570
Large Ramada Fee - Low	per 1/2 day	\$25	\$33	\$8	\$2,104
Picnic Area Fee - Low	per 1/2 day	\$8	\$10	\$2	\$10
Premium Volleyball Court - Resident	per hour	\$4	\$16	\$12	\$11,976
Premium Volleyball Court - Non-Resident	per hour	\$8	\$16	\$8	\$1,440
Total Additional Revenue					\$38,780

Community Services

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
McCormick-Stillman Railroad Park:					
NEW Holiday Lights Train Ride - Fast Pass	per ride	\$0	\$15	\$15	\$60,000
Holiday Lights Train Ride Fee	per ride	\$4	\$5	\$1	\$40,000
McCormick-Stillman Railroad Park (MSRRP) Small Ramada Fee	per 1/2 day	\$30	\$38	\$8	\$2,528
MSRRP Medium Ramada Fee	per 1/2 day	\$50	\$65	\$15	\$3,465
MSRRP Large Ramada Fee	per 1/2 day	\$75	\$95	\$20	\$12,320
MSRRP Small Ramada Fee - Low	per 1/2 day	\$15	\$19	\$4	\$32
MSRRP Medium Ramada Fee - Low	per 1/2 day	\$25	\$33	\$8	\$48
MSRRP Large Ramada Fee - Low	per 1/2 day	\$38	\$48	\$10	\$130
Total Additional Revenue					\$118,523

Public Safety - Fire

Special Event Staffing Field Operations Hourly Rate

- Adjusts the hourly rate for fire command and sworn firefighters to provide medical and emergency services at events (to be paid by the requestor) to be a range of charges from the lowest to the highest overtime rate versus a set charge per firefighter per hour based on the needs of the event to be staffed. No additional revenue is expected due to this change

Across the Board Permit Cost Increase

- In conjunction with the Planning & Development department, all fire permit rates are marginally increasing due to the higher employee cost of issuing permits and the growing economy and greater number of events needing permitting in Scottsdale

Additional General Fund revenue of **\$3,000** for FY 2018/19

Public Safety - Fire

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per user	Revenue Change
Special Event Staffing Field Operations Command Staff Hourly Rate	per hour	\$50	\$35-\$100	varies	\$0
Special Event Staffing Fire & Life Safety Hourly Rate	per hour	\$70	\$35-\$100	varies	\$0
Special Event Staffing Field Operations Hourly Rate	per hour	\$70	\$35-\$100	varies	\$0
Fire Service Safety Permits Basic Rate	per permit	\$159	\$165	\$6	\$2,000
Tent Fire Safety Permit - 1-9 vehicles	per permit	\$159	\$165	\$6	\$150
Tent Fire Safety Permit - 10+ vehicles	per permit	\$477	\$495	\$18	\$150
Vehicle Display Safety Permit - 1-9 vehicles	per permit	\$159	\$165	\$6	\$150
Vehicle Display Safety Permit - 10+ vehicles	per permit	\$477	\$495	\$18	\$150
Fire Service Safety Permits Rush Rate (under 10 days)	per permit	\$318	\$330	\$12	\$200
Fire Review not Associated with Building Permit	per review	\$100	\$105	\$5	\$200
				Total Additional Revenue	\$3,000

Public Safety - Police

Off-Duty Rate Increase:

- Increases off-duty hourly rates to the average hourly rate of surrounding valley agencies (to be paid by the requestor) to voluntarily perform, on their own time, police related duties at events or during unique situations (i.e construction)

Holiday Off-Duty Rate Increase:

- Increases pay rate to 1-1/2 times the off-duty rate (to be paid by the requestor) to voluntarily perform, on their own time, police related duties at events or during unique situations (i.e construction) on Thanksgiving, Christmas, Independence Day and New Year's Day

Off Duty Vehicle Fee:

- Establish fee to have sworn officers and police aides performing, on their own time, police related duties at events or during unique situations (i.e construction) arrive in a marked police vehicle

On Body Camera Video:

- Increase in cost to obtain a copy of on body camera video from a police officer. Fee is being increased due to demand and complexity in process to prepare and distribute video

Additional General Fund revenue of **\$64,090** for FY 2018/19

Public Safety - Police

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Off-Duty Rate Increase:					
Off-Duty Rate Increase - Officer/Police Aide	per hour	\$42.13	\$47.25	\$5.12	\$0
Off-Duty Rate Increase - Sergeant	per hour	\$56.46	\$60.50	\$4.04	\$0
Off-Duty Rate Increase - Lieutenant	per hour	\$62.25	\$66.00	\$3.75	\$0

Total Additional Revenue \$0

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Holiday Off-Duty Rate Increase:					
Holiday Off-Duty Rate Increase - Officer/Police Aide	per hour	\$47.26	\$71.00	\$23.74	\$0
Holiday Off-Duty Rate Increase - Sergeant	per hour	\$60.50	\$91.75	\$31.25	\$0
Holiday Off-Duty Rate Increase- Lieutenant	per hour	\$66.00	\$99.00	\$33.00	\$0

Total Additional Revenue \$0

Public Safety - Police

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
Off Duty Vehicle Fee:					
NEW Off Duty Vehicle Fee	per vehicle requested	n/a	\$7	\$7	\$59,500
Total Additional Revenue					\$59,500

Program/Fee	Fee Assessed	Current FY 2017/18 Fee	Proposed FY 2018/19 Fee	Change in Fee per User	Revenue Change
On Body Camera Video:					
On Body Camera Video	per video	\$11.00	\$20.00	\$9.00	\$4,590
Total Additional Revenue					\$4,590

Non-Enterprise Rates & Fees Change Proposals

- Questions?

Item 33

**Tentative FY 2018/19
Operating & Capital
Budget Overview**

**May 22, 2018
City Council Meeting**

Operating Budget Overview

FY 2017/18 General Fund Forecast Summary (\$ millions)

	17/18 <u>Prpsd</u>	17/18 <u>Tentv</u>	17/18 <u>Diff</u> fav/(unfav)
Sources:			
Revenues	274.9	276.3	1.3
Transfers In	9.3	9.3	0.0
<i>Total Sources</i>	284.2	285.6	1.3
Uses:			
Expenditures	267.2	268.0	(0.9)
Debt Service	12.1	12.1	0.0
Transfers Out	11.3	11.3	0.0
<i>Total Uses</i>	290.6	291.5	(0.9)
Sources Over/(Under) Uses	(6.4)	(5.9)	0.5

Rounding differences may occur.

FY 2018/19 General Fund Forecast Summary (\$ millions)

	18/19 <u>Prpsd</u>	18/19 <u>Tentv</u>	18/19 <u>Diff</u> fav/(unfav)
Sources:			
Revenues	293.8	292.1	(1.6)
Transfers In	10.3	10.3	0.0
<i>Total Sources</i>	304.0	302.4	(1.6)
Uses:			
Expenditures	279.4	276.1	3.4
Debt Service	12.2	12.2	0.0
Transfers Out	14.2	11.9	2.3
<i>Total Uses</i>	305.8	300.2	5.7
Sources Over/(Under) Uses	(1.8)	2.2	4.1

Rounding differences may occur.

4

Property Tax (\$ millions)

Apvd 17/18	Revenue	Tentative 18/19			Frcst 19/20	Frcst 20/21	Frcst 21/22	Frcst 22/23
		Amt	\$ Chng	% Chng				
	Property Tax - Primary:							
\$26.4	Prior Year Base	\$27.2	\$0.8	3.0%	\$31.6	\$32.5	\$33.5	\$34.5
0.3	New Construction	0.3	-	-	0.3	0.3	0.3	0.3
\$26.7	<i>Subtotal</i>	\$27.5	\$0.8	3.0%	\$31.9	\$32.8	\$33.8	\$34.8
	Statutory Adjustments:							
0.5	2%/yr. Allowance	0.5	-	3.0%	0.6	0.6	0.7	0.7
-	2%/yr. Allowance (prior 6 yrs.)	3.5	3.5	nm	-	-	-	-
1.0	Tort Recovery (Risk Fund)	0.3	(0.7)	(69.4%)	0.3	0.3	0.3	0.3
\$28.2	Total Primary Levy	\$31.9	\$3.7	12.9%	\$32.7	\$33.7	\$34.7	\$35.7
	Property Tax - Secondary							
34.2	GO Debt Service	35.2	1.0	2.9%	33.2	31.3	27.0	27.0
(0.6)	Use of Reserve	(1.0)	(0.4)	58.3%	-	-	-	-
\$33.6	Total Secondary Levy	\$34.2	\$ 0.7	2.0%	\$33.2	\$31.3	\$27.0	\$27.0
\$61.8	Total Levy	\$66.1	\$4.3	6.9%	\$65.9	\$65.0	\$61.7	\$62.7

Rounding differences may occur.

Property Tax (\$ millions)

	Current (FY 17/18)	Tentative (FY 18/19)	Change
Primary	.50	.53	.04
Secondary	.59	.57	(.02)
Total	1.08	1.10	0.2

Rounding differences may occur.

General Fund 5 Year Forecast Summary (\$ millions)

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Beginning Balance	\$56.8	\$50.9	\$53.1	\$53.3	\$54.2	\$56.6
Revenues	\$276.3	\$292.1	\$299.9	\$308.8	\$316.8	\$325.4
Transfers In	\$9.3	\$10.3	\$10.5	\$10.8	\$11.1	\$11.3
Total Sources	\$285.6	\$302.4	\$310.4	\$319.6	\$327.9	\$336.7
Expenditures	\$268.0	\$276.1	\$285.5	\$293.3	\$299.7	\$305.7
Debt Service	\$12.1	\$12.2	\$12.3	\$12.5	\$12.6	\$12.7
Transfers Out	\$11.3	\$11.9	\$12.4	\$13.0	\$13.2	\$13.4
Total Uses	\$291.5	\$300.2	\$310.3	\$318.8	\$325.5	\$331.8
<i>Sources Over/(Under) Uses</i>	<i>(\$5.9)</i>	<i>\$2.2</i>	<i>\$0.2</i>	<i>\$0.9</i>	<i>\$2.4</i>	<i>\$5.0</i>
<i>Less One-Time Items</i>	<i>\$13.6</i>	<i>\$2.0</i>	<i>\$0.4</i>	<i>\$0.2</i>	<i>\$0.2</i>	<i>\$-</i>
<i>Ongoing - Sources Over / (Under) Ongoing Uses</i>	<i>\$7.7</i>	<i>\$4.2</i>	<i>\$0.6</i>	<i>\$1.1</i>	<i>\$2.7</i>	<i>\$5.0</i>
Ending Balance	\$50.9	\$53.1	\$53.3	\$54.2	\$56.6	\$61.5

Rounding differences may occur.

7

FY 18/19 Significant GF One-Time Uses (\$ millions)

TOTAL Sources Over/(Under) TOTAL Uses **\$2.2**

McCormick-Stillman RR Park Restroom	0.5
Facilities Roof Re-Coatings	0.3
Fall Protection Mitigation	0.2
Playground Equipment Agua Linda Park	0.2
City Hall & Civic Center Library Improvements	0.2
Cultural Council Contract Facility Upgrades	0.1
Scanning/Microfilming Construction Docs	0.1
Other One-Time Uses	0.3

Less One-Time Items \$2.0

ONGOING Sources Over/(Under) ONGOING Uses **\$4.2**

Rounding differences may occur

8

Full-Time Equivalent (FTE) Changes

Division	FTEs	Description	Fund
City Attorney	1.00	Paralegal	General
City Auditor	0.50	Ex Sec to Charter Officer	General
City Treasurer	2.00	Tax Auditor Sr, Cust Service Rep	General & Enterprise
City Treasurer	-1.00	Payroll Specialist	General
Administrative Services	1.00	Database Administrator	General
C&ED	5.61	Maint Helper, Custodial Worker, Management Analyst Sr, and Traffic Engineer	General, Aviation, & Transportation
C&ED	-2.00	Management Analyst and Traffic Engineer Analyst	Aviation & Transportation
Community Services	0.76	Human Services Specialist, Library Aide, Library Page, Library I, and Pool Manager Assist	General
Community Services	-0.47	Recreation Leader I & II and Library Assistant	Special Programs & General
Public Safety - Fire	8.00	Fire Engineer, Firefighter, Fire Captain, EMS Performance Improv Coord, and Equip Coord	General
Public Works	4.00	Equip Operator I & II	Enterprise
Water Resources	1.40	SCADA Systems Specialist Sr and Interns	Enterprise
Total	20.80		

General Fund = 13.90 FTE

Capital Budget Overview

Forecasted CIP General Fund Budget

FY 2018/19 - 2022/23 (\$ millions)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Cash Balance	30.2	17.2	7.0	13.1	17.8	18.0
25% Construction Sales Tax	2.4	2.3	2.4	2.4	2.4	2.4
Net Interest in excess of \$1M	0.6	2.5	3.0	3.4	3.5	3.6
Food Tax	4.6	6.9	7.0	7.1	7.2	7.2
Interest Income	0.2	0.2	0.1	0.1	0.1	0.1
City Council Approved PAYGO Mid-Year Transfer	3.0					
Total Cash on Hand	41.0	29.2	19.4	26.2	31.0	31.4
Projected Budget	34.9	12.6	5.9	8.3	15.0	6.0
Re-budget from previous year		11.2	1.5	1.2	1.2	3.2
Total Expenditure Budget	34.9	23.8	7.4	9.5	16.2	9.2
Total Estimated Expenditures	(23.7)	(22.3)	(6.2)	(8.4)	(12.9)	(8.1)
Budget remaining end of year (Total Expend. Budget - Est. Expend.)	11.2	1.5	1.2	1.2	3.2	1.1
End of Year Cash Balance (Total Cash - Total Estimated Expenditures)	17.2	7.0	13.1	17.8	18.0	23.3

Funding available for new CIP requests: \$23.3M - \$1.1M = **\$22.2M**

Rounding differences may occur

Forecasted CIP General Fund Budget - Revised

FY 2018/19 - 2022/23 (\$ millions)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Cash Balance	30.2	17.9	5.2	9.9	12.4	10.8
25% Construction Sales Tax	2.4	2.3	2.4	2.4	2.4	2.4
Net Interest in excess of \$1M	1.2	2.5	3.0	3.4	3.5	3.6
Food Tax	4.6	4.6	4.7	4.7	4.8	4.8
Interest Income	0.2	0.2	0.1	0.1	0.1	0.1
City Council Approved PAYGO Mid-Year Transfer	3.0					
Total Cash on Hand	41.6	27.5	15.4	20.5	23.2	21.7
Projected Budget	34.9	12.6	5.1	8.0	14.5	4.7
Re-budget from previous year		11.2	1.5	1.1	1.0	3.1
Total Expenditure Budget	34.9	23.8	6.6	9.1	15.5	7.8
Total Estimated Expenditures	(23.7)	(22.3)	(5.5)	(8.1)	(12.4)	(6.8)
Budget remaining end of year (Total Expend. Budget - Est. Expend.)	11.2	1.5	1.1	1.0	3.1	1.0
End of Year Cash Balance (Total Cash - Total Estimated Expenditures)	17.9	5.2	9.9	12.4	10.8	14.9

Funding available for new CIP requests: \$14.9M - \$1.0M = **\$13.9M**

General Fund Requests Funded

	Rank	GF Request	Running Total
C YE01 - Facilities Repair and Maintenance Program	1	4,965.6	4,965.6
T YE07 - IT - Network Infrastructure	1	430.2	5,395.8
C PD01 - Aquatics Chemical System Replacement	2	461.1	5,856.9
T YE08 - IT - Server Infrastructure	2	1,045.0	6,901.9
C TEMP2193 - Fire Station 612 Land Acquisition	3	3,000.0	9,901.9
T YE06 - Police Portable & Vehicle Radio Replacement	3	992.7	10,894.6
C TEMP1484 - National Fire Protection Assoc. Station Standards - Phase I	4	(3,000.0)	7,894.6
T TEMP2106 - Public Safety-Fire Radio Replacement	4	2,116.6	10,011.2
C TEMP2090 - Jail Dormitory	5	702.4	10,713.6
T YE03 - Crime Laboratory Equipment Replacement	5	168.4	10,882.0
C TEMP1753 - Civic Center Library - Story Time Room Expansion	6	-	10,882.0
T YE04 - Video Network Telecast/Production/Video Streaming & Kiva Equip	6	141.4	11,023.4
T TEMP1664 - Irrigation Control System	7	-	11,023.4
C TEMP1759 - Civic Center Library - Scottsdale Heritage Connection	7	(407.9)	10,615.5
T TEMP1935 - Bell & Howell Mail Postage Inserter Replacement	8	108.9	10,724.4

C = Construction
T = Technology

General Fund Requests Funded - Revised

	Rank	GF Request	Running Total
C YE01 - Facilities Repair and Maintenance Program	1	2,105.0	2,105.0
T YE07 - IT - Network Infrastructure	1	430.2	2,535.2
C PD01 - Aquatics Chemical System Replacement	2	461.1	2,996.3
T YE08 - IT - Server Infrastructure	2	1,045.0	4,041.3
C TEMP2193 - Fire Station 612 Land Acquisition	3	3,000.0	7,041.3
T YE06 - Police Portable & Vehicle Radio Replacement	3	992.7	8,034.0
C TEMP1484 - National Fire Protection Assoc. Station Standards - Phase I	4	(3,000.0)	5,034.0
T TEMP2106 - Public Safety-Fire Radio Replacement	4	2,116.6	7,150.6
C TEMP2090 - Jail Dormitory	5	702.4	7,853.0
T YE03 - Crime Laboratory Equipment Replacement	5	168.4	8,021.4
C TEMP1753 - Civic Center Library - Story Time Room Expansion	6	-	8,021.4
T YE04 - Video Network Telecast/Production/Video Streaming & Kiva Equip	6	141.4	8,162.8
T TEMP1664 - Irrigation Control System	7	-	8,162.8
C TEMP1759 - Civic Center Library - Scottsdale Heritage Connection	7	(407.9)	7,754.9
T TEMP1935 - Bell & Howell Mail Postage Inserter Replacement	8	108.9	7,863.7

C = Construction
T = Technology

Forecasted CIP Transportation Sales Tax Budget FY 2018/19 - 2022/23 (\$ millions)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Cash Balance	28.3	25.3	4.0	(3.2)	(1.1)	1.5
50% Transportation Sales Tax	10.5	10.8	11.1	11.4	11.8	12.1
City Council Approved PAYGO	-	-	2.6	-	-	-
Interest Income	0.1	0.1	0.1	0.1	0.1	0.2
City Council Approved PAYGO Mid-Year Transfer	7.4	-	-	-	-	-
Total Cash on Hand	46.3	36.2	17.8	8.2	10.8	13.8
Projected Budget	45.2	15.9	13.6	9.4	9.3	12.2
Re-budget from previous year		24.3	8.0	0.7	0.7	0.7
Total Expenditure Budget	45.2	40.2	21.7	10.1	10.0	12.9
Total Estimated Expenditures	(20.9)	(32.2)	(21.0)	(9.4)	(9.3)	(12.2)
Budget remaining end of year (Total Expend. Budget - Est. Expend.)	24.3	8.0	0.7	0.7	0.7	0.7
End of Year Cash Balance (Total Cash - Total Estimated Expenditures)	25.3	4.0	(3.2)	(1.1)	1.5	1.5

Funding available for additional CIP requests: \$1.5M - \$0.7M = **\$0.8M**

Forecasted CIP Transportation Sales Tax Budget - Revised FY 2018/19 - 2022/23 (\$ millions)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Cash Balance	28.3	26.7	5.6	(1.7)	0.4	2.9
50% Transportation Sales Tax	10.6	10.9	11.2	11.5	11.8	12.1
City Council Approved PAYGO	-	-	2.6	-	-	-
Interest Income	0.1	0.3	-	-	-	-
City Council Approved PAYGO Mid-Year Transfer	8.5	-	-	-	-	-
Total Cash on Hand	47.6	37.9	19.4	9.8	12.2	15.0
Projected Budget	45.2	15.9	13.6	9.4	9.3	12.2
Re-budget from previous year		24.3	8.0	0.7	0.7	0.7
Total Expenditure Budget	45.2	40.2	21.7	10.1	10.0	12.9
Total Estimated Expenditures	(20.9)	(32.2)	(21.0)	(9.4)	(9.3)	(12.2)
Budget remaining end of year (Total Expend. Budget - Est. Expend.)	24.3	8.0	0.7	0.7	0.7	0.7
End of Year Cash Balance (Total Cash - Total Estimated Expenditures)	26.7	5.6	(1.7)	0.4	2.9	2.8

Funding available for additional CIP requests: \$2.8M - \$0.7M = **\$2.1M**

Transportation Sales Tax Requests Funded

	Rank	TR Request	Running Total
ALCP SC03 - Miller Road Underpass at the 101 Freeway	1	-	-
TEMP2026 - ADA Transition Plan Implementation	2	1,500.0	1,500.0
ALCP SB53 - Raintree Drive: Scottsdale Road to Hayden Road	3	33.5	1,533.5
YE29 - Pavement Overlay Program	4	6,550.0	8,083.5
GRANT TEMP1950 - Indian Bend Wash Underpass at Chaparral Road	5	931.8	9,015.3
YE23 - Traffic Signal Construction	6	300.0	9,315.3
YE19 - Roadway Capacity & Safety Improvements	7	900.0	10,215.3
YE20 - Sidewalk Improvements	8	(400.0)	9,815.3
YE28 - Bikeways Program	9	-	9,815.3
YE18 - Trail Improvement Program	10	-	9,815.3
ALCP TEMP1969 - Scottsdale Rd: Thompson Peak Pkwy to Pinnacle Peak Pkwy-Ph2	11	2,626.3	12,441.6
ALCP TEMP1970 - Scottsdale Rd: Pinnacle Peak Pkwy to Jomax Rd	12	771.0	13,212.6
GRANT TEMP1955 - Osborn Road Complete Street: Hayden Road to Scottsdale Road	13	1,477.0	14,689.6
GRANT TEMP2006 - Paving Unpaved Roads	15	2,470.5	17,160.1

ALCP = Arterial Life Cycle Program

Questions?

FY 2018/19 Tentative Budget Adoption

**Adopt Ordinance No. 4345 as presented
(or as modified by Council) establishing
the Tentative Budget for FY 2018/19**

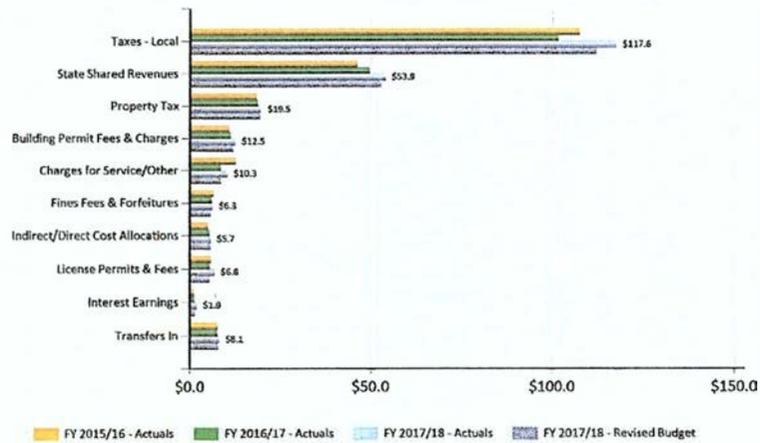
Item 34

Monthly Financial Update As of April 30, 2018

City Council
May 22, 2018

General Fund Operating Sources April 2018: Fiscal Year to Date

(in millions: rounding differences may occur)



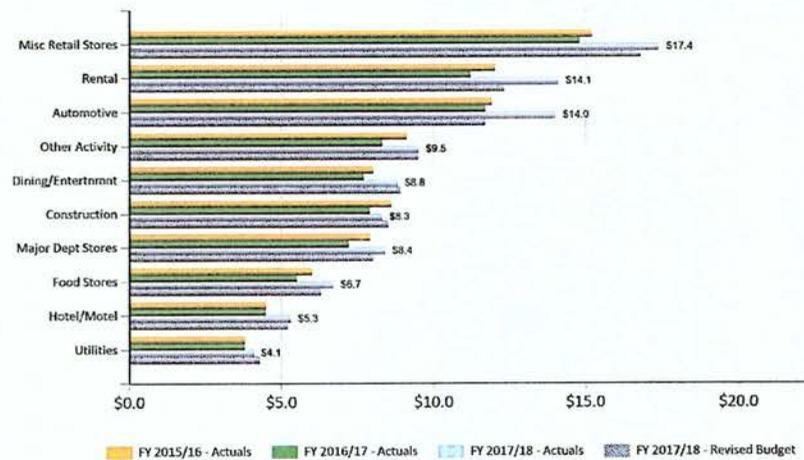
General Fund Operating Sources April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$107.4	\$101.7	\$117.6	\$112.2	\$5.3	5%
State Shared Revenues	46.1	49.6	53.9	52.7	1.2	2%
Property Tax	18.2	18.6	19.5	19.2	0.3	1%
Building Permit Fees & Charges	10.8	11.3	12.5	11.9	0.7	6%
Charges for Service/Other	12.7	8.5	10.3	8.4	1.8	22%
Fines Fees & Forfeitures	6.5	6.1	6.3	5.8	0.5	8%
Indirect/Direct Cost Allocations	5.0	5.4	5.7	5.7	-	-
License Permits & Fees	5.8	5.5	6.8	5.4	1.4	25%
Interest Earnings	1.1	1.2	1.9	1.3	0.6	43%
Transfers In	7.7	7.7	8.1	7.8	0.4	5%
Total Sources	\$221.2	\$215.5	\$242.6	\$230.4	\$12.2	5%

General Fund Operating Sources: Sales Tax April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)



General Fund Operating Sources: 1% Sales Tax April 2018 : Fiscal Year to Date

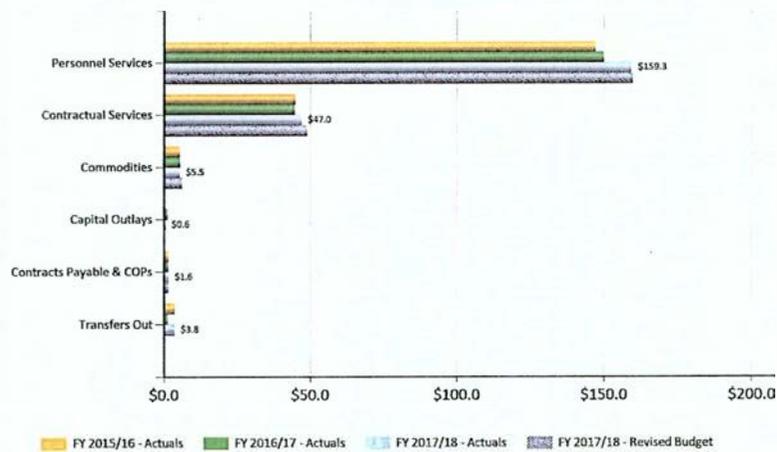
(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$15.2	\$14.8	\$17.4	\$16.8	\$0.6	4%
Rental	12.0	11.2	14.1	12.3	1.8	15%
Automotive	11.9	11.7	14.0	11.7	2.2	19%
Other Activity	9.1	8.3	9.5	9.5	-	-
Dining/Entertainment	8.0	7.7	8.8	8.9	(0.1)	(1%)
Construction	8.6	7.9	8.3	8.5	(0.2)	(2%)
Major Dept Stores	7.9	7.2	8.4	8.0	0.4	5%
Food Stores *	6.0	5.5	6.7	6.3	0.4	6%
Hotel/Motel	4.5	4.5	5.3	5.2	0.1	3%
Utilities	3.8	3.8	4.1	4.3	(0.2)	(5%)
Sales Tax Total	\$86.8	\$82.6	\$96.5	\$91.4	\$5.1	6%

*YTD CIP transfer = \$4.5 million

General Fund Operating Uses: by Category April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)



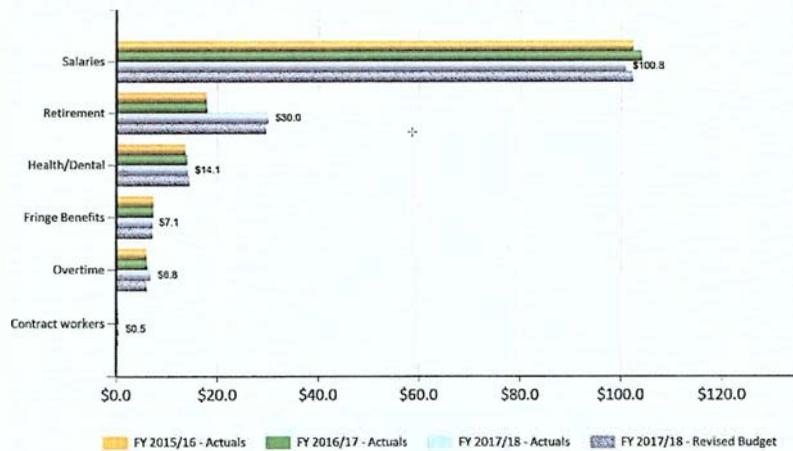
General Fund Operating Uses: by Category April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services*	\$147.0	\$149.9	\$159.3	\$159.8	\$0.5	0%
Contractual Services	44.8	44.7	47.0	48.9	1.9	4%
Commodities	5.6	5.7	5.5	6.4	0.9	14%
Capital Outlays	0.3	1.3	0.6	0.2	(0.3)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	3.7	1.4	3.8	-	(3.8)	n/a
Total Uses	\$202.9	\$204.6	\$217.8	\$217.0	(\$0.8)	0%
*Pay Periods thru April:	22	22	21			

General Fund Operating Uses: Personnel Services April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)



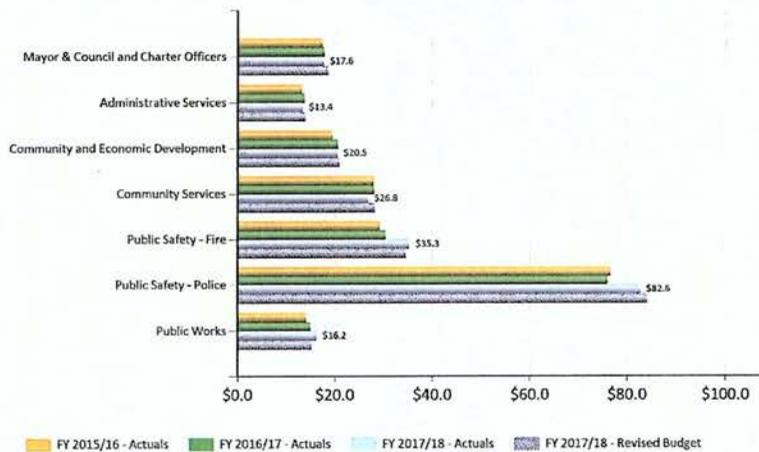
General Fund Operating Uses: Personnel Services April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries*	\$102.3	\$104.0	\$100.8	\$102.3	\$1.6	2%
Retirement	17.7	17.9	30.0	29.5	(0.5)	(2%)
Health/Dental	13.6	14.0	14.1	14.4	0.2	2%
Fringe Benefits	7.3	7.3	7.1	7.1	-	-
Overtime	5.9	6.2	6.8	6.1	(0.7)	(11%)
Contract workers	0.2	0.5	0.5	0.3	(0.1)	(40%)
Personnel Services Total	\$147.0	\$149.9	\$159.3	\$159.8	\$0.5	0%
*Pay Periods thru April:	22	22	21			

General Fund Operating Division Expenditures April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)



General Fund Operating Division Expenditures April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amounts	Percent
Mayor & Council and Charter Officers	\$17.3	\$17.8	\$17.6	\$18.5	\$0.9	5%
Administrative Services	13.2	13.7	13.4	13.9	0.5	3%
Community and Economic Development	19.5	20.6	20.5	20.9	0.4	2%
Community Services	27.9	28.0	26.8	28.2	1.4	5%
Public Safety - Fire	29.1	30.5	35.3	34.6	(0.7)	(2%)
Public Safety - Police	76.6	76.0	82.6	84.1	1.5	2%
Public Works	14.1	15.0	16.2	15.2	(1.0)	(7%)
Total	\$197.6	\$201.6	\$212.4	\$215.4	\$3.0	1%

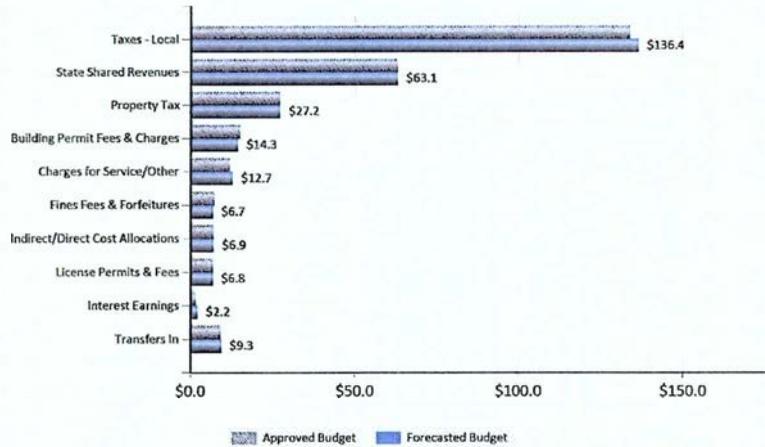
General Fund Results: Summary April 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 15/16	FY 16/17	FY 17/18	FY 17/18 Budget	Actual vs. Budget	
	Actual	Actual	Actual		Fav/(Unf)	%
Sources	\$221.2	\$215.5	\$242.6	\$230.4	\$12.2	5%
Uses	\$202.9	\$204.6	\$217.8	\$217.0	(\$0.8)	0%
Change in Fund Balance	\$18.3	\$10.9	\$24.8	\$13.4	\$11.4	

General Fund Operating Sources April 2018 : Year-End Estimate

(in millions: rounding differences may occur)



General Fund Operating Sources April 2018 : Year-End Estimate

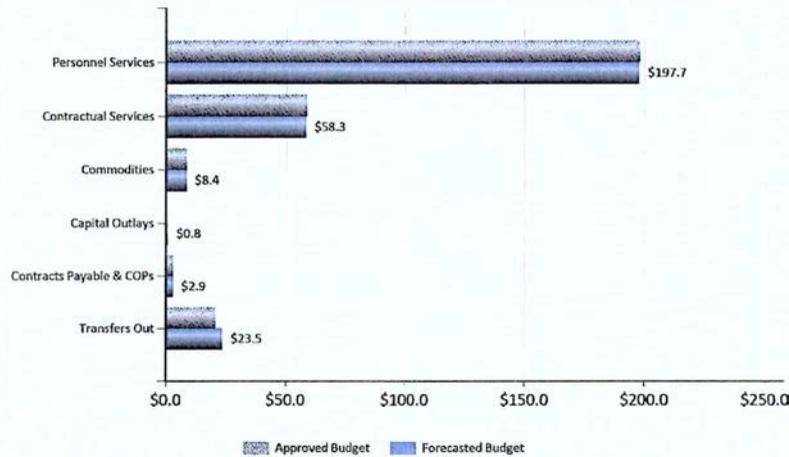
(in millions: rounding differences may occur)

	FY 2017/18	FY 2017/18	Approved vs. Forecast	
	Approved	Forecast*	Favorable / (Unfavorable)	
			Amount	Percent
Taxes - Local	\$133.9	\$136.4	\$2.5	2%
State Shared Revenues	63.1	63.1	-	-
Property Tax	27.2	27.2	-	-
Building Permit Fees & Charges	15.0	14.3	(0.7)	(5%)
Charges for Service/Other	11.9	12.7	0.8	7%
Fines Fees & Forfeitures	7.1	6.7	(0.4)	(6%)
Indirect/Direct Cost Allocations	6.9	6.9	-	-
License Permits & Fees	6.8	6.8	-	-
Interest Earnings	1.6	2.2	0.5	34%
Transfers In	9.1	9.3	0.2	2%
Total Sources	\$282.6	\$285.6	\$3.0	1%

*Forecast as of FY 2018/19 Tentative Budget.

General Fund Operating Uses April 2018 : Year-End Estimate

(in millions: rounding differences may occur)



General Fund Operating Uses April 2018 : Year-End Estimate

(in millions: rounding differences may occur)

	FY 2017/18	FY 2017/18	Approved vs. Forecast	
	Approved	Forecast*	Favorable / (Unfavorable)	
			Amount	Percent
Personnel Services**	\$198.2	\$197.7	\$0.6	0%
Contractual Services	58.9	58.3	0.6	1%
Commodities	8.5	8.4	0.1	1%
Capital Outlays	0.5	0.8	(0.4)	(78%)
Contracts Payable & COPs	2.9	2.9	-	-
Transfers Out	20.6	23.5	(2.9)	(14%)
Total Uses	\$289.5	\$291.5	(\$2.0)	(1%)

*Forecast as of FY 2018/19 Tentative Budget.

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

General Fund Results: Summary

April 2018 : Year-End Estimate

(In millions: rounding differences may occur)

	FY 17/18 Approved	FY 17/18 Forecast *	Variance	
			Fav/(Unf)	%
Sources	\$282.6	\$285.6	\$3.0	1%
Uses	\$289.5	\$291.5	(\$2.0)	(1%)
Change in Fund Balance	(\$6.9)	(\$5.9)	\$1.0	
Ending Undesignated, Unreserved Fund Balance	\$20.5	\$ 23.6	\$3.1	

*Forecast as of FY 2018/19 Tentative Budget.