

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING AND WORK STUDY SESSION MINUTES  
TUESDAY, MAY 14, 2024**



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

**CALL TO ORDER**

Mayor David D. Ortega called to order a Regular Meeting and Work Study Session of the Scottsdale City Council at 5:24 P.M. on Tuesday, May 14, 2024 in the City Hall Kiva Forum.

**ROLL CALL**

Present: Mayor David D. Ortega; Vice Mayor Solange Whitehead; and Councilmembers Tammy Caputi, Tom Durham, Barry Graham, Betty Janik, and Kathy Littlefield (participated electronically)

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Sonia Andrews, Acting City Auditor Lai Cluff, and City Clerk Ben Lane

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Ortega.

**MAYOR'S REPORT**

Mayor Ortega called attention to the ongoing wars in foreign countries as they fight to protect their democracy and freedom and asked for a moment of silent reflection for these war-torn countries and for the safety of our military personnel.

**PRESENTATIONS/INFORMATION UPDATES**

- **Recognition of the 2024 Scottsdale 101 Citizen Academy Graduates**  
**Presenter(s):** Christy Hill, Citizen Liaison  
**Note: The Council may make comments or ask questions to the presenter(s); however, no Council action will be taken.**

Citizen Liaison Christy Hill gave a PowerPoint presentation (attached) and presented the 2024 Scottsdale 101 Citizen Academy graduates.

2024 Scottsdale 101 Citizen Academy graduates Sondra Barr, Neil Ciarfalia, and Tom Droze spoke about their experience and the many facts they learned about Scottsdale.

**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**

No public comments were received.

## **MINUTES**

**Request:** Approve the following Council meeting minutes from April 2024:

- a. **Special Meeting Minutes of April 2, 2024**
- b. Executive Session Minutes of April 2, 2024
- c. **Regular Meeting Minutes of April 2, 2024**

## **MOTION AND VOTE - MINUTES**

Councilwoman Janik made a motion to approve the Special Meeting Minutes of April 2, 2024; Executive Session Minutes of April 2, 2024; and the Regular Meeting Minutes of April 2, 2024. Vice Mayor Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

## **CONSENT AGENDA**

1. **The House Warming Project Liquor License (18-LL-2024)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.  
**Location:** 7066 E. Indian School Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
2. **Macayo's Mexican Food Liquor License (19-LL-2024)**  
**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:** 8608 E. Shea Boulevard  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
3. **Culinary Gangster Liquor License (20-LL-2024)**  
**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:** 14891 N. Northsight Boulevard, Suite 135  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
4. **IL Bosco Pizza Liquor License (21-LL-2024)**  
**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:** 11108 N. Frank Lloyd Wright Boulevard, Suite 114  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

- 5. Allison DuBois Spirits Liquor License (22-LL-2024)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 4 (wholesaler) State liquor license for a new location and owner.  
**Location:** 7678 E. Greenway Road, Suite 101  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 6. Hi Fi Kitchen & Cocktails Liquor License (23-LL-2024)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a location/owner transfer of a Series 6 (bar) State liquor license for an existing location with a new owner.  
**Location:** 4420 N. Saddlebag Trail, Suite 110  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 7. On-Call Civil Infrastructure Inspection Services Contract Extensions**  
**Request:** Adopt **Resolution No. 13113** authorizing the following one-year contract extensions, in an amount not to exceed \$1,500,000 per contract, and modifying the hourly rates in accordance with the price adjustment terms in each respective contract for on-call inspection services at various project locations throughout the City:  
1. Contract No. 2020-090-COS-A3 with Consultant Engineering, Inc.  
2. Contract No. 2020-102-COS-A3 with Tristar Engineering and Management, Inc.  
**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555, [daworth@scottsdaleaz.gov](mailto:daworth@scottsdaleaz.gov)
- 8. Scottsdale Airport Lease Agreement**  
**Request:** Adopt **Resolution No. 13102** authorizing Lease Agreement No. 2024-065-COS with Desert Aerostar, LLC, for the lease of North General Aviation Box Hangar Space at the Scottsdale Airport.  
**Location:** 15858 N. 82<sup>nd</sup> Way  
**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)
- 9. Gila River General Stream Adjudication Legal Services Contract**  
**Request:** Adopt **Resolution No. 13129** to authorize:  
1. Contract No. 2024-082-COS with Engelman Berger, P.C., in an amount not to exceed \$40,000, for continued legal representation in the Gila River General Stream Adjudication for Fiscal Year 2024/25.  
2. The City Attorney to execute Contract No. 2024-082-COS with Engelman Berger, P.C.  
3. The City Attorney to approve a one-year extension of the contract and execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.  
**Staff Contact(s):** Sherry Scott, City Attorney, 480-312-2405, [sscott@scottsdaleaz.gov](mailto:sscott@scottsdaleaz.gov)
- 10. Public Safety Personnel Retirement System Pension Funding Policy**  
**Request:** Adopt **Resolution No. 13111** adopting the Fiscal Year 2024/25 Public Safety Personnel Retirement System (PSPRS) Pension Funding Policy; accepting the City's share of assets and liabilities under the PSPRS actuarial valuation report; repealing the prior policy; and establishing an effective date of July 1, 2024.  
**Staff Contact(s):** Anna Henthorn, Accounting Director, 480-312-7805, [ahenthorn@scottsdaleaz.gov](mailto:ahenthorn@scottsdaleaz.gov)

**11. Monthly Financial Report**

**Request:** Accept the Fiscal Year 2023/24 Monthly Financial Report as of March 2024.

**Staff Contact(s):** Ana Lia Johnson, Acting Budget Director, 480-312-7893,  
[anjohnson@scottsdaleaz.gov](mailto:anjohnson@scottsdaleaz.gov)

**MOTION AND VOTE – CONSENT AGENDA**

There was no public comment on the Consent Agenda items.

Vice Mayor Whitehead made a motion to approve Consent Agenda Items 1 through 11. Councilmember Durham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

**REGULAR AGENDA**

**12. Public Hearing on and Adoption of Fiscal Year 2024/25 Rates and Fees**

**Requests:**

1. Accept citizen comments at a public hearing regarding proposed rates and fees.
2. Adopt **Resolution No. 13091** declaring the document entitled "*Amendments to Chapter 49, Scottsdale Revised Code – Water, Sewers and Sewage Disposal*" to be a public record.
3. Adopt **Ordinance No. 4630** amending portions of Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal, relating to sewer/water reclamation rates, and miscellaneous rates and charges, effective July 1, 2024, and adjusting water rate (volumetric and base) charges, effective November 1, 2024.
4. Adopt **Ordinance No. 4631** amending Scottsdale Revised Code, Chapter 24, Solid Waste Management by adjusting solid waste rates and charges, effective July 1, 2024.
5. Adopt **Ordinance No. 4632** amending Scottsdale Revised Code, Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations by adjusting the Private Hauler Fee, effective July 1, 2024.
6. Adopt **Ordinance No. 4634** amending Scottsdale Revised Code, Chapter 9, City Court, relating to a service enhancement fee, effective July 1, 2024.
7. Adopt **Ordinance No. 4635** amending Scottsdale Revised Code, Chapter 9, City Court, relating to funds, costs and fees of the City Court, effective July 1, 2024.
8. Adopt **Resolution No. 13109** authorizing and approving adjustments to the Planning and Development Services Department's fees and charges, effective July 1, 2024.
9. Adopt **Resolution No. 13112** authorizing and approving:
  - a. Adjustments to the Community Services Division schedule of program charges, rental fees, and fines, effective July 1, 2024.
  - b. The City Manager, or designee, with concurrence of the City Attorney's Office to execute Scottsdale Stadium and Indian School Park Use Agreements with negotiated fees or fees for areas that have not typically been reservable by the public.
  - c. The City Manager, or designee, with concurrence of the City Attorney's Office to execute WestWorld agreements with negotiated fees.
10. Adopt **Resolution No. 13117** increasing the Police Department hourly fees for off-duty officers and increasing on body camera video request fees.

**Presenter(s):** Ana Lia Johnson, Acting Budget Director

**Staff Contact(s):** Ana Lia Johnson, Acting Budget Director, 480-312-7893,  
[anjohnson@scottsdaleaz.gov](mailto:anjohnson@scottsdaleaz.gov)



Acting Budget Director Ana Lia Johnson gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2024/25 Rates and Fees.

Mayor Ortega opened the public hearing on this item.

There was no public comment on this item.

Mayor Ortega closed the public hearing on this item.

### **MOTION AND VOTE – ITEM 12**

Vice Mayor Whitehead made a motion to:

1. Adopt Resolution No. 13091 declaring the document entitled “*Amendments to Chapter 49, Scottsdale Revised Code – Water, Sewers and Sewage Disposal*” to be a public record.
2. Adopt Ordinance No. 4630 amending portions of Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal, relating to sewer/water reclamation rates, and miscellaneous rates and charges, effective July 1, 2024, and adjusting water rate (volumetric and base) charges, effective November 1, 2024.
3. Adopt Ordinance No. 4631 amending Scottsdale Revised Code, Chapter 24, Solid Waste Management by adjusting solid waste rates and charges, effective July 1, 2024.
4. Adopt Ordinance No. 4632 amending Scottsdale Revised Code, Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations by adjusting the Private Hauler Fee, effective July 1, 2024.
5. Adopt Ordinance No. 4634 amending Scottsdale Revised Code, Chapter 9, City Court, relating to a service enhancement fee, effective July 1, 2024.
6. Adopt Ordinance No. 4635 amending Scottsdale Revised Code, Chapter 9, City Court, relating to funds, costs, and fees of the City Court, effective July 1, 2024.
7. Adopt Resolution No. 13109 authorizing and approving adjustments to the Planning and Development Services Department’s fees and charges, effective July 1, 2024.
8. Adopt Resolution No. 13112 authorizing and approving:
  - a. Adjustments to the Community Services Division schedule of program charges, rental fees, and fines, effective July 1, 2024.
  - b. The City Manager, or designee, with concurrence of the City Attorney’s Office to execute Scottsdale Stadium and Indian School Park Use Agreements with negotiated fees or fees for areas that have not typically been reservable by the public.
  - c. The City Manager, or designee, with concurrence of the City Attorney’s Office to execute WestWorld agreements with negotiated fees.
9. Adopt Resolution No. 13117 increasing the Police Department hourly fees for off-duty officers and increasing on body camera video request fees.

Councilmember Durham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

### **13. Public Hearing on and Adoption of Proposed Fiscal Year (FY) 2024/25 Budget (Tentative Budget) and Five-Year Capital Improvement Plan (CIP)**

#### **Requests:**

1. The City Council solicits and receives public input relative to the entire Proposed FY 2024/25 Budget, which includes both the Operating Budget and Capital Improvement Plan. The City Council may direct staff to revise the Proposed FY 2024/25 Budget prior to adoption or may adopt the proposed version as the Tentative Budget as amended required for conformity with Arizona Revised Statutes and City Charter.

2. Adopt **Ordinance No. 4637** as presented (or as modified by Council) establishing the Tentative Budget for FY 2024/25 and adopting by reference the State-required budget forms. Establishment of the Tentative Budget statutorily fixes the maximum expenditure limit. The maximum expenditure limit may still be lowered by the City Council before final budget adoption.

Adoption of Ordinance No. 4637 also:

- a. Directs the City Clerk to meet obligations regarding publication and notices imposed by Arizona Revised Statutes and City Charter.
  - b. Tentatively authorizes or approves as applicable, certain salary adjustments included in the Tentative Budget for City employees and Charter Officers and sets the salaries of the Presiding Judge and Associate Judges.
3. Adopt **Ordinance No. 4638** as presented (or as modified by Council) tentatively adopting the Five-Year CIP for FY 2024/25 – FY 2028/29.

**Presenter(s):** Sonia Andrews City Treasurer and Dan Worth, Public Works Director  
**Staff Contact(s):** Ana Lia Johnson, Acting Budget Director, 480-312-7893,  
[anjohanson@scottsdaleaz.gov](mailto:anjohanson@scottsdaleaz.gov)

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2024/25 Budget (Tentative Budget) and Five-Year Capital Improvement Plan.

Mayor Ortega opened the public hearing on this item.

There was no public comment on this item.

Mayor Ortega closed the public hearing on this item.

### **MOTION AND VOTE – ITEM 13**

Councilwoman Janik made a motion to:

1. Adopt Ordinance No. 4637 as presented establishing the Tentative Budget for FY 2024/25 and adopting by reference the State-required budget forms. Establishment of the Tentative Budget statutorily fixes the maximum expenditure limit. The maximum expenditure limit may still be lowered by the City Council before final budget adoption.

Adoption of Ordinance No. 4637 also:

- a. Directs the City Clerk to meet obligations regarding publication and notices imposed by Arizona Revised Statutes and City Charter.
  - b. Tentatively authorizes or approves as applicable, certain salary adjustments included in the Tentative Budget for City employees and Charter Officers and sets the salaries of the Presiding Judge and Associate Judges.
2. Adopt Ordinance No. 4638 as presented tentatively adopting the Five-Year CIP for FY 2024/25 – FY 2028/29.

Vice Mayor Whitehead seconded the motion, which carried 6/1, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Janik, and Littlefield voting in the affirmative and Councilmember Graham dissenting.

### **PUBLIC COMMENT**

No public comments were received.

## CITIZEN PETITIONS

### 14. 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):** Ben Lane, City Clerk, 480-312-2411, [blane@scottsdaleaz.gov](mailto:blane@scottsdaleaz.gov)

No citizen petitions were received.

## WORK STUDY SESSION

### PUBLIC COMMENT

There was no public comment on this item.

### 1. Quarterly Financial and Capital Improvement Plan (CIP) Updates

**Requests:**

- a. Receive, discuss, and provide possible direction on the City Treasurer's quarterly financial presentation as of March 2024.
- b. Receive, discuss, and provide possible direction on the City Engineer's quarterly CIP presentation as of March 2024.

**Presenter(s):** Sonia Andrews, City Treasurer and Dan Worth, Public Works Director

**Staff Contact(s):** Ana Lia Johnson, Acting Budget Director, 480-312-7893, [anjohanson@scottsdaleaz.gov](mailto:anjohanson@scottsdaleaz.gov)

City Treasurer Sonia Andrews and Public Works Director Dan Worth gave PowerPoint presentations (attached) on the Quarterly Financial and Capital Improvement Plan (CIP) updates.

Councilmembers made the following observations and suggestions:

- There was a positive variance in retail and dining due to continued strong consumer spending.
- The Via Linda Police Station is 35 years old (it opened in 1989) and now the loft space in the building is being utilized to create more space for police dispatch.
- The storage and injection wells for water are like an ATM as they store clean water and make it available for future withdrawals as needed.
- Clean water is stored in the storage and injection wells which are the size of one square mile and 80 feet high. These aquifers preserve the underground caverns and are part of the City's infrastructure which provides sustainability for the water system.
- The solar panel shade structures would provide additional shaded space in the Civic Center area.
- The Miller Bridge is an essential part of the transportation network but there have been concerns from residents due to when the crews are able to work on the construction.
- The budget to actual and funding source reporting is understandable and was requested for all projects.
- The payback period for solar is generally 15 to 20 years but there are other benefits as well.

**MOTION AND VOTE – ADJOURNMENT**

Councilmember Graham made a motion to adjourn the Regular Meeting and Work Study Session. Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Whitehead; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

**ADJOURNMENT**

Mayor Ortega adjourned the Regular Meeting and Work Study Session at 6:59 P.M.

**SUBMITTED BY:**



**Ben Lane, City Clerk**

Officially approved by the City Council on June 25, 2024

## CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting and Work Study Session of the City Council of Scottsdale, Arizona, held on the 14<sup>th</sup> day of May 2024.

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

**DATED** this 25<sup>th</sup> day of June 2024.



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**Ben Lane, City Clerk**

Presentation/  
Information Updates

# Scottsdale 101 Citizen Academy

*Engage, educate, empower*





Item 12

# Public Hearing and Adoption of FY 2024/25 Rates and Fees



*City Council Meeting  
May 14, 2024*

## FY 2024/25 PROPOSED RATE & FEE CHANGES

Present in  
Detail

60-Day  
Posting  
Compliance

Public Hearing  
& Adopt on  
May 14, 2024





## FY 2024/25 FORECASTED REVENUE

General Fund	Revenue
C&ED – Planning & Dev. Services	\$1,245,363
Community Services	\$124,000
Public Safety - Police	\$10,000
City Court	\$119,600
City Attorney	\$92,000
<b>General Fund Total</b>	<b>\$1,590,963</b>

Special Programs Fund	Revenue
City Court	\$750,000

CIP Stormwater Fund	Revenue
C&ED – Planning & Dev. Services	\$1,136,501

Stadium Facility Fund	Revenue
Community Services	\$45

Enterprise Funds	Revenue
Water Resources	\$11,671,031
Public Works – Solid Waste	\$2,758,678

Grand Total	Revenue
Non-Enterprise Funds Total	\$3,477,509
Enterprise Funds Total	\$14,429,709

## FY 2024/25 Recommendations

- Adopt **Resolution No. 13091** and **Ordinance No. 4630**, amending Scottsdale Revised Code, Chapter 49, Water, Sewer and Sewage Disposal sewer/water reclamation rates and miscellaneous rates and charges, effective July 1, 2024, and adjusting water rate (volumetric and base) charges effective November 1, 2024.
- Adopt **Ordinance No. 4631**, amending Scottsdale Revised Code, Chapter 24, Solid Waste Management by adjusting solid waste rates and charges, effective July 1, 2024.
- Adopt **Ordinance No. 4632**, amending Scottsdale Revised Code, Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations by adjusting the Private Hauler Fee, effective July 1, 2024.
- Adopt **Ordinance No. 4634**, amending Scottsdale Revised Code, Chapter 9, relating to a service enhancement fee.
- Adopt **Ordinance No. 4635**, amending Scottsdale Revised Code, Chapter 9, relating to funds, costs, and fees of the City Court.
- Adopting **Resolution No. 13112**, approving fee adjustments to Community Services Division programs, effective July 1, 2024, authoring the City Manager or designee to execute fees and agreements for Scottsdale Stadium, Indian School Park, and Westworld.
- Adopting **Resolution No. 13109**, authorizing and approving adjustments to the Planning and Development services department's fees and charges.
- Adopting **Resolution No. 13117**, increasing police department hourly fees for off duty officers and increasing on body camera video request fees.



The following slides are from the March 5, 2024, proposed rates and fees discussion. They are included as a resource only.

## FY 2024/25 PROPOSED RATE & FEE CHANGES

Present in  
Detail

60-Day  
Posting  
Compliance

Public Hearing  
& Adopt on  
May 14, 2024

# ENTERPRISE

## PROPOSED RATE & FEE CHANGES



Annual Review of Rates & Fees per  
Financial Policy No. 9.02



Ensure Rates & Fees Recover All  
Direct/Indirect Cost of Service, Debt  
Service and Provide Adequate Funding  
for Future Capital Needs



Proposed Rate & Fee  
Changes Submitted  
by:

Water & Sewer  
Solid Waste

# NON- ENTERPRISE

## PROPOSED RATE & FEE CHANGES



Periodic Review of Rates & Fees  
per Financial Policy No. 4.05



Rates & Fees Based on Acceptable  
Recovery Rates for Direct/Indirect  
Cost of Service



Proposed Rate &  
Fee Changes  
Submitted by:

Community & Economic  
Development  
Planning & Development Services  
Community Services  
WestWorld  
Public Safety – Police  
City Court  
City Attorney



# FY 2024/25 FORECASTED REVENUE

## NON-ENTERPRISE

General Fund	Revenue
C&ED – Planning & Dev. Services	\$1,245,363
Community Services	\$124,000
Public Safety - Police	\$10,000
City Court	\$119,600
City Attorney	\$92,000
<b>General Fund Total</b>	<b>\$1,590,963</b>

Special Programs Fund	Revenue
City Court	\$750,000

CIP Stormwater Fund	Revenue
C&ED – Planning & Dev. Services	\$1,136,501

## ENTERPRISE

Enterprise Funds	Revenue
Water Resources	\$11,671,031
Public Works – Solid Waste	\$2,758,678
<b>Enterprise Funds Total</b>	<b>\$14,429,709</b>



# FY 2024/25 Enterprise Water Resources





# FY 2024/25 PROPOSED RATE & FEE CHANGES

## 💧 Enterprise Funds

### Water, Sewer and Contractual Funds

- Recovery of all direct and indirect costs of service
- Rate-revenue based on multi-year financial plans

## NEW REALITY

1. Drought and post 2026 Colorado River allocation reductions
  - Cost of new resources
  - Cost of infrastructure to use our existing water more effectively
2. Inflationary cost have created a “new normal” for both operating and capital costs
3. Aging utility infrastructure
4. Competitive job market



# NEW REALITY



MARKETPLACE Search For & Place Classifieds **azcentral.**

Local Sports Things To Do Best of the Desert Politics Advertising Gilbertville altweekpaper Legals

**PHOENIX**

### 48% more? Phoenix's rising water rates could hurt — unless you conserve. What to know

The rate changes aggressively incentivize conservation by reducing the base amount of water provided at a low cost.

**Taylor Seely**

Published 1:34 p.m. MT July 7, 2023 | Updated 8:02 a.m. MT Oct. 3, 2023



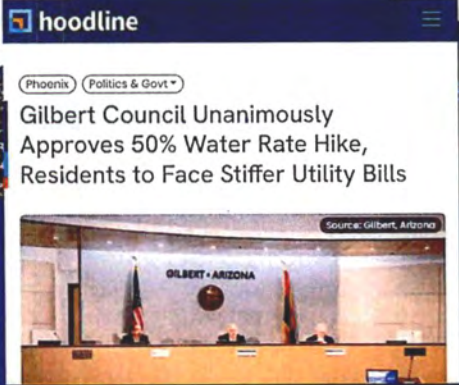
2NEWS News Weather Sports VERIFY

ADVERTISE WITH US MEET THE TEAM FORECAST TV LISTINGS TRIM

**MONEY**

### Gilbert residents will now pay around 50% more for their water following town council approval

Gilbert Town Council approved the increase in a 7-0 vote.




**hoodline**

Phoenix Politics & Govt

### Gilbert Council Unanimously Approves 50% Water Rate Hike, Residents to Face Stiffer Utility Bills

Source: Gilbert, Arizona



# AT A CROSSROADS



**Commit to a road that can supply us with enough water to...  
secure our future.**





# CROSSROADS

We've been here before in the early 1990's

- 1980 Groundwater Management Act implementation
- Central Arizona Canal
- Creation of the Scottsdale Water Campus



# CROSSROADS

Rate increases in the early 1990's

Fiscal Year	Water Rate Increase	Wastewater Rate Increase
FY 93	8.0%	9.5%
FY 94	10.0%	15.0%
FY 95	5.5%	10.0%



# ENTERPRISE – WATER RESOURCES

## Significant Cost Drivers

### 💧 Operations

Increasing raw water costs

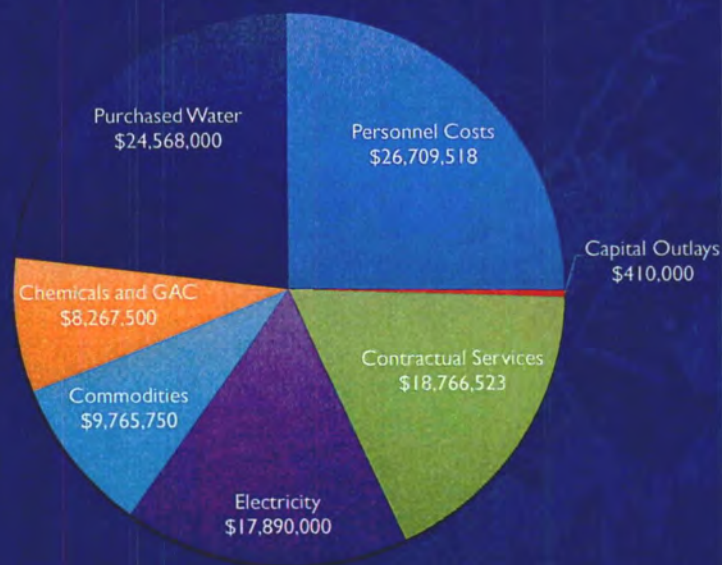
- CAP Water costs up 9%
- SRP Water costs up 13%

### Other

- Increased cost of electricity
- Increased conservation budget
- Increased cost of personnel services

# ENTERPRISE – WATER RESOURCES

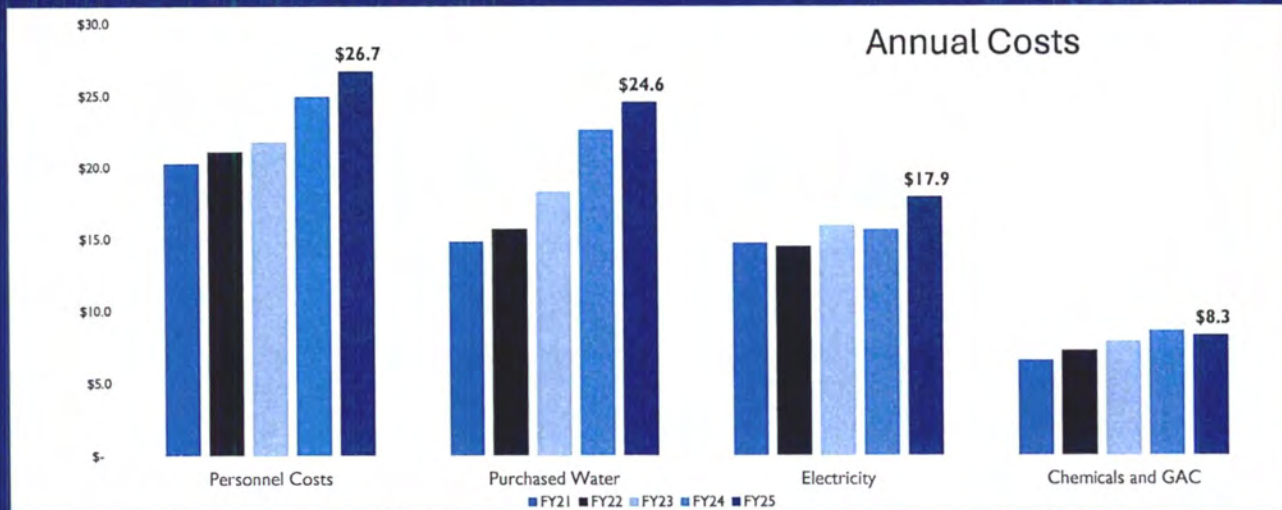
## FY25 Proposed Division Expenses by Category - \$106,377,291





# ENTERPRISE – WATER RESOURCES

## Major Divisional Costs



# ENTERPRISE – WATER RESOURCES

## Significant Cost Drivers

### 💧 CIP

- Drought driven improvements – ASR wells, automated meter programs, and water reuse and processing efforts
- Bartlett Dam feasibility study
- Booster Station modifications and improvements
- Scottsdale Water Campus expansion





# ENTERPRISE – WATER RESOURCES

## CIP – Water & Sewer

CIP Summary (In \$ Millions)	FY2024/25 Request 5-Year Impact
Water	\$88.7
Sewer	\$34.8
	-----
<b>Water and Sewer Total</b>	<b>\$123.5</b>



# ENTERPRISE – WATER RESOURCES

## Water and Sewer Rate-Revenue

	Estimated Revenue (Current)	% Change (2025)	Estimated Revenue (Increase)
Water Rate-Revenue	\$121.1	6.3%*	\$7.6
Sewer Rate-Revenue	\$ 49.0	8.0%**	\$3.9
<b>Total Rate-Revenue</b>	<b>\$170.1</b>		<b>\$11.5</b>

Amounts in millions – rounding differences occur

\*Water rates effective November 1, 2024

\*\*Sewer rates effective July 1, 2024



# ENTERPRISE – WATER RESOURCES

## Water Rates

Base Fees (All Customers)		
	Current	Proposed
5/8" Meter	\$15.05	<b>\$15.10</b>
3/4" Meter	\$19.40	<b>\$20.90</b>
1" Meter	\$27.55	<b>\$30.10</b>
1.5" Meter	\$45.15	<b>\$60.20</b>
2" Meter	\$60.20	<b>\$75.30</b>
3" Meter	\$120.40	<b>\$165.60</b>
4" Meter	\$188.20	<b>\$263.50</b>
6" Meter	\$376.25	<b>\$526.80</b>
8" Meter	\$526.75	<b>\$903.00</b>

Proposed Implementation Date: November 1, 2024



# ENTERPRISE – WATER RESOURCES

## Water Rates

Current Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.10	5,001	12,000
3	\$4.25	12,001	20,000
4	\$5.70	20,001	30,000
5	\$7.05	Over 30,000	

Proposed Residential Use Including Landscaping Volume Charges (Rates Per 1K Gallons)			
Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.10	5,001	12,000
3	<b>\$4.55</b>	12,001	20,000
4	<b>\$6.00</b>	20,001	30,000
5	<b>\$7.70*</b>	Over 30,000	

Proposed Implementation Date: November 1, 2024

\*Rate applicable to commercial and residential water haulers and hydrant meters.





# ENTERPRISE – WATER RESOURCES

## Water Rates

### Current Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)

Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.10	5,001	12,000
3	\$4.25	12,001	20,000
4	\$5.70	Over 20,000	

### Proposed Commercial Use Including Landscaping Volume Charges (Rates Per 1K Gallons)

Tier	Rate	From	To
1	\$1.65	0	5,000
2	\$3.10	5,001	12,000
3	<b>\$4.55</b>	12,001	20,000
4	<b>\$6.00</b>	Over 20,000	

Proposed Implementation Date November 1, 2024



# ENTERPRISE – WATER RESOURCES

## Sewer Rates

### Base Fees (All Customers)

	Current	Proposed
5/8" Meter	\$6.50	<b>\$7.75</b>
3/4" Meter	\$6.50	<b>\$7.75</b>
1" Meter	\$6.50	<b>\$7.75</b>
1.5" Meter	\$39.00	<b>\$46.50</b>
2" Meter	\$91.00	<b>\$108.50</b>
3" Meter	\$117.00	<b>\$139.50</b>
4" Meter	\$171.50	<b>\$204.50</b>
6" Meter	\$325.00	<b>\$387.50</b>
8" Meter	\$455.00	<b>\$542.50</b>

Proposed Implementation Date July 1, 2024



# ENTERPRISE – WATER RESOURCES

## Sewer Rates

Customer Category	Current Rates	Proposed Rates	Customer Category	Current Rates	Proposed Rates
Single Family Residential	\$2.82	<b>\$2.97</b>	Commercial Laundry	\$3.70	<b>\$3.90</b>
Multi Family Residential	\$2.82	<b>\$2.97</b>	Laundromats	\$2.82	<b>\$2.97</b>
Commercial Without Dining	\$2.82	<b>\$2.97</b>	Metal Platers	\$3.22	<b>\$3.39</b>
Commercial With Dining	\$4.50	<b>\$4.74</b>	Restaurants/Bakeries	\$6.07	<b>\$6.39</b>
Hotels Without Dining	\$2.82	<b>\$2.97</b>	Service Station Auto Repair	\$2.84	<b>\$2.99</b>
Hotels With Dining	\$4.50	<b>\$4.74</b>	Medical Institutions	\$2.82	<b>\$2.97</b>
Car Washes	\$2.82	<b>\$2.97</b>	Schools	\$2.82	<b>\$2.97</b>

Proposed Implementation Date July 1, 2024



# ENTERPRISE – WATER RESOURCES

## Historical Revenue Percent Change

Fiscal Year	Water	Sewer	Weighted Average
2020/21	- 0 -	1.5%	0.4%
2021/22	2.7%	2.4%	2.6%
2022/23	3.4%	4.7%	3.8%
2023/24	4.2%	5.8%	4.7%
<u>2024/25</u>	<u>6.3%</u>	<u>8.0%</u>	<u>6.9%</u>
<b>5Yr Average</b>	<b>3.3%</b>	<b>4.5%</b>	<b>3.7%</b>
<b>10Yr Average</b>	<b>2.7%</b>	<b>3.1%</b>	<b>2.8%</b>

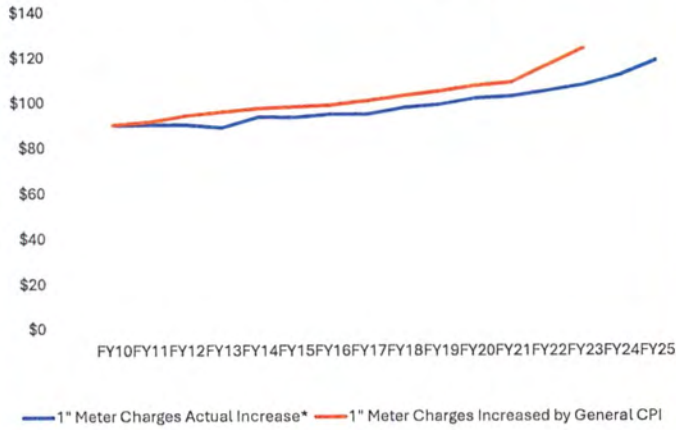




# ENTERPRISE – WATER RESOURCES

## Water & Sewer Increase Trends

1" Water and Sewer Changes



\*Combined Water and Sewer rates as of January and without any taxes or stormwater

### 15-Year Percent Change

1" Meter Use 16,000 Gallons & Sewer Flow 11,000 Gallons	31.5%
3/4" Meter Use 10,000 Gallons & Sewer Flow 7,000 Gallons	34.0%
5/8" Meter Use 9,000 Gallons & Sewer Flow 6,000 Gallons	20.7%
General CPI	37.4%

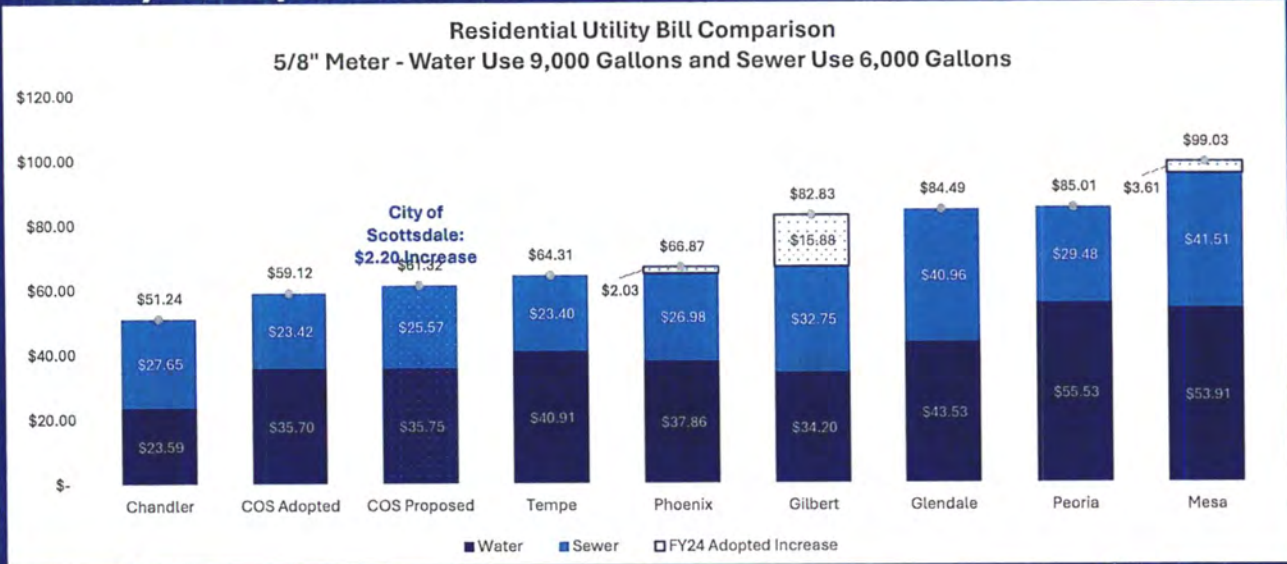
# ENTERPRISE – WATER RESOURCES

## Miscellaneous Service Charges

Service Charges	Est. # Of Sales	FY 2023/24 Fee	Proposed FY 2024/25 Fee	Increase Amt	Est. Revenue Change
Meter and Service Lines (All Sizes)	480	\$290 - \$4,100	\$300 - \$4,580	Various	\$99,347
Other Meter Maintenance	3,654	\$5 - \$310	\$10 - \$370	Various	\$62,355
Bulk Water Rate	3	\$2.18	\$2.32	\$0.14	\$3,829
<b>Additional Water Fund Revenue</b>					<b>\$165,531</b>

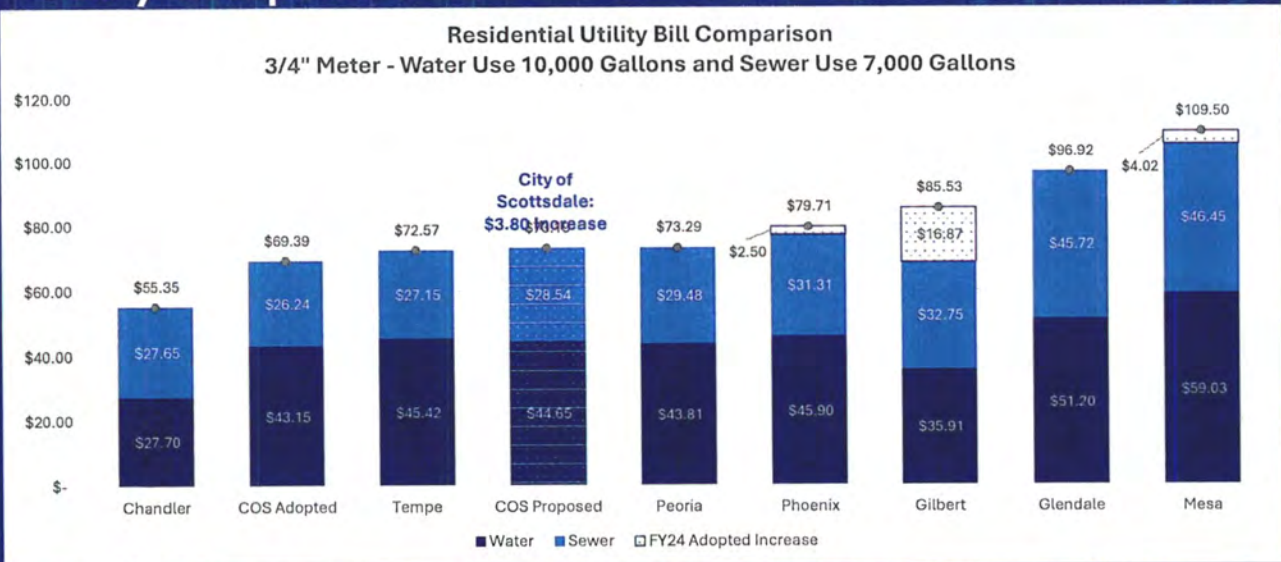
# ENTERPRISE – WATER RESOURCES

## Utility Comparison



# ENTERPRISE – WATER RESOURCES

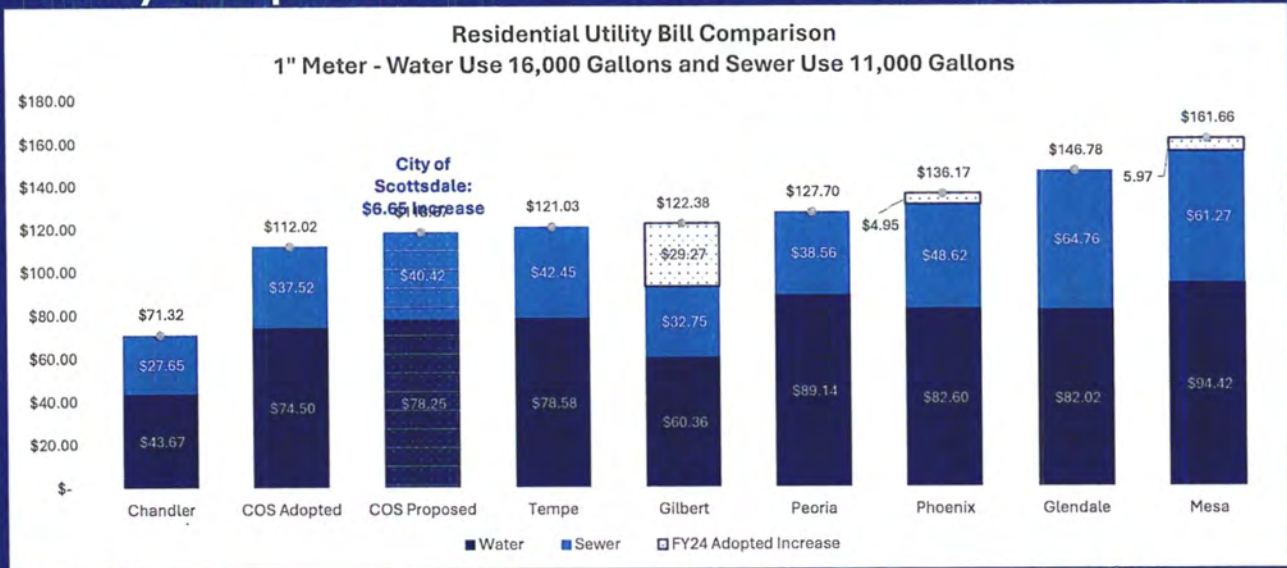
## Utility Comparison





# ENTERPRISE – WATER RESOURCES

## Utility Comparison



# ENTERPRISE – WATER RESOURCES

## National Industry Metrics

Measure	Industry Median	Top 25%	Scottsdale Water
Customer Accounts per Employee	485	626	760
Debt Service Coverage Ratio	2.28	2.98	2.95
Employee Turnover	10.6%	6.8%	16.3%
Water Breaks and Leaks per 100 miles	18.8	7.2	4.7
Hydrant Out of Service Rate	0.9%	0.2%	0.05%
Sanitary Sewer Overflows per 100 miles	1.6	0.7	0.0

Industry Median Source: 2022 AWWA Utility Benchmarking Manual



# ENTERPRISE – WATER RESOURCES

## Residential Customer Impact

- Residential customers that use less than 10,000 gallons a month will experience the following monthly bill increase.

Meter Size	Monthly Water Increase
5/8 inch	\$0.05
3/4 inch	\$1.50
1 inch	\$2.55

# ENTERPRISE – WATER RESOURCES

## Revenue Proposals

- Proposed
  - Water revenue increase (6.3%) – Effective November 1, 2024
  - Sewer revenue increase (8.0%) – Effective July 1, 2024
  - Misc. service charges, changes vary by type – Effective July 1, 2024



# FY 2024/25 Enterprise Public Works – Solid Waste



## Solid Waste: Rate Analysis



### SOLID WASTE RATE ANALYSIS



Austin - Buckeye - Casa Grande - Coolidge - Dallas - Denver - Fort Worth - Glendale -  
Goodyear - Houston - Kansas City - Phoenix - Queen Creek - Tempe - Tucson



# Solid Waste: Rate Study Objectives

- Determining the Total Cost of Providing Solid Waste and Recycling Services
- Allocating Costs to the Appropriate Customer Classes
- Designing Rates to Safeguard the Financial Integrity of the Operation



# Solid Waste: Proposed FY 2024/25 Rates

	Type	FY 2023/24 Rate	FY 2024/25 Rate	% Incr.
<b>RESIDENTIAL</b>	First Can	\$28.03*	\$30.27*	8.0%
	Additional Can	\$14.22	\$15.36	8.0%
<b>COMMERCIAL</b>				
Front Load	2 Cubic Yard	\$102.73	\$113.00	10.0%
	3 Cubic Yard	\$110.51	\$121.56	10.0%
	4 Cubic Yard	\$118.65	\$130.52	10.0%
	5 Cubic Yard	\$126.13	\$138.74	10.0%
	6 Cubic Yard	\$133.91	\$147.30	10.0%
	8 Cubic Yard	\$145.38	\$159.92	10.0%
Roll-Off (incl. 3 tons)		\$569.10	\$626.01	10.0%
Holiday Park		\$104.75	\$115.23	10.0%
Recycling Carts	90 Gallon	\$11.11	\$13.60	22.4%
	300 Gallon	\$36.33	\$44.48	22.4%
Container Recycling	2 Cubic Yard	\$79.00	\$85.72	8.5%
	3 Cubic Yard	\$83.03	\$90.09	8.5%
	4 Cubic Yard	\$87.08	\$94.48	8.5%
	6 Cubic Yard	\$95.14	\$103.23	8.5%
	8 Cubic Yard	\$103.23	\$112.00	8.5%



\* Total current rate of \$28.03 and proposed rate of \$30.27 include \$0.04 fee paid to the State of Arizona section 49.836



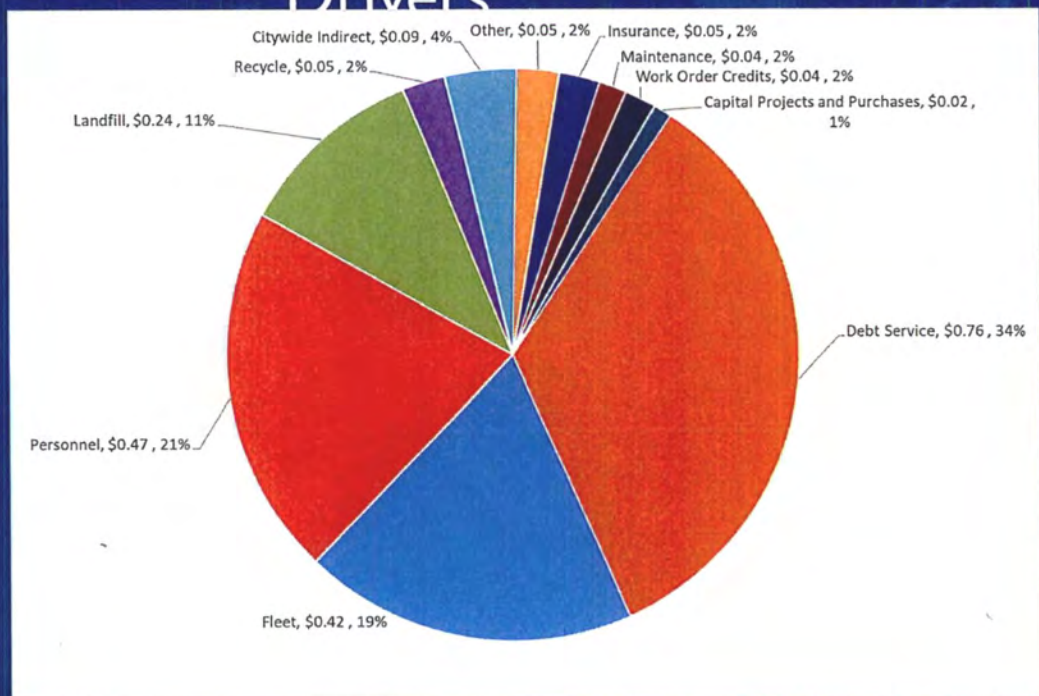
# Solid Waste: Revenue Estimates

Revenue	Estimated Revenue (Current)	% Change	Estimated Revenue (Increase)
Residential Rates	\$29,279,831	8.0%	\$2,343,323
Commercial Front Load Refuse Rates*	\$3,300,009	10.0%	\$330,033
Commercial Roll Off	\$447,881	10.0%	\$44,788
Commercial Front Load Recycling	\$126,186	8.5%	\$10,725
Commercial Side Load Recycling	\$101,538	22.4%	\$22,770
Miscellaneous Charges**	\$228,069	Varies	\$7,039
<b>Total Rates</b>	<b>\$33,483,515</b>		<b>\$2,758,678</b>

City of Scottsdale  
**SCOTTSDALE** City Park  
 \* Reflects Commercial Licensing Fee, Roll-Off Compactor Fee, Roll-Off Additional Ton Fee  
 \*\* Reflects Commercial Licensing Fee, Roll-Off Compactor Fee, Roll-Off Additional Ton Fee  
 Rounding difference may occur.

# Solid Waste: Residential Rate Increase – Cost Drivers

Total Increase:  
\$2.24





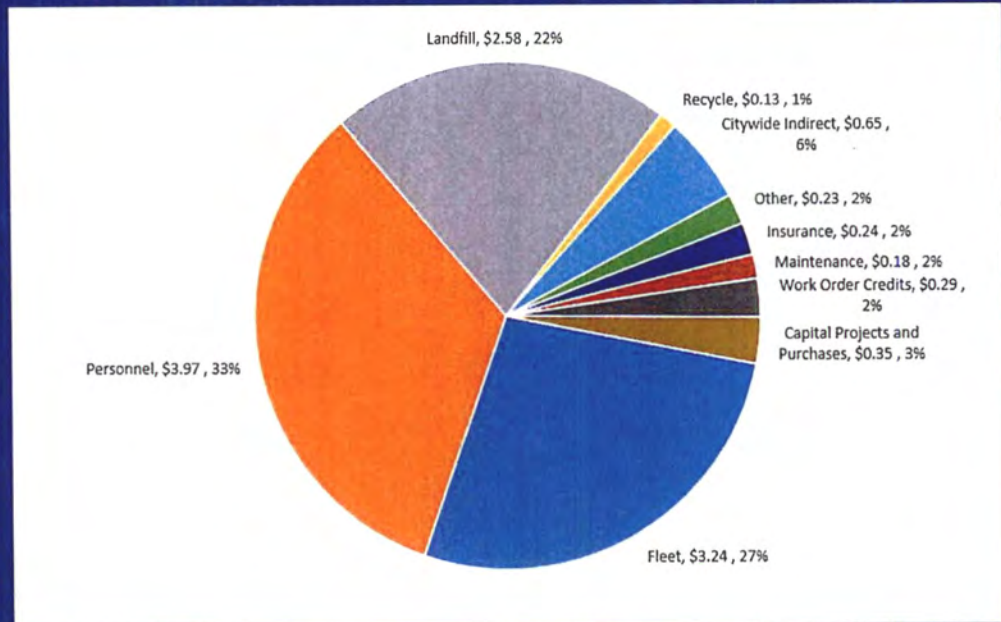




# Solid Waste: Commercial Front Load Refuse Rate Increase – Cost Drivers

Total Increase:  
\$11.87\*

\*4 YD container  
dollar amounts used  
for example



# Solid Waste: Recycling Rate Increases

Achieve 10%  
Recycling Discount

## Commercial 4-Yard Frontload Container Increase

Fiscal Year	Monthly Fee
FY 23/24	\$87.08
FY 24/25	\$94.48

8.5% increase

## Residential 90-Gallon Container Increase

Fiscal Year	Monthly Fee
FY 23/24	\$11.11
FY 24/25	\$13.60

22.4% increase

## Residential 300-Gallon Container Increase

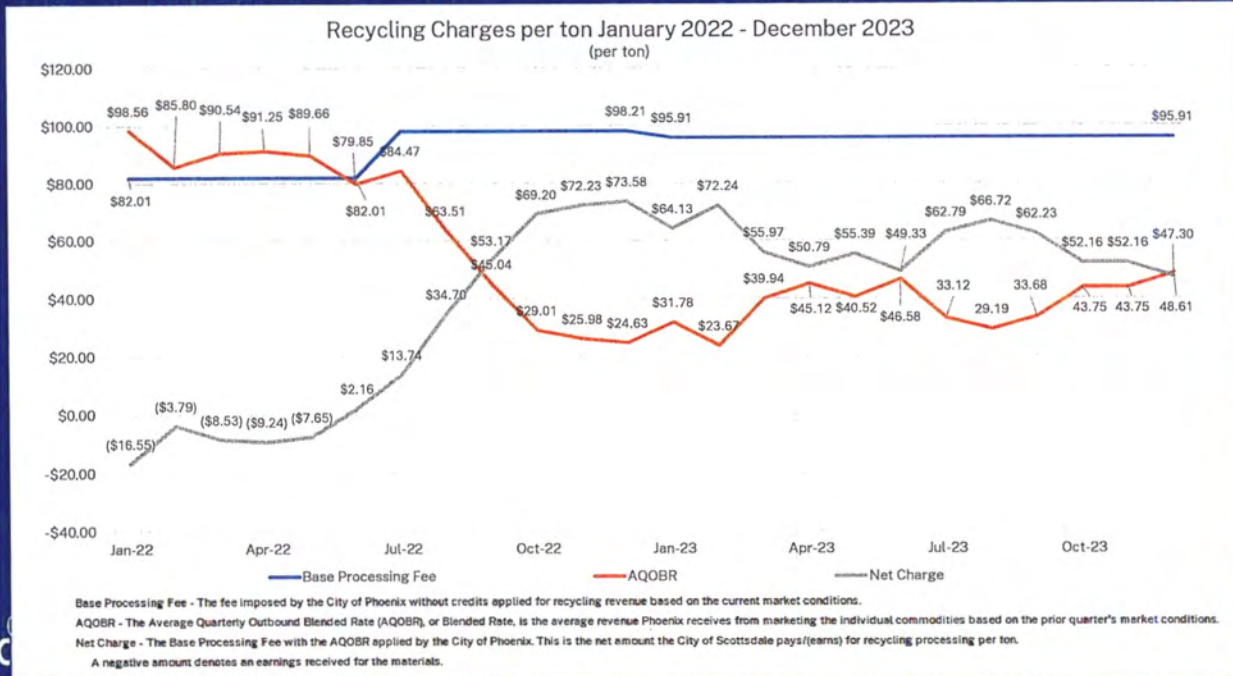
Fiscal Year	Monthly Fee
FY 23/24	\$36.33
FY 24/25	\$44.48

22.4% increase

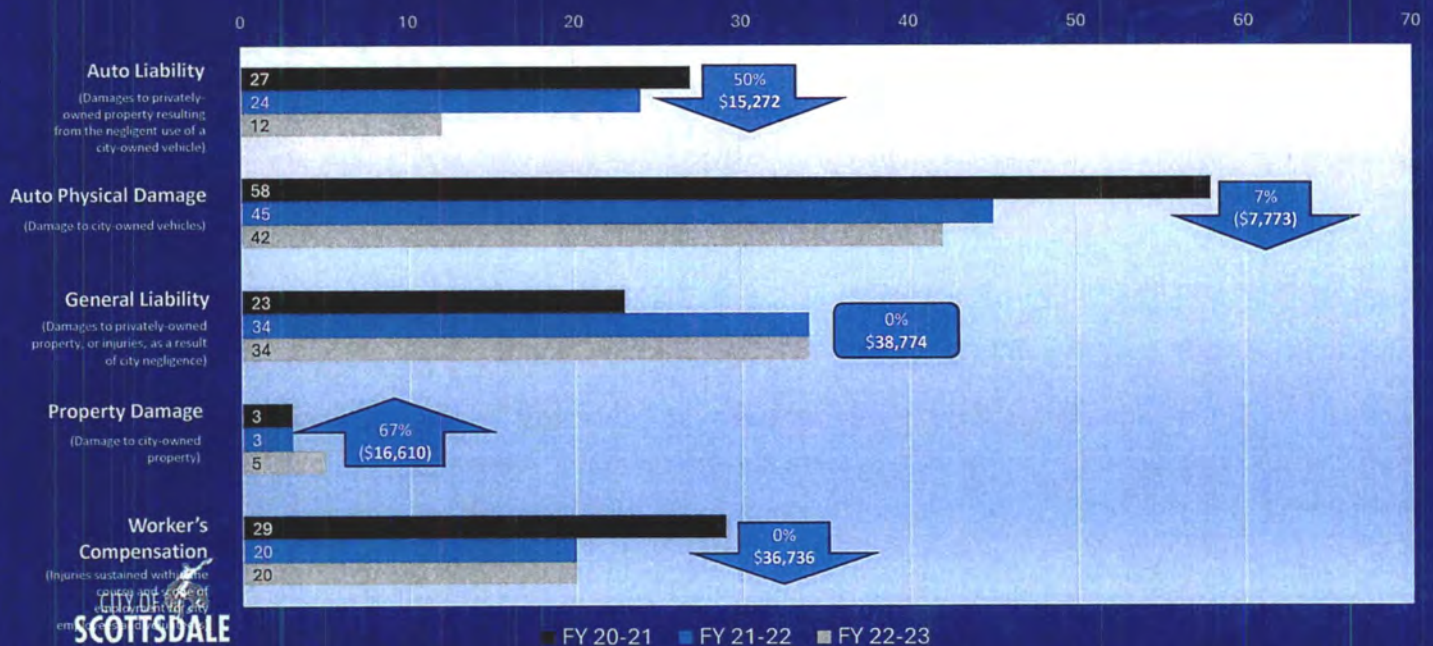




# Solid Waste: Recycling Costs

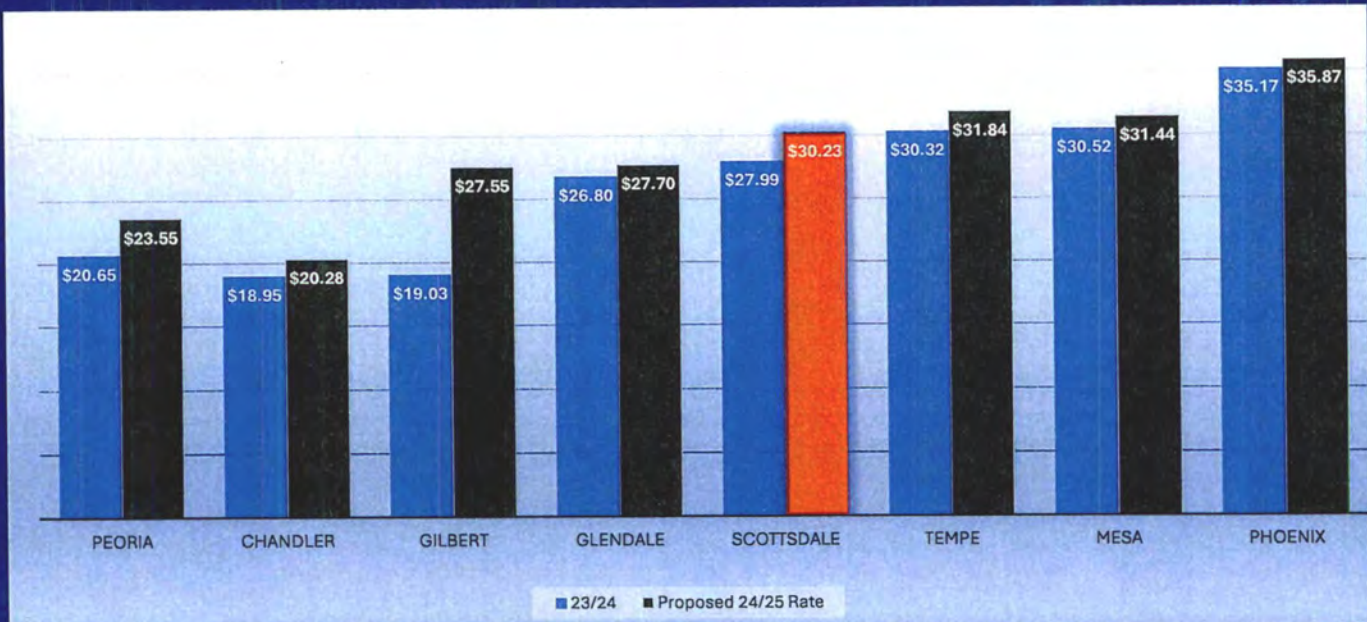


# Loss Reduction: (Accident & Injury Claims - 3 Years)





# Solid Waste: Valley Rate Comparison



**SCOTTSDALE**

\*Chandler, Glendale, Tempe & Phoenix's rates took effect Jan. 1, 2024  
 \*\*Chandler, Glendale, Tempe & Phoenix's rates took effect Jan. 1, 2024  
 \*\*\*Mesa's new rates took effect Feb. 1, 2024  
 \*\*\*\*Scottsdale's total rate includes 50% fuel surcharge for total of \$26.60

# Solid Waste: Proposed FY 2024/25 Rates

Type	FY 2023/24 Rate	FY 2024/25 Rate	% Incr.
<b>RESIDENTIAL</b>			
First Can	\$28.03*	\$30.27*	8.0%
Additional Can	\$14.22	\$15.36	8.0%
<b>COMMERCIAL</b>			
<b>Front Load</b>			
2 Cubic Yard	\$102.73	\$113.00	10.0%
3 Cubic Yard	\$110.51	\$121.56	10.0%
4 Cubic Yard	\$118.65	\$130.52	10.0%
5 Cubic Yard	\$126.13	\$138.74	10.0%
6 Cubic Yard	\$133.91	\$147.30	10.0%
8 Cubic Yard	\$145.38	\$159.92	10.0%
<b>Roll-Off (incl. 3 tons)</b>	\$569.10	\$626.01	10.0%
<b>Holiday Park</b>	\$104.75	\$115.23	10.0%
<b>Recycling Carts</b>			
90 Gallon	\$11.11	\$13.60	22.4%
300 Gallon	\$36.33	\$44.48	22.4%
<b>Container Recycling</b>			
2 Cubic Yard	\$79.00	\$85.72	8.5%
3 Cubic Yard	\$83.03	\$90.09	8.5%
4 Cubic Yard	\$87.08	\$94.48	8.5%
6 Cubic Yard	\$95.14	\$103.23	8.5%
8 Cubic Yard	\$103.23	\$112.00	8.5%

**SCOTTSDALE**

\* Total current rate of \$28.03 and proposed rate of \$30.27 include \$0.04 fee paid to the State of Arizona section 49.836







## C&ED – Planning & Development Services

### Pre-Application Fee

Propose increasing pre-application fee from \$115 to \$125

### Rezoning Fee (per acre)

Propose adding \$125 (per acre) fee for rezoning projects less than 21 acres (21+ fees currently exist)

Acres	Current	Proposed
0 - 20	\$0	\$125 (new fee)
21 - 100	\$95	\$100
100 +	\$70	\$75

### Marshalling/Storage Yard Fees

Propose increasing fees to address volume of projects requiring marshalling

Current	Proposed
\$1,000 + \$.10/sq ft	\$1,500 + \$.25/sq ft
\$2,000 + \$.10/sq ft	\$2,500 + \$.25/sq ft (projects beyond the timeframe)

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## C&ED – Planning & Development Services

### Additional Planning and Development Services Rates & Fees Adjustments

Increase remaining rates & fees by approximately 5% to allow higher cost recovery to properly and timely address customer needs within planning & development services

### Wireless Communications Facilities (WCF) in Right-of-Way (ROW)

Increase fees by approximately 5% to allow higher cost recovery and to be consistent with lease payments in the wireless industry

### Drainage and Flood Control Capital Projects

Increase the stormwater fee on the city utility bills by \$1.00 per month to be dedicated entirely to city drainage and flood control CIP projects

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## C&ED – Planning & Development Services

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Pre-Application Fee	Per project	\$115	\$125	\$10	\$20,000
NEW: Rezoning per acre 0-20	Per acre range	\$0	\$125	\$125	\$25,000
Marshalling/Storage Yard Fees	Per charge	\$1,000 \$1,500	\$1,500 \$2,500	\$500	\$125,000
Planning & Development Services Rates & Fees	Per rate & fee	varies	varies	varies	\$1,034,756
Wireless Communications Facilities (WCF) in Right-of-Way (ROW) Fees	Per charge	varies	varies	varies	\$40,607
Drainage and Flood Control Capital Projects	Per utility customer /per month	\$5.95	\$6.95	\$1.00	\$1,136,501

Additional General Fund revenue of \$1,245,363 for FY 2024/25  
 Additional CIP Stormwater Fund revenue of \$1,136,501 for FY 2024/25

## FY 2024/25 Non-Enterprise Community Services



# Community Services

## Adaptive Recreation

- Update current formula from 50% recovery of the direct costs for Adaptive Recreation Special Interest Programs, including instructor, supplies, and equipment costs to up to 50% recovery of direct costs for Adaptive Recreation Programs, including instructor, supplies, admission fees for community attractions, and equipment costs.
  - The proposed change will provide flexibility to administer the fee depending on the nature of the program or event.

## Stadium Porter Fee

- Migrate from a fixed-fee approach to a cost-recovery formula that reflects the cost from the porter contractor to the Stadium passed directly to the client.
  - The formula will allow the Stadium to stay current with market costs and rising contractor prices.
  - Porter Fee Formula – Recover 100% of Scottsdale Stadium contract cost for hourly porter labor.



# Community Services

## WestWorld Rental Fees

- Increase rental fee of Tony Nelssen Equestrian Center Facility from \$9,000 per day to \$11,000 per day
- Increase rental fee of North Hall Commercial Use from \$6,500 per day to \$7,000 per day
- Increase rental fee of South Hall Commercial Use from \$1,250 per day to \$3,000 per day
- Eliminate the \$600 per day fee for rental of South Hall when also renting the Equidome

These fee changes are necessary as the South Hall will be undergoing a renovation changing the floor from dirt to concrete which will create additional rental opportunities.





## Community Services

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Estimated Revenue	Revenue Change
Adaptive Recreation	Per Registration	50% recovery of directly-related costs, including instructor, supplies, and equipment costs.	Up to 50% recovery of direct costs for Adaptive Recreation Programs, including instructor, supplies, admission fees for community attractions, and equipment costs.	\$10,000	\$4,000
Stadium Porter Fee	Per Hour/Per Staff Member	\$22	Porter Fee Formula Recover 100% of Scottsdale Stadium contract cost for hourly porter labor.	\$375	\$45



## Community Services

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Estimated Revenue	Revenue Change
WestWorld TNEC Facility	Per Day	\$9,000	\$11,000	\$198,000	\$44,000
WestWorld North Hall: Commercial Use	Per Day	\$6,500	\$7,000	\$305,500	\$23,500
WestWorld South Hall: Commercial Use	Per Day	\$1,250	\$3,000	\$37,500	\$52,500
WestWorld South Hall: Rental fee when also renting the Equidome	Per Day	\$600	-\$600	\$0	\$0

Additional General Fund revenue of \$124,000 for FY 2024/25  
 Additional Stadium Facility Fund revenue of \$45 for FY 2024/25







# FY 2024/25 Non-Enterprise Public Safety - Police



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## Public Safety – Police

### **Off-Duty Officer Rate Adjustment**

- As a service to the community, the Scottsdale Police Department fills requests to hire off-duty sworn employees as well as police aides to work police-related duties. The proposed increase to the off-duty rate will pay the police officer at a more competitive hourly rate of surrounding valley agencies. Please see next slide for detailed proposed rates.

### **On Body Camera (OBC) Fee Adjustment**

- In FY 2018/19, a flat rate of \$20.00 per departmental report was established for public records requests of OBC videos and has not been increased since. The number of OBC in use increased from 10 to nearly 400 in the past five years. The complexity and time spent preparing the public request continues to increase as more OBC's are deployed and more request are being made. Per State Statute, victims of crimes cannot get charged to receive OBC video related to the incident in which they were involved. Police department proposed to increase the public request fee from \$20.00 per departmental report to \$40.00 per video request.



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## Public Safety – Police

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Off-Duty Officer	Per Hour	\$60	\$75	\$15	N/A
Off-Duty Sergeant	Per Hour	\$70	\$85	\$15	N/A
Off-Duty Lieutenant	Per Hour	\$80	\$95	\$15	N/A
Off-Duty Officer - Holiday	Per Hour	\$90	\$113	\$23	N/A
Off-Duty Sergeant - Holiday	Per Hour	\$105	\$128	\$23	N/A
Off-Duty Lieutenant - Holiday	Per Hour	\$120	\$143	\$23	N/A
On Body Camera Video Per Video Request	Current-Per Departmental Report (DR); Proposed-Per Video	\$20	\$40	\$20	\$10,000

Additional General Fund revenue of \$10,000 for FY 2024/25



## FY 2024/25 Non-Enterprise City Attorney







# City Attorney

## Service Enhancement Fee

A Service Enhancement Fee is imposed on every civil and criminal citation, including photo radar, but excluding parking violations and non-traffic civil ordinance violations to provide defendants in the City Court with enhanced services such as weekend and holiday jail court, diversion programs, probation and home monitoring. Introduced in 2014, fee collections peaked in 2016 and have declined 28.4% over the past eight years without a fee adjustment, while the cost of service has continued to increase. The proposed increase will assist in offsetting declining revenue and increased costs to provide the services, and will allow the City Attorney's Office to continue providing weekend/holiday jail court, diversion programs, probation, and home monitoring to impacted individuals.

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Service Enhancement Fee	Per Civil or Criminal Citation	\$10	\$14	\$4	\$92,000

Additional General Fund revenue of \$92,000 for FY 2024/25



# FY2024/25 Non-Enterprise City Court





## City Court

### **Court Enhancement Fee**

- For Scottsdale, this fee is assessed to exclusively enhance the technological, operational and security capabilities of the court. The cost of computer equipment, including software and hardware, has increased substantially since the fee was last increased in 2014. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

### **Warrant Fee**

- The warrant fee is imposed on criminal cases in which the defendant has failed to comply with a court order to appear or comply with the terms of sentencing. This fee has not increased since 2014. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.



## City Court

### **Default Fee**

- The default fee is imposed on civil traffic charges in which the defendant has failed to comply with a court order to appear. This fee has not increased since 2014. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

### **Contract Administration Fee**

- The contract administration fee is assessed for each case where a payment contract is established at time of final adjudication, and any subsequent modifications to a payment contract resulting from a defendant's non-compliance to account for the work that clerks dedicate in interviewing and evaluating a defendant's economic status. The increase is needed to account for inflation which coincides with the increased cost of conducting business. This adjustment is in line with fees charged by other municipal courts.

**Please see next slide for detailed proposed rates.**





# City Court

Program/Fee	Fee Assessed	Current Fee FY 2023/24	Proposed Fee FY 2024/25	Increase per user	Revenue Change
Court Enhancement Fee	Per Charge	\$30.00	\$45.00	\$15.00	\$750,000.00
Warrant Fee	Fail to Appear/Comply per warrant issued	\$65.00	\$100.00	\$35.00	\$47,600.00
Default Fee	Fail to Appear/Fail to Pay per civil charge	\$65.00	\$75.00	\$10.00	\$47,000.00
Contract Administration Fee	Per Payment Contract/Modified Payment Contract	\$10.00	\$15.00	\$5.00	\$25,000.00

Additional Special Program Fund revenue of \$750,000 for FY 2024/25  
 Additional General Fund revenue of \$119,600 for FY 2024/25



## Questions?







Item 13

# FY2024/25 Tentative Budget and Capital Improvement Plan

City Council Meeting  
May 14, 2024



## Budget and 5-Year Capital Improvement Plan Adoption Timeline

**April 16**

Proposed Budget  
and CIP  
Presentation

**May 14**

Public Hearing  
Tentative Adoption  
Rates and Fees

**June 4**

Public Hearing  
Final Adoption

**June 25**

Public Hearing  
Property Tax Levy



Note: Proposed Budget and Capital Improvement Plan (CIP)  
released on April 3, 2024 and available on city website





# Maximum Expenditures Set By Tentative Budget

Once the Tentative (preliminary) Budget is adopted, the total expenditure budget shall not be increased upon final budget adoption.

A.R.S. §42-17105(C)

## FY 2024/25 Tentative Budget

# \$2,294.8 M

**\$760.6 M**  
Operating Budget

**\$1,068.3 M**  
Capital Improvements

**\$465.9 M**  
Contingencies and Reserves





# Changes from Proposed Budget Presented on April 16

FY24/25 Proposed Budget	\$2,292.7M
Council approved changes to CIP:	
Funding for Indian Bend Wash Underpass (April 2, 2024)	\$1.5M
Funding for New Fire Station (April 16, 2024)	\$0.6M
Net change	\$2.1M
FY24/25 Tentative Budget	\$2,294.8M



## -9.4% Net Decrease from Prior Year

(in millions)	FY 23/24 Adopted	FY 24/25 Proposed	% Change
Total Operating Budget	739.0	760.6	2.9%
Capital Improvements	1,368.9	1,068.3	-22.0%
Contingencies and Reserves	425.3	465.9	9.5%
<b>Total Budget</b>	<b>\$2,533.3</b>	<b>\$2,294.8</b>	<b>-9.4%</b>



Note: Amounts do not include internal transfers





# 97% of Expenditure Limitation

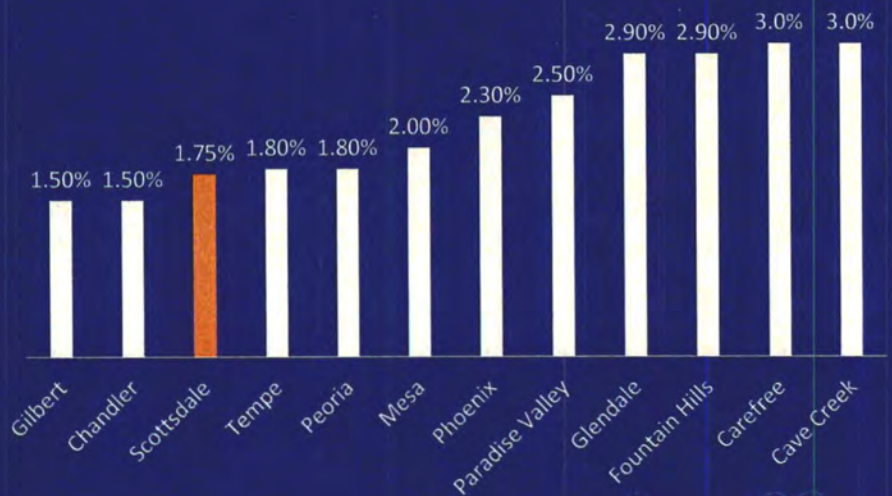
State Imposed Expenditure Limitation \$613,422,568

Proposed FY24/25 Budget Subject to Limitation \$594,588,128

Percent of Limitation Used **97%**



# Maintain Low Sales Tax Rate



## Lower Property Tax Rates

FY23/24  
Current

\$0.9814



FY24/25  
Proposed

\$0.9316

-5.1%

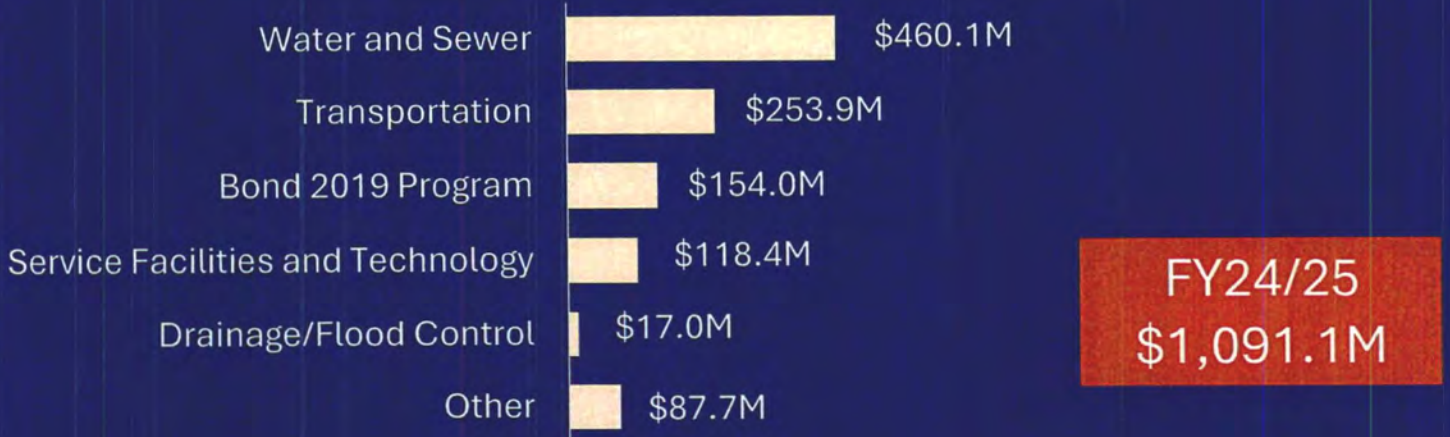
## 60.56 New Full Time Equivalents (FTEs)

Fire Ambulance Program (phase 1)	29.00
Fire station 612 and new training facility	27.00
Human Resources	2.00
Community Services and Public Works	2.56
<b>Total New FTEs Requested</b>	<b>60.56</b>
 Total FTEs for FY24/25	 2,700





## Capital Improvement Plan Tentative Budget for FY24/25



Note: Amounts include capital contingencies and reserves

## 5 Year Capital Improvement Plan FY24/25 to FY28/29



■ FY25 ■ FY26 ■ FY27 ■ FY28 ■ FY29

Note: Amounts include capital contingencies and reserves



## SUMMARY OF CHANGES IN CIP SINCE APRIL 3, 2024 PROPOSED BUDGET RELEASE

- Increased grant funding in the Indian Bend Wash Underpass at Chaparral Road (SF01) project (\$1,505,750) to align with the amount awarded, approved by Council on April 2, 2024.
- Increased the “28- Build a New Fire Station near Hayden Road and the Loop 101 to Improve Response Times” (BI02) capital project by \$631,300 as approved by Council on April 16, 2024.







Work Study 1

# Quarterly Financial Update FY2023/24 Quarter 3

*City Treasurer's Office  
City Council Meeting – May 14, 2024*



1

## Primary Focus of Quarterly Financial Updates

Highlight General Fund Results to Date

- Revenue Collections to Date
- Budget to Actual Variances



2

# FY2023/24 YTD Q3 (Jul 2023– March 2024)

YTD General Fund Revenues are 7% Above Budget Due To:

- Construction sales tax
- One-time development fees
- Interest earnings

YTD General Fund Expenditures are Within Budget with 3% Positive Variance Due To:

- Salary and vacancy savings
- Longer lead times in capital purchases



## General Fund 1.1% Sales Tax

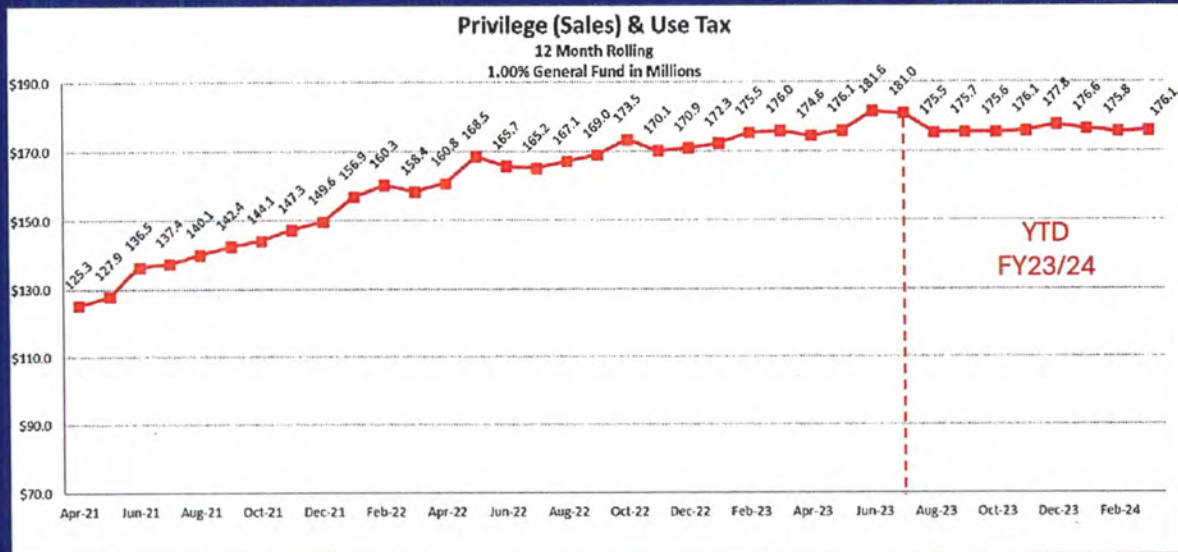
### General Fund Local Sales Tax - YTD March 2024

(in millions)	FY23 Actuals	FY24 Actuals	% Change from PY	FY24 Budget	Budget Variance	Budget Variance %	FY24 Forecast
Retail	\$43.3	\$41.4	-4%	\$39.1	\$2.4	6%	\$56.7
Rental	\$18.9	\$19.1	1%	\$18.4	\$0.7	4%	\$22.9
Automotive	\$17.0	\$16.8	-1%	\$15.8	\$1.0	7%	\$21.5
Dining/Entertainment	\$13.3	\$13.4	1%	\$12.1	\$1.3	11%	\$18.6
Construction	\$12.9	\$14.9	16%	\$11.2	\$3.7	33%	\$19.8
Hotel/Motel	\$8.7	\$7.4	-15%	\$6.7	\$0.7	10%	\$12.5
Food Stores	\$7.5	\$8.0	7%	\$8.6	(\$0.6)	-7%	\$11.3
Other	\$22.9	\$22.6	-1%	\$22.0	\$0.6	3%	\$28.9
<b>Total</b>	<b>\$144.5</b>	<b>\$143.8</b>	<b>0%</b>	<b>\$133.9</b>	<b>\$9.9</b>	<b>7%</b>	<b>\$192.1</b>





# 12-month Rolling Local Sales Tax Revenues



# General Fund Sources (in millions) –YTD Quarter 3

## Total General Fund Revenues - Up 3% from prior year

(in millions)	FY23 Actuals	FY24 Actuals	% Change from PY	FY24 Budget	Budget Variance	Budget Variance %	FY24 Forecast
Local Sales Tax	\$144.5	\$143.8	0%	\$133.9	\$9.9	7%	\$192.1
State Shared	\$69.7	\$84.9	22%	\$84.7	\$0.3	0%	\$112.2
Charges for Services	\$11.3	\$16.7	48%	\$10.6	\$6.1	57%	\$16.7
Other	\$91.7	\$81.0	-12%	\$76.2	\$4.8	6%	\$111.6
<b>Total</b>	<b>\$317.1</b>	<b>\$326.4</b>	<b>3%</b>	<b>\$305.4</b>	<b>\$21.0</b>	<b>7%</b>	<b>\$432.6</b>







## General Fund Uses (in millions) –YTD Quarter 3

### General Fund Uses

(in millions)	FY23 Actuals	FY24 Actuals	% Change from PY	FY24 Budget	Budget Variance	Budget Variance %	FY24 Forecast
Personnel Costs	\$183.5	\$189.2	3%	\$194.1	\$5.0	3%	\$263.9
Commodities/Contracts	\$63.5	\$67.2	6%	\$70.1	\$2.9	4%	\$96.6
Transfers	\$41.8	\$53.7	29%	\$53.7	-	0%	\$88.4
Other	\$2.5	\$1.5	-41%	\$1.8	\$0.3	18%	\$3.8
<b>Total</b>	<b>\$291.2</b>	<b>\$311.5</b>	<b>7%</b>	<b>\$319.7</b>	<b>\$8.2</b>	<b>3%</b>	<b>\$452.6</b>

## General Fund Division Uses (in millions) –YTD Quarter 3

### General Fund Divisions

(in millions)	FY23 Actuals	FY24 Actuals	FY24 Budget	Budget Variance	Budget Variance %	FY24 Forecast
Mayor/Council/Charter Officers	\$21.4	\$22.6	\$23.9	\$1.2	5%	\$31.4
Administrative Services	\$17.3	\$18.8	\$19.1	\$0.4	2%	\$24.8
Comm & Ec Dev	\$18.6	\$19.4	\$20.4	\$1.1	5%	\$25.0
Community Services	\$35.1	\$35.2	\$35.8	\$0.6	2%	\$48.5
Public Safety - Fire	\$41.4	\$48.7	\$49.7	\$0.9	2%	\$66.6
Public Safety - Police	\$99.1	\$94.7	\$99.3	\$4.6	5%	\$138.7
Public Works	\$16.1	\$18.0	\$17.3	(\$0.6)	-4%	\$23.8
<b>Total</b>	<b>\$249.1</b>	<b>\$257.4</b>	<b>\$265.6</b>	<b>\$8.2</b>	<b>3%</b>	<b>\$358.9</b>





Questions?







Work Study - CIP

# FY 2023/24 CIP Quarterly Update – Quarter 3

City Council Meeting – May 14, 2024



## Agenda

- Bond 2109 Update
- Other CIP Projects Under Design or Construction







# Bond 2019 Program



## Bond 2019 Question 1 - FY 2023/24 Projects

No.	Title	Status
2	Add Splash Pad and Improve Walkways at McCormick-Stillman Railroad Park	NTP April 2024; being constructed with MS Roundhouse
13	Expand Granite Reef Senior Center to Meet Demand for Adult Day Care	Construction moved to FY 26/27
21	Expand Via Linda Senior Center to Meet Demand for Senior Services	New project this fiscal year
41	Install Solar Heating System for Eldorado Pool	DBM preconstruction contract awarded 4/2/24
42	Add a Dog Park to Thompson Peak Park	Design at 90% and DRB schedule is pending
53	Build Multi-Use Sports Fields in the area of Bell Road	Phase 2 construction finalizing; restrooms open, fields in use; pump station work remains
55	Build a 17-Acre Park at Ashler Hills Drive & 74 <sup>th</sup> Way (Whisper Rock)	Construction began December 2023
61	Purchase land, expand Pinnacle Peak Park parking lot, staff office and restrooms, renovate hiking trail and construct an interpretive trail	Waiting on ASLD for approval to submit application for auction





## 2 – Add Splash Pad and Improve Walkways at McCormick Stillman Railroad Park

- Notice to proceed issued 4/15/2024; targeted completion Spring 2025
- Groundbreaking was 4/17/2024
- Being constructed with the McCormick Stillman Roundhouse project
- Site utilities and building demolition in progress



Funding Source	Original Budget	Current Budget	
		Approved by Council	% variance
2019 GO Bond	917,207	928,478	
General Fund	-	342,655	
<b>Grand Total</b>	<b>917,207</b>	<b>1,271,133</b>	<b>39%</b>



## Bond 2019 Question 2 - FY 2023/24 Projects

No.	Title	Status
1	Replace Aging Infrastructure and Improve Public Event Spaces on Civic Center Plaza	Construction is complete and Civic Center is open. Working on project close out.
15	Build 200 space Parking Lot off 75 <sup>th</sup> Street to serve the City Court and Scottsdale Stadium	Will be built with Scottsdale Stadium Phase 2 project
18	Build Roadway & Pedestrian Improvements along 2 <sup>nd</sup> Street from Drinkwater Boulevard to Goldwater Boulevard	In design; evaluating concepts
23	Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash	GMP 1 and 2 have been awarded and construction is progressing
45	Renovate Horse Barns to Increase Rentable Space	Six barns complete to date
57	Install Solar Systems at North Corp Campus	Awaiting APS approval to activate the Via Linda system. All other work complete
58	Install Parasol Solar Shade at City Hall Parking Lot	DBM preconstruction contract awarded 4/2/24
59	Install Solar Systems at Civic Center Campus	DBM preconstruction contract awarded 4/2/24
63	Build Parking Structures in Old Town Scottsdale	Pending decisions on location, scope





## 58 – Install Parasol Solar Shade at City Hall Parking Lot

- Install a photovoltaic (PV) Parasol system over the City Hall parking lot.
- This system will be connected to the meter serving City Hall.
- The ultimate size and location will be determined during design

58 - Install Parasol Solar Shade Structure at City Hall			
	Original Budget	Current Budget Approved by Council	% variance
Funding Source			
2019 GO Bond	4,669,400	4,669,400	
Grand Total	4,669,400	4,669,400	0%

59 - Install Solar Systems at Civic Center Campus			
	Original Budget	Current Budget Approved by Council	% variance
Funding Source			
2019 GO Bond	2,784,500	2,784,500	
Grand Total	2,784,500	2,784,500	0%



## 59 – Install Solar Systems at Civic Center Campus

- This was originally envisioned as roof top solar installations at City Hall, One Civic Center and the Civic Center Library. Due to long term building maintenance concerns and limits imposed by APS for grid connected systems, the ultimate system capacity will be determined during design and free-standing shade canopies will be considered as follows:







## Bond 2019 Question 3 - FY 2023/24 Projects

No.	Title	Status
5	Modernize Computer Equipment Rooms to Protect City Servers	Power portion (UPS) complete; Final phase will be HVAC replacement (FY24/25)
7	Replace Outdated 911 Computer Aided Dispatch and Records Management to Improve Efficiency	Under contract to upgrade Computer Aided Dispatch; March 2025 target launch
8	Replace Website Management Software	Building out website content; target end date June 2024
9	Install Fiber Optic Infrastructure to Reduce Operating Costs	Multiple locations in design and construction
12	Update Scottsdale's 15 Year-old Digital Terrain Model	Project no longer needed due to USGS data
14	Replace Obsolete Planning and Permitting Software	Software selected, project kick off end of June
28	Build New Fire Station near Hayden Road and Loop 101 to Improve Response Times	In design
29	Replace Workstations at 911 Communications Dispatch Center to Accommodate New Technology	Workstations being installed; estimated completion May/June 2024

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## Bond 2019 Question 3 (continued)

No.	Title	Status
26	Replace Deteriorating Vehicle Track at Police and Fire Training Facility	FD and PD training facilities are under construction. Target completion end of 2024.
27	Modernize and Expand the Police and Fire Training Facility	
38	Build a New Fire Department Training Facility	
33	Renovate Via Linda Police Station to Increase Efficiency	Portion is in design in support of Bond project 29
35	Install Bullet Proof Glass in Reception Areas of Police Department Facilities	Project is complete
37	Implement an Inventory and Asset Control System for City Technology	Equipment and servers have been installed and the system is in testing for first phase
40	Renovate & Expand Civic Center Jail and Downtown Police Facility to Meet Demand	Design progressing

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## 29- Replace Workstations at 911 Communications Dispatch Center to Accommodate New Technology

- The existing 911 dispatch area was gutted and the former second floor atrium space over the lobby was infilled to create space for the new Real Time Crime Center.
- New electrical, lighting, HVAC, data and communication was provided to accommodate the new furniture layout and design.
- New anti-static flooring was installed throughout
- New wall monitors are installed throughout the space
- Staff moved into the new space May 5-6.



Funding Source	Original Budget	Current Budget	
		Approved by Council	% variance
2019 GO Bond	638,522	638,522	
General Fund	-	326,632	
<b>Grand Total</b>	<b>638,522</b>	<b>965,154</b>	<b>51%</b>

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## Completed Bond 2019 Projects

### Question 1:

- 10 - Replace Tennis Court Surface at Indian School Park and Tennis Center
- 24 - Install High Efficiency Sports Lighting at 4 Facilities
- 30 - Indian School Park Field 1 Lighting

### Question 2:

- 46 - Replace the Public Address System at WestWorld
- 47 - Replace WestWorld Arena Lights to Reduce Operating Costs
- 50 - Renovate Arena at WestWorld to Provide Flexible Event Space
- 52 - Expand Restrooms in WestWorld North Hall

### Question 3:

- 4 - Replace Outdated Emergency Response Equipment for Fire Department
- 6 - Replace Emergency Power Source for Public Safety Radio Network
- 11 - Replace Document Management System to Improve Public Access to Information
- 16 - Replace the City's Obsolete Training Software
- 17 - Obtain a Citywide Data Management and Analytics Solution for Data-Based Decision Making
- 36 - Provide Free Wi-Fi at the Civic Center Plaza
- 44 - Replacement of Fire Utility truck to be used on Fire Ground Activity and Response to Hazard Materials and Technical Rescue Incidents

12





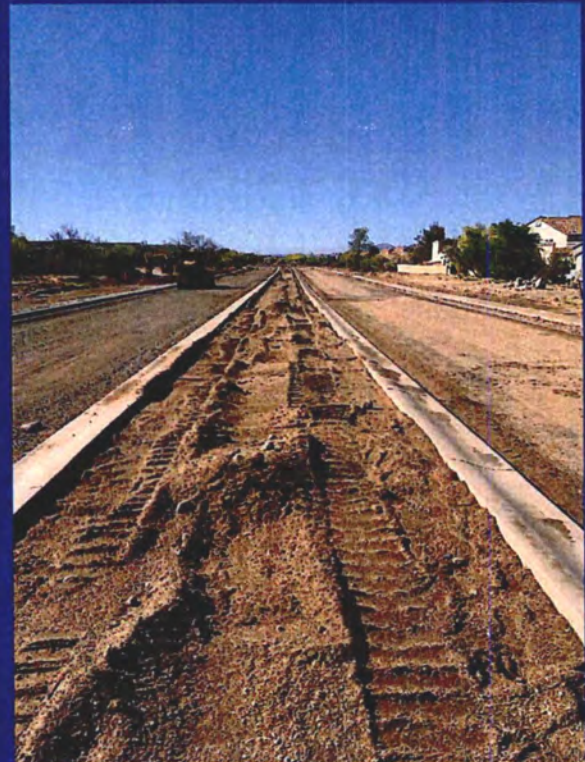
# Capital Improvement Projects:

Under Design or Construction



## Miller Road Bridge

- Miller Road flat work north of Pinnacle Peak and south of Bridge is underway (this photo)
- South half of bridge pour had a mechanical issue; there will be four remaining bridge pours – 2 separate pours for the remainder of the south half of the bridge and 2 separate pours for the north half
- North Approach to the bridge has been rough graded
- Projected completion Fall 2024

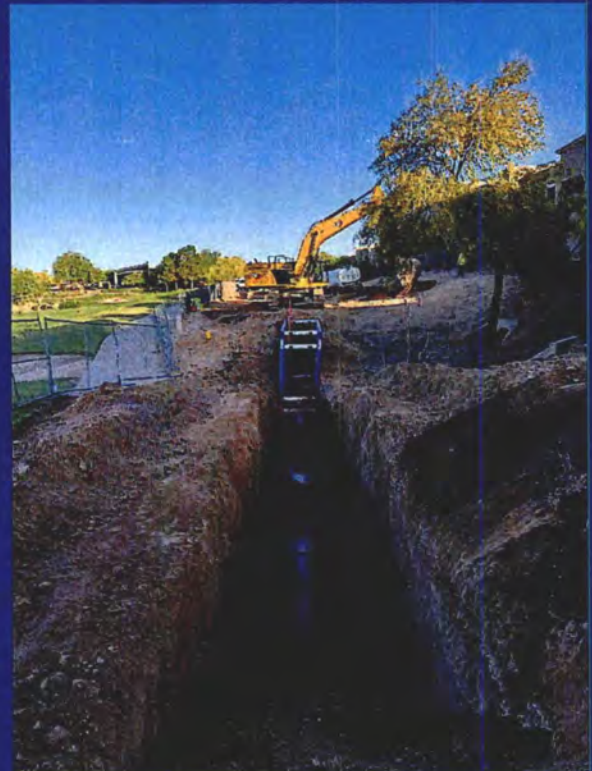






## TPC Golf Course – 36" Sewer

- This phase constructs approximately 4,200 LF of 36-inch sewer and 13 manholes
- Two crews are working concurrently on opposite ends of the sewer line to install a new 36-sewer from manhole #1 on west side of the TPC Champions course to manhole #13 on the east end of the golf course near Pima Road.
- The picture on this slide shows current work on the west end.
- The picture on the next slide shows active play on the golf course during construction
- Major pipe and manhole work scheduled to conclude at end of summer with restoration work completing in the fall.









## ASR Well Site 161

- The Aquifer Storage and Recovery (ASR) Well 161 Project is planned to recover 2,500 gallons per minute once equipped and convey its flows to the nearby Water Campus located north of the Loop 101 Freeway.
- The site was drilled in 2022 and is planned to start construction of the equipping portion in August 2024 and it will take 2-years to complete
- The project includes a 10-foot tall masonry perimeter wall to keep the site secure from park visitors







Questions?

