

City of Scottsdale, Arizona Adopted FY 2009/10 Budget

Budget Summary

Volume One



City Council

W.J. "Jim" Lane, Mayor
Lisa M. Borowsky
Wayne Ecton
Suzanne Klapp
Robert W. Littlefield
Ron McCullagh
Tony Nelssen

Administrative Staff

John Little,
City Manager
David Ellison,
Executive Committee Chair
Scott McCarty,
Chief Financial Officer

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Mayor and City Council’s Mission

The mission of the City of Scottsdale is to cultivate citizen trust by fostering and practicing open, accountable, and responsive government; providing quality core services; promoting long-term prosperity; planning and managing growth in harmony with the City’s unique heritage and desert surroundings; strengthening the City’s standing as a preeminent destination for tourism; and promoting livability by enhancing and protecting neighborhoods. Quality of life shall be the City’s paramount consideration.



Mayor W.J. “Jim” Lane

Mayor Lane began his first term as Mayor in January 2009. He previously served a term on the Scottsdale City Council from June 2004 until his election as Mayor. Mayor Lane served on the 2002 Scottsdale Fire & EMS Advisory Committee, which was convened to evaluate and make recommendations to the city regarding the desired level of fire and emergency medical services relative to cost. He now represents the city as a member of the National League of Cities Public Safety and Crime Prevention Steering Committee. His community service also includes six years on the Scottsdale Paradise Valley YMCA Board of Management. He chaired the 1999 Kids Campaign

annual fund raising effort. He came to Scottsdale from New Jersey in 1973 to take a position with KPMG (Peat Marwick), an international CPA firm. He worked as an active CPA for twenty years with five of those years in public accounting as a financial statement auditor. Mayor Lane has owned and operated businesses in construction, mining, computer technology, telecommunications and regional aviation. He currently owns the financial consulting company of Chatham Hill Group LLC. Mayor Lane is also an adjunct professor of business and accounting at Scottsdale Community College. He holds a bachelor’s degree in accounting from Saint Joseph’s University in Philadelphia.

Mayor and City Council's Broad Goals

Goal A: Neighborhoods

Enhance and protect a diverse, family-oriented community where neighborhoods are safe, protected from adverse impacts, well maintained and actively revitalized.

Goal B: Environmental Sustainability & Preservation

Preserve Scottsdale's desert environment and natural resources, and honor the City's heritage and character.

Goal C: Transportation

Strengthen the transportation system for the safe, efficient and affordable movement of people and goods.

Goal D: Economy

Position Scottsdale for short- and long-term economic prosperity by strengthening, expanding and diversifying our economic resources.

Goal E: Public Safety

Protect Scottsdale residents and visitors by providing quality public safety and homeland security services.

Goal F: Fiscal and Resource Management

Provide the means to reach other goals by ensuring Scottsdale is fiscally responsible and fair in its management of taxpayer money and City assets, and coordinates land use and infrastructure planning within the context of financial demands and available resources.

Goal G: Open and Responsive Government

Make government accessible, responsive and accountable so that decisions reflect community input and expectations.

Note: See Program Budget Matrix on pages 139-142.



Councilwoman Lisa Borowsky

Councilwoman Borowsky began her first term on the Scottsdale City Council in January 2009. An attorney, she has limited her practice to civil litigation since being admitted to the State Bar of Arizona in 1994. The majority of her legal career has focused on community association representation, specifically related to construction issues. She founded Borowsky Law in 2006, where she focuses on settlement-oriented representation. She has a broad background in real estate, real estate law and complex civil litigation. She is a member of the Arizona State Bar, Construction Law Section, and Maricopa County Bar Association. Councilwoman Borowsky is active in the Community Associations Institute and Arizona Association of Community Managers, which support and educate the community associations industry. She is a precinct committeeperson in the District 8 Republicans organization and has been active at the State Legislature as a proponent on various issues, both professionally and personally. A native of the Valley, Councilwoman Borowsky completed her undergraduate degree at Arizona State University and her law degree at St. John's University, School of Law.



Councilman Wayne Ecton

Councilman Ecton was elected to his first term on the Scottsdale City Council in March 2002 and was reelected to a second term beginning in June 2006. Councilman Ecton served as a member of the Scottsdale Convention and Visitors Bureau Board from July 2004 through June 2009. He was appointed to the Regional Public Transportation Authority Board in October 2006 and currently service as chairman of the Budget Subcommittee and chairman of the RPTA Board. He previously served on the Big Box Ideas Team, which helped the city develop an ordinance to regulate the placement and appearance of "big box" retail buildings. A Scottsdale resident since 1996, Councilman Ecton has been a member of the Honorable Order of Kentucky Colonels since 1966. He is a member of the Friends of the McDowell Land Trust, the Scottsdale Center for the Arts, the Friends of the Library and the Scottsdale Historical Society. Councilman Ecton retired from Alcoa after 33 years in high-level financial management positions in the U.S. corporate headquarters and international and U.S. operating locations. He holds a bachelor's degree in business. He was also a member of the Financial Executives Institute until his retirement.



Councilwoman Suzanne Klapp

Councilwoman Klapp began her first term on the Scottsdale City Council in January 2009. She previously served as a member of the city's Districts Advisory Task Force. Councilwoman Klapp has been involved in business management in manufacturing, distribution and retail operations for 36 years. She worked for 14 years with the Whirlpool Corp. in a variety of staff and operations management positions in marketing, human resources, production and material control. She owned a custom injection molding plastics plant, was general manager of a logistics center for a framing products distributor and then joined the FastFrame custom framing franchise stores as a retailer in the Los Angeles area. She moved to Scottsdale in 1998 and since then has owned custom framing retail stores in Scottsdale and Phoenix. She is also Arizona regional developer for the FastFrame group of stores. She is active in the Scottsdale Area Chamber of Commerce, Rotary Club of Pinnacle Peak, Scottsdale Sister Cities, Scottsdale Mountain Community Association Board, Women of Scottsdale, and Legislative District 8 Republican Committee. She is a graduate of Valley Leadership. She has a bachelor's degree in English and journalism from the University of Evansville and a master's degree in business administration from Southern Methodist University.



Councilman Ron McCullagh

Councilman McCullagh began his first term on the Scottsdale City Council in June 2004 and was reelected to a second term that began in January 2009. Councilman McCullagh has lived in the Valley for 33 years and in Scottsdale for the past 17 years. His career experience includes

six years as a university professor and 20 years as a businessman in the financial services industry. He is retired. He is past president of Valley Citizens League. He serves or has served on the boards of Scottsdale Leadership, Scottsdale Sister Cities, Scottsdale Rotary Club and the District 8 Republican Executive Committee. He also serves on the Scottsdale Unified School District Grants Subcommittee and the Scottsdale Area Chamber of Commerce Public Policy Committee. He is a member of Scottsdale Leadership Class XVIII, Arizona Town Hall and the Arizona Tax Research Association. He holds bachelor's and master's degrees in business from the University of North Dakota, and a doctorate in business administration from the University of Florida.



Councilman Robert Littlefield

Councilman Littlefield was elected to his first term on the Scottsdale City Council in May 2002 and was reelected to a second term beginning in June 2006. Councilman Littlefield was the chairperson of the three-member City Council Budget Subcommittee for the FY 2006/07 budget. He also

previously served as the chairman of the 2004/05 City Council Budget Subcommittee. He currently serves as the chairman of the Audit Committee and the City Council Subcommittee on Water Issues. He is the founder and president of NetXpert Systems, Inc., a Scottsdale-based computer company. He also is a commercial pilot and flight instructor. Councilman Littlefield served 11 years as a board member in the Arcadia Scottsdale United Soccer Club and 20 years working with Scottsdale's kids as a youth soccer and baseball coach and soccer referee. He is a Joe Foss Institute Veteran Presenter and has been involved in a variety of other civic and professional organizations. A Vietnam combat veteran, Councilman Littlefield served in the U.S. Army from 1968 to 1970 and in the Arizona Army National Guard from 1971 to 1974. Councilman Littlefield holds a bachelor's degree in engineering from Arizona State University.



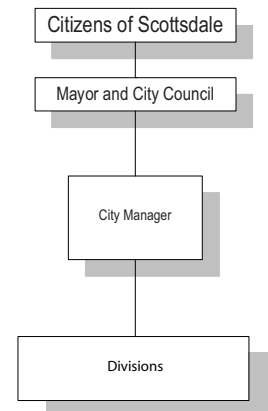
Councilman Tony Nelssen

Councilman Nelssen began his first term on the Scottsdale City Council in June 2006. He is a third generation native Arizonan and 21-year Scottsdale resident, has been active in civic affairs for more than two decades and has served on a variety of city commissions and advisory groups, as well as neighborhood and civic associations.

Councilman Nelssen was a member of the Planning Commission and the Parks and Recreation Commission. He served on the Desert Foothills Character Area Working Group, the Desert Subcommittee for the McDowell Sonoran Preserve Commission, the General Plan Task Force and the Wireless Ideas Team. He has been involved in many city initiatives, including the Environmentally Sensitive Lands Ordinance, the Desert Foothills Overlay, the city Trails Master Plan, Local Area Master Plan, Sign Ordinance, Rural Road Design Standards and Scenic Corridor Guidelines. He was a member of the Arizona State Heritage Fund Public Advisory Committee. He is a computer arts and digital photography instructor at Paradise Valley Community College, and has taught courses at Arizona State University, Phoenix College and Scottsdale Community College. He holds bachelor and master of fine arts degrees and a master of arts degree in secondary education from Arizona State University.

Form of Government and Organization

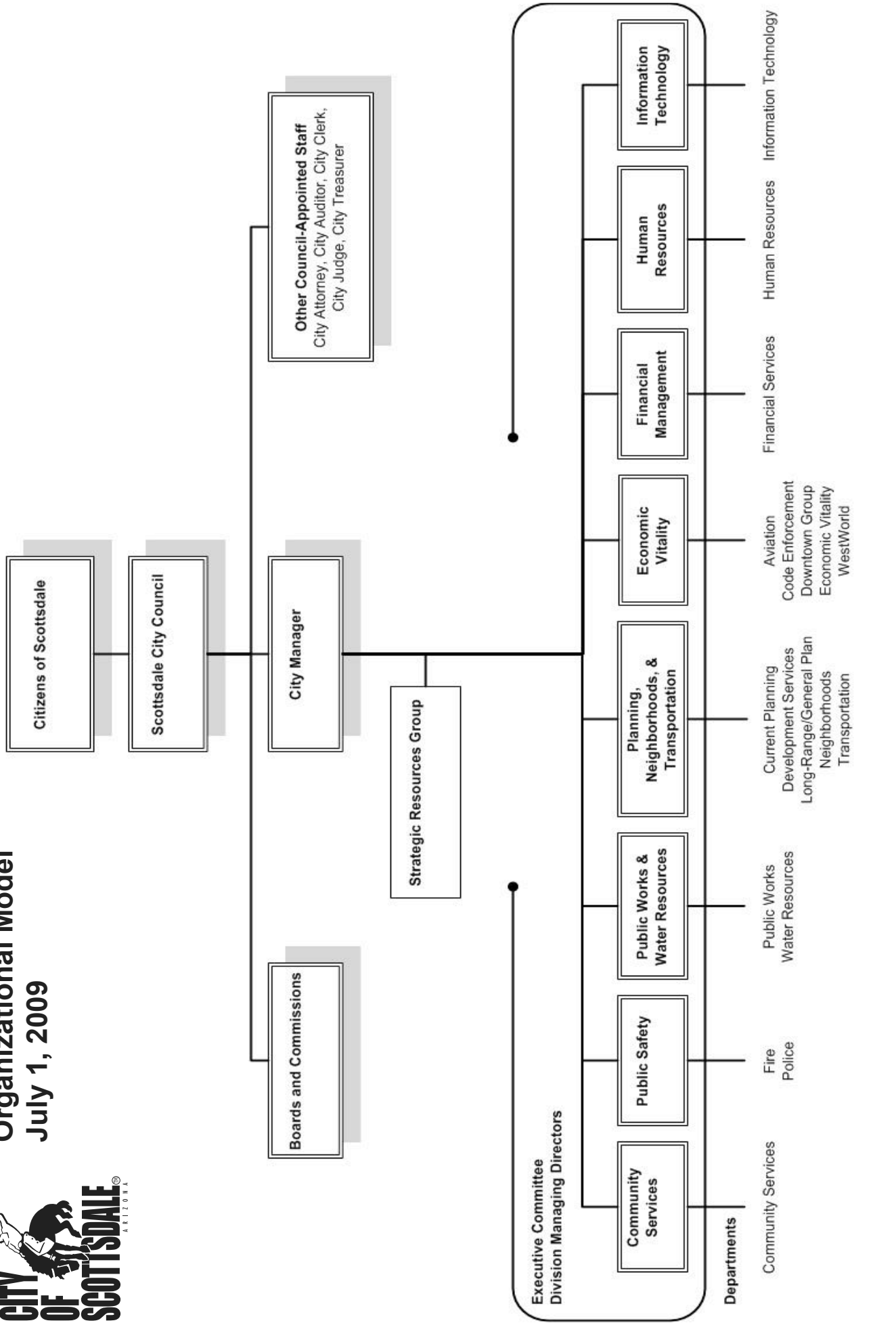
The Mayor and six City Council members are elected at large on a non-partisan ballot for a four-year term. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The City Manager, in turn, appoints City employees and Division Managing Directors under service procedures specified by the Charter.





Organizational Model

July 1, 2009





Budget Award for Fiscal Year 2008/09 Budget

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to the City of Scottsdale, Arizona for its annual budget for fiscal year beginning July 1, 2008. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operating guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

City Manager's Final Budget Transmittal



Aug. 18, 2009

Honorable Mayor and City Council:

I am pleased to transmit to you the published version of the 2009/10 City Budget, which is now available in print and electronic form.

This document is the culmination of the most challenging budget process in City history. A “perfect storm” of national and local economic factors brought major shifts in our revenue base. The national recession set the backdrop. Locally, some of our largest sales tax sources – construction and auto sales – were hit particularly hard. Closures and relocations of several auto dealers aggravated the situation. Finally, our tourism industry, so successful at marketing Scottsdale among the world’s highest quality destinations, was hit by the “AIG effect.”

We moved quickly and decisively to deal with the downturn. During the first half of the 2008/09 fiscal year, we had already taken action to close a \$40 million gap between revenues and expenses. For the 2009/10 budget year, the City Council, the new Budget Review Commission, our citizens and staff were faced with wrenching choices necessary to close an even larger gap – about \$65 million.

We collectively met the challenge. We did so without instituting any new taxes or raising tax rates. The Council was able to lower the City’s combined property tax rate from 79 cents to 74 cents per \$100 of assessed valuation. The Council also voted for the lowest increase in five years in utility fees, adding about 2.4 percent to a typical homeowner’s bill. We preserved the city’s bond ratings – the highest possible ratings from all three major ratings agencies.

In the process, we were able accomplish two even more important objectives:

- We were able to make the needed reductions while limiting the impacts on our direct services to citizens. We promised to affect them least and last, and we held to that commitment.
- We were able to restructure the City organization, reducing its size by 10 percent, streamlining the chain of command and combining similar work functions to be more efficient and effective. We positioned our organization to be more financially sustainable for the long term.

City Manager's Final Budget Transmittal

Changes like these do not come without pain. About 100 long-time employees accepted retirement incentives, and the last will leave by mid-September. More than 60 employees were laid off as we consolidated divisions and services. The people leaving take more than 2,500 years of Scottsdale experience with them. They will be missed.

The adopted and the revised budgets

The budget presented in the rest of this document, including the Executive Summary, represents the financial plan adopted by the Council on June 2. It includes placeholders for about \$12.5 million in additional reductions that were needed, at the time, to bring the General Fund into balance. The details of those reductions were not spelled out on June 2 and are not included in the budget document.

However, on July 2, just a day after the new budget took effect, the Council approved a package worth \$13 million to balance the General Fund budget as well as about \$1 million in reductions in other funds. The reductions are being incorporated in the City's operations as we move through the fiscal year.

One significant example is the number of positions eliminated as the City set out to reduce its payroll. The adopted budget shows the elimination of 207.15 full-time equivalent positions for 2009/10, a decrease of 7 percent. The July 2 adjustments eliminated an additional 70.98 FTEs, bringing the total number to 278.13, or 10 percent of the workforce.

Altogether, the July 2 package included more than \$7 million in additional cuts spread throughout City divisions and incorporated \$4.6 million in federal stimulus funding for street overlay projects, providing a one-time revenue source that helped us avoid deeper cuts to public services. Because of adjustments in timing for a major public safety radio project, we were also able to eliminate \$1 million in debt service included in the adopted budget.

These changes will be reflected in Monthly Financial Reports provided to the Council (and now shared with the Budget Review Commission). The Financial Management Division is reformatting and enhancing the reports. Our aim is to provide a clearer, up-to-date picture of our financial situation. The reports will be posted on the City's Web site and citizens looking for the most current information on City finances will be able to review them.

City Manager's Final Budget Transmittal

Thanks for your important work

Establishing the budget is one of the City's most important public policy processes. For Scottsdale, the budget is a year-round process that entails extensive planning, development by staff, management and legislative review, board and commission feedback including the newly created Budget Review Commission, citizen input and extensive City Council review and policy direction.

Everyone involved in the process this year worked very hard and helped make some of the toughest decisions our City has ever faced. I sincerely appreciate those efforts.

A special note of thanks goes to the Financial Management Division staff, the Human Resources staff, our department leaders and all other City staff members who participated in the planning and implementation of this budget.

Finally, I want to make a commitment to the citizens of Scottsdale. We are well aware that many of the people we serve are struggling to keep jobs, make house payments and balance their checkbooks. During such times, we are especially aware of our obligation to be responsible stewards of the public's dollars; so that we can provide the services our community counts on. We'll do everything we can to be there when you need us.

Respectfully Submitted,



John C. Little
City Manager

City Manager's Final Budget Transmittal



FY 2009/10 Executive Summary



Executive Summary

The City of Scottsdale's three budget volumes provide a comprehensive picture of the City's financial plan for 2009/10. This Executive Summary complements that information, highlighting information, issues and trends that shaped the budget.

The budget should be viewed not only in the context of the economic crisis of the past year, but also against a backdrop of significant change in the way the City is structured. The City's main functions are now consolidated under eight divisions, and budgets from previous years have been restated for comparative purposes.

Readers should also note that the 2009/10 budget formally approved by the City Council on June 2, 2009, included a \$12.5 million "placeholder" for further reductions. The Council on July 2, 2009, approved a package of expense reductions (mainly the reduction of occupied positions) and use of one-time revenue to balance the General Fund budget but these adjustments are not included in this document.

How the adopted budget will affect citizens and taxpayers

Within our limited resources the City continuously strives to balance citizens' expectations for high quality service levels and our need to use resources wisely and comply with federal and state mandates. The following is a summary of specific changes that will impact citizens or taxpayers in the coming fiscal year:

Few program and service reductions. The budget was created with the intention of impacting programs and services for citizens least and last. The City targeted low-demand periods or services in those few cases where service levels were reduced.

Property tax rate reduced. For FY 2009/10, the combined property tax rate of 74 cents per \$100 of assessed valuation is a 5-cent reduction. Taxes paid to local school districts comprise the largest portion of property tax bills, and City property taxes are approximately 11 percent of the total property tax bill. On a home with a \$400,000 market value, this is a \$20 reduction. The combined rate is 51 percent below the City's \$1.50 financial policy limit.

The City's ability to lower the tax rate is the result of using \$5.5 million in previously accumulated reserves to pay a portion of the annual debt service payments.

Utility charges will increase marginally. The typical homeowner's combined bill for water, sewer and solid waste will increase approximately \$1.90 per month, or 2.4 percent, for FY 2009/10. This is the lowest annual percentage increase the City has enacted since July 2005, and it is designed to give customers some breathing room to adjust to economic conditions.

FY 2009/10 Executive Summary

How the adopted budget will affect staffing levels and compensation

- Staffing Changes - The City is a provider of a wide variety of municipal services such as public safety, recreational activities for youth, teens and seniors, libraries, human services, refuse collection, water and sewer, code enforcement and transportation/transit. The City is striving to continue providing quality services, though staffing levels must be reduced to mitigate the impacts of the recession. These staffing changes are summarized in the schedule below, using full time equivalent positions (or FTEs). The reductions result in a total savings of approximately \$17 million. The reductions are the result of the retirement incentive program, elimination of vacant positions, and the elimination of jobs that are currently occupied. Approximately 40 percent of the reductions are management/professional positions and 60 percent hourly positions.

The new positions added for FY 2009/10 are mainly the result of opening new water and wastewater treatment facilities. The schedule below summarizes this information.

Summary of FTE Changes:		
FY 2008/09 Adopted FTEs		2,807.84
FY 2009/10 Adopted FTEs:		
Eliminations	(207.15)	
Additions	7.00	
Net Reduction	(200.15)	
FY 2009/10 Adopted FTEs		2,607.69
Reduction		-7%

- Compensation and benefits – The budget includes a 2 percent across-the-board pay reduction and carries forward the savings from a 2 percent pay increase that was cancelled in January 2009. The net effect is an \$8 million savings in 2009/10 for the City. The budget also proposes no merit increase or Superior Performance Awards program for 2009/10, which together result in a savings of about \$3.2 million. Finally, the amounts that the City and employees will pay for health insurance and retirement benefits have been held the same. The combined savings from staff and compensation reductions are projected to top \$30 million in 2009/10.
- Additional reductions needed to balance the General Fund budget. In addition to the reductions discussed, an additional \$13 million in reductions is necessary to balance the General Fund budget. In the adopted budget, this amount is identified with a placeholder. The City Council approved a package of adjustments after the formal adoption of this budget. Those changes will be incorporated during the course of the 2009/10 fiscal year.

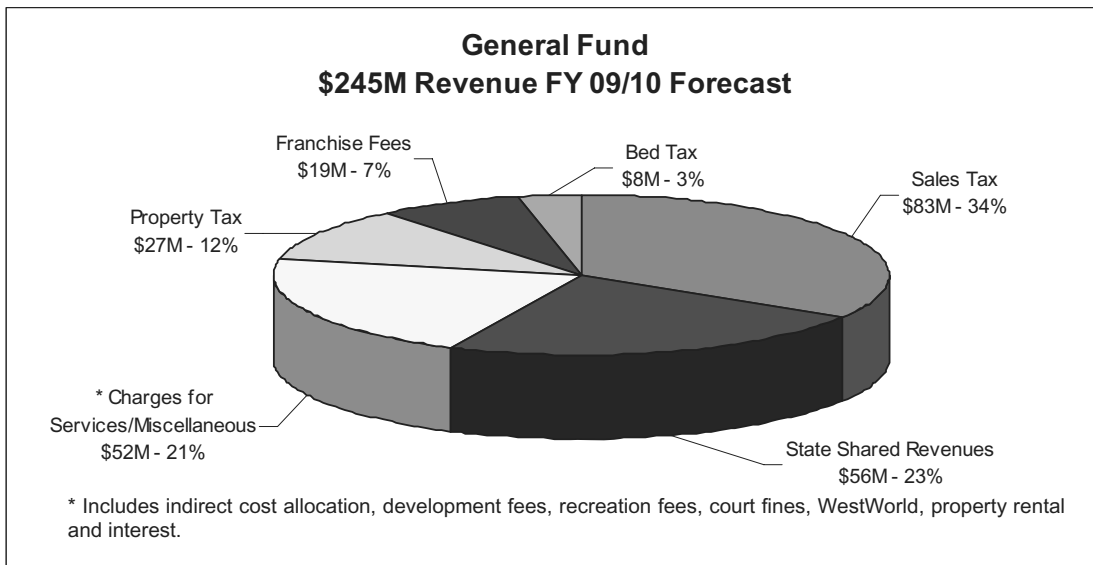
Fund Highlights

The remainder of this Executive Summary highlights the key elements of each fund in the 2009/10 budget. Because of the size and importance of the General Fund, it is presented first and in more detail.

General Fund - Revenues

The General Fund supports core services and is the largest fund with the greatest potential for revenue fluctuations. Forecast General Fund revenues for FY 2009/10 are \$245 million, approximately \$40 million (15 percent) less than the 2008/09 adopted budget. The following chart summarizes the major revenues.

FY 2009/10 Executive Summary



Listed below are the descriptions and forecasting context for these major revenues:

Transaction Privilege Tax, or “Sales Tax” – 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 discussed later) 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 susceptible to peaks and valleys, based on events in the national, state and local economies. This revenue source has been negatively impacted by the current recession. Specifically, the FY 2009/10 forecast amount is about 30 percent less than the FY 2008/09 adopted budget. Of major importance is the permanent erosion to our base, such as the closure of several automobile dealerships and a reduction in construction sales tax due to development activity slowdown.

State-Shared Revenues – These revenues are derived from state sales and income taxes shared with Arizona cities and towns, based on a statutorily determined formula, primarily driven by population. Again, the recession adversely affects these revenues.

Charges for Services – 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. Construction activity is expected to grow modestly as the economy improves and as the City reaches build-out and transitions from new construction to redevelopment.

Property Taxes – This is a relatively stable revenue source. Taxes from existing properties will increase by approximately \$0.5 million and from new properties by an additional \$0.8 million.

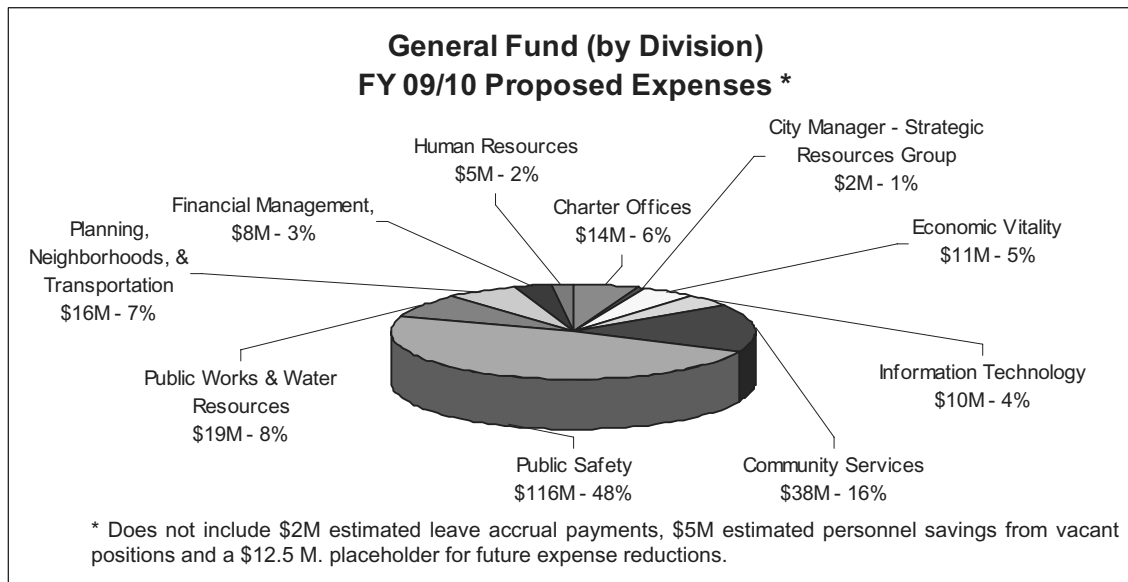
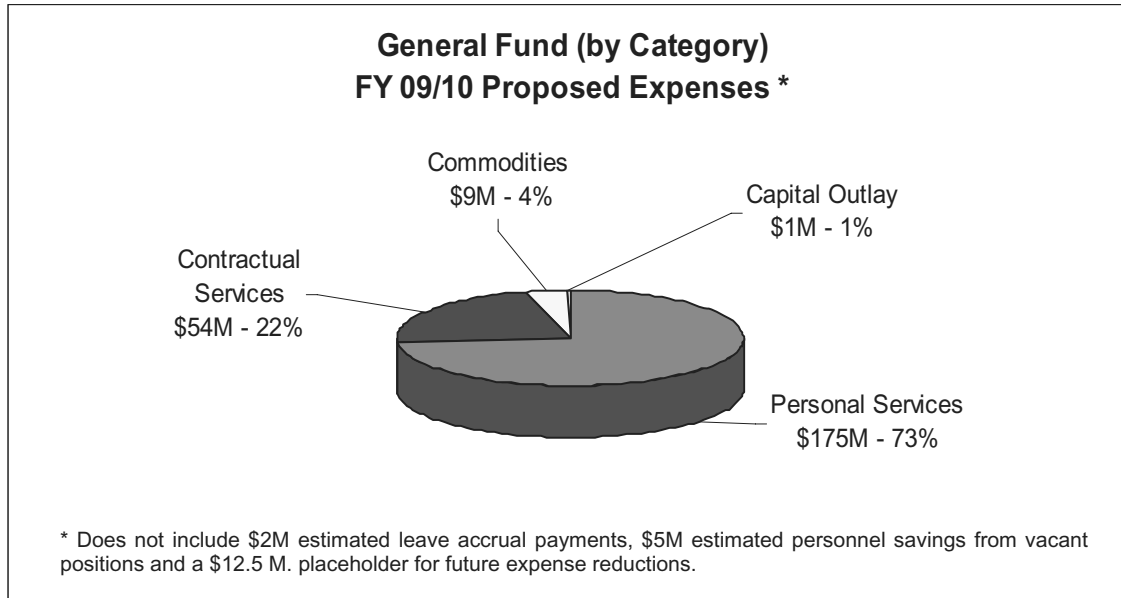
Franchise Fees – This category represents revenues from the utility providers and is fairly constant from year to year and, as such, minor growth is expected.

Transient Occupancy Tax, the Hotel “Bed Tax” – The bed tax revenue is considered an “elastic” revenue source susceptible to peaks and valleys, based on events in the national, state and local economies. The travel and tourism industry has been hard hit by the recession as well.

FY 2009/10 Executive Summary

General Fund Division Expenses and Debt Service

Under the proposed FY 2009/10 budget, the General Fund operating budget (i.e., division expenses) is projected to be approximately \$223 million, or \$36 million (14 percent) less, than the 2008/09 adopted budget. The following two charts provide a summary of the General Fund expenses by type of expense and by division.



General Fund Cash Transfers-Out

The recommended FY 2009/10 budget includes cash transfers out of the General Fund necessary to fund the “pay as you go” portion of the CIP financing per adopted policy, to make debt service payments, and to supplement Transportation and Bed Tax activities.

FY 2009/10 Executive Summary

General Fund Balances and Reserves

The proposed FY 2009/10 budget includes the following:

Operating Contingency – The budget includes a \$5.0 million operating contingency to meet unforeseen expenses during the year. The operating contingency can only be used with City Council approval and would only be recommended after it was determined existing resources could not be used.

General Fund Reserve – This reserve is expected to be \$26 million at June 30, 2010; or 10 percent of annual expenses per City Council adopted policy. It is intended to be used to protect Scottsdale in times of emergency. The proposed budget does not use this reserve to balance the FY 2009/10 budget, but outlines an alternative strategy that will preserve Scottsdale's highest possible bond ratings from all three major rating agencies.

Unreserved Fund Balance – An unreserved fund balance of \$4 million is expected at June 30, 2009, and \$3M of it will be used to balance the FY 2009/10 budget. The unreserved fund balance represents a combination of accumulated revenues and expenditure savings.

Special Revenue Funds

The City accounts for revenues earmarked for specific purposes – by law or City policy – through special revenue funds. This category of funds includes three separate and distinct funds – Transportation Fund, Preservation Privilege Tax Fund, and Special Programs Fund.

The Transportation Fund accounts for Highway User Revenue Fund (HURF) dollars shared with cities from state “gas taxes.” The fund also includes revenues from the 0.20 percent Transportation Transaction Privilege Tax (commonly referred to as the transportation sales tax). Total resources are expected to be about \$38 million and include a cash transfer from the General Fund of about \$6 million, representing the difference between dedicated revenues and expenses.

Expenses total about \$38 million; \$31 million represents operating costs and \$7 million (50 percent of the Privilege Tax revenue) funds capital projects. The operating expenses are those necessary to operate and maintain our transportation system. The largest expenses include our \$10 million transit contracts and \$7.5 million street overlay program.

The Preservation Privilege Tax Fund is used to account for the revenues and expenditures related to the acquisition of the McDowell Sonoran Preserve, which receives funding from the 1995 (0.20 percent) and 2004 (0.15 percent) voter-approved Preservation Transaction Privilege Tax.

As a result of the economic conditions detailed earlier, these sales tax revenues are forecasted to be about \$26 million. Approximately \$22 million of this amount will be spent on debt service payments for debt already issued for land purchases. The ending fund balance of \$14 million is restricted for future land acquisition. The timing and amount of any future preservation bond issuances depends on revenue projections and the availability and price for state lands. Under the sales tax ballot language, the Preservation Privilege Tax revenues are to be used for preserve acquisition, preserve-related construction and trailheads.

The Special Programs Fund is a collection of smaller restricted revenues dedicated to specific uses. The services included in these various funds are intended to be self-supporting and not subsidized by the General Fund. Examples of these funds include Police Department Racketeering Influenced Corrupt Organization (RICO) funds, the City Court's Court Enhancement Fund, the McCormick-Stillman Railroad Park Fund, the Scottsdale Cares Charitable Fund and the Preservation Rehab Fund for historic building rehabilitation. Some resources in this fund were used as a budget balancing strategy. For example, the Court Enhancement funds were used to pay for personnel costs previously paid for out of the General Fund. The most significant activity in this fund relates to Bed Tax because 80 percent of these revenues (\$6.6 million) are dedicated to tourism activity, an essential component of Scottsdale's economy. The actual ending fund balance of all Special Program funds is carried forward to future periods and is available to be spent for restricted purposes.

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Debt Service Fund

Debt service funds are designated for payment of long-term debt not directly paid through the General, Enterprise or Special Revenue funds.

Total revenues and cash transfers-in to these funds are estimated at \$61 million for FY 2009/10, which is a decrease of \$3.1 million over the FY 2008/09 year-end forecast. The majority of the decrease is attributable to using secondary property tax reserves to buy down the secondary levy rate so the combined rate decreased 5 cents from FY 2008/09 to 74 cents per \$100 of assessed valuation.

A total of about \$67 million is planned for debt service payments in FY 2009/10, an increase of about \$2.5 million over the FY 2008/09 year-end forecast. This increase is mainly due to the planned issuance of \$50.8 million voter-approved Bond 2000, general obligation (GO) bonds in FY 2009/10.

The budget assumes the \$50.8 million GO issuance will occur in FY 2009/10 and will be the last issuance under the Bond 2000 authorization. The bonds will provide funding for voter-approved Bond 2000 capital projects such as libraries and parks, neighborhood flood mitigation, scenic corridors, public safety, and transportation.

Enterprise Funds

Enterprise funds account for the City's water, wastewater, solid waste collection and aviation services, operated as stand-alone businesses. User fees are assessed to cover the full cost of services.

The Water and Wastewater Fund budget continues to be significantly affected by federal/state public health and safety and water quality requirements. The City has worked aggressively to ensure compliance with federal mandates to reduce arsenic levels in drinking water. The City continues its significant efforts to ensure compliance with other recent mandates to reduce levels of by-product compounds from chlorine disinfection and to enhance management of wastewater systems to prevent overflows.

Capital costs required for federal health and environmental requirements are continuing to have a significant impact on the revenue requirements for the water and wastewater funds. However, in spite of these significant capital costs, the City desires to keep utility bills affordable for its customers. As part of the comprehensive planning effort, the impact on the combined utility bill is carefully considered in determining the appropriate balance between rate increases and debt financing. An important consideration is to try to keep the combined increases to water, wastewater and solid waste (trash collection) service on the utility bill at or below the change in the related Consumer Price Index (CPI). To accomplish this, the City has practiced a systematic approach that incorporates marginal rate increases from year to year in conjunction with debt financing to avoid acute rate increases at any point in time. The U.S. Department of Labor December 2008 Consumer Price Index (CPI) report shows the specific CPI increase for water, wastewater and trash collection services at 6.5 percent.

As part of the process of updating the Enterprise Funds five-year financial plans, revenue forecasts were reevaluated based on the changes in the national and local economy. The updated forecasts show significant declines in development impact fees revenues along with slight declines in water and wastewater rate revenues. To help address these revenue decreases, operating and capital budgets have been carefully scrutinized to identify all feasible cost reduction opportunities. As a result, a number of cost savings actions have been implemented including a reduction of more than \$4 million in the fiscal year 2008/09 adopted water and wastewater operating budget along with the deferral of more than \$100 million for several growth-related capital improvement projects included in the adopted five-year Capital Improvement Plan. Current projections indicate that the forecasted revenue declines will be effectively offset by the cost savings and deferral actions that are being implemented.

Consistent with the updated five-year financial plan and the adopted Financial Policies, the budget for fiscal year 2009/10 includes a 2.5 percent water rate increase (or a \$0.88 increase to the typical residential monthly water charge), effective November 1, 2009, and an increase of 3.0 percent in wastewater rates (or a \$0.71 increase to the typical residential monthly wastewater

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charge), effective July 1, 2009, to help pay for the increasing capital and operating costs to deliver high quality water and wastewater service. The water and wastewater rate increases reflect:

- Capital costs for rate-funded water distribution and wastewater collection system improvements to address aging infrastructure replacement needs identified through the recently enhanced asset management program.
- Operating cost increases for purchased water and electricity that reflect price increases of 9 percent and 5 percent, respectively.
- Capital costs for the rehabilitation of the Gainey Ranch Water Reclamation Plant.
- Operating cost increases for treatment of Scottsdale's wastewater at the Multi-City Sub-regional Operating Group (SROG) 91st Avenue Wastewater Treatment Plant.

Based on the adopted budget plan and rate increases, the Water and Wastewater Fund will comply with adopted Financial Policies and the fund is expected to maintain a positive fund balance over the five-year planning period.

In addition to the rate increases, the City would tentatively plan to issue \$101 million in new debt over the next five years to meet the forecasted capital improvements cash flow needs of \$197 million for the wastewater enterprise fund. The wastewater capital improvements program is impacted by capital costs for wastewater collection system improvements to address increasing aging infrastructure replacement needs, comply with federal and state regulations, and provide for increases in system demand related to new development, including downtown revitalization efforts. The capital improvements program is also impacted by the planned expansion of the Advanced Water Treatment Plant and Scottsdale's share of costs for expansion of the Multi-City SROG 91st Avenue Wastewater Treatment Plant to meet increasing service demands.

The FY 2009/10 Solid Waste Fund budget includes a 2.0 percent increase (or a \$0.31 increase to the typical residential monthly solid waste collection charge) for the operation of refuse collection and recycling services, effective July 1, 2009. Although operating costs are forecasted to remain relatively flat, additional revenues are required to provide funding for the future construction of a transfer station expansion. A review of Valley cities providing comparable services indicates that Scottsdale's solid waste collection fee will remain one of the lowest. The Solid Waste Fund will comply with adopted Financial Policies and is expected to maintain a positive fund balance over the five-year planning period.

The current Aviation Fund five-year plan indicates no rate increases are necessary for fiscal year 2009/10. Although revenues have declined due to the current economic downturn, cost-cutting measures are being implemented to reduce operating costs and to defer non-essential airport capital costs. In addition, the five-year financial plan projects the fund will comply with adopted Financial Policies and maintain a positive fund balance, including a replacement reserve to provide for emergency repairs, and not require a General Fund operating subsidy.

Internal Service Funds

Internal Service Funds account for services and equipment provided to all City departments by centralized divisions, such as maintenance of the City's vehicle fleet and insurance coverage.

The Fleet Management Fund reflects the costs of operating, maintaining, and acquiring all of the City's approximately 1,200 vehicles and other rolling stock. User departments are assessed both operating (\$12 million) and replacement costs (\$2 million). Replacement assessments decreased by about \$4 million because a more comprehensive model was used which more appropriately reflected the fact that vehicles do not need to be replaced as often. As a result, operating costs for parts and service have been increased slightly to reflect the fact vehicles will be kept longer. Additionally, another significant change is reduced fuel costs. The City is committed to reducing fuel cost by 15 percent, or \$1 million annually. Methods to achieve this goal include driving less, increasing the use of compressed natural gas, and increasing the number of hybrid vehicles in the fleet. The estimated fund balance of about \$8 million represents funds previously collected for vehicle replacements that will be expended in future years.

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The FY 2009/10 Risk Management Self-Insurance Fund accounts for the activity related to the City's property, liability, and workers compensation programs. Again, user departments are assessed the estimated costs of \$7 million. The ending fund balance of about \$14 million is within actuary expectations and is intended to ensure the long-term sustainability of the fund as well as meet its cash flow needs.

The FY 2009/10 Employee Benefits Self-Insurance Fund accounts for the activity related to the City's healthcare insurance (medical and dental) and short-term disability program. The estimated \$25 million in healthcare costs is shared by the City and its employees. For FY 2009/10, the City is proud of the fact that there are no increases to premiums. A key factor appears to be the success of the City's wellness program (Live Life Well), which coincided with a lower level of claims activity than expected. The ending fund balance of about \$6 million is within actuary expectations and is intended to ensure the long-term sustainability of the fund and its cash flow needs.

Grants, Trusts, and Special Districts Budgets

The Trusts, Grants, and Special Districts budgets account for funding that is designated for specific purposes.

The Trust Fund consists solely of the Mayor's Committee for Employment of the Handicapped, which has FY 2009/10 revenues and expenditures of \$8,800. Revenues for this fund come from citizens and businesses and the proceeds are used to provide educational scholarships to handicapped individuals. The goal is to provide the individuals with skills that increase their opportunities for future employment. The actual ending fund balance of the Trust Fund is carried forward to future periods and is available to be spent solely for the intended purposes.

Each year the City receives Grants Funds from a variety of federal, state, regional and local agencies. Within the \$25 million total grants are two larger grants -- Section 8 Housing at \$7.2 million and Community Development Block Grants (CDBG) \$2.3 million. In addition to numerous identified smaller grants, the City includes \$9.5 million in the grant budget for unidentified future grants. This gives the City Council the capacity to accept and spend grant funds that are not specifically known by the City at the time the budget is adopted, such as this year's federal stimulus packages. This practice also allows the City to comply with state budget laws regarding annual expenditure limits. The actual ending fund balance of the individual grants is carried forward to future periods and is available to be spent solely for the intended purposes.

A Special Districts Fund is used to account for the proceeds received from property owners in the City's 355 street light districts. The intention is that only the amount needed to provide the service is assessed to the customer. As such, both revenues and expenses are estimated at \$0.6 million and \$0.7 million, respectively. The actual ending fund balance of all Special Districts Fund is carried forward to future periods and is available to be spent solely for the intended purposes and could be used to lower assessments.

Capital Improvement Plan

A separate, key component of the City's annual financial plan is the five-year Capital Improvement Plan (CIP) for infrastructure and public facilities – including roads, water and sewer improvements, parks, buildings and information technology. Projects listed in the capital budget are funded by a combination of sources and typically take multiple years to complete. Some of the various funding sources include the City's transportation sales tax, voter approved Bond 2000 funds, user fees, grants, the Proposition 400 regional transportation sales tax, the City's voter approved preservation sales tax, development impact fees and General Fund transfers. To appropriately account for the diverse CIP financial resources used to fund the acquisition or construction of major capital facilities the City uses a variety of CIP specific funds. The CIP funds are needed to ensure legal compliance and financial management for various restricted revenues. Some examples of restricted revenues are: Bond Funds; Transportation Privilege Tax Capital Funds; Development Impact Fees & Contributions, Grant Capital Funds; Enterprise Capital Funds; and General Capital Funds.

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The CIP appropriations for FY 2009/10 total \$569.4 million and consist of the following:

\$470.2 million (or 83 percent of the total CIP budget) is needed for carryover re-budget authorization from prior years for projects not yet completed. Under Arizona law, the City must re-budget a capital project's total budget until it is completed and capitalized.

\$99.2 million (or 17 percent of the total CIP budget) is for planned projects.

Below is a brief summary of the \$569.4 million capital budget highlights by program, along with some notable examples in each capital program area:

Community Facilities (\$50.1 million) – this program focuses on providing parks, park improvements, multiuse paths, neighborhood enhancements, youth sports lighting, aquatic centers, library facilities and senior centers. Approximately 9% of the CIP has been identified to address the needs of this program. Significant proposed Community Facilities projects include Appaloosa Library and the Scottsdale Center for the Performing Arts Renovation.

Preservation (\$142.4 million) – this program addresses the City Council Broad Goal of preserving the character and environment of Scottsdale. This goal is met by land acquisition activities for the McDowell Sonoran Preserve for the purpose of maintaining scenic views, preserving native plants and wildlife, and providing public access to the McDowell Mountains and Sonoran Desert. Approximately 25% percent of the CIP has been identified to address this program in FY 2009/10. Significant proposed Preserve projects include the Gateway to the Preserve Amenities and Expanded McDowell Sonoran Preserve.

Drainage and Flood Control (\$30.6 million) – this program addresses flood plain mapping, meeting regulatory requirements, and identifying and correcting hazards to reduce future flood damage potential. This is accomplished through the use of detention basins, culvert and channel projects, and a program of neighborhood drainage improvements. Approximately 5% of the CIP has been identified to address the drainage and flood control needs of the City. Major Drainage and Flood Control projects include Upper Camelback Wash Watershed, Granite Reef Watershed, Pima Road Drainage System and Loop 101 Detention Basin.

Public Safety (\$23.7 million) – this program addresses the construction, acquisition, and purchase of capital assets for the Police and Fire Departments, such as fire and police stations, training facilities and automation systems related to fire and police operations. Approximately 4% of the CIP has been identified to address the public safety needs of the City. The proposed Public Safety budget includes key projects such as the Public Safety Radio System and Cactus Acres Fire Station #8.

Service Facilities (\$34.6 million) – this program addresses the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. These programs achieve this goal through the renovation of current facilities and technology needs necessary for the efficient and effective operations of the City. Approximately 6% of the CIP has been identified to address this program. Service Facilities projects include Facilities Repair and Maintenance Program and Transfer Station Expansion.

Transportation (\$121.3 million) – this program addresses the City's multi-modal transportation needs. Approximately 21% of the CIP has been identified to address the transportation needs of the City. Significant proposed Transportation projects include Pima Road – Deer Valley to Pinnacle Peak, Bikeways Program and Cactus Road – Pima Freeway to Frank Lloyd Wright.

Water Management (\$166.7 million) – this program focuses on the capital needs required to deliver safe, reliable water and providing wastewater services. This program also addresses the City's requirement to achieve federal and state regulations. Approximately 30% of the CIP has been identified to address the water and wastewater needs of the City. Significant proposed projects such as Sewer Collection System Improvements, Water Quality Improvements in Southern Neighborhood and Water Distribution System Improvements are included in the Water Management program.

Throughout the various stages of capital project review, from the staff level to senior management's review, multi-divisional teams are employed to perform comprehensive capital project evaluation designed to prioritize funding for projects. Each team focuses on developing a more refined list of projects that reflects Council and citizens' highest priorities and are within our

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financial means. The five-year CIP uses conservative financial forecasts and reflects only those high priority projects expected to be completed during the next five years. This approach helps the City manage operating costs for new facilities and avoids raising expectations for projects that are not well defined.

The budget continues the practice of leveraging one-time “elastic” revenue from the General Fund (e.g., construction sales tax and development fees) to help pay for capital projects. The municipal bond rating agencies view this as a sound fiscal practice. In past years, the City experienced significant year-end unreserved fund balances in the General Fund, which were then transferred to the CIP fund in subsequent years. The slower economy has greatly limited the amount of anticipated year-end General Fund resources available to transfer to the CIP fund. In FY 2009/10, the budget assumes the General Fund will transfer a total of \$1.6 million to the CIP that will go to general maintenance. The CIP fund will provide a \$9 million one-time transfer to the Operating General Fund that will be repaid back to the CIP fund by June 30, 2010.

Final Thoughts

Preparing the FY 2009/10 budget has been a challenging process, given the economic recession and new organizational model. The City has made difficult but necessary choices along the way to protect the programs and services most desired by the community. This budget provides the foundation for operating within the current economic downturn and sustaining the City fiscally in the future.

FY 2009/2010 Budget - How to Use This Book - Volume One

The City of Scottsdale's budget for FY 2009/10 is comprised of three volumes:

Volume One - Budget Summary includes the City Council's Mission Statement and Broad Goals, the City Manager's Transmittal Letter, and Adopted Financial Policies. The Five-Year Financial Plan covers the period FY 2009/10 through FY 2013/14, which forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

Volume Two - Program Operating Budget presents the individual programs within each division. The publication includes specific information about the program descriptions, goals and objectives, customers, partners, and staffing, along with a summary of the program operating budgets by expenditure category and the applicable funding sources.

Volume Three - Capital Improvement Plan (CIP) includes the Capital Project Budget and Five-Year Capital Improvement Plan with more detailed information for each project. Projects accounted for in Enterprise funds are also included in the Capital Project Budget. Capital Project Budget funding sources are matched with budgeted expenditures. Future year operating impacts are noted in the Capital Budget and are also included in the Five-Year Financial Plan.

FY 2009/10 Adopted Budget Summary - Volume One

Volume One begins with the **City Manager's Transmittal** letter dated June 2, 2009. The letter is used to transmit the adopted budget to City Council and highlights the prevailing economic condition under which the budget was prepared.

The **Overview** section of Volume One describes in further detail the City's budget development process, which includes the roles and responsibilities of the City Council, the newly formed Budget Review Commission, divisional staff, review teams, the budget development process, the budget adoption, implementation and amendment processes, the use of contingency/ reserves, the basis of accounting used to prepare the budget, and the relationship of the operating budget to the capital budget. This section concludes with a summary of the City's adopted Comprehensive Financial Policies, which are used to build the budget and manage the City's finances.

The **Fund Summaries & Five-Year Plan, Budget by Fund**, and the **Capital Improvement Plan** sections of Volume One represent the core of the City of Scottsdale's adopted FY 2009/10 budget. The **Fund Summaries & Five-Year Plan** provides a retrospective and prospective view of the City's funds. The first part of the **Budget by Fund** section, entitled Legal Compliance and Financial Management, offers a brief explanation of the City's use of fund accounting to maintain fiscal accountability. Next, a summary entitled Fund Accounting-Fund Types provides the reader with a description of the generic governmental fund types used by the City.

After an explanation of the fund types, a summary of the revenues, expenditures and fund balance by individual funds are presented. The **Budget by Fund** section concludes with two matrixes – 1) Program Operating Budget by Division/Program and 2) Program Budget Relationship with Mayor and City Council's Broad Goals.

The **Capital Improvement Plan** of Volume One provides an overview of the City's CIP development process, project evaluation criteria, funding sources, operating impacts associated with capital projects, and a capital projects list. This section references the reader to Volume Three for further detailed information on capital projects such as the project description, funding source(s), and geographic location.

Volume One concludes with the **Appendix** that provides a summary of authorized full-time and part-time FTEs by division, a summary of authorized staff positions by City division and fund type, the City divisional staff support in the budget development effort, a Five-Year Debt Service Schedule, Schedule of Long-Term Debt Outstanding, a Computation of the Legal Debt Margin as of June 30, 2009, and a General Fund Five-Year Privilege Tax Forecast. A historical summary of the City and demographics are also included in this section. A budget planning and

development calendar is also to provide a visual timeline of the strategic planning process, Capital Improvement Program and budget process. This section concludes with a list of Acronyms and a Glossary of terms used throughout the City's budget along with the City Council's ordinances reflecting the adoption of the City's FY 2009/10 budget and property tax levy.

Budget Development Process for Fiscal Year 2009/10

The development of the 2009/10 Budget did not follow the traditional process due to the economic recession. Below are several issues the City is currently facing and was faced with during the budget development process.

- Scottsdale is experiencing a severe recession, which impeded divisions from proposing changes to increase service levels, add new programs due to population and/or service growth, and request additional staff through an Evaluation Decision Package.
- The depth and duration of the economic recession is unprecedented and the City experienced a continued decline in revenues for 2008/09 and projects future declines for fiscal year 2009/10.
- The Financial Management Division forecasted a revenue deficit from the original adopted budget plan during the 2008/09 fiscal year and projected a continued deficit for the 2009/10 fiscal year.

To address these issues, the City Manager and staff carefully reviewed the current formation of the organization. A restructure of Scottsdale City government was developed to address the budget deficit so that the organization could be more sustainable, more responsive and less subject to ups and downs of the economy in 2009/10 and far into the future. The deficit also resulted in budget adjustment strategies, which included program cuts and reducing the workforce 10% by eliminating vacant positions, implementing an early retirement incentive program and through layoffs.

Another change to the budget development process relates to the establishment of the Budget Review Commission by the City Council as an advisory board on matters related to the budget. Their responsibilities are:

- Operating budget (Department and Program/ Services Funding)
- Capital budget
- Revenue forecast, taxes and fees
- Financial policies

The remainder of this section describes the traditional budget process that is followed by the City of Scottsdale.

City of Scottsdale's Traditional Budget Process

Recommended Budget Practices

The City of Scottsdale traditional budget process incorporates the recommended practices promulgated by the National Advisory Council on State and Local Budgeting (NACSLB). Concurrently, City staff applies diligent effort into improving the process, decisions and outcomes with each new budget year.

The NACSLB was created to provide tools for governments to improve their budgeting processes and to promote their use. In fulfilling that role, the NACSLB set forth a framework that has provided the context for development of a set of budget practices for state and local governments. The significance about the practices is that they represent an unprecedented cooperative effort by several organizations with diverse interests to examine and agree on key aspects of good budgeting. The NACSLB was founded by eight organizations representing elected officials, government administrators, and finance professionals at both the state and local government level.

The NACSLB's work focused on long-term financial planning and encourages governments to consider the longer consequences of actions to ensure that impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained. Practices encourage the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies and plans. There is also a focus on measuring performance to determine what has been accomplished with scarce government resources. The following are excerpts of the NACSLB's guiding principles and budget practice recommendations.

Budget Definition

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

A good budget process is characterized by several essential features:

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

Mission of the Budget Process

The mission of the budget process is to help decision-makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the budget mission allows issues to be addressed that have limited the success of budgeting in the past. Apathy is a serious illness of government. It is in the best interests of government to have involved and knowledgeable stakeholders.

The term stakeholder refers to anyone affected by or who has a stake in government. This term stakeholder includes, but is not limited to: citizens, customers, elected officials, management, employees and their representatives (whether unions or other agents), businesses, vendors, other governments, and the media.

It is vital that the budget processes include diverse stakeholders. The budget process should accomplish the following:

- Involve stakeholders
- Identify stakeholder issues and concerns
- Obtain stakeholder support for the overall budgeting process
- Achieve stakeholder acceptance of decisions related to goals, services, and resource utilization
- Report to stakeholders on services and resource utilization, and serve generally to enhance the stakeholders' view of government

The importance of this aspect of the budget process cannot be overstated. Regular and frequent reporting is necessary to provide accountability, educate and inform stakeholders, and improve their confidence in the government. Communication and involvement are essential components of every aspect of the budget process.

Principles and Elements of the Budget Process

The budget process consists of four broad principles that stem from the definition and mission previously described. These principles encompass many functions that spread across a governmental organization. They reflect the fact that development of a balanced budget is a political and managerial process that also has financial and technical dimensions.

Each of the principles of the budget process incorporates components or elements that represent achievable results. These elements help translate the guiding principles into action components. Individual budgetary practices are derived from these elements and are a way to accomplish the elements. The principles and elements provide a structure to categorize budgetary practices.

- 1) Establish Broad Goals to Guide Government Decision-Making - A government should have broad goals that provide overall direction for the government and serve as a basis for decision-making.
 - a) Assess community needs, priorities, challenges and opportunities

- b) Identify opportunities and challenges for government services, capital assets, and management
- c) Develop and disseminate broad goals
- 2) Develop Approaches to Achieve Goals - A government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals.
 - a) Adopt financial policies
 - b) Develop programmatic, operating, and capital policies and plans
 - c) Develop programs and services that are consistent with policies and plans
 - d) Develop management strategies
- 3) Develop a Budget Consistent with Approaches to Achieve Goals - A financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted.
 - a) Develop a process for preparing and adopting a budget
 - b) Develop and evaluate financial options
 - c) Make choices necessary to adopt a budget
- 4) Evaluate Performance and Make Adjustments - Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.
 - a) Monitor, measure, and evaluate performance
 - b) Make adjustments, as needed

The NACSLB's work goes on to identify 59 practices to achieve the higher-level activities identified in the principles and elements of budgeting. Scottsdale's traditional budget process attempts to incorporate all of the NACSLB's recommended practices.

Budget Roles and Responsibilities

Traditionally, every City of Scottsdale employee plays a role in the City's budget — whether in its formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, each Executive Managing Director, through the City Manager, and the Charter Officers, is accountable to the City Council for the performance of program personnel in meeting City

Council's Broad Goals (see the Introduction section) and specific work plan objectives within allocated resource limits.

The actual budget responsibilities of the employees are identified more specifically below:

The **Program Manager** is responsible for preparing an estimate of remaining cost requirements and revenues, if applicable, for the current fiscal year, projecting the base budget requirements for the next fiscal year, and developing other requests that change or revise the program so that it will be more effective, efficient, productive, and economical.

The City divisions have **Budget Liaisons** and **CIP Liaisons** that coordinate the day-to-day budget management within their respective divisions along with the Budget Department. The **Budget Liaisons** serve as the vital communication link between their City division and the Financial Management Division - Budget Department on matters related to their specific operating budget. Budget Liaisons are responsible for revenue and expenditure forecasts, monthly expenditure and revenue variance analysis, calculating user and indirect cost rates, monitoring the budget, support to the Financial Management - Accounting Department in the Comprehensive Annual Financial Report preparation, and preparing budget review materials for the Chief Financial Officer (CFO), Executive Managing Directors, City Manager, City Council, Budget Review Commission, media and citizen. The CIP Liaisons essentially serve the same role as the Budget Liaisons; however, their focus is on the coordination of capital projects, multi-year capital planning and capital project operating impacts with the Budget Department. In some cases, the same individual serves as both the divisional Budget Liaison and CIP Liaison. A list of Budget Liaisons, CIP Liaisons and their area of responsibility appears in the Appendix.

The **CIP Technology Review Team** and **CIP Construction Review Team** are comprised of Supervisors and Managers from various City divisions. These cross-divisional teams are traditionally responsible for the initial review of all of the City's capital projects. Their reviews are focused on timing and cost considerations, compiling lifecycle costs, and preparing a preliminary Capital Improvement Plan recommendation for review and revision by the Executive Managing Directors,

Budget staff, Chief Financial Officer, City Manager, City Council and various citizen boards and commissions. A list of Review Team members appears in the Appendix.

The **Executive Managing Directors** and **Charter Officers** are responsible for reviewing historical performance, anticipating future problems and opportunities, considering alternative solutions, and modifying and assembling their program data into a cohesive budget information package. Traditionally, each Executive Managing Director is responsible for evaluating, reviewing, justifying and prioritizing all operating and capital budget requests for their division. Only those requests, that an Executive Managing Director believes support the City Council's Broad Goals, City Manager's work plan, administrative direction, and program objectives are to be submitted to the Budget Department.

The **Senior Budget Analysts** in the Budget Department are responsible for preparing the multi-fund short-range and long-range revenue and expenditure forecasts, coordinating with Budget Liaisons in calculating user and indirect cost rates, developing the process and related forms for preparing and monitoring the budget, coordinating the compilation of budget data, analyzing operating and capital budget requests, supporting Financial Management - Accounting Department in the Comprehensive Annual Financial Report preparation, asset monitoring, evaluating and summarizing budget requests from divisions and preparing budget review materials for the Chief Financial Officer (CFO), Executive Managing Directors, City Manager, Budget Review Commission, City Council, media and citizens.

The **Chief Financial Officer (CFO)** and **Executive Managing Directors** collaborate in developing programmatic, operating, and capital policies and financial plans that help define how Scottsdale will achieve its long-term goals. They are traditionally responsible for reviewing the program operating budget and capital budget requests and working with program managers to develop service recommendations that are consistent with City Council's Broad Goals, management strategies, and the City's Adopted Comprehensive Financial Policies (see immediately after the Budget Process in the Overview section).

The **City Manager** is responsible for reviewing the multi-year, multi-fund Financial Plan and submitting a balanced Citywide proposed budget to the Mayor and City Council, which supports their Broad Goals. Traditionally, from December through May, the City Manager holds weekly meetings with the Budget Department, CFO, and Executive Managing Directors to ensure the staff is preparing a proposed budget that address Council's priorities and to provide guidance on key policy issues related to the budget development.

The **Budget Review Commission** serves as an advisory body to the City Council and is responsible for reviewing and making recommendations regarding operating and capital budget recommendations from the divisional program and goals perspective, as well as financial policies and revenue forecast, taxes and fees. During the spring, the Commission holds budget work sessions to review proposed operating and capital budgets. The sessions are intended to assess how well the division's proposed budget aligns with the citizen input, priorities, and supports the City Council's Broad Goals. All Commission budget meetings are open to the public for comment and are broadcast on CityCable 11 and the City's Internet web page.

The **Mayor and City Council** set the policy direction for staff related to the forthcoming budget by establishing broad goals for the organization, which serve as a basis for decision-making. The Council reviews key aspects of the City Manager's proposed budget such as -- the City's multi-year Financial Plan including an examination of the revenue forecast and related assumptions, employee compensation including healthcare and retirement costs, changes to rates and fees, comprehensive financial policies, debt schedules, property tax rate and the capital budget. The budget process culminates in late spring with the Mayor and City Council holding two public budget hearings. The Mayor and City Council are ultimately responsible for the review of the City Manager's proposed budget, tentative budget adoption (mid-May) and final adoption of the budget (early June). All Council budget hearings are open to the public for comment and are broadcast on CityCable 11 and the City's Internet web page.

City of Scottsdale's Traditional Budget Process

Scottsdale's budget process is a key aspect of its strategic visioning and planning efforts - allowing City Council and staff the opportunity to reassess goals and objectives and the means for accomplishing them. While the Budget Review Commission and City Council typically review the City's proposed budget in detail from March through the early June adoption, they also traditionally provide input to the City Manager and staff throughout the year in a series of work study sessions and regular Council meetings. In these sessions, the Council members collaborate to establish a mission and broad goals for the community, articulate their priorities, discuss relevant issues such as methods of expanding and enhancing public input, and the most recent Economic/Revenue Forecast, and emerging budget/legislative/policy issues.

Needs Assessment and Financial Capacity Phase

In this phase, which traditionally begins in the late summer and continues up to the final budget adoption, the staff compiles and updates on an ongoing basis the City's multi-fund, multi-year revenue forecast. The first year of the revenue estimates is the most critical in the process, as they will ultimately define the expenditure limitations for the forthcoming budget year. The multi-year revenue perspective further refines the City's planning for current and future period expenditures — with the goal of not adding programs, services or staff which do not have a "sustainable" funding source over the five year planning timeframe.

The preliminary assumptions are used to forecast the City's fiscal capacity and provide the financial framework within which the proposed program budget service levels, capital budget operating impacts and capital infrastructure project budgets must be developed.

Policy/Strategy Development and Prioritization Process Phase

In the fall and spring, City Council typically reviews citizen input, Citizen Board and Commission feedback, Financial Policies, Economic Trends Analysis, citizen survey results and the most current Financial Forecast. They discuss broad organizational goals, priorities, and constituents' suggestions and expectations for Scottsdale. From this, the Council establishes

broad goals and strategic directives, which are the cornerstone for the development of the budget. These broad goals provide the overall direction for Scottsdale and serve as a basis for decision-making. The executive and senior management staff updates City financial policies, plans, programs, and management strategies to define how the City will achieve the broad goals. It is within this framework that the City staff formulates the proposed Program Operating and Capital Budgets.

Budget Development and Prioritization Process Phase

Traditionally, in the early fall, the Capital Improvement Plan (CIP) development begins in conjunction with the City's multi-year financial forecasts. Initial divisional capital project requests and changes to existing capital projects are reviewed by cross-divisional teams for accurate costing, congruence with City objectives and prioritized using a set of pre-determined criteria. Financing sources are then sought for the highest-ranking projects. The teams involved in this process include the CIP Technology Review Team and the CIP Construction Review Team. The CIP Technology Review Team is made up of mid-level technology managers from various City divisions. The CIP Construction Review Team is made up of mid-level Capital Project Management staff with expertise in public building planning and construction, street improvements, stormwater management, landscaping, etc. The staff, when developing their Program Operating Budget plans, closely considers the ongoing operating impacts of current and proposed capital projects. Staff also considers City Council's Broad Goals and strategic directives as they develop program objectives and work plans for the budget period.

Later in the fall after the CIP is underway, the City staff update their proposed performance measurements. The performance measurements are developed to assess results and ensure accountability, which enable managers and policy makers to evaluate progress towards stated goals and objectives. The staff also prepares their proposed Program Operating Budgets at this time, which requires that the budget be prepared solely at the existing service operating levels – no modifications are permitted at this stage of the budget development process. The divisional staff is also asked to evaluate their programs and/or positions for possible trade-offs, reductions or eliminations, or

service level changes to offset inflation, contractual, compensation, and benefit cost increases.

Traditionally any proposed changes in service levels, new programs, population/service growth, additional staff, and program trade-offs resulting in service level reductions/increases must be submitted to the Budget Department in an Evaluation Decision Package. An Evaluation Decision Package provides extensive analysis and justification for the division's request and is reviewed by the City Manager and Executive Managing Directors during the budget development and prioritization process. In the later stages of the City's budget development process, Evaluation Decision Packages are considered and balanced among numerous competing demands within the City's available, ongoing resources. When funding needs exceed the City's funding limits (as they did in FY 2008/09 and were projected for FY 2009/10), remedies may include one or more of the following: reduce the base budget, identify new revenues, employ process management tools, and/or form partnerships with other City programs or non-profit organizations.

City Management Review and Modification Phase

Traditionally, in the early winter, the divisions submit their proposed Program Operating Budget and Capital Project Budget requests to the Budget Department. The initial multi-faceted review focuses on ascertaining the divisions complied with the Budget Department's budget instructions, reviewing the mathematical accuracy and logic of the divisional base budget and capital project requests, and any Evaluation Decision Packages. The review also includes a broader assessment of whether the divisional budget proposals address City Council's Broad Goals, strategic directives, and program service needs while maintaining a Citywide perspective ensuring the fiscal integrity of the City (not exceeding our forecasted resources/limits).

The City Manager, Executive Managing Directors, CFO, and Budget staff collaborates on the development of a recommended Five-Year Financial Plan and proposed budget for each fund and then submit the plans to the Budget Review Commission and City Council for review and adoption. The Budget Review Commission and City Council also review the proposed multi-year revenue forecasts for reasonableness and the expenditure budgets for efficiencies and alignment with community needs and expectations.

Budget Review Commission and City Council Budget Review and Adoption Phase

In the early spring, staff presents an overview of the proposed operating and capital budgets to the Budget Review Commission and citizens for consideration and further public input. The budget is also communicated to the general public in a summary format using a newspaper insert, televised public Commission meetings, Internet and/or a combination of these formats.

The Budget Review Commission holds public work sessions to review each division's proposed budget and the City's Five-Year Financial Plan. This review focuses on how the division's program operating and capital budgets address citizens' priorities and City Council's Broad Goals. Additionally, the Commission holds meetings to review rates and fees, financial policies and compensation, including benefits.

After the Budget Review Commission completes their review of the City Manager's Proposed Budget, they hold a joint meeting with City Council to present their findings and recommendations.

Next, a series of required public budget hearings are held and the City Council adopts the budget and property tax levy consistent with the City Charter and State law. Per the City Charter, the City Council must have Tentative Adoption of the proposed budget, on or before the second regular council meeting in May each year. This meeting is usually held in mid-May. (*Note: State law requires on or before the third Monday in July of each fiscal year, the City Council must adopt the tentative budget. Tentative Adoption sets the legal maximum expenditure limit (i.e., appropriation) for the coming fiscal year budget.*)

Under the City Charter, Final Adoption of the budget must occur at the first Regular City Council meeting in June. (*Note: There is no specific date set by state law for adoption of the final budget. However, for jurisdictions with a property tax, such as Scottsdale, the deadline for adoption of the property tax levy is the third Monday in August. Since state law requires a period of at least fourteen (14) days between adoption of the final budget and adoption of the property tax levy, the budget should be adopted by the first Monday in August of each year.*)

Arizona State law requires a "balanced" budget, which is "all-inclusive". Arizona State Revised Statute (ARS 42-17151) defines a "balanced" budget as follow:

“Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year.”

Under Arizona State law “all-inclusive” means if an item is not budgeted (i.e. does not have an appropriation), it cannot legally be spent during the fiscal year. Therefore, the budget must include sufficient appropriation and contingency provisions for expenditures related to revenues (i.e., possible future grants) that cannot be accurately determined or even anticipated when the budget is adopted in June. This budgetary flexibility allows the City to comply with the Arizona State law and to pro-actively pursue emerging revenue sources as the budget year unfolds. Expenditures (i.e., appropriations) associated with items such as possible future grants/revenues may not be spent without City Council’s prior approval at a public meeting.

Arizona State Revised Statutes only requires communities to prepare budgets for two funds — the General Fund (ARS 42-17101) and Highway User Fund (ARS 28-6533) (See the Transportation Fund). In addition to these two funds the City prepares budgets and requests legal appropriation for all of its funds — Special Revenue, Debt Service, Enterprise, Internal Service, Grants, Trust and Capital Improvement Plan Funds. The ordinance adopting the annual budget requires City Council authorization for expenditures from the aforementioned funds, which in the aggregate constitute the City’s total Operating, Capital Budget and Contingency/Reserves for purposes of complying with the State’s balanced budget and legal maximum appropriations requirements.

Implementing, Monitoring, and Amending the Budget Phase

In July, the City staff begins the process of implementing the newly adopted budget and is accountable for budgetary control throughout the fiscal year. Revenue and expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. Members of the Financial Management Division and divisional Budget Liaisons meet every month to review current demographic, economic and financial trends, which may impact the City, and to plan strategy to ensure the City’s fiscal

integrity. City management and City Council are also provided monthly Financial Reports disclosing actual revenue, expenditure, and fund balance performance as compared to the budget plan. These Reports also include updates on the uses of the current year contingency and the budget planning/ development for the coming fiscal year.

Scottsdale’s programs and activities are periodically reviewed to determine if they are achieving City Council’s Broad Goals, accomplishing strategic objectives and making efficient use of limited resources. City values of “plan and innovate for the future” and “focus on quality customer service” along with City Manager directed studies of several service and program areas during the next budget year help communicate this expectation. The Financial Management Division, Executive Managing Directors, and the Internal Audit staff all provide assistance to staff in their review of programs.

The staff of every City service or program is expected to conduct self-assessments and develop cost and quality measures of efficiency and effectiveness. Internal performance measurements are developed and reviewed on a periodic basis by program managers. Scottsdale’s culture, along with the City value of “listen, communicate, and take action” stresses open communication and stakeholder involvement determining satisfaction with programs and services and in identifying areas needing additional attention.

Ongoing monitoring of the City’s financial performance is required of all program managers on a monthly basis. Written budget to actual expenditure variance reports must be submitted monthly by all City divisions explaining material variances and provide a solution for corrective action. Additionally, the divisions must be able to explain in writing to the Budget Department their projected year-end budget savings.

The City of Scottsdale’s Program Operating Budget is adopted at a division level and the Capital Improvement Plan is adopted at a project level.

The City uses the following as guidance throughout the fiscal year for adjustments to the budgeted amounts (Budget Transfers) and actual amounts (Request for Adjustment):

All proposed Budget Transfers between divisions and capital projects must be approved by the Executive Managing Director, CFO and the City Manager before being submitted to City Council for

consideration in a public meeting. If approved by City Council, the transfer is processed in the budget system by the Financial Management Division staff.

All proposed salary and benefit account Budget Transfers (51000 accounts) within the same division require the prior written approval of the Executive Managing Director, division Budget Liaison, Chief Financial Officer, and the City Manager. If approved in writing by the City Manager, the transfer is processed in the budget system by the Financial Management Division staff.

All proposed non-salary and benefit account Budget Transfers (52000, 53000 and 54000 accounts) within the same division require the prior written approval of the division Executive Managing Director, division Budget Liaison, and the Chief Financial Officer. If approved, the transfer is processed in the budget system by the Financial Management Division staff.

In addition, all proposed Budget Transfers to capital projects funded by Bond 2000 are reviewed by the Citizen Bond Review Commission at a public meeting and their recommendation is forwarded to the City Council for review. If approved by City Council, the transfer is processed in the budget system by the Financial Management Division staff.

All Requests for Adjustments to actual expenditures require a written justification and an explanation of the fiscal impact, which is reviewed by the Financial Management Division Accounting staff before being processed. If approved, the Financial Management Division staff document the approval in writing.

All amendments to the budget that require a Budget Transfer from the Contingency/Reserve Funds require City Council's prior approval at a public meeting before the adjustment can be made by staff. If approved, the transfer is processed in the budget system by the Financial Management Division staff.

Use of Contingency/Reserve Funds

The Contingency/Reserve Fund is strictly defined in the City's financial policies reviewed by the Budget Review Commission and adopted by City Council annually and used when additional funds are necessary to offset events such as: unexpected revenue shortfalls or expenditure increases so that budgeted citizen service measures can be maintained; unanticipated

grants are received; and when unanticipated and/or inadequately budgeted events threaten the public health or safety. Use of Contingency/Reserve Funds is to be utilized only after all alternative budget funding sources and other options have been fully considered. All Contingency/Reserve Fund requests require a written justification and an explanation of the fiscal impact, which is reviewed and approved in writing by the Budget Liaison, Chief Financial Officer, the applicable service area Executive Managing Director, and City Manager before being presented to City Council for consideration in a public meeting.

Budgetary and Accounting Basis

Scottsdale's budget is prepared on a cash basis of accounting for all fund types, which means certain transactions are recognized in the budget on a basis other than Generally Accepted Accounting Principles (GAAP), which is the basis used to prepare the City's Comprehensive Annual Financial Report (CAFR). The major differences between the budgetary and GAAP basis are:

Certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis. For example, increases or decreases in compensated absences are not reported for budget basis purposes, but are presented as revenues or expenditures on the GAAP basis.

Indirect administrative cost allocations (including in-lieu property tax and franchise fees) charges to the Enterprise Funds are accounted for as transfers in or out on the budgetary basis, but are recorded as revenues or expenses on the GAAP basis.

Capital outlays in the Enterprise Funds are presented as expenses for budget basis, but are recorded as assets along with associated depreciation expenses on the GAAP basis.

Debt service principal payments in the Enterprise Funds are accounted for as expenses for budget purposes, but are reported as reductions of long-term debt liability on the GAAP basis.

Certain debt service principal and interest payments are accounted for as expenses in the General Fund for budget basis purposes, but are reported as expenses in the Debt Service Fund on the GAAP basis.

For budget purposes the Risk Fund presents

claim expenditures on a cash basis, while on a GAAP basis the claim expenditures reflect an accrual for “incurred but not reported” (IBNR) claims.

All actual amounts in the budget document are shown on the budgetary basis to facilitate meaningful comparisons. Budgeted funds include the General, Special Revenue, Debt Service, Enterprise, Internal Service, Grants, Trust, and Capital Improvement Plan.

Operating and Capital Budget Relationship

The City of Scottsdale’s Budget for FY 2009/10 is comprised of three volumes:

Volume One includes the City Council’s Mission Statement and Broad Goals, City Manager’s Transmittal Letter, and Adopted Financial Policies. The Five-Year Financial Plan covers the period FY 2009/10 through FY 2013/14 and forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

Volume Two presents the individual programs within each division. The publication includes program descriptions, specific information about the goals and objectives, customers, partners, staffing, along with a summary of the program operating budgets by expenditure category and the applicable funding source(s).

Volume Three includes the Capital Project Budget and Five-Year Capital Improvement Plan with detailed information for each approved project. Projects accounted for in the City’s Enterprise Funds (Water & Sewer, Solid Waste and Aviation) are also included in the Capital Project Budget. Capital Project Budget funding sources are matched with budgeted expenditures. Estimated future year operating impacts are noted in the Capital Budget and included in the Five-Year Financial Plan for all approved projects, if applicable.

Governmental accounting procedures and state law require expenditures for the Five-Year Capital Improvement Plan to be budgeted at an amount sufficient to pay for an entire contract, meaning the legal authority is available and appropriated in the period in which a contract is entered into by the City. Therefore, capital expenditures are presented on a budget basis reflecting the total appropriated amount, as opposed to a cash flow basis, which may take

several fiscal years to be paid out. For example, a 180-day construction contract entered into in May of fiscal year one would have cash expenditures from May of fiscal year one through October of fiscal year two, however, the entire budget for this contract must be appropriated in fiscal year one, the year in which the contract was entered; any unspent funds at the end of fiscal year one would be carried forward and re-budgeted again in fiscal year two.

Funding sources for the Five-Year Capital Improvement Plan are presented on budget basis, except for cash transfers in from the Program Operating Budget, which are presented on a purely cash basis. These resources are presented in the period that the cash funding will be transferred in order to provide continuity between the Program Operating Budget and the Capital Improvement Plan. As a result of presenting the cash transfers in on a purely cash basis, the funding sources may not equal the budgeted expenditures in each period, creating a fund balance as cash accumulates each year for planned larger capital expenditures in later fiscal years.

For further information regarding capital project funding sources and expenditures, refer to the Capital Improvement Plan section, and the Fund Summaries and Five-Year Plan section of this Volume.

Five-Year Financial Plan

The City’s five-year financial planning process used to develop the proposed budget is a year-round process. The budget process begins in the early fall with the Financial Management staff’s initial updating of the Five-Year Financial Plan for each of the City’s major funds. The staff reviews the Five-Year Financial Plans for the following funds that appear in the budget – General, Transportation, Preservation Privilege Tax, Special Programs, Special Districts, Debt Service, Water & Sewer, Solid Waste, Aviation, Fleet, Self-Insurance, and Trust. Using the latest fiscal, operational, and legislative information, the staff works collaboratively with the City divisions to update the forecast for the current fiscal year related to the most recently adopted budget and to create a forecast for the coming budget year. The forecasts serve as the basis for the development of the City’s proposed Five-Year Financial Plan.

In March, the City Manager provides the Budget Review Commission with the updated Five-Year Financial Plans for their review and consideration.

The staff works with the Commission to review the underlying assumptions and reasonableness of the plans. The plans are used to develop the budget for the coming year (i.e. the first year of the plan) and subsequent years of the five-year financial forecast period. This time is also used to identify future service and financial issues requiring attention during the budget planning process.

The Five-Year Financial Plans provide the Budget Review Commission, City Council, City management, citizens and municipal bond rating agencies with the benefits of a long-term financial perspective of revenues, expenditures, cash transfers in/out, fund balances, and capital financing options. They also serve as the basis to test the potential impacts of proposed policy and operational modifications and pending legislative changes all intended to avoid subjecting citizens to wide or irregular fluctuations in rates/fees and service levels.

Proposed future operating impacts of capital projects are also included in the forecasts, which facilitates the planning, integration, and timing of the capital projects into the City's Five-Year Financial Plans. The City Council and City management use the plans to assess the impact of their proposed decisions in a long-range financial context. These decisions may include the proposed addition of new staff, new debt issuances and debt refunding, tax rates changes, the desire to create, modify or eliminate fees/rates, new or expanded services and state legislation changes. Based on the fiscal impact of these decisions, City Council has an opportunity to modify the proposed plans.

As noted above, the development and updating of the Five-Year Financial Plans is a year-round process. The staff monitors the current budget on a monthly basis and makes adjustments to the estimated annual revenues and expenditures based on the latest economic information, legislative changes and Council priorities. The revenue and expenditure variances, estimated ending fund balances and the status of the current year contingency usage are reported monthly to the City Council, City management and other stakeholders via the City of Scottsdale Monthly Financial Update. The staff also monitors and identifies changes in the financial and economic climates and considers solutions to negative trends, thereby preserving the financial health of Scottsdale.

The Five-Year Financial Plans are complemented by the Financial Management Division's preparation of the City's Financial Trends Report. The trends are prepared using the most recently completed fiscal year end audited financial information as the basis of the report and are issued in the early fall and reviewed with City Council in the fall.

Revenue Forecasting

The City of Scottsdale uses both qualitative and quantitative methods for forecasting revenues, blending various techniques to develop conservative and prudent revenue projections. Qualitative revenue forecasting methods used by staff to develop multi-year financial plans include consensus, judgmental, and expert forecasting, while trend analysis is used as a quantitative technique. This balanced approach to revenue forecasting is strongly encouraged by the Government Finance Officers Association (GFOA), since research shows that forecasting accuracy is improved by combining qualitative and quantitative techniques. According to the GFOA, each method by itself has inherent weaknesses: qualitative methods can be too subjective at times and may be subject to wishful thinking and selective perception on behalf of the forecasters; quantitative methods may fail to consider changing conditions inside and outside a jurisdiction and also tend to discount important historical events. By combining qualitative and quantitative methods, forecasters integrate judgmental assumptions within the forecasting framework to produce more realistic revenue projections.

To enhance the revenue forecasting process and gain the broader input into the planning process, the Financial Management staff works collaboratively with the City divisions throughout the year to prepare the revenue estimates. This multi-disciplinary approach and continual reassessment creates a synergy between the central finance staff and the division field staff, which reduces the likelihood of miscommunications in formulating the revenue estimates. The field staff's participation in the revenue estimates also increases their ownership and accountability for achieving the proposed plan.

Expenditure and Year-End Savings Forecasting

Each month throughout the fiscal year, the Financial

Management Division Budget staff works with the City divisions to monitor their year-to-date actual expenditures against the year-to-date approved budget. Each division is also required to forecast their year-end expenditures and related expenditure savings. All significant actual or forecasted variances are researched and a reason for the likely variance as well as possible alternatives to resolve the variance is considered by the staff. Pro-active management of the budget to actual/forecasted expenditures allows staff the opportunity to promptly notify City management and the City Council of potential budget concerns.

City of Scottsdale's Comprehensive Financial Policies

The following City financial policies adopted by Resolution by the City Council establish the framework for Scottsdale's overall fiscal planning and management. They set forth guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated. Scottsdale's publicly adopted financial policies show the credit rating industry and prospective investors (bond buyers) the City's commitment to sound financial management and fiscal integrity. The financial policies also improve the City's fiscal stability by helping City officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies promotes sound financial management, which can lead to improvement in City bond ratings and lower cost of capital. During the FY 2009/10 budget development process, the adopted financial policies were amended as follows:

- The creation of a Budget Review Commission resulted in an edit to policy number 3 (underlined) and new policy 4.
- An edit was made to policy 18 to reflect the proper definition of a capital improvement project as needed.

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements. In order to ensure compliance with policy, sunset provisions will be required on all grant program initiatives and incorporated into other service plans, as appropriate.
2. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.
3. Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and modified zero-base expenditure analysis that requires every program to be justified annually in terms of meeting intended

objectives ("effectiveness criteria") and in terms of value received for dollars allocated ("efficiency criteria"). The process will include a diligent review of programs by staff, management, citizens, Budget Review Commission, and City Council.

4. The Budget Review Commission is responsible for reviewing the operating budget (division and program/service funding); the capital budget; the revenue forecast, taxes, and fees; and financial policies.
5. The full City Council will solicit citizen input and review the operating and capital budget recommendations from a departmental, program, and goals perspective.
6. Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
7. Current revenues will fund current expenditures and a diversified and stable revenue system will be developed to protect programs from short-term fluctuations in any single revenue source. To ensure that Scottsdale does not become overly reliant on 'growth' revenues for operating needs, a minimum of 25% construction privilege tax revenues will be transferred annually to the Capital Improvement Program for one-time capital project use.
8. Addition of personnel will only be requested to meet program initiatives and policy directives; after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, personnel cost reductions will be achieved through attrition.
9. Enterprise (Water, Sewer, Solid Waste Management, and Airport) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service and

be approved by the City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents. Rate adjustments for enterprise operations will be based on five-year financial plans.

10. All non-enterprise user fees and charges will be examined annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.
11. Development impact fees, as permitted by state law, for capital expenses attributable to new development will be reviewed annually to ensure that fees recover all direct and indirect development-related expenses and be approved by City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents.
12. Capital equipment replacement will be accomplished through the use of a "rental" rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for operation and replacement of vehicles and other capital equipment (fleet, computers, phones and copier systems). Replacement costs will be based upon equipment lifecycle financial analysis.
13. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process.
14. Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually, focus on a three-year horizon, but include a five-year outlook.
15. Alternative means of service delivery will be

evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost. Departments, in cooperation with the City Manager, will identify all activities that could be provided by another source and review options/alternatives to current service delivery. The review of service delivery alternatives and the need for the service will be performed annually or on an "opportunity" basis.

16. Cash and Investment programs will be maintained in accordance with the City Charter and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.
17. The City will follow an aggressive, consistent, but sensitive to the circumstances policy of collecting revenues to the limit of our ability. Collection policy goal will be for all adjusted uncollectible accounts to be no more than .5 of 1% of the total City revenue being adjusted for bad debts annually.

Capital Management Policies

18. A five-year Capital Improvement Plan will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction which results in a capitalized asset costing more than \$25,000 and having a useful (depreciable life) of ~~two~~ five years or more.
19. The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.
20. Proposed capital projects will be reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital, and operating) and overall consistency with the City's goals and objectives. Financing sources will then be identified for the highest ranking projects.
21. Capital improvement lifecycle costs will be coordinated with the development of the Operating

Budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and included in the Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

22. Dedicated two tenths of percent (.2%) 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, transit and aviation and transportation improvement operating costs.
23. Pay-as-you-go Capital Improvement Plan financing should account for a minimum of 25 percent of all capital improvement projects for each five-year planning period. Pay-as-you-go financing is defined as all sources of revenue other than City debt issuance, i.e., fund balance contributions, developer contributions, grants, endowments, etc.
24. Pay-as-you-go contributions up to 10% or \$500,000, whichever is less, may be authorized by City Council towards any single utility undergrounding improvement district. Any unused annual budget authorization may carry forward towards a maximum \$2 million appropriation for utility undergrounding capital projects that benefit the community as a whole.

Debt Management Policies

25. The City will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit.
26. An analysis showing how the new issue combined with current debt impacts the City's debt capacity and conformance with City debt policies will accompany every future bond issue proposal.
27. The City will communicate, and, where appropriate, coordinate with all jurisdictions with which we share a common tax base concerning our collective plans for future debt issues.
28. For all debt security transactions, the City will utilize bond legal counsel that is familiar with municipal law to ensure that the securities are issued in compliance with the City's governing statutes and regulations. The selection of any outside bond counsel to assist in debt security transactions will be subject to the City Attorney's review and involvement.
29. City Debt Service costs (GO, MPC, HURF, Revenue Bond, McDowell Sonoran Preservation and Contractual Debt) should not exceed 25% of the City's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District (ID) and Community Facility District (CFD) debt service is not included in this calculation because it is paid by district property owners and is not an obligation of the general citizenry. Separate criteria have been established regarding ID and CFD debt policies.
30. General Obligation debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation and/or property tax rate increases, will be utilized as authorized by voters. Other types of voter-approved debt (e.g., water, sewer, and HURF) may also be utilized when they are supported by dedicated revenue sources (e.g., fees and user charges).
31. General Obligation debt issuances will be managed on an annual basis to match funds to Capital Improvement Plan cash flow requirements while being sensitive to the property tax burden on citizens. Careful management of bond issuances will allow the City to not exceed \$1.50 property tax per \$100 assessed value.
32. Municipal Property Corporation and contractual debt, which is non-voter approved, will be utilized only when a dedicated revenue source (e.g., golf course revenue, privilege tax, bed tax) can be identified to pay debt service expenses. The following considerations will be made to the question of pledging of project (facility) revenues towards debt service requirements:
 - a. The project requires monies not available from other sources.
 - b. Matching fund monies are available which may

- be lost if not applied for in a timely manner.
- c. Catastrophic conditions.
 - d. The project to be financed will generate net positive revenues (i.e., the additional tax revenues generated by the project will be greater than the debt service requirements). The net revenues should not simply be positive over the life of the bonds, but must be positive each year within a reasonably short period (e.g., by the third year of debt service payments).
33. McDowell Sonoran Preservation debt service will be funded by the dedicated .35% privilege tax. The City's privilege tax to revenue bond debt service goal will be at least 1.5:1 for senior lien debt to ensure the City's ability to pay for preserve debt from this elastic revenue source.
34. Improvement District (ID) and Community Facility District (CFD) Bonds shall be permitted only when there is a general City benefit. ID and CFD bonds will be utilized only when it is expected that they will be issued for their full term. It is intended that ID and CFD bonds will be primarily issued for existing neighborhoods desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage.
- a. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, the City's cumulative improvement district debt will not exceed 5 percent of the City's secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years.
 - b. Community Facility District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. In addition, the City's cumulative facility district debt will not exceed 5 percent of the City's secondary assessed valuation. The landowner/developer shall also contribute \$.25 in public infrastructure improvement costs of each dollar of public infrastructure improvement debt to be financed by the district.
35. Debt financing should not exceed the useful life of the infrastructure improvement with the average (weighted) bond maturities at or below ten years.
36. A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the City's ability to pay short-term obligations.
37. Bond interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan, as approved by City Council, or be applied to debt service payment on the bonds issued for construction of this plan.
38. Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets our bond indenture requirement of 1.2/1. The City goal will be to maintain a minimum ratio of utility revenue to debt service of 1.6/1 or greater, to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes, and to ensure a balanced pay-as-you-go Capital Improvement Plan.

Reserve Policies

39. All fund designations and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's balanced five year financial plan.
40. General Fund Stabilization Reserve of 10 percent of annual general governmental (General and Transportation funds) operating expenditures will be maintained for unforeseen emergencies or catastrophic impacts to the City. Funds in excess of 10 percent, but not to exceed \$5 million, may be used for economic investment in the community when justified by the financial return to the City.
41. Debt Service Reserve will be funded with secondary property taxes, levied by City Council, sufficient to pay the bonded indebtedness for

General Obligation bond principal and interest. A debt service sinking fund will be maintained to account for these restricted revenues and debt payments, as well as any additional debt amounts deemed to be advisable and necessary for any public or municipal purposes. An excise tax debt reserve will be funded at no less than the annual debt service for all currently outstanding (1%) excise tax supported debt.

42. Water and Sewer Fund Reserves will be maintained to meet three objectives: (1) ensure adequate funding for operations; (2) to ensure infrastructure repair and replacement; and, (3) to provide working capital to provide level rate change for customers.
 - a. An Operating Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide sufficient expenditure flexibility during times of unusual weather resulting in variations in average consumption and associated operating expenses.
 - b. A Replacement and Extension Reserve will be maintained, per bond indenture requirements, to meet the minimum requirement of 2% of all tangible assets of the system to ensure replacement of water and sewer infrastructure.
 - c. In addition, Working Capital will be funded based upon a multi-year financial plan to provide adequate cash for water and sewer capital improvements and to level the impact of rate increases upon our customers.
43. Solid Waste Management Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with solid waste disposal. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of waste disposal activities.
44. Aviation Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with airport operations. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of airport activities.
45. Self-Insurance Reserves will be maintained at a

level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels, which will be approved by Council.

46. Fleet Management Reserve will be maintained based upon lifecycle replacement plans to ensure adequate fund balance required for systematic replacement of fleet vehicles and operational contingencies. Operating departments will be charged for fleet operating costs per vehicle class and replacement costs spread over the useful life of the vehicles.
47. Contingency Reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. Use of contingency funds should be utilized only after all budget sources have been examined for available funds, and subject to City Council approval.

Financial Reporting Policies

48. The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
49. An annual audit will be performed by an independent public accounting firm; with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR). The independent auditor will present CAFR and discuss audit findings concerning internal controls and operational efficiencies at a public meeting.
50. The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP,

demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

51. The City's CAFR will also be submitted to Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) as a continuing commitment to disclose thoroughness to enable investors to make informed decisions.
52. The City's Budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.
53. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

Fund Summaries and Five-Year Plans

Fund Accounting - Fund Types

To ensure legal compliance and financial management for the various restricted revenues and program expenditures, the City's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. Fund accounting segregates functions and activities into separate self-balancing funds that are created and maintained for specific purposes; for example, Special Revenue Funds are used to account for the expenditure of restricted revenues, while Enterprise Funds account for self-sustaining "business" related activities for which a fee is charged to cover all costs associated with that business. The General Fund is the City's chief operating fund and is used to account for all financial resources, except those that are legally required to be accounted for in another fund.

A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains the following four Special Revenue Funds: Transportation Fund, Preservation Privilege Tax, Special Programs, and Grants.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest which are not serviced by the General, Special Revenue, and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Enterprise Funds are used to account for operations, including debt service, which are financed and operated similarly to private businesses, where the intent is that the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains three Enterprise Funds to account for Water & Sewer, Solid Waste, and Aviation activities.

Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the City. The City maintains two Internal Service Funds to account for Fleet and Self-Insurance activities.

Trust Funds are used to administer resources received and held by the City as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several Capital Project funds to ensure legal compliance and financial management for various restricted revenues. Examples of restricted revenue funds are:

Bond Capital Funds – used to account for bond proceeds to be used only for approved bond projects.

Transportation Privilege Tax Capital Fund – used to account solely for transportation projects.

Grant Capital Funds – used to account for the proceeds of capital grants.

Enterprise Capital Funds – used to account for utility rates and development fees for specific projects.

General Capital Funds – used to account for transfers-in from the General Fund and for any other activity for which a restricted revenue fund has not been created.

- •
- The following section presents •
- several schedules detailing the City •
- of Scottsdale's Budget by Fund and •
- includes Fund Summaries and the •
- Five-Year Financial Plan for each of the •
- City's funds. •
- •

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance:				
General Fund Reserve	25,459,626	28,131,257	28,131,257	25,860,367
Photo Enforcement Loop 101 Program - Contingency	860,783	1,361,093	1,626,388	-
Operating Contingency	2,391,217	2,500,000	2,500,000	5,000,000
Liabilities Reserve	5,276,151	-	-	-
Unreserved Fund Balance	33,163,108	8,629,426	12,010,835	3,836,635
Total Beginning Fund Balance	67,150,885	40,621,775	44,268,480	34,697,002
Revenues:				
Taxes - Local				
Privilege Tax	105,317,750	106,300,000	88,340,000	75,900,000
Privilege Tax - Public Safety	10,244,158	10,311,100	8,568,980	7,362,300
Property Tax	20,414,025	22,360,631	22,167,031	23,654,407
Transient Occupancy Tax (100% GF starting in FY09/10)	2,346,219	1,972,400	1,598,306	8,231,300
Light & Power Franchise	7,890,300	7,718,000	8,200,000	8,400,000
Cable TV Franchise	3,507,190	3,603,000	3,603,000	3,600,000
Salt River Project Lieu Tax	95,834	175,000	139,000	139,000
Stormwater Water Quality Charge	861,021	842,000	830,000	863,000
Fire Insurance Premium	-	-	-	-
Taxes - From Other Agencies				
State Shared Sales Tax	21,652,550	22,000,000	19,900,000	18,047,839
State Revenue Sharing	33,036,655	34,000,000	34,600,000	30,308,042
Auto Lieu Tax	9,962,069	9,700,000	8,000,000	8,000,000
Licenses, Permits & Fees				
Building Permit Fees & Charges	12,454,445	14,500,000	6,550,000	8,000,000
Building Permits - CIP	-	-	76,100	149,000
Fire Service Charges	1,067,593	1,440,000	2,331,381	2,350,000
Business Licenses & Fees	1,760,535	1,835,000	1,670,000	1,680,000
Recreation Fees	2,819,553	3,114,000	3,114,000	3,022,000
WestWorld	2,784,969	2,387,000	2,728,000	2,888,000
Fines & Forfeitures				
Court Fines	6,792,909	6,451,000	6,400,000	7,166,300
Parking Fines	472,615	318,000	475,000	495,000
Photo Enforcement Revenue	1,518,675	1,869,000	1,570,000	1,655,700
Photo Enforcement Loop 101 Program	4,268,851	975,000	745,000	-
Library Fines & Fees	417,540	382,000	382,000	389,640
Interest Earnings/Property Rental				
Interest Earnings	6,429,293	4,500,000	3,498,327	1,656,860
Property Rental	3,496,405	3,381,000	3,327,167	3,194,029
Other Revenue				
Miscellaneous	658,019	1,000,000	1,004,690	1,000,000
30-Day Tow Program	-	-	200,000	400,000
Capital Improvement Plan Cost Allocation	-	-	878,820	861,588
Reimbursements	380,624	350,000	365,000	350,000
Intergovernmental Revenue	1,054,990	675,000	984,023	1,049,900
Indirect/Direct Cost Allocation	11,577,240	12,936,944	12,936,944	14,773,794
Subtotal	273,282,027	275,096,075	245,182,769	235,587,699
Cash Transfers In				
Special Programs Fund (Code Enforcement)	91,133	-	-	-
In Lieu Property Tax	3,032,052	2,453,185	2,453,185	2,675,320
Franchise Fees	6,287,024	6,738,113	6,494,838	6,684,785
Miscellaneous	749,558	-	-	-
CIP Funds	-	-	14,000,000	9,000,000
Special Programs/Revenue Fund (Cultural Council)	-	-	-	300,000
Special Programs Fund (Community Services-Human Svcs)	-	-	130,000	130,000
Self Insurance Fund	-	2,500,000	5,000,000	-
Subtotal	10,159,767	11,691,298	28,078,023	18,790,105
Total Revenues & Cash Transfers In	283,441,794	286,787,373	273,260,792	254,377,804
Use of Funds:				
Departments				
Mayor & City Council	1,502,304	1,693,976	1,543,282	-
City Clerk	855,189	956,910	1,155,145	904,960
Elections	5,065	238,461	-	-
City Attorney	5,878,618	6,923,420	6,635,009	6,384,959
City Attorney - Photo Enf Loop 101 Program	38,891	18,874	18,874	-
City Auditor	759,346	973,586	995,335	837,820
City Court	5,477,729	5,580,017	5,535,415	4,699,829

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
City Court - Photo Enf Loop 101 Program	185,706	191,731	191,731	-
City Manager	669,018	824,025	867,798	-
CAPA	1,441,200	1,728,004	1,397,991	-
Police	85,668,378	89,522,918	90,771,566	-
Police - Photo Enf Loop 101 Program	3,278,649	812,095	812,095	-
Financial Services	9,303,411	9,992,850	9,546,089	-
Transportation - Trails	33,737	201,328	126,700	-
Community Services	59,729,831	58,822,317	58,960,186	-
Information Technology	10,149,143	10,602,652	9,679,388	10,333,523
The Downtown Group	4,696,718	4,580,842	4,544,288	-
Fire	29,700,291	33,237,606	32,070,830	-
Municipal Services	869,216	1,687,434	1,567,191	-
Citizen & Neighborhood Resources	3,314,493	3,774,908	3,497,634	-
Human Resources	3,828,421	4,316,051	3,683,436	-
Economic Vitality	1,481,966	1,502,931	1,384,879	11,208,383
Planning & Development	15,743,918	17,132,633	16,378,570	-
WestWorld	3,197,698	3,549,525	3,778,590	-
Divisions (FY 2009/10 Reorganization)				
Scottsdale City Council	-	-	-	790,904
Strategic Resources Group	-	-	-	1,742,708
Community Services	-	-	-	38,499,263
Public Safety	-	-	-	116,256,382
Public Works & Water Resources	-	-	-	18,983,113
Planning, Neighborhoods, & Transportation	-	-	-	15,586,164
Financial Management	-	-	-	7,763,582
Human Resources	-	-	-	4,597,436
Leave Accrual Payments	-	-	-	1,790,184
Estimated Personnel Savings from Vacant Positions	-	-	(2,072,586)	(5,000,000)
Estimated Department Savings (non-vacant positions)	-	-	(2,000,000)	-
Estimated Operating Impacts - CIP	-	-	-	-
Retirement Incentive	-	-	8,630,174	-
Future Savings from Reorganization	-	-	-	(12,536,834)
Subtotal	247,808,936	258,865,094	259,699,610	222,842,376
Debt Service				
Contracts Payable	4,128,399	4,607,003	2,975,691	2,724,356
Certificates of Participation - Radio Financing	-	500,000	-	1,021,600
Certificates of Participation	918,790	918,790	918,790	918,790
Subtotal	5,047,189	6,025,793	3,894,481	4,664,746
Total Operating Budget	252,856,124	264,890,887	263,594,091	227,507,122
Cash Transfers Out				
MPC Excise Debt Fund	6,045,798	5,938,688	5,791,435	6,695,185
CIP - General Fund Maintenance	5,000,700	4,047,000	3,300,000	1,550,000
CIP - General Fund - Public Safety/Radios	3,054,110	1,552,800	-	-
CIP - General Fund - Non-Maintenance	39,456,000	5,000,000	-	9,000,000
CIP - Public Safety Radio Sys-Photo Enforce Loop 101 Bal	-	-	1,348,688	-
Transportation Fund - Deficit Elimination Transfer	2,527,054	6,200,000	8,305,081	5,571,026
Fleet Fund - Decision Packages/Contingency	420,300	-	-	-
Spcl Prgrm Fund-Bed Tax -80% Transfer per Adopt Financial Policy	-	-	-	6,585,040
Special Programs Fund - Bed Tax - Deficit Elim	-	-	932,974	-
Special Programs Fund - Community Services	100,000	100,000	-	-
Special Programs Fund - Planning & Development Services	60,000	60,000	60,000	60,000
Other	152,682	-	-	-
Total Cash Transfers Out	56,816,644	22,898,488	19,738,178	29,461,251
Total Expenditures & Cash Transfers Out	309,672,768	287,789,375	283,332,270	256,968,373
GAAP to Budget Adjustment ⁽¹⁾	3,348,569	-	500,000	-
Ending Fund Balance				
General Fund Reserve	28,131,257	29,927,331	25,860,367	26,125,798
Photo Enforcement Loop 101 Program - Contingency	1,626,388	600,000	-	-
Operating Contingency	2,086,000	5,000,000	5,000,000	5,000,000
Unreserved Fund Balance	12,424,832	4,092,442	3,836,635	980,634
Total Ending Fund Balance	44,268,480	39,619,773	34,697,002	32,106,432

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance:					
General Fund Reserve	25,860,367	26,125,798	26,815,845	27,249,049	27,665,652
Photo Enforcement Loop 101 Program - Contingency	-	-	-	-	-
Operating Contingency	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Liabilities Reserve	-	-	-	-	-
Unreserved Fund Balance	3,836,635	980,634	2,196,636	9,541,822	23,615,114
Total Beginning Fund Balance	34,697,002	32,106,432	34,012,480	41,790,871	56,280,766
Revenues:					
Taxes - Local					
Privilege Tax	75,900,000	78,177,000	80,913,195	84,149,723	87,515,712
Privilege Tax - Public Safety	7,362,300	7,583,169	7,848,580	8,162,523	8,489,024
Property Tax	23,654,407	24,830,387	26,057,790	27,345,864	28,697,554
Transient Occupancy Tax (100% GF starting in FY09/10)	8,231,300	8,560,552	8,902,974	9,259,093	9,629,457
Light & Power Franchise	8,400,000	8,700,000	9,135,000	9,591,750	10,071,338
Cable TV Franchise	3,600,000	3,700,000	3,800,000	3,900,000	3,900,000
Salt River Project Lieu Tax	139,000	140,000	175,000	175,000	175,000
Stormwater Water Quality Charge	863,000	909,000	967,000	1,029,000	1,077,000
Fire Insurance Premium	-	-	-	-	-
Taxes - From Other Agencies					
State Shared Sales Tax	18,047,839	18,589,274	19,146,952	19,721,361	20,313,002
State Revenue Sharing	30,308,042	29,398,801	30,574,753	32,103,490	33,708,665
Auto Lieu Tax	8,000,000	8,000,000	8,320,000	8,652,800	8,998,912
Licenses, Permits & Fees					
Building Permit Fees & Charges	8,000,000	10,000,000	11,000,000	12,000,000	13,000,000
Building Permits - CIP	149,000	149,000	149,000	149,000	149,000
Fire Service Charges	2,350,000	1,871,000	1,927,130	1,984,944	2,044,492
Business Licenses & Fees	1,680,000	1,700,000	1,751,000	1,803,530	1,857,636
Recreation Fees	3,022,000	3,335,000	3,451,725	3,572,535	3,697,574
WestWorld	2,888,000	2,888,000	2,945,760	3,004,675	3,064,769
Fines & Forfeitures					
Court Fines	7,166,300	7,379,000	7,600,370	7,828,381	8,063,233
Parking Fines	495,000	509,850	520,047	530,448	541,057
Photo Enforcement Revenue	1,655,700	1,654,800	1,671,348	1,688,061	1,704,942
Photo Enforcement Loop 101 Program	-	-	-	-	-
Library Fines & Fees	389,640	397,433	405,381	413,489	421,759
Interest Earnings/Property Rental					
Interest Earnings	1,656,860	1,756,693	4,000,000	4,000,000	4,000,000
Property Rental	3,194,029	3,194,029	3,257,910	3,323,068	3,389,529
Other Revenue					
Miscellaneous	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
30-Day Tow Program	400,000	400,000	400,000	400,000	400,000
Capital Improvement Plan Cost Allocation	861,588	861,562	868,329	878,203	888,329
Reimbursements	350,000	350,000	350,000	350,000	350,000
Intergovernmental Revenue	1,049,900	1,080,063	1,080,063	1,080,063	1,080,063
Indirect/Direct Cost Allocation	14,773,794	15,364,746	15,979,336	16,618,509	17,283,249
Subtotal	235,587,699	242,479,359	254,198,643	264,715,511	275,511,295
Cash Transfers In					
Special Programs Fund (Code Enforcement)	-	-	-	-	-
In Lieu Property Tax	2,675,320	3,040,415	3,402,008	3,613,873	3,860,196
Franchise Fees	6,684,785	7,028,529	8,021,167	7,842,330	8,231,228
Miscellaneous	-	-	-	-	-
CIP Funds	9,000,000	-	-	-	-
Special Programs/Revenue Fund (Cultural Council)	300,000	-	-	-	-
Special Programs Fund (Community Services-Human Svcs)	130,000	-	-	-	-
Self Insurance Fund	-	-	-	-	-
Subtotal	18,790,105	10,068,944	11,423,175	11,456,203	12,091,424
Total Revenues & Cash Transfers In	254,377,804	252,548,303	265,621,818	276,171,714	287,602,719
Use of Funds:					
Departments					
Mayor & City Council	-	-	-	-	-
City Clerk	904,960	1,132,354	912,209	1,177,177	953,723
Elections	-	-	-	-	-
City Attorney	6,384,959	6,385,235	6,459,396	6,568,154	6,652,307
City Attorney - Photo Enf Loop 101 Program	-	-	-	-	-
City Auditor	837,820	838,480	846,065	854,743	863,376
City Court	4,699,829	4,709,216	5,650,087	5,738,838	5,822,801

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FIVE YEAR FINANCIAL FORECAST					
	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
City Court - Photo Enf Loop 101 Program	-	-	-	-	-
City Manager	-	-	-	-	-
CAPA	-	-	-	-	-
Police	-	-	-	-	-
Police - Photo Enf Loop 101 Program	-	-	-	-	-
Financial Services	-	-	-	-	-
Transportation - Trails	-	-	-	-	-
Community Services	-	-	-	-	-
Information Technology	10,333,523	10,272,278	10,416,274	10,598,700	10,775,836
The Downtown Group	-	-	-	-	-
Fire	-	-	-	-	-
Municipal Services	-	-	-	-	-
Citizen & Neighborhood Resources	-	-	-	-	-
Human Resources	-	-	-	-	-
Economic Vitality	11,208,383	11,224,768	11,353,343	11,507,270	11,657,241
Planning & Development	-	-	-	-	-
WestWorld	-	-	-	-	-
Divisions (FY 2009/10 Reorganization)					
Scottsdale City Council	790,904	791,613	801,287	813,002	825,168
Strategic Resources Group	1,742,708	1,633,605	1,648,154	1,664,853	1,681,863
Community Services	38,499,263	38,137,335	38,617,866	39,292,256	39,955,521
Public Safety	116,256,382	116,164,688	117,626,911	119,532,084	121,354,072
Public Works & Water Resources	18,983,113	19,070,878	19,265,088	19,481,871	19,696,999
Planning, Neighborhoods, & Transportation	15,586,164	15,277,449	15,482,916	15,760,301	16,019,452
Financial Management	7,763,582	7,732,666	7,831,995	7,976,217	8,114,952
Human Resources	4,597,436	4,591,174	4,651,967	4,732,622	4,810,503
Leave Accrual Payments	1,790,184	1,754,607	1,723,445	1,873,529	1,886,872
Estimated Personnel Savings from Vacant Positions	(5,000,000)	(5,150,000)	(5,304,500)	(5,463,600)	(5,627,500)
Estimated Department Savings (non-vacant positions)	-	-	-	-	-
Estimated Operating Impacts - CIP	-	1,400,000	2,900,000	3,410,000	3,510,000
Retirement Incentive	-	-	-	-	-
Future Savings from Reorganization	(12,536,834)	(12,536,834)	(12,536,834)	(12,536,834)	(12,536,834)
Subtotal	222,842,376	223,429,511	228,345,669	232,981,185	236,416,351
Debt Service					
Contracts Payable	2,724,356	2,854,718	4,275,486	3,357,511	3,480,452
Certificates of Participation - Radio Financing	1,021,600	2,621,200	2,620,913	2,623,675	2,624,375
Certificates of Participation	918,790	918,790	918,790	918,790	918,790
Subtotal	4,664,746	6,394,708	7,815,189	6,899,976	7,023,617
Total Operating Budget	227,507,122	229,824,219	236,160,858	239,881,161	243,439,969
Cash Transfers Out					
MPC Excise Debt Fund	6,695,185	6,836,098	7,913,733	7,921,776	8,524,477
CIP - General Fund Maintenance	1,550,000	1,593,000	1,650,000	1,715,000	1,784,000
CIP - General Fund - Public Safety/Radios	-	-	-	-	-
CIP - General Fund - Non-Maintenance	9,000,000	-	-	-	-
CIP - Public Safety Radio Sys-Photo Enforce Loop 101 Bal	-	-	-	-	-
Transportation Fund - Deficit Elimination Transfer	5,571,026	5,310,496	4,766,457	4,526,608	4,268,651
Fleet Fund - Decision Packages/Contingency	-	-	-	-	-
Spcl Prgrm Fund-Bed Tax -80% Transfer per Adopt Financial Policy	6,585,040	6,848,442	7,122,379	7,407,274	7,703,565
Special Programs Fund - Bed Tax - Deficit Elim	-	0	0	(0)	(0)
Special Programs Fund - Community Services	-	170,000	170,000	170,000	170,000
Special Programs Fund - Planning & Development Services	60,000	60,000	60,000	60,000	60,000
Other	-	-	-	-	-
Total Cash Transfers Out	29,461,251	20,818,036	21,682,569	21,800,658	22,510,693
Total Expenditures & Cash Transfers Out	256,968,373	250,642,255	257,843,427	261,681,819	265,950,662
GAAP to Budget Adjustment ⁽¹⁾	-	-	-	-	-
Ending Fund Balance					
General Fund Reserve	26,125,798	26,815,845	27,249,049	27,665,652	27,665,652
Photo Enforcement Loop 101 Program - Contingency	-	-	-	-	-
Operating Contingency	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Unreserved Fund Balance	980,634	2,196,636	9,541,822	23,615,114	45,267,171
Total Ending Fund Balance	32,106,432	34,012,480	41,790,871	56,280,766	77,932,823

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRANSPORTATION SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Source of Funds:</u>				
Beginning Fund Balance	412,605	(2,670,891)	(1,685,650)	-
Revenues:				
Highway User Revenue Tax	16,302,507	16,900,000	13,500,000	14,187,000
Transportation Privilege Tax (0.2%)	19,980,413	20,090,700	16,696,260	14,345,100
Local Transportation Assistance Fund I	1,088,492	1,088,492	1,068,850	1,057,100
Local Transportation Assistance Fund II	379,831	-	432,214	-
Proposition 400 Regional Sales Tax	7,920	305,184	305,184	311,628
Charges for Services	101,794	-	-	1,568,364
Capital Improvement Plan Cost Allocation	-	-	836,325	819,926
Miscellaneous	7,498	180,000	120,000	120,000
Subtotal	37,868,455	38,564,376	32,958,833	32,409,118
Cash Transfers In				
General Fund - Deficit Elimination Transfer	2,527,135	6,200,000	8,305,081	5,571,026
CIP	-	3,000,000	1,500,000	-
Solid Waste - Alley Maintenance	311,395	334,012	334,012	358,550
Subtotal	2,838,530	9,534,012	10,139,093	5,929,576
Total Revenues & Cash Transfers In	40,706,985	48,098,388	43,097,926	38,338,694
<u>Use of Funds:</u>				
Division				
Transportation/Admin, Planning & Engineering	14,267,442	15,804,943	14,713,973	-
Municipal Services/Field Services	18,268,092	19,600,184	17,562,663	-
FY 2009/10 Reorganization				
Planning, Neighborhoods, & Transportation	-	-	-	13,631,274
Public Works & Water Resources	-	-	-	17,649,008
Leave Accrual Payments	-	-	-	86,262
Estimated Personnel Savings from Vacant Positions	-	-	(89,864)	(270,000)
Retirement Incentive	-	-	819,874	-
Subtotal	32,535,534	35,405,127	33,006,646	31,096,544
Total Operating Budget	32,535,534	35,405,127	33,006,646	31,096,544
Cash Transfers Out				
CIP Fund - Privilege Tax Allocation	9,990,206	10,045,350	8,348,130	7,172,550
CIP Fund - Tech. Replacement	68,800	57,500	57,500	69,600
Fleet Fund - Vehicles	210,700	-	-	-
Total Cash Transfers Out	10,269,706	10,102,850	8,405,630	7,242,150
Total Expenditures & Cash Transfers Out	42,805,240	45,507,977	41,412,276	38,338,694
Total Ending Fund Balance	(1,685,650)	(80,480)	-	-

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRANSPORTATION SPECIAL REVENUE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance	-	-	-	-	-
Revenues:					
Highway User Revenue Tax	14,187,000	14,612,610	15,050,988	15,502,518	15,967,593
Transportation Privilege Tax (0.2%)	14,345,100	14,775,453	15,292,594	15,904,298	16,540,470
Local Transportation Assistance Fund I	1,057,100	1,057,100	1,057,100	1,057,100	1,057,100
Local Transportation Assistance Fund II	-	-	300,000	300,000	300,000
Proposition 400 Regional Sales Tax	311,628	250,000	260,000	270,400	281,216
Charges for Services	1,568,364	1,599,731	1,631,726	1,664,360	1,697,648
Capital Improvement Plan Cost Allocation	819,926	812,031	821,107	833,308	845,252
Miscellaneous	120,000	122,400	124,848	127,345	129,892
Subtotal	32,409,118	33,229,325	34,538,363	35,659,329	36,819,170
Cash Transfers In					
General Fund - Deficit Elimination Transfer	5,571,026	5,310,496	4,766,457	4,526,608	4,268,651
CIP	-	-	-	-	-
Solid Waste - Alley Maintenance	358,550	380,063	402,867	427,039	452,661
Subtotal	5,929,576	5,690,559	5,169,324	4,953,647	4,721,312
Total Revenues & Cash Transfers In	38,338,694	38,919,884	39,707,687	40,612,976	41,540,483
Use of Funds:					
Division					
Transportation/Admin, Planning & Engineering	-	-	-	-	-
Municipal Services/Field Services	-	-	-	-	-
FY 2009/10 Reorganization					
Planning, Neighborhoods, & Transportation	13,631,274	13,815,402	14,072,782	14,348,300	14,623,931
Public Works & Water Resources	17,649,008	17,810,532	18,127,512	18,464,717	18,805,040
Leave Accrual Payments	86,262	86,024	83,896	91,510	91,677
Estimated Personnel Savings from Vacant Positions	(270,000)	(278,200)	(286,600)	(295,200)	(304,100)
Retirement Incentive	-	-	-	-	-
Subtotal	31,096,544	31,433,758	31,997,590	32,609,327	33,216,548
Total Operating Budget	31,096,544	31,433,758	31,997,590	32,609,327	33,216,548
Cash Transfers Out					
CIP Fund - Privilege Tax Allocation	7,172,550	7,387,727	7,646,297	7,952,149	8,270,235
CIP Fund - Tech. Replacement	69,600	98,400	63,800	51,500	53,700
Fleet Fund - Vehicles	-	-	-	-	-
Total Cash Transfers Out	7,242,150	7,486,127	7,710,097	8,003,649	8,323,935
Total Expenditures & Cash Transfers Out	38,338,694	38,919,884	39,707,687	40,612,976	41,540,483
Total Ending Fund Balance	-	-	-	-	-

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE PRESERVATION PRIVILEGE TAX SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Source of Funds:</u>				
Beginning Fund Balance	34,941,295	18,382,032	19,044,623	20,138,430
Revenues:				
Privilege Tax (0.20%)	20,543,723	20,622,200	17,137,960	14,724,600
Privilege Tax (0.15%)	15,366,251	14,951,095	13,251,000	11,385,000
Interest Earnings	1,943,652	1,120,000	1,120,000	302,000
Subtotal	37,853,626	36,693,295	31,508,960	26,411,600
Total Revenues	37,853,626	36,693,295	31,508,960	26,411,600
<u>Use of Funds:</u>				
Operating				
Miscellaneous	2,010	2,110	2,100	2,200
Subtotal	2,010	2,110	2,100	2,200
Debt Service				
McDowell Sonoran Contract	955,780	952,480	952,480	951,855
Subtotal	955,780	952,480	952,480	951,855
Total Expenditures	957,790	954,590	954,580	954,055
Cash Transfers Out				
Debt Service Fund (Preserve GO Bonds)	12,813,181	14,087,885	14,087,885	13,961,047
Debt Service Fund (Preserve Revenue Bonds)	6,783,782	6,768,271	6,768,281	6,739,761
CIP Fund (General Capital Projects)	33,195,545	1,473,000	8,604,407	10,610,000
Total Cash Transfers Out	52,792,508	22,329,156	29,460,573	31,310,808
Total Expenditures & Cash Transfers Out	53,750,298	23,283,746	30,415,153	32,264,863
Ending Fund Balance	19,044,623	31,791,581	20,138,430	14,285,167

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE PRESERVATION PRIVILEGE TAX SPECIAL REVENUE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance	20,138,430	14,285,167	10,685,528	8,602,300	6,334,790
Revenues:					
Privilege Tax (0.20%)	14,724,600	15,166,338	15,697,160	16,325,046	16,978,048
Privilege Tax (0.15%)	11,385,000	11,726,550	12,136,979	12,622,458	13,127,357
Interest Earnings	302,000	353,000	359,000	385,000	379,000
Subtotal	26,411,600	27,245,888	28,193,139	29,332,505	30,484,405
Total Revenues	26,411,600	27,245,888	28,193,139	29,332,505	30,484,405
Use of Funds:					
Operating					
Miscellaneous	2,200	2,200	2,200	2,200	2,200
Subtotal	2,200	2,200	2,200	2,200	2,200
Debt Service					
McDowell Sonoran Contract	951,855	954,175	953,750	955,500	-
Subtotal	951,855	954,175	953,750	955,500	-
Total Expenditures	954,055	956,375	955,950	957,700	2,200
Cash Transfers Out					
Debt Service Fund (Preserve GO Bonds)	13,961,047	20,432,047	22,626,712	23,960,410	26,589,993
Debt Service Fund (Preserve Revenue Bonds)	6,739,761	6,707,105	6,693,705	6,681,905	6,670,660
CIP Fund (General Capital Projects)	10,610,000	2,750,000	-	-	-
Total Cash Transfers Out	31,310,808	29,889,152	29,320,417	30,642,315	33,260,653
Total Expenditures & Cash Transfers Out	32,264,863	30,845,527	30,276,367	31,600,015	33,262,853
Ending Fund Balance	14,285,167	10,685,528	8,602,300	6,334,790	3,556,342

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance/Reserve				
Operating Contingency ^(A)	-	1,500,000	-	1,500,000
Reserved:				
Economic Vitality - Transient Occupancy Tax	1,955,694	1,337,529	831,680	-
Courts	3,208,231	3,252,163	3,920,232	4,371,990
Downtown Cultural/Community Arts	550,925	700,925	699,870	494,533
Human Resources - Cultural Diversity	15,595	11,595	8,266	1,416
Police	78,804	78,123	372,724	701,702
Community Services	3,808,766	3,936,457	4,130,060	3,661,045
Citizen & Neighborhood Resources	72,382	-	-	-
Planning & Development Services	216,239	334,300	295,700	333,200
Fire	5,351	6,551	6,186	1,686
Total Beginning Fund Balance	9,911,987	9,657,643	10,264,718	9,565,572
Revenues:				
Economic Vitality - Transient Occupancy Tax	7,771,009	7,889,600	6,393,224	-
Courts	1,644,216	982,259	1,093,656	1,129,334
Downtown Cultural/Community Arts	148,945	235,000	94,663	150,000
Human Resources - Cultural Diversity	18,500	20,000	18,150	10,000
Police	1,722,143	1,426,600	1,658,910	3,371,817
Community Services	1,980,994	1,896,250	2,030,519	1,955,260
Citizen and Neighborhood Resources	18,751	-	-	-
Planning & Development Services	108,145	151,000	-	-
Fire	861	4,000	500	500
Subtotal	13,413,564	12,604,709	11,289,622	6,616,911
Cash Transfers In				
General Fund - Misc. Comm. Svc.	172,000	100,000	-	-
General Fund - Planning & Development Services	60,000	60,000	60,000	60,000
General Fund - Balance Econ Vit - Bed Tax 80%	-	-	-	6,585,040
General Fund - Balance Econ Vit - Bed Tax Deficit Elim	-	-	932,974	-
Subtotal	232,000	160,000	992,974	6,645,040
Total Revenues & Cash Transfers In	13,645,564	12,764,709	12,282,596	13,261,951
Use of Funds:				
Programs				
Economic Vitality - Transient Occupancy Tax	7,891,557	7,864,578	6,987,878	5,983,476
Courts	384,153	458,545	452,498	1,439,826
Downtown Cultural/Community Arts	-	300,000	300,000	150,000
Human Resources - Cultural Diversity	25,829	25,000	25,000	10,000
Police	528,723	1,097,958	1,084,432	1,169,363
Community Services	1,728,054	2,339,722	2,367,134	2,596,270
Planning & Development Services	88,684	279,989	22,500	140,000
Fire	26	5,000	5,000	500
Subtotal	10,647,027	12,370,792	11,244,442	11,489,435
Total Operating Budget	10,647,027	12,370,792	11,244,442	11,489,435

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Cash Transfers Out				
General Fund (Code Enforcement)	91,133	-	-	-
General Fund (Police)	23,580	-	-	-
General Fund (Cultural Council)	-	-	-	300,000
MPC Debt - Tourism Funds	600,000	746,263	600,000	600,000
General Fund (Community Services-Human Svcs)	-	-	130,000	130,000
CIP Fund - Soleri Bridge	-	-	570,000	-
CIP Fund - Community Services	-	2,400	2,400	3,200
CIP Fund - Police	100,000	75,000	220,000	120,000
CIP Fund - Police (RICO)	765,101	25,500	25,500	2,000,000
CIP Fund (Court)	516,300	189,400	189,400	-
Subtotal	2,096,114	1,038,563	1,737,300	3,153,200
Total Expenditures & Cash Transfers Out	12,743,141	13,409,355	12,981,742	14,642,635
GAAP to Budget Adjustment ^(B)	549,692			
Ending Fund Balance	10,264,718	9,012,997	9,565,572	8,184,888
Ending Fund Balance				
Operating Contingency ^(A)		1,500,000	1,500,000	1,500,000
Reserved:				
Economic Vitality - Transient Occupancy Tax	831,680	616,288	-	1,564
Courts	3,920,232	3,586,477	4,371,990	4,061,498
Downtown Cultural/Community Arts	699,870	635,925	494,533	194,533
Human Resources - Cultural Diversity	8,266	6,595	1,416	1,416
Police	372,724	306,265	701,702	784,156
Community Services	4,130,060	3,590,585	3,661,045	2,886,835
Citizen & Neighborhood Resources	-	-	-	-
Planning & Development Services	295,700	265,311	333,200	253,200
Fire	6,186	5,551	1,686	1,686
Total Ending Fund Balance	10,264,718	9,012,997	9,565,572	8,184,888

^(A) The Operating Contingency for the Special Programs Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council approval.

^(B) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance/Reserve					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:					
Economic Vitality - Transient Occupancy Tax	-	1,564	459,360	938,790	1,577,843
Courts	4,371,990	4,061,498	3,784,856	4,355,796	4,918,631
Downtown Cultural/Community Arts	494,533	194,533	44,533	44,533	44,533
Human Resources - Cultural Diversity	1,416	1,416	1,416	1,416	1,416
Police	701,702	784,156	780,684	737,659	703,244
Community Services	3,661,045	2,886,835	1,769,595	652,610	541,282
Citizen & Neighborhood Resources	-	-	-	-	-
Planning & Development Services	333,200	253,200	213,200	178,200	143,200
Fire	1,686	1,686	1,686	1,686	1,686
Total Beginning Fund Balance	9,565,572	8,184,888	7,055,330	6,910,690	7,931,835
Revenues:					
Economic Vitality - Transient Occupancy Tax	-	-	-	-	-
Courts	1,129,334	1,167,247	1,161,731	1,185,322	1,209,645
Downtown Cultural/Community Arts	150,000	150,000	150,000	150,000	150,000
Human Resources - Cultural Diversity	10,000	10,000	10,000	10,000	10,000
Police	3,371,817	1,451,417	1,282,100	1,287,100	1,287,100
Community Services	1,955,260	1,926,600	1,933,345	1,985,239	1,992,284
Citizen and Neighborhood Resources	-	-	-	-	-
Planning & Development Services	-	-	-	-	-
Fire	500	500	500	500	500
Subtotal	6,616,911	4,705,764	4,537,676	4,618,161	4,649,529
Cash Transfers In					
General Fund - Misc. Comm. Svc.	-	170,000	170,000	170,000	170,000
General Fund - Planning & Development Services	60,000	60,000	60,000	60,000	60,000
General Fund - Balance Econ Vit - Bed Tax 80%	6,585,040	6,848,442	7,122,379	7,407,274	7,703,565
General Fund - Balance Econ Vit - Bed Tax Deficit Elim	-	0	0	(0)	(0)
Subtotal	6,645,040	7,078,442	7,352,379	7,637,274	7,933,565
Total Revenues & Cash Transfers In	13,261,951	11,784,206	11,890,055	12,255,435	12,583,094
Use of Funds:					
Programs					
Economic Vitality - Transient Occupancy Tax	5,983,476	5,644,383	5,756,126	5,871,055	5,987,145
Courts	1,439,826	1,443,889	590,792	622,487	652,546
Downtown Cultural/Community Arts	150,000	300,000	150,000	150,000	150,000
Human Resources - Cultural Diversity	10,000	10,000	10,000	10,000	10,000
Police	1,169,363	1,404,889	1,265,125	1,288,015	1,312,863
Community Services	2,596,270	2,210,840	2,217,530	2,264,367	2,251,355
Planning & Development Services	140,000	100,000	95,000	95,000	95,000
Fire	500	500	500	500	500
Subtotal	11,489,435	11,114,501	10,085,073	10,301,424	10,459,409
Total Operating Budget	11,489,435	11,114,501	10,085,073	10,301,424	10,459,409
Cash Transfers Out					
General Fund (Code Enforcement)	-	-	-	-	-
General Fund (Police)	-	-	-	-	-
General Fund (Cultural Council)	300,000	-	-	-	-

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
MPC Debt - Tourism Funds	600,000	746,263	886,823	897,166	903,117
General Fund (Community Services-Human Svcs)	130,000	-	-	-	-
CIP Fund - Soleri Bridge	-	-	-	-	-
CIP Fund - Community Services	3,200	1,003,000	1,002,800	2,200	2,400
CIP Fund - Police	120,000	50,000	60,000	33,500	60,000
CIP Fund - Police (RICO)	2,000,000	-	-	-	-
CIP Fund (Court)	-	-	-	-	-
Subtotal	3,153,200	1,799,263	1,949,623	932,866	965,517
Total Expenditures & Cash Transfers Out	14,642,635	12,913,764	12,034,696	11,234,290	11,424,926
GAAP to Budget Adjustment ^(B)					
Ending Fund Balance	8,184,888	7,055,330	6,910,690	7,931,835	9,090,003
Ending Fund Balance					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:					
Economic Vitality - Transient Occupancy Tax	1,564	459,360	938,790	1,577,843	2,391,146
Courts	4,061,498	3,784,856	4,355,796	4,918,631	5,475,730
Downtown Cultural/Community Arts	194,533	44,533	44,533	44,533	44,533
Human Resources - Cultural Diversity	1,416	1,416	1,416	1,416	1,416
Police	784,156	780,684	737,659	703,244	617,481
Community Services	2,886,835	1,769,595	652,610	541,282	449,811
Citizen & Neighborhood Resources	-	-	-	-	-
Planning & Development Services	253,200	213,200	178,200	143,200	108,200
Fire	1,686	1,686	1,686	1,686	1,686
Total Ending Fund Balance	8,184,888	7,055,330	6,910,690	7,931,835	9,090,003

^(A) The Operating Contingency for the Special Programs Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council approval.

^(B) Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL DISTRICT FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Streetlight Districts	738,011	738,011	619,406	487,472
Downtown Enhanced Municipal Services District ^(A)	9,227	-	-	-
Total Beginning Fund Balance	747,238	738,011	619,406	487,472
Revenues:				
Streetlight Districts	595,191	600,066	600,066	621,068
Subtotal	595,191	600,066	600,066	621,068
Total Revenues	595,191	600,066	600,066	621,068
<u>Use of Funds:</u>				
Expenditures:				
Streetlight Districts	702,402	732,000	732,000	732,000
Downtown Enhanced Municipal Services District (A)	9,227	-	-	-
Subtotal	711,629	732,000	732,000	732,000
Total Expenditures	711,629	732,000	732,000	732,000
Cash Transfers Out				
Streetlight District	11,394	-	-	-
Subtotal	11,394	-	-	-
Ending Fund Balance				
Streetlight Districts	619,406	606,077	487,472	376,541
Downtown Enhanced Municipal Services District ^(A)	-	-	-	-
Total Ending Fund Balance	619,406	606,077	487,472	376,541

^(A) On May 17, 2005, the City Council voted to remove the Enhanced Municipal Services District from the downtown area.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL DISTRICT FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Streetlight Districts	487,472	376,541	376,541	376,541	376,541
Downtown Enhanced Municipal Services District ^(A)	-	-	-	-	-
Total Beginning Fund Balance	487,472	376,541	376,541	376,541	376,541
Revenues:					
Streetlight Districts	621,068	642,806	665,304	688,590	711,313
Subtotal	621,068	642,806	665,304	688,590	711,313
Total Revenues	621,068	642,806	665,304	688,590	711,313
<u>Use of Funds:</u>					
Expenditures:					
Streetlight Districts	732,000	642,806	665,304	688,590	711,313
Downtown Enhanced Municipal Services District (A)	-	-	-	-	-
Subtotal	732,000	642,806	665,304	688,590	711,313
Total Expenditures	732,000	642,806	665,304	688,590	711,313
Cash Transfers Out					
Streetlight District	-	-	-	-	-
Subtotal	-	-	-	-	-
Ending Fund Balance					
Streetlight Districts	376,541	376,541	376,541	376,541	376,541
Downtown Enhanced Municipal Services District ^(A)	-	-	-	-	-
Total Ending Fund Balance	376,541	376,541	376,541	376,541	376,541

^(A) On May 17, 2005, the City Council voted to remove the Enhanced Municipal Services District from the downtown area.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE DEBT SERVICE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Source of Funds:</u>				
Beginning Fund Balance:				
G.O. Debt Service	8,975,198	7,732,521	9,087,419	9,098,493
MPC Excise Debt	7,448,217	7,588,217	8,831,895	9,009,845
SPA Debt Service	2,089	-	-	-
Special Assessment Debt	1,092,385	1,092,388	940,765	940,765
Total Beginning Fund Balance	17,517,889	16,413,126	18,860,079	19,049,103
Revenues:				
Property Tax (Secondary)	29,447,575	35,795,617	35,795,619	31,795,488
Special Assessments	893,230	1,004,809	1,001,396	877,199
MCS D Contributions	-	97,372	97,372	204,028
AZSTA Contributions	1,601,837	194,772	194,772	408,116
Spring Exhibition Surcharge	139,618	140,000	177,950	145,000
GO Bond Premium	2,378,502	-	-	-
Interest Earnings	10,286	9,638	11,074	11,178
Subtotal	34,471,048	37,242,208	37,278,183	33,441,009
Cash Transfers In				
Preservation Privilege Tax Fund - G.O. Bonds	12,813,181	14,087,885	14,087,885	13,961,047
Preservation Privilege Tax Fund - Rev Bonds	6,783,782	6,768,271	6,768,281	6,739,761
General Fund - MPC Bonds	6,045,798	5,938,688	5,791,435	6,695,185
Special Prog Fund - MPC Bonds/Hosp Funds	600,000	746,263	600,000	600,000
Subtotal	26,242,761	27,541,107	27,247,601	27,995,993
Total Revenues & Cash Transfers In	60,713,809	64,783,315	64,525,784	61,437,002
<u>Use of Funds:</u>				
<u>Operating</u>				
Advertising	642	-	-	-
Other Professional Services	1,210	-	-	-
Subtotal	1,852	-	-	-
Debt Service by Type				
General Obligation Bonds	31,580,282	35,795,617	35,795,619	37,315,488
Preserve G. O. Bonds	12,946,755	14,087,885	14,087,885	13,961,047
Special Assessment Bonds	1,042,998	989,841	989,841	868,625
Special Assessment - Series 104	-	14,968	11,555	8,574
Preserve Revenue Bonds (SPA)	6,785,871	6,768,271	6,768,281	6,739,761
MPC Bonds	7,013,861	6,977,095	6,683,579	7,907,329
Subtotal	59,369,767	64,633,677	64,336,760	66,800,824
Total Operating Budget	59,371,619	64,633,677	64,336,760	66,800,824
Ending Fund Balance				
G.O. Debt Service	9,087,419	7,742,159	9,098,493	3,589,671
MPC Excise Debt	8,831,895	7,728,217	9,009,845	9,154,845
SPA	-	-	-	-
Special Assessment Debt	940,765	1,092,388	940,765	940,765
Total Ending Fund Balance	18,860,079	16,562,764	19,049,103	13,685,281

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE DEBT SERVICE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance:					
G.O. Debt Service	9,098,493	3,589,671	3,600,224	3,609,981	3,619,823
MPC Excise Debt	9,009,845	9,154,845	9,299,845	9,444,845	9,624,845
SPA Debt Service	-	-	-	-	-
Special Assessment Debt	940,765	940,765	940,765	940,765	940,765
Total Beginning Fund Balance	19,049,103	13,685,281	13,840,834	13,995,591	14,185,433
Revenues:					
Property Tax (Secondary)	31,795,488	38,502,593	37,709,785	37,247,162	37,331,969
Special Assessments	877,199	839,934	804,042	770,856	-
MCSD Contributions	204,028	112,370	369,011	287,353	530,177
AZSTA Contributions	408,116	224,774	738,133	574,791	1,060,512
Spring Exhibition Surcharge	145,000	145,000	145,000	180,000	145,000
GO Bond Premium	-	-	-	-	-
Interest Earnings	11,178	10,553	9,757	9,842	9,948
Subtotal	33,441,009	39,835,224	39,775,728	39,070,004	39,077,606
Cash Transfers In					
Preservation Privilege Tax Fund - G.O. Bonds	13,961,047	20,432,047	22,626,712	23,960,410	26,589,993
Preservation Privilege Tax Fund - Rev Bonds	6,739,761	6,707,105	6,693,705	6,681,905	6,670,660
General Fund - MPC Bonds	6,695,185	6,836,098	7,913,733	7,921,776	8,524,477
Special Prog Fund - MPC Bonds/Hosp Funds	600,000	746,263	886,823	897,166	903,117
Subtotal	27,995,993	34,721,513	38,120,973	39,461,257	42,688,247
Total Revenues & Cash Transfers In	61,437,002	74,556,737	77,896,701	78,531,261	81,765,853
Use of Funds:					
Operating					
Advertising	-	-	-	-	-
Other Professional Services	-	-	-	-	-
Subtotal	-	-	-	-	-
Debt Service by Type					
General Obligation Bonds	37,315,488	38,502,593	37,709,785	37,247,162	37,331,969
Preserve G. O. Bonds	13,961,047	20,432,047	22,626,712	23,960,410	26,589,993
Special Assessment Bonds	868,625	834,875	801,125	767,375	-
Special Assessment - Series 104	8,574	5,059	2,917	3,481	-
Preserve Revenue Bonds (SPA)	6,739,761	6,707,105	6,693,705	6,681,905	6,670,660
MPC Bonds	7,907,329	7,919,505	9,907,700	9,681,086	11,018,283
Subtotal	66,800,824	74,401,184	77,741,944	78,341,419	81,610,905
Total Operating Budget	66,800,824	74,401,184	77,741,944	78,341,419	81,610,905
Ending Fund Balance					
G.O. Debt Service	3,589,671	3,600,224	3,609,981	3,619,823	3,629,771
MPC Excise Debt	9,154,845	9,299,845	9,444,845	9,624,845	9,769,845
SPA	-	-	-	-	-
Special Assessment Debt	940,765	940,765	940,765	940,765	940,765
Total Ending Fund Balance	13,685,281	13,840,834	13,995,591	14,185,433	14,340,381

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE WATER AND SEWER ENTERPRISE FUNDS FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	16,735,248	18,436,260	18,251,299	18,545,677
Repair/Replacement Reserve	24,105,268	26,148,202	26,147,221	27,996,178
Special Contractual Funds	1,749,796	2,405,357	2,121,650	2,891,681
Unreserved Fund Balance	21,079,087	22,542,384	57,931,130	36,066,651
Total Beginning Fund Balance	63,669,399	69,532,203	104,451,300	85,500,187
Revenues:				
Water Charges	91,719,278	95,620,742	93,332,603	95,461,373
Sewer Charges	32,869,868	35,266,881	33,600,150	34,705,460
Effluent Sales	871,717	707,200	863,275	893,490
Interest Earnings	4,671,305	2,276,000	3,670,332	2,074,720
Miscellaneous Revenue	947,259	4,111,892	3,112,577	3,610,132
Subtotal	131,079,427	137,982,715	134,578,937	136,745,175
Cash Transfers In				
Development Fees Transfer for Debt Service ⁽¹⁾	7,136,438	13,818,790	13,874,388	13,886,230
Bond Proceeds	110,304,646	-	-	-
Subtotal	117,441,084	13,818,790	13,874,388	13,886,230
Total Revenues & Cash Transfers In	248,520,511	151,801,505	148,453,325	150,631,405
Use of Funds:				
Division				
Financial Management	2,828,993	3,041,256	3,152,106	3,056,221
Public Works and Water Resources	54,648,718	64,585,273	60,972,502	63,531,275
Leave Accrual Payments	-	-	-	120,000
Estimated Personnel Savings from Vacant Positions	-	-	(800,000)	(900,000)
Indirect Cost Allocation	8,658,720	9,757,834	9,757,834	11,068,211
Subtotal	66,136,431	77,384,363	73,082,442	76,875,707
Debt Service				
Revenue Bonds	6,225,321	6,170,688	6,168,038	5,467,088
MPC Bonds	12,509,286	20,317,343	20,371,442	20,259,375
Subtotal	18,734,607	26,488,031	26,539,480	25,726,463
Total Operating Budget	84,871,038	103,872,394	99,621,922	102,602,170
Cash Transfers Out				
In Lieu Property Tax	2,957,520	2,396,189	2,396,189	2,616,388
Franchise Fee	6,287,024	6,738,113	6,494,838	6,684,785
CIP Fund (General Capital Projects)	478,600	345,100	495,700	399,500
General, Fleet, Transportation & Spcl Prgm Funds	631,000	-	-	-
Bond Proceeds To CIP	74,558,961	-	-	-
CIP Fund	37,828,563	58,395,789	58,395,789	71,840,813
Subtotal	122,741,668	67,875,191	67,782,516	81,541,486
Total Expenditures & Cash Transfers Out	207,612,706	171,747,585	167,404,437	184,143,656
GAAP to Budget Adjustment ⁽²⁾	125,904	-	-	-
Ending Fund Balance				
Operating Reserve	18,251,299	19,463,645	18,545,677	19,583,042
Repair/Replacement Reserve	26,147,221	26,957,658	27,996,178	29,116,298
Special Contractual Fund Balance	2,121,650	3,164,827	2,891,681	3,288,596
Unreserved Balance	57,931,130	-	36,066,651	-
Total Ending Fund Balance	104,451,300	49,586,130	85,500,187	51,987,936

⁽¹⁾ Development fee revenues are receipted in the Capital Fund and paid by developers when new construction developments are permitted. A portion of these revenues is then transferred to the operating budget to pay for debt service costs associated with providing additional infrastructure to serve new development areas.

⁽²⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE WATER AND SEWER ENTERPRISE FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	18,545,677	19,583,042	20,588,647	21,833,414	22,578,108
Repair/Replacement Reserve	27,996,178	29,116,298	30,239,586	30,827,182	31,329,540
Special Contractual Funds	2,891,681	3,288,596	3,663,523	4,208,360	4,753,106
Unreserved Fund Balance	36,066,651	-	-	-	-
Total Beginning Fund Balance	85,500,187	51,987,936	54,491,756	56,868,956	58,660,754
Revenues:					
Water Charges	95,461,373	99,361,725	104,405,261	109,731,931	114,269,579
Sewer Charges	34,705,460	37,166,038	39,906,386	42,930,034	46,097,680
Effluent Sales	893,490	920,294	947,903	976,340	1,005,630
Interest Earnings	2,074,720	2,147,764	3,253,057	3,207,686	3,349,731
Miscellaneous Revenue	3,610,132	4,129,983	16,201,447	4,277,104	4,352,589
Subtotal	136,745,175	143,725,804	164,714,054	161,123,095	169,075,209
Cash Transfers In					
Development Fees Transfer for Debt Service ⁽¹⁾	13,886,230	16,347,757	17,763,101	18,901,032	19,657,209
Bond Proceeds	-	-	-	-	-
Subtotal	13,886,230	16,347,757	17,763,101	18,901,032	19,657,209
Total Revenues & Cash Transfers In	150,631,405	160,073,561	182,477,155	180,024,127	188,732,418
Use of Funds:					
Division					
Financial Management	3,056,221	3,148,046	3,242,484	3,339,757	3,439,950
Public Works and Water Resources	63,531,275	66,537,039	70,135,621	72,805,369	75,477,739
Leave Accrual Payments	120,000	147,407	146,876	156,856	159,180
Estimated Personnel Savings from Vacant Positions	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Indirect Cost Allocation	11,068,211	11,510,939	11,971,377	12,450,232	12,948,241
Subtotal	76,875,707	80,443,431	84,596,358	87,852,214	91,125,111
Debt Service					
Revenue Bonds	5,467,088	5,419,925	5,436,925	5,006,513	4,978,988
MPC Bonds	20,259,375	22,688,375	24,044,134	25,494,867	26,003,538
Subtotal	25,726,463	28,108,300	29,481,059	30,501,380	30,982,526
Total Operating Budget	102,602,170	108,551,731	114,077,417	118,353,594	122,107,637
Cash Transfers Out					
In Lieu Property Tax	2,616,388	2,976,953	3,334,756	3,546,248	3,794,101
Franchise Fee	6,684,785	7,028,529	8,021,167	7,842,330	8,231,228
CIP Fund (General Capital Projects)	399,500	426,800	208,700	173,100	485,500
General, Fleet, Transportation & Spcl Prgm Funds	-	-	-	-	-
Bond Proceeds To CIP	-	-	-	-	-
CIP Fund	71,840,813	38,585,727	54,457,915	48,317,057	51,924,260
Subtotal	81,541,486	49,018,009	66,022,538	59,878,735	64,435,089
Total Expenditures & Cash Transfers Out	184,143,656	157,569,740	180,099,955	178,232,329	186,542,725
GAAP to Budget Adjustment ⁽²⁾	-	-	-	-	-
Ending Fund Balance					
Operating Reserve	19,583,042	20,588,647	21,833,414	22,578,108	23,560,477
Repair/Replacement Reserve	29,116,298	30,239,586	30,827,182	31,329,540	31,992,227
Special Contractual Fund Balance	3,288,596	3,663,523	4,208,360	4,753,106	5,297,743
Unreserved Balance	-	-	-	-	-
Total Ending Fund Balance	51,987,936	54,491,756	56,868,956	58,660,754	60,850,447

⁽¹⁾ Development fee revenues are receipted in the Capital Fund and paid by developers when new construction developments are permitted. A portion of these revenues is then transferred to the operating budget to pay for debt service costs associated with

⁽²⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SOLID WASTE ENTERPRISE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Source of Funds:</u>				
Beginning Fund Balance				
Operating Reserve	4,093,240	4,625,364	4,646,448	4,543,482
Unreserved	217,290	2,244,386	683,686	100,000
Total Beginning Fund Balance	4,310,530	6,869,750	5,330,134	4,643,482
Revenues:				
Refuse Collection Charges	19,765,068	19,092,000	18,987,576	19,536,531
Interest Earnings	321,254	157,000	144,868	54,692
Miscellaneous Revenue	3,211	901,178	877,850	727,800
Subtotal	20,089,533	20,150,178	20,010,294	20,319,023
Cash Transfers In				
CIP Fund	-	70,900	70,900	-
Subtotal	-	70,900	70,900	-
Total Revenues & Cash Transfers In	20,089,533	20,221,078	20,081,194	20,319,023
<u>Use of Funds:</u>				
Division				
Financial Management	714,222	803,878	814,432	812,522
Public Works & Water Resources	15,453,416	16,861,241	16,569,208	16,331,205
Indirect Cost Allocation	2,330,520	2,568,531	2,568,531	3,040,175
Subtotal	18,498,158	20,233,650	19,952,171	20,183,902
Total Operating Budget	18,498,158	20,233,650	19,952,171	20,183,902
Cash Transfers Out				
Transp Fund - Alley Maintenance	311,395	334,012	334,012	358,550
Fleet Fund - Additional Vehicles	226,000	-	-	-
CIP Fund (Solid Waste Capital Projects)	-	-	423,000	1,100,000
CIP Fund (General Capital Projects)	20,300	48,100	48,100	31,600
In Lieu Property Tax	14,076	10,563	10,563	10,585
Total Cash Transfers Out	571,771	392,675	815,675	1,500,735
Total Expenditures & Cash Transfers Out	19,069,929	20,626,325	20,767,846	21,684,637
Ending Fund Balance	5,330,134	6,464,503	4,643,482	3,277,868

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SOLID WASTE ENTERPRISE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	4,543,482	3,132,354	3,302,921	3,536,213	3,768,954
Unreserved	100,000	145,514	195,331	684,805	737,588
Total Beginning Fund Balance	4,643,482	3,277,868	3,498,252	4,221,018	4,506,542
Revenues:					
Refuse Collection Charges	19,536,531	20,497,704	21,539,978	22,626,023	23,766,936
Interest Earnings	54,692	34,455	59,521	84,342	130,894
Miscellaneous Revenue	727,800	735,056	764,565	770,762	776,946
Subtotal	20,319,023	21,267,215	22,364,064	23,481,127	24,674,776
Cash Transfers In					
CIP Fund	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Revenues & Cash Transfers In	20,319,023	21,267,215	22,364,064	23,481,127	24,674,776
Use of Funds:					
Division					
Financial Management	812,522	828,772	845,348	874,935	905,558
Public Works & Water Resources	16,331,205	16,394,168	16,963,690	17,736,600	18,234,978
Indirect Cost Allocation	3,040,175	3,161,782	3,288,253	3,419,783	3,556,575
Subtotal	20,183,902	20,384,722	21,097,291	22,031,318	22,697,111
Total Operating Budget	20,183,902	20,384,722	21,097,291	22,031,318	22,697,111
Cash Transfers Out					
Transp Fund - Alley Maintenance	358,550	380,063	402,867	427,039	452,661
Fleet Fund - Additional Vehicles	-	-	-	-	-
CIP Fund (Solid Waste Capital Projects)	1,100,000	200,000	100,000	700,000	1,152,000
CIP Fund (General Capital Projects)	31,600	71,000	29,800	26,200	15,900
In Lieu Property Tax	10,585	11,046	11,340	11,045	10,454
Total Cash Transfers Out	1,500,735	662,109	544,007	1,164,284	1,631,015
Total Expenditures & Cash Transfers Out	21,684,637	21,046,831	21,641,298	23,195,603	24,328,126
Ending Fund Balance	3,277,868	3,498,252	4,221,018	4,506,542	4,853,192

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE AVIATION ENTERPRISE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Source of Funds:</u>				
Beginning Fund Balance				
Operating Reserve	590,491	610,580	610,580	589,843
Repair and Replacement Reserve	1,274,483	2,326,220	1,911,330	2,357,010
Unreserved - Operating	-	-	-	849,213
Total Beginning Fund Balance	1,864,974	2,936,800	2,521,910	3,796,066
Revenues:				
Aviation Fees	3,388,607	3,639,423	2,666,730	2,712,463
Interest Earnings	115,765	79,000	79,000	78,001
Jet Fuel Tax	179,105	181,204	126,842	126,842
Subtotal	3,683,477	3,899,627	2,872,572	2,917,306
Cash Transfers In				
CIP Airport Fund	699,968	-	1,707,126	-
Subtotal	699,968	-	1,707,126	-
Total Revenues & Cash Transfers In	4,383,445	3,899,627	4,579,698	2,917,306
<u>Use of Funds:</u>				
Division				
Economic Vitality - Aviation	1,794,130	1,997,251	1,740,129	1,607,643
Leave Accrual Payments	-	-	-	2,340
Estimated Personnel Savings from Vacant Positions	-	-	(5,000)	(5,000)
Indirect/Direct Cost Allocation	263,886	282,533	282,533	301,466
Direct Cost Allocation (Fire)	324,114	328,046	328,046	363,942
Subtotal	2,382,130	2,607,830	2,345,708	2,270,391
Total Operating Budget	2,382,130	2,607,830	2,345,708	2,270,391
Cash Transfers Out				
In Lieu Property Tax	60,456	46,434	46,434	48,346
Other Transfers	-	-	-	-
CIP Fund (General Capital Projects)	-	11,200	11,200	28,200
CIP Fund (Aviation Capital Proj Fund)	1,288,100	1,146,100	902,200	229,900
Total Cash Transfers Out	1,348,556	1,203,734	959,834	306,446
Total Expenditures & Cash Transfers Out	3,730,686	3,811,564	3,305,542	2,576,837
GAAP to Budget Adjustment ⁽¹⁾	4,177			
Ending Fund Balance				
Operating Reserve	610,580	663,566	589,843	571,743
Repair and Replacement Reserve	1,911,330	2,361,297	2,357,010	3,235,590
Unreserved	-	-	849,213	329,202
Total Ending Fund Balance	2,521,910	3,024,863	3,796,066	4,136,535

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE AVIATION ENTERPRISE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	589,843	571,743	591,036	610,945	630,800
Repair and Replacement Reserve	2,357,010	3,235,590	3,482,620	3,702,620	3,702,620
Unreserved - Operating	849,213	329,202	581,854	882,220	1,152,161
Total Beginning Fund Balance	3,796,066	4,136,535	4,655,510	5,195,785	5,485,581
Revenues:					
Aviation Fees	2,712,463	2,739,588	2,766,984	2,794,654	2,822,600
Interest Earnings	78,001	127,959	188,822	203,101	216,785
Jet Fuel Tax	126,842	128,110	129,391	130,685	131,992
Subtotal	2,917,306	2,995,657	3,085,197	3,128,440	3,171,377
Cash Transfers In					
CIP Airport Fund	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Revenues & Cash Transfers In	2,917,306	2,995,657	3,085,197	3,128,440	3,171,377
Use of Funds:					
Division					
Economic Vitality - Aviation	1,607,643	1,655,200	1,704,876	1,756,042	1,808,743
Leave Accrual Payments	2,340	2,440	2,529	2,629	2,740
Estimated Personnel Savings from Vacant Positions	(5,000)	(5,100)	(5,300)	(5,500)	(5,700)
Indirect/Direct Cost Allocation	301,466	313,525	326,066	339,108	352,673
Direct Cost Allocation (Fire)	363,942	378,500	393,640	409,385	425,761
Subtotal	2,270,391	2,344,564	2,421,810	2,501,665	2,584,216
Total Operating Budget	2,270,391	2,344,564	2,421,810	2,501,665	2,584,216
Cash Transfers Out					
In Lieu Property Tax	48,346	52,417	55,912	56,579	55,641
Other Transfers	-	-	-	-	-
CIP Fund (General Capital Projects)	28,200	24,700	12,200	280,400	8,300
CIP Fund (Aviation Capital Proj Fund)	229,900	55,000	55,000	-	-
Total Cash Transfers Out	306,446	132,117	123,112	336,979	63,941
Total Expenditures & Cash Transfers Out	2,576,837	2,476,681	2,544,922	2,838,644	2,648,157
GAAP to Budget Adjustment ⁽¹⁾					
Ending Fund Balance					
Operating Reserve	571,743	591,036	610,945	630,800	650,924
Repair and Replacement Reserve	3,235,590	3,482,620	3,702,620	3,702,620	3,702,620
Unreserved	329,202	581,854	882,220	1,152,161	1,655,257
Total Ending Fund Balance	4,136,535	4,655,510	5,195,785	5,485,581	6,008,801

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE FLEET MANAGEMENT INTERNAL SERVICE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance/Reserve	10,309,216	10,933,417	11,486,520	7,763,345
Revenues:				
Rates - Vehicle Acquisition	5,440,332	5,440,298	5,440,298	1,678,000
Rates - Maintenance & Operation	10,318,284	12,860,209	12,860,209	11,897,018
Miscellaneous Revenue	430,285	168,169	168,169	200,000
Interest Earnings	604,074	300,000	300,000	155,000
Subtotal	16,792,975	18,768,676	18,768,676	13,930,018
Cash Transfers In				
Fleet Purchases - Decision Packages	1,054,600	-	-	-
Subtotal	1,054,600	-	-	-
Total Revenues & Cash Transfers In	17,847,575	18,768,676	18,768,676	13,930,018
Use of Funds:				
Division				
Public Works and Water Resources				
Vehicle Acquisition	3,019,661	3,363,381	3,363,381	2,125,474
Fleet Operations	11,029,656	13,196,838	11,942,670	11,798,909
Leave Accrual Payments	-	-	-	40,809
Estimated Personnel Savings from Vacant Positions	-	-	(400,000)	(400,000)
Subtotal	14,049,317	16,560,219	14,906,051	13,565,192
Total Operating Budget	14,049,317	16,560,219	14,906,051	13,565,192
Cash Transfers Out				
CIP Fund - General Capital Projects	2,244,200	22,800	22,800	41,400
CIP Fund - Fleet Projects	-	6,490,000	7,563,000	-
Fleet Assessment	-	-	-	-
Subtotal	2,244,200	6,512,800	7,585,800	41,400
Total Expenditures & Cash Transfers Out	16,293,517	23,073,019	22,491,851	13,606,592
GAAP to Budget Adjustment ⁽¹⁾	(376,754)	-	-	-
Total Ending Fund Balance	11,486,520	6,629,074	7,763,345	8,086,771
Fund Balance:				
Designated for Future Acquisition			7,763,346	7,542,334
Unreserved, Undesignated			-	544,437
Total Ending Fund Balance			7,763,346	8,086,771

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE FLEET MANAGEMENT INTERNAL SERVICE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance/Reserve	7,763,345	8,086,771	5,788,121	4,718,867	3,640,960
Revenues:					
Rates - Vehicle Acquisition	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000
Rates - Maintenance & Operation	11,897,018	11,672,410	12,004,665	12,385,091	12,815,003
Miscellaneous Revenue	200,000	200,000	200,000	200,000	200,000
Interest Earnings	155,000	155,000	219,000	176,000	133,000
Subtotal	13,930,018	13,705,410	14,101,665	14,439,091	14,826,003
Cash Transfers In					
Fleet Purchases - Decision Packages	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Revenues & Cash Transfers In	13,930,018	13,705,410	14,101,665	14,439,091	14,826,003
Use of Funds:					
Division					
Public Works and Water Resources					
Vehicle Acquisition	2,125,474	4,300,450	3,137,254	3,110,507	1,795,620
Fleet Operations	11,798,909	12,038,040	12,382,816	12,772,756	13,214,981
Leave Accrual Payments	40,809	46,370	46,249	49,435	50,222
Estimated Personnel Savings from Vacant Positions	(400,000)	(412,000)	(424,400)	(437,100)	(450,200)
Subtotal	13,565,192	15,972,860	15,141,919	15,495,598	14,610,623
Total Operating Budget	13,565,192	15,972,860	15,141,919	15,495,598	14,610,623
Cash Transfers Out					
CIP Fund - General Capital Projects	41,400	31,200	29,000	21,400	21,400
CIP Fund - Fleet Projects	-	-	-	-	-
Fleet Assessment	-	-	-	-	-
Subtotal	41,400	31,200	29,000	21,400	21,400
Total Expenditures & Cash Transfers Out	13,606,592	16,004,060	15,170,919	15,516,998	14,632,023
GAAP to Budget Adjustment ⁽¹⁾	-	-	-	-	-
Total Ending Fund Balance	8,086,771	5,788,121	4,718,867	3,640,960	3,834,940
Fund Balance:					
Designated for Future Acquisition	7,542,334	5,146,345	3,913,553	2,707,508	2,816,349
Unreserved, Undesignated	544,437	641,776	805,314	933,452	1,018,591
Total Ending Fund Balance	8,086,771	5,788,121	4,718,867	3,640,960	3,834,940

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE RISK MANAGEMENT SELF-INSURANCE FUND FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Beginning Fund Balance:				
Property Casualty Claims Reserve	16,421,564	16,799,261	17,672,746	11,915,631
Source of Funds:				
Property, Liability, Work Comp Rates	6,230,988	6,231,000	6,231,000	6,604,860
Unemployment Taxes	57,959	129,000	60,000	60,000
Interest - Property Casualty	889,358	350,000	525,000	357,469
Property Tax (Tort Claims)	167,498	23,593	23,593	1,930,000
Insurance/Claim Recoveries	240,809	-	250,000	250,000
Special Event Reimbursements	83,856	-	50,000	50,000
Total Revenues & Transfers-In	7,670,468	6,733,593	7,139,593	9,252,329
Use of Funds:				
Risk Mgmt - Operating Budget	957,505	1,089,888	970,388	980,092
Risk Mgmt - Excess Ins. Premiums	1,278,918	1,700,000	1,175,448	1,250,000
Claims (General Liability)	2,342,589	1,711,821	3,460,000	2,724,000
Claims (Property)	249,624	175,072	175,072	185,000
Claims (Workers' Compensation)	1,545,235	2,018,500	2,018,500	2,099,240
Claims (Unemployment)	36,715	53,000	90,000	300,000
CIP Fund (Tech. Replacement)	8,700	7,300	7,300	12,200
Transfer Out to General Fund	-	2,500,000	5,000,000	-
Total Expenses & Transfers-Out	6,419,286	9,255,581	12,896,708	7,550,532
Ending Fund Balance:				
Property Casualty Claim Reserve	17,672,746	14,277,273	11,915,631	13,617,428

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE RISK MANAGEMENT SELF-INSURANCE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Beginning Fund Balance:					
Property Casualty Claims Reserve	11,915,631	13,587,428	14,904,290	15,983,030	17,095,265
Source of Funds:					
Property, Liability, Work Comp Rates	6,604,860	6,935,103	7,212,507	7,501,007	7,801,047
Unemployment Taxes	60,000	60,000	60,000	60,000	62,400
Interest - Property Casualty	357,469	407,623	447,129	479,491	498,671
Property Tax (Tort Claims)	1,930,000	1,500,000	1,000,000	1,000,000	1,040,000
Insurance/Claim Recoveries	250,000	250,000	250,000	250,000	260,000
Special Event Reimbursements	50,000	50,000	50,000	50,000	52,000
Total Revenues & Transfers-In	9,252,329	9,202,726	9,019,636	9,340,498	9,714,118
Use of Funds:					
Risk Mgmt - Operating Budget	980,092	1,009,495	1,039,779	1,070,973	1,113,812
Risk Mgmt - Excess Ins. Premiums	1,250,000	1,275,000	1,300,000	1,325,000	1,378,000
Claims (General Liability)	2,724,000	2,832,960	2,946,278	3,064,130	3,186,695
Claims (Property)	185,000	225,000	250,000	275,000	286,000
Claims (Workers' Compensation)	2,099,240	2,183,210	2,270,538	2,361,360	2,455,814
Claims (Unemployment)	300,000	350,000	125,000	125,000	130,000
CIP Fund (Tech. Replacement)	12,200	10,200	9,300	6,800	7,072
Transfer Out to General Fund					
Total Expenses & Transfers-Out	7,550,532	7,885,865	7,940,895	8,228,263	8,557,394
Ending Fund Balance:					
Property Casualty Claim Reserve	<u>13,617,428</u>	<u>14,904,289</u>	<u>15,983,031</u>	<u>17,095,265</u>	<u>18,251,989</u>

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE HEALTHCARE SELF-INSURANCE FUND FIVE YEAR FINANCIAL FORECAST

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
<u>Healthcare</u>				
Beginning Claims Reserve	7,048,555	7,073,293	7,518,766	5,018,766
Healthcare Revenues	22,158,893	26,198,494	24,528,976	24,158,922
Healthcare - Other Revenues	830,534	675,000	675,000	615,000
Total Healthcare Revenues	22,989,427	26,873,494	25,203,976	24,773,922
Healthcare Claims and Claims Administration	22,405,144	26,673,494	27,188,976	24,130,481
Other Administrative Expenses	114,072	412,250	515,000	643,441
Total Healthcare Expenses	22,519,216	27,085,744	27,703,976	24,773,922
Revenues in Excess of (Less than) Expenses	470,211	(212,250)	(2,500,000)	-
Ending Claims Reserve	7,518,766	6,861,043	5,018,766	5,018,766
<u>Short Term Disability</u>				
Beginning Claims Reserve	460,024	642,023	628,163	773,163
Rates	333,363	320,000	320,000	320,000
Claims	165,224	130,000	175,000	190,000
Ending Claims Reserve	628,163	832,023	773,163	903,163
<u>Fund Balance Summary</u>				
Healthcare Claims Reserve	7,518,766	6,861,043	5,018,766	5,018,766
Short Term Disability	628,163	832,023	773,163	903,163
Total Fund Balance	8,146,929	7,693,066	5,791,929	5,921,929

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE HEALTHCARE SELF-INSURANCE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Healthcare					
Beginning Claims Reserve	5,018,766	5,018,766	5,018,766	5,018,766	5,018,766
Healthcare Revenues	24,158,922	24,160,000	25,280,000	26,450,000	27,680,000
Healthcare - Other Revenues	615,000	575,000	575,000	575,000	575,000
Total Healthcare Revenues	<u>24,773,922</u>	<u>24,735,000</u>	<u>25,855,000</u>	<u>27,025,000</u>	<u>28,255,000</u>
Healthcare Claims and Claims Administration	24,130,481	24,091,559	25,211,559	26,381,559	27,611,559
Other Administrative Expenses	643,441	643,441	643,441	643,441	643,441
Total Healthcare Expenses	<u>24,773,922</u>	<u>24,735,000</u>	<u>25,855,000</u>	<u>27,025,000</u>	<u>28,255,000</u>
Revenues in Excess of (Less than) Expenses	-	-	-	-	-
Ending Claims Reserve	5,018,766	5,018,766	5,018,766	5,018,766	5,018,766
Short Term Disability					
Beginning Claims Reserve	773,163	903,163	1,013,163	1,103,163	1,173,163
Rates	320,000	320,000	320,000	320,000	320,000
Claims	190,000	210,000	230,000	250,000	280,000
Ending Claims Reserve	903,163	1,013,163	1,103,163	1,173,163	1,213,163
Fund Balance Summary					
Healthcare Claims Reserve	5,018,766	5,018,766	5,018,766	5,018,766	5,018,766
Short Term Disability	903,163	1,013,163	1,103,163	1,173,163	1,213,163
Total Fund Balance	5,921,929	6,031,929	6,121,929	6,191,929	6,231,929

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRUSTS FUND SUMMARY

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance:				
Operating Contingency ^(A)	-	10,000	-	10,000
Mayor's Committee for Employment of the Handicapped	7,121	7,121	4,121	4,121
Total Beginning Fund Balance	7,121	7,121	4,121	4,121
Revenues:				
Mayor's Committee for Employment of the Handicapped	3,000	8,800	8,800	8,800
<i>Subtotal</i>	<i>3,000</i>	<i>8,800</i>	<i>8,800</i>	<i>8,800</i>
Total Revenues	3,000	8,800	8,800	8,800
Use of Funds:				
Expenditures:				
Mayor's Committee for Employment of the Handicapped	6,000	8,800	8,800	8,882
<i>Subtotal</i>	<i>6,000</i>	<i>8,800</i>	<i>8,800</i>	<i>8,882</i>
Total Expenditures	6,000	8,800	8,800	8,882
Ending Fund Balance				
Operating Contingency ^(A)	-	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	4,121	7,121	4,121	4,039
Total Ending Fund Balance	4,121	7,121	4,121	4,039

^(A) The Operating Contingency for the Trust Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council approval.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRUSTS FIVE YEAR FINANCIAL FORECAST

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	4,121	4,039	4,039	4,039	4,039
Total Beginning Fund Balance	4,121	4,039	4,039	4,039	4,039
Revenues:					
Mayor's Committee for Employment of the Handicapped	8,800	8,800	8,800	8,800	8,800
Subtotal	8,800	8,800	8,800	8,800	8,800
Total Revenues	8,800	8,800	8,800	8,800	8,800
<u>Use of Funds:</u>					
Expenditures:					
Mayor's Committee for Employment of the Handicapped	8,882	8,800	8,800	8,800	8,800
Subtotal	8,882	8,800	8,800	8,800	8,800
Total Expenditures	8,882	8,800	8,800	8,800	8,800
Ending Fund Balance					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	4,039	4,039	4,039	4,039	4,039
Total Ending Fund Balance	4,039	4,039	4,039	4,039	4,039

^(A) The Operating Contingency for the Trust Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council

Fund Summaries and Five-Year Plans

Adopted Fiscal Year 2009/10 Budget Fund Summaries Capital Improvement Plan (in thousands)

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance	235,387.5	313,564.5	273,724.5	76,184.3
Revenues:				
Bonds/Contracts				
Bond Proceeds	120,000.0	-	-	-
General Obligation	-	-	-	50,800.0
General Obligation Preserve	-	-	-	-
Municipal Properties Corporation	-	7,400.0	-	-
Municipal Properties Corporation-Water	-	-	-	-
Municipal Properties Corporation-Sewer	-	-	-	-
Certificates of Participation	-	-	-	-
Pay-As-You-Go				
Water & Sewer Development Fees	14,527.5	17,510.0	4,512.0	6,667.0
Regional Transportation Sales Tax (Prop 400)	-	14,219.4	14,756.9	9,025.4
Grants	4,045.8	14,265.3	2,635.0	21,057.3
Intergovernmental	1,971.9	-	60.0	30.0
In-Lieu Fees	-	50.0	24.4	50.0
Other Contributions	7,933.8	4,460.0	4,500.0	33,402.1
Interest Earnings	10,845.9	6,442.0	6,679.2	5,099.2
Miscellaneous	2,936.5	-	-	-
Subtotals	162,261.6	64,346.7	33,167.4	126,131.0
Transfers In				
General Fund	47,510.8	10,599.8	4,648.7	10,550.0
Transportation Fund	10,059.0	10,102.9	8,405.6	7,242.2
Preservation Privilege Tax Funds	33,195.5	1,473.0	8,604.4	10,610.0
Bed Tax	-	-	566.7	-
GO Bond	62,226.8	-	-	-
Special Programs Fund	1,381.4	292.3	437.3	2,123.2
Aviation Fund	598.7	1,157.3	913.4	258.1
Water & Sewer Fund	315,137.2	58,740.9	58,891.5	72,240.3
Solid Waste Fund	391.3	48.1	471.1	1,131.6
Fleet Fund	2,107.0	6,512.8	7,585.8	41.4
Internal Service Funds	327.8	7.3	7.3	12.2
Subtotals	472,935.7	88,934.3	90,531.8	104,209.0
Total Revenues & Transfers In	635,197.3	153,281.1	123,699.3	230,339.9
Total Sources of Funds	870,584.8	466,845.6	397,423.7	306,524.2
Use of Funds:				
Program Expenditures				
Community Facilities	51,579.5	103,519.6	57,962.9	50,149.7
Preservation	53,196.4	198,771.5	8,127.0	142,381.0
Drainage & Flood Control	9,797.7	35,038.6	6,370.3	30,560.4
Public Safety	24,017.9	38,326.2	20,155.2	23,690.9
Service Facilities	10,737.9	57,931.0	26,073.7	34,643.0
Transportation	51,305.7	180,197.8	65,962.9	121,330.3
Water Management	121,394.1	245,534.2	105,434.9	166,673.9
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	322,029.2	859,318.9	290,087.0	569,429.2
Less: Estimated Capital Improvement Expenditures (35%)		(300,761.6)		(199,300.2)
Subtotal: Unexpended at Year End (65%)		558,557.3		370,129.0
Transfers Out				
To CIP General Fund	168.9	-	-	-
To Operating General Fund	-	-	14,000.0	9,000.0
To Fleet Capital Project Fund	140.0	-	-	-
To General CIP Fund - Bond Exp Reimb	44,025.5	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	18,074.4	-	-	-
To CIP Water & Sewer Funds	209,407.6	-	-	-
To Transportation Fund	-	3,000.0	1,500.0	-
To Aviation CIP	10.6	-	1,707.1	-
To Water & Sewer Operating Funds	-	13,818.8	13,874.4	13,886.2
To Solid Waste Enterprise Fund	-	70.9	70.9	-
Subtotal	271,826.9	16,889.7	31,152.4	22,886.2
Total Use of Funds	593,856.1	317,651.3	321,239.4	222,186.5
Liabilities with No Related Revenue/Expenditure	(3,004.2)	-	-	-
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	5,000.0	-	40,000.0
Capital Airport Grant Contingency ^(B)	-	5,500.0	-	5,500.0
Capital Water Contingency ^(B)	-	10,000.0	-	10,000.0
Reserved:				
Capital General Contingency	2,625.2	4,500.0	3,179.2	10,000.0
Reserved Fund Balance	271,099.3	124,194.3	73,005.1	18,837.8
Total Ending Fund Balance	273,724.5	149,194.3	76,184.3	84,337.8

(A) Prior year unexpended sources and uses of funds are estimated and included in Beginning Fund Balance (Sources) or by program (Uses). Prior year unexpended uses are estimated at 65% of prior year budget.

(B) Capital Grant Contingency, Capital Airport Grant Contingency and Capital Water Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$10 million Capital Contingency in FY 2009/10 and \$4.5M in FY 2010/11 to FY 2013/14 is used for planning purposes and does not represent additional cumulative funding of \$28 million (i.e. \$10M, plus 4 yrs x \$4.5 million). Only the portion of the contingency amount used and replenished in a fiscal year is considered contingency funding.

Fund Summaries and Five-Year Plans

Adopted Fiscal Year 2009/10 Budget Five-Year Financial Plan Capital Improvement Plan (in thousands)

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance	76,184.3	84,337.8	281,453.7	230,344.8	189,310.3
Revenues:					
Bonds/Contracts					
Bond Proceeds	-	-	-	-	-
General Obligation	50,800.0	-	-	-	-
General Obligation Preserve	-	150,000.0	-	-	-
Municipal Properties Corporation	-	7,500.0	-	-	-
Municipal Properties Corporation-Water	-	-	-	-	-
Municipal Properties Corporation-Sewer	-	75,000.0	-	-	26,000.0
Certificates of Participation	-	20,000.0	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	6,667.0	9,712.1	14,964.6	21,382.0	28,372.8
Regional Transportation Sales Tax (Prop 400)	9,025.4	15,931.9	-	-	-
Grants	21,057.3	5,419.9	3,743.2	1,100.0	1,100.0
Intergovernmental	30.0	45.0	30.0	30.0	30.0
In-Lieu Fees	50.0	75.0	100.0	100.0	100.0
Other Contributions	33,402.1	43,538.5	9,006.0	1,500.0	-
Interest Earnings	5,099.2	7,037.3	7,349.5	7,733.8	7,293.9
Miscellaneous	-	-	-	-	-
Subtotals	126,131.0	334,259.7	35,193.4	31,845.8	62,896.7
Transfers In					
General Fund	10,550.0	1,593.0	1,650.0	1,715.0	1,784.0
Transportation Fund	7,242.2	7,486.1	7,710.1	8,003.6	8,323.9
Preservation Privilege Tax Funds	10,610.0	2,750.0	-	-	-
Bed Tax	-	-	-	-	-
GO Bond	-	-	-	-	-
Special Programs Fund	2,123.2	1,053.0	1,062.8	35.7	62.4
Aviation Fund	258.1	79.7	67.2	280.4	8.3
Water & Sewer Fund	72,240.3	39,012.5	54,666.6	48,490.2	52,409.8
Solid Waste Fund	1,131.6	271.0	129.8	726.2	1,167.9
Fleet Fund	41.4	31.2	29.0	21.4	21.4
Internal Service Funds	12.2	10.2	9.3	6.8	7.1
Subtotals	104,209.0	52,286.8	65,324.8	59,279.3	63,784.8
Total Revenues & Transfers In	230,339.9	386,546.5	100,518.2	91,125.1	126,681.4
Total Sources of Funds	306,524.2	470,884.2	381,971.9	321,469.9	315,991.7
Use of Funds:					
Program Expenditures					
Community Facilities	50,149.7	1,633.0	1,371.0	430.0	375.0
Preservation	142,381.0	2,750.0	-	-	-
Drainage & Flood Control	30,560.4	40,299.5	9,657.8	500.0	500.0
Public Safety	23,690.9	2,697.8	726.3	728.0	783.0
Service Facilities	34,643.0	4,897.9	4,433.3	3,421.3	3,671.9
Transportation	121,330.3	27,602.5	10,968.2	9,561.7	15,545.0
Water Management	166,673.9	44,514.0	33,873.0	60,351.0	59,420.0
Prior Year Unexpended (A)	-	370,129.0	321,440.4	248,605.5	210,338.4
Subtotal	569,429.2	494,523.7	382,470.0	323,597.5	290,633.3
Less: Estimated Capital Improvement Expenditures (35%)	(199,300.2)	(173,083.3)	(133,864.5)	(113,259.1)	(101,721.6)
Subtotal: Unexpended at Year End (65%)	370,129.0	321,440.4	248,605.5	210,338.4	188,911.6
Transfers Out					
To CIP General Fund	-	-	-	-	-
To Operating General Fund	9,000.0	-	-	-	-
To Fleet Capital Project Fund	-	-	-	-	-
To General CIP Fund - Bond Exp Reimb	-	-	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	-	-	-	-	-
To CIP Water & Sewer Funds	-	-	-	-	-
To Transportation Fund	-	-	-	-	-
To Aviation CIP	-	-	-	-	-
To Water & Sewer Operating Funds	13,886.2	16,347.3	17,762.6	18,900.5	19,656.2
To Solid Waste Enterprise Fund	-	-	-	-	-
Subtotal	22,886.2	16,347.3	17,762.6	18,900.5	19,656.2
Total Use of Funds	222,186.5	189,430.5	151,627.1	132,159.7	121,377.9
Liabilities with No Related Revenue/Expenditure	-	-	-	-	-
Ending Fund Balance					
Capital Grant Contingency (B)	40,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency (B)	5,500.0	-	-	-	-
Capital Water Contingency (B)	10,000.0	-	-	-	-
Reserved:					
Capital General Contingency	10,000.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	18,837.8	271,953.7	220,844.8	179,810.3	185,113.9
Total Ending Fund Balance	84,337.8	281,453.7	230,344.8	189,310.3	194,613.9

(A) Prior year unexpended sources and uses of funds are estimated and included in Beginning Fund Balance (Sources) or by program (Uses). Prior year unexpended uses are estimated at 65% of prior year budget.

(B) Capital Grant Contingency, Capital Airport Grant Contingency and Capital Water Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$10 million Capital Contingency in FY 2009/10 and \$4.5M in FY 2010/11 to FY 2013/14 is used for planning purposes and does not represent additional cumulative funding of \$28 million (i.e. \$10M, plus 4 yrs x \$4.5 million). Only the portion of the contingency amount used and replenished in a fiscal year is considered contingency funding.

TOTAL APPROPRIATION Fund Summaries and Five-Year Plans

	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Source of Funds:								
Beginning Fund Balance/Reserve	\$ 34,697,002	\$ 30,191,474	\$ 19,049,103	\$ 93,939,735	\$ 25,470,905	\$ 4,121	\$ 76,184,300	\$ 279,536,640
Revenues								
Taxes - Local								
Privilege Tax (1.0%)	75,900,000							75,900,000
Privilege Tax - Transportation (.20%)		14,345,100						14,345,100
Privilege Tax - McDowell Preserve (.20%)		14,724,600						14,724,600
Privilege Tax - Preservation (.15%)		11,385,000						11,385,000
Privilege Tax - Public Safety (.10%)	7,362,300							7,362,300
Property Tax	23,654,407		31,795,488		1,930,000			57,379,895
Transient Occupancy Tax	8,231,300							8,231,300
Light & Power Franchise	8,400,000							8,400,000
Cable TV	3,600,000							3,600,000
Salt River Project Lieu Tax	139,000							139,000
Stormwater Water Quality Charge	863,000							863,000
Taxes - From Other Agencies								
State Shared Sales Tax	18,047,839							18,047,839
State Revenue Sharing	30,308,042							30,308,042
AZ STAMCSD Revenue			612,144					612,144
Transportation								
Highway User Revenue Tax		14,187,000						14,187,000
Auto Lieu Tax	8,000,000							8,000,000
Local Trans Assistance Fund I		1,057,100						1,057,100
Local Trans Assistance Fund II								
Proposition 400 Regional Sales Tax		311,628					9,025,400	9,337,028
Internal Service Charges								
Fleet Management					13,575,018			13,575,018
Self-Insurance					32,058,782			32,058,782
Licenses, Permits & Fees								
Building Permit Fees & Charges	8,000,000						6,667,000	14,667,000
Building Permits - CIP	149,000							149,000
Fire Service Charges	2,350,000							2,350,000
Business Licenses & Fees	1,680,000							1,680,000
Recreation Fees	3,022,000							3,022,000
WestWorld	2,888,000							2,888,000
Fines & Forfeitures								
Court Fines	7,166,300							7,166,300
Parking Fines	495,000							495,000
Photo Enforcement	1,655,700							1,655,700
Photo Enforcement Loop 101 Program								
Library Fines & Fees	389,640							389,640
Interest Earnings/Property Rental								
Interest Earnings	1,656,860	302,000	11,178	2,207,413	512,469		5,099,200	9,789,120
Property Rental	3,194,029							3,194,029
Utilities & Enterprises								
Water Charges				95,461,373				95,461,373
Sewer Charges				35,598,950				35,598,950
Refuse/Recycling				19,536,531				19,536,531
Airport				2,839,305				2,839,305
Other Revenue								
In-Lieu Fees							50,000	50,000
Grant & Trust		15,621,738				8,800	21,057,300	36,687,838
Improvement District Assessments		621,068	877,199					1,498,267
Miscellaneous	1,000,000	120,000		4,337,932	200,000		33,402,100	39,060,032
30-Day Tow Program	400,000							400,000
Capital Improvement Plan Cost Allocation	861,588	819,926						1,681,514
Charges for Services		1,568,364						1,568,364
Reimbursements	350,000							350,000
Intergovernmental Revenue	1,049,900						30,000	1,079,900
Indirect/Direct Cost Allocation	14,773,794							14,773,794
Special Programs Revenue		6,616,911						6,616,911
Bond Proceeds							50,800,000	50,800,000
Spring Exhibition Surcharge			145,000					145,000
CIP Unexpended Year End							370,129,000	370,129,000
Less Internal Service Funds Offset					(39,503,940)			(39,503,940)
Subtotal	235,587,699	81,680,435	33,441,009	159,981,504	8,772,329	8,800	496,260,000	1,015,731,776
Cash Transfers In								
Operating Transfers								
From General Fund		12,216,066	6,695,185				10,550,000	29,461,251
From Special Revenue Funds			21,300,808				19,975,400	41,276,208
From Enterprise Funds		358,550					73,630,000	73,988,550
From Internal Service Funds							53,600	53,600
From Capital Improvement Fund				13,886,230				13,886,230
From Enterprise Funds								
In-Lieu Property Tax	2,675,320							2,675,320
CIP Funds	9,000,000							9,000,000
Special Programs/Revenue Fund (Cultural Council)	300,000							300,000
Special Programs Fund (Community Services-Hurr)	130,000							130,000
Franchise Fee	6,684,785							6,684,785
Subtotal	18,790,105	12,574,616	27,995,993	13,886,230	-	-	104,209,000	177,455,944
Other Activity								
Reserve Appropriations								
Operating Contingency	5,000,000	11,000,000				10,000	65,500,000	81,510,000
Solid Waste				500,000				500,000
Self-Insurance					5,000,000			5,000,000
Water/Sewer				2,000,000				2,000,000
Liabilities Reserve								
Subtotal	5,000,000	11,000,000	-	2,500,000	5,000,000	10,000	65,500,000	89,010,000
Total Revenues & Transfers In	259,377,804	105,255,051	61,437,002	176,367,734	13,772,329	18,800	665,969,000	1,282,197,720

TOTAL APPROPRIATION Fund Summaries and Five-Year Plans

Use of Funds:	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Divisions								
Scottsdale City Council	790,904							790,904
Strategic Resources Group	1,742,708							1,742,708
City Clerk	904,960							904,960
City Attorney	6,384,959							6,384,959
City Auditor	837,820							837,820
City Court	4,699,829	1,439,826						6,139,655
Public Safety	116,256,382	1,169,863						117,426,245
Financial Management	7,763,582			3,868,743				11,632,325
Planning, Neighborhoods, & Transportation	15,586,164	13,771,274						29,357,438
Community Services	38,499,263	2,596,270						41,095,533
Information Technology	10,333,523							10,333,523
Public Works & Water Resources	18,983,113	17,649,008		79,082,480	13,565,192			129,279,793
Human Resources	4,597,436	10,000			32,502,254			37,109,690
Economic Vitality	11,208,383	6,133,476		1,604,983				18,946,842
Planning & Development Svcs	-							-
Leave Accrual Payments	1,790,184	86,262						1,876,446
Estimated Personnel Savings from Vacant Positions	(5,000,000)	(270,000)						(5,270,000)
Future Savings from Reorganization	(12,536,834)							(12,536,834)
Indirect/Direct Cost Allocation				14,773,794				14,773,794
Less Internal Service Fund Offsets	-				(39,503,940)			(39,503,940)
Subtotal	222,842,376	42,585,979	-	99,330,000	6,563,506	-	-	371,321,861
Grant and Trust Activity								
Grants		15,621,738						15,621,738
Trust and Special Districts		732,000				8,882		740,882
Subtotal	-	16,353,738	-	-	-	8,882	-	16,362,620
Capital Improvements								
Community Facilities							50,149,700	50,149,700
Preservation							142,381,000	142,381,000
Neighborhood Drainage and Flood Control							30,560,400	30,560,400
Public Safety							23,690,900	23,690,900
Service Facilities							34,643,000	34,643,000
Transportation Improvements							121,330,300	121,330,300
Water and Wastewater							166,673,900	166,673,900
Subtotal	-	-	-	-	-	-	569,429,200	569,429,200
Debt Service								
General Obligation Bonds			37,315,488					37,315,488
General Obligation Bonds-Preserve			13,961,047					13,961,047
Preserve Authority Revenue Bonds			6,739,761					6,739,761
Revenue Bonds				5,467,088				5,467,088
MPC Bonds			7,907,329	20,259,375				28,166,704
Special Assessment Bonds			877,199					877,199
Certificates of Participation	918,790							918,790
Certificates of Participation - Radio Financing	1,021,600							1,021,600
Contracts Payable	2,724,356	954,055						3,678,411
Subtotal	4,664,746	954,055	66,800,824	25,726,463	-	-	-	98,146,088
Other Activity								
Reserve Appropriations								
Operating Contingency	5,000,000	11,000,000					10,000	65,500,000
Heard Museum Contingency								-
Solid Waste				500,000				500,000
Self-Insurance					5,000,000			5,000,000
Water/Sewer				2,000,000				2,000,000
Liabilities Reserve								-
Subtotal	5,000,000	11,000,000	-	2,500,000	5,000,000	10,000	65,500,000	89,010,000
Total Budget	232,507,122	70,893,772	66,800,824	127,556,463	11,563,506	18,882	634,929,200	1,144,269,769
Cash Transfers Out								
Capital Improvement Program	10,550,000	19,975,350		73,630,013	53,600			104,208,963
Operating Transfers								
To General Fund		430,000					9,000,000	9,430,000
To Special Revenue Fund	12,216,066			358,550				12,574,616
To Debt Service Fund	6,695,185	21,300,808						27,995,993
To Enterprise Fund							13,886,200	13,886,200
Enterprise Transfers								
In-Lieu Property Tax				2,675,319				2,675,319
Franchise Fee				6,684,785				6,684,785
Subtotal	29,461,251	41,706,158	-	83,348,667	53,600	-	22,886,200	177,455,876
Total Expenditures & Transfers Out	261,968,373	112,599,930	66,800,824	210,905,130	11,617,106	18,882	657,815,400	1,321,725,645
Revenue Over/(Under) Expenditures	(2,590,569)	(7,344,879)	(5,363,822)	(34,537,396)	2,155,223	(82)	8,153,600	(39,527,925)
Ending Fund Balance/Reserve	32,106,433	22,846,595	13,685,281	59,402,339	27,626,128	4,039	84,337,900	240,008,715

Fund Summaries and Five-Year Plans

Grant Description	FY 2009/10 Adopted Budget
CDBG	2,337,449
HOME	1,000,264
Section 8	7,188,252
State Grant In Aid	11,000
Preserve America	64,000
DEA Task Force	169,137
IRS Task Force	13,636
Partners for Paiute Neighborhood Center Playground	12,000
Scottsdale Remembers: Recollection	10,000
Verbal and Visual Literacy Grant	3,000
Reventure: Revitalize, Renew, Relax	8,500
Customers on the Go	1,200
COS Awarded Grants	300
Can-Do-Fund	5,000
Gila River Indian Community Ryan House	100,000
2008/09 12% Revenue Sharing Gila River Indian Community	45,000
2006/07 12% Revenue Sharing Salt River Pima Indian Community	20,000
2007/08 12% Revenue Sharing Salt River Pima Indian Community	66,000
2008/09 12% Revenue Sharing Salt River Pima Indian Community	114,000
2007/08 12% Revenue Sharing Pascau Yaqui Tribe	7,000
Subtotal Grants:	11,175,738

Future Grant Description	FY 2009/10 Adopted Budget
Community Services: Miracle League and Diamondbacks Charities	300,000
Community Services: 12% Revenue Sharing Salt River Pima Maricopa Indian Community	1,000,000
Community Services: 12% Revenue Sharing Gila River Indian Community	100,000
Community Services: 12% Revenue Sharing Pascau Yaqui Tribe	100,000
Community Services: 12% Revenue Sharing Fort McDowell	100,000
Community Services: General Grants	600,000
Fire: Rapid Response Vehicle	950,000
Fire: Rapid Response Equipment	50,000
Fire: Chemical, Biological, Radiological, Nuclear and Explosives Training	25,000
Police: Justice Assistance Grant	100,000
Police: Arizona Automobile Theft Authority Public Awareness Grant	12,000
Police: Arizona Criminal Justice Commission Full Service Forensic Crime Lab	132,000
Police: Arizona Criminal Justice Commission Coverdell Formula	12,000
Police: Arizona Criminal Justice Commission DNA Capacity Enhancement	25,000
Police: Governor's Office of Highway Safety DUI Abatement	100,000
Police: Governor's Office of Highway Safety Equipment	50,000
Police: General Grants	550,000
Economic Vitality: 12% Revenue Sharing Fort McDowell	75,000
Library: Scottsdale Listens	30,000
Library: Community Baby Shower	15,000
Library: Oral History	30,000
Library: Hispanic Outreach	30,000
Library: General Grants	60,000
Other Future Grants Citywide	9,500,000
Subtotal Grants:	13,946,000

Total Grants:	25,121,738
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Street Light Districts:	732,000
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Trust: Mayor's Committee on Employment of People with Disabilities	8,882
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Legal Compliance and Financial Management

To ensure legal compliance and financial management for the various restricted revenues and program expenditures, the City's accounting and budget structure is segregated into various funds. This approach is unique to the government sector. Fund accounting segregates functions and activities into separate self-balancing funds that are created and maintained for specific purposes; for example, Special Revenue Funds are used to account for the expenditure of restricted revenues, while Enterprise Funds account for self-sustaining "business" related activities for which a fee is charged to cover all costs associated with that business. The General Fund is the City's chief operating fund and is used to account for all financial resources, except those required to be accounted for in another fund.

A detailed overview of the City's budgeted revenues, expenditures, and fund balance by fund is presented in this section.

Fund Accounting - Fund Types

A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains the following five Special Revenue Funds: Transportation, Preservation Privilege Tax, Special Programs, Special Districts, and Grants.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest that are not serviced by the General, Special Revenue, and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Enterprise Funds are used to account for operations, including debt service, which are financed and operated similarly to private businesses - where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains three Enterprise Funds to account for Water & Sewer, Solid Waste, and Aviation activities.

Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the City. The City maintains two Internal Service Funds to account for Fleet and Self-Insurance activities.

Trust Funds are used to administer resources received and held by the City as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several Capital Project funds to ensure legal compliance and financial management for various restricted revenues. Examples of restricted revenue funds are:

Bond Funds – are used to account for bond proceeds to be used only for approved bond projects.

Transportation Privilege Tax Capital Fund – are used to account solely for transportation projects.

Grant Capital Funds – are used to account for the proceeds of capital grants.

Enterprise Capital Funds – are used to account for utility rates and development fees for specific projects.

Unrestricted General Capital Fund – are used to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

General Fund**Fund Purpose**

The General Fund exists to account for the activity associated with traditional local government services such as police, fire, parks and recreation, planning and economic development and general City administration. Under Arizona State law, each city and town must maintain a General Fund and account for Highway User Revenues (see the Transportation Fund in the Special Revenue Fund section). The General Fund is the largest fund and typically the fund of most interest and significance to citizens.

General Fund Revenues and Transfers-In

General Fund resources include both revenues and transfers-in from other fund types such as the Special Revenue, Enterprise, and Internal Service Funds. Estimated General Fund revenues and transfers-in for FY 2009/10 equals \$254.4 million, a decrease of approximately \$18.9 million, or 7.0 percent, from the FY 2008/09 year-end forecast of \$273.3 million. This significant decrease in the forecasted General Fund revenues reflects decreases in Scottsdale's revenue categories, such as Privilege Tax (14%) and State Shared Tax Revenues (10%). These numbers reflect the current economic recession and a continued decrease in consumer confidence. Major contributing factors that have impacted revenue are the closure of automotive dealerships and decrease in construction activity.

Revenues and transfers-in determine Scottsdale's capacity to provide program services to our citizens. The major resources, which fund the program operating budget, debt service, and capital projects, are identified in this section.

Local Tax Revenues of \$128.2 million represent about 55 percent of the General Fund total operating resources and are the fund’s largest category of revenue source. With the exception of property taxes, all of these revenues are “elastic”, meaning they vary directly with the economy – during economic expansion, elastic tax revenues increase, due to higher levels of consumer spending and tourism activity. During an economic downturn, the opposite is true and tax revenue levels decline. Local Tax Revenues consist of the following:

Privilege (Sales) Tax presents the 1.0 percent General Fund share of the City’s total 1.65 percent sales tax that is available for any municipal purpose. The remaining 0.65 percent of the tax has dedicated uses and is allocated as follows: General Fund (Public Safety 0.10%), Special Revenue Fund (Transportation 0.20%) and Special Revenue Fund (Preservation 0.35%). The tax is the City’s single largest revenue source. This revenue also includes sales tax application and penalty fees. It is also the General Fund’s single largest revenue source, and the General Fund portion of the tax is used to pay for general governmental operations and the repayment of excise debt. For FY 2009/10, the adopted revenue budget is \$75.9 million, which is approximately a \$12.4 million, or a 14 percent decrease over the FY 2008/09 year-end forecast of \$88.8 million. The regional economy continues to struggle during the current economic downturn and privilege tax is expected to grow moderately in the five-year revenue forecast. The five-year privilege tax forecast is shown in detail by major business category in the Appendix. Staff forecast the privilege tax collections by category to arrive at more of precise total sales tax revenue. The revenue forecasts for each business category use various assumptions that combine historical elements as well as emerging fiscal, economic and legal considerations.

Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$75.9	\$75.9*
2008/09	\$106.3	\$88.3*
2007/08	\$113.6	\$105.6
2006/07	\$110.3	\$109.7
2005/06	\$96.7	\$104.6

Privilege (Sales) Tax - Public Safety represents the 0.10 percent of the total 1.65 percent sales tax rate and is dedicated exclusively to public safety enhancements. The voters approved the 0.10 percent increase in the sales tax for public safety in May 2004. The Public Safety sales tax forecast calls for FY 2009/10 revenues of about \$7.4 million versus an expected FY 2008/09 year-end of approximately \$8.6 million. The same business category analysis used for the General Fund 1.0 percent tax was applied when forecasting the Public Safety Privilege Tax.

Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$7.4	\$7.4*
2008/09	\$10.3	\$8.6*
2007/08	\$11.4	\$10.2
2006/07	\$11.0	\$10.5
2005/06	\$9.7	\$9.9

Property Tax (Primary) represents the General Fund's portion of the Primary Property Tax which is levied on the assessed value of all property within the City to help pay for City general governmental operation costs. By Arizona State Statute, the primary property levy is limited to a 2.0 percent increase per year, plus an allowance for annexations and new construction. Primary property tax accounts for 9 percent of the total Adopted FY 2009/10 General Fund resources. The FY 2009/10 revenue forecast of \$23.7 million represents an increase of slightly less than \$1.5 million, or 7 percent, from the FY 2008/09 year-end forecast of \$22.2 million. The adopted primary property tax rate of approximately 37 cents per \$100 of assessed valuation represents a 2 cents increase from the FY 2008/09 rate.

Property Tax (Primary) Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$23.7	\$23.7*
2008/09	\$22.4	\$22.2*
2007/08	\$21.0	\$20.4
2006/07	\$20.1	\$19.6
2005/06	\$18.7	\$18.3

Transient Occupancy (“Bed”) forecast assumes a moderate increase in the tourism industry for the upcoming year. Bed tax revenue is expected to increase 2 percent from the FY 2008/09 year-end forecast of \$8 million. By City ordinance, 80 percent of this tax revenue is restricted for tourism and hospitality purposes and 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 will be recorded in the General Fund with a corresponding transfer out of 80 percent to the Special Programs Fund, as reflected in the Cash Transfers-Out section of the Five Year Financial Forecast. For FY 2009/10, this transfer-out amount is \$6.6 million.

Transient Occupancy (“Bed”) Tax Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$8.2	\$8.2*
2008/09	\$2.0	\$1.6*
2007/08	\$2.2	\$2.0
2006/07	\$1.9	\$1.9
2005/06	\$8.2	\$8.9

Stormwater Quality Charge revenue relates to the water quality charge to help pay a portion of the City’s Stormwater Management program costs. These costs are driven by “unfunded” federal mandates that require the City to operate under a National Pollution Discharge Elimination System (NPDES) permit and to address the quality of stormwater runoff. Charges are forecasted at \$0.9 million for FY 2009/10, a slight increase to the expected FY 2008/09 year-end forecast of \$0.8 million.

Stormwater Quality Charge Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$0.9	\$0.9*
2008/09	\$0.8	\$0.8*
2007/08	\$0.7	\$0.9
2006/07	\$0.7	\$0.7
2005/06	\$0.6	\$0.7

Other Taxes — Light & Power and Cable TV Franchise, Salt River Project In-Lieu Tax and Fire Insurance Premium include franchise taxes charged on revenues from utility and cable companies for use of City right-of-ways and in-lieu property tax for municipal utilities. The light & power franchise tax is projected to increase 2 percent, or \$0.2 million. The cable TV franchise tax is expected to remain relatively flat to the FY 2008/09 year-end forecast of \$3.6 million. The Salt River Project In Lieu Tax is expected to remain flat at the FY 2008/09 year-end forecast of \$0.1 million.

Other Taxes Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$12.1	\$12.1*
2008/09	\$11.5	\$11.9*
2007/08	\$10.9	\$11.5
2006/07	\$9.5	\$10.8
2005/06	\$8.6	\$9.3

State-Shared Tax Revenues

State-Shared Tax Revenues include the state sales tax, income tax collections, and auto lieu tax, which are shared with all cities and towns throughout the state. The formula for distribution of the sales and income tax revenue is based upon the relation of the City’s population to the total state population. Under this distribution method, mature cities reaching build-out will see their portion of state-shared tax revenues decrease, as rapidly growing cities receive a greater share of the revenue distribution. A mid-decade special census will likely have an adverse impact on the City’s share, as faster growing cities and towns within the region receive an increased proportion of the overall pool of state-shared revenues.

The State Department of Revenue collects and distributes funds and provides revenue forecasts to cities and towns for these revenue sources. The auto lieu tax is shared based on the City’s population in relation to the total incorporated population of Maricopa County.

State-Shared Revenues consist of the following:

State Shared Sales Tax cities and towns share in a portion of the 5 percent sales tax collected by the State – the State retains 50 percent, schools are designated to receive 40 percent, and the remaining 10 percent is allocated to cities and towns based on percentage of population. The forecast calls for FY 2009/10 revenues of approximately \$18.0 million versus an expected FY 2008/09 year-end of \$19.9 million. Revenue is expected to decline about \$1.9 million in FY 2009/10.

State Shared Sales Tax Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$18.0	\$18.0*
2008/09	\$22.0	\$19.9*
2007/08	\$23.9	\$21.6
2006/07	\$20.6	\$22.3
2005/06	\$19.0	\$21.5

State Revenue Sharing (Income Tax) there is a two-year lag between the time citizens earn and report results to the State and when the State submits the actual revenues to cities and towns. Cities and towns in Arizona are prohibited from levying a local income tax; however, they are entitled to 15 percent of state income tax collections from two years previous. Revenue from State Shared Income Tax is forecasted at \$30.3 million for FY 2009/10, a decrease over expected FY 2008/09 year-end forecast of \$34.6 million.

State Revenue Sharing (Income Tax) Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$30.3	\$30.3*
2008/09	\$34.0	\$34.6*
2007/08	\$33.1	\$33.0
2006/07	\$20.8	\$26.7
2005/06	\$20.5	\$21.2

State Auto Lieu Tax is part of the vehicle license fees collected by Maricopa County, but is actually a State revenue source. The City receives its share of the vehicle license tax collection based on its population in relation to the total incorporated population of Maricopa County. The only stipulation on the use of this revenue is that it must be spent on a public purpose. The budget for FY 2009/10 is forecasted at \$8.0 million, which is in line with the FY 2008/09 year-end forecast of \$8.0 million.

State Auto Lieu Tax Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$8.0	\$8.0*
2008/09	\$9.7	\$8.0*
2007/08	\$10.4	\$10.0
2006/07	\$9.6	\$9.8
2005/06	\$8.9	\$9.7

Licenses, Permits & Fees Revenue

Licenses, Permits & Fees Revenue include revenue from various business licenses, all fees recovered as a part of the development process, and recreation fees. This category includes building, electrical, mechanical, and plumbing permits, as well as subdivision, zoning, and plan check fees. Recreation Fees include revenue from the various recreational programs, classes, entry fees, and WestWorld event revenue. In accordance with Scottsdale’s adopted financial policy, all fees and charges are reviewed annually.

Scottsdale’s development activity is slowing as our community is changing from growth oriented to a maturing community focused more on sustaining its high quality of life through redevelopment. The new commercial and residential construction activity is expected to continue, but at a slower pace. The attractiveness of Scottsdale, low commercial vacancy rates and low mortgage interest rates are major contributors to the Licenses, Permits & Fees Revenue.

Licenses, Permits & Fees Revenue consist of the following:

Building Permits Fees & Charges include fees assessed to developers/builders that recover the cost of four primary functions: 1) reviewing/processing development applications, 2) plan review of construction documents, 3) the issuance of building, electrical, mechanical and plumbing permits, and 4) the inspection of buildings/structures in the construction phase. The FY 2009/10 forecast of \$8.1 million takes into consideration the current economic conditions, along with a 2.5 percent increase to certain Planning and Development Services fees effective July 1, 2009.

Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$8.1	\$8.1*
2008/09	\$14.5	\$6.6*
2007/08	\$16.5	\$12.5
2006/07	\$17.0	\$16.1
2005/06	\$15.5	\$20.5

Fire Service Charges include service fees for the cost recovery of fire and medical standbys at special events, after hours inspections, and ambulance staffing and dispatch fees associated with the ambulance agreement. In addition, the department collects fees for CPR classes, permits and incident reports. For FY 2009/10 revenues are forecasted at \$2.4 million, a slight increase over the FY 2008/09 year-end forecast of \$2.3.

Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$2.4	\$2.4*
2008/09	\$1.4	\$2.3*
2007/08	\$1.1	\$1.1
2006/07	\$1.0	\$1.9
2005/06	-	\$1.0

Business Licenses & Fees include the licensing of business activity that takes place in Scottsdale and the associated fees relating to the licensure and regulation of specific activity. Revenues of approximately \$1.7 million are expected in FY 2009/10, which is consistent with FY 2008/09 year-end forecast of \$1.7 million.

Business Licenses & Fees Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$1.7	\$1.7*
2008/09	\$1.8	\$1.7*
2007/08	\$1.6	\$1.6
2006/07	\$2.1	\$1.6
2005/06	\$2.0	\$1.8

Recreation Fees are budgeted at \$3.0 million and include revenue from the various recreational programs, classes, and entry fees. In accordance with the City's adopted financial policies, recreation fees are reviewed and adjusted annually, if the increase is justified by the analysis and approved by City Council.

Recreation Fees Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$3.0	\$3.0*
2008/09	\$3.1	\$3.1*
2007/08	\$2.9	\$2.8
2006/07	\$2.8	\$2.8
2005/06	\$2.3	\$2.5

WestWorld Fees include event revenue (general facility rental, concessions, parking fees, etc.) from events such as horse shows, auto auctions and car shows, consumer and home shows, as well as RV space rental income. Revenues of approximately \$2.9 million are expected in FY 2009/10 versus an expected FY 2008/09 year-end of \$2.7 million. Staff's FY 2009/10 revenue forecast is based on future confirmed bookings for WestWorld, Feed and Bedding as well as historical activity.

WestWorld Fees Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$2.9	\$2.9*
2008/09	\$2.4	\$2.7*
2007/08	\$2.0	\$2.3
2006/07	\$2.3	\$1.7
2005/06	\$1.8	\$2.3

Fines and Forfeiture Revenues

Fines and Forfeiture Revenues include court, parking, photo radar, and library fines. In the aggregate, the revenue for these items in FY 2009/10 is projected to be \$9.8 million for an increase of approximately \$0.2 million over the FY 2008/09 year-end forecast.

Fines and Forfeiture Revenues consist of the following:

Court Fines are the General Fund portion of penalties or fees assessed by state statute, City ordinance or the Presiding Judge. Examples include: fines, a portion of the registration fee to attend Defensive Driving School, bonds forfeited to the City and collection fees. Revenues of approximately \$7.2 million are expected for FY 2009/10, which reflects a \$0.8 million increase from the FY 2008/09 year-end forecast. The projected increase results from new Court fees and increased Court fees for FY 2009/10 as well as beginning to participate in the Supreme Court’s collection program.

Court Fines Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$7.2	\$7.2*
2008/09	\$6.5	\$6.4*
2007/08	\$5.5	\$6.8
2006/07	\$5.3	\$5.9
2005/06	\$5.1	\$5.2

Parking Fines are the General Fund portion of parking fees assessed per City ordinance and are forecasted at slightly more than \$0.5 million for FY 2009/10 – virtually the same as the FY 2008/09 year-end forecast.

Parking Fines Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$0.5	\$0.5*
2008/09	\$0.3	\$0.5*
2007/08	\$0.3	\$0.5
2006/07	\$0.3	\$0.3
2005/06	\$0.2	\$0.3

Photo Enforcement Fines are the General Fund portion of Photo Enforcement penalties as assessed by the Presiding Judge. Examples include: red light and speeding fines and a portion of the registration fee to attend Defensive Driving School. Revenues are budgeted at about \$1.7 million for FY 2009/10, which represents an increase of \$0.1 million from the FY 2008/09 year-end forecast of \$1.6 million. Use of photo enforcement is intended to be a deterrent to unsafe driving and to modify driving habits, not as a revenue producer.

Photo Enforcement Fines Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$1.7	\$1.7*
2008/09	\$1.9	\$1.6*
2007/08	\$2.6	\$1.5
2006/07	\$2.5	\$2.3
2005/06	\$2.5	\$2.0

Photo Enforcement Fines – Loop 101 Freeway represents the revenue anticipated with the conclusion of the Photo Enforcement Loop 101 Intergovernmental Agreement (IGA) with the State of Arizona’s Department of Public Safety (DPS) where photo enforcement was used to target speeding drivers on Scottsdale’s portion of the State Loop 101 Freeway. Scottsdale was the first community in the country to use photo enforcement on a multi-lane limited access freeway. There is no forecasted revenue for FY 2009/10 as DPS is now fully administering the freeway program.

Photo Enforcement Fines – Loop 101 Freeway Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	-	- *
2008/09	\$1.0	\$0.7*
2007/08	\$4.1	\$4.3
2006/07	\$2.0	\$3.9
2005/06	\$10.0	\$0.9

Library Fines & Fees are monies collected when library materials are returned after they are due, are lost, and/or are damaged. FY 2009/10 revenues are forecasted at \$0.4 million – virtually the same as the FY 2008/09 year-end forecast.

Library Fines & Fees Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$0.4	\$0.4*
2008/09	\$0.4	\$0.4*
2007/08	\$0.7	\$0.4
2006/07	\$0.7	\$0.6
2005/06	\$0.6	\$0.6

Interest Earnings Interest Earnings are generated on idle General Fund cash balance throughout the year. Revenue from Interest Earnings is conservatively forecasted at \$1.7 million for FY 2009/10, \$1.8 million less than the expected FY 2008/09 year-end forecast of \$3.5 million. This revenue is a function of the relationship between the City’s available cash balance and the interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool. Interest earnings applicable to bond proceeds and the Capital Improvement Plan (CIP) accrue to the CIP budget and are not included in General Fund revenues. Staff forecasted the interest earnings for FY 2009/10 based on recent activity and anticipated cash balances.

Interest Earnings Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$1.7	\$1.7*
2008/09	\$4.5	\$3.5*
2007/08	\$5.2	\$6.4
2006/07	\$2.3	\$3.3
2005/06	\$1.9	\$3.3

Property Rental Property rental revenues are rental fees on facilities such as the Scottsdale Stadium, as well as amounts received from the Tournament Players Club and Princess Hotel for percent of revenue on gross sales agreements. The FY 2009/10 forecasted revenue of approximately \$3.2 million represents a slight decrease over the FY 2008/09 year-end forecast of \$3.3 million.

Property Rental Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$3.2	\$3.2*
2008/09	\$3.4	\$3.3*
2007/08	\$3.3	\$3.5
2006/07	\$3.1	\$3.4
2005/06	\$3.0	\$3.4

Other Revenue

Miscellaneous revenue includes various miscellaneous revenues the City receives during any given year that are not attributable to one of the specific revenue categories noted previously. The FY 2009/10 revenue is forecasted at \$1.0 million, which is virtually the same as the FY 2008/09 year-end estimate of \$1.0 million.

Other Revenue – Miscellaneous and Reimbursements Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$1.0	\$1.0*
2008/09	\$1.0	\$1.0*
2007/08	\$0.7	\$0.7
2006/07	\$0.3	\$1.5
2005/06	\$1.0	\$1.3

30-Day Tow Program is an inter-allocation process whereby salary/benefit expenses for the enforcement of the 30 day tow program is charged to the special revenue program. FY 2009/10 revenues are forecasted at \$0.4 million, which represents an increase of \$0.2 million from the FY 2008/09 year-end forecast of \$.2 million.

Other Revenue – 30 Day Tow Program Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Actual/ Forecast*
2009/10	\$0.4	\$0.4*
2008/09	-	\$0.2*
2007/08	-	-
2006/07	-	-
2005/06	-	-

Capital Improvement Plan Cost Allocation revenue represents the reimbursement of the staff time associated with managing the Capital Improvement Program. The cost allocation varies by position based on individual involvement in managing the program. FY 2009/10 revenues are forecasted at \$0.9 million, which remains flat with the FY 2008/09 year-end forecast of \$0.9 million.

Other Revenue – Capital Improvement Plan Cost Allocation		
Adopted Budget to Actual/Forecast*		
(in millions)		
Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$0.9	\$0.9*
2008/09	-	\$0.9*
2007/08	-	-
2006/07	-	-
2005/06	-	-

Intergovernmental Revenue is related to School Resource Officers from the Scottsdale Police Department servicing local area schools, an intergovernmental agreement with the Scottsdale Unified School District for library shared use reimbursement of Palomino Library, and revenue received from the County Library District for reciprocal interlibrary use. FY 2009/10 revenues are forecasted at \$1.0 million, which remains flat with the FY 2008/09 year-end forecast of \$1.0 million.

Other Revenue – Intergovernmental Revenue		
Adopted Budget to Actual/Forecast*		
(in millions)		
Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$1.0	\$1.0*
2008/09	\$0.7	\$1.0*
2007/08	-	\$1.1
2006/07	-	\$0.7
2005/06	-	-

Indirect/Direct Cost Allocation represents a reimbursement to the General Fund for centralized services provided to the Enterprise Funds such as payroll, accounts payable, human resources, information technology, city administration, etc. The FY 2009/10 forecasted revenue is approximately \$14.8 million, which reflects a \$1.9 million increase from the FY 2008/09 year-end forecast of \$12.9 million.

Other Revenue – Indirect/Direct Allocation Adopted Budget to Actual/Forecast* (in millions)		
Adopted Fiscal Year	Actual/Budget	Actual/Forecast*
2009/10	\$14.8	\$14.8*
2008/09	\$12.9	\$12.9*
2007/08	\$11.6	\$11.6
2006/07	\$10.2	\$10.2
2005/06	\$9.9	\$9.9

Transfers-In

In FY 2009/10 this activity represents in lieu property taxes and franchise fees taxes paid by the Enterprise Funds. In addition, it includes one-time transfers from other funds, such as the Capital Improvement Fund. For this reason, annual activity varies significantly.

Fund Purpose

The General Fund exists to account for the activity associated with traditional local government services such as police, fire, parks and recreation, planning and economic development and general City administration. Under Arizona State law, each city and town must maintain a General Fund. The General Fund is the largest fund and typically the fund of most interest and significance to citizens.

General Fund Expenditures By Category

The General Fund expenditures are presented by the following five major operating expenditure categories: personal services, contractual services, commodities, capital outlay, and debt service. There is also cash transfers-out to other funds.

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. The FY 2009/10 adopted budget of \$174.5 million is \$14.8 million less than the FY 2008/09 adopted budget. The budget change is due to budget reduction efforts and reduced staffing levels in FY 2009/10 to maintain a balanced budget. Reductions to the Personal Services budget and reduced staffing levels in FY 2009/10 also cause a reduction in the other major operating expenditure categories presented on the following pages.

Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$174.5	\$174.5*
2008/09	\$189.3	\$197.2*
2007/08	\$183.4	\$180.2
2006/07	\$170.4	\$161.3
2005/06	\$155.7	\$145.4

Contractual Services include expenditures for services performed by consultants, individuals, or other City departments. The FY 2009/10 adopted budget of \$53.8 million is \$4.7 million, or 8 percent, less than the FY 2008/09 adopted budget. Major contracts include the Maricopa County jail contract, software maintenance and licensing, fleet maintenance and operations, utilities, mowing/landscape maintenance, and Fire Dispatch contract.

Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$53.8	\$53.8*
2008/09	\$58.5	\$55.8*
2007/08	\$50.4	\$53.4
2006/07	\$48.3	\$48.3
2005/06	\$44.7	\$46.3

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted budget of \$9.4 million is \$1.1 million, or 10 percent, less than the FY 2008/09 adopted budget.

Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$9.4	\$9.4*
2008/09	\$10.5	\$9.5*
2007/08	\$10.6	\$11.5
2006/07	\$10.2	\$10.4
2005/06	\$8.0	\$8.5

Capital Outlay includes the purchase of land, the purchase of construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, have a unit cost of \$5,000 or more, and be a betterment or improvement. The FY 2009/10 adopted budget of \$0.4 million is \$0.2 million, or 50 percent, less than the FY 2008/09 adopted budget.

Capital Outlay Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$0.4	\$0.4*
2008/09	\$0.6	\$0.5*
2007/08	\$0.9	\$0.9
2006/07	\$1.1	\$1.0
2005/06	\$1.4	\$0.3

Debt Service is primarily contractual debt related to sales tax development agreements, and will vary based on the actual sales tax collections at each developed site. The FY 2009/10 Debt Service budget of \$4.7 million is \$1.3 million less than the FY 2008/09 adopted budget. The FY 2009/10 Debt Service budget is comprised of approximately \$2.7 million in Contracts Payable and approximately \$1.9 million in Certificates of Participation as follows:

Debt Service Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$4.7	\$4.7*
2008/09	\$6.0	\$3.9*
2007/08	\$6.6	\$5.0
2006/07	\$6.0	\$5.6
2005/06	\$5.5	\$5.8

Contracts Payable of approximately \$2.7 million represents debt related to sales tax development agreements such as the Nordstrom Garage Lease and Hotel Valley Ho.

Certificates of Participation (COP) are instruments whereby the City enters into a lease-purchase agreement for the acquisition, operation and/or maintenance of an asset. COPs are secured by a budgeted appropriation made each year by the City. At the completion of the lease period, the City owns the asset. In FY 2005/06, the City issued \$7.65 million of COPs for the acquisition of the police/fire administration building. The COPs are payable over ten years at an average interest cost of 3.29 percent and are callable at the City's option after July 1, 2008. The FY 2009/10 forecast assumes a debt payment of approximately \$0.9 million related to the purchase of the building. The forecast also assumes a debt payment of approximately \$1.0 million related to the planned issuance in FY 2009/10 for Police/Fire Radio Communication Equipment.

Cash Transfers-Out are the authorized movement of cash to other funds, divisions, departments, and/or capital projects. Cash Transfers-Out in FY 2009/10 total \$29.4 million and include \$1.6 million to the Capital Fund to cover the cost of on-going capital maintenance and \$9.0 million to the Capital Fund for repayment of a cash transfer in to the General Fund from the Capital Fund at the start of FY 2009/10 as part of an overall budget balancing strategy, which will be transferred back to the Capital Fund by fiscal year end. Also, \$5.6 million will be transferred-out as a subsidy to the Transportation Fund for transportation related operating costs; \$6.7 million will be transferred to the MPC Excise Debt Fund; \$6.6 million will be transferred to the Special Programs Fund for bed tax revenues (80% of the total bed tax collections per adopted financial policy); and \$0.1 million will be transferred to the Special Programs Fund for neighborhood revitalization (\$50K) and for the preservation and maintenance of properties on Scottsdale's Historic Register (\$10K).

General Fund Balance/Reserve/Operating Contingency

Fund Balance/Reserve/Operating Contingency protects the City's financial condition and provides for unexpected economic challenges. Growth of fund balance occurs when revenues exceed expenditures. Fund balances are similar to a company's net equity (assets less liabilities) and should only be used for non-recurring (non-operational) expenditures, since once they are spent they are only replenished by future year resources in excess of expenditures.

The City's budget planning and adopted financial policies call for the establishment of reserves and an operating contingency as part of the resource allocation/limit setting process. The process allows the City to "set aside savings" before it is allocated or spent as budgeted expenditures. The specific make-up of the City's fund balance, reserves and operating contingencies are noted below.

General Fund Reserve continues the City's adopted financial policy of setting aside a reserve to protect Scottsdale in times of emergency. It is financially prudent to have a minimum General Fund Reserve of ten percent of the General and Highway User Revenue Funds total annual operating costs. Based on the revenue and expenditure estimates included in the adopted budget, the ending FY 2009/10 General Fund Reserve is projected to be approximately \$26.1 million. Maintaining the General Fund Reserve is very important to the municipal credit rating agencies and in retaining the City's AAA bond ratings. It should be noted that the revenue sources that help build the General Fund Reserve during good economic times are considered "elastic" and, therefore, are subject to downturns during recessionary times.

Operating Contingency includes \$5.0 million of basic operating contingency to meet unforeseen expenses during the fiscal year. City Council approval is required before the funds can be spent.

Unreserved Fund Balance is the remainder after considering all of the other reserves. The ending unreserved fund balance at 6/30/10 is forecasted at approximately \$1.0 million, which represents the cumulative General Fund revenues not designated for a specific purpose. This balance represents an accumulation of one-time revenues and is most appropriately used for one-time expenditures. Under prudent fiscal management practices, this amount should not be used to fund new or expanded programs with ongoing operating expenses.

Special Revenue Funds

Description

The City uses four separate Special Revenue Funds to account for the activity of restricted revenues and designated expenditure uses for FY 2009/10. The individual funds are: Transportation, Preservation Privilege Tax, Special Programs, and Grants. The applicable specific revenues, expenditures and fund balances of the individual Special Revenue Funds, along with each fund’s purpose, are described below:

Transportation Fund

Fund Purpose

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 is based on a policy that transfers 50 percent of the Transportation Privilege (Sales) Tax to the Capital Improvement Fund for transportation related capital improvement projects.

Transportation Fund Revenues and Cash Transfers-In

Highway User Revenue Tax (“Gas Tax”) is distributed by the State of Arizona based upon the population of each city and the county of origin for the sales of fuel. The State constitution requires that all highway user revenue be used solely for street, highway or transit purposes. The cities share in the State collected highway user revenues based half on population, and half on the origin of the gas sale. The adopted FY 2009/10 budget of \$14.2 million represents an increase of \$0.7 million or 5 percent from the FY 2008/09 year-end forecast. Forecasted revenue growth is based on Scottsdale’s population growth relative to other Arizona cities, as impacted by the mid-decade Special Census, as well as projected fuel sale activity for Maricopa County.

Transportation Fund Highway User Revenue Tax (Gas Tax) Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$14.2	\$14.2*
2008/09	\$16.9	\$13.5*
2007/08	\$17.0	\$16.3
2006/07	\$15.6	\$16.7
2005/06	\$15.0	\$15.8

Transportation Privilege (Sales) Tax (0.20%) represents the 0.20 percent of the City’s sales tax dedicated solely to transportation. The adopted FY 2009/10 budget of \$14.3 million represents a decrease of \$2.4 million or 14 percent from the FY 2008/09 year-end forecast.

Transportation Fund Transportation Privilege (Sales) Tax Revenue (0.20%) Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$14.3	\$14.3*
2008/09	\$20.1	\$16.7*
2007/08	\$22.7	\$20.0
2006/07	\$22.1	\$20.8
2005/06	\$18.3	\$23.1

Local Transportation Assistance Fund (LTAF) Revenue (“State Lottery”) is distributed by the State of Arizona based upon population as well as City and town participation in the lottery. The adopted FY 2009/10 budget of \$1.1 million remains flat with the FY 2008/09 year-end forecast due to restrictions by the State. LTAF revenue sharing was capped by the State at a total of \$20.5 million in 1989 by the Arizona state legislature, resulting in no growth in this segment of intergovernmental transportation revenue.

Transportation Fund Local Transportation Assistance Fund (LTAF) Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$1.1	\$1.1*
2008/09	\$1.1	\$1.1*
2007/08	\$1.1	\$1.1
2006/07	\$1.1	\$1.1
2005/06	\$1.1	\$1.1

Proposition 400 Regional Sales Tax represents the City’s allocation of the 1.0 percent regional sales approved by Maricopa County voters in November 2004 for transportation and transit enhancements. Based on estimates from regional agencies, the City expects to receive an estimated \$0.3 million from this regional sales tax in the 2009/10 fiscal year, which remains flat with the FY 2008/09 year-end forecast.

Charges for Services are budgeted at \$1.6 million in FY 2009/10 and include fare box revenues from the City’s Transit contract.

Capital Improvement Plan Cost Allocation is budgeted at \$0.8 million in FY 2009/10 and are charges to the CIP as part of the allocation of staff time.

Cash Transfers-In from the General Fund to subsidize the Transportation Fund is budgeted at \$5.6 million in FY 2009/10. Cash transfers-in from the Solid Waste Fund for Alley Maintenance are budgeted at \$0.4 million in FY 2009/10.

Transportation Fund Expenditures By Category

The Transportation Fund expenditures are presented by four major expenditure categories: personal services, contractual services, commodities, capital outlay, plus transfers-out to other funds.

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. The adopted FY 2009/10 personal services budget of \$6.5 million is a decrease of \$0.9 million, or 12 percent, from the FY 2008/09 adopted budget. The budget change is due to budget reduction efforts and reduced staffing levels in FY 2009/10.

Transportation Fund Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$6.5	\$6.5*
2008/09	\$7.4	\$8.0*
2007/08	\$7.2	\$6.6
2006/07	\$6.5	\$5.8
2005/06	\$5.9	\$3.6

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The adopted FY 2009/10 contractual services budget of \$23.9 million is a decrease of \$2.7 million, or 10 percent, from the FY 2008/09 adopted budget. The budget decrease is related to overall budget reduction efforts and reductions to the City’s Transit contract because of reduced transit routes.

Transportation Fund Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$23.9	\$23.9*
2008/09	\$26.6	\$23.9*
2007/08	\$25.5	\$24.8
2006/07	\$20.7	\$20.0
2005/06	\$18.9	\$9.7

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2009/10 commodities budget of \$0.8 million is a decrease of \$0.3 million or 23 percent from the FY 2008/09 adopted budget, reflecting cost saving measures due to budget reduction strategies.

Transportation Fund Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$0.8	\$0.8*
2008/09	\$1.1	\$1.0*
2007/08	\$0.9	\$0.9
2006/07	\$0.7	\$0.7
2005/06	\$0.6	\$0.5

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2009/10 capital outlay budget of \$18,200 represents a nominal percentage of the total Transportation Fund operating budget for FY 2009/10 and a decrease of \$0.3 million from the FY 2008/09 adopted budget.

Transportation Fund Capital Outlay Adopted Budget to Actual/Approved* (in thousands)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$18,200	\$18,200*
2008/09	\$294,700	\$208,700*
2007/08	\$254,800	\$100,800
2006/07	\$57,600	\$38,500
2005/06	\$70,500	\$3,400

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The budget assumes 50% of Transportation Privilege Tax revenue will be transferred annually to the Capital Projects Fund to cover the cost of transportation system improvement operating costs.

Transportation Fund Balance

The adopted FY 2009/10 Transportation Fund ending balance is projected to be zero. Typically, this fund does not have a planned fund balance due to its reliance on the General Fund to make up the difference between revenues and expenditures each year.

Preservation Privilege Tax Fund

Fund Purpose

This fund accounts for the portion of the City’s Privilege (Sales) Tax (0.35 percent) dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. In 1995, voters approved increasing the City’s sales tax rate by 0.20 percent for the purchase of land within the McDowell Sonoran Preserve. In May 2004, voters approved an additional 0.15 percent in the City’s sales tax rate dedicated to the McDowell Sonoran Preserve land acquisition. As with the 1995 tax, the 2004 tax covers the purchase of land within the preserve plus the construction of essential preserve related necessities such as proposed trailheads.

Revenue collections and contractual debt associated with purchased land are accounted for in this fund. A transfer is made to the Debt Service Fund to pay debt service payments associated with bonds issued for land purchases.

Preservation Privilege Tax Fund Revenues

1995 Preservation Privilege (Sales) Tax represents the voter approved 0.20 percent of the City’s sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. The FY 2009/10 budget of \$14.7 million represents a decrease of approximately \$2.4 million (14 percent) from the FY 2008/09 year-end estimate. The projected decrease in revenues by staff is based on the estimated economic decrease in sales activity for Scottsdale.

Preservation Privilege Tax Fund 1995 Preservation Privilege (Sales) Tax Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Forecast*
2009/10	\$14.7	\$14.7*
2008/09	\$20.6	\$17.1*
2007/08	\$22.7	\$20.5
2006/07	\$22.1	\$21.3
2005/06	\$18.8	\$20.5

2004 Preservation Privilege (Sales) Tax represents the voter approved 0.15 percent of the City’s sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve, plus construction of essential preserve related necessities such as proposed trailheads. The FY 2009/10 budget of \$11.4 million represents a decrease of approximately \$1.9 million (14 percent) from the FY 2008/09 year-end estimate. The projected decrease in revenues by staff is based on the estimated economic decrease in sales activity for Scottsdale.

Preservation Privilege Tax Fund 2004 Preservation Privilege (Sales) Tax Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Forecast*
2009/10	\$11.4	\$11.4*
2008/09	\$14.9	\$13.3*
2007/08	\$17.0	\$15.0
2006/07	\$16.5	\$15.8
2005/06	\$14.5	\$14.9

Interest Earnings is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investments in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield. The FY 2009/10 budget of \$0.3 million represents a decrease of \$0.8 million (73 percent) from the FY 2008/09 year-end forecast. The projected interest earnings by staff are based on current interest rates and the estimated available cash balance.

Preservation Privilege Tax Fund Interest Earnings Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.3	\$0.3*
2008/09	\$1.1	\$1.1*
2007/08	\$1.3	\$1.9
2006/07	\$0.8	\$1.9
2005/06	\$0.7	\$0.8

Preservation Privilege Tax Fund Expenditures By Category

There are no direct operating expenditures in the Preservation Privilege Tax Fund. All of the expenditures in this fund are for debt service on Preserve General Obligation and Revenue Bonds and transfers-out to the Capital Project Fund for land acquisition and construction of essential preserve related necessities such as proposed trailheads.

Debt Service adopted budget for FY 2009/10 of approximately \$1.0 million remains flat with the FY 2008/09 adopted budget and consists of contractual debt for the McDowell Sonoran Preserve.

Preservation Privilege Tax Fund Debt Service Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$1.0	\$1.0*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$1.0*
2006/07	\$1.0	\$1.0
2005/06	\$1.0	\$1.0

Cash Transfers-Out is authorized movement of cash to other funds, divisions, departments, and/or capital projects. The FY 2009/10 adopted budget of \$31.3 million consists of \$20.7 million in transfers out to the Debt Service Fund for debt payments on Preservation bonds and \$10.6 million related to capital improvement plan land acquisition.

Preservation Privilege Tax Fund Balance

The projected ending fund balance for FY 2009/10 is \$14.3 million which can only be used for land and related necessities, such as trailheads.

Special Programs Fund

Fund Purpose

This fund is used to account for dedicated funding sources and donations earmarked for specific purposes. All revenues not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose.

Special Programs Fund Revenues

Transient Occupancy (“Bed”) Tax Revenue

represents the 3.0 percent Transient Occupancy tax on hotel and motel room rentals. Per City Ordinance 2045/2291 (amended), 80 percent of this tax revenue is restricted for tourism and hospitality purposes and pays for contracts to increase tourism and debt service for destination attractions. The remaining 20 percent may be used for general government operations and remains in the General Fund. Prior to FY 2009/10, 80 percent of the Bed Tax revenue was reflected as a revenue source within the Special Programs Fund. Beginning in FY 2009/10, 100 percent of the Bed Tax revenue will be recorded in the General Fund with a corresponding transfer in of 80 percent to the Special Programs Fund, as reflected in the Cash Transfers-In section of the Five Year Financial Forecast. For FY 2009/10, this transfer-in amount is \$6.6 million.

Special Programs Fund Economic Vitality – Transient Occupancy (“Bed”) Tax Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	-	-
2008/09	\$7.9	\$6.4*
2007/08	\$8.7	\$7.8
2006/07	\$7.5	\$7.7
2005/06**	-	-

** Prior to FY 2006/07, 100% of the Transient (“Bed”) Tax Revenues were recorded in the General Fund.

Court Revenue originates from three sources: Court Enhancement, Judicial Collections Enhancement Fund (JCEF) and Fill-the-Gap (FTG). The Court Enhancement is established by Scottsdale City Ordinance 2570 section 9-7.2 and provides funding to enhance the technological, operational, and security facilities of the Court. JCEF and FTG were established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013, which provide funding for maintaining and enhancing the Court’s ability to collect and manage monies. Staff estimates the FY 2009/10 budget for restricted Court Revenue is approximately \$1.1 million, which includes additional revenues of \$0.1 million related to increased Court Enhancement fees approved by City Council.

Special Programs Fund Court Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$1.1	\$1.1*
2008/09	\$1.0	\$1.1*
2007/08	\$1.0	\$1.6
2006/07	\$1.2	\$1.5
2005/06	\$1.0	\$1.0

Downtown Cultural Trust Revenue - This account holds funds generated from donations and contributions from private development as outlined in the City's art in private development ordinance (Section 5.083). The FY 2009/10 budget for this revenue source is \$50,000.

Community Arts Trust Revenue - This account hold funds that are generated by the lease agreement with the Scottsdale Artists' School at Loloma. The FY 2009/10 budget for this revenue source is \$100,000.

Special Programs Fund Downtown Cultural/Arts Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.2	\$0.2*
2008/09	\$0.2	\$0.1*
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.2
2005/06	\$0.7	\$0.1

Human Resources – Cultural Diversity Revenue includes corporate sponsorship obtained through community outreach efforts in support of cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The FY 2009/10 budget for this restricted revenue source is \$10,000.

Special Programs Fund Human Resources Cultural Diversity Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$10,000	\$10,000*
2008/09	\$20,000	\$18,200*
2007/08	\$10,000	\$18,500
2006/07	\$10,000	\$21,600
2005/06	\$9,500	\$10,000

Police Revenue includes money from the following six sources: (1) Racketeering Influenced Corrupt Organization (RICO) funds, which is only to be used for law enforcement purposes; (2) Forensic Services Intergovernmental Agreements (IGA) with surrounding communities for full cost recovery of crime laboratory services provided; (3) donations for the Mounted Unit and Family Advocacy Center; (4) drug conviction assessments, which may only be used for crime laboratory analysis purposes; (5) funds for school resource education supplies; and (6) Police 30-Day Tow Program. Staff estimates the FY 2009/10 budget for this restricted revenue source is \$3.4 million.

Special Programs Fund Police Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$3.4	\$3.4*
2008/09	\$1.4	\$1.7*
2007/08	\$1.8	\$1.7
2006/07	\$0.7	\$0.5
2005/06	\$0.9	\$0.6

Community Services Revenue includes donations and contributions that are to be spent for the specific purpose indicated by the donors. This may include enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park. This revenue also includes McCormick-Stillman Railroad Park revenue generated from the operations of the train and carousel owned by the Scottsdale Railroad and Mechanical Society. Staff estimates the FY 2009/10 budget for this restricted revenue source is \$2.0 million.

Special Programs Fund Community Services Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$2.0	\$2.0*
2008/09	\$1.9	\$2.0*
2007/08	\$1.9	\$2.0
2006/07	\$1.5	\$1.7
2005/06	\$2.5	\$2.1

Planning and Development Services Special Revenue reflected revenues from the annual Green Building Expo held in Scottsdale. During FY 2008/09, this expo was discontinued and the associated revenues are no longer budgeted.

Special Programs Fund Planning & Development Svcs Revenue Adopted Budget to Actual/Forecast*		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	-	- *
2008/09	\$151,000	- *
2007/08	\$58,391	\$108,100
2006/07	\$19,215	\$70,440
2005/06	\$23,500	\$38,389

Fire Revenue includes donations and contributions that are to be used for the specific purpose indicated by the donors. Categories include public education support, equipment acquisition, and fire station enhancements. The FY 2009/10 budget for this restricted revenue source is \$500.

Special Programs Fund Fire Department Revenue Adopted Budget to Actual/Forecast*		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$500	\$500*
2008/09	\$4,000	\$500*
2007/08	\$1,200	\$900
2006/07	\$4,140	\$3,989
2005/06	\$1,200	\$2,980

Cash transfers-in from the General Fund have typically included budget for the Affordable Housing program in Human Services, which is used as a local grant match to leverage federal and state housing grant funds. However, this cash transfer-in is not budgeted for FY 2009/10 as part of budget balancing strategies. FY 2009/10 cash transfers-in from the General Fund include: 80% Economic Vitality-Transient Occupancy (“Bed”) Tax in the amount of \$6.6 million (prior to FY 2009/10, 80 percent of the Bed Tax revenue was reflected as a revenue source within the Special Programs Fund. Beginning in FY 2009/10, 100 percent of the Bed Tax revenue will be recorded in the General Fund with a corresponding transfer in of 80 percent to the Special Programs Fund, as reflected in the Cash Transfers-In section of the Five Year Financial Forecast.); \$50,000 cash transfer in for the preservation and maintenance of properties on Scottsdale’s Historic Register; and \$10,000 cash transfer in to fund neighborhood preservation.

Special Programs Fund Expenditures

Transient Occupancy (“Bed”) Tax Expenditures

per City Ordinance 2045/2291 (amended), the use of these funds is restricted for tourism and hospitality purposes and pays for contracts to increase tourism and debt service for destination attractions. The FY 2009/10 budget of approximately \$6.0 million includes \$5.5 million to cover expenses associated with the Destination Marketing Contract.

Special Programs Fund Economic Vitality – Transient Occupancy (“Bed”) Tax Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$6.0	\$6.0*
2008/09	\$7.9	\$7.9*
2007/08	\$7.6	\$7.9
2006/07	\$7.0	\$7.6
2005/06**	-	-

** Prior to FY 2006/07, 100% of the Transient (“Bed”) Tax Expenditures were recorded in the General Fund.

Court Expenditure budget for FY 2009/10 is approximately \$1.4 million and includes the following specific uses:

Enhancements to the Court’s technological, operational, and security facilities, as allowed under the Court Enhancement established by Scottsdale City Ordinance 2570 section 9-7.2.

Maintenance and enhancement of the Court’s ability to collect and manage monies, as allowed by Judicial Collections Enhancement Fund (JCEF) and Fill-the-Gap (FTG) established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013.

The \$0.9 million increase for FY 2009/10 over the FY 2008/09 budget is a result of assigning more authorized costs to the Court Enhancement Fund as part of the budget balancing strategies.

Special Programs Fund Court Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$1.4	\$1.4*
2008/09	\$0.5	\$0.5*
2007/08	\$0.4	\$0.4
2006/07	\$3.6	\$0.5
2005/06	\$2.1	\$0.3

Downtown Cultural/Community Arts Expenditures special programs adopted budget for FY 2009/10 is approximately \$0.2 million and will support the arts and special events in the downtown.

Special Programs Fund Downtown Cultural/Arts Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$0.2	\$0.2*
2008/09	\$0.3	\$0.3*
2007/08	\$0.5	-
2006/07	\$0.7	\$0.1
2005/06	\$1.0	\$0.1

Human Resources – Cultural Diversity Expenditures support cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The adopted budget for FY 2009/10 is \$10,000.

Special Programs Fund Human Resources – Cultural Diversity Expenditures Adopted Budget to Actual/Approved*		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$10,000	\$10,000*
2008/09	\$25,000	\$25,000*
2007/08	\$25,000	\$25,800
2006/07	\$15,957	\$17,281
2005/06	\$14,000	\$8,682

Police Expenditures budget for FY 2009/10 is \$1.2 million and includes the following specific uses:

Racketeering Influenced Corrupt Organization (RICO) funds may only be used for law enforcement purposes.

Crime laboratory services expenditures incurred by the City on behalf of surrounding communities. The City recovers the full cost of the crime laboratory services through Forensic Services Intergovernmental Agreements (IGA).

Mounted Unit, Family Advocacy Center and school resource education supplies, as specified by the donor.

Crime laboratory analysis, as outlined in drug conviction assessments.

Costs associated with administering the State mandated 30-Day Tow Program.

Special Programs Fund Police Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$1.2	\$1.2*
2008/09	\$1.1	\$1.1*
2007/08	\$0.8	\$0.5
2006/07	\$0.9	\$0.5
2005/06	\$0.9	\$0.5

Community Services Expenditures budget for FY 2009/10 is \$2.6 million. The use of funds is based on the specific purpose indicated by the donors. This includes enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park.

Special Programs Fund Community Services Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$2.6	\$2.6*
2008/09	\$2.3	\$2.4*
2007/08	\$2.3	\$1.7
2006/07	\$4.2	\$1.7
2005/06	\$2.8	\$2.0

Planning and Development Services Expenditures relate to the preservation and maintenance of properties on Scottsdale’s Historic Register; and to fund neighborhood preservation. The FY 2009/10 adopted budget is \$140,000. This funding includes resources available for the City’s Preservation Rehabilitation and Historic Preservation special programs.

Special Programs Fund Planning and Development Expenditures Adopted Budget to Actual/Approved*		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$140,000	\$140,000*
2008/09	\$280,000	\$280,000*
2007/08	\$50,024	\$88,700
2006/07	\$50,000	\$24,109
2005/06	\$23,500	\$21,066

Fire Expenditures are spent for the specific purposes indicated by the donors. Categories include public education support, equipment acquisition, and fire station enhancements. The FY 2009/10 adopted budget is \$500.

Special Programs Fund Fire Expenditures Adopted Budget to Actual/Approved*		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$500	\$500*
2008/09	\$5,000	\$5,000*
2007/08	-	\$26
2006/07	\$4,290	\$1,752
2005/06	\$1,200	\$16

Cash transfers-out is the authorized movement of cash to fund debt service and capital projects. FY 2009/10 transfers total approximately \$3.2 million and include the transfer of \$0.3 million to the General Fund from the Cultural Council, \$0.6 million in Bed Tax funds for debt service, and \$2.1 million to the Capital Improvement Fund for Police, RICO and Community Services projects.

Special Programs Fund Balance

Special Programs Fund projected ending balance of approximately \$8.2 million for FY 2009/10 represents the following individual ending fund balances: \$4.1 million for the Courts, \$0.2 million for Downtown Cultural/Community Arts, \$0.8 million for Police, \$2.9 million for Community Services and \$0.3 million for Planning and Development Services.

Special Districts Fund

Fund Purpose

This fund is used to account for proceeds received by property owners in return for the City providing agreed-upon increased levels of municipal services beyond the standard level of core City services. More specifically, the fund is used to account for the City’s streetlight districts. All revenue not expended in the current fiscal year is carried over to the next fiscal year to continue funding the intended purpose.

Special Districts Fund Revenue

Streetlight Districts Revenue represents the levy assessed on property owners within each of the City’s more than 350 streetlight districts. The adopted FY 2009/10 revenue budget is \$0.6 million.

Special Districts Fund Streetlight District Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.6	\$0.6*
2008/09	\$0.6	\$0.6*
2007/08	\$0.6	\$0.6
2006/07	\$0.6	\$0.5
2005/06	\$0.6	\$0.5

Special Districts Fund Expenditures By District

Streetlight District adopted FY 2009/10 expenditure budget is \$0.7 million and will be used for contractual services.

Special Districts Fund Streetlight District Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.7	\$0.7*
2008/09	\$0.7	\$0.7*
2007/08	\$0.6	\$0.7
2006/07	\$0.6	\$0.6
2005/06	\$0.6	\$0.6

Special Districts Fund Balance

Special Districts Fund balance of approximately \$0.4 million represents cash received from special district assessments and is restricted for the specific uses for which the district was established. All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose.

Grant Fund

Fund Purpose

This fund receives and expends the City’s federal, state, and local grant revenues. The amount of grants received is generally based upon application to granting agencies by the City and through entitlement grants, contingent upon availability of funding by the grantors. Grant revenues may be used only for the stated purpose in the approved grant agreement and are subject to grantor expenditure guidelines and audits. The City will only expend grant funds that have been appropriately awarded by the granting agency and accepted in accordance with the City’s grant policy.

The City aggressively seeks grant funding to leverage City funds to address priority program and service needs. The major areas of the grant revenue budget are noted below:

Grant Fund Revenues by Grant Area

Community Development Block Grant (CDBG) and Housing Choice Voucher funds are awarded annually by the U.S. Department of Housing and Urban Development (HUD) through entitlement grants, based on formula allocations. These grant revenues may only be used for those projects specifically approved in the funding agreement meeting applicable federal regulations and are subject to agency expenditure guidelines and audits. Staff estimates the CDBG and Housing Choice Voucher allocations and prior year’s carryover for FY 2009/10 to be \$2.3 million and \$7.2 million respectively for a total of \$9.5 million.

CDBG and Section 8 Housing Grants Revenue		
Adopted Budget to Actual/Forecast*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$9.5	\$9.5*
2008/09	\$7.2	\$7.2*
2007/08	\$7.5	\$7.5
2006/07	\$7.7	\$7.7
2005/06	\$7.6	\$6.2

HOME funds are received through the Maricopa County Home Consortium. Staff estimates the HOME allocation and prior year’s carryover for FY 2009/10 to total \$1.0 million.

HOME Grants Revenue		
Adopted Budget to Actual/Forecast*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$1.0	\$1.0*
2008/09	\$0.6	\$0.6*
2007/08	\$0.6	\$0.2
2006/07	\$0.4	\$0.4
2005/06	\$0.9	\$0.8

Miscellaneous Federal, State and Local Grants include grants for law enforcement, fire services, community services, transportation, and preservation projects. Staff estimates miscellaneous grants will total \$14.6 million for FY 2009/10.

Miscellaneous Federal & State Grants Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$14.6	\$14.6*
2008/09	\$11.5	\$11.5*
2007/08	\$11.3	\$1.4
2006/07	\$12.2	\$2.2
2005/06	\$15.0	\$2.1

Grant Fund Expenditures By Grant

Information on Grant Fund expenditures is noted below:

Community Development Block Grants (CDBG) and Housing Choice Voucher funds are used for social and housing services for the elderly, disabled and low-income families. The FY 2009/10 combined adopted budget is \$9.5 million, reflecting an increase of \$2.3 million from the FY 2008/09 adopted budget.

CDBG and Section 8 Housing Grant Expenditures		
Adopted Budget to Actual/Approved*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$9.5	\$9.5*
2008/09	\$7.2	\$7.2*
2007/08	\$7.5	\$6.6
2006/07	\$7.7	\$7.7
2005/06	\$7.6	\$6.2

HOME funds are used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. The FY 2009/10 adopted budget is \$1.0 million, reflecting an increase of \$0.4 million from the adopted FY 2008/09 budget.

HOME Grant Expenditures		
Adopted Budget to Actual/Approved*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$1.0	\$1.0*
2008/09	\$0.6	\$0.2*
2007/08	\$0.6	\$0.2
2006/07	\$0.4	\$0.4
2005/06	\$0.9	\$0.8

Miscellaneous Federal, State & Local Grants are typically used for the purchase of equipment and services related to the police, community services, fire, transportation and preservation departments. The FY 2009/10 adopted budget of \$14.6 million reflects an increase of \$3.1 million from the FY 2008/09 budget.

Miscellaneous Federal & State Grant Expenditures		
Adopted Budget to Actual/Approved*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$14.6	\$14.6*
2008/09	\$11.5	\$1.6*
2007/08	\$11.3	\$1.5
2006/07	\$12.2	\$1.9
2005/06	\$15.0	\$2.1

Debt Service Fund

Fund Purpose

This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest not serviced by the proprietary funds, with the exception of the General Fund. The General Fund includes Contracts Payable for contractual debt related to sales tax development agreements, and will vary based on the actual sales tax collections at each development site. The applicable specific revenues, expenditures, and fund balance of the Debt Service Fund are described below:

Debt Service Fund Revenues and Cash transfers-in

Property Tax (Secondary) represents the portion of the property tax that is exclusively limited to pay debt service by Arizona State Statute. While the growth is unlimited, the City’s use of this portion of the property tax is restricted by State Statute to solely pay debt service on voter-approved general obligation bonds. The debt service for bonds already issued, plus estimated debt service for bonds planned to be issued within the budgeted fiscal year, is levied. The FY 2009/10 revenue forecast of \$31.8 million represents a decrease of approximately \$4.0 million from the FY 2008/09 year-end forecast of \$35.8 million mainly due to the use of a portion of the debt service reserve.

Debt Fund Property Tax (Secondary) Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$31.8	\$31.8*
2008/09	\$35.8	\$35.8*
2007/08	\$29.7	\$29.4
2006/07	\$28.7	\$28.0
2005/06	\$28.4	\$28.4

Special Assessment Revenue results from billings to the property owners within an Improvement District. Districts are formed when owners desire improvement to their property, such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City’s budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Maricopa County Assessor’s Office, to debt ratio (prior to improvements being installed) is a minimum of 3:1 prior to issuance of debt and 5:1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, per adopted financial policy, the City’s cumulative improvement district debt will not exceed 5.0 percent of the City’s secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years. The FY 2009/10 revenue is estimated to be approximately \$0.9 million, which is a slight decrease to the FY 2008/09 year-end forecast based on scheduled debt repayments.

Special Assessment Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.9	\$0.9*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$0.9
2006/07	\$1.1	\$1.8
2005/06	\$1.1	\$1.1

Maricopa County Stadium District (MCSD) contributions are derived from a \$2.50 surcharge on car rentals in Maricopa County. The revenue forecast for FY 2009/10 of approximately \$0.2 million will be used to pay the debt services payments associated with the San Francisco Giants professional baseball practice facility.

Maricopa County Stadium District Contributions		
Adopted Budget to Actual/Forecast*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.2	\$0.2*
2008/09	\$0.1	\$0.1*
2007/08	\$0.1	\$0.1*
2006/07	\$0.1	\$1.3
2005/06	\$0.1	\$0.1

Arizona Sports and Tourism Authority (AZSTA) revenue represents the City’s disbursement from the state tourism sports authority that will be used to pay the debt service payments associated with the Cactus League. The FY 2009/10 revenue is estimated to be approximately \$0.4 million and is derived from a 1.0 percent hotel room tax and a 3.25 percent car rental surcharge (net of the \$2.50 MCSD surcharge mentioned above).

Arizona Sports and Tourism Authority Contributions		
Adopted Budget to Actual/Forecast*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.4	\$0.4*
2008/09	\$0.2	\$0.2*
2007/08	\$0.3	\$1.6
2006/07	\$0.2	\$0.03
2005/06	\$0.3	\$0.2

Spring Exhibition Surcharge represents the ticket surcharge assessed on San Francisco Giants spring training games held in Scottsdale. The FY 2009/10 revenue is estimated to be \$0.1 million. The surcharge is used to pay for capital projects and debt service related to professional baseball facilities.

Spring Exhibition Surcharge		
Adopted Budget to Actual/Forecast*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.1	\$0.1*
2008/09	\$0.1	\$0.2*
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.1
2005/06	\$0.1	\$0.1

Cash transfers-in is the authorized movement of cash from other funds, divisions, departments, and capital projects. The cash transfers-in originate from the General Fund and Special Programs Fund for MPC debt service payments and the Preservation Privilege Tax Fund for the payment of general obligation debt service, revenue bond debt service, and the Preserve contract. Total cash transfers-in for FY 2009/10 equal \$28.0 million, consisting of \$14.0 million from Preservation Privilege Tax Fund-G.O. Bonds, \$6.8 million from Preservation Privilege Tax Fund-Revenue Bonds, \$6.7 million from General Fund-MPC Bonds, and \$0.6 million from Special Program Fund-MPC Bonds/Hosp Funds.

Debt Service Fund Expenditures By Debt Type

General Obligation (GO)/Preserve GO Bonds – the GO Bonds represent debt issuances related to capital projects authorized in Bond 1989 and Bond 2000 programs. The Preserve GO Bonds represent debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. Preserve debt is repaid by a dedicated 0.20% sales tax authorized by voters in 1995 and a 0.15% sales tax authorized in 2004. The FY 2009/10 budget totals \$51.3 million, which represents an increase of approximately \$1.4 million from the FY 2008/09 year-end approved of \$49.9 million. The increase is attributable to the planned issuance of the GO debt to finance the final Bond 2000 capital projects.

General Obligation (GO)/Preserve GO Bond Debt Service Expenditures		
Adopted Budget to Actual/Approved*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$51.3	\$51.3*
2008/09	\$50.0	\$49.9*
2007/08	\$45.8	\$44.5
2006/07	\$46.2	\$46.2
2005/06	\$42.2	\$38.9

Special Assessment Debt Service – Special Assessment Bonds are issued for property owners desiring improvements to their property such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City’s budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. The City’s debt management policy requires that the full cash value of the property to debt ratio is a minimum of 3:1 prior to issuance of debt and at least 5:1 after construction of the improvements. The FY 2009/10 budget totals \$0.9 million, which is a \$0.1 million decrease to the FY 2008/09 year-end approved.

Special Assessment Debt Service Expenditures		
Adopted Budget to Actual/Approved*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.9	\$0.9*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$1.0
2006/07	\$1.1	\$1.1
2005/06	\$1.1	\$1.1

Preserve Authority Revenue Bonds Debt Service

– the Preserve Revenue Authority Bonds represent prior debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. All future preserve debt will be repaid from the dedicated 2004 Preservation Privilege (Sales) Tax (0.15%) authorized by the voters on May 18, 2004. Obligations for FY 2009/10 total \$6.7 million, slightly less than the FY 2008/09 year-end approved.

Preserve Authority Revenue Bonds Debt Service Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$6.7	\$6.7*
2008/09	\$6.8	\$6.8*
2007/08	\$6.8	\$6.8
2006/07	\$6.8	\$6.8
2005/06	\$6.8	\$6.8

Municipal Property Corporation (MPC) Bonds

are issued by the City of Scottsdale Municipal Property Corporation (MPC), a nonprofit corporation created by the City in 1967, solely for the purpose of constructing, acquiring and equipping buildings, structures, or improvements on land owned by the City. A Board of Directors appointed by the City Council governs the MPC. The debt incurred by the corporation is a City obligation and the repayment of debt is financed by pledged General Fund excise taxes. FY 2009/10 obligations total approximately \$7.9 million, which is an increase of \$1.2 million from the FY 2008/09 year-end approved.

MPC Bonds Debt Service Expenditures Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$7.9	\$7.9*
2008/09	\$7.0	\$6.7*
2007/08	\$7.4	\$7.0
2006/07	\$5.9	\$5.9
2005/06	\$4.8	\$3.7

Debt Service Fund Balance

The Debt Service Fund balance varies primarily due to the timing of debt issuances and related repayment schedule as mentioned above. The ending FY 2009/10 fund balance is approximately \$13.7 million, which is \$5.3 million less than the FY 2008/09 year-end estimate of \$19.0 million due to the use of a portion of the debt service fund balance related to general obligation debt.

Enterprise Funds**Description**

The City uses three separate Enterprise Funds to account for the activity of this proprietary fund type. The individual funds are Water & Sewer, Solid Waste, and Aviation. In the aggregate, the Enterprise Funds are the City's second largest source of revenues, which are derived from user fees and charges. User fees and charges are established to promote efficiency by recovering of costs from users of services to avoid general taxation. Moderate rate increases are included as part of this budget to offset increasing operating costs, mandated environmental standard compliance, and pay-as-you-go capital costs attributable to repair and replacement of infrastructure. The applicable specific revenues of the individual funds, along with each fund's purpose, are described below.

Overview of User Fees Revenue Policy

Enterprise User Fees rate adjustments are based upon five-year financial plans developed for each operation and are reviewed annually per Scottsdale's adopted financial policies to meet the stated objectives of:

Equity — charges are borne by the beneficiaries of a project or service;

Level distribution of necessary cost increases — to avoid large rate increases in any one year;

Increasing debt as little as possible — to ensure that the City can meet bond coverage requirements and remain financially healthy;

Rate design — which encourages conservation and efficient use of City resources.

Water & Sewer Funds**Fund Purpose**

This fund accounts for the activity related to the City's water and sewer business activity, including operating and debt service payments. Capital Expenditures are accounted for in various CIP funds (see Volume Three for project detail).

Water and Sewer Funds Revenues and Transfers-In

Water Charges Revenue adopted budget for FY 2009/10 totals \$95.5 million, reflecting a \$2.2 million increase from the FY 2008/09 year-end forecast. Projected revenue growth includes a 2.5 percent water rate increase, effective November 1, 2009, reflecting the long-term capital and associated operating impacts of federal water quality regulations, i.e., arsenic and disinfection by-product regulations enacted by the U.S. Environmental Protection Agency (EPA). Other cost factors affecting the Water Fund revenue requirements over the five-year planning period include: capital cost increases for rate-funded water distribution system improvements to address aging infrastructure replacement needs; capital costs for the rate-funded portion of the planned 30 million gallons per day expansion at the CAP Water Treatment Plant; operating costs for treatment filter media replacement; and operating costs for purchased water that reflect price increases to purchase Central Arizona Project (CAP) water for fiscal year 2009/10. The projected growth in revenues is based on a combination of increased water rates, growth from anticipated new customers, and a partial offset from decreased water consumption due to water conservation efforts. Monthly water billings consist of a base charge according to meter size and a variable charge for the amount of water consumed. Fees are reviewed annually to determine if they cover the costs of the services provided.

Water & Sewer Funds Water Charges Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$95.5	\$95.5*
2008/09	\$95.6	\$93.3*
2007/08	\$85.2	\$89.9
2006/07	\$79.8	\$82.8
2005/06	\$75.1	\$79.4

Sewer Charges Revenue adopted budget for FY 2009/10 totals \$34.7 million, reflecting a \$1.1 million increase from the FY 2008/09 year-end forecast. Projected revenue growth includes a 3.0 percent sewer rate increase, effective July 1, 2009, reflecting the capital cost increases for rate-funded sewer collection system improvements to address increasing aging infrastructure replacement needs and to ensure regulatory compliance with new Capacity, Management, Operations and Maintenance (CMOM) regulations and minimize sewer system overflows; operating cost increases at the Multi-City Sub-regional Operating Group (SROG) 91st Avenue Wastewater Treatment Plant; and operating cost increases in electricity costs at the City's Wastewater Reclamation Plant at the Water Campus. Customers are charged a monthly fee based upon the volume and strength of their sewage discharge. Fees are reviewed annually to determine if they cover the costs of the services provided.

Water & Sewer Funds Sewer Charge Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$34.7	\$34.7*
2008/09	\$35.3	\$33.6*
2007/08	\$33.7	\$32.9
2006/07	\$30.4	\$32.1
2005/06	\$28.3	\$27.1

Effluent Sales Revenue adopted budget for FY 2009/10 totals \$0.9 million remaining relatively flat to the FY 2008/09 year-end forecast. Effluent sales relate to the sewage treated to irrigation standards at the City’s Water Campus for the 23 golf courses in north Scottsdale that are part of the Reclaimed Water Distribution System (RWDS), and the Gainey Ranch golf course effluent use from that regional wastewater plant. Both are contractual obligations to provide effluent water for irrigation uses and all costs for providing these services are recovered through rates charged for the use.

Water & Sewer Funds Effluent Sales Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.9	\$0.9*
2008/09	\$0.7	\$0.9*
2007/08	\$0.7	\$0.9
2006/07	\$0.6	\$0.7
2005/06	\$0.6	\$0.7

Interest Earnings Revenue adopted budget for FY 2009/10 totals \$2.1 million, reflecting a \$1.6 million decrease from the FY 2008/09 year-end forecast. Interest earnings are generated on idle Water & Sewer Fund cash balances throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield, and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool.

Water & Sewer Funds Interest Earnings Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$2.1	\$2.1*
2008/09	\$2.3	\$3.7*
2007/08	\$2.1	\$5.2
2006/07	\$1.5	\$5.7
2005/06	\$1.1	\$3.0

Miscellaneous Revenue adopted budget for FY 2009/10 totals \$3.6 million, reflecting a \$0.5 million increase from the FY 2008/09 year-end forecast. The primary revenue contributor is RWDS payments for use of the City’s Advanced Water Treatment Facility to reduce salinity in the non-potable water delivered to the golf courses.

Water & Sewer Funds Miscellaneous Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$3.6	\$3.6*
2008/09	\$4.1	\$3.1*
2007/08	\$2.2	\$3.2
2006/07	\$2.3	\$2.0
2005/06	\$2.1	\$2.6

Transfers-In adopted FY 2009/10 budget totals \$13.9 million, remaining relatively flat with the FY 2008/09 year-end forecast. Transfers-in is the authorized movement of cash from other funds, divisions, departments, and capital projects. Transfers-in from CIP development fees is the primary revenue contributor for this category.

Water and Sewer Fund Expenditures By Category

The Water & Sewer Fund expenditures are presented by the following six major operating budget expenditure categories: personal services, contractual services, commodities, capital outlay, debt service, and indirect cost allocation. Additionally, there are transfers-out to other funds.

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. The adopted FY 2009/10 budget of \$16.7 million represents a 16 percent of the total Water and Sewer operating budget and reflects a \$1.0 million increase from the adopted FY 2008/09 budget. The budget reflects the full-year costs of positions added in FY 2008/09 and also includes 7 additional FTEs to address community facilities needs at the City’s water treatment plants. The adopted FY 2008/09 budget was adjusted for early retirements and reflects changes due to a Citywide reorganization. The FY 2008/09 actual personal services expense will be within the approved budget.

Water & Sewer Funds Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$16.7	\$16.7*
2008/09	\$15.7	\$16.7*
2007/08	\$15.6	\$14.7
2006/07	\$14.1	\$12.9
2005/06	\$12.8	\$11.9

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The adopted FY 2009/10 budget of \$28.6 million represents 28 percent of the total Water and Sewer operating budget and reflects a \$1.1 million decrease from the adopted FY 2008/09 budget. The decrease is primarily due to cost reductions in consultants, other professional services, and fleet maintenance and replacement.

Water & Sewer Funds Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$28.6	\$28.6*
2008/09	\$29.7	\$27.2*
2007/08	\$29.5	\$25.2
2006/07	\$27.7	\$23.9
2005/06	\$22.6	\$21.3

ENTERPRISE FUNDS

Budget by Fund

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2009/10 budget of \$21.2 million represents 20 percent of the total Water and Sewer operating budget and reflects a \$0.9 million decrease from the adopted FY 2008/09 budget. The decrease is primarily related to reductions in Treatment Filter Media, chemical and laboratory supplies, and purchased water costs.

Water & Sewer Funds Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$21.2	\$21.2*
2008/09	\$22.1	\$19.7*
2007/08	\$17.6	\$17.1
2006/07	\$15.2	\$13.5
2005/06	\$13.2	\$12.4

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2009/10 budget includes no funding for capital outlay.

Water & Sewer Funds Capital Outlay Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	-	- *
2008/09	\$0.1	\$0.3*
2007/08	\$0.2	\$0.3
2006/07	\$0.3	\$0.1
2005/06	\$0.1	\$0.2

Debt Service represents the repayment of general obligation, revenue and MPC bonds, along with the applicable annual fiscal agent fees. The adopted FY 2009/10 budget of \$25.7 million represents 25 percent of the total Water and Sewer operating budget and reflects a \$0.8 million decrease from the adopted FY 2008/09 budget pertaining to repayment of MPC bonds.

Water & Sewer Funds Debt Service Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$25.7	\$25.7*
2008/09	\$26.5	\$26.5*
2007/08	\$21.4	\$18.7
2006/07	\$19.1	\$16.7
2005/06	\$23.1	\$24.2

Indirect Cost Allocation represents Enterprise Funds charges for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Management, Human Resources, Legal, etc.). The City's indirect costs are allocated to the Enterprise Funds based upon their proportion of the overall operating budgets for direct service providers. The adopted FY 2009/10 budget of \$11.1 million represents 11 percent of the total Water and Sewer operating budget and reflects a \$1.3 million increase from the adopted FY 2008/09 budget.

Transfers-Out is the authorized movement of cash to other funds, divisions, departments, and capital projects. The adopted FY 2009/10 budget of \$81.5 million reflects a \$13.7 million increase from the adopted FY 2008/09 budget, primarily related to transfers to the CIP fund.

Water and Sewer Fund Balance/Reserves

Fund balance/reserves protect the City's financial condition and provide for unexpected economic challenges. Growth of fund balance occurs when revenues exceed expenditures. Fund balances are similar to a company's net equity (assets less liabilities). Prudent fiscal management dictates fund balances should only be used for nonrecurring (non-operational) expenditures, since once fund balances are spent, they are only replenished by future year resources in excess of expenditures.

The City's budget planning and adopted financial policies call for the establishment of reserves as part of the resource allocation/limit setting process. This process allows the City to "set aside savings" before allocated or spent as budgeted expenditures. The specific make-up of the City's fund balance and reserves are noted below.

Operating Reserve of \$19.6 million is projected for the end of FY 2009/10. This reserve is intended to ensure adequate funding for operations for a maximum period of 90 days.

Repair/Replacement Reserve of \$29.1 million is projected for the end of FY 2009/10. This reserve is required per the term of the revenue bond indenture to ensure that funds are set aside to preserve the assets, which, in turn, are the collateral for the Water Revenue Bonds. The reserve is required to be at least 2 percent of the revenues received during the year, or until the reserve equals 2 percent of the value of total tangible assets. The reserve may be used from time to time for replacement or extension of the assets.

Special Contractual Fund Balance of \$3.3 million is projected for the end of FY 2009/10. This balance reflects reserves established in accordance with various contractual agreements for delivery of non-potable water by the Water Resources Department.

Solid Waste Fund

Fund Purpose

This fund accounts for the transactions related to the City’s solid waste and recycling business activity, including operating and debt service payments. Capital expenditures are accounted for in a separate Capital Improvement Plan fund.

Solid Waste Fund Revenues

Refuse Collection Charges adopted FY 2009/10 budget totals \$19.5 million, reflecting a \$0.5 million increase from the FY 2008/09 year-end forecast. Projected revenue growth includes a 2.0 percent solid waste rate increase, effective July 1, 2009, reflecting the combined impacts of higher fleet rates attributable to fuel cost increases. Solid Waste Charges are billed monthly for the pickup of solid waste. Residential customers are charged a flat fee per month, while commercial customers are charged based upon the size of the container and the number of pickups per month. In addition, the City also provides roll-off, uncontained service, recycling programs, and household hazardous waste collection. Fees are reviewed annually to determine if they cover the costs of the services provided.

Solid Waste Fund Refuse Collection Charges Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$19.5	\$19.5*
2008/09	\$19.1	\$19.0*
2007/08	\$18.8	\$19.8
2006/07	\$18.0	\$18.5
2005/06	\$17.1	\$17.2

Interest Earnings Revenue adopted FY 2009/10 budget of \$0.1 million remains relatively flat from the FY 2008/09 year-end forecast. Interest earnings are generated on idle Solid Waste Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield.

Solid Waste Fund Interest Earnings Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.1	\$0.1*
2008/09	\$0.2	\$0.1*
2007/08	\$0.2	\$0.3
2006/07	\$0.1	\$0.3
2005/06	\$0.1	\$0.2

Solid Waste Fund Expenditures By Category

The Solid Waste Fund expenditures are presented by the following six major operating budget expenditure categories: personal services, contractual services, commodities, capital outlay, debt service, and indirect cost allocation. Additionally, there are transfers-out to other funds.

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. The adopted FY 2009/10 budget of \$6.0 million represents 30 percent of the total Solid Waste operating budget and reflects a \$0.2 million decrease from the adopted FY 2008/09 budget. The adopted FY 2008/09 budget was adjusted for early retirements and reflects changes due to a Citywide reorganization.

Solid Waste Fund Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$6.0	\$6.0*
2008/09	\$6.2	\$6.1*
2007/08	\$5.5	\$5.8
2006/07	\$5.2	\$5.3
2005/06	\$4.7	\$4.8

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The adopted FY 2009/10 budget of \$10.6 million represents 53 percent of the total Solid Waste operating budget and reflects a \$0.4 million decrease from the adopted FY 2008/09 budget, primarily related to fleet maintenance and operations costs and landfill contracts.

Solid Waste Fund Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$10.6	\$10.6*
2008/09	\$11.0	\$10.9*
2007/08	\$10.1	\$9.8
2006/07	\$9.5	\$9.6
2005/06	\$8.9	\$8.9

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2009/10 budget of \$0.5 million represents 2.5 percent of the total Solid Waste operating budget and remains relatively flat with the adopted FY 2008/09 budget.

Solid Waste Fund Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.5	\$0.5*
2008/09	\$0.5	\$0.5*
2007/08	\$0.5	\$0.6
2006/07	\$0.5	\$0.6
2005/06	\$0.3	\$0.4

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2009/10 budget includes no funding for capital outlay.

Solid Waste Fund Capital Outlay Adopted Budget to Actual/Approved*		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	-	- *
2008/09	-	- *
2007/08	\$0.2	-
2006/07	-	-
2005/06	\$0.3	-

Debt Service represents the repayment of MPC bonds along with the applicable annual fiscal agent fees. The adopted FY 2009/10 budget includes no funding for debt service.

Solid Waste Fund Debt Service Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	-	- *
2008/09	-	- *
2007/08	-	-
2006/07	-	-
2005/06	\$1.5	\$1.5

Indirect Cost Allocation represents Enterprise Funds charges for specific General Fund central administrative functions, which benefit the Enterprise operations (e.g., City Manager, Financial Management, Human Resources, Legal, etc.). The City’s indirect costs are allocated to the Enterprise Funds based upon their proportion of the overall operating budgets for direct service providers. The adopted FY 2009/10 budget of \$3.0 million represents 15 percent of the total Solid Waste operating budget and reflects a \$0.5 million increase from the adopted FY 2008/09 budget.

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2009/10 budget of \$1.5 million reflects a \$1.1 million increase from the adopted FY 2008/09 budget, primarily related to an increase in the transfers out to the CIP Fund.

Solid Waste Fund Balance

Operating Reserve of \$3.3 million is projected for the end of FY 2009/10. This reserve is intended to ensure adequate funding for operations for a maximum period of 90 days. The intent of the reserve is to provide for emergencies and the possibility of significant future increases in landfill costs.

Aviation Fund

Fund Purpose

This fund accounts for the transactions related to the City's aviation business activity at the Scottsdale Airport, which includes operating and debt service payments. Capital Expenditures are accounted for in a separate CIP fund.

Aviation Fund Revenues

Aviation Fees and Charges Revenue adopted FY 2009/10 budget totals \$2.7 million, which remains relatively flat with the FY 2008/09 year-end forecast. The revenue forecast assumes no fee increases in the FY 2009/10 budget. Aviation fees and charges are for a variety of services provided to airport customers including tie down fees, hangar rentals, fuel sales, and other rental charges. Fees are reviewed annually to determine if they cover the costs of the services provided.

Aviation Fund Aviation Fees and Charges Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$2.7	\$2.7*
2008/09	\$3.6	\$2.7*
2007/08	\$3.5	\$3.4
2006/07	\$3.3	\$3.5
2005/06	\$3.1	\$3.3

Interest Earnings Revenue adopted FY 2009/10 budget totals \$0.1 million, which remains relatively flat with the FY 2008/09 year-end forecast. Interest earnings are generated on idle Aviation Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield.

Aviation Fund Interest Earnings Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.1	\$0.1*
2008/09	\$0.1	\$0.1*
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.2
2005/06	-	\$0.1

Jet Fuel Tax Revenue adopted FY 2009/10 budget totals \$0.1 million, remaining relatively flat with the FY 2008/09 year-end forecast.

Aviation Fund Jet Fuel Tax Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.1	\$0.1*
2008/09	\$0.2	\$0.1*
2007/08	\$0.1	\$0.2
2006/07	\$0.1	\$0.2
2005/06	-	\$0.1

Aviation Fund Expenditures By Category

The direct operating expenditures of the Aviation Fund are divided into the following five major expenditure categories, plus transfers-out:

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. The adopted FY 2009/10 budget of \$1.1 million represents 47.4 percent of the total Aviation Fund operating budget and reflects a \$0.1 million decrease from the adopted FY 2008/09 budget.

Aviation Fund Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$1.1	\$1.1*
2008/09	\$1.2	\$1.1*
2007/08	\$1.1	\$1.1
2006/07	\$1.0	\$1.0
2005/06	\$0.9	\$0.9

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The adopted FY 2009/10 budget of \$0.5 million represents 22 percent of the total Aviation Fund operating budget and reflects a \$0.2 million decrease from the adopted FY 2008/09 budget primarily related to reductions in consultants, custodial services, and fleet maintenance, operations and replacement.

Aviation Fund Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.5	\$0.5*
2008/09	\$0.7	\$0.6*
2007/08	\$0.6	\$0.6
2006/07	\$0.6	\$0.6
2005/06	\$0.6	\$0.5

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2009/10 budget is zero.

Aviation Fund Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	-	- *
2008/09	\$0.1	\$0.1*
2007/08	\$0.1	\$0.1
2006/07	\$0.1	\$0.1
2005/06	\$0.1	\$0.1

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2009/10 budget is zero.

Indirect/Direct Cost Allocation represents charges to the Aviation Fund for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Management, Human Resources, Legal, etc.), as well as direct General Fund Fire services provided to the Scottsdale Airport. The City's indirect costs are allocated to the Enterprise Funds based upon their proportion of the overall operating budgets for direct service providers. The adopted FY 2009/10 budget of \$0.7 million represents 30 percent of the total Aviation Fund operating budget and remains relatively flat with the adopted FY 2008/09 budget.

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2009/10 budget of \$0.3 million reflects a \$0.9 million decrease from the adopted FY 2008/09 budget. The decrease is related to reductions in transfers out to the CIP Fund for Aviation capital projects.

Aviation Fund Balance

Operating Reserve of \$0.6 million is projected for the end of FY 2009/10. This reserve is intended to ensure adequate funding for operations for a maximum period of 90 days. The intent of the reserve is to provide for emergencies, provide for potential grant matches, and to ensure that General Fund subsidies are avoided.

Repair and Replacement Reserve of \$3.2 million is projected for the end of FY 2009/10. The intent of the reserve is to ensure adequate funding for emergency repair and replacement needs at the airport.

Unreserved Fund Balance is projected to be \$0.3 million at the end of FY 2009/10. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

Internal Service Funds

Description

The City uses three separate Internal Service Funds to account for the activity of this fund type. The individual funds are Fleet Management, Risk Management Self-Insurance Fund and Healthcare Self-Insurance Fund.

Fleet Management Fund

Fund Purpose

This fund is used to account for the expenditures associated with purchasing and maintaining the City’s vehicles. Replacement and operation of vehicles are charged to the City departments as internal operating costs to each program based on the quantity and type of vehicle used. The department charges become revenue to the Fleet Management Fund.

Fleet Management Fund Revenues and Transfers-In

Rates - Vehicle Acquisition represents the “rental” rate charged to other City funds and programs sufficient for the acquisition and replacement of City vehicles. For FY 2009/10, approximately 12 percent of the Fleet Management Fund’s operating revenues come from rates related to vehicle acquisition. The adopted vehicle acquisition rates budget for FY 2009/10 totals approximately \$1.7 million and represents a decrease from the FY 2008/09 year-end revenue forecast. The decrease is attributed to the use of a more comprehensive model which reflects the fact vehicles do not need to be replaced as frequently.

Internal Service Funds Fleet Management Fund Rates - Vehicle Acquisition Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$1.7	\$1.7*
2008/09	\$5.4	\$5.4*
2007/08	\$5.4	\$5.4
2006/07	\$5.0	\$5.0
2005/06	\$4.3	\$4.3

Rates - Maintenance & Operation represents the “rental” rate to other City programs sufficient for the maintenance and operation of City vehicles. For FY 2009/10, approximately 85 percent of the Fleet Management Fund’s operating revenues come from rates related to vehicle maintenance and operation. The adopted maintenance and operations rates budget for FY 2009/10 totals \$11.9 million for a decrease of approximately \$1.0 million over the FY 2008/09 year-end revenue forecast.

Internal Service Funds Fleet Management Fund Rates - Maintenance & Operation Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$11.9	\$11.9*
2008/09	\$12.9	\$12.9*
2007/08	\$10.3	\$10.3
2006/07	\$9.2	\$9.3
2005/06	\$7.8	\$7.8

Miscellaneous Revenue comes from the liquidation of surplus property. The FY 2009/10 budget is \$0.2 million, which remains relatively flat with the FY 2008/09 year-end revenue forecast.

Internal Service Funds Fleet Management Fund Miscellaneous Revenue Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.2	\$0.2*
2008/09	\$0.2	\$0.2*
2007/08	\$0.2	\$0.2
2006/07	\$0.2	\$0.5
2005/06	\$0.2	\$0.2

Interest Earnings Interest earnings are generated on idle Fleet Management Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's adopted investment policy stresses safety above yield. The adopted FY 2009/10 interest earnings budget is \$0.2 million.

Internal Service Funds Fleet Management Fund Interest Earnings Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.2	\$0.2*
2008/09	\$0.3	\$0.3*
2007/08	\$0.5	\$0.5
2006/07	\$0.4	\$0.6
2005/06	\$0.4	\$0.4

Fleet Management Fund Expenditures By Category

The direct operating expenditures of the Fleet Management Fund are divided into the following four major expenditure categories:

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. The adopted personal services budget totals approximately \$3.5 million, which represents 25 percent of the Fleet Management Fund total operating budget for FY 2009/10. The adopted FY 2009/10 personal services budget decreased \$0.1 million from the FY 2008/09 adopted budget. The decrease is primarily attributed to the City’s budget reduction plan to address the economic recession.

Internal Service Funds Fleet Management Fund Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$3.5	\$3.5*
2008/09	\$3.6	\$3.5*
2007/08	\$3.7	\$3.7
2006/07	\$3.5	\$3.1
2005/06	\$3.0	\$2.8

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The adopted budget of nearly \$1.6 million represents 12 percent of the Fleet Management Fund total operating budget for FY 2009/10. The adopted FY 2009/10 contractual services budget reflects an increase totaling approximately \$0.4M from the adopted budget FY 2008/09, which is related to the greater need to outsource large repair services that are specialized.

Internal Service Funds Fleet Management Fund Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$1.6	\$1.6*
2008/09	\$1.2	\$1.2*
2007/08	\$1.2	\$1.2
2006/07	\$1.0	\$1.0
2005/06	\$0.9	\$1.0

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The budget of \$6.7 million represents 48 percent of the Fleet Management Fund total operating budget for FY 2009/10. The adopted FY 2009/10 commodities budget decreased \$1.7 million from the adopted budget FY 2008/09, reflecting cost saving measures due to budget reduction strategies.

Internal Service Funds Fleet Management Fund Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$6.7	\$6.7*
2008/09	\$8.4	\$7.4*
2007/08	\$6.1	\$6.1
2006/07	\$5.5	\$5.8
2005/06	\$4.6	\$5.0

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget of \$2.1 million represents 15 percent of the Fleet Management Fund total operating budget for FY 2009/10. The adopted FY 2009/10 capital outlay budget decreased approximately \$1.3 million from the FY 2008/09 adopted budget which reflects extending the useful life of the fleet.

Internal Service Funds Fleet Management Fund Capital Outlay Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$2.1	\$2.1*
2008/09	\$3.4	\$4.2*
2007/08	\$3.3	\$4.4
2006/07	\$5.9	\$7.2
2005/06	\$3.4	\$5.4

Cash Transfers-Out is the authorized movement of cash to other funds, divisions, departments, and capital projects. Cash transfers-out totaling less than \$0.1 million are planned in FY 2009/10 to cover the cost of Fleet’s share of general capital projects.

Fleet Management Fund Balance

The Fleet Management Fund balance varies primarily due to the vehicle replacement schedule. The portion of internal charges to programs for replacement vehicles is evenly spread over the expected life of the vehicles. This charge is revenue to the Fleet Management Fund. The revenue does not vary significantly by year, but the year in which vehicles are purchased may vary significantly if, for example, several large, expensive vehicles are scheduled for replacement in a single year. The fund balance at the end of each year includes the accumulated balance to be used for future year vehicle purchases and, as a result, may vary annually.

The ending FY 2009/10 fund balance is projected to be approximately \$8.1 million, which is a \$0.3 million increase from the FY 2008/09 year-end approved.

Risk Management Self-Insurance Fund

Fund Purpose

The Risk Management Self-Insurance Fund is used to account for the City’s self-insurance safety and risk management function. Revenue to this fund is derived from charges to user programs. This fund records unemployment, workers’ compensation, and property and liability claims.

Risk Management Self-Insurance Fund Revenues and Transfers-In

Property Casualty Revenues represent this fund’s operating resources, which are derived from internal charges for services to other City funds. These charges are comprised of a self-insurance charge covering general and auto liability/physical damages, workers’ compensation, unemployment taxes, and property charges.

Internal Service Funds Risk Mgmt Self-Insurance Fund Property Casualty Revenues Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$7.3	\$7.3*
2008/09	\$6.7	\$7.1*
2007/08	\$6.7	\$7.5
2006/07	\$6.2	\$7.2
2005/06	\$5.3	\$5.3

Property Taxes (Tort Claims) this revenue represents a reimbursement to the City’s Self-Insurance Fund for the “actual” cost of liability claim judgments paid during the most recently completed calendar year. The inclusion of the tort claim reimbursements in the City’s primary tax levy is allowed per a March 20, 1986 Arizona Attorney General opinion. Claim judgments are paid from the Risk Management Self-Insurance Fund – an Internal Service Fund – and therefore, the reimbursement becomes revenue to this fund. In FY 2009/10, tort claims of \$1.9 million were included in the adopted budget.

Internal Service Funds Risk Mgmt Self-Insurance Fund Property Taxes (Tort Claims) Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$1.9	\$1.9*
2008/09	\$0.02	\$0.02*
2007/08	\$0.20	\$0.17
2006/07	N/A	N/A **
2005/06	\$0.70	\$0.70

** City Council opted not to assess torts in FY 2006/07

Cash Transfers-In may be used to address anticipated claim costs. In the adopted FY 2009/10 budget no cash transfers-in are planned to the Risk Management Self-Insurance Fund.

Risk Management Self Insurance Fund Expenditures By Category

The direct operating expenditures of the Risk-Management Self-Insurance Fund are divided into the following four major expenditure categories plus transfers-out:

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. The adopted budget of less than \$0.6 million represents approximately 7 percent of the FY 2009/10 Risk Management Self-Insurance Fund total operating budget.

Internal Service Funds Risk Mgmt Self-Insurance Fund Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$0.6	\$0.6*
2008/09	\$0.7	\$0.7*
2007/08	\$0.7	\$0.7
2006/07	\$0.7	\$0.7
2005/06	\$0.6	\$0.6

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The budget of \$6.9 million represents approximately 91 percent of the FY 2009/10 Risk Management Self-Insurance Fund operating budget.

Internal Service Funds Risk Mgmt Self-Insurance Fund Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Approved*
2009/10	\$6.9	\$6.9*
2008/09	\$5.9	\$6.3*
2007/08	\$5.9	\$6.2
2006/07	\$5.7	\$3.1
2005/06	\$4.7	\$6.4

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2009/10 commodities budget of approximately \$95,000 is slightly less than the adopted FY 2008/09 budget of almost \$143,000.

Internal Service Funds Risk Mgmt Self-Insurance Fund Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.09	\$0.09*
2008/09	\$0.14	\$0.08*
2007/08	\$0.10	\$0.11
2006/07	\$0.03	\$0.11
2005/06	\$0.03	\$0.11

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. The capital outlay budget for FY 2009/10 is \$1,500.

Internal Service Funds Risk Mgmt Self-Insurance Fund Capital Outlay Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.002	\$ 0.002*
2008/09	\$0.005	\$0.005*
2007/08	\$0.0	\$0.012
2006/07	\$0.0	\$0.005
2005/06	\$0.0	\$0.0

Cash Transfers-Out is the authorized movement of cash to other funds, divisions, departments, and capital projects. Cash transfers-out of \$12,200 are planned to help cover the cost of general capital projects.

Risk Management Self-Insurance Fund Balance

The Risk Management Fund balance is maintained to provide for coverage of unemployment, workers' compensation, and property and liability claims. The required fund balance is actuarially determined on an annual basis.

The projected FY 2009/10 total ending fund balance is approximately \$13.6 million, which is an increase of \$1.7 million from the FY 2008/09 year end forecast and is within actuary recommendations.

Healthcare Self-Insurance Fund

Fund Purpose

The Healthcare Self-Insurance Fund is used to account for the City’s self-insured benefits. Revenue to this fund is derived from charges to user programs. This fund provides coverage of healthcare (medical, prescriptions and dental) and short term disability claims as well as claims administration.

Healthcare Self-Insurance Fund Revenues and Transfers-In

Healthcare Revenues are comprised of contributions from the City (i.e., employer), employees, retirees, COBRA participants, medical leave conversion contributions, and interest earnings allocated to health care. The FY 2009/10 adopted budget of \$24.8 million is \$0.4 million less than the FY 2008/09 forecast.

Internal Service Funds Healthcare Self-Insurance Fund Healthcare Revenues Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$24.8	\$24.8*
2008/09	\$26.8	\$25.2*
2007/08	\$24.5	\$23.0
2006/07	\$22.3	\$19.9
2005/06	\$16.1	\$17.0

Short Term Disability Revenues represents the resources collected solely from employees participating in the City’s short term disability plan – no City (i.e., employer) contributions are made for short term disability coverage. The FY 2009/10 revenue budget is \$320,000 and is consistent with the prior year end revenue forecast.

Internal Service Funds Healthcare Self-Insurance Fund Short-Term Disability Revenues Adopted Budget to Actual/Forecast* (in millions)		
Fiscal Year	Adopted Budget	Actual/Forecast*
2009/10	\$0.32	\$0.32*
2008/09	\$0.32	\$0.32*
2007/08	\$0.31	\$0.33
2006/07	\$0.14	\$0.30
2005/06	\$0.14	\$0.27

Cash Transfers-In may be used to address unanticipated claim costs. In the adopted FY 2009/10 budget no cash transfers-in are planned to the Healthcare Self-Insurance Fund.

Healthcare Self-Insurance Fund Expenditures By Category

The direct operating expenditures of the Healthcare Self-Insurance Fund are divided into the following four major expenditure categories plus transfers-out:

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. The adopted budget of less than \$0.3 million represents approximately 1 percent of the FY 2009/10 Healthcare Self-Insurance Fund total operating budget.

Internal Service Funds Healthcare Self-Insurance Fund Personal Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.3	\$0.3*
2008/09	\$0.0	\$0.3*
2007/08	\$0.0	\$0.0
2006/07	\$0.0	\$0.0
2005/06	\$0.0	\$0.0

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. The budget of \$24.5 million represents approximately 98 percent of the FY 2009/10 Healthcare Self-Insurance Fund operating budget. The contractual services budget includes \$24.3 million for healthcare claims and administration and \$0.2 million for short-term disability claims.

Internal Service Funds Healthcare Self-Insurance Fund Contractual Services Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$24.5	\$24.5*
2008/09	\$26.8	\$26.9*
2007/08	\$24.9	\$18.3
2006/07	\$22.0	\$20.9
2005/06	\$16.8	\$18.3

Commodities include supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2009/10 commodities budget of approximately \$27,000 is slightly less than the adopted FY 2008/09 budget of \$38,400.

Self-Insurance Fund Healthcare Self-Insurance Fund Commodities Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.03	\$0.03*
2008/09	\$0.0	\$0.04*
2007/08	\$0.0	\$0.0
2006/07	\$0.0	\$0.0
2005/06	\$0.0	\$0.0

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget for FY 2009/10 is \$50,000.

Self-Insurance Fund Healthcare Self-Insurance Fund Capital Outlay Adopted Budget to Actual/Approved* (in millions)		
Fiscal Year	Adopted Budget	Actual/Approved*
2009/10	\$0.05	0.05*
2008/09	\$0.0	\$0.0*
2007/08	\$0.0	\$0.0
2006/07	\$0.0	\$0.0
2005/06	\$0.0	\$0.0

Cash Transfers-Out is the authorized movement of cash to other funds, divisions, departments, and capital projects. In the adopted FY 2009/10 budget no cash transfers-in are planned to the Healthcare Self-Insurance Fund.

Healthcare Self-Insurance Fund Balance

The Healthcare Self-Insurance Fund balance is maintained to provide for coverage of self-insured benefits. The required fund balance is actuarially determined on an annual basis.

The projected FY 2009/10 total ending fund balance is approximately \$5.9 million, which is an increase of \$0.1 million from the FY 2008/09 year end forecast and is within actuary recommendations.

Trust Funds**Description**

This fund is used to account for assets “held in trust” by the City. The City holds the funds in a trustee capacity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 34. All funds not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose. The City maintains the following Trust Fund:

Mayor’s Committee for Employment of the Handicapped**Fund Purpose**

Used to account for proceeds for programs and activities to promote employment of handicapped individuals. The FY 2009/10 adopted budget for this trust fund is \$8,800 and will be used to pay for contractual services.

Trust Fund Balance

All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding for the intended purpose.

Alphabetical Program Operating Budget Index by Division/Program

The following matrix provides a summary of the total adopted FY 2009/2010 Program Operating Budget by division and highlights each division's specific programs. The matrix includes the source(s) of funding for each program by governmental fund accounting type plus it includes the applicable number of full-time equivalent employees (FTE's) by program and division.

Division/Program	FTE	General Fund	Special Revenue	Enterprise	Internal Service	Grants Trusts Special Districts	ADOPTED FY 2009/10 Total
CITY ATTORNEY							
CIVIL	25.25	3,303,869	0	0	0	0	3,303,869
PROSECUTION	28.00	2,648,733	0	0	0	0	2,648,733
VICTIM SERVICES	6.00	432,357	0	0	0	0	432,357
TOTAL CITY ATTORNEY	59.25	6,384,959	0	0	0	0	6,384,959
CITY AUDITOR							
INTERNAL AUDIT PROGRAM	7.00	837,820	0	0	0	0	837,820
TOTAL CITY AUDITOR	7.00	837,820	0	0	0	0	837,820
CITY CLERK							
CITY CLERK	10.00	895,364	0	0	0	0	895,364
ELECTIONS	0.00	9,596	0	0	0	0	9,596
TOTAL CITY CLERK	10.00	904,960	0	0	0	0	904,960
CITY COURT							
COURT	64.48	4,699,819	1,439,836	0	0	0	6,139,655
TOTAL CITY COURT	64.48	4,699,819	1,439,836	0	0	0	6,139,655
COMMUNITY SERVICES							
ADAPTED RECREATION SERVICES	10.60	478,232	0	0	0	0	478,232
AQUATICS CENTERS	45.00	2,218,127	0	0	0	0	2,218,127
BRANCH LIBRARIES	61.07	3,448,666	0	0	0	0	3,448,666
COMMUNITY RECREATION SERVICES & FACILITIES	44.78	1,945,317	1,442,310	0	0	0	3,387,627
COMMUNITY SERVICES PLANNING AND ADMIN	1.00	230,817	0	0	0	0	230,817
DOWNTOWN MAINTENANCE PROGRAM	10.00	1,024,278	0	0	0	0	1,024,278
GROUNDS AND LANDSCAPE MAINTENANCE	64.75	6,390,952	0	0	0	0	6,390,952
HOUSING ASSISTANCE AND CDBG PROGRAMS	15.75	437,524	142,798	0	0	10,525,965	11,106,287
HUMAN SERVICES PLANNING & ADMIN.	4.00	386,043	0	0	0	0	386,043
LEISURE EDUCATION PROGRAMS	6.83	789,137	0	0	0	0	789,137
LIBRARY OPERATIONS	25.00	3,843,179	480,000	0	0	38,700	4,361,879
LIBRARY PLANNING AND ADMINISTRATION	5.00	582,287	0	0	0	0	582,287
MAIN LIBRARY	39.96	2,321,891	0	0	0	0	2,321,891
MEDIANS AND RIGHT-OF-WAY	10.00	1,807,458	0	0	0	0	1,807,458
PARKS & RECREATION PLANNING & ADMIN	9.44	1,164,235	0	0	0	0	1,164,235

PROGRAM OPERATING BUDGET BY DIVISION/PROGRAM

Budget by Fund

Division/Program	FTE	General Fund	Special Revenue	Enterprise	Internal Service	Grants Trusts Special Districts	ADOPTED FY 2009/10 Total
PRESERVE PLANNING & ADMINISTRATION	3.00	353,143	0	0	0	0	353,143
SENIOR CITIZEN SERVICES	26.55	1,916,577	63,900	0	0	0	1,980,477
SOCIAL SERVICES ASSISTANCE AND REFERRAL	39.60	3,098,795	250,000	0	0	364,300	3,713,095
SPORTS & FITNESS PROGRAMS	20.59	1,753,441	200,000	0	0	0	1,953,441
SPORTS COMPLEXES	21.66	2,085,269	0	0	0	0	2,085,269
YOUTH & FAMILY ACTIVITIES & AFTER SCHOOL PROGRAMS	36.97	2,223,901	17,256	0	0	0	2,241,157
TOTAL COMMUNITY SERVICES	501.55	38,499,269	2,596,264	0	0	10,928,965	52,024,498
ECONOMIC VITALITY							
AVIATION	14.00	0	0	1,607,641	0	0	1,607,641
CODE ENFORCEMENT	19.00	1,577,683	0	0	0	0	1,577,683
ECONOMIC DEVELOPMENT	2.00	336,316	0	0	0	0	336,316
ECONOMIC VITALITY	2.00	403,312	0	0	0	0	403,312
EXISTING BUSINESS SERVICES	3.00	411,283	0	0	0	0	411,283
HOSPITALITY DEVELOPMENT	3.00	133,274	5,983,487	0	0	0	6,116,761
REVITALIZATION	1.00	121,270	0	0	0	0	121,270
THE DOWNTOWN GROUP	3.00	5,002,600	150,000	0	0	0	5,152,600
WESTWORLD	23.00	3,222,636	0	0	0	0	3,222,636
TOTAL ECONOMIC VITALITY	70.00	11,208,374	6,133,487	1,607,641	0	0	18,949,502
FINANCIAL MANAGEMENT							
ACCOUNTING	12.00	1,733,061	0	0	0	0	1,733,061
ACCOUNTS PAYABLE	5.00	323,765	0	0	0	0	323,765
BUDGET	4.50	512,120	0	0	0	0	512,120
FINANCIAL PLANNING & ADMINISTRATION	2.00	315,879	0	0	0	0	315,879
GRAPHIC AND PRINTING SOLUTIONS	4.00	84,114	0	0	0	0	84,114
MAIL	4.00	894,166	0	0	0	0	894,166
METER READING	17.00	0	0	1,307,528	0	0	1,307,528
PURCHASING	14.00	1,099,530	0	0	0	0	1,099,530
REMITTANCE PROCESSING	12.00	402,615	0	723,785	0	0	1,126,400
REVENUE RECOVERY	10.00	276,968	0	414,598	0	0	691,566
STORES/WAREHOUSE OPERATIONS	6.00	405,828	0	0	0	0	405,828
TAX & LICENSE	13.00	985,853	0	0	0	0	985,853
TAX AUDIT	9.00	729,679	0	0	0	0	729,679
UTILITY BILLING	11.00	0	0	1,422,836	0	0	1,422,836
TOTAL FINANCIAL MANAGEMENT	123.50	7,763,578	0	3,868,747	0	0	11,632,325
HUMAN RESOURCES							
BENEFITS MANAGEMENT	5.00	384,977	0	0	24,963,912	0	25,348,889
DIVERSITY & DIALOGUE	2.00	281,068	10,000	0	0	8,882	299,950
HUMAN RESOURCES - EXECUTIVE MGMT	4.00	558,744	0	0	0	0	558,744

PROGRAM OPERATING BUDGET BY DIVISION/PROGRAM

Budget by Fund

Division/Program	FTE	General Fund	Special Revenue	Enterprise	Internal Service	Grants Trusts Special Districts	ADOPTED FY 2009/10 Total
HUMAN RESOURCES TECHNOLOGY SERVICES	4.00	331,345	0	0	0	0	331,345
OPERATIONAL SUPPORT/EMPLOYEE PROGRAMS	5.50	442,047	0	0	0	0	442,047
PAYROLL	6.00	511,667	0	0	0	0	511,667
RISK MANAGEMENT	6.00	0	0	0	7,538,334	0	7,538,334
STAFFING SERVICES/EMPLOYEE RELATIONS	12.00	1,204,359	0	0	0	0	1,204,359
WORKFORCE MANAGEMENT	3.00	883,237	0	0	0	0	883,237
TOTAL HUMAN RESOURCES	47.50	4,597,444	10,000	0	32,502,246	8,882	37,118,572
INFORMATION TECHNOLOGY							
APPL. DEV. INTEGRATION MGMT & SUPPORT	11.00	1,499,005	0	0	0	0	1,499,005
APPLICATION SUPPORT	9.00	1,001,648	0	0	0	0	1,001,648
GIS DATA SERVICES	6.00	657,490	0	0	0	0	657,490
HELP DESK/DESKTOP TECHNICAL SUPPORT	13.00	1,048,325	0	0	0	0	1,048,325
INFORMATION TECHNOLOGY ADMINISTRATION	4.81	517,989	0	0	0	0	517,989
NETWORK SECURITY	3.00	368,269	0	0	0	0	368,269
PROJECT MANAGEMENT & INTEGRATION	2.00	245,279	0	0	0	0	245,279
TECHNOLOGY INFRASTRUCTURE	23.00	3,899,283	0	0	0	0	3,899,283
WEB AND MEDIA SERVICES	10.00	1,096,235	0	0	0	0	1,096,235
TOTAL INFORMATION TECHNOLOGY	81.81	10,333,523	0	0	0	0	10,333,523
MAYOR AND CITY COUNCIL							
MAYOR AND CITY COUNCIL	11.00	790,904	0	0	0	0	790,904
TOTAL MAYOR AND CITY COUNCIL	11.00	790,904	0	0	0	0	790,904
PLANNING/NEIGHBORHOOD/TRANSPORTATION							
COMMUNITY OUTREACH	7.50	1,079,038	0	0	0	0	1,079,038
CURRENT PLANNING	36.00	3,132,634	0	0	0	0	3,132,634
DEVELOPMENT SERVICES	71.50	7,372,277	0	0	0	732,000	8,104,277
NEIGHBORHOOD STABILITY/REVITALIZATION	4.00	596,814	80,000	0	0	64,000	740,814
OFFICE OF ENVIRONMENTAL INITIATIVES	4.00	552,994	60,000	0	0	0	612,994
PLANNING SERVICES	10.00	1,067,639	0	0	0	0	1,067,639
PLANNING TECHNOLOGY	5.00	473,294	0	0	0	0	473,294
PNT ADMINISTRATION	7.00	1,311,460	141,675	0	0	0	1,453,135
TRAFFIC ENGINEERING	11.00	0	1,897,901	0	0	0	1,897,901
TRANSIT	4.00	0	10,736,822	0	0	0	10,736,822
TRANSPORTATION MASTER PLANNING	5.00	0	854,890	0	0	0	854,890
TOTAL PLANNING/NEIGHBORHOOD/TRANSPORTATION	165.00	15,586,150	13,771,288	0	0	796,000	30,153,438
PUBLIC SAFETY							
AUTO CRIMES INVESTIGATIONS	9.00	1,018,701	0	0	0	0	1,018,701
BICYCLE PATROL	9.00	1,044,421	0	0	0	0	1,044,421

PROGRAM OPERATING BUDGET BY DIVISION/PROGRAM

Budget by Fund

Division/Program	FTE	General Fund	Special Revenue	Enterprise	Internal Service	Grants Trusts Special Districts	ADOPTED FY 2009/10 Total
BURGLARY & THEFT INVESTIGATIONS	10.00	1,225,689	0	0	0	0	1,225,689
CANINE SERVICES	6.00	890,447	0	0	0	0	890,447
COMMUNICATIONS	54.00	4,224,076	0	0	0	0	4,224,076
COMPUTER CRIME INVESTIGATIONS	7.00	868,241	0	0	0	0	868,241
CONSPIRACY INVESTIGATIONS	7.00	842,022	0	0	0	13,636	855,658
CRIME ANALYSIS	5.00	365,669	0	0	0	0	365,669
CRIME LABORATORY	18.00	1,845,379	426,959	0	0	0	2,272,338
CRIME SCENE PROCESSING	11.00	868,925	0	0	0	0	868,925
CRIMINAL INTELLIGENCE	7.00	805,443	0	0	0	0	805,443
DETENTION	39.00	6,608,133	0	0	0	0	6,608,133
DOMESTIC VIOLENCE INVESTIGATIONS	6.00	716,996	0	0	0	0	716,996
DRUG ENFORCEMENT	10.00	2,211,765	543,958	0	0	169,137	2,924,860
DRUG INTERDICTION	7.00	860,349	0	0	0	0	860,349
EMERGENCY MANAGEMENT	1.00	182,761	0	0	0	0	182,761
EVENT TRAFFIC CONTROL	0.00	294,511	0	0	0	0	294,511
FINANCIAL CRIMES INVESTIGATIONS	10.00	1,101,780	0	0	0	0	1,101,780
FIRE EMERGENCY SERVICES	234.00	21,921,676	0	0	0	0	21,921,676
FIRE SUPPORT SERVICES	30.00	6,302,545	500	0	0	0	6,303,045
GANG INVESTIGATIONS	9.00	1,037,564	0	0	0	0	1,037,564
INTERNAL AFFAIRS	3.00	386,140	0	0	0	0	386,140
MOUNTED PATROL	9.10	999,392	7,100	0	0	0	1,006,492
MUNICIPAL SECURITY & EMERGENCY PREPAREDNESS	6.00	2,215,137	0	0	0	0	2,215,137
OFFICE OF THE FIRE CHIEF	2.00	304,457	0	0	0	0	304,457
OFFICE OF THE POLICE CHIEF	10.00	1,572,912	13,000	0	0	0	1,585,912
PARK & PRESERVE PATROL	7.00	697,408	0	0	0	0	697,408
PATROL HIGH ENFORCEMENT ARREST TEAM	6.00	787,562	0	0	0	0	787,562
PATROL SERVICES	265.00	29,497,085	173,361	0	0	0	29,670,446
PHOTO ENFORCEMENT	4.00	1,818,908	0	0	0	0	1,818,908
PLANNING, RESEARCH AND ACCREDITATION	6.00	523,100	0	0	0	0	523,100
POLICE CRISIS INTERVENTION	7.00	691,629	0	0	0	0	691,629
POLICE FACILITIES	0.00	73,650	0	0	0	0	73,650
POLICE RECORDS	33.00	2,234,827	0	0	0	0	2,234,827
POLICE SUPPLY & EQUIPMENT	8.00	2,253,422	0	0	0	0	2,253,422
PROPERTY AND EVIDENCE	7.50	596,659	0	0	0	0	596,659
RECRUITING & PERSONNEL	6.00	1,328,728	0	0	0	0	1,328,728
REPEAT OFFENDER PROGRAM	8.00	1,109,467	0	0	0	0	1,109,467
SCHOOL RESOURCE SERVICES	15.00	1,638,337	0	0	0	0	1,638,337
SEX CRIMES INVESTIGATIONS	9.00	1,089,998	5,000	0	0	0	1,094,998
SPECIAL EVENT/OFF DUTY COORDINATION	2.00	199,088	0	0	0	0	199,088
SURVEILLANCE/SWAT	8.00	1,719,179	0	0	0	0	1,719,179
TECHNOLOGY	9.00	1,782,574	0	0	0	0	1,782,574

PROGRAM OPERATING BUDGET BY DIVISION/PROGRAM

Budget by Fund

Division/Program	FTE	General Fund	Special Revenue	Enterprise	Internal Service	Grants Trusts Special Districts	ADOPTED FY 2009/10 Total
TRAFFIC ENFORCEMENT	28.00	3,934,450	0	0	0	0	3,934,450
TRAINING	12.00	1,661,417	0	0	0	0	1,661,417
VIOLENT CRIMES INVESTIGATIONS	14.00	1,903,757	0	0	0	0	1,903,757
TOTAL PUBLIC SAFETY	973.60	116,256,376	1,169,878	0	0	182,773	117,609,027
PUBLIC WORKS & WATER RESOURCES							
ADVANCED WATER TREATMENT PLANT	0.00	0	0	2,157,673	0	0	2,157,673
ALLEY MAINTENANCE	3.00	0	562,498	0	0	0	562,498
ARSENIC TREATMENT	1.00	0	0	2,055,675	0	0	2,055,675
CAP TREATMENT PLANT	4.00	0	0	12,158,110	0	0	12,158,110
CAPITAL PROJECT MANAGEMENT	45.00	0	0	0	0	0	0
CENTRAL GWTF	1.00	0	0	992,807	0	0	992,807
CHAPARRAL WATER TREATMENT PLANT	2.00	0	0	3,945,229	0	0	3,945,229
COMMERCIAL COLLECTION SERVICES	12.00	0	0	3,532,959	0	0	3,532,959
CONTAINER REPAIR SERVICES	6.00	0	0	761,519	0	0	761,519
CONTRACT ADMINISTRATION	0.00	3,162,175	0	0	0	0	3,162,175
EMERGENCY RESPONSE TEAM	0.00	0	69,180	0	0	0	69,180
FACILITIES MAINTENANCE	49.00	14,643,067	0	0	0	0	14,643,067
FACILITIES MGMT PLANNING & ADMIN	4.00	440,605	0	0	0	0	440,605
FLEET MAINTENANCE & OPERATIONS	37.00	0	0	0	7,308,324	0	7,308,324
FLEET MANAGEMENT ADMINISTRATION	4.00	0	0	0	676,257	0	676,257
FLEET PARTS SUPPLY	7.00	0	0	0	482,660	0	482,660
FUEL	0.00	0	0	0	3,165,974	0	3,165,974
GAINEY WASTEWATER RECLAMATION PLANT	0.00	0	0	408,598	0	0	408,598
HOUSEHOLD HAZARDOUS WASTE	0.00	0	0	80,503	0	0	80,503
INLET GOLF COURSE IRRIGATION	0.00	0	0	51,850	0	0	51,850
INTELLIGENT TRANSPORTATION SYSTEMS	4.00	0	603,686	0	0	0	603,686
IRRIGATION WATER DISTRIBUTION SYS	1.00	0	0	886,688	0	0	886,688
PLANET RANCH WATER RIGHTS	1.00	0	0	298,309	0	0	298,309
PUBLIC WORKS ADMINISTRATION	3.00	341,014	0	0	0	0	341,014
PUMP BACK SYSTEM	5.00	0	0	1,870,813	0	0	1,870,813
REAL ESTATE	2.00	299,622	0	0	0	0	299,622
RESIDENTIAL COLLECTION SERVICES	63.00	0	0	11,144,957	0	0	11,144,957
RWDS ADMINISTRATION	0.00	0	0	3,727,782	0	0	3,727,782
SOLID WASTE MANAGEMENT ADMIN SVCS	5.00	0	0	480,021	0	0	480,021
SOUTHERN NEIGHBORHOODS WATER SYSTEM	0.00	0	0	1,435,225	0	0	1,435,225
SPACE PLANNING	1.00	96,601	0	0	0	0	96,601
STREET CLEANING	10.00	0	1,197,372	0	0	0	1,197,372
STREET LIGHT MAINTENANCE	1.00	0	843,935	0	0	0	843,935
STREET OPERATIONS ADMINISTRATION	6.00	0	569,269	0	0	0	569,269
STREET OVERLAYS AND MAINTENANCE	9.00	0	8,614,271	0	0	0	8,614,271

PROGRAM OPERATING BUDGET BY DIVISION/PROGRAM

Budget by Fund

Division/Program	FTE	General Fund	Special Revenue	Enterprise	Internal Service	Grants Trusts Special Districts	ADOPTED FY 2009/10 Total
STREET SIGNS AND MARKINGS	10.00	0	1,108,686	0	0	0	1,108,686
TRAFFIC SIGNALS	10.00	0	1,513,265	0	0	0	1,513,265
TRANSFER STATION OPERATIONS	3.00	0	0	331,224	0	0	331,224
TREATMENT PLANT STAFFING	57.00	0	0	3,209,858	0	0	3,209,858
UNPAVED ROADS AND DRAINAGE SYSTEM MAINT	8.00	0	2,566,832	0	0	0	2,566,832
VEHICLE ACQUISITION	0.00	0	0	0	2,291,155	0	2,291,155
WASTEWATER COLLECTION	0.00	0	0	951,950	0	0	951,950
WASTEWATER MAINTENANCE	0.00	0	0	551,305	0	0	551,305
WATER CAMPUS WASTEWTR RECLAMATION PLANT	0.00	0	0	9,654,647	0	0	9,654,647
WATER CONSERVATION	4.00	0	0	873,368	0	0	873,368
WATER DISTRIBUTION AND PRODUCTION	55.00	0	0	11,562,933	0	0	11,562,933
WATER OPERATIONS ADMINISTRATION	9.00	0	0	1,185,605	0	0	1,185,605
WATER RESOURCES ADMINISTRATION	12.00	0	0	1,645,289	0	0	1,645,289
WATER/WASTEWATER ENGINEERING	11.00	0	0	1,056,828	0	0	1,056,828
WATER/WASTEWATER QUALITY	20.00	0	0	2,619,060	0	0	2,619,060
WESTWORLD GOLF RECHARGE	0.00	0	0	231,750	0	0	231,750
TOTAL PUBLIC WORKS & WATER RESOURCES	485.00	18,983,084	17,648,994	79,862,535	13,924,370	0	130,418,983
STRATEGIC RESOURCES GROUP							
STRATEGIC RESOURCES GROUP	8.00	1,742,708	0	0	0	0	1,742,708
TOTAL STRATEGIC RESOURCES GROUP	8.00	1,742,708	0	0	0	0	1,742,708
Grand Totals	2,607.69	238,588,968	42,769,747	85,338,923	46,426,616	11,916,620	425,040,874
** FUTURE GRANTS							4,446,000
Add: Leave Accrual Payments							2,039,595
Less: Estimated Personnel Savings from Vacant Positions							-6,575,000
Less: Future Savings from Reorganization							-12,536,834
Less: Internal Service Fund Offset							-39,503,940
Add: Debt Service							98,146,088
Add: Indirect/Direct Cost Allocation							14,773,794
Add: Reserve/Contingency Appropriations							23,510,000
Total FY 2009/2010 Operating Budget Plus Other Fiscal Activity							509,340,577

** These are unidentified future grants and have not been applied to a program at this time. This funding is included to give the maximum, legal flexibility. When and if a grant is awarded, it will be assigned to a specific division and program.

Program Budget Relationship with Mayor & City Council's Broad Goals

Budget by Fund

Mayor and City Council's Broad Goals

Goal A: Neighborhoods
Enhance and protect a diverse, family-oriented community where neighborhoods are safe, protected from adverse impacts, well maintained and actively revitalized.

Goal B: Environmental Sustainability & Preservation
Preserve Scottsdale's desert environment and natural resources, and honor the City's heritage and character.

Goal C: Transportation
Strengthen the transportation system for the safe, efficient and affordable movement of people and goods.

Goal D: Economy
Position Scottsdale for short- and long-term economic prosperity by strengthening, expanding and diversifying our economic resources.

Goal E: Public Safety
Protect Scottsdale residents and visitors by providing quality public safety and homeland security services.

Goal F: Fiscal and Resource Management
Provide the means to reach other goals by ensuring Scottsdale is fiscally responsible and fair in its management of taxpayer money and City assets, and coordinates land use and infrastructure planning within the context of financial demands and available resource

Goal G: Open and Responsive Government
Make government accessible, responsive and accountable so that decisions reflect community input and expectations.

The following matrix provides a summary of each program's relationship to the Mayor and City Council's Broad Goals. Further information on each program can be found in each department's section.

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
City Attorney							
Civil Division	X						
Prosecution	X						
Victim Services	X						
City Auditor							
Internal Audit Program						X	X
City Clerk							
City Clerk							X
Elections							X
City Court							
Court	X						X
City Manager							
Strategic Resources Group	X	X	X	X	X	X	X

Program Budget Relationship with Mayor & City Council's Broad Goals

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Community Services							
Community Services Planning And Admin	X	X				X	X
Adapted Recreation Services	X						
Aquatics Centers	X						
Sports Complexes	X			X			
Sports & Fitness Programs	X						X
Youth & Family Activities & After School Programs	X						
Community Recreation Services & Facilities	X						
Leisure Education Programs	X						
Parks & Recreation Planning & Admin	X	X				X	X
Grounds And Landscape Maintenance	X	X				X	
Medians And Right-of-way	X	X				X	
Senior Citizen Services	X						
Social Services Assistance And Referral	X						
Housing Assistance And Cdbg Programs	X						
Human Services Planning & Admin.	X						
Library Operations	X						
Main Library	X						
Branch Libraries	X						
Library Planning And Administration	X					X	
Downtown Maintenance Program	X	X				X	
Preserve Planning & Administration	X						
Economic Vitality							
Economic Vitality Admin				X			
Economic Development				X			
Existing Business Services				X			
Hospitality Development				X			
Revitalization				X			
The Downtown Group				X			
Code Enforcement	X				X		
Westworld		X		X			
Aviation			X	X			
Financial Management							
Financial Planning & Administration						X	X
Accounting						X	
Accounts Payable						X	
Budget						X	X
Purchasing						X	X
Stores/Warehouse Operations						X	
Graphic And Printing Solutions						X	
Mail						X	
Tax & License						X	
Revenue Recovery						X	
Meter Reading						X	
Utility Billing						X	
Remittance Processing						X	
Tax Audit						X	
Human Resources							
Human Resources - Executive Mgmt						X	X
Staffing Services/Employee Relations						X	X
Workforce Management						X	X
Diversity & Dialogue							X
Benefits Management						X	X
Operational Support / Employee Programs						X	X
Payroll						X	
Risk Management						X	
Human Resources Technology Services						X	X
Information Technology							
Information Technology Administration						X	X
Appl. Dev. Integration Mgmt & Support						X	X
Technology Infrastructure Support						X	X
Network Security						X	X
Gis Data Services						X	X
Project Management & Integration						X	
Application Support						X	X
Help Desk/Desktop Technical Support						X	X
Web And Media Services							X

Program Budget Relationship with Mayor & City Council's Broad Goals

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Mayor and Council							
Mayor And Council	X	X	X	X	X	X	X
Planning Neighborhood Transp.							
Traffic Engineering			X				
Transit			X			X	
Pnt Administration		X				X	
Transportation Master Planning			X				
Community Outreach	X						
Neighborhood Planning	X						
Development Services		X			X		
Office Of Environmental Initiatives		X					
Current Planning		X					
Advance Planning		X					
Planning Technology							X
Public Safety							
Office Of The Police Chief	X				X	X	
Gang Investigations	X				X		
Internal Affairs	X				X		
Planning, Research And Accreditation	X				X		
Patrol Services	X				X		
Photo Enforcement			X		X		
Traffic Enforcement			X		X		
Bicycle Patrol	X				X		
Patrol High Enforcement Arrest Team	X				X		
Canine Services	X				X		
Mounted Patrol	X				X		
Detention	X				X		
Event Traffic Control	X		X		X		
Special Event/Off Duty Coordination	X				X		
Violent Crimes Investigations	X				X		
Sex Crimes Investigations	X				X		
Domestic Violence Investigations	X				X		
Police Crisis Intervention	X				X		
Burglary & Theft Investigations	X				X		
Auto Crimes Investigations	X				X		
Financial Crimes Investigations	X				X		
School Resource Services	X				X		
Drug Enforcement	X				X		
Drug Interdiction	X				X		
Surveillance/Swat	X				X		
Criminal Intelligence	X				X		
Police Records	X				X		X
Technology	X				X		X
Police Supply & Equipment	X				X		
Communications	X				X		
Property And Evidence	X				X		
Crime Laboratory	X				X		
Crime Analysis	X				X		X
Crime Scene Processing	X				X		
Recruiting & Personnel	X				X		
Training	X				X		
Police Facilities	X				X		
Municipal Security & Emergency Preparedness	X				X		
Park & Preserve Patrol	X				X		
Computer Crime Investigations	X				X		
Repeat Offender Program	X				X		
Conspiracy Investigations (07/08)	X				X		
Fire Emergency Services	X				X		
Fire Support Services					X	X	X
Emergency Management	X				X		
Office Of The Fire Chief	X				X		X

Program Budget Relationship with Mayor & City Council's Broad Goals

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Public Works and Water Resources							
Facilities Maintenance						X	
Facilities Mgmt Planning & Admin						X	
Alley Maintenance	X	X					
Asset Management						X	
Capital Project Management						X	
Commercial Collection Services	X						
Container Repair Services	X						
Emergency Response Team			X				
Fleet Maintenance & Operations						X	
Fleet Management Administration						X	
Fleet Parts Supply						X	
Fuel						X	
Household Hazardous Waste	X						
Public Works Administration						X	
Residential Collection Services	X						
Solid Waste Management Admin Svcs	X						
Street Cleaning	X	X					
Street Light Maintenance			X			X	
Street Operations Administration (07/07)		X	X				
Street Overlays And Maintenance			X				
Street Signs And Markings			X				
Traffic Signals			X				
Transfer Station Operations	X						
Unpaved Roads And Drainage System Maint		X	X				
Vehicle Acquisition						X	
Advanced Water Treatment Plant						X	
Arsenic Treatment						X	
Cap Treatment Plant						X	
Central Gwtf						X	
Chaparral Water Treatment Plant						X	
Gainey Wastewater Reclamation Plant						X	
Inlet Golf Course Irrigation						X	
Irrigation Water Distribution Sys						X	
Planet Ranch Water Rights						X	
Pump Back System						X	
Rwds Administration						X	
Southern Neighborhoods Water System						X	
Treatment Plant Staffing						X	
Wastewater Collection						X	
Wastewater Maintenance						X	
Water/Wastewater Engineering						X	
Water Operations Administration						X	
Water Campus Wastewtr Reclamation Plant						X	
Water Conservation						X	
Water Distribution And Production						X	
Water Resources Administration						X	
Water/Wastewater Quality						X	
West World Golf Recharge						X	
Intelligent Transportation Systems			X				
Contract Administration						X	
Space Planning	X						

Capital Improvement Plan

Five Year Capital Improvement Plan

The material presented in this section provides an overview of the City's CIP development process, project evaluation criteria, funding sources, operating impacts associated with capital projects, and a capital projects lists. For further detail, please see Volume Three.

The Capital Budget authorizes and provides the basis for control of expenditures for the acquisition of significant City assets and construction of all capital facilities. A five-year Capital Improvement Plan is developed and updated annually, including anticipated funding sources. Under state law, budget appropriations lapse at the end of the fiscal year. As part of the annual budget development process the City must re-budget the appropriations until the project is complete and capitalized.

The CIP is prioritized based on Mayor and City Council's mission and broad goals, the City's General Plan, Citizens Boards and Commissions, the comprehensive financial policies, debt and capital management policies, long range financial forecasts and growth and development assumptions.

Recurring Capital Maintenance Projects

Recurring capital maintenance projects reflect the recurring expenditure needs of the City. These projects include budget appropriation for one fiscal year, and are reviewed by the Budget staff as part of the budget development process each year. The desired goal is to close out the projects within one year. The projects may be carried forward into the next fiscal year when their completion requires more time than originally anticipated. The recurring capital maintenance projects are assigned a project number with the prefix "Y".

Definition of CIP Projects

The following guidelines determine what is a CIP project:

- Relatively high monetary value (at least \$25,000)
- Long life (at least five years)
- Results in creation of a fixed asset, or the revitalization of a fixed asset

Included within the above definition of a CIP project are the following items:

- Construction of new facilities
- Remodeling or expansion of existing facilities
- Purchase, improvement and development of land
- Operating equipment and machinery for new or expanded facilities
- Planning and engineering costs related to specific capital improvements
- Street construction, reconstruction, resurfacing or renovation

In general, automotive and other rolling stock, personal computers, and other equipment not attached to or part of new facilities are not included as a CIP project. The exception to this is when the aggregate dollar amount of all the items are of a considerable value that they are grouped together and considered as a single capital project.

Budget Development Process for Fiscal Year 2009/10 Capital Project Budget and Five-Year Capital Improvement Plan (CIP)

The development of the 2009/10 Capital Project Budget and Five-Year Capital Improvement Plan did not follow the traditional process due to the economic recession.

The major issues that affected the development of the budget were:

- The economic downturn greatly affected Scottsdale's ability to use "pay-as-you-go" (PAYGO) funding for existing and new projects;
- Development slowdown impacted development impact fee (PAYGO) revenues expected to pay for growth related water and sewer projects; and
- Bond 2000 project progress brings a close to many projects planned nearly ten years ago and new or additional projects will require additional bond authority.

Capital Improvement Plan

To address these issues, staff carefully reviewed the capital plan for projects funded with PAYGO that could be responsibly reduced without any direct service impacts or infrastructure failure. Several projects were deferred until the economy improves and PAYGO can be used and/or new bonds can be authorized. A number of water/sewer projects planned to address community growth were also deferred until such time as development activity picks up again. No new projects were approved.

Another change to the budget development process relates to the establishment of the Budget Review Commission by the City Council as an advisory board on matters related to the budget. Their official role is to assist the City Council in reviewing the operating and capital budget recommendations from the divisional and program goals perspective and related financial policies. The Budget Review Commission reviewed and recommended the 2009/10 Capital Project Budget and Five-Year Capital Improvement Plan.

The description of the CIP Review Process that follows is the traditional process that is followed by the City of Scottsdale.

Traditional CIP Review Process

The City of Scottsdale uses two cross-divisional CIP Review Teams, one for review of construction related projects and the other for review of technology related projects. The **Construction Review Team** (see Appendix in Volume One for a list of staff names) consists of eight individuals from a variety of programs and professional disciplines to review project submissions and ensure that:

- Projects are scoped properly (a building has ADA access, includes telephones, computers, etc.)
- Infrastructure components are coordinated (a waterline is installed at the same time as a roadway improvement at a specific location)
- Long-term operating impacts are included in estimates (staffing, utility and maintenance costs are considered)
- Timeframes for construction activity and cash flow requirements are realistic
- Projects are coordinated geographically (i.e., not more than one north/south major thoroughfare is restricted at a time), and
- Project costs are reviewed to determine the adequacy of the budget and appropriate funding sources

The **Technology Review Team** (see Appendix in Volume One for a list of staff names) includes ten individuals from a variety of programs to review technology project submissions and ensure that:

- Project meets City's current hardware, software and security standards
- If technology will be accessed from remote locations, what network bandwidth requirements are needed to support the application
- Long-term operating impacts are included in estimates (training, maintenance and support)
- Who is responsible for funding ongoing maintenance of hardware, operating system, application and database, if applicable
- Who is responsible for day-to-day support
- Does the system require after hours technical support
- Includes funding to cover ongoing monthly communication costs associated with the system, if applicable
- Backups and data retention have been considered
- Disaster recovery and security considerations have been taken into account

While these examples are not exhaustive they provide excellent examples of the value added through project review by cross-divisional teams.

Each division is required to submit new funding requests to the Budget Office, who then compiles the information for the applicable CIP review team. If the review teams have questions concerning a request, the divisions are asked to clarify the issue to assist the review team in prioritizing the project against all City needs.

After this far-reaching review process the CIP review teams prioritize the projects. Projects are prioritized based on City Council's broad Goals, division priorities, anticipated funding sources, and during the first review the International City/County Management Association (ICMA) Project Prioritization Matrix as adjusted for the City of Scottsdale. The ICMA Prioritization Criteria were obtained from Capital Projects: New Strategies for Planning, Management, and Finance, Copyright 1989, pp 85-87.

The twelve prioritization criteria used by Scottsdale for construction related projects are:

1. **Capital Cost** - This element is for the total cost of constructing or installing the proposed work. Of particular concern in assigning a score for this

Capital Improvement Plan

element is the question of what makes a project a high or low priority. For purposes of this evaluation, use the following rating range:

CAPITAL COST	SCORE
Under \$100,000	5
\$100,000 - \$1,000,000	4
\$1,000,000 - \$5,000,000	3
Over \$5,000,000	2

This “forced” scoring should not be considered adversely with respect to an individual project. It is simply an acknowledgment of the current financial status of CIP funds. A project that is relatively expensive that should be deemed an overall high priority project will have its rank bolstered by other evaluation elements in which it will receive high rating scores.

- 2. Annual Recurring Costs** - The expected change in operation and maintenance costs. Program operating divisions provide year-by-year estimates of the additional costs or reductions likely in the program budget because of the new project. Also to be considered are changes in revenues that may be affected by a project, for example, the loss in property taxes incurred when private land is used for a capital project. See Capital Projects Operating Impacts schedule in the Project List section.
- 3. Health and Safety Effects** - This criterion includes health-related environmental impacts like reductions/increases in traffic accidents, injuries, deaths, sickness due to poor water quality, health hazards due to sewer problems, etc.
- 4. Community and Citizen Benefits** - Economic impacts such as property values, the future tax base, added jobs, income to citizens, changes in business income, and the stabilization (or revitalization) of neighborhoods. Such impacts may apply more to capital projects related to growth and expansion than to infrastructure maintenance although deteriorating structures can adversely affect business.
- 5. Environmental, Aesthetic, and Social Effects** - A catch-all criterion for other significant quality-of-life-related impacts, this includes community appearance, noise, air and water pollution effects, households displaced, damage to homes, effect on commuters, changes in recreational opportunities, etc.
- 6. Distributional Effects** - Estimates of the number and type of persons likely to be affected by the project and nature of the impact; for instance,

explicit examination of project impact on various geographical areas; on low-moderate income areas; and on specific target groups. Equity issues are central here - who pays, who benefits, and the social goals of the jurisdiction.

- 7. Public Perception of Need** - This criterion refers to project assessment of (a) the extent of public support; (b) interest group advocacy and/or opposition.
- 8. Feasibility of Implementation** - This element is a measure of (a) special implementation problems (i.e., physical or engineering restraints) and (b) compatibility with the General Plan.
- 9. Implication of Deferring the Project** - Deferring capital projects is tempting for hard-pressed governments but an estimate of the possible effects, such as higher future costs and inconvenience to the public, provides valuable guidance in proposal assessment.
- 10. Uncertainty of Information Supplied** - Amount of uncertainty and risk - For each proposal, each of the above criteria will have associated with it some degree of uncertainty as to cost estimates, effect on service quality, or impact of new procedures. When substantial uncertainties exist regarding any of the evaluation criteria for any proposal, the City should consider estimating, at least in broad terms, the amount of uncertainty — probability of occurrence — and the magnitude of the likely negative consequences. Few cities generate such information but even “educated guesses” are useful here.
- 11. Effect on Inter-Jurisdictional Relationships** - Possible beneficial/adverse effects on relationships with other jurisdictions or quasi-governmental agencies in the area constitute this criterion. Such effects, i.e., waste disposal via landfills in other jurisdictions, are likely to require special regional coordination and could impair the proposal's attractiveness.
- 12. Mayor and City Council's Broad Goals** - If a capital project directly addresses the Mayor and City Council's Broad Goals, the relative attractiveness of that project increases.

The ten prioritization criteria used by Scottsdale for technology related projects are:

- 1. Capital Cost** - This element is for the total cost of constructing or installing the proposed work. Of particular concern in assigning a score for this element is the question of what makes a project a high or low priority. For purposes of this evaluation, use the following rating range:

Capital Improvement Plan

CAPITAL COST	SCORE
Under \$100,000	5
\$100,000 - \$1,000,000	4
\$1,000,000 - \$5,000,000	3
Over \$5,000,000	2

Again, this “forced” scoring should not be considered adversely with respect to an individual project. It is simply an acknowledgment of the current financial status of CIP funds. A project that is relatively expensive that should be deemed an overall high priority project will have its rank bolstered by other evaluation elements in which it will receive high rating scores.

2. **Annual Recurring Costs** - This element reflects other costs relative to a proposed project, including operation and maintenance (O&M) costs, licensing costs, and potential revenues generated by the completed project. If a project has potentially high O&M and licensing costs, then a lower rating should be assigned. If a project has the potential of generating revenues, then a higher rating should be assigned. Overall, the score for this element should reflect a compilation of all three factors. See Capital Projects Operating Impacts schedule in the Project List section.
3. **Technological Infrastructure** - This criterion refers to projects required to maintain the technology infrastructure for essential City operations. This would include such items as networks and servers; telephone PBX, extension or improvements to the WideAreaNetwork for remote locations, etc. Projects that include elements related to these items would be scored higher than projects that don't support the integrity of the technology infrastructure.
4. **Service Enhancement And Staff/Citizen Benefits** - This element considers the impacts that a project may have on service and the benefits the project may offer to citizens or staff members. This criterion should be viewed in terms of the numbers of citizens or staff members that may benefit from the project and how a service may be enhanced by the project.
5. **Distributional (Cross-Divisional) Effects** - This element deals with the extent of influence of a proposed project. The impacts and benefits may be spread over the community at-large, to a specific geographic area, to the entire City staff or to specific City staff at specific locations.

An example of a project that would receive a higher rating score would be a utility billing project where almost all citizens would benefit from the project and

some staff members also benefit. Compare this to a transit technology project that targets a specific population, and benefits a limited number of staff members.

6. **Feasibility of Implementation** - This element is a measure of: (a) special implementation problems, i.e. physical and engineering restraints and (b) compatibility with the City's overall Technology Plan. A project would be considered for a higher rating score if it has few restraints to accomplish it and is also compatible with the overall Technology Plan.
7. **Implication of Deferring the Project** - This element accounts for the downside risk incurred for deferring a project, such as higher future costs, loss of contributions, continued inconvenience to the public and staff, possible constraints to network capacity, deterioration of the City's technology infrastructure or legal liability. In this evaluation, increased implications for delaying a project translates into a higher rating score.

Projects that address the limitations of a system or software package that may render a system unusable if corrective measures are not taken would score high for this element. In addition, a lower -score might be in order if future lower-costs associated with technology would come into the equation.
8. **Uncertainty of Information Supplied** - This element measures the success potential of a proposed project. Rating scores should be awarded based on the accuracy of information given by the proposing division, the detail of cost estimates, and the potential of the project going awry due to its very nature. Lower rating scores will be assigned for projects that, basically, have insufficient information to allow a “good” review of the project for prioritization.
9. **Effect on Regional Governance** - Rating scores should be determined based on the possible beneficial or adverse effects on a proposed project due to relationships with other jurisdictions or quasi-governmental agencies in the area. Such effects may require special regional coordination that could directly impact the success or scheduling of a project.

The identification of such impacts may result in lower rating scores until such issues are resolved.
10. **Mayor and City Council's Broad Goals** - The question to answer is simply “does it or doesn't it” and, if the proposed project does, to what degree are the Mayor and City Council's Broad Goals being met?

Capital Improvement Plan

The Construction Review Team and the Technology Review Team forward their prioritization results to the CIP Advisory Team and the Technology Board for the next phase of review. These two groups include senior management and key staff members who provide an enterprise-wide view for synergy and priority while balancing project requests against known City Council objectives. After their review is completed, members of the CIP Advisory Team and the Technology Board present the recommended five-year CIP to the City Manager. The City Manager reviews the recommended five-year CIP, applying a policy perspective while considering Citywide needs. During the fiscal year 2009/10 budget development process, Council established the Budget Review Commission as an advisory board on matters related to the budget. This group will become part of the traditional CIP review process. The Budget Review Commission and the full City Council will review and recommend the five-year CIP plan during budget work/study sessions and public hearings prior to budget adoption.

Operational Impacts

The operating impacts of capital projects are analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational expenditure savings associated with capital projects are also taken into consideration (net operating costs) during the capital project review. As capital improvement projects are completed, the operating costs of these projects have been identified, prioritized, and justified as part of divisional Program Operating Budget process. Divisional staff plan and budget for the significant start-up costs, as well as the operation and maintenance of new facilities. The Program Operating Budget authorizes and provides the basis for control of operating expenditures for both internal and citizen services, including operating and maintaining new capital facilities. The Program Operating Budget appropriations lapse at the end of the fiscal year. The Program Operating Budget is funded with recurring annual revenues such as taxes, licenses, fines, user fees, and interest income.



Capital Improvement Plan - Source of Funds

The Capital Improvement Plan (CIP) uses funding from prior year carryovers. Prior year carryovers are “blended” funding from the various funding sources described below. For FY 2009/10 – 2013/14 the funding added to the prior year carryovers includes the 2000 voter-approved bonds and Preservation General Obligation (G. O.) Bonds. These G. O. Bonds, together with Municipal Property Corporation (MPC) Bonds, provide the bond-funded portion of the plan, which is approximately 40% of the CIP funding in FY 2009/10 – 2013/14. Approximately 60% of Scottsdale’s FY 2009/10 – 2013/14 CIP is funded with “pay-as-you-go” revenues which include development fees, dedicated sales tax revenues and contributions from fund balance transfers. The pie chart represents funding source percentages for FY 2009/10 – 2013/14.

Funding sources for the CIP are presented on a cash flow basis. These revenue sources are presented in the period that the revenue is expected to be collected. Funding sources include estimated balances on hand at the beginning of the period as well as revenue expected to be received during the period or future periods, i.e. bond issuances. As a result of presenting revenue on the cash basis, pay-as-you-go funding sources do not equal budgeted expenditures in each period, sometimes creating a fund deficit as cash accumulates for project expenditures in subsequent years.

All potential capital funding resources are evaluated to ensure equity of funding for the CIP. Equity is achieved if the beneficiaries of a project or service pay for it. For example, general tax revenues and/or G.O. Bonds appropriately pay for projects that benefit the general public as a whole. User fees, development fees, and/or contributions pay for projects that benefit specific users. Other factors considered when funding the capital plan are whether the financing method provides funding when needed and the financial costs associated with the funding source. The following summarizes the funding sources for the CIP.

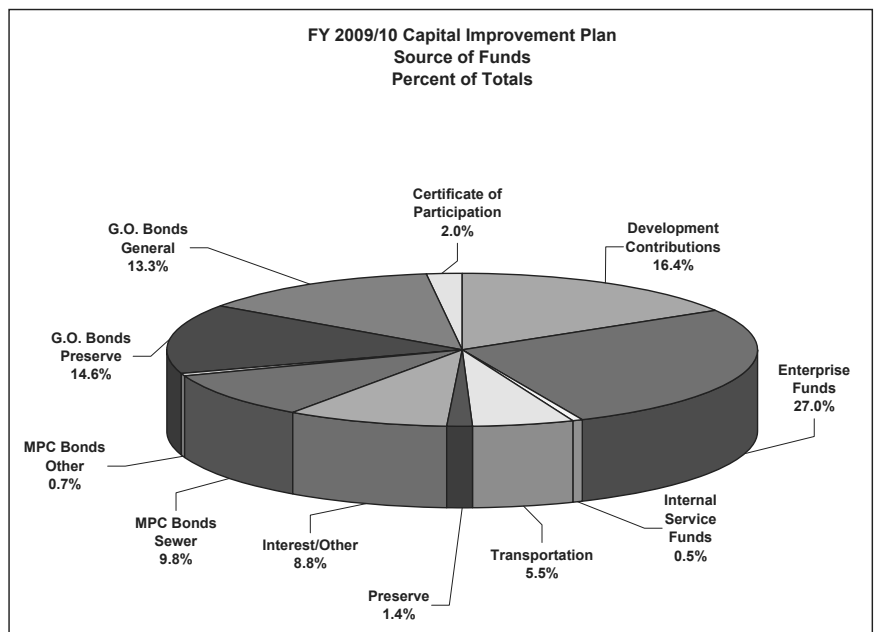
Bond 2000 are General Obligation Bonds that were authorized by voters in calendar year 2000 and are secured by the full faith and credit of the issuer. General Obligation Bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power, and must be authorized by the electorate.

General Obligation (G.O. Bonds) General are bonds secured by the full faith and credit of the issuer. G.O. Bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power (secondary portion). They are usually issued to pay for general capital improvements such as parks and roads.

General Obligation (G.O. Bonds) Preserve represent excise tax revenue bonds and G.O. Bonds. The bonds are special revenue obligations of the Scottsdale Preserve Authority payable either (1) solely from and secured by a 0.2% sales tax approved by City Voters in 1995 and issued for the purpose of acquiring land for the McDowell Sonoran Preserve; or (2) solely from and secured by a 0.15% sales tax approved by City Voters in 2004 and issued for the purpose of acquiring land and preserve-related construction, such as proposed trailheads for the McDowell Sonoran Preserve.

Municipal Property Corporation (MPC Bonds) - Water and Sewer represents bonds issued by the Municipal Property Corporation (MPC), a non-profit corporation established to issue bonds to fund City capital improvements. The debt incurred by the corporation is a City obligation, but does not require voter approval. Pledged revenue streams, in this instance water and sewer rates, finance the repayment of MPC debt.

Municipal Property Corporation (MPC Bonds) - Other are issued by the Municipal Property Corporation, a non-profit corporation established to issue bonds to fund City capital improvements. The debt incurred by the corporation is a City obligation, but does not require voter approval. Pledged revenue streams, in this instance excise taxes, finance the repayment of MPC debt.



Development Contributions

Water & Sewer Development Fees are revenues received from developers when new construction developments are made. These fees are based upon the increased costs of providing additional infrastructure and services in the development areas.

Other Contributions represent amounts paid by other organizations to pay for capital projects. Other contributions come from developers to pay for capital projects in development areas, the Maricopa County Flood Control District (FCD), and the Arizona Department of Transportation (ADOT), to name a few.

Enterprise Funds

Water & Sewer Rates are utility bill revenues received from the sale of domestic water and the fees collected for the disposal of sanitary sewer waste from customers within the City. Water & Sewer operating revenues in excess of operating expenditures are transferred to the CIP to fund water and sewer capital improvement projects.

Aviation Fees represent fee revenues received from users of the City's municipal airport and related facilities. Fees paid include transient landing fees, tie down fees, hangar fees, etc.

Solid Waste Rates represent utility bill revenues received for the collection and disposal of solid waste from residential and commercial customers.

Internal Service Funds represent revenues received for services provided to internal customers. The City has two internal service funds (Fleet and Self-Insurance Funds). Fleet rates represent revenues from the City's Fleet Fund and per financial policy are restricted to use for improvements to facilities providing maintenance services to the City's rolling stock, the replacement of rolling stock, and the administration of the program. Self Insurance Funds represent revenues received from the City's Self-Insurance Fund and per financial policy are restricted to use for self-insurance expenditures and the administration of the program.

Transportation

Transportation Fund

Highway User Revenue Fund (HURF) represents the City's allocation of the Arizona Highway User Revenue Tax and other transportation related revenues. The amount 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.

Transportation Privilege Tax represents revenues received from the 1989 voter approved 0.2% sales tax on local retail and other sales.

Prop 400 Regional Transportation Sales Tax represents revenues received from the 2004 voter approved 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction (Proposition 400).

Preserve

Preservation Privilege Tax Fund represents revenues received from the 1995 voter approved 0.2% sales tax on local retail and other sales and is dedicated to purpose of acquiring land for the McDowell Sonoran Preserve and revenues received from the 2004 voter approved 0.15% sales tax on local retail and other sales and is dedicated to purpose of acquiring land and construction of essential preserve related necessities such as proposed trailheads for the McDowell Sonoran Preserve.

Interest/Other

Interest Earnings represents interest earnings on cash balances on hand in the General Fund Capital Improvement Fund. The amount of interest earned on funding sources other than bond proceeds is allocated to capital improvement projects that do not have a dedicated funding source.

General Fund represents the transfer of cash from the General Fund to fund the "pay-as-you-go" contributions from general revenues for capital projects without a dedicated funding source, such as Bond 2000 or Transportation Sales Tax.

Grants represent revenues received from federal or state sources. Most grants require a matching funding source with the percentage of the match dependent on grant requirements. The funding is restricted in use to the improvements requested and approved in the grant application.

Extra-Capacity Development Fee represents fees paid by developers to pay for the extra-capacity demands they put on current water and sewer infrastructure when developing raw land or renovating existing development and intensifying water and sewer needs.

Miscellaneous funding represents revenues from several sources (groundwater treatment, reclaimed water distribution, and in-lieu fees) that are aggregated for reporting purposes.

Special Programs Fund represents revenues from dedicated funding sources and donations earmarked for specific purposes (i.e., Racketeering Influenced Corrupt Organization (RICO), Court Enhancement Fund (CEF)).

Prior year Carryovers are committed funds from prior year purchase orders that are re-budgeted until they are expended and uncommitted funds re-budgeted until the projects are completed.

Capital Improvement Plan - Use of Funds

The Capital Improvement Plan (CIP) is comprised of seven major programs:

- Community Facilities
- Preservation
- Drainage & Flood Control
- Public Safety
- Service Facilities
- Transportation
- Water Management

The pie chart represents the percentages for each major program.

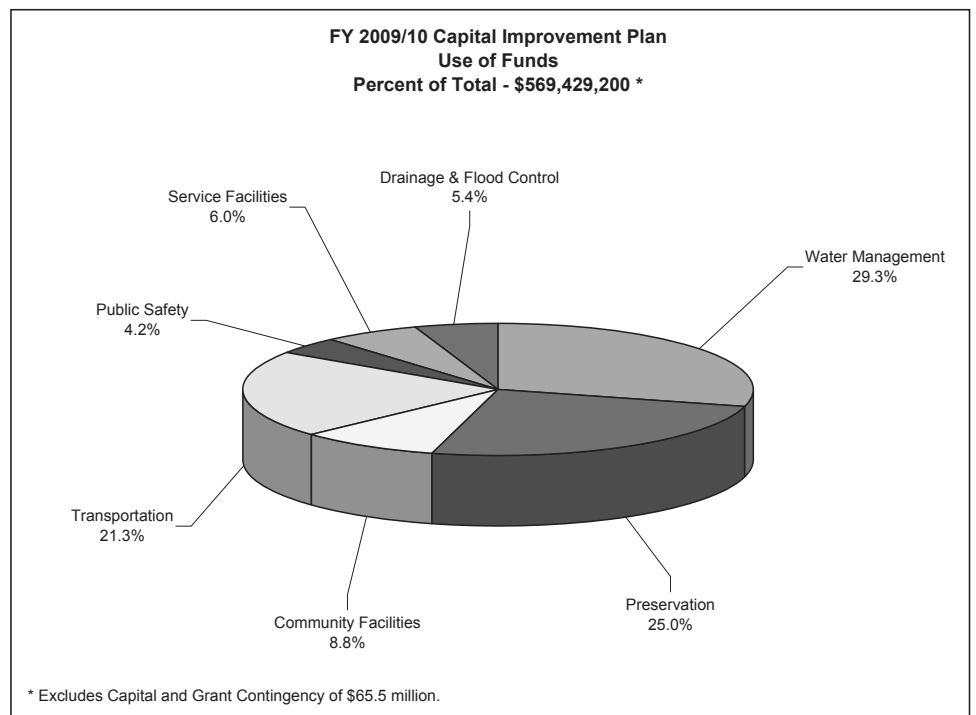
Expenditures are presented on a budget basis rather than a cash flow basis. Governmental budgeting procedures require adequate budget to pay for the entire contract to be available and appropriated in the period in which a contract is entered into by the City. However, actual cash flows (expenditures) under the contract generally take place over more than one year and match cash flow funding receipts.

The following summarizes the seven major programs that comprise the total Capital Improvement Plan.

Community Facilities programs address the City Council Broad Goal of enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained by providing neighborhood recreations facilities, parks and libraries. These recreational needs are met by providing parks, park improvements, multiuse paths, neighborhood enhancements, youth sports lighting, aquatic centers, library facilities and senior centers. Approximately 8.8% of the CIP has been identified to address the needs of this program.

Preservation addresses the City Council Broad Goal of preserving the character and environment of Scottsdale. This goal is met by land acquisition activities for the McDowell Sonoran Preserve for the purpose of maintaining scenic views, preserving native plants and wildlife, and providing public access to the McDowell Mountains and Sonoran Desert. The 1998 election expanded the recommended study boundary from the original 12,876 acres to 36,400 acres. The 2004 election provided an additional revenue stream (0.15% sales tax rate increase) as well as the bonding capacity (\$500.0 million) that continues to provide authority to carry on preservation efforts. Approximately 25.0% of the CIP has been identified to address this program.

Drainage and Flood Control addresses the City Council Broad Goals of protecting a diverse, family-oriented community where neighborhoods are safe and well maintained; and coordinating planning to balance infrastructure and resource needs within the budget. This program achieves these goals through flood plain mapping, meeting regulatory requirements, and identifying and correcting hazards to reduce



Capital Improvement Plan

USE OF FUNDS

future flood damage potential. This is accomplished through the use of detention basins, culvert and channel projects, and a program of neighborhood drainage improvements. Approximately 5.4% of the CIP has been identified to address the drainage and flood control needs of the City.

Public Safety programs address the City Council Broad Goal of enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained. This goal is met by providing fire and police stations, training facilities and automation systems related to fire and police operations. In FY 2005/06 the City began operating a municipal fire department after contracting fire services for several years. Fire protection includes such programs as public education, emergency medical services and fire prevention. The Police Department recognizes the changing needs of our community and addresses those needs by maximizing community outreach and looking at creative alternatives in its crime prevention efforts. Approximately 4.2% of the CIP has been identified to address the public safety needs of the City.

Service Facilities programs address the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. These programs achieve this goal through the renovation of current facilities and technology needs necessary for the efficient and effective operations of the City. Approximately 6.0% of the CIP has been identified to address this program.

Transportation programs address the City Council Broad Goal of providing for the safe, efficient, and affordable movement of people and goods. This program meets this goal by attempting to offer real transportation choices in a way that meets the needs of the community. In 1989 voters authorized a 0.2% privilege tax to fund transportation operations and improvements. In 2004 voters approved a 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction. This program looks for the best use of these funding sources and addresses the multi-modal concept. Approximately 21.3% of the CIP has been identified to address the transportation needs of the City.

Water Management addresses the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. This program achieves this goal by delivering safer, reliable water and providing wastewater services. This program also reflects the City's commitment to federal and state regulations. Approximately 29.3% of the CIP has been identified to address the water and wastewater needs of the City.

Capital Improvement Plan - Use of Funds
In Thousands of Dollars

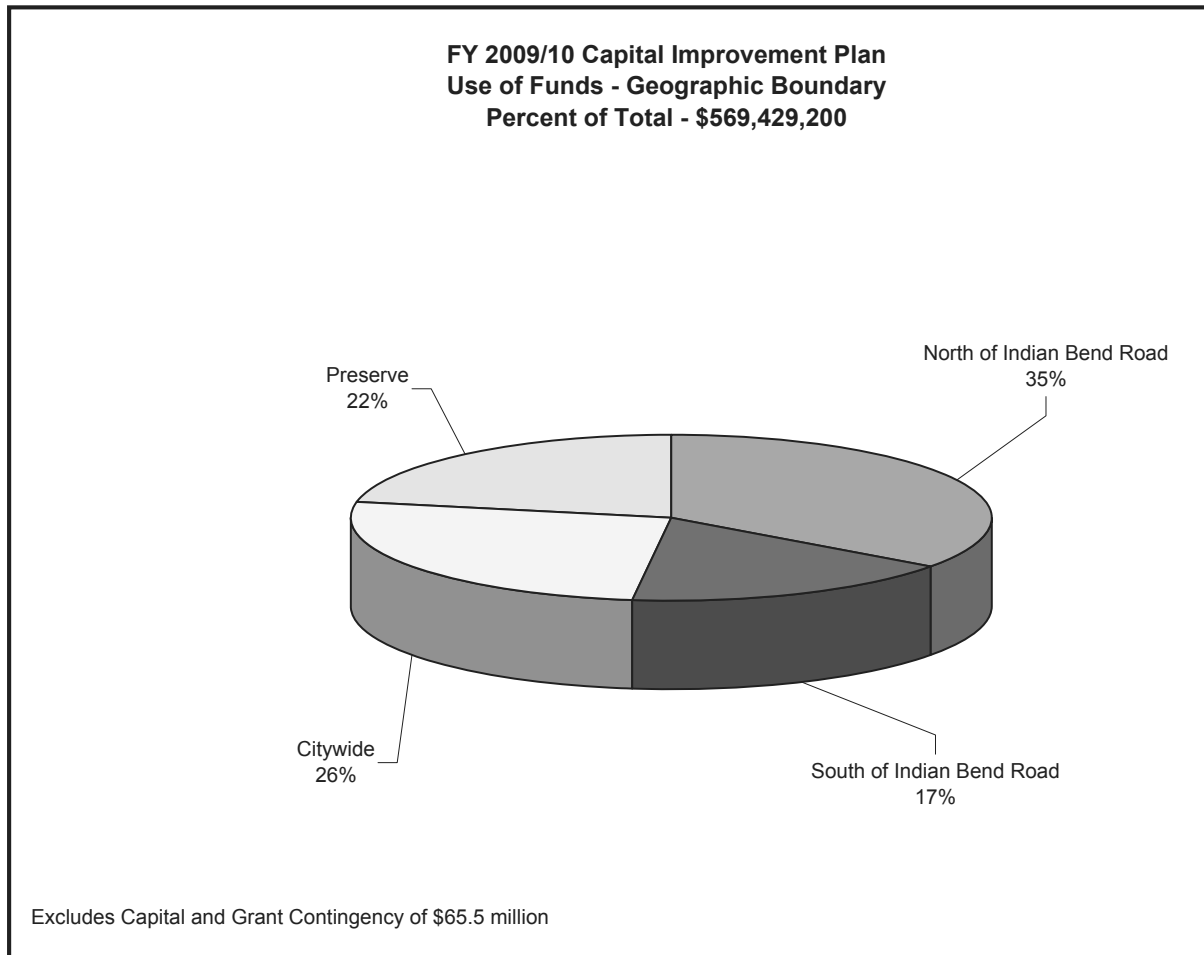
Major Programs	2009/10	2010/11	2011/12	2012/13	2013/14
Community Facilities	\$ 50,149.7	\$ 1,633.0	\$ 1,371.0	\$ 430.0	\$ 375.0
Preservation	\$ 142,381.0	\$ 2,750.0	\$ -	\$ -	\$ -
Drainage & Flood Control	\$ 30,560.4	\$ 40,299.5	\$ 9,657.8	\$ 500.0	\$ 500.0
Public Safety	\$ 23,690.9	\$ 2,697.8	\$ 726.3	\$ 728.0	\$ 783.0
Service Facilities	\$ 34,643.0	\$ 4,897.9	\$ 4,433.3	\$ 3,421.3	\$ 3,671.9
Transportation	\$ 121,330.3	\$ 27,602.5	\$ 10,968.2	\$ 9,561.7	\$ 15,545.0
Water Management	\$ 166,673.9	\$ 44,514.0	\$ 33,873.0	\$ 60,351.0	\$ 59,420.0
Total Expenditures (a)	\$ 569,429.2	\$ 124,394.7	\$ 61,029.6	\$ 74,992.0	\$ 80,294.9
Prior Year Unexpended (b)	\$ -	\$ 370,129.0	\$ 321,440.4	\$ 248,605.5	\$ 210,338.4
Unexpended at Year End (Re-budgets) (c)	\$ (370,129.0)	\$ (321,440.4)	\$ (248,605.5)	\$ (210,338.4)	\$ (188,911.6)
Transfers out to Debt Services (d)	\$ 22,886.2	\$ 16,347.3	\$ 17,762.6	\$ 18,900.5	\$ 19,656.2
Total Use of Funds	\$ 222,186.5	\$ 189,430.5	\$ 151,627.1	\$ 132,159.7	\$ 121,377.9

(a) Excludes Capital and Grant Contingency of \$65.5 million in FY 2009/10 and \$9.5 million in subsequent years.

(b) Prior year unexpended is estimated at 65% of prior year budget.

(c) Unexpended at year end (rebudgets) are estimated at 65% of total expenditures.

(d) Includes \$9M one-time transfer to operating General Fund that will be repaid back to CIP by 6/30/2010. Also includes payments to the debt service costs of bonds that were issued to cover expenditure of CIP projects for which revenue was not yet available to the City.



Capital Improvement Plan

FUND SUMMARIES

Adopted Fiscal Year 2009/10 Budget
Fund Summaries Capital Improvement Plan
(in thousands)

	Actual 2007/08	Adopted 2008/09	Forecast 2008/09	Adopted 2009/10
Source of Funds:				
Beginning Fund Balance	235,387.5	313,564.5	273,724.5	76,184.3
Revenues:				
Bonds/Contracts				
Bond Proceeds	120,000.0	-	-	-
General Obligation	-	-	-	50,800.0
General Obligation Preserve	-	-	-	-
Municipal Properties Corporation	-	7,400.0	-	-
Municipal Properties Corporation-Water	-	-	-	-
Municipal Properties Corporation-Sewer	-	-	-	-
Certificates of Participation	-	-	-	-
Pay-As-You-Go				
Water & Sewer Development Fees	14,527.5	17,510.0	4,512.0	6,667.0
Regional Transportation Sales Tax (Prop 400)	-	14,219.4	14,756.9	9,025.4
Grants	4,045.8	14,265.3	2,635.0	21,057.3
Intergovernmental	1,971.9	-	60.0	30.0
In-Lieu Fees	-	50.0	24.4	50.0
Other Contributions	7,933.8	4,460.0	4,500.0	33,402.1
Interest Earnings	10,845.9	6,442.0	6,679.2	5,099.2
Miscellaneous	2,936.5	-	-	-
Subtotals	162,261.6	64,346.7	33,167.4	126,131.0
Transfers In				
General Fund	47,510.8	10,599.8	4,648.7	10,550.0
Transportation Fund	10,059.0	10,102.9	8,405.6	7,242.2
Preservation Privilege Tax Funds	33,195.5	1,473.0	8,604.4	10,610.0
Bed Tax	-	-	566.7	-
GO Bond	62,226.8	-	-	-
Special Programs Fund	1,381.4	292.3	437.3	2,123.2
Aviation Fund	598.7	1,157.3	913.4	258.1
Water & Sewer Fund	315,137.2	58,740.9	58,891.5	72,240.3
Solid Waste Fund	391.3	48.1	471.1	1,131.6
Fleet Fund	2,107.0	6,512.8	7,585.8	41.4
Internal Service Funds	327.8	7.3	7.3	12.2
Subtotals	472,935.7	88,934.3	90,531.8	104,209.0
Total Revenues & Transfers In	635,197.3	153,281.1	123,699.3	230,339.9
Total Sources of Funds	870,584.8	466,845.6	397,423.7	306,524.2
Use of Funds:				
Program Expenditures				
Community Facilities	51,579.5	103,519.6	57,962.9	50,149.7
Preservation	53,196.4	198,771.5	8,127.0	142,381.0
Drainage & Flood Control	9,797.7	35,038.6	6,370.3	30,560.4
Public Safety	24,017.9	38,326.2	20,155.2	23,690.9
Service Facilities	10,737.9	57,931.0	26,073.7	34,643.0
Transportation	51,305.7	180,197.8	65,962.9	121,330.3
Water Management	121,394.1	245,534.2	105,434.9	166,673.9
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	322,029.2	859,318.9	290,087.0	569,429.2
Less: Estimated Capital Improvement Expenditures (35%)		(300,761.6)		(199,300.2)
Subtotal: Unexpended at Year End (65%)		558,557.3		370,129.0
Transfers Out				
To CIP General Fund	168.9	-	-	-
To Operating General Fund	-	-	14,000.0	9,000.0
To Fleet Capital Project Fund	140.0	-	-	-
To General CIP Fund - Bond Exp Reimb	44,025.5	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	18,074.4	-	-	-
To CIP Water & Sewer Funds	209,407.6	-	-	-
To Transportation Fund	-	3,000.0	1,500.0	-
To Aviation CIP	10.6	-	1,707.1	-
To Water & Sewer Operating Funds	-	13,818.8	13,874.4	13,886.2
To Solid Waste Enterprise Fund	-	70.9	70.9	-
Subtotal	271,826.9	16,889.7	31,152.4	22,886.2
Total Use of Funds	593,856.1	317,651.3	321,239.4	222,186.5
Liabilities with No Related Revenue/Expenditure	(3,004.2)	-	-	-
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	5,000.0	-	40,000.0
Capital Airport Grant Contingency ^(B)	-	5,500.0	-	5,500.0
Capital Water Contingency ^(B)	-	10,000.0	-	10,000.0
Reserved:				
Capital General Contingency	2,625.2	4,500.0	3,179.2	10,000.0
Reserved Fund Balance	271,099.3	124,194.3	73,005.1	18,837.8
Total Ending Fund Balance	273,724.5	149,194.3	76,184.3	84,337.8

(A) Prior year unexpended sources and uses of funds are estimated and included in Beginning Fund Balance (Sources) or by program (Uses). Prior year unexpended uses are estimated at 65% of prior year budget.

(B) Capital Grant Contingency, Capital Airport Grant Contingency and Capital Water Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$10 million Capital Contingency in FY 2009/10 and \$4.5M in FY 2010/11 to FY 2013/14 is used for planning purposes and does not represent additional cumulative funding of \$28 million (i.e. \$10M, plus 4 yrs x \$4.5 million). Only the portion of the contingency amount used and replenished in a fiscal year is considered contingency funding.

Capital Improvement Plan FIVE-YEAR FINANCIAL PLANS

Adopted Fiscal Year 2009/10 Budget
Five-Year Financial Plan Capital Improvement Plan
(in thousands)

	Adopted 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Source of Funds:					
Beginning Fund Balance	76,184.3	84,337.8	281,453.7	230,344.8	189,310.3
Revenues:					
Bonds/Contracts					
Bond Proceeds	-	-	-	-	-
General Obligation	50,800.0	-	-	-	-
General Obligation Preserve	-	150,000.0	-	-	-
Municipal Properties Corporation	-	7,500.0	-	-	-
Municipal Properties Corporation-Water	-	-	-	-	-
Municipal Properties Corporation-Sewer	-	75,000.0	-	-	26,000.0
Certificates of Participation	-	20,000.0	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	6,667.0	9,712.1	14,964.6	21,382.0	28,372.8
Regional Transportation Sales Tax (Prop 400)	9,025.4	15,931.9	-	-	-
Grants	21,057.3	5,419.9	3,743.2	1,100.0	1,100.0
Intergovernmental	30.0	45.0	30.0	30.0	30.0
In-Lieu Fees	50.0	75.0	100.0	100.0	100.0
Other Contributions	33,402.1	43,538.5	9,006.0	1,500.0	-
Interest Earnings	5,099.2	7,037.3	7,349.5	7,733.8	7,293.9
Miscellaneous	-	-	-	-	-
Subtotals	126,131.0	334,259.7	35,193.4	31,845.8	62,896.7
Transfers In					
General Fund	10,550.0	1,593.0	1,650.0	1,715.0	1,784.0
Transportation Fund	7,242.2	7,486.1	7,710.1	8,003.6	8,323.9
Preservation Privilege Tax Funds	10,610.0	2,750.0	-	-	-
Bed Tax	-	-	-	-	-
GO Bond	-	-	-	-	-
Special Programs Fund	2,123.2	1,053.0	1,062.8	35.7	62.4
Aviation Fund	258.1	79.7	67.2	280.4	8.3
Water & Sewer Fund	72,240.3	39,012.5	54,666.6	48,490.2	52,409.8
Solid Waste Fund	1,131.6	271.0	129.8	726.2	1,167.9
Fleet Fund	41.4	31.2	29.0	21.4	21.4
Internal Service Funds	12.2	10.2	9.3	6.8	7.1
Subtotals	104,209.0	52,286.8	65,324.8	59,279.3	63,784.8
Total Revenues & Transfers In	230,339.9	386,546.5	100,518.2	91,125.1	126,681.4
Total Sources of Funds	306,524.2	470,884.2	381,971.9	321,469.9	315,991.7
Use of Funds:					
Program Expenditures					
Community Facilities	50,149.7	1,633.0	1,371.0	430.0	375.0
Preservation	142,381.0	2,750.0	-	-	-
Drainage & Flood Control	30,560.4	40,299.5	9,657.8	500.0	500.0
Public Safety	23,690.9	2,697.8	726.3	728.0	783.0
Service Facilities	34,643.0	4,897.9	4,433.3	3,421.3	3,671.9
Transportation	121,330.3	27,602.5	10,968.2	9,561.7	15,545.0
Water Management	166,673.9	44,514.0	33,873.0	60,351.0	59,420.0
Prior Year Unexpended ^(A)	-	370,129.0	321,440.4	248,605.5	210,338.4
Subtotal	569,429.2	494,523.7	382,470.0	323,597.5	290,633.3
Less: Estimated Capital Improvement Expenditures (35%)	(199,300.2)	(173,083.3)	(133,864.5)	(113,259.1)	(101,721.6)
Subtotal: Unexpended at Year End (65%)	370,129.0	321,440.4	248,605.5	210,338.4	188,911.6
Transfers Out					
To CIP General Fund	-	-	-	-	-
To Operating General Fund	9,000.0	-	-	-	-
To Fleet Capital Project Fund	-	-	-	-	-
To General CIP Fund - Bond Exp Reimb	-	-	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	-	-	-	-	-
To CIP Water & Sewer Funds	-	-	-	-	-
To Transportation Fund	-	-	-	-	-
To Aviation CIP	-	-	-	-	-
To Water & Sewer Operating Funds	13,886.2	16,347.3	17,762.6	18,900.5	19,656.2
To Solid Waste Enterprise Fund	-	-	-	-	-
Subtotal	22,886.2	16,347.3	17,762.6	18,900.5	19,656.2
Total Use of Funds	222,186.5	189,430.5	151,627.1	132,159.7	121,377.9
Liabilities with No Related Revenue/Expenditure	-	-	-	-	-
Ending Fund Balance					
Capital Grant Contingency ^(B)	40,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	5,500.0	-	-	-	-
Capital Water Contingency ^(B)	10,000.0	-	-	-	-
Reserved:					
Capital General Contingency	10,000.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	18,837.8	271,953.7	220,844.8	179,810.3	185,113.9
Total Ending Fund Balance	84,337.8	281,453.7	230,344.8	189,310.3	194,613.9

(A) Prior year unexpended sources and uses of funds are estimated and included in Beginning Fund Balance (Sources) or by program (Uses). Prior year unexpended uses are estimated at 65% of prior year budget.

(B) Capital Grant Contingency, Capital Airport Grant Contingency and Capital Water Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$10 million Capital Contingency in FY 2009/10 and \$4.5M in FY 2010/11 to FY 2013/14 is used for planning purposes and does not represent additional cumulative funding of \$28 million (i.e. \$10M, plus 4 yrs x \$4.5 million). Only the portion of the contingency amount used and replenished in a fiscal year is considered contingency funding.



Capital Improvement Plan

PROJECT LIST

The **Capital Improvement Plan** section in this volume includes two lists. The first list summarizes all capital projects in alphabetical order. The second list summarizes the projected operating costs associated with capital projects. The project list reflects each project's adopted FY 2009/10 budget with the forecasted funding through FY 2013/14. The forecasted funding, which includes FY 2010/11 through FY 2013/14, was not adopted by City Council as part of the FY 2009/10 budget adoption. This information serves as a part of the City's long-term capital plan process and will be revisited and updated in future budget reviews. The Operating Impacts list includes a four-year summary of the projected operating costs associated with capital projects. The operating impacts for projects completed prior to or during FY 2009/10 are calculated and included in the Adopted Program Operating Budget.

Project #	Project Name	Estimated Expenditures					Total	Page #	
		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast			FY2013/14 Forecast
B8805	Accessibility – Facility Modifications	(1,802.0)	2,087.2	150.0	125.0	-	-	2,362.2	88
Z0901	Acquisition of Service Area from AZ American Water Company	-	10,000.0	-	-	-	-	10,000.0	154
D0812	Additional and Upgraded RVs	(69.7)	95.0	-	-	-	-	95.0	51
V0901	Advanced Water Treatment Plant - Phase 4	(5,410.6)	59,300.0	-	-	-	-	59,300.0	147
A0509	Airport - Future Grants	-	5,500.0	-	-	-	-	5,500.0	116
A0706	Airport Master Plan Update	(100.7)	432.2	-	-	-	-	432.2	116
A0710	Airport Pavement Preservation Program	(437.4)	533.0	-	-	-	-	533.0	116
A0901	Airport Runway Resurfacing Project	-	2,000.0	-	-	-	-	2,000.0	117
A0903	Airport Security System Improvements	-	150.0	-	-	-	-	150.0	117
A0804	Airport Terminal Area Improvements	(3,216.8)	3,454.7	-	-	-	-	3,454.7	117
M0606	Alternate Computing Site	(746.7)	904.0	-	-	-	-	904.0	95
B0701	Appaloosa Library	(9,460.9)	10,651.7	-	-	-	-	10,651.7	49
P0901	Appaloosa Library Collection Materials	(1,251.4)	1,500.0	-	-	-	-	1,500.0	49
P0201	Arabian Library Phase II	(9,726.9)	10,043.4	-	-	-	-	10,043.4	49
TEMP738	Arizona Canal Path: McDonald to Indian Bend Wash	-	-	-	-	2,661.7	-	2,661.7	135
TEMP692	Arizona Canal Path-Chaparral to McDonald	-	-	-	2,100.0	-	-	2,100.0	135
W2106	Arsenic Mitigation Treatment	(86,626.7)	88,500.0	10,000.0	-	-	-	98,500.0	154
* Y0916	Art In Public Places..	(1,041.7)	2,315.2	813.0	691.0	-	-	3,819.2	51
T9005	Arterial Roadway Street Lighting	(659.8)	828.1	-	-	-	-	828.1	127
T0601	ASU Scottsdale Center Transit Passenger Facility	(212.6)	5,171.4	-	-	-	-	5,171.4	135
F8410	Automated Flood Warning System – North Area	(57.3)	194.4	-	-	-	-	194.4	70
A0504	Aviation Grant Match Contingency	-	450.0	-	-	-	-	450.0	118
* Y0714	Bikeways Program	(4,555.4)	4,713.5	-	-	-	-	4,713.5	136
* Y0928	Bikeways Program..	(992.0)	2,529.3	-	-	-	-	2,529.3	136
* Y1028	Bikeways Program...	-	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	5,000.0	136
W9903	Booster Station Upgrades	(2,117.3)	2,575.0	250.0	250.0	250.0	-	3,325.0	154
* Y0717	Bus Stop Improvements	(1,383.7)	1,714.5	-	-	-	-	1,714.5	137
* Y0817	Bus Stop Improvements.	(49.1)	400.0	-	-	-	-	400.0	137
* Y0917	Bus Stop Improvements..	-	200.0	-	-	-	-	200.0	137
* Y1017	Bus Stop Improvements...	-	96.4	200.0	250.0	250.0	250.0	1,046.4	138
G9001	Buses Expansion	(4,504.2)	4,939.0	-	-	-	-	4,939.0	138

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		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast			FY2013/14 Forecast
B0803	Cactus Acres Fire Station 8	(1,818.1)	9,102.5	-	-	-	9,102.5	80	
S2102	Cactus Road – Pima Freeway to Frank Lloyd Wright	(19,980.9)	21,578.2	-	-	-	21,578.2	121	
P0711	Camelback Park	(3,707.0)	3,752.5	-	-	-	3,752.5	59	
TEMP699	CAP 2 Raw Water Pump Station	-	-	-	-	2,000.0	2,000.0	155	
TEMP869	CAP Expansion - Phase 2	-	-	-	-	1,000.0	1,000.0	155	
W0504	CAP Plant Expansion	(95,762.3)	96,000.0	-	-	-	96,000.0	155	
W0202	CAP Plant Regulatory Compliance	(59,104.8)	59,400.0	-	-	-	59,400.0	156	
M0901	Case Management System Conversion Consulting	-	150.0	-	-	-	150.0	95	
S0404	Center Road - 74th to Hayden	(4,882.0)	5,300.0	-	-	-	5,300.0	121	
* Y0718	CIP Advance Planning Program	(2,020.4)	2,257.4	-	-	-	2,257.4	121	
* Y0818	CIP Advance Planning Program.	(20.9)	200.0	-	-	-	200.0	122	
* Y0918	CIP Advance Planning Program..	-	200.0	-	-	-	200.0	122	
* Y1018	CIP Advance Planning Program...	-	100.0	200.0	200.0	200.0	200.0	900.0	122
Z9400	CIP Contingency	-	10,000.0	4,500.0	4,500.0	4,500.0	4,500.0	28,000.0	95
Z9401	CIP Contingency for Future Grants	-	40,000.0	5,000.0	5,000.0	5,000.0	5,000.0	60,000.0	95
* Y0804	CityCable Audio/Video Equipment Replacements.	(123.1)	123.1	-	-	-	-	123.1	96
* Y0904	CityCable Audio/Video Equipment Replacements..	(121.1)	135.0	-	-	-	-	135.0	96
* Y1004	CityCable Audio/Video Equipment Replacements...	-	85.0	-	-	90.0	85.0	260.0	96
P0601	Civic Center Library Improvements	(85.3)	665.0	-	-	-	-	665.0	49
D0802	Civic Center Mall Renovations & Improvements	(632.8)	970.0	-	-	-	-	970.0	88
D0601	Civic Center Mall West Restroom Renovation	(472.2)	467.0	-	-	-	-	467.0	51
M0501	Community Services – Class System Upgrades	(87.4)	87.4	-	-	-	-	87.4	97
M0714	Computer Facility Infrastructure Improvements	(312.9)	673.4	-	-	-	-	673.4	97
D0702	Construction of Rock Knob and Connecting Preserve Trails	-	110.0	-	-	-	-	110.0	66
P0609	Construction of Trails Supporting the Gateway to the Preserve	(320.8)	330.0	-	-	-	-	330.0	66
B0606	Container Repair Facilities	(33.9)	318.0	-	-	-	-	318.0	88
V0501	Core North/South Sewer	(282.5)	2,598.0	-	-	-	-	2,598.0	147
W0501	Core North/South Water	(2,415.4)	7,498.0	-	-	-	-	7,498.0	156
B0809	Corporation Yard Fleet Maintenance Facility Expansion	(178.1)	4,890.0	-	-	-	-	4,890.0	89
B0804	Corporation Yard Truck Wash	(199.4)	250.0	-	-	-	-	250.0	89
B0508	Courts – Customer Service Enhancement	(168.4)	225.0	-	-	-	-	225.0	89
M0611	Courts - Digital Courtroom Recording	(45.4)	80.0	-	-	-	-	80.0	97
* Y0803	Crime Laboratory Equipment Replacement.	(9.0)	15.0	-	-	-	-	15.0	81
* Y0903	Crime Laboratory Equipment Replacement..	(99.2)	211.5	-	-	-	-	211.5	81
* Y1003	Crime Laboratory Equipment Replacement...	-	207.5	145.0	173.5	76.0	131.0	733.0	81

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Project #	Project Name	Estimated Expenditures					Total	Page #
		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast		
T0703	Cross Cut Canal Multiuse Path Phase II	(445.3)	1,731.0	-	-	-	1,731.0	138
W8515	Deep Well Recharge/Recovery Facilities	(844.7)	5,100.0	-	-	-	5,100.0	156
B0403	Desert Foothills Fire Station 13	(196.7)	3,275.0	-	-	-	3,275.0	80
A0704	Design and Construct Greenway Hangar Connectors	(22.7)	115.0	-	-	-	115.0	118
A0705	Design and Construct Retention Basin Improvements	-	270.3	-	-	-	270.3	118
B0705	Detention Facility Consolidation	(419.3)	956.0	-	-	-	956.0	82
B0504	District 1 Police Facilities	(9,175.0)	10,771.0	-	-	-	10,771.0	82
M0703	Document Imaging and Management	(173.4)	268.8	-	-	-	268.8	98
M0801	Document Management - CNR	(9.4)	85.9	-	-	-	85.9	98
M0612	Document Management System – Financial Services	(334.3)	391.0	-	-	-	391.0	98
M0502	Document Management System - City Attorney	(73.8)	247.0	-	-	-	247.0	99
M9906	Document Management System - Courts	(206.4)	400.0	-	-	-	400.0	99
F1001	Downtown Area Drainage Study	-	80.0	-	-	-	80.0	70
D0402	Downtown Façade Program	(357.8)	600.0	-	-	-	600.0	52
B0904	Downtown Fire Station 2	-	50.0	-	-	-	50.0	80
D0501	Downtown Lighting Improvements	(74.4)	480.0	-	-	-	480.0	52
P8734	Downtown Parking	(10,679.0)	10,706.8	-	-	-	10,706.8	52
* Y0702	Downtown Parking Program Enhancements	(360.1)	363.6	-	-	-	363.6	90
* Y0802	Downtown Parking Program Enhancements.	(113.3)	150.0	-	-	-	150.0	90
T0801	Downtown Pedestrian Improvements	(0.6)	600.0	-	-	-	600.0	139
D0701	Downtown Plan Update & Special Project Implementation-Study	(490.9)	500.0	-	-	-	500.0	53
V0902	Downtown Sewer Trunk Lines	-	5,700.0	-	-	-	5,700.0	147
D0404	Downtown Streetscape	(173.7)	1,714.8	-	-	-	1,714.8	53
W0901	Downtown Water Transmission Lines	-	6,400.0	-	-	-	6,400.0	157
F0401	East Union Hills Interceptor Channel	(221.7)	1,940.8	1,142.0	-	-	3,082.8	70
P0502	Eldorado Ballfield Renovation	(1,220.3)	1,290.0	-	-	-	1,290.0	59
B0601	Eldorado Park Fire Station 1-Relocate Existing S. Quadrant	(596.5)	6,325.0	-	-	-	6,325.0	80
M0803	Enhanced Web Services	-	70.8	-	-	-	70.8	99
P0505	Expanded McDowell Sonoran Preserve	(91,529.0)	230,000.0	-	-	-	230,000.0	66
B0805	Facilities Management Information System	-	200.0	-	-	-	200.0	90
* Y0801	Facilities Repair and Maintenance Program.	(1,582.0)	1,626.8	-	-	-	1,626.8	91
* Y0901	Facilities Repair and Maintenance Program..	(687.9)	715.2	-	-	-	715.2	91
* Y1001	Facilities Repair and Maintenance Program...	-	1,341.0	968.0	671.5	922.5	1,410.0	91
M0903	Financial Services - GenTax System Upgrades	(350.0)	390.0	-	-	-	390.0	100

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Project #	Project Name	Estimated	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	Total	Page #
		Expenditures Thru 06/30/09	Adopted	Forecast	Forecast	Forecast	Forecast		
M0308	Financial Services – Meter Reading System	(594.7)	619.3	-	-	-	-	619.3	100
M0210	Financial Services – Utility Billing System	(2,120.6)	2,137.6	-	-	-	-	2,137.6	100
M0701	Financial Systems Upgrade	(181.0)	581.3	220.0	220.0	220.0	-	1,241.3	101
F0302	Floodplain Acquisition Program	(2,159.8)	2,366.6	-	-	-	-	2,366.6	71
TEMP873	Frank Lloyd Wright - Northsight to 90th Street Improvements	-	-	-	-	-	2,500.0	2,500.0	127
S0304	Frank Lloyd Wright–Scottsdale Rd to Shea	(266.3)	3,263.5	-	-	-	-	3,263.5	123
S0405	Freeway Frontage Rd. North - Hayden to Scottsdale	(5,810.2)	8,604.0	-	-	-	-	8,604.0	123
B0905	Fuel Monitor Upgrade & CNG Facility Expansion	-	860.0	-	-	-	-	860.0	92
B0808	Fuel/Fleet Maintenance Facility - McKellips Service Center.	(3,305.6)	4,319.8	-	-	-	-	4,319.8	92
V0705	Gainey Ranch Treatment Plant Rehabilitation	(5,956.3)	6,000.0	-	-	-	-	6,000.0	148
P0608	Gateway to the Preserve Amenities	(3,451.1)	4,000.0	-	-	-	-	4,000.0	67
P1001	Granite Mountain Trail Restoration and Mitigation	-	100.0	100.0	-	-	-	200.0	67
F0201	Granite Reef Watershed	(655.8)	4,580.6	37,923.5	-	-	-	42,504.1	71
P0602	Grayhawk Community Park - Phase I	(8,517.1)	8,943.5	-	-	-	-	8,943.5	59
TEMP547	Happy Valley Road - Pima to Alma School	-	-	-	-	500.0	-	500.0	123
TEMP872	Hayden Road / Camelback Intersection Improvements	-	-	-	-	-	2,760.0	2,760.0	127
TEMP871	Hayden Road / Chaparral Intersection Improvements	-	-	-	-	-	2,760.0	2,760.0	127
TEMP545	Hayden Road Bicycle and Pedestrian Improvements	-	-	-	300.0	500.0	-	800.0	139
T0603	High Capacity Transit Corridor Study	(786.8)	900.0	-	-	-	-	900.0	139
M0904	Human Resources Automation System	-	90.0	-	-	-	-	90.0	101
S0402	Indian Bend Road – Scottsdale to Hayden	(24,460.8)	25,780.0	-	-	-	-	25,780.0	124
P9901	Indian Bend Wash Lakes Renovation	(2,457.1)	2,493.0	-	-	-	-	2,493.0	60
T0802	Indian Bend Wash Path Conn - ADOT	-	520.5	-	-	-	-	520.5	140
T0604	Indian Bend Wash Path Connection	(242.5)	598.3	-	-	-	-	598.3	140
S0308	Indian School Road – Drinkwater to Pima Freeway	(9,940.4)	17,400.0	-	-	-	-	17,400.0	124
F0402	Indian School Road Drainage	(2,773.9)	2,915.0	-	-	-	-	2,915.0	71
M0705	Information Technology – Enterprise Back-up Software	(440.8)	661.9	-	-	-	-	661.9	101
M0204	Information Technology – GIS Mapping Platform Migration	(520.3)	564.0	-	-	-	-	564.0	102
TEMP499	Information Technology - Information Lifecycle Management	-	-	-	210.0	-	-	210.0	102
TEMP802	Information Technology - LAN Core Switch Upgrade	-	-	-	625.0	100.0	-	725.0	102
* Y0807	Information Technology – Network Infrastructure.	(145.8)	150.4	-	-	-	-	150.4	103

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		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast		
* Y0907	Information Technology – Network Infrastructure..	(82.7)	437.1	-	-	-	437.1	103
* Y1007	Information Technology – Network Infrastructure...	-	355.0	380.0	320.0	417.0	1,792.0	104
* Y0910	Information Technology – PC Equipment..	(427.2)	760.6	-	-	-	760.6	104
* Y1010	Information Technology – PC Equipment...	-	918.5	1,433.0	1,162.8	866.8	5,311.0	105
M0205	Information Technology – Security Investment	(213.5)	511.2	-	-	-	511.2	105
* Y0808	Information Technology – Server Infrastructure.	(259.1)	264.6	-	-	-	264.6	105
* Y0908	Information Technology – Server Infrastructure..	(345.4)	401.9	-	-	-	401.9	106
* Y1008	Information Technology – Server Infrastructure...	-	1,257.3	907.0	712.0	540.0	4,026.3	106
* Y0809	Information Technology – Telephone Equipment.	(512.1)	523.8	-	-	-	523.8	107
* Y0909	Information Technology – Telephone Equipment..	(54.0)	335.7	-	-	-	335.7	107
* Y1009	Information Technology – Telephone Equipment...	-	292.0	283.5	387.0	265.0	1,544.5	108
M0906	Information Technology - Telephone System Upgrade	-	420.0	210.0	-	-	630.0	108
M0506	Information Technology – Web Content Management SW	(223.9)	298.4	-	-	-	298.4	108
TEMP472	Interior Preserve Trail	-	-	200.0	-	-	200.0	67
* Y0719	Intersection Mobility Enhancements	(2,671.4)	2,670.8	-	-	-	2,670.8	128
* Y0819	Intersection Mobility Enhancements.	(3,034.2)	3,250.0	-	-	-	3,250.0	128
* Y0919	Intersection Mobility Enhancements..	-	500.0	-	-	-	500.0	128
* Y1019	Intersection Mobility Enhancements...	-	1,000.0	1,500.0	1,500.0	1,500.0	7,000.0	129
P0503	Irrigation Pump Replacement	(650.7)	697.3	-	-	-	697.3	60
M0902	Justice Center / Detention Facility Generator Upgrade	-	39.4	-	-	-	39.4	92
T0706	LED Illuminated Sign Update	(856.1)	1,920.0	-	-	-	1,920.0	129
F0801	Levee Certification and Rehabilitation	(10.3)	400.0	-	-	-	400.0	72
D0211	Loloma District Museum	(976.8)	7,500.0	-	-	-	7,500.0	53
B0706	Loloma District-Stagebrush Theater Relocation	-	1,600.0	-	-	-	1,600.0	54
T0901	Loop 101 and Scottsdale Rd Park and Ride	(3.1)	4,269.3	2,000.0	-	-	6,269.3	140
F0701	Loop 101 Detention Basin	(36.4)	4,097.0	-	-	-	4,097.0	72
F0602	Loop 101 Outlet Storm Drain	-	3,445.0	-	-	-	3,445.0	72
T9902	Loop 101 Park and Ride Lot	(1.1)	5,844.7	-	-	-	5,844.7	141
B0801	Main Entry / Security Remodel	(35.9)	296.3	-	-	-	296.3	93
P0902	Major North Community Access Area	-	850.0	2,450.0	-	-	3,300.0	68
V8620	Master Plan – Sewer	(1,667.7)	2,783.4	750.0	-	-	3,783.4	148
W8525	Master Plan – Water	(2,065.4)	2,066.8	1,250.0	-	-	3,816.8	157
P0712	McCormick Ranch Park Model Railroad Museum	(613.0)	4,400.0	-	-	-	4,400.0	60
S0702	McDonald Drive - Scottsdale to 78th St	(1,690.8)	1,700.0	-	-	-	1,700.0	124

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		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast		
F0403	McDonald Drive Corridor Drainage Improvement	(3,557.3)	3,762.0	-	-	-	3,762.0	73
T0605	McDowell Road Bicycle and Pedestrian Improvements	(1,466.7)	3,004.4	600.0	-	-	3,604.4	141
T1001	McDowell Road ITS Corridor	-	700.0	-	-	-	700.0	129
V2101	Miller Road Sewer – Phase 3	(16,953.3)	17,100.0	-	-	-	17,100.0	148
TEMP772	Mobile Network Software	-	-	346.4	-	-	346.4	109
P0501	Mustang Library Improvements	(1,390.0)	1,395.6	-	-	-	1,395.6	50
T0502	Mustang Transit Passenger Facility	(49.3)	2,250.0	-	-	-	2,250.0	141
* Y0705	Neighborhood Stormwater Management Improvements	(1,074.8)	1,233.8	-	-	-	1,233.8	73
* Y0805	Neighborhood Stormwater Management Improvements.	(481.2)	500.0	-	-	-	500.0	73
* Y0905	Neighborhood Stormwater Management Improvements..	(242.9)	750.0	-	-	-	750.0	74
* Y1005	Neighborhood Stormwater Management Improvements...	-	500.0	500.0	500.0	500.0	2,500.0	74
* Y0721	Neighborhood Traffic Management Program	(1,140.7)	1,394.0	-	-	-	1,394.0	130
* Y0821	Neighborhood Traffic Management Program.	(71.7)	1,000.0	-	-	-	1,000.0	130
* Y1021	Neighborhood Traffic Management Program...	-	200.0	500.0	500.0	500.0	2,200.0	130
M0707	Network Infrastructure Extension	-	862.5	-	-	-	862.5	109
B0802	New Justice Facility Space Program Study	-	220.0	-	-	-	220.0	93
F6305	North Area Basin Master Plan	(1,040.2)	1,083.3	-	-	-	1,083.3	74
D0705	North Bank and Goldwater Underpass	(2,311.7)	2,400.0	-	-	-	2,400.0	54
F2711	Northern Stormwater Water Risk/Vulnerability Management	(11,868.7)	12,059.9	-	-	-	12,059.9	75
F0712	NPDES Water Quality Sampling, Reporting, and Permitting	(1,571.4)	2,406.3	-	-	-	2,406.3	75
A0709	Pavement Reconstruction – Aprons	-	2,300.0	2,200.0	2,200.0	-	6,700.0	119
A0601	Perimeter Road Construction	(39.5)	119.6	-	-	-	119.6	119
S0901	Pima Road – Deer Valley to Pinnacle Peak	(550.1)	23,030.3	-	-	-	23,030.3	125
S2104	Pima Road – Pima Freeway to Deer Valley	(15,617.7)	15,837.7	-	-	-	15,837.7	125
F0503	Pima Road Drainage System	(1,388.4)	6,398.8	-	-	-	6,398.8	76
B0807	Plan Review Office Efficiency Renovation	(14.0)	65.0	-	-	-	65.0	93
* Y0715	Playground Equipment Replacement	(287.1)	320.3	-	-	-	320.3	60
* Y0815	Playground Equipment Replacement.	(89.2)	129.1	-	-	-	129.1	61
* Y0915	Playground Equipment Replacement..	-	50.0	-	-	-	50.0	61
* Y1015	Playground Equipment Replacement...	-	125.0	150.0	150.0	150.0	750.0	61
M0512	Police – Fashion Square Radio Treatment	-	225.0	-	-	-	225.0	109
M0303	Police – Mobile Data and Communications Upgrade	(114.8)	190.0	-	-	-	190.0	110
M0401	Police – Records Management and CAD System Replacement	(3,748.7)	4,725.0	-	-	-	4,725.0	110

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		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast			FY2013/14 Forecast
M0810	Police Advanced Mobile Upgrades	(237.2)	768.3	-	-	-	768.3	82	
M0808	Police Communications Uninterrupted Power Supply Expansion	(44.1)	60.0	-	-	-	60.0	83	
M0804	Police Computers for Special Units and Detectives	(56.4)	185.0	-	-	-	185.0	110	
B0302	Police Operational Support Building	(29,390.9)	32,111.2	-	-	-	32,111.2	83	
* Y0906	Police Portable and Vehicle Radio Replacement..	-	331.9	-	-	-	331.9	83	
* Y1006	Police Portable and Vehicle Radio Replacement...	-	552.8	2,552.8	552.8	652.0	652.0	4,962.4	84
B0903	Police Via Linda Lobby Remodel	-	220.0	-	-	-	220.0	84	
B0204	Police/Fire Training Facility Phase 2	(3,586.1)	4,220.8	-	-	-	4,220.8	84	
F0605	Powerline Interceptor Channel	(2.8)	2,228.0	734.0	-	-	2,962.0	76	
D0803	Public Art Conservation and Restoration	(273.0)	410.0	130.0	130.0	130.0	-	800.0	54
* Y0712	Public Pool Equipment Replacement	(472.8)	482.8	-	-	-	-	482.8	61
* Y0812	Public Pool Equipment Replacement.	(155.4)	178.7	-	-	-	-	178.7	62
* Y0912	Public Pool Equipment Replacement..	(7.0)	50.0	-	-	-	-	50.0	62
* Y1012	Public Pool Equipment Replacement...	-	250.0	150.0	150.0	150.0	150.0	850.0	62
M0907	Public Safety Microwave Radio	-	2,550.0	-	-	-	-	2,550.0	111
M0615	Public Safety Radio System - Phase I	(13,916.4)	22,050.0	-	-	-	-	22,050.0	111
TEMP782	Pumpback Modifications	-	-	-	-	-	5,000.0	5,000.0	149
V4001	Radio Telemetry Monitoring Automation Citywide (Sewer)	(585.8)	855.5	-	-	-	-	855.5	149
W4001	Radio Telemetry Monitoring Automation Citywide (Water)	(920.1)	1,564.4	-	-	-	-	1,564.4	157
TEMP874	Raintree / Loop 101 Intersection Improvements	-	-	-	-	-	780.0	780.0	131
TEMP631	Rawhide Wash Flood Insurance Study	-	-	-	800.0	-	-	800.0	76
TEMP632	Reata Pass Wash Flood Insurance Study	-	-	-	600.0	-	-	600.0	77
W0503	Regional GAC Regeneration Facility	-	500.0	-	-	-	-	500.0	158
D0707	Rose Garden Development	(364.9)	970.0	-	-	-	-	970.0	55
A0802	Runway Safety Enhancements Phase 2	(339.1)	4,700.0	-	-	-	-	4,700.0	119
V0502	RWDS Improvements	-	1,350.0	-	-	-	-	1,350.0	149
D0604	Scottsdale Center for the Performing Arts Renovation	(14,760.4)	16,617.7	-	-	-	-	16,617.7	55
S7005	Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway	(30,356.4)	49,074.5	-	-	-	-	49,074.5	125
T0504	Scottsdale Road - ITS Design	(398.7)	410.0	-	-	-	-	410.0	131
S0311	Scottsdale Road – Thompson Peak Parkway to Pinnacle Peak	(952.4)	3,802.4	16,200.0	-	-	-	20,002.4	126
T0704	Scottsdale Road Pedestrian & Bicycle Improvements, Phase I	(0.8)	2,662.2	-	-	-	-	2,662.2	142
T0705	Scottsdale Road Pedestrian & Bicycle Improvements, Phase II	(2.0)	1,472.0	-	-	-	-	1,472.0	142
D0205	Scottsdale Road Preservation Streetscape Enhancement	(13,495.2)	26,940.0	-	-	-	-	26,940.0	55

*Recurring Capital Maintenance Projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures					Total	Page #	
		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast			FY2013/14 Forecast
P0810	Scottsdale Stadium Drainage Modification	(4.3)	150.0	-	-	-	150.0	62	
* Y0813	Scottsdale Stadium Infrastructure Improvements.	-	50.0	-	-	-	50.0	63	
* Y0913	Scottsdale Stadium Infrastructure Improvements..	-	50.0	-	-	-	50.0	63	
* Y1013	Scottsdale Stadium Infrastructure Improvements...	-	15.2	250.0	250.0	-	50.0	63	
D0901	SCPA Renovation - Theater Closure Supplemental Funding	(1,187.1)	1,249.6	-	-	-	1,249.6	56	
A0602	Security Lighting Installation – Main Aprons/Kilo	-	345.0	-	-	-	345.0	120	
F6301	Severe Weather Warning & Response Program	(1,297.4)	1,693.7	-	-	-	1,693.7	77	
V3704	Sewer Collection System Improvements	(12,576.2)	29,489.0	10,000.0	10,000.0	12,500.0	14,500.0	76,489.0	150
V0703	Sewer Oversizing	(1,721.8)	1,985.7	-	-	-	-	1,985.7	150
V0801	Sewer Participation Program	(451.4)	3,000.0	1,000.0	1,000.0	1,000.0	1,000.0	7,000.0	150
V0704	Sewer Security Enhancements	(500.4)	1,400.0	550.0	150.0	550.0	-	2,650.0	151
S0314	Shea Boulevard and Hayden Intersection Improvement	(415.2)	2,600.0	-	-	-	-	2,600.0	126
* Y0720	Sidewalk Improvements	(1,198.5)	1,198.9	-	-	-	-	1,198.9	142
* Y0820	Sidewalk Improvements..	(468.6)	500.0	-	-	-	-	500.0	143
* Y0920	Sidewalk Improvements..	(81.8)	600.0	-	-	-	-	600.0	143
* Y1020	Sidewalk Improvements...	-	500.0	500.0	500.0	500.0	500.0	2,500.0	143
T0902	Signal System Communication Upgrades	-	500.0	500.0	1,000.0	-	-	2,000.0	131
D0508	SkySong - ASU Scottsdale Center for Innovation	(33,801.0)	38,173.0	-	-	-	-	38,173.0	56
D0706	Soleri Bridge and Plaza	(374.3)	3,128.0	-	-	-	-	3,128.0	56
F0603	South Scottsdale Road Drainage Corridor	(593.0)	2,967.2	-	-	-	-	2,967.2	77
B0901	South Thunderbird Maintenance Facility	(110.2)	1,233.0	-	-	-	-	1,233.0	94
P9904	Sports Lighting Expansion & Upgrade	(3,756.5)	3,799.1	-	-	-	-	3,799.1	63
V0402	SROG Sewage Transmission Line	(9,373.6)	14,267.0	-	2,163.0	2,146.0	-	18,576.0	151
V0706	SROG Sewer Capacity Mgmt Program	(567.9)	691.3	-	-	1,900.0	-	2,591.3	151
V9901	SROG Wastewater Plant Expans. UP01	(66,947.6)	67,112.7	-	-	-	-	67,112.7	152
V0802	SROG Wastewater Plant Expans. UP05	(3,269.9)	11,800.0	2,900.0	-	-	-	14,700.0	152
TEMP800	SROG Wastewater Plant Expans. UP10	-	-	-	4,100.0	18,530.0	18,470.0	41,100.0	152
* Y0924	SROG Wastewater Treatment Plant..	(381.8)	3,027.0	-	-	-	-	3,027.0	153
* Y1024	SROG Wastewater Treatment Plant...	-	1,266.0	564.0	1,960.0	1,225.0	2,000.0	7,015.0	153
D0903	Stetson Plaza/South Canal Bank Project	-	150.3	-	-	-	-	150.3	57
F0204	Stormwater Drain Pollution Prevention Markers	(233.9)	301.0	-	-	-	-	301.0	78
A0603	Taxiway Connectors Construction	(22.6)	296.7	-	-	-	-	296.7	120
T0606	Thomas Road Bicycle Lanes and Enhanced Sidewalks	(691.9)	4,613.9	-	-	-	-	4,613.9	143

*Recurring Capital Maintenance Projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures					Total	Page #	
		Thru 06/30/09	FY2009/10 Adopted	FY2010/11 Forecast	FY2011/12 Forecast	FY2012/13 Forecast			FY2013/14 Forecast
TEMP876	Thunderbird / Raintree Loop Preliminary Design	-	-	-	-	-	520.0	520.0	132
* Y0722	Traffic Management Program - ITS	(5,374.2)	8,388.1	-	-	-	-	8,388.1	132
T0803	Traffic Management Program - ITS - ADOT	-	2,247.7	-	-	-	-	2,247.7	132
* Y0822	Traffic Management Program - ITS.	(720.8)	700.0	-	-	-	-	700.0	133
* Y1022	Traffic Management Program - ITS...	-	-	1,802.5	998.2	1,500.0	1,000.0	5,300.7	133
* Y0923	Traffic Signal Program..	(201.4)	205.3	-	-	-	-	205.3	133
* Y1023	Traffic Signal Program...	-	390.0	400.0	420.0	450.0	450.0	2,110.0	133
P9035	Trail Development/Acquisition	(928.6)	3,220.5	-	-	-	-	3,220.5	68
TEMP868	Trail Improvement Program	-	-	-	-	-	825.0	825.0	134
B0902	Transfer Station Expansion	(476.2)	3,675.0	-	-	-	-	3,675.0	94
B0703	Transfer Station Paving and Painting	(164.5)	371.0	-	-	-	-	371.0	94
T0607	Transit Bus Engine Replacement	-	400.0	-	-	-	-	400.0	144
P0707	Troon North Park	(246.3)	6,951.6	-	-	-	-	6,951.6	64
T0203	Upper Camelback Wash Multiuse Path – 92nd Street/Shea to Cactus	(1,542.2)	1,545.0	-	-	-	-	1,545.0	144
F0203	Upper Camelback Wash Watershed	(4,501.7)	6,442.2	-	7,757.8	-	-	14,200.0	78
TEMP526	Water Campus Chlorine Generation	-	-	-	1,000.0	9,000.0	-	10,000.0	153
W9912	Water Distribution System Improvements	(29,277.9)	44,710.0	12,050.0	12,050.0	12,050.0	13,750.0	94,610.0	158
W0710	Water Oversizing	(7,334.5)	8,204.5	-	-	-	-	8,204.5	158
W0801	Water Participation Program	(49.6)	1,250.0	250.0	250.0	250.0	500.0	2,500.0	159
W0205	Water Quality Improvements – Southern Neighborhoods	(7,372.1)	17,500.0	-	-	-	-	17,500.0	159
W0709	Water Quality Regulatory Compliance Programs	(494.9)	2,400.0	-	-	-	-	2,400.0	159
* Y0927	Water System Architect/Engineer Services..	(10.0)	100.0	-	-	-	-	100.0	160
* Y1027	Water System Architect/Engineer Services...	-	100.0	100.0	100.0	100.0	100.0	500.0	160
* Y0826	Water System Security Enhancements.	(324.6)	350.0	-	-	-	-	350.0	160
* Y0926	Water System Security Enhancements..	(83.4)	350.0	-	-	-	-	350.0	160
* Y1026	Water System Security Enhancements...	-	350.0	350.0	350.0	350.0	350.0	1,750.0	161
W4708	Well Sites	(21,560.8)	23,142.1	3,000.0	-	-	-	26,142.1	161
W0708	Well Sites Rehabilitation	(0.1)	1,500.0	1,500.0	500.0	500.0	-	4,000.0	161
D0902	WestWorld ADA	(9.2)	150.0	-	-	-	-	150.0	57
D0710	WestWorld Bleachers	(44.4)	110.0	-	-	-	-	110.0	57
D0810	WestWorld Horse Barn Repairs	(116.7)	420.0	140.0	-	-	-	560.0	57
D0805	WestWorld Horse Barns, Telecom and Connectivity	(5,398.8)	5,628.6	-	-	-	-	5,628.6	58
D0811	WestWorld Paving	(835.5)	948.0	-	-	-	-	948.0	58
D0808	WestWorld Shading and Landscaping	(28.2)	140.0	-	-	-	-	140.0	58
D0806	WestWorld Show Offices and Restroom	(730.3)	1,009.0	-	-	-	-	1,009.0	58
F0802	Wet Crossing Replacement Study	(7.6)	120.0	-	-	-	-	120.0	78
M0706	Wide Area Network Fiber	(65.1)	465.8	-	-	-	-	465.8	111
M0802	Work Order System Upgrade/Replacement	(15.8)	656.3	-	-	-	-	656.3	112
W0603	Zone 14-16 Water Improvements	(5,601.1)	16,000.0	-	-	-	-	16,000.0	162



Capital Improvement Plan

OPERATING IMPACTS

Project #	Project Name	Forecast	Forecast	Forecast	Forecast	Total	Volume 3
		FY2010/11	FY2011/12	FY2012/13	FY2013/14		Page # Ref
V0901	Advanced Water Treatment Plant - Phase 4	-	1,000.0	1,000.0	1,000.0	3,000.0	147
B0701	Appaloosa Library	14.0	14.0	14.0	14.0	56.0	49
T0601	ASU Scottsdale Center Transit Passenger Facility	44.3	44.3	44.3	44.3	177.2	135
B0803	Cactus Acres Fire Station 8	-	80.0	80.0	80.0	240.0	80
S2102	Cactus Road – Pima Freeway to Frank Lloyd Wright	61.0	61.0	61.0	61.0	244.0	121
W0504	CAP Plant Expansion	500.0	1,000.0	1,500.0	2,000.0	5,000.0	155
S0404	Center Road - 74th to Hayden	31.6	31.6	31.6	31.6	126.4	121
Y0804	CityCable Audio/Video Equipment Replacements.	9.5	10.0	10.5	10.5	40.5	96
Y0904	CityCable Audio/Video Equipment Replacements..	9.5	10.0	10.5	10.5	40.5	96
Y1004	CityCable Audio/Video Equipment Replacements...	9.5	10.0	10.5	10.5	40.5	96
M0501	Community Services – Class System Upgrades	23.0	23.0	23.0	23.0	92.0	97
M0714	Computer Facility Infrastructure Improvements	10.0	10.0	10.0	10.0	40.0	97
B0809	Corporation Yard Fleet Maintenance Facility Expansion	77.4	77.4	77.4	77.4	309.6	89
B0804	Corporation Yard Truck Wash	8.0	8.0	8.0	8.0	32.0	89
M0611	Courts - Digital Courtroom Recording	5.7	5.7	5.7	5.7	22.8	97
T0703	Cross Cut Canal Multiuse Path Phase II	4.0	4.0	4.0	4.0	16.0	138
B0403	Desert Foothills Fire Station 13	97.0	100.0	100.0	100.0	397.0	80
M9906	Document Management System - Courts	10.0	10.0	10.0	10.0	40.0	99
D0701	Downtown Plan Update & Special Project Implementation-Study	12.0	12.0	12.0	12.0	48.0	53
B0601	Eldorado Park Fire Station 1-Relocate Existing S. Quadrant	28.0	29.0	29.0	29.0	115.0	80
M0803	Enhanced Web Services	76.8	81.6	81.6	81.6	321.6	99
S0304	Frank Lloyd Wright–Scottsdale Rd to Shea	1.4	1.4	1.4	1.4	5.6	123
S0405	Freeway Frontage Rd. North - Hayden to Scottsdale	8.3	8.3	8.3	8.3	33.2	123
B0808	Fuel/Fleet Maintenance Facility - McKellips Service Center.	77.4	77.4	77.4	77.4	309.6	92
P0608	Gateway to the Preserve Amenities	12.0	12.0	12.0	12.0	48.0	67
P0602	Grayhawk Community Park - Phase I	97.4	97.4	97.4	97.4	389.6	59
S0402	Indian Bend Road – Scottsdale to Hayden	23.8	23.8	23.8	23.8	95.2	124
T0604	Indian Bend Wash Path Connection	0.6	0.6	0.6	0.6	2.4	140
TEMP499	Information Technology - Information Lifecycle Management	-	25.0	25.0	25.0	75.0	102
T0901	Loop 101 and Scottsdale Rd Park and Ride	-	4.0	4.0	4.0	12.0	140
T9902	Loop 101 Park and Ride Lot	4.0	4.0	4.0	4.0	16.0	141
P0902	Major North Community Access Area	12.0	12.0	12.0	12.0	48.0	68
P0712	McCormick Ranch Park Model Railroad Museum	-	187.4	187.4	187.4	562.2	60
S0702	McDonald Drive - Scottsdale to 78th St	0.9	0.9	0.9	0.9	3.6	124
TEMP772	Mobile Network Software	-	41.3	41.3	41.3	123.9	109
T0502	Mustang Transit Passenger Facility	4.0	4.0	4.0	4.0	16.0	141
S0901	Pima Road – Deer Valley to Pinnacle Peak	39.0	39.0	39.0	39.0	156.0	125
B0302	Police Operational Support Building	991.5	991.5	991.5	991.5	3,966.0	83
M0615	Public Safety Radio System - Phase I	-	1,184.3	1,703.5	1,807.7	4,695.5	111
S7005	Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway	10.0	10.0	10.0	10.0	40.0	125
S0311	Scottsdale Road – Thompson Peak Parkway to Pinnacle Peak	10.0	10.0	10.0	10.0	40.0	126
T0704	Scottsdale Road Pedestrian & Bicycle Improvements, Phase I	14.3	14.3	14.3	14.3	57.2	142
T0705	Scottsdale Road Pedestrian & Bicycle Improvements, Phase II	6.0	6.0	6.0	6.0	24.0	142
D0205	Scottsdale Road Preservation Streetscape Enhancement	50.0	50.0	50.0	50.0	200.0	55
A0602	Security Lighting Installation – Main Aprons/Kilo	1.0	1.0	1.0	1.0	4.0	120

Capital Improvement Plan

OPERATING IMPACTS

Project #	Project Name	Forecast	Forecast	Forecast	Forecast	Total	Volume 3
		FY2010/11	FY2011/12	FY2012/13	FY2013/14		Page # Ref
S0314	Shea Boulevard and Hayden Intersection Improvement	0.2	0.2	0.2	0.2	0.8	126
B0901	South Thunderbird Maintenance Facility	135.4	135.4	135.4	135.4	541.6	94
P9904	Sports Lighting Expansion & Upgrade	29.5	29.5	29.5	29.5	118.0	63
P9035	Trail Development/Acquisition	8.0	8.0	8.0	8.0	32.0	68
P0707	Troon North Park	84.2	84.2	84.2	84.2	336.8	64
D0805	WestWorld Horse Barns, Telecom and Connectivity	79.5	79.5	79.5	79.5	318.0	58
M0706	Wide Area Network Fiber	-	5.0	5.0	5.0	15.0	111
M0802	Work Order System Upgrade/Replacement	176.0	180.8	180.8	180.8	718.4	112
Total Forecasted Operating Impacts		2,907.7	5,949.8	6,970.5	7,574.7	23,402.7	

Notes: Operating Impacts relating to projects scheduled for completion in FY 2009/10 have been included in the appropriate departmental program operating budget.

AUTHORIZED PERSONNEL POSITIONS - BY DIVISION

Appendix

	Actual FY 2007/2008	Adopted FY 2008/2009	Approved FY 2008/2009	Adopted FY 2009/2010
CITY ATTORNEY				
Full Time	63.00	63.00	60.00	57.00
Part Time	1.75	1.75	1.75	2.25
Total FTE	64.75	64.75	61.75	59.25
CITY AUDITOR				
Full Time	8.00	8.00	8.00	7.00
Total FTE	8.00	8.00	8.00	7.00
CITY CLERK				
Full Time	10.00	10.00	10.00	10.00
Total FTE	10.00	10.00	10.00	10.00
CITY COURT				
Full Time	64.00	65.00	65.00	62.00
Part Time	2.08	1.38	1.38	2.48
Total FTE	66.08	66.38	66.38	64.48
COMMUNITY SERVICES				
Full Time	324.00	326.00	324.00	292.00
Part Time	210.33	209.33	209.33	197.80
Grant	11.75	11.75	11.75	11.75
Total FTE	546.08	547.08	545.08	501.55
ECONOMIC VITALITY				
Full Time	77.00	79.00	76.00	70.00
Total FTE	77.00	79.00	76.00	70.00
FINANCIAL MANAGEMENT				
Full Time	131.00	132.00	128.00	121.00
Part Time	3.00	3.00	3.00	2.50
Total FTE	134.00	135.00	131.00	123.50
HUMAN RESOURCES				
Full Time	53.00	52.00	51.00	47.00
Part Time	0.50	0.50	0.50	0.50
Total FTE	53.50	52.50	51.50	47.50
INFORMATION TECHNOLOGY				
Full Time	91.00	93.00	87.00	81.00
Part Time	0.81	0.81	0.81	0.81
Total FTE	91.81	93.81	87.81	81.81
MAYOR AND CITY COUNCIL				
Full Time	8.00	11.00	11.00	11.00
Total FTE	8.00	11.00	11.00	11.00
PLANNING/NEIGHBORHOOD/TRANSPORTATION				
Full Time	216.00	212.00	200.00	163.00
Part Time	4.15	3.00	3.00	2.00
Total FTE	220.15	215.00	203.00	165.00
PUBLIC SAFETY				
Full Time	997.00	998.00	983.00	971.00
Part Time	2.60	2.60	2.60	2.60
Total FTE	999.60	1,000.60	985.60	973.60
PUBLIC WORKS & WATER RESOURCES				
Full Time	501.00	512.00	507.00	485.00
Part Time	2.25	0.00	0.00	0.00
Total FTE	503.25	512.00	507.00	485.00
STRATEGIC RESOURCES GROUP				
Full Time	15.00	12.00	10.00	8.00
Part Time	0.72	0.72	0.00	0.00
Total FTE	15.72	12.72	10.00	8.00
Total Full-time Position FTE	2,558.00	2,573.00	2,520.00	2,385.00
Total Part-time Position FTE	228.19	223.09	222.37	210.94
Total Grant Funded Position FTE	11.75	11.75	11.75	11.75
Total Citywide Position FTE	2,797.94	2,807.84	2,754.12	2,607.69

NOTE:

The budget includes funding for various services rendered by temporary or seasonal staffing, which is not included in the calculation of the full time equivalent (FTE) count. These slots are short-term and/or transitional in nature such as those in the Police and Fire pipelines. The number of slots listed below represents the number of positions allocated to each service area. The Human Resources Department uses the number of slots allocated solely for administrative control purposes. Fiscal control for these slots is maintained through the budget. However, due to the limited nature of the services performed by these slots, they are not considered part of the City's overall FTE count.

Recreation Specialists - are for up to 240 seasonal slots throughout various times of the year. The funding for these slots is included in the Community Services Division budget.

Police Reserve Officers - provide resources to assist the Police Department with sporadic spikes in the workload or special projects. When needed, up to 11 retired officer slots are available to assist. Funding for these slots is included in the Public Safety Division - Police Department budget.

Police Pipeline Officers - are used for up to 10 cadet slots while they are in the police academy or after completing the academy and waiting for a sworn police position. The funding for these slots is included in the Public safety Division - Police Department budget.

Fire Pipeline Firefighters - are used for up to 24 cadet slots while they are in the fire academy or after completing the academy and waiting for a sworn fire position. There is no funding in FY 2009/10 for these slots as no academy is planned.

Pro-Tem Judges - is used to compensate up to 22 Pro-Tem Judge slots that serve on an "as needed" basis to support the City Judge and Associate City Judges. The funding for these slots is included in the City Court budget.

Temporary Workers - are slots used when the work circumstances necessitate a temporary assignment or reassignment of an employee. While the Human Resources Division manages these 20 slots, no funding is included in the budget for these slots. Funding would typically come from within a division's accepted budget.

AUTHORIZED PERSONNEL POSITIONS - BY FUND

Appendix

	Adopted FY 2009/2010	General Fund	Transportation	Special Revenue	Enterprise	Internal Service	Total
CITY ATTORNEY							
Full Time	57.00	57.00	0.00	0.00	0.00	0.00	57.00
Part Time	2.25	2.25	0.00	0.00	0.00	0.00	2.25
Total FTE	59.25	59.25	0.00	0.00	0.00	0.00	59.25
CITY AUDITOR							
Full Time	7.00	7.00	0.00	0.00	0.00	0.00	7.00
Total FTE	7.00	7.00	0.00	0.00	0.00	0.00	7.00
CITY CLERK							
Full Time	10.00	10.00	0.00	0.00	0.00	0.00	10.00
Total FTE	10.00	10.00	0.00	0.00	0.00	0.00	10.00
CITY COURT							
Full Time	62.00	48.00	0.00	14.00	0.00	0.00	62.00
Part Time	2.48	0.60	0.00	1.88	0.00	0.00	2.48
Total FTE	64.48	48.60	0.00	15.88	0.00	0.00	64.48
COMMUNITY SERVICES							
Full Time	292.00	289.00	0.00	3.00	0.00	0.00	292.00
Part Time	197.80	190.04	0.00	7.76	0.00	0.00	197.80
Grant	11.75	0.00	0.00	11.75	0.00	0.00	11.75
Total FTE	501.55	479.04	0.00	22.51	0.00	0.00	501.55
ECONOMIC VITALITY							
Full Time	70.00	56.00	0.00	0.00	14.00	0.00	70.00
Total FTE	70.00	56.00	0.00	0.00	14.00	0.00	70.00
FINANCIAL MANAGEMENT							
Full Time	121.00	93.00	0.00	0.00	28.00	0.00	121.00
Part Time	2.50	2.50	0.00	0.00	0.00	0.00	2.50
Total FTE	123.50	95.50	0.00	0.00	28.00	0.00	123.50
HUMAN RESOURCES							
Full Time	47.00	41.00	0.00	0.00	0.00	6.00	47.00
Part Time	0.50	0.50	0.00	0.00	0.00	0.00	0.50
Total FTE	47.50	41.50	0.00	0.00	0.00	6.00	47.50
INFORMATION TECHNOLOGY							
Full Time	81.00	81.00	0.00	0.00	0.00	0.00	81.00
Part Time	0.81	0.81	0.00	0.00	0.00	0.00	0.81
Total FTE	81.81	81.81	0.00	0.00	0.00	0.00	81.81
MAYOR AND CITY COUNCIL							
Full Time	11.00	11.00	0.00	0.00	0.00	0.00	11.00
Total FTE	11.00	11.00	0.00	0.00	0.00	0.00	11.00
PLANNING/NEIGHBORHOOD/TRANSPORTATION							
Full Time	163.00	142.00	21.00	0.00	0.00	0.00	163.00
Part Time	2.00	2.00	0.00	0.00	0.00	0.00	2.00
Total FTE	165.00	144.00	21.00	0.00	0.00	0.00	165.00
PUBLIC SAFETY							
Full Time	971.00	967.00	0.00	4.00	0.00	0.00	971.00
Part Time	2.60	2.60	0.00	0.00	0.00	0.00	2.60
Total FTE	973.60	969.60	0.00	4.00	0.00	0.00	973.60
PUBLIC WORKS & WATER RESOURCES							
Full Time	485.00	104.00	61.00	0.00	272.00	48.00	485.00
Total FTE	485.00	104.00	61.00	0.00	272.00	48.00	485.00
STRATEGIC RESOURCES GROUP							
Full Time	8.00	8.00	0.00	0.00	0.00	0.00	8.00
Total FTE	8.00	8.00	0.00	0.00	0.00	0.00	8.00
Total Full-time Position FTE	2,385.00	1,914.00	82.00	21.00	314.00	54.00	2,385.00
Total Part-time Position FTE	210.94	201.30	0.00	9.64	0.00	0.00	210.94
Total Grant Funded Position FTE	11.75	0.00	0.00	11.75	0.00	0.00	11.75
Total Citywide Position FTE	2,607.69	2,115.30	82.00	42.39	314.00	54.00	2,607.69

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Budget Liaisons and CIP Liaisons

Budget Liaisons and **CIP Liaisons** coordinate the budget within their respective divisions. The Budget Liaison serves as the vital communication link between their City divisions and Financial Management on matters related to their specific operating budget. Budget Liaisons are responsible for review and analysis, coordinating information, checking to see if forms are completed properly, making sure that all necessary documentation is submitted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process. The **CIP Liaisons** (identified with an asterisk) essentially serve the same role; however, their focus is on coordination of capital projects and multiyear capital planning with the Financial Management Division staff. In many cases the same individual serves both roles.

City Mayor & City Council.....	Monica Staats	Economic Vitality.....	Monica Staats*
City Clerk.....	Monica Staats	WestWorld.....	Monica Staats/Jennifer Bowley*
Strategic Resources Group		Financial Management.....	Monica Staats*
City Manager's Office.....	Monica Staats	Fire.....	Teresa Martin/Rich Upham*
Government Relations.....	Monica Staats	Information Technology.....	Jennifer Jensen*
City Attorney	Monica Staats	Police.....	Holly Christian*/Melissa Miller
City Court	Jack Miller*	Water Resources.....	John Ralston/Ron Dolan*
City Auditor.....	Monica Staats	Public Works.....	Teri Huston
Community Services.....	Bryan Bundy/Tim Barnard*	Human Resources.....	Monica Staats*
Economic Vitality		Risk.....	Pauline Hecker
Aviation	Monica Staats/Chris Read*	Healthcare.....	Anna Henthorn
Code Enforcement.....	Monica Staats/Malcolm Hankins*	Planning, Neighborhoods & Transportation..	Dan VandenHam
The Downtown Group	Monica Staats*		

Capital Improvement Plan Coordination Teams

The **Capital Improvement Plan Coordination Teams** are comprised of staff from various City divisions. The teams are responsible for reviewing all capital projects (construction and technology) for timing and cost considerations, compiling lifecycle costs, and preparing a preliminary capital improvement plan recommendation for review and revision by the Executive Managing Directors, City Manager, Chief Financial Officer, Budget staff, CIP Coordinator, City Council and various boards and commissions comprised of citizens.

CIP Construction Review Team

Police.....	Marc Eisen
Fire.....	Rich Upham
Information Technology.....	Rich Peterson
Water Resources.....	Ron Dolan
Public Works	Jeremy Dye
Planning Neighborhoods & Transportation.....	Tim Conner
City Court.....	Daniel Edwards

CIP Technology Review Team

Police.....	Mike Morrison
Financial Management	Jacob Beard
Information Technology.....	Jennifer Jensen,
	Shannon Tolle, John Krusemark,
	Eric Wood, Cindy Sheldon, Joe Stowell
Planning Neighborhoods Transportation	Jason Song

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS

	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Final Payment Date
General Fund							
Contracts Payable							
U.S. Corps of Engineers - IBW	231,166	231,166	231,166	231,166	231,166	231,166	2032
Dial Corp (max. 440,000 total, 44,000/yr or 10 yr thru 2008-Roderique)	-	-	-	-	-	-	2008
US Patent Office	3,054	-	-	-	-	-	2009
BOR Administration/Westworld	105,000	110,250	115,763	121,551	127,628	134,010	2033
BOR Administration/TPC	105,000	110,250	115,763	121,551	127,628	134,010	2035
Motor Mile Marketing	-	-	-	-	-	-	2007
Nordstrom Garage Lease (4% growth)	2,012,209	2,092,697	2,176,405	2,263,461	2,354,000	2,448,160	2028
Nordstrom Garage Sales Tax	43,262	44,993	46,793	48,664	50,611	52,635	2028
Promenade (max 5,487,000 or 7 yr thru 2007-Roderique)	-	-	-	-	-	-	2007
Waterfront Retail Sales Tax Rebate (max. 3,150,000 plus int.) (5% growth)	-	-	-	-	-	-	2015
Waterfront Construction Sales Tax Rebate	350,000	-	-	-	-	-	2015
Hotel Valley Ho (max. 2M or 16 yr thru 2019-Caferella) (3% growth)	126,000	135,000	168,829	173,891	179,108	184,481	2019
One Scottsdale/Lund - Construction Sales Tax Rebate	-	-	-	-	-	-	-
Stacked 40's/Lund - Retail Sales Tax Rebate (max. 5,500,000 plus int.)	-	-	-	1,265,202	1,303,158	1,342,253	2014
Stacked 40's/Lund - Construction Sales Tax Rebate	-	-	-	50,000	-	-	2014
Total General Fund Contracts Payable	2,975,691	2,724,356	2,854,718	4,275,486	4,373,299	4,526,714	
Certificates of Participation							
2005 Certificates of Participation - Fire & Police Building	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	6/30/15
Fiscal Agent Fees	2,000	2,000	2,000	2,000	2,000	2,000	
Future Certificate of Participation - Police/Fire Radio Communication Equip.(5/09)	-	893,900	2,621,200	2,620,913	2,623,675	2,624,375	6/30/19
Fiscal Agent Fees (\$1,000 per issue)	-	1,000	1,000	1,000	1,000	1,000	
Total Certificates of Participation	918,790	1,813,690	3,540,990	3,540,703	3,543,465	3,544,165	
Total General Fund	\$ 3,894,481	\$ 4,538,046	\$ 6,395,708	\$ 7,816,189	\$ 7,916,764	\$ 8,070,879	
Highway User Revenue							
1993 Highway User Revenue Refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	06/30/07
Fiscal Agent Fees	-	-	-	-	-	-	
Total Highway User Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service Funds							
General Obligation Bonds - Property Tax (Secondary) Supported							
1993 G. O. Refunding	\$ 2,690,250	\$ -	\$ -	\$ -	\$ -	\$ -	06/30/09
1993A G. O. Refunding	-	-	-	-	-	-	06/30/11
1997 G.O. Bonds	-	-	-	-	-	-	06/30/05
1997 G.O. Refunding Bonds	3,974,462	4,027,000	2,418,950	1,398,725	1,398,275	1,424,250	06/30/14
1989 G.O. Series I (1998)	177,800	177,800	177,800	177,800	177,800	177,800	06/30/18
1999A G.O. Bonds	1,257,000	-	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-6% & 20%	1,330,806	367,650	3,007,650	4,425,750	-	-	06/30/12
2002 Various Purpose G.O. Bonds-6% & 20% (28M iss. 5/02)	2,562,750	550,500	1,638,000	-	-	-	06/30/11
2002 G.O. Refunding Bonds-6% & 20%	5,764,113	8,772,725	10,359,475	7,702,000	6,316,000	6,319,500	06/30/16
2003 G.O. Refunding Bonds-6% & 20% (16,265,000 iss. 9/03)	2,159,431	5,933,731	1,965,556	1,438,244	1,424,844	-	06/30/13
2004 G.O. Var. Purpose-6% & 20% (48M iss. 4/04)	2,088,125	2,088,125	2,088,125	2,088,125	2,088,125	6,088,125	06/30/21
2005 G.O. Refunding Bonds-6% & 20% (8,542,000 iss. 3/05)	427,000	427,000	427,000	3,142,000	4,591,250	1,601,250	06/30/14
2005A G.O. Var. Purpose-6% & 20% (125M iss. 12/05)	8,410,750	8,540,750	8,660,750	9,520,750	10,295,750	10,520,750	06/30/24
2008A G.O. Var. Purpose-6% & 20% (100M iss. 4/08)	4,944,131	4,362,469	4,362,469	4,362,469	7,437,469	7,612,531	06/30/28
Fiscal Agent Fees	9,000	9,000	9,000	8,500	8,000	6,500	
Future G.O. Bond-Series 2010 Var. Purpose-6% & 20% (\$50.8M iss. 1/10)	-	2,057,738	3,386,818	3,444,422	3,508,649	3,580,263	06/30/30
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	-	1,000	1,000	1,000	1,000	1,000	
Total General Obligation Bonds	35,795,618	37,315,488	38,502,593	37,709,784	37,247,161	37,331,969	
Preserve General Obligation Bonds - Preserve Sales Tax Supported							
1999 Preserve G.O. Bonds (1995 tax)	2,021,250	-	-	-	-	-	06/30/09
2001 Preservation G.O. Bonds (1995 tax)	1,248,000	-	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-Preservation Portion (1995 tax)	1,488,913	1,488,913	1,488,913	2,318,913	4,959,300	4,415,369	06/30/22
2002 G.O. Bonds-Preservation Portion (40M iss. 5/02, prev. 70M) (1995 tax)	277,613	277,613	277,613	277,613	277,613	277,613	06/30/24
2002 G.O. Refunding Bonds-Preservation Portion (1995 tax)	360,693	360,693	360,693	360,693	360,693	360,693	06/30/19
2004 Preservation GO (65.4M, iss. 4/04) (1995 tax)	2,878,300	5,978,300	7,323,300	5,993,300	4,418,300	4,313,300	06/30/25
2005 G.O. Refunding Bonds-Preservation Portion (66.088M 3/05) (1995 tax)	2,838,128	2,838,128	2,838,128	2,838,128	2,838,128	5,843,128	06/30/24
2005B G.O. Bonds-Preservation Portion (20M 12/05) (2004 tax)	1,681,619	1,672,619	1,662,619	1,651,619	1,655,369	1,631,619	06/30/24
2008B G.O. Bonds-Preservation Portion (20M 04/08) (2004 tax)	1,288,369	1,340,281	1,325,281	1,335,281	1,319,531	1,327,469	06/30/34
Fiscal Agent Fees (1995 tax)	5,000	4,500	4,500	4,500	4,500	3,500	
Future G.O. Bond: \$150M issue Nov 2010 (2004 tax)	-	-	5,150,000	7,845,665	8,125,976	8,416,302	06/30/34
Fiscal Agent Fees (Future Bonds @ \$1,000/bond) (2004 tax)	-	-	1,000	1,000	1,000	1,000	
Total Preserve General Obligation Bonds	14,087,885	13,961,047	20,432,047	22,626,712	23,960,410	26,589,993	

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS							
	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Final Payment Date
<u>Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supported</u>							
1997 Scottsdale Preserve Revenue Bonds (1995 tax)	-	-	-	-	-	-	06/30/05
1998 Scottsdale Preserve Revenue Bonds (1995 tax)	1,680,275	1,680,275	1,680,275	1,680,275	1,680,275	1,680,275	06/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds (1995 tax)	1,515,296	1,515,976	1,515,320	1,517,920	1,517,870	1,519,625	06/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds (1995 tax)	3,564,700	3,535,500	3,503,500	3,487,500	3,475,500	3,462,750	06/30/16
Fiscal Agent Fees	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Corporation Annual Report	10	10	10	10	10	10	
Total Scottsdale Preserve Authority Bonds	6,768,281	6,739,761	6,707,105	6,693,705	6,681,905	6,670,660	
<u>McDowell Sonoran Preserve Contract - Preserve Sales Tax Supported (1995 tax)</u>	952,480	951,855	954,175	953,750	955,500	-	06/30/13
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supported</u>							
1993 MPC Refunding	-	-	-	-	-	-	06/30/05
1998 MPC Various Purposes	-	-	-	-	-	-	06/30/08
2004A MPC SkySong Bonds	403,175	1,323,175	1,323,275	1,322,400	1,320,550	1,320,150	06/30/19
2005 MPC Giants Practice Field (\$6.648M, June 2005) MSA funded	97,372	204,028	112,370	369,011	287,353	530,177	06/30/21
2005 MPC Giants Practice Field (\$13.297M, June 2005) TSA funded	194,772	408,116	224,774	738,133	574,791	1,060,512	06/30/21
2005D MPC Westworld Land Acquisition (46.5Mil, Dec 2005)	1,151,250	1,140,000	1,128,750	1,117,500	1,106,250	1,095,000	06/30/35
2006 MPC Refunding WestWorld	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	06/30/30
2006 MPC Refunding SkySong	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	06/30/34
2006A MPC TPC (10Mil, Nov 2006)	650,906	645,906	650,706	649,906	648,706	647,106	06/30/31
2006B MPC Westworld Land Acquisition (32.5Mil, Nov 2006) Excise Tax Funded	800,594	800,594	800,594	1,750,594	1,762,594	1,772,594	06/30/31
2006B MPC Westworld Land Acquisition (32.5Mil, Nov 2006) Bed Tax Funded	600,000	600,000	600,000	600,000	600,000	600,000	06/30/31
Fiscal Agent Fees	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Corporation Annual Report	10	10	10	10	10	10	
Future Bonds - Loloma Museum (\$3.75M Mar 2010) Excise Tax funded	-	-	146,263	286,823	297,166	303,117	06/30/29
Future Bonds - Loloma Museum (\$3.75M Mar 2010) Bed Tax funded	-	-	146,263	286,823	297,166	303,117	06/30/29
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	-	-	1,000	1,000	1,000	1,000	
Subtotal:	5,791,435	6,695,185	6,836,098	7,913,733	7,921,776	8,524,477	228,819
<i>MPC - General Fund/Excise Tax funded</i>	<i>5,791,435</i>	<i>6,695,185</i>	<i>6,836,098</i>	<i>7,913,733</i>	<i>7,921,776</i>	<i>8,524,477</i>	<i>228,819</i>
<i>MPC - Bed Tax funded</i>	<i>600,000</i>	<i>600,000</i>	<i>746,263</i>	<i>886,823</i>	<i>897,166</i>	<i>903,117</i>	<i>58,803</i>
<i>MPC - MSA funded</i>	<i>97,372</i>	<i>204,028</i>	<i>112,370</i>	<i>369,011</i>	<i>287,353</i>	<i>530,177</i>	<i>06/30/21</i>
<i>MPC - TSA funded</i>	<i>194,772</i>	<i>408,116</i>	<i>224,774</i>	<i>738,133</i>	<i>574,791</i>	<i>1,060,512</i>	<i>06/30/21</i>
Total Municipal Property Corp. Bonds	6,683,579	7,907,329	7,919,505	9,907,700	9,681,086	11,018,283	
<u>Special Assessments</u>							
Series 104 Contract	11,555	8,574	5,059	2,917	3,481	-	1/1/2013
Existing Districts (excluding ID 104)	988,841	868,125	834,375	800,625	766,875	-	01/01/13
Fiscal Agent Fees	1,000	500	500	500	500	-	
Total Special Assessments	1,001,396	877,199	839,934	804,042	770,856	-	
Total Debt Service Funds	\$ 65,289,238	\$ 67,752,679	\$ 75,355,359	\$ 78,695,693	\$ 79,296,918	\$ 81,610,905	

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS

	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14	Final Payment Date
Water and Sewer Funds							
<u>General Obligation Bonds</u>							
1993 G.O. Refunding Bonds	\$ -	\$ -	\$ -	\$ -	-	-	06/30/06
1993A G.O. Refunding Bonds	-	-	-	-	-	-	06/30/06
Fiscal Agent Fees	-	-	-	-	-	-	-
Total General Obligation Bonds	-	-	-	-	-	-	-
<u>Water Sewer Revenue Bonds</u>							
1996 Water Sewer Revenue Refunding Bonds-Water Portion	-	-	-	-	-	-	06/30/08
2004 Water Sewer Revenue Refunding Bonds-Water Portion	300,877	300,850	298,734	299,452	263,450	86,245	06/30/16
2008 Water Sewer Revenue Refunding Bonds-Water Portion	509,480	131,142	119,444	123,953	125,756	145,392	06/30/14
1996 Water Sewer Revenue Refunding Bonds-Sewer Portion	-	-	-	-	-	-	06/30/08
1989 Water Sewer Revenue Series D (1997)-Sewer Portion	-	-	-	-	-	-	06/30/08
1989 Water Sewer Revenue Series E (1998)-Sewer Portion	-	-	-	-	-	-	06/30/08
2004 Water Sewer Revenue Refunding Bonds-Sewer Portion	3,324,148	3,323,850	3,300,466	3,308,398	2,910,650	952,855	06/30/16
2008 Water Sewer Revenue Refunding Bonds-Sewer Portion	2,032,683	1,710,396	1,700,431	1,704,272	1,705,807	3,793,646	06/30/23
Fiscal Agent Fees	850	850	850	850	850	850	-
Total Water Sewer Revenue Bonds	6,168,038	5,467,088	5,419,925	5,436,925	5,006,513	4,978,988	-
<u>Municipal Property Corp. (MPC) Bonds</u>							
2001 Scottswater MPC Bonds	-	-	-	-	-	-	06/30/08
2004 Water & Sewer MPC Bonds-Water Portion	2,900,333	2,864,400	2,824,800	2,792,533	2,763,383	2,729,650	06/30/14
2005E Water & Sewer MPC Bonds	3,320,250	3,231,500	3,216,500	3,196,500	3,171,500	3,166,500	06/30/16
2006 MPC Refunding Water/Sewer MPC Bonds-Water Portion	4,937,178	4,937,178	4,937,178	4,937,178	4,937,178	4,937,178	06/30/30
2004 Water & Sewer-Sewer Portion	1,054,667	1,041,600	1,027,200	1,015,467	1,004,867	992,600	06/30/14
2006 MPC Refunding Water/Sewer-Sewer Portion	588,322	588,322	588,322	588,322	588,322	588,322	06/30/30
2008A MPC Bonds-Water Portion	5,777,437	5,796,286	5,793,995	5,788,650	5,778,150	5,781,968	06/30/32
2008A MPC Bonds-Sewer Portion	1,788,254	1,794,089	1,793,380	1,791,725	1,788,475	1,789,657	06/30/32
Fiscal Agent Fees	5,000	6,000	6,000	6,000	6,000	6,000	-
Future Revenue Bonds - Water/Sewer (\$75 mil 11/2010)	-	-	2,500,000	3,926,759	4,044,562	4,165,899	06/30/36
Future Revenue Bonds - Water/Sewer (\$26 mil 11/2012)	-	-	-	-	1,411,431	1,844,764	06/30/37
Future Revenue Bonds - Water/Sewer (\$62 mil 11/2014)	-	-	-	-	-	-	06/30/39
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	-	-	1,000	1,000	1,000	2,000	-
Total MPC Bonds - Water and Sewer Supported	20,371,442	20,259,375	22,688,375	24,044,134	25,494,868	26,003,538	-
Total Water and Sewer Funds	\$ 26,539,480	\$ 25,726,463	\$ 28,108,300	\$ 29,481,059	\$ 30,501,381	\$ 30,982,526	
<u>Solid Waste Fund</u>							
1995 Transfer Station MPC Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	06/30/06
Fiscal Agent Fees	-	-	-	-	-	-	-
Total Solid Waste Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL DEBT SERVICE	\$ 95,723,200	\$ 98,017,188	\$ 109,859,367	\$ 115,992,942	\$ 117,715,063	\$ 120,664,310	
Preserve Debt Service segregated by tax funding source:							
1995 .20% Tax	18,838,658	18,639,763	19,954,427	19,440,602	20,495,939	21,884,263	
2004 .15% Tax	2,969,988	3,012,900	8,138,900	10,833,565	11,101,876	11,376,390	
	21,808,646	21,652,663	28,093,327	30,274,167	31,597,815	33,260,653	

LONG-TERM DEBT OUTSTANDING

Appendix

Long-Term Debt Outstanding - All Funds						
As of 6/30/09 through 6/30/13						
	Balance at 6/30/09	Balance at 6/30/10	Balance at 6/30/11	Balance at 6/30/12	Balance at 6/30/13	Final Payment Date
General Fund						
<u>Contracts Payable</u>						
U.S. Corps of Engineers - IBW	\$ 2,879,012	\$ 2,795,135	\$ 2,706,967	\$ 2,614,288	\$ 2,516,868	6/30/32
BOR Administration/Westworld	4,906,345	4,796,095	4,680,333	4,558,782	4,431,154	7/29/33
BOR Administration/TPC	5,635,258	5,525,008	5,409,246	5,287,695	5,160,067	6/10/35
Total General Fund Contracts Payable	<u>13,420,615</u>	<u>13,116,238</u>	<u>12,796,546</u>	<u>12,460,765</u>	<u>12,108,089</u>	
<u>Certificates of Participation</u>						
2005 Certificates of Participation - Fire & Police Building	\$ 4,954,314	\$ 4,194,561	\$ 3,409,567	\$ 2,598,496	\$ 2,182,911	6/30/15
Future COPS	19,300,000	19,300,000	17,445,000	15,530,000	13,550,000	6/30/19
Total Certificates of Participation	<u>24,254,314</u>	<u>23,494,561</u>	<u>20,854,567</u>	<u>18,128,496</u>	<u>15,732,911</u>	
Total General Fund	<u>\$ 37,674,929</u>	<u>\$ 36,610,799</u>	<u>\$ 33,651,113</u>	<u>\$ 30,589,261</u>	<u>\$ 27,841,000</u>	
Debt Service Funds						
<u>General Obligation Bonds - Property Tax (Secondary) Supporter</u>						
1997 G.O. Refunding Bonds	\$ 9,400,000	\$ 5,890,000	\$ 3,795,000	\$ 2,605,000	\$ 1,350,000	6/30/14
1989 G.O. Series I (1998)	4,445,000	4,445,000	4,445,000	4,445,000	4,445,000	6/30/18
2001 G.O. Refunding Bonds-6% & 20%	6,840,000	6,840,000	4,200,000	-	-	6/30/12
2002 Various Purpose G.O. Bonds-6% & 20%	2,010,000	1,560,000	-	-	-	6/30/11
2002 G.O. Refunding Bonds-6% & 20%	39,890,000	33,025,000	24,230,000	17,720,000	12,290,000	6/30/16
2003 G.O. Refunding Bonds-6% & 20%	10,020,000	4,505,000	2,710,000	1,375,000	-	6/30/13
2004 G.O. Var. Purpose-6% & 20%	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	6/30/21
2005 G.O. Refunding Bonds-6% & 20%	8,540,000	8,540,000	8,540,000	5,825,000	1,525,000	6/30/14
2005A G.O. Var. Purpose-6% & 20%	116,500,000	113,250,000	109,750,000	105,250,000	99,750,000	6/30/24
2008A G.O. Var. Purpose-6% & 20%	100,000,000	100,000,000	100,000,000	100,000,000	96,925,000	6/30/28
Future G.O. Bonds	-	50,012,262	49,126,057	48,137,938	47,036,185	6/30/30
Total General Obligation Bonds	<u>345,645,000</u>	<u>376,067,262</u>	<u>354,796,057</u>	<u>333,357,938</u>	<u>311,321,185</u>	
<u>Preserve General Obligation Bonds - Preserve Sales Tax Supporter</u>						
2001 G.O. Refunding Bonds-Preservation Portion	28,715,000	28,715,000	28,715,000	27,885,000	24,370,000	6/30/22
2002 G.O. Bonds-Preservation Portion	5,755,000	5,755,000	5,755,000	5,755,000	5,755,000	6/30/24
2002 G.O. Refunding Bonds-Preservation Portion	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	6/30/19
2004 Preservation GO	59,900,000	56,800,000	52,200,000	48,700,000	46,600,000	6/30/25
2005 G.O. Refunding Bonds-Preservation Portion	66,090,000	66,090,000	66,090,000	66,090,000	66,090,000	6/30/24
2005B G.O. Bonds-Preservation Portion	17,575,000	16,700,000	15,800,000	14,875,000	13,900,000	6/30/24
2008B G.O. Bonds-Preservation Portion	19,675,000	19,175,000	18,675,000	18,150,000	17,625,000	6/30/34
Future G.O. Bonds	-	-	149,850,000	149,496,835	148,845,701	6/30/34
Total Preserve General Obligation Bonds	<u>205,810,000</u>	<u>201,335,000</u>	<u>345,185,000</u>	<u>339,051,835</u>	<u>331,285,701</u>	
<u>Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supporter</u>						
1998 Scottsdale Preserve Revenue Bonds	36,725,000	36,725,000	36,725,000	36,725,000	36,725,000	6/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds	14,290,000	13,475,000	12,625,000	11,735,000	10,805,000	6/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds	20,220,000	17,670,000	15,050,000	12,315,000	9,455,000	6/30/16
Total Scottsdale Preserve Authority Bonds	<u>71,235,000</u>	<u>67,870,000</u>	<u>64,400,000</u>	<u>60,775,000</u>	<u>56,985,000</u>	
<u>McDowell Sonoran Preserve Contract - Preserve Sales Tax Supported</u>						
	3,385,000	2,600,000	1,775,000	910,000	-	6/30/13
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supporter</u>						
2004A MPC SkySong Bonds	9,785,000	8,865,000	7,915,000	6,935,000	5,925,000	6/30/19
2005 MPC Giants Practice Field	19,706,149	19,403,356	19,334,928	18,679,092	18,069,092	6/30/21
2005D MPC Westworld Land Acquisition	19,925,000	19,700,000	19,475,000	19,250,000	19,025,000	6/30/35
2006 MPC Refunding WestWorld	25,485,000	25,485,000	25,485,000	25,485,000	25,485,000	6/30/30
2006 MPC Refunding SkySong	29,965,000	29,965,000	29,965,000	29,965,000	29,965,000	6/30/34
2006A MPC TPC	9,110,000	8,855,000	8,585,000	8,305,000	8,015,000	6/30/31
2006B MPC Westworld Land Acquisition	32,500,000	32,500,000	32,500,000	31,550,000	30,550,000	6/30/31
Future MPC Bonds	-	7,332,474	7,125,452	6,887,394	6,625,528	6/30/29
Total Municipal Property Corp. Bonds	<u>146,476,149</u>	<u>152,105,830</u>	<u>150,385,380</u>	<u>147,056,486</u>	<u>143,659,620</u>	
<u>Special Assessments</u>						
Series 104 Contract	17,963	10,469	6,036	3,481	-	1/1/13
Existing Districts (excluding ID 104)	3,000,000	2,250,000	1,500,000	750,000	-	1/1/13
Total Special Assessments	<u>3,017,963</u>	<u>2,260,469</u>	<u>1,506,036</u>	<u>753,481</u>	<u>-</u>	
Total Debt Service Funds	<u>\$ 775,569,112</u>	<u>\$ 802,238,561</u>	<u>\$ 918,047,473</u>	<u>\$ 881,904,740</u>	<u>\$ 843,251,506</u>	

**Long-Term Debt Outstanding - All Funds
As of 6/30/09 through 6/30/13**

	Balance at 6/30/09	Balance at 6/30/10	Balance at 6/30/11	Balance at 6/30/12	Balance at 6/30/13	Final Payment Date
Water and Sewer Funds						
<u>Water Sewer Revenue Bonds</u>						
2004 Water Sewer Revenue Refunding Bonds	14,885,000	11,975,000	8,945,000	5,770,000	2,870,000	6/30/16
2008 Water Sewer Revenue Refunding Bonds	33,460,000	33,255,000	33,065,000	32,860,000	32,645,000	6/30/23
Total Water Sewer Revenue Bonds	<u>48,345,000</u>	<u>45,230,000</u>	<u>42,010,000</u>	<u>38,630,000</u>	<u>35,515,000</u>	
<u>Municipal Property Corp. (MPC) Bonds</u>						
2004 Water & Sewer MPC Bonds	16,520,000	13,440,000	10,260,000	6,965,000	3,545,000	6/30/14
2005E Water & Sewer MPC Bonds	18,630,000	16,330,000	13,930,000	11,430,000	8,830,000	6/30/16
2006 MPC Refunding Water/Sewer MPC Bonds	110,510,000	110,510,000	110,510,000	110,510,000	110,510,000	6/30/30
2008A Water & Sewer MPC Bonds	104,075,000	101,500,000	98,825,000	96,050,000	93,150,000	6/30/32
Future MPC Bonds	-	-	75,000,000	74,823,241	99,975,077	6/30/37
Total MPC Bonds - Water and Sewer Supported	<u>249,735,000</u>	<u>241,780,000</u>	<u>308,525,000</u>	<u>299,778,241</u>	<u>316,010,077</u>	
Total Water and Sewer Funds	<u>\$ 298,080,000</u>	<u>\$ 287,010,000</u>	<u>\$ 350,535,000</u>	<u>\$ 338,408,241</u>	<u>\$ 351,525,077</u>	
TOTAL LONG-TERM DEBT OUTSTANDING	<u>\$ 1,111,324,041</u>	<u>\$ 1,125,859,360</u>	<u>\$ 1,302,233,586</u>	<u>\$ 1,250,902,241</u>	<u>\$ 1,222,617,584</u>	

Sales Tax Agreements

The City also has the following sales tax agreements, in which the City's payments are contingent upon the sales tax generated on the sites. These agreements are not included in the Long-term Debt Outstanding in accordance with generally accepted accounting principles. However, they are shown on the debt service schedule for purposes of budget expenditure authority and cash flow planning

Nordstrom	6/30/28
Hotel Valley Ho	6/30/19
Stacked 40's	6/30/14

COMPUTATION OF LEGAL DEBT MARGINS	
Forecast 6/30/2009	
Net Secondary Assessed Valuation Forecasted as of June 30, 2009	\$ 8,272,416,830
Debt Limit Equal to 20% of Assessed Valuation	1,654,483,366
General Obligation Bonded Debt Subject to 20% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2009):	
1997 Refunding	\$ 9,400,000
1989 Series I (1998)	4,445,000
2001 Refunding	35,555,000
2002	7,765,000
2002 Refunding	40,630,000
2003 Refunding	10,020,000
2004	90,900,000
2005 Refunding	74,630,000
2005A	52,500,000
2005B	17,575,000
2008A	50,000,000
2008B	<u>19,675,000</u>
Net Outstanding Forecasted Bonded Debt Subject to 20% Limit	<u>413,095,000 (A)</u>
Forecasted Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 1,241,388,366 (C)</u>
Debt Limit Equal to 6% of Assessed Valuation	\$ 496,345,010
General Obligation Bonded Debt Subject to 6% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2009):	
2002 Refunding	\$ 7,360,000
2004	17,000,000
2005A	64,000,000
2008A	<u>50,000,000</u>
Net Outstanding Forecasted Bonded Debt Subject to 6% Limit	<u>138,360,000 (B)</u>
Forecasted Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 357,985,010 (D)</u>

State Regulation
 The Arizona Constitution (Article 9, Section 8), provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to an additional 20% of the secondary assessed valuation for supplying such city with water, artificial light, or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and transportation facilities.

City of Scottsdale Compliance with State Regulation

This schedule indicates the secondary assessed valuation of property tax within the City of Scottsdale allows a maximum legal bonding capacity of \$1,654,483,366 for projects subject to the 20% limitation and \$496,345,010 for projects subject to the 6% limitation.

Legal Debt Capacity Used
 Based on the City's current outstanding general obligation debt, it is forecasted as of June 30, 2009, the City has used (borrowed) the following legal debt capacity by percentage limitation:

20% limitation (A) \$413,095,000 or 25%
 6% limitation (B) \$138,360,000 or 28%

Legal Capacity Available
 Based on the City's current outstanding general obligation debt, it is forecasted as of June 30, 2009, the City has available (for borrowing) the following legal debt capacity by percentage limitation:

20% limitation (C) \$1,241,388,366 or 75%
 6% limitation (D) \$357,985,010 or 72%

**General Fund Five-Year Privilege Tax Forecast
By Business Category**

Revenue Category	FY 07/08 Actual	% of Total	FY 08/09 Forecast	% of Total	FY 09/10 Adopted	% of Total	FY 10/11 Forecast	% of Total
Automotive	14,261,387	14%	9,537,085	11%	7,761,535	10%	7,994,381	11%
Construction	19,474,442	18%	13,196,414	15%	6,189,969	8%	6,375,668	8%
Food	6,528,574	6%	6,407,473	7%	6,442,237	8%	6,635,504	9%
Hotel/Motel	5,464,615	5%	4,944,607	6%	4,790,716	6%	4,934,437	7%
Major Dept Stores	9,929,492	9%	8,873,123	10%	8,118,772	11%	8,362,335	11%
Misc. Retail	15,214,235	14%	12,162,756	14%	10,821,313	14%	11,145,952	15%
Other Taxable	6,024,374	6%	6,292,539	7%	5,523,519	7%	5,689,225	7%
Rental	13,530,770	13%	13,031,947	15%	13,049,839	17%	13,441,334	18%
Restaurants	7,781,402	7%	6,788,135	8%	6,042,382	8%	6,223,653	8%
Utilities	4,509,451	4%	4,497,305	5%	4,729,844	6%	4,871,739	6%
Other	2,599,008	2%	2,608,616	3%	2,429,874	3%	2,502,770	3%
Total	105,317,750	100%	88,340,000	100%	75,900,000	100%	78,177,000	100%

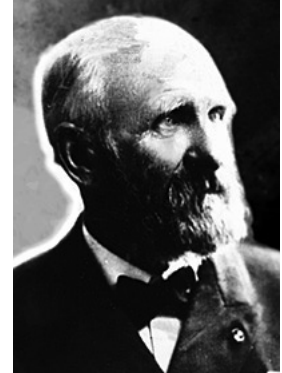
Revenue Category	FY 11/12 Forecast	% of Total	FY 12/13 Forecast	% of Total	FY 13/14 Forecast	% of Total
Automotive	8,274,184	10%	8,605,152	10%	8,949,358	10%
Construction	6,598,816	8%	6,862,769	8%	7,137,280	8%
Food	6,867,747	8%	7,142,457	8%	7,428,155	8%
Hotel/Motel	5,107,143	6%	5,311,429	6%	5,523,886	6%
Major Dept Stores	8,655,017	11%	9,001,218	11%	9,361,266	11%
Misc. Retail	11,536,061	14%	11,997,503	14%	12,477,403	14%
Other Taxable	5,888,347	7%	6,123,881	7%	6,368,837	7%
Rental	13,911,781	17%	14,468,252	17%	15,046,982	17%
Restaurants	6,441,481	8%	6,699,141	8%	6,967,106	8%
Utilities	5,042,250	6%	5,243,940	6%	5,453,698	6%
Other	2,590,367	3%	2,693,982	3%	2,801,741	3%
Total	80,913,195	100%	84,149,723	100%	87,515,712	100%

This same analysis by business category was applied when forecasting privilege tax revenues for Public Safety Privilege Tax (0.10%), and Special Revenue Funds: Transportation Privilege Tax (0.20%), McDowell Preserve Privilege Tax (0.20%) and Preservation Privilege Tax (0.15%).

Origin and Historical Summary

In 1888, Army Chaplain Winfield Scott, upon his retirement from the Army, visited the Valley of the Sun and subsequently made a down payment on a section of land in order to start a farming practice. Scott's purchase and subsequent farming of the land would be the impetus for the historic development of the town that is now modern day Scottsdale.

Like other Arizona cities and towns, the provision of a reliable water supply was critical to sustaining the community after its initial settlement by Chaplain Winfield Scott. The Granite Reef Dam was built in 1908 and the Roosevelt Dam in 1911 which transformed the Salt River Valley and allowed Scottsdale to share in the resulting population boom. Between 1908 and 1933 Scottsdale grew slowly, but steadily as a small market town principally providing services for families involved in the agricultural industry.



Scottsdale's favorable climate, irrigated desert location, and beautiful scenery influenced its initial settlement as well. Many health seekers came to Scottsdale, and those who were able to relocate to enjoy the advantages of the climate tended to be more well to do. Many of the community's original settlers who were recruited by Winfield Scott from the East and Midwest were educated and had an established appreciation for cultural activities. These early settlers established the Scottsdale public school system in 1896, supported the burgeoning artists and writers culture that began relocation here in the early 1900's, and promoted Scottsdale's affiliation with the earliest area resorts, the Ingleside Inn (1909) and the Jokake Inn (1922).

The Depression Era saw an influx of artists and architects to Scottsdale, one of the most renowned being Frank Lloyd Wright. Wright first came to Arizona to work on a desert resort project in Chandler in 1927 and worked on the design for the Arizona Biltmore Resort in 1929. In 1937, Wright and his wife purchased 600 desert acres at the foot of the McDowell Mountains and built Taliesin West, his winter home and his architectural firm's southwestern headquarters.

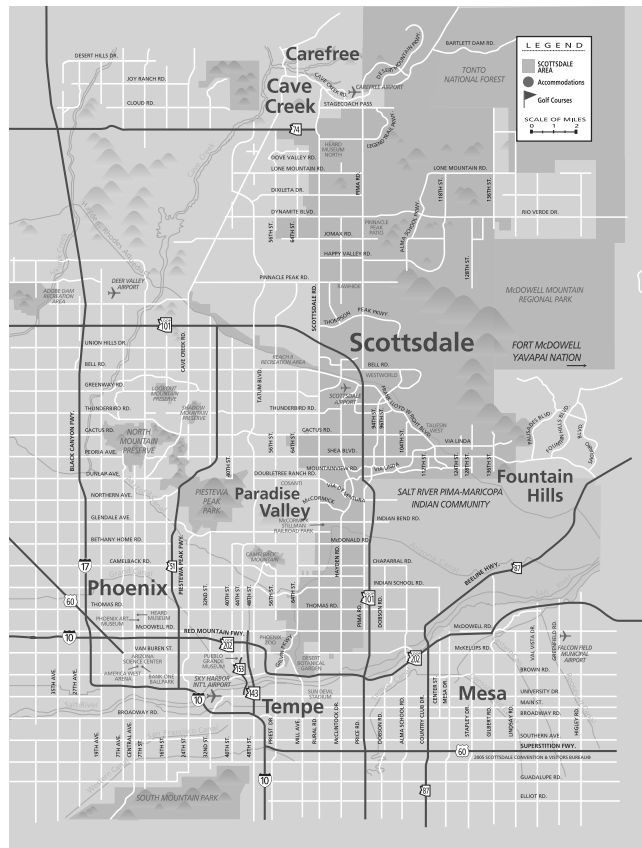
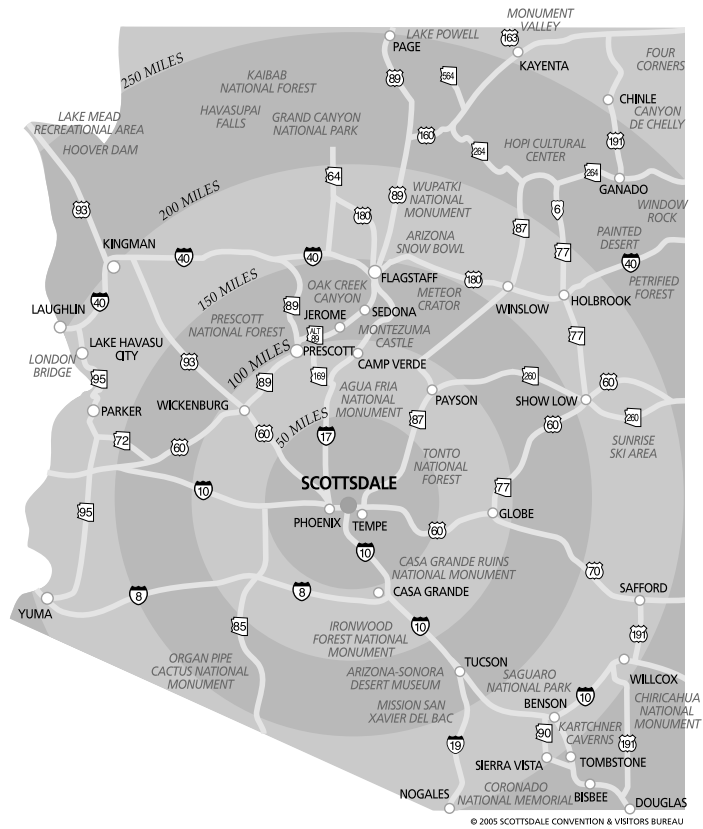
In 1947, the Scottsdale Chamber of Commerce was incorporated and Scottsdale leaders engaged in a conscious effort to promote a special identity for the town. Scottsdale was the only local community to formally embrace the western atmosphere that helped distinguish it from other tourist destinations. A design theme for the downtown was established with a "western" image and lifestyle and the city's moniker the "West's Most Western Town" was coined. In 1951, the town incorporated into the City of Scottsdale.

Although Scottsdale has grown in size and population, its historic origins still shine through today. Scottsdale is nationally and internationally well known for its reputation as an artistically and culturally rich community; a premiere resort, tourist, and golf destination; as well as an attractive location for numerous corporate commercial, retail, and medical-biotechnical opportunities.

Location

Scottsdale is centrally located in Maricopa County, Arizona, with its boundaries encompassing an area approximately 184 square miles, stretching 31 miles from north to south.

The City is bordered to the west by Phoenix, the state capital, by Tempe to the south, and by the Salt River/Pima Maricopa Indian Community to the east. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.



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Climate

Lying at an elevation of 1,260 feet above sea level, the City of Scottsdale averages 328 days of sunshine and about 9 inches of rainfall per year, with the average minimum and maximum temperatures ranging from 53 degrees to 86 degrees (F), respectively.

Scottsdale offers its residents the advantages of a warm, dry climate with low humidity even in the summer months.

AVERAGE DAILY TEMPERATURES

	High	Low
January	67.0oF	36.7oF
April	84.3oF	49.3oF
July	105.9oF	74.8oF
October	87.2oF	54.1oF

Source: Western Regional Climate Center

Demographics

The following tables provide additional demographic statistics for the City of Scottsdale and its citizenry primarily from projections based on data from the US Census provided by SitesUSA, as well as the City of Scottsdale Department of Economic Vitality.

Gender

Male.....	48.8%
Female.....	51.2%

Age Composition

Under 5 years.....	5.6%
5 – 19 years	16.9%
20 – 24 years	4.8%
25 – 54 years	44.2%
55 – 74 years	21.2%
75+	7.3%
Median age (years)	40.2

Occupational Composition

Managerial & Professional.....	50.2%
Service.....	12.6%
Sales & Office.....	29.1%
Construction, Extraction & Maintenance	3.7%
Production & Transportation	4.5%

Source: 2007 US Census American Community Survey
1-year estimate

Race/Ethnic Origin

White	91.0%
Asian.....	2.9%
African American	1.8%
Native American	0.7%
Other.....	3.7%

Educational Attainment

Bachelor Degree or Higher.....	46.7%
Associate Deg. Only/Some College	28.4%
High School Graduate	18.6%
Less than High School Graduate.....	6.2%

Land Use

Residential.....	53.5%
Undeveloped/Agricultural	40.0%
Industrial/Commercial.....	6.5%

Note: "Undeveloped/Agricultural" includes street right-of-ways, parks, golf courses, open-space preserves

Source: City of Scottsdale Planning Department

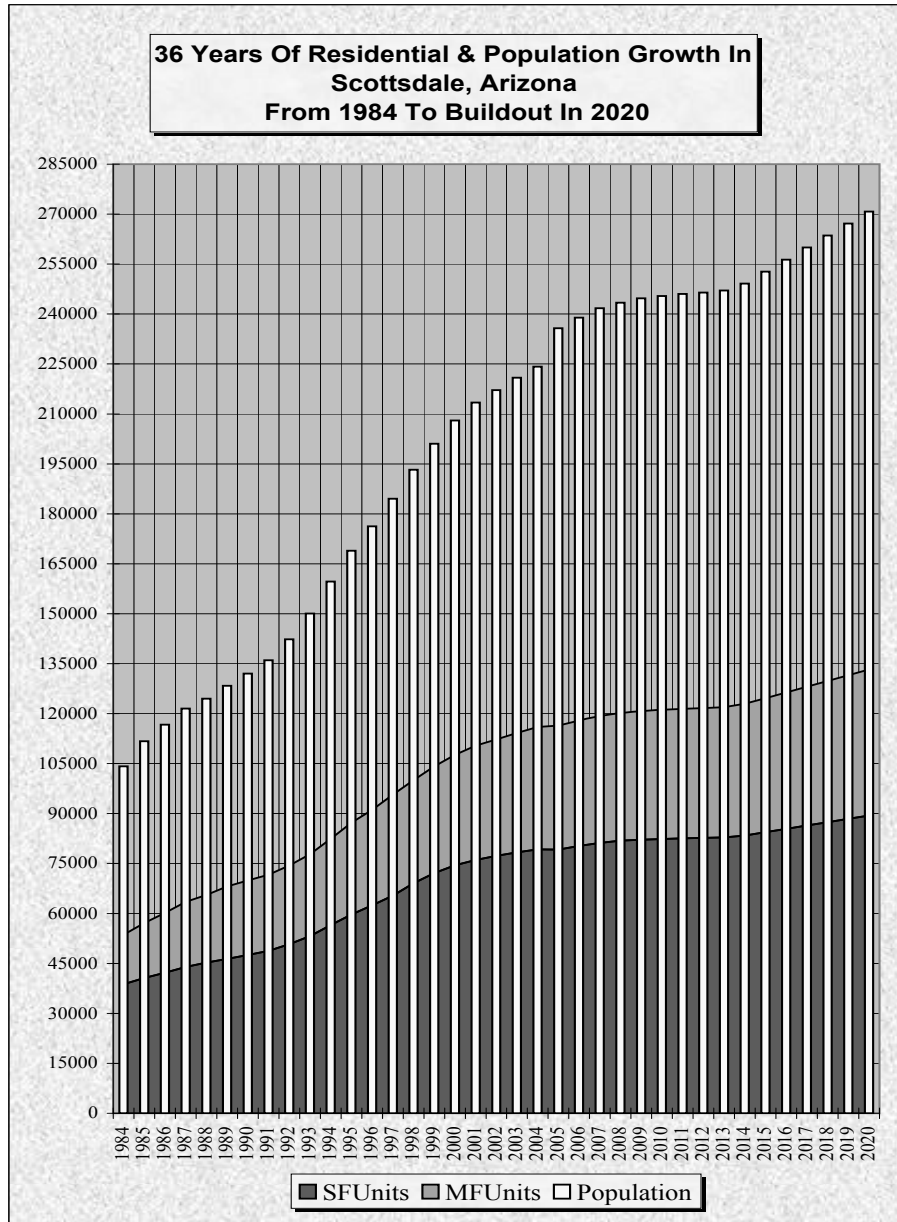
Population

1951.....	2,021
1960.....	27,010
1965.....	54,504
1970.....	67,841
1975.....	77,107
1980.....	88,364
1985.....	108,447
1990.....	130,069
1995.....	168,176
2000.....	204,680
2005.....	235,010
2006 estimate*.....	237,120
2007 estimate*.....	240,126
2008 estimate*.....	242,337

*= Arizona Department of Commerce estimate

Household Income

Less than \$25,000	13.0%
\$25,000- \$34,999	7.7%
\$35,000 - \$49,999	12.1%
\$50,000 – \$74,999.....	17.4%
\$75,000 – \$99,999.....	12.2%
\$100,000+.....	37.5%
Median Household Income.....	\$74,504



Source: City of Scottsdale Planning/Neighborhood/Transportation Division

Scottsdale Employment by Industry and Year				
	2007		2020	
	Employment	Percent	Employment	Percent
Agriculture, Mining, & Utilities	275	0.2%	336	0.2%
Construction	10,332	6.6%	12,612	6.5%
Manufacturing	12,797	8.1%	15,340	7.9%
Wholesale Trade	5,826	3.7%	6,984	3.6%
Retail Trade	18,674	11.9%	21,674	11.1%
Transportation & Warehousing	1,704	1.1%	2,043	1.1%
Information	3,058	1.9%	3,966	2.0%
Finance, Insurance, & Real Estate	21,678	13.8%	28,090	14.4%
Professional & Business Services	34,962	22.3%	44,973	23.1%
Education & Health Services	18,880	12.0%	23,732	12.2%
Leisure & Hospitality	20,183	12.8%	24,031	12.4%
Other Services	5,621	3.6%	6,619	3.4%
Government	3,110	2.0%	4,152	2.1%
TOTAL	157,100	100.0%	194,552	100%

Source: Gruen Gruen & Associates, "Analysis & Forecast of Employment & Building Space Demand & Strategic Policy Recommendations for Greater Airport Study Area," March 2009

Largest Employers in Scottsdale

Rank	Company Name	Employees
1	Scottsdale Healthcare Corporation*	5,213
2	Mayo Clinic - Scottsdale	5,003
3	General Dynamics	2,990
4	City of Scottsdale**	2,608
5	Scottsdale Unified School District*	2,514
6	CVS – CareMark	2,346
7	Go Daddy Group	1,915
8	The Vanguard Group	1,700
9	Troon Golf LLC	1,539
10	Scottsdale Insurance Company	1,400
11	Fairmont Princess Resort	1,200
12	DHL	1,000
13	Coventry Health Care	700
14	Dial Corporation	700
15	USPS – Scottsdale	646
16	Desert Mountain Properties	610
17	Nordstrom	608
18	The Boulders Resort	600
19	E-Telecare Global Solutions	600
20	Pulte Homes	545
21	Taser	518
22	McKesson	500
23	Hyatt Regency at Gainey Ranch	500
24	Wal-Mart	475
25	JDA Software Group	460

Source: City of Scottsdale, Economic Vitality

*Full-time equivalent (FTE) employees, as of March 2008

**Full-time equivalent (FTE) employees, as of July 1, 2009

**Maricopa County Assessor
Summary of Major Taxpayers for the City of Scottsdale
As of July 2009 for 2008 Property Tax Year**

Taxpayer	Type of Business	Secondary Assessed Valuation
Arizona Public Service Company	Gas and Electric Utility	60,195,337
Scottsdale Fashion Square Partnership	Shopping Center	43,294,669
Qwest Corporation	Telecommunications	27,807,147
Scottsdale Fashion Square LLC	Shopping Center	22,666,218
Blackwell Robert L/Etal	Resort	22,652,099
Gainey Drive Associates	Resort	22,341,138
DC Ranch LLC	Residential Land	21,159,238
PR Hotel LLC	Resort	19,026,071
Portales Corporate Center LLC/Etal	Office Building	17,222,114
DTR5 LLC	Office Building	16,215,000

Source: Maricopa County Assessor's Office for the 2008 Property Tax Year.

Median Household Income					
City	2005 Median Household Income	2000 Median Household Income	1995 Median Household Income	1990 Median Household Income	Growth Rate 2005 vs 1990
Scottsdale	\$65,361	\$57,484	\$48,319	\$39,037	67%
Phoenix	\$44,222	\$41,207	\$32,950	\$29,291	51%
Mesa	\$46,438	\$42,817	\$33,676	\$30,273	53%
Glendale	\$54,424	\$45,015	\$35,483	\$31,665	72%
Chandler	\$63,143	\$58,416	\$46,096	\$38,124	66%
Tempe	\$48,767	\$42,361	\$36,049	\$31,885	53%
Gilbert	\$73,960	\$68,032	\$51,660	\$41,081	80%
Peoria	\$58,742	\$52,199	\$40,820	\$34,205	72%
<i>Metro Area</i>	<i>\$46,111</i>	<i>\$45,358</i>	<i>\$35,623</i>	<i>\$30,797</i>	<i>50%</i>
Scottsdale median income is higher than Metro Area by:	42%	27%	36%	27%	

Source: Sites USA, 2000 US Census, 1995 Special US Census, 1990 US Census

Tourism

Tourism in the City of Scottsdale is driven by several factors—destination resorts, special events, golf, desert environment, southwestern culture, and of course, warm winters. Tourism generates millions of dollars in economic activity in the City each year and is one of the most significant sources of revenue for the City’s operations and budget. In 2007 (most recent data), Scottsdale hosted over 8.4 million



photo courtesy of Scottsdale Convention & Visitor’s Bureau

visitors with an economic impact of \$3.7 billion (direct and indirect) and tourism was responsible for \$9.3 million in bed tax receipts for the City.

Numerous resort and convention facilities, along with more than 82 hotels and resorts, provide nearly 16,250 guest rooms in the Scottsdale/ Paradise Valley market area. The city boasts many public and private golf courses, tennis courts, country clubs, day spas, nightclubs, bars, and lounges. More than 5,500 retail shops, boutiques, and galleries are located throughout the City and a selection of almost 600 restaurants is available. These services and facilities, complemented by the mild winter, have made Scottsdale a popular vacation spot for tourists and winter visitors.

Revitalization

Original neighborhoods form the core of southern Scottsdale. As this area continues to mature, the area requires focused and ongoing efforts to maintain and strengthen the economic and physical health of this important part of the Scottsdale community. Through its revitalization program, the City has stepped up its efforts to maintain, renovate, or rebuild City buildings, parks, and other public facilities, and to attract new businesses and investment. In addition, the City anticipates partnering with its property owners, residents, business owners, community groups, and development professionals to utilize the tools necessary for the revitalization, restoration, and renewal for southern Scottsdale.



Preservation

In 1990, Scottsdale citizens (through the non-profit McDowell Sonoran Land Trust – today called the McDowell Sonoran Conservancy) initiated the preservation of Scottsdale’s McDowell Mountains and other remaining lush Sonoran Desert areas. The vision is to preserve approximately 36,460 acres, equivalent to 1/3 of Scottsdale’s total land area. Protected land in this geographic area is called the McDowell Sonoran Preserve.

The Preserve will protect Scottsdale’s diverse Sonoran Desert environment and create corridors linking to natural open space in adjacent communities as well as to the Tonto National Forest and the Maricopa County Regional Park. The objective is to create a large sustainable natural desert habitat for wildlife and desert flora, available for appropriate public recreation use.



This rare, majestic crested saguaro is now standing watch along the trailhead of the Lost Dog Wash Access Area in the McDowell Sonoran Preserve.

In 1995, Scottsdale voters approved initial funding - a 0.2 percent sales tax increase to purchase land in a 16,460 acre boundary encompassing the McDowell Mountains and surrounding desert. In 1998, voters approved using the sales tax to purchase land in an additional 19,940 acre boundary primarily north of the McDowell Mountains comprised of isolated mountains, deep washes and lush Sonoran Desert vegetation. In 2004, voters approved an additional 0.15 percent increase in the sales tax for land acquisition and for access area amenities. When completed, the McDowell Sonoran Preserve will be one of the largest urban preserves in the nation.

Proposed Desert Discovery Center at the Gateway to the Preserve

Planning continues for establishing a desert discovery center in the Gateway to the Preserve- east of Thompson Peak Parkway north of Bell Road (Gateway Access/Discovery Plans). The discovery center is envisioned to exist to provide opportunities for residents and visitors to discover the story of the Upper Sonoran Desert. Through exhibits and environmental experiences presented in a natural setting, the center will inspire learning about the desert through its programs which encourage preservation and instill a sense of harmony with and respect for the desert.

A task force comprised of the McDowell Sonoran Preserve Commission (MSPC) and Tourism Development Commission (TDC) members successfully managed Phase One of the

Desert Discovery Center Feasibility Study to develop concepts for the desert discovery center through a public involvement process. The completed report was presented to both commissions in August 2008. The report identifies next steps the community should consider to move the planning process along. Phase Two of the Study to further refine concepts, exhibitory, architectural and operational needs will be managed by a subcommittee of members of the MSPC and TDC, and is scheduled to begin in summer 2009.

Transportation

Scottsdale's transportation network offers citizens a variety of mobility choices, such as using streets, transit, downtown trolley, Cab Connection, sidewalks, unpaved trails, and downtown parking. The Pima and Red Mountain Freeways and City streets let people move into and around the City. Scottsdale's transportation planning works together to support the mission of encouraging livable neighborhoods and providing for safe, efficient, and affordable movement of people and goods in Scottsdale.



Scottsdale residents enjoy 56 miles of paved multi-use paths.

Educational Facilities

Several institutions of higher learning are available to City residents. Arizona State University, one of the major universities in the nation, is located in Tempe just south of the City. The University has approximately 62,000 students, graduate and undergraduate, a choice of 23 colleges and has 2,529 full-time faculty members (as of Fall 2008). Also, the University of Arizona operates their Executive MBA program at their location in Scottsdale next to WestWorld. Scottsdale Community College, a part of the Maricopa Community College System, is located on the eastern border of the City, on the Salt River/Pima Maricopa Indian Community. The college is a two-year college, which offers a wide variety of academic, occupational, developmental, and special interest programs. Other higher educational facilities include the University of Phoenix and the Scottsdale Culinary Institute. The City is also served by 26 public elementary and middle schools, 6 public high schools, and a number of private schools.

Photo Radar

Scottsdale has utilized photo enforcement on its City streets since 1997, augmenting a comprehensive traffic safety program proven to reduce both the number and severity of collisions. Nine fixed speed/red-light cameras currently operate on city surface streets. Additionally, four photo enforcement vans are also deployed in areas typically identified through citizen complaints or through collision data.

In 2006, Scottsdale became the first city in the U.S. to implement a fixed-site photo enforcement program on a freeway when cameras were installed along the City's stretch of SR101. Due to the documented effectiveness of the program in reducing both the number and severity of collisions, the Governor directed her staff to assume full administration of the SR101 program following a transition phase in which Scottsdale and State staff worked together. The Arizona Department of Public Safety is The Arizona Department of Public Safety is now fully administering the freeway program.

WestWorld

WestWorld is a premier, nationally recognized, user-friendly equestrian center and special events facility serving the community and target market visitors. It is comprised of approximately 385 acres which are available for a variety of uses and events. It is located in the geographic center of the city. Close to the gateway of the McDowell Mountain Preserve. While The Bureau of Reclamation owns the land that WestWorld is situated on, the City of Scottsdale assumed management responsibility and purchased the fixed assets in 1997. WestWorld now serves as a community asset and major economic catalyst to the City as it hosts over 295 utilized days with approximately 600,000 visitors annually



**CITY OF SCOTTSDALE
TRADITIONAL BUDGET PLANNING AND DEVELOPMENT
FISCAL YEAR 2009/10 CALENDAR**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Strategic Planning Process															
Needs Assessment and Financial Capacity															
Citizen Input															
Forecast Multi-year Revenues															
Evaluate Infrastructure Needs															
Create Fiscal Forecasting Assumptions															
Develop Financial Trends															
Review Monthly Economic Updates															
(Developing Broad Goals & Strategic Directives)															
Update Financial Policies, Plans, Programs															
& Management Strategies															
Capital Improvement Program															
Update CIP Portion of Budget Planning Guide															
CIP Kick-off Meetings															
Division Review and Preparation															
Peer Construction & Technology Review															
CIP Advisory Team Review															
City Management Review															
Citizen Bond Review Commission															
Budget Review Commission															
City Council Review & Adoption															
Public Hearings															
Final CIP Adoption															
Budget Process															
Budget Planning Guide															
Budget Kick-off Meetings															
Update Performance Measurements															
User Training: Budget Databases															
Division Budget Development															
Budget Liaison Update Meetings															
Division Budget Request Submission															
(Changes in service level, additional staff, etc.)															
Line Item Analytical Review															
Internal Service Rates Finalized															
City Management Review															
Mission Statements Preparation/Review															
Organizational Charts Preparation/Review															
Finalize Proposed Five-Year Financial Plans															
Budget Review Commission															
Division budget review sessions with Commission															
Public Hearings															
Final Budget Adoption															
Implement Adopted Budget															
Monitor Citywide Financial Performance															
Budget Process Review & Adjustment															

ACJIS	Arizona Criminal Justice Information System
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADOT	Arizona Department of Transportation
ANTN	Aviation News and Training Network
APS	Arizona Public Service
ARS	Arizona Revised Statutes
ASU	Arizona State University
ATV	All Terrain Vehicle
AZ GOHS	Arizona Governor's Office of Highway Safety
AZSTA	Arizona Sports and Tourism Authority
CAD	Computer Aided Design; Computer Aided Dispatch (Police)
CAFR	Comprehensive Annual Financial Report
CAP	Central Arizona Project
CAPA	Communications and Public Affairs
CCTV	Closed Circuit Television
CDBG	Community Development Block Grant
CDL	Commercial Driver's License
CDS	Community Development System
CEF	Court Enhancement Fund
CFAI	Committee on Fire Accreditation International
CFD	Community Facility District
CFO	Chief Financial Officer
CGTF	Central Groundwater Treatment Facility
CIP	Capital Improvement Plan
CISM	Critical Incident Stress Management
CIT	Crisis Intervention Team
CNG	Compressed Natural Gas
COBRA	Consolidated Omnibus Budget Reconciliation Act
COP	Certificate of Participation
CPA	Certified Public Accountant
DAS	Direct Attached Storage
DAS	Distributed Antenna System
DMZ network	Demilitarized Zone (isolated protected network)
DPS	Department of Public Safety
DVAT	Domestic Violence Action Team
EDM	Electronic Document Management
EEOC	Equal Employment Opportunity Commission
EFT	Electronic File System
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
ESAP	Emergency Safety and Preparedness
ESRI	Environmental Systems Research Institute
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation

FCD	Flood Control District
FEMA	Federal Emergency Management Agency
FMLA	Family Medical Leave Act
FT	Full Time
FTA	Federal Transit Administration
FTE	Full Time Equivalent
FTG	Fill the Gap
GAAP	Generally Accepted Accounting Principles
GAC	Granular Activated Carbon
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
GPS	Geographic Positioning System
HEAT	Help Desk Software
HIPAA	Health Insurance Portability and Accountability Act
HHW	Household Hazardous Waste
HR	Human Resources
HUD	U.S. Department of Housing and Urban Development
HURF	Highway User Revenue Fund
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International City/County Management Association
ID	Improvement District
IGA	Intergovernmental Agreement
IIHS	Insurance Institute for Highway Safety
ILM	Information Lifecycle Management
IS	Information Systems
ISO	International Organization for Standardization
IT	Information Technology
ITD	Inception to Date
ITS	Intelligent Transportation System
IVR	Interactive Voice Response System
IWDS	Irrigation Water Distribution System
JCEF	Judicial Collections Enhancement Fund
JTTF	Joint Terrorism Task Force
LEED	Leadership in Energy and Environmental Design
LIS	Land Information System
LTAf	Local Transportation Assistance Fund
MAG	Maricopa Association of Governments
MCSD	Maricopa County Stadium Project
MPC	Municipal Property Corporation
MS	Microsoft
NACSLB	National Advisory Council on State and Local Budgeting
NAS	Network Attached Storage
NEP	Neighborhood Enhancement Partnership
NFMA	National Federation of Municipal Analysts
NIMS	National Incident Management Systems
NLC	National League of Cities

NPDES	National Pollutant Discharge Elimination System
NTO	Narcotics Trained Officer
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PC	Personal Computer
PD	Police Department
PIN	Prosecutor Information Network
PKI	Public Key Infrastructure
PO	Purchase Order
POS	Point of Sale
PT	Part Time
REV	Revenue
RFP	Request for Proposal
RICO	Racketeering Influenced Corrupt Organizations
ROP	Repeat Offender Program
ROW	Right of way
RPTA	Regional Public Transit Authority
RWDS	Reclaimed Water Distribution System
SAN	Storage Area Network
SCADA	Supervisory Control and Data Acquisition
SOS	Delinquency Turn On Notification System
SPA	Scottsdale Preserve Authority
SQL	Structured Query Language
SRO	School Resource Officer
SRP	Salt River Project
SRPMIC	Salt River Pima-Maricopa Indian Community
STOMP	Scottsdale Teens on a Mission for Progress
SVC	Service
SW	Software
SWAT	Special Weapons and Tactics
TPC	Tournament Players Club
TRF	Transfer
UCR	Uniform Crime Report
VCC	Virtual Call Center
VPP	Voluntary Protection Program
WRP	Water Reclamation Plant
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

Actual – Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Adopted – Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the budget as approved by the City Council.

Appropriation – An authorization made by the City Council, which permits the City to incur obligations and to expend resources.

Assessed Valuation – A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions. In Arizona, real property is valued annually by the County Assessor for the assessment of property taxes.

Balanced Budget - Arizona State law requires a “balanced” budget, which is “all-inclusive”. Arizona State Revised Statute (42-17151) defines a “balanced” budget as follow:

“Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year.”

Under Arizona State law “all-inclusive” means if an item is not budgeted (i.e. does not have an appropriation), it cannot legally be spent during the fiscal year. Therefore, the budget must include sufficient appropriation provisions for expenditures related to revenues (e.g., possible future grants) that cannot be accurately determined or even anticipated when the budget is adopted in June. This budgetary flexibility allows the City to comply with the Arizona State law and to pro-actively pursue emerging revenue sources as the budget year unfolds. The contingent expenditure appropriations associated with items such as possible future grants/revenues may not be spent without prior City Council approval during a public meeting.

Base Budget – Cost of continuing the existing levels of service in the current budget year.

Beginning Balance – The beginning balance is the residual non–restricted funds brought forward from the previous fiscal year (ending balance).

Bond 2000 – General Obligation Bonds that were authorized by voters in calendar year 2000 and are secured by the full faith and credit of the issuer. General Obligation Bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power, and must be authorized by the electorate.

Bond Funds – Established to account for bond proceeds to be used only for approved bond projects.

Bonds – Bonds are debt instruments, which require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Budget – A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

Budget Calendar – The schedule of key dates, which a government follows in the preparation and adoption of the budget.

Budgetary Basis – Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that (1) no depreciation is budgeted for proprietary funds; and (2) bond principal in the enterprise funds is subject to appropriation. The budgetary basis of accounting is used to present all proposed budget and forecast amounts in the budget document to facilitate meaningful comparisons. The differences between the budgetary and GAAP basis of accounting used by the City of Scottsdale are similar to those of many other local governments. The differences between budgetary basis and the GAAP basis exist largely because the budgetary basis provides a more conservative view of revenues and expenditures.

Capital Expenditures – The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary values (equal to or greater than \$25,000), (2) long asset life (equal to or greater than five years of useful life, and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

Capital Improvement Funds – Established to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several Capital Project funds to ensure legal compliance and financial management for various restricted revenues.

Capital Improvement Plan (CIP) – A capital improvement plan is a comprehensive plan that projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvement plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

Capital Outlay – Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, 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 a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) typically have a unit cost of \$5,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as a capital outlay under the same code as the original purchase. Replacement or repair parts are classified under commodities.

Capital Project – Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as streets, bridges, drainage, street lighting, and water systems.

Commodities – Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Community Facilities Districts (CFD) – CFDs are special purpose public improvement districts. By utilizing a variety of public funding options such as bonds, special assessments, taxes and user fees, CFDs provide a mechanism to finance public infrastructure, the operation and maintenance of public infrastructure, and enhanced municipal services in qualifying areas.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contracts Payable – Contracts payable represents a liability reflecting amounts due on contracts of goods or services furnished to the City.

Contractual Services – Includes expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services accounts.

Cost Center – An organizational budget/operating unit within each City division or department.

Court Enhancement Fund – A fund to accumulate fees imposed by the City Court on fines, sanctions, penalties and assessments for the purpose of enhancing the technological, operational and security capabilities of the City Court.

Debt Service – Paid from the General Fund, is primarily contractual debt related to sales tax development agreements and will vary based on the actual sales tax collections at each developed site.

Debt Service Funds – Established to account for the accumulation of resources and for the payment of general long-term debt principal and interest that are not serviced by the General, Special Revenue, and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Department – A functional unit within a division consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives (e.g., Police and Fire departments within Public Safety Division).

Division – The combination of departments of the City with a specific and unique set of goals and objectives (i.e., Public Safety, Financial Management, Community Services, etc.).

Encumbrance – Includes obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, canceled, or when the actual liability is established.

Encumbrance Rebudgets – The balance of unliquidated purchase commitments brought forward from the previous fiscal year.

Ending Balance – The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Capital Funds – Used to account for utility rates and development fees for specific projects.

Enterprise Funds – Established to account for operations, including debt service that are financed and operated similarly to private businesses - where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains three Enterprise Funds to account for Water & Sewer, Solid Waste, and Aviation activities.

Equipment Rental – Represents fees charged to other areas of the City for the maintenance, repair, and replacement of City vehicles. The fee for these charges is returned to the fleet management internal service fund as revenue.

Estimate – Represents the original adopted budget plus any prior year open purchase orders, contingency transfers, approved changes, and anticipated year-end savings.

Excise Debt – Represents debt that is repaid by excise taxes. In this case, the excise taxes used to fund the debt service payments are a portion of the transaction privilege (sales) tax and transient occupancy tax.

Expenditures – Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees – Charges for specific services.

Financial Policy – A government's directive with respect to revenues, spending, reserves, and debt management as these relate to government services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of government budgets and its funding.

Fiscal Year – A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Scottsdale's fiscal year is July 1 through June 30.

Five-Year Financial Plan – An estimation of revenues and expenses required by the City to operate for the next five-year period.

Forecast – A prediction of a future outcome based on known and unknown factors.

Franchise Fee – Charged to the water and sewer utility fund, is a reimbursement to the general fund for the utility's use of City streets and right-of-ways.

Fringe Benefits – Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pension, medical, and life insurance plans.

Full-Time Equivalent (FTE) – A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Full Cash Value – Arizona Revised Statutes defines Full Cash Value (FCV) as being synonymous with market value. For assessment purposes, Full Cash value approximates market value. Also see Secondary Assessed Valuation.

Fund – A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – The balance of net financial resources that are spendable or available for appropriation. As used in the budget, the excess of resources (revenues and cash transfers-in) over uses (expenditures, debt service, and cash transfers-out). The beginning fund balance is the residual funds brought forward from the previous fiscal year. The fund balance is comprised of a reserved fund balance and an unreserved fund balance. The reserved fund balance is restricted for specific purposes, while the unreserved fund balance is not restricted for a specific purpose and is available for general appropriation.

Fund Summary – A combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, estimated budgets, and the current year's adopted budgets.

GAAP Adjustments – Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP). For example, depreciation and amortization in Enterprise Funds are not considered expenses on the budget basis of accounting, but are considered expenses on the GAAP basis.

General Fund – 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.

General Long-Term Debt – Represents any unmatured debt not considered to be a fund liability.

General Obligation Bonds (G.O. Bonds) – Bonds secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). They are usually issued to pay for general capital improvements such as parks and roads.

Generally Accepted Accounting Principles (GAAP)

– The uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides standards by which to measure financial presentations. The GAAP basis of accounting is used to prepare the City's Comprehensive Annual Financial Report (CAFR). The GAAP basis differs from the budgetary (or cash) basis in that certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Golf Course Surcharge – A \$1 per nine hole surcharge established in 1994 for all City owned golf courses. Revenue collected from this source is used for capital improvements, debt service on capital improvements, silt management, catastrophic flood funding, and support of the FBR Open golf tournament.

Grant – A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (i.e., education or drug enforcement), but it is sometimes for general purposes.

Grant Capital Funds – are used to account for the proceeds of capital grants.

Highway User Fuel Tax – Gasoline tax shared with municipalities; a portion is distributed based upon the population of the City and a portion is distributed based upon the origin of the sales of the fuel. The Arizona State Constitution requires that this revenue be used solely for street and highway purposes.

Improvement Districts – Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property. Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Indirect Cost Allocation – Funding transferred to the general fund from enterprise funds for specific central administrative functions, which benefit those funds (i.e., City Manager, Financial Services Department, Human Resources, Legal, etc.).

In-Lieu Property Tax – Charges to the enterprise funds, which compensates the general fund for the property tax that would have been paid if the utilities were for-profit companies.

Intergovernmental Revenues – Levied by one government but shared on a predetermined basis with another government or class of governments.

Internal Service Fund – Established to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the City. The City maintains two Internal Service Funds to account for Fleet and Self-Insurance activities.

Limited Property Value – The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation). Also see Primary Assessed Valuation.

Mission – Defines the primary purpose of the City and is intended to guide all organizational decisions, policies, and activities (internal and external) on a daily basis.

Municipal Property Corporation (MPC) – A non-profit corporation established to issue bonds to fund City capital improvements projects.

Needs Assessment – The foundation for determining what City customers feel is needed. Market surveys, public hearings, and boards and commission surveys are conducted.

Objective – Something to be accomplished in specific, well-defined, and measurable terms, and that is achievable within a specific time frame.

Operating Budget – The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is required by law in Arizona and is a requirement of Scottsdale's City Charter.

Operating Revenue – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Other Fiscal Activity – Refers to various trust and agency funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, and other funds.

Outstanding Debt – The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-As-You-Go Capital Improvement Projects (PAYGO) – Capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

Performance Measure – Data collected to determine how effective or efficient a program is in achieving its objectives.

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.

Preserve Bonds – Represent excise tax revenue bonds and G.O bonds. The bonds are special revenue obligations of the Scottsdale Preserve Authority payable solely from and secured by either a 0.2% sales tax approved by City voters in 1995 and issued for the purpose of acquiring land for the McDowell Sonoran Preserve or a 0.15% sales tax approved by City voters in 2004 and issued for the purpose of acquiring land and construction of essential preserve related necessities such as proposed trailheads for the McDowell Sonoran Preserve.

Primary Assessed Valuation (Limited Property Value) – In Arizona, the Primary Assessed Valuation is used to compute primary taxes for the maintenance and operation of school districts, community college districts, municipalities, counties, and the state. The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation).

Primary Assessment – The amount of tax calculated according to a statutory formula based on the Primary Assessed Valuation.

Primary Property Tax – Levied for the purpose of funding general government operations. Annual increases are limited to 2.0% of the previous year's maximum allowable primary property tax levy plus allowances for new construction and annexation of new property and tort litigation settlements.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the City is responsible. A program differs from a division from the standpoint that cost centers from different departments may make up a program while cost centers from the same department make up a division.

Program Budget – A budget, which allocates money to the functions or activities of a government, rather than to specific items of cost or to specific departments.

Property Tax – Based according to value of property and is used as the source of monies to pay general obligation debt (secondary property tax) and to support the general fund (primary property tax). Each year the Maricopa County Assessor's Office determines the value of all property within the county, including City buildings and individual homes. These assessment values are then used on a pro-rata basis for levying property taxes. Property taxes are paid twice a year. The first half is due on October 1st and the second half is due on the following March 1st.

Proposition 400 (Regional Sales Tax) represents revenues received from the 2004 voter approved 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction.

Racketeered Influenced Corrupt Organizations (RICO) Funds – Funds obtained from an anti-racketeering revolving fund maintained by either the Federal or State government as a result of asset forfeitures from criminal enterprises and are allocated to municipalities for approved non-recurring public safety expenditures.

Rebudget – Carryover represents encumbered and committed funds carried forward to the next fiscal year budget.

Refunding – A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: (1) to reduce the issuer's interest costs or (2) to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

Regional Sales Tax (Proposition 400) represents revenues received from the 2004 voter approved 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction.

Reserve – An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Revenue Bonds – Bonds payable from a specific source of revenue, which do not pledge the full faith, and credit of the issuer. Revenue bonds are payable from identified sources of revenue and do not affect the property tax rate. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Secondary Assessed Valuation (Full Cash Value) – In Arizona, the Secondary Assessed Valuation is used to compute secondary taxes, which may consist of bonds, budget overrides, and special districts such as fire, flood control, and other limited purpose districts. Full Cash Value is a reflection of the market value of property.

Secondary Assessment – The amount of tax calculated according to a statutory formula based on the Secondary Assessed Valuation.

Secondary Property Tax – Levied for the purpose of funding the principal, interest, and redemption charges on general obligation bonds of the City. The amount of this tax is determined by the annual debt service requirements on the City's general obligation bonds.

Self Insurance – The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Service Levels – Describe the present services provided by a City department and/or division within the department.

Sinking Fund – An account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments there from are determined by the terms of the bond contract.

Special Assessment – A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Funds – Established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains the following five Special Revenue Funds: Highway User Revenue, Preservation Privilege Tax, Transportation Privilege Tax, Special Programs, and Grants.

Stakeholder – refers to anyone affected by or who has a stake in government. This term stakeholder includes, but is not limited to: citizens, customers, elected officials, management, employees, and their representatives (whether unions or other agents), businesses, vendors, other governments, and the media.

Street Light Improvement Districts – Formed to provide a means for properties within a district to maintain streetlights within their boundaries. A street light tax is levied against the property owner to cover the cost of electrical billings received and paid by the City.

Tax Levy – The total amount of revenue to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate – The amount of tax levied for each \$100 of assessed valuation.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Transfers – The authorized exchanges of cash or other resources between funds, divisions, departments and/or capital projects.

Transportation Privilege Tax Capital Fund – Established to account solely for transportation projects.

Trend Analysis – Examines changes over time, which provides useful management information such as the City's current financial situation and its future financial capacity to sustain service levels.

Trust Funds – Established to administer resources received and held by the City as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unreserved Fund Balance – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Unrestricted General Capital Fund – Established to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

User Fee – The fee charged for services to the party or parties who directly benefits.

ORDINANCE NO. 3857

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF SCOTTSDALE FOR THE FISCAL YEAR BEGINNING JULY 1, 2009, AND ENDING JUNE 30, 2010, AND DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET FOR THE CITY OF SCOTTSDALE.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17 of the Arizona Revised Statutes, and the City Charter, the City Council did, on May 19, 2009, make a budget estimate of the different amounts required to meet the public expenses for the fiscal year beginning July 1, 2009, and ending June 30, 2010 ("Fiscal Year 2009/10"), an estimate of receipts from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Scottsdale, Arizona; and

WHEREAS, following publication of notice as required by law, the Council held a public hearing on June 2, 2009, at which any taxpayer could appear and be heard in favor of or against any proposed expenditure or property tax levy; and

WHEREAS, immediately following the public hearing, the Council convened in a special meeting for purposes of finally determining and adopting the estimates of proposed expenditures, which estimates, when adopted, would constitute the budget of the City of Scottsdale for Fiscal Year 2009/10; and

WHEREAS, it appears that publication has been duly made, as required by law, of said budget estimates, together with a notice that the Council will meet on June 16, 2009, in the City Hall Kiva for the purpose of making the primary and secondary property tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not, in the aggregate, exceed that amount for primary property taxes as computed in A.R.S. § 42-17051; now, therefore

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. Schedules A through G, as further described below, are attached hereto and incorporated herein by this reference, and are hereby adopted as the Final Budget of the City of Scottsdale for Fiscal Year 2009/10:

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Ordinance No. 3857

Page 2 of 3

Schedule A, Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2009/10

Schedule B, Summary of Property Tax Levy and Property Tax Rate Information Fiscal
Year 2009/10

Schedule C, Summary By Fund Type of Revenues Other than Property Taxes Fiscal
Year 2009/10

Schedule D, Summary By Fund Type of Other Financing Sources/(Uses) and Interfund
Transfers Fiscal Year 2009/10

Schedule E, Summary By Division (Department) of Expenditures/Expenses Within Each
Fund Type Fiscal Year 2009/10

Schedule F, Summary By Division (Department) of Expenditures/Expenses Fiscal Year
2009/10

Schedule G, Summary of Specific Budget Appropriations Fiscal Year 2009/10

SECTION 2. That upon the recommendation of the City Manager, and with the approval of the City Council, expenditures may be made for the budget from contingencies and reserves.

SECTION 3. That the City Manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within a division, department or office.

SECTION 4. That the City Council may, upon request of the City Manager, transfer any unencumbered appropriation balance or portion thereof from one division, department or office to another.

SECTION 5. That resources from any fund may be used to meet the adopted budget, except funds restricted by Federal or State law or by City ordinance or resolution; and that the City Manager is responsible for managing fund resources to satisfy these requirements, which responsibility may be delegated to the City's Chief Financial Officer.

SECTION 6. That pursuant to section 14-20 *et seq.* of the Scottsdale Revised Code, the Fiscal Year 2009/10 Classification/Compensation Plan, including the number of authorized Full-Time and Part-Time Equivalent positions, which is on file with, and available for review at, the Office of the City Clerk, is hereby adopted.

SECTION 7. That notwithstanding any other provisions of this Ordinance, any funds transferred to the general fund or operating budget from the capital improvement plan (CIP) fund be repaid to the capital improvement plan (CIP) fund by June 30, 2010, and that the City Manager provide monthly updates on the repayment of these funds to the Budget Review Commission, with copies of documents used to update the Commission also delivered to the members of the City Council.

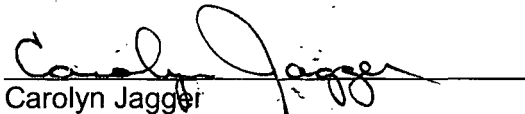
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Page 3 of 3

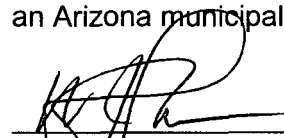
PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this 2nd day of June, 2009.

CITY OF SCOTTSDALE,
an Arizona municipal corporation

ATTEST:

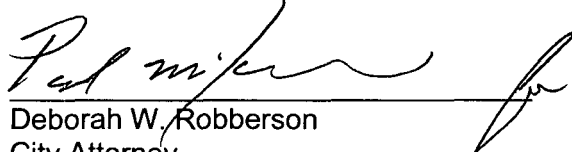


Carolyn Jagger
City Clerk



W.J. "Jim" Lane
Mayor

APPROVED AS TO FORM:



Deborah W. Robberson
City Attorney

5842265v1

BUDGET ADOPTION ORDINANCE

Appendix

CITY OF SCOTTSDALE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2009/10

FUND	ADOPTED BUDGETED EXPENDITURES 2008/09	ACTUAL EXPENDITURES 2008/09*	ESTIMATED FUND BALANCE July 1, 2009**	DIRECT PROPERTY TAX REVENUES 2009/10	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2009/10***	OTHER FINANCING SOURCES/(USES) 2009/10	NET INTERFUND TRANSFERS IN/(OUT) 2009/10	TOTAL FINANCIAL RESOURCES AVAILABLE 2009/10	BUDGETED EXPENDITURES 2009/10
PRIMARY:									
General Fund	\$ 269,890,887	\$ 268,594,091	\$ 34,697,002	\$ 23,654,407	\$ 216,933,292	\$ -	\$ (10,671,145)	\$ 264,613,556	\$ 232,507,122
Special Revenue Funds	70,269,713	66,728,164	30,191,474		92,680,435	-	(29,131,543)	93,740,366	70,893,771
SECONDARY:									
Debt Service Funds	65,586,157	64,336,760	19,049,103	31,795,488	1,645,521	-	27,995,993	80,486,105	66,800,824
Capital Projects Funds	884,318,900	290,087,000	76,184,300		510,960,000	50,800,000	81,322,733	719,267,033	634,929,200
Enterprise Funds	129,213,874	124,419,801	93,939,735		162,481,504	-	(69,462,438)	186,958,801	127,556,463
Expendable Trust Funds	18,800	18,800	4,121		18,800	-	-	22,921	18,882
PRIMARY:									
Internal Service Funds	9,540,243	9,540,243	25,470,905	1,930,000	11,842,329	-	(53,600)	39,189,634	11,563,506
TOTAL ALL FUNDS	\$ 1,428,838,574	\$ 823,724,859	\$ 279,536,640	\$ 57,379,895	\$ 996,561,881	\$ 50,800,000	\$ -	\$ 1,384,278,416	\$ 1,144,269,768

EXPENDITURE LIMITATION COMPARISON

	2008/09	2009/10
1. Budgeted expenditures	\$ 1,428,838,574	\$ 1,144,269,768
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures adjusted for reconciling items	1,428,838,574	1,144,269,768
4. Less: estimated exclusions	(1,014,035,947)	(777,814,382)
5. Amount subject to the expenditure limitation	\$ 414,802,627	\$ 366,455,386
6. EEC or voter-approved alternative expenditure limitation	\$ 422,711,971	\$ 436,288,678

* Includes expenditure adjustments approved in FY 2008/09 from Schedule E

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Does not include transfers-in

SCHEDULE A

**CITY OF SCOTTSDALE
Summary of Property Tax Levy and Property Tax Rate Information
Fiscal Year 2009/10**

	<u>2008/09</u> <u>FISCAL YEAR</u>	<u>2009/10</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	<u>\$ 22,383,374</u>	<u>\$ 25,584,407</u>
2. Amount received from primary property taxation in the 2008/09 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	<u>\$ -</u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ 22,383,374	\$ 25,584,407
B. Secondary property taxes	<u>35,795,617</u>	<u>31,795,488</u>
C. Total property tax levy amounts	<u>\$ 58,178,991</u>	<u>\$ 57,379,895</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2008/09 levy	21,264,205	
(2) Prior years' levies	<u>429,891</u>	
(3) Total primary property taxes	<u>\$ 21,694,096</u>	
B. Secondary property taxes		
(1) 2008/09 levy	33,997,938	
(2) Prior years' levies	<u>602,671</u>	
(3) Total secondary property taxes	<u>\$ 34,600,609</u>	
C. Total property taxes collected	<u>\$ 56,294,705</u>	
5. Property tax rates		
A. City tax rate		
(1) Primary property tax rate	\$ 0.3537	\$ 0.3650
(2) Secondary property tax rate	<u>0.4327</u>	<u>0.3782</u>
(3) Total city tax rate	<u>\$ 0.7864</u>	<u>\$ 0.7432</u>
B. Special assessment district tax rates		

Secondary property tax rates - As of the date the tentative budget was prepared, the city was operating 355 special assessment districts (streetlight improvement districts) for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the City of Scottsdale Financial Services Department Accounting Division.

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collections for the remainder of the fiscal year.

SCHEDULE B

CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2009/10

SOURCE OF REVENUES	BUDGETED REVENUES 2008/09	ACTUAL REVENUES 2008/09*	ESTIMATED REVENUES 2009/10
GENERAL FUND			
Taxes - Local			
Privilege & Use Tax (1.0%)	\$ 106,300,000	\$ 88,340,000	\$ 75,900,000
Privilege & Use Tax - Public Safety (.10%)	10,311,100	8,568,980	7,362,300
Transient Occupancy Tax	1,972,400	1,598,306	8,231,300
Light & Power Franchise Fee	7,718,000	8,200,000	8,400,000
Cable TV Franchise Fee	3,603,000	3,603,000	3,600,000
Salt River Project In Lieu Fee	175,000	139,000	139,000
Stormwater Water Quality Charge	842,000	830,000	863,000
Taxes - From Other Agencies			
State Shared Sales Tax	22,000,000	19,900,000	18,047,839
State Revenue Sharing	34,000,000	34,600,000	30,308,042
Auto Lieu Tax	9,700,000	8,000,000	8,000,000
Licenses/Permits/Service Charges			
Business Licenses & Fees	1,835,000	1,670,000	1,680,000
Building Permit Fees & Charges	14,500,000	6,626,100	8,149,000
Fire Service Charges	1,440,000	2,331,381	2,350,000
Recreation Fees	3,114,000	3,114,000	3,022,000
WestWorld Equestrian Facility Fees	2,387,000	2,728,000	2,888,000
Fines and Forfeitures			
Court Fines	6,451,000	6,400,000	7,166,300
Parking Fines	318,000	475,000	495,000
Photo Enforcement Fines	1,869,000	1,570,000	1,655,700
Photo Enforcement Fines - 101 Freeway	975,000	745,000	-
Library Fines & Fees	382,000	382,000	389,640
Interest Earnings/Property Rental			
Interest Earnings	4,500,000	3,498,327	1,656,860
Property Rental	3,381,000	3,327,167	3,194,029
Other Revenue/Resources			
Miscellaneous	1,000,000	1,004,690	1,000,000
30 Day Towing	-	200,000	400,000
Capital Improvement Plan Cost Allocation	-	878,820	861,588
Reimbursements	350,000	365,000	350,000
Intergovernmental Revenue	675,000	984,023	1,049,900
Indirect/Direct Cost Allocation	12,936,944	12,936,944	14,773,794
Contingent / Reserve Appropriation	5,000,000	5,000,000	5,000,000
Total General Fund	\$ 257,735,444	\$ 228,015,738	\$ 216,933,292

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2009/10**

SOURCE OF REVENUES	BUDGETED REVENUES 2008/09	ACTUAL REVENUES 2008/09*	ESTIMATED REVENUES 2009/10
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund			
Highway User Tax	\$ 16,900,000	\$ 13,500,000	\$ 14,187,000
Privilege Tax (.20%)	20,090,700	16,696,260	14,345,100
Local Transportation Assistance Fund I	1,088,492	1,068,850	1,057,100
Local Transportation Assistance Fund II	-	432,214	-
Prop 400 Regional Sales Tax	305,184	305,184	311,628
Charges for Services	-	-	1,568,364
Capital Improvement Plan Cost Allocation	-	836,325	819,926
Miscellaneous	180,000	120,000	120,000
Total Transportation/HURF Fund	\$ 38,564,376	\$ 32,958,833	\$ 32,409,118
Special Programs Fund			
Transient Occupancy Tax	\$ 7,889,600	\$ 6,393,224	\$ -
Court Enhancement/JCEF/FTG	982,259	1,093,656	1,129,334
Downtown Cultural/Community Arts	235,000	94,663	150,000
Human Resources - Cultural Diversity Prog	20,000	18,150	10,000
Police	1,426,600	1,658,910	3,371,817
Community Services	1,896,250	2,030,519	1,955,260
Planning, Neighborhoods & Transportation	151,000	-	-
Fire	4,000	500	500
Contingent Appropriation	1,500,000	1,500,000	1,500,000
Total Special Programs Fund	\$ 14,104,709	\$ 12,789,622	\$ 8,116,911
Preservation Privilege Tax Funds			
Privilege Tax (.20%)	\$ 20,622,200	\$ 17,137,960	\$ 14,724,600
Privilege Tax (.15%)	14,951,095	13,251,000	11,385,000
Interest Earnings	1,120,000	1,120,000	302,000
Total Preservation Privilege Tax Funds	\$ 36,693,295	\$ 31,508,960	\$ 26,411,600
Grant Funds			
Community Development Block Grant	\$ 1,684,016	\$ 1,705,046	\$ 2,337,449
HOME Funds	587,142	694,885	1,000,264
Section 8 Housing	5,515,133	5,504,574	7,188,252
Federal and State Grants	3,320,913	3,190,991	5,095,773
Contingent Appropriation	8,200,000	8,200,000	9,500,000
Total Grant Funds	\$ 19,307,204	\$ 19,295,496	\$ 25,121,738
Special Districts			
Street Light Districts	\$ 600,066	\$ 600,066	\$ 621,068
Total Special Districts	\$ 600,066	\$ 600,066	\$ 621,068
Total Special Revenue Funds	\$ 109,269,650	\$ 97,152,977	\$ 92,680,435

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2009/10**

SOURCE OF REVENUES	BUDGETED REVENUES 2008/09	ACTUAL REVENUES 2008/09*	ESTIMATED REVENUES 2009/10
DEBT SERVICE FUNDS			
Special Assessment Debt Fund			
Special Assessments - Principal	\$ 1,004,809	\$ 1,001,396	\$ 877,199
Total Special Assessment Debt Fund	\$ 1,004,809	\$ 1,001,396	\$ 877,199
MPC Excise Debt			
MCSD/AZ STA Contributions	\$ 292,144	\$ 292,144	\$ 612,144
Spring Exhibition Surcharge	140,000	177,950	145,000
Total MPC Excise Debt Fund	\$ 432,144	\$ 470,094	\$ 757,144
Interest Earnings	\$ 9,638	\$ 11,074	\$ 11,178
Total Interest Earnings	\$ 9,638	\$ 11,074	\$ 11,178
Total Debt Service Funds	\$ 1,446,591	\$ 1,482,564	\$ 1,645,521
CAPITAL PROJECT FUNDS			
Capital Improvement Program			
Development Fees	\$ 17,510,000	\$ 4,512,000	\$ 6,667,000
Prop 400 Regional Sales Tax	14,219,400	14,756,800	9,025,400
Interest Earnings	6,442,000	6,679,200	5,099,200
Intergovernmental	-	60,000	30,000
Grant Revenue	14,265,300	2,635,000	21,057,300
Contributions	4,460,000	4,500,000	33,402,100
In-Lieu Fees	50,000	24,400	50,000
Estimated Unexpended Prior Year Budget	558,557,300	-	370,129,000
Contingent Revenue	25,000,000	3,179,200	65,500,000
Total Capital Project Funds	\$ 640,504,000	\$ 36,346,600	\$ 510,960,000
ENTERPRISE FUNDS			
Water and Sewer Utility Funds			
Sewer Charges	\$ 35,266,881	\$ 33,600,150	\$ 34,705,460
Water Charges	88,298,966	86,012,441	88,552,888
Groundwater Treatment Plant	944,458	1,011,859	974,761
Golf Course Water Charges	286,606	302,874	415,275
Irrigation Water Distribution System	2,302,319	1,948,192	1,545,467
Effluent Sales:			
Pipeline	4,732,851	5,069,095	4,947,743
Treatment Plant	707,200	863,275	893,490
Interest Earnings	2,276,000	3,670,332	2,074,720
Miscellaneous	3,167,434	2,100,718	2,635,371
Contingent / Reserve Appropriation	2,000,000	2,000,000	2,000,000
Total Water and Sewer Funds	\$ 139,982,715	\$ 136,578,936	\$ 138,745,175
Aviation Fund			
Airport Fees	\$ 3,639,423	\$ 2,666,730	\$ 2,712,463
Interest Earnings	79,000	79,000	78,001
Jet Fuel Tax	181,204	126,842	126,842
Total Aviation Fund	\$ 3,899,627	\$ 2,872,572	\$ 2,917,306

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2009/10**

SOURCE OF REVENUES	BUDGETED REVENUES 2008/09	ACTUAL REVENUES 2008/09*	ESTIMATED REVENUES 2009/10
Solid Waste Fund			
Refuse Collection	\$ 19,092,000	\$ 18,987,576	\$ 19,536,531
Interest Earnings	157,000	144,868	54,692
Miscellaneous	901,178	877,850	727,800
Contingent / Reserve Appropriation	500,000	500,000	500,000
Total Solid Waste Fund	\$ 20,650,178	\$ 20,510,294	\$ 20,819,023
Total Enterprise Funds	\$ 164,532,520	\$ 159,961,802	\$ 162,481,504
EXPENDABLE TRUST FUNDS			
Trusts			
Mayor's Committee for Emp of Handicapped	\$ 8,800	\$ 8,800	\$ 8,800
Contingent Appropriation	10,000	10,000	10,000
Total Trust Funds	\$ 18,800	\$ 18,800	\$ 18,800
INTERNAL SERVICE FUNDS			
Fleet Management Fund			
Equipment M & O/Acquisition Rates	\$ 18,300,507	\$ 18,300,507	\$ 13,575,018
Miscellaneous Revenue	168,169	168,169	200,000
Interest Earnings	300,000	300,000	155,000
Internal Service Offset	(18,300,507)	(16,646,339)	(13,575,018)
Total Fleet Management Fund	\$ 468,169	\$ 2,122,337	\$ 355,000
Self Insurance Fund			
Property Casualty Revenues	\$ 6,710,000	\$ 6,816,000	\$ 7,322,329
Short-Term Disability Revenues	320,000	320,000	320,000
Group Health/Dental Revenues	26,436,494	25,203,976	24,773,922
Internal Service Offset	(27,246,494)	(29,487,853)	(25,928,922)
Contingent / Reserve Appropriation	5,000,000	5,000,000	5,000,000
Total Self Insurance Fund	\$ 11,220,000	\$ 7,852,123	\$ 11,487,329
Total Internal Service Funds	\$ 11,688,169	\$ 9,974,460	\$ 11,842,329
TOTAL ALL FUNDS	\$ 1,185,195,174	\$ 532,952,941	\$ 996,561,881

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

CITY OF SCOTTSDALE
Summary By Fund Type of Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2009/10

FUND	OTHER FINANCING SOURCES/(USES) 2009/10	INTERFUND TRANSFERS 2009/10	
		IN	OUT
GENERAL FUND	\$ -	\$ 18,790,105	\$ 29,461,250
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund	\$ -	\$ 5,929,575	\$ 7,242,150
Special Programs Fund	-	6,645,040	3,153,200
Preservation Privilege Tax Funds	-	-	31,310,808
Total Special Revenue Funds	\$ -	\$ 12,574,615	\$ 41,706,158
DEBT SERVICE FUNDS			
Debt Service Fund	\$ -	\$ 27,995,993	\$ -
Total Debt Service Funds	\$ -	\$ 27,995,993	\$ -
CAPITAL PROJECTS FUNDS			
Capital Projects Fund	\$ 50,800,000 *	\$ 104,208,963	\$ 22,886,230
Total Capital Projects Funds	\$ 50,800,000	\$ 104,208,963	\$ 22,886,230
ENTERPRISE FUNDS			
Water and Sewer Funds	\$ -	\$ 13,886,230	\$ 81,541,487
Aviation Fund	-	-	306,446
Solid Waste Fund	-	-	1,500,735
Total Enterprise Funds	\$ -	\$ 13,886,230	\$ 83,348,668
INTERNAL SERVICE FUNDS			
Fleet Management Fund	\$ -	\$ -	41,400
Self Insurance Fund	-	-	12,200
Total Internal Service Funds	\$ -	\$ -	\$ 53,600
TOTAL ALL FUNDS	\$ 50,800,000	\$ 177,455,906	\$ 177,455,906

* General Obligation and Municipal Properties Corporation Bonds

SCHEDULE D

CITY OF SCOTTSDALE
Summary by Division (Department) of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009/10

Fund/Divisions(Department)	Adopted Budgeted Expenditures 2008/09	Expenditure Adjustments Approved 2008/09	Actual Expenditures 2008/09*	Budgeted Expenditures 2009/10
GENERAL FUND				
Mayor and City Council	\$ 1,693,976	\$ (150,694)	\$ 1,543,282	\$ 790,904
City Clerk	1,195,371	(40,226)	1,155,145	904,960
City Attorney	6,942,294	(288,411)	6,653,883	6,384,959
City Auditor	973,586	21,749	995,335	837,820
City Court	5,771,748	(44,602)	5,727,146	4,699,829
City Manager	824,025	43,773	867,798	-
Communications & Public Affairs	1,728,004	(330,013)	1,397,991	-
Police	90,335,013	1,248,648	91,583,661	-
Financial Management	9,992,850	(446,761)	9,546,089	7,763,582
Transportation	201,328	(74,628)	126,700	-
Community Services	58,822,317	137,869	58,960,186	38,499,263
Information Technology	10,602,652	(923,264)	9,679,388	10,333,523
The Downtown Group	4,580,842	(36,554)	4,544,288	-
Fire	33,237,606	(1,166,776)	32,070,830	-
Municipal Services	1,687,434	(120,243)	1,567,191	-
Citizen & Neighborhood Resources	3,774,908	(277,274)	3,497,634	-
Human Resources	4,316,051	(632,615)	3,683,436	4,597,436
Economic Vitality	1,502,931	(118,052)	1,384,879	11,208,383
Planning & Development Services	17,132,633	(754,063)	16,378,570	-
WestWorld	3,549,525	229,065	3,778,590	-
Divisions (FY 2009/10 Reorganization)				
Strategic Resources Group	-	-	-	1,742,708
Public Safety	-	-	-	116,256,382
Public Works & Water Resources	-	-	-	18,983,113
Planning, Neighborhoods & Transportation	-	-	-	15,586,164
Leave Accrual Payments	-	-	-	1,790,184
Estimated Division Savings	-	(4,072,586)	(4,072,586)	(5,000,000)
Future Savings from Reorganization	-	-	-	(12,536,834)
Retirement Incentive	-	8,630,174	8,630,174	-
Debt Service	6,025,793	(2,131,312)	3,894,481	4,664,746
Contingent / Reserve Appropriation	5,000,000	-	5,000,000	5,000,000
Total General Fund	\$ 269,890,887	\$ (1,296,796)	\$ 268,594,091	\$ 232,507,122
SPECIAL REVENUE FUNDS				
Transportation/HURF Fund				
Planning, Neighborhoods & Transportation	\$ 15,804,943	\$ (1,090,970)	\$ 14,713,973	\$ 13,631,274
Public Works & Water Resources	19,600,184	(2,037,521)	17,562,663	17,649,007
Leave Accrual Payments	-	-	-	86,262
Estimated Division Savings	-	(89,864)	(89,864)	(270,000)
Retirement Incentive	-	819,874	819,874	-
Total Transportation/HURF Fund	\$ 35,405,127	\$ (2,398,481)	\$ 33,006,646	\$ 31,096,543
Special Programs Fund				
Transient Occupancy Tax	\$ 7,864,578	\$ (876,700)	\$ 6,987,878	\$ 5,983,476
City Court	458,545	(6,047)	452,498	1,439,826
Downtown Cultural/Arts	300,000	-	300,000	150,000
Human Resource	25,000	-	25,000	10,000
Public Safety	1,102,958	(18,526)	1,084,432	1,169,863
Community Services	2,339,722	27,412	2,367,134	2,596,270
Planning, Neighborhoods & Transportation	279,989	(257,489)	22,500	140,000
Contingent Appropriation	1,500,000	-	1,500,000	1,500,000
Total Special Programs Fund	\$ 13,870,792	\$ (1,131,350)	\$ 12,739,442	\$ 12,989,435
Preservation Privilege Tax Funds				
Miscellaneous	\$ 2,110	\$ (10)	\$ 2,100	\$ 2,200
Debt Service	952,480	-	952,480	951,855
Total Preservation Privilege Tax Funds	\$ 954,590	\$ (10)	\$ 954,580	\$ 954,055

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

CITY OF SCOTTSDALE
Summary by Division (Department) of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009/10

Fund/Divisions(Department)	Adopted Budgeted Expenditures 2008/09	Expenditure Adjustments Approved 2008/09	Actual Expenditures 2008/09*	Budgeted Expenditures 2009/10
Grant Funds				
CDBG/HOME/Section 8 Housing	\$ 7,786,291	\$ 118,214	\$ 7,904,505	\$ 10,525,965
Other Federal & State Grants	3,320,913	(129,922)	3,190,991	5,095,773
Contingent Appropriation	8,200,000	-	8,200,000	9,500,000
Total Grant Funds	\$ 19,307,204	\$ (11,708)	\$ 19,295,496	\$ 25,121,738
Special Districts				
Street Light Districts	\$ 732,000	\$ -	\$ 732,000	\$ 732,000
Total Special Districts	\$ 732,000	\$ -	\$ 732,000	\$ 732,000
Total Special Revenue Funds	\$ 70,269,713	\$ (3,541,549)	\$ 66,728,164	\$ 70,893,771
DEBT SERVICE FUNDS				
GO Debt Service				
GO Bonds/Revenue Bonds	\$ 50,835,982	\$ (952,480)	\$ 49,883,502	\$ 51,276,535
MPC Excise Debt				
MPC Bonds	\$ 6,977,095	\$ (293,516)	\$ 6,683,579	\$ 7,616,960
Special Assessment Debt				
Special Assessment Bonds	\$ 7,773,080	\$ (3,401)	\$ 7,769,679	\$ 7,907,329
Total Debt Service Funds	\$ 65,586,157	\$ (1,249,397)	\$ 64,336,760	\$ 66,800,824
CAPITAL PROJECT FUNDS				
Capital Improvement Program				
Capital Projects	\$ 859,318,900	\$ (569,231,900)	\$ 290,087,000	\$ 569,429,200
Contingent Revenue	25,000,000	(25,000,000)	-	65,500,000
Total Capital Projects Fund	\$ 884,318,900	\$ (594,231,900)	\$ 290,087,000	\$ 634,929,200
ENTERPRISE FUNDS				
Water and Sewer Utility Fund				
Financial Management	\$ 3,041,256	\$ 110,850	\$ 3,152,106	\$ 3,056,221
Public Works & Water Resources	64,585,273	(4,412,771)	60,172,502	62,751,275
Debt Service	26,488,031	51,449	26,539,480	25,726,463
Indirect Cost Allocation	9,757,834	-	9,757,834	11,068,211
Contingent / Reserve Appropriation	2,000,000	-	2,000,000	2,000,000
Total Water and Sewer Fund	\$ 105,872,394	\$ (4,250,472)	\$ 101,621,922	\$ 104,602,170
Aviation Fund				
Economic Vitality	\$ 1,997,251	\$ (262,122)	\$ 1,735,129	\$ 1,604,983
Direct Cost Allocation (Fire)	328,046	-	328,046	363,942
Indirect Cost Allocation	282,533	-	282,533	301,466
Total Aviation Fund	\$ 2,607,830	\$ (262,122)	\$ 2,345,708	\$ 2,270,391
Solid Waste Fund				
Financial Management	\$ 803,878	\$ 10,554	\$ 814,432	\$ 812,522
Public Works & Water Resources	16,861,241	(292,033)	16,569,208	16,331,205
Indirect Cost Allocation	2,568,531	-	2,568,531	3,040,175
Contingent / Reserve Appropriation	500,000	-	500,000	500,000
Total Solid Waste Fund	\$ 20,733,650	\$ (281,479)	\$ 20,452,171	\$ 20,683,902
Total Enterprise Funds	\$ 129,213,874	\$ (4,794,073)	\$ 124,419,801	\$ 127,556,463

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

CITY OF SCOTTSDALE
Summary by Division (Department) of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009/10

Fund/Divisions(Department)	Adopted Budgeted Expenditures 2008/09	Expenditure Adjustments Approved 2008/09	Actual Expenditures 2008/09*	Budgeted Expenditures 2009/10
EXPENDABLE TRUST FUND				
Trusts				
Mayor's Com. For Emp. of the Handicapped	\$ 8,800	\$ -	\$ 8,800	\$ 8,882
Contingent Appropriation	10,000	-	10,000	10,000
Total Trust Fund	<u>\$ 18,800</u>	<u>\$ -</u>	<u>\$ 18,800</u>	<u>\$ 18,882</u>
INTERNAL SERVICE FUNDS				
Fleet Management Fund				
Public Works & Water Resources	\$ 16,560,219	\$ (1,654,168)	\$ 14,906,051	\$ 13,565,192
Internal Service Offset	(18,300,507)	1,654,168	(16,646,339)	(13,575,018)
Total Fleet Management Fund	<u>\$ (1,740,288)</u>	<u>\$ -</u>	<u>\$ (1,740,288)</u>	<u>\$ (9,826)</u>
Self Insurance Fund				
Financial Management	\$ 33,527,025	\$ 2,241,359	\$ 35,768,384	\$ -
Human Resources	-	-	-	32,502,254
Contingent / Reserve Appropriation	5,000,000	-	5,000,000	5,000,000
Internal Service Offset	(27,246,494)	(2,241,359)	(29,487,853)	(25,928,922)
Total Self Insurance Fund	<u>\$ 11,280,531</u>	<u>\$ -</u>	<u>\$ 11,280,531</u>	<u>\$ 11,573,332</u>
Total Internal Service Funds	<u>\$ 9,540,243</u>	<u>\$ -</u>	<u>\$ 9,540,243</u>	<u>\$ 11,563,506</u>
TOTAL ALL FUNDS	<u>\$ 1,428,838,574</u>	<u>\$ (605,113,715)</u>	<u>\$ 823,724,859</u>	<u>\$ 1,144,269,768</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

BUDGET ADOPTION ORDINANCE

Appendix

CITY OF SCOTTSDALE
Summary by Division (Department) of Expenditures/Expenses
Fiscal Year 2009/10

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2008/09</u>	<u>Expenditure Adjustments Approved 2008/09</u>	<u>Actual Expenditures 2008/09*</u>	<u>Budgeted Expenditures 2009/10</u>
MAYOR & CITY COUNCIL				
General Fund	\$ 1,693,976	\$ (150,694)	\$ 1,543,282	\$ -
Total Mayor & City Council	\$ 1,693,976	\$ (150,694)	\$ 1,543,282	\$ -
CITY CLERK				
General Fund	\$ 1,195,371	\$ (40,226)	\$ 1,155,145	\$ 904,960
Total City Clerk	\$ 1,195,371	\$ (40,226)	\$ 1,155,145	\$ 904,960
CITY ATTORNEY				
General Fund	\$ 6,942,294	\$ (288,411)	\$ 6,653,883	\$ 6,384,959
Total City Attorney	\$ 6,942,294	\$ (288,411)	\$ 6,653,883	\$ 6,384,959
CITY AUDITOR				
General Fund	\$ 973,586	\$ 21,749	\$ 995,335	\$ 837,820
Total City Auditor	\$ 973,586	\$ 21,749	\$ 995,335	\$ 837,820
CITY COURT				
General Fund	\$ 5,771,748	\$ (44,602)	\$ 5,727,146	\$ 4,699,829
Special Revenue Fund - Special Programs	458,545	(6,047)	452,498	1,439,826
Total City Court	\$ 6,230,293	\$ (50,649)	\$ 6,179,644	\$ 6,139,655
CITY MANAGER				
General Fund	\$ 824,025	\$ 43,773	\$ 867,798	\$ -
Total City Manager	\$ 824,025	\$ 43,773	\$ 867,798	\$ -
COMMUNICATIONS & PUBLIC AFFAIRS				
General Fund	\$ 1,728,004	\$ (330,013)	\$ 1,397,991	\$ -
Total Communications & Public Affairs	\$ 1,728,004	\$ (330,013)	\$ 1,397,991	\$ -
POLICE DEPARTMENT				
General Fund	\$ 90,335,013	\$ 1,248,648	\$ 91,583,661	\$ -
Special Revenue Fund - Special Programs	1,097,958	(13,526)	1,084,432	-
Total Police Department	\$ 91,432,971	\$ 1,235,122	\$ 92,668,093	\$ -
FINANCIAL MANAGEMENT				
General Fund	\$ 9,992,850	\$ (446,761)	\$ 9,546,089	\$ 7,763,582
Enterprise Fund - Water & Sewer	3,041,256	110,850	3,152,106	3,056,221
Enterprise Fund - Solid Waste	803,878	10,554	814,432	812,522
Internal Service Fund - Self-Insurance	33,527,025	2,241,359	35,768,384	-
Total Financial Management	\$ 47,365,009	\$ 1,916,002	\$ 49,281,011	\$ 11,632,325
TRANSPORTATION				
General Fund	\$ 201,328	\$ (74,628)	\$ 126,700	\$ -
Special Revenue Fund - Transportation/HURF	15,804,943	(1,090,970)	14,713,973	-
Enterprise Fund - Aviation	1,997,251	(262,122)	1,735,129	-
Total Transportation	\$ 18,003,522	\$ (1,427,720)	\$ 16,575,802	\$ -
COMMUNITY SERVICES				
General Fund	\$ 58,822,317	\$ 137,869	\$ 58,960,186	\$ 38,499,263
Special Revenue Fund - Special Programs	2,339,722	27,412	2,367,134	2,596,270
Total Community Services	\$ 61,162,039	\$ 165,281	\$ 61,327,320	\$ 41,095,533
INFORMATION TECHNOLOGY				
General Fund	\$ 10,602,652	\$ (923,264)	\$ 9,679,388	\$ 10,333,523
Total Information Technology	\$ 10,602,652	\$ (923,264)	\$ 9,679,388	\$ 10,333,523
THE DOWNTOWN GROUP				
General Fund	\$ 4,580,842	\$ (36,554)	\$ 4,544,288	\$ -
Special Revenue Fund - Special Programs	300,000	-	300,000	-
Total The Downtown Group	\$ 4,880,842	\$ (36,554)	\$ 4,844,288	\$ -

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

**CITY OF SCOTTSDALE
Summary by Division (Department) of Expenditures/Expenses
Fiscal Year 2009/10**

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2008/09</u>	<u>Expenditure Adjustments Approved 2008/09</u>	<u>Actual Expenditures 2008/09*</u>	<u>Budgeted Expenditures 2009/10</u>
FIRE DEPARTMENT				
General Fund	\$ 33,237,606	\$ (1,166,776)	\$ 32,070,830	\$ -
Special Revenue Fund - Special Programs	5,000	-	5,000	-
Total Fire Department	\$ 33,242,606	\$ (1,166,776)	\$ 32,075,830	\$ -
WATER RESOURCES				
Enterprise Fund - Water & Sewer	\$ 64,585,273	\$ (4,412,771)	\$ 60,172,502	\$ -
Total Water Resources	\$ 64,585,273	\$ (4,412,771)	\$ 60,172,502	\$ -
MUNICIPAL SERVICES				
General Fund	\$ 1,687,434	\$ (120,243)	\$ 1,567,191	\$ -
Special Revenue Fund - Transportation/HURF	19,600,184	(2,037,521)	17,562,663	-
Enterprise Fund - Solid Waste	16,861,241	(292,033)	16,569,208	-
Internal Service Fund - Fleet Management	16,560,219	(1,654,168)	14,906,051	-
Total Municipal Services	\$ 54,709,078	\$ (4,103,965)	\$ 50,605,113	\$ -
CITIZEN & NEIGHBORHOOD RESOURCES				
General Fund	\$ 3,774,908	\$ (277,274)	\$ 3,497,634	\$ -
Total Citizen & Neighborhood Resources	\$ 3,774,908	\$ (277,274)	\$ 3,497,634	\$ -
HUMAN RESOURCES				
General Fund	\$ 4,316,051	\$ (632,615)	\$ 3,683,436	\$ 4,597,436
Special Revenue Fund - Special Programs	25,000	-	25,000	10,000
Internal Service Fund - Self-Insurance	-	-	-	32,502,254
Total Human Resources	\$ 4,341,051	\$ (632,615)	\$ 3,708,436	\$ 37,109,690
ECONOMIC VITALITY				
General Fund	\$ 1,502,931	\$ (118,052)	\$ 1,384,879	\$ 11,208,383
Special Revenue Fund - Special Programs	7,864,578	(876,700)	6,987,878	6,133,476
Enterprise Fund - Aviation	-	-	-	1,604,983
Total Economic Vitality	\$ 9,367,509	\$ (994,752)	\$ 8,372,757	\$ 18,946,842
PLANNING & DEVELOPMENT SERVICES				
General Fund	\$ 17,132,633	\$ (754,063)	\$ 16,378,570	\$ -
Special Revenue Fund - Special Programs	279,989	(257,489)	22,500	-
Total Planning & Development Services	\$ 17,412,622	\$ (1,011,552)	\$ 16,401,070	\$ -
WESTWORLD				
General Fund	3,549,525	229,065	3,778,590	-
Total WestWorld	\$ 3,549,525	\$ 229,065	\$ 3,778,590	\$ -
<i>Divisions (FY 2009/10 Reorganization)</i>				
MAYOR & CITY COUNCIL				
General Fund	\$ -	\$ -	\$ -	\$ 790,904
Total Strategic Resources Group	\$ -	\$ -	\$ -	\$ 790,904
STRATEGIC RESOURCES GROUP				
General Fund	\$ -	\$ -	\$ -	\$ 1,742,708
Total Strategic Resources Group	\$ -	\$ -	\$ -	\$ 1,742,708
PUBLIC SAFETY				
General Fund	\$ -	\$ -	\$ -	\$ 116,256,382
Special Revenue Fund - Special Programs	-	-	-	1,169,863
Total Public Safety	\$ -	\$ -	\$ -	\$ 117,426,245

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

**CITY OF SCOTTSDALE
Summary by Division (Department) of Expenditures/Expenses
Fiscal Year 2009/10**

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2008/09</u>	<u>Expenditure Adjustments Approved 2008/09</u>	<u>Actual Expenditures 2008/09*</u>	<u>Budgeted Expenditures 2009/10</u>
PUBLIC WORKS & WATER RESOURCES				
General Fund	\$ -	\$ -	\$ -	\$ 18,983,113
Special Revenue Fund - Transportation/HURF	-	-	-	17,649,007
Enterprise Fund - Water & Sewer	-	-	-	62,751,275
Enterprise Fund - Solid Waste	-	-	-	16,331,205
Internal Service Fund - Fleet Management	-	-	-	13,565,192
Total Public Works & Water Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,279,792</u>
PLANNING, NEIGHBORHOODS & TRANSPORTATION				
General Fund	\$ -	\$ -	\$ -	\$ 15,586,164
Special Revenue Fund - Transportation/HURF	-	-	-	13,631,274
Special Revenue Fund - Special Programs	-	-	-	140,000
Total Planning, Neighborhoods & Transportation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,357,438</u>
OTHER				
Leave Accrual Payments	\$ -	\$ -	\$ -	\$ 1,876,446
Estimated Division Savings	-	(4,072,586)	(4,072,586)	(5,270,000)
Retirement Incentive	-	8,630,174	8,630,174	-
Future Savings from Reorganization	-	-	-	(12,536,834)
Indirect Cost Allocation	12,608,898	-	12,608,898	14,409,852
Direct Cost Allocation (Fire)	328,046	-	328,046	363,942
Internal Offset	(45,547,001)	(587,191)	(46,134,192)	(39,503,940)
Total Other	<u>\$ (32,610,057)</u>	<u>\$ 3,970,397</u>	<u>\$ (28,639,660)</u>	<u>\$ (40,660,534)</u>
TOTAL DIVISIONS (DEPARTMENTS)	<u>\$ 411,407,099</u>	<u>\$ (8,265,847)</u>	<u>\$ 403,141,252</u>	<u>\$ 371,321,860</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

**CITY OF SCOTTSDALE
Summary of Specific Budget Appropriations
Fiscal Year 2009/10**

	<u>OPERATING BUDGET</u>	<u>CAPITAL BUDGET</u>	<u>OTHER FISCAL ACTIVITY</u>	<u>TOTAL ACTIVITY</u>
Department:				
Mayor and City Council	\$ 790,904			\$ 790,904
City Clerk	904,960			904,960
City Attorney	6,384,959			6,384,959
City Auditor	837,820			837,820
City Court	6,139,655			6,139,655
Financial Management	11,632,325			11,632,325
Community Services	41,095,533			41,095,533
Information Technology	10,333,523			10,333,523
Human Resources	37,109,690			37,109,690
Economic Vitality	18,946,842			18,946,842
Strategic Resources Group	1,742,708			1,742,708
Public Safety	117,426,245			117,426,245
Public Works & Water Resources	129,279,792			129,279,792
Planning, Neighborhoods & Transportation	29,357,438			29,357,438
Indirect/Direct Cost Allocation	14,773,794			14,773,794
Internal Service Fund Offsets	(39,503,940)			(39,503,940)
Debt Service	98,146,088			98,146,088
Leave Accrual Payments	1,876,446			1,876,446
Estimated Department Savings	(5,270,000)			(5,270,000)
Future Savings from Reorganization	(12,536,834)			(12,536,834)
Capital Improvements		\$ 569,429,200		569,429,200
Other Fiscal Activity:				
Grants			\$ 15,621,738	15,621,738
Trusts and Special Districts			740,882	740,882
Total 2009/10 Budget	<u>\$ 469,467,948</u>	<u>\$ 569,429,200</u>	<u>\$ 16,362,620</u>	<u>\$ 1,055,259,768</u>
Reserve/Contingency Appropriations	14,000,000	65,500,000	9,510,000	89,010,000
Total Budget Appropriation	<u><u>\$ 483,467,948</u></u>	<u><u>\$ 634,929,200</u></u>	<u><u>\$ 25,872,620</u></u>	<u><u>\$ 1,144,269,768</u></u>

SCHEDULE G

ORDINANCE NO. 3858

AN ORDINANCE OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF SCOTTSDALE SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR THE VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2010.

WHEREAS, by the provisions of the City Charter and State Statute, an ordinance is required to set the property tax levy for the fiscal year beginning July 1, 2009, and ending June 30, 2010; and

WHEREAS, the county of Maricopa is the assessing and collecting authority for the City of Scottsdale, the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor; and

WHEREAS, the Truth in Taxation public hearing was held on June 2, 2009, and the City Council made the following policy decisions relating to the primary and secondary property taxes:

1. Primary Taxes:
 - a. Increased the levy by the two percent (2%) maximum legal amount, plus new construction; and
 - b. Increased the levy rate by one million nine hundred thirty thousand dollars (\$1,930,000), as reimbursement for calendar year 2008 tort claim payments, as recommended by the City's Loss Trust Fund Board;
2. Secondary Taxes:
 - a. Increased the levy by two million dollars (\$2,000,000), representing an estimate for fiscal year 2009/10 debt service cost associated with the final Bond 2000 debt issuance of fifty million eight hundred thousand dollars (\$50,800,000), which is expected to be issued in January 2010; and
 - b. Used five million five hundred twenty thousand dollars (\$5,520,000) of cash reserves, with the objective of keeping approximately four million dollars (\$4,000,000) in reserves at June 30, 2010; now, therefore

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BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. There is hereby levied on each one hundred dollars (\$100) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a primary property tax levy not to exceed the maximum levy allowed by law for the fiscal year ending June 30, 2010, and allowable tort liability claims. The total primary levy is twenty five million five hundred eighty four thousand four hundred seven dollars (\$25,584,407), resulting in a tax rate of \$0.3650 per one hundred dollars (\$100) of assessed value. Said figure is subject to change only if a court decision were to reduce the net assessed valuation in a significant manner.

SECTION 2. In addition to the rate set in Section 1 hereinbefore, there is hereby levied on each one hundred dollars (\$100) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a secondary property tax rate of \$0.3782 per one hundred dollars (\$100) of assessed value, which is a rate sufficient to raise the sum of thirty one million seven hundred ninety five thousand four hundred eighty eight dollars (\$31,795,488). This amount, plus the use of five million five hundred twenty thousand dollars (\$5,520,000) of previously collected secondary property taxes, for a total of thirty seven million three hundred fifteen thousand four hundred eighty eight dollars (\$37,315,488), will be used for the purpose of providing a bond interest and redemption fund for General Obligation debt service for the fiscal year ending June 30, 2010.

SECTION 3. Failure by the county officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in assessments or omission in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer(s) to timely perform any of the assigned duties shall not invalidate any proceedings or any deed or sale pursuant thereto; the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Scottsdale upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for the collection of taxes or the foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

[Signature page follows]

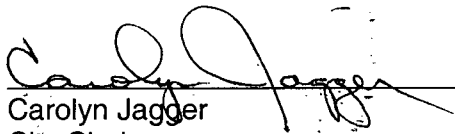
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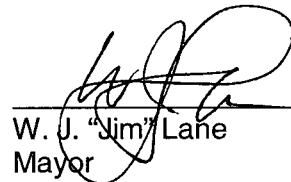
PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this 16th day of June, 2009.

ATTEST:

CITY OF SCOTTSDALE,
an Arizona municipal corporation

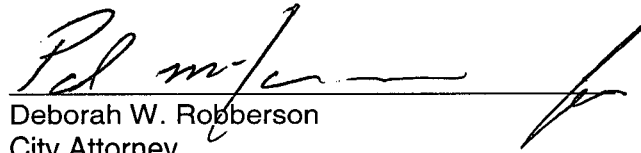


Carolyn Jagger
City Clerk



W. J. "Jim" Lane
Mayor

APPROVED AS TO FORM:



Deborah W. Robberson
City Attorney

