SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MARCH 17, 2020

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

CALL TO ORDER

Mayor W.J. “Jim” Lane called to order a Regular Meeting of the Scottsdale City Council at 5:04 P.M. on Tuesday, March 17, 2020, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. “Jim” Lane; Vice Mayor Kathleen S. Littlefield; and Councilmembers Suzanne Klapp, Virginia L. Korte, Linda Milhaven, Guy Phillips, and Solange Whitehead (participated telephonically)

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Councilmember Korte

INVOCATION – Mayor Lane asked for a moment of silence to reflect on the deadly COVID-19 virus sweeping the nation and the precautions needed to be taken to thwart continued outbreaks.

MAYOR’S REPORT

Mayor Lane commented on the COVID-19 virus, including community actions, guidelines, and sources for information.

PRESENTATIONS/INFORMATION UPDATES – Postponed

Scottsdale Arts Update
Presenter(s): Gerd Wuestemann, Scottsdale Arts President and CEO

PUBLIC COMMENT – None

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

A1. Added Items
The council reports for Item Nos. 23A and 24 were added to the agenda less than ten days prior to the meeting and will require a separate vote to remain on the agenda.
Request: Vote to accept the agenda as presented or to continue the added items to the April 7, 2020, Council meeting

MOTION AND VOTE – ADDED ITEMS

Councilmember Korte made a motion to accept the agenda as presented. Councilwoman Klapp seconded the motion, which carried 5/2, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, and Phillips voting in the affirmative and Councilmembers Milhaven and Whitehead dissenting.

MINUTES


MOTION AND VOTE – MINUTES

Councilman Phillips made a motion to approve the Special Meeting Minutes of February 18, 2020, and Regular Meeting Minutes of February 18, 2020. Councilwoman Klapa seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. Herb Box Catering Company Liquor License (103-LL-2019)
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 7000 E. Shea Boulevard, Building G, Suite 1010
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

2. Francine Liquor License (18-LL-2020)
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.
Location: 7014 E. Camelback Road, Suite 1160
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.
Location: 11291 E. Via Linda, Suite 128
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcourtis@scottsdaleaz.gov
4. **Pizza Hut No. 26981 Liquor License (20-LL-2020)**
   **Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (bocor and wine store) State liquor license for a new location and owner.
   **Location:** 10320 N. Scottsdale Road, Suite 121
   **Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

5. **Brand Factory Liquor License (23-LL-2020)**
   **Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 4 (wholesaler) State liquor license for a new location and owner.
   **Location:** 502 N. Hayden Road, Suite 550
   **Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

6. **Permanent Extension of Premises for Crust Brothers (2-EX-2020)**
   (Removed at the request of staff.)

7. **Green Sky Patient Center of Scottsdale North, Inc., Conditional Use Permit (3-UP-2015#2)**
   **Request:** Find that the conditional use permit criteria have been met and adopt Resolution No. 11738 approving the renewal of an existing Conditional Use Permit for a Medical Marijuana Use (dispensary) in a 2,700± square-foot facility with Industrial Park (I-1) zoning.
   **Location:** 7320 E. Butherus Drive, Suite 100
   **Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

8. **Lomas Verdes Estates Final Plat (5-PP-2017)**
   **Request:** Approve the final plat for a new residential subdivision comprised of six lots and amended development standards on an 8±-acre site with Single-Family Residential, Environmentally Sensitive Lands, Foothills Overlay (R1-43/ESL/FO) zoning.
   **Location:** Southeast corner of E. Redbird Road and N. 54th Street
   **Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

9. **South Scottsdale Mixed-Use Rezoning (14-ZN-2018)**
   **Request:** Continue to a date to be determined.
   **Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

10. **Transportation Engineering Services Contracts for Capital Improvement Projects**
    **Request:** Adopt Resolution No. 11737 authorizing the following on-call engineering services contracts for an initial two-year term in an amount not to exceed $1,500,000 per contract for the design of various transportation projects:
    2. Contract No. 2020-049-COS with Premier Engineering Corporation
    **Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
11. **One Civic Center Pocket Park Project Budget Transfer**

**Request:** Adopt Resolution No. 11743 authorizing a FY 2019/20 General Fund Capital Contingency Budget Appropriation transfer in the amount of $150,000 from the Downtown Cultural Trust to a newly created CIP project titled One Civic Center Pocket Park Project.

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

12. **Recyclable Materials Intergovernmental Agreement**

**Request:** Adopt Resolution No. 11729 to authorize:

1. Agreement No. 2020-045-COS with the City of Phoenix for the processing and disposition of recyclable materials.
2. A budget transfer from the adopted FY 2019/20 Solid Waste Fund Operating Reserve to the Solid Waste Management Operating Budget in an amount not to exceed $550,000 to cover unforeseen circumstances that impact the landfill disposal, recycling disposal costs, and recycling processing fee.
3. The Public Works Director to execute and take necessary actions to modify Contract No. 2016-022-COS with Salt River Pima-Maricopa Indian Community to provide for the alternative delivery of recyclable materials to the Phoenix Materials Recovery Facilities.

**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

13. **Trolley Preventative Maintenance Grant**

**Request:** Adopt Resolution No. 11739 to authorize:

1. Intergovernmental Agreement No. 2020-052-COS with the City of Phoenix for the acceptance of a Federal Transit Administration grant in the amount of $174,084 for trolley preventative maintenance.
2. A budget transfer in the amount of $174,084 from the adopted FY 2019/20 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

14. **Scottsdale Stadium Food and Beverage Agreement**

**Request:** Adopt Resolution No. 11734 to authorize:

1. Agreement No. 2020-047-COS with Arizona Sportservice, Inc., dba Delaware North, for the provision of concession, catering, and alcoholic beverage services at Scottsdale Stadium.
2. The Community Services Director, or designee, to make determinations, execute documents, and take any other such actions as necessary.

**Staff Contact(s):** Reed Pryor, Parks and Recreation Director, 480-312-1011, rpryor@scottsdaleaz.gov

15. **Naming of the Fraesfield Trailhead Interpretive Trail and the Gateway Trailhead Amphitheater**

**Request:** Adopt Resolution No. 11735 to authorize naming the following locations in the Scottsdale McDowell Sonoran Preserve:

1. The Fraesfield Trailhead Interpretive Trail in honor of Kathryn "Sam" Campana.
2. The Gateway Trailhead Amphitheater in honor of Mary Manross.

**Staff Contact(s):** Kroy Ekblaw, Preserve Director, 480-312-7064, kekblaw@scottsdaleaz.gov
16. Public Housing Agency Plans
   **Request:** Adopt Resolution No. 11670 to:
   1. Approve the Public Housing Agency Five-Year Agency Plan for 2020-2025 and the
      Annual Agency Plan for FY 2020/21 for the operation of and to serve as the application
      for funding for the Housing Choice Voucher Program to the United States Department
      of Housing and Urban Development (HUD).
   2. Authorize changes to the Scottsdale Housing Agency Administrative Plan, included in
      the Five-Year and Annual Agency Plans.
   3. Accept additional Housing Choice Vouchers that HUD may offer during FY 2020/21.
   4. Authorize the Human Services Director to execute any other documents and take any
      other such actions as necessary.
   **Staff Contact(s):** Greg Bestgen, Human Services Director, 480-312-0104,
   gbestgen@scottsdaleaz.gov

17. Paiute Neighborhood Center Women, Infants and Children Program Revocable License Agreement
   **Request:** Adopt Resolution No. 11732 authorizing Agreement No. 2017-142-COS-A1, the
   first amendment to the agreement with Maricopa County, to use space at Paiute Neighborhood Center to operate the Women, Infants, and Children Program.
   **Staff Contact(s):** Greg Bestgen, Human Services Director, 480-312-0104,
   gbestgen@scottsdaleaz.gov

18. NCAA Men’s & Women’s Division I National Golf Championship
   **Request:** Adopt Resolution No. 11709 to authorize:
   1. Funding, not to exceed $75,000 annually for three years, from the portion of the
      Tourism Development Fund that is allocated toward event retention and development
      for the NCAA Men’s & Women’s Division I National Golf Championship event.
   2. New Event Funding Agreement No. 2020-037-COS with Grayhawk Golf Club for a
      three-year term.
   **Staff Contact(s):** Karen Churchard, Tourism and Events Director, 480-312-2890,
   kchurchard@scottsdaleaz.gov
   (Removed at the request of staff.)

19. Fire Fighter Medical Examinations
   **Request:** Adopt Resolution No. 11744 authorizing Contract No. 2020-054-COS with
   Heartfit for Duty, LLC, for medical services including incumbent medical Fit for Duty exams
   and pre-hire physical exams.
   **Staff Contact(s):** Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov

20. Prosecution Department Disclosure Fee Schedule Adjustments
   **Request:** Adopt Resolution No. 11731 authorizing adjustments to the Prosecution
   Department’s disclosure fee schedule.
   **Staff Contact(s):** Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

21. Re-assignment to Benjamin M. Gibbons
   **Request:** Adopt Resolution No. 11741 authorizing the City’s re-assignment to employee
   Benjamin M. Gibbons of potential claims including third party claims arising from an
   employment-related incident on or about June 24, 2018.
   **Staff Contact(s):** Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov
22. **Monthly Financial Report**  
*Staff Contact(s):* Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

23. **Detroit Coney Grill Awnings and Canopy – Appeal to City Council (2-DR-1994#3)**  
*Request:* At the request of the property owner and applicant, continue to a date to be determined.  
*Staff Contact(s):* Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

23A. **Bond 2019 Capital Improvement Project Budget Transfer**  
*Request:* Adopt Resolution No. 11754 authorizing a FY 2019/20 General Fund Capital Contingency Budget Appropriation Transfer in the amount of $2,000,000 to a newly created capital improvement project titled “53 – Build Multi-Use Sports Fields in the Area of Bell Road” to be funded by General Obligation Bond 2019 Proceeds. (This transfer partially funds this project.)  
*Staff Contact(s):* Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

**MOTION AND VOTE – CONSENT AGENDA**

Vice Mayor Littlefield made a motion to adopt Consent Agenda Items 1 through 23A, absent Items 6 and 18, which were removed at the request of staff. Councilman Phillips seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Littlefield; and Councilmembers Klapp, Korte, Milhaven, Phillips, and Whitehead voting in the affirmative.

**REGULAR AGENDA**

24. **Tax on Food for Home Consumption**  
*Request:* Adopt Ordinance No. 4444 amending Appendix C of the Scottsdale Revised Code, Sec. 462., Retail sales: Food for home consumption, with one of the following options:  
1. Set the tax rate at an amount equal to 0.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail. Or;  
2. Set the tax rate at an amount equal to 0.75% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail. Or;  
3. Set the tax rate at an amount equal to 1.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.  
*Presenter(s):* Jeff Nichols, City Treasurer  
*Staff Contact(s):* Jeff Nichols, City Treasurer, 480-312-2364, jenichols@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the proposed elimination of the tax on food for home consumption.

Mayor Lane opened public testimony.

David Smith spoke in support of eliminating the tax on food for home consumption.

Mayor Lane closed public testimony.
MOTION AND VOTE – ITEM 24

Councilwoman Milhaven made a motion to continue Item 24 until a vote of the Council decides to put it back on the agenda. Vice Mayor Littlefield seconded the motion, which carried 4/3, with Vice Mayor Littlefield and Councilmembers Korte, Milhaven, and Whitehead voting in the affirmative and Mayor Lane and Councilmembers Klapp and Phillips dissenting.

25. Monthly Financial Update
   Request: Receive, discuss, and provide possible direction on the City Treasurer’s monthly financial presentation as of February 2020.
   Presenter(s): Jeff Nichols, City Treasurer and Dave Lipinski, City Engineer
   Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City’s financial status as of February 2020.

PUBLIC COMMENT – None

CITIZEN PETITIONS

26. Receipt of Citizen Petitions
   Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.
   Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, ciegger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS - None

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:26 P.M.

SUBMITTED BY:

Caroyn Jagger
City Clerk

Officially approved by the City Council on May 5, 2020
CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 17th day of March 2020.

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

DATED this 5th day of May 2020.

Carolyn Jagger, City Clerk
Elimination of Sales Tax on Food for Home Consumption

February 4, 2020 – Mayor Lane made a motion to agendize, at a future date, a discussion and possible action on the elimination of the tax on food for home consumption. Councilmember Korte seconded the motion, which carried 6/1 (Councilwoman Milhaven dissenting).
Components of 1.75% Sales Tax Rate

1.00% General Fund - Unrestricted
0.10% Public Safety - Restricted
1.10% General Fund - Total
0.10% Transportation Fund - Operating
0.10% Transportation Fund - CIP
0.20% Transportation Fund Total
0.10% ALCP Transportation CIP - expires 2029
0.10% ALCP* Transportation CIP (temporary)
0.20% Preserve Fund - expires 2025
0.15% Preserve Fund - expires 2034
0.35% Preserve Fund (temporary)

* Alternative Life Cycle Project

Sales Tax Collections

<table>
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<tr>
<th></th>
<th>FY 2009/10 Actual</th>
<th>FY 2018/19 Actual</th>
<th>10 yr Increase</th>
<th>Avg. Annual Increase</th>
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<tbody>
<tr>
<td>1.10% General Fund Sales Tax</td>
<td>$85.9</td>
<td>$134.1</td>
<td>56%</td>
<td>5.6%</td>
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<td>0.35% Preserve Sales Tax</td>
<td>26.4</td>
<td>41.9</td>
<td>59%</td>
<td>5.9%</td>
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<td>0.20% Transportation Sales Tax</td>
<td>14.6</td>
<td>23.0</td>
<td>58%</td>
<td>5.8%</td>
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<td>0.10% Transportation Sales Tax</td>
<td>-</td>
<td>4.8</td>
<td>n/m</td>
<td>n/m</td>
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<tr>
<td><strong>Total Sales Tax</strong></td>
<td><strong>$126.9</strong></td>
<td><strong>$203.8</strong></td>
<td><strong>61%</strong></td>
<td><strong>6.1%</strong></td>
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Without 0.10% Transp. Sales Tax $199.1 57%
Sales Tax Collections on Food

<table>
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<tr>
<th></th>
<th>FY 2009/10 Actual</th>
<th>FY 2018/19 Actual</th>
<th>10 yr Increase</th>
<th>Avg. Annual Increase</th>
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<tbody>
<tr>
<td>1.10% General Fund Sales Tax</td>
<td>$6.6</td>
<td>$8.8</td>
<td>33%</td>
<td>3.3%</td>
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<tr>
<td>0.35% Preserve Sales Tax</td>
<td>2.1</td>
<td>2.8</td>
<td>33%</td>
<td>3.3%</td>
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<td>0.20% Transportation Sales Tax</td>
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<td>0.3</td>
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<tr>
<td>Total Sales Tax</td>
<td>$9.9</td>
<td>$13.5</td>
<td>36%</td>
<td>3.6%</td>
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Without 0.10% Transp. Sales Tax $13.2 33%

Tax Collection on Food for Home Consumption

(in millions)

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<tr>
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<th>FY 2019/20 Adopted</th>
<th>FY 2019/20 Forecast</th>
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<tbody>
<tr>
<td>1.10% General Fund</td>
<td>$9.6</td>
<td>$10.2</td>
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<td>0.20% Transportation Fund</td>
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<td>0.10% ALCP Transportation</td>
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<tr>
<td>0.35% Preserve Fund</td>
<td>3.1</td>
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<tr>
<td>1.75% Total</td>
<td>$15.3</td>
<td>$16.2</td>
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## History of General Fund Sources

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<td>Revenue</td>
<td>231,858</td>
<td>231,172</td>
<td>229,275</td>
<td>226,952</td>
<td>233,355</td>
<td>254,347</td>
<td>261,374</td>
<td>261,105</td>
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<td>304,525</td>
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<td>Transfers in</td>
<td>19,596</td>
<td>12,745</td>
<td>10,318</td>
<td>9,215</td>
<td>10,921</td>
<td>10,012</td>
<td>11,780</td>
<td>15,145</td>
<td>9,675</td>
<td>10,698</td>
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<td>Total Sources</td>
<td>251,454</td>
<td>243,917</td>
<td>239,593</td>
<td>236,167</td>
<td>254,276</td>
<td>264,359</td>
<td>278,154</td>
<td>274,250</td>
<td>295,080</td>
<td>315,223</td>
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<tr>
<td>% Growth in Revenue</td>
<td>-8%</td>
<td>0%</td>
<td>-1%</td>
<td>-1%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>0%</td>
<td>9%</td>
<td>7%</td>
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*Food Tax*

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<td>% of total Revenue</td>
<td>6,592</td>
<td>6,744</td>
<td>7,012</td>
<td>7,122</td>
<td>7,286</td>
<td>7,697</td>
<td>7,884</td>
<td>7,902</td>
<td>8,547</td>
<td>8,773</td>
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* Does not include Nordstrom Garage payoff.

*In thousands*

## History of General Fund Uses

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<td>Department Expenses</td>
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<td>214,534</td>
<td>206,915</td>
<td>234,242</td>
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<td>237,193</td>
<td>247,536</td>
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<td>Debt Service</td>
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<td>4,651</td>
<td>5,555</td>
<td>4,395</td>
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<td>2,849</td>
<td>2,844</td>
<td>2,859</td>
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<td>Transfers Out</td>
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<td>18,812</td>
<td>22,956</td>
<td>19,369</td>
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<td>23,053</td>
<td>27,441</td>
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<td>Total Uses</td>
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<td>238,217</td>
<td>239,445</td>
<td>238,096</td>
<td>226,983</td>
<td>240,421</td>
<td>263,609</td>
<td>277,836</td>
<td>286,613</td>
<td>294,258</td>
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<td>% Growth in Department Expenses</td>
<td>-11%</td>
<td>-5%</td>
<td>-4%</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
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* Does not include Nordstrom Garage payoff.

*In thousands*
### General Fund

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<td>Total Sources</td>
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<td>335,270</td>
<td>338,175</td>
<td>339,811</td>
<td>344,287</td>
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<td>% growth</td>
<td>7%</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
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<td>330,825</td>
<td>342,138</td>
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<td>% growth</td>
<td>8%</td>
<td>3%</td>
<td>2%</td>
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In thousands
## General Fund without Food Tax

### Total Beginning Fund Balance

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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>86,216</td>
<td>105,510</td>
<td>113,334</td>
<td>115,329</td>
<td>106,117</td>
<td>87,133</td>
</tr>
</tbody>
</table>

### Sources

- **Taxes - Local**
  - 2019/20: 163,741
  - 2020/21: 147,790
  - 2021/22: 148,070
  - 2022/23: 147,728
  - 2023/24: 149,038
  - 2024/25: 152,388

- **State Shared Revenues**
  - 2019/20: 70,697
  - 2020/21: 74,244
  - 2021/22: 75,915
  - 2022/23: 76,179
  - 2023/24: 76,598
  - 2024/25: 77,666

- **Property Tax**
  - 2019/20: 32,617
  - 2020/21: 33,717
  - 2021/22: 34,688
  - 2022/23: 35,667
  - 2023/24: 36,715
  - 2024/25: 37,773

- **Other Revenue**
  - 2019/20: 58,771
  - 2020/21: 58,317
  - 2021/22: 57,039
  - 2022/23: 58,325
  - 2023/24: 59,762
  - 2024/25: 61,053

- **Transfers In**
  - 2019/20: 11,174
  - 2020/21: 11,422
  - 2021/22: 11,702
  - 2022/23: 12,015
  - 2023/24: 12,334
  - 2024/25: 12,526

**Total Sources**

- 2019/20: 336,953
- 2020/21: 325,491
- 2021/22: 328,359
- 2022/23: 329,933
- 2023/24: 334,311
- 2024/25: 340,405

### Uses

- **Expenditures**
  - 2019/20: 285,247
  - 2020/21: 297,360
  - 2021/22: 308,385
  - 2022/23: 321,659
  - 2023/24: 335,577
  - 2024/25: 350,418

- **Debt Service**
  - 2019/20: 2,008
  - 2020/21: 377
  - 2021/22: 995
  - 2022/23: 416
  - 2023/24: 437
  - 2024/25: 458

- **Transfers Out**
  - 2019/20: 28,504
  - 2020/21: 29,930
  - 2021/22: 31,881
  - 2022/23: 32,271
  - 2023/24: 37,282
  - 2024/25: 17,770

**Total Uses**

- 2019/20: 316,659
- 2020/21: 318,667
- 2021/22: 326,363
- 2022/23: 339,145
- 2023/24: 353,295
- 2024/25: 368,647

### Ending Fund Balance

- **Operating Contingency**
  - 2019/20: 2,882
  - 2020/21: 2,977
  - 2021/22: 3,088
  - 2022/23: 3,221
  - 2023/24: 3,360
  - 2024/25: 3,509

- **Operating Reserve**
  - 2019/20: 28,815
  - 2020/21: 29,774
  - 2021/22: 30,878
  - 2022/23: 32,207
  - 2023/24: 33,601
  - 2024/25: 35,088

- **PSPRS Pension Liabilities**
  - 2019/20: 60,018
  - 2020/21: 65,783
  - 2021/22: 66,568
  - 2022/23: 65,889
  - 2023/24: 55,371
  - 2024/25: 5,495

- **Casino Infrastructure Reimbursement**
  - 2019/20: 14,300
  - 2020/21: 14,300
  - 2021/22: 14,300
  - 2022/23: 14,300
  - 2023/24: 14,300
  - 2024/25: 14,300

- **Undesignated, Unreserved Fund Balance**
  - 2019/20: 500
  - 2020/21: 500
  - 2021/22: 500
  - 2022/23: 500
  - 2023/24: 500
  - 2024/25: 500

**Total Ending Fund Balance**

- 2019/20: 106,510
- 2020/21: 113,334
- 2021/22: 115,029
- 2022/23: 106,117
- 2023/24: 87,133
- 2024/25: 58,891

### General Fund Sources vs Uses without Food Tax

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>336,953</td>
<td>325,491</td>
<td>328,359</td>
<td>329,933</td>
<td>334,311</td>
<td>340,405</td>
</tr>
<tr>
<td>% growth</td>
<td>7%</td>
<td>-3%</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Total Uses</td>
<td>316,659</td>
<td>318,667</td>
<td>326,363</td>
<td>339,145</td>
<td>353,295</td>
<td>368,647</td>
</tr>
<tr>
<td>% growth</td>
<td>8%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

_in thousands_
## Comparative Tax Rates

- Overall tax rates may vary by city for different tax categories.
- These rates represent the most common across all categories.

<table>
<thead>
<tr>
<th>City</th>
<th>Census Bureau Population Estimates as of 2018</th>
<th>Overall TPT Tax Rate</th>
<th>Food for Home Consumption Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandler</td>
<td>257,165</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Gilbert</td>
<td>248,279</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Glendale</td>
<td>250,702</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Goodyear</td>
<td>82,835</td>
<td>2.5</td>
<td>2</td>
</tr>
<tr>
<td>Mesa</td>
<td>508,958</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Peoria</td>
<td>172,259</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Phoenix</td>
<td>1,660,272</td>
<td>2.3</td>
<td>0</td>
</tr>
<tr>
<td>Scottsdale</td>
<td>255,310</td>
<td>1.75</td>
<td>1.75</td>
</tr>
<tr>
<td>Surprise</td>
<td>138,161</td>
<td>2.2</td>
<td>0</td>
</tr>
<tr>
<td>Tempe</td>
<td>192,364</td>
<td>1.8</td>
<td>1.8</td>
</tr>
</tbody>
</table>

\[0.10\% = $12.8 \text{ million}\]

---

## Food Tax Elimination - Impact to CIP General Fund

- Funding Available for FY 2020/21–2024/25 – ($8.2) million
- Balance by reducing funding to 47 existing projects - $73.8 million
Municipal Property Corporation Bonds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Excise Tax</th>
<th>Debt Service</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ended June 30</td>
<td>2010</td>
<td>170,638</td>
<td>28,130</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>155,515</td>
<td>31,970</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>157,645</td>
<td>32,982</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>170,227</td>
<td>33,835</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>183,376</td>
<td>41,194</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>195,037</td>
<td>39,249</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>194,560</td>
<td>43,435</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>196,729</td>
<td>44,149</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>216,643</td>
<td>50,198</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>223,668</td>
<td>52,684</td>
</tr>
</tbody>
</table>

Option 1
Adopt Ordinance No. 4444 and set the tax rate at an amount equal to 0.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Option 2
Adopt Ordinance No. 4444 and set the tax rate at an amount equal to 0.75% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Option 3
Adopt Ordinance No. 4444 and set the tax rate at an amount equal to 1.0% of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

Option 4
Make no changes to the current transaction privilege tax code.
Monthly Financial Update
February 29, 2020

March 17, 2020

General Fund Operating Sources
February 2020: Fiscal Year to Date

[Bar chart showing sources of revenue with labels and values]
## General Fund Operating Sources
### February 2020: Fiscal Year to Date

(Industrial rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/18 Actuals</th>
<th>FY 2018/19 Actuals</th>
<th>FY 2019/20 Revised Budget</th>
<th>Actual vs. Budget F/A (U/F) Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes - Local</td>
<td>$90.3</td>
<td>$98.3</td>
<td>$105.0</td>
<td>$97.9</td>
<td>$7.1</td>
</tr>
<tr>
<td>Property Tax</td>
<td>17.2</td>
<td>19.7</td>
<td>20.7</td>
<td>20.9</td>
<td>(0.2)</td>
</tr>
<tr>
<td>State Shared Revenues</td>
<td>43.1</td>
<td>43.7</td>
<td>45.6</td>
<td>46.5</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Charges for Service/Other</td>
<td>5.9</td>
<td>6.8</td>
<td>8.1</td>
<td>7.0</td>
<td>1.1</td>
</tr>
<tr>
<td>License Permits &amp; Fees</td>
<td>5.3</td>
<td>5.5</td>
<td>5.6</td>
<td>5.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Fines Fees &amp; Forfeitures</td>
<td>5.3</td>
<td>5.0</td>
<td>5.1</td>
<td>5.2</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>1.4</td>
<td>2.3</td>
<td>2.9</td>
<td>3.3</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Building Permit Fees &amp; Charges</td>
<td>9.8</td>
<td>10.4</td>
<td>13.2</td>
<td>10.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Indirect/Direct Cost Allocations</td>
<td>4.6</td>
<td>4.4</td>
<td>4.9</td>
<td>5.0</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In</td>
<td>7.0</td>
<td>8.0</td>
<td>8.5</td>
<td>8.0</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>$189.9</td>
<td>$204.0</td>
<td>$219.6</td>
<td>$209.5</td>
<td>$10.1</td>
</tr>
</tbody>
</table>

## General Fund Operating Sources: Sales Tax
### February 2020: Fiscal Year to Date

(Industrial rounding differences may occur)
General Fund Operating Sources: Sales Tax
February 2020: Fiscal Year to Date

(All amounts in millions; rounding differences may occur)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017/18 Actuals</th>
<th>FY 2018/19 Actuals</th>
<th>FY 2019/20 Revised Budget</th>
<th>Actual vs. Budget Favorable / (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>$10.4</td>
<td>$11.8</td>
<td>$11.7</td>
<td>$0.7</td>
</tr>
<tr>
<td>Construction</td>
<td>6.6</td>
<td>7.1</td>
<td>7.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Dining/Entertainment</td>
<td>6.3</td>
<td>7.0</td>
<td>7.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Food Stores *</td>
<td>4.8</td>
<td>5.2</td>
<td>5.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Hotel/Motel</td>
<td>3.5</td>
<td>4.0</td>
<td>4.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Major Dept Stores</td>
<td>6.5</td>
<td>6.5</td>
<td>6.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Misc Retail Stores</td>
<td>13.6</td>
<td>14.6</td>
<td>16.4</td>
<td>1.8</td>
</tr>
<tr>
<td>Other Activity</td>
<td>7.5</td>
<td>9.0</td>
<td>9.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Rental</td>
<td>11.1</td>
<td>11.2</td>
<td>12.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Utilities</td>
<td>3.3</td>
<td>3.1</td>
<td>3.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sales Tax Total</strong></td>
<td><strong>$73.6</strong></td>
<td><strong>$79.4</strong></td>
<td><strong>$84.6</strong></td>
<td><strong>$5.8</strong></td>
</tr>
</tbody>
</table>

*FY 2019/20 YTD Food Tax CIP Transfer = $3.6 Million

General Fund Operating Uses by Category
February 2020: Fiscal Year to Date

(All amounts in millions; rounding differences may occur)

- Personnel Services
- Contractual Services
- Commodities
- Capital Outlays
- Contracts Payable & COPs
- Transfers Out

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$128.4</td>
<td>$126.2</td>
<td>$128.4</td>
<td>$128.4</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$68.8</td>
<td>$68.8</td>
<td>$68.8</td>
<td>$68.8</td>
</tr>
<tr>
<td>Commodities</td>
<td>$54.3</td>
<td>$54.3</td>
<td>$54.3</td>
<td>$54.3</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>$59.3</td>
<td>$59.3</td>
<td>$59.3</td>
<td>$59.3</td>
</tr>
<tr>
<td>Contracts Payable &amp; COPs</td>
<td>$61.6</td>
<td>$61.6</td>
<td>$61.6</td>
<td>$61.6</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>$2.7</td>
<td>$2.7</td>
<td>$2.7</td>
<td>$2.7</td>
</tr>
</tbody>
</table>
### General Fund Operating Uses by Category
#### February 2020: Fiscal Year to Date
*(all figures rounded, differences may occur)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services*</td>
<td>$130.7</td>
<td>$129.9</td>
<td>$139.4</td>
<td>$140.5</td>
<td>$1.0 1%</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>37.8</td>
<td>39.7</td>
<td>42.8</td>
<td>44.2</td>
<td>1.4 3%</td>
</tr>
<tr>
<td>Commodities</td>
<td>4.2</td>
<td>4.4</td>
<td>4.5</td>
<td>5.0</td>
<td>0.5 10%</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.1 23%</td>
</tr>
<tr>
<td>Contracts Payable &amp; CDPs</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>-</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>3.8</td>
<td>1.5</td>
<td>2.7</td>
<td>2.2</td>
<td>(0.5) (23%)</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>$178.5</td>
<td>$177.4</td>
<td>$191.3</td>
<td>$193.8</td>
<td>$2.5 1%</td>
</tr>
</tbody>
</table>

*Pay Periods thru February: 17 17 17

### General Fund Operating Uses: Personnel Services
#### February 2020: Fiscal Year to Date
*(all figures rounded, differences may occur)*

- **Salaries**
- **Overtime**
- **Health/Dental**
- **Fringe Benefits**
- **Retirement**
- **Contract Workers**

![Bar chart showing Personnel Services expenditures for FY 2017/18, FY 2018/19, and FY 2019/20 revised budget with actuals in 2020.](chart.png)
General Fund Operating Uses: Personnel Services
February 2020: Fiscal Year to Date

(in millions: rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries*</td>
<td>$81.7</td>
<td>$86.5</td>
<td>$90.6</td>
<td>$91.8</td>
<td>$1.2, 1%</td>
</tr>
<tr>
<td>Overtime</td>
<td>$5.6</td>
<td>$5.6</td>
<td>$6.7</td>
<td>$6.2</td>
<td>$(0.5), (7%)</td>
</tr>
<tr>
<td>Health/Dental</td>
<td>$11.3</td>
<td>$12.2</td>
<td>$13.1</td>
<td>$13.1</td>
<td>$(0.1), 0%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$5.8</td>
<td>$6.0</td>
<td>$6.5</td>
<td>$6.5</td>
<td>$0.1, 1%</td>
</tr>
<tr>
<td>Retirement</td>
<td>$26.0</td>
<td>$19.2</td>
<td>$22.1</td>
<td>$22.5</td>
<td>$0.5, 2%</td>
</tr>
<tr>
<td>Contract Workers</td>
<td>$9.3</td>
<td>$8.4</td>
<td>$9.5</td>
<td>$9.3</td>
<td>$(0.2), (6%)</td>
</tr>
<tr>
<td>Personnel Services Total</td>
<td>$130.7</td>
<td>$129.9</td>
<td>$139.4</td>
<td>$140.5</td>
<td>$1.0, 1%</td>
</tr>
</tbody>
</table>

*Pay Periods thru February:

17 17 17

General Fund Operating Division Expenditures
February 2020: Fiscal Year to Date

(in millions: rounding differences may occur)
General Fund Operating Division Expenditures
February 2020: Fiscal Year to Date

(Millions: rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017/18</th>
<th>FY 2018/19</th>
<th>FY 2019/20 Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actuals</td>
<td>Actuals</td>
<td>Actuals</td>
</tr>
<tr>
<td>Mayor &amp; Council and Charter Officers</td>
<td>$16.4</td>
<td>$17.9</td>
<td>$19.1</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>9.1</td>
<td>9.8</td>
<td>10.4</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>13.9</td>
<td>14.3</td>
<td>15.1</td>
</tr>
<tr>
<td>Community Services</td>
<td>24.9</td>
<td>25.8</td>
<td>26.4</td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>29.1</td>
<td>27.7</td>
<td>31.7</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>67.8</td>
<td>65.9</td>
<td>71.3</td>
</tr>
<tr>
<td>Public Works</td>
<td>11.8</td>
<td>12.6</td>
<td>13.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$173.1</strong></td>
<td><strong>$174.3</strong></td>
<td><strong>$187.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019/20</th>
<th>Actual vs. Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Favorable / (Unfavorable) Amount</td>
</tr>
<tr>
<td>Mayor &amp; Council and Charter Officers</td>
<td>$19.9</td>
<td>$0.8</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>10.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>15.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Community Services</td>
<td>27.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>31.3</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>72.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Public Works</td>
<td>13.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$190.0</strong></td>
<td><strong>$3.0</strong></td>
</tr>
</tbody>
</table>

General Fund Results: Summary
February 2020: Fiscal Year to Date

(Millions: rounding differences may occur)

<table>
<thead>
<tr>
<th>Sources</th>
<th>FY 17/18 Actual</th>
<th>FY 18/19 Actual</th>
<th>FY 19/20 Actual</th>
<th>FY 19/20 Budget</th>
<th>Actual Vs. Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$189.9</td>
<td>$204.0</td>
<td>$219.6</td>
<td>$209.5</td>
<td>$10.1 5%</td>
</tr>
<tr>
<td>Uses</td>
<td>$178.5</td>
<td>$177.4</td>
<td>$191.3</td>
<td>$193.8</td>
<td>$2.5 1%</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$11.4</td>
<td>$26.6</td>
<td>$28.3</td>
<td>$15.7</td>
<td>$12.6</td>
</tr>
</tbody>
</table>