

**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
REGULAR MEETING
TUESDAY, APRIL 16, 2013**



**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 4:04 P.M. on Tuesday, April 16, 2013, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Suzanne Klapp
Councilmembers Virginia L. Korte, Robert W. Littlefield, Linda Milhaven,
Guy Phillips, and Dennis E. Robbins

Also Present: Acting City Manager Dan Worth
Deputy City Attorney Sherry Scott
City Treasurer David Smith
City Auditor Sharron Walker
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Councilwoman Milhaven

INVOCATION – Mayor Lane asked for a moment of silence for the victims of the Boston Marathon bombing and the City of Boston.

MAYOR'S REPORT – None

CITY MANAGER'S REPORT - None

PRESENTATIONS/INFORMATION UPDATES - None

PUBLIC COMMENT

- Frances Burruel and Juan Bahena reported on their interactions with Scottsdale's Sister City Alamos, Sonora, Mexico.

NOTE: IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN BY THE CITY COUNCIL. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

CONSENT AGENDA

1. **Tavern Grille Scottsdale Teletrack Wagering License Renewal (Application No. 1053566)**
Request: Approve an application to renew a teletrack wagering (off track betting) license at an existing bar and grill location.
Location: 8880 E. Via Linda, Suite 106
Staff Contact(s): David N. Smith, City Treasurer, 480-312-2364, dasmith@scottsdaleaz.gov

2. **City Auditor Code Amendment**
Request: Adopt **Ordinance No. 4040** amending Division 6 of Chapter 2, Article III, Sections 2-117 through 2-119 and 2-122 through 2-129 of the Scottsdale Revised Code pertaining to the City Auditor.
Staff Contact(s): Sharron Walker, City Auditor, 480-312-7867, swalker@scottsdaleaz.gov

3. **Governor's Office of Highway Safety Motorcycle and Traffic Enforcement Equipment Grant**
Request: Adopt **Resolution No. 9365** to:
 1. Authorize Agreement No. 2013-048-COS with the Arizona Governor's Office of Highway Safety to accept a grant in the amount of \$281,700, which includes a 10% cost share, to replace aging motorcycles and traffic enforcement equipment.
 2. Authorize a budget transfer from the adopted FY 2013/14 Future Grants Budget and/or the Grant Contingency Budget; and authorize the creation of a new cost center to record the related grant activity.**Staff Contact(s):** Alan Rodbell, Public Safety Executive Director, 480-312-1900, arodbell@scottsdaleaz.gov

4. **Monthly Financial Report**
Request: Accept the FY 2012/13 Monthly Financial Report as of February 2013.
Staff Contact(s): David N. Smith, City Treasurer, 480-312-2364, dasmith@scottsdaleaz.gov

- 4A. **Bellevue Land Acquisition**
Request: Adopt **Resolution No. 9390** authorizing a general fund capital budget contingency transfer and creating a new CIP Project titled "Acquisition of Bellevue Property" to purchase that real property generally described as 7220 and 7224 E. Bellevue, Scottsdale, Arizona, and pay such other corresponding costs as necessary.
Location: 7220 and 7224 E. Bellevue
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

Mayor Lane opened public testimony.

Nancy Cantor, Scottsdale citizen, spoke in opposition to the Bellevue land acquisition process.

Mayor Lane closed public testimony.

In response to a question regarding the timeframe for the Belleview affordable housing project, Community Services Executive Director Bill Murphy said, based on Housing and Urban Development criteria, the project must be completed by March 2014.

MOTION AND VOTE - CONSENT AGENDA

Councilman Littlefield moved to approve Consent Items 1 - 4A. Councilwoman Milhaven seconded the motion, which carried 7/0.

REGULAR AGENDA

5. Associate City Judge Reappointment

(Moved to April 30, 2013)

6. Public Hearing on Community Development Block Grant and HOME Investment Partnership Program Fiscal Year 2013/14 Annual Action Plan

Requests:

1. Solicit public testimony regarding the FY 2013/14 Annual Action Plan for the use of Community Development Block Grant (CDBG) funds in the amount of \$1,446,949 and HOME funds in the amount of \$250,943; and
2. Adopt **Resolution No. 9367** to:
 - a. Approve Scottsdale's Annual Action Plan for FY 2013/14 (Plan); authorize the submittal of the Plan to the U.S. Department of Housing and Urban Development (HUD); and authorize the Acting City Manager to execute, on behalf of the City, a contract with HUD for CDBG funding for FY 2013/14.
 - b. Approve the manner in which the FY 2013/14 HOME funds shall be allocated.
 - c. Approve reprogramming of remaining CDBG and HOME funds from prior years' funding.
 - d. Approve the recommendations of the Human Services Commission for the allocation of FY 2013/14 CDBG and HOME funds.
 - e. Authorize the Mayor to execute, on behalf of the City, contracts with agencies to be funded with CDBG and HOME funds, subject to final negotiation and scopes of work and the execution of the HUD contract for FY 2013/14 funding.
 - f. Approve the return of program income from the repayment of deferred loans from recipients of the Housing Rehabilitation Program to the City's CDBG Line of Credit or Revolving Loan Fund to be expended on eligible rehabilitation activities; approve the return of all other program income from CDBG-funded activities to the City's CDBG Line of Credit to be expended on eligible CDBG activities; and authorize the Community Assistance Manager to execute all documents related to the City's Housing Rehabilitation Program and adjust the allocations of CDBG and HOME funds as necessary based upon final federal funding allocations.

Presenter(s): William Murphy, Community Services Executive Director

Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov

Councilmember Korte declared a conflict of interest and left the dais.

Community Services Executive Director Bill Murphy gave a PowerPoint presentation (attached) on the Community Development Block Grant (CDBG) and HOME Investment Partnership Program Fiscal Year 2013/14 Annual Action Plan.

Mayor Lane opened public testimony.

Nancy Cantor, Scottsdale citizen, urged the City to fund the Meals-on-Wheels Program.

Mayor Lane closed public testimony.

Discussion:

- A Councilmember expressed support for the Meals-on-Wheels Program. She acknowledged that alternate funding for the program may be found, but believes at least a portion of the funding should come from CDBG funds.
- Mr. Murphy reported that the Meals-on-Wheels Program is being funded through CDBG funds for the current fiscal year because of additional funds that were available from the sale of the senior center. However, typically, the program is funded through Scottsdale Cares. Tempe Community Action Agency (TCAA), the contractor for congregate meals at the Granite Reef Senior Center, applied for CDBG funding for FY 2013/14 and was awarded 50% of the request. TCAA's \$74,100 funding application for the Meals-on-Wheels Program was submitted to Scottsdale Cares. Scottsdale Cares received over \$500,000 in requests for funding, but only had \$140,000 available to distribute to applicants. TCAA's request was ranked more than halfway down on the recommendation list and did not receive funding. The Scottsdale Cares funding recommendations will be coming before Council at a later date.
- Mr. Murphy expects a 5% reduction in Federal funding; thus, programs are being funded at the FY 2011/12 rates. To address the shortfall, staff in the Community Services Department is researching administrative cuts to reduce costs; for example, moving from rented space into City-owned space.
- Community Assistance Manager Michelle Albanese explained that the CDBG requirements limit funding of public services to 15% of the current year's allocation. She noted that 20% of the maximum can be allocated to planning and administration, and the balance of the funds, including reprogrammed funds, must be allocated for brick and mortar projects.

MOTION AND VOTE - ITEM 6

Councilmember Phillips moved to:

1. Solicit public testimony regarding the FY 2013/14 Annual Action Plan for the use of Community Development Block Grant (CDBG) funds in the amount of \$1,446,949 and HOME funds in the amount of \$250,943; and
2. Adopt Resolution No. 9367 to:
 - a. Approve Scottsdale's Annual Action Plan for FY 2013/14 (Plan); authorize the submittal of the Plan to the U.S. Department of Housing and Urban Development (HUD); and authorize the Acting City Manager to execute, on behalf of the City, a contract with HUD for CDBG funding for FY 2013/14.
 - b. Approve the manner in which the FY 2013/14 HOME funds shall be allocated.
 - c. Approve reprogramming of remaining CDBG and HOME funds from prior years' funding.
 - d. Approve the recommendations of the Human Services Commission for the allocation of FY 2013/14 CDBG and HOME funds.
 - e. Authorize the Mayor to execute, on behalf of the City, contracts with agencies to be funded with CDBG and HOME funds, subject to final negotiation and scopes of work and the execution of the HUD contract for FY 2013/14 funding.

- f. Approve the return of program income from the repayment of deferred loans from recipients of the Housing Rehabilitation Program to the City's CDBG Line of Credit or Revolving Loan Fund to be expended on eligible rehabilitation activities; approve the return of all other program income from CDBG-funded activities to the City's CDBG Line of Credit to be expended on eligible CDBG activities; and authorize the Community Assistance Manager to execute all documents related to the City's Housing Rehabilitation Program and adjust the allocations of CDBG and HOME funds as necessary based upon final federal funding allocations.

Councilman Robbins seconded the motion, which carried 5/1, with Vice Mayor Klapp dissenting and Councilmember Korte declaring a conflict of interest.

Councilmember Korte returned to the dais.

7. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of March 2013.

Presenter(s): Joyce Gilbride, Accounting Director

Staff Contact(s): David N. Smith, City Treasurer, 480-312-2364,
dasmith@scottsdaleaz.gov

Accounting Director Joyce Gilbride gave the City's monthly financial update as of March 2013 (attached).

7A. Proposed Fiscal Year 2013/14 Operating Budget and Capital Improvement Plan

Request: Presentation, discussion, and possible Council direction to staff regarding the Proposed FY 2013/14 Operating Budget and Capital Improvement Plan.

Presenter(s): David N. Smith, City Treasurer; Daniel Worth, Acting City Manager

Staff Contact(s): David N. Smith, City Treasurer, 480-312-2364,
dasmith@scottsdaleaz.gov;

Daniel Worth, Acting City Manager, 480-312-2811, dworth@scottsdaleaz.gov

Acting City Manager Dan Worth gave a PowerPoint presentation (attached) on the City's proposed FY 2013/14 Operating Budget and Capital Improvement Plan.

City Treasurer David Smith gave a PowerPoint presentation (attached) on the financial strategies used to prepare the proposed FY 2013/14 Operating Budget and Capital Improvement Plan.

Mayor Lane opened public testimony.

Jim Nolan, Scottsdale Fraternal Order of Police, commented on Public Safety personnel compensation.

Mayor Lane closed public testimony.

Discussion:

- In response to a question regarding the proposed FY 2013/14 budget transfers, Budget Director Judy McIlroy reported that the transfers include \$11.9M for Municipal Property

Corporation debt service, \$5.4M for the Capital Improvement Program, \$3.0M for the use of the Unreserved Fund Balance, and \$2.4M to meet the City's Construction Sales Tax financial policy requirements.

- Acting City Manager Dan Worth confirmed that the Unreserved Fund Balance funds will be used for one-time expenses.

MAYOR AND COUNCIL

9. State of Arizona Executive Budget Recommendations for ASU

Request: Adopt **Resolution No. 9363** supporting the Governor of the State of Arizona's Executive Budget recommendations for Fiscal Year 2014 as they relate to support of funding requested by the Arizona Board of Regents for Arizona State University. This item was added to the agenda at the request of Mayor Lane, Vice Mayor Klapp, and Councilmembers Korte and Milhaven.

Presenter(s): Rachel Smetana, Management Assistant to Mayor Lane

Staff Contact: Rachel Smetana, Management Assistant to Mayor Lane, 480-312-7977, rsmetana@scottsdaleaz.gov

(Item No. 9 was heard before Item No. 8.)

Management Assistant Rachel Smetana outlined the reasons for the request to adopt Resolution No. 9363 supporting the Governor's Executive Budget recommendations as they relate to funding requested by the Arizona Board of Regents for Arizona State University.

MOTION - ITEM 9

Councilwoman Milhaven moved to adopt Resolution No. 9363 supporting the Governor of the State of Arizona's Executive Budget recommendations for Fiscal Year 2014 as they relate to support of funding requested by the Arizona Board of Regents for Arizona State University. Councilmember Korte seconded the motion.

Discussion:

- A Councilmember expressed concern that approving the resolution might set a precedent for other entities to come forward seeking the City's support.
- A Councilmember believes that supporting the resolution is appropriate because of the City's solid relationship with ASU SkySong.

VOTE - ITEM 9

The Council vote on the motion to adopt Resolution No. 9363 supporting the Governor of the State of Arizona's Executive Budget recommendations for Fiscal Year 2014 as they relate to support of funding requested by the Arizona Board of Regents for Arizona State University carried 6/1, with Councilman Littlefield dissenting.

8. Review Proposed Fiscal Year 2013/14 Budget by Division

Request: Public hearing, discussion and possible Council direction to staff, and division presentations regarding Proposed FY 2013/14 Budget. (Presentations not completed at this meeting will be continued to April 17.)

- a. City Officials and Charter Officers, presented by David N. Smith, City Treasurer; Joseph Olcavage, Presiding Judge
- b. Public Safety – Police, presented by John Cocca, Assistant Police Chief
- c. Public Safety – Fire, presented by Thomas Shannon, Fire Chief
- d. Water Resources, presented by Brian Biesemeyer, Executive Director
- e. Public Works, presented by Derek Earle, Acting Executive Director
- f. Community Services, presented by Bill Murphy, Executive Director
- g. Community and Economic Development, presented by Paul Katsenes, Executive Director
- h. Administrative Services, presented by Brad Hartig, Information Technology Executive Director

Staff Contact(s): Daniel Worth, Acting City Manager, 480-312-2811, dworth@scottsdaleaz.gov; David N. Smith, City Treasurer, 480-312-2364, dasmith@scottsdaleaz.gov

a. City Officials and Charter Officers, presented by David N. Smith, City Treasurer; Joseph Olcavage, Presiding Judge

City Treasurer David Smith gave a PowerPoint presentation (attached) on the proposed FY 2013/14 operating budgets for City Officials and Charter Officers.

Mayor Lane opened public testimony on the proposed FY 2013/14 Operating Budget.

- William Banchs, Scottsdale Cultural Council President and CEO, urged the Council to increase the City's annual appropriation to the Scottsdale Cultural Council by 3%.
- Carl Reiter, Scottsdale Philharmonic Executive Director, commented on the various concert programs coming to Scottsdale and the Philharmonic's partnership with the Scottsdale Cultural Council.
- Jim Hill, Police Officers' Scottsdale Association (POSA), commented on the Public Safety Budget and the Police Department's retention and attrition issues.

Mayor Lane closed public testimony.

Presiding Judge Joseph Olcavage gave a PowerPoint presentation (attached) on the Court's unfunded budget requests to move salaried positions from the Court Enhancement Fund into the General Fund and to increase the Court's budget to address the DUI backlog.

Discussion:

- Judge Olcavage explained that, with the exception of Security and Information Technology positions, the Court Enhancement Fund was not intended to fund full-time employees (FTEs). He reported that there are six positions currently funded through the Court Enhancement Fund that should be funded through the General Fund.
- In response to a question about whether the Court Enhancement Fund's performance could be improved by assessing higher fees, Senior Management Analyst Rob Miller reported that the current fee of \$15 is comparable with other cities.
- Judge Olcavage said if the Court's budget request for \$275,819 is approved, \$80,845 will be used to help reduce the DUI backlog and \$194,974 will be used to move two FTEs from the Court Enhancement Fund to the General Fund.

- Staff was asked to provide the Council with a plan for moving the FTEs out of the Court Enhancement Fund.

b. Public Safety - Police, presented by John Cocca, Assistant Police Chief

Public Safety Assistant Police Chief John Cocca gave a PowerPoint presentation (attached) on the Police Department's proposed FY 2013/14 operating budget.

Discussion:

- Assistant Police Chief Cocca explained that there are currently thirty-nine authorized dispatcher positions. There are seven vacant dispatcher positions and five dispatchers in training. The positions that are not fully operational are currently being staffed by officers or police assistants who are trained to take calls.
- In response to a question regarding turnover in the Police Department, Assistant Police Chief Cocca explained that some of the vacancies were the result of anticipated retirements, but the majority of the turnover was unexpected. He acknowledged that the recent salary adjustment to 105% of the minimum for entry level positions has made Scottsdale's Police Department more competitive with other cities.
- Assistant Police Chief Cocca reported that 911 calls have declined, but noted that the Police Department still handles approximately 300,000 calls per year. Prior budget reductions forced the department to reduce dispatcher positions, which left the City short-staffed in this area.
- Acting City Manager Dan Worth pointed out that the City has not been able to fill the vacant dispatcher positions.
- A Councilmember commented that it appears the problem in the 911 Call Center is with recruitment and retention and not with the number of allocated positions.

c. Public Safety - Fire, presented by Thomas Shannon, Fire Chief

Public Safety Fire Chief Thomas Shannon gave a PowerPoint presentation (attached) on the Fire Department's proposed FY 2013/14 operating budget.

Discussion:

- Chief Shannon reported that a lot of activity is generated in the Fire Station 602 service area. The Fire Department's request for eight FTEs and \$86,000 for overtime will ensure full staffing of all engines and ladders at the required staffing levels. Automatic aid available through an Intergovernmental Agreement with neighboring cities is an outstanding service; however, due to the longer travel distance, the response times make the consequence at the end of the emergency call a roll of the dice.
- Chief Shannon noted an increase in response times for businesses requesting expedited fire inspections. Assistant Fire Marshal Mark Zimmerman added that the average timeframe for a fire inspection is 24 to 48 hours.
- Chief Shannon said the addition of a Deputy Fire Marshal position will address the increase in fire permit requests and improve the response time for fire inspection requests.
- Acting City Manager Dan Worth noted that the proposed FY 2012/13 Public Safety operating budget has no new services, with the exception of a forensics position. The cost increases in the proposed budget are primarily due to merit pay and performance based increases to personnel costs.

d. Water Resources, presented by Brian Biesemeyer, Executive Director

Water Resources Executive Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the proposed Water Resources FY 2013/14 operating budget.

Discussion:

- Mr. Biesemeyer reported that, in anticipation of an increase in Central Arizona Project (CAP) costs, an 8% increase is included in the proposed budget.
- The question of whether the 4% forecasted rate increase could be spread out over multiple years was raised. Mr. Biesemeyer replied that the proposed increase will get the City through the current year, with some additional revenue buildup by FY2014/15. He noted that the Council is only being asked to approve a 3% increase for FY 2013/14.
- Mr. Biesemeyer explained that Scottsdale's rate structure is higher than Chandler's and Gilbert's because Scottsdale has varying elevations and is long and narrow, making it more costly to deliver water services. Additionally, Scottsdale depends more on CAP water, which is more expensive to deliver than SRP water.

e. Public Works, presented by Derek Earle, Acting Executive Director

Public Works Acting Executive Director Derek Earle gave a PowerPoint presentation (attached) on the proposed FY 2013/14 Public Works operating budget.

Discussion:

- Mr. Earle explained that the \$4.0M requested for WestWorld will be used to smooth out the large parking areas to allow additional event tents and offices for show staff. This will also provide additional space to larger shows for event set up.
- Mr. Earle said projects that are being seen for the first time, that were not on the original list of high priorities identified by the Bond Task Force, are short-term projects and are intended to complete current ongoing projects or are programmatic.
- A Councilmember said more information is needed before support can be given to the WestWorld improvements, including an explanation of why it is more important than some of the public safety projects that were excluded from the bond proposal.
- A Councilmember asked to have the Marshall Way Project, with an approximate cost of \$515,000, added to the list of Capital Projects for the coming year.
- Mr. Earle clarified that the \$850,000 additional operating allowance for facilities maintenance is for deferred repairs and is included in the proposed budget.

f. Community Services, presented by Bill Murphy, Executive Director

Community Services Executive Director Bill Murphy gave a PowerPoint presentation (attached) on the proposed FY 2013/14 Community Services operating budget.

A Councilmember asked staff to research methods for revamping the Scottsdale Cares Program. Mr. Murphy replied that staff members are currently working on a plan to market the Scottsdale Cares Program and to offer alternative donation methods to customers.

MOTION AND VOTE - REMAINING ITEMS

Councilwoman Milhaven moved to continue the remaining items (the Community and Economic Development and Administrative Services FY2013/14 budget presentations) to April 17, 2013. Councilman Littlefield seconded the motion, which carried 6/1, with Vice Mayor Klapp dissenting.

MAYOR AND COUNCIL

9. State of Arizona Executive Budget Recommendations for ASU

Item 9 was heard before Item 8 (see Page 6).

PUBLIC COMMENT – None

CITIZEN PETITIONS

10. 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

With no further business to discuss, the Regular Meeting adjourned at 10:02 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

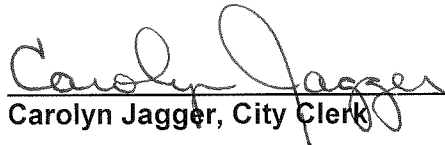
Officially approved by the City Council on May 14, 2013

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 16th day of April 2013.

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

DATED this 14th day of May 2013.



Carolyn Jagger, City Clerk

Item 6

Community Development Block Grant (CDBG) HOME Investment Partnership Programs

**Solicit public testimony on
FY 2013/2014 Annual Action Plan and
Adopt Resolution No. 9367**

Community Development Block Grant (CDBG)

- Administered by U.S. Department of Housing and Urban Development (HUD)
- Non-competitive grants to cities over 50,000
- Eligible expenditures include:
 - public services (max. 15%), housing activities, public facilities, economic development, program administration (max. 20%)
- Minimum of 70% of the funds must benefit low- and moderate-income households
- Expenditures must be consistent with the 4/13/2010 approved 5-Year Consolidated Plan

HOME Investment Partnership Program (HOME)

- **Scottsdale's participation in the Maricopa HOME Consortium**
- **The intent of the HOME program:**
 - **to provide decent affordable housing to lower-income households**
 - **expand the capacity of non-profit housing providers**
 - **strengthen the ability of state and local governments to provide housing**
 - **leverage private sector participation**
- **Requires local match funds of no less than 25%**

HUD Requirements

- **FY 2010-2014 5-Year Consolidated Plan – April 13, 2010**
- **Annual Action Plan on the proposed use of all allocated funds**
- **Public participation and public hearings prior to adoption of Plan**
- **Annual Action Plan due to HUD by May 15, 2013**
- **July 1, 2013 starts FY 2013/14 funding**

Human Services Commission

Role of the Human Services Commission

- Evaluate proposals
- Hear agency presentations
- Ask questions regarding the proposed program
- Score each proposal
- Make funding recommendations to City Council

Funding Process

- Highly competitive process
- Increase in need, limited resources
- Many good applications don't get funded

FY 2013/14 Annual Action Plan Public Process

Sept. 7, 2012	Notice of Request for Proposals Published
Sept.–Dec.	Human Services Commission- Evaluated most critical needs & population groups; panel discussions from agencies
Oct. 3, 2012	Applicant Orientation – Provided overview of application process to non-profits
Nov. 16, 2012	Proposal submission deadline
Jan. 24, 2013	Human Services Commission – Proposal Binders distributed and overview of funding sources

FY 2013/14 Annual Action Plan Public Process

Feb. 5, 2013	Human Services Commission – Agency presentations for CDBG/HOME
Mar 14, 2013	Human Services Commission – Funding discussion & informal funding recommendations
Mar 28, 2013	Human Services Commission - Final approval of funding recommendations
April 16, 2013	City Council - Public Hearing CDBG/HOME
May 15, 2013	Annual Action Plan due to HUD

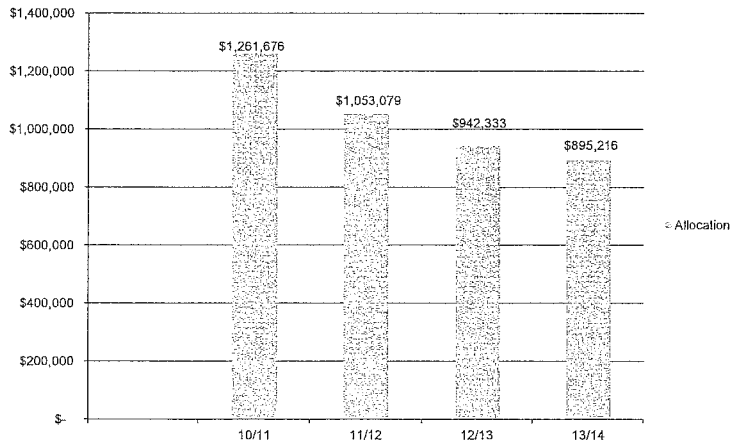
CDBG Funding History

FY	Allocation	Annual Reduction
10/11	\$1,261,676	
11/12	\$1,053,079	<\$208,597>
12/13	\$ 942,333	<\$110,746>
13/14	\$ 895,216*	<\$ 47,117>

Reduction of 29% over the last 4 years <\$366,460>

* estimated allocation

**CDBG Funding Allocation
FY 10/11 thru FY 13/14**

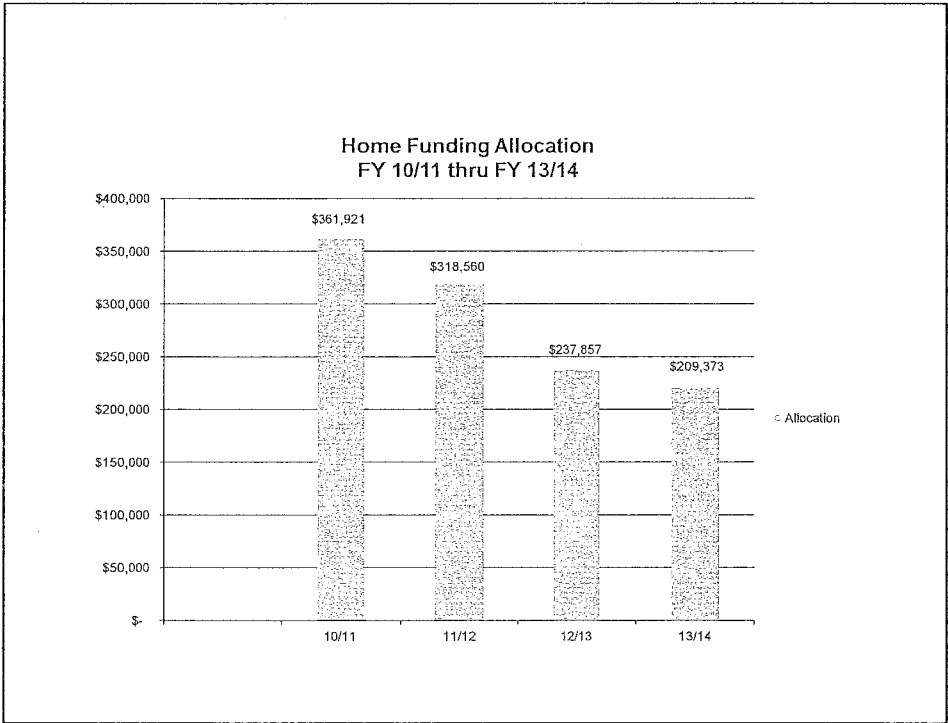


HOME Funding History

FY	Allocation	Annual Reduction
10/11	\$361,921	
11/12	\$318,560	<\$ 43,361>
12/13	\$237,857	<\$ 80,703>
13/14	\$209,373*	<\$ 28,484>

Reduction of 42% over the last 4 years <\$152,548>

* estimated allocation



Estimated Funding Allocations - FY 2013/14

Community Development Block Grant (CDBG)

\$ 895,216 *Estimated FY 13/14 Allocation*
\$551,733 *Reprogrammed funds*
\$1,446,949 *Total Estimated Funds*

Estimated Funding Allocations - FY 2013/14

HOME Investment Partnerships Program

\$ 209,373 *Estimated FY 13/14 Allocation*

\$ 41,570 *Reprogrammed funds*

\$ 250,943 *Total Estimated Funds*

Combined benefit of CDBG and HOME programs

- 9 agencies providing 11 different activities to an estimated 1,243 individuals; 5 Facility and Public Improvement Projects

Funding Proposals Summary

Fiscal Year 2013/14	Proposals Presented	Funds Available	Funds Requested	Proposals Recommended for Funding	Amount Awarded
CDBG	19	\$1,267,906	\$ 1,392,918	15	\$ 1,267,906
HOME	1	\$237,857	\$ 360,000	1	\$237,857
Total	20	\$ 1,505,763	\$1,752,918	16	\$1,505,763

Recommendations for CDBG - FY 2013/14

Public Services	\$ 134,282
Youth, Domestic Violence Victims, Seniors, Disabled and Homeless	
Non-Public Services - Housing	\$ 650,000
Housing Rehabilitation Program Emergency and Roof Repair Programs	
Non-Public Services- Facilities/Improvements	
Improvements to transitional shelter	\$448,000
Public Improvements	
Contingency Funds	\$35,624
Program Administration	<u>\$ 179,043</u>
	\$1,446,949

Recommendation for HOME - FY 2013/14

Housing Acquisition & Rehabilitation	\$ 237,857
Program Administration	<u>\$ 13,086</u>
	\$ 250,943

Resolution No. 9367

Adoption of Resolution No. 9367:

- **Approves FY 2013/14 Annual Action Plan for CDBG funds & authorizes City Manager to execute appropriate certifications and submit Plan to HUD.**
- **Authorizes City Manager to execute a contract with HUD for FY 2013/14 CDBG funding**
- **Approves the manner in which FY 2013/14 HOME funds are allocated**
- **Approves reprogramming of remaining CDBG and HOME funds under prior year's funding**

- **Approves allocations for CDBG and HOME funds as recommended by the Human Services Commission**
- **Authorizes Mayor to execute contracts with agencies**
- **Approves return of Program Income from repayment of Housing Rehabilitation deferred loans to CDBG Line of Credit or Housing Rehabilitation revolving loan fund**
- **Approves return of all other Program Income from CDBG funded activities to the City's Line of Credit to be expended on other eligible CDBG activities**
- **Authorizes the Community Assistance Manager to adjust the allocation of CDBG and HOME funds as necessary based upon final federal funding allocations to the City**

**Community Development Block Grant (CDBG)
HOME Investment Partnership Programs**

Solicit public testimony on
FY 2013/2014 Annual Action Plan and
Adopt Resolution No. 9367

Monthly Financial Update As of March 31, 2013

City Council
April 16, 2013
Prepared by: Finance and Accounting Division

General Fund Operating Sources March 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Sources Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$58.5	\$61.6	\$64.4	\$65.3	(\$0.9)	(1%)
0.1% Public Safety	5.7	6.0	6.3	6.3	(0.1)	(1%)
State Shared: Sales Tax	13.1	12.5	13.1	13.4	(0.3)	(2%)
Revenue	17.1	13.8	16.7	16.7	-	-
Auto Lieu Tax	5.8	5.6	5.0	5.5	(0.4)	(8%)
Property Taxes (Primary)	14.8	16.1	16.2	15.2	0.9	6%
Franchise Fees/In-Lieu Tax	7.7	7.9	8.1	7.8	0.3	4%
Other: Licenses, Permits & Fees	6.2	6.2	6.1	6.0	0.1	2%
Fines & Forfeitures	5.2	5.4	5.0	5.2	(0.2)	(3%)
Miscellaneous	6.2	6.7	6.5	3.9	2.6	66%
Building Permits	5.4	6.0	8.4	6.0	2.4	39%
Interest Earnings	1.5	0.7	1.0	0.8	0.1	14%
Indirect Cost Allocations	10.5	6.4	5.3	5.3	-	-
Transfers In	9.6	7.7	5.5	6.3	(0.7)	(11%)
<i>Subtotal Operating Sources</i>	<i>\$167.3</i>	<i>\$162.6</i>	<i>\$167.6</i>	<i>\$163.7</i>	<i>\$3.9</i>	<i>2%</i>
Bond Proceeds*	-	-	31.3	31.3	-	-
Bed Taxes	8.3	8.6	-	-	-	-
<i>Total Operating Sources</i>	<i>\$175.6</i>	<i>\$171.2</i>	<i>\$198.8</i>	<i>\$194.9</i>	<i>\$3.9</i>	<i>2%</i>

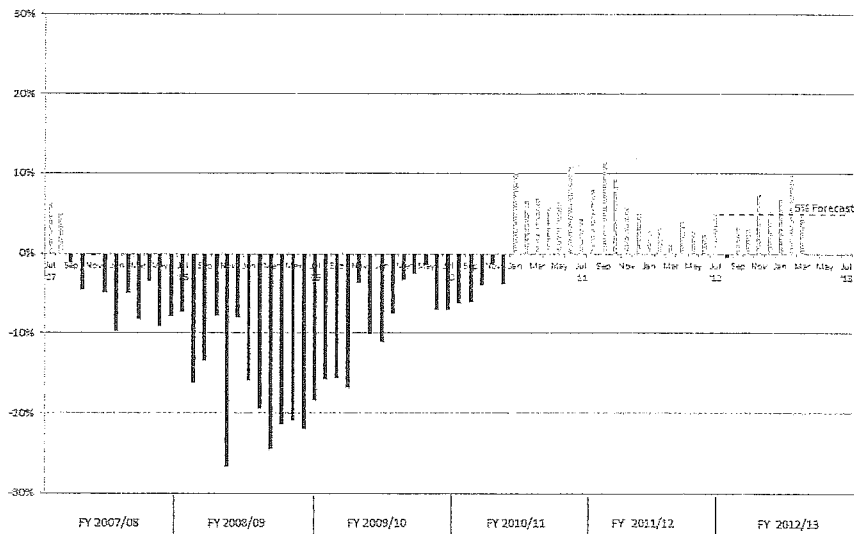
* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax March 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<i><u>Consumer Spending:</u></i>						
Small retail stores	\$9.4	\$10.2	\$10.6	\$11.1	(\$0.5)	(5%)
Large retail stores	6.5	6.8	6.8	7.1	(0.3)	(4%)
Misc goods & services	4.2	4.3	4.9	4.5	0.4	9%
Grocery & convenience	4.5	4.7	4.8	4.7	0.1	1%
Auto sales & maintenance	6.5	6.9	7.9	7.8	0.1	2%
<i><u>Tourism/Entertainment:</u></i>						
Hotel lodging & misc sales	2.7	2.8	2.9	2.8	0.1	2%
Restaurants & bars	5.1	5.5	5.7	5.9	(0.2)	(3%)
<i><u>Business:</u></i>						
Construction	5.2	5.9	6.3	7.1	(0.8)	(11%)
Rental	8.7	8.8	9.2	8.9	0.3	3%
Utilities	3.4	3.4	3.4	3.4	-	-
Licenses, penalties/interest	1.8	1.8	1.8	2.0	(0.2)	(10%)
<i>Subtotal 1.0% Sales Tax</i>	<i>\$58.0</i>	<i>\$61.1</i>	<i>\$64.2</i>	<i>\$65.3</i>	<i>(\$1.0)</i>	<i>(1%)</i>
Large Audit Adjustments	0.5	0.4	0.2	-	0.1	
<i>Total 1.0% Sales Tax</i>	<i>\$58.5</i>	<i>\$61.6</i>	<i>\$64.4</i>	<i>\$65.3</i>	<i>(\$0.9)</i>	<i>(1%)</i>

General Fund Sales Tax: 1.0% General Purpose – Year over Year Change (excluding large audit adjustments)



General Fund Operating Uses: by Category March 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$86.8	\$86.3	\$86.5	\$86.7	\$0.2	-
Overtime	4.3	4.9	5.3	4.6	(0.6)	(14%)
FICA	5.9	6.0	5.9	6.0	0.1	1%
Retirement	9.7	10.5	12.1	12.0	(0.1)	-
Health/Dental & Misc	8.4	10.3	11.3	11.5	0.2	2%
<i>Total Personnel Services</i>	<i>\$115.1</i>	<i>\$118.0</i>	<i>\$121.1</i>	<i>\$120.9</i>	<i>(\$0.2)</i>	<i>-</i>
Contractual, Commodities, Capital Outlay	40.5	37.4	40.6	43.7	3.2	7%
<i>Total Operating Expenses</i>	<i>\$155.6</i>	<i>\$155.5</i>	<i>\$161.7</i>	<i>\$164.6</i>	<i>\$3.0</i>	<i>2%</i>
Debt Serv. & Contracts	3.8	7.3	34.2	33.9	(0.3)	(1%)
Transfers Out	5.0	8.8	3.4	3.0	(0.4)	(13%)
<i>Total Operating Uses</i>	<i>\$164.3</i>	<i>\$171.6</i>	<i>\$199.3</i>	<i>\$201.5</i>	<i>\$2.3</i>	<i>1%</i>
*Pay Periods thru March:	19	20	20			

* The Nordstrom Garage Lease Payoff

POLICE DEPARTMENT

General Fund Operating Uses: by Category March 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$32.5	\$33.5	\$33.5	\$33.3	\$(0.2)	(1%)
Overtime	3.3	3.8	3.9	3.3	(0.7)	(17%)
FICA	2.6	2.7	2.7	2.7	-	-
Retirement	5.4	6.0	6.9	6.8	(0.1)	(1%)
Health/Dental & Misc	3.1	3.9	4.3	4.3	0.1	1%
<i>Total Personnel Services</i>	<i>\$46.9</i>	<i>\$49.9</i>	<i>\$51.3</i>	<i>\$50.4</i>	<i>\$(0.9)</i>	<i>(2%)</i>
Contractual, Commodities, and Capital Outlay	10.2	9.7	9.4	10.4	1.0	11%
<i>Total Operating Uses</i>	<i>\$57.1</i>	<i>\$59.6</i>	<i>\$60.7</i>	<i>\$60.8</i>	<i>\$0.1</i>	<i>-</i>
*Pay Periods thru March:	19	20	20			

General Fund Operating Uses: by Division March 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Division	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$13.8	\$12.9	\$13.5	\$14.3	\$0.8	6%
Administrative Services	10.5	10.5	10.8	10.9	0.1	1%
Comm. & Econ Development	19.6	18.3	17.8	17.9	0.1	1%
Community Services	24.4	22.9	24.3	25.5	1.2	5%
Public Safety - Fire	19.3	20.3	22.1	22.4	0.3	1%
Public Safety - Police	57.1	59.6	60.7	60.8	0.1	-
Public Works	10.8	11.1	12.5	12.7	0.2	2%
<i>Total Operating Expenses</i>	<u>\$155.6</u>	<u>\$155.5</u>	<u>\$161.7</u>	<u>\$164.6</u>	<u>\$3.0</u>	<u>2%</u>

General Fund - Sources Year-End Estimate: FY 2012/13

(in millions: rounding differences may occur)

	FY 2012/13 Approved	FY 2012/13 Forecast (In Proposed Budget)	Variance	
			Fav/(unf)	%
1.1% Sales Taxes	\$97.3	\$96.0	(\$1.3)	(1%)
State-Shared Revenues	47.6	47.2	(0.4)	(1%)
Property Taxes	25.3	25.3	-	-
Franchise Fees/In-Lieu Taxes	11.2	11.2	-	-
Building Permits	8.7	10.2	1.5	17%
Charges for Services/Other	29.9	30.5	0.7	2%
Transfers In	9.5	8.8	(0.6)	(4%)
Subtotal Operating Sources	\$229.4	\$229.3	(\$0.2)	-%
ASRS Settlement	-	1.3	1.3	n/a
Bond Proceeds	31.3	31.3	-	-
Total Sources	\$260.7	\$261.8	\$1.1	-%

General Fund - Uses Year-End Estimate: FY 2012/13

(in millions: rounding differences may occur)

Category	FY 2012/13 Approved	FY 2012/13 Forecast (In Proposed Budget)	Variance	
			Fav/(Unf)	%
Personnel Services*:				
Salaries & Wages	\$113.1	\$112.9	\$0.2	-
Overtime	5.9	6.6	(0.7)	(11%)
FICA	7.9	7.9	-	-
Retirement	15.8	15.9	(0.1)	(1%)
Health/Dental & Misc	14.9	15.1	(0.2)	(1%)
<i>Total Personnel Services</i>	<i>\$157.6</i>	<i>\$158.4</i>	<i>(\$0.8)</i>	<i>(1%)</i>
Contractual, Commodities, Capital Outlay	59.1	55.4	3.7	7%
<i>Total Operating Expenses</i>	<i>\$216.7</i>	<i>\$213.8</i>	<i>\$2.9</i>	<i>1%</i>
Debt Serv. & Contracts	44.3	43.8	0.5	1%
Transfers Out	8.5	8.4	0.1	1%
<i>Total Operating Uses</i>	<i>\$269.5</i>	<i>\$266.0</i>	<i>\$3.5</i>	<i>1%</i>

General Fund Results Year End Estimate: FY 2012/13

(in millions: rounding differences may occur)

	FY 12/13 Approved	FY 12/13 Forecast (In Proposed Budget)	Variance	
			Fav/(Unf)	%
Sources	\$260.7	\$261.8	\$1.1	-
Uses	(269.5)	(266.0)	3.5	1%
Total Sources Over/(Under) Uses	(\$8.8)	(\$4.3)	\$4.5	
 Ending Unreserved Fund Balance	 \$6.5 *	 \$11.3		

* FY 2012/13 Adopted Budget equals \$1.3. This amount increased due to better results in FY 2011/12.

General Fund Results: Summary March 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$175.6	\$171.2	\$198.8	\$194.9	\$3.9	2%
Uses	164.3	171.6	199.3	201.5	2.3	1%
Change in Fund Balance	\$11.3	(\$0.4)	(\$0.4)	(\$6.6)	\$6.2	

* Includes Nordstrom Garage Lease Payoff paid for with bond proceeds.

General Fund Operating Sources March 2013

(in millions: rounding differences may occur)

Sources Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$6.9	\$7.0	\$7.3	\$7.6	(\$0.3)	(4%)
0.1% Public Safety	0.7	0.7	0.7	0.7	-	-
State Shared: Sales Tax	1.4	1.3	1.4	1.4	-	-
Revenue	1.9	1.5	1.9	1.9	-	-
Auto Lieu Tax	0.7	0.6	0.6	0.6	-	-
Property Taxes (Primary)	1.0	1.1	1.0	1.1	-	-
Franchise Fees/In-Lieu Tax	-	-	-	-	-	-
Other: Licenses, Permits & Fees	0.9	0.9	1.0	0.9	0.1	7%
Fines & Forfeitures	0.7	0.7	0.6	0.6	-	-
Miscellaneous	0.7	0.8	0.4	0.3	0.1	20%
Building Permits	0.5	0.6	1.0	0.7	0.3	46%
Interest Earnings	-	-	0.2	0.1	0.1	67%
Indirect Cost Allocations	1.1	0.7	0.6	0.6	-	-
Transfers In	0.6	0.6	0.5	0.5	-	-
Subtotal Operating Sources	\$17.2	\$16.6	\$17.2	\$17.0	\$0.2	1%
Bond Proceeds*	-	-	-	-	-	-
Bed Taxes (gross)	1.5	1.6	-	-	-	-
Total Operating Sources	\$18.7	\$18.2	\$17.2	\$17.0	\$0.2	1%

* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax March 2013

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<i>Consumer Spending:</i>						
Small retail stores	\$1.0	\$1.1	\$1.2	\$1.2	(\$0.1)	(4%)
Large retail stores	0.7	0.7	0.7	0.8	-	-
Misc goods & services	0.6	0.5	0.5	0.5	-	-
Grocery & convenience	0.5	0.6	0.5	0.6	-	-
Auto sales & maintenance	0.8	0.7	0.9	0.9	-	-
<i>Tourism/Entertainment:</i>						
Hotel lodging & misc sales	0.4	0.5	0.5	0.5	-	-
Restaurants & bars	0.8	0.8	0.8	0.9	(0.1)	(6%)
<i>Business:</i>						
Construction	0.7	0.6	0.7	0.8	(0.1)	(13%)
Rental	1.0	1.0	1.0	1.0	-	-
Utilities	0.3	0.3	0.3	0.3	-	-
Licenses, penalties/interest	0.2	0.2	0.1	0.2	-	-
<i>Subtotal 1.0% Sales Tax</i>	<i>\$7.0</i>	<i>\$7.0</i>	<i>\$7.3</i>	<i>\$7.6</i>	<i>(\$0.2)</i>	<i>(2%)</i>
Large Audit Adjustments	(0.1)	-	-	-	-	-
<i>Total 1.0% Sales Tax</i>	<i>\$6.9</i>	<i>\$7.0</i>	<i>\$7.3</i>	<i>\$7.6</i>	<i>(\$0.3)</i>	<i>(4%)</i>

General Fund Operating Uses: by Category March 2013

(in millions: rounding differences may occur)

Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<i>Personnel Services*:</i>						
Salaries & Wages	\$9.0	\$12.9	\$12.8	\$12.8	(\$0.1)	(1%)
Overtime	0.5	0.8	0.7	0.8	0.1	9%
FICA	0.6	0.9	0.9	0.9	-	-
Retirement	1.0	1.6	1.8	1.9	-	-
Health/Dental & Misc	1.2	1.1	1.2	1.3	-	-
<i>Total Personnel Services</i>	<i>\$12.4</i>	<i>\$17.4</i>	<i>\$17.5</i>	<i>\$17.6</i>	<i>\$0.1</i>	<i>-</i>
Contractual, Commodities, Capital Outlay	4.2	4.5	4.5	4.4	-	(1%)
<i>Total Operating Expenses</i>	<i>\$16.6</i>	<i>\$21.9</i>	<i>\$22.0</i>	<i>\$22.0</i>	<i>-</i>	<i>-</i>
Debt Serv. & Contracts	0.5	0.2	0.3	-	(0.3)	n/a
Transfers Out	1.4	5.1	0.1	-	(0.1)	n/a
<i>Total Operating Uses</i>	<i>\$18.5</i>	<i>\$27.3</i>	<i>\$22.4</i>	<i>\$22.0</i>	<i>(\$0.3)</i>	<i>(1%)</i>
*Pay Periods in March:	2	3	3			

General Fund Operating Uses: by Division March 2013

(in millions: rounding differences may occur)

Division	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$1.5	\$1.9	\$1.8	\$1.9	\$0.1	4%
Administrative Services	1.2	1.4	1.4	1.4	-	-
Comm. & Econ Development	1.9	2.2	2.3	2.2	(0.1)	(5%)
Community Services	2.6	3.4	3.2	3.5	0.3	8%
Public Safety - Fire	2.1	3.1	2.9	3.0	0.1	3%
Public Safety - Police	6.1	8.6	8.4	8.5	0.1	1%
Public Works	1.4	1.3	1.9	1.5	(0.4)	(24%)
<i>Total Operating Expenses</i>	<u>\$16.6</u>	<u>\$21.9</u>	<u>\$22.0</u>	<u>\$22.0</u>	<u>\$-</u>	<u>-</u>

General Fund Results: Summary March 2013

(in millions: rounding differences may occur)

	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$18.7	\$18.2	\$17.2	\$17.0	\$0.2	1%
Uses	18.5	27.3	22.4	22.0	(0.3)	(1%)
Change in Fund Balance	<u>\$0.2</u>	<u>(\$9.0)</u>	<u>(\$5.2)</u>	<u>(\$5.0)</u>	<u>(\$0.2)</u>	

Item 7A



Proposed FY 2013/14 Operating & Capital Budget

April 16, 2013 City Council Meeting



General Fund Overview

- Revenues up \$6 million (3 percent) from 12/13 approved
- Construction sales tax up 6 percent
- Permit revenues up 37 percent
- Auto sales tax up 13 percent
- No property tax increase included (2% = \$500,000)



Budget Review Philosophy

- “Have to do.” Utility and contract increases
 - No impact. Revenue offsets, or FTE adds within budget
 - One-time. Planning efforts and equipment replacement
 - Reinvest in infrastructure. Staff to support infrastructure
 - Reinvest in employees. Merit pay/compensation programs
- Then -
- Increases in services / restore fund transfers.

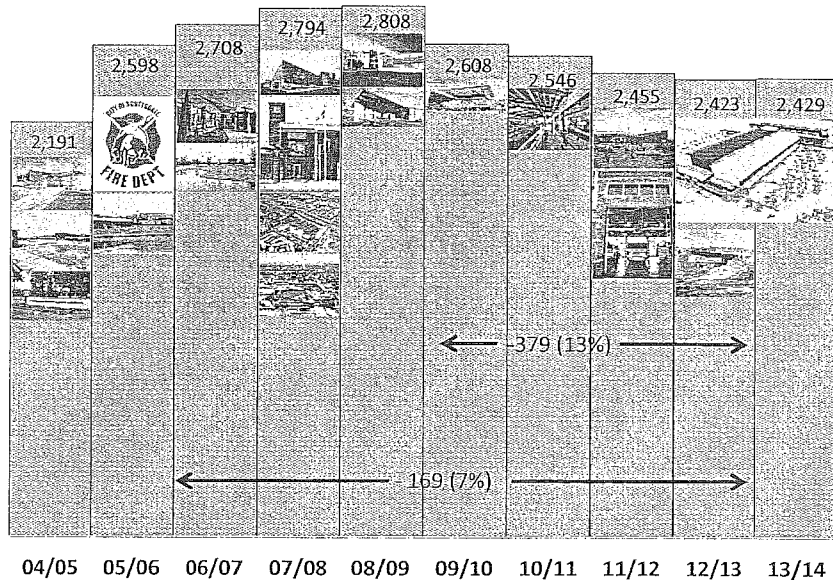
3



Significant General Fund Increases	G.F. Impact (in m)
Maintenance, operation and replacement of city vehicles, computers, etc.	\$3.2
Merit pay program (on-going or one-time)	\$2.8
Rate increases for state retirement program	\$1.2
Employer contribution of increased healthcare costs	\$1.0
Increased utility costs, due to higher prices, and the Tony Nelssen Equestrian Center expansion	\$0.8

4

Authorized City Staffing (FTEs) & Added/Expanded Facilities



5

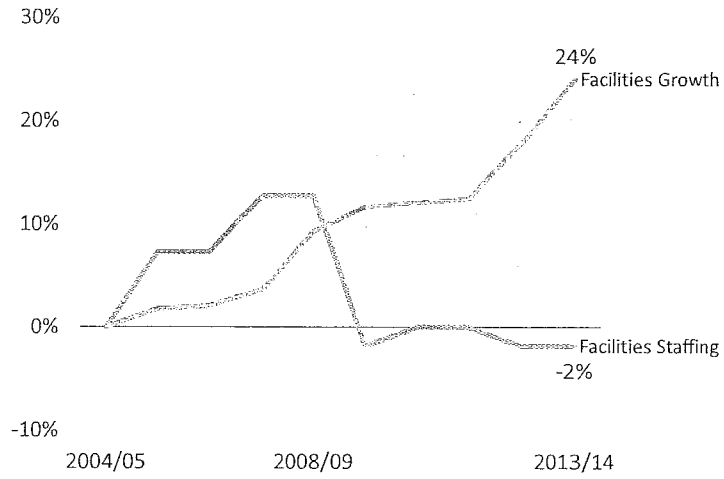


General Fund FTE Requests

General Fund FTE Requests	FTE
HVAC technician to handle backlog and preventive maintenance due to facility increase	1.0
Temporary contract coordinator position approved last year for deferred maintenance	(1.0)
Senior human resources analyst to support classification and compensation program	1.0
IT engineer to support network communications infrastructure	1.0
Convert management position to front-line shared mailroom/warehouse position	1.0
Forensic scientist supervisor in crime lab	1.0
	4.0

6

Facilities Growth and Facilities Management Staffing



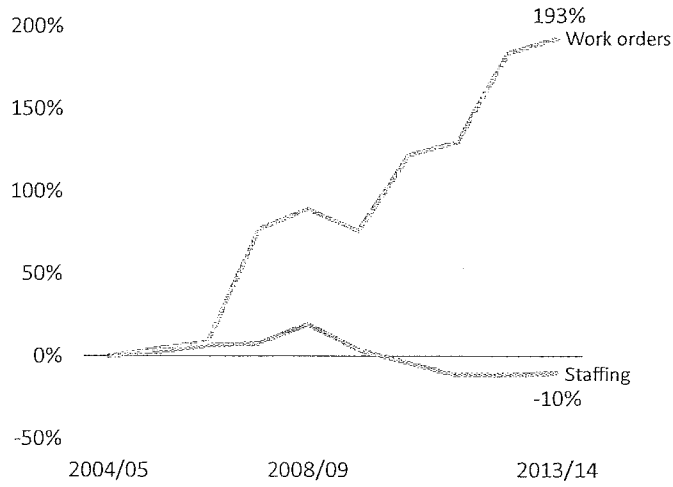
7

Human Resources recruitments and staffing



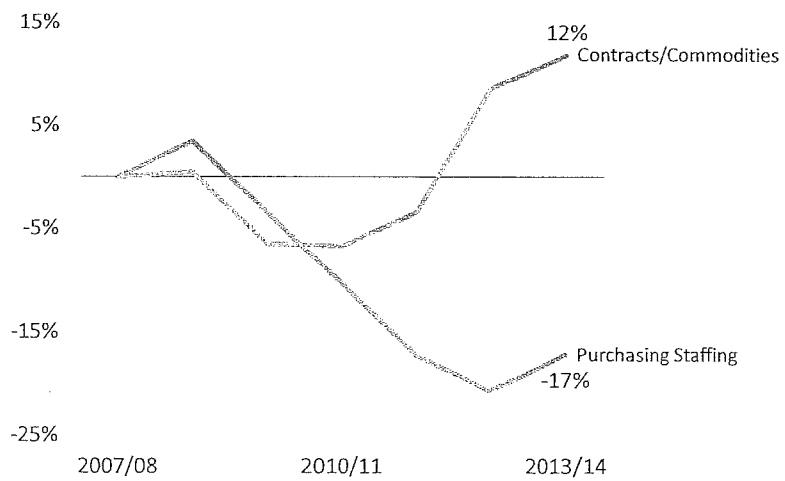
8

Information Technology work orders and staffing



9

Citywide spending and Purchasing staffing



10



Unreserved Fund Balance. Savings created by keeping expenses below approved budget, combined with revenues above projections

Used to address one-time needs:

- \$3.0 million to capital improvement plan
- \$0.9 m for deferred maintenance of buildings/equipment
- \$0.5 m for 2013 city elections
- \$0.3 m for equipment replacement at playgrounds/pools

Estimated remaining balance still more than \$4.0 m.
Reserves and contingency remain fully funded as well.

11



Enterprise Funds. Water, Water Reclamation, Solid Waste and Aviation Funds are self-sufficient and funded primarily through user fees/charges

- Indirect cost allocations are charges to enterprise funds by the general fund for general city services (accounting, human resources, etc.)
- These indirect cost allocations reduced by \$0.7 m in FY 2013/14 and an additional \$0.7 m in FY 2014/15
- Goal – accurately reflect the true cost of these services

12

Capital Improvement Plan. All Funds \$514 m*
 FY 2013/14 All Funds \$274 m (259 projects)
 FY 2013/14 General Fund** \$41 m (98 projects)

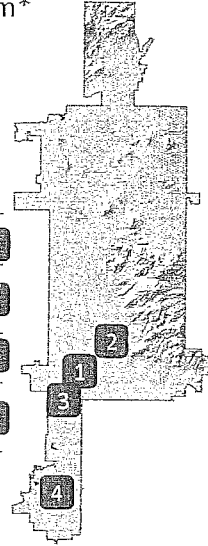
Capital Improvement Plan Projects starting this year

- Scottsdale Airport Taxiway Reconstruction (\$9 m) 1

- WestWorld Event Parking/Show Office Improvements (\$4 m) 2

- Police Special Investigations Building Completion (\$2 m) 3

- Hayden & Chaparral Intersection Improvements (\$1.8 m) 4



*Excludes contingency
 **Includes any projects using General Funds
 All \$\$\$ rounded to nearest million

City Council Budget Review Schedule



- Tue., April 16 Public Hearing, Council Discussion and Division Presentations
- Wed., April 17 Public Hearing, Council Discussion and Division Presentations
- Thu., April 18 Only if needed - Public Hearing, Council Discussion and Division Presentations
- Tue., May 7 Public Hearing, Council Discussion
- Tue., May 14 Public Hearing and Tentative Budget Adoption
- Tue., June 4 Public Hearing and Final Budget Adoption; Truth in Taxation Hearing.

Item 8a

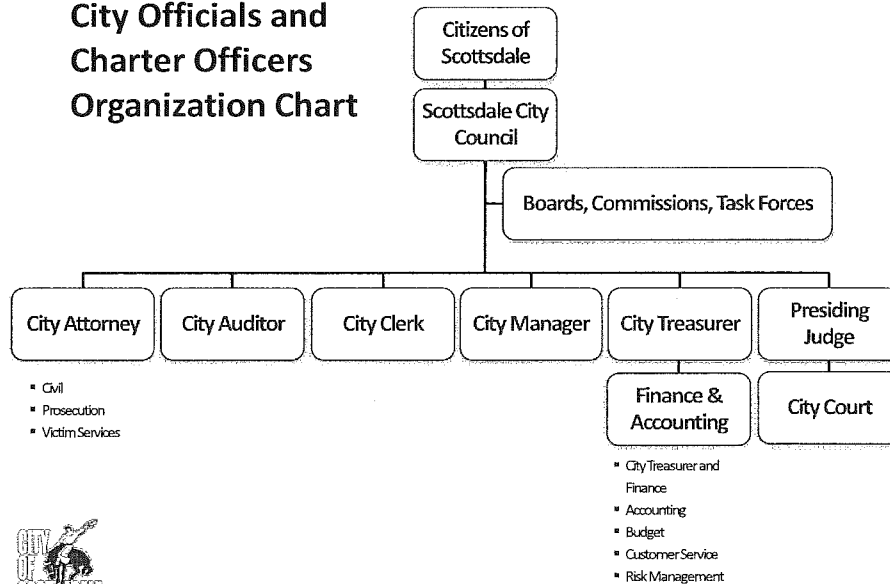
David Smith



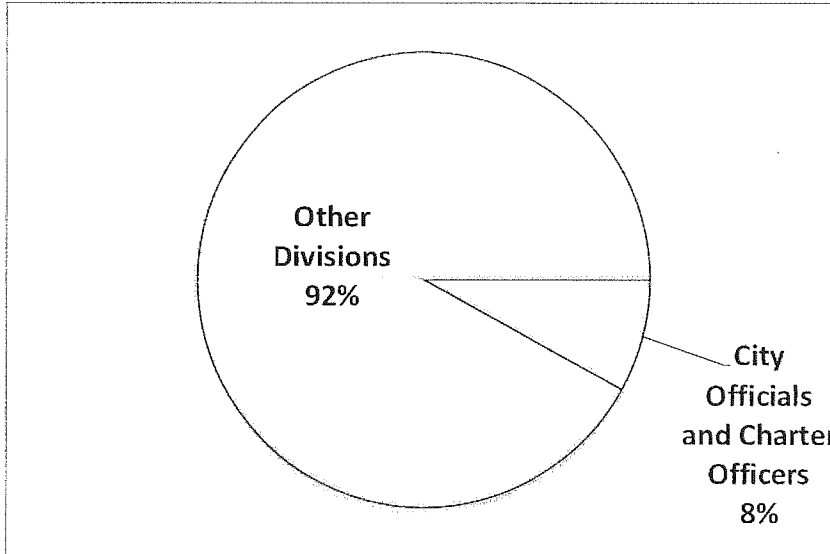
City Officials and Charter Officers

FY 2013/14 Budget Presentations

City Officials and Charter Officers Organization Chart

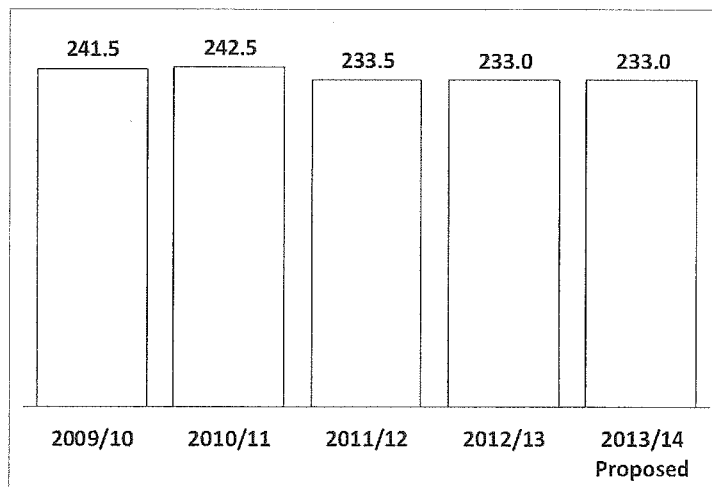


**City Officials and Charter Officers
Proposed FY 2013/14 All Funds Citywide Budget**



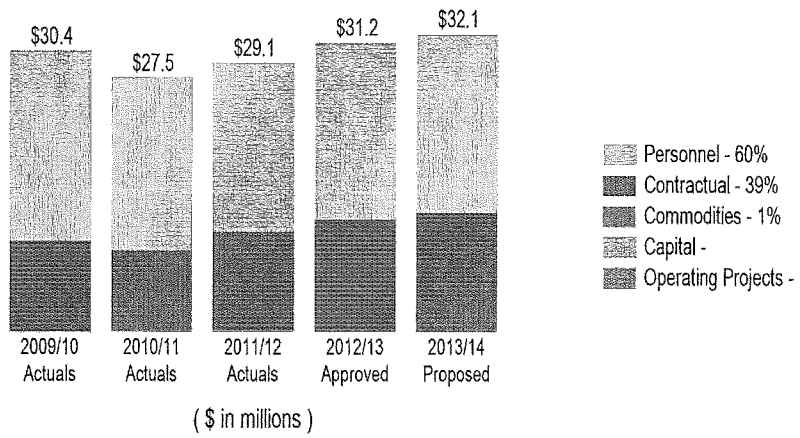
3

**City Officials and Charter Officers
Authorized FTE Summary**



4

City Officials and Charter Officers Proposed FY 2013/14 Budget by Category



Item 8a

Judge Olcavage



City Officials and Charter Officers – City Court

FY 2013/14 Budget Presentations



Court Enhancement Fund

City Ordinance-Sec. 9-7.2. - City court enhancement fund
created in 1993

- Shall be used exclusively to enhance the technological, operational and security capabilities of the city court.
- Funded by an enhancement fee in the amount of \$15, which shall be applied by the city court on all fines, sanctions, penalties and assessments imposed by the court.
- All applicable surcharges shall be applied to the court enhancement fee, and shall be paid over to the Arizona Supreme Court.



Court Enhancement (CE) Funded

- Lobby / Public Windows Renovation
- Main Entry / Security Remodel
- Electronic Document Management
- Back up Generator
- Digital Recording in Courtrooms
- Lobby Queuing System
- Courtroom 5
- Screener contract
- Security salary and benefits



Issues

- 9.5 FTE's moved into CE fund in 2009/10 with city promise to move back in 1 - 2 years
- To date, no FTE's moved back to general fund
(.5 Interpreter FTE eliminated as part of downsizing)
- From FY 2009/10 – FY 2011/12, CE fund spent on average \$293,000 more each year than it brought in
- \$2.36M - Fund balance beginning of FY 2012/13



Request: Address CE Fund

- Of the remaining 9.0 FTE moved from General fund, 3.0 IT positions to remain in CE Fund
- 5.8 FTE funded in Court Enhancement
 - Court Screeners contract \$ 60,000
 - 2.8 FTE Court Security \$147,000
 - 3.0 FTE Court IT \$267,000
- 2013/14: Move 2 FTE from CE fund to General fund
 - \$194,974
- Future request: Move 2 FTE each year for the next 2 fiscal years until 6 FTE are funded from general fund



Court Programs & General Fund Savings

- Jail Court: Accepting pleas in jail court is expected to save the general fund \$402,173 annually (jail service)
- Home Detention & Electronic Monitoring program: generated a \$1,262,151 expenditure reduction in the general fund for jail services from FY 2009/10 to FY 2011/12
 - The program's estimated savings to the general fund is over a million dollars each year



Request: Address DUI Backlog

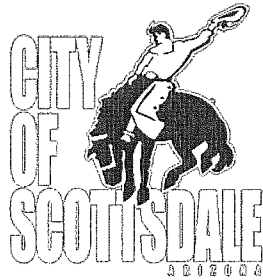
- 200 DUI Cases awaiting jury trials
- 95% of jury trials are DUI Cases
- Average trial is 1.5 days
- 2007 – 5,596 DUI charges filed
- 2012 – 7,404 DUI charges filed
- Scottsdale has the 2nd highest DUI filings in state (behind Phoenix)
- Increased jury trial settings
- Opened Courtroom 5 on experimental basis



Request: Address DUI Backlog

- Increase Court Operating Costs by \$38,000 to cover increases in jury costs
- Increase Court Operating Costs by \$42,845 in order to pay Pro Tem Judges
- Increase to General Fund of **\$275,819**

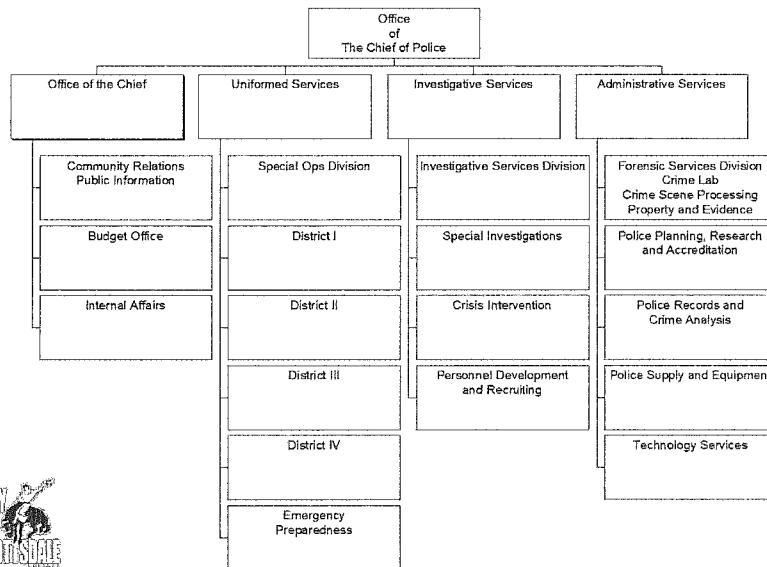
Item 8b

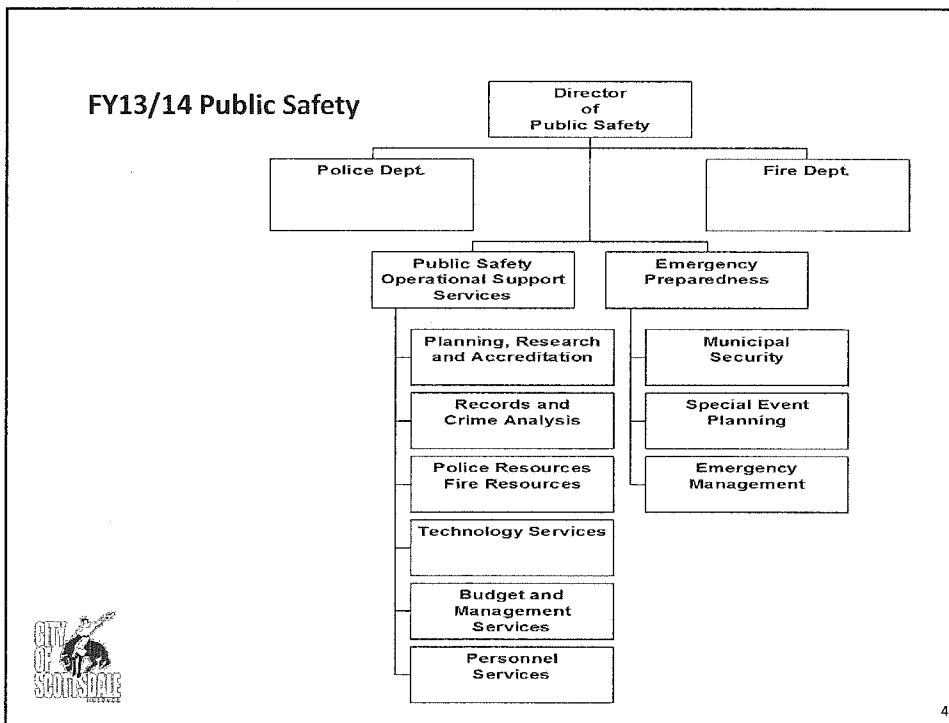
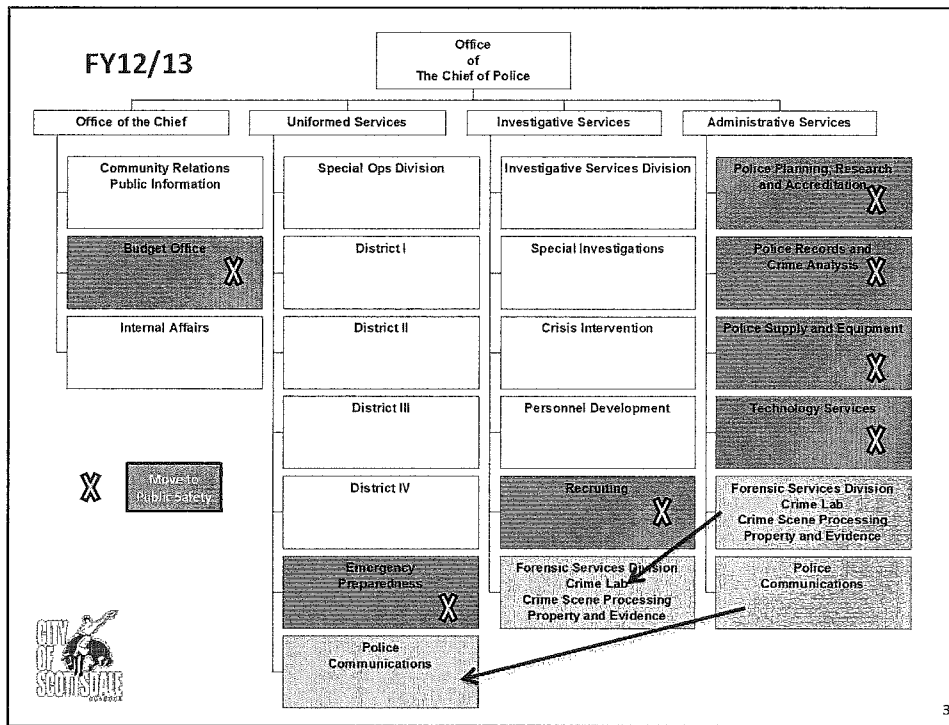


Public Safety and Public Safety - Police

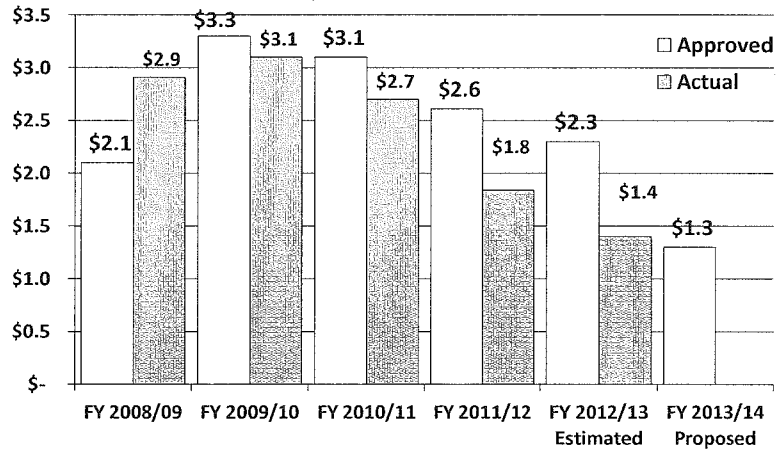
FY 2013/14 Budget Presentations

FY12/13 Police Organizational Chart





MCSO Jail Services Contract (in Millions)



5

REALLOCATION OF JAIL SERVICES CONTRACT *GAPS FILLED WITHOUT ADDITIONAL FUNDING REQUEST*

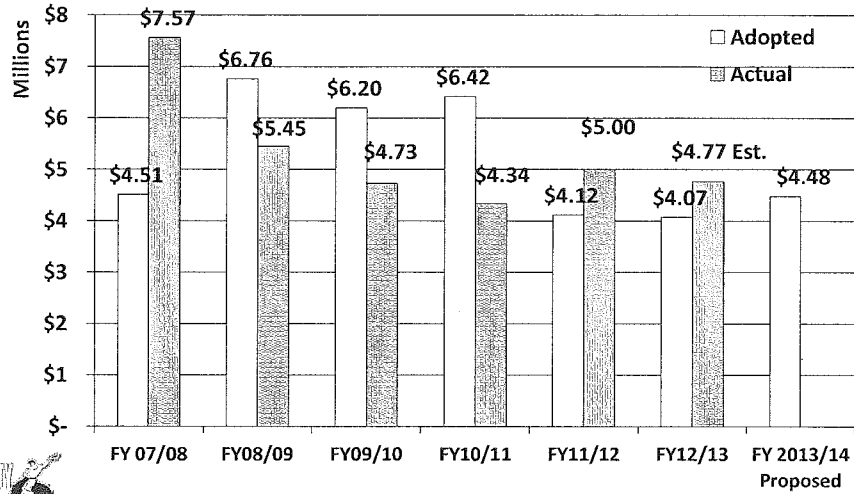
Department Overtime	\$226K
Technology Equipment and Contracts	\$143.9K
Forensic Scientist Supervisor	\$111.5K
Municipal Security Contract	\$72K
Department Wide Training	\$52K
Forensic Services Requests	\$39.1K
Training Ammunition	\$30K
Jail Requests	\$14K
Recruitment Costs	\$10K
Maricopa County Animal Welfare	\$5K
Undercover Lease Vehicle Contract	\$4.6K



**Additional \$291.9K was used to support Citywide increases (i.e. Retirement, healthcare, and Worker's Compensation)*

6

POLICE DEPARTMENT OVERTIME (General Fund Only – in Millions)



7

PERSONNEL INCREASE

- Position is responsible for direct supervision of four (4) Forensic Scientists in charge of Controlled Substance, Blood Alcohol/Toxicology and Firearms/Toolmark examinations
- Responsible for Trace Evidence, performing analysis on all hair/fiber, foot ware and fire debris
- Back up to firearm/toolmark examiner

**Position is requested using existing resources, no additional funds are requested to fund FTE*



8

REQUESTS NOT INCLUDED

9-1-1 Communications Center - \$276,000

3 dispatchers; 1 supervisor

Since 2008/09 16 positions have been eliminated (24/7 operation, minimum staffing levels)

Crime Laboratory - \$110,000

One (1) Forensic Scientist Supervisor

Program Manager responsible for Quality Assurance for all Crime Laboratory disciplines

Property & Evidence - \$58,000

One (1) Technician

Assist with removal/returning evidence (properly according to State Statute)

Backlog accumulating

Weekend On-Call/Stand-by Pay for SWAT Lieutenants - \$15,000

Pay practice was suspended in 2009 (for SWAT only)

93 high risk arrest and search warrants as well as 16 SWAT responses where overseen by Lieutenants in 2012 (most of them during "off-hours")



Consultant to update and revise Emergency Operations and Continuation of Government Plans for the City - \$20,000 - ONE-TIME



**Public Safety –
Fire**

FY 2013/14 Budget Presentations

2012/2013 Highlights

OPERATIONS

- Maintained an average of 4 minutes and 18 seconds when responding to emergency incidents within the City.
- Conducted follow-up educational and injury prevention programs for Scottsdale's pre-school, elementary, middle and high schools.
- Scottsdale Fire Fighter Paramedics provided customers with direct patient care from their home or place of incident to the hospital emergency room 98% of the time.



PROFESSIONAL STANDARDS

- Worked collaboratively with Scottsdale Health Care Corporation resulting in the acquisition of 27 Phillips Heart Monitors that allow for the transmitting of critical data to emergency room physicians in an ongoing effort to reduce the impacts of heart attacks.
- Certification and education requirements maintained for 236 sworn personnel including EMT-Basic EMT- Paramedics and special operations.
- Enhanced electronic reporting of emergency medical services (EMS) and fire company activities including patient care, training, equipment maintenance, community outreach, and program support activities reducing paper records and enhancing customer service.
- Execution of the 2012/2013 Equipment replacement plan.



3

Fire – Equipment Replacement Progress

2012/2013 Expenditures \$400,000



- Turnouts \$288,486
- Heart Monitors \$75,000
- Chainsaw Equipment \$8,460
- Thermal Imaging \$4,352
- Ventilation Fans \$6,450
- Suction Units \$17,250



4

PREVENTION SERVICES

- Collaborated with City Council to approve Ordinance #4045, Resolution #9217 that adopted the 2012 International Fire Code and Scottsdale Amendments.
- Completed a wild-land triage program that provided fire safety feedback and education to businesses and residents in areas of wildfire exposure.
- Remained a major player in the regional Maricopa County Wild Land Preparedness Plan and training as well as implementation of Community Firewise programs.
- Focused on conducting high-risk target inspections for educational and institutional facilities. Worked closely with Scottsdale Unified School District to complete the major remodeling and construction of all city high schools.



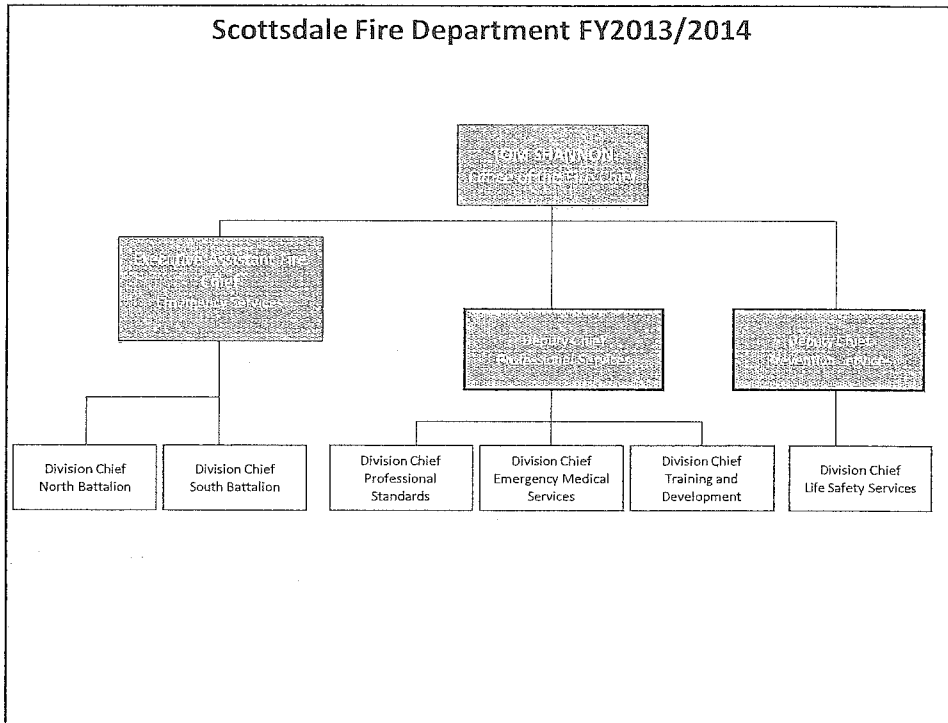
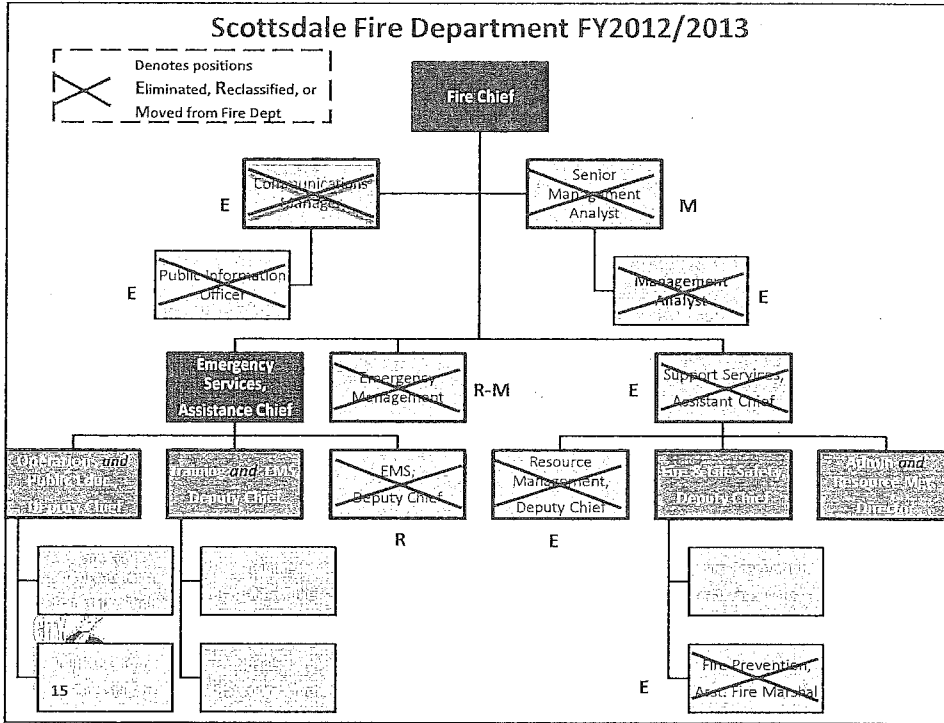
5



Notable Changes to 13/14 Budget

- **Public Safety Reorganization**
 - Movement of personnel and cost centers.
- **Adjustment to personnel costs.**
 - 105%
 - 2%
 - Health benefits
- **Internal Service Charge increases**

6



Unfunded Request 2

- Deputy Fire Marshall position \$65,141 + benefits 22.74 \$13,265, \$32,000 vehicle and M and O.

Grand total: \$110,406

Justification

This **position** was eliminated/transferred in the budget reduction process and resulted in the initial reduction of over 800 annual fire inspections.

Recent trending in city development activity warrants the return of this position and the required vehicle.



11

Unfunded Request 3

- Emergency Medical Services position to be funded by revenue generated by the Professional Medical Transport (PMT) contract.
 - This position will be funded by revenue generated by PMT contract. \$53,726 + benefits not to exceed \$70,000.

Justification

Continuous quality improvement requires the ongoing review of documentation, base station liaison and contractual compliance. Existing EMS staff is unable to adequately address these requirements. The intent of the funds being provided is to assure compliance with the contract previous audits have supported the need for focused oversight.



12

Unfunded Request 4

- Recruitment, Academy and Promotion
 - Recruitment and testing for new fire fighters, and training for paramedics, specialty training for hazardous materials and tactical rescue.
 - \$83,935

Justification

Ongoing experience of vacancies and the deficiency in minimum staffing has driven the need for an academy. As such the recruitment and testing for new fire fighters, training of paramedics and specialty training for hazardous materials and tactical rescue.



13

Unfunded Request 5

- Cost associated with the training and certification for two new paramedics annually.

Justification

Current **attrition** rates suggest an ongoing need for the assignment of at least two paramedics each year. In lieu of funding for a larger paramedic recruitment funding is required to assure the ongoing ascertainment of paramedics.



14

Unfunded Request 6

- Funding of 4 out of 24 pipeline positions.

Justification

Ongoing attrition within the fire department (3-6 annually) necessitates **the** availability of funds to hire personnel midyear when anticipated vacancies occur.



15

Questions?



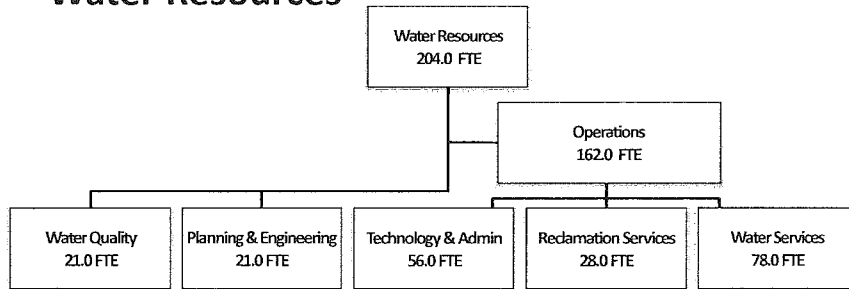
16



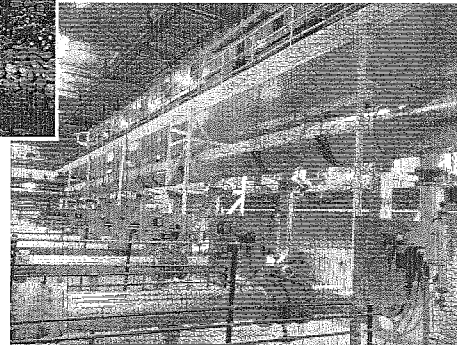
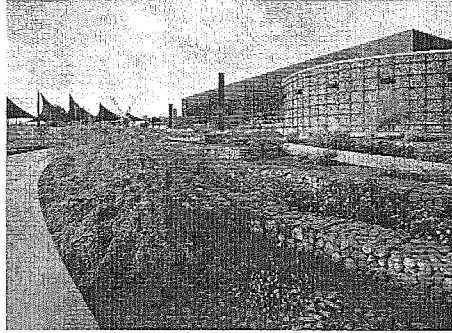
Water Resources

FY 2013/14 Budget Presentations

Water Resources



No additional FTEs requested for FY 2013/14

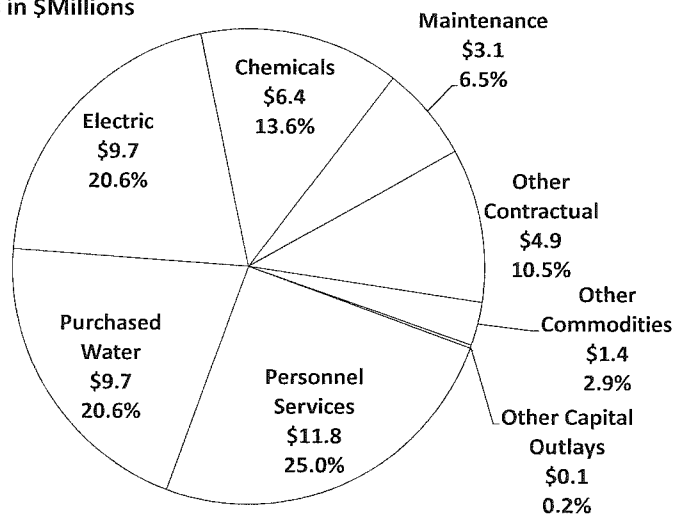


Water Resources – Water

3

Water Resources – FY14 Water Budget

Total Budget: \$47,198,000
Amounts in \$Millions



4

Water Resources – FY14 Water Budget

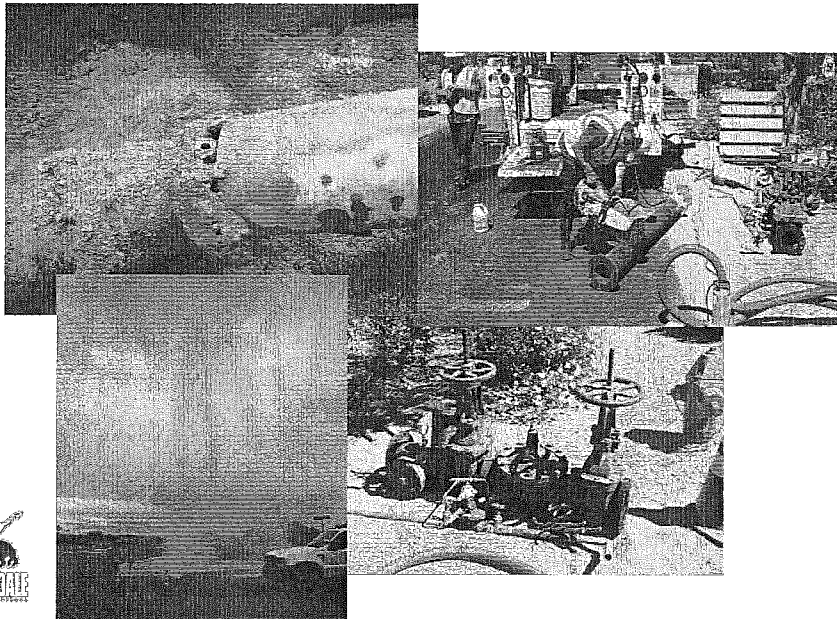
Operating Budget Changes	
Increases	
Purchased Water	\$1,045,000
Maintenance	\$416,000
Electric	\$276,000
Water Meters	\$146,000
Software Maintenance & Licensing	\$65,000
Other Minor Changes	\$98,000
Decreases	
Treatment Filter Media & Gas	(\$1,374,000)
Net FY 2013/14 Budget Request	\$672,000



Five Year Capital Improvement Cash Flow In \$Millions	
Water System Improvements	\$75.2M
Chaparral Water Treatment Plant Improvements	\$27.6M
Other	\$16.9M

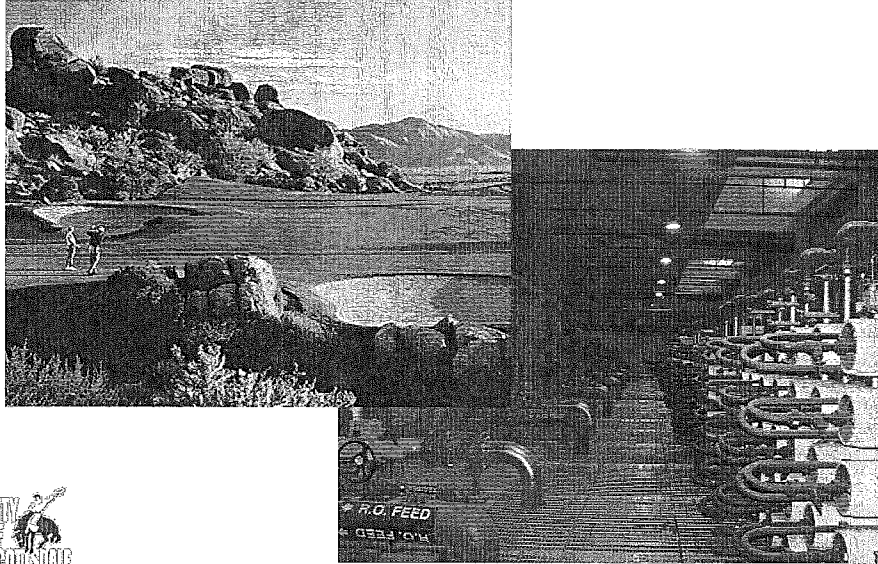
5

Water Resources –Water



6

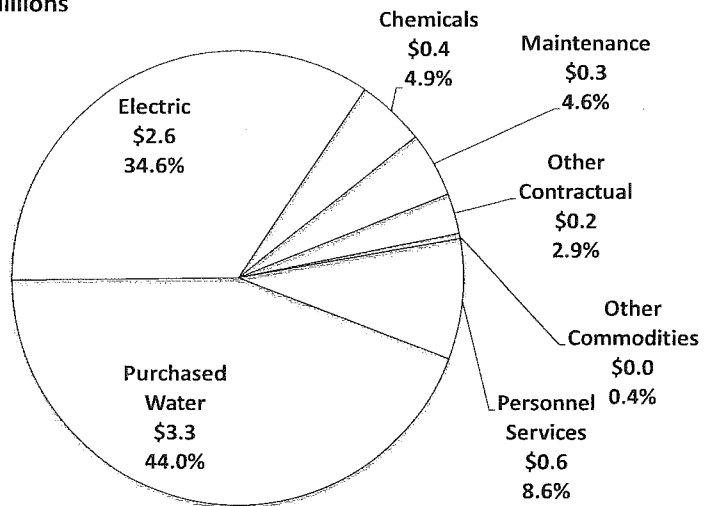
Water Resources – Contractual Funds



7

Water Resources – FY14 Contractual Budgets

Total Budget: \$7,434,000
Amounts in \$Millions



8

Water Resources – FY14 Contractual Budgets*

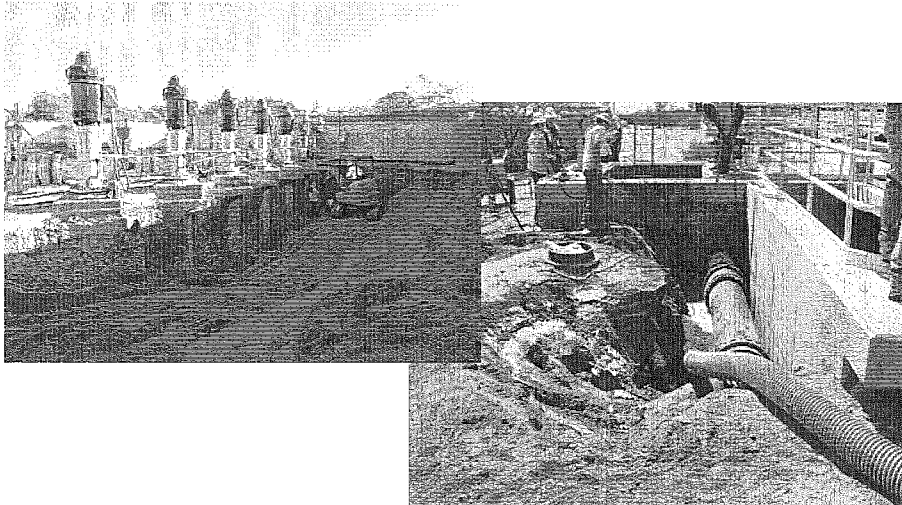
Operating Budget Changes	
Increases	
Purchased Water	\$704,000
Electric	\$209,000
Maintenance	\$41,000
Treatment Chemicals	\$23,000
Decreases	
Other Professional Services	(\$175,000)
Machinery & Equipment	(\$82,000)
Net FY 2013/14 Budget Request	\$720,000

*Contractual arrangements include the Reclaimed Water Distribution System (RWDS), Irrigation Water Distribution System (IWDS), McDowell Mountain Golf Course, Central Groundwater Treatment Facility (CGTF), PCX-1 Well Treatment Facility, Inlet Silverado Golf Course and Gainey Ranch Treatment Plant



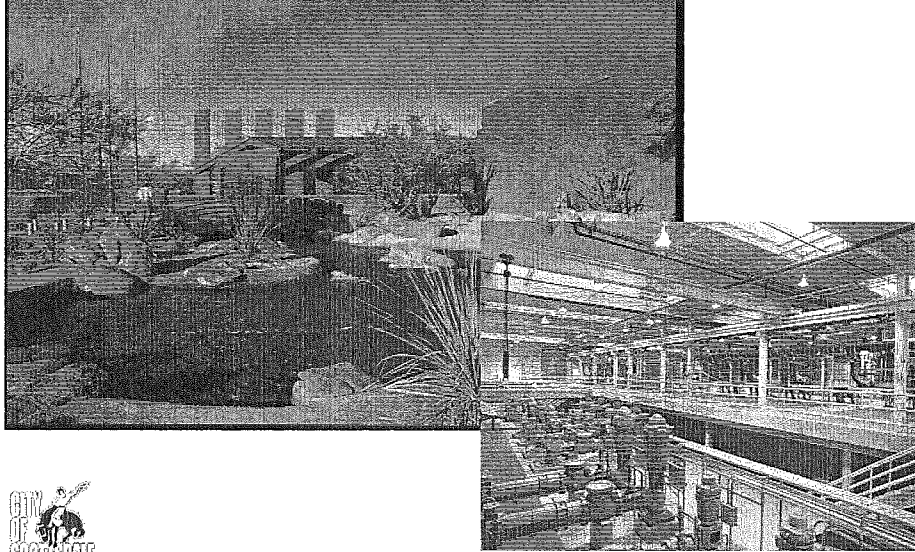
9

Water Resources – Contractual Funds



10

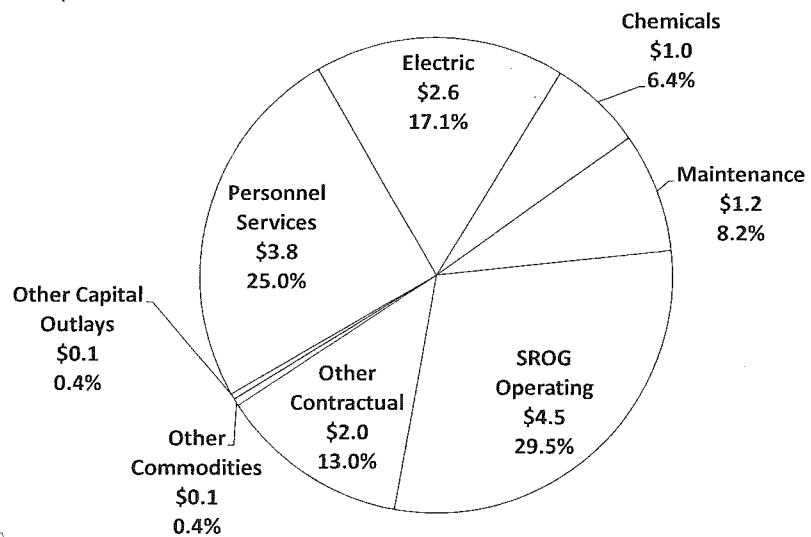
Water Resources – Water Reclamation



11

Water Resources – FY14 Water Reclamation Budget

Total Budget: \$15,260,000
Amounts in \$Millions



12

Water Resources – FY14 Water Reclamation Budget

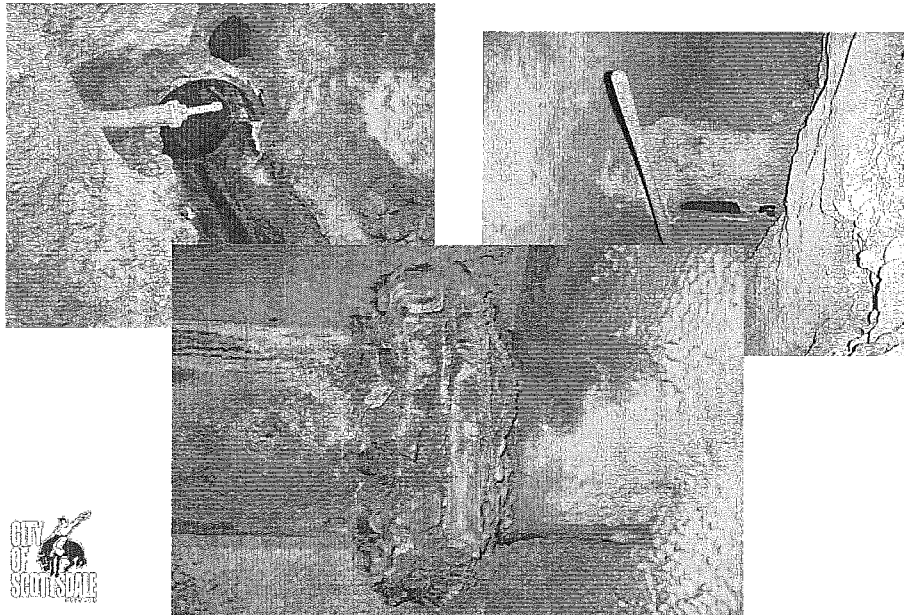
Operating Budget Changes	
Increases	
Electric	\$185,000
Sewer Assessment	\$77,000
Sewer Cleaning	\$57,000
Software Maintenance and Licensing	\$37,000
Decreases	
Reorganizational Efficiencies	(\$260,000)
Travel and Training	(\$50,500)
Other Minor Changes	(\$1,000)
Net FY 2013/14 Budget Request	\$44,400

Five Year Capital Improvement Cash Flow in \$Millions	
Sewer System Improvements	\$45.5M
Sub-Regional Operating Group (SROG) Improvements	\$26.2M
Other	\$5.5M



13

Water Resources – Water Reclamation



14



Water Rates

Water Resources – Water Rates



- **Proposed rate decrease**
 - **Revised rates anticipated to reduce revenue by \$1.6 million**
 - **Lower the first three tiered-rates (out of five) for residential customers**
 - **Lower the first tiered-rate (out of four) for non-residential customers**
 - **Create an irrigation specific tiered-rate structure for non-residential irrigation**
 - **Update multiple water service charges**
 - **Flat stormwater fee**

Water Resources – Water Rate Structures

Residential Commodity Rates – (\$1.0M)			
Tier	Volume Breaks	Current	Proposed
1	0 to 5,000 Gallons	\$1.80	\$1.65
2	5,001 to 12,000 Gallons	\$2.90	\$2.85
3	12,001 to 40,000 Gallons	\$3.50	\$3.45
4	40,001 to 70,000 Gallons	\$4.50	\$4.50
5	70,001 Gallons and Over	\$5.00	\$5.00

Multi-Family/Commercial Commodity Rates (Includes Multi-Family/Commercial Irrigation) – (\$0.5M)			
Tier	Volume Breaks	Current	Proposed
1	0 to 2,500 Gallons	\$1.80	\$1.65
2	2,501 to 6,000 Gallons	\$2.80	\$2.80
3	6,001 to 20,000 Gallons	\$3.40	\$3.40
4	20,001 Gallons and Over	\$3.70	\$3.70



17

Water Resources – Water Rates and Charges

Service Charges: Update Implemented In One Year	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change*
Residential Water Rates	Various	Various	Varies	1%	(\$1,035,000)
Non-Residential Water Rates	Various	Various	Varies	0.05%	(\$45,000)
Tiered Irrigation/Non-Residential	Various	Various	Varies	0.5%	(\$508,000)
Same Day Service Charge	\$35	\$37	\$2	6%	\$800
Tamper with Meter Charge	\$100	Varies	Varies	n/a	\$0
Unauthorized Service Line Connection	\$100	Varies	Varies	Varies	\$0
Unauthorized Fire Hydrant Connection	Varies	\$500	Varies	n/a	\$0
Hydrant Meter Account Est. Fee	\$0	\$15	\$15	n/a	\$2,250
Additional Water Fund Revenue					(\$1,584,950)

*Revenue change based on forecasted participation



18

Water Resources – Water Charges

Service Charges: Update Implemented Over Two Years	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change*
1.5" Meter Only	\$270	\$357	\$87	32%	\$174
2" Meter Only	\$350	\$443	\$93	27%	\$186
5/8" Meter & Installation Service	\$675	\$808	\$133	20%	\$665
3/4" Meter & Installation Service	\$700	\$830	\$130	19%	\$650
1" Meter & Installation Service	\$810	\$964	\$154	19%	\$15,400
1.5" Meter & Installation Service	\$1,180	\$1,538	\$358	30%	\$1,074
2" Meter & Installation Service	\$1,545	\$1,850	\$305	20%	\$610
Hydrant Meter Install & Remove	\$15	\$50	\$35	233%	\$5,250
Hydrant Meter – Relocation Fee	\$10	\$25	\$15	150%	\$450
Fire Sprinkler – 1.5" Installation Only	\$915	\$1,237	\$322	35%	\$1,610
Fire Sprinkler – 2" Installation Only	\$1,190	\$1,458	\$268	23%	\$1,340
Additional Water Fund Revenue					\$21,410



*Revenue change based on forecasted participation

19

Water Resources – Water Charges

Service Charges Update Implemented Over Two Years:	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change*
Check For Water Leak	\$35	\$44	\$9	26%	\$270
Move Water Meter (Up to 15 Feet)	\$275	\$299	\$24	9%	\$240
Raise or Lower Water Meter	\$105	\$153	\$48	46%	\$480
Hydrant Meter Deposit 1" Meter	\$200	\$250	\$50	25%	\$2,500
Hydrant Meter Deposit 3" Meter	\$1,000	\$1,100	\$100	10%	\$10,000
Additional Water Fund Revenue					\$13,490



*Revenue change based on forecasted participation

20

Water Resources – Water Charges

Service Charges Update Implemented Over Three Years:	FY 12/13	Proposed FY 13/14	Increase Amt	% Change	Revenue Change*
	Fee	Fee			
5/8" Meter Only	\$70	\$122	\$52	74%	\$103
3/4" Meter Only	\$95	\$146	\$51	54%	\$102
1" Meter Only	\$140	\$192	\$52	37%	\$104
Shutdown Water Main	\$100	\$143	\$53	43%	\$0
Additional Water Fund Revenue					\$309

*Revenue change based on forecasted participation



21

Water Resources



Water Reclamation Rates

22

Water Resources – Water Reclamation Rates



- Proposed rate increase to address rehabilitation and replacement of aging infrastructure
 - Revised rates anticipated to generate \$1.4 million in additional revenue to ensure fund remains self-supporting enterprise while ensuring customer service levels
 - Incorporate the environmental fees into the basic rate structure, this simplifies the structure and results in a net zero impact
 - Last rate increase: 3% effective July 1, 2009
- Update water reclamation service charge and minimums

23

Water Resources - Water Reclamation Rates

Service Charges Update Implemented In One Year	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change*
Sewer O&M and Capital Rates	Various	Various	Various	4%	\$1,392,330
Customer Service Fee	\$1.30	\$1.35	\$0.05	4%	\$3,890
Single Family & Non-Residential Minimum	\$14.29	\$14.87	\$0.58	4%	\$11,600
Multi-Family Minimum Per Dwelling Unit	\$8.90	\$9.27	\$0.37	4%	\$370
Account Establishment Fee**	\$7.00	\$12.00	\$5.00	71%	\$25,000
Additional Water Fund Revenue					\$1,433,190

*Revenue change based on forecasted participation

**Fee increase will be spread over two years



24

Water Resources – Water Reclamation



Forecasted Sources and Uses – Amounts in \$Millions

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Recap
Sources of Funds							
Beginning Cash	\$24.7	\$18.1	\$31.8	\$21.9	\$14.9	\$21.5	\$24.7
Operating Revenues & Dev. Fees	39.2	39.4	38.1	38.2	38.2	38.7	232.0
New Bonds Issues	-	20.0	-	-	20.0	-	40.0
Total Sources of Funds	63.9	77.5	69.9	60.1	73.2	60.2	296.7
Uses of Funds							
Operating Expenses & Transfers	18.2	18.8	19.4	20.1	21.0	21.6	119.1
Debt Service	10.4	11.4	10.6	10.7	12.0	12.2	67.2
Capital Improvement Expenses	5.5	11.9	18.1	14.4	18.7	14.1	82.6
Interfund Loan	11.7	3.7	-	-	-	-	15.4
Total Uses of Funds	45.8	45.8	48.0	45.2	51.7	47.9	284.3
Ending Cash Balance	18.1	31.8	21.9	14.9	21.5	12.3	12.3
Less Required Reserves							
Required Reserves	18.1	18.7	19.1	19.6	20.2	20.7	20.7
Unspent Bond Proceeds	-	12.9	1.2	0.2	12.2	1.4	1.4
Capital / Rate Stabilization	-	0.2	1.5	(4.9)	(10.9)	(9.7)	(9.7)
Ending Cash Balance	\$18.1	\$31.8	\$21.9	\$14.9	\$21.5	\$12.3	\$12.3
Forecasted Rate Increase	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	

25

Water Resources – Water Reclamation



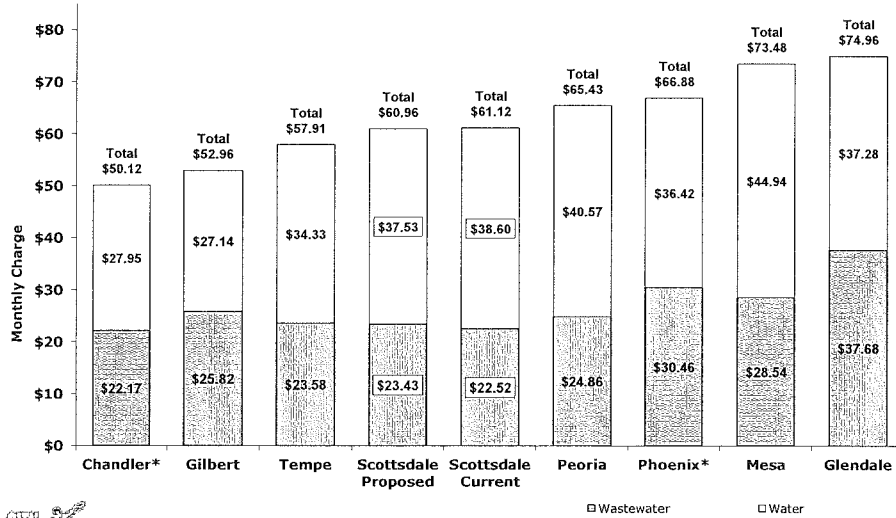
Forecasted Sources and Uses – Amounts in \$Millions

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Recap
Sources of Funds							
Beginning Cash	\$24.7	\$18.1	\$31.8	\$24.4	\$21.0	\$32.4	\$24.7
Operating Revenues & Dev. Fees	39.2	39.4	40.6	41.8	43.0	44.8	248.9
New Bonds Issues	-	20.0	-	-	20.0	-	40.0
Total Sources of Funds	63.9	77.5	72.4	66.2	84.1	77.2	313.6
Uses of Funds							
Operating Expenses & Transfers	18.2	18.8	19.4	20.1	21.0	21.6	119.1
Debt Service	10.4	11.4	10.6	10.7	12.0	12.2	67.2
Capital Improvement Expenses	5.5	11.9	18.1	14.4	18.7	14.1	82.6
Interfund Loan	11.7	3.7	-	-	-	-	15.4
Total Uses of Funds	45.8	45.8	48.0	45.2	51.7	47.9	284.3
Ending Cash Balance	18.1	31.8	24.4	21.0	32.4	29.3	29.3
Less Required Reserves							
Required Reserves	18.1	18.7	19.1	19.6	20.2	20.7	20.7
Unspent Bond Proceeds	-	12.9	1.2	0.2	12.2	1.4	1.4
Capital / Rate Stabilization	-	0.2	4.0	1.2	0.0	7.2	7.2
Ending Cash Balance	\$18.1	\$31.8	\$24.4	\$21.0	\$32.4	\$29.3	\$29.3
Forecasted Rate Increase	0.0%	4.0%	3.0%	3.0%	3.0%	3.0%	

26

Residential Utility Bill Comparison

Water Use 11,500 Gallons on 5/8" Meter; Sewer Use 8,000 Gallons

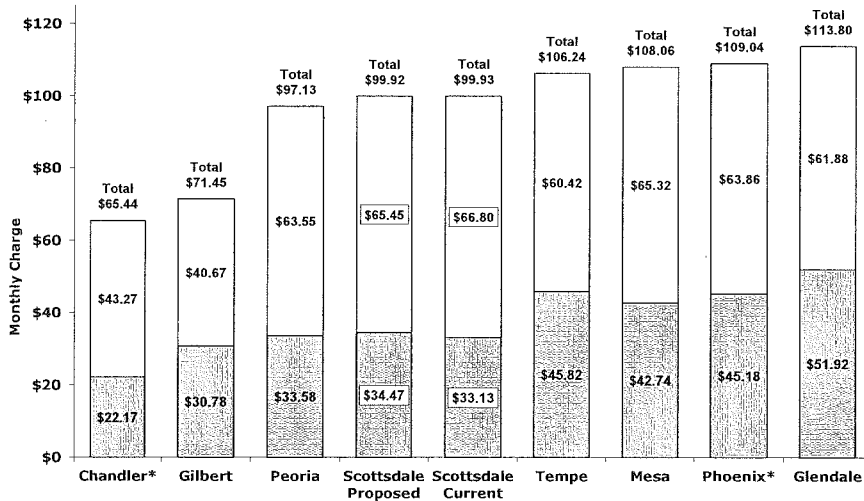


*Chandler and Phoenix seasonal rates have been averaged.
If a city does not use 5/8" meters, the 3/4" meter rate is used

▨ Wastewater □ Water

Residential Utility Bill Comparison

Water Use 17,000 Gallons on 1" Meter; Sewer Use 12,000 Gallons



*Chandler and Phoenix seasonal rates have been averaged.

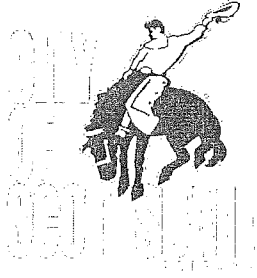
▨ Wastewater □ Water

Water Resources



Questions?

Item 8e



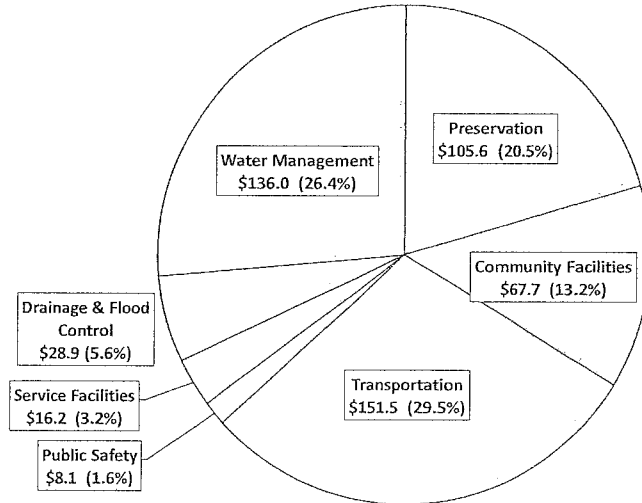
Capital Improvement Plan Update and Public Works

FY 2013/14 Budget Presentations

Capital Improvement Plan Update



CIP Funds FY 2013/14: \$514.0*
(\$ millions)



*Excludes Capital & Grant Contingency estimated at \$45.5 million

Priority CIP Additions in Five Year Plan (Other Funds)

Project Description	Funding Source	5 Year Total (thousands)
Airport Terminal Remodel	Aviation Funds/Grants	400.0
Reconstruct & Strengthen Taxiway "B" & Exits	Aviation Funds/Grants	9,000.0
Scottsdale City Court Cash Office Remodel	Court Enhancement Fund	115.0
Addt'l Compressed Natural Gas (CNG) Fuel Dispensers	Fleet Rates	245.3
South Area Access Control	Preserve Sales Tax	1,350.0
Solid Waste Vehicle Monitoring System	Sanitation Rates	650.0
Transfer Station Crane Replacement	Sanitation Rates	163.5
Secondary Clarifier Rehabilitation	Sewer Rates	2,310.0
SROG SRO/ SAI Interceptor Odor Control	Sewer Rates	10,760.0
Hayden Road/Chaparral Intersection Improvements	Transportation Fund	1,760.0
Raintree Drive Extension - Thunderbird to Hayden	Transportation Fund	19,318.0
Trail Improvement Program	Transportation Fund	2,800.0



Priority CIP Additions in Five Year Plan (General Fund)

Project Description	Fiscal Year	5-Year Total (thousands)
Scottsdale Stadium Improvements	13/14	1,000.0
WestWorld Event Area/Parking Improvements	13/14	4,300.0
City Attorney eDiscovery System	13/14	200.0
SIS Buildout	13/14	300.0
RICO Projects (GF allocation needed for administrative costs)	13/14 & 15/16	200.0
Programmatic Accounts (Lifecycle equipment replacement)		
Facilities Repair & Maintenance	13/14 & 17/18	2,100.0
Network & Server Infrastructure	17/18	700.0
Police Portable & Vehicle Radio Replacement	17/18	1,100.0
Crime Lab Equipment Replacement	17/18	200.0
CityCable Audio Video Equip. Replacement	13/14, 15/16 & 17/18	300.0

Net addition to General Fund CIP of approx. \$9,000.0



Alternative Funding Assumptions for General Fund CIP

Reallocation of available Bond 2000 funding

- B0403 – Desert Foothills Fire Station 13 Land (\$3.3 M)
- Net reduction in General Fund CIP of \$2,000,000*

Alternate funding sources(In-lieu fees/PAYGO/G.O. Bond)

- F0503 – Pima Road Drainage (\$3.1 M)
- F0602 – Loop 101 Outlet Drain (\$3.4 M)
- F0701 – Loop 101 Detention Basin (\$3.0 M)
- F0605 – Power Line Interceptor Channel (\$2.2 M)
- F0401 – East Union Hills Interceptor Channel (\$1.7 M)

Net reduction in General Fund CIP of approx. \$13,400,000



Priority Capital Requests that Remain Unfunded

Construction

- Park Buildings Improvements (\$2.8M)
- Indian Bend Wash Lake Renovation (\$5.5M)
- SCPA Atrium Lighting/Outdoor Sound Rig (\$0.1M)
- FS 605 Renovations (\$0.2M)
- District 4 Police Facility remodel (\$0.4M)

Information Technology

- PCI/DSS Compliance (\$0.3M)
- City Attorney Case Management System (\$0.2M)
- Virtualization Expansion Project (\$0.3M)
- Library Technology Infrastructure Upgrade (\$0.2M)

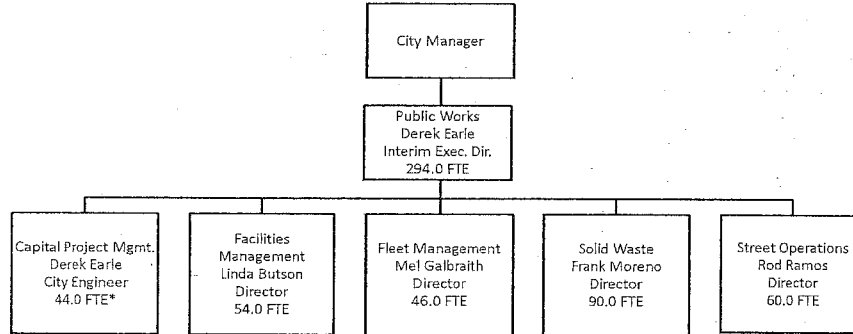


Public Works Operating Budget





Public Works Organizational Chart

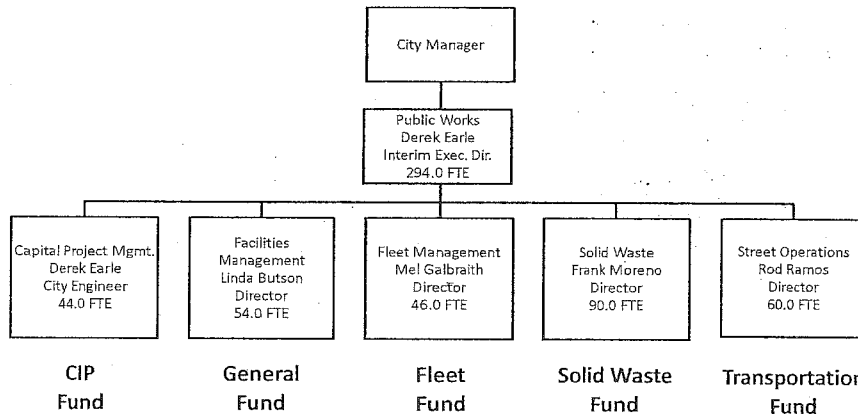


*Includes 3.0 FTE for Public Works Administration

9



Public Works Funding Sources



10

Capital Projects Management

Asset Management

- Manages city-owned land uses through revocable licenses, permits and/or leases revenue

Capital Project Management (CPM)

- Oversees design, project management and construction of capital improvement projects

	Current FTEs	Funded FTEs	Unfunded FTEs
Asset Mgmt: Lease Management	2.5	2.5	1.0
Asset Mgmt: ROW Support	2.5	2.5	N/A
Capital Projects Management	36.0	36.0	5.0



11

Capital Projects Management

Funded Budget Requests

- Capital Project Management integrated project management software (\$250K)
- No General Fund impact

Unfunded Budget Requests

- 1.0 FTE – Real Estate Management Specialist (\$75K)
 - Service level increase
 - Assist in revenue recovery and the negotiating, developing and management of property leases, licenses and intergovernmental agreements
- 5.0 FTE – 3.0 Senior Project Managers and 2.0 Inspectors (\$557K)
 - Contingent upon voter approved bond program
 - Inclusive of \$49K for initial equipment needs for Inspectors
 - No General Fund impact



12

Facilities Management

- Provides maintenance and repair services for more than three million square feet of buildings throughout the city, as well as pathway lighting for parks and area lighting for parking lots

	Current FTE's	Funded FTE's	Unfunded FTE's
Management/Supervisor	7.0	7.0	N/A
Administrative Support	3.0	3.0	N/A
Contracts Coordinator	5.0*	4.0	1.0
Field/Frontline	39.0	40.0	4.0



*1.0 Contracts Coordinator approved by Council as a one-year temporary position

13

Facilities Management

Funded Budget Request	
On-Going Funding	
Maintenance for Anticipated Costs Associated with Expansion of TNEC	\$184K
Utilities Due to Expansion of TNEC	\$431K
Citywide Utilities Due to Usage Trends and Anticipated Rate Increases	\$368K
1.0 FTE - HVAC Technician	\$71K
One-Time Funding	
Deferred Maintenance	\$859K
Initial Equipment Needs for HVAC Technician	\$44K



14

Council Approved FY 2012/13 One-Time Funding

Project	Division	Status
Upgrade energy management systems as recommended in Energy Audit	Citywide	80% completed
Paint exteriors of a variety of City facilities		Completed
Replace carpeting and upgrade flooring in a variety of City facilities		Completed
Replace flooring transition strip at Perf. Arts Ctr upgrade emergency exits at SMOCA	Arts	Completed
Rebuild restrooms at Agua Linda Park	Comm. Svcs.	Completed by June
Replace lower-level flooring in Civic Center Library		Completed by May
Repair concrete and repaint Civic Center Library Parking Garage		Completed
Create group study room at Mustang Library		95% completed
Repair/replace bathroom fixtures and tennis court fencing at Northside Park		Completed
Modify HVAC to reduce humidity at fire station	Public Safety	Completed
Replace carpet and/or paint exteriors at two fire stations		65% completed
Repair/replace doors & damaged covered parking at Witzeman Public Safety Bldg.		Completed
Refinish public seating and furniture in six courtrooms	Multiple	Completed
Add floor covering to traffic areas in the McKnight Building		Completed
Replace leaking skylights and repair gutter system at One Civic Center		80% completed
Complete CAD inventory for the 2 million square feet of City facilities		Completed

15

Deferred Maintenance Reinvestment



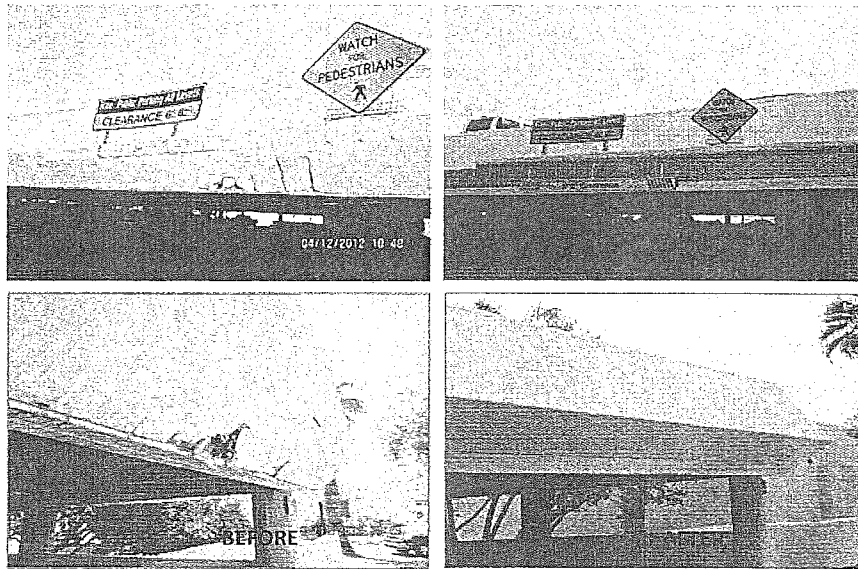
BEFORE



AFTER

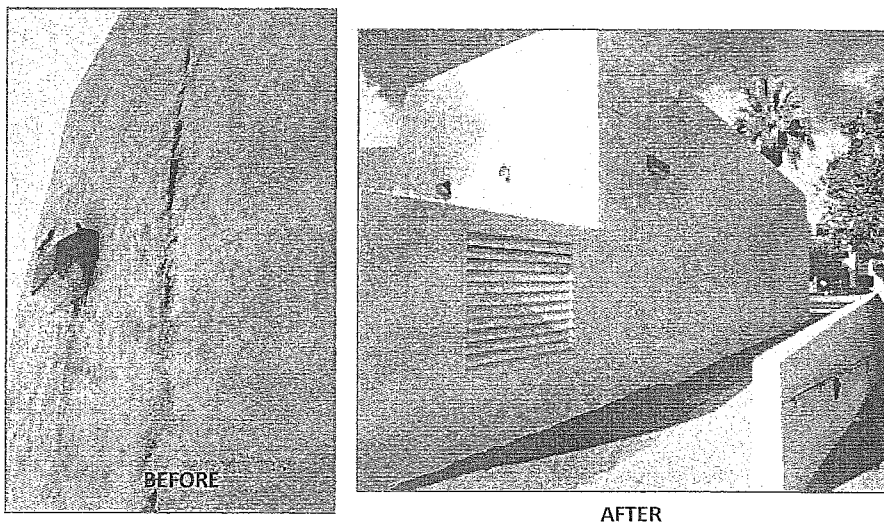
16

Deferred Maintenance Reinvestment



17

Deferred Maintenance Reinvestment

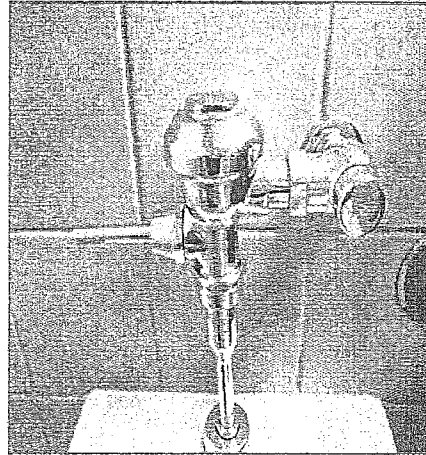


18

Deferred Maintenance Reinvestment



BEFORE



AFTER

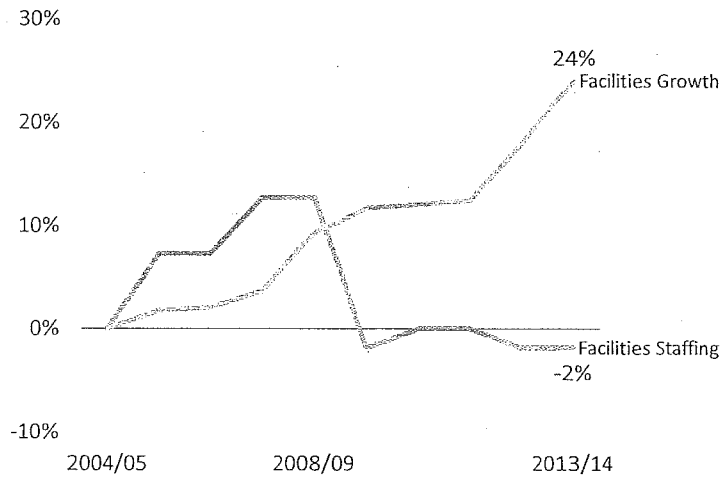


Facilities Management

Unfunded Budget Requests	
On-Going Funding	
1.0 FTE - Building Technician	\$84K
1.0 FTE - HVAC Technician	\$74K
1.0 FTE - Plumber	\$73K
1.0 FTE - Public Works Planner	\$79K
One-Time Funding	
1.0 FTE - Temporary Contract Coordinator	\$95K
Initial Equipment Needs for Building Technician	\$31K
Initial Equipment Needs for HVAC Technician	\$44K
Initial Equipment Needs for Plumber	\$44K



Facilities Growth and Facilities Management Staffing



Facilities Management – Service Level Impacts

- PM's not getting done

	No- of Units	Annual Frequency	Total Annual Projected	Actual No. Completed
Plumbing - sump pump pits	35	2	70	70
Electrical - Generators	42	4	168	168
Transfer switches	46	1	46	46
Equipment	7000	0.333	2333	0
Sports Lighting	1708	0.333	569	200
HVAC	620	1	620	200
Building - Roofing	316	1	316	191
Toilet, urinals, sinks, faucets	800	0.25	200	0



Fleet Management

- Maintains and repairs more than 1,300 vehicles and manages programs to ensure efficient and cost effective maintenance, repair, fueling and replacement of city owned vehicles and equipment

Current FTE's	Proposed FTE's	Unfunded FTE's
46.0	46.0	N/A



23

Fleet Management

Funded Budget Requests

On-Going Funding

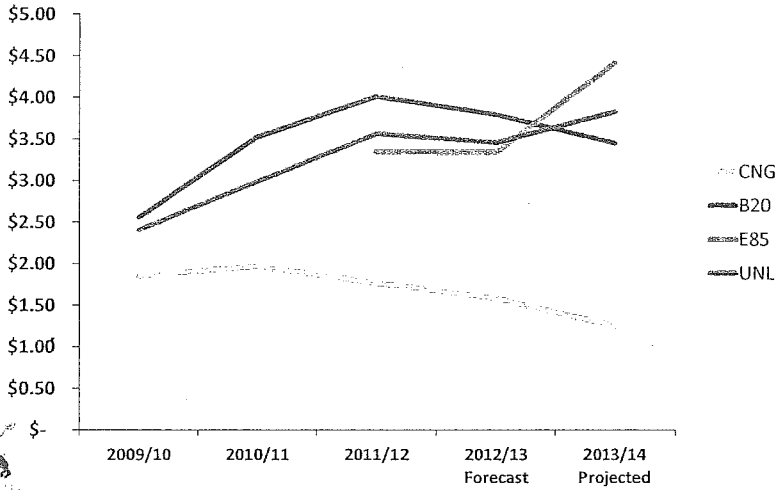
Fuel Increase of Compressed Natural Gas/CNG and Diesel Fuel for Buses	\$84K
Vehicle Replacement as Anticipated in Fleet Fund Five Year Plan	\$638K



24

Fleet Management

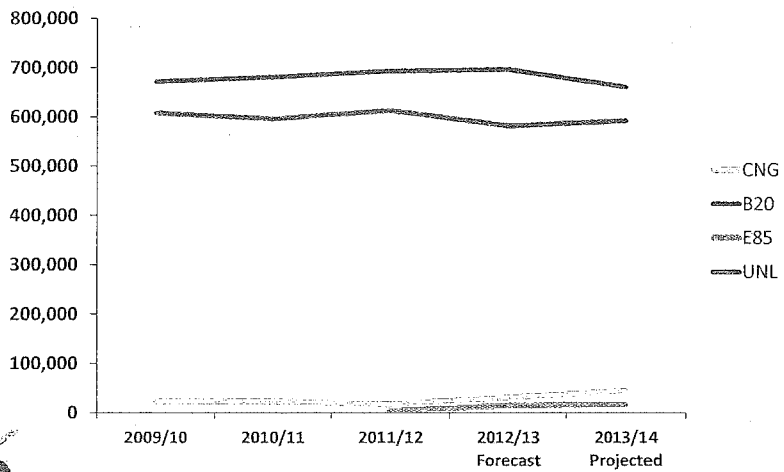
Fuel - Cost Per Gallon Trend



25

Fleet Management

Fuel Use by Type



26

Solid Waste Management

- Provides refuse collection services to more than 79,000 residential customers; 1,475 commercial customers, household hazardous waste collection and transfer station operations

Current FTE's	Proposed FTE's	Unfunded FTE's
89.0	90.0	N/A



27

Solid Waste Management

Operating Budget Changes	
On-Going Funding	
1.0 FTE - Systems Integrator - IT	\$91K
Replacement/New Containers	\$110K
Emergency Response Services	\$62K
Special Events:	\$52K
Household Hazardous Waste Collection Days (3 events)	
HOA Partnership Program	



28

Street Operations

- Provides maintenance and environmental compliance through efficient management of transportation, traffic control and drainage system components.

Current FTE's	Proposed FTE's	Unfunded FTE's
60.0	60.0	N/A



29

Street Operations

Operating Budget Changes	
On-Going Funding	
Street Overlays	\$658K
Overtime - Metal Drainage Gates Loss Prevention	\$145K
Repair: Sidewalks, Curbs/Gutters & Update Curb Ramps for ADA Compliance	\$50K
Palliative for PM-10 Dust Control	\$41K



30

Questions?



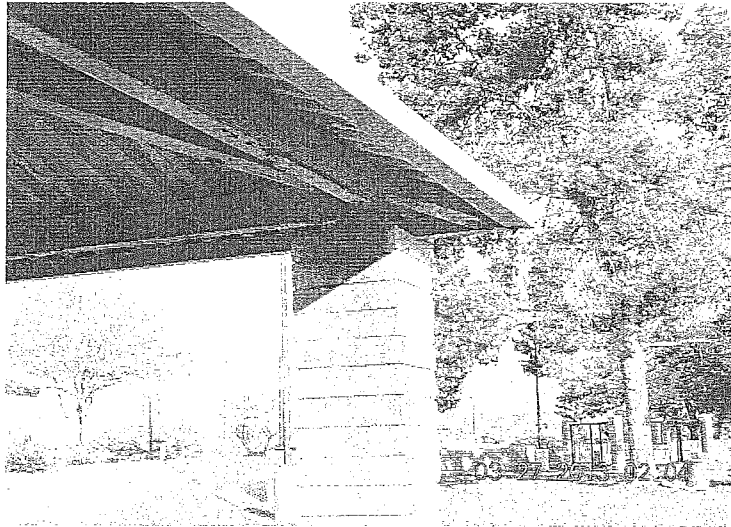
31

Supplemental Slides



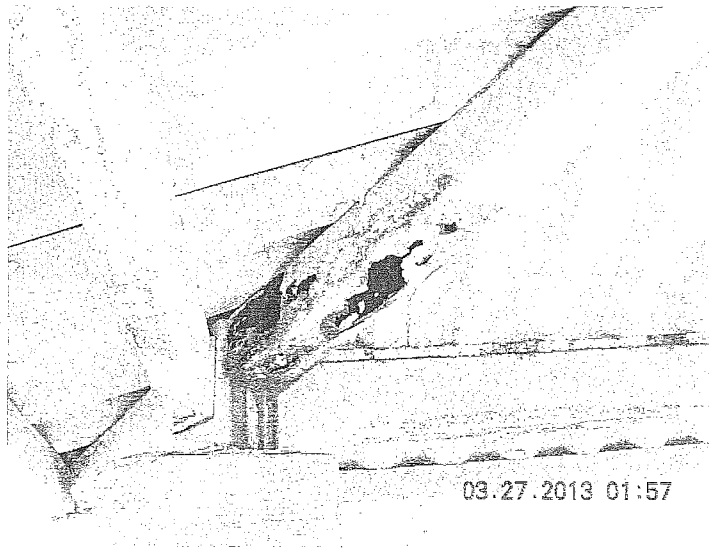
32

**Proposed FY 2013/14
Deferred Maintenance Reinvestment**



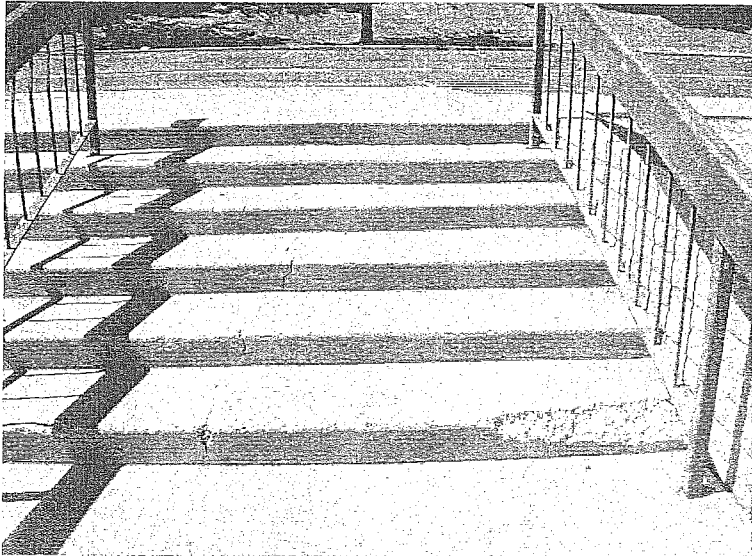
33

**Proposed FY 2013/14
Deferred Maintenance Reinvestment**

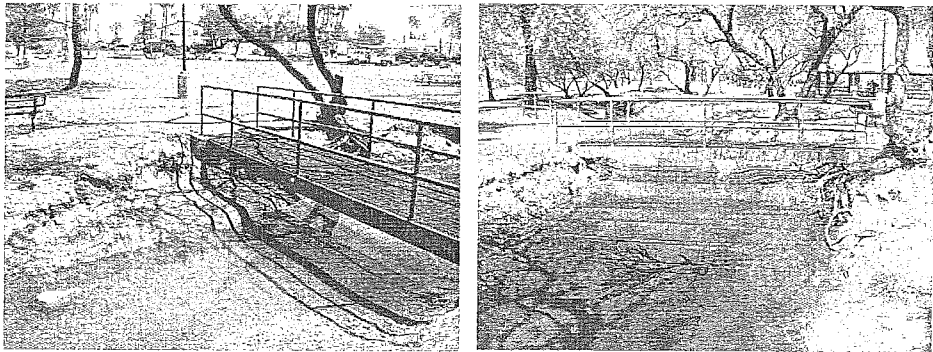


34

**Proposed FY 2013/14
Deferred Maintenance Reinvestment**



**Proposed FY 2013/14
Deferred Maintenance Reinvestment**



**Proposed FY 2013/14
Deferred Maintenance Reinvestment**



37

**Proposed FY 2013/14
Deferred Maintenance Reinvestment**



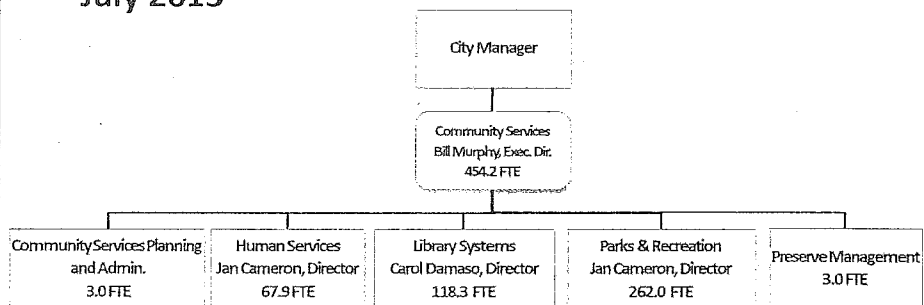
38



Community Services

FY 2013/14 Budget Presentations

Community Services Organization Chart July 2013





Community Services Division Strategic Goals

- **Preserve Meaningful Open Space**
 - Parks/Libraries clean and well-maintained
 - McDowell Sonoran Preserve
- **Enhance Neighborhoods**
 - Summer recreation programs
 - Early literacy
 - Family self-sufficiency
 - Emergency maintenance response (monsoons)

3

Community Services Division Strategic Goals

- **Seek Sustainability**
 - Water conservation Xeriscape
 - Recycling - Scottsdale Stadium
 - Decreased fuel usage from 52,000 to 46,000 gallons
 - Electric/solar utility carts save 420 gallons fuel annually
 - 4,584 volunteers; \$3.3M value; 82.2 FTE
- **Support Economic Vitality**
 - Spring Training – Giants
 - Waste Management Phoenix Open
 - Recreational youth tournaments



4

Community Services Division Strategic Goals

- **Value Scottsdale's Unique Lifestyle & Character**
 - Equestrian parks
 - Off-leash areas
 - Special events
 - Medians/rights-of-way clean and well-maintained



5

Community Services Division 2012/13 Highlights & Accomplishments

- Completed Civic Center library remodel
- Increased bandwidth at libraries
- Expanded early literacy program
- Collection HQ database
- Grant allocation funding – non-profits
- Improved social service intakes



6

Community Services Division 2012/13 Highlights & Accomplishments

- Career center /employment
- Parks and Recreation award recognition
- Leisure Education marketing
- Preserve acquisition/Growing Smarter funding
- Preserve research projects
- Preserve boundary areas



7

Community Service Division 2012/13 Council-approved One-time Funding

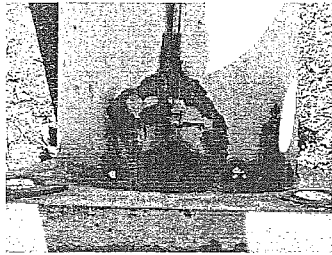
Project	Funding	Status
Patch, resurface and repaint 5 tennis courts	\$25,000	Completed
Crack repair, patch & paint 3 basketball courts	\$15,000	Completed
Remove and replace playground units at 4 park sites (funding covered 3 sites)	\$280,000	Completed
Replace aging shade fabric at 3 parks and add shade at McCormick-Stillman Railroad Park	\$30,000	Fabric replacement at Apache, Agua Linda, and Aztec parks completed. New shade structure at McCormick-Stillman in process – estimated completion May 2013
Replace pool scrubber equipment at all 4 aquatic centers, replace 8 pool controller systems, replace deck at Eldorado Pool and thermal pool covers at McDowell Mountain Ranch (MMR) Aquatic Center	\$272,000	Scrubber maintenance and cool deck repair completed. MMR thermal pool covers – estimated completion April 2013. Pool controllers replacement in process – estimated completion June 2013
Replace existing poles and fixtures with energy efficient, less light spill fixtures at 4 ballfields	\$500,000	Removal of existing poles/lights complete. Digging new pole bases and installing wiring – estimated completion May 2013
	\$1,122,000	



8

Community Services Division
2012/13 Council-approved One-time Funding

▪ Sports Field Lighting



Existing pole removal

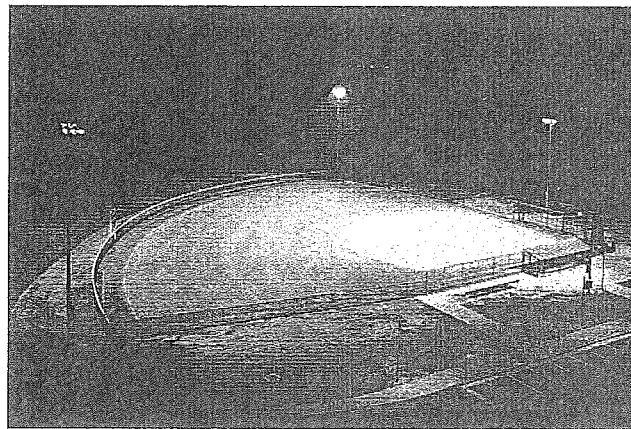


New lighting installation



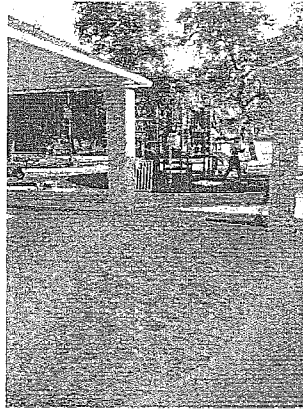
Community Services Division
2012/13 Council-approved One-time Funding

▪ Sports Field Lighting – Controlling spill and glare



Community Services Division
2012/13 Council-approved One-time Funding

▪ **Playground Equipment Replacement**



Cholla Park Before

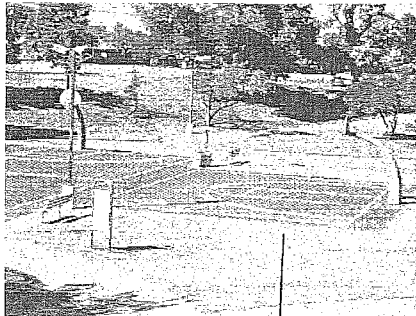


Cholla Park After

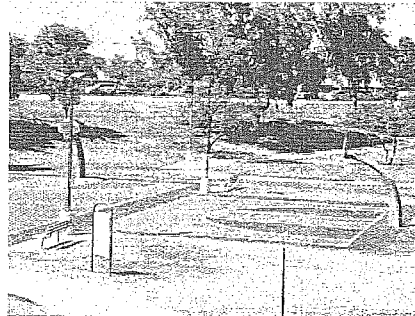


Community Services Division
2012/13 Council-approved One-time Funding

▪ **Basketball Court Resurfacing**



Cactus Park Basketball Court
Before

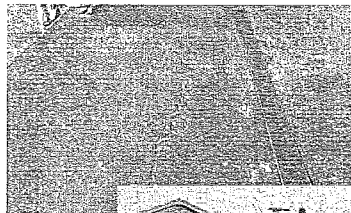


Cactus Park Basketball Court
After



Community Services Division 2012/13 Council-approved One-time Funding

- **Pool Equipment Replacement**



Eldorado pool cool deck replacement



13

Community Services Division 2013/14 Budget Priorities

- **Library**

- Community partnership with ASU Venture Catalyst
- Evaluation of e-material growth
- Literacy program

- **Human Services**

- Request for proposal – Paiute Community Center
- Partner agencies/senior population
- Strategic plan implementation
- Expand non-profit collaboration – leverage direct service funding
- Client-based tracking system for efficient service mgmt



14

Community Services Division 2013/14 Budget Priorities

- **Parks and Recreation**
 - Sponsorship/marketing
 - Funding model & strategy for aging asset maintenance quality
 - Update policies to adjust to increases in demand
 - Develop programming strategy for youth in underserved areas through community partnerships
- **Preserve**
 - Land acquisition/State Land Department
 - Expand trails and access points
 - Coordinate/expand volunteers with McDowell Sonoran Conservancy



15

Community Services Division 2013/14 Budget Requests (In Budget)

- **One-time Funding**
 - (23) Community Services Facilities Master Plan \$250,000
 - (24) Playground equip lifecycle replacement \$135,000
 - (25) Pool equipment lifecycle replacement \$120,000
 - (26) Tennis/basketball court lifecycle repair \$40,000



16

Community Services Division 2013/14 Budget Requests (In Budget)

■ One-time Funding

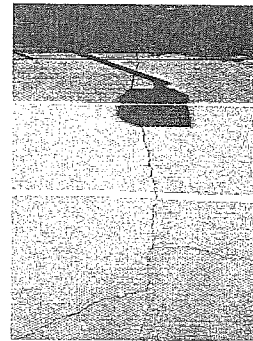
- Pool equipment lifecycle replacement
- Tennis/basketball court lifecycle repair



Horizon Basketball Court



MMR Water Slide Structure



Horizon Tennis Court



17

Community Services Division 2013/14 Budget Requests (In Budget)

■ Ongoing Funding

- (9) Scottsdale Stadium custodial contract \$119,029
- (10) Stormwater drain maint/mosquito control \$14,400
- (11) George "Doc" Cavalliere Park maintenance \$10,055

■ Budget Request (Not In Budget)

- (S) Professional baseball year-round training \$83,970



18

Community Services Division Budget Issues and Trends

- **First Things First –Tobacco Tax grant**
- **Community Assistance Block Grant (CDBG)/Sequestration**
- **Youth Sports Field Allocation**
- **After School Program**

