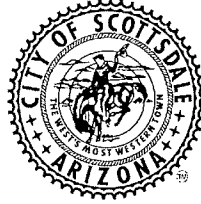


SCOTTSDALE CITY COUNCIL  
WORK STUDY SESSION MINUTES  
TUESDAY, AUGUST 25, 2020



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

**CALL TO ORDER**

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 5:45 P.M. on Tuesday, August 25, 2020, in the City Hall Kiva.

**ROLL CALL**

Present: Mayor W.J. "Jim" Lane  
Vice Mayor Solange Whitehead  
Councilmembers Suzanne Klapp, Virginia Korte, Kathy Littlefield,  
Linda Milhaven, and Guy Phillips

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

**1. Monthly Financial Update**

**Request:** Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of July 2020.

**Presenter(s):** Jeff Nichols, City Treasurer

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

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City' monthly financial status as of July 20, 2020.

**2. Monthly Financial Study Session**

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

**Presenter(s):** Jeff Nichols, City Treasurer; Jim Thompson, City Manager

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

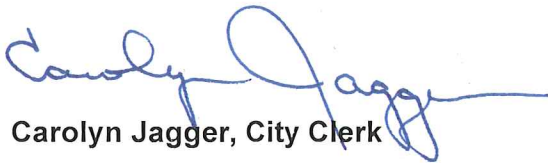
**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS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

City Manager Jim Thompson gave a PowerPoint presentation (attached) on fiscal year 2020/21 revenues and expenditures.

**ADJOURNMENT**

The Work Study Session adjourned at 6:11 P.M.

**SUBMITTED BY:**

  
Carolyn Jagger, City Clerk

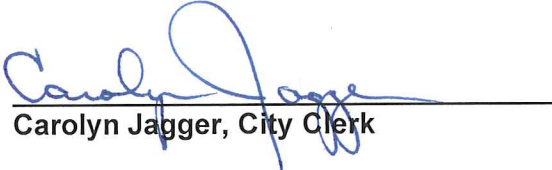
Officially approved by the City Council on September 22, 2020

## CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona held on the 25<sup>th</sup> day of August 2020.

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

**DATED** the 22<sup>nd</sup> day of September 2020.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk

## Monthly Financial Update – July 31, 2020

City Council Meeting – August 25, 2020

1

### General Fund Operating Sources July 2020: Fiscal Year to Date (in millions: rounding differences may occur)

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Taxes - Local	\$14.2	\$15.8	\$12.1	\$9.7	\$2.4	25%
Property Tax	0.3	0.4	0.4	0.3	-	-
State Shared Revenues	5.2	5.6	6.9	5.7	1.2	21%
Charges for Service/Other	1.7	1.9	1.9	1.0	0.9	89%
License Permits & Fees	0.6	0.6	0.4	0.4	0.1	23%
Fines Fees & Forfeitures	0.7	0.6	0.6	0.5	-	-
Interest Earnings	0.2	0.4	0.3	0.3	-	-
Building Permit Fees & Charges	1.5	1.7	2.0	1.4	0.7	50%
Other Revenue	-	-	-	-	-	-
Indirect/Direct Cost Allocations	0.9	1.3	1.0	1.0	-	-
Transfers In	3.3	4.4	2.7	2.7	-	-
<b>Total Sources</b>	<b>\$28.6</b>	<b>\$32.9</b>	<b>\$28.4</b>	<b>\$23.0</b>	<b>\$5.4</b>	<b>23%</b>

2

## General Fund Operating Sources: 1% Sales Tax

### July 2020: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>(Unfavorable) Percent</u>
Automotive	\$1.6	\$2.0	\$1.7	\$1.1	\$0.6	53%
Construction	1.0	1.0	0.9	0.4	0.5	nm
Dining/Entertnmt	1.0	1.1	0.6	0.3	0.2	67%
Food Stores	0.9	0.8	0.7	0.4	0.3	91%
Hotel/Motel	0.4	0.5	0.2	0.1	0.1	84%
Major Dept Stores	0.9	1.1	0.6	0.6	-	-
Misc Retail Stores	1.7	2.6	2.0	1.7	0.3	15%
Other Activity	1.2	1.3	0.9	0.6	0.3	49%
Rental	1.7	1.7	1.2	1.3	(0.1)	(5%)
Utilities	0.4	0.5	0.4	0.5	(0.1)	(13%)
<b>Sales Tax Total</b>	<b>\$10.9</b>	<b>\$12.6</b>	<b>\$9.2</b>	<b>\$7.1</b>	<b>\$2.2</b>	<b>30%</b>

3

## General Fund Operating Uses by Category

### July 2020: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>(Unfavorable) Percent</u>
Personnel Services*	\$15.7	\$17.6	\$11.6	\$11.6	\$ -	-
Contractual Services	6.9	7.0	7.8	7.5	(0.3)	(4%)
Commodities	0.2	0.2	0.3	0.4	0.2	37%
Capital Outlays	-	-	0.3	-	(0.3)	nm
Contracts Payable & COPs	-	-	-	-	-	-
Direct/Indirect	-	-	-	-	-	-
Transfers Out	0.2	0.3	-	-	-	-
<b>Total Uses</b>	<b>\$23.0</b>	<b>\$25.1</b>	<b>\$20.0</b>	<b>\$19.5</b>	<b>(\$0.5)</b>	<b>(2%)</b>
*Pay Periods thru July:	2	2	2			

4

## General Fund Operating Uses: Personnel Services

### July 2020: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Salaries*	\$10.7	\$11.4	\$7.0	\$7.1	\$0.1	1%
Overtime	\$0.5	\$0.7	\$0.9	\$0.7	(\$0.2)	(26%)
Health/Dental	\$1.5	\$1.6	\$0.5	\$0.5	\$ -	-
Fringe Benefits	\$0.7	\$0.8	\$0.7	\$0.7	\$ -	-
Retirement	\$2.2	\$3.0	\$2.5	\$2.6	\$0.1	3%
Contract Workers	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Personnel Services Total</b>	<b>\$15.7</b>	<b>\$17.6</b>	<b>\$11.6</b>	<b>\$11.6</b>	<b>\$ -</b>	<b>-</b>
*Pay Periods thru July:	2	2	2			

5

## General Fund Operating Division Expenditures

### July 2020: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Mayor & Council and Charter Officers	\$2.2	\$2.4	\$2.3	\$2.4	\$0.1	4%
Administrative Services	1.7	1.8	1.6	1.6	0.1	5%
Community and Economic Development	2.3	2.3	2.9	2.3	(0.6)	(28%)
Community Services	3.6	3.7	3.2	3.4	0.2	6%
Public Safety - Fire	3.2	3.9	2.5	2.3	(0.2)	(7%)
Public Safety - Police	8.5	9.4	6.4	6.3	(0.1)	(2%)
Public Works	1.1	1.2	1.1	1.2	0.1	6%
<b>Total</b>	<b>\$22.8</b>	<b>\$24.8</b>	<b>\$20.0</b>	<b>\$19.5</b>	<b>(\$0.5)</b>	<b>(2%)</b>

6

## General Fund Results: Summary

### July 2020: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 20/21 Budget	Actual Vs. Budget	
					Fav/(Unf)	%
<b>Sources</b>	\$28.6	\$32.9	\$28.4	\$23.0	\$5.4	23%
<b>Uses</b>	\$23.0	\$25.1	\$20.0	\$19.5	(\$0.5)	(2%)
<b>Change in Fund Balance</b>	\$5.6	\$7.8	\$8.4	\$3.5	\$4.9	

## FY 2020/21 Budget Monitoring

City Council Meeting – August 25, 2020

1

### General Fund Summary – FY 2020/21 YTD July

	FY 20/21 YTD Budget	FY 20/21 YTD Actuals	Fav / (Unfav) Difference
<b>Beginning Balance</b>	<b>\$111.1</b>	<b>\$111.1</b>	<b>\$ -</b>
Revenues	20.3	25.7	5.4
Transfers In	2.7	2.7	-
<b>Total Sources</b>	<b>23.0</b>	<b>28.4</b>	<b>5.4</b>
Expenditures	19.5	20.0	(0.5)
Debt Service	-	-	-
Transfers Out	-	-	-
<b>Total Uses</b>	<b>19.5</b>	<b>20.0</b>	<b>(0.5)</b>
<b>Sources Over/(Under) Uses</b>	<b>3.5</b>	<b>8.4</b>	<b>4.9</b>
<b>Ending Balance</b>	<b>\$114.6</b>	<b>\$119.5</b>	<b>\$4.9</b>

In millions. Rounding differences may occur.

2

2



## **Adjustments in response to current conditions**

- Monitoring revenues and expenditures on a regular basis, at this point revenues are better than expected, and expenditures as expected
- Brought back some staff in frozen positions to reopen facilities earlier than expected at tentative budget adoptions
- Added a vacant position review process to review vacant and vacated positions and fill the highest priority positions during the economic crisis
- Reviewing all city programs and rating them based on established criteria as part of the Priority Based Budgeting effort to aid future decision-making

3

## **Moving forward with recovery efforts**

- Facilities team have identified buildings for upgrades based upon usage by staff and for events
- Engineers are evaluating potential improvements (ultraviolet, ionization, air filter upgrades, touchless doors and fixtures)
- Small business and arts & culture grants have been advertised and are in the process of being awarded
- Human Services requesting Community Development Block Grant proposals for homeless services, mortgage, rental and utility services

4