

City of Scottsdale, Arizona

Adopted FY 2007/08 Budget

Budget Summary

Volume One



City Council

Mary Manross, Mayor
Betty Drake
Wayne Ecton
W.J. "Jim" Lane
Robert Littlefield
Ron McCullagh
Tony Nelssen

Administrative Staff

Jan M. Dolan,
City Manager
Ed Gawf,
Assistant City Manager
Roger Klingler,
Assistant City Manager
Neal Shearer,
Assistant City Manager
Craig Clifford, CPA, MBA,
Chief Financial Officer
Art Rullo, MPA,
Budget Director

**City of Scottsdale
FY 2007/08 Budget
Volume One
Budget Summary
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Mayor and City Council's Mission

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

Mayor Mary Manross



Mayor Mary Manross has been Mayor of Scottsdale since June 2000. She was reelected and began her second term as Mayor in June 2004. Previously, she served two terms as a City Councilwoman from 1992 to 2000. She also served six years on the Scottsdale Parks and Recreation Commission, including one term as chairwoman. She spent four years on the Planning Commission and served as vice chairwoman of the Scottsdale Bond Committee in the early 1980s. She participated in the Governor's Task Force on Urban Planning, the Arizona Town Hall, served as a League of Women Voters board member, chaired the Maricopa Association of Governments (MAG) Youth Policy Advisory Committee, and was a member of the National League of Cities (NLC) Energy, Environment and Natural Resources Policy Committee.

Today, Mayor Manross serves as Vice Chair of the MAG Executive Committee and chairs the MAG Regional Domestic Violence Council. She is a member of the Executive Committee of the Arizona League of Cities and Towns and is a board member and former treasurer of the Arizona Municipal Water Users Association. She also serves on the NLC Transportation Infrastructure Steering Committee, the primary group responsible for the NLC's national policy on transportation.

Prior to her time in elected office, Mayor Manross was director and an instructor of the Marriage Preparation Seminars at the Franciscan Renewal Center for 22 years. She also served as Vice President of the Casa de Paz Y Bien Foundation and as a member of the leadership team for the Valley Interfaith Project. She has a bachelor's degree in political science and a teaching credential. She attended both UCLA and Minot State University in North Dakota. She and her husband Larry have four children and two grandchildren.

- **Mayor and City Council’s Broad Goals**
- **Goal A: Neighborhoods**
Enhance and protect a diverse, family-oriented community where neighborhoods are safe, protected from adverse impacts, well maintained and actively revitalized.
- **Goal B: Environmental Sustainability & Preservation**
Preserve Scottsdale’s desert environment and natural resources, and honor the City’s heritage and character.
- **Goal C: Transportation**
Strengthen the transportation system for the safe, efficient and affordable movement of people and goods.
- **Goal D: Economy**
Position Scottsdale for short- and long-term economic prosperity by strengthening, expanding and diversifying our economic resources.
- **Goal E: Public Safety**
Protect Scottsdale residents and visitors by providing quality public safety and homeland security services.
- **Goal F: Fiscal and Resource Management**
Provide the means to reach other goals by ensuring Scottsdale is fiscally responsible and fair in its management of taxpayer money and City assets, and coordinates land use and infrastructure planning within the context of financial demands and available resources.
- **Goal G: Open and Responsive Government**
Make government accessible, responsive and accountable so that decisions reflect community input and expectations.

Note: See Program Budget Matrix on pages 121-125.



Council Member Betty Drake

Council Member Betty Drake began her first term on the Scottsdale City Council in June 2004. She has served in a wide variety of official positions and held leadership positions at the local, state and federal levels. In Scottsdale, Council Member Drake served on the City Council Budget Subcommittee for the FY 2006/07 budget. She also served from 1996 to 2002 on the Scottsdale Planning Commission, from 1993 to 1996 on the Development Review Board, in 1993 on the Historic Preservation Task Force, and in 1992 on the Bicycle and Pedestrian Transportation Plan Task Force. Council Member Drake has lived in Scottsdale since 1987 and has been an Arizona resident since 1947. She has been active in community groups and is a member of the Arizona Trail Advisory Council for the Arizona Trail Association and a former member of the Casas Dia Festivo Homeowners Association Board of Directors. She is President of Drake & Associates, which she founded in 1979 to provide consulting services in city planning, public art, bicycle and pedestrian planning and urban design. She holds a Bachelor of Architecture degree from the University of California at Berkeley.



Councilman Wayne Ecton

Councilman Wayne Ecton was elected to his first term on the Scottsdale City Council in March 2002 and was reelected to a second term beginning in June 2006. Councilman Ecton was the Chairperson of the three member City Council Budget Subcommittee for the FY 2005/06 budget. He previously served on the 2004/05 City Council Budget Subcommittee, the 2001/2002 Citizens Budget Committee and the Big Box Ideas Team, which helped the City develop an ordinance to regulate the placement and appearance of “big box” retail buildings. A Scottsdale resident since 1996, Councilman Ecton is a member of the Friends of the McDowell Land Trust and the Foothills Community Foundation. He also is a member of the Scottsdale Center for the Arts, the Art Alliance for Contemporary Glass, the American Craft Council and the Glass Art Society. Councilman Ecton retired from Alcoa after 33 years in high-level financial management positions in the U.S. corporate headquarters and International and U. S. operating locations. Councilman Ecton holds a bachelor’s degree in business. He was also a member of the Financial Executives Institute until his retirement.



Councilman W.J. “Jim” Lane

Councilman W. J. “Jim” Lane began his first term on the Scottsdale City Council in June 2004. Councilman Lane served on the 2002 Scottsdale Fire & EMS Advisory Committee, which was convened to evaluate and make recommendations to the City regarding fire and emergency medical services operations and costs. In 2003, he volunteered to co-chair the “Know Enough to Vote NO Committee” to oppose ballot measures to end the City’s contract with Rural/Metro Corp. for fire and emergency medical services. His community service also includes six years on the YMCA Board of Management. He came to Scottsdale from New Jersey in 1973 to take a position with KPMG (Peat Marwick), an international public accounting firm. He worked as a Certified Public Accountant (CPA) for twenty years with five of those years in the Public Accounting and Auditing Division. Councilman Lane has owned or operated businesses in construction, mining, computer technology, telecommunications and regional aviation. He currently owns a telecommunications and Internet consulting company, Chatham Hill Group LLC, headquartered in the Scottsdale Airpark. He holds a bachelor’s degree in accounting from Saint Joseph’s University.



Councilman Robert Littlefield

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

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



Councilman Ron McCullagh

Councilman Ron McCullagh began his first term on the Scottsdale City Council in June 2004. Councilman McCullagh was a member of the City Council Budget Subcommittee for the FY 2005/06 and FY 2006/07 budgets. Councilman McCullagh has lived in the Valley for 30 years and in Scottsdale for the past 14 years. His career

experience includes six years as a university professor and 20 years as a businessman in the financial services industry. He is retired. He is Past President of Valley Citizens League and serves on its board of directors. His community involvement includes service on the boards of Scottsdale Sister Cities, Scottsdale Rotary Club and the District 8 Republican Committee. He also is a member of the Scottsdale Leadership Class XVIII, Arizona Town Hall, the Arizona Tax Research Association, and the Arizona League of Women Voters. He holds bachelor's and master's degrees in business from the University of North Dakota, and a doctorate in business administration from the University of Florida. He is active with civic duties, he enjoys tennis, sailing, hiking and golf.



Councilman Tony Nelssen

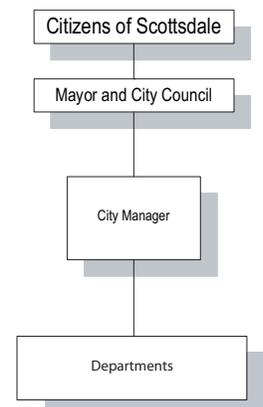
Councilman Tony Nelssen began his first term on the Scottsdale City Council in June 2006. He is a third generation native Arizonan and 19-year Scottsdale resident, has been active in civic affairs for more than two decades and has served on a variety of city commissions and advisory groups, as well as neighborhood and civic associations. Councilman

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

Form of Government and Organization

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

See the full City Organizational Chart in the Introduction section of this volume.





**Janet M. Dolan,
City Manager**

Janet M. Dolan has been City Manager of Scottsdale since August 2000. Prior to her arrival in Scottsdale, she served 10 years as City Manager of Menlo Park, California. From 1984 to 1990, she served as Assistant City Manager in Santa Rosa, California, where

she was responsible for labor relations and oversaw the Public Works, Recreation and Parks, Community Development and Utilities departments. From 1982 to 1984 she served as Assistant to the City Manager of Reno, Nevada and as Director of Administrative Services/ Administrative Assistant in Great Falls, Montana, from 1979 to 1984. Ms. Dolan has a Bachelor of Arts degree with honors from the University of Montana, graduate coursework in public administration from Montana State University, and leadership training at the Senior Executive Institute for Government Officials at the University of Virginia. As Scottsdale's City Manager, she is a member of the management committees for the Maricopa Association of Governments, the Regional Public Transportation Authority and the Southwest Regional Operating Group, which oversees wastewater operations for a consortium of Valley cities.

**Ed Gawf,
Assistant City Manager**

Ed Gawf was appointed to Assistant City Manager in September 2001. His responsibilities include overseeing the City's Transportation, The Downtown Group, Planning & Development Services, Citizen & Neighborhood Resources and Preservation Departments.

Ed began his career as a Planner with the City of Arvada, Colorado before moving on to Boulder where he held several positions, including Director of Planning. As Ed's career developed, he moved to San Jose, California where he served in a variety of roles including the Deputy Director of Planning, Building and Code Enforcement. Before moving to Scottsdale, Ed was the Director of Planning and Community Environment for the City of Palo Alto, California. In this role, Ed oversaw the transportation, building and planning processes of the City. He holds a Bachelor of Arts as well as a Masters degree, both in Political Science, from Oklahoma State University, and is a member of the American Institute of Certified Planners.

**Roger Klingler,
Assistant City Manager**

Roger Klingler was appointed Assistant City Manager in February, 1998, and has responsibility for overseeing the City's Water Resources, Municipal Services Departments, WestWorld and the implementation of the City's CIP Program. He has served the City since 1979 in several capacities. He was Water Resources General Manager from 1994 to 1998, and Assistant General Manager from 1990 to 1994.

Mr. Klingler previously served the City as Assistant to the City Manager for Intergovernmental Relations, representing the City before the State Legislature and other state, federal and local agencies. He also worked as a Management Assistant in the City's office of Management and Productivity, analyzing and implementing productivity improvements in various City Departments.

He received his Master's Degree in Public Administration and Bachelors of Arts Degree in Political Science from Michigan State University. Mr. Klingler is on the Board of Managers for the Scottsdale/Paradise Valley YMCA, is a graduate of Valley Leadership Class XII, and Scottsdale Leadership Class I, and is a member of the International City Management Association and the Arizona City/County Management Association.

**Neal Shearer,
Assistant City Manager**

Assistant City Manager Neal Shearer is responsible for the Community Services, Financial Services, Human Resources, and Information Systems Departments and for the offices of Communications and Public Affairs (CAPA) and Constituent and Intergovernmental Relations.

He has worked in a wide variety of management positions in the City. Neal came to work for Scottsdale in 1977 as an Intern in the Budget and Program Evaluation Office, worked as a Management Assistant in Community Development and the City Manager's Office, served in Human Resources as Manager and Assistant Director. He has served as Internal Auditor, Executive Assistant to the Mayor and City Council and Assistant to the City Manager for Intergovernmental Relations. In 1994 he became Human Services Director and Advisor to the City Manager, then was promoted to Administrator of Organizational Effectiveness in 1997 and to General Manager of the Human Resources Department in 2001. He was appointed to his current position in 2004.

He has a Master's Degree in Public Administration from the John F. Kennedy School of Government at Harvard University and Executive Management Certificates from Harvard and Arizona State University. He holds a Bachelor's in Social Sciences from Illinois State University.

**Craig Clifford, CPA, MBA,
Chief Financial Officer**

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Craig Clifford is a Certified Public Accountant and Certified Government Financial Manager, hired by the City in 1992. Prior to joining the City he served as Accounting Manager, Budget Manager and Auditor for other Arizona municipalities and worked in the banking industry. He earned undergraduate degrees in Business Management and Accounting from Arizona State University and a Masters in Business Administration with honors from the University of Phoenix. He is also a graduate of The Advanced Government Finance Institute sponsored by the Government Finance Officers Association (GFOA), the Advanced Public Executive Program sponsored by Arizona State University, and the College for Financial Planning, Denver, Colorado. He currently serves on the GFOA Executive Board, ex-officio member of the Economic Development and Capital Planning Subcommittee, and is Past President of the Arizona Finance Officers Association. He is a member of the Arizona Society of CPAs, American Institute of CPAs, Association of Government Accountants, Municipal Treasurer's Association and Diplomat of the American Board of Forensic Accounting.

**Art Rullo, MPA,
Budget Director**

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Art Rullo joined the Financial Services staff as Budget Director in August of 2002. Art holds a Bachelor of Science degree in Accounting from Saint Vincent College and a Masters of Public Administration degree from the University of Pittsburgh. Over his professional career Art has worked for large urban city and county governments as well as an international public accounting firm. His professional designations include Certified Government Finance Manager (CGFM) and a Certified Public Finance Officer (CPFO). Art also serves as a budget reviewer for the Government Finance Officers Association.

**Bryan Bundy, MBA,
Senior Budget Analyst**

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Prior to joining the City of Scottsdale in May 2003 Bryan was employed for 11 years with the State of Arizona. He holds a Bachelor of Science degree in Accounting from Arizona State University and an M.B.A. in Management Information Systems from Western International University.

**Judy Mcllroy, MBA,
Senior Budget Analyst**

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Judy Mcllroy joined the Financial Services staff in December 2003. Prior to joining the City, she served as a Budget Analyst with the Arizona Department of Health Services. Judy holds a Bachelor of Science degree with honors in Business Management and a Master of Business Administration degree with honors from the University of Phoenix.

**Joanna Munar, MBA,
Senior Budget Analyst**

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Joanna Munar joined the Financial Services staff in November 2005. Prior to joining the City of Scottsdale, she spent nearly two decades in the private sector managing various operations throughout the West and Southwest and she worked with the State of Arizona as a Compliance Auditor. Joanna holds a Bachelor of Science degree in Business Management & Marketing and a Master of Business Administration from the University of Phoenix.

**Kim Prendergast, CPA, MBA
Senior Budget Analyst**

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Kim Prendergast joined the Financial Services staff in November 2006. Prior to joining the City of Scottsdale, Kim spent six years as a Budget and Research Analyst for the City of Chandler. Kim holds a Bachelor's degree in Accounting from Arizona State University and an MBA from City University in Bellevue, Washington. Her professional designations include Certified Public Accountant, Certified Internal Auditor and Certified Government Finance Manager.

**Sylvia Romero, MPA
Senior Budget Analyst**

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Sylvia Romero joined the Financial Services staff in March 2005. Prior to joining the City, she served as a Senior Management Assistant with the City of Chandler and as a Senior Management and Budget Analyst with Maricopa County. Sylvia holds a Bachelor of Science degree in Public Administration and a Master of Public Administration degree from the University of Arizona.

**Erica Stierle, M.Ed.,
Database & Information Management Analyst**

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Erica joined the Financial Services staff in May 2006. Hired by the City in 1996, she has held a series of increasingly responsible positions in the technological field. Erica holds a Bachelor of Arts degree with honors in Liberal Studies (English/Humanities) and a Master of Educational Leadership degree with honors from Northern Arizona University.



Budget Award for Fiscal Year 2006/07 Budget

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to the City of Scottsdale, Arizona for its annual budget for the fiscal year beginning July 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

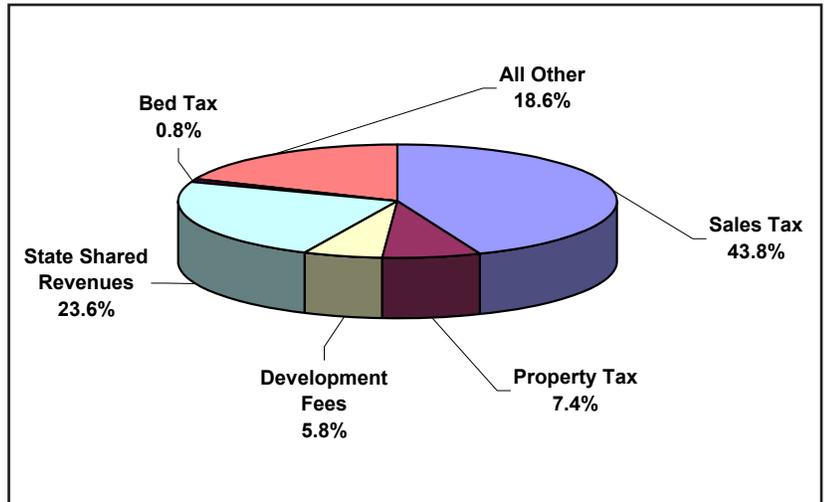
The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

General Fund Revenue & Expenditures

The General Fund is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, parks and recreation, libraries, senior and youth programs, planning and economic development, general administration of the City and any other activity for which a special fund has not been created.

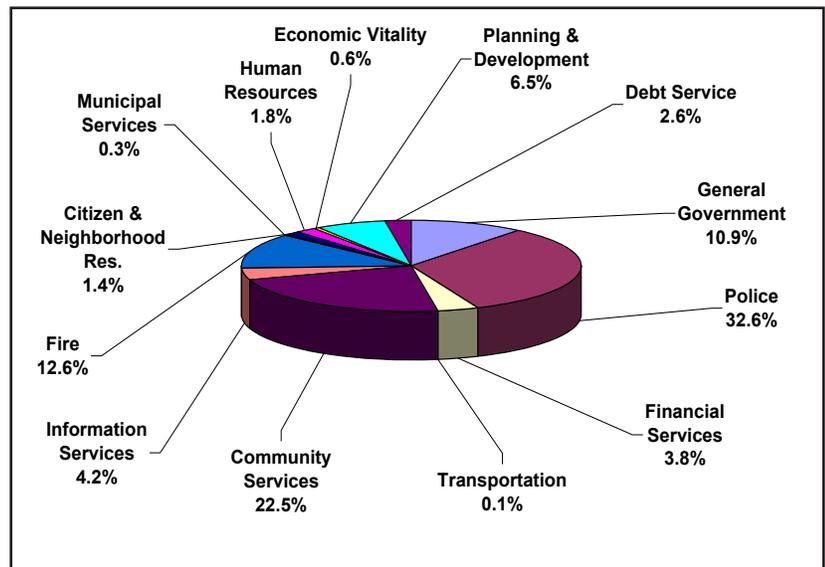
General Fund Revenues

Sales Tax	\$125,014,545
Property Tax	20,998,296
Development Fees	16,500,000
State Shared Revenues	67,370,205
Bed Tax	2,163,000
All Other	53,194,279
Total General Fund Revenues	\$285,240,325



General Fund Expenses by Department and Debt Service

General Government	\$28,137,657
Police	84,076,406
Financial Services	9,901,169
Transportation	193,393
Community Services	58,073,131
Information Services	10,788,073
Fire	32,354,253
Municipal Services	728,375
Citizen & Neighborhood Res.	3,693,595
Human Resources	4,624,970
Economic Vitality	1,634,581
Planning & Development	16,820,424
Debt Service	6,625,969
Total Gross Operating Budget	257,651,995
Less: Est. Budgeted Savings	(5,750,000)
Total General Fund Operating Budget	\$251,901,995



Other City Funds...

Special Revenue Funds

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

Beginning Fund Balance - \$52.9M
 2007 Budgeted Resources - \$121.7M
 2007 Budget Uses - \$105.9M
 Ending Fund Balance-\$68.7M

Debt Service Funds

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

Beginning Fund Balance - \$16.8M
 2007 Budgeted Resources - \$57.8M
 2007 Budget Uses - \$61.0M
 Ending Fund Balance-\$13.6M

Enterprise Funds

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

Beginning Fund Balance - \$66.0M
 2007 Budgeted Resources - \$160.5M
 2007 Budget Uses - \$175.3M
 Ending Fund Balance-\$51.2M

Internal Service Funds

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

Beginning Fund Balance - \$33.5M
 2007 Budgeted Resources - \$8.1M
 2007 Budget Uses - \$8.2M
 Ending Fund Balance-\$33.4M

Trust Funds

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

Beginning Fund Balance - \$5.4K
 2007 Budgeted Resources - \$20.0K
 2007 Budget Uses - \$20.0K
 Ending Fund Balance-\$5.4K

Capital Improvement Funds

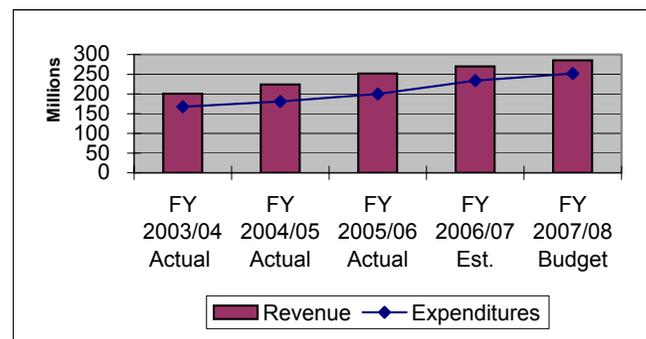
Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City maintains several capital project funds to ensure legal compliance and financial management for various restricted revenues.

Beginning Fund Balance - \$381.9M
 2007 Budgeted Resources - \$924.9M
 2007 Budget Uses - \$915.5M
 Ending Fund Balance-\$391.3M

General Fund Operating Revenue & Operating Expenditure Trends

Operating revenues are used to pay for the cost of “ongoing” municipal services such as police, fire, parks, libraries, etc. provided by the City. Over the five year period, the trend data reflects an excess of General Fund operating revenues over operating expenditures each year. This means the City’s budget is balanced and has sufficient ongoing resources to pay for the cost of City services, plus the ability to allocate the remaining funding to non-recurring “one-time” expenditures, such as capital projects. Any excess revenue deemed unsustainable should not be used to fund new or enhanced services or programs since the funding may not be available in future years, depending on the economy. The excess of revenues over expenditures may also be used to increase the City’s unreserved fund balance, which Council can then allocate to fund one-time policy issues or other one-time priorities.

	Revenue	Expenditures
FY 2003/04 Actual	200.6	171.9
FY 2004/05 Actual	224.1	186.7
FY 2005/06 Actual	251.9	206.3
FY 2006/07 Est.	270.0	233.8
FY 2007/08 Budget	285.2	251.9



How the Taxes Are Distributed

Sales Tax Distribution:

State of Arizona	5.60%
Maricopa County	0.70%
City of Scottsdale	1.65%
Total	7.95%

Property Tax Distribution:

Scottsdale Unified School District	57.11%
Maricopa County	14.29%
City of Scottsdale	9.63%
Community College	12.90%
Special Districts	6.07%
Total	100.00%

Staffing

By Fund

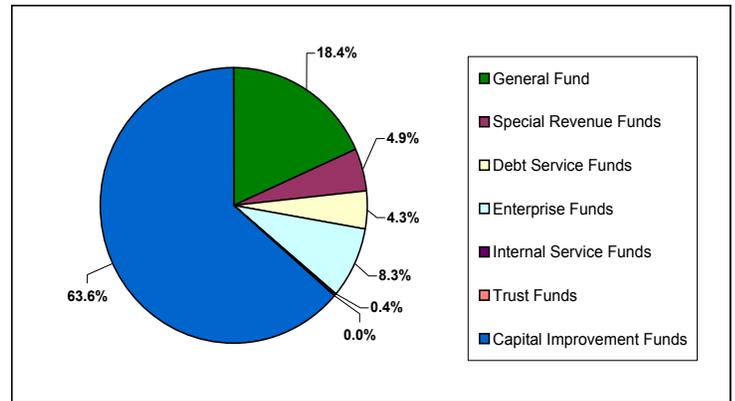
	Start	New Staff in FY 2007/08	Total
General	2,254.22	58.28	2,312.50
Transportation	89.00	0.00	89.00
Special Revenue	29.69	4.50	34.19
Enterprise	287.25	9.00	296.25
Internal Service	62.00	0.00	62.00
Total FTE	2,722.16	71.78	2,793.94

By Category

	New Staff in FY 2007/08
Community Facilities	27.78
Public Safety	23.00
Citizen Services/Community Growth	15.50
Internal Service Demands	5.50
Total New FTEs	71.78

Total City Budget

General Fund	\$262,841,995
Special Revenue Funds	70,415,429
Debt Service Funds	61,021,289
Enterprise Funds	118,650,340
Internal Service Funds	5,942,577
Trust Funds	20,000
(A) Capital Improvement Funds	906,253,100
(B) Total City Budget	\$1,425,144,730



(A) Includes \$672,599,200 of re-budgeted projects from prior years

(B) Includes \$38.4M in Reserves/Contingency

Population

2000	204,680
2005	235,010
2006 est.	237,510
2007 est.	240,530

Household Income

Household Income is one measure of the tax base and a community's ability to pay for service. However, caution should be exercised when considering household income as it only considers "earned income" and not a household's net worth. Additionally, providing income information is typically a sensitive matter for many individuals and this may impact the amount reported to taxing authorities.

Less than \$25,000	15.0%
\$25,001-\$34,999	8.5%
\$35,000-\$49,999	12.6%
\$50,000-\$74,999	18.4%
\$75,000-\$99,999	12.1%
\$100,000+	33.4%
Median Income	\$68,053

City Manager's Final Budget Transmittal

LETTER DATED JUNE 5, 2007

June 5, 2007



Honorable Mayor and City Council:

The City of Scottsdale's fiscal year 2007/08 budget continues to fund the highest priorities of the City Council and our citizens, including the hiring of additional police officers and firefighters, and the opening of new City capital facilities to meet service demands. Current economic conditions allow the City to maintain core services and, in some cases, to provide enhancements to existing service levels. In developing the FY 2007/08 budget, staff sought to use realistic revenue forecasts without relying on one-time construction related revenues to fund ongoing operating budget expenditures, and to limit staff additions to high priority service areas and citizen demand. The budget also continues to fund needed investment in the City's infrastructure and facilities while maintaining a prudent level of financial reserves.

Since the City Manager's proposed budget release in March the City Council has approved \$19.0 million of increases to the total citywide budget. The changes include an additional \$0.8 million in the Operating Budget for Year-round Festive Lighting, Downtown Marketing Program, After Schools Program Expansion, the addition of a Trails Planner and Seasonal Marketing Opportunities (bed tax). The adopted budget also includes \$14.5 million of Council approved additions to the Capital Budget for Center for the Performing Arts Renovation, Fire Station #608 (land acquisition), Downtown Utility Cabinet Relocation, New Civic Center Office Building, Public Art Conservation and Restoration, New Rose Garden, WestWorld Show Offices and Restroom, WestWorld PA System, WestWorld Shading, WestWorld Fencing, WestWorld Horse Barn Repairs, WestWorld Equidome Lighting, WestWorld Paving, WestWorld Additional and Upgrade RVs, City Court Main Entry/Security Remodel and New Justice Facility Space Program Study. The Operating Budget contingencies were also increased \$3.7 million for the Air Quality Compliance Planning Program, Loop 101 Photo Enforcement Program Continuation and the Heard Museum.

Providing services to the public is the City's core business. The City does this through its employees and therefore, approximately 73 percent of the City's total FY 2007/08 General Fund operating budget is allocated to employee compensation costs. The adopted FY 2007/08 General Fund budget includes 58.28 new full-time equivalent positions (FTEs) with payroll costs of approximately \$3.0 million to address service level demands throughout the City.

All new General Fund staff positions are listed in the four service categories noted below:

- Community Facilities – The positions in this category are generally necessary to staff new or expanded capital facilities primarily constructed with voter-approved Bond 2000 funding. The adopted FY 2007/08 budget includes 13.43 FTE positions associated with these facilities at slightly more than \$0.6 million in payroll costs. Included in this total is the Arabian Library Expansion, which will require 11.73 FTEs after the July 2007 completion.
- Public Safety/Police - The adopted FY 2007/08 budget includes 16.00 FTE positions at slightly more than \$1.0 million in payroll costs. They include a combination of sworn (9.00 FTEs) and civilian (7.00 FTEs) positions distributed among several programs. The additional sworn positions are needed for Gang Investigations (4.00 FTEs) and Detective Staffing (5.00 FTEs).
- Public Safety/Fire - The adopted FY 2007/08 budget includes 6.00 FTE Firefighter Recruit (sworn) positions with no associated budget impact in FY 2007/08. The six Firefighter Recruit positions are needed to staff a third ambulance pursuant to the terms of the Ambulance Contract approved by City Council October 25, 2005. The new recruits will attend the Training Academy in March 2008 for anticipated staffing of the third ambulance at the start of FY 2008/09, which is when the funding for these positions

City Manager's Final Budget Transmittal

LETTER DATED JUNE 5, 2007

will be needed. Under the terms of the Ambulance Contract, the costs for these positions will be reimbursed to the City.

- Citizen Services and Community Growth – The need for positions in this category stems from customer service demands, growth in the community, and federal and state environmental regulations. The adopted FY 2007/08 budget includes 18.35 FTE positions at a payroll cost of less than \$0.9 million. Included in this total, per City Council direction on May 8, are 8.35 FTE positions added to the FY 2007/08 budget at a cost of less than \$0.3 million: 7.35 FTEs for the After School Program to address service level needs related to program wait lists and 1.00 FTE for a Trails Planner position.
- Internal Service Demands – The added positions in this category are driven by a combination of internal and external customer service demands. The adopted FY 2007/08 budget includes 4.50 FTEs at a payroll cost of approximately \$0.4 million.

The adopted FY 2007/08 budget includes at total of nearly 72 new positions citywide with an estimated personal services cost of \$4.0 million. With these new positions the City will have the equivalent of almost 2,794 FTEs. Further information on the FTEs and staffing changes can be found in the Appendix of this FY 2007/08 budget publication.

The FY 2007/08 budget compensation package includes a merit pay adjustment ranging from 0.0 percent - 5.0 percent based on employee performance, and pay range expansions for sworn public safety personnel. The adopted budget also includes a staggered market adjustment of 3.5 percent, effective July 1, 2007, and 2.5 percent, effective January 1, 2008. The effective annual rate of these adjustments in FY 2007/08 is 4.75 percent. Retirement benefit costs for all retirement plans remained relatively unchanged for FY 2007/08 and the City's base budget cost for employee health care benefits increased less than \$0.3 million over FY 2006/07.

Important tax and fee changes that will directly impact citizens or taxpayers in the coming fiscal year include a decrease of 18 cents in the combined property tax rate, from 97 cents to 79 cent per \$100 of assessed valuation. While the City's property tax rate continues to decrease, as noted last year, the FY 2007/08 assessed valuations are increasing and will result in an overall increase in the City's primary and secondary tax levies. The typical homeowner's combined utility bill for water, sewer, refuse, and recycling services will increase approximately \$2.61 per month, or 3.9 percent, based on the water, sewer and solid waste rate changes adopted for FY 2007/08. Federal health and environmental requirements are a significant factor in water rate increases, as well as increased prices for power to operate plants and chemicals for water treatment. Additional information on the City's operating budget can be found throughout this publication and at a programmatic level in Volume Two of the adopted FY 2007/08 budget document.

A separate, key component of the annual financial plan is the City's five-year Capital Improvement Plan (CIP) for infrastructure and public facilities – including roads, water and sewer improvements, parks, buildings and information technology. The total CIP appropriation for FY 2007/08 equals \$906.3 million, which includes \$15.0 million in contingencies and \$658.8 million (or 73 percent) re-budgeted from the prior year for projects underway but not yet completed. Under Arizona law, the City must re-budget capital projects until they are completed and capitalized. The adopted FY 2007/08 budget continues the practice of leveraging one-time "elastic" revenue from the General Fund (e.g., construction sales tax and development fees) by transferring \$47.5 million to help pay for capital projects. Municipal bond rating agencies view this as a sound fiscal practice.

On May 8, Council expressed support of approximately \$14.0 million of cash transfers to the CIP for the following capital budget items, which are included in the FY 2007/08 budget:

Center for Perform Arts Renovation	\$5.7M	Public Art Conservation/Restoration	\$0.1M
Fire Station #608 Land Acquisition	\$2.0M	New Rose Garden	\$0.4M
Downtown Utility Cabinet Relocate	\$0.3M	WestWorld Facility Improvements	\$3.5M
New Civic Center Office Building	\$2.0M		

City Manager's Final Budget Transmittal

LETTER DATED JUNE 5, 2007

A significant portion of this cash transfer-out comes from prior year activity (i.e., revenues in excess of budget and prior year-end expenditure savings). Using these one-time funding sources for capital projects funding is prudent and does not jeopardize the General Fund's reserve or the projected FY 2007/08 year-end unreserved fund balance.

Capital project highlights for FY 2007/08 are included in the table below. A detailed listing of all capital projects can be found in Volume Three of the adopted FY 2007/08 budget document.

Scottsdale Rd Preservtn Streetscape Enhancmt	Public Safety Radio System – Phase I
SkySong-ASU Scottsdale Cntr for Innovation	Pima Road – Deer Valley to Pinnacle Peak
Gateway to the Preserve Amenities	Cactus Rd-Pima Fwy to Frank Lloyd Wright
Indian School Road Drainage	CAP Plant Expansion

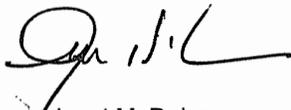
The fiscal health of City government is tied to a sound, sustainable local economy and an excellent quality of life. Staff continues to track the national, state, and local economies, and closely monitors emerging economic trends and their potential impacts on the City. Our ability to respond early to economic challenges and careful long-range planning have been key factors in maintaining the City's fiscal health and sustaining the City's AAA bond ratings. The City has not planned any use of reserves in balancing the FY 2007/08 budget.

The adopted FY 2007/08 budget is the culmination of the diligent efforts of many people. Special recognition goes to the Financial Services staff for their outstanding management of the City's finances and the budget development process. The general managers and the City staff members who participated in the planning and execution of our extensive public outreach on the budget also deserve a sincere "thank you" for their time and assistance with this effort.

The Mayor and City Council deserve special acknowledgment and appreciation for the many hours they dedicated to gathering citizen input and priorities on the proposed budget, their review of the program and capital budgets, their guidance to staff, and for their leadership on many critical financial issues.

Also, a special thanks to the Scottsdale citizens who attended and participated in the public meetings, workshops, and hearings on the FY 2007/08 budget. Their willingness to share their thoughts, priorities, and concerns strengthens our community.

We look forward to working with the City Council and citizens in the coming year to build on this strong foundation of achievement and success.



Janet M. Dolan
City Manager



FY 2007/2008 Budget - How to Use This Book - Volume One

The City of Scottsdale's budget for FY 2007/08 is comprised of three volumes:

Volume One - Budget Summary includes the City Council's Mission Statement and Broad Goals, the City Manager's Transmittal Letter, and Adopted Financial Policies. The Five-Year Financial Plan covers the period FY 2007/08 through FY 2011/12, which forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

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

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

FY 2007/08 Adopted Budget Summary - Volume One

Volume One begins with the **City Manager's Transmittal Letter** dated June 5, 2007. The letter highlights the prevailing economic conditions under which the budget was prepared and key elements of the adopted budget.

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

The **Fund Summaries & Five-Year Plan, Budget by Fund, and the Capital Improvement Plan** sections of Volume One represent the core of the City of Scottsdale's adopted FY 2007/08 budget. The Fund Summaries & Five-Year Plan provides a retrospective and prospective view of the City's funds. The first part of the Budget by Fund section, entitled Legal Compliance and Financial Management, offers a brief explanation of the City's use of fund accounting to maintain fiscal accountability. Next, a summary entitled Fund Accounting-Fund Types provides the reader with a description of the generic governmental fund types used by the City.

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

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

Volume One concludes with the **Appendix** that provides a summary of authorized full-time and part-time FTEs by department, a summary of authorized staff positions by City department and fund type, the City departmental staff support in the budget development effort, a Five-Year Debt Service Schedule, Schedule of Long-Term Debt Outstanding, a Computation of the Legal Debt Margin as of June 30, 2007, and a General Fund Five-Year Privilege Tax Forecast. A list of Acronyms and a Glossary of terms used throughout the City's budget is also included in this section along with the City Council's ordinances reflecting the adoption of the City's FY 2007/08 budget and property tax levy.

Recommended Budget Practices

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

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

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

Budget Definition

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

A good budget process is characterized by several essential features:

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

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

Mission of the Budget Process

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

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

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

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

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

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

Principles and Elements of the Budget Process

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

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

- 1) Establish Broad Goals to Guide Government Decision-Making - A government should have broad goals that provide overall direction for the government and serve as a basis for decision-making.
 - a) Assess community needs, priorities, challenges and opportunities
 - b) Identify opportunities and challenges for government services, capital assets, and management
 - c) Develop and disseminate broad goals
- 2) Develop Approaches to Achieve Goals - A government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals.
 - a) Adopt financial policies
 - b) Develop programmatic, operating, and capital policies and plans
 - c) Develop programs and services that are consistent with policies and plans
 - d) Develop management strategies
- 3) Develop a Budget Consistent with Approaches to Achieve Goals - A financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted.
 - a) Develop a process for preparing and adopting a budget
 - b) Develop and evaluate financial options
 - c) Make choices necessary to adopt a budget

- 4) Evaluate Performance and Make Adjustments - Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.
 - a) Monitor, measure, and evaluate performance
 - b) Make adjustments, as needed

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

Budget Roles and Responsibilities

Every City of Scottsdale employee plays a role in the City's budget — whether in its formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, each General Manager, through the City Manager, and the Charter Officers, is accountable to the City Council for the performance of program personnel in meeting City Council's Broad Goals (see the Introduction section) and specific work plan objectives within allocated resource limits.

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

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

The City departments have **Budget Liaisons** and **CIP Liaisons** that coordinate the day-to-day budget management within their respective departments along with the Budget staff. The **Budget Liaisons** serve as the vital communication link between their City department and their Financial Services Department Senior Budget Analyst on matters related to their specific operating budget. Budget Liaisons are responsible for coordinating information, checking to see if forms are completed properly, making sure that all necessary documentation is submitted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process. The **CIP Liaisons** essentially serve the same role as the Budget Liaisons; however, their focus is on the coordination of capital projects, multi-year capital planning and capital project operating impacts with the Budget staff. In many cases the same individual serves as both the departmental Budget Liaison and CIP Liaison. A list of Budget Liaisons

and CIP Liaisons and their area of responsibility appears in the Appendix.

The **CIP Technology Review Team** and **CIP Construction Review Team** are comprised of Supervisors and Managers from various City departments. These cross-departmental teams are responsible for reviewing the initial review of all of the City's capital projects. Their reviews are focused on timing and cost considerations, compiling lifecycle costs, and preparing a preliminary Capital Improvement Plan recommendation for review and revision by the General Managers, Budget staff, Chief Financial Officer, Assistant City Managers, City Manager, City Council and various citizen boards and commissions. A list of Coordination Team members appears in the Appendix.

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

The **Budget Director** and **Senior Budget Analysts** are responsible for preparing the multi-fund short-range and long-range revenue and expenditure forecasts, calculating user and indirect cost rates, developing the process and related forms for preparing and monitoring the budget, providing budget training sessions to the Budget Liaisons and CIP Liaisons, coordinating the compilation of budget data, analyzing operating and capital budget requests, evaluating and summarizing budget requests from departments and preparing budget review materials for the Chief Financial Officer (CFO), Assistant City Managers, City Manager, City Council, media and citizens.

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

immediately after the Budget Process in the Overview section).

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

The **Mayor and City Council** set the direction for staff related to the forthcoming budget by establishing broad goals for the organization, which serve as a basis for decision-making. The Council reviews key aspects of the City Manager's proposed budget such as -- the City's multi-year Financial Plan including an examination of the revenue forecast and related assumptions, employee compensation including healthcare and retirement costs, changes to rates and fees, comprehensive financial policies, debt schedules and property tax rate and the capital budget. During April, the Council holds budget work sessions with each of the department heads to review their proposed operating and capital budgets. The sessions are intended to assess how well the department's proposed budget aligns with the citizen input, priorities, and supports the City Council's Broad Goals. The budget process culminates in late spring with the Mayor and City Council holding three public budget hearings. The Mayor and City Council are responsible for the review of the City Manager's proposed budget, tentative budget adoption (mid-May) and final adoption of the budget (early June). All Council budget meetings and hearings are open to the public for comment and are broadcast on CityCable 11 and the City's Internet web page.

City of Scottsdale's Budget Process

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

The City Council's feedback from the retreat provides the groundwork and starting point for the staff to begin framing the program operating budget and the capital project budget.

Needs Assessment and Financial Capacity Phase

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

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

Policy/Strategy Development and Prioritization Process Phase

In the fall and spring, City Council typically reviews citizen input, Financial Policies, Economic Trends Analysis, citizen survey results and the most current Financial Forecast. They discuss broad organizational goals, priorities, and constituents' suggestions and expectations for Scottsdale. From this, the Council establishes broad goals and strategic directives, which are the cornerstone for the development of the budget. These broad goals provide the overall direction for Scottsdale and serve as a basis for decision-making. The executive and senior management staff updates City financial policies, plans, programs, and management strategies to define how the City will achieve the broad goals. It is within this framework that the City staff formulates the proposed Program Operating and Capital Budgets.

Budget Development and Prioritization Process Phase

In the early fall, the Capital Improvement Plan development begins in conjunction with the City's multi-year financial forecasts. Initial departmental capital project requests and changes to existing capital projects are reviewed by cross-departmental teams for accurate costing, congruence with City objectives and prioritized using a set of pre-determined criteria. Financing sources are then

sought for the highest-ranking projects. The teams involved in this process include the CIP Technology Review Team and the CIP Construction Review Team. The CIP Technology Review Team is made up of mid-level technology managers from various City departments. The CIP Construction Review Team is made up of mid-level Capital Project Management staff with expertise in public building planning and construction, street improvements, stormwater management, landscaping, etc. The staff, when developing their Program Operating Budget plans, closely considers the ongoing operating impacts of current and proposed capital projects. Staff also considers City Council's Broad Goals and strategic directives as they develop program objectives and work plans for the budget period.

Later in the fall after the CIP is underway, the City staff update their proposed performance measurements. The performance measurements are developed to assess results and ensure accountability, which enable managers and policy makers to evaluate progress towards stated goals and objectives. The staff also prepares their proposed Program Operating Budgets at this time, using a modified zero-based program budget approach, which requires that the budget be prepared solely at the existing service operating levels – no modifications are permitted at this stage of the budget development. The departmental staff is also asked to evaluate their programs and/or positions for possible trade-offs, reductions or eliminations, or service level changes to offset inflation, contractual, compensation, and benefit-cost increases.

Under the City's modified zero-based program budget approach, any proposed changes in service levels, new programs, population/service growth, additional staff, and program trade-offs resulting in service level reductions/increases must be submitted to the Budget Office in an Evaluation Decision Package. An Evaluation Decision Package provides extensive analysis and justification for the department's request and is reviewed by the City Manager and Assistant City Managers during the budget development and prioritization process. In the later stages of the City's budget development process, Evaluation Decision Packages are considered and balanced among numerous competing demands within the City's available, ongoing resources. When funding needs exceed the City's funding limits, remedies may be one or more of the following: reduce base budget, identify new revenues, employ process management tools, and/or form partnerships with other City programs or non-profit organizations.

City Management Review and Modification Phase

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

The City Manager, Assistant City Managers, CFO, Budget Director and Budget staff collaborate on the development of a recommended Five-Year Financial Plan and proposed budget for each fund and then submit the plans to the City Council for review and adoption. As noted above, the City Council also reviews the proposed multi-year revenue forecasts for reasonableness and the expenditure budgets for efficiencies and alignment with community needs and expectations.

City Council Budget Review and Adoption Phase

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

During April, the City Council holds public budget work sessions to review each department's proposed budget and the City's Five-Year Financial Plan. This review focuses on how the department's program operating and capital budgets address citizens' priorities and City Council's Broad Goals.

The full City Council considers the proposed operating and capital budgets and holds work-study sessions and public budget hearings from February through early June. The sessions provide an opportunity for City management, departments, and citizens to offer information and recommendations to the City Council.

A series of required public budget hearings and Council work-study sessions are held and the City Council adopts the budget and property tax levy consistent with the City Charter and State law. Per

the City Charter, the City Council must have Tentative Adoption of the proposed budget, on or before the second regular council meeting in May each year. This meeting is usually held in mid-May. (*Note: State law requires on or before the third Monday in July of each fiscal year, the City Council must adopt the tentative budget*). Tentative Adoption sets the legal maximum expenditure (i.e., appropriation) limit for the coming fiscal year budget.

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

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

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

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

Arizona State Revised Statutes only requires communities to prepare budgets for two funds — the General Fund (ARS 42-17101) and Highway User Fund (ARS 28-6533) (See the Transportation Fund). In addition to these two funds the City prepares budgets and requests legal appropriation for all of its funds — Special Revenue, Debt Service, Enterprise, Internal Service, Grants, Trust and Capital Improvement Plan Funds. The ordinance adopting the annual budget requires City Council authorization for expenditures from the aforementioned funds,

which in the aggregate constitute the City's total Operating, Capital Budget and Contingency/Reserves for purposes of complying with the State's balanced budget and legal maximum appropriations requirements.

Implementing, Monitoring, and Amending the Budget Phase

In July, the City staff begins the process of implementing the newly adopted budget and is accountable for budgetary control throughout the fiscal year. Revenue and expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. Members of the Financial Services staff meet every month to review current demographic, economic and financial trends, which may impact the City, and to plan strategy to ensure the City's fiscal integrity. City management and City Council are also provided monthly Economic Update Reports disclosing actual revenue, expenditure, and fund balance performance as compared to the budget plan. The Economic Update Reports also include updates on the uses of the current year contingency and the budget planning/ development for the coming fiscal year.

Upon the final adoption of the budget, staff incorporates any of City Council's approved changes to the Tentative Budget proposal and implements the Program Operating Budget and the Capital Improvement Plan. The final Program Operating Budget and Capital Improvement Plan books are typically published no later than mid-July.

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

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

Ongoing monitoring of the City's financial performance is required of all program managers

on a monthly basis. Written budget to actual expenditure variance reports must be submitted monthly by all City departments, if a variance exceeds pre-determined variance ranges, as established by the Budget Office. Additionally, the departments must be able to explain in writing to the Budget Office any impact of a variance on the projected year-end budget savings and/or fund balances.

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

The City uses the following as guidance for Budget Transfers and Requests for Adjustment:

All proposed Budget Transfers between departments and capital projects must be approved by the department General Manager, Budget Director, CFO and the City Manager *before* being submitted to City Council for consideration in a public meeting. If approved by City Council, the transfer is processed in the budget system by the Financial Services Systems Integrator staff.

All proposed salary and benefit account Budget Transfers (51000 accounts) within the same department require the prior written approval of the department General Manager, department Budget Liaison, Senior Budget Analysts and the Budget Director and the City Manager. If approved in writing by the City Manager, the transfer is processed in the budget system by the Financial Services Systems Integrator staff.

All proposed non-salary and benefit account Budget Transfers (52000, 53000 and 54000 accounts) within the same department require the prior written approval of the department General Manager, department Budget Liaison, Senior Budget Analysts and the Budget Director. If approved, the transfer is processed in the budget system by the Financial Services Systems Integrator staff.

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

All Requests for Adjustment to actual expenditures require a written explanation of the purpose of the adjustment and documentation that supports the adjustment, which is reviewed by the Financial Services staff before being processed. If approved, the Financial Services staff document the approval in writing.

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

Use of Contingency/Reserve Funds

The Contingency/Reserve Fund is strictly defined in the City's financial policies adopted by City Council annually and used when additional funds are necessary to offset events such as: unexpected revenue shortfalls or expenditure increases so that budgeted citizen service measures can be maintained; unanticipated grants are received; and when unanticipated and/or inadequately budgeted events threaten the public health or safety. Use of Contingency/Reserve Funds is to be utilized only after all alternative budget funding sources and other options have been fully considered. All Contingency/Reserve Fund requests require a written justification and an explanation of the fiscal impact, which is reviewed and approved in writing by the Budget Analyst, Budget Director, Chief Financial Officer, the applicable service area Assistant City Manager, and City Manager before being presented to City Council for consideration in a public meeting.

Budgetary and Accounting Basis

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

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

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

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

Debt service principal payments in the Enterprise Funds are accounted for as expenses

for budget purposes, but are reported as reductions of long-term debt liability on the GAAP basis.

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

For budget purposes the Risk Fund presents claim expenditures on a cash basis, while on a GAAP basis the claim expenditures reflect an accrual for "incurred but not reported" (IBNR) claims.

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

Operating and Capital Budget Relationship

The City of Scottsdale's Budget for FY 2007/08 is comprised of three volumes:

Volume One includes the City Council's Mission Statement and Broad Goals, City Manager's Transmittal Letter, and Adopted Financial Policies. The Five-Year Financial Plan covers the period FY 2007/08 through FY 2011/12 and forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

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

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

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

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

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

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

Five-Year Financial Plan

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

In March, the City Manager provides the City Council with the updated Five-Year Financial Plans for their review and consideration. The staff works with the Council to review the underlying assumptions and reasonableness of the plans. The plans are used to develop the budget for the coming year (i.e. the first year of the plan) and subsequent years of the five-year financial forecast period. This time is also used to identify future service and financial issues requiring attention during the budget planning process.

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

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

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

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

Revenue Forecasting

The City of Scottsdale uses both qualitative and quantitative methods for forecasting revenues, blending various techniques to develop conservative and prudent revenue projections. Qualitative revenue forecasting methods used by staff to develop multi-year financial plans include consensus, judgmental, and expert forecasting, while trend analysis is used as a quantitative technique. This balanced approach to revenue forecasting is strongly

encouraged by the Government Finance Officers Association (GFOA), since research shows that forecasting accuracy is improved by combining qualitative and quantitative techniques. According to the GFOA, each method by itself has inherent weaknesses: qualitative methods can be too subjective at times and may be subject to wishful thinking and selective perception on behalf of the forecasters; quantitative methods may fail to consider changing conditions inside and outside a jurisdiction and also tend to discount important historical events. By combining qualitative and quantitative methods, forecasters integrate judgmental assumptions within the forecasting framework to produce more realistic revenue projections.

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

**City of Scottsdale's
Comprehensive Financial Policies**

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

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements. In order to ensure compliance with policy, sunset provisions will be required on all grant program initiatives and incorporated into other service plans, as appropriate.
2. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.
3. Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and modified zero-base expenditure analysis that requires every program to be justified annually in terms of meeting intended objectives ("effectiveness criteria") and in terms of value received for dollars allocated ("efficiency criteria"). The process will include a diligent review of programs by staff, management, citizens and City Council.
4. The full City Council will solicit citizen input and serve in an advisory capacity in reviewing operating and capital budget recommendations from a departmental, program, and goals perspective.
5. Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
6. Current revenues will fund current expenditures and a diversified and stable revenue system will be developed to protect programs from short-term fluctuations in any single revenue source. To ensure that Scottsdale does not become overly reliant on 'growth' revenues for operating needs, a minimum of 25% construction privilege tax revenues will be transferred annually to the Capital Improvement Program for one-time capital project use.
7. Addition of personnel will only be requested to meet program initiatives and policy directives, after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, personnel cost reductions will be achieved through attrition.
8. Enterprise (Water, Sewer, Solid Waste Management, and Airport) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service and be approved by the City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents. Rate adjustments for enterprise operations will be based on five-year financial plans.
9. All non-enterprise user fees and charges will be examined annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.

10. Development impact fees, as permitted by state law, for capital expenses attributable to new development will be reviewed annually to ensure that fees recover all direct and indirect development-related expenses and be approved by City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents.
11. Capital equipment replacement will be accomplished through the use of a "rental" rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for operation and replacement of vehicles and other capital equipment (fleet, computers, phones and copier systems). Replacement costs will be based upon equipment lifecycle financial analysis.
12. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process.
13. Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually, focus on a three-year horizon, but include a five-year outlook.
14. Alternative means of service delivery will be evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost. Departments, in cooperation with the City Manager, will identify all activities that could be provided by another source and review options/alternatives to current service delivery. The review of service delivery alternatives and the need for the service will be performed annually or on an "opportunity" basis.
15. Cash and Investment programs will be maintained in accordance with the City Charter and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.
16. The City will follow an aggressive, consistent, but sensitive to the circumstances policy of collecting revenues to the limit of our ability. Collection policy goal will be for all adjusted uncollectible accounts to be no more than .5 of 1% of the total City revenue being adjusted for bad debts annually.

Capital Management Policies

17. A five-year Capital Improvement Plan will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction which results in a capitalized asset costing more than \$25,000 and having a useful (depreciable life) of two years or more.
18. The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.
19. Proposed capital projects will be reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital, and operating) and overall consistency with the City's goals and objectives. Financing sources will then be identified for the highest ranking projects.
20. Capital improvement lifecycle costs will be coordinated with the development of the Operating Budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and included in the Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

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

Debt Management Policies

24. The City will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit.
25. An analysis showing how the new issue combined with current debt impacts the City's debt capacity and conformance with City debt policies will accompany every future bond issue proposal.
26. The City will communicate, and, where appropriate, coordinate with all jurisdictions with which we share a common tax base concerning our collective plans for future debt issues.
27. City Debt Service costs (GO, MPC, HURF, Revenue Bond, McDowell Sonoran Preservation and Contractual Debt) should not exceed 25% of the City's operating revenue in order to control fixed costs and ensure expenditure flexibility.

Improvement District (ID) and Community Facility District (CFD) debt service is not included in this calculation because it is paid by district property owners and is not an obligation of the general citizenry. Separate criteria have been established regarding ID and CFD debt policies.

28. General Obligation debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation and/or property tax rate increases, will be utilized as authorized by voters. Other types of voter-approved debt (e.g., water, sewer, and HURF) may also be utilized when they are supported by dedicated revenue sources (e.g., fees and user charges).
29. General Obligation debt issuances will be managed on an annual basis to match funds to Capital Improvement Plan cashflow requirements while being sensitive to the property tax burden on citizens. Careful management of bond issuances will allow the City to not exceed \$1.50 property tax per \$100 assessed value.
30. Municipal Property Corporation and contractual debt, which is non-voter approved, will be utilized only when a dedicated revenue source (e.g., golf course revenue, privilege tax, bed tax) can be identified to pay debt service expenses. The following considerations will be made to the question of pledging of project (facility) revenues towards debt service requirements:
 - a. The project requires monies not available from other sources.
 - b. Matching fund monies are available which may be lost if not applied for in a timely manner.
 - c. Catastrophic conditions.
 - d. The project to be financed will generate net positive revenues (i.e., the additional tax revenues generated by the project will be greater than the debt service requirements). The net revenues should not simply be positive over the life of the bonds, but must be positive each year within a reasonably short period (e.g., by the third year of debt service payments).

31. McDowell Sonoran Preservation debt service will be funded by the dedicated .35% privilege tax. The City's privilege tax to revenue bond debt service goal will be at least 1.5:1 for senior lien debt to ensure the City's ability to pay for preserve debt from this elastic revenue source.

32. Improvement District (ID) and Community Facility District *(CFD) Bonds shall be permitted only when there is a general City benefit. ID and CFD bonds will be utilized only when it is expected that they will be issued for their full term. It is intended that ID and CFD bonds will be primarily issued for existing neighborhoods desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage.

a. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, the City's cumulative improvement district debt will not exceed 5 percent of the City's secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years.

b. Community Facility District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. In addition, the City's cumulative facility district debt will not exceed 5 percent of the City's secondary assessed valuation. The landowner/developer shall also contribute \$.25 in public

infrastructure improvement costs of each dollar of public infrastructure improvement debt to be financed by the district.

33. Debt financing should not exceed the useful life of the infrastructure improvement with the average (weighted) bond maturities at or below ten years.

34. A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the City's ability to pay short-term obligations.

35. Bond interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan, as approved by City Council, or be applied to debt service payment on the bonds issued for construction of this plan.

36. Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets our bond indenture requirement of 1.2/1. The City goal will be to maintain a minimum ratio of utility revenue to debt service of 1.6/1 or greater, to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes, and to ensure a balanced pay-as-you-go Capital Improvement Plan.

Reserve Policies

37. All fund designations and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's balanced five year financial plan.

38. General Fund Stabilization Reserve of 10 percent of annual general governmental (General and Transportation funds) operating expenditures will be maintained for unforeseen emergencies or catastrophic impacts to the City. Funds in excess of 10 percent, but not to exceed \$5 million, may be used for economic investment in the community when justified by the financial return to the City.

39. Debt Service Reserve will be funded with secondary property taxes, levied by City Council, sufficient to pay the bonded indebtedness for General Obligation bond principal and interest.

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

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

42. Aviation Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with airport operations. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of airport activities.
43. Self-Insurance Reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels, which will be approved by Council.
44. Fleet Management Reserve will be maintained based upon lifecycle replacement plans to ensure adequate fund balance required for systematic replacement of fleet vehicles and operational contingencies. Operating departments will be charged for fleet operating costs per vehicle class and replacement costs spread over the useful life of the vehicles.
45. Contingency Reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. Use of contingency funds should be utilized only after all budget sources have been examined for available funds, and subject to City Council approval.

Financial Reporting Policies

46. The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
47. An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Comprehensive Annual Financial

Report (CAFR). The independent auditor will present CAFR and discuss audit findings concerning internal controls and operational efficiencies at a public meeting.

48. The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.
49. The City's CAFR will also be submitted to Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) as a continuing commitment to disclose thoroughness to enable investors to make informed decisions.
50. The City's Budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.
51. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FUND SUMMARY

* Prior to FY 2006/07, 100% of the bed tax was accounted for in the General Fund. Based on an internal audit recommendation, 80% percent of the total bed tax revenue and related expenditures are now budgeted in the Special Revenue-Special Programs Fund to reflect the restricted nature of this revenue.

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance:				
General Fund Reserve	24,746,163	28,197,118	23,133,103	26,123,378
Photo Enf Loop 101 Program - Contingency	-	-	-	1,213,211
Economic Investment	5,000,000	-	-	-
Tourism Reserve	1,876,309	-	-	-
Operating Contingency	2,800,000	6,686,090	6,686,090	2,500,000
Liabilities Reserve	4,400,000	5,000,000	5,000,000	5,000,000
Unreserved Fund Balance	29,904,984	30,074,161	34,775,787	21,493,135
Total Beginning Fund Balance	68,727,456	69,957,369	69,594,980	56,329,724
Revenues:				
Taxes - Local				
Privilege Tax	104,620,467	110,286,447	109,300,000	113,649,586
Privilege Tax - Public Safety	9,908,798	11,028,645	10,700,000	11,364,959
Property Tax	18,344,943	20,065,685	20,065,685	20,998,296
Transient Occupancy Tax (20%)	8,897,498 *	1,869,000	1,960,000	2,163,000
Light & Power Franchise	6,022,258	6,050,000	7,236,032	7,350,000
Cable TV Franchise	3,079,223	3,282,815	3,355,012	3,348,471
Salt River Project Lieu Tax	186,402	202,864	202,864	175,000
Stormwater Water Quality Charge	733,190	721,371	721,371	743,012
Taxes - From Other Agencies				
State Shared Sales Tax	21,460,402	20,630,000	22,430,000	23,907,860
State Revenue Sharing	21,223,096	20,848,490	26,617,100	33,062,345
Auto Lieu Tax	9,695,030	9,579,000	9,579,000	10,400,000
Licenses, Permits & Fees				
Building Permit Fees & Charges	20,478,040	17,000,000	16,250,000	16,500,000
Fire Service Charges	1,010,426	1,000,000	1,100,000	1,122,000
Business Licenses & Fees	1,576,134	2,088,058	1,600,000	1,632,000
Recreation Fees	2,489,673	2,800,000	2,800,000	2,898,000
WestWorld	2,296,373	2,275,000	2,000,000	2,040,000
Fines & Forfeitures				
Court Fines	5,212,595	5,304,000	5,800,000	5,463,120
Parking Fines	337,103	306,000	306,000	312,120
Photo Enforcement Revenue	2,028,014	2,525,063	2,341,104	2,550,314
Photo Enforcement Loop 101 Program	922,887	2,000,000	4,383,750	4,105,000
Library Fines & Fees	605,617	650,000	650,000	663,000
Interest Earnings/Property Rental				
Interest Earnings	3,266,238	2,300,000	5,200,000	5,200,000
Property Rental	3,448,609	3,100,000	3,380,000	3,315,000
Other Revenue				
Miscellaneous	1,321,693	300,000	1,850,000	700,000
Indirect/Direct Cost Allocation	9,898,152	10,207,678	10,207,678	11,577,243
Subtotal	259,062,861	256,420,115	270,035,596	285,240,325
Cash Transfers In				
In Lieu Property Tax	2,650,428	2,883,046	2,883,046	3,032,047
Franchise Fees	5,423,439	5,597,691	5,746,350	6,018,185
Reimbursements	70,971	-	-	-
Subtotal	8,144,838	8,480,737	8,629,395	9,050,232
Total Revenues & Cash Transfers In	267,207,700	264,900,852	278,664,992	294,290,557
Use of Funds:				
Departments				
General Government				
Mayor & City Council	310,639	366,923	366,923	371,754
City Clerk	720,945	877,198	841,198	913,885
Elections	352,462	212,390	78,390	9,671
City Attorney	5,192,628	6,363,338	5,853,386	7,271,448
City Attorney - Photo Enf Loop 101 Prog	27,876	44,709	77,109	21,600
City Auditor	668,448	747,386	703,386	945,985

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FUND SUMMARY

* Prior to FY 2006/07, 100% of the bed tax was accounted for in the General Fund. Based on an internal audit recommendation, 80% percent of the total bed tax revenue and related expenditures are now budgeted in the Special Revenue-Special Programs Fund to reflect the restricted nature of this revenue.

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
<i>City Court</i>	4,476,895	5,324,183	5,133,565	5,557,681
<i>City Court - Photo Enf Loop 101 Prog</i>	25,841	48,581	136,857	44,940
<i>City Manager</i>	626,791	688,274	688,274	698,730
<i>CAPA</i>	1,372,976	1,695,683	1,645,684	1,776,100
<i>IGR</i>	1,064,116	1,177,233	1,177,233	1,258,298
<i>WestWorld</i>	2,394,436	3,158,698	2,627,148	3,397,033
<i>The Downtown Group</i>	4,233,252	4,746,119	4,957,474	4,695,392
<i>Preservation</i>	839,286	1,058,829	963,251	1,175,140
General Government Total	22,306,591	26,509,544	25,249,878	28,137,657
Police	64,825,444	77,244,280	75,146,209	83,267,250
Police - Photo Enf Loop 101 Program	941,335	1,906,710	2,956,573	809,156
Financial Services	7,836,757	9,593,542	9,379,551	9,901,169
Transportation	-	-	-	193,393
Community Services	44,749,252	53,959,898	53,055,665	58,073,131
Information Systems	8,368,945	9,792,542	9,260,019	10,788,073
Fire	24,307,090	30,351,504	29,386,991	32,354,253
Municipal Services	531,940	618,063	534,744	728,375
Citizen & Neighborhood Resources	3,098,429	3,477,329	3,252,364	3,693,595
Human Resources	3,548,392	4,464,761	4,265,763	4,624,970
Economic Vitality	1,180,642	1,461,219	1,577,944	1,634,581
Economic Vitality - Bed Tax	6,343,783 *	-	-	-
Planning & Development	12,531,778	15,350,539	14,511,943	16,820,424
<i>Estimated Department Expenditure Savings</i>	-	(1,500,000)	(675,000)	(1,750,000)
<i>Estimated Vacant Position Savings</i>	-	(3,300,000)	-	(4,000,000)
<i>Estimated CIP Operating Impacts</i>	-	-	-	-
Subtotal	200,570,378	229,929,931	227,902,644	245,276,027
Debt Service				
Contracts Payable	4,858,014	5,128,638	5,028,659	5,707,179
Certificates of Participation	917,790	917,790	917,790	918,790
Subtotal	5,775,804	6,046,428	5,946,449	6,625,969
Total Operating Budget	206,346,182	235,976,359	233,849,093	251,901,995
Cash Transfers Out				
MPC Excise Debt Fund	7,336,357	5,535,518	4,251,392	6,134,405
CIP - General Fund Maintenance	3,331,200	5,336,900	5,336,900	4,997,900
CIP - General Fund - Public Safety/Radios	4,173,500	5,552,800	5,552,800	3,054,110
CIP - General Fund - Non-Maintenance	26,298,626	34,500,000	36,516,500	39,456,000
Transportation Fund	-	2,861,313	2,861,313	1,000,000
Self Insurance Fund	1,492,672	2,500,000	2,500,000	-
Fleet Fund - Decision Packages/Contingency	1,343,900	-	852,250	-
Special Programs Fund - Balance of Tourism Funds	2,378,765	-	-	-
Special Programs Fund - Community Services	100,000	100,000	100,000	100,000
Special Programs Fund - Neighborhood Revitalization	-	100,000	100,000	50,000
Special Programs Fund - Preservation Rehab	20,000	10,000	10,000	10,000
GAAP to Budget Adjustment	13,518,973	-	-	-
Total Cash Transfers Out	59,993,994	56,496,531	58,081,155	54,802,415
Total Expenditures & Cash Transfers Out	266,340,176	292,472,890	291,930,248	306,704,410
Ending Fund Balance				
General Fund Reserve	27,133,103	30,508,777	26,123,378	28,481,874
Photo Enf Loop 101 Program - Contingency	(72,165)	-	1,213,211	3,000,000
Tourism Reserve	271,759	-	-	-
Operating Contingency	2,700,000	6,686,090	2,391,217	2,940,000
Liabilities Reserve	5,000,000	5,000,000	4,191,218	5,000,000
Unreserved Fund Balance	34,562,283	190,464	22,410,700	4,493,997
Total Ending Fund Balance	69,594,980	42,385,331	56,329,724	43,915,871

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance:					
General Fund Reserve	26,123,378	28,481,874	30,373,788	32,003,122	33,493,004
Photo Enf Loop 101 Program - Contingency	1,213,211	-	-	-	-
Operating Contingency	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Liabilities Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Unreserved Fund Balance	21,493,135	4,493,997	2,676,108	1,327,461	1,169,419
Total Beginning Fund Balance	56,329,724	40,475,871	40,549,896	40,830,583	42,162,424
Revenues:					
Taxes - Local					
Privilege Tax	113,649,586	118,276,901	123,170,088	128,345,709	133,821,409
Privilege Tax - Public Safety	11,364,959	11,827,690	12,317,009	12,834,571	13,382,141
Property Tax	20,998,296	21,997,266	23,084,664	24,225,843	25,423,408
Transient Occupancy Tax (20%)	2,163,000	2,249,520	2,339,501	2,433,081	2,530,404
Light & Power Franchise	7,350,000	7,717,500	8,103,375	8,508,544	8,933,971
Cable TV Franchise	3,348,471	3,500,000	3,600,000	3,700,000	3,800,000
Salt River Project Lieu Tax	175,000	175,000	175,000	175,000	175,000
Stormwater Water Quality Charge	743,012	765,302	788,262	811,909	836,267
Taxes - From Other Agencies					
State Shared Sales Tax	23,907,860	25,079,345	26,458,709	28,046,232	29,729,006
State Revenue Sharing	33,062,345	33,100,000	33,100,000	34,159,200	35,218,135
Auto Lieu Tax	10,400,000	10,816,000	11,248,640	11,698,586	12,166,529
Licenses, Permits & Fees					
Building Permit Fees & Charges	16,500,000	16,750,000	17,500,000	18,000,000	18,500,000
Fire Service Charges	1,122,000	1,444,440	1,487,773	1,532,406	1,578,379
Business Licenses & Fees	1,632,000	1,680,960	1,731,389	1,783,330	1,836,830
Recreation Fees	2,898,000	2,999,430	3,104,410	3,213,064	3,325,522
WestWorld	2,040,000	2,080,800	2,122,416	2,164,864	2,208,162
Fines & Forfeitures					
Court Fines	5,463,120	5,627,014	5,795,824	5,969,699	6,148,790
Parking Fines	312,120	318,362	324,730	331,224	337,849
Photo Enforcement Revenue	2,550,314	2,575,817	2,601,575	2,627,591	2,653,867
Photo Enforcement Loop 101 Program	4,105,000	-	-	-	-
Library Fines & Fees	663,000	676,260	689,785	703,581	717,653
Interest Earnings/Property Rental					
Interest Earnings	5,200,000	5,300,000	5,400,000	5,550,000	5,650,000
Property Rental	3,315,000	3,381,300	3,448,926	3,517,905	3,588,263
Other Revenue					
Miscellaneous	700,000	725,000	750,000	775,000	800,000
Indirect/Direct Cost Allocation	11,577,243	11,705,980	11,836,652	11,969,312	12,104,013
Subtotal	285,240,325	290,769,888	301,178,728	313,076,652	325,465,595
Cash Transfers In					
In Lieu Property Tax	3,032,047	2,471,096	2,711,257	2,916,564	3,069,750
Franchise Fees	6,018,185	6,413,096	6,843,810	7,301,139	7,787,567
Subtotal	9,050,232	8,884,192	9,555,067	10,217,703	10,857,317
Total Revenues & Cash Transfers In	294,290,557	299,654,080	310,733,795	323,294,355	336,322,912
Use of Funds:					
Departments					
General Government					
Mayor & City Council	371,754	384,247	394,819	406,105	418,158
City Clerk	913,885	980,604	1,046,040	1,106,769	1,164,188
Elections	9,671	400,845	22,755	423,551	38,375
City Attorney	7,271,448	7,775,841	8,189,606	8,561,196	8,915,326
City Attorney - Photo Enf Loop 101 Prog	21,600	-	-	-	-
City Auditor	945,985	1,001,163	1,055,590	1,107,189	1,152,392

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
<i>City Court</i>	5,557,681	5,942,615	6,248,790	6,541,707	6,836,489
<i>City Court - Photo Enf Loop 101 Prog</i>	44,940	-	-	-	-
<i>City Manager</i>	698,730	738,588	759,779	776,512	792,250
<i>CAPA</i>	1,776,100	1,876,672	1,959,642	2,035,201	2,112,554
<i>IGR</i>	1,258,298	1,332,100	1,401,992	1,466,657	1,527,657
<i>WestWorld</i>	3,397,033	3,519,199	3,670,024	3,816,133	3,962,377
<i>The Downtown Group</i>	4,695,392	4,861,900	5,039,287	5,220,319	5,408,205
<i>Preservation</i>	1,175,140	1,228,582	1,277,740	1,325,202	1,372,945
General Government Total	28,137,657	30,042,357	31,066,064	32,786,541	33,700,916
Police	83,267,250	90,671,019	96,252,274	101,208,501	105,949,658
Police - Photo Enf Loop 101 Program	809,156	-	-	-	-
Financial Services	9,901,169	10,559,953	11,113,114	11,633,379	12,145,569
Transportation	193,393	219,591	232,649	244,629	253,991
Community Services	58,073,131	61,320,441	64,409,114	67,442,621	70,541,828
Information Systems	10,788,073	11,345,450	11,897,343	12,417,953	12,915,362
Fire	32,354,253	34,430,724	36,362,345	38,245,814	40,048,422
Municipal Services	728,375	768,419	802,989	841,544	881,395
Citizen & Neighborhood Resources	3,693,595	3,932,702	4,153,345	4,357,662	4,561,310
Human Resources	4,624,970	4,918,802	5,204,513	5,477,106	5,729,336
Economic Vitality	1,634,581	1,725,903	1,805,422	1,878,052	1,949,007
Planning & Development	16,820,424	17,752,008	18,693,806	19,582,104	20,466,804
<i>Estimated Department Expenditure Savings</i>	(1,750,000)	(2,250,000)	(2,500,000)	(3,000,000)	(3,300,000)
<i>Estimated Vacant Position Savings</i>	(4,000,000)	(4,300,000)	(4,600,000)	(5,000,000)	(5,400,000)
<i>Estimated CIP Operating Impacts</i>	-	2,600,000	3,600,000	4,000,000	4,300,000
Subtotal	245,276,027	263,737,368	278,492,980	292,115,907	304,743,596
Debt Service					
Contracts Payable	5,707,179	5,835,848	6,054,398	5,985,375	6,226,126
Certificates of Participation	918,790	918,790	918,790	918,790	918,790
Subtotal	6,625,969	6,754,638	6,973,188	6,904,165	7,144,916
Total Operating Budget	251,901,995	270,492,007	285,466,168	299,020,072	311,888,512
Cash Transfers Out					
MPC Excise Debt Fund	6,134,405	6,082,248	6,996,341	6,995,942	7,937,564
CIP - General Fund Maintenance	4,997,900	4,743,000	4,227,800	4,283,700	3,768,300
CIP - General Fund - Public Safety/Radios	3,054,110	1,552,800	1,552,800	1,552,800	1,552,800
CIP - General Fund - Non-Maintenance	39,456,000	14,500,000	10,000,000	10,000,000	10,000,000
Transportation Fund	1,000,000	2,100,000	2,100,000	-	-
Special Programs Fund - Community Services	100,000	100,000	100,000	100,000	100,000
Special Programs Fund - Neighborhood Revitalization	50,000	-	-	-	-
Special Programs Fund - Preservation Rehab	10,000	10,000	10,000	10,000	10,000
Total Cash Transfers Out	54,802,415	29,088,048	24,986,941	22,942,442	23,368,664
Total Expenditures & Cash Transfers Out	306,704,410	299,580,055	310,453,109	321,962,514	335,257,176
Ending Fund Balance					
General Fund Reserve	28,481,874	30,373,788	32,003,122	33,493,004	34,918,077
Photo Enf Loop 101 Program - Contingency	3,000,000	-	-	-	-
Operating Contingency	2,940,000	2,500,000	2,500,000	2,500,000	2,500,000
Liabilities Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Unreserved Fund Balance	4,493,997	2,676,108	1,327,461	1,169,419	810,083
Total Ending Fund Balance	43,915,871	40,549,896	40,830,582	42,162,423	43,228,160

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRANSPORTATION SPECIAL REVENUE FUNDS FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance	-	-	1,044,507	2,261,432
Revenues:				
Highway User Revenue Tax	15,761,902	15,644,279	16,900,000	16,995,000
Transportation Privilege Tax (0.2%)	23,096,160	22,057,289	20,700,000	22,729,917
Local Transportation Assistance Fund I	1,098,400	1,073,258	1,073,258	1,088,492
Local Transportation Assistance Fund II	-	-	-	550,000
Proposition 400 Regional Sales Tax	-	282,160	282,160	293,446
Miscellaneous	134,449	-	107,000	178,000
Subtotal	40,090,911	39,056,986	39,062,418	41,834,856
Cash Transfers In				
General Fund	-	2,861,313	2,861,313	1,000,000
Solid Waste - Alley Maintenance	271,340	290,551	290,551	311,395
Subtotal	271,340	3,151,864	3,151,864	1,311,395
Total Revenues & Cash Transfers In	40,362,251	42,208,851	42,214,282	43,146,251
Use of Funds:				
Department/Division				
Transportation/Admin, Planning & Engineering	11,345,881	14,331,915	14,081,415	15,511,463
Municipal Services/Field Services	11,492,224	13,624,041	13,318,357	18,280,978
Subtotal	22,838,105	27,955,956	27,399,772	33,792,441
Debt Service				
Revenue Bonds	3,141,794	3,155,450	3,155,450	-
Subtotal	3,141,794	3,155,450	3,155,450	-
Total Operating Budget	25,979,899	31,111,406	30,555,222	33,792,441
Cash Transfers Out				
CIP Fund - Privilege Tax Allocation ^(A)	13,111,939	11,028,645	10,350,000	11,364,959
CIP Fund - Tech. Replacement	71,500	68,800	68,800	68,800
Self Insurance Fund	104,407	-	-	-
Fleet Fund - Vehicles	50,000	-	23,335	-
Total Cash Transfers Out	13,337,846	11,097,445	10,442,135	11,433,759
Total Expenditures & Cash Transfers Out	39,317,744	42,208,851	40,997,357	45,226,200
Total Ending Fund Balance ^(A)	1,044,507	-	2,261,432	181,482

^(A) Dedicated Transportation Privilege Tax revenue surplus (50%) over operating expenditures is transferred to the Capital Improvement Fund to fund Transportation capital projects.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRANSPORTATION SPECIAL REVENUE FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance	2,261,432	181,482	896,990	1,676,370	897,875
Revenues:					
Highway User Revenue Tax	16,995,000	17,674,800	18,381,792	19,117,064	19,881,746
Transportation Privilege Tax (0.2%)	22,729,917	23,655,380	24,634,018	26,669,142	27,764,282
Local Transportation Assistance Fund I	1,088,492	1,088,492	1,088,492	1,088,492	1,088,492
Local Transportation Assistance Fund II	550,000	500,000	500,000	600,000	600,000
Proposition 400 Regional Sales Tax	293,446	305,184	317,392	330,087	343,291
Miscellaneous	178,000	200,000	350,000	350,000	400,000
Subtotal	41,834,856	43,423,856	45,271,693	48,154,785	50,077,811
Cash Transfers In					
General Fund	1,000,000	2,100,000	2,100,000	-	-
Solid Waste - Alley Maintenance	311,395	334,012	358,550	380,063	402,867
Subtotal	1,311,395	2,434,012	2,458,550	380,063	402,867
Total Revenues & Cash Transfers In	43,146,251	45,857,868	47,730,243	48,534,848	50,480,678
Use of Funds:					
Department/Division					
Transportation/Admin, Planning & Engineering	15,511,463	16,135,370	16,770,134	17,403,255	18,045,269
Municipal Services/Field Services	18,280,978	17,110,500	17,794,920	18,506,717	19,246,985
Subtotal	33,792,441	33,245,870	34,565,054	35,909,972	37,292,254
Total Operating Budget	33,792,441	33,245,870	34,565,054	35,909,972	37,292,254
Cash Transfers Out					
CIP Fund - Privilege Tax Allocation ^(A)	11,364,959	11,827,690	12,317,009	13,334,571	13,882,141
CIP Fund - Tech. Replacement	68,800	68,800	68,800	68,800	68,800
Total Cash Transfers Out	11,433,759	11,896,490	12,385,809	13,403,371	13,950,941
Total Expenditures & Cash Transfers Out	45,226,200	45,142,360	46,950,863	49,313,342	51,243,195
Total Ending Fund Balance ^(A)	181,482	896,990	1,676,370	897,875	135,358

^(A) Dedicated Transportation Privilege Tax revenue surplus (50%) over operating expenditures is transferred to the Capital Improvement Fund to fund Transportation capital projects.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE PRESERVATION PRIVILEGE TAX SPECIAL REVENUE FUNDS FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance				
Privilege Tax (0.20%)	10,144,842	10,311,467	8,319,875	8,723,129
Privilege Tax (0.15%)	11,734,312	23,954,206	18,989,183	31,863,439
Total Beginning Fund Balance	21,879,154	34,265,673	27,309,058	40,586,568
Revenues:				
Privilege Tax (0.20%)	20,454,846	22,057,289	21,100,000	22,729,917
Privilege Tax (0.15%)	14,863,205	16,542,967	15,700,000	17,047,438
Interest Earnings	752,197	798,000	1,550,000	1,326,000
Subtotal	36,070,248	39,398,256	38,350,000	41,103,355
Cash Transfers In				
Reimbursements	49,263	-	-	-
Subtotal	49,263	-	-	-
Total Revenues & Cash Transfers In	36,119,511	39,398,256	38,350,000	41,103,355
Use of Funds:				
Debt Service				
Contractual Debt	951,765	952,290	952,290	955,780
Subtotal	951,765	952,290	952,290	955,780
Total Expenditures	951,765	952,290	952,290	955,780
Cash Transfers Out				
Debt Service Fund (Preserve GO Bonds)	13,667,065	15,201,304	15,201,304	12,814,391
Debt Service Fund (Preserve Revenue Bonds)	6,812,721	6,808,896	6,808,896	6,789,871
CIP Fund (General Capital Projects)	7,417,993	2,110,000	2,110,000	250,000
GAAP to Budget Adjustment	1,610,015	-	-	-
CIP Cash	230,048	-	-	-
Total Cash Transfers Out	29,737,842	24,120,200	24,120,200	19,854,262
Total Expenditures & Cash Transfers Out	30,689,607	25,072,490	25,072,490	20,810,042
Ending Fund Balance ^(A)				
Privilege Tax (0.20%)	8,319,875	11,528,010	8,723,129	12,954,423
Privilege Tax (0.15%)	18,989,183	37,063,429	31,863,439	47,925,458
Total Ending Fund Balance	27,309,058	48,591,439	40,586,568	60,879,881

^(A) Ending Fund Balance used to pay debt service on future Preserve bond issues, yet to be determined, and to provide a sufficient Preservation Debt Service Reserve.

Fund Summaries and Five-Year Plans

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

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance					
Privilege Tax (0.20%)	8,723,129	12,954,423	18,364,256	25,175,220	31,920,845
Privilege Tax (0.15%)	31,863,439	47,925,458	63,281,274	81,890,968	92,772,993
Total Beginning Fund Balance	40,586,568	60,879,881	81,645,529	107,066,188	124,693,838
Revenues:					
Privilege Tax (0.20%)	22,729,917	23,655,380	24,634,018	25,669,142	26,764,282
Privilege Tax (0.15%)	17,047,438	17,741,535	18,475,513	19,251,856	20,073,211
Interest Earnings	1,326,000	1,977,000	2,724,000	3,438,000	3,438,000
Subtotal	41,103,355	43,373,915	45,833,531	48,358,998	50,275,493
Total Revenues	41,103,355	43,373,915	45,833,531	48,358,998	50,275,493
Use of Funds:					
Debt Service					
Contractual Debt	955,780	952,480	951,855	954,175	953,750
Subtotal	955,780	952,480	951,855	954,175	953,750
Total Expenditures	955,780	952,480	951,855	954,175	953,750
Cash Transfers Out					
Debt Service Fund (Preserve GO Bonds)	12,814,391	12,799,516	12,621,266	22,770,078	26,370,589
Debt Service Fund (Preserve Revenue Bonds)	6,789,871	6,768,271	6,739,751	6,707,095	6,693,695
CIP Fund (General Capital Projects)	250,000	2,088,000	100,000	300,000	300,000
Total Cash Transfers Out	19,854,262	21,655,787	19,461,017	29,777,173	33,364,284
Total Expenditures & Cash Transfers Out	20,810,042	22,608,267	20,412,872	30,731,348	34,318,034
Ending Fund Balance ^(A)					
Privilege Tax (0.20%)	12,954,423	18,364,256	25,175,220	31,920,845	40,275,435
Privilege Tax (0.15%)	47,925,458	63,281,274	81,890,968	92,772,993	100,375,863
Total Ending Fund Balance	60,879,881	81,645,529	107,066,188	124,693,838	140,651,298

^(A) Ending Fund Balance used to pay debt service on future Preserve bond issues, yet to be determined, and to provide a sufficient Preservation Debt Service Reserve.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FUND SUMMARY

* Prior to FY 2006/07, 100% of the bed tax was accounted for in the General Fund. Based on an internal audit recommendation, 80% of the total bed tax revenue and related expenditures are now budgeted in the Special Revenue-Special Programs Fund to reflect the restricted nature of this revenue.

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance/Reserve				
Operating Contingency ^(A)	500,000	1,000,000	1,000,000	1,500,000
Reserved:				
Economic Vitality - Transient Occupancy Tax	-	2,378,765	2,378,765	1,549,135
Courts	1,541,994	2,427,848	2,122,413	2,997,594
Downtown Cultural/Community Arts	447,268	627,268	468,581	468,581
Human Resources - Cultural Diversity	9,958	5,957	11,276	21,095
Police	346,836	364,962	123,205	941,214
Community Services	3,887,631	2,664,091	4,130,298	3,138,874
Citizen & Neighborhood Resources	33,379	72,207	102,142	82,172
Preservation Rehab	-	-	20,000	23,000
Planning & Development Services	22,585	30,785	39,908	48,598
Fire	150	150	3,114	2,964
Total Beginning Fund Balance	6,289,801	8,572,033	9,399,701	9,273,226
Revenues:				
Economic Vitality - Transient Occupancy Tax	-	7,476,000	7,840,000	8,652,000
Courts	981,099	1,184,488	1,588,125	995,135
Downtown Cultural/Community Arts	81,313	85,000	150,000	90,000
Human Resources - Cultural Diversity	10,000	10,000	27,100	10,000
Police	573,318	686,680	1,826,611	1,798,383
Community Services	2,110,211	1,467,917	1,577,442	1,850,000
Citizen and Neighborhood Resources	76,472	25,000	77,237	78,009
Planning & Development Services	38,389	19,215	56,690	58,391
Fire	2,980	4,140	4,140	1,200
Subtotal	3,873,782	10,958,440	13,147,345	13,533,118
Cash Transfers In				
General Fund - Misc. Comm. Svc.	102,000	100,000	100,000	100,000
General Fund - Neighborhood Revitalization	-	100,000	100,000	50,000
General Fund - Balance of Tourism Funds	2,378,765	-	-	-
CIP - Court Enhancement	20,949	-	-	-
General Fund - Preservation Rehab	20,000	10,000	10,000	10,000
Grants	2,748	-	-	-
Subtotal	2,524,462	210,000	210,000	160,000
Total Revenues & Cash Transfers In	6,398,244	11,168,440	13,357,345	13,693,118
Use of Funds:				
Departments				
Economic Vitality - Transient Occupancy Tax	-	7,049,630	8,069,630	7,607,766
Courts	291,629	3,612,336	712,944	434,903
Downtown Cultural/Community Arts	60,000	712,268	150,000	526,150
Human Resources - Cultural Diversity	8,682	15,957	17,281	25,000
Police	505,715	877,442	834,402	816,664
Community Services	1,949,671	4,229,208	2,266,066	2,273,995
Preservation Rehab	-	110,000	107,000	65,000
Citizen and Neighborhood Resources	7,709	97,207	97,207	35,500

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FUND SUMMARY

* Prior to FY 2006/07, 100% of the bed tax was accounted for in the General Fund. Based on an internal audit recommendation, 80% of the total bed tax revenue and related expenditures are now budgeted in the Special Revenue-Special Programs Fund to reflect the restricted nature of this revenue.

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Planning & Development Services	21,066	50,000	48,000	50,024
Fire	16	4,290	4,290	-
Subtotal	2,844,488	16,758,338	12,306,820	11,835,003
Total Operating Budget	2,844,488	16,758,338	12,306,820	11,835,003
Cash Transfers Out				
General Fund	7,641	-	-	-
MPC Debt - Tourism Funds	-	744,867	600,000	744,867
Grants	12,232	-	-	-
CIP Fund - Community Services	-	2,800	402,800	2,002,800
CIP Fund - Police	103,030	-	-	15,000
CIP Fund - Police (RICO)	190,952	174,200	174,200	967,400
CIP Fund (Court)	130,000	-	-	516,300
Subtotal	443,855	921,867	1,177,000	4,246,367
Total Expenditures & Cash Transfers Out	3,288,343	17,680,205	13,483,820	16,081,370
Ending Fund Balance				
Operating Contingency ^(A)	500,000	1,000,000	280,000	1,500,000
Heard Museum - Contingency ^(B)	-	-	-	300,000
Reserved:				
Economic Vitality - Transient Occupancy Tax	2,378,765 *	2,060,268	1,549,135	1,548,502
Courts	2,122,413	-	2,997,594	3,041,526
Downtown Cultural/Community Arts	468,581	-	468,581	32,431
Human Resources - Cultural Diversity	11,276	-	21,095	6,095
Police	123,205	-	941,214	940,533
Community Services	4,130,298	-	3,138,874	812,079
Citizen & Neighborhood Resources	102,142	-	82,172	124,681
Misc Preservation Rehab	20,000	-	23,000	18,000
Planning & Development Services	39,908	-	48,598	56,965
Fire	3,114	-	2,964	4,164
Total Ending Fund Balance	9,399,701	2,060,268	9,273,226	6,884,974

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

^(B) The Heard Museum - Contingency is a funded contingency from Bed Tax and is included in the beginning and ending fund balance.

Note: As a general practice prior to FY 2007/08, all Special Program Fund expenditures reflected in the budget were equal to 100% of the beginning fund balance plus any anticipated revenues. This practice created maximum budget flexibility and reduced the likelihood of using contingency. The Transient Occupancy Tax was an exception to this practice as this ending fund balances tends to be larger and therefore is not budgeted until specific needs are identified. The ending fund balance is carried forward to future periods.

Fund Summaries and Five-Year Plans

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

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance/Reserve					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:					
Economic Vitality - Transient Occupancy Tax	1,549,135	1,548,502	1,785,721	2,096,929	2,491,269
Courts	2,997,594	3,041,526	3,412,650	3,939,937	4,474,134
Downtown Cultural/Community Arts	468,581	32,431	32,431	32,431	32,431
Human Resources - Cultural Diversity	21,095	6,095	-	-	-
Police	941,214	940,533	941,823	941,248	941,111
Community Services	3,138,874	812,079	462,446	90,762	187,962
Citizen & Neighborhood Resources	82,172	124,681	166,728	208,276	249,289
Preservation Rehab	23,000	18,000	13,000	8,000	3,000
Planning & Development Services	48,598	56,965	65,333	73,692	82,035
Fire	2,964	4,164	5,364	6,564	7,764
Total Beginning Fund Balance	9,273,226	6,584,974	6,885,495	7,397,839	8,468,995
Revenues:					
Economic Vitality - Transient Occupancy Tax	8,652,000	8,998,080	9,358,003	9,732,323	10,121,616
Courts	995,135	982,259	1,011,909	1,042,539	1,073,815
Downtown Cultural/Community Arts	90,000	95,000	100,000	100,000	100,000
Human Resources - Cultural Diversity	10,000	10,000	10,000	10,000	10,000
Police	1,798,383	926,600	940,650	941,820	974,285
Community Services	1,850,000	1,924,000	2,000,960	2,080,998	2,164,238
Citizen and Neighborhood Resources	78,009	78,789	79,577	80,373	81,177
Planning & Development Services	58,391	60,142	61,947	63,805	65,719
Fire	1,200	1,200	1,200	1,200	1,200
Subtotal	13,533,118	13,076,071	13,564,246	14,053,059	14,592,050
Cash Transfers In					
General Fund - Misc. Comm. Svc.	100,000	100,000	100,000	100,000	100,000
General Fund - Neighborhood Revitalization	50,000	-	-	-	-
General Fund - Preservation Rehab	10,000	10,000	10,000	10,000	10,000
Subtotal	160,000	110,000	110,000	110,000	110,000
Total Revenues & Cash Transfers In	13,693,118	13,186,071	13,674,246	14,163,059	14,702,050
Use of Funds:					
Departments					
Economic Vitality - Transient Occupancy Tax	7,607,766	7,874,038	8,149,629	8,434,866	8,730,086
Courts	434,903	461,135	484,622	508,342	533,464
Downtown Cultural/Community Arts	526,150	95,000	100,000	100,000	100,000
Human Resources - Cultural Diversity	25,000	16,095	10,000	10,000	10,000
Police	816,664	850,310	881,225	911,957	943,753
Community Services	2,273,995	2,370,833	2,469,844	2,080,998	2,164,238
Preservation Rehab	65,000	15,000	15,000	15,000	15,000
Citizen and Neighborhood Resources	35,500	36,743	38,028	39,359	40,737

Fund Summaries and Five-Year Plans

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

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Planning & Development Services	50,024	51,775	53,587	55,463	57,404
Subtotal	11,835,003	11,770,927	12,201,935	12,155,986	12,594,682
Total Operating Budget	11,835,003	11,770,927	12,201,935	12,155,986	12,594,682
Cash Transfers Out					
MPC Debt - Tourism Funds	744,867	886,823	897,166	903,117	907,664
CIP Fund - Community Services	2,002,800	2,800	2,800	2,800	2,800
CIP Fund - Police	15,000	75,000	60,000	30,000	30,000
CIP Fund - Police (RICO)	967,400	-	-	-	-
CIP Fund (Court)	516,300	150,000	-	-	-
Subtotal	4,246,367	1,114,623	959,966	935,917	940,464
Total Expenditures & Cash Transfers Out	16,081,370	12,885,550	13,161,901	13,091,903	13,535,146
Ending Fund Balance					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Heard Museum - Contingency ^(B)	300,000	-	-	-	-
Reserved:					
Economic Vitality - Transient Occupancy Tax	1,548,502	1,785,721	2,096,929	2,491,269	2,975,135
Courts	3,041,526	3,412,650	3,939,937	4,474,134	5,014,486
Downtown Cultural/Community Arts	32,431	32,431	32,431	32,431	32,431
Human Resources - Cultural Diversity	6,095	-	-	-	-
Police	940,533	941,823	941,248	941,111	941,643
Community Services	812,079	462,446	90,762	187,962	285,162
Citizen & Neighborhood Resources	124,681	166,728	208,276	249,289	289,729
Misc Preservation Rehab ^(C)	18,000	13,000	8,000	3,000	(2,000)
Planning & Development Services	56,965	65,333	73,692	82,035	90,351
Fire	4,164	5,364	6,564	7,764	8,964
Total Ending Fund Balance	6,884,974	6,885,495	7,397,839	8,468,995	9,635,900

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

^(B) The Heard Museum - Contingency is a funded contingency from Bed Tax and is included in the beginning and ending fund balance.

^(C) Any forecasted negative fund balances may be addressed through reductions in expenditures, improvements in revenue forecasts and/or a combination of these actions.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL DISTRICTS FUNDS FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Streetlight Districts	841,409	841,409	792,549	792,549
Downtown Enhanced Municipal Services District ^(A)	34,422	-	4,762	-
Total Beginning Fund Balance	875,831	841,409	797,311	792,549
Revenues:				
Streetlight Districts	501,512	600,000	600,000	621,000
Downtown Enhanced Municipal Services District	9,010	-	-	-
Subtotal	510,522	600,000	600,000	621,000
Total Revenues	510,522	600,000	600,000	621,000
<u>Use of Funds:</u>				
Expenditures:				
Streetlight Districts	550,372	600,000	600,000	621,000
Downtown Enhanced Municipal Services District	38,670	-	4,762	-
Subtotal	589,043	600,000	604,762	621,000
Total Expenditures	589,043	600,000	604,762	621,000
Ending Fund Balance				
Streetlight Districts	792,549	841,409	792,549	792,549
Downtown Enhanced Municipal Services District	4,762	-	-	-
Total Ending Fund Balance	797,311	841,409	792,549	792,549

^(A) On May 17, 2005, the City Council voted not to establish an assessment for FY 2005/06 and remove the Enhanced Municipal Services District (EMSD) from the downtown area. Over the course of the 2005/06 and 2006/07 fiscal years, the remaining balance of the EMSD will be spent on downtown marketing. It is anticipated the available cash balance will be completely spent by June 30, 2007 and the fund balance will be zero.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL DISTRICTS FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Streetlight Districts	792,549	792,549	792,549	792,549	792,549
Total Beginning Fund Balance	792,549	792,549	792,549	792,549	792,549
Revenues:					
Streetlight Districts	621,000	642,735	665,231	688,514	712,612
<i>Subtotal</i>	<i>621,000</i>	<i>642,735</i>	<i>665,231</i>	<i>688,514</i>	<i>712,612</i>
Total Revenues	621,000	642,735	665,231	688,514	712,612
<u>Use of Funds:</u>					
Expenditures:					
Streetlight Districts	621,000	642,735	665,231	688,514	712,612
<i>Subtotal</i>	<i>621,000</i>	<i>642,735</i>	<i>665,231</i>	<i>688,514</i>	<i>712,612</i>
Total Expenditures	621,000	642,735	665,231	688,514	712,612
Ending Fund Balance					
Streetlight Districts	792,549	792,549	792,549	792,549	792,549
Total Ending Fund Balance	792,549	792,549	792,549	792,549	792,549

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE DEBT SERVICE FUNDS FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance:				
G.O. Debt Service	5,109,145	8,271,165	11,957,163	9,671,888
MPC Excise Debt	307,223	5,587,318	6,625,347	6,765,347
Special Assessment Debt	378,332	380,507	350,635	350,635
Total Beginning Fund Balance	5,794,701	14,238,990	18,933,144	16,787,869
Revenues:				
Property Tax (Secondary)	28,409,542	28,711,975	28,711,975	29,672,656
Special Assessments	1,100,482	1,084,884	1,079,475	1,044,279
MCS D Contributions	87,775	84,040	84,040	159,032
AZSTA Contributions	175,575	168,104	168,104	318,112
Spring Exhibition Surcharge	133,766	140,000	140,000	140,000
GO Bond Premium	2,098,537	-	-	-
MPC Bond Premium	2,234,454	-	-	-
Subtotal	34,240,131	30,189,003	30,183,594	31,334,079
Cash Transfers In				
Preservation Privilege Tax Fund - GO Bonds	15,266,545	15,201,304	15,201,304	12,814,391
Preservation Privilege Tax Fund - Rev Bonds	6,812,721	6,808,896	6,808,896	6,789,871
General Fund - MPC Bonds	7,395,133 ^(A)	5,535,518	4,251,392	6,134,405
Special Prog Fund - MPC Bonds/Hosp Funds	-	744,867	600,000	744,867
Subtotal	29,474,399	28,290,585	26,861,592	26,483,534
Total Revenues & Cash Transfers In	63,714,531	58,479,588	57,045,186	57,817,613
Use of Funds:				
Debt Service by Type				
General Obligation Bonds	25,259,542	30,997,250	30,997,250	33,016,332
Preserve G. O. Bonds	13,667,065	15,201,304	15,201,304	12,814,391
Special Assessment Bonds	1,104,384	1,066,703	1,065,203	1,027,522
Special Assessment - Series 104	23,795	18,181	14,272	16,757
Preserve Revenue Bonds (SPA)	6,812,721	6,808,896	6,808,896	6,789,871
MPC Bonds	3,708,580	5,932,529	5,103,536	7,356,416
Subtotal	50,576,087	60,024,863	59,190,461	61,021,289
Total Expenditures	50,576,087	60,024,863	59,190,461	61,021,289
Ending Fund Balance				
G.O. Debt Service	11,957,163	5,985,890	9,671,888	6,328,212
MPC Excise Debt	6,625,347 ^(A)	6,327,318	6,765,347	6,905,347
Special Assessment Debt	350,635	380,507	350,635	350,635
Total Ending Fund Balance	18,933,144	12,693,715	16,787,869	13,584,193

^(A) Economic Investment funds transferred to Debt Service Fund to provide sufficient Excise Tax Debt Reserve.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE DEBT SERVICE FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
<u>Source of Funds:</u>					
Beginning Fund Balance:					
G.O. Debt Service	9,671,888	6,328,212	6,328,212	6,328,212	6,328,212
MPC Excise Debt	6,765,347	6,905,347	7,045,347	7,185,347	7,325,347
Special Assessment Debt	350,635	350,635	350,635	350,635	350,635
Total Beginning Fund Balance	16,787,869	13,584,193	13,724,193	13,864,193	14,004,193
Revenues:					
Property Tax (Secondary)	29,672,656	35,929,986	38,152,328	39,045,638	38,804,528
Special Assessments	1,044,279	1,005,196	881,961	834,875	801,125
MCSD Contributions	159,032	97,372	204,028	112,370	369,011
AZSTA Contributions	318,112	194,772	408,116	224,774	738,133
Spring Exhibition Surcharge	140,000	140,000	140,000	140,000	140,000
Subtotal	31,334,079	37,367,326	39,786,433	40,357,657	40,852,797
Cash Transfers In					
Preservation Privilege Tax Fund - GO Bonds	12,814,391	12,799,516	12,621,266	22,770,078	26,370,589
Preservation Privilege Tax Fund - Rev Bonds	6,789,871	6,768,271	6,739,751	6,707,095	6,693,695
General Fund - MPC Bonds	6,134,405	6,082,248	6,996,341	6,995,942	7,937,564
Special Prog Fund - MPC Bonds/Hosp Funds	744,867	886,823	897,166	903,117	907,664
Subtotal	26,483,534	26,536,858	27,254,524	37,376,232	41,909,512
Total Revenues & Cash Transfers In	57,817,613	63,904,184	67,040,957	77,733,889	82,762,309
<u>Use of Funds:</u>					
Debt Service by Type					
General Obligation Bonds	33,016,332	35,929,986	38,152,328	39,045,638	38,804,528
Preserve G. O. Bonds	12,814,391	12,799,516	12,621,266	22,770,078	26,370,589
Special Assessment Bonds	1,027,522	989,841	868,625	834,875	801,125
Special Assessment - Series 104	16,757	15,355	13,336	-	-
Preserve Revenue Bonds (SPA)	6,789,871	6,768,271	6,739,751	6,707,095	6,693,695
MPC Bonds	7,356,416	7,261,215	8,505,651	8,236,203	9,952,372
Subtotal	61,021,289	63,764,184	66,900,957	77,593,889	82,622,309
Total Expenditures	61,021,289	63,764,184	66,900,957	77,593,889	82,622,309
Ending Fund Balance					
G.O. Debt Service	6,328,212	6,328,212	6,328,212	6,328,212	6,328,212
MPC Excise Debt	6,905,347	7,045,347	7,185,347	7,325,347	7,465,347
Special Assessment Debt	350,635	350,635	350,635	350,635	350,635
Total Ending Fund Balance	13,584,193	13,724,193	13,864,193	14,004,193	14,144,193

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE WATER AND SEWER ENTERPRISE FUNDS FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	18,264,557	14,868,343	14,782,298	16,735,248
Repair/Replacement Reserve	17,591,765	19,974,774	18,561,591	21,528,438
Special Contractual Funds	1,282,361	2,202,235	1,580,988	2,520,976
Unreserved Fund Balance	1,580,186	-	30,209,077	19,005,152
Total Beginning Fund Balance	38,718,869	37,045,352	65,133,954	59,789,814
Revenues:				
Water Charges	79,114,328	79,771,323	81,678,086	85,238,902
Sewer Charges	27,486,418	30,374,867	31,439,000	33,688,586
Effluent Sales	501,629	600,957	652,000	678,080
Interest Earnings	1,998,633	1,489,007	3,386,537	2,091,799
Miscellaneous Revenue	2,291,172	2,251,244	2,217,248	2,236,282
Subtotal	111,392,180	114,487,398	119,372,871	123,933,649
Cash Transfers In				
CIP - Development Fees	6,973,437	6,823,541	6,562,278	9,246,861
Reclaimed Water Dist System	404,565	-	-	-
Subtotal	7,378,002	6,823,541	6,562,278	9,246,861
Total Revenues & Cash Transfers In	118,770,182	121,310,939	125,935,149	133,180,510
Use of Funds:				
Departments				
Financial Services	2,285,895	2,560,495	2,460,495	2,774,929
Water Resources	43,729,741	54,790,128	51,029,084	60,102,985
Indirect Cost Allocation	7,197,936	7,411,492	7,411,492	8,658,727
Subtotal	53,213,572	64,762,115	60,901,071	71,536,641
Debt Service				
General Obligation Bonds	6,864,551	-	-	-
Revenue Bonds	6,514,631	6,474,638	6,475,138	6,440,037
MPC Bonds	10,814,350	12,656,100	10,258,306	15,003,150
Subtotal	24,193,532	19,130,738	16,733,444	21,443,187
Total Operating Budget	77,407,104	83,892,853	77,634,515	92,979,828
Cash Transfers Out				
In Lieu Property Tax	2,571,804	2,805,690	2,805,691	2,957,514
Franchise Fee	5,423,439	5,597,691	5,746,350	6,018,185
CIP Fund (General Capital Projects)	1,386,300	1,462,300	1,462,300	478,600
General Fund & Fleet Fund	193,900	-	316,500	-
CIP Fund ^(A)	-	22,560,118	43,313,933	46,316,126
GAAP to Budget Adjustment	4,236,979	-	-	-
Self Insurance Fund	134,376	-	-	-
Reclaimed Water Dist System	404,565	-	-	-
Aviation Fund	596,630	-	-	-
Total Cash Transfers Out	14,947,993	32,425,799	53,644,773	55,770,425
Total Expenditures & Cash Transfers Out	92,355,097	116,318,652	131,279,289	148,750,253
Ending Fund Balance				
Operating Reserve	14,782,298	16,735,248	16,735,248	18,251,299
Repair/Replacement Reserve	18,561,591	22,964,437	21,528,438	23,239,233
Special Contractual Fund Balance	1,580,988	2,337,954	2,520,976	2,729,539
Unreserved Balance	30,209,077	-	19,005,152	-
Total Ending Fund Balance	65,133,954	42,037,639	59,789,814	44,220,071

^(A) Revenues and Cash Transfer In surplus over operating expenditures transferred to Capital Improvement Fund to fund Water and Sewer capital projects.

Fund Summaries and Five-Year Plans

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

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	16,735,248	18,251,299	19,241,394	20,844,503	21,784,552
Repair/Replacement Reserve	21,528,438	23,239,233	26,538,322	28,315,800	29,529,334
Special Contractual Funds	2,520,976	2,729,539	3,103,565	3,479,680	3,855,495
Unreserved Fund Balance	19,005,152	-	-	-	-
Total Beginning Fund Balance	59,789,814	44,220,071	48,883,281	52,639,983	55,169,381
Revenues:					
Water Charges	85,238,902	90,813,612	96,602,474	102,753,429	109,290,837
Sewer Charges	33,688,586	36,091,997	38,845,419	41,800,623	44,976,195
Effluent Sales	678,080	705,203	733,411	762,747	793,257
Interest Earnings	2,091,799	2,297,896	2,517,273	2,720,979	2,940,161
Miscellaneous Revenue	2,236,282	2,282,582	2,332,422	2,383,391	2,435,781
Subtotal	123,933,649	132,191,290	141,030,999	150,421,169	160,436,231
Cash Transfers In					
CIP - Development Fees	9,246,861	12,125,303	13,145,294	16,102,931	16,179,760
Subtotal	9,246,861	12,125,303	13,145,294	16,102,931	16,179,760
Total Revenues & Cash Transfers In	133,180,510	144,316,593	154,176,293	166,524,100	176,615,991
Use of Funds:					
Departments					
Financial Services	2,774,929	2,939,721	3,096,749	3,245,478	3,393,567
Water Resources	60,102,985	64,201,512	70,011,446	73,149,763	75,480,242
Indirect Cost Allocation	8,658,727	8,745,314	8,832,767	8,921,095	9,010,306
Subtotal	71,536,641	75,886,547	81,940,962	85,316,335	87,884,115
Debt Service					
Revenue Bonds	6,440,037	6,386,900	5,683,075	5,638,500	5,652,725
MPC Bonds	15,003,150	18,621,417	19,517,000	22,441,610	22,458,854
Subtotal	21,443,187	25,008,317	25,200,075	28,080,110	28,111,579
Total Operating Budget	92,979,828	100,894,864	107,141,037	113,396,445	115,995,694
Cash Transfers Out					
In Lieu Property Tax	2,957,514	2,413,282	2,650,924	2,854,874	3,008,070
Franchise Fee	6,018,185	6,413,096	6,843,810	7,301,139	7,787,567
CIP Fund (General Capital Projects)	478,600	473,800	679,500	635,300	576,100
CIP Fund ^(A)	46,316,126	29,458,340	33,104,321	39,806,943	47,197,202
Total Cash Transfers Out	55,770,425	38,758,518	43,278,555	50,598,256	58,568,940
Total Expenditures & Cash Transfers Out	148,750,253	139,653,383	150,419,592	163,994,701	174,564,634
Ending Fund Balance					
Operating Reserve	18,251,299	19,241,394	20,844,503	21,784,552	22,519,018
Repair/Replacement Reserve	23,239,233	26,538,322	28,315,800	29,529,334	30,470,653
Special Contractual Fund Balance	2,729,539	3,103,565	3,479,680	3,855,495	4,231,068
Total Ending Fund Balance	44,220,071	48,883,281	52,639,983	55,169,381	57,220,739

^(A) Revenues and Cash Transfer In surplus over operating expenditures transferred to Capital Improvement Fund to fund Water and Sewer capital projects.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SOLID WASTE ENTERPRISE FUND FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
<u>Source of Funds:</u>				
Beginning Fund Balance				
Operating Reserve	3,802,480	4,028,278	4,086,241	4,093,240
Unreserved	1,638,360	127,320	153,133	434,541
Total Beginning Fund Balance	5,440,840	4,155,598	4,239,374	4,527,781
Revenues:				
Refuse Collection Charges	17,533,506	18,006,095	18,138,303	18,806,060
Interest Earnings	155,256	52,581	168,859	175,759
Miscellaneous Revenue	4,727	-	-	-
Subtotal	17,693,489	18,058,676	18,307,162	18,981,819
Total Revenues	17,693,489	18,058,676	18,307,162	18,981,819
<u>Use of Funds:</u>				
Departments				
Financial Services	620,502	663,252	663,252	704,427
Municipal Services	13,478,199	14,529,177	14,383,475	15,603,706
Indirect Cost Allocation	2,065,476	2,204,100	2,204,100	2,330,519
Subtotal	16,164,177	17,396,529	17,250,827	18,638,652
Debt Service				
MPC Bonds - Transfer Station	1,489,000	-	-	-
Subtotal	1,489,000	-	-	-
Total Operating Budget	17,653,177	17,396,529	17,250,827	18,638,652
Cash Transfers Out				
Self Insurance Fund	39,742	-	-	-
Transp Fund - Alley Maintenance	271,340	290,551	290,551	311,395
Fleet Fund - Additional Vehicles	335,000	-	-	-
CIP Fund (Solid Waste Capital Projects)	318,000	441,900	441,900	-
CIP Fund (General Capital Projects)	80,900	20,300	20,300	20,300
In Lieu Property Tax	15,816	15,177	15,177	14,075
GAAP to Budget Adjustment	180,979	-	-	-
Total Cash Transfers Out	1,241,777	767,928	767,928	345,770
Total Expenditures & Cash Transfers Out	18,894,954	18,164,457	18,018,755	18,984,422
Ending Fund Balance				
Operating Reserve	4,086,241	4,049,817	4,093,240	4,525,179
Unreserved	153,133	-	434,541	-
Total Ending Fund Balance	4,239,374	4,049,817	4,527,781	4,525,179

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SOLID WASTE ENTERPRISE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	4,093,240	4,525,179	3,788,519	3,466,407	3,208,963
Unreserved	434,541	-	-	-	-
Total Beginning Fund Balance	4,527,781	4,525,179	3,788,519	3,466,407	3,208,963
Revenues:					
Refuse Collection Charges	18,806,060	19,592,335	20,420,396	21,276,686	22,161,777
Interest Earnings	175,759	175,290	175,947	186,411	195,454
Subtotal	18,981,819	19,767,625	20,596,343	21,463,097	22,357,231
Cash Transfers In					
CIP Fund	-	1,100,000	1,500,000	-	-
Subtotal	-	1,100,000	1,500,000	-	-
Total Revenues & Cash Transfers In	18,981,819	20,867,625	22,096,343	21,463,097	22,357,231
Use of Funds:					
Departments					
Financial Services	704,427	729,082	754,600	781,011	808,346
Municipal Services	15,603,706	16,156,517	16,882,825	17,607,528	18,354,350
Indirect Cost Allocation	2,330,519	2,353,824	2,377,362	2,401,136	2,425,147
Subtotal	18,638,652	19,239,423	20,014,787	20,789,675	21,587,844
Total Operating Budget	18,638,652	19,239,423	20,014,787	20,789,675	21,587,844
Cash Transfers Out					
Transp Fund - Alley Maintenance	311,395	334,012	358,550	380,063	402,867
Fleet Fund - Additional Vehicles	-	-	414,183	-	244,630
CIP Fund (Solid Waste Capital Projects)	-	2,000,000	1,600,000	520,000	520,000
CIP Fund (General Capital Projects)	20,300	20,300	20,300	20,300	20,300
In Lieu Property Tax	14,075	10,550	10,636	10,503	10,139
Total Cash Transfers Out	345,770	2,364,862	2,403,669	930,866	1,197,936
Total Expenditures & Cash Transfers Out	18,984,422	21,604,285	22,418,455	21,720,541	22,785,780
Ending Fund Balance					
Operating Reserve	4,525,179	3,788,519	3,466,407	3,208,963	2,780,414
Total Ending Fund Balance	4,525,179	3,788,519	3,466,407	3,208,963	2,780,414

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE AVIATION ENTERPRISE FUND FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	510,911	565,294	565,294	580,129
Repair and Replacement Reserve	1,155,179	2,251,680	1,543,781	1,149,897
Unreserved - Capital	-	406,948	-	-
Total Beginning Fund Balance	1,666,090	3,223,922	2,109,075	1,730,026
Revenues:				
Aviation Fees	3,396,346	3,274,679	3,481,363	3,498,770
Interest Earnings	50,803	84,465	84,465	80,426
Jet Fuel Tax	119,346	113,660	195,000	130,650
Subtotal	3,566,495	3,472,804	3,760,828	3,709,846
Cash Transfers In				
Water Fund	596,630	-	-	-
Subtotal	596,630	-	-	-
Total Revenues & Cash Transfers In	4,163,125	3,472,804	3,760,828	3,709,846
Use of Funds:				
Departments				
Transportation	1,613,493	1,720,250	1,666,250	1,793,863
Indirect/Direct Cost Allocation	296,648	242,049	242,049	263,886
Direct Cost Allocation (Fire)	338,092	350,037	350,037	324,111
Subtotal	2,248,233	2,312,336	2,258,336	2,381,860
Total Operating Budget	2,248,233	2,312,336	2,258,336	2,381,860
Cash Transfers Out				
In Lieu Property Tax	62,808	62,178	62,178	60,458
Reimbursement	606	-	-	-
Self Insurance Fund	10,492	-	-	-
Other Transfers	-	-	404,316	-
CIP Fund (General Capital Projects)	10,100	20,100	20,100	10,600
CIP Fund (Aviation Capital Proj Fund)	1,387,900	1,810,600	1,394,947	532,800
Total Cash Transfers Out	1,471,906	1,892,878	1,881,541	603,858
Total Expenditures & Cash Transfers Out	3,720,139	4,205,214	4,139,877	2,985,718
Ending Fund Balance				
Operating Reserve	580,535	593,629	580,129	610,580
Repair and Replacement Reserve	1,528,540	1,897,883	1,149,897	1,843,574
Total Ending Fund Balance	2,109,075	2,491,512	1,730,026	2,454,154

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE AVIATION ENTERPRISE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	580,129	610,580	634,529	661,608	688,092
Repair and Replacement Reserve	1,149,897	1,843,574	2,723,528	3,735,312	4,410,625
Unreserved - Operating	-	-	-	-	331,983
Total Beginning Fund Balance	1,730,026	2,454,154	3,358,057	4,396,920	5,430,700
Revenues:					
Aviation Fees	3,498,770	3,507,517	3,516,286	3,525,077	3,533,890
Interest Earnings	80,426	114,124	153,304	195,039	236,558
Jet Fuel Tax	130,650	130,977	131,304	131,632	131,961
Subtotal	3,709,846	3,752,618	3,800,894	3,851,748	3,902,409
Total Revenues	3,709,846	3,752,618	3,800,894	3,851,748	3,902,409
Use of Funds:					
Departments					
Transportation	1,793,863	1,884,010	1,970,210	2,054,099	2,138,717
Indirect/Direct Cost Allocation	263,886	266,525	269,190	271,882	274,601
Direct Cost Allocation (Fire)	324,111	340,317	357,332	375,199	393,959
Subtotal	2,381,860	2,490,851	2,596,733	2,701,181	2,807,277
Total Operating Budget	2,381,860	2,490,851	2,596,733	2,701,181	2,807,277
Cash Transfers Out					
In Lieu Property Tax	60,458	47,264	49,698	51,188	51,540
CIP Fund (General Capital Projects)	10,600	10,600	10,600	10,600	10,600
CIP Fund (Aviation Capital Proj Fund)	532,800	300,000	105,000	55,000	-
Total Cash Transfers Out	603,858	357,864	165,298	116,788	62,140
Total Expenditures & Cash Transfers Out	2,985,718	2,848,716	2,762,030	2,817,969	2,869,417
Ending Fund Balance					
Operating Reserve	610,580	634,529	661,608	688,092	714,704
Repair and Replacement Reserve	1,843,574	2,723,528	3,735,312	4,410,625	4,410,523
Unreserved	-	-	-	331,983	1,338,464
Total Ending Fund Balance	2,454,154	3,358,057	4,396,920	5,430,700	6,463,691

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE FLEET MANAGEMENT INTERNAL SERVICE FUND FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
<u>Source of Funds:</u>				
Beginning Fund Balance/Reserve	11,835,968	10,314,275	11,051,780	10,169,075
Revenues:				
Rates - Vehicle Acquisition	4,309,356	4,991,745	4,991,745	5,444,848
Rates - Maintenance & Operation	7,775,004	9,248,203	9,248,203	10,314,892
Misc Revenue	200,888	235,000	235,000	170,438
Interest Earnings	408,165	384,304	475,000	479,750
Subtotal	12,693,413	14,859,252	14,949,948	16,409,928
Cash Transfers In				
Fleet Purchases - Decision Packages	1,525,400	-	1,192,085	-
Solid Waste	335,000	-	-	-
Subtotal	1,860,400	-	1,192,085	-
Total Revenues & Cash Transfers In	14,553,813	14,859,252	16,142,033	16,409,928
<u>Use of Funds:</u>				
Departments				
Municipal Services				
Vehicle Acquisition	6,334,545	5,912,570	7,104,655	3,273,250
Fleet Operations	8,724,012	10,035,211	9,752,883	10,926,629
Subtotal	15,058,557	15,947,781	16,857,538	14,199,879
Total Operating Budget	15,058,557	15,947,781	16,857,538	14,199,879
Cash Transfers Out				
CIP Fund - General Capital Projects	25,800	27,200	27,200	27,200
CIP Fund - Fleet Projects	200,500	140,000	140,000	2,217,000
Self Insurance Fund	53,145	-	-	-
Subtotal	279,445	167,200	167,200	2,244,200
Total Expenditures & Cash Transfers Out	15,338,002	16,114,981	17,024,738	16,444,079
Total Ending Fund Balance	11,051,780	9,058,546	10,169,075	10,134,924

Fund Summaries and Five-Year Plans

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

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
<u>Source of Funds:</u>					
Beginning Fund Balance/Reserve	10,169,075	10,134,924	6,938,722	8,931,020	9,807,571
Revenues:					
Rates - Vehicle Acquisition	5,444,848	5,717,090	6,002,945	6,303,092	6,618,247
Rates - Maintenance & Operation	10,314,892	11,036,934	11,754,335	12,459,595	13,207,171
Misc Revenue	170,438	163,663	306,150	208,475	264,075
Interest Earnings	479,750	484,548	489,393	494,287	499,230
Subtotal	16,409,928	17,402,235	18,552,823	19,465,449	20,588,723
Cash Transfers In					
Solid Waste	-	-	414,183	-	244,630
Subtotal	-	-	414,183	-	244,630
Total Revenues & Cash Transfers In	16,409,928	17,402,235	18,967,006	19,465,449	20,833,353
<u>Use of Funds:</u>					
Departments					
Municipal Services					
Vehicle Acquisition	3,273,250	6,585,000	4,892,000	5,925,250	6,185,750
Fleet Operations	10,926,629	11,486,236	12,055,508	12,636,448	13,240,622
Subtotal	14,199,879	18,071,236	16,947,508	18,561,698	19,426,372
Total Operating Budget	14,199,879	18,071,236	16,947,508	18,561,698	19,426,372
Cash Transfers Out					
CIP Fund - General Capital Projects	27,200	27,200	27,200	27,200	27,200
CIP Fund - Fleet Projects	2,217,000	2,500,000	-	-	-
Subtotal	2,244,200	2,527,200	27,200	27,200	27,200
Total Expenditures & Cash Transfers Out	16,444,079	20,598,436	16,974,708	18,588,898	19,453,572
Total Ending Fund Balance	10,134,924	6,938,722	8,931,020	9,807,571	11,187,352

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SELF INSURANCE INTERNAL SERVICE FUNDS FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
<u>Source of Funds:</u>				
Beginning Fund Balance/Reserve				
Property Casualty Claim Reserve	14,159,132	11,830,290	12,124,230	15,812,824
Short-Term Disability Reserve	157,725	167,725	291,513	391,513
Group Health/Dental Claims Reserve	6,266,145	4,612,805	6,764,369	7,136,635
Total Beginning Fund Balance	20,583,002	16,610,820	19,180,111	23,340,971
Revenues:				
Property Casualty Revenues	5,329,712	6,193,250	6,550,329	6,652,663
Short Term Disability Revenues	271,655	140,000	300,000	310,000
Group Health/Dental Revenues	16,977,278	22,270,860	22,270,860	24,500,000
Property Tax (Tort Claims)	700,500	-	-	167,498
Subtotal	23,279,145	28,604,110	29,121,189	31,630,161
Cash Transfers In	1,835,958	2,500,000	2,500,000	-
Total Revenues & Cash Transfers In	25,115,103	31,104,110	31,621,189	31,630,161
<u>Use of Funds:</u>				
Departments				
Financial Services-Operating	929,225	1,126,035	1,003,035	1,112,601
Financial Services-Excess Insurance Premiums	1,431,171	1,700,000	1,450,000	1,700,000
Financial Services-Property/Liability Claims	5,693,195	3,600,000	2,900,000	3,957,500
Human Resources-Group Health/Dental Claims	18,315,012	21,898,594	21,898,594	23,900,000
Human Resources - New Staff Positions FY 07/08	-	-	-	600,000
Consulting/Audit	-	-	-	165,000
Short Term Disability Claims	137,867	130,000	200,000	220,000
Subtotal	26,506,470	28,454,629	27,451,629	31,655,101
Total Operating Budget	26,506,470	28,454,629	27,451,629	31,655,101
Cash Transfers Out				
CIP Fund (General Capital Projects)	10,400	8,700	8,700	8,700
Risk - Self Insurance	1,124	-	-	-
Subtotal	11,524	8,700	8,700	8,700
Total Expenditures & Cash Transfers Out	26,517,994	28,463,329	27,460,329	31,663,801
Ending Fund Balance				
Property Casualty Claim Reserve	12,124,230	14,088,805	15,812,824	15,854,184
Short-Term Disability Reserve	291,513	177,725	391,513	481,513
Group Health/Dental Claims Reserve	6,764,369	4,985,071	7,136,635	6,971,635
Total Ending Fund Balance	19,180,111	19,251,601	23,340,971	23,307,332

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SELF INSURANCE INTERNAL SERVICE FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance/Reserve					
Property Casualty Claim Reserve	15,812,824	15,854,184	16,188,909	16,542,925	16,881,899
Short-Term Disability Reserve	391,513	481,513	566,513	646,513	711,513
Group Health/Dental Claims Reserve	7,136,635	6,971,635	6,801,635	6,626,635	6,446,635
Total Beginning Fund Balance	23,340,971	23,307,332	23,557,056	23,816,072	24,040,047
Revenues:					
Property Casualty Revenues	6,652,663	7,030,106	7,430,160	7,854,179	8,303,600
Short Term Disability Revenues	310,000	320,000	330,000	330,000	330,000
Group Health/Dental Revenues	24,500,000	26,950,000	29,645,000	32,609,500	35,870,450
Property Tax (Tort Claims)	167,498	500,000	500,000	500,000	500,000
Subtotal	31,630,161	34,800,106	37,905,160	41,293,679	45,004,050
Total Revenues	31,630,161	34,800,106	37,905,160	41,293,679	45,004,050
Use of Funds:					
Departments					
Financial Services-Operating	1,112,601	1,202,238	1,244,316	1,287,867	1,332,942
Financial Services-Excess Insurance Premiums	1,700,000	1,785,000	1,874,250	2,005,448	2,145,829
Financial Services-Property/Liability Claims	3,957,500	4,199,444	4,448,878	4,713,189	4,993,268
Human Resources-Group Health/Dental Claims	23,900,000	26,290,000	28,919,000	31,810,900	34,991,990
Human Resources - New Staff Positions FY 07/08	600,000	660,000	726,000	798,600	878,460
Consulting/Audit	165,000	170,000	175,000	180,000	185,000
Short Term Disability Claims	220,000	235,000	250,000	265,000	280,000
Subtotal	31,655,101	34,541,681	37,637,444	41,061,004	44,807,489
Total Operating Budget	31,655,101	34,541,681	37,637,444	41,061,004	44,807,489
Cash Transfers Out					
CIP Fund (General Capital Projects)	8,700	8,700	8,700	8,700	8,700
Subtotal	8,700	8,700	8,700	8,700	8,700
Total Expenditures & Cash Transfers Out	31,663,801	34,550,381	37,646,144	41,069,704	44,816,189
Ending Fund Balance					
Property Casualty Claim Reserve	15,854,184	16,188,909	16,542,925	16,881,899	17,204,760
Short-Term Disability Reserve	481,513	566,513	646,513	711,513	761,513
Group Health/Dental Claims Reserve	6,971,635	6,801,635	6,626,635	6,446,635	6,261,635
Total Ending Fund Balance	23,307,332	23,557,056	23,816,072	24,040,047	24,227,908

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRUST AND AGENCY FUND FUND SUMMARY

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Operating Contingency ^(A)	250,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	4,481	4,481	5,437	5,437
Scottsdale Memorial Hospital Redevelopment	18,111	-	(356)	-
Total Beginning Fund Balance	22,592	4,481	5,081	5,437
Revenues:				
Mayor's Committee for Employment of the Handicapped	5,856	15,000	15,000	10,000
Scottsdale Memorial Hospital Redevelopment	-	-	356	-
Subtotal	5,856	15,000	15,356	10,000
Total Revenues	5,856	15,000	15,356	10,000
<u>Use of Funds:</u>				
Expenditures:				
Mayor's Committee for Employment of the Handicapped	4,900	15,000	15,000	10,000
Scottsdale Memorial Hospital Redevelopment	18,467	-	-	-
Subtotal	23,367	15,000	15,000	10,000
Total Expenditures	23,367	15,000	15,000	10,000
Ending Fund Balance				
Operating Contingency ^(A)	250,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	5,437	4,481	5,437	5,437
Scottsdale Memorial Hospital Redevelopment	(356)	-	-	-
Total Ending Fund Balance	5,081	4,481	5,437	5,437

^(A) The Operating Contingency for the Trust and Agency Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from unanticipated revenues.

Fund Summaries and Five-Year Plans

**CITY OF SCOTTSDALE
TRUST AND AGENCY FUND
FIVE YEAR FINANCIAL FORECAST**

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance:					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	5,437	5,437	5,437	5,437	5,437
Total Beginning Fund Balance	5,437	5,437	5,437	5,437	5,437
Revenues:					
Mayor's Committee for Employment of the Handicapped	10,000	10,000	10,000	10,000	10,000
Subtotal	10,000	10,000	10,000	10,000	10,000
Total Revenues	10,000	10,000	10,000	10,000	10,000
Use of Funds:					
Expenditures:					
Mayor's Committee for Employment of the Handicapped	10,000	10,000	10,000	10,000	10,000
Subtotal	10,000	10,000	10,000	10,000	10,000
Total Expenditures	10,000	10,000	10,000	10,000	10,000
Ending Fund Balance					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	5,437	5,437	5,437	5,437	5,437
Total Ending Fund Balance	5,437	5,437	5,437	5,437	5,437

^(A) The Operating Contingency for the Trust and Agency Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. City Council approval is required before making expenditures from unanticipated revenues.

Fund Summaries and Five-Year Plans

**Adopted Fiscal Year 2007/08 Budget
Fund Summaries
Capital Improvement Plan
(In thousands)**

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance	401,936.5	256,856.6	423,276.8	381,887.4
Revenues:				
Bonds/Contracts				
General Obligation	125,000.0	-	-	84,000.0
General Obligation Preserve	20,000.0	-	-	-
Municipal Properties Corporation	46,500.0	17,400.0	42,500.0	7,400.0
Municipal Properties Corporation-Water	88,360.0	-	-	75,000.0
Certificates of Participation	-	-	-	-
Pay-As-You-Go				
Water & Sewer Development Fees	24,070.9	23,071.0	21,625.0	22,402.2
Regional Transportation Sales Tax (Prop 400)	-	8,731.4	8,731.4	12,532.0
Grants	1,485.0	8,307.3	17,117.6	9,325.3
Other Contributions	100.1	24,343.0	12,088.5	4,000.0
Interest Earnings	2,049.2	2,172.3	2,823.5	3,375.8
Miscellaneous	580.7	1,015.0	395.6	215.0
Subtotals	308,145.8	85,040.0	105,281.6	218,250.2
Cash Transfers In				
General Fund	33,803.3	45,389.7	47,389.7	47,508.0
Transportation Fund	13,183.4	11,097.4	10,998.8	11,433.8
Preservation Privilege Tax Funds	7,647.9	2,110.0	2,110.0	250.0
Special Programs Fund	424.0	177.0	577.0	3,501.5
Aviation Fund	1,398.0	1,830.7	1,415.0	543.4
Water & Sewer Fund	1,386.3	24,022.4	44,776.2	46,794.7
Solid Waste Fund	398.9	462.2	462.2	20.3
Internal Service Funds	236.7	175.9	175.9	2,252.9
Subtotals	58,478.6	85,265.4	107,904.9	112,304.6
Total Revenues & Cash Transfers In	366,624.4	170,305.4	213,186.5	330,554.8
Total Sources of Funds	768,560.9	427,162.0	636,463.3	712,442.2
Use of Funds:				
Program Expenditures				
Community Facilities	150,504.8	121,200.2	65,491.3	132,813.3
Preservation	10,425.0	209,425.9	5,834.2	201,981.9
Drainage & Flood Control	4,028.4	36,276.6	5,740.2	36,937.1
Public Safety	5,066.8	55,230.2	6,367.4	34,525.9
Service Facilities	11,350.6	36,391.1	16,728.3	36,793.2
Transportation	32,719.3	165,293.6	47,756.4	168,596.0
Water Services	124,194.8	224,104.1	100,095.8	279,611.0
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	338,289.7	847,921.7	248,013.6	891,258.4
Less: Estimated Capital Improvement Expenditures (35%)	-	(296,772.6)	-	(311,940.4)
Subtotal: Unexpended at Year End (65%)	-	551,149.1	-	579,318.0
Cash Transfers Out				
To Court Enhancement	20.9	-	-	-
To Water & Sewer Operating Funds	6,973.4	6,823.5	6,562.3	9,246.9
To Solid Waste Enterprise Fund	-	-	-	-
Subtotal	6,994.4	6,823.5	6,562.3	9,246.9
Total Use of Funds	345,284.1	303,596.1	254,575.9	321,187.3
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	-	5,500.0	5,500.0	5,500.0
Reserved:				
Capital General Contingency ^(C)	4,079.8	4,500.0	3,273.8	4,500.0
Reserved Fund Balance	419,197.0	119,065.8	378,613.6	386,754.9
Total Ending Fund Balance	423,276.8	123,565.8	381,887.4	391,254.9

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

(B) Capital Grant Contingency and Capital Airport Grant Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance.

City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2007/08 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2008/09 to FY 2011/12 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

Fund Summaries and Five-Year Plans

**Adopted Fiscal Year 2007/08 Budget
Five Year Financial Plan
Capital Improvement Plan
(In thousands)**

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance	381,887.4	391,254.9	356,409.7	282,063.3	429,727.5
Revenues:					
Bonds/Contracts					
General Obligation	84,000.0	35,000.0	31,800.0	-	-
General Obligation Preserve	-	-	-	210,000.0	-
Municipal Properties Corporation	7,400.0	-	-	-	-
Municipal Properties Corporation-Water	75,000.0	62,000.0	-	-	-
Certificates of Participation	-	-	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	22,402.2	23,231.1	24,090.6	24,982.0	25,906.3
Regional Transportation Sales Tax (Prop 400)	12,532.0	6,000.0	8,225.0	-	-
Grants	9,325.3	8,900.3	3,675.8	3,145.0	1,500.0
Other Contributions	4,000.0	17,400.0	1,000.0	1,750.0	1,500.0
Interest Earnings	3,375.8	3,335.2	2,569.3	2,067.2	1,894.4
Miscellaneous	215.0	245.0	230.0	230.0	230.0
Subtotals	218,250.2	156,111.6	71,590.7	242,174.2	31,030.7
Cash Transfers In					
General Fund	47,508.0	20,795.8	15,780.6	15,836.5	15,321.1
Transportation Fund	11,433.8	11,896.5	12,385.8	13,403.4	13,950.9
Preservation Privilege Tax Funds	250.0	2,088.0	100.0	300.0	300.0
Special Programs Fund	3,501.5	227.8	62.8	32.8	32.8
Aviation Fund	543.4	310.6	115.6	65.6	10.6
Water & Sewer Fund	46,794.7	29,932.1	33,783.8	40,442.2	47,773.3
Solid Waste Fund	20.3	2,020.3	1,620.3	540.3	540.3
Internal Service Funds	2,252.9	2,535.9	35.9	35.9	35.9
Subtotals	112,304.6	69,807.0	63,884.8	70,656.7	77,964.9
Total Revenues & Cash Transfers In	330,554.8	225,918.6	135,475.5	312,830.9	108,995.6
Total Sources of Funds	712,442.2	617,173.5	491,885.2	594,894.2	538,723.1
Use of Funds:					
Program Expenditures					
Community Facilities	132,813.3	4,779.2	1,587.2	1,059.9	881.8
Preservation	201,981.9	1,100.0	3,100.0	300.0	-
Drainage & Flood Control	36,937.1	1,318.2	4,632.2	500.0	9,657.8
Public Safety	34,525.9	4,264.3	790.8	697.8	718.8
Service Facilities	36,793.2	29,882.3	5,026.2	4,767.9	3,857.9
Transportation	168,596.0	27,305.9	24,021.8	15,050.0	10,920.0
Water Services	279,611.0	59,285.0	58,775.0	41,050.0	65,150.0
Prior Year Unexpended ^(A)	-	579,318.0	459,714.4	362,470.9	276,832.7
Subtotal	891,258.4	707,252.9	557,647.6	425,896.5	368,019.0
Less: Estimated Capital Improvement Expenditures (35%)	(311,940.4)	(247,538.5)	(195,176.6)	(149,063.8)	(128,806.7)
Subtotal: Unexpended at Year End (65%)	579,318.0	459,714.4	362,470.9	276,832.7	239,212.4
Cash Transfers Out					
To Court Enhancement	-	-	-	-	-
To Water & Sewer Operating Funds	9,246.9	12,125.3	13,145.3	16,102.9	16,179.8
To Solid Waste Enterprise Fund	-	1,100.0	1,500.0	-	-
Subtotal	9,246.9	13,225.3	14,645.3	16,102.9	16,179.8
Total Use of Funds	321,187.3	260,763.8	209,821.9	165,166.7	144,986.4
Ending Fund Balance					
Capital Grant Contingency ^(B)	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	5,500.0	-	-	-	-
Reserved:					
Capital General Contingency ^(C)	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	386,754.9	351,909.7	277,563.3	425,227.5	389,236.7
Total Ending Fund Balance	391,254.9	356,409.7	282,063.3	429,727.5	393,736.7

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

(B) Capital Grant Contingency and Capital Airport Grant Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance.

City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2007/08 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2008/09 to FY 2011/12 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

TOTAL APPROPRIATION Fund Summaries and Five-Year Plans

	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Source of Funds:								
Beginning Fund Balance/Reserve	\$ 56,329,724	\$ 52,913,775	\$ 16,787,869	\$ 66,047,621	\$ 33,510,046	\$ 5,437	\$ 381,887,400	\$ 607,481,872
Revenues								
Taxes - Local								
Privilege Tax (1.0%)	113,649,586							113,649,586
Privilege Tax - Transportation (.20%)		22,729,917						22,729,917
Privilege Tax - McDowell Preserve (.20%)		22,729,917						22,729,917
Privilege Tax - Preservation (.15%)		17,047,438						17,047,438
Privilege Tax - Public Safety (.10%)	11,364,959							11,364,959
Property Tax	20,998,296		29,672,656		167,498			50,838,450
Transient Occupancy Tax	2,163,000	8,652,000						10,815,000
Light & Power Franchise	7,350,000							7,350,000
Cable TV	3,348,471							3,348,471
Salt River Project Lieu Tax	175,000							175,000
Stormwater Water Quality Charge	743,012							743,012
Taxes - From Other Agencies								
State Shared Sales Tax	23,907,860							23,907,860
State Revenue Sharing	33,062,344							33,062,344
AZ STA/MCSD Revenue			477,144					477,144
Transportation								
Highway User Revenue Tax		16,995,000						16,995,000
Auto Lieu Tax	10,400,000							10,400,000
Local Trans Assistance Fund I		1,088,492						1,088,492
Local Trans Assistance Fund II		550,000						550,000
Proposition 400 Regional Sales Tax		293,446					12,532,000	12,825,446
Internal Service Charges								
Fleet Management					15,759,740			15,759,740
Self-Insurance					31,462,663			31,462,663
Licenses, Permits & Fees								
Building Permit Fees & Charges	16,500,000						22,402,200	38,902,200
Fire Service Charges	1,122,000							1,122,000
Business Licenses & Fees	1,632,000							1,632,000
Recreation Fees	2,898,000							2,898,000
WestWorld	2,040,000							2,040,000
Fines & Forfeitures								
Court Fines	5,463,120							5,463,120
Parking Fines	312,120							312,120
Photo Enforcement	2,550,314							2,550,314
Photo Enforcement Loop 101 Program	4,105,000							4,105,000
Library Fines & Fees	663,000							663,000
Interest Earnings/Property Rental								
Interest Earnings	5,200,000	1,326,000		2,347,984	479,750		3,375,800	12,729,534
Property Rental	3,315,000							3,315,000
Utilities & Enterprises								
Water Charges				85,238,902				85,238,902
Sewer Charges				34,366,666				34,366,666
Refuse/Recycling				18,806,060				18,806,060
Airport				3,629,420				3,629,420
Other Revenue								
Grant & Trust		19,411,206				10,000	9,325,300	28,746,506
Improvement District Assessments		621,000	1,044,279					1,665,279
Miscellaneous	700,000	178,000		2,236,282	170,438		4,215,000	7,499,720
Indirect/Direct Cost Allocation	11,577,243							11,577,243
Special Programs Revenue		4,881,118						4,881,118
Bond Proceeds							166,400,000	166,400,000
Spring Exhibition Surcharge			140,000					140,000
CIP Unexpended Year End							579,314,500	579,314,500
Less Internal Service Funds Offset					(43,912,403)			(43,912,403)
Subtotal	285,240,325	116,503,534	31,334,079	146,625,314	4,127,686	10,000	797,564,800	1,381,405,738
Cash Transfers In								
Operating Transfers								
From General Fund		1,160,000	6,134,405				47,508,010	54,802,415
From Special Revenue Funds			20,349,129				15,185,259	35,534,388
From Enterprise Funds		311,395					47,358,426	47,669,821
From Internal Service Funds							2,252,900	2,252,900
From Capital Improvement Fund				9,246,861				9,246,861
From Enterprise Funds								
In-Lieu Property Tax	3,032,047							3,032,047
Franchise Fee	6,018,185							6,018,185
Subtotal	9,050,232	1,471,395	26,483,534	9,246,861	-	-	112,304,595	158,556,617
Other Activity								
Reserve Appropriations								
Operating Contingency	2,940,000	3,500,000				10,000	15,000,000	21,450,000
Heard Museum Contingency		300,000						300,000
Photo Enforcement Loop 101 Program	3,000,000							3,000,000
Solid Waste				500,000				500,000
Self-Insurance					2,000,000			2,000,000
Water/Sewer				1,000,000				1,000,000
Liabilities Reserve	5,000,000			3,150,000	2,000,000			10,150,000
Subtotal	10,940,000	3,800,000	-	4,650,000	4,000,000	10,000	15,000,000	38,400,000
Total Revenues & Cash Transfers In	305,230,557	121,774,929	57,817,613	160,522,175	8,127,686	20,000	924,869,395	1,578,362,355

TOTAL APPROPRIATION Fund Summaries and Five-Year Plans

	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Use of Funds:								
Departments								
General Government	28,137,656	1,026,053						29,163,709
Police	84,076,406	816,664						84,893,070
Financial Services	9,901,169			3,479,356	31,655,101			45,035,626
Transportation	193,393	15,511,463		1,793,863				17,498,719
Community Services	58,073,131	2,273,995						60,347,126
Information Systems	10,788,073							10,788,073
Fire	32,354,253							32,354,253
Water Resources				60,102,985				60,102,985
Municipal Services	728,375	18,280,978		15,603,706	14,199,879			48,812,938
Citizen & Neighborhood Resources	3,693,595	35,500						3,729,095
Human Resources	4,624,970	25,000						4,649,970
Economic Vitality	1,634,581	7,607,766						9,242,347
Planning & Development Services	16,820,424	50,024						16,870,448
Indirect/Direct Cost Allocation				11,577,243				11,577,243
Estimated Department Savings	(1,750,000)							(1,750,000)
Estimated Vacant Position Savings	(4,000,000)							(4,000,000)
Less Internal Service Fund Offsets	-				(43,912,403)			(43,912,403)
Subtotal	245,276,026	45,627,443	-	92,557,153	1,942,577	-	-	385,403,199
Grant and Trust Activity								
Community Dev Block Grants/HOME/Sec 8		8,077,213						8,077,213
Other Federal & State Grants		11,333,993						11,333,993
Trust and Special Districts		621,000				10,000		631,000
Subtotal	-	20,032,206	-	-	-	10,000	-	20,042,206
Capital Improvements								
Community Facilities							132,813,200	132,813,200
Preservation							201,981,900	201,981,900
Neighborhood Drainage and Flood Control							36,937,100	36,937,100
Public Safety							34,524,900	34,524,900
Service Facilities							36,789,000	36,789,000
Transportation Improvements							168,596,000	168,596,000
Water and Wastewater							279,611,000	279,611,000
Subtotal	-	-	-	-	-	-	891,253,100	891,253,100
Debt Service								
General Obligation Bonds			33,016,332					33,016,332
General Obligation Bonds-Preserve			12,814,391					12,814,391
Preserve Authority Revenue Bonds			6,789,871					6,789,871
Revenue Bonds				6,440,037				6,440,037
MPC Bonds			7,356,416	15,003,150				22,359,566
Special Assessment Bonds			1,044,279					1,044,279
Certificates of Participation	918,790							918,790
Contracts Payable	5,707,179	955,780						6,662,959
Subtotal	6,625,969	955,780	61,021,289	21,443,187	-	-	-	90,046,225
Other Activity								
Reserve Appropriations								
Operating Contingency	2,940,000	3,500,000				10,000	15,000,000	21,450,000
Heard Museum Contingency		300,000						300,000
Photo Enforcement Loop 101 Program	3,000,000							3,000,000
Solid Waste				500,000				500,000
Self-Insurance					2,000,000			2,000,000
Water/Sewer				1,000,000				1,000,000
Liabilities Reserve	5,000,000			3,150,000	2,000,000			10,150,000
Subtotal	10,940,000	3,800,000	-	4,650,000	4,000,000	10,000	15,000,000	38,400,000
Total Budget	262,841,995	70,415,429	61,021,289	118,650,340	5,942,577	20,000	906,253,100	1,425,144,730
Cash Transfers Out								
Capital Improvement Program	47,508,010	15,185,259		47,358,426	2,252,900			112,304,595
Operating Transfers								
To General Fund								-
To Special Revenue Fund	1,160,000			311,395				1,471,395
To Debt Service Fund	6,134,405	20,349,129						26,483,534
To Enterprise Fund							9,246,861	9,246,861
Enterprise Transfers								
In-Lieu Property Tax				3,032,047				3,032,047
Franchise Fee				6,018,185				6,018,185
Subtotal	54,802,415	35,534,388	-	56,720,053	2,252,900	-	9,246,861	158,556,617
Total Expenditures & Cash Transfers Out	317,644,410	105,949,817	61,021,289	175,370,393	8,195,477	20,000	915,499,961	1,583,701,347
Ending Fund Balance/Reserve	43,915,871	68,738,887	13,584,193	51,199,403	33,442,255	5,437	391,256,834	602,142,880

Fund Summaries and Five-Year Plans



Legal Compliance and Financial Management

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

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

Fund Accounting - Fund Types

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

The **General Fund** is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, parks and recreation, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

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

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

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

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

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

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

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

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

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

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

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

General Fund

Fund Purpose

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

General Fund Revenues and Cash Transfers-In

General Fund resources include both revenues and Cash Transfers-In from other fund types such as the Special Revenue, Enterprise and Internal Service Funds. Estimated General Fund revenues and Cash Transfers-In for FY 2007/08 equal \$294.3 million, an increase of approximately \$15.6 million, or 5.6 percent, from the FY 2006/07 year-end forecast of \$278.7 million. The increase from the prior year-end estimate is attributable primarily to higher state-shared revenue estimated at \$7.9 million, increases in transaction privilege (sales) tax of \$4.3 million (4.0 percent), public safety privilege tax \$0.7 million (6.2 percent), primary property tax revenue \$0.9 million (4.6 percent), and auto lieu tax \$0.8 million (8.6 percent). Growth in other revenues such as licenses, permits, fines, fees and forfeitures are expected to be relatively flat to declining for FY 2007/08.

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

Local Tax Revenues

Local Tax Revenues of \$159.8 million represent 54.3 percent of the General Fund total operating resources and are the fund’s largest category of revenue source. With the exception of property taxes, all of these revenues are “elastic”, meaning they vary directly with the economy – during economic expansion, elastic tax revenues increase, due to higher levels of consumer spending and tourism activity. During an economic downturn, the opposite is true and tax revenue levels decline. Local Tax Revenues consist of the following:

Privilege (Sales) Tax represents the 1.0 percent General Fund share of the City’s total 1.65 percent sales tax that is available for any municipal purpose. The remaining 0.65 percent of the tax has dedicated uses and is allocated as follows: General Fund (Public Safety .10%), Special Revenue Fund (Transportation .20%) and Special Revenue Fund (Preservation .35%). The tax is the City’s single largest revenue source. This revenue also includes sales tax application and penalty fees. It is also the General Fund’s single largest revenue source, and the General Fund portion of the tax is used to pay for general governmental operations and the repayment of excise debt. For FY 2007/08, the adopted revenue budget is \$113.6 million, which is approximately a \$4.3 million, or a 4.0 percent increase over the FY 2006/07 year-end estimate of \$109.3 million. The regional economy appears to have slowed from the robust economic activity of the past few years and privilege tax is expected to grow moderately in the five-year revenue forecast. The five-year privilege tax forecast is shown in detail by major business category in the Appendix. Staff forecast the privilege tax collections by category to refine the total sales tax revenue estimate. The revenue forecasts for each business category use various assumptions that combine historical elements as well as emerging fiscal, economic and legal considerations.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$113.6	\$113.6*
2006/07	\$110.3	\$109.3*
2005/06	\$96.7	\$104.6
2004/05	\$84.8	\$94.1
2003/04	\$77.4	\$85.2

Privilege (Sales) Tax - Public Safety represents the .10 percent of the total 1.65 percent sales tax rate and is dedicated exclusively to public safety enhancements. The voters approved the .10 percent increase in the sales tax for public safety in May 2004. The Public Safety sales tax forecast calls for FY 2007/08 revenues of about \$11.4 million versus an expected FY 2006/07 year-end of approximately \$10.7 million. The same business category analysis used for the General Fund 1.0 percent tax was applied when forecasting the Public Safety Privilege Tax.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$11.4	\$11.4*
2006/07	\$11.0	\$10.7*
2005/06	\$9.7	\$9.9
2004/05	\$7.8	\$7.7
2003/04	-	-

Property Tax (Primary) represents the General Fund's portion of the Primary Property Tax which is levied on the assessed value of all property within the City to help pay for City general governmental operation costs. By Arizona State Statute, the primary property levy is limited to a 2.0 percent increase per year, plus an allowance for annexations and new construction. Primary property tax accounts for 7.1 percent of the total projected FY 2007/08 General Fund resources. The FY 2007/08 revenue forecast of \$21.0 million represents an increase of slightly more than \$0.9 million, or 4.6 percent, from the FY 2006/07 year-end estimate of \$20.1 million. The adopted primary property tax rate of approximately 38 cents per \$100 of assessed valuation represents nearly a 4 cent decrease from the FY 2006/07 rate.

Property Tax (Primary) Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$21.0	\$21.0*
2006/07	\$20.1	\$20.1*
2005/06	\$18.7	\$18.3
2004/05	\$17.6	\$17.4
2003/04	\$16.6	\$16.4

Transient Occupancy ("Bed") Tax forecast assumes the tourism industry will post a solid performance in the coming year. Bed tax revenue is expected to increase by approximately \$0.2 million to \$2.2 million in FY 2007/08, or 10.4 percent, from the FY 2006/07 year-end forecast of \$2.0 million. The forecast assumes a moderate 4.0 percent growth in this revenue source beyond FY 2007/08. Based on an internal audit recommendation in FY 2005/06, 80.0 percent, of the total bed tax revenue is budgeted in the Special Revenue-Special Programs Fund to reflect the restricted nature of this revenue. By City ordinance, 80.0 percent of this tax revenue is restricted for tourism and hospitality purposes and the payment of contracts to increase tourism and fund debt service for destination attractions.

Transient Occupancy ("Bed") Tax Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$2.2	\$2.2*
2006/07	\$1.9	\$2.0*
2005/06	\$8.2	\$8.9
2004/05	\$6.7	\$7.9
2003/04	\$6.6	\$7.2

Stormwater Quality Charge revenue relates to the water quality charge to help pay a portion of the City’s Stormwater Management program costs. These costs are driven by “unfunded” federal mandates that require the City to operate under a National Pollution Discharge Elimination System (NPDES) permit and to address the quality of stormwater runoff. Charges are forecasted at \$0.7 million for FY 2007/08, nearly equal to the expected FY 2006/07 year-end forecast.

Stormwater Quality Charge Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.7	\$0.7*
2006/07	\$0.7	\$0.7*
2005/06	\$0.6	\$0.7
2004/05	\$0.6	\$0.6
2003/04	-	-

Other Taxes — Light & Power and Cable TV Franchise and Salt River Project In-Lieu Tax include franchise taxes charged on revenues from utility and cable companies for use of City right-of-ways and in-lieu property tax for municipal utilities. Overall, the revenue for this category is estimated to be \$10.9 million, which is on par with the FY 2006/07 year-end estimate. Some of the more significant changes in this category are noted below.

The light & power franchise tax is projected to increase 1.6 percent, or \$0.1 million.

The cable TV franchise tax and Salt River Project In Lieu Tax are expected to remain relatively flat to the FY 2006/07 year-end estimates of \$3.4 million and \$0.2 million, respectively.

Other Taxes Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$10.9	\$10.9*
2006/07	\$9.5	\$10.8*
2005/06	\$8.6	\$9.3
2004/05	\$8.5	\$9.0
2003/04	\$8.3	\$8.7

State-Shared Tax Revenues

State-Shared Tax Revenues include the state sales tax, income tax collections, and auto lieu tax, which are shared with all cities and towns throughout the state. The State Department of Revenue collects and distributes funds and provides revenue forecasts to cities and towns for these revenue sources. The formula for distribution of the sales and income tax revenue is based upon the relation of the City’s population to the total state population. Under this distribution method, mature cities reaching build-out will see their portion of state-shared tax revenues decrease, as rapidly growing cities receive a greater share of the revenue distribution. The auto lieu tax is shared based on the City’s population in relation to the total incorporated population of Maricopa County.

State-Shared Revenues consist of the following:

State Shared Sales Tax cities and towns share in a portion of the 5.0 percent sales tax collected by the State – the State retains 50.0 percent, schools are designated to receive 40.0 percent, and the remaining 10.0 percent is allocated to cities and towns based on percentage of population. The forecast calls for FY 2007/08 revenues of approximately \$23.9 million versus an expected FY 2006/07 year-end of \$22.4 million. The increase in shared revenues is attributable to a better than expected pool of revenues statewide, as well as impacts of the mid-decade census data.

State Shared Sales Tax Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$23.9	\$23.9*
2006/07	\$20.6	\$22.4*
2005/06	\$19.0	\$21.5
2004/05	\$16.5	\$18.6
2003/04	\$15.4	\$16.9

State Revenue Sharing (Income Tax) there is a two-year lag between the time citizens earn and report results to the State and when the State submits the actual revenues to cities and towns. Cities and towns in Arizona are prohibited from levying a local income tax; however, they are entitled to 15.0 percent of state income tax collections from two years previous. Revenue from State Shared Income Tax is forecasted at \$33.1 million for FY 2007/08, a 24.2 percent increase over expected FY 2006/07 year-end of \$26.6 million. The increase in shared revenues is attributable to a better than expected pool of revenues statewide, as well as impacts of the mid-decade census data.

State Revenue Sharing (Income Tax) Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$33.1	\$33.1*
2006/07	\$20.8	\$26.6*
2005/06	\$20.5	\$21.2
2004/05	\$18.0	\$18.6
2003/04	\$18.0	\$18.3

State Auto Lieu Tax is part of the vehicle license fees collected by Maricopa County, but is actually a State revenue source. The City receives its share of the vehicle license tax collection based on its population in relation to the total incorporated population of Maricopa County. The only stipulation on the use of this revenue is that it must be spent on a public purpose. The City has designated these tax proceeds for transportation services. The budget for FY 2007/08 is forecasted at \$10.4 million, which represents a \$0.8 million, or 8.6 percent, increase from the FY 2006/07 year-end estimate of \$9.6 million.

State Auto Lieu Tax Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$10.4	\$10.4*
2006/07	\$9.6	\$9.6*
2005/06	\$8.9	\$9.7
2004/05	\$7.8	\$8.5
2003/04	\$6.9	\$8.0

Licenses, Permits & Fees Revenue

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

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

Licenses, Permits & Fees Revenue consist of the following:

Building Permits Fees & Charges include fees assessed to developers/builders that recover the cost of four primary functions: 1) reviewing/processing development applications, 2) plan review of construction documents, 3) the issuance of building, electrical, mechanical and plumbing permits, and 4) the inspection of buildings/structures in the construction phase. The FY 2007/08 forecast of \$16.5 million takes into consideration planned redevelopment activity, commercial activity and a modest slowing of residential housing activity, along with a 2.5 percent increase to all Planning and Development Services fees effective July 1, 2007. This is a conservative budget amount when compared to historical trends; however, it factors in the complexity and changing nature of the development activity and the City’s conservative approach when forecasting elastic revenues.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$16.5	\$16.5*
2006/07	\$17.0	\$16.3*
2005/06	\$15.5	\$20.5
2004/05	\$14.3	\$18.2
2003/04	\$13.5	\$17.3

Fire Service Charges include service fees for the cost recovery of fire and medical stand-bys at special events, after hours inspections, and ambulance staffing and dispatch fees associated with the ambulance agreement. In addition, the department collects fees for CPR classes, permits and incident reports. For FY 2007/08 revenues are forecasted at \$1.1 million – virtually the same as the FY 2006/07 year-end estimate.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.1	\$1.1*
2006/07	\$1.0	\$1.1*
2005/06	-	\$1.0
2004/05	-	-
2003/04	-	-

Business Licenses & Fees include the licensing of business activity that takes place in Scottsdale and the associated fees relating to the licensure and regulation of specific activity. Revenues of approximately \$1.6 million are expected in FY 2007/08, remaining flat with the FY 2006/07 year-end estimates.

Business Licenses & Fees Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.6	\$1.6*
2006/07	\$2.1	\$1.6*
2005/06	\$2.0	\$1.6
2004/05	\$1.8	\$1.7
2003/04	\$1.8	\$1.9

Recreation Fees are budgeted at \$2.9 million and include revenue from the various recreational programs, classes, and entry fees. In accordance with the City's adopted financial policies, recreation fees are reviewed and adjusted annually, if the increase is justified by the analysis and approved by City Council. In May 2007 Council adopted several new fees to be implemented for specific reservation fees and use of facilities and equipment at Scottsdale Stadium, CAP Basin Sports Complex, McDowell Mountain Ranch Aquatic Center and McCormick-Stillman Railroad Park effective July 2007.

Recreation Fees Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$2.9	\$2.9*
2006/07	\$2.8	\$2.8*
2005/06	\$2.3	\$2.5
2004/05	\$2.2	\$2.4
2003/04	\$2.2	\$2.4

WestWorld Fees include event revenue (general facility rental, concessions, parking fees, etc.) from events such as horse shows, auto auctions and car shows, consumer and home shows, as well as RV space rental income. Revenues of approximately \$2.0 million are expected in FY 2007/08, nearly equal to the FY 2006/07 year-end estimate. In accordance with the City's adopted financial policies, WestWorld recreation fees are reviewed and adjusted annually, if the increase is justified by the analysis and approved by City Council. In May 2007 Council adopted several new fees related to recent facility improvements and upgrades, increased contract pricing and new services effective July 2007. Staff's FY 2007/08 revenue forecast is based on future confirmed bookings for WestWorld as well as historical activity.

WestWorld Fees Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$2.0	\$2.0*
2006/07	\$2.3	\$2.0*
2005/06	\$1.8	\$2.3
2004/05	\$1.6	\$1.8
2003/04	\$1.5	\$1.8

Fines and Forfeiture Revenues

Fines and Forfeiture Revenues include court, parking, photo radar, and library fines. In the aggregate, the revenue for these items in FY 2007/08 is projected to be \$13.1 million for a decrease of approximately \$0.4 million over the FY 2006/07 year-end estimate.

Court Fines are the General Fund portion of penalties or fees assessed by state statute, City ordinance or the Presiding Judge. Examples include: fines, a portion of the registration fee to attend Defensive Driving School, bonds forfeited to the City and collection fees. Revenues of approximately \$5.5 million are expected for FY 2007/08, which reflects a \$0.3 million decrease from the FY 2006/07 year-end estimate. Staff developed revenue estimates based on historical trends in court activity.

Court Fines Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$5.5	\$5.5*
2006/07	\$5.3	\$5.8*
2005/06	\$5.1	\$5.2
2004/05	\$3.9	\$5.1
2003/04	\$3.7	\$4.4

Parking Fines are the General Fund portion of parking fees assessed per City ordinance and are forecasted at slightly more than \$0.3 million for FY 2007/08 – virtually the same as the FY 2006/07 year-end estimate.

Parking Fines Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.3	\$0.3*
2006/07	\$0.3	\$0.3*
2005/06	\$0.2	\$0.3
2004/05	\$0.2	\$0.2
2003/04	\$0.1	\$0.2

Photo Enforcement Fines are the General Fund portion of Photo Enforcement penalties as assessed by the Presiding Judge. Examples include: red light and speeding fines and a portion of the registration fee to attend Defensive Driving School. Revenues are budgeted at about \$2.6 million for FY 2007/08, which represents an increase of approximately \$0.2 million, or 8.9 percent, from the FY 2006/07 year-end estimate. The use of photo enforcement is intended to be a deterrent to unsafe driving and to modify driving habits, not as a revenue producer.

Photo Enforcement Fines Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$2.6	\$2.6*
2006/07	\$2.5	\$2.3*
2005/06	\$2.5	\$2.0
2004/05	\$1.1	\$2.7
2003/04	\$1.1	\$1.3

Photo Enforcement – Loop 101 Program Fines represents the revenue anticipated with the possible continuation of the Photo Enforcement Loop 101 program. Staff is currently drafting an intergovernmental agreement (IGA) with the Department of Public Safety (DPS), whereby the State would utilize the City’s photo enforcement contractor and the City’s Court to continue to provide photo enforcement on the Loop 101 for a limited period of time after July 1, 2007. Scottsdale is the first community in the country to use photo enforcement on a multi-lane limited access freeway. The forecasted revenue of \$4.1 million for FY 2007/08 represents the possible collections with the implementation of the IGA with the State of Arizona.

Photo Enforcement – Loop 101 Program Fines Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$4.1	\$4.1*
2006/07	\$2.0	\$4.4*
2005/06	\$10.0	\$0.9
2004/05	-	-
2003/04	-	-

Library Fines & Fees are monies collected when library materials are returned after they are due, are lost, and/or are damaged. This category also includes reciprocal inter-library revenue, library facility rentals, and library shared use reimbursements. FY 2007/08 revenues are forecasted at \$0.7 million – virtually the same as the FY 2006/07 year-end estimate. In accordance with the City’s adopted financial policies, the library fines are reviewed and adjusted annually, if necessary. The FY 2007/08 budget does not include any fine increases and is based on historical activity.

Library Fines & Fees Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$0.7	\$0.7*
2006/07	\$0.7	\$0.7*
2005/06	\$0.6	\$0.6
2004/05	\$0.4	\$0.6
2003/04	\$0.4	\$0.5

Interest Earnings are generated on idle General Fund cash balance throughout the year. Revenue from Interest Earnings is forecasted at \$5.2 million for FY 2007/08, the same as the FY 2006/07 year-end estimate. This revenue is a function of the relationship between the City’s available cash balance and the interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool. Interest earnings applicable to bond proceeds and the Capital Improvement Plan (CIP) accrue to the CIP budget and are not included in General Fund revenues. Staff forecasted the interest earnings for FY 2007/08 based on recent activity and anticipated cash balances.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$5.2	\$5.2*
2006/07	\$2.3	\$5.2*
2005/06	\$1.9	\$3.3
2004/05	\$1.7	\$2.3
2003/04	\$0.8	\$1.8

Property Rental Revenues are rental fees on facilities such as the Scottsdale Stadium, as well as amounts received from the Tournament Players Club and Princess Hotel for percent of revenue on gross sales agreements. The FY 2007/08 forecasted revenue is approximately \$3.3 million, which is approximately \$0.1 million less than the FY 2006/07 year-end estimate of \$3.4 million.

Property Rental Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$3.3	\$3.3*
2006/07	\$3.1	\$3.4*
2005/06	\$3.0	\$3.4
2004/05	\$3.4	\$3.1
2003/04	\$3.3	\$3.2

Other Revenue

Miscellaneous revenue includes various miscellaneous revenues the City receives during any given year that are not attributable to one of the specific revenue categories noted previously. The FY 2007/08 revenue is projected to be \$0.7 million, which is a decrease of approximately \$1.2 million over the FY 2006/07 year-end estimate. The majority of this decrease is a result of a one-time reimbursement for a statewide investment pool loss received in FY 2006/07.

Other Revenue - Miscellaneous Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.7	\$0.7*
2006/07	\$0.3	\$1.9*
2005/06	\$1.0	\$1.3
2004/05	\$1.2	\$1.1
2003/04	\$1.5	\$1.8

Indirect/Direct Cost Allocation represents a reimbursement to the General Fund for centralized services provided to the Enterprise Funds such as payroll, accounts payable, human resources, information systems, city administration, etc.). The budget document has traditionally presented reimbursements from internal sources (i.e. Enterprise Funds) as “cash transfers-in” (internal cash transfers between funds), while the City’s Audited Financial Report (CAFR) per General Accounting Standards Board (GASB) standards must be presented as “revenue” to funds. For FY 2007/08, the Indirect/Direct Cost Allocation is presented as “revenue” in the adopted budget, which is the same as the CAFR and, therefore, increases the compatibility between the two documents. The FY 2007/08 forecasted revenue is approximately \$11.6 million, which reflects a \$1.4 million increase from the FY 2006/07 year-end estimate.

Other Revenue – Indirect/Direct Cost Allocation Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$11.6	\$11.6*
2006/07	\$10.2	\$10.2*
2005/06	\$9.9	\$9.9
2004/05	\$8.9	\$8.6
2003/04	\$8.7	\$8.7

Cash Transfers-In

Cash Transfers-In essentially represent the in lieu property taxes and franchise fees. Property tax and franchise fees charged to the Enterprise Funds represent fees a private organization would incur while conducting business within the City. The total Cash Transfers-In for FY 2007/08 are expected to increase by approximately \$0.4 million over the FY 2006/07 year-end estimate as a result of higher franchise and in-lieu fees charged to the Enterprise Funds.

General Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted personal services budget of \$183.4 million represents 72.8 percent of the FY 2007/08 General Fund Operating Budget of nearly \$251.9 million. The adopted FY 2007/08 personal services budget increased \$13.0 million or 7.6 percent from the FY 2006/07 adopted budget.

The personal services costs include a 3.5 percent cost of living pay adjustment (approximately \$5.4 million) effective July 1, 2007 and a 2.5 percent cost of living adjustment (approximately \$1.9 million) effective January 1, 2008 for a majority of the employees, which equates to an increase of approximately \$7.3 million in the General Fund base budget. The effective annual rate of the cost of living adjustment is 4.75 percent. The January 1, 2008 adjustment of 2.5 percent will have a funding tail in the FY 2008/09 budget of approximately \$1.9 million in the General Fund.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$183.4	\$183.4*
2006/07	\$170.4	\$165.5*
2005/06	\$155.7	\$142.8
2004/05	\$120.8	\$114.4
2003/04	\$114.0	\$108.2

The proposed General Fund budget also includes range adjustments for sworn personnel in the Police and Fire departments. The range adjustments are an additional 8.0 percent increase to the maximum of the pay range for sworn Police positions on January 1, 2008 and an additional 5.0 percent increase to the maximum of the pay range for sworn Fire positions on July 1, 2007.

The adopted budget also maintains the City’s merit pay program for those employees that have earned the increase through job performance and have not reached the top of their position range. The City’s contribution to Arizona Public Safety Retirement System for police and fire in FY 2007/08 decreases by about \$0.5 million from the adopted FY 2006/07 budget. This decrease is a result of decreases in the employer’s contribution rates for Police and Fire personnel. The City’s contribution to the Arizona State Retirement System for civilian employees will increase by about \$0.5 million.

See glossary for
Expenditure Type definitions

The adopted General Fund budget includes 58.28 new full-time equivalent (FTE) staff positions with payroll costs of approximately \$3.0 million. The General Fund additions can be summarized by department as follows:

Department	Payroll Cost	New FTEs
General Government – <i>City Attorney</i>	\$0.1M	0.50
Police Department	\$1.0M	16.00
Transportation	\$0.2M	2.00
Community Services	\$1.0M	24.78
Information Systems	\$0.1M	1.00
Fire Department	\$0.0M	6.00
Municipal Services	\$0.3M	4.00
Planning & Development Services	\$0.3M	4.00
Total	\$3.0M	58.28

Further detail on the new FTEs is provided below:

General Government – City Attorney – The proposed budget includes a temporary Assistant City Attorney converting to a part-time employee (0.50 FTE) to assist with drafting ordinances at approximately \$0.1 million for payroll costs.

Police Department – The proposed budget includes 16.00 FTEs at approximately \$1.0 million in payroll and benefits costs. More specifically, the positions include a combination of 9.00 sworn FTEs and 7.00 civilian FTEs. Five sworn positions are included for detective staffing. The five Police Officers would serve as detectives assigned to Fraud (2.00 FTEs), Burglary & Theft (1.00 FTE), Auto Theft (1.00 FTE), and Violent Crimes Investigations (1.00 FTE). One Police Sergeant (1.00 FTE) and three Police Officers (3.00 FTEs) are also proposed for a new Gang Investigations unit. Other positions proposed include a Crime Scene Lead Specialist (1.00 FTE civilian), Crisis Intervention Specialist (1.00 FTE civilian), Communications Supervisor (1.00 FTE civilian), Police Analyst (1.00 FTE civilian) for Crime Analysis, and three Police Aides for Photo Enforcement citation review (3.00 FTEs civilian). The three Police Aide positions would replace the vendor in the contract to provide the citation review and subsequent court testimony; therefore, the major cost of these positions would be offset by a reduction in contractual services.

Transportation – Proposes a Trails Administrator position (1.00 FTE) for the Bicycle and Trails Planning Program and a Trails Planner position (1.00 FTE) at nearly \$0.2 million for payroll and benefits costs.

Community Services – The proposed budget includes 24.78 FTEs at approximately \$1.0 million in payroll and benefit costs. Included are 20.78 FTEs related to expanding community facilities. The expansions include the Arabian Library, which will require 11.73 FTEs after opening in July 2007, the Chaparral Park, which will require 1.70 FTEs to address the anticipated increased recreation demands and 7.35 FTEs for after school programs. The additional 4.00 FTEs include a Pool Manager (1.00 FTE) to meet safety needs, a Maintenance Worker I (1.00 FTE) to serve the City Hall and Civic Center Campus, and a Plumber (1.00 FTE) and Maintenance Technician II (1.00 FTE) to effectively maintain preventive maintenance schedules and to maintain public buildings throughout the City of Scottsdale.

Information Systems – Proposes a Radio Communications Engineer (1.00 FTE) to add new high level support to Radio Communications Group for Public Safety personnel at just over \$0.1 million for payroll and benefits costs.

Fire Department – The proposed budget includes six sworn Firefighter Recruits (6.00 FTEs) for appropriate staffing of a third ambulance pertaining to the terms of the Ambulance Contract. Pursuant to the terms of the Ambulance Contract, the City would be reimbursed for the cost of the six positions.

Municipal Services – Proposes a Building Inspector (1.00 FTE) and converting a Public Works Planner, Plans Examiner and Civil Engineer from contract workers to City staff positions (3.00 FTEs) to support Capital Project Management. The payroll cost for these positions is approximately \$0.3 million. However, when factoring in the contractual offset associated with the conversion of the existing contract workers to City staff there is only a net General Fund Personal Services cost impact of approximately \$0.1 million.

Planning and Development Services – The proposed budget includes 4.00 FTEs. One new position is proposed to assist with the state mandated General Plan Update process (1.00 FTE) and three contract workers are proposed for conversion to regular staff positions (3.00 FTEs) to maintain workload and customer service levels. The payroll cost for these positions is approximately \$0.3 million. Again, when factoring in the contractual offset associated with the conversion of the existing contract workers to City staff there is only a net General Fund Personal Services cost impact of approximately \$0.2 million.

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted budget of \$50.4 million represents 20.0 percent of the FY 2007/08 General Fund Operating Budget of \$251.9 million. The FY 2007/08 budget is \$2.1 million, or 4.2 percent, more than the FY 2006/07 adopted budget. The increase is primarily due to the general increase in contractual services costs due to inflation and nominal usage increases. Major cost drivers for FY 2007/08 include jail services; software maintenance and licensing; property, liability and workman’s compensation; fleet maintenance, operation and replacement; and expert witness services.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$50.4	\$50.4*
2006/07	\$48.3	\$49.1*
2005/06	\$44.7	\$45.3
2004/05	\$57.5	\$58.7
2003/04	\$53.7	\$55.0

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted budget of \$10.6 million represents 4.2 percent of the FY 2007/08 General Fund Operating Budget of almost \$251.9 million. The FY 2007/08 adopted budget is \$0.4 million more than the FY 2006/07 adopted budget. The increase in Commodities is attributable to a general increase in commodities costs.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$10.6	\$10.6*
2006/07	\$10.2	\$10.0*
2005/06	\$8.0	\$7.2
2004/05	\$6.1	\$7.1
2003/04	\$4.8	\$5.1

Capital Outlay includes the purchase of land, the purchase of construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than one year, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted budget of \$0.9 million represents 0.4 percent of the FY 2007/08 General Fund Operating Budget of nearly \$251.9 million. The majority of the adopted FY 2007/08 Capital Outlays budget of \$0.9 is related to vehicles and equipment.

The Budget staff continues to review each department's proposed expenditure budget using a modified zero-based program budget approach. Under this approach, line item-expenditure budgets are carefully evaluated and justified, while providing for required increases that are called for in the current or pending contractual and commodities contracts.

Debt Service is paid from the General Fund, is primarily contractual debt related to sales tax development agreements, and will vary based on the actual sales tax collections at each developed site. The FY 2007/08 budget of \$6.6 million represents 2.6 percent of the FY 2007/08 General Fund Operating Budget of almost \$251.9 million. The FY 2007/08 budget of \$6.6 million is \$0.6 million more than the FY 2006/07 adopted budget. The General Fund debt service is comprised of \$5.7 million in Contracts Payable and \$0.9 million in Certificates of Participation for FY 2007/08 as follows:

Capital Outlay Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.9	\$0.9*
2006/07	\$1.1	\$1.1*
2005/06	\$1.4	\$0.3
2004/05	\$1.1	\$0.3
2003/04	-	\$0.3

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$6.6	\$6.6*
2006/07	\$6.0	\$5.9*
2005/06	\$5.5	\$5.8
2004/05	\$12.1	\$4.3
2003/04	\$11.5	\$9.8

Contracts Payable of \$5.7 million represents debt related to sales tax development agreements such as the Nordstrom Garage Lease, Hotel Valley Ho and the Waterfront Agreement.

Certificates of Participation (COP) are instruments whereby the City enters into a lease-purchase agreement for the acquisition, operation and/or maintenance of a project. COPs are secured by a budgeted appropriation made each year by the City. At the completion of the lease period, the City owns the project. In FY 2005/06, the City issued \$7.65 million of COPs for the acquisition of the police/fire administration building. The COPs are payable over ten years at an average interest cost of 3.29 percent and are callable at the City's option after July 1, 2008. The FY 2007/08 forecast assumes a debt payment of \$0.9 million related to the purchase of the building.

Cash Transfers-Out are the authorized movement of cash to other funds, divisions, departments, and/or capital projects. Cash Transfers-Out in FY 2007/08 total \$54.8 million and includes \$5.0 million to the Capital Fund to cover the cost of on-going capital maintenance. The adopted budget also includes a Cash Transfer-Out of \$3.0 million to the Capital Fund for Public Safety radio replacement and upgrades. In addition another \$39.5 million will be transferred to the Capital Fund for "pay-as-you-go" capital projects. Furthermore, \$1.0 million will be transferred-out to the Transportation Fund for transportation related operating costs (subsidy), \$6.1 million will be transferred to the MPC Excise Debt Fund, and \$0.2 million will be transferred to the Special Programs Fund for the Affordable Housing program grant match (\$0.1 million), neighborhood revitalization (\$50K), and for the preservation and maintenance of properties on Scottsdale's Historic Register (\$10K).

General Fund Balance/Reserves/Operating Contingency

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

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

General Fund Reserve continues the City's adopted financial policy of setting aside a reserve to protect Scottsdale in times of emergency. This is the City's "savings account," and it is important to note that most of these funds are from "carry over", and once they are spent it will be difficult, if not impossible, to rebuild the reserve. It is financially prudent to have a minimum General Fund Reserve of 10.0 percent of the General and Transportation Funds total annual operating costs. Based on the revenue and expenditure estimates included in the adopted budget, the ending FY 2007/08 General Fund Reserve is projected to be approximately \$28.5 million. Maintaining the General Fund Reserve is very important to the municipal credit rating agencies and in retaining the City's triple AAA bond ratings. It should be noted that the revenue sources that help build the General Fund Reserve during good economic times are considered "elastic" and, therefore, are subject to downturns during recessionary times.

Operating Contingency includes \$2.5 million of basic operating contingency to meet unforeseen expenses during the fiscal year. Based on City Council's action at the May 22, 2007 budget hearing, an additional \$3.0 million was added to the FY 2007/08 operating contingency for the possible continuation of the Photo Enforcement - Loop 101 Program. A corresponding \$3.0 million was added to the Photo Enforcement - Loop 101 Program revenues. City Council approval will be required before the funds can be transferred from the contingency to an operating department expenditure budget.

Liabilities Reserves of \$5.0 million provides a funding source for liabilities reserves.

Unreserved Fund Balance is the remainder after considering all of the other reserves/uses. The ending unreserved fund balance is forecast at approximately \$4.5 million, which represents the cumulative General Fund revenues not designated for a specific purpose. This balance represents an accumulation of one-time revenues and is most appropriately used for one-time expenditures, such as capital project funding. Under prudent fiscal management practices, this amount should not be used to fund new or expanded programs with ongoing operating expenses.

Special Revenue Funds

Description

The City uses four separate Special Revenue Funds to account for the activity of restricted revenues and designated expenditure uses for FY 2007/08. The individual funds are: Transportation, Preservation Privilege Tax, Special Programs, and Grants. The applicable specific revenues, expenditures and fund balances of the individual Special Revenue Funds, along with each fund’s purpose, are described below:

Transportation Fund

Fund Purpose

The Transportation Fund receives and expends the City’s allocation of the Arizona Highway User Revenue Tax (HURF) as well as the City’s Transportation Sales Tax (.20 percent) revenue and other transportation related revenues. The amount of HURF available to each City is allocated based on population, which is determined by the latest federal census. These monies must be used for street construction, reconstruction, maintenance, or transit. The State of Arizona requires the City to establish and maintain an accounting for Highway User Revenue funds. The fund also accounts for the 1989, voter approved Transportation Privilege (Sales) Tax of 0.20 percent which is dedicated to funding transportation improvements and operations. The budget continues a policy that transfers 50 percent of the Transportation Privilege (Sales) Tax to the Capital Improvement Fund for transportation related capital improvement projects.

Transportation Fund Revenues and Cash Transfers-In

Highway User Revenue Tax (“Gas Tax”) is distributed by the State of Arizona based upon the population of each city and the county of origin for the sales of fuel. The State constitution requires that all highway user revenue be used solely for street, highway or transit purposes. The cities share in the State collected highway user revenues based half on population, and half on the origin of the gas sale. The adopted FY 2007/08 budget of \$17.0 million represents an increase of \$0.1 million or 0.6 percent from the FY 2006/07 year-end estimate. Forecasted revenue growth is based on Scottsdale’s population growth relative to other Arizona cities, as impacted by the mid-decade Special Census, as well as projected fuel sale activity for Maricopa County.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$17.0	\$17.0*
2006/07	\$15.6	\$16.9*
2005/06	\$15.0	\$15.8
2004/05	\$13.9	\$14.5
2003/04	\$13.5	\$14.0

Transportation Privilege (Sales) Tax (.20%) represents the .20 percent of the City’s sales tax dedicated solely to transportation. Please note there is a difference between the transportation and preservation privilege tax revenue amounts, which is attributable to differences in the taxing provisions for each of the revenues. The adopted FY 2007/08 budget of \$22.7 million represents an increase of \$2 million or 9.7 percent from the FY 2006/07 year-end estimate. Staff’s projected increase in revenues is based on estimated economic growth in sales activity for Scottsdale.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$22.7	\$22.7*
2006/07	\$22.1	\$20.7*
2005/06	\$18.3	\$23.1
2004/05	\$16.2	\$18.1
2003/04	\$15.5	\$16.4

Local Transportation Assistance Fund (LTAF I) Revenue (“State Lottery”) is distributed by the State of Arizona based upon population as well as City and town participation in the lottery. The adopted FY 2007/08 budget of \$1.1 million remains flat with the FY 2006/07 year-end estimate due to restrictions by the State. LTAF revenue sharing was capped by the State at a total of \$20.5 million in 1989 by the Arizona state legislature, resulting in no growth in this segment of intergovernmental transportation revenue.

Local Transportation Assistance Fund (LTAF I) Revenue		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.1	\$1.1*
2006/07	\$1.1	\$1.1*
2005/06	\$1.1	\$1.1
2004/05	\$1.1	\$1.1
2003/04	\$1.1	\$1.1

Local Transportation Assistance Fund II (LTAF II) is distributed by the State of Arizona based on population. This revenue source supports transit uses only and has been funded solely by Powerball earnings since 2003. For distributions to occur to local governments, the overall state fund total must exceed \$31.0M annually with the annual distribution capped at \$18.0M during any fiscal year. Local entities must apply for the LTAF II funding and be capable of meeting matching fund requirements. The City expects to receive an estimated \$0.6 million from the State in the 2007/08 fiscal year. However, this revenue source can vary widely with prior years’ distributions ranging between \$0.2 million and \$0.7 million.

Proposition 400 Regional Sales Tax represents the City’s allocation of the 0.5 percent regional sales approved by Maricopa County voters in November 2004 for transportation and transit enhancements. Based on estimates from regional agencies, the City expects to receive an estimated \$0.3 million from this regional sales tax in the 2007/08 fiscal year.

Cash Transfers-In from the General Fund and the Solid Waste Fund support the Transportation Fund program expenditures. The General Fund and the Solid-Waste Fund are budgeted to provide \$1.0 million and \$0.3 million, respectively, to support the programs of the Transportation Fund, which corresponds with the total resources needed to balance the budgeted operating and capital expenditures in the Transportation Fund.

Transportation Fund Expenditures By Expenditure Type

The Transportation Fund expenditures are presented by five major expenditure categories: personal services, contractual services, commodities, capital outlay, and debt service plus transfers-out to other funds as noted below:

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2007/08 personal services budget of \$7.2 million represents 21.3 percent of the total Transportation Fund operating budget for FY 2007/08 and represents an increase of \$0.7 million from the FY 2006/07 adopted budget. The budget increase is due to increased staffing needs, a salary market adjustment, and increased health and retirement costs.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$7.2	\$7.2*
2006/07	\$6.5	\$6.0*
2005/06	\$5.9	\$3.6
2004/05	\$5.0	\$4.9
2003/04	\$5.0	\$3.6

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2007/08 contractual services budget of \$25.5 million represents 75.4 percent of the total Transportation Fund operating budget for FY 2007/08 and represents an increase of \$4.8 million from the FY 2006/07 adopted budget. The budget increase is due to increased transit contract prices and inflationary increases for fuel, materials, and insurance for repair and maintenance.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$25.5	\$25.5*
2006/07	\$20.7	\$20.7*
2005/06	\$18.9	\$9.7
2004/05	\$16.6	\$16.4
2003/04	\$15.4	\$15.0

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2007/08 commodities budget of \$0.9 million represents 2.6 percent of the total Transportation Fund operating budget for FY 2007/08 and represents an increase of \$0.2 million from the FY 2006/07 adopted budget. The budget increase is due primarily to an accounting change wherein bus pass inventory, purchased for resale, was a balance sheet item that did not appear in the Transportation Fund budget, but is now reflected as an operating expense and not an asset on the balance sheet.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.9	\$0.9*
2006/07	\$0.7	\$0.7*
2005/06	\$0.6	\$0.5
2004/05	\$0.5	\$0.6
2003/04	\$0.5	\$0.5

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than one year, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2007/08 capital outlay budget of \$254,800 represents 0.8 percent of the total Transportation Fund operating budget for FY 2007/08 and an increase of approximately \$200,000 from the FY 2006/07 adopted budget. The increase is due to the purchase of a server to support increased transportation modeling and to replace an obsolete printer to support work product and formal presentations.

Capital Outlay Adopted Budget to Actual/Estimate* (in thousands)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$254,800	\$254,800*
2006/07	\$57,600	\$57,600*
2005/06	\$70,500	\$3,385
2004/05	-	\$2,704
2003/04	-	-

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

Transportation Fund Balance

The adopted FY 2007/08 Transportation Fund ending balance is projected to be zero or a nominal amount. Typically, this fund does not have a large planned fund balance due to its reliance on the General Fund to make up the difference between revenues and expenditures each year.

See glossary for
Expenditure Type definitions

Preservation Privilege Tax Fund

Fund Purpose

This fund accounts for the portion of the City's Privilege (Sales) Tax (0.35 percent) dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. In 1995, voters approved increasing the City's sales tax rate by .20 percent for the purchase of land within the McDowell Sonoran Preserve. In May 2004, voters approved an additional .15 percent in the City's sales tax rate dedicated to the McDowell Sonoran Preserve land acquisition. As with the 1995 tax, the 2004 tax covers the purchase of land within the preserve plus the construction of essential preserve related necessities such as proposed trailheads.

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

Preservation Privilege Tax Fund Revenues

1995 Preservation Privilege (Sales) Tax represents the voter approved .20 percent of the City's sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. The FY 2007/08 budget of \$22.7 million represents an increase of approximately \$1.6 million (7.6 percent) from the FY 2006/07 year-end estimate. Please note there is a difference between the transportation and preservation privilege revenue tax amounts, which is attributable to differences in the taxing provisions for each of the revenues. The projected increase in revenues is based on estimated economic growth in sales activity for Scottsdale.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$22.7	\$22.7*
2006/07	\$22.1	\$21.1*
2005/06	\$18.8	\$20.5
2004/05	\$16.8	\$18.5
2003/04	\$16.1	\$16.7

2004 Preservation Privilege (Sales) Tax represents the voter approved .15 percent of the City's sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve, plus construction of essential preserve related necessities such as proposed trailheads. The FY 2007/08 budget of \$17.0 million represents an increase of approximately \$1.3 million (8.3 percent) from the FY 2006/07 year-end estimate. The projected increase in revenues is based on estimated economic growth in sales activity for Scottsdale.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$17.0	\$17.0*
2006/07	\$16.5	\$15.7*
2005/06	\$14.5	\$14.9
2004/05	\$11.7	\$11.6
2003/04	-	-

Interest Earnings is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investments in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield. The FY 2007/08 budget of \$1.3 million represents a decrease of \$0.3 million from the FY 2006/07 year-end estimate and an increase of \$0.5 million from the FY 2006/07 adopted budget. The projected interest earnings by staff are based on current interest rates and the estimated available cash balance.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.3	\$1.3*
2006/07	\$0.8	\$1.6*
2005/06	\$0.7	\$0.8
2004/05	\$0.5	\$0.5
2003/04	\$0.5	\$0.5

Preservation Privilege Tax Fund Expenditures By Expenditure Type

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

Debt Service adopted budget for FY 2007/08 of approximately \$1.0 million remains flat with the FY 2006/07 adopted budget and consists of contractual debt for the McDowell Sonoran Preserve.

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.0	\$1.0*
2006/07	\$1.0	\$1.0*
2005/06	\$1.0	\$1.0
2004/05	\$1.0	\$1.0
2003/04	\$0.9	\$1.0

Cash Transfers-Out is authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The FY 2007/08 adopted budget of nearly \$19.9 million consists of \$19.6 million in Cash Transfers-Out to the Debt Service Fund for debt payments on Preservation bonds and \$250K related to capital improvement plan land acquisition.

Preservation Privilege Tax Fund Balance

The projected ending fund balance for FY 2007/08 is \$60.9 million, consisting of \$13.0 million related to the 1995 Privilege Tax (0.20 percent) and \$47.9 million related to the 2004 Privilege Tax (0.15 percent).

See glossary for
Expenditure Type definitions

Special Programs Fund

Fund Purpose

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

Special Programs Fund Revenues

Transient Occupancy (“Bed”) Tax Revenue 80% comes from the City collecting a 3.0 percent Transient Occupancy Tax on hotel and motel room rentals in addition to the sales tax. Per City Ordinance 2045/2291 (amended), 80 percent of this tax revenue is restricted for tourism and hospitality purposes and pays for contracts to increase tourism and debt service for destination attractions. Therefore, 80 percent of this revenue is reflected in the Special Revenue – Special Programs Fund. The remaining 20 percent may be used for general government operations and is accounted for in the General Fund. The adopted FY 2007/08 budget of approximately \$8.7 million reflects approximately \$0.8 million or 10.4 percent increase from the FY 2006/07 year-end estimate of \$7.8 million. A strengthening national economy has given a boost to bed tax revenues this past year. Scottsdale’s increase in revenue for FY 2007/08 was developed using information received locally from the Tourism Development Commission as well as national trends in the tourism industry.

Economic Vitality – Transient Occupancy Bed Tax Revenue 80% Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$8.7	\$8.7*
2006/07	\$7.5	\$7.8*
2005/06**	-	-
2004/05**	-	-
2003/04**	-	-

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

Courts Revenue originates from three sources: Court Enhancement, Judicial Collections Enhancement Fund (JCEF) and Fill-the-Gap (FTG). The Court Enhancement is established by Scottsdale City Ordinance 2570 section 9-7.2 and provides funding to enhance the technological, operational, and security facilities of the Court. JCEF and FTG were established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013, which provide funding for maintaining and enhancing the Court’s ability to collect and manage monies. Staff estimates the FY 2007/08 budget for restricted Court Revenue is approximately \$1.0 million.

Court Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$1.0	\$1.0*
2006/07	\$1.2	\$1.6*
2005/06	\$1.0	\$1.0
2004/05	\$0.6	\$0.9
2003/04	\$0.6	\$0.7

Downtown Cultural Trust Revenue - This account holds funds generated from donations and contributions from private development as outlined in the City's art in private development ordinance (Section 5.083). The FY 2007/08 budget for this revenue source is \$54,000.

Community Arts Trust Revenue - This account hold funds that are generated by the lease agreement with the Scottsdale Artists' School at Loloma. The FY 2007/08 budget for this revenue source is \$36,000.

Downtown Cultural/Arts Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.1	\$0.1*
2006/07	\$0.1	\$0.2*
2005/06	\$0.7	\$0.1
2004/05	\$0.3	\$0.1
2003/04	-	\$0.1

Human Resources – Cultural Diversity Revenue includes corporate sponsorship obtained through community outreach efforts in support of cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The FY 2007/08 budget for this restricted revenue source is \$10,000.

Human Resources Cultural Diversity Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$10,000	\$10,000*
2006/07	\$10,000	\$27,100*
2005/06	\$9,500	\$10,000
2004/05	\$7,200	\$6,500
2003/04	-	\$7,500

Police Revenue includes money from the following five sources: (1) Racketeering Influenced Corrupt Organization (RICO) funds, which is only to be used for law enforcement purposes; (2) Forensic Services Intergovernmental Agreements (IGA) with surrounding communities for full cost recovery of crime laboratory services provided; (3) donations for the Mounted Unit and Family Advocacy Center; (4) drug conviction assessments, which may only be used for crime laboratory analysis purposes; and (5) funds for school resource education supplies. Staff estimates the FY 2007/08 budget for this restricted revenue source is \$1.8 million.

Police Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.8	\$1.8*
2006/07	\$0.7	\$1.8*
2005/06	\$0.9	\$0.6
2004/05	\$0.4	\$0.7
2003/04	\$0.3	\$0.4

Community Services Revenue includes donations and contributions that are to be spent for the specific purpose indicated by the donors. This may include enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park. This revenue also includes McCormick-Stillman Railroad Park revenue generated from the operations of the train and carousel owned by the Scottsdale Railroad and Mechanical Society. Staff estimates the FY 2007/08 budget for this restricted revenue source is \$1.9 million.

Community Services Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.9	\$1.9*
2006/07	\$1.5	\$1.6*
2005/06	\$2.5	\$2.1
2004/05	\$1.4	\$1.4
2003/04	\$1.6	\$1.7

Citizen and Neighborhood Resources Revenue includes 50 percent of the total amount of fines collected for code enforcement violations. The proceeds from the fines are used to pay for any property abatement procedures necessary to clean up a property and a lien is placed on the property if the owner does not pay the City's cost of the clean up. In FY 2007/08, the budget for this restricted revenue source is approximately \$78,000.

Citizen & Neighborhood Resources Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$78,009	\$78,009*
2006/07	\$25,000	\$77,237*
2005/06	\$15,172	\$76,472
2004/05	\$19,700	\$33,933
2003/04	\$68,800	\$10,200

Planning and Development Services Revenue

originates from the Green Building Program fees. The Green Building Program is a whole-systems approach utilizing design and building techniques to minimize environmental impact and to reduce the energy consumption of a building while contributing to the health of its occupants. The program fees are used to fund promotion, education, and public outreach to pro-actively campaign for environmentally responsible buildings in the City. The FY 2007/08 budget for this restricted revenue source is approximately \$58,000.

Planning & Development Svcs Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$58,391	\$58,391*
2006/07	\$19,215	\$56,690*
2005/06	\$23,500	\$38,389
2004/05	\$20,600	\$24,150
2003/04	\$20,000	\$23,200

Fire Revenue includes donations and contributions that are to be used for the specific purpose indicated by the donors. Categories include public education support, equipment acquisition, and fire station enhancements. The FY 2007/08 budget for this restricted revenue source is \$1,200.

Fire Department Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1,200	\$1,200*
2006/07	\$4,140	\$4,140*
2005/06	\$1,200	\$2,980
2004/05	-	\$150
2003/04	-	-

Cash Transfers-In from the General Fund are budgeted for the Affordable Housing program in Human Services, which is used as a local grant match to leverage federal and state housing grant funds, and for the preservation and maintenance of properties on Scottsdale’s Historic Register. Additional General Fund Cash Transfers-In to the Special Programs Fund includes funding for neighborhood preservation managed by the Preservation program.

Special Programs Fund Expenditures

Transient Occupancy (“Bed”) Tax Expenditures per City Ordinance 2045/2291 (amended), the use of these restricted funds is solely for tourism and hospitality purposes and pays for contracts to increase tourism and debt service for destination attractions. The FY 2007/08 budget of approximately \$7.6 million includes the destination marketing contract of approximately \$7.0 million.

Economic Vitality – Transient Occupancy Tax Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$7.6	\$7.6*
2006/07	\$7.0	\$8.1*
2005/06**	-	-
2004/05**	-	-
2003/04**	-	-

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

Court Expenditure budget for FY 2007/08 is approximately \$0.4 million and includes the following specific uses:

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

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

Court Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.4	\$0.4*
2006/07	\$3.6	\$0.7*
2005/06	\$2.1	\$0.3
2004/05	\$0.3	\$0.3
2003/04	\$0.3	\$0.2

Downtown Cultural/Community Arts Expenditures special programs adopted budget for FY 2007/08 is approximately \$0.5 million and will support the arts and special events in the downtown.

Downtown Cultural/Arts Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.5	\$0.5*
2006/07	\$0.7	\$0.2*
2005/06	\$1.0	\$0.1
2004/05	\$0.3	\$0.0
2003/04	-	\$0.1

Human Resources – Cultural Diversity Expenditures support cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The adopted budget for FY 2007/08 is \$25,000.

Human Resources – Cultural Diversity Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$25,000	\$25,000*
2006/07	\$15,957	\$17,281*
2005/06	\$14,000	\$8,682
2004/05	\$7,200	\$3,429
2003/04	-	\$613

Police Expenditures budget for FY 2007/08 is \$0.8 million and includes the following specific uses:

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

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

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

Crime laboratory analysis, as outlined in drug conviction assessments.

Police Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.8	\$0.8*
2006/07	\$0.9	\$0.8*
2005/06	\$0.9	\$0.5
2004/05	\$0.4	\$0.5
2003/04	\$0.3	\$0.3

Community Services Expenditures budget for FY 2007/08 is \$2.3 million. The use of funds is based on the specific purpose indicated by the donors. This includes enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park.

Community Services Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$2.3	\$2.3*
2006/07	\$4.2	\$2.3*
2005/06	\$2.8	\$2.0
2004/05	\$2.4	\$1.6
2003/04	\$2.4	\$1.5

Preservation Rehabilitation Expenditures special programs adopted budget for FY 2007/08 is \$65,000 to assist in the preservation and maintenance of properties on Scottsdale's historic register.

Preservation Rehabilitation Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$65,000	\$65,000*
2006/07	\$110,000	\$107,000*
2005/06	\$10,000	-
2004/05	\$10,000	-
2003/04	-	-

Citizen and Neighborhood Resources Expenditures budget for FY 2007/08 is \$35,500. Funds are used for any property abatement procedures necessary to clean up a property when an immediate health and/or safety situation exists. If the owner does not pay the City's cost of the clean up, the City then places a lien on the property.

Citizen and Neighborhood Resources Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$35,500	\$35,500*
2006/07	\$97,207	\$97,207*
2005/06	\$15,172	\$7,709
2004/05	\$19,700	\$10,725
2003/04	\$68,800	-

Planning and Development Services Expenditures relate to the promotion, education, and public outreach campaign for environmentally responsible buildings in the City. The FY 2007/08 adopted budget is approximately \$50,000.

Planning and Development Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$50,024	\$50,024*
2006/07	\$50,000	\$48,000*
2005/06	\$23,500	\$21,066
2004/05	\$20,600	\$12,401
2003/04	\$20,000	\$18,700

Fire Expenditures are spent for the specific purpose indicated by the donors. Categories include public education support, equipment aquisition, and fire station enhancements. There are no planned expenditures for FY 2007/08.

Fire Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	-	-*
2006/07	\$4,290	\$4,290*
2005/06	\$1,200	\$16
2004/05	-	-
2003/04	-	-

Cash Transfers-Out is the authorized movement of cash or other resources to fund debt service and/or capital projects. Transfers total approximately \$4.2 million for FY 2007/08 and include the transfer of more than \$0.7 million in bed tax funds for MPC debt, and \$3.5 million to the Capital Improvement Fund for Police, RICO, Court, and Community Services projects.

Special Programs Fund Balance

Special Programs Fund projected ending balance of approximately \$6.9 million for FY 2007/08 represents the \$1.5 million balance of unexpended bed tax revenues, \$3.0 million for the Courts, more than \$0.9 million for Police, and slightly more than \$0.8 million for Community Services, along with other smaller reserves in other areas. All resources not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended/restricted purposes.

Special Districts Fund

Fund Purpose

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

Special Districts Fund Revenue

Streetlight Districts Revenue represents the levy assessed on property owners within each of the City’s more than 350 streetlight districts. The adopted FY 2007/08 revenue budget is \$0.6 million, which is a \$21,000 increase over the prior year budget.

Streetlight District Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.6	\$0.6*
2006/07	\$0.6	\$0.6*
2005/06	\$0.6	\$0.5
2004/05	\$0.5	\$0.5
2003/04	\$0.5	\$0.5

Special Districts Fund Expenditures By District

Streetlight District Expenditures for FY 2007/08 equal the revenue budget of \$0.6 million and will be used solely for contractual services.

Streetlight District Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.6	\$0.6*
2006/07	\$0.6	\$0.6*
2005/06	\$0.6	\$0.6
2004/05	\$0.6	\$0.5
2003/04	\$0.5	\$0.6

Special Districts Fund Balance

Special Districts Fund balance of approximately \$0.8 million represents cash received from special district assessments and is restricted for the specific uses for which the district was established. All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose.

Grant Fund

Fund Purpose

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

The City aggressively seeks grant funding to leverage City funds to address priority program and service needs. However, due to the uncertainty of grants and specific needs of the City, a multi-year financial plan is not prepared and presented in the “Fund Summaries and Five-Year Plan” section of this book. The major areas of the grant revenue budget for FY 2007/08 are noted below:

Grant Fund Revenues by Grant Area

Community Development Block Grants (CDBG) and Section 8 Housing Grants Revenue is awarded annually by the U.S. Department of Housing and Urban Development (HUD) upon application for funding by the City. These grant revenues may only be used for those projects specifically approved in the grant application and are subject to agency expenditure guidelines and audits. Staff estimates the CDBG and Section 8 Housing Grants for FY 2007/08 to be \$2.0 million and \$5.5 million, respectively, for a total of \$7.5 million.

CDBG and Section 8 Housing Grants Revenue		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$7.5	\$7.5*
2006/07	\$7.7	\$7.7*
2005/06	\$7.6	\$6.2
2004/05	\$6.8	\$6.6
2003/04	\$6.7	\$6.7

HOME Grants Revenue is received from the Maricopa County Home Consortium and are to be used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. Staff estimates the HOME Grants will total \$0.6 million for FY 2007/08.

HOME Grants Revenue		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.6	\$0.6*
2006/07	\$0.4	\$0.4*
2005/06	\$0.9	\$0.8
2004/05	\$0.5	\$0.3
2003/04	\$0.7	\$0.7

Miscellaneous Federal & State Grants Revenue
includes grants for law enforcement, community service, transportation, and water service projects. Staff estimates miscellaneous grants will total \$11.3 million for FY 2007/08.

Miscellaneous Federal & State Grants Revenue		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$11.3	\$11.3*
2006/07	\$12.2	\$12.2*
2005/06	\$15.0	\$2.1
2004/05	\$13.4	\$3.1
2003/04	\$5.1	\$5.1

Grant Fund Expenditures By Grant

Information on Grant Fund expenditures is noted below:

Community Development Block Grant (CDBG) and Section 8 Grant Expenditures are used for social and housing services for the elderly, disabled and low-income families. The FY 2007/08 combined adopted budget is \$7.5 million, reflecting a decrease of \$0.2 million from the FY 2006/07 adopted budget.

CDBG and Section 8 Housing Grant Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$7.5	\$7.5*
2006/07	\$7.7	\$7.7*
2005/06	\$7.6	\$6.2
2004/05	\$6.8	\$6.9
2003/04	\$6.7	\$6.7

HOME Grant Expenditures are to be used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. The FY 2007/08 adopted budget is \$0.6 million, reflecting a \$0.2 million increase from the adopted FY 2006/07 budget.

HOME Grant Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.6	\$0.6*
2006/07	\$0.4	\$0.4*
2005/06	\$0.9	\$0.8
2004/05	\$0.5	\$0.3
2003/04	\$0.7	\$0.7

Miscellaneous Federal & State Grant Expenditures are typically used for the purchase of equipment and services related to the Police, Community Services and Water Resources departments. The FY 2007/08 adopted budget of \$11.3 million reflects a decrease of \$.9 million from the FY 2006/07 budget.

Miscellaneous Federal & State Grant Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$11.3	\$11.3*
2006/07	\$12.2	\$12.2*
2005/06	\$15.0	\$2.1
2004/05	\$13.2	\$4.0
2003/04	\$5.1	\$5.1

Grant Fund Balance

The Grant Fund balance can fluctuate from year to year due to the nature of the specific grants that have been awarded. Most of the City’s grant awards are “expenditure driven” reimbursement grants, meaning the City is reimbursed after the grant-related expenditure is made for the intended purpose. On a less frequent basis, the City is awarded “endowment” type grants, which means the City actually receives the grant funding prior to making the expenditure.

Debt Service Fund

Fund Purpose

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

Debt Service Fund Revenues and Cash Transfers-In

Property Tax (Secondary) Revenue represents the portion of the property tax that is exclusively limited to pay debt service by Arizona State Statute. While the growth is unlimited, the City’s use of this portion of the property tax is restricted by State Statute to solely pay debt service on voter approved general obligation bonds. The debt service for bonds already issued, plus estimated debt service for bonds planned to be issued within the budgeted fiscal year, is levied. Secondary property tax accounts for 51 percent of the total Debt Service resources. The FY 2007/08 revenue forecast of nearly \$29.7 million represents an increase of approximately \$1.0 million or 3.3 percent from the FY 2006/07 year-end forecast of \$28.7 million.

Property Tax (Secondary) Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$29.7	\$29.7*
2006/07	\$28.7	\$28.7*
2005/06	\$28.4	\$28.4
2004/05	\$26.9	\$26.5
2003/04	\$25.5	\$25.3

Special Assessment Revenue results from billings to the property owners within an Improvement District. Districts are formed when owners desire improvement to their property, such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City’s budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. The FY 2007/08 revenue is estimated to be approximately \$1.0 million, which is nearly equal to the FY 2006/07 year-end estimate based on scheduled debt repayments. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Maricopa County Assessor’s Office, to debt ratio (prior to improvements being installed) is a minimum of 3:1 prior to issuance of debt and 5:1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, per adopted financial policy, the City’s cumulative improvement district debt will not exceed 5.0 percent of the City’s secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years.

Special Assessment Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2007/08	\$1.0	\$1.0*
2006/07	\$1.1	\$1.1*
2005/06	\$1.1	\$1.1
2004/05	\$2.8	\$2.0
2003/04	\$2.9	\$2.6

Maricopa County Stadium District (MCSD)

Contributions are derived from a \$2.50 surcharge on car rentals in Maricopa County. The revenue forecast for FY 2007/08 of slightly less than \$0.2 million will be used to pay the debt services payments associated with the San Francisco Giants professional baseball practice facility.

Maricopa County Stadium District Contributions		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.2	\$0.2*
2006/07	\$0.1	\$0.1*
2005/06	\$0.1	\$0.1
2004/05	-	\$0.3
2003/04	-	-

Arizona Sports and Tourism Authority (AZSTA)

Contributions represents the City's disbursement from the state tourism sports authority that will be used to pay the debt service payments associated with the Cactus League. The revenue is derived from a 1.0 percent hotel room tax and a 3.25 percent car rental surcharge (net of the \$2.50 MCSD surcharge mentioned above). The FY 2007/08 revenue is estimated to be approximately \$0.3 million.

Arizona Sports and Tourism Authority Contributions		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.3	\$0.3*
2006/07	\$0.2	\$0.2*
2005/06	\$0.3	\$0.2
2004/05	-	\$0.05
2003/04	-	-

Spring Exhibition Surcharge represents the ticket surcharge assessed on San Francisco Giants spring training games held in Scottsdale. The surcharge is used to pay for capital projects and debt service related to professional baseball facilities. The FY 2007/08 revenue is estimated to be more than \$0.1 million.

Spring Exhibition Surcharge		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.1	\$0.1*
2006/07	\$0.1	\$0.1*
2005/06	\$0.1	\$0.1
2004/05	-	\$0.0
2003/04	-	-

Cash Transfers-In is the authorized movement of cash or other resources from other funds, divisions, departments, and/or capital projects. The Cash Transfers-In originate from the General Fund and Special Programs Fund for MPC debt service payments and the Preservation Privilege Tax Fund for the payment of general obligation and revenue bond debt service.

Debt Service Fund Expenditures By Debt Type

General Obligation (GO)/Preserve GO Bond Debt Service Expenditures represents the payment of debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. Preserve debt is repaid by a dedicated .20% sales tax authorized by voters in 1995 and a .15% sales tax authorized in 2004. The FY 2007/08 budget totals \$45.8 million, which represents a decrease of approximately \$0.4 million or less than 1 percent from the FY 2006/07 year-end estimate of \$46.2 million.

General Obligation (GO)/Preserve GO Bond Debt Service Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$45.8	\$45.8*
2006/07	\$46.2	\$46.2*
2005/06	\$42.2	\$38.9
2004/05	\$40.0	\$37.2
2003/04	\$35.1	\$44.0

Special Assessment Debt Service Expenditures represents the repayment of debt issued for property owners desiring improvements to their property such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City's budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. The City's debt management policy requires that the full cash value of the property to debt ratio is a minimum of 3:1 prior to issuance of debt and at least 5:1 after construction of the improvements. The FY 2007/08 budget totals \$1.0 million, which is nearly equal to the FY 2006/07 year-end estimate.

Special Assessment Debt Service Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.0	\$1.0*
2006/07	\$1.1	\$1.1*
2005/06	\$1.1	\$1.1
2004/05	\$2.8	\$2.8
2003/04	\$2.9	\$2.8

Preserve Authority Revenue Bonds Debt Service Expenditures – the Preserve Revenue Authority Bonds represent prior debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. All future preserve debt will be repaid from the dedicated 2004 Preservation Privilege (Sales) Tax (.15%) authorized by the voters on May 18, 2004. Obligations for FY 2007/08 total \$6.8 million, which is equal to the FY 2006/07 year-end estimate.

Preserve Authority Revenue Bonds Debt Service Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$6.8	\$6.8*
2006/07	\$6.8	\$6.8*
2005/06	\$6.8	\$6.8
2004/05	\$6.9	\$7.0
2003/04	\$6.9	\$6.3

Municipal Property Corporation (MPC) Bonds Debt Service Expenditures relate to the repayment of bonds issued by the City of Scottsdale Municipal Property Corporation (MPC), a non-profit corporation created by the City in 1967, solely for the purpose of constructing, acquiring and equipping buildings, structures, or improvements on land owned by the City. A Board of Directors appointed by the City Council governs the MPC. The debt incurred by the corporation is a City obligation and the repayment of debt is financed by pledged General Fund excise taxes. FY 2007/08 obligations total \$7.4 million, which represents an increase of \$2.3 million over the FY 2006/07 forecast. The \$2.3 million increase in debt service is due to refunding bond savings of \$1.2 million that occurred in FY 2006/07 and not repeated in FY2007/08; issuance that occurred in December 2006 resulted in higher debt service of \$0.6 million due to twelve months of interest versus the seven months in FY 2006/07; and proposed new bond issuance in FY 2007/08 results in additional \$0.3 million of debt service.

MPC Bonds Debt Service Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$7.4	\$7.4*
2006/07	\$5.9	\$5.1*
2005/06	\$4.8	\$3.7
2004/05	\$7.6	\$6.1
2003/04	\$7.4	\$6.4

Debt Service Fund Balance

The Debt Service Fund balance varies primarily due to the timing of debt issuances and related repayment schedule as mentioned above. The ending FY 2007/08 fund balance is approximately \$13.6 million, which is \$3.2 million less than the year-end estimate of \$16.8 million. This decrease is due in part to the planned use of fund balance in FY 2007/08 to offset debt service related to the secondary property tax.

Description

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

Water & Sewer Funds

Fund Purpose

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

Overview of User Fees Revenue Policy

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

- Equity — charges are borne by the beneficiaries of a service;
- Level distribution of necessary cost increases — to avoid large rate increases in any one year;
- Increasing debt as little as possible — to ensure that the City can meet bond coverage requirements and remain financially healthy;
- Rate design — which encourages conservation and efficient use of City resources.

Water and Sewer Funds Revenues and Cash Transfers-In

Water Charges Revenue adopted budget for FY 2007/08 totals \$85.2 million, reflecting a \$3.5 million increase from the FY 2006/07 year-end estimate. Projected revenue growth includes a 5.5 percent water rate increase, effective November 1, 2007, reflecting the long-term capital and associated operating impacts of federal water quality regulations, i.e., arsenic and disinfection by-product regulations enacted by the U.S. Environmental Protection Agency (EPA). Other cost factors affecting the Water Fund revenue requirements over the five-year planning period include capital cost increases for rate-funded water distribution system improvements to address aging infrastructure replacement needs; capital cost increases for the rate-funded portion of the planned 30 million gallons per day expansion at the CAP Water Treatment Plant due to construction cost increases; operating cost increases for treatment filter media replacement; and operating cost increases for purchased water, that reflect price increases to purchase Central Arizona Project (CAP) water for fiscal year 2007/08. The projected growth in revenues is based on a combination of increased water rates, growth from anticipated new customers, and a partial offset from decreased water consumption due to water conservation efforts. Monthly water billings consist of a base charge according to meter size and a variable charge for the amount of water consumed. Fees are reviewed annually to determine if they cover the costs of the services provided.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$85.2	\$85.2*
2006/07	\$79.8	\$81.7*
2005/06	\$75.1	\$79.1
2004/05	\$71.8	\$70.6
2003/04	\$71.4	\$70.0

Sewer Charges Revenue adopted budget for FY 2007/08 totals \$33.7 million, reflecting a \$2.3 million increase from the FY 2006/07 year-end estimate. Projected revenue growth includes a 6.0 percent sewer rate increase, effective July 1, 2007, reflecting the capital cost increases for rate-funded sewer collection system improvements to address increasing aging infrastructure replacement needs and to ensure regulatory compliance with new Capacity, Management, Operations and Maintenance (CMOM) regulations and minimize sewer system overflows; operating cost increases at the Multi-City Sub-regional Operating Group (SROG) 91st Avenue Wastewater Treatment Plant, including significant increases in solids disposal costs; and operating cost increases in electricity costs at the City's Wastewater Reclamation Plant at the Water Campus. Residential customers are charged a flat fee per month and commercial users are charged based upon water consumption and type of business. Fees are reviewed annually to determine if they cover the costs of the services provided.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$33.7	\$33.7*
2006/07	\$30.4	\$31.4*
2005/06	\$28.3	\$27.5
2004/05	\$26.1	\$26.8
2003/04	\$25.9	\$25.1

Effluent Sales Revenue adopted budget for FY 2007/08 totals nearly \$0.7 million, remaining relatively flat with the FY 2006/07 year-end estimate. Effluent sales relate to the sewage treated to irrigation standards at the City’s Water Campus for the 23 golf courses in north Scottsdale that are part of the Reclaimed Water Distribution System, and the Gainey Ranch golf course effluent use from that regional wastewater plant. Both are contractual obligations to provide effluent water for irrigation uses and all costs for providing these services are recovered through rates charged for the use.

Effluent Sales Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.7	\$0.7*
2006/07	\$0.6	\$0.7*
2005/06	\$0.6	\$0.5
2004/05	\$0.6	\$0.4
2003/04	\$0.4	\$0.6

Interest Earnings Revenue adopted budget for FY 2007/08 totals nearly \$2.1 million, reflecting a \$1.3 million decrease from the FY 2006/07 year-end estimate. Interest earnings are generated on idle Water & Sewer Fund cash balances throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield, and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool.

Interest Earnings Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$2.1	\$2.1*
2006/07	\$1.5	\$3.4*
2005/06	\$1.1	\$2.0
2004/05	\$1.1	\$1.2
2003/04	\$2.1	\$0.9

Miscellaneous Revenue adopted budget for FY 2007/08 totals \$2.2 million, remaining relatively flat with the FY 2006/07 year-end estimate. Receipts from the Central Groundwater Treatment Facility Superfund site are the primary revenue contributor.

Miscellaneous Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$2.2	\$2.2*
2006/07	\$2.3	\$2.2*
2005/06	\$2.1	\$2.3
2004/05	\$1.3	\$1.7
2003/04	\$1.2	\$0.9

Cash Transfers-In adopted FY 2007/08 budget totals \$9.2 million, reflecting a \$2.6 million increase from the FY 2006/07 year-end estimate due to higher estimated CIP – Development Fee revenues. Cash Transfers-In is the authorized movement of cash or other resources from other funds, divisions, departments, and/or capital projects. Cash Transfers-In from CIP development fees is the primary revenue contributor for this category.

Water and Sewer Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2007/08 budget of \$15.6 million represents 16.7 percent of the total Water and Sewer operating budget and reflects a \$1.5 million increase from the adopted FY 2006/07 budget. Personal services cost drivers in the budget include increased retirement system and health care costs, cost of living and performance pay adjustments, additional staffing for new facilities and increased maintenance efforts and water quality testing. The budget includes \$0.5 million for 7.00 FTEs pertaining to community facilities needs at the City’s water treatment plants.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$15.6	\$15.6*
2006/07	\$14.1	\$13.3*
2005/06	\$12.8	\$11.9
2004/05	\$11.3	\$10.9
2003/04	\$10.6	\$7.7

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2007/08 budget of \$29.5 million represents 31.8 percent of the total Water and Sewer operating budget and reflects a \$1.8 million increase from the adopted FY 2006/07 budget. The increase is primarily due to additional operational and maintenance needs at both current and new facilities, as well as increased water quality and wastewater treatment efforts to meet federal and state regulatory compliance.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$29.5	\$29.5*
2006/07	\$27.7	\$25.8*
2005/06	\$22.6	\$21.3
2004/05	\$20.1	\$21.8
2003/04	\$18.9	\$17.4

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2007/08 budget of \$17.6 million represents 18.9 percent of the total Water and Sewer operating budget and reflects a \$2.4 million increase from the adopted FY 2006/07 budget. The increase is primarily related to scheduled Treatment Filter Media replacement and to higher costs for purchased water, water treatment chemicals, and maintenance supplies.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$17.6	\$17.6*
2006/07	\$15.2	\$14.3*
2005/06	\$13.2	\$12.4
2004/05	\$13.5	\$13.9
2003/04	\$12.8	\$10.1

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than one year, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2007/08 budget of \$0.2 million represents 0.2 percent of the total Water and Sewer operating budget and reflects a \$0.1 million decrease from the adopted FY 2006/07 budget. The decrease is due to fewer vehicle needs in FY 2007/08.

Capital Outlay		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.2	\$0.2*
2006/07	\$0.3	\$0.1*
2005/06	\$0.1	\$0.2
2004/05	\$0.1	\$0.1
2003/04	-	\$0.1

Debt Service represents the repayment of general obligation, revenue and MPC bonds, along with the applicable annual fiscal agent fees. The adopted FY 2007/08 budget of \$21.4 million represents 23.1 percent of the total Water and Sewer operating budget and reflects a \$2.3 million increase from the adopted FY 2006/07 budget pertaining to anticipated issuance of MPC bonds.

Debt Service		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$21.4	\$21.4*
2006/07	\$19.1	\$16.7*
2005/06	\$23.1	\$24.2
2004/05	\$19.3	\$15.9
2003/04	\$14.0	\$19.7

Indirect Cost Allocation represents charges to the Water and Sewer Fund for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Services, Human Resources, Legal, etc.). The adopted FY 2007/08 budget of \$8.7 million represents 9.3 percent of the total Water and Sewer operating budget and reflects a \$1.3 million increase from the adopted FY 2006/07 budget, primarily due to a higher total operating budget for Water and Sewer operations in FY 2007/08.

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2007/08 budget of \$55.8 reflects a \$23.4 million increase from the adopted FY 2006/07 budget, primarily related to transfers to the CIP fund.

See glossary for
Expenditure Type definitions

Water and Sewer Fund Balance/Reserves

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

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

Operating Reserve of approximately \$18.3 million is projected for the end of FY 2007/08. This reserve is intended to ensure adequate funding for operations for a period of 90 days.

Repair/Replacement Reserve of \$23.2 million is projected for the end of FY 2007/08. This reserve is required per the term of the revenue bond indenture to ensure that funds are set aside to preserve the assets, which, in turn, are the collateral for the Water Revenue Bonds. The reserve is required to be at least 2.0 percent of the revenues received during the year, or until the reserve equals 2.0 percent of the value of total tangible assets. The reserve may be used from time to time for replacement or extension of the assets.

Special Contractual Fund Balance of \$2.7 million is projected for the end of FY 2007/08. This balance reflects reserves established in accordance with various contractual agreements for delivery of non-potable water by the Water Resources Department.

Unreserved Fund Balance is projected to be zero at the end of FY 2007/08. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

Solid Waste Fund

Fund Purpose

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

Solid Waste Fund Revenues

Refuse Collection Charges adopted FY 2007/08 budget totals \$18.8 million, reflecting a \$0.7 million increase from the FY 2006/07 year-end estimate. Projected revenue growth includes a 2.5 percent solid waste rate increase, effective July 1, 2007, reflecting the combined impacts of higher fleet rates attributable to fuel cost increases and salary and benefit cost increases. Solid Waste Charges are billed monthly for the pickup of solid waste. Residential customers are charged a flat fee per month, while commercial customers are charged based upon the size of the container and the number of pickups per month. In addition, the City also provides roll-off, uncontained service, recycling programs, and household hazardous waste collection. Fees are reviewed annually to determine if they cover the costs of the services provided.

Refuse Collection Charges Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$18.8	\$18.8*
2006/07	\$18.0	\$18.1*
2005/06	\$17.1	\$17.5
2004/05	\$16.7	\$16.9
2003/04	\$16.2	\$16.4

Interest Earnings Revenue adopted FY 2007/08 budget of less than \$0.2 million remains relatively flat with the FY 2006/07 year-end estimate. Interest earnings are generated on idle Solid Waste Fund cash balances throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield.

Interest Earnings Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$175,800	\$175,800*
2006/07	\$52,600	\$168,900*
2005/06	\$64,600	\$155,300
2004/05	\$40,500	\$127,800
2003/04	\$48,700	\$97,300

Solid Waste Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2007/08 budget of \$5.5 million represents 29.5 percent of the total Solid Waste operating budget and reflects a \$0.3 million increase from the adopted FY 2006/07 budget. Personal services cost drivers in the budget include increased retirement system and health care costs, cost of living and performance pay adjustments, and additional staffing for increased service demands. The budget includes approximately \$27,000 for 1.00 additional FTE to begin mid-year in FY 2007/08 to address citizen services and community growth needs for commercial collection services.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$5.5	\$5.5*
2006/07	\$5.2	\$5.1*
2005/06	\$4.7	\$4.8
2004/05	\$4.3	\$4.5
2003/04	\$4.2	\$3.0

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2007/08 budget of \$10.1 million represents 54.3 percent of the total Solid Waste operating budget and reflects a \$0.6 million increase from the adopted FY 2006/07 budget, primarily related to annual inflationary factors in contract pricing.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$10.1	\$10.1*
2006/07	\$9.5	\$9.4*
2005/06	\$8.9	\$8.9
2004/05	\$8.3	\$8.3
2003/04	\$8.2	\$8.2

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2007/08 budget of \$0.5 million represents 2.5 percent of the total Solid Waste operating budget and remains relatively flat with the adopted FY 2006/07 budget.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.5	\$0.5*
2006/07	\$0.5	\$0.5*
2005/06	\$0.3	\$0.4
2004/05	\$0.3	\$0.4
2003/04	\$0.3	\$0.3

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than one year, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2007/08 budget of \$0.2 million represents 1.2 percent of the total Solid Waste operating budget and reflects a \$0.2 million increase from the adopted FY 2006/07 budget, related to additional vehicle and equipment needs requested through the FY 2007/08 budget request process.

Capital Outlay Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$226,000	\$226,000
2006/07	-	\$17,800*
2005/06	\$335,000	\$14,600
2004/05	\$70,000	\$2,300
2003/04	-	\$14,000

Debt Service represents the repayment of MPC bonds along with the applicable annual fiscal agent fees. The adopted FY 2007/08 budget is zero.

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	-	-
2006/07	-	-
2005/06	\$1.5	\$1.5
2004/05	\$0.3	\$0.1
2003/04	\$0.3	\$0.3

**See glossary for
Expenditure Type definitions**

Indirect Cost Allocation represents charges to the Solid Waste Fund for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Services, Human Resources, Legal, etc.). The adopted FY 2007/08 budget of \$2.3 million represents 12.5 percent of the total Solid Waste operating budget and reflects a \$0.1 million increase from the adopted FY 2006/07 budget, primarily due to a higher total operating budget for Solid Waste operations in FY 2007/08.

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2007/08 budget of \$0.3 million reflects a nearly \$0.5 million decrease from the adopted FY 2006/07 budget, primarily related to a reduction in the Cash Transfers-Out to the CIP Fund for Solid Waste capital projects.

Solid Waste Fund Balance

Operating Reserve of \$4.5 million is projected for the end of FY 2007/08. This reserve is intended to ensure adequate funding for operations for a period of 90 days.

Unreserved Fund Balance is projected to be zero at the end of FY 2007/08. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

Aviation Fund

Fund Purpose

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

Aviation Fund Revenues

Aviation Fees and Charges Revenue adopted FY 2007/08 budget totals \$3.5 million, which remains relatively flat with the FY 2006/07 year-end estimate. The revenue forecast assumes no fee increases in the FY 2007/08 budget. Aviation fees and charges are for a variety of services provided to airport customers including tie down fees, hangar rentals, fuel sales, and other rental charges. Fees are reviewed annually to determine if they cover the costs of the services provided.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$3.5	\$3.5*
2006/07	\$3.3	\$3.5*
2005/06	\$3.1	\$3.4
2004/05	\$2.9	\$3.0
2003/04	\$2.9	\$2.8

Interest Earnings Revenue adopted FY 2007/08 budget totals less than \$0.1 million, which remains relatively flat with the FY 2006/07 year-end estimate. Interest earnings are generated on idle Aviation Fund cash balances throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$80,400	\$80,400*
2006/07	\$84,500	\$84,500*
2005/06	\$26,500	\$50,800
2004/05	\$20,300	\$25,100
2003/04	-	\$11,500

Jet Fuel Tax Revenue adopted FY 2007/08 budget totals \$0.1 million, reflecting a \$0.1 million decrease from the FY 2006/07 year-end estimate. Whereas in past years, jet fuel tax revenue was receipted in the General Fund and then transferred to the Aviation Fund, jet fuel tax revenue is now collected and receipted directly to the Aviation Fund.

Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.1	\$0.1*
2006/07	\$0.1	\$0.2*
2005/06	-	\$0.1
2004/05	-	-
2003/04	-	-

Aviation Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2007/08 budget of \$1.1 million represents 44.6 percent of the total Aviation Fund operating budget and reflects a \$0.1 million increase from the adopted FY 2006/07 budget. Personal services cost drivers in the budget include increased retirement system and health care costs, cost of living and performance pay adjustments.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.1	\$1.1*
2006/07	\$1.0	\$1.0*
2005/06	\$0.9	\$0.9
2004/05	\$0.8	\$0.8
2003/04	\$0.7	\$0.6

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2007/08 budget of \$0.6 million represents 26.5 percent of the total Aviation Fund operating budget and remains relatively flat with the adopted FY 2006/07 budget.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.6	\$0.6*
2006/07	\$0.6	\$0.6*
2005/06	\$0.6	\$0.5
2004/05	\$0.6	\$0.6
2003/04	\$0.5	\$0.5

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2007/08 budget of \$0.1 million represents 4.2 percent of the total Aviation Fund operating budget and remains relatively flat with the adopted FY 2006/07 budget.

Commodities Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$99,500	\$99,500*
2006/07	\$97,900	\$97,900*
2005/06	\$63,400	\$77,300
2004/05	\$61,500	\$54,700
2003/04	\$61,700	\$35,900

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than one year, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2007/08 budget is zero.

Capital Outlay Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	-	-
2006/07	-	-
2005/06	-	-
2004/05	-	-
2003/04	-	\$230,000

Indirect/Direct Cost Allocation represents charges to the Aviation Fund for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Services, Human Resources, Legal, etc.), plus the direct costs for the General Fund providing Fire services to the Scottsdale Airport. The adopted FY 2007/08 budget of \$0.6 million represents 24.7 percent of the total Aviation Fund operating budget and remains relatively flat with the adopted FY 2006/07 budget.

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2007/08 budget of \$0.6 million reflects a \$1.3 million decrease from the adopted FY 2006/07 budget. The decrease is related to a reduction in Cash Transfers-Out to the CIP Fund for Aviation capital projects.

Aviation Fund Balance

Operating Reserve of \$0.6 million is projected for the end of FY 2007/08. This reserve is intended to ensure adequate funding for operations for a period of 90 days. The intent of the reserve is to provide for emergencies, provide for potential grant matches, and to ensure that General Fund subsidies are avoided.

Repair and Replacement Reserve of more than \$1.8 million is projected for the end of FY 2007/08. The intent of the reserve is to ensure adequate funding for emergency repair and replacement needs at the airport.

Unreserved Fund Balance is projected to be zero at the end of FY 2007/08. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

See glossary for
Expenditure Type definitions

Internal Service Funds

Description

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

Fleet Management Fund

Fund Purpose

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

Fleet Management Fund Revenues and Cash Transfers-In

Rates - Vehicle Acquisition represents the “rental” rate charged to other City funds and programs sufficient for the acquisition and replacement of City vehicles. For FY 2007/08, approximately 33.2% of the Fleet Management Fund’s operating revenues come from rates related to vehicle acquisition. The adopted vehicle acquisition rates budget for FY 2007/08 totals more than \$5.4 million for an increase of approximately \$0.4 million over the FY 2006/07 year-end revenue estimate. The increase is primarily attributed to the addition of vehicles for new staff in public safety, community services and water & sewer.

Rates - Vehicle Acquisition Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$5.4	\$5.4*
2006/07	\$5.0	\$5.0*
2005/06	\$4.3	\$4.3
2004/05	\$4.9	\$4.8
2003/04	\$4.6	\$4.7

Rates - Maintenance & Operation represents the “rental” rate to other City programs sufficient for the maintenance and operation of City vehicles. For FY 2006/07, approximately 62.9% of the Fleet Management Fund’s operating revenues come from rates related to vehicle maintenance and operation. The adopted maintenance and operations rates budget for FY 2007/08 totals \$10.3 million for an increase of approximately \$1.1 million over the FY 2006/07 year-end revenue estimate. The increase is primarily attributed to higher costs for petroleum related items (fuels, lubricants, parts, etc.) and more vehicles added to the City’s overall fleet.

Rates - Maintenance & Operation Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$10.3	\$10.3*
2006/07	\$9.2	\$9.2*
2005/06	\$7.8	\$7.8
2004/05	\$6.6	\$6.6
2003/04	\$6.5	\$6.0

Miscellaneous Revenue comes from the liquidation of surplus property. The FY 2007/08 budget is slightly under \$0.2 million, which is on par with the FY 2006/07 year-end revenue estimate.

Miscellaneous Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.2	\$0.2*
2006/07	\$0.2	\$0.2*
2005/06	\$0.2	\$0.2
2004/05	\$0.2	\$0.1
2003/04	\$0.3	\$0.1

Interest Earnings are generated on idle Fleet Management Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's adopted investment policy stresses safety above yield. The adopted FY 2007/08 interest earnings budget is slightly less than \$0.5 million, which is on par with the FY 2006/07 year-end revenue estimate.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.5	\$0.5*
2006/07	\$0.4	\$0.5*
2005/06	\$0.4	\$0.4
2004/05	\$0.4	\$0.3
2003/04	\$0.2	\$0.2

Fleet Management Fund Expenditures By Expenditure Type and Cash Transfers-Out

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

Personal Services include the salaries and wages paid to employees, plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance. The adopted personal services budget totals approximately \$3.7 million, which represents 25.9% of the Fleet Management Fund total operating budget for FY 2007/08. The adopted FY 2007/08 personal services budget increased less than \$0.2 million from the FY 2006/07 adopted budget. Major personal services cost drivers in the FY 2007/08 budget include increases in retirement system and healthcare costs and a 6.0% salary market adjustment. No new Fleet Fund positions are included in the adopted FY 2007/08 budget.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$3.7	\$3.7*
2006/07	\$3.5	\$3.5*
2005/06	\$3.0	\$2.8
2004/05	\$2.6	\$2.5
2003/04	\$2.5	\$1.9

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted budget of nearly \$1.2 million represents 8.2% of the Fleet Management Fund total operating budget for FY 2007/08. The adopted FY 2007/08 contractual services budget increased less than \$0.2 million from the adopted budget FY 2006/07. The increase is attributable to growth in the number of vehicles in the fleet.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$1.2	\$1.2*
2006/07	\$1.0	\$1.0*
2005/06	\$0.9	\$1.0
2004/05	\$0.7	\$1.0
2003/04	\$0.7	\$0.9

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The budget of \$6.1 million represents 42.9% of the Fleet Management Fund total operating budget for FY 2007/08. The adopted FY 2007/08 commodities budget increased \$0.6 million from the adopted budget FY 2006/07. The increase is related to higher prices for fuel, as well as petroleum-based products and supplies.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$6.1	\$6.1*
2006/07	\$5.5	\$5.5*
2005/06	\$4.6	\$5.0
2004/05	\$3.5	\$3.9
2003/04	\$3.2	\$3.3

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than one year, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget of \$3.3 million represents 23.0% of the Fleet Management Fund total operating budget for FY 2007/08. The adopted FY 2007/08 capital outlay budget decreased approximately \$2.6 million from the FY 2006/07 adopted budget. The decrease relates to a planned reduction in the number and type of vehicles to be purchased (new and replacement) in FY 2007/08.

Capital Outlay Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$3.3	\$3.3*
2006/07	\$5.9	\$5.9*
2005/06	\$3.4	\$5.4
2004/05	\$3.6	\$2.8
2003/04	\$3.5	\$2.1

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. Cash Transfers-Out of \$2.2 million are planned in FY 2007/08 to cover the cost of fleet related capital projects.

Fleet Management Fund Balance

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

The ending FY 2007/08 fund balance is projected to be approximately \$10.1 million, which is on par with the FY 2006/07 year-end estimate.

**See glossary for
Expenditure Type definitions**

Self-Insurance Fund

Fund Purpose

The Self-Insurance Fund is used to account for the City’s self-insurance program. Revenue to this fund is derived from charges to user programs. This fund provides coverage of unemployment, self-insured benefits, workers’ compensation, and property and liability claims.

Self-Insurance Fund Revenues and Cash Transfers-In

Property Casualty Revenues represent this fund’s operating resources, which are derived from internal charges for services to other City funds. These charges are comprised of a self-insurance charge covering general and auto liability/physical damages, workers’ compensation, unemployment taxes, and property charges. The adopted revenue budget of nearly \$6.7 million represents approximately 21.0% of the Self-Insurance Fund operating revenues for FY 2007/08. The adopted FY 2007/08 budget is \$0.1 million more than the prior year-end revenue estimate, which is attributable to higher claims experience and the increased cost of excess insurance premiums.

Property Casualty Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$6.7	\$6.7*
2006/07	\$6.2	\$6.6*
2005/06	\$5.3	\$5.3
2004/05	\$4.8	\$5.3
2003/04	\$4.1	\$5.1

Short-Term Disability Revenues represents the resources collected solely from employees participating in the City’s short-term disability plan – no City (i.e., employer) contributions are made for short-term disability coverage. The FY 2007/08 revenue budget is \$310,000 is consistent with the prior year-end revenue estimate.

Short-Term Disability Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$310,000	\$310,000*
2006/07	\$140,000	\$300,000*
2005/06	\$140,000	\$271,655
2004/05	N/A	N/A
2003/04	N/A	N/A

Group Health Care Revenues are comprised of contributions from -- the City (i.e., employer), employees, retirees, COBRA participants, medical leave conversion contributions, and interest earnings allocated to health care, all of which are used to fund the City's self-insured medical and dental plans. The adopted budget of \$24.5 million represents approximately 77.5% of the Self-Insurance Fund's total operating revenues for FY 2007/08.

Group Health Care Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$24.5	\$24.5*
2006/07	\$22.3	\$22.3*
2005/06	\$16.1	\$17.0
2004/05	\$13.4	\$14.1
2003/04	N/A	N/A

Property Taxes (Tort Claims) this revenue represents a reimbursement to the City's Self-Insurance Fund for the "actual" cost of liability claim judgments paid during the most recently completed calendar year. The inclusion of the tort claim reimbursements in the City's primary tax levy is allowed per a March 20, 1986 Arizona Attorney General opinion. Claim judgments are paid from the Self-Insurance Fund – an Internal Service Fund – and therefore, the reimbursement becomes revenue to this fund. In FY 2007/08, tort claims of approximately \$0.2 million were included in the adopted budget.

Property Taxes (Tort Claims) Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.2	\$0.2*
2006/07	N/A	N/A **
2005/06	\$0.7	\$0.7
2004/05	\$0.4	\$0.4
2003/04	\$0.6	\$0.6
** City Council opted not to assess torts in FY 06/07		

Cash Transfers-In are used to address anticipated rate increases and future actuarially determined funding needs. In the adopted FY 2007/08 budget no Cash Transfers-In are planned to the Self-Insurance Fund.

Self-Insurance Fund Expenditures By Expenditure Type and Cash Transfers-Out

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted budget of about \$0.7 million represents 2.1% of the FY 2006/07 Self-Insurance Fund total operating budget.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.7	\$0.7*
2006/07	\$0.7	\$0.7*
2005/06	\$0.6	\$0.6
2004/05	\$0.5	\$0.6
2003/04	\$0.5	\$0.4

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The budget of \$30.8 million represents 97.4% of the FY 2007/08 Self-Insurance Fund operating budget. The \$30.8 million contractual services budget includes \$24.5 million (existing staff \$23.9 million and new staff \$0.6 million) for group health claims, \$5.9 million for excess insurance premiums and property/liability claims, and more than \$0.2 million for short-term disability claims. The adopted FY 2007/08 Self-Insurance Fund contractual services budget increased approximately \$3.1 million over the adopted FY 2006/07 budget. The increase is driven by two factors -- increases in healthcare costs and increases in property/liability insurance premiums for excess coverage.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$30.8	\$30.8*
2006/07	\$27.7	\$27.7*
2005/06	\$21.5	\$21.5
2004/05	\$16.2	\$16.2
2003/04 **	\$5.2	\$5.2

** The City became self-insured in FY 2004/05.

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2007/08 commodities budget of \$0.1 million reflects a slight increase over the adopted FY 2006/07 budget and represents 0.5% of the FY 2006/07 Self-Insurance Fund total operating budget.

Commodities		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2007/08	\$0.1M	\$0.1M*
2006/07	\$33,800	\$33,800*
2005/06	\$28,400	\$0.1M
2004/05	\$42,500	\$0.1M
2003/04	\$0.1M	\$0.1M

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. Cash Transfers-Out \$8,700 are planned to cover the cost of capital projects.

Self-Insurance Fund Balance

The Self-Insurance Fund balance is maintained to provide for coverage of unemployment, self-insured benefits, workers' compensation, and property and liability claims. The required fund balance is actuarially determined on an annual basis.

The projected FY 2007/08 ending fund balance is almost \$23.3 million, which is on par with the FY 2006/07 year end estimate. The individual reserves for property casualty, group health care and short-term disability remained relatively unchanged from the prior year end estimate.

See glossary for
Expenditure Type definitions

Trust Funds**Description**

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

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

Used to account for proceeds for programs and activities to promote employment of handicapped individuals. The FY 2007/08 adopted budget for this trust fund is \$10,000 and will be used to pay for contractual services.

Trust Fund Balance

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

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM **Budget by Fund**

Alphabetical Program Operating Budget Index by Department/Program

The following matrix provides a summary of the total adopted FY 2007/08 Program Operating Budget by department and highlights each department's specific programs. The matrix includes the source(s) of funding for each program by governmental fund accounting type plus it includes the applicable number of full-time equivalent employees (FTE's) by program and department. Further details on an individual program can be found in Volume Two of the adopted FY 2007/08 budget.

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2007/08 TOTAL *	Vol. Two Page # Ref.
GENERAL GOVERNMENT							
CITY CABLE	4.00	361,837	-	-	-	361,837	52
CITY CLERK	10.00	913,885	-	-	-	913,885	23
CITY MANAGER	8.00	698,730	-	-	-	698,730	45
CIVIL DIVISION	26.25	4,020,979	-	-	-	4,020,979	30
COMMUNICATIONS & PUBLIC AFFAIRS	11.15	1,414,263	-	-	-	1,414,263	49
COURT	66.08	5,602,620	434,903	-	-	6,037,523	41
ELECTIONS	-	9,671	-	-	-	9,671	26
ENVIRONMENTAL OFFICE	2.00	350,073	-	-	-	350,073	66
CITY AUDITOR	8.00	945,985	-	-	-	945,985	37
LEGISLATIVE & CONSTITUENT/GOV RELATIONS	15.72	1,630,052	-	-	-	1,630,052	19
PRESERVATION	4.00	825,067	65,000	-	-	890,067	63
PROSECUTION	30.00	2,687,961	-	-	-	2,687,961	32
THE DOWNTOWN GROUP	6.00	4,695,393	526,150	-	-	5,221,543	59
VICTIM SERVICES	8.50	584,108	-	-	-	584,108	34
WESTWORLD	23.00	3,397,033	-	-	-	3,397,033	55
TOTAL GENERAL GOVERNMENT	222.70	28,137,656	1,026,053	-	-	29,163,709	
POLICE DEPARTMENT							
AUTO THEFT INVESTIGATIONS	9.00	978,559	-	-	-	978,559	106
BICYCLE PATROL	11.00	1,109,328	-	-	-	1,109,328	80
BURGLARY & THEFT INVESTIGATIONS	11.00	1,291,260	-	-	-	1,291,260	104
CANINE SERVICES	6.00	855,289	-	-	-	855,289	84
COMMUNICATIONS	57.00	4,121,274	-	-	-	4,121,274	132
COMPUTER CRIME INVESTIGATIONS	7.00	800,329	-	-	-	800,329	114
CRIME ANALYSIS	6.00	400,775	-	-	-	400,775	140
CRIME LABORATORY	18.00	1,660,805	348,854	-	-	2,009,659	138
CRIME PREVENTION ^(A)	-	-	-	-	-	-	N/A
CRIME SCENE PROCESSING	11.00	869,903	-	-	-	869,903	142
CRIMINAL INTELLIGENCE	13.00	1,435,346	-	-	-	1,435,346	124
DETENTION	39.00	4,371,161	-	-	-	4,371,161	90
DOMESTIC VIOLENCE INVESTIGATIONS	7.00	727,418	-	-	-	727,418	100
DRUG ENFORCEMENT	10.00	1,807,595	437,960	-	-	2,245,555	118
DRUG INTERDICTION	7.00	850,237	-	-	-	850,237	120
EVENT TRAFFIC CONTROL	-	368,902	-	-	-	368,902	92
FALSE ALARM REDUCTION PROGRAM	1.00	75,020	-	-	-	75,020	154
FRAUD INVESTIGATIONS	10.00	1,074,313	-	-	-	1,074,313	108
GANG INVESTIGATIONS	4.00	440,544	-	-	-	440,544	112
INTERNAL AFFAIRS	4.00	470,130	-	-	-	470,130	72

* Excludes Grants/Trusts at Program Level

Note: Footnotes found on page 120

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2007/08 TOTAL *	Vol. Two Page # Ref.
MOUNTED PATROL	9.10	867,255	14,000	-	-	881,255	86
MUNICIPAL SECURITY	5.00	1,917,939	-	-	-	1,917,939	152
OFFICE OF THE CHIEF	11.00	1,696,675	12,500	-	-	1,709,175	70
PARK & PRESERVE PATROL	7.00	657,344	-	-	-	657,344	88
PATROL PROBLEM SOLVING SURVEILLANCE TEAM	6.00	729,823	-	-	-	729,823	82
PATROL SERVICES	264.00	29,266,700	-	-	-	29,266,700	74
PHOTO ENFORCEMENT	4.00	3,089,671	-	-	-	3,089,671	76
PLANNING, RESEARCH AND ACCREDITATION	6.00	473,029	-	-	-	473,029	144
POLICE CRISIS INTERVENTION	7.00	714,663	-	-	-	714,663	102
POLICE FACILITIES	2.00	376,038	-	-	-	376,038	150
POLICE RECORDS	35.00	2,099,374	-	-	-	2,099,374	126
POLICE SUPPLY & EQUIPMENT	8.00	2,154,622	-	-	-	2,154,622	130
PROPERTY AND EVIDENCE	7.50	486,433	-	-	-	486,433	136
RECRUITING & PERSONNEL	7.00	758,679	-	-	-	758,679	146
REPEAT OFFENDER PROGRAM	9.00	943,116	-	-	-	943,116	110
SCHOOL RESOURCE SERVICES	16.00	1,578,274	-	-	-	1,578,274	116
SEX CRIMES INVESTIGATIONS	9.00	1,047,145	3,350	-	-	1,050,495	98
SPECIAL EVENT/OFF DUTY COORDINATION	2.00	196,393	-	-	-	196,393	94
SURVEILLANCE/SWAT	8.00	1,347,818	-	-	-	1,347,818	122
TECHNOLOGY	9.00	1,875,940	-	-	-	1,875,940	128
TELEPHONE REPORTING SERVICES	4.00	261,775	-	-	-	261,775	134
TRAFFIC ENFORCEMENT	30.00	4,185,238	-	-	-	4,185,238	78
TRAINING	11.00	1,606,864	-	-	-	1,606,864	148
VIOLENT CRIMES INVESTIGATIONS	14.00	2,037,410	-	-	-	2,037,410	96
TOTAL POLICE DEPARTMENT	721.60	84,076,406	816,664	-	-	84,893,070	
FINANCIAL SERVICES							
ACCOUNTING	13.00	1,901,775	-	-	-	1,901,775	160
ACCOUNTS PAYABLE & PAYROLL	14.50	1,102,161	-	-	-	1,102,161	162
BUDGET	7.00	769,667	-	-	-	769,667	166
COPY CENTER	-	(98,114)	-	-	-	(98,114)	176
FINANCIAL PLANNING & ADMINISTRATION	5.00	630,460	-	-	-	630,460	158
GRAPHICS	4.00	279,853	-	-	-	279,853	174
MAIL	4.00	856,534	-	-	-	856,534	178
METER READING	17.00	-	-	1,299,793	-	1,299,793	184
PURCHASING	15.00	1,230,691	-	-	-	1,230,691	170
REMITTANCE PROCESSING	13.00	556,345	-	556,346	-	1,112,691	188
REVENUE RECOVERY	13.00	500,626	-	518,194	-	1,018,820	182
RISK MANAGEMENT	8.00	-	-	-	31,655,101	31,655,101	168
STORES/WAREHOUSE OPERATIONS	6.00	421,151	-	-	-	421,151	172
TAX & LICENSE	13.00	942,589	-	-	-	942,589	180
TAX AUDIT	9.50	807,432	-	-	-	807,432	164
UTILITY BILLING	10.00	-	-	1,105,022	-	1,105,022	186
TOTAL FINANCIAL SERVICES	152.00	9,901,170	-	3,479,355	31,655,101	45,035,626	
TRANSPORTATION DEPARTMENT							
AVIATION	15.00	-	-	1,793,863	-	1,793,863	194
INTELLIGENT TRANSPORTATION SYSTEMS	4.00	-	769,161	-	-	769,161	200
TRAFFIC ENGINEERING	11.00	-	1,705,967	-	-	1,705,967	202
TRANSIT	4.00	-	11,776,795	-	-	11,776,795	198
TRANSPORTATION ADMINISTRATION	4.00	-	558,574	-	-	558,574	192
TRANSPORTATION MASTER PLANNING	9.00	193,393	700,966	-	-	894,359	196
TOTAL TRANSPORTATION	47.00	193,393	15,511,463	1,793,863	-	17,498,719	

* Excludes Grants/Trusts at Program Level

Note: Footnotes found on page 120

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2007/08 TOTAL *	Vol. Two Page # Ref.
COMMUNITY SERVICES							
ADAPTED RECREATION SERVICES	6.87	370,055	-	-	-	370,055	210
AQUATICS	64.34	2,547,183	-	-	-	2,547,183	212
BRANCH LIBRARIES	66.31	3,905,076	-	-	-	3,905,076	236
COMMUNITY RECREATION SERVICES & FACILITIES	58.87	2,763,034	1,109,482	-	-	3,872,516	218
COMMUNITY SERVICES PLANNING AND ADMIN	5.00	808,182	-	-	-	808,182	206
CONTRACT ADMINISTRATION	7.00	3,056,721	-	-	-	3,056,721	252
DOWNTOWN MAINTENANCE PROGRAM	12.00	1,171,302	-	-	-	1,171,302	242
FACILITIES MAINTENANCE	50.00	12,875,816	-	-	-	12,875,816	250
FACILITIES MGMT PLANNING & ADMIN	5.00	547,534	-	-	-	547,534	248
GROUNDS AND LANDSCAPE MAINTENANCE	69.30	6,294,834	-	-	-	6,294,834	240
HOUSING ASSISTANCE AND CDBG PROGRAMS	15.75	479,459	100,000	-	-	579,459	228
HUMAN SERVICES PLANNING & ADMIN.	4.00	448,774	-	-	-	448,774	222
LEISURE EDUCATION PROGRAMS	6.81	1,019,038	-	-	-	1,019,038	220
LIBRARY OPERATIONS	25.50	4,215,719	347,528	-	-	4,563,247	232
LIBRARY PLANNING AND ADMINISTRATION	5.00	565,195	-	-	-	565,195	230
MAIN LIBRARY	42.97	2,519,219	-	-	-	2,519,219	234
MEDIANS AND RIGHT-OF-WAY	9.00	1,747,732	-	-	-	1,747,732	244
PARKS & GROUNDS MGMT-PLANNING & ADMIN	7.00	762,181	-	-	-	762,181	238
PARKS & RECREATION PLANNING & ADMIN	5.44	692,003	-	-	-	692,003	208
SENIOR CITIZEN SERVICES	27.82	2,172,342	53,538	-	-	2,225,880	224
SOCIAL SERVICES ASSISTANCE AND REFERRAL	37.70	3,001,446	326,697	-	-	3,328,143	226
SPORTS & FITNESS PROGRAMS	21.84	1,848,768	250,000	-	-	2,098,768	214
SPORTS COMPLEXES	21.35	2,153,865	-	-	-	2,153,865	246
TRAILS & EQUESTRIAN FACILITIES ^(A)	-	-	-	-	-	-	N/A
YOUTH & FAMILY ACTIVITIES & AFTER SCHOOL PROGRAMS	30.21	2,107,653	86,750	-	-	2,194,403	216
TOTAL COMMUNITY SERVICES	605.08	58,073,131	2,273,995	-	-	60,347,126	
INFORMATION SYSTEMS							
APPL. DEV. INTEGRATION MGMT & SUPPORT	15.00	1,894,398	-	-	-	1,894,398	258
APPLICATION SUPPORT	7.00	786,626	-	-	-	786,626	266
GIS DATA SERVICES	10.00	1,201,232	-	-	-	1,201,232	262
HELP DESK/DESKTOP TECHNICAL SUPPORT	11.00	928,570	-	-	-	928,570	268
INFORMATION SYSTEMS ADMINISTRATION	5.81	592,008	-	-	-	592,008	256
NETWORK OPERATIONS	32.00	4,934,291	-	-	-	4,934,291	260
PROJECT OFFICE	4.00	450,948	-	-	-	450,948	264
TOTAL INFORMATION SYSTEMS	84.81	10,788,073	-	-	-	10,788,073	
FIRE DEPARTMENT							
EMERGENCY MANAGEMENT	5.00	958,594	-	-	-	958,594	278
FIRE ADMINISTRATION	2.00	517,295	-	-	-	517,295	272
FIRE EMERGENCY SERVICES	238.00	24,766,554	-	-	-	24,766,554	274
FIRE SUPPORT SERVICES	29.00	6,111,810	-	-	-	6,111,810	276
TOTAL FIRE DEPARTMENT	274.00	32,354,253	-	-	-	32,354,253	
WATER RESOURCES							
ADVANCED WATER TREATMENT PLANT	-	-	-	2,878,999	-	2,878,999	322
ARSENIC TREATMENT	1.00	-	-	2,024,430	-	2,024,430	328
CAP TREATMENT PLANT	-	-	-	9,238,575	-	9,238,575	316
CENTRAL GWTF	-	-	-	923,415	-	923,415	310
CHAPARRAL WATER TREATMENT PLANT	2.00	-	-	3,020,495	-	3,020,495	326
GAINNEY WASTEWATER RECLAMATION PLANT	-	-	-	462,361	-	462,361	320
INDUSTRIAL PRETREATMENT	3.00	-	-	290,627	-	290,627	318
INLET GOLF COURSE IRRIGATION	-	-	-	56,835	-	56,835	290
IRRIGATION WATER DISTRIBUTION SYS	1.00	-	-	1,387,669	-	1,387,669	308

* Excludes Grants/Trusts at Program Level

Note: Footnotes found on page 120

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2007/08 TOTAL *	Vol. Two Page # Ref.
PLANET RANCH WATER RIGHTS	1.00	-	-	239,101	-	239,101	284
PUMP BACK SYSTEM	5.00	-	-	2,239,021	-	2,239,021	304
RWDS ADMINISTRATION	-	-	-	2,871,327	-	2,871,327	306
SOUTHERN NEIGHBORHOODS WATER SYSTEM	-	-	-	1,994,972	-	1,994,972	298
TREATMENT PLANT STAFFING	51.00	-	-	2,947,585	-	2,947,585	314
WASTEWATER COLLECTION	-	-	-	920,059	-	920,059	300
WASTEWATER MAINTENANCE	-	-	-	613,891	-	613,891	302
WATER & WASTEWATER ENGINEERING	6.00	-	-	597,861	-	597,861	286
WATER & WASTEWATER OPERATIONS ADMINISTRATION	10.00	-	-	1,276,748	-	1,276,748	292
WATER CAMPUS WASTEWTR RECLAMATION PLANT	-	-	-	8,939,071	-	8,939,071	324
WATER CONSERVATION	5.00	-	-	986,523	-	986,523	294
WATER DISTRIBUTION & PRODUCTION	56.00	-	-	11,883,784	-	11,883,784	296
WATER PRODUCTION	-	-	-	-	-	-	N/A
WATER RESOURCES ADMINISTRATION	11.00	-	-	1,723,130	-	1,723,130	282
WATER/WASTEWATER QUALITY	17.00	-	-	2,347,660	-	2,347,660	312
WEST WORLD GOLF RECHARGE	-	-	-	238,846	-	238,846	288
TOTAL WATER RESOURCES	169.00	-	-	60,102,985	-	60,102,985	
MUNICIPAL SERVICES							
ALLEY MAINTENANCE	5.00	-	509,093	-	-	509,093	378
ASSET MANAGEMENT	2.00	330,651	-	-	-	330,651	336
CAPITAL PROJECT MANAGEMENT	50.00	1	-	-	-	1	334
COMMERCIAL COLLECTION SERVICES	12.00	-	-	3,259,662	-	3,259,662	346
CONTAINER REPAIR SERVICES	2.00	-	-	488,752	-	488,752	342
EMERGENCY RESPONSE TEAM	-	-	67,644	-	-	67,644	350
FLEET MAINTENANCE & OPERATIONS	40.00	-	-	-	6,029,967	6,029,967	368
FLEET MANAGEMENT ADMINISTRATION	4.00	-	-	-	633,495	633,495	366
FLEET PARTS SUPPLY	10.00	-	-	-	570,404	570,404	370
FUEL	-	-	-	-	3,692,463	3,692,463	372
HOUSEHOLD HAZARDOUS WASTE	-	-	-	212,818	-	212,818	376
MUNICIPAL SERVICES ADMINISTRATION	3.00	397,721	-	-	-	397,721	332
RESIDENTIAL COLLECTION SERVICES	64.25	-	-	10,797,212	-	10,797,212	340
SOLID WASTE MANAGEMENT ADMIN SVCS	5.00	-	-	511,886	-	511,886	338
STORMWATER MANAGEMENT	4.00	-	-	-	-	-	380
STREET CLEANING	12.00	-	1,343,610	-	-	1,343,610	360
STREET LIGHT MAINTENANCE	1.00	-	908,049	-	-	908,049	356
STREET OPERATIONS ADMINISTRATION	3.00	-	329,648	-	-	329,648	358
STREET OVERLAYS AND MAINTENANCE	10.00	-	10,352,026	-	-	10,352,026	362
STREET SIGNS AND MARKINGS	10.00	-	1,175,123	-	-	1,175,123	354
TRAFFIC OPERATIONS ADMINISTRATION	3.00	-	277,966	-	-	277,966	348
TRAFFIC SIGNALS	11.00	-	1,607,614	-	-	1,607,614	352
TRANSFER STATION OPERATIONS	3.00	-	-	333,377	-	333,377	344
UNPAVED ROADS AND DRAINAGE SYSTEM MAINT	10.00	-	1,710,206	-	-	1,710,206	364
VEHICLE ACQUISITION	-	-	-	-	3,273,550	3,273,550	374
TOTAL MUNICIPAL SERVICES	264.25	728,373	18,280,979	15,603,707	14,199,879	48,812,938	
CITIZEN & NEIGHBORHOOD RESOURCES							
CITIZEN & NEIGHBORHOOD ADMIN	4.00	541,963	-	-	-	541,963	384
CODE ENFORCEMENT	19.00	1,515,365	35,500	-	-	1,550,865	392
CUSTOMER SERVICE & COMMUNICATIONS	7.00	730,817	-	-	-	730,817	386
INFORMATION RESOURCES	6.00	405,253	-	-	-	405,253	388
NEIGHBORHOOD SERVICES	4.00	500,197	-	-	-	500,197	390
TOTAL CITIZEN & NEIGHBORHOOD RESOURCES	40.00	3,693,595	35,500	-	-	3,729,095	

* Excludes Grants/Trusts at Program Level

Note: Footnotes found on page 120

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2007/08 TOTAL *	Vol. Two Page # Ref.
HUMAN RESOURCES							
BENEFITS MANAGEMENT	5.00	557,448	-	-	-	557,448	404
DIVERSITY & DIALOGUE	5.00	530,142	25,000	-	-	555,142	402
EMPLOYEE PROGRAMS ^(A)	-	-	-	-	-	-	N/A
HUMAN RESOURCES	14.00	1,650,468	-	-	-	1,650,468	398
HUMAN RESOURCES - EXECUTIVE ADMIN	2.00	337,497	-	-	-	337,497	396
HUMAN RESOURCES OPERATIONS & ADMIN	7.00	702,900	-	-	-	702,900	406
TRAINING & DEVELOPMENT	4.50	846,515	-	-	-	846,515	400
TOTAL HUMAN RESOURCES	37.50	4,624,970	25,000	-	-	4,649,970	
ECONOMIC VITALITY DEPT							
ECONOMIC DEVELOPMENT	2.00	346,323	-	-	-	346,323	412
ECONOMIC VITALITY ADMIN	2.00	433,274	-	-	-	433,274	410
EXISTING BUSINESS SERVICES	2.00	248,544	-	-	-	248,544	418
HOSPITALITY DEVELOPMENT	3.00	358,930	7,607,766	-	-	7,966,696	414
REVITALIZATION	2.00	247,510	-	-	-	247,510	416
TOTAL ECONOMIC VITALITY	11.00	1,634,581	7,607,766	-	-	9,242,347	
PLANNING & DEVELOPMENT SERVICES							
CUSTOMER SERVICES	26.00	2,278,870	-	-	-	2,278,870	424
DEVELOPMENT SERVICES	79.00	7,927,680	50,024	-	-	7,977,704	428
PLANNING & DEVELOPMENT ADMINISTRATION	6.00	1,299,464	-	-	-	1,299,464	422
PLANNING SERVICES	48.00	4,690,702	-	-	-	4,690,702	426
PLANNING TECHNOLOGY	6.00	623,708	-	-	-	623,708	430
TOTAL PLANNING & DEVELOPMENT SERVICES	165.00	16,820,424	50,024	-	-	16,870,448	
TOTAL PROGRAM BUDGET BEFORE GRANTS, TRUSTS AND SPECIAL DISTRICTS						423,488,359	
GRANTS, TRUSTS AND SPECIAL DISTRICTS							
LEGISLATIVE & CONSTITUENT/GOV RELATIONS						80,000	
POLICE - AUTO THEFT INVESTIGATIONS						-	
POLICE - CRIME LABORATORY						-	
POLICE - DRUG ENFORCEMENT						90,000	
COMMUNITY SERVICES - HOUSING ASSISTANCE & CDBG						8,077,213	
COMMUNITY SERVICES - LIBRARY OPERATIONS						67,000	
COMMUNITY SERVICES - SOCIAL SERVICES ASSISTANCE						1,240,000	
HUMAN RESOURCES - DIVERSITY & DIALOGUE						10,000	
PLANNING & DEVELOPMENT SERVICES - CUSTOMER SERVICE						621,000	
FUTURE GRANTS NOT ASSIGNED TO PROGRAMS ^(B)						9,856,993	
TOTAL GRANTS, TRUSTS AND SPECIAL DISTRICTS						20,042,206	
TOTAL PROGRAM BUDGET INCLUDING GRANTS, TRUSTS & SPECIAL PROGRAMS:	2,793.94	251,026,025	45,627,444	80,979,910	45,854,980	443,530,565	
Estimated Department Savings		(1,750,000)				(1,750,000)	
Estimated Vacant Position Savings		(4,000,000)				(4,000,000)	
Subtotal Program Budget Plus Grants and Trusts		245,276,025	45,627,444	80,979,910	45,854,980	437,780,565	
Less: Internal Service Fund Offset						(43,912,403)	
Add: Debt Service						90,046,225	
Add: Indirect/Direct Cost Allocation						11,577,243	
Add: Reserves/Contingency Appropriations						23,400,000	
Total FY 2007/08 Operating Budget Plus Other Fiscal Activity						518,891,630 ^(C)	

^(A) Changes in FTE and/or budget due to Department/Program reorganizations/restructuring.

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

^(C) The FY 2007/08 Operating Budget plus Other Fiscal Activity total agrees with the Adopted Budget Ordinance Schedule G in the Volume One Appendix (\$496,839,424 + \$22,052,206 = \$518,891,630).

* Excludes Grants/Trusts at Program Level

Alphabetical Program Budget Index

<p>Mayor and City Council's Broad Goals</p> <p>Goal A: Neighborhoods Enhance and protect a diverse, family-oriented community where neighborhoods are safe, protected from adverse impacts, well maintained and actively revitalized.</p> <p>Goal B: Environmental Sustainability & Preservation Preserve Scottsdale's desert environment and natural resources, and honor the City's heritage and character.</p> <p>Goal C: Transportation Strengthen the transportation system for the safe, efficient and affordable movement of people and goods.</p> <p>Goal D: Economy Position Scottsdale for short- and long-term economic prosperity by strengthening, expanding and diversifying our economic resources.</p> <p>Goal E: Public Safety Protect Scottsdale residents and visitors by providing quality public safety and homeland security services.</p> <p>Goal F: Fiscal and Resource Management Provide the means to reach other goals by ensuring Scottsdale is fiscally responsible and fair in its management of taxpayer money and City assets, and coordinates land use and infrastructure planning within the context of financial demands and available resources.</p> <p>Goal G: Open and Responsive Government Make government accessible, responsive and accountable so that decisions reflect community input and expectations.</p>

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

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
General Government							
City Cable							X
City Clerk							X
City Manager	X	X	X	X	X	X	X
Civil Division						X	
Communications & Public Affairs							X
Court	X						X
Elections							X
Environmental Office		X				X	X
City Auditor						X	
Legislative & Constituent/Gov Relations	X	X	X	X	X	X	X
Preservation	X	X					
Prosecution	X						
The Downtown Group				X			
Victim Services	X						
WestWorld Operations		X		X			

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Police							
Auto Theft Investigations	X				X		
Bicycle Patrol	X				X		
Burglary & Theft Investigations	X				X		
Canine Services	X				X		
Communications	X				X		
Computer Crime Investigations	X				X		
Crime Analysis	X				X		X
Crime Laboratory	X				X		
Crime Scene Processing	X				X		
Criminal Intelligence	X				X		
Detention	X				X		
Domestic Violence Investigations	X				X		
Drug Enforcement	X				X		
Drug Interdiction	X				X		
Event Traffic Control	X		X		X		
False Alarm Reduction Program	X				X		
Fraud Investigations	X				X		
Gang Investigations	X				X		
Internal Affairs	X				X		
Mounted Patrol	X				X		
Municipal Security	X				X		
Office Of The Chief	X				X		
Park & Preserve Patrol	X				X		
Patrol Problem Solving Surveillance Team	X				X		
Patrol Services	X				X		
Photo Enforcement			X		X		
Planning, Research And Accreditation	X				X		
Police Crisis Intervention	X				X		
Police Facilities	X				X		
Police Records	X				X		X
Police Supply & Equipment	X				X		
Property And Evidence	X				X		
Recruiting & Personnel	X				X		
Repeat Offender Program	X				X		
School Resource Services	X				X		
Sex Crimes Investigations	X				X		
Special Event/Off Duty Coordination	X				X		
Surveillance/SWAT	X				X		
Technology	X				X		
Telephone Reporting Services	X				X		
Traffic Enforcement			X		X		
Training	X				X		
Violent Crimes Investigations	X				X		

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Financial Services							
Accounting						X	
Accounts Payable & Payroll						X	
Budget						X	X
Copy Center						X	
Financial Planning & Administration						X	X
Graphics						X	
Mail						X	
Meter Reading						X	
Purchasing						X	X
Remittance Processing						X	
Revenue Recovery						X	
Risk Management						X	
Stores/Warehouse Operations						X	
Tax & License						X	
Tax Audit						X	
Utility Billing						X	
Transportation							
Aviation			X				
Intelligent Transportation Systems			X				
Traffic Engineering	X		X				
Transit			X				
Transportation Administration			X				
Transportation Master Planning		X	X				
Community Services							
Adapted Recreation Services	X						
Aquatics	X						
Branch Libraries	X						
Community Recreation Services & Facilities	X						
Community Services Planning and Administration	X	X				X	X
Contract Administration						X	
Downtown Maintenance Program	X	X				X	
Facilities Maintenance						X	
Facilities Mgmt Planning & Administration						X	
Grounds And Landscape Maintenance	X	X				X	
Housing Assistance and CDBG Programs	X						
Human Services Planning & Administration	X						
Leisure Education Programs	X						
Library Operations	X						
Library Planning and Administration	X					X	
Main Library	X						
Medians and Right-Of-Way	X	X				X	
Parks & Grounds Mgmt-Planning & Administration	X					X	
Parks & Recreation Planning & Administration	X	X				X	X
Senior Citizen Services	X						
Social Services Assistance And Referral	X						
Sports & Fitness Programs	X						X
Sports Complexes	X			X			
Youth & Family Activities & After School Programs	X						

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Information Systems							
Appl. Dev. Integration Mgmt & Support						X	X
Application Support						X	X
GIS Data Services						X	X
Help Desk/Desktop Technical Support						X	X
Information Systems Administration						X	X
Network Operations						X	X
Project Office						X	
Fire							
Emergency Management	X				X		
Fire Administration	X				X		X
Fire Emergency Services	X				X		
Fire Support Services					X	X	X
Water Resources							
Advanced Water Treatment Plant						X	
Arsenic Treatment						X	
CAP Treatment Plant						X	
Central GWTF						X	
Chaparral Water Treatment Plant						X	
Gainey Wastewater Reclamation Plant						X	
Industrial Pretreatment						X	
Inlet Golf Course Irrigation						X	
Irrigation Water Distribution System						X	
Planet Ranch Water Rights						X	
Pump Back System						X	
RWDS Administration						X	
Southern Neighborhoods Water System						X	
Treatment Plant Staffing						X	
Wastewater Collection						X	
Wastewater Maintenance						X	
Water & Wastewater Engineering						X	
Water & Wastewater Operations Administration						X	
Water Campus Wastewtr Reclamation Plant						X	
Water Conservation						X	
Water Distribution & Production						X	
Water Resources Administration						X	
Water/Wastewater Quality						X	
WestWorld Golf Recharge						X	

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Municipal Services							
Alley Maintenance	X	X					
Asset Management						X	
Capital Project Management						X	
Commercial Collection Services	X						
Container Repair Services	X						
Emergency Response Team			X				
Fleet Maintenance & Operations						X	
Fleet Management Administration						X	
Fleet Parts Supply						X	
Fuel						X	
Household Hazardous Waste	X						
Municipal Services Administration						X	
Residential Collection Services	X						
Solid Waste Management Admin Svcs	X						
Stormwater Management	X	X			X	X	X
Street Cleaning	X	X					
Street Light Maintenance						X	
Street Operations Administration		X	X				
Street Overlays and Maintenance			X				
Street Signs and Markings			X				
Traffic Operations Administration			X				
Traffic Signals			X				
Transfer Station Operations	X						
Unpaved Roads and Drainage System Maint		X	X				
Vehicle Acquisition						X	
Citizen & Neighborhood Resources							
Citizen & Neighborhood Administration	X						
Code Enforcement	X						
Customer Service & Communications	X				X		
Information Resources	X						X
Neighborhood Services	X						
Human Resources							
Benefits Management						X	X
Diversity & Dialogue							X
Human Resources						X	X
Human Resources Executive Administration						X	X
Human Resources Operations & Administration						X	X
Training & Development						X	X
Economic Vitality							
Economic Development				X			
Economic Vitality Administration				X			
Existing Business Services				X			
Hospitality Development				X			
Revitalization				X			
Planning & Development Services							
Customer Services		X					
Development Services	X	X	X				
Planning & Development Administration		X					
Planning Services		X					
Planning Technology						X	X



Capital Improvement Plan

Five Year Capital Improvement Plan

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

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

Ongoing Capital Projects

Ongoing projects do not have a completion date and the prior year budget appropriation has typically been re-budgeted for several fiscal years, as required by state law. The budgets and inception to date expenditures for these projects have accumulated or "compounded" over the years as a result, and do not appropriately reflect the amounts that are relevant to the current fiscal year budget. In order to eliminate the compounding effect on the budget and inception-to-date expenditures, continue to comply with state law, and to only show the portion of the amounts that are applicable to FY 2007/08 (or new budget year), a new process was implemented last fiscal year.

The process includes listing ongoing projects under two different project numbers.

- The first project number will be the one originally assigned in the prior year with the prefix "Y07" and will include prior year budget appropriation being carried forward into the new budget year.
- The second project number will begin with the prefix "Y08" and will include new appropriation budgeted for FY 2007/08 and appropriation forecasted for the four subsequent years.

This arrangement serves as a mechanism for each Department to closely track their ongoing project's prior year appropriation, its related inception-to-date expenditures and to close the prior year project during FY 2007/08. When the prior year project is closed, the newly assigned project number with the prefix "Y08" will be the only active project. This ongoing project will include the new appropriation budgeted for FY 2007/08, which would be reviewed by the Budget staff as part of the budget development process each year. Based on this review, the budget appropriation will either be carried forward on a very limited basis or closed out. Closing out 100% of the "Y08" projects' unused balance is the desired goal. The Appendix section in this volume includes a cross-walk of the ongoing projects for reference.

As capital improvement projects are completed, the operating costs associated with these facilities is funded in the Program Operating Budget.

The Program Operating Budget authorizes and provides the basis for control of operating expenditures for both internal and citizen services, including operating and maintaining new capital facilities. Program Operating Budget appropriations lapse at the end of the fiscal year. The Program Operating Budget is funded with recurring annual revenues such as taxes, licenses, fines, user fees, and interest income.

The following guidelines determine what is a CIP project:

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

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

- Construction of new facilities
- Remodeling or expansion of existing facilities
- Purchase, improvement and development of land
- Operating equipment and machinery for new or expanded facilities

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- ❑ Planning and engineering costs related to specific capital improvements
- ❑ Street construction, reconstruction, resurfacing or renovation

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

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

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

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

- ❑ Project meets City's current hardware, software and security standards
- ❑ If technology will be accessed from remote locations, what network bandwidth requirements are needed to support the application
- ❑ Long-term operating impacts are included in estimates (training, maintenance and support)

- ❑ Who is responsible for funding ongoing maintenance of hardware, operating system, application and database, if applicable
- ❑ Who is responsible for day-to-day support
- ❑ Does the system require after hours technical support
- ❑ Includes funding to cover ongoing monthly communication costs associated with the system, if applicable
- ❑ Backups and data retention have been considered
- ❑ Disaster recovery and security considerations have been taken into account

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

Each department was required to submit new funding requests to the Budget Office, who then compiled the information for the applicable CIP review team. If the review teams had questions concerning a request, the departments were asked to clarify the issue to assist the review team in prioritizing the project against all City needs.

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

Capital Improvement Plan

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

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

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

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

- 2. Annual Recurring Costs** - The expected change in operation and maintenance costs. Program operating departments provide year-by-year estimates of the additional costs or reductions likely in the program budget because of the new project. Also to be considered are changes in revenues that may be affected by a project, for example, the loss in property taxes incurred when private land is used for a capital project. See Capital Projects Operating Impacts schedule in the Project List section on page 38.
- 3. Health and Safety Effects** - This criterion includes health-related environmental impacts like reductions/increases in traffic accidents, injuries, deaths, sickness due to poor water quality, health hazards due to sewer problems, etc.
- 4. Community and Citizen Benefits** - Economic impacts such as property values, the future tax base, added jobs, income to citizens, changes in business income, and the stabilization (or revitalization) of neighborhoods. Such impacts may apply more to capital projects related to growth and expansion than to infrastructure

maintenance although deteriorating structures can adversely affect business.

- 5. Environmental, Aesthetic, and Social Effects** - A catch-all criterion for other significant quality-of-life-related impacts, this includes community appearance, noise, air and water pollution effects, households displaced, damage to homes, effect on commuters, changes in recreational opportunities, etc.
- 6. Distributional Effects** - Estimates of the number and type of persons likely to be affected by the project and nature of the impact; for instance, explicit examination of project impact on various geographical areas; on low-moderate income areas; and on specific target groups. Equity issues are central here - who pays, who benefits, and the social goals of the jurisdiction.
- 7. Public Perception of Need** - This criterion refers to project assessment of (a) the extent of public support; (b) interest group advocacy and/or opposition.
- 8. Feasibility of Implementation** - This element is a measure of (a) special implementation problems (i.e., physical or engineering restraints) and (b) compatibility with the General Plan.
- 9. Implication of Deferring the Project** - Deferring capital projects is tempting for hard-pressed governments but an estimate of the possible effects, such as higher future costs and inconvenience to the public, provides valuable guidance in proposal assessment.
- 10. Uncertainty of Information Supplied** - Amount of uncertainty and risk - For each proposal, each of the above criteria will have associated with it some degree of uncertainty as to cost estimates, effect on service quality, or impact of new procedures. When substantial uncertainties exist regarding any of the evaluation criteria for any proposal, the City should consider estimating, at least in broad terms, the amount of uncertainty — probability of occurrence — and the magnitude of the likely negative consequences. Few cities generate such information but even “educated guesses” are useful here.

Capital Improvement Plan

- 11. **Effect on Inter-Jurisdictional Relationships** - Possible beneficial/adverse effects on relationships with other jurisdictions or quasi-governmental agencies in the area constitute this criterion. Such effects, i.e., waste disposal via landfills in other jurisdictions, are likely to require special regional coordination and could impair the proposal's attractiveness.
- 12. **Mayor and City Council's Broad Goals** - If a capital project directly addresses the Mayor and City Council's Broad Goals, the relative attractiveness of that project increases.

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

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

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

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

- 2. **Annual Recurring Costs** - This element reflects other costs relative to a proposed project, including operation and maintenance (O&M) costs, licensing costs, and potential revenues generated by the completed project. If a project has potentially high O&M and licensing costs, then a lower rating should be assigned. If a project has the potential of generating revenues, then a higher rating should be assigned. Overall, the score for this element should reflect a compilation of all

three factors. See Capital Projects Operating Impacts schedule in the Project List section of Volume 3 on page 38.

- 3. **Technological Infrastructure** - This criterion refers to projects required to maintain the technology infrastructure for essential City operations. This would include such items as networks and servers; telephone PBX, extension or improvements to the Wide Area Network for remote locations, etc. Projects that include elements related to these items would be scored higher than projects that don't support the integrity of the technology infrastructure.
- 4. **Service Enhancement And Staff/Citizen Benefits** - This element considers the impacts that a project may have on service and the benefits the project may offer to citizens or staff members. This criterion should be viewed in terms of the numbers of citizens or staff members that may benefit from the project and how a service may be enhanced by the project.
- 5. **Distributional (Cross-Departmental) Effects** - This element deals with the extent of influence of a proposed project. The impacts and benefits may be spread over the community at-large, to a specific geographic area, to the entire City staff or to specific City staff at specific locations.

An example of a project that would receive a higher rating score would be a utility billing project where almost all citizens would benefit from the project and some staff members also benefit. Compare this to a transit technology project that targets a specific population, and benefits a limited number of staff members.
- 6. **Feasibility of Implementation** - This element is a measure of: (a) special implementation problems, i.e. physical and engineering restraints and (b) compatibility with the City's overall Technology Plan. A project would be considered for a higher rating score if it has few restraints to accomplish it and is also compatible with the overall Technology Plan.
- 7. **Implication of Deferring the Project** - This element accounts for the downside risk incurred for deferring a project, such as higher future costs, loss of contributions, continued

Capital Improvement Plan

inconvenience to the public and staff, possible constraints to network capacity, deterioration of the City's technology infrastructure or legal liability. In this evaluation, increased implications for delaying a project translates into a higher rating score.

Projects that address the limitations of a system or software package that may render a system unusable if corrective measures are not taken would score high for this element. In addition, a lower -score might be in order if future lower-costs associated with technology would come into the equation.

- 8. Uncertainty of Information Supplied** - This element measures the success potential of a proposed project. Rating scores should be awarded based on the accuracy of information given by the proposing department, the detail of cost estimates, and the potential of the project going awry due to its very nature. Lower rating scores will be assigned for projects that, basically, have insufficient information to allow a "good" review of the project for prioritization.
- 9. Effect on Regional Governance** - Rating scores should be determined based on the possible beneficial or adverse effects on a proposed project due to relationships with other jurisdictions or quasi-governmental agencies in the area. Such effects may require special regional coordination that could directly impact the success or scheduling of a project. The identification of such impacts may result in lower rating scores until such issues are resolved.
- 10. Mayor and City Council's Broad Goals**
- The question to answer is simply "does it or doesn't it" and, if the proposed project does, to what degree are the Mayor and City Council's Broad Goals being met?

After all proposed projects are prioritized using these criteria, the list of projects is reviewed from two more viewpoints: (1) Does the list stand an "intuitive check"? Do projects fall in the priority order that was "anticipated"?; and (2) Are there any linkages between projects? Are any projects related to each other in such a manner that having them accomplished concurrently would be advantageous? What about sequencing or timing? Are any projects dependent on the completion of other projects?

Adjustments to the priority list may be necessary dependent on this final review. The operating impact of capital projects are also analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational expenditure savings associated with projects are also taken into consideration (net operating costs) during the capital project review.

The CIP Advisory Team and the Technology Board subsequently review the prioritized projects. These two groups include senior management and key staff members who provide an enterprise-wide view for synergy and priority while balancing project requests against known City Council objectives. After their review is completed members of the CIP Advisory Team and Tech Board present the recommended five-year CIP to the City Manager. The City Manager reviews the recommended five-year CIP applying a policy perspective while considering Citywide needs. The full City Council then reviews the recommended five-year CIP plan during budget work/study sessions and public hearings prior to budget adoption.

Capital Improvement Plan

Capital Improvement Plan - Source of Funds

The Capital Improvement Plan (CIP) uses funding from prior year carryovers. Prior year carryovers are “blended” funding from the various funding sources described below. For FY 2007/08 – 2011/12 the funding added to the prior year carryovers includes 2000 voter-approved bonds and Preservation General Obligation (G. O.) Bonds. These G. O. Bonds, together with Municipal Property Corporation (MPC) Bonds, provide the bond-funded portion of the plan, which is approximately 70% of the CIP funding in FY 2007/08 – 2011/12. Approximately 30% of Scottsdale’s FY 2007/08 – 2011/12 CIP is funded with pay-as-you-go revenues which include development fees, dedicated sales tax revenues and contributions from fund balance transfers. The pie chart represents funding source percentages for FY 2007/08 – 2011/12.

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

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

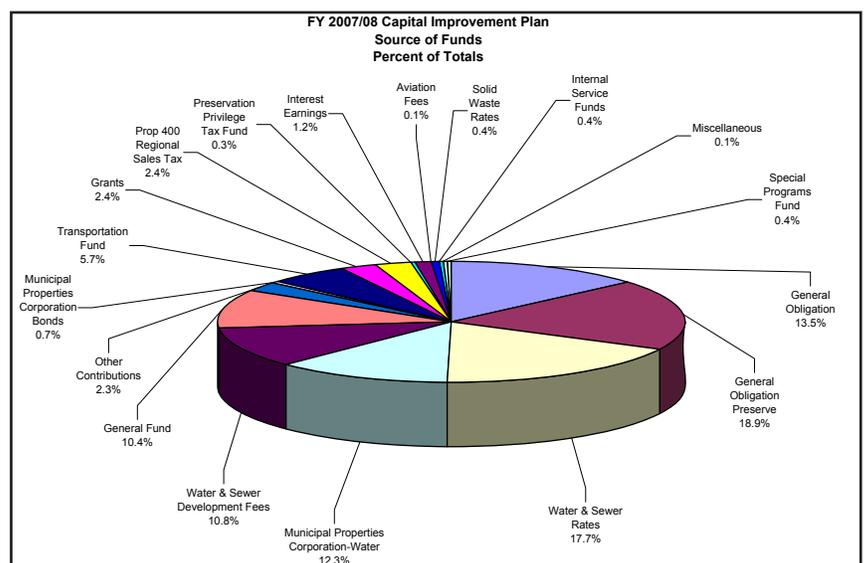
Bond 2000 are General Obligation Bonds that were authorized by voters in calendar year 2000 and are secured by the full faith and credit of the issuer. General Obligation Bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power, and must be authorized by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

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

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

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

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



Capital Improvement Plan

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

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

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

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

Transportation Fund

Highway User Revenue Fund (HURF) represents the City’s allocation of the Arizona Highway User Revenue Tax and other transportation related revenues. The amount available to each City is allocated based on population, which is determined by the latest federal census. These monies must be used for street construction, reconstruction, maintenance or transit.

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

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

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

Preservation Privilege Tax Fund represents revenues received from the 1995 voter approved 0.2% sales tax on local retail and other sales and is dedicated to

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

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

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

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

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

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

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

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

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

Capital Improvement Plan

Capital Improvement Plan - Use of Funds

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

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

The pie chart represents the percentages for each major program, while the table on page 10 presents the five-year comparison of the major programs.

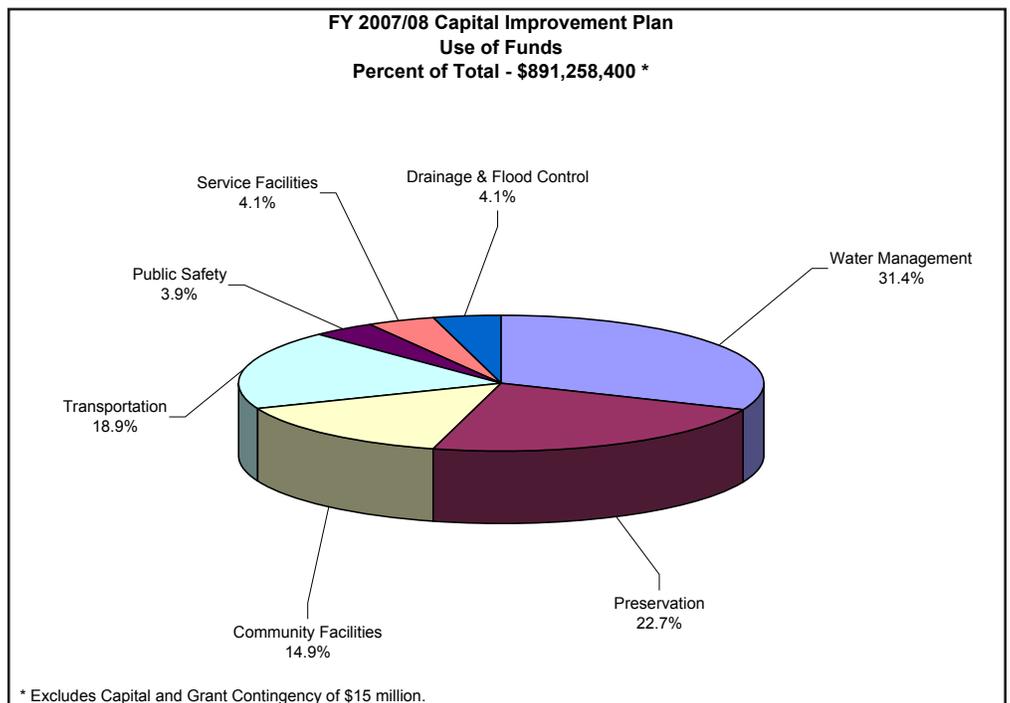
Expenditures are presented on a budget basis rather than a cash flow basis. Governmental budgeting procedures require adequate budget to pay for the entire contract to be available and appropriated in the period in which a contract is entered into by the City. However, actual cash flows (expenditures)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

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

Community Facilities programs address the City Council Broad Goal of enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained by providing neighborhood recreational facilities, parks and libraries. These recreational needs are met by providing parks, park improvements, multiuse paths, neighborhood enhancements, youth sports lighting, aquatic centers, library facilities and senior centers. Approximately 14.9% (\$132.8 million) of the CIP has been identified to address the needs of this program.

Preservation addresses the City Council Broad Goal of preserving the character and environment of Scottsdale. This goal is met by land acquisition activities for the McDowell Sonoran Preserve for the purpose of maintaining scenic views, preserving native plants and wildlife, and providing public access to the McDowell Mountains and Sonoran Desert. The 1998 election expanded the recommended study boundary from the original 12,876 acres to 36,400 acres. The 2004 election provided an additional revenue stream (0.15% sales tax rate increase) as well as the bonding capacity (\$500.0 million) that continues to provide authority to carry on preservation efforts. Approximately 22.7% (\$202.0 million) of the CIP has been identified to address this program in FY 2007/08.

Drainage and Flood Control addresses the City Council Broad Goals of protecting a diverse, family-oriented community where neighborhoods are safe and well maintained; and coordinating planning to balance infrastructure and resource needs within the



Capital Improvement Plan

budget. This program achieves these goals through flood plain mapping, meeting regulatory requirements, and identifying and correcting hazards to reduce future flood damage potential. This is accomplished through the use of detention basins, culvert and channel projects, and a program of neighborhood drainage improvements. Approximately 4.1% (\$36.9 million) of the CIP has been identified to address the drainage and flood control needs of the City.

Public Safety programs address the City Council Broad Goal of enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained. This goal is met by providing fire and police stations, training facilities, and automation systems related to fire and police operations. In FY 2005/06 the City began operating a municipal fire department after contracting fire services for several years. Fire protection includes such programs as public education, emergency medical services and fire prevention. The Police Department recognizes the changing needs of our community and addresses those needs by maximizing community outreach and looking at creative alternatives in its crime prevention efforts. Approximately 3.9% (\$34.5 million) of the CIP has been identified to address the public safety needs of the City.

Service Facilities programs address the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. These programs achieve this goal through the renovation of current facilities and technology needs necessary for the efficient and effective operations of the City. Approximately 4.1% (\$36.8 million) of the CIP has been identified to address this program.

Transportation programs address the City Council Broad Goal of providing for the safe, efficient, and affordable movement of people and goods. This program meets this goal by attempting to offer real transportation choices in a way that meets the needs of the community. In 1989 voters authorized a 0.2% privilege tax to fund transportation operations and improvements. In 2004 voters approved a 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction. This program looks for the best use of these funding sources and addresses the multi-modal concept. Approximately 18.9% (\$168.6 million) of the CIP has been identified to address the transportation needs of the City.

Water Management addresses the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. This program achieves this goal by delivering safer, reliable water and providing wastewater services. This program also reflects the City's commitment to federal and state regulations. Approximately 31.4% (\$279.6 million) of the CIP has been identified to address the water and wastewater needs of the City.

Capital Improvement Plan - Use of Funds
In Thousands of Dollars

Major Programs	2007/08	2008/09	2009/10	2010/11	2011/12
Community Facilities	132,813.3	4,779.2	1,587.2	1,059.9	881.8
Preservation	201,981.9	1,100.0	3,100.0	300.0	-
Drainage & Flood Control	36,937.1	1,318.2	4,632.2	500.0	9,657.8
Public Safety	34,525.9	4,264.3	790.8	697.8	718.8
Service Facilities	36,793.2	29,882.3	5,026.2	4,767.9	3,857.9
Transportation	168,596.0	27,305.9	24,021.8	15,050.0	10,920.0
Water Management	279,611.0	59,285.0	58,775.0	41,050.0	65,150.0
Total Expenditures (a)	891,258.4	127,934.9	97,933.2	63,425.6	91,186.3
Prior Year Unexpended (b)	-	579,318.0	459,714.4	362,470.9	276,832.7
Unexpended at Year End (Re-budgets) (c)	(579,318.0)	(459,714.4)	(362,470.9)	(276,832.7)	(239,212.4)
Transfers out to Debt Services (d)	9,246.9	13,225.3	14,645.3	16,102.9	16,179.8
Total Use of Funds	321,187.3	260,763.8	209,821.9	165,166.7	144,986.4

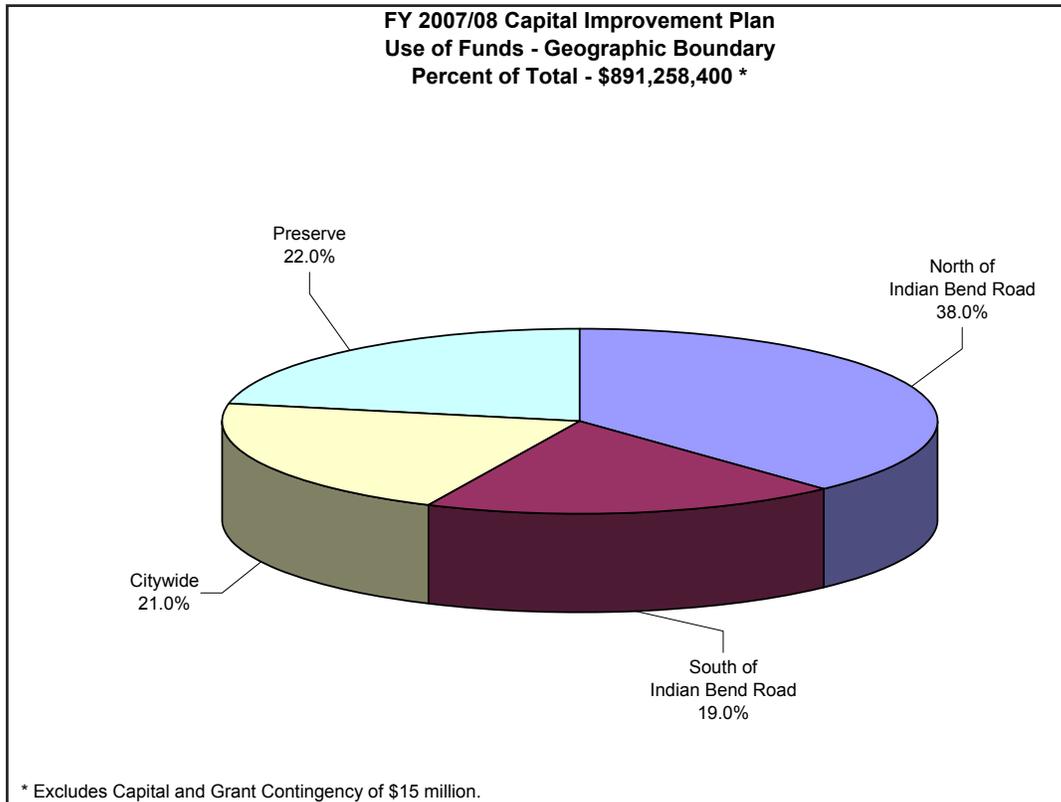
(a) Excludes Capital and Grant Contingency of \$15 million in FY 2007/08 and \$9.5 million in subsequent years.

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

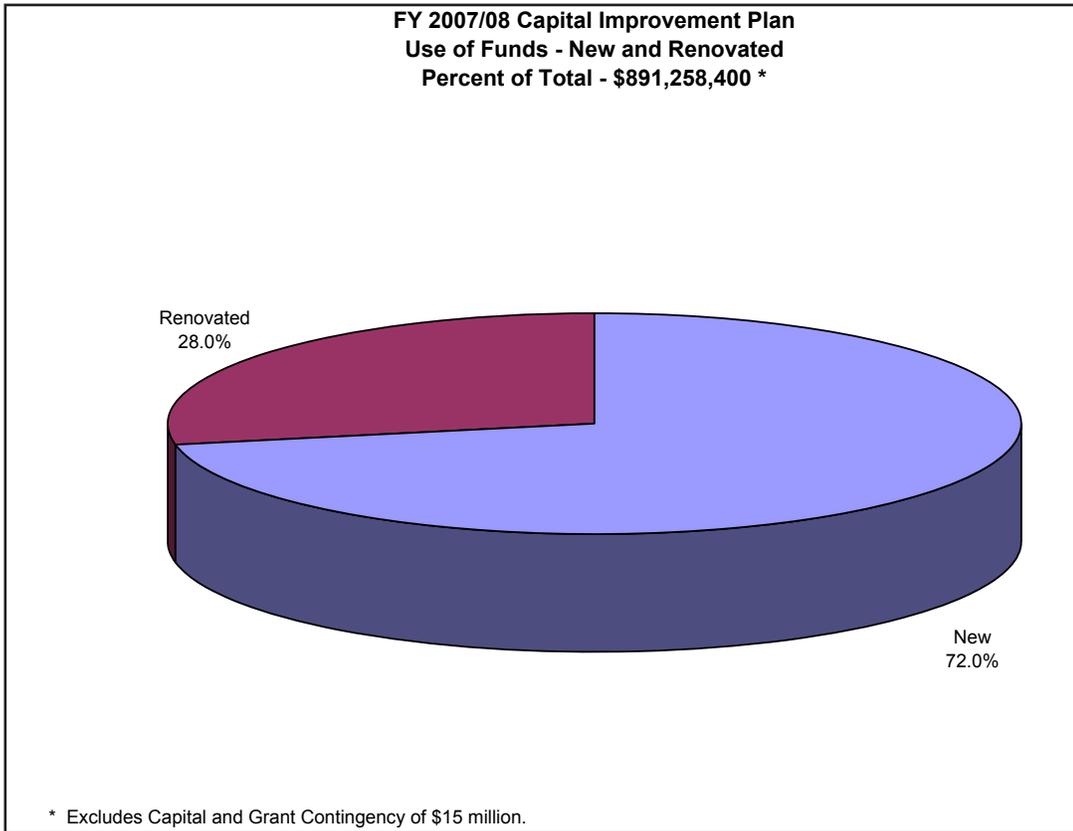
(c) Unexpended at year end (rebudgets) are estimated at 65% of total expenditures.

(d) To pay for the debt service costs of bonds that were issued to cover expenditure of CIP projects funded by development fees, for which revenue was not yet available to the City.

Capital Improvement Plan



Capital Improvement Plan



Capital Improvement Plan

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Adopted Fiscal Year 2007/08 Budget
Fund Summaries
Capital Improvement Plan
(In thousands)

	Actual 2005/06	Adopted 2006/07	Forecast 2006/07	Adopted 2007/08
Source of Funds:				
Beginning Fund Balance	401,936.5	256,856.6	423,276.8	381,887.4
Revenues:				
Bonds/Contracts				
General Obligation	125,000.0	-	-	84,000.0
General Obligation Preserve	20,000.0	-	-	-
Municipal Properties Corporation	46,500.0	17,400.0	42,500.0	7,400.0
Municipal Properties Corporation-Water	88,360.0	-	-	75,000.0
Certificates of Participation	-	-	-	-
Pay-As-You-Go				
Water & Sewer Development Fees	24,070.9	23,071.0	21,625.0	22,402.2
Regional Transportation Sales Tax (Prop 400)	-	8,731.4	8,731.4	12,532.0
Grants	1,485.0	8,307.3	17,117.6	9,325.3
Other Contributions	100.1	24,343.0	12,088.5	4,000.0
Interest Earnings	2,049.2	2,172.3	2,823.5	3,375.8
Miscellaneous	580.7	1,015.0	395.6	215.0
Subtotals	308,145.8	85,040.0	105,281.6	218,250.2
Cash Transfers In				
General Fund	33,803.3	45,389.7	47,389.7	47,508.0
Transportation Fund	13,183.4	11,097.4	10,998.8	11,433.8
Preservation Privilege Tax Funds	7,647.9	2,110.0	2,110.0	250.0
Special Programs Fund	424.0	177.0	577.0	3,501.5
Aviation Fund	1,398.0	1,830.7	1,415.0	543.4
Water & Sewer Fund	1,386.3	24,022.4	44,776.2	46,794.7
Solid Waste Fund	398.9	462.2	462.2	20.3
Internal Service Funds	236.7	175.9	175.9	2,252.9
Subtotals	58,478.6	85,265.4	107,904.9	112,304.6
Total Revenues & Cash Transfers In	366,624.4	170,305.4	213,186.5	330,554.8
Total Sources of Funds	768,560.9	427,162.0	636,463.3	712,442.2
Use of Funds:				
Program Expenditures				
Community Facilities	150,504.8	121,200.2	65,491.3	132,813.3
Preservation	10,425.0	209,425.9	5,834.2	201,981.9
Drainage & Flood Control	4,028.4	36,276.6	5,740.2	36,937.1
Public Safety	5,066.8	55,230.2	6,367.4	34,525.9
Service Facilities	11,350.6	36,391.1	16,728.3	36,793.2
Transportation	32,719.3	165,293.6	47,756.4	168,596.0
Water Services	124,194.8	224,104.1	100,095.8	279,611.0
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	338,289.7	847,921.7	248,013.6	891,258.4
Less: Estimated Capital Improvement Expenditures (35%)	-	(296,772.6)	-	(311,940.4)
Subtotal: Unexpended at Year End (65%)	-	551,149.1	-	579,318.0
Cash Transfers Out				
To Court Enhancement	20.9	-	-	-
To Water & Sewer Operating Funds	6,973.4	6,823.5	6,562.3	9,246.9
To Solid Waste Enterprise Fund	-	-	-	-
Subtotal	6,994.4	6,823.5	6,562.3	9,246.9
Total Use of Funds	345,284.1	303,596.1	254,575.9	321,187.3
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	-	5,500.0	5,500.0	5,500.0
Reserved:				
Capital General Contingency ^(C)	4,079.8	4,500.0	3,273.8	4,500.0
Reserved Fund Balance	419,197.0	119,065.8	378,613.6	386,754.9
Total Ending Fund Balance	423,276.8	123,565.8	381,887.4	391,254.9

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

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

(C) The unused portion of the FY 2007/08 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2008/09 to FY 2011/12 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

Capital Improvement Plan

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Adopted Fiscal Year 2007/08 Budget
Five Year Financial Plan
Capital Improvement Plan
(In thousands)

	Adopted 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Source of Funds:					
Beginning Fund Balance	381,887.4	391,254.9	356,409.7	282,063.3	429,727.5
Revenues:					
Bonds/Contracts					
General Obligation	84,000.0	35,000.0	31,800.0	-	-
General Obligation Preserve	-	-	-	210,000.0	-
Municipal Properties Corporation	7,400.0	-	-	-	-
Municipal Properties Corporation-Water	75,000.0	62,000.0	-	-	-
Certificates of Participation	-	-	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	22,402.2	23,231.1	24,090.6	24,982.0	25,906.3
Regional Transportation Sales Tax (Prop 400)	12,532.0	6,000.0	8,225.0	-	-
Grants	9,325.3	8,900.3	3,675.8	3,145.0	1,500.0
Other Contributions	4,000.0	17,400.0	1,000.0	1,750.0	1,500.0
Interest Earnings	3,375.8	3,335.2	2,569.3	2,067.2	1,894.4
Miscellaneous	215.0	245.0	230.0	230.0	230.0
Subtotals	218,250.2	156,111.6	71,590.7	242,174.2	31,030.7
Cash Transfers In					
General Fund	47,508.0	20,795.8	15,780.6	15,836.5	15,321.1
Transportation Fund	11,433.8	11,896.5	12,385.8	13,403.4	13,950.9
Preservation Privilege Tax Funds	250.0	2,088.0	100.0	300.0	300.0
Special Programs Fund	3,501.5	227.8	62.8	32.8	32.8
Aviation Fund	543.4	310.6	115.6	65.6	10.6
Water & Sewer Fund	46,794.7	29,932.1	33,783.8	40,442.2	47,773.3
Solid Waste Fund	20.3	2,020.3	1,620.3	540.3	540.3
Internal Service Funds	2,252.9	2,535.9	35.9	35.9	35.9
Subtotals	112,304.6	69,807.0	63,884.8	70,656.7	77,964.9
Total Revenues & Cash Transfers In	330,554.8	225,918.6	135,475.5	312,830.9	108,995.6
Total Sources of Funds	712,442.2	617,173.5	491,885.2	594,894.2	538,723.1
Use of Funds:					
Program Expenditures					
Community Facilities	132,813.3	4,779.2	1,587.2	1,059.9	881.8
Preservation	201,981.9	1,100.0	3,100.0	300.0	-
Drainage & Flood Control	36,937.1	1,318.2	4,632.2	500.0	9,657.8
Public Safety	34,525.9	4,264.3	790.8	697.8	718.8
Service Facilities	36,793.2	29,882.3	5,026.2	4,767.9	3,857.9
Transportation	168,596.0	27,305.9	24,021.8	15,050.0	10,920.0
Water Services	279,611.0	59,285.0	58,775.0	41,050.0	65,150.0
Prior Year Unexpended ^(A)	-	579,318.0	459,714.4	362,470.9	276,832.7
Subtotal	891,258.4	707,252.9	557,647.6	425,896.5	368,019.0
Less: Estimated Capital Improvement Expenditures (35%)	(311,940.4)	(247,538.5)	(195,176.6)	(149,063.8)	(128,806.7)
Subtotal: Unexpended at Year End (65%)	579,318.0	459,714.4	362,470.9	276,832.7	239,212.4
Cash Transfers Out					
To Court Enhancement	-	-	-	-	-
To Water & Sewer Operating Funds	9,246.9	12,125.3	13,145.3	16,102.9	16,179.8
To Solid Waste Enterprise Fund	-	1,100.0	1,500.0	-	-
Subtotal	9,246.9	13,225.3	14,645.3	16,102.9	16,179.8
Total Use of Funds	321,187.3	260,763.8	209,821.9	165,166.7	144,986.4
Ending Fund Balance					
Capital Grant Contingency ^(B)	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	5,500.0	-	-	-	-
Reserved:					
Capital General Contingency ^(C)	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	386,754.9	351,909.7	277,563.3	425,227.5	389,236.7
Total Ending Fund Balance	391,254.9	356,409.7	282,063.3	429,727.5	393,736.7

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

(B) Capital Grant Contingency and Capital Airport Grant Contingency are unfunded contingencies that allow for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance.

City Council approval is required before making expenditures from capital contingencies.

(C) The unused portion of the FY 2007/08 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2008/09 to FY 2011/12 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

Capital Improvement Plan

PROJECT LIST

The **Capital Improvement Plan** section in this volume includes two lists. The first list summarizes all capital projects in alphabetical order. The second list summarizes the projected operating costs associated with capital projects. The project list reflect each project's adopted FY 2007/08 budget with the forecasted funding through FY 2011/12. The forecasted funding, which includes FY 2008/09 through FY 2011/12, was not adopted by City Council as part of the FY 2007/08 budget adoption. This information serves as part of the City's long-term capital plan process and will be revisited and updated in future budget reviews. The Operating Impacts list includes a four-year summary of the projected operating costs associated with capital projects. The operating impacts for projects completed prior to or during FY 2007/08 are calculated and included in the Adopted Program Operating Budget.

Capital Project List - Alphabetical by Project Name

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
S0701	74th St. - Belleview to McDowell	-	500.0	-	-	-	-	500.0	135
B8805	Accessibility – Facility Modifications	(1,045.8)	2,045.2	200.0	175.0	150.0	125.0	2,695.2	96
D0812	Additional and Upgraded RVs	-	1,015.0	-	-	-	-	1,015.0	45
TEMP527	Advance Water Treatment Plant - Phase 4	-	-	-	-	2,000.0	23,800.0	25,800.0	161
V0204	Advanced Water Treatment Plant – Phase 3	(12,629.2)	13,100.0	-	-	-	-	13,100.0	161
P0302	Aging Park Facility Renovations	(1,558.3)	1,558.3	-	-	-	-	1,558.3	59
P0204	Aging Parks – Chaparral Pool Building	(1,437.5)	1,605.0	-	-	-	-	1,605.0	59
TEMP685	Airpark Taxilane Reconstruction, Gates 1 and 2	-	-	1,700.0	-	-	-	1,700.0	128
A0509	Airport - Future Grants	-	5,500.0	-	-	-	-	5,500.0	128
A0508	Airport Maintenance Facility	(80.1)	1,000.0	-	-	-	-	1,000.0	128
A0706	Airport Master Plan Update	-	172.5	-	-	-	-	172.5	129
A0502	Airport Parking Lot Lighting Upgrades	(3.8)	76.5	-	-	-	-	76.5	129
A0710	Airport Pavement Preservation Program	(175.5)	333.0	150.0	50.0	-	-	533.0	129
A0803	Airport Rotating Beacon Replacement	-	50.0	-	-	-	-	50.0	129
TEMP534	Airport Runway Resurfacing Project	-	-	2,000.0	-	-	-	2,000.0	130
A0401	Airport Security Fencing	-	249.8	-	-	-	-	249.8	130
A0703	Airport Security System Enhancements	(25.2)	65.0	-	-	-	-	65.0	130
A0302	Airport Terminal Area Renovations	(541.4)	2,742.0	-	-	-	-	2,742.0	131
A0801	Airport Terminal Entrance Road and Parking Lot, Phase 2	-	1,000.0	-	-	-	-	1,000.0	131
W2105	Alameda/122nd Street Booster Pump Station	(18.6)	1,800.0	-	-	-	-	1,800.0	169
M0606	Alternate Computing Site	(334.7)	904.0	-	-	-	-	904.0	105
B0701	Appaloosa Library	(626.9)	10,651.7	-	-	-	-	10,651.7	43
TEMP638	Appaloosa Library Collection Materials	-	-	2,000.0	-	-	-	2,000.0	43
P0701	Arabian Library Books	(262.6)	1,000.0	-	-	-	-	1,000.0	43
P0201	Arabian Library Phase II	(9,276.7)	10,443.4	-	-	-	-	10,443.4	44
TEMP692	Arizona Canal Path-Chaparral to McDonald	-	-	-	-	-	1,800.0	1,800.0	149
W2106	Arsenic Mitigation Treatment	(77,537.8)	88,500.0	-	-	10,000.0	-	98,500.0	169
*Y0716	Art In Public Places	(595.3)	2,676.0	-	-	-	-	2,676.0	45
*Y0816	Art In Public Places.	-	931.4	679.2	507.0	459.9	531.8	3,109.3	46
T9005	Arterial Roadway Street Lighting	(680.6)	828.1	-	-	-	-	828.1	145
T0601	ASU Scottsdale Center Transit Passenger Facility	(201.0)	2,935.7	564.3	-	-	-	3,500.0	149
F8410	Automated Flood Warning System – North Area	(56.8)	194.4	-	-	-	-	194.4	72
A0505	Aviation Design Projects 06/07	(201.5)	693.0	-	-	-	-	693.0	131
A0504	Aviation Grant Match Contingency	-	450.0	-	-	-	-	450.0	132

Projects marked with "" represent ongoing CIP projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
M0712	Backup of Police Mission Critical System Components	(254.6)	273.8	-	-	-	-	273.8	105
S0501	Bell Road – 94th St. to Thompson Peak Parkway	(628.7)	5,725.0	-	-	-	-	5,725.0	135
*Y0714	Bikeways Program	(4,457.0)	4,845.5	-	-	-	-	4,845.5	149
*Y0814	Bikeways Program.	-	2,760.0	1,500.0	1,500.0	1,500.0	1,500.0	8,760.0	150
B0806	Bond Design Consulting Services	-	200.0	-	-	-	-	200.0	96
W9903	Booster Station Upgrades	(350.9)	575.0	250.0	-	250.0	-	1,075.0	169
*Y0717	Bus Stop Improvements	(913.4)	2,582.3	-	-	-	-	2,582.3	150
*Y0817	Bus Stop Improvements.	-	600.0	200.0	200.0	200.0	250.0	1,450.0	150
G9001	Buses Expansion	(4,488.0)	5,289.0	1,600.0	-	1,000.0	-	7,889.0	151
S2102	Cactus Road – Pima Freeway to Frank Lloyd Wright	(13,469.6)	20,978.2	-	-	-	-	20,978.2	135
S0301	Camelback Road – 64th to 68th St	(1,605.4)	1,624.4	-	-	-	-	1,624.4	136
TEMP699	CAP 2 Raw Water Pump Station	-	-	-	-	2,000.0	20,000.0	22,000.0	170
W0504	CAP Plant Expansion	(31,108.4)	90,000.0	-	-	-	-	90,000.0	170
W0202	CAP Plant Regulatory Compliance	(48,894.6)	59,400.0	-	-	-	-	59,400.0	170
W0301	CAP Water Connection – Shea to McDonald	(12,859.6)	13,000.0	-	-	-	-	13,000.0	171
NEW69	Case Management System Conversion Consulting	-	-	150.0	-	-	-	150.0	105
M0806	Cellular Intercept Module	-	225.5	-	-	-	-	225.5	87
S0404	Center Road - 74th to Hayden	(968.8)	8,800.0	-	-	-	-	8,800.0	136
P0206	Chaparral Park Extension	(4,910.2)	4,912.7	-	-	-	-	4,912.7	59
W9911	Chaparral Water Treatment Plant	(83,441.0)	83,582.4	-	-	-	-	83,582.4	171
W0302	Chaparral WTP Water Distribution System	(9,485.6)	9,500.0	-	-	-	-	9,500.0	171
*Y0718	CIP Advance Planning Program	(1,987.2)	2,257.4	-	-	-	-	2,257.4	136
*Y0818	CIP Advance Planning Program.	-	200.0	200.0	200.0	250.0	250.0	1,100.0	137
Z9400	CIP Contingency	-	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0	22,500.0	106
Z9401	CIP Contingency for Future Grants	-	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	25,000.0	106
M0402	City Attorney – Legal Case Matter Management System	(148.7)	160.0	-	-	-	-	160.0	106
M0713	City Document Web Presentation	(91.7)	91.7	-	-	-	-	91.7	106
E0402	City Facilities Security Enhancement	(708.4)	815.1	-	-	-	-	815.1	96
P0702	City Hall Lagoon Renovation	(2.5)	548.0	-	-	-	-	548.0	96
*Y0704	CityCable Audio/Video Equipment Replacements	(54.5)	64.9	-	-	-	-	64.9	107
*Y0804	CityCable Audio/Video Equipment Replacements.	-	121.0	110.0	121.0	60.5	132.0	544.5	107
M0708	Citywide Private Wireless Network Study	(95.0)	115.0	-	-	-	-	115.0	107
P0601	Civic Center Library Improvements	(63.5)	665.0	-	-	-	-	665.0	44
D0802	Civic Center Mall Renovations & Improvements	-	970.0	-	-	-	-	970.0	97
D0601	Civic Center Mall West Restroom Renovation	(128.8)	467.0	-	-	-	-	467.0	46
B0702	Club SAR Renovation	(25.7)	250.0	-	-	-	-	250.0	59
M0809	Communications Workstation Expansion	-	192.2	-	-	-	-	192.2	87
M0501	Community Services – Class System Upgrades	(87.6)	87.4	-	-	-	-	87.4	108
B0605	Community Services Facilities Maintenance	(0.7)	1,590.8	-	-	-	-	1,590.8	97
M0714	Computer Facility Infrastructure Improvements	(131.1)	477.8	158.8	36.8	-	-	673.4	108
D0702	Construction of Rock Knob and Connecting Preserve Trails	-	110.0	-	-	-	-	110.0	68

Projects marked with "" represent ongoing CIP projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
P0609	Construction of Trails Supporting the Gateway to the Preserve	(0.2)	330.0	-	-	-	-	330.0	68
B0606	Container Repair Facilities	(9.6)	318.0	-	-	-	-	318.0	97
V0501	Core North/South Sewer	-	2,598.0	-	-	-	-	2,598.0	161
W0501	Core North/South Water	(23.9)	3,798.0	-	-	-	-	3,798.0	172
B0704	Corporation Yard Fleet Maintenance Facility Expansion	-	140.0	2,500.0	-	-	-	2,640.0	98
B0804	Corporation Yard Truck Wash	-	250.0	-	-	-	-	250.0	98
B0508	Courts – Customer Service Enhancement	(169.1)	225.0	-	-	-	-	225.0	98
M0611	Courts - Digital Courtroom Recording	(42.6)	80.0	-	-	-	-	80.0	108
B0509	Courts – Expansion	(392.6)	400.0	-	-	-	-	400.0	99
N0802	Cox Heights	-	76.4	-	-	-	-	76.4	46
*Y0703	Crime Laboratory Equipment Replacement	(90.2)	117.9	-	-	-	-	117.9	87
*Y0803	Crime Laboratory Equipment Replacement	-	15.0	211.5	238.0	145.0	166.0	775.5	88
T0703	Cross Cut Canal Multiuse Path Phase II	(347.1)	1,731.0	-	-	-	-	1,731.0	151
T0602	Cross Cut Canal Path Extension Project	(1,324.2)	1,525.0	-	-	-	-	1,525.0	151
W8515	Deep Well Recharge/Recovery Facilities	(762.7)	4,100.0	1,000.0	-	-	-	5,100.0	172
A0704	Design and Construct Greenway Hangar Connectors	-	115.0	-	-	-	-	115.0	132
A0705	Design and Construct Retention Basin Improvements	-	270.3	-	-	-	-	270.3	132
B0705	Detention Facility Consolidation	-	3,956.0	-	-	-	-	3,956.0	88
B0504	District 1 Police Facilities	(8,914.3)	10,771.0	-	-	-	-	10,771.0	88
B0501	District 3 Expansion	(463.1)	505.3	-	-	-	-	505.3	89
M0703	Document Imaging and Management	(22.3)	268.8	-	-	-	-	268.8	109
M0612	Document Management System – Financial Services	(193.7)	391.0	-	-	-	-	391.0	109
M0502	Document Management System - City Attorney	(73.6)	247.0	-	-	-	-	247.0	109
M9906	Document Management System - Courts	(243.3)	400.0	-	-	-	-	400.0	110
TEMP641	Downtown Area Drainage Study	-	-	-	80.0	-	-	80.0	72
D0402	Downtown Façade Program	(223.6)	650.0	-	-	-	-	650.0	47
D0501	Downtown Lighting Improvements	(33.7)	630.0	-	-	-	-	630.0	47
P8734	Downtown Parking	(10,675.5)	10,706.8	-	-	-	-	10,706.8	47
*Y0702	Downtown Parking Program Enhancements	(20.4)	363.6	-	-	-	-	363.6	99
*Y0802	Downtown Parking Program Enhancements.	-	150.0	100.0	100.0	100.0	-	450.0	99
T0801	Downtown Pedestrian Improvements	-	300.0	300.0	-	-	-	600.0	152
D0701	Downtown Plan Update & Special Project Implementation-Study	(89.1)	500.0	-	-	-	-	500.0	48
P0309	Downtown Reinvestment	(8,279.7)	8,717.0	-	-	-	-	8,717.0	48
D0703	Downtown Reinvestment Phase II	(1,986.9)	2,850.0	-	-	-	-	2,850.0	48
D0602	Downtown Restrooms	(428.0)	500.0	-	-	-	-	500.0	49
D0208	Downtown Streetscape Amenities	(141.0)	615.3	-	-	-	-	615.3	49
S0312	Downtown Streetscape Enhancement Fund	(409.2)	410.8	-	-	-	-	410.8	49
D0801	Downtown Utility Cabinet Relocation	-	285.0	-	-	-	-	285.0	49
D0706	East Canal Bridge and Plaza	-	500.0	-	-	-	-	500.0	50
F0401	East Union Hills Interceptor Channel	(221.7)	1,940.8	-	-	-	-	1,940.8	72
P0502	Eldorado Ballfield Renovation	(712.2)	1,290.0	-	-	-	-	1,290.0	60

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Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
B0604	Elevator Renovations	(211.4)	212.4	-	-	-	-	212.4	99
E0801	Engines for Reserve Apparatus	-	900.0	-	-	-	-	900.0	84
M0803	Enhanced Web Services	-	70.8	-	-	-	-	70.8	110
M0801	Enterprise Document Management for CNR	-	85.9	-	-	-	-	85.9	110
P0505	Expanded McDowell Sonoran Preserve	(33,625.2)	230,000.0	-	-	-	-	230,000.0	68
*Y0701	Facilities Repair and Maintenance Program	(1,405.7)	2,635.0	-	-	-	-	2,635.0	100
*Y0801	Facilities Repair and Maintenance Program.	-	1,484.5	1,467.0	1,389.5	1,463.5	817.0	6,621.5	100
M0302	Financial Services – Automated Time & Attendance System	(325.7)	373.5	-	-	-	-	373.5	111
M0308	Financial Services – Meter Reading System	(51.3)	159.3	-	-	-	-	159.3	111
M0702	Financial Services – Remittance Process Transport System	(89.5)	442.9	-	-	-	-	442.9	111
M0504	Financial Services – Tax, Licensing & Alarm Billing System	(1,414.6)	1,425.7	-	-	-	-	1,425.7	112
M0210	Financial Services – Utility Billing System	(1,826.2)	2,597.6	-	-	-	-	2,597.6	112
M0701	Financial Systems Upgrade	(16.1)	341.3	210.0	210.0	210.0	-	971.3	112
B0603	Fire Burn Building Update	(271.5)	299.0	-	-	-	-	299.0	84
E0701	Fire Ladder Truck	-	920.0	-	-	-	-	920.0	84
B0402	Fire Station #601 – Miller & Thomas Remodel	(78.0)	168.4	-	-	-	-	168.4	84
B0601	Fire Station #601 - Relocate existing station south quadrant	(16.1)	2,825.0	3,500.0	-	-	-	6,325.0	85
B0401	Fire Station #602 – Downtown Fire Station	(1,905.4)	7,305.0	-	-	-	-	7,305.0	85
B0803	Fire Station #608 – Area of 100th St and Frank Lloyd Wright	-	2,000.0	-	-	-	-	2,000.0	85
B0403	Fire Station #613	(82.4)	5,910.0	-	-	-	-	5,910.0	85
B9909	Fire Station #827 – Ashler Hills and Pima	(962.9)	1,200.0	-	-	-	-	1,200.0	86
M0614	Fleet Management Information System	(190.8)	200.5	-	-	-	-	200.5	113
F0302	Floodplain Acquisition Program	(3.7)	2,366.6	-	-	-	-	2,366.6	73
TEMP634	Fourth Avenue Storm Sewer	-	-	120.0	150.0	-	-	270.0	73
S0304	Frank Lloyd Wright–Scottsdale Rd to Shea	(263.7)	3,415.0	-	-	-	-	3,415.0	137
S0601	Freeway Frontage Road North-Pima to Hayden	(22.2)	8,164.8	-	-	-	-	8,164.8	137
S0801	Freeway Frontage Road South-Hayden to Pima	-	1,100.0	6,300.0	3,600.0	-	-	11,000.0	138
S0405	FreewayFrontage Rd. North - Hayden to Scottsdale	(5,143.1)	7,565.0	-	-	-	-	7,565.0	138
B0511	Fuel/Fleet Maintenance Facility – McKellips Service Center	(549.2)	3,465.9	-	-	-	-	3,465.9	100
V0705	Gainey Ranch Treatment Plant Rehabilitation	-	1,000.0	-	-	-	-	1,000.0	162
P0608	Gateway to the Preserve Amenities	-	2,700.0	800.0	-	-	-	3,500.0	69
TEMP479	Granite Mountain Trail Restoration and Mitigation	-	-	-	100.0	100.0	-	200.0	69
F0201	Granite Reef Watershed	(652.5)	4,580.6	385.0	-	-	-	4,965.6	73
P0602	Grayhawk Community Park - Phase I	(667.8)	8,943.5	-	-	-	-	8,943.5	60
TEMP547	Happy Valley Road - Pima to Alma School	-	-	-	-	500.0	900.0	1,400.0	138
S2103	Hayden Road – Cactus to Redfield	(9,536.2)	10,112.0	-	-	-	-	10,112.0	139
S0305	Hayden Road and McDonald Drive Intersection Improvement	(2,648.5)	2,651.0	-	-	-	-	2,651.0	139

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Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
S0306	Hayden Road and Via de Ventura Intersection Improvement	(777.2)	1,850.0	-	-	-	-	1,850.0	139
TEMP545	Hayden Road Bicycle and Pedestrian Improvements	-	-	-	-	300.0	500.0	800.0	152
T0603	High Capacity Transit Corridor Study	(702.1)	1,000.0	-	-	-	-	1,000.0	152
S0402	Indian Bend Road – Scottsdale to Hayden	(2,297.7)	16,200.0	-	-	-	-	16,200.0	140
P9901	Indian Bend Wash Lakes Renovation	(1,053.2)	2,493.0	-	-	-	-	2,493.0	60
NEW49	Indian Bend Wash Multiuse Path Renovation	-	-	-	600.0	2,400.0	-	3,000.0	153
T0604	Indian Bend Wash Path Connection	(146.9)	1,118.8	-	-	-	-	1,118.8	153
S0308	Indian School Road – Drinkwater to Pima Freeway	(1,134.1)	9,000.0	-	-	-	-	9,000.0	140
F0402	Indian School Road Drainage	(268.8)	2,915.0	-	-	-	-	2,915.0	74
M0505	Information Services – Mobile Wireless Replacement	(158.9)	213.0	-	-	-	-	213.0	113
TP012	Information Services – Anti-Virus Replacement	-	-	61.1	-	-	-	61.1	113
M0705	Information Services – Enterprise Back-up Software	(391.6)	486.9	-	-	-	-	486.9	114
M0204	Information Services – GIS Mapping Platform Migration	(513.9)	564.0	-	-	-	-	564.0	114
*Y0707	Information Services – Network Infrastructure	(656.9)	842.7	-	-	-	-	842.7	114
*Y0807	Information Services – Network Infrastructure.	-	325.2	325.2	325.2	325.2	325.2	1,626.2	115
*Y0710	Information Services – PC Equipment	(488.4)	1,319.6	-	-	-	-	1,319.6	115
*Y0810	Information Services – PC Equipment.	-	1,319.5	1,319.5	1,319.5	1,319.5	1,319.5	6,597.4	116
M0205	Information Services – Security Investment	(205.2)	511.2	-	-	-	-	511.2	116
*Y0708	Information Services – Server Infrastructure	(2,007.9)	1,863.9	-	-	-	-	1,863.9	117
*Y0808	Information Services – Server Infrastructure.	-	860.8	860.8	860.8	860.8	860.8	4,304.0	117
*Y0709	Information Services – Telephone Equipment	(263.4)	311.8	-	-	-	-	311.8	118
*Y0809	Information Services – Telephone Equipment.	-	278.4	278.4	278.4	278.4	278.4	1,392.0	118
M0506	Information Services – Web Content Management SW	(209.8)	298.4	-	-	-	-	298.4	119
TEMP499	Information Systems - Information Lifecycle Management	-	-	-	210.0	-	-	210.0	119
TEMP500	Information Systems - Server Operation Management	-	-	195.0	-	-	-	195.0	119
W0502	Inner Circle Booster Pump Station	(2,721.4)	3,400.0	-	-	-	-	3,400.0	172
TEMP472	Interior Preserve Trail	-	-	-	-	200.0	-	200.0	69
*Y0719	Intersection Mobility Enhancements	(1,101.9)	3,060.8	-	-	-	-	3,060.8	145
*Y0819	Intersection Mobility Enhancements.	-	3,125.0	1,500.0	2,000.0	2,000.0	2,000.0	10,625.0	145
P0503	Irrigation Pump Replacement	(314.1)	697.3	-	-	-	-	697.3	61
T0706	LED Illuminated Sign Update	-	960.0	480.0	480.0	-	-	1,920.0	146
F0801	Levee Certification	-	400.0	-	-	-	-	400.0	74
M0807	License Plate Readers	-	186.1	-	-	-	-	186.1	89
D0211	Loloma District Museum	(800.4)	7,500.0	-	-	-	-	7,500.0	50
D0403	Loloma District Streetscape Improvements	(2,399.8)	2,400.0	-	-	-	-	2,400.0	50
B0706	Loloma District-Stagebrush Theater Relocation	-	1,600.0	-	-	-	-	1,600.0	51
F0701	Loop 101 Detention Basin	-	4,097.0	-	-	-	-	4,097.0	74
F0602	Loop 101 Outlet Storm Drain	-	3,445.0	-	-	-	-	3,445.0	75
T9902	Loop 101 Park and Ride Lot	-	5,844.7	-	-	-	-	5,844.7	153

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PROJECT LIST

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B0801	Main Entry / Security Remodel	-	296.3	-	-	-	-	296.3	101
NEW06	Major North Community Access Area	-	-	300.0	3,000.0	-	-	3,300.0	70
V8620	Master Plan – Sewer	(1,452.6)	2,283.4	-	1,250.0	-	250.0	3,783.4	162
W8525	Master Plan – Water	(1,805.4)	2,066.8	-	1,250.0	-	500.0	3,816.8	173
P0712	McCormick Ranch Park Model Railroad Museum	(8.1)	4,400.0	-	-	-	-	4,400.0	61
S0702	McDonald Drive - Scottsdale to 78th St	(118.4)	1,700.0	-	-	-	-	1,700.0	140
F0403	McDonald Drive Corridor Drainage Improvement	(944.3)	1,482.0	-	-	-	-	1,482.0	75
P0603	McDowell Mountain Ranch Maintenance Compound Expansion	(93.2)	120.0	-	-	-	-	120.0	61
P0209	McDowell Mountain Ranch Park and Aquatic Center	(14,285.3)	14,291.9	-	-	-	-	14,291.9	62
T0605	McDowell Road Bicycle and Pedestrian Improvements	(302.9)	2,532.0	472.4	1,000.0	-	-	4,004.4	154
B9905	McKellips Service Center	(1,217.6)	1,311.4	-	-	-	-	1,311.4	101
P0604	Mescal Park	(108.6)	150.0	-	-	-	-	150.0	62
V2101	Miller Road Sewer – Phase 3	(865.0)	13,300.0	-	-	-	-	13,300.0	162
P0501	Mustang Library Improvements	(104.1)	995.6	-	-	-	-	995.6	44
T0502	Mustang Transit Passenger Facility	(1.8)	4,250.0	-	-	-	-	4,250.0	154
D0404	NE Downtown Streetscape	(75.0)	1,980.0	-	-	-	-	1,980.0	51
*Y0705	Neighborhood Stormwater Management Improvements	(604.3)	1,233.8	-	-	-	-	1,233.8	75
*Y0805	Neighborhood Stormwater Management Improvements.	-	500.0	500.0	500.0	500.0	500.0	2,500.0	75
*Y0721	Neighborhood Traffic Management Program	(993.8)	1,394.0	-	-	-	-	1,394.0	146
*Y0821	Neighborhood Traffic Management Program.	-	1,000.0	500.0	550.0	600.0	600.0	3,250.0	146
M0707	Network Infrastructure Extension	-	600.0	262.5	-	-	-	862.5	120
B0805	New Civic Center Office Building	-	2,000.0	-	-	-	-	2,000.0	101
B0802	New Justice Facility Space Program Study	-	220.0	-	-	-	-	220.0	102
D0804	New Rose Garden	-	350.0	-	-	-	-	350.0	62
F6305	North Area Basin Master Plan	(939.5)	1,083.3	-	-	-	-	1,083.3	76
D0705	North Bank and Goldwater Underpass	(2,180.1)	2,400.0	-	-	-	-	2,400.0	51
F0304	North Scottsdale Road Corridor – Drainage Project	(1,409.1)	6,743.9	-	-	-	-	6,743.9	76
F2711	Northern Stormwater Water Risk/Vulnerability Management	(11,866.5)	12,059.9	-	-	-	-	12,059.9	76
F0712	NPDES Water Quality Sampling, Reporting, and Permitting	(1,576.4)	2,406.3	-	-	-	-	2,406.3	77
A0709	Pavement Reconstruction – Aprons	-	-	2,300.0	2,200.0	2,200.0	-	6,700.0	133
A0601	Perimeter Road Construction	(5.2)	119.6	-	-	-	-	119.6	133
S0602	Pima Road – Deer Valley to Pinnacle Peak	(504.7)	11,700.0	-	-	-	-	11,700.0	141
S4702	Pima Road – McDowell to Via Linda	(13,348.2)	13,350.0	-	-	-	-	13,350.0	141
S2104	Pima Road – Pima Freeway to Deer Valley	(15,715.5)	15,837.7	-	-	-	-	15,837.7	141
F0503	Pima Road Drainage System	(1,827.7)	2,183.4	313.2	3,902.2	-	-	6,398.8	77
S0204	Pinnacle Peak – Miller to Pima Rd	(1,084.6)	10,182.5	-	-	-	-	10,182.5	142
B0807	Plan Review Office Efficiency Renovation	-	65.0	-	-	-	-	65.0	102
*Y0715	Playground Equipment Replacement	(21.6)	320.3	-	-	-	-	320.3	63
*Y0815	Playground Equipment Replacement.	-	165.0	175.0	150.0	150.0	150.0	790.0	63
M0509	Police – AFIS Workstations Replacement	(190.4)	308.0	-	-	-	-	308.0	120

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M0512	Police – Fashion Square Radio Treatment	-	225.0	-	-	-	-	225.0	120
M0513	Police – Hand Held Data Terminals	(32.0)	32.4	-	-	-	-	32.4	120
M0303	Police – Mobile Data and Communications Upgrade	(85.3)	190.0	-	-	-	-	190.0	121
M0401	Police – Records Management and CAD System Replacement	(3,630.3)	4,725.0	-	-	-	-	4,725.0	121
M0810	Police Advanced Mobile Upgrades	-	1,001.3	-	-	-	-	1,001.3	89
M0602	Police Automated Vehicle Location System	(33.4)	154.4	-	-	-	-	154.4	90
M0808	Police Communications Uninterrupted Power Supply Expansion	-	80.0	-	-	-	-	80.0	90
M0804	Police Computers for Bike Unit and Detectives	-	185.0	-	-	-	-	185.0	121
M0710	Police Crime Scene 3-D Surveying System	(122.2)	144.2	-	-	-	-	144.2	90
M0711	Police Major Software Upgrade	-	157.5	-	-	-	-	157.5	122
B0302	Police Operational Support Building	(27,522.1)	31,855.8	-	-	-	-	31,855.8	91
*Y0706	Police Portable and Vehicle Radio Replacement	-	1,226.3	-	-	-	-	1,226.3	91
*Y0806	Police Portable and Vehicle Radio Replacement.	-	552.8	552.8	552.8	552.8	552.8	2,764.0	91
B0204	Police/Fire Training Facility Phase 2	(2,536.8)	4,220.8	-	-	-	-	4,220.8	92
A0507	Portable Noise Monitors	(45.1)	50.0	-	-	-	-	50.0	133
F0605	Powerline Interceptor Channel	(2.8)	2,228.0	-	-	-	-	2,228.0	77
M0609	Private Wireless Infrastructure Study	(75.0)	75.0	-	-	-	-	75.0	122
M0608	Public Access Computer Security & Manageability Enhancements	(68.0)	88.1	-	-	-	-	88.1	122
D0803	Public Art Conservation and Restoration	-	140.0	-	-	-	-	140.0	52
*Y0712	Public Pool Equipment Replacement	(160.4)	482.8	-	-	-	-	482.8	63
*Y0812	Public Pool Equipment Replacement.	-	200.0	200.0	200.0	200.0	200.0	1,000.0	63
M0615	Public Safety Radio System - Phase I	(23.7)	6,750.0	17,850.0	-	-	-	24,600.0	123
V4001	Radio Telemetry Monitoring Automation Citywide (Sewer)	(453.6)	755.5	50.0	50.0	-	-	855.5	163
W4001	Radio Telemetry Monitoring Automation Citywide (Water)	(873.0)	1,314.4	125.0	125.0	-	-	1,564.4	173
TEMP631	Rawhide Wash Flood Insurance Study	-	-	-	-	-	800.0	800.0	78
F0604	Reach 11 Drainage Improvements	(455.2)	456.0	-	-	-	-	456.0	78
TEMP632	Reata Pass Wash Flood Insurance Study	-	-	-	-	-	600.0	600.0	78
W0503	Regional GAC Regeneration Facility	-	4,650.0	-	-	-	-	4,650.0	173
T0201	Regional Transit Maintenance Facility	-	2,500.0	-	-	-	-	2,500.0	154
*Y0725	Relief Sewers – Citywide	(57.5)	513.0	-	-	-	-	513.0	163
*Y0825	Relief Sewers – Citywide.	-	500.0	500.0	500.0	500.0	500.0	2,500.0	163
D0603	Replace Downtown Crosswalks	-	89.1	-	-	-	-	89.1	52
D0707	Rose Garden Development	-	500.0	-	-	-	-	500.0	52
A0405	Runway RSA – Safety Area Improvements	(1,869.2)	2,000.0	-	-	-	-	2,000.0	133
A0802	Runway Safety Enhancements Phase 2	-	4,700.0	-	-	-	-	4,700.0	134
V0502	RWDS Improvements	-	1,350.0	-	-	-	-	1,350.0	164
W0601	RWDS Water Quality Improvements	-	25,800.0	16,900.0	-	-	-	42,700.0	174
D0604	Scottsdale Center for the Performing Arts Renovation	(1,274.1)	14,054.1	-	-	-	-	14,054.1	52
N0801	Scottsdale Estates	-	102.2	-	-	-	-	102.2	53
P8736	Scottsdale Papago Streetscape	(4,448.9)	6,229.0	-	-	-	-	6,229.0	53
P0605	Scottsdale Ranch Park Tennis Courts	(35.8)	455.8	-	-	-	-	455.8	64

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S7005	Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway	(11,958.0)	24,274.5	-	-	-	-	24,274.5	142
T0504	Scottsdale Road - ITS Design	(398.7)	410.0	-	-	-	-	410.0	147
S0311	Scottsdale Road – Thompson Peak Parkway to Pinnacle Peak	(2.4)	500.0	950.0	8,721.0	-	-	10,171.0	142
T0704	Scottsdale Road Pedestrian & Bicycle Improvements, Phase I	-	2,662.2	-	-	-	-	2,662.2	155
T0705	Scottsdale Road Pedestrian & Bicycle Improvements, Phase II	-	783.3	688.7	-	-	-	1,472.0	155
D0205	Scottsdale Road Preservation Streetscape Enhancement	(4,948.5)	26,940.0	-	-	-	-	26,940.0	53
*Y0813	Scottsdale Stadium Infrastructure Improvements.	-	50.0	50.0	15.2	250.0	-	365.2	64
P0801	Scottsdale Stadium Seat Replacement	-	175.0	-	-	-	-	175.0	64
A0602	Security Lighting Installation – Main Aprons/Kilo	-	345.0	-	-	-	-	345.0	134
F6301	Severe Weather Warning & Response Program	(1,269.7)	1,693.7	-	-	-	-	1,693.7	79
V3704	Sewer Collection System Improvements	(8,758.6)	20,859.0	8,050.0	12,350.0	6,050.0	5,550.0	52,859.0	164
V0703	Sewer Oversizing	(1,557.1)	1,985.7	-	-	-	-	1,985.7	164
V0801	Sewer Participation Program	-	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	10,000.0	165
V0704	Sewer Security Enhancements	(77.0)	700.0	550.0	150.0	550.0	150.0	2,100.0	165
S0313	Shea Boulevard and 92nd Street Intersection Improvement	(1,100.5)	1,112.0	-	-	-	-	1,112.0	143
S0314	Shea Boulevard and Hayden Intersection Improvement	(248.2)	1,700.0	-	-	-	-	1,700.0	143
S0315	Shea Boulevard: 90th & 96th Street Intersection Improvement	(894.4)	896.5	-	-	-	-	896.5	143
*Y0720	Sidewalk Improvements	(981.5)	1,198.9	-	-	-	-	1,198.9	155
*Y0820	Sidewalk Improvements.	-	500.0	600.0	500.0	500.0	500.0	2,600.0	156
D0508	SkySong - ASU Scottsdale Center for Innovation	(20,738.7)	38,173.0	-	-	-	-	38,173.0	54
M0607	Software/Application Tracking System	(65.4)	68.5	-	-	-	-	68.5	123
P0708	South Ballfield Renovation	(129.5)	1,323.0	-	-	-	-	1,323.0	64
D0509	South Canal Bank Public Parking Garage	(5,198.0)	5,200.0	-	-	-	-	5,200.0	54
F0603	South Scottsdale Road Drainage Corridor	(572.0)	2,967.2	-	-	-	-	2,967.2	79
P9904	Sports Lighting Expansion & Upgrade	(2,477.7)	3,599.1	820.0	715.0	-	-	5,134.1	65
P0402	Spring Training Facility	(25,544.7)	25,500.0	-	-	-	-	25,500.0	65
V0402	SROG Sewage Transmission Line	(9,238.7)	14,267.0	2,200.0	2,200.0	1,500.0	1,500.0	21,667.0	165
V0706	SROG Sewer Capacity Mgmt Program	(369.3)	6,691.3	3,600.0	1,100.0	1,300.0	1,300.0	13,991.3	166
V9901	SROG Wastewater Plant Expans. UP01	(50,922.8)	64,112.7	3,000.0	1,000.0	-	-	68,112.7	166
V0802	SROG Wastewater Plant Expans. UP05	-	1,300.0	5,500.0	5,000.0	2,900.0	1,000.0	15,700.0	166
*Y0724	SROG Wastewater Treatment Plant	(1,182.0)	2,373.3	-	-	-	-	2,373.3	167
*Y0824	SROG Wastewater Treatment Plant.	-	4,500.0	4,000.0	2,800.0	1,600.0	1,000.0	13,900.0	167
D0704	Stetson Streetscape	(199.8)	200.0	-	-	-	-	200.0	54
F0204	Stormwater Drain Pollution Prevention Markers	(233.9)	301.0	-	-	-	-	301.0	79
A0603	Taxiway Connectors Construction	-	296.7	-	-	-	-	296.7	134
T0606	Thomas Road Bicycle Lanes and Enhanced Sidewalks	(660.6)	1,713.4	2,900.5	-	-	-	4,613.9	156
F0502	Thomas Road Drainage Improvements	(1.8)	814.7	-	-	-	-	814.7	80
S0316	Thompson Peak Parkway – Bell to Union Hills	(7,015.5)	7,270.4	-	-	-	-	7,270.4	144

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Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
S0317	Thunderbird/Redfield – Scottsdale to Hayden	(792.8)	3,151.2	-	-	-	-	3,151.2	144
P0705	TPC Desert Golf Course & Clubhouse Renovation	(9,708.3)	10,000.0	-	-	-	-	10,000.0	102
F0601	TPC Drainage Improvements	(1,272.9)	1,280.0	-	-	-	-	1,280.0	80
P0607	TPC Saline Impact Remediation	(1,000.0)	3,000.0	500.0	-	-	-	3,500.0	55
P0709	TPC Stadium Course Path Access Improvements	(401.9)	645.0	-	-	-	-	645.0	103
P0703	TPC Stadium Site Access Improvements	(312.7)	774.0	-	-	-	-	774.0	103
*Y0722	Traffic Management Program - ITS	(1,918.6)	8,930.9	-	-	-	-	8,930.9	147
*Y0822	Traffic Management Program - ITS.	-	3,300.0	2,000.0	2,030.8	3,200.0	2,200.0	12,730.8	147
*Y0723	Traffic Signal Program	(393.6)	421.9	-	-	-	-	421.9	148
*Y0823	Traffic Signal Program.	-	350.0	400.0	390.0	400.0	420.0	1,960.0	148
P9035	Trail Development/Acquisition	(846.9)	3,220.5	-	-	-	-	3,220.5	70
TP016	Transfer Station Expansion	-	-	3,600.0	-	-	-	3,600.0	103
B0703	Transfer Station Paving and Painting	-	371.0	-	-	-	-	371.0	103
T0607	Transit Bus Engine Replacement	-	832.0	-	-	-	-	832.0	156
S0503	Transportation Master Plan	(704.2)	750.0	-	-	-	-	750.0	144
P0707	Troon North Park	-	6,951.6	-	-	-	-	6,951.6	65
D0608	Undergrounding Electrical Powerline Program	(1.0)	500.0	-	-	-	-	500.0	104
W0401	Union Hills to Hualapai Transmission Line – Pima Rd.	(2,641.4)	2,650.0	-	-	-	-	2,650.0	174
T0203	Upper Camelback Wash Multiuse Path – 92nd Street/Shea to Cactus	(1,195.6)	1,545.0	-	-	-	-	1,545.0	157
T0302	Upper Camelback Wash Multiuse Path – Cactus to Redfield	(1,187.2)	1,200.0	-	-	-	-	1,200.0	157
F0203	Upper Camelback Wash Watershed	(3,039.9)	6,442.2	-	-	-	7,757.8	14,200.0	80
P0711	Villa Monterey Open Space	(471.7)	3,516.5	-	-	-	-	3,516.5	65
P0606	Vista Del Camino - Yavapai Ballfields	(196.5)	3,126.0	-	-	-	-	3,126.0	66
P0307	Vista Del Camino Community Center Remodel/Expansion	(3,833.4)	4,524.8	-	-	-	-	4,524.8	66
TEMP526	Water Campus Chlorine Generation	-	-	2,000.0	8,000.0	-	-	10,000.0	167
W9912	Water Distribution System Improvements	(18,894.9)	34,500.0	6,610.0	18,050.0	5,450.0	6,150.0	70,760.0	174
W0710	Water Oversizing	(7,157.6)	8,204.5	-	-	-	-	8,204.5	175
W0801	Water Participation Program	-	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	5,000.0	175
W0205	Water Quality Improvements – Southern Neighborhoods	(5,167.4)	13,500.0	-	-	-	-	13,500.0	175
W0709	Water Quality Regulatory Compliance Programs	-	1,900.0	-	-	-	-	1,900.0	176
V0205	Water Reclamation Plant – Phase 3	(20,413.4)	20,750.0	-	-	-	-	20,750.0	168
W6160	Water Rights Acquisition	(41,915.6)	66,245.0	-	-	-	-	66,245.0	176
*Y0727	Water System Architect/Engineer Services	(7.3)	174.4	-	-	-	-	174.4	176
*Y0827	Water System Architect/Engineer Services.	-	100.0	100.0	100.0	100.0	100.0	500.0	177
*Y0726	Water System Security Enhancements	(271.3)	689.6	-	-	-	-	689.6	177
*Y0826	Water System Security Enhancements.	-	350.0	350.0	350.0	350.0	350.0	1,750.0	177
W4708	Well Sites	(16,060.4)	23,142.1	-	1,000.0	3,000.0	-	27,142.1	178
W0708	Well Sites Rehabilitation	-	1,000.0	1,500.0	500.0	500.0	-	3,500.0	178
D0805	WestWorld 7 Horse Barns, Telecom and Connectivity	-	4,767.0	-	-	-	-	4,767.0	55
D0710	WestWorld Bleachers	(0.1)	110.0	-	-	-	-	110.0	55
TEMP453	WestWorld Brett's Barn upgrades	-	-	355.0	-	-	-	355.0	55
D0813	WestWorld Equidome Lighting	-	230.0	-	-	-	-	230.0	56

Projects marked with "" represent ongoing CIP projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/07	FY2007/08 Adopted	FY2008/09 Forecast	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	Total	Vol 3 Page #
D0809	WestWorld Fencing	-	85.0	-	-	-	-	85.0	56
D0810	WestWorld Horse Barn Repairs	-	140.0	-	-	-	-	140.0	56
D0807	WestWorld PA System	-	200.0	-	-	-	-	200.0	56
D0811	WestWorld Paving	-	948.0	-	-	-	-	948.0	57
D0709	WestWorld RV upgrades	(435.0)	435.0	-	-	-	-	435.0	57
D0808	WestWorld Shading	-	140.0	-	-	-	-	140.0	57
D0806	WestWorld Show Offices and Restroom	-	709.0	-	-	-	-	709.0	57
D0510	WestWorld Site Improvements	(4,056.4)	4,067.0	-	-	-	-	4,067.0	58
D0506	WestWorld Stall, Barn & Arena Enhancements	(2,030.8)	2,196.8	-	-	-	-	2,196.8	58
D0708	WestWorld Tent Improvements	(1,194.8)	2,900.0	-	-	-	-	2,900.0	58
F0802	Wet Crossing Replacement Study	-	120.0	-	-	-	-	120.0	81
M0706	Wide Area Network Fiber	-	310.5	155.3	-	-	-	465.8	123
M0805	Wiretap Equipment Replacement	-	178.6	-	-	-	-	178.6	92
M0802	Work Order System Upgrade/Replacement	-	577.5	78.8	-	-	-	656.3	124
W9913	Zone 12-13 Water System Improvements	(6,843.3)	8,528.0	-	-	-	-	8,528.0	178
W0304	Zone 12-13 Water Transmission Lines	(4,418.6)	8,280.0	-	-	-	-	8,280.0	179
W0603	Zone 14-16 Water Improvements	(2,016.6)	16,000.0	-	-	-	-	16,000.0	179

Projects marked with "" represent ongoing CIP projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

The operating impact of capital projects is analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational efficiency savings associated with projects are also taken into consideration (net operating costs) during the capital project evaluation and review process. As capital improvement projects are completed, the operating costs of these projects have been identified, prioritized and justified as part of the departmental program budget process. Departmental staff plan and budget for significant start-up costs, as well as operation and maintenance of new facilities.

The table below presents a four-year forecast of capital project operating impacts (costs). The operating impacts of projects expected to be completed prior to the start of, or during FY 2007/08 are calculated and included in the Program Operating Budget. These operating cost conservative estimates represent the staffing and maintenance necessary due to the completion and expected completion of capital projects. The capital projects operating impacts are incorporated into the Five-Year Financial Plan.

Estimated Operating Impacts

	Forecast FY2008/09	Forecast FY2009/10	Forecast FY2010/11	Forecast FY 2011/12	Total	Volume 3 Page #
TEMP527 Advance Water Treatment Plant - Phase 4	-	-	-	15.0	15.0	161
A0508 Airport Maintenance Facility	6.0	6.0	6.0	6.0	24.0	128
A0302 Airport Terminal Area Renovations	6.5	6.5	6.5	6.5	26.0	131
W2105 Alameda/122nd Street Booster Pump Station	16.0	16.0	16.0	16.0	64.0	169
M0606 Alternate Computing Site	50.0	50.0	50.0	50.0	200.0	105
B0701 Appaloosa Library	906.7	906.7	906.7	906.7	3,626.8	43
W2106 Arsenic Mitigation Treatment	1,500.0	1,500.0	1,500.0	1,500.0	6,000.0	169
T0601 ASU Scottsdale Center Transit Passenger Facility	44.3	44.3	44.3	44.3	177.2	149
M0712 Backup of Police Mission Critical System Components	1.4	1.4	1.4	1.4	5.6	105
S0501 Bell Road – 94th St. to Thompson Peak Parkway	5.5	5.5	5.5	5.5	22.0	135
W9903 Booster Station Upgrades	2.0	2.0	2.0	2.0	8.0	169
S2102 Cactus Road – Pima Freeway to Frank Lloyd Wright	61.0	61.0	61.0	61.0	244.0	135
S0301 Camelback Road – 64th to 68th St	3.8	38.0	3.8	3.8	49.4	136
W0504 CAP Plant Expansion	-	1,701.0	1,701.0	1,701.0	5,103.0	170
W0202 CAP Plant Regulatory Compliance	1,300.0	1,300.0	1,300.0	1,300.0	5,200.0	170
M0806 Cellular Intercept Module	15.0	15.0	15.0	15.0	60.0	87
S0404 Center Road - 74th to Hayden	31.6	31.6	31.6	31.6	126.4	136
W9911 Chaparral Water Treatment Plant	200.0	200.0	200.0	200.0	800.0	171
W0302 Chaparral WTP Water Distribution System	2.0	2.0	2.0	2.0	8.0	171
M0809 Communications Workstation Expansion	10.0	10.0	10.0	10.0	40.0	87
M0501 Community Services – Class System Upgrades	23.0	23.0	23.0	23.0	92.0	108
M0714 Computer Facility Infrastructure Improvements	40.0	42.0	45.0	47.0	174.0	108
V0501 Core North/South Sewer	15.0	15.0	15.0	15.0	60.0	161
W0501 Core North/South Water	15.0	15.0	15.0	15.0	60.0	172
B0704 Corporation Yard Fleet Maintenance Facility Expansion	50.8	77.4	77.4	77.4	283.0	98
B0804 Corporation Yard Truck Wash	7.0	7.0	8.0	8.0	30.0	98
M0611 Courts - Digital Courtroom Recording	5.7	5.7	5.7	5.7	22.8	108
T0703 Cross Cut Canal Multiuse Path Phase II	-	3.6	4.0	4.0	11.6	151
T0602 Cross Cut Canal Path Extension Project	4.0	4.0	4.0	4.0	16.0	151
W8515 Deep Well Recharge/Recovery Facilities	2.0	2.0	2.0	2.0	8.0	172
B0705 Detention Facility Consolidation	37.6	37.6	37.6	37.6	150.4	88
B0504 District 1 Police Facilities	252.0	252.0	252.0	252.0	1,008.0	88

Capital Improvement Plan

OPERATING IMPACTS

		Forecast FY2008/09	Forecast FY2009/10	Forecast FY2010/11	Forecast FY 2011/12	Total	Volume 3 Page #
B0501	District 3 Expansion	5.4	5.4	5.4	5.4	21.6	89
M0703	Document Imaging and Management	16.8	16.8	16.8	16.8	67.2	109
M9906	Document Management System - Courts	10.0	10.0	10.0	10.0	40.0	110
D0701	Downtown Plan Update & Special Project Implementation-Study	-	-	12.0	12.0	24.0	48
M0803	Enhanced Web Services	67.2	71.2	76.8	81.6	296.8	110
M0801	Enterprise Document Management for CNR	8.9	1.4	1.4	1.4	13.1	110
M0308	Financial Services – Meter Reading System	0.5	0.5	0.5	0.5	2.0	111
B0601	Fire Station #601 - Relocate existing station south quadrant	-	27.0	28.0	29.0	84.0	85
B0803	Fire Station #608 – Area of 100th St and Frank Lloyd Wright	-	-	-	2,100.0	2,100.0	85
B0403	Fire Station #613	91.0	94.0	97.0	100.0	382.0	85
M0614	Fleet Management Information System	15.0	15.0	15.0	15.0	60.0	113
S0304	Frank Lloyd Wright–Scottsdale Rd to Shea	1.4	1.4	1.4	1.4	5.6	137
S0405	FreewayFrontage Rd. North - Hayden to Scottsdale	8.3	8.3	8.3	8.3	33.2	138
B0511	Fuel/Fleet Maintenance Facility – McKellips Service Center	77.4	77.4	77.4	77.4	309.6	100
P0608	Gateway to the Preserve Amenities	-	12.0	12.0	12.0	36.0	69
P0602	Grayhawk Community Park - Phase I	230.4	230.4	230.4	230.4	921.6	60
S2103	Hayden Road – Cactus to Redfield	4.0	4.0	4.0	4.0	16.0	139
S0306	Hayden Road and Via de Ventura Intersection Improvement	0.2	0.2	0.2	0.2	0.8	139
S0402	Indian Bend Road – Scottsdale to Hayden	23.8	23.8	23.8	23.8	95.2	140
NEW49	Indian Bend Wash Multiuse Path Renovation	-	-	10.0	10.0	20.0	153
T0604	Indian Bend Wash Path Connection	0.6	0.6	0.6	0.6	2.4	153
TP012	Information Services – Anti-Virus Replacement	-	10.0	10.0	10.0	30.0	113
M0705	Information Services – Enterprise Back–up Software	60.1	60.1	60.1	60.1	240.4	114
M0205	Information Services – Security Investment	17.8	120.0	20.6	20.6	179.0	116
TEMP499	Information Systems - Information Lifecycle Management	-	25.0	25.0	25.0	75.0	119
TEMP500	Information Systems - Server Operation Management	-	24.0	24.0	24.0	72.0	119
W0502	Inner Circle Booster Pump Station	2.0	2.0	2.0	2.0	8.0	172
M0807	License Plate Readers	-	-	25.2	-	25.2	89
T9902	Loop 101 Park and Ride Lot	4.0	4.0	4.0	4.0	16.0	153
NEW06	Major North Community Access Area	-	-	12.0	12.0	24.0	70
P0712	McCormick Ranch Park Model Railroad Museum	-	234.3	234.3	234.3	702.9	61
S0702	McDonald Drive - Scottsdale to 78th St	-	-	0.9	0.9	1.8	140
V2101	Miller Road Sewer – Phase 3	2.0	2.0	2.0	2.0	8.0	162
T0502	Mustang Transit Passenger Facility	4.0	4.0	4.0	4.0	16.0	154
B0805	New Civic Center Office Building	-	174.8	174.8	174.8	524.4	101
S0602	Pima Road – Deer Valley to Pinnacle Peak	39.0	39.0	39.0	39.0	156.0	141
S0204	Pinnacle Peak – Miller to Pima Rd	9.8	9.8	9.8	9.8	39.2	142
M0512	Police – Fashion Square Radio Treatment	30.1	30.1	30.1	30.1	120.4	120
M0810	Police Advanced Mobile Upgrades	22.3	-	-	-	22.3	89
M0602	Police Automated Vehicle Location System	56.3	56.3	56.3	56.3	225.2	90
M0804	Police Computers for Bike Unit and Detectives	41.0	41.0	41.0	41.0	164.0	121

Capital Improvement Plan

OPERATING IMPACTS

		Forecast FY2008/09	Forecast FY2009/10	Forecast FY2010/11	Forecast FY 2011/12	Total	Volume 3 Page #
M0710	Police Crime Scene 3-D Surveying System	13.4	13.4	13.4	13.4	53.6	90
B0302	Police Operational Support Building	269.6	269.6	269.6	269.6	1,078.4	91
A0507	Portable Noise Monitors	0.5	0.5	0.5	0.5	2.0	133
M0608	Public Access Computer Security & Manageability Enhancements	1.0	1.0	1.0	1.0	4.0	122
M0615	Public Safety Radio System - Phase I	405.6	1,099.5	1,479.5	1,691.0	4,675.6	123
V4001	Radio Telemetry Monitoring Automation Citywide (Sewer)	4.0	4.0	4.0	4.0	16.0	163
W4001	Radio Telemetry Monitoring Automation Citywide (Water)	5.0	5.0	5.0	5.0	20.0	173
W0503	Regional GAC Regeneration Facility	950.0	950.0	950.0	950.0	3,800.0	173
S7005	Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway	10.0	10.0	10.0	10.0	40.0	142
S0311	Scottsdale Road – Thompson Peak Parkway to Pinnacle Peak	-	-	10.0	10.0	20.0	142
T0704	Scottsdale Road Pedestrian & Bicycle Improvements, Phase I	-	14.3	14.3	14.3	42.9	155
T0705	Scottsdale Road Pedestrian & Bicycle Improvements, Phase II	-	5.7	6.0	6.0	17.7	155
D0205	Scottsdale Road Preservation Streetscape Enhancement	25.0	37.5	50.0	50.0	162.5	53
A0602	Security Lighting Installation – Main Aprons/Kilo	1.0	1.0	1.0	1.0	4.0	134
V0704	Sewer Security Enhancements	2.0	2.0	2.0	2.0	8.0	165
S0313	Shea Boulevard and 92nd Street Intersection Improvement	1.0	1.0	1.0	1.0	4.0	143
S0314	Shea Boulevard and Hayden Intersection Improvement	0.2	0.2	0.2	0.2	0.8	143
P9904	Sports Lighting Expansion & Upgrade	29.5	29.5	29.5	29.5	118.0	65
S0317	Thunderbird/Redfield – Scottsdale to Hayden	2.8	2.8	2.8	2.8	11.2	144
P9035	Trail Development/Acquisition	8.0	8.0	8.0	8.0	32.0	70
P0707	Troon North Park	84.2	84.2	84.2	84.2	336.8	65
P0606	Vista Del Camino - Yavapai Ballfields	27.0	27.0	27.0	27.0	108.0	66
W4708	Well Sites	20.0	20.0	20.0	20.0	80.0	178
D0805	WestWorld 7 Horse Barns, Telecom and Connectivity	60.0	60.0	60.0	60.0	240.0	55
M0706	Wide Area Network Fiber	5.0	5.0	5.0	5.0	20.0	123
M0802	Work Order System Upgrade/Replacement	66.4	158.4	176.0	180.8	581.6	124
W0304	Zone 12-13 Water Transmission Lines	5.0	5.0	5.0	5.0	20.0	179
W0603	Zone 14-16 Water Improvements	1.0	1.0	1.0	1.0	4.0	179
Total Forecasted Operating Impacts		7,460.4	10,632.7	10,993.6	13,310.5	42,397.2	

Notes: Operating impacts relating to projects scheduled for completion in FY 2007/08 have been included in the appropriate departmental program operating budget.

AUTHORIZED PERSONNEL POSITIONS - BY FUND

Appendix

	Adopted FY 2007/08	General Fund	Transportation	Special Revenue	Enterprise	Internal Service	Total
General Government							
Full-time	217.00	213.00	-	4.00	-	-	217.00
Part-time	5.70	3.62	-	2.08	-	-	5.70
Total FTE	222.70	216.62	-	6.08	-	-	222.70
Police							
Full-time	719.00	718.00	-	1.00	-	-	719.00
Part-time	2.60	2.60	-	-	-	-	2.60
Total FTE	721.60	720.60	-	1.00	-	-	721.60
Financial Services							
Full-time	149.00	115.00	-	-	26.00	8.00	149.00
Part-time	3.00	3.00	-	-	-	-	3.00
Total FTE	152.00	118.00	-	-	26.00	8.00	152.00
Transportation							
Full-time	47.00	2.00	30.00	-	15.00	-	47.00
Part-time	-	-	-	-	-	-	-
Total FTE	47.00	2.00	30.00	-	15.00	-	47.00
Community Services							
Full-time	383.00	381.00	-	2.00	-	-	383.00
Part-time	210.33	202.97	-	7.36	-	-	210.33
Grant	11.75	-	-	11.75	-	-	11.75
Total FTE	605.08	583.97	-	21.11	-	-	605.08
Information Systems							
Full-time	84.00	84.00	-	-	-	-	84.00
Part-time	0.81	0.81	-	-	-	-	0.81
Total FTE	84.81	84.81	-	-	-	-	84.81
Fire							
Full-time	274.00	274.00	-	-	-	-	274.00
Part-time	-	-	-	-	-	-	-
Total FTE	274.00	274.00	-	-	-	-	274.00
Water Resources							
Full-time	169.00	-	-	-	169.00	-	169.00
Part-time	-	-	-	-	-	-	-
Total FTE	169.00	-	-	-	169.00	-	169.00
Municipal Services							
Full-time	262.00	59.00	59.00	6.00	84.00	54.00	262.00
Part-time	2.25	-	-	-	2.25	-	2.25
Total FTE	264.25	59.00	59.00	6.00	86.25	54.00	264.25
Citizen & Neighborhood Resources							
Full-time	40.00	40.00	-	-	-	-	40.00
Part-time	-	-	-	-	-	-	-
Total FTE	40.00	40.00	-	-	-	-	40.00
Human Resources							
Full-time	37.00	37.00	-	-	-	-	37.00
Part-time	0.50	0.50	-	-	-	-	0.50
Total FTE	37.50	37.50	-	-	-	-	37.50
Economic Vitality							
Full-time	11.00	11.00	-	-	-	-	11.00
Part-time	-	-	-	-	-	-	-
Total FTE	11.00	11.00	-	-	-	-	11.00
Planning and Development Services							
Full-time	162.00	162.00	-	-	-	-	162.00
Part-time	3.00	3.00	-	-	-	-	3.00
Total FTE	165.00	165.00	-	-	-	-	165.00
Total Full-time Position FTE	2,554.00	2,096.00	89.00	13.00	294.00	62.00	2,554.00
Total Part-time Position FTE	228.19	216.50	-	9.44	2.25	-	228.19
Total Grant Funded Position FTE	11.75	-	-	11.75	-	-	11.75
Total Citywide Position FTE	2,793.94	2,312.50	89.00	34.19	296.25	62.00	2,793.94

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• See Note on •
• previous page •
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Budget Liaisons and CIP Liaisons

Budget Liaisons and **CIP Liaisons** coordinate the budget within their respective departments. The Budget Liaison serves as the vital communication link between their City department and their Financial Services Department Senior Budget Analyst on matters related to their specific operating budget. Budget Liaisons are responsible for coordinating information, checking to see if forms are completed properly, making sure that all necessary documentation is submitted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process. The **CIP Liaisons** (identified with an asterisk) essentially serve the same role; however, their focus is on coordination of capital projects and multiyear capital planning with the Financial Services Department staff. In many cases the same individual serves both roles.

General Government

- Office of the City Clerk Linda Lorbeer
- City Manager’s Office Lisa Blyler
- City Attorney & ProsecutionJane Callahan
- Communications & Public AffairsPat Dodds*/Maggie Wilson
- City Court Jack Miller*
- City Auditor..... Kyla Anderson
- Legislative & Constituent/Gov Relations..... Elizabeth Weir
- Preservation..... Bob Cafarella*
- The Downtown Group Renita Linyard
- WestWorld..... Jennifer Bowley*
- Police..... Holly Christian*/Melissa Miller
- Financial Services..... Lee Guillory*

- Transportation..... Mike Spletter*
- Aviation Chris Read*
- Community Services..... Jeanne Jones/Tim Barnard*
- Information Systems..... Jennifer Jensen*
- Fire..... Teresa Martin/Rich Upham*
- Water Resources..... Rick Gregoire/Ron Dolan*
- Municipal Services..... Teri Huston*
- Citizen and Neighborhood Resources..... Carrie Abts*
- Human Resources..... Cyndi Coniam*
- Economic Vitality..... Kathy Montalvo*
- Planning & Dev. Services..... Dan VandenHam*

Capital Improvement Plan Coordination Teams

The **Capital Improvement Plan Coordination Teams** are comprised of staff from various City departments. The teams are responsible for reviewing all capital projects (construction and technology) for timing and cost considerations, compiling lifecycle costs, and preparing a preliminary capital improvement plan recommendation for review and revision by the General Managers, City Manager, Deputy/Assistant City Managers, Chief Financial Officer, Budget Director, CIP Coordinator, City Council Budget Subcommittee, City Council and various boards and commissions comprised of citizens.

CIP Construction Review Team

- Police.....Marc Eisen
- Fire.....Rich Upham
- Information Systems.....Rich Peterson
- Water Resources.....Ron Dolan
- Municipal Services.....Jeremy Dye
- Planning & Development Services.....Tim Conner
- City Court.....Daniel Edwards

CIP Technology Review Team

- Police.....Mike Morrison
- Financial ServicesJacob Beard/Erica Stierle
- Information Systems.....Jennifer Jensen, Shannon Tolle,
John Krusemark, Eric Wood,
Cindy Sheldon, Joe Stowell
- Planning & Development Service.....Jason Song

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS							
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Final
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Payment
							Date
General Fund							
<u>Contracts Payable</u>							
U.S. Corps of Engineers - IBW	231,166	231,166	231,166	231,166	231,166	231,166	2032
Dial Corp	37,000	37,000	-	-	-	-	2008
US Patent Office	-	-	3,054	-	-	-	2009
BOR Administration/Westworld	55,000	100,000	105,000	110,250	115,763	121,551	2032
BOR Administration/TPC	55,000	100,000	105,000	110,250	115,763	121,551	2035
Motor Mile Marketing	300,000	300,000	300,000	300,000	-	-	2010
Nordstrom Garage Lease	3,647,081	3,792,964	3,944,682	4,102,470	4,266,569	4,437,231	2028
Nordstrom Garage Sales Tax	78,412	81,549	84,811	88,203	91,731	95,400	2028
Waterfront Retail Sales Tax Rebate	275,000	315,000	330,750	347,288	364,652	382,884	2015
Waterfront Construction Sales Tax Rebate	200,000	-	-	-	-	-	2015
Hotel Valley Ho	150,000	154,500	159,135	163,909	168,826	173,891	2019
Stacked 40's/Lund - Retail Sales Tax Rebate	-	545,000	572,250	600,863	630,906	662,451	2014
Stacked 40's/Lund - Construction Sales Tax Rebate	-	50,000	-	-	-	-	2014
Total General Fund Contracts Payable	5,028,659	5,707,179	5,835,848	6,054,398	5,985,375	6,226,126	
<u>Certificates of Participation</u>							
2005 Certificates of Participation - Fire & Police Building	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	6/30/15
Fiscal Agent Fees	1,000	2,000	2,000	2,000	2,000	2,000	
Total Certificates of Participation	917,790	918,790	918,790	918,790	918,790	918,790	
Total General Fund	\$ 5,946,449	\$ 6,625,969	\$ 6,754,638	\$ 6,973,188	\$ 6,904,165	\$ 7,144,916	
<u>Highway User Revenue</u>							
1993 Highway User Revenue Refunding	\$ 3,154,450	\$ -	\$ -	\$ -	\$ -	\$ -	06/30/07
Fiscal Agent Fees	1,000	-	-	-	-	-	
Total Highway User Revenue	\$ 3,155,450	\$ -					
<u>Debt Service Funds</u>							
<u>General Obligation Bonds - Property Tax (Secondary) Supported</u>							
1993 G. O. Refunding	\$ 3,089,730	\$ 2,627,690	\$ 2,690,250	\$ -	\$ -	\$ -	06/30/09
1997 G.O. Refunding Bonds	3,989,450	3,968,000	3,974,462	4,027,000	2,418,950	1,398,725	06/30/14
1989 G.O. Series I (1998)	1,190,470	1,190,480	177,800	177,800	177,800	177,800	06/30/18
1999A G.O. Bonds	1,261,075	1,260,475	1,257,000	-	-	-	06/30/09
2001 G.O. Refunding Bonds	481,319	478,606	1,330,806	367,650	3,007,650	4,425,750	06/30/12
2002 Various Purpose G.O. Bonds	2,603,500	2,580,250	2,562,750	550,500	1,638,000	-	06/30/11
2002 G.O. Refunding Bonds	5,596,912	5,607,162	5,764,112	8,772,725	10,359,475	7,702,000	06/30/16
2003 G.O. Refunding Bonds	2,140,919	2,146,294	2,159,431	5,933,731	1,965,556	1,438,243	06/30/13
2004 G.O. Var. Purpose	2,088,125	2,088,125	2,088,125	2,088,125	2,088,125	2,088,125	06/30/21
2005 G.O. Refunding Bonds	427,000	427,000	427,000	427,000	427,000	3,142,000	06/30/14
2005A G.O. Var. Purpose	8,118,250	8,530,750	8,410,750	8,540,750	8,660,750	9,520,750	06/30/24
Fiscal Agent Fees	10,500	10,500	10,500	10,500	10,500	10,500	
Future G.O. Bond-Series 2008 Var. Purpose (\$84M iss. 1/08)	-	2,100,000	4,200,000	4,708,547	4,698,412	4,818,894	06/30/28
Future G.O. Bond-Series 2009 Var. Purpose (\$35M iss. 1/09)	-	-	875,000	1,750,000	1,886,595	2,152,956	06/30/29
Future G.O. Bond-Series 2010 Var. Purpose (\$38.2M iss. 1/10)	-	-	-	795,000	1,703,825	1,925,785	06/30/30
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	-	1,000	2,000	3,000	3,000	3,000	
Total General Obligation Bonds	30,997,250	33,016,332	35,929,986	38,152,328	39,045,638	38,804,528	

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS

	Forecast 2006/07	Forecast 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Final Payment Date
<u>Preserve General Obligation Bonds - Preserve Sales Tax Supported</u>							
1999 Preserve G.O. Bonds	2,114,375	2,058,125	2,021,250	-	-	-	06/30/09
2001 Preservation G.O. Bonds	1,262,538	1,244,000	1,248,000	-	-	-	06/30/09
2001 G.O. Refunding Bonds-Preservation Portion	1,488,913	1,488,913	1,488,913	1,488,913	1,488,913	2,318,913	06/30/22
2002 G.O. Bonds-Preservation Portion	277,613	277,613	277,613	277,613	277,613	277,613	06/30/24
2002 G.O. Refunding Bonds-Preservation Portion	360,693	360,693	360,693	360,693	360,693	360,693	06/30/19
2004 Preservation GO	5,188,300	2,878,300	2,878,300	5,978,300	7,323,300	5,993,300	06/30/25
2005 G.O. Refunding Bonds-Preservation Portion	2,838,128	2,838,128	2,838,128	2,838,128	2,838,128	2,838,128	06/30/24
2005B G.O. Bonds-Preservation Portion	1,665,744	1,663,619	1,681,619	1,672,619	1,662,619	1,651,619	06/30/24
Fiscal Agent Fees	5,000	5,000	5,000	5,000	5,000	5,000	
Future Bond - Series 2010 Preserve (\$210M iss 11/10)	-	-	-	-	8,812,812	12,924,323	06/30/34
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	-	-	-	-	1,000	1,000	
Total Preserve General Obligation Bonds	15,201,304	12,814,391	12,799,516	12,621,266	22,770,078	26,370,589	
<u>Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supported</u>							
1998 Scottsdale Preserve Revenue Bonds	4,112,275	4,102,375	1,680,275	1,680,275	1,680,275	1,680,275	06/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds	1,525,921	1,518,296	1,515,296	1,515,976	1,515,320	1,517,920	06/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds	1,162,700	1,161,200	3,564,700	3,535,500	3,503,500	3,487,500	06/30/16
Fiscal Agent Fees	8,000	8,000	8,000	8,000	8,000	8,000	
Total Scottsdale Preserve Authority Bonds	6,808,896	6,789,871	6,768,271	6,739,751	6,707,095	6,693,695	
McDowell Sonoran Preserve Contract - Preserve Sales Tax Supported	952,290	955,780	952,480	951,855	954,175	953,750	
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supported</u>							
1998 MPC Various Purposes	184,000	187,200	-	-	-	-	06/30/08
2004A MPC SkySong Bonds	403,175	403,175	403,175	1,323,175	1,323,275	1,322,400	06/30/19
2005 MPC Giants Practice Field MSA funded	84,040	159,032	97,372	204,028	112,370	369,011	06/30/21
2005 MPC Giants Practice Field TSA funded	168,104	318,112	194,772	408,116	224,774	738,133	06/30/21
2005D MPC Westworld Land Acquisition	1,140,563	1,158,563	1,151,250	1,140,000	1,128,750	1,117,500	06/30/35
2006 MPC Refunding WestWorld	750,392	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	06/30/35
2006 MPC Refunding SkySong	882,303	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	06/30/35
2006A MPC TPC	651,165	650,506	650,906	645,906	650,706	649,906	06/30/31
2006B MPC Westworld Land Acquisition Excise Tax Funded	224,794	800,594	800,594	800,594	800,594	1,750,594	06/30/31
2006B MPC Westworld Land Acquisition Bed Tax Funded	600,000	600,000	600,000	600,000	600,000	600,000	06/30/31
Fiscal Agent Fees	15,000	15,000	15,000	15,000	15,000	15,000	
Future Bonds - Loloma Museum (\$3.75M Mar 2008) Excise Tax funded	-	144,867	286,823	297,166	303,117	307,664	06/30/26
Future Bonds - Loloma Museum (\$3.75M Mar 2008) Bed Tax funded	-	144,867	286,823	297,166	303,117	307,664	06/30/26
Fiscal Agent Fees (Future Bonds @ \$2,000/bond)	-	2,000	2,000	2,000	2,000	2,000	
Total Municipal Property Corp. Bonds	5,103,536	7,356,416	7,261,215	8,505,651	8,236,203	9,952,372	
<u>Special Assessments</u>							
Series 104 Contract	14,272	16,757	15,355	13,336	-	-	2010
Existing Districts (excluding ID 104)	1,064,203	1,026,522	988,841	868,125	834,375	800,625	01/01/13
Fiscal Agent Fees	1,000	1,000	1,000	500	500	500	
Total Special Assessments	1,079,475	1,044,279	1,005,196	881,961	834,875	801,125	
Total Debt Service Funds	\$ 60,142,751	\$ 61,977,069	\$ 64,716,664	\$ 67,852,812	\$ 78,548,064	\$ 83,576,059	

DEBT SERVICE EXPENSE - ALL FUNDS							
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Final
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Payment
							Date
Water and Sewer Funds							
<u>Water Sewer Revenue Bonds</u>							
1996 Water Sewer Revenue Refunding Bonds	624,092	626,063	626,130	246,240	235,940	238,950	06/30/14
2004 Water Sewer Revenue Refunding Bonds	102,273	102,739	300,877	300,850	298,734	299,452	06/30/16
1996 Water Sewer Revenue Refunding Bonds	531,634	533,313	533,370	209,760	200,986	203,550	06/30/14
1989 Water Sewer Revenue Series D (1997)	1,075,438	1,069,562	362,500	362,500	362,500	362,500	06/30/22
1989 Water Sewer Revenue Series E (1998)	3,008,275	2,969,775	1,236,375	1,236,375	1,236,375	1,236,375	06/30/23
2004 Water Sewer Revenue Refunding Bonds	1,129,926	1,135,085	3,324,148	3,323,850	3,300,465	3,308,398	06/30/16
Fiscal Agent Fees	3,500	3,500	3,500	3,500	3,500	3,500	
Total Water Sewer Revenue Bonds	6,475,138	6,440,037	6,386,900	5,683,075	5,638,500	5,652,725	
<u>Municipal Property Corp. (MPC) Bonds</u>							
2001 Scottswater MPC Bonds	1,868,900	1,908,400	-	-	-	-	06/30/08
2004 Water & Sewer MPC Bonds-Water Portion	2,996,583	2,948,000	2,900,333	2,864,400	2,824,800	2,792,533	06/30/14
2005E Water & Sewer MPC Bonds	1,045,250	1,045,250	3,320,250	3,231,500	3,216,500	3,196,500	06/30/16
2006 MPC Refunding Water/Sewer MPC Bonds-Water Portion	2,907,365	4,937,034	4,937,034	4,937,034	4,937,034	4,937,034	06/30/30
2004 Water & Sewer-Sewer Portion	1,089,667	1,072,000	1,054,667	1,041,600	1,027,200	1,015,467	06/30/14
2006 MPC Refunding Water/Sewer-Sewer Portion	346,541	588,466	588,466	588,466	588,466	588,466	06/30/30
Fiscal Agent Fees	4,000	4,000	4,000	4,000	4,000	4,000	
Future Revenue Bonds - Water/Sewer (\$75M Nov 2007)	-	2,500,000	3,750,000	3,750,000	5,447,627	5,493,699	06/30/32
Future Revenue Bonds - Water/Sewer (\$62M Nov 2008)	-	-	2,066,667	3,100,000	4,395,983	4,431,155	06/30/33
Total MPC Bonds - Water and Sewer Supported	10,258,306	15,003,150	18,621,417	19,517,000	22,441,610	22,458,854	
Total Water and Sewer Funds	\$ 16,733,444	\$ 21,443,187	\$ 25,008,317	\$ 25,200,075	\$ 28,080,110	\$ 28,111,579	
TOTAL DEBT SERVICE	\$ 85,978,094	\$ 90,046,225	\$ 96,479,619	\$ 100,026,075	\$ 113,532,339	\$ 118,832,554	

LONG-TERM DEBT OUTSTANDING

Appendix

Long-Term Debt Outstanding As of 6/30/07 through 6/30/11						
	Balance at 6/30/07	Balance at 6/30/08	Balance at 6/30/09	Balance at 6/30/10	Balance at 6/30/11	Final Payment Date
General Fund						
<u>Contracts Payable</u>						
U.S. Corps of Engineers - IBW	3,034,716	2,958,806	2,879,012	2,795,135	2,706,967	06/30/32
Dial Corp	118,518	-	-	-	-	06/30/08
US Patent Office	3,080	3,080	-	-	-	01/29/09
BOR Administration/Westworld	1,430,000	1,375,000	1,320,000	1,265,000	1,210,000	07/29/33
BOR Administration/TPC	1,540,000	1,485,000	1,430,000	1,375,000	1,320,000	06/10/35
Motor Mile Marketing	900,000	600,000	300,000	-	-	06/30/10
Total General Fund Contracts Payable	7,026,314	6,421,886	5,929,012	5,435,135	5,236,967	
<u>Certificates of Participation</u>						
2005 Certificates of Participation - Fire & Police Building	\$ 6,401,320	\$ 5,689,638	\$ 4,954,314	\$ 4,194,561	\$ 3,409,567	06/30/15
Total Certificates of Participation	6,401,320	5,689,638	4,954,314	4,194,561	3,409,567	
Total General Fund	\$ 13,427,634	\$ 12,111,524	\$ 10,883,326	\$ 9,629,696	\$ 8,646,534	
Debt Service Funds						
<u>General Obligation Bonds - Property Tax (Secondary) Supporter</u>						
1993 G. O. Refunding	\$ 4,910,000	\$ 2,550,000	\$ -	\$ -	\$ -	06/30/09
1997 G.O. Refunding Bonds	15,800,000	12,685,000	9,400,000	5,890,000	3,795,000	06/30/14
1989 G.O. Series I (1998)	5,415,000	4,445,000	4,445,000	4,445,000	4,445,000	06/30/18
1999A G.O. Bonds	2,350,000	1,200,000	-	-	-	06/30/09
2001 G.O. Refunding Bonds	7,835,000	7,765,000	6,840,000	6,840,000	4,200,000	06/30/12
2002 Various Purpose G.O. Bonds	6,605,000	4,355,000	2,010,000	1,560,000	-	06/30/11
2002 G.O. Refunding Bonds	47,020,000	43,585,000	39,890,000	33,025,000	24,230,000	06/30/16
2003 G.O. Refunding Bonds	13,340,000	11,710,000	10,020,000	4,505,000	2,710,000	06/30/13
2004 G.O. Var. Purpose	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	06/30/21
2005 G.O. Refunding Bonds	8,540,000	8,540,000	8,540,000	8,540,000	8,540,000	06/30/14
2005A G.O. Var. Purpose	122,500,000	119,500,000	116,500,000	113,250,000	109,750,000	06/30/24
Future G.O. Bonds	-	84,000,000	119,000,000	150,291,453	149,517,194	06/30/34
Total General Obligation Bonds	282,315,000	348,335,000	364,645,000	376,346,453	355,187,194	
<u>Preserve General Obligation Bonds - Preserve Sales Tax Supporter</u>						
1999 Preserve G.O. Bonds	3,750,000	1,925,000	-	-	-	06/30/09
2001 Preservation G.O. Bonds	2,350,000	1,200,000	-	-	-	06/30/09
2001 G.O. Refunding Bonds-Preservation Portion	28,715,000	28,715,000	28,715,000	28,715,000	28,715,000	06/30/22
2002 G.O. Bonds-Preservation Portion	5,755,000	5,755,000	5,755,000	5,755,000	5,755,000	06/30/24
2002 G.O. Refunding Bonds-Preservation Portion	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	06/30/19
2004 Preservation GO	59,900,000	59,900,000	59,900,000	56,800,000	52,200,000	06/30/25
2005 G.O. Refunding Bonds-Preservation Portion	66,090,000	66,090,000	66,090,000	66,090,000	66,090,000	06/30/24
2005B G.O. Bonds-Preservation Portion	19,225,000	18,425,000	17,575,000	16,700,000	15,800,000	06/30/24
Future G.O. Bonds	-	-	-	-	208,887,188	06/30/34
Total Preserve General Obligation Bonds	193,885,000	190,110,000	186,135,000	182,160,000	385,547,188	
<u>Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supporter</u>						
1998 Scottsdale Preserve Revenue Bonds	39,010,000	36,725,000	36,725,000	36,725,000	36,725,000	06/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds	15,820,000	15,070,000	14,290,000	13,475,000	12,625,000	06/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds	22,775,000	22,700,000	20,220,000	17,670,000	15,050,000	06/30/16
Total Scottsdale Preserve Authority Bonds	77,605,000	74,495,000	71,235,000	67,870,000	64,400,000	
<u>McDowell Sonoran Preserve Contract - Preserve Sales Tax Supporter</u>						
	4,855,000	4,135,000	3,385,000	2,600,000	1,775,000	06/30/13
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supporter</u>						
1998 MPC Various Purposes	180,000	-	-	-	-	06/30/08
2004A MPC SkySong Bonds	9,785,000	9,785,000	9,785,000	8,865,000	7,915,000	06/30/19
2005 MPC Giants Practice Field	19,945,322	19,741,175	19,706,149	19,403,356	19,334,928	06/30/21
2005D MPC Westworld Land Acquisition	20,375,000	20,150,000	19,925,000	19,700,000	19,475,000	06/30/35
2006 MPC Refunding WestWorld	25,485,000	25,485,000	25,485,000	25,485,000	25,485,000	06/30/30
2006 MPC Refunding SkySong	29,965,000	29,965,000	29,965,000	29,965,000	29,965,000	06/30/34
2006A MPC TPC	9,600,000	9,360,000	9,110,000	8,855,000	8,585,000	06/30/31
2006B MPC Westworld Land Acquisition	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	06/30/31
Future MPC Bonds	-	7,332,475	7,125,452	6,887,393	6,625,529	06/30/27
Total Municipal Property Corp. Bonds	147,835,322	154,318,650	153,601,601	151,660,749	149,885,457	
<u>Special Assessments</u>						
Series 104 Contract	41,378	27,357	13,336	-	-	06/30/10
Existing Districts (excluding ID 104)	4,670,000	3,835,000	3,000,000	2,250,000	1,500,000	01/01/13
Total Special Assessments	4,711,378	3,862,357	3,013,336	2,250,000	1,500,000	
Total Debt Service Funds	\$ 711,206,700	\$ 775,256,007	\$ 782,014,937	\$ 782,887,202	\$ 958,294,839	

**Long-Term Debt Outstanding
As of 6/30/07 through 6/30/11**

	Balance at 6/30/07	Balance at 6/30/08	Balance at 6/30/09	Balance at 6/30/10	Balance at 6/30/11	Final Payment Date
Water and Sewer Funds						
<u>Water Sewer Revenue Bonds</u>						
1996 Water Sewer Revenue Refunding Bonds	3,850,000	2,900,000	1,900,000	1,550,000	1,200,000	06/30/14
1989 Water Sewer Revenue Series D (1997)	7,925,000	7,250,000	7,250,000	7,250,000	7,250,000	06/30/22
1989 Water Sewer Revenue Series E (1998)	29,095,000	27,475,000	27,475,000	27,475,000	27,475,000	06/30/23
2004 Water Sewer Revenue Refunding Bonds	18,060,000	17,670,000	14,885,000	11,975,000	8,945,000	06/30/16
Fiscal Agent Fees	58,930,000	55,295,000	51,510,000	48,250,000	44,870,000	
Total Water Sewer Revenue Bonds						
<u>Municipal Property Corp. (MPC) Bonds</u>						
2001 Scottswater MPC Bonds	1,835,000	-	-	-	-	06/30/08
2004 Water & Sewer MPC Bonds	22,400,000	19,500,000	16,520,000	13,440,000	10,260,000	06/30/14
2005E Water & Sewer MPC Bonds	20,905,000	20,905,000	18,630,000	16,330,000	13,930,000	06/30/16
2006 MPC Refunding Water/Sewer MPC Bonds	110,510,000	110,510,000	110,510,000	110,510,000	110,510,000	06/30/30
Future MPC Bonds	-	75,000,000	137,000,000	137,000,000	134,006,390	06/30/33
Total MPC Bonds - Water and Sewer Supported	155,650,000	225,915,000	282,660,000	277,280,000	268,706,390	
Total Water and Sewer Funds	\$ 214,580,000	\$ 281,210,000	\$ 334,170,000	\$ 325,530,000	\$ 313,576,390	
TOTAL LONG-TERM DEBT OUTSTANDING	\$ 939,214,334	\$ 1,068,577,531	\$ 1,127,068,263	\$ 1,118,046,898	\$ 1,280,517,763	

Sales Tax Agreements

The City also has the following sales tax agreements, in which the City's payments are contingent upon the sales tax generated on the sites. These agreements are not included in the Long-term Debt Outstanding in accordance with generally accepted accounting principles. However, they are shown on the debt service schedule for purposes of budget expenditure authority and cash flow planning.

Entity	Final Payment Date
Nordstrom	06/30/28
Waterfront	06/30/15
Hotel Valley Ho	06/30/19
Stacked 40's	06/30/14

COMPUTATION OF LEGAL DEBT MARGINS	
June 30, 2007	
Net Secondary Assessed Valuation Forecasted as of June 30, 2007	\$ 5,209,444,390
Debt Limit Equal to 20% of Assessed Valuation	1,041,888,878
General Obligation Bonded Debt Subject to 20% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2007):	
1997 Refunding	\$ 15,800,000
1989 Series I (1998)	4,445,000
1999 Preservation	3,750,000
2001 Preservation	2,350,000
2001 Refunding	36,550,000
2002	9,335,000
2002 Refunding	40,630,000
2003 Refunding	13,340,000
2004	90,900,000
2005 Refunding	74,630,000
2005A	52,500,000
2005B	19,225,000
	363,455,000
Net Outstanding Bonded Debt Subject to 20% Limit	363,455,000
Legal 20% Debt Margin (Available Borrowing Capacity)	\$ 678,433,878
Debt Limit Equal to 6% of Assessed Valuation	\$ 312,566,663
General Obligation Bonded Debt Subject to 6% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2007):	
1993 Refunding	\$ 4,910,000
1997 Refunding	-
1989 Series I (1998)	970,000
1999A	2,350,000
2002	3,025,000
2002 Refunding	14,490,000
2004	17,000,000
2005A	70,000,000
	112,745,000
Net Outstanding Bonded Debt Subject to 6% Limit	112,745,000
Legal 6% Debt Margin (Available Borrowing Capacity)	\$ 199,821,663

State Regulation
 The Arizona Constitution (Article 9, Section 8), provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to an additional 20% of the secondary assessed valuation for supplying such city with water, artificial light, or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and transportation facilities.

City of Scottsdale Compliance with State Regulation

This schedule indicates the secondary assessed valuation of property tax within the City of Scottsdale allows a maximum legal bonding capacity of \$1,041,888,878 for projects subject to the 20% limitation and \$312,566,663 for projects subject to the 6% limitation.

Legal Debt Capacity Used
 Based on the City's current outstanding general obligation debt, as of June 30, 2007, the City has used (borrowed) the following legal debt capacity by percentage limitation:

20% limitation	\$363,455,000 or 34.88%
6% limitation	\$112,745,000 or 36.07%

Legal Capacity Available
 Based on the City's current outstanding general obligation debt, as of June 30, 2007, the City has available (for borrowing) the following legal debt capacity by percentage limitation:

20% limitation	\$678,433,878 or 65.12%
6% limitation	\$199,821,663 or 63.93%

**General Fund Five-Year Privilege Tax Forecast
By Business Category**

Revenue Category	FY 05/06 Actual	% of Total	FY 06/07 Forecast	% of Total	FY 07/08 Adopted	% of Total	FY 08/09 Forecast	% of Total
Automotive	16,548,000	16%	16,481,808	15%	16,729,035	15%	17,063,616	15%
Construction	21,119,000	20%	21,119,000	19%	21,119,000	19%	21,119,000	19%
Food	6,147,000	6%	6,343,704	6%	6,584,765	6%	6,834,986	6%
Hotel/Motel	5,046,000	5%	5,626,290	5%	5,907,605	5%	6,143,909	5%
Major Dept Stores	9,286,000	9%	10,316,746	9%	10,832,583	10%	11,374,212	10%
Misc. Retail	15,220,000	15%	16,620,240	15%	17,617,454	16%	18,674,502	16%
Other Taxable	6,081,000	6%	6,336,402	6%	6,716,586	6%	7,119,581	6%
Rental	11,646,000	11%	12,041,964	11%	12,884,901	11%	13,786,845	12%
Restaurants	7,212,000	7%	7,889,928	7%	8,521,122	7%	9,202,812	8%
Utilities	3,957,000	4%	4,142,979	4%	4,308,698	4%	4,481,046	4%
Other	2,359,000	2%	2,380,231	2%	2,427,836	2%	2,476,392	2%
Total	104,621,000	100%	109,299,292	100%	113,649,586	100%	118,276,901	100%

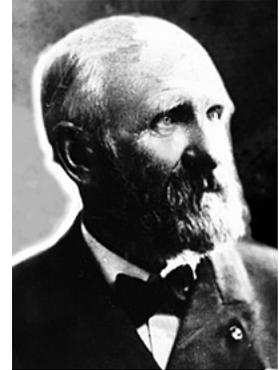
Revenue Category	FY 09/10 Forecast	% of Total	FY 10/11 Forecast	% of Total	FY 11/12 Forecast	% of Total
Automotive	17,404,888	14%	17,752,986	14%	18,108,046	14%
Construction	21,119,000	17%	21,119,000	16%	21,119,000	16%
Food	7,094,715	6%	7,364,314	6%	7,644,158	6%
Hotel/Motel	6,389,665	5%	6,645,252	5%	6,911,062	5%
Major Dept Stores	11,942,923	10%	12,540,069	10%	13,167,073	10%
Misc. Retail	19,794,972	16%	20,982,670	16%	22,241,630	17%
Other Taxable	7,546,756	6%	7,999,562	6%	8,479,535	6%
Rental	14,751,924	12%	15,784,558	12%	16,889,477	13%
Restaurants	9,939,037	8%	10,734,160	8%	11,592,893	9%
Utilities	4,660,288	4%	4,846,699	4%	5,040,567	4%
Other	2,525,920	2%	2,576,439	2%	2,627,967	2%
Total	123,170,088	100%	128,345,709	100%	133,821,409	100%

This same analysis by business category was applied when forecasting privilege tax revenues for Public Safety Privilege Tax (.10%), and Special Revenue Funds: Transportation Privilege Tax (.20%), McDowell Preserve Privilege Tax (.20%) and Preservation Privilege Tax (.15%).

Origin and Historical Summary

In 1888, Army Chaplain Winfield Scott, upon his retirement from the Army, visited the Valley of the Sun and subsequently made a down payment on a section of land in order to start a farming practice. Scott's purchase and subsequent farming of the land would be the impetus for the historic development of the town that is now modern day Scottsdale.

Like other Arizona cities and towns, the provision of a reliable water supply was critical to sustaining the community after its initial settlement by Chaplain Winfield Scott. The Granite Reef Dam was built in 1908 and the Roosevelt Dam in 1911 which transformed the Salt River Valley and allowed Scottsdale to share in the resulting population boom. Between 1908 and 1933 Scottsdale grew slowly, but steadily as a small market town principally providing services for families involved in the agricultural industry.



Scottsdale's favorable climate, irrigated desert location, and beautiful scenery influenced its initial settlement as well. Many health seekers came to Scottsdale, and those who were able to relocate to enjoy the advantages of the climate tended to be more well to do. Many of the community's original settlers who were recruited by Winfield Scott from the East and Midwest were educated and had an established appreciation for cultural activities. These early settlers established the Scottsdale public school system in 1896, supported the burgeoning artists and writers culture that began relocation here in the early 1900's, and promoted Scottsdale's affiliation with the earliest area resorts, the Ingleside Inn (1909) and the Jokake Inn (1922).

The Depression Era saw an influx of artists and architects to Scottsdale, one of the most renowned being Frank Lloyd Wright. Wright first came to Arizona to work on a desert resort project in Chandler in 1927 and worked on the design for the Arizona Biltmore Resort in 1929. In 1937, Wright and his wife purchased 600 desert acres at the foot of the McDowell Mountains and built Taliesin West, his winter home and his architectural firm's southwestern headquarters.

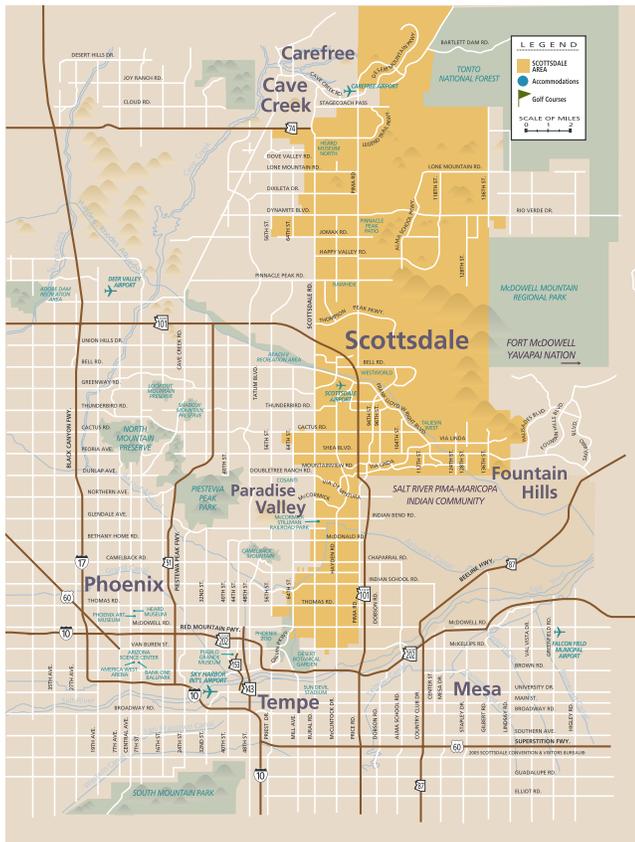
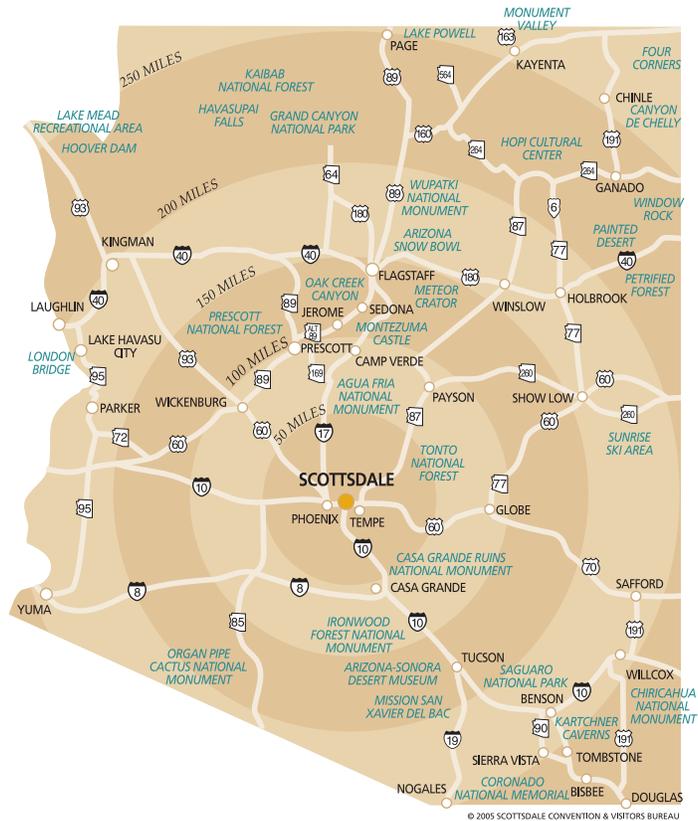
In 1947, the Scottsdale Chamber of Commerce was incorporated and Scottsdale leaders engaged in a conscious effort to promote a special identity for the town. Scottsdale was the only local community to formally embrace the western atmosphere that helped distinguish it from other tourist destinations. A design theme for the downtown was established with a "western" image and lifestyle and the city's moniker the "West's Most Western Town" was coined. In 1951, the town incorporated into the City of Scottsdale.

Although Scottsdale has grown in size and population, its historic origins still shine through today. Scottsdale is nationally and internationally well known for its reputation as an artistically and culturally rich community; a premiere resort, tourist, and golf destination; as well as an attractive location for numerous corporate commercial, retail, and medical-biotechnical opportunities.

Location

Scottsdale is centrally located in Maricopa County, Arizona, with its boundaries encompassing an area approximately 184.2 square miles, stretching 31 miles from north to south.

The City is bordered to the west by Phoenix, the state capital, by Tempe to the south, and by the Salt River/Pima Maricopa Indian Community to the east. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.



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Climate

Lying at an elevation of 1,260 feet above sea level, the City of Scottsdale averages 314 days of sunshine and 7.74 inches of rainfall per year, with the average minimum and maximum temperatures ranging from 56.2 degrees to 86.3 degrees, respectively.

Scottsdale offers its residents the advantages of a warm, dry climate with low humidity even in the summer months.

- * The average precipitation: 7.74 inches per year
- * The average number of sunny days per year: 314

AVERAGE DAILY TEMPERATURES

	High	Low
January	67°F	37°F
April	84°F	50°F
July	105°F	75°F
October	87°F	54°F

Demographics

The following tables provide additional demographic statistics for the City of Scottsdale and its citizenry from the 2000 U.S. Census.

Gender

Male	48.2%
Female	51.8%

Land Use

Residential	63.0%
Undeveloped/Agricultural	25.0%
Industrial/Commercial.....	12.0%

Age Composition

Under 5 years.....	5.7%
5 – 19 years	16.8%
20 – 24 years	4.8%
25 – 54 years	44.0%
55 – 74 years	21.6%
75+	7.1%
Median age (years)	40.3

Population

1951	2,021
1960	27,010
1965	54,504
1970	67,841
1975	77,107
1980	88,364
1985	108,447
1990	130,069
1995	168,176
2000	204,680
2005	235,010
2006 estimate.....	237,510
2007 estimate.....	240,530

Occupational Composition

Managerial & Professional	46.9%
Service.....	11.6%
Sales & Office	33.1%
Construction, Extraction & Maintenance	3.8%
Production & Transportation	4.5%

Household Income

Less than \$25,000.....	15.0%
\$25,001- \$34,999	8.5%
\$35,000 - \$49,999	12.6%
\$50,000 – \$74,999	18.4%
\$75,000 – \$99,999	12.1%
\$100,000+	33.4%
Median Household Income.....	\$68,053

Race/Ethnic Origin

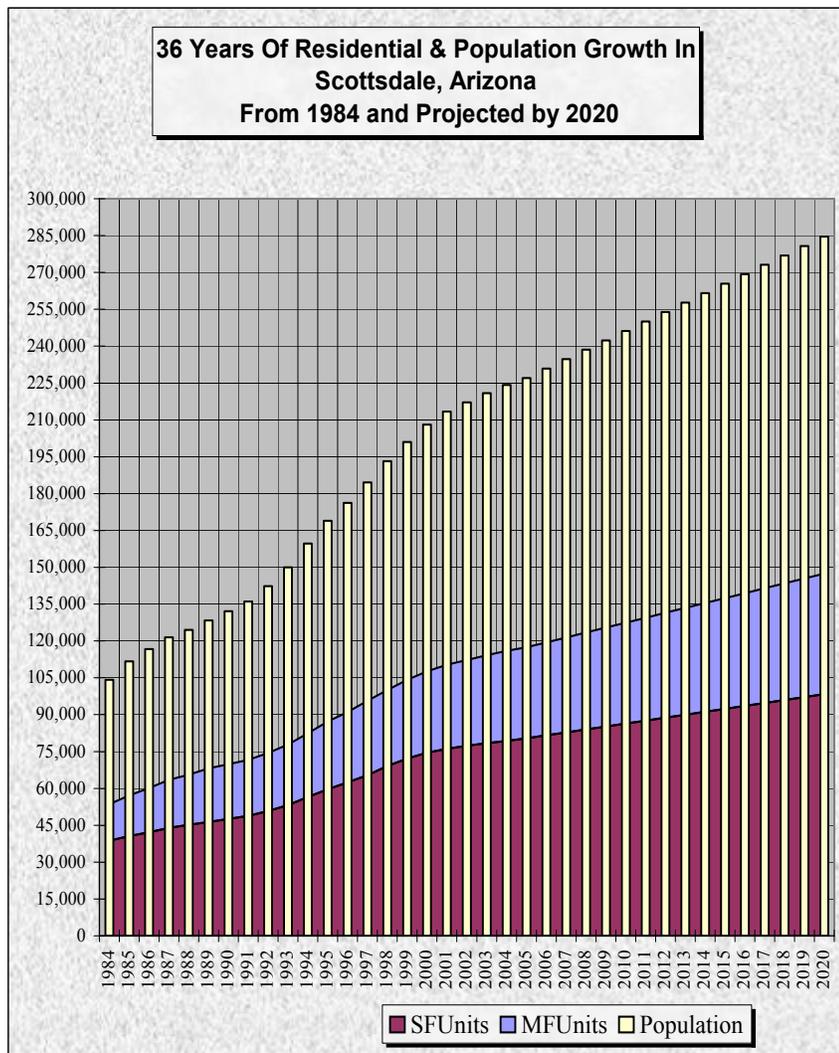
White	92.2%
Asian	2.0%
African American	1.2%
Native American	0.6%
Other	4.0%

Educational Attainment

4 or more years of college.....	49.9%
1 – 3 years of college	26.4%
High School Diploma.....	16.8%
Less than High School Diploma	6.9%

Growth

Scottsdale as the fourth largest city in the Phoenix metro area has experienced significant increases in population. Since 2000, population growth rates in Scottsdale have slowed, with 2005 showing a population growth rate of just 11.7 percent over 2000, compared to 20.5 percent growth from 1995 to 2000.



Source: City of Scottsdale Department of Planning and Development Services

Scottsdale Employment by Industry and Year

	2000		2010	
	Employment	Percent	Employment	Percent
Agriculture	1,918	1.5%	2,225	1.4%
Mining	122	0.1%	123	0.08%
Construction	7,077	5.5%	7,938	5.1%
Low Tech Manufacturing	2,985	2.3%	3,639	2.3%
High Tech Manufacturing	8,138	6.3%	8,762	5.6%
Transport	3,842	3.0%	4,038	2.6%
Wholesale Trade	6,674	5.2%	8,378	5.4%
Retail Trade	18,725	14.5%	23,507	15.0%
Finance, Insurance, Real Estate	16,440	12.8%	18,141	11.6%
Business Services	26,848	20.9%	36,081	23.1%
Health Industry	12,785	9.9%	14,934	9.6%
Hospitality	14,652	11.4%	17,900	11.4%
Personal Services	8,446	6.6%	10,600	6.8%
TOTAL	128,652	100.0%	156,267	100.0%

Source: Gruen Gruen & Associates, June 1999

Largest Employers in Scottsdale, 2006

Rank	Company Name	Employees
1	Scottsdale Healthcare Corporation	5,925
2	General Dynamics	4,000
3	Mayo Clinic - Scottsdale	3,995
4	Scottsdale Unified School District	3,500
5	City of Scottsdale.	2,708
6	CareMark (formerly AdvancePCS)	1,636
7	Troon Golf LLC	1,539
8	Go Daddy Group	1,227
9	Fairmont Princess Resort	1,200
10	Scottsdale Insurance Company	1,195
11	DMB Associates	1,100
12	Rural Metro Corporation	875
13	McKesson	700
14	The Boulders Resort	680
15	USPS - Scottsdale	680
16	Dial Corporation	650
17	JDA Software Group	650
18	Desert Mountain Properties	638
19	First Health Group	610
20	Pegasus Solutions	600
21	E-Telecare Global Solutions	600
22	First National Bank of America	530
23	Nordstroms	525
24	Hyatt Regency at Gainey Ranch	500
25	United Blood Services	498
26	Meritage Homes	427
27	Scottsdale Conference Resort	400
28	Scottsdale Community College	400
29	Dillard's	390
30	Scottsdale Plaza Resort	375

Source: City of Scottsdale Department of Economic Vitality

Principal Property Taxpayers

May 29, 2007

Taxpayer	Type of Business	Assessed Valuation (in thousands of dollars)	% of Secondary Assessed Valuation
Arizona Public Service Company	Gas and Electric Utility	\$79,682	1.10%
Scottsdale Fashion Square	Shopping Center	69,541	0.96%
DC Ranch, LLC	Resort	64,470	0.89%
Qwest Communications, Inc.	Telecommunications	60,124	0.83%
First American Tax Valuation	Resort	42,014	0.58%
Gainey Drive Associates	Resort	31,148	0.43%
Scottsdale Acquisition LLC	Shopping Center	26,078	0.36%
Southwest Gas Corporation	Gas Utility	22,456	0.31%
Marvin F Poer & Co.	Resort	17,385	0.24%
Pederson/BVT Promenada Assoc.	Retail	17,385	0.24%
		\$430,283	5.94%

Source: The City of Scottsdale's Property Tax Auditor, as obtained from the Arizona Department of Revenue, CVP Department and the 2007 Maricopa County Treasurer's Roll.

The Salt River Project Agricultural Improvement and Power District's (SRP) assessed valuation is not reflected in the total assessed valuation of the City. SRP is subject to a "voluntary contribution" in lieu of ad valorem taxation. The 2006/07 secondary assessed valuation of the Salt River Project within the City is \$38,229,602. The estimated secondary in lieu contribution is \$202,864.

Median Household Income Comparison

Median Household Income

City	2005	2000	1995	Growth Rate
Scottsdale	\$65,361	\$57,484	\$48,319	35%
Phoenix	\$45,407	\$41,207	\$32,950	38%
Mesa	\$47,698	\$42,817	\$33,676	42%
Glendale	\$50,029	\$45,015	\$35,483	41%
Chandler	\$65,163	\$58,416	\$46,096	41%
Tempe	\$46,932	\$42,361	\$36,049	30%
Gilbert	\$76,716	\$68,032	\$51,660	49%
Peoria	\$58,984	\$52,199	\$40,820	44%
Metro Area	\$55,707	\$45,358	\$35,623	56%

**Scottsdale median income as compared to Phoenix metro area median income -
Scottsdale is higher by:** **17%** **27%** **36%**

Source: Sites USA 2005 estimates, 2000 US Census, 1995 Special US Census

Tourism

Tourism in the City of Scottsdale is driven by several factors—destination resorts, special events, golf, desert environment, southwestern culture, and of course, warm



photo courtesy of Scottsdale Convention & Visitor's Bureau

winters. Tourism generates millions of dollars in economic activity in the City each year and is one of the most significant sources of revenue for the City's operations and budget. In 2005 Scottsdale hosted over 7.5 million visitors with an economic impact

of \$3.1 billion (direct and

indirect) and tourism was responsible for \$7.7 million in bed tax receipts for the City.

Numerous resort and convention facilities, along with more than 75 hotels and resorts, provide nearly 15,500 guest rooms. The City boasts many public and private golf courses, tennis courts, country clubs, day spas, nightclubs, bars, and lounges. More than 2,500 retail shops, boutiques, and galleries are located throughout the City and a selection of almost 600 restaurants is available. These services and facilities, complemented by the mild winter, have made Scottsdale a popular vacation spot for tourists and winter visitors.

Revitalization

Original neighborhoods form the core of southern Scottsdale. As this area continues to mature, the neighborhoods require concentrated efforts to keep Scottsdale great. Through a Scottsdale Revitalization program, the City has stepped up its efforts to maintain, renovate, or rebuild City buildings, parks, and other public facilities, and to attract new businesses and investment. In addition, the City hopes to partner with its residents, business owners, and community groups to exchange the tools necessary for the revitalization, restoration, and renewal for south Scottsdale.



Preservation

In 1990, Scottsdale citizens (through the non-profit McDowell Sonoran Land Trust) initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert. The vision is to preserve approximately 36,460 acres, equivalent to 1/3 of Scottsdale's total land area.

In 1995, Scottsdale voters approved a 0.2 percent sales tax increase to purchase land in the 16,460 acre original preserve. In 1998, voters approved using the sales tax to purchase 19,940 acres of land in the expanded preserve, of which 16,600 are State Trust Land. In 2001, the State Land commissioner issued an order reclassifying 13,021 acres of the 16,600 acres as suitable for preservation. In 2004, Scottsdale voters approved an additional 0.15 percent increase in the sales tax for land acquisition and for access area amenities. When completed, the McDowell Sonoran Preserve will be one of the largest urban preserves.



This rare, majestic crested saguaro is now standing watch along the trailhead of the Lost Dog Wash Access Area in the McDowell Sonoran Preserve.

Proposed Desert Discovery Center at the Gateway to the Preserve

Planning continues for establishing a desert discovery center in the Gateway to the Preserve- east of Thompson Peak Parkway north of Bell Road (Gateway Access/ Discovery Plans). The discovery center is envisioned to exist to provide opportunities for residents and visitors to discover the story of the Upper Sonoran Desert. Through exhibits and environmental experiences- presented in a natural setting, the center will inspire learning about the desert through its programs which encourage preservation and instill a sense of harmony with and respect for the desert.

A task force comprised of Preserve Commission and Tourism Development Commission members has been formed to provide recommendations to the City Council.

Transportation

Scottsdale's transportation network offers citizens a variety of mobility choices. The Pima and Red Mountain Freeways and City streets let people move into and around the City. The advanced technology of Intelligent Transportation Systems detection, dynamic message signs, and signalization help minimize delays, especially during special events like the FBR Open.



Scottsdale residents enjoy 56 miles of paved multi-use paths.

Local and regional bus routes and alternative modes of transportation such as Cab Connection and bicycles provide additional access to this extraordinary City. Scottsdale Airport, operated by the City, provides general aviation and worldwide charter air service.

The Transportation Department's divisions are Aviation, Traffic Engineering, Transportation Master Planning, Capital Improvement Projects Planning, and Administration. They work together to support the mission of encouraging livable neighborhoods and providing for safe, efficient, and affordable movement of people and goods in Scottsdale.

Educational Facilities

Several institutions of higher learning are available to City residents. Arizona State University, one of the major universities in the nation, is located in Tempe just south of the City. The University has approximately 61,033 students, graduate and undergraduate, a choice of 19 colleges and has 2,419 full-time faculty members. Scottsdale Community College, a part of the Maricopa Community College System, is located on the eastern border of the City, on the Salt River/Pima Maricopa Indian Community. The college is a two-year college, which offers a wide variety of academic, occupational, developmental, and special interest programs. Other higher educational facilities include the University of Phoenix and the Scottsdale Culinary Institute. The City is also served by 27 public elementary and middle schools, 6 public high schools, and a number of private schools.

Photo Radar

Scottsdale has used photo enforcement on its City streets since 1997. The City uses ten fixed speed/red-light cameras on city streets as well as four photo enforcement vans that can be stationed anywhere they are needed to help improve safety.

The City conducted a photo enforcement pilot program on the 7.8-mile stretch of the Loop 101 Freeway from January 22 through October 23, 2006. The demonstration program was the first use of photo enforcement equipment in Arizona and is believed to be the first fixed-site photo enforcement program on a freeway in the nation.

The goal of the demonstration program was to evaluate photo enforcement technology on the urban freeway system and to determine how effective the technology is in reducing the number of vehicles speeding, which thereby helps reduce the number and severity of collisions. Preliminary results of the assessment showed the cameras lowered speeds on the freeway by about 10 miles per hour and reduced the overall number and severity of collisions.

The City of Scottsdale reactivated photo enforcement cameras on Scottsdale's section of the Loop 101 Freeway on February 22, 2007 and will continue the program until the State of Arizona assumes operation of the program.

WestWorld

WestWorld is a premier, nationally recognized, user-friendly equestrian center and special events facility serving the community and target market visitors. It is comprised of approximately 360 acres which are available for a variety of uses and events and is located in the geographic center of the city, adjacent to the gateway to the McDowells. The City of Scottsdale assumed management responsibility and purchased the fixed assets in 1997 while The Bureau of Reclamation owns the land that WestWorld is situated on. WestWorld now serves as a community asset.



**CITY OF SCOTTSDALE
BUDGET PLANNING AND DEVELOPMENT
FISCAL YEAR 2007/08 CALENDAR**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Strategic Planning Process															
Needs Assessment and Financial Capacity															
Citizen Input															
Forecast Multi-year Revenues															
Evaluate Infrastructure Needs															
Create Fiscal Forecasting Assumptions															
Develop Financial Trends															
Review Monthly Economic Updates															
(Developing Broad Goals & Strategic Directives)															
Update Financial Policies, Plans, Programs & Management Strategies															
Capital Improvement Program															
Update CIP Portion of Budget Planning Guide															
CIP Kick-off Meetings															
Department Review and Preparation															
Peer Construction & Technology Review															
CIP Advisory Team Review															
City Management Review															
Citizen Bond Review Commission															
City Council Review & Adoption															
Public Hearings															
Final CIP Adoption															
Budget Process															
Budget Planning Guide															
Budget Kick-off Meetings															
Update Performance Measurements															
User Training: Budget Databases															
Department Budget Development															
Budget Liaison Update Meetings															
Department Budget Request Submission															
(Changes in service level, additional staff, etc.)															
Line Item Analytical Review															
Internal Service Rates Finalized															
City Management Review															
Mission Statements Preparation/Review															
Organizational Charts Preparation/Review															
Finalize Proposed Five-Year Financial Plans															
City Council Review & Adoption															
Department budget review sessions with City Council															
Public Hearings															
Final Budget Adoption															
Implement Adopted Budget															
Monitor Citywide Financial Performance															
Budget Process Review & Adjustment															

FLEET AQUISITIONS

Appendix

FY 2007/08 Adopted Budget Fleet Acquisitions

DEPARTMENT	VEHICLE	DESCRIPTION OF USE	BUDGET AMOUNT
GENERAL FUND			
Community Services			
Facilities Maintenance - Building Maintenance & Repair	Truck - with service body truck and dual rear wheel drive	The vehicle will be used by the new Maintenance Technician II position to provide focused attention and an enhanced level of maintenance to the Civic Center Campus facilities.	\$ 40,200
Facilities Maintenance - Plumbing Maintenance	Truck - with service body truck and dual rear wheel drive	The vehicle will be used by the new Plumber to meet increased inventory and to maintain preventative maintenance schedules.	\$ 40,200
Parks & Grounds Maintenance - Civic Center Complex	Utility Vehicle - 4 wheel cart w/ P.T.O (Toro Workman Cart)	The vehicle will be used by the new Maintenance Worker I to provide proactive oversight, maintenance and high service level to the Civic Center Campus	\$ 18,600
			<u>\$ 99,000</u>
Information Systems			
Technology Infrastructure Support - Network Operations	Cargo van	This van is will be utilized by the Radio Communications Engineer to transport tools and equipment throughout the City in providing high level technical support and servicing of the new City Radio System.	\$ 22,200
Police			
Detective Staffing	PD mid-size vehicle	Vehicles for Detectives in Fraud Investigations, Auto Theft Investigations, Violent Crimes Investigations, and Burglary & Theft Investigations. Six mid-size vehicles @ \$19,700 each.	\$ 118,200
Police Crisis	PD mid-size vehicle	Vehicle for the new Crisis Intervention Specialist position.	\$ 19,700
			<u>\$ 137,900</u>
Planning & Development Services			
Plan Review	ADA accessible passenger van	ADA Accessible passenger van. Current estimates from the Fleet division is \$120,000 as follows: \$29,000 for vehicle, \$82,000 for conversion, \$9,000 for tax and contingency.	\$ 120,000
West World			
Maintenance Staff	Utility vehicles	Two utility vehicles will enable the maintenance staff to respond quickly to service requests.	\$ 41,200
			<u>\$ 420,300</u>
SPECIAL REVENUE FUND			
Municipal Services			
Street Operations - Street Cleaning	3/4-ton pickup truck, trailer and mid-size street sweeper	3/4 ton Pickup Truck (\$30,9000), Tow Trailer (\$11,000), and Mid-Size Street Sweeper (\$75,000) for new Sweeper Operator position.	\$ 116,900
Street Operations - Grading and Drainage	Tractor-backhoe loader with extended hoe and trailer	Equipment will enable drainage maintenance crews to safely and efficiently remove debris and sediment at ends of culverts and clear drainage ways.	\$ 78,400
Street Operations - Asphalt & Maintenance	Full size pickup truck (1/2 ton)	For Public Works Inspector position to support the Pavement Management System by providing quality assurance inspections of pavement treatments, general street repairs, new street improvements and inspecting residential street conditions for future treatment scheduling.	\$ 15,400
			<u>\$ 210,700</u>
		Total SPECIAL REVENUE FUND	\$ 210,700
ENTERPRISE FUND			
Financial Services			
Customer Services - Meter Reading	Vehicle with diesel engine	This vehicle is for the new Meter Reader position to travel throughout the City to safely read an average of approximately 6,900 - 7,000 meters each month.	\$ 28,000
Municipal Services			
Solid Waste	Side Loading Refuse Truck	For recommended Equipment Operator III position.	\$ 226,000
Water Resources			
Water and Wastewater Treatment Division	Service truck 3/4 ton with lift gate	For new Water Electronic Technician position to support the electrical and instrumentation maintenance and repair efforts associated with 11 complex water and wastewater treatment facilities.	\$ 33,000
Water Campus Wastewater Reclamation Plant	Service truck with lift gate	For new HVAC Technician position to meet all manufacturer required preventive and corrective maintenance to the City's treatment and production site HVAC systems.	\$ 40,200
Water Production	Truck with service body, lift gate and crane	For new Water Maintenance Technician position to perform preventive and corrective maintenance at new and existing water and wastewater facilities.	\$ 48,000
Water Production	Truck - cab & chassis, light duty, cab forward, w/ stake bed and lift gate	For new Water Electronic Technician position to support the electrical and instrumentation maintenance and repair efforts associated with 31 well sites, 102 booster pump sites, 44 reservoirs, 14 system pressure control sites, and 41 sewer lift pump sites.	\$ 33,000
Water Quality	Pickup truck (1/2-ton)	For Water and Wastewater Quality Division in handling workload related to sampling needs.	\$ 15,400
			<u>\$ 169,600</u>
		Total ENTERPRISE FUND	\$ 423,600
		Total CITYWIDE, ALL FUNDS	\$ 1,054,600

ACJIS	Arizona Criminal Justice Information
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADOT	Arizona Department of Transportation
ANTN	Aviation News and Training Network
APS	Arizona Public Service
ARS	Arizona Revised Statutes
ASU	Arizona State University
ATV	All Terrain Vehicle
AZ GOHS	Arizona Governor's Office of Highway Safety
AZSTA	Arizona Sports and Tourism Authority
CAD	Computer Aided Design; Computer Aided Dispatch (Police)
CAFR	Comprehensive Annual Financial Report
CAP	Central Arizona Project
CAPA	Communications and Public Affairs
CCTV	Closed Circuit Television
CDBG	Community Development Block Grant
CDL	Commercial Driver's License
CDS	Community Development System
CEF	Court Enhancement Fund
CFAI	Committee on Fire Accreditation International
CFD	Community Facility District
CFO	Chief Financial Officer
CGTF	Central Groundwater Treatment Facility
CIP	Capital Improvement Plan
CISM	Critical Incident Stress Management
CIT	Crisis Intervention Team
CNG	Compressed Natural Gas
CNR	Citizen and Neighborhood Resources
COBRA	Consolidated Omnibus Budget Reconciliation Act
COP	Certificate of Participation
CPA	Certified Public Accountant
DAS	Direct Attached Storage
DMZ network	Demilitarized Zone (isolated protected network)
DPS	Department of Public Safety
DVAT	Domestic Violence Action Team
EDM	Electronic Document Management
EEOC	Equal Employment Opportunity Commission
EFT	Electronic File System
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
ESAP	Emergency Safety and Preparedness
ESRI	Environmental Systems Research Institute
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation

FCD	Flood Control District
FEMA	Federal Emergency Management Agency
FMLA	Family Medical Leave Act
FT	Full Time
FTE	Full Time Equivalent
FTG	Fill the Gap
GAAP	Generally Accepted Accounting Principles
GAC	Granular Activated Carbon
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
GPS	Geographic Positioning System
HEAT	Help Desk Software
HIPAA	Health Insurance Portability and Accountability Act
HHW	Household Hazardous Waste
HR	Human Resources
HUD	U.S. Department of Housing and Urban Development
HURF	Highway User Revenue Fund
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International City/County Management Association
ID	Improvement District
IGA	Intergovernmental Agreement
IIHS	Insurance Institute for Highway Safety
ILM	Information Lifecycle Management
IS	Information Systems
ISO	International Organization for Standardization
IT	Information Technology
ITD	Inception to Date
ITS	Intelligent Transportation System
IVR	Interactive Voice Response System
IWDS	Irrigation Water Distribution System
JCEF	Judicial Collections Enhancement Fund
JTTF	Joint Terrorism Task Force
LEED	Leadership in Energy and Environmental Design
LIS	Land Information System
LTAf	Local Transportation Assistance Fund
MAG	Maricopa Association of Governments
MCSD	Maricopa County Stadium Project
MPC	Municipal Property Corporation
MS	Microsoft
NACSLB	National Advisory Council on State and Local Budgeting
NAS	Network Attached Storage
NEP	Neighborhood Enhancement Partnership
NFMA	National Federation of Municipal Analysts
NIMS	National Incident Management Systems
NLC	National League of Cities

NPDES	National Pollution Discharge Elimination System
NTO	Narcotics Trained Officer
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PC	Personal Computer
PD	Police Department
PIN	Prosecutor Information Network
PKI	Public Key Infrastructure
PO	Purchase Order
POS	Point of Sale
PT	Part Time
REV	Revenue
RFP	Request for Proposal
RICO	Racketeering Influenced and Corrupt Organizations
ROP	Repeat Offender Program
ROW	Right of way
RWDS	Reclaimed Water Distribution System
SAN	Storage Area Network
SCADA	Supervisory Control and Data Acquisition
SOS	Delinquency Turn On Notification System
SPA	Scottsdale Preserve Authority
SQL	Structured Query Language
SRO	School Resource Officer
SRP	Salt River Project
SRPMIC	Salt River Pima-Maricopa Indian Community
STOMP	Scottsdale Teens on a Mission for Progress
SVC	Service
SW	Software
SWAT	Special Weapons and Tactics
TPC	Tournament Players Club
TRF	Transfer
UCR	Uniform Crime Report
VCC	Virtual Call Center
VPP	Voluntary Protection Program
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

Actual – Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Adopted – Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the budget as approved by the City Council.

Appropriation – An authorization made by the City Council, which permits the City to incur obligations and to expend resources.

Assessed Valuation – A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions. In Arizona, real property is valued annually by the County Assessor for the assessment of property taxes.

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

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

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

Base Budget – Cost of continuing the existing levels of service in the current budget year.

Beginning Balance – The beginning balance is the residual non-restricted funds brought forward from the previous fiscal year (ending balance).

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

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

Bonds – Bonds are debt instruments, which require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Budget – A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

Budget Calendar – The schedule of key dates, which a government follows in the preparation and adoption of the budget.

Budgetary Basis – Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that (1) no depreciation is budgeted for proprietary funds; and (2) bond principal in the enterprise funds is subject to appropriation. The budgetary basis of accounting is used to present all proposed budget and forecast amounts in the budget document to facilitate meaningful comparisons. The differences between the budgetary and GAAP basis of accounting used by the City of Scottsdale are similar to those of many other local governments. The differences between budgetary basis and the GAAP basis exist largely because the budgetary basis provides a more conservative view of revenues and expenditures.

Capital Expenditures – The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary values (equal to or greater than \$25,000), (2) long asset life (equal to or greater than five years of useful life, and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

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

Capital Improvement Plan (CIP) – A capital improvement plan is a comprehensive plan that projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvement plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

Capital Outlay – Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) typically have a unit cost of \$5,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as a capital outlay under the same code as the original purchase. Replacement or repair parts are classified under commodities.

Capital Project – Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as streets, bridges, drainage, street lighting, and water systems.

Commodities – Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Community Facilities Districts (CFD) – CFDs are special purpose public improvement districts. By utilizing a variety of public funding options such as bonds, special assessments, taxes and user fees, CFDs provide a mechanism to finance public infrastructure, the operation and maintenance of public infrastructure, and enhanced municipal services in qualifying areas.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contracts Payable – Contracts payable represents a liability reflecting amounts due on contracts of goods or services furnished to the City.

Contractual Services – Includes expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services accounts.

Cost Center – An organizational budget/operating unit within each City division or department.

Court Enhancement Fund – A fund to accumulate fees imposed by the City Court on fines, sanctions, penalties and assessments for the purpose of enhancing the technological, operational and security capabilities of the City Court.

Debt Service – Paid from the General Fund, is primarily contractual debt related to sales tax development agreements and will vary based on the actual sales tax collections at each developed site.

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

Department – The combination of divisions of the City headed by a general manager with a specific and unique set of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, etc.).

Division – A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Encumbrance – Includes obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, canceled, or when the actual liability is established.

Encumbrance Rebudgets – The balance of unliquidated purchase commitments brought forward from the previous fiscal year.

Ending Balance – The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

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

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

Equipment Rental – Represents fees charged to other areas of the City for the maintenance, repair, and replacement of City vehicles. The fee for these charges is returned to the fleet management internal service fund as revenue.

Estimate – Represents the original adopted budget plus any prior year open purchase orders, contingency transfers, approved changes, and anticipated year-end savings.

Excise Debt – Represents debt that is repaid by excise taxes. In this case, the excise taxes used to fund the debt service payments are a portion of the transaction privilege (sales) tax and transient occupancy tax.

Expenditures – Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees – Charges for specific services.

Financial Policy – A government's directive with respect to revenues, spending, reserves, and debt management as these relate to government services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of government budgets and its funding.

Fiscal Year – A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Scottsdale's fiscal year is July 1 through June 30.

Five-Year Financial Plan – An estimation of revenues and expenses required by the City to operate for the next five-year period.

Forecast – A prediction of a future outcome based on known and unknown factors.

Franchise Fee – Charged to the water and sewer utility fund, is a reimbursement to the general fund for the utility's use of City streets and right-of-ways.

Fringe Benefits – Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pension, medical, and life insurance plans.

Full-Time Equivalent (FTE) – A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Full Cash Value – Arizona Revised Statutes defines Full Cash Value (FCV) as being synonymous with market value. For assessment purposes, Full Cash value approximates market value. Also see Secondary Assessed Valuation.

Fund – A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – The balance of net financial resources that are spendable or available for appropriation. As used in the budget, the excess of resources (revenues and cash transfers-in) over uses (expenditures, debt service, and cash transfers-out). The beginning fund balance is the residual funds brought forward from the previous fiscal year. The fund balance is comprised of a reserved fund balance and an unreserved fund balance. The reserved fund balance is restricted for specific purposes, while the unreserved fund balance is not restricted for a specific purpose and is available for general appropriation.

Fund Summary – A combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, estimated budgets, and the current year's adopted budgets.

GAAP Adjustments – Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP). For example, depreciation and amortization in Enterprise Funds are not considered expenses on the budget basis of accounting, but are considered expenses on the GAAP basis.

General Fund – Primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, parks and recreation, planning and economic development, general administration of the City, and any other activity for which a special fund has not been created.

General Long-Term Debt – Represents any unmatured debt not considered to be a fund liability.

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

Generally Accepted Accounting Principles (GAAP)

– The uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides standards by which to measure financial presentations. The GAAP basis of accounting is used to prepare the City's Comprehensive Annual Financial Report (CAFR). The GAAP basis differs from the budgetary (or cash) basis in that certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Golf Course Surcharge – A \$1 per nine hole surcharge established in 1994 for all City owned golf courses. Revenue collected from this source is used for capital improvements, debt service on capital improvements, silt management, catastrophic flood funding, and support of the FBR Open golf tournament.

Grant – A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (i.e., education or drug enforcement), but it is sometimes for general purposes.

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

Highway User Fuel Tax – Gasoline tax shared with municipalities; a portion is distributed based upon the population of the City and a portion is distributed based upon the origin of the sales of the fuel. The Arizona State Constitution requires that this revenue be used solely for street and highway purposes.

Improvement Districts – Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property. Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Indirect Cost Allocation – Funding transferred to the general fund from enterprise funds for specific central administrative functions, which benefit those funds (i.e., City Manager, Financial Services Department, Human Resources, Legal, etc.).

In-Lieu Property Tax – Charges to the enterprise funds, which compensates the general fund for the property tax that would have been paid if the utilities were for-profit companies.

Intergovernmental Revenues – Levied by one government but shared on a predetermined basis with another government or class of governments.

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

Limited Property Value – The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation). Also see Primary Assessed Valuation.

Mission – Defines the primary purpose of the City and is intended to guide all organizational decisions, policies, and activities (internal and external) on a daily basis.

Municipal Property Corporation (MPC) – A non-profit corporation established to issue bonds to fund City capital improvements projects.

Needs Assessment – The foundation for determining what City customers feel is needed. Market surveys, public hearings, and boards and commission surveys are conducted.

Objective – Something to be accomplished in specific, well-defined, and measurable terms, and that is achievable within a specific time frame.

Operating Budget – The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is required by law in Arizona and is a requirement of Scottsdale's City Charter.

Operating Revenue – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Other Fiscal Activity – Refers to various trust and agency funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, and other funds.

Outstanding Debt – The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-As-You-Go Capital Improvement Projects (PAYG) – Capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

Performance Measure – Data collected to determine how effective or efficient a program is in achieving its objectives.

Personal Computer (PC) Replacement Program – Established to centralize the responsibility for personal computer service and the maintenance of computer and printer inventories. Departments are assessed an annual fee based upon their inventory of PCs and printers in use. The charge is accumulated in the PC Replacement Fund and used to replace printers and desktop/laptop computers on a standard replacement schedule.

Personal Services – Include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance.

Preserve Bonds – Represent excise tax revenue bonds and G.O bonds. The bonds are special revenue obligations of the Scottsdale Preserve Authority payable solely from and secured by either a 0.2% sales tax approved by City voters in 1995 and issued for the purpose of acquiring land for the McDowell Sonoran Preserve or a 0.15% sales tax approved by City voters in 2004 and issued for the purpose of acquiring land and construction of essential preserve related necessities such as proposed trailheads for the McDowell Sonoran Preserve.

Primary Assessed Valuation (Limited Property Value) – In Arizona, the Primary Assessed Valuation is used to compute primary taxes for the maintenance and operation of school districts, community college districts, municipalities, counties, and the state. The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation).

Primary Assessment – The amount of tax calculated according to a statutory formula based on the Primary Assessed Valuation.

Primary Property Tax – Levied for the purpose of funding general government operations. Annual increases are limited to 2.0% of the previous year's maximum

allowable primary property tax levy plus allowances for new construction and annexation of new property and tort litigation settlements.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the City is responsible. A program differs from a division from the standpoint that cost centers from different departments may make up a program while cost centers from the same department make up a division.

Program Budget – A budget, which allocates money to the functions or activities of a government, rather than to specific items of cost or to specific departments.

Property Tax – Based according to value of property and is used as the source of monies to pay general obligation debt (secondary property tax) and to support the general fund (primary property tax). Each year the Maricopa County Assessor's Office determines the value of all property within the county, including City buildings and individual homes. These assessment values are then used on a pro-rata basis for levying property taxes. Property taxes are paid twice a year. The first half is due on October 1st and the second half is due on the following March 1st.

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

Racketeered Influenced and Corrupt Organizations (RICO) Funds – Funds obtained from an anti-racketeering revolving fund maintained by either the Federal or State government as a result of asset forfeitures from criminal enterprises and are allocated to municipalities for approved non-recurring public safety expenditures.

Rebudget – Carryover represents encumbered and committed funds carried forward to the next fiscal year budget.

Refunding – A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: (1) to reduce the issuer's interest costs or (2) to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

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

Reserve – An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Revenue Bonds – Bonds payable from a specific source of revenue, which do not pledge the full faith, and credit of the issuer. Revenue bonds are payable from identified sources of revenue and do not affect the property tax rate. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Secondary Assessed Valuation (Full Cash Value) – In Arizona, the Secondary Assessed Valuation is used to compute secondary taxes, which may consist of bonds, budget overrides, and special districts such as fire, flood control, and other limited purpose districts. Full Cash Value is a reflection of the market value of property.

Secondary Assessment – The amount of tax calculated according to a statutory formula based on the Secondary Assessed Valuation.

Secondary Property Tax – Levied for the purpose of funding the principal, interest, and redemption charges on general obligation bonds of the City. The amount of this tax is determined by the annual debt service requirements on the City's general obligation bonds.

Self Insurance – The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Service Levels – Describe the present services provided by a City department and/or division within the department.

Sinking Fund – An account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments there from are determined by the terms of the bond contract.

Special Assessment – A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

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

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

Street Light Improvement Districts – Formed to provide a means for properties within a district to maintain streetlights within their boundaries. A street light tax is levied against the property owner to cover the cost of electrical billings received and paid by the City.

Tax Levy – The total amount of revenue to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate – The amount of tax levied for each \$100 of assessed valuation.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Transfers – The authorized exchanges of cash or other resources between funds, divisions, departments and/or capital projects.

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

Trend Analysis – Examines changes over time, which provides useful management information such as the City's current financial situation and its future financial capacity to sustain service levels.

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

Unreserved Fund Balance – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

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

User Fee – The fee charged for services to the party or parties who directly benefits.

ORDINANCE NO. 3734

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF SCOTTSDALE FOR THE FISCAL YEAR BEGINNING JULY 1, 2007, AND ENDING JUNE 30, 2008, AND DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET FOR THE CITY OF SCOTTSDALE.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Arizona Revised Statutes (A.R.S.) and the City Charter, the City Council did, on May 22, 2007, make a budget estimate of the different amounts required to meet the public expenses for the fiscal year beginning July 1, 2007, and ending June 30, 2008 ("Fiscal Year 2007/08"), an estimate of receipts from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Scottsdale, Arizona; and

WHEREAS, following publication of notice as required by law, the Council held a public hearing on June 5, 2007, at which any taxpayer could appear and be heard in favor of or against any proposed expenditure or property tax levy; and

WHEREAS, immediately following the public hearing, the Council convened in a special meeting for purposes of finally determining and adopting the estimates of proposed expenditures, which estimates, when adopted, would constitute the budget of the City of Scottsdale for Fiscal Year 2007/08; and

WHEREAS, it appears that publication has been duly made, as required by law, of said budget estimates, together with a notice that the Council will meet on June 19, 2007, in the City Hall Kiva for the purpose of making the primary and secondary property tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not, in the aggregate, exceed that amount for primary property taxes as computed in A.R.S. § 42-17051; now, therefore

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. That the estimates of revenue and expenditures attached hereto as Schedule A, as now reduced or changed, are hereby adopted as the budget of the City of Scottsdale, Arizona, for Fiscal Year 2007/08 ("Fiscal Year 2007/08 Adopted Budget").

SECTION 2. That upon the recommendation of the City Manager, and with the approval of the City Council, expenditures may be made from the budget for contingencies and reserves.

SECTION 3. That the transfer of any sums within any specific appropriation may be done upon the approval of the City Manager.

SECTION 4. That the City Council may, upon request of the City Manager, transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

SECTION 5. That resources from any fund may be used to meet the adopted budget, except funds restricted by Federal or State law, or by City ordinance or resolution; and that the City Manager is responsible for managing fund resources to satisfy these requirements, which responsibility may be delegated to the City's Chief Financial Officer.

SECTION 6. That the City Council approves the budget appropriation and cash transfer-out in an amount up to \$1,100,000 from the various operating department budgets to the Fleet Fund budget for the initial purchase of vehicles and equipment as approved and included in the Fiscal Year 2007/08 Adopted Budget.

SECTION 7. That pursuant to § 14-20 *et seq.* of the Scottsdale Revised Code, the Classification/Compensation Plan, including the number of authorized Full-Time Equivalent positions, attached hereto as Exhibit "1" and incorporated herein by this reference, is hereby adopted.

SECTION 8. That Schedules A through G of the Fiscal Year 2007/08 Adopted Budget, as described below, are attached hereto and incorporated herein by this reference:

Schedule A, Summary Schedule of Estimated Revenues and Expenditures/Expenses Fiscal Year 2007/08

Schedule B, Summary of Property Tax Levy and Property Tax Rate Information Fiscal Year 2007/08

Schedule C, Summary By Fund Type of Revenues Other than Property Taxes Fiscal Year 2007/08

Schedule D, Summary By Fund Type of Other Financing Sources/(Uses) and Interfund Transfers Fiscal Year 2007/08

Schedule E, Summary By Department of Expenditures/Expenses Within Each Fund Type Fiscal Year 2007/08

Schedule F, Summary By Department of Expenditures/Expenses Fiscal Year 2007/08

Schedule G, Summary of Specific Budget Appropriations Fiscal Year 2007/08

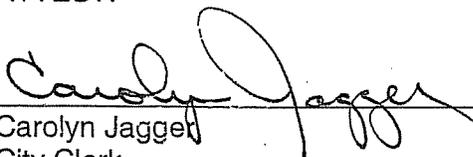
PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 5th day of June, 2007.

CITY OF SCOTTSDALE,
an Arizona municipal corporation



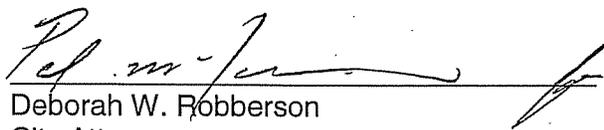
Mary Manross
Mayor

ATTEST:



Carolyn Jagget
City Clerk

APPROVED AS TO FORM:



Deborah W. Robberson
City Attorney

SCHEDULE A

**CITY OF SCOTTSDALE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2007/08**

FUND	ADOPTED BUDGETED EXPENDITURES 2006/07	ACTUAL EXPENDITURES 2006/07*	ESTIMATED FUND BALANCE July 1, 2007**	DIRECT PROPERTY TAX REVENUES 2007/08	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2007/08***	OTHER FINANCING SOURCES/(USES) 2007/08	NET INTERFUND TRANSFERS IN/(OUT) 2007/08	TOTAL FINANCIAL RESOURCES AVAILABLE 2007/08	BUDGETED EXPENDITURES 2007/08
				PRIMARY:					
General Fund	\$ 247,662,449	\$ 233,849,093	\$ 56,329,724	\$ 20,998,296	\$ 275,182,029	\$ -	\$ (45,752,183)	\$ 306,757,866	\$ 262,841,995
Special Revenue Funds	72,802,554	64,794,852	52,913,775		120,303,534	-	(34,062,993)	139,154,316	70,415,429
				SECONDARY:					
Debt Service Funds	60,024,863	59,190,461	16,787,869	29,672,656	1,661,423	-	26,483,534	74,605,482	61,021,289
Capital Projects Funds	862,921,700	248,013,600	381,887,400		646,164,800	166,400,000	103,057,734	1,297,509,934	906,253,100
Enterprise Funds	108,251,718	97,143,678	66,047,621		151,275,314	-	(47,473,192)	169,849,743	118,650,340
Expendable Trust Funds	25,000	15,000	5,437		20,000	-	-	25,437	20,000
				PRIMARY:					
Internal Service Funds	12,065,725	7,703,976	33,510,046	167,498	7,960,188	-	(2,252,900)	39,384,832	5,942,577
TOTAL ALL FUNDS	\$ 1,363,754,009	\$ 710,710,660	\$ 607,481,872	\$ 50,838,450	\$ 1,202,567,288	\$ 166,400,000	\$ -	\$ 2,027,287,610	\$ 1,425,144,730

EXPENDITURE LIMITATION COMPARISON

	2006/07	2007/08
1. Budgeted expenditures	\$ 1,363,754,009	\$ 1,425,144,730
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures adjusted for reconciling items	1,363,754,009	1,425,144,730
4. Less: estimated exclusions	(1,020,700,318)	(1,044,920,869)
5. Amount subject to the expenditure limitation	\$ 343,053,691	\$ 380,223,861
6. EEC or voter-approved alternative expenditure limitation	\$ 369,183,118	\$ 404,724,891

* Includes expenditure adjustments approved in FY 2006/07 from Schedule E
 ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
 *** Does not include transfers-in

SCHEDULE B

CITY OF SCOTTSDALE
Summary of Property Tax Levy and Property Tax Rate Information
Fiscal Year 2007/08

	<u>2006/07</u> <u>FISCAL YEAR</u>	<u>2007/08</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	<u>\$ 20,069,685</u>	<u>\$ 21,165,794</u>
2. Amount received from primary property taxation in the 2006/07 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	<u>\$ -</u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ 20,065,685	\$ 21,165,794
B. Secondary property taxes	<u>28,711,975</u>	<u>29,672,656</u>
C. Total property tax levy amounts	<u>\$ 48,777,660</u>	<u>\$ 50,838,450</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2006-07 levy	19,376,679	
(2) Prior years' levies	<u>460,753</u>	
(3) Total primary property taxes	<u>\$ 19,837,432</u>	
B. Secondary property taxes		
(1) 2006-07 levy	27,398,126	
(2) Prior years' levies	<u>678,945</u>	
(3) Total secondary property taxes	<u>\$ 28,077,071</u>	
C. Total property taxes collected	<u>\$ 47,914,503</u>	
5. Property tax rates		
A. City tax rate		
(1) Primary property tax rate	\$ 0.4192	\$ 0.3849
(2) Secondary property tax rate	<u>0.5512</u>	<u>0.4096</u>
(3) Total city tax rate	<u>\$ 0.9704</u>	<u>\$ 0.7945</u>
B. Special assessment district tax rates		

Secondary property tax rates - As of the date the tentative budget was prepared, the city was operating 355 special assessment districts (streetlight improvement districts) for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the City of Scottsdale Accounting Division.

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collections for the remainder of the fiscal year.

SCHEDULE C

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2007/08**

SOURCE OF REVENUES	BUDGETED REVENUES 2006/07	ACTUAL REVENUES 2006/07*	ESTIMATED REVENUES 2007/08
GENERAL FUND			
Taxes - Local			
Privilege & Use Tax (1.0%)	\$ 110,286,447	\$ 109,300,000	\$ 113,649,586
Privilege & Use Tax - Public Safety (.10%)	11,028,645	10,700,000	11,364,959
Transient Occupancy Tax	1,869,000	1,960,000	2,163,000
Light & Power Franchise Fee	6,050,000	7,236,032	7,350,000
Cable TV Franchise Fee	3,282,815	3,355,012	3,348,471
Salt River Project In Lieu Fee	202,864	202,864	175,000
Stormwater Water Quality Charge	721,371	721,371	743,012
Taxes - From Other Agencies			
State Shared Sales Tax	20,630,000	22,430,000	23,907,860
State Revenue Sharing	20,848,490	26,617,100	33,062,344
Auto Lieu Tax	9,579,000	9,579,000	10,400,000
Licenses/Permits/Service Charges			
Business & Liquor Licenses	2,088,058	1,600,000	1,632,000
Building Permit Fees & Charges	17,000,000	16,250,000	16,500,000
Fire Service Charges	1,000,000	1,100,000	1,122,000
Recreation Fees	2,800,000	2,800,000	2,898,000
WestWorld Equestrian Facility Fees	2,275,000	2,000,000	2,040,000
Fines and Forfeitures			
Court Fines	5,304,000	5,800,000	5,463,120
Parking Fines	306,000	306,000	312,120
Photo Enforcement Fines	2,525,063	2,341,104	2,550,314
Photo Enforcement Fines - 101 Freeway	2,000,000	4,383,750	4,105,000
Library Fines & Fees	650,000	650,000	663,000
Interest Earnings/Property Rental			
Interest Earnings	2,300,000	5,200,000	5,200,000
Property Rental	3,100,000	3,380,000	3,315,000
Other Revenue/Resources			
Miscellaneous	300,000	1,850,000	700,000
Indirect/Direct Cost Allocation	10,207,678	10,207,678	11,577,243
Contingent / Reserve Appropriation	11,686,090	5,103,655	10,940,000
Total General Fund	\$ 248,040,521	\$ 255,073,566	\$ 275,182,029

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

SCHEDULE C

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2007/08**

SOURCE OF REVENUES	BUDGETED REVENUES 2006/07	ACTUAL REVENUES 2006/07*	ESTIMATED REVENUES 2007/08
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund			
Highway User Tax	\$ 15,644,279	\$ 16,900,000	\$ 16,995,000
Privilege Tax (.20%)	22,057,289	20,700,000	22,729,917
Local Transportation Assistance Fund I	1,073,258	1,073,258	1,088,492
Local Transportation Assistance Fund II	-	-	550,000
Prop 400 Regional Sales Tax	282,160	282,160	293,446
Miscellaneous	-	107,000	178,000
Total Transportation/HURF Fund	\$ 39,056,986	\$ 39,062,418	\$ 41,834,855
Special Programs Fund			
Transient Occupancy Tax	\$ 7,476,000	\$ 7,840,000	\$ 8,652,000
Court Enhancement/JCEF/FTG	1,184,488	1,588,125	995,135
Downtown Cultural/Arts	85,000	150,000	90,000
Human Resources - Cultural Diversity Prog	10,000	27,100	10,000
Police	686,680	1,826,611	1,798,383
Community Services	1,467,917	1,577,442	1,850,000
Citizen and Neighborhood Resources	25,000	77,237	78,009
Planning & Development Systems	19,215	56,690	58,391
Fire	4,140	4,140	1,200
Contingent Appropriation	1,000,000	-	1,800,000
Total Special Programs Fund	\$ 11,958,440	\$ 13,147,345	\$ 15,333,118
Preservation Privilege Tax Funds			
Privilege Tax (.20%)	\$ 22,057,289	\$ 21,100,000	\$ 22,729,917
Privilege Tax (.15%)	16,542,967	15,700,000	17,047,438
Interest Earnings	798,000	1,550,000	1,326,000
Total Preservation Privilege Tax Funds	\$ 39,398,256	\$ 38,350,000	\$ 41,103,355
Grant Funds			
Community Development Block Grant	\$ 2,173,993	\$ 2,173,993	\$ 1,996,210
HOME Funds	405,522	405,522	577,385
Section 8 Housing	5,564,995	5,564,995	5,503,618
Federal and State Grants	12,236,010	12,236,010	11,333,993
Contingent Appropriation	2,000,000	-	2,000,000
Total Grant Funds	\$ 22,380,520	\$ 20,380,520	\$ 21,411,206
Special Districts			
Street Light Districts	\$ 600,000	\$ 600,000	\$ 621,000
Total Special Districts	\$ 600,000	\$ 600,000	\$ 621,000
Total Special Revenue Funds	\$ 113,394,202	\$ 111,540,283	\$ 120,303,534

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

SCHEDULE C

CITY OF SCOTTSDALE
 Summary By Fund of Revenues Other than Property Taxes
 Fiscal Year 2007/08

SOURCE OF REVENUES	BUDGETED REVENUES 2006/07	ACTUAL REVENUES 2006/07*	ESTIMATED REVENUES 2007/08
DEBT SERVICE FUNDS			
Special Assessment Debt Fund			
Special Assessments - Principal	\$ 1,084,884	\$ 1,079,475	\$ 1,044,279
Total Special Assessment Debt Fund	\$ 1,084,884	\$ 1,079,475	\$ 1,044,279
MPC Excise Debt			
MCSA/AZ STA Contributions	\$ 252,144	\$ 252,144	\$ 477,144
Spring Exhibition Surcharge	140,000	140,000	140,000
Total MPC Excise Debt Fund	\$ 392,144	\$ 392,144	\$ 617,144
Total Debt Service Funds	\$ 1,477,028	\$ 1,471,619	\$ 1,661,423
CAPITAL PROJECT FUNDS			
Capital Improvement Program			
Development Fees	\$ 23,071,000	\$ 21,625,000	\$ 22,402,200
Prop 400 Regional Sales Tax	8,731,400	8,731,400	12,532,000
Interest Earnings	2,172,339	2,823,500	3,375,800
Grant Revenue	8,307,300	17,117,600	9,325,300
Contributions	24,343,000	12,088,500	4,000,000
Miscellaneous Revenue	1,015,000	395,600	215,000
Estimated Unexpended Prior Year Budget	551,149,100	551,149,100	579,314,500
Contingent Revenue	15,000,000	1,226,249	15,000,000
Total Capital Project Funds	\$ 633,789,139	\$ 615,156,949	\$ 646,164,800
ENTERPRISE FUNDS			
Water and Sewer Utility Funds			
Sewer Charges	\$ 30,374,867	\$ 31,439,000	\$ 33,688,586
Water Charges	74,680,605	76,482,000	79,520,979
Groundwater Treatment Plant	1,005,308	914,710	919,546
Golf Course Water Charges	353,847	382,104	349,184
Irrigation Water Distribution System	2,086,952	2,164,063	2,147,175
Effluent Sales:			
Pipeline	2,649,919	2,649,919	3,221,564
Treatment Plant	600,957	652,000	678,080
Interest Earnings	1,489,007	3,386,537	2,091,799
Miscellaneous	1,245,936	1,302,538	1,316,736
Contingent / Reserve Appropriation	3,650,000	240,456	3,650,000
Total Water and Sewer Funds	\$ 118,137,398	\$ 119,613,327	\$ 127,583,649
Aviation Fund			
Airport Fees	3,274,679	3,481,363	3,498,770
Interest Earnings	84,465	84,465	80,426
Jet Fuel Tax	113,660	195,000	130,650
Total Aviation Fund	\$ 3,472,804	\$ 3,760,828	\$ 3,709,846
Solid Waste Fund			
Refuse Collection	\$ 18,006,095	\$ 18,138,303	\$ 18,806,060
Interest Earnings	52,581	168,859	175,759
Contingent / Reserve Appropriation	1,000,000	9,656	1,000,000
Total Solid Waste Fund	\$ 19,058,676	\$ 18,316,818	\$ 19,981,819
Total Enterprise Funds	\$ 140,668,878	\$ 141,690,973	\$ 151,275,314

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

SCHEDULE C

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2007/08**

SOURCE OF REVENUES	BUDGETED REVENUES 2006/07	ACTUAL REVENUES 2006/07*	ESTIMATED REVENUES 2007/08
EXPENDABLE TRUST FUNDS			
Trusts			
Mayor's Committee for Emp of Handicapped	\$ 15,000	\$ 15,356	\$ 10,000
Contingent Appropriation	10,000	-	10,000
Total Trust Funds	\$ 25,000	\$ 15,356	\$ 20,000
INTERNAL SERVICE FUNDS			
Fleet Management Fund			
Equipment M & O/Acquisition Rates	\$ 14,239,948	\$ 14,239,948	\$ 15,759,740
Miscellaneous Revenue	235,000	235,000	170,438
Interest Earnings	384,304	475,000	479,750
Internal Service Offset	(14,239,948)	(14,239,948)	(15,759,740)
Total Fleet Management Fund	\$ 619,304	\$ 710,000	\$ 650,188
Self Insurance Fund			
Property Casualty Revenues	\$ 6,193,250	\$ 6,550,329	\$ 6,652,663
Short-Term Disability Revenues	140,000	300,000	310,000
Group Health/Dental Revenues	22,270,860	22,270,860	24,500,000
Internal Service Offset	(22,096,737)	(22,365,243)	(28,152,663)
Contingent / Reserve Appropriation	4,000,000	22,636	4,000,000
Total Self Insurance Fund	\$ 10,507,373	\$ 6,778,582	\$ 7,310,000
Total Internal Service Funds	\$ 11,126,677	\$ 7,488,582	\$ 7,960,188
TOTAL ALL FUNDS	\$ 1,148,521,445	\$ 1,132,437,328	\$ 1,202,567,288

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

SCHEDULE D

CITY OF SCOTTSDALE
Summary By Fund Type of Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2007/08

FUND	OTHER FINANCING SOURCES/(USES) 2007/08	INTERFUND TRANSFERS 2007/08	
		IN	OUT
GENERAL FUND	\$ -	\$ 9,050,232	\$ 54,802,415
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund	\$ -	\$ 1,311,395	\$ 11,433,759
Special Programs Fund	-	160,000	4,246,367
Preservation Privilege Tax Funds	-	-	19,854,262
Total Special Revenue Funds	\$ -	\$ 1,471,395	\$ 35,534,388
DEBT SERVICE FUNDS			
Debt Service Fund	\$ -	\$ 26,483,534	\$ -
Total Debt Service Funds	\$ -	\$ 26,483,534	\$ -
CAPITAL PROJECTS FUNDS			
Capital Projects Fund	\$ 166,400,000 *	\$ 112,304,595	\$ 9,246,861
Total Capital Projects Funds	\$ 166,400,000	\$ 112,304,595	\$ 9,246,861
ENTERPRISE FUNDS			
Water and Sewer Funds	\$ -	\$ 9,246,861	\$ 55,770,425
Aviation Fund	-	-	603,858
Solid Waste Fund	-	-	345,770
Total Enterprise Funds	\$ -	\$ 9,246,861	\$ 56,720,053
INTERNAL SERVICE FUNDS			
Fleet Management Fund	\$ -	\$ -	2,244,200
Self Insurance Fund	-	-	8,700
Total Internal Service Funds	\$ -	\$ -	\$ 2,252,900
TOTAL ALL FUNDS	\$ 166,400,000	\$ 158,556,617	\$ 158,556,617

SCHEDULE E

CITY OF SCOTTSDALE

**Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007/08**

Fund/Department	Adopted Budgeted Expenditures 2006/07	Expenditure Adjustments Approved 2006/07	Actual Expenditures 2006/07*	Budgeted Expenditures 2007/08
GENERAL FUND				
General Government	\$ 26,509,544	\$ 131,329	\$ 25,249,878	\$ 28,137,656
Police	79,150,990	901,792	78,102,782	84,076,406
Financial Services	9,593,542	247,509	9,379,551	9,901,169
Transportation	-	-	-	193,393
Community Services	53,959,898	595,767	53,055,665	58,073,131
Information Systems	9,792,542	34,786	9,260,019	10,788,073
Fire	30,351,504	148,909	29,386,991	32,354,253
Municipal Services	618,063	481	534,744	728,375
Citizen & Neighborhood Resources	3,477,329	5,203	3,252,364	3,693,595
Human Resources	4,464,761	41,002	4,265,763	4,624,970
Economic Vitality	1,461,219	116,725	1,577,944	1,634,581
Planning & Development Services	15,350,539	11,404	14,511,943	16,820,424
Estimated Department Savings	(4,800,000)	-	(675,000)	(5,750,000)
Debt Service	6,046,428	-	5,946,449	6,625,969
Contingent / Reserve Appropriation	11,686,090	(5,583,655)	-	10,940,000
Total General Fund	\$ 247,662,449	\$ (3,348,748)	\$ 233,849,093	\$ 262,841,995
SPECIAL REVENUE FUNDS				
Transportation/HURF Fund				
Transportation	\$ 14,331,915	\$ (14,500)	\$ 14,081,415	\$ 15,511,463
Municipal Services	13,624,041	14,316	13,318,357	18,280,978
Debt Service	3,155,450	-	3,155,450	-
Total Transportation/HURF Fund	\$ 31,111,406	\$ (184)	\$ 30,555,222	\$ 33,792,441
Special Programs Fund				
Transient Occupancy Tax	\$ 7,049,630	\$ 1,020,000	\$ 8,069,630	\$ 7,607,766
Court	3,612,336	339	712,944	434,903
Downtown Cultural/Arts	712,268	-	150,000	526,150
Preservation Rehabilitation	110,000	-	107,000	65,000
Human Resource	15,957	-	17,281	25,000
Police	877,442	6,960	834,402	816,664
Community Services	4,229,208	6,858	2,266,066	2,273,995
Citizen & Neighborhood Resources	97,207	-	97,207	35,500
Planning & Development Services	50,000	-	48,000	50,024
Fire	4,290	-	4,290	-
Contingent Appropriation	1,000,000	(720,000)	-	1,800,000
Total Special Programs Fund	\$ 17,758,338	\$ 314,157	\$ 12,306,820	\$ 13,635,002
Preservation Privilege Tax Funds				
Debt Service	\$ 952,290	\$ -	\$ 952,290	\$ 955,780
Total Preservation Privilege Tax Funds	\$ 952,290	\$ -	\$ 952,290	\$ 955,780
Grant Funds				
CDBG/HOME/Section 8 Housing	\$ 8,144,510	\$ -	\$ 8,144,510	\$ 8,077,213
Other Federal & State Grants	12,236,010	-	12,236,010	11,333,993
Contingent Appropriation	2,000,000	-	-	2,000,000
Total Grant Funds	\$ 22,380,520	\$ -	\$ 20,380,520	\$ 21,411,206
Special Districts				
Street Light Districts	\$ 600,000	\$ -	\$ 600,000	\$ 621,000
Total Special Districts	\$ 600,000	\$ -	\$ 600,000	\$ 621,000
Total Special Revenue Funds	\$ 72,802,554	\$ 313,973	\$ 64,794,852	\$ 70,415,429

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

SCHEDULE E

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007/08

<u>Fund/Department</u>	<u>Adopted Budgeted Expenditures 2006/07</u>	<u>Expenditure Adjustments Approved 2006/07</u>	<u>Actual Expenditures 2006/07*</u>	<u>Budgeted Expenditures 2007/08</u>
DEBT SERVICE FUNDS				
GO Debt Service				
GO Bonds/Revenue Bonds	\$ 53,007,450	\$ -	\$ 53,007,450	\$ 52,620,594
MPC Excise Debt				
MPC Bonds	\$ 5,932,529	\$ -	\$ 5,103,536	\$ 7,356,416
Special Assessment Debt				
Special Assessment Bonds	\$ 1,084,884	\$ -	\$ 1,079,475	\$ 1,044,279
Total Debt Service Funds	\$ 60,024,863	\$ -	\$ 59,190,461	\$ 61,021,289
CAPITAL PROJECT FUNDS				
Capital Improvement Program				
Capital Projects	\$ 847,921,700	\$ 1,226,249	\$ 248,013,600	\$ 891,253,100
Contingent Revenue	15,000,000	(1,226,249)	-	15,000,000
	\$ 862,921,700	\$ -	\$ 248,013,600	\$ 906,253,100
Total Capital Projects Fund	\$ 862,921,700	\$ -	\$ 248,013,600	\$ 906,253,100
ENTERPRISE FUNDS				
Water and Sewer Utility Fund				
Financial Services	\$ 2,560,495	\$ -	\$ 2,460,495	\$ 2,774,929
Water Resources	54,790,128	(76,044)	51,029,084	60,102,985
Debt Service	19,130,738	-	16,733,444	21,443,187
Indirect Cost Allocation	7,411,492	-	7,411,492	8,658,727
Contingent / Reserve Appropriation	3,650,000	(240,456)	-	3,650,000
Total Water and Sewer Fund	\$ 87,542,853	\$ (316,500)	\$ 77,634,515	\$ 96,629,828
Aviation Fund				
Transportation	\$ 1,720,250	\$ -	\$ 1,666,250	\$ 1,793,863
Direct Cost Allocation (Fire)	350,037	-	350,037	\$ 324,111
Indirect Cost Allocation	242,049	-	242,049	263,886
Total Aviation Fund	\$ 2,312,336	\$ -	\$ 2,258,336	\$ 2,381,860
Solid Waste Fund				
Financial Services	\$ 663,252	\$ -	\$ 663,252	\$ 704,427
Municipal Services	14,529,177	9,656	14,383,475	15,603,706
Indirect Cost Allocation	2,204,100	-	2,204,100	2,330,519
Contingent / Reserve Appropriation	1,000,000	(9,656)	-	1,000,000
Total Solid Waste Fund	\$ 18,396,529	\$ -	\$ 17,250,827	\$ 19,638,652
Total Enterprise Funds	\$ 108,251,718	\$ (316,500)	\$ 97,143,678	\$ 118,650,340
EXPENDABLE TRUST FUND				
Trusts				
Mayor's Com. For Emp. of the Handicapped	\$ 15,000	\$ -	\$ 15,000	\$ 10,000
Contingent Appropriation	10,000	-	-	10,000
Total Trust Fund	\$ 25,000	\$ -	\$ 15,000	\$ 20,000

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

SCHEDULE E

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007/08

Fund/Department	Adopted Budgeted Expenditures 2006/07	Expenditure Adjustments Approved 2006/07	Actual Expenditures 2006/07*	Budgeted Expenditures 2007/08
INTERNAL SERVICE FUNDS				
Fleet Management Fund				
Municipal Services	\$ 15,947,781	\$ 1,342,887	\$ 16,857,538	\$ 14,199,879
Internal Service Offset	(14,239,948)	-	(14,239,948)	(15,759,740)
Total Fleet Management Fund	<u>\$ 1,707,833</u>	<u>\$ 1,342,887</u>	<u>\$ 2,617,590</u>	<u>\$ (1,559,861)</u>
Self Insurance Fund				
Financial Services	\$ 28,454,629	\$ 22,636	\$ 27,451,629	\$ 31,655,101
Contingent / Reserve Appropriation	4,000,000	(22,636)	-	4,000,000
Internal Service Offset	(22,096,737)	-	(22,365,243)	(28,152,663)
Total Self Insurance Fund	<u>\$ 10,357,892</u>	<u>\$ -</u>	<u>\$ 5,086,386</u>	<u>\$ 7,502,438</u>
Total Internal Service Funds	<u>\$ 12,065,725</u>	<u>\$ 1,342,887</u>	<u>\$ 7,703,976</u>	<u>\$ 5,942,577</u>
TOTAL ALL FUNDS	<u>\$ 1,363,754,009</u>	<u>\$ (2,008,388)</u>	<u>\$ 710,710,660</u>	<u>\$ 1,425,144,730</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

SCHEDULE F

CITY OF SCOTTSDALE

**Summary by Department of Expenditures/Expenses
Fiscal Year 2007/08**

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2006/07</u>	<u>Expenditure Adjustments Approved 2006/07</u>	<u>Actual Expenditures 2006/07*</u>	<u>Budgeted Expenditures 2007/08</u>
GENERAL GOVERNMENT				
Mayor & City Council				
General Fund	\$ 366,923	\$ -	\$ 366,923	\$ 371,754
City Clerk				
General Fund	877,198	-	841,198	929,492
Elections				
General Fund	212,390	-	78,390	9,671
City Attorney				
General Fund	6,408,047	32,445	5,930,495	7,293,048
City Auditor				
General Fund	747,386	-	703,386	945,985
City Court				
General Fund	5,372,764	92,657	5,270,422	5,602,622
Special Revenue Fund - Special Programs	3,612,336	339	712,944	434,903
City Manager				
General Fund	688,274	-	688,274	698,730
Communications & Public Affairs				
General Fund	1,695,683	-	1,645,684	1,760,493
Intergovernmental Relations				
General Fund	1,177,233	-	1,177,233	1,258,296
WestWorld				
General Fund	3,158,698	(231,550)	2,627,148	3,397,033
The Downtown Group				
General Fund	4,746,119	228,355	4,957,474	4,695,392
Special Revenue Fund - Special Programs	712,268	-	150,000	526,150
Preservation				
General Fund	1,058,829	9,422	963,251	1,175,140
Special Revenue Fund - Special Programs	110,000	-	107,000	65,000
Total General Government	\$ 30,944,148	\$ 131,668	\$ 26,219,822	\$ 29,163,709
POLICE DEPARTMENT				
General Fund	\$ 79,150,990	\$ 901,792	\$ 78,102,782	\$ 84,076,406
Special Revenue Fund - Special Programs	877,442	6,960	834,402	816,664
Total Police Department	\$ 80,028,432	\$ 908,752	\$ 78,937,184	\$ 84,893,070
FINANCIAL SERVICES				
General Fund	\$ 9,593,542	\$ 247,509	\$ 9,379,551	\$ 9,901,169
Enterprise Fund - Water & Sewer	2,560,495	-	2,460,495	2,774,929
Enterprise Fund - Solid Waste	663,252	-	663,252	704,427
Internal Service Fund - Self-Insurance	28,454,629	22,636	27,451,629	31,655,101
Total Financial Services	\$ 41,271,918	\$ 270,145	\$ 39,954,927	\$ 45,035,626
TRANSPORTATION				
General Fund	\$ -	\$ -	\$ -	\$ 193,393
Special Revenue Fund - Transportation/HURF	\$ 14,331,915	\$ (14,500)	\$ 14,081,415	\$ 15,511,463
Enterprise Fund - Aviation	1,720,250	-	1,666,250	1,793,863
Total Transportation	\$ 16,052,165	\$ (14,500)	\$ 15,747,665	\$ 17,498,719
COMMUNITY SERVICES				
General Fund	\$ 53,959,898	\$ 595,767	\$ 53,055,665	\$ 58,073,131
Special Revenue Fund - Special Programs	4,229,208	6,858	2,266,066	2,273,995
Total Community Services	\$ 58,189,106	\$ 602,625	\$ 55,321,731	\$ 60,347,126
INFORMATION SYSTEMS				
General Fund	\$ 9,792,542	\$ 34,786	\$ 9,260,019	\$ 10,788,073
Total Information Systems	\$ 9,792,542	\$ 34,786	\$ 9,260,019	\$ 10,788,073

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

SCHEDULE F

**CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses
Fiscal Year 2007/08**

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2006/07</u>	<u>Expenditure Adjustments Approved 2006/07</u>	<u>Actual Expenditures 2006/07*</u>	<u>Budgeted Expenditures 2007/08</u>
FIRE DEPARTMENT				
General Fund	\$ 30,351,504	\$ 148,909	\$ 29,386,991	\$ 32,354,253
Special Revenue Fund - Special Programs	4,290	-	4,290	-
Total Fire Department	\$ 30,355,794	\$ 148,909	\$ 29,391,281	\$ 32,354,253
WATER RESOURCES				
Enterprise Fund - Water & Sewer	\$ 54,790,128	\$ (76,044)	\$ 51,029,084	\$ 60,102,985
Total Water Resources	\$ 54,790,128	\$ (76,044)	\$ 51,029,084	\$ 60,102,985
MUNICIPAL SERVICES				
General Fund	\$ 618,063	\$ 481	\$ 534,744	\$ 728,375
Special Revenue Fund - Transportation/HURF	13,624,041	14,316	13,318,357	18,280,978
Enterprise Fund - Solid Waste	14,529,177	9,656	14,383,475	15,603,706
Internal Service Fund - Fleet Management	15,947,781	1,342,887	16,857,538	14,199,879
Total Municipal Services	\$ 44,719,062	\$ 1,367,340	\$ 45,094,114	\$ 48,812,938
CITIZEN & NEIGHBORHOOD RESOURCES				
General Fund	\$ 3,477,329	\$ 5,203	\$ 3,252,364	\$ 3,693,595
Special Revenue Fund - Special Programs	97,207	-	97,207	35,500
Total Citizen & Neighborhood Resources	\$ 3,574,536	\$ 5,203	\$ 3,349,571	\$ 3,729,095
HUMAN RESOURCES				
General Fund	\$ 4,464,761	\$ 41,002	\$ 4,265,763	\$ 4,624,970
Special Revenue Fund - Special Programs	15,957	-	17,281	25,000
Total Human Resources	\$ 4,480,718	\$ 41,002	\$ 4,283,044	\$ 4,649,970
ECONOMIC VITALITY				
General Fund	\$ 1,461,219	\$ 116,725	\$ 1,577,944	\$ 1,634,581
Special Revenue Fund - Special Programs	7,049,630	1,020,000	8,069,630	7,607,766
Total Economic Vitality	\$ 8,510,849	\$ 1,136,725	\$ 9,647,574	\$ 9,242,347
PLANNING & DEVELOPMENT SERVICES				
General Fund	\$ 15,350,539	\$ 11,404	\$ 14,511,943	\$ 16,820,424
Special Revenue Fund - Special Programs	50,000	-	48,000	50,024
Total Planning & Development Services	\$ 15,400,539	\$ 11,404	\$ 14,559,943	\$ 16,870,448
OTHER				
Estimated Department Expenditure Savings	\$ (1,500,000)	\$ -	\$ (675,000)	\$ (1,750,000)
Estimated Vacant Position Savings	(3,300,000)	-	-	(4,000,000)
Indirect Cost Allocation	9,857,641	-	9,857,641	11,253,132
Direct Cost Allocation (Fire)	350,037	-	350,037	324,111
Internal Offset	(36,336,685)	-	(36,605,191)	(43,912,403)
Total Other	\$ (30,929,007)	\$ -	\$ (27,072,513)	\$ (38,085,160)
TOTAL DEPARTMENTS	\$ 367,180,930	\$ 4,568,015	\$ 355,723,446	\$ 385,403,199

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

SCHEDULE G

**CITY OF SCOTTSDALE
Summary of Specific Budget Appropriations
Fiscal Year 2007/08**

	<u>OPERATING BUDGET</u>	<u>CAPITAL BUDGET</u>	<u>OTHER FISCAL ACTIVITY</u>	<u>TOTAL ACTIVITY</u>
Department:				
General Government	\$ 29,163,709			\$ 29,163,709
Police	84,893,070			84,893,070
Financial Services	45,035,626			45,035,626
Transportation	17,498,719			17,498,719
Community Services	60,347,126			60,347,126
Information Systems	10,788,073			10,788,073
Fire	32,354,253			32,354,253
Water Resources	60,102,985			60,102,985
Municipal Services	48,812,938			48,812,938
Citizen & Neighborhood Resources	3,729,095			3,729,095
Human Resources	4,649,970			4,649,970
Economic Vitality	9,242,347			9,242,347
Planning & Development Services	16,870,448			16,870,448
Indirect/Direct Cost Allocation	11,577,243			11,577,243
Estimated Department Savings	(5,750,000)			(5,750,000)
Internal Service Fund Offsets	(43,912,403)			(43,912,403)
Debt Service	90,046,225			90,046,225
Capital Improvements		\$ 891,253,100		891,253,100
Other Fiscal Activity:				
Grants			\$ 19,411,206	19,411,206
Trusts and Special Districts			631,000	631,000
Total 2007/08 Budget	\$ 475,449,424	\$ 891,253,100	\$ 20,042,206	\$ 1,386,744,730
Reserve/Contingency Appropriations	21,390,000	15,000,000	2,010,000	38,400,000
Total Budget Appropriation	\$ 496,839,424	\$ 906,253,100	\$ 22,052,206	\$ 1,425,144,730

ORDINANCE NO. 3740

AN ORDINANCE OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF SCOTTSDALE SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR THE VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2008.

WHEREAS, by the provisions of the City Charter and State Statute, an ordinance is required to set the property tax levy for the fiscal year beginning July 1, 2007, and ending June 30, 2008; and

WHEREAS, the county of Maricopa is the assessing and collecting authority for the City of Scottsdale, the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor.

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. There is hereby levied on each one hundred dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a primary property tax levy not to exceed the maximum levy allowed by law for the fiscal year ending June 30, 2008, and allowable tort liability claims. The total primary levy is \$21,165,794, resulting in a tax rate of \$0.3849 per \$100 of assessed value. Said figure subject to change only if a court decision were to reduce the net assessed valuation in a significant manner.

SECTION 2. In addition to the rate set in Section 1 hereinbefore, there is hereby levied on each one hundred dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a secondary property tax rate of \$0.4096 per \$100 of assessed value, which is a rate sufficient to raise the sum of \$29,672,656 for the purpose of providing a bond interest and redemption fund for General Obligation debt service for the fiscal year ending June 30, 2008.

SECTION 3. Failure by the county officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in assessments or omission in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer(s) to timely perform any of the assigned duties shall not invalidate any proceedings or any deed or sale pursuant thereto; the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Scottsdale upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for the collection of taxes or the foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

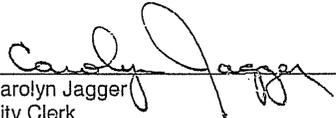
Ordinance No. 3740
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SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 19th day of June, 2007.

ATTEST:

CITY OF SCOTTSDALE,
an Arizona municipal corporation



Carolyn Jagger
City Clerk



Mary Manross
Mayor

APPROVED AS TO FORM:



Deborah Robberson
City Attorney