

City of Scottsdale, Arizona Adopted FY 2008/09 Budget

Budget Summary

Volume One



City Council

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

Administrative Staff

John C. Little,
Acting City Manager
David Ellison,
Assistant City Manager
Roger Klingler,
Assistant City Manager
Neal Shearer,
Assistant City Manager
Craig Clifford, CPA, MBA,
Chief Financial Officer
Scott McCarty,
Assistant General Manager,
Financial Services
Art Rullo, MPA,
Budget Director

**City of Scottsdale
FY 2008/09 Budget
Volume One
Budget Summary
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Mayor and City Council's Mission

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

Mayor Mary Manross



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

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

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

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

Note: See Program Budget Matrix on pages 128-132.



Council Member Betty Drake

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



Councilman Wayne Ecton

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



Councilman W.J. "Jim" Lane

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



Councilman Robert Littlefield

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

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



Councilman Ron McCullagh

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

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



Councilman Tony Nelssen

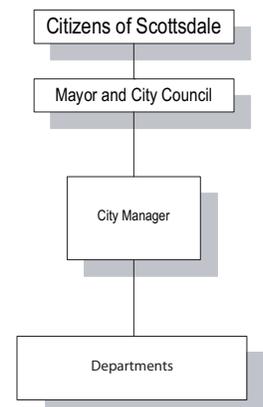
Councilman Tony Nelssen began his first term on the Scottsdale City Council in June 2006. He is a third generation native Arizonan and 19-year Scottsdale resident, has been active in civic affairs for more than two decades and has served on a variety of city commissions and advisory groups, as well as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

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

Form of Government and Organization

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

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





**John C. Little,
Acting City Manager**

A 20-year city employee, John C. Little's career includes extensive experience in issues management, transportation and strategic planning, organizational development and communication. Prior to his appointment as acting city manager in April 2008, he served as the executive director of the city's Downtown Office, which he had headed since it was

formed in 2004.

Little began working for Scottsdale in 1985 in the city's Organizational Development Office. He was later promoted to executive assistant to the Mayor and City Council and administrator of Organizational Effectiveness. Little left the city in 1996 to join a private consulting firm, where he worked with U.S. and international corporations. In 1998, he rejoined the city as senior executive assistant to the city manager. In April 2000, he became general manager of the Transportation Department.

Before coming to Scottsdale, he worked for the Metropolitan Transit Commission in Minneapolis/St. Paul, Minnesota.

Little is active in the community professionally and as a volunteer. He has provided consulting and strategic planning services for Arizona State University and other local educational and cultural organizations. He served as president of Scottsdale Leadership, Inc. in 1997 and has been involved with local school districts, serving on a variety of boards and committees.

**David L. Ellison,
Assistant City Manager**

David L. Ellison rejoined the City of Scottsdale administrative team for a second stint as assistant city manager in November 2007. He served in this role from September 1997 to December 2001. He currently works most closely with the Transportation, Planning & Development Services, Human Resources, Communications and Public Affairs and Citizen & Neighborhood Resources departments on behalf of the city manager and community.

David's near 30-year career has been spent in diverse senior executive and professional roles for local governments in Arizona, Texas and Minnesota. He earned a master's degree in public administration and a bachelor's degree in secondary education from the University of North Texas. He has completed a rigorous National Forum for Black Public Administrators Executive Leadership Institute and an internationally recognized leadership institute at Harvard University's John F. Kennedy School of Government.

David enjoys leadership development for youth and emerging professionals and community/church volunteerism. He is an active member of NFBPA, and also holds memberships in the International City Management Association and the Arizona City Management Association.

**Roger Klingler,
Assistant City Manager**

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

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

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

**Neal Shearer,
Assistant City Manager**

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

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

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

**Craig Clifford, CPA, MBA,
Chief Financial Officer, Acting City Treasurer**

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

**Art Rullo, MPA,
Budget Director**

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

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

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

**Sylvia Dlott, MPA
Senior Budget Analyst**

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

**Judy McIlroy, MBA,
Senior Budget Analyst**

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

**Judith Padres, MPA,
Senior Budget Analyst**

Judith Padres joined the Financial Services staff in November 2007. Prior to joining the City, she spent over two years as a Budget Analyst with the Arizona Governor's Office of Strategic Planning and Budgeting. Her educational background includes Bachelor of Science degrees in Economics and Marketing, and a Master of Public Administration from Arizona State University.

**Monica Staats
Senior Budget Analyst**

Monica Staats joined the Financial Services staff in November 2007. Prior to joining the City, she served two years as a Senior Budget Analyst with the Maricopa County Office of Management and Budget, and eight years as a Financial Analyst with the Governor's Office for Children, Youth and Families. She holds a Bachelor of Science degree from Northern Arizona University and is currently enrolled in the MBA program at Grand Canyon University.

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

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

CITY ORGANIZATIONAL CHART



Citizens of Scottsdale

Mayor and City Council

City Manager (Acting)
John Little
480-312-2800

Other Council-Appointed Staff
City Attorney - Deborah Robberson 480-312-7994
City Auditor - Brent Stockwell (Acting) (480) 312-7288
City Clerk - Carolyn Jagger 480-312-2411
City Judge - B. Monte Morgan 480-312-2442
City Treasurer (Acting) - Craig Clifford 480-312-2364

Citizen Advisory Boards
Citizen Advisory Commissions

Administrative Support

Assistant City Manager
David Ellison
480-312-4510

Assistant City Manager
Roger Klingler
480-312-5830

Assistant City Manager
Neal Shearer
480-312-2604

Transportation Administration *
Mary O'Connor 480-312-2334

Police
Alan Rodbell 480-312-1900

Fire
William L. McDonald 480-312-1880

Economic Vitality
Harold Stewart (Acting)

The Downtown Group
Michelle Korf (Acting) 480-312-2638

Water Resources
Marshall Brown 480-312-5683

Municipal Services
Dan Worth 480-312-5555

WestWorld
Brian Dygert 480-312-6825

Community Services
Debra Baird 480-312-2480

Financial Services
Craig Clifford 480-312-2364

Information Systems
Brad Hartig 480-312-7615

Government Relations
Bridget Schwartz-Manock 480-312-2454

Planning & Development Services
Connie Padian (Interim) 480-312-2664

Human Resources
LaVerne Parker Diggs 480-312-2615

Public Relations
Pat Dodds 480-312-2336

Administration *
Raun Keagy 480-312-2373

Customer Services & Administration *
Customer Service & Communication *
Neighborhood Services/Code Enforcement *
CityCable 11

Human Resources
Training & Development *
Diversity & Dialogue *
Benefits Management *
Human Resources Operations & Admin

Administration *
Customer Service & Communication *
Neighborhood Services/Code Enforcement *
CityCable 11

Human Resources
Training & Development *
Diversity & Dialogue *
Benefits Management *
Human Resources Operations & Admin

Administration *
Customer Service & Communication *
Neighborhood Services/Code Enforcement *
CityCable 11

Human Resources
Training & Development *
Diversity & Dialogue *
Benefits Management *
Human Resources Operations & Admin

Administration *
Customer Service & Communication *
Neighborhood Services/Code Enforcement *
CityCable 11

Human Resources
Training & Development *
Diversity & Dialogue *
Benefits Management *
Human Resources Operations & Admin

Aviation *
Transportation Planning *
Traffic Engineering -Intelligent Transportation Systems *
Parking

Office of the Chief *
Uniformed Services *
Special Programs *
Investigative Services *
Administrative Services *
Personnel Development

Fire Administration *
Fire Emergency Services *
Fire Support Services *
Emergency Management

Economic Development *
Tourism *
Revitalization *
Business Services

Downtown Marketing & Promotion *
Downtown Project Planning & Coordination *
Cultural Council Administration

Water Resources Administration *
Water Operations *
Water Quality *
Water Treatment

Administration *
Capital Project Management *
Solid Waste Management *
Traffic Operations *
Fleet Management *
Stormwater Management *
Street Operations

Operations & Facilities Management *
Events Management *
Water Quality *
Water Treatment

Administration *
Parks & Recreation *
Human Services *
Library Systems *
Facilities Management

Administration *
Accounting *
Budget *
Risk Management *
Purchasing *
Customer Service

IS Admin *
Application Dev. Integration, Mgt. & Support *
Network Operations *
Data Services *
Project Office *
Application Support *
Help Desk/Desktop Technical Support

Federal Relations *
State Relations *
Regional Relations



Budget Award for Fiscal Year 2007/08 Budget

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to the City of Scottsdale, Arizona for its annual budget for the fiscal year beginning July 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

City Manager's Final Budget Transmittal

LETTER DATED JUNE 3, 2008

June 3, 2008



Honorable Mayor and City Council:

The budget is one of the City's most important public policy processes. For Scottsdale, the budget is truly a year-round process that entails extensive planning, development by staff, management review, legislative review, board and commission feedback, citizen input and extensive City Council review and policy direction. This complex and collaborative process culminates each June with the adoption of the City's budget.

Scottsdale's adopted fiscal year 2008/09 budget continues to maintain funding for the operating and capital project priorities. As noted by staff during Council's eight review sessions, this is a "maintenance" budget that provides citizens with core services at existing service levels. Prudent long-term fiscal planning dictates that we remain conservative and continue focusing on only the highest, fiscally sustainable priorities.

In spite of the challenging current economic conditions, the City was able to adopt a budget that did not require any service level reductions. This was accomplished by adhering to our adopted comprehensive financial policies, a thorough reassessment of the base budget requests, and a thorough evaluation of all proposed additions to the budget. Major base budget items included increasing the vacancy savings estimate and adjusting non-personal services budgets to reflect historical spending levels. Combined these strategies yielded an estimated \$4.6 million in citywide cost reductions. To limit General Fund staff additions, 6.15 full-time equivalent vacant positions were re-deployed, resulting in a net reduction of 2.15 full time equivalents.

The City's adopted FY 2008/09 budget of \$1,428.8 million is outlined below by fund:

<u>Fund</u>	<u>Budget Amount</u> (in millions)
General	\$264.8
Special Revenue	48.8
Debt Service	65.6
Enterprise	126.8
Net Internal Service	<u>4.5</u>
Total Operating Budget	510.5
Grants, Trust and Special Districts Budget	20.0
Capital Budget	859.3
Contingencies & Reserves Budget	<u>39.0</u>
Total Adopted Budget – All Funds	\$1,428.8

The Executive Summary that follows this letter provides further detail on the revenues, expenses and fund balance for each of the adopted funds.

The revenue forecasts used in the FY 2008/09 budget and multi-year financial plan are based on slowing national and state economic conditions. The downturn in the economy clearly presented challenges in the FY 2008/09 budget process. Looking forward to FY 2009/10, we will likely face similar challenges. To ensure the City navigates through FY 2008/09 in the best possible position, staff will be closely tracking the national, state, and local economies. Staff will also continue to monitor emerging economic trends and their potential impacts on the City. Our

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LETTER DATED JUNE 3, 2008

ability to use long-range planning and respond early to economic challenges have been key factors in maintaining the City's fiscal health.

On the expense side of the budget, to maintain existing service levels we included cost increases for health care, retirement, jail services, fire dispatch, public transit, fuel, and filter replacements for the water treatment plant. Additionally, cost increases for new/expanded services include expanded trolley services, the financing costs for the new public safety radio system, and state mandated dust control.

The adopted budget does not include any potential state legislative changes that could adversely affect the FY 2008/09 budget or future year financial forecasts, such as any proposed modifications to the allocation of state-shared revenues or reductions to the highway user fund revenue (HURF) to local jurisdictions. Staff will continue to monitor the state's ongoing budget deliberations and assess the impact of any proposed changes to the City. We will promptly notify Council of any significant items as the legislative session progresses.

I would like to express my sincere appreciation to the Financial Services staff, general managers, directors, budget liaisons and all other City staff members who participated in the planning and execution of our public outreach on this budget. Their time and assistance with this effort was truly helpful to me.

The Mayor and City Council deserve acknowledgment and appreciation for the many hours you dedicated to gathering citizen input, reviewing program and capital budgets, providing policy guidance to staff, and exercising leadership on many critical financial issues.

The Scottsdale citizens who attended and participated in the public meetings, workshops, and hearings on the FY 2008/09 budget also deserve special thanks. It is their willingness to share their thoughts, priorities, and concerns that enables us to address the community's highest priorities.

We sincerely look forward to working with the City Council and citizens in implementing the FY 2008/09 adopted budget and to developing a FY 2009/10 budget that addresses needs of the community.



John C. Little
Acting City Manager

FY 2008/09 Executive Summary

EXECUTIVE SUMMARY

The City of Scottsdale's three budget volumes are comprehensive and provide a level of detailed information that may be more than some readers may desire. As such, the following executive summary is intended to provide readers with a user friendly synopsis of the budget highlights by fund. The goal of this summary is to distill from the City's \$1.4 billion, multi-fund, multi-volume budget books, the key highlights likely to be of most interest to readers.

Current Year City Council Policy Decisions and Long-term Policy Items

The following are the major policy items included in the City's adopted FY 2008/09 budget. Each of these items were discussed during City Council's public budget review sessions:

- Premium increases of 7 percent for medical and zero for dental
- 2 percent Cost of Living Compensation increase effective January 1, 2009
- General Fund cash transfers out to other funds include \$6.0 million MPC Debt Service Fund, \$6.0 million to supplement the Transportation Operating Fund, \$5.6 million to fund CIP for Infrastructure Repair and Replacement, and \$5.0 million for new CIP projects.
- A \$2.5 million cash transfer in from the Self-Insurance Property and Liability Fund to the General Fund, reversing a prior year transfer that anticipated potential property casualty claims related to the establishment of the new municipal Fire Department.
- The establishment of the Office of Environmental Initiatives within the Planning and Development Services Department by reallocating exiting staff and resources.
- \$1.25 million Capital Project for lost revenue during construction of the Scottsdale Performing Arts Center
- \$95,000 for the annual escalation amount on the Cultural Council contract to operate the Scottsdale Performing Arts Center
- Debt issue to finance a new \$25.0 million public safety radio system capital project
- Increasing the General Fund Contingency from \$2.5 million balance to \$5.0 million
- Activity related to continuation of the Loop 101 Photo Enforcement program through September 30, 2008
- Funding to construct the Soleri Bridge and Plaza
- Rate/Fee Adjustments for Planning and Development Services, WestWorld, Fire, Water, Sewer, and Solid Waste

The following longer-term public policy items were also discussed with the City Council and will require further exploration and evaluating as part of future budgets:

- The possible elimination of the tax on food for home consumption and the impact on the budget.
- Identify components for a potential voter approved bond issue for capital projects.

FY 2008/09 Executive Summary

Employees Staffing and Compensation – General Fund and All Funds

The City is a provider of a wide variety of municipal services such as public safety, recreational activities for youth, teens and seniors, libraries, human services, refuse collection, water and sewer, code enforcement and transportation/transit. As a service provider, more than 70 percent of the City's total FY 2008/09 General Fund operating budget is allocated to employee compensation costs. A summary of the approved compensation changes for the General Fund along with a citywide "All Funds" perspective are presented below:

Employee Staffing – the adopted FY 2008/09 budget includes a total of 9.90 new staff positions to address the highest priority service needs. The "full-time equivalent or FTEs by fund are noted below:

(2.15) FTEs General Fund

2.30 FTEs Special Revenue Funds

9.75 FTEs Enterprise Funds

9.90 FTEs Total All Funds

To arrive at the net change of 9.90 FTEs, 6.15 vacant General Fund positions were redeployed from lower priority service areas to the higher priority needs within the General Fund. Further detail on the new positions is included in each fund section of this letter. Including the new positions the City will have the equivalent of almost 2,808 full-time staff positions.

Merit Pay Adjustment – Most staff positions in the City have pay ranges and based on the individual employee's annual performance review may be eligible to earn up to 5.0 percent on their anniversary date. The budget reflects the maximum potential performance pay for FY 2008/09. The FY 2008/09 fiscal impact to the merit pay adjustment in the General Fund is \$3.0 million and \$3.5 million citywide.

Market Pay Adjustment – The adopted budget includes a 2.0 percent market adjustment effective January 1, 2009. The effective annual rate of the 2.0 percent adjustment in FY 2008/09 is 1.0 percent. The FY 2008/09 fiscal impact of the market pay adjustment in the General Fund is \$1.7 million and \$ 2.1 million, respectively. The January 1, 2009 market adjustment of 2.0 percent will have a funding tail in the FY 2009/10 General Fund and citywide of same amounts.

Vacancy Savings - As noted throughout the budget process, the vacancy savings used to prepare the FY 2008/09 budget has been updated to more closely reflect recent year-end personal services savings. The anticipated citywide vacancy saving was an increase from \$7.5 million to \$10.1 million in FY 2008/09 for a total change of \$2.6 million. Correspondingly with this modification staff also recommended the General Fund Operating Contingency be increased from \$2.5 million to \$5.0 million to safeguard against potentially exceeding the total General Fund budget. Per adopted financial policy, any use of contingency funds must be approved by City Council.

Retirement Costs – In FY 2008/09, the citywide base budget for retirement costs increased primarily due to increases to the employer's contribution rate for sworn public safety personnel. The City's contribution to the Arizona State Public Safety Retirement System (ASPSRS) for sworn public safety personnel increased more than \$2.6 million. All public safety personnel costs are included in the General Fund. The Arizona State Retirement System (ASRS), which covers all civilian employees (excluding elected officials), had a reduction in the employer's retirement contribution rate and a decrease in costs of about \$0.4 million in the General Fund and \$0.1 million citywide.

Healthcare Costs – In FY 2008/09, the citywide base budget cost for employee health care benefits increased slightly more than a \$1.0 million.

FY 2008/09 Executive Summary

Broad Budget Development Guidelines

Staff utilized the following broad guidelines in developing the FY 2008/09 budget:

- Continue to use a modified zero-based program budget approach to justify and control expenditures while still focusing on achieving the City Council's goals and providing basic City services.
- Focus on maintained existing "core" services before proposing any service enhancements.
- Focus on continuing high priority programs and reduce or eliminate funding to less critical programs.
- Continue to use conservative and realistic revenue forecasts – and not rely on one-time construction related revenues to fund ongoing operating budget expenditures.
- Limit the staff increases to high priority service areas and redeploy existing staff, where possible.
- Continue to fund needed investment in the City's infrastructure and facilities.
- Continue to plan for the future through strategic economic development investments that demonstrate a clear return to the community.
- Limit the City's risk and exposure to high costs in the long-term.
- Maintain a prudent level of financial reserves.
- Provide numerous opportunities and methods to engage citizens in the budget process.

How the adopted budget will affect citizens and taxpayers

The items included in this section present City Council's decisions related to property rates and utility charges that directly impact citizens. Within our limited resources the City continuously strives to balance citizens' expectation for high quality service levels and our need to comply with federal and state mandates. The following is a summary of specific changes that will directly impact citizens or taxpayers in the coming fiscal year:

The property tax rate remains unchanged. For FY 2008/09, the combined property tax rate of 79 cent per \$100 of assessed valuation remains unchanged from the prior year. The rate is 71 cents, or 47 percent, below the City's \$1.50 financial policy limit initiated with the Bond 2000 authorization. While the City's property tax rate remains flat, the FY 2008/09 assessed valuations are increasing (determined by the Maricopa County Assessor) and will result in an overall increase in the City's primary and secondary tax levies.

The City's ability to lower tax rate stems from a combination of rising assessed valuations and effective debt management. The City uses a balanced mix of long-term debt and pay-as-you go funding to "smooth" the overall tax burden and help ensure taxpayers who will use City facilities today and those who will use them in the future contribute equitably for their costs.

The overall effect on citizens' tax bills will depend mainly on tax rates set by other governments (e.g. school district) and changes in the assessed valuation (as determined by the Maricopa County Assessor) of each property. Taxes paid to local school districts comprise the largest portion of property tax bills, and City property taxes are approximately 10 percent of the total.

Utility charges will increase. The typical homeowner's combined bill for water, sewer, and solid waste will increase approximately \$3.69 per month, or 4.9 percent, for FY 2008/09. Federal health and environmental requirements are a significant factor in water rate increases. They are the primary reason for several major capital projects, including upgrades to the CAP Water Treatment Plant and arsenic mitigation facilities. Other cost drivers include increased prices for power to operate plants and chemicals for water treatment, fuel, replacement of treatment filter media, and increases in the City's share of 91st Avenue Wastewater Treatment Plant costs.

FY 2008/09 Executive Summary

Components of the Adopted Budget

The adopted FY 2008/09 budget includes balanced five-year financial plans for each of the City's funds, emphasizing long-term fiscal planning. The budget also includes individual budgets for the City's current 185 programs. The goal of the program budget is to provide the City Council, citizens, and other stakeholders a more focused analysis of the costs of each City service or function, whether the service is provided by one department or through the combined efforts of several service areas. Each program budget includes a program description, services provided, City Council Goals supported by the program, a multi-year summary of budget and staffing, customers, program goals and objectives and performance measures. The adopted budget also includes a detailed summary of the FY 2008/09 capital budget and capital improvement plan.

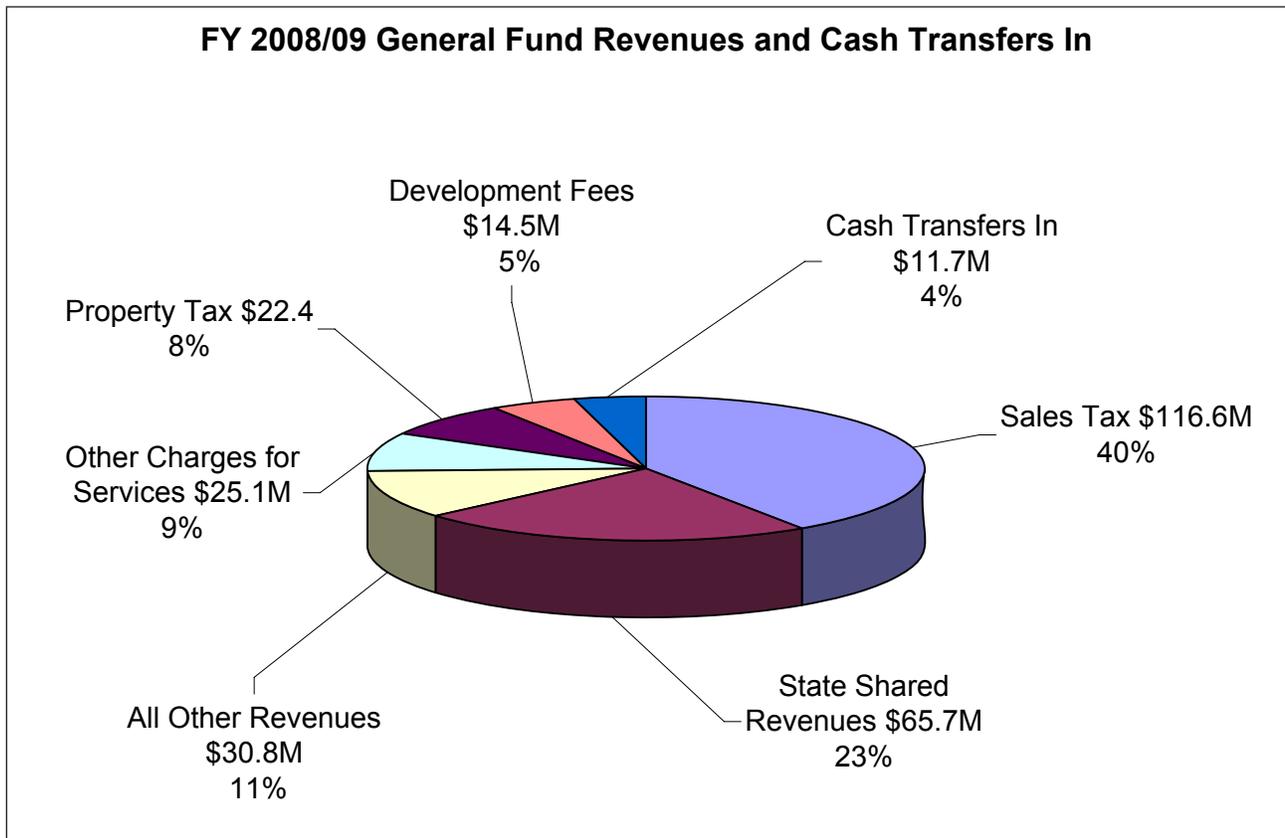
The following is a summary of budget highlights by fund.

General Fund Revenues

The General Fund supports core services and is the largest fund with the greatest potential for revenue fluctuations. General Fund revenue estimates are conservative to minimize the potential impact on services should the revenues decrease.

General Fund revenues and cash transfers-in for FY 2008/09 are projected to equal \$286.8 million, an increase of approximately \$5.5 million, or 2.0 percent, from the FY 2007/08 year-end estimate of \$281.3 million.

The total resources used to fund the City's adopted FY 2008/09 General Fund budget is a combination of forecasted revenues for FY 2008/09 and an anticipated carryover of unused FY 2007/08 financial resources. The FY 2007/08 carryover in the General Fund unreserved fund balance is estimated to be \$9.0 million and is attributable to combination of greater than anticipated revenues and savings by City departments. The total available resources equal \$295.8 million (\$286.8 million plus \$9.0 million) and are reflected in the chart below:



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Listed below for the General Fund are the descriptions and forecasting context for some of the more significant General Fund revenues:

Transaction Privilege Tax, or "Sales Tax" – Scottsdale's total City sales tax rate is 1.65 percent. Of that amount, 0.55 percent is dedicated to the specific purposes related to transportation and preservation, which are accounted for in Special Revenue Funds. The Special Revenue Fund revenues and their uses are explained later in this transmittal letter. The 1.10 percent of the sales tax accounted for in the General Fund is available to fund basic municipal services such as police, fire, libraries, and parks. This general-purpose sales tax is the City's single largest revenue source and is considered an "elastic" revenue source susceptible to peaks and valleys, based on events in the national, state and local economies. This sensitivity is evident in the City's FY 2008/09 estimated revenues of \$106.3 million, which is only \$0.7 million or 0.7 percent over of the current year end forecast. This revenue source has been negatively impacted by the recent loss of automobile dealerships coupled with an over decline in auto sales. Additionally, the slowing economy has had an adverse impact on the construction sales tax. Beyond FY 2008/09, the five-year financial plan projections reflect an average annual increase of approximately 4.5 percent – essentially keeping slightly ahead of a projected modest inflation rate.

State-Shared Revenues and Auto Lieu – These revenues are derived from state sales and income taxes shared with Arizona cities and towns, based on a statutorily determined formula, primarily driven by population. The shared sales tax revenue projection is based on continued modest statewide economic growth. The shared income tax revenue projection reflects a two-year lag between the time citizens file their state taxes and the date the revenues are sent to cities and towns. State Auto Lieu Tax revenue for vehicle license fees is included in the state-shared category and is estimated to generate \$9.7 million in the coming fiscal year. In FY 2008/09, the total state-shared revenues are expected to be approximately \$65.7 million, which represents an increase of \$1.9 million, or 3.0 percent, over the FY 2007/08 year-end estimate of \$63.8 million. The increase in the City's revenue is primarily attributable to an increase in the statewide pool of income taxes to be allocated to local jurisdictions.

Property Taxes – This revenue source is one of the few stable General Fund revenues and is anticipated to increase from the FY 2007/08 year end forecast of \$21.0 million by nearly \$1.4 million, or 6.5 percent, to \$22.4 million in FY 2008/09. The increase in revenue is driven by a combination of new construction, which is up 4.8 percent and the "primary" assessed values for existing property is up 10.2 percent.

Building Permits Fees & Charges – Similar to the construction sales tax forecast, this revenue source is subject to dramatic peaks and valleys from year to year. The volatility is based on developers' interest in construction projects and ability to secure financing for the projects. It is anticipated some of the major projects currently on the drawing board will move forward in the later portion of the next fiscal year and generate permit revenues. This revenue is expected to be \$14.5 million in FY 2008/09, which represents an increase of \$2.0 million, or 16.0 percent, from the FY 2007/08 year-end estimate of \$12.5 million. Looking forward over the five years of the fiscal plan, it is anticipated that development and construction will grow modestly, as the city reaches build-out and transitions from new construction to redevelopment.

Fines and Forfeitures – This revenue source includes court fines, parking fines, Photo Enforcement Program revenues, and library fines and fees. All of the FY 2008/09 revenue estimates in this category are expected to remain fairly constant with the FY 2007/08 year- end estimates. The lone exception is the Photo Enforcement Loop 101 Program, which is anticipated to decline significantly from the FY 2007/08 year-end estimate of \$4.3 million to less than a \$1.0 million in FY 2008/09. The decline is attributable to the planned conclusion of the City's direct participation in the Photo Enforcement Loop 101 Program on September 30, 2008. Correspondingly there will be a decrease in the City's expenditures associated with the Photo Enforcement Loop 101 Program.

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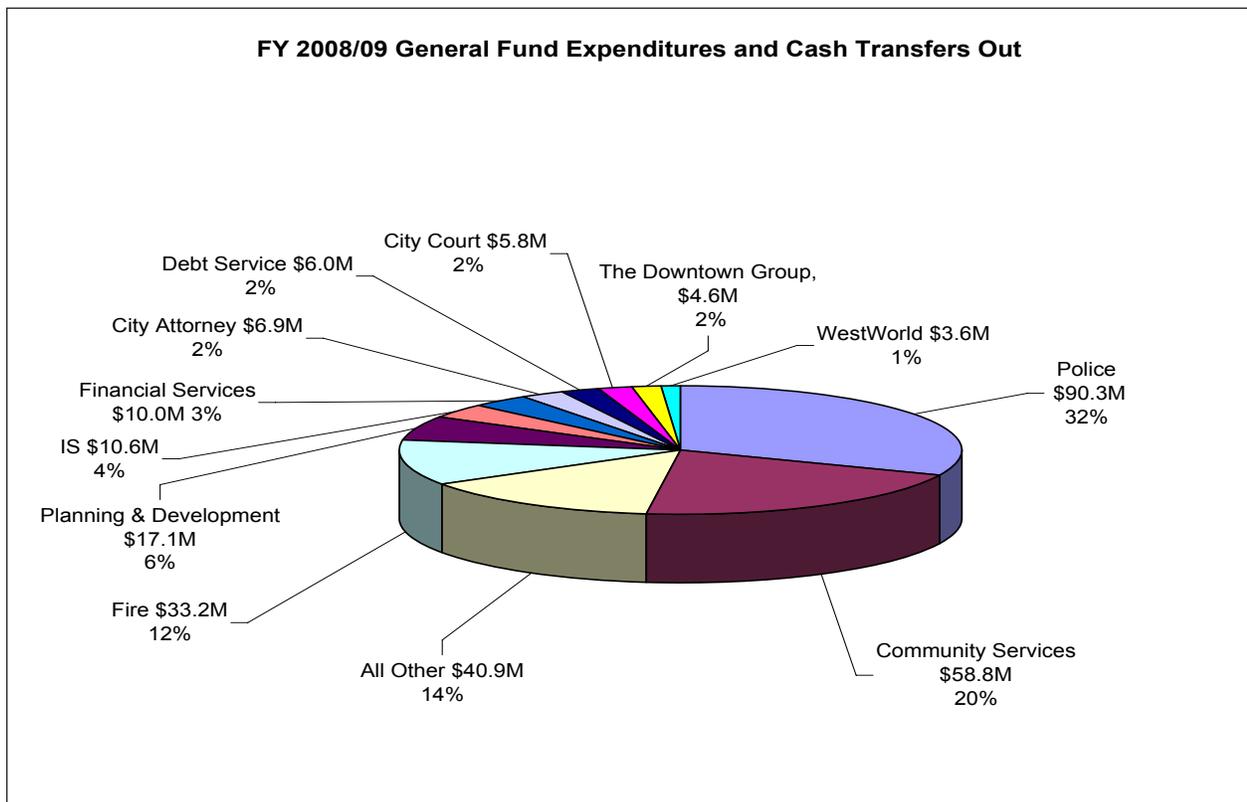
Transient Occupancy Tax, the Hotel “Bed Tax” – The bed tax revenue is considered an “elastic” revenue source susceptible to peaks and valleys, based on events in the national, state and local economies. The FY 2008/09 forecast of \$2.0 million assumes the tourism industry will face challenges of a slowing economy and greater competition from other resorts in neighboring communities.

General Fund Cash Transfers In

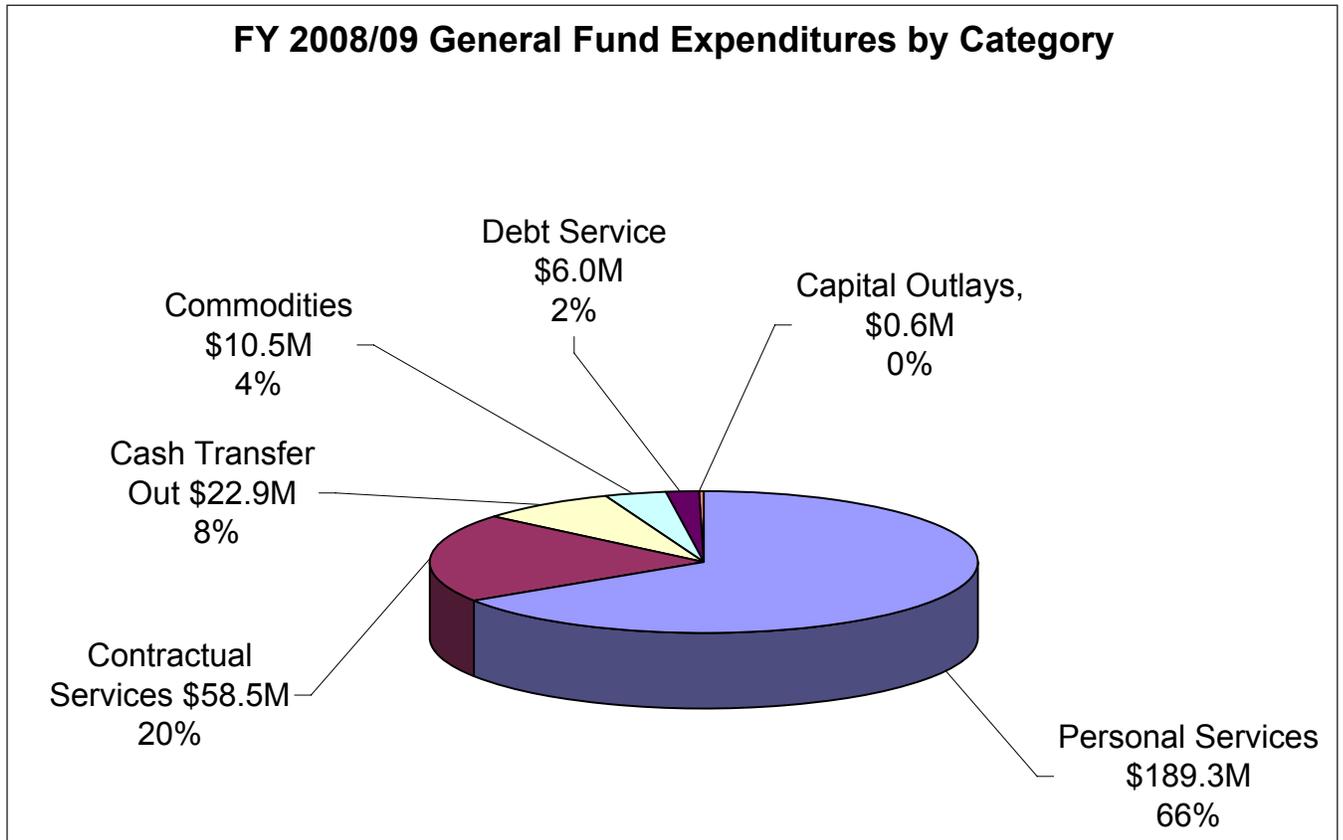
The adopted FY 2008/09 budget includes \$11.7 million of cash transfers in to the General Fund. This amount is composed of routine items such as nearly \$2.5 million for In Lieu Property Taxes and \$6.7 million for Franchise Fees from Enterprise Funds. The transfers in also include a \$2.5 million cash transfer in to the General Fund from the Self-Insurance Fund. The \$2.5 million was originally transferred to the Self-Insurance Fund as part of the FY 2005/06 budget to cover anticipated property casualty claims related to the establishment of the new municipal Fire Department. Based on actuarial evaluations, the \$2.5 million is not required and can be returned to the General Fund.

General Fund Operating Budget (Departmental Expenditures and Debt Service)

Under the adopted FY 2008/09 budget, the General Fund operating budget (i.e., departmental expenditures and debt service) is projected to be approximately \$264.9 million, an increase of \$12.6 million, or 5 percent from the FY 2007/08 year-end forecast of \$252.3 million. The following two charts provide a summary of the General Fund expenditures by department and by type of expenditure. This information is intended to provide the reader with overviews from different perspective of how the General Fund resources will be used in the coming fiscal year.



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Within the expenditure amounts noted above are the new staff positions for FY 2008/09. Further details related to the new staff positions are provided below:

New Staff Positions – As a general rule, most of the new FTE (full time equivalent) positions assume a hire date of July 1 or later. Many hire dates are staggered throughout the fiscal year, when possible, to minimize the initial fiscal year impact. The adopted FY 2008/09 General Fund budget has a net reduction of (2.15) full-time equivalent positions (FTEs), which reduces the total General Fund payroll costs by approximately \$0.2 million. Included in this total are 4.00 new FTEs and covered by the redeployment of 6.15 vacant FTEs. The 4.00 new General Fund staff positions are listed in the two service categories noted below:

- **Mandates** - The positions in this category are needed for compliance with regulations and requirements mandated by federal, state, county, and regional government agencies. The adopted FY 2008/09 budget includes slightly less than \$0.2 million in payroll costs for 3.00 FTEs associated with unfunded mandates. The Public Safety Radio System will require 1.00 FTE to address a variety of Federal Communication Commission (FCC) requirements critical to the success of this high priority public safety project. Additionally, to comply with state mandated air quality requirements, that went into effect on March 31, 2008, 1.00 new FTE will be required at WestWorld and 1.00 FTE in Citizen and Neighborhood Services.
- **Citizen Services and Community Growth** – The need for positions in this category stems from customer service demands and growth in the community. The adopted FY 2008/09 budget includes 1.00 FTE Preservation Manager position at a payroll cost of \$66,000. To address the higher priority Preservation Manager position, the funding from a Inspector II position was redeployed.

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A summary of the 6.15 General Fund FTEs redeployed in the FY 2008/09 budget is provided in the Appendix of the Volume One of the budget books.

General Fund Cash Transfers-Out

The adopted FY 2008/09 budget includes cash transfers-out to the capital budget of \$10.6 million for maintenance, public safety/radios and non-maintenance capital projects. The cash transfer-out also included a transfer of \$5.9 million to the Debt Service Fund for MPC debt payments. A majority of the cash transfer-out comes from prior year activity (i.e., revenues in excess of budget and prior year-end expenditure savings). Using these one-time funding sources for capital projects funding is prudent and does not jeopardize the General Fund's reserve or the projected FY 2008/09 year-end unreserved fund balance. Finally, a cash transfer-out of \$6.2 million from the General Fund to the Transportation Fund was required to maintain transit and street overlay service levels.

General Fund Balances and Reserves

The adopted FY 2008/09 budget includes the following:

General Fund Reserve – This reserve, projected to total nearly \$29.9 million at the end of FY 2008/09, continues the City's financial policy of setting aside funds to protect Scottsdale in times of emergency. Most of these funds are carried over from previous years. Once they are spent, it will be extremely difficult to rebuild the reserve. It is financially prudent to have a minimum General Fund Reserve equal to 10 percent of annual total operating budget for the General and Transportation Funds. Maintaining this reserve is very important to the municipal credit rating agencies and in retaining the City's triple AAA bond ratings.

Photo Enforcement Loop 101 Program – Contingency - The adopted FY 2008/09 budget includes an anticipated \$0.6 million balance based on the program being extended until September 30, 2008. The balance of this contingency is solely dedicated to funding future public safety costs. City Council approval is required before this balance is used.

Operating Contingency – The adopted FY 2008/09 budget includes a \$5.0 million operating contingency to meet unforeseen expenses during the year. As noted in above, with the increased payroll vacancy savings programmed into the FY 2008/09 budget, the General Fund Operating Contingency was increased from the adopted FY 2007/08 balance of \$2.5M to \$5.0M in FY 2008/09 to safeguard against potentially exceeding the total General Fund budget. With City Council approval, the contingency allows the City more flexibility to meet any unforeseen costs.

Unreserved Fund Balance – After considering all of the other reserves, an unreserved fund balance of nearly \$4.1 is projected at the end of the 2008/09 fiscal year. These funds are not designated for a specific purpose. The City Council may choose to allocate some or all of these dollars for new or expanded programs or requests, or to allocate them to other reserve funds. The unreserved fund balance represents a combination of accumulated one-time revenues and expenditure savings and would most appropriately be used for one-time expenditures, not to fund new or expanded programs with ongoing operating costs.

Special Revenue Funds

The City accounts for revenues earmarked for specific purposes – by law or City policy – through special revenue funds. This category of funds includes 3 separate and distinct funds – Transportation Fund, Preservation Privilege Tax Fund, and Special Programs Fund.

The Transportation Fund accounts for Highway User Revenue Fund (HURF) dollars shared with cities from state "gas taxes." The fund also includes revenues from the 0.20 percent Transportation Transaction Privilege Tax (commonly referred to as the transportation sales tax). The FY 2008/09 Transportation Sales Tax revenue is projected at \$20.1 million or slightly more than \$0.1 million more than the FY 2007/08 year end estimate. The FY 2008/09 HURF revenues are expected to be nearly \$16.9 million, which is a very nominal increase of \$0.6

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million, over the forecasted FY 2007/08 year-end estimate. The FY 2008/09 forecast for Local Transportation Assistance Fund I revenue from the Arizona State Lottery is expected to remain the same as the FY 2007/08 year end forecast of nearly \$1.1 million. While the City is expecting to receive about \$0.4 million in Local Transportation Assistance Fund II revenue in FY 2007/08 nothing is expected in FY 2008/09. In FY 2008/09, the Transportation Fund is also forecasted to receive \$0.3 million from Proposition 400 Regional Sales Tax revenue. Cash transfers in to the Transportation Fund consist of approximately \$6.2 million from the General Fund to maintain transit services and the current street overlay levels, \$3.0 million from the Capital Fund to cover costs associated with street overlay catch-up, and \$0.3 million from the Solid Waste Fund for alley maintenance costs. Beyond FY 2008/09, the five-year financial plan projections average annually increase of approximately 4.5 percent in the transportation sales tax and 4.0 percent in HURF revenues. If the transportation revenues are less than expected, the various service levels may require an adjustment, the General Fund may need to make a greater subsidy, or a combination of these actions. This will likely be an emerging policy issue in the coming fiscal year.

The Transportation Fund operating expenditures are projected to be nearly \$35.4 million and are covered by the HURF revenues and 50 percent of the Transportation Sales Tax revenues. The Transportation Department operating expenditures of \$15.8 million covers the operating costs for master planning, transit services, traffic engineering and other operations. These expenditures also support transportation improvements. The Municipal Services operating expenditures of about \$19.6 million covers the street and signal operations and maintenance. The budget for street overlays within the Municipal Services Department includes approximately \$4.0 million street overlay catch-up costs. No new staff positions were added to the Transportation Fund in FY 2008/09.

The remaining 50 percent of the Transportation Sales Tax, or nearly \$10.0 million, was transferred to the capital budget for transportation related capital projects.

The Preservation Privilege Tax Fund is used to account for the revenues and expenditures related to the acquisition of the McDowell Sonoran Preserve, which receives funding from the 1995 (0.20 percent) and 2004 (0.15 percent) voter-approved Preservation Transaction Privilege Tax.

Total revenue from the 1995 Preservation Privilege Tax is expected to be \$20.6 million or a nominal increase of \$0.1 million or 0.7 percent over the FY 2007/08 year end estimate. Revenue from the 2004 Preservation Privilege Tax is anticipated to be \$14.9 million for an increase \$0.1 million or 0.7 percent over the FY 2007/08 year end estimate. Beyond FY 2008/09, the five-year financial plan projections average annual increases of approximately 4.5 percent in the preservation sales tax.

For FY 2008/09, the Preservation Privilege Tax Fund uses are estimated to be nearly \$24.2 million and cover contractual debt service costs of nearly \$1.0 million and cash transfers-out of \$23.3 million to Debt Service Fund (\$21.8 million) and the Capital Fund (\$1.5 million). The timing and amount of any future preservation bond issuances depends on the availability and price for state lands. Under the sales tax ballot language, the Preservation Privilege Tax revenues are to be used for debt service payments related to preserve acquisition, preserve-related construction and trailheads.

The Special Programs Fund is a collection of smaller restricted revenues dedicated to specific uses. The services included in these various funds are intended to be self-supporting and not subsidized by the General Fund. Examples of these funds include Police Department RICO funds, the City Court's Court Enhancement Fund, the McCormick-Stillman Railroad Park Fund, the Scottsdale Cares Charitable Fund and the Preservation Rehab Fund for historic building rehabilitation. Also included within this fund is 80 percent of the Transient Occupancy Tax ("Bed Tax") Bed Tax, which by ordinance is dedicated to tourism activity. The actual ending fund balance of all Special Program funds is carried forward to future periods and is available to be spent for restricted purposes. The adopted FY 2008/09 Special Programs Fund budget includes increase of 0.30 FTE for an armed security guard position in the Courts at a cost of less than \$20,000. The position is an upgrade of a current part-time Lead Municipal Security Guard to full time in the City Court. The position is solely funded by the Court Enhancement Fund.

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Debt Service Fund

Debt service funds are designated for payment of long-term debt not directly paid through the General, Enterprise or Special Revenue funds.

Total revenues and cash transfers-in to these funds are estimated at \$65.7 million for FY 2008/09, which is an increase of \$7.2 million over the FY 2007/08 year-end forecast of \$58.5 million. The majority of the increase is attributable to the \$6.1 million increase in the secondary property tax levied needed to pay the debt service related to the \$100.0 million of voter-approved general obligation bonds (Bond 2000) issued in April 2008. The adopted FY 2008/09 budget projects the “secondary” property tax rate will increase from approximately 41 cents to 43 cents per \$100 of assessed valuation. By state law, the secondary portion of property taxes is solely dedicated for the repayment of general obligation bonds.

Debt service funds also receive revenue from special district assessments of \$1.0 million, which is used to pay for special district related debt service. The remaining estimated revenues of about \$0.4 million are from a variety of sources. A combination of transfers in from the Preservation Privilege Tax Fund, General Fund and the Special Programs Fund totaling \$28.5 million are used to cover general obligation bond, revenue bond and MPC bond debt service payments.

A total of \$65.6 million is planned for debt service payments in FY 2008/09. The largest scheduled debt service payment is \$35.8 million for General Obligation Bonds, including the Bond 2000 program. The debt service also includes \$21.8 million for preserve-related Preservation General Obligation Bonds and Scottsdale Preservation Authority (SPA) Revenue Bonds, \$1.0 million for special assessment debt and \$7.0 million for Municipal Property Corporation bonds.

The budget assumes the City’s next General Obligation bond issuance will occur in FY 2009/10 and is projected to be the remainder of the Bond 2000 authorization, or \$51.8 million. The bonds will provide funding for voter-approved Bond 2000 capital projects such as libraries and parks, neighborhood flood mitigation, scenic corridors, public safety, and transportation.

Enterprise Funds

Enterprise funds account for the City’s water, sewer, solid waste collection and aviation services, operated as stand-alone businesses. User fees are assessed to cover the full cost of services.

The Water and Sewer Fund budget continues to be significantly affected by federal/state public health and safety and water quality requirements. The City has worked aggressively to ensure compliance with federal mandates to reduce arsenic levels in drinking water. The City continues significant efforts to ensure compliance with other recent mandates to reduce levels of by-product compounds from chlorine disinfection and to enhance management of sewer systems to prevent overflows.

To help hold down rate increases, the City has issued \$269.3 million in new debt over the last five years and forecasts the need for additional future debt to meet the capital improvement needs of the Water and Sewer Fund. The City has conducted pilot/demonstration projects to help determine the most effective methods to meet federal standards. However, the five-year financial plan still anticipates the need to issue \$100.0 million in debt to pay for the capital costs to meet these mandates, provide for planned increased demand and to address the increasing need to rehabilitate or replace aging portions of the City’s water and wastewater systems.

Consistent with the updated five-year financial plan and the adopted Financial Policies, the budget includes a 5.5 percent water rate increase (or a \$1.88 increase to the typical residential monthly water charge), effective November 1, 2008, and an increase of 6.0 percent in sewer rates (or a \$1.21 increase to the typical residential monthly sewer charge), effective July 1, 2008, to help pay for the increasing capital and operating costs to deliver high quality water and sewer service. The water and sewer rate increases reflect:

- Capital and associated operating impacts of arsenic and disinfection by-product regulations enacted by the U.S. Environmental Protection Agency (EPA);

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- Capital cost increases for water distribution system improvements to address aging infrastructure rehabilitation and replacement needs identified through the enhanced asset management program effort;
- Additional operating and maintenance cost increases including staffing to support new facilities and keep pace with increasing system maintenance requirements;
- Significant costs for replacing treatment filter media including granular activated carbon (GAC) for water treatment plants to treat for chlorine disinfection by-products, iron filter media for arsenic treatment facilities and filter membranes for the Advanced Water Treatment Plant at the Water Campus;
- Scottsdale's share of operating cost increases at the Multi-City 91st Avenue Wastewater Treatment Plant to serve existing customers;
- Price increases for purchases of water and electricity; and
- Increasing costs for sewer collection system maintenance, rehabilitation and replacement to ensure regulatory compliance with new Capacity, Management, Operations and Maintenance (CMOM) regulations that are intended to minimize sewer system overflows.

While the major costs of the Water and Sewer Fund are capital in nature, the adopted FY 2008/09 budget includes additional staff to support new and expanded water production and wastewater capital treatment facilities and overall service growth. To address the increased service capacity associated with new capital facilities and growth in service demands, the adopted FY 2008/09 budget includes 7.00 new FTEs at an estimated fiscal impact of about \$0.4 million in payroll costs. Based on the adopted budget plan and rate increases, the Water and Sewer Fund will comply with adopted Financial Policies and is expected to maintain a positive fund balance over the five-year planning period.

The Water Department capital budget also includes a \$10.0 million unfunded budget contingency for the potential acquisition of the Arizona Water Company.

The FY 2008/09 Solid Waste Fund budget includes a 4.0 percent increase (or a \$0.60 increase to the typical residential monthly solid waste collection charge) for the operation of refuse collection and recycling services, effective July 1, 2008. The increase reflects the combined impacts of salary and benefit cost increases, and increases in fleet maintenance and operations costs driven by higher fuel prices. A review of Valley cities providing comparable services indicates that Scottsdale's solid waste collection fee will remain one of the lowest. The Solid Waste Fund will comply with adopted Financial Policies and is expected to maintain a positive fund balance over the five-year planning period. The FY 2008/09 Solid Waste Fund budget includes a total of 2.75 new FTEs. This total includes the conversion of 2 contract workers to Equipment Operator III, to handle the increased residential (1.00 FTE) and commercial (1.00 FTE) workload. The conversion of the contract workers yielded a nominal savings. Also, based on increased service demand, 3 part-time Equipment Operator I positions were upgraded to full time Container Repairers, which added 0.75 of an FTE. The net estimated personal services cost for the 2.75 FTEs in FY 2008/09 is about \$39,000.

Although current rates and fees are sufficient to cover Aviation operating and capital costs and maintain desired reserves, the Aviation Fund budget includes a minor adjustment to the Airport Hourly rate to keep pace with operating cost increases. The five-year financial plan projects the fund will comply with adopted Financial Policies and maintain a positive fund balance and not require a General Fund operating subsidy.

Internal Service Funds

Internal Service Funds account for services and equipment provided to all City departments by centralized divisions, such as maintenance of the City's vehicle fleet and insurance coverage.

The Fleet Management Fund forecasts total revenues and cash transfers in of \$18.8 million. The fund's resources include \$5.5 million for vehicle acquisition rates and \$12.9 million for maintenance and operation rates, which are derived from charge backs to user departments. Nearly an additional \$0.5 million is generated from

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miscellaneous revenues and interest earnings. In FY 2008/09, the budget assumes \$23.1 million in expenditures and cash transfers-out. The uses include \$3.4 million for vehicle and equipment acquisitions and \$13.2 million for fleet operations. The adopted FY 2008/09 fleet operations budget includes an increase of \$1.7 million of the prior year's adopted budget to cover higher fuel costs. At this time, the Fleet Management Fund five-year financial plan continues to maintain a fleet replacement reserve based on life cycle fleet analysis. However, due to the dramatic increase in fuel costs, the Finance and Fleet staff will aggressively continue to reassess the Fleet Management Fund to ensure an appropriate level of resources is available when needed for the maintenance and acquisition of vehicles in the coming years.

The FY 2008/09 Self-Insurance Fund budget assumes total revenue and cash transfers in of \$33.5 million. The FY 2008/09 budget anticipates total operating and claims expenditures and cash transfers-out of nearly \$36.0 million. The projected June 30, 2009 total ending fund balance reserve of approximately \$22.0 million, which includes over \$14.3 million for property casualty, over \$0.8 million for employee funded short-term disability, and \$6.9 million for health benefits.

Grants, Trusts, and Special Districts Budgets

The Grants, Trusts and Special Districts budgets account for funding that is designated for specific purposes.

Each year the City receives Grants Fund from a variety of federal, state, regional and local agencies. Within the \$19.3 million total grants are two larger grants -- Community Development Block Grants (CDBG) \$1.7 million and Section 8 Housing at \$5.5 million. In addition to numerous identified smaller grants, the City includes \$12.1 million in the grant budget for unidentified future grants. This gives City Council increased flexibility to accept and spend grant funds that are not specifically known by the City at the time the budget is adopted. This practice also allows the City to comply with state budget laws regarding annual expenditure limits. The actual ending fund balance of the individual grants is carried forward to future periods and is available to be spent solely for the intended purposes.

The Trust Fund consists solely of the Mayor's Committee for Employment of the Handicapped, which has adopted FY 2008/09 revenues and expenditures of \$8,800. Revenues for this fund come from citizens and businesses and the proceeds are used to provide educational scholarships to handicapped individuals. The goal is to provide the individuals with skills that increase their opportunities for future employment. The actual ending fund balance of the Trust Fund is carried forward to future periods and is available to be spent solely for the intended purposes.

A Special Districts Fund is used to account for the proceeds received from property owners in the City's 355 street light districts. All revenue not expended for this specific purpose in the current fiscal year is carried over to the next fiscal year to continue funding the program. The FY 2008/09 Special Districts Fund revenues are expected at \$0.6 million and the expenditures are projected to be more than \$0.7 million. The actual ending fund balance of all Special Districts Fund is carried forward to future periods and is available to be spent solely for the intended purposes.

Capital Improvement Plan

A separate, key component of the City's annual financial plan is the five-year Capital Improvement Plan (CIP) for infrastructure and public facilities – including roads, water and sewer improvements, parks, buildings and information technology. Projects listed in the capital budget are funded by a combination of sources and typically take multiple years to complete. Some of the various funding sources include the City's transportation sales tax, Bond 2000 funds, user fees, grants, the Proposition 400 regional transportation sales tax, the City's preservation sales tax, development impact fees and General Fund transfers. To appropriately account for the diverse CIP financial resources used to fund the acquisition or construction of major capital facilities the City uses a variety of CIP specific funds. The CIP funds are needed to ensure legal compliance and financial management for various restricted revenues. Some examples of restricted revenues are: Bond Funds; Transportation Privilege Tax

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Capital Funds; Development Impact Fees & Contributions, Grant Capital Funds; Enterprise Capital Funds; and General Capital Funds.

The CIP appropriations for FY 2008/09 total \$859.3 million and consist of the following:

\$710.7 million (or 83 percent of the total CIP budget) is needed for carryover re-budget authorization from prior years for projects not yet completed. Under Arizona law, the City must re-budget a capital project's total budget until it is completed and capitalized.

\$140.5 million (or 16 percent of the total CIP budget) is for planned projects from the prior year's capital improvement plan

\$8.1 million (or 1 percent of the total CIP budget) required to fund for new capital projects.

Below is a brief summary of the \$859.3 million capital budget highlights by program, along with some notable examples in each capital program area:

Community Facilities (\$103.5 million) – this program focuses on providing parks, park improvements, multiuse paths, neighborhood enhancements, youth sports lighting, aquatic centers, library facilities and senior centers. Approximately 12 percent of the CIP has been identified to address the needs of this program. Significant proposed Community Facilities projects include Grayhawk Community Park Phase I, Appaloosa Library and Center for the Performing Arts (Phase 1 and 2).

Preservation (\$198.8 million) – this program addresses the City Council Broad Goal of preserving the character and environment of Scottsdale. This goal is met by land acquisition activities for the McDowell Sonoran Preserve for the purpose of maintaining scenic views, preserving native plants and wildlife, and providing public access to the McDowell Mountains and Sonoran Desert. Approximately 23 percent of the CIP has been identified to address this program in FY 2008/09. Significant proposed Preserve projects include the Gateway to the Preserve Amenities and Expanded McDowell Sonoran Preserve.

Drainage and Flood Control (\$35.0 million) – this program addresses flood plain mapping, meeting regulatory requirements, and identifying and correcting hazards to reduce future flood damage potential. This is accomplished through the use of detention basins, culvert and channel projects, and a program of neighborhood drainage improvements. Approximately 4 percent of the CIP has been identified to address the drainage and flood control needs of the City. Major Drainage and Flood Control projects include Upper Camelback Wash Watershed, Pima Road Drainage System and Loop 101 Detention Basin.

Public Safety (\$38.3 million) – this program addresses the construction, acquisition, and purchase of capital assets for the Police and Fire Departments, such as fire and police stations, training facilities and automation systems related to fire and police operations. Approximately 4 percent of the CIP has been identified to address the public safety needs of the City. The proposed Public Safety budget includes key projects such as the Public Safety Radio System, Police Operational Support Building and Cactus Acres Fire Station #8.

Service Facilities (\$57.9 million) – this program addresses the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. These programs achieve this goal through the renovation of current facilities and technology needs necessary for the efficient and effective operations of the City. Approximately 7 percent of the CIP has been identified to address this program. Service Facilities projects include Facilities Repair and Maintenance Program and Fuel/Fleet Maintenance Facility McKellips Service Center.

Transportation (\$180.2 million) – this program addresses the City's multi-modal transportation needs. Approximately 21 percent of the CIP has been identified to address the transportation needs of the City. Significant proposed Transportation projects include Pima Road – Deer Valley to Pinnacle Peak, Bikeways Program and Cactus Road – Pima Freeway to Frank Lloyd Wright.

Water Management (\$245.6 million) – this program focuses on the capital needs required to deliver safe, reliable water and providing wastewater services. This program also addresses the City's requirement to achieve

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federal and state regulations. Approximately 29 percent of the CIP has been identified to address the water and wastewater needs of the City. Significant proposed projects such as Sewer Collection System Improvements, CAP Expansion and Water Distribution System are included in the Water Management program.

Throughout the various stages of capital project review, from the staff level to senior management's review, multi-departmental teams are employed to perform comprehensive capital project evaluation designed to prioritize funding for projects. Each team focuses on developing a more refined list of projects that reflects Council and citizens' highest priorities and are within our financial means. The five-year CIP uses conservative financial forecasts and reflects only those high priority projects expected to be completed during the next five years. This approach helps the City manage operating costs for new facilities and avoids raising expectations for projects that are not well defined.

As noted during the FY 2008/09 budget review process, the budget continues the practice of leveraging one-time "elastic" revenue from the General Fund (e.g., construction sales tax and development fees) to help pay for capital projects. The municipal bond rating agencies view this as a sound fiscal practice. In recent years, the City has experienced significant year-end unreserved fund balances in the General Fund, which were then transferred to the CIP fund in subsequent years. The slower economy has greatly limited the amount of anticipated year-end General Fund resources available to transfer to the CIP fund. In FY 2008/09, the budget assumes the General Fund will transfer a total of \$10.6 million to the CIP. This total amount will provide, \$4.0 million will go to general maintenance, \$1.6 million will go to public safety radio replacements and \$5.0 million will support capital projects that do not have other dedicated funding sources. Management of the General Fund resources (excess revenues and/or expenditures savings) flowing into the CIP will help the City to continue funding key capital projects now and in the coming years.

As noted on the first page of this summary, the goal of this summary is to provide the reader with the key highlights most likely to be of interest to readers. For readers requiring greater levels of detail and information, they are encouraged to review the rest of Volume One as well as Volume Two (program budget detail) and Volume Three (capital budget) of the adopted FY 2008/09.

FY 2008/2009 Budget - How to Use This Book - Volume One

The City of Scottsdale's budget for FY 2008/09 is comprised of three volumes:

Volume One - Budget Summary includes the City Council's Mission Statement and Broad Goals, the City Manager's Transmittal Letter, and Adopted Financial Policies. The Five-Year Financial Plan covers the period FY 2008/09 through FY 2012/13, which forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

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

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

FY 2008/09 Adopted Budget Summary - Volume One

Volume One begins with the **City Manager's Transmittal** letter dated June 3, 2008. The letter was used to transmit the adopted budget to City Council and highlights the prevailing economic condition under which the budget was prepared.

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

The **Fund Summaries & Five-Year Plan, Budget by Fund**, and the **Capital Improvement Plan** sections of Volume One represent the core of the City of Scottsdale's adopted FY 2008/09 budget. The **Fund Summaries & Five-Year Plan** provides a retrospective and prospective view of the City's funds. The first part of the **Budget by Fund** section, entitled Legal Compliance and Financial Management, offers a brief explanation of the City's use of fund accounting to maintain fiscal accountability. Next, a summary entitled Fund Accounting-Fund Types provides the reader with a description of the generic governmental fund types used by the City.

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

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

Volume One concludes with the **Appendix** that provides a summary of authorized full-time and part-time FTEs by department, a summary of authorized staff positions by City department and fund type, the City departmental staff support in the budget development effort, a Five-Year Debt Service Schedule, Schedule of Long-Term Debt Outstanding, a Computation of the Legal Debt Margin as of June 30, 2008, and a General Fund Five-Year Privilege Tax Forecast. A list of Acronyms and a Glossary of terms used throughout the City's budget is also included in this section along with the City Council's ordinances reflecting the adoption of the City's FY 2008/09 budget and property tax levy.

Recommended Budget Practices

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

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

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

Budget Definition

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

A good budget process is characterized by several essential features:

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

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

Mission of the Budget Process

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

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

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

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

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

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

Principles and Elements of the Budget Process

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

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

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

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

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

Budget Roles and Responsibilities

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

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

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

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

Liaison and CIP Liaison. A list of Budget Liaisons and CIP Liaisons and their area of responsibility appears in the Appendix.

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

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

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

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

Adopted Comprehensive Financial Policies (see immediately after the Budget Process in the Overview section).

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

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

City of Scottsdale's Budget Process

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

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

Needs Assessment and Financial Capacity Phase

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

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

Policy/Strategy Development and Prioritization Process Phase

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

Budget Development and Prioritization Process Phase

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

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

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

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

City Management Review and Modification Phase

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

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

City Council Budget Review and Adoption Phase

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

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

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

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

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

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

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

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

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

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

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

Implementing, Monitoring, and Amending the Budget Phase

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

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

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

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

Ongoing monitoring of the City's financial performance is required of all program managers on a monthly basis. Written budget to actual

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

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

The City uses the following as guidance throughout the fiscal year for adjusts the budgeted amounts (Budget Transfers) and actual amounts (Request for Adjustment):

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

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

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

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

All Request for Adjustments to actual expenditures require a written justification and an explanation of the fiscal impact, which is reviewed by the Financial Services Department Accounting staff before being processed. If approved, the Financial Services Department staff document the approval in writing.

All amendments to the budget that require a Budget Transfer from the Contingency/Reserve Funds require City Council's prior approval at a public

meeting before the amendment can be made by staff. If approved, the transfer is processed in the budget system by the Financial Services Department staff.

Use of Contingency/Reserve Funds

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

Budgetary and Accounting Basis

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

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

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

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

Debt service principal payments in the Enterprise Funds are accounted for as expenses for budget purposes, but are reported as reductions of long-term debt liability on the GAAP basis.

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

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

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

Operating and Capital Budget Relationship

The City of Scottsdale's Budget for FY 2008/09 is comprised of three volumes:

Volume One includes the City Council's Mission Statement and Broad Goals, City Manager's Transmittal Letter, and Adopted Financial Policies. The Five-Year Financial Plan covers the period FY 2008/09 through FY 2012/13 and forecasts results of operations by fund and incorporates the operating expenses of capital improvements for the period.

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

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

Governmental accounting procedures and state law require expenditures for the Five-Year Capital Improvement Plan to be budgeted at an amount sufficient to pay for an entire contract, meaning the legal authority is available and appropriated in the period in which a contract is entered into by the City. Therefore, capital expenditures are presented on a budget basis reflecting the total appropriated amount, as opposed to a cash flow basis, which may take several fiscal years to be paid out. For example, a 180-day construction contract entered into in May of fiscal year one would have cash expenditures from May of fiscal year one through October of fiscal year

two, however, the entire budget for this contract must be appropriated in fiscal year one, the year in which the contract was entered; any unspent funds at the end of fiscal year one would be carried forward and re-budgeted again in fiscal year two.

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

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

Five-Year Financial Plan

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

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

The Five-Year Financial Plans provide City Council, City management, citizens and municipal bond rating agencies with the benefits of a long-term financial perspective of revenues, expenditures, cash

transfers in/out, fund balances, and capital financing options. They also serve as the basis to test the potential impacts of proposed policy and operational modifications and pending legislative changes all intended to avoid subjecting citizens to wide or irregular fluctuations in rates/fees and service levels.

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

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

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

Revenue Forecasting

The City of Scottsdale uses both qualitative and quantitative methods for forecasting revenues, blending various techniques to develop conservative and prudent revenue projections. Qualitative revenue forecasting methods used by staff to develop multi-year financial plans include consensus, judgmental, and expert forecasting, while trend analysis is used as a quantitative technique. This balanced approach to revenue forecasting is strongly encouraged by the Government Finance Officers Association (GFOA), since research shows that forecasting accuracy is improved by combining qualitative and quantitative techniques. According to the GFOA, each method by itself has inherent weaknesses: qualitative methods can be too

subjective at times and may be subject to wishful thinking and selective perception on behalf of the forecasters; quantitative methods may fail to consider changing conditions inside and outside a jurisdiction and also tend to discount important historical events. By combining qualitative and quantitative methods, forecasters integrate judgmental assumptions within the forecasting framework to produce more realistic revenue projections.

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

Expenditure and Year-End Savings Forecasting

Each month throughout the fiscal year, the Financial Services Department Budget staff works with the City departments to monitor their year-to-date actual expenditures against the year-to-date approved budget. Each department is also required to forecast their year-end expenditures and related expenditure savings. All significant actual or forecasted variances are researched and a reason for the likely variance as well as possible alternatives to resolve the variance is considered by the staff. Pro-active management of the budget to actual/forecasted expenditures allows staff the opportunity to promptly notify City management and the City Council of potential budget concerns.

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

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

Operating Management Policies

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

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

Capital Management Policies

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

21. Dedicated two tenths of percent (.2%) privilege tax revenue for transportation improvements will be restricted to funding the planning, design, construction and acquisition costs associated with building, renovating, or enhancing capital projects for streets, highways, traffic control, transit and aviation and transportation improvement operating costs.
22. Pay-as-you-go Capital Improvement Plan financing should account for a minimum of 25 percent of all capital improvement projects for each five-year planning period. Pay-as-you-go financing is defined as all sources of revenue other than City debt issuance, i.e., fund balance contributions, developer contributions, grants, endowments, etc.
23. Pay-as-you-go contributions up to 10% or \$500,000, whichever is less, may be authorized by City Council towards any single utility undergrounding improvement district. Any unused annual budget authorization may carryforward towards a maximum \$2 million appropriation for utility undergrounding capital projects that benefit the community as a whole.
28. City Debt Service costs (GO, MPC, HURF, Revenue Bond, McDowell Sonoran Preservation and Contractual Debt) should not exceed 25% of the City's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District (ID) and Community Facility District (CFD) debt service is not included in this calculation because it is paid by district property owners and is not an obligation of the general citizenry. Separate criteria have been established regarding ID and CFD debt policies.
29. General Obligation debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation and/or property tax rate increases, will be utilized as authorized by voters. Other types of voter-approved debt (e.g., water, sewer, and HURF) may also be utilized when they are supported by dedicated revenue sources (e.g., fees and user charges).

Debt Management Policies

24. The City will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit.
25. An analysis showing how the new issue combined with current debt impacts the City's debt capacity and conformance with City debt policies will accompany every future bond issue proposal.
26. The City will communicate, and, where appropriate, coordinate with all jurisdictions with which we share a common tax base concerning our collective plans for future debt issues.
27. For all debt security transactions, the City will utilize bond legal counsel that is familiar with municipal law to ensure that the securities are issued in compliance with the City's governing statutes and regulations. The selection of any outside bond counsel to assist in debt security transactions will be subject to the City Attorney's review and involvement.
30. General Obligation debt issuances will be managed on an annual basis to match funds to Capital Improvement Plan cashflow requirements while being sensitive to the property tax burden on citizens. Careful management of bond issuances will allow the City to not exceed \$1.50 property tax per \$100 assessed value.
31. Municipal Property Corporation and contractual debt, which is non-voter approved, will be utilized only when a dedicated revenue source (e.g., golf course revenue, privilege tax, bed tax) can be identified to pay debt service expenses. The following considerations will be made to the question of pledging of project (facility) revenues towards debt service requirements:
 - a. The project requires monies not available from other sources.
 - b. Matching fund monies are available which may be lost if not applied for in a timely manner.

- c. Catastrophic conditions.
 - d. The project to be financed will generate net positive revenues (i.e., the additional tax revenues generated by the project will be greater than the debt service requirements). The net revenues should not simply be positive over the life of the bonds, but must be positive each year within a reasonably short period (e.g., by the third year of debt service payments).
32. McDowell Sonoran Preservation debt service will be funded by the dedicated .35% privilege tax. The City's privilege tax to revenue bond debt service goal will be at least 1.5:1 for senior lien debt to ensure the City's ability to pay for preserve debt from this elastic revenue source.
33. Improvement District (ID) and Community Facility District (CFD) Bonds shall be permitted only when there is a general City benefit. ID and CFD bonds will be utilized only when it is expected that they will be issued for their full term. It is intended that ID and CFD bonds will be primarily issued for existing neighborhoods desiring improvements to their property such as roads, water lines, sewer lines, streetlights, and drainage.
- a. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, the City's cumulative improvement district debt will not exceed 5 percent of the City's secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years.
 - b. Community Facility District debt will be permitted only when the full cash value of the property, as reported by the Assessor's Office, to debt ratio (prior to improvements being installed) is a minimum of 3/1 prior to issuance of debt and 5/1 or higher after construction of improvements. In addition, the City's cumulative facility district debt will not exceed 5 percent of the City's secondary assessed valuation. The landowner/developer shall also contribute \$.25 in public infrastructure improvement costs of each dollar of public infrastructure improvement debt to be financed by the district.
34. Debt financing should not exceed the useful life of the infrastructure improvement with the average (weighted) bond maturities at or below ten years.
35. A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the City's ability to pay short-term obligations.
36. Bond interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan, as approved by City Council, or be applied to debt service payment on the bonds issued for construction of this plan.
37. Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets our bond indenture requirement of 1.2/1. The City goal will be to maintain a minimum ratio of utility revenue to debt service of 1.6/1 or greater, to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes, and to ensure a balanced pay-as-you-go Capital Improvement Plan.

Reserve Policies

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

39. General Fund Stabilization Reserve of 10 percent of annual general governmental (General and Transportation funds) operating expenditures will be maintained for unforeseen emergencies or catastrophic impacts to the City. Funds in excess of 10 percent, but not to exceed \$5 million, may be used for economic investment in the community when justified by the financial return to the City.
40. Debt Service Reserve will be funded with secondary property taxes, levied by City Council, sufficient to pay the bonded indebtedness for General Obligation bond principal and interest. A debt service sinking fund will be maintained to account for these restricted revenues and debt payments, as well as any additional debt amounts deemed to be advisable and necessary for any public or municipal purposes. An excise tax debt reserve will be funded at no less than the annual debt service for all currently outstanding (1%) excise tax supported debt.
41. Water and Sewer Fund Reserves will be maintained to meet three objectives: (1) ensure adequate funding for operations; (2) to ensure infrastructure repair and replacement; and, (3) to provide working capital to provide level rate change for customers.
 - a. An Operating Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide sufficient expenditure flexibility during times of unusual weather resulting in variations in average consumption and associated operating expenses.
 - b. A Replacement and Extension Reserve will be maintained, per bond indenture requirements, to meet the minimum requirement of 2% of all tangible assets of the system to ensure replacement of water and sewer infrastructure.
 - c. In addition, Working Capital will be funded based upon a multi-year financial plan to provide adequate cash for water and sewer capital improvements and to level the impact of rate increases upon our customers.
42. Solid Waste Management Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with solid waste disposal. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of waste disposal activities.
43. Aviation Fund Reserve will be funded not to exceed 90 days of budgeted system operating expenditures to provide contingency funding for costs associated with airport operations. Costs may include site purchase, technology applications, or inter-governmental investment to maximize the value of airport activities.
44. Self-Insurance Reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels, which will be approved by Council.
45. Fleet Management Reserve will be maintained based upon lifecycle replacement plans to ensure adequate fund balance required for systematic replacement of fleet vehicles and operational contingencies. Operating departments will be charged for fleet operating costs per vehicle class and replacement costs spread over the useful life of the vehicles.
46. Contingency Reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. Use of contingency funds should be utilized only after all budget sources have been examined for available funds, and subject to City Council approval.

Financial Reporting Policies

47. The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
48. An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR). The independent auditor will present CAFR and discuss audit findings concerning internal controls and operational efficiencies at a public meeting.
49. The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.
50. The City's CAFR will also be submitted to Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) as a continuing commitment to disclose thoroughness to enable investors to make informed decisions.
51. The City's Budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.
52. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

Fund Summaries and Five-Year Plans

Fund Accounting - Fund Types

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

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

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

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

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

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

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

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

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

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

Transportation Privilege Tax Capital Funds – are used to account solely for transportation projects funded by dedicated privilege taxes.

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

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

General Capital Funds – are used to account for transfers-in from the General Fund for any other project for which special or dedicated revenues are not available.

- •
- The following section presents •
- several schedules detailing the City •
- of Scottsdale's Budget by Fund and •
- includes Fund Summaries and the •
- Five-Year Financial Plan for each of the •
- City's funds. •
- •

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance:				
General Fund Reserve	23,133,103	26,123,378	25,459,626	28,131,257
Photo Enforcement Loop 101 Program - Contingency	-	1,213,211	860,783	1,361,093
Operating Contingency	6,686,090	2,500,000	2,391,217	2,500,000
Liabilities Reserve	5,000,000	5,000,000	5,276,151	-
Unreserved Fund Balance	34,775,787	21,493,135	33,163,108	8,629,426
Total Beginning Fund Balance	69,594,980	56,329,724	67,150,885	40,621,775
Revenues:				
Taxes - Local				
Privilege Tax	109,714,435	113,649,586	105,600,000	106,300,000
Privilege Tax - Public Safety	10,529,013	11,364,959	10,243,200	10,311,100
Property Tax	19,645,572	20,998,296	20,998,296	22,360,631
Transient Occupancy Tax	1,938,240	2,163,000	1,972,400	1,972,400
Light & Power Franchise	7,236,032	7,350,000	7,650,000	7,718,000
Cable TV Franchise	3,355,012	3,348,471	3,498,471	3,603,000
Salt River Project Lieu Tax	175,871	175,000	175,000	175,000
Stormwater Water Quality Charge	743,185	743,012	818,012	842,000
Taxes - From Other Agencies				
State Shared Sales Tax	22,314,688	23,907,860	21,400,000	22,000,000
State Revenue Sharing	26,652,724	33,062,345	33,062,345	34,000,000
Auto Lieu Tax	9,770,099	10,400,000	9,400,000	9,700,000
Licenses, Permits & Fees				
Building Permit Fees & Charges	16,095,079	16,500,000	12,500,000	14,500,000
Fire Service Charges	1,885,177	1,122,000	1,122,000	1,440,000
Business Licenses & Fees	1,626,377	1,632,000	1,782,000	1,835,000
Recreation Fees	2,783,787	2,898,000	3,000,000	3,114,000
WestWorld	1,739,448	2,040,000	2,340,000	2,387,000
Fines & Forfeitures				
Court Fines	5,871,219	5,463,120	6,463,000	6,451,000
Parking Fines	349,832	312,120	400,000	318,000
Photo Enforcement Revenue	2,303,560	2,550,314	1,650,000	1,869,000
Photo Enforcement Loop 101 Program	3,890,122	4,105,000	4,300,000	975,000
Library Fines & Fees	647,884	663,000	395,000	382,000
Interest Earnings/Property Rental				
Interest Earnings	6,626,277	5,200,000	6,600,000	4,500,000
Property Rental	3,397,541	3,315,000	3,115,000	3,381,000
Other Revenue				
Miscellaneous	1,154,432	700,000	850,000	1,000,000
Reimbursements	362,132	-	300,000	350,000
Intergovernmental Revenue	678,300	-	650,000	675,000
Indirect/Direct Cost Allocation	10,207,644	11,577,243	11,577,243	12,936,944
Subtotal	271,693,682	285,240,325	271,861,967	275,096,075
Cash Transfers In				
Special Programs Fund (Code Enforcement)	53,011	-	90,852	-
In Lieu Property Tax	2,883,012	3,032,047	3,032,047	2,453,185
Franchise Fees	5,831,695	6,018,185	6,339,769	6,738,113
Self Insurance Fund	-	-	-	2,500,000
Subtotal	8,767,718	9,050,232	9,462,668	11,691,298
Total Revenues & Cash Transfers In	280,461,400	294,290,557	281,324,635	286,787,373
Use of Funds:				
Departments				
Mayor & City Council (includes IGR)	1,453,459	1,630,052	1,583,249	1,693,976
City Clerk	819,692	913,885	913,885	956,910
Elections	67,202	9,671	9,671	238,461
City Attorney	5,588,862	7,271,448	6,875,448	6,923,420
City Attorney - Photo Enf Loop 101 Program	9,303	21,600	59,666	18,874
City Auditor	706,452	945,985	778,631	973,586
City Court	5,114,990	5,557,681	5,314,861	5,580,017
City Court - Photo Enf Loop 101 Program	137,435	44,940	162,459	191,731
City Manager	693,930	698,730	698,730	824,025
CAPA	1,543,452	1,776,100	1,671,100	1,728,004

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Police	74,763,678	83,267,250	82,529,350	89,522,918
Police - Photo Enf Loop 101 Program	2,882,601	809,156	3,577,565	812,095
Financial Services	8,892,211	9,901,169	9,453,318	9,992,850
Transportation - Trails	-	193,393	116,393	201,328
Community Services	52,223,508	58,073,131	56,764,773	58,822,317
Information Systems	9,121,643	10,788,073	10,574,774	10,602,652
The Downtown Group	4,847,893	4,695,392	4,595,393	4,580,842
Fire	26,652,735	32,354,253	31,412,514	33,237,606
Municipal Services	511,694	728,375	1,061,766	1,687,434
Citizen & Neighborhood Resources	3,211,470	3,693,595	3,179,655	3,774,908
Human Resources	3,857,115	4,624,970	4,051,612	4,316,051
Economic Vitality	1,395,239	1,634,581	1,520,470	1,502,931
Planning & Development (includes Preservation)	15,221,518	17,995,564	16,969,528	17,132,633
WestWorld	2,524,314	3,397,033	3,275,833	3,549,525
<i>Estimated Department Expenditure Savings</i>	-	(1,750,000)	-	-
<i>Estimated Vacant Position Savings</i>	-	(4,000,000)	-	-
<i>Estimated Operating Impacts - CIP</i>	-	-	-	-
Subtotal	222,240,396	245,276,027	247,150,644	258,865,094
Debt Service				
Contracts Payable	5,556,644	5,707,179	4,268,463	4,607,003
Certificates of Participation - Radio Financing	-	-	-	500,000
Certificates of Participation - Public Safety Admin Bldg	-	918,790	918,790	918,790
Subtotal	5,556,644	6,625,969	5,187,253	6,025,793
Total Operating Budget	227,797,040	251,901,995	252,337,896	264,890,887
Cash Transfers Out				
MPC Excise Debt Fund	3,348,096	6,134,405	5,987,538	5,938,688
CIP - General Fund Maintenance	5,351,664	4,997,900	4,997,900	4,047,000
CIP - General Fund - Public Safety/Radios	5,552,800	3,054,110	3,054,110	1,552,800
CIP - General Fund - Non-Maintenance	36,516,500	39,456,000	39,456,000	5,000,000
Transportation Fund	-	1,000,000	1,440,000	6,200,000
Self Insurance Fund	2,500,000	-	-	-
Fleet Fund - Decision Packages/Contingency	852,250	-	420,300	-
Special Programs Fund - Balance of Tourism Funds	1,590,415	-	-	-
Special Programs Fund - Community Services	100,000	100,000	100,000	100,000
Special Programs Fund - Neighborhood Revitalization	100,000	50,000	50,000	50,000
Special Programs Fund - Preservation Rehab	10,000	10,000	10,000	10,000
Special Programs Fund - RICO	750,636	-	-	-
Special Assessment District	3,131	-	-	-
Waterfront Community Facility District	366,371	-	-	-
Total Cash Transfers Out	57,041,864	54,802,415	55,515,848	22,898,488
Total Expenditures & Cash Transfers Out	284,838,903	306,704,410	307,853,744	287,789,375
GAAP to Budget Adjustment ⁽¹⁾	1,933,408	-	-	-
Ending Fund Balance				
General Fund Reserve	25,459,626	28,481,874	28,131,257	29,927,331
Photo Enforcement Loop 101 Program - Contingency	860,783	3,000,000	1,361,093	600,000
Operating Contingency	2,391,217	2,940,000	2,086,000	5,000,000
Liabilities Reserve	5,276,151	5,000,000	-	-
Unreserved Fund Balance	33,163,108	4,493,997	9,043,426	4,092,442
Total Ending Fund Balance	67,150,885	43,915,871	40,621,775	39,619,773

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance:					
General Fund Reserve	28,131,257	29,927,331	31,359,513	32,373,149	33,059,167
Photo Enforcement Loop 101 Program - Contingency	1,361,093	600,000	600,000	600,000	600,000
Operating Contingency	2,500,000	5,000,000	2,500,000	2,500,000	2,500,000
Liabilities Reserve	-	-	-	-	-
Unreserved Fund Balance ⁽¹⁾	8,629,426	4,092,442	1,578,393	1,799,573	(636,122)
Total Beginning Fund Balance	40,621,775	39,619,773	36,037,906	37,272,722	35,523,045
Revenues:					
Taxes - Local					
Privilege Tax	106,300,000	110,800,000	116,000,000	121,500,000	127,400,000
Privilege Tax - Public Safety	10,311,100	10,747,600	11,252,000	11,785,500	12,357,800
Property Tax	22,360,631	23,470,699	24,637,526	25,855,418	27,133,551
Transient Occupancy Tax	1,972,400	2,050,000	2,132,000	2,217,280	2,305,971
Light & Power Franchise	7,718,000	8,103,900	8,509,095	8,934,550	9,381,277
Cable TV Franchise	3,603,000	3,600,000	3,700,000	3,800,000	3,900,000
Salt River Project Lieu Tax	175,000	175,000	175,000	175,000	175,000
Stormwater Water Quality Charge	842,000	867,260	893,278	920,076	947,678
Taxes - From Other Agencies					
State Shared Sales Tax	22,000,000	22,000,000	22,600,000	24,000,000	25,400,000
State Revenue Sharing	34,000,000	35,100,000	36,700,000	38,400,000	39,700,000
Auto Lieu Tax	9,700,000	10,088,000	10,491,520	10,911,181	11,347,628
Licenses, Permits & Fees					
Building Permit Fees & Charges	14,500,000	15,000,000	15,500,000	16,000,000	16,500,000
Fire Service Charges	1,440,000	1,483,200	1,527,696	1,573,527	1,620,733
Business Licenses & Fees	1,835,000	1,890,050	1,946,752	2,005,154	2,065,309
Recreation Fees	3,114,000	3,222,990	3,335,795	3,452,547	3,573,387
WestWorld	2,387,000	2,434,740	2,483,435	2,533,103	2,583,766
Fines & Forfeitures					
Court Fines	6,451,000	6,644,530	6,843,866	7,049,182	7,260,657
Parking Fines	318,000	324,360	330,847	337,464	344,213
Photo Enforcement Revenue	1,869,000	1,887,690	1,906,567	1,925,633	1,944,889
Photo Enforcement Loop 101 Program	975,000	-	-	-	-
Library Fines & Fees	382,000	389,640	397,433	405,381	413,489
Interest Earnings/Property Rental					
Interest Earnings	4,500,000	5,900,000	6,000,000	6,000,000	6,000,000
Property Rental	3,381,000	3,448,620	3,517,592	3,587,944	3,659,703
Other Revenue					
Miscellaneous	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reimbursements	350,000	350,000	350,000	350,000	350,000
Intergovernmental Revenue	675,000	675,000	675,000	675,000	675,000
Indirect/Direct Cost Allocation	12,936,944	13,079,435	13,224,008	13,370,714	13,519,612
Subtotal	275,096,075	284,732,714	296,129,409	308,764,655	321,559,663
Cash Transfers In					
Special Programs Fund (Code Enforcement)	-	-	-	-	-
In Lieu Property Tax	2,453,185	2,675,320	3,008,650	3,372,899	3,651,836
Franchise Fees	6,738,113	7,235,584	8,343,605	8,265,721	8,815,814
Self Insurance Fund	2,500,000	-	-	-	-
Subtotal	11,691,298	9,910,904	11,352,255	11,638,621	12,467,650
Total Revenues & Cash Transfers In	286,787,373	294,643,618	307,481,664	320,403,276	334,027,313
Use of Funds:					
Departments					
Mayor & City Council (includes IGR)	1,693,976	1,742,649	1,773,227	1,796,904	1,817,014
City Clerk	956,910	996,316	1,021,441	1,039,498	1,053,199
Elections	238,461	10,950	243,050	13,100	251,175
City Attorney	6,923,420	7,216,386	7,369,394	7,475,026	7,519,550
City Attorney - Photo Enf Loop 101 Program	18,874	-	-	-	-
City Auditor	973,586	1,008,909	1,030,471	1,047,297	1,062,066
City Court	5,580,017	5,944,843	6,102,842	6,240,680	6,377,997
City Court - Photo Enf Loop 101 Program	191,731	-	-	-	-
City Manager	824,025	745,256	756,601	761,025	765,884
CAPA	1,728,004	1,773,575	1,802,130	1,827,513	1,851,936
Police	89,522,918	94,842,527	97,257,729	99,473,130	101,589,045
Police - Photo Enf Loop 101 Program	812,095	-	-	-	-

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE GENERAL FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Financial Services	9,992,850	10,366,118	10,601,930	10,785,350	10,947,824
Transportation - Trails	201,328	208,663	213,832	218,692	223,822
Community Services	58,822,317	60,820,869	62,350,347	63,744,533	65,102,226
Information Systems	10,602,652	10,955,199	11,186,209	11,362,716	11,521,936
The Downtown Group	4,580,842	4,690,385	4,801,606	4,914,078	5,029,447
Fire	33,237,606	33,982,008	34,759,329	35,446,260	36,136,899
Municipal Services	1,687,434	1,895,541	1,924,367	1,939,795	1,954,169
Citizen & Neighborhood Resources	3,774,908	3,999,743	4,105,384	4,189,938	4,271,590
Human Resources	4,316,051	4,490,396	4,615,742	4,710,216	4,771,508
Economic Vitality	1,502,931	1,552,157	1,580,049	1,598,174	1,613,998
Planning & Development (includes Preservation)	17,132,633	17,766,979	18,188,148	18,532,432	18,842,047
WestWorld	3,549,525	3,636,511	3,703,055	3,760,111	3,813,957
<i>Estimated Department Expenditure Savings</i>	-	-	-	-	-
<i>Estimated Vacant Position Savings</i>	-	-	-	-	-
<i>Estimated Operating Impacts - CIP</i>	-	2,000,000	4,000,000	4,500,000	4,700,000
Subtotal	258,865,094	270,645,977	279,386,881	285,376,468	291,259,290
Debt Service					
Contracts Payable	4,607,003	4,935,619	5,130,086	5,332,678	5,543,740
Certificates of Participation - Radio Financing	500,000	2,500,000	3,000,000	3,000,000	3,000,000
Certificates of Participation - Public Safety Admin Bldg	918,790	918,790	918,790	918,790	918,790
Subtotal	6,025,793	8,354,409	9,048,876	9,251,468	9,462,530
Total Operating Budget	264,890,887	279,000,387	288,435,757	294,627,936	300,721,820
Cash Transfers Out					
MPC Excise Debt Fund	5,938,688	6,982,998	6,986,991	7,930,017	7,932,264
CIP - General Fund Maintenance	4,047,000	5,829,300	4,961,300	4,552,200	3,217,600
CIP - General Fund - Public Safety/Radios	1,552,800	1,552,800	1,552,800	1,552,800	1,652,000
CIP - General Fund - Non-Maintenance	5,000,000	-	-	10,000,000	15,000,000
Transportation Fund	6,200,000	4,700,000	4,150,000	3,330,000	2,785,000
Self Insurance Fund	-	-	-	-	-
Fleet Fund - Decision Packages/Contingency	-	-	-	-	-
Special Programs Fund - Balance of Tourism Funds	-	-	-	-	-
Special Programs Fund - Community Services	100,000	100,000	100,000	100,000	100,000
Special Programs Fund - Neighborhood Revitalization	50,000	50,000	50,000	50,000	50,000
Special Programs Fund - Preservation Rehab	10,000	10,000	10,000	10,000	10,000
Special Programs Fund - RICO	-	-	-	-	-
Special Assessment District	-	-	-	-	-
Waterfront Community Facility District	-	-	-	-	-
Total Cash Transfers Out	22,898,488	19,225,098	17,811,091	27,525,017	30,746,864
Total Expenditures & Cash Transfers Out	287,789,375	298,225,485	306,246,848	322,152,953	331,468,684
GAAP to Budget Adjustment ⁽²⁾	-	-	-	-	-
Ending Fund Balance					
General Fund Reserve	29,927,331	31,359,513	32,373,149	33,059,167	33,735,426
Photo Enforcement Loop 101 Program - Contingency	600,000	600,000	600,000	600,000	600,000
Operating Contingency	5,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Liabilities Reserve	-	-	-	-	-
Unreserved Fund Balance ⁽¹⁾	4,092,442	1,578,393	1,799,573	(636,122)	1,246,250
Total Ending Fund Balance	39,619,773	36,037,906	37,272,722	35,523,045	38,081,675

⁽¹⁾ Any forecasted negative fund balances may be addressed through reductions in expenditures, improvements in revenue forecasts, and/or a combination of these actions.

⁽²⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRANSPORTATION SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance	1,044,507	2,261,432	412,605	(2,670,891)
Revenues:				
Highway User Revenue Tax	16,707,467	16,995,000	16,300,000	16,900,000
Transportation Privilege Tax (0.2%)	20,816,119	22,729,917	19,958,400	20,090,700
Local Transportation Assistance Fund I	1,073,727	1,088,492	1,088,492	1,088,492
Local Transportation Assistance Fund II	693,029	550,000	379,831	-
Proposition 400 Regional Sales Tax	-	293,446	293,446	305,184
Miscellaneous	114,846	178,000	178,000	180,000
Subtotal	39,405,188	41,834,856	38,198,169	38,564,376
Cash Transfers In				
General Fund	-	1,000,000	1,440,000	6,200,000
CIP	-	-	-	3,000,000
Solid Waste - Alley Maintenance	290,551	311,395	311,395	334,012
Waterfront Community Facility District Admin Fees	1,113	-	-	-
Subtotal	291,664	1,311,395	1,751,395	9,534,012
Total Revenues & Cash Transfers In	39,696,852	43,146,251	39,949,564	48,098,388
Use of Funds:				
Department/Division				
Transportation/Admin, Planning & Engineering	13,438,409	15,511,463	14,629,709	15,804,943
Municipal Services/Field Services	13,235,200	18,280,979	18,144,651	19,600,184
<i>Estimated Decision Packages</i>	-	-	-	-
Subtotal	26,673,609	33,792,442	32,774,360	35,405,127
Debt Service				
Revenue Bonds	3,154,950	-	-	-
Subtotal	3,154,950	-	-	-
Total Operating Budget	29,828,559	33,792,442	32,774,360	35,405,127
Cash Transfers Out				
CIP Fund - Privilege Tax Allocation	10,408,060	11,364,959	9,979,200	10,045,350
CIP Fund - Tech. Replacement	68,800	68,800	68,800	57,500
Fleet Fund - Vehicles	23,335	-	210,700	-
Total Cash Transfers Out	10,500,195	11,433,759	10,258,700	10,102,850
Total Expenditures & Cash Transfers Out	40,328,754	45,226,201	43,033,060	45,507,977
Total Ending Fund Balance ⁽¹⁾	412,605	181,481	(2,670,891)	(80,480)

⁽¹⁾ Any forecasted negative fund balances may be addressed through reductions in expenditures, improvements in revenue forecasts, and/or a combination of these actions.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRANSPORTATION SPECIAL REVENUE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance	(2,670,891)	(80,480)	(104,587)	(109,940)	(10,573)
Revenues:					
Highway User Revenue Tax	16,900,000	17,576,000	18,279,040	19,010,202	19,770,610
Transportation Privilege Tax (0.2%)	20,090,700	20,941,200	21,924,000	22,963,500	24,078,600
Local Transportation Assistance Fund I	1,088,492	1,088,492	1,088,492	1,088,492	1,088,492
Local Transportation Assistance Fund II	-	-	-	300,000	300,000
Proposition 400 Regional Sales Tax	305,184	317,391	330,087	343,290	357,022
Miscellaneous	180,000	180,000	180,000	180,000	180,000
Subtotal	38,564,376	40,103,083	41,801,619	43,885,484	45,774,724
Cash Transfers In					
General Fund	6,200,000	4,700,000	4,150,000	3,330,000	2,785,000
CIP	3,000,000	-	-	-	-
Solid Waste - Alley Maintenance	334,012	358,550	380,063	402,867	427,039
Waterfront Community Facility District Admin Fees	-	-	-	-	-
Subtotal	9,534,012	5,058,550	4,530,063	3,732,867	3,212,039
Total Revenues & Cash Transfers In	48,098,388	45,161,633	46,331,682	47,618,351	48,986,763
Use of Funds:					
Department/Division					
Transportation/Admin, Planning & Engineering	15,804,943	16,175,137	16,503,644	16,814,893	17,125,584
Municipal Services/Field Services	19,600,184	18,169,603	18,542,091	18,898,841	19,256,855
Estimated Decision Packages	-	250,000	250,000	250,000	250,000
Subtotal	35,405,127	34,594,740	35,295,735	35,963,734	36,632,439
Debt Service					
Revenue Bonds	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Operating Budget	35,405,127	34,594,740	35,295,735	35,963,734	36,632,439
Cash Transfers Out					
CIP Fund - Privilege Tax Allocation	10,045,350	10,470,600	10,962,000	11,481,750	12,039,300
CIP Fund - Tech. Replacement	57,500	120,400	79,300	73,500	54,100
Fleet Fund - Vehicles	-	-	-	-	-
Total Cash Transfers Out	10,102,850	10,591,000	11,041,300	11,555,250	12,093,400
Total Expenditures & Cash Transfers Out	45,507,977	45,185,740	46,337,035	47,518,984	48,725,839
Total Ending Fund Balance ⁽¹⁾	(80,480)	(104,587)	(109,940)	(10,573)	250,351

⁽¹⁾ Any forecasted negative fund balances may be addressed through reductions in expenditures, improvements in revenue forecasts, and/or a combination of these actions.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE PRESERVATION PRIVILEGE TAX SPECIAL REVENUE FUNDS FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
<u>Source of Funds:</u>				
Beginning Fund Balance				
Privilege Tax (0.20%)	8,321,504	8,723,129	9,089,640	10,372,827
Privilege Tax (0.15%)	18,989,183	31,863,439	25,851,655	8,009,205
Total Beginning Fund Balance	27,310,687	40,586,568	34,941,295	18,382,032
Revenues:				
Privilege Tax (0.20%)	21,320,915	22,729,917	20,486,400	20,622,200
Privilege Tax (0.15%)	15,793,537	17,047,438	14,852,640	14,951,095
Interest Earnings	1,945,140	1,326,000	1,650,000	1,120,000
Subtotal	39,059,592	41,103,355	36,989,040	36,693,295
Total Revenues	39,059,592	41,103,355	36,989,040	36,693,295
<u>Use of Funds:</u>				
Operating				
Miscellaneous	2,010	-	2,110	2,110
Subtotal	2,010	-	2,110	2,110
Debt Service				
Contractual Debt	952,290	955,780	955,780	952,480
Subtotal	952,290	955,780	955,780	952,480
Total Expenditures	954,300	955,780	957,890	954,590
Cash Transfers Out				
Debt Service Fund (Preserve GO Bonds)	15,220,312	12,814,391	13,771,171	15,040,365
Debt Service Fund (Preserve Revenue Bonds)	6,785,408	6,789,871	6,789,871	6,768,271
CIP Fund (General Capital Projects)	8,468,964	250,000	32,029,371	1,473,000
Total Cash Transfers Out	30,474,684	19,854,262	52,590,413	23,281,636
Total Expenditures & Cash Transfers Out	31,428,984	20,810,042	53,548,303	24,236,226
Ending Fund Balance				
Privilege Tax (0.20%)	9,089,640	12,954,423	10,372,827	11,603,889
Privilege Tax (0.15%)	25,851,655	47,925,458	8,009,205	19,235,212
Total Ending Fund Balance	34,941,295	60,879,881	18,382,032	30,839,101

Fund Summaries and Five-Year Plans

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

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance					
Privilege Tax (0.20%)	10,372,827	11,603,889	13,910,471	16,006,869	19,776,517
Privilege Tax (0.15%)	8,009,205	19,235,212	29,278,132	34,365,620	36,834,172
Total Beginning Fund Balance	18,382,032	30,839,101	43,188,603	50,372,489	56,610,689
Revenues:					
Privilege Tax (0.20%)	20,622,200	21,495,200	22,504,000	23,571,000	24,715,600
Privilege Tax (0.15%)	14,951,095	15,584,020	16,315,400	17,088,975	17,918,810
Interest Earnings	1,120,000	977,000	1,377,000	1,887,000	2,492,000
Subtotal	36,693,295	38,056,220	40,196,400	42,546,975	45,126,410
Total Revenues	36,693,295	38,056,220	40,196,400	42,546,975	45,126,410
<u>Use of Funds:</u>					
Operating					
Miscellaneous	2,110	2,210	2,210	2,210	2,210
Subtotal	2,110	2,210	2,210	2,210	2,210
Debt Service					
Contractual Debt	952,480	951,855	954,175	953,750	955,500
Subtotal	952,480	951,855	954,175	953,750	955,500
Total Expenditures	954,590	954,065	956,385	955,960	957,710
Cash Transfers Out					
Debt Service Fund (Preserve GO Bonds)	15,040,365	14,912,902	25,049,034	28,659,120	30,065,961
Debt Service Fund (Preserve Revenue Bonds)	6,768,271	6,739,751	6,707,095	6,693,695	6,681,895
CIP Fund (General Capital Projects)	1,473,000	3,100,000	300,000	-	-
Total Cash Transfers Out	23,281,636	24,752,653	32,056,129	35,352,815	36,747,856
Total Expenditures & Cash Transfers Out	24,236,226	25,706,718	33,012,514	36,308,775	37,705,566
Ending Fund Balance					
Privilege Tax (0.20%)	11,603,889	13,910,471	16,006,869	19,776,517	23,775,678
Privilege Tax (0.15%)	19,235,212	29,278,132	34,365,620	36,834,172	40,255,855
Total Ending Fund Balance	30,839,101	43,188,603	50,372,489	56,610,689	64,031,533

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance/Reserve				
Operating Contingency ^(A)	-	1,500,000	1,500,000	1,500,000
Reserved:				
Economic Vitality - Transient Occupancy Tax	-	1,549,135	1,955,695	1,337,529
Courts	2,122,413	2,997,594	3,208,231	3,252,163
Downtown Cultural/Community Arts	471,206	468,581	550,925	700,925
Human Resources - Cultural Diversity	11,276	21,095	15,595	11,595
Police	(594,236)	941,214	78,804	78,123
Community Services	4,130,298	3,138,874	3,808,766	3,936,457
Citizen & Neighborhood Resources	234,127	82,172	72,382	-
Preservation Rehab	20,000	23,000	130,000	190,000
Planning & Development Services	39,908	48,598	86,239	144,300
Fire	3,114	2,964	5,351	6,551
Total Beginning Fund Balance	6,438,106	9,273,226	9,911,988	9,657,643
Revenues:				
Economic Vitality - Transient Occupancy Tax	7,752,959	8,652,000	7,889,600	7,889,600
Courts	1,548,353	995,135	995,135	982,259
Downtown Cultural/Community Arts	91,441	90,000	150,000	235,000
Human Resources - Cultural Diversity	21,600	10,000	21,000	20,000
Police	512,899	1,798,383	1,798,383	1,426,600
Community Services	1,731,121	1,850,000	1,850,000	1,896,250
Citizen and Neighborhood Resources	(66,269)	78,009	-	-
Preservation Rehab	-	-	-	15,000
Planning & Development Services	70,440	58,391	108,085	136,000
Fire	3,989	1,200	1,200	4,000
Subtotal	11,666,533	13,533,118	12,813,403	12,604,709
Cash Transfers In				
General Fund - Misc. Comm. Svc.	100,000	100,000	100,000	100,000
General Fund - Neighborhood Revitalization	100,000	50,000	50,000	50,000
General Fund - Balance of Tourism Funds	2,424,365	-	-	-
General Fund - RICO	750,636	-	-	-
General Fund - Preservation Rehab	10,000	10,000	10,000	10,000
Subtotal	3,385,001	160,000	160,000	160,000
Total Revenues & Cash Transfers In	15,051,534	13,693,118	12,973,403	12,764,709
Use of Funds:				
Departments				
Economic Vitality - Transient Occupancy Tax	7,621,629	7,607,766	7,907,766	7,864,578
Courts	462,535	434,903	434,903	458,545
Downtown Cultural/Community Arts	11,722	526,150	-	300,000
Human Resources - Cultural Diversity	17,281	25,000	25,000	25,000
Police	531,270	816,664	816,664	1,097,958
Community Services	1,752,653	2,273,995	1,819,509	2,339,722
Preservation Rehab	-	65,000	-	-
Citizen and Neighborhood Resources	42,465	35,500	-	-

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL PROGRAMS SPECIAL REVENUE FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Planning & Development Services	24,109	50,024	50,024	279,989
Fire	1,752	-	-	5,000
Subtotal	10,465,416	11,835,003	11,053,867	12,370,792
Total Operating Budget	10,465,416	11,835,003	11,053,867	12,370,792
Cash Transfers Out				
General Fund	53,011	-	72,382	-
MPC Debt - Tourism Funds	600,000	744,867	600,000	746,263
CIP Fund - Community Services	400,000	2,002,800	2,800	2,400
CIP Fund - Police	30,000	15,000	15,000	75,000
CIP Fund - Police (RICO)	29,225	967,400	967,400	25,500
CIP Fund (Court)	-	516,300	516,300	189,400
Subtotal	1,112,236	4,246,367	2,173,882	1,038,563
Total Expenditures & Cash Transfers Out	11,577,652	16,081,370	13,227,749	13,409,355
Ending Fund Balance				
Operating Contingency ^(A)	-	1,500,000	1,500,000	1,500,000
Heard Museum - Contingency ^(B)	-	300,000	-	-
Reserved:				
Economic Vitality - Transient Occupancy Tax	1,955,695	1,548,502	1,337,529	616,288
Courts	3,208,231	3,041,526	3,252,163	3,586,477
Downtown Cultural/Community Arts	550,925	32,431	700,925	635,925
Human Resources - Cultural Diversity	15,595	6,095	11,595	6,595
Police	78,804	940,533	78,123	306,265
Community Services	3,808,766	812,079	3,936,457	3,590,585
Citizen & Neighborhood Resources	72,382	124,681	-	-
Preservation Rehab	130,000	18,000	190,000	265,000
Planning & Development Services	86,239	56,965	144,300	311
Fire	5,351	4,164	6,551	5,551
Total Ending Fund Balance	9,911,988	6,884,974	9,657,643	9,012,997

^(A) The Operating Contingency for the Special Programs Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

^(B) The Heard Museum - Contingency is a funded contingency from Bed Tax and is included in the beginning and ending fund balance of the Adopted FY 2007/08 Budget. On August 24, 2007 City Council approved the use of the \$300,000 contingency for the Heard Museum.

Fund Summaries and Five-Year Plans

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

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance/Reserve					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserved:					
Economic Vitality - Transient Occupancy Tax	1,337,529	616,288	1,241	287	181,866
Courts	3,252,163	3,586,477	4,125,107	4,682,149	5,258,525
Downtown Cultural/Community Arts	700,925	635,925	535,925	435,925	335,925
Human Resources - Cultural Diversity	11,595	6,595	6,595	6,595	6,595
Police	78,123	306,265	585,711	888,222	1,199,219
Community Services	3,936,457	3,590,585	3,245,576	1,895,033	541,326
Citizen & Neighborhood Resources	-	-	-	-	-
Preservation Rehab	190,000	265,000	310,000	355,000	400,000
Planning & Development Services	144,300	311	26,311	52,311	78,311
Fire	6,551	5,551	9,551	13,551	17,551
Total Beginning Fund Balance	9,657,643	9,012,997	8,846,016	8,329,073	8,019,317
Revenues:					
Economic Vitality - Transient Occupancy Tax	7,889,600	8,200,000	8,528,000	8,869,120	9,223,885
Courts	982,259	1,011,909	1,042,539	1,073,815	1,106,030
Downtown Cultural/Community Arts	235,000	200,000	200,000	200,000	200,000
Human Resources - Cultural Diversity	20,000	20,000	20,000	20,000	20,000
Police	1,426,600	1,460,283	1,481,745	1,545,117	1,592,664
Community Services	1,896,250	1,943,656	1,992,248	2,042,054	2,093,105
Citizen and Neighborhood Resources	-	-	-	-	-
Preservation Rehab	15,000	15,000	15,000	15,000	15,000
Planning & Development Services	136,000	136,000	136,000	136,000	136,000
Fire	4,000	4,000	4,000	4,000	4,000
Subtotal	12,604,709	12,990,848	13,419,532	13,905,106	14,390,683
Cash Transfers In					
General Fund - Misc. Comm. Svc.	100,000	100,000	100,000	100,000	100,000
General Fund - Neighborhood Revitalization	50,000	50,000	50,000	50,000	50,000
General Fund - Balance of Tourism Funds	-	-	-	-	-
General Fund - RICO	-	-	-	-	-
General Fund - Preservation Rehab	10,000	10,000	10,000	10,000	10,000
Subtotal	160,000	160,000	160,000	160,000	160,000
Total Revenues & Cash Transfers In	12,764,709	13,150,848	13,579,532	14,065,106	14,550,683
<u>Use of Funds:</u>					
Departments					
Economic Vitality - Transient Occupancy Tax	7,864,578	7,928,224	7,631,788	7,784,424	7,940,113
Courts	458,545	473,279	485,497	497,439	509,876
Downtown Cultural/Community Arts	300,000	300,000	300,000	300,000	300,000
Human Resources - Cultural Diversity	25,000	20,000	20,000	20,000	20,000
Police	1,097,958	1,120,837	1,149,235	1,174,120	1,199,706
Community Services	2,339,722	2,384,666	2,439,190	2,492,562	2,547,409
Preservation Rehab	-	30,000	30,000	30,000	30,000
Citizen and Neighborhood Resources	-	-	-	-	-
Planning & Development Services	279,989	110,000	110,000	110,000	110,000
Fire	5,000	-	-	-	-
Subtotal	12,370,792	12,367,006	12,165,710	12,408,544	12,657,104
Total Operating Budget	12,370,792	12,367,006	12,165,710	12,408,544	12,657,104

Fund Summaries and Five-Year Plans

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

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Cash Transfers Out					
General Fund	-	-	-	-	-
MPC Debt - Tourism Funds	746,263	886,823	897,166	903,117	907,664
CIP Fund - Community Services	2,400	4,000	1,003,600	1,003,200	2,400
CIP Fund - Police	75,000	60,000	30,000	60,000	30,000
CIP Fund - Police (RICO)	25,500	-	-	-	-
CIP Fund (Court)	189,400	-	-	-	-
Subtotal	1,038,563	950,823	1,930,766	1,966,317	940,064
Total Expenditures & Cash Transfers Out	13,409,355	13,317,829	14,096,476	14,374,861	13,597,168
Ending Fund Balance					
Operating Contingency ^(A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Heard Museum - Contingency ^(B)	-	-	-	-	-
Reserved:					
Economic Vitality - Transient Occupancy Tax	616,288	1,241	287	181,866	557,974
Courts	3,586,477	4,125,107	4,682,149	5,258,525	5,854,678
Downtown Cultural/Community Arts	635,925	535,925	435,925	335,925	235,925
Human Resources - Cultural Diversity	6,595	6,595	6,595	6,595	6,595
Police	306,265	585,711	888,222	1,199,219	1,562,177
Community Services	3,590,585	3,245,576	1,895,033	541,326	184,621
Citizen & Neighborhood Resources	-	-	-	-	-
Preservation Rehab	265,000	310,000	355,000	400,000	445,000
Planning & Development Services	311	26,311	52,311	78,311	104,311
Fire	5,551	9,551	13,551	17,551	21,551
Total Ending Fund Balance	9,012,997	8,846,016	8,329,073	8,019,317	8,972,832

^(A) The Operating Contingency for the Special Programs Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

^(B) The Heard Museum - Contingency is a funded contingency from Bed Tax and is included in the beginning and ending fund balance of the adopted FY 2007/08 budget. On August 24, 2007 City Council approved the use of the \$300,000 contingency for the Heard Museum.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL DISTRICT FUNDS FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Streetlight Districts	788,083	792,549	738,011	738,011
Downtown Enhanced Municipal Services District ^(A)	9,227	-	9,227	-
Total Beginning Fund Balance	797,310	792,549	747,238	738,011
Revenues:				
Streetlight Districts	546,571	621,000	621,000	600,066
Subtotal	546,571	621,000	621,000	600,066
Total Revenues	546,571	621,000	621,000	600,066
<u>Use of Funds:</u>				
Expenditures:				
Streetlight Districts	596,643	621,000	621,000	732,000
Downtown Enhanced Municipal Services District	-	-	9,227	-
Subtotal	596,643	621,000	630,227	732,000
Total Expenditures	596,643	621,000	630,227	732,000
Ending Fund Balance				
Streetlight Districts	738,011	792,549	738,011	606,077
Downtown Enhanced Municipal Services District ^(A)	9,227	-	-	-
Total Ending Fund Balance	747,238	792,549	738,011	606,077

^(A) On May 17, 2005, the City Council voted to remove the Enhanced Municipal Services District from the downtown area.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SPECIAL DISTRICT FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Streetlight Districts	738,011	606,077	606,077	606,077	606,077
Downtown Enhanced Municipal Services District ^(A)	-	-	-	-	-
Total Beginning Fund Balance	738,011	606,077	606,077	606,077	606,077
Revenues:					
Streetlight Districts	600,066	621,068	642,806	665,304	688,590
Subtotal	600,066	621,068	642,806	665,304	688,590
Total Revenues	600,066	621,068	642,806	665,304	688,590
<u>Use of Funds:</u>					
Expenditures:					
Streetlight Districts	732,000	621,068	642,806	665,304	688,590
Downtown Enhanced Municipal Services District	-	-	-	-	-
Subtotal	732,000	621,068	642,806	665,304	688,590
Total Expenditures	732,000	621,068	642,806	665,304	688,590
Ending Fund Balance					
Streetlight Districts	606,077	606,077	606,077	606,077	606,077
Downtown Enhanced Municipal Services District ^(A)	-	-	-	-	-
Total Ending Fund Balance	606,077	606,077	606,077	606,077	606,077

^(A) On May 17, 2005, the City Council voted to remove the Enhanced Municipal Services District from the downtown area.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE DEBT SERVICE FUNDS FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance:				
G.O. Debt Service	11,957,163	9,671,888	8,975,198	7,732,521
MPC Excise Debt	6,625,593	6,765,347	7,448,217	7,588,217
SPA Debt Service	49	-	-	-
Special Assessment Debt	350,634	350,635	1,092,388	1,092,388
Total Beginning Fund Balance	18,933,439	16,787,869	17,515,803	16,413,126
Revenues:				
Property Tax (Secondary)	28,000,265	29,672,656	29,672,655	35,795,617
Special Assessments	1,823,471	1,044,279	1,045,187	1,004,809
MCSD Contributions	1,299,166	159,032	159,032	97,372
AZSTA Contributions	27,992	318,112	318,112	194,772
Spring Exhibition Surcharge	139,530	140,000	140,000	140,000
MPC Bond Proceeds	450,000	-	-	-
MPC Refunding Bonds Proceeds	55,450,000	-	-	-
Interest Earnings	27,561	-	-	-
Miscellaneous Revenue	5,088	-	-	-
MPC Bond Premium	7,198,779	-	-	-
Subtotal	94,421,852	31,334,079	31,334,986	37,232,570
Cash Transfers In				
Preservation Privilege Tax Fund - G.O. Bonds	15,200,140	12,814,391	13,771,171	15,040,365
Preservation Privilege Tax Fund - Rev Bonds	6,805,579	6,789,871	6,789,871	6,768,271
General Fund - MPC Bonds	3,348,096	6,134,405	5,987,538	5,938,688
General CIP Fund - Unspent MPC Bond Proceeds	21,982	-	-	-
Special Assessment	3,131	-	-	-
Special Prog Fund - MPC Bonds/Hosp Funds	600,000	744,867	600,000	746,263
Subtotal	25,978,929	26,483,534	27,148,580	28,493,587
Total Revenues & Cash Transfers In	120,400,781	57,817,613	58,483,566	65,726,157
Use of Funds:				
Operating				
Advertising	794	-	-	-
Other Professional Services	660	-	-	-
Subtotal	1,454	-	-	-
Debt Service by Type				
General Obligation Bonds	30,995,039	33,016,332	30,915,332	35,795,617
Preserve G. O. Bonds (incl. McDwl Sonoran Prsrv Contract)	15,200,140	12,814,391	13,771,171	15,040,365
Special Assessment Bonds	1,083,442	1,027,522	1,027,522	989,841
Special Assessment - Series 104	-	16,757	17,665	14,968
Preserve Revenue Bonds (SPA)	6,808,310	6,789,871	6,789,871	6,768,271
MPC Bonds - Payment to Refunding Bond Escrow	61,845,405	-	-	-
MPC Bonds	5,884,629	7,356,416	7,064,682	6,977,095
Subtotal	121,816,966	61,021,289	59,586,243	65,586,157
Total Operating Budget	121,818,420	61,021,289	59,586,243	65,586,157
Ending Fund Balance				
G.O. Debt Service	8,975,198	6,328,212	7,732,521	7,732,521
MPC Excise Debt	7,448,217	6,905,347	7,588,217	7,728,217
Special Assessment Debt	1,092,388	350,635	1,092,388	1,092,388
Total Ending Fund Balance	17,515,803	13,584,194	16,413,126	16,553,126

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE DEBT SERVICE FUNDS FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance:					
G.O. Debt Service	7,732,521	7,732,521	5,232,521	3,052,521	3,052,521
MPC Excise Debt	7,588,217	7,728,217	7,868,217	8,008,217	8,148,217
SPA Debt Service	-	-	-	-	-
Special Assessment Debt	1,092,388	1,092,388	1,092,388	1,092,388	1,092,388
Total Beginning Fund Balance	16,413,126	16,553,126	14,193,126	12,153,126	12,293,126
Revenues:					
Property Tax (Secondary)	35,795,617	34,853,588	36,397,612	37,783,474	37,319,368
Special Assessments	1,004,809	878,097	834,875	801,125	767,375
MCSD Contributions	97,372	204,028	112,370	369,011	287,353
AZSTA Contributions	194,772	408,116	224,774	738,133	574,791
Spring Exhibition Surcharge	140,000	140,000	140,000	140,000	140,000
MPC Bond Proceeds	-	-	-	-	-
MPC Refunding Bonds Proceeds	-	-	-	-	-
Interest Earnings	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
MPC Bond Premium	-	-	-	-	-
Subtotal	37,232,570	36,483,829	37,709,631	39,831,743	39,088,887
Cash Transfers In					
Preservation Privilege Tax Fund - G.O. Bonds	15,040,365	14,912,902	25,049,034	28,659,120	30,065,961
Preservation Privilege Tax Fund - Rev Bonds	6,768,271	6,739,751	6,707,095	6,693,695	6,681,895
General Fund - MPC Bonds	5,938,688	6,982,998	6,986,991	7,930,017	7,932,264
General CIP Fund - Unspent MPC Bond Proceeds	-	-	-	-	-
Special Assessment	-	-	-	-	-
Special Prog Fund - MPC Bonds/Hosp Funds	746,263	886,823	897,166	903,117	907,664
Subtotal	28,493,587	29,522,474	39,640,286	44,185,949	45,587,784
Total Revenues & Cash Transfers In	65,726,157	66,006,303	77,349,917	84,017,692	84,676,671
Use of Funds:					
Operating					
Advertising	-	-	-	-	-
Other Professional Services	-	-	-	-	-
Subtotal	-	-	-	-	-
Debt Service by Type					
General Obligation Bonds	35,795,617	37,353,588	38,577,612	37,783,474	37,319,368
Preserve G. O. Bonds (incl. McDwl Sonoran Prsrv Contract)	15,040,365	14,912,902	25,049,034	28,659,120	30,065,961
Special Assessment Bonds	989,841	868,625	834,875	801,125	767,375
Special Assessment - Series 104	14,968	9,472	-	-	-
Preserve Revenue Bonds (SPA)	6,768,271	6,739,751	6,707,095	6,693,695	6,681,895
MPC Bonds - Payment to Refunding Bond Escrow	-	-	-	-	-
MPC Bonds	6,977,095	8,481,965	8,221,301	9,940,278	9,702,072
Subtotal	65,586,157	68,366,303	79,389,917	83,877,692	84,536,671
Total Operating Budget	65,586,157	68,366,303	79,389,917	83,877,692	84,536,671
Ending Fund Balance					
G.O. Debt Service	7,732,521	5,232,521	3,052,521	3,052,521	3,052,521
MPC Excise Debt	7,728,217	7,868,217	8,008,217	8,148,217	8,288,217
Special Assessment Debt	1,092,388	1,092,388	1,092,388	1,092,388	1,092,388
Total Ending Fund Balance	16,553,126	14,193,126	12,153,126	12,293,126	12,433,126

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE WATER AND SEWER ENTERPRISE FUNDS FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance				
Operating Reserve	14,782,298	16,735,248	16,735,248	18,436,260
Repair/Replacement Reserve	18,561,591	21,528,438	24,105,268	26,148,202
Special Contractual Funds	1,580,988	2,520,976	1,749,796	2,405,358
Unreserved Fund Balance	30,209,077	19,005,152	21,079,087	22,542,384
Total Beginning Fund Balance	65,133,954	59,789,814	63,669,399	69,532,204
Revenues:				
Water Charges	82,001,500	85,238,902	90,381,571	95,620,742
Sewer Charges	31,189,906	33,688,586	32,988,586	35,266,881
Effluent Sales	683,406	678,080	680,000	707,200
Interest Earnings	5,091,287	2,091,799	3,773,000	2,276,000
Miscellaneous Revenue	1,756,717	2,236,282	3,402,405	4,111,892
Subtotal	120,722,816	123,933,649	131,225,562	137,982,715
Cash Transfers In				
Development Fees Transfer for Debt Service ⁽¹⁾	31,064,775	9,246,861	6,590,431	13,818,790
Reclaimed Water Dist System	983,712	-	-	-
Subtotal	32,048,488	9,246,861	6,590,431	13,818,790
Total Revenues & Cash Transfers In	152,771,304	133,180,510	137,815,993	151,801,505
Use of Funds:				
Departments				
Financial Services	2,502,958	2,774,929	2,746,928	3,041,256
Water Resources	48,562,727	60,102,985	54,155,557	64,585,273
Indirect Cost Allocation	7,411,464	8,658,727	8,658,727	9,757,834
Subtotal	58,477,149	71,536,641	65,561,212	77,384,362
Debt Service				
Revenue Bonds	6,481,523	6,440,037	6,225,870	6,170,688
MPC Bonds	10,261,605	15,003,150	12,503,150	20,317,343
Subtotal	16,743,128	21,443,187	18,729,020	26,488,031
Total Operating Budget	75,220,277	92,979,828	84,290,232	103,872,393
Cash Transfers Out				
In Lieu Property Tax	2,805,672	2,957,515	2,957,514	2,396,189
Franchise Fee	5,831,695	6,018,185	6,339,769	6,738,113
CIP Fund (General Capital Projects)	1,462,300	478,600	478,600	345,100
General Fund & Fleet Fund	573,020	-	197,600	-
Water Development Fees	1,258,506	-	-	-
Reclaimed Water Dist System	876,290	-	-	-
CIP Fund	67,995,748	46,316,125	37,689,472	58,395,789
Subtotal	80,803,231	55,770,425	47,662,955	67,875,191
Total Expenditures & Cash Transfers Out	156,023,508	148,750,253	131,953,187	171,747,584
GAAP to Budget Adjustment ⁽²⁾	1,787,649	-	-	-
Ending Fund Balance				
Operating Reserve	16,735,248	18,251,299	18,436,260	19,463,645
Repair/Replacement Reserve	24,105,268	23,239,233	26,148,202	26,957,658
Special Contractual Fund Balance	1,749,796	2,729,538	2,405,358	3,164,829
Unreserved Balance	21,079,087	-	22,542,384	-
Total Ending Fund Balance	63,669,399	44,220,070	69,532,204	49,586,132

⁽¹⁾ The FY 2008-09 adopted budget reflects \$13.8 million in funding transferred from Development Fee revenues. Development fee revenues are receipted in the Capital Fund and paid by developers when new construction developments are established. A portion of these revenues is then transferred to the operating budget to pay for debt service costs associated with providing additional infrastructure to serve new development areas.

⁽²⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance

Fund Summaries and Five-Year Plans

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

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	18,436,260	19,463,645	20,553,452	21,800,786	22,793,763
Repair/Replacement Reserve	26,148,202	26,957,658	29,575,430	31,683,989	33,591,523
Special Contractual Funds	2,405,358	3,164,829	3,538,055	3,916,735	4,294,380
Unreserved Fund Balance	22,542,384	-	-	-	-
Total Beginning Fund Balance	69,532,204	49,586,132	53,666,937	57,401,510	60,679,666
Revenues:					
Water Charges	95,620,742	101,879,687	109,047,879	116,280,844	123,840,924
Sewer Charges	35,266,881	37,955,239	40,842,130	43,942,689	47,272,162
Effluent Sales	707,200	735,488	764,908	795,504	827,324
Interest Earnings	2,276,000	2,814,634	3,309,452	3,391,081	3,560,313
Miscellaneous Revenue	4,111,892	5,165,577	17,282,492	5,403,278	5,528,079
Subtotal	137,982,715	148,550,625	171,246,861	169,813,396	181,028,802
Cash Transfers In					
Development Fees Transfer for Debt Service ⁽¹⁾	13,818,790	16,253,841	18,318,012	18,744,264	19,895,714
Reclaimed Water Dist System	-	-	-	-	-
Subtotal	13,818,790	16,253,841	18,318,012	18,744,264	19,895,714
Total Revenues & Cash Transfers In	151,801,505	164,804,466	189,564,873	188,557,660	200,924,516
Use of Funds:					
Departments					
Financial Services	3,041,256	2,945,555	3,063,378	3,185,912	3,313,350
Water Resources	64,585,273	68,537,258	72,231,663	76,051,461	80,844,759
Indirect Cost Allocation	9,757,834	9,855,412	9,953,966	10,053,506	10,154,041
Subtotal	77,384,362	81,338,225	85,249,007	89,290,879	94,312,150
Debt Service					
Revenue Bonds	6,170,688	5,469,738	5,422,575	5,439,575	5,009,163
MPC Bonds	20,317,343	22,627,986	24,659,130	25,025,797	26,490,049
Subtotal	26,488,031	28,097,724	30,081,705	30,465,372	31,499,212
Total Operating Budget	103,872,393	109,435,949	115,330,712	119,756,251	125,811,362
Cash Transfers Out					
In Lieu Property Tax	2,396,189	2,616,388	2,945,850	3,306,223	3,583,502
Franchise Fee	6,738,113	7,235,584	8,343,605	8,265,721	8,815,814
CIP Fund (General Capital Projects)	345,100	848,700	741,000	704,900	712,100
General Fund & Fleet Fund	-	-	-	-	-
Water Development Fees	-	-	-	-	-
Reclaimed Water Dist System	-	-	-	-	-
CIP Fund	58,395,789	40,587,040	58,469,133	53,246,409	58,646,916
Subtotal	67,875,191	51,287,712	70,499,588	65,523,253	71,758,332
Total Expenditures & Cash Transfers Out	171,747,584	160,723,661	185,830,300	185,279,504	197,569,694
GAAP to Budget Adjustment ⁽²⁾	-	-	-	-	-
Ending Fund Balance					
Operating Reserve	19,463,645	20,553,452	21,800,786	22,793,763	24,158,956
Repair/Replacement Reserve	26,957,658	29,575,430	31,683,989	33,591,523	35,205,919
Special Contractual Fund Balance	3,164,829	3,538,055	3,916,735	4,294,380	4,669,613
Unreserved Balance	-	-	-	-	-
Total Ending Fund Balance	49,586,132	53,666,937	57,401,510	60,679,666	64,034,488

⁽¹⁾ The FY 2008-09 adopted budget reflects \$13.8 million in funding transferred from Development Fee revenues. Development fee revenues are receipted in the Capital Fund and paid by developers when new construction developments are established. A portion of these revenues is then transferred to the operating budget to pay for debt service costs associated with providing additional infrastructure to serve new development areas.

⁽²⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SOLID WASTE ENTERPRISE FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
<u>Source of Funds:</u>				
Beginning Fund Balance				
Operating Reserve	4,086,241	4,093,240	4,093,240	4,625,364
Unreserved	153,133	434,541	217,290	2,244,386
Total Beginning Fund Balance	4,239,374	4,527,781	4,310,530	6,869,750
Revenues:				
Refuse Collection Charges	18,152,584	18,806,060	19,776,060	19,092,000
Interest Earnings	302,575	175,759	260,000	157,000
Miscellaneous Revenue	1,727	-	1,507,583	901,178
Subtotal	18,456,886	18,981,819	21,543,643	20,150,178
Cash Transfers In				
CIP Fund	-	-	-	70,900
Subtotal	-	-	-	70,900
Total Revenues & Cash Transfers In	18,456,886	18,981,819	21,543,643	20,221,078
<u>Use of Funds:</u>				
Departments				
Financial Services	676,432	704,427	704,427	803,878
Municipal Services	14,737,279	15,603,706	15,377,707	16,861,241
Indirect Cost Allocation	2,204,100	2,330,519	2,330,519	2,568,531
Subtotal	17,617,811	18,638,652	18,412,653	20,233,650
Total Operating Budget	17,617,811	18,638,652	18,412,653	20,233,650
Cash Transfers Out				
Transp Fund - Alley Maintenance	290,551	311,395	311,395	334,012
Fleet Fund - Additional Vehicles	-	-	226,000	-
CIP Fund (Solid Waste Capital Projects)	371,000	-	-	-
CIP Fund (General Capital Projects)	91,200	20,300	20,300	48,100
In Lieu Property Tax	15,168	14,075	14,075	10,563
Total Cash Transfers Out	767,919	345,770	571,770	392,675
Total Expenditures & Cash Transfers Out	18,385,730	18,984,422	18,984,423	20,626,325
Ending Fund Balance				
Operating Reserve	4,093,240	4,525,179	4,625,364	5,085,943
Unreserved	217,290	-	2,244,386	1,378,560
Total Ending Fund Balance	4,310,530	4,525,179	6,869,750	6,464,503

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SOLID WASTE ENTERPRISE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance					
Operating Reserve	4,625,364	5,085,943	5,153,353	5,403,938	5,616,661
Unreserved	2,244,386	1,378,560	1,285,372	932,181	987,083
Total Beginning Fund Balance	6,869,750	6,464,503	6,438,725	6,336,119	6,603,744
Revenues:					
Refuse Collection Charges	19,092,000	20,269,595	21,518,291	22,737,893	24,018,509
Interest Earnings	157,000	207,625	205,100	208,320	221,005
Miscellaneous Revenue	901,178	814,954	824,974	835,093	843,888
Subtotal	20,150,178	21,292,174	22,548,365	23,781,306	25,083,402
Cash Transfers In					
CIP Fund	70,900	-	-	-	-
Subtotal	70,900	-	-	-	-
Total Revenues & Cash Transfers In	20,221,078	21,292,174	22,548,365	23,781,306	25,083,402
Use of Funds:					
Departments					
Financial Services	803,878	757,835	784,359	811,812	840,225
Municipal Services	16,861,241	17,101,022	18,086,060	18,873,599	19,738,581
Indirect Cost Allocation	2,568,531	2,594,216	2,620,158	2,646,360	2,672,824
Subtotal	20,233,650	20,453,073	21,490,577	22,331,771	23,251,630
Total Operating Budget	20,233,650	20,453,073	21,490,577	22,331,771	23,251,630
Cash Transfers Out					
Transp Fund - Alley Maintenance	334,012	358,550	380,063	402,867	427,039
Fleet Fund - Additional Vehicles	-	418,244	-	-	251,969
CIP Fund (Solid Waste Capital Projects)	-	-	735,000	735,000	735,000
CIP Fund (General Capital Projects)	48,100	77,500	34,400	32,800	27,000
In Lieu Property Tax	10,563	10,585	10,930	11,243	11,161
Total Cash Transfers Out	392,675	864,879	1,160,393	1,181,910	1,452,169
Total Expenditures & Cash Transfers Out	20,626,325	21,317,952	22,650,971	23,513,681	24,703,798
Ending Fund Balance	6,464,503	6,438,725	6,336,119	6,603,744	6,983,348
Operating Reserve	5,085,943	5,153,353	5,403,938	5,616,661	5,847,985
Unreserved	1,378,560	1,285,372	932,181	987,083	1,135,363
Total Ending Fund Balance	6,464,503	6,438,725	6,336,119	6,603,744	6,983,348

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE AVIATION ENTERPRISE FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
<u>Source of Funds:</u>				
Beginning Fund Balance				
Operating Reserve	565,294	580,129	590,491	610,580
Repair and Replacement Reserve	1,543,781	1,149,897	1,274,483	2,326,220
Unreserved - Operating	-	-	-	-
Total Beginning Fund Balance	2,109,075	1,730,026	1,864,974	2,936,800
Revenues:				
Aviation Fees	3,474,418	3,498,770	3,424,770	3,639,423
Interest Earnings	147,720	80,426	82,000	79,000
Jet Fuel Tax	194,961	130,650	169,000	181,204
Subtotal	3,817,099	3,709,846	3,675,770	3,899,627
Cash Transfers In				
CIP Airport Fund	116,166	-	-	-
Subtotal	116,166	-	-	-
Total Revenues & Cash Transfers In	3,933,265	3,709,846	3,675,770	3,899,627
<u>Use of Funds:</u>				
Departments				
Transportation	1,707,713	1,793,863	1,793,863	1,997,251
Indirect/Direct Cost Allocation	242,043	263,886	263,886	282,533
Direct Cost Allocation (Fire)	350,037	324,111	324,111	328,046
Subtotal	2,299,793	2,381,860	2,381,860	2,607,830
Total Operating Budget	2,299,793	2,381,860	2,381,860	2,607,830
Cash Transfers Out				
In Lieu Property Tax	62,172	60,458	60,458	46,434
Other Transfers	358,316	-	-	-
CIP Fund (General Capital Projects)	10,600	10,600	10,600	11,200
CIP Fund (Aviation Capital Proj Fund)	1,446,486	532,800	151,026	1,146,100
Total Cash Transfers Out	1,877,574	603,858	222,084	1,203,734
Total Expenditures & Cash Transfers Out	4,177,367	2,985,718	2,603,944	3,811,564
Ending Fund Balance				
Operating Reserve	590,491	610,580	610,580	663,566
Repair and Replacement Reserve	1,274,483	1,843,574	2,326,220	2,361,297
Unreserved	-	-	-	-
Total Ending Fund Balance	1,864,974	2,454,154	2,936,800	3,024,863

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE AVIATION ENTERPRISE FUND FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance					
Operating Reserve	610,580	663,566	687,164	713,769	741,435
Repair and Replacement Reserve	2,326,220	2,361,297	3,479,347	4,129,051	4,130,704
Unreserved - Operating	-	-	-	460,154	1,568,146
Total Beginning Fund Balance	2,936,800	3,024,863	4,166,511	5,302,974	6,440,285
Revenues:					
Aviation Fees	3,639,423	3,697,191	3,696,737	3,696,282	3,695,826
Interest Earnings	79,000	148,658	193,291	237,803	275,664
Jet Fuel Tax	181,204	181,657	182,111	182,566	183,022
Subtotal	3,899,627	4,027,506	4,072,139	4,116,651	4,154,512
Cash Transfers In					
CIP Airport Fund	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Revenues & Cash Transfers In	3,899,627	4,027,506	4,072,139	4,116,651	4,154,512
<u>Use of Funds:</u>					
Departments					
Transportation	1,997,251	2,070,504	2,153,324	2,239,457	2,329,035
Indirect/Direct Cost Allocation	282,533	285,359	288,212	291,094	294,005
Direct Cost Allocation (Fire)	328,046	344,448	361,671	379,754	398,742
Subtotal	2,607,830	2,700,311	2,803,207	2,910,306	3,021,782
Total Operating Budget	2,607,830	2,700,311	2,803,207	2,910,306	3,021,782
Cash Transfers Out					
In Lieu Property Tax	46,434	48,346	51,870	55,434	57,174
Other Transfers	-	-	-	-	-
CIP Fund (General Capital Projects)	11,200	32,200	25,600	13,600	280,500
CIP Fund (Aviation Capital Proj Fund)	1,146,100	105,000	55,000	-	-
Total Cash Transfers Out	1,203,734	185,546	132,470	69,034	337,674
Total Expenditures & Cash Transfers Out	3,811,564	2,885,857	2,935,677	2,979,339	3,359,456
Ending Fund Balance					
Operating Reserve	663,566	687,164	713,769	741,435	769,739
Repair and Replacement Reserve	2,361,297	3,479,347	4,129,051	4,130,704	4,129,963
Unreserved	-	-	460,154	1,568,146	2,335,639
Total Ending Fund Balance	3,024,863	4,166,511	5,302,974	6,440,285	7,235,341

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE FLEET MANAGEMENT INTERNAL SERVICE FUND FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
<u>Source of Funds:</u>				
Beginning Fund Balance/Reserve	11,051,780	10,169,075	10,309,216	10,933,417
Revenues:				
Rates - Vehicle Acquisition	5,014,956	5,444,848	5,440,298	5,440,298
Rates - Maintenance & Operation	9,280,104	10,314,892	10,318,292	12,860,209
Misc Revenue	496,744	170,438	170,438	168,169
Interest Earnings	659,244	479,750	500,000	300,000
Subtotal	15,451,048	16,409,928	16,429,028	18,768,676
Cash Transfers In				
Fleet Purchases - Decision Packages	1,192,085	-	828,600	-
Solid Waste	-	-	226,000	-
Subtotal	1,192,085	-	1,054,600	-
Total Revenues & Cash Transfers In	16,643,133	16,409,928	17,483,628	18,768,676
<u>Use of Funds:</u>				
Departments				
Municipal Services				
Vehicle Acquisition	7,432,723	3,273,250	4,327,850	3,363,381
Fleet Operations	9,796,854	10,926,629	10,287,377	13,196,838
Subtotal	17,229,577	14,199,879	14,615,227	16,560,219
Total Operating Budget	17,229,577	14,199,879	14,615,227	16,560,219
Cash Transfers Out				
CIP Fund - General Capital Projects	27,200	27,200	27,200	22,800
CIP Fund - Fleet Projects	140,000	2,217,000	2,217,000	6,490,000
Subtotal	167,200	2,244,200	2,244,200	6,512,800
Total Expenditures & Cash Transfers Out	17,396,777	16,444,079	16,859,427	23,073,019
GAAP to Budget Adjustment ⁽¹⁾	11,080	-	-	-
Total Ending Fund Balance	10,309,216	10,134,924	10,933,417	6,629,074

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

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

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance/Reserve	10,933,417	6,629,074	7,057,926	8,410,519	9,384,366
Revenues:					
Rates - Vehicle Acquisition	5,440,298	5,440,298	5,440,298	5,440,298	5,440,298
Rates - Maintenance & Operation	12,860,209	12,034,166	12,691,260	13,265,972	13,859,844
Misc Revenue	168,169	235,634	213,500	233,550	346,350
Interest Earnings	300,000	349,190	273,840	309,468	355,997
Subtotal	18,768,676	18,059,288	18,618,898	19,249,288	20,002,489
Cash Transfers In					
Fleet Purchases - Decision Packages	-	-	-	-	-
Solid Waste	-	418,244	-	-	251,969
Subtotal	-	418,244	-	-	251,969
Total Revenues & Cash Transfers In	18,768,676	18,477,532	18,618,898	19,249,288	20,254,458
<u>Use of Funds:</u>					
Departments					
Municipal Services					
Vehicle Acquisition	3,363,381	5,130,924	4,270,005	4,671,000	7,178,969
Fleet Operations	13,196,838	12,383,356	12,965,100	13,575,441	14,215,842
Subtotal	16,560,219	17,514,280	17,235,105	18,246,441	21,394,811
Total Operating Budget	16,560,219	17,514,280	17,235,105	18,246,441	21,394,811
Cash Transfers Out					
CIP Fund - General Capital Projects	22,800	41,400	31,200	29,000	21,400
CIP Fund - Fleet Projects	6,490,000	493,000	-	-	-
Subtotal	6,512,800	534,400	31,200	29,000	21,400
Total Expenditures & Cash Transfers Out	23,073,019	18,048,680	17,266,305	18,275,441	21,416,211
GAAP to Budget Adjustment ⁽¹⁾	-	-	-	-	-
Total Ending Fund Balance	6,629,074	7,057,926	8,410,519	9,384,366	8,222,613

⁽¹⁾ Reflects cash transactions that do not affect revenues or expenditures but still impact the ending fund balance.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE SELF INSURANCE INTERNAL SERVICE FUNDS FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance/Reserve				
Property Casualty Claim Reserve	12,124,230	15,812,824	16,421,564	16,799,261
Short-Term Disability Reserve	291,513	391,513	460,023	642,023
Group Health/Dental Claims Reserve	6,764,369	7,136,635	7,048,555	7,073,293
Total Beginning Fund Balance	19,180,111	23,340,971	23,930,142	24,514,577
Revenues:				
Property Casualty Revenues	7,264,075	6,652,663	6,988,000	6,710,000
Property Tax (Tort Claims)	-	167,498	167,498	23,593
Short Term Disability Revenues	305,536	310,000	325,000	320,000
Healthcare Revenues	19,650,401	24,300,000	22,514,581	26,236,494
Healthcare-Other Revenues	310,150	200,000	325,000	200,000
Subtotal	27,530,162	31,630,161	30,320,079	33,490,087
Cash Transfers In				
General Fund	2,500,000	-	-	-
Subtotal	2,500,000	-	-	-
Total Revenues & Cash Transfers In	30,030,162	31,630,161	30,320,079	33,490,087
Use of Funds:				
Departments				
Financial Services-Operating	975,034	1,112,601	1,112,601	1,089,888
Financial Services-Excess Insurance Premiums	1,492,337	1,700,000	1,700,000	1,700,000
Financial Services-Property/Liability Claims	2,978,634	3,957,500	3,956,500	3,958,393
Healthcare Claims and Admin Expenses	19,523,929	24,500,000	22,653,888	26,236,494
Other Administrative Expenses	152,436	165,000	160,955	412,250
Short-term Disability Claims	137,025	220,000	143,000	130,000
Subtotal	25,259,395	31,655,101	29,726,944	33,527,025
Total Operating Budget	25,259,395	31,655,101	29,726,944	33,527,025
Cash Transfers Out				
CIP Fund (General Capital Projects)	20,736	8,700	8,700	7,300
General Fund	-	-	-	2,500,000
Subtotal	20,736	8,700	8,700	2,507,300
Total Expenditures & Cash Transfers Out	25,280,131	31,663,801	29,735,644	36,034,325
Ending Fund Balance				
Property Casualty Claim Reserve	16,421,564	15,854,184	16,799,261	14,277,273
Short-Term Disability Reserve	460,023	481,513	642,023	832,023
Group Health/Dental Claims Reserve	7,048,555	6,971,635	7,073,293	6,861,043
Total Ending Fund Balance	23,930,142	23,307,332	24,514,577	21,970,339

Fund Summaries and Five-Year Plans

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

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance/Reserve					
Property Casualty Claim Reserve	16,799,261	14,277,273	15,849,942	16,445,498	17,028,469
Short-Term Disability Reserve	642,023	832,023	1,002,023	1,172,023	1,342,023
Group Health/Dental Claims Reserve	7,073,293	6,861,043	6,803,793	6,746,543	6,689,293
Total Beginning Fund Balance	24,514,577	21,970,339	23,655,758	24,364,064	25,059,785
Revenues:					
Property Casualty Revenues	6,710,000	7,166,810	7,566,199	7,989,521	8,438,209
Property Tax (Tort Claims)	23,593	1,500,000	500,000	500,000	500,000
Short Term Disability Revenues	320,000	330,000	330,000	330,000	330,000
Healthcare Revenues	26,236,494	27,909,000	29,738,000	31,687,000	33,776,000
Healthcare-Other Revenues	200,000	355,000	355,000	355,000	355,000
Subtotal	33,490,087	37,260,810	38,489,199	40,861,521	43,399,209
Cash Transfers In					
General Fund	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Revenues & Cash Transfers In	33,490,087	37,260,810	38,489,199	40,861,521	43,399,209
<u>Use of Funds:</u>					
Departments					
Financial Services-Operating	1,089,888	1,142,540	1,182,528	1,223,917	1,266,754
Financial Services-Excess Insurance Premiums	1,700,000	1,785,000	1,874,250	2,005,448	2,145,829
Financial Services-Property/Liability Claims	3,958,393	4,154,401	4,403,665	4,667,885	4,947,958
Healthcare Claims and Admin Expenses	26,236,494	27,909,000	29,738,000	31,687,000	33,776,000
Other Administrative Expenses	412,250	412,250	412,250	412,250	412,250
Short-term Disability Claims	130,000	160,000	160,000	160,000	160,000
Subtotal	33,527,025	35,563,191	37,770,693	40,156,500	42,708,791
Total Operating Budget	33,527,025	35,563,191	37,770,693	40,156,500	42,708,791
Cash Transfers Out					
CIP Fund (General Capital Projects)	7,300	12,200	10,200	9,300	6,800
General Fund	2,500,000	-	-	-	-
Subtotal	2,507,300	12,200	10,200	9,300	6,800
Total Expenditures & Cash Transfers Out	36,034,325	35,575,391	37,780,893	40,165,800	42,715,591
Ending Fund Balance					
Property Casualty Claim Reserve	14,277,273	15,849,942	16,445,498	17,028,469	17,599,337
Short-Term Disability Reserve	832,023	1,002,023	1,172,023	1,342,023	1,512,023
Group Health/Dental Claims Reserve	6,861,043	6,803,793	6,746,543	6,689,293	6,632,043
Total Ending Fund Balance	21,970,339	23,655,758	24,364,064	25,059,785	25,743,403

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRUSTS FUND SUMMARY

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
<u>Source of Funds:</u>				
Beginning Fund Balance:				
Operating Contingency ^(A)	-	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	4,321	5,437	7,121	7,121
Total Beginning Fund Balance	4,321	5,437	7,121	7,121
Revenues:				
Mayor's Committee for Employment of the Handicapped	8,800	10,000	10,000	8,800
Subtotal	8,800	10,000	10,000	8,800
Total Revenues	8,800	10,000	10,000	8,800
<u>Use of Funds:</u>				
Expenditures:				
Mayor's Committee for Employment of the Handicapped	6,000	10,000	10,000	8,800
Subtotal	6,000	10,000	10,000	8,800
Total Expenditures	6,000	10,000	10,000	8,800
Ending Fund Balance				
Operating Contingency ^(A)	-	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	7,121	5,437	7,121	7,121
Total Ending Fund Balance	7,121	5,437	7,121	7,121

^(A) The Operating Contingency for the Trust Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

Fund Summaries and Five-Year Plans

CITY OF SCOTTSDALE TRUSTS FIVE YEAR FINANCIAL FORECAST

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
<u>Source of Funds:</u>					
Beginning Fund Balance:					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	7,121	7,121	7,121	7,121	7,121
Total Beginning Fund Balance	7,121	7,121	7,121	7,121	7,121
Revenues:					
Mayor's Committee for Employment of the Handicapped	8,800	8,800	8,800	8,800	8,800
Subtotal	8,800	8,800	8,800	8,800	8,800
Total Revenues	8,800	8,800	8,800	8,800	8,800
<u>Use of Funds:</u>					
Expenditures:					
Mayor's Committee for Employment of the Handicapped	8,800	8,800	8,800	8,800	8,800
Subtotal	8,800	8,800	8,800	8,800	8,800
Total Expenditures	8,800	8,800	8,800	8,800	8,800
Ending Fund Balance					
Operating Contingency ^(A)	10,000	10,000	10,000	10,000	10,000
Mayor's Committee for Employment of the Handicapped	7,121	7,121	7,121	7,121	7,121
Total Ending Fund Balance	7,121	7,121	7,121	7,121	7,121

^(A) The Operating Contingency for the Trust Fund is an unfunded contingency that allows for the expenditure of unanticipated revenues and is not included in the beginning or ending fund balance. Any use of this unfunded contingency requires City Council's approval.

Fund Summaries and Five-Year Plans

Adopted Fiscal Year 2008/09 Budget
Fund Summaries Capital Improvement Plan (in thousands)

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance	269,539.7	381,887.4	235,748.2	313,564.5
Revenues:				
Bonds/Contracts				
Bond Proceeds	42,050.0	-	-	-
General Obligation	-	84,000.0	100,000.0	-
General Obligation Preserve	-	-	20,000.0	-
Municipal Properties Corporation	-	7,400.0	-	7,400.0
Municipal Properties Corporation-Water	-	75,000.0	110,000.0	-
Pay-As-You-Go				
Water & Sewer Development Fees	16,399.3	22,402.2	12,454.9	17,510.0
Regional Transportation Sales Tax (Prop 400)	-	12,532.0	4,865.0	14,219.4
Grants	924.4	9,325.3	1,358.4	14,265.3
Intergovernmental	1,971.0	-	-	-
In-Lieu Fees	-	-	174.6	50.0
Other Contributions	3,240.0	4,000.0	6,153.2	4,460.0
Interest Earnings	13,692.3	3,375.8	8,990.0	6,442.0
Miscellaneous	983.4	215.0	-	-
Subtotals	79,260.4	218,250.2	263,996.0	64,346.7
Transfers In				
General Fund	47,418.5	47,508.0	47,508.0	10,599.8
Transportation Fund	10,826.5	11,433.8	10,161.4	10,102.9
Preservation Privilege Tax Funds	8,469.0	250.0	32,029.4	1,473.0
GO Bond	54,813.4	-	-	-
Special Programs Fund	459.2	3,501.5	1,501.5	292.3
Aviation Fund	1,457.1	543.4	161.6	1,157.3
Water & Sewer Fund	46,034.7	46,794.7	38,168.1	58,740.9
Water Operations - MPC Fund	24,681.8	-	-	-
Aviation Operations	358.3	-	-	-
Water Development Fund Fees	36,067.1	-	-	-
RWDS	135.3	-	-	-
Solid Waste Fund	462.2	20.3	20.3	48.1
Fleet Fund	-	-	2,244.2	6,512.8
Internal Service Funds	175.9	2,252.9	8.7	7.3
Subtotals	231,359.0	112,304.6	131,803.2	88,934.3
Total Revenues & Transfers In	310,619.4	330,554.8	395,799.2	153,281.1
Total Sources of Funds	580,159.1	712,442.2	631,547.4	466,845.6
Use of Funds:				
Program Expenditures				
Community Facilities	51,173.3	132,813.3	61,000.3	103,519.6
Preservation	8,193.6	201,981.9	4,597.6	198,771.5
Drainage & Flood Control	3,728.4	36,937.1	10,893.2	35,038.6
Public Safety	7,711.8	34,525.9	16,495.9	38,326.2
Service Facilities	16,381.8	36,793.2	11,164.2	57,931.0
Transportation	51,931.4	168,596.0	77,484.9	180,197.8
Water Services	81,780.9	279,611.0	129,756.5	245,534.2
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	220,901.1	891,258.4	311,392.5	859,318.9
Less: Estimated Capital Improvement Expenditures (35%)	-	(311,940.4)	-	(300,761.6)
Subtotal: Unexpended at Year End (65%)	-	579,318.0	-	558,557.3
Transfers Out				
To General CIP Fund - Bond Exp Reimb	28,779.8	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	26,033.3	-	-	-
To GO Bond CIP Fund	350.0	-	-	-
To CIP Water & Sewer Funds	42,717.1	-	-	-
To Water Operation-MPC Bond Proceeds	24,414.8	-	-	-
To Special Program for Tourism Funds	855.9	-	-	-
To Transportation Fund	-	-	-	3,000.0
To Aviation CIP	116.2	-	-	-
To Water & Sewer Operating Funds	-	9,246.9	6,590.4	13,818.8
To RWDS	154.9	-	-	-
To IWDS	87.8	-	-	-
To Solid Waste Enterprise Fund	-	-	-	70.9
Subtotal	123,509.7	9,246.9	6,590.4	16,889.7
Total Use of Funds	344,410.9	321,187.3	317,982.9	317,651.3
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	-	5,000.0	5,000.0	5,000.0
Capital Water Contingency ^(B)	-	-	-	10,000.0
Reserved:				
Capital General Contingency ^(C)	2,519.9	4,500.0	2,549.5	4,500.0
Reserved Fund Balance	233,228.3	386,754.9	300,515.1	124,194.3
Total Ending Fund Balance	235,748.2	391,254.9	313,564.5	149,194.3

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

Prior year unexpended uses are estimated at 65% of prior year budget.

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

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2009/10 to FY 2012/13 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million).

Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

Fund Summaries and Five-Year Plans

Adopted Fiscal Year 2008/09 Budget
Five-Year Financial Plan Capital Improvement Plan (in thousands)

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance	313,564.5	149,194.3	88,486.4	236,019.7	197,488.8
Revenues:					
Bonds/Contracts					
Bond Proceeds	-	-	-	-	-
General Obligation	-	50,800.0	-	-	-
General Obligation Preserve	-	-	190,000.0	-	-
Municipal Properties Corporation	7,400.0	-	-	-	-
Municipal Properties Corporation-Water	-	18,000.0	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	17,510.0	22,404.2	33,604.7	42,222.1	30,843.2
Regional Transportation Sales Tax (Prop 400)	14,219.4	11,191.9	13,200.0	-	-
Grants	14,265.3	7,810.0	2,247.5	1,598.2	1,100.0
Intergovernmental	-	-	-	-	-
In-Lieu Fees	50.0	50.0	50.0	50.0	50.0
Other Contributions	4,460.0	13,900.0	43,036.7	10,407.8	2,400.0
Interest Earnings	6,442.0	9,443.0	9,306.2	9,053.9	8,255.9
Miscellaneous	-	-	-	-	-
Subtotals	64,346.7	133,599.1	291,445.1	63,332.0	42,649.0
Transfers In					
General Fund	10,599.8	7,382.1	6,514.1	16,105.0	19,869.6
Transportation Fund	10,102.9	10,591.0	11,041.3	11,555.3	12,093.4
Preservation Privilege Tax Funds	1,473.0	3,100.0	300.0	-	-
GO Bond	-	-	-	-	-
Special Programs Fund	292.3	64.0	1,033.6	1,063.2	32.4
Aviation Fund	1,157.3	137.2	80.6	13.6	280.5
Water & Sewer Fund	58,740.9	41,435.7	59,210.1	53,951.3	59,359.0
Water Operations - MPC Fund	-	-	-	-	-
Aviation Operations	-	-	-	-	-
Water Development Fund Fees	-	-	-	-	-
RWDS	-	-	-	-	-
Solid Waste Fund	48.1	77.5	769.4	767.8	762.0
Fleet Fund	6,512.8	534.4	31.2	29.0	21.4
Internal Service Funds	7.3	12.2	10.2	9.3	6.8
Subtotals	88,934.3	63,334.1	78,990.5	83,494.4	92,425.1
Total Revenues & Transfers In	153,281.1	196,933.3	370,435.6	146,826.4	135,074.1
Total Sources of Funds	466,845.6	346,127.6	458,922.0	382,846.1	332,562.9
Use of Funds:					
Program Expenditures					
Community Facilities	103,519.6	1,198.2	1,430.8	1,537.6	1,168.9
Preservation	198,771.5	3,100.0	300.0	-	-
Drainage & Flood Control	35,038.6	4,882.2	40,549.5	9,907.8	750.0
Public Safety	38,326.2	963.8	697.8	718.8	745.5
Service Facilities	57,931.0	7,781.3	5,441.2	5,337.7	3,720.8
Transportation	180,197.8	16,204.3	25,002.5	8,768.2	9,561.7
Water Services	245,534.2	96,991.0	62,814.0	69,825.0	88,821.0
Prior Year Unexpended ^(A)	-	558,557.3	448,290.8	379,942.3	309,424.3
Subtotal	859,318.9	689,678.1	584,526.6	476,037.4	414,192.2
Less: Estimated Capital Improvement Expenditures (35%)	(300,761.6)	(241,387.3)	(204,584.3)	(166,613.1)	(144,967.3)
Subtotal: Unexpended at Year End (65%)	558,557.3	448,290.8	379,942.3	309,424.3	269,224.9
Transfers Out					
To General CIP Fund - Bond Exp Reimb	-	-	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	-	-	-	-	-
To GO Bond CIP Fund	-	-	-	-	-
To CIP Water & Sewer Funds	-	-	-	-	-
To Water Operation-MPC Bond Proceeds	-	-	-	-	-
To Special Program for Tourism Funds	-	-	-	-	-
To Transportation Fund	3,000.0	-	-	-	-
To Aviation CIP	-	-	-	-	-
To Water & Sewer Operating Funds	13,818.8	16,253.8	18,318.0	18,744.3	19,895.7
To RWDS	-	-	-	-	-
To IWDS	-	-	-	-	-
To Solid Waste Enterprise Fund	70.9	-	-	-	-
Subtotal	16,889.7	16,253.8	18,318.0	18,744.3	19,895.7
Total Use of Funds	317,651.3	257,641.2	222,902.3	185,357.3	164,863.0
Ending Fund Balance					
Capital Grant Contingency ^(B)	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	5,500.0	-	-	-	-
Capital Water Contingency ^(B)	10,000.0	-	-	-	-
Reserved:					
Capital General Contingency ^(C)	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	124,194.3	78,986.4	226,519.7	187,988.8	158,199.9
Total Ending Fund Balance	149,194.3	88,486.4	236,019.7	197,488.8	167,699.9

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

Prior year unexpended uses are estimated at 65% of prior year budget.

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

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2009/10 to FY 2012/13 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million).

Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

TOTAL APPROPRIATION Fund Summaries and Five-Year Plans

	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Source of Funds:								
Beginning Fund Balance/Reserve	\$ 40,621,775	\$ 26,106,795	\$ 16,413,126	\$ 79,338,754	\$ 35,447,994	\$ 7,121	\$ 313,564,500	\$ 511,500,065
Revenues								
Taxes - Local								
Privilege Tax (1.0%)	106,300,000							106,300,000
Privilege Tax - Transportation (.20%)		20,090,700						20,090,700
Privilege Tax - McDowell Preserve (.20%)		20,622,200						20,622,200
Privilege Tax - Preservation (.15%)		14,951,095						14,951,095
Privilege Tax - Public Safety (.10%)	10,311,100							10,311,100
Property Tax	22,360,631		35,795,617		23,593			58,179,841
Transient Occupancy Tax	1,972,400	7,889,600						9,862,000
Light & Power Franchise	7,718,000							7,718,000
Cable TV	3,603,000							3,603,000
Salt River Project Lieu Tax	175,000							175,000
Stormwater Water Quality Charge	842,000							842,000
Taxes - From Other Agencies								
State Shared Sales Tax	22,000,000							22,000,000
State Revenue Sharing	34,000,000							34,000,000
AZ STA/MCSD Revenue			292,144					292,144
Transportation								
Highway User Revenue Tax		16,900,000						16,900,000
Auto Lieu Tax	9,700,000							9,700,000
Local Trans Assistance Fund I		1,088,492						1,088,492
Local Trans Assistance Fund II		-						-
Proposition 400 Regional Sales Tax		305,184					14,219,400	14,524,584
Internal Service Charges								
Fleet Management					18,300,507			18,300,507
Self-Insurance					33,466,494			33,466,494
Licenses, Permits & Fees								
Building Permit Fees & Charges	14,500,000						17,510,000	32,010,000
Fire Service Charges	1,440,000							1,440,000
Business Licenses & Fees	1,835,000							1,835,000
Recreation Fees	3,114,000							3,114,000
WestWorld	2,387,000							2,387,000
Fines & Forfeitures								
Court Fines	6,451,000							6,451,000
Parking Fines	318,000							318,000
Photo Enforcement	1,869,000							1,869,000
Photo Enforcement Loop 101 Program	975,000							975,000
Library Fines & Fees	382,000							382,000
Interest Earnings/Property Rental								
Interest Earnings	4,500,000	1,120,000		2,512,000	300,000		6,442,000	14,874,000
Property Rental	3,381,000							3,381,000
Utilities & Enterprises								
Water Charges				95,620,742				95,620,742
Sewer Charges				35,974,081				35,974,081
Refuse/Recycling				19,092,000				19,092,000
Airport				3,820,627				3,820,627
Other Revenue								
In-Lieu Fees							50,000	50,000
Grant & Trust		19,307,204				8,800	14,265,300	33,581,304
Improvement District Assessments		732,000	1,004,809					1,736,809
Miscellaneous	1,000,000	180,000		5,013,070	168,169		4,460,000	10,821,239
Reimbursements	350,000							350,000
Intergovernmental Revenue	675,000							675,000
Indirect/Direct Cost Allocation	12,936,944							12,936,944
Special Programs Revenue		4,715,109						4,715,109
Bond Proceeds							7,400,000	7,400,000
Spring Exhibition Surcharge				140,000				140,000
CIP Unexpended Year End							558,557,300	558,557,300
Less Internal Service Funds Offset					(45,547,001)			(45,547,001)
Subtotal	275,096,075	107,901,584	37,232,570	162,032,520	6,711,762	8,800	622,904,000	1,211,887,311
Cash Transfers In								
Operating Transfers								
From General Fund		6,360,000	5,938,688				10,599,800	22,898,488
From Special Revenue Funds			22,554,899				11,868,150	34,423,049
From Enterprise Funds		334,012					59,946,289	60,280,301
From Internal Service Funds							6,520,100	6,520,100
From Capital Improvement Fund		3,000,000		13,889,690				16,889,690
From Enterprise Funds								
In-Lieu Property Tax	2,453,185							2,453,185
Self Insurance Fund	2,500,000							2,500,000
Franchise Fee	6,738,113							6,738,113
Subtotal	11,691,298	9,694,012	28,493,587	13,889,690	-	-	88,934,339	152,702,926
Other Activity								
Reserve Appropriations								
Operating Contingency	5,000,000	1,500,000				10,000	25,000,000	31,510,000
Solid Waste				500,000				500,000
Self-Insurance					5,000,000			5,000,000
Water/Sewer				2,000,000				2,000,000
Liabilities Reserve								
Subtotal	5,000,000	1,500,000	-	2,500,000	5,000,000	10,000	25,000,000	39,010,000
Total Revenues & Transfers In	291,787,373	119,095,596	65,726,157	178,422,210	11,711,762	18,800	736,838,339	1,403,600,237

TOTAL APPROPRIATION Fund Summaries and Five-Year Plans

	General	Special Revenue	Debt Service	Enterprise	Internal Service	Trusts	Capital	Total
Use of Funds:								
Departments								
Mayor & City Council (includes IGR)	1,693,976							1,693,976
City Clerk	956,910							956,910
Elections	238,461							238,461
City Attorney	6,923,420							6,923,420
City Attorney - Photo Enf Loop 101 Program	18,874							18,874
City Auditor	973,586							973,586
City Court	5,580,017	458,545						6,038,562
City Court - Photo Enf Loop 101 Program	191,731							191,731
City Manager	824,025							824,025
CAPA	1,728,004							1,728,004
Police	89,522,918	1,097,958						90,620,876
Police - Photo Enf Loop 101 Program	812,095							812,095
Financial Services	9,992,850			3,845,134	33,527,025			47,365,009
Transportation	201,328	15,804,943		1,997,251				18,003,522
Community Services	58,822,317	2,339,722						61,162,039
Information Systems	10,602,652							10,602,652
The Downtown Group	4,580,842	300,000						4,880,842
Fire	33,237,606	5,000						33,242,606
Water Resources				64,585,273				64,585,273
Municipal Services	1,687,434	19,600,184		16,861,241	16,560,219			54,709,078
Citizen & Neighborhood Resources	3,774,908							3,774,908
Human Resources	4,316,051	25,000						4,341,051
Economic Vitality	1,502,931	7,864,578						9,367,509
Planning & Development Svcs (includes Preservation)	17,132,633	279,989						17,412,622
WestWorld	3,549,525							3,549,525
Indirect/Direct Cost Allocation				12,936,944				12,936,944
Less Internal Service Fund Offsets	-				(45,547,001)			(45,547,001)
Subtotal	258,865,094	47,775,919	-	100,225,843	4,540,243	-	-	411,407,099
Grant and Trust Activity								
Community Dev Block Grants/HOME/Sec 8		7,786,291						7,786,291
Other Federal & State Grants		11,520,913						11,520,913
Trust and Special Districts		732,000				8,800		740,800
Subtotal	-	20,039,204	-	-	-	8,800	-	20,048,004
Capital Improvements								
Community Facilities							103,519,600	103,519,600
Preservation							198,771,500	198,771,500
Neighborhood Drainage and Flood Control							35,038,600	35,038,600
Public Safety							38,326,200	38,326,200
Service Facilities							57,931,000	57,931,000
Transportation Improvements							180,197,800	180,197,800
Water and Wastewater							245,534,200	245,534,200
Subtotal	-	-	-	-	-	-	859,318,900	859,318,900
Debt Service								
General Obligation Bonds			35,795,617					35,795,617
General Obligation Bonds-Preserve			15,040,365					15,040,365
Preserve Authority Revenue Bonds			6,768,271					6,768,271
Revenue Bonds				6,170,688				6,170,688
MPC Bonds			6,977,095	20,317,343				27,294,438
Special Assessment Bonds			1,004,809					1,004,809
Certificates of Participation	918,790							918,790
Certificates of Participation - Radio Financing	500,000							500,000
Contracts Payable	4,607,003	954,590						5,561,593
Subtotal	6,025,793	954,590	65,586,157	26,488,031	-	-	-	99,054,571
Other Activity								
Reserve Appropriations								
Operating Contingency	5,000,000	1,500,000				10,000	25,000,000	31,510,000
Heard Museum Contingency		-						-
Solid Waste				500,000				500,000
Self-Insurance					5,000,000			5,000,000
Water/Sewer				2,000,000				2,000,000
Liabilities Reserve	-							-
Subtotal	5,000,000	1,500,000	-	2,500,000	5,000,000	10,000	25,000,000	39,010,000
Total Budget	269,890,887	70,269,713	65,586,157	129,213,874	9,540,243	18,800	884,318,900	1,428,838,574
Cash Transfers Out								
Capital Improvement Program	10,599,800	11,868,150		59,946,289	6,520,100			88,934,339
Operating Transfers								
To General Fund					2,500,000			2,500,000
To Special Revenue Fund	6,360,000			334,012			3,000,000	9,694,012
To Debt Service Fund	5,938,688	22,554,899						28,493,587
To Enterprise Fund							13,889,690	13,889,690
Enterprise Transfers								
In-Lieu Property Tax				2,453,186				2,453,186
Franchise Fee				6,738,113				6,738,113
Subtotal	22,898,488	34,423,049	-	69,471,600	9,020,100	-	16,889,690	152,702,927
Total Expenditures & Transfers Out	292,789,375	104,692,762	65,586,157	198,685,474	18,560,343	18,800	901,208,590	1,581,541,501
Revenue Over/(Under) Expenditures	(1,002,002)	14,402,834	140,000	(20,263,264)	(6,848,581)	-	(164,370,251)	(177,941,264)
Ending Fund Balance/Reserve	39,619,773	40,509,629	16,553,126	59,075,490	28,599,413	7,121	149,194,249	333,558,801

Fund Summaries and Five-Year Plans

Grant	FY 2008/09 Adopted Budget
CDBG: General	1,200,000
HOME: General	350,000
HOME: Community Services of Arizona First-time Homebuyers	212,142
HOME: FY 08/09 Administration	25,000
CDBG: City Housing Rehabilitation 05/06	100,000
CDBG: City Housing Rehabilitation 07/08	100,000
CDBG: Administration & Planning	284,016
Section 8 Administration	515,133
Section 8 Vouchers	5,000,000
State Grant In Aid	12,000
Arizona Anti-Meth Initiative	20,000
Maricopa County - Health Service Department - Vista	9,750
Customers on the Go	10,000
Scottsdale History: Images & Access	12,089
On-Line Teen Communication Board	24,800
COS Awarded Grants	486
CAN-DO-FUND	5,000
Indian Comm - PROP 202	80,000
Cochise Youth Sports Complex-TSA	3,900
SRPM Indian Community Rev Sharing	30,000
SRP-MIC Local Rev Sharing	70,000
Fit City Scottsdale	5,000
Gila River Indian 12%	9,000
Pascua Yaqui Tribe 12%	5,000
SRP-MIC Local Rev Sharing 2007/08	140,000
Subtotal Grants:	8,223,316

FUTURE GRANTS	
Description	FY 2008/09 Adopted Budget
Fire: Terrorism Liaison Officer from Urban Area Security Equipment	164,000
Community Services: 12% Revenue Sharing Salt River Pima Maricopa Indian Community	1,000,000
Community Services: 12% Revenue Sharing Gila River	100,000
Community Services: 12% Revenue Sharing Pascau	100,000
Community Services: 12% Revenue Sharing Fort McDowell	100,000
Community Services: Anticipated Local Grants for Human Services	100,000
Police: Drug Enforcement Agency Task Force	120,000
Police: Arizona Automobile Theft Authority Public Awareness Grant	12,000
Police: Arizona Criminal Justice Commission Full Service Forensic Crime Lab	120,000
Police: Arizona Criminal Justice Commission Coverdell Formula VI Crime Lab	12,000
Police: Governor's Office of Highway Safety DUI Taskforce	200,000
Police: Governor's Office of Highway Safety Improvement	50,000
Police: General Grants	500,000
Police: Federal Maricopa Association of Governments ITS Grant	68,000
Police: Drug Enforcement Agency/FBI Intergovernmental Agreement	152,888
Library: Unserved Populations to Introduce Library Services	30,000
Library: Afterschool Readers Theater	15,000
Library: Afterschool Readers Theater	5,000
Library: Early Literacy at Appaloosa	35,000
Other Future Grants Citywide	8,200,000
Subtotal Grants:	11,083,888

Total Grants:	19,307,204
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Legal Compliance and Financial Management

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

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

Fund Accounting - Fund Types

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund**Fund Purpose**

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

General Fund Revenues and Transfers-In

General Fund resources include both revenues and cash transfers-in from other fund types such as the Special Revenue, Enterprise and Internal Service Funds. Estimated General Fund revenues and cash transfers-in for FY 2008/09 equal \$286.8 million, an increase of approximately \$5.5 million, or 1.9 percent, from the FY 2007/08 year-end forecast of \$281.3 million. This nominal growth rate reflects modest increases for Scottsdale's major revenue categories, such as Privilege Tax (0.7%), State Shared Revenues (2.8%) and Transient Occupancy Tax (0%). These numbers reflect an expected ongoing slowdown in the economy for the foreseeable future.

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

Local Tax Revenues

Local Tax Revenues of \$153.3 million represent 53.5 percent of the General Fund total operating resources and are the fund’s largest category of revenue source. With the exception of property taxes, all of these revenues are “elastic”, meaning they vary directly with the economy – during economic expansion, elastic tax revenues increase, due to higher levels of consumer spending and tourism activity. During an economic downturn, the opposite is true and tax revenue levels decline. Local Tax Revenues consist of the following:

Privilege (Sales) Tax represents the 1.0 percent General Fund share of the City’s total 1.65 percent sales tax that is available for any municipal purpose. The remaining 0.65 percent of the tax has dedicated uses and is allocated as follows: General Fund (Public Safety .10%), Special Revenue Fund (Transportation .20%) and Special Revenue Fund (Preservation .35%). The tax is the City’s single largest revenue source. This revenue also includes sales tax application and penalty fees. It is also the General Fund’s single largest revenue source, and the General Fund portion of the tax is used to pay for general governmental operations and the repayment of excise debt. For FY 2008/09, the adopted revenue budget is \$106.3 million, which is approximately a \$0.7 million, or a 0.7 percent increase over the FY 2007/08 year-end estimate of \$105.6 million. The regional economy continues to struggle during the current economic downturn and privilege tax is expected to grow moderately in the five-year revenue forecast. The five-year privilege tax forecast is shown in detail by major business category in the Appendix. Staff forecast the privilege tax collections by category to arrive at more of a precise total sales tax revenue. The revenue forecasts for each business category use various assumptions that combine historical elements as well as emerging fiscal, economic and legal considerations.

Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$106.3	\$106.3*
2007/08	\$113.6	\$105.6*
2006/07	\$110.3	\$109.7
2005/06	\$96.7	\$104.6
2004/05	\$84.8	\$94.1

Privilege (Sales) Tax - Public Safety represents the .10 percent of the total 1.65 percent sales tax rate and is dedicated exclusively to public safety enhancements. The voters approved the .10 percent increase in the sales tax for public safety in May 2004. The Public Safety sales tax forecast calls for FY 2008/09 revenues of about \$10.3 million versus an expected FY 2007/08 year-end of approximately \$10.2 million. The same business category analysis used for the General Fund 1.0 percent tax was applied when forecasting the Public Safety Privilege Tax.

Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$10.3	\$10.3*
2007/08	\$11.4	\$10.2*
2006/07	\$11.0	\$10.5
2005/06	\$9.7	\$9.9
2004/05	\$7.8	\$7.7

Property Tax (Primary) represents the General Fund’s portion of the Primary Property Tax which is levied on the assessed value of all property within the City to help pay for City general governmental operation costs. By Arizona State Statute, the primary property levy is limited to a 2.0 percent increase per year, plus an allowance for annexations and new construction. Primary property tax accounts for 7.8 percent of the total projected FY 2008/09 General Fund resources. The FY 2008/09 revenue forecast of \$22.4 million represents an increase of slightly more than \$1.4 million from the FY 2007/08 year-end estimate of \$21.0 million. The adopted primary property tax rate of approximately 35 cents per \$100 of assessed valuation is approximately 3 cents less than the FY 2007/08 rate.

Property Tax (Primary) Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$22.4	\$22.4*
2007/08	\$21.0	\$21.0*
2006/07	\$20.1	\$19.6
2005/06	\$18.7	\$18.3
2004/05	\$17.6	\$17.4

Transient Occupancy (“Bed”) Tax forecast assumes the tourism industry has reached its peak expansion from post 9-11 and will plateau in the coming year. Bed tax revenue is expected to remain flat from the FY 2007/08 year-end forecast of \$2.0 million. Based on an internal audit recommendation in FY 2005/06, 80.0 percent, or \$7.9 million, of the total bed tax revenue is budgeted in the Special Revenue-Special Programs Fund to reflect the restricted nature of this revenue. By City ordinance, 80.0 percent of this tax revenue is restricted for tourism and hospitality purposes and the payment of contracts to increase tourism and fund debt service for destination attractions. The FY 2008/09 General Fund budget reflects only 20.0 percent, or \$2.0 million, of the projected total bed tax revenue. The forecast assumes a moderate 4.0 percent growth in this revenue source beyond FY 2008/09.

Transient Occupancy (“Bed”) Tax Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$2.0	\$2.0*
2007/08	\$2.2	\$2.0*
2006/07	\$1.9	\$1.9
2005/06	\$8.2	\$8.9
2004/05	\$6.7	\$7.9

Stormwater Quality Charge revenue relates to the water quality charge to help pay a portion of the City's Stormwater Management program costs. These costs are driven by "unfunded" federal mandates that require the City to operate under a National Pollution Discharge Elimination System (NPDES) permit and to address the quality of stormwater runoff. Charges are forecasted at \$0.8 million for FY 2008/09, nearly equal to the expected FY 2007/08 year-end forecast.

Stormwater Quality Charge Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$0.8	\$0.8*
2007/08	\$0.7	\$0.8*
2006/07	\$0.7	\$0.7
2005/06	\$0.6	\$0.7
2004/05	\$0.6	\$0.6

Other Taxes — Light & Power, Cable TV Franchise and Salt River Project In-Lieu Tax include franchise taxes charged on revenues from utility and cable companies for use of City right-of-ways and in-lieu property tax for municipal utilities. The light & power franchise tax is projected to remain relatively flat at \$7.7 million for FY 2008/09 over the FY 2007/08 year-end estimate. The cable TV franchise tax amount of \$3.6 million for FY 2008/09 is \$0.1 million, or 2.9%, higher than the FY 2007/08 year-end estimate of \$3.5 million. The Salt River Project In-Lieu Tax is expected to remain flat to the FY 2007/08 year-end estimate of \$0.2 million.

Other Taxes Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$11.5	\$11.5*
2007/08	\$10.9	\$11.3*
2006/07	\$9.5	\$10.8
2005/06	\$8.6	\$9.3
2004/05	\$8.5	\$9.0

State-Shared Tax Revenues

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

Note: The State's FY 2006/07 budget included a 10.0 percent permanent reduction in the state income tax rate. The tax rate reduction was phased in over a two year period (5.0 percent reduction in 2006 and another 5.0 percent in 2007) and decreases the amount of funding available for allocation to Arizona's cities and towns. The City's General Fund five-year financial plan reflects this reduction.

State-Shared Revenues consist of the following:

State Shared Sales Tax cities and towns share in a portion of the 5.0 percent sales tax collected by the State – the State retains 50.0 percent, schools are designated to receive 40.0 percent, and the remaining 10.0 percent is allocated to cities and towns based on percentage of population. The forecast calls for FY 2008/09 revenues of approximately \$22.0 million versus an expected FY 2007/08 year-end of \$21.4 million. This modest growth of \$0.6 million, or 2.8 percent, reflects a slowing state economy and corresponding state sales tax revenues, as well as impacts of the mid-decade census data.

State Shared Sales Tax Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$22.0	\$22.0*
2007/08	\$23.9	\$21.4*
2006/07	\$20.6	\$22.3
2005/06	\$19.0	\$21.5
2004/05	\$16.5	\$18.6

State Revenue Sharing (Income Tax) there is a two-year lag between the time citizens earn and report results to the State and when the State submits the actual revenues to cities and towns. Cities and towns in Arizona are prohibited from levying a local income tax; however, they are entitled to 15.0 percent of state income tax collections from two years previous. Revenue from State Shared Income Tax is forecasted at \$34.0 million for FY 2008/09, an increase of \$0.9 million, or 2.7 percent, over expected FY 2007/08 year-end of \$33.1 million. The increase in shared revenues is attributable to a better than expected pool of revenues statewide from the two-year reporting time lag discussed above, as well as impacts of the mid-decade census data.

State Revenue Sharing (Income Tax) Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$34.0	\$34.0*
2007/08	\$33.1	\$33.1*
2006/07	\$20.8	\$26.7
2005/06	\$20.5	\$21.2
2004/05	\$18.0	\$18.6

State Auto Lieu Tax is part of the vehicle license fees collected by Maricopa County, but is actually a State revenue source. The City receives its share of the vehicle license tax collection based on its population in relation to the total incorporated population of Maricopa County. The only stipulation on the use of this revenue is that it must be spent on a public purpose. The City has designated these tax proceeds for transportation services. The budget for FY 2008/09 is forecasted at \$9.7 million, which represents a \$0.3 million, or 3.2 percent, increase from the FY 2007/08 year-end estimate of \$9.4 million.

Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$9.7	\$9.7*
2007/08	\$10.4	\$9.4*
2006/07	\$9.6	\$9.8
2005/06	\$8.9	\$9.7
2004/05	\$7.8	\$8.5

Licenses, Permits & Fees Revenue

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

Scottsdale’s development activity is slowing as our community is changing from growth oriented to a maturing community focused more on sustaining its high quality of life. The new commercial and residential construction activity is expected to continue, but at a slower pace.

Licenses, Permits & Fees Revenue consist of the following:

Building Permits Fees & Charges include fees assessed to developers/builders that recover the cost of four primary functions: 1) reviewing/ processing development applications, 2) plan review of construction documents, 3) the issuance of building, electrical, mechanical and plumbing permits, and 4) the inspection of buildings/structures in the construction phase. The FY 2008/09 forecast of \$14.5 million takes into consideration planned redevelopment activity, commercial activity and a modest slowing of residential housing activity. This is a conservative budget amount when compared to historical trends; however, it factors in the complexity and changing nature of the development activity and the City’s conservative approach when forecasting elastic revenues.

Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$14.5	\$14.5*
2007/08	\$16.5	\$12.5*
2006/07	\$17.0	\$16.1
2005/06	\$15.5	\$20.5
2004/05	\$14.3	\$18.2

Fire Service Charges include service fees for the cost recovery of fire and medical standbys at special events, after hours inspections, and ambulance staffing and dispatch fees associated with the ambulance agreement. In addition, the department collects fees for CPR classes, permits and incident reports. For FY 2008/09, revenues are forecasted at \$1.4 million – a \$0.3 million increase over the expected FY 2007/08 year-end estimate of \$1.1 million. This increase primarily reflects an increase in the ambulance contract pricing, as well as adjustments to Fire Department fees and charges.

Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$1.4	\$1.4*
2007/08	\$1.1	\$1.1*
2006/07	\$1.0	\$1.9
2005/06	-	\$1.0
2004/05	-	-

Business Licenses & Fees include the licensing of business activity that takes place in Scottsdale and the associated fees relating to the licensure and regulation of specific activity. Revenues of approximately \$1.8 million are expected in FY 2008/09, which is on par with the FY 2007/08 year-end estimate. The increase is based on historical growth trends.

Business Licenses & Fees Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$1.8	\$1.8*
2007/08	\$1.6	\$1.8*
2006/07	\$2.1	\$1.6
2005/06	\$2.0	\$1.6
2004/05	\$1.8	\$1.7

Recreation Fees are budgeted at \$3.1 million for FY 2008/09 and include revenue from the various recreational programs, classes, and entry fees. Revenues are projected at \$3.1 million for FY 2008/09, an increase of \$0.1 million over the FY 2007/08 year-end estimate of \$3.0 million. The increase is primarily related to expected increases in recreational program and class enrollment.

Recreation Fees Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$3.1	\$3.1*
2007/08	\$2.9	\$3.0*
2006/07	\$2.8	\$2.8
2005/06	\$2.3	\$2.5
2004/05	\$2.2	\$2.4

WestWorld Fees include event revenue (general facility rental, concessions, parking fees, etc.) from events such as horse shows, auto auctions and car shows, consumer and home shows, as well as RV space rental income. Revenues of approximately \$2.4 million are expected in FY 2008/09, reflecting 2.0 percent increase over estimated FY 2007/08 year-end estimates. In accordance with the City's adopted financial policies, WestWorld recreation fees are reviewed and adjusted annually, if the increase is justified by the analysis and approved by City Council. Staff's FY 2008/09 revenue forecast is based on future confirmed bookings for WestWorld as well as historical activity.

WestWorld Fees Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$2.4	\$2.4*
2007/08	\$2.0	\$2.3*
2006/07	\$2.3	\$1.7
2005/06	\$1.8	\$2.3
2004/05	\$1.6	\$1.8

Fines and Forfeiture Revenues

Fines and Forfeiture Revenues include court, parking, photo radar, and library fines. In the aggregate, the revenue for these items in FY 2008/09 is projected to be \$10.0 million for a decrease of \$3.2 million over the FY 2007/08 year-end estimate. The decrease is primarily related to the City’s involvement with the Photo Enforcement Fines – Loop 101 Freeway ending on September 30, 2008, as discussed below.

Court Fines are the General Fund portion of penalties or fees assessed by state statute, City ordinance or the Presiding Judge. Examples include: fines, a portion of the registration fee to attend Defensive Driving School, bonds forfeited to the City and collection fees. Revenues of approximately \$6.5 million are expected for FY 2008/09 – virtually the same as the FY 2007/08 year-end estimate. Staff developed revenue estimates based on historical trends in court activity.

Court Fines		
Adopted Budget to Actual/Estimate*		
(in millions)		
Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$6.5	\$6.5*
2007/08	\$5.5	\$6.5*
2006/07	\$5.3	\$5.9
2005/06	\$5.1	\$5.2
2004/05	\$3.9	\$5.1

Parking Fines are the General Fund portion of parking fees assessed per City ordinance and are forecasted at slightly more than \$0.3 million for FY 2008/09 – approximately \$80,000 less than the FY 2007/08 year-end estimate.

Parking Fines		
Adopted Budget to Actual/Estimate*		
(in millions)		
Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$0.3	\$0.3*
2007/08	\$0.3	\$0.4*
2006/07	\$0.3	\$0.3
2005/06	\$0.2	\$0.3
2004/05	\$0.2	\$0.2

Photo Enforcement Fines are the General Fund portion of Photo Enforcement penalties as assessed by the Presiding Judge. Examples include: red light and speeding fines and a portion of the registration fee to attend Defensive Driving School. Revenues are budgeted at about \$1.9 million for FY 2008/09, which represents an increase of approximately \$0.2 million from the FY 2007/08 year-end estimate of \$1.7 million. The use of photo enforcement is intended to be a deterrent to unsafe driving and to modify driving habits, not as a revenue producer.

Photo Enforcement Fines		
Adopted Budget to Actual/Estimate*		
(in millions)		
Adopted Fiscal Year	Actual/Budget	Estimate*
2008/09	\$1.9	\$1.9*
2007/08	\$2.6	\$1.7*
2006/07	\$2.5	\$2.3
2005/06	\$2.5	\$2.0
2004/05	\$1.1	\$2.7

Photo Enforcement Fines – Loop 101 Freeway represents the revenue anticipated with the extension of the City’s intergovernmental agreement (IGA) with the Department of Public Safety (DPS). The IGA with the DPS utilizes the City’s photo enforcement contractor and the City’s Court to continue to provide photo enforcement on the Loop 101 through September 30, 2008. The forecasted revenue of \$1.0 million for FY 2008/09 represents the forecasted collections with the continuation of the Photo Enforcement Loop 101 Program through September 30, 2008.

Photo Enforcement Fines – Loop 101 Freeway Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$1.0	\$1.0*
2007/08	\$4.1	\$4.3*
2006/07	\$2.0	\$3.9
2005/06	\$10.0	\$0.9
2004/05	-	-

Library Fines & Fees are monies collected when library materials are returned after they are due, are lost, and/or are damaged. This category also includes library facility rentals and library shared-use reimbursements. FY 2008/09 revenues are forecasted at \$0.4 million – virtually the same as the FY 2007/08 year-end estimate. The FY 2008/09 budget does not include any fine increases and is based on historical activity.

Library Fines & Fees Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$0.4	\$0.4*
2007/08	\$0.7	\$0.4*
2006/07	\$0.7	\$0.6
2005/06	\$0.6	\$0.6
2004/05	\$0.4	\$0.6

Interest Earnings are generated on idle General Fund cash balance throughout the year. Revenue from Interest Earnings is forecasted at \$4.5 million for FY 2008/09. This revenue is a function of the relationship between the City’s available cash balance and the interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool. Interest earnings applicable to bond proceeds and the Capital Improvement Plan (CIP) accrue to the CIP budget and are not included in General Fund revenues. Staff forecasted the interest earnings for FY 2008/09 based on recent market activity and anticipated cash balances.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$4.5	\$4.5*
2007/08	\$5.2	\$6.6*
2006/07	\$2.3	\$6.6
2005/06	\$1.9	\$3.3
2004/05	\$1.7	\$2.3

Property Rental revenues are rental fees on facilities such as the Scottsdale Stadium, as well as amounts received from the Tournament Players Club and Princess Hotel for percent of revenue on gross sales agreements. The FY 2008/09 forecasted revenue is approximately \$3.4 million, which is approximately \$0.3 million higher than the FY 2007/08 year-end estimate.

Property Rental Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$3.4	\$3.4*
2007/08	\$3.3	\$3.1*
2006/07	\$3.1	\$3.4
2005/06	\$3.0	\$3.4
2004/05	\$3.4	\$3.1

Other Revenue

Other Revenue category includes Miscellaneous Revenues that the City receives during any given year that are not attributable to one of the specific revenue categories noted previously. The FY 2008/09 revenue is projected to be \$1.0 million, which is an increase of approximately \$0.1 million over the FY 2007/08 year-end estimate.

Other Revenue - Miscellaneous Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$1.0	\$1.0*
2007/08	\$0.7	\$0.9*
2006/07	\$0.3	\$1.2
2005/06	\$1.0	\$1.3
2004/05	\$1.2	\$1.1

Indirect/Direct Cost Allocation represents a reimbursement to the General Fund for centralized services provided to the Enterprise Funds such as payroll, accounts payable, human resources, information systems, city administration, etc.). The FY 2008/09 forecasted revenue is approximately \$12.9 million, which reflects a \$1.3 million increase from the FY 2007/08 year-end estimate. The indirect rate is a function of the City's overall annual operating budget – as the City's budget increases so does the corresponding indirect cost allocation. Also included in this category are Reimbursements to the General Fund in the amount of \$0.4 million for FY 2008/09 for the City's security contract and Intergovernmental Revenues at \$0.7 million for FY 2008/09 related to School Resource Officers from the Scottsdale Police Department servicing local area schools.

Other Revenue – Indirect/Direct Cost Allocation Adopted Budget to Actual/Estimate* (in millions)		
Adopted Fiscal Year	Actual/ Budget	Estimate*
2008/09	\$12.9	\$12.9*
2007/08	\$11.6	\$11.6*
2006/07	\$10.2	\$10.2
2005/06	\$9.9	\$9.9
2004/05	\$8.9	\$8.6

Cash Transfers-In

Cash Transfers-In essentially represent the in lieu property taxes and franchise fees. Property tax and franchise fees charged to the Enterprise Funds represent fees a private organization would incur while conducting business within the City. The total cash transfers-in for FY 2008/09 also includes a one-time transfer in of \$2.5 million from the Self Insurance Fund. The \$2.5 million was originally transferred to the Self Insurance Fund as part of the FY 2005/06 budget to cover anticipated property casualty claims related to the establishment of the new municipal fire department. Based on actuarial evaluations, the \$2.5 million is not required and can be returned to the General Fund.

General Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted personal services budget of \$189.3 million represents 71.5 percent of the FY 2008/09 General Fund Operating Budget of nearly \$264.9 million. The adopted FY 2008/09 personal services budget increased \$5.9 million or 3.3 percent from the FY 2007/08 adopted budget.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$189.3	\$189.3*
2007/08	\$183.4	\$183.8*
2006/07	\$170.4	\$161.3
2005/06	\$155.7	\$145.4
2004/05	\$120.8	\$115.9

The personal services costs include a 2.0 percent cost of living pay adjustment equaling \$1.7 million effective January 1, 2009 for City personnel. The adjustment will have a funding tail in the FY 2009/10 General Fund budget of approximately \$1.7 million. The adopted budget also maintains the City’s merit pay program at an estimated cost of \$3.0 million for those employees that have earned an increase through job performance and have not reached the top of their position pay range. Additionally, the City’s contribution to Arizona Public Safety Retirement System for Police and Fire in FY 2008/09 increases by about \$2.6 million.

See glossary for Expenditure Type definitions

For FY 2008/09, all existing non-sworn vacant positions were assessed to determine if they were critical to maintaining a department’s current level of service or could be redeployed to more critical priority needs elsewhere in the City. As a result, 6.15 General Fund full-time equivalent (FTE) positions were eliminated. The 6.15 FTE positions are provided in the table below:

Redeployed Vacant Position FTEs (Title and Department)	FTEs
Senior Project Manager (Municipal Services – Capital Project Management)	(1.00)
Lead Human Resources Analyst (Human Resources)	(1.00)
Public Information Coordinator (Communications & Public Affairs)	(1.65)
Support Specialist (Communications & Public Affairs)	(0.50)
Neighborhood Services Coordinator (Citizen & Neighborhood Resources)	(1.00)
Inspector II (Planning & Development Services)	(1.00)
Total	(6.15)

The adopted General Fund budget includes 4.00 new FTE staff positions. Detail on the new FTEs is provided below:

Information Systems – The adopted budget includes a Radio Communications Technician II (1.00 FTE) to implement and maintain the Public Safety Radio System, a capital project funded by the General Fund.

Citizen & Neighborhood Resources – Includes one Code Inspector position (1.00 FTE) to support an air quality enforcement program beginning March 31, 2008, in response to new legislation mandating cities and towns to enact and enforce air quality regulations relating to PM-10 Dust Control.

Planning & Development Services – Includes a Preserve Manager (1.00 FTE) to fulfill increasing demands of managing and maintaining programs, access and trails for the 36,400-acre Preserve.

WestWorld – The adopted budget includes a Maintenance Worker III (1.00 FTE) to comply with the state-mandated PM-10 Dust Control measures that were recently enacted to improve air quality and reduce particular matter. The position is needed to operate a water truck to apply water to roads, arenas, parking areas and other unstable surfaces to reduce particulate matter.

After considering the elimination of the 6.15 FTEs and the addition of 4.00 new high priority positions, the General Fund has a net reduction of 2.15 FTEs.

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted budget of \$58.5 million represents 22.1 percent of the FY 2008/09 General Fund Operating Budget of \$264.9 million. The FY 2008/09 budget is \$8.1 million, or 16.2 percent, more than the FY 2007/08 adopted budget. Major cost drivers for FY 2008/09 include the Maricopa County jail contract; software maintenance and licensing; fleet maintenance and operations; Fire Dispatch contract; and an accounting change that eliminated the work order credits related to Capital Projects Management (CPM).

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$58.5	\$58.5*
2007/08	\$50.4	\$53.3*
2006/07	\$48.3	\$48.3
2005/06	\$44.7	\$46.3
2004/05	\$57.5	\$58.6

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted budget of \$10.5 million represents 3.9 percent of the FY 2008/09 General Fund Operating Budget of almost \$264.9 million. The FY 2008/09 adopted budget is approximately \$0.1 million less than the FY 2007/08 adopted budget.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$10.5	\$10.5*
2007/08	\$10.6	\$10.4*
2006/07	\$10.2	\$10.4
2005/06	\$8.0	\$8.5
2004/05	\$6.1	\$7.1

Capital Outlay includes the purchase of land, the purchase of construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted budget of \$0.6 million represents 0.2 percent of the FY 2008/09 General Fund Operating Budget of nearly \$264.9 million. The majority of the adopted FY 2008/09 Capital Outlays budget of \$0.6 is related to the replacement of the thermal imaging cameras, decontamination stations and generators for the Fire Department and purchasing a water truck for WestWorld to apply water to roads, arenas, parking areas, and other unstable surfaces to reduce particulate matter in an effort to comply with the state mandated PM-10 Dust Control measures.

Capital Outlay Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.6	\$0.6*
2007/08	\$0.9	\$0.8*
2006/07	\$1.1	\$1.0
2005/06	\$1.4	\$0.3
2004/05	\$1.1	\$0.3

Debt Service is paid from the General Fund, is primarily contractual debt related to sales tax development agreements, and will vary based on the actual sales tax collections at each developed site. The FY 2008/09 budget of \$6.0 million represents 2.3 percent of the FY 2008/09 General Fund Operating Budget of almost \$264.9 million. The FY 2008/09 budget of \$6.0 million is \$0.6 million less than the FY 2007/08 adopted budget. The General Fund debt service is comprised of \$4.6 million in Contracts Payable and \$1.4 million in Certificates of Participation for FY 2008/09 as follows:

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$6.0	\$6.0*
2007/08	\$6.6	\$5.2*
2006/07	\$6.0	\$5.6
2005/06	\$5.5	\$5.8
2004/05	\$12.1	\$4.3

Contracts Payable of \$4.6 million represents debt related to sales tax development agreements such as the Nordstrom Garage Lease, Hotel Valley Ho and the Waterfront Agreement. Further detail can be found in the Debt Service Expense - All Funds in the Appendix.

Certificates of Participation (COP) are instruments whereby the City enters into a lease-purchase agreement for the acquisition, operation and/or maintenance of a project. COPs are secured by a budgeted appropriation made each year by the City. At the completion of the lease period, the City owns the project. In FY 2005/06, the City issued \$7.65 million of COPs for the acquisition of the police/fire administration building. The COPs are payable over ten years at an average interest cost of 3.29 percent and are callable at the City's option after July 1, 2008. The FY 2008/09 forecast assumes a debt payment of \$0.9 million related to the purchase of the building. The forecast also assumes a debt payment of \$0.5 million related to the planned issuance in FY 2008/09 for Police/Fire Radio Communication Equipment.

Cash Transfers-Out are the authorized movement of cash to other funds, divisions, departments, and/or capital projects. Cash Transfers-Out in FY 2008/09 total \$22.9 million and includes \$4.0 million to the Capital Fund to cover the cost of on-going capital maintenance. The adopted budget also includes a cash transfer-out of \$1.6 million to the Capital Fund for Public Safety radio replacement and upgrades. In addition, another \$5.0 million will be transferred to the Capital Fund for pay-as-you-go capital projects. Furthermore, \$6.2 million will be transferred-out to the Transportation Fund for transportation related operating costs (subsidy), \$5.9 million will be transferred to the MPC Excise Debt Fund, and \$0.2 million will be transferred to the Special Programs Fund for the Affordable Housing program grant match (\$100K), neighborhood revitalization (\$50K), and for the preservation and maintenance of properties on Scottsdale's Historic Register (\$10K).

General Fund Balance/Reserve/Operating Contingency

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

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

General Fund Reserve continues the City's adopted financial policy of setting aside a reserve to protect Scottsdale in times of emergency. This is the City's "savings account," and it is important to note that most of these funds are from "carry over", and once they are spent it will be difficult, if not impossible, to rebuild the reserve. It is financially prudent to have a minimum General Fund Reserve of 10.0 percent of the General and Highway User Revenue Funds total annual operating costs. Based on the revenue and expenditure estimates included in the adopted budget, the ending FY 2008/09 General Fund Reserve is projected to be approximately \$29.9 million. Maintaining the General Fund Reserve is very important to the municipal credit rating agencies and in retaining the City's AAA bond ratings. It should be noted that the revenue sources that help build the General Fund Reserve during good economic times are considered "elastic" and, therefore, are subject to downturns during recessionary times.

Operating Contingency includes \$5.0 million of basic operating contingency to meet unforeseen expenses during the fiscal year. Also, included in the FY 2008/09 operating contingency is \$0.6 million for the continuation of the Loop 101 Photo Enforcement Program through September 2008. City Council approval is required before the funds can be transferred from the contingency to a department's operating budget.

Unreserved Fund Balance is the remainder after considering all of the other reserves/uses. The ending unreserved fund balance is forecasted at approximately \$4.1 million, which represents the cumulative General Fund revenues not designated for a specific purpose. This balance represents an accumulation of one-time revenues and is most appropriately used for one-time expenditures, such as capital project funding. Under prudent fiscal management practices, this amount should not be used to fund new or expanded programs with ongoing operating expenses.

Special Revenue Funds

Description

The City uses four separate Special Revenue Funds to account for the activity of restricted revenues and designated expenditure uses for FY 2008/09. The individual funds are: Transportation, Preservation Privilege Tax, Special Programs, and Grants. The applicable specific revenues, expenditures and fund balances of the individual Special Revenue Funds, along with each fund’s purpose, are described below:

Transportation Fund

Fund Purpose

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

Transportation Fund Revenues and Cash Transfers-In

Highway User Revenue Tax (“Gas Tax”) is distributed by the State of Arizona based upon the population of each city and the county of origin for the sales of fuel. The State constitution requires that all highway user revenue be used solely for street, highway or transit purposes. The cities share in the State collected highway user revenues based half on population, and half on the origin of the gas sale. The adopted FY 2008/09 budget of \$16.9 million represents an increase of \$0.6 million or 3.7 percent from the FY 2007/08 year-end estimate. Forecasted revenue growth is based on Scottsdale’s population growth relative to other Arizona cities, as impacted by the mid-decade Special Census, as well as projected fuel sale activity for Maricopa County.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$16.9	\$16.9*
2007/08	\$17.0	\$16.3*
2006/07	\$15.6	\$16.7
2005/06	\$15.0	\$15.8
2004/05	\$13.9	\$14.5

Transportation Privilege (Sales) Tax (.20%) represents the .20 percent of the City’s sales tax dedicated solely to transportation. Please note there is a difference between the transportation and preservation privilege tax revenue amounts, which is attributable to differences in the taxing provisions for each of the revenues. The adopted FY 2008/09 budget of \$20.1 million represents an increase of \$0.2 million or 1.0 percent from the FY 2007/08 year-end estimate. Staff’s projected increase in revenues is based on estimated economic growth in sales activity for Scottsdale.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$20.1	\$20.1*
2007/08	\$22.7	\$19.9*
2006/07	\$22.1	\$20.8
2005/06	\$18.3	\$23.1
2004/05	\$16.2	\$18.1

Local Transportation Assistance Fund (LTAF) Revenue (“State Lottery”) is distributed by the State of Arizona based upon population as well as City and town participation in the lottery. The adopted FY 2008/09 budget of \$1.1 million remains flat with the FY 2007/08 year-end estimate due to restrictions by the State. LTAF revenue sharing was capped by the State at a total of \$20.5 million in 1989 by the Arizona state legislature, resulting in no growth in this segment of intergovernmental transportation revenue.

Local Transportation Assistance Fund (LTAF) Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.1	\$1.1*
2007/08	\$1.1	\$1.1*
2006/07	\$1.1	\$1.1
2005/06	\$1.1	\$1.1
2004/05	\$1.1	\$1.1

Proposition 400 Regional Sales Tax represents the City’s allocation of the 1.0 percent regional sales approved by Maricopa County voters in November 2004 for transportation and transit enhancements. Based on estimates from regional agencies, the City expects to receive an estimated \$0.3 million from this regional sales tax in the 2008/09 fiscal year.

Cash Transfers-In from the General Fund, Capital Fund, and the Solid Waste Fund support the Transportation Fund program expenditures and are budgeted to provide \$6.2 million, \$3.0 million, and \$0.3 million, respectively. This corresponds with the total resources needed to balance the budgeted operating and capital expenditures in the Transportation Fund. The adopted policy described earlier of transferring 50 percent of the Transportation Privilege (Sales) Tax to the Capital Improvement Fund is expected to gradually reduce the General Fund subsidy amount (transfer-in) to the Transportation Fund in subsequent years, as reflected in the Five-Year Financial Forecast.

Transportation Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2008/09 personal services budget of \$7.4 million represents 20.9 percent of the total Transportation Fund operating budget for FY 2008/09 and represents an increase of \$0.2 million from the FY 2007/08 adopted budget. The budget change is due to a salary market adjustment, increased health and retirement costs, and an accounting change that eliminated the Capital Project Management (CPM) work-order credits from personal services.

Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$7.4	\$7.4*
2007/08	\$7.2	\$7.2*
2006/07	\$6.5	\$5.8
2005/06	\$5.9	\$3.6
2004/05	\$5.0	\$4.9

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2008/09 contractual services budget of \$26.6 million represents 75.1 percent of the total Transportation Fund operating budget for FY 2008/09 and represents an increase of \$1.1 million from the FY 2007/08 adopted budget. The budget increase is due to expenses related to PM-10 compliance regulations, transit contract prices, and an accounting change that eliminated the Capital Project Management (CPM) work order credit from personal services and incorporated it into contractual services.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$26.6	\$26.6*
2007/08	\$25.5	\$25.9*
2006/07	\$20.7	\$20.0
2005/06	\$18.9	\$9.7
2004/05	\$16.6	\$16.4

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2008/09 commodities budget of \$1.1 million represents 3.1 percent of the total Transportation Fund operating budget for FY 2008/09 and represents an increase of \$0.2 million from the FY 2007/08 adopted budget. The budget change is primarily due to increases in materials to maintain and repair concrete for Street Operations.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.1	\$1.1*
2007/08	\$0.9	\$0.9*
2006/07	\$0.7	\$0.7
2005/06	\$0.6	\$0.5
2004/05	\$0.5	\$0.6

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2008/09 capital outlay budget of nearly \$0.3 million represents 0.8 percent of the total Transportation Fund operating budget for FY 2008/09 and no change from the FY 2007/08 adopted budget. Funding will be used to purchase vehicles and equipment to address needs related to the Traffic Signals program, Alley Maintenance, Unpaved Roads and Drainage System Maintenance, and PM-10 regulations.

Capital Outlay Adopted Budget to Actual/Estimate* (in thousands)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$294,700	\$294,700*
2007/08	\$254,800	\$44,100*
2006/07	\$57,600	\$38,536
2005/06	\$70,500	\$3,385
2004/05	-	\$2,704

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

Transportation Fund Balance

The adopted FY 2008/09 Transportation Fund ending balance is projected to be approximately zero. Typically, this fund does not have a planned fund balance due to its reliance on the General Fund to make up the difference between revenues and expenditures each year. As discussed earlier, the General Fund subsidy amount (cash transfer-in) to the Transportation Fund is expected to dissipate, as reflected in the 5-year Financial Forecast.

See glossary for
Expenditure Type definitions

Preservation Privilege Tax Fund

Fund Purpose

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

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

Preservation Privilege Tax Fund Revenues

1995 Preservation Privilege (Sales) Tax represents the voter approved .20 percent of the City’s sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. The FY 2008/09 budget of \$20.6 million represents an increase of approximately \$0.1 million (0.7 percent) from the FY 2007/08 year-end estimate. Please note there is a difference between the transportation and preservation privilege revenue tax amounts, which is attributable to differences in the taxing provisions for each of the revenues. The projected increase in revenues by staff is based on estimated economic growth in sales activity for Scottsdale.

1995 Preservation Privilege (Sales) Tax Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$20.6	\$20.6*
2007/08	\$22.7	\$20.5*
2006/07	\$22.1	\$21.3
2005/06	\$18.8	\$20.5
2004/05	\$16.8	\$18.5

2004 Preservation Privilege (Sales) Tax represents the voter approved .15 percent of the City’s sales tax dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve, plus construction of essential preserve related necessities such as proposed trailheads. The FY 2008/09 budget of \$14.9 million represents an increase of approximately \$0.1 million (0.7 percent) from the FY 2007/08 year-end estimate. The projected increase in revenues by staff is based on estimated economic growth in sales activity for Scottsdale.

2004 Preservation Privilege (Sales) Tax Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$14.9	\$14.9*
2007/08	\$17.0	\$14.8*
2006/07	\$16.5	\$15.8
2005/06	\$14.5	\$14.9
2004/05	\$11.7	\$11.6

Interest Earnings is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investments in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield. The FY 2008/09 budget of \$1.1 million represents a decrease of \$0.5 million (32.1 percent) from the FY 2007/08 year-end estimate and a decrease of \$0.2 million (15.5 percent) from the FY 2007/08 adopted budget. The projected interest earnings by staff are based on current interest rates and the estimated available cash balance.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.1	\$1.1*
2007/08	\$1.3	\$1.6*
2006/07	\$0.8	\$1.9
2005/06	\$0.7	\$0.8
2004/05	\$0.5	\$0.5

Preservation Privilege Tax Fund Expenditures By Expenditure Type

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

Debt Service adopted budget for FY 2008/09 of approximately \$1.0 million remains flat with the FY 2007/08 adopted budget and consists of contractual debt for the McDowell Sonoran Preserve.

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$1.0*
2006/07	\$1.0	\$1.0
2005/06	\$1.0	\$1.0
2004/05	\$1.0	\$1.0

Cash Transfers-Out is authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The FY 2008/09 adopted budget of \$23.3 million consists of \$21.8 million in transfers out to the Debt Service Fund for debt payments on Preservation bonds and \$1.5 million related to capital improvement plan land acquisition.

Preservation Privilege Tax Fund Balance

The projected ending fund balance for FY 2008/09 is \$30.8 million, consisting of \$11.6 million related to the 1995 privilege tax (0.20 percent) and \$19.2 million related to the 2004 privilege tax (0.15 percent).

See glossary for
Expenditure Type definitions

Special Programs Fund

Fund Purpose

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

Special Programs Fund Revenues

Transient Occupancy (“Bed”) Tax Revenue comes from the City collecting a 3.0 percent Transient Occupancy Tax on hotel and motel room rentals in addition to the sales tax. Per City Ordinance 2045/2291 (amended), 80 percent of this tax revenue is restricted for tourism and hospitality purposes and pays for contracts to increase tourism and debt service for destination attractions. Therefore, 80 percent of this revenue is reflected in the Special Revenue – Special Programs Fund. The remaining 20 percent may be used for general government operations and is accounted for in the General Fund. The adopted FY 2008/09 budget of approximately \$7.9 million reflects no change from the FY 2007/08 year-end revenue estimate. A strengthening national economy has given a boost to bed tax revenues this past year. Scottsdale’s projection in revenue for FY 2008/09 was developed using information received locally from the Tourism Development Commission as well as national trends in the tourism industry.

Economic Vitality – Transient Occupancy (“Bed”) Tax Revenue 80% Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$7.9	\$7.9*
2007/08	\$8.7	\$7.9*
2006/07	\$7.5	\$7.7
2005/06**	-	-
2004/05**	-	-

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

Courts Revenue originates from three sources: Court Enhancement, Judicial Collections Enhancement Fund (JCEF) and Fill-the-Gap (FTG). The Court Enhancement is established by Scottsdale City Ordinance 2570 section 9-7.2 and provides funding to enhance the technological, operational, and security facilities of the Court. JCEF and FTG were established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013, which provide funding for maintaining and enhancing the Court’s ability to collect and manage monies. Staff estimates the FY 2008/09 budget for restricted Court Revenue is approximately \$1.0 million.

Court Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$1.0*
2006/07	\$1.2	\$1.5
2005/06	\$1.0	\$1.0
2004/05	\$0.6	\$0.9

Downtown Cultural Trust Revenue - This account holds funds generated from donations and contributions from private development as outlined in the City's art in private development ordinance (Section 5.083). The FY 2008/09 budget for this revenue source is \$85,000.

Community Arts Trust Revenue - This account hold funds that are generated by the lease agreement with the Scottsdale Artists' School at Loloma. The FY 2008/09 budget for this revenue source is \$150,000.

Downtown Cultural/Arts Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.2	\$0.2*
2007/08	\$0.1	\$0.1*
2006/07	\$0.1	\$0.2
2005/06	\$0.7	\$0.1
2004/05	\$0.3	\$0.1

Human Resources – Cultural Diversity Revenue includes corporate sponsorship obtained through community outreach efforts in support of cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The FY 2008/09 budget for this restricted revenue source is \$20,000.

Human Resources Cultural Diversity Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$20,000	\$20,000*
2007/08	\$10,000	\$21,000*
2006/07	\$10,000	\$21,600
2005/06	\$9,500	\$10,000
2004/05	\$7,200	\$6,500

Police Revenue includes money from the following five sources: (1) Racketeering Influenced Corrupt Organization (RICO) funds, which is only to be used for law enforcement purposes; (2) Forensic Services Intergovernmental Agreements (IGA) with surrounding communities for full cost recovery of crime laboratory services provided; (3) donations for the Mounted Unit and Family Advocacy Center; (4) drug conviction assessments, which may only be used for crime laboratory analysis purposes; and (5) funds for school resource education supplies. Staff estimates the FY 2008/09 budget for this restricted revenue source is \$1.4 million.

Police Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.4	\$1.4*
2007/08	\$1.8	\$1.8*
2006/07	\$0.7	\$0.5
2005/06	\$0.9	\$0.6
2004/05	\$0.4	\$0.7

Community Services Revenue includes donations and contributions that are to be spent for the specific purpose indicated by the donors. This may include enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park. This revenue also includes McCormick-Stillman Railroad Park revenue generated from the operations of the train and carousel owned by the Scottsdale Railroad and Mechanical Society. Staff estimates the FY 2008/09 budget for this restricted revenue source is \$1.9 million.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.9	\$1.9*
2007/08	\$1.9	\$1.9*
2006/07	\$1.5	\$1.7
2005/06	\$2.5	\$2.1
2004/05	\$1.4	\$1.4

Citizen and Neighborhood Resources Revenue includes 50 percent of the total amount of fines collected for code enforcement violations. The proceeds from the fines are used to pay for any property abatement procedures necessary to clean up a property and a lien is placed on the property if the owner does not pay the City's cost of the clean up. Due to the results of an internal audit, City Council modified the code enforcement abatement program. As a result, in FY 2007/08, funds were recorded in the General Fund.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	-	_*
2007/08	\$78,009	_*
2006/07	\$25,000	(\$66,269)
2005/06	\$15,172	\$76,472
2004/05	\$19,700	\$33,933

Planning and Development Services Revenue originates from the Green Building Program. The Green Building Program is a whole-systems approach utilizing design and building techniques to minimize environmental impact and to reduce the energy consumption of a building while contributing to the health of its occupants. The program funds are used to cover promotion, education, and public outreach to pro-actively campaign for environmentally responsible buildings in the City. The FY 2008/09 budget for this restricted revenue source is approximately \$136,000.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$136,000	\$136,000*
2007/08	\$58,391	\$108,085*
2006/07	\$19,215	\$70,440
2005/06	\$23,500	\$38,389
2004/05	\$20,600	\$24,150

Fire Revenue includes donations and contributions that are to be used for the specific purpose indicated by the donors. Categories include public education support, equipment acquisition, and fire station enhancements. The FY 2008/09 budget for this restricted revenue source is \$4,000.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$4,000	\$4,000*
2007/08	\$1,200	\$1,200*
2006/07	\$4,140	\$3,989
2005/06	\$1,200	\$2,980
2004/05	-	\$150

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

Special Programs Fund Expenditures

Transient Occupancy (“Bed”) Tax Expenditures per City Ordinance 2045/2291 (amended), the use of these funds is restricted for tourism and hospitality purposes and pays for contracts to increase tourism and debt service for destination attractions. The FY 2008/09 budget is approximately \$7.9 million and includes \$7.2 million to cover expenses associated with the destination marketing contract.

Economic Vitality – Transient Occupancy (“Bed”) Tax Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$7.9	\$7.9*
2007/08	\$7.6	\$7.9*
2006/07	\$7.0	\$7.6
2005/06**	N/A	N/A
2004/05**	N/A	N/A

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

Court Expenditure budget for FY 2008/09 is approximately \$458,000 and includes the following specific uses:

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

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

Court Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.5	\$0.5*
2007/08	\$0.4	\$0.4*
2006/07	\$3.6	\$0.5
2005/06	\$2.1	\$0.3
2004/05	\$0.3	\$0.3

Downtown Cultural/Community Arts Expenditures special programs adopted budget for FY 2008/09 is approximately \$0.3 million and will support the arts and special events in the downtown.

Downtown Cultural/Arts Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.3	\$0.3*
2007/08	\$0.5	\$0.5*
2006/07	\$0.7	\$0.1
2005/06	\$1.0	\$0.1
2004/05	\$0.3	\$0.0

Human Resources – Cultural Diversity Expenditures support cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. The adopted budget for FY 2008/09 is \$25,000.

Human Resources – Cultural Diversity Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$25,000	\$25,000*
2007/08	\$25,000	\$25,000*
2006/07	\$15,957	\$17,281
2005/06	\$14,000	\$8,682
2004/05	\$7,200	\$3,429

Police Expenditures budget for FY 2008/09 is \$1.1 million and includes the following specific uses:
 Racketeering Influenced Corrupt Organization (RICO) funds may only be used for law enforcement purposes.
 Crime laboratory services expenditures incurred by the City on behalf of surrounding communities. The City recovers the full cost of the crime laboratory services through Forensic Services Intergovernmental Agreements (IGA).
 Mounted Unit, Family Advocacy Center and school resource education supplies, as specified by the donor.
 Crime laboratory analysis, as outlined in drug conviction assessments.

Police Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.1	\$1.1*
2007/08	\$0.8	\$0.8*
2006/07	\$0.9	\$0.5
2005/06	\$0.9	\$0.5
2004/05	\$0.4	\$0.5

Community Services Expenditures budget for FY 2008/09 is \$2.3 million. The use of funds is based on the specific purpose indicated by the donors. This includes enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park.

Community Services Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$2.3	\$2.3*
2007/08	\$2.3	\$2.3*
2006/07	\$4.2	\$1.7
2005/06	\$2.8	\$2.0
2004/05	\$2.4	\$1.6

Preservation Rehabilitation special programs adopted budget for FY 2008/09 is included in the Planning and Development Services budget. Beginning in FY 2008/09, the Preservation staff was moved to Planning and Development Services Department. These monies are used to assist in the preservation and maintenance of properties on Scottsdale's historic register.

Preservation Rehabilitation Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	-	- *
2007/08	\$65,000	\$65,000*
2006/07	\$110,000	-
2005/06	\$10,000	-
2004/05	\$10,000	-

Citizen and Neighborhood Resources Expenditures budget for FY 2008/09 is zero. Due to the results of an internal audit, City Council modified the code enforcement abatement program. As a result, in FY 2007/08, funds were recorded in the General Fund. These funds are used for any property abatement procedures necessary to clean up a property when an immediate health and/or safety situation exists. If the owner does not pay the City's cost of the clean up, the City then places a lien on the property.

Citizen and Neighborhood Resources Expenditures Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	-	- *
2007/08	\$35,500	- *
2006/07	\$97,207	\$42,464
2005/06	\$15,172	\$7,709
2004/05	\$19,700	\$10,725

Planning and Development Services

Expenditures relate to the promotion, education, and public outreach campaign for environmentally responsible buildings in the City. The FY 2008/09 adopted budget is \$279,989. This funding includes resources available for the City's Preservation Rehabilitation and Historic Preservation special programs. In FY 2008/09, the Preservation Department was incorporated into Planning and Development services.

**Planning and Development Expenditures
Adopted Budget to Actual/Estimate***

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$279,989	\$279,989*
2007/08	\$50,024	\$50,024*
2006/07	\$50,000	\$24,109
2005/06	\$23,500	\$21,066
2004/05	\$20,600	\$12,401

Fire Expenditures are spent for the specific purposes indicated by the donors. Categories include public education support, equipment acquisition, and fire station enhancements. The FY 2008/09 adopted budget includes \$5,000.

**Fire Expenditures
Adopted Budget to Actual/Estimate***

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$5,000	\$5,000*
2007/08	-	-*
2006/07	\$4,290	\$1,752
2005/06	\$1,200	\$16
2004/05	-	-

Cash Transfers-Out is the authorized movement of cash or other resources to fund debt service and/or capital projects. Transfers total approximately \$1.0 million for FY 2008/09 and include the transfer of more than \$0.7 million in bed tax funds for MPC debt, and \$0.3 million to the Capital Improvement Fund for Police, RICO, Court, and Community Services projects.

Special Programs Fund Balance

Special Programs Fund projected ending balance of approximately \$9.0 million for FY 2008/09 represents the \$0.6 million balance of unexpended bed tax revenues, \$3.6 million for the Courts, \$0.6 million for Downtown Cultural/Community Arts, \$0.3 million for Police, and \$3.6 million for Community Services, along with a group of other smaller reserves.

Special Districts Fund

Fund Purpose

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

Special Districts Fund Revenue

Streetlight Districts Revenue represents the levy assessed on property owners within each of the City's more than 350 streetlight districts. The adopted FY 2008/09 revenue budget is \$600,066.

Streetlight District Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.6	\$0.6*
2007/08	\$0.6	\$0.6*
2006/07	\$0.6	\$0.5
2005/06	\$0.6	\$0.5
2004/05	\$0.5	\$0.5

Special Districts Fund Expenditures By District

Streetlight District adopted FY 2008/09 expenditure budget equals the revenue budget of \$732,000 and will be used solely for contractual services.

Streetlight District Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.7	\$0.7*
2007/08	\$0.6	\$0.6*
2006/07	\$0.6	\$0.6
2005/06	\$0.6	\$0.6
2004/05	\$0.6	\$0.5

Special Districts Fund Balance

Special Districts Fund balance of approximately \$0.6 million represents cash received from special district assessments and is restricted for the specific uses for which the district was established. All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose.

Grant Fund

Fund Purpose

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

The City aggressively seeks grant funding to leverage City funds to address priority program and service needs. The major areas of the grant revenue budget are noted below:

Grant Fund Revenues by Grant Area

Community Development Block Grants (CDBG) and Section 8 Housing Grants are awarded annually by the U.S. Department of Housing and Urban Development (HUD) upon application for funding by the City. These grant revenues may only be used for those projects specifically approved in the grant application and are subject to agency expenditure guidelines and audits. Staff estimates the CDBG and Section 8 Housing Grants for FY 2008/09 to be \$1.7 million and \$5.5 million respectively for a total of \$7.2 million.

CDBG and Section 8 Housing Grants Revenue		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$7.2	\$7.2*
2007/08	\$7.5	\$7.5*
2006/07	\$7.7	\$7.7
2005/06	\$7.6	\$6.2
2004/05	\$6.8	\$6.6

HOME Grants are received from the Maricopa County Home Consortium and are to be used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. Staff estimates the HOME Grants will total \$0.6 million for FY 2008/09.

HOME Grants Revenue		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.6	\$0.6*
2007/08	\$0.6	\$0.6*
2006/07	\$0.4	\$0.4
2005/06	\$0.9	\$0.8
2004/05	\$0.5	\$0.3

Miscellaneous Federal & State Grants include grants for law enforcement, community service, transportation, and water service projects. Staff estimates miscellaneous grants will total \$11.5 million for FY 2008/09.

Miscellaneous Federal & State Grants Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$11.5	\$11.5*
2007/08	\$11.3	\$11.3*
2006/07	\$12.2	\$12.2
2005/06	\$15.0	\$2.1
2004/05	\$13.4	\$3.1

Grant Fund Expenditures By Grant

Information on Grant Fund expenditures is noted below:

Community Development Block Grants (CDBG) and Section 8 Grants are used for social and housing services for the elderly, disabled and low-income families. The FY 2008/09 combined adopted budget is \$7.2 million, reflecting a decrease of \$0.3 million from the FY 2007/08 adopted budget.

CDBG and Section 8 Housing Grant Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$7.2	\$7.2*
2007/08	\$7.5	\$7.5*
2006/07	\$7.7	\$7.7
2005/06	\$7.6	\$6.2
2004/05	\$6.8	\$6.9

HOME Grants are to be used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. The FY 2008/09 adopted budget is \$0.6 million reflects no change from the adopted FY 2007/08 budget.

HOME Grant Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.6	\$0.6*
2007/08	\$0.6	\$0.6*
2006/07	\$0.4	\$0.4
2005/06	\$0.9	\$0.8
2004/05	\$0.5	\$0.3

Miscellaneous Federal & State Grants are typically used for the purchase of equipment and services related to the Police, Community Services and Water Resources departments. The FY 2008/09 adopted budget of \$11.5 million reflects an increase of \$0.2 million from the FY 2007/08 budget.

Miscellaneous Federal & State Grant Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$11.5	\$11.5*
2007/08	\$11.3	\$11.3*
2006/07	\$12.2	\$12.2
2005/06	\$15.0	\$2.1
2004/05	\$13.2	\$4.0

Grant Fund Balance

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

Debt Service Fund

Fund Purpose

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

Debt Service Fund Revenues and Cash Transfers-In

Property Tax (Secondary) represents the portion of the property tax that is exclusively limited to pay debt service by Arizona State Statute. While the growth is unlimited, the City’s use of this portion of the property tax is restricted by State Statute to solely pay debt service on voter approved general obligation bonds. The debt service for bonds already issued, plus estimated debt service for bonds planned to be issued within the budgeted fiscal year, is levied. Secondary property tax accounts for about 54 percent of the total Debt Service resources. The FY 2008/09 revenue forecast of \$35.8 million represents an increase of approximately \$6.1 million from the FY 2007/08 year-end forecast of \$29.7 million. The increase is attributable to the April 2008 issuance of \$100.0 million of Bond 2000 general obligation debt to finance capital projects.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$35.8	\$35.8*
2007/08	\$29.7	\$29.7*
2006/07	\$28.7	\$28.0
2005/06	\$28.4	\$28.4
2004/05	\$26.9	\$26.5

Special Assessment Revenue results from billings to the property owners within an Improvement District. Districts are formed when owners desire improvement to their property, such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City’s budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. Improvement District debt will be permitted only when the full cash value of the property, as reported by the Maricopa County Assessor’s Office, to debt ratio (prior to improvements being installed) is a minimum of 3:1 prior to issuance of debt and 5:1 or higher after construction of improvements. Should the full cash value to debt ratio not meet the minimum requirements, property value may be determined by an appraisal paid for by the applicant and administered by the City. In addition, per adopted financial policy, the City’s cumulative improvement district debt will not exceed 5.0 percent of the City’s secondary assessed valuation. Bonds issued to finance improvement district projects will not have maturities longer than ten years. The FY 2008/09 revenue is estimated to be approximately \$1.0 million, which is nearly equal to the FY 2007/08 year-end estimate based on scheduled debt repayments.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$1.0*
2006/07	\$1.1	\$1.8
2005/06	\$1.1	\$1.1
2004/05	\$2.8	\$2.0

Maricopa County Stadium District (MCSD)

contributions are derived from a \$2.50 surcharge on car rentals in Maricopa County. The revenue forecast for FY 2008/09 of approximately \$0.1 million will be used to pay the debt service payments associated with the Cactus League Spring Training professional baseball practice facility.

Maricopa County Stadium District Contributions		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.1	\$0.1*
2007/08	\$0.2	\$0.2*
2006/07	\$0.1	\$1.3
2005/06	\$0.1	\$0.1
2004/05	-	\$0.3

Arizona Sports and Tourism Authority (AZSTA)

revenue represents the City's disbursement from the state tourism sports authority that will be used to pay the debt service payments associated with the Cactus League Spring Training Facility. The FY 2008/09 revenue is estimated to be approximately \$0.2 million and is derived from a 1.0 percent hotel room tax and a 3.25 percent car rental surcharge (net of the \$2.50 MCSD surcharge mentioned above).

Arizona Sports and Tourism Authority Contributions		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.2	\$0.2*
2007/08	\$0.3	\$0.3*
2006/07	\$0.2	\$0.03
2005/06	\$0.3	\$0.2
2004/05	-	\$0.05

Spring Exhibition Surcharge represents the ticket surcharge assessed on Cactus League Spring Training games held in Scottsdale. The FY 2008/09 revenue is estimated to be \$0.1 million. The surcharge is used to pay for capital projects and debt service related to professional baseball facilities.

Spring Exhibition Surcharge		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.1	\$0.1*
2007/08	\$0.1	\$0.1*
2006/07	\$0.1	\$0.1
2005/06	\$0.1	\$0.1
2004/05	-	-

Cash transfers-in is the authorized movement of cash or other resources from other funds, divisions, departments, and/or capital projects. The cash transfers-in originate from the General Fund and Special Programs Fund for MPC debt service payments and the Preservation Privilege Tax Fund for the payment of general obligation and revenue bond debt service. Total cash transfers-in for FY 2008/09 equal \$28.5 million, consisting of \$15.0 million from Preservation Privilege Tax Fund-G.O. Bonds, \$6.8 million from Preservation Privilege Tax Fund-Revenue Bonds, \$5.9 million from General Fund-MPC Bonds, and \$0.8 million from Special Program Fund-MPC Bonds/Hosp. Funds.

Debt Service Fund Expenditures By Debt Type

General Obligation (GO)/Preserve GO Bonds – the Preserve GO Bonds represent debt issuances related to land acquisition and land improvements in the McDowell Mountain Sonoran Preserve. Preserve debt is repaid by a dedicated .20% sales tax authorized by voters in 1995 and a .15% sales tax authorized in 2004. The FY 2008/09 budget totals \$50.8 million, which represents an increase of approximately \$6.1 million from the FY 2007/08 year-end estimate of \$44.7 million. The increase is attributable to the April 2008 issuance of \$100.0 million of Bond 2000 general obligation debt to finance capital projects. The City also issued \$20.0 million of Bond 2004 for the Preserve, which contributed to the increase in debt service.

General Obligation (GO)/Preserve GO Bond Debt Service Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$50.8	\$50.8*
2007/08	\$45.8	\$44.7*
2006/07	\$46.2	\$46.2
2005/06	\$42.2	\$38.9
2004/05	\$40.0	\$37.2

Special Assessment Debt Service – Special Assessment Bonds are issued for property owners desiring improvements to their property such as roads, water lines, sewer lines, streetlights, or drainage. The expenditure of funds to construct the specific capital improvements and to pay the debt service on bonds is appropriated as part of the City’s budget; however, the debt service is repaid by the property owners through a special assessment on their improved property. The City’s debt management policy requires that the full cash value of the property to debt ratio is a minimum of 3:1 prior to issuance of debt and at least 5:1 after construction of the improvements. The FY 2008/09 budget totals \$1.0 million, which is nearly equal to the FY 2007/08 year-end estimate.

Special Assessment Debt Service Expenditures		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.0	\$1.0*
2007/08	\$1.0	\$1.0*
2006/07	\$1.1	\$1.1
2005/06	\$1.1	\$1.1
2004/05	\$2.8	\$2.8

Preserve Authority Revenue Bonds Debt Service – the Preserve Revenue Authority Bonds represent prior debt issuances related to land acquisition in the McDowell Mountain Sonoran Preserve. Future debt service for these revenue bonds is currently planned to be paid from the revenues generated by the 1995 Privilege Tax (0.20%). Obligations for FY 2008/09 total \$6.8 million, which remains flat with the FY 2007/08 year-end estimate.

Preserve Authority Revenue Bonds Debt Service Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$6.8	\$6.8*
2007/08	\$6.8	\$6.8*
2006/07	\$6.8	\$6.8
2005/06	\$6.8	\$6.8
2004/05	\$6.9	\$7.0

Municipal Property Corporation (MPC) Bonds are issued by the City of Scottsdale Municipal Property Corporation (MPC), a nonprofit corporation created by the City in 1967, solely for the purpose of constructing, acquiring and equipping buildings, structures, or improvements on land owned by the City. A Board of Directors appointed by the City Council governs the MPC. The debt incurred by the corporation is a City obligation and the repayment of debt is financed by pledged General Fund excise taxes. FY 2008/09 obligations total approximately \$7.0 million, which is a decrease of \$0.1 million from the FY 2007/08 year-end forecast.

MPC Bonds Debt Service Expenditures Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$7.0	\$7.0*
2007/08	\$7.4	\$7.1*
2006/07	\$5.9	\$5.9
2005/06	\$4.8	\$3.7
2004/05	\$7.6	\$6.1

Debt Service Fund Balance

The Debt Service Fund balance varies primarily due to the timing of debt issuances and related repayment schedule as mentioned above. The ending FY 2008/09 fund balance is approximately \$16.6 million, which is \$0.2 million more than the FY 2007/08 year-end estimate of \$16.4 million.

Enterprise Funds

Description

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

Water & Sewer Funds

Fund Purpose

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

**Overview of User Fees
Revenue Policy**

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

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

Water and Sewer Funds Revenues and Cash Transfers-In

Water Charges Revenue adopted budget for FY 2008/09 totals \$95.6 million, reflecting a \$5.2 million increase from the FY 2007/08 year-end estimate. Projected revenue growth includes a 5.5 percent water rate increase, effective November 1, 2008, reflecting the long-term capital and associated operating impacts of federal water quality regulations, i.e., arsenic and disinfection by-product regulations enacted by the U.S. Environmental Protection Agency (EPA). Other cost factors affecting the Water Fund revenue requirements over the five-year planning period include capital cost increases for rate-funded water distribution system improvements to address aging infrastructure replacement needs; capital cost increases for the rate-funded portion of the planned 30 million gallons per day expansion at the CAP Water Treatment Plant due to construction cost increases; operating cost increases for treatment filter media replacement; and operating cost increases for purchased water, that reflect price increases to purchase Central Arizona Project (CAP) water for fiscal year 2008/09. The projected growth in revenues is based on a combination of increased water rates, growth from anticipated new customers, and a partial offset from decreased water consumption due to water conservation efforts. Monthly water billings consist of a base charge according to meter size and a variable charge for the amount of water consumed. Fees are reviewed annually to determine if they cover the costs of the services provided.

Sewer Charges Revenue adopted budget for FY 2008/09 totals \$35.3 million, reflecting a \$2.3 million increase from the FY 2007/08 year-end estimate. Projected revenue growth includes a 6.0 percent sewer rate increase, effective July 1, 2008, reflecting the capital cost increases for rate-funded sewer collection system improvements to address increasing aging infrastructure replacement needs and to ensure regulatory compliance with new Capacity, Management, Operations and Maintenance (CMOM) regulations and minimize sewer system overflows; operating cost increases at the Multi-City Sub-regional Operating Group (SROG) 91st Avenue Wastewater Treatment Plant, including significant increases in solids disposal costs; and operating cost increases in electricity costs at the City's Wastewater Reclamation Plant at the Water Campus. Residential customers are charged a flat fee per month and commercial users are charged based upon water consumption and type of business. Fees are reviewed annually to determine if they cover the costs of the services provided.

Water Charges Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$95.6	\$95.6*
2007/08	\$85.2	\$90.4*
2006/07	\$79.8	\$82.0
2005/06	\$75.1	\$79.1
2004/05	\$71.8	\$70.6

Sewer Charge Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$35.3	\$35.3*
2007/08	\$33.7	\$33.0*
2006/07	\$30.4	\$31.2
2005/06	\$28.3	\$27.5
2004/05	\$26.1	\$26.8

Effluent Sales Revenue adopted budget for FY 2008/09 totals \$0.7 million, remaining relatively flat with the FY 2007/08 year-end estimate. Effluent sales relate to the sewage treated to irrigation standards at the City’s Water Campus for the 23 golf courses in north Scottsdale that are part of the Reclaimed Water Distribution System (RWDS), and the Gainey Ranch golf course effluent use from that regional wastewater plant. Both are contractual obligations to provide effluent water for irrigation uses and all costs for providing these services are recovered through rates charged for the use.

Effluent Sales Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.7	\$0.7*
2007/08	\$0.7	\$0.7*
2006/07	\$0.6	\$0.7
2005/06	\$0.6	\$0.5
2004/05	\$0.6	\$0.4

Interest Earnings Revenue adopted budget for FY 2008/09 totals \$2.3 million, reflecting a \$1.5 million decrease from the FY 2007/08 year-end estimate. Interest earnings are generated on idle Water & Sewer Fund cash balances throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield, and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$2.3	\$2.3*
2007/08	\$2.1	\$3.8*
2006/07	\$1.5	\$5.1
2005/06	\$1.1	\$2.0
2004/05	\$1.1	\$1.2

Miscellaneous Revenue adopted budget for FY 2008/09 totals \$4.1 million, reflecting a \$0.7 million increase from the FY 2007/08 year-end estimate. The primary revenue contributor is RWDS payments for use of the City’s Advanced Water Treatment Facility to reduce salinity in the non-potable water delivered to the golf courses.

Miscellaneous Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$4.1	\$4.1*
2007/08	\$2.2	\$3.4*
2006/07	\$2.3	\$1.7
2005/06	\$2.1	\$2.3
2004/05	\$1.3	\$1.7

Cash Transfers-In adopted FY 2008/09 budget totals \$13.8 million, reflecting a \$7.2 million increase from the FY 2007/08 year-end estimate due to an increase in transfer of Development Fee revenues to pay for new debt service costs. A transfer-in is the authorized movement of cash or other resources from other funds, divisions, departments, and/or capital projects. Transfers-in from CIP development fees is the primary revenue contributor for this category.

Water and Sewer Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2008/09 budget of \$15.7 million represents 15.1 percent of the total Water and Sewer operating budget and reflects a \$0.1 million increase from the adopted FY 2007/08 budget. Personal services cost drivers in the budget include increased retirement system and health care costs, cost of living and performance pay adjustments, additional staffing for new facilities and increased maintenance efforts and water quality testing. The budget includes \$0.4 million for 7.00 FTEs to address community facilities needs at the City’s water treatment plants.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$15.7	\$15.7*
2007/08	\$15.6	\$15.6*
2006/07	\$14.1	\$12.9
2005/06	\$12.8	\$11.9
2004/05	\$11.3	\$10.9

Further detail on the new FTEs is provided below:

Position Title	# of FTEs	Program
Sr Water & Wastewater Treat Plant Operator	1.0	Central Groundwater Treatment Facility
Water Electronic Technician	1.0	Treatment Maintenance
Water & Wastewater Treat Plant Operator	1.0	Treatment Operations
Water Campus Maintenance Technician	1.0	Treatment Maintenance
Sr Water & Wastewater Treat Plant Operator	1.0	Treatment Operations
Chemist	1.0	Water Laboratory
Computer Management and Maintenance Tech	1.0	Water Operations Administration

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2008/09 budget of \$29.7 million represents 28.6 percent of the total Water and Sewer operating budget and reflects a \$0.2 million increase from the adopted FY 2007/08 budget. The increase is primarily due to costs related to the multi-city sewer plant.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$29.7	\$29.7*
2007/08	\$29.5	\$29.5*
2006/07	\$27.7	\$23.9
2005/06	\$22.6	\$21.3
2004/05	\$20.1	\$21.8

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2008/09 budget of \$22.1 million represents 21.2 percent of the total Water and Sewer operating budget and reflects a \$4.5 million increase from the adopted FY 2007/08 budget. The increase is primarily related to scheduled Treatment Filter Media replacement and to higher costs for purchasing water.

Commodities		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$22.1	\$22.1*
2007/08	\$17.6	\$17.6*
2006/07	\$15.2	\$13.4
2005/06	\$13.2	\$12.4
2004/05	\$13.5	\$13.9

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2008/09 budget of \$0.1 million represents 0.1 percent of the total Water and Sewer operating budget and reflects a \$0.1 million decrease from the adopted FY 2007/08 budget. The decrease reflects lower vehicle expenses related to additional Water Resources department staff.

Capital Outlay		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.1	\$0.1*
2007/08	\$0.2	\$0.0*
2006/07	\$0.3	\$0.1
2005/06	\$0.1	\$0.2
2004/05	\$0.1	\$0.1

Debt Service represents the repayment of general obligation, revenue and MPC bonds, along with the applicable annual fiscal agent fees. The adopted FY 2008/09 budget of \$26.5 million represents 25.6 percent of the total Water and Sewer operating budget and reflects a \$5.1 million increase from the adopted FY 2007/08 budget pertaining to repayment of new MPC bonds.

Debt Service		
Adopted Budget to Actual/Estimate*		
(in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$26.5	\$26.5*
2007/08	\$21.4	\$18.7*
2006/07	\$19.1	\$16.7
2005/06	\$23.1	\$24.2
2004/05	\$19.3	\$15.9

Indirect Cost Allocation represents Enterprise Funds charges for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Services, Human Resources, Legal, etc.). The adopted FY 2008/09 budget of \$9.8 million represents 9.4 percent of the total Water and Sewer operating budget and reflects a \$1.1 million increase from the adopted FY 2007/08 budget, primarily due to a higher total operating budget for Water and Sewer operations in FY 2008/09.

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2008/09 budget of \$67.9 million reflects a \$12.1 million increase from the adopted FY 2007/08 budget, primarily related to transfers to the CIP fund.

**See glossary for
Expenditure Type definitions**

Water and Sewer Fund Balance/Reserves

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

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

Operating Reserve of \$19.5 million is projected for the end of FY 2008/09. This reserve is intended to ensure adequate funding for operations for a period of 90 days.

Repair/Replacement Reserve of \$27.0 million is projected for the end of FY 2008/09. This reserve is required per the term of the revenue bond indenture to ensure that funds are set aside to preserve the assets, which, in turn, are the collateral for the Water Revenue Bonds. The reserve is required to be at least 2.0 percent of the revenues received during the year, or until the reserve equals 2.0 percent of the value of total tangible assets. The reserve may be used from time to time for replacement or extension of the assets.

Special Contractual Fund Balance of \$3.2 million is projected for the end of FY 2008/09. This balance reflects reserves established in accordance with various contractual agreements for delivery of non-potable water by the Water Resources Department.

Unreserved Fund Balance is projected to be zero at the end of FY 2008/09. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

Solid Waste Fund

Fund Purpose

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

Solid Waste Fund Revenues

Refuse Collection Charges adopted FY 2008/09 budget totals \$19.1 million, reflecting a \$0.7 million decrease from the FY 2007/08 year-end estimate. Projected revenues include a 2.5 percent solid waste rate increase, effective July 1, 2008, reflecting the combined impacts of higher fleet rates attributable to fuel cost increases and salary and benefit cost increases. Solid Waste Charges are billed monthly for the pickup of solid waste. Residential customers are charged a flat fee per month, while commercial customers are charged based upon the size of the container and the number of pickups per month. In addition, the City also provides roll-off, uncontained service, recycling programs, and household hazardous waste collection. Fees are reviewed annually to determine if they cover the costs of the services provided.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$19.1	\$19.1*
2007/08	\$18.8	\$19.8*
2006/07	\$18.0	\$18.1
2005/06	\$17.1	\$17.5
2004/05	\$16.7	\$16.9

Interest Earnings Revenue adopted FY 2008/09 budget of \$0.2 million reflects a \$0.1 million decrease from the FY 2007/08 year-end estimate. Interest earnings are generated on idle Solid Waste Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s investment policy stresses safety above yield.

Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.16	\$0.16*
2007/08	\$0.17	\$0.26*
2006/07	\$0.05	\$0.30
2005/06	\$0.06	\$0.15
2004/05	\$0.04	\$0.13

Solid Waste Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2008/09 budget of \$6.2 million represents 30.7 percent of the total Solid Waste operating budget and reflects a \$0.7 million increase from the adopted FY 2007/08 budget. Personal services cost drivers in the budget include increased retirement system and health care costs, cost of living and performance pay adjustments, and additional staffing for increased service demands. The budget includes approximately \$154,000 for 2.75 additional FTE to address citizen services and community growth needs for commercial and residential collection services.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$6.2	\$6.2*
2007/08	\$5.5	\$5.5*
2006/07	\$5.2	\$5.3
2005/06	\$4.7	\$4.8
2004/05	\$4.3	\$4.5

Further detail on the new FTEs is provided below:

Position Title	# of FTES	Program
Equipment Operator III	1.00	Residential Collection Services Administration
Container Repairer	0.75	Support Services Administration
Equipment Operator III	1.00	Commercial Collection Services Administration

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2008/09 budget of \$11.0 million represents 54.1 percent of the total Solid Waste operating budget and reflects a \$0.9 million increase from the adopted FY 2007/08 budget, primarily related to fleet maintenance and operations costs and landfill contracts.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$11.0	\$11.0*
2007/08	\$10.1	\$10.1*
2006/07	\$9.5	\$9.6
2005/06	\$8.9	\$8.9
2004/05	\$8.3	\$8.3

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2008/09 budget of \$0.5 million represents 2.5 percent of the total Solid Waste operating budget and remains relatively flat with the adopted FY 2007/08 budget.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.5	\$0.5*
2007/08	\$0.5	\$0.5*
2006/07	\$0.5	\$0.5
2005/06	\$0.3	\$0.4
2004/05	\$0.3	\$0.4

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2008/09 budget includes no funding for capital outlay.

Capital Outlay Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	-	- *
2007/08	\$0.23	- *
2006/07	-	\$0.02
2005/06	\$0.33	\$0.01
2004/05	\$0.07	\$0.01

Debt Service represents the repayment of MPC bonds along with the applicable annual fiscal agent fees. The adopted FY 2008/09 budget is zero.

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	-	- *
2007/08	-	- *
2006/07	-	-
2005/06	\$1.5	\$1.5
2004/05	\$0.3	\$0.1

See glossary for
Expenditure Type definitions

Indirect Cost Allocation represents Enterprise Funds charges for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Services, Human Resources, Legal, etc.). The adopted FY 2008/09 budget of \$2.6 million represents 12.7 percent of the total Solid Waste operating budget and reflects a \$0.2 million increase from the adopted FY 2007/08 budget, primarily due to a higher total operating budget for Solid Waste operations in FY 2008/09.

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2008/09 budget of \$0.4 million reflects a less than \$0.1 million increase from the adopted FY 2007/08 budget, primarily related to an increase in the transfers out to the General CIP Fund.

Solid Waste Fund Balance

Operating Reserve of \$5.1 million is projected for the end of FY 2008/09. This reserve is intended to ensure adequate funding for operations for a period of 90 days. The intent of the reserve is to provide for emergencies and the probability of significant future increases in landfill costs.

Unreserved Fund Balance is projected to be \$1.4 million at the end of FY 2008/09. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

Aviation Fund

Fund Purpose

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

Aviation Fund Revenues

Aviation Fees and Charges Revenue adopted FY 2008/09 budget totals \$3.6 million, which represents a \$0.2 million increase from the FY 2007/08 year-end estimate. The revenue forecast assumes no fee increases in the FY 2008/09 budget. Aviation fees and charges are for a variety of services provided to airport customers including tie down fees, hangar rentals, fuel sales, and other rental charges. Fees are reviewed annually to determine if they cover the costs of the services provided.

Aviation Fees and Charges Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$3.6	\$3.6*
2007/08	\$3.5	\$3.4*
2006/07	\$3.3	\$3.5
2005/06	\$3.1	\$3.4
2004/05	\$2.9	\$3.0

Interest Earnings Revenue adopted FY 2008/09 budget totals less than \$0.08 million, which remains relatively flat with the FY 2007/08 year-end estimate. Interest earnings are generated on idle Aviation Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.08	\$0.08*
2007/08	\$0.08	\$0.08*
2006/07	\$0.08	\$0.15
2005/06	\$0.03	\$0.05
2004/05	\$0.02	\$0.02

Jet Fuel Tax Revenue adopted FY 2008/09 budget totals approximately \$0.2 million, and remains consistent with the FY 2007/08 year-end estimate. Whereas in past years, jet fuel tax revenue was receipted in the General Fund and transferred to the Aviation Fund, jet fuel tax revenue is now collected and receipted directly to the Aviation Fund.

Jet Fuel Tax Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.2	\$0.2*
2007/08	\$0.1	\$0.2*
2006/07	\$0.1	\$0.2
2005/06	-	\$0.1
2004/05	-	-

Aviation Fund Expenditures By Expenditure Type

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted FY 2008/09 budget of \$1.2 million represents 44.7 percent of the total Aviation Fund operating budget and reflects a \$0.1 million increase from the adopted FY 2007/08 budget. Personal services cost drivers in the budget include increased retirement system and health care costs, cost of living and performance pay adjustments.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.2	\$1.2*
2007/08	\$1.1	\$1.1*
2006/07	\$1.0	\$1.0
2005/06	\$0.9	\$0.9
2004/05	\$0.8	\$0.8

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted FY 2008/09 budget of \$0.7 million represents 28.1 percent of the total Aviation Fund operating budget and reflects a \$0.1 million increase from the adopted FY 2007/08 budget.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.7	\$0.7*
2007/08	\$0.6	\$0.6*
2006/07	\$0.6	\$0.6
2005/06	\$0.6	\$0.5
2004/05	\$0.6	\$0.6

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2008/09 budget of \$0.1 million represents 3.8 percent of the total Aviation Fund operating budget and remains relatively flat with the adopted FY 2007/08 budget.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.10	\$0.10*
2007/08	\$0.10	\$0.10*
2006/07	\$0.10	\$0.11
2005/06	\$0.06	\$0.08
2004/05	\$0.06	\$0.05

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The adopted FY 2008/09 budget is zero.

Indirect/Direct Cost Allocation represents charges to the Aviation Fund for specific General Fund central administrative functions which benefit the Enterprise operations (e.g., City Manager, Financial Services, Human Resources, Legal, etc.), as well as direct General Fund Fire services provided to the Scottsdale Airport. The adopted FY 2008/09 budget of \$0.6 million represents 23.4 percent of the total Aviation Fund operating budget and remains relatively flat with the adopted FY 2008/09 budget.

Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. The adopted FY 2008/09 budget of \$1.2 million reflects a \$0.6 million increase from the adopted FY 2007/08 budget. The increase is related to transfers out to the CIP Fund for Aviation capital projects.

Aviation Fund Balance

Operating Reserve of nearly \$0.7 million is projected for the end of FY 2008/09. This reserve is intended to ensure adequate funding for operations for a period of 90 days. The intent of the reserve is to provide for emergencies, provide for potential grant matches, and to ensure that General Fund subsidies are avoided.

Repair and Replacement Reserve of approximately \$2.4 million is projected for the end of FY 2008/09. The intent of the reserve is to ensure adequate funding for emergency repair and replacement needs at the airport.

Unreserved Fund Balance is projected to be zero at the end of FY 2008/09. The unreserved balance represents the net financial resources that are expendable or available for budgeting.

See glossary for
Expenditure Type definitions

Internal Service Funds

Description

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

Fleet Management Fund

Fund Purpose

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

Fleet Management Fund Revenues and Cash Transfers-In

Rates - Vehicle Acquisition represents the “rental” rate charged to other City funds and programs sufficient for the acquisition and replacement of City vehicles. For FY 2008/09, approximately 30.0 percent of the Fleet Management Fund’s operating revenues come from rates related to vehicle acquisition. The adopted vehicle acquisition rates budget for FY 2008/09 totals more than \$5.4 million and represents no increase from the FY 2007/08 year-end revenue estimate.

Rates - Vehicle Acquisition Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$5.4	\$5.4*
2007/08	\$5.4	\$5.4*
2006/07	\$5.0	\$5.0
2005/06	\$4.3	\$4.3
2004/05	\$4.9	\$4.8

Rates - Maintenance & Operation represents the “rental” rate to other City programs sufficient for the maintenance and operation of City vehicles. For FY 2008/09, approximately 68.5 percent of the Fleet Management Fund’s operating revenues come from rates related to vehicle maintenance and operation. The adopted maintenance and operations rates budget for FY 2008/09 totals \$12.9 million for an increase of approximately \$2.5 million over the FY 2007/08 year-end revenue estimate. The increase is primarily attributed to higher costs for petroleum related items (fuels, lubricants, parts, etc.) and more vehicles added to the City’s overall fleet.

Rates - Maintenance & Operation Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$12.9	\$12.9*
2007/08	\$10.3	\$10.3*
2006/07	\$9.2	\$9.3
2005/06	\$7.8	\$7.8
2004/05	\$6.6	\$6.6

Miscellaneous Revenue comes from the liquidation of surplus property. The FY 2008/09 budget is slightly under \$0.2 million, which is on par with the FY 2007/08 year-end revenue estimate.

Miscellaneous Revenue Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.2	\$0.2*
2007/08	\$0.2	\$0.2*
2006/07	\$0.2	\$0.5
2005/06	\$0.2	\$0.2
2004/05	\$0.2	\$0.1

Interest Earnings Interest earnings are generated on idle Fleet Management Fund cash balance throughout the year. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investment vehicles in accordance with Arizona Revised Statutes and City Ordinance. The City’s adopted investment policy stresses safety above yield. The adopted FY 2008/09 interest earnings budget of \$0.3 million reflects a \$0.2 million decrease from the FY 2007/08 year-end revenue estimate.

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.3	\$0.3*
2007/08	\$0.5	\$0.5*
2006/07	\$0.4	\$0.6
2005/06	\$0.4	\$0.4
2004/05	\$0.4	\$0.3

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

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted personal services budget totals approximately \$3.6 million, which represents 21.9 percent of the Fleet Management Fund total operating budget for FY 2008/09. The adopted FY 2008/09 personal services budget decreased \$0.1 million from the FY 2007/08 adopted budget. Major changes in the personal services budget in the FY 2008/09 include retirement system and healthcare costs, a salary market adjustment, and an update to vacancy savings to more closely reflect recent year-end personal services savings. No new Fleet Fund positions are included in the adopted FY 2008/09 budget.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$3.6	\$3.6*
2007/08	\$3.7	\$3.7*
2006/07	\$3.5	\$3.1
2005/06	\$3.0	\$2.8
2004/05	\$2.6	\$2.5

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The adopted budget of nearly \$1.2 million represents 7.1 percent of the Fleet Management Fund total operating budget for FY 2008/09. The adopted FY 2008/09 contractual services budget reflects no change from the adopted budget FY 2007/08.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$1.2	\$1.2*
2007/08	\$1.2	\$1.2*
2006/07	\$1.0	\$1.0
2005/06	\$0.9	\$1.0
2004/05	\$0.7	\$1.0

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The budget of \$8.4 million represents 50.1 percent of the Fleet Management Fund total operating budget for FY 2008/09. The adopted FY 2008/09 commodities budget increased \$2.3 million from the adopted budget FY 2007/08. The increase is related to higher prices for fuel, as well as petroleum-based products and supplies.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$8.4	\$8.4*
2007/08	\$6.1	\$6.1*
2006/07	\$5.5	\$5.8
2005/06	\$4.6	\$5.0
2004/05	\$3.5	\$3.9

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget of \$3.4 million represents 20.9 percent of the Fleet Management Fund total operating budget for FY 2008/09. The adopted FY 2008/09 capital outlay budget increased approximately \$0.1 million from the FY 2007/08 adopted budget. The increase relates to new vehicles to be purchased (new and replacement) in FY 2008/09.

Capital Outlay Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$3.4	\$3.4*
2007/08	\$3.3	\$4.4*
2006/07	\$5.9	\$7.2
2005/06	\$3.4	\$5.4
2004/05	\$3.6	\$2.8

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. Cash transfers-out of \$6.5 million are planned in FY 2008/09 to cover the cost of fleet related capital projects.

Fleet Management Fund Balance

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

The ending FY 2008/09 fund balance is projected to be approximately \$6.6 million, and it reflects a decrease of approximately \$4.3 million from the FY 2007/08 year-end estimate. The decrease in fund balance is mainly attributable to a transfer to the Capital Improvement Fund (CIP) Fund to cover several fleet capital projects related to maintenance and fueling facilities.

**See glossary for
Expenditure Type definitions**

Self-Insurance Fund

Fund Purpose

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

Self-Insurance Fund Revenues and Cash Transfers-In

Property Casualty Revenues represent this fund’s operating resources, which are derived from internal charges for services to other City funds. These charges are comprised of a self-insurance charge covering general and auto liability/physical damages, workers’ compensation, unemployment taxes, and property charges. The adopted revenue budget of nearly \$6.7 million represents approximately 20.0 percent of the Self-Insurance Fund operating revenues for FY 2008/09. The adopted budget is nearly \$0.3 million less than the prior year end revenue estimate, which is attributable to better claims experience.

Property Casualty Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$6.7	\$6.7*
2007/08	\$6.7	\$7.0*
2006/07	\$6.2	\$7.2
2005/06	\$5.3	\$5.3
2004/05	\$4.8	\$5.3

Short Term Disability Revenues represents the resources collected solely from employees participating in the City’s short term disability plan – no City (i.e., employer) contributions are made for short term disability coverage. The FY 2008/09 revenue budget is \$320,000 is consistent with the prior year end revenue estimate.

Short-Term Disability Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.32	\$0.32*
2007/08	\$0.31	\$0.32*
2006/07	\$0.14	\$0.30
2005/06	\$0.14	\$0.27
2004/05	N/A	N/A

Group Healthcare Revenues are comprised of contributions from -- the City (i.e., employer), employees, retirees, COBRA participants, medical leave conversion contributions, and interest earnings allocated to health care, all of which are used to fund the City's self-insured medical and dental plans. The adopted budget of \$26.4 million represents approximately 78.9 percent of the Self-Insurance Fund's total operating revenues for FY 2008/09. Within this total amount is \$200,000 for Other Revenues, which are combination of miscellaneous healthcare related revenues.

Group Health Care Revenues Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$26.4	\$26.4*
2007/08	\$24.5	\$22.8*
2006/07	\$22.3	\$19.9
2005/06	\$16.1	\$17.0
2004/05	\$13.4	\$14.1

Property Taxes (Tort Claims) this revenue represents a reimburse the City's Self-Insurance Fund for the "actual" cost of liability claim judgments paid during the most recently completed calendar year. The inclusion of the tort claim reimbursements in the City's primary tax levy is allowed per a March 20, 1986 Arizona Attorney General opinion. Claim judgments are paid from the Self-Insurance Fund -- an Internal Service Fund -- and therefore, the reimbursement becomes revenue to this fund. In FY 2008/09, tort claims of \$23,593 were included in the adopted budget.

Property Taxes (Tort Claims) Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.02	\$0.02*
2007/08	\$0.20	\$0.20*
2006/07	N/A	N/A **
2005/06	\$0.70	\$0.70
2004/05	\$0.40	\$0.40

** City Council opted not to assess torts in FY 2006/07

Cash Transfers-In are used to address anticipated rate increases and future actuarially determined funding needs. In the adopted FY 2008/09 budget no cash transfers in are planned to the Self-Insurance Fund.

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

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

Personal Services include the salaries and wages paid to employees, plus the City’s contribution for fringe benefits such as retirement, social security, health, and workers’ compensation insurance. The adopted budget of less than \$0.7 million represents 2.0 percent of the FY 2008/09 Self-Insurance Fund total operating budget.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$0.7	\$0.7*
2007/08	\$0.7	\$0.7*
2006/07	\$0.7	\$0.7
2005/06	\$0.6	\$0.6
2004/05	\$0.5	\$0.6

Contractual Services include expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services account. The budget of \$32.7 million represents 97.6 percent of the FY 2008/09 Self-Insurance Fund operating budget. The contractual services budget includes \$26.7 million for group health claims, \$5.9 million for excess insurance premiums and property/liability claims, and \$0.1 million for short-term disability claims. The adopted FY 2008/09 Self-Insurance Fund contractual services budget increased approximately \$1.9 million over the adopted FY 2007/08 budget. The increase is driven by ongoing increases in healthcare costs.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2008/09	\$32.7	\$32.7*
2007/08	\$30.8	\$28.9*
2006/07	\$27.7	\$24.0
2005/06	\$21.5	\$21.5
2004/05	\$16.2	\$16.2
The City became self-insured in FY 2004/05.		

Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature. The adopted FY 2008/09 commodities budget of slightly more than \$0.1 million is on par with the adopted FY 2007/08 budget and represents 0.4 percent of the FY 2008/09 Self-Insurance Fund total operating budget.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/ Estimate*
2008/09	\$0.10	\$0.10*
2007/08	\$0.10	\$0.10*
2006/07	\$0.03	\$0.10
2005/06	\$0.03	\$0.10
2004/05	\$0.04	\$0.10

Capital Outlay includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. To qualify as capital outlay, an item must have an estimated useful life of more than two years, typically have a unit cost of \$5,000 or more, and be a betterment or improvement. The capital outlay budget for FY 2008/09 is \$5,000.

Cash Transfers-Out is the authorized movement of cash or other resources to other funds, divisions, departments, and/or capital projects. Cash transfers-out \$7,300 are planned to cover the cost of capital projects. Additionally, \$2.5 million is being returned to the General Fund. The money was transferred in prior years to cover property casualty costs for the new municipal Fire Department. The money is not needed so it is being transferred back to the General Fund.

Self-Insurance Fund Balance

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

The projected FY 2008/09 total ending fund balance is almost \$22.0 million, which is down \$2.5 from the FY 2007/08 year end estimate. The decrease is attributable to a \$2.5 million cash transfer-out to the General Fund.

See glossary for
Expenditure Type definitions

Trust Funds**Description**

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

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

Used to account for proceeds for programs and activities to promote employment of handicapped individuals. The FY 2008/09 adopted budget for this trust fund is \$8,800 and will be used to pay for contractual services.

Trust Fund Balance

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

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Alphabetical Program Operating Budget Index by Department/Program

The following matrix provides a summary of the total adopted FY 2008/09 Program Operating Budget by department and highlights each department's specific programs. The matrix includes the source(s) of funding for each program by governmental fund accounting type plus it includes the applicable number of full-time equivalent employees (FTE's) by program and department. Further details on an individual program can be found in Volume Two of the adopted FY 2008/09 budget.

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2008/09 TOTAL *	Page # Ref
CITIZEN & NEIGHBORHOOD RESOURCES							
CITIZEN & NEIGHBORHOOD ADMIN	4.00	537,092	-	-	-	537,092	18
CODE ENFORCEMENT	20.00	1,677,885	-	-	-	1,677,885	26
CUSTOMER SERVICE & COMMUNICATIONS	7.00	710,886	-	-	-	710,886	20
INFORMATION RESOURCES	6.00	404,153	-	-	-	404,153	22
NEIGHBORHOOD SERVICES	3.00	444,892	-	-	-	444,892	24
TOTAL CITIZEN & NEIGHBORHOOD RESOURCES	40.00	3,774,908	-	-	-	3,774,908	
CITY ATTORNEY							
CIVIL DIVISION	26.25	3,617,836	-	-	-	3,617,836	30
PROSECUTION	30.00	2,754,144	-	-	-	2,754,144	32
VICTIM SERVICES	8.50	570,314	-	-	-	570,314	34
TOTAL CITY ATTORNEY	64.75	6,942,294	-	-	-	6,942,294	
CITY AUDITOR							
INTERNAL AUDIT PROGRAM	8.00	973,586	-	-	-	973,586	38
TOTAL CITY AUDITOR	8.00	973,586	-	-	-	973,586	
CITY CLERK							
CITY CLERK	10.00	956,910	-	-	-	956,910	42
ELECTIONS	-	238,461	-	-	-	238,461	44
TOTAL CITY CLERK	10.00	1,195,371	-	-	-	1,195,371	
CITY COURT							
COURT	66.38	5,771,748	458,545	-	-	6,230,293	48
TOTAL CITY COURT	66.38	5,771,748	458,545	-	-	6,230,293	
CITY MANAGER							
CITY MANAGER	8.00	824,025	-	-	-	824,025	52
TOTAL CITY MANAGER	8.00	824,025	-	-	-	824,025	
COMMUNICATIONS AND PUBLIC AFFAIRS							
CITY CABLE	4.00	387,681	-	-	-	387,681	58
COMMUNICATIONS & PUBLIC AFFAIRS	9.00	1,340,323	-	-	-	1,340,323	56
TOTAL COMMUNICATIONS AND PUBLIC AFFAIRS	13.00	1,728,004	-	-	-	1,728,004	
COMMUNITY SERVICES							
ADAPTED RECREATION SERVICES	6.87	398,148	-	-	-	398,148	74
AQUATICS	63.76	2,227,923	-	-	-	2,227,923	76
BRANCH LIBRARIES	65.32	3,768,518	-	-	-	3,768,518	100
COMMUNITY RECREATION SERVICES & FACILITIES	44.20	2,222,524	1,310,826	-	-	3,533,350	82
COMMUNITY SERVICES PLANNING AND ADMIN	5.00	818,029	-	-	-	818,029	62
CONTRACT ADMINISTRATION	7.00	3,430,653	-	-	-	3,430,653	106
DOWNTOWN MAINTENANCE PROGRAM	11.00	1,054,601	-	-	-	1,054,601	88
FACILITIES MAINTENANCE	50.00	12,847,171	-	-	-	12,847,171	104
FACILITIES MGMT PLANNING & ADMIN	5.00	506,884	-	-	-	506,884	102
GROUND AND LANDSCAPE MAINTENANCE	69.30	7,017,485	-	-	-	7,017,485	86
HOUSING ASSISTANCE AND CDBG PROGRAMS	15.75	482,656	100,000	-	-	582,656	70
HUMAN SERVICES PLANNING & ADMIN.	4.00	420,276	-	-	-	420,276	64
LEISURE EDUCATION PROGRAMS	6.81	936,084	-	-	-	936,084	84
LIBRARY OPERATIONS	26.50	4,315,667	295,500	-	-	4,611,167	96

* Exclude Grants/Trusts at Program Level

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Adopted Program Operating Budget By Fund/Department/Program

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2008/09 TOTAL *	Page # Ref
LIBRARY PLANNING AND ADMINISTRATION	6.00	650,033	-	-	-	650,033	94
MAIN LIBRARY	41.96	2,539,884	-	-	-	2,539,884	98
MEDIANS AND RIGHT-OF-WAY	9.00	1,862,923	-	-	-	1,862,923	90
PARKS & RECREATION PLANNING & ADMIN	13.44	1,534,054	-	-	-	1,534,054	72
SENIOR CITIZEN SERVICES	27.82	2,095,608	50,522	-	-	2,146,130	66
SOCIAL SERVICES ASSISTANCE AND REFERRAL	43.31	3,261,937	245,618	-	-	3,507,555	68
SPORTS & FITNESS PROGRAMS	21.84	1,791,776	250,000	-	-	2,041,776	78
SPORTS COMPLEXES	22.35	2,258,882	-	-	-	2,258,882	92
YOUTH ACTIVITIES & AFTER SCHOOL PROGRAMS	38.85	2,380,601	87,256	-	-	2,467,857	80
TOTAL COMMUNITY SERVICES	605.08	58,822,317	2,339,722	-	-	61,162,039	
ECONOMIC VITALITY DEPT							
ECONOMIC DEVELOPMENT	2.00	340,091	-	-	-	340,091	112
ECONOMIC VITALITY ADMIN	2.00	422,746	-	-	-	422,746	110
EXISTING BUSINESS SERVICES	2.00	247,790	-	-	-	247,790	118
HOSPITALITY DEVELOPMENT	3.00	266,786	7,864,578	-	-	8,131,364	114
REVITALIZATION	2.00	225,518	-	-	-	225,518	116
TOTAL ECONOMIC VITALITY	11.00	1,502,931	7,864,578	-	-	9,367,509	
FINANCIAL SERVICES							
ACCOUNTING	13.00	1,952,021	-	-	-	1,952,021	124
ACCOUNTS PAYABLE & PAYROLL	14.50	1,083,917	-	-	-	1,083,917	126
BUDGET	7.00	863,022	-	-	-	863,022	130
FINANCIAL PLANNING & ADMINISTRATION	5.00	703,644	-	-	-	703,644	122
GRAPHIC AND PRINTING SOLUTIONS	4.00	125,431	-	-	-	125,431	138
MAIL	4.00	903,666	-	-	-	903,666	140
METER READING	17.00	-	-	1,362,926	-	1,362,926	146
PURCHASING	16.00	1,255,850	-	-	-	1,255,850	134
REMITTANCE PROCESSING	13.00	443,785	-	723,785	-	1,167,570	150
REVENUE RECOVERY	11.00	404,525	-	423,808	-	828,333	144
RISK MANAGEMENT	8.00	-	-	-	33,527,025	33,527,025	132
STORES/WAREHOUSE OPERATIONS	6.00	448,239	-	-	-	448,239	136
TAX & LICENSE	14.00	990,527	-	-	-	990,527	142
TAX AUDIT	9.50	818,223	-	-	-	818,223	128
UTILITY BILLING	11.00	-	-	1,334,615	-	1,334,615	148
TOTAL FINANCIAL SERVICES	153.00	9,992,850	-	3,845,134	33,527,025	47,365,009	
FIRE DEPARTMENT							
EMERGENCY MANAGEMENT	5.00	951,440	-	-	-	951,440	160
FIRE ADMINISTRATION	2.00	393,976	-	-	-	393,976	154
FIRE EMERGENCY SERVICES	237.00	25,285,698	-	-	-	25,285,698	156
FIRE SUPPORT SERVICES	29.00	6,606,492	5,000	-	-	6,611,492	158
TOTAL FIRE DEPARTMENT	273.00	33,237,606	5,000	-	-	33,242,606	
HUMAN RESOURCES							
BENEFITS MANAGEMENT	5.00	642,677	-	-	-	642,677	172
DIVERSITY & DIALOGUE	5.00	525,368	25,000	-	-	550,368	170
HUMAN RESOURCES	13.00	1,375,555	-	-	-	1,375,555	166
HUMAN RESOURCES - EXECUTIVE ADMIN	2.00	303,734	-	-	-	303,734	164
HUMAN RESOURCES OPERATIONS & ADMIN	7.00	641,692	-	-	-	641,692	174
TRAINING AND DEVELOPMENT	4.50	827,025	-	-	-	827,025	168
TOTAL HUMAN RESOURCES	36.50	4,316,051	25,000	-	-	4,341,051	
INFORMATION SYSTEMS							
APPL. DEV. INTEGRATION MGMT & SUPPORT	15.00	2,018,594	-	-	-	2,018,594	180
APPLICATION SUPPORT	8.00	818,870	-	-	-	818,870	188
GIS DATA SERVICES	10.00	988,184	-	-	-	988,184	184
HELP DESK/DESKTOP TECHNICAL SUPPORT	11.00	986,291	-	-	-	986,291	190
INFORMATION SYSTEMS ADMINISTRATION	5.81	612,980	-	-	-	612,980	178
NETWORK OPERATIONS	32.00	4,653,582	-	-	-	4,653,582	182
PROJECT OFFICE	5.00	524,151	-	-	-	524,151	186
TOTAL INFORMATION SYSTEMS	86.81	10,602,652	-	-	-	10,602,652	

* Exclude Grants/Trusts at Program Level

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Adopted Program Operating Budget By Fund/Department/Program

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2008/09 TOTAL *	Page # Ref
MAYOR AND CITY COUNCIL							
MAYOR AND COUNCIL	15.72	1,693,976	-	-	-	1,693,976	194
TOTAL MAYOR AND CITY COUNCIL	15.72	1,693,976	-	-	-	1,693,976	
MUNICIPAL SERVICES							
ALLEY MAINTENANCE	5.00	-	567,273	-	-	567,273	244
ASSET MANAGEMENT	2.00	313,780	-	-	-	313,780	202
CAPITAL PROJECT MANAGEMENT	49.00	-	-	-	-	-	200
COMMERCIAL COLLECTION SERVICES	13.00	-	-	3,652,656	-	3,652,656	212
CONTAINER REPAIR SERVICES	5.00	-	-	678,756	-	678,756	208
EMERGENCY RESPONSE TEAM	-	-	50,670	-	-	50,670	216
FLEET MAINTENANCE & OPERATIONS	40.00	-	-	-	6,551,377	6,551,377	234
FLEET MANAGEMENT ADMINISTRATION	4.00	-	-	-	697,421	697,421	232
FLEET PARTS SUPPLY	10.00	-	-	-	559,959	559,959	236
FUEL	-	-	-	-	5,387,900	5,387,900	238
HOUSEHOLD HAZARDOUS WASTE	-	-	-	216,051	-	216,051	242
MUNICIPAL SERVICES ADMINISTRATION	3.00	396,208	-	-	-	396,208	198
RESIDENTIAL COLLECTION SERVICES	63.00	-	-	11,433,567	-	11,433,567	206
SOLID WASTE MANAGEMENT ADMIN SVCS	5.00	-	-	543,098	-	543,098	204
STORMWATER MANAGEMENT	10.00	977,446	-	-	-	977,446	246
STREET CLEANING	12.00	-	1,310,512	-	-	1,310,512	226
STREET LIGHT MAINTENANCE	1.00	-	953,187	-	-	953,187	222
STREET OPERATIONS ADMINISTRATION	3.00	-	341,322	-	-	341,322	224
STREET OVERLAYS AND MAINTENANCE	10.00	-	10,522,325	-	-	10,522,325	228
STREET SIGNS AND MARKINGS	10.00	-	1,194,760	-	-	1,194,760	220
TRAFFIC OPERATIONS ADMINISTRATION	3.00	-	247,626	-	-	247,626	214
TRAFFIC SIGNALS	11.00	-	1,637,369	-	-	1,637,369	218
TRANSFER STATION OPERATIONS	3.00	-	-	337,113	-	337,113	210
UNPAVED ROADS AND DRAINAGE SYSTEM MAINT	10.00	-	2,775,140	-	-	2,775,140	230
VEHICLE ACQUISITION	-	-	-	-	3,363,562	3,363,562	240
TOTAL MUNICIPAL SERVICES	272.00	1,687,434	19,600,184	16,861,241	16,560,219	54,709,078	
PLANNING & DEVELOPMENT SERVICES							
CUSTOMER SERVICES	24.00	2,146,480	-	-	-	2,146,480	252
DEVELOPMENT SERVICES	68.00	6,557,105	-	-	-	6,557,105	256
OFFICE OF ENVIRONMENTAL INITIATIVES	5.00	900,449	149,989	-	-	1,050,438	260
PLANNING & DEVELOPMENT ADMINISTRATION	5.00	1,093,559	-	-	-	1,093,559	250
PLANNING SERVICES	56.00	5,044,922	-	-	-	5,044,922	254
PLANNING TECHNOLOGY	5.00	537,700	-	-	-	537,700	258
PRESERVATION	5.00	852,418	130,000	-	-	982,418	262
TOTAL PLANNING & DEVELOPMENT SERVICES	168.00	17,132,633	279,989	-	-	17,412,622	
POLICE DEPARTMENT							
AUTO THEFT INVESTIGATIONS	9.00	1,077,529	-	-	-	1,077,529	306
BICYCLE PATROL	11.00	1,253,567	-	-	-	1,253,567	276
BURGLARY & THEFT INVESTIGATIONS	11.00	1,400,109	-	-	-	1,400,109	304
CANINE SERVICES	6.00	951,334	-	-	-	951,334	278
COMMUNICATIONS	57.00	4,176,251	-	-	-	4,176,251	330
COMPUTER CRIME INVESTIGATIONS	7.00	886,110	-	-	-	886,110	312
CONSPIRACY INVESTIGATIONS	6.00	781,940	-	-	-	781,940	322
CRIME ANALYSIS	6.00	448,015	-	-	-	448,015	336
CRIME LABORATORY	18.00	1,770,315	282,032	-	-	2,052,347	334
CRIME SCENE PROCESSING	11.00	876,442	-	-	-	876,442	338
CRIMINAL INTELLIGENCE	7.00	819,509	-	-	-	819,509	320
DETENTION	39.00	5,398,877	-	-	-	5,398,877	280
DOMESTIC VIOLENCE INVESTIGATIONS	7.00	782,668	-	-	-	782,668	298
DRUG ENFORCEMENT	10.00	2,217,321	585,060	-	-	2,802,381	314
DRUG INTERDICTION	7.00	906,760	-	-	-	906,760	316

* Exclude Grants/Trusts at Program Level

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

Adopted Program Operating Budget By Fund/Department/Program

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2008/09 TOTAL *	Page # Ref
EVENT TRAFFIC CONTROL	-	345,669	-	-	-	345,669	282
FRAUD INVESTIGATIONS	10.00	1,098,502	-	-	-	1,098,502	308
GANG INVESTIGATIONS	8.00	802,891	-	-	-	802,891	302
INTERNAL AFFAIRS	4.00	505,062	-	-	-	505,062	268
MOUNTED PATROL	9.10	1,009,698	6,000	-	-	1,015,698	286
MUNICIPAL SECURITY AND EMERGENCY PREPAREDNESS	8.00	2,450,309	-	-	-	2,450,309	348
OFFICE OF THE CHIEF	11.00	1,846,771	4,000	-	-	1,850,771	266
PARK & PRESERVE PATROL	7.00	743,932	-	-	-	743,932	292
PATROL HIGH ENFORCEMENT ARREST TEAM	6.00	876,054	-	-	-	876,054	288
PATROL SERVICES	263.00	30,569,556	215,866	-	-	30,785,422	270
PHOTO ENFORCEMENT	4.00	2,848,996	-	-	-	2,848,996	272
PLANNING, RESEARCH AND ACCREDITATION	6.00	488,246	-	-	-	488,246	340
POLICE CRISIS INTERVENTION	7.00	670,327	-	-	-	670,327	300
POLICE FACILITIES	1.00	173,497	-	-	-	173,497	342
POLICE RECORDS	39.00	2,655,431	-	-	-	2,655,431	324
POLICE SUPPLY & EQUIPMENT	8.00	2,108,764	-	-	-	2,108,764	328
PROPERTY AND EVIDENCE	7.50	583,558	-	-	-	583,558	332
RECRUITING & PERSONNEL	7.00	810,091	-	-	-	810,091	344
REPEAT OFFENDER PROGRAM	8.00	1,043,552	-	-	-	1,043,552	310
SCHOOL RESOURCE SERVICES	16.00	1,760,460	-	-	-	1,760,460	290
SEX CRIMES INVESTIGATIONS	9.00	1,112,891	5,000	-	-	1,117,891	296
SPECIAL EVENT/OFF DUTY COORDINATION	2.00	208,838	-	-	-	208,838	284
SURVEILLANCE/SWAT	8.00	1,684,049	-	-	-	1,684,049	318
TECHNOLOGY	9.00	2,037,617	-	-	-	2,037,617	326
TRAFFIC ENFORCEMENT	29.00	4,188,613	-	-	-	4,188,613	274
TRAINING	11.00	1,812,427	-	-	-	1,812,427	346
VIOLENT CRIMES INVESTIGATIONS	14.00	2,152,465	-	-	-	2,152,465	294
TOTAL POLICE DEPARTMENT	723.60	90,335,013	1,097,958	-	-	91,432,971	
THE DOWNTOWN GROUP							
THE DOWNTOWN GROUP	5.00	4,580,842	300,000	-	-	4,880,842	352
TOTAL DOWNTOWN GROUP	5.00	4,580,842	300,000	-	-	4,880,842	
TRANSPORTATION DEPARTMENT							
AVIATION	16.00	-	-	1,997,251	-	1,997,251	358
INTELLIGENT TRANSPORTATION SYSTEMS	4.00	-	755,332	-	-	755,332	364
TRAFFIC ENGINEERING	11.00	-	1,790,920	-	-	1,790,920	366
TRANSIT	4.00	-	11,591,338	-	-	11,591,338	362
TRANSPORTATION ADMINISTRATION	5.00	-	659,024	-	-	659,024	356
TRANSPORTATION PLANNING	8.00	201,328	1,008,329	-	-	1,209,657	360
TOTAL TRANSPORTATION	48.00	201,328	15,804,943	1,997,251	-	18,003,522	
WATER RESOURCES							
ADVANCED WATER TREATMENT PLANT	-	-	-	2,625,634	-	2,625,634	410
ARSENIC TREATMENT	1.00	-	-	2,207,455	-	2,207,455	416
CAP TREATMENT PLANT	-	-	-	11,882,348	-	11,882,348	404
CENTRAL GWTF	1.00	-	-	991,267	-	991,267	398
CHAPARRAL WATER TREATMENT PLANT	2.00	-	-	3,644,362	-	3,644,362	414
GAINNEY WASTEWATER RECLAMATION PLANT	-	-	-	458,140	-	458,140	408
INDUSTRIAL PRETREATMENT	3.00	-	-	285,918	-	285,918	406
INLET GOLF COURSE IRRIGATION	-	-	-	51,850	-	51,850	378
IRRIGATION WATER DISTRIBUTION SYS	1.00	-	-	1,245,748	-	1,245,748	396
PLANET RANCH WATER RIGHTS	1.00	-	-	298,667	-	298,667	372
PUMP BACK SYSTEM	5.00	-	-	2,209,279	-	2,209,279	392
RWDS ADMINISTRATION	-	-	-	3,904,575	-	3,904,575	394
SOUTHERN NEIGHBORHOODS WATER SYSTEM	-	-	-	1,719,663	-	1,719,663	386
TREATMENT PLANT STAFFING	55.00	-	-	3,027,257	-	3,027,257	402
WASTEWATER COLLECTION	-	-	-	920,306	-	920,306	388
WASTEWATER MAINTENANCE	-	-	-	672,774	-	672,774	390
WATER & WASTEWATER ENGINEERING	6.00	-	-	586,739	-	586,739	374

* Exclude Grants/Trusts at Program Level

PROGRAM OPERATING BUDGET BY DEPARTMENT/PROGRAM Budget by Fund

**Adopted Program Operating Budget
By Fund/Department/Program**

Department/Program	FTE	GENERAL FUND	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ADOPTED FY 2008/09 TOTAL *	Page # Ref
WATER & WASTEWATER OPERATIONS ADMINISTRATION	11.00	-	-	1,276,763	-	1,276,763	380
WATER CAMPUS WASTEWTR RECLAMATION PLANT	-	-	-	9,135,885	-	9,135,885	412
WATER CONSERVATION	5.00	-	-	1,002,462	-	1,002,462	382
WATER DISTRIBUTION AND PRODUCTION	56.00	-	-	11,999,275	-	11,999,275	384
WATER RESOURCES ADMINISTRATION	11.00	-	-	1,835,874	-	1,835,874	370
WATER/WASTEWATER QUALITY	18.00	-	-	2,371,235	-	2,371,235	400
WESTWORLD GOLF RECHARGE	-	-	-	231,797	-	231,797	376
TOTAL WATER RESOURCES	176.00	-	-	64,585,273	-	64,585,273	
WESTWORLD							
WESTWORLD	24.00	3,549,525	-	-	-	3,549,525	420
TOTAL WESTWORLD	24.00	3,549,525	-	-	-	3,549,525	
TOTAL PROGRAM BUDGET BEFORE GRANTS, TRUSTS AND SPECIAL DISTRICTS						444,017,156	
GRANTS, TRUSTS AND SPECIAL DISTRICTS							
LEGISLATIVE & CONSTITUENT/GOV RELATIONS						100,000	
COMMUNITY SERVICES - COMMUNITY RECREATION SERVICES						5,000	
COMMUNITY SERVICES - HOUSING ASSISTANCE & CDBG						7,786,291	
COMMUNITY SERVICES - LIBRARY OPERATIONS						63,889	
COMMUNITY SERVICES - SENIOR CITIZEN SERVICES						9,000	
COMMUNITY SERVICES - SOCIAL SERVICES ASSISTANCE						255,236	
COMMUNITY SERVICES - YOUTH AND FAMILY ACTIVITIES						3,900	
HUMAN RESOURCES - DIVERSITY & DIALOGUE						8,800	
POLICE DEPARTMENT - DRUG ENFORCEMENT						-	
PLANNING & DEVELOPMENT SERVICES - CUSTOMER SERVICE						732,000	
FUTURE GRANTS						11,083,888	
TOTAL GRANTS, TRUSTS AND SPECIAL DISTRICTS						20,048,004	
TOTAL PROGRAM BUDGET INCLUDING GRANTS, TRUSTS & SPECIAL PROGRAMS:	2,807.84	258,865,094	47,775,919	87,288,899	50,087,244	464,065,160	
Less: Internal Service Fund Offset						(45,547,001)	
Add: Debt Service						99,054,571	
Add: Indirect/Direct Cost Allocation						12,936,944	
Add: Reserves/Contingency Appropriations						14,010,000	
Total FY 2008/09 Operating Budget Plus Other Fiscal Activity						544,519,674	

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

^(B) The FY 2008/09 Operating Budget plus Other Fiscal Activity total agrees with the Adopted Budget Ordinance Schedule G in the Volume One Appendix (\$524,461,670 + \$20,058,004 = \$544,519,674).

Alphabetical Program Budget Index

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

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

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Citizen & Neighborhood Resources							
Citizen & Neighborhood Administration	X						
Code Enforcement	X				X		
Customer Service & Communications	X				X		
Information Resources	X						X
Neighborhood Services	X						
City Attorney							
Civil Division						X	
Prosecution	X						
Victim Services	X						
City Auditor							
Internal Audit Program						X	X
City Clerk							
City Clerk							X
Elections							X
City Court							
Court	X						X
City Manager							
City Manager	X	X	X	X	X	X	X

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Communications & Public Affairs							
City Cable							X
Communications & Public Affairs							X
Community Services							
Adapted Recreation Services	X						
Aquatics	X						
Branch Libraries	X						
Community Recreation Services & Facilities	X						
Community Services Planning and Administration	X	X				X	X
Contract Administration						X	
Downtown Maintenance Program	X	X				X	
Facilities Maintenance						X	
Facilities Mgmt Planning & Administration						X	
Grounds and Landscape Maintenance	X	X				X	
Housing Assistance and CDBG Programs	X						
Human Services Planning & Administration	X						
Leisure Education Programs	X						
Library Operations	X						
Library Planning and Administration	X					X	
Main Library	X						
Medians and Right-Of-Way	X	X				X	
Parks & Grounds Mgmt-Planning & Administration	X					X	
Parks & Recreation Planning & Administration	X	X				X	X
Senior Citizen Services	X						
Social Services Assistance and Referral	X						
Sports & Fitness Programs	X						X
Sports Complexes	X			X			
Youth & Family Activities & After School Programs	X						
Economic Vitality							
Economic Development				X			
Economic Vitality Administration				X			
Existing Business Services				X			
Hospitality Development				X			
Revitalization				X			
Financial Services							
Accounting						X	
Accounts Payable & Payroll						X	
Budget						X	X
Financial Planning & Administration						X	X
Graphics & Printing Solutions						X	
Mail						X	
Meter Reading						X	
Purchasing						X	X
Remittance Processing						X	
Revenue Recovery						X	
Risk Management						X	
Stores/Warehouse Operations						X	
Tax & License						X	
Tax Audit						X	
Utility Billing						X	
Fire							
Emergency Management	X				X		
Fire Administration	X				X		X
Fire Emergency Services	X				X		
Fire Support Services					X	X	X

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal - Fiscal and Resource Management	Goal - Open and Responsive Government
Human Resources							
Benefits Management						X	X
Diversity & Dialogue							X
Human Resources						X	X
Human Resources Executive Administration						X	X
Human Resources Operations & Administration						X	X
Training & Development						X	X
Information Systems							
Appl. Dev. Integration Mgmt & Support						X	X
Application Support						X	X
GIS Data Services						X	X
Help Desk/Desktop Technical Support						X	X
Information Systems Administration						X	X
Network Operations						X	X
Project Office						X	
Mayor and City Council							
Mayor and Council	X	X	X	X	X	X	X
Municipal Services							
Alley Maintenance	X	X					
Asset Management						X	
Capital Project Management						X	
Commercial Collection Services	X						
Container Repair Services	X						
Emergency Response Team			X				
Fleet Maintenance & Operations						X	
Fleet Management Administration						X	
Fleet Parts Supply						X	
Fuel						X	
Household Hazardous Waste	X						
Municipal Services Administration						X	
Residential Collection Services	X						
Solid Waste Management Admin Svcs	X						
Stormwater Management	X	X				X	X
Street Cleaning	X	X					
Street Light Maintenance			X			X	
Street Operations Administration		X	X				
Street Overlays and Maintenance			X				
Street Signs and Markings			X				
Traffic Operations Administration			X				
Traffic Signals			X				
Transfer Station Operations	X						
Unpaved Roads and Drainage System Maint		X	X				
Vehicle Acquisition						X	
Planning & Development Services							
Customer Services		X					
Development Services	X	X					
Office of Environmental Initiatives	X	X					
Planning & Development Administration		X					
Planning Services		X					
Planning Technology							X
Preservation	X	X					
Police							
Auto Theft Investigations	X				X		
Bicycle Patrol	X				X		
Burglary & Theft Investigations	X				X		
Canine Services	X				X		
Communications	X				X		
Computer Crime Investigations	X				X		
Conspiracy Investigations	X				X		
Crime Analysis	X				X		X

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Crime Laboratory	X				X		
Crime Scene Processing	X				X		
Criminal Intelligence	X				X		
Detention	X				X		
Domestic Violence Investigations	X				X		
Drug Enforcement	X				X		
Drug Interdiction	X				X		
Event Traffic Control	X		X		X		
Fraud Investigations	X				X		
Gang Investigations	X				X		
Internal Affairs	X				X		
Mounted Patrol	X				X		
Municipal Security & Emgncy Preparedness	X				X		
Office Of The Chief	X				X		
Park & Preserve Patrol	X				X		
Patrol High Enforcement Arrest Team	X				X		
Patrol Services	X				X		
Photo Enforcement			X		X		
Planning, Research and Accreditation	X				X		
Police Crisis Intervention	X				X		
Police Facilities	X				X		
Police Records	X				X		X
Police Supply & Equipment	X				X		
Property and Evidence	X				X		
Recruiting & Personnel	X				X		
Repeat Offender Program	X				X		
School Resource Services	X				X		
Sex Crimes Investigations	X				X		
Special Event/Off Duty Coordination	X				X		
Surveillance/SWAT	X				X		
Technology	X				X		X
Traffic Enforcement			X		X		
Training	X				X		
Violent Crimes Investigations	X				X		
The Downtown Group							
The Downtown Group				X			
Transportation							
Aviation			X				
Intelligent Transportation Systems			X				
Traffic Engineering	X		X				
Transit			X				
Transportation Administration			X				
Transportation Planning		X	X				
Water Resources							
Advanced Water Treatment Plant						X	
Arsenic Treatment						X	
CAP Treatment Plant						X	
Central GWTF						X	
Chaparral Water Treatment Plant						X	
Gainey Wastewater Reclamation Plant						X	
Industrial Pretreatment						X	
Inlet Golf Course Irrigation						X	
Irrigation Water Distribution System						X	
Planet Ranch Water Rights						X	
Pump Back System						X	
RWDS Administration						X	
Southern Neighborhoods Water System						X	
Treatment Plant Staffing						X	
Wastewater Collection						X	
Wastewater Maintenance						X	
Water & Wastewater Engineering						X	
Water & Wastewater Operations Administration						X	

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

Budget by Fund

	Goal A Neighborhoods	Goal B Preservation	Goal C Transportation	Goal D Economy	Goal E Public Safety	Goal F Fiscal and Resource Management	Goal G Open and Responsive Government
Water Campus Wastewtr Reclamation Plant						X	
Water Conservation						X	
Water Distribution & Production						X	
Water Resources Administration						X	
Water/Wastewater Quality						X	
WestWorld Golf Recharge						X	
WestWorld							
WestWorld		X		X			

Budget by Fund



Capital Improvement Plan

Five Year Capital Improvement Plan

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

The Capital Budget authorizes and provides the basis for control of expenditures for the acquisition of significant City assets and construction of all capital facilities. A five-year Capital Improvement Plan is developed and updated annually, including anticipated funding sources. Under state law, budget appropriations lapse at the end of the fiscal year. However, many projects require more than one year to complete. Therefore, as part of the annual budget development process the City re-budgets appropriations until a project is complete and capitalized as a City asset.

Recurring Capital Maintenance Projects

Recurring capital maintenance projects reflect the recurring expenditure needs of the City. These projects include budget appropriation for one fiscal year, and are reviewed by the Budget staff as part of the budget development process each year. The desired goal is to close out the projects within one year. The projects may be carried forward into the next fiscal year when their completion requires more time than originally anticipated. The recurring capital maintenance projects are assigned a project number with the prefix "Y".

Definition of CIP Projects

The following guidelines determine what is a CIP project:

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

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

- Construction of new facilities
- Remodeling or expansion of existing facilities
- Purchase, improvement and development of land
- Operating equipment and machinery for new or expanded facilities
- Planning and engineering costs related to specific capital improvements
- Street construction, reconstruction, resurfacing or renovation

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

Capital Improvement Plan

CIP Review Process

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

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

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

- Project meets City's current hardware, software and security standards
- If technology will be accessed from remote locations, what network bandwidth requirements are needed to support the application
- Long-term operating impacts are included in estimates (training, maintenance and support)
- Who is responsible for funding ongoing maintenance of hardware, operating system, application and database, if applicable
- Who is responsible for day-to-day support
- Does the system require after hours technical support
- Includes funding to cover ongoing monthly communication costs associated with the system, if applicable
- Backups and data retention have been considered

- Disaster recovery and security considerations have been taken into account

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

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

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

Capital Improvement Plan

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

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

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

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

- 2. Annual Recurring Costs** - The expected change in operation and maintenance costs. Program operating departments provide year-by-year estimates of the additional costs or reductions likely in the program budget because of the new project. Also the City considers changes in revenues that may be affected by a project. For example, the loss in property taxes incurred when private land is used for a capital project. See Capital Projects Operating Impacts schedule in the Project List section on page 45.
- 3. Health and Safety Effects** - This criterion includes health-related environmental impacts like reductions/increases in traffic accidents, injuries, deaths, sickness due to poor water quality, health hazards due to sewer problems, etc.
- 4. Community and Citizen Benefits** - Economic impacts such as property values, the future tax base, added jobs, income to citizens, changes in business income, and the stabilization (or revitalization) of neighborhoods. Such impacts may apply more to capital projects related to growth and expansion than to infrastructure maintenance although deteriorating structures can adversely affect business.
- 5. Environmental, Aesthetic, and Social Effects** - A catch-all criterion for other significant quality-of-life-related impacts, this includes community appearance, noise, air and water pollution effects, households displaced, damage to homes, effect on commuters, changes in recreational opportunities, etc.
- 6. Distributional Effects** - Estimates of the number and type of persons likely to be affected by the project and nature of the impact; for instance, explicit examination of project impact on various geographical areas; on low-moderate income areas; and on specific target groups. Equity issues are central here - who pays, who benefits, and the social goals of the jurisdiction.
- 7. Public Perception of Need** - This criterion refers to project assessment of (a) the extent of public support; (b) interest group advocacy and/or opposition.
- 8. Feasibility of Implementation** - This element is a measure of (a) special implementation problems (i.e., physical or engineering restraints) and (b) compatibility with the General Plan.
- 9. Implication of Deferring the Project** - Deferring capital projects is tempting for hard-pressed governments but an estimate of the possible effects, such as higher future costs and inconvenience to the public, provides valuable guidance in proposal assessment.
- 10. Uncertainty of Information Supplied** - Amount of uncertainty and risk - For each proposal, each of the above criteria will have associated with it some degree of uncertainty as to cost estimates, effect on service quality, or impact of new procedures. When substantial uncertainties exist regarding any of the evaluation criteria for any proposal, the City should consider estimating, at least in broad terms, the amount of uncertainty — probability of occurrence — and the magnitude of the likely negative consequences. Few cities generate such information but even “educated guesses” are useful here.

Capital Improvement Plan

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

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

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

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

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

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

three factors. See Capital Projects Operating Impacts schedule in the Project List section on page 45.

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

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

Capital Improvement Plan

liability. In this evaluation, increased implications for delaying a project translates into a higher rating score.

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

- 8. Uncertainty of Information Supplied** - This element measures the success potential of a proposed project. Rating scores should be awarded based on the accuracy of information given by the proposing department, the detail of cost estimates, and the potential of the project going awry due to its very nature. Lower rating scores will be assigned for projects that, basically, have insufficient information to allow a “good” review of the project for prioritization.
- 9. Effect on Regional Governance** - Rating scores should be determined based on the possible beneficial or adverse effects on a proposed project due to relationships with other jurisdictions or quasi-governmental agencies in the area. Such effects may require special regional coordination that could directly impact the success or scheduling of a project. The identification of such impacts may result in lower rating scores until such issues are resolved.
- 10. Mayor and City Council's Broad Goals** - If a capital project directly addresses the Mayor and City Council's Broad Goals, the relative attractiveness of that project increases.

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

Operational Impacts

The operating impacts of capital projects are analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational expenditure savings associated with capital projects are also taken into consideration (net operating costs) during the capital project review. As capital improvement projects are completed, the operating costs of these projects have been identified, prioritized, and justified as part of the departmental Program Operating Budget process. Departmental staff plan and budget for the significant start-up costs, as well as operation and maintenance of new facilities. The Program Operating Budget authorizes and provides the basis for control of operating expenditures for both internal and citizen services, including operating and maintaining new capital facilities. The Program Operating Budget appropriations lapse at the end of the fiscal year. The Program Operating Budget is funded with recurring annual revenues such as taxes, licenses, fines, user fees, and interest income.

Capital Improvement Plan

Capital Improvement Plan - Source of Funds

The Capital Improvement Plan (CIP) uses funding from prior year carryovers. Prior year carryovers are “blended” funding from the various funding sources described below. For FY 2008/09 – 2012/13, the funding added to the prior year carryovers includes 2000 voter-approved bonds and Preservation General Obligation (G. O.) Bonds. These G. O. Bonds, together with Municipal Property Corporation (MPC) Bonds, provide the bond-funded portion of the plan, which is approximately 45% of the CIP funding in FY 2008/09 – 2012/13. Approximately 55% of Scottsdale’s FY 2008/09 – 2012/13 CIP is funded with “pay-as-you-go” revenues which include development fees, dedicated sales tax revenues and contributions from fund balance transfers. The pie chart represents funding source percentages for FY 2008/09 – 2012/13.

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

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

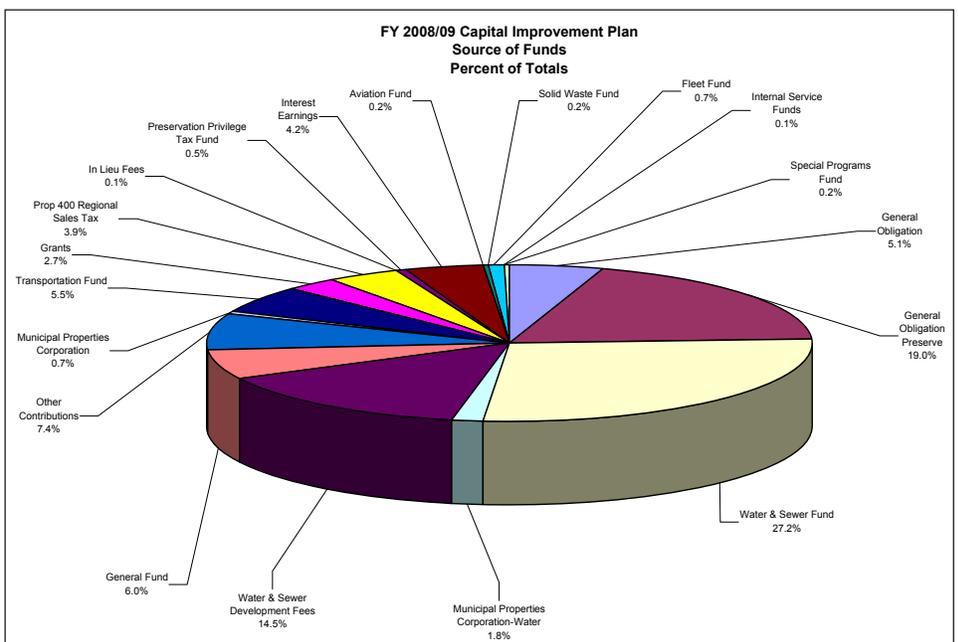
Bond 2000 are General Obligation Bonds that were authorized by voters in calendar year 2000 and are secured by the full faith and credit of the issuer. General Obligation Bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power, and must be authorized by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

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

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

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

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



Capital Improvement Plan

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

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

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

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

Transportation Fund

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

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

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

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

Preservation Privilege Tax Fund represents revenues received from the 1995 voter approved 0.2% sales tax on local retail and other sales and is dedicated to the purpose of acquiring land for the McDowell Sonoran

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

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

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

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

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

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

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

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

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

Capital Improvement Plan

Capital Improvement Plan - Use of Funds

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

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

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

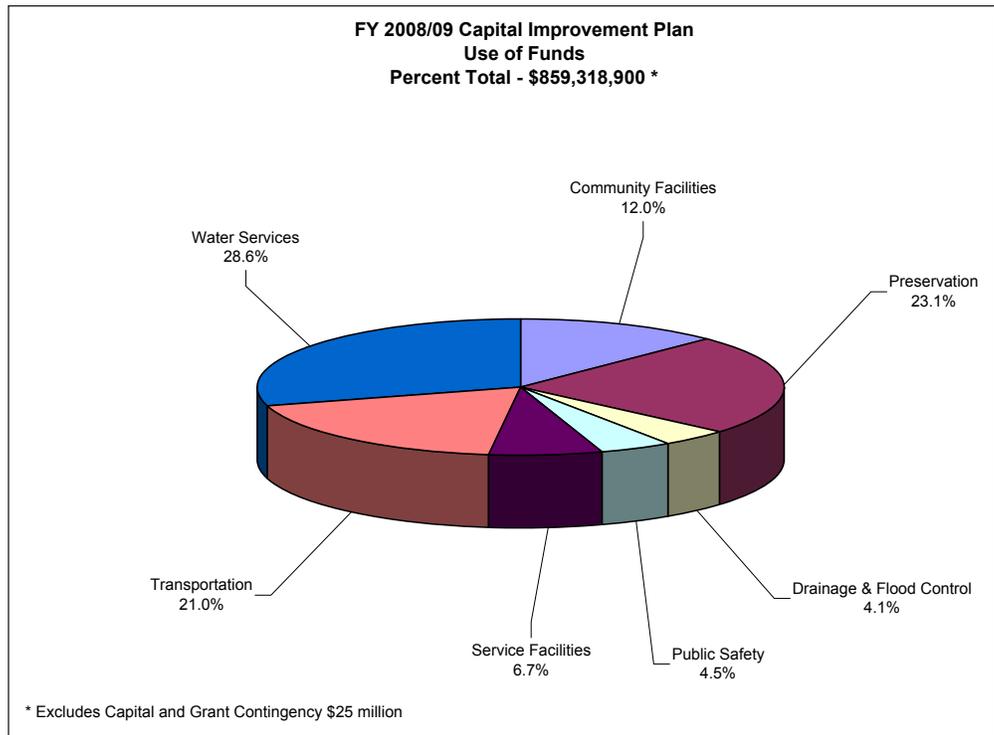
Expenditures are presented on a budget basis rather than a cash flow basis. Governmental budgeting procedures require adequate budget to pay for the entire contract to be available and appropriated in the period in which a contract is entered into by the City. However, actual cash flows (expenditures)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

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

Community Facilities programs address the City Council Broad Goal of enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained by providing neighborhood recreational facilities, parks and libraries. These recreational needs are met by providing parks, park improvements, multiuse paths, neighborhood enhancements, youth sports lighting, aquatic centers, library facilities and senior centers. Approximately 12.0% (\$103.5 million) of the CIP has been identified to address the needs of this program.

Preservation addresses the City Council Broad Goal of preserving the character and environment of Scottsdale. This goal is met by land acquisition activities for the McDowell Sonoran Preserve for the purpose of maintaining scenic views, preserving native plants and wildlife, and providing public access to the McDowell Mountains and Sonoran Desert. The 1998 election expanded the recommended study boundary from the original 12,876 acres to 36,400 acres. The 2004 election provided an additional revenue stream (0.15% sales tax rate increase) as well as the bonding capacity (\$500.0 million) that continues to provide authority to carry on preservation efforts. Approximately 23.1% (\$198.8 million) of the CIP has been identified to address this program in FY 2008/09.

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



Capital Improvement Plan

budget. This program achieves these goals through flood plain mapping, meeting regulatory requirements, and identifying and correcting hazards to reduce future flood damage potential. This is accomplished through the use of detention basins, culvert and channel projects, and a program of neighborhood drainage improvements. Approximately 4.1% (\$35.0 million) of the CIP has been identified to address the drainage and flood control needs of the City.

Public Safety programs address the City Council Broad Goal of enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained. This goal is met by providing fire and police stations, training facilities, and automation systems related to fire and police operations. In FY 2005/06, the City began operating a municipal fire department after contracting fire services for several years. Fire protection includes such programs as public education, emergency medical services and fire prevention. The Police Department recognizes the changing needs of our community and addresses those needs by maximizing community outreach and looking at creative alternatives in its crime prevention efforts. Approximately 4.5% (\$38.3 million) of the CIP has been identified to address the public safety needs of the City.

Service Facilities programs address the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. These programs achieve this goal through the renovation of current facilities and technology needs necessary for the efficient and effective operations of the City. Approximately 6.7% (\$57.9 million) of the CIP has been identified to address this program.

Transportation programs address the City Council Broad Goal of providing for the safe, efficient, and affordable movement of people and goods. This program meets this goal by attempting to offer real transportation choices in a way that meets the needs of the community. In 1989, voters authorized a 0.2% privilege tax to fund transportation operations and improvements. In 2004, voters approved a 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction. This program looks for the best use of these funding sources and addresses the multi-modal concept. Approximately 21.0% (\$180.2 million) of the CIP has been identified to address the transportation needs of the City.

Water Management addresses the City Council Broad Goal of coordinating land use and infrastructure planning within the context of financial demands and available resources. This program achieves this goal by delivering safer, reliable water and providing wastewater services. This program also reflects the City's commitment to federal and state regulations. Approximately 28.6% (\$245.6 million) of the CIP has been identified to address the water and wastewater needs of the City.

Capital Improvement Plan - Use of Funds In Thousands of Dollars

Major Programs	2008/09	2009/10	2010/11	2011/12	2012/13
Community Facilities	\$ 103,519.6	\$ 1,198.2	\$ 1,430.8	\$ 1,537.6	\$ 1,168.9
Preservation	\$ 198,771.5	\$ 3,100.0	\$ 300.0	\$ -	\$ -
Drainage & Flood Control	\$ 35,038.6	\$ 4,882.2	\$ 40,549.5	\$ 9,907.8	\$ 750.0
Public Safety	\$ 38,326.2	\$ 963.8	\$ 697.8	\$ 718.8	\$ 745.5
Service Facilities	\$ 57,931.0	\$ 7,781.3	\$ 5,441.2	\$ 5,337.7	\$ 3,720.8
Transportation	\$ 180,197.8	\$ 16,204.3	\$ 25,002.5	\$ 8,768.2	\$ 9,561.7
Water Management	\$ 245,534.2	\$ 96,991.0	\$ 62,814.0	\$ 69,825.0	\$ 88,821.0
Total Expenditures (a)	\$ 859,318.9	\$ 131,120.8	\$ 136,235.8	\$ 96,095.1	\$ 104,767.9
Prior Year Unexpended (b)	\$ -	\$ 558,557.3	\$ 448,290.8	\$ 379,942.3	\$ 309,424.3
Unexpended at Year End (Re-budgets) (c)	\$ (558,557.3)	\$ (448,290.8)	\$ (379,942.3)	\$ (309,424.3)	\$ (269,224.9)
Transfers out to Debt Services (d)	\$ 16,889.7	\$ 16,253.8	\$ 18,318.0	\$ 18,744.3	\$ 19,895.7
Total Use of Funds	\$ 317,651.3	\$ 257,641.2	\$ 222,902.3	\$ 185,357.3	\$ 164,863.0

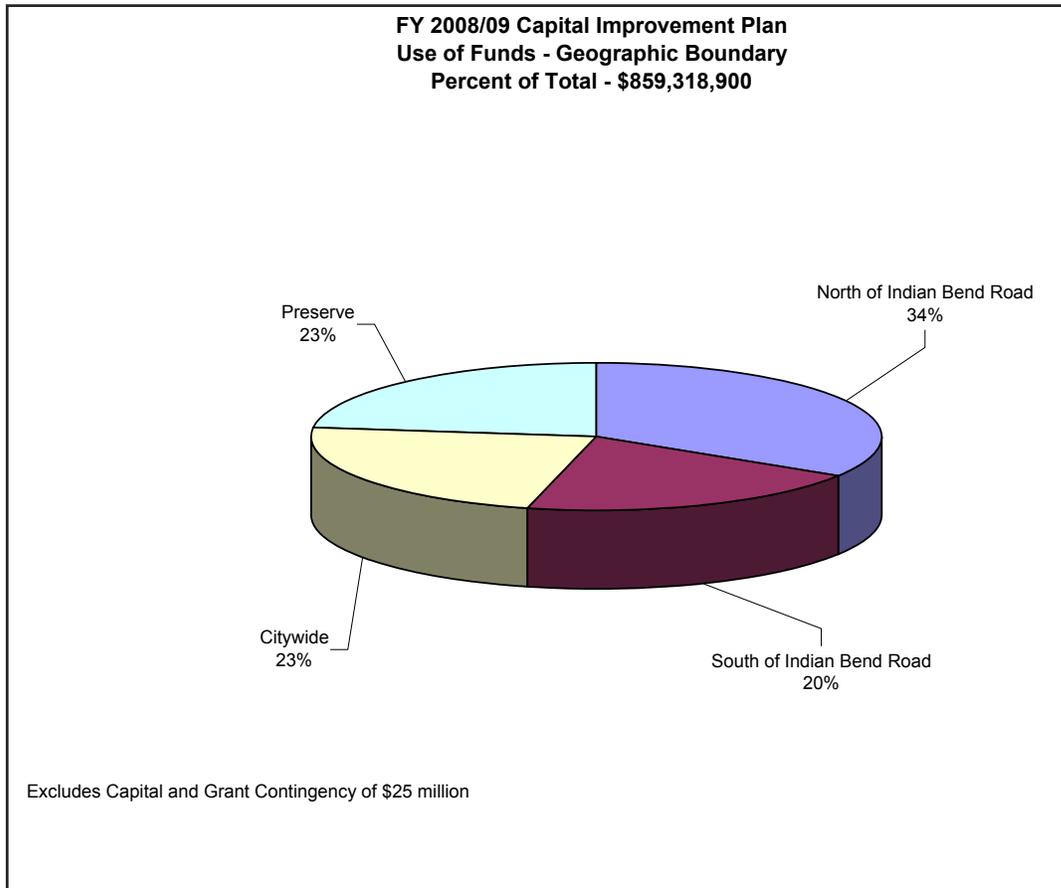
(a) Excludes Capital and Grant Contingency of \$25 million in FY 2008/09 and \$9.5 million in subsequent years.

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

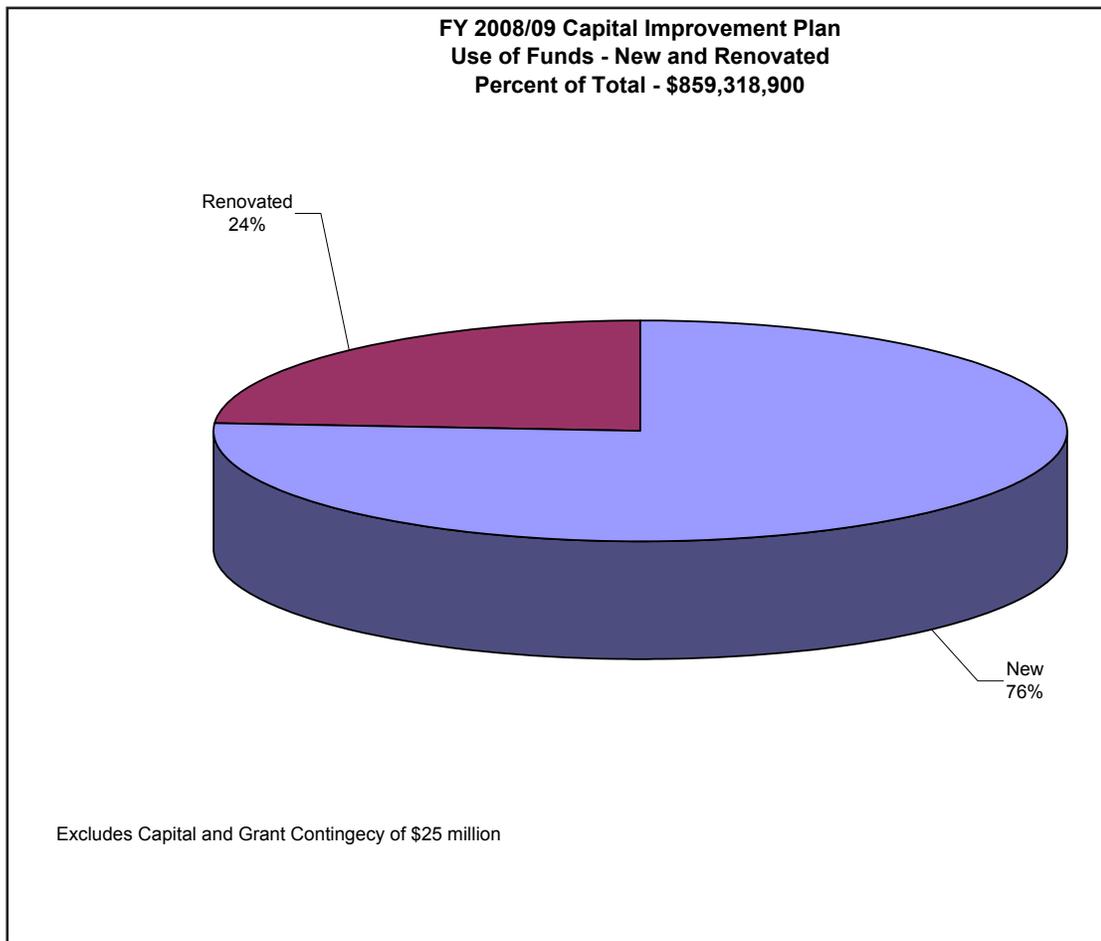
(c) Unexpended at year end (rebudgets) are estimated at 65% of total expenditures.

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

Capital Improvement Plan



Capital Improvement Plan



Capital Improvement Plan

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Adopted Fiscal Year 2008/09 Budget
Fund Summaries Capital Improvement Plan (in thousands)

	Actual 2006/07	Adopted 2007/08	Forecast 2007/08	Adopted 2008/09
Source of Funds:				
Beginning Fund Balance	269,539.7	381,887.4	235,748.2	313,564.5
Revenues:				
Bonds/Contracts				
Bond Proceeds	42,050.0	-	-	-
General Obligation	-	84,000.0	100,000.0	-
General Obligation Preserve	-	-	20,000.0	-
Municipal Properties Corporation	-	7,400.0	-	7,400.0
Municipal Properties Corporation-Water	-	75,000.0	110,000.0	-
Pay-As-You-Go				
Water & Sewer Development Fees	16,399.3	22,402.2	12,454.9	17,510.0
Regional Transportation Sales Tax (Prop 400)	-	12,532.0	4,865.0	14,219.4
Grants	924.4	9,325.3	1,358.4	14,265.3
Intergovernmental	1,971.0	-	-	-
In-Lieu Fees	-	-	174.6	50.0
Other Contributions	3,240.0	4,000.0	6,153.2	4,460.0
Interest Earnings	13,692.3	3,375.8	8,990.0	6,442.0
Miscellaneous	983.4	215.0	-	-
Subtotals	79,260.4	218,250.2	263,996.0	64,346.7
Transfers In				
General Fund	47,418.5	47,508.0	47,508.0	10,599.8
Transportation Fund	10,826.5	11,433.8	10,161.4	10,102.9
Preservation Privilege Tax Funds	8,469.0	250.0	32,029.4	1,473.0
GO Bond	54,813.4	-	-	-
Special Programs Fund	459.2	3,501.5	1,501.5	292.3
Aviation Fund	1,457.1	543.4	161.6	1,157.3
Water & Sewer Fund	46,034.7	46,794.7	38,168.1	58,740.9
Water Operations - MPC Fund	24,681.8	-	-	-
Aviation Operations	358.3	-	-	-
Water Development Fund Fees	36,067.1	-	-	-
RWDS	135.3	-	-	-
Solid Waste Fund	462.2	20.3	20.3	48.1
Fleet Fund	-	-	2,244.2	6,512.8
Internal Service Funds	175.9	2,252.9	8.7	7.3
Subtotals	231,359.0	112,304.6	131,803.2	88,934.3
Total Revenues & Transfers In	310,619.4	330,554.8	395,799.2	153,281.1
Total Sources of Funds	580,159.1	712,442.2	631,547.4	466,845.6
Use of Funds:				
Program Expenditures				
Community Facilities	51,173.3	132,813.3	61,000.3	103,519.6
Preservation	8,193.6	201,981.9	4,597.6	198,771.5
Drainage & Flood Control	3,728.4	36,937.1	10,893.2	35,038.6
Public Safety	7,711.8	34,525.9	16,495.9	38,326.2
Service Facilities	16,381.8	36,793.2	11,164.2	57,931.0
Transportation	51,931.4	168,596.0	77,484.9	180,197.8
Water Services	81,780.9	279,611.0	129,756.5	245,534.2
Prior Year Unexpended ^(A)	-	-	-	-
Subtotal	220,901.1	891,258.4	311,392.5	859,318.9
Less: Estimated Capital Improvement Expenditures (35%)		(311,940.4)		(300,761.6)
Subtotal: Unexpended at Year End (65%)		579,318.0		558,557.3
Transfers Out				
To General CIP Fund - Bond Exp Reimb	28,779.8	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	26,033.3	-	-	-
To GO Bond CIP Fund	350.0	-	-	-
To CIP Water & Sewer Funds	42,717.1	-	-	-
To Water Operation-MPC Bond Proceeds	24,414.8	-	-	-
To Special Program for Tourism Funds	855.9	-	-	-
To Transportation Fund	-	-	-	3,000.0
To Aviation CIP	116.2	-	-	-
To Water & Sewer Operating Funds	-	9,246.9	6,590.4	13,818.8
To RWDS	154.9	-	-	-
To IWDS	87.8	-	-	-
To Solid Waste Enterprise Fund	-	-	-	70.9
Subtotal	123,509.7	9,246.9	6,590.4	16,889.7
Total Use of Funds	344,410.9	321,187.3	317,982.9	317,651.3
Ending Fund Balance				
Capital Grant Contingency ^(B)	-	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	-	5,500.0	5,500.0	5,500.0
Capital Water Contingency ^(B)	-	-	-	10,000.0
Reserved:				
Capital General Contingency ^(C)	2,519.9	4,500.0	2,549.5	4,500.0
Reserved Fund Balance	233,228.3	386,754.9	300,515.1	124,194.3
Total Ending Fund Balance	235,748.2	391,254.9	313,564.5	149,194.3

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

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

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2009/10 to FY 2012/13 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million).
Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

Capital Improvement Plan

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Adopted Fiscal Year 2008/09 Budget
Five-Year Financial Plan Capital Improvement Plan (in thousands)

	Adopted 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Source of Funds:					
Beginning Fund Balance	313,564.5	149,194.3	88,486.4	236,019.7	197,488.8
Revenues:					
Bonds/Contracts					
Bond Proceeds	-	-	-	-	-
General Obligation	-	50,800.0	-	-	-
General Obligation Preserve	-	-	190,000.0	-	-
Municipal Properties Corporation	7,400.0	-	-	-	-
Municipal Properties Corporation-Water	-	18,000.0	-	-	-
Pay-As-You-Go					
Water & Sewer Development Fees	17,510.0	22,404.2	33,604.7	42,222.1	30,843.2
Regional Transportation Sales Tax (Prop 400)	14,219.4	11,191.9	13,200.0	-	-
Grants	14,265.3	7,810.0	2,247.5	1,598.2	1,100.0
Intergovernmental	-	-	-	-	-
In-Lieu Fees	50.0	50.0	50.0	50.0	50.0
Other Contributions	4,460.0	13,900.0	43,036.7	10,407.8	2,400.0
Interest Earnings	6,442.0	9,443.0	9,306.2	9,053.9	8,255.9
Miscellaneous	-	-	-	-	-
Subtotals	64,346.7	133,599.1	291,445.1	63,332.0	42,649.0
Transfers In					
General Fund	10,599.8	7,382.1	6,514.1	16,105.0	19,869.6
Transportation Fund	10,102.9	10,591.0	11,041.3	11,555.3	12,093.4
Preservation Privilege Tax Funds	1,473.0	3,100.0	300.0	-	-
GO Bond	-	-	-	-	-
Special Programs Fund	292.3	64.0	1,033.6	1,063.2	32.4
Aviation Fund	1,157.3	137.2	80.6	13.6	280.5
Water & Sewer Fund	58,740.9	41,435.7	59,210.1	53,951.3	59,359.0
Water Operations - MPC Fund	-	-	-	-	-
Aviation Operations	-	-	-	-	-
Water Development Fund Fees	-	-	-	-	-
RWDS	-	-	-	-	-
Solid Waste Fund	48.1	77.5	769.4	767.8	762.0
Fleet Fund	6,512.8	534.4	31.2	29.0	21.4
Internal Service Funds	7.3	12.2	10.2	9.3	6.8
Subtotals	88,934.3	63,334.1	78,990.5	83,494.4	92,425.1
Total Revenues & Transfers In	153,281.1	196,933.3	370,435.6	146,826.4	135,074.1
Total Sources of Funds	466,845.6	346,127.6	458,922.0	382,846.1	332,562.9
Use of Funds:					
Program Expenditures					
Community Facilities	103,519.6	1,198.2	1,430.8	1,537.6	1,168.9
Preservation	198,771.5	3,100.0	300.0	-	-
Drainage & Flood Control	35,038.6	4,882.2	40,549.5	9,907.8	750.0
Public Safety	38,326.2	963.8	697.8	718.8	745.5
Service Facilities	57,931.0	7,781.3	5,441.2	5,337.7	3,720.8
Transportation	180,197.8	16,204.3	25,002.5	8,768.2	9,561.7
Water Services	245,534.2	96,991.0	62,814.0	69,825.0	88,821.0
Prior Year Unexpended ^(A)	-	558,557.3	448,290.8	379,942.3	309,424.3
Subtotal	859,318.9	689,678.1	584,526.6	476,037.4	414,192.2
Less: Estimated Capital Improvement Expenditures (35%)	(300,761.6)	(241,387.3)	(204,584.3)	(166,613.1)	(144,967.3)
Subtotal: Unexpended at Year End (65%)	558,557.3	448,290.8	379,942.3	309,424.3	269,224.9
Transfers Out					
To General CIP Fund - Bond Exp Reimb	-	-	-	-	-
To Transp Privilege Tax CIP Fund - Bond Exp Reimb	-	-	-	-	-
To GO Bond CIP Fund	-	-	-	-	-
To CIP Water & Sewer Funds	-	-	-	-	-
To Water Operation-MPC Bond Proceeds	-	-	-	-	-
To Special Program for Tourism Funds	-	-	-	-	-
To Transportation Fund	3,000.0	-	-	-	-
To Aviation CIP	-	-	-	-	-
To Water & Sewer Operating Funds	13,818.8	16,253.8	18,318.0	18,744.3	19,895.7
To RWDS	-	-	-	-	-
To IWDS	-	-	-	-	-
To Solid Waste Enterprise Fund	70.9	-	-	-	-
Subtotal	16,889.7	16,253.8	18,318.0	18,744.3	19,895.7
Total Use of Funds	317,651.3	257,641.2	222,902.3	185,357.3	164,863.0
Ending Fund Balance					
Capital Grant Contingency ^(B)	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Capital Airport Grant Contingency ^(B)	5,500.0	-	-	-	-
Capital Water Contingency ^(B)	10,000.0	-	-	-	-
Reserved:					
Capital General Contingency ^(C)	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0
Reserved Fund Balance	124,194.3	78,986.4	226,519.7	187,988.8	158,199.9
Total Ending Fund Balance	149,194.3	88,486.4	236,019.7	197,488.8	167,699.9

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

Prior year unexpended uses are estimated at 65% of prior year budget.

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

(C) The unused portion of the FY 2008/09 Capital Contingency of \$4.5 million will carry forward in the five year CIP financial plan. The \$4.5 million Capital Contingency in FY 2009/10 to FY 2012/13 is used for planning purposes and does not represent additional cumulative funding of \$18.0 million (i.e. 4 yrs x \$4.5 million). Only the portion of the \$4.5 million contingency used and replenished in a fiscal year is considered contingency funding.

Capital Improvement Plan

PROJECT LIST

The **Capital Improvement Plan** section in this volume includes two lists. The first list summarizes all capital projects in alphabetical order. The second list summarizes the projected operating costs associated with capital projects. The project list reflects each project's adopted FY 2008/09 budget with the forecasted funding through FY 2012/13. The forecasted funding, which includes FY 2009/10 through FY 2012/13, was not adopted by City Council as part of the FY 2008/09 budget adoption. This information serves as part of the City's long-term capital plan process and will be revisited and updated in future budget reviews. The Operating Impacts list includes a four-year summary of the projected operating costs associated with capital projects. The operating impacts for projects completed prior to or during FY 2008/09 are calculated and included in the Adopted Program Operating Budget.

Capital Project List - Alphabetical by Project Name

Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
B8805	Accessibility – Facility Modifications	(1,381.2)	2,245.2	175.0	150.0	125.0	-	2,695.2	100
Z0901	Acquisition of Service Area from AZ American Water Company	-	10,000.0	-	-	-	-	10,000.0	175
D0812	Additional and Upgraded RVs	(5.0)	1,015.0	-	-	-	-	1,015.0	53
TEMP527	Advanced Water Treatment Plant - Phase 4	-	-	53,300.0	-	-	-	53,300.0	167
TEMP781	Advanced Water Treatment Plant - Phase 5	-	-	-	-	-	2,000.0	2,000.0	167
P0204	Aging Parks – Chaparral Pool Building	(1,437.5)	1,605.0	-	-	-	-	1,605.0	65
A0902	Airpark Taxilane Reconstruction, Gates 1 and 2	-	1,700.0	-	-	-	-	1,700.0	132
A0509	Airport - Future Grants	-	5,500.0	-	-	-	-	5,500.0	132
A0508	Airport Maintenance Facility	(12.4)	1,000.0	-	-	-	-	1,000.0	132
A0706	Airport Master Plan Update	-	432.2	-	-	-	-	432.2	133
A0710	Airport Pavement Preservation Program	(326.5)	483.0	50.0	-	-	-	533.0	133
A0803	Airport Rotating Beacon Replacement	(7.9)	50.0	-	-	-	-	50.0	133
A0901	Airport Runway Resurfacing Project	-	2,000.0	-	-	-	-	2,000.0	134
A0903	Airport Security System Improvements	-	150.0	-	-	-	-	150.0	134
A0804	Airport Terminal Area Improvements	(2,916.7)	3,454.7	-	-	-	-	3,454.7	134
M0606	Alternate Computing Site	(477.4)	904.0	-	-	-	-	904.0	110
B0701	Appaloosa Library	(1,179.9)	10,651.7	-	-	-	-	10,651.7	51
P0901	Appaloosa Library Collection Materials	-	2,000.0	-	-	-	-	2,000.0	51
P0701	Arabian Library Books	(1,033.2)	1,000.0	-	-	-	-	1,000.0	51
P0201	Arabian Library Phase II	(9,698.3)	10,043.4	-	-	-	-	10,043.4	52
TEMP738	Arizona Canal Path: McDonald to Indian Bend Wash	-	-	-	-	-	2,661.7	2,661.7	153
TEMP692	Arizona Canal Path-Chaparral to McDonald	-	-	-	-	2,100.0	-	2,100.0	153
W2106	Arsenic Mitigation Treatment	(86,454.3)	88,500.0	-	10,000.0	-	-	98,500.0	175
*Y0816	Art In Public Places.	(743.8)	1,593.6	-	-	-	-	1,593.6	53
*Y0916	Art In Public Places..	-	734.7	528.0	550.8	647.6	678.9	3,140.0	54
T9005	Arterial Roadway Street Lighting	(681.8)	828.1	-	-	-	-	828.1	147
T0601	ASU Scottsdale Center Transit Passenger Facility	(204.4)	5,171.4	-	-	-	-	5,171.4	153
F8410	Automated Flood Warning System – North Area	(56.8)	194.4	-	-	-	-	194.4	78
A0505	Aviation Design Projects 06/07	(201.5)	693.0	-	-	-	-	693.0	135
A0504	Aviation Grant Match Contingency	-	450.0	-	-	-	-	450.0	135
S0501	Bell Road – 94th St. to Thompson Peak Parkway	(4,296.1)	5,205.0	-	-	-	-	5,205.0	139
*Y0714	Bikeways Program	(4,324.2)	4,713.5	-	-	-	-	4,713.5	154
P0802	Bikeways Program - ADOT	-	132.0	-	-	-	-	132.0	154
*Y0814	Bikeways Program.	(1,837.2)	2,760.0	-	-	-	-	2,760.0	154
*Y0914	Bikeways Program..	-	1,100.0	1,500.0	1,000.0	1,000.0	1,000.0	5,600.0	155
B0806	Bond Design Consulting Services	-	200.0	-	-	-	-	200.0	100

Projects marked with "" represent Recurring Capital Maintenance Projects. For a detailed explanation, please refer to the Overview or Appendix sections of Volume Three.

Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
W9903	Booster Station Upgrades	(512.9)	2,325.0	250.0	250.0	250.0	250.0	3,325.0	175
*Y0717	Bus Stop Improvements	(1,342.6)	1,982.3	-	-	-	-	1,982.3	155
*Y0817	Bus Stop Improvements.	(0.5)	600.0	-	-	-	-	600.0	155
*Y0917	Bus Stop Improvements..	-	200.0	200.0	200.0	250.0	250.0	1,100.0	156
G9001	Buses Expansion	(4,488.0)	5,289.0	-	-	-	-	5,289.0	156
A0904	Butherford Intersection Drainage Improvements	-	400.0	-	-	-	-	400.0	135
B0803	Cactus Acres Fire Station 8	(1,375.6)	9,102.5	-	-	-	-	9,102.5	90
S2102	Cactus Road – Pima Freeway to Frank Lloyd Wright	(14,526.0)	22,978.2	-	-	-	-	22,978.2	139
P0711	Camelback Park	(3,507.4)	3,516.5	-	-	-	-	3,516.5	65
TEMP699	CAP 2 Raw Water Pump Station	-	-	-	-	2,000.0	18,000.0	20,000.0	176
W0504	CAP Plant Expansion	(50,195.6)	96,000.0	-	-	1,000.0	9,000.0	106,000.0	176
W0202	CAP Plant Regulatory Compliance	(58,474.9)	59,400.0	-	-	-	-	59,400.0	177
M0901	Case Management System Conversion Consulting	-	150.0	-	-	-	-	150.0	110
M0806	Cellular Intercept Module	(195.3)	225.5	-	-	-	-	225.5	92
S0404	Center Road - 74th to Hayden	(4,574.5)	8,800.0	-	-	-	-	8,800.0	139
*Y0718	CIP Advance Planning Program	(1,987.2)	2,257.4	-	-	-	-	2,257.4	140
*Y0818	CIP Advance Planning Program.	(24.6)	200.0	-	-	-	-	200.0	140
*Y0918	CIP Advance Planning Program..	-	200.0	200.0	200.0	200.0	200.0	1,000.0	140
Z9400	CIP Contingency	-	4,500.0	4,500.0	4,500.0	4,500.0	4,500.0	22,500.0	110
Z9401	CIP Contingency for Future Grants	-	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	25,000.0	110
M0402	City Attorney – Legal Case Matter Management System	(150.0)	160.0	-	-	-	-	160.0	111
E0402	City Facilities Security Enhancement	(771.3)	815.1	-	-	-	-	815.1	100
P0702	City Hall Lagoon Renovation	(11.6)	548.0	-	-	-	-	548.0	100
*Y0804	CityCable Audio/Video Equipment Replacements.	(123.1)	123.1	-	-	-	-	123.1	111
*Y0904	CityCable Audio/Video Equipment Replacements..	-	135.0	106.0	60.5	132.0	143.0	576.5	111
M0708	Citywide Private Wireless Network Study	(95.0)	115.0	-	-	-	-	115.0	112
P0601	Civic Center Library Improvements	(81.8)	665.0	-	-	-	-	665.0	52
D0802	Civic Center Mall Renovations & Improvements	(0.1)	970.0	-	-	-	-	970.0	101
D0601	Civic Center Mall West Restroom Renovation	(123.7)	467.0	-	-	-	-	467.0	54
M0809	Communications Workstation Expansion	(177.3)	192.2	-	-	-	-	192.2	92
M0501	Community Services – Class System Upgrades	(87.4)	87.4	-	-	-	-	87.4	112
B0605	Community Services Facilities Maintenance	(0.7)	1,590.8	-	-	-	-	1,590.8	101
M0714	Computer Facility Infrastructure Improvements	(236.0)	636.6	36.8	-	-	-	673.4	112
D0702	Construction of Rock Knob and Connecting Preserve Trails	-	110.0	-	-	-	-	110.0	74
P0609	Construction of Trails Supporting the Gateway to the Preserve	(0.2)	330.0	-	-	-	-	330.0	74
B0606	Container Repair Facilities	(28.7)	318.0	-	-	-	-	318.0	101
V0501	Core North/South Sewer	(228.2)	2,598.0	-	5,000.0	-	-	7,598.0	167
W0501	Core North/South Water	(1,570.9)	7,498.0	1,000.0	1,500.0	1,402.0	-	11,400.0	177
B0809	Corporation Yard Fleet Maintenance Facility Expansion	-	4,890.0	-	-	-	-	4,890.0	102
B0804	Corporation Yard Truck Wash	(199.4)	250.0	-	-	-	-	250.0	102
B0508	Courts – Customer Service Enhancement	(156.8)	225.0	-	-	-	-	225.0	102
M0611	Courts - Digital Courtroom Recording	(44.2)	80.0	-	-	-	-	80.0	113
B0509	Courts – Expansion	(392.6)	400.0	-	-	-	-	400.0	103

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Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
*Y0803	Crime Laboratory Equipment Replacement.	(6.9)	15.0	-	-	-	-	15.0	92
*Y0903	Crime Laboratory Equipment Replacement.	-	211.5	238.0	145.0	166.0	93.5	854.0	93
T0703	Cross Cut Canal Multiuse Path Phase II	(366.5)	1,731.0	-	-	-	-	1,731.0	156
T0602	Cross Cut Canal Path Extension Project	(1,422.4)	1,525.0	-	-	-	-	1,525.0	157
W8515	Deep Well Recharge/Recovery Facilities	(803.5)	5,100.0	-	-	-	-	5,100.0	177
B0403	Desert Foothills Fire Station 13	(170.8)	8,375.0	-	-	-	-	8,375.0	90
A0704	Design and Construct Greenway Hangar Connectors	-	115.0	-	-	-	-	115.0	136
A0705	Design and Construct Retention Basin Improvements	-	270.3	-	-	-	-	270.3	136
B0705	Detention Facility Consolidation	(3.4)	3,956.0	-	-	-	-	3,956.0	93
B0504	District 1 Police Facilities	(1,085.7)	10,771.0	-	-	-	-	10,771.0	93
M0703	Document Imaging and Management	(61.1)	268.8	-	-	-	-	268.8	113
M0612	Document Management System – Financial Services	(298.1)	391.0	-	-	-	-	391.0	113
M0502	Document Management System - City Attorney	(73.8)	247.0	-	-	-	-	247.0	114
M9906	Document Management System - Courts	(206.4)	400.0	-	-	-	-	400.0	114
TEMP641	Downtown Area Drainage Study	-	-	80.0	-	-	-	80.0	78
D0402	Downtown Façade Program	(264.6)	650.0	-	-	-	-	650.0	55
B0401	Downtown Fire Station 2	(6,928.8)	7,305.0	-	-	-	-	7,305.0	90
D0501	Downtown Lighting Improvements	(46.9)	630.0	-	-	-	-	630.0	55
P8734	Downtown Parking	(10,675.6)	10,706.8	-	-	-	-	10,706.8	55
*Y0702	Downtown Parking Program Enhancements	(366.2)	363.6	-	-	-	-	363.6	103
*Y0802	Downtown Parking Program Enhancements.	(45.8)	150.0	-	-	-	-	150.0	103
*Y0902	Downtown Parking Program Enhancements..	-	100.0	100.0	100.0	-	-	300.0	104
T0801	Downtown Pedestrian Improvements	-	600.0	-	-	-	-	600.0	157
D0701	Downtown Plan Update & Special Project Implementation-Study	(607.9)	500.0	-	-	-	-	500.0	56
P0309	Downtown Reinvestment	(8,600.1)	8,717.0	-	-	-	-	8,717.0	56
D0703	Downtown Reinvestment Phase II	(4,373.6)	4,650.0	-	-	-	-	4,650.0	56
D0602	Downtown Restrooms	(431.4)	500.0	-	-	-	-	500.0	57
D0404	Downtown Streetscape	(75.2)	1,980.0	-	-	-	-	1,980.0	57
D0208	Downtown Streetscape Amenities	(141.0)	615.3	-	-	-	-	615.3	57
D0801	Downtown Utility Cabinet Relocation	-	285.0	-	-	-	-	285.0	57
F0401	East Union Hills Interceptor Channel	(221.7)	1,940.8	-	1,142.0	-	-	3,082.8	78
P0502	Eldorado Ballfield Renovation	(1,166.7)	1,290.0	-	-	-	-	1,290.0	65
B0402	Eldorado Park Fire Station 1 – Miller & Thomas Remodel	(181.6)	168.4	-	-	-	-	168.4	90
B0601	Eldorado Park Fire Station 1-Relocate Existing S. Quadrant	(84.2)	6,325.0	-	-	-	-	6,325.0	91
M0908	Electric Three Wheel Patrol Vehicles	-	25.5	-	-	-	-	25.5	94
M0905	Encryption for Data Backups	-	110.0	-	-	-	-	110.0	114
E0801	Engines for Reserve Apparatus	(803.2)	900.0	-	-	-	-	900.0	91
M0803	Enhanced Web Services	-	70.8	-	-	-	-	70.8	115
M0801	Enterprise Document Management for CNR	(9.0)	85.9	-	-	-	-	85.9	115
P0505	Expanded McDowell Sonoran Preserve	(38,650.2)	230,000.0	-	-	-	-	230,000.0	74
*Y0801	Facilities Repair and Maintenance Program.	(1,323.4)	1,634.5	-	-	-	-	1,634.5	104

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Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
*Y0901	Facilities Repair and Maintenance Program..	-	1,344.0	1,992.5	1,493.0	1,257.0	1,069.5	7,156.0	104
M0903	Financial Services - GenTax System Upgrades	-	390.0	-	-	-	-	390.0	115
M0308	Financial Services – Meter Reading System	(79.7)	619.3	-	-	-	-	619.3	116
M0702	Financial Services – Remittance Process Transport System	(148.8)	181.4	-	-	-	-	181.4	116
M0504	Financial Services – Tax, Licensing & Alarm Billing System	(1,423.1)	1,425.7	-	-	-	-	1,425.7	116
M0210	Financial Services – Utility Billing System	(2,007.2)	2,137.6	-	-	-	-	2,137.6	117
M0701	Financial Systems Upgrade	(133.8)	561.3	220.0	220.0	220.0	220.0	1,441.3	117
B0603	Fire Burn Building Update	(281.1)	299.0	-	-	-	-	299.0	91
E0701	Fire Ladder Truck	(24.3)	920.0	-	-	-	-	920.0	91
M0614	Fleet Management Information System	(190.8)	200.5	-	-	-	-	200.5	117
F0302	Floodplain Acquisition Program	(2,159.8)	2,366.6	-	-	-	-	2,366.6	79
F0901	Fourth Avenue Storm Sewer	-	120.0	150.0	-	-	-	270.0	79
S0304	Frank Lloyd Wright–Scottsdale Rd to Shea	(263.9)	3,415.0	-	-	-	-	3,415.0	141
S0405	Freeway Frontage Rd. North - Hayden to Scottsdale	(5,717.5)	9,604.0	-	-	-	-	9,604.0	141
B0808	Fuel/Fleet Maintenance Facility - McKellips Service Center.	-	4,319.8	-	-	-	-	4,319.8	105
V0705	Gainey Ranch Treatment Plant Rehabilitation	(765.9)	6,000.0	-	-	-	-	6,000.0	168
P0608	Gateway to the Preserve Amenities	(5.9)	4,000.0	-	-	-	-	4,000.0	75
TEMP479	Granite Mountain Trail Restoration and Mitigation	-	-	100.0	100.0	-	-	200.0	75
F0201	Granite Reef Watershed	(652.9)	4,580.6	-	37,923.5	-	-	42,504.1	79
P0602	Grayhawk Community Park - Phase I	(745.4)	8,943.5	-	-	-	-	8,943.5	66
TEMP547	Happy Valley Road - Pima to Alma School	-	-	-	-	-	500.0	500.0	141
S0306	Hayden Road and Via de Ventura Intersection Improvement	(1,069.8)	250.0	-	-	-	-	250.0	142
TEMP545	Hayden Road Bicycle and Pedestrian Improvements	-	-	-	-	300.0	500.0	800.0	157
S0802	Hayden/Via de Ventura Int - ADOT	-	1,600.0	-	-	-	-	1,600.0	142
T0603	High Capacity Transit Corridor Study	(702.7)	1,000.0	-	-	-	-	1,000.0	158
M0904	Human Resources Automation System	-	90.0	-	-	-	-	90.0	118
S0402	Indian Bend Road – Scottsdale to Hayden	(23,319.0)	25,780.0	-	-	-	-	25,780.0	142
P9901	Indian Bend Wash Lakes Renovation	(1,252.5)	2,493.0	-	-	-	-	2,493.0	66
T0802	Indian Bend Wash Path Conn - ADOT	-	520.5	-	-	-	-	520.5	158
T0604	Indian Bend Wash Path Connection	(154.2)	598.3	-	-	-	-	598.3	158
S0308	Indian School Road – Drinkwater to Pima Freeway	(1,153.0)	15,500.0	-	-	-	-	15,500.0	143
F0402	Indian School Road Drainage	(268.9)	2,915.0	-	-	-	-	2,915.0	80
M0505	Information Services – Mobile Wireless Replacement	(189.8)	213.0	-	-	-	-	213.0	118
M0705	Information Services – Enterprise Back-up Software	(434.7)	486.9	-	-	-	-	486.9	118
M0204	Information Services – GIS Mapping Platform Migration	(516.6)	564.0	-	-	-	-	564.0	118
*Y0807	Information Services – Network Infrastructure.	(125.5)	325.2	-	-	-	-	325.2	119
*Y0907	Information Services – Network Infrastructure..	-	437.1	615.0	330.1	369.9	367.0	2,119.1	119
*Y0810	Information Services – PC Equipment.	(340.8)	1,319.5	-	-	-	-	1,319.5	120
*Y0910	Information Services – PC Equipment..	-	903.4	1,712.2	1,643.0	1,119.8	919.3	6,297.7	120

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Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
M0205	Information Services – Security Investment	(207.8)	511.2	-	-	-	-	511.2	121
*Y0808	Information Services – Server Infrastructure.	(88.8)	860.8	-	-	-	-	860.8	121
*Y0908	Information Services – Server Infrastructure..	-	651.9	1,242.3	932.0	872.0	557.0	4,255.2	122
*Y0809	Information Services – Telephone Equipment.	(67.9)	278.4	-	-	-	-	278.4	122
*Y0909	Information Services – Telephone Equipment..	-	335.7	322.1	302.6	617.0	345.0	1,922.4	123
M0506	Information Services – Web Content Management SW	(223.6)	298.4	-	-	-	-	298.4	123
TEMP499	Information Systems - Information Lifecycle Management	-	-	210.0	-	-	-	210.0	123
TEMP802	Information Systems - LAN Core Switch Upgrade	-	-	-	-	625.0	100.0	725.0	124
M0906	Information Systems - Telephone System Upgrade	-	210.0	210.0	210.0	-	-	630.0	124
TEMP472	Interior Preserve Trail	-	-	-	200.0	-	-	200.0	75
*Y0719	Intersection Mobility Enhancements	(2,435.4)	3,060.8	-	-	-	-	3,060.8	147
*Y0819	Intersection Mobility Enhancements.	(1,984.1)	3,250.0	-	-	-	-	3,250.0	147
*Y0919	Intersection Mobility Enhancements..	-	1,500.0	2,000.0	1,500.0	1,500.0	1,500.0	8,000.0	148
P0503	Irrigation Pump Replacement	(411.2)	697.3	-	-	-	-	697.3	66
M0902	Justice Center / Detention Facility Generator Upgrade	-	39.4	-	-	-	-	39.4	105
T0706	LED Illuminated Sign Update	(55.6)	1,440.0	480.0	-	-	-	1,920.0	148
F0801	Levee Certification and Rehabilitation	-	400.0	-	-	-	-	400.0	80
M0807	License Plate Readers	(139.4)	186.1	-	-	-	-	186.1	94
D0211	Loloma District Museum	(913.9)	7,500.0	-	-	-	-	7,500.0	58
B0706	Loloma District-Stagebrush Theater Relocation	-	1,600.0	-	-	-	-	1,600.0	58
T0901	Loop 101 and Scottsdale Rd Park and Ride	-	1,537.4	2,731.9	-	-	-	4,269.3	159
F0701	Loop 101 Detention Basin	-	4,097.0	-	-	-	-	4,097.0	80
F0602	Loop 101 Outlet Storm Drain	-	3,445.0	-	-	-	-	3,445.0	81
T9902	Loop 101 Park and Ride Lot	-	5,844.7	-	-	-	-	5,844.7	159
B0801	Main Entry / Security Remodel	-	296.3	-	-	-	-	296.3	105
P0902	Major North Community Access Area	-	300.0	3,000.0	-	-	-	3,300.0	76
V8620	Master Plan – Sewer	(1,452.6)	2,283.4	1,250.0	-	250.0	-	3,783.4	168
W8525	Master Plan – Water	(1,805.4)	2,066.8	1,250.0	-	500.0	-	3,816.8	178
P0712	McCormick Ranch Park Model Railroad Museum	(100.8)	4,400.0	-	-	-	-	4,400.0	67
S0702	McDonald Drive - Scottsdale to 78th St	(1,614.8)	1,700.0	-	-	-	-	1,700.0	143
F0403	McDonald Drive Corridor Drainage Improvement	(3,073.0)	2,799.2	-	-	-	-	2,799.2	81
T0605	McDowell Road Bicycle and Pedestrian Improvements	(1,466.5)	3,004.4	1,000.0	-	-	-	4,004.4	159
TEMP756	McDowell Road ITS Corridor	-	-	700.0	-	-	-	700.0	148
B9905	McKellips Service Center	(1,218.1)	1,311.4	-	-	-	-	1,311.4	106
P0604	Mescal Park	(126.8)	150.0	-	-	-	-	150.0	67
V2101	Miller Road Sewer – Phase 3	(1,047.7)	17,100.0	-	-	-	-	17,100.0	168
TEMP772	Mobile Network Software	-	-	346.4	-	-	-	346.4	124
P0501	Mustang Library Improvements	(104.2)	1,395.6	-	-	-	-	1,395.6	52
T0502	Mustang Transit Passenger Facility	(48.3)	2,250.0	-	-	-	-	2,250.0	160
*Y0705	Neighborhood Stormwater Management Improvements	(1,082.9)	1,233.8	-	-	-	-	1,233.8	81
*Y0805	Neighborhood Stormwater Management Improvements.	(62.1)	500.0	-	-	-	-	500.0	82
*Y0905	Neighborhood Stormwater Management Improvements..	-	750.0	750.0	750.0	750.0	750.0	3,750.0	82

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*Y0721	Neighborhood Traffic Management Program	(1,107.6)	1,394.0	-	-	-	-	1,394.0	149
*Y0821	Neighborhood Traffic Management Program.	-	1,000.0	-	-	-	-	1,000.0	149
*Y0921	Neighborhood Traffic Management Program..	-	500.0	500.0	500.0	500.0	500.0	2,500.0	149
M0707	Network Infrastructure Extension	-	862.5	-	-	-	-	862.5	125
B0805	New Civic Center Office Building	-	2,000.0	-	-	-	-	2,000.0	106
B0802	New Justice Facility Space Program Study	-	220.0	-	-	-	-	220.0	106
D0804	New Rose Garden	(357.0)	350.0	-	-	-	-	350.0	67
F6305	North Area Basin Master Plan	(939.6)	1,083.3	-	-	-	-	1,083.3	82
D0705	North Bank and Goldwater Underpass	(2,237.8)	2,400.0	-	-	-	-	2,400.0	58
F0304	North Scottsdale Road Corridor – Drainage Project	(4,458.4)	6,743.9	-	-	-	-	6,743.9	83
F2711	Northern Stormwater Water Risk/Vulnerability Management	(11,868.6)	12,059.9	-	-	-	-	12,059.9	83
F0712	NPDES Water Quality Sampling, Reporting, and Permitting	(1,547.7)	2,406.3	-	-	-	-	2,406.3	84
A0709	Pavement Reconstruction – Aprons	-	2,300.0	2,200.0	2,200.0	-	-	6,700.0	136
A0601	Perimeter Road Construction	(5.2)	119.6	-	-	-	-	119.6	137
S0602	Pima Road – Deer Valley to Pinnacle Peak	(556.9)	23,500.0	-	-	-	-	23,500.0	143
S2104	Pima Road – Pima Freeway to Deer Valley	(15,730.4)	15,837.7	-	-	-	-	15,837.7	144
F0503	Pima Road Drainage System	(1,827.8)	2,496.6	3,902.2	-	-	-	6,398.8	84
S0204	Pinnacle Peak – Miller to Pima Rd	(600.6)	602.5	-	-	-	-	602.5	144
B0807	Plan Review Office Efficiency Renovation	-	65.0	-	-	-	-	65.0	107
*Y0715	Playground Equipment Replacement	(205.8)	320.3	-	-	-	-	320.3	67
*Y0815	Playground Equipment Replacement.	-	165.0	-	-	-	-	165.0	68
*Y0915	Playground Equipment Replacement..	-	100.0	125.0	175.0	225.0	150.0	775.0	68
M0509	Police – AFIS Workstations Replacement	(277.5)	308.0	-	-	-	-	308.0	125
M0512	Police – Fashion Square Radio Treatment	-	225.0	-	-	-	-	225.0	125
M0303	Police – Mobile Data and Communications Upgrade	(113.4)	190.0	-	-	-	-	190.0	125
M0401	Police – Records Management and CAD System Replacement	(3,624.2)	4,725.0	-	-	-	-	4,725.0	126
M0810	Police Advanced Mobile Upgrades	(204.8)	1,001.3	-	-	-	-	1,001.3	94
M0808	Police Communications Uninterrupted Power Supply Expansion	-	80.0	-	-	-	-	80.0	95
M0804	Police Computers for Bike Unit and Detectives	-	185.0	-	-	-	-	185.0	126
M0711	Police Major Software Upgrade	-	157.5	-	-	-	-	157.5	126
B0302	Police Operational Support Building	(13,140.9)	31,938.2	173.0	-	-	-	32,111.2	95
*Y0806	Police Portable and Vehicle Radio Replacement.	-	1,779.1	-	-	-	-	1,779.1	95
*Y0906	Police Portable and Vehicle Radio Replacement..	-	552.8	552.8	552.8	552.8	652.0	2,863.2	96
B0204	Police/Fire Training Facility Phase 2	(2,964.6)	4,220.8	-	-	-	-	4,220.8	96
F0605	Powerline Interceptor Channel	(2.8)	2,228.0	-	734.0	-	-	2,962.0	84
M0608	Public Access Computer Security & Manageability Enhancements	(71.9)	88.1	-	-	-	-	88.1	127
D0803	Public Art Conservation and Restoration	(140.0)	280.0	140.0	140.0	140.0	140.0	840.0	59
*Y0712	Public Pool Equipment Replacement	(264.2)	482.8	-	-	-	-	482.8	68
*Y0812	Public Pool Equipment Replacement.	-	200.0	-	-	-	-	200.0	68
*Y0912	Public Pool Equipment Replacement..	-	100.0	250.0	175.0	275.0	200.0	1,000.0	69
M0907	Public Safety Microwave Radio	-	2,550.0	-	-	-	-	2,550.0	127

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Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
M0615	Public Safety Radio System - Phase I	(57.6)	22,050.0	-	-	-	-	22,050.0	127
TEMP782	Pumpback Modifications	-	-	-	5,000.0	22,000.0	-	27,000.0	169
V4001	Radio Telemetry Monitoring Automation Citywide (Sewer)	(518.7)	805.5	50.0	-	-	-	855.5	169
W4001	Radio Telemetry Monitoring Automation Citywide (Water)	(915.2)	1,439.4	125.0	-	-	-	1,564.4	178
TEMP631	Rawhide Wash Flood Insurance Study	-	-	-	-	800.0	-	800.0	85
TEMP632	Reata Pass Wash Flood Insurance Study	-	-	-	-	600.0	-	600.0	85
W0503	Regional GAC Regeneration Facility	-	4,650.0	-	-	-	-	4,650.0	178
T0201	Regional Transit Maintenance Facility	(2,500.0)	2,500.0	-	-	-	-	2,500.0	160
D0707	Rose Garden Development	(10.2)	650.0	-	-	-	-	650.0	59
A0405	Runway RSA – Safety Area Improvements	(1,869.2)	2,000.0	-	-	-	-	2,000.0	137
A0802	Runway Safety Enhancements Phase 2	(331.9)	4,700.0	-	-	-	-	4,700.0	137
V0502	RWDS Improvements	-	1,350.0	-	-	-	-	1,350.0	169
D0604	Scottsdale Center for the Performing Arts Renovation	(2,561.9)	14,054.1	-	-	-	-	14,054.1	59
N0801	Scottsdale Estates	(15.7)	102.2	-	-	-	-	102.2	59
P8736	Scottsdale Papago Streetscape	(5,575.2)	6,229.0	-	-	-	-	6,229.0	60
S7005	Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway	(17,275.7)	49,074.5	-	-	-	-	49,074.5	144
T0504	Scottsdale Road - ITS Design	(398.7)	410.0	-	-	-	-	410.0	150
S0311	Scottsdale Road – Thompson Peak Parkway to Pinnacle Peak	(2.4)	1,550.0	2,252.4	16,200.0	-	-	20,002.4	145
T0704	Scottsdale Road Pedestrian & Bicycle Improvements, Phase I	-	2,662.2	-	-	-	-	2,662.2	160
T0705	Scottsdale Road Pedestrian & Bicycle Improvements, Phase II	-	1,472.0	-	-	-	-	1,472.0	161
D0205	Scottsdale Road Preservation Streetscape Enhancement	(11,636.0)	26,940.0	-	-	-	-	26,940.0	60
P0810	Scottsdale Stadium Drainage Modification	-	150.0	-	-	-	-	150.0	69
*Y0813	Scottsdale Stadium Infrastructure Improvements.	-	50.0	-	-	-	-	50.0	69
*Y0913	Scottsdale Stadium Infrastructure Improvements..	-	50.0	15.2	250.0	250.0	-	565.2	69
D0901	SCPA Renovation - Theater Closure Supplemental Funding	-	1,249.6	-	-	-	-	1,249.6	60
A0602	Security Lighting Installation – Main Aprons/Kilo	-	345.0	-	-	-	-	345.0	137
F6301	Severe Weather Warning & Response Program	(1,296.3)	1,693.7	-	-	-	-	1,693.7	85
V3704	Sewer Collection System Improvements	(10,302.0)	30,189.0	15,350.0	17,050.0	16,050.0	13,770.0	92,409.0	170
V0703	Sewer Oversizing	(1,593.8)	1,985.7	-	-	-	-	1,985.7	170
V0801	Sewer Participation Program	(83.4)	5,000.0	3,000.0	2,000.0	2,000.0	2,000.0	14,000.0	170
V0704	Sewer Security Enhancements	(185.5)	1,250.0	150.0	550.0	150.0	550.0	2,650.0	171
S0313	Shea Boulevard and 92nd Street Intersection Improvement	(1,128.5)	1,112.0	-	-	-	-	1,112.0	145
S0314	Shea Boulevard and Hayden Intersection Improvement	(256.4)	2,600.0	-	-	-	-	2,600.0	145
S0315	Shea Boulevard: 90th & 96th Street Intersection Improvement	(896.1)	896.5	-	-	-	-	896.5	146
*Y0720	Sidewalk Improvements	(1,140.7)	1,198.9	-	-	-	-	1,198.9	161
*Y0820	Sidewalk Improvements.	(470.0)	500.0	-	-	-	-	500.0	161
*Y0920	Sidewalk Improvements..	-	600.0	500.0	500.0	500.0	500.0	2,600.0	162
T0902	Signal System Communication Upgrades	-	500.0	-	500.0	1,000.0	-	2,000.0	150
D0508	SkySong - ASU Scottsdale Center for Innovation	(33,749.6)	38,173.0	-	-	-	-	38,173.0	61

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Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
M0607	Software/Application Tracking System	(63.3)	68.5	-	-	-	-	68.5	128
D0706	Soleri Bridge and Plaza	(0.5)	3,128.0	-	-	-	-	3,128.0	61
P0708	South Ballfield Renovation	(1,322.9)	1,323.0	-	-	-	-	1,323.0	70
F0603	South Scottsdale Road Drainage Corridor	(575.2)	2,967.2	-	-	-	-	2,967.2	86
B0901	South Thunderbird Maintenance Facility	-	740.0	493.0	-	-	-	1,233.0	107
P9904	Sports Lighting Expansion & Upgrade	(3,773.3)	3,799.1	-	-	-	-	3,799.1	70
V0402	SROG Sewage Transmission Line	(9,252.4)	14,267.0	-	-	2,163.0	2,146.0	18,576.0	171
V0706	SROG Sewer Capacity Mgmt Program	(465.5)	6,691.3	-	-	-	1,900.0	8,591.3	171
V9901	SROG Wastewater Plant Expans. UP01	(62,026.6)	67,112.7	1,000.0	-	-	-	68,112.7	172
V0802	SROG Wastewater Plant Expans. UP05	(731.7)	6,800.0	5,000.0	2,900.0	1,000.0	-	15,700.0	172
TEMP800	SROG Wastewater Plant Expans. UP10	-	-	-	-	4,100.0	18,530.0	22,630.0	172
*Y0824	SROG Wastewater Treatment Plant.	(2,371.5)	4,500.0	-	-	-	-	4,500.0	173
*Y0924	SROG Wastewater Treatment Plant..	-	3,027.0	1,266.0	564.0	1,960.0	1,225.0	8,042.0	173
F0204	Stormwater Drain Pollution Prevention Markers	(233.9)	301.0	-	-	-	-	301.0	86
A0603	Taxiway Connectors Construction	(15.1)	296.7	-	-	-	-	296.7	138
T0606	Thomas Road Bicycle Lanes and Enhanced Sidewalks	(660.6)	4,613.9	-	-	-	-	4,613.9	162
S0317	Thunderbird/Redfield – Scottsdale to Hayden	(3,065.0)	3,151.2	-	-	-	-	3,151.2	146
P0705	TPC Desert Golf Course & Clubhouse Renovation	(9,977.0)	10,000.0	-	-	-	-	10,000.0	107
F0601	TPC Drainage Improvements	(1,243.6)	1,280.0	-	-	-	-	1,280.0	86
P0607	TPC Saline Impact Remediation	(1,000.0)	3,000.0	-	-	-	-	3,000.0	61
P0809	TPC Stadium Course Path Access Improvements	(147.8)	247.9	-	-	-	-	247.9	107
P0703	TPC Stadium Site Access Improvements	(315.0)	774.0	-	-	-	-	774.0	108
*Y0722	Traffic Management Program - ITS	(2,739.0)	8,388.1	-	-	-	-	8,388.1	150
T0803	Traffic Management Program - ITS - ADOT	-	1,342.8	-	-	-	-	1,342.8	151
*Y0822	Traffic Management Program - ITS.	(444.6)	2,500.0	-	-	-	-	2,500.0	151
*Y0922	Traffic Management Program - ITS..	-	2,150.7	1,500.0	1,802.5	998.2	1,500.0	7,951.4	151
*Y0723	Traffic Signal Program	(986.1)	421.9	-	-	-	-	421.9	152
*Y0823	Traffic Signal Program.	-	350.0	-	-	-	-	350.0	152
*Y0923	Traffic Signal Program..	-	205.3	390.0	400.0	420.0	450.0	1,865.3	152
P9035	Trail Development/Acquisition	(847.3)	3,220.5	-	-	-	-	3,220.5	76
B0902	Transfer Station Expansion	-	3,675.0	-	-	-	-	3,675.0	108
B0703	Transfer Station Paving and Painting	(301.1)	371.0	-	-	-	-	371.0	108
T0607	Transit Bus Engine Replacement	-	690.0	-	-	-	-	690.0	162
S0503	Transportation Master Plan	(841.4)	750.0	-	-	-	-	750.0	146
P0707	Troon North Park	(216.1)	6,951.6	-	-	-	-	6,951.6	70
D0608	Undergrounding Electrical Powerline Program	(2.9)	500.0	-	-	-	-	500.0	109
T0203	Upper Camelback Wash Multiuse Path – 92nd Street/Shea to Cactus	(1,206.0)	1,545.0	-	-	-	-	1,545.0	163
F0203	Upper Camelback Wash Watershed	(3,064.3)	6,442.2	-	-	7,757.8	-	14,200.0	87
P0606	Vista Del Camino - Yavapai Ballfields	(2,660.2)	3,126.0	-	-	-	-	3,126.0	71
P0307	Vista Del Camino Community Center Remodel/Expansion	(4,352.7)	4,524.8	-	-	-	-	4,524.8	71
TEMP526	Water Campus Chlorine Generation	-	-	-	-	1,000.0	9,000.0	10,000.0	173
W9912	Water Distribution System Improvements	(26,383.7)	42,110.0	12,050.0	12,050.0	12,050.0	6,500.0	84,760.0	179
W0710	Water Oversizing	(7,257.7)	8,204.5	-	-	-	-	8,204.5	179
W0801	Water Participation Program	-	2,000.0	1,000.0	1,000.0	1,000.0	1,000.0	6,000.0	179

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Capital Improvement Plan

PROJECT LIST

Project #	Project Name	Estimated Expenditures Thru 06/30/08	FY2008/09 Adopted	FY2009/10 Forecast	FY2010/11 Forecast	FY 2011/12 Forecast	FY 2012/13 Forecast	Total	Vol 3 Page #
W0205	Water Quality Improvements – Southern Neighborhoods	(6,980.2)	17,500.0	-	-	-	-	17,500.0	180
W0709	Water Quality Regulatory Compliance Programs	(200.4)	2,400.0	-	-	-	-	2,400.0	180
TEMP784	Water Reclamation Plant - Phase 4	-	-	-	-	-	2,000.0	2,000.0	174
W6160	Water Rights Acquisition	(65,895.7)	66,245.0	-	-	-	-	66,245.0	180
*Y0827	Water System Architect/Engineer Services.	-	100.0	-	-	-	-	100.0	181
*Y0927	Water System Architect/Engineer Services..	-	100.0	100.0	100.0	100.0	100.0	500.0	181
*Y0826	Water System Security Enhancements.	(266.6)	350.0	-	-	-	-	350.0	181
*Y0926	Water System Security Enhancements..	-	350.0	350.0	350.0	350.0	350.0	1,750.0	182
W4708	Well Sites	(17,318.5)	23,142.1	-	3,000.0	-	-	26,142.1	182
W0708	Well Sites Rehabilitation	-	1,500.0	500.0	1,500.0	500.0	500.0	4,500.0	182
D0902	WestWorld ADA	-	150.0	-	-	-	-	150.0	62
D0710	WestWorld Bleachers	(0.1)	110.0	-	-	-	-	110.0	62
D0813	WestWorld Equidome Lighting	(170.8)	230.0	-	-	-	-	230.0	62
D0809	WestWorld Fencing	(76.6)	85.0	-	-	-	-	85.0	62
D0810	WestWorld Horse Barn Repairs	-	280.0	140.0	140.0	-	-	560.0	63
D0805	WestWorld Horse Barns, Telecom and Connectivity	(496.2)	5,628.6	-	-	-	-	5,628.6	63
D0807	WestWorld PA System	(174.7)	200.0	-	-	-	-	200.0	63
D0811	WestWorld Paving	(538.7)	948.0	-	-	-	-	948.0	63
D0808	WestWorld Shading and Landscaping	(19.5)	140.0	-	-	-	-	140.0	64
D0806	WestWorld Show Offices and Restroom	(169.0)	1,009.0	-	-	-	-	1,009.0	64
D0506	WestWorld Stall, Barn & Arena Enhancements	(2,098.9)	2,196.8	-	-	-	-	2,196.8	64
D0708	WestWorld Tent Improvements	(2,882.0)	2,900.0	-	-	-	-	2,900.0	64
F0802	Wet Crossing Replacement Study	-	120.0	-	-	-	-	120.0	87
M0706	Wide Area Network Fiber	(32.1)	465.8	-	-	-	-	465.8	128
M0805	Wiretap Equipment Replacement	(177.7)	178.6	-	-	-	-	178.6	96
M0802	Work Order System Upgrade/Replacement	(9.1)	656.3	-	-	-	-	656.3	128
W0304	Zone 12-13 Water Transmission Lines	(5,152.7)	8,280.0	-	-	-	-	8,280.0	183
W0603	Zone 14-16 Water Improvements	(5,206.7)	16,000.0	-	-	-	-	16,000.0	183

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

The table below presents a four-year forecast of capital project operating impacts (costs). The operating impacts of projects expected to be completed prior to the start of, or during FY 2008/09 are calculated and included in the Program Operating Budget. These operating cost conservative estimates represent the staffing and maintenance necessary due to the completion and expected completion of capital projects. The capital projects operating impacts are incorporated into the Five-Year Financial Plan.

Estimated Operating Impacts

	Forecast FY2009/10	Forecast FY2010/11	Forecast FY 2011/12	Forecast FY 2012/13	Total	Volume 3 Page # Ref.
TEMP527 Advanced Water Treatment Plant - Phase 4	-	15.0	15.0	15.0	45.0	167
A0508 Airport Maintenance Facility	6.0	6.0	6.0	6.0	24.0	132
M0606 Alternate Computing Site	50.0	50.0	50.0	50.0	200.0	110
B0701 Appaloosa Library	906.7	906.7	906.7	906.7	3,626.8	51
W2106 Arsenic Mitigation Treatment	1,500.0	1,500.0	1,500.0	1,500.0	6,000.0	175
T0601 ASU Scottsdale Center Transit Passenger Facility	44.3	44.3	44.3	40.0	172.9	153
S0501 Bell Road – 94th St. to Thompson Peak Parkway	5.5	5.5	5.5	5.5	22.0	139
W9903 Booster Station Upgrades	2.0	2.0	2.0	2.0	8.0	175
B0803 Cactus Acres Fire Station 8	-	1,200.0	1,200.0	1,200.0	3,600.0	90
S2102 Cactus Road – Pima Freeway to Frank Lloyd Wright	61.0	61.0	61.0	61.0	244.0	139
W0504 CAP Plant Expansion	1,701.0	1,701.0	1,701.0	1,701.0	6,804.0	176
W0202 CAP Plant Regulatory Compliance	1,300.0	1,300.0	1,300.0	1,300.0	5,200.0	177
M0806 Cellular Intercept Module	15.0	15.0	15.0	15.0	60.0	92
S0404 Center Road - 74th to Hayden	31.6	31.6	31.6	31.6	126.4	139
Y0804 CityCable Audio/Video Equipment Replacements.	9.0	9.5	10.0	10.5	39.0	111
Y0904 CityCable Audio/Video Equipment Replacements..	9.0	9.5	10.0	10.5	39.0	111
M0809 Communications Workstation Expansion	10.0	10.0	10.0	10.0	40.0	92
M0501 Community Services – Class System Upgrades	23.0	23.0	23.0	23.0	92.0	112
M0714 Computer Facility Infrastructure Improvements	42.0	45.0	47.0	47.0	181.0	112
V0501 Core North/South Sewer	15.0	15.0	15.0	15.0	60.0	167
W0501 Core North/South Water	15.0	15.0	15.0	15.0	60.0	177
B0809 Corporation Yard Fleet Maintenance Facility Expansion	77.4	77.4	77.4	77.4	309.6	102
B0804 Corporation Yard Truck Wash	7.0	8.0	8.0	8.0	31.0	102
M0611 Courts - Digital Courtroom Recording	5.7	5.7	5.7	5.7	22.8	113
T0703 Cross Cut Canal Multiuse Path Phase II	3.6	4.0	4.0	4.0	15.6	156
T0602 Cross Cut Canal Path Extension Project	4.0	4.0	4.0	4.0	16.0	157
W8515 Deep Well Recharge/Recovery Facilities	2.0	2.0	2.0	2.0	8.0	177
B0403 Desert Foothills Fire Station 13	94.0	97.0	100.0	100.0	391.0	90
B0705 Detention Facility Consolidation	37.6	37.6	37.6	37.6	150.4	93
B0504 District 1 Police Facilities	252.0	252.0	252.0	252.0	1,008.0	93
M9906 Document Management System - Courts	10.0	10.0	10.0	10.0	40.0	114
D0701 Downtown Plan Update & Special Project Implementation-Study	-	12.0	12.0	12.0	36.0	56
B0601 Eldorado Park Fire Station 1-Relocate Existing S. Quadrant	27.0	28.0	29.0	29.0	113.0	91
M0908 Electric Three Wheel Patrol Vehicles	-	0.9	-	-	0.9	94

Capital Improvement Plan

OPERATING IMPACTS

		Forecast FY2009/10	Forecast FY2010/11	Forecast FY 2011/12	Forecast FY 2012/13	Total	Volume 3 Page # Ref.
M0905	Encryption for Data Backups	-	-	20.0	20.0	40.0	114
M0803	Enhanced Web Services	71.2	76.8	81.6	81.6	311.2	115
M0801	Enterprise Document Management for CNR	1.4	1.4	1.4	1.4	5.6	115
M0308	Financial Services – Meter Reading System	1.0	1.0	1.0	1.0	4.0	116
M0614	Fleet Management Information System	15.0	15.0	15.0	15.0	60.0	117
S0304	Frank Lloyd Wright–Scottsdale Rd to Shea	1.4	1.4	1.4	1.4	5.6	141
S0405	Freeway Frontage Rd. North - Hayden to Scottsdale	8.3	8.3	8.3	8.3	33.2	141
B0808	Fuel/Fleet Maintenance Facility - McKellips Service Center.	77.4	77.4	77.4	77.4	309.6	105
P0608	Gateway to the Preserve Amenities	12.0	12.0	12.0	12.0	48.0	75
P0602	Grayhawk Community Park - Phase I	218.2	218.2	218.2	218.2	872.8	66
S0306	Hayden Road and Via de Ventura Intersection Improvement	0.2	0.2	0.2	0.2	0.8	142
M0904	Human Resources Automation System	-	120.0	120.0	120.0	360.0	118
S0402	Indian Bend Road – Scottsdale to Hayden	23.8	23.8	23.8	23.8	95.2	142
T0604	Indian Bend Wash Path Connection	0.6	0.6	0.6	0.6	2.4	158
M0705	Information Services – Enterprise Back–up Software	60.1	60.1	60.1	60.1	240.4	118
M0205	Information Services – Security Investment	120.0	20.6	20.6	20.6	181.8	121
TEMP499	Information Systems - Information Lifecycle Management	25.0	25.0	25.0	25.0	100.0	123
M0807	License Plate Readers	-	25.2	-	-	25.2	94
T0901	Loop 101 and Scottsdale Rd Park and Ride	-	-	4.0	4.0	8.0	159
T9902	Loop 101 Park and Ride Lot	4.0	4.0	4.0	4.0	16.0	159
P0902	Major North Community Access Area	-	12.0	12.0	12.0	36.0	76
P0712	McCormick Ranch Park Model Railroad Museum	187.4	187.4	187.4	187.4	749.6	67
S0702	McDonald Drive - Scottsdale to 78th St	-	0.9	0.9	0.9	2.7	143
V2101	Miller Road Sewer – Phase 3	2.0	2.0	2.0	2.0	8.0	168
TEMP772	Mobile Network Software	-	41.3	41.3	41.3	123.9	124
T0502	Mustang Transit Passenger Facility	4.0	4.0	4.0	4.0	16.0	160
B0805	New Civic Center Office Building	174.8	174.8	174.8	174.8	699.2	106
S0602	Pima Road – Deer Valley to Pinnacle Peak	39.0	39.0	39.0	39.0	156.0	143
S0204	Pinnacle Peak – Miller to Pima Rd	9.8	9.8	9.8	9.8	39.2	144
M0512	Police – Fashion Square Radio Treatment	30.1	30.1	30.1	30.1	120.4	125
M0804	Police Computers for Bike Unit and Detectives	41.0	41.0	41.0	41.0	164.0	126
B0302	Police Operational Support Building	269.6	269.6	269.6	269.6	1,078.4	95
M0608	Public Access Computer Security & Manageability Enhancements	1.0	1.0	1.0	1.0	4.0	127
M0615	Public Safety Radio System - Phase I	198.2	983.9	1,449.3	1,493.6	4,125.0	127
V4001	Radio Telemetry Monitoring Automation Citywide (Sewer)	4.0	4.0	4.0	4.0	16.0	169
W4001	Radio Telemetry Monitoring Automation Citywide (Water)	5.0	5.0	5.0	5.0	20.0	178
W0503	Regional GAC Regeneration Facility	950.0	950.0	950.0	950.0	3,800.0	178
S7005	Scottsdale Road – Frank Lloyd Wright to Thompson Peak Parkway	10.0	10.0	10.0	10.0	40.0	144
S0311	Scottsdale Road – Thompson Peak Parkway to Pinnacle Peak	-	10.0	10.0	10.0	30.0	145
T0704	Scottsdale Road Pedestrian & Bicycle Improvements, Phase I	14.3	14.3	14.3	14.3	57.2	160
T0705	Scottsdale Road Pedestrian & Bicycle Improvements, Phase II	5.7	6.0	6.0	6.0	23.7	161

Capital Improvement Plan

OPERATING IMPACTS

		Forecast FY2009/10	Forecast FY2010/11	Forecast FY 2011/12	Forecast FY 2012/13	Total	Volume 3 Page # Ref.
D0205	Scottsdale Road Preservation Streetscape Enhancement	37.5	50.0	50.0	50.0	187.5	60
A0602	Security Lighting Installation – Main Aprons/Kilo	1.0	1.0	1.0	1.0	4.0	137
V3704	Sewer Collection System Improvements	15.0	15.0	15.0	15.0	60.0	170
V0704	Sewer Security Enhancements	2.0	2.0	2.0	2.0	8.0	171
S0313	Shea Boulevard and 92nd Street Intersection Improvement	1.0	1.0	1.0	1.0	4.0	145
S0314	Shea Boulevard and Hayden Intersection Improvement	0.2	0.2	0.2	0.2	0.8	145
B0901	South Thunderbird Maintenance Facility	135.4	135.4	135.4	135.4	541.6	107
P9904	Sports Lighting Expansion & Upgrade	29.5	29.5	29.5	29.5	118.0	70
S0317	Thunderbird/Redfield – Scottsdale to Hayden	2.8	2.8	2.8	2.8	11.2	146
P9035	Trail Development/Acquisition	8.0	8.0	8.0	8.0	32.0	76
P0707	Troon North Park	84.2	84.2	84.2	84.2	336.8	70
P0606	Vista Del Camino - Yavapai Ballfields	27.0	27.0	27.0	27.0	108.0	71
W4708	Well Sites	20.0	20.0	20.0	20.0	80.0	182
D0805	WestWorld Horse Barns, Telecom and Connectivity	79.5	79.5	79.5	79.5	318.0	63
M0706	Wide Area Network Fiber	5.0	5.0	5.0	5.0	20.0	128
M0802	Work Order System Upgrade/Replacement	158.4	176.0	180.8	180.8	696.0	128
W0304	Zone 12-13 Water Transmission Lines	5.0	5.0	5.0	5.0	20.0	183
W0603	Zone 14-16 Water Improvements	1.0	1.0	1.0	1.0	4.0	183
Total Forecasted Operating Impacts		9,464.4	11,633.3	12,113.3	12,154.3	45,365.3	

Notes: Operating impacts relating to projects scheduled for completion in FY 2008/09 have been included in the appropriate departmental program operating budget.

Capital Improvement Plan



AUTHORIZED PERSONNEL POSITIONS - BY DEPARTMENT

Appendix

	Actual 2006/07	Adopted FY 2007/08	Estimated FY 2007/08	Adopted FY 2008/09
City Auditor				
Full-time	8.00	8.00	8.00	8.00
Part-time	-	-	-	-
Total FTE	8.00	8.00	8.00	8.00
City Clerk				
Full-time	10.00	10.00	10.00	10.00
Part-time	-	-	-	-
Total FTE	10.00	10.00	10.00	10.00
City Court				
Full-time	64.00	64.00	64.00	65.00
Part-time	2.08	2.08	2.08	1.38
Total FTE	66.08	66.08	66.08	66.38
City Attorney				
Full-time	63.00	63.00	63.00	63.00
Part-time	1.75	1.75	1.75	1.75
Total FTE	64.75	64.75	64.75	64.75
Police				
Full-time	703.00	719.00	719.00	721.00
Part-time	2.60	2.60	2.60	2.60
Total FTE	705.60	721.60	721.60	723.60
Fire				
Full-time	268.00	274.00	274.00	273.00
Part-time	-	-	-	-
Total FTE	268.00	274.00	274.00	273.00
Community Services				
Full-time	374.00	383.00	383.00	384.00
Part-time	194.55	210.33	210.33	209.33
Grant	11.75	11.75	11.75	11.75
Total FTE	580.30	605.08	605.08	605.08
Municipal Services				
Full-time	253.00	262.00	266.00	272.00
Part-time	2.75	2.25	2.25	-
Total FTE	255.75	264.25	268.25	272.00
Water Resources				
Full-time	162.00	169.00	169.00	176.00
Part-time	-	-	-	-
Total FTE	162.00	169.00	169.00	176.00
WestWorld				
Full-time	23.00	23.00	23.00	24.00
Part-time	-	-	-	-
Total FTE	23.00	23.00	23.00	24.00
Citizen & Neighborhood Resources				
Full-time	40.00	40.00	40.00	40.00
Part-time	-	-	-	-
Total FTE	40.00	40.00	40.00	40.00
Planning and Development Services				
Full-time	164.00	168.00	167.00	165.00
Part-time	3.00	3.00	3.00	3.00
Total FTE	167.00	171.00	170.00	168.00
Transportation				
Full-time	45.00	47.00	47.00	48.00
Part-time	-	-	-	-
Total FTE	45.00	47.00	47.00	48.00
Downtown Group				
Full-time	6.00	6.00	6.00	5.00
Part-time	-	-	-	-
Total FTE	6.00	6.00	6.00	5.00
Economic Vitality				
Full-time	11.00	11.00	11.00	11.00
Part-time	-	-	-	-
Total FTE	11.00	11.00	11.00	11.00
Human Resources				
Full-time	35.00	37.00	37.00	36.00
Part-time	1.50	0.50	0.50	0.50
Total FTE	36.50	37.50	37.50	36.50
Communications & Public Affairs				
Full-time	14.00	14.00	14.00	13.00
Part-time	0.65	1.15	1.15	-
Total FTE	14.65	15.15	15.15	13.00
Information Systems				
Full-time	83.00	84.00	85.00	86.00
Part-time	0.81	0.81	0.81	0.81
Total FTE	83.81	84.81	85.81	86.81
City Manager				
Full-time	8.00	8.00	8.00	8.00
Part-time	-	-	-	-
Total FTE	8.00	8.00	8.00	8.00
Mayor/City Council				
Full-time	15.00	15.00	15.00	15.00
Part-time	0.72	0.72	0.72	0.72
Total FTE	15.72	15.72	15.72	15.72
Financial Services				
Full-time	148.00	149.00	149.00	150.00
Part-time	3.00	3.00	3.00	3.00
Total FTE	151.00	152.00	152.00	153.00
Total Full-time Position FTE	2,497.00	2,554.00	2,558.00	2,573.00
Total Part-time Position FTE	213.41	228.19	228.19	223.09
Total Grant Funded Position FTE	11.75	11.75	11.75	11.75
Total Citywide Position FTE	2,722.16	2,793.94	2,797.94	2,807.84

NOTE:

The budget includes funding for various services rendered by temporary or seasonal staffing, which is not included in the calculation of the full time equivalent (FTE) count. These slots are short-term and/or transitional in nature such as those in the Police and Fire pipelines. The number of slots listed below represents the number of positions allocated to each service area. The Human Resources Department uses the number of slots allocated solely for administrative control purposes. Fiscal control for these slots is maintained through the budget. However, due to the limited nature of the services performed by these slots, they are not considered part of the City's overall FTE count.

Recreation Specialists - are for up to 165 seasonal slots throughout various times of the year. The funding for these slots is included in the Community Services Department budget.

Police Reserve Officers - provide resources to assist the Police Department with sporadic spikes in the workload or special projects. When needed, up to 15 retired officer slots are available to assist. Funding for these slots is included in the Police Department budget.

Police Pipeline Officers - are used for up to 31 cadet slots while they are in the police academy or after completing the academy and waiting for a sworn police position. The funding for these slots is included in the Police Department budget.

Fire Pipeline Firefighters - are used for up to 24 cadet slots while they are in the fire academy or after completing the academy and waiting for a sworn fire position. The funding for these slots is included in the Fire Department budget.

Fire Support - is used to compensate up to 40 non-fire department employee slots that serve on an "as needed" basis to support the firefighters. The funding for these slots is included in the Fire Department budget.

Temporary Workers - are slots used when the work circumstances necessitate a temporary assignment or reassignment of an employee. While the Human Resources Department manages these 20 slots, no funding is included in the budget for these slots. Funding would typically come from within a department's accepted budget.

AUTHORIZED PERSONNEL POSITIONS - BY FUND

Appendix

	Proposed FY 2008/09	General Fund	Transportation	Special Revenue	Enterprise	Internal Service	Total
City Auditor							
Full-time	8.00	8.00	-	-	-	-	8.00
Part-time	-	-	-	-	-	-	-
Total FTE	8.00	8.00	-	-	-	-	8.00
City Clerk							
Full-time	10.00	10.00	-	-	-	-	10.00
Part-time	-	-	-	-	-	-	-
Total FTE	10.00	10.00	-	-	-	-	10.00
City Court							
Full-time	65.00	60.00	-	5.00	-	-	65.00
Part-time	1.38	-	-	1.38	-	-	1.38
Total FTE	66.38	60.00	-	6.38	-	-	66.38
City Attorney							
Full-time	63.00	63.00	-	-	-	-	63.00
Part-time	1.75	1.75	-	-	-	-	1.75
Total FTE	64.75	64.75	-	-	-	-	64.75
Police							
Full-time	721.00	718.00	-	3.00	-	-	721.00
Part-time	2.60	2.60	-	-	-	-	2.60
Total FTE	723.60	720.60	-	3.00	-	-	723.60
Fire							
Full-time	273.00	273.00	-	-	-	-	273.00
Part-time	-	-	-	-	-	-	-
Total FTE	273.00	273.00	-	-	-	-	273.00
Community Services							
Full-time	384.00	382.00	-	2.00	-	-	384.00
Part-time	209.33	201.97	-	7.36	-	-	209.33
Grant	11.75	-	-	11.75	-	-	11.75
Total FTE	605.08	583.97	-	21.11	-	-	605.08
Municipal Services							
Full-time	272.00	64.00	65.00	-	89.00	54.00	272.00
Part-time	-	-	-	-	-	-	-
Total FTE	272.00	64.00	65.00	-	89.00	54.00	272.00
Water Resources							
Full-time	176.00	-	-	-	176.00	-	176.00
Part-time	-	-	-	-	-	-	-
Total FTE	176.00	-	-	-	176.00	-	176.00
WestWorld							
Full-time	24.00	24.00	-	-	-	-	24.00
Part-time	-	-	-	-	-	-	-
Total FTE	24.00	24.00	-	-	-	-	24.00
Citizen & Neighborhood Resources							
Full-time	40.00	40.00	-	-	-	-	40.00
Part-time	-	-	-	-	-	-	-
Total FTE	40.00	40.00	-	-	-	-	40.00
Planning and Development Services							
Full-time	165.00	165.00	-	-	-	-	165.00
Part-time	3.00	3.00	-	-	-	-	3.00
Total FTE	168.00	168.00	-	-	-	-	168.00
Transportation							
Full-time	48.00	2.00	30.00	-	16.00	-	48.00
Part-time	-	-	-	-	-	-	-
Total FTE	48.00	2.00	30.00	-	16.00	-	48.00
Downtown Group							
Full-time	5.00	5.00	-	-	-	-	5.00
Part-time	-	-	-	-	-	-	-
Total FTE	5.00	5.00	-	-	-	-	5.00
Economic Vitality							
Full-time	11.00	11.00	-	-	-	-	11.00
Part-time	-	-	-	-	-	-	-
Total FTE	11.00	11.00	-	-	-	-	11.00
Human Resources							
Full-time	36.00	36.00	-	-	-	-	36.00
Part-time	0.50	0.50	-	-	-	-	0.50
Total FTE	36.50	36.50	-	-	-	-	36.50
Communications & Public Affairs							
Full-time	13.00	13.00	-	-	-	-	13.00
Part-time	-	-	-	-	-	-	-
Total FTE	13.00	13.00	-	-	-	-	13.00
Information Systems							
Full-time	86.00	86.00	-	-	-	-	86.00
Part-time	0.81	0.81	-	-	-	-	0.81
Total FTE	86.81	86.81	-	-	-	-	86.81
City Manager							
Full-time	8.00	8.00	-	-	-	-	8.00
Part-time	-	-	-	-	-	-	-
Total FTE	8.00	8.00	-	-	-	-	8.00
Mayor/City Council							
Full-time	15.00	15.00	-	-	-	-	15.00
Part-time	0.72	0.72	-	-	-	-	0.72
Total FTE	15.72	15.72	-	-	-	-	15.72
Financial Services							
Full-time	150.00	114.00	-	-	28.00	8.00	150.00
Part-time	3.00	3.00	-	-	-	-	3.00
Total FTE	153.00	117.00	-	-	28.00	8.00	153.00
Total Full-time Position FTE	2,573.00	2,097.00	95.00	10.00	309.00	62.00	2,573.00
Total Part-time Position FTE	223.09	214.35	-	8.74	-	-	223.09
Total Grant Funded Position FTE	11.75	-	-	11.75	-	-	11.75
Total Citywide Position FTE	2,807.84	2,311.35	95.00	30.49	309.00	62.00	2,807.84

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

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

City Clerk	Linda Lorbeer	Transportation.....	Mike Spletter*
City Manager.....	Lisa Blyler	Aviation	Chris Read*
City Attorney.....	Jane Callahan	Community Services.....	Jeanne Jones/Tim Barnard*
Communications & Public Affairs	Pat Dodds*/Maggie Wilson	Information Systems.....	Jennifer Jensen*
City Court	Jack Miller*	Fire.....	Teresa Martin/Rich Upham*
City Auditor.....	Susan English	Water Resources.....	Rick Gregoire/Ron Dolan*
Mayor and City Council	Lisa Blyler	Municipal Services.....	Teri Huston*
The Downtown Group	Ruth Johnson	Citizen and Neighborhood Resources...	Melanie Schwandt*
WestWorld.....	Jennifer Bowley*	Human Resources.....	Valerie Wegner*
Police.....	Holly Christian*/Melissa Miller	Economic Vitality.....	Kathy Montalvo*
Financial Services.....	Lee Guillory*	Planning & Dev. Services.....	Dan VandenHam*

Capital Improvement Plan Coordination Teams

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

CIP Construction Review Team

Police.....	Marc Eisen
Fire.....	Rich Upham
Information Systems.....	Jason Winter
Water Resources.....	Ron Dolan
Municipal Services.....	Jeremy Dye, Bill Peifer
Planning & Development Services.....	Tim Conner
City Court.....	Daniel Edwards

CIP Technology Review Team

Police.....	Mike Morrison
Financial Services	Jacob Beard
Information Systems.....	Jennifer Jensen, Shannon Tolle, John Krusemark, Eric Wood, Robert Fisher, Joe Stowell
Planning & Development Service.....	Jason Song

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS							
	Forecast 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Final Payment Date
General Fund							
<u>Contracts Payable</u>							
U.S. Corps of Engineers - IBW	231,166	231,166	231,166	231,166	231,166	231,166	2032
Dial Corporation	38,524	-	-	-	-	-	2009
US Patent Office	-	3,054	-	-	-	-	2009
Bureau of Reclamation - Administration/WestWorld	100,000	105,000	110,250	115,763	121,551	127,628	2032
Bureau of Reclamation - Administration/TPC	100,000	105,000	110,250	115,763	121,551	127,628	2035
Motor Mile Marketing	-	-	-	-	-	-	2007
Nordstrom Garage Lease	3,392,116	3,527,801	3,668,913	3,815,669	3,968,296	4,127,028	2028
Nordstrom Garage Sales Tax	72,930	75,848	78,882	82,037	85,318	88,731	2028
Promenade	-	-	-	-	-	-	2007
Waterfront Retail Sales Tax Rebate	179,227	-	-	-	-	-	2015
Waterfront Construction Sales Tax Rebate	-	350,000	-	-	-	-	2015
Hotel Valley Ho	154,500	159,135	163,909	168,829	173,891	179,108	2019
One Scottsdale/Lund - Retail Sales Tax Rebate	-	-	572,250	600,863	630,906	662,451	2014
One Scottsdale/Lund - Construction Sales Tax Rebate	-	50,000	-	-	-	-	2014
Total General Fund Contracts Payable	4,268,463	4,607,004	4,935,620	5,130,089	5,332,679	5,543,740	
<u>Certificates of Participation</u>							
2005 Certificates of Participation - Fire & Police Building	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	\$ 916,790	6/30/15
Fiscal Agent Fees	2,000	2,000	2,000	2,000	2,000	2,000	
Future Certificate of Participation - Police/Fire Radio Communication Equip.	-	500,000	2,500,000	3,000,000	3,000,000	3,000,000	06/30/18
Total Certificates of Participation	918,790	1,418,790	3,418,790	3,918,790	3,918,790	3,918,790	
Total General Fund	\$ 5,187,253	\$ 6,025,794	\$ 8,354,410	\$ 9,048,879	\$ 9,251,469	\$ 9,462,530	
Debt Service Funds							
<u>General Obligation Bonds - Property Tax (Secondary) Supported</u>							
1993 G.O. Refunding	\$ 2,627,690	\$ 2,690,250	\$ -	\$ -	\$ -	\$ -	06/30/09
1993A G.O. Refunding	-	-	-	-	-	-	06/30/11
1997 G.O. Bonds	-	-	-	-	-	-	06/30/05
1997 G.O. Refunding Bonds	3,968,000	3,974,462	4,027,000	2,418,950	1,398,725	1,398,275	06/30/14
1989 G.O. Series I (1998)	1,190,480	177,800	177,800	177,800	177,800	177,800	06/30/18
1999A G.O. Bonds	1,260,475	1,257,000	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-6% & 20%	478,606	1,330,806	367,650	3,007,650	4,425,750	-	06/30/12
2002 Various Purpose G.O. Bonds-6% & 20% (28M iss. 5/02)	2,580,250	2,562,750	550,500	1,638,000	-	-	06/30/11
2002 G.O. Refunding Bonds-6% & 20%	5,607,162	5,764,112	8,772,725	10,359,475	7,702,000	6,316,000	06/30/16
2003 G.O. Refunding Bonds-6% & 20% (16,265,000 iss. 9/03)	2,146,294	2,159,431	5,933,731	1,965,556	1,438,243	1,424,843	06/30/13
2004 G.O. Var. Purpose-6% & 20% (48M iss. 4/04)	2,088,125	2,088,125	2,088,125	2,088,125	2,088,125	2,088,125	06/30/21
2005 G.O. Refunding Bonds-6% & 20% (8,542,000 iss. 3/05)	427,000	427,000	427,000	427,000	3,142,000	4,591,250	06/30/14
2005A G.O. Var. Purpose-6% & 20% (125M iss. 12/05)	8,530,750	8,410,750	8,540,750	8,660,750	9,520,750	10,295,750	06/30/24
2008A G.O. Var. Purpose-6% & 20% (100M iss. 4/08)	-	4,944,131	4,362,469	4,362,469	4,362,469	7,437,469	06/30/28
Fiscal Agent Fees	10,500	9,000	9,000	9,000	8,500	8,000	
Future G.O. Bond-Series 2010 Var. Purpose-6% & 20% (\$50.8M iss. 1/10)	-	-	2,095,838	3,461,837	3,518,111	3,580,856	06/30/30
Fiscal Agent Fees (Future Bonds @ \$1,000/bond)	-	-	1,000	1,000	1,000	1,000	
Total General Obligation Bonds	30,915,332	35,795,617	37,353,588	38,577,612	37,783,473	37,319,368	
<u>Preserve General Obligation Bonds - Preserve Sales Tax Supported</u>							
1999 Preserve G.O. Bonds (1995 tax)	2,058,125	2,021,250	-	-	-	-	06/30/09
2001 Preservation G.O. Bonds (1995 tax)	1,244,000	1,248,000	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-Preservation Portion (1995 tax)	1,488,913	1,488,913	1,488,913	1,488,913	2,318,913	4,959,300	06/30/22
2002 G.O. Bonds-Preservation Portion (40M iss. 5/02, prev. 70M) (1995 tax)	277,613	277,613	277,613	277,613	277,613	277,613	06/30/24
2002 G.O. Refunding Bonds-Preservation Portion (1995 tax)	360,693	360,693	360,693	360,693	360,693	360,693	06/30/19
2004 Preservation GO (65.4M, iss. 4/04) (1995 tax)	2,878,300	2,878,300	5,978,300	7,323,300	5,993,300	4,418,300	06/30/25
2005 G.O. Refunding Bonds-Preservation Portion (66.088M 3/05) (1995 tax)	2,838,128	2,838,128	2,838,128	2,838,128	2,838,128	2,838,128	06/30/24
2005B G.O. Bonds-Preservation Portion (20M 12/05) (2004 tax)	1,663,619	1,681,619	1,672,619	1,662,619	1,651,619	1,655,369	06/30/24
2008B G.O. Bonds-Preservation Portion (20M 04/08) (2004 tax)	-	1,288,369	1,340,281	1,325,281	1,335,281	1,319,531	06/30/34
Fiscal Agent Fees (1995 tax)	6,000	5,000	4,500	4,500	4,500	4,500	
Future G.O. Bond: \$190M issue Nov 2010 (2004 tax)	-	-	-	8,812,812	12,924,323	13,276,027	06/30/2034
Fiscal Agent Fees (Future Bonds @ \$1,000/bond) (2004 tax)	-	-	-	1,000	1,000	1,000	
Total Preserve General Obligation Bonds	12,815,391	14,087,885	13,961,047	24,094,859	27,705,370	29,110,461	

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS							
	Forecast 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Final Payment Date
<u>Scottsdale Preserve Authority Bonds - Preserve Sales Tax Supported</u>							
1997 Scottsdale Preserve Revenue Bonds (1995 tax)	-	-	-	-	-	-	06/30/05
1998 Scottsdale Preserve Revenue Bonds (1995 tax)	4,102,375	1,680,275	1,680,275	1,680,275	1,680,275	1,680,275	06/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds (1995 tax)	1,518,296	1,515,296	1,515,976	1,515,320	1,517,920	1,517,870	06/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds (1995 tax)	1,161,200	3,564,700	3,535,500	3,503,500	3,487,500	3,475,750	06/30/16
Fiscal Agent Fees	8,000	8,000	8,000	8,000	8,000	8,000	
Total Scottsdale Preserve Authority Bonds	6,789,871	6,768,271	6,739,751	6,707,095	6,693,695	6,681,895	
<u>McDowell Sonoran Preserve Contract - Preserve Sales Tax Supported (1995 tax)</u>							
	955,780	952,480	951,855	954,175	953,750	955,500	06/30/13
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supported</u>							
1993 MPC Refunding	-	-	-	-	-	-	06/30/05
1998 MPC Various Purposes	187,200	-	-	-	-	-	06/30/08
2004A MPC SkySong Bonds	403,175	403,175	1,323,175	1,323,275	1,322,400	1,320,550	06/30/19
2005 MPC Giants Practice Field (\$6.648M, June 2005) MSA funded	159,032	97,372	204,028	112,370	369,011	287,353	06/30/21
2005 MPC Giants Practice Field (\$13.297M, June 2005) TSA funded	318,112	194,772	408,116	224,774	738,133	574,791	06/30/21
2005D MPC WestWorld Land Acquisition (46.5Mil, Dec 2005)	1,158,563	1,151,250	1,140,000	1,128,750	1,117,500	1,106,250	06/30/35
2006 MPC Refunding WestWorld	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	1,274,250	06/30/30
2006 MPC Refunding SkySong	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	1,498,250	06/30/34
2006A MPC TPC (10Mil, Nov 2006)	650,506	650,906	645,906	650,706	649,906	648,706	06/30/31
2006B MPC WestWorld Land Acquisition (32.5Mil, Nov 2006) Excise Tax Funded	800,594	800,594	800,594	800,594	1,750,594	1,762,594	06/30/31
2006B MPC WestWorld Land Acquisition (32.5Mil, Nov 2006) Bed Tax Funded	600,000	600,000	600,000	600,000	600,000	600,000	06/30/31
Fiscal Agent Fees	15,000	13,000	13,000	13,000	13,000	13,000	
Future Bonds - Loloma Museum (\$3.75M Mar 2009) Excise Tax funded	-	146,263	286,823	297,166	303,117	307,664	06/30/27
Future Bonds - Loloma Museum (\$3.75M Mar 2009) Bed Tax funded	-	146,263	286,823	297,166	303,117	307,664	06/30/27
Fiscal Agent Fees (Future Bonds @ \$2,000/bond)	-	1,000	1,000	1,000	1,000	1,000	
Total Municipal Property Corp. Bonds	7,064,682	6,977,095	8,481,965	8,221,301	9,940,278	9,702,072	
<u>Special Assessments</u>							
Series 104 Contract	17,665	14,968	9,472	-	-	-	01/01/10
Existing Districts (excluding ID 104)	1,026,522	988,841	868,125	834,375	800,625	766,875	01/01/13
Fiscal Agent Fees	1,000	1,000	500	500	500	500	
Total Special Assessments	1,045,187	1,004,809	878,097	834,875	801,125	767,375	
Total Debt Service Funds	\$ 59,586,243	\$ 65,586,157	\$ 68,366,303	\$ 79,389,917	\$ 83,877,691	\$ 84,536,672	

DEBT SERVICE EXPENSE

Appendix

DEBT SERVICE EXPENSE - ALL FUNDS

	Forecast 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Final Payment Date
Water and Sewer Funds							
<u>Water Sewer Revenue Bonds</u>							
1996 Water Sewer Revenue Refunding Bonds -Water Portion	56,532	-	-	-	-	-	06/30/08
2004 Water Sewer Revenue Refunding Bonds-Water Portion	102,739	300,877	300,850	298,734	299,452	263,450	06/30/16
2008 Water Sewer Revenue Refunding Bonds-Water Portion	537,864	509,480	131,142	119,444	123,953	125,756	06/30/14
1996 Water Sewer Revenue Refunding Bonds-Sewer Portion	48,156	-	-	-	-	-	06/30/08
1989 Water Sewer Revenue Series D (1997)-Sewer Portion	888,312	-	-	-	-	-	06/30/08
1989 Water Sewer Revenue Series E (1998)-Sewer Portion	2,351,588	-	-	-	-	-	06/30/08
2004 Water Sewer Revenue Refunding Bonds-Sewer Portion	1,135,085	3,324,148	3,323,850	3,300,465	3,308,398	2,910,650	06/30/16
2008 Water Sewer Revenue Refunding Bonds-Sewer Portion	1,102,094	2,032,683	1,710,396	1,700,431	1,704,272	1,705,807	06/30/23
Fiscal Agent Fees	3,500	2,500	1,000	1,000	1,000	1,000	
Total Water Sewer Revenue Bonds	6,225,870	6,169,688	5,467,238	5,420,074	5,437,075	5,006,663	
<u>Municipal Property Corp. (MPC) Bonds</u>							
2001 Scottswater MPC Bonds	1,908,400	-	-	-	-	-	06/30/08
2004 Water & Sewer MPC Bonds-Water Portion	2,948,000	2,900,333	2,864,400	2,824,800	2,792,533	2,763,383	06/30/14
2005E Water & Sewer MPC Bonds	1,045,250	3,320,250	3,231,500	3,216,500	3,196,500	3,171,500	06/30/16
2006 MPC Refunding Water/Sewer MPC Bonds-Water Portion	4,937,178	4,937,178	4,937,178	4,937,178	4,937,178	4,937,178	06/30/30
2004 Water & Sewer-Sewer Portion	1,072,000	1,054,667	1,041,600	1,027,200	1,015,467	1,004,867	06/30/14
2006 MPC Refunding Water/Sewer-Sewer Portion	588,322	588,322	588,322	588,322	588,322	588,322	06/30/30
2008A MPC Bonds-Water Portion	-	5,777,437	5,796,286	5,793,995	5,788,650	5,778,150	06/30/32
2008A MPC Bonds-Sewer Portion	-	1,788,254	1,794,089	1,793,380	1,791,725	1,788,475	06/30/32
Fiscal Agent Fees	4,000	5,000	6,000	6,000	6,000	6,000	
Future Revenue Bonds - Water/Sewer (\$18 mil 01/2010)	-	-	762,594	1,221,078	1,230,216	1,240,059	06/30/34
Total MPC Bonds - Water and Sewer Supported	12,503,150	20,371,442	21,021,969	21,408,453	21,346,591	21,277,934	
Total Water and Sewer Funds	\$ 18,729,020	\$ 26,541,130	\$ 26,489,207	\$ 26,828,527	\$ 26,783,666	\$ 26,284,597	
TOTAL DEBT SERVICE	\$ 83,502,516	\$ 98,153,080	\$ 103,209,920	\$ 115,267,322	\$ 119,912,825	\$ 120,283,799	

LONG-TERM DEBT OUTSTANDING

Appendix

Long-Term Debt Outstanding - All Funds As of 6/30/08 through 6/30/12

	Balance at 6/30/08	Balance at 6/30/09	Balance at 6/30/10	Balance at 6/30/11	Balance at 6/30/12	Final Payment Date
General Fund						
<u>Contracts Payable</u>						
U.S. Corps of Engineers - IBW	2,958,806	2,879,012	2,795,135	2,706,967	2,614,288	06/30/32
US Patent Office	3,080	-	-	-	-	01/29/09
BOR Administration/Westworld	5,011,345	4,906,345	4,796,095	4,680,333	4,558,782	07/29/33
BOR Administration/TPC	5,740,258	5,635,258	5,525,008	5,409,246	5,287,695	06/10/35
Total General Fund Contracts Payable	13,713,489	13,420,615	13,116,238	12,796,546	12,460,765	
<u>Certificates of Participation</u>						
2005 Certificates of Participation - Fire & Police Building	\$ 5,689,638	\$ 4,954,314	\$ 4,194,561	\$ 3,409,567	\$ 2,598,496	06/30/15
Future COPS	\$ 11,826,000	\$ 16,866,667	\$ 16,133,333	\$ 13,900,000	\$ 11,666,667	06/30/18
Total Certificates of Participator	17,515,638	21,820,981	20,327,894	17,309,567	14,265,163	
Total General Fund	\$ 31,229,127	\$ 35,241,596	\$ 33,444,132	\$ 30,106,113	\$ 26,725,928	
Debt Service Funds						
<u>General Obligation Bonds - Property Tax (Secondary) Supporter</u>						
1993 G. O. Refunding	\$ 2,550,000	\$ -	\$ -	\$ -	\$ -	06/30/09
1997 G.O. Refunding Bonds	12,685,000	9,400,000	5,890,000	3,795,000	2,605,000	06/30/14
1989 G.O. Series I (1998)	4,445,000	4,445,000	4,445,000	4,445,000	4,445,000	06/30/18
1999A G.O. Bonds	1,200,000	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-6% & 20%	7,765,000	6,840,000	6,840,000	4,200,000	-	06/30/12
2002 Various Purpose G.O. Bonds-6% & 20%	4,355,000	2,010,000	1,560,000	-	-	06/30/11
2002 G.O. Refunding Bonds-6% & 20%	43,585,000	39,890,000	33,025,000	24,230,000	17,720,000	06/30/16
2003 G.O. Refunding Bonds-6% & 20%	11,710,000	10,020,000	4,505,000	2,710,000	1,375,000	06/30/13
2004 G.O. Var. Purpose-6% & 20%	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	06/30/21
2005 G.O. Refunding Bonds-6% & 20%	8,540,000	8,540,000	8,540,000	8,540,000	5,825,000	06/30/14
2005A G.O. Var. Purpose-6% & 20%	119,500,000	116,500,000	113,250,000	109,750,000	105,250,000	06/30/24
2008A G.O. Var. Purpose-6% & 20%	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	06/30/28
Future G.O. Bonds	-	-	50,012,262	49,126,057	48,137,938	06/30/30
Total General Obligation Bonds	364,335,000	345,645,000	376,067,262	354,796,057	333,357,938	
<u>Preserve General Obligation Bonds - Pres Sales Tax Supporter</u>						
1999 Preserve G.O. Bonds	1,925,000	-	-	-	-	06/30/09
2001 Preservation G.O. Bonds	1,200,000	-	-	-	-	06/30/09
2001 G.O. Refunding Bonds-Preservation Portion	28,715,000	28,715,000	28,715,000	28,715,000	27,885,000	06/30/22
2002 G.O. Bonds-Preservation Portion	5,755,000	5,755,000	5,755,000	5,755,000	5,755,000	06/30/24
2002 G.O. Refunding Bonds-Preservation Portion	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	06/30/19
2004 Preservation GO	59,900,000	59,900,000	56,800,000	52,200,000	48,700,000	06/30/25
2005 G.O. Refunding Bonds-Preservation Portion	66,090,000	66,090,000	66,090,000	66,090,000	66,090,000	06/30/24
2005B G.O. Bonds-Preservation Portion	18,425,000	17,575,000	16,700,000	15,800,000	14,875,000	06/30/24
2008B G.O. Bonds-Preservation Portion	20,000,000	19,675,000	19,175,000	18,675,000	18,150,000	06/30/34
Future G.O. Bonds	-	-	-	188,204,000	185,769,265	06/30/34
Total Preserve General Obligation Bonds	210,110,000	205,810,000	201,335,000	383,539,000	375,324,265	
<u>Scottsdale Preserve Authority Bonds - Pres Sales Tax Supporter</u>						
1998 Scottsdale Preserve Revenue Bonds	36,725,000	36,725,000	36,725,000	36,725,000	36,725,000	06/30/24
2001 Scottsdale Preserve Revenue Refunding Bonds	15,070,000	14,290,000	13,475,000	12,625,000	11,735,000	06/30/22
2004 Scottsdale Preserve Revenue Refunding Bonds	22,700,000	20,220,000	17,670,000	15,050,000	12,315,000	06/30/16
Total Scottsdale Preserve Authority Bonds	74,495,000	71,235,000	67,870,000	64,400,000	60,775,000	
<u>McDowell Sonoran Preserve Contract - Pres Sales Tax Supporter</u>						
	4,135,000	3,385,000	2,600,000	1,775,000	910,000	06/30/13
<u>Municipal Property Corp. (MPC) Bonds - Excise Tax Supporter</u>						
2004A MPC SkySong Bonds	9,785,000	9,785,000	8,865,000	7,915,000	6,935,000	06/30/19
2005 MPC Giants Practice Field	19,741,175	19,706,149	19,403,356	19,334,928	18,679,092	06/30/21
2005D MPC Westworld Land Acquisition	20,150,000	19,925,000	19,700,000	19,475,000	19,250,000	06/30/35
2006 MPC Refunding WestWorld	25,485,000	25,485,000	25,485,000	25,485,000	25,485,000	06/30/30
2006 MPC Refunding SkySong	29,965,000	29,965,000	29,965,000	29,965,000	29,965,000	06/30/34
2006A MPC TPC	9,360,000	9,110,000	8,855,000	8,585,000	8,305,000	06/30/31
2006B MPC Westworld Land Acquisition	32,500,000	32,500,000	32,500,000	32,500,000	31,550,000	06/30/31
Future MPC Bonds	-	7,332,475	7,125,452	6,887,393	6,625,529	06/30/28
Total Municipal Property Corp. Bonds	146,986,175	153,808,624	151,898,808	150,147,321	146,794,621	
<u>Special Assessments</u>						
Series 104 Contract	27,357	13,336	-	-	-	06/30/10
Existing Districts (excluding ID 104)	3,835,000	3,000,000	2,250,000	1,500,000	750,000	01/01/13
Total Special Assessments	3,862,357	3,013,336	2,250,000	1,500,000	750,000	
Total Debt Service Funds	\$ 803,923,532	\$ 782,896,960	\$ 802,021,070	\$ 956,157,378	\$ 917,911,824	

LONG-TERM DEBT OUTSTANDING

Appendix

	Balance at 6/30/08	Balance at 6/30/09	Balance at 6/30/10	Balance at 6/30/11	Balance at 6/30/12	Final Payment Date
Water and Sewer Funds						
<u>Water Sewer Revenue Bonds</u>						
2004 Water Sewer Revenue Refunding Bonds	17,670,000	14,885,000	11,975,000	8,945,000	5,770,000	06/30/16
2008 Water Sewer Revenue Refunding Bonds	34,335,000	33,460,000	33,255,000	33,065,000	32,860,000	06/30/23
Fiscal Agent Fees	52,005,000	48,345,000	45,230,000	42,010,000	38,630,000	
Total Water Sewer Revenue Bonds						
<u>Municipal Property Corp. (MPC) Bonds</u>						
2004 Water & Sewer MPC Bonds	19,500,000	16,520,000	13,440,000	10,260,000	6,965,000	06/30/14
2005E Water & Sewer MPC Bonds	20,905,000	18,630,000	16,330,000	13,930,000	11,430,000	06/30/16
2006 MPC Refunding Water/Sewer MPC Bonds	110,510,000	110,510,000	110,510,000	110,510,000	110,510,000	06/30/30
2008A Water & Sewer MPC Bonds	105,875,000	104,075,000	101,500,000	98,825,000	96,050,000	06/30/32
Future MPC Bonds	-	-	-	-	-	
Total MPC Bonds - Water and Sewer Supported	256,790,000	249,735,000	241,780,000	233,525,000	224,955,000	
Total Water and Sewer Funds	\$ 308,795,000	\$ 298,080,000	\$ 287,010,000	\$ 275,535,000	\$ 263,585,000	
TOTAL LONG-TERM DEBT OUTSTANDING	\$ 1,143,947,659	\$ 1,116,218,556	\$ 1,122,475,202	\$ 1,261,798,491	\$ 1,208,222,752	
Sales Tax Agreements						
The City also has the following sales tax agreements, in which the City's payments are contingent upon the sales tax generated on the sites. These agreements are not included in the Long-term Debt Outstanding in accordance with generally accepted accounting principles. However, they are shown on the debt service schedule for purposes of budget expenditure authority and cash flow planning.						
Nordstrom						06/30/28
Hotel Valley Ho						06/30/19
Stacked 40's						06/30/14

COMPUTATION OF LEGAL DEBT MARGINS	
Forecast 06/30/2008	
Net Secondary Assessed Valuation Forecasted as of June 30, 2008	\$ 7,243,823,228
Debt Limit Equal to 20% of Assessed Valuation	1,448,764,646
General Obligation Bonded Debt Subject to 20% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2008):	
1997 Refunding	\$ 12,685,000
1989 Series I (1998)	4,445,000
1999 Preservation	1,925,000
2001 Preservation	1,200,000
2001 Refunding	36,480,000
2002	9,335,000
2002 Refunding	40,630,000
2003 Refunding	11,710,000
2004	90,900,000
2005 Refunding	74,630,000
2005A	52,500,000
2005B	18,425,000
2008A	50,000,000
2008B	20,000,000
Net Outstanding Forecasted Bonded Debt Subject to 20% Limit	<u>424,865,000 (A)</u>
Forecasted Legal 20% Debt Margin (Available Borrowing Capacity)	\$ 1,023,899,646 (C)
Debt Limit Equal to 6% of Assessed Valuation	\$ 434,629,394
General Obligation Bonded Debt Subject to 6% Debt Limit (net of amounts available in Debt Service Funds forecasted for payment on July 1, 2008):	
1993 Refunding	\$ 2,550,000
1989 Series I (1998)	-
1999A	1,200,000
2002	775,000
2002 Refunding	11,055,000
2004	17,000,000
2005A	67,000,000
2008A	50,000,000
Net Outstanding Forecasted Bonded Debt Subject to 6% Limit	<u>149,580,000 (B)</u>
Forecasted Legal 6% Debt Margin (Available Borrowing Capacity)	\$ 285,049,394 (D)

State Regulation
 The Arizona Constitution (Article 9, Section 8), provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed 6% of the secondary assessed valuation of the taxable property in that city. In addition to the 6% limitation for general municipal purpose bonds, cities may issue general obligation bonds up to an additional 20% of the secondary assessed valuation for supplying such city with water, artificial light, or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and transportation facilities.

City of Scottsdale Compliance with State Regulation

This schedule indicates the secondary assessed valuation of property tax within the City of Scottsdale allows a maximum legal bonding capacity of \$1,448,764,646 for projects subject to the 20% limitation and \$434,629,394 for projects subject to the 6% limitation.

Legal Debt Capacity Used

Based on the City's current outstanding general obligation debt, it is forecasted as of June 30, 2008, the City has used (borrowed) the following legal debt capacity by percentage limitation:

- 20% limitation (A) \$424,865,000 or 29.33%
- 6% limitation (B) \$149,580,000 or 34.42%

Legal Capacity Available

Based on the City's current outstanding general obligation debt, it is forecasted as of June 30, 200, the City has available (for borrowing) the following legal debt capacity by percentage limitation:

- 20% limitation (C) \$1,023,899,646 or 70.67%
- 6% limitation (D) \$285,049,394 or 65.58%

**General Fund Five-Year Privilege Tax Forecast
By Business Category**

Revenue Category	FY 06/07 Actual	% of Total	FY 07/08 Forecast	% of Total	FY 08/09 Adopted	% of Total	FY 09/10 Forecast	% of Total
Automotive	16,273,127	15%	14,300,000	14%	13,400,000	13%	13,700,000	12%
Construction	21,444,127	20%	19,300,000	18%	18,800,000	18%	19,400,000	18%
Food	6,252,489	6%	6,500,000	6%	6,700,000	6%	6,900,000	6%
Hotel/Motel	5,727,604	5%	5,500,000	5%	5,700,000	5%	5,900,000	5%
Major Dept Stores	10,259,064	9%	10,100,000	10%	10,300,000	10%	10,800,000	10%
Misc. Retail	16,184,193	15%	15,100,000	14%	15,700,000	15%	16,400,000	15%
Other Taxable	6,171,405	6%	6,200,000	6%	6,400,000	6%	6,700,000	6%
Rental	12,461,138	11%	13,700,000	13%	13,600,000	13%	14,400,000	13%
Restaurants	7,776,913	7%	7,800,000	7%	8,200,000	8%	8,800,000	8%
Utilities	4,205,535	4%	4,500,000	4%	4,800,000	5%	5,000,000	5%
Other	2,958,840	3%	2,600,000	2%	2,700,000	3%	2,800,000	3%
Total	109,714,435	100%	105,600,000	100%	106,300,000	100%	110,800,000	100%

Revenue Category	FY 10/11 Forecast	% of Total	FY 11/12 Forecast	% of Total	FY 12/13 Forecast	% of Total
Automotive	14,000,000	12%	14,300,000	12%	14,600,000	11%
Construction	19,900,000	17%	20,500,000	17%	21,100,000	17%
Food	7,200,000	6%	7,500,000	6%	7,800,000	6%
Hotel/Motel	6,100,000	5%	6,300,000	5%	6,600,000	5%
Major Dept Stores	11,300,000	10%	11,900,000	10%	12,500,000	10%
Misc. Retail	17,400,000	15%	18,400,000	15%	19,500,000	15%
Other Taxable	7,100,000	6%	7,500,000	6%	7,900,000	6%
Rental	15,400,000	13%	16,500,000	14%	17,700,000	14%
Restaurants	9,500,000	8%	10,300,000	8%	11,100,000	9%
Utilities	5,200,000	4%	5,400,000	4%	5,600,000	4%
Other	2,900,000	3%	2,900,000	2%	3,000,000	2%
Total	116,000,000	100%	121,500,000	100%	127,400,000	100%

This same analysis by business category was applied when forecasting privilege tax revenues for Public Safety Privilege Tax (.10%), and Special Revenue Funds: Transportation Privilege Tax (.20%), McDowell Preserve Privilege Tax (.20%), and Preservation Privilege Tax (.15%).

Origin and Historical Summary

In 1888, Army Chaplain Winfield Scott, upon his retirement from the Army, visited the Valley of the Sun and subsequently made a down payment on a section of land in order to start a farming practice. Scott's purchase and subsequent farming of the land would be the impetus for the historic development of the town that is now modern day Scottsdale.

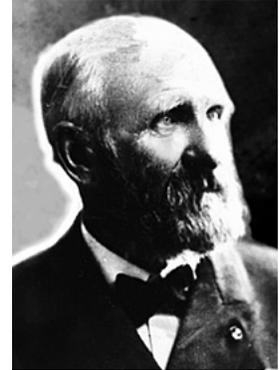
Like other Arizona cities and towns, the provision of a reliable water supply was critical to sustaining the community after its initial settlement by Chaplain Winfield Scott. The Granite Reef Dam was built in 1908 and the Roosevelt Dam in 1911 which transformed the Salt River Valley and allowed Scottsdale to share in the resulting population boom. Between 1908 and 1933 Scottsdale grew slowly, but steadily as a small market town principally providing services for families involved in the agricultural industry.

Scottsdale's favorable climate, irrigated desert location, and beautiful scenery influenced its initial settlement as well. Many health seekers came to Scottsdale, and those who were able to relocate to enjoy the advantages of the climate tended to be more well to do. Many of the community's original settlers who were recruited by Winfield Scott from the East and Midwest were educated and had an established appreciation for cultural activities. These early settlers established the Scottsdale public school system in 1896, supported the burgeoning artists and writers culture that began relocation here in the early 1900's, and promoted Scottsdale's affiliation with the earliest area resorts, the Ingleside Inn (1909) and the Jokake Inn (1922).

The Depression Era saw an influx of artists and architects to Scottsdale, one of the most renowned being Frank Lloyd Wright. Wright first came to Arizona to work on a desert resort project in Chandler in 1927 and worked on the design for the Arizona Biltmore Resort in 1929. In 1937, Wright and his wife purchased 600 desert acres at the foot of the McDowell Mountains and built Taliesin West, his winter home and his architectural firm's southwestern headquarters.

In 1947, the Scottsdale Chamber of Commerce was incorporated and Scottsdale leaders engaged in a conscious effort to promote a special identity for the town. Scottsdale was the only local community to formally embrace the western atmosphere that helped distinguish it from other tourist destinations. A design theme for the downtown was established with a "western" image and lifestyle and the city's moniker the "West's Most Western Town" was coined. In 1951, the town incorporated into the City of Scottsdale.

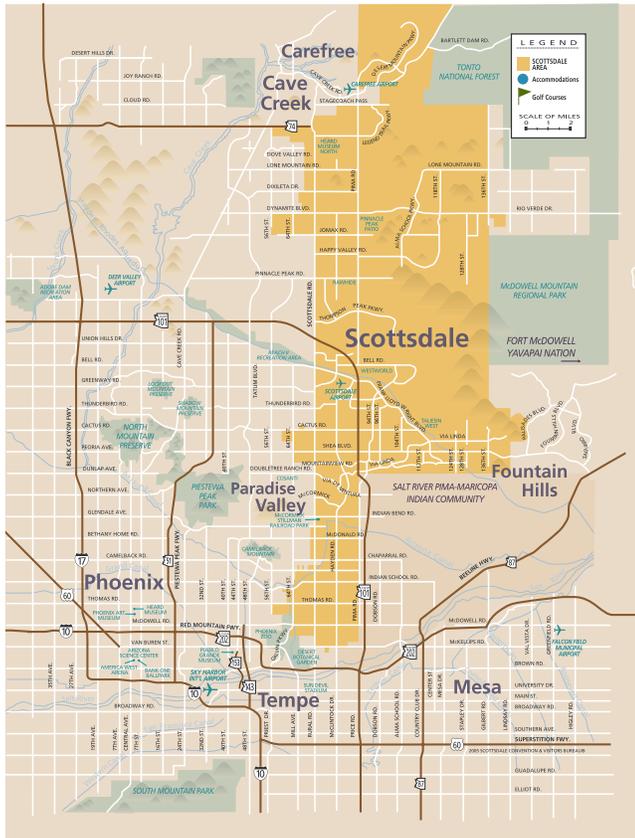
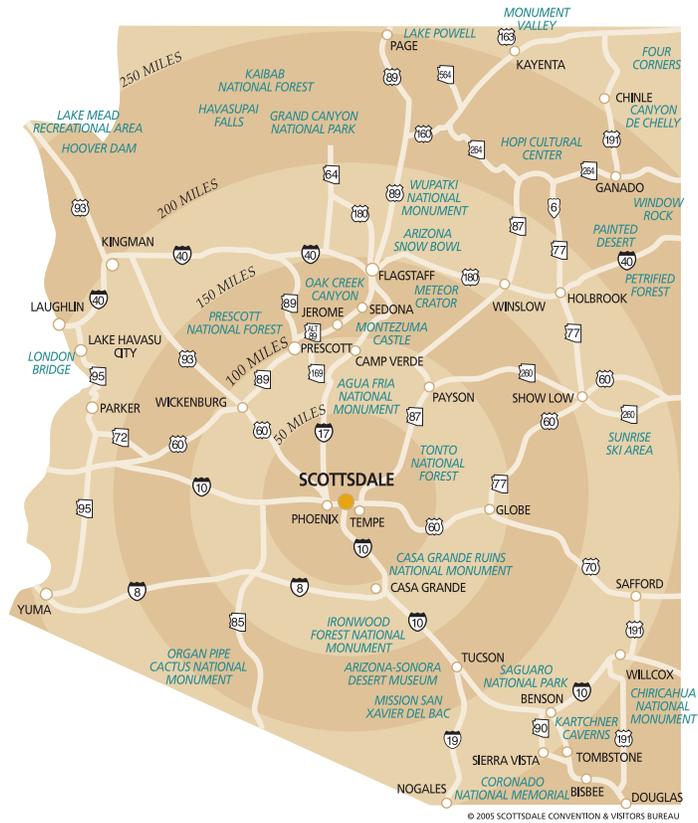
Although Scottsdale has grown in size and population, its historic origins still shine through today. Scottsdale is nationally and internationally well known for its reputation as an artistically and culturally rich community; a premiere resort, tourist, and golf destination; as well as an attractive location for numerous corporate commercial, retail, and medical-biotechnical opportunities.



Location

Scottsdale is centrally located in Maricopa County, Arizona, with its boundaries encompassing an area approximately 184.2 square miles, stretching 31 miles from north to south.

The City is bordered to the west by Phoenix, the state capital, by Tempe to the south, and by the Salt River/Pima Maricopa Indian Community to the east. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.



©2005 SCOTTSDALE CONVENTION & VISITORS BUREAU

Climate

Lying at an elevation of 1,260 feet above sea level, the City of Scottsdale averages 314 days of sunshine and 7.74 inches of rainfall per year, with the average minimum and maximum temperatures ranging from 55.7 degrees to 84.6 degrees, respectively.

Scottsdale offers its residents the advantages of a warm, dry climate with low humidity even in the summer months.

- * The average precipitation: 7.74 inches per year
- * The average number of sunny days per year: 314

AVERAGE DAILY TEMPERATURES

	High	Low
January	65.9°F	41.2°F
April	84.5°F	55.3°F
July	105.9°F	81°F
October	88.1°F	60.8°F

Demographics

The following tables provide additional demographic statistics for the City of Scottsdale and its citizenry from the 2005 U.S. Census and City of Scottsdale Department of Economic Vitality.

Gender

Male	47.4%
Female	52.6%

Age Composition

Under 5 years.....	5.7%
5 – 19 years	16.8%
20 – 24 years	4.8%
25 – 54 years	43.9%
55 – 74 years	21.9%
75+	7.1%
Median age (years)	43.8

Occupational Composition

Managerial & Professional	46.9%
Service.....	14.0%
Sales & Office	31.2%
Construction, Extraction & Maintenance	4.2%
Production & Transportation	3.8%

Source: 2006 US Census estimates

Race/Ethnic Origin

White.....	98.8%
Asian	2.7%
African American.....	1.6%
Native American	0.7%
Other	4.2%

Educational Attainment

4 or more years of college.....	50.8%
1 – 3 years of college	26.5%
High School Diploma.....	17.9%
Less than High School Diploma	4.8%

Land Use

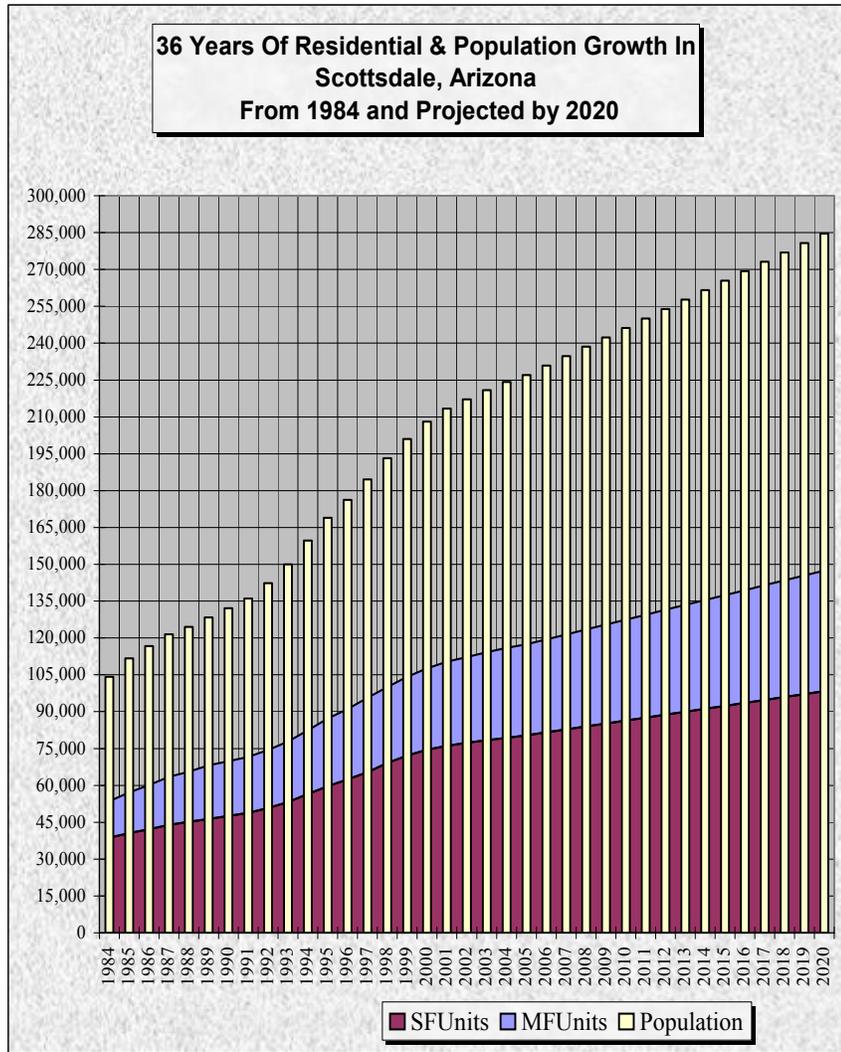
Residential	63.1%
Undeveloped/Agricultural	27.9%
Industrial/Commercial.....	9.0%

Population

1951	2,021
1960	27,010
1965	54,504
1970	67,841
1975.....	77,107
1980	88,364
1985	108,447
1990	130,069
1995	168,176
2000	204,680
2005	235,010
2006 estimate.....	237,120
2007 estimate.....	240,126
2008 estimate.....	244,090

Household Income

Less than \$25,000.....	13.9%
\$25,001- \$34,999	7.7%
\$35,000 - \$49,999	11.9%
\$50,000 – \$74,999	17.9%
\$75,000 – \$99,999	12.6%
\$100,000+	36.0%
Median Household Income.....	\$72,763



Source: City of Scottsdale Department of Planning and Development Services

Scottsdale Employment by Industry and Year

	2000		Forecasted 2010	
	Employment	Percent	Employment	Percent
Agriculture	1,918	1.5%	2,225	1.4%
Mining	122	0.1%	123	0.08%
Construction	7,077	5.5%	7,938	5.1%
Low Tech Manufacturing	2,985	2.3%	3,639	2.3%
High Tech Manufacturing	8,138	6.3%	8,762	5.6%
Transport	3,842	3.0%	4,038	2.6%
Wholesale Trade	6,674	5.2%	8,378	5.4%
Retail Trade	18,725	14.5%	23,507	15.0%
Finance, Insurance, Real Estate	16,440	12.8%	18,141	11.6%
Business Services	26,848	20.9%	36,081	23.1%
Health Industry	12,785	9.9%	14,934	9.6%
Hospitality	14,652	11.4%	17,900	11.4%
Personal Services	8,446	6.6%	10,600	6.8%
TOTAL	128,652	100.0%	156,267	100.0%

Source: Gruen Gruen & Associates, June 1999

Largest Employers in Scottsdale

Rank	Company Name	Employees
1	Scottsdale Healthcare Corporation**	5,213
2	Mayo Clinic - Scottsdale	5,003
3	General Dynamics	2,990
4	City of Scottsdale	2,809
5	Scottsdale Unified School District**	2,514
6	CVS – CareMark	2,346
7	Go Daddy Group	1,915
8	The Vanguard Group	1,700
9	Troon Golf LLC	1,539
10	Scottsdale Insurance Company	1,400
11	Fairmont Princess Resort	1,200
12	DHL	1,000
13	Coventry Health Care	700
14	Dial Corporation	700
15	USPS – Scottsdale	646
16	Desert Mountain Properties	610
17	Nordstrom	608
18	The Boulders Resort	600
19	E-Telecare Global Solutions	600
20	Pulte Homes	545
21	Taser	518
22	McKesson	500
23	Hyatt Regency at Gainey Ranch	500
24	Wal-Mart	475
25	JDA Software Group	460

Source: City of Scottsdale, Economic Vitality

**Full-time equivalent (FTE) employees, as of March 2008

**Maricopa County Treasurer
Summary of Major Taxpayers for the City of Scottsdale
As of 6/3/2008**

Taxpayer	Type of Business	Primary Valuation	Secondary Valuation
Scottsdale Fashion Square	Shopping Center	54,644,691	61,251,170
Arizona Public Service Company	Gas and Electric Utility	57,085,820	57,393,710
Qwest Communications, Inc	Telecommunications	33,172,517	33,172,517
Scottsdale Princess Partnership	Resort	29,349,383	31,498,380
DC Ranch, LLC	Resort	15,068,219	24,193,969
Gainey Drive Associates	Resort	22,132,270	22,607,973
Desert Mountain Properties Ltd Partnership	Golf Clubhouse	12,259,742	18,801,384
Portales Corporate Center LLC/Etal	Office Building	14,400,642	17,488,447
Dtr5, LLC	Office Building	14,043,600	16,920,000
Southwest Gas Corporation	Gas Utility	15,790,337	15,790,337

Median Household Income

City	2005 Median HH Income	2000 Median HH Income	1995 Median HH Income	Growth Rate
Scottsdale	\$65,361	\$57,484	\$48,319	67%
Phoenix	\$44,222	\$41,207	\$32,950	51%
Mesa	\$46,438	\$42,817	\$33,676	53%
Glendale	\$54,424	\$45,015	\$35,483	72%
Chandler	\$63,143	\$58,416	\$46,096	66%
Tempe	\$48,767	\$42,361	\$36,049	53%
Gilbert	\$73,960	\$68,032	\$51,660	80%
Peoria	\$58,742	\$52,199	\$40,820	72%
Metro Area	\$46,111	\$45,358	\$35,623	50%
Scottsdale median income as compared to Metro Area median income -				
Scottsdale is higher				
by:	42%	27%	36%	

Source: Sites USA, 2000 US Census, 1995 Special US Census, 1990 US Census

Tourism

Tourism in the City of Scottsdale is driven by several factors—destination resorts, special events, golf, desert environment, southwestern culture, and of course, warm



photo courtesy of Scottsdale Convention & Visitor's Bureau

winters. Tourism generates millions of dollars in economic activity in the City each year and is one of the most significant sources of revenue for the City's operations and budget. In 2006 Scottsdale hosted over 7.7 million visitors with an economic impact of \$3.5 billion (direct and

indirect) and tourism was responsible for \$9.7 million in bed tax receipts for the City.

Numerous resort and convention facilities, along with more than 78 hotels and resorts, provide nearly 15,345 guest rooms. The city boasts many public and private golf courses, tennis courts, country clubs, day spas, nightclubs, bars, and lounges. More than 2,500 retail shops, boutiques, and galleries are located throughout the City and a selection of almost 600 restaurants is available. These services and facilities, complemented by the mild winter, have made Scottsdale a popular vacation spot for tourists and winter visitors.

Revitalization

Original neighborhoods form the core of southern Scottsdale. As this area continues to mature, the neighborhoods require concentrated efforts to keep Scottsdale great. Through its revitalization program, the City has stepped up its efforts to maintain, renovate, or rebuild City buildings, parks, and other public facilities, and to attract new businesses and investment. In addition, the City hopes to partner with its residents, business owners, and community groups to exchange the tools necessary for the revitalization, restoration, and renewal for southern Scottsdale.



Preservation

In 1990, Scottsdale citizens (through the non-profit McDowell Sonoran Land Trust) initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert. The vision is to preserve approximately 36,460 acres, equivalent to 1/3 of Scottsdale's total land area.



This rare, majestic crested saguaro is now standing watch along the trailhead of the Lost Dog Wash Access Area in the McDowell Sonoran Preserve.

In 1995, Scottsdale voters approved a 0.2 percent sales tax increase to purchase land in the 16,460 acre original preserve. In 1998, voters approved using the sales tax to purchase 19,940 acres of land in the expanded preserve, of which 16,600 are State Trust Land. In 2001, the State Land commissioner issued an order reclassifying 13,021 acres of the 16,600 acres as suitable for preservation. In 2004, Scottsdale voters approved an additional 0.15 percent increase in the sales tax for land acquisition and for access area amenities. When completed, the McDowell Sonoran Preserve will be one of the largest urban preserves.

Proposed Desert Discovery Center at the Gateway to the Preserve

Planning continues for establishing a desert discovery center in the Gateway to the Preserve- east of Thompson Peak Parkway north of Bell Road (Gateway Access/Discovery Plans). The discovery center is envisioned to exist to provide opportunities for residents and visitors to discover the story of the Upper Sonoran Desert. Through exhibits and environmental experiences- presented in a natural setting, the center will inspire learning about the desert through its programs which encourage preservation and instill a sense of harmony with and respect for the desert.

A task force comprised of Preserve Commission and Tourism Development Commission members has been formed to manage a consultant study to develop concepts for the desert discovery through a public involvement process. The completed a report will be presented to both commissions in July 2008 and to the City Council in August. The report identifies next steps the community should consider to move the planning process along.

Transportation

Scottsdale's transportation network offers citizens a variety of mobility choices. The Pima and Red Mountain Freeways and City streets let people move into and around the City. The advanced technology of Intelligent Transportation Systems detection, dynamic message signs, and signalization help minimize delays, especially during special events like the FBR Open.



Scottsdale residents enjoy 56 miles of paved multi-use paths.

Local and regional bus routes, trolley routes and alternative modes of transportation such as Cab Connection and a nationally renowned bicycle system provide additional access to this extraordinary City. Scottsdale Airport, operated by the City, provides general aviation and worldwide

charter air service.

The Transportation Department's divisions are Aviation, Traffic Engineering, Transportation Planning, and Administration. They work together to support the mission of encouraging livable neighborhoods and providing for safe, efficient, and affordable movement of people and goods in Scottsdale.

Educational Facilities

Several institutions of higher learning are available to City residents. Arizona State University, one of the major universities in the nation, is located in Tempe just south of the City. The University has approximately 64,000 students, graduate and undergraduate, a choice of 19 colleges and has 2,862 full-time faculty members. Scottsdale Community College, a part of the Maricopa Community College System, is located on the eastern border of the City, on the Salt River/Pima Maricopa Indian Community. The college is a two-year college, which offers a wide variety of academic, occupational, developmental, and special interest programs. Other higher educational facilities include the University of Phoenix and the Scottsdale Culinary Institute. The City is also served by 27 public elementary and middle schools, 6 public high schools, and a number of private schools.

Photo Radar

Scottsdale has utilized photo enforcement on its City streets since 1997, augmenting a comprehensive traffic safety program proven to reduce both the number and severity of collisions. Nine fixed speed/red-light cameras currently operate on city surface streets. Additionally, four photo enforcement vans are also deployed in areas typically identified through citizen complaints or through collision data.

In 2006, Scottsdale became the first city in the U.S. to implement a fixed-site photo enforcement program on a freeway when cameras were installed along the City's stretch of SR101. Due to the documented effectiveness of the program in reducing both the number and severity of collisions, the Governor directed her staff to assume full administration of the SR101 program following a transition phase in which Scottsdale and State staff worked together. The Arizona Department of Public Safety is expected to assume full control in the fall of 2008.

WestWorld

WestWorld is a premier, nationally recognized, user-friendly equestrian center and special events facility serving the community and target market visitors. It is comprised of approximately 360 acres which are available for a variety of uses and events and is located in the geographic center of the city, adjacent to the gateway to the McDowell. The City of Scottsdale assumed management responsibility and purchased the fixed assets in 1997 while The Bureau of Reclamation owns the land that WestWorld is situated on. WestWorld now serves as a community asset.



**CITY OF SCOTTSDALE
BUDGET PLANNING AND DEVELOPMENT
FISCAL YEAR 2008/09 CALENDAR**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Strategic Planning Process															
Needs Assessment and Financial Capacity															
Citizen Input															
Forecast Multi-year Revenues															
Evaluate Infrastructure Needs															
Create Fiscal Forecasting Assumptions															
Develop Financial Trends															
Review Monthly Economic Updates															
(Developing Broad Goals & Strategic Directives)															
Update Financial Policies, Plans, Programs & Management Strategies															
Capital Improvement Program															
Update CIP Portion of Budget Planning Guide															
CIP Kick-off Meetings															
Department Review and Preparation															
Peer Construction & Technology Review															
CIP Advisory Team Review															
City Management Review															
Citizen Bond Review Commission															
City Council Review & Adoption															
Public Hearings															
Final CIP Adoption															
Budget Process															
Budget Planning Guide															
Budget Kick-off Meetings															
Update Performance Measurements															
User Training: Budget Databases															
Department Budget Development															
Budget Liaison Update Meetings															
Department Budget Request Submission (Changes in service level, additional staff, etc.)															
Line Item Analytical Review															
Internal Service Rates Finalized															
City Management Review															
Mission Statements Preparation/Review															
Organizational Charts Preparation/Review															
Finalize Proposed Five-Year Financial Plans															
City Council Review & Adoption															
Department budget review sessions with City Council															
Public Hearings															
Final Budget Adoption															
Implement Adopted Budget															
Monitor Citywide Financial Performance															
Budget Process Review & Adjustment															

City of Scottsdale FTE Gantt Chart
Adopted Budget FY 2008/09

Title	# FTEs	FY 2008/09 Budget Amount	Fund			Annualized Budget Amount	Start Date											
			General	Special Revenue	Enterprise		Jul. 2008	Aug. 2008	Sep. 2008	Oct. 2008	Nov. 2008	Dec. 2008	Jan. 2009	Feb. 2009	Mar. 2009	Apr. 2009	May 2009	Jun. 2009
CIP Operating Impacts																		
W&W Treatment (RO, CGF, New Arsenic Facilities, Gainoy Ranch)																		
Senior Wtr/Wstwr Treatment Plant Operator	1.00	\$ 57,910	\$ -	\$ -	\$ 57,910	\$ 75,283												
CAP Water Treatment Plant Expansion																		
Senior Wtr/Wstwr Treatment Plant Operator	1.00	\$ 57,910	\$ -	\$ -	\$ 57,910	\$ 75,283												
Wtr/Wstwr Treatment Plant Operator	1.00	\$ 50,975	\$ -	\$ -	\$ 50,975	\$ 66,268												
Electronic Technician - Water	1.00	\$ 53,233	\$ -	\$ -	\$ 53,233	\$ 69,203												
Water Campus Maintenance Technician	1.00	\$ 46,874	\$ -	\$ -	\$ 46,874	\$ 60,936												
Water Quality Analysis																		
Chemist I	1.00	\$ 56,640	\$ -	\$ -	\$ 56,640	\$ 73,632												
Water Operations Computer System Management																		
Computerized Maintenance Management Technician II	1.00	\$ 49,912	\$ -	\$ -	\$ 49,912	\$ 64,886												
Total CIP Operating Impacts	7.00	\$ 373,455	\$ -	\$ -	\$ 373,455	\$ 485,481												
Total FTE by Fund	7.00				7.00													
Mandates																		
Public Safety Radio System (Unfunded)																		
Radio Communications Technician II	1.00	\$ 49,180	\$ 49,180	\$ -	\$ -	\$ 96,359												
West World PM-10 Program (Unfunded)																		
Maintenance Worker III	1.00	\$ 57,188	\$ 57,188	\$ -	\$ -	\$ 57,188												
Code Enforcement - Air Quality (Unfunded)																		
Code Inspector	1.00	\$ 63,849	\$ 63,849	\$ -	\$ -	\$ 63,849												
Police Safety Enhancements--Patrol Services (Funded)																		
Police Aide	1.00	\$ 52,163	\$ -	\$ 52,163	\$ -	\$ 52,163												
Records Clerk II	1.00	\$ 45,246	\$ -	\$ 45,246	\$ -	\$ 45,246												
Total Mandates	5.00	\$ 267,627	\$ 170,217	\$ 97,409	\$ -	\$ 316,806												
Total FTE by Fund	5.00		3.00	2.00														
Citizen Services & Community Growth																		
Residential Collection																		
Equipment Operator III	1.00	\$ 50,102	\$ -	\$ -	\$ 50,102	\$ 50,102												
Contract Worker Conversion Savings		\$ (52,500)	\$ -	\$ -	\$ (52,500)	\$ (52,500)												
Commercial Collection																		
Equipment Operator III	1.00	\$ 50,102	\$ -	\$ -	\$ 50,102	\$ 50,102												
Contract Worker Conversion Savings		\$ (52,500)	\$ -	\$ -	\$ (52,500)	\$ (52,500)												
Residential Collection--Container Repair Program																		
Container Repairer (3PT Equip Op I to 3FT Container Repairers)	0.75	\$ 43,398	\$ -	\$ -	\$ 43,398	\$ 43,398												
Preservation																		
Preserve Manager (Redeployed Inspector II)	1.00	\$ 66,009	\$ 66,009	\$ -	\$ -	\$ 66,009												
Total Citizen Services & Community Growth	3.75	\$ 104,611	\$ 66,009	\$ 1.00	\$ 38,602	\$ 104,611												
Total FTE by Fund	3.75				2.75													
Public Safety Enhancements																		
City Court Safety Enhancements--Armed Security																		
Lead Municipal Security Guard (1PT to 1FT)	0.30	\$ 19,879	\$ -	\$ 19,879	\$ -	\$ 19,879												
Total Public Safety Enhancements (Police & City Court)	0.30	\$ 19,879	\$ -	\$ 19,879	\$ -	\$ 19,879												
Total FTE by Fund	0.30			0.30														
Gross Total FTE / Cost	16.05	\$ 765,571	\$ 236,227	\$ 117,288	\$ 412,056	\$ 926,787												
Total All Funds	16.05		4.00	2.30	9.75													

(See Page 2 for Redeployment)

ACJIS	Arizona Criminal Justice Information
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADOT	Arizona Department of Transportation
ANTN	Aviation News and Training Network
APS	Arizona Public Service
ARS	Arizona Revised Statutes
ASU	Arizona State University
ATV	All Terrain Vehicle
AZ GOHS	Arizona Governor's Office of Highway Safety
AZSTA	Arizona Sports and Tourism Authority
CAD	Computer Aided Design; Computer Aided Dispatch (Police)
CAFR	Comprehensive Annual Financial Report
CAP	Central Arizona Project
CAPA	Communications and Public Affairs
CCTV	Closed Circuit Television
CDBG	Community Development Block Grant
CDL	Commercial Driver's License
CDS	Community Development System
CEF	Court Enhancement Fund
CFAI	Committee on Fire Accreditation International
CFD	Community Facility District
CFO	Chief Financial Officer
CGTF	Central Groundwater Treatment Facility
CIP	Capital Improvement Plan
CISM	Critical Incident Stress Management
CIT	Crisis Intervention Team
CNG	Compressed Natural Gas
CNR	Citizen and Neighborhood Resources
COBRA	Consolidated Omnibus Budget Reconciliation Act
COP	Certificate of Participation
CPA	Certified Public Accountant
DAS	Direct Attached Storage
DMZ network	Demilitarized Zone (isolated protected network)
DPS	Department of Public Safety
DVAT	Domestic Violence Action Team
EDM	Electronic Document Management
EEOC	Equal Employment Opportunity Commission
EFT	Electronic File System
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
ESAP	Emergency Safety and Preparedness
ESRI	Environmental Systems Research Institute
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation

FCD	Flood Control District
FEMA	Federal Emergency Management Agency
FMLA	Family Medical Leave Act
FT	Full Time
FTE	Full Time Equivalent
FTG	Fill the Gap
GAAP	Generally Accepted Accounting Principles
GAC	Granular Activated Carbon
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
GPS	Geographic Positioning System
HEAT	Help Desk Software
HIPAA	Health Insurance Portability and Accountability Act
HHW	Household Hazardous Waste
HR	Human Resources
HUD	U.S. Department of Housing and Urban Development
HURF	Highway User Revenue Fund
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International City/County Management Association
ID	Improvement District
IGA	Intergovernmental Agreement
IIHS	Insurance Institute for Highway Safety
ILM	Information Lifecycle Management
IS	Information Systems
ISO	International Organization for Standardization
IT	Information Technology
ITD	Inception to Date
ITS	Intelligent Transportation System
IVR	Interactive Voice Response System
IWDS	Irrigation Water Distribution System
JCEF	Judicial Collections Enhancement Fund
JTTF	Joint Terrorism Task Force
LEED	Leadership in Energy and Environmental Design
LIS	Land Information System
LTAf	Local Transportation Assistance Fund
MAG	Maricopa Association of Governments
MCSD	Maricopa County Stadium Project
MPC	Municipal Property Corporation
MS	Microsoft
NACSLB	National Advisory Council on State and Local Budgeting
NAS	Network Attached Storage
NEP	Neighborhood Enhancement Partnership
NFMA	National Federation of Municipal Analysts
NIMS	National Incident Management Systems
NLC	National League of Cities

NPDES	National Pollution Discharge Elimination System
NTO	Narcotics Trained Officer
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PC	Personal Computer
PD	Police Department
PIN	Prosecutor Information Network
PKI	Public Key Infrastructure
PO	Purchase Order
POS	Point of Sale
PT	Part Time
REV	Revenue
RFP	Request for Proposal
RICO	Racketeering Influenced and Corrupt Organizations
ROP	Repeat Offender Program
ROW	Right of way
RWDS	Reclaimed Water Distribution System
SAN	Storage Area Network
SCADA	Supervisory Control and Data Acquisition
SOS	Delinquency Turn On Notification System
SPA	Scottsdale Preserve Authority
SQL	Structured Query Language
SRO	School Resource Officer
SRP	Salt River Project
SRPMIC	Salt River Pima-Maricopa Indian Community
STOMP	Scottsdale Teens on a Mission for Progress
SVC	Service
SW	Software
SWAT	Special Weapons and Tactics
TPC	Tournament Players Club
TRF	Transfer
UCR	Uniform Crime Report
VCC	Virtual Call Center
VPP	Voluntary Protection Program
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

Actual – Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Adopted – Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the budget as approved by the City Council.

Appropriation – An authorization made by the City Council, which permits the City to incur obligations and to expend resources.

Assessed Valuation – A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions. In Arizona, real property is valued annually by the County Assessor for the assessment of property taxes.

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

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

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

Base Budget – Cost of continuing the existing levels of service in the current budget year.

Beginning Balance – The beginning balance is the residual non-restricted funds brought forward from the previous fiscal year (ending balance).

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

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

Bonds – Bonds are debt instruments, which require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Budget – A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

Budget Calendar – The schedule of key dates, which a government follows in the preparation and adoption of the budget.

Budgetary Basis – Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that (1) no depreciation is budgeted for proprietary funds; and (2) bond principal in the enterprise funds is subject to appropriation. The budgetary basis of accounting is used to present all proposed budget and forecast amounts in the budget document to facilitate meaningful comparisons. The differences between the budgetary and GAAP basis of accounting used by the City of Scottsdale are similar to those of many other local governments. The differences between budgetary basis and the GAAP basis exist largely because the budgetary basis provides a more conservative view of revenues and expenditures.

Capital Expenditures – The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary values (equal to or greater than \$25,000), (2) long asset life (equal to or greater than five years of useful life, and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

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

Capital Improvement Plan (CIP) – A capital improvement plan is a comprehensive plan that projects the capital needs of the community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvement plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term CIP.

Capital Outlay – Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than two years; (2) typically have a unit cost of \$5,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as a capital outlay under the same code as the original purchase. Replacement or repair parts are classified under commodities.

Capital Project – Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as streets, bridges, drainage, street lighting, and water systems.

Commodities – Commodities are expendable items purchased through the City-approved centralized purchasing process. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Community Facilities Districts (CFD) – CFDs are special purpose public improvement districts. By utilizing a variety of public funding options such as bonds, special assessments, taxes and user fees, CFDs provide a mechanism to finance public infrastructure, the operation and maintenance of public infrastructure, and enhanced municipal services in qualifying areas.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contracts Payable – Contracts payable represents a liability reflecting amounts due on contracts of goods or services furnished to the City.

Contractual Services – Includes expenditures for services performed by firms, individuals, or other City departments. Supplies are not included in the contractual services accounts.

Cost Center – An organizational budget/operating unit within each City division or department.

Court Enhancement Fund – A fund to accumulate fees imposed by the City Court on fines, sanctions, penalties and assessments for the purpose of enhancing the technological, operational and security capabilities of the City Court.

Debt Service – Paid from the General Fund, is primarily contractual debt related to sales tax development agreements and will vary based on the actual sales tax collections at each developed site.

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

Department – The combination of divisions of the City headed by a general manager with a specific and unique set of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, etc.).

Division – A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Encumbrance – Includes obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, canceled, or when the actual liability is established.

Encumbrance Rebudgets – The balance of unliquidated purchase commitments brought forward from the previous fiscal year.

Ending Balance – The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

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

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

Equipment Rental – Represents fees charged to other areas of the City for the maintenance, repair, and replacement of City vehicles. The fee for these charges is returned to the fleet management internal service fund as revenue.

Estimate – Represents the original adopted budget plus any prior year open purchase orders, contingency transfers, approved changes, and anticipated year-end savings.

Excise Debt – Represents debt that is repaid by excise taxes. In this case, the excise taxes used to fund the debt service payments are a portion of the transaction privilege (sales) tax and transient occupancy tax.

Expenditures – Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees – Charges for specific services.

Financial Policy – A government's directive with respect to revenues, spending, reserves, and debt management as these relate to government services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of government budgets and its funding.

Fiscal Year – A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Scottsdale's fiscal year is July 1 through June 30.

Five-Year Financial Plan – An estimation of revenues and expenses required by the City to operate for the next five-year period.

Forecast – A prediction of a future outcome based on known and unknown factors.

Franchise Fee – Charged to the water and sewer utility fund, is a reimbursement to the general fund for the utility's use of City streets and right-of-ways.

Fringe Benefits – Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pension, medical, and life insurance plans.

Full-Time Equivalent (FTE) – A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Full Cash Value – Arizona Revised Statutes defines Full Cash Value (FCV) as being synonymous with market value. For assessment purposes, Full Cash value approximates market value. Also see Secondary Assessed Valuation.

Fund – A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – The balance of net financial resources that are spendable or available for appropriation. As used in the budget, the excess of resources (revenues and cash transfers-in) over uses (expenditures, debt service, and cash transfers-out). The beginning fund balance is the residual funds brought forward from the previous fiscal year. The fund balance is comprised of a reserved fund balance and an unreserved fund balance. The reserved fund balance is restricted for specific purposes, while the unreserved fund balance is not restricted for a specific purpose and is available for general appropriation.

Fund Summary – A combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, estimated budgets, and the current year's adopted budgets.

GAAP Adjustments – Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP). For example, depreciation and amortization in Enterprise Funds are not considered expenses on the budget basis of accounting, but are considered expenses on the GAAP basis.

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

General Long-Term Debt – Represents any unmatured debt not considered to be a fund liability.

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

Generally Accepted Accounting Principles (GAAP)

– The uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provides standards by which to measure financial presentations. The GAAP basis of accounting is used to prepare the City's Comprehensive Annual Financial Report (CAFR). The GAAP basis differs from the budgetary (or cash) basis in that certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Golf Course Surcharge – A \$1 per nine hole surcharge established in 1994 for all City owned golf courses. Revenue collected from this source is used for capital improvements, debt service on capital improvements, silt management, catastrophic flood funding, and support of the FBR Open golf tournament.

Grant – A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (i.e., education or drug enforcement), but it is sometimes for general purposes.

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

Highway User Fuel Tax – Gasoline tax shared with municipalities; a portion is distributed based upon the population of the City and a portion is distributed based upon the origin of the sales of the fuel. The Arizona State Constitution requires that this revenue be used solely for street and highway purposes.

Improvement Districts – Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property. Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Indirect Cost Allocation – Funding transferred to the general fund from enterprise funds for specific central administrative functions, which benefit those funds (i.e., City Manager, Financial Services Department, Human Resources, Legal, etc.).

In-Lieu Property Tax – Charges to the enterprise funds, which compensates the general fund for the property tax that would have been paid if the utilities were for-profit companies.

Intergovernmental Revenues – Levied by one government but shared on a predetermined basis with another government or class of governments.

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

Limited Property Value – The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation). Also see Primary Assessed Valuation.

Mission – Defines the primary purpose of the City and is intended to guide all organizational decisions, policies, and activities (internal and external) on a daily basis.

Municipal Property Corporation (MPC) – A non-profit corporation established to issue bonds to fund City capital improvements projects.

Needs Assessment – The foundation for determining what City customers feel is needed. Market surveys, public hearings, and boards and commission surveys are conducted.

Objective – Something to be accomplished in specific, well-defined, and measurable terms, and that is achievable within a specific time frame.

Operating Budget – The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is required by law in Arizona and is a requirement of Scottsdale's City Charter.

Operating Revenue – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Other Fiscal Activity – Refers to various trust and agency funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, and other funds.

Outstanding Debt – The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-As-You-Go Capital Improvement Projects (PAYG) – Capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

Performance Measure – Data collected to determine how effective or efficient a program is in achieving its objectives.

Personal Computer (PC) Replacement Program – Established to centralize the responsibility for personal computer service and the maintenance of computer and printer inventories. Departments are assessed an annual fee based upon their inventory of PCs and printers in use. The charge is accumulated in the PC Replacement Fund and used to replace printers and desktop/laptop computers on a standard replacement schedule.

Personal Services – Include the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health, and workers' compensation insurance.

Preserve Bonds – Represent excise tax revenue bonds and G.O bonds. The bonds are special revenue obligations of the Scottsdale Preserve Authority payable solely from and secured by either a 0.2% sales tax approved by City voters in 1995 and issued for the purpose of acquiring land for the McDowell Sonoran Preserve or a 0.15% sales tax approved by City voters in 2004 and issued for the purpose of acquiring land and construction of essential preserve related necessities such as proposed trailheads for the McDowell Sonoran Preserve.

Primary Assessed Valuation (Limited Property Value) – In Arizona, the Primary Assessed Valuation is used to compute primary taxes for the maintenance and operation of school districts, community college districts, municipalities, counties, and the state. The Limited Property Value is calculated according to a statutory formula mandated by the Arizona State Legislation and cannot exceed the Full Cash Value (also known as Secondary Assessed Valuation).

Primary Assessment – The amount of tax calculated according to a statutory formula based on the Primary Assessed Valuation.

Primary Property Tax – Levied for the purpose of funding general government operations. Annual increases are limited to 2.0% of the previous year's maximum allowable primary property tax levy plus allowances for new construction and annexation of new property and tort litigation settlements.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the City is responsible. A program differs from a division from the standpoint that cost centers from different departments may make up a program while cost centers from the same department make up a division.

Program Budget – A budget, which allocates money to the functions or activities of a government, rather than to specific items of cost or to specific departments.

Property Tax – Based according to value of property and is used as the source of monies to pay general obligation debt (secondary property tax) and to support the general fund (primary property tax). Each year the Maricopa County Assessor's Office determines the value of all property within the county, including City buildings and individual homes. These assessment values are then used on a pro-rata basis for levying property taxes. Property taxes are paid twice a year. The first half is due on October 1st and the second half is due on the following March 1st.

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

Racketeered Influenced and Corrupt Organizations (RICO) Funds – Funds obtained from an anti-racketeering revolving fund maintained by either the Federal or State government as a result of asset forfeitures from criminal enterprises and are allocated to municipalities for approved non-recurring public safety expenditures.

Rebudget – Carryover represents encumbered and committed funds carried forward to the next fiscal year budget.

Refunding – A procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: (1) to reduce the issuer's interest costs or (2) to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

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

Reserve – An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Revenue Bonds – Bonds payable from a specific source of revenue, which do not pledge the full faith, and credit of the issuer. Revenue bonds are payable from identified sources of revenue and do not affect the property tax rate. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Secondary Assessed Valuation (Full Cash Value) – In Arizona, the Secondary Assessed Valuation is used to compute secondary taxes, which may consist of bonds, budget overrides, and special districts such as fire, flood control, and other limited purpose districts. Full Cash Value is a reflection of the market value of property.

Secondary Assessment – The amount of tax calculated according to a statutory formula based on the Secondary Assessed Valuation.

Secondary Property Tax – Levied for the purpose of funding the principal, interest, and redemption charges on general obligation bonds of the City. The amount of this tax is determined by the annual debt service requirements on the City's general obligation bonds.

Self Insurance – The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Service Levels – Describe the present services provided by a City department and/or division within the department.

Sinking Fund – An account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments there from are determined by the terms of the bond contract.

Special Assessment – A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

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

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

Street Light Improvement Districts – Formed to provide a means for properties within a district to maintain streetlights within their boundaries. A street light tax is levied against the property owner to cover the cost of electrical billings received and paid by the City.

Tax Levy – The total amount of revenue to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate – The amount of tax levied for each \$100 of assessed valuation.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Transfers – The authorized exchanges of cash or other resources between funds, divisions, departments and/or capital projects.

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

Trend Analysis – Examines changes over time, which provides useful management information such as the City's current financial situation and its future financial capacity to sustain service levels.

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

Unreserved Fund Balance – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Unrestricted General Capital Fund – Established to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

User Fee – The fee charged for services to the party or parties who directly benefits.

ORDINANCE NO. 3792

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF SCOTTSDALE FOR THE FISCAL YEAR BEGINNING JULY 1, 2008, AND ENDING JUNE 30, 2009, AND DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET FOR THE CITY OF SCOTTSDALE.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17 of the Arizona Revised Statutes, and the City Charter, the City Council did, on May 20, 2008, make a budget estimate of the different amounts required to meet the public expenses for the fiscal year beginning July 1, 2008, and ending June 30, 2009 ("Fiscal Year 2008/09"), an estimate of receipts from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Scottsdale, Arizona; and

WHEREAS, following publication of notice as required by law, the Council held a public hearing on June 3, 2008, at which any taxpayer could appear and be heard in favor of or against any proposed expenditure or property tax levy; and

WHEREAS, immediately following the public hearing, the Council convened in a special meeting for purposes of finally determining and adopting the estimates of proposed expenditures, which estimates, when adopted, would constitute the budget of the City of Scottsdale for Fiscal Year 2008/09; and

WHEREAS, it appears that publication has been duly made, as required by law, of said budget estimates, together with a notice that the Council will meet on June 17, 2008, in the City Hall Kiva for the purpose of making the primary and secondary property tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not, in the aggregate, exceed that amount for primary property taxes as computed in A.R.S. § 42-17051; now, therefore

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. Schedules A through G, as further described below, are attached hereto and incorporated herein by this reference, and are hereby adopted as the Final Budget of the City of Scottsdale for the fiscal year beginning July 1, 2008, and ending June 30, 2009 ("Fiscal Year 2008/09"):

Schedule A, Summary Schedule of Estimated Revenues and Expenditures/Expenses Fiscal Year 2008/09

Schedule B, Summary of Property Tax Levy and Property Tax Rate Information Fiscal Year 2008/09

Schedule C, Summary By Fund Type of Revenues Other than Property Taxes Fiscal Year 2008/09

Schedule D, Summary By Fund Type of Other Financing Sources/(Uses) and Interfund Transfers Fiscal Year 2008/09

Schedule E, Summary By Department of Expenditures/Expenses Within Each Fund Type Fiscal Year 2008/09

Schedule F, Summary By Department of Expenditures/Expenses Fiscal Year 2008/09

Schedule G, Summary of Specific Budget Appropriations Fiscal Year 2008/09

SECTION 2. That upon the recommendation of the City Manager or Acting City Manager, and with the approval of the City Council, expenditures may be made from the budget for contingencies and reserves.

SECTION 3. That the City Manager or Acting City Manager, subject to the approval of the City Council, may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency.

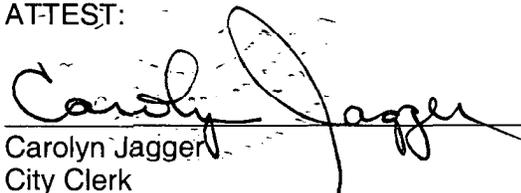
SECTION 4. That the City Council may, upon request of the City Manager or Acting City Manager, transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

SECTION 5. That resources from any fund may be used to meet the adopted budget, except funds restricted by Federal or State law, or by City ordinance or resolution; and that the City Manager or Acting City Manager is responsible for managing fund resources to satisfy these requirements, which responsibility may be delegated to the City's Chief Financial Officer.

SECTION 6. That pursuant to § 14-20 *et seq.* of the Scottsdale Revised Code, the Classification/Compensation Plan, including the number of authorized Full-Time and Part-Time Equivalent positions, which is on file with, and available for review at, the Office of the City Clerk, is hereby adopted.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this 3rd day of June, 2008.

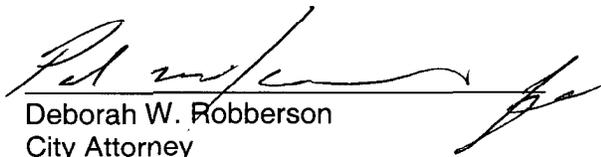
ATTEST:


Carolyn Jagger
City Clerk

CITY OF SCOTTSDALE,
an Arizona municipal corporation


Mary Manross
Mayor

APPROVED AS TO FORM:


Deborah W. Robberson
City Attorney

BUDGET ADOPTION ORDINANCE

Appendix

CITY OF SCOTTSDALE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2008/09

FUND	ADOPTED BUDGETED EXPENDITURES 2007/08	ACTUAL EXPENDITURES 2007/08*	ESTIMATED FUND BALANCE July 1, 2008**	DIRECT PROPERTY TAX REVENUES 2008/09	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2008/09***	OTHER FINANCING SOURCES/(USES) 2008/09	NET INTERFUND TRANSFERS IN/(OUT) 2008/09	TOTAL FINANCIAL RESOURCES AVAILABLE 2008/09	BUDGETED EXPENDITURES 2008/09
PRIMARY:									
General Fund	\$ 262,841,995	\$ 252,337,897	\$ 40,621,775	\$ 22,360,631	\$ 257,735,444	\$ -	\$ (11,207,190)	\$ 309,510,660	\$ 269,890,887
Special Revenue Funds	70,415,429	64,827,549	26,106,795		109,401,584	-	(24,729,037)	110,779,342	70,269,713
SECONDARY:									
Debt Service Funds	61,021,289	59,586,243	16,413,126	35,795,617	1,436,953	-	28,493,587	82,139,283	65,586,157
Capital Projects Funds	906,253,100	311,392,500	313,564,500		640,504,000	7,400,000	72,044,650	1,033,513,150	884,318,900
Enterprise Funds	118,650,340	105,084,745	79,338,754		164,532,520	-	(55,581,910)	188,289,364	129,213,874
Expendable Trust Funds	20,000	10,000	7,121		18,800	-	-	25,921	18,800
PRIMARY:									
Internal Service Funds	5,942,577	2,805,021	35,447,994	23,593	11,688,169	-	(9,020,100)	38,139,656	9,540,243
TOTAL ALL FUNDS	\$ 1,425,144,730	\$ 796,043,955	\$ 511,500,065	\$ 58,179,841	\$ 1,185,317,470	\$ 7,400,000	\$ -	\$ 1,762,397,376	\$ 1,428,838,574

EXPENDITURE LIMITATION COMPARISON

	2007/08	2008/09
1. Budgeted expenditures	\$ 1,425,144,730	\$ 1,428,838,574
2. Add/subtract: estimated net reconciling items	-	-
3. Budgeted expenditures adjusted for reconciling items	1,425,144,730	1,428,838,574
4. Less: estimated exclusions	(1,036,108,548)	(1,014,035,947)
5. Amount subject to the expenditure limitation	\$ 389,036,182	\$ 414,802,627
6. EEC or voter-approved alternative expenditure limitation	\$ 404,724,891	\$ 422,711,971

* Includes expenditure adjustments approved in FY 2007/08 from Schedule E

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Does not include transfers-in

SCHEDULE A

**CITY OF SCOTTSDALE
Summary of Property Tax Levy and Property Tax Rate Information
Fiscal Year 2008/09**

	<u>2007/08</u> <u>FISCAL YEAR</u>	<u>2008/09</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	\$ 21,165,794	\$ 22,384,224
2. Amount received from primary property taxation in the 2007/08 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$ -	
3. Property tax levy amounts		
A. Primary property taxes	\$ 21,165,794	\$ 22,384,224
B. Secondary property taxes	29,672,656	35,795,617
C. Total property tax levy amounts	\$ 50,838,450	\$ 58,179,841
4. Property taxes collected*		
A. Primary property taxes		
(1) 2007-08 levy	20,674,187	
(2) Prior years' levies	491,607	
(3) Total primary property taxes	\$ 21,165,794	
B. Secondary property taxes		
(1) 2007-08 levy	28,955,127	
(2) Prior years' levies	717,528	
(3) Total secondary property taxes	\$ 29,672,655	
C. Total property taxes collected	\$ 50,838,449	
5. Property tax rates		
A. City tax rate		
(1) Primary property tax rate	\$ 0.3849	\$ 0.3537
(2) Secondary property tax rate	0.4096	0.4327
(3) Total city tax rate	\$ 0.7945	\$ 0.7864
B. Special assessment district tax rates		

Secondary property tax rates - As of the date the tentative budget was prepared, the city was operating 355 special assessment districts (streetlight improvement districts) for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the City of Scottsdale Financial Services Department Accounting Division.

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collections for the remainder of the fiscal year.

SCHEDULE B

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2008/09**

SOURCE OF REVENUES	BUDGETED REVENUES 2007/08	ACTUAL REVENUES 2007/08*	ESTIMATED REVENUES 2008/09
GENERAL FUND			
Taxes - Local			
Privilege & Use Tax (1.0%)	\$ 113,649,586	\$ 105,600,000	\$ 106,300,000
Privilege & Use Tax - Public Safety (.10%)	11,364,959	10,243,200	10,311,100
Transient Occupancy Tax	2,163,000	1,972,400	1,972,400
Light & Power Franchise Fee	7,350,000	7,650,000	7,718,000
Cable TV Franchise Fee	3,348,471	3,498,471	3,603,000
Salt River Project In Lieu Fee	175,000	175,000	175,000
Stormwater Water Quality Charge	743,012	818,012	842,000
Taxes - From Other Agencies			
State Shared Sales Tax	23,907,860	21,400,000	22,000,000
State Revenue Sharing	33,062,345	33,062,345	34,000,000
Auto Lieu Tax	10,400,000	9,400,000	9,700,000
Licenses/Permits/Service Charges			
Business Licenses & Fees	1,632,000	1,782,000	1,835,000
Building Permit Fees & Charges	16,500,000	12,500,000	14,500,000
Fire Service Charges	1,122,000	1,122,000	1,440,000
Recreation Fees	2,898,000	3,000,000	3,114,000
WestWorld Equestrian Facility Fees	2,040,000	2,340,000	2,387,000
Fines and Forfeitures			
Court Fines	5,463,120	6,463,000	6,451,000
Parking Fines	312,120	400,000	318,000
Photo Enforcement Fines	2,550,314	1,650,000	1,869,000
Photo Enforcement Fines - 101 Freeway	4,105,000	4,300,000	975,000
Library Fines & Fees	663,000	395,000	382,000
Interest Earnings/Property Rental			
Interest Earnings	5,200,000	6,600,000	4,500,000
Property Rental	3,315,000	3,115,000	3,381,000
Other Revenue/Resources			
Miscellaneous	700,000	850,000	1,000,000
Reimbursements	-	300,000	350,000
Intergovernmental Revenue	-	650,000	675,000
Indirect/Direct Cost Allocation	11,577,243	11,577,243	12,936,944
Contingent / Reserve Appropriation	10,940,000	3,854,000	5,000,000
Total General Fund	\$ 275,182,030	\$ 254,717,671	\$ 257,735,444

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2008/09**

SOURCE OF REVENUES	BUDGETED REVENUES 2007/08	ACTUAL REVENUES 2007/08*	ESTIMATED REVENUES 2008/09
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund			
Highway User Tax	\$ 16,995,000	\$ 16,300,000	\$ 16,900,000
Privilege Tax (.20%)	22,729,917	19,958,400	20,090,700
Local Transportation Assistance Fund I	1,088,492	1,088,492	1,088,492
Local Transportation Assistance Fund II	550,000	379,831	-
Prop 400 Regional Sales Tax	293,446	293,446	305,184
Miscellaneous	178,000	178,000	180,000
Total Transportation/HURF Fund	\$ 41,834,855	\$ 38,198,169	\$ 38,564,376
Special Programs Fund			
Transient Occupancy Tax	\$ 8,652,000	\$ 7,889,600	\$ 7,889,600
Court Enhancement/JCEF/FTG	995,135	995,135	982,259
Downtown Cultural/Community Arts	90,000	150,000	235,000
Human Resources - Cultural Diversity Prog	10,000	21,000	20,000
Police	1,798,383	1,798,383	1,426,600
Community Services	1,850,000	1,850,000	1,896,250
Citizen and Neighborhood Resources	78,009	-	-
Planning & Development Systems	58,391	108,085	151,000
Fire	1,200	1,200	4,000
Contingent Appropriation	1,800,000	300,000	1,500,000
Total Special Programs Fund	\$ 15,333,118	\$ 13,113,403	\$ 14,104,709
Preservation Privilege Tax Funds			
Privilege Tax (.20%)	\$ 22,729,917	\$ 20,486,400	\$ 20,622,200
Privilege Tax (.15%)	17,047,438	14,852,640	14,951,095
Interest Earnings	1,326,000	1,650,000	1,120,000
Total Preservation Privilege Tax Funds	\$ 41,103,355	\$ 36,989,040	\$ 36,693,295
Grant Funds			
Community Development Block Grant	\$ 1,996,210	\$ 1,840,815	\$ 1,684,016
HOME Funds	577,385	505,091	587,142
Section 8 Housing	5,503,618	5,503,618	5,515,133
Federal and State Grants	11,333,993	11,561,682	11,520,913
Contingent Appropriation	2,000,000	-	-
Total Grant Funds	\$ 21,411,206	\$ 19,411,206	\$ 19,307,204
Special Districts			
Street Light Districts	\$ 621,000	\$ 621,000	\$ 732,000
Total Special Districts	\$ 621,000	\$ 621,000	\$ 732,000
Total Special Revenue Funds	\$ 120,303,534	\$ 108,332,818	\$ 109,401,584

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2008/09**

SOURCE OF REVENUES	BUDGETED REVENUES 2007/08	ACTUAL REVENUES 2007/08*	ESTIMATED REVENUES 2008/09
DEBT SERVICE FUNDS			
Special Assessment Debt Fund			
Special Assessments - Principal	\$ 1,044,279	\$ 1,045,187	\$ 1,004,809
Total Special Assessment Debt Fund	\$ 1,044,279	\$ 1,045,187	\$ 1,004,809
MPC Excise Debt			
MCSD/AZ STA Contributions	\$ 477,144	\$ 477,144	\$ 292,144
Spring Exhibition Surcharge	140,000	140,000	140,000
Total MPC Excise Debt Fund	\$ 617,144	\$ 617,144	\$ 432,144
Total Debt Service Funds	\$ 1,661,423	\$ 1,662,331	\$ 1,436,953
CAPITAL PROJECT FUNDS			
Capital Improvement Program			
Development Fees	\$ 22,402,200	\$ 12,454,900	\$ 17,510,000
Prop 400 Regional Sales Tax	12,532,000	4,865,000	14,219,400
Interest Earnings	3,375,800	8,990,000	6,442,000
Grant Revenue	9,325,300	1,358,400	14,265,300
Contributions	4,000,000	6,153,200	4,460,000
In-Lieu Fees	-	174,600	50,000
Miscellaneous Revenue	215,000	-	-
Estimated Unexpended Prior Year Budget	579,314,500	579,314,500	558,557,300
Contingent Revenue	15,000,000	2,186,755	25,000,000
Total Capital Project Funds	\$ 646,164,800	\$ 615,497,355	\$ 640,504,000
ENTERPRISE FUNDS			
Water and Sewer Utility Funds			
Sewer Charges	\$ 33,688,586	\$ 32,988,586	\$ 35,266,881
Water Charges	79,520,979	84,220,979	88,298,966
Groundwater Treatment Plant	919,546	657,193	944,458
Golf Course Water Charges	349,184	375,695	286,606
Irrigation Water Distribution System	2,147,175	1,808,205	2,302,319
Effluent Sales:			
Pipeline	3,221,564	3,976,692	4,732,851
Treatment Plant	678,080	680,000	707,200
Interest Earnings	2,091,799	3,773,000	2,276,000
Miscellaneous	1,316,736	2,745,212	3,167,434
Contingent / Reserve Appropriation	3,650,000	-	2,000,000
Total Water and Sewer Funds	\$ 127,583,649	\$ 131,225,562	\$ 139,982,715
Aviation Fund			
Airport Fees	3,498,770	3,424,770	3,639,423
Interest Earnings	80,426	82,000	79,000
Jet Fuel Tax	130,650	169,000	181,204
Total Aviation Fund	\$ 3,709,846	\$ 3,675,770	\$ 3,899,627

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

**CITY OF SCOTTSDALE
Summary By Fund of Revenues Other than Property Taxes
Fiscal Year 2008/09**

SOURCE OF REVENUES	BUDGETED REVENUES 2007/08	ACTUAL REVENUES 2007/08*	ESTIMATED REVENUES 2008/09
Solid Waste Fund			
Refuse Collection	\$ 18,806,060	\$ 19,776,060	\$ 19,092,000
Interest Earnings	175,759	260,000	157,000
Miscellaneous	-	1,507,583	901,178
Contingent / Reserve Appropriation	1,000,000	-	500,000
Total Solid Waste Fund	\$ 19,981,819	\$ 21,543,643	\$ 20,650,178
Total Enterprise Funds	\$ 151,275,314	\$ 156,444,975	\$ 164,532,520
EXPENDABLE TRUST FUNDS			
Trusts			
Mayor's Committee for Emp of Handicapped	\$ 10,000	\$ 10,000	\$ 8,800
Contingent Appropriation	10,000	-	10,000
Total Trust Funds	\$ 20,000	\$ 10,000	\$ 18,800
INTERNAL SERVICE FUNDS			
Fleet Management Fund			
Equipment M & O/Acquisition Rates	\$ 15,759,740	\$ 15,758,590	\$ 18,300,507
Miscellaneous Revenue	170,438	170,438	168,169
Interest Earnings	479,750	500,000	300,000
Internal Service Offset	(15,759,740)	(15,758,590)	(18,300,507)
Total Fleet Management Fund	\$ 650,188	\$ 670,438	\$ 468,169
Self Insurance Fund			
Property Casualty Revenues	\$ 6,652,663	\$ 6,988,000	\$ 6,710,000
Short-Term Disability Revenues	310,000	325,000	320,000
Group Health/Dental Revenues	24,500,000	22,839,581	26,436,494
Internal Service Offset	(28,152,663)	(25,778,560)	(27,246,494)
Contingent / Reserve Appropriation	4,000,000	-	5,000,000
Total Self Insurance Fund	\$ 7,310,000	\$ 4,374,021	\$ 11,220,000
Total Internal Service Funds	\$ 7,960,188	\$ 5,044,459	\$ 11,688,169
TOTAL ALL FUNDS	\$ 1,202,567,289	\$ 1,141,709,609	\$ 1,185,317,470

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the budget was prepared, plus estimated revenues for the remainder of the year.

CITY OF SCOTTSDALE
Summary By Fund Type of Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2008/09

FUND	OTHER FINANCING SOURCES/(USES) 2008/09	INTERFUND TRANSFERS 2008/09	
		IN	OUT
GENERAL FUND	\$ -	\$ 11,691,298	\$ 22,898,488
SPECIAL REVENUE FUNDS			
Transportation/HURF Fund	\$ -	\$ 9,534,012	\$ 10,102,850
Special Programs Fund	-	160,000	1,038,563
Preservation Privilege Tax Funds	-	-	23,281,636
Total Special Revenue Funds	\$ -	\$ 9,694,012	\$ 34,423,049
DEBT SERVICE FUNDS			
Debt Service Fund	\$ -	\$ 28,493,587	\$ -
Total Debt Service Funds	\$ -	\$ 28,493,587	\$ -
CAPITAL PROJECTS FUNDS			
Capital Projects Fund	\$ 7,400,000 *	\$ 88,934,340	\$ 16,889,690
Total Capital Projects Funds	\$ 7,400,000	\$ 88,934,340	\$ 16,889,690
ENTERPRISE FUNDS			
Water and Sewer Funds	\$ -	\$ 13,818,790	\$ 67,875,191
Aviation Fund	-	-	1,203,734
Solid Waste Fund	-	70,900	392,675
Total Enterprise Funds	\$ -	\$ 13,889,690	\$ 69,471,600
INTERNAL SERVICE FUNDS			
Fleet Management Fund	\$ -	\$ -	6,512,800
Self Insurance Fund	-	-	2,507,300
Total Internal Service Funds	\$ -	\$ -	\$ 9,020,100
TOTAL ALL FUNDS	\$ 7,400,000	\$ 152,702,927	\$ 152,702,927

* General Obligation and Municipal Properties Corporation Bonds

SCHEDULE D

BUDGET ADOPTION ORDINANCE

Appendix

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2008/09

Fund/Department	Adopted Budgeted Expenditures 2007/08	Expenditure Adjustments Approved 2007/08	Actual Expenditures 2007/08*	Budgeted Expenditures 2008/09
GENERAL FUND				
Mayor and City Council	\$ 1,630,052	\$ -	\$ 1,583,249	\$ 1,693,976
City Clerk	913,885	-	913,885	956,910
Elections	9,671	-	9,671	238,461
City Attorney	7,293,048	122,066	6,935,114	6,942,294
City Auditor	945,985	-	778,631	973,586
City Court	5,602,620	173,526	5,477,320	5,771,748
City Manager	698,730	-	698,730	824,025
Communications & Public Affairs	1,776,100	-	1,671,100	1,728,004
Police	84,076,406	2,630,509	86,106,915	90,335,013
Financial Services	9,901,169	-	9,453,318	9,992,850
Transportation	193,393	-	116,393	201,328
Community Services	58,073,131	(99,000)	56,764,773	58,822,317
Information Systems	10,788,073	(22,200)	10,574,774	10,602,652
The Downtown Group	4,695,392	-	4,595,393	4,580,842
Fire	32,354,253	-	31,412,514	33,237,606
Municipal Services	728,375	350,000	1,061,766	1,687,434
Citizen & Neighborhood Resources	3,693,595	35,500	3,179,655	3,774,908
Human Resources	4,624,970	-	4,051,612	4,316,051
Economic Vitality	1,634,581	-	1,520,470	1,502,931
Planning & Development Services	17,995,564	(120,000)	16,969,528	17,132,633
WestWorld	3,397,033	(41,200)	3,275,833	3,549,525
Estimated Department Savings	(5,750,000)	-	-	-
Debt Service	6,625,969	-	5,187,253	6,025,793
Contingent / Reserve Appropriation	10,940,000	(3,854,000)	-	5,000,000
Total General Fund	\$ 262,841,995	\$ (824,799)	\$ 252,337,897	\$ 269,890,887
SPECIAL REVENUE FUNDS				
Transportation/HURF Fund				
Transportation	\$ 15,511,463	\$ -	\$ 14,629,709	\$ 15,804,943
Municipal Services	18,280,978	229,301	18,144,651	19,600,184
Total Transportation/HURF Fund	\$ 33,792,441	\$ 229,301	\$ 32,774,360	\$ 35,405,127
Special Programs Fund				
Transient Occupancy Tax	\$ 7,607,766	\$ 300,000	\$ 7,907,766	\$ 7,864,578
Court	434,903	-	434,903	458,545
Downtown Cultural/Arts	526,150	-	-	300,000
Preservation Rehabilitation	65,000	-	-	-
Human Resource	25,000	-	25,000	25,000
Police	816,664	-	816,664	1,097,958
Community Services	2,273,995	-	1,819,509	2,339,722
Citizen & Neighborhood Resources	35,500	(35,500)	-	-
Planning & Development Services	50,024	-	50,024	279,989
Fire	-	-	-	5,000
Contingent Appropriation	1,800,000	(300,000)	-	1,500,000
Total Special Programs Fund	\$ 13,635,002	\$ (35,500)	\$ 11,053,866	\$ 13,870,792
Preservation Privilege Tax Funds				
Debt Service	\$ 955,780	\$ -	\$ 955,780	\$ 952,480
Miscellaneous	-	-	2,110	2,110
Total Preservation Privilege Tax Funds	\$ 955,780	\$ -	\$ 957,890	\$ 954,590
Grant Funds				
CDBG/HOME/Section 8 Housing	\$ 8,077,213	\$ 1,583,311	\$ 7,849,524	\$ 7,786,291
Other Federal & State Grants	11,333,993	227,689	11,561,682	11,520,913
Contingent Appropriation	2,000,000	-	-	-
Total Grant Funds	\$ 21,411,206	\$ 1,811,000	\$ 19,411,206	\$ 19,307,204

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2008/09

Fund/Department	Adopted Budgeted Expenditures 2007/08	Expenditure Adjustments Approved 2007/08	Actual Expenditures 2007/08*	Budgeted Expenditures 2008/09
Special Districts				
Street Light Districts	\$ 621,000	\$ -	\$ 630,227	\$ 732,000
Total Special Districts	<u>\$ 621,000</u>	<u>\$ -</u>	<u>\$ 630,227</u>	<u>\$ 732,000</u>
Total Special Revenue Funds	<u>\$ 70,415,429</u>	<u>\$ 2,004,801</u>	<u>\$ 64,827,549</u>	<u>\$ 70,269,713</u>
DEBT SERVICE FUNDS				
GO Debt Service				
GO Bonds/Revenue Bonds	\$ 45,830,723	\$ -	\$ 44,686,503	\$ 50,835,982
MPC Excise Debt				
MPC Bonds	\$ 7,356,416	\$ -	\$ 7,064,682	\$ 6,977,095
Special Assessment Debt				
Special Assessment Bonds	\$ 7,834,150	\$ -	\$ 7,835,058	\$ 7,773,080
Total Debt Service Funds	<u>\$ 61,021,289</u>	<u>\$ -</u>	<u>\$ 59,586,243</u>	<u>\$ 65,586,157</u>
CAPITAL PROJECT FUNDS				
Capital Improvement Program				
Capital Projects	\$ 891,253,100	\$ 2,946,755	\$ 311,392,500	\$ 859,318,900
Contingent Revenue	15,000,000	(2,946,755)	-	25,000,000
	<u>\$ 906,253,100</u>	<u>\$ -</u>	<u>\$ 311,392,500</u>	<u>\$ 884,318,900</u>
Total Capital Projects Fund	<u>\$ 906,253,100</u>	<u>\$ -</u>	<u>\$ 311,392,500</u>	<u>\$ 884,318,900</u>
ENTERPRISE FUNDS				
Water and Sewer Utility Fund				
Financial Services	\$ 2,774,929	\$ (28,000)	\$ 2,746,928	\$ 3,041,256
Water Resources	60,102,985	(169,600)	54,155,557	64,585,273
Debt Service	21,443,187	-	18,729,020	26,488,031
Indirect Cost Allocation	8,658,727	-	8,658,727	9,757,834
Contingent / Reserve Appropriation	3,650,000	-	-	2,000,000
Total Water and Sewer Fund	<u>\$ 96,629,828</u>	<u>\$ (197,600)</u>	<u>\$ 84,290,232</u>	<u>\$ 105,872,394</u>
Aviation Fund				
Transportation	\$ 1,793,863	\$ -	\$ 1,793,863	\$ 1,997,251
Direct Cost Allocation (Fire)	324,111	-	324,111	328,046
Indirect Cost Allocation	263,886	-	263,886	282,533
Total Aviation Fund	<u>\$ 2,381,860</u>	<u>\$ -</u>	<u>\$ 2,381,860</u>	<u>\$ 2,607,830</u>
Solid Waste Fund				
Financial Services	\$ 704,427	\$ -	\$ 704,427	\$ 803,878
Municipal Services	15,603,706	(226,000)	15,377,707	16,861,241
Indirect Cost Allocation	2,330,519	-	2,330,519	2,568,531
Contingent / Reserve Appropriation	1,000,000	-	-	500,000
Total Solid Waste Fund	<u>\$ 19,638,652</u>	<u>\$ (226,000)</u>	<u>\$ 18,412,653</u>	<u>\$ 20,733,650</u>
Total Enterprise Funds	<u>\$ 118,650,340</u>	<u>\$ (423,600)</u>	<u>\$ 105,084,745</u>	<u>\$ 129,213,874</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2008/09

<u>Fund/Department</u>	<u>Adopted Budgeted Expenditures 2007/08</u>	<u>Expenditure Adjustments Approved 2007/08</u>	<u>Actual Expenditures 2007/08*</u>	<u>Budgeted Expenditures 2008/09</u>
EXPENDABLE TRUST FUND				
Trusts				
Mayor's Com. For Emp. of the Handicapped	\$ 10,000	\$ -	\$ 10,000	\$ 8,800
Contingent Appropriation	10,000	-	-	10,000
Total Trust Fund	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 18,800</u>
INTERNAL SERVICE FUNDS				
Fleet Management Fund				
Municipal Services	\$ 14,199,879	\$ 1,054,600	\$ 14,615,227	\$ 16,560,219
Internal Service Offset	(15,759,740)	-	(15,758,590)	(18,300,507)
Total Fleet Management Fund	<u>\$ (1,559,861)</u>	<u>\$ 1,054,600</u>	<u>\$ (1,143,363)</u>	<u>\$ (1,740,288)</u>
Self Insurance Fund				
Financial Services	\$ 31,655,101	\$ -	\$ 29,726,944	\$ 33,527,025
Contingent / Reserve Appropriation	4,000,000	-	-	5,000,000
Internal Service Offset	(28,152,663)	-	(25,778,560)	(27,246,494)
Total Self Insurance Fund	<u>\$ 7,502,438</u>	<u>\$ -</u>	<u>\$ 3,948,384</u>	<u>\$ 11,280,531</u>
Total Internal Service Funds	<u>\$ 5,942,577</u>	<u>\$ 1,054,600</u>	<u>\$ 2,805,021</u>	<u>\$ 9,540,243</u>
TOTAL ALL FUNDS	<u>\$ 1,425,144,730</u>	<u>\$ 1,811,002</u>	<u>\$ 796,043,955</u>	<u>\$ 1,428,838,574</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

BUDGET ADOPTION ORDINANCE

Appendix

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses
Fiscal Year 2008/09

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2007/08</u>	<u>Expenditure Adjustments Approved 2007/08</u>	<u>Actual Expenditures 2007/08*</u>	<u>Budgeted Expenditures 2008/09</u>
MAYOR & CITY COUNCIL				
General Fund	\$ 1,630,052	\$ -	\$ 1,583,249	\$ 1,693,976
Total Mayor & City Council	<u>\$ 1,630,052</u>	<u>\$ -</u>	<u>\$ 1,583,249</u>	<u>\$ 1,693,976</u>
CITY CLERK				
General Fund	913,885	-	913,885	956,910
Total City Clerk	<u>\$ 913,885</u>	<u>\$ -</u>	<u>\$ 913,885</u>	<u>\$ 956,910</u>
ELECTIONS				
General Fund	9,671	-	9,671	238,461
Total Elections	<u>\$ 9,671</u>	<u>\$ -</u>	<u>\$ 9,671</u>	<u>\$ 238,461</u>
CITY ATTORNEY				
General Fund	7,293,048	122,066	6,935,114	6,942,294
Total City Attorney	<u>\$ 7,293,048</u>	<u>\$ 122,066</u>	<u>\$ 6,935,114</u>	<u>\$ 6,942,294</u>
CITY AUDITOR				
General Fund	945,985	-	778,631	973,586
Total City Auditor	<u>\$ 945,985</u>	<u>\$ -</u>	<u>\$ 778,631</u>	<u>\$ 973,586</u>
CITY COURT				
General Fund	5,602,621	173,525	5,477,320	5,771,748
Special Revenue Fund - Special Programs	434,903	-	434,903	458,545
Total City Court	<u>\$ 6,037,524</u>	<u>\$ 173,525</u>	<u>\$ 5,912,223</u>	<u>\$ 6,230,293</u>
CITY MANAGER				
General Fund	698,730	-	698,730	824,025
Total City Manager	<u>\$ 698,730</u>	<u>\$ -</u>	<u>\$ 698,730</u>	<u>\$ 824,025</u>
COMMUNICATIONS & PUBLIC AFFAIRS				
General Fund	1,776,100	-	1,671,100	1,728,004
Total Communications & Public Affairs	<u>\$ 1,776,100</u>	<u>\$ -</u>	<u>\$ 1,671,100</u>	<u>\$ 1,728,004</u>
POLICE DEPARTMENT				
General Fund	\$ 84,076,406	\$ 2,630,509	\$ 86,106,915	\$ 90,335,013
Special Revenue Fund - Special Programs	816,664	-	816,664	1,097,958
Total Police Department	<u>\$ 84,893,070</u>	<u>\$ 2,630,509</u>	<u>\$ 86,923,579</u>	<u>\$ 91,432,971</u>
FINANCIAL SERVICES				
General Fund	\$ 9,901,169	\$ -	\$ 9,453,318	\$ 9,992,850
Enterprise Fund - Water & Sewer	2,774,929	(28,000)	2,746,928	3,041,256
Enterprise Fund - Solid Waste	704,427	-	704,427	803,878
Internal Service Fund - Self-Insurance	31,655,101	-	29,726,944	33,527,025
Total Financial Services	<u>\$ 45,035,626</u>	<u>\$ (28,000)</u>	<u>\$ 42,631,617</u>	<u>\$ 47,365,009</u>
TRANSPORTATION				
General Fund	\$ 193,393	\$ -	\$ 116,393	\$ 201,328
Special Revenue Fund - Transportation/HURF	15,511,463	-	14,629,709	15,804,943
Enterprise Fund - Aviation	1,793,863	-	1,793,863	1,997,251
Total Transportation	<u>\$ 17,498,719</u>	<u>\$ -</u>	<u>\$ 16,539,965</u>	<u>\$ 18,003,522</u>
COMMUNITY SERVICES				
General Fund	\$ 58,073,131	\$ (99,000)	\$ 56,764,773	\$ 58,822,317
Special Revenue Fund - Special Programs	2,273,995	-	1,819,509	2,339,722
Total Community Services	<u>\$ 60,347,126</u>	<u>\$ (99,000)</u>	<u>\$ 58,584,282</u>	<u>\$ 61,162,039</u>

BUDGET ADOPTION ORDINANCE

Appendix

CITY OF SCOTTSDALE
Summary by Department of Expenditures/Expenses
Fiscal Year 2008/09

<u>Department/Fund</u>	<u>Adopted Budgeted Expenditures 2007/08</u>	<u>Expenditure Adjustments Approved 2007/08</u>	<u>Actual Expenditures 2007/08*</u>	<u>Budgeted Expenditures 2008/09</u>
INFORMATION SYSTEMS				
General Fund	\$ 10,788,073	\$ (22,200)	\$ 10,574,774	\$ 10,602,652
Total Information Systems	<u>\$ 10,788,073</u>	<u>\$ (22,200)</u>	<u>\$ 10,574,774</u>	<u>\$ 10,602,652</u>
THE DOWNTOWN GROUP				
General Fund	\$ 4,695,392	\$ -	\$ 4,595,393	\$ 4,580,842
Special Revenue Fund - Special Programs	526,150	-	-	300,000
Total The Downtown Group	<u>\$ 5,221,542</u>	<u>\$ -</u>	<u>\$ 4,595,393</u>	<u>\$ 4,880,842</u>
FIRE DEPARTMENT				
General Fund	\$ 32,354,253	\$ -	\$ 31,412,514	\$ 33,237,606
Special Revenue Fund - Special Programs	-	-	-	5,000
Total Fire Department	<u>\$ 32,354,253</u>	<u>\$ -</u>	<u>\$ 31,412,514</u>	<u>\$ 33,242,606</u>
WATER RESOURCES				
Enterprise Fund - Water & Sewer	\$ 60,102,985	\$ (169,600)	\$ 54,155,557	\$ 64,585,273
Total Water Resources	<u>\$ 60,102,985</u>	<u>\$ (169,600)</u>	<u>\$ 54,155,557</u>	<u>\$ 64,585,273</u>
MUNICIPAL SERVICES				
General Fund	\$ 728,375	\$ 350,000	\$ 1,061,766	\$ 1,687,434
Special Revenue Fund - Transportation/HURF	18,280,978	229,301	18,144,651	19,600,184
Enterprise Fund - Solid Waste	15,603,706	(226,000)	15,377,707	16,861,241
Internal Service Fund - Fleet Management	14,199,879	1,054,600	14,615,227	16,560,219
Total Municipal Services	<u>\$ 48,812,938</u>	<u>\$ 1,407,901</u>	<u>\$ 49,199,351</u>	<u>\$ 54,709,078</u>
CITIZEN & NEIGHBORHOOD RESOURCES				
General Fund	\$ 3,693,595	\$ 35,500	\$ 3,179,655	\$ 3,774,908
Special Revenue Fund - Special Programs	35,500	(35,500)	-	-
Total Citizen & Neighborhood Resources	<u>\$ 3,729,095</u>	<u>\$ -</u>	<u>\$ 3,179,655</u>	<u>\$ 3,774,908</u>
HUMAN RESOURCES				
General Fund	\$ 4,624,970	\$ -	\$ 4,051,612	\$ 4,316,051
Special Revenue Fund - Special Programs	25,000	-	25,000	25,000
Total Human Resources	<u>\$ 4,649,970</u>	<u>\$ -</u>	<u>\$ 4,076,612</u>	<u>\$ 4,341,051</u>
ECONOMIC VITALITY				
General Fund	\$ 1,634,581	\$ -	\$ 1,520,470	\$ 1,502,931
Special Revenue Fund - Special Programs	7,607,766	300,000	7,907,766	7,864,578
Total Economic Vitality	<u>\$ 9,242,347</u>	<u>\$ 300,000</u>	<u>\$ 9,428,236</u>	<u>\$ 9,367,509</u>
PLANNING & DEVELOPMENT SERVICES				
General Fund	\$ 17,995,564	\$ (120,000)	\$ 16,969,528	\$ 17,132,633
Special Revenue Fund - Special Programs	115,024	-	50,024	279,989
Total Planning & Development Services	<u>\$ 18,110,588</u>	<u>\$ (120,000)</u>	<u>\$ 17,019,552</u>	<u>\$ 17,412,622</u>
WESTWORLD				
General Fund	3,397,033	(41,200)	3,275,833	3,549,525
Total WestWorld	<u>\$ 3,397,033</u>	<u>\$ (41,200)</u>	<u>\$ 3,275,833</u>	<u>\$ 3,549,525</u>
OTHER				
Estimated Department Expenditure Savings	\$ (1,750,000)	\$ -	\$ (1,750,000)	\$ -
Estimated Vacant Position Savings	(4,000,000)	-	(4,000,000)	-
Indirect Cost Allocation	11,253,132	-	11,253,132	12,608,898
Direct Cost Allocation (Fire)	324,111	-	324,111	328,046
Internal Offset	(43,912,403)	-	(41,537,150)	(45,547,001)
Total Other	<u>\$ (38,085,160)</u>	<u>\$ -</u>	<u>\$ (35,709,907)</u>	<u>\$ (32,610,057)</u>
TOTAL DEPARTMENTS				
	<u>\$ 385,403,200</u>	<u>\$ 4,154,001</u>	<u>\$ 374,389,616</u>	<u>\$ 411,407,099</u>

* Includes actual expenditures recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures for the remainder of the fiscal year.

**CITY OF SCOTTSDALE
Summary of Specific Budget Appropriations
Fiscal Year 2008/09**

	OPERATING BUDGET	CAPITAL BUDGET	OTHER FISCAL ACTIVITY	TOTAL ACTIVITY
Department:				
Mayor and City Council	\$ 1,693,976			\$ 1,693,976
City Clerk	956,910			956,910
Elections	238,461			238,461
City Attorney	6,942,294			6,942,294
City Auditor	973,586			973,586
City Court	6,230,293			6,230,293
City Manager	824,025			824,025
Communications & Public Affairs	1,728,004			1,728,004
Police	91,432,971			91,432,971
Financial Services	47,365,009			47,365,009
Transportation	18,003,522			18,003,522
Community Services	61,162,039			61,162,039
Information Systems	10,602,652			10,602,652
The Downtown Group	4,880,842			4,880,842
Fire	33,242,606			33,242,606
Water Resources	64,585,273			64,585,273
Municipal Services	54,709,078			54,709,078
Citizen & Neighborhood Resources	3,774,908			3,774,908
Human Resources	4,341,051			4,341,051
Economic Vitality	9,367,509			9,367,509
Planning & Development Services	17,412,622			17,412,622
WestWorld	3,549,525			3,549,525
Indirect/Direct Cost Allocation	12,936,944			12,936,944
Internal Service Fund Offsets	(45,547,001)			(45,547,001)
Debt Service	99,054,571			99,054,571
Capital Improvements		\$ 859,318,900		859,318,900
Other Fiscal Activity:				
Grants			\$ 19,307,204	19,307,204
Trusts and Special Districts			740,800	740,800
Total 2008/09 Budget	\$ 510,461,670	\$ 859,318,900	\$ 20,048,004	\$ 1,389,828,574
Reserve/Contingency Appropriations	14,000,000	25,000,000	10,000	39,010,000
Total Budget Appropriation	\$ 524,461,670	\$ 884,318,900	\$ 20,058,004	\$ 1,428,838,574

SCHEDULE G

ORDINANCE NO. 3799

AN ORDINANCE OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF SCOTTSDALE SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR THE VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2009.

WHEREAS, by the provisions of the City Charter and State Statute, an ordinance is required to set the property tax levy for the fiscal year beginning July 1, 2008, and ending June 30, 2009; and

WHEREAS, the county of Maricopa is the assessing and collecting authority for the City of Scottsdale, the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor.

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

SECTION 1. There is hereby levied on each one hundred dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a primary property tax levy not to exceed the maximum levy allowed by law for the fiscal year ending June 30, 2009, and allowable tort liability claims. The total primary levy is \$22,384,224 resulting in a tax rate of \$0.3537 per \$100 of assessed value. Said figure subject to change only if a court decision were to reduce the net assessed valuation in a significant manner.

SECTION 2. In addition to the rate set in Section 1 hereinbefore, there is hereby levied on each one hundred dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Scottsdale, except such property as may be by law exempt from taxation, a secondary property tax rate of \$0.4327 per \$100 of assessed value, which is a rate sufficient to raise the sum of \$35,795,617 for the purpose of providing a bond interest and redemption fund for General Obligation debt service for the fiscal year ending June 30, 2009.

SECTION 3. Failure by the county officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in assessments or omission in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer(s) to timely perform any of the assigned duties shall not invalidate any proceedings or any deed or sale pursuant thereto; the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Scottsdale upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for the collection of taxes or the foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

Ordinance No. 3799
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SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 17th day of June, 2008.

ATTEST:

CITY OF SCOTTSDALE,
an Arizona municipal corporation



Carolyn Jagger
City Clerk



Mary Manross
Mayor

APPROVED AS TO FORM:



Deborah Robberson
City Attorney

