

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, JULY 3, 2018**



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:05 P.M. on Tuesday, July 3, 2018, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Guy Phillips; and Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield, Linda Milhaven, and David N. Smith

Also Present: Acting City Manager Brent Stockwell, City Attorney Bruce Washburn, Budget Director Judy Doyle, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Councilwoman Milhaven

INVOCATION – Mayor Lane asked for a moment of silence to contemplate the blessings enjoyed in this Country for the last 242 years.

MAYOR'S REPORT

Mayor Lane announced that Scottsdale's District 6 will host the top teams representing each of the 14 little league districts from across the State in the majors 12 and under division, noting that the Scottsdale Charros and Scottsdale Tourism Department provided funding for the event. Mayor Lane recognized Charros CEO and Executive Director Dennis Robbins and thanked the Charros for its efforts to make the tournament happen.

PRESENTATIONS/INFORMATION UPDATES

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

Scottsdale Arts President and CEO Gerd Wuestemann gave a PowerPoint (attached) on Scottsdale Arts activities.

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

PUBLIC COMMENT – None

ADDED ITEMS

A1. Added Items

Consent Item Nos. 18B and 18C were added to the agenda on June 27, 2018.

Consent Item No. 18D was added to the agenda on June 29, 2018.

Request: Vote to accept the agenda as presented or continue the added item(s) to the next scheduled Council meeting, which is August 28, 2018.

MOTION AND VOTE – ADDED ITEMS

Councilwoman Littlefield made a motion to accept the agenda as presented. Councilwoman Klapp seconded the motion, which carried 7/0.

CONSENT AGENDA

1. JOJO Coffee House Liquor License (34-LL-2018)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 7 (beer and wine bar) State liquor license for a new location and owner.

Location: 3712 N. Scottsdale Road, Suite 102

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

2. Butters Pancakes & Café No. 1 Liquor License (35-LL-2018)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.

Location: 8300 N. Hayden Road, Suite F104

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

3. Butters Pancakes & Café No. 2 Liquor License (36-LL-2018)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 14795 N. Northsight Boulevard

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

4. Compa Spirits Liquor License (37-LL-2018)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 4 (wholesale) State liquor license for a new location and owner.

Location: 502 N. Hayden Road, Unit 874

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 5. Oak Street Mini-Mart Liquor License (38-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 10 (beer and wine store) State liquor license for an existing location with a new owner.
Location: 7123 E. Oak Street
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Fellow Liquor License (39-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor licenses for a new location and owner.
Location: 1455 N. Scottsdale Road, Suite 100
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Koi Poke Liquor License (40-LL-2018)**
(Removed at the request of staff)
- 8. Maple & Ash Liquor License (41-LL-2018)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 7135 E. Camelback Road, Suite 130
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 9. Rassner Memorial Scottsdale Library Endowment Allocation**
(Removed at the request of staff.)
- 10. Scottsdale Stadium Concession Agreement**
Request: Adopt **Resolution No. 11196** authorizing Contract No. 2008-075-COS-A2, the second amendment to the Scottsdale Stadium concession agreement with Arizona Sportservice, Inc., modifying the extension provision to allow for up to five successive one-year renewal periods.
Staff Contact(s): William Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 11. Library Coffee Café Merchandising Agreement**
Request: Adopt **Resolution No. 11173** authorizing Contract No. 2018-082-COS with the Arizona Department of Economic Security for the operation of a coffee café merchandizing business in the Scottsdale Civic Center Library.
Staff Contact(s): William Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 12. Regional Economic Development Marketing Services Contract**
Request: Adopt **Resolution No. 11111** authorizing Contract No. 2018-050-COS with the Greater Phoenix Economic Council in the amount of \$112,708 for regional economic marketing services.
Staff Contact(s): Danielle Casey, Economic Development Director, 480-312-7601, dcasey@scottsdaleaz.gov

- 13. Scottsdale Arts Annual Financial Participation Agreement**
Request: Adopt **Resolution No. 11161** authorizing Agreement No. 2018-076-COS with the Scottsdale Cultural Council (doing business as Scottsdale Arts) in the amount of \$4,688,148 to be allocated for activities consistent with Management Services Agreement No. 2008-048-COS.
Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov
- 14. Water Delivery and Fee Structure Agreement**
Request: Adopt **Resolution No. 11177** authorizing Agreement No. 2018-085-COS with CF Ancala Arcis, LLC, for the Central Arizona Project Turnout Transfer and Water Service Agreement.
Staff Contact(s): Brian Biesemeyer, Water Resources Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov
- 15. United States Army Corps of Engineers and Phoenix Thunderbirds Tolling and Settlement Agreements**
Requests:
 1. Adopt **Resolution No. 11193** authorizing Tolling Agreement No. 2018-087-COS with the United States Army Corps of Engineers and, including as an additional party, the Phoenix Thunderbirds, pertaining to alleged violations of the Federal Clean Water Act at the site known as Crossroads East located south of State Route 101 and Hayden Road.
 2. Adopt **Resolution No. 11192** authorizing Settlement Agreement No. 2018-086-COS with the United States Army Corps of Engineers and, including as an additional party, the Phoenix Thunderbirds, pertaining to alleged violations of the Federal Clean Water Act at the site known as Crossroads East located south of State Route 101 and Hayden Road.**Location:** South of State Route 101 and Hayden Road
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov
- 16. Scottsdale Sister Cities Association Contract**
Request: Adopt **Resolution No. 11171** authorizing Agreement No. 2018-081-COS with Scottsdale Sister Cities Association, establishing a four-year agreement in the total amount of \$60,000 (\$15,000 annually) for the provision of services in support of the City's relationships with its Sister Cities.
Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov
- 17. Fiscal Year 2017/18 Operating Budget Adjustments**
Request: Adopt **Resolution No. 11194** authorizing FY 2017/18 operating budget adjustments.
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov
- 18. Monthly Financial Report**
Request: Accept the FY 2017/18 Monthly Financial Report as of April 2018.
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

18A. Legal Services Contract

Request: Adopt **Resolution No. 11201** authorizing legal fees to be incurred in Contract No. 2015-023-COS with the law firm of Dickinson Wright PLLC, in an amount not to exceed a total of \$290,000 for the defense of *Stuart et al. v. City of Scottsdale et al.*, Case No. 2:17-cv-01848-DJH, and *Save Our Preserve Political Action Committee of Scottsdale v. City of Scottsdale*, et al., Case No. 2:18-cv-01047-DJH, currently pending in the United States District Court.

Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405,
bwashburn@scottsdaleaz.gov

18B. Federal Lobbying and Legal Services Contract

Request: Adopt **Resolution No. 11202** to authorize:

1. Amending Contract No. 18CR016 (City Contract No. 2018-102-COS) with Covington & Burling, L.L.P., in an amount not to exceed \$40,000, to provide federal lobbying and legal services.
2. A FY 2018/19 General Fund Operating Contingency transfer in the amount of \$40,000 to the City Manager's FY 2018/19 Operating Budget to cover the associated operating costs.

Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683,
blundahl@scottsdaleaz.gov

18C. November 6, 2018 Special Election Ballot Language

Request: Adopt **Resolution No. 11203** amending Resolution No. 11124 to simplify and clarify the ballot language for the sales tax question.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

18D. Drinkwater Bridge Phase 1 Construction Services Contract

Request: Adopt **Resolution No. 11204** authorizing CM@Risk Contract No. 2018-103-COS with Haydon Building Corporation in the amount of \$491,665.58 to provide Phase 1 construction services for the Drinkwater Bridge Interim Structural Repairs Project.

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

MOTION AND VOTE – CONSENT AGENDA

Vice Mayor Phillips made a motion to approve Consent Agenda Items 1 through 18D. Councilwoman Klapp seconded the motion, which carried 7/0.

REGULAR AGENDA

19. Loss Trust Fund Presentation

(Removed at the request of staff.)

20. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of May 2018.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle gave a PowerPoint presentation (attached) on the City's financial status as of May 2018.

21. Fine Art Tax Elimination

Request: Presentation, discussion, and possible direction to staff regarding the fine art tax elimination.

Presenter(s): Teresa Hoglund, Business Services Manager

Staff Contact(s): Jeff Nichols, City Treasurer, 480-312-2364, jenichols@scottsdaleaz.gov

Business Services Manager Teresa Hoglund gave a PowerPoint presentation (attached) on the status of the elimination of tax on fine art.

PUBLIC COMMENT – None

CITIZEN PETITIONS

22. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

The Regular City Council Meeting adjourned at 5:38 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on August 28, 2018

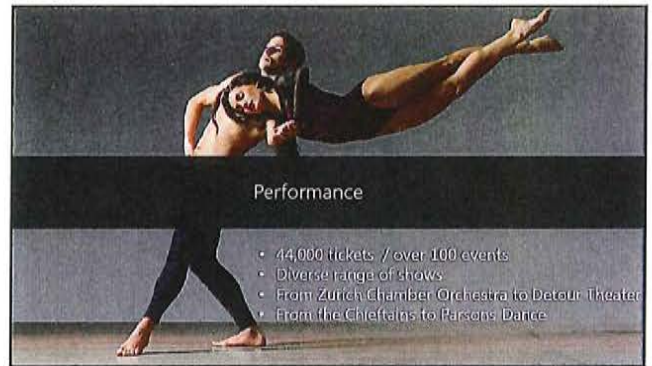
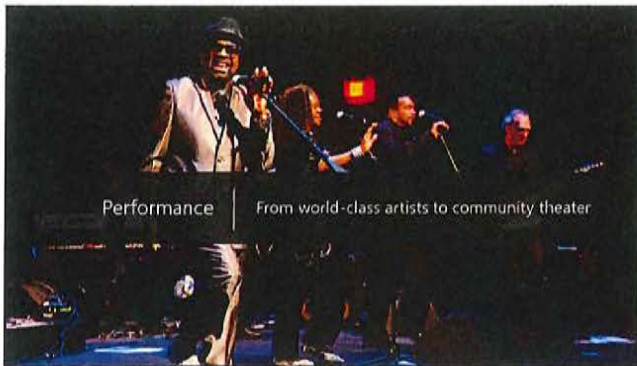
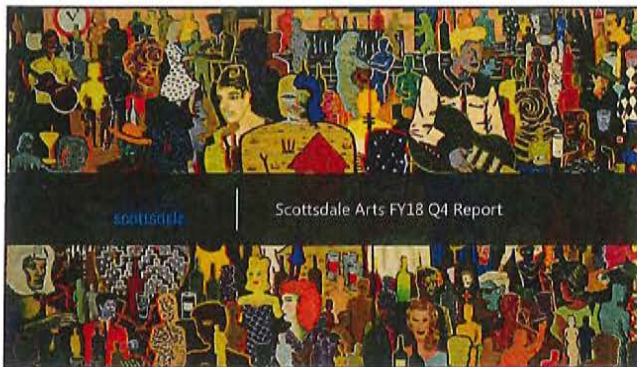
CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 3rd day of July 2018.

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

DATED this 28th day of August 2018.


Carolyn Jagger, City Clerk





SMoCA | Beautiful, nationally significant, permanent collection, accredited



SMoCA | • 1,000 visitors to SMoCA summer show opening night
• 75% of visitors under age of 30, diversity



SMoCA | • Lydia Okumura in International Arts Mag *Wallpaper*
• Phoenix New Times, TV15, other feature stories



Education & Outreach | our future artists, audiences, citizens



Education & Outreach | • Summer Camps; Deep Time exhibit @ Library
• Weekly Creative Aging Programs
• Boys & Girls Club Partnership – Creative Writing



Education & Outreach | • Edu Curator Laura Hales published in Nat. Education Jou
• Doubled services to Title 1 students in SUSD, 98% repeat

Public Art

- New works @ SOHO Scottsdale
- Installations @ Firestations 603 & 613
- ...and yes, Sonoran Jack installation in late July!

Public Art

- SPA & City working with ADOT to preserve Highway Art on
- SPA leased new storage/workshop area on waterfront
- Vacated Livery Stable to make way for more fitting usage

Public Art

- Visionary Scottsdale program celebrated in national news
- Lead Image in feature story in WSJ
- Upcoming NYT feature story

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CREATIVITY. COMMUNITY. CULTURE

FY18 by the Numbers

- 76,000 MoCA visitors
- 62,000 SCPA visitors
- Approx. 20,000 Canal Convergence visitors
- 40,000 students in 100 schools
- 87,000 campus events visitors
- 1,200 artists employed/year

scottsdale

CREATIVITY. COMMUNITY. CULTURE

FY18 by the Numbers – revenue

- \$4.6M city investment
- \$3.4M earned revenue
- \$2M contributed revenue
- \$1M other income
- \$11M ops budget
- \$7.5M Public Art Inventory
- City investment leveraged by 150%
- 66% of expenditures to mission/programs

CREATIVITY. COMMUNITY. CULTURE

FY18 ROI Study

- Primary ROI to tax base approx. \$16M/yr
- Secondary ROI to local economy approx. \$56M/yr
- Tertiary ROI to econ development & tourism - Priceless

scottsdale

FY18 Internal Culture Shifts

- Staff – opening doors, positive energy
- Board – commitment, engagement, governance
 - New strategic plan
 - City partnership
 - Leadership in advocacy
 - Increased grant making
 - Increased collaboration

External Culture Shifts | Collaborate, support, elevate

It's no fun to dance alone
— our new partners

- AZ MusicFest
- Museum of the West
- Desert Foothills Theater
- Desert Stages/Glass of Paint
- Detour Theater
- Tallies in West
- FreeArts AZ
- International Film Fest
- Scottsdale Philharmonic
- Scottsdale Artists School
- Entertainment District
- ASU Dance
- ASU Skyzone B. Science Dept.
- ASU Architecture & City of Scottsdale

The Road Ahead...

A new Gateway – 2nd Street Entry

Civic Center Plaza Renovation



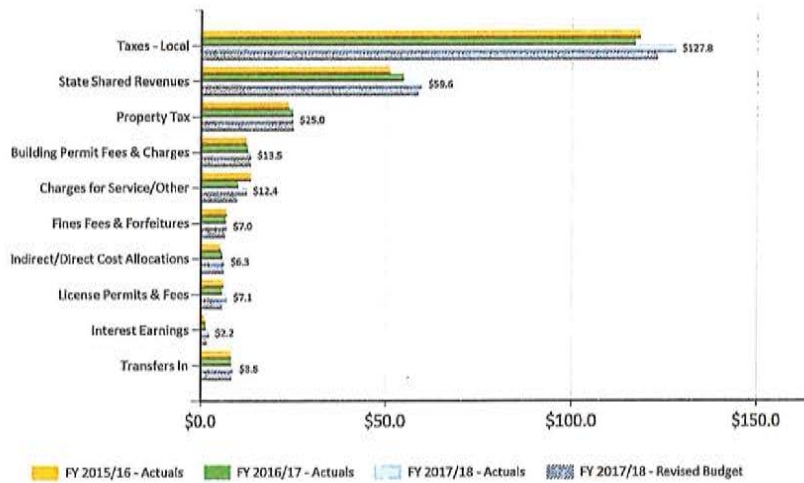
Item 20

Monthly Financial Update As of May 31, 2018

City Council
July 3, 2018

General Fund Operating Sources May 2018: Fiscal Year to Date

(in millions: rounding differences may occur)



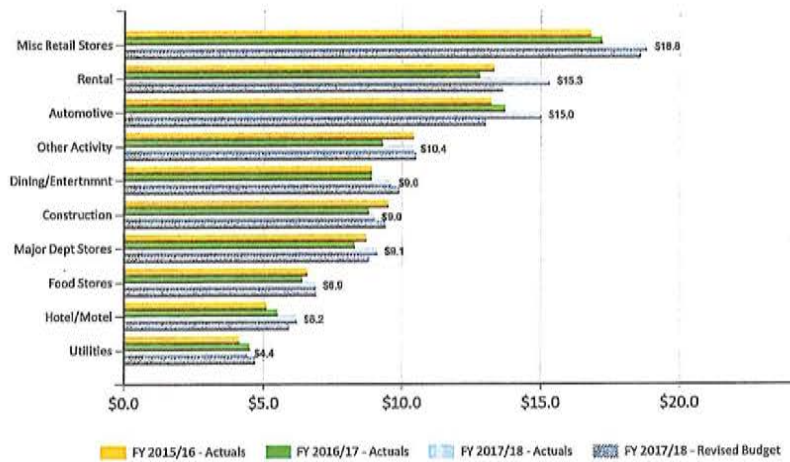
General Fund Operating Sources May 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$118.1	\$116.8	\$127.8	\$122.9	\$4.8	4%
State Shared Revenues	50.9	54.8	59.6	58.6	1.0	2%
Property Tax	23.9	24.9	25.0	25.1	(0.1)	0%
Building Permit Fees & Charges	12.4	12.8	13.5	13.4	0.1	1%
Charges for Service/Other	13.6	10.1	12.4	9.8	2.6	27%
Fines Fees & Forfeitures	7.0	6.8	7.0	6.4	0.6	9%
Indirect/Direct Cost Allocations	5.5	5.9	6.3	6.3	-	-
License Permits & Fees	6.3	5.8	7.1	5.8	1.4	23%
Interest Earnings	1.2	1.4	2.2	1.5	0.7	48%
Transfers In	8.3	8.3	8.8	8.4	0.4	5%
Total Sources	\$247.1	\$247.6	\$269.7	\$258.3	\$11.5	4%

General Fund Operating Sources: Sales Tax May 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)



General Fund Operating Sources: 1% Sales Tax May 2018 : Fiscal Year to Date

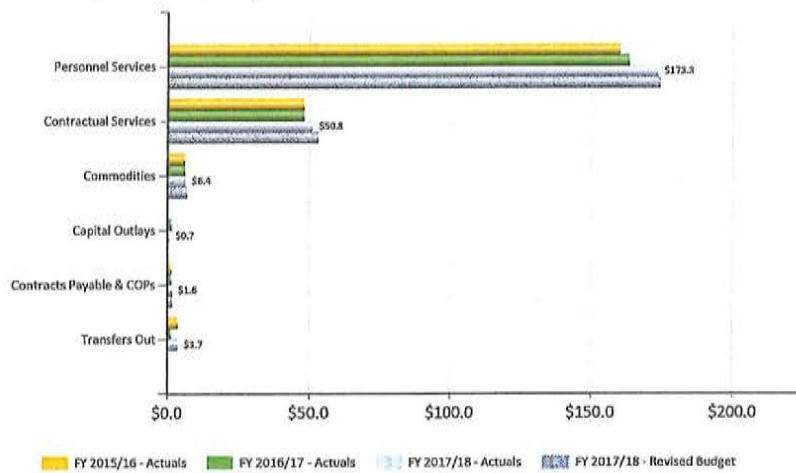
(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$16.8	\$17.2	\$18.8	\$18.6	\$0.3	1%
Rental	13.3	12.8	15.3	13.6	1.6	12%
Automotive	13.2	13.7	15.0	13.0	2.0	16%
Other Activity	10.4	9.3	10.4	10.5	-	-
Dining/Entertainment	8.9	8.9	9.6	9.9	(0.3)	(3%)
Construction	9.5	8.8	9.0	9.4	(0.3)	(3%)
Major Dept Stores	8.7	8.3	9.1	8.8	0.3	3%
Food Stores*	6.6	6.4	6.9	6.9	(0.1)	(1%)
Hotel/Motel	5.1	5.5	6.2	5.9	0.3	5%
Utilities	4.1	4.5	4.4	4.7	(0.3)	(6%)
Sales Tax Total	\$96.5	\$95.4	\$104.7	\$101.1	\$3.6	4%

*YTD CIP transfer = \$4.6 million

General Fund Operating Uses: by Category May 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)



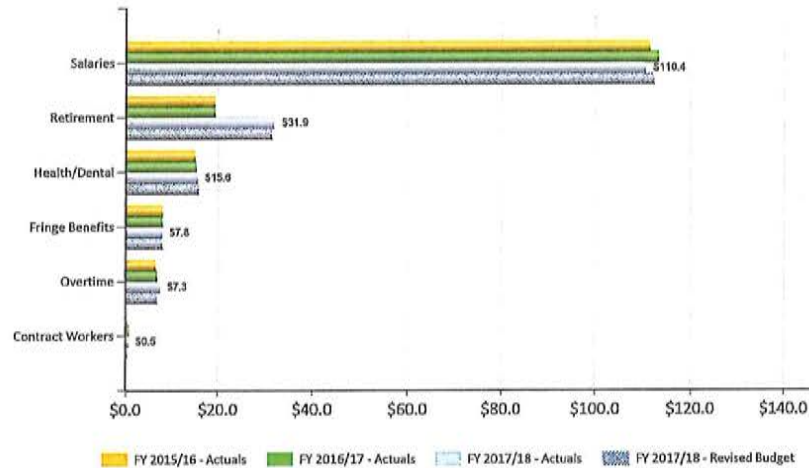
General Fund Operating Uses: by Category May 2018 : Fiscal Year to Date

(In millions; rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services*	\$160.1	\$163.3	\$173.3	\$174.3	\$0.9	1%
Contractual Services	48.3	48.3	50.8	53.0	2.1	4%
Commodities	6.3	6.4	6.4	7.1	0.7	10%
Capital Outlays	0.3	1.6	0.7	0.2	(0.4)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	3.7	1.5	3.7	-	(3.7)	n/a
Total Uses	\$220.3	\$222.7	\$236.6	\$236.2	(\$0.4)	0%
*Pay Periods thru May:	24	24	23			

General Fund Operating Uses: Personnel Services May 2018 : Fiscal Year to Date

(In millions; rounding differences may occur)



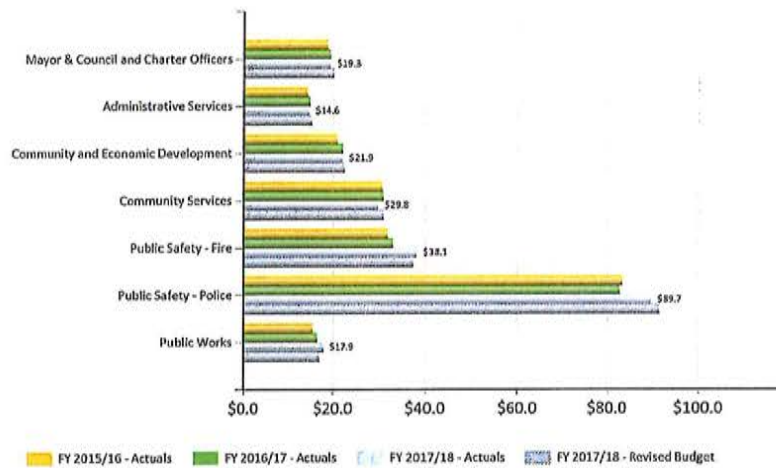
General Fund Operating Uses: Personnel Services May 2018 : Fiscal Year to Date

(in millions; rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries*	\$111.4	\$113.3	\$110.4	\$112.2	\$1.8	2%
Retirement	19.3	19.4	31.9	31.5	(0.4)	(1%)
Health/Dental	15.0	15.4	15.6	15.8	0.3	2%
Fringe Benefits	7.9	7.9	7.8	7.8	-	-
Overtime	6.4	6.7	7.3	6.6	(0.6)	(9%)
Contract Workers	0.2	0.6	0.5	0.3	(0.1)	(38%)
Personnel Services Total	\$160.1	\$163.3	\$173.3	\$174.3	\$0.9	1%
*Pay Periods thru May:	24	24	23			

General Fund Operating Division Expenditures May 2018 : Fiscal Year to Date

(in millions; rounding differences may occur)



General Fund Operating Division Expenditures May 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$18.7	\$19.4	\$19.3	\$20.2	\$0.9	4%
Administrative Services	14.2	14.9	14.6	15.2	0.6	4%
Community and Economic Development	20.9	22.1	21.9	22.4	0.4	2%
Community Services	30.7	30.9	29.8	31.0	1.2	4%
Public Safety - Fire	31.8	33.1	38.1	37.4	(0.7)	(2%)
Public Safety - Police	83.2	82.7	89.7	91.6	1.9	2%
Public Works	15.5	16.5	17.9	16.9	(0.9)	(6%)
Total	\$215.0	\$219.6	\$231.3	\$234.6	\$3.3	1%

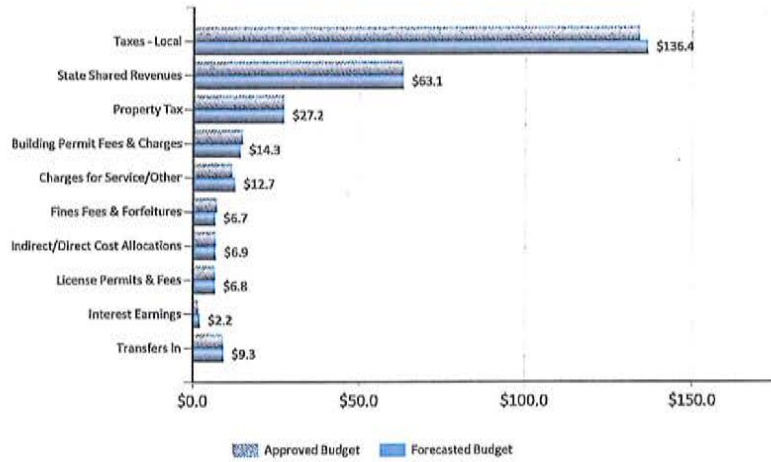
General Fund Results: Summary May 2018 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 15/16	FY 16/17	FY 17/18	FY 17/18	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$247.1	\$247.6	\$269.7	\$258.3	\$11.5	4%
Uses	\$220.3	\$222.7	\$236.6	\$236.2	(\$0.4)	0%
Change in Fund Balance	\$26.8	\$24.9	\$33.1	\$22.1	\$11.1	

General Fund Operating Sources May 2018 : Year-End Estimate

(In millions: rounding differences may occur)



General Fund Operating Sources May 2018 : Year-End Estimate

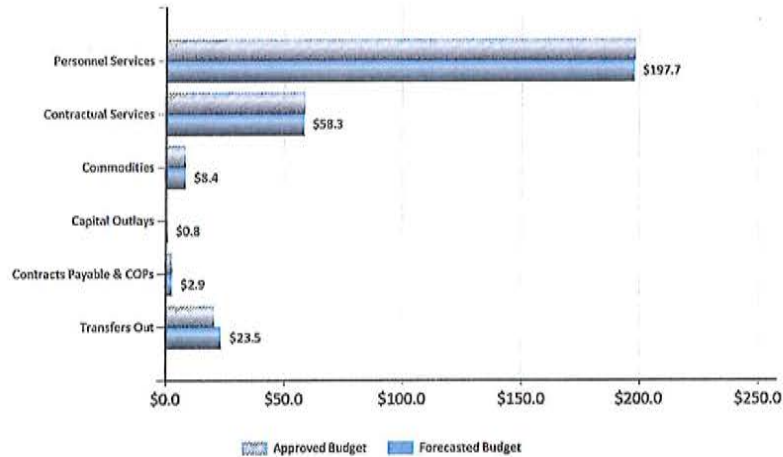
(In millions: rounding differences may occur)

	FY 2017/18 Approved	FY 2017/18 Forecast*	Approved vs. Forecast Favorable / (Unfavorable)	
			Amount	Percent
Taxes - Local	\$133.9	\$136.4	\$2.5	2%
State Shared Revenues	63.1	63.1	-	-
Property Tax	27.2	27.2	-	-
Building Permit Fees & Charges	15.0	14.3	(0.7)	(5%)
Charges for Service/Other	11.9	12.7	0.8	7%
Fines Fees & Forfeitures	7.1	6.7	(0.4)	(6%)
Indirect/Direct Cost Allocations	6.9	6.9	-	-
License Permits & Fees	6.8	6.8	-	-
Interest Earnings	1.6	2.2	0.5	34%
Transfers In	9.1	9.3	0.2	2%
Total Sources	\$282.6	\$285.6	\$3.0	1%

*Forecast as of FY 2018/19 Adopted Budget.

General Fund Operating Uses May 2018 : Year-End Estimate

(in millions; rounding differences may occur)



General Fund Operating Uses May 2018 : Year-End Estimate

(in millions; rounding differences may occur)

	FY 2017/18	FY 2017/18	Approved vs. Forecast	
	Approved	Forecast*	Favorable / (Unfavorable)	
			Amount	Percent
Personnel Services**	\$198.2	\$197.7	\$0.6	0%
Contractual Services	58.9	58.3	0.6	1%
Commodities	8.5	8.4	0.1	1%
Capital Outlays	0.5	0.8	(0.4)	(78%)
Contracts Payable & CDPs	2.9	2.9	-	-
Transfers Out	20.6	23.5	(2.9)	(14%)
Total Uses	\$289.5	\$291.5	(\$2.0)	(1%)

*Forecast as of FY 2018/19 Adopted Budget.

**Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Program, and compensation adjustments.

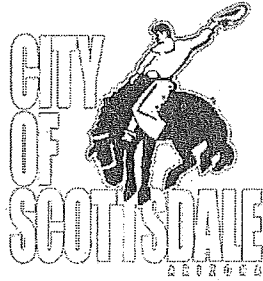
General Fund Results: Summary May 2018 : Year-End Estimate

(in millions; rounding differences may occur)

	FY 17/18 Approved	FY 17/18 Forecast *	Variance	
			Fav/(Unf)	%
Sources	\$282.6	\$285.6	\$3.0	1%
Uses	\$289.5	\$291.5	(\$2.0)	(1%)
Change in Fund Balance	(\$6.9)	(\$5.9)	\$1.0	
Ending Undesignated, Unreserved Fund Balance	\$20.5	\$23.6	\$3.1	

*Forecast as of FY 2018/19 Adopted Budget.

Item 21



Amending The Model City Tax Code

Fine Art Tax Elimination
July 3, 2018

Direction from City Council

- Scottsdale City Council gave direction to propose a change to the Model City Tax Code (MCTC) that would match the exemption language in State Statute for sales of Fine Art.
- Per instructions from the Arizona League of Cities, a letter was submitted on June 16, 2017 requesting the change to the MCTC.
- The League took the proposal to the other Arizona Cities and Towns.
- Scottsdale was advised that the tax exemption would be added as an option to the MCTC.

Process for Change

- Per Arizona Revised Statute 42-6053, all changes to the MCTC must be reviewed by the Municipal Tax Code Commission. (MTCC)
- The Arizona League of Cities and Towns advised us that the Municipal Tax Code Commission has 4 vacant positions that as of yet are unappointed.
 - Of the nine required members three are in place but need to be re-appointed by the Governor
 - Two new members need to be appointed by the Governor
 - The Senate President must still appoint a member (one is in place)
 - The Speaker of the House must still appoint a member (one is in place)

3

Next Steps

- The League of Arizona Cities and Towns has submitted requests to the Governors office, the Senate President and the Speaker of the House to get the commission members appointed.
- Once the appointments are in place and all proposed changes are submitted, there may be a 60 day period before a meeting of the MTCC.
- The City of Scottsdale proposal, along with several other proposed changes to the MCTC, will be presented at the first meeting.
- Any approved change may be put into place 30 days after approval.

4