The City of Scottsdale

A report to our citizens - Fiscal Year 2015/2016

About Scottsdale

The voters elect a mayor and six councilmembers to govern Scottsdale. The City Council appoints six officers to advise them on policy issues and run day-to-day operations. 2,679 city employees and 6,957 volunteers serve the 231,200 citizens of Scottsdale.

What was accomplished?

These are a few selected accomplishments from the past year, grouped by strategic goal:

VALUE SCOTTSDALE'S UNIQUE LIFESTYLE AND CHARACTER

- Attendance at **Canal Convergence** event increased by almost 50% from prior year, attracting 56,000 visitors to Scottsdale Waterfront
- Celebrated Scottsdale's 65th birthday and the 40th anniversary of both Scottsdale Center for the Performing Arts and Scottsdale Public Art

ADVANCE TRANSPORTATION

- Reduced travel time by an average of 15% by **improving signal timing and coordination** on McDonald Drive and Chaparral Road corridors
- Paved three dirt roadways, Via Dona, Hayden and Pinnacle Vista, to improve air quality, lessen maintenance costs and provide better access for all users
- Reconstructed wheelchair accessible (ADA) ramps at 293 intersections

SEEK SUSTAINABILITY

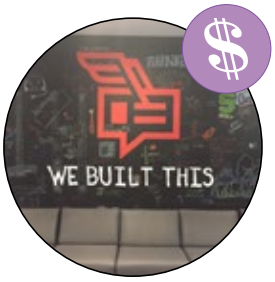
- Increased diversion of recyclable materials from residential single-family homes to 28% (highest rate of any large Valley city)
- Increased the percentage of **compressed natural gas vehicles** to 64%, through replacing diesel equipment
- Reinforced the city's solid standing with credit rating agencies and maintained Scottsdale's excellent bond ratings

ENHANCE NEIGHBORHOODS

- Library circulation increased by 6% citywide (Appaloosa Library pictured above)
- A new after school and summer Police **P.L.A.Y. Program** was created where Scottsdale youth interact with Police Officers through arts and crafts and recreational activities
- Self-service MVD kiosk installed at Scottsdale City Court to offer the public real-time registration renewal, registration tag prints, license reinstatements, driving history reports, voter registration, and address changes

PRESERVE MEANINGFUL OPEN SPACE

- Opened 7.5 miles of **new trails** in the northern preserve region, including the Renegade, Desperado, North Diablo, South Diablo, and a portion of the High Desert Trail



SUPPORT ECONOMIC VITALITY

- Attracted or **expanded 9 businesses** with 1,183 jobs and an average wage of $67,085
- Opened new operations center at Scottsdale Airport

More achievements are in the adopted budget. Go to ScottsdaleAZ.gov and search "finance".
For more information about demographics, leadership, or a community profile, visit ScottsdaleAZ.gov and search "about".
Top photo: Bill Timmerman

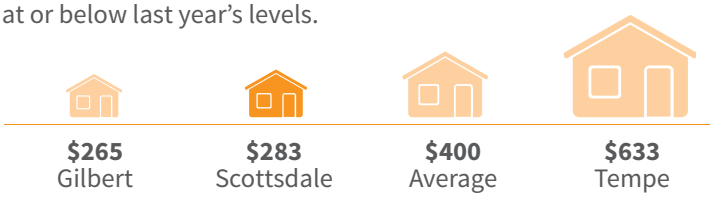
How do we compare with our neighbors?

Scottsdale is part of the Phoenix metropolitan area, and taxes and rates vary across the eight largest cities. Scottsdale's rates are lower than all but two or three of the largest cities. Scottsdale's rates are also at or below last year's levels.

City property tax on a $250,000 house

This is the amount of city-only property tax on a home assessed at $250,000 in area communities. About 10 percent of the total tax bill goes to the city. The rest goes for public schools, the county, and other special districts.

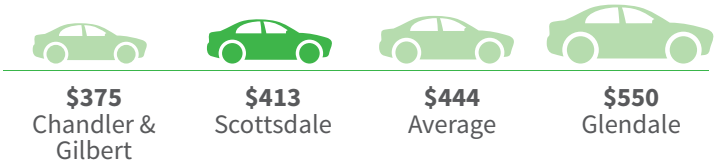
Source: City budget offices



City sales tax on a $25,000 car

This is the city sales tax that would be due on a new car valued at $25,000 in area communities. In Scottsdale, the city portion is 1.65% of the total 7.95% charged. The rest goes to the state and the county.

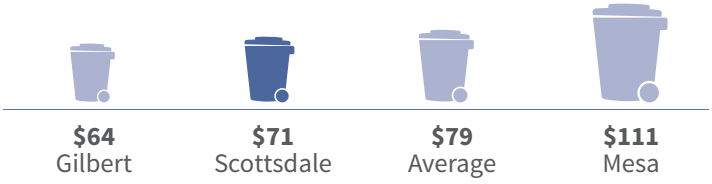
Source: Arizona Department of Revenue



Monthly residential utility bill

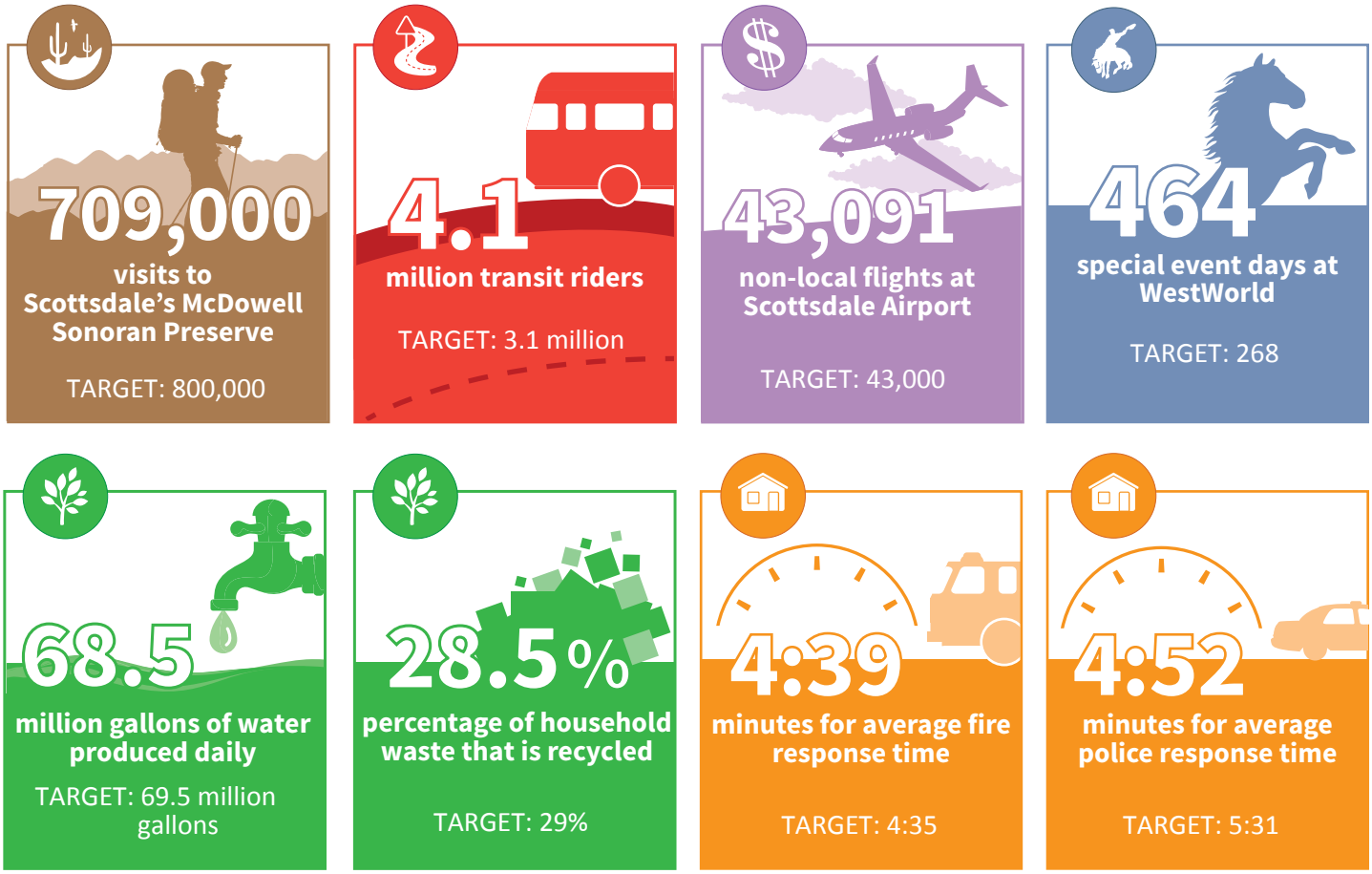
This includes water, wastewater (sewer) and solid waste (trash and recycling) for a single-family residential customer in each community. Actual bills may vary based on actual usage and size of property.

Source: City of Tempe



How are we doing?

This is a snapshot of measures from the city's Quarterly Performance Report. For more measures, go to ScottsdaleAZ.gov, search "performance"

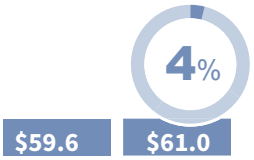


What does it cost to run the city and how are those costs paid?

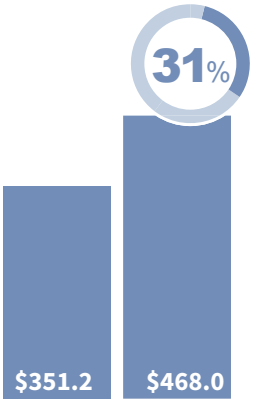
Scottsdale is required by law to adopt a budget each year, and cannot spend more than that total amount. This includes all city funds for the fiscal year ending June 30. These amounts were as adopted by the City Council in June 2016. The city's financial statements are audited annually by an independent auditor. The most recent audit for 2015 received a clean opinion.

What financial resources are available for the city of Scottsdale? (in millions of dollars)

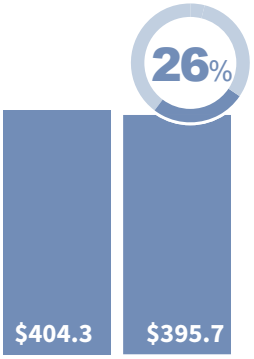
2016 forecast | 2017 budget



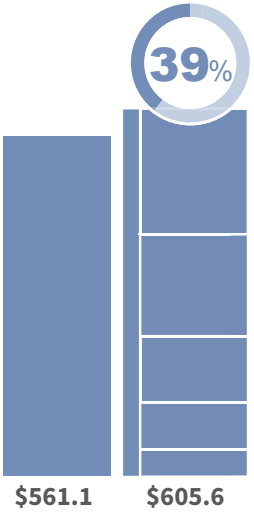
Property taxes are collected to support city services, and also to pay for debt service on property, buildings and infrastructure.



Other financing sources includes funds carried over from prior years for capital and utilities designated purposes.



The **fund balance** consists of the accumulated surpluses from prior years held in contingency and reserve.



The city receives revenue from **local sales and business taxes**, and **service charges** from customers. Key breakouts below.

206.8 - Local Taxes

167.6 - Utilities and Enterprises

108.5 - Grants, trusts, and interest earnings

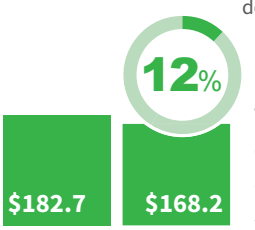
78.6 - State and Regional Taxes

44.1 - Licenses, Fines & Fees

$1,376.2 $1,530.3 Total financial resources available

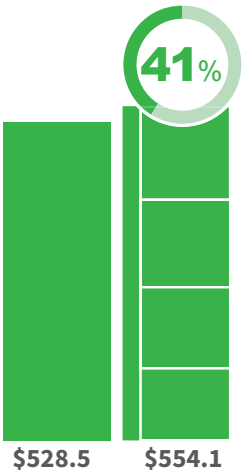
What are the expenses for running the city of Scottsdale? (in millions of dollars)

2016 forecast | 2017 budget



The city also sets aside about 14% of the total budget for **contingency and reserves**. This is the city's savings account. Decrease due primarily to one-time funds needed in 2016 if full bond program was approved by voters.

The **capital budget** is used to acquire, build or rehabilitate major facilities including buildings, roads and water infrastructure. About $100 million in increased funding is due to new projects and additional phases of existing projects, including those listed on page 4. The remaining $50 million is due to a change in budgeting practices.



The **operating budget** is used to pay for city services and to pay employees that provide those services. Key breakouts shown below.

154.8
Utility services for customers and city infrastructure maintenance

145.1
All other city services such as planning, parks, libraries and administration

134.7
Police and Fire Services

119.5
Long-term debt

$1,201.7 $1,363.3 Maximum expenditure limit

Complete financial information can be found at ScottsdaleAZ.gov and search "finance".

What are our priorities for Fiscal Year 2016/17?

The city's mission statement is Simply Better Service for a World-Class Community. In addition to the city's six long-term strategic goals, the Scottsdale City Council has also identified six priorities relating to revitalizing McDowell Road, tourism and visitor events, economic development, transportation, fiscal sustainability, and a high performance organization. Selected objectives to advance strategic goals or short-term priorities are listed below.

Simply Better Service for a World-Class Community

Preserve Meaningful Open Space

- Acquire two parcels in the Pima/Dynamite area for future trailhead facility and major wash corridor protection
- Start planning for a trailhead at Pima and Dynamite roads and planning trails for the area

Support Economic Vitality

- Increase small business activity at the Eureka Loft through training and mentorship programs, expanded marketing and outreach, and a comprehensive small business support program
- Several Downtown projects will improve walkability and access to persons with disabilities, add street lights, address decorative lighting safety and reliability by adding electrical outlets, and build additional public restrooms

Enhance Neighborhoods

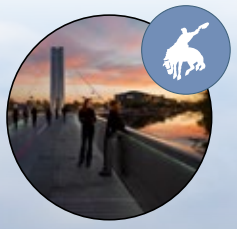
- Work will begin to relocate Fire Station 603 (McCormick Ranch area), renovate Fire Station 605 (75th Street and Shea Boulevard) and design and build Fire Stations 613 (Desert Foothills) and 616 (Desert Mountain)
- Drainage improvements will provide 100-year flood protection and eliminate the need for mandatory flood insurance for the structures in the Granite Reef Wash corridor between Thomas and McKellips roads

Advance Transportation

- Continue paving program designed to restore the average condition of city streets to the high standard attained prior to 2008
- Rebuild a portion of Redfield Road, 76th Place, Acoma Drive and 78th Way to create the extension of Raintree Drive west of Hayden Road

Seek Sustainability

- Install approximately four miles of large diameter water transmission main in the Frank Lloyd Wright corridor east of the Loop 101 and upgrade a booster station in the area to improve the capacity and pressure in the east Shea service area
- Evaluate options for ensuring employee benefit programs are cost effective, competitive and desired by employees
- Install a two megawatt renewable solar energy system at the Water Campus to provide more than 10 percent of campus energy needs and reduce city utility costs



Value Scottsdale's Unique Lifestyle and Character

- Conduct citizen survey to evaluate effectiveness of city services and programs and gauge citizen satisfaction
- Hold Canal Convergence celebration of Public Art on the Arizona Canal banks, Feb. 25-28, 2017

Please contact the City Manager's Office if you have comments or suggestions on how we can improve this report.

Scottsdale's City Manager's Office
3939 N. Drinkwater Blvd.
Scottsdale, AZ 85251
480-312-2800
citymanager@ScottsdaleAZ.gov

Citizen-Centric Reporting AGA

This report provides a snapshot of information available in the budget and comprehensive annual financial report documents which are available at:
ScottsdaleAZ.gov and search "finance"
This report prepared according to AGA citizen centric reporting standards.