



# Operating Report Fiscal Year-to-Date As of November 2009

Report to the City Council and Budget Review Commission  
Prepared by Financial Management Division  
December 22, 2009



## FINANCIAL REPORT FOR YEAR-TO-DATE NOVEMBER 2009

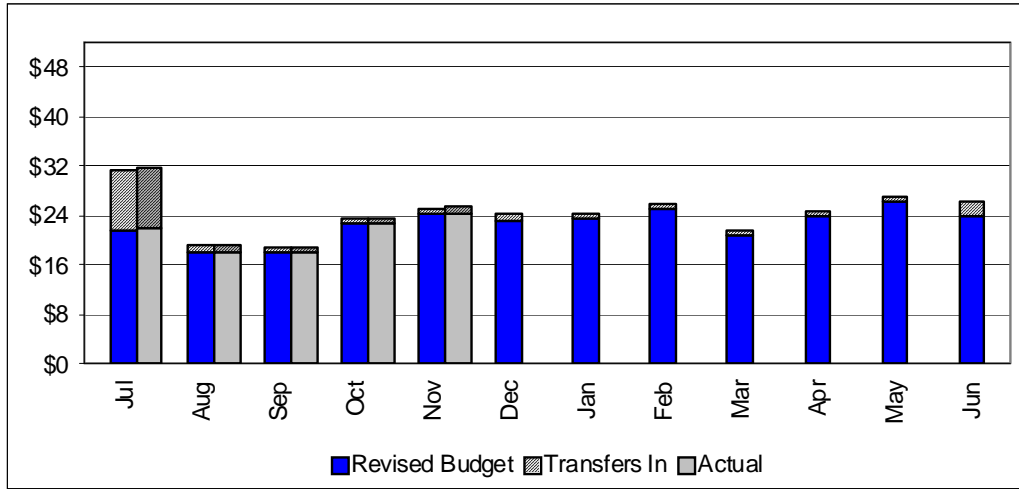
The following is a financial summary of the City's YTD November 2009 operating funds, which consist of the General Fund and the Transportation Fund. The General Fund is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, parks and recreation, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

The report will include a summary for General Fund and Transportation Fund revenues and expenditures by major categories. Significant budget to actual variances will be highlighted. The report also includes Appendix 1 which details the City's Privilege (Sales) Tax by major category as well as bed tax activity. Additionally, Appendix 2 and 3 are detailed General Fund and Transportation schedules including beginning fund balance, source of funds, use of funds, and ending fund balance.

<b>Operating Results YTD November 2009 (\$ in millions)</b>				
	Revised	2009/10	Variance	
	Budget	Actual	Favorable (Unfavorable)	%
				Var
Sources	\$ 118.0	\$ 119.0	\$ 1.0	1%
Uses	\$ 108.0	\$ 103.7	\$ 4.3	4%
Change in Fund Balance	\$ 10.0	\$ 15.3	\$ 5.3	

<b>Operating Results November 2009 (\$ in millions)</b>				
	Revised	2009/10	Variance	
	Budget	Actual	Favorable (Unfavorable)	%
				Var
Sources	\$ 25.0	\$ 25.4	\$ 0.4	2%
Uses	\$ 21.9	\$ 19.2	\$ 2.7	12%
Change in Fund Balance	\$ 3.1	\$ 6.2	\$ 3.1	

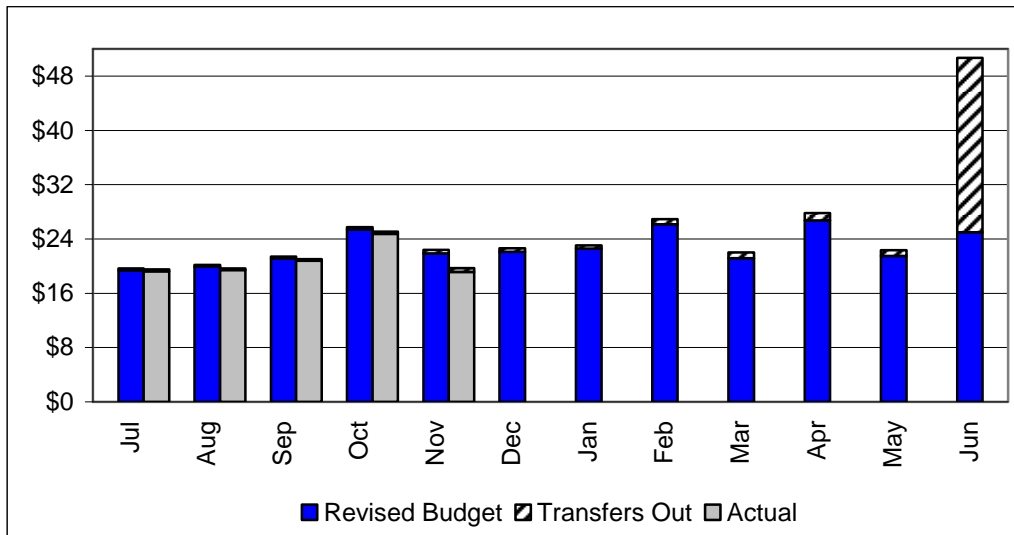
## Operating\* Sources – Fiscal YTD (in millions)



**Summary**

- Slightly Better than Budget
- Local Sales Tax Up
- State Shared Revenues and Bed Taxes Down

## Operating\* Uses – Fiscal YTD (in millions)



**Summary**

- 4% less than Budget
- Still fine tuning Budget "spread"

**\*General Fund and Transportation Fund Combined**



The City has implemented a tracking and reporting program for employees to report cost savings and efficiencies that have been implemented. Employees are encouraged to report changes that have consolidated operations, eliminated efforts that add little or no value, and/or streamlined processes to help improve service delivery to the customer, in less time, with less effort resulting in a more effective use of staff resources. Employees are also encouraged to submit ideas for cost savings, as well.

Below are examples of the changes/ideas that were submitted in November.

### **Design Policy and Standards Manual**

This manual is now only available in an electronic format creating significant savings in printing costs. (\$30,000 annually)

### **Recovering Costs for Offsite Document Storage**

Records staff has begun reviewing offsite storage inventory on a monthly basis to ensure the City is not paying for items that have been recalled.

(The City is charged \$0.25 per box – savings depends on number of boxes identified in inventory review)

## GENERAL FUND

<b>General Fund FY 2009/10 (\$ in millions)</b>				
	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Change</u>	<u>% Change</u>
Sources	\$ 254.4	\$ 253.3	\$ (1.1)	0%
Uses	<u>\$ 257.0</u>	<u>\$ 256.8</u>	<u>\$ 0.2</u>	0%
Change in Fund Balance	\$ (2.6)	\$ (3.5)	\$ (0.9)	
Fund Balance:				
Reserved	\$ 26.1	\$ 26.1	\$ -	
Contingency	\$ 5.0	\$ 4.6	\$ (0.4)	
Unreserved	<u>\$ 1.0</u>	<u>\$ 7.4</u>	<u>\$ 6.4</u>	
Total Fund Balance	<u><u>\$ 32.1</u></u>	<u><u>\$ 38.1</u></u>	<u><u>\$ 6.0</u></u>	

### General Fund Sources

The General Fund is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government such as police and fire protection, parks and recreation, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

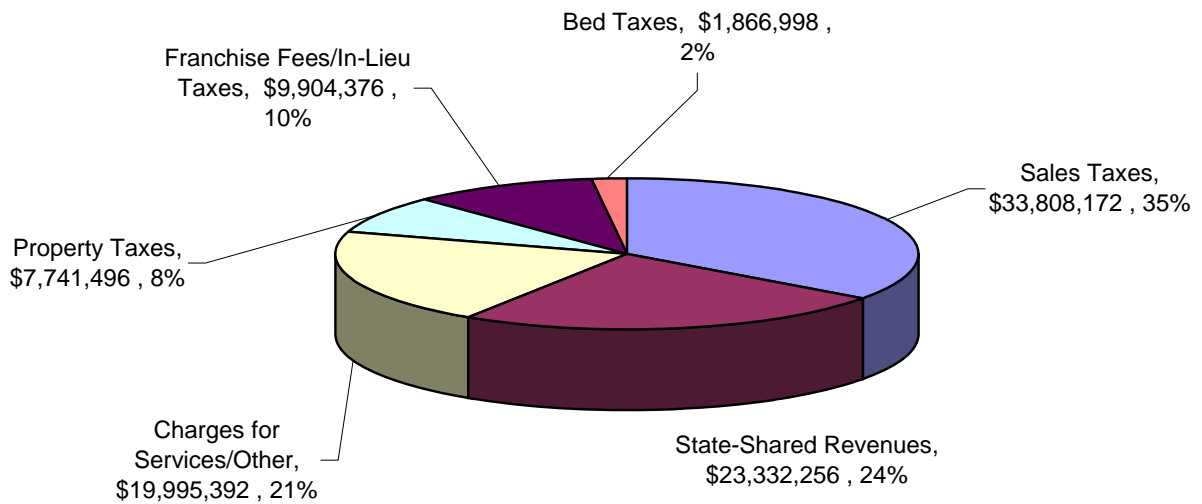
### General Fund Revenues

	Fiscal Year					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
Sales Taxes	\$ 115,561,908	\$ 95,757,457	\$ 83,262,300	\$ -	\$ 83,262,300	\$ -
State-Shared Revenues	64,651,274	62,190,225	56,355,881	(192,119)	56,163,762	-
Charges for Services/Other	58,815,277	50,152,953	51,944,811	(1,296,497)	50,648,314	-
Property Taxes	20,414,025	22,607,397	23,654,407	-	23,654,407	-
Franchise Fees/In-Lieu Taxes	20,812,400	20,304,915	21,499,105	-	21,499,105	-
Bed Taxes	2,346,219	1,524,624	8,231,300	-	8,231,300	-
Total Revenue	<u>\$ 282,601,103</u>	<u>\$ 252,537,572</u>	<u>\$ 244,947,804</u>	<u>\$ (1,488,616)</u>	<u>\$ 243,459,188</u>	<u>\$ -</u>
Transfers In	840,691	19,520,421	9,430,000	454,438	9,884,438	-
Total Sources	<u><u>\$ 283,441,794</u></u>	<u><u>\$ 272,057,993</u></u>	<u><u>\$ 254,377,804</u></u>	<u><u>\$ (1,034,178)</u></u>	<u><u>\$ 253,343,626</u></u>	<u><u>\$ -</u></u>
% Change vs. Prior Year		-4%	-6%			

Year-to-Date November						
	2007/08	2008/09	2009/10	2009/10	Variance	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable	<u>% Var</u>
					(Unfavorable)	
Sales Taxes	\$ 46,222,283	\$ 39,522,060	\$ 33,808,172	\$ 32,705,789	\$ 1,102,383	3%
State-Shared Revenues	24,195,744	26,544,272	23,332,256	23,680,361	(348,105)	-1%
Charges for Services/Other	23,541,311	21,045,878	19,995,392	19,558,499	436,893	2%
Property Taxes	8,672,418	7,921,955	7,741,496	7,755,250	(13,754)	0%
Franchise Fees/In-Lieu Taxes	7,098,582	9,441,481	9,904,376	9,844,706	59,670	1%
Bed Taxes	540,787	463,810	1,866,998	2,098,982	(231,984)	-11%
<b>Total Revenue</b>	<b>\$ 110,271,126</b>	<b>\$ 104,939,456</b>	<b>\$ 96,648,689</b>	<b>\$ 95,643,587</b>	<b>\$ 1,005,102</b>	<b>1%</b>
Transfers In	20,680	2,500,000	9,619,350	9,619,350	-	0%
<b>Total Sources</b>	<b>\$ 110,291,806</b>	<b>\$ 107,439,456</b>	<b>\$ 106,268,039</b>	<b>\$ 105,262,937</b>	<b>\$ 1,005,102</b>	<b>1%</b>

### Year-to-Date November 2009

**\$96.6M Revenue**



**Sales Taxes**

Scottsdale's total City sales tax rate is 1.65 percent. Of that amount, 0.55 percent is dedicated to the specific purposes related to transportation and preservation (which are accounted for in Special Revenue Funds) and 0.10 percent is dedicated to public safety (accounted for in the General Fund). The remaining 1.0 percent of the sales tax is also accounted for in the General Fund and is available to fund basic municipal services such as police, fire, libraries, and parks. This general-purpose sales tax is the City's single largest revenue source and is considered an "elastic" revenue source based on events in the national, state and local economies. These sales taxes are tracked by categories and further details of the category results can be found in Appendix 1.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
General Purpose Sales Tax	\$ 105,317,750	\$ 87,328,386	\$ 75,900,000	\$ -	\$ 75,900,000	\$ -
Public Safety Sales Tax	10,244,158	8,429,071	7,362,300	-	7,362,300	-
Total Sales Taxes	\$ 115,561,908	\$ 95,757,457	\$ 83,262,300	\$ -	\$ 83,262,300	\$ -
% Change		-17%	-13%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable)</u>	
General Purpose Sales Tax	\$ 42,101,772	\$ 36,019,548	\$ 30,820,596	\$ 29,813,871	\$ 1,006,725	
Public Safety Sales Tax	4,120,511	3,502,512	2,987,576	2,891,918	95,658	3%
Total Sales Taxes	\$ 46,222,283	\$ 39,522,060	\$ 33,808,172	\$ 32,705,789	\$ 1,102,383	3%

**Actual to Revised Budget variance of \$1,102,383 or 3%:** Better than expected construction and utility activity. Additionally, several large audit payments were received that affected utilities, major department stores, automotive and other taxable categories. See Appendix 1 for further information about results by sales tax categories.

**State-Shared Revenues**

These revenues are derived from state shared sales taxes, income taxes (revenue sharing) and vehicle license taxes (auto lieu) based on a statutorily determined formula, primarily driven by population. This revenue is an "elastic" revenue based on events in the national, state and local economies.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
State Revenue Sharing	\$ 33,036,655	\$ 35,102,991	\$ 30,308,042	\$ 906	\$ 30,308,948	\$ -
State Shared Sales Tax	21,652,550	18,935,910	18,047,839	(193,025)	17,854,814	-
Auto Lieu Tax	9,962,069	8,151,324	8,000,000	-	8,000,000	-
Total State Shared Revenues	\$ 64,651,274	\$ 62,190,225	\$ 56,355,881	\$ (192,119)	\$ 56,163,762	\$ -
% Change		-4%	-9%			

**Approved Adjustments of (\$192,119).** At the end of June, the Arizona Department of Revenue sent out a letter to all municipalities indicating that estimated distributions from State Revenue Sharing and State Shared Sales Taxes should be adjusted as reflected. An additional further reduction to the State's estimate for sales taxes is anticipated from the State which will result in a second State Shared revenue proposed adjustment request.

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Revised <u>Budget</u>	Favorable (Unfavorable)	
State Revenue Sharing	\$ 13,766,338	\$ 14,626,810	\$ 12,628,552	\$ 12,697,471	\$ (68,919)	
State Shared Sales Tax	7,150,860	8,352,531	7,120,305	7,437,201	(316,896)	-4%
Auto Lieu Tax	3,278,546	3,564,931	3,583,398	3,545,689	37,709	1%
<b>Total State Shared Revenues</b>	<b>\$ 24,195,744</b>	<b>\$ 26,544,272</b>	<b>\$ 23,332,256</b>	<b>\$ 23,680,361</b>	<b>\$ (348,105)</b>	<b>-1%</b>

**Actual to Revised Budget variance of (\$348,105) or (1%):** State Shared Sales Taxes are less than expected because the recession is having a more dramatic impact than originally forecast by the State. At the State level, sales tax receipts are down almost 15 percent from the prior year with the largest drops in the contracting category and the use category (the use tax is assessed on items purchased in other states and brought into Arizona for storage, use, or consumption, and for which no tax, or tax at a lesser rate, has been paid in another state).

**Charges for Services/Other**

Charges for Services include numerous revenues such as building permits, recreation fees, fire department fees and WestWorld fees. Certain components of this revenue source are subject to dramatic peaks and valleys from year to year. For example, building permit fees are based on developers' interest in construction projects and ability to secure financing for the projects. "Other" refers to all other lines not specifically mentioned in other categories.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	Adopted <u>Budget</u>	Approved <u>Adjustments</u>	Revised <u>Budget</u>	Proposed <u>Adjustments</u>
<i>Taxes - Local</i>						
Stormwater Water Quality Charge	\$ 861,021	\$ 814,326	\$ 863,000	\$ -	\$ 863,000	\$ -
<i>Licenses, Permits &amp; Fees</i>						
Building Permit Fees & Charges	12,454,445	6,911,195	8,149,000	-	8,149,000	-
Recreation Fees	2,819,553	3,206,506	3,022,000	-	3,022,000	-
WestWorld	2,784,969	2,663,389	2,888,000	(15,000)	2,873,000	-
Fire Service Charges	1,067,593	1,752,393	2,350,000	(1,105,054)	1,244,946	-
Business Licenses & Fees	1,760,535	1,733,104	1,680,000	-	1,680,000	-
<i>Fines &amp; Forfeitures</i>						
Court Fines	6,792,909	6,670,715	7,166,300	(9,886)	7,156,414	-
Photo Enforcement Revenue	5,787,526	2,465,759	1,655,700	-	1,655,700	-
Parking Fines	472,615	422,697	495,000	9,886	504,886	-
Library Fines & Fees	417,540	302,729	389,640	(90,000)	299,640	-
30 Day Tow Program	-	200,000	400,000	(400,000)	-	-
<i>Interest Earnings/Property Rental</i>						
Interest Earnings	6,429,293	3,690,990	1,656,860	-	1,656,860	-
Property Rental	3,496,405	3,222,002	3,194,029	-	3,194,029	-
<i>Other Revenue</i>						
Indirect/Direct Cost Allocation	11,577,240	13,837,938	15,635,382	400,000	16,035,382	-
Intergovernmental Revenue	1,054,990	1,160,325	1,049,900	(117,843)	932,057	-
Contributions/Donations	-	-	-	-	-	-
Miscellaneous	658,019	643,477	1,000,000	16,400	1,016,400	-
Reimbursements	380,624	455,408	350,000	15,000	365,000	-
<b>Total Charges for Services/Other</b>	<b>\$ 58,815,277</b>	<b>\$ 50,152,953</b>	<b>\$ 51,944,811</b>	<b>\$ (1,296,497)</b>	<b>\$ 50,648,314</b>	<b>\$ -</b>
<b>% Change</b>		<b>-15%</b>	<b>4%</b>			

**Approved Adjustments of (\$1,296,497)** includes adjustments approved by City Council on July 2, 2009 and November 3, 2009 and were discussed in earlier versions of the Monthly Operating Report.



	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Revised <u>Budget</u>	Favorable (Unfavorable)	
<i>Taxes - Local</i>						
Stormwater Water Quality Charge	\$ 400,985	\$ 397,220	\$ 426,765	\$ 412,965	\$ 13,800	3%
<i>Licenses, Permits &amp; Fees</i>						
Building Permit Fees & Charges	6,071,683	3,222,006	3,184,428	3,300,525	(116,097)	-4%
Recreation Fees	1,281,276	1,227,943	1,324,093	1,228,320	95,773	8%
WestWorld	685,090	596,817	439,234	512,768	(73,534)	-14%
Fire Service Charges	421,057	1,741,416	684,400	746,951	(62,551)	-8%
Business Licenses & Fees	597,520	530,745	553,254	500,505	52,749	11%
<i>Fines &amp; Forfeitures</i>						
Court Fines	2,677,107	2,568,546	2,897,613	2,895,345	2,268	0%
Photo Enforcement Revenue	2,353,658	1,229,154	759,293	648,011	111,282	17%
Parking Fines	132,932	148,545	110,290	134,353	(24,063)	-18%
Library Fines & Fees	142,231	212,400	129,727	118,417	11,310	10%
30 Day Tow Program	-	-	-	-	-	n/a
<i>Interest Earnings/Property Rental</i>						
Interest Earnings	2,426,149	1,445,756	1,032,783	554,312	478,471	86%
Property Rental	652,227	1,221,168	1,018,690	1,119,522	(100,832)	-9%
<i>Other Revenue</i>						
Indirect/Direct Cost Allocation	4,823,850	5,390,390	6,677,206	6,676,267	939	0%
Intergovernmental Revenue	456,505	493,704	491,398	262,433	228,965	87%
Contributions/Donations	-	1,300	15,591	3,928	11,663	n/a
Miscellaneous	275,404	498,625	150,587	342,843	(192,256)	-56%
Reimbursements	143,638	120,145	100,040	101,034	(994)	-1%
Total Charges for Services/Other	\$ 23,541,311	\$ 21,045,878	\$ 19,995,392	\$ 19,558,499	\$ 436,893	2%

**Actual to Revised Budget variance of \$436,893 or 2%:** Interest Earnings and Miscellaneous Revenues are major drivers of this variance and are in the process of being analyzed. Initial findings indicate that the forecast of Interest Earnings for the year is accurate but that the allocation per month (e.g., spread) needs to be revised.

### Property Taxes

In the General Fund, property taxes are comprised only of the "Primary" property taxes levied on the assessed value of all property within the City to help pay for basic operations of the City. Secondary property taxes are not included here as they must be used solely for payment of General Obligation bond debt service. This is a relatively stable revenue source. Increases in revenue from year to year reflect new property additions to the tax roll and Council actions to increase total revenue consistent with state law.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	Adopted <u>Budget</u>	Approved <u>Adjustments</u>	Revised <u>Budget</u>	Proposed <u>Adjustments</u>
Property Taxes	\$ 20,414,025	\$ 22,607,397	\$ 23,654,407	\$ -	\$ 23,654,407	\$ -
% Change		11%	5%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Revised <u>Budget</u>	Favorable (Unfavorable)	
Property Taxes	\$ 8,672,418	\$ 7,921,955	\$ 7,741,496	\$ 7,755,250	\$ (13,754)	0%

**Actual to Revised Budget variance of (\$13,754) or 0%.** No explanation necessary.

**Franchise Fees and In-Lieu Taxes**

This category represents revenues from utility and cable providers and is fairly constant from year to year.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
Electric Franchise	\$ 7,890,300	\$ 7,791,429	\$ 8,400,000	\$ -	\$ 8,400,000	\$ -
Enterprise Franchise Fees	6,287,024	6,355,534	6,684,785	(2,864)	6,681,921	-
Cable TV Franchise	3,507,190	3,565,549	3,600,000	-	3,600,000	-
Enterprise In Lieu Property Tax	3,032,052	2,453,184	2,675,320	2,864	2,678,184	-
Salt River Project Lieu Tax	95,834	139,220	139,000	-	139,000	-
<b>Total Franchise Fees/In-Lieu Taxes</b>	<b>\$ 20,812,400</b>	<b>\$ 20,304,915</b>	<b>\$ 21,499,105</b>	<b>\$ -</b>	<b>\$ 21,499,105</b>	<b>\$ -</b>
% Change		-2%	6%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	Revised	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)	
Electric Franchise	\$ 2,496,248	\$ 4,283,785	\$ 4,392,694	\$ 4,479,396	\$ (86,702)	-2%
Enterprise Franchise Fees	2,507,575	2,397,648	2,635,623	2,449,400	186,223	8%
Cable TV Franchise	831,404	1,737,888	1,761,344	1,800,000	(38,656)	-2%
Enterprise In Lieu Property Tax	1,263,355	1,022,160	1,114,715	1,115,910	(1,195)	0%
Salt River Project Lieu Tax	-	-	-	-	-	n/a
<b>Total Franchise Fees/In-Lieu Taxes</b>	<b>\$ 7,098,582</b>	<b>\$ 9,441,481</b>	<b>\$ 9,904,376</b>	<b>\$ 9,844,706</b>	<b>\$ 59,670</b>	<b>1%</b>

**Actual to Revised Budget variance of \$59,670 or 1%:** Enterprise Franchise Fees are higher than budgeted due to increased water fees collected attributable to record breaking summer temperatures, an unseasonably warm fall coupled with low rain fall creating an increase in water demand. Offsetting this increase are lower franchise fees collected from electric and cable TV providers.

**Bed Taxes**

The 3 percent bed tax is applied to lodging room charges for stays of 29 days or less (transient) in hotels or short-term rentals. This revenue is an “elastic” revenue based on events in the national, state and local economies. By City ordinance, 80 percent of this tax revenue is restricted for tourism development including the payment of contracts to increase tourism and fund debt service for destination attractions. Beginning in FY 2009/10, 100 percent of the Bed Tax revenue is being recorded in the General Fund with a corresponding transfer of 80 percent to the Special Programs Fund.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
Bed Taxes	\$ 2,346,219	\$ 1,524,624	\$ 8,231,300	\$ -	\$ 8,231,300	\$ -
% Change		-35%	8%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)	
Bed Taxes	\$ 540,787	\$ 463,810	\$ 1,866,998	\$ 2,098,982	\$ (231,984)	-11%

**Actual to Revised Budget variance of (\$231,984) or (11%):** The reduction is attributable to the continued decline in occupancy in the local market as a result of conditions in the national economy. These conditions have contributed to group cancellations and less leisure travel nationwide, particularly in the major fly-in markets such as Scottsdale/Phoenix. Occupancy and room rates are down significantly. See Appendix 1 for a more detailed discussion.

**Transfers In**

Transfers in reflect funds received from the Capital Improvement Plan (CIP) Fund, Special Program Funds (Community Services/Human Services) and Water Fund (Water Campus Security).

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Approved</u> <u>Adjustments</u>	<u>Budget</u>	<u>Proposed</u> <u>Adjustments</u>
CIP	\$ -	\$ 13,935,983	\$ 9,000,000	\$ -	\$ 9,000,000	\$ -
Self Insurance Fund	-	5,000,000	-	-	-	-
Cultural Council	-	-	300,000	-	300,000	-
Code Enforcement	91,133	-	-	-	-	-
Community Services/Human Services	-	130,000	130,000	-	130,000	-
Miscellaneous	749,558	-	-	-	-	-
Water Campus Security	-	454,438	-	454,438	454,438	-
Total Transfers In	\$ 840,691	\$ 19,520,421	\$ 9,430,000	\$ 454,438	\$ 9,884,438	\$ -
% Change		2222%	-52%			

**Approved Adjustments of \$454,438.** Security reimbursements from the Water Fund were excluded in the adopted budget. The reimbursement is for Water Department security included in the Citywide security contract administered by the Police Department and recorded in its budget.

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>	
CIP	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000	\$ -	0%
Self Insurance Fund	-	2,500,000	-	-	-	n/a
Cultural Council	-	-	300,000	300,000	-	0%
Code Enforcement	20,680	-	-	-	-	n/a
Community Services/Human Services	-	-	130,000	130,000	-	0%
Water Campus Security	-	-	189,350	189,350	-	0%
Total Transfers In	\$ 20,680	\$ 2,500,000	\$ 9,619,350	\$ 9,619,350	\$ -	0%

**Note:** The \$9 million CIP transfer in will be repaid June 30, 2010, per council directive.

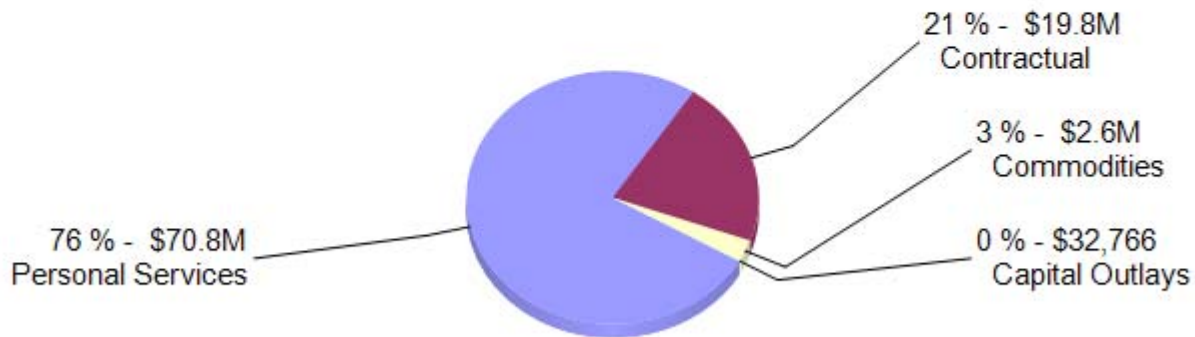
**Actual to Budget variance of \$0 or 0%.** No explanation necessary.

**General Fund  
Expenses**

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
<b>Expenses:</b>					
Personal Services	\$195,240,857	\$175,068,556	(\$4,699,190)	\$170,369,366	-
Vacancy Savings/Payouts/Reclass	(\$3,052,975)	(\$3,209,816)	(\$52,106)	(\$3,261,922)	-
Contractual	\$51,453,713	\$53,836,622	(\$1,496,883)	\$52,339,739	-
Commodities	\$8,722,788	\$9,330,246	(\$83,500)	\$9,246,746	-
Capital Outlays	\$398,730	\$353,602	(\$31,000)	\$322,602	-
Future Budget Reductions/IOU	-	(\$12,536,834)	\$12,043,414	(\$493,420)	-
<b>Total Operating Expenses</b>	<b>\$252,763,113</b>	<b>\$222,842,376</b>	<b>\$5,680,735</b>	<b>\$228,523,111</b>	<b>-</b>
Debt Service	\$3,599,349	\$4,664,746	(\$1,021,600)	\$3,643,146	-
Transfers Out	\$18,333,741	\$29,461,251	(\$4,865,249)	\$24,596,002	-
<b>Total Uses</b>	<b>\$274,696,203</b>	<b>\$256,968,373</b>	<b>(\$206,114)</b>	<b>\$256,762,259</b>	<b>-</b>

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
<b>Expenses:</b>					
Personal Services	\$79,771,286	\$70,745,840	\$72,695,806	\$1,949,966	3 %
Vacancy Savings/Payouts/Reclass	(\$1,554,028)	\$52,106	(\$415,918)	(\$468,024)	113 %
Contractual	\$22,218,790	\$19,763,639	\$20,761,623	\$997,984	5 %
Commodities	\$3,618,065	\$2,594,220	\$2,938,708	\$344,488	12 %
Capital Outlays	\$123,284	\$32,766	\$72,113	\$39,347	55 %
<b>Total Operating Expenses</b>	<b>\$104,177,397</b>	<b>\$93,188,570</b>	<b>\$96,052,332</b>	<b>\$2,863,762</b>	<b>3 %</b>
Debt Service	\$1,444,667	\$763,916	\$1,031,812	\$267,896	26 %
Transfers Out	-	\$1,612,061	\$1,679,184	\$67,123	4 %
<b>Total Uses</b>	<b>\$105,622,064</b>	<b>\$95,564,546</b>	<b>\$98,763,328</b>	<b>\$3,198,782</b>	<b>3 %</b>

**Year-to-Date November 2009  
\$93.2M Expenditures**



**Personal Services**

Personal Services include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$195,240,857	\$175,068,556	(\$4,699,190)	\$170,369,366	-

**Approved Adjustments of (\$4,699,190)** were approved by City Council on July 2, 2009 and November 3, 2009. July 2, 2009 adjustments include the elimination of 68 Full-Time Equivalents and a reduction in Police and Fire overtime. November 3, 2009 adjustments include reductions to Police and Fire retirement and Federal Insurance Contributions Act (FICA). Additionally, reductions were made for those retirees from the Early Retirement Incentive Program that retired earlier than anticipated. The approved adjustments also include the use of Contingency to payout the City Attorney's employment contract and fund overtime for the Event Notification Program. November adjustments also reflect reallocating a position from Capital Project Management to the Planning, Neighborhoods and Transportation Division.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$79,771,286	\$70,745,840	\$72,695,806	\$1,949,966	3 %

**Actual to Revised Budget variance of \$1,949,966 or 3%:** The positive variance is mainly the result of continuation of overtime reduction strategies. However, this savings may be impacted by staffing resources needed for the holiday season, after which overtime savings will be re-evaluated. Another contributing factor to the positive variance relates to the vacant part-time positions that were being held for the Appaloosa Library. Staff is analyzing the part-time savings to determine if it can be retained or if it is needed within other areas of Community Services.

**Vacancy Savings/Payouts/Reclassifications**

The 'Vacancy Savings / Payouts / Reclassifications' is the net of the Citywide vacancy savings, the medical and vacation leave accrual payouts that are made at the time of separation from the City, and position reclassifications. All of which are related and; therefore, reported together. For example, if a position becomes vacant, a payout for accrued leave will likely occur. Conversely, payouts for accrued leave will not occur if positions remained filled. Additionally, if positions become vacant staff reassesses the program/service area and looks for efficiencies, which could ultimately result in position reclassifications.

Prior to FY 2008/09, medical and vacation leave accrual payouts and position reclassification adjustments were an unbudgeted expense. Therefore, divisions ran the risk of over-expending their adopted budget. Beginning in FY 2008/09, a budget was developed and a Citywide line-item expense was included in the Five-Year Financial Plan. The budget is included as a Citywide line-item and not within the divisions themselves because it is difficult to determine where specifically the expenses will apply. As divisions payout for medical and vacation leave accruals and as position reclassifications are made, the expense is reflected in the appropriate division and an accompanying budget is transferred from the Citywide line-item to the respective division.

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
Vacancy Savings	(\$5,171,868)	(\$5,000,000)	\$912,020	(\$4,087,980)	-
Vacation Leave Payouts	\$637,947	\$617,658	(\$398,296)	\$219,362	-
Medical Leave Payouts	\$742,060	\$854,438	(\$410,647)	\$443,791	-
Reclassifications	\$301,895	\$318,088	(\$155,183)	\$162,905	-
Vacation Trade Payouts	\$436,991	-	-	-	-
<b>Total Vacancy Sav/Payouts/Reclass</b>	<b>(\$3,052,975)</b>	<b>(\$3,209,816)</b>	<b>(\$52,106)</b>	<b>(\$3,261,922)</b>	<b>-</b>

**Approved Adjustments of (\$52,106)** reflect the net of vacancy savings, payouts for medical and vacation leave accruals and position reclassifications.

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
Vacancy Savings	(\$2,389,543)	(\$912,020)	(\$1,729,530)	(\$817,510)	47 %
Vacation Leave Payouts	\$208,895	\$398,296	\$491,103	\$92,807	19 %
Medical Leave Payouts	\$190,304	\$410,647	\$598,405	\$187,758	31 %
Reclassifications	-	\$155,183	\$224,104	\$68,921	31 %
Vacation Trade Payouts	\$436,316	-	-	-	-
<b>Total Vacancy Sav/Payouts/Reclass</b>	<b>(\$1,554,028)</b>	<b>\$52,106</b>	<b>(\$415,918)</b>	<b>(\$468,024)</b>	<b>113 %</b>

**Actual to Revised Budget variance of (\$468,024) or 113%:** The unfavorable variance is due to: 1) the recession - the number of vacant positions and the length of time a position is vacant has decreased significantly and is about half of the projected amount; and 2) medical and vacation leave accrual payouts are significantly greater than projected as a result of the July 2, 2009 reduction in force and terminations of long-term employees who had significant leave accrual balances. A net proposed adjustment of \$2.5 million to 'Vacancy Savings / Payouts / Reclassifications' will be forthcoming.

**Contractual Services**

This category includes expenditures for services performed by firms, individuals, or other City departments.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$51,453,713	\$53,836,622	(\$1,496,883)	\$52,339,739	-

**Approved Adjustments of (\$1,496,883)** were approved by City Council on July 2, 2009, August 24, 2009, and November 3, 2009. July 2, 2009 adjustments include discontinuing the federal lobbying and information services contract, reducing utilities, reducing offsite records storage costs, eliminating funding for future research projects by utilizing ASU's College of Design, and reducing contractual services at WestWorld. The August 24, 2009 adjustment reflects WestWorld's use of Contingency to contract with Arizona State Land Department allowing the City to use State Trust Land for special event productions and associated parking. The November 3, 2009 adjustments are comprised of work order credit allocations and a reduction in the Fire Department related to the Professional Management Transport (PMT) contract. The Fire expense reduction also resulted in an offsetting revenue reduction for the PMT contract.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$22,218,790	\$19,763,639	\$20,761,623	\$997,984	5 %

**Actual to Revised Budget variance of \$997,984 or 5%:** The positive variance is mainly the result of invoices for services being received later than expected. For example, services were performed for WestWorld's waste disposal, installation of the holiday lights in the downtown area, and Citywide custodial services. The variance is also impacted by the timing of invoices for November's utility payment. Furthermore, the variance is a result of certain expenditures that are difficult to budget in the appropriate period because of their unpredictable spending pattern (e.g. building maintenance services, painting, fire alarm maintenance, elevators, etc).

**Commodities**

This classification includes supplies, repair and replacement parts, small tools, and maintenance and repairs.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$8,722,788	\$9,330,246	(\$83,500)	\$9,246,746	-

**Approved Adjustments of (\$83,500)** were approved by City Council on July 2, 2009 and November 3, 2009. July 2, 2009 adjustments include reducing mosquito and weed spraying at WestWorld and reducing the library materials budget. The November 3, 2009 adjustment reflects a budget transfer from Capital Outlays to Commodities to properly account for the Fire Department's self contained breathing apparatus supplies.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$3,618,065	\$2,594,220	\$2,938,708	\$344,488	12 %

**Actual to Revised Budget variance of \$344,488 or 12%:** The variance relates to several accounts such as minor equipment, operating supplies, maintenance services and materials, and education and recreation supplies which are difficult to budget in the appropriate period as they do not have a predictable spending pattern. The variance is also related to a delay in receiving training ammunition which was expected and budgeted for in November.

**Capital Outlays**

Capital outlays include the purchase of land, the purchase of construction of buildings, structures, and facilities, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) have a unit cost of \$5,000 or more; and (3) be a betterment or improvement.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$398,730	\$353,602	(\$31,000)	\$322,602	-

**Approved Adjustments of (\$31,000)** were approved by City Council on July 2, 2009 and November 3, 2009 and are reductions in Fire capital equipment.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$123,284	\$32,766	\$72,113	\$39,347	55 %

**Actual to Revised Budget variance of \$39,347 or 55%:** The variance primarily relates to the Fire Department station renovation project which has begun, however, invoices have not been received as anticipated. Staff continues to coordinate with Capital Project Management to resolve this issue. Once the timeline is determined, a budget respread will be processed accordingly.

**Future Budget Reductions/IOU**

This represents the budget reductions and other adjustments that were included in the report and approved by City Council on July 2, 2009 and November 3, 2009. All reductions from the July 2, 2009 report have been implemented with the exception of minimal utility and maintenance cost savings. It is staff's expectation that the balance will be reduced to \$0 in the December 2009 report.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
-	(\$12,536,834)	\$12,043,414	(\$493,420)	-



### Debt Service

This activity is primarily contractual obligations related to development agreements (funded by sales tax rebates) and will vary based on the actual sales tax collections.

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
Certificates of Participation (COP)	\$918,790	\$918,790	-	\$918,790	-
Contracts Payable	\$2,634,685	\$2,724,356	-	\$2,724,356	-
COP - Radio Financing	\$40,910	\$1,021,600	(\$1,021,600)	-	-
Other	\$4,963	-	-	-	-
<b>Total Debt Service</b>	<b>\$3,599,349</b>	<b>\$4,664,746</b>	<b>(\$1,021,600)</b>	<b>\$3,643,146</b>	<b>-</b>

**Approved Adjustments of (\$1,021,600)** were approved by City Council on July 2, 2009. The adjustment is the elimination of the public safety radio debt service payment for FY 2009/10.

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
Certificates of Participation (COP)	-	\$333	-	(\$333)	-100 %
Contracts Payable	\$1,403,137	\$762,131	\$1,031,812	\$269,681	26 %
COP - Radio Financing	\$40,910	-	-	-	-
Other	\$620	\$1,452	-	(\$1,452)	-100 %
<b>Total Debt Service</b>	<b>\$1,444,667</b>	<b>\$763,916</b>	<b>\$1,031,812</b>	<b>\$267,896</b>	<b>26 %</b>

**Actual to Revised Budget variance of \$267,896 or 26%:** The positive variance is a result of declining retail sales which translates to the City paying less for the Nordstrom Garage reimbursement agreement. A proposed adjustment to reduce the Nordstrom's contract payable budget will be forthcoming.

### Transfers-Out

Transfers-Out represents the authorized exchanges of cash between funds, divisions, departments and capital projects.

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
MPC Excise Debt Fund	\$5,787,446	\$6,695,185	-	\$6,695,185	-
CIP - General Fund Maintenance	\$3,302,400	\$1,550,000	(\$200,000)	\$1,350,000	-
CIP - General Fund - Non-Maintenance	-	\$9,000,000	-	\$9,000,000	-
CIP - Public Safety Radio - Loop 101	\$1,877,298	-	-	-	-
Transportation Fund	\$7,023,454	\$5,571,026	(\$4,665,249)	\$905,777	-
Bed Tax Fund	\$240,898	\$6,585,040	-	\$6,585,040	-
Special Programs Fund - Planning & Dev Services	\$60,000	\$60,000	-	\$60,000	-
Streetlight Fund	\$37,245	-	-	-	-
Grants	\$5,000	-	-	-	-
<b>Total Transfers Out</b>	<b>\$18,333,741</b>	<b>\$29,461,251</b>	<b>(\$4,865,249)</b>	<b>\$24,596,002</b>	<b>-</b>

**Approved Adjustments of (\$4,865,249)** were approved by City Council on July 2, 2009 and November 3, 2009. The July 2, 2009 adjustments include discontinuing participation with Valley Metro Rail, Inc., eliminating PM10 dust treatment on three miles of unpaved roads, eliminating 1.00 FTE citizen services representative position, and a \$4.6M reduction to the budgeted subsidy to the Transportation Fund. The \$4.6 M reduction was a result of one-time federal funding under the American Reinvestment and Recovery Act (ARRA) for the street overlay program. Additionally, the adjustments include a reduction to the Capital Improvement Plan transfer as a result of replacing fewer computers and purchasing fewer software licenses due to a reduced workforce and a reduction to the Transportation Fund Transfers In budget from the General Fund as a result of the Transportation Fund Budget Reductions approved by City Council. The November 3, 2009 adjustments include reductions for Federal Insurance Contributions Act (FICA) and for those retirees from the Early Retirement Incentive Program that retired earlier than anticipated. The November 3, 2009 adjustments also include carry forward budget for vehicle purchases that were expected in FY 2008/09 but due to delays were not received until FY 2009/10.

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
MPC Excise Debt Fund	-	-	-	-	-
CIP - General Fund Maintenance	-	-	-	-	-
CIP - General Fund - Non-Maintenance	-	-	-	-	-
CIP - Public Safety Radio - Loop 101	-	-	-	-	-
Transportation Fund	-	\$113,462	-	(\$113,462)	-100 %
Bed Tax Fund	-	\$1,493,599	\$1,679,184	\$185,585	11 %
Special Programs Fund - Planning & Dev Services	-	-	-	-	-
Streetlight Fund	-	-	-	-	-
Grants	-	\$5,000	-	(\$5,000)	-100 %
<b>Total Transfers Out</b>	<b>-</b>	<b>\$1,612,061</b>	<b>\$1,679,184</b>	<b>\$67,123</b>	<b>4 %</b>

**Actual to Revised Budget variance of \$67,123 or 4%:** Excluding the MPC excise debt transfer, most of these transfers is related to subsidies to other funds and the actual activity will be recorded in June 2010. The MPC debt transfer will be made at the time the debt payment is made. The transfer out reflects transfers to the Special Programs Fund for bed tax a revenue (80 percent of the total bed tax collections per adopted financial policy) which was explained earlier. The transfers out also reflects the November 3, 2009 Council approval of carry-forward vehicle purchases for Public Works and Water Resources. Additionally, the transfers out Grants line reflects a transfer from Planning, Neighborhoods and Transportation to Preservation, which was not budgeted until June.

## TRANSPORTATION FUND

<b>Transportation Fund</b>				
<b>FY 2009/10</b>				
<b>(\$ in millions)</b>				
	Adopted <u>Budget</u>	Revised <u>Budget</u>	<u>Change</u>	% <u>Change</u>
Sources	\$ 38.3	\$ 38.3	\$ -	0%
Uses	\$ 38.3	\$ 38.3	\$ -	0%
Change in Fund Balance	\$ -	\$ -	\$ -	
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	* <u>\$ -</u>	

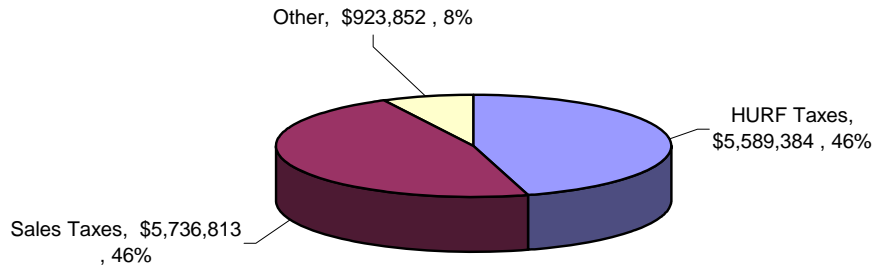
The Transportation Fund receives and expends the City's allocation of the Arizona Highway User Revenue Tax (HURF) as well as the City Transportation Sales Tax (0.20 percent) revenue and other transportation related revenues. The monies must be used for street construction, reconstruction, maintenance, or transit.

### Transportation Fund Revenues

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	Actual	Actual	Adopted Budget	Approved Adjustments	Revised Budget	Proposed Adjustments
HURF Taxes	\$ 16,302,507	\$ 14,141,719	\$ 14,187,000	\$ -	\$ 14,187,000	\$ -
Sales Taxes	19,980,413	16,474,270	14,345,100	-	14,345,100	-
Other	1,585,535	2,958,448	3,877,018	4,600,000	8,477,018	-
Total Revenues	<u>\$ 37,868,455</u>	<u>\$ 33,574,437</u>	<u>\$ 32,409,118</u>	<u>\$ 4,600,000</u>	<u>\$ 37,009,118</u>	<u>\$ -</u>
Transfers In	\$2,838,530	\$8,857,466	\$5,929,576	(4,665,249)	\$1,264,327	-
Total Sources	<u>\$ 40,706,985</u>	<u>\$ 42,431,903</u>	<u>\$ 38,338,694</u>	<u>\$ (65,249)</u>	<u>\$ 38,273,445</u>	<u>\$ -</u>
% Change		4%	-10%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	%
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable (Unfavorable)	Var
HURF Taxes	\$ 5,219,427	\$ 6,029,552	\$ 5,589,384	\$ 5,911,250	\$ (321,866)	-5%
Sales Taxes	8,049,041	6,857,943	5,736,813	5,634,055	102,758	2%
Other	1,086,423	387,480	923,852	882,696	41,156	5%
Total Revenues	<u>\$ 14,354,890</u>	<u>\$ 13,274,975</u>	<u>\$ 12,250,049</u>	<u>\$ 12,428,001</u>	<u>\$ (177,952)</u>	<u>-1%</u>
Transfers In	440,000	1,500,000	472,012	358,550	113,462	n/a
Total Sources	<u>\$ 14,794,890</u>	<u>\$ 14,774,975</u>	<u>\$ 12,722,061</u>	<u>\$ 12,786,551</u>	<u>\$ (64,490)</u>	<u>-1%</u>

**Year-to-Date November 2009  
\$12.3M Revenue**



**Transportation Fund Sources**

The Transportation Fund receives and expends the City's allocation of the Arizona Highway User Revenue Tax (HURF) as well as the City's Transportation Sales Tax (0.20 percent) revenue and other transportation related revenues. The amount of HURF available to each City is allocated based on population, which is determined by the latest federal census. These monies must be used for street construction, reconstruction, maintenance, or transit. The State of Arizona requires the City to establish and maintain an accounting for Highway User Revenue Funds. The fund also accounts for the 1989, voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. The budget assumes a policy that transfers 50 percent of the Transportation Sales Tax to the Capital Improvement Fund for transportation related capital improvement projects.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
Sources	\$ 40,706,985	\$ 42,431,903	\$ 38,338,694	\$ (65,249)	\$ 38,273,445	\$ -
% Change		4%	-10%			

**Approved Adjustments of (\$65,249)** were approved by City Council on July 2, 2009 and November 3, 2009 and were discussed in earlier versions of the Monthly Operating Report.

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable</u>	<u>% Var</u>
Sources	\$ 14,794,890	\$ 14,774,975	\$ 12,722,061	\$ 12,786,551	\$ (64,490)	-1%

**Actual to Budget variance of (\$64,490) or (1%)** is explained below by category.

**Highway User Revenues (HURF)**

HURF dollars represent State "gas taxes" distributed to the cities based on population and origin of the fuel sales. These monies must be used for street construction, reconstruction, maintenance, or transit.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
HURF Taxes	\$ 16,302,507	\$ 14,141,719	\$ 14,187,000	\$ -	\$ 14,187,000	\$ -
% Change		-13%	0%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable)</u>	<u>% Var</u>
HURF Taxes	\$ 5,219,427	\$ 6,029,552	\$ 5,589,384	\$ 5,911,250	\$ (321,866)	-5%

**Actual to Budget variance of (\$321,866) or (5%):** Decrease can be attributed to less demand of fuel due to the condition of the economy, changes in driving behaviors and more energy efficient vehicles.

**Sales Tax Revenues**

The fund receives the revenues from the 0.20 percent voter-approved transportation sales tax. The numbers below reflect the full 0.20 percent. As 50 percent of the tax is used for operations/maintenance recorded in this fund and 50 percent is used in the Transportation Capital Improvement Plan, on the expense side a transfers out entry is recorded each month to move 50 percent to the Transportation Capital Improvement Plan.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
Sales Taxes	\$ 19,980,413	\$ 16,474,270	\$ 14,345,100	\$ -	\$ 14,345,100	\$ -
% Change		-18%	-13%			

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable)</u>	<u>% Var</u>
Sales Taxes	\$ 8,049,041	\$ 6,857,943	\$ 5,736,813	\$ 5,634,055	\$ 102,758	2%

**Actual to Budget variance of \$102,758 or 2%:** Better than expected construction activity and large audit payments related to major department stores, automotive and other taxable activity slightly offset by lower than expected revenues from food stores, rentals and the hotel/motel classifications. Food Stores are being impacted by changes in consumer spending, a store chain declaring bankruptcy, decreasing food costs and increased use of food stamps. Property Rentals have been affected by vacancies and declining rental rates. Hotel/motel revenues have been impacted by the sharp decline in the tourism industry. See Appendix 1 for further information about results by sales tax categories.

**Other Revenues**

Other Revenues consists of Local Transportation Assistance Fund (LTAF) which are lottery proceeds distributed by the State; Grants; Intergovernmental; Reimbursements from Outside Sources; Indirect Costs; and Miscellaneous Revenues which includes transit fare box revenues.

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
Local Transportation Assistance Fund I	\$ 1,088,492	\$ 1,015,408	\$ 1,057,100	\$ -	\$ 1,057,100	\$ -
Capital Improvement Plan Cost Allocation	-	879,108	819,926	-	819,926	-
Local Transportation Assistance Fund II	379,831	432,214	-	-	-	-
Proposition 400 Regional Sales Tax	7,920	377,237	311,628	-	311,628	-
Charges for Services	101,794	247,561	1,568,364	-	1,568,364	-
Federal Grants	-	-	-	4,600,000	4,600,000	-
Miscellaneous	7,498	6,920	120,000	-	120,000	-
<b>Total Other Revenues</b>	<b>\$ 1,585,535</b>	<b>\$ 2,958,448</b>	<b>\$ 3,877,018</b>	<b>\$ 4,600,000</b>	<b>\$ 8,477,018</b>	<b>\$ -</b>
<b>% Change</b>		<b>87%</b>	<b>31%</b>			

**Approved Adjustment of \$4,600,000** reflects acceptance of American Recovery and Reinvestment Act (ARRA) funds to be utilized for street-overlay projects authorized by City Council on July 2, 2009 as part of the budget reductions and other adjustments proposal.

	Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Variance	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable)</u>	
Local Transportation Assistance Fund I	\$ 672,120	\$ 353,961	\$ 377,073	\$ 375,000	\$ 2,073	1%
Capital Improvement Plan Cost Allocation	-	-	368,258	346,896	21,362	6%
Local Transportation Assistance Fund II	379,831	-	-	-	-	n/a
Proposition 400 Regional Sales Tax	-	-	-	-	-	n/a
Charges for Services	-	-	162,331	160,000	2,331	n/a
Federal Grants	-	-	-	-	-	n/a
Reimbursements	-	-	14,779	-	14,779	n/a
Miscellaneous	34,472	33,518	1,410	800	610	76%
<b>Total Other Revenues</b>	<b>\$ 1,086,423</b>	<b>\$ 387,480</b>	<b>\$ 923,852</b>	<b>\$ 882,696</b>	<b>\$ 41,156</b>	<b>5%</b>

**Actual to Budget variance of \$41,156 or 5%:** No specific issues are apparent at this time.

**Transfers In**

Transfers in from the General Fund, Capital Improvement Plan Fund and Solid Waste Fund (for alley maintenance).

	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
General Fund	\$ 2,527,135	\$7,023,454	\$5,571,026	\$ (4,665,249)	\$905,777	\$ -
Transportation CIP	-	1,500,000	-	-	-	-
Solid Waste - Alley Maintenance	311,395	334,012	358,550	-	358,550	-
<b>Total Transfers In</b>	<b>\$ 2,838,530</b>	<b>\$ 8,857,466</b>	<b>\$ 5,929,576</b>	<b>\$ (4,665,249)</b>	<b>\$ 1,264,327</b>	<b>\$ -</b>
<b>% Change</b>		<b>212%</b>	<b>-33%</b>			

**Approved Adjustments of (\$4,665,249)** were approved by City Council on July 2, 2009 and November 3, 2009 and were discussed in earlier versions of the Monthly Operating Report.

	Year-to-Date November						
	2007/08	2008/09	2009/10	2009/10	Variance		% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Revised	Favorable	(Unfavorable)	
General Fund	\$ 440,000	\$ -	\$ 113,462	\$ -	\$ 113,462		
Transportation CIP	-	1,500,000	-	-	-		n/a
Solid Waste - Alley Maintenance	-	-	358,550	358,550	-		0%
<b>Total Transfers In</b>	<b>\$ 440,000</b>	<b>\$ 1,500,000</b>	<b>\$ 472,012</b>	<b>\$ 358,550</b>	<b>\$ 113,462</b>		<b>32%</b>

**Actual to Budget variance of \$113,462 or 32%** is the November 3, 2009 contingency transfer approved by City council for vehicle purchases that were budgeted for in FY 2008/09 but not received until FY 2009/10.

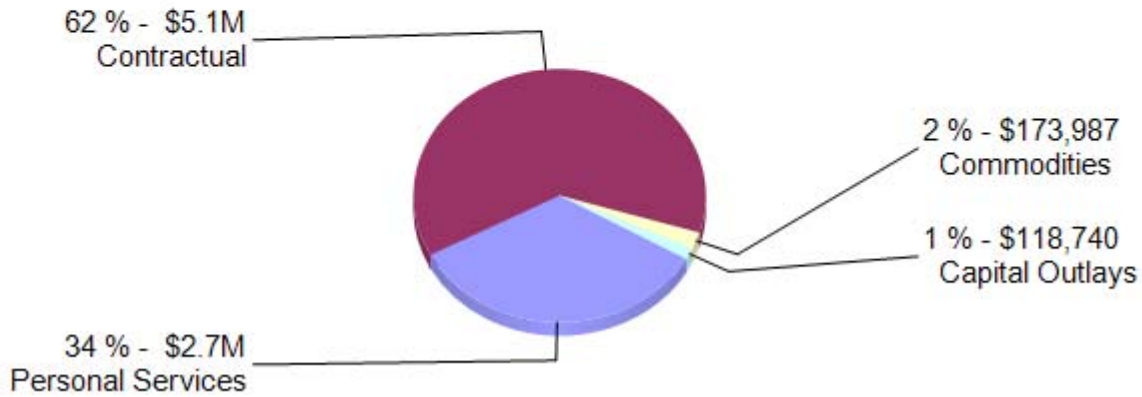
**Transportation Fund  
Expenses**

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
<b>Expenses:</b>					
Personal Services	\$8,139,669	\$6,515,270	(\$99,931)	\$6,415,339	-
Vacancy Savings/Payouts/Reclass	(\$214,429)	(\$183,738)	\$29,201	(\$154,537)	-
Contractual	\$23,735,759	\$23,919,980	(\$99,981)	\$23,819,999	-
Commodities	\$837,047	\$826,797	(\$8,000)	\$818,797	-
Capital Outlays	\$47,275	\$18,235	\$113,462	\$131,697	-
<b>Total Operating Expenses</b>	<b>\$32,545,321</b>	<b>\$31,096,544</b>	<b>(\$65,249)</b>	<b>\$31,031,295</b>	<b>-</b>
Transfers Out	\$8,294,635	\$7,242,150	-	\$7,242,150	-
<b>Total Uses</b>	<b>\$40,839,956</b>	<b>\$38,338,694</b>	<b>(\$65,249)</b>	<b>\$38,273,445</b>	<b>-</b>

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
<b>Expenses:</b>					
Personal Services	\$3,055,452	\$2,777,328	\$2,813,855	\$36,527	1 %
Vacancy Savings/Payouts/Reclass	(\$123,513)	(\$29,201)	(\$60,104)	(\$30,903)	51 %
Contractual	\$9,515,641	\$5,064,546	\$6,060,388	\$995,842	16 %
Commodities	\$384,858	\$173,987	\$314,644	\$140,657	45 %
Capital Outlays	\$14,558	\$118,740	\$120,962	\$2,222	2 %
<b>Total Operating Expenses</b>	<b>\$12,846,995</b>	<b>\$8,105,401</b>	<b>\$9,249,745</b>	<b>\$1,144,344</b>	<b>12 %</b>
<b>Total Uses</b>	<b>\$12,846,995</b>	<b>\$8,105,401</b>	<b>\$9,249,745</b>	<b>\$1,144,344</b>	<b>12 %</b>



**Year-to-Date November 2009  
\$8.1M Expenditures**



**Personal Services**

Personal Services include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$8,139,669	\$6,515,270	(\$99,931)	\$6,415,339	-

**Approved Adjustments of (\$99,931)** were approved by City Council on July 2, 2009 and November 3, 2009. The July 2, 2009 adjustment was the elimination of 1.00 Full-Time Equivalent position. The November 3, 2009 approved adjustments are reflective of savings related to Federal Insurance Contributions Act (FICA) and retirees from the Early Retirement Incentive Program retiring earlier than anticipated.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$3,055,452	\$2,777,328	\$2,813,855	\$36,527	1 %

**Actual to Revised Budget variance of \$36,527 or 1%:** The favorable variance is primarily related to overtime. Low overtime utilization in grading and drainage, emergency response, and traffic signals maintenance activities due to mild summer monsoon season.

**Vacancy Savings/Payouts/Reclassifications**

The 'Vacancy Savings / Payouts / Reclassifications' is the net of the Citywide vacancy savings, the medical and vacation leave accrual payouts that are made at the time of separation from the City, and position reclassifications. All of which are related and; therefore, reported together. For example, if a position becomes vacant, a payout for accrued leave will likely occur. Conversely, payouts for accrued leave will not occur if positions remained filled. Additionally, if positions become vacant staff reassesses the program/service area and looks for efficiencies, which could ultimately result in position reclassifications.

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
Vacancy Savings	(\$293,447)	(\$270,000)	\$34,479	(\$235,521)	-
Vacation Leave Payouts	\$31,121	\$25,069	(\$5,278)	\$19,791	-
Medical Leave Payouts	\$20,982	\$46,094	-	\$46,094	-
Reclassifications	-	\$15,099	-	\$15,099	-
Vacation Trade Payouts	\$26,915	-	-	-	-
<b>Total Vacancy Sav/Payouts/Reclass</b>	<b>(\$214,429)</b>	<b>(\$183,738)</b>	<b>\$29,201</b>	<b>(\$154,537)</b>	<b>-</b>

**Approved Adjustments of \$29,201** reflect the net of vacancy savings, payouts for medical and vacation leave accruals and position reclassifications.

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
Vacancy Savings	(\$155,879)	(\$34,479)	(\$99,644)	(\$65,165)	65 %
Vacation Leave Payouts	\$6,666	\$5,278	\$13,651	\$8,373	61 %
Medical Leave Payouts	-	-	\$19,501	\$19,501	100 %
Reclassifications	-	-	\$6,388	\$6,388	100 %
Vacation Trade Payouts	\$25,700	-	-	-	-
<b>Total Vacancy Sav/Payouts/Reclass</b>	<b>(\$123,513)</b>	<b>(\$29,201)</b>	<b>(\$60,104)</b>	<b>(\$30,903)</b>	<b>51 %</b>

**Actual to Revised Budget variance of (\$30,903) or 51%:** The unfavorable variance is due to; 1) the recession - the number of vacant positions and the length of time a position is vacant has decreased significantly and is about half of the projected amount; and 2) medical and vacation leave accrual payouts are significantly greater than projected as a result of the July 2, 2009 reduction in force.

**Contractual Services**

This category includes expenditures for services performed by firms, individuals, or other City departments.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$23,735,759	\$23,919,980	(\$99,981)	\$23,819,999	-

**Approved Adjustments of (\$99,981)** were approved by City Council on July 2, 2009 and November 3, 2009. The July 2, 2009 adjustments include discontinuing the participation with Valley Metro Rail, Inc. and eliminating dust treatment on three miles of unpaved roads. The November 3, 2009 adjustment reflects a budget transfer from Commodities to Contractual Services to more appropriately account for Police Officers providing traffic control during major traffic signal maintenance repair operations.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$9,515,641	\$5,064,546	\$6,060,388	\$995,842	16 %

**Actual to Revised Budget variance of \$995,842 or 16%:** This favorable variance is primarily the result of a timing issue to the transit contract for bus services. Services have been provided and invoices have not been received from the vendors as anticipated.

**Commodities**

This classification includes supplies, repair and replacement parts, small tools, and maintenance and repairs.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$837,047	\$826,797	(\$8,000)	\$818,797	-

**Approved Adjustments of (\$8,000)** were approved by City Council on November 3, 2009 and reflect a budget transfer from Commodities to Contractual Services to more appropriately account for Police Officers providing traffic control during major traffic signal maintenance repair operations.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$384,858	\$173,987	\$314,644	\$140,657	45 %

**Actual to Revised Budget variance Budget of \$140,657 or 45%:** The variance is primarily related to the timing of invoices. For example, bus passes have been purchased for customers that are sold at various City libraries and senior centers. However, the invoices have not been received by the vendors as anticipated.

**Capital Outlays**

Capital outlays include the purchase of land, the purchase of construction of buildings, structures, and facilities, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) have a unit cost of \$5,000 or more; and (3) be a betterment or improvement.

Fiscal Year (Twelve Months)				
<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
\$47,275	\$18,235	\$113,462	\$131,697	-

**Approved Adjustments of \$113,462** were approved by City Council on November 3, 2009 and reflects carry-forward vehicle purchases for Public Works and Water Resources. A culvert cleaner and dust suppression system were budgeted for purchase in FY 2008/09. However, delays ensued and the vehicles were not received until FY 2009/10.

Year-to-Date November 2009				
<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
\$14,558	\$118,740	\$120,962	\$2,222	2 %

**Actual to Revised Budget variance Budget of \$2,222 or 2%:** No explanation is necessary.

**Transfers-Out**

Transfers-Out represents the authorized exchanges of cash between funds, divisions, departments and capital projects.

	Fiscal Year (Twelve Months)				
	<u>2008/09 Actual</u>	<u>2009/10 Adopted Budget</u>	<u>2009/10 Approved Adjustments</u>	<u>2009/10 Revised Budget</u>	<u>2009/10 Proposed Adjustments</u>
CIP Fund - Privilege Tax Allocation	\$8,237,135	\$7,172,550	-	\$7,172,550	-
CIP Fund - Tech. ReplacementAllocation	\$57,500	\$69,600	-	\$69,600	-
<b>Total Transfers Out</b>	<b>\$8,294,635</b>	<b>\$7,242,150</b>	<b>-</b>	<b>\$7,242,150</b>	<b>-</b>

	Year-to-Date November 2009				
	<u>2008/09 Actual</u>	<u>2009/10 Actual</u>	<u>2009/10 Revised Budget</u>	<u>Variance Favorable Unfavorable</u>	<u>% Var</u>
CIP Fund - Privilege Tax Allocation	-	-	-	-	-
CIP Fund - Tech. ReplacementAllocation	-	-	-	-	-
<b>Total Transfers Out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Actual to Revised Budget variance of \$0 or 0%:** No explanation is necessary. The budgeted transfers will be made in June 2010.



## Privilege (Sales), Use & Bed Tax Collections For November 2009 (For Business Activity in October 2009)

Appendix 1 contains information regarding the “actual” revenue collections from the 1.0 percent privilege and use tax reflected in the General Fund, 0.2 percent dedicated Transportation Privilege Tax, and 0.2 percent dedicated Preserve Privilege and Use Taxes, 0.15 percent additional dedicated Preserve Privilege and Use Taxes, 0.1 percent dedicated Public Safety Privilege and use taxes, including adjustments for related license revenues, late collections and audits. While the report includes the actual year-to-date tax collections for the funds previously noted, only the General Fund portion (1.0 percent) of the tax is unrestricted and available for general government purposes.

1% Privilege (Sales) & Use Tax (in Millions)	Fiscal Year to Date November 2009	
Budget	\$29.8	\$6.1
Actual	\$30.8	\$6.2
Favorable Variance (\$)	\$1.0	\$0.1
Favorable Variance (%)	3%	1%

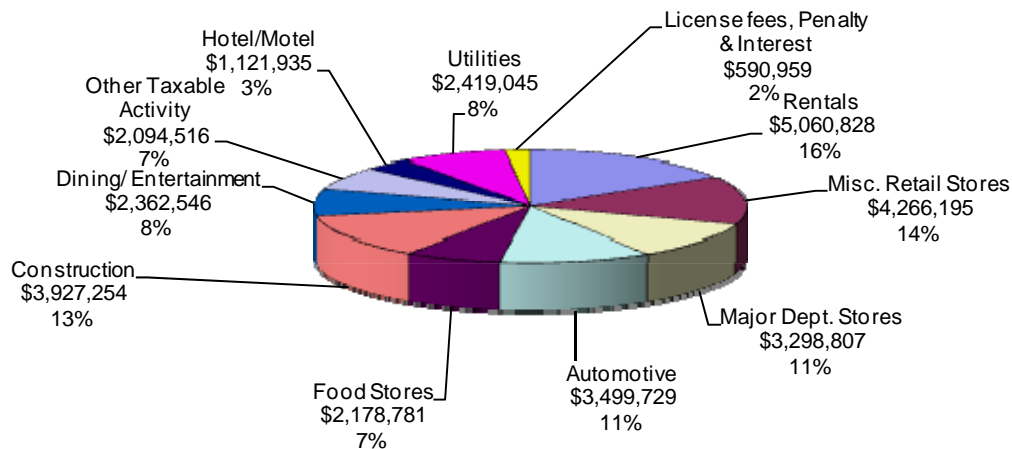
The report shows a fiscal year privilege and use tax collection decrease of 15 percent compared to the same period a year ago; forecasted to be a decrease of 18 percent. The report shows a monthly privilege and use tax collection decrease of 4 percent for November 2009 compared to November 2008; forecasted to be a decrease of 5 percent.

### Privilege (Sales) & Use Tax by Category (1% Amount Only - General Purpose)

Category	Fiscal Year (Twelve Months)					
	2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
	Actual	Actual	Adopted Budget	Approved Adjustments	Revised Budget	Proposed Adjustments
Rentals	\$ 13,530,770	\$ 12,467,197	\$ 13,060,000	\$ -	\$ 13,060,000	\$ -
Misc. Retail Stores	15,214,235	12,064,666	10,820,000	-	10,820,000	-
Major Dept. Stores	9,929,492	8,806,516	8,110,000	-	8,110,000	-
Automotive	14,227,007	9,596,981	7,763,000	-	7,763,000	-
Food Stores	6,528,574	6,295,756	6,442,000	-	6,442,000	-
Construction	19,474,442	13,538,414	6,200,000	-	6,200,000	-
Dining/ Entertainment	7,781,402	6,909,459	6,040,000	-	6,040,000	-
Other Taxable Activity	6,058,754	6,248,034	5,520,000	-	5,520,000	-
Hotel/Motel	5,464,615	4,400,462	4,780,000	-	4,780,000	-
Utilities	4,509,451	4,431,613	4,730,000	-	4,730,000	-
License fees, Penalty & Interest	2,599,008	2,569,286	2,435,000	-	2,435,000	-
<b>Total</b>	<b>\$ 105,317,750</b>	<b>\$ 87,328,385</b>	<b>\$ 75,900,000</b>	<b>\$ -</b>	<b>\$ 75,900,000</b>	<b>\$ -</b>
% Change		-17%	-13%		-13%	

Category	Fiscal Year-to-Date November					
	2007/08	2008/09	2009/10	2009/10	Actual vs Budget	
	Actual	Actual	Actual	Budget	Variance Favorable (Unfavorable)	% Var Actual vs Budget
Rentals	\$ 5,366,916	\$ 5,208,460	\$ 5,060,828	\$ 5,282,903	\$ (222,075)	-4%
Misc. Retail Stores	5,840,574	4,679,924	4,266,195	4,149,397	116,798	3%
Major Dept. Stores	3,897,271	3,327,161	3,298,807	3,095,758	203,049	7%
Automotive	6,263,257	4,369,834	3,499,729	3,393,283	106,446	3%
Food Stores	2,478,001	2,370,468	2,178,781	2,381,697	(202,916)	-9%
Construction	8,716,164	6,762,539	3,927,254	3,000,851	926,403	31%
Dining/ Entertainment	2,887,904	2,487,736	2,362,546	2,256,536	106,010	5%
Other Taxable Activity	2,291,102	2,564,198	2,094,516	2,177,016	(82,500)	-4%
Hotel/Motel	1,659,344	1,490,893	1,121,935	1,425,673	(303,737)	-21%
Utilities	1,977,289	2,025,039	2,419,045	2,075,786	343,258	17%
License fees, Penalty & Interest	723,950	733,297	590,959	574,970	15,989	3%
<b>Total</b>	<b>\$ 42,101,772</b>	<b>\$ 36,019,548</b>	<b>\$ 30,820,596</b>	<b>\$ 29,813,871</b>	<b>\$ 1,006,725</b>	<b>3%</b>
% Change		-14%	-14%			

### \$30.8M Revenue



**Rental Sales Taxes**

The rental category includes rentals of commercial and residential real property and personal property rentals.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 13,530,770	\$ 12,467,197	\$ 13,060,000	\$ -	\$ 13,060,000	\$ -
% Change	-8%	5%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget	
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance	% Var
				Favorable	Actual vs
				(Unfavorable)	Budget
\$ 5,366,916	\$ 5,208,460	\$ 5,060,828	\$ 5,282,903	\$ (222,075)	-4%

**Actual to Revised Budget of (\$222,075) or (4%):** Vacancies are increasing and lease rates are lower than expected.

**Miscellaneous Retail Stores Sales Taxes**

This category includes smaller retail stores, such as small clothing stores, art galleries, luggage stores, home furnishing stores, jewelry stores, drug stores, hobby stores, household appliance stores, sporting goods stores, and pet supply stores.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 15,214,235	\$ 12,064,666	\$ 10,820,000	\$ -	\$ 10,820,000	\$ -
% Change	-21%	-10%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget	
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance	% Var
				Favorable	Actual vs
				(Unfavorable)	Budget
\$ 5,840,574	\$ 4,679,924	\$ 4,266,195	\$ 4,149,397	\$ 116,798	3%

**Actual to Revised Budget variance of \$116,798 or 3%:** No specific reason for the variance.

**Major Department Stores Sales Taxes**

Includes large department stores, warehouse clubs, supercenters, and discount department stores.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 9,929,492	\$ 8,806,516	\$ 8,110,000	\$ -	\$ 8,110,000	\$ -
% Change	-11%	-8%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget Variance Favorable (Unfavorable)	% Var Actual vs Budget
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>		<u>Budget</u>
\$ 3,897,271	\$ 3,327,161	\$ 3,298,807	\$ 3,095,758	\$ 203,049	7%

**Actual to Budget variance of \$203,049 or 7%:** This reflects two large one-time audit payments and the opening of a new department store.

### **Automotive Sales Taxes**

The automotive category includes businesses such as automobile dealers, car repair shops and car leasing companies.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 14,227,007	\$ 9,596,981	\$ 7,763,000	\$ -	\$ 7,763,000	\$ -
% Change	-33%	-19%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget Variance Favorable (Unfavorable)	% Var Actual vs Budget
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>		<u>Budget</u>
\$ 6,263,257	\$ 4,369,834	\$ 3,499,729	\$ 3,393,283	\$ 106,446	3%

**Actual to Revised Budget variance of \$106,446 or 3%:** The Cash for Clunkers program appears to have increased sales for the months in which it was available. This also reflects a large one-time audit payment.

### **Food Stores Sales Taxes**

Includes businesses such as grocery stores, candy stores, meat markets and convenience stores.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 6,528,574	\$ 6,295,756	\$ 6,442,000	\$ -	\$ 6,442,000	\$ -
% Change	-4%	2%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget Variance Favorable (Unfavorable)	% Var Actual vs Budget
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>		<u>Budget</u>
\$ 2,478,001	\$ 2,370,468	\$ 2,178,781	\$ 2,381,697	\$ (202,916)	-9%

**Actual to Revised Budget variance of (\$202,916) or (9%)** due to a change in consumer spending to lower priced products, a grocery store chain declaring bankruptcy, decreasing food costs, and an increased use of food stamps which are not taxed. This also reflects some late payments from a year ago.



**Construction Sales Taxes**

The construction tax is collected on all construction activity; commercial and residential; new and re-model.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Approved</u>	<u>Revised</u>	<u>Proposed</u>
		<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
\$ 19,474,442	\$ 13,538,414	\$ 6,200,000	\$ -	\$ 6,200,000	\$ -
% Change	-30%	-54%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance	Actual vs
				Favorable	Budget
				(Unfavorable)	
\$ 8,716,164	\$ 6,762,539	\$ 3,927,254	\$ 3,000,851	\$ 926,403	31%

**Actual to Revised Budget variance of \$926,403 or 31%** reflecting higher construction activity than forecasted, a carryover consistent with FY 2008/09 permit activity. Because of the variance, the forecasting model is being reviewed regarding the ratio of tax collected per dollar of building permit valuation.

**Dining/Entertainment Sales Taxes**

The restaurant category includes restaurants, bars and caterers.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Approved</u>	<u>Revised</u>	<u>Proposed</u>
		<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
\$ 7,781,402	\$ 6,909,459	\$ 6,040,000	\$ -	\$ 6,040,000	\$ -
% Change	-11%	-13%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance	Actual vs
				Favorable	Budget
				(Unfavorable)	
\$ 2,887,904	\$ 2,487,736	\$ 2,362,546	\$ 2,256,536	\$ 106,010	5%

**Actual to Revised Budget variance of \$106,010 or 5%:** No specific reason for the variance.

**Other Taxable Activity Sales Taxes**

This category includes tax reported by movie theatres, golf courses, interior designers, advertising, wholesalers, and manufacturers.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Approved</u>	<u>Revised</u>	<u>Proposed</u>
		<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
\$ 6,058,754	\$ 6,248,034	\$ 5,520,000	\$ -	\$ 5,520,000	\$ -
% Change	3%	-12%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget Variance Favorable	% Var Actual vs Budget
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>	<u>Budget</u>
\$ 2,291,102	\$ 2,564,198	\$ 2,094,516	\$ 2,177,016	\$ (82,500)	-4%

**Actual to Revised Budget variance of (\$82,500) or (4%):** No specific reason for the variance.

#### **Hotel/Motel Sales Taxes**

Includes the tax for the activity of renting lodging space on a short-term basis and other activities provided at the hotel/motel.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 5,464,615	\$ 4,400,462	\$ 4,780,000	\$ -	\$ 4,780,000	\$ -
% Change	-19%	9%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget Variance Favorable	% Var Actual vs Budget
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>	<u>Budget</u>
\$ 1,659,344	\$ 1,490,893	\$ 1,121,935	\$ 1,425,673	\$ (303,737)	-21%

**Actual to Revised Budget variance of (\$303,737) or (21%):** The reduction is attributable to declining occupancy in the local market as a result of conditions in the national economy. These conditions have contributed to group cancellations and less leisure travel nationwide, particularly in the major fly-in markets such as Scottsdale/Phoenix. Occupancy and room rates are down significantly.

#### **Utilities Sales Taxes**

Taxes of businesses that provide telecommunication, electricity, gas or water services.

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Approved Adjustments</u>	<u>Revised Budget</u>	<u>Proposed Adjustments</u>
\$ 4,509,451	\$ 4,431,613	\$ 4,730,000	\$ -	\$ 4,730,000	\$ -
% Change	-2%	7%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget Variance Favorable	% Var Actual vs Budget
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>	<u>Budget</u>
\$ 1,977,289	\$ 2,025,039	\$ 2,419,045	\$ 2,075,786	\$ 343,258	17%

**Actual to Revised Budget variance of \$343,258 or 17%** due to a one-time audit payment.

**License Fees, Penalty & Interest**

Fiscal Year (Twelve Months)					
2007/08	2008/09	2009/10	2009/10	2009/10	2009/10
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Approved</u>	<u>Revised</u>	<u>Proposed</u>
		<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Adjustments</u>
\$ 2,599,008	\$ 2,569,286	\$ 2,435,000	\$ -	\$ 2,435,000	\$ -
% Change	-1%	-5%			

Fiscal Year-to-Date November					
2007/08	2008/09	2009/10	Revised	Actual vs Budget	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance	Actual vs
				Favorable	Budget
				(Unfavorable)	
\$ 723,950	\$ 733,297	\$ 590,959	\$ 574,970	\$ 15,989	3%

**Actual to Revised Budget variance of \$15,989 or 3%. No specific reason.**

**Privilege (Sales) and Use Tax by Category (General & Dedicated Funds - 1.65%)**

Category	Fiscal Year-to-Date November				November			
	2007/08	2008/09	2009/10	% Var	2007	2008	2009	% Var
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
Rentals	\$ 8,835,346	\$ 8,582,815	\$ 8,340,861	-3%	\$ 1,783,039	\$ 1,486,745	\$ 1,621,591	9%
Misc. Retail Stores	9,516,608	7,640,519	6,953,120	-9%	1,998,090	1,300,798	1,488,622	14%
Major Dept. Stores	6,423,844	5,484,764	5,425,954	-1%	1,251,794	904,004	1,093,834	21%
Automotive	10,316,412	7,190,976	5,739,631	-20%	1,927,402	1,126,747	1,071,536	-5%
Food Stores	4,086,634	3,909,816	3,593,161	-8%	1,006,567	936,947	784,049	-16%
Construction	14,361,205	11,098,254	6,478,536	-42%	2,850,059	1,740,289	1,282,624	-26%
Dining/ Entertainment	4,761,453	4,099,793	3,895,459	-5%	995,968	751,111	874,779	16%
Other Taxable Activity	3,718,748	4,180,922	3,377,428	-19%	817,739	738,171	596,660	-19%
Hotel/Motel	2,725,580	2,438,192	1,845,724	-24%	843,962	758,464	515,900	-32%
Utilities	3,257,872	3,331,670	3,831,437	15%	638,041	624,257	649,631	4%
License fees, Penalty & Interest	723,950	733,297	590,959	-19%	187,147	123,959	113,502	-8%
<b>Total</b>	<b>\$ 68,727,652</b>	<b>\$ 58,691,018</b>	<b>\$ 50,072,270</b>	<b>-15%</b>	<b>\$ 14,299,809</b>	<b>\$ 10,491,494</b>	<b>\$ 10,092,728</b>	<b>-4%</b>
% Change		-15%				-27%		

**Dedicated Funds**

**Transportation Fund (0.20%)**

Fiscal Year-to-Date November

2007/08	2008/09	2009/10	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 8,049,041	\$ 6,857,943	\$ 5,736,813	-16%

November

2007	2008	2009	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 1,672,589	\$ 1,224,739	\$ 1,176,458	-4%

**1995 McDowell Preserve Fund (0.20%)**

Fiscal Year-to-Date November

2007/08	2008/09	2009/10	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 8,275,554	\$ 7,057,242	\$ 6,045,917	-14%

November

2007	2008	2009	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 1,716,925	\$ 1,261,263	\$ 1,214,260	-4%

**2004 McDowell Preserve Fund (0.15%)**

Fiscal Year-to-Date November

2007/08	2008/09	2009/10	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 6,180,774	\$ 5,253,773	\$ 4,481,369	-15%

November

2007	2008	2009	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 1,283,107	\$ 945,126	\$ 910,321	-4%

**Public Safety Fund (0.10%)**

Fiscal Year-to-Date November

2007/08	2008/09	2009/10	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 4,120,511	\$ 3,502,512	\$ 2,987,576	-15%

November

2007	2008	2009	% Var
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>vs 2008</u>
\$ 855,404	\$ 630,083	\$ 606,881	-4%

## Bed Tax Collections For November 2009

(For Business Activity in October 2009)

The following schedule shows that bed tax receipts on a cash basis (including short-term apartment rentals) are less than expected for fiscal year-to-date and November 2009.

3% Bed Tax (in Thousands)	Fiscal Year to Date	November 2009
Budget	\$2,099.0	\$650.0
Actual	\$1,867.0	\$547.6
Unfavorable Variance (\$)	(\$232.0)	(\$102.4)
Unfavorable Variance (%)	-11%	-14%

The schedule below shows Hotel/Motel year-to-date actual business activity (excluding short-term apartment rentals) as compared to the same period last fiscal year. Business activity recognizes revenue when it becomes available and is measurable. For example, if a payment is late but arrives prior to reporting, the payment is included below as revenue.

Note: the business activity for bed tax collections has a one month lag.

<u>Hotel/Motel</u>	Business Activity	% Var vs	Business	% Var
	Fiscal Year	2008 FYTD	Activity	vs 2008
	<u>To Date</u>	<u>Actual</u>	<u>October 2009</u>	<u>Actual</u>
Resort	\$1,047,203	-19%	\$330,094	-29%
Full Service	\$436,986	-10%	\$136,975	-7%
Limited Service	\$389,119	-31%	\$119,732	-28%
Total	<u>\$1,873,308</u>	<u>-20%</u>	<u>\$586,801</u>	<u>-24%</u>

The limited service hotels show a greater decline than the other hotel classifications. There are a couple of possible explanations. The customers that normally stay at the limited service hotels are no longer traveling or they are upgrading to the full service hotels since the rates per available room have decreased across all the classifications making the full service hotels within the price that they are willing to pay.

**City of Scottsdale  
General Fund**

	Actual FY 2008/09	Adopted Budget FY 2009/10	Revised Budget FY 2009/10
<b>Beginning Fund Balance:</b>			
General Fund Reserve	\$28,131,257	\$25,860,367	\$25,860,367
Photo Enforcement Loop 101 Program - Contingency	\$1,626,388	\$0	\$0
Operating Contingency	\$2,500,000	\$5,000,000	\$5,000,000
Liabilities Reserve	\$0	\$0	\$0
Unreserved Fund Balance	\$12,010,835	\$3,836,635	\$10,769,902
<b>Total Beginning Fund Balance</b>	<b>\$44,268,480</b>	<b>\$34,697,002</b>	<b>\$41,630,269</b>
<b>Source of Funds:</b>			
<b>Revenues:</b>			
<b>Sales Taxes</b>			
General Purpose Sales Tax	\$87,328,386	\$75,900,000	\$75,900,000
Public Safety	\$8,429,071	\$7,362,300	\$7,362,300
<b>Total Sales Taxes</b>	<b>\$95,757,457</b>	<b>\$83,262,300</b>	<b>\$83,262,300</b>
<b>State Shared Revenues</b>			
State Revenue Sharing	\$35,102,991	\$30,308,042	\$30,308,948
State Shared Sales Tax	\$18,935,910	\$18,047,839	\$17,854,814
Auto Lieu Tax	\$8,151,324	\$8,000,000	\$8,000,000
<b>Total State Shared Revenues</b>	<b>\$62,190,225</b>	<b>\$56,355,881</b>	<b>\$56,163,762</b>
<b>Charges for Services/Other</b>			
<i>Taxes - Local</i>			
Stormwater Water Quality Charge	\$814,326	\$863,000	\$863,000
<i>Licenses, Permits &amp; Fees</i>			
Building Permit Fees & Charges	\$6,911,195	\$8,149,000	\$8,149,000
Recreation Fees	\$3,206,506	\$3,022,000	\$3,022,000
WestWorld	\$2,663,389	\$2,888,000	\$2,873,000
Fire Service Charges	\$1,752,393	\$2,350,000	\$1,244,946
Business Licenses & Fees	\$1,733,104	\$1,680,000	\$1,680,000
<i>Fines &amp; Forfeitures</i>			
Court Fines	\$6,670,715	\$7,166,300	\$7,156,414
Photo Enforcement Revenue	\$1,683,826	\$1,655,700	\$1,655,700
Photo Enforcement Loop 101 Program	\$781,933	\$0	\$0
Parking Fines	\$422,697	\$495,000	\$504,886
Library Fines & Fees	\$302,729	\$389,640	\$299,640
30 Day Tow Program	\$200,000	\$400,000	\$0
<i>Interest Earnings/Property Rental</i>			
Interest Earnings	\$3,690,990	\$1,656,860	\$1,656,860
Property Rental	\$3,222,002	\$3,194,029	\$3,194,029
<i>Other Revenue</i>			
Indirect/Direct Cost Allocation	\$12,936,936	\$14,773,794	\$15,173,794
Intergovernmental Revenue	\$1,160,325	\$1,049,900	\$932,057
Capital Improvement Plan Cost Allocation	\$901,002	\$861,588	\$861,588
Miscellaneous	\$643,477	\$1,000,000	\$1,016,400
Reimbursements	\$455,408	\$350,000	\$365,000
<b>Total Charges for Services/Other</b>	<b>\$50,152,953</b>	<b>\$51,944,811</b>	<b>\$50,648,314</b>
<b>Property Tax</b>	<b>\$22,607,397</b>	<b>\$23,654,407</b>	<b>\$23,654,407</b>
<b>Franchise Fees and In-Lieu Taxes</b>			
Electric Franchise	\$7,791,429	\$8,400,000	\$8,400,000
Enterprise Franchise Fees	\$6,355,534	\$6,684,785	\$6,684,785
Cable TV Franchise	\$3,565,549	\$3,600,000	\$3,600,000
Enterprise In Lieu Property Tax	\$2,453,184	\$2,675,320	\$2,675,320
Salt River Project Lieu Tax	\$139,220	\$139,000	\$139,000
	<b>\$20,304,915</b>	<b>\$21,499,105</b>	<b>\$21,499,105</b>
<b>Bed Tax Revenues</b>	<b>\$1,524,624</b>	<b>\$8,231,300</b>	<b>\$8,231,300</b>
<b>Total Revenues</b>	<b>\$252,537,572</b>	<b>\$244,947,804</b>	<b>\$243,459,188</b>

**City of Scottsdale  
General Fund**

	Actual FY 2008/09	Adopted Budget FY 2009/10	Revised Budget FY 2009/10
<b>Cash Transfers In</b>			
CIP	\$13,935,983	\$9,000,000	\$9,000,000
Self Insurance Fund	\$5,000,000	\$0	\$0
Special Programs Fund (Cultural Council)	\$0	\$300,000	\$300,000
Miscellaneous	\$0	\$0	\$0
Community Services/Human Services	\$130,000	\$130,000	\$130,000
Water Campus Security	\$454,438	\$0	\$454,438
<b>Subtotal</b>	<b>\$19,520,421</b>	<b>\$9,430,000</b>	<b>\$9,884,438</b>
<b>Total Sources</b>	<b>\$272,057,993</b>	<b>\$254,377,804</b>	<b>\$253,343,626</b>
<b>Use of Funds:</b>			
<b>Departments</b>			
Mayor & City Council (includes Intergovernmental Relations)	\$1,586,718	\$0	\$0
City Clerk	\$1,156,255	\$904,960	\$932,987
City Attorney	\$6,220,155	\$6,384,959	\$6,421,211
City Auditor	\$996,880	\$837,820	\$826,778
City Court	\$5,772,082	\$4,699,829	\$4,601,732
City Manager	\$1,589,673	\$0	\$0
CAPA	\$1,321,658	\$0	\$0
Police	\$88,325,246	\$0	\$0
Financial Services	\$9,586,311	\$0	\$0
Transportation - Trails	\$122,779	\$0	\$0
Community Services	\$60,380,301	\$0	\$0
Information Technology	\$9,887,882	\$10,333,523	\$9,938,557
The Downtown Group	\$4,479,442	\$0	\$0
Fire	\$30,732,995	\$0	\$0
Municipal Services	\$1,673,284	\$0	\$0
Citizen & Neighborhood Resources	\$3,690,887	\$0	\$0
Human Resources	\$3,439,680	\$0	\$0
Economic Vitality	\$1,323,377	\$11,208,383	\$10,884,609
Planning & Development (includes Preservation)	\$16,619,675	\$0	\$0
WestWorld	\$3,608,139	\$0	\$0
Inventory/Other	\$249,694	\$0	\$0
<b>Divisions (FY 2009/10 Reorganization)</b>			
Scottsdale City Council	\$0	\$790,904	\$716,023
Strategic Resources Group	\$0	\$1,742,708	\$1,613,279
Community Services	\$0	\$38,499,263	\$37,874,525
Public Safety	\$0	\$116,256,382	\$112,987,474
Public Works & Water Resources	\$0	\$18,983,113	\$18,388,388
Planning, Neighborhoods and Transportation	\$0	\$15,586,164	\$15,320,033
Financial Management	\$0	\$7,763,582	\$7,550,818
Human Resources	\$0	\$4,597,436	\$4,222,039
Leave Accrual Payments	\$0	\$1,790,184	\$826,058
Estimated Personnel Savings from Vacant Positions	\$0	(\$5,000,000)	(\$4,087,980)
Future Budget Reductions/IOU		(\$12,536,834)	(\$493,420)
<b>Subtotal</b>	<b>\$252,763,113</b>	<b>\$222,842,376</b>	<b>\$228,523,111</b>
<b>Debt Service</b>			
Contracts Payable	\$2,634,686	\$2,724,356	\$2,724,356
Certificates of Participation	\$918,790	\$918,790	\$918,790
Certificates of Participation - Radio Financing	\$40,910	\$1,021,600	\$0
Other	\$4,963	\$0	\$0
<b>Subtotal</b>	<b>\$3,599,349</b>	<b>\$4,664,746</b>	<b>\$3,643,146</b>
<b>Total Operating Budget</b>	<b>\$256,362,462</b>	<b>\$227,507,122</b>	<b>\$232,166,257</b>

**City of Scottsdale  
General Fund**

	Actual FY 2008/09	Adopted Budget FY 2009/10	Revised Budget FY 2009/10
<b>Cash Transfers Out</b>			
MPC Excise Debt Fund	\$5,787,446	\$6,695,185	\$6,695,185
CIP - General Fund Maintenance	\$3,302,400	\$1,550,000	\$1,350,000
CIP - General Fund - Public Safety/Radios	\$0	\$0	\$0
CIP - General Fund - Non-Maintenance	\$0	\$9,000,000	\$9,000,000
CIP - Public Safety Radio - Loop 101	\$1,877,298	\$0	\$0
Transportation Fund	\$7,023,454	\$5,571,026	\$905,777
Bed Tax Fund	\$240,898	\$6,585,040	\$6,585,040
Special Programs Fund - Community Services	\$0	\$0	\$0
Special Programs Fund - Planning and Development Services	\$60,000	\$60,000	\$60,000
Streetlight Fund	\$37,245	\$0	\$0
Grants Fund	\$5,000	\$0	\$0
<b>Total Cash Transfers Out</b>	<b>\$18,333,741</b>	<b>\$29,461,251</b>	<b>\$24,596,002</b>
<b>Total Uses</b>	<b>\$274,696,203</b>	<b>\$256,968,373</b>	<b>\$256,762,259</b>
<b>Sources Over/(Under) Uses</b>	<b>(\$2,638,210)</b>	<b>(\$2,590,569)</b>	<b>(\$3,418,633)</b>
<b>Ending Fund Balance</b>			
General Fund Reserve	\$25,860,367	\$26,125,798	\$26,125,798
Photo Enforcement Loop 101 Program - Contingency	\$0	\$0	\$0
Operating Contingency	\$5,000,000	\$5,000,000	\$4,643,925
Unreserved Fund Balance	\$10,769,902	\$980,634	\$7,441,913
<b>Total Ending Fund Balance</b>	<b>\$41,630,269</b>	<b>\$32,106,432</b>	<b>\$38,211,636</b>



**City of Scottsdale  
Transportation Fund**

	Actual FY 2008/09	Adopted Budget FY 2009/10	Revised Budget FY 2009/10
<b>Beginning Fund Balance</b>	<b>(\$1,560,056)</b>	<b>\$0</b>	<b>\$31,891</b>
<b>Source of Funds:</b>			
<b>Revenues:</b>			
<i>Transportation Sales Tax</i>	\$16,474,270	\$14,345,100	\$14,345,100
<i>Highway User Revenue Tax</i>	\$14,141,719	\$14,187,000	\$14,187,000
<b>Other Revenues</b>			
Local Transportation Assistance Fund I	\$1,015,408	\$1,057,100	\$1,057,100
Capital Improvement Plan Cost Allocation	\$879,108	\$819,926	\$819,926
Local Transportation Assistance Fund II	\$432,214	\$0	\$0
Proposition 400 Regional Sales Tax	\$377,237	\$311,628	\$311,628
Charges for Services	\$247,561	\$1,568,364	\$1,568,364
Federal Grants	\$0	\$0	\$4,600,000
Miscellaneous	\$6,920	\$120,000	\$120,000
<b>Total Other Revenues</b>	<b>\$2,958,448</b>	<b>\$3,877,018</b>	<b>\$8,477,018</b>
<b>Total Revenues</b>	<b>\$33,574,437</b>	<b>\$32,409,118</b>	<b>\$37,009,118</b>
<b>Cash Transfers In</b>			
General Fund	\$7,023,454	\$5,571,026	\$905,777
Transportation CIP	\$1,500,000	\$0	\$0
Solid Waste - Alley Maintenance	\$334,012	\$358,550	\$358,550
<b>Subtotal</b>	<b>\$8,857,466</b>	<b>\$5,929,576</b>	<b>\$1,264,327</b>
<b>Total Sources</b>	<b>\$42,431,903</b>	<b>\$38,338,694</b>	<b>\$38,273,445</b>
<b>Use of Funds:</b>			
<b>Departments</b>			
Transportation	\$15,437,011	\$0	\$0
Municipal Services	\$17,108,310	\$0	\$0
<b>Divisions (FY 2009/10 Reorganization)</b>			
Planning, Neighborhoods, & Transportation	\$0	\$13,631,274	\$13,540,306
Public Works & Water Resources	\$0	\$17,649,008	\$17,645,526
Leave Accrual Payments	\$0	\$86,262	\$80,984
Estimated Personnel Savings from Vacant Positions	\$0	(\$270,000)	(\$235,521)
<b>Total Operating Budget</b>	<b>\$32,545,321</b>	<b>\$31,096,544</b>	<b>\$31,031,295</b>
<b>Cash Transfers Out</b>			
CIP Fund - Privilege Tax Allocation	\$8,237,135	\$7,172,550	\$7,172,550
CIP Fund - Tech. Replacement	\$57,500	\$69,600	\$69,600
<b>Total Cash Transfers Out</b>	<b>\$8,294,635</b>	<b>\$7,242,150</b>	<b>\$7,242,150</b>
<b>Total Uses</b>	<b>\$40,839,956</b>	<b>\$38,338,694</b>	<b>\$38,273,445</b>
<b>Sources Over/(Under) Uses</b>	<b>\$1,591,947</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Ending Fund Balance</b>	<b>\$31,891</b>	<b>\$0</b>	<b>\$31,891</b>