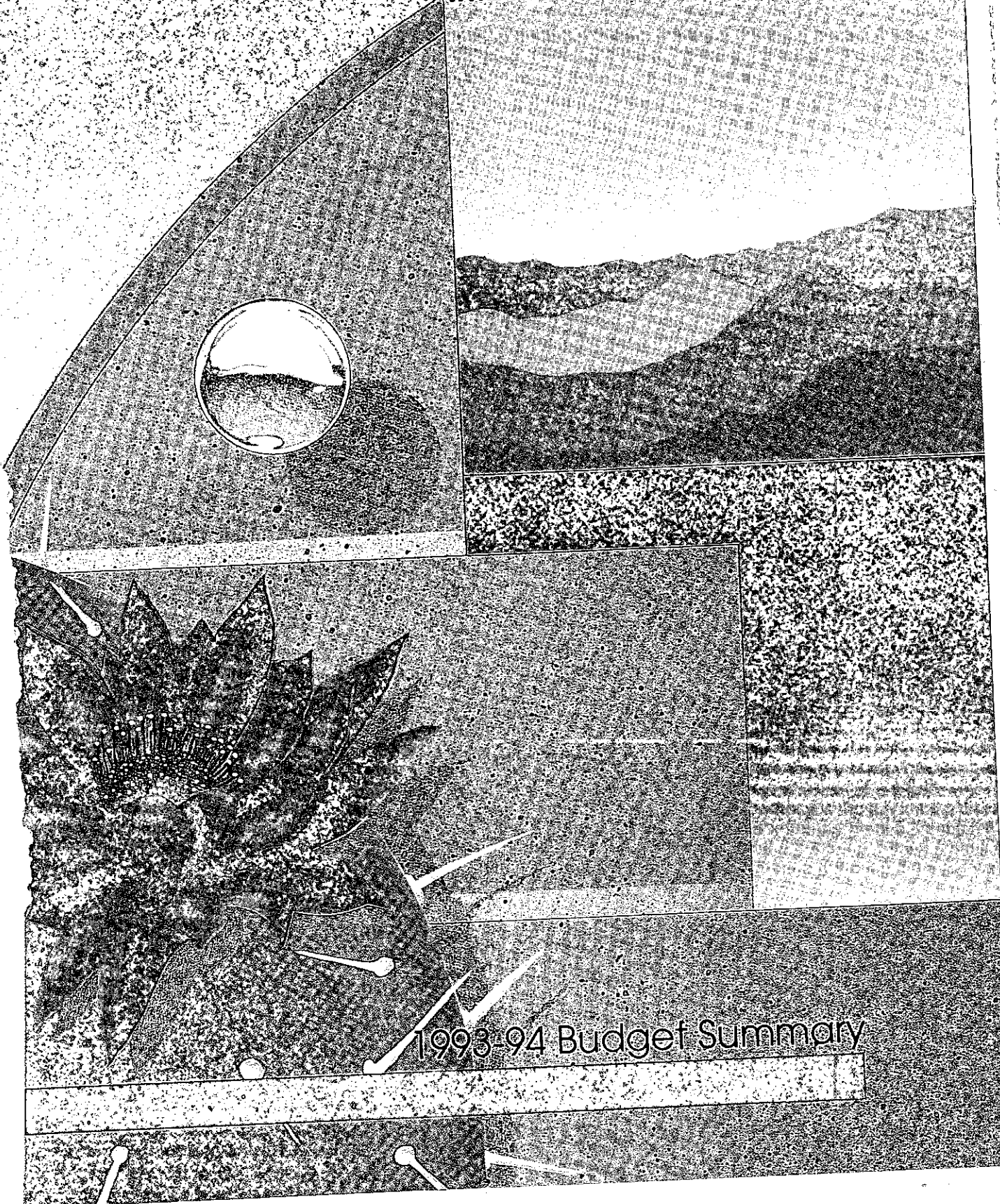


City of Scottsdale

ARIZONA




1993-94 Budget Summary

The City of Scottsdale's scenic beauty serves as the backdrop for a collage of images mirroring the City's commitment to preserving the desert while trying to keep pace with the demand for new infrastructure and development.

COVER DESIGN:

Rick Forgas

City of Scottsdale



CITY OF SCOTTSDALE



BUDGET SUMMARY FISCAL YEAR 1993-94

Budget Summary

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Community Overview

Origin and Growth

Scottsdale is centrally located in Maricopa County, Arizona, with its boundaries encompassing an area approximately 185.2 square miles. Lying at an elevation of 1,260 feet above sea level, the City averages 314 days of sunshine and of 7.74 inches of rainfall per year, with the average minimum and maximum temperatures ranging from 55.7 degrees to 84.6 degrees, respectively. The City is bordered to the west by Phoenix, the state capital, by Tempe to the south, and by the Salt River Pima Maricopa Indian Community (SRPMIC) to the east. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.

Scottsdale was founded in the 1800's when retired Army Chaplain Major Winfield Scott homesteaded what is now the center of the City. The City incorporated in 1951 and the City Charter, under which it is presently governed, was adopted in 1961. The City has experienced significant increases in population, with the 1950 census reporting 2,032 residents. The City's 1990 census was 130,069. The population is projected to grow to 154,760 in 1993.

Government and Organization

Scottsdale operates under a council-manager form of government as provided by its Charter. The Mayor and six City Council members are elected at large on a nonpartisan ballot for a four-year term. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The City Manager, in turn, appoints City employees and department general managers under service procedures specified by Charter.

Transportation

The City has access to a number of transportation facilities including Interstates 10 and 17, U.S. Highways 87 and 93, the main lines of the Southern Pacific Railroad and the Atchison, Topeka, and Santa Fe Railroads, Greyhound and Continental Trailways bus lines, and a number of interstate and intrastate truck lines. Scottsdale Municipal Airport, which is owned and operated by the City, is located approximately nine miles north of the central business district. The airport provides both general aviation and regional commercial air service. National, regional, and local air service is also available at Phoenix Sky Harbor International Airport, located approximately eight miles from the City.

Educational Facilities

Several institutions of higher learning are available to City residents. Scottsdale Community College, a part of the Maricopa Community College System is located on the eastern border of the City, on the Salt River Pima Maricopa Indian Community. It is a two-year college which offers a wide variety of academic, occupational, developmental, and special interest programs. Arizona State University, one of the major universities in the nation, is located in Tempe just south of the City. The University has approximately 43,000 students, graduate and undergraduate, a choice of 13 colleges and over 1,900 full-time faculty members. The City is also served by 17 public elementary and middle schools, 6 public high schools, and a number of private schools.

Tourism

Tourism is an important contributor to Scottsdale's economy. A number of resort and convention facilities, along with many hotels and motels, provide over 5,500 guest rooms, along with many public and private golf courses and tennis courts, and several country clubs. More than 2,500 retail shops, boutiques, and galleries are located throughout the City and a selection of over 200 restaurants is available. These services and facilities, complemented by the mild winter, have made Scottsdale a popular vacation spot for tourists and winter visitors.

Community Overview

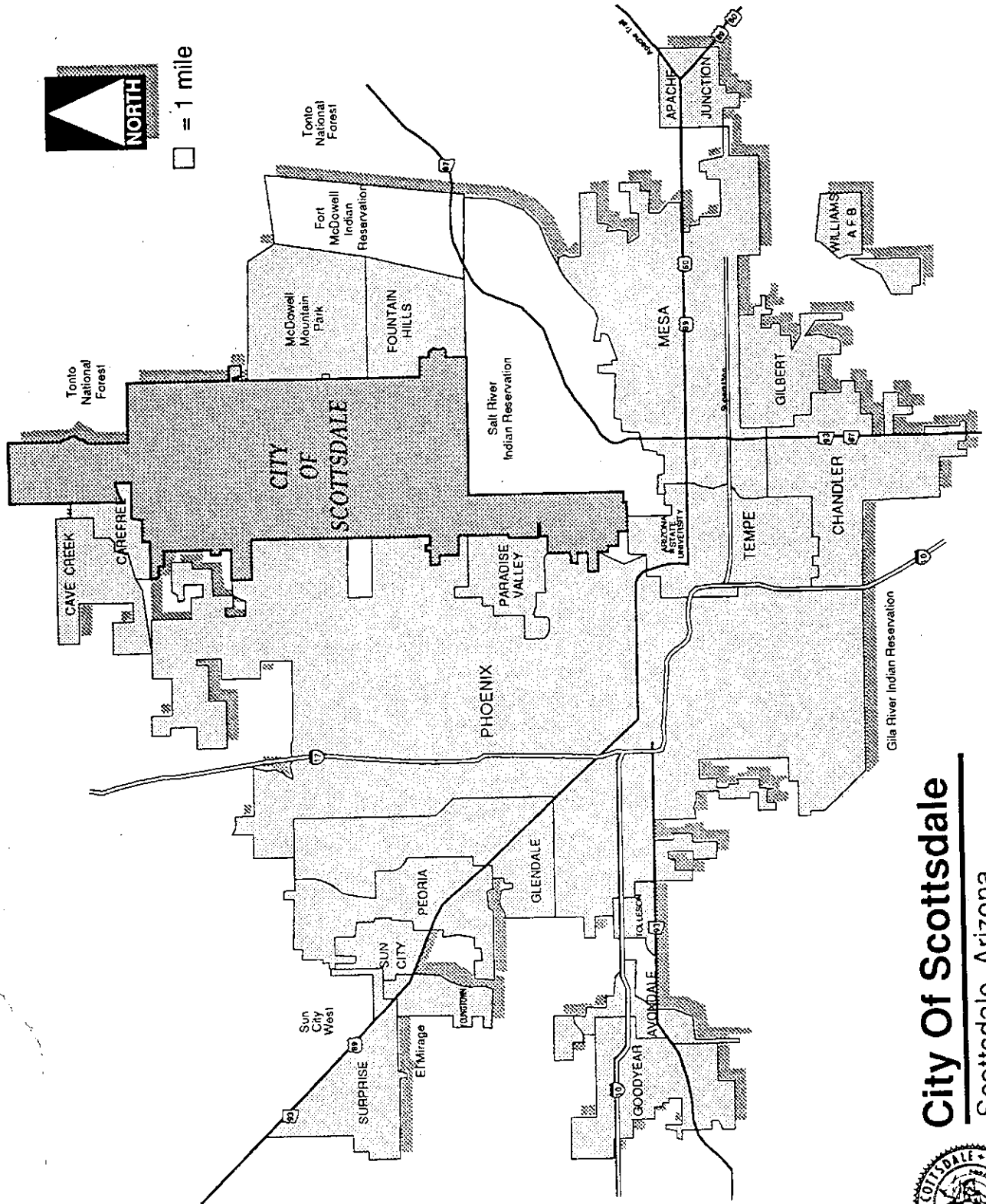
Demographics

The following tables provide additional demographic statistics for the City of Scottsdale and its citizenry from the 1990 U.S. Census.

Gender		Race	
Male	47.1	White	91.4
Female	52.9	Hispanic	4.8
Age Composition		Asian	1.2
Under 5 years	4.6	Black	.8
5-14 years	9.9	American Indian	.6
15-19 years	7.0	Other	1.4
20-24 years	7.9	Educational Attainment	
25-44 years	31.2	4 or more years college	36.0
45-64 years	25.8	1-3 years college	35.0
65-85+ years	13.6	High School diploma	24.0
Median Age	39.1	Less than High School diploma	5.0
Occupational Composition		Household Income	
Technical, Sales, Admin. Support	20.0	Less than \$15,000	5.0
Managerial and Professional	18.0	\$15,000-\$24,999	11.0
Service/Labor	23.0	\$25,000-\$34,999	18.0
Craft/Construction	4.0	\$35,000-\$49,999	25.0
Retired/Student	35.0	\$50,000+	41.0
Land Use		Median Household Income	\$44,200
Residential	17.9	Median Family Income	\$48,202
Undeveloped/Agricultural	78.3		
Industrial/Commercial	3.8		



□ = 1 mile



City of Scottsdale

Scottsdale, Arizona
and neighboring communities



City Manager's Budget Transmittal



June 1, 1993

Honorable Mayor and City Council
City of Scottsdale
Scottsdale, Arizona

Dear Mayor and Members of the City Council:

I am pleased to submit the City of Scottsdale's Operating and Capital Budgets for 1993-94. The Operating Budget totals \$186 million, an increase of 8.1 percent, 6.5 percent over the 1992-93 budget, plus 1.6 percent for pay-as-you-go contributions to the Capital Improvement Program. The Capital Budget and Five-Year Capital Improvement Program totals \$418.4 million and is a continuation of the comprehensive program approved by City Council in June, 1989.

While the total operating budget increase may seem high (especially compared to last year's 4.5 percent increase), it is supported by revenue growth of 7.5 percent (\$12.2 million) and debt refunding savings of \$2.5 million from fiscal year 1991-92. The 1993-94 revenue growth is the result of a growing population, an improving economy, a strong retail sales tax base, and increasing residential construction activity.

Other important factors which put the overall budget increase in perspective include:

- The City's debt service increase of \$1.6 million is over 13 percent of the total budget increase. This reflects the continuation of the voter-approved bond program and includes the benefit of lower interest rates (keeping this increase as low as it is).
- Scottsdale's population will increase to 154,760, up 6.7 percent from 1992-93. This is reflected in proportional growth in direct service areas.
- Youth services issues represent a significant need. Additions to the budget to address this need include the opening of the Paiute Community Center, at a cost of \$252,145, and the addition of nine police positions for youth intervention programs, at a cost of \$389,009.
- Solid waste disposal is a major issue. This budget is impacted significantly due to increased tipping fees, regulatory impacts, and personnel and equipment costs necessary to service a growing population. The sanitation budget alone will increase by nearly \$1 million (over 12 percent) in 1993-94.
- Public safety (Police and Fire) needs must continue to keep pace with citizen demand for these critical front-line services. The Police budget, beyond what is needed in the area of youth services, will increase by \$1,168,205 to provide for the continuation of the City's SWAT team, added patrols in the downtown area, and to open Scottsdale's first Police and Fire Training Facility. The City's contract with Rural Metro for fire protection will increase \$971,230. This includes funding for a new station and the expansion of our brush fire capabilities.

Transportation and air quality programs remain a top priority. The transportation budget adds \$200,000 to expand city bus routes. That is one-third of the departmental increase.

The City Manager's budget increases by 32 percent (\$245,000). This includes funding for several new services. Specifically, \$140,000 is earmarked for Scottsdale's first Citizen Service Center, which will provide needed interaction with and support for our neighborhoods.

City Manager's Budget Transmittal

This is a fiscally conservative and sound proposal which builds on priorities established in 1992-93 -- preserving our financial stability, promoting quality service, and strengthening partnerships.

Our efforts in each of these areas provide an excellent starting point for 1993-94. We are able to increase our economic stabilization reserve from \$5 million to \$7 million. Our commitment to quality allows us to address a year of substantial growth and add a few critical services while increasing our operational budget (excluding reserves and transfers to the Capital Improvements Program) by only 7.0 percent. Our success at strengthening partnerships has provided Scottsdale with one of the most valuable community-driven documents in our City's history -- the Scottsdale Shared Visioning Report.

Our challenge in 1993-94 is to build upon the many positive efforts begun last year, while meeting the ever increasing needs of our community. This is clearly a shared responsibility. Citizens, businesses, and government working together. In support of City Council direction and community need, the 1993-94 budget will:

PROTECT COMMUNITY INVESTMENT. The budget responsibly manages our City's resources. It ensures that each dollar spent is directed toward maximizing citizen services. It includes:

- Diligent examination of service costs. We closely monitor the costs of doing business and examine alternatives before passing increases on to citizens. Rate and fee increases are systematic, rational, and consistent with cost increases.
- Operating expenditures will not exceed operating revenues. Financial forecasts are closely monitored and conservative estimates are used when revenue projections vary directly with the economy. We consider 1993-94 to be a growth year for Scottsdale based on very encouraging economic indicators. We have funded basic services and improved service levels in several areas.
- Quality dividend. We believe that whatever was done yesterday, there may be a better, more efficient way to do it today. We continually assess current work methods to identify ways to improve the quality of our services. Savings through our quality program are reflected in the budget.
- Sufficient reserves are maintained. Four reserves are maintained to protect the City's financial condition and provide for unexpected economic challenges. These include an Economic Stabilization Reserve to help address key issues in difficult years; a Contingency Reserve for unexpected revenue shortfalls or emergency expenditures; a Self-Insurance Reserve to indemnify the City against property and liability risk; and a Solid Waste Management Reserve to meet unpredictable costs associated with solid waste disposal. Our goal in the next five years is to have 10 percent of our operating budget (approximately \$15 million) in reserve funds.

PROMOTE ACTIVE CITIZENRY. The budget creates many new opportunities for citizens to play an active role in their community:

- Citizen Service Center. This one-stop-shop service center will serve as a liaison between the City organization and neighborhoods, citizens, and businesses. As a resource for citizen participation and involvement, it will allow us to meet citizens' needs faster and more efficiently, and improve communication at the front-line of service.
- Volunteer Program. Scottsdale citizens invested over 88,000 hours in their City in 1992 -- saving more than \$690,000. With the City's first Volunteer Coordinator already on board, we will be creating even more ways to become involved in government. Our goal for 1993-94 is to add 24,359 new volunteer hours, to save additional \$190,000.

City Manager's Budget Transmittal

- **Endowment Program.** Initiated in 1992, this program will be expanded to provide more citizens and businesses with an opportunity to better their community through private donations and gift-giving.
- **New Boards and Commissions.** The City Council is interested in involving more citizens in the decisions of government, specifically in areas of increasing significance to Scottsdale. This budget supports creation of an Endowment Advisory Board, an Environmental Quality Advisory Board, a Housing Board, an International Relations Commission, and a Neighborhood Enhancement Commission. We also need to remain sensitive to the changing demographics of our community by valuing cultural diversity.

SUPPORT SCOTTSDALE'S SHARED VISION. The Scottsdale Visioning Process, concluded in 1992, featured more than 5,000 hours of citizen involvement and 175 public meetings. While the Visioning Report is now complete, the most important effort is yet to come -- making it happen! The budget addresses several of the Visioning themes, as well as others to ensure our City's future, including:

- **Preservation of the McDowell Mountains.** We will preserve 691 pristine acres through Scottsdale Mountain Development's dedication of the land to the City. Also, the formation of a strong partnership with the Scottsdale Land Trust will be a focus in 1993-94.
- **Public Safety.** Three additional officers have been included to increase enforcement efforts in our downtown and community parks. Additionally, two detention officers and six police aides have been included to free up officers for community policing activity. We will address issues impacting the youth of our community (juvenile arrests, gang activities, and school suspensions) via the addition of a Youth Intervention Program and the Scottsdale Drug Abuse Resistance Education (DARE) program.
- **Preserving the environment.** This budget funds four pilot recycling programs, including two "curbside pickup" programs and several new neighborhood and municipal building drop-off locations. Funds have also been committed to ensure Scottsdale's compliance with federal and state water quality and industrial waste standards.
- **Multi-Modal transit center.** With the help of an 80 percent Federal Transit Administration (FTA) grant, we will finalize a design for the planned Scottsdale Transit Center. To be completed in 1994-95, the transit center will offer access to transportation such as buses, trolleys, taxis, and horse-drawn carriages.
- **Indian Bend Wash bike path connection.** The final connection, between Camelback Road and McCormick Parkway, will provide the City with a continuous 13-mile bike path from the Tempe border to just north of Shea Boulevard.
- **Loloma Theater for the Contemporary Arts.** We will design and construct a theater for the performing arts adjacent to historic Loloma School on Second Street, just west of Goldwater Boulevard. The theater will be financed with IMAX Theater revenues identified for this purpose.
- **Human Services programs.** This budget addresses the increasing demand for human services. Specifically, staff hours will be increased at the Senior Center and two new positions (Human Services Planner/Grant Manager and an Outreach Counselor on youth and family issues) are being added. Considerable resources are being dedicated to neighborhood issues, including the plan to bring on-line Scottsdale's first neighborhood campus -- Paiute Community Center.

The City of Scottsdale's Operating Budget for 1993-94 has been developed in accordance with financial policies adopted to ensure fiscal integrity. We have been able to maintain, and in some cases improve, service levels by setting priorities and continuously looking for new and better ways to deliver services.

City Manager's Budget Transmittal

Our challenge today is to determine how Scottsdale, which prides itself on quality of life, can continue to provide this lifestyle with increasingly limited resources. We must meet this challenge through quality improvements and nontraditional approaches such as the new Citizen Service Center. Creative thinking and total community involvement will preserve Scottsdale's unique lifestyle not only during the best of times, but at all times.

I want to thank everyone who played a part in developing this budget. We feel very good about the financial condition of our City and look forward to increasing opportunities in 1993-94.

Respectfully submitted,



Richard A. Bowers
City Manager

“Scottsdale... Simply Better Service”

On our way to the year 2000, City of Scottsdale employees will be recognized as innovative, environmentally sensitive, and committed to quality service; members of an organization in which leadership, teamwork and respect for the individual are valued, and employees take pride in everything they do.

Our Values

- *Respect the Individual*
- *Be a Team Player*
- *Commit to Quality*
- *Risk, Create, Innovate*
- *Listen, Communicate, Listen*
- *Take Ownership*



Budget Overview

Total Operating Budget

The City of Scottsdale operating budget totals \$185.9 million, consisting of \$172.0 million in departmental operating expenditures and transfers-out totaling \$13.9 million. The budget is funded by operating revenues of \$174.3 million, transfers-in of \$7.8 million, and use of available prior year carryover of \$3.8 million, for total resources of \$185.9 million.

Expenditures		Revenues	
Departments		Sources	
General Government	\$ 10,391,287	Taxes	
Police	21,131,813	Local	\$ 59,612,607
Financial Services	7,668,770	From Other Agencies	19,826,400
Transportation	3,839,743	Transportation	8,980,000
Community Services	16,272,010	Licenses, Permits, Service Charges	17,022,380
Management Services	5,400,126	Fines and Forfeitures	1,838,740
Planning and Community Development	6,229,447	Use of Money and Property	5,971,025
Fire	7,562,436	Utilities and Enterprises	54,352,500
Water Resources	21,504,266	Other	6,665,544
Municipal Services	27,320,024		
Debt Service	38,320,397		
Contingency	6,357,737		
Total	171,998,056	Total	174,269,196
Transfers-Out		Transfers-In	
Encumbrance Rebudgets	3,000,000	Encumbrance Rebudgets	3,000,000
Reserve for Water Resource Development Fees	2,617,000	Fund Contingency Elimination	
Transfers to CIP from:		Sanitation	415,236
General Fund	2,459,604	Self Insurance	4,442,501
Water/Sewer Fund	5,873,737	Use of Carryover	3,821,464
Total	13,950,341	Total	11,679,201
Grand Total	\$185,948,397	Grand Total	\$185,948,397

Budget Highlights

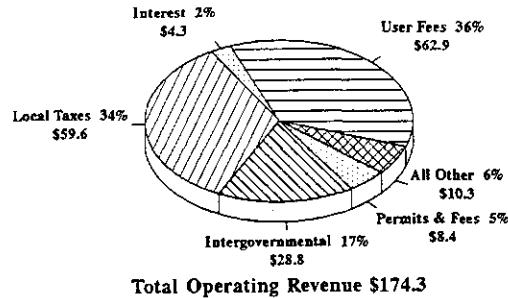
Revenues - Where the Money Comes From

Scottsdale relies upon many sources of revenue to fund its operating budget. Its largest source of revenue is user fees, representing 36% of total operating revenues, which are comprised of utility charges (water, sewer, and refuse; \$50 million), internal service charges (motor pool and risk management; \$9 million), and airport fees. Another major revenue source, representing another 34% of operating revenues, is local taxes, comprised primarily of sales taxes (\$34 million), property taxes (\$17 million), hotel/motel taxes (\$4 million), and other franchise and in-lieu property taxes.

Budget Overview

The following graph identifies the major sources of revenue which combine to fund the City's operating budget.

Operating Revenue Fiscal Year 1993-94 (In Millions)



Estimated revenue for 1993-94 increases \$12.2 million over 1992-93. Significant increases from prior year are from sales taxes (10.9%), permits & fees (16.2%), property taxes (12.3%) and user fees (10.1%). The increases in sales tax and fees and permits can be attributed to a slowly improving economy, a strong retail sales tax base, and increasing residential construction activity. Increases in property taxes and user fees are caused by growth and rate increases to fund voter-approved capital improvements.

We consider 1993-94 to be a growth year for Scottsdale based on improving economic indicators. However, conservative estimates were used for revenue projections that vary directly with the economy. We are cautiously optimistic about the continued recovery of the economy and will continue to monitor revenues closely.

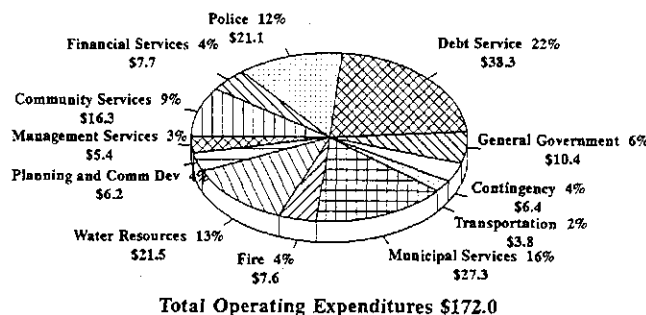
A complete schedule of City revenues is included in the Financial Summaries Section. More specific information and historical data is also presented for the largest revenue sources.

Expenditures - Where the Money Goes

Scottsdale's operating expenditures are comprised of ten separate departments. The largest departmental budget is Municipal Services (\$27 million) and represents 15.8% of City operating expenditures. Municipal Services is responsible for refuse disposal, maintenance of City streets, municipal buildings, and all of the City's motor vehicles. Police (\$21 million) and Water Resources (\$21 million) are the next largest departmental budgets. Their combined departmental budgets represent 24.7% of the operating expenditures.

The following graph identifies City operating expenditures by department, including debt service and contingency.

Operating Expenditures Fiscal Year 1993-94 (In Millions)



Budget Overview

Personal services represent 33.9% of the operating budget and have increased by \$3.9 million (7.2%). The change from prior year is due primarily to the addition of 44 new full-time positions. Significant changes in staffing include 20 positions to support public safety issues, to staff a Youth Intervention Unit, a Downtown Entertainment/Park Enforcement Unit, and a Community Policing effort. Eight positions support environmental-related issues in Water, Wastewater, and Sanitation. The remaining positions will support the new Citizen Service Center, coordinate Human Services, provide teen recreational programs, increase Code Enforcement efforts, and support the City's Geographic Information System, fleet management, and refuse disposal operations.

Contractual services, representing 30.3% of the operating budget, have increased \$7 million (15.8%). A significant portion of the contractual increase is due to an increase for Rural Metro fire services and the full year's funding of increased personnel to staff the new fire station being constructed at 74th and Shea Boulevard.

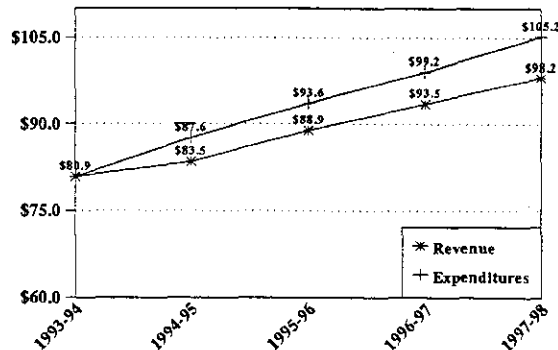
Debt service costs, representing 22% of the operating budget, have increased by \$1,671,434 (4.6%) in order to pay for the voter-approved Capital Improvement Program.

This budget also includes a commitment to our employees, our most important resource, by continuing to provide them competitive compensation and benefit programs. Personal services increases by 3.5% for the continuation of Quality Plus, Scottsdale's pay-for-performance compensation program. In addition, a 2% salary adjustment is included for all employees based upon a market comparison study with other cities.

Five-Year Forecast

The focus of the City's five-year forecast for operating revenues and expenditures is centered on the General Fund. The General Fund is the major operating fund of the City and the majority of departmental revenues and expenditures occur within this fund. The following graph represents the five-year revenue and expenditure forecast for the General Fund.

Revenues and Expenditures
Fiscal Years 1993-94 thru 1997-98



Revenues have been conservatively estimated and expenditures include consumer price index changes and increases to maintain current service levels. The forecast illustrates that revenues are growing at a slower rate (5-7% annual average) than anticipated expenditures (7-9% annual average), which continue to grow to meet service demands.

This budget includes funding to implement a citizen volunteer program, endowment program, matching grant funds, technology funding, and incentives for employees to find more innovative methods for meeting community needs without exceeding our resources. In addition, two positions have been added which have a positive revenue impact for the City. The positions will ensure fairness, accuracy and collection of property taxes, and administration of the City's alarm permitting and false alarm charges.

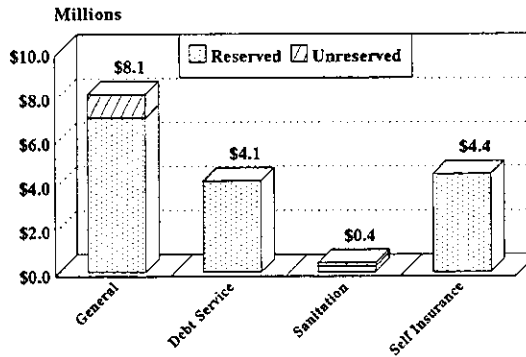
Budget Overview

Fund Balances - Reserves

Unrestricted fund balance represents Scottsdale's net financial resources that are expendable or available for appropriation (budget). Growth of fund balance occurs when revenues exceed expenditures. Fund balances are reserved for specific uses. These include: an Economic Stabilization Reserve to offset revenue sources most vulnerable to changes in the economy; a Debt Service Reserve restricted for payment of debt principal and interest; a Self-Insurance Reserve to indemnify the City against property and liability risk; and a Solid Waste Management Reserve to meet unpredictable costs associated with solid waste disposal.

The following graph identifies City fund balances and reserves.

Fund Balance
Fiscal Year 1993-94



Positive changes to unreserved fund balance since 1992-93 are attributable to prior year expenditure savings and over \$4.5 million of Municipal Property Corporation (MPC) and Highway User Revenue Fund (HURF) bond refunding savings. An additional \$2.5 million savings was a result of general obligation bond refunding, but is restricted for debt service use.

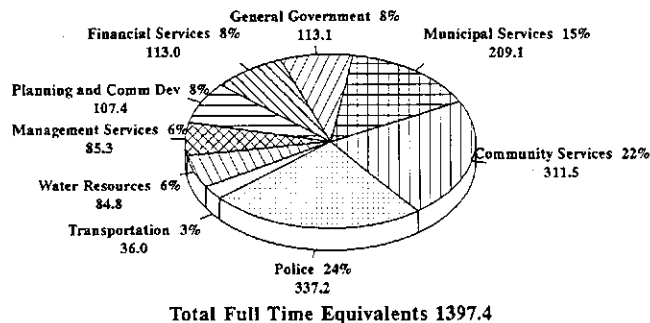
The MPC and HURF refunding savings are unrestricted as to use and a portion has been budgeted to increase the Economic Stabilization Reserve from \$5 million to \$7 million for 1993-94. The ultimate goal for the Economic Stabilization Reserve is 9-10% of general fund operating expenditures. The remaining MPC and HURF refunding savings were budgeted as pay-as-you-go funding for the Capital Improvements Program and other one-time capital outlay decisions.

Staffing

A significant part of the City's budget (34%) is funding for employees who in turn provide services to our citizenry.

The following graph identifies full-time equivalent (FTE) positions by department.

Staff By Department
Fiscal Year 1993-94



Budget Overview

The 1993-94 budget increases staffing by 44 full-time positions and 1 part-time position. Twenty positions will support public safety issues by staffing a Youth Intervention Unit, a Downtown Entertainment/Park Enforcement Unit, and a Community Policing effort. Eight positions will support environmental issues related to water quality sampling, industrial waste inspection, and solid waste recycling. Additional positions will support the new Citizen Service Center, coordinate Human Services, provide teen recreational programs, assist Development Services, increase Code Enforcement efforts, ensure compliance with OSHA standards, support the City's Geographic Information System, and assist with fleet maintenance and refuse disposal operations.

The FTEs per capita have actually decreased since 1992-93, from 9.27 per 1,000 citizens to 9.03 for 1993-94. This change is based upon our estimates of population growth from 145,000 citizens in 1992-93 to 154,760 citizens in 1993-94.

The Authorized Personnel/Positions Summary provides a listing of full-time and part-time position counts by department.

Capital Improvement Program

The operating budget authorizes and provides the basis for control of operating expenditures for both internal and citizen services including operating and maintaining new capital facilities. Operating budget appropriations lapse at the end of the fiscal year. The operating budget is funded with recurring annual revenues such as taxes, licenses, fines, user fees, and interest income.

The capital budget authorizes and provides the basis for control of expenditures for the acquisition and construction of all capital facilities. Capital budget appropriations do not lapse at the end of the fiscal year; they are budgeted until the project is complete and capitalized.

The 1994-98 Capital Budget totals \$418.4 million, which includes \$200.8 million of budget appropriations from prior years for projects which have not been completed. The following table identifies funding sources and program expenditures for the combined five-year Capital Improvement Program.

Capital Improvement Program Summary
1993-94 through 1997-98
(In Thousands of Dollars)

	Prior Years	1993-94	1994-95	1995-96	1996-97	1997-98	Total Program
Resources							
Bonds	124,288	63,767	17,462	5,000	10,890	5,171	226,578
Pay-As-You-Go	76,547	38,556	18,360	18,619	23,416	16,361	191,859
Total Resources	200,835	102,323	35,822	23,619	34,306	21,532	418,437
Program Expenditures							
Transportation	38,186	27,244	3,322	7,089	10,261	5,571	91,673
Improvement District	11,413	21,241	2,625				35,279
Drainage/Flood Control	9,098	8,081	4,350	4,250	10,140	78	35,997
Water/Wastewater	108,667	24,546	20,794	12,158	13,743	15,751	195,659
Community Facilities	23,843	14,175	4,606	122	162	132	43,040
Service Facilities	5,316	4,904	50				10,270
Public Safety	4,312	2,132	75				6,519
Total Expenditures	200,835	102,323	35,822	23,619	34,306	21,532	418,437

Budget Overview

Capital Improvement Program Funding Sources

The largest funding source, representing over 54% of the City's Capital Improvement Program, is bonds. The remainder of funding for the five-year program represents 46% of the total five-year program funding and is comprised of operating budget transfers, water and sewer development fees, the transportation portion of privilege taxes (.2%), contributions, and other sources. City capital expenditure policy requires that pay-as-you-go financing should account for 25-33% of all capital improvement projects for each five-year period.

Capital Improvement Program Project Summary

The Capital Improvement Program is comprised of seven major programs: Transportation, Improvement Districts, Drainage and Flood Control, Water and Wastewater, Community Facilities, Service Facilities, and Public Safety. The following summarizes the major program areas including significant projects contained within each program.

Transportation

Transportation continues to be a high priority in Scottsdale's Capital Improvement Program. Twenty-two percent of the CIP program has been identified to address the transportation needs of the City. This is slightly less than the 1992-93 budget as construction of several bond projects has been delayed in order to remain within legal bonding limits.

1993-94 New and Continuing Budgets	\$65,430,500
Total Five-Year Capital Improvement Program	\$91,673,200

Major Transportation Projects include:

64th Street Widening and Extension

Concept designs for the buffering and widening of 64th Street will be complete by Fall, 1993, and construction will begin in 1994. Community involvement in this project is extremely important.

Pima Road Improvements

Pima Road from McDowell Road to Via Linda will be widened; the west side of Pima Road will be buffered with a soundwall and landscaping. Concept design will be complete by Summer, 1993, and construction will begin in 1994. Community involvement in this project is vital.

Shea Boulevard from 124th Street to 136th Street

Design has been completed, and construction will begin in September of this year. This portion of Shea Boulevard widening is scheduled for completion in June, 1994. The remaining section, from 136th Street to 144th Street, has been delayed until fiscal year 1996-97.

Downtown Roadway Improvements

Construction of portions of both the East and West Couplets, and Camelback Road from Goldwater Boulevard to Scottsdale Road continues. Completion of the couplets is currently scheduled for Fall, 1994. Camelback Road from the West Couplet to Scottsdale Road has been delayed to accommodate any design changes that may be required due to canal bank improvements at the Scottsdale Road/Camelback Road intersection.

Multi-Modal Transportation Center

A multi-modal transportation center will be located near the historical Loloma School. The transportation center will be a transit hub for all types of transportation, including bus, taxi, hotel/motel shuttles, trolley, and horse-drawn carriage. This project will be funded approximately 80% from Federal Transit Authority grants, with the City's portion estimated to be \$600,000. Design will begin in 1993-94 with construction to follow in 1994-95.

Budget Overview

Improvements to Kilo Tiedown Area

Construction of 15 hangars and t-shades, which began in 1992-93, will continue. Restrooms, a flight planning room, and washrack are also expected to be completed in Summer, 1994. Construction of additional hangars or t-shades is dependent upon identification of future funding sources.

Terminal Building Improvements

Federal and state grants provide approximately 80% of the funding to expand the terminal building. In conjunction with the expansion, airport administrative offices will be constructed as a second level to the building. Cost to the City is estimated at \$365,400. Construction will be completed in Fall, 1994.

A significant change to the 1992-93 Approved Capital Improvement Program includes delaying construction of several bond projects in order to remain within legal bonding limitations. The Capital Improvement Program includes construction delays in the following projects:

<u>Project</u>	<u>From</u>	<u>To</u>
McDowell Road/Granite Reef to Pima Road	1993-94	1995-96
Scottsdale Road/Indian Bend to Gold Dust	1994-95	1996-97
Scottsdale Road/Mercer to Sutton	1993-94	1996-97
Shea Boulevard/136th Street to 144th Street	1993-94	1996-97

This plan dedicates an additional two years of the transportation portion of privilege tax (.2%) to the 1989 bond program (through 1996-97). If this strategy were not used, the projects would be delayed an additional two to three years.

Improvement Districts

An improvement district (ID) is a funding mechanism whereby property owners elect to pay for the installation and construction of infrastructure such as streets, water, sewer, and drainage which benefits their property. The City facilitates this process by coordinating the design and construction, as well as the sale of special assessment bonds to finance the improvements. When cost effective, the City financially participates in a district to oversize infrastructure to master plan standards, thus avoiding higher future costs.

1993-94 New and Continuing Budgets	\$32,654,300
Total Five-Year Capital Improvement Program	\$35,279,300

Major Improvement District Projects include:

Bell Road Improvement District

This improvement district will construct Bell Road east of Pima Road to approximately 108th Street. Water lines, booster pump stations, and a reservoir will be constructed as part of the project, as well as sanitary sewer and storm drainage facilities.

Lost Dog Wash Improvement District

The City will continue with the design of this project which will mitigate the flooding potential in the area of Via Linda and 120th Street.

Budget Overview

Drainage/Flood Control

The 1993-94 drainage/flood control program includes detention basins, culvert and channel projects, and a continuation of the neighborhood drainage corrections program. The program is interrelated with transportation improvements.

1993-94 New and Continuing Budgets	\$17,178,400
Total Five-Year Capital Improvement Program	\$35,996,400

Major Drainage/Flood Control Projects include:

Regional Drainage System North of CAP Canal

The City will continue the preliminary design efforts for the construction of three regional channels which will mitigate the flooding potential in the area of the City north of the CAP canal. Public participation is a key component of this project.

Water and Wastewater

The 1993-94 CIP program reflects the City's commitment to its Water and Wastewater Plan and to compliance with the 1980 Groundwater Code. Accordingly, the emphasis is on reclaiming and storing water and treated wastewater for underground recharge, and decreasing consumption of groundwater.

1993-94 New and Continuing Budgets	\$133,212,800
Total Five-Year Capital Improvement Program	\$195,659,500

Major Water and Wastewater Projects include:

The Water Campus

The Water Campus will be comprised of the advanced water treatment plant, regional wastewater reclamation plant, collection system, and initial recharge and recovery system. These two plants will enable the City to treat wastewater and redistribute treated water to the golf courses in the northern area of the City. The 14 miles of reclaimed water distribution lines already constructed will distribute this water. Excess water will be further treated in the advanced water treatment plant and then recharged back into the aquifer, thereby replenishing our groundwater table.

SRP Filtration Plant

The SRP Filtration Plant will enable the City to treat SRP water which is currently being treated by the City of Phoenix. This plant is currently in the pre-design phase with construction estimated to be complete in Fall, 1995.

Systems Maintenance

The City requires maintenance and upgrade to its existing water and sewer system to maintain a high level of service to Scottsdale citizens. Inadequate and deferred maintenance can lead to costly repairs and replacements in the future. The 1993-94 program includes water service line replacement, reservoir rehabilitation, and sewer collection system rehabilitation projects.

Community Facilities

The Community Facilities capital plan addresses the recreational needs of the community and includes new parks, park improvements, libraries, and bike paths, as well as improvements to the Civic Center mall area.

1993-94 New and Continuing Budgets	\$38,017,800
Total Five-Year Capital Improvement Program	\$43,039,500

Budget Overview

Major Community Facility Projects include:

New Parks

The 1993-94 CIP budget includes construction funds for Horizon Park, Pulte Homes Park, Rio Montana Park, and Stonegate Park. In addition, the budget includes funds for the Senior Center at Scottsdale Ranch Park.

Library Expansion

Construction has begun on the Civic Center Library Expansion. The library will be expanded by 52,000 square feet and will provide additional book shelves, public reading areas, a new children's area, and a public auditorium. The construction is scheduled for completion in January, 1995.

Downtown/Civic Center Parking

An additional \$1,000,000 has been added this year to continue with the parking plan in the downtown and Civic Center areas. Construction of a new parking lot at First Avenue and 75th Street is under way. In addition, surface lots will be constructed in locations adjacent to the Stadium and downtown areas, and an underground parking lot will be built in conjunction with the new Justice Facility.

Service Facilities

The service facilities plan encompasses new office space, remodel of current facilities, and automation needs.

1993-94 New and Continuing Budgets	\$10,220,300
Total Five-Year Capital Improvement Program	\$10,270,300

Major Service Facility Projects include:

Justice Facility

The new Justice Facility will be a joint-use, 30,000 square foot facility adjacent to the existing Police/Court building. The building will be occupied by the Maricopa County Courts, City Courts, and the Scottsdale Police. To provide for interior furnishings for the City Courts and Police, \$464,200 has been added to the 1993-94 budget.

Five Year Automation Plan

The City began implementation of a comprehensive plan for technology in 1991-92 and \$2,040,400 in additional funding has been added this year to continue the five-year technology plan. The continuation of the implementation of open systems environment technology as well as Geographic Information System and Applications are the major automation projects scheduled for this year.

Public Safety

The public safety portion of the capital plan includes fire stations, training facilities, and automation systems related to police or fire functions.

1993-94 New and Continuing Budgets	\$ 6,444,100
Total Five-Year Capital Improvement Program	\$ 6,519,100

Major Public Safety Projects include:

Police/Fire Training Facility

Construction will begin on the a new Police/Fire Training Facility in 1993, with completion scheduled for Summer, 1994. This facility will include a computerized clean-burn facility, a firing range, and an emergency vehicle training track, and will be located on a City-owned site on Curry Road. The budget has been increased by \$125,000 to provide for interior furnishings.

Budget Overview

Fire Stations

Two new fire stations will be constructed, one at 74th Place and Shea Boulevard, and one at the Rio Montana Park site on 132nd Street and Via Linda. The Rio Montana station, originally planned as a temporary station, will be a permanent two-bay station. The budget has been increased by \$490,000 to reflect this change.

Operating Impact of Capital Improvement Program

As capital improvement projects are completed, the operation of these facilities will be funded in the operating budget. The estimated increase in operating expenses over the next five years, due to completed capital improvement projects, is as follows:

Fiscal Year	Operating Costs
1993-94	\$ 442,400
1994-95	8,311,300
1995-96	8,848,900
1996-97	9,385,300
1997-98	<u>10,216,800</u>
Total	<u>\$37,204,700</u>

Impact on Citizens

User Fees - The City charges monthly fees for utilities based upon usage by the customer. A portion of these fees is used as pay-as-you-go funding for the Capital Improvement Program. The three utilities the City maintains are:

Water - Charges are for usage based on a fixed charge for the size of meter and a variable charge for the amount of water used.

The major factors necessitating a water rate increase of 10% are:

- Increases mandated for water quality testing for additional and more frequent treatment. The number of tests required will rise from 525 to 6,944 due to federal mandates requiring testing for 56 rather than the current 17 chemicals.
- Increases in both the cost and use of purchased water. The cost of CAP water will nearly double over the next year, rising from \$53 to \$100 per acre foot.
- The City's required revenue-to-debt ratio which ensures Scottsdale's high bond rating.

The average monthly customer bill increase is estimated to be \$2.84.

Sewer - Charges are for disposal of sanitary sewer waste based on water consumption and type of residence or business.

The major factors necessitating a sewer increase of 15% are:

- Increased operating costs at the 91st Avenue Wastewater Treatment Facility, which treats the majority of wastewater produced by Scottsdale residents and businesses. These increases are necessitated by the need to comply with a federal permit and state standard which regulate the quality of wastewater released from the plant.
- Increased industrial pretreatment monitoring and testing for businesses that discharge chemicals. The Environmental Protection Agency (EPA) requires the City to increase the number of businesses, as well as the number of chemicals, monitored.

The average monthly customer bill increase is estimated to be \$0.88.

Refuse - Charges are for the pickup of solid waste and consist of a fixed monthly charge for each residential customer and a charge based upon size of container and number of pickups for each commercial customer. A residential rate increase of 5.0% is needed to offset the increased costs of hauling solid waste to an EPA-approved landfill and for the construction costs of a solid waste transfer site and facility. The monthly residential customer bill will increase \$0.50.

Utility user fees are projected to increase in accordance with the following schedule in order to offset increasing operating costs, mandated environmental standard compliance costs, and capital infrastructure costs attributable to City growth.

Budget Overview

Utility User Fee Projected Increases			
Fiscal Year	Water	Sewer	Refuse
1993-94	10.0%	15.0%	5.0%
1994-95	10.0%	15.0%	4.0%
1995-96	10.0%	15.0%	2.0%
1996-97	9.0%	10.0%	2.0%
1997-98	7.0%	8.0%	2.0%

Property Taxes are charged on the assessed value of all property within the City. The property tax is comprised of two parts:

Primary Property Tax - is used to pay for general governmental operations and is limited to a 2% increase per year plus allowance for annexations and new construction, per state statute. A primary tax rate increase of 2 cents per \$100 of assessed value is needed to offset the increased operating costs of the City attributable to price changes and City growth.

Secondary Property Tax - is used to pay for general bonded-debt obligations of the City. A secondary rate increase of 12 cents per \$100 of assessed value is needed to offset the debt service costs associated with the capital improvement program approved by citizens in 1989.

Property taxes are projected to increase in accordance with the following schedule to offset increasing operating costs and to fund the debt service for general obligation bonds related to the City's capital improvement program. The 1993-94 annual City property tax bill for a home assessed at \$100,000 is estimated to be \$127.13.

Projected Assessed Valuation Growth & Property Tax Rates				
Fiscal Year	Assessed Value Growth	Primary Rate	Secondary Rate	Combined Rate
1993-94	0	\$.51	\$.76	\$1.27
1994-95	1.0%	.52	.96	1.48
1995-96	2.0%	.52	.97	1.49
1996-97	2.0%	.52	1.05	1.57
1997-98	2.0%	.52	1.03	1.54

Financial Policies

Financial policies establish the framework for overall fiscal planning and management. They set forth guidelines against which current budgetary performance can be measured and proposals for future programs to be evaluated. The City is in current compliance with all of the following financial policies.

Operating Budget Policies

Operating revenues will be sufficient to support operating expenditures.

Budget Overview

User fees will be examined annually to ensure that they recover all direct and indirect costs of service, unless full cost recovery would be excessively burdensome on citizens receiving service. Rate adjustments for enterprise operations (Water, Sewer, Sanitation, and Airport) will be based on five-year fund plans.

Development fees for one-time capital expenses attributable to new development will be reviewed annually to ensure that fees match development-related expenses.

Grant funding should be considered to leverage City funds where significantly more service impact per City dollar expended can be demonstrated. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs.

Fleet replacement will be accomplished through the use of a "rental" rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for replacement of vehicles.

Revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will encompass five years and will be updated annually.

Privatization of services will be considered to ensure that quality services are provided to our citizens at the most economical cost. Departments will identify commercial activities annually and review options/alternatives to current service delivery.

Financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.

Capital Expenditure Policies

A five-year capital improvement program will be developed and updated annually, including anticipated funding sources.

Operating costs associated with new capital improvements will be coordinated with the development of the operating budget. Future operating costs associated with new capital improvements will be forecast and included in the operating budget.

Pay-as-you-go capital improvement program financing should account for 25-33% of all capital improvement projects for each five-year planning period.

A Citizens Bond Commission will be appointed to review the Capital Improvement Program and to ensure that expenditures are made in conformance with the 1989 Bond Authorization Election.

Debt Management Policies

General obligation debt will be utilized which is supported by property tax revenues and grows in proportion to the City's assessed valuation. Other forms of debt (e.g., water, sewer) will also be utilized which are supported by dedicated revenue sources (e.g., fees and user charges).

Municipal Property Corporation, contractual, and general revenue-supported debt will not be utilized unless a dedicated revenue source other than excise tax (e.g., sale of City real property) can be identified to pay debt service expenses.

A ratio of current assets to current liabilities of at least 2:1 will be maintained.

Water and sewer utility revenue bond coverage rate in excess of the coverage rate required in the bond indenture (bond indenture requirement 1:1.2, City goal 1:2) will be maintained.

Budget Overview

Debt service costs should not exceed 25% of the City's operating budget.

Bond interest earnings will be limited to funding changes to the Five-Year Capital Improvements Program as approved by City Council, and any remaining funds will be applied to debt service payment on the bonds issued for construction of this program.

Reserve Policies

An Economic Stabilization Reserve will be maintained as part of the General Fund balance to help offset operating revenue sources which are most susceptible to changes in the economy. The ultimate goal is for the total fund balance to be 9-10% of operating expenditures.

Contingency reserves will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety.

Self-Insurance Reserves will be maintained at a level which, together with purchased insurance policies, will adequately indemnify the City's property and liability risk. A qualified actuarial firm has been retained on an annual basis in order to recommend appropriate funding levels.

Solid Waste Management Reserve will be maintained to provide funding for costs associated with solid waste disposal. Projected costs may include site purchase, technology applications, or intergovernmental investment to maximize the value of waste disposal activities.

Financial Reporting Policies

The City's accounting and financial reporting systems will be maintained in conformance with currently accepted principles and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR).

Budget Process

Full disclosure will be provided in the City's Comprehensive Annual Financial Report and bond offering statements.

Roles and Responsibilities

Every employee plays a role in budgeting - whether in its formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, each general manager, through the City Manager, is accountable to the City Council for the performance of departmental personnel in meeting specific objectives within allocated resource limits.

Actual budget responsibility can be identified more specifically:

- The program center manager is responsible for preparing an estimate of remaining cost requirements for the current fiscal year, projecting the base budget requirements for the next fiscal year, and developing other requests that change or revise the program so that it will be more effective, efficient, productive, and economical.
- The budget liaisons serve as the vital communication link between the departments and the budget staff. Liaisons are responsible for coordinating information, checking to see if forms are completed properly, making sure that all necessary documentation is submitted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process.

Budget Overview

- The **division directors, general manager, and charter officers** are responsible for reviewing the past year's performance, anticipating future problems and opportunities, considering alternative solutions, and modifying and assembling their center's data into a departmental request package. General managers critically evaluate all requests, prioritize, and submit **only** those requests which clearly identify Council policies, administrative direction, and departmental objectives.
- The **Budget Manager** and staff within the Accounting and Budget division are responsible for assisting departments, reviewing departmental budgets with individual general managers or staff, collating, analyzing, and summarizing departmental requests for the Executive Team, Mayor and City Council review, and preparing short- and long-range revenue and expenditure forecasts.
- The **Assistant City Managers'** key role is translating Mayor and City Council goals and objectives for the City into recommended funding decisions. They are responsible for reviewing the departmental operating and CIP requests and submitting their recommendations for review by the Executive Team, Mayor and Council.
- The **City Manager** is responsible for reviewing the total financial program and formulating a City-wide tentative budget and submitting it to the Mayor and City Council.
- The **Mayor and City Council** are responsible for the review of the City Manager's tentative budget and approval of the final budget.

Budget Phases

Even though the budget may be reviewed by the Mayor and Council in April and adopted in June, its preparation begins at least eight months prior, with projection of City reserves, revenue and expenditure forecasts, and citizen, boards, commissions, and departmental needs assessment. It is with this groundwork that departmental expenditure requests are made and subsequently reviewed.

Needs Assessment and Financial Capacity Phase - This is the foundation of assessing what our current conditions, programs, and needs are in the eyes of our citizens, boards, and commissions. Departmental staff are also asked to continually evaluate departmental programs or positions for possible trade-offs, reduction or elimination, adding services, or changing how resources are allocated. Financial forecasting is an integral part of our decision-making process. Both short- and long-range economic and financial trends are forecast. The City's five-year forecast is updated annually to assess not only our current financial capacity given existing programs, but our future financial capacity, given our long-range plans and objectives. Short-range available fund forecasts provide a more immediate picture of the upcoming year.

Policy/Strategy Development Phase - The Council's goals and directives set the tone for the development of the budget. The Council identifies key policy issues that will provide the direction of the budget. It is within this general framework that the departments' supplemental requests are formulated. The departments are also asked to identify and discuss their own policy issues with the City Manager. The Council uses a retreat to review the Needs Assessment, Departmental Issues/Needs and Five-Year Financial Forecast; discuss policy direction; and prioritize City issues and needs.

Budget Development Phase - Departments prepare revised current-year expenditure estimates which may change the City's available resources, and new-year base budgets which represent no change to existing service levels. Supplemental decision packages and capital improvement project (CIP) requests are also submitted to address the City's issues and needs prioritized by the Council.

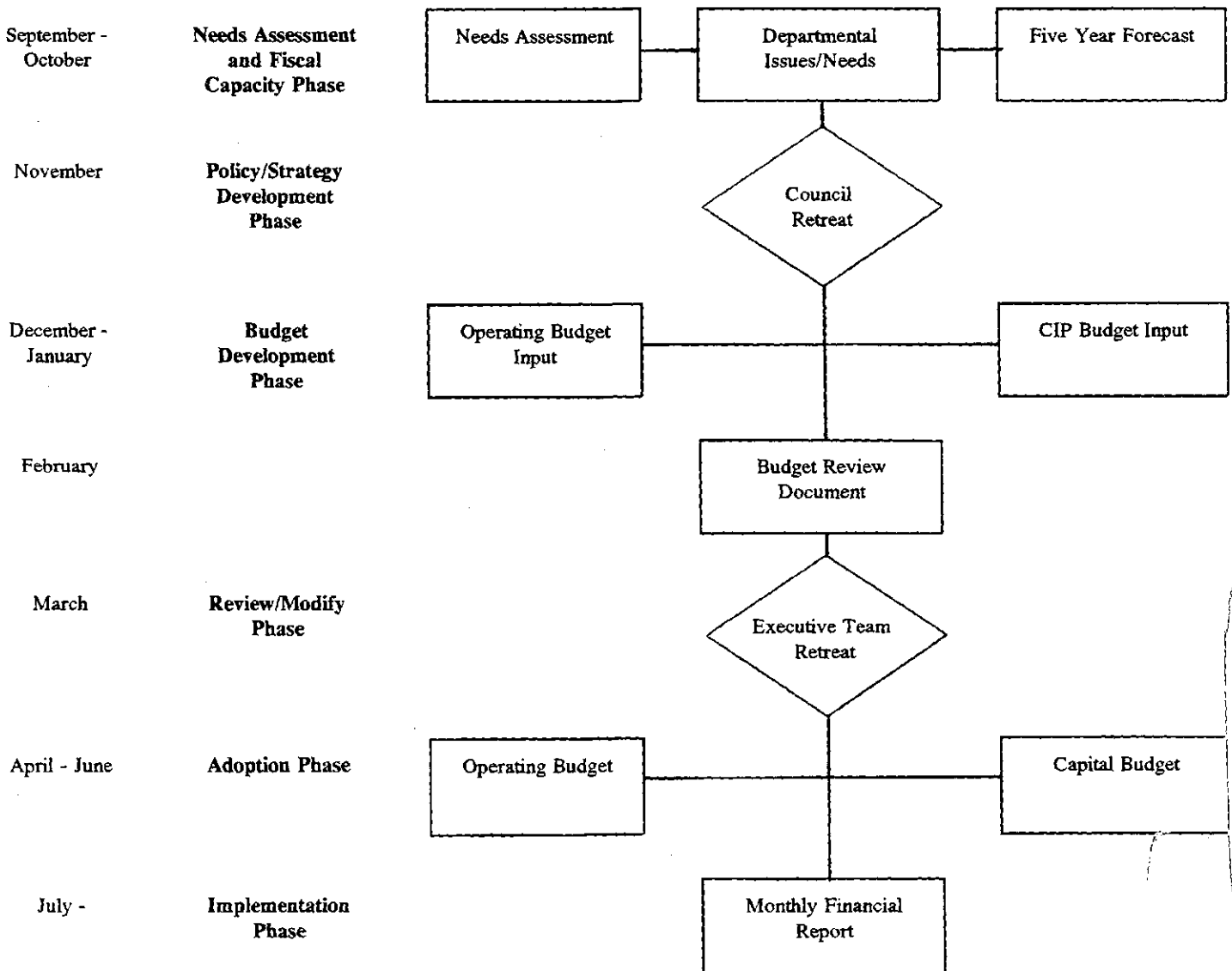
Budget Review/Modification Phase - Budget requests are reviewed by the Executive Team to ensure that the preliminary base budget and supplemental decision packages meet City needs and City Council priorities while maintaining the fiscal integrity of the City (not to exceed our fiscal capacity). A staff retreat is used for the General Managers, Assistant City Managers, City Manager and budget staff to collaborate on the recommendation of a unified financial plan to be submitted to the Council for adoption.

Budget Overview

Adoption Phase - A proposed financial plan is presented to the City Council. Also, a Citizens' Summary of the Budget is transmitted to the general public. This communication is in the form of a newspaper insert, handout, video, or combination of these formats. Public hearings are held and the Council adopts the budget and tax levy consistent with the City Charter and State law.

Implementation Phase - Departments are accountable for budgetary control throughout the fiscal year. Expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. A fiscal strategy team meets every month to review current demographic, economic and financial trends which may impact the City and to plan strategy to ensure the City's fiscal integrity. The City Council is also provided quarterly financial reports disclosing the City's actual revenue, expenditure, and fund balance performance, as compared to the budget plan.

The following diagram illustrates the six budget phases which span the fiscal year.



Budget Overview

Review and Approval of the Budget

The City Council considers the proposed budget and holds review sessions and public hearings in April and May. The sessions provide an opportunity for City management, departments, and the general public to offer information and recommendations to the City Council.

Legally, the budget must be adopted by the first Council meeting in June. State law requires the annual operating budget to be all-inclusive—if it is not budgeted, it cannot be legally expended. Therefore, the budget must include sufficient provisions for contingent revenues and expenditures that cannot be accurately determined when the budget is adopted. The adopted budget line items are the department expenditure totals. The ordinance adopting the annual operating budget currently requires City Council authorization for expenditures from contingency and City Manager authorization for budget transfers within line items.

Implementation of the Budget

Upon adoption of the budget, staff prepares the operating budget, incorporating all changes from the proposed budget. The operating budget is published in late June.

Amendment to the Budget

The City of Scottsdale budget is adopted at department level. Any transfers between departments and out of contingency require City Council approval. On May 15, 1989, the City Council adopted a policy issue resolution which defined the authorized uses of contingency.

Operating contingency funds can be used for two purposes:

When additional funds are necessary to offset unexpected revenue shortfalls or expenditure increases so that budgeted citizen service measures can be maintained and;

When unanticipated and/or inadequately budgeted events threaten the public health or safety.

Financial Structure

The City uses fund accounting designed to demonstrate legal compliance and to aid in the City's financial management by segregating transactions relating to certain functions or activities. Each fund consists of assets, liabilities, and a fund balance, and constitutes a separate accounting entity created and maintained for a specific purpose. The following types of funds are used by the City:

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

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Examples of restricted revenues that must be spent on specific purposes are Highway User Revenue taxes, State lottery proceeds, Community Development Block Grants, and Housing Assistance funds.

Debt Service Fund - is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest not serviced by the enterprise funds. It does not include contractual obligations accounted for in the individual funds.

Enterprise Funds - are used to account for operations, including debt service, that are financed and operated similar to private businesses - where the intent is that costs of services are entirely or predominantly supported by user charges. The City maintains three Enterprise funds to account for water and sewer utilities, sanitation services, and airport operations.

Budget Overview

Internal Service Funds - are used to account for the financing, on a cost reimbursement basis, of commodities or services provided by one department for the benefit of other departments within the City. The City maintains two Internal Service funds to account for motor pool and self-insurance activities.

Capital Project Funds - are used to account for financial resources to be used for the acquisition or construction of major capital facilities, except those financed by Enterprise Funds. The City maintains several Capital Project Funds whose activity is detailed in Volume II of this budget: the Capital Budget and Capital Improvement Program.

Trust or Agency Funds - are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other government units, and other funds. These include expendable and nonexpendable trusts, and agency funds. Trust and agency funds do not require a legally adopted budget.

Budgetary and Accounting Basis

The operating budget is developed by fund on a generally accepted accounting procedures (GAAP) basis, except that depreciation and amortization are not budgeted. Principal payment on debt in the enterprise funds is budgeted as an expense.

General, special revenue, and debt service funds are budgeted on a modified accrual basis; enterprise and internal service funds are budgeted on an accrual basis. There are no fixed annual budgets for grant, trust, and capital improvements.

Emerging Issues

- Responsible programs that address social/economic issues. With a growing number of social service agencies seeking funding from state and federal government, there is less and less money to go around. As a result, an increasing number of these providers are turning to the City for assistance. Changing demographics, an increasing elderly population, and a rising demand for affordable health care, child care, and housing will place a significant demand on the City's resources. To meet this demand, we must explore new partnership opportunities and increase our use of community volunteers. Cooperation among service providers, local government, and individual citizens will be key as we address the changing social and economic needs of our community.
- Ensuring our future water supply. As a desert community, we face a complex water future. New supplies and treatment methods will need to be identified and developed to guarantee our City's water supply. The planned Scottsdale Water Campus is one example of how Scottsdale will meet its future water demands. One of the most comprehensive and innovative water management projects in the country, it will provide the resources and facilities for the treatment of irrigation water and wastewater, as well as a back-up water supply through groundwater recharge and recovery. We need to continue to explore state of the art, creative approaches to ensure our future water supply.
- Neighborhood services. In the years ahead, getting "close to the customer" will mean more than simple community outreach. Citizens want more services to be provided in their immediate neighborhoods. They want to become more active in their City government. They are willing to invest hours of personal time in local volunteer efforts. To take full advantage of this community spirit, we must be equally aggressive in creating meaningful opportunities for citizen involvement. More programs, such as the new Citizen Service Center and Scottsdale "I'll Do It" volunteer program, will need to be implemented to meet citizens' needs in a faster, more efficient manner.
- Land-use planning. Much of Scottsdale's future growth will be to the north. Due to the uniqueness of this area, several land-use planning issues will need to be resolved in the coming years. The North Area Drainage Plan is one such issue. Current plans will not only alleviate costly flooding, but will offer citizens a new recreational amenity similar to the award-winning Indian Bend Wash greenbelt. An equally important corollary is the rejuvenation of the mature areas of our City, such as the Los Arcos area plan. This kind of innovative thinking and cooperation will be needed if we are to preserve the integrity of our City's land use.

Budget Overview

- **Visioning Implementation.** The Scottsdale Visioning Process concluded in 1992. While the Shared Vision Report is now complete, the most important effort is yet to come — making it happen. The challenge is to take this set of recommendations and balance them with available resources. Areas which will receive a good deal of attention in the coming years parallel the themes presented by citizens in the report: preserving Scottsdale's Sonoran Desert environment, enhancing the City's resort image, fostering the arts, and continuing to attract the medical industry to Scottsdale.
- **Parking Permanent Facilities.** This five-year program includes funds to implement some interim parking solutions and build new parking lots. Future capital plans include upgrading interim facilities with permanent solutions.
- **Master Street Concept Studies.** Funding is included in this capital program to conduct a number of street concept studies which could have important financial implications in future years. Cost estimates of the various alternatives will be used as a basis for budgeting future improvements.
- **Fire Stations.** The five-year program includes funds to construct five fire stations. Three of the five do not have adequate funding sources identified for permanent fire stations. Continued growth in north Scottsdale will increase the necessity for additional permanent fire stations.
- **Unfunded Projects and Streets Supplement.** City staff has identified additional capital improvement needs totaling \$92.5 million over four years. These improvements are in all aspects of the five-year program and funding sources for these additional needs have not been identified. In addition, a five-year schedule of street improvements totaling \$111.6 million has been identified, beginning in 1998-99. Funding sources have not been identified for the majority of these projects.

Operating Budget

Revenues

	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATE 1992-93	ADOPTED 1993-94
TAXES				
LOCAL				
Property Tax	\$12,287,540	\$15,257,617	\$15,257,617	\$17,133,276
Privilege Tax	29,743,502	31,300,000	32,820,788	34,696,831
Transient Occupancy Tax	3,419,920	3,700,000	3,775,000	4,037,500
Light & Power Franchise	2,404,508	2,520,000	2,600,000	2,600,000
Cable TV Franchise	735,777	750,000	800,000	800,000
Salt River Project Lieu	157,602	160,000	200,000	200,000
Fire Insurance Premium Tax	141,370	165,000	145,000	145,000
TOTAL	48,890,219	53,852,617	55,598,405	59,612,607
FROM OTHER AGENCIES				
State Shared Sales Tax	7,874,427	8,347,000	8,347,000	8,926,400
Auto Lieu Tax	2,162,135	2,300,000	2,300,000	2,400,000
State Revenue Sharing	8,059,664	8,408,000	8,408,000	8,500,000
TOTAL	18,096,226	19,055,000	19,055,000	19,826,400
TRANSPORTATION				
Local Transportation Assistance Fund	1,052,458	1,061,000	1,061,000	1,080,000
Highway User Tax	7,404,809	7,800,000	7,500,000	7,900,000
TOTAL	8,457,267	8,861,000	8,561,000	8,980,000
LICENSES/PERMITS/SERVICE CHARGES				
Business & Liquor Licenses	704,935	680,000	700,000	742,500
Permits and Fees	4,726,282	5,000,000	5,650,000	5,812,200
Recreation Fees	1,610,238	1,510,000	1,575,000	1,878,680
Motor Pool Charges	5,605,092	5,676,000	5,676,000	5,800,000
Risk Management	3,009,337	3,036,000	2,739,000	2,789,000
TOTAL	15,655,884	15,902,000	16,340,000	17,022,380
FINES AND FORFEITURES				
Parking Fines	230,040	250,000	225,000	250,000
Court Fines	1,848,367	2,042,000	1,392,000	1,420,740
Library Fines	149,684	148,000	168,000	168,000
TOTAL	2,228,091	2,440,000	1,785,000	1,838,740
USE OF MONEY & PROPERTY				
Interest Earnings	5,268,942	5,605,000	4,000,000	4,276,025
Property Rental	1,516,510	1,563,000	1,593,000	1,695,000
TOTAL	6,785,452	7,168,000	5,593,000	5,971,025
UTILITIES AND ENTERPRISES				
Refuse Collection Charges	6,344,546	7,956,000	7,831,000	8,488,500
Sewer Charges	7,578,467	8,725,000	8,000,000	10,046,000
Water Charges	26,180,321	29,058,000	28,058,000	31,941,000
Planet Ranch	380,535	500,000	425,000	440,000
Water Resources Development Fee	2,380,617	2,017,000	3,900,000	2,617,000
Airport	626,447	700,000	700,000	820,000
TOTAL	43,490,933	48,956,000	48,914,000	54,352,500
OTHER REVENUE				
Miscellaneous	846,466	1,000,000	1,783,000	1,363,000
Improvement District Fees	4,260,961	4,869,857	4,869,857	5,302,544
TOTAL	5,107,427	5,869,857	6,652,857	6,665,544
TOTAL OPERATING REVENUE	\$148,711,499	\$162,104,474	\$162,499,262	\$174,269,196

Operating Budget

Expenditures

The City's organizational structure is based on departments. A department is a combination of divisions with a specific function. The following table shows the expenditure budget for all City departments. It also shows the total expenditure budget by expenditure category. Expenditures are further detailed in the following departmental summaries.

DEPARTMENTS	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
General Government	9,582,524	9,366,822	9,726,832	10,391,287
Police	18,431,597	19,556,599	19,994,311	21,131,813
Financial Services	6,937,641	7,062,461	8,168,225	7,668,770
Transportation	2,992,989	3,253,352	3,267,070	3,839,743
Community Services	14,483,667	15,372,858	15,407,155	16,272,010
Management Services	4,672,788	4,959,657	5,171,725	5,400,126
Planning & Community Dev.	5,954,566	5,668,618	5,987,956	6,229,447
Fire	6,209,823	6,648,094	6,614,709	7,562,436
Water Resources	17,519,918	19,704,909	20,279,272	21,504,266
Municipal Services	23,415,785	25,007,804	25,688,695	27,320,024
Debt Service	34,497,433	36,648,963	32,065,024	38,320,397
Contingency	4,152,701	7,581,892	4,261,831	6,357,737
Total	148,851,432	160,832,029	156,632,805	171,998,056

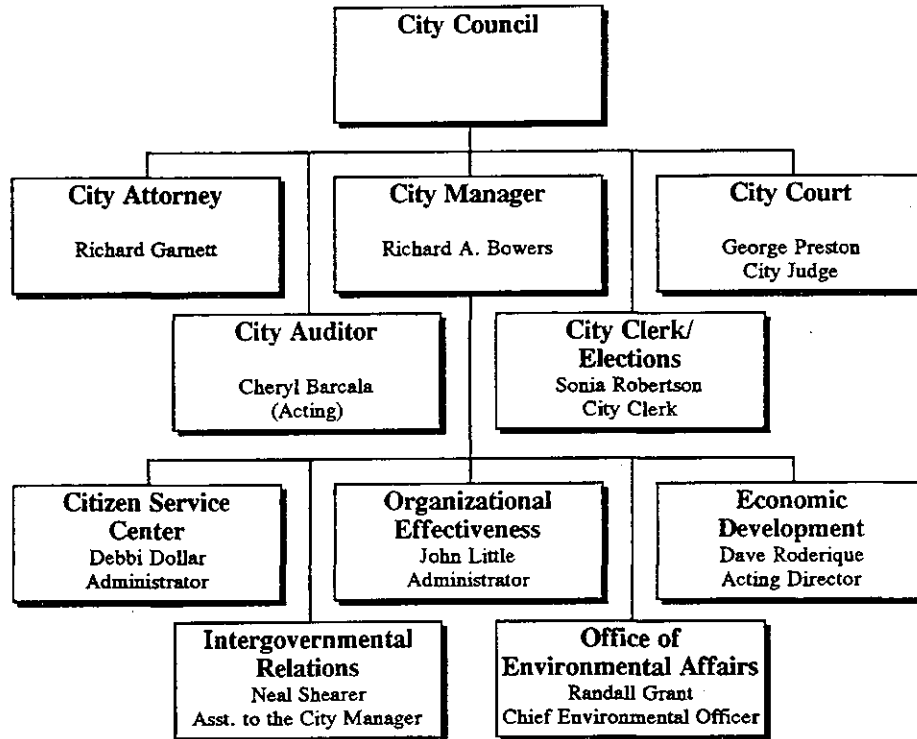
CATEGORY	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
Personal Services	50,826,164	54,514,331	54,426,486	58,412,423
Contractual	42,327,003	45,010,764	47,513,457	52,114,081
Commodities	12,837,625	13,864,612	14,326,172	13,600,249
Capital Outlay	4,210,506	3,211,467	4,039,835	3,193,169
Debt Service	34,497,433	36,648,963	32,065,024	38,320,397
Contingency	4,152,701	7,581,892	4,261,831	6,357,737
Total	148,851,432	160,832,029	156,632,805	171,998,056

The total fund balance represents the equity (assets less liabilities) of the City's operating funds. The unreserved fund balance represents the net financial resources that are expendable or available for appropriation (budgeting). The following table details the fund beginning and ending balances for all operating funds in the City.

City of Scottsdale
Fund Balance - All Operating Funds
1993-94

	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
BEGINNING FUND BALANCE				
Economic Stabilization Reserve	0	0	0	5,000,000
Debt Service Reserve	1,442,057	1,624,339	1,602,190	4,046,891
Risk Management Reserve	3,428,631	4,402,994	4,071,125	3,717,240
Solid Waste Management Reserve	66,837	(40,959)	0	129,921
Unreserved	8,348,154	8,391,939	10,688,951	8,482,776
TOTAL BEGINNING FUND BALANCE	13,285,679	14,378,313	16,362,266	21,376,828
REVENUES	148,711,499	162,104,474	162,499,262	174,269,196
EXPENDITURES	148,851,432	160,832,029	156,632,805	171,998,056
OTHER SOURCES/TRANSFERS IN	12,320,073	8,999,623	7,614,391	7,857,737
OTHER USES/TRANSFERS OUT	9,103,553	11,214,521	8,466,286	13,950,341
ENDING FUND BALANCE				
Economic Stabilization Reserve	0	5,000,000	5,000,000	7,000,000
Debt Service Reserve	1,602,190	1,624,339	4,046,891	4,135,884
Risk Management Reserve	4,071,125	5,349,892	3,717,240	4,442,501
Solid Waste Management Reserve	0	129,921	129,921	265,842
Unreserved	10,688,951	1,331,708	8,482,776	1,711,137
TOTAL ENDING FUND BALANCE	16,362,266	13,435,860	21,376,828	17,555,364

Mission: Develop and implement policies and program alternatives consistent with the interests and desires of the citizens of Scottsdale and provide leadership and administrative support to assist the City organization in promoting professional, organizational, and economic development.



The General Government department is comprised of the City Council, the City Manager, the City Attorney, the City Court, the City Auditor, the City Clerk and Elections, the Citizen Service Center, Organizational Effectiveness, Economic Development, Intergovernmental Relations, and the Office of Environmental Affairs.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for General Government is \$1,024,465 (10.9%) more than the 1992-93 adopted budget and includes the net addition of four (4) full-time and two (2) part-time positions. Three additional part-time positions are for Court security in lieu of contractual services at no additional cost to the City. New budget items designed to enhance citizen participation include funding for a Citizen Service Center, including one (1) position transferred from Planning and Community Development, support for five (5) new citizen boards and commissions, and a full-time position to coordinate the Citizen Volunteer Services Program. Pilot funding is included for cultural diversity training to increase staff sensitivity towards diversity and improve the quality of our customer service. Funding is also included for federal consulting services in Washington, D.C. and for a new environmental attorney.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	9,582,531	9,366,822	9,726,832	10,391,287
% of City's Operating Total	6.4%	5.8%	6.2%	6.0%

ISSUES FACING THE DEPARTMENT

Citizen Involvement - While Scottsdale has a long history of active citizen participation, there is much evidence nationally that the American public is feeling more and more distant from its government. We believe we are not immune from this trend and are committed to furthering our citizen involvement efforts and strengthening partnerships with the community.

Economic Development - Economic Development continues to work towards the development of major destination attractions; aggressively pursuing development activity that improves our community and enhances our overall lifestyle.

Legislative Mandates - A project currently under way for lower court automation through the Arizona Supreme Court may have a financial impact on City Court resources in the future. Other unanticipated Supreme Court decisions may adversely affect Court operations as well. Our challenge is to proactively plan for legislative changes that may be unknown at this time but mandated in the future.

Environmental Liability and Increasing Environmental Mandates - There is a dramatic increase in the scope and complexity of new environmental regulations Scottsdale and other cities face. Meeting the requirements of these laws and effectively monitoring the organization's activities to ensure compliance with all existing laws will be of paramount importance. Additionally, the costs of environmental regulations must be identified so that strategic financial planning to incorporate these costs can occur.

City-wide Management Information System (MIS) - As the City moves closer to the next decade, next century, next millennium, we need to ensure that we have a timely and intelligent management information system to effectively manage the operations of the City. A City-wide automated management information system, developed in an open systems technology environment, will be needed so that the City can maintain and improve the quality of services and can be proactive in addressing emerging needs and concerns of our customers.

Work Force 2000 - Employee-related issues arising from rapidly changing demographics and diversity in our work force need to be identified and managed. Such issues include complying with the Americans With Disabilities Act, developing a menu compensation program and family leave policy, offering sick child care and long-term care as optional benefits, providing bilingual training, and monitoring the potential impact of national health care legislation on the City and its employees.

Increase in Service Demands - The City faces an ever increasing need to continue to provide quality services and new services while being constrained by limited resources. Organizational Effectiveness will work with other departments to integrate quality, continuous improvement, and productivity systems to enhance the City's ability to absorb the increasing demands while minimizing or doing without additional resources.

Rapidly Changing Community - As the City grows, new facilities are added, expenditure and revenue streams increase, capital programs develop, potential for fraud increases, contracts multiply, computer systems expand, and programs and staff diversify. The Auditor's Office will continue its efforts to provide adequate oversight of City resources.

General Government

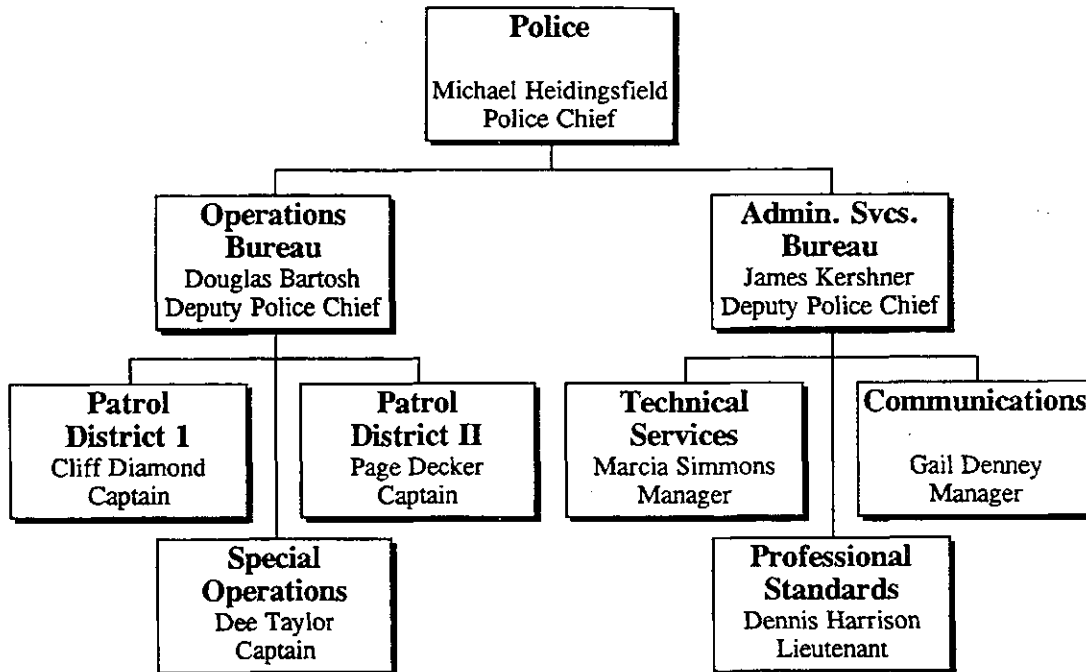
Department Summary

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	4,618,329	5,116,913	5,077,700	5,541,725
Contractual Services	4,321,373	3,863,406	4,108,684	4,524,431
Commodities	272,103	236,203	259,818	283,495
Capital Outlay	370,726	150,300	280,630	41,636
Total	9,582,531	9,366,822	9,726,832	10,391,287

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Legislative	481,623	502,081	490,128	450,534
City Manager	743,652	776,976	793,616	1,083,403
City Clerk	385,239	448,839	365,210	421,567
Elections	152,518	39,204	38,214	161,360
City Attorney	1,487,775	1,419,236	1,366,774	1,433,279
Intergovernmental Relations	176,296	189,791	203,729	375,427
Organizational Effectiveness	1,549,451	1,335,707	1,526,947	1,516,908
City Auditor	368,018	401,713	402,749	432,986
Office of Environmental Affairs	265,594	353,629	344,233	218,849
Economic Development	2,799,416	2,480,837	2,772,517	2,752,601
Court	1,172,949	1,418,809	1,422,715	1,544,373
Total	9,582,531	9,366,822	9,726,832	10,391,287

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	101	105	106	109
Part-time	6	6	6	8
Full-time Equivalent (FTE)	104.0	108.0	109.0	113.1

Mission: The Scottsdale Police Department, in partnership with the citizens of Scottsdale, recognizes the changing needs of our community and law enforcement's role in addressing those needs. Furthermore, we pledge EXCELLENCE, INITIATIVE, and INTEGRITY to enhance the quality of life throughout the City, knowing those we serve deserve no less.



The Police department is comprised of the following divisions: Chief of Police, Patrol, Special Operations, Technical Services, Communications, and Professional Standards.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Police is \$1,575,214 (8.1%) more than the 1992-93 adopted budget and includes the addition of twenty (20) full-time positions. Nine (9) of these positions were added in January to staff a Youth Intervention Unit to address our community's concerns about crimes and violent behavior attributed to young offenders in the City. Three (3) positions have been added to staff a Downtown Entertainment/Park Enforcement Unit for proactive control of disorderly conduct. Two (2) Detention Officers and six (6) Police Aides have also been added as civilian staff which creates additional officer availability time.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94 ✓
Expenditures	18,431,599	19,556,599	19,994,311	21,131,813
% of City's Operating Total	12.4%	12.2%	12.8%	12.3%

ISSUES FACING THE DEPARTMENT

Patrol Deployment -As the first line delivery source for police services, patrol officers must be staffed not only in proportion to demonstrated as well as projected workload, but to that critical level that allows a balance between answering calls for service, required administrative time, and time committed to meaningful community policing efforts.

Downtown Entertainment District - As the downtown district evolves into a 16 hour a day operation blending tourism, shopping, and entertainment, and as the Canal Bank development prepares to become a reality, attendant public safety issues require attention. Increased enforcement/police presence is required to provide an enhanced sense of security for users and business owners. The downtown area has recently experienced significant growth in the number of bars and nightclubs and these clubs generate an increase in order maintenance issues and traffic problems. Traffic congestion makes vehicle based patrol impractical for quick response and ignores the critical need for officer and citizen interaction. We have created a Bicycle Patrol Unit to address both this issue and parallel concerns within the parks.

Detective Staffing - The Legislatures's passage of the Victim's Right Bill, the increase in violent crime locally, and the increasing complexity of high profile criminal investigations, including homicides and property offenses, are impacting detective workloads. We will continue to monitor and evaluate staffing in this area.

Communications Staffing - Police Department communications staffing is the critical first point of contact for citizens seeking emergency and non-emergency police, fire, and medical services. It requires a commitment to minimal staffing to ensure responsiveness to citizens and police officer safety. The number of non-emergency and emergency calls answered within appropriate performance levels, citizen complaints, abandoned phone calls, and citizens placed on hold for varying lengths of time will continue to be monitored during FY 1993-94 with the potential for additional staffing requests for FY 1994-95.

CAD System - The current Computer Aided Dispatch (CAD) system has functionality concerns such as slowness during emergency traffic and limited disc storage space for on-line data queries. For the CAD System to interface with the new police records management system, the geographic information system and the City's open systems technology, the current system must be replaced. The new system is authorized in the capital improvements program. Funding is dependent upon the availability of RICO funds.

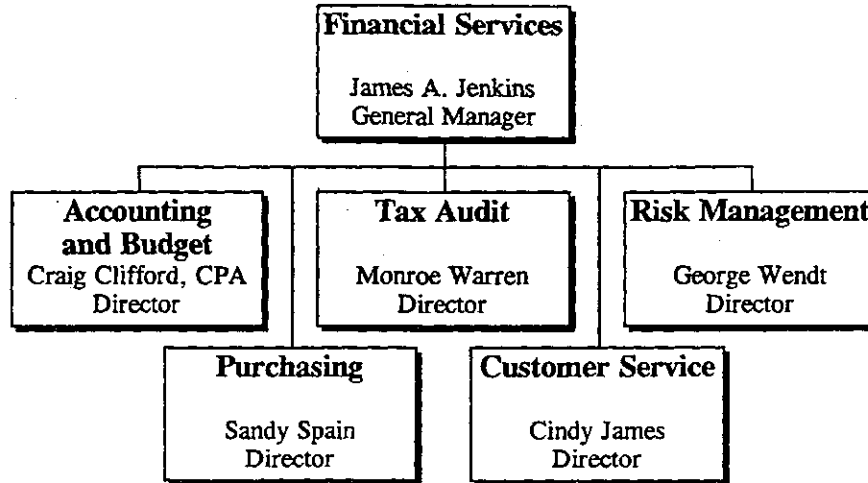
*Police**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	14,873,415	16,136,799	16,263,039	17,488,100
Contractual Services	2,801,833	2,950,224	2,988,976	3,119,080
Commodities	411,663	347,881	479,241	453,183
Capital Outlay	344,688	121,695	263,055	71,450
Total	18,431,599	19,556,599	19,994,311	21,131,813

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Chief of Police	1,530,086	876,158	901,829	935,497
Patrol Bureau	9,889,963	10,439,914	10,361,582	10,329,506
Special Operations	3,698,511	3,956,022	4,231,657	5,387,006
Technical Services	3,270,621	1,936,189	2,007,433	2,094,361
Communications	42,418	1,376,116	1,469,271	1,474,750
Professional Standards		972,200	1,022,539	910,693
Total	18,431,599	19,556,599	19,994,311	21,131,813

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	312	316	325	336
Part-time	3	3	3	3
Full-time Equivalent (FTE)	313.5	317.5	326.5	337.2

Mission: Provide basic financial services, controls, and processes necessary to support a complex governmental organization and to maintain the financial integrity of the City.



The Financial Services Department is comprised of Financial Services Administration, Accounting and Budget, Tax Audit, Risk Management, Purchasing, and Customer Service.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Financial Services is \$606,309 (8.6%) more than the 1992-93 adopted budget and includes the addition of three (3) full-time positions. An additional Tax Auditor has been funded to ensure fairness and accuracy of City property tax records. A Risk Analyst has been funded to ensure compliance with OSHA standards and reduce the City's potential liability in event of an injury or property damage. An additional Customer Service Representative has been funded to administer the City's alarm permitting and false alarm charges. In addition, consulting funding has been included for a pilot program designed to help employees provide better customer services.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	6,937,641	7,062,461	8,168,225	7,668,770
% of City's Operating Total	4.7%	4.4%	5.2%	4.5%

ISSUES FACING THE DEPARTMENT

Property Tax/Assessed Values - At the time of the 1989 bond election the City was projecting an assessed valuation (AV) growth of between 9% and 16%. Instead, AV has declined for the last two years. In response to this decline, some elements of the Capital Improvement Plan funded from the 1989 bond authorization must be delayed. This action is necessary both to remain within our legal bonding capacity and to effect a more modest property tax rate increase than would occur if no action were taken. The delays are reflected in the 1993-94 Capital Improvements Plan.

State Pre-emption of Privilege Tax Base - The State Legislature has shown an increasing propensity to reduce the City's ability to generate its own revenue. In the past three years the Legislature has pre-empted cities from taxing interstate long distance calls and Cactus League baseball. Although neither of these pre-emptions have hurt the City, the Legislature has also looked at pre-empting the taxing of residential rentals. Any pre-emption of the taxing of residential rentals would be very costly to the City of Scottsdale.

Regulation - Federal regulators, especially the Occupational Safety and Health Administration, are significantly increasing their requirements, as well as work levels for the Loss Control Manager. Specific areas of regulation include respiratory protection, scaffolding, personal protective equipment, and motor vehicles. Twelve additional regulations will be proposed or finalized in fiscal year 1992-93. It is anticipated that further regulations will follow.

Interest Rates - Today's lower interest rates reduce the City's interest income. At the same time, they reduce interest expense on new indebtedness. Long-term debt, issued at this time of low rates, will probably be advantageous to the City. Refinancing of higher interest debt is continuously explored.

Financial System Conversion - The City's existing financial software (MSA) will not be supported for Unisys hardware after March, 1995. Accounting is working in conjunction with OMS with the objective of migrating to an open system technology (UNIX based) hardware and fully functional, supported software to ensure the City's financial operation efficiency and effectiveness.

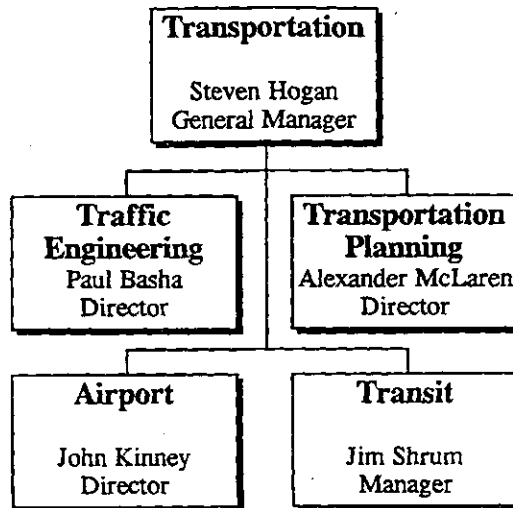
*Financial Services**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	3,769,005	4,175,108	4,114,192	4,473,588
Contractual Services	2,997,592	2,807,995	3,856,850	3,114,906
Commodities	76,691	57,036	69,136	57,026
Capital Outlay	94,353	22,322	128,047	23,250
Total	6,937,641	7,062,461	8,168,225	7,668,770

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Administration	201,896	224,943	237,394	313,852
Accounting and Budget	1,024,506	1,250,278	1,293,530	1,505,533
Tax Audit	467,461	483,934	477,605	556,037
Risk Management	2,383,742	2,083,379	3,128,713	2,063,739
Contribution to Risk Management	200,000	200,000	200,000	250,000
Purchasing	1,159,803	1,200,834	1,206,490	1,226,789
Customer Service	1,500,233	1,619,093	1,624,493	1,752,820
Total	6,937,641	7,062,461	8,168,225	7,668,770

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	106	107	107	110
Part-time	5	5	5	5
Full-time Equivalent (FTE)	108.5	109.5	109.5	113.0

Mission: Be a leader in the visionary planning and design of a comprehensive and integrated transportation system.



The Transportation department is comprised of Transportation Administration, Traffic Engineering, Transportation Planning, the Airport, and Transit.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Transportation is \$586,391 (18.0%) more than the 1992-93 adopted budget with no increase in staffing. Budget increases are due primarily to funding of increased frequency for City bus routes. Frequencies on the Scottsdale Connection bus routes will change from 60-minutes and 90-minutes to 30-minutes and 45-minutes. In addition, funding is also provided as a 10% match for an FAA Grant which will enable the City to complete several capital improvements at the Scottsdale Airport.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	2,992,986	3,253,352	3,267,070	3,839,743
% of City's Operating Total	2.0%	2.0%	2.1%	2.2%

ISSUES FACING THE DEPARTMENT

North Area Drainage - Much of our future is dependent on effective resolution of difficult issues. The north area drainage is one of these. We must prepare an implementation plan to build facilities that will remove areas from special flood hazard areas. Implementation involves further studies of alignments and funding of alternatives for the project.

Pima Freeway - The Pima Freeway is an essential component to the City's transportation plan. The implementation of Maricopa County's regional freeway system will also continue to be a substantive and complex issue requiring our local involvement and leadership. We will continue to work with the Arizona Department of Transportation (ADOT) on the Pima Freeway, including the Interim Outer Loop north of the CAP Canal, and the issue of tollway versus freeway through Scottsdale. We will also continue cooperative efforts with the City of Phoenix regarding funding of the gap between 56th Street and Scottsdale Road.

City Transit Plan - In keeping with City Council adoption of the Transit Plan in July, 1990, additional transit enhancements are needed to expand service in the City. The fiscal year 1993-94 budget continues a measured and strategic improvement program by increasing the Transit budget by \$200,000 for the second consecutive year. The Dial-A-Ride component of this plan will continue to be a major consideration in order to comply with the Americans With Disabilities Act.

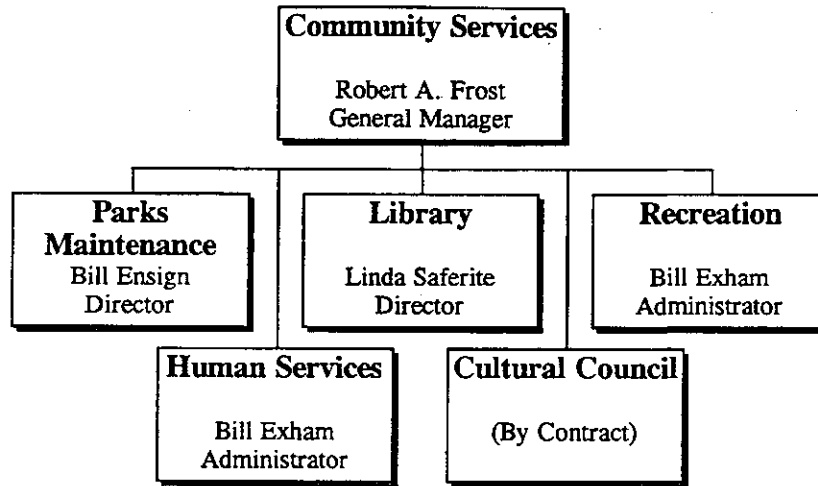
*Transportation**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	1,550,191	1,624,090	1,580,995	1,718,646
Contractual Services	1,313,418	1,572,509	1,624,857	2,070,231
Commodities	58,532	46,368	50,765	50,866
Capital Outlay	70,845	10,385	10,453	
Total	2,992,986	3,253,352	3,267,070	3,839,743

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Administration	406,125	383,971	345,952	342,613
Traffic Engineering	498,867	524,269	526,099	748,580
Transportation Planning	449,737	492,955	492,232	544,913
Airport	684,229	644,694	673,544	700,034
Transit	954,028	1,207,463	1,229,243	1,503,603
Total	2,992,986	3,253,352	3,267,070	3,839,743

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	34	34	33	33
Part-time	5	5	5	5
Full-time Equivalent (FTE)	37.0	37.0	36.0	36.0

Mission: Improve and preserve Scottsdale's quality of life through the development and maintenance of imaginative and creative facilities, programs, and services by focusing on the needs and wants of our citizens and to conduct a wide variety of recreation, parks, human services, library programs, and contract activities which are cost effective and responsive to citizen input.



The Community Services department is comprised of Community Services Administration, Parks Maintenance, the Library, Recreation, Human Services, and the Cultural Council (by contract).

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Community Services is \$899,152 (5.8%) more than the 1992-93 adopted budget and includes the addition of six (6) full-time positions and the elimination of three (3) part-time positions. One position is funded to coordinate with other community agencies the opening of the Paiute Community Center. A Human Services Planner has been funded to provide a more comprehensive review of human service needs and coordination of services. Funding has also been provided to establish a trust account designated for replacement of train equipment at McCormick Railroad Park and increasing a part-time position to full-time to assist with operations at the park. Two part-time positions have been increased to full-time to provide teen programs at Vista del Camino and Eldorado Parks.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	14,483,671	15,372,858	15,407,155	16,272,010
% of City's Operating Total	9.7%	9.6%	9.8%	9.5%

ISSUES FACING THE DEPARTMENT

Youth at Risk/Outreach - An increased number of troubled youth are requesting employment opportunities. As a result, more time is needed with each youth employment applicant to identify problems and make appropriate referrals. Some of the problems impacting those youth employment applicants are single parent homes, school problems, living out of the home, and gang involvement. In addition, demand for programs for children and teens has steadily increased. Story programs, teen recreation programs, and cooperative programs with the Scottsdale School District and Scottsdale Boys' and Girls' Club are provided but are limited in scope.

Security - Over the past two years the parks have experienced a 10% increase in the number of incidents involving vandalism, illegal behavior, and misuse of facilities. Part-time Recreation staff, with no police training, must address some of these activities. In addition, both Mustang and Civic Center libraries are also experiencing an increase in security problems. Over the past year, incidents have increased system-wide by 34%. Problems include theft of materials, incidents of indecent exposure, attempted arson, and verbal and physical confrontations.

Human Services - With more and more social service agencies going to the private sector and federal and state government for funding, there are less dollars available to individual agencies. More demands are being made for services in an environment of shrinking resources. Both agencies and individuals will look toward local government to provide these services in the near future. Changing neighborhoods, changing demographics, increasing elderly, and the opportunity for affordable health care, child care, and housing will all be issues which will place a significant demand on resources. Community partnerships and corporate involvement are options which are being pursued.

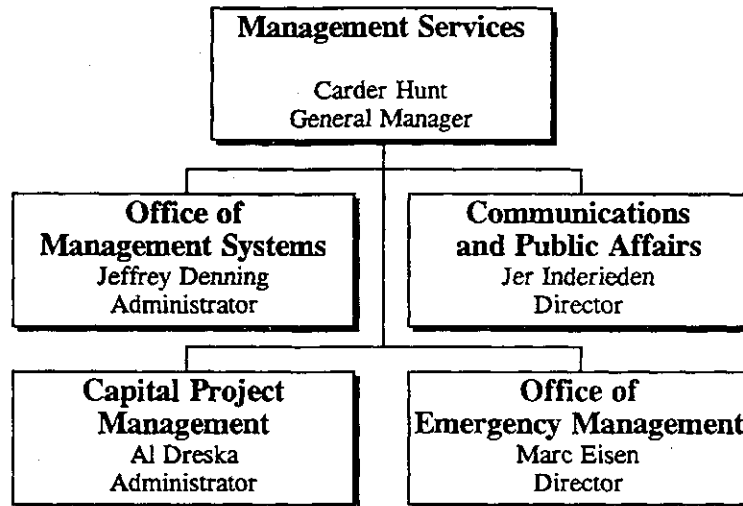
*Community Services**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	8,579,815	9,094,325	9,116,225	9,698,844
Contractual Services	4,462,715	4,849,333	4,778,060	4,927,210
Commodities	1,346,969	1,363,036	1,421,766	1,593,388
Capital Outlay	94,172	66,164	91,104	52,568
Total	14,483,671	15,372,858	15,407,155	16,272,010

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Administration	463,480	613,356	444,354	456,052
Parks Maintenance	3,430,335	3,776,370	3,808,048	3,977,875
Library	3,706,746	3,829,532	3,842,861	4,044,855
Recreation	4,129,776	4,261,493	4,357,402	4,555,975
Human Services	961,010	1,046,013	1,108,396	1,335,776
Cultural Council	1,792,324	1,846,094	1,846,094	1,901,477
Total	14,483,671	15,372,858	15,407,155	16,272,010

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	178	178	179	184
Part-time	334	334	334	331
Full-time Equivalent (FTE)	300.4	301.4	302.4	311.5

Mission: *Achieve excellence in the coordination and administration of approved capital projects; ensure that the City remains on the leading edge in the application of technological innovations; promote effective internal and external communications, media relations, and video production; and achieve superior responsiveness in the administration of fire protection, emergency medical services, animal control, and emergency disaster management.*



The Management Services department is comprised of Management Services Administration, the Office of Management Systems, Communications and Public Affairs, Capital Project Management, and the Office of Emergency Management.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Management Services is \$440,469 (8.9%) more than the 1992-93 adopted budget and includes the addition of one (1) full-time position and a transfer of one (1) full-time position from Planning & Community Development. A System Support Specialist is funded as technical support for the City's automated mapping database. The transfer position will be dedicated to the management of the City's Geographic Information System (GIS) implementation.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	4,672,786	4,959,657	5,171,725	5,400,126
% of City's Operating Total	3.1%	3.1%	3.3%	3.1%

ISSUES FACING THE DEPARTMENT

Indian Bend Wash Development - We will continue to focus management efforts toward the development of the 160-acre parcel in the Indian Bend Wash to include a major water recharge facility for the City and recreation development to serve the citizens.

Parking Protection for Phoenix Open - Long-term parking protection is essential to assure continued success in the City's hosting of this annual event. Acquisition of the 123-acre state land parcel at the northeast corner of Hayden and Bell Roads will provide that assurance as well as provide opportunities for development of on-site revenue producing activities. Converting this land to the intended use will require some on and off-site improvements.

Geographic Information System (GIS) Map Automation - A field survey pilot program on a two and one half square mile area within the City will be conducted to test both our ability to automate City maps and meet the City's expectations for GIS. GIS offers the potential for city-wide information sharing that will result in more effective and efficient service to the growing community.

Fiber Optics Installation - The City commitment to open systems technology requires a faster and wider telecommunications network to carry data and information throughout the organization. Applications, such as GIS, require the speed of fiber optics to transmit large amounts of data in response to customer service requirements.

Local Area Networks (LAN) - Installation of LANs provides the opportunity to use smaller, faster, and less expensive computers in service to the community. Local Area Networks represent the type of technology required to support new applications such as GIS, Police records management, and the City's financial system.

*Management Services**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	2,952,683	3,179,372	3,136,871	3,427,171
Contractual Services	1,313,228	1,512,961	1,698,628	1,714,974
Commodities	226,180	231,323	264,650	254,416
Capital Outlay	180,695	36,001	71,576	3,565
Total	4,672,786	4,959,657	5,171,725	5,400,126

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Administration	151,146	224,256	225,865	235,001
Office of Management Systems	3,177,370	3,207,548	3,297,914	3,647,212
Communication and Public Affairs	630,154	638,230	654,093	682,942
Capital Project Management	528,657	565,874	549,524	535,253
Office of Emergency Management	185,459	323,749	444,329	299,718
Total	4,672,786	4,959,657	5,171,725	5,400,126

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	82	81	81	83
Part-time	3	3	3	3
Full-time Equivalent (FTE)	83.4	82.6	82.6	85.3

Mission: Build a better Scottsdale by helping the community focus on the future and to realize its vision.



The Planning & Community Development department is comprised of Planning & Community Development Administration, Planning, Development Services, Inspection Services, and Project Review.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Planning & Community Development is \$560,829 (9.9%) more than the 1992-93 adopted budget. The budget adds one (1) full-time position as front-line service support due to increased demand, and one (1) new Code Inspector. One (1) full-time position has been transferred to Management Services, which will be dedicated to the management of the City's Geographic Information System (GIS) implementation. Another full-time position has been transferred to General Government for the new Citizen Service Center. The budget also provides funds for aerial/orthophotographs which will update the City's current aerial photos and increase our ability to utilize the City's digital GIS technology.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	5,954,570	5,668,618	5,987,956	6,229,447
% of City's Operating Total	4.0%	3.5%	3.8%	3.6%

ISSUES FACING THE DEPARTMENT

Quality Development Processes - Development-related statistics indicate that we are in the beginning of another growth cycle. We are committed to assuring quality development consistent with the general plan and providing a high level of customer service and continuous improvement within the department. We will continue to monitor work demand, department resources and improvement opportunities, and will make strategic additions as necessary.

Zoning Ordinance Rewrite - The City's zoning ordinances constitute one of the most visible elements of the City code and must be updated to accurately reflect our community's land use policies. This project was originally funded in 1992-93 but was postponed until the Visioning Process was completed. Based on City Council instruction, staff will work directly through the Planning Commission on this project. We are now proceeding to move this important project forward.

Downtown Public/Private Partnerships - The Downtown Plan reinforces the community vision of downtown as a fully integrated mixed use center with strong emphasis on the pedestrian scale and linkages of the built environment. A key component of success will be to encourage human activity and interactions on the streets reinforced through urban design and public amenities as a critical backdrop. A public/private partnership is essential.

Scottsdale General Plan - The City's General Plan guides our growth and development and needs to be responsive to community goals. Efforts are under way to evaluate the effectiveness of the General Plan and make needed changes in process and content.

Community Development Block Grant (CDBG) - In fiscal year 1993-94, CDBG will administer a \$1.8 million program to provide community services in the areas of housing, community development, and public services. In addition, the Section 8 program will provide \$1.2 million in rental assistance. CDBG issues are a growing component of the Scottsdale community.

Americans With Disabilities Act (ADA) - Federal legislation requires government entities to provide equal services and accessibility to facilities for all persons wishing to participate. Discriminatory impediments must be eliminated as quickly as possible, but no later than January, 1995. The capital improvement and operating budgets include items to address this issue.

Planning & Community Development

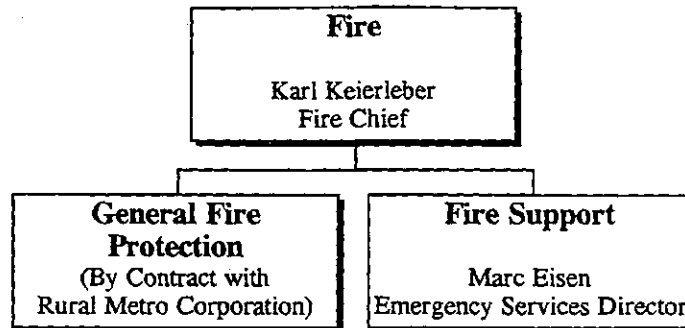
Department Summary

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	4,106,973	4,306,206	4,356,477	4,495,808
Contractual Services	1,666,043	1,262,524	1,486,670	1,620,812
Commodities	123,378	97,788	109,369	107,827
Capital Outlay	58,176	2,100	35,440	5,000
Total	5,954,570	5,668,618	5,987,956	6,229,447

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Administration	220,954	231,505	232,468	232,925
Planning	1,265,596	1,097,344	1,197,178	1,135,911
Development Services	1,140,300	1,132,435	1,129,797	1,340,981
Inspection Services	1,516,558	1,430,642	1,694,915	1,757,099
Project Review	1,811,162	1,776,692	1,733,598	1,762,531
Total	5,954,570	5,668,618	5,987,956	6,229,447

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	103	104	103	104
Part-time	4	4	4	4
Full-time Equivalent (FTE)	106.1	107.1	106.1	107.4

Mission: Provide cost effective and quality service while maintaining a high level of public safety throughout the community. The department provides all fire-related services which include, but are not limited to, fire prevention, public education, emergency medical service, and fire suppression.



The Fire Department is comprised of General Fire Protection (by contract with Rural Metro Corporation), and Fire Support.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Fire is \$914,342 (13.8%) more than the 1992-93 adopted budget. The significant increase in the budget is due to a contractual agreement with Rural Metro and the full year's funding of increased personnel located at 74th Street and Shea Boulevard.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	6,209,822	6,648,094	6,614,709	7,562,436
% of City's Operating Total	4.2%	4.1%	4.2%	4.4%

ISSUES FACING THE DEPARTMENT

Phase II Training Facility - As firefighter safety and training standards continue to become more stringent, the emphasis on an environmentally sound training facility becomes important. Phase I of the facility is under way, however, we must focus on the future development of Phase II for project completion.

Public Education Programs - The public education department exists to develop quality programs that will address the various safety needs of our citizens. Our efforts focus on achieving better exposure for our programs (CPR, home/business safety, EDITH trailer, water safety, and school education). This will be accomplished through quality offerings and proper use of the local media in our attempt to make the City more fire safe. As the community grows, the complexity of public education and the need for public involvement in fire prevention will increase.

Growing City and Increased Fire Service Demand - A growing city is placing increased demand on fire prevention and suppression departments. Continued build-out of the north areas will call for new fire stations and prevention personnel. The growth of the Scottsdale Airport will call for an upgrade in service levels. Cost effective and balanced department growth must be planned.

*Fire**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	202,365	254,088	204,088	198,496
Contractual Services	5,922,883	6,349,056	6,357,498	7,318,420
Commodities	63,349	44,950	53,123	45,520
Capital Outlay	21,225			
Total	6,209,822	6,648,094	6,614,709	7,562,436

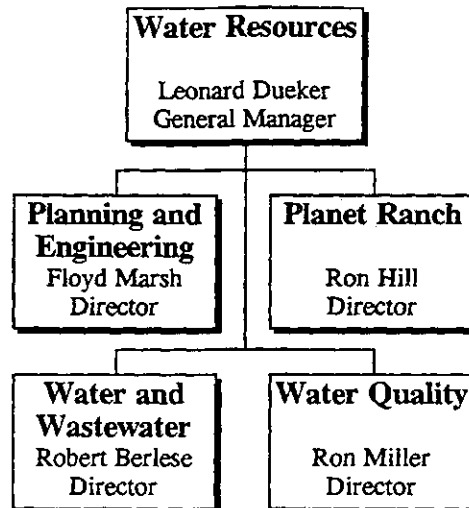
EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
General Fire Protection	5,933,974	6,344,765	6,354,052	7,315,995
Fire Support	275,848	303,329	260,657	246,441
Total	6,209,822	6,648,094	6,614,709	7,562,436

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time				
Part-time*	40	40	40	40

Full-time Equivalent (FTE)*

*Fire Support positions are filled only by regular full-time and part-time City employees. These positions are not included in the City's part-time position total.

Mission: Provide Scottsdale citizens with a safe, reliable water supply and wastewater reclamation system.



The Water Resources department is comprised of Planning and Engineering, Planet Ranch, Water and Wastewater Operations, and Water Quality.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Water Resources is \$1,799,357 (9.1%) more than the 1992-93 adopted budget and includes the addition of four (4) full-time positions. One position funded is a Water Resource Technician to test City water meters and to ensure accuracy and/or replacement of faulty meters. An Industrial Waste Inspector has been added to ensure compliance with EPA standards for inspection of businesses. A Water Quality Sampler has been added to ensure compliance with federal and state water quality standards. An Electrician has also been added to assist with various system changes regarding pressure, reservoir levels, turning pumps on and off, etc. Funding is provided for chemicals and lab supplies needed for the operation of the City's new Ground Water Treatment Facility, however these costs will be directly offset by payments from participating industrial firms. A contract employee will also be funded to coordinate non-hazardous liquid waste (septic tank) disposal and the costs will be offset by charges to participants.

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	17,519,922	19,704,909	20,279,272	21,504,266
% of City's Operating Total	11.8%	12.3%	12.9%	12.5%

ISSUES FACING THE DEPARTMENT

Environmental Compliance With Water Quality Regulations - The City is required to comply with federal and state regulations regarding treating storm water runoff, expanded sampling and testing for drinking water chemicals, surface water quality standards, and remediation of underground storage tank leaks.

Environmental Compliance With Wastewater Quality Regulations - Compliance actions associated with the National Pollution Discharge Elimination Standard (NPDES) permit at our 91st Avenue Wastewater Treatment Plant require changes to the plant and its operational processes, as well as extensive upstream controls. The City must also comply with state surface water quality standards, industrial pretreatment requirements, and must develop new nonhazardous liquid waste processes. We currently have 11 permitted industrial pre-treatment customers and are required to contact 1,400 additional businesses to determine if they should be permitted.

Assured Water Supply - The 1980 Groundwater Management Act requires us to work toward eliminating reliance on mined groundwater. Therefore, the City is increasing its use of CAP water, constructing a wastewater reclamation plant, beginning recharge and recovery projects, building a nonpotable water line in conjunction with north area golf courses, and encouraging water conservation.

Superfund - Construction of a groundwater treatment facility is underway which will be operated by the City on completion in early 1994. Cleanup work in "area 7" property owned by the City is underway. Citizen communication efforts and information assistance regarding a potential toxic tort lawsuit are being provided.

Private Development Activity - There are significant increases in activity among nondeveloper property owners requiring water and sewer line extension and negotiation of oversizing and reimbursement agreements that will significantly impact current staff levels.

*Water Resources**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	3,126,420	3,221,446	3,163,604	3,539,326
Contractual Services	8,161,627	9,730,175	10,310,832	10,277,743
Commodities	6,084,155	6,640,038	6,691,292	7,586,247
Capital Outlay	147,720	113,250	113,544	100,950
Total	17,519,922	19,704,909	20,279,272	21,504,266

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Planning and Engineering	1,918,359	1,041,607	1,449,348	1,193,124
Planet Ranch	1,451,112	1,541,642	1,552,368	1,545,952
Water and Wastewater Operations	14,150,451	16,390,803	16,553,437	17,789,218
Water Quality		730,857	724,119	975,972
Total	17,519,922	19,704,909	20,279,272	21,504,266

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	70	70	70	74
Part-time	11	11	11	11
Full-time Equivalent (FTE)	80.8	80.8	80.8	84.8

Mission: Maintain and repair the City's street system, City-owned buildings, structures, and vehicles, and provide citizens with effective and efficient refuse disposal and recycling programs.



The Municipal Services department is comprised of Municipal Services Administration, Facilities Management, Field Services, Sanitation, and Fleet Management.

FINANCIAL HIGHLIGHTS

The 1993-94 adopted budget for Municipal Services is \$2,312,220 (9.2%) more than the 1992-93 adopted budget and includes the addition of five (5) full-time positions and one (1) part-time position. One position funded is a Maintenance Worker needed to help support the increased fleet maintenance activities. Four additional Sanitation workers and one additional truck have been funded to support City growth. Another part-time position, supplies, and contractual funding have been provided as support for four new pilot recycling programs: two neighborhood curbside pickup programs and two additional drop-off programs (municipal buildings and neighborhoods).

Departmental Budget Trends	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Expenditures	23,415,787	25,007,804	25,688,695	27,320,024
% of City's Operating Total	15.7%	15.5%	16.5%	15.9%

ISSUES FACING THE DEPARTMENT

Infrastructure Maintenance - Increasing transportation and building inventories due to bond projects and growth coupled with the water department service changeouts are requiring more maintenance and will affect street life cycle funding needs. Growth in the maintenance of infrastructure in excess of CIP growth is expected.

Solid Waste Disposal - Environmental regulations and sites will continue to impact solid waste collections. Tipping fees continue to escalate. Growth and disposal sites require more travel time, wear on vehicles, and increases in staff. The need for a transfer station is becoming a critical component in managing solid waste disposal. The future of solid waste is complex and will require creative regional approaches.

Recycling - Increasing need to expand recycling efforts will require careful planning to implement programs which are flexible in dealing with changing markets, costs, contamination, and collection methods.

*Municipal Services**Department Summary*

EXPENDITURES BY TYPE	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Personal Services	7,046,968	7,405,984	7,413,295	7,834,869
Contractual Services	9,366,308	10,112,581	10,302,402	13,423,174
Commodities	4,174,605	4,799,989	4,927,012	3,167,231
Capital Outlay	2,827,906	2,689,250	3,045,986	2,894,750
Total	23,415,787	25,007,804	25,688,695	27,320,024

EXPENDITURES BY DIVISION	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Administration	180,846	202,832	248,887	286,807
Facilities Management	5,319,214	5,346,072	5,410,068	6,172,386
Field Services	6,108,624	6,645,305	6,908,547	6,804,425
Sanitation	5,174,584	6,044,465	6,006,704	6,882,928
Fleet Management	6,632,519	6,769,130	7,114,489	7,173,478
Total	23,415,787	25,007,804	25,688,695	27,320,024

AUTHORIZED POSITIONS	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
Full-time	199	199	200	205
Part-time	3	3	4	5
Full-time Equivalent (FTE)	200.5	200.5	202.0	209.1

Debt Service

Debt service funds are used to pay principal and interest on outstanding debt. The City's debt is divided into the following categories:

General Obligation Bonds

Debt service costs for general obligation bonds increased 12.6% over the 1992-93 adopted budget. This increase is due to a planned bond issuance. The 1986 Water Acquisition bonds that were issued as general obligation debt are being repaid from water system revenue and are not included in the property tax levy.

Revenue Bonds

Revenue bond debt service costs decreased 3.4% from the 1992-93 adopted budget. This decrease is due to savings incurred from two refunding bond issues. These bonds are not a general obligation of the City but are repaid by a revenue source other than property taxes. The City currently has both highway user revenue bonds and water/sewer utility revenue bonds.

Municipal Property Corporation Bonds

Municipal Property Corporation (MPC) bond debt service decreased 7.2% from the 1992-93 adopted budget as a result of an issuance of a refunding bond. The Municipal Property Corporation is a non-profit corporation established to finance City improvements. The debt the MPC incurs is City debt financed by pledged excise taxes to provide for debt repayment.

Contracts Payable

Contracts payable debt service costs increased 43.3% in 1993-94 as compared to the 1992-93 adopted budget. This increase is due to the incurrance of necessary debt for several contracts initiated in 1992-93.

Other Liabilities

Other liabilities include amounts required for the water and sewer system replacement and extension reserve, bond reserves, and contributions to the benefits trust. The 11.4% increase over the 1992-93 adopted budget is caused by the change in replacement and extension reserve and bond reserve funding.

Special Assessment Bonds

Special assessment bond debt service increased 8.9% as compared to the 1992-93 adopted budget. This debt is paid by the affected property owners who are a part of each improvement district. The City does not provide any of the funds to repay this debt.

Debt Management Policy

The City Council adopted a policy issue resolution which established a debt management policy for the City of Scottsdale.

The following policies are to be followed in all future City debt-related activities:

All future debt-related City activity should support the following mandates and should ensure that:

- debt service schedules are not excessively burdensome on operating expenditures and property taxpayers;
- the City's debt is proportionate in size and growth to the City's tax base; and
- the City's debt is not so high as to jeopardize the City's credit ratings.

The following goals have been established for implementing this debt management policy:

- the City should utilize general obligation debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation, and other forms of debt (e.g., water, sewer), which are supported by dedicated revenue sources (i.e., fees and water charges);
- Municipal Property Corporation, contractual, and general revenue supported debt should not be utilized unless a dedicated revenue source other than excise tax (e.g., sale of City real property) is used to pay debt service expenses;
- the City should continue to maintain a ratio of current assets to current liabilities of at least 2:1;
- the City should continue to maintain a water and sewer utility revenue bond coverage rate in excess of the coverage rate required in the bond indenture (bond indenture, 1:1.2; City goal 1:2);
- pay-as-you-go capital improvement projects should account for 25-33% of all capital improvement projects for each five-year capital planning period; and
- debt service costs should not exceed 25% of the City's operating budget.

The adoption of this debt management policy:

- ensures that future City debt-related activities will support the debt management goals of the City;
- protects the financial integrity of the City; and
- protects the City's excellent credit ratings.

DEBT SERVICE SUMMARY

<u>CATEGORY</u>	<u>ACTUAL 1991-92</u>	<u>ADOPTED 1992-93</u>	<u>ESTIMATED 1992-93</u>	<u>ADOPTED 1993-94</u>
General Obligation Bonds	9,938,701	12,211,389	9,766,688	13,746,336
Revenue Bonds	5,593,313	6,000,898	4,729,573	5,794,218
Municipal Property Corporation Bonds	10,823,106	10,999,230	10,220,024	10,206,801
Contracts Payable	1,960,947	1,287,474	1,161,003	1,844,595
Other Liabilities	1,427,339	1,280,115	1,317,879	1,425,903
Special Assessment Bonds	4,754,027	4,869,857	4,869,857	5,302,544
Total	<u>34,497,433</u>	<u>36,648,963</u>	<u>32,065,024</u>	<u>38,320,397</u>

FUNDING SOURCES

Debt Service Fund	6,773,878	8,993,836	6,549,135	10,480,183
Water & Sewer Fund	7,269,989	7,495,855	6,800,874	7,794,976
Airport Fund	0	0	0	58,738
Sanitation Fund	0	0	0	244,562
Excise Debt Fund	10,823,106	10,999,230	10,220,024	10,206,801
General Fund	1,756,301	1,176,712	1,050,241	1,439,272
Highway User Revenue Fund	3,120,132	3,113,473	2,574,893	2,793,321
Special Assessment Fund	4,754,027	4,869,857	4,869,857	5,302,544
Total	<u>34,497,433</u>	<u>36,648,963</u>	<u>32,065,024</u>	<u>38,320,397</u>

DEBT SERVICE DEPARTMENT

Debt Type by Fund

<u>GENERAL OBLIGATION BONDS</u>	<u>ACTUAL</u> 1991-92	<u>ADOPTED</u> 1992-93	<u>ESTIMATED</u> 1992-93	<u>ADOPTED</u> 1993-94
Debt Service Fund:				
1968 Civic Center	252,975	243,475	243,475	259,075
1984 Public Buildings Series A	1,882,800	1,774,800		
1984 Parks & Recreation Series A	653,750	616,250		
1984 Storm Sewer Series A	78,450	73,950		
1985 Public Buildings Series B	11,250	123,750	123,750	
1985 Parks & Recreation Series B	14,625	160,875	160,875	
1985 Storm Sewer Series B	11,625	127,875	127,875	
1989 Series A	2,035,080	2,035,080	2,035,080	2,035,080
1991 Series B	852,245	1,237,130	1,237,130	1,237,130
1991 Refunding	790,516	650,568	650,568	1,058,458
1992 Series C		1,755,833	2,666,883	3,422,243
New Bonds				2,973,375
Refunding Savings			(890,751)	(512,678)
Fiscal Agent Fees	3,312	7,000	7,000	7,500
Total Debt Service Fund	6,586,628	8,806,586	6,361,885	10,480,183
Water/Sewer Utility Fund:				
Water Bonds				
1986 Water Acquisition	3,164,823	3,217,553	3,217,553	3,266,153
Total Water/Sewer Utility Fund	3,164,823	3,217,553	3,217,553	3,266,153
Sinking Fund:				
1973 Storm Sewer	187,250	187,250	187,250	
Total Sinking Fund	187,250	187,250	187,250	0
Total General Obligation Bonds	9,938,701	12,211,389	9,766,688	13,746,336

DEBT SERVICE DEPARTMENT
Debt Type by Fund

REVENUE BONDS	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
Highway User Revenue Fund:				
1984 HURF Series A	542,562	557,500	557,500	568,312
1985 HURF Series B	531,822	531,460	531,460	522,510
1987 HURF Series C	805,235	783,410	783,410	782,950
1989 HURF Refunding	1,237,513	1,237,903	1,237,903	1,237,508
Refunding Savings			(538,580)	(321,159)
Fiscal Agent Fees	3,000	3,200	3,200	3,200
Total Highway User Fund	3,120,132	3,113,473	2,574,893	2,793,321
Water/Sewer Utility Fund:				
Water Fund				
1973 Utility Refunding	265,908	274,908		270,908
1977 Utility Series C	462,000			
1984 Utility Revenue	812,238	1,381,988	690,625	
1989 Utility Series A	373,579	371,729	371,729	369,242
1992 Refunding			235,526	579,909
1992 Series B		281,250	281,250	231,928
New Bonds				174,544
Fiscal Agent Fees	2,875	2,000		2,700
Total Water Bonds	1,916,600	2,311,875	1,579,130	1,629,231
Sewer Fund				
1973 Utility Refunding	66,477	68,727	68,727	67,727
1977 Utility Refunding Series C	115,500			
1989 Utility Series A	373,579	371,729	371,729	369,242
1992 Utility Refunding				579,909
1992 Series B		133,594	133,594	201,582
New Bonds				151,706
Fiscal Agent Fees	1,025	1,500	1,500	1,500
Total Sewer Bonds	556,581	575,550	575,550	1,371,666
Total Water/Sewer Utility Fund	2,473,181	2,887,425	2,154,680	3,000,897
Total Revenue Bonds	5,593,313	6,000,898	4,729,573	5,794,218

DEBT SERVICE DEPARTMENT
Debt Type by Fund

MPC BONDS	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
Excise Debt Fund:				
Asset Transfer	4,011,950	4,197,902	4,033,927	3,921,479
Golf Course	1,564,663	1,563,713	1,563,713	1,562,652
Arts Building, Parking Garage	683,420	681,960	681,960	679,150
Street Improvements	189,465	189,465	189,465	189,465
Underpass, Library, Police, Horseworld	4,334,785	4,334,190	4,334,190	4,339,085
Refunding Savings			(615,231)	(525,030)
Fiscal Agent Fees	38,823	32,000	32,000	40,000
Total Excise Debt Fund	10,823,106	10,999,230	10,220,024	10,206,801
Total MPC Bonds	10,823,106	10,999,230	10,220,024	10,206,801

DEBT SERVICE DEPARTMENT
Debt Type by Fund

CONTRACTS PAYABLE	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
General Fund:				
Computer Phase IVA (Update)	26,570			
Computer Phase IVB	1,003,730	105,000	105,000	
East Couplet/Galleria				105,000
Ladder Truck	91,814	87,428	87,428	87,106
Pepperwood	41,118	41,118	41,118	302,000
Telephone Phase III	59,810			
U.S. Corps Of Engineers - IBW	231,166	231,166	231,166	231,166
West Couplet/Camelview		400,000	273,529	400,000
Total General Fund	1,454,208	864,712	738,241	1,125,272
Water Utility Fund:				
Water Contracts				
Plan 6	506,739	422,762	422,762	313,023
Water Resources Building				103,000
Total Water Contracts	506,739	422,762	422,762	416,023
Airport Fund				
Airport Hangers				58,738
				58,738
Sanitation Fund				
Transfer Station				244,562
				244,562
Total Contracts Payable	1,960,947	1,287,474	1,161,003	1,844,595

DEBT SERVICE DEPARTMENT
Debt Type by Fund

OTHER LIABILITIES	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
General Fund:				
Fiscal Agent Fees	2,093	12,000	12,000	14,000
Contributions to Benefits Trust	300,000	300,000	300,000	300,000
Total General Fund	302,093	312,000	312,000	314,000
Water/Sewer Utility Fund:				
Other Water Liabilities				
Required Contributions:				
Replacement & Ext. Reserve	592,456	581,160	581,160	656,000
Bond Reserve	179,097	111,539	141,971	132,628
Total Other Water Liabilities	771,553	692,699	723,131	788,628
Other Sewer Liabilities				
Required Contributions:				
Replacement & Ext. Reserve	174,596	174,500	151,400	208,000
Bond Reserve	179,097	100,916	131,348	115,275
Total Other Sewer Liabilities	353,693	275,416	282,748	323,275
Total Water/Sewer Utility Fund	1,125,246	968,115	1,005,879	1,111,903
Total Other Liabilities	1,427,339	1,280,115	1,317,879	1,425,903

DEBT SERVICE DEPARTMENT
Debt Type by Fund

SPECIAL ASSESSMENTS	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
Special Assessment Fund	4,754,027	4,869,857	4,869,857	5,302,544
Total Special Assessments	<u>4,754,027</u>	<u>4,869,857</u>	<u>4,869,857</u>	<u>5,302,544</u>
Total Debt Service	<u>34,497,433</u>	<u>36,648,963</u>	<u>32,065,024</u>	<u>38,320,397</u>

Contingency

Contingency funds are established to meet emergency needs and to provide a means for funding unplanned expenditures. The City Council approves all appropriations from contingency.

Operating contingency funds may be used for two purposes:

- when additional funds are necessary to offset unexpected revenue shortfalls or expenditure increases so that budgeted service levels can be maintained and
- when unanticipated and/or inadequately budgeted events threaten the public health or safety.

The Compensation Contingency provides funding for compensation increases for City employees.

The Self-Insurance Reserve is to provide claim payments in the event of a catastrophic loss.

The Solid Waste Management Reserve is being accumulated to cover costs associated with solid waste disposal.

CONTINGENCY SUMMARY

CONTINGENCY	ACTUAL 1991-92	ADOPTED 1992-93	ESTIMATED 1992-93	ADOPTED 1993-94
Operating Contingency	0	1,500,000	0	1,500,000
Self Insurance Reserve	4,071,125	5,349,892	3,717,240	4,442,501
Sanitation Reserve	81,576	649,731	544,591	415,236
Compensation Contingency	0	82,269	0	0
Total	4,152,701	7,581,892	4,261,831	6,357,737
FUNDING SOURCES				
General Fund	0	1,512,718	0	1,500,000
Highway User Fund	0	29,341	0	0
Water/Sewer Fund	0	7,861	0	0
Airport Fund	0	3,048	0	0
Sanitation Fund	81,576	673,309	544,591	415,236
Self Insurance Fund	4,071,125	5,355,615	3,717,240	4,442,501
Total	4,152,701	7,581,892	4,261,831	6,357,737

Capital Improvement Program

Summary

The City's Capital Improvement Program is comprised of seven major programs. Transportation, Improvement Districts, Drainage and Flood Control, Water and Wastewater, Community Facilities, Service Facilities, and Public Safety. The following table shows the budgeted resources and expenditures by category. The seven major programs are further detailed on the following pages.

**Capital Improvement Program Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)**

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Resources							
Bonds							
1989 General Obligation	52,256.4	20,271.1	1,580.7		5,890.0	78.0	80,076.2
1992 General Obligation	4,300.0	8,450.0					12,750.0
1989 Revenue	64,731.3	12,255.7	6,077.0				83,064.0
Municipal Properties Corporation		2,500.0	2,805.0				5,305.0
Special Assessment	3,000.0	20,290.0	2,000.0				25,290.0
Proposed Revenue			5,000.0	5,000.0	5,000.0	5,093.0	20,093.0
Pay-As-You-Go							
Bond Interest	2,642.6	775.0	75.0				3,492.6
Capital Contingency	4,304.2	5,838.1	50.0				10,192.3
Contractual Debt		1,800.0					1,800.0
Contributions	8,892.0	8,180.0	4,550.0	4,250.0	4,250.0		30,122.0
Current Revenue	25,445.1	5,857.2	5,104.4	2,167.8	5,045.0	7,318.0	50,937.5
Development Fees	18,490.5	6,433.0	4,612.7	4,990.5	3,759.4	3,340.0	41,626.1
Endowment Trust	350.0	137.7	398.2				885.9
ID Incidental Trust	1,189.5	125.0	125.0				1,439.5
Hotel/Motel Tax	849.7	100.0		25.0	50.0		1,024.7
Lease Revenue		25.0	25.0	25.0	25.0	25.0	125.0
Miscellaneous Revenue		16.0	13.4	13.4	15.4	18.0	76.2
Privilege Tax	12,883.7	8,500.0	3,308.2	7,075.9	10,184.3	5,553.0	47,505.1
RICO Trust	779.8	646.6					1,426.4
State Aviation Loan Program	420.0						420.0
Water Fund (Current Revenue)	300.1	122.9	97.2	71.6	87.4	106.6	785.8
Total	200,834.9	102,323.3	35,821.8	23,619.2	34,306.5	21,531.6	418,437.3
Expenditures							
Transportation	38,186.1	27,244.4	3,321.6	7,089.3	10,260.8	5,571.0	91,673.2
Improvement District	11,413.3	21,241.0	2,625.0				35,279.3
Drainage/Flood Control	9,097.4	8,081.0	4,350.0	4,250.0	10,140.0	78.0	35,996.4
Water/Wastewater	108,666.9	24,545.9	20,794.1	12,158.3	13,743.3	15,751.0	195,659.5
Community Facilities	23,843.0	14,174.8	4,606.1	121.6	162.4	131.6	43,039.5
Service Facilities	5,315.9	4,904.4	50.0				10,270.3
Public Safety	4,312.3	2,131.8	75.0				6,519.1
Total	200,834.9	102,323.3	35,821.8	23,619.2	34,306.5	21,531.6	418,437.3

Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Transportation							
<u>Resources</u>							
Bonds							
1989 General Obligation	21,596.1	8,278.4					29,874.5
1992 General Obligation	4,300.0	8,450.0					12,750.0
Pay-As-You-Go							
Contributions		2,000.0					2,000.0
Current Revenue					61.1		61.1
Miscellaneous Revenue		16.0	13.4	13.4	15.4	18.0	76.2
Privilege Tax	11,870.0	8,500.0	3,308.2	7,075.9	10,184.3	5,553.0	46,491.4
State Aviation Loan Program	420.0						420.0
Total	38,186.1	27,244.4	3,321.6	7,089.3	10,260.8	5,571.0	91,673.2
<u>Expenditures</u>							
Major Streets		26,028.5	2,208.2	6,793.0	10,184.3	5,295.0	50,509.0
Spot Streets			800.0	282.9		258.0	1,340.9
Traffic Signals		899.9					899.9
Airport					61.1		61.1
Transit		316.0	313.4	13.4	15.4	18.0	676.2
Reauthorization of Prior Years Budget	38,186.1						38,186.1
Total	38,186.1	27,244.4	3,321.6	7,089.3	10,260.8	5,571.0	91,673.2

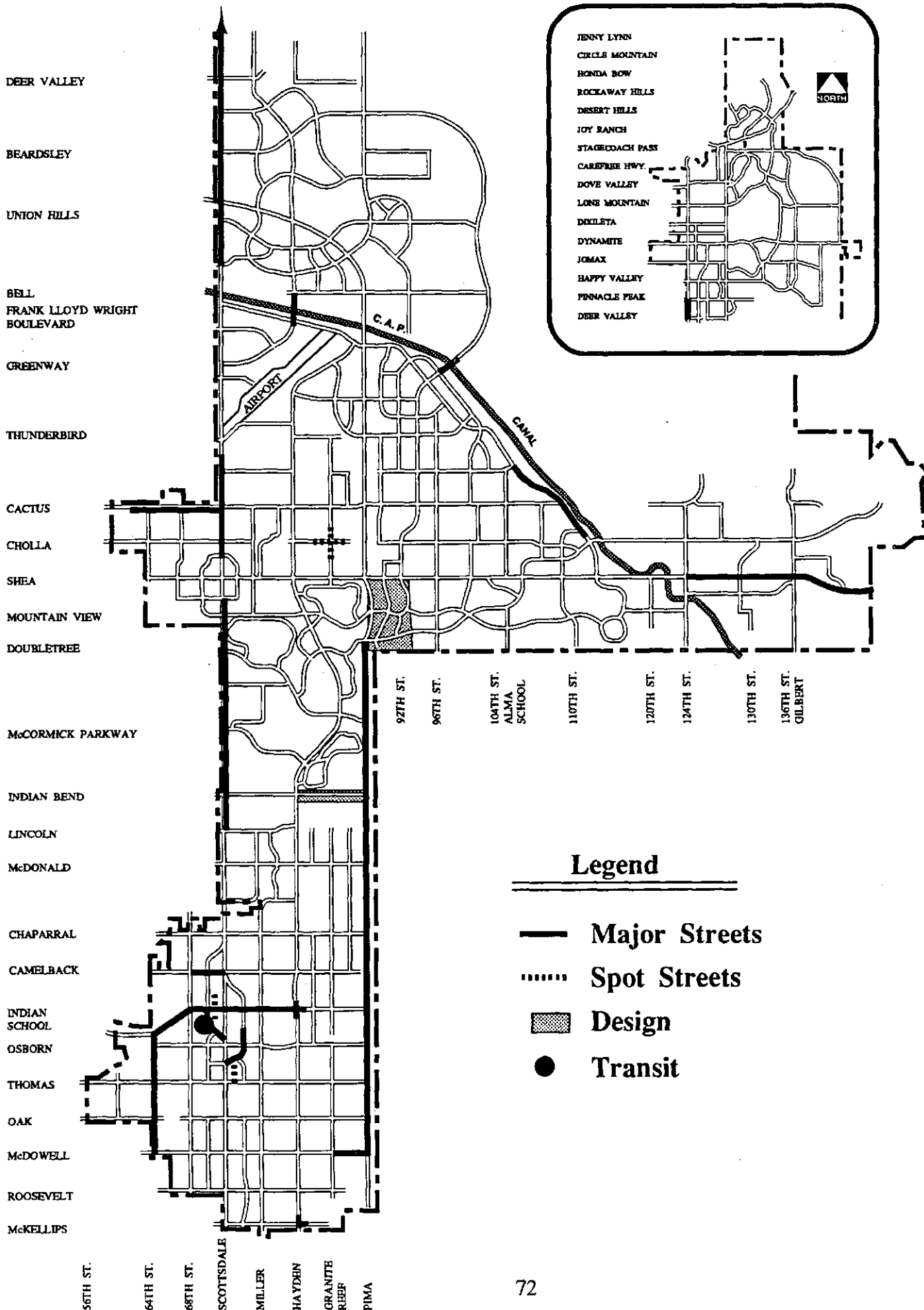
Project List
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Transportation							
<u>Major Streets</u>							
Cactus Road							
60th Street to Scottsdale Road	1,118.9						1,118.9
Camelback Road							
68th Street to Goldwater	2,627.0						2,627.0
Camelback Road							
Goldwater to Scottsdale Road				750.0			750.0
East Couplet							
Earll Drive to Second Street	3,898.7	2,703.4					6,602.1
Entry Markers	45.5						45.5
Frank Lloyd Wright Boulevard							
Sweetwater to Altadena	4,212.3						4,212.3
Greenway/Hayden Loop							
Canal Crossing	457.8					1,500.0	1,957.8
Hayden Road							
Indian School Road Intersection	154.2			1,467.1			1,621.3
Indian Bend Road							
Hayden Road to Pima Road	183.0						183.0
Indian School Road							
64th Street to 68th Street	565.0	335.0					900.0
Indian School Road							
West Couplet to Hayden Road	422.5		2,058.2	3,050.9			5,531.6
Master Plan Street Concept Studies	150.0	150.0	150.0				450.0
McDowell Road							
Granite Reef Road to Pima Road	584.2			1,525.0			2,109.2
Pima Road							
McDowell Road to Via Linda	4,300.0	10,450.0					14,750.0
Scottsdale Road							
Indian Bend to Gold Dust	955.7				3,084.3	3,450.0	7,490.0
Scottsdale Road							
Lincoln Drive to Indian Bend Road	795.0						795.0
Scottsdale Road							
Mercer to Sutton	747.0				2,800.0		3,547.0
Scottsdale Road							
Princess Drive to Pinnacle Peak Road	1,500.0						1,500.0
Shea Boulevard Interchange Study	250.0						250.0
Shea Boulevard							
124th Street to 144th Street	4,700.0				4,300.0		9,000.0
Streetlight Refurbishment	235.0						235.0
West Couplet							
Osborn Road to Indian School Road	4,539.9	4,540.1					9,080.0
64th Street - McDowell Road to Indian School Road	1,750.0	7,850.0					9,600.0
90th Street Area Study						105.0	105.0
94th Street							
Thompson Peak Bridge	75.0					240.0	315.0
Total Major Streets	34,266.7	26,028.5	2,208.2	6,793.0	10,184.3	5,295.0	84,775.7
<u>Spot Streets</u>							
Desert Cove Avenue							
96th Street to 104th Street						80.0	80.0
Marshall Way							
Indian School Road Improvements			800.0	282.9			1,082.9
McKellips and Hayden Roads	2.0					148.0	150.0
73rd Street North of Thomas Road						30.0	30.0
84th Street and Cholla Street	925.0						925.0
Total Spot Streets	927.0		800.0	282.9		258.0	2,267.9
<u>Traffic Bottlenecks</u>							
Traffic Bottleneck Removal Projects -							
Various Locations	3,487.5						3,487.5

Project List
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
<u>Traffic Signals</u>							
Signal Computer Expansion	1,140.0	599.9					1,739.9
Traffic Signal Program	1,119.7	300.0					1,419.7
Total Traffic Signals	2,259.7	899.9					3,159.6
<u>Airport</u>							
Aircraft Hangars	420.0						420.0
Airport Terminal Expansion - Grant Match	95.4						95.4
Complete Bravo Taxiway - Grant Match					61.1		61.1
Relocate Airport Administration Offices	270.0						270.0
Restrooms, Flight Planning Room & Washrack	230.0						230.0
Total Airport	1,015.4				61.1		1,076.5
<u>Transit</u>							
Bus Benches - Grant Match (20%)	7.2	2.8	1.8	1.2	1.4	2.0	16.4
Bus Shelters - Grant Match (20%)	32.6	13.2	11.6	12.2	14.0	16.0	99.6
Bus Shelters and Bus Benches	20.0						20.0
Multi-Modal Transportation Center - Grant Match (20%)	20.0	300.0	300.0				620.0
Total Transit	79.8	316.0	313.4	13.4	15.4	18.0	756.0
Expended Prior Years Budget	(3,850.0)						(3,850.0)
Total Transportation	38,186.1	27,244.4	3,321.6	7,089.3	10,260.8	5,571.0	91,673.2

1994 - 98 Transportation Program



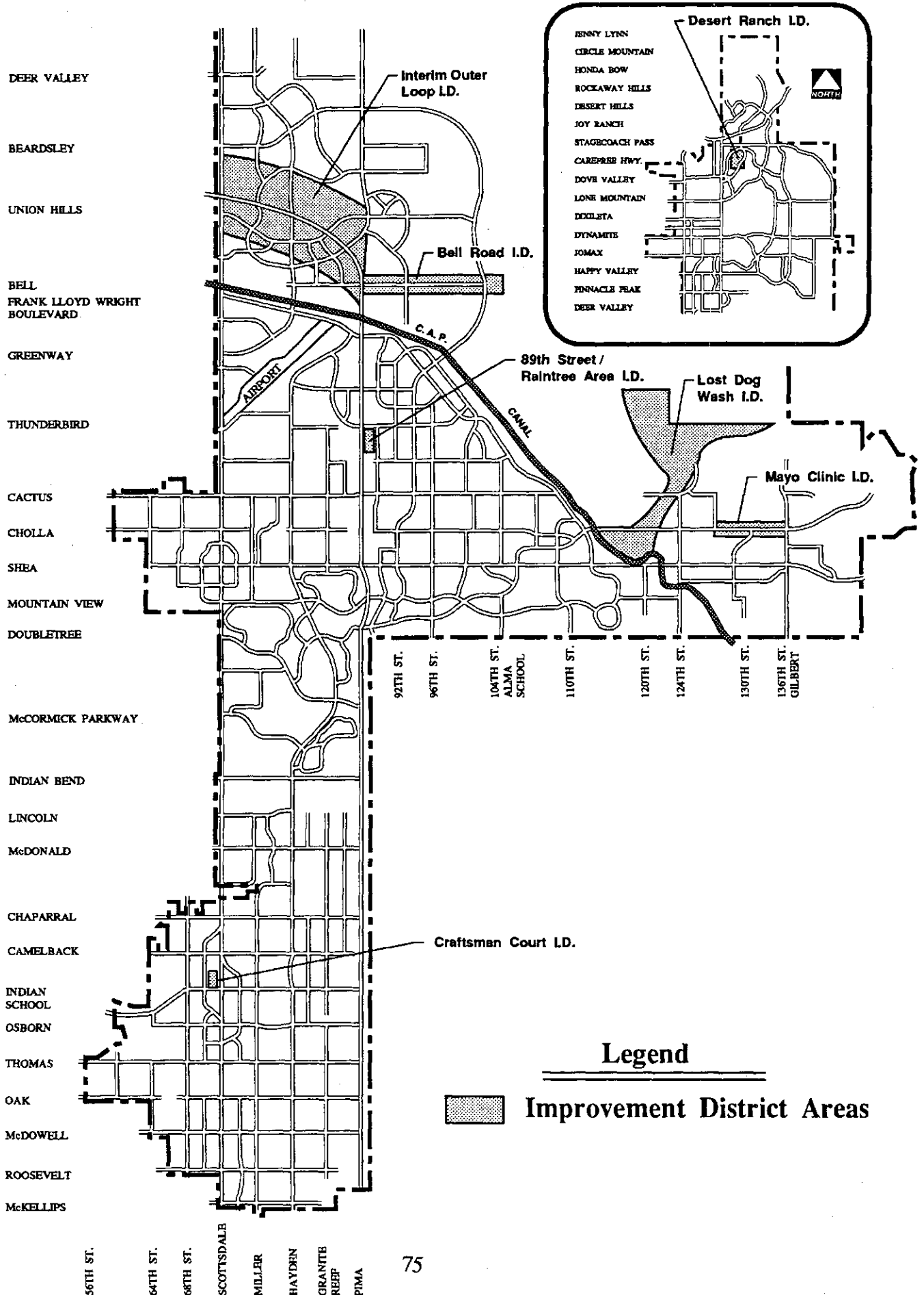
Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Improvement Districts							
<u>Resources</u>							
Bonds							
1989 General Obligation	2,000.8		500.0				2,500.8
Special Assessment	3,000.0	20,290.0	2,000.0				25,290.0
Pay-As-You-Go							
Contributions	5,223.0	826.0					6,049.0
ID Incidental Trust	1,189.5	125.0	125.0				1,439.5
Total	11,413.3	21,241.0	2,625.0				35,279.3
<u>Expenditures</u>							
Improvement Districts		21,241.0	2,625.0				23,866.0
Reauthorization of Prior Years Budget	11,413.3						11,413.3
Total	11,413.3	21,241.0	2,625.0				35,279.3

Project List
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Improvement Districts							
Bell Road ID		14,500.0					14,500.0
Craftsman Court ID	210.0	210.0					420.0
Desert Ranch ID		4,500.0					4,500.0
Improvement District Incidentals	999.0	125.0	125.0				1,249.0
Interim Outer Loop ID	10,445.0						10,445.0
Lost Dog Wash ID	700.0	826.0	2,500.0				4,026.0
Mayo Clinic ID		800.0					800.0
89th Street/Raintree Area ID		280.0					280.0
Expended Prior Years Budget	(940.7)						(940.7)
Total Improvement Districts	11,413.3	21,241.0	2,625.0				35,279.3

1994 - 98 Improvement District Program



Legend

 Improvement District Areas

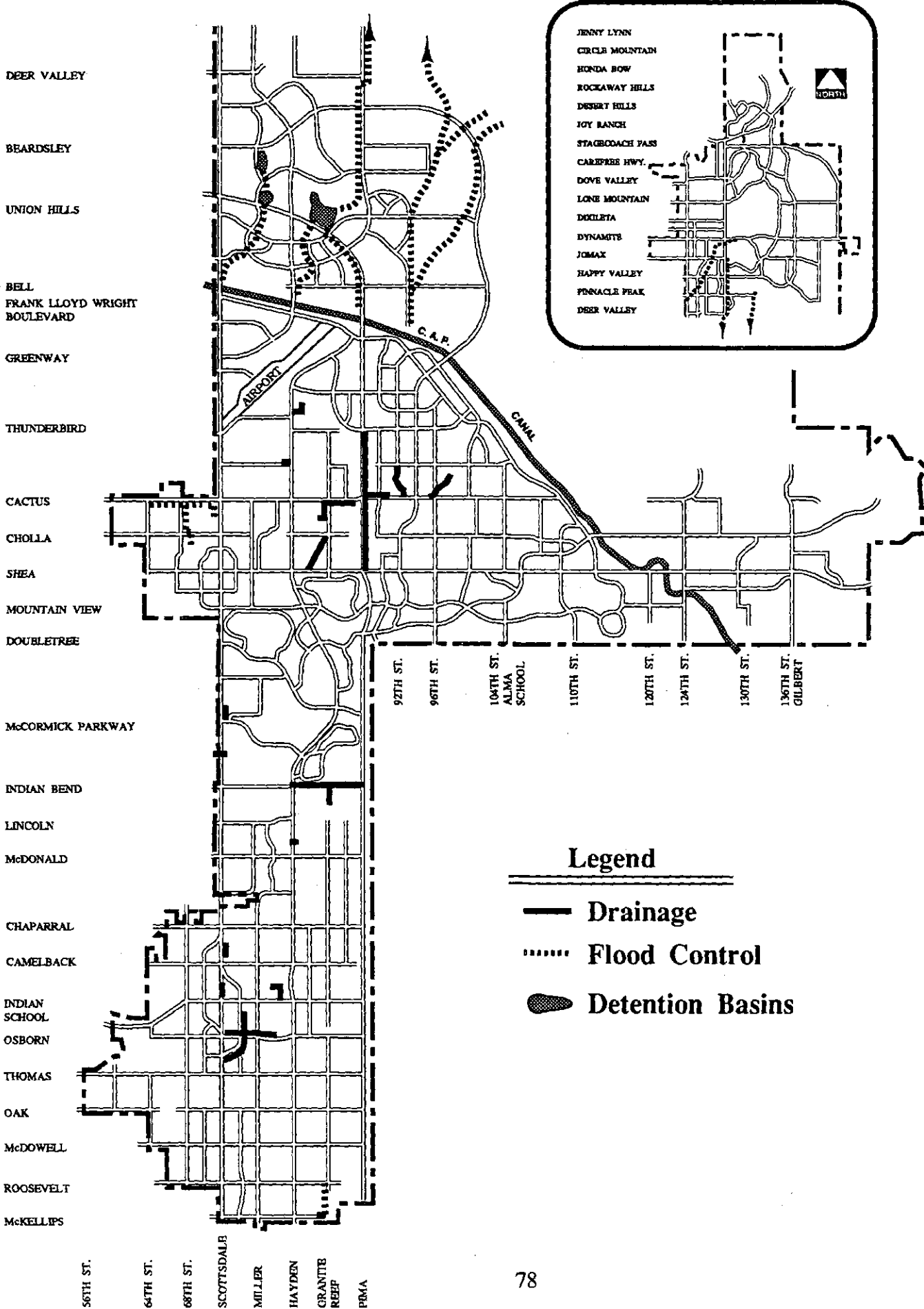
Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Drainage and Flood Control							
<u>Resources</u>							
Bonds							
1989 General Obligation	5,816.4	3,102.0			5,890.0	78.0	14,886.4
Pay-As-You-Go							
Bond Interest	812.0						812.0
Contributions	2,469.0	4,979.0	4,350.0	4,250.0	4,250.0		20,298.0
Total	9,097.4	8,081.0	4,350.0	4,250.0	10,140.0	78.0	35,996.4
<u>Expenditures</u>							
Drainage		3,102.0			3,070.0	78.0	6,250.0
Flood Control		4,979.0	4,350.0	4,250.0	7,070.0		20,649.0
Reauthorization of Prior Years Budget	9,097.4						9,097.4
Total	9,097.4	8,081.0	4,350.0	4,250.0	10,140.0	78.0	35,996.4

Project List
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Drainage and Flood Control							
<u>Drainage</u>							
Drainage Corrections	346.5						346.5
Drainage Excess Right-of-Way Acquisition	75.0						75.0
Drainage Utility	315.8						315.8
East Couplet Storm Drain							
Earll Drive to 2nd Street	173.6	1,779.2					1,952.8
East Fork Channel	225.0	510.4					735.4
Gelding/Hayden Neighborhood Drain	95.0						95.0
Hayden Road Drainage Correction/Saguaro HS	60.0						60.0
Heatherbrae/79th Street Storm Drain	65.0						65.0
Indian Bend Road Drainage System							
Hayden Road to Pima Road	600.0						600.0
McKellips Road/Granite Reef Wash Culvert	60.0						60.0
Mummy Mountain Wash Box Culvert	290.6				716.6		1,007.2
Pima Road Channel Imp - Thunderbird to Shea Blvd		150.0					150.0
Scottsdale Road Bridge Over Indian Bend Wash	115.9				2,353.4		2,469.3
Scottsdale Road Storm Drain							
Third Avenue to Sixth Avenue						78.0	78.0
Sweetwater and Hayden Culvert Correction	52.0						52.0
84th Street/Cholla							
Neighborhood Drainage System	176.5	662.4					838.9
92nd Street Channel Improvements	215.0						215.0
Total Drainage	2,865.9	3,102.0			3,070.0	78.0	9,115.9
<u>Flood Control</u>							
Cactus Road Flood Control System	3,404.1						3,404.1
Granite Reef Wash Stabilization	98.0						98.0
Outer Loop Drainage System	2,175.0	4,579.0					6,754.0
Rawhide Wash Regional Flood Control System	76.0	400.0	4,350.0	4,250.0	4,250.0		13,326.0
Reata/Pinnacle Peak Flood Control System	1,000.0				2,820.0		3,820.0
Total Flood Control	6,753.1	4,979.0	4,350.0	4,250.0	7,070.0		27,402.1
Expended Prior Years Budget	(521.6)						(521.6)
Total Drainage/Flood Control	9,097.4	8,081.0	4,350.0	4,250.0	10,140.0	78.0	35,996.4

1994 - 98 Drainage / Flood Control Program



Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Water and Wastewater							
<u>Resources</u>							
Bonds							
1989 Revenue	64,731.3	12,255.7	6,077.0				83,064.0
Proposed Revenue			5,000.0	5,000.0	5,000.0	5,093.0	20,093.0
Pay-As-You-Go							
Current Revenue	25,445.1	5,857.2	5,104.4	2,167.8	4,983.9	7,318.0	50,876.4
Development Fees	18,490.5	6,433.0	4,612.7	4,990.5	3,759.4	3,340.0	41,626.1
Total	108,666.9	24,545.9	20,794.1	12,158.3	13,743.3	15,751.0	195,659.5
<u>Expenditures</u>							
Water		9,369.3	5,488.0	3,243.0	3,893.0	11,283.0	33,276.3
Wastewater		15,176.6	15,306.1	8,915.3	9,850.3	4,468.0	53,716.3
Reauthorization of Prior Years Budget	108,666.9						108,666.9
Total	108,666.9	24,545.9	20,794.1	12,158.3	13,743.3	15,751.0	195,659.5

Project List
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Water and Wastewater							
<u>Water</u>							
Advanced Water Treatment Plant (Water Campus)	32,545.3						32,545.3
Architect/Engineer Services	150.0	150.0	150.0	150.0	150.0	150.0	900.0
As-Building of City Utilities		224.1	224.1				448.2
Ashler Hills/Pima Road Booster Station	150.0						150.0
Backflow Prevention	163.0						163.0
Bill Williams River Water Rights	325.5	122.7	130.7				578.9
Carefree Ranch Water Co. Acquisition/Modification	430.5	164.6	179.4	194.5	200.0	200.0	1,369.0
Frank Lloyd Wright Blvd/Sweetwater to Altadena	1,705.9						1,705.9
Geographic Information System	927.0						927.0
Hawknest/Boulders' Waterline	210.0	588.0					798.0
Indian School Road Water Main/ Scottsdale Road to Pima Road	1,930.0						1,930.0
Initial Recharge/Recovery System	313.5	1,840.6					2,154.1
Lone Mountain Road/64th Street Water Main	513.5		120.3				633.8
Master Well Site Study	200.0						200.0
Permanent Booster Station/ 70th Street & Lone Mountain Road				98.5	966.5		1,065.0
Pima Rd Waterline/Pinnacle Peak to Jomax Road	747.5						747.5
Pressure Reducing Valve Stations		220.0					220.0
Radio Telemetry - New Facilities		50.0	50.0	50.0	50.0	50.0	250.0
Reservoirs #13, 14 & 31 Rehabilitation	1,425.0						1,425.0
Scottsdale Road/ Rawhide to Pinnacle Peak Road Waterline	102.0						102.0
Second Reservoir at Jomax and Pima Roads	140.0	1,533.0					1,673.0
Site No. 42 Reservoir & Booster Station Land Purchase	175.0						175.0
SRP Filtration Plant	17,947.2						17,947.2
SRP Filtration Plant Waterline	870.8						870.8
Thomas Road Waterline		1,107.0					1,107.0
Utility Sleeve Crossings/Interim Outer Loop	250.0		1,065.0				1,315.0
Water Oversizing	3,004.8	600.0	1,200.0	1,200.0	1,200.0	600.0	7,804.8
Water Production, Distribution, and Service Yard Relocation	913.7	616.8					1,530.5
Water Service Line Replacement	550.0	700.0	250.0	250.0	250.0	250.0	2,250.0
Well Sites		1,040.0	1,040.0	1,040.0	1,040.0	1,040.0	5,200.0
Well Site #50 Upgrade		262.5					262.5
Well Site #54 to Jomax Road Waterline					36.5	1,900.0	1,936.5
Well Site Treatment	200.0					7,093.0	7,293.0
Zone 3 Tank East & 120th Street Water Main	888.2		911.6				1,799.8
Zone 4 Pump Expansion			166.9				166.9
Zone 7 Pump Station Oversizing				260.0			260.0
Zone 9 Tank/Pump Upgrades	2,172.0	150.0					2,322.0
Total Water	68,950.4	9,369.3	5,488.0	3,243.0	3,893.0	11,283.0	102,226.7
<u>Wastewater</u>							
Gainey Ranch Wastewater Reclamation Plant	876.6	260.8	212.5				1,349.9
Gainey Ranch WRP Effluent Line to Scottsdale Country Club				80.0	440.0		520.0
Pima Road Sewer Line - Dynamite Road to Stagecoach Pass	3,900.0						3,900.0
Pima Road Trunk Sewer/ Deer Valley Rd to Beardsley			759.4				759.4
Regional Wastewater Reclamation Plant	28,930.8						28,930.8
Scottsdale Road Relief Sewer	1,757.4		2,757.2	2,552.6	2,419.4	2,576.8	12,063.4
Sewer Collection System Rehabilitation	20.0	250.3	590.3	590.0	590.0	589.0	2,629.6
Sewer Oversizing	3,299.8	600.0	1,200.0	1,200.0	1,200.0	600.0	8,099.8
Shea Blvd Relief Sewer/124th Street to 126th Street	115.2	100.0					215.2
Shea Blvd Relief Sewer/130th Street to 138th Street	463.0	100.0					563.0
Troon Village Wastewater Reclamation Plant	926.1	179.9					1,106.0
WTP Associated Collection System	3,865.2	12,349.3					16,214.5
91st Avenue Wastewater Treatment Plant Expansion	1,837.0	1,336.3	9,786.7	4,492.7	5,200.9	702.2	23,355.8
Total Wastewater	45,991.1	15,176.6	15,306.1	8,915.3	9,850.3	4,468.0	99,707.4
Expended Prior Years Budget	(6,274.6)						(6,274.6)
Total Water/Wastewater	108,666.9	24,545.9	20,794.1	12,158.3	13,743.3	15,751.0	195,659.5

1994 - 98 Water / Wastewater Program

DEER VALLEY

BEARDSLEY

UNION HILLS

BELL
FRANK LLOYD WRIGHT
BOULEVARD

GREENWAY

THUNDERBIRD

CACTUS

CHOLLA

SHEA

MOUNTAIN VIEW

DOUBLETREE

McCORMICK PARKWAY

INDIAN BEND

LINCOLN

McDONALD

CHAPARRAL

CAMELBACK

INDIAN
SCHOOL

OSBORN

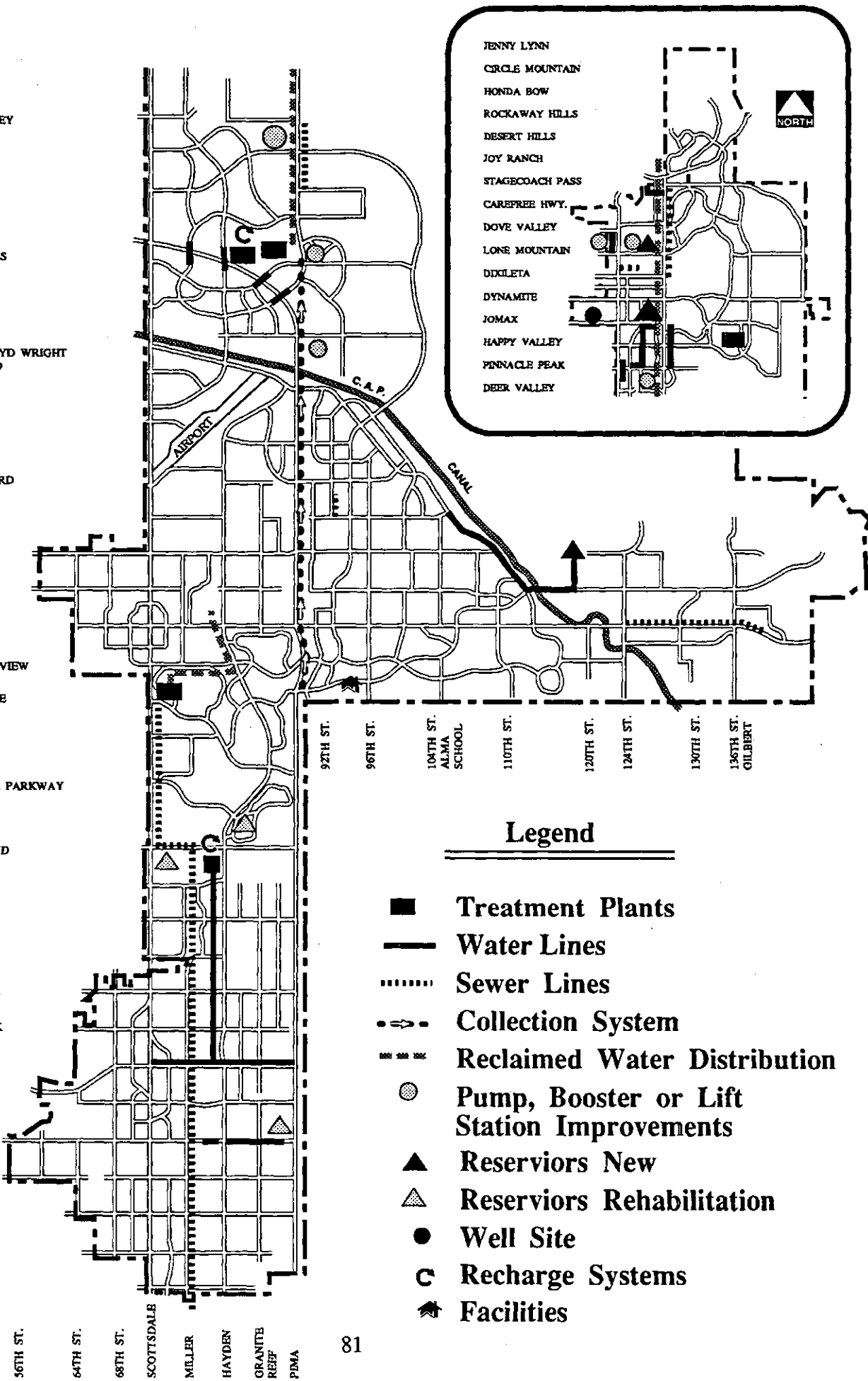
THOMAS

OAK

McDOWELL

ROOSEVELT

McKELLIPS



JENNY LYNN

CIRCLE MOUNTAIN

HONDA BOW

ROCKAWAY HILLS

DESERT HILLS

JOY RANCH

STAGECOACH PASS

CAREFREE HWY.

DOVE VALLEY

LONE MOUNTAIN

DIXILETA

DYNAMITE

JOMAX

HAPPY VALLEY

PINNACLE PEAK

DEER VALLEY



Legend

- Treatment Plants
- Water Lines
- Sewer Lines
- Collection System
- Reclaimed Water Distribution
- Pump, Booster or Lift Station Improvements
- Reservoirs New
- Reservoirs Rehabilitation
- Well Site
- Recharge Systems
- Facilities

56TH ST.

64TH ST.

68TH ST.

SCOTTSDALE

MILLER

HAYDEN

GRANITE
REEF

PIMA

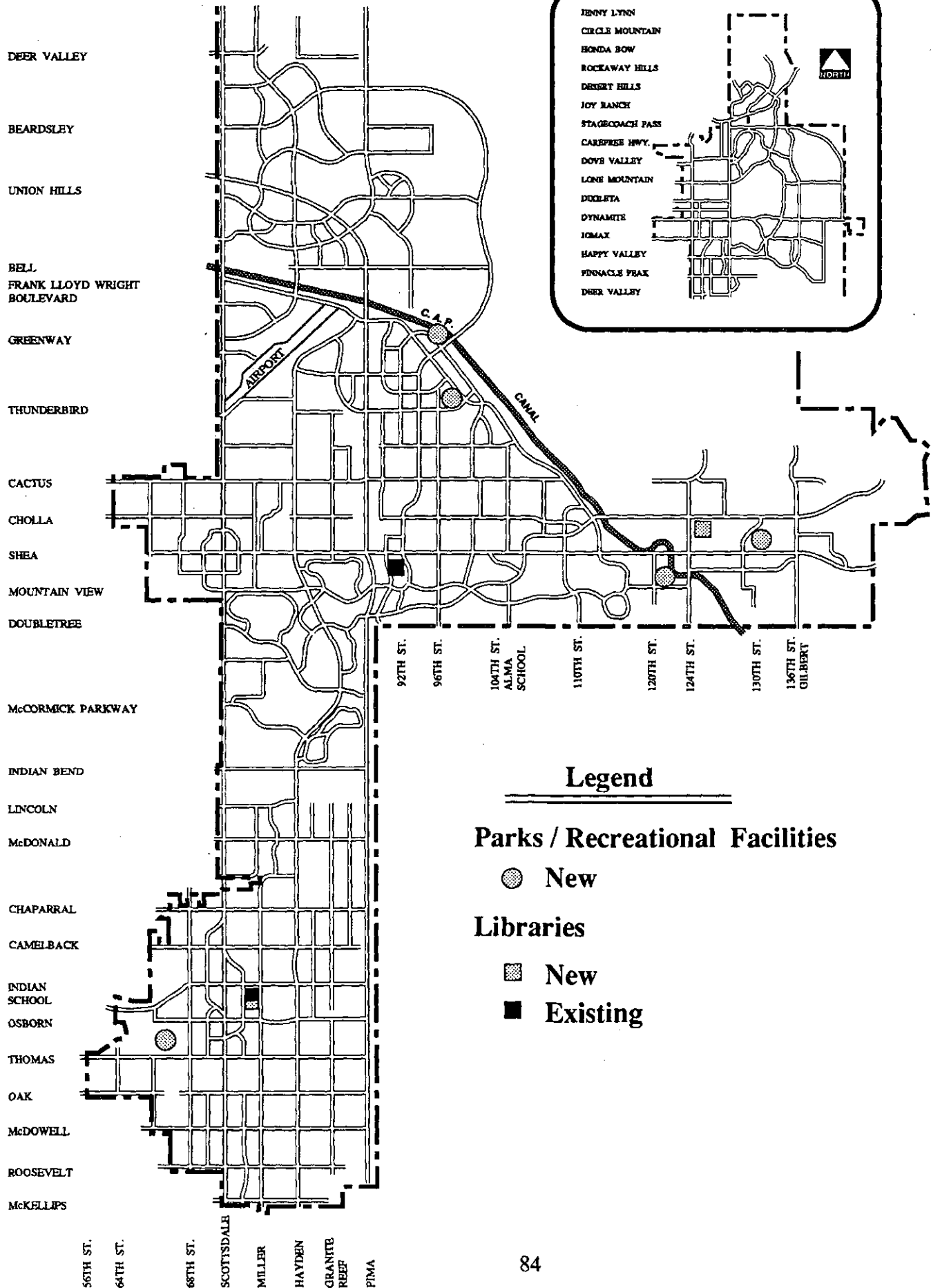
Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Community Facilities							
<u>Resources</u>							
Bonds							
1989 General Obligation	17,873.0	8,374.7	1,005.7				27,253.4
Municipal Properties Corporation		2,500.0	2,805.0				5,305.0
Pay-As-You-Go							
Bond Interest	749.7	75.0	75.0				899.7
Capital Contingency	2,706.8	2,464.5					5,171.3
Contributions		375.0	200.0				575.0
Endowment Trust	350.0	137.7	398.2				885.9
Hotel/Motel Tax	849.7	100.0		25.0	50.0		1,024.7
Lease Revenue		25.0	25.0	25.0	25.0	25.0	125.0
Privilege Tax	1,013.7						1,013.7
Water Fund (Current Revenue)	300.1	122.9	97.2	71.6	87.4	106.6	785.8
Total	23,843.0	14,174.8	4,606.1	121.6	162.4	131.6	43,039.5
<u>Expenditures</u>							
Parks/Recreation		8,431.9	398.2				8,830.1
Libraries		595.0	1,205.7				1,800.7
Neighborhood		75.0					75.0
Specialty Areas		5,072.9	3,002.2	121.6	162.4	131.6	8,490.7
Reauthorization of Prior Years Budget	23,843.0						23,843.0
Total	23,843.0	14,174.8	4,606.1	121.6	162.4	131.6	43,039.5

Project List
1993/94 – 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Community Facilities							
<u>Parks/Recreation</u>							
Cactus, Chaparral & Eldorado Pool Upgrades		90.0					90.0
Chaparral Park Special Needs Facility Improvements			98.2				98.2
Club SAR Air Conditioning		95.0					95.0
Horizon Park – New Park	450.0	4,123.8					4,573.8
Indian School Park Tennis Court Relighting	78.0						78.0
Ironwood Village Neighborhood Park		80.0					80.0
Lighting/Electrical Impr to Existing Facilities		49.5					49.5
McCormick Park – Building Remodel	137.2						137.2
Paiute Park Community Center, Phase I	60.0	1,800.0					1,860.0
Park Land Acquisition and Improvements	350.0		300.0				650.0
Playground Equipment Replacement		50.0					50.0
Pulte Homes – New Park	1,102.0						1,102.0
Rio Montana – New Park (Revised)	27.4	1,003.6					1,031.0
Scottsdale Ranch Park Improvements	1,071.4	186.0					1,257.4
Stonegate Park – New Park	91.5	823.3					914.8
Upgrade Sprinkler Systems	452.8	130.7					583.5
Vista del Camino Park Improvements	341.4						341.4
Total Parks/Recreation	4,161.7	8,431.9	398.2				12,991.8
<u>Libraries</u>							
ATLAS System Upgrade	740.8						740.8
Civic Center Library Expansion	11,770.5						11,770.5
Palomino Library		595.0	1,205.7				1,800.7
Total Libraries	12,511.3	595.0	1,205.7				14,312.0
<u>Neighborhood</u>							
Neighborhood Capital Improvement Program	50.0	75.0					125.0
<u>Specialty Areas</u>							
Art in Public Places	1,067.2	122.9	97.2	71.6	87.4	106.6	1,552.9
Artspot Expansion	200.0						200.0
Bikepath Corrections	364.2	75.0	75.0				514.2
Canal Bank Improvements –							
Scottsdale Road to 70th Street	1,055.7	2,500.0	2,805.0				6,360.7
City Hall Lagoon Improvement	30.0						30.0
Civic Center/Downtown Parking	5,275.0	1,000.0					6,275.0
Civic Center Mall Directory Monuments	15.2						15.2
Civic Center Mall Expansion Design	130.0						130.0
Civic Center Mall Restroom	87.8						87.8
Destination Attraction Concept Studies	100.0	100.0		25.0	50.0		275.0
Downtown Entryway Features	50.0						50.0
Holiday Decorations – Scottsdale Road							
Earll Drive to Highland Avenue	50.0						50.0
Indian Bend Wash Bike and Pedestrian Path							
Camelback Road to McCormick Parkway	2,415.9						2,415.9
Loloma School Capital Improvements		25.0	25.0	25.0	25.0	25.0	125.0
Loloma Theater for Contemporary Arts		1,250.0					1,250.0
Streetlights Fifth Avenue/Scottsdale Road to							
Civic Center Boulevard	40.0						40.0
Streetlight System Purchase	1,100.0						1,100.0
Total Specialty Areas	11,981.0	5,072.9	3,002.2	121.6	162.4	131.6	20,471.7
Expended Prior Years Budget	(4,861.0)						(4,861.0)
Total Community Facilities	23,843.0	14,174.8	4,606.1	121.6	162.4	131.6	43,039.5

1994 - 98 Community Facilities Program



Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Service Facilities							
<u>Resources</u>							
Bonds							
1989 General Obligation	1,768.5						1,768.5
Pay-As-You-Go							
Bond Interest	750.0						750.0
Capital Contingency	1,597.4	3,104.4	50.0				4,751.8
Contractual Debt		1,800.0					1,800.0
Contributions	1,200.0						1,200.0
Total	5,315.9	4,904.4	50.0				10,270.3
<u>Expenditures</u>							
Municipal Buildings		1,936.0					1,936.0
Management Systems		2,968.4	50.0				3,018.4
Reauthorization of Prior Years Budget	5,315.9						5,315.9
Total	5,315.9	4,904.4	50.0				10,270.3

Project List
1993/94 – 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Service Facilities							
<u>Municipal Facilities</u>							
City Hall/One Civic Center Remodel	189.6						189.6
Corporation Yard Surplus Storage		50.0					50.0
Downtown Public Services Building Remodel Design		86.0					86.0
Justice Facility	2,950.0						2,950.0
North Corporation Yard Expansion Master Planning	33.0						33.0
Solid Waste Transfer Station		1,800.0					1,800.0
Total Municipal Facilities	3,172.6	1,936.0					5,108.6
<u>Management Systems</u>							
City Automated Financial System	300.0	200.0	50.0				550.0
City Clerk Hardware/Software	169.6						169.6
Geographic Information System	1,041.3						1,041.3
GIS Applications		572.6					572.6
Open Systems Environment Development	522.2	1,125.0					1,647.2
OMS Computer Disk Subsystem		342.8					342.8
Sales Tax Hardware/Software	279.0						279.0
Terminal and Printer Replacement	210.6	728.0					938.6
Total Management Systems	2,522.7	2,968.4	50.0				5,541.1
Expended Prior Years Budget	(379.4)						(379.4)
Total Service Facilities	5,315.9	4,904.4	50.0				10,270.3

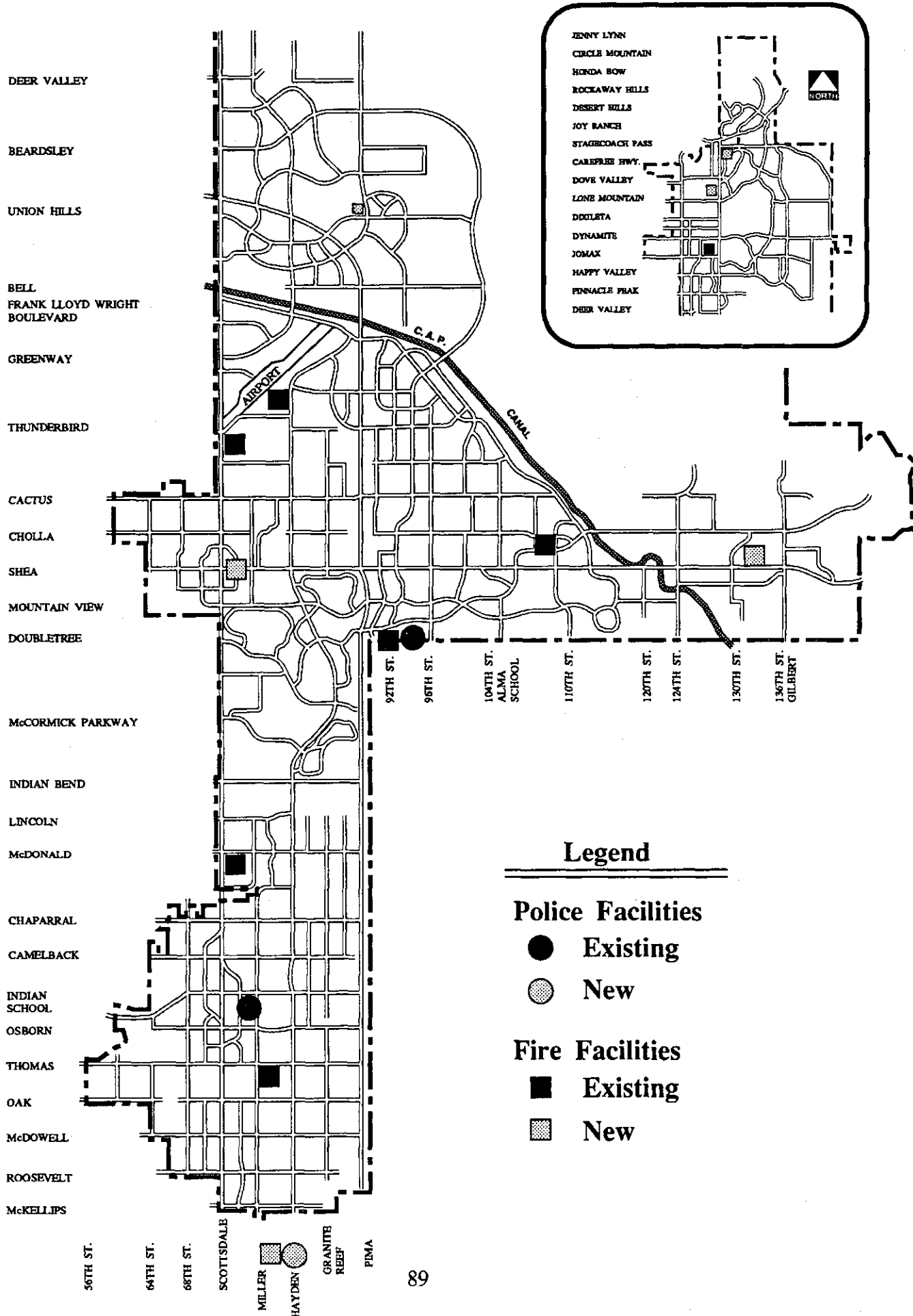
Program Financial Summary
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

	Reauthorization Of Prior Year	1993/94	1994/95	1995/96	1996/97	1997/98	Total Program
Public Safety							
<u>Resources</u>							
Bonds							
1989 General Obligation	3,201.6	516.0	75.0				3,792.6
Pay-As-You-Go							
Bond Interest	330.9	700.0					1,030.9
Capital Contingency		269.2					269.2
RICO Trust	779.8	646.6					1,426.4
Total	4,312.3	2,131.8	75.0				6,519.1
<u>Expenditures</u>							
Police		1,084.6					1,084.6
Courts		241.2					241.2
Fire		806.0	75.0				881.0
Reauthorization of Prior Years Budget	4,312.3						4,312.3
Total	4,312.3	2,131.8	75.0				6,519.1

Project List
1993/94 - 1997/98 Capital Improvement Program
(In Thousands of Dollars)

Project Title	Prior Years	1993/94	1994/95	1995/96	1996/97	1997/98	Total
Public Safety							
<u>Police</u>							
800 MHz Conventional Repeater Site, North Automated Fingerprint Identification System	822.9	90.0					90.0
Justice Facility/Police Furnishings		223.0					223.0
Police Computer Aided Dispatch System		646.6					646.6
Police Hardware/Software - New Projects Implementation	673.7						673.7
Police Training Facility	1,238.9						1,238.9
Police Training Facility Phase I, Furnishings		125.0					125.0
Total Police	2,735.5	1,084.6					3,820.1
<u>Court</u>							
Justice Facility/ Court Furnishings		241.2					241.2
<u>Fire</u>							
Fire Station - Carefree Ranch			75.0				75.0
Fire Station - Vicinity of Pima and Ashler Hills		127.5					127.5
Fire Station - Vicinity of Union Hills and Pima Roads		188.5					188.5
Fire Station - Vicinity of 74th Place and Shea Boulevard	917.0						917.0
Fire Station - Vicinity of 132nd Street and Via Linda	63.7	490.0					553.7
Fire Training Facility	1,071.1						1,071.1
Total Fire	2,051.8	806.0	75.0				2,932.8
Expended Prior Years Budget	(475.0)						(475.0)
Total Public Safety	4,312.3	2,131.8	75.0				6,519.1

1994 - 98 Public Safety Program



**City of Scottsdale
Completed Project List
Fiscal Year 1992/93**

Completion Date	Project Title	Cost
7/92	East Couplet/Indian School Road – Camelback Road (Phase II)	\$ 2,998,275
7/92	Lone Mountain Transmission Main/64th Street – Scottsdale Road	447,135
8/92	92nd Street North of Shea Boulevard	117,312
8/92	92nd Street North of Sweetwater	286,506
8/92	92nd Street North of Sweetwater Sewer Line	55,001
8/92	Civic Center Mall Bicycle Facilities	60,562
8/92	Fire Station #12 Relocation	60,189
8/92	Frank Lloyd Wright Boulevard & Thunderbird Road Intersection	1,572,057
8/92	Frank Lloyd Wright Boulevard & Thunderbird Road Waterline	114,000
8/92	Miller Road/Jackrabbit to Valley View	59,963
8/92	Pinnacle Peak Waterline Replacement	94,526
8/92	Sports Field Improvements	416,250
9/92	Fire Suppression (Sprinkler) System	154,553
9/92	Lone Mountain Transmission Main/64th Street Waterline	240,377
9/92	Well 65 Reservoir and Booster Station	1,097,860
10/92	Frank Lloyd Wright Boulevard Streetscape Retrofit	359,848
10/92	McDowell Road Storm Drain	758,634
10/92	McDowell Road/Miller to Scottsdale Road	760,785
10/92	Mountain View Road/110th Street to 111th Street	381,961
10/92	Pima Road/Shea to Frank Lloyd Wright Boulevard	1,368,295
10/92	Thunderbird Road/Pima Road to 90th Street	978,484
11/92	2nd Street Storm Drain	877,327
11/92	64th Street Channel/Shea Boulevard – Cactus Road	1,532,310
11/92	Lincoln Drive Storm Drain (Phase II)	386,849
11/92	Microwave Communication System	617,343
11/92	Scottsdale Road Box Culvert	415,771
11/92	Scottsdale Road/Lincoln Drive – Indian Bend (Phase I)	340,015
11/92	Scottsdale Road/Shea Boulevard Loop	1,572,226
11/92	Scottsdale Road/Shea Boulevard Loop Storm Drain	240,000
11/92	Scottsdale Road/Shea Boulevard Loop Waterline	90,000
11/92	Via Linda/118th Street to 124th Street	737,399
11/92	Virginia/Oak Waterline	631,614
12/92	La Vida Lift Station	225,000
12/92	Scottsdale Road and Frank Lloyd Wright Boulevard Intersection	296,635
12/92	Scottsdale Road/Paradise to Frank Lloyd Wright Boulevard	116,412
1/93	Thomas Road/Hayden Road – Pima Road	770,282
2/93	Downtown Parking Lot	1,440,496
2/93	West Couplet/Indian School Road – Camelback Road	4,000,612
3/93	Scottsdale Ranch Park Improvements (Phase I)	170,054
3/93	Sewer Lift Station #7	88,142
4/93	Cholla Park	906,281
4/93	Flight Service District Office	330,000
5/93	Bent Tree Waterline	116,340
5/93	Cactus Pool Resurface	35,735
5/93	Cactus Road Drainage System	267,900
5/93	Indian School Road East Storm Drain	2,432,800
5/93	Larkspur Detention Basin (Phase II)	754,987
5/93	Parking Adjacent to 1 Civic Center	543,072
5/93	TCE Removal Facility	8,046
5/93	100th Street North of Cactus	582,400
6/93	Adobe/Miller Improvement District	1,210,000
6/93	Computer System Environmental Control	36,368
6/93	Indian School Road East Storm Drain	2,432,800
6/93	Mountain View Park Improvements	112,600
6/93	North Area Water Improvement District	360,489
6/93	OMS Hardware/Software	131,000
6/93	Pinnacle Vista Improvement District	1,215,000
6/93	Reclaimed Water Distribution System	11,720,257
6/93	Unisys 1100/92 Upgrade	147,562
Total		<u>\$50,274,697</u>

Authorized Personnel/Positions Summary

	Actual 1991-92	Adopted 1992-93	Estimated 1992-93	Adopted 1993-94
General Government				
Full-time	101	105	106	109
Part-time	6	6	6	8
FTE	104.0	108.0	109.0	113.1
Police				
Full-time	312	316	325	336
Part-time	3	3	3	3
FTE	313.5	317.5	326.5	337.2
Financial Services				
Full-time	106	107	107	110
Part-time	5	5	5	5
FTE	108.5	109.5	109.5	113.0
Transportation				
Full-time	34	34	33	33
Part-time	5	5	5	5
FTE	37.0	37.0	36.0	36.0
Community Services				
Full-time	178	178	179	184
Part-time	334	334	334	331
FTE	300.4	301.4	302.4	311.5
Management Services				
Full-time	82	81	81	83
Part-time	3	3	3	3
FTE	83.4	82.6	82.6	85.3
Planning and Community Development				
Full-time	103	104	103	104
Part-time	4	4	4	4
FTE	106.1	107.1	106.1	107.4
Water Resources				
Full-time	70	70	70	74
Part-time	11	11	11	11
FTE	80.8	80.8	80.8	84.8
Municipal Services				
Full-time	199	199	200	205
Part-time	3	3	4	5
FTE	200.5	200.5	202.0	209.1
<hr/>				
Total Authorized Full-time Positions	1,185	1,194	1,204	1,238
Total Authorized Part-time Positions	374	374	375	375
Total Authorized FTE	1,334.2	1,344.4	1,354.9	1,397.4
<hr/>				
Total Grant Funded Full-time Positions	4	5	10	9
Total Grant Funded Part-time Positions	2	2	2	2

Glossary

Actual - Actual, as used in the fund summaries and department and division summaries within the budget document, represents the 1991-92 results of operations. This category is presented on a GAAP basis except that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expense.

Adopted - Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the 1992-93 and 1993-94 budget as approved by the City Council.

Assessed Valuation - A government sets a valuation upon real estate or other property as a basis for levying taxes. An assessed valuation represents the appraised valuation less any exemptions.

Beginning Balance - The beginning balance is the residual non-restricted funds brought forward from the previous fiscal year (ending balance).

Bonds - Bonds are debt instruments which require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Budget - A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether it has been approved by the appropriating body.

Budgetary Basis - Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) except that 1) encumbrances are considered to be an expenditure chargeable to appropriations; 2) no depreciation is budgeted for in proprietary funds; and 3) bond principal in the enterprise funds is subject to appropriation.

Capital Outlay - Items costing more than \$1,000 and having a useful life of more than one year are defined as capital outlay.

Capital Improvements Program (CIP) - A capital improvements program is a comprehensive plan which projects the capital needs of a community. Generally, it is a cyclical process that projects the needs for a set number of years. Capital improvements programs are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term Capital Improvements Program.

Commodities - Commodities are consumable goods such as office supplies, small tools, fuel, etc., that are used by the City.

Contracts Payable - Contracts payable represents a liability reflecting amounts due on contracts of goods or services furnished to the City.

Contractual - Contractuals are services such as rentals, insurance, maintenance, etc., that are purchased by the City.

Debt Service - Debt service is the amount of money necessary to pay interest and principal on outstanding debt.

Department - A department is the combination of divisions of the City headed by a general manager with a specific and unique set of goals and objectives, e.g., Police, Fire, Financial Services, Planning and Community Development, etc.

Encumbrance - Encumbrance includes obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, cancelled, or when the actual liability is set up.

Glossary

Encumbrance Rebudgets - The balance of unliquidated encumbrances brought forward from the previous fiscal year.

Ending Balance - The residual non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Fund - An enterprise fund is established to account for operations (a) financed and operated in a manner similar to private business enterprises, i.e., where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of enterprise funds are those for the water and sewer utility, airport, and sanitation.

Equipment Rental - Equipment rental represents fees charged to other areas of the City for the maintenance, repair, and replacement of City vehicles. The fee for these charges is returned to the motor pool internal service fund as revenue.

Estimated - Estimated, as used throughout the budget document, represents the original adopted budget plus any approved changes and anticipated year-end savings.

Excise Debt - Excise debt is debt that is repaid by excise taxes. In this case, the excise taxes used to fund the debt service payments are a portion of the transaction privilege (sales) tax and transient occupancy tax.

Expenditures - Expenditures are decreases in net financial resources. They include current operating expenses which require the current or future use of net current assets, debt services, and capital outlays.

Fees - Fees are charges for services.

Five-year Forecast - An estimation of revenues and expenses required by the City to operate for the next five-year period.

Franchise Fee - The franchise fee charged to the water and sewer utility fund is a reimbursement to the general fund for the utility's use of City streets and rights-of-way.

Fund - A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance - The balance of net financial resources that are spendable or available for appropriation.

Fund Summary - A fund summary, as reflected in the budget document, is a combined statement of revenues, expenditures, and changes in fund balance for the prior year's actual, adopted, and estimated budgets, and the current year's adopted budgets.

GAAP Adjustments - Differences arising from the use of a basis of accounting for budgetary purposes that differs from the basis of accounting applicable when reporting on operations in conformity with Generally Accepted Accounting Principles (GAAP).

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund.

Glossary

General Long-term Debt - General long-term debt represents any unmatured debt not considered to be a fund liability.

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

Generally Accepted Accounting Principles (GAAP) - GAAP are the uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

Grant - A grant is a contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function, e.g., education or drug enforcement, but it is sometimes for general purposes.

Highway User Fuel Tax - Highway user fuel tax is gasoline tax shared with municipalities; a portion is distributed based upon the population of the city and a portion is distributed based upon the origin of the sales of the fuel. The Arizona state constitution requires that this revenue be used solely for street and highway purposes.

Improvement Districts - Improvement districts are formed consisting of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property.

Indirect Cost Allocation - Indirect cost allocation is funding transferred to the general fund from enterprise funds for specific central administrative functions which benefit those funds, e.g., City Manager, Financial Services department, Human Resources, Legal, etc.

In Lieu Property Tax - The in lieu property tax is a charge to the enterprise funds which compensates the general fund for the property tax that would have been paid if the utilities were for-profit companies.

Internal Service Fund - An internal service fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a government, or to other governments on a cost-reimbursement basis.

Municipal Property Corporation (MPC) - The Municipal Property Corporation is a non-profit corporation established to issue bonds to fund City capital improvements projects.

Needs Assessment - The Needs Assessment is the foundation for determining what City customers feel is needed. Market surveys, public hearings, and boards and commission surveys are conducted.

Operating Budget - The operating budget is the plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is required by law in Arizona and is a requirement of Scottsdale's City Charter.

Ordinance - An ordinance is a formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Glossary

Outstanding Debt - The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Pay-as-you-go Capital Improvement Projects (PAYG) - PAYG capital improvement projects are capital projects whose funding source is derived from City revenue sources other than through the sale of voter-approved bonds.

Primary Property Tax - Primary property taxes are levied for the purpose of funding general government operations. Annual increases are limited to 2% of the previous year's maximum allowable primary property tax levy plus allowances for new construction and annexation of new property and tort litigation settlements.

Property Tax - Property tax is based according to value of property and is used as the source of monies to pay general obligation debt (secondary property tax) and to support the general fund (primary property tax).

Rebudgeted - Rebudgeted represents encumbered and committed funds carried forward to the next fiscal year budget.

Refunding - Refunding is a procedure whereby an issuer refinances an outstanding bond issue by issuing new bonds. There are generally two major reasons for refunding: to reduce the issuer's interest costs or to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited into escrow to pay the debt service on the outstanding obligations when due, or they are used to immediately retire the outstanding obligations. The new obligations are referred to as the refunding bonds and the outstanding obligations being refinanced are referred to as the refunded bonds or the prior issue.

Reserve - Reserve is an account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Revenue Bonds - Revenue bonds are bonds payable from a specific source of revenue which do not pledge the full faith and credit of the issuer. Revenue bonds are payable from identified sources of revenue and do not affect the property tax rate. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Secondary Property Tax - Secondary property taxes are levied for the purpose of funding the principal, interest, and redemption charges on general obligation bonds of the City. The amount of this tax is determined by the annual debt service requirements on the City's general obligation bonds.

Self Insurance - The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause instead of transferring that risk through the purchase of an insurance policy.

Service Levels - The service level describes the present services provided by a City department and/or division within the department.

Shared Revenues - Revenues levied by one government but shared on a predetermined basis with another government or class of governments.

Sinking Fund - A sinking fund is an account into which a debt issuer makes periodic deposits to ensure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments therefrom are determined by the terms of the bond contract.

Special Assessment - A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Glossary

Taxes - Taxes are compulsory charges levied by a government for the purpose of financing services performed for common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Rate - The tax rate is the amount of tax levied for each \$100 of assessed valuation.

Transfers - Transfers are the authorized exchanges of cash or other resources between funds.

Trust Fund - A trust fund consists of resources received and held by the government unit as trustee, to be expended or invested in accordance with the conditions of the trust.

