CALL TO ORDER

Mayor David D. Ortega called to order a Work Study Session of the Scottsdale City Council at 6:59 P.M. on Tuesday, February 16, 2021.

ROLL CALL

Present: Mayor David D. Ortega
Vice Mayor Betty Janik
Councilmembers Tammy Caputi, Tom Durham, Kathy Littlefield, Linda Milhaven, and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott,
Acting City Treasurer Judy Doyle, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

1. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer’s monthly financial presentation as of January 2021.

Presenter(s): Judy Doyle, Acting City Treasurer
Staff Contact(s): Sylvia Dlott, Acting Budget Director, 480-312-2419, sdlott@scottsdaleaz.gov

Acting City Treasurer Judy Doyle gave a PowerPoint presentation (attached) on the City’s financial status as of January 2021.

2. Monthly Financial Study Session

Request: Presentation, discussion, and possible Council direction regarding the monitoring of FY 2020/21 revenues and expenditures.

Presenter(s): Jim Thompson, City Manager
Staff Contact(s): Sylvia Dlott, Acting Budget Director, 480-312-2419, sdlott@scottsdaleaz.gov

City Manager Jim Thompson gave a PowerPoint presentation (attached) on the City’s FY2020/21 revenues and expenditures.

ADJOURNMENT

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.
The Work Study Session adjourned at 7:25 P.M.

SUBMITTED BY:

Carolyn Jagger, City Clerk

Officially approved by the City Council on March 2, 2021
CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona, held on the 16th day of February 2021.

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

DATED the 2nd day of March 2021.

Carolyn Jagger, City Clerk
Monthly Financial Update – January 31, 2021

City Council Meeting – February 16, 2021

General Fund Operating Sources
January 2021: Fiscal Year to Date
(in millions: rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes - Local</td>
<td>$86.7</td>
<td>$94.2</td>
<td>$87.8</td>
<td>$73.8</td>
<td>$13.9</td>
<td>19%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>19.0</td>
<td>20.0</td>
<td>21.4</td>
<td>19.9</td>
<td>1.5</td>
<td>7%</td>
</tr>
<tr>
<td>State Shared Revenues</td>
<td>37.6</td>
<td>40.4</td>
<td>46.0</td>
<td>40.5</td>
<td>5.5</td>
<td>14%</td>
</tr>
<tr>
<td>Charges for Service/Other</td>
<td>5.9</td>
<td>7.1</td>
<td>8.1</td>
<td>6.4</td>
<td>1.7</td>
<td>27%</td>
</tr>
<tr>
<td>Licenc Permits &amp; Fees</td>
<td>4.9</td>
<td>6.0</td>
<td>4.4</td>
<td>3.5</td>
<td>0.8</td>
<td>24%</td>
</tr>
<tr>
<td>Fines Fees &amp; Forfeitures</td>
<td>4.3</td>
<td>4.4</td>
<td>3.5</td>
<td>4.1</td>
<td>(0.6)</td>
<td>(14%)</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>1.8</td>
<td>2.5</td>
<td>2.0</td>
<td>2.0</td>
<td>(0.1)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Building Permit Fees &amp; Charges</td>
<td>9.3</td>
<td>11.4</td>
<td>9.8</td>
<td>9.5</td>
<td>0.4</td>
<td>4%</td>
</tr>
<tr>
<td>Indirect/Direct Cost Allocations</td>
<td>3.9</td>
<td>4.4</td>
<td>4.2</td>
<td>4.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In</td>
<td>7.5</td>
<td>7.9</td>
<td>7.7</td>
<td>6.9</td>
<td>0.8</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$180.9</strong></td>
<td><strong>$197.3</strong></td>
<td><strong>$194.9</strong></td>
<td><strong>$170.8</strong></td>
<td><strong>$24.0</strong></td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>
### General Fund Operating Sources: 1% Sales Tax
#### January 2021: 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>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>$10.7</td>
<td>$10.5</td>
<td>$10.6</td>
<td>$8.8</td>
<td>$1.8</td>
<td>21%</td>
</tr>
<tr>
<td>Construction</td>
<td>6.2</td>
<td>6.4</td>
<td>7.1</td>
<td>4.6</td>
<td>2.5</td>
<td>55%</td>
</tr>
<tr>
<td>Dining/Entertainment</td>
<td>6.0</td>
<td>6.7</td>
<td>5.0</td>
<td>3.3</td>
<td>1.7</td>
<td>51%</td>
</tr>
<tr>
<td>Food Stores</td>
<td>4.3</td>
<td>4.6</td>
<td>4.9</td>
<td>4.2</td>
<td>0.6</td>
<td>15%</td>
</tr>
<tr>
<td>Hotel/Motel</td>
<td>3.3</td>
<td>3.6</td>
<td>2.0</td>
<td>1.3</td>
<td>0.7</td>
<td>58%</td>
</tr>
<tr>
<td>Major Dept Stores</td>
<td>5.6</td>
<td>6.3</td>
<td>5.5</td>
<td>5.3</td>
<td>0.2</td>
<td>4%</td>
</tr>
<tr>
<td>Misc Retail Stores</td>
<td>12.6</td>
<td>14.7</td>
<td>15.7</td>
<td>12.0</td>
<td>3.7</td>
<td>31%</td>
</tr>
<tr>
<td>Other Activity</td>
<td>7.8</td>
<td>8.5</td>
<td>8.8</td>
<td>6.3</td>
<td>2.5</td>
<td>40%</td>
</tr>
<tr>
<td>Rental</td>
<td>10.0</td>
<td>10.8</td>
<td>9.3</td>
<td>9.9</td>
<td>(0.6)</td>
<td>(6%)</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.7</td>
<td>3.0</td>
<td>2.8</td>
<td>3.1</td>
<td>(0.3)</td>
<td>(10%)</td>
</tr>
<tr>
<td><strong>Sales Tax Total</strong></td>
<td><strong>$69.1</strong></td>
<td><strong>$75.1</strong></td>
<td><strong>$71.7</strong></td>
<td><strong>$58.8</strong></td>
<td><strong>$12.9</strong></td>
<td><strong>22%</strong></td>
</tr>
</tbody>
</table>

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### General Fund Operating Uses by Category
#### January 2021: Fiscal Year to Date
*(in millions: rounding differences may occur)*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services*</td>
<td>$113.9</td>
<td>$122.5</td>
<td>$104.6</td>
<td>$106.0</td>
<td>$1.4</td>
<td>1%</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>35.9</td>
<td>39.0</td>
<td>36.4</td>
<td>38.7</td>
<td>2.3</td>
<td>6%</td>
</tr>
<tr>
<td>Commodities</td>
<td>3.7</td>
<td>3.9</td>
<td>3.6</td>
<td>3.9</td>
<td>0.4</td>
<td>9%</td>
</tr>
<tr>
<td>Capital Cutlugs</td>
<td>0.4</td>
<td>0.2</td>
<td>0.5</td>
<td>0.4</td>
<td>(0.1)</td>
<td>(19%)</td>
</tr>
<tr>
<td>Contracts Payable &amp; COPs</td>
<td>1.6</td>
<td>1.5</td>
<td>-</td>
<td>0.4</td>
<td>0.4</td>
<td>100%</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>1.3</td>
<td>2.4</td>
<td>4.8</td>
<td>-</td>
<td>(4.8)</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$156.9</strong></td>
<td><strong>$169.5</strong></td>
<td><strong>$149.8</strong></td>
<td><strong>$149.4</strong></td>
<td><strong>($0.4)</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>

*Pay Periods thru January: 15 15 15
### General Fund Operating Uses: Personnel Services

**January 2021: 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>$76.4</td>
<td>$80.1</td>
<td>$66.4</td>
<td>$66.9</td>
<td>$0.6 / 1%</td>
</tr>
<tr>
<td>Overtime</td>
<td>$4.5</td>
<td>$5.5</td>
<td>$5.0</td>
<td>$5.1</td>
<td>$ / -</td>
</tr>
<tr>
<td>Health/Dental</td>
<td>$10.6</td>
<td>$11.5</td>
<td>$9.5</td>
<td>$9.4</td>
<td>($0.1) / (1%)</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$5.3</td>
<td>$5.7</td>
<td>$5.2</td>
<td>$5.3</td>
<td>$0.1 / 1%</td>
</tr>
<tr>
<td>Retirement</td>
<td>$16.8</td>
<td>$19.4</td>
<td>$18.4</td>
<td>$19.2</td>
<td>$0.8 / 4%</td>
</tr>
<tr>
<td>Contract Workers</td>
<td>$0.3</td>
<td>$0.4</td>
<td>$0.1</td>
<td>$0.1</td>
<td>$ / -</td>
</tr>
<tr>
<td><strong>Personnel Services Total</strong></td>
<td>$113.9</td>
<td>$122.5</td>
<td>$104.6</td>
<td>$106.0</td>
<td>$1.4 / 1%</td>
</tr>
</tbody>
</table>

*Pay Periods thru January: 15 15 15

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### General Fund Operating Division Expenditures

**January 2021: Fiscal Year to Date**

*(in millions: rounding differences may occur)*

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2018/19 Actuals</th>
<th>FY 2019/20 Actuals</th>
<th>FY 2020/21 Actuals</th>
<th>FY 2020/21 Revised Budget</th>
<th>Actual vs. Budget Favorable / (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor &amp; Council and Charter Officers</td>
<td>$16.0</td>
<td>$17.0</td>
<td>$16.2</td>
<td>$17.0</td>
<td>$0.8 / 5%</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>8.9</td>
<td>9.3</td>
<td>9.4</td>
<td>9.8</td>
<td>0.4 / 4%</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>12.7</td>
<td>14.0</td>
<td>12.8</td>
<td>13.0</td>
<td>0.2 / 1%</td>
</tr>
<tr>
<td>Community Services</td>
<td>22.9</td>
<td>23.4</td>
<td>20.9</td>
<td>21.1</td>
<td>0.3 / 1%</td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>24.5</td>
<td>28.0</td>
<td>21.7</td>
<td>21.7</td>
<td>- / -</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>57.9</td>
<td>62.7</td>
<td>51.8</td>
<td>54.2</td>
<td>2.4 / 4%</td>
</tr>
<tr>
<td>Public Works</td>
<td>11.1</td>
<td>11.2</td>
<td>12.2</td>
<td>12.3</td>
<td>- / -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$154.0</td>
<td>$165.7</td>
<td>$145.0</td>
<td>$149.1</td>
<td>$4.0 / 3%</td>
</tr>
</tbody>
</table>
### General Fund Results: Summary

January 2021: Fiscal Year to Date

(in millions: rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
<th>FY 18/19 Actual</th>
<th>FY 19/20 Actual</th>
<th>FY 20/21 Actual</th>
<th>FY 20/21 Budget</th>
<th>Actual Vs. Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources</strong></td>
<td>$180.9</td>
<td>$197.3</td>
<td>$194.9</td>
<td>$170.8</td>
<td>$24.0 14%</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td>$156.9</td>
<td>$169.5</td>
<td>$149.8</td>
<td>$149.4</td>
<td>$(0.4) 0%</td>
</tr>
<tr>
<td><strong>Change in Fund Balance</strong></td>
<td>$24.0</td>
<td>$27.8</td>
<td>$45.1</td>
<td>$21.4</td>
<td>$23.6</td>
</tr>
</tbody>
</table>

### Successful Bond Issuances
General Obligation Refunding

- $168 million of Taxable General Obligation Refunding bonds
- All-in true interest cost of 1.3%, the lowest in the City's history
- **Net present value savings of $13.2 million!**
- Will mature from 2021 thru 2034 (same time frame as the original bonds)
- Savings will benefit the Preserve Fund
- Repaid using the Preserve Sales Tax

Municipal Property Corporation Refunding

- $143 million of MPC Refunding bonds
- All-in true interest cost of 1.5%, the lowest in the City's MPC history
- **Net present value savings of $11.5 million!**
- Will mature from 2021 thru 2036 (same time frame as the original bonds)
- Savings will benefit:
  - General Fund ($5.5 million) and will be repaid with General Fund Sales Tax
  - Water and Sewer Enterprise Funds ($6.0 million) and will be repaid with Water & Sewer Rates
Bond 2019 General Obligation Issuance

• $51 million of GO bonds
• Average all-in true interest cost of 1.55%
• Highest number of bidders
• Proceeds will finance several Bond 2019 projects
• Repaid using secondary property taxes
## General Fund Results: Summary

**January 2021: Fiscal Year to Date**  
*(in millions: rounding differences may occur)*

<table>
<thead>
<tr>
<th></th>
<th>FY 19/20 Actual</th>
<th>FY 20/21 Actual</th>
<th>FY 20/21 Budget</th>
<th>Favorable/(Unfavorable)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources</strong></td>
<td>$197.3</td>
<td>$194.9</td>
<td>$170.8</td>
<td>$24.0</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td>$169.5</td>
<td>$149.8</td>
<td>$149.4</td>
<td>($0.4)</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Fund Balance Change</strong></td>
<td>$27.8</td>
<td>$45.1</td>
<td>$21.4</td>
<td>$23.6</td>
<td></td>
</tr>
</tbody>
</table>
Continued Positive Returns

- This year’s revenues are coming in better than budgeted by $24.0 million (+$0.7 million from December)
- Expenditures are coming in higher than budgeted by ($0.4) million due to the city’s purchase of land in December (+$1.4 million from December)
- Continuing managing positions, currently 5.4% vacant (137 positions)

Vacancy Savings
January 2021: Fiscal Year to Date
(in millions: rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
<th>YTD Vacancy Savings</th>
<th>Budget</th>
<th>Forecast Vacancy Savings</th>
<th>Fav/(Unf)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$3.8</td>
<td>$6.2</td>
<td>$7.0</td>
<td>$0.8</td>
<td>13%</td>
</tr>
<tr>
<td>All Funds</td>
<td>$5.3</td>
<td>$8.4</td>
<td>$9.7</td>
<td>$1.3</td>
<td>17%</td>
</tr>
<tr>
<td>Avg vacant FTEs</td>
<td>312.8</td>
<td>145.1</td>
<td>329.9</td>
<td>184.8</td>
<td></td>
</tr>
</tbody>
</table>
## Tourism Development Fund Results: Summary
January 2021: Fiscal Year to Date
(in millions; rounding differences may occur)

<table>
<thead>
<tr>
<th></th>
<th>FY 19/20 Actual</th>
<th>FY 20/21 Actual</th>
<th>FY 20/21 Budget</th>
<th>Fav/(Unf)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources</strong></td>
<td>$12.3</td>
<td>$7.2</td>
<td>$6.1</td>
<td>$1.2</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td>$13.6</td>
<td>$9.6</td>
<td>$9.6</td>
<td>$0.1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Fund Balance Change</strong></td>
<td>$(1.3)</td>
<td>$(2.3)</td>
<td>$(3.6)</td>
<td>$1.1</td>
<td></td>
</tr>
</tbody>
</table>

## Continuing COVID-19 Impacts

- This year’s revenues are coming in better than budgeted by $1.2 million (-$0.5 million from December)
- Expenditures are coming better than budgeted by $0.1 million (+$0.3 million from December)