

SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, FEBRUARY 17, 2015



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order the Regular Meeting of the Scottsdale City Council at 5:24 P.M. on Tuesday, February 17, 2015, in the City Hall Kiva.

ROLL CALL

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

Also Present: City Manager Fritz Behring; City Attorney Bruce Washburn; City Treasurer Jeff Nichols; City Auditor Sharron Walker; and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Webelos Boy Scout Pack 682, Pack leader Jon Komar

INVOCATION – Dr. David M. Joynt, Valley Presbyterian Church

MAYOR'S REPORT

Mayor Lane congratulated the 37 Scottsdale high school seniors who qualified as 2014 National Merit Scholars.

PRESENTATION/INFORMATION UPDATES

- **American Heart Association Gold Fit-Friendly and Cigna Well-Being Awards**
Presenter(s): Brittany Mayes, Business Development Director, American Heart Association; Kimberley Lipsky, Regional Manager, Cigna

Brittany Mayes, Business Development Director, American Heart Association, presented the City of Scottsdale with the American Heart Association's Gold Fit-Friendly award. Kimberley Lipsky, Cigna Regional Manager, presented the City of Scottsdale with Cigna's Well-Being award.

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

- **Scottsdale Convention & Visitors Bureau Presenter:** Rachel Sacco, President and CEO.

Rachel Sacco, Scottsdale Convention & Visitors Bureau President and CEO, gave a PowerPoint presentation (attached) on the Bureau's activities.

PUBLIC COMMENT – Louise Lamb encouraged everyone to visit the Scottsdale Museum of the West.

ADDED ITEMS

A1. Added Items

The supporting materials for Consent Item No. 16 will be added to the agenda less than ten days prior to the meeting and will require a separate vote to remain on the agenda.

Request: Vote to accept the agenda as presented or to continue the added item(s) to the February 17, 2015 Council meeting.

MOTION AND VOTE – ITEM A1

Vice Mayor Milhaven made a motion to accept the agenda as presented. Councilmember Korte seconded the motion, which carried 7/0.

CONSENT AGENDA

1. PHO CAO Restaurant & Bar Liquor License (1-LL-2015)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 7436 E. McDowell Road

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

2. PHO CAO Restaurant & Bar Conditional Use Permit (12-UP-2014)

Item 2 was moved to the Regular Agenda (see Page 5).

3. Continental Golf Course Liquor License (2-LL-2015)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 7920 E. Osborn Road

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

4. Continental Golf Course Liquor License (3-LL-2015)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a person transfer of a Series 7 (beer and wine bar) State liquor license for an existing location with a new owner.

Location: 7920 E. Osborn Road

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 5. Ancala Country Club Liquor License (4-LL-2015)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a person transfer of a Series 6 (bar) State liquor license for an existing location with a new owner.
Location: 11700 E. Via Linda;
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Babe's Cabaret Liquor License (5-LL-2015)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for an acquisition of control change for an existing Series 6 (bar) State liquor license.
Location: 2011 N. Scottsdale Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Permanent Extension of Premises for Venue of Scottsdale (1-EX-2015)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premise for a Series 6 (bar) State liquor license.
Location: 7117 E. 3rd Avenue
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 8. Verizon PHO Dynamic Conditional Use Permit (8-UP-2014)**
Request: Find that the conditional use permit criteria have been met, and adopt **Resolution No. 10016** approving a Conditional Use Permit for a new Type 4, Alternative Concealment, Wireless Communication Facility to be located on a new 55-foot-tall artificial palm tree, with associated ground-mounted equipment, with Industrial Park (I-1) zoning.
Location: 1525 N. Hayden Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 9. Verizon PHO Macjack Conditional Use Permit (10-UP-2014)**
Request: Find that the conditional use permit criteria have been met, and adopt **Resolution No. 10027** approving a Conditional Use Permit for a new Type 4, Alternative Concealment, Wireless Communication Facility to be located on a new 65-foot-tall artificial palm tree, with associated ground-mounted equipment, with Open Space (O-S) zoning.
Location: 4251 N. Hayden Road, southern end of Indian School Park
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 10. Capital Improvement Projects On-Call Transportation Engineering Services Contracts**
Request: Adopt **Resolution No. 10018** authorizing the following on-call engineering services contracts, in an amount not to exceed \$1,500,000 per term and per contract, for design of various transportation projects:

 1. Contract No. 2015-039-COS with Dibble & Associates Consulting Engineers, Inc., dba Dibble Engineering.
 2. Contract No. 2015-040-COS with Gavan & Barker, Inc.
 3. Contract No. 2015-041-COS with Premier Engineering Corporation

Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, daworth@scottsdaleaz.gov

- 11. Scottsdale's Museum of the West Right-of-Way Agreement**
Request: Adopt **Resolution No. 10022** authorizing Right-of-Way Agreement No. 2015-044-COS with Qwest Corporation, dba CenturyLink QC, to relocate the existing wireless communication facilities at Scottsdale's Museum of the West property.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, daworth@scottsdaleaz.gov
- 12. Zone 14/16 Water Distribution Improvements Engineering Services Contract**
Request: Adopt **Resolution No. 9995** authorizing Engineering Services Contract No. 2015-003-COS with HDR Engineering, Inc., in the amount of \$552,619 to design water distribution improvements for Zone 14/16 to serve Wildcat Hill.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, daworth@scottsdaleaz.gov
- 13. Surplus Property Conveyance**
Request: Adopt **Resolution No. 10036** authorizing the sale of a City-owned, mixed-use office and residential building to McKnight Office, LLC, in the amount of \$2,975,000.
Location: 4021 N. 75th Street
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, daworth@scottsdaleaz.gov
- 14. Emergency Traffic Management Mutual Aid Intergovernmental Agreement**
Request: Adopt **Resolution No. 10031** authorizing Intergovernmental Agreement No. 2012-186-COS-A1 with Maricopa County Department of Transportation for emergency traffic management mutual aid (Regional Emergency Action Coordinating Team Program).
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, daworth@scottsdaleaz.gov
- 15. Emergency and Specialty Law Enforcement Mutual Aid Intergovernmental Agreement**
Request: Adopt **Resolution No. 10035** authorizing Intergovernmental Agreement No. 2015-047-COS with the Salt River Pima-Maricopa Indian Community for emergency and specialty law enforcement mutual aid.
Staff Contact(s): Alan Rodbell, Chief of Police, 480-312-1900, arodbell@scottsdaleaz.gov
- 16. Baseball City Event**
Request: Adopt **Resolution No. 10043** to authorize:
1. Funding not to exceed \$75,000 from the City portion of bed tax allocated toward one-time commitment capital, event, and administration for the Baseball City event.
2. New Event Funding Agreement No. 2015-051-COS with Legacy Agency, Inc.
Staff Contact(s): Paul Katsenes, Tourism and Events Director, 480-312-2890, pkatsenes@scottsdaleaz.gov
- 17. Audit Committee Recommendation for Development Review Board Sunset Review**
Request: Adopt **Resolution No. 10041** accepting the Audit Committee's recommendation and authorizing continuation of the Development Review Board.
Staff Contact(s): Sharron Walker, City Auditor, 480-312-7867, swalker@scottsdaleaz.gov

- 18. Audit Committee Recommendation for Planning Commission Sunset Review**
Request: Adopt **Resolution No. 10042** accepting the Audit Committee's recommendation and authorizing continuation of the Planning Commission.
Staff Contact(s): Sharron Walker, City Auditor, 480-312-7867, swalker@scottsdaleaz.gov
- 19. Economic Development Strategic Plan**
Request: Adopt **Resolution No. 9750** authorizing the adoption of the Economic Development Strategic Plan titled "Scottsdale, AZ: Elevating Excellence, Promoting Prosperity."
Staff Contact(s): Danielle Casey, Economic Development Director, 480-312-7601, dcasey@scottsdaleaz.gov
- 20. Taxation Code Amendment**
Request: Adopt **Ordinance No. 4192** amending Appendix C, Privilege and Excise Taxes, Article III, Licensing and Recordkeeping, of the Scottsdale Revised Code to repeal Section 315, Transient Privilege Licenses, to conform to Municipal Tax Code Commission changes.
Staff Contact(s): Teresa Hoglund, Business Services Manager, 480-312-2463, thoglund@scottsdaleaz.gov
- 21. Monthly Financial Report**
Request: Accept the FY 2014/15 Monthly Financial Report as of December 2014.
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilmember Korte made a motion to approve Consent items 1 through 21, absent Item 2, which was moved to the Regular Agenda. Councilman Phillips seconded the motion, which carried 7/0.

REGULAR AGENDA

- 2. PHO CAO Restaurant & Bar Conditional Use Permit (12-UP-2014)**
Request: Find that the conditional use permit criteria have been met, and adopt **Resolution No. 10026** approving a Conditional Use Permit for live entertainment for a new restaurant opening in an existing building with Highway Commercial (C-3) District zoning.
Location: 7436 E. McDowell Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

Senior Planner Kim Chafin gave a brief overview of the request and explained that the request for live entertainment on Tuesdays would allow the restaurant to continue the tradition of having karaoke on that night.

MOTION AND VOTE – ITEM 2

Councilmember Korte moved to adopt Resolution No. 10026 approving a Conditional Use Permit for live entertainment. Councilwoman Littlefield seconded the motion, which carried 7/0.

22. Permanent Extension of Premises for Sushi Brokers (9-EX-2014)

(Removed at request of the applicant)

23. Employee Medical Plans and Premiums

Request: Adopt **Resolution No. 10007** authorizing FY 2015/16 medical and dental plan contribution rates and an incentive to active, covered employees to participate in the City's wellness screening program.

Presenter(s): Lauran Beebe, Human Resources Manager

Staff Contact(s): Lauran Beebe, Human Resources Manager, 480-312-2746, lbeebe@scottsdaleaz.gov

Human Resources Manager Lauran Beebe gave a PowerPoint presentation (attached) on the City's proposed FY 2015/16 medical and dental plan contribution rates.

MOTION AND VOTE – ITEM 23

Councilmember Korte made a motion to adopt Resolution No. 10007 authorizing FY 2015/16 medical and dental plan contribution rates and an incentive to active, covered employees to participate in the City's wellness screening program. Vice Mayor Milhaven seconded the motion, which carried 7/0.

24. City's Proposed Fiscal Year 2015/16 Rates and Fees

Request: Presentation, discussion, and possible direction to staff regarding proposed FY 2015/16 rates and fees.

Presenter(s): Jeff Nichols, City Treasurer; Brian Biesemeyer, Water Resources Director

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

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the proposed FY 2015/16 rates and fees for Community and Economic Development and Community Services.

Water Resources Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the proposed FY 2015/16 rates and fees for Solid Waste, Aviation, Water, and Sewer.

25. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of January 2015.

Presenter(s): Jeff Nichols, City Treasurer

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

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's financial status as of January 2015.

26. Legislative Update

(Removed at request of staff)

PUBLIC COMMENT – None

CITIZEN PETITIONS

28. Receipt of Citizen Petitions

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

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

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

The Regular City Council Meeting adjourned at 7:29 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

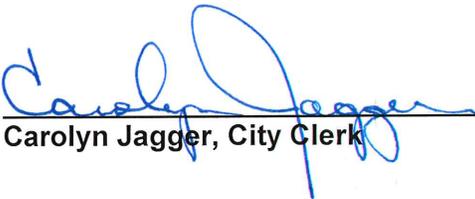
Officially approved by the City Council on March 17, 2015

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 17th day of February 2015.

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

DATED this 17th day of March 2015.



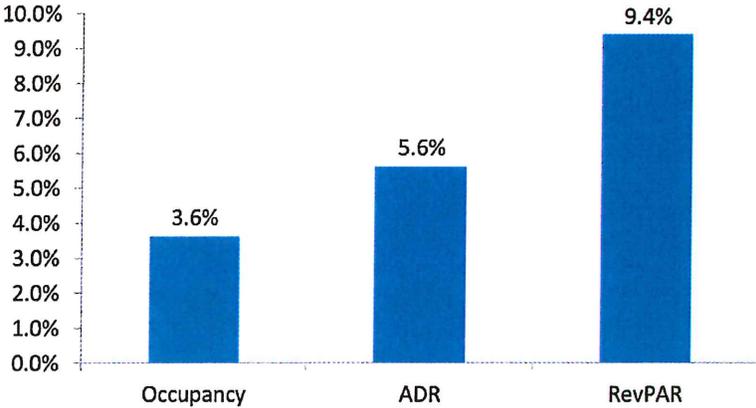
Carolyn Jagger, City Clerk

Scottsdale Tourism Update

Feb. 17, 2015



Industry Performance 2014 vs. 2013

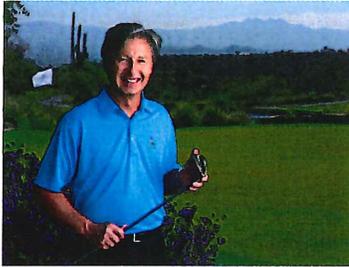


Source: Smith Travel Research



The World's Finest Golf Destination

- Target Audience:
 - Male, 28 to 65 years old
 - Core and avid golfers
 - \$220k household income
 - Golf vacations average one week
- Scottsdale's golf visitor spends 50% more than the average Scottsdale visitor
- Golf Ambassador: Brandel Chamblee



ExperienceScottsdaleGolf.com

EXPERIENCE SCOTTSDALE GOLF

EXPERIENCE SCOTTSDALE GOLF

THE BOULDERS GOLF CLUB

BRANDEL CHAMBLEE



Scottsdale's Growing Golf Industry

YTD January-September 2014 vs. 2013

- Golf-related fee revenue: up 4.2%
- Golf rounds played: up 6.5%
 - National trend: golf rounds decreased 1.5% during this timeframe

Scottsdale
GOLF

Holiday Campaign

The graphic is a holiday-themed promotional piece. On the left is a photograph of a large, brightly lit Christmas tree at night. On the right is a photograph of a woman in a long, flowing red dress standing in a desert landscape with cacti under a blue sky. In the center is a promotional card with a red and white design. The card features the text "Let it GLOW" in a stylized font, "Scottsdale Holiday Getaway AT \$89", and "ENTER TO WIN A SCOTTSDALE Holiday Getaway!". Below the card are three small icons labeled "REPORT PACKAGES", "OFFERS", and "EVENTS".

Let it GLOW

Scottsdale Holiday Getaway AT \$89

ENTER TO WIN A SCOTTSDALE Holiday Getaway!

GRAND PRIZE PACKAGE FOR 2014 includes:
Round-trip airfare, 2014 Scottsdale Golf Club membership, and more!

REPORT PACKAGES OFFERS EVENTS

Scottsdale
GOLF

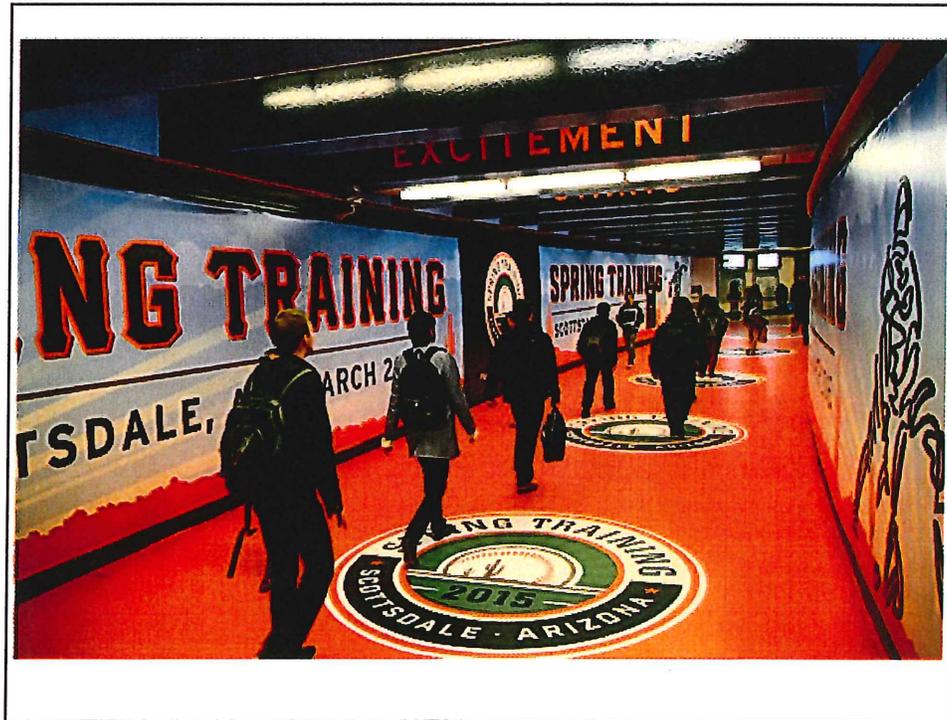
Scottsdale's Super Season



© 2011-2014

Warm Up in Scottsdale





Rebranding

- Remain in forefront of destination marketing
- Retain brand cachet
- Understand current and future visitor perceptions
- Realign brand position, strategy and messaging as needed

Thank You!

Item 23



Medical Plans and Premiums

February 17, 2015 City Council Meeting

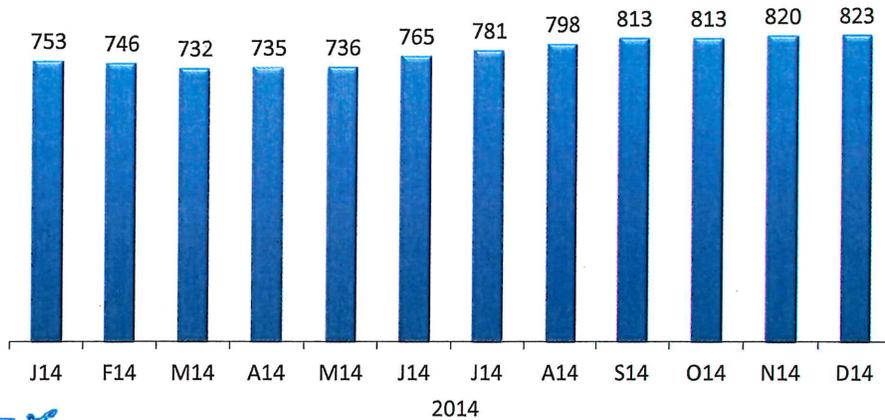
Self-Insured Medical and Dental Plans

- \$28.3 million = total expected medical and dental costs
- Employees \$7.3 m (25%); city \$21 m (75%)
- 2,222 covered employees, with about 6,000 members
- 85% enrolled in Cigna OAP In-Network plan



The cost of health care continues to increase

12-month rolling average – per employee per month claims costs



Controlling growing health care costs

- Last year we implemented several plan design changes (copays/deductibles)
- Switched carriers from Aetna to Cigna
- Set premium contribution rates
- Encourage health and wellness



Affordable Care Act regulations

- Part-time employees working over 30 hours per week
- City pays 75% of the premiums it pays for full-time employees
- Part-time benefited positions will be eliminated June 13, 2015
- Current part-time benefited positions will be grandfathered



Proposed premium increases

If increase rates by 6.8 percent:

- Employee rates increase by \$6 to \$24/month
- Employer rates increase by \$26 to \$77/month
- Cost to city rises by about \$1.3 million from current year
- No increase to dental rates



Alternate network option

Reviewed option to switch OAP In-Network to a narrower network – Local Plus of Arizona

- Result in an additional 3.4% savings, or a 3.4% overall increase
- Issues – 13 percent disruption



Wellness Incentive

- Employees have wellness visit and complete health risk assessment
- \$120 employee-only; \$240 employee+spouse/partner
- If 65% of employees participate, Cigna provides 50 - \$500 gift cards for a random drawing
- Remainder of Cigna investment will be used for wellness programs aimed at our health risks and needs
- Loss Trust Fund Board unanimously voted to accept both the 6.8% rate increase and the wellness incentive on January 28, 2015.





Tonight's Agenda Item

Adopt **Resolution No. 10007**

- a. Increase rates by 6.8 percent
- b. Approve \$120 employee-only; \$240 employee & spouse/partner wellness incentive

Item 24

Jeff Nichols
Presentation

FY 2015/16 Proposed Rates & Fees Changes



City Council
February 17, 2015

Non-Enterprise Rate Change Proposals

- Annual review to determine direct and indirect cost of service recovery rate
- Acceptable recovery rate and associated rates and fees changes approved by City Council
- Proposals for rates and fees changes submitted by:
 - Community & Economic Development
 - Community Services
 - Public Safety - Fire

Non-Enterprise Rates & Fees Change Proposals

- New rates estimated to increase General Fund revenue by **\$345,738** for FY 2015/16
 - \$ 326,571 Community & Economic Development
 - \$ 18,695 Community Services
 - \$ 472 Public Safety – Fire

- \$ 32,109 Community Services
(Special Revenue: McCormick-Stillman)

Community & Economic Development

- Annual review of Planning and Development Fees resulted in the following proposals:
 - Application Fee Schedule: New Fees
 - Building Advisory Board of Appeals: Residential Appeal
 - Development Review (Minor) – Staff Approval: Time Extension
 - In-Lieu Parking Fee
 - Special Exception Fee
 - Zoning District Map Amendment Fee: Supplementary District
 - Open Space / Conservation Open Space Fee

 - Application Fee Schedule: Change to Existing Fee
 - Development Review (DRB): New Master Sign Program

Community & Economic Development

- Annual review of Planning and Development Fees resulted in the following proposals:
 - Plan Review & Permit Fee Schedules: New Fees
 - Engineering Site Review
 - Plat Fees: Land Combination - Residential
 - Plat Fees: Land Combination - Commercial
 - Building Advisory Board of Appeals: Commercial Appeal
 - Commercial Vanilla Shell T.I.: Base Fee
 - Commercial Vanilla Shell T.I.: Certificate of Completion
 - Single Family Remodel with Roof Modification: Base Fee
 - Single Family Addition Less than 500 Sq. Ft.: Base Fee
 - Single Family Addition Less than 500 Sq. Ft.: Lowest Floor Certificate
 - Miscellaneous Permit Fees

Community & Economic Development

- Annual review of Planning and Development Fees resulted in the following proposals:
 - Plan Review & Permit Fee Schedules: Changes to Existing Fees
 - Plan Review: Fence/Wall
 - Plan Review: Non-habitable; Non A/C
 - Plan Review: Habitable; A/C
 - Permit: Non-habitable; Non A/C
 - Permit: Habitable; A/C
 - GIS Fee
 - Miscellaneous Permit Fee: Solar Water Heaters Residential
 - Miscellaneous Permit Fee: Solar Water Heaters Commercial

 - Additional General Fund revenues of **\$163,565** for FY 2015/16

Community & Economic Development

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
Application, Plan Reviews & Permit Fees Schedules:						
Building Advisory Board of Appeals: Residential Appeal	per appeal	\$0	\$153	\$153	n/a	\$ -
Development Review (DRB): New Master Sign Program	per program	\$230	\$307	\$77	33%	\$307
Development Review (Minor) – Staff Approval: Time Extension	per request	\$0	\$87	\$87	n/a	\$ -
In-Lieu Parking Request	per request	\$0	\$153	\$153	n/a	\$153
Special Exception Request	per request	\$0	\$153	\$153	n/a	\$ -
Zoning District Map Amendment: Supplemental District	per request	\$0	\$2,140	\$2,140	n/a	\$ -
Open Space / Conservation Open Space	per request	\$0	\$1,140	\$1,140	n/a	\$ -
Engineering Site Review	per sheet	\$0	\$235	\$235	n/a	\$ -
Plat Fees: Land Combination – Residential	per request	\$0	\$600	\$600	n/a	\$ -
Plat Fees: Land Combination – Commercial	per request	\$0	\$1,200	\$1,200	n/a	\$ -
<i>Continued next page</i>						

Community & Economic Development

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
Application, Plan Reviews & Permit Fees Schedules:						
Building Advisory Board of Appeals: Commercial Appeal	per appeal	\$0	\$320	\$320	n/a	\$320
Commercial Vanilla Shell T.I.: Base Fee	per request	\$0	\$159	\$159	n/a	\$318
Commercial Vanilla Shell T.I.: Certificate of Completion	per certificate	\$0	\$128	\$128	n/a	\$256
Single Family Remodel with Roof Modification: Base Fee	per request	\$0	\$159	\$159	n/a	\$ -
Single Family Addition Less than 500 Sq. Ft.: Base Fee	per request	\$0	\$159	\$159	n/a	\$ -
Single Family Addition Less than 500 Sq. Ft.: Lowest Floor Certificate	per certificate	\$0	\$235	\$235	n/a	\$ -
Miscellaneous Permit Fees	per request	\$0	\$159	\$159	n/a	\$ -
Miscellaneous Permit Fees: Solar Water Heaters - Residential	per request	\$150	\$80	(\$70)	(47%)	(\$800)
<i>Continued next page</i>						

Community & Economic Development

- Annual review of Stormwater fee schedule resulted in the following proposals:
 - New Fees:
 - Appeal of Floodplain Administrator's Interpretation: One Single Family Residence
 - Appeal of Floodplain Administrator's Regulations: Other Appeal
 - Variance from Floodplain Management Regulations: One Single Family Residence
 - Variance from Floodplain Management Regulations: Other Appeal
 - Conditional Letter of Map Revision (MT-1)
 - Conditional Letter of Map Revision (MT-2)
 - Letter of Map Revision (MT-1)
 - Letter of Map Revision (MT-2)

- Additional General Fund revenues of **\$12,586** for FY 2015/16

Community & Economic Development

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt.	% Change	Revenue Change
Stormwater Fees:						
Appeal of Floodplain Administrator's Interpretation: One Single Family Residence	per appeal	\$0	\$153	\$153	n/a	\$153
Appeal of Floodplain Administrator's Interpretation: Other Appeal	per appeal	\$0	\$320	\$320	n/a	\$320
Variance from Floodplain Administrator's Interpretation: One Single Family Residence	per variance	\$0	\$153	\$153	n/a	\$153
Variance from Floodplain Administrator's Interpretation: Other Appeal	per variance	\$0	\$320	\$320	n/a	\$320
Conditional Letter of Map Revision (MT-1)	per request	\$0	\$880	\$880	n/a	\$1,760
Conditional Letter of Map Revision (MT-2)	per request	\$0	\$3,000	\$3,000	n/a	\$6,000
Letter of Map Revision (MT-1)	per request	\$0	\$880	\$880	n/a	\$880
Letter of Map Revision (MT-2)	per request	\$0	\$3,000	\$3,000	n/a	\$3,000
Stormwater Storage Waiver: In-lieu Fee (existing fee place on new schedule \$1.87 per cubic foot)	per waiver					\$ -
Total Additional General Fund Revenue						\$12,586

Community & Economic Development

- Annual review of WestWorld Fee Schedule resulted in the following proposals:
 - North Hall at TNEC:
 - Revise rate/square foot minimum for commercial use of facility
 - Fields:
 - Increase rental rate for fields when booked individually (East or West)
 - Increase rental rate for fields when booked together (East and West)
 - Water:
 - Increase the fee for additional water requests for equestrian events
 - Clean-up Labor:
 - Increase the hourly labor rate to each event for clean-up, including restroom cleaning and grounds clean up
 - Drags:
 - Increase the fee for additional drag requests of arena footing
 - Parking Lots:
 - Establish new fee to use Lot F which has been reconfigured and newly paved
 - Increase fee to use Lot H which has also been reconfigured and newly paved
- Additional General Fund revenues of **\$115,720** for FY 2015/16

Community & Economic Development

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
WestWorld Fees:						
North Hall at TNEC – Increase number of bookings for smaller events from 2 to 10	per square foot	\$0.15	\$0.09	(\$0.06)	(40%)	\$27,000
		minimum 20,000 sq ft	minimum 30,000 sq ft	10,000 sq ft	50%	
Fields: booked individually (East or West)	per day	\$1,275	\$2,000	\$725	57%	\$4,350
Fields: booked together (East and West)	per day	\$2,550	\$3,000	\$450	18%	\$2,250
Water: additional requests for equestrian events	per occurrence	\$20	\$25	\$5	25%	\$735
Clean-up Labor: clean up for restrooms and grounds	per hour	\$20	\$25	\$5	25%	\$66,715
Drags: additional requests for arena footing	per occurrence	\$15	\$25	\$10	67%	\$7,670
Parking Lot: Lot F (newly reconfigured and paved)	per event	\$0	\$2,000	\$2,000	n/a	\$2,000
Parking Lot: Lot H (newly reconfigured and paved)	per event	\$1,400	\$2,500	\$1,100	79%	\$5,000
Total Additional General Fund Revenue						\$115,720

Community Services

- Annual review of Programming and Rental Fees Schedule resulted in the following proposals:
 - **Scottsdale Stadium:**
 - Increase rates for full concourse rental (hourly and daily)
 - Increase rates for entire stadium rental (hourly and daily)
 - Create new rates for palm court and adjoining concourse (hourly and daily)
 - **Scottsdale Sports Complex:**
 - Increase full facility fee rental for both Youth and Adults
 - **Library:**
 - Increase non-resident fee for Scottsdale Public Library card
 - **Aquatics:**
 - Convert McDowell Mountain Ranch (MMR) Skate Park membership fee to become a lifetime membership, instead of 6 months
 - **McCormick-Stillman Park:**
 - Increase Holiday Lights Train Ride fee
 - Increase Arboretum Train Ride fee
- Additional General Fund revenues of **\$18,695** for FY 2015/16
 - Additional Special Revenue revenues of **\$32,109** for FY 2015/16

Community Services

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
Scottsdale Stadium Fees:						
Concourse: Rate HR	per Hour	\$75	\$80	\$5	7%	\$80
Concourse: Commercial HR	per Hour	\$94	\$100	\$6	6%	\$240
Concourse: Rate Day	per Day	\$480	\$520	\$40	8%	\$80
Concourse: Commercial Day	per Day	\$600	\$650	\$50	8%	\$250
Entire Stadium: Rate HR	per Hour	\$250	\$300	\$50	20%	\$800
Entire Stadium: Commercial HR	per Hour	\$312	\$360	\$48	15%	\$1,920
Entire Stadium: Rate Day	per Day	\$1,600	\$2,000	\$400	25%	\$800
Entire Stadium: Commercial Day	per Day	\$2,000	\$2,500	\$500	25%	\$2,500
Palm Court & Covered Concourse: Rate HR	per Hour	\$0	\$45	\$45	n/a	\$720
Palm Court & Covered Concourse: Commercial HR	per Hour	\$0	\$56	\$56	n/a	\$896
Palm Court & Covered Concourse: Rate Day	per Day	\$0	\$300	\$300	n/a	\$600
Palm Court & Covered Concourse: Commercial Day	per Day	\$0	\$375	\$375	n/a	\$750
Total Additional General Fund Revenue						\$9,636

Community Services

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
Library:						
Non-resident Library Card	per card	\$30	\$43	\$13	43%	\$559
Total Additional General Fund Revenue						\$559

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
Scottsdale Sports Complex:						
Youth Full Facility Rental	per day	\$1,000	\$1,500	\$500	50%	\$7,500
Adult Full Facility Rental	per day	\$1,200	\$1,700	\$500	42%	\$1,000
Total Additional General Fund Revenue						\$8,500

Community Services

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
Aquatics:						
Convert MMR Skate Park Membership Fee: 6 month membership to a lifetime membership	per person	\$26	\$26	\$0	0%	\$0
Total Additional General Fund Revenue						\$0

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Revenue Change
McCormick-Stillman Park:						
Holiday Lights Train Ride Fee	per ride	\$3	\$4	\$1	33%	\$26,609
Arboretum Train Ride Fee	per event	\$1	\$2	\$1	100%	\$5,500
Total Additional Special Revenue Fund Revenue						\$32,109

Public Safety - Fire

- Fire Department
 - Increase fees for Fire Service safety permits – Rush Rate

Program/Fee	Fee Assessed	FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amount	% Change	Revenue Change
Public Safety - Fire:						
Fire Service Safety Permits- Rush Rate (under 10 days)	per request	\$200	\$318	\$118	59%	\$472
<i>Total Additional General Fund Revenue</i>						\$472

- Additional General Fund revenue of \$472 in FY 2015/16

Item 24

Brian Biesemeyer
Presentation

Enterprise Rates & Fees Policy

- Enterprise Funds
 - Solid Waste, Aviation, Water, Sewer
 - 100% recovery of all direct and indirect costs of service
 - Rates based on multi-year financial plans

Enterprise Solid Waste and Aviation

- Solid Waste
 - Last increase: 2% effective July 1, 2009
 - No rate increases planned for FY 2015/16
 - Cost of Service Study planned in FY 2015/16 with recommendations proposed in FY 2016/17
- Aviation
 - Last increase: Twin Engine & Jet Transient Parking Fees approved in August 2011 to bring to market
 - No rate increases planned for FY 2015/16
 - Proposed debt issuance in FY 2015/16

Enterprise - Water Resources Historical Rate Changes

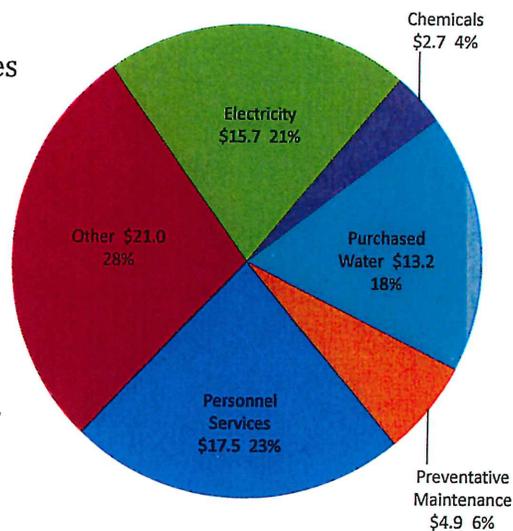
- Water and Sewer Rate Adjustment history:

Fiscal Year	Water	Sewer	Combined Increase / (Decrease)
2010/11	- 0 -	- 0 -	- 0 -
2011/12	- 0 -	- 0 -	- 0 -
2012/13	- 0 -	- 0 -	- 0 -
2013/14	(1.8%)	4.0%	(0.2%)
2014/15	- 0 -	(1.2%)	(0.3%)
Cumulative	(1.8%)	2.8%	(0.5%)

Rate reductions resulted from rate structure changes driven by cost of service study results and revenue stability.

Enterprise - Water Resources Costs

- Water and Sewer
 - Operating cost increases
 - Electricity
 - Purchased Water
 - Chemicals
 - Preventative Maintenance
 - Capital costs increases for aging infrastructure and regulatory compliance



FY16 Proposed Budget
In \$Millions

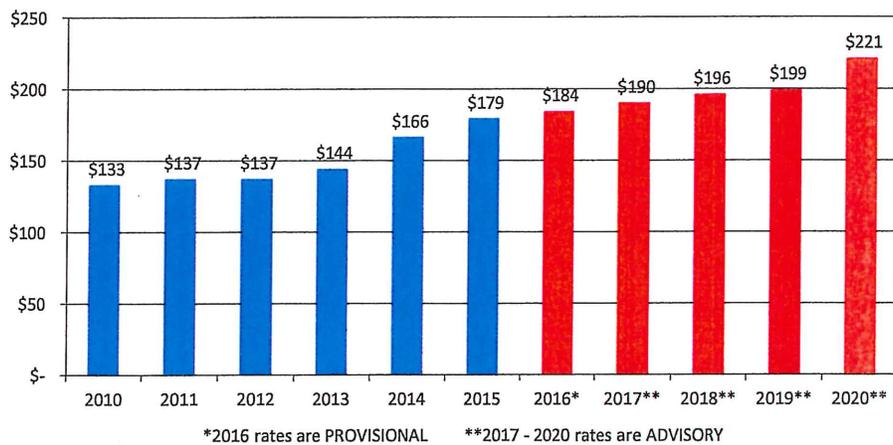
Enterprise - Water Resources Water and Sewer Significant Cost Drivers

- Water and Sewer operating cost increases:

Operating Expense	Supplier Rate Increase	Actual Rate Increase	Actual Cost Increase
Electrical Rates (APS)	11.7%	11.3%	\$1.4 million
Purchased Water Rates (CAP)	14.8%	14.8%	\$2.2 million
Chemicals	Various	60.1%	\$0.8 million

Rate and cost increases from FY 2010/11 to FY 2013/14.

Enterprise - Water Resources Cost of Water (Calendar Year)



Purchased water costs are \$13.2 million or 18 percent of the Division's total operating budget.

Enterprise – Water Resources Long Term Financing

- Water and Sewer capital financing:

Fiscal Year	Water	Sewer	Combined Issuance
2014/15	- 0 -	\$20.0 Million	\$20.0 Million
2017/18 Forecasted	\$30.0 Million	\$13.0 Million	\$43.0 Million
2020/21 Forecasted	\$30.0 Million	\$20.0 Million	\$50.0 Million

Long term debt is used for system rehabilitation and replacement and when necessary system expansion.

Enterprise - Water Resources Service Charge Proposals – Water

- Service charge adjustments proposed for FY 2015/16 to meet cost recovery requirements for various services
 - Increases are in the last year of a three-year phase in to bring charges in line with actual costs

Enterprise - Water Resources Service Charge Proposals - Water

Service Charges Implementation Over Three Years (Third/Final Year)		FY 14/15 Fee	Proposed FY 15/16 Fee	Increase Amt	% Change	Estimated Revenue Change
5/8" Water Meter Only		\$174	\$250	\$76	44%	\$76
3/4" Water Meter Only		\$197	\$275	\$78	40%	\$2,574
1" Water Meter Only		\$244	\$315	\$71	29%	\$27,264
Shutdown Water Main		\$186	\$260	\$74	40%	\$3,256
Hydrant Meter Install & Remove		\$75	\$140	\$65	87%	\$130
Move Hydrant Meter		\$38	\$70	\$32	84%	\$64
Check For Water Leaks		\$50	\$65	\$15	30%	\$30
Turn On/Off Water – In 24 Hours	NEW	\$0	\$135	\$135	n/a	\$405
Additional Water Fund Revenue						\$33,799

Revenue change based on forecasted participation

Enterprise - Water Resources Rate Change Proposals – Water and Sewer

- Water and Sewer rate increase proposed for FY 2015/16
 - Increases vary by meter size, user categories and types

- Water and Sewer surcharge proposed for FY 2015/16
 - A surcharge of 10% is proposed for customers located outside of city limits
 - Charge will treat contractual and non-contractual customers consistently and aligns costs with the cost driver

- Stormwater quality increase proposed for FY 2015/16
 - Increase is proposed to support expanded permit compliance costs specifically supported by the sewer fund

Enterprise - Water Resources Rate Change Proposals – Water and Sewer

Rates / Surcharge		Current Estimated Revenue	% Change	Estimated Revenue Change
Water Rates		\$89,692,000	1.3%	\$1,191,000
Sewer Rates		\$36,200,000	2.6%	\$950,000
Stormwater Quality Charge-Sewer	NEW	\$0	n/a	\$106,500
Out of City Customer Surcharge-Water	NEW	\$0	n/a	\$102,500
Out of City Customer Surcharge-Sewer	NEW	\$0	n/a	\$17,000
Additional Water and Sewer Fund Revenue				\$2,367,000

Revenue change based on forecasted volumes and participation

Enterprise - Water Resources Rate Change Proposals – Water

Increased base fees are not uniform; adjustments are driven by meter capacities which are a better indicator of the demands placed on the system.

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$10.75	\$11.25
3/4" Meter	\$14.00	\$14.50
1" Meter	\$20.00	\$20.50
1.5" Meter	\$25.00	\$33.75
2" Meter	\$35.00	\$45.00
3" Meter	\$45.00	\$60.00
4" Meter	\$100.00	\$140.00
6" Meter	\$200.00	\$280.00
8" Meter	\$300.00	\$390.00

Proposed implementation date – November 1, 2015

Enterprise - Water Resources Rate Change Proposals – Water

Modified volumetric rate structure is either neutral or a rate decrease to a customer using 59,000 gallons or less per month.

Current Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	2,500
2	\$2.80	2,501	6,000
3	\$3.40	6,001	20,000
4	\$3.70	Over 20,000	

Proposed Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$2.85	5,001	10,000
3	\$3.55	10,001	30,000
4	\$3.85	Over 30,000	

Proposed implementation date – November 1, 2015

Enterprise - Water Resources Rate Change Proposals – Water

Modified volumetric rate structure is neutral to a customer using 12,000 gallons or less per month.

Current Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$2.85	5,001	12,000
3	\$3.45	12,001	40,000
4	\$4.50	40,001	70,000
5	\$5.00	Over 70,000	

Proposed Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$2.85	5,001	12,000
3	\$3.55	12,001	40,000
4	\$4.50	40,001	65,000
5	\$5.25	Over 65,000	

Proposed implementation date – November 1, 2015

Enterprise - Water Resources Rate Change Proposals – Sewer

Increased base fees are uniform; the FY15 base fees adopted in June 2014 considered meter capacities which reflect the demands placed on the system.

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$2.50	\$3.00
3/4" Meter	\$2.50	\$3.00
1" Meter	\$2.50	\$3.00
1.5" Meter	\$15.00	\$18.00
2" Meter	\$35.00	\$42.00
3" Meter	\$45.00	\$54.00
4" Meter	\$65.00	\$78.00
6" Meter	\$125.00	\$150.00
8" Meter	\$175.00	\$210.00

Proposed implementation date – July 1, 2015

Enterprise - Water Resources Rate Change Proposals – Sewer

Increased rates are not uniform; the proposed rate reflects relative flows and loading entering the system as noted in the 2014 cost of service study. The study results are in the second year of a phase-in approach.

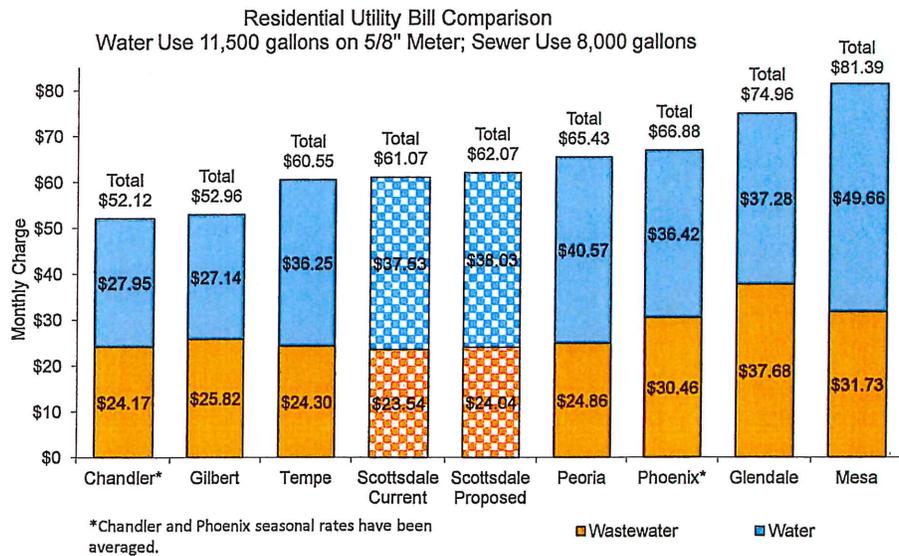
Proposed implementation date – July 1, 2015

Customer Category	Current Rates	Proposed Rates	Percent Change
Single Family Residential	\$2.63	\$2.63	-
Multi Family Residential	\$2.67	\$2.70	1%
Commercial Without Dining	\$2.70	\$2.70	-
Commercial With Dining	\$3.07	\$3.25	6%
Hotels Without Dining	\$2.79	\$2.79	-
Hotels With Dining	\$3.28	\$3.35	2%
Car Washes	\$2.60	\$2.60	-
Commercial Laundry	\$3.39	\$3.39	-
Laundromats	\$2.72	\$2.72	-
Restaurants/Bakeries	\$4.60	\$4.70	2%
Service Station Auto Repair	\$2.79	\$2.79	-
Medical Institutions	\$2.94	\$2.94	-
Schools	\$2.72	\$2.72	-

Enterprise - Water Resources Effect of Rate Change

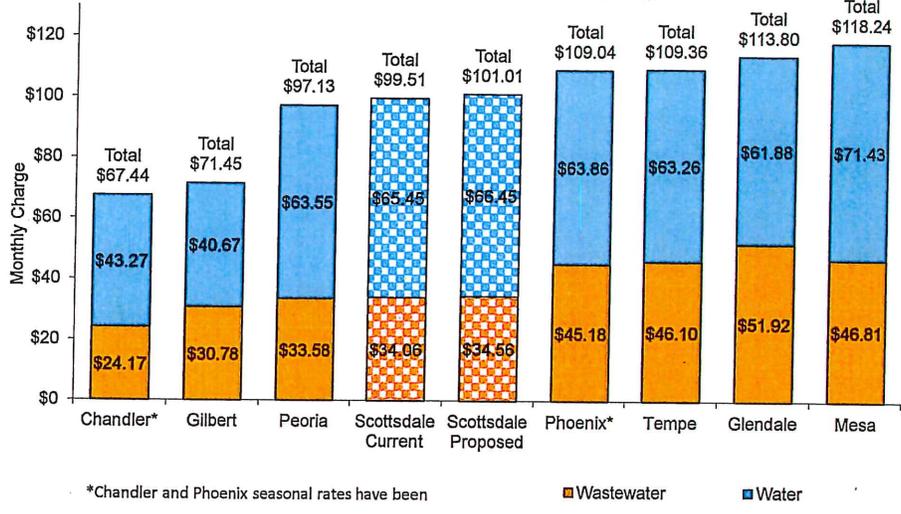
Revised Rates Anticipated To Generate Revenue	
Water Charges	\$1.3 million
Sewer Charges	\$1.0 million
Net Change	\$2.3 million

Water Resources – Utility Comparison



Water Resources – Utility Comparison

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



Questions?

FY 2015/16 Proposed Rates & Fees Changes

City Council
 February 17, 2015



Monthly Financial Update As of January 31, 2015

City Council
February 17, 2015
Prepared by: City Treasurer

General Fund Operating Sources January 2015: Fiscal Year to Date

(in millions: rounding differences may occur)

Sources Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$49.3	\$53.3	\$56.3	\$55.1	\$1.3	2%
0.1% Public Safety	4.8	5.2	5.5	5.3	0.1	3%
State Shared: Sales Tax	9.9	10.5	11.0	10.9	0.1	1%
Income Tax	13.0	14.1	15.4	15.4	-	-
Auto Lieu Tax	3.8	4.5	4.3	4.0	0.3	8%
Property Taxes (Primary)	14.6	15.9	14.4	15.0	(0.6)	(4%)
Franchise Fees/In-Lieu Tax	8.2	8.4	7.3	8.3	(1.0)	(12%)
Other: Licenses, Permits & Fees	4.6	4.9	6.0	4.7	1.3	27%
Fines & Forfeitures	3.8	3.6	4.2	4.2	-	-
Miscellaneous	4.9	4.1	4.1	2.9	1.2	43%
Building Permits	6.3	9.1	9.0	6.6	2.5	37%
Interest Earnings	0.7	1.0	0.6	0.3	0.3	82%
Indirect Cost Allocations	4.1	3.8	3.8	3.8	-	-
Bond Proceeds * shown for debt offset	29.2*	-	-	-	-	-
Transfers In	5.5	4.4	5.8	5.8	-	-
Total Operating Sources	\$162.6	\$142.8	\$147.8	\$142.2	\$5.5	4%

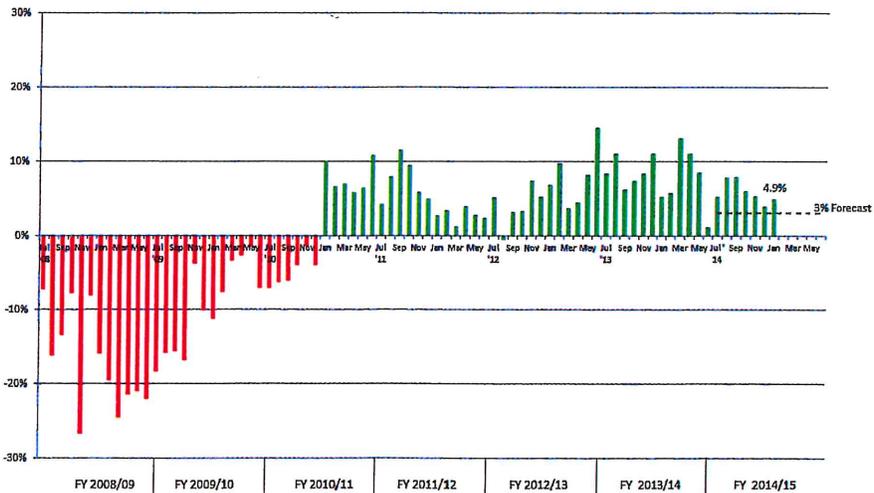
* To cover the Nordstrom Garage Lease Payoff.

General Fund Operating Sources: Sales Tax January 2015: Fiscal Year to Date

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$8.2	\$9.0	\$9.5	\$9.4	\$ -	-
Large retail stores	5.2	5.4	5.6	5.4	0.2	4%
Misc goods & services	3.7	4.1	4.0	4.3	(0.3)	(7%)
Grocery & convenience	3.6	3.6	3.9	3.8	0.1	3%
Auto sales & maintenance	6.0	6.8	7.5	7.3	0.2	3%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	1.9	2.1	2.2	2.2	-	-
Restaurants & bars	4.1	4.4	4.7	4.6	0.2	4%
<u>Business:</u>						
Construction	5.0	6.3	7.3	6.4	0.9	14%
Rental	7.2	7.2	7.5	7.4	0.1	1%
Utilities	2.7	2.7	2.7	2.7	-	-
Licenses, penalties/interest	1.5	1.6	1.5	1.6	(0.1)	(9%)
Total 1.0% Sales Tax	\$49.3	\$53.3	\$56.3	\$55.1	\$1.3	2%

General Fund Sales Tax: 1.0% General Purpose — Year over Year Change



General Fund Operating Uses: by Category January 2015: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$65.2	\$71.1	\$73.5	\$73.9	\$0.4	1%
Overtime	3.8	4.7	4.5	3.7	(0.8)	(21%)
FICA	4.4	4.9	5.0	5.0	-	-
Retirement	9.0	10.6	11.3	11.5	0.2	2%
Health/Dental & Misc	8.8	9.1	9.2	9.4	0.2	2%
<i>Total Personnel Services</i>	<u>\$91.2</u>	<u>\$100.5</u>	<u>\$103.4</u>	<u>\$103.5</u>	<u>\$0.1</u>	<u>0%</u>
Contractual, Commodities, Capital Outlay	31.7	34.6	36.7	37.3	0.6	2%
<i>Total Operating Expenses</i>	<u>\$122.9</u>	<u>\$135.0</u>	<u>\$140.1</u>	<u>\$140.8</u>	<u>\$0.7</u>	<u>0%</u>
Debt Serv. & Contracts	33.9 **	1.6	1.6	1.6	-	-
Transfers Out	3.3	-	-	-	-	-
<i>Total Operating Uses</i>	<u>\$160.1</u>	<u>\$136.6</u>	<u>\$141.7</u>	<u>\$142.3</u>	<u>\$0.7</u>	<u>0%</u>
*Pay Periods thru January:	15	16	16			

** Includes the Nordstrom Garage Lease Payoff.

General Fund Operating Uses: by Division January 2015: Fiscal Year to Date

(in millions: rounding differences may occur)

Division	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$10.1	\$11.0	\$11.3	\$11.7	\$0.5	4%
Administrative Services	8.4	9.1	9.5	9.8	0.3	3%
Comm. & Econ Development	13.6	14.7	14.9	15.0	-	-
Community Services	18.7	19.8	20.1	20.7	0.5	3%
Public Safety - Fire	16.6	18.7	19.7	19.8	0.1	0%
Public Safety - Police	45.9	51.1	54.3	53.8	(0.4)	(1%)
Public Works	9.4	10.6	10.3	10.0	(0.3)	(3%)
<i>Total Operating Expenses</i>	<u>\$122.9</u>	<u>\$135.0</u>	<u>\$140.1</u>	<u>\$140.8</u>	<u>\$0.7</u>	<u>0%</u>

General Fund Results: Summary January 2015: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sources	\$162.6*	\$142.8	\$147.8	\$142.2	\$5.5	4%
Uses	160.1*	136.6	141.7	142.3	0.7	0%
Change in Fund Balance	\$2.5	\$6.2	\$6.1	(\$0.1)	\$6.2	

* The Nordstrom Garage Lease Payoff paid for with bond proceeds.

General Fund Operating Sources January 2015

(in millions: rounding differences may occur)

Sources Category	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$9.0	\$9.6	\$10.1	\$9.7	\$0.3	3%
0.1% Public Safety	0.9	0.9	1.0	1.0	-	-
State Shared: Sales Tax	1.5	1.5	1.7	1.6	-	3%
Income Tax	1.9	2.0	2.2	2.2	-	-
Auto Lieu Tax	0.5	0.9	0.3	0.6	(0.2)	(40%)
Property Taxes (Primary)	1.1	2.2	1.5	1.1	0.4	38%
Franchise Fees/In-Lieu Tax	2.6	2.8	1.9	2.7	(0.7)	(27%)
Other: Licenses, Permits & Fees	1.4	1.4	2.0	1.5	0.5	33%
Fines & Forfeitures	0.6	0.5	0.6	0.6	(0.1)	(8%)
Miscellaneous	1.8	0.9	0.6	0.4	0.2	59%
Building Permits	0.7	1.2	1.1	1.0	0.1	10%
Interest Earnings	0.1	0.1	0.4	0.0	0.4	nm
Indirect Cost Allocations	0.6	0.5	0.5	0.5	-	-
Bond Proceeds *	29.2	-	-	-	-	-
Transfers In	0.5	0.5	0.5	0.6	(0.1)	(18%)
Total Operating Sources	\$52.3	\$25.4	\$24.5	\$23.6	\$0.9	4%

* To cover the Nordstrom Garage Lease Payoff.

General Fund Operating Sources: Sales Tax January 2015

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$1.8	\$1.9	\$2.0	\$2.0	\$ -	-
Large retail stores	0.9	1.1	1.2	1.0	0.2	20%
Misc goods & services	1.0	1.0	0.9	1.2	(0.3)	(28%)
Grocery & convenience	0.7	0.6	0.9	0.8	0.1	13%
Auto sales & maintenance	0.9	1.1	1.2	1.1	0.1	8%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	0.3	0.3	0.3	0.3	-	-
Restaurants & bars	0.7	0.8	0.8	0.8	-	-
<u>Business:</u>						
Construction	0.7	1.0	1.1	0.9	0.2	26%
Rental	1.2	1.1	1.1	1.1	-	-
Utilities	0.3	0.3	0.4	0.3	-	-
Licenses, penalties/interest	0.2	0.3	0.2	0.2	-	-
Total 1.0% Sales Tax	\$9.0	\$9.6	\$10.1	\$9.7	\$0.3	3%

General Fund Operating Uses: by Category January 2015

(in millions: rounding differences may occur)

Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<u>Personnel Services*:</u>						
Salaries & Wages	\$8.5	\$13.7	\$13.7	\$13.7	(\$0.1)	0%
Overtime	0.6	1.0	1.1	0.9	(0.2)	(18%)
FICA	0.6	1.0	1.0	1.0	-	-
Retirement	1.3	2.1	2.2	2.2	-	-
Health/Dental & Misc	1.3	1.4	1.4	1.4	-	-
Total Personnel Services	\$12.2	\$19.1	\$19.3	\$19.2	(\$0.1)	(1%)
Contractual, Commodities, Capital Outlay	4.3	5.2	4.5	5.0	0.4	8%
Total Operating Expenses	\$16.5	\$24.3	\$23.8	\$24.1	\$0.3	1%
Debt Serv. & Contracts	31.1 **	-	-	-	-	-
Transfers Out	0.3	-	-	-	-	-
Total Operating Uses	\$47.9	\$24.3	\$23.8	\$24.1	\$0.3	1%

*Pay Periods in January:

2 3 3

** Includes the Nordstrom Garage Lease Payoff.

General Fund Operating Uses: by Division January 2015

(in millions: rounding differences may occur)

Division	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$1.3	\$2.0	\$2.1	\$2.1	\$ -	-
Administrative Services	0.9	1.5	1.6	1.6	-	-
Comm. & Econ Development	1.8	2.6	2.4	2.4	-	-
Community Services	2.6	3.4	3.3	3.5	0.2	6%
Public Safety - Fire	2.2	3.2	3.5	3.4	(0.1)	(4%)
Public Safety - Police	6.4	9.8	9.5	9.6	-	-
Public Works	1.3	1.9	1.5	1.6	0.1	9%
<i>Total Operating Expenses</i>	<u>\$16.5</u>	<u>\$24.3</u>	<u>\$23.8</u>	<u>\$24.1</u>	<u>\$0.3</u>	<u>1%</u>

General Fund Results: Summary January 2015

(in millions: rounding differences may occur)

	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$52.3*	\$25.4	\$24.5	\$23.6	\$0.9	4%
Uses	47.9*	24.3	23.8	24.1	0.3	1%
Change in Fund Balance	<u>\$4.4</u>	<u>\$1.1</u>	<u>\$0.7</u>	<u>(\$0.5)</u>	<u>\$1.2</u>	

* Nordstrom Garage Lease Payoff paid for with bond proceeds.