

Starting from Scratch in Scottsdale

Striving to build a best practice program

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<http://www.scottsdaleaz.gov/departments/citymanager/performance>



Agree or Disagree?

“One important problem facing local government today is a lack of performance indicators to measure productivity and plan out future program policies. Top management has no management reporting system to assess how their departments are progressing and there is no stable mechanism to accurately record department activities.”



1978 Innovation and Productivity Report

One important problem facing local government today is a lack of performance indicators to measure productivity and plan out future program policies. Top management has no management reporting system to assess how their departments are progressing and there is no stable mechanism to accurately record departmental activities.

MANAGEMENT BRIEF

QUARTERLY PERFORMANCE REPORT

- Problem:** One important problem facing local government today is a lack of performance indicators to measure productivity and plan out future program policies. Top management has no management reporting system to assess how their departments are progressing and there is no stable mechanism to accurately record departmental activities.
- Solution:** A quarterly performance report was designed to outline department objectives and provide some standard tools for measurement. Performance indicators were designed and data was then gathered to be compared to past productivity standards.
- Impact:** The City Council as well as the City Manager and the department heads are able to use this report as a measuring tool to evaluate past activities and set future goals. Because they have comparative information concerning key indicators of performance, they can better predict the future needs of the City.
- Transferability:** Other cities have adopted this type of program evaluation design.
- Contact:** Scottsdale Program Evaluation Department - (602) 994-2770



June, 1978

During the last decade, the City of Scottsdale has earned a national reputation of being innovative. Scottsdale's reputation was built on the City Council's philosophy that local government should constantly search for more efficient and effective methods for delivering services. This philosophy continues to be an integral part of Scottsdale's governmental operations.

The concept of "urban creativity" is practiced and encouraged throughout the organization. About two years ago, the city adopted an employee suggestion program (E.S.P.) which encourages employees at all levels of the organization to submit their ideas for improving city government. The program has been an overwhelming success and has resulted in a substantial dollar savings at a very small cost to Scottsdale citizens. The success of the program is a measure of the pride that city employees have in the quality of Scottsdale city government. This document contains innovations and ideas that have emerged from all levels of the organization. Other concepts are refinements of ideas developed by industry and other governmental agencies.

The section called INNOVATION BRIEFS contains ideas that have improved the efficiency and effectiveness of public services in Scottsdale. These ideas were not only new to Scottsdale when they were introduced, but also were relatively new to the local government field. Many of these now are being used in other cities across the country.

The section called MANAGEMENT BRIEFS contains ideas that improved a public service but cannot be defined as an innovation in the local government field. In many cases, the ideas constitute new and different applications of existing methods and technology making the city's operations more productive.

The purpose of this document is to share our innovations and ideas. We hope that the information benefits other communities as it has benefited Scottsdale. It is also hoped that it will encourage other cities to share their innovations and ideas so that we may benefit from them.

The City of Scottsdale is proud of its reputation and the individuals responsible for contributing to it. It is our desire that this document preserve that reputation as well as enhance it.

Frank Aleshire
Frank Aleshire
City Manager

June, 1978

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About Scottsdale

Scottsdale has 217,965 residents and covers 184.5 square miles

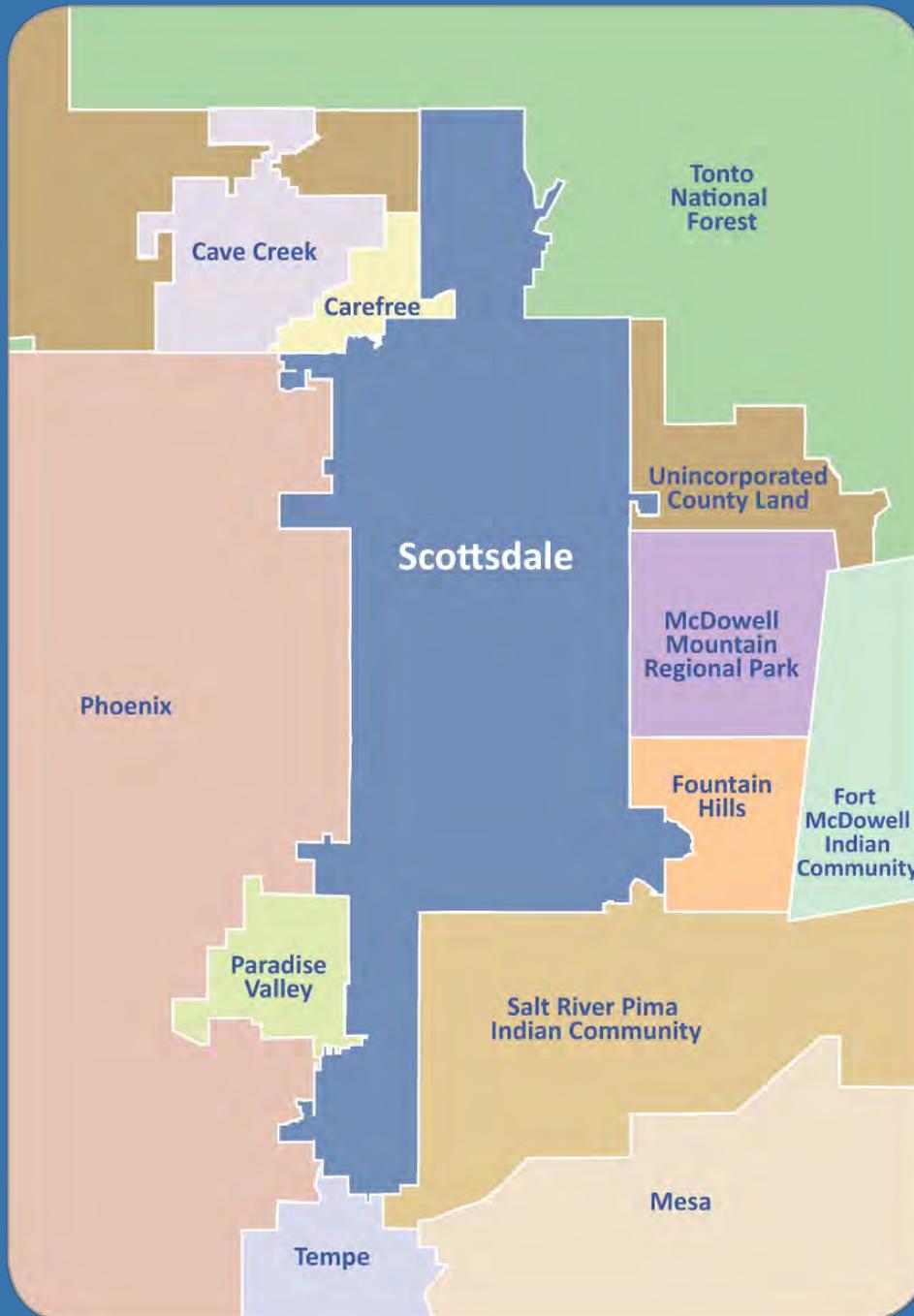
There were 2,172 full-time and 292 part-time employees on July 1, 2012

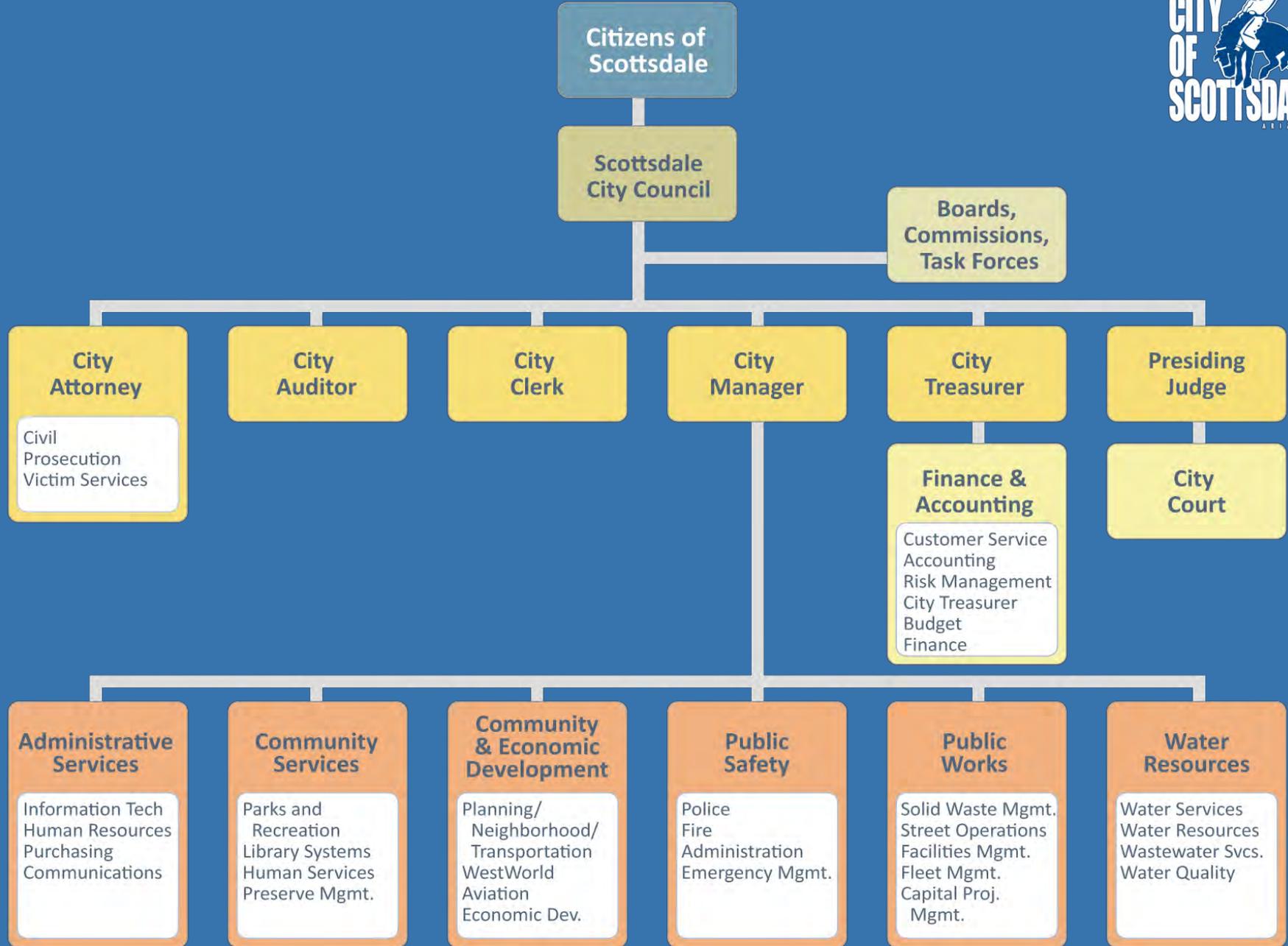
There are over 3 million square feet of maintained city facilities.

There are 42 parks covering 975 acres, 5 libraries, 4 swimming pools, 55 tennis courts and 2 senior centers

There are 4 police stations, 15 fire stations and 10,729 fire hydrants

There are 2,962 lane miles of streets, 300 traffic signals, and 2,064 miles of water main lines





Today's Session

1. Building a Team and an Approach
2. Improved Reporting
3. Increased Focus on Evidence-Based Decision-Making
4. Better Benchmarking
5. Tools we've developed to explain to our organization

Today's Session

1. Building a Team and an Approach

2. Improved Reporting

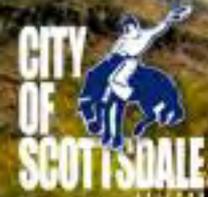
3. Increased Focus on Evidence-Based Decision-Making

4. Better Benchmarking

5. Tools we've developed to explain to our organization

Guiding Principles

- Aligned
- Results focused
- Relevant
- Transparent
- Timely, Accurate and Pertinent
- Transformative
- Sustainable



Adapted from National Performance Management Advisory Commission. 2010. *"A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving."*

Identified Best Practices

1. Visible Leadership

2. Reasonable Approach

3. Regular Reporting

4. Regular Review

5. Compare with others

6. Ask for feedback

7. Drives Resource
Allocation/Rewards

8. Consistently Utilized

9. Strategically Aligned



Adapted from National Performance Management Advisory Commission. 2010. *"A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving."*

An effort consistent with values and required by financial policy

LEARN & GROW CONTINUOUSLY

We encourage the learning and applications of new skills and information for improved performance, business results and career growth.



EMPLOYEE VALUES

PLAN AND INNOVATE FOR THE FUTURE

We continuously explore new possibilities and develop unique solutions to common challenges. We take appropriate risks and strive to be innovative in planning for our changing environment and preparing for the future. We consider how our work will be sustained by future generations.

LISTEN, COMMUNICATE, TAKE ACTION

At all levels of our organization, we listen to what our customers, our citizens, and our employees have to say. We communicate to ensure we understand what is being said. We take appropriate action to address or resolve issues or concerns.

RESPECT THE INDIVIDUAL

We believe in the integrity of others and in creating an environment of mutual respect. We value one another, regardless of who we are, what we do, where we work, where we live, where we are from, our ethnicity, age, or gender, because we bring unique perspectives to our jobs and personal lives.

COLLABORATE AS A TEAM

We effectively collaborate in formal or informal teams, within and across departments, and with citizens, to accomplish organizational goals and to identify and resolve problems.

LEARN & GROW CONTINUOUSLY

We encourage the learning and applications of new skills and information for improved performance, business results and career growth.

FOCUS ON QUALITY CUSTOMER SERVICE

We provide quality service and strive to exceed the expectations of our customers.

BE ACCOUNTABLE & ACT WITH INTEGRITY

We are accountable for our actions and decisions. We have uncompromising integrity. We are responsible for the stewardship of public funds and organizational resources.

SHOW CARING & COMPASSION FOR OTHERS

We show and share compassion for others (citizens, customers and other employees) in times of need. We believe in helping.



Table of Contents

Overview Comprehensive Financial Policies & Governing Guidance

Operating Management

1. All divisions 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. Annual budgets shall include documentation that programs met intended objectives ("effectiveness criteria") and provide value in terms of dollars allocated ("efficiency criteria").
4. The budget shall be considered balanced if all sources of revenue, as estimated, are equal to, or exceed, the total of amounts proposed to be used in the operating budget for the current fiscal year, by fund. To the extent unencumbered balances from the preceding fiscal year are required to achieve a balanced budget, use of unencumbered balances from the preceding fiscal year will be only as authorized by City Council.
5. The Budget Review Commission is responsible for reviewing the operating budget (division and program/service funding), the capital budget, the revenue forecast, taxes, and fees; and financial policies. (On August 29, 2011 the City Council decommissioned the Budget Review Commission.)
6. The full City Council will solicit citizen input and review the operating and capital budget recommendations from a divisional, program, and goals perspective.
7. Revenues will not be dedicated for specific purposes, unless approved by City Council or required by law. All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
8. A diversified and stable revenue system will be developed to protect city services from short-term fluctuations in any single revenue source.
9. Balanced revenue and expenditure forecasts will be prepared annually and include a five-year plan for each fund to demonstrate the city's ability to adapt to forecast changes in the economy, service demands, and capital improvements.
10. Enterprise (Water, Water Reclamation, Solid Waste Management and Aviation) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service, debt service, provide adequate funding for future capital needs 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 developed pursuant to a multi-year financial plan that levels the impact of user rate changes.
11. All other user fees and charges will be examined periodically to determine the direct and indirect cost of service recovery rate, excluding voter-approved debt services. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.
12. 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.
13. The replacement of General Fund 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 divisions are sufficient for operation and replacement of vehicles and other capital equipment (fleet, information technology infrastructure, phones and copier systems). Replacement costs will be based upon equipment lifecycle financial analysis.

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- 2. Improved Reporting**
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Continuous Improvement Over Time

Budget Examples

Performance Measures				
Program / Service Outputs: (goods, services, units produced)				
	Actual 06/07	Actual 07/08	Projected 08/09	Estimated 09/10
Charges filed / charges adjudicated (resolved)	201,866/ 216,000	221,400/ 219,980	115,453/ 141,068	116,608/ 114,276
Total fiscal year financial assessment	\$27,957,735	\$26,010,148	\$23,455,760	\$19,101,518
Program / Service Outcomes: (based on program objectives)				
	Actual 06/07	Actual 07/08	Projected 08/09	Estimated 09/10
Maintain a charge adjudication rate of 100%	107%	99%	122%	98%
Achieve/maintain an 80% payment rate of total financial assessments	78%	80%	78%	77%



FY 2009/10 (Before)

Performance Measures

	ACTUAL 2008/09	PROJECTED 2009/10	ESTIMATED 2010/11
CourTools © 1: Access and Fairness Survey (1)	82%	N/A	85%
CourTools © 2: Clearance Rates (2)	128%	105%	105%
CourTools © 3: Time to Disposition (3)	88%	89%	93%
CourTools © 4: Age of Active Pending Caseload (4)	95%	96%	97%
CourTools © 9: Court Employee Satisfaction (5)	98%	81%	90%
Total Cases filed per Judicial Officer (6)	11,664	12,786	13,041

The first five performance measures are CourTools © , developed by the National Center for State Courts, which are a set of ten trial court performance measures on court operations. Scottsdale City Court has begun to utilize some of these measures which are footnoted below to explain how they are compiled. The sixth measure is an internal work load statistic. The remaining five CourTools © will be implemented in FY 2010/11.

1. Court user ratings on court's accessibility and treatment of customers in terms of fairness, equality, and respect. (Average Ratings shown)
2. Number of resolved charges as a percentage of the number of charges filed.
3. Percentage of cases (DUI cases measured) disposed or otherwise resolved within 180 days from date of filing; standard is 93 percent of cases resolved within 180 days of filing.
4. Age of active cases (DUI cases measured) pending before the court, measured as the number of days from filing to report date; standard is the age of all DUI cases (percentage shown) to be equal to or less than 180-days.
5. Survey results to gauge employee perspective on the quality of the work environment and relations between court staff and management. Number of responses and response rate was 24 or 39% for FY 2008/09, and 34 or 52% for FY 2009/10. (Average ratings shown)
6. Total number of cases filed per Judicial Officer annually for six operational courtrooms (4 criminal and 2 civil)

Performance Measures

Description	Actual 2009/10	Projected 2010/11	Estimated 2011/12
CourTools © 1: Access and Fairness Survey	n/a	81%	n/a
CourTools © 2: Clearance Rates for All Cases	105%	104%	104%
CourTools © 3: Time to Disposition	89%	98%	97%
CourTools © 4: Age of Active Pending Caseload	96%	93%	93%
CourTools © 5: Trial Date Certainty	n/a	90%	91%
CourTools © 6: Reliability and Integrity of Case Files	n/a	95%	95%
CourTools © 7: Collection of Monetary Penalties	n/a	54%	55%
CourTools © 8: Effective Use of Jurors	n/a	33%	35%
CourTools © 9: Court Employee Satisfaction	81%	87%	89%
CourTools © 10: Cost per Court Case	\$65.70	\$72.09	\$71.03
Total Cases filed per Judicial Officer	12,786	12,468	12,916
Total Cases / Charges filed for City Court	76,718 / 108,775	75,000 / 103,500	77,500 / 104,000

National Center for State Courts CourTools © performance measures are used.

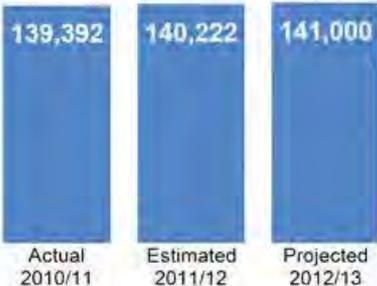
- 1) Goal is 85% for overall rating by court visitors answering "Strongly Agree" or "Agree" to survey questions about fairness and accessibility. 180 surveys were received over a 1.5 day sample time frame.
- 2) Goal is 100%. The Court averages 6,268 incoming cases and 6,864 outgoing cases per month (Clearance rate equals outgoing cases / incoming cases).
- 3) Standard is 100%. Percentage of cases resolved within established guideline of 180 days. The average age of a disposed case is 58 days. 71% of all cases are disposed within 90 days while 80% of all cases are disposed within 120 days. The Court averages 6,864 outgoing cases per month.
- 4) Standard is 93% of all pending cases have an age less than 180 days. The average age of a pending case is 39 days. 81% of all pending cases have an age less than 90 days, while 94% of all pending cases have an age less than 120 days. The Court averages about 6,268 incoming cases a month.
- 5) Goal is 100% of bench and jury trials are held in less than 2 trial settings. The Court averages 38 trials per month with 31 cases, or 82% meeting the criteria (Jury - 4 cases, 57% and Bench - 27 cases, 84%)
- 6) Standard is 90%. Percentage of cases retrieved within established time frames that met standards for completeness and accuracy. The sample used for this measure was 200 cases (100 pending and 100 closed).
- 7) Goal is 60%. Payments and restitution collected as a percentage of monetary penalties ordered prior to being sent to collection agency. Due to projected improving economic conditions, the Court feels this is an attainable goal. Sample period measured Jul - Dec of 2010 with \$2.08 million ordered.
- 8) Goal is 30-35%. Goal is measured as a percentage of the total potential jurors available compared to the net actual jurors available. Reports from courts around the nation put the average juror yield between 20-30% with Phoenix Municipal Court having a 31% juror yield.
- 9) Goal is 85% of court staff answering "Strongly Agree" or "Agree" to workplace satisfaction questions about work environment and relationship with management. 43 surveys were received (out of a possible 63).
- 10) Goal is \$70.00. Adjusted budget divided by total cases filed.
- 11) Number of cases filed per judicial officer.
- 12) Total Number of cases/charges filed for City Court. A Single case can have multiple charges.



FY 2011/12

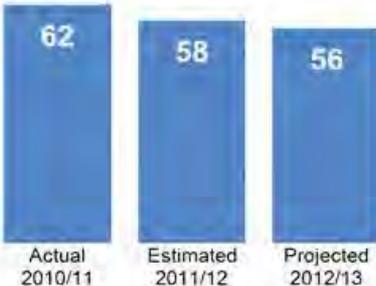
Charted Performance Measures

Volume of Phone and Front Counter Customer Contacts



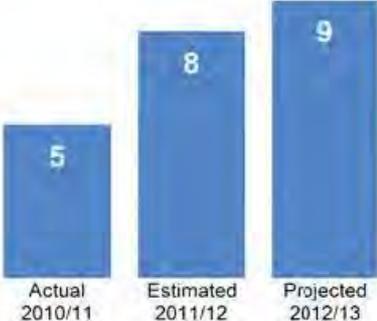
Total number of customers served

FTE Staffing



Ten percent reduction of court staff

Defendant Interactions with Court



Average number per case



Charted Performance Measures

Volume of Phone and Front Counter Customer Contacts



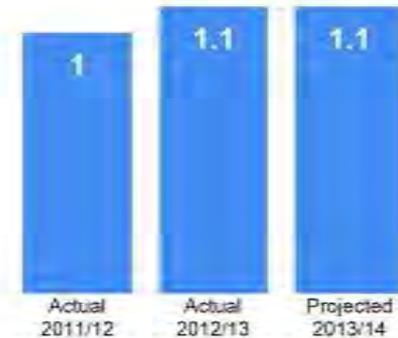
Total number of customer interactions at front counter windows, telephone and interactive voice response (IVR) system.

Adjudicated DUI Charges



Number of driving under the influence (DUI) charges that are sentenced.

Revenue Collected (\$ in millions)



Arizona Department of Revenue's tax interception program allows the court to receive a defendant's refund if they have an outstanding balance with Scottsdale City Court.

Performance Measures	Actual 2011/12	Actual 2012/13	Projected 2013/14
1. Access and fairness survey Note: Survey is performed every other year. The goal is an overall favorable rating of 85% by court visitors regarding court fairness and accessibility.	N/A	87%	N/A
2. Clearance rates for all cases Note: This is the ratio of outgoing cases to incoming cases. In FY 2011/12, there were 82,024 outgoing cases and 76,452 incoming cases. The rate is greater than 100% due to backlog.	107%	113%	110%
3. Time to disposition for all cases Note: This is the percentage of cases processed within 180 days. The goal is 93% for all criminal and civil cases. An objective is to reduce processing time for DUI cases, which will improve the overall rate.	97%	96%	97%
4. Age of active pending caseload Note: The standard is for 93% of all cases to have an active pending date that is less than 180 days. In FY 2011/12, the average was 48 days.	97%	96%	97%
5. Trial date certainty Note: The goal is for 100% of trials (bench and jury) to be held in 2 or fewer settings. In FY 2011/12, there were 464 trials.	86%	80%	86%
6. Case file reliability and integrity Note: The standard is that 90% of sampled cases are retrieved within established time frames and meet accuracy standards.	98%	98%	98%
7. Collection monetary penalties Note: The goal is that the court will collect 65% of the monetary penalties ordered prior to submission to the external collection agency.	64%	62%	64%
8. Effective use of jurors Note: The goal is that 35% of jurors summoned will be available for service. In FY 2011/12, 3,074 jurors were available of the 8,707 summoned.	35%	48%	48%
9. Court employee satisfaction Note: This measures the percentage of court staff who respond favorably to 15 questions regarding workplace satisfaction.	82%	90%	91%
10. Cost per case Note: This is calculated by taking expenditures (less collections expenses) and dividing by cases filed. In FY 2011/12, the net expenditures were \$4.9 million and there were 77,446 cases.	\$63.23	\$67.13	\$68.57
11. Total cases filed per officer Note: In FY 2011/12, there were 77,446 cases and 6 judicial officers.	12,908	12,659	12,722
12. Total cases and charges filed Note: Total number of cases / charges filed in the Scottsdale City Court. A single case can have multiple charges.	77,446 / 101,133	75,952 / 100,707	76,332 / 100,758

The first 10 performance measures are from the National Center for State Courts CourTools ©.



FY 2013/14 b

Continuous Improvement Over Time

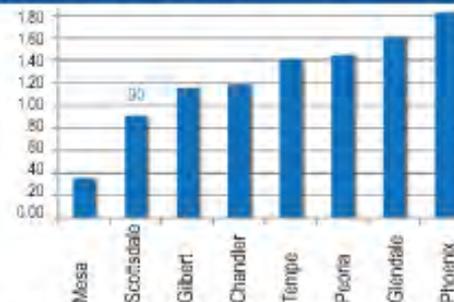
Annual Report Examples



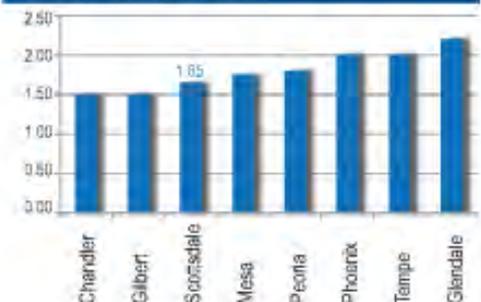
How Are We Doing—A Performance Report on Key Missions and Service

Scottsdale Statistics Fiscal Year End	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10
Population Estimate	226,390	238,270	240,126	242,337	243,501
City Employees (Full-time equivalents)	2,598	2,722	2,798	2,754	2,538
Annual attendance at Parks & Recreation facilities, Human Services facilities and Libraries	7,877,216	7,838,000	7,940,283	8,747,495	8,634,522
Charges adjudicated (resolved) by the City Court	132,096	216,000	219,980	137,887	113,382
New code enforcement cases processed per year	13,137	16,900	15,570	20,568	16,452
Responses by the Fire Department to calls for emergency services	23,952	22,894	22,936	23,953	23,996
Average response time by the Fire Department to urban emergency calls for service (in minutes)	4:20	4:15	4:21	4:23	4:26
Drinking water supplied (million gallons per day)	73.1	72.1	73.7	69.4	88.4
Homes serviced by residential refuse collection	76,300	77,206	78,024	78,607	79,006
Total crimes per thousand (Scottsdale Uniform Crime Report, Part 1)	34.9	37.1	35.6	34.3	29.6
Average response time by the Police Department to emergency calls for service (in minutes)		6:06	5:07	5:07	5:01

Property Tax Rate per \$100 assessed value*



Local Retail Sales Tax Rate*



* as of July 1, 2010

Additional performance measures are available in the FY 2010/11 Budget and the FY 2009/10 Comprehensive Annual Financial Report available at www.ScottsdaleAZ.gov/finance.



FY 2009/10



How are we doing? Measuring our productivity and performance.

Scottsdale Statistics	Fiscal Year End	2010	2011	Trend
Acres of land acquired for the McDowell Sonoran Preserve		399	2,001	↑
Annual attendance at parks, community centers and libraries		8,634,522	8,855,120	↑
Charges resolved by the City Court		113,382	108,003	↓
New Code Enforcement cases		16,452	16,000	↓
Responses by the Fire Department to calls for emergency services		23,996	25,586	↑
Average Fire Department response time to emergency calls (in minutes)		4:28	4:22	↓
Drinking water supplied (million gallons per day)		68.4	67.9	↓
Homes serviced by residential refuse collection		79,006	79,342	↑
Total crimes per thousand (Scottsdale Uniform Crime Report, Part 1)		29.6	28.2	↓
Average Police Department response time to emergency calls (in minutes)		5:01	4:57	↓
Scottsdale Airport takeoffs & landings		156,896	136,089	↓
Total citywide transit ridership		3,103,185	2,539,744	↓

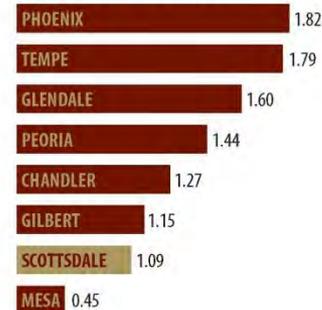
Citizen Survey Ratings*	2006	2010	Trend	Benchmark†
Scottsdale as a place to live	94%	96%	↑	Much above
Overall quality of life	90%	94%	↑	Much above
Overall appearance	87%	94%	↑	Much above
Services provided by the city	81%	88%	↑	Much above
Rating service by city employees	76%	83%	↑	Much above
Value of services for taxes paid	69%	74%	↑	Much above

Selected Service Ratings*	2006	2010	Trend	Benchmark†
Police	82%	90%	↑	Much above
Fire	96%	96%	↔	Above
Street Repair	60%	67%	↑	Much above
Garbage Collection	88%	92%	↑	Much above
Recycling	77%	87%	↑	Much above
City Parks	84%	93%	↑	Much above
Public Library	88%	93%	↑	Much above
Code Enforcement	59%	72%	↑	Much above
Drinking Water	42%	52%	↑	Much below
Storm Drainage	48%	70%	↑	Much above

*Percent "excellent" or "good" †Compared to a national database of community ratings

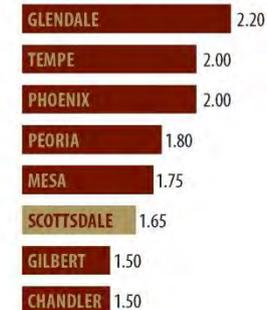
How do we compare with our neighbors?

Property tax rate per \$100 assessed value



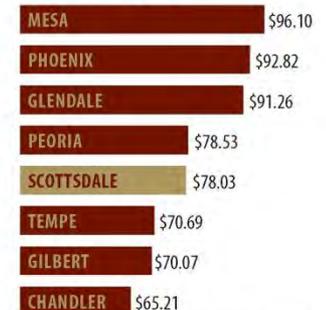
As of July 1, 2011

Local retail sales tax rate



As of July 1, 2011

Residential utility bill



Typical water, garbage and sewer charges as of Sept. 1, 2011

How are we doing?

Scottsdale Statistics Fiscal Year Ending June 30		2010	2011	2012
	Acres of land acquired for the McDowell Sonoran Preserve	399 	2,001 	4,419 
	Annual attendance at parks, community centers and libraries (in millions)	8.6 	8.9 	8.5 
	Total number of filed charges heard and resolved by the City Court	113,382 	108,003 	100,929 
	Responses by the Fire Department to calls for emergency services	23,996 	25,586 	26,344 
	Average Fire Dept. response time to calls for emergency services (in minutes)	4:28 	4:22 	4:18 
	Total crimes per thousand (Scottsdale Uniform Crime Report, Part 1) *	29.6 	31.9 	32.8 
	Average Police Department response time to emergency calls (in minutes)	5:01 	4:57 	5:11 
	Drinking Water Supplied (million gallons per day)	68.4 	67.9 	69.2 
	Homes serviced by residential refuse collections	79,006 	79,508 	79,787 
	New jobs created in targeted industries	731 	450 	1,465 
	Average hotel occupancy rate	58% 	59% 	62% 
	Total citywide transit ridership (in millions)	3.1 	2.5 	2.5 
	Scottsdale Airport takeoffs & landings	156,896 	136,089 	146,058 
	Maintained landscaped medians and rights of way (in millions of square feet)	17.0 	23.2 	23.5 
	Maintained city facilities (in millions of square feet)	2.9 	3.0 	3.0 

* For the preceding calendar year. Increase due to Census 2010 population estimate recalculation.

How do we compare with our neighbors?



Today's Session

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- 3. Increased Focus on Evidence-Based Decision-Making**
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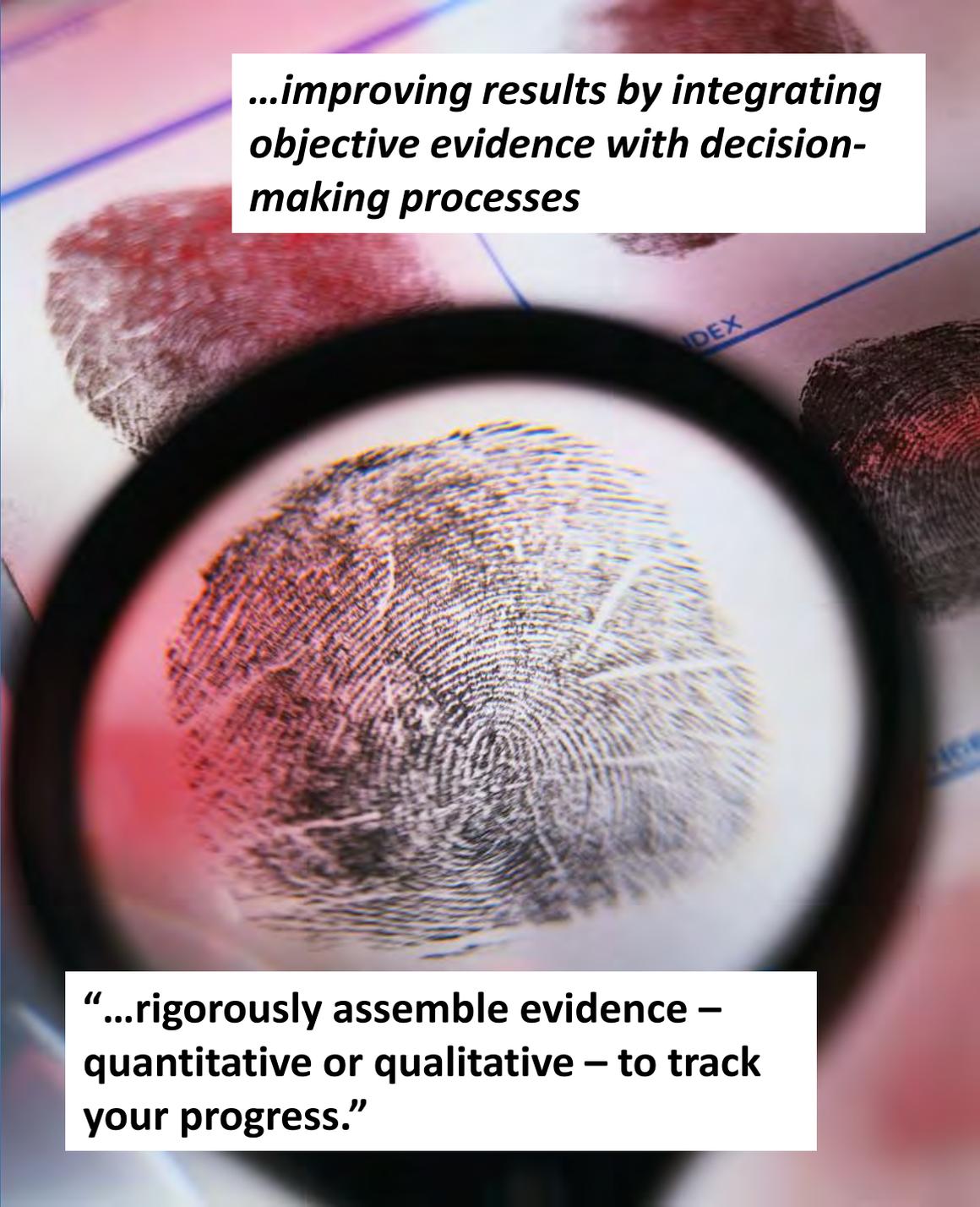
Performance Management is...

... an ongoing, systematic approach intended to improve results by integrating objective evidence with decision-making processes.

Measuring what matters

“What matters is not finding the perfect indicator, but settling upon a *consistent and intelligent* method of assessing your output results and then tracking your trajectory with rigor.”

Jim Collins. 2005. *Good to Great and the Social Sectors.*



...improving results by integrating objective evidence with decision-making processes

“...rigorously assemble evidence – quantitative or qualitative – to track your progress.”



Don't settle for easy measures

“Never give up on an important goal that’s hard to measure in favor of a less important one that’s easy to measure.”

From Robert Lewis. 2009. *“No metrics? Don’t fret; you can still manage without measuring.”* Minneapolis St. Paul Business Journal.



Why measure?

**If You Don't Measure Results,
You Can't Tell Success from Failure**

**If You Can't See Success,
You Can't Reward It**

**If You Can't Reward Success,
You're Probably Rewarding Failure**

**If You Can't See Success,
You Can't Learn From It**

**If You Can't Recognize Failure,
You Can't Correct It**

**If You Can Demonstrate Results,
You Can Win Public Support**

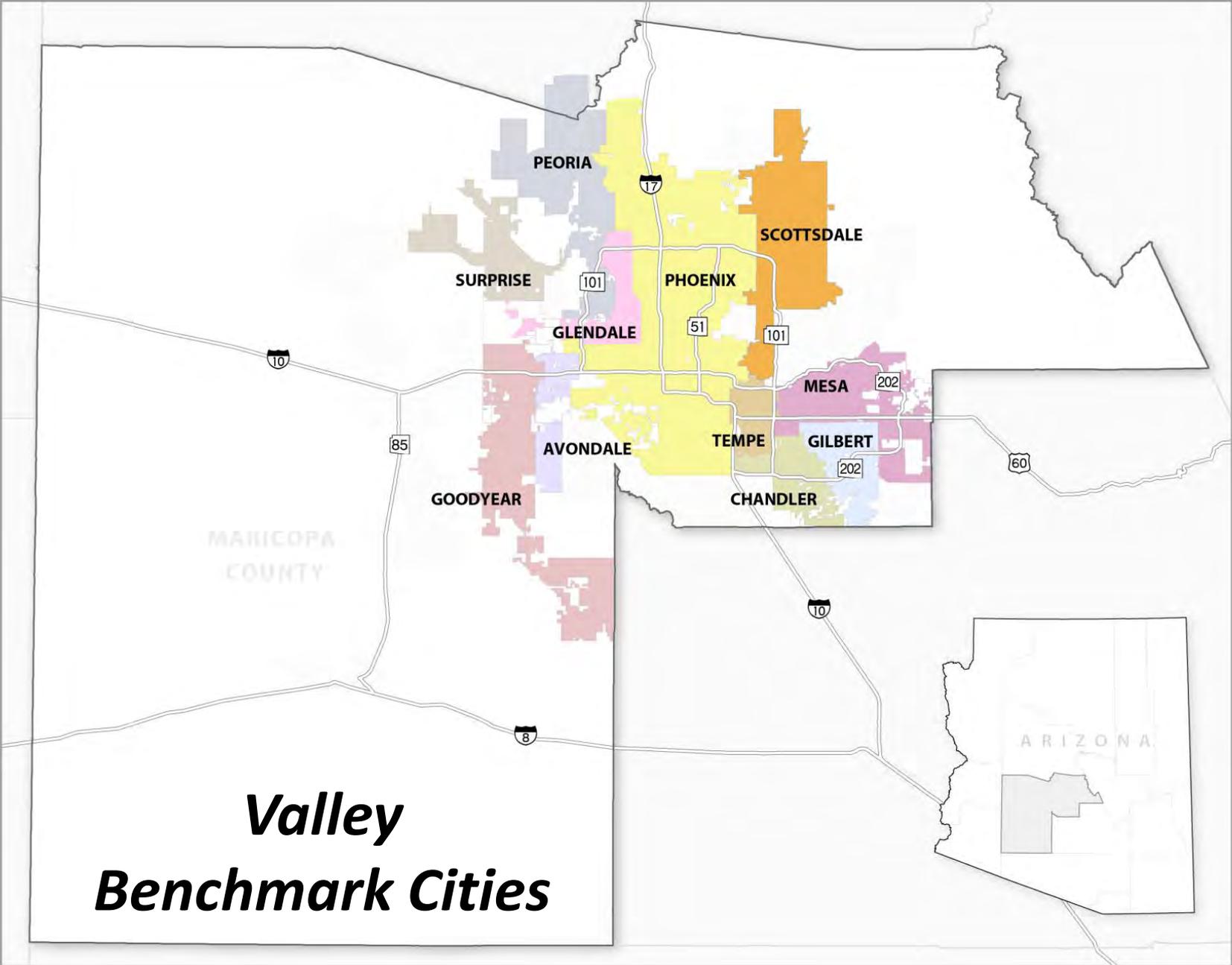
Today's Session

1. Building a Team and an Approach
2. Improved Reporting
3. Increased Focus on Evidence-Based Decision-Making
- 4. Better Benchmarking**
5. Tools we've developed to explain to our organization



“Evidence suggests that improved performance occurs at a much greater rate when performance measures are compared.” Smith and Hartung, 2004

Targets express a specific level of performance the organization is aiming to achieve. **Standards** (also called “benchmarks”) express the minimum acceptable level of performance that is expected and achieved by other, high-performing organizations. How else will you know how well you are doing without context?



***Valley
Benchmark Cities***

	Pop.	Net Job Inflow/ Outflow	"Daytime" Population	Total FTEs	FTEs per 1000	FTEs per 1000 (Daytime)
 City of Phoenix	1,445,632	75,379	1,521,011	15,000	10.4	9.9
 mesa·az	439,041	(48,509)	390,532	3,609	8.2	9.2
 Chandler · Arizona <i>Where Values Make The Difference</i>	236,123	(35,082)	201,041	1,574	6.7	7.8
 GLENDALE	226,721	(40,518)	186,203	1,966	8.7	10.6
 CITY OF SCOTTSDALE	217,385 #5	68,916 #2	286,301 #3	2,455 #3	11.3 #1	8.6 #5
 GILBERT ARIZONA	208,453	(56,788)	151,665	1,188	5.7	7.8
 CITY OF TEMPE ARIZONA	161,719	61,856	223,575	1,597	9.9	7.1
 CITY OF PEORIA	154,065	(35,922)	118,143	1,101	7.1	9.3

City Employment per 1000 residents



Mayor & Council/Charter Off.	0.7	0.8	0.6	0.8	1.1	0.5	0.9	0.8
Administrative Services	0.3	0.6	0.4	0.3	0.6	0.3	0.7	0.5
Comm. & Econ. Dev.	1.5	0.4	0.6	0.6	0.9	0.3	0.7	0.5
Community Services	1.4	0.7	0.8	0.9	2.1	0.5	1.1	0.8
Public Safety	4.5	3.8	2.9	3.9	4.3	2.6	4.1	2.9
Public Works	1.1	1.3	0.7	1.2	1.4	0.9	1.4	1.1
Water Resources	1.0	0.6	0.6	0.9	0.9	0.6	0.9	0.6
Employees per 1000 residents	10.4	8.2	6.7	8.7	11.3	5.7	9.9	7.1

Library \$\$\$ per capita	Library FTE per 1000	Library \$\$\$ per Hours Open	Library FTEs Per Total Hours
---------------------------	----------------------	-------------------------------	------------------------------



\$25	0.2	\$ 52,124	0.5
------	-----	-----------	-----



16	0.2	54,204	0.6
----	-----	--------	-----



30	0.3	28,940	0.3
----	-----	--------	-----



25	0.3	51,886	0.6
----	-----	--------	-----



43	#1	0.6	#1	29,710	#6	0.4	#5
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23	0.2	65,103	0.5
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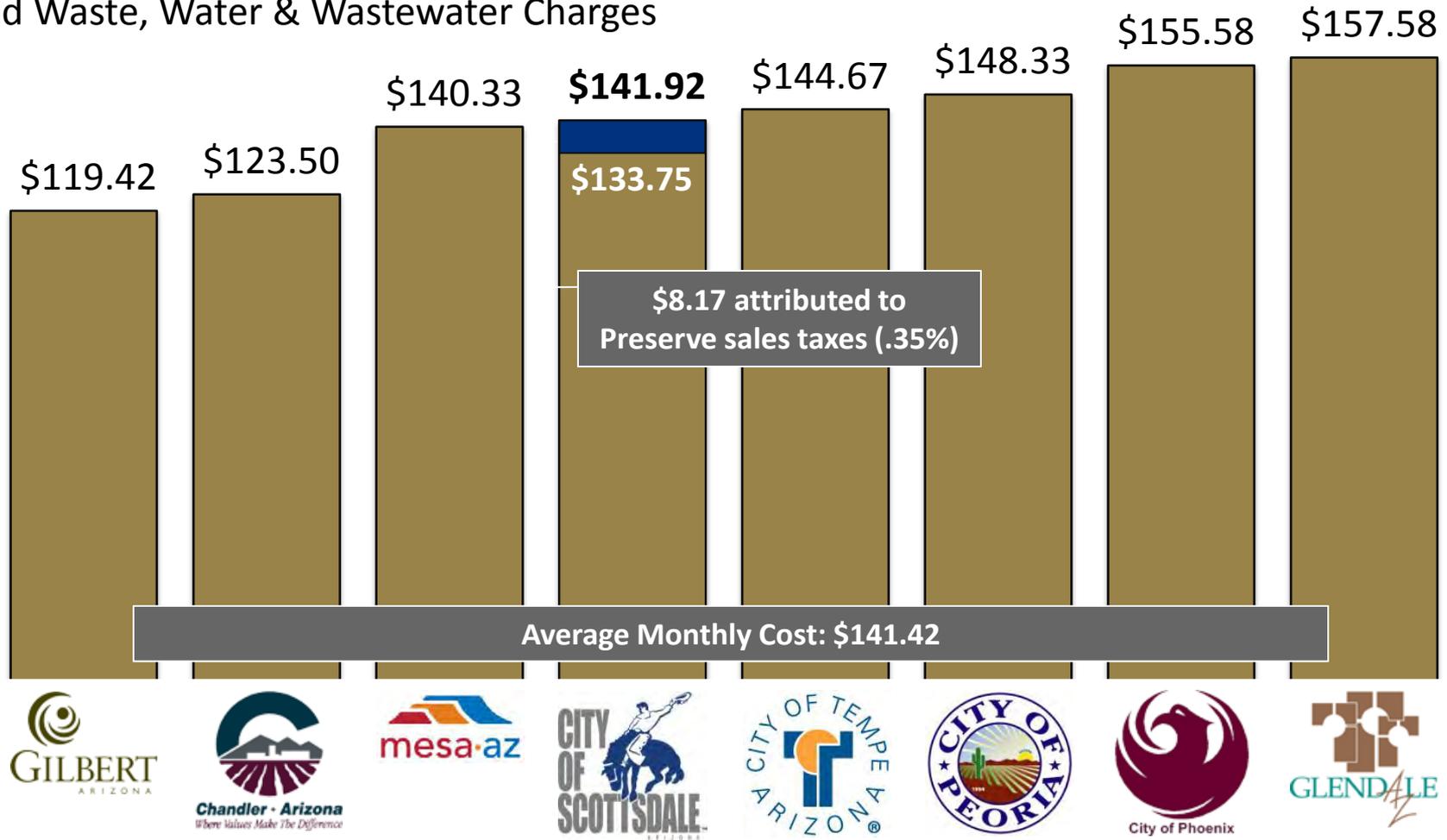
\$26	0.2	\$29,918	0.2
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How do Scottsdale's average monthly costs for service compare?

Includes City Sales and Property Taxes; and Solid Waste, Water & Wastewater Charges





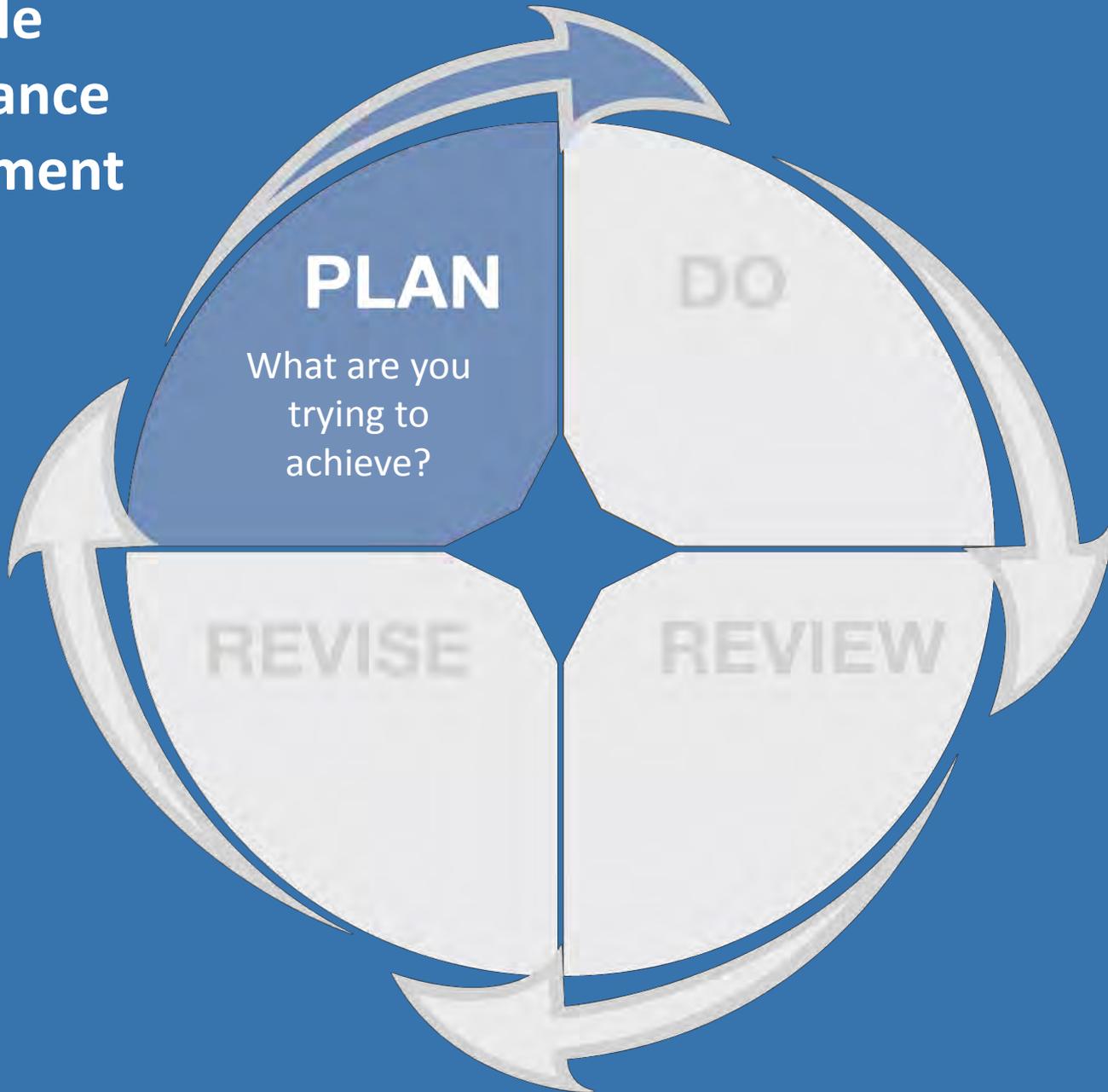
In Process – National Peer Cities



Today's Session

1. Building a Team and an Approach
2. Improved Reporting
3. Increased Focus on Evidence-Based Decision-Making
4. Better Benchmarking
- 5. Tools we've developed to explain to our organization**

Scottsdale Performance Management Process



Scottsdale Strategic Planning Framework

Mission

What is our purpose? What do we do?

Goals

What are our focus areas for the long- and short-term?

Values

What principles govern our actions and the way we do business?

Objectives

What must be achieved to accomplish our goals?

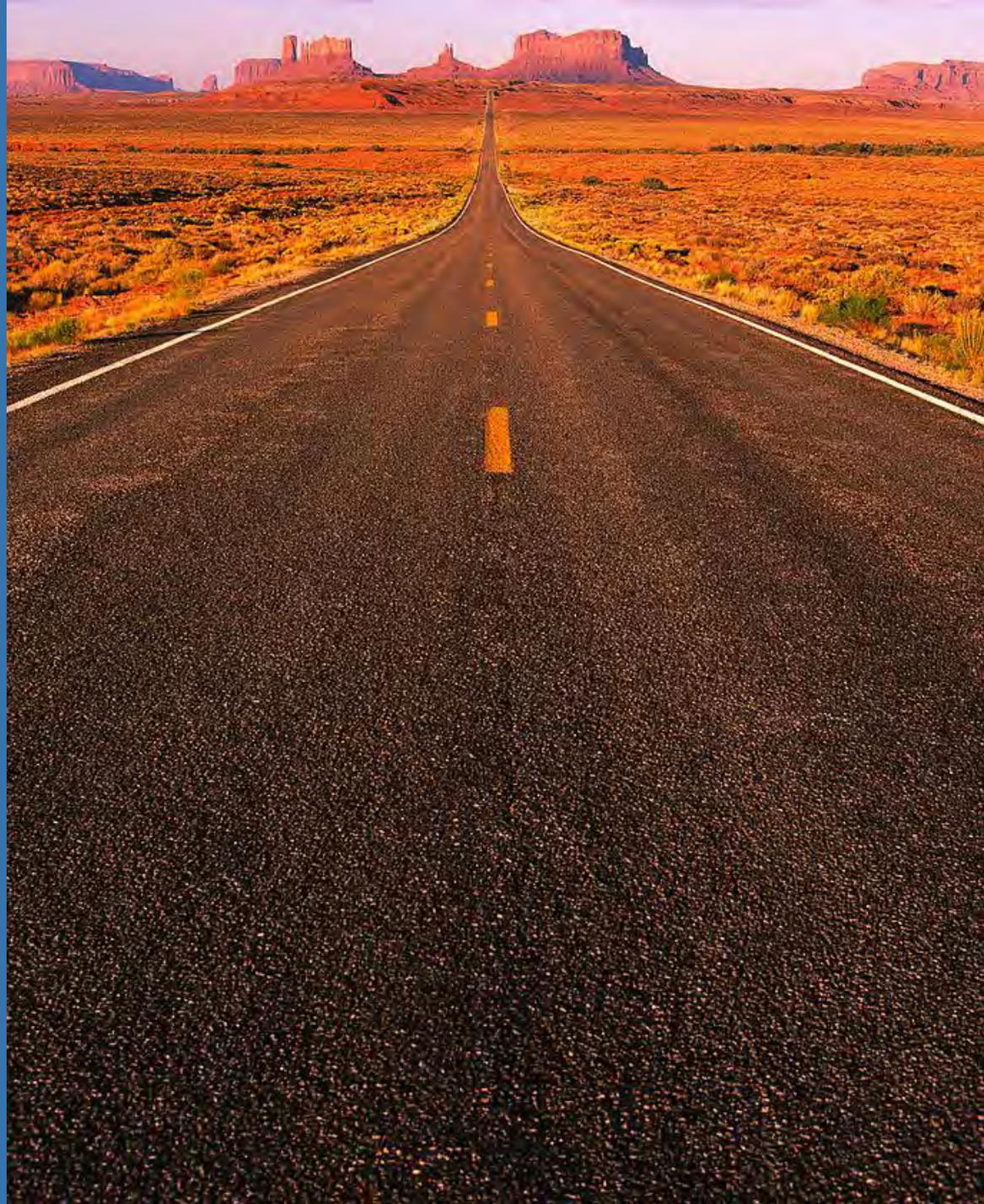
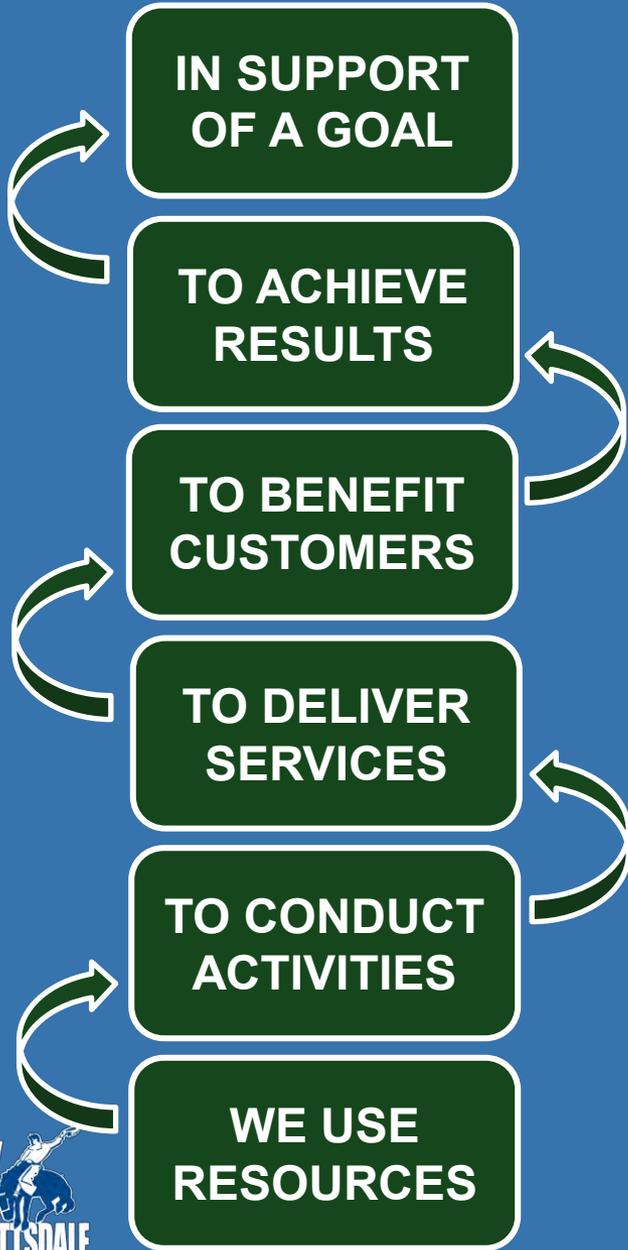
Initiatives

What specific activities must be done to ensure we meet the objectives?

Measures

How will we know if we are achieving the objectives?

Strategy Model





Solid Waste Example



Strategy Model (Modified for Internal Services)



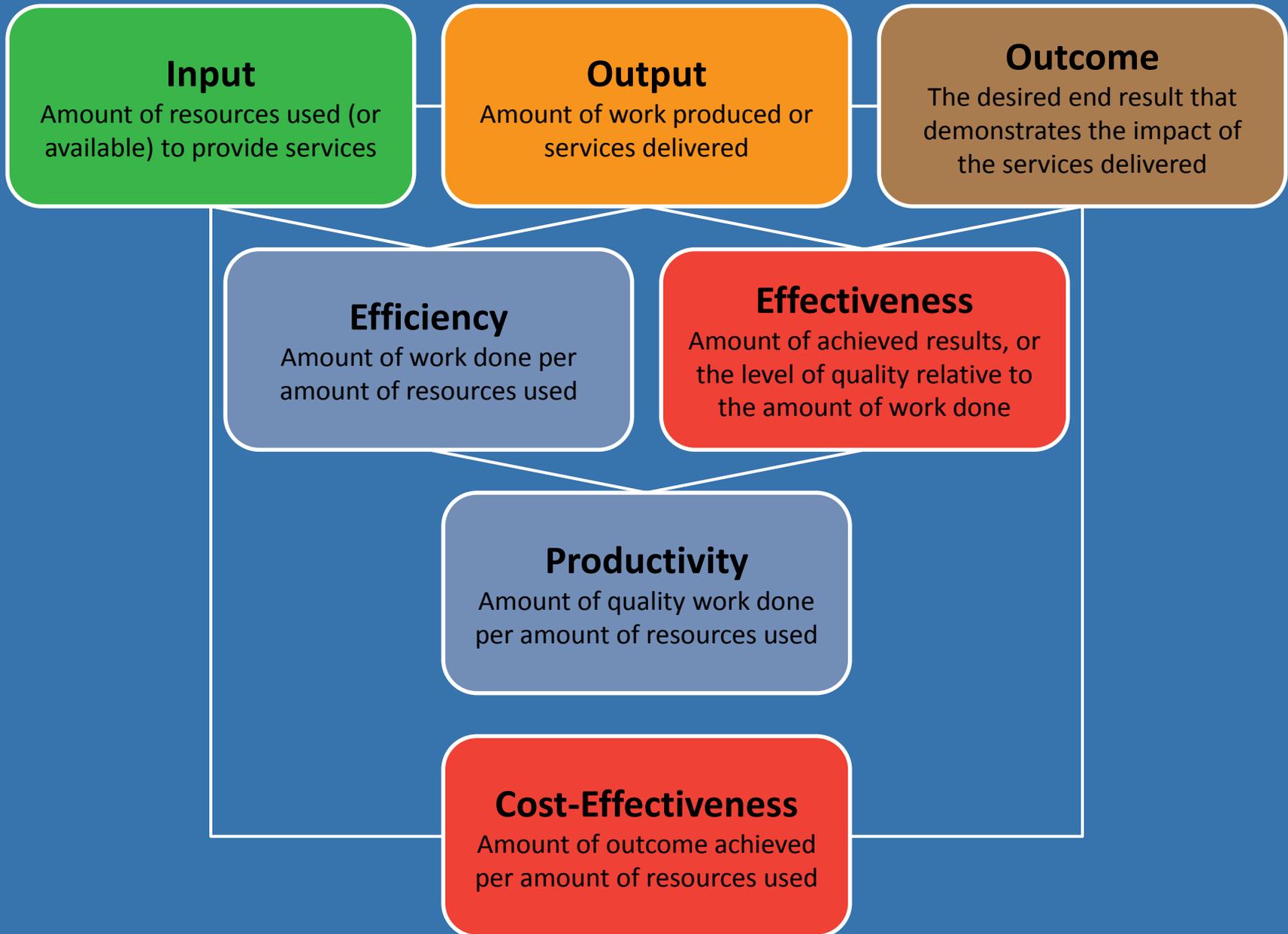
Internal Services



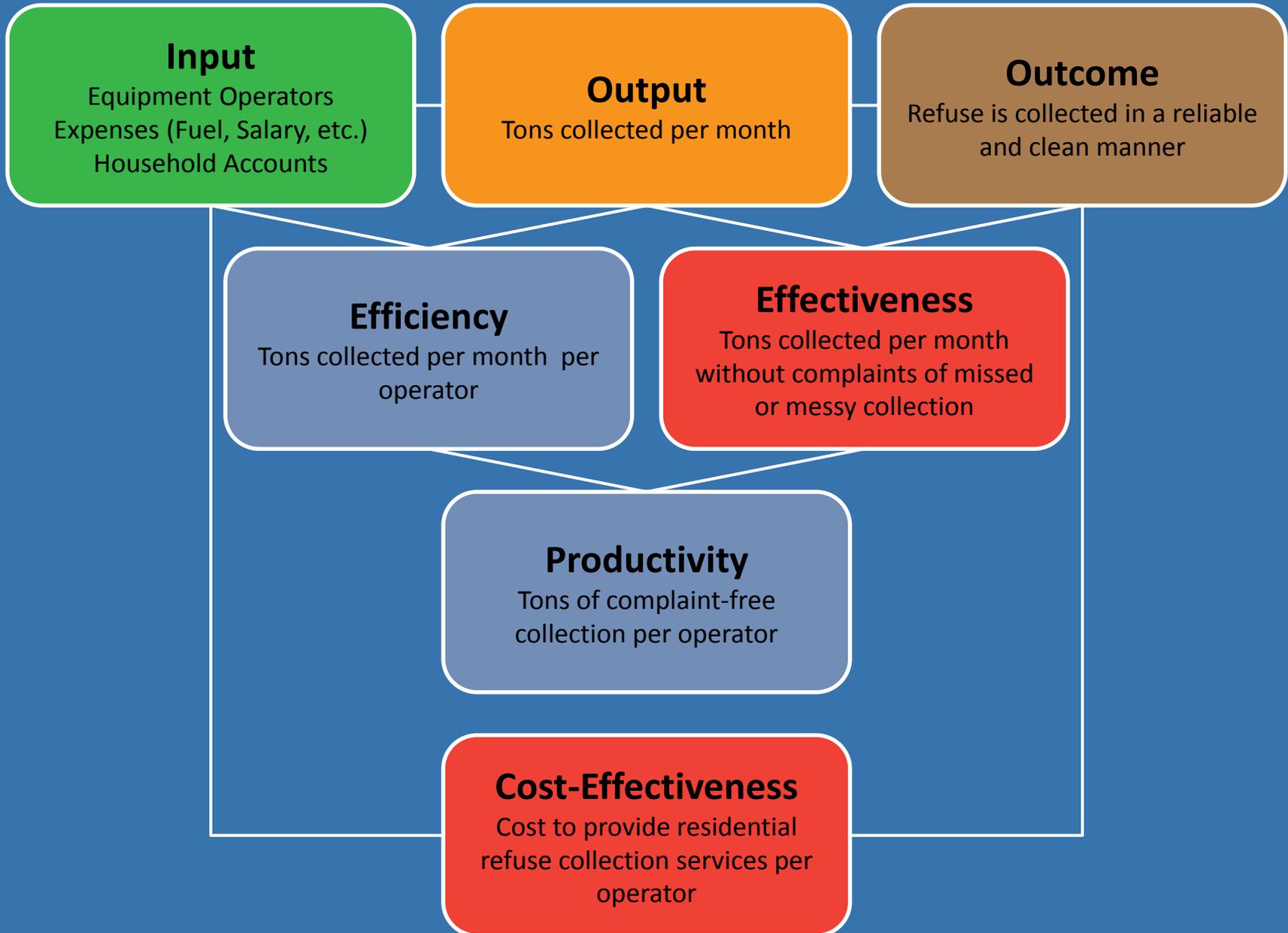
Public Services



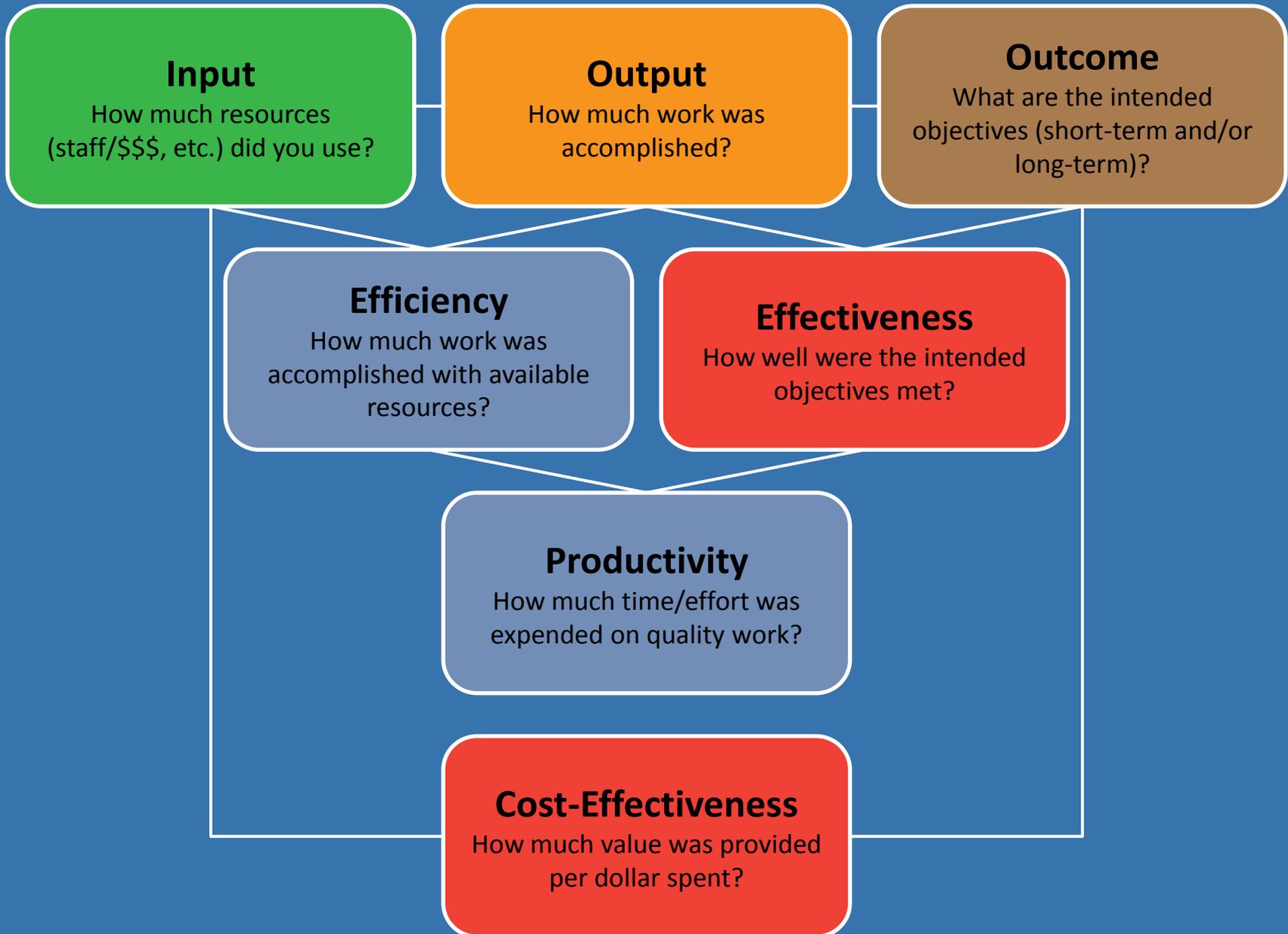
Types of performance measures



Solid Waste Example



Questions performance measures can help answer





What are we asking you to do?



1. Review services and existing objectives to ensure they are linked to the strategic and/or general plan goals, and make adjustments as needed



2. Review existing measures to ensure you are measuring the efficiency, effectiveness, and cost-effectiveness of services and create new measures, if needed

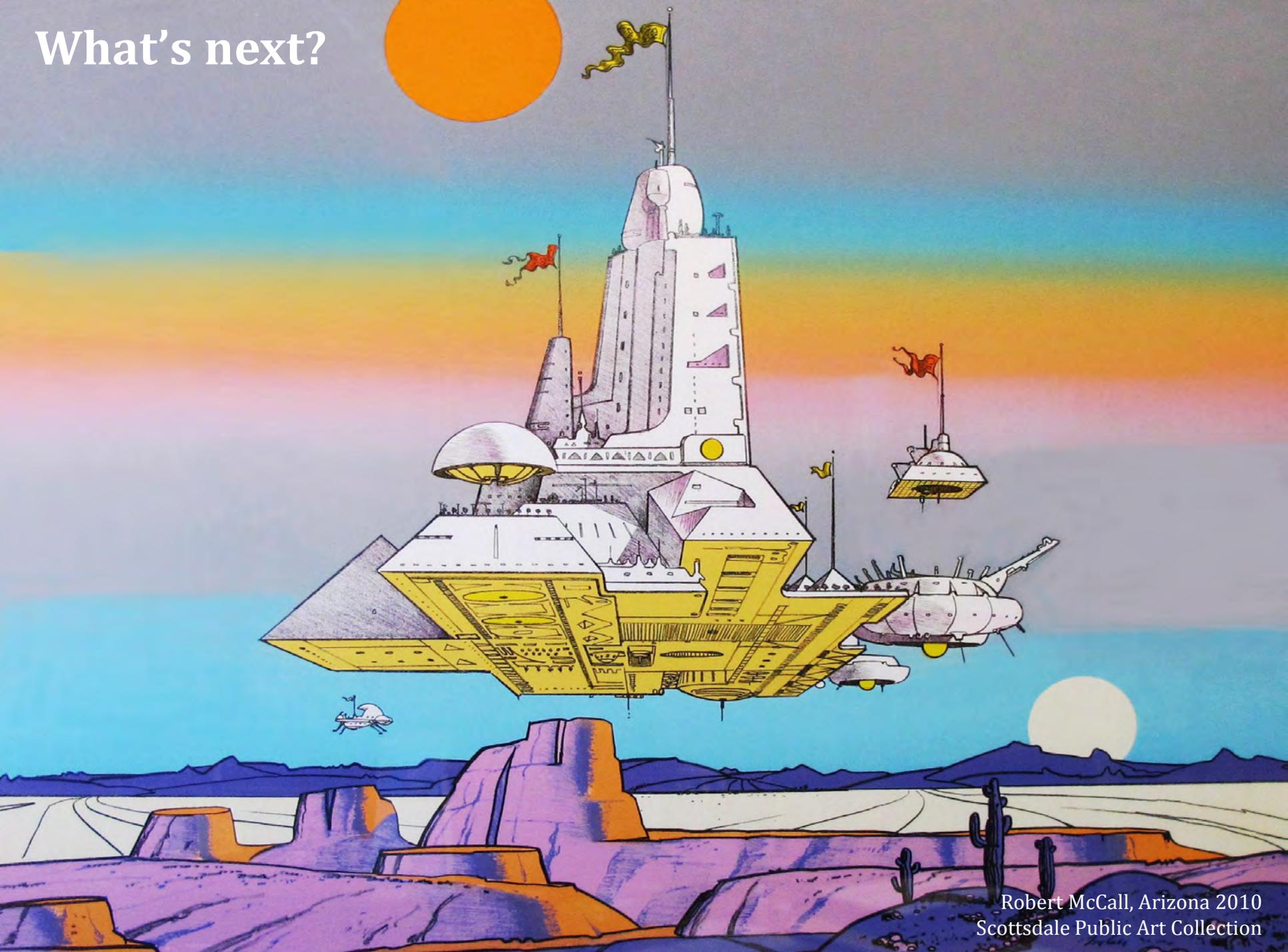


3. Identify standards and targets for each measure to ensure that you have context for evaluating success



4. When measures do not meet identified targets or standards, develop objectives, initiatives and measures to improve performance

What's next?



Resources and Links

Scottsdale Performance Management Initiative

<http://www.ScottsdaleAZ.gov/departments/citymanager/performance>

Scottsdale Budget and Financial Reports

<http://www.ScottsdaleAZ.gov/finance>

Citizen-Centric Annual Reporting

<http://www.agacgfm.org/citizen/>

Performance Management Advisory Commission

<http://www.nasact.org/downloads/APerformanceManagementFramework.pdf>

National Research Center (Surveys)

<http://www.n-r-c.com/>

ICMA Center for Performance Measurement

http://icma.org/en/results/center_for_performance_measurement/home



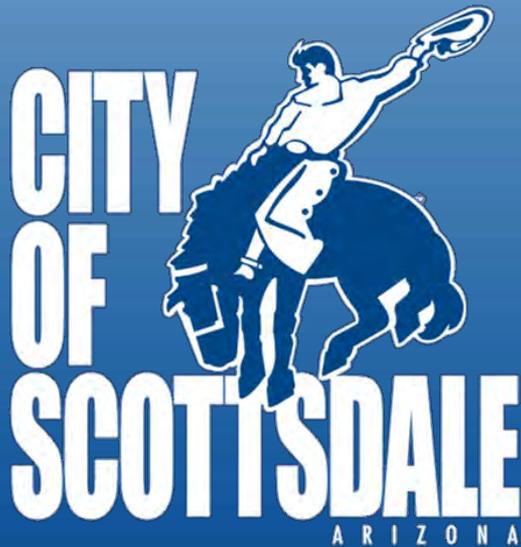
Questions, Comments, Observations?

Brent Stockwell | Strategic Initiatives Director

Scottsdale City Manager's Office

480-312-7288 | BStockwell@ScottsdaleAZ.gov

<http://www.scottsdaleaz.gov/departments/citymanager/performance>



Scottsdale's Annual Snapshot

How Scottsdale has implemented the
AGA's citizen-centric reporting initiative

Brent Stockwell | Strategic Initiatives Director
Scottsdale City Manager's Office
480-312-7288 | BStockwell@ScottsdaleAZ.gov
www.ScottsdaleAZ.gov/finance

“effective information visualization
(is) premised on:

simplicity

(complex notions simplified to save time for reader);

transparency

(visual honesty and responsibility in sourcing);

creativity

(design that is memorable and understandable);

sociability

(easily shared and improved)”

http://edelman.com/speak_up/blog/





Scottsdale's Snapshot Summary

- Designed to give citizens a better understanding of what their government is doing and what it spends their money on
- Provides easy access to key information without having to sort through pages and pages of documents and web sites
- A resource to begin the conversation and a portal into in-depth discussions and input about your jurisdiction



About Scottsdale

Scottsdale has 217,965 residents and covers 184.5 square miles

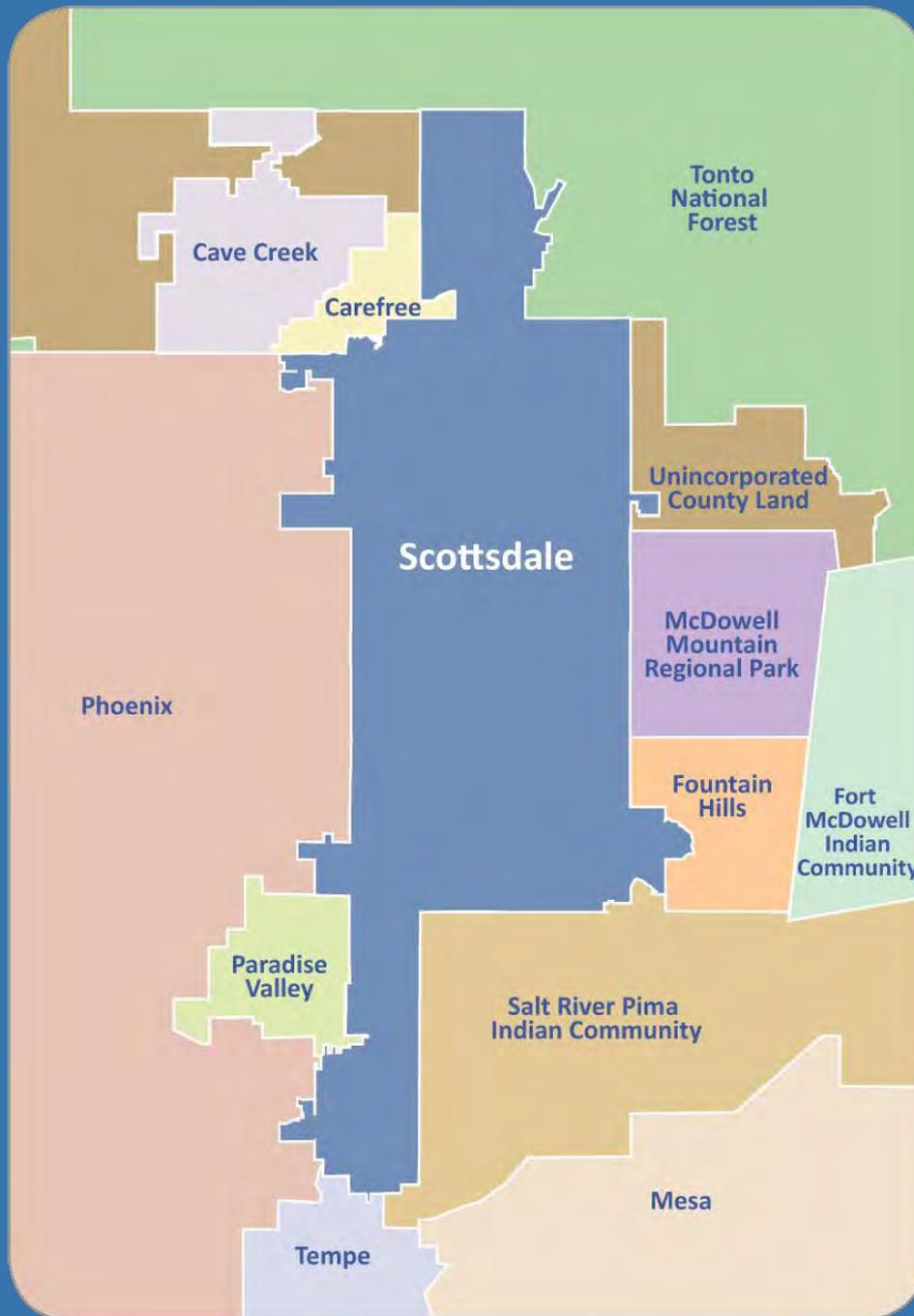
There were 2,172 full-time and 292 part-time employees on July 1, 2012

There are over 3 million square feet of maintained city facilities.

There are 42 parks covering 975 acres, 5 libraries, 4 swimming pools, 55 tennis courts and 2 senior centers

There are 4 police stations, 15 fire stations and 10,729 fire hydrants

There are 2,962 lane miles of streets, 300 traffic signals, and 2,064 miles of water main lines



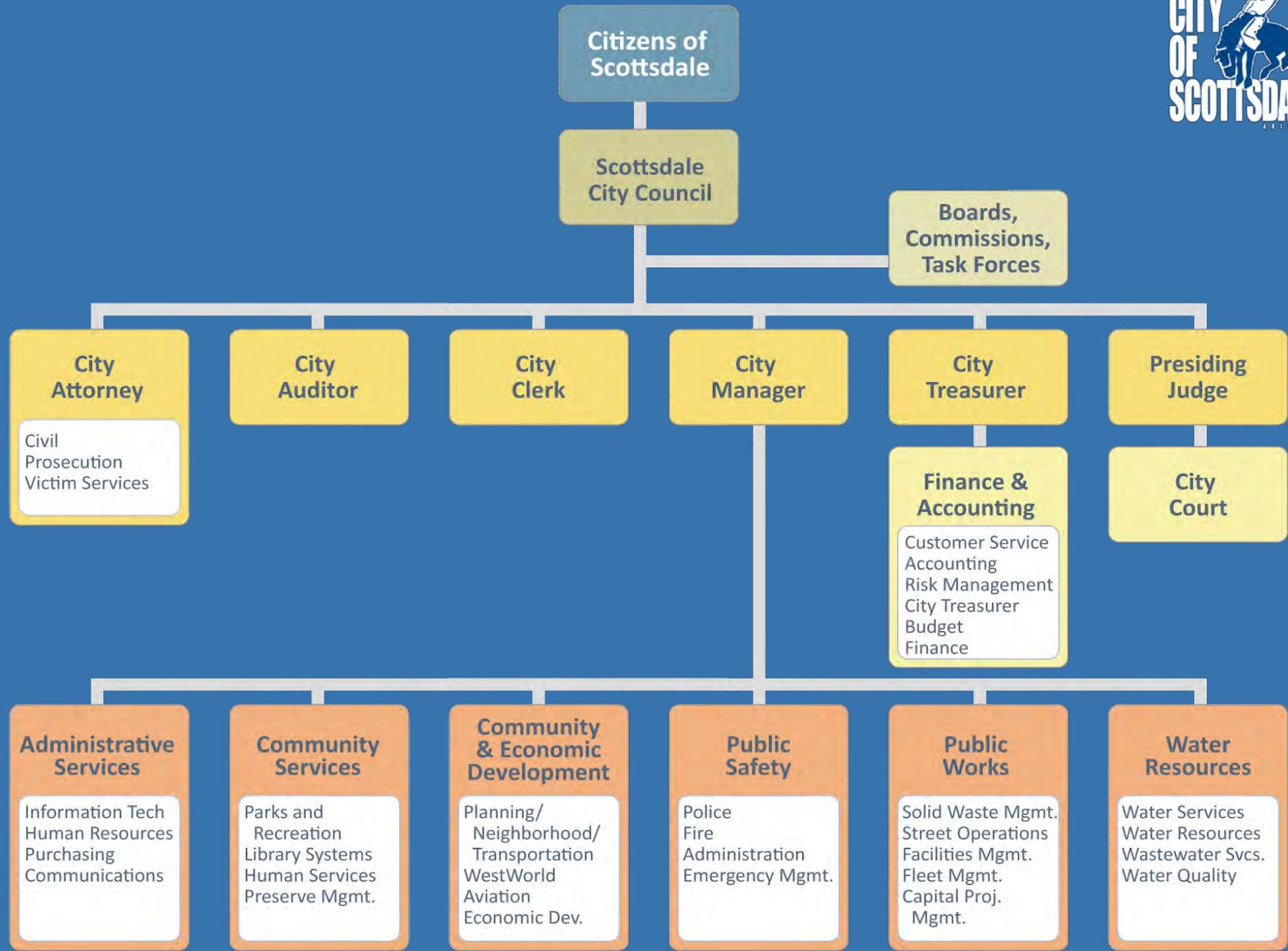




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Page 1. Overview, Strategic Goals and Highlights

Page 2. How Are We Doing—A Performance Report on Key Missions and Services

Page 3. What are the General Fund costs for running the City of Scottsdale and how were those costs paid for?

Page 4. Challenges Moving Forward—What's Next? Future Issues?

- STRATEGIC GOALS**
- Preserve Meaningful Open Space
 - Enhance Neighborhoods
 - Seek Sustainability
 - Support Economic Vitality
 - Advance Transportation
 - Value Scottsdale's Unique Lifestyle and Character

Note: The 2010 Strategic Goals are the same as the major divisions of the voter-approved 2001 General Plan and are the six guiding principles developed through CityShape 2020. They are not listed in any order.

About Scottsdale
Scottsdale operates under the council manager form of government. The Mayor is W.J. "Jim" Lane and City Council members are Lisa Borowsky, Wayne Eason, Suzanne Klapp, Robert Littlefield, Ron McCullagh, and Mark Nelson. David E. Richert was appointed City Manager in May 2010. Other officials appointed directly by the City Council are City Attorney Bruce Washburn, City Auditor Sharon Walker, City Clerk Carolyn Jagger, City Treasurer David N. Smith and Presiding City Judge B. Monte Morgan.

Scottsdale has an estimated 243,501 residents and is the sixth largest city in Arizona. Its boundaries encompass an area approximately 184.5 square miles, stretching 31 miles from north to south. Scottsdale is 1,260 feet above sea level, and averages 328 days of sunshine and 9-11 inches of rainfall annually. The median household income is \$85,575.

Scottsdale Healthcare is the largest employer in Scottsdale with 6,650 employees, other large employers include Mayo Clinic, General Dynamics, the Scottsdale Unified School District, the City of Scottsdale, CVS Caremark and Go Daddy.

Selected Highlights

- Voters approve Transient Lodging Tax and Elections changes at March Special Election
- Audits identify \$1.4 million in savings and revenue possibilities
- Another 3,500 customers converted to automated water meters
- Over 8,500 Scottsdale youth and teens participate in recreation programs.
- Appaloosa Library opens to serve north residents; library attendance up 10 percent citywide.
- Bajada Nature Trail at the Preserve Gateway opens improving access to persons with disabilities
- Seven companies expanded resulting in 400 jobs and \$9.2 million in private investment
- Indian Bend bridge and Indian School road construction completed
- New police facilities to serve southern neighborhoods open at McKellips and Miller
- Scottsdale Center for the Performing Arts opens renovated facility
- Stimulus funds help improve roads and intersections and improve street light energy efficiency

Note: highlights are included in the FY 2011/12 Budget available at www.scottsdaleAZ.gov/govmance



Contents
Page 1. Overview, Strategic Goals and Highlights
Page 2. How are we doing? Measuring our productivity and performance.
Page 3. Revenues and expenses: where does it come from and where does it go?
Page 4. What's next? Priorities moving forward.

Project Goals

- Short
- Understandable
- Easy to read
- Informative

2011
The City of Scottsdale, Arizona
A report to our citizens - Fiscal Year 2010/11

Contents

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The voters elect a mayor and six council members to govern Scottsdale. The Mayor is W.J. "Jim" Lane and City Council members are Lisa Borowsky, Suzanne Klapp, Linda Milharen, Robert Littlefield, Ron McCullagh and Dennis Robbins. The City Council directly hires six officers to advise them on policy issues and run day-to-day operations. They are City Manager David E. Richert, City Attorney Bruce Washburn, City Auditor Sharon Walker, City Clerk Carolyn Jagger, City Treasurer David N. Smith and Presiding City Judge B. Monte Morgan.

Selected Highlights

- 94 percent of citizen survey respondents rated overall quality of life as "excellent" or "good"
- Established Home Detention and Electronic Monitoring Program for non-violent DUI offenders
- Recorded a 2.8 percent decrease in impairment-related collisions
- Saved \$4.0 million of debt service by refunding \$32.0 million of Preserve revenue bonds
- Accomplished a 25 percent reduction in Workers' Compensation expenses
- Expanded McDowell Sonoran Preserve by 2,000+ acres with 50 percent funding from state grant program
- Ranked by the Trust for Public Land as one of the nation's leading cities for parks and preserve land.
- Completed the Scottsdale Center for the Performing Arts renovation and the Soleri Bridge and Plaza
- Finished McCormick Stillman Rail road Park Museum and Indian School Road improvements
- Completed downtown water and sewer line improvements and CAP water treatment plant expansion

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“...the public feels strongly that government has a responsibility to provide understandable financial information to the public.”

Harris Interactive Survey (2010)



The City of Scottsdale

A report to our citizens - Fiscal Year 2011/12



About Scottsdale

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Scottsdale has an estimated 217,965 residents, and is the sixth largest city in Arizona and the 92nd largest city in the United States. The city encompasses 184.5 square miles; 31 miles from north to south. The largest employer is Scottsdale Healthcare with 6,378 employees; other large employers include Mayo Clinic, General Dynamics, the Scottsdale Unified School District and the City of Scottsdale. The city employed 2,172 full-time and 292 part-time workers as of June 30, 2012. There were 55 fewer full-time and 37 fewer part-time workers on payroll than the prior year.

Strategic Goals and Selected Highlights



Advance Transportation

- Completed construction of Pima Road improvements between Thompson Peak and Pinnacle Peak roads
- Completed construction of Scottsdale Road streetscape and Cross Cut Canal path improvements



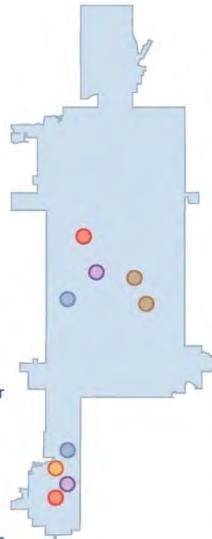
Value Scottsdale's Unique Lifestyle and Character

- Implemented rebate program encouraging exterior modification and additions to homes
- Amended Zoning Ordinance to implement Greater Airpark, Downtown and Southern Scottsdale character area plans



Seek Sustainability

- Refunded \$83 million of bonds, saving \$8.0 million of debt service over the life of the bonds
- Identified approximately \$3.5 million in savings and/or revenue enhancement through audits



Preserve Meaningful Open Space

- Added 4,400 acres of land to the Scottsdale McDowell Sonoran Preserve
- Opened Cavalliere Park in Troon North area



Enhance Neighborhoods

- Renovated Civic Center Library, including a new computer lab, library shop and café
- Completed construction of two new fire stations at Eldorado Park and Cactus Acres



Support Economic Vitality

- Approved construction for expanded Tony Nelssen Equestrian Center at Westworld
- Attracted 18,000 people to downtown Scottsdale for a new baseball festival
- Continued to host the PGA's Waste Management Phoenix Open, Barrett-Jackson Collector Car Auction and the Scottsdale All-Arabian Show

Note: The strategic goals are the same as the major divisions of the voter-approved 2001 General Plan and are the six guiding principles developed through CityShape 2020. They are not listed in priority order.

Page 1 - Overview

- What is in the report?
- How are you organized?
- What are your goals?
- What was accomplished?



Strategic Goals and Selected Highlights



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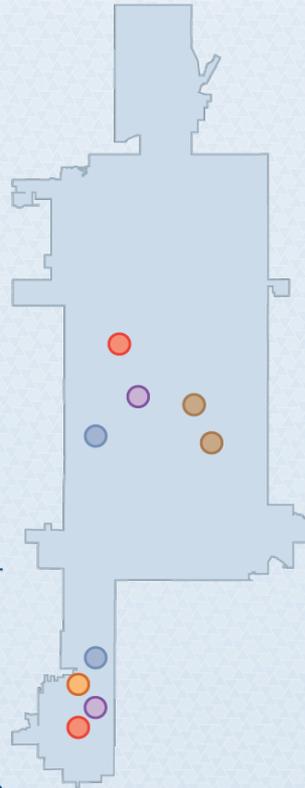
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Typical Financial Statement Presentation of Performance Measures

City of Scottsdale, Arizona
Operating Indicators by Division⁽¹⁾
Last Ten Fiscal Years

Table XXI

Division	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010 ⁽²⁾	2011	2012
Community and Economic Development										
<i>Planning, Neighborhood, and Transportation</i>										
Customer wait-time (in minutes) at One Stop Shop	N/A	45	25	15	20	20	7	7	6	6
Provide applicant with pre-application meeting within 30 days of submitting request.	N/A	90%	100%	100%	100%	100%	100%	100%	100%	100%
% of inspections performed within 24 hours of the request	N/A	97%	98%	99%	99%	99%	100%	100%	100%	100%
# of new Code Enforcement cases processed per year	10,000	10,000	11,336	13,137	16,900	15,570	20,568	16,452	16,000	16,500
% increase of Neighborhood Watch groups annually ⁽⁵⁾	15%	15%	37%	5%	5%	5%	-56%	5%	5%	5%
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	No Survey	86%	89%	No Survey	94%	No Survey	No Survey	No Survey	No Survey	No Survey
Total citywide transit ridership	1,917,011	1,917,000	1,969,512	2,104,382	2,365,204	2,584,837	3,472,828	3,103,185	2,539,744	2,499,000
Actions to improve safety and efficiency of traffic flow (signal timing changes and traffic control and speed limit studies) ⁽⁶⁾	124	150	270	322	375	475	N/A	8,578	10,397	10,500
<i>Economic Development</i>										
Targeted job creation - number of companies / number of jobs	23 / 2,032	23 / 1,800	10 / 1,443	11 / 1,275	7 / 1,800	5 / 1,374	7 / 394	10 / 731	7 / 450	8 / 1,465
Hotel/Motel average occupancy rate	61.3%	57.5%	60.0%	69.0%	69.0%	65.0%	59.2%	58.0%	58.8%	61.5%
Bed Tax growth (% annual change)	0%	+ 3%	+ 5%	+ 5%	+9%	-2%	-21%	-6%	8%	5%
# of Downtown special events coordinated	N/A	41	58	62	71	65	100	110	95	105
<i>Aviation</i>										
Scottsdale Airport - Takeoffs and Landings	197,483	195,276	208,106	210,481	185,241	201,958	169,972	156,896	136,089	146,058
<i>WestWorld</i>										
# of special events at WestWorld	47	53	57	49	43	44	31	28	20	20
Public Safety										
<i>Police</i>										
Scottsdale Uniform Crime Report, Part 1 (crimes per thousand) ⁽⁷⁾										
Scottsdale	44.8	45.5	42.3	34.9	37.1	35.6	34.3	29.6	31.9	32.8
Valley Average	80.1	60.2	56.5	51.0	51.0	51.0	N/A	N/A	N/A	N/A
Achieve the standard of six minutes or less for response to emergency calls for service (includes medical and accident related calls)	6:30	6:27	6:12	N/A	6:06	5:07	5:07	5:01	4:57	5:11
Provide initial contact to 100% of citizen traffic concerns within seven days	60%	96%	98%	98%	100%	100%	100%	100%	100%	100%
<i>Fire</i>										
# of responses to calls for emergency services	21,162	21,756	23,102	23,952	22,894	22,936	23,953	23,996	25,586	26,344
Responses per capita	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Average response time to urban calls for service (minutes)	4:01	4:20	4:23	4:20	4:15	4:21	4:23	4:28	4:22	4:18

How are we doing?

Scottsdale Statistics Fiscal Year Ending June 30

	2010	2011	2012
 Acres of land acquired for the McDowell Sonoran Preserve	399 	2,001 	4,419 
 Annual attendance at parks, community centers and libraries (in millions)	8.6 	8.9 	8.5 
 Total number of filed charges heard and resolved by the City Court	113,382 	108,003 	100,929 
 Responses by the Fire Department to calls for emergency services	23,996 	25,586 	26,344 
 Average Fire Dept. response time to calls for emergency services (in minutes)	4:28 	4:22 	4:18 
 Total crimes per thousand (Scottsdale Uniform Crime Report, Part 1) *	29.6 	31.9 	32.8 
 Average Police Department response time to emergency calls (in minutes)	5:01 	4:57 	5:11 
 Drinking Water Supplied (million gallons per day)	68.4 	67.9 	69.2 
 Homes serviced by residential refuse collections	79,006 	79,508 	79,787 
 New jobs created in targeted industries	731 	450 	1,465 
 Average hotel occupancy rate	58% 	59% 	62% 
 Total citywide transit ridership (in millions)	3.1 	2.5 	2.5 
 Scottsdale Airport takeoffs & landings	156,896 	136,089 	146,058 
 Maintained landscaped medians and rights of way (in millions of square feet)	17.0 	23.2 	23.5 
 Maintained city facilities (in millions of square feet)	2.9 	3.0 	3.0 

* For the preceding calendar year. Increase due to Census 2010 population estimate recalculation.

How do we compare with our neighbors?

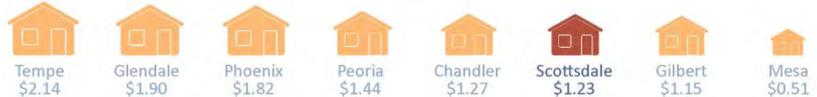
Population

Source: Arizona Office of Employment and Population Statistics



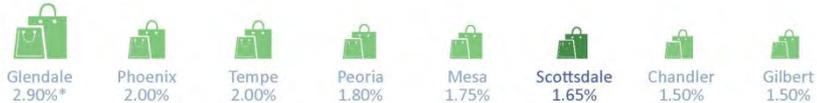
Combined Property Tax Rate per \$100 assessed value

Source: City Budget Offices
As of July 1, 2012



Local Retail Sales Tax Rate

Source: City Budget Offices
As of Aug. 1, 2012
*on items costing \$5,000 or less



Monthly Residential Utility Bill

Source: City of Tempe. Typical water, garbage and sewer charges as of January 2012



Page 2 - Performance

- What did you do?
- How well did you do it?
- What do your customers think?
- How do you compare?

How are we doing?

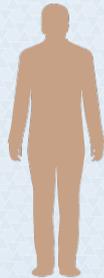
Scottsdale Statistics Fiscal Year Ending June 30		2010	2011	2012
	Acres of land acquired for the McDowell Sonoran Preserve	399 	2,001 	4,419 
	Annual attendance at parks, community centers and libraries (in millions)	8.6 	8.9 	8.5 
	Total number of filed charges heard and resolved by the City Court	113,382 	108,003 	100,929 
	Responses by the Fire Department to calls for emergency services	23,996 	25,586 	26,344 
	Average Fire Dept. response time to calls for emergency services (in minutes)	4:28 	4:22 	4:18 
	Total crimes per thousand (Scottsdale Uniform Crime Report, Part 1) *	29.6 	31.9 	32.8 
	Average Police Department response time to emergency calls (in minutes)	5:01 	4:57 	5:11 
	Drinking Water Supplied (million gallons per day)	68.4 	67.9 	69.2 
	Homes serviced by residential refuse collections	79,006 	79,508 	79,787 
	New jobs created in targeted industries	731 	450 	1,465 
	Average hotel occupancy rate	58% 	59% 	62% 
	Total citywide transit ridership (in millions)	3.1 	2.5 	2.5 
	Scottsdale Airport takeoffs & landings	156,896 	136,089 	146,058 
	Maintained landscaped medians and rights of way (in millions of square feet)	17.0 	23.2 	23.5 
	Maintained city facilities (in millions of square feet)	2.9 	3.0 	3.0 

* For the preceding calendar year. Increase due to Census 2010 population estimate recalculation.

How do we compare with our neighbors?

Population

Source: Arizona Office of Employment and Population Statistics



Phoenix
1,451,970



Mesa
441,160



Chandler
238,381



Glendale
227,446



Scottsdale
217,965



Gilbert
213,519



Tempe
162,503



Peoria
155,754

Property Tax Rate per \$100 assessed value

Source: City Budget Offices
As of July 1st, 2012



Tempe
\$2.14



Glendale
\$1.90



Phoenix
\$1.82



Peoria
\$1.44



Chandler
\$1.27



Scottsdale
\$1.23



Gilbert
\$1.15



Mesa
\$0.51

Local Retail Sales Tax Rate

Source: City Budget Offices
As of Aug. 1, 2012

*on items costing \$5,000 or less



Glendale
2.90%*



Phoenix
2.00%



Tempe
2.00%



Peoria
1.80%



Mesa
1.75%



Scottsdale
1.65%



Chandler
1.50%



Gilbert
1.50%

Monthly Residential Utility Bill

Source: City of Tempe. Typical
water, garbage and sewer
charges as of January 2012



Mesa
\$101.58



Phoenix
\$93.25



Glendale
\$92.75



Peoria
\$83.00



Scottsdale
\$80.92



Tempe
\$76.58



Gilbert
\$69.42



Chandler
\$67.67

Analysis of Changes in Net Assets

The City's total net assets increased by \$83.7 million and \$13.4 million during the fiscal years 2012 and 2011, respectively. These increases are explained in the government and business-type activities discussion herein, and are primarily a result of contributions from developers of infrastructure assets. Such amounts are included in Capital Grants and Contributions on the table that follows.

Changes in Net Assets

For the fiscal years ended June 30, 2012 and 2011 (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues						
Charges for Services	\$ 37,241	\$ 38,152	\$ 157,968	\$ 152,345	\$ 195,209	\$ 190,497
Operating Grants and Contributions	28,144	32,205	-	-	28,144	32,205
Capital Grants and Contributions	112,163	41,072	8,607	17,889	120,770	58,961
General Revenues						
Property Taxes	64,479	67,703	-	-	64,479	67,703
Business Taxes	163,484	154,415	132	134	163,616	154,549
Intergovernmental - Taxes	35,334	49,190	-	-	35,334	49,190
Intergovernmental - Other	8,701	-	-	-	8,701	-
Interest and Investment Income	1,063	248	421	2,658	1,484	2,906
Gain on Sale of Capital Asset	97	-	7,610	-	7,707	-
Other Revenue	20,405	11,849	-	1,355	20,405	13,204
Total Revenues	471,111	394,834	174,738	174,381	645,849	569,215
EXPENSES						
General Government						
Mayor and City Council	734	612	-	-	734	612
City Clerk	1,118	934	-	-	1,118	934
City Attorney	5,419	5,499	-	-	5,419	5,499
City Auditor	617	717	-	-	617	717
City Court	5,736	5,602	-	-	5,736	5,602
City Manager	842	1,434	-	-	842	1,434
City Treasurer - Finance and Accounting	4,498	6,697	-	-	4,498	6,697
Public Works	34,416	35,605	-	-	34,416	35,605
Community and Economic Development	126,622	134,221	-	-	126,622	134,221
Public Safety	115,740	111,227	-	-	115,740	111,227
Community Services	54,442	51,974	-	-	54,442	51,974
Administrative Services	17,318	19,443	-	-	17,318	19,443
Streetlight and Services Districts	572	578	-	-	572	578
Interest on Long-Term Debt	40,647	40,358	-	-	40,647	40,358
Water Utility	-	-	90,829	83,888	90,829	83,888
Sewer Utility	-	-	41,218	34,533	41,218	34,533
Airport	-	-	3,681	3,680	3,681	3,680
Solid Waste	-	-	17,671	18,853	17,671	18,853
Total Expenses	408,721	414,901	153,399	140,954	562,120	555,855
Increase (Decrease) in Net Assets Before Transfers	62,390	(20,067)	21,339	33,427	83,729	13,360
Transfers	7,366	10,179	(7,366)	(10,179)	-	-
Change in Net Assets	69,756	(9,888)	13,973	23,248	83,729	13,360
Net Assets at Beginning of Year	2,905,094	2,914,982	1,304,655	1,281,407	4,209,749	4,196,389
Net Assets at End of Year	\$ 2,974,850	\$ 2,905,094	\$ 1,318,628	\$ 1,304,655	\$ 4,293,478	\$ 4,209,749

Typical Financial Statement Presentation of Financial Position



What were the expenses for running the City of Scottsdale and what revenues were available?

These charts provide a snapshot into how the city as a whole did financially over the past three years. The City's fiscal year begins on July 1 and ends on June 30. For detailed analysis and explanation of these results, please review the Comprehensive Annual Financial Report available on the city's website. The city's financial statements are audited annually by an independent audit firm.

Where does it come from? Revenues (in millions) *Arrows compare results with prior year.*



- **Capital Grants and Contributions (19%).** Includes funding from local, state and federal governments for buildings, construction and equipment*
- **Intergovernmental Taxes (7%).** The city receives a percentage of state revenues based on population
- **Other Revenues (9%).** Includes investment interest, operating grants and miscellaneous revenues, fines and fees
- **Property Taxes (10%).** Taxes collected on residential and commercial properties
- **Business and Sales Taxes (25%).** Local sales and use taxes collected on retail, restaurant, hotel, auto sales and construction
- **Service Charges (30%).** Charges for city utility services including water, sewer and trash collection

Where does it go? Expenses (in millions)



- **Public Safety (21%).** Fire and police department operations
- **General Government (6%).** Administrative services including information technology, human resources, charter and elected officials
- **Interest on Long-term Debt (7%).**
- **Community Services (10%).** Parks, libraries, pools, recreation, senior centers and Scottsdale Stadium
- **Community & Economic Development (23%).** Includes airport, planning, neighborhoods, transportation and WestWorld
- **Public Works & Water Resources (33%).** Includes trash and recycling collection, streets, streetlights, water and sewer services

Net Assets (in millions)

\$4,059.4	\$4,196.4	\$4,209.7	Beginning of Year
\$4,196.4	\$4,209.7	\$4,293.5	End of Year

Net assets can serve as a useful indicator of a government's overall financial health. In the private sector, this concept is commonly referred to as "net worth." Assets are the total property, including cash and investments, owned by the city; and liabilities are the total debts or financial obligations. Net assets is calculated by subtracting total liabilities from total assets.

*Revenue decline attributed to decrease in non-cash infrastructure contributions toward capital assets

Page 3 - Finance

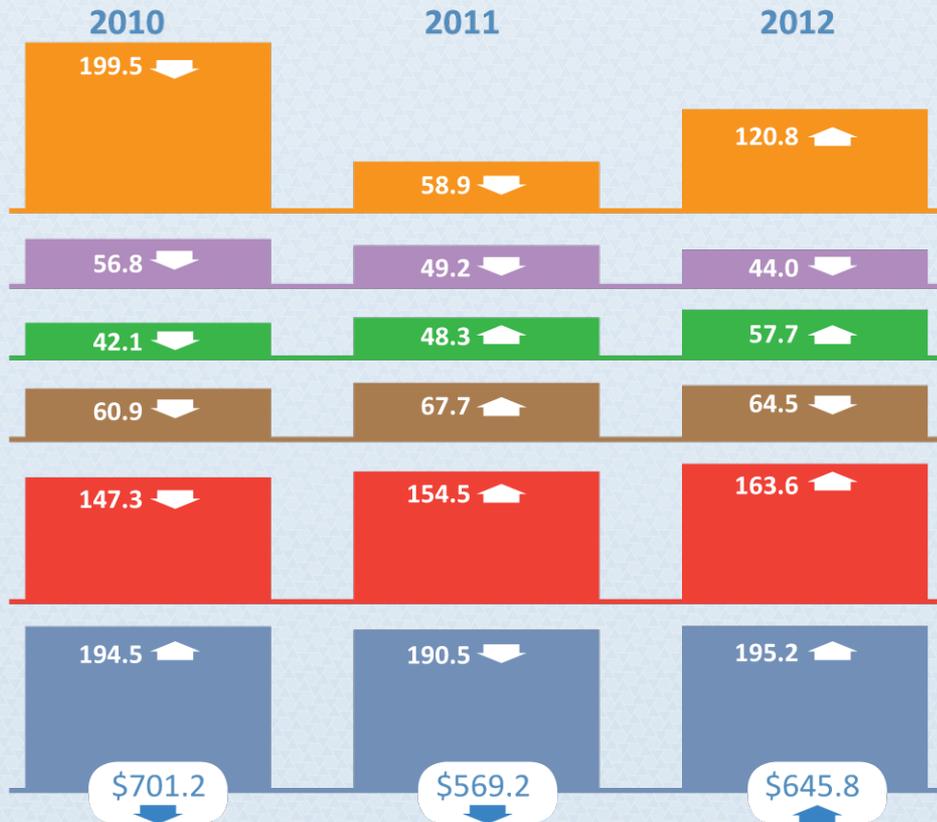
- Where does the money come from?
- Where does it go?
- Where can I get more info?
- How do I know this is reliable?



What revenues were available to run the City of Scottsdale?

These charts provide a snapshot into how the city as a whole did financially over the past three years. The City's fiscal year begins on July 1 and ends on June 30.

Where does it come from? Revenues (in millions) *Arrows compare results with prior year.*



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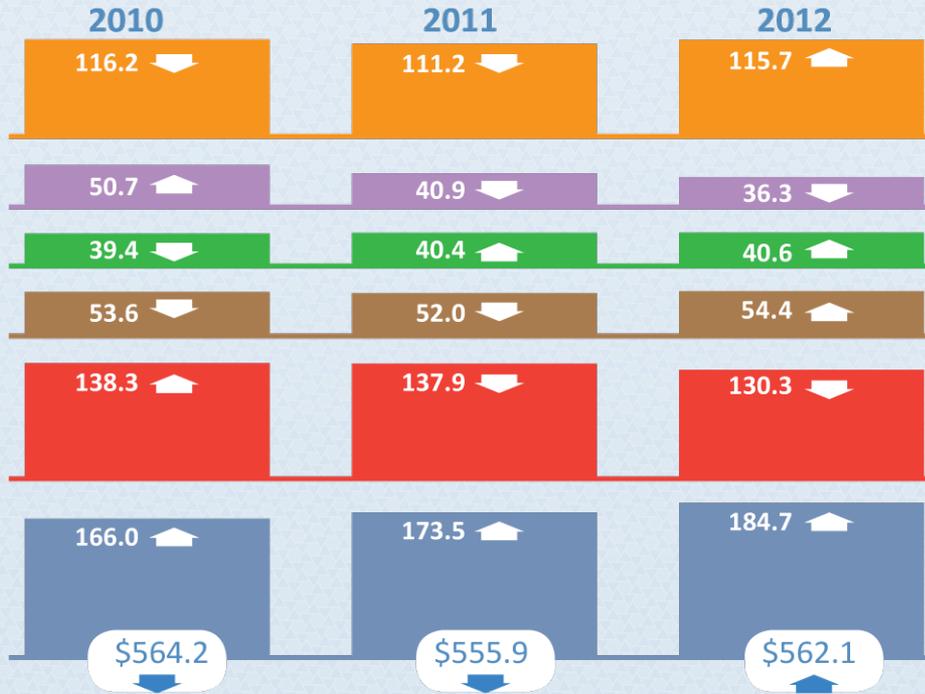
**Revenue decline attributed to decrease in non-cash infrastructure contributions toward capital assets*



What were the expenses for running the City of Scottsdale?

For detailed analysis and explanation of these results, please review the Comprehensive Annual Financial Report available on the city's website. The city's financial statements are audited annually by an independent audit firm.

Where does it go? Expenses (in millions)



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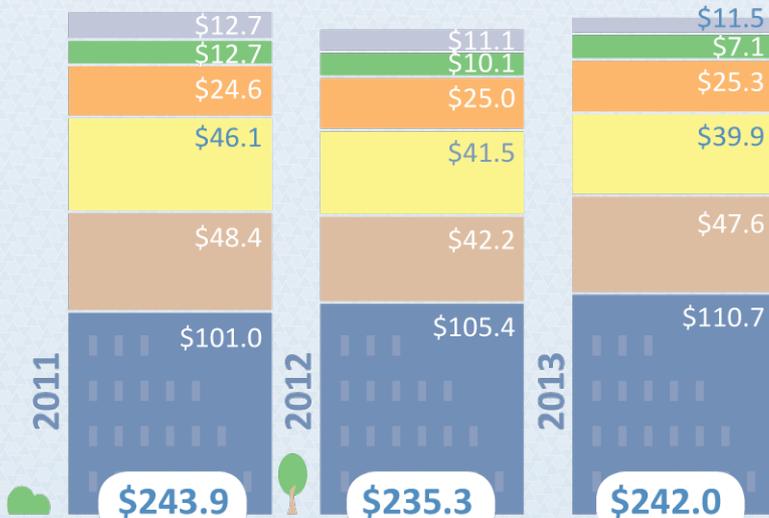
What's the “net worth” of the City of Scottsdale

Net assets can serve as a useful indicator of a government's overall financial health. In the private sector, this concept is commonly referred to as “net worth.” Assets are the total property, including cash and investments, owned by the city; and liabilities are the total debts or financial obligations. Net assets is calculated by subtracting total liabilities from total assets.

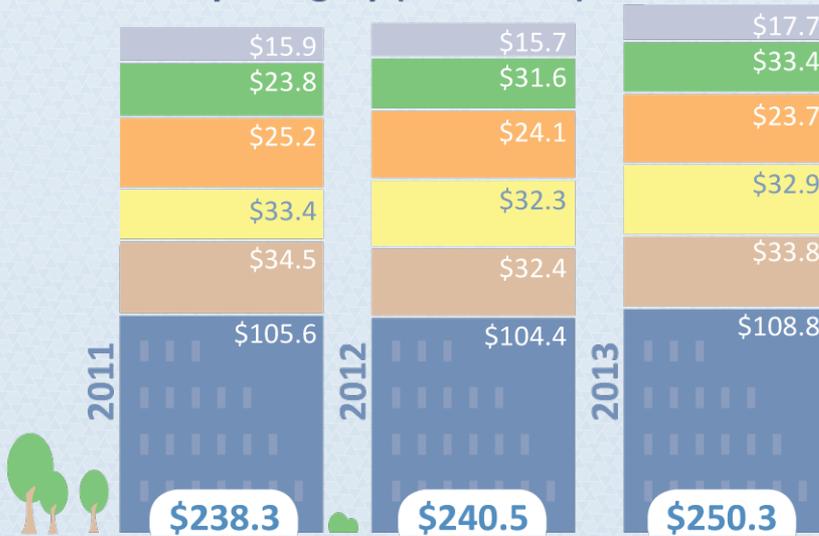
Net Assets (in millions)

\$4,059.4 	\$4,196.4 	\$4,209.7 	Beginning of Year
\$4,196.4 	\$4,209.7 	\$4,293.5 	End of Year

Source by Category (in millions)



Use by Category (in millions)



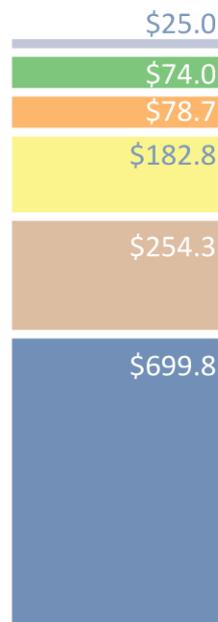
- **Transfers in from other funds** - (3%) Charges to other city funds.
- **Franchise fees and in-lieu taxes** - (5%) Taxes charged on revenues from utility and cable companies for use of city-owned property.
- **Property taxes** - (10%) Taxes collected on residential and commercial properties.
- **Service charges and other revenues** - (16%) Licensing fees and charges to citizens and businesses to receive city services and programs.
- **Intergovernmental taxes** - (20%) The city receives a percentage of state revenues.
- **Business and Sales Taxes** - (46%) Local sales and use taxes collected on retail, restaurant, hotel, auto sales and construction.
- **Public Works** - (7%) Includes funding to maintain city facilities.
- **Community & Economic Development** - (9%) Includes planning, neighborhoods, transportation, and WestWorld.
- **General Government** - (13%) Administrative services including information technology, human resources, charter and elected officials.
- **Transfers out to other funds and other** - (13%) Authorized transfers to other funds and for debt service and capital projects.
- **Community Services** - (14%) Parks, libraries, pools, recreation, senior centers.
- **Public Safety** - (43%) Fire and police department operations.

Sources over/ (under) Uses	\$5.6	\$ (5.2) †	\$ (8.4) †
Total Ending Fund Balance	\$44.6	\$39.4	\$31.1

† Unreserved fund balance used to fund one-time City Council initiatives. The unreserved fund balance represents accumulated surpluses of prior years.

What is our budget for the current year?

The General Fund is the city's largest operating fund, but there are five other funds that make up the total adopted budget of \$1,285 million*.



- **Internal Service Funds** - (2%) used on a cost-reimbursement basis to provide fleet, computer replacement, health care and risk services.
- **Special Revenue Funds** - (6%) from specific revenue sources that are legally restricted for specific purposes such as transportation.
- **Debt Service Funds** - (6%) accounts for the payment of long-term debt principle and interest.
- **Enterprise Funds** - (14%) used to run business-type operations such as water, wastewater, solid waste and aviation.
- **General Fund** - (20%) the primary operating fund of the city which accounts for traditional local government services.
- **Capital Project Fund** - (52%) used to acquire or construct major facilities including buildings, roads and water infrastructure.

* Amount reflects the maximum budget authority available including contingencies/ reserves and excluding transfers between funds.

The City's financial statements are audited annually by an independent auditor. Complete financial information can be found on our website at www.ScottsdaleAZ.gov/finance.

Page 4 - Priorities

- What are your priorities?
- What challenges do you anticipate?
- How can I provide feedback?

Challenges Moving Forward

The adopted budget for the fiscal year that began July 1, 2012 stabilizes the city's spending, maintains the excellent level of service Scottsdale residents enjoy, reinvests in the city workforce and supports new projects such as the Tony Nelszen Equestrian Center at WestWorld, while also investing one-time savings in critical maintenance and upkeep needs.

General Fund revenues are expected to increase by \$15 million or almost 7 percent, a positive trend that continues from the previous year. Division operating expenditure increases have been contained to \$10 million or 5 percent – many of those increases are necessary to cover rising costs over which the city has little control.

The capital improvement plan invests \$21 million of general fund dollars (or \$363 million all funds) in a variety of key infrastructure improvements citywide to maintain and improve the backbone of the city's service delivery systems.

The one-time savings created by keeping operating expenses below revenues in past years allowed us to dedicate an additional \$5.3 million to the capital program to address critical maintenance and upkeep needs at parks, pools and other city facilities.

We are interested if you have comments or suggestions regarding how we can lower costs or improve services. In addition, please let us know if you like this report, or if there is any other information you would like to see included next year.

Please contact the City Manager's Office to provide your comments.

City Manager's Office
City of Scottsdale
3939 N. Drinkwater Blvd.
Scottsdale, AZ 85251
480.312.2800
480.312.2738 fax
feedback@ScottsdaleAZ.gov

*Images of projects completed in the past year:
Page 1: George "Doc" Cavalliere Park;
Page 4: "The Bell, The Flower, and The Wash" by Ilan Averbuch; George "Doc" Cavalliere Park;
Pima Road Streetscape*

11/2012

What are our priorities for Fiscal Year 2012/13?



- Acquire 6,400 acres of land from the State Land Department to connect the Preserve with the Tonto National Forest
- Complete construction of the Brown's Ranch Trailhead, including Jane Rau Interpretive Trail
- Increase fire prevention activities in adjoining neighborhoods to reduce risk of Preserve fires
- Initiate first phase of access control, signage, trails and restoration in recently acquired Preserve lands



- Deliver cardiac arrest patients (with a pulse) to emergency room doors at or faster than the national average
- Implement program encouraging enhanced design of exterior modifications & additions in single family (R1-7) neighborhoods
- Review and modify the process to correct major code violations to improve timeliness and cost recovery
- Improve pre-screening process to increase numbers of low-income residents receiving direct assistance



- End long distance shipping of Granular Activated Carbon and begin reactivating at new local facility
- Create software application to streamline tracking of police officer applicants through the personnel process
- Complete software development for work orders, asset management and maintenance of radio systems
- Replace compressed natural gas fueling station at Via Linda facility to increase reliability



- Implement cooperative marketing plan for Airport, Airpark and WestWorld with aviation stakeholders
- Begin construction and recruit new events for the expanded Tony Nelszen Equestrian Center at WestWorld
- Continue amending Zoning Ordinance to improve regulatory efficiency while protecting neighborhoods
- Enhance tax base through new development and jobs Downtown, and on Bell & McDowell road corridors



- Maintain paved street system at an average condition index rating of 70 on a 100 point scale
- Initiate Airport Master Plan to evaluate future airport development and aviation-related uses in the Airpark
- Complete final design and initiate construction of Northsight Extension between Hayden & Frank Lloyd Wright
- Update Freeway Improvement Plan to improve access to WestWorld and the Bell Road corridor



- Process text amendments to implement Greater Airpark, Downtown & Southern Scottsdale area plans
- Continue General Plan public outreach with the objective to complete a draft update by April 2013



This report provides a snapshot of information available in the budget and comprehensive annual financial report documents which are available at:

www.ScottsdaleAZ.gov/finance

Strategic Goals and Selected Priorities



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- Complete construction of the Brown's Ranch Trailhead, including the Jane Rau Interpretive Trail
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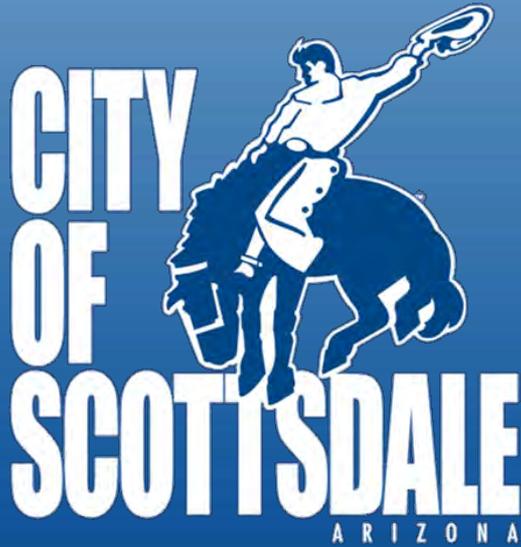
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How have we used our report?

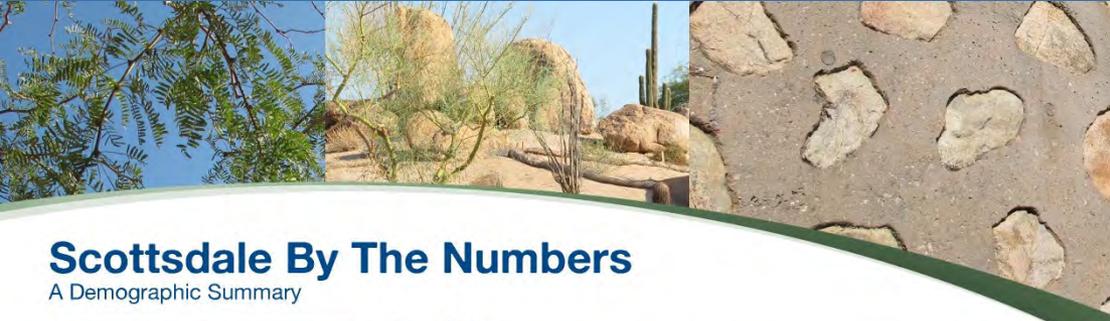
- City Council Meetings
- Boards and Commissions
- Community Leaders
- Local Realtors
- Prospective Businesses
- City Publications

Key Tips

- Keep it simple
- Avoid jargon
- Provide context
- Reuse content
- Refer to sources
- Focus on your customer

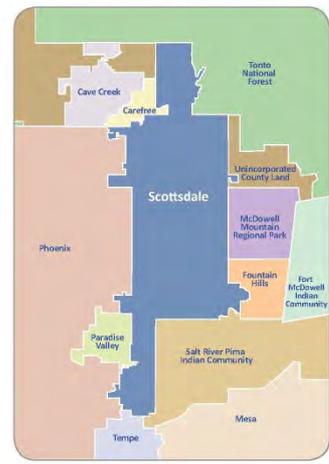


The citizen-centric report has impacted our approach to other projects



Scottsdale By The Numbers

A Demographic Summary



Location

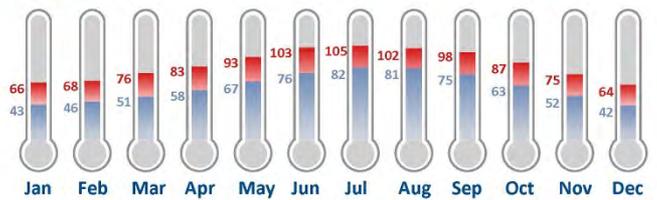
Scottsdale is located in Maricopa County, Arizona. The city covers an area of 184.5 square miles; 31 miles from north to south, and 11.4 miles at its widest point. Neighboring communities include Phoenix and Paradise Valley to the west, Tempe to the south; the Salt River Pima-Maricopa Indian Community and Fountain Hills to the east, and Cave Creek and Carefree to the north.

Scottsdale is also bordered by the Tonto National Forest and unincorporated county land, including the McDowell Mountain Regional Park. Scottsdale's elevation varies from a low of 1,150 feet to 4,877 feet, and at Scottsdale Airport is 1,510 feet above sea level.

Climate

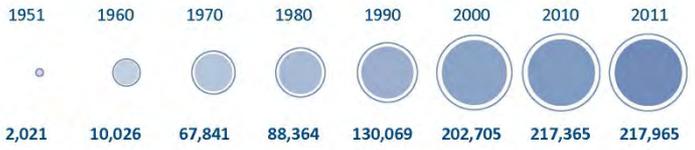
Scottsdale averages 7.7 inches of rainfall per year, with the average monthly minimum and maximum temperatures ranging throughout the year from 42°F in December to 105°F degrees in July.

Average Daily Maximum and Minimum Temperatures



Source: Western Regional Climate Center, Scottsdale Airport Weather Station, Nov. 2001-Dec. 2008

Scottsdale's Population Growth



Source: U.S. Census, Population Division; State of Arizona Office of Employment and Population Statistics (2011)

Population

Scottsdale is the sixth largest city in Arizona and the 92nd largest city in the United States.

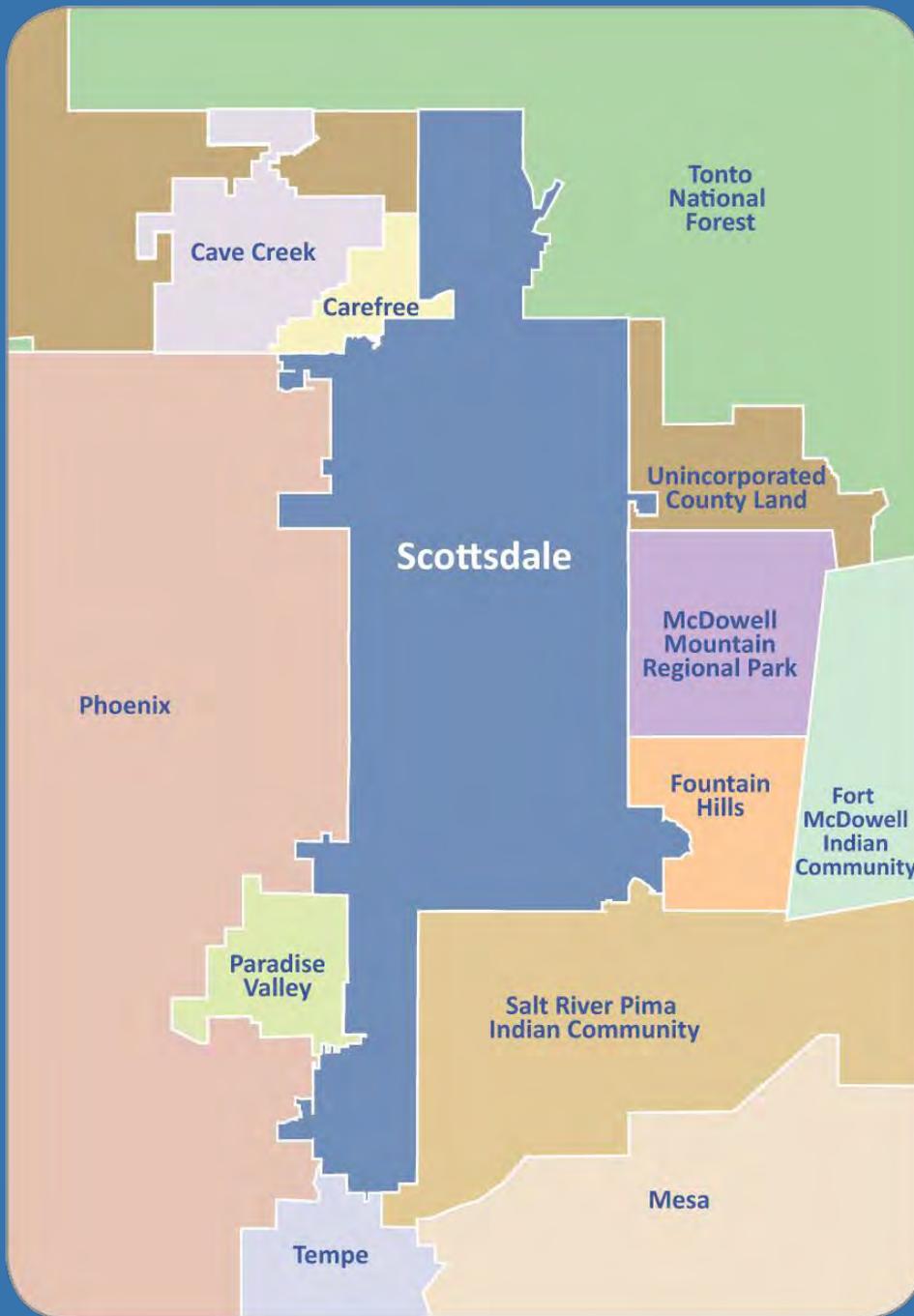


Scottsdale By the Numbers

A Demographic Summary

Page 1.
Where is Scottsdale?
How hot is it, really?
How large is the community?





Location

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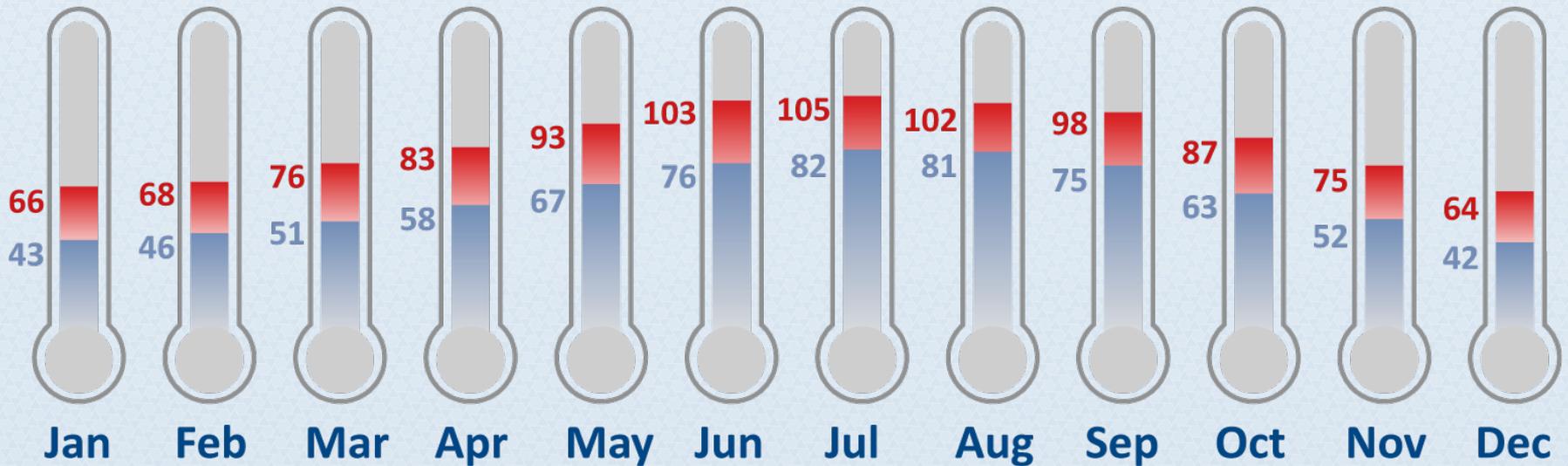
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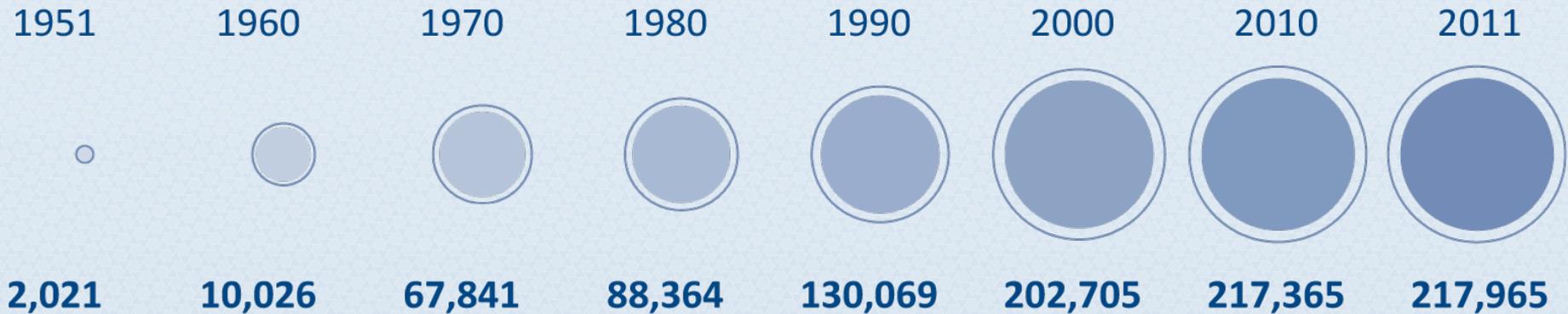
Source: Western Regional Climate Center, Scottsdale Airport
Weather Station, Nov. 2001-Dec. 2008

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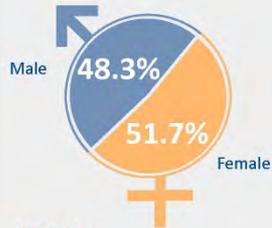


Scottsdale's Population Growth



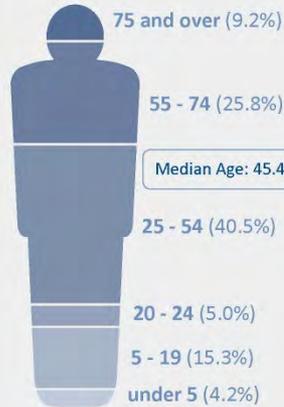
Source: U.S. Census, Population Division; State of Arizona Office of Employment and Population Statistics (2011)

Scottsdale and its residents



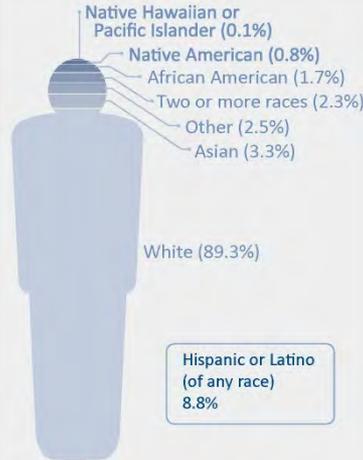
Gender

Source: U.S. Census Bureau, 2010 Census



Age Composition

Source: U.S. Census Bureau, 2010 Census



Race and Ethnic Origin

Source: U.S. Census Bureau, 2010 Census

Housing Occupancy Source: U.S. Census Bureau, 2010 Census



Homeowner vacancy rate 4.4%
Rental vacancy rate 11.4%

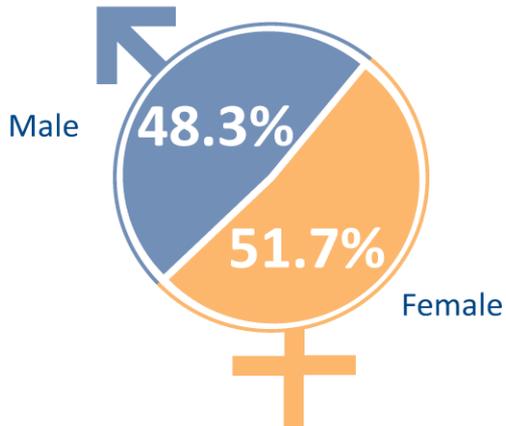
Educational Attainment Source: U.S. Census Bureau, 2006-2010 American Community Survey



Page 2.
What kind of people live in Scottsdale?

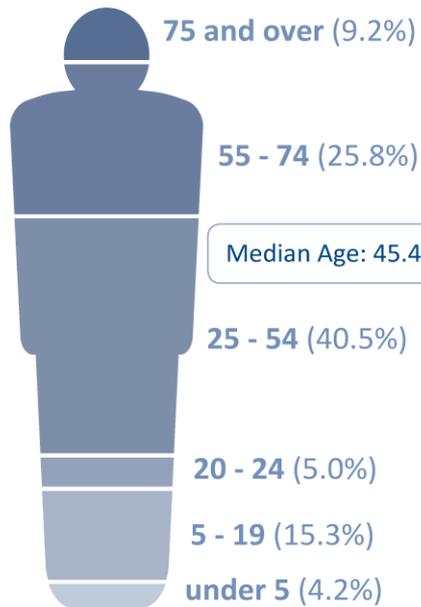


Scottsdale and its residents



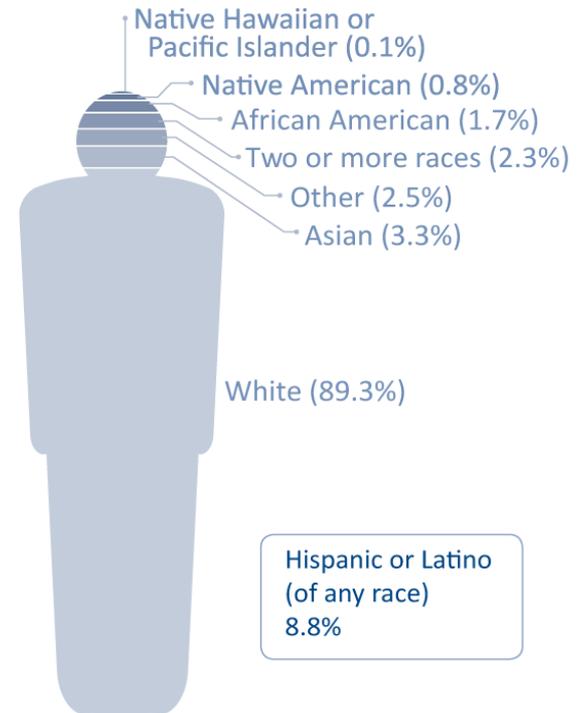
Gender

Source:
U.S. Census Bureau, 2010 Census



Age Composition

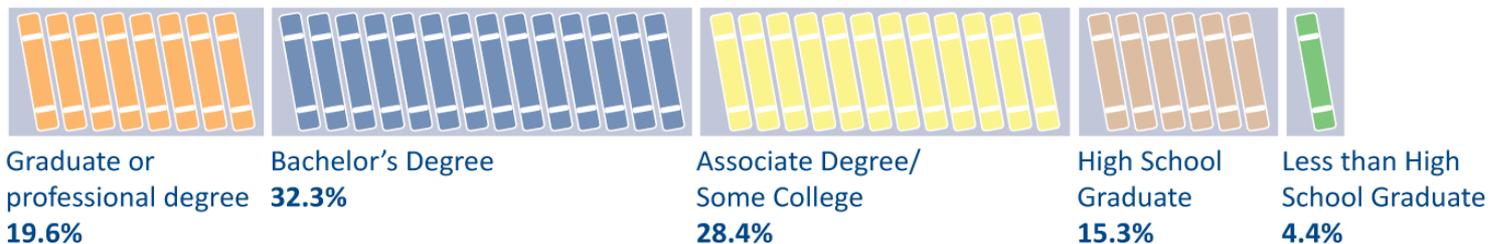
Source:
U.S. Census Bureau, 2010 Census



Race and Ethnic Origin

Source:
U.S. Census Bureau, 2010 Census

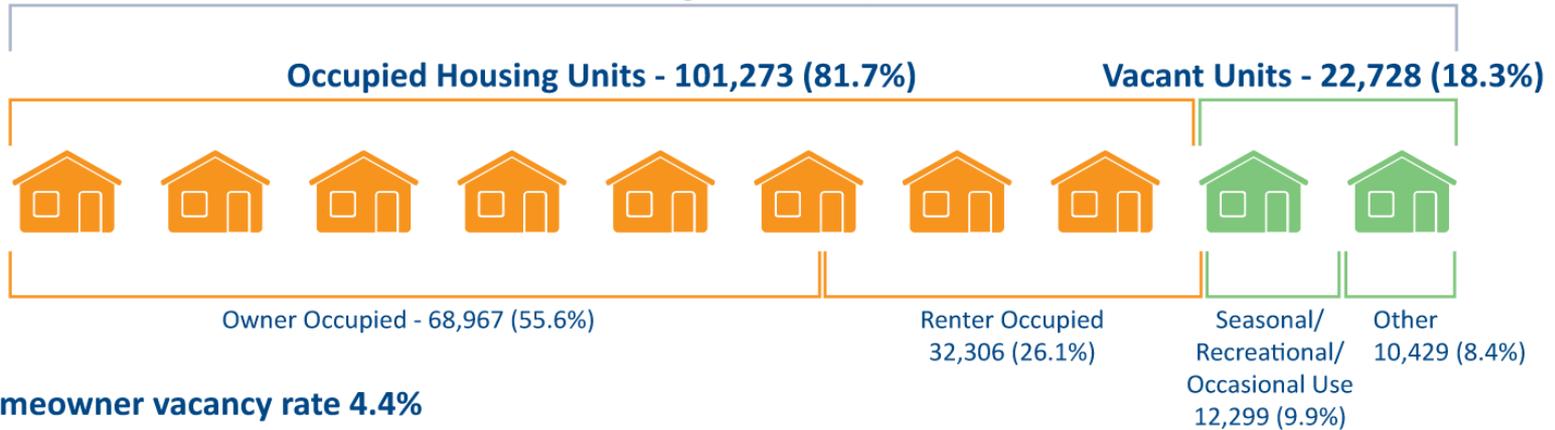
Educational Attainment Source: U.S. Census Bureau, 2006-2010 American Community Survey



Housing Occupancy

Source: U.S. Census Bureau, 2010 Census

Total Housing Units - 124,001



Homeowner vacancy rate 4.4%

Rental vacancy rate 11.4%

Median Housing Value

Source: U.S. Census Bureau, 2010 Census



Household Income Distribution

Source: U.S. Census Bureau, 2006-2010 American Community Survey



Median Household Income \$71,564
Mean Household Income \$109,796

General Plan Land Use

Source: Scottsdale Community & Economic Development Division

Undeveloped/Open Space*
48.2%



Residential
45.4%



Commercial/Industrial
6.4%



*includes street right-of-ways, parks, golf courses, open-space preserves

Occupational Composition

Source: U.S. Census Bureau, 2006-2010 American Community Survey

Management, business, science and arts - 50.1%



Sales and office - 28.7%



Service - 12.6%



Production, transportation and material moving - 4.6%



Natural resources, construction and maintenance - 4.0%

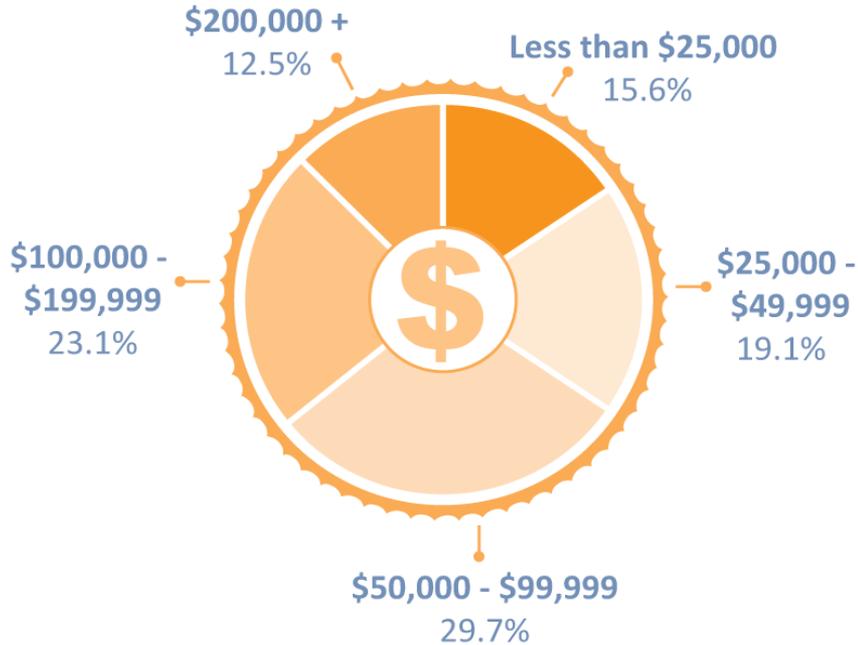


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Where do your residents work?
How much do they earn?

Household Income Distribution

Source: U.S. Census Bureau, 2006-2010 American Community Survey



Median Household Income \$71,564
Mean Household Income \$109,796

General Plan Land Use

Source: Scottsdale Community & Economic Development Division

Undeveloped/Open Space*
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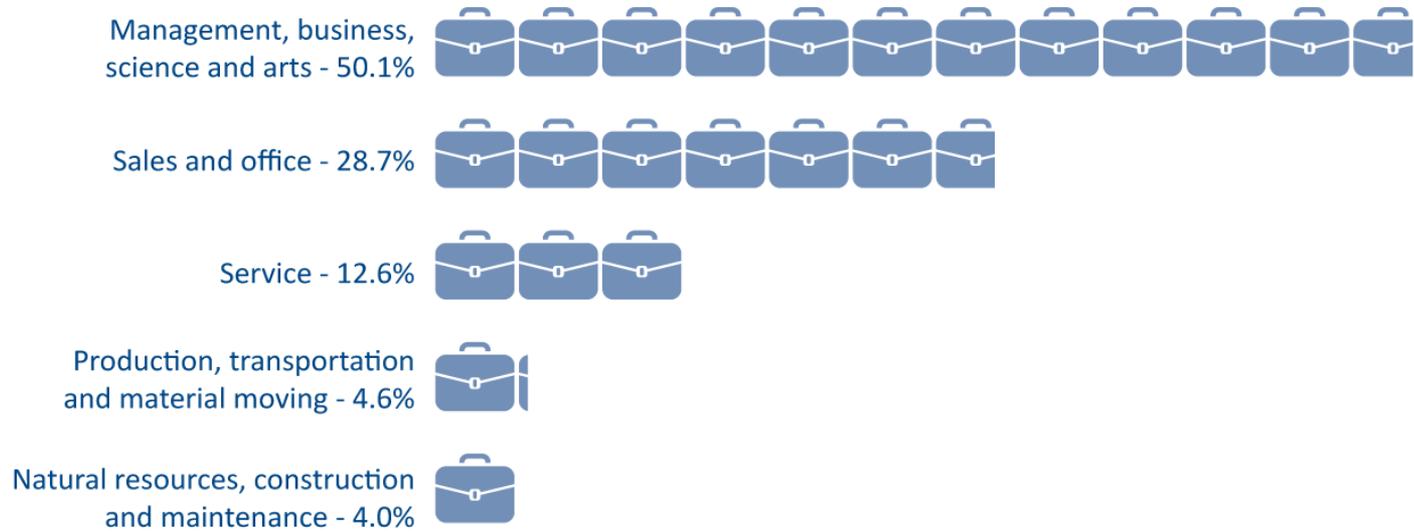
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Occupational Composition

Source: U.S. Census Bureau, 2006-2010 American Community Survey

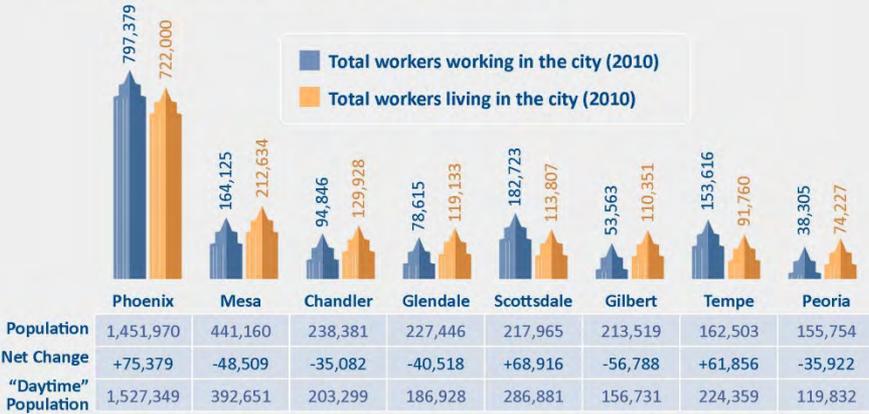




Page 4.
 What do people live in
 Scottsdale?
 How does it compare?

Estimated Daytime Population

Source: U.S. Census Bureau, 2006-2010 American Community Survey



Median Housing Value

Source: U.S. Census Bureau, 2010 Census



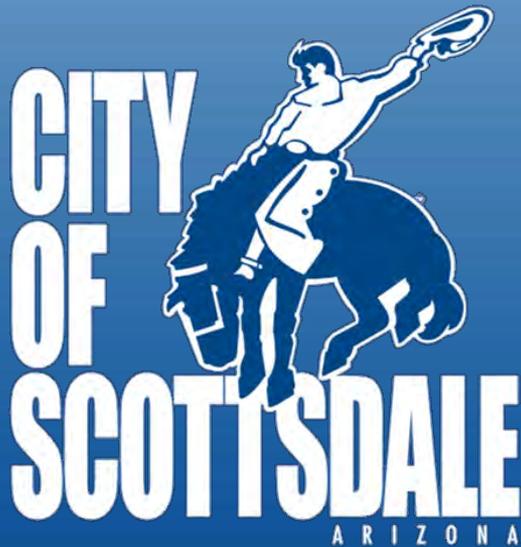
More demographic information is available in the comprehensive annual financial report document which is available at:
www.ScottsdaleAZ.gov/finance



Median Housing Value

Source: U.S. Census Bureau, 2010 Census





Questions,
comments,
Observations?

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