



SONIA ANDREWS

CITY TREASURER ACCOMPLISHMENTS FY 2022/2023

DUTIES OF THE TREASURER

The city treasurer's duties under the City Charter and Code include preparing and issuing monthly financial statements, overseeing receipts and disbursements, serving as the city's liaison with bond rating agencies, investment bankers, outside auditors, and coordinating and cooperating with the City Manager and other city staff to provide long-range financial planning, financial advice and policy recommendations.

The following accomplishments highlight our fulfilment of these duties:

- Monthly financial statements and financial presentations (quarterly and annual) were provided to Council in an accurate, concise and timely manner.
- The city's year-end audit was completed on time with an unqualified (clean) audit opinion.
- The city received the Government Finance Officer Association's (GFOA) coveted Certificate of Achievement for Excellence in Financial Reporting for the 50th consecutive year and the Distinguished Budget Award for the 33rd consecutive year. These nationally recognized awards are given to municipalities that go beyond government accounting standard requirements to achieve financial reports that reflect best practices and evidence full disclosure and transparency.
- The city maintained a AAA bond rating, the highest rating assigned by national rating agencies. To maintain a AAA rating, municipalities must demonstrate strong and well-integrated fiscal management practices and policies.
- Our Comprehensive Financial Policies were significantly improved in FY21/22, and in FY22/23 we recommended and implemented additional policies to strengthen our fiscal management.

In addition to our core duties, the Treasurer's Office accomplished the following Council goals during FY22/23:

SHORT-TERM RENTAL LICENSES

The city's short-term rental ordinance went into effect in November and as of June 4, 2023, the city has issued 3,317 short-term rental licenses.

From November through June of this year, the City Treasurer's Tax and Licensing Department staff dedicated significant amounts of time and effort to processing short-term rentals license applications, assisting property owners with the application process, and performing a variety of other tasks related to short-term rental licensing. Tax and Licensing staff also went above and beyond to ensure accurate information on property owners and properties were obtained and entered into our system.

The work accomplished is a step towards better monitoring and regulation of short-term rentals, which is a top priority for Council.

CAPITAL IMPROVEMENT PROJECTS

The city's capital improvement budget for FY 23/24 is over \$1 billion. In the last two years, our capital projects have increased significantly with the addition of the Bond 2019 program, water/wastewater infrastructure needs, and transportation, public safety and other capital needs. Construction cost inflation at historical highs also created additional funding needs for our capital projects. Given the increases to our capital improvement budget, sound fiscal management, transparency and accountability are critical to ensuring Council and citizen priorities are met.

During FY22/23, Treasury staff worked closely with the Capital Project Management Department and the City Manager's Office to identify strategies for funding and financing our capital projects, and also to provide better accountability and transparency to Council and our citizens. A Council work study session and a retreat were held on February 21 and April 13 respectively, to provide for in-depth reviews and discussions of our Bond 2019 projects and other capital costs.

Our efforts resulted in the following accomplishments:

1. Improved transparency and reporting on capital projects, providing Council and citizens with better information on our Bond 2019 projects, cost increases and funding needs.
2. Identification of one-time funding to cover cost increases for various Bond 2019 projects, allowing us to meet our commitments to citizens in a timely manner and without requesting additional taxes.
3. New financial policies requiring capital project cost increases greater than 10% and \$1 million to be presented, or communicated in writing, and approved by Council, enhancing transparency and accountability for our citizens.

Moving into FY23/24, the City Treasurer's Office will continue to work closely with Capital Project Management and the City Manager's office to develop additional funding strategies and ensure sound fiscal management, transparency and accountability of the city's capital projects.

PROTECT PRESERVE SCOTTSDALE CITIZEN TASK FORCE

The city's General Plan contains Elements for Open Space, Environmental Planning and Conservation which prioritizes preservation and protection of the McDowell Sonoran Preserve and other open spaces. To that end Council's strategic goals include exploring replacement of the expiring 0.2% Preserve tax for perpetual maintenance, protection and preservation of the Preserve, Indian Bend Wash Greenbelt and other open spaces.

During FY22/23, Council appointed a 9 member Citizen Task Force and adopted a work plan towards this goal. The City Treasurer's Office has been leading the efforts for the Task Force, coordinating with our Parks Department and other departments to provide information and support needed for the Task Force to accomplish their mission.

To date, the Task Force has conducted nine public meetings and received presentations on the maintenance needs for the Indian Bend Wash and parks, the Preserve, fire mitigation and response needs, police park ranger needs and programs for our homeless population. The Task Force has also received information on the City's finances, Tourism activity and examples of parks and open space sales tax initiatives at other cities.

The important work of the Task Force will continue into FY23/24 with the City Treasurer's Office support and coordination. The Task Force is expected to provide an update to Council in September and develop a recommendation for Council consideration by the end of 2023 or early 2024.

FY23/24 BUDGET

The budget is one of the most important policy documents that a local government adopts. Aside from being a legal document required for spending authority, the budget reflects the governing body's priorities and tax policies and establishes a strategic plan for funding city operations and capital needs.

We successfully developed a balanced budget for FY23/24, in cooperation with the City Manager and city departments, that provides funding for Council priorities and core services for our community while keeping taxes and fees low, maintains sufficient reserves and flexibility for economic uncertainties, and continues our pay down of public safety pension liabilities.

DEBT ISSUANCE FOR BOND 2019 PROJECTS

During FY22/23, we successfully completed the sale of \$73.7 million in General Obligation Bonds for the Bond 2019 program, achieving very favorable interest cost of 3.1% for the tax-exempt series and 4.7% for the taxable series.

TREASURY DIVISION IMPROVEMENTS

The City Treasurer's Office has 5 departments serving both internal and external customers and provides all financial services to the city.

1. **Accounting and Financial Reporting** (17 FTEs)– maintains the city’s general ledger, ensures compliance with Government Accounting Standards, prepares year end audit workpapers and the city’s Annual Comprehensive Financial Report, manages city’s treasury and investment functions, processes ~ 45,000 vendor payments and ~ 66,000 payroll disbursements each year.
2. **Budget** (7 FTEs)– coordinates and prepares the city’s budget and long-range financial plans, ensures budget compliance throughout the year and prepares monthly budget to actual financial reports.
3. **Business Services** (Utility Billing, Cash Receipting, Tax and Licensing) (39 FTEs)– serving over 125,000 customers, this department performs billing, cash receipting, revenue recovery, and all tax and licensing functions for the city.
4. **Debt & Enterprise Finance** (3 FTEs)– manages the city’s debt issuances and monitors debt to ensure compliance with IRS and SEC regulations. Oversees enterprise finances and serves as liaison to the city’s Municipal Property Corporation and Community Facility Districts.
5. **Purchasing** (22 FTEs)– oversees citywide procurement, ensuring compliance with city’s procurement code and operates city’s inventory warehouse and mail/printshop.

Process Improvements and Core Financial Systems Upgrade

Every department in the City Treasurer’s Division has been working on process improvements to streamline, automate and modernize processes to better serve our customers.

Our core financial systems (general ledger, accounts payable, purchasing, budgeting, billing, capital assets and cash receipting systems) have been in place for over 20 years, and although still in operation, these financial systems have reached end of life and are no longer keeping up with the efficiencies and technological advancements available today. Modernizing our systems with a new Enterprise Resource Planning (ERP) system will provide cost saving efficiencies and technology improvements to better serve our customers. This year we worked with our ERP consultant to identify and document system requirements and issued a request for proposal to solicit ERP vendors and software solutions. Implementation of a new ERP system is expected to begin in FY23/24.

PROFESSIONAL DEVELOPMENT ACCOMPLISHMENTS

During FY22/23, I started serving my 3 year term on the executive board of the GFOA, a national association with 22,000 members, representing public finance officials throughout the United States and Canada. I continue to work on developing best practices and advancing excellence in public finance through my work with the GFOA.

CITY TREASURER GOALS FY 2023/2024

1. **Protect Preserve Scottsdale Task Force** – continue to support the mission of the Task Force to develop a funding recommendation for the protection and perpetual maintenance of our Preserve, Indian Bend Wash and other open space.

2. **Capital Projects** – continue to work with Capital Project Management and the City Manager’s Office to identify and recommend funding strategies, to address project cost increases and improve transparency and accountability for capital projects.
3. **Ambulance** – collaborate with Fire Department to develop a financial plan and funding for ambulance operations.
4. **Expenditure Limitation** – analyze and explore the city’s expenditure limitation and work with the City Manager’s Office to develop a recommendation of increasing the expenditure limitation as needed.
5. **Treasury Division Improvements** – continue efforts to modernize and improve systems and processes, and develop staff to maintain a high performing team.



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To: Honorable Scottsdale City Council

Wednesday, 7 June 2023

Re: Evaluation June 20, 2023, hearing of City Treasurer, Sonia Andrews

COGS—Coalition of Greater Scottsdale—fully supports retaining the current City Treasurer, Sonia Andrews. She has exemplified the highest level of professionalism in her position since day one.

She promptly provides our organization with links to sources (and resources) to answer our questions and to establish accuracy on the information we share with our members and the public. Her communication skills with the public are evidenced by her service interactions with COGS.

It was fortunate for our city when the position was vacant that Ms Andrews was selected. We hope she will find our city government a positive environment to continue for many years.

The COGS Board of Directors and its members

Marilynn Atkinson, Jim Davis, Sonnie Kirtley, Howard Myers, Stan Morganstern, Copper Phillips, Andrew Scheck, and Chris Schaffner