

Scottsdale  
Budget Summary  
and  
Performance Report

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Fiscal Year 1994/95



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

**PRESENTED TO  
City of Scottsdale,  
Arizona**

**For the Fiscal Year Beginning  
July 1, 1993**

*Arnold H. Helms*      *Jeffrey L. Esler*  
President                      Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Scottsdale for its annual budget for the fiscal year beginning July 1, 1993.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

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

# City of Scottsdale Budget Summary and Performance Report

The 1994-95 Operating Budget seeks to meet important community and organization needs, while maintaining the fiscal discipline necessary to ensure fulfillment of our basic commitment: to provide continuous quality services to our citizens.

HERBERT R. DRINKWATER  
*Mayor*

GREGORY S. BIELLI  
*Councilman*

JAMES BURKE, M.D.  
*Councilman*

MARY MANROSS  
*Vice Mayor*

ROBERT C. PETTYCREW  
*Councilman*

DONALD J. PRIOR  
*Councilman*

RICHARD THOMAS  
*Councilman*

RICHARD A. BOWERS  
*City Manager*

BARBARA A. BURNS  
*Assistant City Manager*

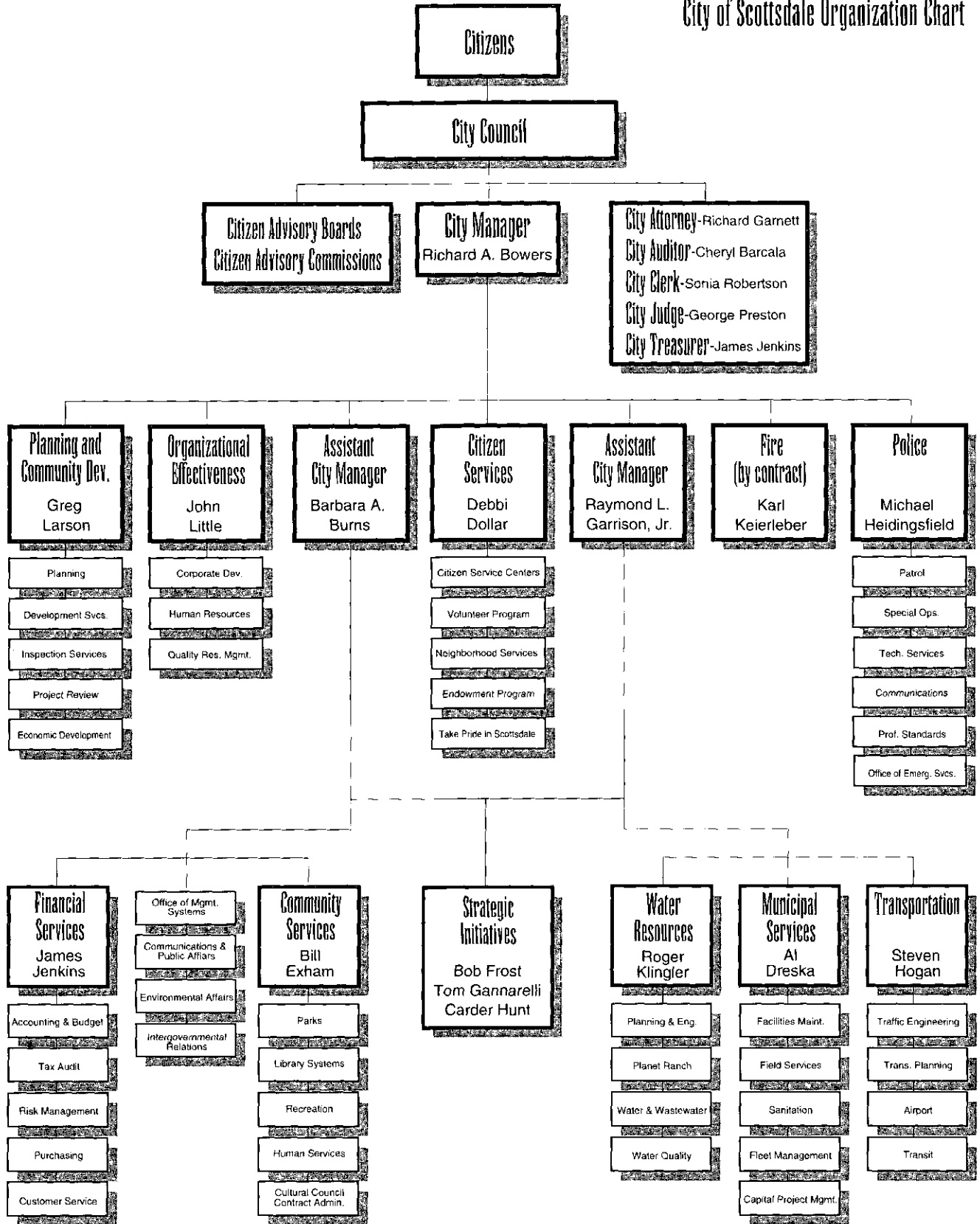
RAYMOND L. GARRISON, JR.  
*Assistant City Manager*

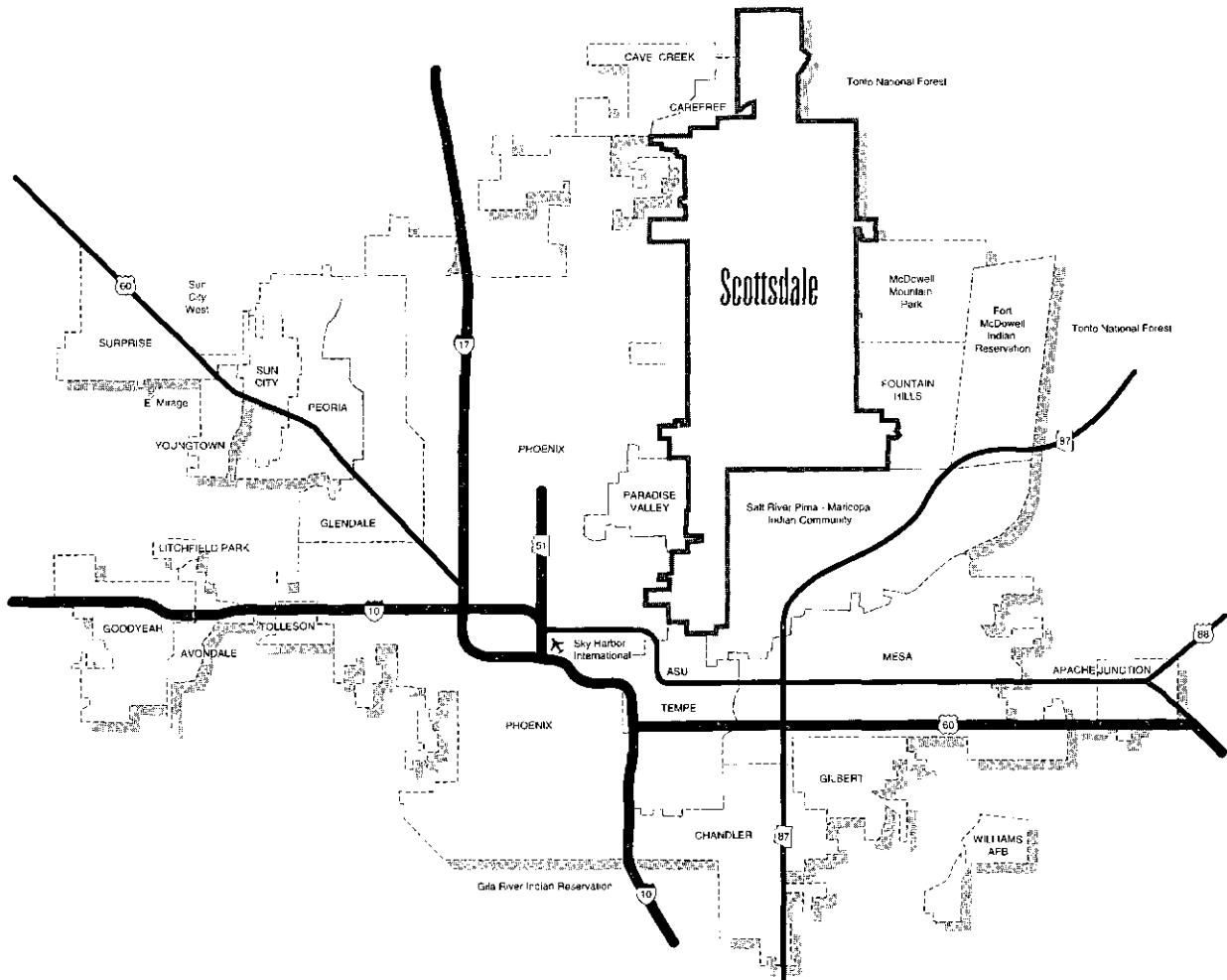
JAMES A. JENKINS  
*Financial Services General Manager*

CRAIG CLIFFORD, CPA  
*Accounting and Budget Director*

JUDY FROST  
*Budget Manager*

# City of Scottsdale Organization Chart





### Demographics

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

*Gender\* (\* figures are percentages)*

Male.....	47.1
Female.....	52.9

*Age Composition*

Under 5 years.....	4.6
5-14 years.....	9.9
15-19 years.....	7.0
20-24 years.....	7.9
25-44 years.....	31.2
45-64 years.....	25.8
65-85+ years.....	13.6
Median Age.....	39.1

*Occupational Composition*

Technical, Sales, Admin. Support.....	20.0
Managerial and Professional.....	18.0
Service/Labor.....	23.0
Craft/Construction.....	4.0
Retired/Student.....	35.0

*Land Use*

Residential.....	17.9
Undeveloped/Agricultural.....	78.3
Industrial/Commercial.....	3.8

*Race*

White.....	91.2
Hispanic.....	4.8
Asian.....	1.2
Black.....	0.8
Native American.....	0.6
Other.....	1.4

*Educational Attainment*

4 or more years college.....	36.0
1-3 years college.....	35.0
High School diploma.....	24.0
Less than High School diploma.....	5.0

*Household Income*

Less than \$15,000.....	5.0
\$15,000-24,999.....	11.0
\$25,000-\$34,999.....	18.0
\$35,000-\$49,999.....	25.0
\$50,000+.....	41.0
Median Household Income.....	\$44,200
Median Family Income.....	\$48,202

## 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 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 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 1800s 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 167,590 in 1994.

### *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, approximately eight miles from the city.

### *Educational Facilities*

Several institutions of higher learning are available to residents. Scottsdale Community College, a part of the Maricopa County Community College System, is located on the eastern border of the city, in 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.

# FY 1994-95 City of Scottsdale Budget Summary and Performance Report

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# City Manager's Transmittal

The Honorable Mayor and City Council :

I am pleased to submit the City of Scottsdale's Annual Budget for 1994-95. These funding recommendations will improve our financial stability, facilitate responsible development, position Scottsdale for the future and foster a more collaborative community. This budget represents a sound investment in our community and is based on expressed City Council priorities, as well as the needs and concerns of the citizens as stated in the 1993 Citizen Survey and the Scottsdale Shared Vision Report.

The 1994-95 budget is supported by strong revenue growth, carryover savings and moderate utility rate increases. It is also supported by a healthy economy led by a strong retail sales base (up 15 percent) and construction and development activity (up 34 percent). These revenues will allow us to meet new service demands in 1994-95 while contributing \$2 million to our Economic Stabilization Reserve. In 1994-95, this reserve will grow to \$9 million.

Scottsdale's total budget for 1994-95 is \$544.1 million, which represents a 6.8 percent increase over 1993-94. This is reflected in an Operating Budget of \$211.1 million; a Capital Budget of \$321.2 million; and funding for grant and trust activity in the amount of \$11.8 million.

The 1994-95 Operating Budget is up 15.2 percent (\$27.8 million) from last year. To put this increase in perspective, it is important to note that since 1991-92, the consumer price index (up 13.7 percent) and

Scottsdale's population growth (up 23.1 percent) have combined to produce a gross service impact of 36.8 percent. During this same period, the direct-service portion of the City's Operating Budget (exclusive of debt service) has increased by only 30 percent. This figure is significant when you consider that our cost per citizen over the past four years has increased only 8 percent and our employees per 1,000 citizens has been reduced by 10 percent. We have kept our operating budget, employee-population ratio and cost-per-citizen growth at a bare minimum.

The departmental or direct-service portion of the budget accounts for 6.7 percent (\$12.3 million) of the Operating Budget increase. The remaining 8.5 percent (\$15.5 million) includes increases in reserves, pay-as-you-go contributions to the Capital Improvements Plan and debt service. Significant departmental increases include:

- \$4.2 million (one third of the total departmental budget increase) for public safety programs including funding for 44 full-time police positions and the opening of the new East Shea Fire Station.
- \$3 million for Municipal Services, primarily for the systematic replacement of the City's fleet, including 25 police vehicles, six sanitation trucks and two fire engines. Funding in the amount of \$700,000 is also allocated for solid-waste-disposal needs including the opening of the City's Waste Transfer Station.
- \$1.6 million for operational costs associated with opening several new facilities including: the Palomino

Library; expanded Civic Center Library; North Senior Center; Scottsdale Justice Center; and the Police/Fire Training Facility.

- \$1 million to address water quality issues including the costs associated with operating the North Indian Bend Wash Groundwater Treatment Facility and the Reclaimed Water Distribution System (effluent pipeline). While these costs are directly offset by reimbursements from private companies, they must be allocated in the operating budget.
- \$1 million in contractual costs to assist with planning, permit and inspection service requirements directly related to increased development activity. These costs are supported by revenue growth of over \$2 million from development service permits and fees.

Other significant Operating Budget increases include:

- \$2 million increase in the City's Self Insurance Reserve, and \$500,000 for the Facility Maintenance Reserve which was established in 1993-94 for infrastructure repair and replacement.
- \$9.5 million increase in debt service costs, \$6.4 million of which is Improvement District debt

*"A sound financial policy demonstrates to the public, the credit rating industry and prospective investors (bond buyers) the City's commitment to preserving Scottsdale's fiscal integrity."*



(whereby property owners elect to pay for the installation and construction of streets, water, sewer, and drainage improvements which benefit their property). Improvement district debt is directly offset by revenue from special assessments. The remaining debt increase reflects the continuation of the voter-approved bond program, partially offset by the savings of nearly \$500,000 due to bond re-funding and lower interest rates.

The 1994-95 Capital Budget totals \$321.2 million, with funding for the comprehensive bond program approved by voters in 1989. Another \$11.8 million is budgeted for grant and trust activity. There is no appreciable change in the Capital Budget or grant and trust activity from last year.

The 1994-95 Budget continues to support priorities established in previous budget years including programs specifically related to public safety, transportation, growth and the environment. New priorities include the preservation of the McDowell Mountains, infrastructure maintenance and replacement and commitment to technology improvements. To accomplish these goals, in 1994-95 we will:

### **Improve Our Financial Stability**

We recommend adoption of a comprehensive financial policy that encompasses the sound financial management principles promulgated by the International City Management Association, the Government Finance Officers Association, independent bond credit rating agencies, the City's financial advisor, City Manager, and Financial Services Department staff. A sound financial policy demonstrates to the public, the credit rating industry and prospective investors (bond buyers) the City's commitment to preserving Scottsdale's fiscal integrity. It sets forth guidelines against which

current budgetary performance can be measured and proposals for future programs can be evaluated. The City is currently in compliance with the comprehensive financial policies proposed for adoption with this budget.

#### *Examine service costs*

We closely monitor the cost of doing business and examine alternatives and methods to reduce or absorb increasing costs before passing increases on to citizens. Rate and fee increases are systematic, rational, and consistent with cost increases.

#### *Ensure equity of capital funding*

All potential capital funding resources are evaluated to ensure equity of funding for the Capital Improvement Plan. Equity is achieved when the beneficiaries of a project or service pay for it. For example, projects which benefit the general public as a whole are appropriately paid for by general tax revenues and/or general obligation bonds. Projects which benefit specific users are paid for by user fees, development fees, contributions and/or revenue bonds.

#### *Maintain sufficient reserves*

Five reserves protect the City's financial condition against unexpected economic challenges. An Economic Stabilization Reserve addresses key issues in difficult years; a Contingency Reserve covers unexpected revenue shortfalls or emergency expenditures; a Facilities Maintenance Reserve provides funding for emergency repairs and replacement of infrastructure equipment; a Self-Insurance Reserve indemnifies the City for property and liability risk; and a Solid Waste Management Reserve meets unpredictable costs associated with solid-waste disposal. Financial stability calls for other reserves to be established as resources allow.

### **Facilitate Responsible Development**

A 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 to government. Creative thinking and total community involvement will be necessary to preserve Scottsdale's lifestyle into the future.

#### *Identify true cost of service delivery*

A priority for the City in the coming year will be to conduct a comprehensive financial and operational analysis. This study will address all aspects of the City's finances, specifically costs of service delivery, capital improvement construction, and the overall impact of community growth. This analysis will provide the City with a much better picture of where revenues come from, how they are used, and how changes in a variety of activities (including land use planning, new development, levels of services, and differential rate structures) will impact the future fiscal health of Scottsdale. It will explore ways to pay for future infrastructure replacement costs, and ensure that new development consistently adds financial value to the community.

#### *Encourage community involvement*

Citizens' involvement is essential to addressing the impact of growth. We must continue to work in partnership with our citizens if we are to be successful in preserving Scottsdale's quality of life. Issues to be addressed in 1994-95 include: formulating policies relating to the Environmentally Sensitive Lands Ordinance; preserving the Sonoran Desert and McDowell Mountains; and assessing the impact of federal clean air mandates. All must be done with substantial public discussion and involvement.

## Position the Organization for the Future

The city continues to grow, placing greater demands on city government. Identifying new and better opportunities for service delivery is more important than ever. Organizational Effectiveness continues to work with departments to design and implement quality, continuous improvement and productivity systems. A citywide study of uniform contracting resulted in savings of over \$90,000; a study in the Police Department resulted in reallocation of staff and over \$40,000 in productivity improvements; and work redesign in Financial Services improved service delivery and communications. Quality improvement projects conducted by Organizational Effectiveness through January 1994 have resulted in over \$262,000 in direct and indirect benefits for the City. More importantly, skills are being transferred to accelerate improvement throughout the organization.

### Focus on the future

As the City of Scottsdale approaches the 21st century, organizational structure will need to adapt itself to an everchanging environment. Already we are preparing for the future by using cross-departmental and self-led teams to address key issues including diversity, workplace literacy and front-line service delivery. As part of this effort, all City departments and the City's first "Venture Team" are researching future opportunities in the areas of technology, work methods, multiyear budgeting and other programs to enhance the way we do business. Partnerships, privatization and continually challenging ourselves to do better will ensure the best possible future for Scottsdale.

### Examine organizational structure

We are working to flatten the City's organizational structure by authorizing only front-line service delivery positions and avoiding additions of supervisory personnel. The 1994-95 budget includes only

one supervisory position, a police communications supervisor. During the upcoming year all supervisory openings will be carefully reviewed before being refilled.

### Minimize internal service costs

The 1994-95 budget reduces our utility costs by \$300,000 and an energy-saving program is being developed. The energy-saving program will include education, physical efficiency changes and ongoing maintenance efforts to conserve energy and minimize costs. Equipment maintenance accounts have also been reduced (by 10 percent) to encourage staff to apply more competitive and innovative methods to expensive contracts.

### Embrace technology

This budget includes over \$2 million for computer technology. Funding is included for continued implementation of open systems and the geographic information system; technology upgrades and replacements throughout the organization, specifically targeting obsolete terminals and printers; and an imaging system for Customer Service information. The City is also working with NASA and ASU on new technology which will enhance our geographic information systems (GIS) capabilities. This is a continuing commitment to take advantage of technology, which will improve service delivery.

## Foster a More Collaborative Community

Perhaps the biggest challenge we face in this and future budget years is sustaining the livability of our city, something we were recognized for in 1993 by the U.S. Conference of Mayors when it named Scottsdale America's "Most Livable City." Long-term livability can be ensured only if we are able to look beyond the walls of city hall, create meaningful partnerships with all members of our community, and continually add value as we grow.

### Create partnerships

This budget supports several new partnerships. In fact, of the 56 positions being added, 44 will support Scottsdale's community policing effort and collaborate with Community Services staff on youth intervention programs. Positions will be added to open a second Citizen Service Center at 75th Street and Sweetwater; a third library (Palomino) at 124th and Via Linda; and a new North Senior Center. These facilities will also be supported by citizen volunteers.

### Promote volunteerism

With initiation of the City's "I'll Do It" volunteer program in 1993-94, we now have a reliable bank of citizen resources. These dedicated individuals contributed over 82,000 hours to their City in 1993; City boards and commissions contributed another 6,000 hours. And, in the universal spirit of volunteerism, City employees in 1993 donated over 63,000 hours of their own time to the community. The goal in 1994-95 is to increase volunteer hours, both inside and outside the organization, by at least 5 percent.

### Contribute financially

Another partnership we hope to see take off in 1994-95 is the City's Endowment Program. The success of this program is critical to our City's future livability. We must all contribute financially to projects and programs which benefit the entire community. This year citizens will have an opportunity to financially support priorities such as the preservation of the McDowell Mountains and the restoration and expansion of McCormick Railroad Park. The

*"The city continues to grow, placing greater demands on city government. Identifying new and better opportunities for service delivery is more important than ever."*

City this year will contribute \$50,000 to the McDowell Mountains Preservation Fund. In addition, we will commit up to \$200,000 from our operating contingency to match community donations to this fund. On a smaller scale, citizens' contributions-- from park benches to street lights-- will be encouraged and celebrated.

The 1994-95 budget has been developed in accordance with sound financial policies adopted to ensure fiscal integrity. The recommendations are designed to ensure our city's financial stability and prepare for a future where the role of government

is less certain. However, no matter what the future role of government, we feel confident that the strong communities will be those where citizens and their city work together, where government is everyone's business, and where citizens show love for their city by working endlessly to improve it.

A special thank you to everyone involved in preparing this budget: citizens, board and commission members, business owners and City staff. Scottsdale today is economically healthy, having just recorded one of the strongest retail sales and tourism years in its history. We hope for

future years just as strong, but we plan for revenues that pale in comparison to increasing demands. When we accept that government alone cannot sustain our financial future, we will begin to define a new role for our city - one where citizens work with their city to sustain livability. In doing so, we will ensure that Scottsdale remains America's "Most Livable City."

Respectfully submitted,

  
Richard A. Bowers  
City Manager

# Budget Overview

## Operating Budget

The City of Scottsdale's operating budget totals \$211.1 million, consisting of \$141.8 million in departmental (direct service) expenditures, \$47.8 million in debt service, and transfers-out totaling \$21.5 million. It is funded by operating revenues of \$198.6 million, transfers-in of \$11.2 million, and use of available prior-year carry-over of \$1.4 million; for total resources of \$211.1 million.

## Total Adopted Budget

The City's total adopted budget amounts to \$544.1 million which includes the operating budget of \$211.1 million, grant and trust activity of \$11.8 million, and the current portion of the Capital Improvement Plan of \$321.2 million.

## Where the Money Comes From

Scottsdale relies upon nine categories of resources to fund its operating budget. The operating revenue pie chart identifies the major sources of revenue which combine to fund the City's operating budget.

## Local Taxes

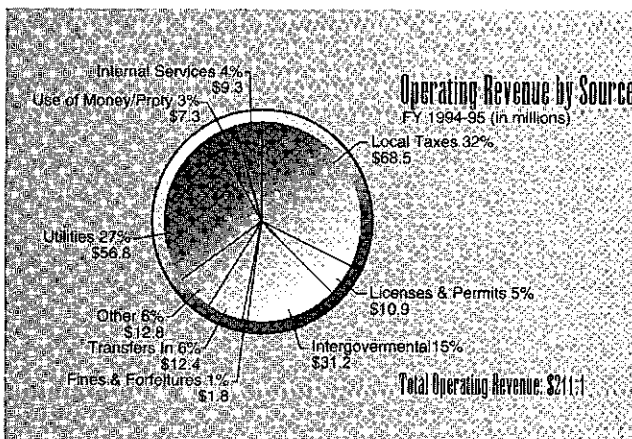
Local taxes, representing 32 percent of operating resources, are Scottsdale's largest source of revenue. They are comprised primarily of sales taxes (\$39.9 million), property taxes (\$20 million), and transient occupancy taxes (\$4.4 million), along with other franchise and in-lieu property taxes.

The local Scottsdale sales tax rate is currently 1.2 percent. The 1 percent portion is used for general governmental operations and the repayment of excise debt. The remaining .2 percent is restricted for transportation-related capital projects and as such is included as a resource in the Capital Improvement Plan budget. The City has experienced exceptional growth in sales tax collections, led in 1993-94 by construction up 25 percent, automobile sales up 25 percent, and hotel/motel rental activity up 21 percent.

Property taxes are divided into primary and secondary tax levies. The primary levy is used for general

governmental operations and annual increases in the levy are limited by statute to 2 percent plus allowances for new construction and annexations. The secondary levy is unlimited in growth but is restricted to repayment of general obligation bond principal and interest. Correspondingly, the increase in this revenue source is due in large part to increased debt service requirements for bonds sold to finance capital improvement projects approved in the 1989 bond election.

Scottsdale collects a 3 percent transient occupancy tax on hotel and motel room rentals (in addition to the sales tax). One-third of this tax is used to pay for general governmental operations. The other two-thirds are restricted for use for tourism and hospitality purposes, and pay for contracts to increase tourism and debt service for destination attractions. These revenues were up over 22 percent for 1993-94 but significant increases are not expected in 1994-95 due to decreasing vacancy rates.



Fiscal Year	Amount (\$ million)
1987-88	\$24,315,106
1988-89	\$25,816,238
1989-90	\$27,242,055
1990-91	\$27,803,826
1991-92	\$29,743,502
1992-93	\$32,883,245
1993-94 (budget)	\$34,696,831
1993-94 (est.)	\$36,796,831
1994-95 (est.)	\$39,907,065

*User Fees*

User fees (utilities), representing 27 percent of total operating resources, are the second largest source of revenue for the City. They are comprised of utility service charges (water, sewer and refuse, \$56 million) and airport enterprise use fees. User fees and charges are established to promote efficiency by shifting payment of costs to specific users of services and avoiding general taxation. Moderate rate increases are included to offset increasing operating costs, mandated environmental standard compliance, and capital infrastructure attributable to growth.

*Intergovernmental revenues*

Intergovernmental revenues include the state sales tax, income tax, auto in-lieu tax and transportation revenues, which are shared with cities and towns based upon population. Transportation revenues include the Highway User Revenue Tax (HURF) and Local Transportation Assistance Fund (LTAF - State Lottery) collected by the state. HURF revenues are distributed based in part on population and on county of origin; LTAF revenue is distributed based upon population, and city and town participation in LTAF revenue sharing was capped in 1989. Transportation revenues provide

only a portion of the City's operating transportation program needs, with the remaining transportation funding coming from other general governmental resources.

*Licenses and Permits*

Licenses and permits include revenue from various business licensing and permits, recreational fees, and all development-related permits and fees. This revenue category is experiencing exceptional growth due to the improving economy and related construction and development activity--up over 34 percent in 1993-94. Our forecast is for continued strong performance in 1994-95.

*Other*

"Other" revenue includes improvement district revenues paid by special assessment on property benefiting from requested capital improvements. These revenues are directly offset by debt-service payments for the construction of the capital improvements.

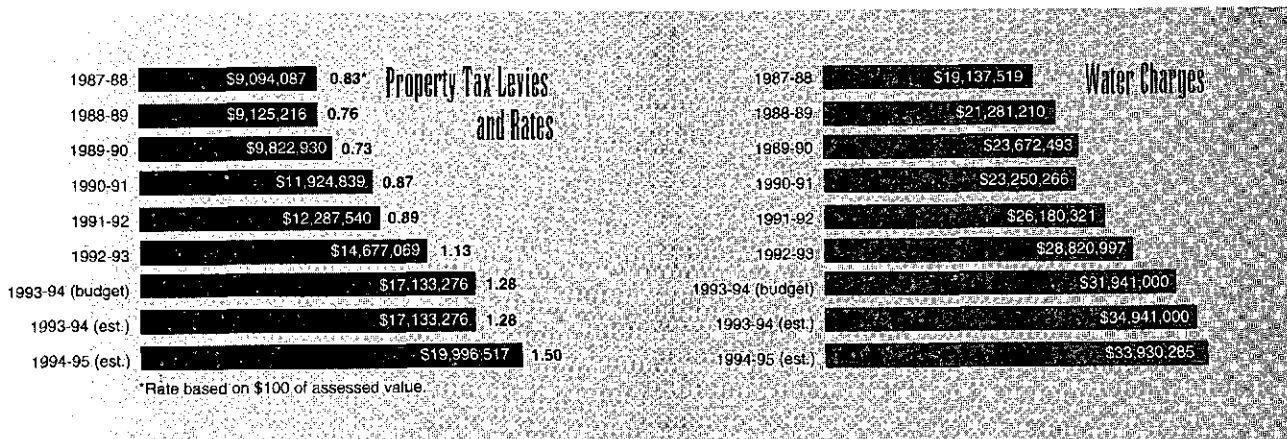
*Internal Transfers*

Internal transfers of fund balances constitute the remaining resource used to fund the 1994-95 operating budget. Transfers include committed funds from prior-year purchase orders rebudgeted, fund

reserves for facilities maintenance, solid-waste management and self insurance not expended from the prior year, and positive, unrestricted fund balance carryover from the prior year.

Improvement in the economy during 1993-94, led by sales tax and development activity, had a very positive impact on Scottsdale and our forecast is for this trend to continue strong through 1994-95. As a result of the development activity Scottsdale's population is expected to grow by over 8 percent in 1994-95. This growth also results in utility and enterprise operation service demand increases and related revenue growth. In spite of these encouraging trends, we believe the estimates used in developing 1994-95 revenue projections that vary directly with the economy, are conservative.

Revenue for 1994-95 is estimated to increase \$26.9 million over 1993-94--sales taxes (15.5 percent), permits and fees (34.2 percent), property taxes (16.7 percent) and user fees (6.6 percent). The increase in sales tax and fees and permits can be attributed to the improving economy, a strong retail sales tax base and strong development activity. Increases in property taxes and user fees are caused by growth and rate increases to fund voter-approved capital improvements.



# Adopted Operating Budget

Resources		Uses	
<b>Revenues</b>		<b>Departments</b>	
<i>Local Taxes</i>		General Government	\$13,436,295
Sales Tax	\$39,907,065	Police	24,621,063
Property Tax	19,996,517	Financial Services	8,275,403
Other	8,622,400	Transportation	4,325,103
Taxes from Other Agencies	21,488,762	Community Services	17,506,586
Transportation	9,679,000	Planning and Comm. Dev.	10,308,920
Licenses and Permits	10,906,200	Fire	8,477,653
Internal Service Charges	9,275,000	Water Resources	22,541,472
Fines and Forfeitures	1,797,945	Municipal Services	30,818,602
Use of Money and Property	7,254,468	Contingency	1,500,000
Utilities and Enterprises	56,791,413	Subtotal	141,811,097
Other Revenue			
Imprvmt. Dist. Assessments	11,703,282	Debt Service	47,819,953
Miscellaneous	1,163,000		
<b>Subtotal</b>	<b>\$198,585,052</b>	<b>Subtotal</b>	<b>\$189,631,050</b>
<b>Transfers-In</b>		<b>Transfers-Out</b>	
93-94 Encumbrance Rbudgets	4,000,000	Encumbrances/Expenditures	4,000,000
Fund Reserves		Pay-As-You Go Transfer to CIP	
Facilities Maintenance	500,000	from General Fund	2,525,000
Solid Waste Management	341,690	from Water & Sewer Fund	7,781,645
Self-Insurance	6,385,104	Reserve for	
1993-94 Fund Balance Carryover	1,352,643	Facilities Maintenance	500,000
		Solid Waste Management	341,690
		Self-Insurance	6,385,104
<b>Subtotal</b>	<b>\$12,579,437</b>	<b>Subtotal</b>	<b>\$21,533,439</b>
<b>Total</b>	<b>\$211,164,489</b>	<b>Total</b>	<b>\$211,164,489</b>

## Uses - Where the Money Goes

Scottsdale's operating expenditures are comprised of 10 separate departments, debt service, contingency funding and internal fund transfers.

The Operating Expenditures chart identifies operating expenditures by department, including debt service, operating contingency and reserves.

## By Department:

### Municipal Services

Municipal Services (\$30.8 million, the largest operating departmental budget), is responsible for refuse disposal, maintenance of city streets, municipal buildings, the City's motor vehicles, and implementation of the City's approved capital projects. Increases include operational funding for the new waste transfer disposal facility beginning January 1995; contract custodians to maintain new City facilities, to begin operation in 1994-95; the cost of purchasing and maintaining new and replacement vehicles; and addition of one position in the Signs and Markings Section to maintain current service levels and inventories.

### Police Department

The Police Department (\$24.6 million, the second largest departmental budget), handles general law enforcement, traffic accident investigations, undercover operations and surveillance, crime investigation, traffic enforcement and emergency management. The budget includes increases for enhanced traffic enforcement,

continued implementation of community policing objectives, and staffing for the new Justice Facility jail and the Police Training Facility.

### Water Resources

Water Resources (\$22.6 million) plans, manages and operates a safe, reliable water supply and wastewater reclamation system. Increases reflected in this budget include staffing, equipment and materials to replace failing polyethylene and galvanized service lines throughout the city over a 15-year period. This program was previously budgeted in the Capital Improvements Plan through a contractual arrangement. Also assumed in this budget are staffing reductions at Planet Ranch resulting from closure of the farming operations.

### Community Services

Community Services (\$17.5 million) plans, operates and maintains parks, recreation and library facilities; and provides recreation, leisure activities and social services. Increases in the Community Services budget support the operation of a new Senior Center at Scottsdale Ranch Park, the new Palomino Library, expansion of Civic Center Library, additional staffing at Paiute Community Center and Mountain View Park, and a new after school program for Scottsdale's middle schools.

### General Government

General Government (\$13.4 million) develops and implements policies and program alternatives. It promotes professional and organizational

development, and provides service to the organization as well as the community through effective communications. The budget includes a new position to augment staffing for the Citizen Service Center and funding to open a new service center at 75th Street and Sweetwater. Funding also includes energy efficiency improvements with offsetting savings reflected in the appropriate expenditure budgets; and an "Innovation" program to implement cost-saving ideas, the savings from which will continue the program.

### Planning and Community Development

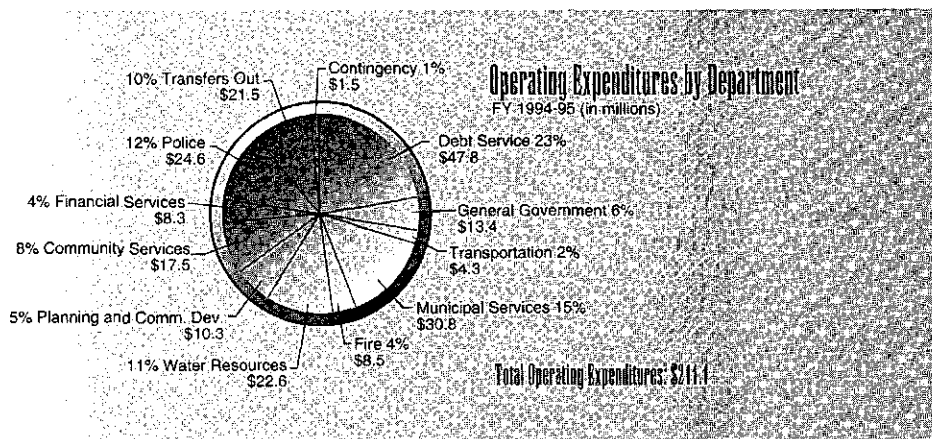
Planning and Community Development (\$10.3 million) ensures that land within the city is planned and developed for the general welfare of the community, manages City-owned real estate, administers the Community Development Block Grant (CDBG) program, enforces the City Code and administers the City's economic development program. Budget increases are in direct response to the considerable increase in development activity and related planning, permitting and inspection service requirements, and are offset by development revenue.

### Fire Department

The Fire Department (\$8.5 million) provides emergency medical service, public education, fire prevention and fire suppression. Fire services are contractually provided by Rural/Metro Corporation. Increases in this budget include funding for operation of a new fire station in the East Shea Boulevard area, addition of a plan reviewer to maintain service levels, and increases to the contract amount as required. Additional revenue, from an agreement to provide fire services to the Pavilions shopping center adjacent to the Scottsdale city limits, offsets a portion of the increase.

### Financial Services

Financial Services (\$8.3 million) provides basic financial services, controls, and processes to support the organization and maintain the financial integrity of the City. Increases



include one position in Utility Billing and a contractual water meter reader to support growth; an imaging system in Customer Service to replace the current microfiling of customer records and reduce the need for additional storage space; administration of the City's recently adopted alarm permitting and false-alarm ordinance to be funded from the revenue generated by the ordinance; and implementation of an automated system to allow customers the option to pay utility bills as a direct transfer from their checking or credit card accounts.

#### Transportation Department

The Transportation Department (\$4.3 million) provides a safe, well-designed street and drainage system, coordinates the various components of the city's mass transit system, and operates the Scottsdale Airport. Budget increases support expanded service on regional bus routes serving Scottsdale, increased frequencies on local circulation routes, and Saturday Dial-A-Ride service.

## Expenditures By Type

The Expenditures by Type chart identifies City operating expenditures for 1994-95.

#### Personal Services

Personal Services represents 30 percent of the operating budget and has increased by \$4.9 million, or 8.4 percent. Nearly 3 percent of the increase over the prior year is due to the addition of 59 full-time positions, most significantly 37 new full-time positions (34 in Police and 3 in Community Services) to emphasize public safety and youth, and 15 positions to staff new facilities. A commitment to our employees, our most important resource, by continuing to provide them competitive compensation and benefit programs is included. Continuation of Quality Plus, Scottsdale's pay-for-performance compensation program accounts for 3 percent of the total personnel service increase. In addition, a 2 percent salary adjustment is included for all

employees, based upon a market comparison study with other cities. The remaining portion of this increase is attributable to full-year funding for positions funded for only a portion of the prior fiscal year; and increased health plan and retirement system costs.

#### Contractual Services

Contractual Services, representing 27 percent of the operating budget, have increased \$4.9 million (9.4 percent). A significant portion of the contractual increase is for Rural/Metro fire services and the full year's funding of increased personnel to staff the new fire station in the East Shea area. Another significant increase is attributable to the increase in development activity requiring contractual services for planning, permitting and inspection services. Vehicle maintenance costs (internal service charges) have increased in relation to growth in fleet. Also included in this category are increases for transit service and expansion of Dial-A-Ride service to Saturdays.

#### Commodities

Commodities, representing 7 percent of the Operating Budget, include office supplies, chemicals to treat water, cost of purchased water, library books, fuel and oil for fleet vehicles, and repair supplies. Significant increases from 1993-94 include \$477,000 for chemicals primarily attributed to EPA clean-water requirements, anticipated fuel costs and increased fuel usage and increased

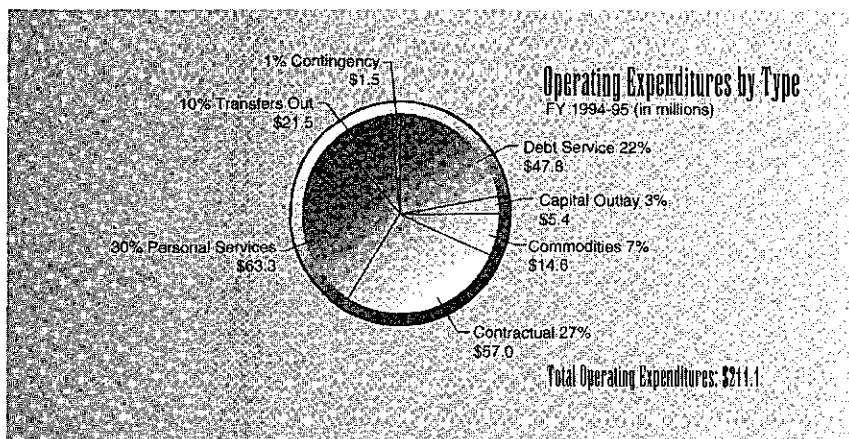
material costs related to the water service line replacement program.

#### Capital Outlay

Capital Outlay, represents 3 percent of the Operating Budget, and is comprised primarily of fleet replacement costs of \$3.1 million for over 80 depreciated vehicles and heavy equipment including five sanitation trucks and two fire engines. Total fleet capital costs also include \$729,000 for new-vehicle purchases for positions added. This expenditure category also includes \$715,416 for computer technology upgrades and replacements throughout the organization--specifically obsolete terminals and printers. This decision was made by City Council during 1993-94 as part of a continuing commitment to the City's technology management program.

#### Debt Service

Debt service, representing 22 percent of the operating budget costs, has increased by \$9.5 million (24.8 percent). \$6.4 million of this increase is improvement-district debt, whereby property owners elect to pay for the installation and construction of infrastructure such as streets, water, sewer, and drainage which benefits their properties. Improvement district debt is directly offset by revenue from special assessments on property benefiting from the improvement. The remaining debt increase reflects the continuation of the voter-approved bond program and includes the benefit of nearly \$500,000 in bond refunding savings and lower interest rates.





*Transfers Out*

Transfers Out, includes allowance for purchase commitments made in 1993-94, but which had not yet resulted in payments to vendors, and transfers to the capital program of other general governmental, water and sewer resources to be used for capital infrastructure.

## Fund Balances - Reserves

Fund balance represents Scottsdale's net difference between financial resources and uses. Growth of fund balance occurs when revenues exceed expenditures. Fund balances are similar to an enterprise's net equity and should only be used for nonrecurring (non-operational) expenditures since once spent they are only replenished by future-year resources in excess of expenditures.

Much of Scottsdale's fund balances are reserved to protect the City from financial adversity. Specific reservations include: an Economic Stabilization Reserve to offset revenue sources most vulnerable to changes in the economy; a Debt Service Reserve for payment of debt principal and interest; a Self-Insurance Reserve to indemnify the City against property and liability risk; a Solid Waste Management Reserve to meet unpredictable costs associated with solid-waste disposal; and a

Facilities Maintenance Reserve for repair or replacement of public building infrastructure equipment (HVAC, roofing, etc.). An unrestricted fund balance represents that portion of a fund not restricted for specific purposes and is available for appropriation (budget). The chart below identifies reserves and unreserved portions of the total estimated fiscal year-end fund balance.

Positive changes to fund balance since 1993-94 are attributable to improved revenues, expenditure savings from the prior year, Municipal Property Corporation (MPC) and Highway User Revenue Fund (HURF) bond-refunding savings.

*Economic Stabilization*

The Economic Stabilization Reserve was established to offset revenues vulnerable to downturns in the economy. The reserve has been increased from \$7 million to \$9 million for 1994-95 as a result of the healthy economy. The ultimate goal for the Economic Stabilization Reserve is 9-10 percent of general governmental operating expenditures. The 1994-95 budget contains no budget appropriation for this reserve.

*Self Insurance*

Self-Insurance Reserve increases by \$2 million in 1994-95. This reserve

was reduced in 1992-93 due to a large liability payment and it must be restored to preserve our financial stability. The City adds the cost of involuntary tort judgments to the primary tax levy, as allowed by statute, and subsequent revenues will replenish this reserve to its actuarially determined level.

*Facilities Maintenance*

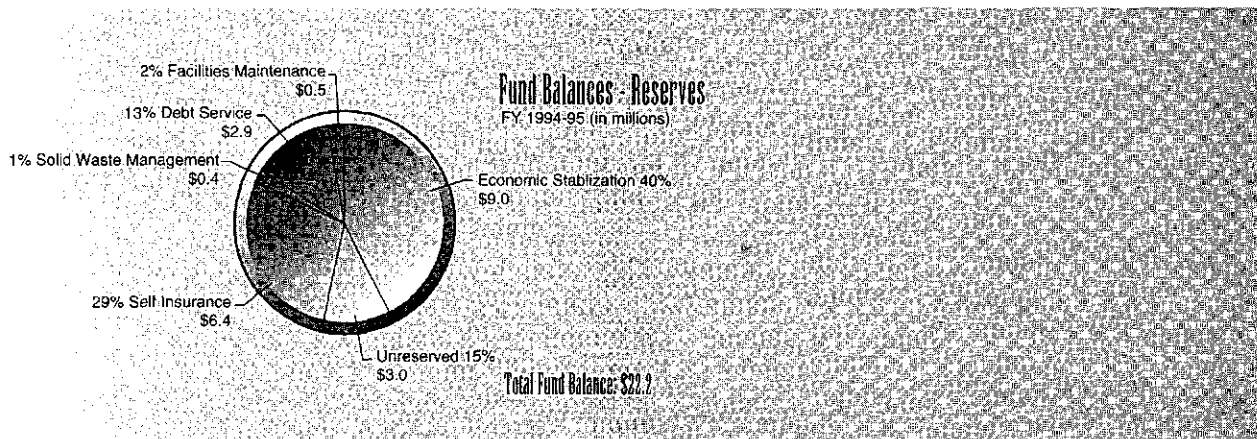
Facilities Maintenance Reserve was established in 1993-94 to further protect the City from unexpected economic challenges. This reserve was established for infrastructure equipment repair and replacement (HVAC, roofing, etc.) and was increased to \$500,000 for 1994-95.

*Solid Waste*

Solid Waste Management Reserve increases slightly in 1994-95 (by \$76,000) to meet unpredictable costs associated with solid-waste disposal. The opening of the City's Waste Transfer Facility will also mitigate these costs.

*Debt Service*

Debt Service Reserve decreases in 1994-95 by \$184,000 due to payment of interest on monies loaned for the stadium expansion.



## Staffing

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

The 1994-95 budget increases staffing by 59 full-time and 33 part-time positions. Thirty-four positions support public safety through enhanced traffic enforcement and continued implementation of community policing objectives. Fifteen positions staff new facilities including a jail in the Civic Center Justice Facility, Civic Center Library Expansion, Palomino Library, North Senior Center at Scottsdale Ranch Park, and a new Citizen Service Center at 75th Street and Sweetwater. Other positions support youth programs, code enforcement, water service line replacement, and the street signs and marking section of Municipal Services.

The emphasis in 1994-95 is to provide resources for a collaborative effort for Police and Community Services to address public safety and related youth issues identified in the Citizen's Survey. Additionally, contractual funding was allocated to address growth needs in Development Services and other maintenance areas. An effort was made to flatten the City's organizational structure by authorizing only front-line service-delivery positions and avoiding additions of supervisory personnel.

The full-time employees per capita have actually decreased since 1993-94--from 9.03 per 1,000 citizens to 8.67 for 1994-95. This change is based upon our estimates of population growth from 154,760 citizens in 1993-94 to 167,590 citizens in 1994-95.

## Five-Year Forecast

The five-year forecast is a tool for intermediate-range financial planning and policy development. Two benefits of the five-year forecast are to continue our emphasis on strategic planning and to identify the capacity of the City to fund forecasted operating expenditures (fiscal capacity). The forecast is not intended to be an exact prediction of what each department will spend over the next five years.

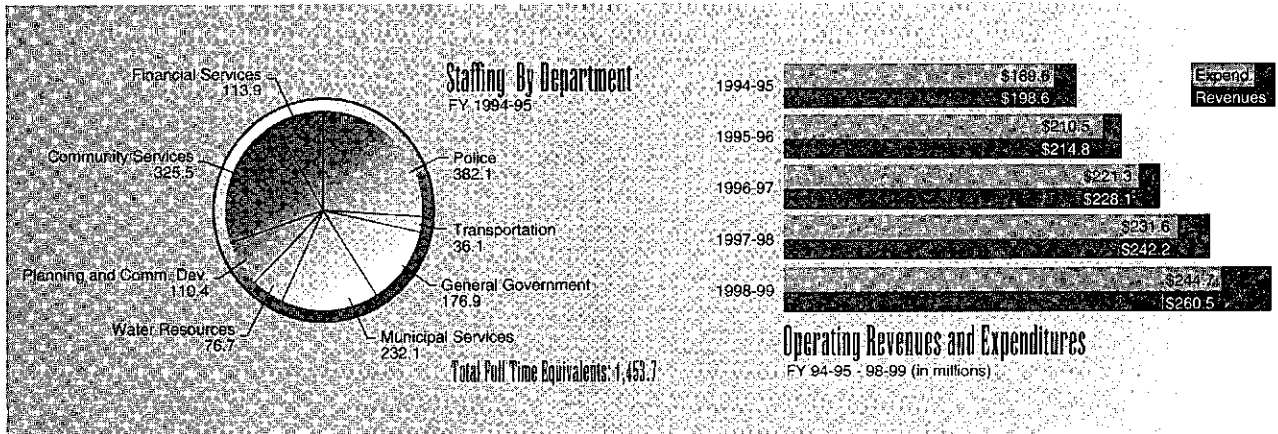
Revenue estimates are based upon historical data and econometric forecasting models. Expenditures have been conservatively estimated and include increases for changes in the consumer price index and to maintain current service levels. The forecast projects revenue growth to support current service levels. However, the difference between anticipated revenues and expenditures provides little cushion (fiscal capacity) to address growth, operating costs from completed CIP projects, capital project lifecycle costs or new service demands.

City departments submitted five-year forecasts as part of the 1994-95 budget process based upon three assumptions:

- 1) Growth issues requiring additional resources;
- 2) Operating issues of funded CIP projects expected to be completed during the forecast period; and
- 3) Issues of new services anticipated to begin during the forecast period.

These submissions are intended to provide forecast data for discussion of strategic fiscal planning and policy development for the next several years. This information will be used to develop a multiyear balanced-budget plan to be reviewed annually, per our financial policy.

As the City continues to grow it will be imperative for us to position the organization to meet the increasing demands. A multiyear balanced budget requires revenue assumptions and forecasts of available resources to be continually updated. In conjunction, alternatives for dealing with operational growth, CIP and new service impacts need to be considered, including: new revenue sources, use of contractual services, volunteers, service level changes and/or trade-offs of personnel with other programs.



## Capital Improvement Plan

The City's total budget appropriation is comprised of two segments: the 1994-95 operating budget and the 1994-95 capital improvements budget. 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 improvements 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 1994-95 capital budget totals \$321.2 million, and includes unexpended funds for prior projects not yet completed (\$222.3 million), funding for new projects or later phases of previously authorized projects (\$81.7 million), and contingency funding (\$17.2 million).

All potential capital funding resources are evaluated to ensure equity of funding for the Capital Improvement Plan. Equity is achieved if the beneficiaries of a project or service pay for it. For example, projects which benefit the general public as a whole are

appropriately paid for by general tax revenues and/or general obligation bonds and projects which benefit specific users are paid for by user fees, development fees, contributions and/or revenue bonds. Other factors considered when funding the capital plan are whether the financing method provides funding when needed, and financial costs associated with the funding source.

The 1994-95 capital budget uses funding from the 1989 and 1992 voter-approved bonds. These funds, together with special assessment and Municipal Property Corporation bonds, provide the bond-funded portion of the plan. The remaining sources are pay-as-you-go revenues.

The largest funding source, representing 55 percent of the City's capital budget, is bonds. The remaining funding is comprised of operating budget transfers, water and sewer development fees, the transportation portion of privilege taxes (.2 percent), contributions, and other sources. City capital management policy requires that pay-as-you-go financing should account for at least 25 percent of all capital improvement projects for each five-year period. The Capital Improvements Plan is comprised of seven major programs: Transportation, Improvement Districts, Drainage and Flood Control, Water and Wastewater, Community Facilities, Service Facilities, and Public Safety.

The 1994-95 CIP plan reflects the City's commitment to its water and

wastewater program and to compliance with the 1980 Groundwater Code and future federal mandates. Accordingly, the emphasis is on reclaiming and storing water and treated wastewater for underground recharge, and decreasing consumption of groundwater.

Water and wastewater program highlights include:

### *Water Quality Federal Mandates (\$31,004,700).*

The 1994-95 - 1998-99 CIP budget contains estimated costs to perform studies and design and construct facilities required to comply with the federal Environmental Protection Agency's drinking water standards expected to be adopted by fiscal year 1997-98.

### *Scottsdale Water Campus (\$79,844,700).*

The Water Campus will be comprised of the advanced water treatment plant, regional wastewater reclamation plant, collection system, and initial recharge and recovery system. The two plants will enable the City to treat wastewater and redistribute treated water to 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.

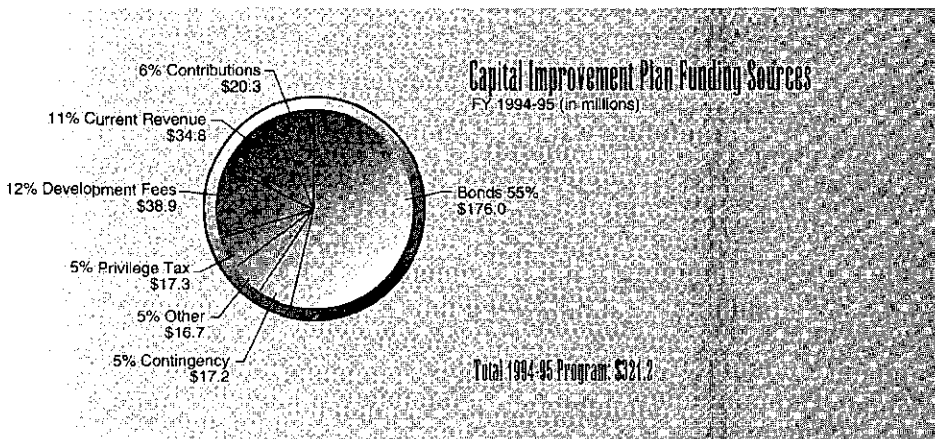
### *SRP Filtration Plant (\$18,818,000).*

The SRP Filtration Plant will enable the City to treat SRP water currently being treated by the City of Phoenix. This plant is now in the predesign phase with construction estimated to be complete in fall 1997.

Transportation program highlights include:

### *64th Street Widening and Extension (\$9,600,000).*

Designs for the buffering and widening of 64th Street will be complete by fall 1994, and construction will begin



in late 1994. Community involvement in this project is extremely important.

*McDowell Road/Granite Reef Road to Pima Road (\$2,109,200).*

Widening McDowell Road from Granite Reef Road to Pima Road has been accelerated from fiscal year 1995-96 to 1994-95 to meet the needs of additional traffic from the Pima Freeway. The Arizona Department of Transportation estimates that the Pima Freeway will be complete to Thomas Road in 1996.

*Pima Road Improvements (\$14,750,000).*

The west side of Pima Road from McDowell Road to Via Linda will be buffered with a soundwall and landscaping. Final design of the buffering will be complete by summer 1994, and buffering will begin in late 1994. Construction of the road widening is scheduled to begin in fiscal year 1995-96.

*Shea Boulevard from 124th Street to 136th Street (\$4,700,000).*

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 1995. The remaining section, from 136th Street to 144th Street, has been scheduled for fiscal year 1996-97.

*Multimodal Transportation Center (\$3,000,000).*

A multimodal transportation center will be located near the historical Toloma School. The transportation center will be a transit hub for all types of transportation, including buses, taxis, hotel and motel shuttles, trolleys, and horse-drawn carriages. This project will be funded approximately 80 percent from Federal Transit Authority grants, with the City's portion estimated to be \$600,000. Design will begin in 1994-

95 with construction to follow late in 1994-95.

Other 1994-95 program highlights are:

*Regional Drainage System North of Central Arizona Project (CAP) Canal (\$56,660,900).*

The City will continue preliminary design for the construction of the Pima Road, Reata Pass Wash and Rawhide Wash 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.

*Library Expansion (\$11,785,500).*

Construction of the Civic Center Library expansion is well under way. 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.

*Canal Bank Improvements (\$6,360,700).*

Concept proposals for private improvements to the canal bank between Scottsdale Road and Goldwater Boulevard have been received by the City and are being evaluated. City funding will be used to supplement private development activity in the area.

*Solid-Waste Transfer Station (\$2,500,000).*

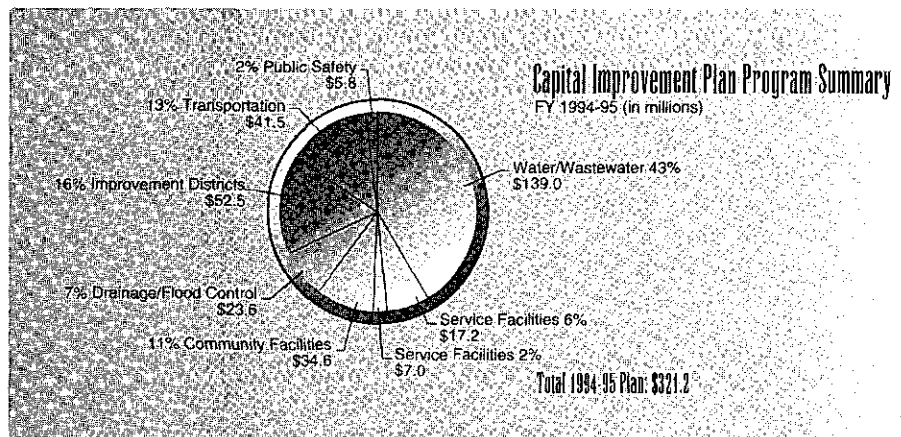
The construction of a Solid Waste Transfer Station will allow Scottsdale to consolidate solid waste prior to transferring it to a landfill. The trans-

fer station is being designed to handle 400 tons of solid waste per day.

*Police/Fire Training Facility (\$2,717,000).*

Construction is under way on the new Police/Fire Training Facility and completion is scheduled for 1995. 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.

A significant portion of the Capital Improvement Plan is funded by general obligation bonds and the associated debt service is paid by the secondary property tax levied upon assessed value. Since the 1989 bond authorization election, the City's assessed valuation has experienced cumulative growth of 5 percent. When the 1989 bond authorization was promoted, our projection based on historical assessed valuation growth was for increases totaling over \$1 billion or an 82 percent increase during this same period. In order to continue the capital plan as promoted in 1989 and remain within our legal bonding capacity, some elements of our capital improvement plan have been delayed, and tax rates have been increased to compensate for the lower assessed value of property. Projections for assessed valuations are once again negative for 1994-95 and all projects within the Capital Improvement Plan not already under construction were evaluated in terms of public needs and the fiscal impact upon property tax rates.



As a result of the declining assessed valuations, construction delays were recommended in 1993-94 and 1994-95 in order to limit the increase in the secondary property tax. The following projects were delayed:

*McDowell Road*

Granite Reef to Pima Road  
From: 1993-94  
To: 1994-95

*Scottsdale Road*

Indian Bend to Gold Dust  
From: 1994-95  
To: 1996-97

*Scottsdale Road*

Mercer to Sutton  
From: 1993-94  
To: 1996-97

*Shea Boulevard*

136th Street to 144th Street  
From: 1993-94  
To: 1996-97

*Indian School Road*  
64th Street to 68th Street  
From: 1993-94  
To: 1996-97

*Indian School Road*  
West Couplet to Hayden Road  
From: 1994-95  
To: 1995-96

*Marshall Way*  
Indian School Road Improvements  
From: 1995-96  
To: 1997-98

*Horizon Park*  
(Community Center Only)  
From: 1993-94  
To: 1995-96

*Stonegate Park*  
From: 1993-94  
To: 1996-97

This plan dedicates an additional four years of the transportation portion of privilege tax (.2 percent) to the 1989 bond program (through 1997-98). If this strategy were not used, the projects would be delayed an additional two to three years.

As capital improvement projects are completed, the operation of these facilities will be funded in the Operating Budget. The operating costs for 1994-95 have been included in the appropriate department budgets. The estimated increase in operating expenses over the next five years, due to completed capital improvement projects, is as follows:

Fiscal Year	Operating Costs
1994-95	\$ 1,097,800
1995-96	4,765,600
1996-97	5,787,700
1997-98	14,581,000
1998-99	14,854,200
<b>Total</b>	<b>\$41,086,300</b>

## Capital Improvement Plan Summary

1994-95 through 1998-99 (in thousands)

	Prior Years	1994-95	1995-96	1996-97	1997-98	1998-99	Total Program
<i>Resources</i>							
Bonds	130,499	45,460	26,501	20,933	13,425	8,083	244,901
Pay-As-You-Go	91,783	336,254	22,202	25,053	36,485	6,765	218,542
Contingency		17,183					17,183
<b>Total Resources</b>	<b>222,282</b>	<b>98,897</b>	<b>48,703</b>	<b>45,986</b>	<b>49,910</b>	<b>14,848</b>	<b>480,626</b>
<i>Program Expenditures</i>							
Transportation	30,703	10,829	16,219	14,816	5,345	3,516	81,437
Improvement Districts	26,888	25,625					52,513
Drainage/Flood Control	11,446	12,112	11,626	16,823	7,738	4,823	64,568
Water/Wastewater	120,794	18,135	18,919	13,011	36,491	6,452	213,873
Community Facilities	22,158	12,423	1,939	992	327	57	37,895
Service Facilities	4,778	2,228					7,006
Public Safety	5,444	362		341			6,151
Contingency		17,183					17,183
<b>Total Expenditures</b>	<b>222,282</b>	<b>98,897</b>	<b>48,703</b>	<b>45,986</b>	<b>49,910</b>	<b>14,848</b>	<b>480,626</b>

## Impact on Citizens: User Fees

Mandated environmental-standard compliance costs, increased operating costs, and infrastructure costs attributed to population growth, have resulted in user-fee increases in the 1994-95 operating budget. The City charges these monthly user fees for utilities based on customer usage. The three utilities the City maintains and their corresponding rate increases are:

### Water

Charges are 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 5.5 percent are:

- EPA mandated implementation of the Information Collection Rule for Disinfection Byproducts.
- Debt service required to pay for water projects approved by the voters in the capital improvements plan.
- The City's required revenue-to-debt ratio which ensures Scottsdale's high bond rating and a balanced pay-as-you-go capital improvement plan.

The average monthly customer bill is estimated to increase \$1.76.

### 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 10 percent are:

- Increased operating costs at the 91st Avenue Wastewater Treatment Facility (which treats the majority of wastewater produced in Scottsdale) to comply with a federal permit and state standards

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 monitor a greater number of businesses and chemicals.

The average monthly customer bill increase is estimated to be 75 cents.

### Sanitation

Charges are for pickup of solid waste, and consist of a fixed monthly charge for each residential customer, and a charge based on size of container and number of pickups for each commercial customer.

The major factors necessitating a refuse rate increase of 5 percent are:

- Increased costs of hauling solid waste to an EPA-approved landfill.
- Debt service for the solid-waste transfer facility and operating costs.

The monthly residential customer bill will increase by 50 cents.

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

Fiscal Year	Water	Sewer	Sanitation
1994-95	5.5%	10.0%	5.0%
1995-96	5.5%	10.0%	5.0%
1996-97	5.5%	10.0%	5.0%
1997-98	5.5%	10.0%	2.0%
1998-99	5.5%	10.0%	2.0%

## Impact on Citizens: Property Taxes

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

Primary property tax is used to pay for general governmental operations and is limited to a 2 percent increase per year, plus an allowance for annexations and new construction and the cost of involuntary tort judgments, as allowed by state statute. A primary tax rate increase of eight cents per \$100 of assessed value is needed to offset increased operating costs attributable to price changes and growth, and an increase in torts.

### Secondary Property Tax

Secondary property tax pays only for general bonded debt obligations of the City. A secondary rate increase of 10 cents per \$100 of assessed value is needed to offset debt service costs associated with the capital improvements plan approved by citizens in 1989 and 1992.

Property taxes are projected to increase in accordance with the following schedule to offset increasing operating costs and fund debt service for general obligation bonds related to the City's capital improvements plan. The 1994-95 annual property tax bill for a home assessed at \$100,000 is estimated to be \$149.97.

FY	AVG*	Primary	Secondary	Combined
94-95	0.0%	\$ 0.61	\$ 0.89	\$ 1.50
95-96	0.0%	0.56	0.98	1.54
96-97	1.0%	0.56	1.05	1.61
97-98	1.0%	0.57	1.16	1.73
98-99	1.0%	0.57	1.15	1.72

\* Assessed Value Growth

## Simply Better Service

At its core, the City of Scottsdale is a full-service organization providing its citizens with quality services — police protection, refuse collection, water delivery, recreational amenities, well-maintained streets and careful planning and community development. Internal services include accounting, centralized purchasing, information systems, communications and public affairs, human resources, capital project management and legal services.

City employees and volunteers operate under a vision of “Simply Better Service,” supported by seven values which form the foundation for providing quality service to citizens:

- Respect the Individual;
- Value Diversity;
- Be a Team Player;
- Commit to Quality;
- Risk, Create, Innovate;
- Listen, Communicate, Listen; and
- Take Ownership.

These values are widely communicated and reinforced organizationwide.

The City of Scottsdale’s Total Quality effort is an evolving process rooted in a citizen-driven, citywide commitment to quality. Actions designed to improve quality include: forging meaningful partnerships in all service areas; removing levels of bureaucracy; continuously seeking citizen (customer) input to formulate organizational goals and priori-

ties; and improving performance measures to reflect meaningful and useful information.

### Partnerships

Partnerships have been the foundation for providing quality services to Scottsdale citizens for over 20 years. Partnerships have been forged between the City and its citizens, neighborhoods, business community, schools and other governmental agencies. Following are examples of Scottsdale’s most recent and notable partnerships:

- **Scottsdale Visioning:** This effort culminated in 1993 with the Scottsdale Shared Vision Report — a document that charts the future course of the community. Fueled by the dreams and hard work of over 1,000 volunteer citizens, it focuses on four key themes — preserving Scottsdale’s Sonoran Desert environment, enhancing Scottsdale’s resort image,

fostering the arts, and continuing to attract the medical industry to Scottsdale.

- **Downtown Redevelopment:** This collective effort with downtown commercial and retail businesses is aimed at proactively revitalizing the downtown area before it can deteriorate. In recognition of this plan, the City of Scottsdale received the prestigious First Place in the 1993 City Livability Awards competition at the 61st Annual U.S. Conference of Mayors.
- **Citizen Service Center:** Scottsdale’s first Citizen Service Center opened at Los Arcos Mall in November 1993. A rent-free partnership with Los Arcos Mall allows the City to provide services previously available only in the main City Hall and Civic Center complexes. Citizens can access their “City Hall in the Mall” every weeknight until 9 p.m., and on weekends. Winner of the



*Scottsdale’s first satellite Citizen Service Center, located at Los Arcos Mall (1315 N. Scottsdale Road), integrates city government with the community, maintains neighborhood stability and provides city services during convenient mall hours, including evenings and weekends.*

1994 "Community Vision Weaver" award presented by the Community Forum and Phoenix Newspapers, Inc., the center was recognized as an innovative approach to providing government services that will have a lasting community impact.

- "I'll Do It!" Volunteer Program: The ultimate partnership is the City working side by side with citizens to provide services. Participants in the City's "I'll Do It!" volunteer program contributed over 82,000 hours of their time to their City in 1993. In addition, City employees donated over 63,000 hours of time to their community.
- Community Policing: The Scottsdale Police Department is working in partnership with neighborhoods and citizens to solve public safety related issues. This effort includes a Citizens Police Academy designed to increase public understanding of police operations. In June 1993, the first Hispanic Citizens Police Academy was conducted, providing yet another opportunity to overcome traditional barriers.

- Neighborhood Revitalization: This effort includes two high-profile programs that are the direct result of citizen input. One is the Friendly Enforcement Program which resolves zoning and code violations through education and communication. It won the State and Local Government Award from the John F. Kennedy School of Government at Harvard University. The Graffiti Removal Program pairs City employees with citizens to remove graffiti immediately. The City provides paint and supplies to homeowners and businesses to remove graffiti.

*Removing Levels of Bureaucracy*  
A key element of managing for quality lies in the organization's ability to support quality and the systematic removal of structures, rules and processes which impede the City's ability to provide quality services in a timely fashion. In 1993-94, several initiatives resulted in improved service delivery.

- Venture Team: Increasing efficiency, cutting costs and better serving Scottsdale's citizens were the goals of the City's first Venture Team. Three members of the City's executive team left their regular positions for six months to develop a

"Blueprint for Change" — a plan which includes a more flexible and fluid organizational structure; a set of 11 organizational principles to guide behavior and decisions; re-engineering to foster change in workflow processes.

- Park-Incubator Project: Scottsdale Ranch Park was chosen as a site to pilot mission-driven budgets; self-led management teams; and an entrepreneurial approach to the business of government.
- Streamlining Procurement: By issuing individual credit cards to field employees for small commodity purchases, processing costs for approximately 3,000 purchase requisitions per year are eliminated, saving \$40 to \$60 per transaction.
- Electronic Utility Bill Payments: The City sends itself approximately 375 utility bills each month. By implementing simple electronic bill-payment, the City will save an estimated \$16,000 per year.
- Competition for Technology: A project team is exploring alternatives to the City's in-house information systems. Such comparisons may result in competing alternatives to internal, as well as direct services and ensure efficient pricing.



*The Scottsdale Visioning process culminated in 1993 with the Scottsdale Shared Vision Report — a document that charts the future course of the community.*



- **Electronic Access to Bid Documents:** The City generates hundreds of public bids each year and thousands of bid documents are mailed to prospective bidders. This improvement will publicize the City's requests for bids or proposals via computer, allowing interested bidders to receive and respond to the documents electronically. Once fully implemented, it will save thousands of dollars in paper, printing and mailing costs.

*Citizen Input*

Scottsdale has a rich tradition of citizen involvement. Such an active citizenry has resulted in award-winning amenities like the Civic Center Mall, Indian Bend Wash and new Scottsdale Stadium.

- **Boards & Commissions:** Several new boards and commissions were created in 1993-94 to expand citizens' involvement in city government. Citizens were appointed to serve on the McDowell Sonoran Preserve Commission; Endowment Advisory Board; Environ-

mental Quality Advisory Board; Scottsdale Housing Board; International Relations Commission; and Neighborhood Enhancement Commission.

- **Scottsdale Shared Vision Report:** Scottsdale citizens completed an 18-month process involving more than 1,000 residents to create the Scottsdale Shared Vision Report — which represents the voice of Scottsdale's citizenry in terms of expectations and goals for the future of the community. A number of 1994-95 budget priorities support "visioning" goals, including preservation of the McDowell Mountains and Sonoran Desert; the opening of a second citizen service center at 75th Street and Sweetwater; and funding for a comprehensive financial and oper-

ational analysis to identify the true cost of service delivery.

- **Scottsdale Citizen Survey:** The annual Citizen Survey measures the level of citizens' satisfaction with City services and compares the results over a four-year period. The survey is based on a random sample of 400 adult heads of household. Results are used to set priorities for the coming year. In 1994, citizens gave their City a 95 percent overall rating of approval.
- **Citizens Budget Review Committee:** Composed of representatives from the community, this committee provides a citizens' perspective on the budget and ensures that the needs of the community are understood and addressed during the budget process.



*In 1993, the United States Conference of Mayors presented Scottsdale with its first place Livability Award for cities with populations over 100,000.*

*Measuring Performance*

Scottsdale constantly seeks to improve the quality of services to its customers. This quest includes learning what other leading public and private organizations are doing and comparing the quality and cost of services.

- **Performance Indicators:** The organization recognizes the need to continuously improve its performance measures to reflect effectiveness and efficiency in service delivery. The City surveys customers to continually revise performance measures. The departmental summaries include performance indicators for key service areas.
- **The Quality Dividend:** Employees have a goal to return a one percent quality dividend to citizens. This dividend, the result of quality improvements within each department, is the equivalent of one percent of the City's operating budget. Contributions to the City's quality dividend in 1993-94 are highlight-

ed as "Results and Outcomes" throughout the departmental summaries which begin on page 25.

*A Most Livable City*

In 1993, the United States Conference of Mayors presented Scottsdale with its first place Livability Award for cities with populations over 100,000. As one of only 14 U.S. cities ever to receive this recognition, Scottsdale was selected for its commitment to quality of life as reflected in its downtown redevelopment plan and 1989 bond program.

Other 1993-94 accomplishments include:

- City Manager Dick Bowers was presented with a 1994 "Community Vision Weaver" award for his role in opening Scottsdale's first Citizen Service Center at Los Arcos Mall. The award is presented annually by the Community Forum and Phoenix Newspapers, Inc.
- Scottsdale Airport was named "1994 Arizona Airport of the

Year" by the Arizona Department of Transportation's Aeronautics Division for its relationship with surrounding residents and businesses, its physical facilities and for the way it is managed.

- Scottsdale received "Keep America Beautiful" certification for its "Take Pride in Scottsdale" program.
- Scottsdale received two Valley Forward Awards for Environmental Excellence. The City's "Environmental Guidebook for Development" won an Award of Merit in the public media category. The second award went to Cholla Park, the City's new 15-acre neighborhood park at Frank Lloyd Wright Boulevard and Via Linda.
- The City's Superfund Task Force was presented with a National Association of Government Communicators' Award of Excellence for its public information program informing citizens about Scottsdale's Superfund cleanup.

## 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 can be evaluated. Publicly

*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 can be evaluated.*

adopted financial policies show the credit-rating industry and prospective investors (bond buyers) the City's commitment to sound financial management and fiscal integrity.

Financial policies also help City officials plan fiscal strategy with a consistent approach. Adherence to sound financial policies leads to improvement in

City bond ratings and lower cost of capital. The City is currently in compliance with the comprehensive financial policies adopted with this budget.

### Operating Management Policies

- Current revenues will be sufficient to support current expenditures.
- Current operating expenses will not be funded by debt issuance.
- User fees will be examined annually to ensure that they recover all direct and indirect costs of service, unless full recovery would be excessively burdensome on citizens receiving service, and less than full cost recovery is approved by the City Council. Rate adjustments for enterprise operations (Water, Sewer, Sanitation, and Airport) will be based on five-year fund plans.

- Development fees for 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. 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 operation and replacement of vehicles.
- Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecasts will encompass five years and be updated annually.
- Comparisons will be made to ensure that quality services are provided to our citizens at the most competitive and economical cost. Departments will identify all activities which can be provided by another source and review options/alternatives to current service delivery. The review of service delivery alternatives will be performed continually.
- Cash and investment programs will be maintained in accordance with the City Charter and adopted investment policy to ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.

### Capital Management Policies

- A five-year capital improvement plan will be developed and updated

annually, including anticipated funding sources.

- Capital improvement lifecycle costs will be coordinated with the development of the Operating Budget. Future operating, maintenance and replacement costs associated with new capital improvements will be included in the operating budget.
- Pay-as-you-go financing should account for a minimum 25 percent of all capital improvement projects for each five-year planning period.

### Debt Management Policies

- General Obligation debt will be supported by property tax revenues and grow in proportion to the City's assessed valuation or community-acceptable property tax rates. Other forms of debt (e.g. water, sewer) will also be utilized if supported by dedicated revenue sources (e.g. fees and user charges).
- Municipal Property Corporation, contractual, and general revenue-supported debt, will be utilized only when a dedicated revenue source other than excise tax (e.g. sale of City real property) can be identified to pay debt service.
- General governmental debt service (GO, MPC and HURF debt not inclusive of self supporting revenue bonds or improvement district bonds) should not exceed 25 percent of the City's operating budget, to ensure expenditure flexibility.
- Community facility district and special assessment improvement district debt will be permitted only when the ratios of full cash value (prior to improvements being installed) to debt, are a minimum of 3/1 prior to issuance of debt, and 5/1 or higher after construction of improvements. These ratios will be verified by an appraisal paid for by the applicant

and administered by the City. In addition, the City's cumulative improvement-district debt will not exceed 5 percent of the City's secondary assessed valuation. The landowner/developer shall also contribute 25 cents in public infrastructure improvement costs for each dollar of public infrastructure improvement debt to be financed by the district.

- Financing should not exceed the useful life of the infrastructure improvement, with the average (weighted) bond maturities at or below 10 years.
- A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the City's ability to pay short-term obligations.
- Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets our bond indenture requirement of 1.2/1. The City's goal will be to maintain the ratio of utility revenue to debt service ratio at 1.8/1 to ensure debt coverage in times of revenue fluctuations attributable to weather or other causes and to ensure a balanced pay-as-you-go capital improvements plan.
- Bond interest earnings will be limited to funding changes to the bond-financed capital improvements plan, as approved by City Council, or be applied to debt service payment on the bonds issued for construction of this plan.

*Reserve Policies*

- An Economic Stabilization Reserve will be maintained as part of the General Fund balance to offset operating revenue sources which are most susceptible to

changes in the economy. The ultimate goal is for the Economic Stabilization Reserve balance to be a minimum of 10 percent of annual general governmental (General/HURF funds) operating expenditures.

- A Facilities Maintenance Reserve will ensure adequate funding for infrastructure repair and operating equipment replacement (HVAC, roofing, etc.).
- Contingency reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety.
- 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 will be retained on an annual basis in order to recommend appropriate funding levels.
- Solid-Waste Management Reserve to be determined annually will 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 conformity with generally accepted accounting principles (GAAP), and the 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).
- The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance-related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potential for misleading inferences.
- The City's CAFR will also be submitted to the National Federation of Municipal Analysts (NFMA) Awards Program and to national repositories identified by the NFMA as a continuing commitment to disclosure thoroughness to enable investors to make informed decisions.
- The City's budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.
- Financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.

*Comparisons of service delivery will be made to ensure that quality services are provided to our citizens at the most competitive and economical cost.*

## Budget Process

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 before, with projection of City reserves, revenue and expenditure forecasts, and citizens', boards', commissions', and departmental needs assessment. With this groundwork,

*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 before.*

departmental expenditure requests are made and subsequently reviewed.

### *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 **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 most effective.
- 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 submit-

ted, monitoring the internal review process to meet timelines, and serving as troubleshooters for problems throughout the budget process.

- The **division directors, general managers, 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 centers' data into a departmental request package. General managers critically evaluate all requests, prioritize, and submit only those requests which clearly meet 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 the Mayor and City Council's goals and objectives 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, formulating a City-wide tentative budget and submitting it to the Mayor and City Council.
- The **Mayor and City Council** are responsible for review of the City Manager's tentative budget and approval of the final budget.

## Budget Phases

### *Needs Assessment and Financial Capacity Phase*

This is the foundation for 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 objectives. Short-range available-fund forecasts provide a more immediate picture of the coming year.

### *Policy/Strategy Development Phase*

The Council's 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 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, but maintain the fiscal integrity of the City do not 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.

**Adoption Phase**  
Next, a proposed financial plan is presented to the City Council. Also, a Citizens' Budget Summary is transmitted to the 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's 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.

### 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 provision for contingencies 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 Annual Budget is published in late June.

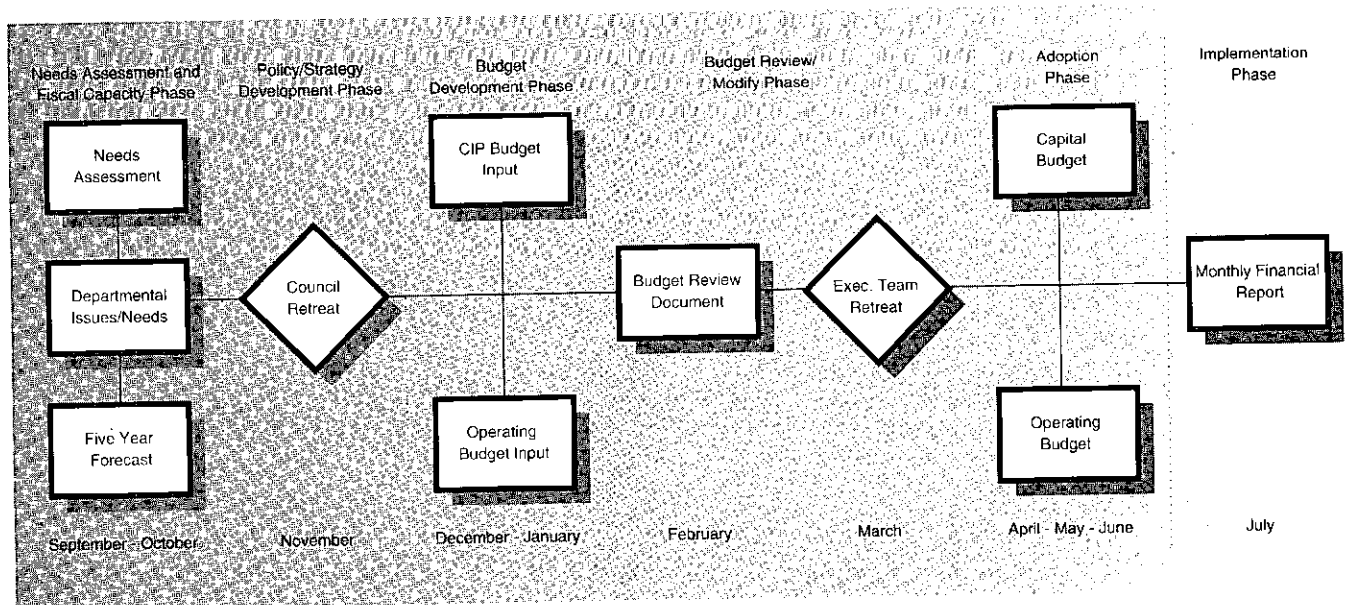
### Amendments to the Budget

The City of Scottsdale's budget is adopted at department level. Any transfers between departments and out of contingency require City Council's approval.

### Use of Operating Contingency Reserve

Operating contingency reserve fund use is defined by City financial policy:

- 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*

The 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*

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*

The Debt Service Fund accounts 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*

Enterprise Funds are used to account for operations, including debt service,

that are financed and operated in a manner 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.

### *Internal Service*

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*

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 details the Capital Improvement Plan.

### *Trust or Agency*

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 and as such are included as "other fiscal activity" in the appendix.

## 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, which are included in "other fiscal activity."

## Operating and Capital Budgets

### *Relationship/Organization*

The City of Scottsdale's 1994-95 budget is comprised of two segments:

- The Operating Budget, which includes the departmental budgets, debt service, contingency, and a listing of all other fiscal activity; and
- The Capital Budget and Capital Improvement Plan, which includes the 1994-95 Capital Budget and the multiyear Capital Improvement Plan.

A five-year revenue and expenditure forecast is included in the operating budget. The five-year plan covers the period 1994-95 through 1998-99. The summary forecasts results of operations by fund for the period and incorporates the effect of capital improvements upon operations.

The remainder of the Operating Budget is presented by City operating departments without regard to fund. Each department is divided into operating divisions and a summary of the budget by expenditure category is listed for each division.

The Capital Improvement Plan is summarized in this publication. The capital budget has its own funding sources. Any future year's operating impact is noted in the capital budget and is included in the five-year plan so that it can be included in the proper year's operating budget.

# Community Services

## Where your money's going:

The 1994-95 adopted budget for Community Services is \$17,506,586, which is 7.1 percent more than last year's budget. The increase provides:

- additional equipment to meet the growing maintenance needs of Scottsdale parks;
- one full-time position to staff the expanding Civic Center Library;
- one full-time addition to current staffing at Paiute Community Center; and
- two full-time and four part-time positions at the North Senior Center.
- one full-time and 37 part-time positions to staff new after school programs.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
301.7	311.5	311.9	325.5
n/a	n/a	(65,352)	(68,185)

## What we do:

### Parks Division

The Parks Division is responsible for park development and acquisition, and maintains parks, swimming pools, equestrian trails and Scottsdale Stadium.

As part of maintaining trees, trails and weed-abatement programs in City parks, staff will twice perform maintenance on 6,650 trees, twice apply pre-emergent to 312 acres of park land and service 28 miles of designated trails, in 1994-95.

To support the City's public recreation activities in 1994-95, softball fields will be prepped 352 times,

trash and litter cleanups will occur 104 times, 14 volleyball courts will be graded 14 times each, and City lake shorelines will be cleaned up 104 times.

### Library Division

The Library Division provides diverse print, nonprint and electronic resources to meet the information needs of the entire community — children, students, adults and business persons.

The cost per citizen of providing library services in fiscal year 1993-94 was \$24.77. This figure is expected to remain steady in 1994-95.

Approximately 90 percent of the 46,000 books added to Scottsdale Public Library per year are processed into the collection within seven days.

### Recreation Division

The Recreation Division plans and supervises a variety of sports, special events, youth development activities and recreational programs that promote the positive use of leisure time while contributing to the physical, mental and social well-being of Scottsdale residents.

Approximately 3,100 reservations for public facilities will be logged--all within 24 hours of when they were scheduled.

### Human Services

Human Services facilitates the delivery of social services to citizens with economic, physical or behavioral difficulties. This is accomplished by utilizing existing social service agencies, stimulating community assistance, and directly filling service gaps with prevention programs that promote social responsibility while reducing the need for future services.

The City's Vista Social Services is expected to support nearly 3,400 requests for emergency services in 1994-95.

Scottsdale's Senior Center Social Services anticipates handling 6,200 contacts during the coming year, which is 600 more than in 1993-94.

### Cultural Council

The Cultural Council is responsible for cultural activities and manages the Scottsdale Center for the Arts.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Administration	495,723	458,716	460,166	382,392
Parks	3,817,364	3,986,647	4,110,434	4,105,244
Library System	3,805,353	4,070,583	4,184,495	4,308,475
Recreation	4,385,001	4,582,615	4,625,254	5,107,237
Human Services	1,054,252	1,345,544	1,417,688	1,644,717
Cultural Council	1,846,094	1,901,477	1,901,477	1,958,521
<b>Total</b>	<b>\$15,403,787</b>	<b>\$16,345,582</b>	<b>\$16,699,514</b>	<b>\$17,506,586</b>



The Cultural Council is expecting to raise \$1 million in 1994-95 through memberships, sponsorships, contributions, grants and special events.

The Scottsdale Cultural Council is also planning to earn \$1.9 million in 1994-95 revenue from increases in ticket sales, rental, retail, food and beverage and other sources.

## Results and Outcomes

### Library

During fiscal year 1993-94, Scottsdale public libraries began using volunteers to record children's stories, young-adult and adult book reviews, for a phone information service provided by *Tribune Newspapers*. By utilizing volunteers and this technology, which is donated by *Tribune Newspapers*, Scottsdale residents of all ages can access library information.

### Parks Maintenance

At Scottsdale parks' irrigation well sites, the City is changing water pumps from oil lube to water lube. Water-lube

pumps have fewer parts to maintain and are easier to repair. Additionally, water-lube pumps eliminate oil spillage and seepage and annually save \$2,000 in maintenance costs.

### Recreation

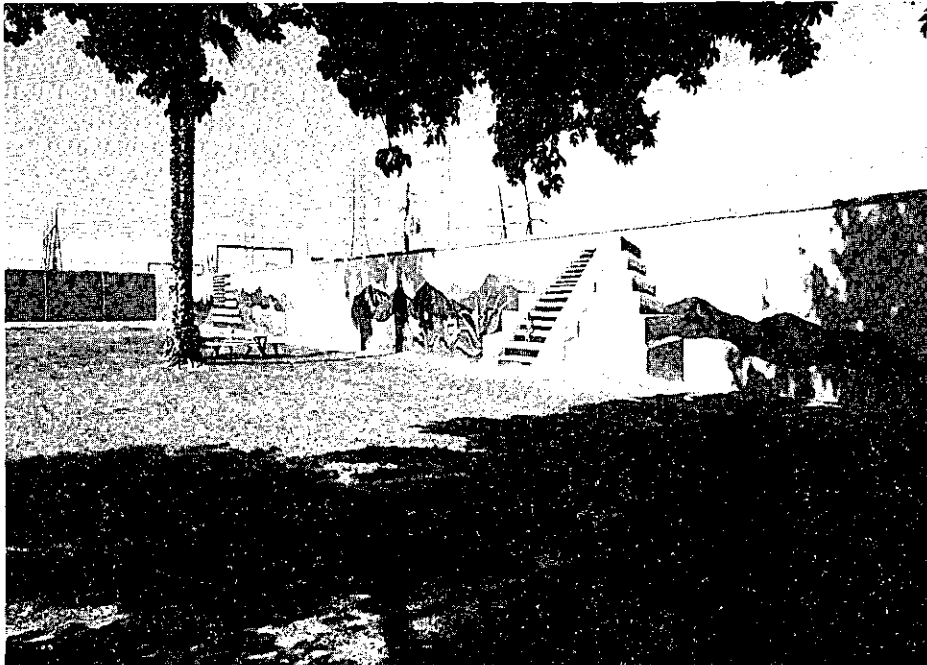
Recreation Division staff, in partnership with the Scottsdale Papago Rotary Club, renovated Papago Rotary Park in 1993-94. The Rotary Club donated a playground, picnic facilities and a turf volleyball area to the one-acre park. They also plan to resurface the park's basketball court in 1994. The Rotary Club, the North Scottsdale Lions Club and the Arizona State Land Business Grant also contributed 10 mature trees to the park. The \$30,000 in cash and in-kind donations by these entities provided a fully developed neighborhood park.

A 10' x 90' mural was painted and developed by 35 Paiute neighborhood children at Scottsdale's Paiute Park in early 1994. The project allowed these at-risk youth to participate in an after-school arts program

and encouraged them to reject gangs and drug involvement. Approximately \$2,300 in donated materials were used to complete the project.

Scottsdale and Phoenix entered a partnership with Arcadia neighborhood residents to honor leaders and area residents for their neighborhood involvement. This 1993-94 partnership, dubbed "Community Treasures," recognized the area's positive people, places, groups and institutions, at a Paiute Park celebration in May. In-kind donations for the event totaled \$1,170. In addition, this ongoing program serves as a model and promotes neighborhood involvement and pride.

Recreation staff has created a self-mailer to confirm customers' participation in and acknowledge receipt of payment for Scottsdale recreation programs. This innovation, which will be fully implemented in 1994-95, will annually eliminate the purchase of 45,000 envelopes and save staff time otherwise needed to stuff and seal the envelopes. This idea will save more than \$2,000 annually.



*Paiute neighborhood children painted a mural earlier this year at Paiute Park, 3210 N. 66th Street. The mural was an A.P.P.J.E. Corps project administered by the Arizona Commission on the Arts.*

# Financial Services

## Where your money's going:

The 1994-95 adopted budget for Financial Services is \$8,275,403, which is 6.5 percent more than last year's budget. The increase provides:

- one full-time position in Utility Billing to support growth and respond to customers' inquiries;
- administration of the City's recently-adopted alarm permitting and false-alarm ordinance;
- implementation of an automated Sure-Pay system;
- an imaging system in Customer Service to replace the current microfiche of records and reduce the need for additional storage space; and
- one contractual water-meter reader.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
109.9	113.0	113.0	113.9
n/a	n/a	(1,305)	(1,368)

## What we do:

### Accounting and Budget

Accounting and Budget develops the City's financial plans and related documents and is responsible for a variety of financial functions, from the City's payroll to cash deposits and investments.

Once again in 1994-95, more than 99 percent of the City's cash will be actively invested on a daily basis. It

is estimated the City will receive a 4.5 percent weighted average yield on its investments.

The City of Scottsdale's superior general obligation bond ratings from Moody's Investor Service (Aa1), Standard & Poor's Rating Group (AA), and Fitch Investors Services, Inc. (AA+) are expected to remain at the same levels in 1994-95.

### Tax Audit

The Tax Audit Division administers and interprets the privilege tax code; evaluates the strength of the local economy by interpreting sales-tax collections; and provides taxpayer education programs.

Approximately 90 percent of Scottsdale's taxpayers are expected to be satisfied with the City services they receive in 1994-95.

### Risk Management

Risk Management is responsible for the City's safety functions and the investigation and adjustment of claims for property loss, liability,

workers' compensation and unemployment compensation.

The City's safety record is expected to show continued improvement in 1994-95 with only 11.8 accidents per million hours worked, and 19 traffic accidents per million miles driven.

On average, each risk management employee will process 185 cases next year.

### Purchasing

Purchasing oversees the purchase of items and/or services used by the City, ensuring cost-effectiveness and code and policy adherence, as well as producing and coordinating printing/copying and processing the City's mail.

More than 31,000 requisitions will be handled by the Purchasing Division in 1994-95. Approximately 90 percent of the requisitions will be accurately ordered, produced or delivered within three days.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Administration	256,309	315,844	295,958	259,601
Accounting & Budget	1,288,460	1,536,121	1,572,391	1,608,092
Tax Audit	488,723	566,693	560,069	573,896
Risk Management	3,371,104	2,320,843	2,297,862	2,232,504
Purchasing	1,223,066	1,250,765	1,311,240	1,347,851
Customer Service	1,598,004	1,777,468	1,762,786	2,253,459
<b>Total</b>	<b>\$8,225,666</b>	<b>\$7,767,734</b>	<b>\$7,800,306</b>	<b>\$8,275,403</b>

### Customer Service

The Customer Service Division is responsible for all aspects of the City's utility accounts, the collection of various license fees and delinquent monies owed to the City.

More than 771,000 utility, license and tax billings will be generated and collected in 1994-95.

Customer Service is projecting it will collect \$4.2 million in delinquent payments in 1994-95. Approximately \$12.70 in delinquent funds will be collected for every collection dollar spent by the City.

## Results and Outcomes

Financial Services developed new guidelines for investing City funds, and in 1993 began to invest outside the state pool. From March 1993-February 1994, the City earned \$610,000 more in investment interest than it would have by investing through the state pool. The City was recognized by the Municipal Treasurers Association for outstanding investment policy by conforming

to all recommended standards for diligence and safety.

Declining interest rates over the past couple of years have allowed the City to save debt-service costs by refunding bonds that were issued at higher interest rates. In Fiscal Year 1993-94, the City saved \$1.42 million in debt service through bond refunding. The City is projected to save an additional \$1.23 million in 1994-95 because of bond refunding.

### Accounting and Budget

In 1993-94, Accounting and Budget began making debt-service payments by wire transfer on the day payments were due. Each transfer earns the City \$1,500 to \$2,500 in interest income by keeping money in the City's accounts for extra days.

The Accounting and Budget Division developed a "Walk A Mile" program that encourages City employees from other departments to visit and learn what each accounting employee does. Those participating can more quickly direct customers to accounting employees who can provide service on specific issues.

A new bank contract negotiated in 1993-94 provides for direct charges in comparison to compensating balances left on deposit. This idea earned the City \$80,000 over the past year, while an additional \$16,000 was saved by changing utility lockboxes to accommodate scan lines for automated payment readings.

### Customer Service

During fiscal year 1993-94, Customer Service established a way to pull the Billing, License and Sales Tax (BLAST) database across the City's Local Area Network (LAN)

bridge to Paradox for Windows. This enabled the database file to be transferred to Customer Service in just minutes compared to six hours previously. In addition, this database eliminates the need for users to retype account information on mass mailings, which means letters can be generated on short notice. For large mailings, days of staff input time are saved.

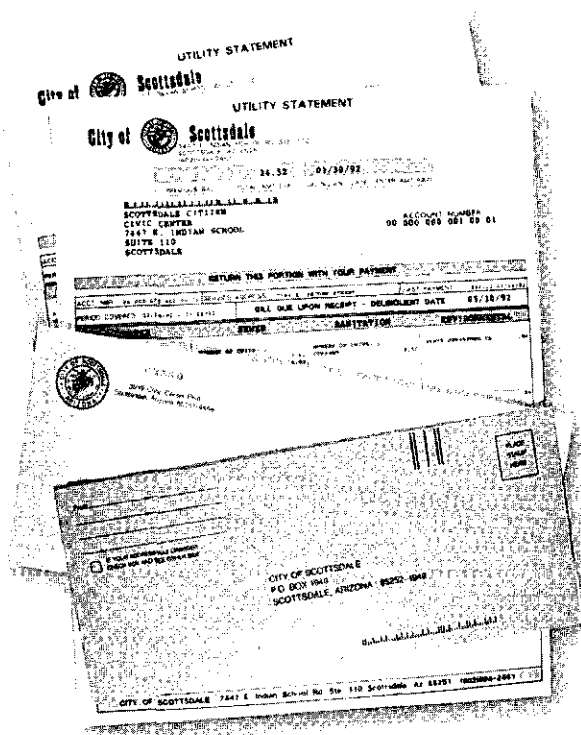
Last year, Customer Service began bar coding the 600,000 utility statements that are annually sent to Scottsdale customers. Bar coding the statements allows them to be sorted more efficiently by postal workers, which saves the postal service's time and money. This \$12,000 savings was passed on to the City in 1993-94 in the form of lower postage costs.

### Purchasing

The City's Purchasing Division, with savings from a cost-per-copy contract for city copiers, replaced its printing presses with newer technology and upgraded a design computer in 1993-94 to become the only governmental graphics shop in Arizona capable of producing full-color printing and simultaneous two-sided printing. With this new equipment, the graphics shop is producing the majority of the City's printed material at a cost that averages 30 percent less than commercial shops. The 1993-94 savings were approximately \$42,000.

### Tax Audit

More than \$25,000 was saved in administrative costs over the past year by implementing a computerized audit tracking and statistical system and by modifying monthly reporting processes. More timely information is provided and manual record-keeping and storage have been eliminated.



*Bar coding the 600,000 City utility statements that are mailed annually allowed postal workers to sort the bills more efficiently and saved the City \$12,000 in postage.*

# General Government

## Where your money's going:

The 1994-95 adopted budget for General Government is \$13,436,295, which is 8.2 percent more than the 1993-94 adopted budget. The increase provides for:

- transfer of two full-time and one part-time position to staff the Citizen Service Center at Los Arcos Mall; the addition of one full-time position to staff the new Citizen Service Center at 75th Street and Sweetwater Avenue; and
- improvements aimed at energy efficiency throughout City facilities.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
163.2	169.4	173.0	176.9
n/a	n/a	(7,045)	(7,350)

## What we do:

### Legislative Division

The Legislative Division, made up of a Mayor and a six-member City Council, serves Scottsdale's citizens as elected representatives who govern the City.

### Citizen Services

The Citizen Service Division encourages citizens' involvement and increases accessibility of City services through satellite facilities offering extended service hours, neighborhood enhancement programs, volunteer services, Keep America Beautiful affiliation, and endowment opportunities.

Volunteers will provide an estimated 92,100 hours of service to the City in 1994-95, which translates into organizational value of nearly \$1 million.

The main Citizen Service Center and its two satellite locations (Los Arcos Mall and Sonoran Sky Elementary School) are expecting to handle 1,000 citizen contacts per month in 1994-95.

### City Manager's Office

The City Manager's Office provides the overall administrative leadership necessary for the implementation of City Council policies, administration of the organization, and delivery of services to citizens.

The City should easily meet its goal of keeping the increase in direct service cost per citizen (1.2 percent) in

1994-95 below the projected consumer price index increase (4.1 percent).

### City Clerk

The City Clerk's Office provides access to public records, prepares City Council agendas and minutes, conducts municipal elections, and provides applications for all boards and commissions.

It's anticipated the Clerk's Office will post approximately 620 legal notices over the next year, all of them more than 24 hours before the respective meetings--per legal requirements.

### City Attorney

The City Attorney's Office provides counsel in all City legal matters. The Criminal Division prosecutes criminal cases filed in City Court.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Legislative	510,797	463,854	465,251	482,923
City Manager	850,192	954,599	737,576	791,901
City Clerk/Elections	379,451	592,455	607,942	423,178
City Attorney	1,413,548	1,449,827	1,462,503	1,557,798
Citizen Service Center		143,444	492,419	581,252
Strategic Initiatives	228,694	237,989	243,846	474,028
Com. & Public Affairs	648,799	691,258	716,861	739,008
Intergovernmental Relations	217,224	377,203	370,175	375,120
Org. Effectiveness	1,516,326	1,537,812	1,542,282	1,609,561
City Auditor	370,078	438,530	429,485	447,893
Management Systems	3,320,013	3,742,840	3,825,096	3,909,273
Environmental Affairs	253,107	220,517	250,495	392,182
Court	1,384,945	1,573,269	1,579,467	1,652,178
<b>Total</b>	<b>\$11,093,174</b>	<b>\$12,423,597</b>	<b>\$12,723,398</b>	<b>\$13,436,295</b>

In surveys that measured client satisfaction in regard to the responsiveness of the City Attorney's Office to its clients' needs, respondents gave a 4.6 rating, where 1 equaled extreme dissatisfaction and 5 equaled extreme satisfaction. Improving that high level of performance in 1994-95 is a primary goal of the City Attorney's Office.

As part of prosecuting violations of City laws and ordinances, the City Attorney's Office will prepare for 8,000 pretrials, 360 jury trials and 770 bench trials in 1994-95.

*Communications and Public Affairs*  
Communications and Public Affairs (CAPA) establishes and maintains open lines of communication between City government and its citizens and employees through an aggressive public information program. This includes media relations, special events, and programming on Citycable 7.

More than 700 media contacts will be made in 1994-95 to inform local and national media about new and ongoing City projects and issues. Of these contacts, half will be responses to media requests for information.

Citycable 7 programming, which includes live coverage of City

Council, boards and commissions meetings, and informational and entertainment programming, is expected to attract nearly 3,500 viewers per day in 1994-95.

*Intergovernmental Relations*  
The Intergovernmental Relations Division serves as a liaison at various levels of government; provides policy recommendations; and advocates the City's position before the U.S. Congress, State Legislature and regional governing boards.

Briefing papers and staff recommendations will be formulated for more than 20 Maricopa Association of Governments management committee and regional council meetings during the next year.

*Organizational Effectiveness*  
Organizational Effectiveness works with all City departments to implement quality improvements, and manages human resources issues.

By reallocating existing resources and implementing quality improvements, Organizational Effectiveness is expected to save the City more than \$300,000 in administrative and service costs in 1994-95.

*City Auditor*  
The City Auditor's Office performs internal audits to verify operational efficiency and financial integrity.

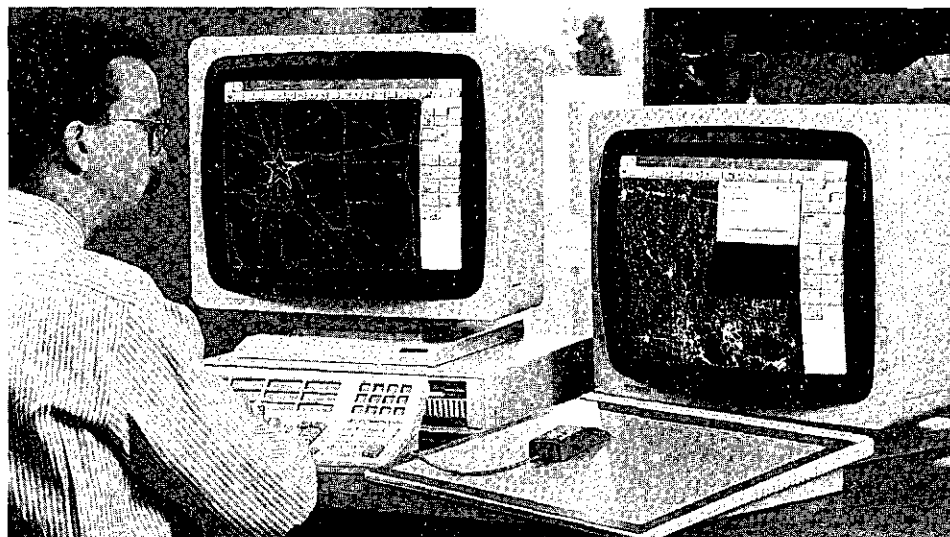
Approximately five internal audits are expected to be conducted by the City Auditor's Division in 1994-95.

*City Court*  
The City Court adjudicates civil and criminal traffic, parking, city ordinance and misdemeanor violations filed within city limits and issues orders of protection and injunctions prohibiting harassment.

The Scottsdale City Court is expected to handle approximately 55,000 filings in calendar year 1994.

*Environmental Affairs*  
The Office of Environmental Affairs develops, implements, analyzes and monitors policies and programs related to the environment.

Through energy efficiency improvements, the energy cost per square foot in City facilities is expected to drop to \$1.66 in 1994-95, which is nearly 20 cents per square foot less than last year.



*In 1993-94, a Geographic Information System (GIS) application was developed to enter all registered Scottsdale voters. As a result, the City Clerk's office will save \$40,000 every two years by not having to hire a consultant to redraw voting precincts for City elections.*

Recycling, composting and source reduction are a few of the alternatives Environmental Affairs will use to reduce residential solid waste by more than five percent in 1994-95.

#### *Office of Management Systems*

The Office of Management Systems (OMS) provides for the organization's computer and telephone needs. OMS provides strategic planning for the future, and implements the City's five-year plan for technology.

OMS will complete an estimated 4,300 service requests in 1994-95, which is 400 more than last year. All service requests are answered within 24 hours.

## Results and Outcomes

#### *Citizen Services*

Scottsdale's first satellite Citizen Service Center opened in November 1993 at Los Arcos Mall. This "City Hall in the Mall" filled 2,737 requests for service during its first three months of operation. In May 1994, the Citizen Service Center was selected in the government category by the Community Forum and the *Arizona Republic/Phoenix Gazette* as one of four "Community Vision Weavers" in the Valley. The award was based on innovation, implementation of the community vision and formation of community partnerships.

The Citizen Service Center implemented a comprehensive citywide volunteer program in 1993 that created more than 100 new volunteer job opportunities. From July 1993-March 1994, these new volunteers worked 4,981 hours, which saved the City more than \$56,000.

#### *City Court*

In 1993-94, Scottsdale City Court implemented a computer system that allows judges and court staff to have immediate access to file documents. The system lessens the time needed to provide certified document copies,

while eliminating storage requirements for termed files and other documents. The system saved the City \$49,000 in 1993-94, and is projected to save \$6,000 annually beginning with the next fiscal year.

The City Court rewrapped 1991-92 file folders to use as 1994 case folders. This project will save \$5,000 in material expenditures this year.

#### *Organizational Effectiveness*

The development in 1993-94 of an on-site lactation and spousal-support program for City employees allows mothers to return to work more quickly after giving birth. The program is projected to annually save \$50,000 in health costs and medical leave.

All contracts for health, life and mental health services for City employees have quality performance standards built in. When providers fail to meet standards, the City withholds a percentage of the providers' premiums. Along with ensuring service accountability, this program annually saves the City \$16,000 in premiums.

Through an arrangement with Arizona Child Care Resources, in-home care is provided at a greatly-reduced rate for ill children of City employees. This service allows parents to come to work knowing their child is well cared for at home. It's estimated that the program will save \$45,000 annually in parental medical leave.

#### *Office of Management Systems*

Responsibility for some Office of Management Systems (OMS) services was reassigned within the division over the past year. This has resulted in better utilization of existing staff, while saving \$5,000 in administrative costs.

OMS implemented new disk technology in 1993 on the City's mainframe computer system. The \$280,000 technology investment will pay for itself in less than three years through reduced maintenance (\$67,000 annually) and heating and cooling (\$35,000 annual-

ly) costs. Additionally, the technology has increased system performance and reliability.

In 1993-94, a Geographic Information System (GIS) application was developed to enter all registered Scottsdale voters. As a result, the City Clerk's office will save \$40,000 every two years by not having to hire a consultant to redraw voting precincts for City elections.

The City saved \$140,000 during fiscal year 1993-94 by purchasing GIS land parcel maps from Salt River Project instead of spending the time and money to recreate the maps internally. The savings will be used to create other GIS applications.

By using GIS base maps to create a master drainage plan south of the Central Arizona Project (CAP) canal, the City saved \$25,000 during the past year by not having to hire a consultant to develop the maps. Because the plan is included in the City's GIS, it can easily be accessed and modified in the future.

#### *Communications and Public Affairs*

Through a 1993-94 partnership with the Scottsdale Chamber of Commerce, the Communications and Public Affairs (CAPA) Division combined the *Scottsdale Resident's Guide* with the Chamber's business directory to create one publication—*The Scottsdale Almanac*. The almanac's creation eliminated \$15,000 spent in previous years on *Resident's Guide* design and printing costs.

Using City personnel with graphic design expertise, CAPA created an interdepartmental "graphic design team" that provided the City with more than 3,000 hours of graphic design work in 1993-94. Along with greatly enhancing the appearance and readability of City publications, the team saved more than \$186,000 in outside graphic design charges.

# Municipal Services

## Where your money's going:

The 1994-95 adopted budget for Municipal Services is \$30,818,602, which is \$2,898,885 (10.4 percent) more than last year's budget. The increase provides for:

- one full-time position in Street Signs and Markings to maintain current service levels and inventories;
- contract custodians to maintain new facilities;
- contractual operation of the Solid-Waste Transfer Station to be completed mid-year; and
- an increase in vehicle and equipment replacements and vehicles to support new positions in other departments.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
227.0	233.1	232.1	232.1
n/a	n/a	(275)	(300)

## What we do:

### Facilities Maintenance

Facilities Maintenance maintains City-owned facilities and structures.

Facilities Maintenance will conduct 200 City roof inspections, clean 430,000 square feet of facilities, and perform preventive maintenance on 295 plumbing fixtures, 1,160 electrical circuits and 3,300 doors in 1994-95. In all, more than 7,400 work orders are expected to be completed.

### Field Services

Field Services maintains the City's roadway system to ensure safe vehicular and pedestrian travel.

More than 146 acres of landscaped medians will be maintained during the next year by Field Services. In addition, 33,300 City signs will be serviced and more than 38,000 curb miles will be swept in 1994-95.

Approximately 10 percent of the City's pavement (1.84 million square yards) will be maintained in 1994-95 with preservative and slurry seals, crack sealing and asphalt overlays.

### Fleet Management

Fleet Management maintains and repairs City vehicles.

With the average age of Scottsdale's vehicle/equipment fleet rising to 5.8 years per unit, each mechanic is expecting to complete an average of 721 repair orders in 1994-95.

In an effort to increase use of alternative fuels, approximately 7.5 percent of the fuel used by the City's vehicle/equipment fleet over the next year will be compressed natural gas.

### Sanitation

Sanitation provides refuse collection to residents and businesses. In addition, it maintains the mobile recycling center and household hazardous waste programs.

As Scottsdale's population increases, the Sanitation Division's employee-to-citizen ratio decreases. In 1994-95, solid-waste collection will have one employee for every 7,287 Scottsdale citizens, which is down from one employee per 6,777 citizens last year.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Administration	282,335	289,363	284,070	275,763
Facilities Maintenance	5,998,018	6,184,818	6,345,024	6,629,264
Capital Project Mgmt.	499,088	555,725	627,961	536,651
Field Services	6,859,056	6,811,637	7,049,580	7,280,565
Sanitation	6,110,819	6,891,592	6,712,518	7,621,444
Fleet Management	7,146,483	7,186,582	8,081,913	8,474,915
<b>Total</b>	<b>\$26,895,799</b>	<b>\$27,919,717</b>	<b>\$29,101,066</b>	<b>\$30,818,602</b>

On a monthly basis in 1994-95, nearly 270 tons of residential refuse will be collected per residential refuse employee and 430 tons of commercial refuse will be collected for every commercial refuse employee.

#### *Capital Project Management*

Capital Project Management (CPM) coordinates, develops and implements the City's capital improvement program and City-funded construction projects.

CPM is projecting it will complete 33 projects in 1994-95 valued at more than \$65.9 million. One of the major projects scheduled for completion in the coming year is the bond-funded West Couplet.

## Results and Outcomes

The Municipal Services Department saved nearly \$66,000 in 1993-94 by purchasing, instead of renting, uniforms for department personnel. Uniforms, which had been rented and cleaned under one contract in previous years, are now purchased.

#### *Capital Project Management*

The Capital Project Management (CPM) Division, which oversees inspection of the capital improvement program (CIP) projects, has begun in 1994 to lease vehicles for inspection on an as-needed basis. This program allows the City to avoid extended maintenance, insurance and repair costs. It is projected that the City saved approximately \$5,400 annually.

*Reviewing right-of-way files, ASU construction management intern Jesse Haro gains worthwhile work experience while providing Capital Project Management with valuable assistance.*

Through the utilization of Arizona State University construction management and engineering students as CPM interns, the City will have saved more than \$6,500 in salaries in 1993-94. The internship program is projected to save nearly \$10,000 in administrative costs during the next fiscal year.

#### *Field Services*

In the first nine months since Scottsdale's Field Services Division began using Arizona Department of Corrections labor to perform median and right-of-way maintenance and litter control, the inmates have worked 6,376 hours, at a labor cost of \$3,188 to the city. Using inmate labor to perform these tasks has so far saved approximately \$64,000 in administrative costs.

Field Services implemented a night shift street-sweeper program during the past year, to increase productivity and safety when sweeping the downtown business district and median curbs. Additionally, night street sweepers report street lights that are not working and respond to some emergency calls from police for maintenance.

During fiscal year 1993-94, Field Services saved the City administrative costs and provided expedited service by performing minor drainage corrections for the Transportation Department.

In 1993, the City purchased and began operating and maintaining a streetlight system in Scottsdale areas served by Arizona Public Service. The purchase saved \$100,000 in 1993-94 maintenance and operation costs, while improving service-response times to the system.

#### *Fleet Management*

Last year, the City began purchasing residential refuse trucks with 15 percent more capacity, which saved approximately \$55,000 in 1993-94 in fuel usage, maintenance and the need for additional trucks, by reducing landfill trips.

#### *Sanitation*

In 1993-94, the Sanitation Division bid out to private companies refuse-collection services for 2,694 Scottsdale residences which were being serviced by the City. The City's monthly service bid was the lowest by 96 cents per home, which translates into an annual savings of \$31,035.





# Planning & Community Development

## Where your money's going:

The 1994-95 adopted budget for Planning and Community Development is \$10,308,920, which is \$1,234,232 (13.6 percent) more than the 1993-94 adopted budget. The increase provides for:

- additional contract building inspectors to respond to the increased level of development and building activity (funded by development activity revenue); and
- one full-time position for stipulation enforcement of zoning cases and increased code enforcement.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
109.9	111.4	109.4	110.4
n/a	n/a	(4,908)	(5,013)

## What we do:

### Planning

The Planning Division oversees growth and development; manages City-owned

real estate; works to maintain the quality and identity of downtown Scottsdale; and directs federal guideline programs such as the Community Development Block Grant.

The Planning Division will completely rehabilitate 96 homes owned by low-income Scottsdale residents in 1994-95.

Nine special events that attract pedestrians to downtown Scottsdale will be supported by Planning over the next year. Many of these events attract out-of-state visitors and contribute to the City's tourism industry.

### Development Services

Development Services provides guidance on City ordinances, application/permit processes, and fee requirements for developing land in Scottsdale. It also maintains current construction, parcel, permit and utility-location records, enforces the zoning ordinance, and performs final plan review for construction.

More than 1,600 plan reviews for residents are expected to be complet-

ed within 24 hours of receipt by Development Services, in 1994-95.

It's anticipated that during the coming year, graffiti will be removed from more than 650 City locations by Development Services personnel.

Development Services is expecting to serve nearly 13,500 walk-in and 17,500 phone customers in 1994-95.

### Inspection Services

Inspection Services ensures that all construction meets codes and standards; and provides survey information and an accurate record of construction.

The Code Enforcement Unit within Inspection Services will handle approximately 15,000 zoning/code violation cases during the next year.

### Project Review

Project Review ensures that development proposals comply with all City ordinances, design standards and public-hearing stipulations.

An average of 70 zoning, use permit, development review and variance cases will be handled per full-time-equivalent employee in the Project Review Division in 1994-95.

### Economic Development

The Economic Development Division works with the public and private sector to promote community investment within the context of overall City goals and priorities.

By continuing to assist Scottsdale's hospitality industry in increasing tourism, the Economic Development Division will help the City collect a record \$7.2 million in bed- and sales-tax revenues in 1994-95.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Administration	231,249	236,369	238,487	243,094
Planning	1,170,669	1,157,007	1,047,562	1,151,956
Development Svcs.	1,157,038	1,361,429	1,376,163	1,362,372
Inspection Svcs.	1,770,866	1,772,195	2,101,514	2,618,663
Project Review	1,830,103	1,792,423	1,892,700	1,961,455
Economic Dev.	3,114,168	2,755,265	3,382,963	2,971,380
<b>Total</b>	<b>\$9,274,093</b>	<b>\$9,074,688</b>	<b>\$10,039,389</b>	<b>\$10,308,920</b>

## Results and Outcomes

### *Development Services*

During the past year, Development Services has begun to conduct "first review conferences" in cases where plan review comments are minor. The conferences are held to review corrections and save customers additional plan-review cycles and trips to the City for permits. The conferences saved the City \$40,000 in administrative costs in 1993-94 by cutting plan review times by 30 percent. This has allowed the City to handle additional activity without incurring further costs.

Development Services implemented an "express lane" in 1993-94 in its One Stop Shop, where customers who purchase documents or drop off plans can be served immediately without having to take a number. The express lane has allowed customers to be served more effectively and efficiently.

In 1993-94, the business hours for the City's One Stop Shop, which handles all building and development services, were extended to 7:30 a.m.-6 p.m., Monday through Friday, to allow customers to conduct business before or after their work days. The

extended hours have been implemented at no additional cost to the City by staggering employee work hours.

### *Inspection Services*

Beginning this past fiscal year, public works preconstruction meeting minutes were typed and distributed to all stakeholders. The minutes clarify responsibilities for all parties and help ensure smooth-running projects.

### *Planning*

A computer network was established in 1993-94 to link the Planning Division's five Apple Macintosh computers and connect them to Arizona State University databases. The network allows the immediate transfer of files among the Macintoshes and collection of data from projects that ASU conducts for Scottsdale. One of the projects was a three-dimensional model of downtown Scottsdale. This land use plan update was established in a format compatible with Scottsdale's Geographic Information System.

The use of county probation crews to clean up surplus City-owned land, previously cleaned up landscape contractors, saved \$9,000 over the past year.

### *Project Review*

Plan reviews that require special attention are followed with meetings between city staff and developers, in lieu of formal reviews. These meetings result in better communication and reduce the number of required reviews. Along with increasing efficiency, this process annually saves \$26,000 in administrative costs.

Restructuring in Project Review has allowed technical staff to be involved from project initiation to approval. The restructuring, which saved approximately \$26,000 in administrative costs over the past year, allows staff to see projects through from start to finish, while customers have the same staff contacts throughout the project planning process.

By implementing predevelopment, meetings of City staff, developers and consultants that combine the technical and planning reviews of development cases in a "brainstorming" environment, the City saved \$75,000 in administrative costs. These meetings, which allow the parties to meet and resolve issues that otherwise might take weeks to handle, substantially reducing the time required to develop project stipulations.



*Development Services personnel assist a customer at the One Stop Shop's new express lane. Customers who drop off plans or purchase documents at the express lane can be served immediately.*

# Police Department

## Where your money's going:

The 1994-95 adopted budget for the Police Department is \$24,621,063, which is 14.3 percent more than the 1993-94 adopted budget. The budget increase provides for:

- 6 officers for a new traffic enforcement unit;
- 26 positions to maintain current service levels and reduce emergency response time;
- 10 positions to staff the new Justice Center Jail and Police Training Facility; and
- one logistics technician and a forensic chemist to be partially funded through an intergovernmental agreement with Paradise Valley.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
327.0	338.2	346.2	382.1
n/a	n/a	(8,277)	(8,690)

## What we do:

### Patrol Division

The Patrol Division handles general law enforcement; initial criminal and traffic-accident investigations; and traffic enforcement and control duties.

Police cost per capita:

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
\$137.39	\$138.00	\$138.00	\$146.71

On average, the Patrol Division will continue to respond to emergency calls within four minutes during the next year.

Through police personnel additions, patrol officers will be able to spend more than 30 percent of their time next year addressing community policing issues, problem solving and conducting preventive patrols.

### Communications

The Communications Division responds to citizens' telephone requests for police units, and 911.

Nearly 12,000 non-911 calls will be handled by the Police Department's Communications Division in 1994-95.

### Special Operations

The Special Operations Division addresses criminal activity through undercover operations and surveillance; responds to events requiring the use of special weapons and tactics; and handles traffic accidents and traffic-related issues requiring special investigative skills. In addition, this division conducts educational programs in schools; and investigates youth involved in crime and utilizes intervention strategies.

To reduce traffic accidents at identified high-accident locations in Scottsdale, Special Operations personnel will spend 30 percent of their enforcement time at these spots over the next year.

More than 1,500 Scottsdale students are expected to enroll and complete Drug Abuse Resistance Education (DARE) programs in 1994-95.

### Technical Services

Technical Services handles reports made by officers, including tracking crime history and analyzing forensic evidence.

Each support specialist in Technical Services will process an average of 1,675 reports during the coming year.

### Professional Standards

Professional Standards oversees the process of national accreditation; handles internal investigations and policy development; is responsible for the neighborhood watch and volunteer programs; and guarantees compliance with mandated training.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Chief of Police	910,072	935,497	982,373	1,044,570
Patrol Bureau	10,407,406	10,329,506	10,263,168	11,709,560
Special Operations	4,102,019	5,387,006	5,512,131	5,779,159
Technical Services	1,992,368	2,193,721	2,287,915	2,948,011
Communications	1,470,136	1,474,750	1,576,861	1,727,853
Professional Standards	1,040,082	910,693	938,470	1,142,539
Emergency Management	407,823	302,490	274,040	269,371
<b>Total</b>	<b>\$20,329,906</b>	<b>\$21,553,663</b>	<b>\$21,834,958</b>	<b>\$24,621,063</b>

It is estimated that in 1994-95, the Professional Standards Division will establish 110 block watch programs throughout Scottsdale.

#### *Office of Emergency Management*

The Office of Emergency Management oversees the City's emergency service contracts for fire, emergency medical, animal control and civil defense.

In 1994-95, the Office of Emergency Management will assemble a City staff emergency team to deal with all aspects of possible future emergencies and disasters in Scottsdale.

## Results and Outcomes

#### *Administration*

A 1993 study requested by the Police Department and conducted by the City's Quality Resource Management Division resulted in the reallocation of existing secretarial staff to better meet departmental needs and avoid adding staff. The

staff reallocation resulted in \$40,000 in productivity improvements.

In 1992, the Police Department recommended using the City Court computer system to audit the County's housing bills for Scottsdale prisoners. From July 1992-March 1994, the City Court identified \$37,499 in overcharges.

During fiscal year 1993-94, the Police Department received \$14,000 in cash donations through the City's endowment program. The funding is used for donor-requested purposes, including Drug Abuse Resistance Education (DARE), bikes for the Bicycle Unit, and a replacement horse.

#### *Patrol*

As part of the City's enhanced community policing efforts, an officer spearheaded an effort to obtain and furnish police office space at a shopping center at Hayden and Indian School roads. The vacant retail space, which would rent for \$17,000 per year, was donated by

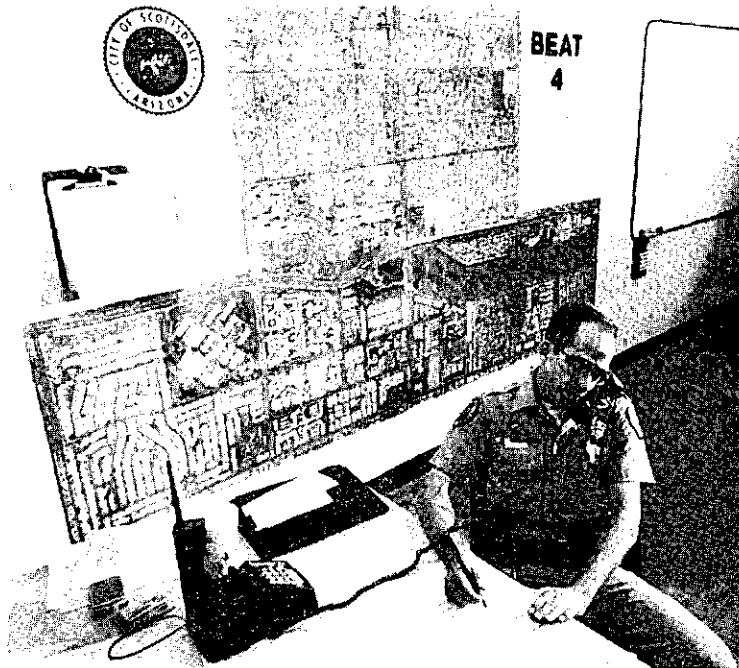
Bashas'. The office opened in February 1994 and was furnished using surplus city furniture and fixtures. Officers visit with citizens, write reports and perform other administrative duties at the center.

#### *Special Operations*

The Police Department used seven seized vehicles and two seized trailers during the 1993-94 fiscal year for detective and administrative transportation. Using these vehicles saved \$95,000 in 1993-94 automobile costs and will save \$15,540 per year.

#### *Technical Services*

Last year, civilian detention officers assumed all daytime transportation of prisoners to and from court and jail facilities. This resulted in the reallocation of two Scottsdale police officers who had previously performed that task. Using civilian detention has resulted in an annual savings of more than \$27,000. This program will be extended during fiscal year 1994-95 to assume some evening transport functions.



*Officer Randy Stringfellow periodically works out of the City's first neighborhood police center, which is in donated Bashas' office space at Hayden and Indian School roads. As part of the City's community policing efforts, officers visit with citizens and write reports at the center.*

# Transportation Department

## Where your money's going:

The 1994-95 adopted budget for Transportation is \$4,325,103, which is \$450,620 (11.6 percent) more than the 1993-94 adopted budget. The increase provides for:

- expansion of service on regional bus routes serving Scottsdale;
- more frequent local routes; and
- addition of Saturday Dial-A-Ride.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
36.3	36.0	36.0	36.1
n/a	n/a	(704)	(1,104)

## What we do:

### Traffic Engineering

Traffic Engineering is responsible for the day-to-day operation of the roadway system to ensure that traffic moves in the best manner possible.

In 1994-95, 20 speed limit and 15 signal warrant studies will be conducted on Scottsdale streets.

Traffic signal timing will be monitored and refined by Traffic Engineering personnel for 30 city routes per week in 1994-95.

### Transportation Planning

Transportation Planning coordinates future roadway needs, drainage issues and improvement districts.

More than 1,100 inquiries regarding city transportation improvements will be received by Transportation Planning during the next year.

Approximately 175 drainage issues will be examined and corrected by staff in 1994-95.

### Airport

The Scottsdale Airport oversees general aviation operations and provides economic development opportunities by accommodating corporate aviation, regional commuters and general aviators.

Scottsdale Airport is expecting to secure approximately \$1 million in Federal Aviation Administration and state grants in 1994-95 to fund airport improvement projects.

### Transit

The Transit Division coordinates the City's mass transit system, including clean-air compliance, alternative modes of transportation, and transit amenity improvements.

Approximately 950 City employees will participate in a work-related travel reduction program, while 60 employees will take part in a telecommuting program in 1994-95. These alternative modes of travel assist the state and the City of Scottsdale in complying with federal "Clean Air" regulations.

The City's Dial-A-Ride service will provide an estimated 44,000 trips for elderly and disabled Scottsdale passengers in 1994-95.

During the next year, the City's expanded transit system will transport 130,000 Scottsdale Connection customers, while 815,000 passengers will board regional bus routes that travel through Scottsdale.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Administration	346,610	352,921	423,337	379,327
Traffic Engineering	532,845	757,244	805,175	874,763
Transportation Planning	488,767	552,473	525,979	609,965
Airport	697,214	704,234	729,345	638,639
Transit	1,238,934	1,507,611	1,525,501	1,822,409
<b>Total</b>	<b>\$3,304,370</b>	<b>\$3,874,483</b>	<b>\$4,009,337</b>	<b>\$4,325,103</b>

## Results and Outcomes

### Traffic Engineering

The 1993 implementation of a computerized accident-records system allows the City's Traffic Engineering Division to access traffic-accident data within two weeks after an accident. Previously, it took up to nine months for accident data to be received from the state's system. The new system allows Traffic Engin-

earing to quickly respond to potential safety issues, make complex searches for specific types of accidents, and identify areas with high numbers of alcohol-related accidents. This information is shared monthly with the Scottsdale Police Department.

Citizen volunteers will take on a former staff function in 1994 by using radar guns to measure travel speeds on major Scottsdale streets. The data will be used for signal timing, speed limit revisions and travel time analysis. The use of volunteers will allow more streets to be measured, while staff perform other functions.

#### *Airport*

The installation over the past year of a pilot-controlled lighting system at Scottsdale Airport will reduce the airport's electricity use by \$3,000 to \$5,000 per year. Pilots can turn on airfield lighting via a radio link, so that lights are used only when needed.

Part-time employees, who are also studying aeronautics at Arizona State University, are utilized for tenant relations, emergency responses, routine maintenance functions and special

projects. The City benefits through improved airport operations, while saving \$4,000 annually in administrative costs.

#### *Transit*

By contracting for Scottsdale bus service with private providers, the City annually saves between \$100,000 and \$150,000. Due to those savings, additional services and bus routes are available to Scottsdale residents.

In 1993, the Transportation Department's Transit Division successfully negotiated the extension of Bus Route 72 from Scottsdale Airport to the Scottsdale Princess Resort. The bus-route extension is funded by the Regional Public Transportation Authority (RPTA), the Scottsdale Princess Resort and the City of Scottsdale. By sharing the costs with these partners, the City will annually save a minimum of \$17,000.

In late 1992, the Transit Division began contracting for City bus-stop maintenance, rather than having City staff maintain the shelters. The privatization of this service saved the City \$35,000 in its first year and will

annually save approximately \$20,000 in administrative costs.

Scottsdale successfully petitioned the RPTA to use annual Maricopa Association of Governments (MAG) population projections in determining how local transportation funds are allocated to cities. Allocations had been based on census statistics that did not keep pace with growth in rapidly expanding cities, such as Scottsdale. Due to Scottsdale's growth, more RPTA funds will annually be available for the City's Dial-A-Ride and other transit programs.

The Transportation Department received a \$138,711 Congestion Mitigation and Air Quality (CMAQ) grant in 1994 to design and construct bike lanes along Pima Road from Pinnacle Peak Road to Stagecoach Pass Road. An additional \$27,900 CMAQ grant was approved in 1993 to retrofit bike lanes and routes on existing streets. The new bike facilities will encourage bike commuting, expand the City's bike system and offer safer routes for cyclists.



*By assigning volunteers to measure travel speeds on major Scottsdale streets, more streets can be measured while staff perform other functions. The data is used for signal timing, speed limit revisions and travel time analysis.*

# Water Resources

## Where your money's going:

The 1994-95 adopted budget for Water Resources is \$22,541,472, which is 4.7 percent more than the 1993-94 adopted budget. Of this increase, \$600,000 will be reimbursed by private participating companies for the operation of the Central Groundwater Treatment Plant located in the Superfund area, and the Reclaimed Water Distribution System for north area golf courses. The remaining increase provides for:

- increased costs due to inflation and growth (a portion of these costs has been offset by the closure of farming operations at Planet Ranch, resulting in the deletion of five full-time and ten part-time positions); and
- seven full-time positions to replace failing polyethylene and galvanized-iron water-service lines with copper pipe.

Number of full-time equivalent positions, (volunteer hours invested):

Actual 1992-93	Forecast 1993-94	Estimated 1993-94	Forecast 1994-95
83.1	84.8	84.8	76.7
n/a	n/a	(70)	(100)

## What we do:

### Planning and Engineering

The Planning and Engineering Division coordinates the City's water conservation programs; sets user fee systems for water and wastewater; prepares and administers the five-year water/wastewater CIP plan; and develops short- and long-term water resources and wastewater plans.

In complying with the Arizona Groundwater Management Act, in 1994-95 Scottsdale will reduce its groundwater consumption to 25 percent of its total water usage. The remainder will come from surface water.

Water Resources will maintain 56,000 water and sewer accounts in

1994-95, including more than 2,500 new accounts.

### Planet Ranch

Planet Ranch protects the City's 14,500 acre feet of water rights.

### Water and Wastewater Operations

The Water and Wastewater Operation Division maintains and operates water and wastewater systems to ensure that water meets all federal and state standards.

Water and Wastewater Operations will inspect and service approximately 1,425 fire hydrants and 1,600 main-line water valves in 1994-95.

It is expected that the city's Central Arizona Project (CAP) plant will treat more than 21,000 acre feet of CAP water in 1994.

### Water Quality

The Water Quality Division ensures that all water-related programs, from drinking water to aquifer protection, are in compliance with federal, state and county environmental regulations. Water Quality will collect and analyze 4,800 water samples in 1994-95 to ensure that drinking water is in full compliance with the Safe Drinking Water Act and regulations adopted by the Arizona Department of Environmental Quality.

To meet federal water pretreatment requirements, the Water Quality Division will collect 200 samples and conduct 25 inspections during the next year.

## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Planning & Engineering	1,388,086	1,203,324	1,414,774	1,273,613
Planet Ranch	1,420,276	1,545,952	1,624,384	366,950
Water/Wastewtr Ops.	15,966,552	17,798,638	17,428,859	19,632,251
Water Quality	671,243	985,524	949,474	1,268,658
<b>Total</b>	<b>\$19,446,157</b>	<b>\$21,533,438</b>	<b>\$21,417,491</b>	<b>\$22,541,472</b>

## Results and Outcomes

### *Water Quality*

Water Resources staff purchased an electronic chlorine meter in 1993 that reads to the hundredths of a part per million, rather than reading by human eye, to better keep the City in compliance with drinking water regulations.

### *Water and Wastewater Operations*

In 1993-94, Water Resources installed gauges on most of the City's pressure-reducing valves that are in underground vaults. These gauges can be read from ground level by field technicians. Prior to this innovation, technicians had to enter confined spaces to read the gauges. The installation of the gauges, which will annually save an estimated \$10,000 in employee time, allows technicians to read them more safely and quickly.

By using aluminum chlorhydrate instead of aluminum sulfate to treat water during the past year, the City's Central Arizona Project (CAP) treatment plant has realized savings on chemicals, power and sludge-removal costs. Aluminum chlorhy-

drate produces one-third the sludge of aluminum sulfate, which reduces sludge removal costs, reduces the frequency of filter backwashing, and saves power. The Scottsdale CAP plant was the first in the Valley to use the product, but all other CAP plants have followed suit. This innovation saved the City nearly \$40,000 in power and chemicals in 1993-94.

Through the use of an innovative rotating schedule, the Central Arizona Project (CAP) plant is staffed 24 hours daily, seven days per week, by four operators, in comparison to most other Valley cities that use five operators to run similar plants. There is no built-in overtime at the CAP plant and the rotating schedule saves \$30,000 annually in administrative costs.

Water Resources employees developed a method over the past year to trace where plastic water service lines need to be replaced or repaired without having to shut down the main line. This means Scottsdale water customers are not inconvenienced by employees shutting down the water main to perform repairs. With approximately 1,000

replacements per year, with a one-hour time savings per job, the tracing system saves more than \$34,000 annually.

A two-foot-long metal tool was developed by departmental employees, that eliminated excavating city fire hydrants with a backhoe before conducting repairs. The tool, which resembles a long wrench, has reduced by six hours per job the time needed to reach the damaged portions of hydrants to make needed repairs. The tool also allows field technicians to access the bottom, threaded portion of hydrants called "lower seats." If the lower seat is stripped, the tool can access the area without excavating it. This tool saved nearly \$1,800 in administrative time in 1993-94.

Water Resources purchased an infrared camera in fiscal year 1993-94, to detect minor problems with electrical components. In several instances, the camera has found problems that could be fixed before major repairs were needed. It is estimated that between \$1,000 and \$5,000 is saved in each instance.



*Water Resources field technicians can more easily read gauges on pressure-reducing valves now that most are located at ground level. Previously, technicians had to enter confined below-ground spaces to read the gauges.*



# Rural/Metro Fire Department

## What we do:

Rural/Metro Fire Department provides the necessary manpower and equipment to handle all fire-related services which include, but are not limited to, fire prevention, public education, emergency medical services and fire suppression.

## Results and Outcomes

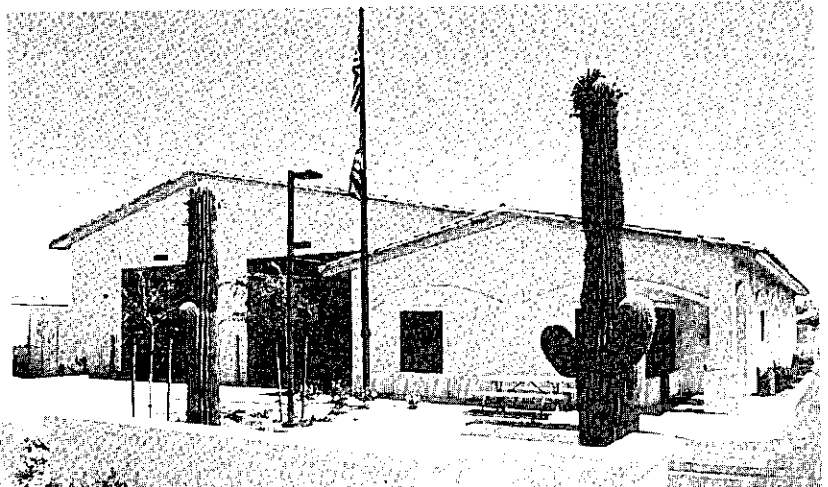
Rural/Metro will give approximately 85 presentations to Scottsdale school children in 1994-95 as part of its efforts to provide public education on fire safety.

More than 80 building and fire plans per day will be reviewed over the coming year by Rural/Metro staff.

Rural/Metro is expecting to respond to an average of 32 emergency calls per day in 1994-95, with an average response time of four minutes.

As part of providing a state-certified, trained professional staff to serve Scottsdale citizens, Rural/Metro fire-fighters will undergo an average of 240 hours of training in 1994-95.

*Rural/Metro's newest Scottsdale location--Station 14--is located at 7435 E. Shea Boulevard. Since 1951, Scottsdale has purchased fire protection from the first "private" contracted fire department in the United States, Rural/Metro Corporation.*



## The Numbers: Specific Budget Expenditures

Division	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Proposed 1994-95
Gen. Fire Protection	6,346,617	7,315,995	7,327,669	8,477,653
Fire Support	260,581	246,441	111,994	n/a
<b>Total</b>	<b>\$6,607,198</b>	<b>\$7,562,436</b>	<b>\$7,439,663</b>	<b>\$8,477,653</b>

# Glossary of Terms

## *Actual*

Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs 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 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 Improvement Plan (CIP)*

A capital improvement plan is a comprehensive program 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 improvement plans are essential to sound infrastructure and financial planning. The annual capital budget is derived from the long-term capital improvements plan.

## *Capital Outlay*

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

## *Commodities*

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

## *Community Facilities Districts (CFD)*

CFDs are special-purpose public improvement districts. By utilizing a

variety of public funding options such as bonds, special assessments, taxes and user fees, CFDs provide a mechanism to finance public infrastructure, the operation and maintenance of public infrastructure, and enhanced municipal services in qualifying areas.

## *Contracts Payable*

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

## *Contractuals*

Contractuals are services such as rentals, insurance, maintenance, etc., 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 a 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, canceled, or when the actual liability is set up.

## *Encumbrance Rebudgets*

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

*Finding 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, e.g. 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 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*

A five-year forecast is 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.

*Full Time Equivalent (FTE)*

Full-time equivalent is a calculation used to convert part-time hours to equivalent full-time positions. Full-time employees' salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing number of hours budgeted by 2,080.

*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*

Fund balance is 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*

GAAP adjustments are 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.

*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 nonprofit corporation established to issue bonds to fund City capital improvement 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.

*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 to fund general government operations. Annual increases are limited to 2 percent 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 nonproperty 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*

Self insurance is 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*

Shared revenues are 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*

Special assessment is 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.

*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 ren-

dered 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.

*Volunteer Time Invested (VTI)*

Volunteer time invested represents the amount of time volunteered to our organization by unpaid individuals and groups.

# Appendix

## Expenditures by Department and Type

Department	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
General Government	11,093,174	12,423,597	12,723,398	13,436,295
Police	20,329,906	21,533,663	21,834,958	24,621,063
Financial Services	8,225,666	7,767,734	7,800,306	8,275,403
Transportation	3,304,370	3,874,483	4,009,337	4,325,103
Community Services	15,403,787	16,345,582	16,699,514	17,506,586
Planning & Community Dev.	9,274,093	9,074,688	10,039,389	10,308,920
Fire	6,607,198	7,562,436	7,439,663	8,477,653
Water Resources	19,446,157	21,533,438	21,417,491	22,541,472
Municipal Services	26,895,799	27,919,717	29,101,066	30,818,602
Debt Service	32,245,705	38,320,397	35,180,274	47,819,953
Contingency	0	1,500,000	379,758	1,500,000
<b>Total</b>	<b>152,825,855</b>	<b>167,855,735</b>	<b>166,625,154</b>	<b>189,631,050</b>

Type	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
Personal Services	54,831,185	58,412,423	58,154,201	63,334,109
Contractual	47,774,674	52,114,081	53,574,073	57,028,986
Commodities	13,698,938	13,600,249	14,104,058	14,526,704
Capital Outlay	4,275,353	3,908,585	5,232,790	5,421,298
Debt Service	32,245,705	38,320,397	35,180,274	47,819,953
Contingency	0	1,500,000	379,758	1,500,000
<b>Total</b>	<b>152,825,855</b>	<b>167,855,735</b>	<b>166,625,154</b>	<b>189,631,050</b>

## Revenues by Source

	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Proposed 1994-95
<b>Local Taxes</b>				
Property Tax	\$14,677,069	\$17,133,276	\$17,133,276	\$19,996,517
Privilege Tax	32,883,245	34,696,831	36,796,831	39,907,065
Transient Occupancy Tax	3,856,181	4,037,500	4,437,500	4,421,000
Light & Power Franchise	2,634,645	2,600,000	2,800,000	2,860,000
Cable TV Franchise	819,009	800,000	900,000	954,000
Salt River Project Lieu	200,563	200,000	240,000	242,400
Fire Insurance Premium Tax	143,392	145,000	145,000	145,000
<b>Total</b>	<b>55,214,104</b>	<b>59,612,607</b>	<b>62,452,607</b>	<b>68,525,982</b>
<b>Taxes From Other Agencies</b>				
State Shared Sales Tax	8,497,024	8,926,400	9,026,400	9,798,512
Auto Lieu Tax	2,347,408	2,400,000	2,700,000	2,715,250
State Revenue Sharing	8,409,335	8,500,000	8,500,000	8,975,000
<b>Total</b>	<b>19,253,767</b>	<b>19,826,400</b>	<b>20,226,400</b>	<b>21,488,762</b>
<b>Transportation Taxes</b>				
Local Transportation Assistance Fund	1,061,035	1,080,000	1,080,000	1,080,000
Highway User Tax	7,655,487	7,900,000	8,100,000	8,599,000
<b>Total</b>	<b>8,716,522</b>	<b>8,980,000</b>	<b>9,180,000</b>	<b>9,679,000</b>
<b>License/Permit Fees</b>				
Business & Liquor Licenses	737,854	742,500	992,500	1,404,200
Permits and Fees	5,970,233	5,812,200	7,812,200	7,800,000
Recreation Fees	1,616,570	1,878,680	1,814,855	1,702,000
<b>Total</b>	<b>8,324,657</b>	<b>8,433,380</b>	<b>10,619,555</b>	<b>10,906,200</b>
<b>Internal Service Charges</b>				
Motor Pool Charges	5,756,748	5,800,000	5,860,000	6,600,000
Risk Management	2,572,485	2,789,000	2,614,000	2,675,000
<b>Total</b>	<b>8,329,233</b>	<b>8,589,000</b>	<b>8,474,000</b>	<b>9,275,000</b>
<b>Fines and Forfeitures</b>				
Parking Fines	209,990	250,000	170,000	170,000
Court Fines	1,349,391	1,420,740	1,340,740	1,447,945
Library Fines	161,130	168,000	198,000	180,000
<b>Total</b>	<b>1,720,511</b>	<b>1,838,740</b>	<b>1,708,740</b>	<b>1,797,945</b>
<b>Use of Money and Property</b>				
Interest Earnings	3,947,497	4,276,025	4,676,025	4,512,670
Property Rental	1,735,941	1,695,000	2,158,825	2,741,798
<b>Total</b>	<b>5,683,438</b>	<b>5,971,025</b>	<b>6,834,850</b>	<b>7,254,468</b>
<b>Utilities and Enterprises</b>				
Refuse Collection Charges	7,832,385	8,488,500	8,398,500	9,389,000
Sewer Charges	7,681,358	9,294,000	9,994,000	9,710,348
Water Charges	28,820,997	31,941,000	34,941,000	33,930,285
Planet Ranch	466,221	440,000	490,000	200,000
Effluent Sales:				
Pipeline		752,000	752,000	1,415,578
Treatment Plants				391,384
Central Groundwater Plant				1,049,818
Airport	580,273	820,000	675,000	705,000
<b>Total</b>	<b>45,381,234</b>	<b>51,735,500</b>	<b>55,250,500</b>	<b>56,791,413</b>
<b>Other Revenue</b>				
Miscellaneous	1,995,270	1,363,000	1,363,000	1,163,000
Improvement District Fees	4,941,556	5,302,544	5,173,634	11,703,282
<b>Total</b>	<b>6,936,826</b>	<b>6,665,544</b>	<b>6,536,634</b>	<b>12,866,282</b>
<b>Total Operating Revenue</b>	<b>\$159,560,292</b>	<b>\$171,652,196</b>	<b>\$181,283,286</b>	<b>\$198,585,052</b>

## Fund Balance: All Operating Funds FY 1994-95

	Actual 1992-93	Adopted 1993-94	Estimated 1993-94	Adopted 1994-95
<b>Beginning Fund Balance</b>				
Economic Stabilization Reserve	0	5,000,000	5,000,000	7,000,000
Debt Service Reserve	4,102,190	6,546,891	5,497,225	3,112,156
Risk Management Reserve	4,071,125	3,717,240	3,679,861	4,469,669
Solid Waste Management Reserve	0	129,921	129,921	265,842
Facilities Maintenance Reserve	0	0	0	250,000
Unreserved	8,188,951	5,982,776	5,589,708	8,449,973
<b>Total Beginning Fund Balance</b>	<b>16,362,266</b>	<b>21,376,828</b>	<b>19,896,715</b>	<b>23,547,640</b>
Revenues	159,560,292	171,652,196	181,283,286	198,585,052
Expenditures	152,825,855	167,855,735	166,625,154	189,631,050
Other Sources/Transfers In	7,493,408	8,573,153	9,979,200	11,226,794
Other Transfers Out	10,693,396	16,191,078	20,986,407	21,533,439
<b>Ending Fund Balance</b>				
Economic Stabilization Reserve	5,000,000	7,000,000	7,000,000	9,000,000
Debt Service Reserve	5,497,225	4,135,884	3,112,156	2,927,792
Risk Management Reserve	3,679,861	4,442,501	4,469,669	6,421,885
Solid Waste Management Reserve	129,921	265,842	265,842	341,690
Facilities Maintenance Reserve	0	0	250,000	500,000
Unreserved	5,589,708	1,711,137	8,449,973	3,003,630
<b>Total Ending Fund Balance</b>	<b>19,896,715</b>	<b>17,555,364</b>	<b>23,547,640</b>	<b>22,194,997</b>



## Staffing by Department

	Adopted 1992-93	Estimated 1993-94	Proposed 1993-94	Adopted 1994-95
<b>General Government</b>				
Full-time	158	163	166	170
Part-time	9	11	12	12
FTE	163.2	169.4	173.0	176.9
<b>Police</b>				
Full-time	326	337	345	381
Part-time	3	3	3	3
FTE	327.0	338.2	346.2	382.1
<b>Financial Services</b>				
Full-time	107	110	110	111
Part-time	5	5	5	5
FTE	109.9	113.0	113.0	113.9
<b>Transportation</b>				
Full-time	33	33	33	33
Part-time	5	5	5	5
FTE	36.3	36.0	36.0	36.1
<b>Community Services</b>				
Full-time	179	184	185	191
Part-time	334	331	330	373
FTE	301.7	311.5	311.9	325.5
<b>Planning and Community Development</b>				
Full-time	107	108	106	107
Part-time	4	4	4	4
FTE	109.9	111.4	109.4	110.4
<b>Water Resources</b>				
Full-time	70	74	74	76
Part-time	11	11	11	1
FTE	83.1	84.8	84.8	76.7
<b>Municipal Services</b>				
Full-time	224	229	228	228
Part-time	4	5	5	5
FTE	227.0	233.1	232.1	232.1
<b>Total Authorized Full-time Positions</b>				
	1,204	1,238	1,247	1,297
<b>Total Authorized Part-time Positions</b>				
	375	375	375	408
<b>Total Authorized FTE</b>				
	1,358.1	1,397.4	1,406.4	1,453.7
<b>Total Grant Funded Full-time Positions</b>				
	10	9	9	10
<b>Total Grant Funded Part-time Positions</b>				
	2	2	2	2
<b>Total Miscellaneous Full-time Positions</b>				
	0	0	8	8

# City of Scottsdale 5-Year Statistical Trends

	1990-91 Actual	1991-92 Actual	1992-93 Actual	1993-94 Estimated	1994-95 Forecasted
<b>FIRE PROTECTION</b>					
Stations	6	6	6	7	8
Fire calls	817	848	742	800	850
Emergency medical calls	3,500	5,646	7,157	9,000	11,000
<b>POLICE PROTECTION</b>					
Major crimes	7,598	7,690	8,155	8,491	8,628
Traffic citations	41,353	39,324	31,056	29,417	33,000
Calls for service	73,9698	5,945	87,583	91,463	95,000
<b>RECREATION</b>					
Parks	21	21	21	23	25
Acres	452.0	452.0	452.0	474.5	510.5
Pools	3	3	3	3	3
Libraries	2	2	2	2	3
Library book circulation	2,007,500	2,221,600	2,223,400	2,244,700	2,366,100
<b>WATER SERVICE</b>					
Number of customers	46,517	48,320	50,735	53,358	55,492
Annual consumption (gallons/millions)	13,183.0	13,542.8	13,736.1	14,382.0	14,813.4
Number of miles of distribution lines	923.5	940.2	1017.3	1040.0	1065.0
System capacity (gallons/millions)	31,538.8	31,538.8	31,538.8	31,538.8	31,538.8
<b>SEWER SERVICE</b>					
Miles of storm sewers	23.00	28.43	29.17	33.27	34.3
Miles of sanitary sewers	680.7	692.7	710.6	730.0	750.0
<b>SOLID WASTE</b>					
Residential customers	40,952	42,473	44,484	50,951	58,339
Commercial customers	989	973	989	945	961
Tons collected	100,048	110,840	112,157	115,033	116,339
Tons recycled	525.7	861.07	752.48	577.39	600.00
<b>AIRPORT</b>					
Landings and takeoffs	265,819	234,597	197,577	184,512	180,000
<b>STREETS</b>					
Miles of streets	2,653	2,693	2,716	2,717	2,748
Miles resurfaced/sealed by contract	113	102	195	249	276
Streetlights in use	7,644	7,989	8,157	8,374	8,394
Signalized intersections	161	163	166	170	177
<b>BUILDING INSPECTIONS</b>					
Permits issued	935	1,296	2,489	2,478	2,597
Dollar value of permits issued (thousands)	53,179.3	33,101.1	89,192.1	160,317.7	169,855.0
<b>ELECTIONS</b>					
Registered voters	74,204	87,535	87,535	102,268	102,268
Number voting in last municipal election	12,423	17,068	17,068	6,126	6,126
Percentage voting in last municipal election	16.7%	19.5%	19.5%	6%	6%
<b>FLEET MANAGEMENT</b>					
Equipment units in fleet	556	580	622	643	668
<b>RISK MANAGEMENT</b>					
Liability claims filed	123	114	162	115	128
Worker's Comp claims filed	101	111	125	121	114

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