

SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MAY 19, 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 5:01 P.M. on Tuesday, May 19, 2020.

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

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

MAYOR'S REPORT – Mayor Lane read a proclamation recognizing National Public Works Week.

MINUTES

Request: Approve the Regular Meeting Minutes of April 21, 2020.

MOTION AND VOTE – MINUTES

Councilmember Korte made a motion to approve the Regular Meeting Minutes of April 21, 2020. 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.

ADDED ITEMS

A1. Added Items

The council report for Item No. 22 was added to the agenda less than ten days prior to the meeting and will require a separate vote to remain on the agenda.

Request: Vote to accept the agenda as presented or to continue the added item(s) to the June 16, 2020 Council meeting.

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.

MOTION AND VOTE – ADDED ITEMS

Councilman Phillips made a motion to accept the agenda as presented. 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. Hilton Scottsdale Resort & Villas Liquor License (44-LL-2020)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a person transfer of a Series 11 (hotel/motel) State liquor license for an existing location with a new owner.
Location: 7300 E. McDonald Drive
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 2. 6909 Chaparral Abandonment (1-AB-2020)**
Request: Adopt **Resolution No. 11795** authorizing the abandonment of the south five feet of the forty-foot right-of-way located along the north property line of Lot 6 of the Rancho Vista subdivision with Single-Family Residential (R1-7) zoning.
Location: 6909 E. Chaparral Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 3. Fleetwood 6 Final Plat (1-PP-2020)**
Request: Approve the final plat for a new residential subdivision, comprised of six lots on a 0.48±-acre site with Downtown/Downtown Multiple Use, Type 2, Planned Block Development, Downtown Overlay (D/DMU-2 PBD DO) zoning.
Location: 6900 E. 1st Avenue
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 4. Happy Valley 18 Rezoning (13-ZN-2019)**
Requests:
 1. Adopt **Ordinance No. 4450** approving a zoning district map amendment from Single-Family Residential, Environmentally Sensitive Lands (R1-190 ESL) zoning to Single-Family Residential, Planned Residential Development, Environmentally Sensitive Lands (R1-43 PRD ESL) zoning for a new 21-lot subdivision with a Development Plan and amended development standards for a reduction of lot area, lot width, and setbacks on a 29±-acre site.
 2. Adopt **Resolution No. 11794** declaring the document titled "*Happy Valley 18 Development Plan*" to be a public record.**Location:** Southwest corner of E. Happy Valley Road and N. Alma School Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 5. Sewer Line Easement**
Request: Adopt **Resolution No. 11788** authorizing the Public Works Director to execute and accept a sewer line easement dedication from the Maricopa County Flood Control District within the Indian Bend Wash, south of Curry Road in Tempe, Arizona.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

- 6. Osborn Road Parallel Sewer Main Project Construction Phase Services Contract**
Request: Adopt **Resolution No. 11777** authorizing CM@Risk Contract No. 2020-074-COS with B & F Contracting, Inc., in the amount of \$1,762,913.83, to provide construction phase services for the Osborn Road Parallel Sewer Main – Bishop Lane to Miller Road project.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 7. Aquifer Storage and Recovery Wells Project Preconstruction Phase Services Contract**
Request: Adopt **Resolution No. 11789** authorizing CM@Risk Contract No. 2020-082-COS with MGC Contractors, Inc., in the amount of \$324,908.48, to provide preconstruction phase services for the Aquifer Storage and Recovery Wells project.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 8. Phase 1C of the Granite Reef Watershed Storm Drain Improvements**
Request: Adopt **Resolution No. 11797** authorizing Construction Bid Award No. 20PB029 with Lincoln Constructors, Inc., in the amount of \$1,337,776, for construction of Phase 1C of the Granite Reef Watershed Storm Drain Improvements, Indian School Road Storm Drain Laterals.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 9. Scottsdale Road – Jomax Road to Dixileta Drive Capital Project Intergovernmental Agreement**
Request: Adopt **Resolution No. 11792** authorizing Agreement No. 2020-083-COS with the Maricopa Association of Governments for project administration and reimbursement of Proposition 400 Regional Transportation Sales Tax and Surface Transportation Program Block Grant funds for eligible costs incurred by the City for the Scottsdale Road – Jomax Road to Dixileta Drive capital project.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 10. Community Action Program Intergovernmental Agreement**
Request: Adopt **Resolution No. 11803** authorizing Agreement No. 2016-092-COS-A4, the fourth amendment to the agreement with the Maricopa County Human Services Department, to extend the agreement for another six months and provide additional funds for the City's Community Action Program.
Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov
- 11. Hieroglyphic Mountains Recharge Project Water Storage Agreement**
Request: Adopt **Resolution No. 11811** authorizing Agreement No. 2020-088-COS with the Central Arizona Water Conservation District for water storage at the Hieroglyphic Mountains Recharge Project.
Staff Contact(s): Brian Biesemeyer, Water Resources Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

- 12. Agua Fria Recharge Project Water Storage Agreement**
Request: Adopt **Resolution No. 11812** authorizing Agreement No. 2020-089-COS with the Central Arizona Water Conservation District for water storage at the Agua Fria Recharge Project.
Staff Contact(s): Brian Biesemeyer, Water Resources Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov
- 13. Regional Metropolitan Phoenix Fire Service Automatic Aid Intergovernmental Agreement**
Request: Adopt **Resolution No. 11770** authorizing Agreement No. 2020-072-COS with the City of Phoenix for participation in the Phoenix Fire Department Regional Dispatch System.
Staff Contact(s): Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov
- 14. Industrial Injury Medical Case Management Professional Services Contracts**
Request: Adopt **Resolution No. 11783** to authorize the following contracts, in an amount not to exceed \$125,000 per contract, for industrial injury medical case management services:
 1. Contract No. 2020-078-COS with Genex Services, LLC
 2. Contract No. 2020-079-COS with Paradigm Complex Care Solutions
 3. Contract No. 2020-080-COS with Orchard Medical Consulting**Staff Contact(s):** Katherine Callaway, Risk Management Director, 480-312-7841, kcallaway@scottsdaleaz.gov
- 15. Emergency Sick Leave Program and Cigna COVID-19 Treatment**
Request: Adopt **Resolution No. 11806** authorizing additional emergency sick leave pay for emergency responders and payment of claims related to COVID-19 treatment.
Staff Contact(s): Donna Brown, Human Resources Director, 480-312-2615, dbrown@scottsdaleaz.gov
- 16. COVID-19 Public Assistance Grants**
Request: Adopt **Resolution No. 11808** to authorize:
 1. Acceptance, if awarded, of COVID-19 related public assistance federal grant funding from:
 - a. The FAA CARES Act Airport grant in the amount of up to \$157,000.
 - b. The U.S. Department of Justice Coronavirus Emergency Supplemental Funding Program grant in the amount of up to \$94,987.
 - c. The Federal Emergency Management Agency (FEMA) Assistance to Firefighters grant in the amount of up to \$100,000.
 - d. The FEMA Disaster Recovery Assistance – Arizona Department of Emergency and Military Affairs grant in the amount of up to \$500,000.
 2. A budget transfer equal to each grant award amount from the FY 2019/20 Future Grants Budget and/or Grant Contingency Budget to newly created cost centers to record the related grant activity.**Staff Contact(s):** Jeff Nichols, City Treasurer, 480-312-2364, jenichols@scottsdaleaz.gov

17. Designate the City of Scottsdale's Chief Fiscal Officer

Requests:

1. Adopt **Resolution No. 11790** designating the City of Scottsdale's Chief Fiscal Officer for officially submitting the FY 2019/20 Expenditure Limitation Report to the Arizona Auditor General.
2. Adopt **Resolution No. 11791** designating the City of Scottsdale's Chief Fiscal Officer for officially submitting the FY 2020/21 Expenditure Limitation Report to the Arizona Auditor General.

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

18. Monthly Financial Report

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

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

19. Independent Ethics Panel's Report of Findings of Fact and Conclusions of Law

(Item 19 was moved to the Regular Agenda as Item 24.)

MOTION AND VOTE – CONSENT AGENDA

Councilmember Korte made a motion to approve Consent Agenda Items 1 through 18. Vice Mayor Littlefield 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

20. Monthly Financial Update

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

Presenter(s): Jeff Nichols, City Treasurer

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

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's financial status as of April 2020.

21. Public Hearing and Adoption of Fiscal Year 2020/21 Rates and Fees

Requests:

1. Accept citizen comments at a public hearing regarding proposed rates and fees.
2. Adopt **Ordinance No. 4447** amending Scottsdale Revised Code, Chapter 49, Water, Sewer and Sewage Disposal, to adjust sewer/water reclamation rates, effective January 1, 2021, and miscellaneous charges, effective July 1, 2020.
3. Adopt **Resolution No. 11765** declaring the document titled "*Amendments to Chapter 49, Scottsdale Revised Code – Water, Sewers and Sewage Disposal*" to be a public record.
4. Adopt **Ordinance No. 4445** amending Scottsdale Revised Code, Chapter 16, Licensing, Taxation and Miscellaneous Business Regulations, Section 16-486, to increase the license fee for private haulers of commercial refuse or recycling, effective July 1, 2020.
5. Adopt **Ordinance No. 4446** amending Scottsdale Revised Code, Chapter 24, Solid Waste Management, to adjust solid waste rates and charges, effective July 1, 2020.

6. Adopt **Resolution No. 11772** authorizing adjustments to the Scottsdale Airport/Airpark's rates and fees and approving changes to Section 7-12 of the Airport Minimum Operating Standards to provide for a rate increase for rental car concession services, effective July 1, 2020.
7. Adopt **Resolution No. 11778** authorizing adjustments to the Planning and Development Services Department's rates and fees, effective January 1, 2021.
8. Adopt **Resolution No. 11769** authorizing the Tourism and Events Department to provide services associated with special event applications and permits, effective July 1, 2020.
9. Adopt **Resolution No. 11786** authorizing adjustments to the Community Services Division schedule of program charges, rental fees, and fines, effective July 1, 2020.
10. Adopt **Resolution No. 11767** authorizing an adjustment of off duty fees by Public Safety – Police, effective July 1, 2020.
11. Adopt **Resolution No. 11768** authorizing an adjustment of fees and charges by Public Safety – Fire, effective July 1, 2020.

Presenter(s): Judy Doyle, Budget Director; Brian Biesemeyer, Water Resources Director

Staff Contact(s): Adam Samuels, Sr. Budget Analyst, 480-312-2256, asamuels@scottsdaleaz.gov

Budget Director Judy Doyle and Water Resources Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2020/21 rates and fees.

Mayor Lane noted for the record that there were no requests to speak for the public hearing.

MOTION AND VOTE – ITEM 21

Councilmember Korte made a motion to adopt Ordinance No. 4447, Resolution No. 11765, Ordinance No. 4445, Ordinance No. 4446, Resolution No. 11772, Resolution No. 11778, Resolution No. 11769, Resolution No. 11786, Resolution No. 11767, and Resolution No. 11768. 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.

22. Public Hearing on and Adoption of Proposed Fiscal Year 2020/21 Budget (Tentative Budget)

Requests:

1. The City Council solicits and receives public input relative to the entire Proposed FY 2020/21 Budget, which includes both the Operating Budget and Capital Improvement Plan. The City Council may direct staff to revise the Proposed FY 2020/21 Budget prior to adoption or may adopt the proposed version as the Tentative Budget required for conformity with Arizona Revised Statutes and City Charter.
2. Adopt **Ordinance No. 4453** as presented (or as modified by Council) establishing the Tentative Budget for FY 2020/21. Establishment of the Tentative Budget statutorily fixes the maximum expenditure limit. The maximum expenditure limit may still be lowered by Council before final budget adoption.
Adoption of Ordinance No. 4453 also directs the City Clerk to meet obligations regarding publication and notices imposed by Arizona Revised Statutes and City Charter. Through adoption of Ordinance No. 4453, Council also tentatively adopts the FY 2020/21 Job Classification Plan in conformity with Scottsdale Revised Code Sec. 14-20, *et seq.*

Presenter(s): Jeff Nichols, City Treasurer; Jim Thompson, City Manager

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

City Treasurer Jeff Nichols and City Manager Jim Thompson gave PowerPoint presentations (attached) on the proposed Fiscal Year 2020/21 Operating Budget.

City Engineer Dave Lipinski gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2020/21 Capital Improvement Plan.

Mayor Lane noted for the record that there were no requests to speak for the public hearing.

MOTION AND VOTE NO 1. – ITEM 22

Mayor Lane made a motion to direct staff to remove the two-percent property tax allowance from the tentative budget. Vice Mayor Littlefield seconded the motion, which carried 4/3, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp and Phillips voting in the affirmative, and Councilmembers Korte, Milhaven, and Whitehead dissenting.

MOTION AND VOTE NO. 2 – ITEM 22

Councilwoman Whitehead made a motion to transfer the General Fund tax on food for home consumption into contingency in the tentative budget for FY 2020/21. Vice Mayor Littlefield 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.

MOTION AND VOTE NO. 3 – ITEM 22

Councilwoman Milhaven made a motion to adopt Ordinance No. 4453, as modified (by the previous motions), establishing the Tentative Budget for FY 2020/21. Vice Mayor Littlefield 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.

- 23. Indemnification of Mayor, Councilmembers, City Manager, City Clerk, and Former City Attorney in Mark E. Stuart and Virginia G. Stuart v. City of Scottsdale et al.**
Request: Adopt the following resolutions related to the lawsuit entitled *Mark E. Stuart and Virginia G. Stuart v. City of Scottsdale et al.*, currently pending in the United States District Court, District of Arizona, Court Case No. CV20-00755-PHX-JAT:

1. **Resolution No. 11814** authorizing the City to defend and indemnify Mayor W.J. "Jim" Lane.
2. **Resolution No. 11815** authorizing the City to defend and indemnify Councilmember Suzanne Klapp.
3. **Resolution No. 11816** authorizing the City to defend and indemnify Councilmember Virginia Korte.
4. **Resolution No. 11817** authorizing the City to defend and indemnify Vice Mayor Kathy Littlefield.
5. **Resolution No. 11818** authorizing the City to defend and indemnify Councilmember Linda Milhaven.
6. **Resolution No. 11819** authorizing the City to defend and indemnify Councilmember Guy Phillips.
7. **Resolution No. 11820** authorizing the City to defend and indemnify Councilmember Solange Whitehead.
8. **Resolution No. 11821** authorizing the City to defend and indemnify City Manager Jim Thompson, City Clerk Carolyn Jagger, and former City Attorney Bruce Washburn.

Presenter(s): Sherry Scott, City Attorney

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

City Attorney Sherry Scott gave a presentation on the indemnification process.

Mayor Lane recused himself and left the dais.

MOTION NO. 1 AND VOTE – ITEM 23

Councilwoman Milhaven made a motion to adopt Resolution No. 11814 authorizing the City to defend and indemnify Mayor W.J. “Jim” Lane. Councilwoman Whitehead seconded the motion, which carried 6/0, with Vice Mayor Littlefield and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

Mayor Lane returned to the dais. Councilwoman Klapp recused herself and left the dais.

MOTION NO. 2 AND VOTE – ITEM 23

Councilwoman Milhaven made a motion to adopt Resolution No. 11815 authorizing the City to defend and indemnify Councilwoman Suzanne Klapp. Councilmember Korte seconded the motion, which carried 6/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

Councilwoman Klapp returned to the dais. Councilmember Korte recused herself and left the dais.

MOTION NO. 3 AND VOTE – ITEM 23

Councilwoman Milhaven made a motion to adopt Resolution No. 11816 to defend and indemnify Councilmember Virginia Korte. Vice Mayor Littlefield seconded the motion, which carried 6/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Milhaven, Phillips, and Whitehead voting in the affirmative.

Councilmember Korte returned to the dais. Vice Mayor Littlefield recused herself and left the dais.

MOTION NO. 4 AND VOTE – ITEM 23

Councilwoman Milhaven made a motion to adopt Resolution No. 11817 to defend and indemnify Vice Mayor Kathy Littlefield. Councilmember Korte seconded the motion, which carried 6/0, with Mayor Lane and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

Vice Mayor Littlefield returned to the dais. Councilwoman Milhaven recused herself and left the dais.

MOTION NO. 5 AND VOTE – ITEM 23

Councilmember Korte made a motion to adopt Resolution No. 11818 to defend and indemnify Councilwoman Linda Milhaven. Councilwoman Whitehead seconded the motion, which carried 6/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Phillips, and Whitehead voting in the affirmative.

Councilwoman Milhaven returned to the dais. Councilman Phillips recused himself and left the dais.

MOTION NO. 6 AND VOTE – ITEM 23

Vice Mayor Littlefield made a motion to adopt Resolution No. 11819 to defend and indemnify Councilmember Guy Phillips. Councilwoman Klapp seconded the motion, which carried 6/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, and Whitehead voting in the affirmative.

Councilman Phillips returned to the dais. Councilwoman Whitehead recused herself and left the dais.

MOTION NO. 7 AND VOTE – ITEM 23

Councilwoman Milhaven made a motion to adopt Resolution No. 11820 to defend and indemnify Councilwoman Solange Whitehead. Councilmember Korte seconded the motion, which carried 6/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, and Phillips voting in the affirmative.

Councilwoman Whitehead returned to the dais.

MOTION NO. 8 AND VOTE – ITEM 23

Councilwoman Milhaven made a motion to adopt Resolution No. 11821 to defend and indemnify City Manager Jim Thompson, City Clerk Carolyn Jagger, and former City Attorney Bruce Washburn. Councilmember Korte 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.

24. Independent Ethics Panel's Report of Findings of Fact and Conclusions of Law

Request: Consider and accept the Independent Ethics Panel's Report of Findings of Fact and Conclusions of Law, which found no ethical violations arising out of the complaint filed against Councilman Guy Phillips on January 21, 2020.

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

Councilman Phillips recused himself and left the dais.

MOTION NO. 1 – ITEM 24

Councilmember Korte made a motion to accept the ultimate conclusion of the Ethics Panel Report that it did not find an ethics violation based on "this record and under these ordinances in their current form" and reject the Panel's Report as submitted because we disagree with the Panel's interpretation and analysis related to anonymous and personal gifts. The motion died for lack of a second.

MOTION AND VOTE NO. 2 – ITEM 24

Councilwoman Whitehead made a motion to consider and accept the Independent Ethics Panel's Report of Findings of Fact and Conclusions of Law. Councilwoman Klapp seconded the motion, which carried 5/1, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Milhaven, and Whitehead voting in the affirmative, and Councilmember Korte dissenting.

MAYOR AND COUNCIL ITEMS

MOTION AND VOTE – MAYOR AND COUNCIL ITEMS

Councilmember Korte made a motion to direct the City Attorney to return to the Council with a revision to the ethics code that would exclude anonymous gifts at the next Council meeting. Councilwoman Milhaven 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.

ADJOURNMENT

The Regular City Council Meeting adjourned at 8:42 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

June 16, 2020

C E R T I F I C A T E

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 19th day of May 2020.

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

DATED this 16th day of June 2020.



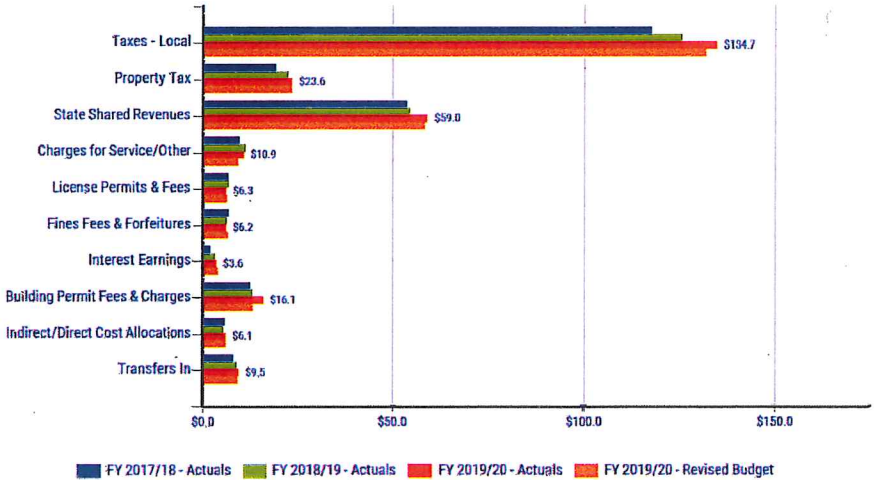
Carolyn Jagger, City Clerk

Monthly Financial Update April 30, 2020

May 19, 2020

General Fund Operating Sources April 2020: Fiscal Year to Date

(in millions; rounding differences may occur)



General Fund Operating Sources April 2020: Fiscal Year to Date

(in millions; rounding differences may occur)

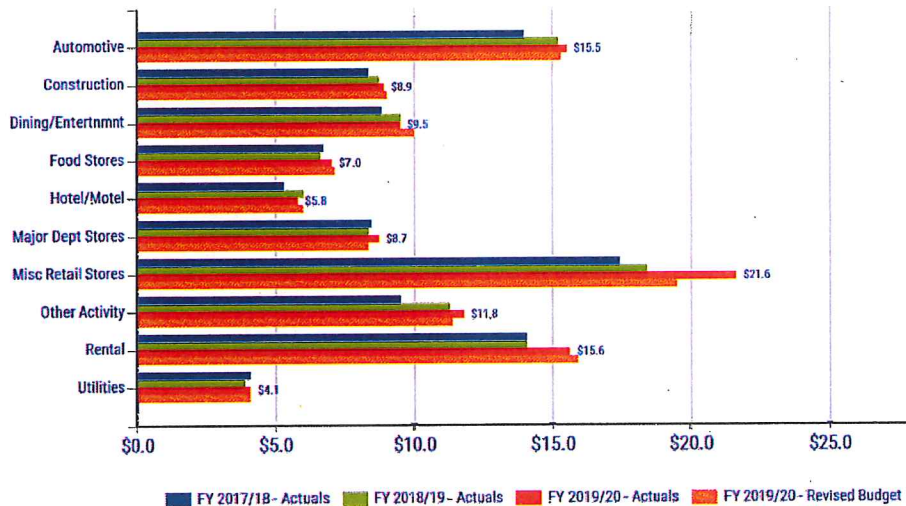
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$117.6	\$125.6	\$134.7	\$132.0	\$2.7	2%
Property Tax	19.5	22.6	23.6	23.6	-	-
State Shared Revenues	53.9	54.5	59.0	58.4	0.6	1%
Charges for Service/Other	9.7	11.3	10.9	9.5	1.4	15%
License Permits & Fees	6.8	6.9	6.3	6.5	(0.2)	(4%)
Fines Fees & Forfeitures	6.9	6.3	6.2	6.7	(0.4)	(6%)
Interest Earnings	1.9	3.2	3.6	4.1	(0.5)	(12%)
Building Permit Fees & Charges	12.5	13.0	16.1	13.3	2.8	21%
Indirect/Direct Cost Allocations	5.7	5.5	6.1	6.1	-	-
Transfers In	8.1	9.0	9.5	9.3	0.2	3%
Total Sources	\$242.6	\$257.9	\$276.1	\$269.4	\$6.6	2%

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

(in millions; rounding differences may occur)



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General Fund Operating Sources: Sales Tax April 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	\$14.0	\$15.2	\$15.5	\$15.3	\$0.2	1%
Construction	8.3	8.7	8.9	9.0	(0.1)	(1%)
Dining/Entertnmt	8.8	9.5	9.5	10.0	(0.5)	(5%)
Food Stores	6.7	6.6	7.0	7.1	(0.2)	(2%)
Hotel/Motel	5.3	6.0	5.8	6.0	(0.2)	(4%)
Major Dept Stores	8.4	8.3	8.7	8.3	0.3	4%
Misc Retail Stores	17.4	18.4	21.6	19.5	2.1	11%
Other Activity	9.5	11.3	11.8	11.4	0.4	3%
Rental	14.1	14.1	15.6	15.9	(0.3)	(2%)
Utilities	4.1	3.9	4.1	4.1	-	-
Sales Tax Total	\$96.5	\$102.0	\$108.3	\$106.5	\$1.8	2%

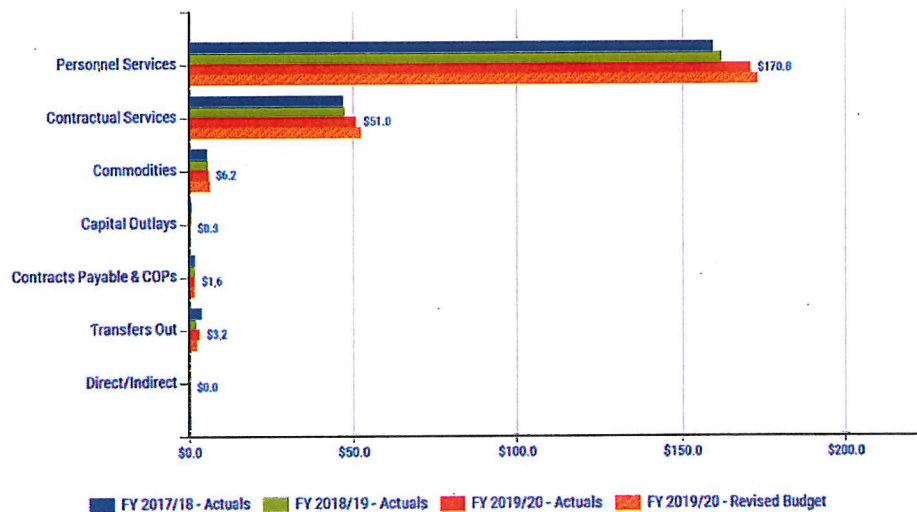
*FY 2019/20 YTD Food Tax CIP Transfer = \$4.6 Million

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

(in millions: rounding differences may occur)



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

(in millions; rounding differences may occur)

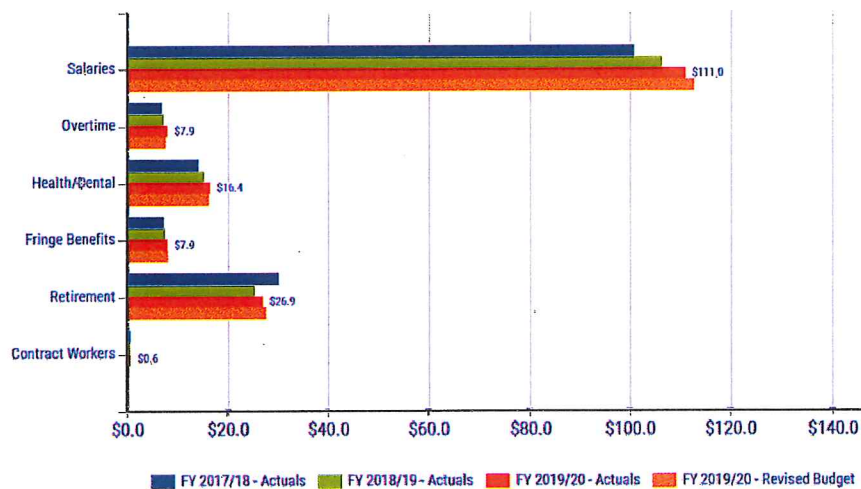
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services*	\$159.3	\$161.8	\$170.8	\$172.9	\$2.1	1%
Contractual Services	47.0	47.5	51.0	52.5	1.6	3%
Commodities	5.5	5.8	6.2	6.5	0.3	5%
Capital Outlays	0.6	0.7	0.3	0.3	-	-
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Direct/Indirect	-	-	-	-	-	-
Transfers Out	3.8	1.9	3.2	2.5	(0.7)	(28%)
Total Uses	\$217.8	\$219.2	\$233.1	\$236.4	\$3.3	1%
*Pay Periods thru April:	21	21	21			

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

(in millions; rounding differences may occur)



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

(In millions; rounding differences may occur)

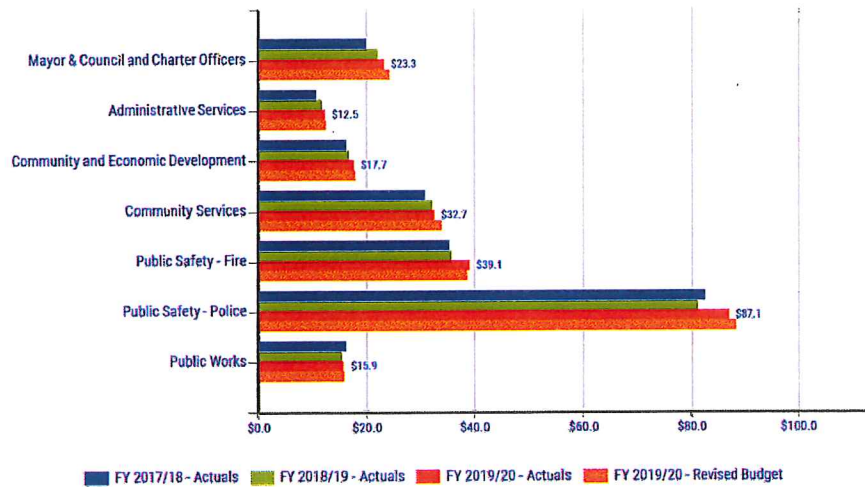
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries*	\$100.8	\$106.3	\$111.0	\$112.8	\$1.8	2%
Overtime	\$6.8	\$7.1	\$7.9	\$7.6	(\$0.3)	(4%)
Health/Dental	\$14.1	\$15.2	\$16.4	\$16.3	(\$0.1)	(1%)
Fringe Benefits	\$7.1	\$7.4	\$7.9	\$8.0	\$0.1	2%
Retirement	\$30.0	\$25.3	\$26.9	\$27.6	\$0.7	3%
Contract Workers	\$0.5	\$0.5	\$0.6	\$0.4	(\$0.2)	(43%)
Personnel Services Total	\$159.3	\$161.8	\$170.8	\$172.9	\$2.1	1%
*Pay Periods thru April:	21	21	21			

9

9

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

(In millions; rounding differences may occur)



10

10

General Fund Operating Division Expenditures April 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
Mayor & Council and Charter Officers	\$20.0	\$22.1	\$23.3	\$24.3	\$0.9	4%
Administrative Services	10.9	11.9	12.5	12.7	0.2	1%
Community and Economic Development	16.4	16.9	17.7	18.0	0.3	2%
Community Services	30.8	32.3	32.7	34.0	1.3	4%
Public Safety - Fire	35.4	35.9	39.1	38.8	(0.3)	(1%)
Public Safety - Police	82.6	81.2	87.1	88.5	1.4	2%
Public Works	16.2	15.5	15.9	16.0	0.1	1%
Total	\$212.4	\$215.7	\$228.3	\$232.3	\$4.0	2%

11

11

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

(In millions; rounding differences may occur)

	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Actual	FY 19/20 Budget	Actual Vs. Budget	
					Fav/(Unf)	%
Sources	\$242.6	\$257.9	\$276.1	\$269.4	\$6.6	2%
Uses	\$217.8	\$219.2	\$233.1	\$236.4	\$3.3	1%
Change in Fund Balance	\$24.8	\$38.7	\$43.0	\$33.0	\$9.9	

12

12

General Fund Operating Sources April 2020 : Year-End Estimate

(in millions: rounding differences may occur)

	FY 2019/20	FY 2019/20	Approved vs. Forecast	
	<u>Approved</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Taxes - Local	\$154.0	\$157.6	(\$2.3)	(2%)
Property Tax	32.6	32.6	-	-
State Shared Revenues	70.8	68.6	(2.2)	(3%)
Charges for Service/Other	14.0	13.7	(0.3)	(2%)
License Permits & Fees	8.0	6.3	(1.6)	(21%)
Fines Fees & Forfeitures	8.2	7.3	(0.8)	(10%)
Interest Earnings	5.0	3.9	(1.1)	(22%)
Building Permit Fees & Charges	15.8	18.0	2.2	14%
Indirect/Direct Cost Allocations	7.3	7.3	-	-
Transfers In	10.6	10.6	-	-
Total Sources	\$326.2	\$319.9	(\$6.4)	(2%)

*Forecast as of FY 2020/21 Tentative Budget.

13

13

General Fund Operating Uses April 2020 : Year-End Estimate

(in millions: rounding differences may occur)

	FY 2019/20	FY 2019/20	Approved vs. Forecast	
	<u>Approved</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>
Personnel Services**	\$213.3	\$210.5	\$2.8	1%
Contractual Services	63.2	61.3	1.9	3%
Commodities	9.1	8.5	0.6	7%
Capital Outlays	0.5	0.4	-	-
Contracts Payable & COPs	2.9	2.9	-	-
Transfers Out	27.6	28.5	(0.9)	(3%)
Total Uses	\$316.5	\$312.2	\$4.4	1%

*Forecast as of FY 2020/21 Tentative Budget.

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

14

14

General Fund Operating Uses April 2020 : Year-End Estimate

(in millions: rounding differences may occur)

	FY 19/20 Revised Budget	FY 19/20 Forecast Budget	Variance	
			Fav/(Unf)	%
Sources	\$326.2	\$319.9	(\$6.4)	(2%)
Uses	\$316.5	\$312.2	\$4.4	1%
Change in Fund Balance	\$9.7	\$7.7	(\$2.0)	

15

Item 21

**PUBLIC HEARING &
ADOPTION OF
FY 2020/21 RATES & FEES**

City Council
May 19, 2020

1.

FY 2020/21 RATES & FEE

```
graph LR; A[Proposed Rate & Fee Changes Presented in Detail on March 3] --> B[60 Day Posting Compliance]; B --> C[Public Hearing]
```

2

FY 2020/21 RATES & FEES CHANGES

- Water Resources
- Planning & Development Services

	Original	Proposed
Stormwater Fee	July 1	Remove
Base Rates & Fees	July 1	January 1
New Permits	July 1	January 1
WCF Fees	July 1	January 1

3

FY 2020/21 FORECASTED REVENUE (IN MILLIONS)

ENTERPRISE

Enterprise Funds	Revenue
Water Resources	\$0.6
Public Works	\$2.9
Aviation	\$0.5

NON-ENTERPRISE

General Fund	Revenue
C&ED – Planning & Dev Svcs	\$0.4
C&ED – Tourism & Events	\$0.0
Community Services	\$0.3
Public Safety – Fire	\$0.0
Public Safety - Police	\$0.0
Special Programs Fund	Revenue
Community Services	(\$0.0)

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FY2020/21 ENTERPRISE

Water Resources – Water & Sewer
City Council
May 19, 2020

5

5

ENTERPRISE - WATER RESOURCES RATE AND SERVICE CHARGE PROPOSALS

- ◆ Proposed water rate increase (**0%**)
- ◆ Proposed sewer rate increase (3.0%, **implemented mid-year**)
- ◆ Proposed miscellaneous service charge increases varied by type
 - ◆ **Limited to Commercial Water Hauler Capital Recovery and Meter Deposits**

6

ENTERPRISE - WATER RESOURCES WATER AND SEWER REVENUE

	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Water Rates	\$102,508,690	3.0%	\$3,123,000
Sewer Rates	\$42,784,100	3.0%	\$1,300,000
Total Rates	\$145,292,790		\$4,423,000

	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Water Rates	\$102,508,690	0%	\$0
Sewer Rates	\$39,361,200	1.5%	\$590,000
Total Rates	\$141,869,890		\$590,000

The sewer fund rate increase proposal is equal to 3%, implemented mid-year for an overall increase to the fund of 1.5%.

7

ENTERPRISE - WATER RESOURCES SIGNIFICANT COST ADJUSTMENTS

- ◆ **Water Rates: 0% rate increase / eliminate proposal**
 - Revenue is trending with forecast
 - Delays in capital spending
 - Reduced operating budget
 - Reduced increase in Central Arizona Project (CAP) rates

8

ENTERPRISE - WATER RESOURCES SIGNIFICANT COST ADJUSTMENTS

💧 Central Arizona Project (CAP) Municipal and Industrial Subcontract Rates

	Cost Per Acre Foot
CY21 CAP rate used in forecasted rate development	\$217.00
CY21 CAP rate adopted by CAWCD Board of Directors	\$213.00
Change in CAP Rate	(\$4.00)

The current CAP rate (calendar year 2020) paid is \$199 per acre foot. The adopted rate of \$213 is a 7 percent increase.

9

ENTERPRISE - WATER RESOURCES SIGNIFICANT COST ADJUSTMENTS

💧 Sewer Rates: 3% annual rate increase delayed until January 1, 2021

- Total revenue for current fiscal year below projections
- Volume revenue for next fiscal year reduced based on low winter water delivers
- Some delays in capital spending

10

ENTERPRISE - WATER RESOURCES WATER AND SEWER REVENUE FORECASTS

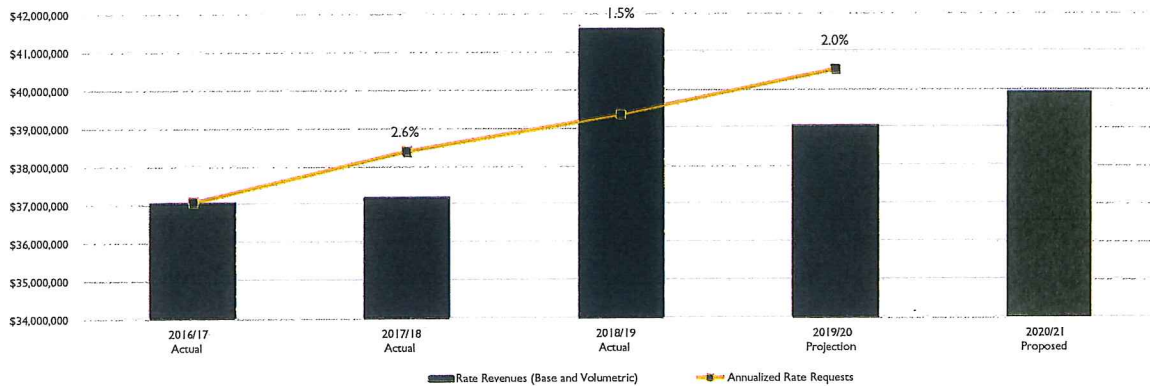
Fiscal Year to Date	Sewer Revenue
Budget	\$38,919,952
Actual	\$35,710,557
Dollar Variance	(\$3,209,395)
Percent Variance	(8%)

Fiscal year to date is through April 30, 2020

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ENTERPRISE - WATER RESOURCES HISTORICAL SEWER REVENUE



The Annual Rate Requests equal to the 2016/17 base revenue year, increased by the adopted rate increase, plus an average growth factor. 12

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ENTERPRISE - WATER RESOURCES SEWER RATES

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$3.75	\$4.50
3/4" Meter	\$3.75	\$4.50
1" Meter	\$3.75	\$4.50
1.5" Meter	\$22.50	\$27.00
2" Meter	\$52.50	\$63.00
3" Meter	\$67.50	\$81.00
4" Meter	\$99.00	\$119.00
6" Meter	\$187.50	\$225.00
8" Meter	\$262.50	\$315.00

Proposed
implementation date
January 1, 2021

13

13

ENTERPRISE - WATER RESOURCES SEWER RATES

Customer Category	Current Rates	Proposed Rates
Single Family Residential	\$2.67	\$2.67
Multi Family Residential	\$2.67	\$2.67
Commercial Without Dining	\$2.67	\$2.67
Commercial With Dining	\$3.56	\$3.56
Hotels Without Dining	\$2.91	\$2.91
Hotels With Dining	\$3.56	\$3.56
Car Washes	\$2.64	\$2.64

Customer Category	Current Rates	Proposed Rates
Commercial Laundry	\$3.20	\$3.20
Metal Platers	\$2.94	\$2.94
Laundromats	\$2.67	\$2.67
Restaurants/Bakeries	\$4.97	\$4.97
Service Station Auto Repair	\$2.67	\$2.67
Medical Institutions	\$2.67	\$2.67
Schools	\$2.67	\$2.67

Proposed implementation date – **January 1, 2021**

14

14

ENTERPRISE - WATER RESOURCES HISTORICAL RATE CHANGES

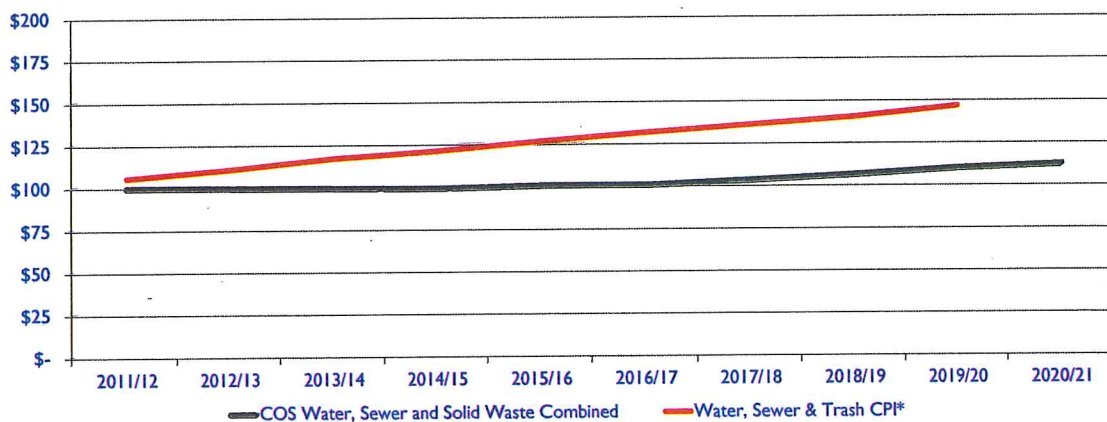
Water and Sewer Average Rate Adjustments:

Fiscal Year	Water	Sewer	Weighted Average
2016/17	- 0 -	- 0 -	- 0 -
2017/18	2.9%	2.6%	2.8%
2018/19	2.8%	1.5%	2.5%
2019/20	3.0%	2.0%	2.8%
2020/21	- 0 -	1.5%	0.4%
5Yr Average	1.7%	1.5%	1.7%

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ENTERPRISE - WATER RESOURCES HISTORICAL RATE CHANGES, UTILITY CPI



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

16

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ENTERPRISE - WATER RESOURCES MISCELLANEOUS SERVICE CHARGES

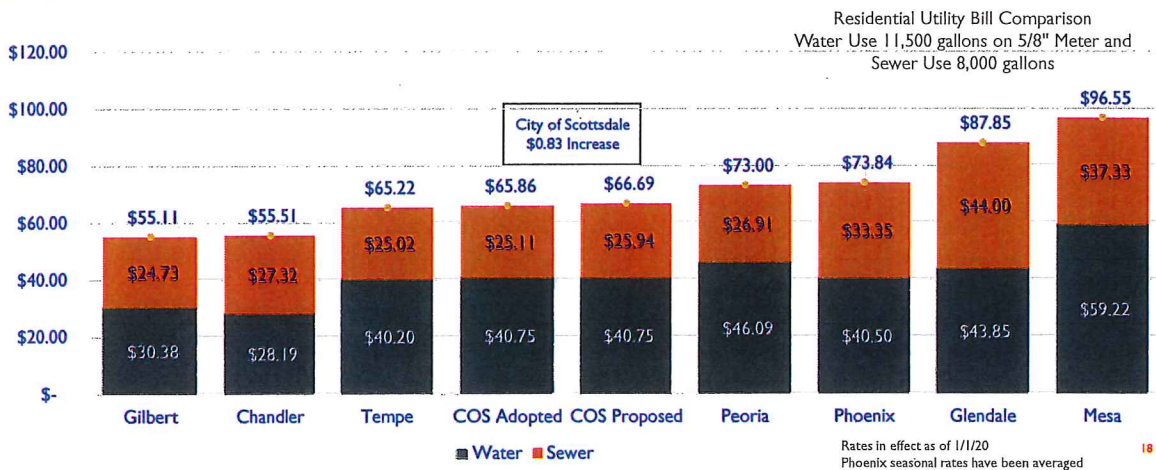
Service Charges	Estimated Transactions	FY 2019/20 Fee	Proposed FY 2020/21 Fee	Increase Amt	% Change	Estimated Revenue Change
Residential Water Hauler Capital Recovery	55	\$5	\$6	\$1	20%	\$660
Commercial Water Hauler Capital Recovery	5	\$20	\$25	\$5	25%	\$300
1" Construction Hydrant Meter Deposit	100	\$750	\$800	\$50	7%	NA*
3" Construction Hydrant Meter Deposit	100	\$1,500	\$2,000	\$500	33%	NA*
<i>*Deposit refunded when meter returned</i>						
Additional Water Fund Revenue						\$960

Proposed implementation date – July 1, 2020

17

17

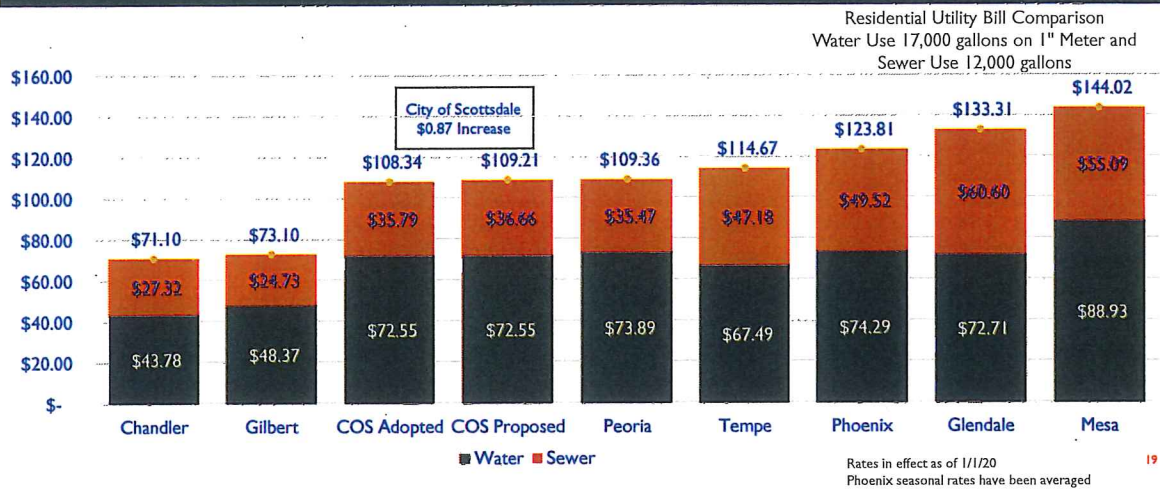
ENTERPRISE – WATER RESOURCES UTILITY COMPARISON



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ENTERPRISE – WATER RESOURCES UTILITY COMPARISON



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ENTERPRISE - WATER RESOURCES RATE AND SERVICE CHARGE PROPOSALS

- ◆ Proposed water rate increase (0%)
- ◆ Proposed sewer rate increase (3.0%, implemented mid-year)
- ◆ Proposed miscellaneous service charge increases varied by type
 - ◆ Limited to Commercial Water Hauler Capital Recovery and Meter Deposits

20

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FY 2020/21 RECOMMENDATIONS

Adopt Resolution No. 11765 and Ordinance No. 4447, amending Scottsdale Revised Code, Chapter 49, Water, Sewer and Sewage Disposal sewer/water reclamation rates effective January 1, 2021 and miscellaneous charges, effective July 1, 2020.

Adopt Ordinance No. 4445, amending Scottsdale Revised Code, Chapter 16, Licensing, Taxation and Miscellaneous Business Regulations, section 16-486 to increase the license fee for private haulers of commercial refuse or recycling, effective July 1, 2020.

Adopt Ordinance No. 4446, amending Scottsdale Revised Code, Chapter 24, Solid Waste Management by adjusting solid waste rates and charges, effective July 1, 2020.

Adopt Resolution 11772, authorizing and approving adjustments to the Scottsdale Airport/Airpark's rates and fees and approving changes to section 7-12 of the airport's minimum operating standards to provide for a rate increase for rental car concession services, effective July 1, 2020.

Adopt Resolution No. 11778, authorizing and approving adjustments to the Planning and Development Services Department's rates and fees, effective January 1, 2021.

Adopt Resolution No. 11769, authorizing the Tourism and Events Department to provide services associated with special event applications and permits, effective July 1, 2020.

Adopt Resolution No. 11786, authorizing and approving adjustments to the Community Services Division schedule of program charges, rental fees and fines, effective July 1, 2020.

Adopt Resolution No. 11767, authorizing an adjustment of off duty fees by Public Safety – Police, effective July 1, 2020.

Adopt Resolution No. 11768, authorizing an adjustment of fees and charges by Public Safety – Fire, effective July 1, 2020.

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The following slides are from the March 3, 2020 proposed rates and fees discussion. They are included as a resource only.

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FY 2020/21 PROPOSED RATE & FEE CHANGES

City Council
March 3, 2020

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FY 2020/21 PROPOSED RATE & FEE CHANGES

- **Present in Detail**
- **60 Day Posting Compliance**
- **Public Hearing & Adopt on May 5, 2020**

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ENTERPRISE PROPOSED RATE & FEE CHANGES



Annual Review of Rates & Fees per Financial Policy No. 9



Ensure Rates & Fees Recover All Direct/Indirect Cost of Service, Debt Service and Provide Adequate Funding for Future Capital Needs



Proposed Rate & Fee Changes Submitted by:

Water Resources
Water
Sewer
Public Works
Solid Waste
Aviation

25

25

DJ1

NON-ENTERPRISE PROPOSED RATE & FEE CHANGES



Annual Review of Rates & Fees per Financial Policy No. 10



Rates & Fees Based on Acceptable Recovery Rates for Direct/Indirect Cost of Services



Proposals for Rate & Fee Changes Submitted by:

Community & Economic Development
Planning & Development Services
Tourism & Events
Community Services
Public Safety – Fire
Public Safety – Police

26

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FY 2020/21 FORECASTED REVENUE (IN MILLIONS)

ENTERPRISE

Enterprise Funds	Revenue
Water Resources	\$4.4
Public Works	\$2.9
Aviation	\$0.5

NON-ENTERPRISE

General Fund	Revenue
C&ED – Planning & Dev. Services	\$0.9
C&ED – Tourism & Events	\$0.0
Community Services	\$0.3
Public Safety – Fire	\$0.0
Public Safety - Police	\$0.0
Special Programs Fund	Revenue
Community Services	(\$0.0)
CIP Stormwater Fund	Revenue
C&ED – Planning & Dev. Services	\$1.1

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ENTERPRISE

Water Resources – Water & Sewer

28

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ENTERPRISE - WATER RESOURCES SIGNIFICANT COST DRIVERS

💧 Operational

- Increasing actions required for drought preparedness
- Increasing groundwater treatment operating costs to improve the reliability, safety and water quality of Scottsdale wells
- Increasing costs of raw water and treatment chemicals

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ENTERPRISE - WATER RESOURCES SIGNIFICANT COST DRIVERS

💧 CIP

- Drought driven improvements
- Rehabilitation and Replacement
- Technology and Security

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ENTERPRISE - WATER RESOURCES SIGNIFICANT CIP – DROUGHT DRIVEN IMPROVEMENTS

Water Resources (In \$ Millions)	FY 2020/21 Request	5 Year
Water Meter Replacement Program	\$1.1	\$6.1
Zone 3W Water System Improvements	\$1.2	\$1.2
Cluster 3 Arsenic Treatment	\$0.6	\$0.6

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ENTERPRISE – WATER RESOURCES SIGNIFICANT CIP ASSET MANAGEMENT, REHABILITATION AND REPLACEMENT

Water Resources (In \$ Millions)	FY 2020/21 Request	5 Year
Water Distribution System Improvements	\$2.5	\$13.3
Water Treatment Facility Improvements	\$5.0	\$4.5
Capital Asset Replacement and System Upgrades	\$0.8	\$2.9
Infrastructure Asset Management and Condition Assessment	\$0.1	\$0.4

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ENTERPRISE - WATER RESOURCES SIGNIFICANT CIP – SEWER

Water Resources (In \$ Millions)	FY 2020/21 Request	5 Year
Wastewater System Improvements	\$4.1	\$8.1
Water Reclamation Participation Program – City Portion	\$1.0	\$3.0
Capital Asset Replacement and System Upgrades	\$0.8	\$2.9
Advanced Water Treatment Plant Membranes	\$0.1	\$0.8
Infrastructure Asset Management and Condition Assessment	\$0.1	\$0.4

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ENTERPRISE - WATER RESOURCES RATE AND SERVICE CHARGE PROPOSALS

- ◆ Proposed water rate increase (3.0%)
- ◆ Proposed sewer rate increase (3.0%)
- ◆ Proposed miscellaneous service charge increases varied by type

34

34

ENTERPRISE - WATER RESOURCES WATER AND SEWER RATES

	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Water Rates	\$102,508,690	3.0%	\$3,123,000
Sewer Rates	\$42,784,100	3.0%	\$1,300,000
Total Rates	\$145,292,790	3.0%	\$4,423,000

35

35

ENTERPRISE - WATER RESOURCES WATER RATES

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$13.00	\$14.00
3/4" Meter	\$16.80	\$18.10
1" Meter	\$23.80	\$25.60
1.5" Meter	\$39.00	\$42.00
2" Meter	\$52.00	\$56.00
3" Meter	\$104.00	\$112.00
4" Meter	\$162.50	\$175.00
6" Meter	\$325.00	\$350.00
8" Meter	\$455.00	\$490.00

Proposed implementation date
November 1, 2020

36

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ENTERPRISE - WATER RESOURCES WATER RATES

Current Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.00	5,001	12,000
3	\$3.90	12,001	30,000
4	\$5.20	30,001	65,000
5	\$6.10	Over 65,000	

Proposed Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.00	5,001	12,000
3	\$4.05	12,001	30,000
4	\$5.50	30,001	65,000
5	\$6.40	Over 65,000	

Proposed implementation date – November 1, 2020

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ENTERPRISE - WATER RESOURCES WATER RATES

Current Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.00	5,001	12,000
3	\$3.90	12,001	30,000
4	\$4.60	Over 30,000	

Proposed Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.00	5,001	12,000
3	\$4.05	12,001	30,000
4	\$4.90	Over 30,000	

Proposed implementation date – November 1, 2020

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ENTERPRISE - WATER RESOURCES SEWER RATES

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$3.75	\$4.50
3/4" Meter	\$3.75	\$4.50
1" Meter	\$3.75	\$4.50
1.5" Meter	\$22.50	\$27.00
2" Meter	\$52.50	\$63.00
3" Meter	\$67.50	\$81.00
4" Meter	\$99.00	\$119.00
6" Meter	\$187.50	\$225.00
8" Meter	\$262.50	\$315.00

Proposed
implementation date
July 1, 2020

39

39

ENTERPRISE - WATER RESOURCES SEWER RATES

Customer Category	Current Rates	Proposed Rates
Single Family Residential	\$2.67	\$2.68
Multi Family Residential	\$2.67	\$2.68
Commercial Without Dining	\$2.67	\$2.68
Commercial With Dining	\$3.56	\$3.57
Hotels Without Dining	\$2.91	\$2.92
Hotels With Dining	\$3.56	\$3.57
Car Washes	\$2.64	\$2.65

Customer Category	Current Rates	Proposed Rates
Commercial Laundry	\$3.20	\$3.21
Metal Platers	\$2.94	\$2.95
Laundromats	\$2.67	\$2.68
Restaurants/Bakeries	\$4.97	\$4.98
Service Station Auto Repair	\$2.67	\$2.68
Medical Institutions	\$2.67	\$2.68
Schools	\$2.67	\$2.68

Proposed implementation date – July 1, 2020

40

40

ENTERPRISE - WATER RESOURCES HISTORICAL RATE CHANGES

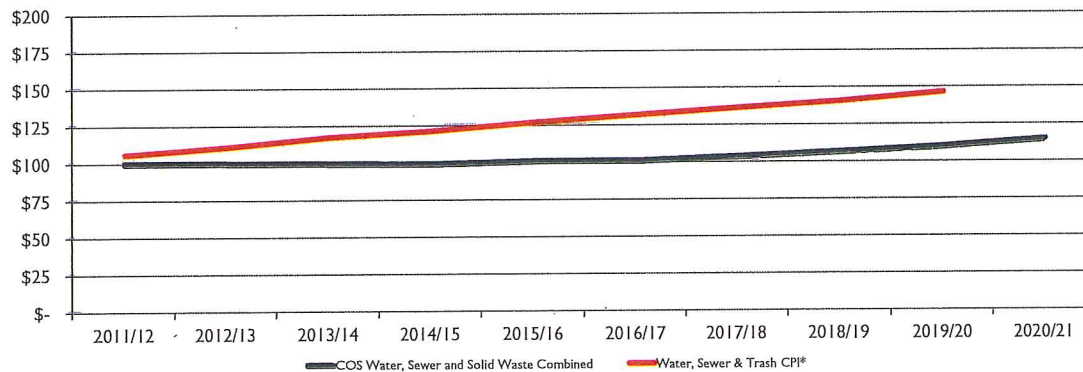
Water and Sewer Average Rate Adjustments:

Fiscal Year	Water	Sewer	Weighted Average
2016/17	- 0 -	- 0 -	- 0 -
2017/18	2.9%	2.6%	2.8%
2018/19	2.8%	1.5%	2.5%
2019/20	3.0%	2.0%	2.8%
2020/21	3.0%	3.0%	3.0%
5 Yr Average	2.3%	1.8%	2.2%

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ENTERPRISE - WATER RESOURCES HISTORICAL RATE CHANGES, UTILITY CPI



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

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ENTERPRISE - WATER RESOURCES MISCELLANEOUS SERVICE CHARGES

Service Charges	Estimated Transactions	FY 2019/20 Fee	Proposed FY 2020/21 Fee	Increase Amt	% Change	Estimated Revenue Change
5/8" Service Line	3	\$1,277	\$1,316	\$39	3%	\$117
3/4" Service Line	5	\$1,277	\$1,316	\$39	3%	\$195
1" Service Line	150	\$1,281	\$1,320	\$39	3%	\$5,850
1.5" Service Line (Fire & NonFire)	15	\$1,885	\$1,942	\$57	3%	\$855
2" Service Line (Fire & NonFire)	5	\$2,169	\$2,234	\$65	3%	\$325
Move Service/Meter < 15 Feet	20	\$800	\$824	\$24	3%	\$480
Raise/Lower Meter/Service > 15 Feet	1	\$210	\$217	\$7	3%	\$7
Additional Water Fund Revenue						\$7,829

Proposed implementation date – July 1, 2020

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ENTERPRISE - WATER RESOURCES MISCELLANEOUS SERVICE CHARGES

Service Charges	Estimated Transactions	FY 2019/20 Fee	Proposed FY 2020/21 Fee	Increase Amt	% Change	Estimated Revenue Change
Residential Water Hauler Capital Recovery	55	\$5	\$6	\$1	20%	\$660
Commercial Water Hauler Capital Recovery	5	\$20	\$25	\$5	25%	\$300
1" Construction Hydrant Meter Deposit	100	\$750	\$800	\$50	7%	NA*
3" Construction Hydrant Meter Deposit	100	\$1,500	\$2,000	\$500	33%	NA*
<i>*Deposit refunded when meter returned</i>						
Additional Water Fund Revenue						\$960

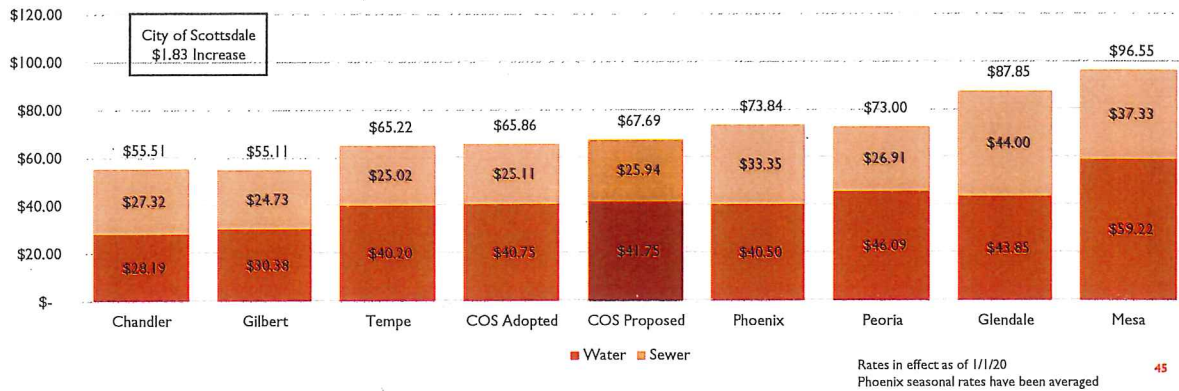
Proposed implementation date – July 1, 2020

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ENTERPRISE – WATER RESOURCES UTILITY COMPARISON

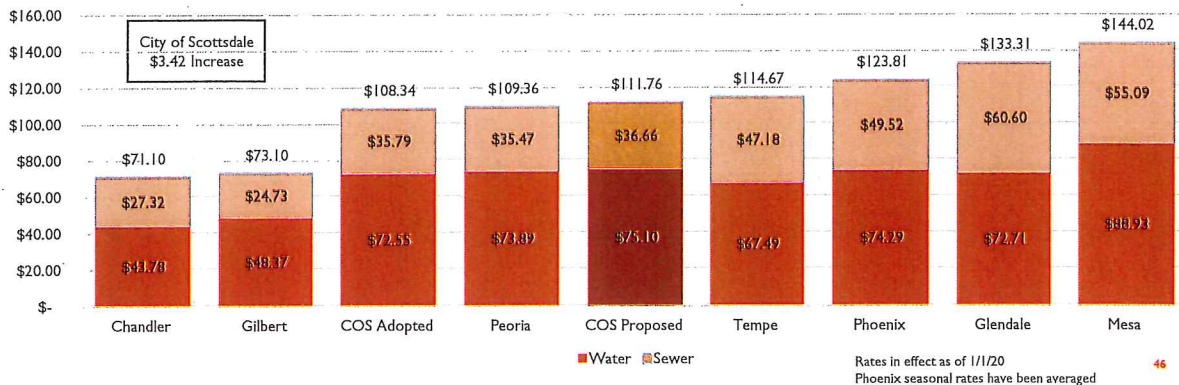
Residential Utility Bill Comparison
Water Use 11,500 gallons on 5/8" Meter and
Sewer Use 8,000 gallons



45

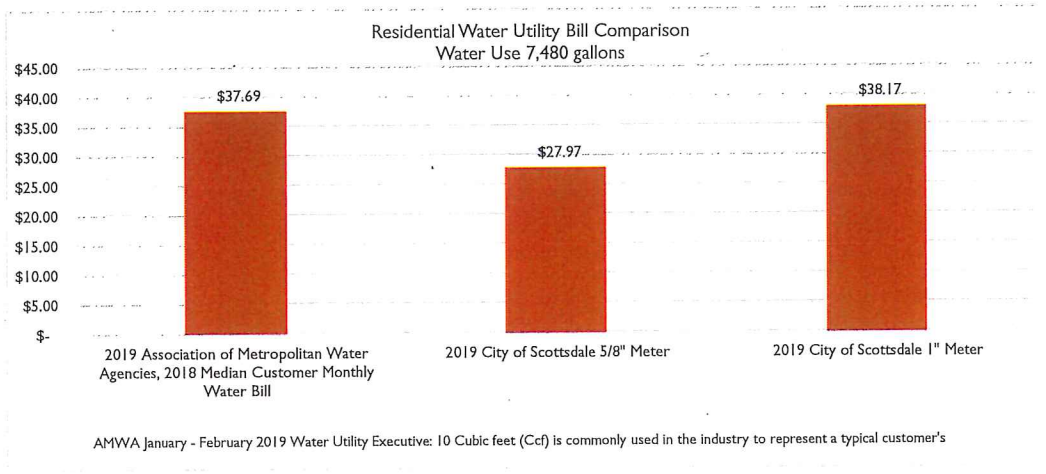
ENTERPRISE – WATER RESOURCES UTILITY COMPARISON

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



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ENTERPRISE – WATER RESOURCES UTILITY COMPARISON



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ENTERPRISE

Public Works – Solid Waste

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SOLID WASTE: PROPOSED FY 2020/21 RATES

	Type	FY 2019/20 Rate	FY 2020/21 Rate	% Incr.
RESIDENTIAL	First Can	*\$18.75	*\$21.51	14.75%
	Additional Can	\$9.50	\$10.90	14.75%
COMMERCIAL				
Front Load	2 Cubic Yard	\$84.55	\$87.09	3.0%
	3 Cubic Yard	\$90.95	\$93.68	3.0%
	4 Cubic Yard	\$97.65	\$100.58	3.0%
	5 Cubic Yard	\$103.80	\$106.91	3.0%
	6 Cubic Yard	\$110.20	\$113.51	3.0%
	8 Cubic Yard	\$119.65	\$123.24	3.0%
Roll-Off (incl. 3 tons)		\$468.38	\$482.43	3.0%
Holiday Park		\$86.58	\$88.79	3.0%
Recycling Carts	90 Gallon	\$9.15	\$9.42	3.0%
	300 Gallon	\$29.90	\$30.80	3.0%
Container Recycling	2 Cubic Yard	\$65.02	\$66.97	3.0%
	3 Cubic Yard	\$68.34	\$70.39	3.0%
	4 Cubic Yard	\$71.66	\$73.81	3.0%
	6 Cubic Yard	\$78.30	\$80.65	3.0%
	8 Cubic Yard	\$84.95	\$87.50	3.0%

* Total current rate of \$18.75 and proposed rate of \$21.51 include \$0.04 fee paid to the State of Arizona section 49.836

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SOLID WASTE: PROPOSED FIVE-YEAR INCREASES

		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
RESIDENTIAL	First Can	14.75%	3.0%	3.0%	3.0%	3.0%
	Additional Can	14.75%	3.0%	3.0%	3.0%	3.0%
COMMERCIAL						
Front Load	2 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	3 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	4 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	5 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	6 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	8 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
Roll-off (incl. 3 tons)		3.0%	0.0%	0.0%	0.0%	0.0%
Recycling Carts	90 Gallon	3.0%	3.0%	3.0%	3.0%	3.0%
	300 Gallon	3.0%	3.0%	3.0%	3.0%	3.0%
Container Recycling	2 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	3 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	4 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	6 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	8 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%

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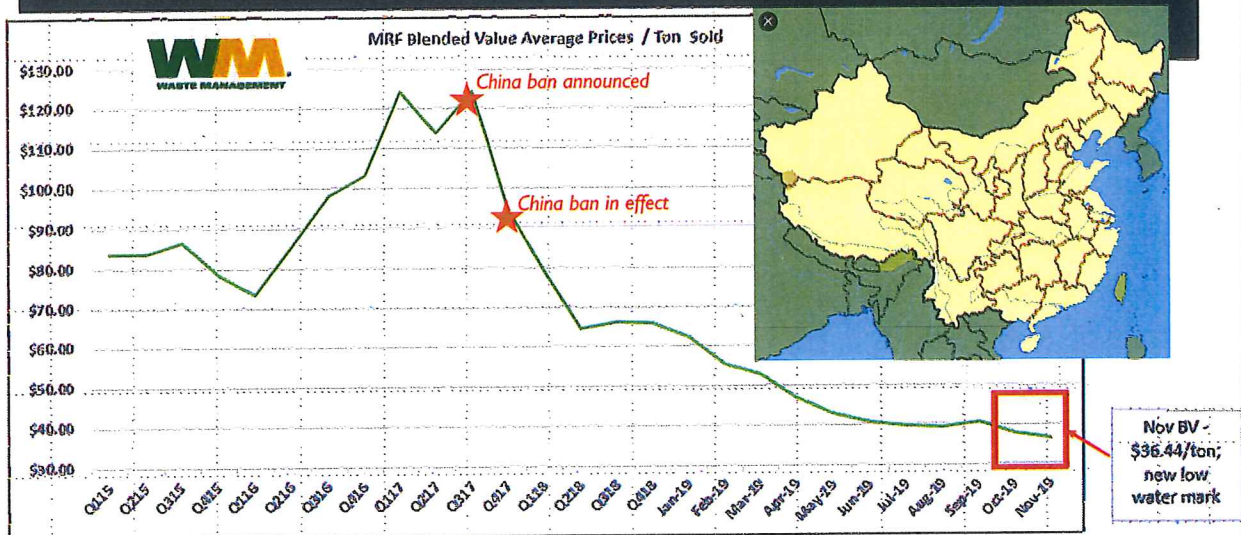
SOLID WASTE: PROPOSED FIVE-YEAR INCREASES

		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
RESIDENTIAL	First Can	14.75%	3.0%	3.0%	3.0%	3.0%
	Additional Can	14.75%	3.0%	3.0%	3.0%	3.0%
COMMERCIAL Front Load	2 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	3 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	4 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	5 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	6 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	8 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
Roll-off (incl. 3 tons)		3.0%	0.0%	0.0%	0.0%	0.0%
Recycling Carts	90 Gallon	3.0%	3.0%	3.0%	3.0%	3.0%
	300 Gallon	3.0%	3.0%	3.0%	3.0%	3.0%
Container Recycling	2 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	3 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	4 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	6 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%
	8 Cubic Yard	3.0%	3.0%	3.0%	3.0%	3.0%

Last year projected: 8.7% (\$1.61)
This year requesting: 14.75% (\$2.76)

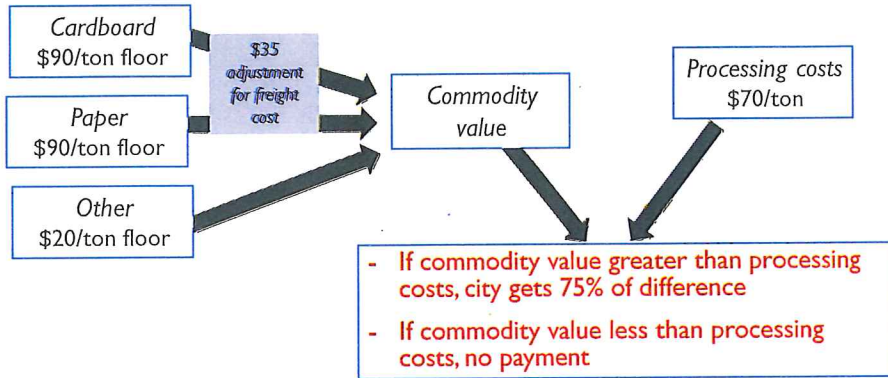
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SOLID WASTE: RECYCLING IMPACT NO. 1



52

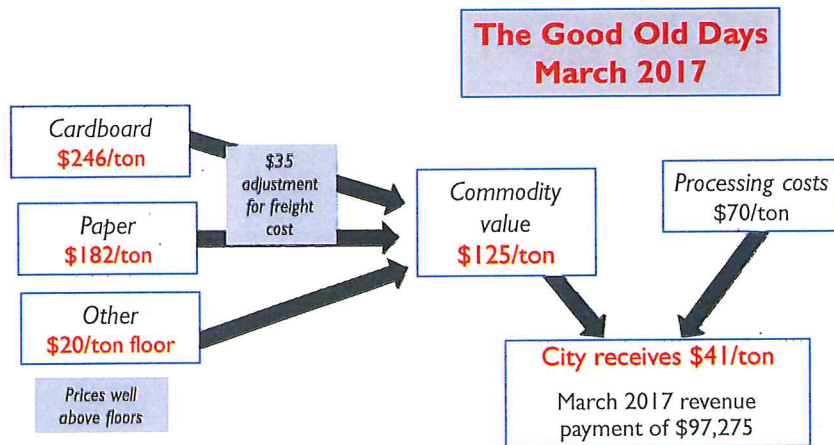
SOLID WASTE: RECYCLING IMPACT NO. 1



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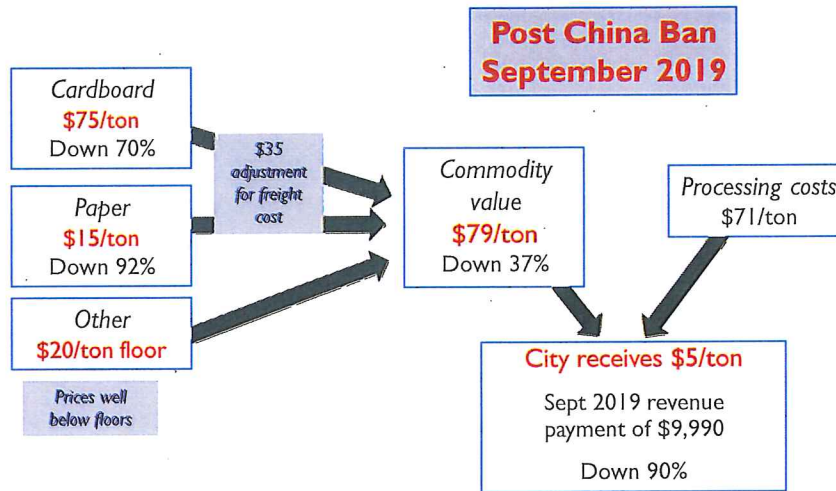
SOLID WASTE: RECYCLING IMPACT NO. 1



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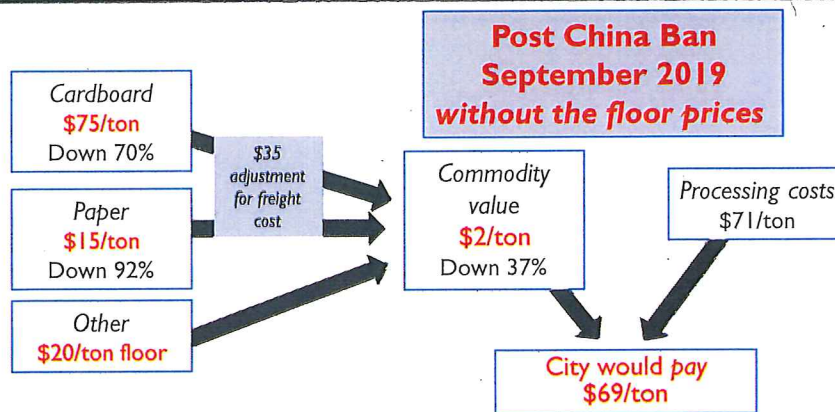
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SOLID WASTE: RECYCLING IMPACT NO. 1



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SOLID WASTE: RECYCLING IMPACT NO. 1



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SOLID WASTE: RECYCLING IMPACT NO. 1

	Good old days	Post China Ban	No floors
Estimated annual Revenue or cost to the City	\$820 k	\$120 k	(\$1.4 M)

\$1.60 per monthly bill



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SOLID WASTE: RECYCLING IMPACT NO. 1

Republic Services:

- Losing money on floor prices
- Losing money on operating costs
- March 2019 asked to negotiate amendment to contract pricing

Audit of operating costs:

- Personnel costs
- Depreciation
- Costs of other contamination

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SOLID WASTE: RECYCLING IMPACT NO. 2



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Oct 24, 2019

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SOLID WASTE: RECYCLING IMPACTS

Options:

- Current contract, using alternate facility, renegotiate price
- Other vendors:
 - Waste Management (MRF in Surprise)
 - City of Phoenix (2 MRFS, operated by Republic)
 - United Fiber (MRF in Phoenix)

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SOLID WASTE: RECYCLING IMPACTS

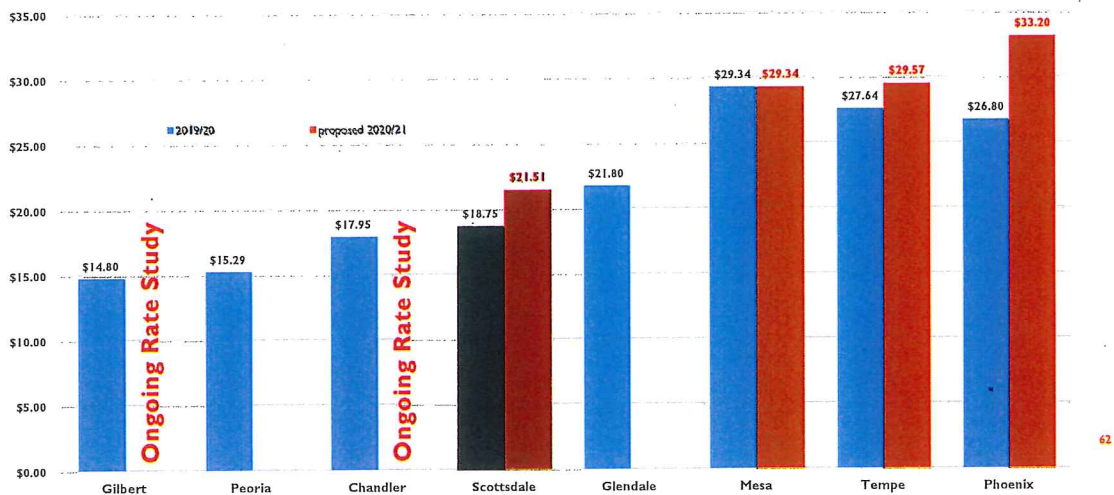
Proposed residential rate increase:

Current residential rate per month:	\$18.75
Increase forecasted last year:	\$1.61
Additional recycling-related increase:	\$1.15
Proposed new rate per month:	\$21.51

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SOLID WASTE: VALLEY RATE COMPARISON



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ENTERPRISE – SOLID WASTE MISCELLANEOUS CHARGES

Service Charges	Estimated Transactions	FY 2019/20 Fee	Proposed FY 2020/21 Fee	Increase Amt	% Change	Estimated Revenue Change
Additional Refuse Container	500	\$86.10	\$93.00	\$6.90	8%	\$3,450
Additional Recycle Container	500	\$61.71	\$93.00	\$31.29	51%	\$15,645
Install Lock Latch	25	\$100.00	\$170.00	\$70.00	69%	\$1,750
Special Event- Front Load Container Delivery	5	\$70.00	\$160.00	\$90.00	129%	\$450
Commercial Roll-Off Service During High Demand	2	\$10.00	\$23.00	\$13.00	130%	\$26
Private Hauler Per Vehicle Fee	100	\$750.00	\$900.00	\$150.00	20%	\$15,000
Additional Solid Waste Fund Revenue						\$36,321

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SOLID WASTE REVENUE ESTIMATES

Revenue	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Residential Rates	\$18,908,133	14.75%	\$2,789,189
Commercial Front Load Rates	\$2,658,910	3.0%	\$80,483
Commercial Roll Off	\$266,508	3.0%	\$7,994
Commercial Recycling	\$162,313	3.0%	\$4,861
Total Rates	\$21,995,864	13%	\$2,882,527

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SOLID WASTE: PROPOSED FY 2020/21 RATES

	Type	FY 2019/20 Rate	FY 2020/21 Rate	% Incr.
RESIDENTIAL	First Can	*\$18.75	*\$21.51	14.75%
	Additional Can	\$9.50	\$10.90	14.75%
COMMERCIAL				
Front Load	2 Cubic Yard	\$84.55	\$87.09	3.0%
	3 Cubic Yard	\$90.95	\$93.68	3.0%
	4 Cubic Yard	\$97.65	\$100.58	3.0%
	5 Cubic Yard	\$103.80	\$106.91	3.0%
	6 Cubic Yard	\$110.20	\$113.51	3.0%
	8 Cubic Yard	\$119.65	\$123.24	3.0%
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Holiday Park		\$86.58	\$88.79	3.0%
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	4 Cubic Yard	\$71.66	\$73.81	3.0%
	6 Cubic Yard	\$78.30	\$80.65	3.0%
	8 Cubic Yard	\$84.95	\$87.50	3.0%

* Total current rate of \$18.75 and proposed rate of \$21.51 include \$0.04 fee paid to the State of Arizona section 49.836

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ENTERPRISE

Aviation

66

AVIATION PROPOSED RATES AND FEES

Background

- The airport is an enterprise fund and the “FAA Policy and Procedures Concerning the Use of Airport Revenue” states that all revenues collected at the airport must be used for operating or capital costs of the airport (no revenue diversion).
- The proposed rates impact airport users only.
- These are used to cover service costs, debt service and provide funding for future capital needs, such as the maintenance of our runway, taxiways, parking aprons, etc.
- The airport has not adjusted their rates and fees in several years. After conducting a comprehensive market analysis, some of Scottsdale Airport’s rates and fees are below the average.
- In order to sustain a quality, safe and secure airport, a few rate and fee increases as well as some naming convention changes are being proposed.

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AVIATION PROPOSED RATES AND FEES

Proposed Rate Increases

- Airport/Airpark fuel flowage fee
- Transient parking fees for jets and helicopters and a new category for single/twin turboprop
- Airport rental car concession services
- Airport staff hourly rate

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AVIATION PROPOSED RATES AND FEES

Airport/Airpark Fuel Flowage Fee

Background

Since 2002, Scottsdale Airport's fuel flowage fee has been \$0.08 per gallon. Based on a recent market analysis of 18 Arizona airports, this is below the state average of \$0.11 per gallon.

Recommendation

Current	Proposed
\$0.08 per gallon	\$0.10 per gallon still below average market rate

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AVIATION

Airport/Airpark Fuel Flowage Fee – Market Analysis:

Airport	Fee per gallon
Buckeye Municipal Airport	\$0.08
Chandler Municipal Airport	\$0.15
Glendale Municipal Airport	\$0.09
Grand Canyon National Park Airport	\$0.07
Lake Havasu City Airport	\$0.09
Laughlin-Bullhead City Int'l Airport	*5%
Marana Regional Airport	\$0.09
Mesa – Falcon Field	\$0.12
Payson Airport	\$0.12
Phoenix Deer Valley Airport	\$0.09
Phoenix Goodyear Airport	\$0.09
Phoenix Sky Harbor Int'l Airport	\$0.09
Phoenix-Mesa Gateway Airport	\$0.12
Ryan Field	\$0.10
Scottsdale Airport	\$0.08
Sun Valley Airport	\$0.15
Tucson Int'l Airport	\$0.10
Yuma Int'l Airport	\$0.22
Average Fuel Flowage Fee	\$0.11

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AVIATION PROPOSED RATES AND FEES

Transient Parking Fee

Background

Transient Parking Fees are assessed to aircraft flying into Scottsdale Airport and parking overnight in the designated parking apron or at one of the Fixed-Base Operators. There are various fees for aircraft and helicopter categories. Since 2011, the current transient parking fees aside from two categories have remained the same. A market analysis of 11 Arizona airports and other comparable airports nationwide was completed.

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Transient Parking Fee

Recommendation

Aircraft Type	Nightly Fee
Single Engine Piston	\$5.00 / night
Twin Engine Piston	\$15.00 / night
Single / Twin Turboprop	<u>\$50.00 / night</u>
Jet	<u>\$75.00-\$110.00 / night</u>
Single Rotor Helicopter <12,500 lbs.	<u>\$4.00-\$5.00 / night</u>
Single Rotor Helicopter >12,500 lbs.	<u>\$8.00-\$10.00 / night</u>
Twin Rotor Helicopter	<u>\$12.00-\$15.00 / night</u>

AVIATION

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AVIATION PROPOSED RATES AND FEES

Transient Parking Fee – Market Analysis

Airport	Single	Twin	Jets	<5,000 lbs. fee waived w/10-gal fuel purchase	5,000- 12,500 lbs. fee waived w/75-gal fuel	12,500- 35,000 lbs. fee waived w/150-gal fuel	35,000 - 100,000 lbs. fee waived w/200- gal fuel	Hangar Footprint
Scottsdale Airport	\$5.00	\$15.00	\$75.00					
Falcon Field Airport	\$9.00	\$13.00	\$45.00					
Phoenix-Mesa Gateway Airport				\$20.00	\$30.00	\$90.00	\$200.00	.7/sf
Chandler Airport	\$9.00	\$10.00	\$23.00					
Phoenix Sky Harbor Int'l Airport	\$5.00	\$7.00	\$80.00					
Phoenix Goodyear Airport			\$150.00					
Deer Valley Airport FBO			\$200.00					
Los Angeles Int'l Airport	\$170.00	\$170.00	\$170.00					
Centennial Airport			25% of FBO					
Aspen/Pitkin County Airport			none					
Palm Beach Int'l Airport	\$50.00	\$50.00	\$50.00					
Teterboro Airport	\$45.00	\$45.00	\$45.00					
Average	\$9.60	\$15.00	\$89.13					

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AVIATION PROPOSED RATES AND FEES

Airport Rental Car Concession Services

Background

Operators providing rental car services to customers at the airport must report and pay monthly fees. This fee is currently based on 8% of their gross income from the operator's sale of services. A market analysis was completed of rental car concession fees at 13 Arizona and comparable U.S. airports.

Recommendation

Current	Proposed
8% of monthly gross income	10% of monthly gross income

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AVIATION

Airport Rental Car Concession Services – Market Analysis:

Airport	% of Revenue / Month	Daily Transaction Fee
Scottsdale Airport	8%	-
Falcon Field Airport	5%	-
Phoenix-Mesa Gateway Airport	-	\$2.50
San Diego Int'l Airport	-	\$3.50
Van Nuys Airport	10%	-
John Wayne Airport	10%	-
Phoenix Sky Harbor Int'l Airport	-	\$6.00
Palm Beach Int'l Airport	10%	-
Aspen/Pitkin County Airport	10%	-
Centennial Airport	10%	-
Fort Lauderdale-Hollywood Int'l Airport	10%	-
Austin Bergstrom Int'l Airport	10%	-
Eagle County Regional Airport	10%	-

75

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AVIATION PROPOSED RATES AND FEES

Airport Staff Hourly Rate

Background

The hourly personnel cost is the rate charged to outside parties for work performed by aviation staff. This can be for special event coverage, damage claims, or other activities that are not already part of the base city services.

Recommendation

Current	Proposed
\$46.96 per hour	\$50.00 per hour

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Airport Staff Hourly Rate

Airport Hourly Rate Calculation (based on FY 2019/20 budget information)	
FY 2019/20 Aviation Personnel Services Budget	\$1,412,668
Number of Staff Members	15
Average Annual Labor Rate per Staff Member	\$94,178
Annual Work Hours	2080
Hourly Charge Out Rate for Labor	\$45.28
City Overhead Charge (9.7%)	1.097
Airport Hourly Rate (calculated)	\$49.67
Airport Hourly Rate (rounded)	\$50.00

AVIATION

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AVIATION PROPOSED RATES AND FEES

Aviation Rate/Fee	Current Fee FY 2019/20	Proposed Fee FY 2020/21	Change in Fee per User	Revenue Change
Airport/Airpark Fuel Flowage Fee	\$.08	\$.10	\$.02	\$225,500
Transient Parking Fee	varies	varies	varies	\$207,572
Airport Rental Car Concession Services	8%	10%	2%	\$33,021
Airport Staff Hourly Rate	\$46.96	\$50.00	\$3.04	\$30.40

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AVIATION PROPOSED RATES AND FEES

Public Outreach Summary Report

Outreach	Date(s)	Details	Comments
Public open house	Nov. 21, 2019	10 attendees	2
Email notifications (Airport & Scottsdale Update list serves)	Nov. 1, 7, 14, 20	Approximately 4,500 recipients (8,500 for Scottsdale Update)	-
Airport website	Posted Nov. 1		-
Airport Advisory Commission	Jan. 15, 2020	Approved	-
Media coverage			
- Scottsdale Progress	- Nov. 17		
- Daily Independent	- Nov. 4		
- Experience Scottsdale Newsletter	- Nov. 25		
- KJZZ	- Nov. 11		
Total comments submitted = 2 (supportive)			

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NON-ENTERPRISE

C&ED – Planning & Development Services

80

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C&ED - Planning & Development Services

Annual review of Fee Schedule resulted in the following proposals:

- Base Rate & Fee - Various increases of about 6% or less in aggregate
- Help cover inflationary costs and department operating costs
- Provide for a better customer experience
- Properly and timely address customer needs
- Update schedule to include fees that have been in the adopted Building Code for more than 20 years but have never appeared on the schedule or were unclear
- Eliminate some old/unused rates & fees

81

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C&ED - Planning & Development Services

Annual review of Fee Schedule resulted in the following proposals:

- **Base Rate & Fee** - Various increases of about 6% or less in aggregate. Help cover inflationary costs and department operating costs to provide a better customer experience and to properly and timely address customer needs.
- **Update** - Zoning District Map Amendment-Historic Property. No fee is required for an application for a Certificate of No Effect, a mitigation plan, a Certificate of Economic Hardship, ~~or~~ a Certificate of Approval, **or a zoning district map amendment for HP Historic Property.**
- **Adjustment** - The elimination of the discount is due to the change in development. Current development has changed from multi-family projects building the same 1 to 2 story buildings multiple times on a site to a single multi-story building.
 - Apartments/Condos with 4 or more units & reoccurring floor plans pay 50% of the calculated fee for 0-100,000 sq. ft. of livable space & 25% for livable square feet over 100,000 sq. ft.

82

Additional General Fund revenue of \$901,800 for FY 2020/21

82

C&ED -Planning & Development Services

New Proposed Fees:

- Lift Station permit: Civil Improvement Permits - Permission to Work in Right of Way (P.W.R.) & On-Site Permits Fee Schedule. Fee being proposed because amount of effort is not reflective in the current fee structure.
- Underground Retention Pipe: Civil Improvement Permits - Permission to Work in Right of Way (P.W.R.) & On-Site Permits Fee Schedule. Fee being proposed because amount of effort is not reflective in the current fee structure.

Additional General Fund revenue of \$5,200 for FY 2020/21

83

83

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

- Resolution No. 7983 states Council is authorized to establish fees and may adjust these fees on an annual basis
- Proposed increase of 3% for installations
- Proposed increase is consistent with lease payments in the wireless industry
- Since adoption in FY 2008/09, WCF fees have increased each year by approximately 3%

Additional General Fund revenue of \$15,000 for FY 2020/21

C&ED -
Planning &
Development
Services

84

84

C&ED - Planning & Development Services

CIP Stormwater Fee:

- City staff recommend increasing the CIP stormwater fee on city utility bills by \$1.00 per month
- Dedicated entirely to city Drainage and Flood Control CIP projects
- Most projects will qualify for 50% matching funds from the Flood Control District of Maricopa County

Additional CIP Stormwater Fund revenue of \$1,090,000 for FY 2020/21

85

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NON-ENTERPRISE

C&ED – Tourism & Events

86

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C&ED –Tourism & Events

Event Venue Fees:

- **Stetson Plaza (East and West):** Rental switching from one 6,600 sq./ft rental of whole plaza to two 3,300 sq./ft east and west activation areas to provide for a balance between private rental and the maintenance of public open space. Increase justified based on improvements made to the canal banks and addition of splash pad and to standardize cost of plaza rentals to 0.10 cents a sq./ft.
- **Soleri Plaza:** Fee increasing and fee structure changing to standardize cost of plaza rentals to 0.10 cents a sq./ft.

Additional General Fund revenue of **\$1,740** for FY 2020/21

87

87

C&ED –Tourism & Events

Street Closure Fees:

- **Local Streets:** Change increases a standard fee to close local street segments of up to one mile for events, per day. The increase will standardize the cost for street use for static events.
- **Collector and Arterial Streets:** Change sets a standard fee to close collector and arterial street segments per lane, per mile, per day for static events. Moving events will remain the same fee as before.

Additional General Fund revenue of **\$500** for FY 2020/21

88

88

C&ED -
Tourism &
Events

Downtown Fees:

- **City Off-Street Parking Lots and Garages:** Change in cost per sq./ft of event rental will be adjusted to bring fees in line with current market rate.

Additional General Fund revenue of **\$688** for FY 2020/21

89

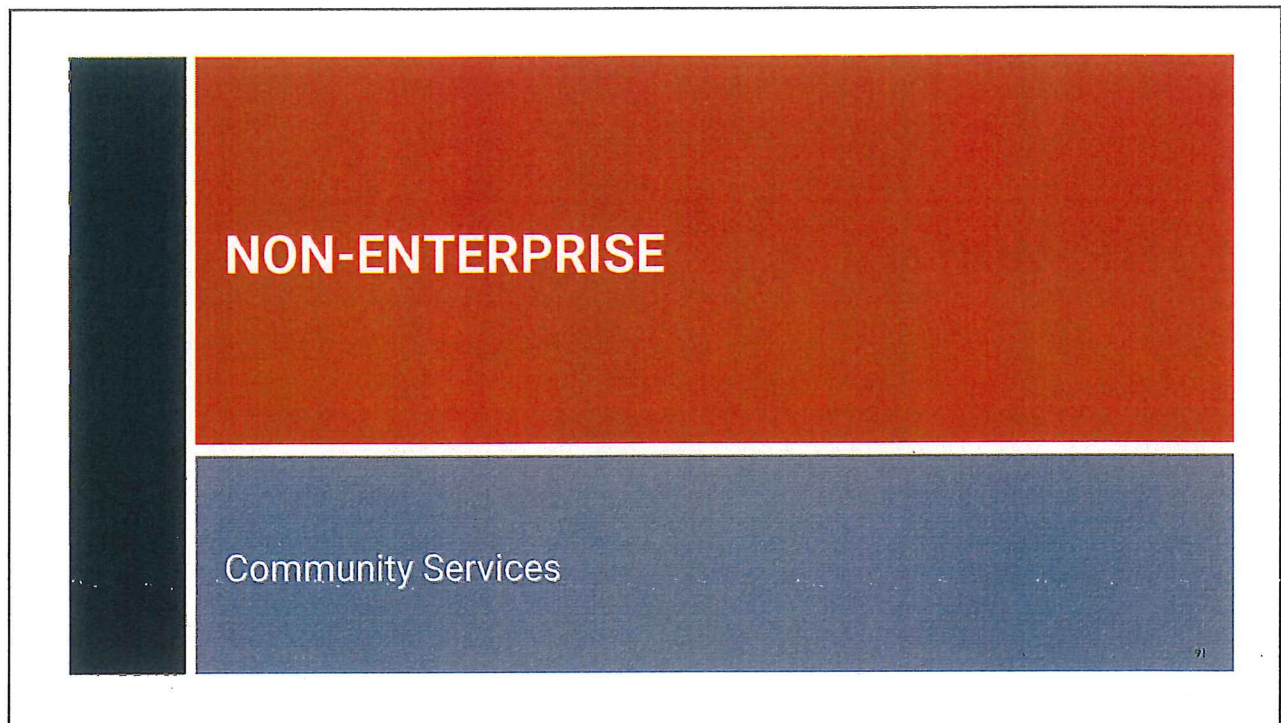
Other Fees:

- **Other Public Property Rental:** For all Scottsdale's public areas, not indicated in the Event Venue Fee section of Tourism & Events Fee Schedule, this fee change will set the rental rate at 0.10 cents a sq./ft or \$300, whichever is less.
- **Bollard Removal and Replacement:** In January 2020, new removable bollards were installed to prevent vehicles from entering certain city owned non-motorized, high pedestrian public spaces. This fee will apply to any party holding an event to allow for the load in/load out of supplies. The fee will help recover staff costs.

Net reduced General Fund revenue of **(\$60)** for FY 2020/21

C&ED -
Tourism &
Events

90



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Community Services

Parks and Recreation Fees:

- **After School Program:** After school programs are available at many school and community center locations in Scottsdale. The division is seeking to increase fees for these programs in order to eventually recover 100% of program costs. Current cost recovery ranges between 50-75%. The proposed fee equates to approximately \$1/day for after school participation.
- **Learn-to-Swim Classes:** The aquatics program provides Learn-to-Swim classes at all four aquatic centers for residents and non-residents. The current cost recovery for Learn-to-Swim classes is at 75% of direct costs (i.e., recovery of program staff, supply and equipment costs). Staff is proposing to increase the direct cost recovery to 100%.

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Community Services

Parks and Recreation Fees Cont'd:

- **Community Services Facilities Room Rental:** Effort is being made to streamline room rental process down to one classification type (current residential rate) for all rentals and to bring costs in line with other municipalities. To encourage a higher room rental rate, extra-small, large and extra-large rooms will maintain their existing price, being partially offset by small increases to medium and small rooms.
- **Scottsdale Sports Complex (SSC) Per Spot Parking Fee:** Due to customer requests for parking reservations requiring smaller amounts of spaces (10-75 spots), SSC staff is proposing a new per spot parking fee that can be utilized for smaller groups who don't require the use of a full lot.

93

Additional General Fund revenue of **\$56,676** for FY 2020/21

93

Community Services

Library Fees:

- **'Hold Not Picked Up' Fee:** Elimination of fee charged for leaving items on hold for 7 days. Fee elimination is expected to encourage increase use of holds by patrons which decreased when the hold fee was added. It will also lower administrative burden of manually adding the fee to patron accounts as the current library software does not allow this fee to be added automatically.
- **Library Collection Fee:** Elimination of collection agency fee charged on top of late fees to library accounts for non recovery of materials. Fee elimination is expected to lead to higher recovery of unreturned materials and/or other associated fines and fees.

94

Reduced General Fund revenue of **(\$14,300)** for FY 2020/21

94

Community Services

Human Services Fee:

- **Online Drug and Alcohol Education:** Youth and Family Services is a licensed Behavioral Health Agency with the Arizona Department of Health. Under this licensure Youth and Family Services is approved to provide human services needs to adult clients needing services. Those services consisted of alcohol, drug, anger management, DUI and domestic violence screenings for defendants needing to comply with court orders. A fee is being proposed that will allow Youth and Family Services to offer Online Drug/Alcohol Education Classes in addition to the screenings.

95

Additional General Fund revenue of **\$67,500** for FY 2020/21

95

Preserve Fees:

- **Guiding Permits:** Since inception of the guiding permit programs in 2010, the use-day fee has remained unchanged in price while trail maintenance costs have increased. In the years since 2010, the McDowell Sonoran Preserve has evolved, and the guiding opportunities have expanded significantly. The amount of preserve acreage has nearly doubled, and the City has added five new trailheads and over 160 miles of trails.
- **Guiding Permit Application Fees:** Application fees are being proposed to streamline the guiding permit process.
- **Daily Special Use Permits:** Fees proposed to be charged to applicants to use the Preserve for special purposes, such as photography and ceremonies. These fees are charged to partially recover the cost of employee time and resources and are based on market research.

Additional General Fund revenue of **\$16,510** for FY 2020/21

Community
Services

96

96

Community Services

WestWorld Fees:

- **Equidome Drop-In Fee:** Proposed fee increase based on market demand. Increase will help bring WestWorld's fees more in-line with market prices and the facility services and amenities.
- **Labor – Equipment and Labor – Clean Up Rate:** Proposing to establish a cost recovery formula-based fee for labor equipment and clean-up rates. The formula will enable WestWorld to adjust fees annually based on future cost increases and market conditions and recover a minimum of 110% cost recovery for direct event invoice support.

97

97

Community Services

WestWorld Fees Cont'd:

- **RV Overnight Parking and RV Overnight Seasonal Parking:** Daily parking fee for RVs at WestWorld. A higher, seasonal parking fee is related to high season rental, the regular overnight parking rate applies to the remainder of the year. The proposed fee increase based on market demand will bring WestWorld's fees more in-line with facility amenities and services.
- **Parking Fee:** Parking fee has been the same for 15 years. In move to transition over to all inclusive annual paid parking program WestWorld is proposing this change. Increase will help bring WestWorld's fees more in-line with market prices and the facility services and amenities.

98

Additional General Fund revenue of \$159,799 for FY 2020/21

98

Community Services

McCormick-Stillman Railroad Park Fees:

- **Ramada Fees:** Increasing the ramada fees will bring them more in line with other cities in the valley. In addition they will generate additional revenue to help recover railroad park operational cost including the staffing costs associated with the administrative tasks and ramada preparation and cleanup by maintenance staff.
- **Picnic Table Fees:** Proposing to establish fees to reserve picnic tables. Currently, there are approximately 30 drop-in picnic tables that the public can currently utilize for free. These are typically full every weekend with groups using them for birthday parties or family picnics if they are unable to reserve a ramada in time. However, they fill up extremely quickly. This fee will help offset the cleaning and maintenance costs.

99

99

Community Services

McCormick-Stillman Railroad Park Fees Cont'd:

- **All-Day Wristband:** The bulk of the park's revenue is generated from ticket sales from train and carousel rides. Many visitors prefer to purchase an all-day wristband in order to eliminate the hassle of handling tickets throughout the day. The proposed cost of the wristband is very low for the benefits received and remains completely optional.
- **Birthday Party Fee:** The park offers a unique reservation opportunity for birthday parties held inside a renovated train car. Proposed fee change will adjust the wording of the current formula to continue to allow for 100% recovery of direct costs.

100

100

Community Services

McCormick-Stillman Railroad Park Fees Cont'd:

- **Museum Ticket Elimination:** The Scottsdale Railroad Museum is similar to the Model Railroad Building as an educational and historical attraction at the McCormick Stillman Railroad Park. Foot traffic in the Scottsdale Railroad Museum is relatively low in comparison to other attractions at the park. By making this attraction free for all to enter, it is expected there will be an increase in attendance numbers. The reduction is expected to be offset by increased revenue in other areas of the park.

Net reduced Special Programs Fund revenue of **(\$7,615)** for FY 2020/21

101

101

NON-ENTERPRISE

Public Safety – Fire

102

102

Public Safety – Fire

- **Across the Board Permit Cost Increase:** In conjunction with the Planning & Development Department, a proposed marginal increase to all fire permit rates is recommended due to the growing economy and greater number of events needing permitting in Scottsdale thus increasing the overall employee cost of issuing permits.
- **County Island Response Fee per Unit:** Fee being deleted as it is no longer utilized.

Additional General Fund revenue of **\$4,580** for FY 2020/21

103

103

NON-ENTERPRISE

Public Safety – Police

104

104

Public Safety - Police

- **Off-Duty Rate Increase:** Increases hourly rates of off-duty officers to the average hourly rate of surrounding valley agencies (to be paid by the requestor) to voluntarily perform, on their own time, police related duties at events or during unique situations (i.e. construction)
- **Holiday Off-Duty Rate Increase:** Increases hourly rates to the average hourly rate of surrounding valley agencies of off-duty officers (to be paid by the requestor) to voluntarily perform, on their own time, police related duties at events or during unique situations (i.e. construction) on Thanksgiving, Christmas, Independence Day and New Year's Day.
- **Holiday Eve Off-Duty Rate:** Expands the scope of the payment of holiday hourly rates for off-duty officers (to be paid by the requestor) to voluntarily perform, on their own time, police related duties at events or during unique situations (i.e. construction) on Thanksgiving, Christmas, and New Year's Day to the evenings (starting at 5:00PM) before those holidays as well.

Additional General Fund revenue of \$0 for FY 2020/21

105

105

Questions?

106

106

Item 22

FY 2020/21 TENTATIVE OPERATING & CAPITAL BUDGET

City Council
May 19, 2020

1

MAY 5, 2020 CITY COUNCIL DIRECTION

Return with a realistic assessment of revenue projections, taking as much information as possible and matching it up by providing a year-over-year budget comparison of the adopted budget for fiscal year ending 2020 to the projected budget for fiscal year ending 2021, so the Council can review line by line items as to actual budget reductions and funds that will be moved to the reserve accounts.

2

GENERAL FUND SUMMARY (\$ millions)

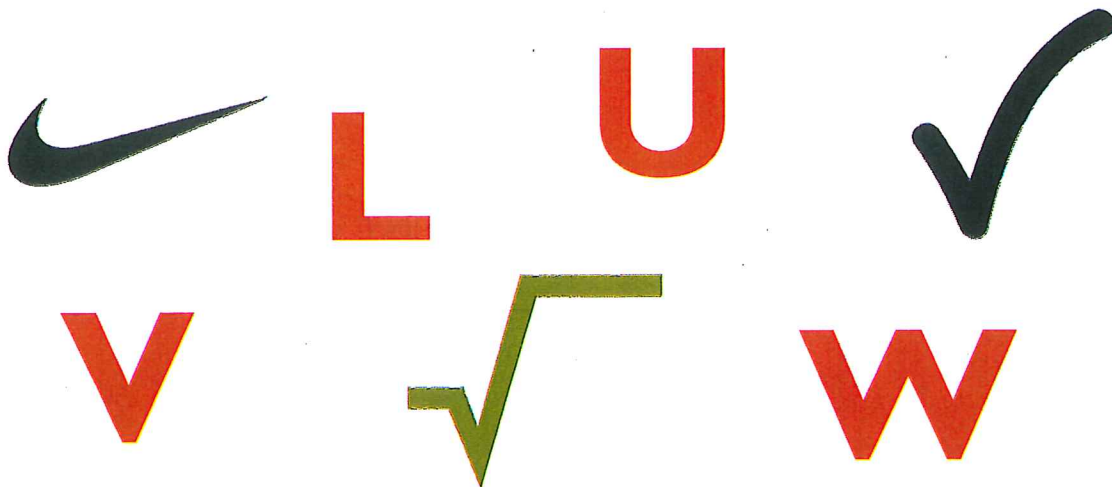
	FY 19/20 Adopted	FY 20/21 Tentative	Fav / (Unfav) Difference
Beginning Balance	\$77.7	\$93.9	
Revenues	\$315.6	\$297.0	(\$18.6)
Transfers In	\$10.6	\$10.0	(\$0.6)
Total Sources	\$326.2	\$307.1	(\$19.1)
Expenditures	\$286.3	\$277.7	\$8.6
Debt Service	\$2.9	\$0.4	\$2.5
Transfers Out	\$27.6	\$25.7	\$1.9
Total Uses	\$316.8	\$303.7	\$13.1
Sources Over/(Under) Uses	\$9.4	\$3.3	
Ending Balance	\$87.1	\$97.2	

Rounding differences may occur.

3

3

WHAT ARE THE ECONOMIST SAYING?



4

GENERAL FUND SUMMARY (\$ millions)

	FY 19/20 Adopted	FY 19/20 Proposed	FY 19/20 Tentative
Beginning Balance	\$77.7	\$86.2	\$86.2
Revenues	\$315.6	\$326.5	\$309.3
Transfers In	\$10.6	\$11.1	\$10.6
Total Sources	\$326.2	\$337.7	\$319.9
Expenditures	\$286.3	\$285.2	\$280.8
Debt Service	\$2.9	\$2.9	\$2.9
Transfers Out	\$27.6	\$29.2	\$28.5
Total Uses	\$316.8	\$317.4	\$312.2
Sources Over/(Under) Uses	\$9.4	\$20.3	\$7.7
Ending Balance	\$87.1	\$106.5	\$93.9

Rounding differences may occur.

5

5

GENERAL FUND SUMMARY (\$ millions)

	FY 20/21 Proposed	FY 20/21 Tentative	Fav / (Unfav) Difference
Beginning Balance	\$106.5	\$93.9	
Revenues	\$326.9	\$297.0	(\$29.8)
Transfers In	\$11.4	\$10.0	(\$1.4)
Total Sources	\$338.3	\$307.1	(\$31.2)
Expenditures	\$296.1	\$277.7	\$18.3
Debt Service	\$0.4	\$0.4	\$ -
Transfers Out	\$26.3	\$25.7	\$0.6
Total Uses	\$322.7	\$303.7	\$19.0
Sources Over/(Under) Uses	\$15.6	\$3.3	
Ending Balance	\$122.1	\$97.2	

Rounding differences may occur.

6

6

FY 20/21 GENERAL FUND SOURCES (\$ in millions)

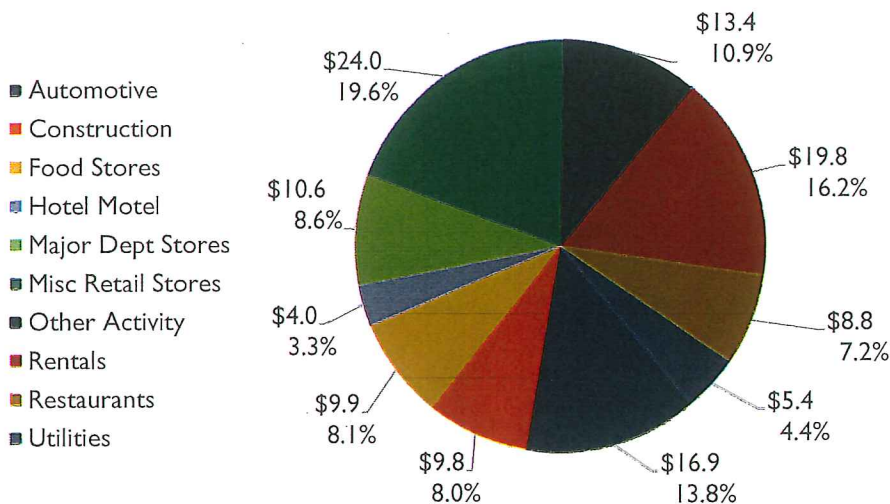
Taxes - Local		Fines Fees & Forfeitures		Total (\$31.2)
1.1% Sales Tax	(\$20.9)	Court Fines	(\$0.5)	
Electric & Gas Franchise		Photo Radar		
Cable TV License Fee		Parking Fines		
Stormwater Fee		Library	(\$0.2)	
Salt River Project In Lieu		Indirect/Direct Cost Allocations		
State Shared Revenues		Indirect Costs		
State Shared Income Tax		Direct Cost Allocation (Fire)		
State Shared Sales Tax	(\$4.2)	License Permits & Fees		
Auto Lieu Tax	(\$1.3)	Recreation Fees	(\$2.0)	
Property Tax		Business & Liquor Licenses		
Property Tax		Fire Charges For Services		
Building Permit Fees & Charges		Interest Earnings		
Building Permit Fees & Charges	(\$0.3)	Interest Earnings	(\$0.1)	
Charges For Service/Other		Transfers In		
Westworld Facility Fees	(\$0.2)	CIP		
Intergovernmental		Debt Service		
Property Rental	(\$0.1)	Enterprise Franchise Fees	(\$0.4)	
Miscellaneous	(\$0.1)	Special Revenue Funds	(\$1.0)	

7
Rounding differences may occur.

7

GENERAL FUND SALES TAX by CATEGORY (\$ in millions)

FY 20/21 Tentative Budget - \$122.6



Rounding differences may occur.

8

TENTATIVE VS. PROPOSED MONTH OVER MONTH % CHANGE

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Automotive	-14%	-13%	-12%	-11%	-10%	-9%	-8%	-7%	-6%	-5%	-4%	-3%	-8%
Construction	-39%	-35%	-32%	-28%	-25%	-21%	-18%	-14%	-11%	-7%	-3%	0%	-19%
Food Stores	10%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Hotel Motel	-75%	-75%	-70%	-70%	-65%	-60%	-55%	-50%	-45%	-40%	-35%	-30%	-53%
Major Dept Stores	-25%	-23%	-20%	-16%	-14%	-10%	-7%	-4%	-1%	0%	0%	0%	-10%
Misc. Retail Stores	-28%	-25%	-23%	-20%	-18%	-15%	-13%	-10%	-8%	-5%	-3%	0%	-14%
Other Activity	-35%	-32%	-29%	-26%	-22%	-19%	-16%	-13%	-10%	-6%	-3%	0%	-17%
Rentals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Restaurants	-55%	-55%	-55%	-50%	-46%	-41%	-37%	-32%	-27%	-23%	-18%	-14%	-36%
Utilities	10%	10%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%

9

TENTATIVE VS. PROPOSED MONTH OVER MONTH \$ CHANGE (\$ thousands)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Automotive	(201)	(205)	(171)	(155)	(154)	(101)	(183)	(83)	(86)	(84)	(47)	(65)	(1,534)
Construction	(286)	(461)	(263)	(233)	(337)	(162)	(204)	(137)	(140)	(51)	(26)	-	(2,301)
Food Stores	38	57	-	-	-	-	-	-	-	-	-	-	95
Hotel Motel	(390)	(297)	(222)	(401)	(510)	(428)	(433)	(424)	(376)	(526)	(286)	(173)	(4,465)
Major Dept Stores	(232)	(218)	(200)	(80)	(138)	(93)	(112)	(39)	(11)	-	-	-	(1,123)
Misc. Retail Stores	(729)	(602)	(412)	(289)	(454)	(321)	(464)	(244)	(241)	(108)	(70)	-	(3,933)
Other Activity	(386)	(470)	(328)	(257)	(333)	(354)	(292)	(203)	(183)	(81)	(44)	-	(2,932)
Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Restaurants	(444)	(715)	(401)	(374)	(596)	(338)	(479)	(363)	(388)	(321)	(205)	(209)	(4,834)
Utilities	48	62	22	-	-	-	-	-	-	-	-	-	132
Total	(2,583)	(2,848)	(1,974)	(1,788)	(2,522)	(1,796)	(2,168)	(1,494)	(1,427)	(1,172)	(678)	(447)	(20,896)

Rounding differences may occur.

10

PROPERTY TAX

	FY 2019/20	FY 2020/21	\$ Chg	% Chg
SECONDARY				
Levy	\$33.0	\$33.4	\$0.4	1.2%
Rate	0.5214	0.5043	-0.0171	-3.3%
PRIMARY				
Levy	\$32.6	\$33.7	\$1.1	3.4%
Tort Claims	\$0.3	\$1.8	\$1.6	+100%
Total Levy	\$32.9	\$35.5	\$2.7	8.1%
Rate	0.5198	0.5372	0.0174	3.3%
TOTAL				
Levy	\$65.8	\$68.9	\$3.1	4.7%
Rate	1.0412	1.0415	0.0003	0.0%

Rounding differences may occur.

11

QUESTIONS?

12

12

Tentative Budget Discussion

City Council Meeting – May 19, 2020

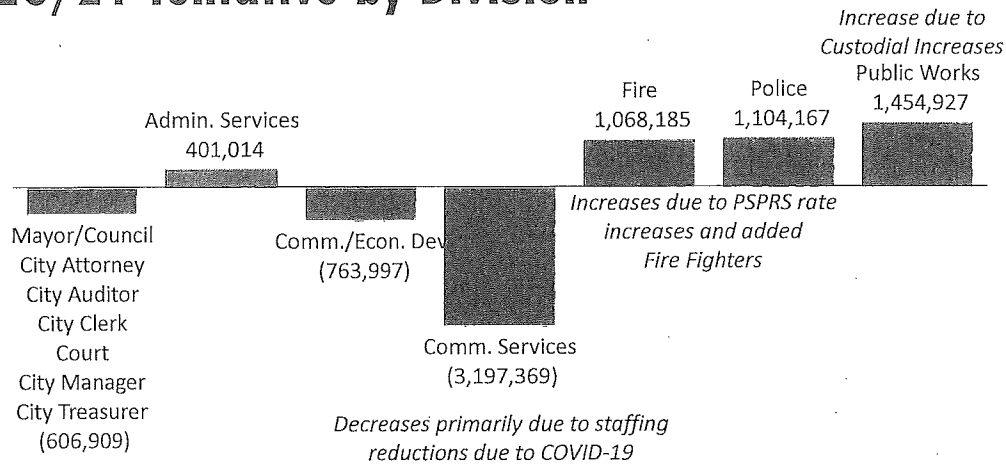
1

Reduced revenues and expenditures (in thousands)

	18/19 Adopt	19/20 Adopt	20/21 Tent
Beginning Total Sources	302,432	326,198	326,198
Increase in Sources anticipated before COVID-19			10,755
Decrease in Sources due to COVID-19			(29,889)
Tentative Total Sources			307,064
Beginning Total Uses	300,186	316,837	316,837
Increased Expenditures due to Contracts and Commitments			(14,449)
Reduced Expenditures due to COVID-19			27,541
Tentative Total Uses			303,745
Sources Over (Under) Uses After Reductions			3,319

2

Change from 19/20 Adopted to 20/21 Tentative by Division



3

Division Changes

	20/21 Prop April 7 Mtg	20/21 Tent May 19 Mtg	Change from Prop
Mayor and City Council	865,322	845,429	(19,893)
City Attorney	7,576,711	6,554,365	(1,022,346)
City Auditor	1,186,767	1,102,587	(84,180)
City Clerk	1,241,114	1,194,128	(46,986)
City Court	5,288,709	4,550,341	(738,368)
City Manager	4,387,748	3,910,285	(477,463)
City Treasurer	10,804,971	9,991,747	(813,224)
Administrative Services	16,311,915	15,560,742	(751,173)
Community and Economic Development	21,720,513	20,076,695	(1,643,818)
Community Services	43,672,955	39,235,504	(4,437,451)
Public Safety - Fire	50,554,487	46,235,915	(4,318,572)
Public Safety - Police	113,266,447	107,579,858	(5,686,589)
Public Works	23,430,284	22,970,050	(460,234)
Non-Divisional (vacancy savings, leave payouts)	(4,253,156)	(2,098,400)	2,154,756
Total	296,054,787	277,709,246	(18,345,541)

4

Division Changes (NEW)	19/20 Adopted	19/20 Forecast	20/21 Tentative
Mayor and City Council	775,112	791,987	845,429
City Attorney	7,087,156	7,150,243	6,554,365
City Auditor	1,032,637	1,065,472	1,102,587
City Clerk	828,072	1,144,109	1,194,128
City Court	5,070,798	5,141,754	4,550,341
City Manager	3,980,309	3,904,696	3,910,285
City Treasurer	9,981,707	10,014,074	9,991,747
Administrative Services	15,159,728	14,929,971	15,560,742
Community and Economic Development	20,840,692	20,745,499	20,076,695
Community Services	42,432,873	40,068,376	39,235,504
Public Safety - Fire	45,167,730	46,922,249	46,235,915
Public Safety - Police	106,475,691	106,807,314	107,579,858
Public Works	21,515,123	21,466,188	22,970,050
Non-Divisional (vacancy savings, leave payouts)	5,982,984*	604,683**	(2,098,400)
Total	286,330,612	280,756,615	277,709,246

* Merit/market budgeted at a macro level in 19/20 Adopted **Fuel/maintenance repair budget moves to non-divisional after July 1. Each month as expenses occur budget is transferred to the applicable division.

5

Summary of Staffing Changes	#
Staffing Changes	
FTEs removed from budget	(12)
FTEs added to budget	19
FTEs Frozen due to closed Facilities/Programs	(26)
FTEs unfunded until 7/1/2021	(15)
FTEs unfunded until 1/1/2021 (1/2 year FTE)	(44)
	<u>(78)</u>
Contract Workers Contracts ended and budget removed	(24)
Staff redeployed to COVID-19 Response and Priority Efforts	(60)

6

FTE eliminated

Position	FTE
Administrative Assistant Supervisor	(0.25)
Firefighter Pipeline	(0.40)
Hearing Officer	(1.00)
Human Services Specialist	(0.22)
IT Signals Manager	(1.00)
Librarian I	(2.00)
Librarian II	(1.00)
Library Aide	(2.62)
Library Assistant	(0.70)
Library Page	(1.24)
Library Supervisor	(1.00)
Pro Tem Judge	(0.03)
Recreation Leader I	(0.03)
Recreation Leader I	(0.30)
Recreation Leader II	(0.10)
<i>FTE Removed</i>	(11.89)

FTE added

Position	FTE
12 Firefighters	12.00
3 Fire Engineers	3.00
Forensic Scientist II	1.00
Lifeguard Head	0.10
Management Analyst	0.32
Street Maintenance Worker	2.00
Westworld Facility Manager	1.00
<i>FTE Added</i>	19.42
<i>Net FTE Added</i>	7.53

Note: These changes were made during the Budget review process, and are in addition to the other changes.

7

Part Time Positions—Closed Facilities/Programs

Facility/Program	# of Positions	Facility/Program	# of Positions
Aquatics/Parks		Human Services/Recreation	
Cactus Park/Aquatic	35	ADA/Adapted Services	7
Chaparral Park/Aquatic	21	Adult Sports	6
Eldorado Park/Aquatic	31	Club Sar Fitness Center	1
MMR/Aquatic	57	Horizon Park	5
<i>Sub-Total</i>	144	Indian School Park	1
Libraries		McCormick-Stillman	25
Appaloosa Library	2	Mountain View Park	8
Arabian Library	5	Paiute	1
Civic Center Library	7	Parks & Rec Admin	3
Mustang Library	3	Parks & Rec Youth Dev.	16
<i>Sub-Total</i>	17	Pinnacle Peak Park	1
		Scottsdale Ranch Park	3
		Youth Sports	4
		<i>Sub-Total</i>	81
		<i>Total</i>	242

Note: The ½ year FTE count is 26, and savings is \$867,041

8

24 contract worker contracts ending

Division	#	
Administrative Services	1	
City Manager	4	
Community & Economic Development	5	
Community Services	7	
Fire	1	
Public Works	4	
Water	2	
<i>Total</i>	24	\$205,014

9

FTEs held vacant at least until 7/1/2021

Division	Unfunded FTE	Annual General Fund Savings*
Mayor/Council and Charter Offices	3.2	\$364,171
Comm./Econ. Dev	4.5	394,442
Comm. Services	3.0	233,722
Fire	0.0	0
Police	1.0	82,132
Public Works	3.0	68,122
Water	0.6	0
<i>Total</i>	15.25	\$1,142,589

*The city budgets for expected annual vacancy savings at a certain level, once that level is reached, each additional dollar saved counts as a budget reduction.

10

FTEs held vacant at least until 1/1/2021

Division	½ year Unfunded FTE	Six-Month General Fund Savings*
City Offices	3.1	\$310,461
Admin. Services	0.5	40,351
Comm./Econ. Dev	3.2	301,034
Comm. Services	22.9	928,086
Fire	2.0	247,554
Police	4.2	424,383
Public Works	8.7	84,275
Water	3.1	0
<i>Total</i>	*43.96	\$1,764,850

*Note, the Total ½ Year Unfunded FTE count is All Funds, and any positions previously removed from the budget have been removed.

11

Summary of Staffing Changes

Staffing Changes	#
FTEs removed from budget	(12)
FTEs added to budget	19
FTEs Frozen due to closed Facilities/Programs	(26)
FTEs unfunded until 7/1/2021	(15)
FTEs unfunded until 1/1/2021 (1/2 year FTE)	(44)
	(78)
Contract Workers Contracts ended and budget removed	(24)
Staff redeployed to COVID-19 Response and Priority Efforts	(60)

12

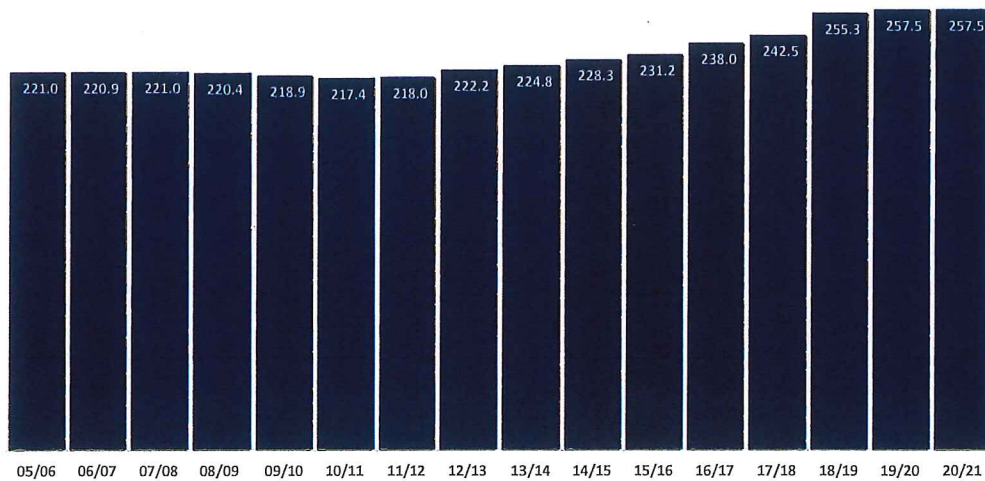
Citywide Full-Time Equivalents



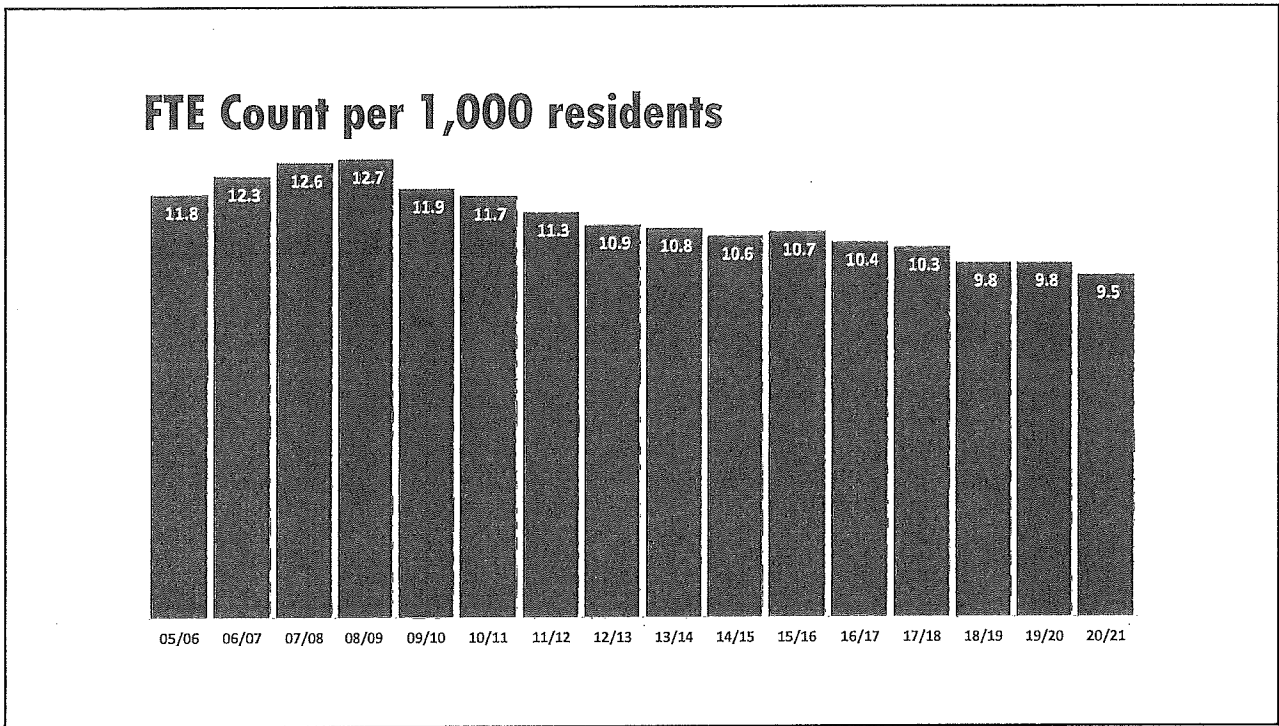
In 15/16, 32.2 FTEs representing 283 short-term or seasonal positions were added to increase transparency
 ** In 20/21, Reflects net reduction of 78 unfunded full-time equivalents for FY 2020/21

13

Population (in thousands)



14



15

COVID-19 Emergency Timeline

- Jan 31 – US Department of Health and Human Services declared public health emergency
- Feb 12 – Troy Lutrick attended a USDHS conference in Scottsdale regarding Coronavirus
- Feb 20 – Troy Lutrick attended West Valley Emergency Managers and received detailed briefing regarding Patient #1 at ASU
- Feb 27 – Scottsdale Fire Dept held initial discussion meeting regarding ASU patient #1
- March 2 – Emergency Management hosted Initial strategy meeting regarding COVID
- March 3 – Maricopa County Dept of Public Health (MCDPH) contacts SFD patient #2
- March 3 – Day 1 of CoS All Hazards Incident Management Team, Initial org-chart developed
 - CoS EOC activated at Level 2 Partial Activation
 - SFD crew exposure to Arizona patient #2 occurred previous Friday Feb 28
 - Scheduled twice daily SFD & SPD meeting's, exposed SFD crew quarantined
 - Began attending twice daily Honor Health Command meetings & daily East Valley Emergency Management strategy meetings
- March 4 – Troy Lutrick presents to E-Team to provide initial briefing regarding COVID
- March 11 – World Health Organization declares State of Emergency
- March 11 – AZ EO 2020-07– Gov. Ducey proclaimed Declaration of Public Health Emergency
- March 12 – Initial meeting with Mayor Lane, Jim Thompson Kelly Corsette and Troy Lutrick
- March 12 – Troy Lutrick attended first Multi-Agency Coordination Group (MAC) meeting in Phoenix. Troy Lutrick appointed Co-chair of Public Safety Healthcare Interface Working Group
- March 12 – CDC recommends all U.S. events of 250+ be cancelled
- March 13 – U.S. declares National State of Emergency
- March 15 – Policy modification ref– Use of vacation hours for COVID

16

COVID-19 Emergency Timeline (cont'd)

March 16 – CDC recommends all U.S. events of 10+ people be cancelled or held virtually
March 17 – Official first EOP required Policy Group Meeting. City Attorney begins declaration
March 17 – City Continuity Branch and ESF-8 Public Health Branches formalized into IMT
March 18 – CoS Proclamation 2020-01 – Declaration of Emergency,
March 18 – CoS EOC fully activated at Full Activation Level 1 (virtual due to social distancing)
March 19 – Troy Lutrick hosts first MAC-Public Safety Healthcare Interface working group discussing valley-wide COVID concerns and response efforts of major hospital systems
March 19 – AZ EO 2020-08 – Limit in-person Motor Vehicle Division visits
March 19 – AZ EO 2020-09 – Close bars, theatres, gyms
March 19 – AZ EO 2020-10 – Delayed elective surgeries
March 20 – AZ EO 2020-11 – expanded regulations for unemployment insurance
March 23 – AZ EO 2020-12 – Prohibits closure of essential services
March 23 – AZ EO 2020-13 – Advanced surveillance advisory ref – COVID-19
March 23 – CoS ESF-14 Recovery Branch formalized into IMT, led by Randy Grant
March 23 – CoS Emergency Memo 2020-1 – Civic Center Mall & adjacent properties close
March 23 – CoS Emergency Memo 2020-2 – Closure of city facilities to the public
March 24 – AZ EO 2020-14 – Eviction delays
March 24 – CoS Proclamation 2020-02 Ratified original Declaration of Emergency to include closure of Kiva Council Chambers to public traffic
March 25 – AZ EO 2020-15 – Expansion of telemedicine

17

COVID-19 Emergency Timeline (cont'd)

March 25 – CoS Trolley service suspended
March 25 – Economic Development launched Scottsdale *Good to Go* campaign
March 26 – City Cares Kids Program opened at Mountain View Park
March 26 – AZ EO 2020-16 – Increase hospital capacity
March 26 – AZ EO 2020-17 – Continuity of work
March 30 – AZ EO 2020-18 – Stay Home, Stay Healthy, Stay Connected
April 1 – AZ EO 2020-19 – Telemedicine for Animals
April 1 – CoS Emergency Memo 2020-3 – Closure City baseball & softball fields, skate parks
April 2 – AZ EO 2020-20 – Expanded access to pharmacies
April 6 – CDC recommends cloth face coverings be worn
April 6 – AZ EO 2020-21 – Prohibit small business evictions
April 7 – AZ EO 2020-22 – Protection for vulnerable residents
April 7 – AZ EO 2020-23 – Enhanced Surveillance Advisory
April 7 – AZ EO 2020-24 – Requirements for travel to AZ
April 7 – AZ EO 2020-25 – Sale of food and goods at restaurants
April 7 – CoS Emergency Memo 2020-3 Update – Closure of additional park facilities; playgrounds, basketball courts, tennis courts, pickleball, sand volleyball
April 7 – CoS Emergency Memo 2020-4 – Closure of grounds adjacent to City Hall
April 8 – AZ EO 2020-26 – Remote online notarizations
April 9 – AZ EO 2020-27 – Good Samaritan Order for healthcare workers

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COVID-19 Emergency Timeline (cont'd)

April 10 – CoS Emergency Memo 2020-5– Authorized access to Business Registration Contact Information to the Economic Development Department and Recovery Branch staff
 April 14 – AZ EO 2020-28– On the job training for assisted living caregivers
 April 14 – AZ EO 2020-29– Telemedicine for worker's compensation
 April 14 – AZ EO 2020-30– Enhanced surveillance advisory
 April 15 – AZ EO 2020-31– Expanded food options for commercial drivers
 April 22 – Scottsdale Fire hosts valley-wide wildfire response tabletop exercise
 April 22 – AZ EO 2020-32– Ban lifted for elective surgeries
 April 29 – AZ EO 2020-33– Extended Stay Home Order through May 15
 May 4 – AZ EO 2020-34– Resume business for salons, barbers and dine-in restaurants
 May 4 – AZ EO 2020-35– Reporting by residential care institutions
 May 8 – CoS Emergency Memo 2020-3 Update– Reopen tennis courts, pickleball, skate parks
 May 12 – AZ EO 2020-36 – Stay Health, Return Smarter, Return Stronger

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COVID-19 Recovery – Possible Uses for Funds*

COMMUNITY INVESTMENT	CITY OPERATIONS
Business Assistance Programs	Public Facility Retrofits for safety
Arts, Culture, Signature Events	PPE, Sanitation, Cleaning
Care for Vulnerable Citizens	Telework/Technology Expenses
Utility Assistance	Emergency Response
Food Delivery	Testing and monitoring (if needed)

Dependent on receipt of state/federal funds, Details in Draft Recovery Plan to be released May 18

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Impact on Fund Balance (in thousands)	18/19	19/20	20/21
	Adopt	Adopt	Tent
Operating Contingency	3,000	3,000	3,000
Operating Reserve	26,804	27,250	28,367
PSPRS Pension Liabilities	-	46,994	47,741
Cavasson Infrastructure Reimbursement	-	-	14,300
Undesignated Unreserved Fund Balance	21,072	500	500
Total Beginning Fund Balance	50,876	77,744	93,908
Operating Contingency	3,000	3,000	3,000
Operating Reserve	27,605	28,924	27,808
PSPRS Pension Liabilities	21,950	54,681	51,618
Cavasson Infrastructure Reimbursement	-	-	14,300
Undesignated Unreserved Fund Balance	566	500	500
Total Ending Fund Balance	53,121	87,105	97,226

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Public Safety Personnel Retirement System

- PSPRS Pension Liabilities designation addresses PSPRS unfunded liability
- Net pension liabilities were last estimated at \$8.0 m (92.8% funded) for Fire and \$181.4 m (51.9% funded) for Police
- The city is currently paying down the unfunded liability for both plans and is expected to have them paid in 17 years (6/30/2036)
- For FY 2020/21 the pay down amount is \$1.04 m
- Pension liabilities costs and amounts are based on retirement assumptions which change over time
- The total FY 2020/21 budget for Police and Fire retirement is \$4.9 m for Fire and \$20.8 m for Police

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Next Steps

- We are continuing to monitor revenues and will make additional adjustments to expenditures in response.
- As a result, what was shared today will be subject to additional revisions by June 16, 2020 at Final Budget Adoption.
- After this point, expenditures can only be revised downward at Final Budget Adoption on June 16, 2020
- To manage through this economic crisis, we will set up monthly study sessions with the Mayor/Council to monitor revenues and expenditures, making changes as needed

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Upcoming Schedule

June 16	Final Budget Adoption and Truth in Taxation Hearing
June 30	Final Adoption of Tax Levies

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Item 22

CAPITAL BUDGET OVERVIEW

1

FY 2020/21 TENTATIVE ADOPTED CIP BUDGET

General Fund Requests

- 33 Projects
- \$117.8 million

2

CIP GENERAL FUND BUDGET (\$ MILLIONS)

Proposed CIP Budget FY 2020/21 - 2024/25 starting cash balance	\$7.1
Updated forecast for General Fund transfer – 25% construction sales tax	-1.7
Updated forecast for General Fund transfer – food tax	0.6
Updated forecast for General Fund transfer – interest over \$1 million	-1.9
Updated forecast for CIP General Fund interest income	-0.1
Deferral and closure of 9 existing CIP projects	11.9
Tentative Adopted CIP Budget FY 2020/21 - FY 2024/25 Cash Balance	\$15.9

Rounding differences may occur.

3

3

CIP GENERAL FUND BUDGET (\$ MILLIONS)

Financial Policy No. 17

Any year-end General Fund operating surpluses not needed to restore contingency reserves or cover unforeseen shortfalls in the budget, but in no case less than:

- 25 percent of construction privilege tax revenues

- 100 percent of net interest income in excess of \$1.0 million

- two-thirds of the 1.1 percent sales tax collected on food for home consumption

will be transferred to the General Fund Capital Improvement Program in the following fiscal year unless otherwise directed by City Council.

4

4

EXISTING CIP GENERAL FUND PROJECTS (\$ MILLIONS)

	CIP Project	Description	
Defer	Fire Station 612 Land Acquisition	Purchase land for future construction of fire station	-\$3.0
Defer	National Fire Protection Association (NFPA) Station Standards	Renovate & enhance 6 fire stations to meet NFPA standards	-1.6
Close	McDowell Road-Berm Landscaping	Construct landscaping/pedestrian improvements	-0.6
Defer	Downtown Entertainment District Street & Ped Lighting	Install new light poles/fixtures in entertainment district	-0.2
Defer	Gateway Monument Market Public Art Project	Replace existing gateway monuments with new designs	-0.1
Close	Renovate IBW Area/Vista del Camino Park	Develop masterplan for IBW from McKellips to Thomas Rd	-0.8
Defer	Civic Center Library-Story Time Room Expansion	Expand & revitalize CC Library story time room	-0.2
Defer	Park Restrooms	Reconstruct restrooms/storage buildings in city parks	-2.6
Defer	McCormick-Stillman RR Park Improvements	Replace bunkhouse, relocate Merci train and expand pkg lot	-2.8
		Total	-\$11.9

Rounding differences may occur.

5

5

CIP GENERAL FUND BUDGET (\$ MILLIONS)

	GF Project Cost	Amounts previously funded	Cash Balance \$15.9
Projects approved in prior years			
Enterprise Resource Planning System	-	3.7	\$15.9
National Fire Protection Association (NFPA) Station Standards	-		15.9
Renovate Fire Station 606	1.5	1.2	14.4
Jail Dormitory Phase I	(0.3)		14.7
Jail Dormitory Phase II	0.3		14.4
WestWorld Tent Removal	(0.7)		15.1
WestWorld Tent Fabric Panels Replacement	0.4		14.7
Records Management System and CAD Enhancements & Refresh	(0.5)		15.2
7-Replace Outdated 9-1-1 Computer Aided Dispatch & Records Mgt	0.7		14.5

Rounding differences may occur.

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6

CIP GENERAL FUND BUDGET (\$ MILLIONS)

	GF Project Cost	Amounts previously funded	Cash Balance
New Requests			
Scottsdale Road Overhead Power Undergrounding	\$0.8		\$13.7
Bond 2019 - Tech projects – training & planning costs non-eligible for bond	0.3		13.4
Microwave and Radio System to Improve Coverage	0.3		13.0
Facilities Upgrade and Replacement	-		13.0
Crime Laboratory Equipment	-		13.0
Scottsdale Video Network Telecast/Production/Video Streaming	-		13.0
Police Portable and Vehicle Radio Replacement	-		13.0
IT Network Infrastructure	-		13.0
IT Server Infrastructure	-		13.0
Radio Channel Upgrade to Improve Capacity	0.2		12.8
Total	\$3.0		\$12.8

Rounding differences may occur.

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7

NEW REQUESTS FOR CIP GENERAL FUND (\$ MILLIONS)

	CIP Project	Description	
Defer	Facilities Upgrade & Replacement Program	Additional funding for years 1, 2 & 5	-\$2.9
Defer	Crime Lab Equipment Replacement	Additional funding for years 1 - 5	-0.4
Defer	Police Portable & Vehicle Radio Replacement	Additional funding for years 2 & 5	-0.6
Defer	Scottsdale Video Network Telecast/Video Streaming Klva	Additional funding for year 5	-0.1
Defer	IT-Network Infrastructure	Additional funding for years 3, 4 & 5	-1.2
Defer	IT-Server Infrastructure	Additional funding for years 4 & 5	-1.3
Defer	National Fire Protection Association (NFPA) Station Standards	Additional funding for year 1	- 0.1
		Total	-\$6.6

Rounding differences may occur.

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8

FY 2020/21 TENTATIVE ADOPTED CIP BUDGET

Transportation
Sales Tax
(0.20%)
Requests

- 32 Projects
- \$38.7 million

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9

CIP TRANSPORTATION SALES TAX 0.20% BUDGET (\$ MILLIONS)

Proposed CIP Budget FY 2020/21 - 2024/25 starting cash balance	\$20.3
Updated forecast for Transportation Sales Tax 0.20% transfer – 50%	-4.2
Tentative Adopted CIP Budget FY 2020/21 - FY 2024/25 Cash Balance	\$16.1

Rounding differences may occur.

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10

CIP TRANSPORTATION SALES TAX 0.20% BUDGET (\$ MILLIONS)

Financial Policy No. 26

Dedicated 0.2 percent privilege tax revenue for transportation improvements will be restricted to funding the planning, design, construction and acquisition costs associated with building, renovating, or enhancing capital projects for streets, highways, traffic control, and transit; and for transportation improvement operating expenses. No more than 50 percent of the privilege tax revenue for transportation improvements will be allocated to transportation improvement operating expenses.

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CIP TRANSPORTATION SALES TAX 0.20% BUDGET (\$ MILLIONS)

	Project Cost	Cash Balance \$16.1
Illuminated Street Signs	\$1.2	\$14.9
Pavement Overlay Program	-	14.9
* Osborn Road Complete Street: Hayden Road to Scottsdale Road	1.0	13.9
ADA Transition Plan Implementation	0.3	13.6
* ITS Infrastructure and Network Improvements	1.0	12.6
* Goldwater Boulevard Pedestrian & Bicycle Underpass at Scottsdale Road	0.7	11.9
Traffic Signal Construction	-	11.9
Sidewalk Improvements	-	11.9
Hayden Road and Chaparral Road Intersection Improvements	0.4	11.5
* Pedestrian Crossing Improvements	1.2	10.3
Bikeways Program	-	10.3
Transit Stop Improvements	1.1	9.2
Roadway Capacity & Safety Improvements	-	9.2
ITS Signal System Upgrades	(2.1)	11.3
Streetlight Replacement	0.1	11.2

* Project with other funding sources
Rounding differences may occur.

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12

CIP TRANSPORTATION SALES TAX 0.20% BUDGET (\$ MILLIONS)

	Project Cost	Cash Balance
* Paving Unpaved Roads	(0.5)	11.7
Neighborhood Traffic Management Program	-	11.7
Dynamite Boulevard: Pima Road to 136 th Street Turn Bays	1.7	10.0
Buffered Bike Lane Installation	1.2	8.8
Shared-Use Path Sign Program	0.8	8.0
* Slurry/Milling Unpaved Alleys	1.2	6.8
Total	\$9.3	\$6.8

* Project with other funding sources
Rounding differences may occur.

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13

NEW REQUESTS FOR CIP TRANSPORTATION SALE TAX 0.20% (\$ MILLIONS)

	CIP Project	Description	
Defer	Pavement Overlay Program	Additional funding for year 5	-\$6.6
Defer	Traffic Signal Construction	Additional funding for years 1 - 5	-1.1
Defer	Sidewalk Improvements	Additional funding for year 5	-0.2
Defer	Bikeways Program	Additional funding for year 5	-0.4
Defer	Roadway Capacity & Safety Improvements	Additional funding for years 5	-0.9
Defer	Streetlight Replacement	Additional funding for years 3 - 5	-0.6
Defer	Neighborhood Traffic Management Program	Additional funding for years 2 - 5	0.0
		Total	-\$9.8

Rounding differences may occur.

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FY 2020/21 TENTATIVE ADOPTED CIP BUDGET

CIP
Stormwater
Fee Requests

- 5 Projects
- \$19.3 million

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CIP STORMWATER FEE BUDGET (\$ MILLIONS)

Proposed CIP Budget FY 2020/21 - 2024/25 starting cash balance	\$23.7
Updated cancellation of \$1 increase	-5.7
Tentative Adopted CIP Budget FY 2020/21 - FY 2024/25 Cash Balance	\$18.0

Rounding differences may occur.

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CIP STORMWATER FEE BUDGET (\$ MILLIONS)

	CIP Stormwater Fee	Total Project Cost
Granite Reef Watershed Phase I	\$5.8	\$37.3
Reata Wash Flood Control	3.1	3.1
Rawhide Wash Flood Control COS Contribution	1.9	1.9
Pima Road: Pinnacle Peak Road to Happy Valley	8.4	30.5
Indian Bend Wash Levee Rehabilitation	0.1	0.1
Total	\$19.3	\$72.9

Rounding differences may occur.

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QUESTIONS?

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