

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MARCH 17, 2020**



**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 5:04 P.M. on Tuesday, March 17, 2020, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Kathleen S. Littlefield; and Councilmembers Suzanne Klapp, Virginia L. Korte, Linda Milhaven, Guy Phillips, and Solange Whitehead (participated telephonically)

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

PLEDGE OF ALLEGIANCE – Councilmember Korte

INVOCATION – Mayor Lane asked for a moment of silence to reflect on the deadly COVID-19 virus sweeping the nation and the precautions needed to be taken to thwart continued outbreaks.

MAYOR'S REPORT

Mayor Lane commented on the COVID-19 virus, including community actions, guidelines, and sources for information.

PRESENTATIONS/INFORMATION UPDATES – Postponed

- **Scottsdale Arts Update**
Presenter(s): Gerd Wuestemann, Scottsdale Arts President and CEO

PUBLIC COMMENT – None

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.

ADDED ITEMS

A1. Added Items

The council reports for Item Nos. 23A and 24 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 items to the April 7, 2020, Council meeting

MOTION AND VOTE – ADDED ITEMS

Councilmember Korte made a motion to accept the agenda as presented. Councilwoman Klapp seconded the motion, which carried 5/2, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, and Phillips voting in the affirmative and Councilmembers Milhaven and Whitehead dissenting.

MINUTES

Request: Approve the Special Meeting Minutes of February 18, 2020, and Regular Meeting Minutes of February 18, 2020.

MOTION AND VOTE – MINUTES

Councilman Phillips made a motion to approve the Special Meeting Minutes of February 18, 2020, and Regular Meeting Minutes of February 18, 2020. Councilwoman Klapp seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. Herb Box Catering Company Liquor License (103-LL-2019)

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: 7000 E. Shea Boulevard, Building G, Suite 1010

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

2. Francine Liquor License (18-LL-2020)

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: 7014 E. Camelback Road, Suite 1160

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

3. Pizza Hut No. 26987 Liquor License (19-LL-2020)

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

Location: 11291 E. Via Linda, Suite 128

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

4. Pizza Hut No. 26981 Liquor License (20-LL-2020)

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

Location: 10320 N. Scottsdale Road, Suite 121

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

5. Brand Factory Liquor License (23-LL-2020)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 4 (wholesaler) State liquor license for a new location and owner.

Location: 502 N. Hayden Road, Suite 550

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

*****6. Permanent Extension of Premises for Crust Brothers (2-EX-2020)**

(Removed at the request of staff.)

7. Green Sky Patient Center of Scottsdale North, Inc., Conditional Use Permit (3-UP-2015#2)

Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 11738** approving the renewal of an existing Conditional Use Permit for a Medical Marijuana Use (dispensary) in a 2,700± square-foot facility with Industrial Park (I-1) zoning.

Location: 7320 E. Butherus Drive, Suite 100

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

8. Lomas Verdes Estates Final Plat (5-PP-2017)

Request: Approve the final plat for a new residential subdivision comprised of six lots and amended development standards on an 8±-acre site with Single-Family Residential, Environmentally Sensitive Lands, Foothills Overlay (R1-43/ESL/FO) zoning.

Location: Southeast corner of E. Redbird Road and N. 64th Street

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

9. South Scottsdale Mixed-Use Rezoning (14-ZN-2018)

Request: Continue to a date to be determined.

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

10. Transportation Engineering Services Contracts for Capital Improvement Projects

Request: Adopt **Resolution No. 11737** authorizing the following on-call engineering services contracts for an initial two-year term in an amount not to exceed \$1,500,000 per contract for the design of various transportation projects:

1. Contract No. 2020-048-COS with Gavan and Barker, Inc.
2. Contract No. 2020-049-COS with Premier Engineering Corporation
3. Contract No. 2020-050-COS with Ritoch-Powell & Associates Consulting Engineers, Inc.

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

11. One Civic Center Pocket Park Project Budget Transfer

Request: Adopt **Resolution No. 11743** authorizing a FY 2019/20 General Fund Capital Contingency Budget Appropriation transfer in the amount of \$150,000 from the Downtown Cultural Trust to a newly created CIP project titled One Civic Center Pocket Park Project.

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

12. Recyclable Materials Intergovernmental Agreement

Request: Adopt **Resolution No. 11729** to authorize:

1. Agreement No. 2020-045-COS with the City of Phoenix for the processing and disposition of recyclable materials.
2. A budget transfer from the adopted FY 2019/20 Solid Waste Fund Operating Reserve to the Solid Waste Management Operating Budget in an amount not to exceed \$550,000 to cover unforeseen circumstances that impact the landfill disposal, recycling disposal costs, and recycling processing fee.
3. The Public Works Director to execute and take necessary actions to modify Contract No. 2016-022-COS with Salt River Pima-Maricopa Indian Community to provide for the alternative delivery of recyclable materials to the Phoenix Materials Recovery Facilities.

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

13. Trolley Preventative Maintenance Grant

Request: Adopt **Resolution No. 11739** to authorize:

1. Intergovernmental Agreement No. 2020-052-COS with the City of Phoenix for the acceptance of a Federal Transit Administration grant in the amount of \$174,084 for trolley preventative maintenance.
2. A budget transfer in the amount of \$174,084 from the adopted FY 2019/20 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

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

14. Scottsdale Stadium Food and Beverage Agreement

Request: Adopt **Resolution No. 11734** to authorize:

1. Agreement No. 2020-047-COS with Arizona Sportservice, Inc., dba Delaware North, for the provision of concession, catering, and alcoholic beverage services at Scottsdale Stadium.
2. The Community Services Director, or designee, to make determinations, execute documents, and take any other such actions as necessary.

Staff Contact(s): Reed Pryor, Parks and Recreation Director, 480-312-1011,
rpryor@scottsdaleaz.gov

15. Naming of the Fraesfield Trailhead Interpretive Trail and the Gateway Trailhead Amphitheater

Request: Adopt **Resolution No. 11735** to authorize naming the following locations in the Scottsdale McDowell Sonoran Preserve:

1. The Fraesfield Trailhead Interpretive Trail in honor of Kathryn "Sam" Campana.
2. The Gateway Trailhead Amphitheater in honor of Mary Manross.

Staff Contact(s): Kroy Ekblaw, Preserve Director, 480-312-7064,
kekblaw@scottsdaleaz.gov

16. Public Housing Agency Plans

Request: Adopt **Resolution No. 11670** to:

1. Approve the Public Housing Agency Five-Year Agency Plan for 2020-2025 and the Annual Agency Plan for FY 2020/21 for the operation of and to serve as the application for funding for the Housing Choice Voucher Program to the United States Department of Housing and Urban Development (HUD).
2. Authorize changes to the Scottsdale Housing Agency Administrative Plan, included in the Five- Year and Annual Agency Plans.
3. Accept additional Housing Choice Vouchers that HUD may offer during FY 2020/21.
4. Authorize the Human Services Director to execute any other documents and take any other such actions as necessary.

Staff Contact(s): Greg Bestgen, Human Services Director, 480-312-0104, gbestgen@scottsdaleaz.gov

17. Paiute Neighborhood Center Women, Infants and Children Program Revocable License Agreement

Request: Adopt **Resolution No. 11732** authorizing Agreement No. 2017-142-COS-A1, the first amendment to the agreement with Maricopa County, to use space at Paiute Neighborhood Center to operate the Women, Infants, and Children Program.

Staff Contact(s): Greg Bestgen, Human Services Director, 480-312-0104, gbestgen@scottsdaleaz.gov

18. NCAA Men's & Women's Division 1 National Golf Championship

Request: Adopt **Resolution No. 11709** to authorize:

1. Funding, not to exceed \$75,000 annually for three years, from the portion of the Tourism Development Fund that is allocated toward event retention and development for the NCAA Men's & Women's Division 1 National Golf Championship event.
2. New Event Funding Agreement No. 2020-037-COS with Grayhawk Golf Club for a three-year term.

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

(Removed at the request of staff.)

19. Fire Fighter Medical Examinations

Request: Adopt **Resolution No. 11744** authorizing Contract No. 2020-054-COS with Heartfit for Duty, LLC, for medical services including incumbent medical Fit for Duty exams and pre-hire physical exams.

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

20. Prosecution Department Disclosure Fee Schedule Adjustments

Request: Adopt **Resolution No. 11731** authorizing adjustments to the Prosecution Department's disclosure fee schedule.

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

21. Re-assignment to Benjamin M. Gibbons

Request: Adopt **Resolution No. 11741** authorizing the City's re-assignment to employee Benjamin M. Gibbons of potential claims including third party claims arising from an employment-related incident on or about June 24, 2018.

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

22. Monthly Financial Report

Request: Accept the FY 2019/20 Monthly Financial Report as of January 2020.

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

23. Detroit Coney Grill Awnings and Canopy – Appeal to City Council (2-DR-1994#3)

Request: At the request of the property owner and applicant, continue to a date to be determined.

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

23A. Bond 2019 Capital Improvement Project Budget Transfer

Request: Adopt **Resolution No. 11754** authorizing a FY 2019/20 General Fund Capital Contingency Budget Appropriation Transfer in the amount of \$2,000,000 to a newly created capital improvement project titled “53 – Build Multi-Use Sports Fields in the Area of Bell Road” to be funded by General Obligation Bond 2019 Proceeds. (This transfer partially funds this project.)

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

MOTION AND VOTE – CONSENT AGENDA

Vice Mayor Littlefield made a motion to adopt Consent Agenda Items 1 through 23A, absent Items 6 and 18, which were removed at the request of staff. Councilman Phillips seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

REGULAR AGENDA

24. Tax on Food for Home Consumption

Request: Adopt **Ordinance No. 4444** amending Appendix C of the Scottsdale Revised Code, Sec. 462., Retail sales: Food for home consumption, with one of the following options:

1. Set the tax rate at an amount equal to 0.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail. Or;
2. Set the tax rate at an amount equal to 0.75% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail. Or;
3. Set the tax rate at an amount equal to 1.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Jeff Nichols, City Treasurer, 480-312-2364, jenichols@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the proposed elimination of the tax on food for home consumption.

Mayor Lane opened public testimony.

David Smith spoke in support of eliminating the tax on food for home consumption.

Mayor Lane closed public testimony.

MOTION AND VOTE – ITEM 24

Councilwoman Milhaven made a motion to continue Item 24 until a vote of the Council decides to put it back on the agenda. Vice Mayor Littlefield seconded the motion, which carried 4/3, with Vice Mayor Littlefield and Councilmembers Korte, Milhaven, and Whitehead voting in the affirmative and Mayor Lane and Councilmembers Klapp and Phillips dissenting.

25. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of February 2020.

Presenter(s): Jeff Nichols, City Treasurer and Dave Lipinski, City Engineer

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 February 2020.

PUBLIC COMMENT – None

CITIZEN PETITIONS

26. 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

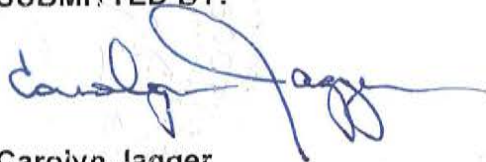
No citizen petitions were received.

MAYOR AND COUNCIL ITEMS - None

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:26 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk


Officially approved by the City Council on May 5, 2020

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 17th day of March 2020.

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

DATED this 5th day of May 2020.



Carolyn Jagger, City Clerk

Elimination of Sales Tax on Food for Home Consumption

1

February 4, 2020 – Mayor Lane made a motion to agendize, at a future date, a discussion and possible action on the elimination of the tax on food for home consumption. Councilmember Korte seconded the motion, which carried 6/1 (Councilwoman Milhaven dissenting).

2

Components of 1.75% Sales Tax Rate

1.00%	General Fund - Unrestricted
0.10%	Public Safety - Restricted
1.10%	General Fund - Total
0.10%	Transportation Fund - Operating
0.10%	Transportation Fund - CIP
0.20%	Transportation Fund Total
0.10%	ALCP Transportation CIP - expires 2029
0.10%	ALCP* Transportation CIP (temporary)
0.20%	Preserve Fund - expires 2025
0.15%	Preserve Fund - expires 2034
0.35%	Preserve Fund (temporary)

* Alternative Life Cycle Project

3

Sales Tax Collections

	FY 2009/10 Actual	FY 2018/19 Actual	10 yr Increase	Avg. Annual Increase
1.10% General Fund Sales Tax	\$85.9	\$134.1	56%	5.6%
0.35% Preserve Sales Tax	26.4	41.9	59%	5.9%
0.20% Transportation Sales Tax	14.6	23.0	58%	5.8%
0.10% Transportation Sales Tax	-	4.8	n/m	n/m
Total Sales Tax	\$126.9	\$203.8	61%	6.1%
<u>Without 0.10% Transp. Sales Tax</u>		\$199.1	57%	

4

Sales Tax Collections on Food

	FY 2009/10 Actual	FY 2018/19 Actual	10 yr Increase	Avg. Annual Increase
1.10% General Fund Sales Tax	\$6.6	\$8.8	33%	3.3%
0.35% Preserve Sales Tax	2.1	2.8	33%	3.3%
0.20% Transportation Sales Tax	1.2	1.6	33%	3.3%
0.10% Transportation Sales Tax	-	0.3	n/m	n/m
Total Sales Tax	\$9.9	\$13.5	36%	3.6%
<u>Without 0.10% Transp. Sales Tax</u>		\$13.2	33%	

5

Tax Collection on Food for Home Consumption

(in millions)

	FY 2019/20 Adopted	FY 2019/20 Forecast
1.10% General Fund	\$9.6	\$10.2
0.20% Transportation Fund	1.7	1.8
0.10% ALCP Transportation	0.9	0.9
0.35% Preserve Fund	3.1	3.3
1.75% Total	\$15.3	\$16.2

6

History of General Fund Sources

	FY 2009/10 Actual	FY 2010/11 Actual	FY 2011/12 Actual	FY 2012/13 Actual*	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Actual
Revenue	231,858	231,172	229,275	226,952	239,395	254,347	261,374	261,105	285,415	304,525
Transfers In	19,596	12,745	10,328	9,215	10,921	10,012	11,760	13,145	9,675	10,698
Total Sources	251,454	243,917	239,603	236,167	250,316	264,359	273,134	274,250	295,090	315,223
% Growth in Revenue	-8%	0%	-1%	-1%	5%	6%	3%	0%	9%	7%
Food Tax % of total Revenue	6,592 3%	6,744 3%	7,012 3%	7,122 3%	7,236 3%	7,697 3%	7,884 3%	7,502 3%	8,547 3%	8,773 3%

* Does not include Nordstrom Garage payoff.
In thousands

7

History of General Fund Uses

	FY 2009/10 Actual	FY 2010/11 Actual	FY 2011/12 Actual	FY 2012/13 Actual*	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Actual
Department Expenses	224,870	214,534	206,915	214,242	224,991	231,980	237,193	247,536	258,362	265,588
Debt Service	2,370	4,951	9,565	4,395	2,843	2,849	2,844	2,859	2,874	2,891
Transfers Out	26,836	18,812	22,966	19,369	19,149	25,493	23,053	27,441	25,376	25,780
Total Uses	254,076	238,297	239,445	238,006	246,983	260,321	263,090	277,836	286,613	294,258
% Growth in Department Expenses	-11%	-5%	-4%	4%	5%	3%	2%	4%	4%	3%

* Does not include Nordstrom Garage payoff.
In thousands

8

General Fund

	FY 2019/20 Forecast	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Total Beginning Fund Balance	86,216	106,510	117,187	124,538	122,210	111,691
Sources						
Taxes - Local	153,528	147,790	148,070	147,728	149,003	151,388
Food Tax	9,286	8,891	8,924	8,980	9,069	9,160
Food Tax - Public Safety (0.10%)	929	889	892	898	907	916
State Shared Revenues	70,697	74,244	75,945	76,179	76,598	77,666
Property Tax	32,617	33,717	34,688	35,687	36,715	37,773
Other Revenue	58,771	58,317	57,933	58,325	59,762	61,053
Transfers In	11,124	11,422	11,722	12,015	12,234	12,526
Total Sources	336,953	335,270	338,175	339,811	344,287	350,481
Uses						
Expenditures	285,247	297,360	308,386	321,659	335,577	350,418
Debt Service	2,908	377	396	416	437	458
Transfers Out	23,024	20,930	17,581	17,071	17,282	17,770
Transfer Out to CIP - Food Tax	5,480	5,927	4,462	2,993	1,511	-
Total Uses	316,659	324,594	330,825	342,138	354,807	368,647
Ending Fund Balance						
Operating Contingency	2,882	2,977	3,088	3,221	3,360	3,509
Operating Reserve	28,815	29,774	30,878	32,207	33,601	35,088
PSPRS Pension Liabilities	60,013	69,636	75,771	71,982	59,929	40,129
Cavasson Infrastructure Reimbursement	14,300	14,300	14,300	14,300	14,300	14,300
Undesignated, Unreserved Fund Balance	500	500	500	500	500	500
Total Ending Fund Balance	106,510	117,187	124,538	122,210	111,691	93,525

In thousands

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General Fund Sources vs Uses

	FY 2019/20 Revised Forecast	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Total Sources	336,953	335,270	338,175	339,811	344,287	350,481
% growth	7%	0%	1%	0%	1%	2%
Total Uses	316,659	324,594	330,825	342,138	354,807	368,647
% growth	8%	3%	2%	3%	4%	4%

In thousands

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General Fund

without Food Tax

	FY 2019/20 Forecast	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Total Beginning Fund Balance	86,216	106,510	113,334	115,329	106,117	87,133
Sources						
Taxes - Local	163,744	147,790	148,070	147,728	149,003	151,388
State Shared Revenues	70,697	74,244	75,945	76,179	76,598	77,666
Property Tax	32,617	33,717	34,688	35,687	36,715	37,773
Other Revenue	58,771	58,317	57,933	58,325	59,762	61,053
Transfers In	11,124	11,422	11,722	12,015	12,234	12,526
Total Sources	336,953	325,491	328,359	329,933	334,311	340,405
Uses						
Expenditures	285,247	297,360	308,386	321,659	335,577	350,418
Debt Service	2,908	377	396	416	437	458
Transfers Out	28,504	20,930	17,581	17,071	17,282	17,770
Total Uses	316,659	318,667	326,363	339,145	353,295	368,647
Ending Fund Balance						
Operating Contingency	2,882	2,977	3,088	3,221	3,360	3,509
Operating Reserve	28,815	29,774	30,878	32,207	33,601	35,088
PSPRS Pension Liabilities	60,013	65,783	66,563	55,889	35,372	5,495
Cavasson Infrastructure Reimbursement	14,300	14,300	14,300	14,300	14,300	14,300
Undesignated, Unreserved Fund Balance	500	500	500	500	500	500
Total Ending Fund Balance	106,510	113,334	115,329	106,117	87,133	58,891

In thousands

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General Fund Sources vs Uses

without Food Tax

	FY 2019/20 Revised Forecast	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Total Sources	336,953	325,491	328,359	329,933	334,311	340,405
% growth	7%	-3%	1%	0%	1%	2%
Total Uses	316,659	318,667	326,363	339,145	353,295	368,647
% growth	8%	1%	2%	4%	4%	4%

In thousands

12

Comparative Tax Rates

- Overall tax rates may vary by city for different tax categories.
- These rates represent the most common across all categories.

0.10% = \$12.8 million

City	Census Bureau Population Estimates as of 2018	Overall TPT Tax Rate	Food for Home Consumption Tax Rate
Chandler	257,165	1.5	1.5
Gilbert	248,279	1.5	1.5
Glendale	250,702	2.9	2.5
Goodyear	82,835	2.5	2
Mesa	508,958	2	0
Peoria	172,259	1.8	1.6
Phoenix	1,660,272	2.3	0
Scottsdale	255,310	1.75	1.75
Surprise	138,161	2.2	0
Tempe	192,364	1.8	1.8

13

Food Tax Elimination - Impact to CIP General Fund



Funding Available for FY 2020/21–2024/25 – **(\$8.2)** million



Balance by reducing funding to 47 existing projects - \$73.8 million

14

Municipal Property Corporation Bonds

Fiscal Year Ended June 30	Excise Tax	Debt Service	Coverage
2010	170,638	28,130	6.07
2011	155,515	31,970	4.86
2012	157,645	32,982	4.78
2013	170,227	33,835	5.03
2014	183,376	41,194	4.45
2015	195,037	39,249	4.97
2016	194,560	43,435	4.48
2017	196,729	44,149	4.46
2018	216,643	50,198	4.32
2019	223,668	52,684	4.25

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Option 1

Adopt Ordinance No.4444 and set the tax rate at an amount equal to 0.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Option 2

Adopt Ordinance No. 4444 and set the tax rate at an amount equal to 0.75% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Option 3

Adopt Ordinance No. 4444 and set the tax rate at an amount equal to 1.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Option 4

Make no changes to the current transaction privilege tax code.

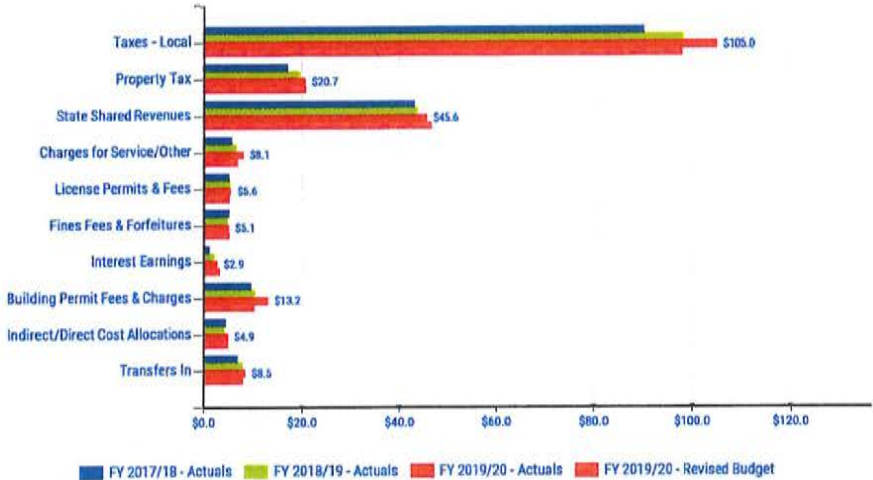
16

Monthly Financial Update February 29, 2020

March 17, 2020

General Fund Operating Sources February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)



General Fund Operating Sources February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)

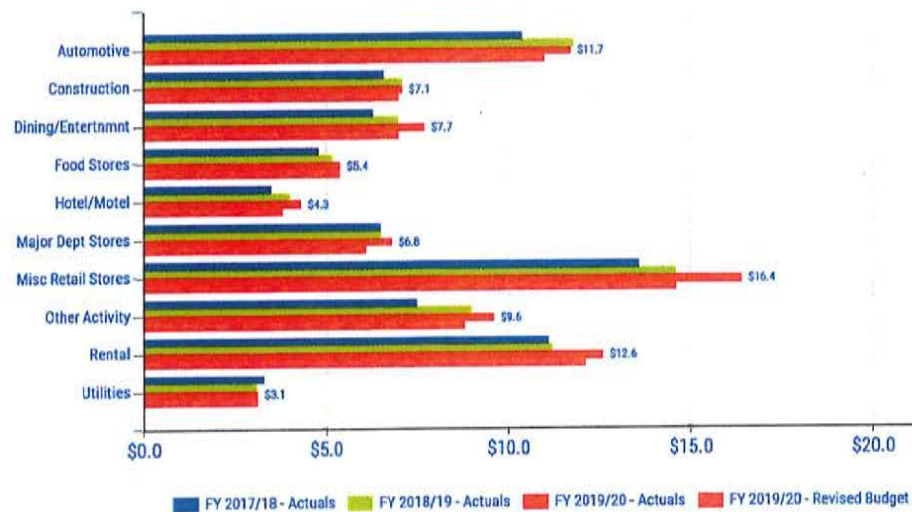
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$90.3	\$98.3	\$105.0	\$97.9	\$7.1	7%
Property Tax	17.2	19.7	20.7	20.9	(0.2)	(1%)
State Shared Revenues	43.1	43.7	45.6	46.5	(1.0)	(2%)
Charges for Service/Other	5.9	6.8	8.1	7.0	1.1	16%
License Permits & Fees	5.3	5.5	5.6	5.3	0.3	5%
Fines Fees & Forfeitures	5.3	5.0	5.1	5.2	(0.1)	(1%)
Interest Earnings	1.4	2.3	2.9	3.3	(0.5)	(14%)
Building Permit Fees & Charges	9.8	10.4	13.2	10.4	2.8	27%
Indirect/Direct Cost Allocations	4.6	4.4	4.9	5.0	-	-
Transfers In	7.0	8.0	8.5	8.0	0.5	6%
Total Sources	\$189.9	\$204.0	\$219.6	\$209.5	\$10.1	5%

3

3

General Fund Operating Sources: Sales Tax February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)



4

4

General Fund Operating Sources: Sales Tax February 2020: Fiscal Year to Date

(in millions; rounding differences may occur)

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Automotive	\$10.4	\$11.8	\$11.7	\$11.0	\$0.7	6%
Construction	6.6	7.1	7.1	7.0	0.1	1%
Dining/Entertainmt	6.3	7.0	7.7	7.0	0.7	10%
Food Stores *	4.8	5.2	5.4	5.4	0.1	1%
Hotel/Motel	3.5	4.0	4.3	3.8	0.5	14%
Major Dept Stores	6.5	6.5	6.8	6.1	0.7	11%
Misc Retail Stores	13.6	14.6	16.4	14.6	1.8	13%
Other Activity	7.5	9.0	9.6	8.8	0.8	9%
Rental	11.1	11.2	12.6	12.1	0.5	4%
Utilities	3.3	3.1	3.1	3.1	-	-
Sales Tax Total	\$73.6	\$79.4	\$84.6	\$78.8	\$5.8	7%

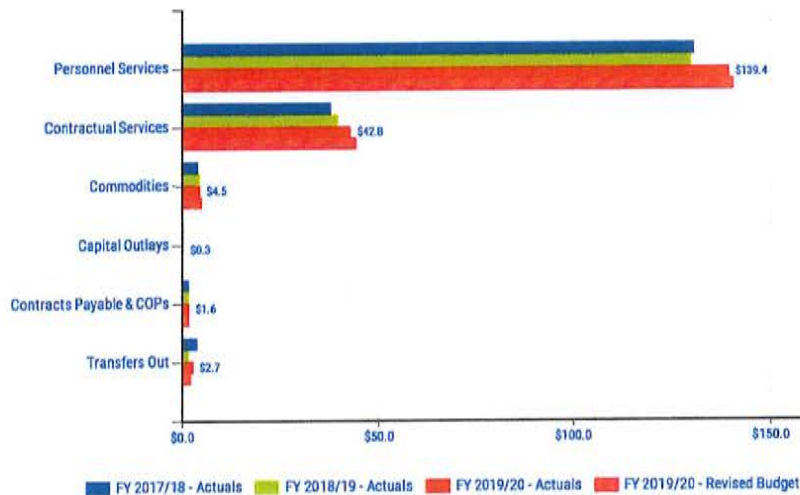
*FY 2019/20 YTD Food Tax CIP Transfer = \$3.6 Million

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General Fund Operating Uses by Category February 2020: Fiscal Year to Date

(in millions; rounding differences may occur)



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General Fund Operating Uses by Category February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)

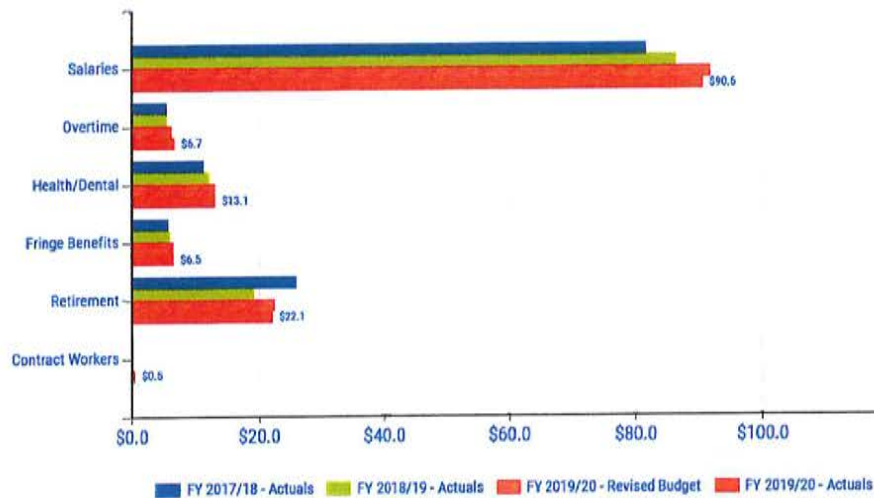
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services*	\$130.7	\$129.9	\$139.4	\$140.5	\$1.0	1%
Contractual Services	37.8	39.7	42.8	44.2	1.4	3%
Commodities	4.2	4.4	4.5	5.0	0.5	10%
Capital Outlays	0.4	0.4	0.3	0.3	0.1	23%
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	3.8	1.5	2.7	2.2	(0.5)	(23%)
Total Uses	\$178.5	\$177.4	\$191.3	\$193.8	\$2.5	1%
*Pay Periods thru February:	17	17	17			

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7

General Fund Operating Uses: Personnel Services February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)



8

8

General Fund Operating Uses: Personnel Services February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)

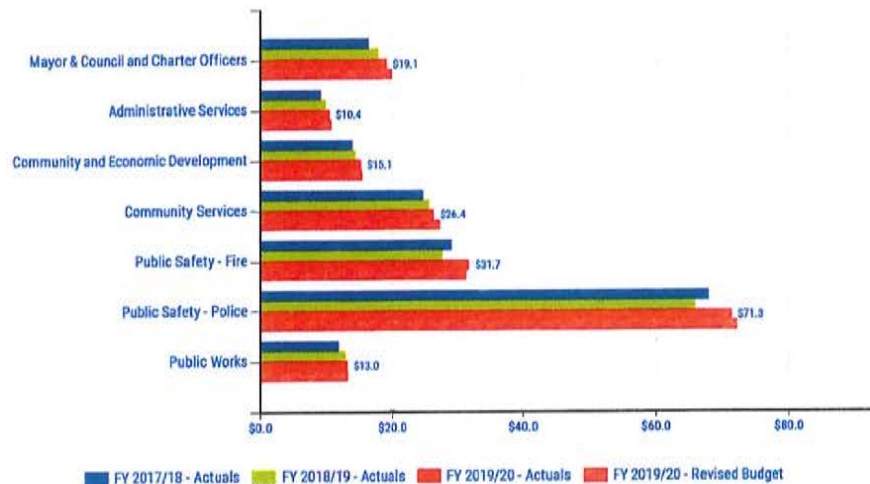
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries*	\$81.7	\$86.5	\$90.6	\$91.8	\$1.2	1%
Overtime	\$5.6	\$5.6	\$6.7	\$6.2	(\$0.5)	(7%)
Health/Dental	\$11.3	\$12.2	\$13.1	\$13.1	(\$0.1)	0%
Fringe Benefits	\$5.8	\$6.0	\$6.5	\$6.5	\$0.1	1%
Retirement	\$26.0	\$19.2	\$22.1	\$22.5	\$0.5	2%
Contract Workers	\$0.3	\$0.4	\$0.5	\$0.3	(\$0.2)	(62%)
Personnel Services Total	\$130.7	\$129.9	\$139.4	\$140.5	\$1.0	1%
*Pay Periods thru February:	17	17	17			

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General Fund Operating Division Expenditures February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)



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General Fund Operating Division Expenditures February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Mayor & Council and Charter Officers	\$16.4	\$17.9	\$19.1	\$19.9	\$0.8	4%
Administrative Services	9.1	9.8	10.4	10.7	0.3	3%
Community and Economic Development	13.9	14.3	15.1	15.3	0.2	1%
Community Services	24.9	25.8	26.4	27.4	1.0	4%
Public Safety - Fire	29.1	27.7	31.7	31.3	(0.4)	(1%)
Public Safety - Police	67.8	65.9	71.3	72.2	0.9	1%
Public Works	11.8	12.8	13.0	13.2	0.2	1%
Total	\$173.1	\$174.3	\$187.0	\$190.0	\$3.0	2%

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General Fund Results: Summary February 2020: Fiscal Year to Date

(In millions; rounding differences may occur)

	FY 17/18	FY 18/19	FY 19/20	FY 19/20	Actual Vs. Budget	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unf)</u>	<u>%</u>
Sources	\$189.9	\$204.0	\$219.6	\$209.5	\$10.1	5%
Uses	\$178.5	\$177.4	\$191.3	\$193.8	\$2.5	1%
Change in Fund Balance	\$11.4	\$26.6	\$28.3	\$15.7	\$12.6	

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