

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
TUESDAY, MARCH 3, 2020**



**CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**CALL TO ORDER**

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:03 P.M. on Tuesday, March 3, 2020, in the City Hall Kiva.

**ROLL CALL**

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

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

**PLEDGE OF ALLEGIANCE** – Chaparral High School Girls Soccer Team, four-time 6A State Champions

**INVOCATION** – Pastor Brooke Hellestrae, Scottsdale Bible Church

**MAYOR'S REPORT**

Mayor Lane highlighted a video of news from around the City that was played prior to the start of the meeting. He noted that the video will be updated every couple of weeks.

Mayor Lane read a proclamation in honor of Scottsdale Arts Festival Month.

**PRESENTATIONS/INFORMATION UPDATES** – None

**PUBLIC COMMENT**

- Mike Merrill expressed concern about Discount Scottsdale Auto, which he believes is not in compliance with its Conditional Use Permit.

**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

## MINUTES

**Request:** Approve the Special Meeting Minutes of February 4, 2020, and February 11, 2020; Regular Meeting Minutes of February 4, 2020; Work Study Session Minutes of February 11, 2020; and Executive Session Minutes of February 4, 2020.

## MOTION AND VOTE – MINUTES

Councilmember Korte made a motion to approve the Special Meeting Minutes of February 4, 2020, and February 11, 2020; Regular Meeting Minutes of February 4, 2020; Work Study Session Minutes of February 11, 2020; and Executive Session Minutes of February 4, 2020. Councilman Phillips seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

## CONSENT AGENDA

1. **Caliente Mexican Grill Liquor License (14-LL-2020)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.  
**Location:** 15600 N. Hayden Road, Suite 100  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
2. **Leghorns Liquor License (15-LL-2020)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.  
**Location:** 14601 N. Scottsdale Road, Suite 110  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
3. **Cook & Craft Liquor License (16-LL-2020)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.  
**Location:** 7306 E. Shea Boulevard  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
4. **Indian Bend Wash Municipal Use Master Site Plan (9-UP-2019)**  
**Request:** Find that the Municipal Use Master Site Plan criteria have been met and adopt **Resolution No. 11719** approving a Municipal Use Master Site Plan for future improvements on a two-mile section of the Indian Bend Wash from Thomas Road to McKellips Road.  
**Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

Mayor Lane opened public testimony.

Luna Iveth Lopez spoke in opposition.

Mayor Lane closed public testimony.

**5. Anderson Residence Final Plat (5-PP-2019)**

**Request:** Approve the final plat for a new residential subdivision comprised of two-lots on a 3.5±-acre site with Single-Family Residential (R1-35) zoning located on the southeast corner of Cactus Road and 98<sup>th</sup> Street.

**Location:** 9845 E. Cactus Road

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

**6. Papago Plaza Rezoning and Development Agreement (6-ZN-2018#2 and 8-DA-2019)**

**Requests:**

1. Adopt **Ordinance No. 4436** approving a zoning district map amendment from Planned Community District, Planned Regional Center (P-C PRC) zoning to Planned Community District, Planned Regional Center, Planned Shared Development (P-C PRC PSD) zoning to allow for a new four-lot subdivision on a 10±-acre site located at the southwest corner of N. Scottsdale Road and E. McDowell Road.
2. Adopt **Resolution No. 11692** authorizing Development Agreement No. 2020-016-COS with Papago Marketplace, LLC; CRP/AR McDowell Owner, LLC; Willie M. Yee G.C.E. Trust; and Scottsdale Hotel Investors, LLC.

**Location:** 7115 E. McDowell Road

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

**7. Bond 2019 Capital Improvement Projects Budget Transfers**

**Request:** Adopt **Resolution No. 11733** authorizing the following FY 2019/20 General Fund Capital Contingency Budget Appropriation Transfers for capital improvement projects to be funded by General Obligation Bond 2019 proceeds:

1. \$1,224,304 to a newly created capital project titled "24 – *Install High Efficiency Lighting at 4 Facilities*" to fully fund this project.
2. \$4,000,000 to a newly created capital project titled "1 – *Replace Aging Infrastructure and Improve Public and Event Spaces on Civic Center Plaza*" to partially fund this project.
3. \$960,298 to a newly created capital project titled "50 – *Renovate Arena at WestWorld to Provide Flexible Event Space*" to fully fund this project.
4. \$701,532 to a newly created capital project titled "52 – *Expand Restrooms in WestWorld North Hall*" to fully fund this project.
5. \$305,240 to a newly created capital project titled "6 – *Replace Emergency Power Source for Public Radio Network*" to fully fund this project.
6. \$291,030 to a newly created capital project titled "9 – *Install Fiber Optic Infrastructure to Reduce Operating Costs*" to partially fund this project.
7. \$342,000 to a newly created capital project titled "16 – *Replace the City's Obsolete Training Software*" to partially fund this project.

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

**\*\*\*8. Recyclable Materials Intergovernmental Agreement**

(Removed at the request of staff.)

**9. Wireless Communications Antenna Site Revocable License Agreement**

**Request:** Adopt **Resolution No. 11667** authorizing Agreement No. 2020-006-COS with Sprint Spectrum L.P. permitting the continued operation of a wireless site on the northwest corner of Thunderbird Road and 92<sup>nd</sup> Street.

**Location:** 9170 E. Thunderbird Road

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

**10. Capital Improvement Projects Roundabout Specialist Engineering Services Contracts**

**Request:** Adopt **Resolution No. 11720** authorizing the following one-year contract extensions for on-call roundabout specialist engineering services in an amount not to exceed \$250,000 per contract for design review, planning, analysis, and professional consultation pertaining to proposed roundabouts at various project locations throughout the City:

1. Contract No. 2017-032-COS-A2 with SE Ritchie Corp., dba Roundabouts & Traffic Engineering
2. Contract No. 2017-035-COS-A2 with MTJ Engineering, LLC

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

**11. Capital Improvement Projects Water Resources Engineering Services Contracts**

**Request:** Adopt **Resolution No. 11721** authorizing the following one-year contract extensions for on-call engineering services contracts for design review, planning, analysis, and professional consultation pertaining to proposed water resources projects at various project locations throughout the City:

1. Contract No. 2017-030-COS-A2 with CDM Smith, Inc., in an amount not to exceed \$1,000,000.
2. Contract No. 2017-031-COS-A2 with Wilson Engineers, LLC, in an amount not to exceed \$1,500,000.

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

**12. Vertical/Facilities Construction Job Order Contracts**

**Request:** Adopt **Resolution No. 11722** authorizing the following one-year contract extensions in an amount not to exceed \$5,000,000 per contract for Citywide vertical/facilities construction projects:

1. Contract 2018-021-COS-A1 with Balfour Beatty Construction, LLC
2. Contract 2018-022-COS-A1 with Builders Guild, Inc.
3. Contract 2018-023-COS-A1 with McCarthy Building Companies, Inc.

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

**13. Scottsdale Road and Palm Lane Pedestrian Hybrid Beacon Capital Project**

**Request:** Adopt **Resolution No. 11668** to authorize:

1. The creation of the Scottsdale Road and Palm Lane Pedestrian Hybrid Beacon capital project.
2. A FY 2019/20 Capital Contingency for Future Grants Budget Appropriation transfer in the amount of \$225,114 to the Scottsdale Road and Palm Lane Pedestrian Hybrid Beacon capital project to be funded by the Maricopa Association of Governments (MAG) Roadway Safety Program in the amount of \$185,114 and by a developer contribution from Trammell Crow Residential in the amount of \$40,000.
3. A FY 2019/20 capital budget transfer in the amount of \$49,886 from the Traffic Signal Construction (YG23) project to the Scottsdale Road and Palm Lane Pedestrian Hybrid Beacon project to be funded by the Transportation 0.2% Sales Tax.
4. Joint Agency Agreement No. 2020-007-COS with MAG for project administration and reimbursement of eligible costs incurred by the City for the Scottsdale Road and Palm Lane Pedestrian Hybrid Beacon capital project.

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



**14. Tennis Courts Resurfacing**

**Request:** Adopt **Resolution No. 11527** to authorize:

1. A FY 2019/20 General Fund Capital Contingency Budget Appropriation transfer in the amount of \$3,547,104 to a newly created capital project titled "10 – *Replace Tennis Court Surfaces at Indian School Park and Scottsdale Tennis Center*" to be funded by General Obligation Bond 2019 proceeds in the amount of \$3,497,104 and a grant from the United States Tennis Association (USTA) in the amount of \$50,000.
2. The acceptance and expenditure of a grant from USTA in the amount of \$50,000 for the reconstruction of tennis courts at Scottsdale Ranch Park Tennis Center.
3. The Parks and Recreation Director to execute and submit all documents in connection with the grant.

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

**15. Scoreboard Donation and Installation Agreement**

**Request:** Adopt **Resolution No. 11715** authorizing Agreement No. 2020-042-COS with Scottsdale Aquatic Club, Inc., regarding the donation and installation of a new scoreboard at Cactus Aquatic and Fitness Center.

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

**16. Scottsdale Stadium Fee Classification Information and Fee Schedule**

**Request:** Adopt **Resolution No. 11736** authorizing a new fee classification information and fee schedule for Scottsdale Stadium, effective April 2, 2020.

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

**17. WestWorld Event Agreement**

**Request:** Adopt **Resolution No. 11727** authorizing Agreement No. 2015-012-COS-A1, the first amendment to the agreement with Arabian Horse Association of Arizona, to change event dates and establish a fee for IT services.

**Staff Contact(s):** Brian Dygert, WestWorld General Manager, 480-312-6825,  
[bdygert@scottsdaleaz.gov](mailto:bdygert@scottsdaleaz.gov)

**18. WestWorld Food and Alcohol License and Marketing Agreement and Office License Agreement**

**Request:** Adopt **Resolution No. 11725** authorizing Agreement No. 2020-044-COS with National Western Capital Corporation.

**Staff Contact(s):** Brian Dygert, WestWorld General Manager, 480-312-6825,  
[bdygert@scottsdaleaz.gov](mailto:bdygert@scottsdaleaz.gov)

**19. Super Bowl LVII Sponsorship Agreement**

**Request:** Adopt **Resolution No. 11644** authorizing Agreement No. 2020-040-COS with the Arizona Super Bowl Host Committee, Inc., and National Football League Properties, LLC, in an amount not to exceed \$1,212,401 to be made in four annual payments of \$303,100.25 beginning in FY 2019/20 from the Tourism Development Fund that is allocated toward events and event development.

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

- 20. North General Aviation Executive Box Hangar Project Construction Services Contract**  
**Request:** Adopt **Resolution No. 11695** authorizing CM@Risk Contract No. 2020-018-COS with Sun Eagle Corporation in the amount of \$4,092,924 to conduct construction phase services for the North General Aviation Executive Box Hangar Project at Scottsdale Airport. The total contract price for this project is \$4,257,944 to include a 5% City contingency in the amount of \$165,020.  
**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)
- 21. Notice of Intention to Increase Water and Wastewater Rates**  
**Request:** Adopt notice of intention to increase water and wastewater rates, increase miscellaneous water charges, and make housekeeping adjustments to Chapter 49 of the Scottsdale Revised Code for FY 2020/21, and establish May 5, 2020, as the date for a public hearing.  
**Staff Contact(s):** Brian Biesemeyer, Water Resources Director, 480-312-5683, [bbiesemeyer@scottsdaleaz.gov](mailto:bbiesemeyer@scottsdaleaz.gov)
- 22. Audit Committee Recommendation for the Airport Advisory Commission Sunset Review**  
**Request:** Adopt **Resolution No. 11716** accepting the Audit Committee's recommendation and authorizing the continuation of the Airport Advisory Commission.  
**Staff Contact(s):** Sharron Walker, City Auditor, 480-312-7867, [swalker@scottsdaleaz.gov](mailto:swalker@scottsdaleaz.gov)
- 23. Audit Committee Recommendation for the Transportation Commission – Paths and Trails Subcommittee Sunset Review**  
**Request:** Adopt **Resolution No. 11717** accepting the Audit Committee's recommendation and authorizing the continuation of the Transportation Commission – Paths and Trails Subcommittee.  
**Staff Contact(s):** Sharron Walker, City Auditor, 480-312-7867, [swalker@scottsdaleaz.gov](mailto:swalker@scottsdaleaz.gov)

#### **MOTION AND VOTE – CONSENT AGENDA**

Councilmember Korte made a motion to approve Consent Agenda Items 1 through 23, absent Item 8, which was removed at request of staff. Councilman Phillips seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

#### **REGULAR AGENDA**

- 24. Employee Medical Plans and Premiums**  
**Request:** Adopt **Resolution No. 11669** authorizing FY 2020/21 medical and dental plan contribution rates and plan benefit options.  
**Presenter(s):** Lauran Beebe, Human Resources Manager  
**Staff Contact(s):** Donna Brown, Human Resources Director, 480-312-2615, [dbrown@scottsdaleaz.gov](mailto:dbrown@scottsdaleaz.gov)

Human Resources Manager Lauran Beebe gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2020/21 medical and dental pan contribution rates and plan benefit options.

## **MOTION AND VOTE – ITEM 24**

Councilwoman Klapp made a motion to adopt Resolution No. 11669 authorizing FY 2020/21 medical and dental plan contribution rates and plan benefit options. Vice Mayor Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven; Phillips, and Whitehead voting in the affirmative.

### **25. City's Proposed Fiscal Year 2020/21 Rates and Fees**

**Request:** Presentation, discussion, and possible direction to staff regarding the City's proposed FY 2020/21 rates and fees.

**Presenter(s):** Brian Biesemeyer, Water Resources Director; Dan Worth, Public Works Director; Gary Mascaro, Aviation Director; Randy Grant, Planning and Development Director; Bill Murphy, Community Services Director; Tom Shannon, Fire Chief; Alan Rodbell, Police Chief

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

Presentations were made by Budget Director Judy Doyle, Water Resources Director Brian Biesemeyer, Public Works Director Dan Worth, Aviation Director Gary Mascaro, Planning and Development Director Randy Grant, Tourism and Events Director Karen Churchard, Community Services Director Bill Murphy, Fire Chief Tom Shannon, and Police Chief Alan Rodbell. Copies of the PowerPoint presentations are attached.

**PUBLIC COMMENT – None**

## **CITIZEN PETITIONS**

### **26. Receipt of Citizen Petitions**

**Request:** Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

**Staff Contact(s):** Carolyn Jagger, City Clerk, 480-312-2411, [cjagger@scottsdaleaz.gov](mailto:cjagger@scottsdaleaz.gov)

No citizen petitions were received.

## **MAYOR AND COUNCIL ITEMS**

### **27. Boards, Commissions, and Task Force Nominations (Note: Interviews and appointments scheduled for March 17, 2020)**

Building Advisory Board of Appeals (*three vacancies*) – No nominations.

Development Review Board (*one vacancy*) – Councilwoman Milhaven nominated Shakir Gushgari, Vice Mayor Littlefield nominated Andrea Davis, and Mayor Lane nominated Jeffrey Brand.

Human Services Commission (*one vacancy*) – Councilwoman Whitehead nominated Jayne Hubbard.

Industrial Development Authority (*one vacancy*) – No nominations.

Judicial Appointments Advisory Board (*one vacancy*) – Vice Mayor Littlefield nominated Brian Adamovich.

Library Board (*two vacancies*) – Councilman Phillips nominated Shiela Reyman and Sam Campana, Councilwoman Klapp nominated Freda Hartman, and Councilwoman Whitehead nominated Nicole Huser.

Parks and Recreation Commission (*three vacancies*) – Councilmember Korte nominated John Doering, Kurt Jones, and Susan McGarry.

Transportation Commission (*one vacancy*) – Mayor Lane nominated Karen Kowal, Councilwoman Klapp nominated Pamela Iacovo, and Councilman Phillips nominated Dave Dubner.

#### ADJOURNMENT

The Regular City Council Meeting adjourned at 7:11P.M.

#### SUBMITTED BY:



Carolyn Jagger  
City Clerk

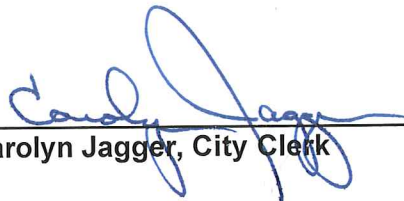
Officially approved by the City Council on April 7, 2020

## CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 3<sup>rd</sup> day of March 2020.

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

**DATED** this 7<sup>th</sup> day of April 2020.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk

## **Employee Medical Plans and Premiums**

City Council Meeting – March 3, 2020

1

### **Self-Insured Medical Plans**

2,100 covered employees/retirees, comprising 5,300 members

No changes results in overall 6 percent or \$1.9 million increase to medical

- City - \$1.5 million
- Employees - \$0.4 million

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## **Positive Outcomes**

Omada pre-diabetes program – 400 identified with 180 participating

Weight loss averaged 3.8% for those completing up to 15 lessons and 7.2% for those completing over 16 lessons

82% of members completing the Health Risk Assessment are also taking additional steps towards their health

3

## **FY 20/21 Recommendation**

Reduce the mental health co-pay from \$20 to \$10

Increase the out-of-pocket maximum from \$2,500/\$5,000 to \$3,000/\$6,000

Continue health risk assessment and blood pressure incentives

Continue tobacco surcharge

4

## **Recommendation – Expected Costs**

FY 2019/20 overall medical and dental plan cost = \$34 million

- Employees contributed \$8 million;
- City contributed \$26 million

FY 2020/21 overall medical and dental plan expected costs = \$35.8 million

- Employees contribute \$8.3 million;
- City contributes \$27.5 million

5

## **Action Requested**

Adopt Resolution No. 11669

Adopt the medical and dental plan premiums and benefit options shown on Exhibit A.

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Item 25

**FY 2020/21  
PROPOSED RATE & FEE CHANGES**

City Council  
March 3, 2020

1

FY 2020/21 PROPOSED RATE & FEE CHANGES

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

2

**ENTERPRISE  
PROPOSED  
RATE & FEE  
CHANGES**



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



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



Proposed Rate & Fee Changes Submitted by:

- Water Resources
- Water
- Sewer
- Public Works
- Solid Waste
- Aviation

3

**NON-ENTERPRISE  
PROPOSED  
RATE & FEE  
CHANGES**



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



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



Proposals for Rate & Fee Changes Submitted by:

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

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**FY 2020/21 FORECASTED REVENUE (IN MILLIONS)**

**ENTERPRISE**

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

**NON-ENTERPRISE**

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

5

**ENTERPRISE**

Water Resources – Water & Sewer

6

## ENTERPRISE - WATER RESOURCES SIGNIFICANT COST DRIVERS

### 💧 Operational

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

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## ENTERPRISE - WATER RESOURCES SIGNIFICANT COST DRIVERS

### 💧 CIP

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

8

**ENTERPRISE - WATER RESOURCES  
SIGNIFICANT CIP – DROUGHT DRIVEN IMPROVEMENTS**

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

9

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

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

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**ENTERPRISE - WATER RESOURCES  
SIGNIFICANT CIP – SEWER**

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

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**ENTERPRISE - WATER RESOURCES  
RATE AND SERVICE CHARGE PROPOSALS**

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

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## ENTERPRISE - WATER RESOURCES WATER AND SEWER RATES

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

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## ENTERPRISE - WATER RESOURCES WATER RATES

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

Proposed implementation date  
November 1, 2020

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## ENTERPRISE - WATER RESOURCES WATER RATES

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

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

Proposed implementation date – November 1, 2020

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## ENTERPRISE - WATER RESOURCES WATER RATES

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

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

Proposed implementation date – November 1, 2020

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## ENTERPRISE - WATER RESOURCES SEWER RATES

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

Proposed  
implementation date  
July 1, 2020

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## ENTERPRISE - WATER RESOURCES SEWER RATES

Customer Category	Current Rates	Proposed Rates	Customer Category	Current Rates	Proposed Rates
Single Family Residential	\$2.67	<b>\$2.68</b>	Commercial Laundry	\$3.20	<b>\$3.21</b>
Multi Family Residential	\$2.67	<b>\$2.68</b>	Metal Platers	\$2.94	<b>\$2.95</b>
Commercial Without Dining	\$2.67	<b>\$2.68</b>	Laundromats	\$2.67	<b>\$2.68</b>
Commercial With Dining	\$3.56	<b>\$3.57</b>	Restaurants/Bakeries	\$4.97	<b>\$4.98</b>
Hotels Without Dining	\$2.91	<b>\$2.92</b>	Service Station Auto Repair	\$2.67	<b>\$2.68</b>
Hotels With Dining	\$3.56	<b>\$3.57</b>	Medical Institutions	\$2.67	<b>\$2.68</b>
Car Washes	\$2.64	<b>\$2.65</b>	Schools	\$2.67	<b>\$2.68</b>

Proposed implementation date – July 1, 2020

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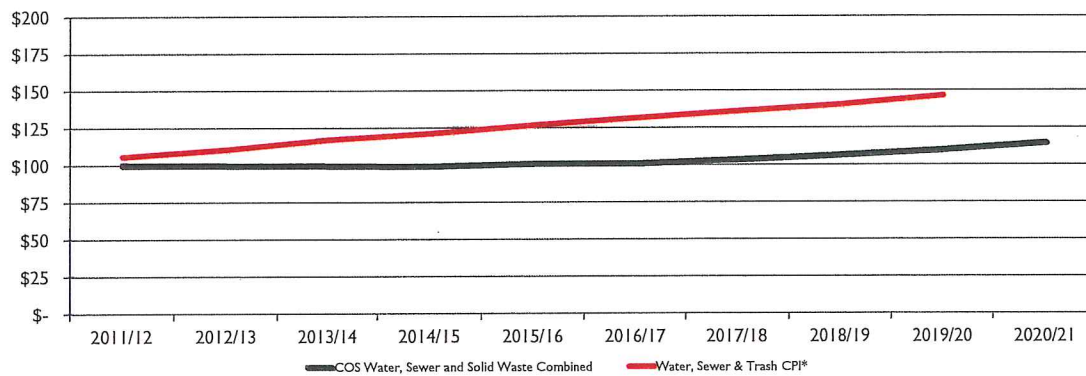
## ENTERPRISE - WATER RESOURCES HISTORICAL RATE CHANGES

### Water and Sewer Average Rate Adjustments:

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

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## ENTERPRISE - WATER RESOURCES HISTORICAL RATE CHANGES, UTILITY CPI



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

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ENTERPRISE - WATER RESOURCES  
MISCELLANEOUS SERVICE CHARGES

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

Proposed implementation date – July 1, 2020

21

ENTERPRISE - WATER RESOURCES  
MISCELLANEOUS SERVICE CHARGES

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

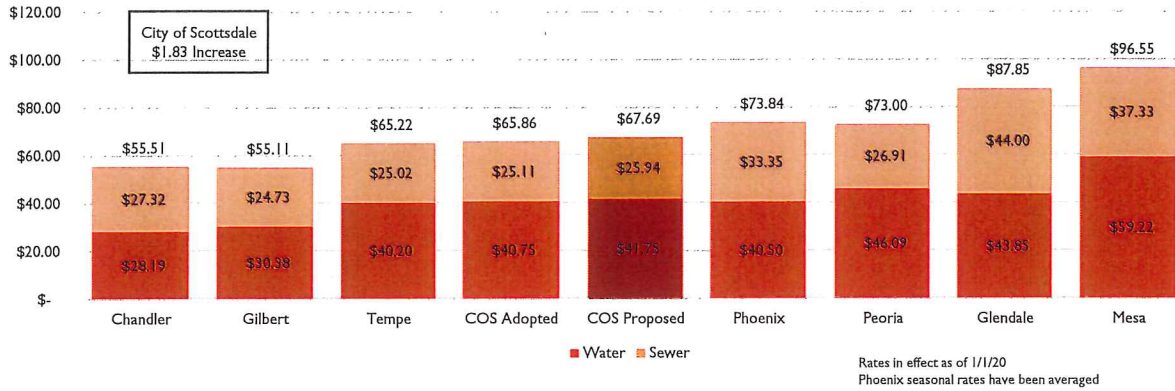
Proposed implementation date – July 1, 2020

22



## ENTERPRISE – WATER RESOURCES UTILITY COMPARISON

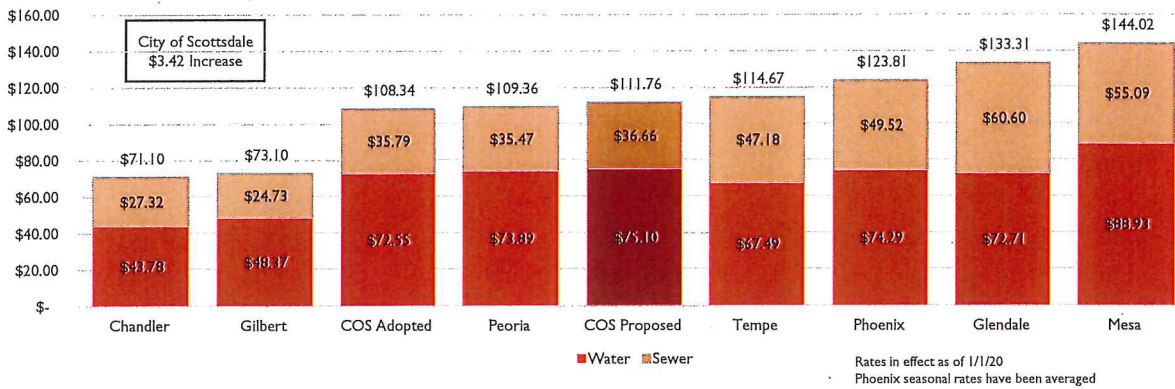
Residential Utility Bill Comparison  
Water Use 11,500 gallons on 5/8" Meter and  
Sewer Use 8,000 gallons



23

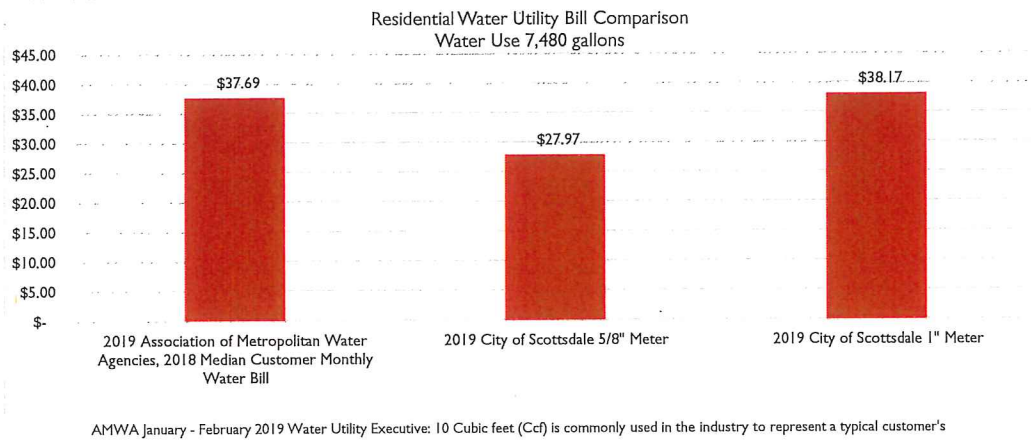
## ENTERPRISE – WATER RESOURCES UTILITY COMPARISON

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



24

## ENTERPRISE – WATER RESOURCES UTILITY COMPARISON



25

## ENTERPRISE

Public Works – Solid Waste

26

## SOLID WASTE: PROPOSED FY 2020/21 RATES

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

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

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## SOLID WASTE: PROPOSED FIVE-YEAR INCREASES

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

28

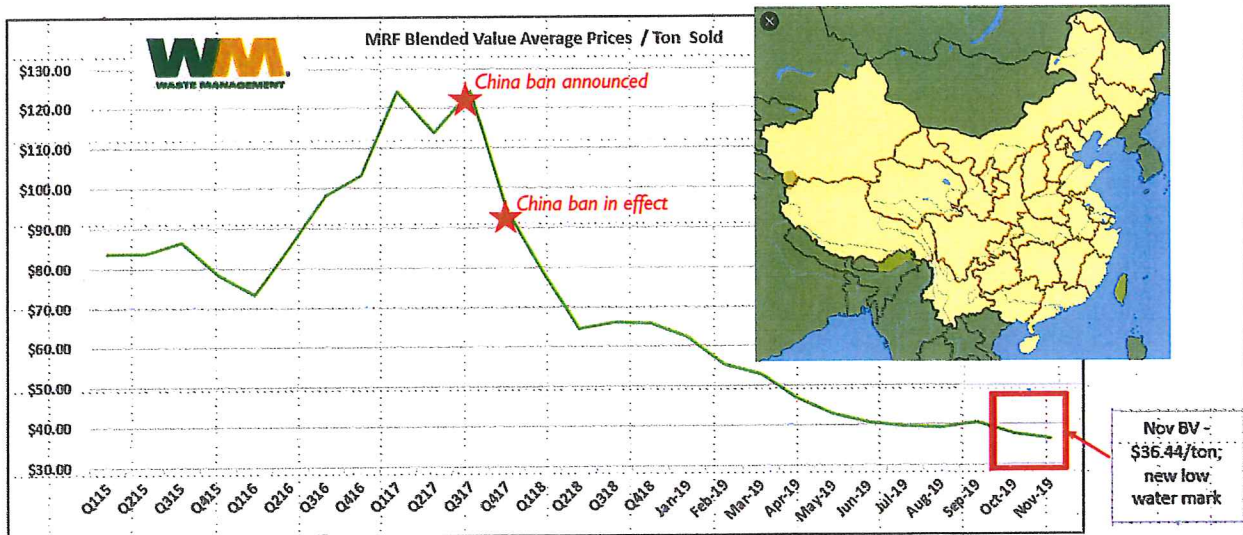
## SOLID WASTE: PROPOSED FIVE-YEAR INCREASES

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

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

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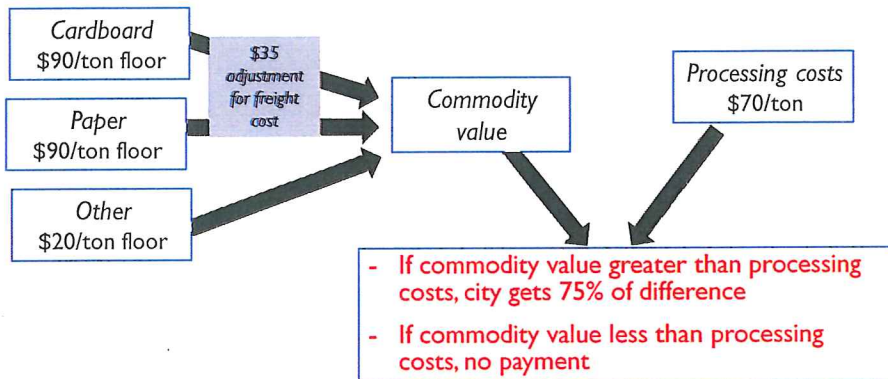
## SOLID WASTE: RECYCLING IMPACT NO. 1



30

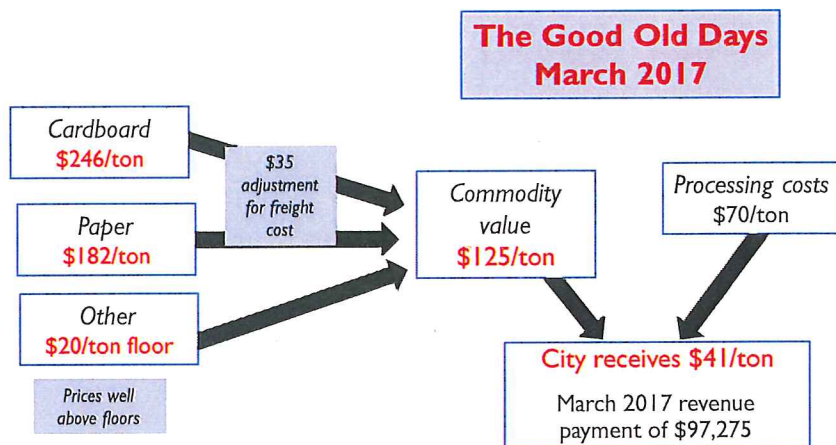


## SOLID WASTE: RECYCLING IMPACT NO. I



31

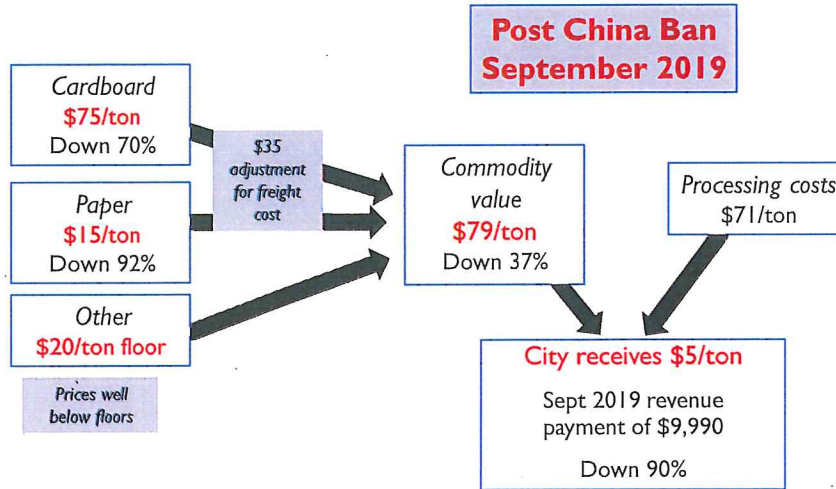
## SOLID WASTE: RECYCLING IMPACT NO. I



32



## SOLID WASTE: RECYCLING IMPACT NO. I



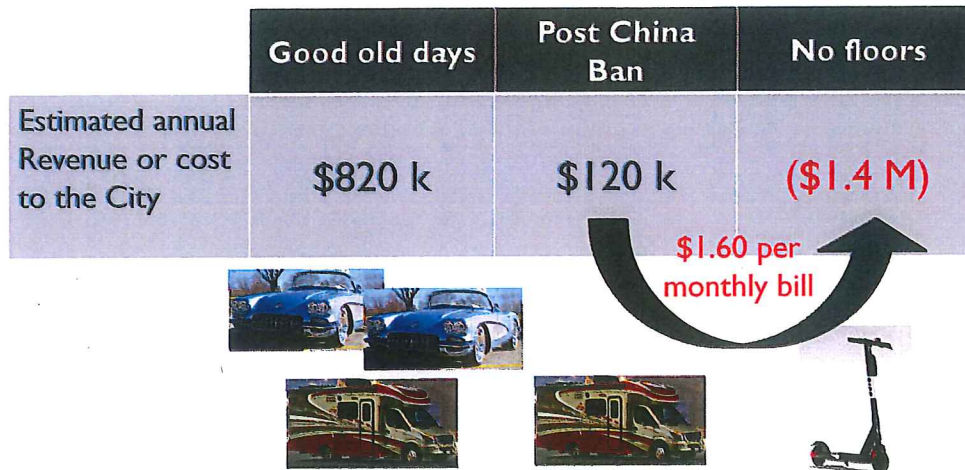
33

## SOLID WASTE: RECYCLING IMPACT NO. I



34

## SOLID WASTE: RECYCLING IMPACT NO. I



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## SOLID WASTE: RECYCLING IMPACT NO. I

### Republic Services:

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

### Audit of operating costs:

- Personnel costs
- Depreciation
- Costs of other contamination

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## SOLID WASTE: RECYCLING IMPACT NO. 2



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## SOLID WASTE: RECYCLING IMPACTS

### Options:

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

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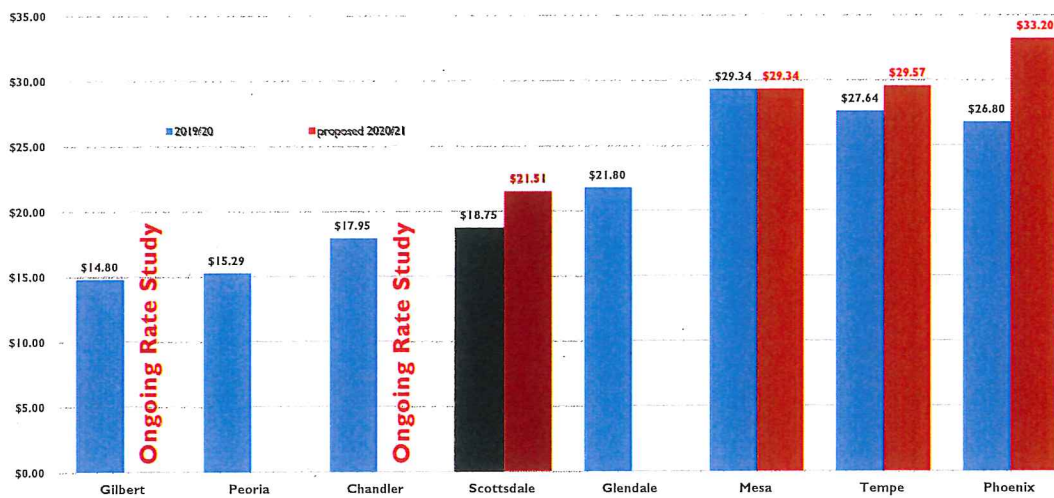
## SOLID WASTE: RECYCLING IMPACTS

Proposed residential rate increase:

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

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## SOLID WASTE: VALLEY RATE COMPARISON



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## ENTERPRISE – SOLID WASTE MISCELLANEOUS CHARGES

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

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## SOLID WASTE REVENUE ESTIMATES

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

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## SOLID WASTE: PROPOSED FY 2020/21 RATES

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

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

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# ENTERPRISE

Aviation

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## AVIATION PROPOSED RATES AND FEES

### Background

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

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## AVIATION PROPOSED RATES AND FEES

### Proposed Rate Increases

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

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## AVIATION PROPOSED RATES AND FEES

### Airport/Airpark Fuel Flowage Fee

#### Background

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

#### Recommendation

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

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## AVIATION

### Airport/Airpark Fuel Flowage Fee – Market Analysis:

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

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## AVIATION PROPOSED RATES AND FEES

### Transient Parking Fee

#### Background

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

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### Transient Parking Fee

#### Recommendation

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

AVIATION

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## AVIATION PROPOSED RATES AND FEES

### Transient Parking Fee – Market Analysis

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

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## AVIATION PROPOSED RATES AND FEES

### Airport Rental Car Concession Services

#### Background

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

#### Recommendation

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

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## AVIATION

### Airport Rental Car Concession Services – Market Analysis:

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

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## AVIATION PROPOSED RATES AND FEES

### Airport Staff Hourly Rate

#### Background

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

#### Recommendation

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

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## Airport Staff Hourly Rate

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

## AVIATION

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## AVIATION PROPOSED RATES AND FEES

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

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## AVIATION PROPOSED RATES AND FEES

### Public Outreach Summary Report

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

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## NON-ENTERPRISE

C&ED – Planning & Development Services

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C&ED -  
Planning &  
Development  
Services

Annual review of Fee Schedule resulted in the following proposals:

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

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C&ED -  
Planning &  
Development  
Services

Annual review of Fee Schedule resulted in the following proposals:

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

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

60

## C&ED -Planning & Development Services

### New Proposed Fees:

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

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

61

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

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

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

62

## C&ED - Planning & Development Services

### **CIP Stormwater Fee:**

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

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

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## **NON-ENTERPRISE**

C&ED – Tourism & Events

64



## C&ED –Tourism & Events

### Event Venue Fees:

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

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

65

## C&ED –Tourism & Events

### Street Closure Fees:

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

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

66

## Downtown Fees:

C&ED -  
Tourism &  
Events

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

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

67

## Other Fees:

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

C&ED -  
Tourism &  
Events

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

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## NON-ENTERPRISE

Community Services

69

### Community Services

#### **Parks and Recreation Fees:**

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

70

## Community Services

### Parks and Recreation Fees Cont'd:

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

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

71

## Community Services

### Library Fees:

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

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

72

## Community Services

### Human Services Fee:

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

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

73

### Preserve Fees:

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

## Community Services

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

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## Community Services

### WestWorld Fees:

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

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## Community Services

### WestWorld Fees Cont'd:

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

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

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## Community Services

### McCormick-Stillman Railroad Park Fees:

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

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## Community Services

### McCormick-Stillman Railroad Park Fees Cont'd:

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

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## Community Services

### **McCormick-Stillman Railroad Park Fees Cont'd:**

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

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

79

## **NON-ENTERPRISE**

Public Safety – Fire

80

## Public Safety – Fire

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

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

81

## NON-ENTERPRISE

Public Safety – Police

82

## Public Safety - Police

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

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

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Questions?

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