

# **Monthly Financial Report**

**Fiscal Year to Date as  
of June 30, 2020**

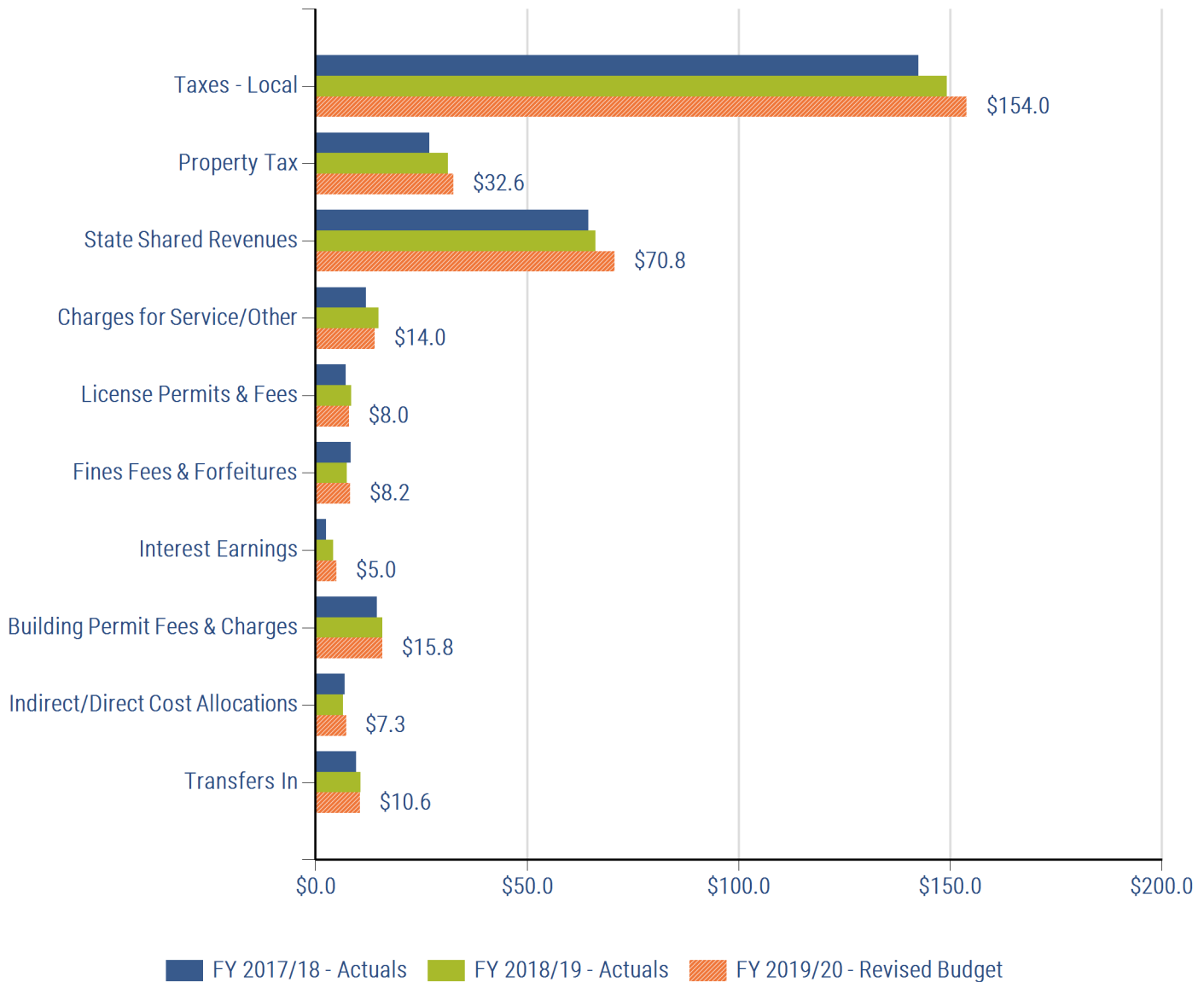
Report to the City Council  
Prepared by the City Treasurer  
January 19, 2021



# Sources

## General Fund

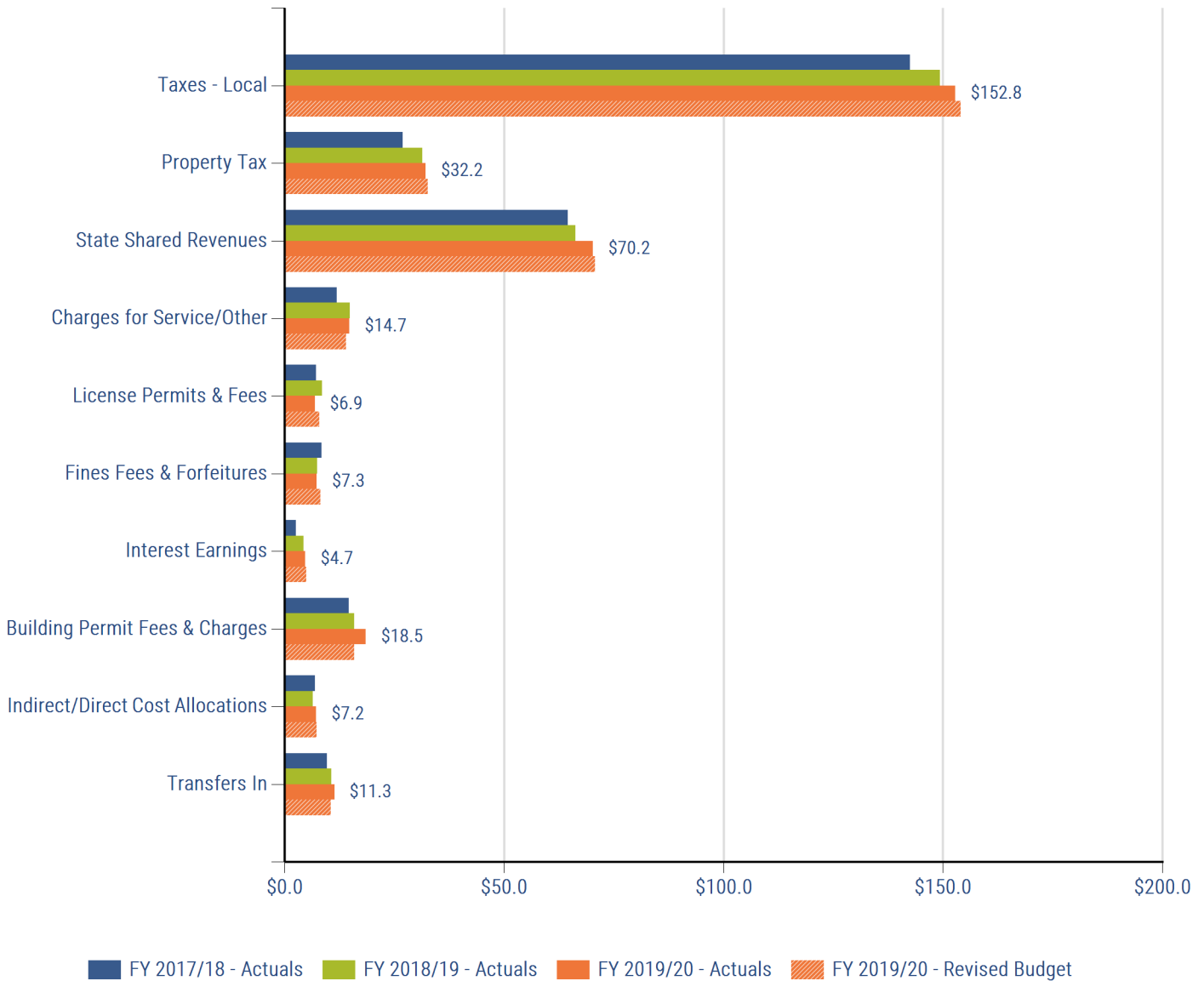
### Twelve Months: Fiscal Year



	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Taxes - Local	\$142.5	\$149.3	\$154.0
Property Tax	26.9	31.4	32.6
State Shared Revenues	64.5	66.2	70.8
Charges for Service/Other	11.9	14.9	14.0
License Permits & Fees	7.1	8.5	8.0
Fines Fees & Forfeitures	8.4	7.5	8.2
Interest Earnings	2.6	4.3	5.0
Building Permit Fees & Charges	14.6	15.9	15.8
Indirect/Direct Cost Allocations	6.9	6.5	7.3
Transfers In	9.7	10.7	10.6
<b>Total Sources</b>	<b>\$295.1</b>	<b>\$315.2</b>	<b>\$326.2</b>



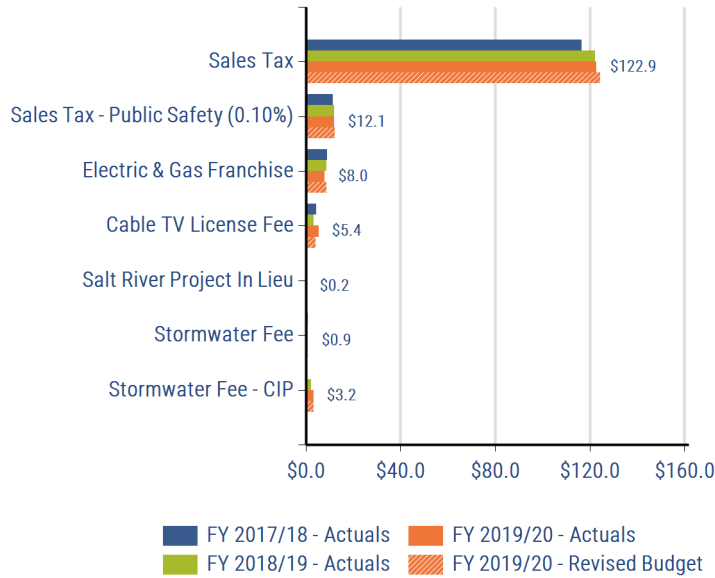
Sources (Fiscal Year to Date: June 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$142.5	\$149.3	\$152.8	\$154.0	(\$1.1)	(1%)
Property Tax	26.9	31.4	32.2	32.6	(0.5)	(1%)
State Shared Revenues	64.5	66.2	70.2	70.8	(0.5)	(1%)
Charges for Service/Other	11.9	14.9	14.7	14.0	0.7	5%
License Permits & Fees	7.1	8.5	6.9	8.0	(1.1)	(14%)
Fines Fees & Forfeitures	8.4	7.5	7.3	8.2	(0.8)	(10%)
Interest Earnings	2.6	4.3	4.7	5.0	(0.2)	(5%)
Building Permit Fees & Charges	14.6	15.9	18.5	15.8	2.7	17%
Indirect/Direct Cost Allocations	6.9	6.5	7.2	7.3	(0.1)	(1%)
Transfers In	9.7	10.7	11.3	10.6	0.8	7%
<b>Total Sources</b>	<b>\$295.1</b>	<b>\$315.2</b>	<b>\$326.0</b>	<b>\$326.2</b>	<b>(\$0.2)</b>	<b>0%</b>



Taxes - Local (Fiscal Year to Date: June 2020)

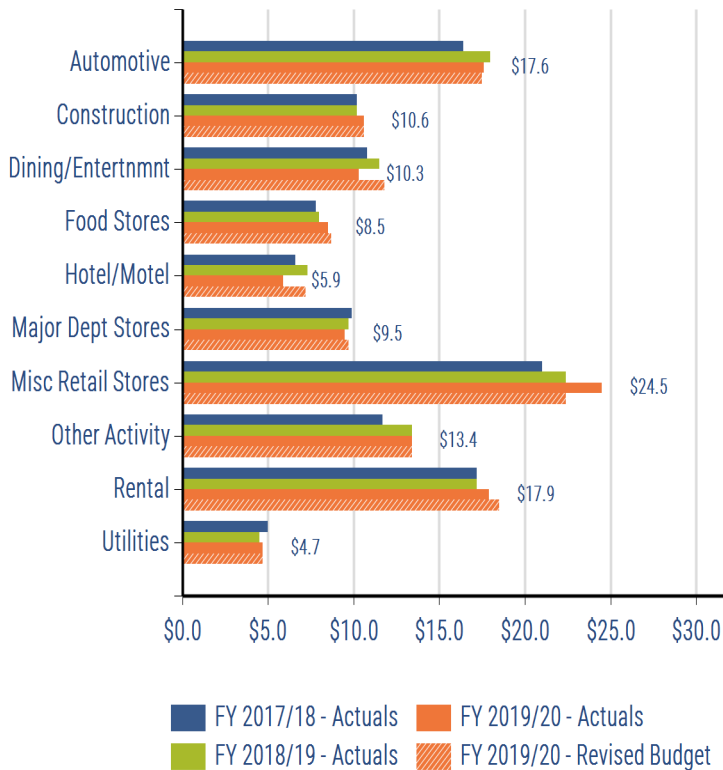


Actual to Revised Budget variance of (\$1.1) million or (1%):  
 The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5. Electric & Gas Franchise is unfavorable due to an APS quarterly franchise payment coming in lower than expected largely due to the Tax Cuts and Jobs Act of 2017. Cable TV License Fee is favorable due to the timing of the FY 2018/19 Cox Cable TV franchise fee payment which was received and recorded in FY 2019/20.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Sales Tax	\$116.7	\$122.2	\$122.9	\$124.5	(\$1.6)	(1%)
Sales Tax - Public Safety (0.10%)	11.5	12.0	12.1	12.2	(0.1)	(1%)
Electric & Gas Franchise	8.9	8.6	8.0	8.6	(0.6)	(7%)
Cable TV License Fee	4.4	3.3	5.4	4.2	1.3	31%
Salt River Project In Lieu	0.2	0.2	0.2	0.2	-	-
Stormwater Fee	0.9	0.9	0.9	0.9	-	-
Stormwater Fee - CIP	-	2.2	3.2	3.3	-	-
<b>Taxes - Local Total</b>	<b>\$142.5</b>	<b>\$149.3</b>	<b>\$152.8</b>	<b>\$154.0</b>	<b>(\$1.1)</b>	<b>(1%)</b>



Sales Tax (Fiscal Year to Date: June 2020)

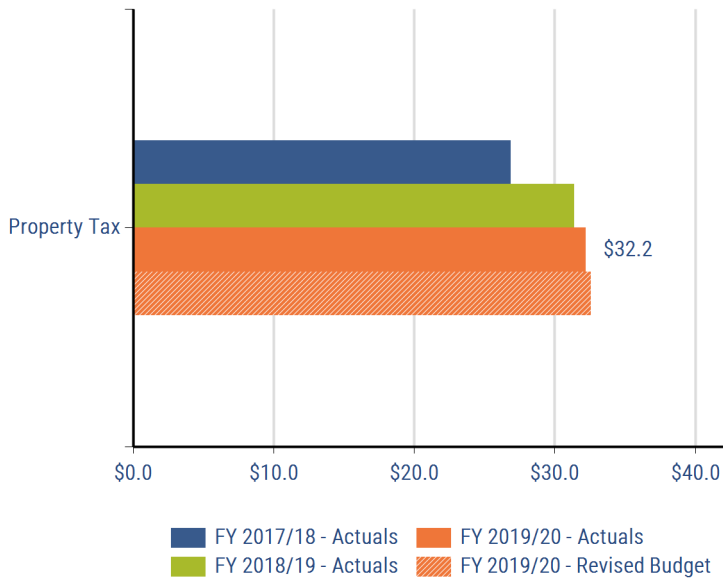


**Actual to Revised Budget variance of (\$1.6) million or (1%):** While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. The unfavorable variance is primarily the result of the following: 1) Dining/Entertainment – lower than expected sales due to bars being closed and restaurants only allowed to do take-out, delivery, or drive thru due to the COVID-19 pandemic; 2) Hotel/Motel – decreased occupancy, canceled reservations, and stay at home orders due to the COVID-19 pandemic; and 3) Rental - a one-time speculative sale reported last year, which has been offset by two large one-time spec sales this year. Additionally, there was a large intercity transfer of tax that was originally paid to Scottsdale in error. This also reflects the closure of movie theaters and gyms due to the COVID-19 pandemic. The unfavorable variance would have been greater but is being offset by Misc Retail Stores – reflecting higher than expected software sales, online marketplace facilitators and remote sellers.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Automotive	\$16.4	\$18.0	\$17.6	\$17.5	\$0.1	1%
Construction	10.2	10.2	10.6	10.6	-	-
Dining/Entertainment	10.8	11.5	10.3	11.8	(1.5)	(13%)
Food Stores	7.8	8.0	8.5	8.7	(0.2)	(2%)
Hotel/Motel	6.6	7.3	5.9	7.2	(1.3)	(18%)
Major Dept Stores	9.9	9.7	9.5	9.7	(0.2)	(2%)
Misc Retail Stores	21.0	22.4	24.5	22.4	2.1	10%
Other Activity	11.7	13.4	13.4	13.4	-	-
Rental	17.2	17.2	17.9	18.5	(0.7)	(4%)
Utilities	5.0	4.5	4.7	4.7	0.1	1%
<b>Sales Tax Total</b>	<b>\$116.7</b>	<b>\$122.2</b>	<b>\$122.9</b>	<b>\$124.5</b>	<b>(\$1.6)</b>	<b>(1%)</b>



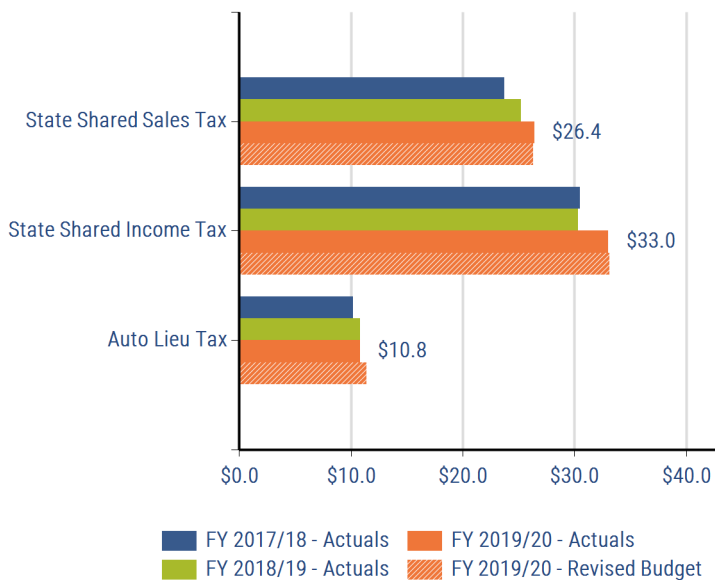
Property Tax (Fiscal Year to Date: June 2020)



Actual to Revised Budget variance of (\$0.5) million or (1%): Unfavorable variance is primarily due to timing. The budget is spread based on the way people paid last year and may vary year over year. Potentially contributing to the unfavorable variance is challenging economic conditions some taxpayers faced as a result of the COVID-19 pandemic.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$26.9	\$31.4	\$32.2	\$32.6	(\$0.5)	(1%)
Property Tax Total	\$26.9	\$31.4	\$32.2	\$32.6	(\$0.5)	(1%)

State Shared Revenues (Fiscal Year to Date: June 2020)

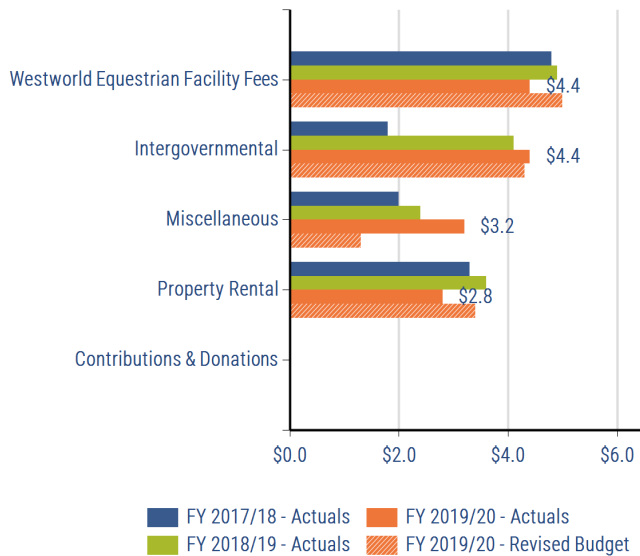


Actual to Revised Budget variance of (\$0.5) million or (1%): Auto Lieu Tax is unfavorable due to lower sales of new and used vehicles than forecasted by the League of Arizona Cities and Towns, which resulted in less licensing fees being collected.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$23.7	\$25.2	\$26.4	\$26.3	\$0.1	0%
State Shared Income Tax	30.5	30.3	33.0	33.1	(0.1)	0%
Auto Lieu Tax	10.2	10.8	10.8	11.4	(0.6)	(5%)
State Shared Revenues Total	\$64.5	\$66.2	\$70.2	\$70.8	(\$0.5)	(1%)



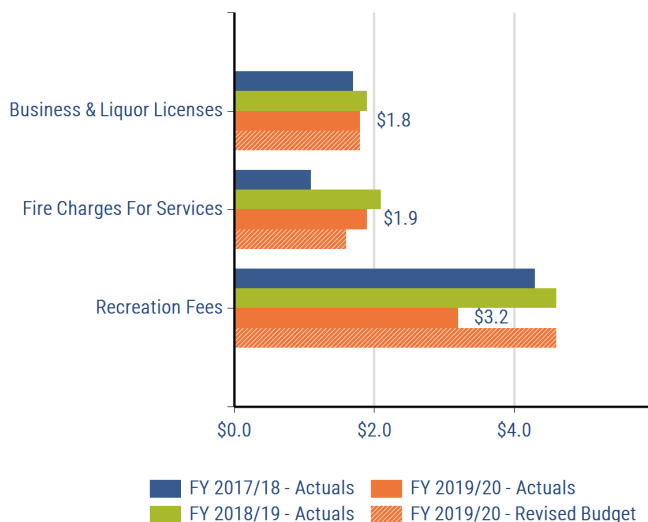
**Charges for Service/Other (Fiscal Year to Date: June 2020)**



**Actual to Revised Budget variance of \$0.7 million or 5%:** WestWorld Equestrian Facility Fees is unfavorable due to the cancellation of events as a result of the COVID-19 pandemic. Miscellaneous is favorable primarily due to a new Governmental Accounting Standards Board (GASB) requirement related to the capitalization of vehicles and equipment in Public Safety – Police, the recovery of expense of fees paid through the Phoenix Dispatch Fee Program that are no longer collected and reimbursement of circuit charges for Public Safety Radio System from the Regional Wireless Cooperative, the receipt of an Salt River Project (SRP) reimbursement for the bollards at Soleri Plaza and a recovery of expense from Scottsdale Unified School District related to the closing of Palomino Library. Property Rental is unfavorable due to the timing of the final FY 2019/20 Tournament Player’s Club payment, which was not received until FY 2020/21 and a loss in rental revenue from Scottsdale Stadium due to it being closed for construction and being available for fewer rentals due to the COVID-19 pandemic.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$4.8	\$4.9	\$4.4	\$5.0	(\$0.6)	(13%)
Intergovernmental	1.8	4.1	4.4	4.3	0.1	3%
Miscellaneous	2.0	2.4	3.2	1.3	1.8	nm
Property Rental	3.3	3.6	2.8	3.4	(0.6)	(18%)
Contributions & Donations	-	-	-	-	-	n/a
<b>Charges for Service/Other Total</b>	<b>\$11.9</b>	<b>\$14.9</b>	<b>\$14.7</b>	<b>\$14.0</b>	<b>\$0.7</b>	<b>5%</b>

**License Permits & Fees (Fiscal Year to Date: June 2020)**

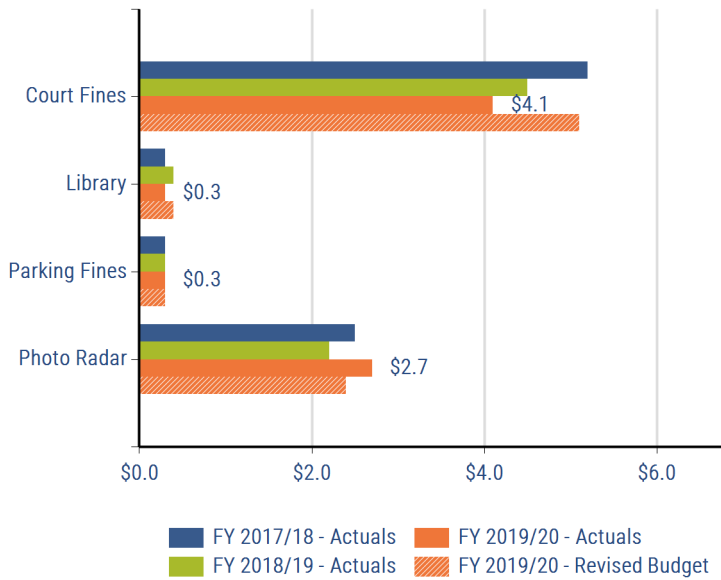


**Actual to Revised Budget variance of (\$1.1) million or (14%):** Fire Charges For Services is favorable due to higher than anticipated revenue from the Ambulance contract, special events reimbursement, and fire protection system inspections. Recreation Fees is unfavorable due to less fees collected for facilities and recreation, aquatics and after school programs as a result of closures of facilities due to the COVID-19 pandemic.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.7	\$1.9	\$1.8	\$1.8	\$ -	-
Fire Charges For Services	1.1	2.1	1.9	1.6	0.3	18%
Recreation Fees	4.3	4.6	3.2	4.6	(1.4)	(31%)
<b>License Permits &amp; Fees Total</b>	<b>\$7.1</b>	<b>\$8.5</b>	<b>\$6.9</b>	<b>\$8.0</b>	<b>(\$1.1)</b>	<b>(14%)</b>



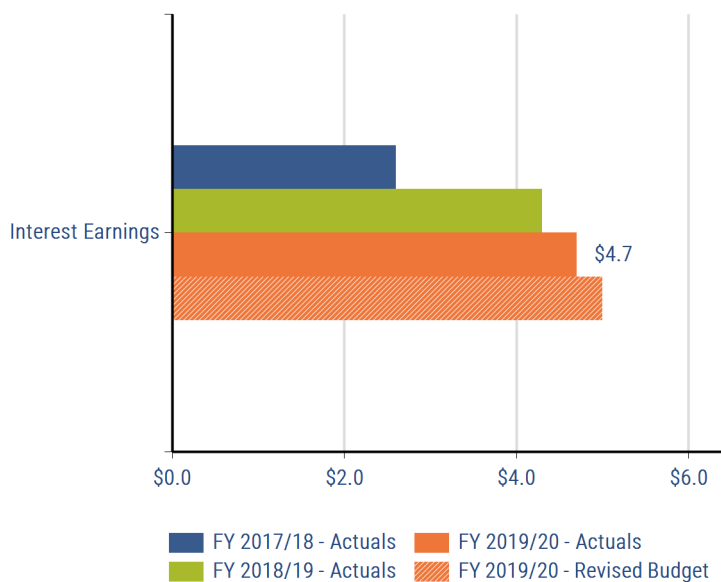
**Fines Fees & Forfeitures (Fiscal Year to Date: June 2020)**



**Actual to Revised Budget variance of (\$0.8) million or (10%):** Court Fines is unfavorable due to decreased criminal filings, officer issued civil traffic citations and related fees, lower than expected assessment fees added to civil and criminal citations, the Arizona Supreme Court’s order to continue civil traffic cases and the delay of Jail I opening until July 2020 which was originally scheduled for February 2020. Library is unfavorable due to the amnesty program of Library fines throughout the spring. Photo Radar is favorable due to a continued increase in photo enforcement filings.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$5.2	\$4.5	\$4.1	\$5.1	(\$1.0)	(19%)
Library	0.3	0.4	0.3	0.4	(0.1)	(30%)
Parking Fines	0.3	0.3	0.3	0.3	-	-
Photo Radar	2.5	2.2	2.7	2.4	0.3	11%
<b>Fines Fees &amp; Forfeitures Total</b>	<b>\$8.4</b>	<b>\$7.5</b>	<b>\$7.3</b>	<b>\$8.2</b>	<b>(\$0.8)</b>	<b>(10%)</b>

**Interest Earnings (Fiscal Year to Date: June 2020)**



**Actual to Revised Budget variance of (\$0.2) million or (5%):** Unfavorable due to yields coming in below what was budgeted as a result of lower than anticipated interest rates in the fixed income market.

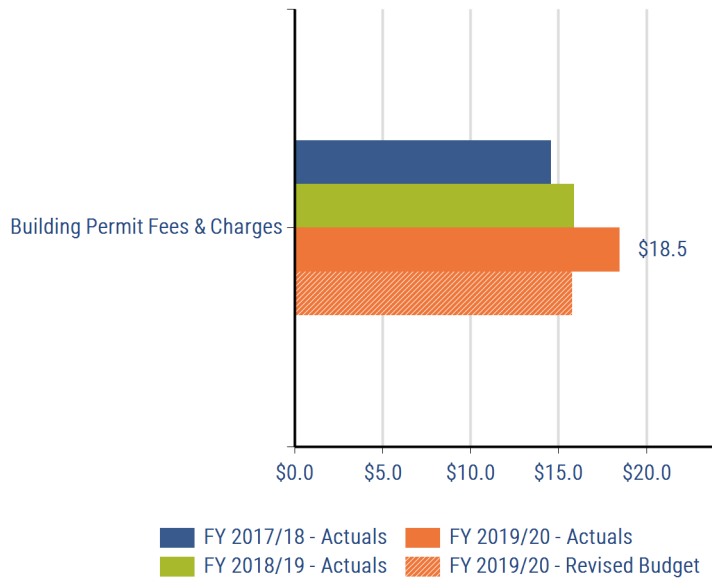
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$2.6	\$4.3	\$4.7	\$5.0	(\$0.2)	(5%)
<b>Interest Earnings Total</b>	<b>\$2.6</b>	<b>\$4.3</b>	<b>\$4.7</b>	<b>\$5.0</b>	<b>(\$0.2)</b>	<b>(5%)</b>

\$ in millions / rounding differences may occur





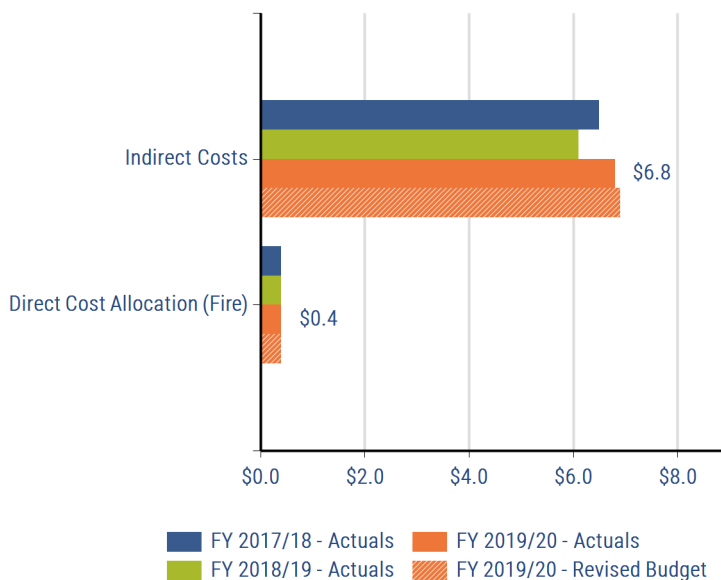
**Building Permit Fees & Charges (Fiscal Year to Date: June 2020)**



**Actual to Revised Budget variance of \$2.7 million or 17%:**  
 The favorable variance is due to higher than anticipated construction activity, mostly due to the Nationwide, DC Hotel and the Hyatt at the Crossroads II development projects. The demand for real estate continues to outpace the supply especially impacting single family residential building permit valuations, which trended higher than the previous year.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$14.6	\$15.9	\$18.5	\$15.8	\$2.7	17%
<b>Building Permit Fees &amp; Charges Total</b>	<b>\$14.6</b>	<b>\$15.9</b>	<b>\$18.5</b>	<b>\$15.8</b>	<b>\$2.7</b>	<b>17%</b>

**Indirect/Direct Cost Allocations (Fiscal Year to Date: June 2020)**

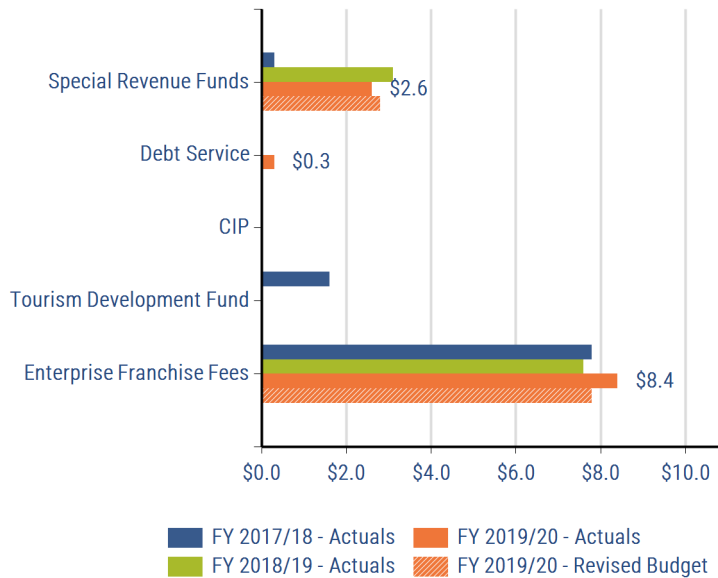


**Actual to Revised Budget variance of (\$0.1) million or (1%):**  
 Direct Cost Allocation (Fire) is unfavorable due to lower expenditure needs than originally expected.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$6.5	\$6.1	\$6.8	\$6.9	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.4	0.4	(0.1)	(14%)
<b>Indirect/Direct Cost Allocations Total</b>	<b>\$6.9</b>	<b>\$6.5</b>	<b>\$7.2</b>	<b>\$7.3</b>	<b>(\$0.1)</b>	<b>(1%)</b>



Transfers In (Fiscal Year to Date: June 2020)



**Actual to Revised Budget variance of \$0.8 million or 7%:** Special Revenue Funds is unfavorable primarily due to the lower than anticipated Tourism Development Funds - bed tax collections, which resulted in less of a transfer to the General Fund per Financial Policy No. 21A. Debt Service is favorable due to the transfer of standby commitment money related to the Scottsdale Waterfront Community Facilities District((CFD) from the Debt Service Stabilization Fund which was no longer required when the Waterfront CFD bonds were refunded. Enterprise Franchise Fees is favorable due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the four-year running average due to the lack of rain and excessive temperatures Scottsdale faced.

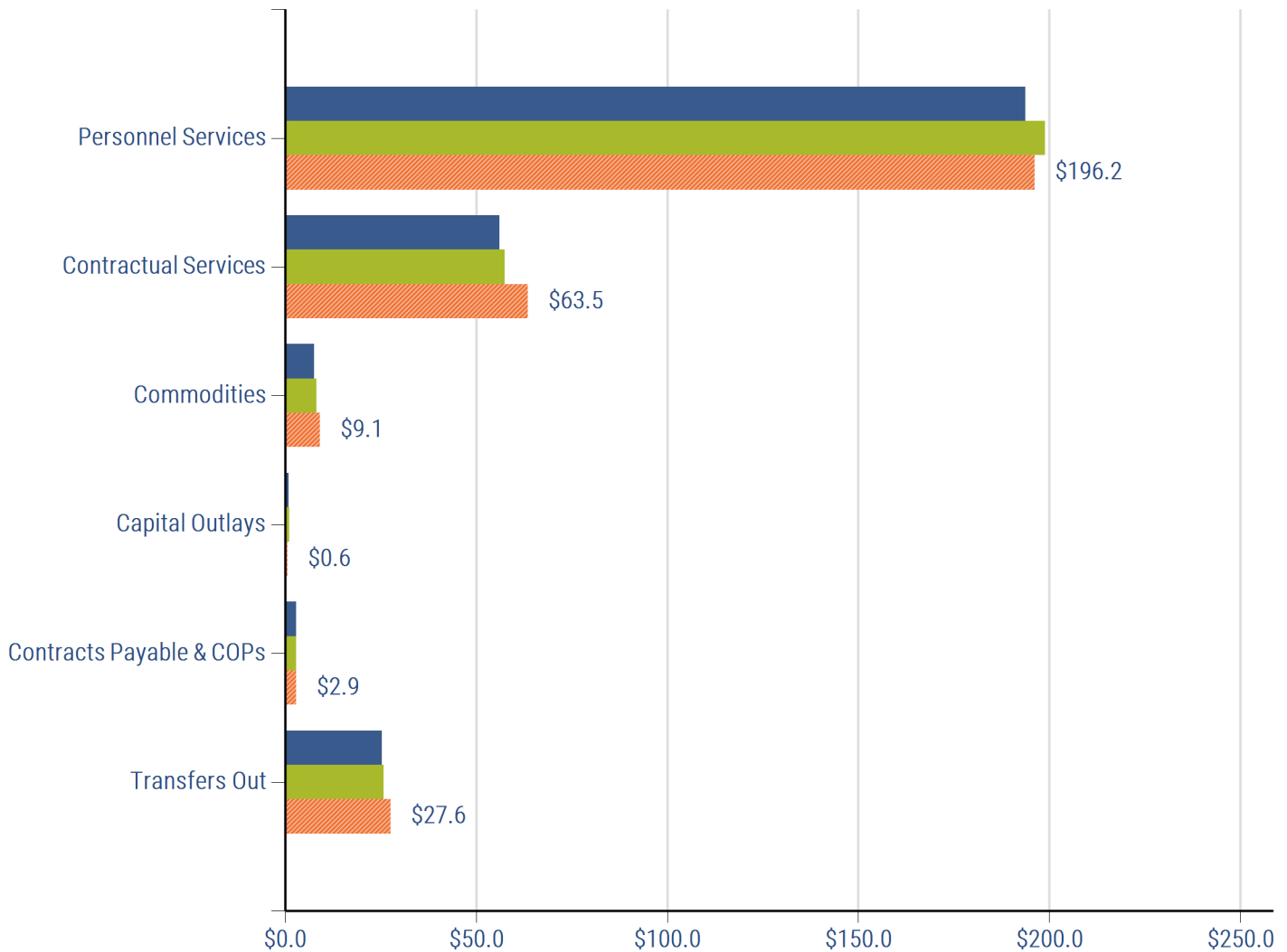
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Special Revenue Funds	\$0.3	\$3.1	\$2.6	\$2.8	(\$0.2)	(6%)
Debt Service	-	-	0.3	-	0.3	n/a
CIP	-	-	-	-	-	-
Tourism Development Fund	1.6	-	-	-	-	-
Enterprise Franchise Fees	7.8	7.6	8.4	7.8	0.6	8%
<b>Transfers In Total</b>	<b>\$9.7</b>	<b>\$10.7</b>	<b>\$11.3</b>	<b>\$10.6</b>	<b>\$0.8</b>	<b>7%</b>



# Uses

## General Fund

### Twelve Months: Fiscal Year



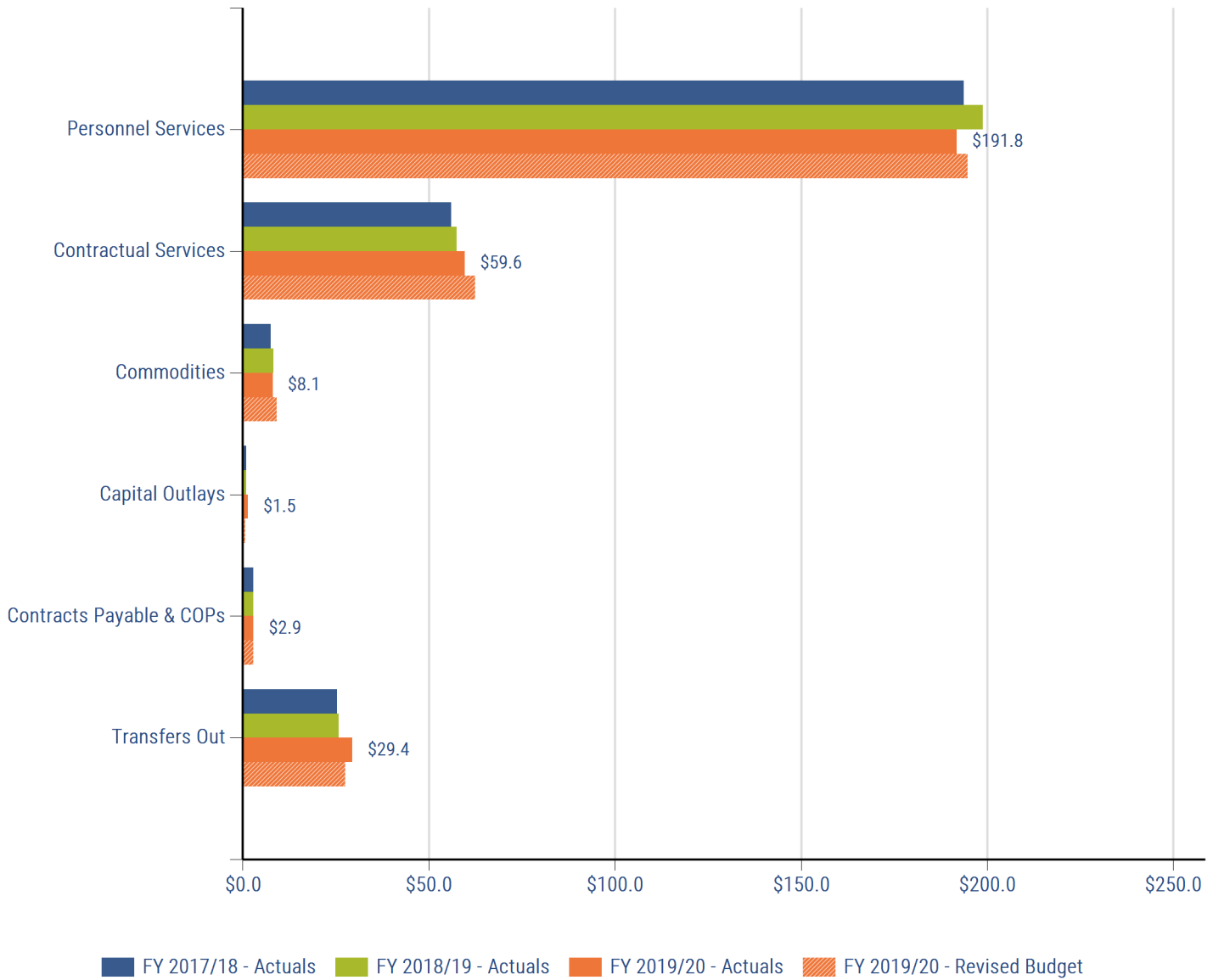
■ FY 2017/18 - Actuals  
 ■ FY 2018/19 - Actuals  
 ■ \*FY 2019/20 - Revised Budget

	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	*FY 2019/20 <u>Revised Budget</u>
Personnel Services	\$193.7	\$198.9	\$196.2
Contractual Services	56.0	57.4	63.5
Commodities	7.6	8.3	9.1
Capital Outlays	1.0	1.0	0.6
Contracts Payable & COPs	2.9	2.9	2.9
Transfers Out	25.4	25.8	27.6
<b>Total Uses</b>	<b>\$286.6</b>	<b>\$294.3</b>	<b>\$300.0</b>

\*Includes budgeted vacancy savings net of Leave Accrual Payouts, Pay Program, Compensation Adjustments, Utilities, Fleet Maintenance and Fuel costs.



Uses (Fiscal Year to Date: June 2020)

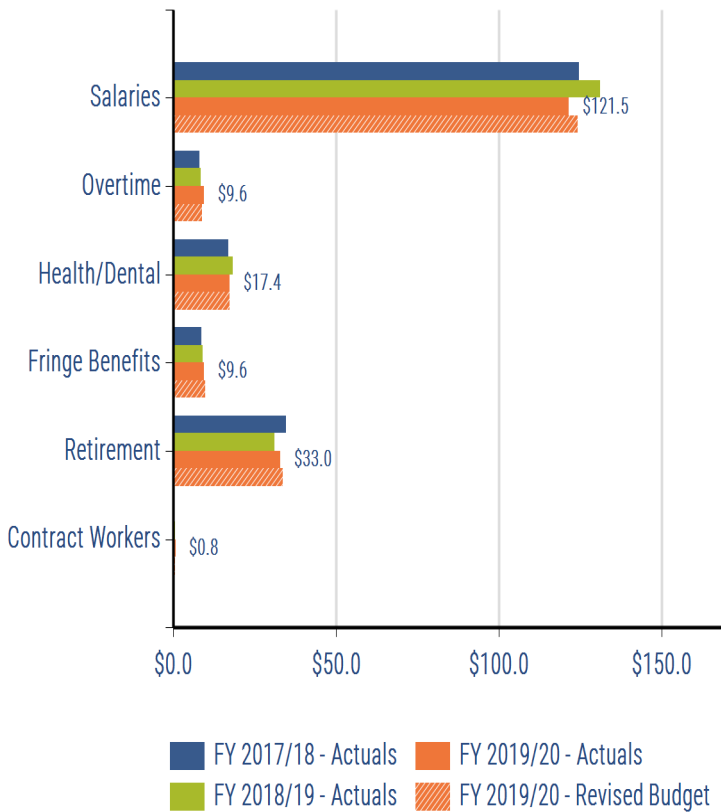


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	*FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$193.7	\$198.9	\$191.8	\$194.7	\$2.9	1%
Contractual Services	56.0	57.4	59.6	62.4	2.8	5%
Commodities	7.6	8.3	8.1	9.1	1.1	12%
Capital Outlays	1.0	1.0	1.5	0.6	(0.8)	nm
Contracts Payable & COPs	2.9	2.9	2.9	2.9	-	-
Transfers Out	25.4	25.8	29.4	27.6	(1.8)	(6%)
<b>Total Uses</b>	<b>\$286.6</b>	<b>\$294.3</b>	<b>\$293.2</b>	<b>\$297.4</b>	<b>\$4.1</b>	<b>1%</b>

\*Does not include budgeted Vacancy Savings net of Leave Accrual Payouts, Pay Program, Compensation Adjustments, Utilities, Fleet Maintenance and Fuel Costs.



Personnel Services (Fiscal Year to Date: June 2020)



Actual to Revised Budget variance of \$2.9 million or 1%:

Salaries is favorable mainly due to rank promotions in Public Safety – Police with replacement employees coming in at a lower rate than the person who was promoted, Community Services employees being promoted or retiring with replacement employees coming in at a lower rate, vacant positions in the City Attorney’s Division (vacancy savings is not swept for the City Attorney) and vacant part time positions in Community Services related to the temporary closure of facilities due to COVID-19. Overtime is unfavorable due to staffing needs related to high profile crimes, other city departments charging a centralized police center for COVID-19 related overtime, and holiday related overtime in Public Safety - Police. It is also due to higher than expected special event and holiday overtime needs in Public Safety - Fire, paramedics leaving and needing to be replaced by someone else with paramedic status and firefighters on leave for injuries and FMLA resulting in other firefighters needing to come in to fully staff apparatuses. Retirement is favorable primarily due to overall PSPRS expenses being lower than estimated as a result of less experienced employees replacing retirees who were more of a burden on the retirement system. It is also related to the actual payment being lower than estimated for a one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP). Contract Workers is unfavorable due to an IT employee with a specific skillset retiring then coming back as a contract worker and the need for Planning & Development Services to hire consultants to cover an increase in permit and review activity.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	\$124.6	\$131.1	\$121.5	\$124.2	\$2.7	2%
Overtime	8.1	8.5	9.6	9.0	(0.6)	(7%)
Health/Dental	17.0	18.3	17.4	17.3	(0.1)	(1%)
Fringe Benefits	8.8	9.2	9.6	9.9	0.2	2%
Retirement	34.8	31.2	33.0	33.8	0.8	2%
Contract Workers	0.5	0.7	0.8	0.6	(0.2)	(34%)
<b>Personnel Services Total</b>	<b>\$193.7</b>	<b>\$198.9</b>	<b>\$191.8</b>	<b>\$194.7</b>	<b>\$2.9</b>	<b>1%</b>

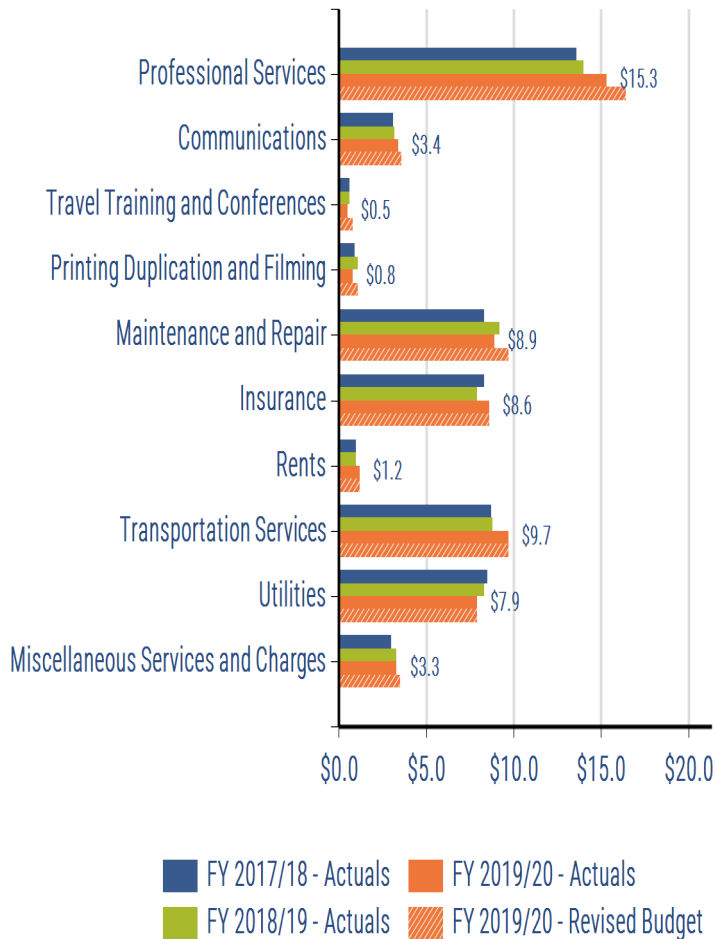
Personnel Services Macro Adjustments

	FY 2019/20 Adopted Budget	FY 2019/20 Year-To-Date Saved/(Used)	FY 2019/20 Remaining
Citywide Pay Program	\$3.7	(\$3.7)	\$ -
Vacancy Savings	(5.8)	6.6	-
Medical Leave Payouts	1.4	(1.2)	0.2
Vacation Leave Payouts	0.7	(0.7)	-
Vacation Trade Payouts	0.7	(0.7)	-
Compensation Other	5.2	(5.2)	0.1
PSPRS DROP Savings	-	0.4	-
<b>Personnel Services Macro Adjustments Total</b>	<b>\$6.0</b>	<b>(\$4.5)</b>	<b>\$0.3</b>

**Total Saved/(Used) YTD of (\$4.5) million:** The city has achieved \$6.6 million in vacancy savings year-to-date offset by (\$1.9) million in vacation and medical leave payouts. In July, the Pay Programs and the implementation of the second year of Classification and Compensation Study (Compensation Other) were funded.



Contractual Services (Fiscal Year to Date: June 2020)



**Actual to Revised Budget variance of \$2.8 million or 5%:** Professional Services is favorable mainly due to less than anticipated jail occupancy and directives to cite offenders and release them in lieu of holding them in jail due to COVID-19 and there being lower than expected monthly equipment rental costs associated with the Photo Enforcement contract. It is also due to lower than expected expenses in Community Services related to the canceling of events and classes as a result of the COVID-19 pandemic, lower than anticipated custodial costs at WestWorld due to the canceling of events, lower than expected armored car service costs in City Treasurer, and a less than expected need for Expedited Review Program consulting in Planning & Development Services. The favorable variance would have been greater but is being partially offset by higher than expected custodial costs due mainly to seeking out another company to provide services when the quality of work from the originally budgeted company was considered subpar and higher cleaning cost expectation overall due to COVID-19. Communications is favorable due to lower postage & shipping costs in the City Treasurer due to a lower volume of mail going out during the pandemic. Travel Training and Conferences is favorable due to fewer trainings and conferences being attended during the fiscal year than expected as a result of pandemic related cancellations or postponements. The favorable variance in Printing Duplication and Filming is mostly due to lower than planned printing and graphics services across the city as a result of fewer events/less programming being held which required less advertisement. The favorable variance in Maintenance and Repair is due to delays in projects and savings in the Fall Prevention Program in Public Works, lower use of building maintenance and lawn mowing contracts in Community Services, software contract costs coming in below what was anticipated or being pushed into FY 2020/21, savings from the balance of the Scottsdale Arts Facilities Improvements project which is being moved to FY 2020/21, and lower than expected machinery cost maintenance in Purchasing. The favorable variance in Miscellaneous Services and Charges is due primarily to a larger than expected interdepartmental charge for legal costs to the Risk Management Fund for fees collected from other departments.



	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>	Actual vs. Budget Favorable / (Unfavorable) <u>Amount</u>	<u>Percent</u>
Professional Services	\$13.6	\$14.0	\$15.3	\$16.4	\$1.1	7%
Communications	3.1	3.2	3.4	3.6	0.2	5%
Travel Training and Conferences	0.6	0.6	0.5	0.8	0.3	37%
Printing Duplication and Filming	0.9	1.1	0.8	1.1	0.3	26%
Maintenance and Repair	8.3	9.2	8.9	9.7	0.8	8%
Insurance	8.3	7.9	8.6	8.6	-	-
Rents	1.0	1.0	1.2	1.2	-	-
Transportation Services	8.7	8.8	9.7	9.7	-	-
Utilities	8.5	8.3	7.9	7.9	-	-
Miscellaneous Services and Charges	3.0	3.3	3.3	3.5	0.2	4%
<b>Contractual Services Total</b>	<b>\$56.0</b>	<b>\$57.4</b>	<b>\$59.6</b>	<b>\$62.4</b>	<b>\$2.8</b>	<b>5%</b>

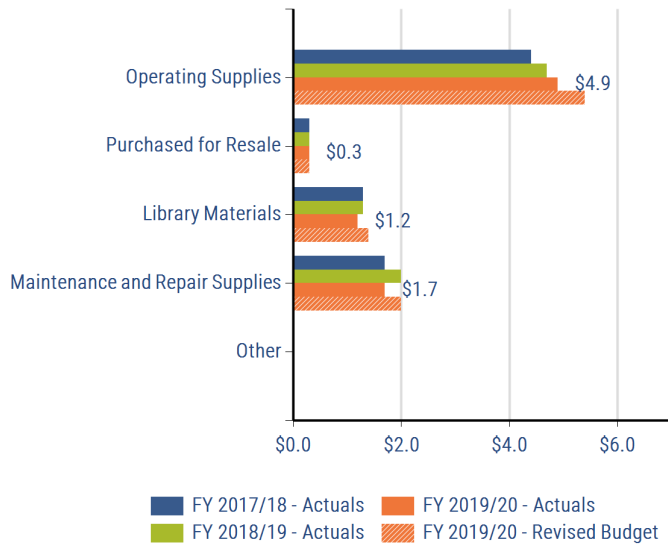
**Contractual Services Macro Adjustments**

	FY 2019/20 <u>Adopted Budget</u>	FY 2019/20 <u>Year-To-Date Used</u>	<u>Remaining</u>
Fuel and Maint and Repair	\$5.2	(\$4.7)	\$0.5
Utilities	8.5	(7.9)	0.6
<b>Contractual Services Macro Adjustments Total</b>	<b>\$13.7</b>	<b>(\$12.6)</b>	<b>\$1.1</b>

**Total Saved/(Used) YTD of (\$12.6) million:** Utilities and new in FY 2019/20, Fuel and Maint and Repair are budgeted on a macro level. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each Division.



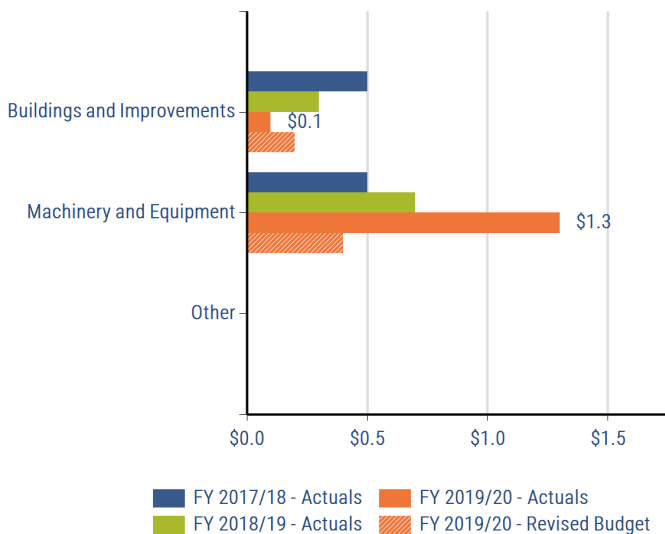
Commodities (Fiscal Year to Date: June 2020)



**Actual to Revised Budget variance of \$1.1 million or 12%:** Operating Supplies is favorable primarily due to the lower need to purchase office supplies, furniture & equipment, and education & recreation supplies in Community Services due to facility closures from COVID-19. Library Materials is favorable due to the reduced need to purchase books and other materials primarily as a result of the closing of Palomino Library. Maintenance and Repair Supplies is favorable due to the reduced need to purchase small equipment in Public Safety - Fire and cost savings on materials for Facilities projects that were pushed into FY 2020/21.

	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable)</u>	
					<u>Amount</u>	<u>Percent</u>
Operating Supplies	\$4.4	\$4.7	\$4.9	\$5.4	\$0.5	10%
Purchased for Resale	0.3	0.3	0.3	0.3	-	-
Library Materials	1.3	1.3	1.2	1.4	0.2	14%
Maintenance and Repair Supplies	1.7	2.0	1.7	2.0	0.4	17%
Other	-	-	-	-	-	-
<b>Commodities Total</b>	<b>\$7.6</b>	<b>\$8.3</b>	<b>\$8.1</b>	<b>\$9.1</b>	<b>\$1.1</b>	<b>12%</b>

Capital Outlays (Fiscal Year to Date: June 2020)



**Actual to Revised Budget variance of (\$0.8) million or 0%:** Buildings and Improvements is favorable due to cost savings on equipment for Facilities projects. Machinery and Equipment is unfavorable primarily due to the capitalization of leased vehicles/equipment that only affected Public Safety - Police in FY 2019/20.

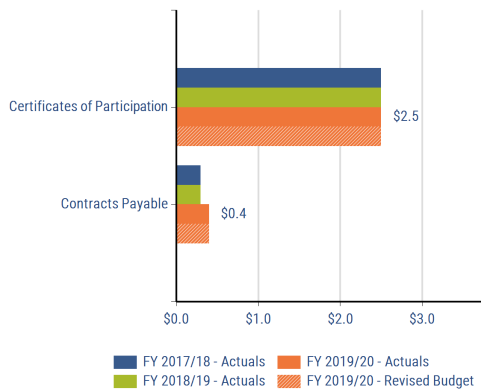
	<u>FY 2017/18 Actuals</u>	<u>FY 2018/19 Actuals</u>	<u>FY 2019/20 Actuals</u>	<u>FY 2019/20 Revised Budget</u>	<u>Actual vs. Budget Favorable / (Unfavorable)</u>	
					<u>Amount</u>	<u>Percent</u>
Buildings and Improvements	\$0.5	\$0.3	\$0.1	\$0.2	\$0.1	34%
Machinery and Equipment	0.5	0.7	1.3	0.4	(0.9)	nm
Other	-	-	-	-	-	-
<b>Capital Outlays Total</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.5</b>	<b>\$0.6</b>	<b>(\$0.8)</b>	<b>nm</b>





**Contracts Payable & COPs (Fiscal Year to Date: June 2020)**

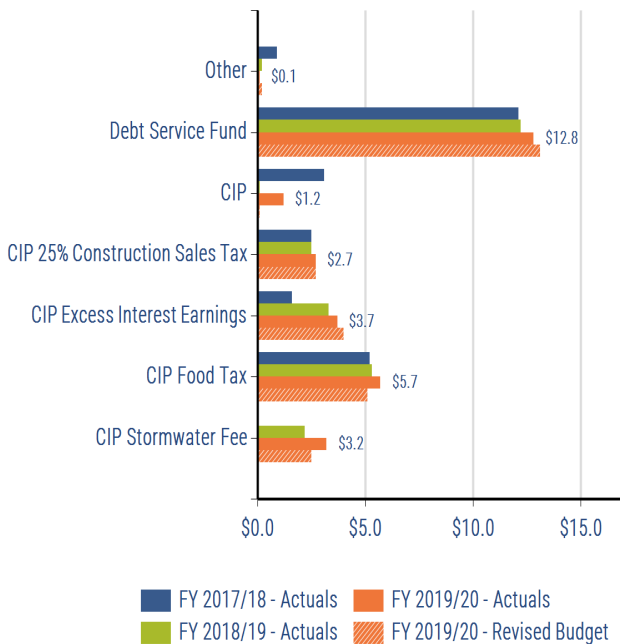
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$2.5	\$2.5	\$2.5	\$2.5	\$ -	-
Contracts Payable	\$0.3	\$0.3	\$0.4	\$0.4	\$ -	-
<b>Contracts Payable &amp; COPs Total</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$ -</b>	<b>-</b>

**Transfers Out (Fiscal Year to Date: June 2020)**

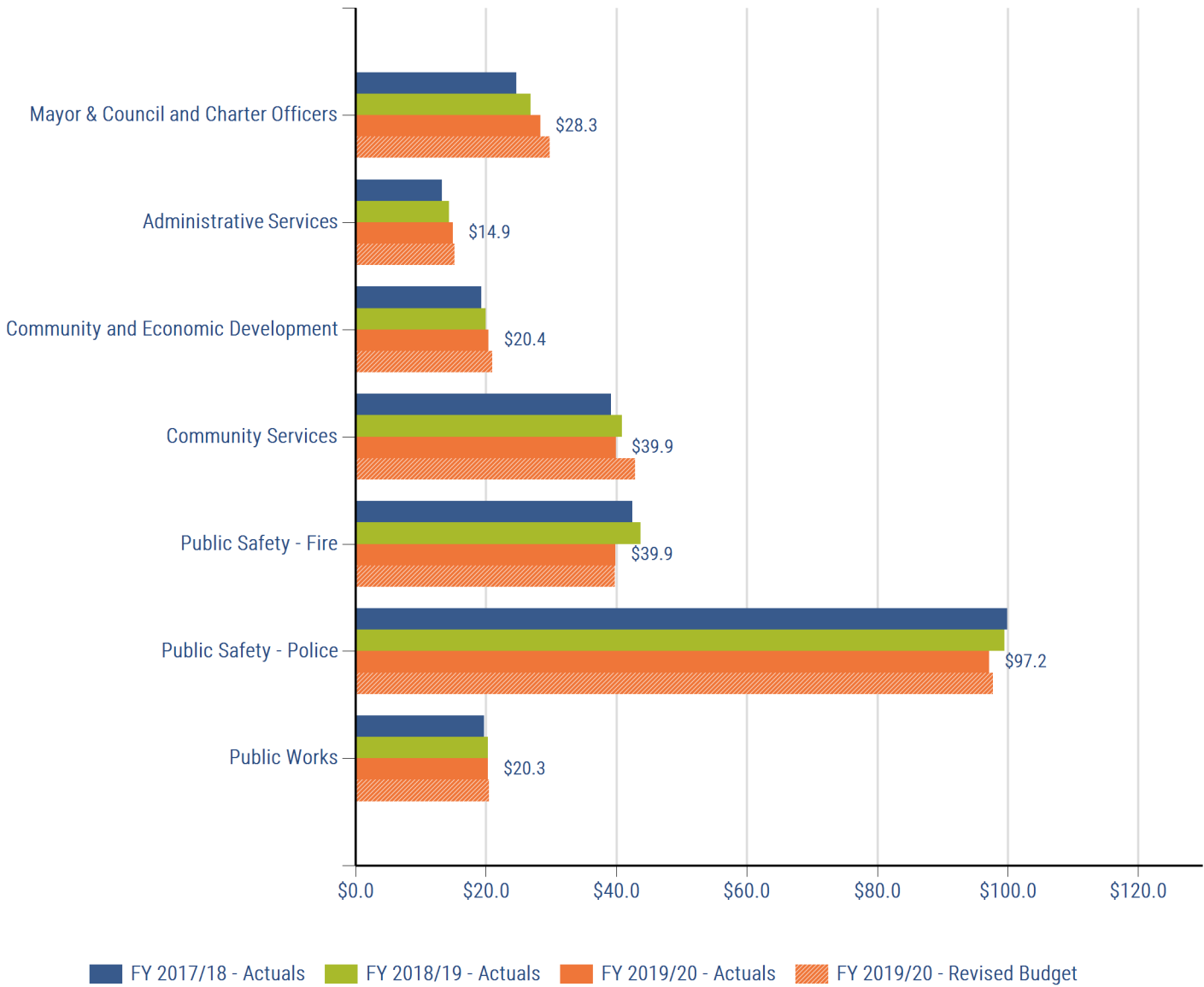
Actual to Revised Budget variance of (\$1.8) million or (6%): Other is favorable due to a lower than expected transfer to the Disabled Retirees Fund because medical expenses came in lower than expected, possibly related to the pandemic. The General Fund was supposed to transfer revenue associated with the CIP Stormwater Fee to both the CIP Stormwater Fund and the MPC Debt Service Fund. The full amount was transferred to the CIP Stormwater Fund and none was transferred to the MPC Debt Service Fund. This resulted in a favorable variance in Debt Service Fund and an unfavorable variance in CIP Stormwater Fee. CIP is unfavorable due to City Council authorizing a transfer to fund the McCormick-Stillman Railroad Park Restroom project, a mid-year adjustment to fund a Jail Dormitory funding shortage; and a Fire regional dispatch contract reimbursement from City of Phoenix. Per the request of Public Safety-Fire the reimbursement will be recorded in the General Fund and is to be transferred to the CIP General Fund to fund fire projects. CIP Excess Interest Earnings is favorable due to less funds being transferred based on yields coming in less than expected as a result of lower than anticipated interest rates in the fixed income market. CIP Food Tax is unfavorable due to a higher than forecasted transfer of food for home consumption to the CIP due to greater than expected Food Stores Sales tax collections over the course of the fiscal year. CIP Stormwater Fee is unfavorable due to the reason above and to higher than expected collections.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$0.9	\$0.2	\$0.1	\$0.2	\$0.1	36%
Debt Service Fund	12.1	12.2	12.8	13.1	0.3	2%
CIP	3.1	0.1	1.2	0.1	( 1.2)	nm
CIP 25% Construction Sales Tax	2.5	2.5	2.7	2.7	-	-
CIP Excess Interest Earnings	1.6	3.3	3.7	4.0	0.3	7%
CIP Food Tax	5.2	5.3	5.7	5.1	( 0.6)	(11%)
CIP Stormwater Fee	-	2.2	3.2	2.5	( 0.7)	(29%)
<b>Transfers Out Total</b>	<b>\$25.4</b>	<b>\$25.8</b>	<b>\$29.4</b>	<b>\$27.6</b>	<b>(\$1.8)</b>	<b>(6%)</b>



Division Expenditures (Fiscal Year to Date: June 2020)



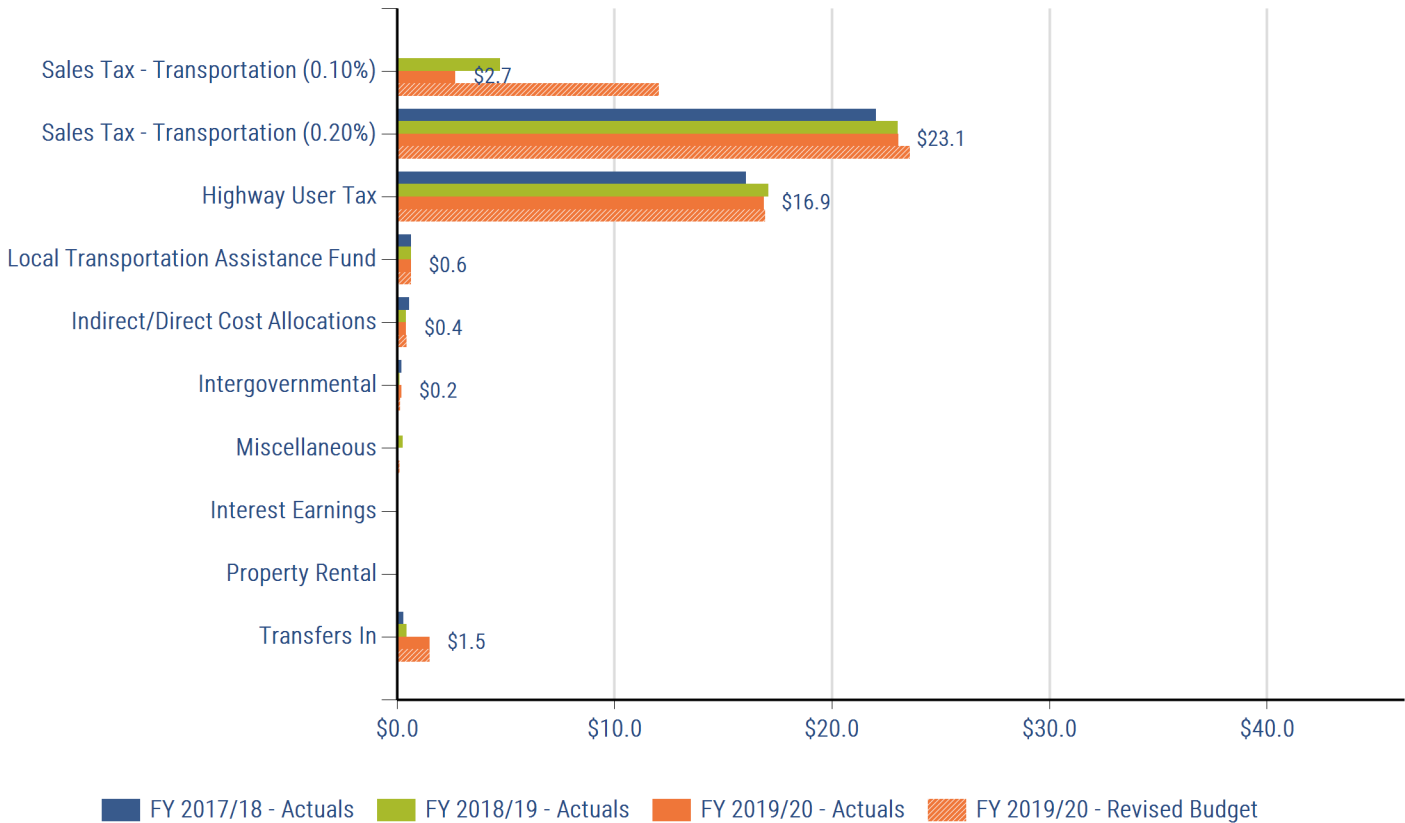
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Mayor & Council and Charter Officers	\$24.6	\$26.8	\$28.3	\$29.8	\$1.4	5%
Administrative Services	13.2	14.4	14.9	15.2	0.3	2%
Community and Economic Development	19.3	20.0	20.4	21.0	0.6	3%
Community Services	39.2	40.9	39.9	42.9	2.9	7%
Public Safety - Fire	42.4	43.7	39.9	39.8	( 0.1)	0%
Public Safety - Police	99.9	99.5	97.2	97.8	0.6	1%
Public Works	19.7	20.3	20.3	20.5	0.2	1%
<b>Total</b>	<b>\$258.4</b>	<b>\$265.6</b>	<b>\$260.9</b>	<b>\$266.9</b>	<b>\$5.9</b>	<b>2%</b>



**Actual to Revised Budget variance of \$5.9 million or 2%:** Mayor & Council and Charter Officers is favorable mainly due to lower than expected armored car, postage, shipping and printing/graphics, and machinery maintenance costs in the City Treasurer Division. It is also related to vacant positions and lower than expected travel, training, and conference fees and larger than expected charges for legal costs to the Risk Management Fund in the City Attorney's Division. The favorable variance would have been greater but is being partially offset by higher than expected administrative fee costs in the City Clerk associated with Bond 2019. Administrative Services is favorable primarily due to savings from renegotiated contracts, lower software costs and canceled trainings due to COVID-19. The variance is partly offset by higher than anticipated costs for security software and an IT contract worker with a needed specific skillset. Community and Economic Development is favorable primarily due to lower than expected expenses related to the Expedited Review Program in the Planning & Development Services Department and savings from the balance of the Scottsdale Arts Facilities Improvements project which is being moved to FY 2020/21. The favorable variance would have been greater but is being partially offset by the need to hire consultants to cover the increase in permit and review activity in the Planning & Development Services Department. Community Services is favorable mostly due to unfilled part time positions that are related to the temporary closure of facilities due to COVID-19, of which vacancy savings is not swept, as well as positions vacated that were filled at a lower salary. Also contributing is lower than expected expenses related to the canceling of events and classes as a result of the COVID-19 pandemic, lower than anticipated custodial costs at WestWorld due to the canceling of events, lower use of building maintenance and lawn mowing contracts, software contract costs coming in below what was anticipated or being pushed into FY 2020/21. Finally, the variance is also due to the reduced need to purchase books and other materials primarily as a result of the closing of Palomino Library. Public Safety – Fire is unfavorable due primarily to higher than expected special event and holiday staffing needs, unbudgeted overtime costs associated with paramedics leaving and needing to be replaced by someone else with paramedic status, firefighters on leave for injuries and FMLA resulting in other firefighters needing to come in to fully staff apparatuses. The unfavorable variance would have been greater but is being partially offset by the timing of small equipment purchases. Public Safety – Police is favorable due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted, overall PSPRS costs being less than anticipated, lower than planned monthly equipment rental costs related to the photo radar contract, and less than forecasted jail occupancy due to directives to cite offenders and release them in lieu of holding them in jail due to COVID-19. It is also related to the actual payment being lower than estimated for a one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP). The favorable variance would have been greater but is being partially offset by the new GASB requirement related to the capitalization of leased vehicles/equipment that only affected Public Safety - Police in FY 2019/20, and staffing needs related to high profile crimes, other city departments charging a centralized police center for COVID-19 related overtime, and holiday related overtime. Public Works is favorable due to savings in the cost of materials being purchased for Facilities projects, lower than expected costs related to the Fall Prevention Program and projects being deferred to FY 2020/21. The favorable variance would have been greater but is being partially offset by higher than expected custodial costs due mainly to seeking out another company to provide services when the quality of work from the originally budgeted company was considered subpar and higher cleaning cost expectations overall due to COVID-19.



Sources (Fiscal Year to Date: June 2020)

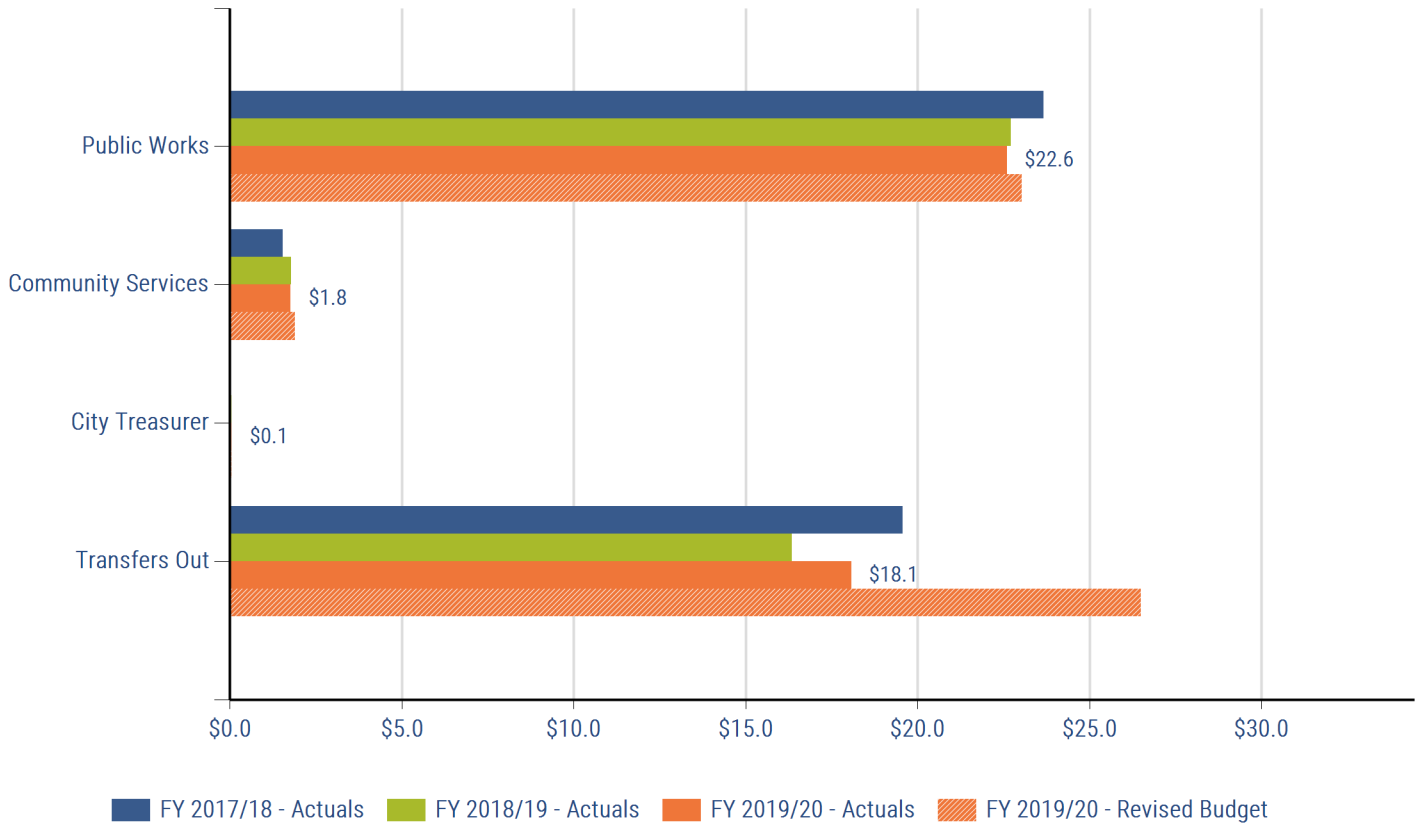


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax - Transportation (0.10%)	\$ -	\$4.8	\$2.7	\$12.1	(\$9.4)	(78%)
Sales Tax - Transportation (0.20%)	\$22.0	\$23.0	\$23.1	\$23.6	(\$0.5)	(2%)
Highway User Tax	16.1	17.1	16.9	16.9	(0.1)	0%
Local Transportation Assistance Fund	0.7	0.6	0.6	0.7	-	-
Indirect/Direct Cost Allocations	0.6	0.4	0.4	0.4	-	-
Intergovernmental	0.2	0.1	0.2	0.2	-	-
Miscellaneous	0.1	0.3	-	0.1	(0.1)	(84%)
Interest Earnings	-	-	-	-	-	-
Property Rental	-	-	-	-	-	-
Transfers In	0.3	0.5	1.5	1.5	-	-
<b>Total Sources</b>	<b>\$39.9</b>	<b>\$46.8</b>	<b>\$45.4</b>	<b>\$55.5</b>	<b>(\$10.0)</b>	<b>(18%)</b>

**Actual to Revised Budget variance of (\$10.0) million or (18%):** The unfavorable variance in Sales Tax – Transportation (0.10%) is primarily due to an accounting change on how the revenue is booked. Starting in October 2019, revenue began being posted directly within the CIP Transportation Sales Tax 0.10% Fund rather than Operating Transportation Sales Tax 0.10% Fund and then transferred to CIP. Sales Tax also reported an unfavorable variance due to the impact of the pandemic. Miscellaneous is unfavorable due to the timing of the City of Phoenix reconciliation for missed or late routes, and fuel adjustment.



Uses (Fiscal Year to Date: June 2020)

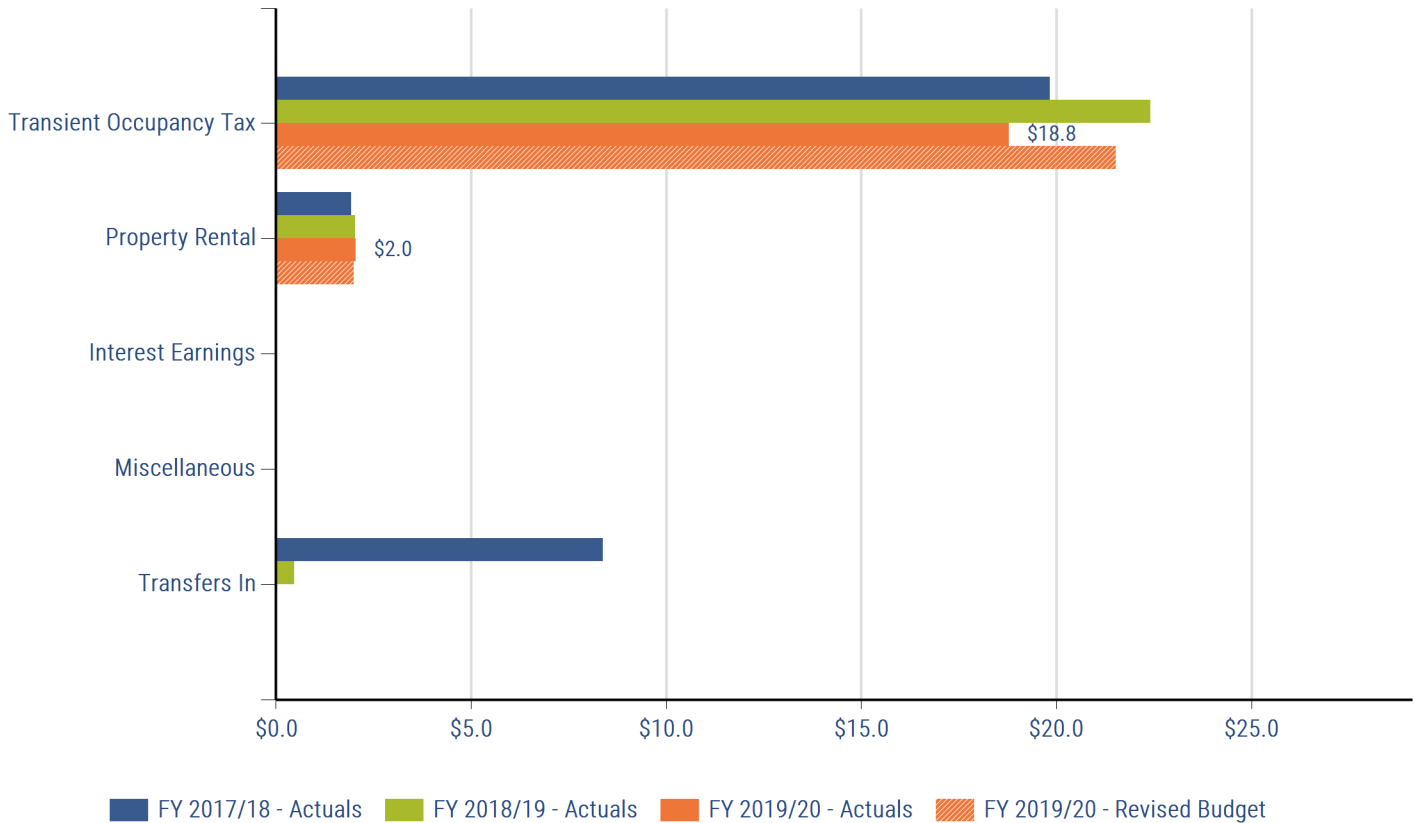


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$23.7	\$22.7	\$22.6	\$23.0	\$0.4	2%
Community Services	1.5	1.8	1.8	1.9	0.1	6%
City Treasurer	-	0.1	0.1	0.1	-	-
Transfers Out	19.6	16.4	18.1	26.5	8.4	32%
<b>Total Uses</b>	<b>\$44.8</b>	<b>\$40.9</b>	<b>\$42.5</b>	<b>\$51.5</b>	<b>\$9.0</b>	<b>17%</b>

**Actual to Revised Budget variance of \$9.0 million or 17%:** The favorable variance in Public Works is primarily related to a reconciliation awarded by the City of Phoenix for Transit Contracts and a reduction in service from Valley Metro as the city's trolley system has expanded. Community Services is favorable due to the savings from a lack of contracted staff to perform right-of-way maintenance, median landscaping, tree pruning & removal, and storm drain clean-up throughout the city. Transfers Out is favorable primarily due to an accounting change on how Transportation Sales Tax 0.10% is booked. Starting in October 2019, revenue began being posted directly within the CIP Transportation Sales Tax 0.10% Fund rather than being placed in Operating Transportation Sales Tax 0.10% Fund and then transferred to CIP. Also contributing to the Transfers Out favorable variance is lower than estimated city sales tax collections as a result of the pandemic. According to Financial Policy No. 26, 50 percent of the 0.20% City Sales Tax revenue will be transferred to the transportation capital improvement plan.



Sources (Fiscal Year to Date: June 2020)

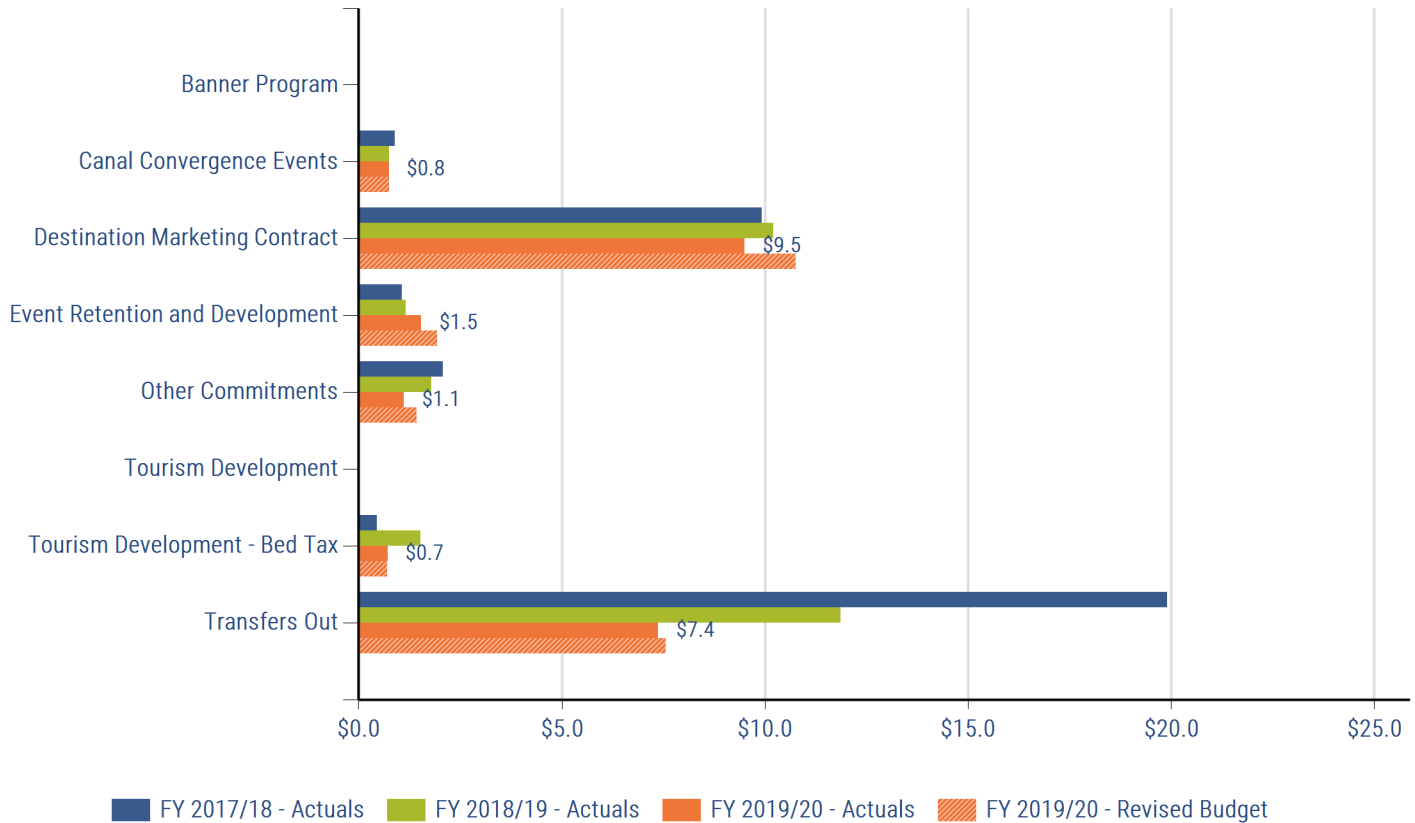


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Transient Occupancy Tax	\$19.8	\$22.4	\$18.8	\$21.5	(\$2.7)	(13%)
Property Rental	1.9	2.0	2.0	2.0	-	-
Interest Earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Transfers In	8.4	0.5	-	-	-	-
<b>Total Sources</b>	<b>\$30.1</b>	<b>\$24.9</b>	<b>\$20.8</b>	<b>\$23.5</b>	<b>(\$2.7)</b>	<b>(11%)</b>

**Actual to Revised Budget variance of (\$2.7) million or (11%):** Unfavorable variance in Transient Occupancy Tax is due to the impact of COVID-19 in Bed Tax collections during the last quarter of the fiscal year.



Uses (Fiscal Year to Date: June 2020)

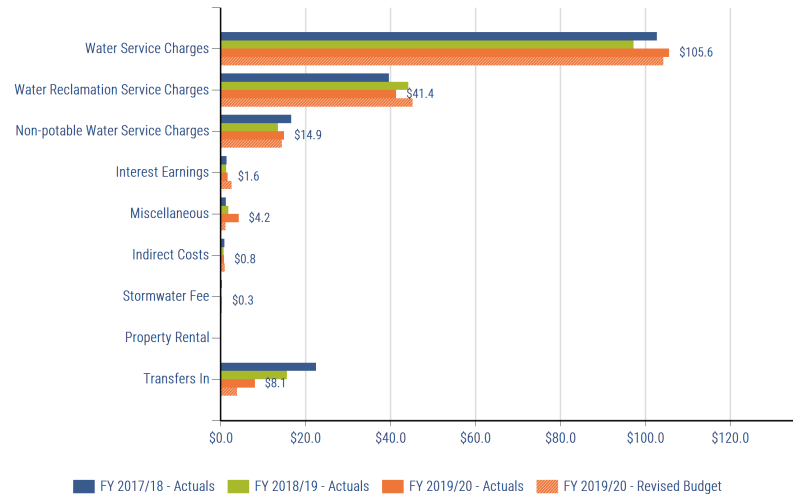


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Banner Program	\$ -	\$ -	\$ -	\$ -	\$ -	-
Canal Convergence Events	0.9	0.8	0.8	0.8	-	-
Destination Marketing Contract	9.9	10.2	9.5	10.8	1.3	12%
Event Retention and Development	1.1	1.2	1.5	1.9	0.4	20%
Other Commitments	2.1	1.8	1.1	1.4	0.3	22%
Tourism Development	-	-	-	-	-	-
Tourism Development - Bed Tax	0.5	1.5	0.7	0.7	-	-
Transfers Out	19.9	11.9	7.4	7.6	0.2	3%
<b>Total Uses</b>	<b>\$34.3</b>	<b>\$27.3</b>	<b>\$21.0</b>	<b>\$23.2</b>	<b>\$2.2</b>	<b>9%</b>

**Actual to Revised Budget variance of \$2.2 million or 9%:** The favorable variances in Destination Marketing Contract, Event Retention and Development, and Other Commitments is mainly due to drastically reduced Transient Occupancy Tax collections and events that were canceled or postponed in response to the COVID-19 pandemic.



Sources (Fiscal Year to Date: June 2020)



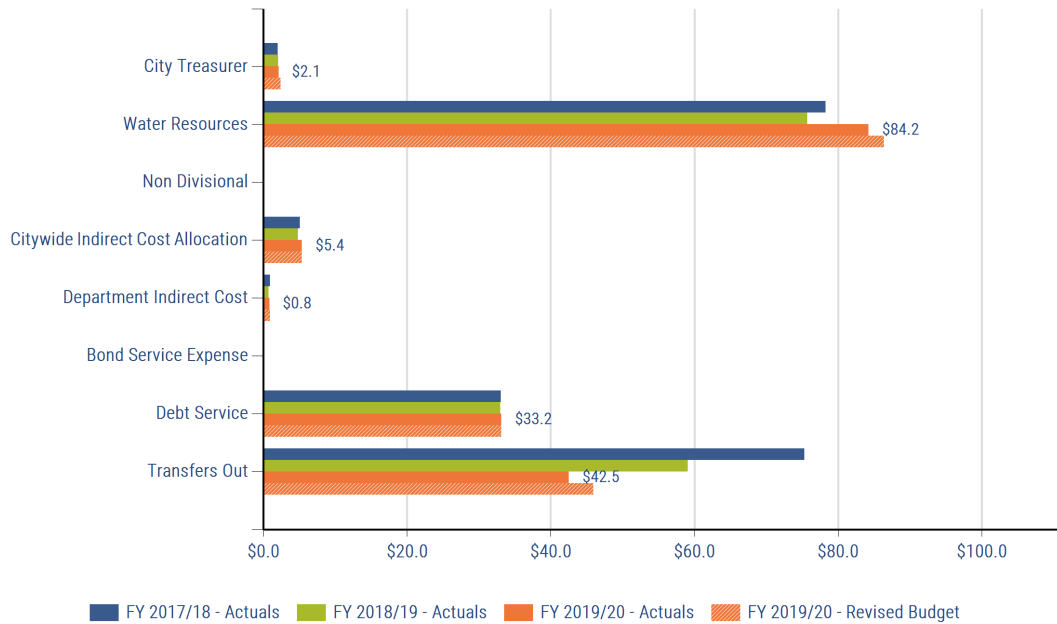
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Water Service Charges	\$102.7	\$97.3	\$105.6	\$104.2	\$1.4	1%
Water Reclamation Service Charges	39.6	44.2	41.4	45.2	(3.9)	(9%)
Non-potable Water Service Charges	16.6	13.5	14.9	14.4	0.5	3%
Interest Earnings	1.4	1.3	1.6	2.6	(0.9)	(36%)
Miscellaneous	1.2	1.9	4.2	1.1	3.1	nm
Indirect Costs	0.9	0.7	0.8	0.9	(0.1)	(12%)
Stormwater Fee	0.3	0.2	0.3	0.3	-	-
Property Rental	-	-	-	-	-	-
Transfers In	22.5	15.6	8.1	3.9	4.2	nm
<b>Total Sources</b>	<b>\$185.3</b>	<b>\$174.6</b>	<b>\$177.0</b>	<b>\$172.8</b>	<b>\$4.2</b>	<b>2%</b>

**Actual to Revised Budget variance of \$4.2 million or 2%:** The favorable variance in Water Service Charges is due to higher than expected customer growth and meter sales which came in above the four-year running average in Scottsdale. It is also related to higher than expected sales of water to Carefree Water Utility Company and a higher than projected demand to install water meter service lines, resulting in additional revenue. Additionally, the budget did not account for disconnect fees which are trending higher than the four-year average. Water Reclamation Service Charges is unfavorable due to a lower than expected number of new sewer customer billings and lower deliveries than budgeted. The budget was based on previous winter deliveries. It was also due to the timing of the Non-Hazardous Liquid Waste payment for July which wasn't received until FY 2020/21. Non-potable Water Service Charges is favorable due to higher than expected Reclaimed Water Distribution System (RWDS) and Irrigation Water Distribution System (IWDS) water sales than the 3-year average due to dry weather and higher cost reverse osmosis (R/O) chemical formulation to golf courses. It is also due to an increase in water rate revenue from the sale of treated effluent. The favorable variance would have been greater but is being partially offset by lower treated Advanced Water Treatment (AWT) R/O and effluent resale deliveries when compared to the 3-year average. It is also due to unbudgeted contractual settlement payments and lower deliveries to WestWorld/Sanctuary. Interest Earnings is unfavorable due to yields coming in below what was budgeted as a result of lower than anticipated interest rates in the fixed income market. Miscellaneous is favorable primarily due to the reimbursement of the rehabilitation of the Central Groundwater Treatment Facility (CGTF) driven by unforeseen degradation of equipment and structures. It is also due to the settlement of a class action lawsuit relating to claims of anti-trust activity against manufacturers and sellers of aluminum sulfate, higher than expected use of Salt River Project's Groundwater Savings Facility for recharged water, and a greater than expected demand to purchase used water meters. Indirect Costs is unfavorable due to lower than forecasted indirect charges. Transfers In is favorable due to an internal transfer to account for debt service payments related to water and water reclamation capital projects.





**Uses (Fiscal Year to Date: June 2020)**

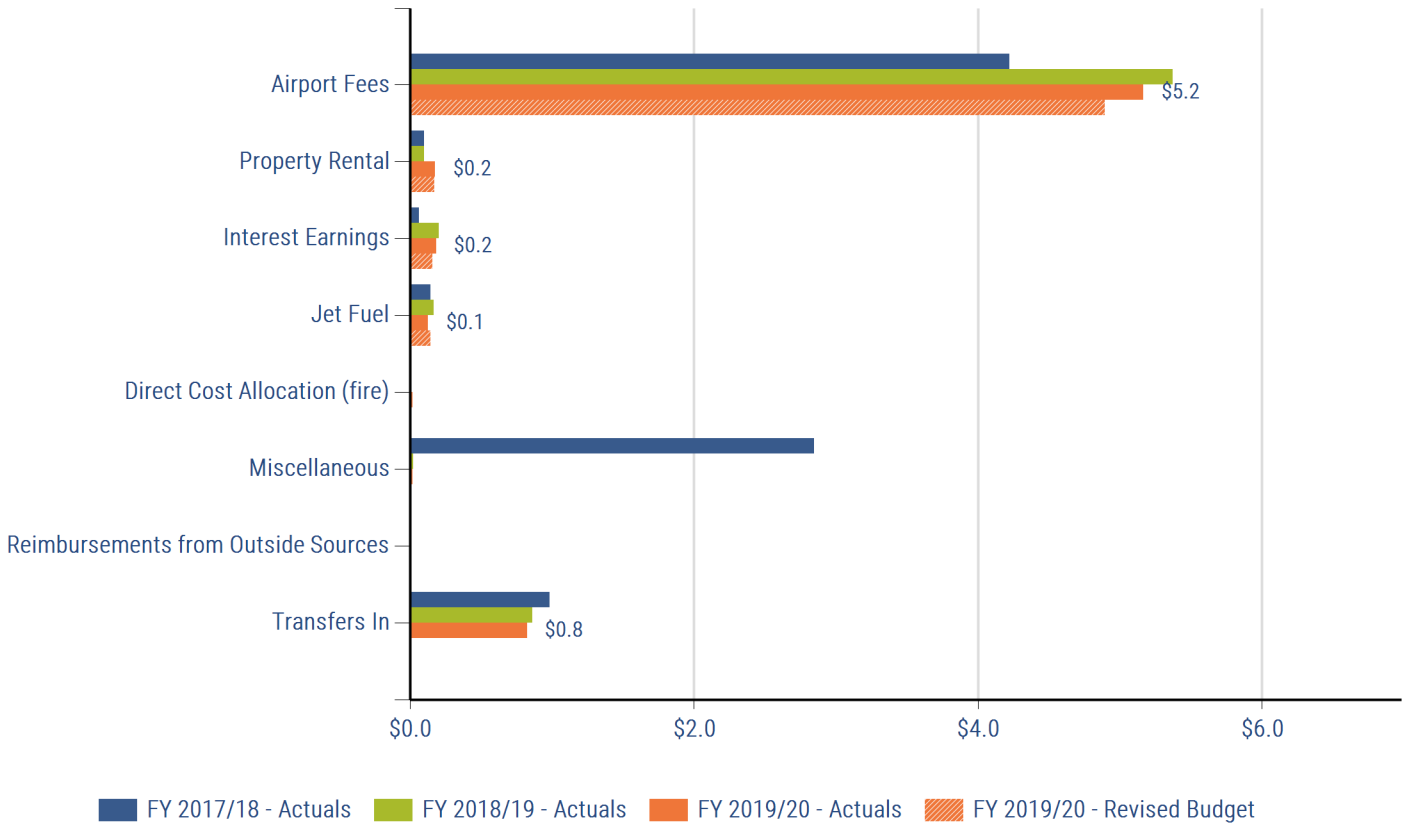


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
City Treasurer	\$2.0	\$2.1	\$2.1	\$2.4	\$0.3	12%
Water Resources	78.2	75.7	84.2	86.4	2.1	2%
Non Divisional	-	-	-	-	-	-
Citywide Indirect Cost Allocation	5.1	4.8	5.4	5.4	-	-
Department Indirect Cost	0.9	0.7	0.8	0.9	0.1	12%
Bond Service Expense	-	-	-	-	-	-
Debt Service	33.0	33.0	33.2	33.2	-	-
Transfers Out	75.3	59.1	42.5	46.0	3.4	7%
<b>Total Uses</b>	<b>\$194.6</b>	<b>\$175.4</b>	<b>\$168.3</b>	<b>\$174.2</b>	<b>\$6.0</b>	<b>3%</b>

**Actual to Revised Budget variance of \$6.0 million or 3%:** City Treasurer is favorable primarily due to lower than expected software maintenance costs. It is also due to reduced postage and banking needs as a result of facilities being closed due to the COVID-19 pandemic. Water Resources is favorable due to fewer treatment filter media and less taxable treatment chemicals being needed based on water quality and production levels, lower than expected electrical costs, a lower than expected need to purchase pumps motors and other large equipment and the lower than expected need to purchase treated Advanced Water Treatment (AWT) Reverse Osmosis (R/O) permeate. It is also due to a lower than expected need to purchase water meter parts, less need of on-call engineering support consultants, higher energy credits than energy costs for the Arizona Power Authority agreement, and the lower than expected need to purchase miscellaneous operating supplies than originally expected. The favorable variance would have been greater but is being partially offset by a greater need to purchase non-taxable treatment chemicals due to water quality requirement, more overtime being needed as a result of staff shortages due to retirement and medical leave, increased waste hauling needs at the Central Arizona Project (CAP) Water Treatment Plant, unexpected assessment costs related to rehab work at the Central Groundwater Treatment Facility (CGTF), unexpected cost increases for software, higher than planned sewer lateral maintenance and repair costs, higher than expected purchased water costs and greater than anticipated mechanical equipment repair and maintenance costs. Department Indirect Cost is favorable due to lower than forecasted indirect charges. Transfers Out is favorable due to a lower than expected transfer to CIP based on Water's reserve requirements and short term liabilities. The favorable variance would have been greater but is being partially offset by an internal transfer to account for debt service payments related to water and water reclamation capital projects. Also contributing to the offset is higher than expected revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the four-year running average due to the lack of rain and excessive temperatures Scottsdale faced.



Sources (Fiscal Year to Date: June 2020)

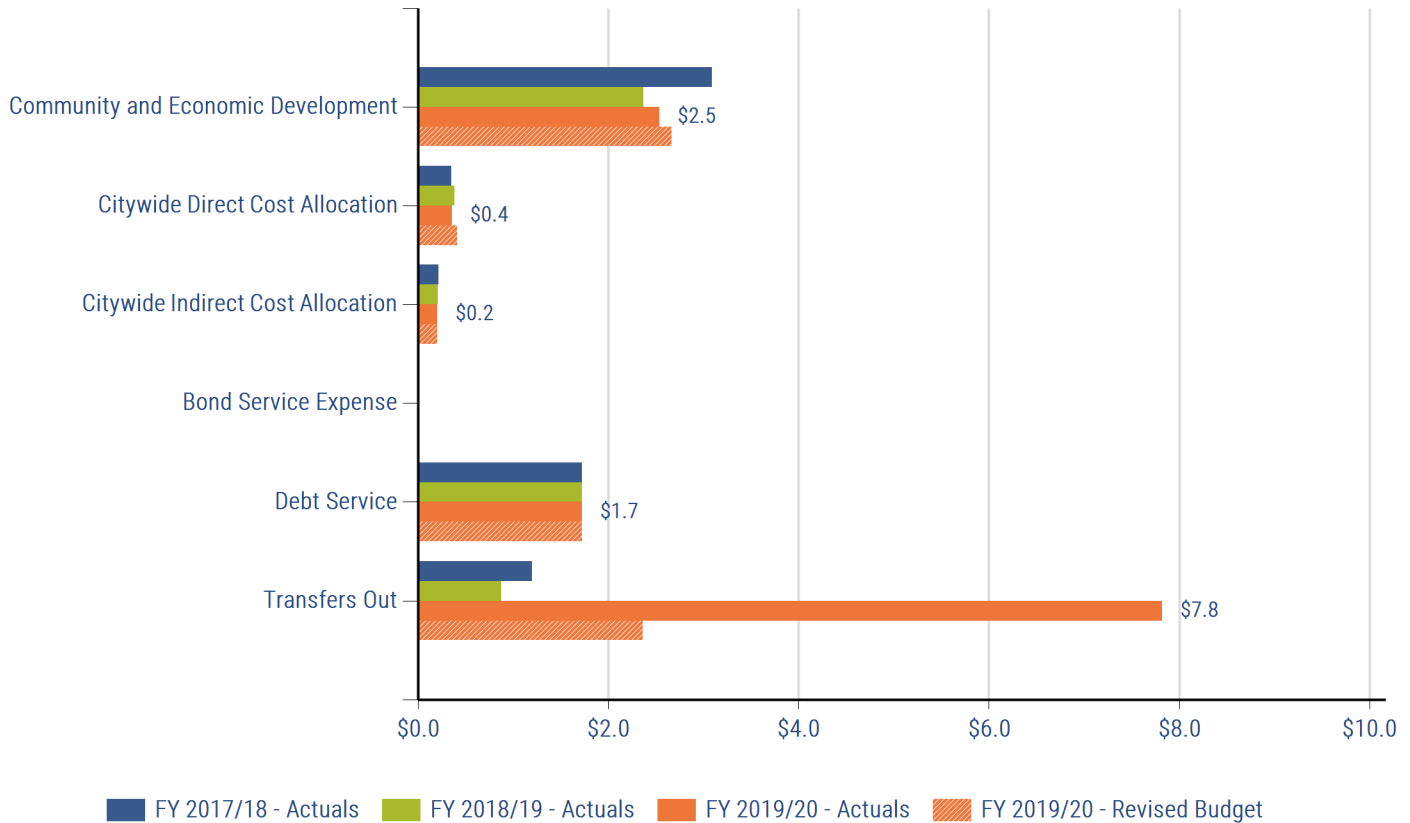


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Airport Fees	\$4.2	\$5.4	\$5.2	\$4.9	\$0.3	6%
Property Rental	0.1	0.1	0.2	0.2	-	-
Interest Earnings	0.1	0.2	0.2	0.2	-	-
Jet Fuel	0.1	0.2	0.1	0.1	-	-
Direct Cost Allocation (fire)	-	-	-	-	-	-
Miscellaneous	2.8	-	-	-	-	-
Reimbursements from Outside Sources	-	-	-	-	-	-
Transfers In	1.0	0.9	0.8	-	0.8	n/a
<b>Total Sources</b>	<b>\$8.4</b>	<b>\$6.7</b>	<b>\$6.5</b>	<b>\$5.4</b>	<b>\$1.1</b>	<b>21%</b>

**Actual to Revised Budget variance of \$1.1 million or 21%:** Favorable variance in Airport Fees is mostly due to higher than anticipated revenue in hangar/shade and other leases, and the addition of new Aeronautical Business Permits (ABPs) including those for aircraft maintenance operators, flight school and charter operators. The favorable variance would have been greater but is being partly offset by lower than anticipated Transient Parking Fees and restaurant revenue that will not meet the required threshold for payment. The favorable variance in Transfers In is due to an intra-fund transfer for the repayment of Municipal Project Corporation (MPC) bonds



Uses (Fiscal Year to Date: June 2020)

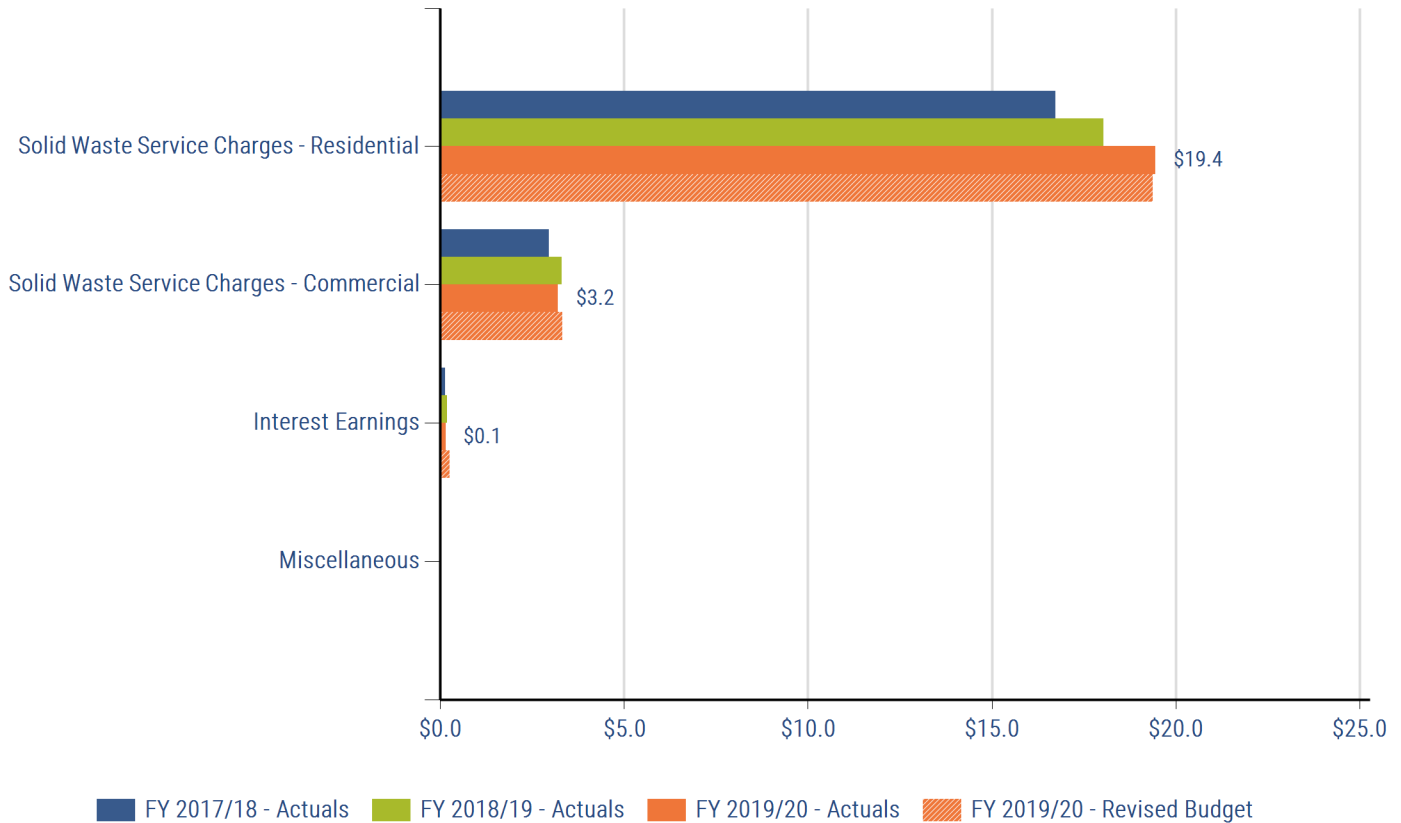


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Community and Economic Development	\$3.1	\$2.4	\$2.5	\$2.7	\$0.1	5%
Citywide Direct Cost Allocation	0.4	0.4	0.4	0.4	0.1	14%
Citywide Indirect Cost Allocation	0.2	0.2	0.2	0.2	-	-
Bond Service Expense	-	-	-	-	-	-
Debt Service	1.7	1.7	1.7	1.7	-	-
Transfers Out	1.2	0.9	7.8	2.4	( 5.5)	nm
<b>Total Uses</b>	<b>\$6.6</b>	<b>\$5.6</b>	<b>\$12.6</b>	<b>\$7.4</b>	<b>(\$5.3)</b>	<b>(72%)</b>

**Actual to Revised Budget variance of (\$5.3) million or (72%):** Favorable variance in Community and Economic Development is mostly due to a Cares Act Airport Grant received towards the end of the fiscal year that was not spent in FY 2019/20. The grant funds will be carried forward and spent in FY 2020/21. The unfavorable variance in Transfers Out is due to a transfer to the CIP for capital projects related to the Airport that had been budgeted in FY 2018/19, but processed in FY 2019/20. The variance is partly offset by an intra-fund transfer for the repayment of MPC bonds.



Sources (Fiscal Year to Date: June 2020)

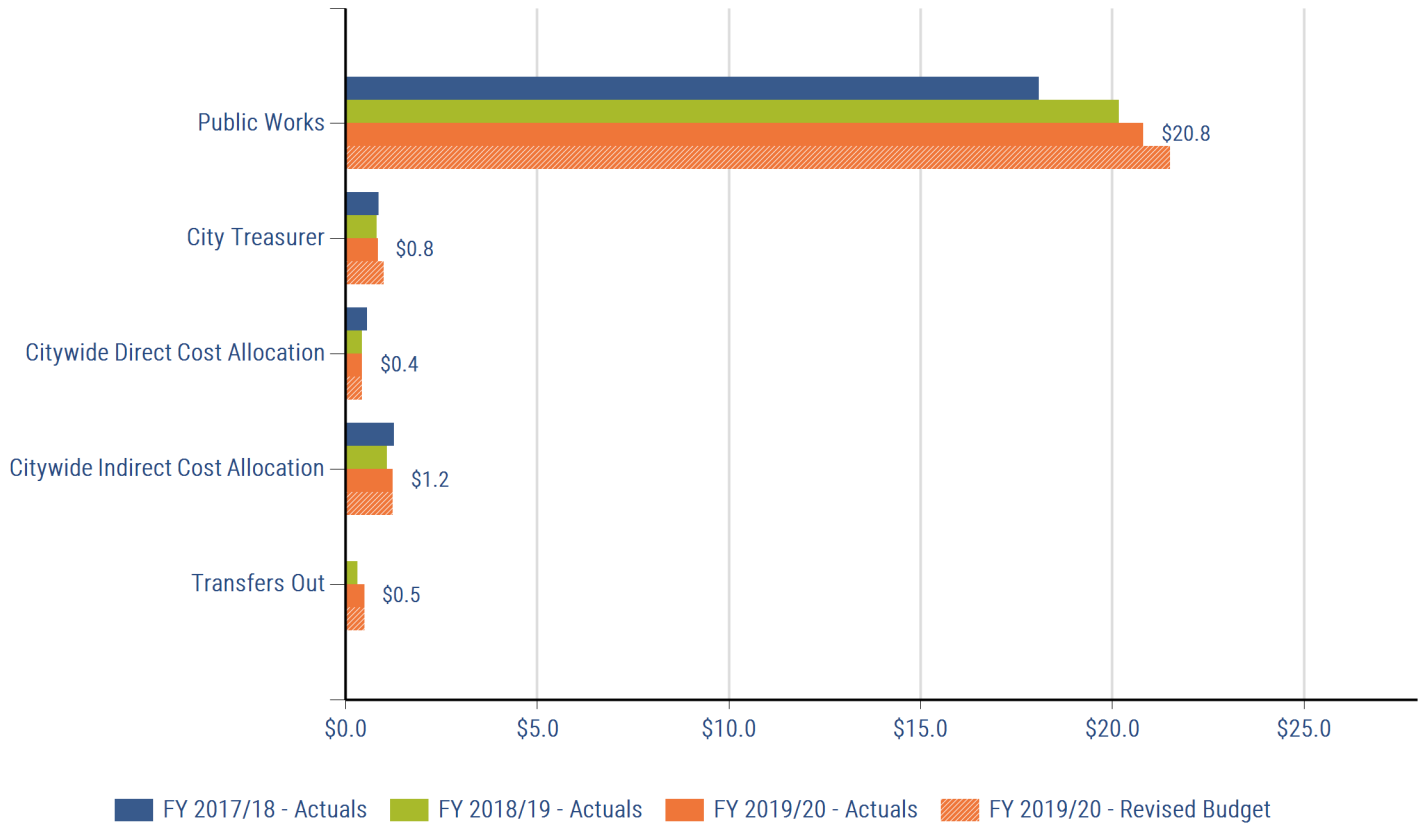


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Solid Waste Service Charges - Residential	\$16.7	\$18.0	\$19.4	\$19.4	\$0.1	0%
Solid Waste Service Charges - Commercial	2.9	3.3	3.2	3.3	(0.1)	(3%)
Interest Earnings	0.1	0.2	0.1	0.3	(0.1)	(44%)
Miscellaneous	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$19.8</b>	<b>\$21.5</b>	<b>\$22.8</b>	<b>\$23.0</b>	<b>(\$0.2)</b>	<b>(1%)</b>

**Actual to Revised Budget variance of (\$0.2) million or (1%):** Interest Earnings is unfavorable due to yields coming in below what was budgeted at this point in the fiscal year due to lower than anticipated interest rates in the fixed income market.



Uses (Fiscal Year to Date: June 2020)

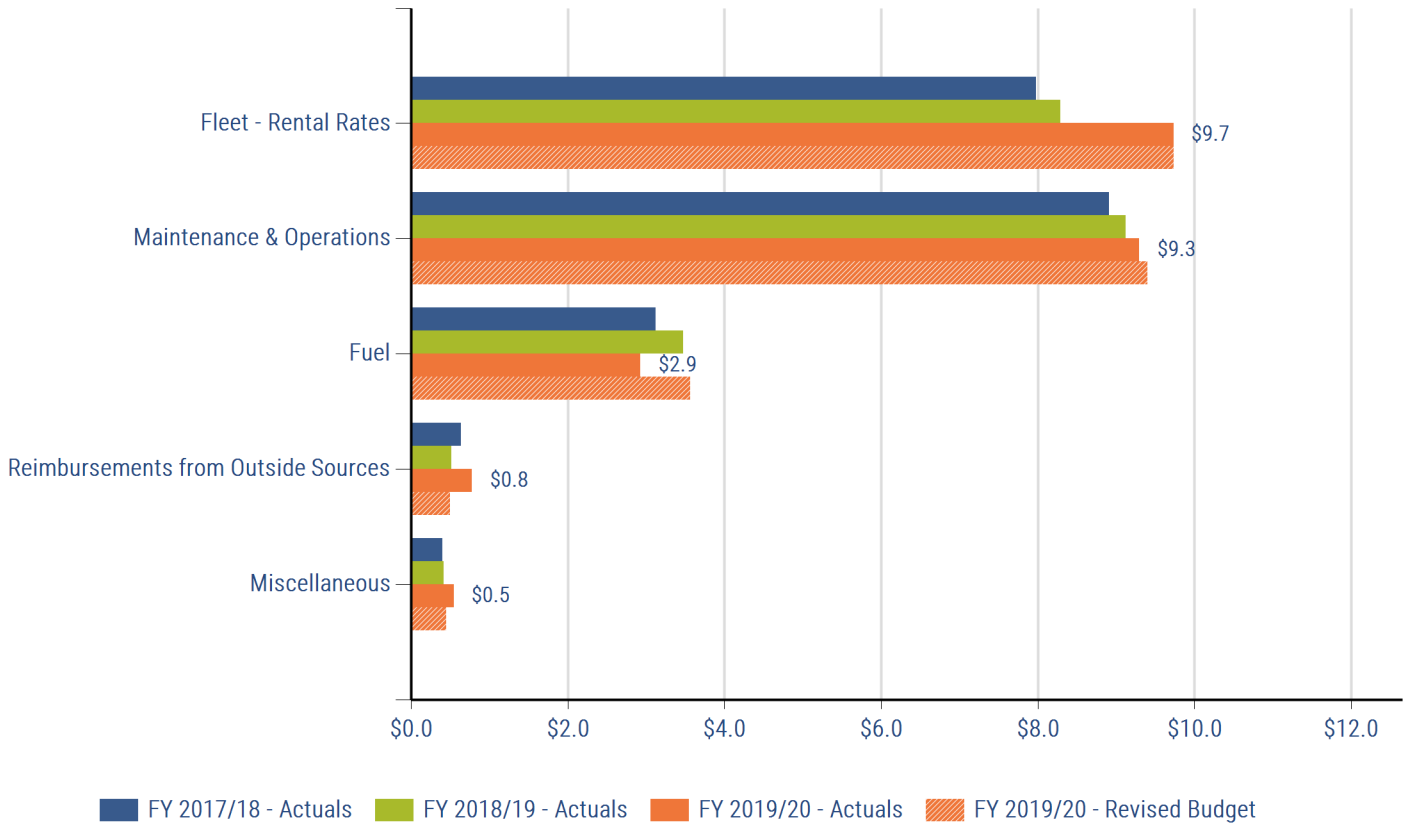


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Public Works	\$18.1	\$20.2	\$20.8	\$21.5	\$0.7	3%
City Treasurer	0.9	0.8	0.8	1.0	0.2	16%
Citywide Direct Cost Allocation	0.6	0.4	0.4	0.4	-	-
Citywide Indirect Cost Allocation	1.3	1.1	1.2	1.2	-	-
Transfers Out	-	0.3	0.5	0.5	-	-
<b>Total Uses</b>	<b>\$20.8</b>	<b>\$22.8</b>	<b>\$23.8</b>	<b>\$24.7</b>	<b>\$0.9</b>	<b>3%</b>

**Actual to Revised Budget variance of \$0.9 million or 3%:** The favorable variance in Public Works is related to a lower than expected growth in commercial accounts, fewer special event cleanups needed and less event overtime needed as a result of the COVID-19 pandemic, and cheaper costs related to moving a portion of waste that historically has been recycled to landfill based on the loss of the recycling facility at Salt River to a fire. The favorable variance would have been greater, but is being partially offset by the higher cost to ship the remainder of recyclable material to a Phoenix facility which is more expensive. The favorable variance in City Treasurer is due to utility billing expenses coming in under budget.



Sources (Fiscal Year to Date: June 2020)

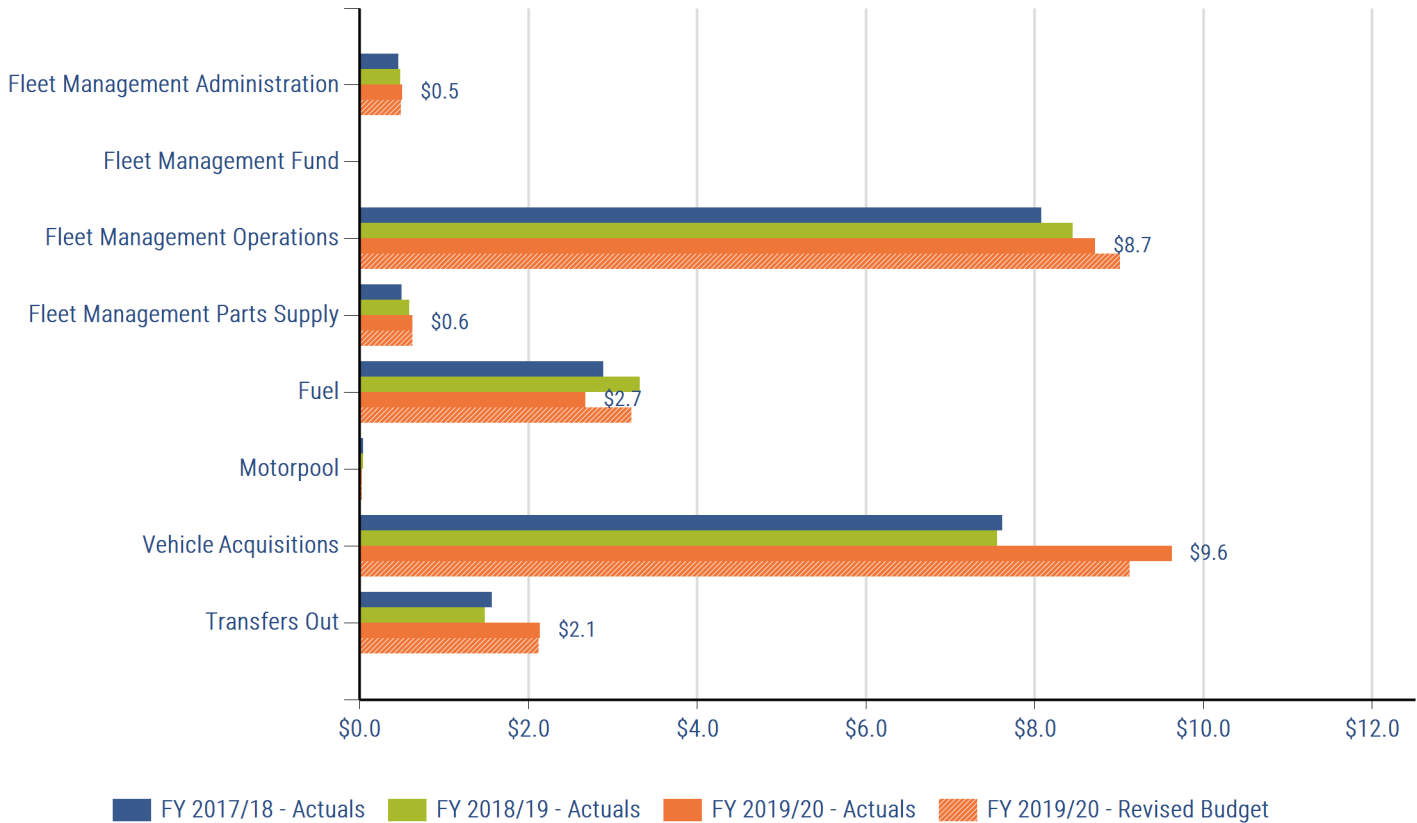


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Fleet - Rental Rates	\$8.0	\$8.3	\$9.7	\$9.7	\$ -	-
Maintenance & Operations	8.8	9.1	9.3	9.4	(0.1)	(1%)
Fuel	3.1	3.5	2.9	3.6	(0.6)	(18%)
Reimbursements from Outside Sources	0.6	0.5	0.8	0.5	0.3	56%
Miscellaneous	0.3	0.4	0.5	0.5	0.1	21%
<b>Total Sources</b>	<b>\$20.8</b>	<b>\$21.8</b>	<b>\$23.3</b>	<b>\$23.7</b>	<b>(\$0.4)</b>	<b>(2%)</b>

**Actual to Revised Budget variance of (\$0.4) million or (2%):** Unfavorable variance in Fuel is due to lower than expected unleaded and diesel fuel prices. Reimbursements from Outside Sources is favorable due to revenue reimbursements related to major accident repairs of Public Safety – Police and WestWorld equipment. Miscellaneous is favorable due to unexpected repair costs for damaged vehicles charged to divisions.



Uses (Fiscal Year to Date: June 2020)

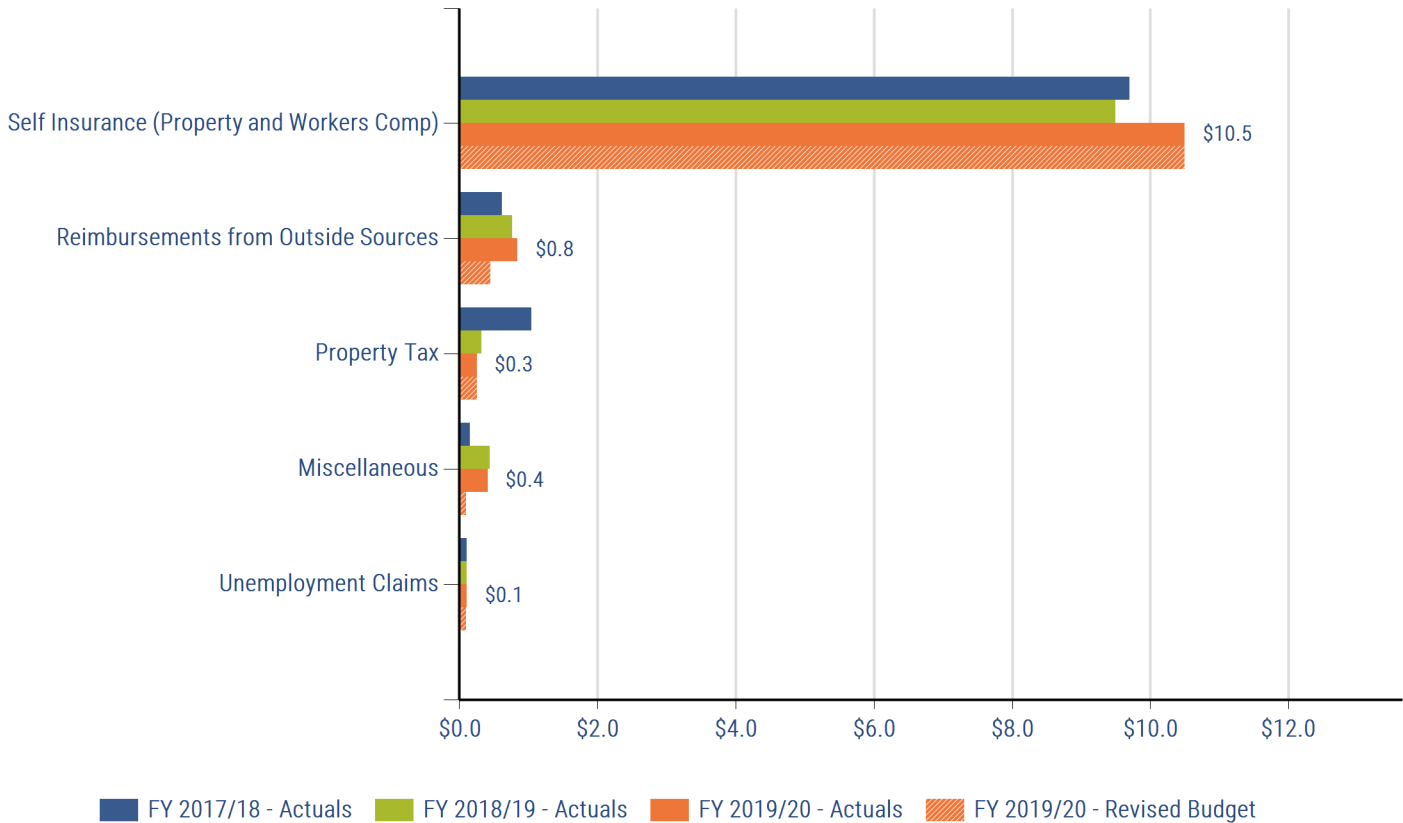


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Fleet Management Administration	\$0.5	\$0.5	\$0.5	\$0.5	\$ -	-
Fleet Management Fund	-	-	-	-	-	-
Fleet Management Operations	8.1	8.5	8.7	9.0	0.3	3%
Fleet Management Parts Supply	0.5	0.6	0.6	0.6	-	-
Fuel	2.9	3.3	2.7	3.2	0.5	17%
Motorpool	-	-	-	-	-	-
Vehicle Acquisitions	7.6	7.6	9.6	9.1	(0.5)	(5%)
Transfers Out	1.6	1.5	2.1	2.1	-	-
<b>Total Uses</b>	<b>\$21.2</b>	<b>\$21.9</b>	<b>\$24.3</b>	<b>\$24.6</b>	<b>\$0.3</b>	<b>1%</b>

**Actual to Revised Budget variance of \$0.3 million or 1%:** Fleet Management Operations is favorable due to a greater than necessary transfer from Vehicle Acquisitions to cover the increase of outsourced repairs associated with staff on military and medical leave. The favorable variance in Fuel is due to unleaded and diesel fuel costs coming in less than budgeted. Vehicle Acquisitions is unfavorable due to a transfer to Fleet Management Operations to cover additional expenses because the expectation that vehicle purchases from FY 2019/20 were going to be pushed to FY 2020/21 due to COVID-19 turned out not to be the case (They came in during FY 2019/20 as originally expected).



Sources (Fiscal Year to Date: June 2020)



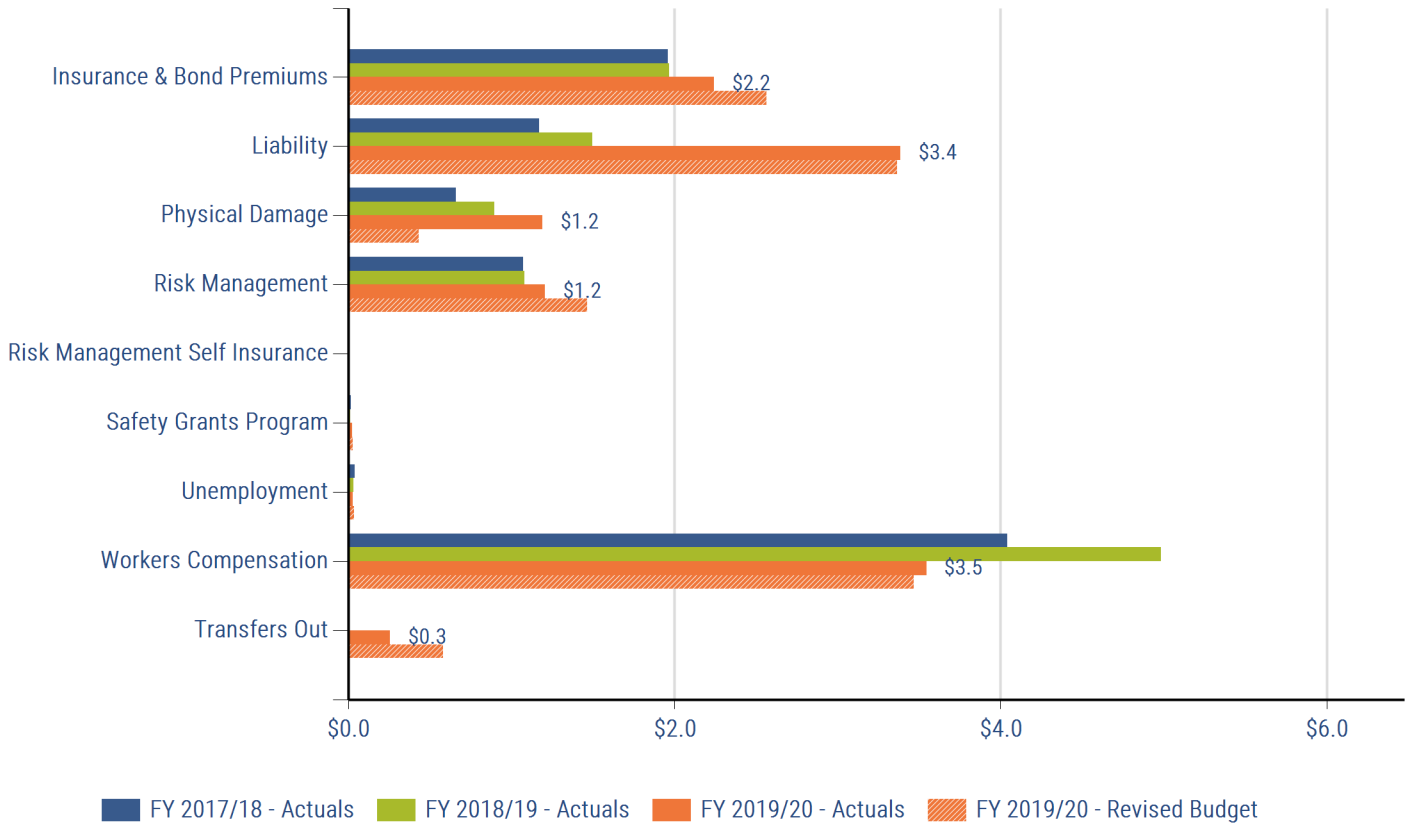
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Self Insurance (Property and Workers Comp)	\$9.7	\$9.5	\$10.5	\$10.5	\$ -	-
Reimbursements from Outside Sources	0.6	0.8	0.8	0.5	0.4	87%
Property Tax	1.0	0.3	0.3	0.3	-	-
Miscellaneous	0.2	0.4	0.4	0.1	0.3	nm
Unemployment Claims	0.1	0.1	0.1	0.1	-	-
<b>Total Sources</b>	<b>\$11.6</b>	<b>\$11.1</b>	<b>\$12.1</b>	<b>\$11.4</b>	<b>\$0.7</b>	<b>6%</b>

**Actual to Revised Budget variance of \$0.7 million or 6%:** The favorable variance for Reimbursements from Outside Sources is due to higher than expected insurance recoveries related to Workers Compensation claims. The favorable variance for Miscellaneous is due to recoveries collected for property damage of street lights and signs.





Uses (Fiscal Year to Date: June 2020)



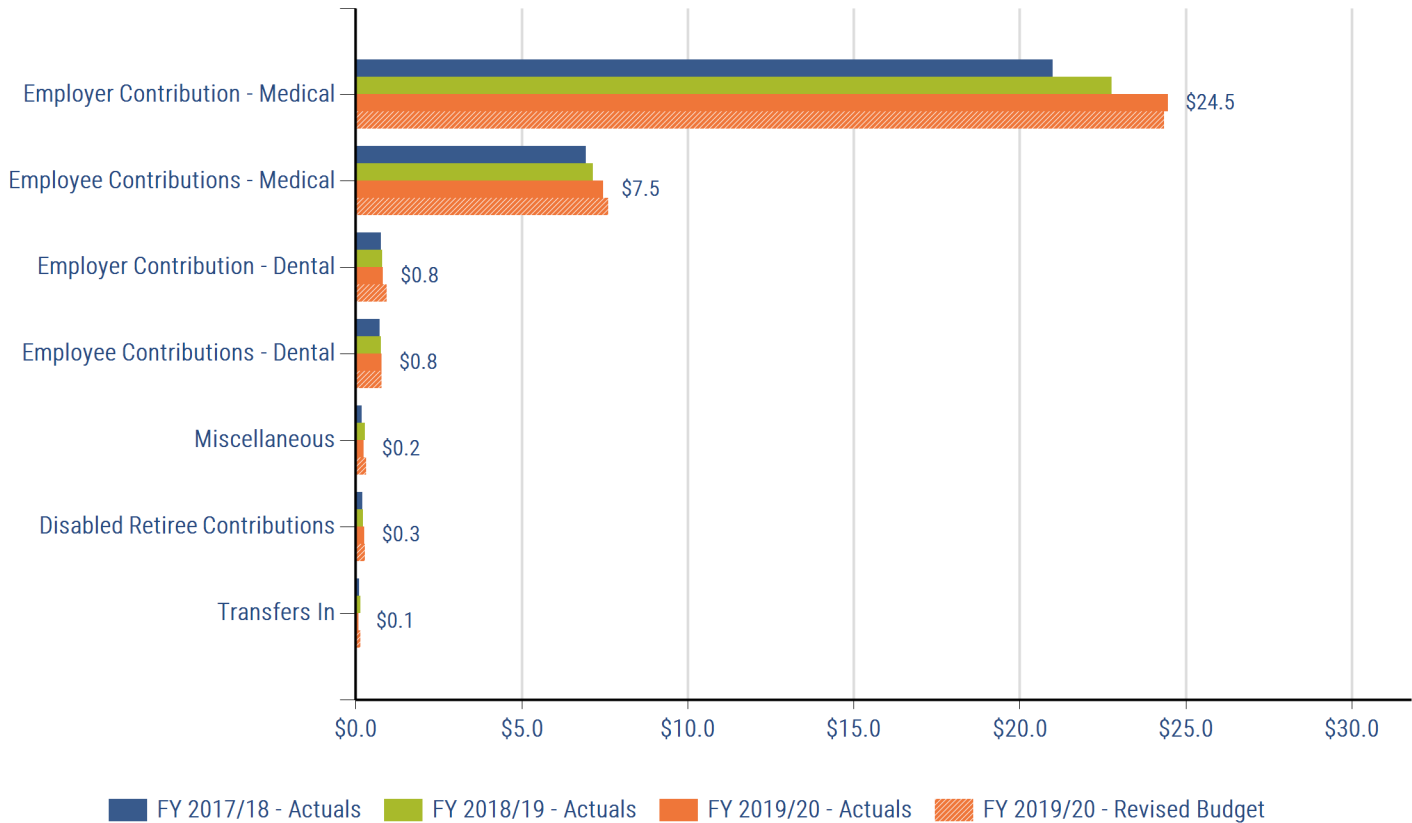
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Insurance & Bond Premiums	\$2.0	\$2.0	\$2.2	\$2.6	\$0.3	13%
Liability	1.2	1.5	3.4	3.4	-	-
Physical Damage	0.7	0.9	1.2	0.4	( 0.8)	nm
Risk Management	1.1	1.1	1.2	1.5	0.3	18%
Risk Management Self Insurance	-	-	-	-	-	-
Safety Grants Program	-	-	-	-	-	-
Unemployment	-	-	-	-	-	-
Workers Compensation	4.0	5.0	3.5	3.5	( 0.1)	(2%)
Transfers Out	-	-	0.3	0.6	0.3	56%
<b>Total Uses</b>	<b>\$9.0</b>	<b>\$10.5</b>	<b>\$11.9</b>	<b>\$11.9</b>	<b>\$0.1</b>	<b>1%</b>

**Actual to Revised Budget variance of \$0.1 million or 1%:** The favorable variance for Insurance & Bond Premiums is due to insurance premiums expenses coming in lower than expected. The unfavorable variance for Physical Damage is due to claims for fabric repair and duct repair work at Westworld, multiple totaled city vehicles, resident property damage and interdepartmental charges related to vehicle damages. The favorable variance for Risk Management is due to lower than expected operating costs including outside professional services, travel and training conference costs and software maintenance costs. The favorable variance for Transfers Out is due to the cost of the Risk Management System capital project to effectively manage liability and workers compensation claims coming in lower than originally anticipated.

\$ in millions / rounding differences may occur



Sources (Fiscal Year to Date: June 2020)

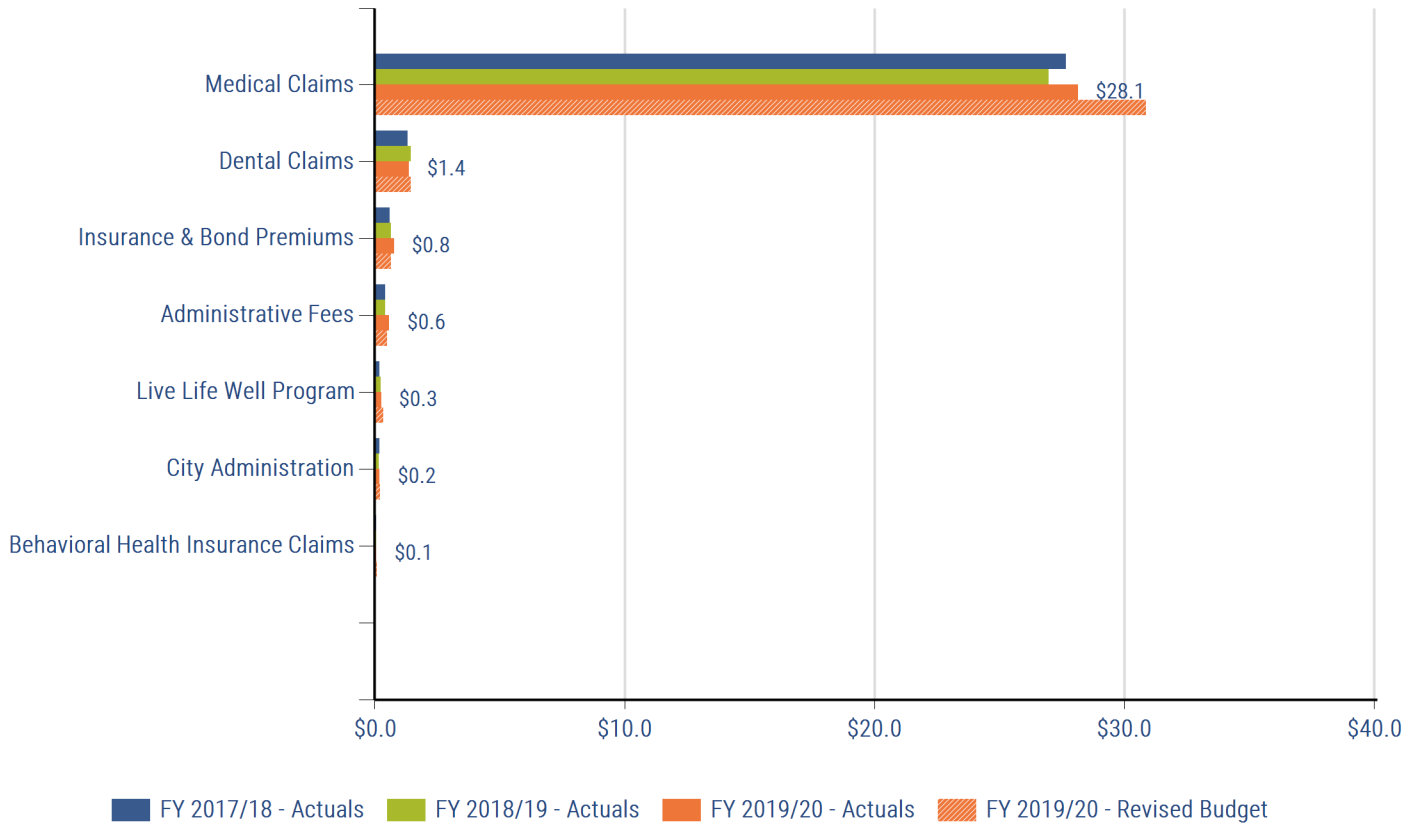


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Employer Contribution - Medical	\$21.0	\$22.8	\$24.5	\$24.3	\$0.1	0%
Employee Contributions - Medical	6.9	7.1	7.5	7.6	(0.2)	(2%)
Employer Contribution - Dental	0.8	0.8	0.8	0.9	(0.1)	(12%)
Employee Contributions - Dental	0.7	0.8	0.8	0.8	-	-
Miscellaneous	0.2	0.3	0.2	0.3	(0.1)	(24%)
Disabled Retiree Contributions	0.2	0.2	0.3	0.3	-	-
Transfers In	0.1	0.1	0.1	0.1	(0.1)	(39%)
<b>Total Sources</b>	<b>\$29.9</b>	<b>\$32.1</b>	<b>\$34.1</b>	<b>\$34.4</b>	<b>(\$0.3)</b>	<b>(1%)</b>

**Actual to Revised Budget variance of (\$0.3) million or (1%):** The unfavorable variance in Employer Contribution - Dental is mostly due to plan selection, which occurs after the budget is prepared. The unfavorable variance in Miscellaneous is due to the State Subsidy Health Contributions coming in lower than anticipated. Transfers In is unfavorable due to the disabled retiree subsidy transferred from the General Fund being less than expected.



Uses (Fiscal Year to Date: June 2020)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Medical Claims	\$27.7	\$27.0	\$28.1	\$30.9	\$2.7	9%
Dental Claims	1.3	1.4	1.4	1.5	0.1	6%
Insurance & Bond Premiums	0.6	0.7	0.8	0.7	(0.1)	(16%)
Administrative Fees	0.4	0.4	0.6	0.5	(0.1)	(15%)
Live Life Well Program	0.2	0.2	0.3	0.3	0.1	23%
City Administration	0.2	0.2	0.2	0.2	-	-
Behavioral Health Insurance Claims	0.1	0.1	0.1	0.1	-	-
	-	-	-	-	-	-
<b>Total Uses</b>	<b>\$30.5</b>	<b>\$30.0</b>	<b>\$31.4</b>	<b>\$34.1</b>	<b>\$2.7</b>	<b>8%</b>

**Actual to Revised Budget variance of \$2.7 million or 8%:** The favorable variance in Medical Claims and in Dental Claims is due to the difficulty in the forecasting and timing of claims and the effect of COVID-19 on doctor visits for non-urgent matters. Insurance & Bond Premiums is unfavorable due to higher than expected stop loss premiums. The unfavorable variance in Administrative Fees is due to the increase in the cost of the plan administration. The favorable variance in Live Life Well Program is due to the cancellation of events due to COVID-19.



# WestWorld Statement of Operations

	Twelve Months: Fiscal Year					
	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2019/20 Approved Budget
<b><u>Operating Revenue</u></b>						
Rental Facilities	\$2,205,750	\$2,604,680	\$2,542,842	\$2,329,364	\$2,743,017	\$2,743,017
RV Rental	251,685	297,593	355,601	375,447	330,200	330,200
Feed/Bedding Sales	566,127	463,286	523,261	557,581	525,000	525,000
Labor Fees	301,429	352,088	404,957	394,745	402,908	402,908
Concession Fees	487,513	392,106	472,875	717,558	500,000	500,000
Parking	96,927	88,280	108,994	90,583	117,300	117,300
Other Income	198,068	155,990	130,453	134,511	71,751	71,751
Equidome Project Use Fee	315,000	360,000	360,000	360,000	360,000	360,000
Operating Transfer In <sup>(a)</sup>	-	-	100,000	100,000	100,000	100,000
<b>Operating Revenue</b>	<b>\$4,422,499</b>	<b>\$4,714,023</b>	<b>\$4,998,983</b>	<b>\$5,059,788</b>	<b>\$5,150,176</b>	<b>\$5,150,176</b>
<b><u>Operating Expenses</u></b>						
<b>Personnel Services</b>						
Wages/Salaries/Benefits	\$1,768,655	\$1,954,437	\$1,934,800	\$2,005,230	\$2,200,975	\$2,171,472
Overtime	32,594	36,574	31,817	33,067	42,024	44,052
<b>Contractual Services</b>						
Contractual Workers	81,775	114,025	139,522	133,369	152,837	152,837
Telephone	21,015	28,381	34,182	36,989	39,562	39,562
Utilities <sup>(b)</sup>	1,174,779	1,247,702	1,354,976	1,271,518	-	1,103,652
Maintenance & Equipment Rental & Fleet	751,856	724,550	710,237	723,231	728,558	641,095
License and Permits	76,684	158,548	160,727	142,826	159,598	159,598
Property, Liability & Workers' Comp	51,525	62,401	76,025	69,772	75,948	75,948
Advertising/Marketing Contract	252,328	194,294	327,544	365,148	410,129	410,129
Other	234,449	343,819	308,750	261,188	326,307	326,307
<b>Commodities and Capital Outlays</b>						
Agriculture & Horticulture & Other Supply	103,461	137,506	114,194	163,735	143,545	143,545
Maintenance & Repairs Supply, Equipment	116,413	125,083	83,417	144,340	175,985	175,985
Inventory Purchased for Resale	294,103	273,513	259,279	326,497	325,410	325,410
Construction - Other	21,428	-	21,126	20,483	21,645	21,645
Other Expenses	64,193	76,182	39,036	36,372	78,058	78,058
<b>BOR Admin</b>						
BOR Admin/WestWorld	147,746	155,133	162,889	171,034	179,585	179,585
<b>Allocated Expenses <sup>(c)</sup></b>						
COS Indirect Costs	338,575	370,385	430,425	378,803	398,702	398,702
<b>Operating Expenses</b>	<b>\$5,531,579</b>	<b>\$6,002,533</b>	<b>\$6,188,946</b>	<b>\$6,283,602</b>	<b>\$5,458,868</b>	<b>\$6,447,582</b>
<b>Operating Income</b>	<b>(\$1,109,080)</b>	<b>(\$1,288,511)</b>	<b>(\$1,189,963)</b>	<b>(\$1,223,814)</b>	<b>(\$308,692)</b>	<b>(\$1,297,406)</b>
<b><u>Debt Service (Less contributions)</u></b>						
Debt Service - (52 & 17 acres)	\$2,273,677	\$2,304,207	\$2,314,216	\$2,334,637	\$2,317,059	\$2,317,059
Debt Service - TNEC (\$41.935M)	1,524,125	1,506,875	1,479,375	1,461,375	1,455,875	1,455,875
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Bed Tax Contributions - TNEC	( 1,200,000)	( 1,200,000)	( 1,200,000)	( 1,200,000)	( 1,200,000)	( 1,200,000)
<b>Net Debt Service</b>	<b>\$3,797,802</b>	<b>\$3,811,082</b>	<b>\$3,793,591</b>	<b>\$3,796,012</b>	<b>\$3,772,934</b>	<b>\$3,772,934</b>
<b>Operating Income After Debt Service</b>	<b>(\$4,906,882)</b>	<b>(\$5,099,593)</b>	<b>(\$4,983,554)</b>	<b>(\$5,019,826)</b>	<b>(\$4,081,626)</b>	<b>(\$5,070,340)</b>

<sup>(a)</sup> Beginning in FY 2017/18 a transfer from the Tourism Development Fund will cover a portion of the marketing contract since tourism benefits from WestWorld's activity.

<sup>(b)</sup> The adopted budget is zero because utilities charges are budgeted at a citywide macro level. Monthly, as expenditures occur, a budget transfer will be completed to move the needed budget from the macro level holding account to the department. The approved budget is an estimate of expected utilities costs at fiscal year-end.

<sup>(c)</sup> Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations and facility maintenance.



# WestWorld Statement of Operations

## Statement of Operations for June 2020 / 12 Months YTD

	FY 2015/16 YTD Actual	FY 2016/17 YTD Actual	FY 2017/18 YTD Actual	FY 2018/19 YTD Actual	FY 2019/20 YTD Actual	FY 2019/20 Approved YTD Budget	Actual vs. Budget Favorable / (Unfavorable)	
							Amount	Percent
<b>Operating Revenue</b>								
Rental Facilities	\$2,205,750	\$2,604,680	\$2,542,842	\$2,329,364	\$2,261,538	\$2,743,017	(\$481,479)	(18%)
RV Rental	251,685	297,593	355,601	375,447	365,834	330,200	35,634	11%
Feed/Bedding Sales	566,127	463,286	523,261	557,581	524,759	525,000	( 241)	(0%)
Labor Fees	301,429	352,088	404,957	394,745	377,019	402,908	( 25,889)	(6%)
Concession Fees	487,513	392,106	472,875	717,558	362,494	500,000	( 137,506)	(28%)
Parking	96,927	88,280	108,994	90,583	78,846	117,300	( 38,454)	(33%)
Other Income	198,068	155,990	130,453	134,511	169,289	71,751	97,538	nm
Equidome Project Use Fee	315,000	360,000	360,000	360,000	360,000	360,000	-	-
Operating Transfer In <sup>(a)</sup>	-	-	100,000	100,000	100,000	100,000	-	-
<b>Operating Revenue</b>	<b>\$4,422,499</b>	<b>\$4,714,023</b>	<b>\$4,998,983</b>	<b>\$5,059,788</b>	<b>\$4,599,778</b>	<b>\$5,150,176</b>	<b>(\$550,398)</b>	<b>(11%)</b>
<b>Operating Expenses</b>								
<b>Personnel Services</b>								
Wages/Salaries/Benefits	\$1,768,655	\$1,954,437	\$1,934,800	\$2,005,230	\$2,024,104	\$2,171,472	\$147,368	7%
Overtime	32,594	36,574	31,817	33,067	52,024	44,052	( 7,972)	(18%)
<b>Contractual Services</b>								
Contractual Workers	81,775	114,025	139,522	133,369	115,819	152,837	37,018	24%
Telephone	21,015	28,381	34,182	36,989	41,817	39,562	( 2,255)	(6%)
Utilities	1,174,779	1,247,702	1,354,976	1,271,518	1,103,652	1,103,652	-	-
Maintenance & Equipment Rental & Fleet	751,856	724,550	710,237	723,231	741,565	641,095	( 100,470)	(16%)
License and Permits	76,684	158,548	160,727	142,826	250,941	159,598	( 91,343)	(57%)
Property, Liability & Workers' Comp	51,525	62,401	76,025	69,772	75,948	75,948	-	-
Advertising/Marketing Contract	252,328	194,294	327,544	365,148	340,907	410,129	69,222	17%
Other	234,449	343,819	308,750	261,188	285,712	326,307	40,595	12%
<b>Commodities and Capital Outlays</b>								
Agriculture & Horticulture & Other Supply	103,461	137,506	114,194	163,735	78,949	143,545	64,596	45%
Maintenance & Repairs Supply, Equipment	116,413	125,083	83,417	144,340	117,840	175,985	58,145	33%
Inventory Purchased for Resale	294,103	273,513	259,279	326,497	321,449	325,410	3,961	1%
Construction - Other	21,428	-	21,126	20,483	26,314	21,645	( 4,669)	(22%)
Other Expenses	64,193	76,182	39,036	36,372	32,657	78,058	45,401	58%
<b>BOR Admin</b>								
BOR Admin/WestWorld	147,746	155,133	162,889	171,034	179,586	179,585	( 1)	(0%)
<b>Allocated Expenses<sup>(b)</sup></b>								
COS Indirect Costs	338,575	370,385	430,425	378,803	398,702	398,702	-	-
<b>Operating Expenses</b>	<b>\$5,531,579</b>	<b>\$6,002,533</b>	<b>\$6,188,946</b>	<b>\$6,283,602</b>	<b>\$6,187,986</b>	<b>\$6,447,582</b>	<b>\$259,596</b>	<b>4%</b>
<b>Operating Income</b>	<b>(\$1,109,080)</b>	<b>(\$1,288,511)</b>	<b>(\$1,189,963)</b>	<b>(\$1,223,814)</b>	<b>(\$1,588,208)</b>	<b>(\$1,297,406)</b>	<b>(\$290,802)</b>	<b>nm</b>
<b>Debt Service (Less contributions)</b>								
Debt Service - (52 & 17 acres)	\$2,273,677	\$2,304,207	\$2,314,216	\$2,334,637	\$2,317,059	\$2,317,059	\$ -	-
Debt Service - TNEC (\$41.935M)	1,524,125	1,506,875	1,479,375	1,461,375	1,455,875	1,455,875	-	-
Debt Service - TNEC Tourism Funded	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	-	-
Bed Tax Contributions - TNEC	( 1,200,000)	( 1,200,000)	( 1,200,000)	( 1,200,000)	( 1,200,000)	( 1,200,000)	-	-
<b>Net Debt Service</b>	<b>\$3,797,802</b>	<b>\$3,811,082</b>	<b>\$3,793,591</b>	<b>\$3,796,012</b>	<b>\$3,772,934</b>	<b>\$3,772,934</b>	<b>\$ -</b>	<b>-</b>
<b>Operating Income After Debt Service</b>	<b>(\$4,906,882)</b>	<b>(\$5,099,593)</b>	<b>(\$4,983,554)</b>	<b>(\$5,019,826)</b>	<b>(\$5,361,143)</b>	<b>(\$5,070,340)</b>	<b>(\$290,802)</b>	<b>nm</b>

(a) Beginning in FY 2017/18 a transfer from the Tourism Development Fund will cover a portion of the marketing contract since tourism benefits from WestWorld's activity.

(b) Allocated expenses are not budgeted for in nor expensed to WestWorld General Fund operations, but are captured to provide truer costs of operations and facility maintenance.



## Privilege (Sales) & Use Tax Collections For June 2020 (For Business Activity in May 2020)

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

The fiscal year to date Privilege and Use Tax (1.0 percent General Purpose) collections decreased 1 percent compared to the Budget, and increased 8 percent compared to the same period a year ago.

Rounding differences may occur

### Privilege (Sales) & Use Tax by Category and Fund

Fiscal Year-to-Date: June 2020						
	2017/18 Actual	2018/19 Actual	2019/20 Actual	2019/20 Budget	Actual vs. Budget	
					Favorable/(Unfavorable) Amount	Percent
<b>1.00% General Purpose</b>						
Automotive	\$16.4	\$18.0	\$17.6	\$17.5	\$0.1	1%
Construction	10.2	10.2	10.6	10.6	-	-
Dining/ Entertainment	10.8	11.5	10.3	11.8	(1.5)	-13%
Food Stores	7.8	8.0	8.5	8.7	(0.2)	-2%
Hotel/Motel	6.6	7.3	5.9	7.2	(1.3)	-18%
Major Dept. Stores	9.9	9.7	9.5	9.7	(0.2)	-2%
Misc. Retail Stores	21.0	22.4	24.5	22.4	2.1	10%
Other Activity	11.7	13.4	13.4	13.4	-	-
Rentals	17.2	17.2	17.9	18.5	(0.7)	-4%
Utilities	5.0	4.5	4.7	4.7	0.1	1%
Subtotal	\$116.7	\$122.2	\$122.9	\$124.5	(\$1.6)	(1%)
0.10% Public Safety	\$11.5	\$12.0	\$12.4	\$12.2	\$0.2	1%
0.20% Transportation 1990	22.0	23.0	23.7	23.6	0.1	0%
0.10% Transportation 2019	n/a	4.8	12.2	12.1	0.2	2%
0.20% McDowell Preserve 1995	22.9	23.9	24.8	24.5	0.3	1%
0.15% McDowell Preserve 2004	17.2	18.0	18.6	18.3	0.3	1%
Total	\$190.3	\$203.8	\$219.7	\$215.2	\$2.6	1%
% Change vs. Prior Year	13%	7%	8%	6%		

Rounding differences may occur.

### **Automotive Sales Taxes**

The automotive category includes automobile dealers, motorcycle dealers, automotive repair shops, tire shops, car washes, and car leasing companies.

**Actual to Revised Budget variance of \$0.1 million or 1%:** The variance is due in part to better than anticipated automotive sales.

### **Construction Sales Taxes**

The construction tax is collected on all construction activity; commercial and residential; new and re-model. It also includes landscaping, painting, flooring installation, siding, roofing, concrete, plumbing, heating, electrical, framing, drywall, infrastructure, masonry, finish carpentry, etc.

**Actual to Revised Budget variance of \$0.0 million or 0%:** No variance.

### **Dining/Entertainment Sales Taxes**

The restaurant category includes restaurants, bars, cafeterias, mobile food vendors, and caterers.

**Actual to Revised Budget variance of (\$1.5) million or (13%):** This is due to bars being closed and restaurants only allowed to do take-out, delivery, or drive thru due to the COVID-19 pandemic.

### **Food Stores Sales Taxes**

This category includes grocery stores, candy stores, meat markets and convenience stores.

**Actual to Revised Budget variance of (\$0.2) million or (2%):** This is due to normal business fluctuations.

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

This category includes lodging space rental on a short-term basis and other activities provided at the hotel/motel.

**Actual to Revised Budget variance of (\$1.3) million or (18%):** This is due to decreased occupancy, canceled reservations, and stay at home orders due to the COVID-19 pandemic.

### **Major Department Stores Sales Taxes**

This category includes large department stores, warehouse clubs, supercenters, and discount department stores.

**Actual to Revised Budget variance of (\$0.2) million or (2%):** This is due in part to less revenue being brought in due to stores being closed as a result of the COVID-19 pandemic.

### **Miscellaneous Retail Stores Sales Taxes**

This category includes small clothing stores, art galleries, luggage stores, home furnishing stores, jewelry stores, drug stores, hobby stores, household appliance stores, sporting goods stores, florists, computer stores, hardware stores, online shopping, and pet supply stores.

**Actual to Revised Budget variance of \$2.1 million or 10%:** This is due in part to increased software sales and additional revenue from online marketplace facilitators and remote sellers.

### **Other Activity Sales Taxes**

This category includes movie theatres, golf courses, gyms, bowling centers, amusement arcades, interior designers, publishers, banks, doctors, lawyers, accountants, beauty salons, barber shops, personal goods repair shops, photographers, advertising, wholesalers, and manufacturers. This also includes license fees, penalties, and interest.

**Actual to Revised Budget variance of \$0.0 million or 0%:** No variance.

### **Rental Sales Taxes**

The rental category includes rentals of commercial and residential real property and personal property rentals, (such as rentals of formal wear, DVD's, home health equipment, recreational goods, electronics, appliances, etc.)

**Actual to Revised Budget variance of (\$0.7) million or (4%):** There was a one-time speculative sale reported last year, which has been offset by two large one-time spec sales this year. Additionally, there was a large intercity transfer of tax that was originally paid to Scottsdale in error. This also reflects the closure of movie theaters and gyms due to the COVID-19 pandemic.

### **Utilities Sales Taxes**

This category includes businesses that provide telecommunication (landlines and cellular), electricity, gas, or water services.

**Actual to Revised Budget variance of \$0.1 million or 1%:** This is due to normal business fluctuations.





To ensure legal compliance and financial management for the various restricted revenues and 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.

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 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.

### GENERAL FUND SOURCES

**Taxes - Local** - Encompasses a series of local taxes. The largest component of this source includes a 1.1 percent sales tax, of which 0.10 percent is dedicated to public safety. The remaining 1.0 percent of the sales tax is available to fund basic municipal services such as police, fire, libraries, and parks. Sales tax receipts received in the current month are based on prior month activity. This general-purpose sales tax is the city's single largest revenue source. The sales tax category results can be found in the Appendix. Other revenue sources that make up this category include electric and gas franchise fees and cable TV license fees, which are revenues from utility and cable providers for their permitted use of the city's rights-of-way; a stormwater quality charge, which is a fee to help pay a portion of the city's stormwater management program and the Salt River Project (SRP) in lieu tax.

**State Shared Revenues** - These revenues are derived from state shared sales taxes, income taxes, and vehicle license taxes (auto lieu). On a per capita basis, state sales taxes generated in Scottsdale tend to be higher than most other cities/towns due to higher wealth, consumer spending habits, and larger amounts of visitor/tourist spending. As directed by statute, the State distributes the shared portion of State sales taxes back to local governments based on population, not by the amount of sales taxes collected within the local jurisdiction.

**Property Taxes** - Property taxes are comprised only of the "Primary" property taxes levied on the assessed value of all property within the city to help pay for basic operations of the city. Secondary property taxes are not included in the General Fund as they must be used solely for General Obligation bond debt service payments. Increases in revenue from year to year reflect new property additions to the tax roll and Council actions to increase total revenue as legally allowed.

**Business Permit Fees & Charges** - These charges include the licensing of business activity and the associated fees relating to the licensure and regulation of specific activities.

**License Permits & Fees** - These charges include those for fees and licenses associated with specific services and programs offered by the city.

**Fines Fees & Forfeitures** - These are charges penalizing individuals for violating a law or policy of the city or paying for services and facilities designed to support this punishment, such as the Court and Police Department.

**Indirect/Direct Cost Allocations** - Indirect cost allocations charged to the Enterprise Funds for specific central administrative functions which benefit the Enterprise operations (e.g. Information Technology, Payroll and Human Resources). Direct cost allocations represent Aviation Fund charges for the direct cost of fire service at the airport performed by General Fund personnel.

**Charges for Services/Other** - Charges for Services include miscellaneous charges that do not fall into any other category such as property rentals, cell tower leases and stadium usage fees.

**Interest Earnings** - Revenues generated through the use of various investment vehicles on General Fund cash balances throughout the year.

**Transfers In** - Transfers in reflects funds received from the Enterprise Funds (Franchise Fees), Special Programs Fund (30 Day Tow) and Tourism Development Fund (comply with financial policy #21A).



### GENERAL FUND USES

**Personnel Services** includes the salaries and wages plus the city's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. It is reduced by vacancy savings, but increased for medical and vacation leave accrual payouts that are made at the time of separation from the city. Personnel services also include pay-for-performance and compensation adjustments.

**Contractual Services** includes expenditures for services performed by firms, individuals, or other city divisions.

**Commodities** includes supplies, repair and replacement parts, small tools, and maintenance and repairs.

**Capital Outlays** includes the purchase of land, the purchase or construction of buildings, structures, and facilities, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increases the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as capital outlay the expenditure must meet all of the following requirements: (1) have an estimated useful life of more than two years but less than five; (2) have a unit cost between \$10,000 and \$25,000; and (3) be betterment or improvement.

**Contracts Payable & COPs** includes contractual obligations related to development agreements (funded by sales tax rebates) which vary based on the actual sales tax collections and certificates of participation which are a funding mechanism similar to bonds utilized for the purchase of capital items.

**Transfers Out** represents the authorized transfer of cash to other funds and/or capital projects.

### OTHER FUNDS

**Transportation Fund** is considered a Special Revenue Fund, which is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Transportation Fund receives and expends the city's allocation of the Arizona Highway User Revenue Tax (HURF) as well as other transportation related revenues. The amount of HURF available to each city is allocated based on population. 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 and the 2019 voter approved Transportation Privilege (Sales) Tax of 0.10 percent for the Arterial Life Cycle Program (ALCP). Fifty percent of the Sales Tax - Transportation (0.20%) is transferred to the Capital Improvement Plan (CIP) for transportation related capital improvement projects, while 100 percent of the Sales Tax - Transportation (0.10%) is transferred to the CIP.

**Tourism Development Fund** is a Special Revenue Fund to account for the sources and uses related to tourism. Revenues consist of transient lodging tax (bed tax) and lease rental earnings from the Princess Hotel. Bed Tax is the largest portion of this fund and is derived from lodging room charges for stays of 29 days or less in hotels or short-term rentals.

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

#### Water & Water Reclamation Funds

This fund accounts for the transactions related to the city's water and water reclamation business activities, including operating revenue, expenditures and debt service payments.

- Water Service Charges are monthly water billings which consist of a base charge according to meter size and a variable charge for the amount of water consumed.
- Water Reclamation Service Charges are monthly charges based on the volume and strength of the sewage discharge.
- Non-Potable Water Fees include the sale of surface water, reverse osmosis (RO) and effluent treated to irrigation standards. These different water types are delivered to 22 Reclaimed Water Distribution System (RWDS) golf courses, 3 Irrigation Water Distribution System (IWDS) golf courses, the Gainey Ranch Golf Club, the WestWorld golf course and the Inlet/Silverado golf course.
- Miscellaneous Revenue includes rental income, miscellaneous reimbursements and other minor fees.



**Aviation Fund**

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- Bwjbjupo!Gfft!bsf!di!bshft!gps!b!wbsjfuz!pg!t!fswjdf!t!qspwje!fe!up!bjsqpsu!dvtup!n!fst!jodnve!joh!Mboejoh!Gfft!-!Bjsqpsu!0Bjsqbs!Gvf!Gfft!-!Usbotjfo!Qbs!joh!Gfft!-!Gjyfe!Ufobou!Sfout!-!Qfsdfoubhf!Gfft!gps!Bfspobvujdbm!Cvtjof!t!Qfns!jut!BCQt\*!-!Dvtup!n!Gfft!boe!n!jtdf!mbo!fpvt!pui!fs!di!bshft/
- Qsjwjnfhf!boe!Vt!Uby!Kfu!Gvf!bsf!di!bshft!fbofe!gsp!n!kfu!gvf!t!bmf!t!cz!Gjyfe!Cbtfe!Pqfsbupst!)GCPt\*!jo!bddpsebodf!xju!i!uif!Tdpuutebmf!Sfwjfe!Dpef!-!Bsujdmf!JW!Tfdujpo!533/

**Solid Waste Fund**

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**Internal Service Funds** bsf!vtfe!up!bddpvout!gps!uif!gjobd!joh!po!b!dptu!sf!jncvst!fn!fou!cbtjt!pg!dp!n!pejujft!ps!t!fswjdf!t!qspwje!fe!cz!pof!qspshbn!gps!uif!cfofgju!pg!pui!fs!qspshbn!t!xju!jo!uif!djuz!Uif!sfqpsu!jodnve!ft!uisff!Joufsobm!Tfswjdf!Gvoet!up!bddpvout!gps!Gnfu!-!Sjt!l!-!boe!Cfofgju!bdujwujft!/

**Fleet Management Fund**

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**Risk Management Fund**

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**Healthcare Self Insurance Fund**

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