



City of Phoenix

To: Mayor & City Council

Date: March 14, 2019

From: Ed Zuercher
City Manager

Subject: TRIAL BUDGET 2019-20: PEOPLE AND PROGRAMS FOR A STRONGER PHOENIX

I am pleased to present a balanced 2019-20 Trial Budget for community review and comment. The budget aims to fund **People and Programs for a Stronger Phoenix**.

We have turned a corner in our annual budget, with our revenues and expenditures for ongoing programs now in balance. This means there is a sustainable level of programs and costs that allow us to respond to community needs and provide reasonable employee compensation additions.

The 2019-20 budget builds on this year's efforts. It began with identification of resources available and ongoing expenses. Based on a five-year forecast from Budget & Research, we identified a strong economy and minimal non-pension expenditure growth that has resulted in a surplus of \$35 million in ongoing revenue and \$20 million in one-time resources. The 2019-20 Trial Budget focuses on allocating those additional resources to our employees and programs for a stronger city and seeks input on the proposed allocations.

Compensation for a Stronger Staff Team: As a service business, we depend on City staff to provide residents with important services and enhance the quality of life in Phoenix. The current three-year employee contracts expire at the end of this fiscal year, and management is in negotiations with the bargaining groups. Based on discussions with the Mayor and City Council and a review of our financial position, management recommends providing about 70% of the surplus to responsibly raise employee compensation. For the first time, this budget includes a 10% allocation of the surplus to address a long-term funding need for employee pensions, which represent a significant part of employee compensation. Over the last decade, the City's general fund allocation to pensions has grown from about \$120 million to over \$270 million. This means that the City's contribution to pension has been the key driver of our employee compensation and our overall spending since 2008-09.

Programs for a Stronger Phoenix: The Mayor and City Council have communicated community desires for service programs restorations and additions in many areas. About 30% of the surplus funds are allocated to restore and add programs and strengthen the City's ability to maintain the infrastructure needed for quality services. Some of these efforts continue last year's budget discussions, such as the recommendations of the Traumatic Incident Intervention Resources ad hoc committee, responding to the impacts of homelessness, and a commitment to staff Fire Station 55 in north Phoenix. Other additions reflect ongoing restoration since the Great Recession, such as Sunday library hours for all branches, more park rangers and adding facility

management staff. Finally, there are some new programs such as maintaining landscaping on the southwest loop and the Grand Canal as well as a full-time ambulance company in Laveen.

The attached 2019-20 Trial Budget additions aim to address critical areas of:

Public Safety
Neighborhood Preservation and Revitalization
Community Services
Infrastructure Maintenance
Preparation for Census 2020
Employee Compensation

The Trial Budget discussion focuses primarily on the General Fund which provides the majority of community-oriented services, such as public safety, parks, libraries, neighborhoods and general administration of the government. However, there are other important priorities being addressed in non-general funds, including Planning and Development staffing levels to respond to strong economic growth and protecting our water and wastewater infrastructure.

Finally, there are important priorities for a stronger Phoenix being addressed by previous City Council actions that aren't directly captured in this Trial Budget discussion:

- The City Council has advanced \$200 million in capital funding to accelerate restoration of street pavement citywide. These efforts will be seen in full force this spring, summer and fall.
- The City Council has authorized the Police Department for 3,125 sworn staff. As of March 1, the department had 2,994 sworn staff, representing the highest filled sworn level since 2012-13. Recruitment continues in full force to meet this budgeted level.
- Funding significant water infrastructure and discussion of facilities needs, particularly in aging public safety facilities and fleet.

During the month of April, there are at least 19 budget hearings scheduled throughout the city to take input on these proposed Trial Budget additions. Residents can also review the document at phoenix.gov/budget and provide direct feedback at budget.research@phoenix.gov.



2019-20 City Manager's Trial Budget

This report transmits a balanced fiscal year (FY) 2019-20 Trial Budget for community review and comment.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

General Fund (GF) resources for 2019-20 are projected to be \$1.397 billion. This represents an increase of \$87 million from 2018-19 resources of \$1.310 billion. The growth in GF resources is a result of a healthy economy and assumes no fee increases and no new sources of revenue. The increases for each major revenue category are highlighted below:

- Local Sales Tax (\$40 million);
- State Shared Revenue (\$36 million);
- Primary Property Tax (\$7 million); and
- User Fees (\$4 million)

Before accounting for the projected surplus, the 2019-20 GF Trial Budget expenditures are projected to be \$1.342 billion. This compares to the adopted GF expenditure budget of \$1.310 billion for 2018-19. The increase accounts for Council priorities and previous commitments including:

- An increase in public safety and general vehicle replacement to more normal levels (approximately \$7 million);
- Increased civilian (\$4 million) and sworn (\$11 million) pension costs;
- Increased contingency to maintain a 4 percent reserve (approximately \$3 million); and
- Implementation of the Police Body Worn Camera Program (approximately \$2 million)

Throughout the year, the City Council and City Management made careful preparations for the 2019-20 budget process. As a result, the GF portion of the

2019-20 Trial Budget includes a surplus of approximately \$55 million in ongoing (\$35 million) and one-time (\$20 million) resources that can be used to address critical needs, requests for the community for new or expanded services, and/or employee compensation. As presented, the Trial Budget includes several recommendations that continue to move the City forward in addressing critical community priorities. These priorities include the following:

- Public Safety
- Neighborhood Preservation and Revitalization
- Community Services
- Infrastructure Maintenance
- Census
- Employee Compensation

The Trial Budget also includes several critical Non-GF additions for planning and development services, street transportation and water services.

Summary

The Trial Budget is an important step in the City's Zero-Based Budget development process. It provides the Mayor and City Council, the community and our employee groups an opportunity to review a proposed balanced budget, which includes additions in staff and programs, well in advance of the deadlines for making final budget decisions. Between April 2 and April 18, the 2019-20 Trial Budget will be presented to Phoenix residents for input at 19 community budget hearings. A complete list of hearing dates, locations and times is included in [Attachment C](#). During this time the City also will conduct additional hearings at neighborhood and business organization meetings, increasing transparency and involvement in the budget process. As a result of public input, changes could be made to the Trial Budget when a proposed budget is presented on May 7.

Latest General Fund Budget Status

On March 5, 2019, the Budget and Research Department presented a five-year [General Fund forecast](#) to the City Council. The multi-year forecast is a financial management best practice providing the City Council with a tool for long-term planning and strategic decision-making. The report explained economic, resource and expenditure assumptions providing the basis for potential ending balance ranges over the next five fiscal years. The ending balance for 2019-20 projected a surplus of approximately \$55 million. That is, after accounting for the estimated GF revenues and estimated GF expenditures, we estimated that approximately \$55

million would be available to address critical issues previously discussed with the City Council over the last few months during budget discussions. The surplus includes \$35 million in ongoing funding and \$20 million in one-time funding. The forecast also illustrated a structurally balanced budget, where ongoing revenues are available to support existing programs. Additional detailed information on GF revenue and economic assumptions used to develop the Trial Budget can be found in [Attachment D](#).

Since 2007-08 pension costs have consumed a growing share of our GF resources. In 2019-20, GF pension costs will be approximately \$295 million, up from just over \$95 million in 2007-08. All our efforts for efficiencies and cost reductions, as well as revenue from a recovering economy, have gone to paying 100 percent of our actuarially required contribution every year. The City Council has taken steps to address long-term pension health through COPERS reforms that will save over \$1 billion over the next 20 years; establishing and funding a \$35 million Public Safety Personnel Retirement System (PSPRS) Stabilization Fund, and authorizing the use of Wastewater Funds to pay down the City Of Phoenix Employee Retirement System (COPERS) unfunded liability. State voters recently approved some reform to PSPRS. However, we still have a total unfunded pension liability of approximately \$4.6 billion that will require continued diligence and further resource strategies in the coming years. (A state-required Pension Funding Strategy is presented as a separate item on the [March 19, 2019 agenda](#).)

As presented, the Trial Budget preserves existing city services and provides for modest investments in public safety, neighborhood preservation and revitalization, community services, infrastructure maintenance, and census from the General Fund. Additions are also proposed from Enterprise and Restricted Funds for planning and development services, street transportation and water services. A detailed listing of the general fund and non-general fund budget additions can be found in [Attachments A and B](#).

The City continues to negotiate with labor units on the development of labor contracts for FY 2019-20 and FY 2020-21. Current labor contracts expire June 30, 2019 and include the final year of a three-year plan for the full restoration of prior labor concessions that date back to FY 2010-11. Based on available resources, service needs and the Five-Year GF Forecast presented to Council on March 5, 2019, the City has determined that it could allocate about 70 percent of additional funds (\$22.6 million of the ongoing surplus and no more than \$17.0 million of the one-time surplus) to address employee compensation. [Attachment A](#) provides

additional information on the portion of the surplus that is being reserved to address employee compensation, including pension. Included in this proposal is a plan to allocate \$1 million in ongoing funding to the Public Safety Pension Reserve Fund and approximately \$4.5 million in one-time funding for an extra payment to the PSPRS. This represents allocating approximately 10 percent of the GF surplus to address public safety pension.

Proposed General Fund Service Additions

Public Safety

Police and Fire staffing continues to be the single most important priority for the City Council and the community. Since public safety hiring resumed in late 2015, Police and Fire filled staffing levels have increased by 254 filled police positions and 92 filled fire positions. The proposed budget continues that trend by providing the resources the Police Department needs to reach and maintain a total filled count of 3,125 total sworn positions. This reflects an increase of 131 officers over the current filled count of 2,994. For Fire, the budget reflects the resources the Fire Department needs to maintain a total filled count of 1,668, which is required to ensure compliance with the 2016 SAFER Grant. Currently, the total number of sworn fire positions is 1,641.

The Trial Budget also includes the following Public Safety additions:

Fire Department - \$2,528,000

The Trial Budget reflects adding eight new sworn positions needed to provide 24 hour operations at Fire Station 55 located at I-17 and Jomax Road and adding the funding needed to provide a full-time rescue unit at Fire Station 58 located at 47th Avenue and Dobbins Road. The Trial Budget also includes funding for one vehicle, one Caseworker III and five Caseworker II positions to staff one additional full-time Crisis Response Unit. This funding was recommended by the Traumatic Incident Intervention Resources (TIIR) Ad Hoc Committee and was recently approved by City Council at the Feb. 26, 2019 Policy Meeting. Additionally, a significant enhancement to the Fire Prevention Program is also proposed by adding one Planning and Development Team Leader, one Fire Prevention Supervisor and three Fire Prevention Specialist II positions. The additional inspections staff will be responsible for reviewing building plans, inspecting buildings for fire code violations, and evaluating and updating the Fire Code.

Police Department - \$2,484,000

The Trial Budget reflects the addition of 10 civilian positions needed to support the Department's transition to the Federal Bureau of Investigation's Uniform Crime Reporting National Incident-Based Reporting System (UCR NIBRS). The FBI requires this transition to be completed by January 2021. Failure to transition by the deadline could jeopardize federal grant funding. The Trial Budget also includes the addition of 13 civilian positions to continue civilianizing the Central Booking Detail. A recent study and subsequent pilot program at Mountain View Precinct reduced booking times by 50 percent allowing officers to return to duty faster. The Trial Budget also proposes adding seven civilian positions to the Lab Services Bureau. These positions will help address the departments backlog of over 26,000 cases. Additionally, the Trial Budget also includes funding to provide facilitated community response and debriefing sessions for cases of officer-involved shootings, as well as translation services and additional de-escalation training for the Police Department. This funding was recommended by the Traumatic Incident Intervention Resources (TIIR) Ad Hoc Committee and was recently approved by City Council at the Feb. 26, 2019 Policy Meeting.

Human Services - \$103,000

The Trial Budget reflects the addition of a Caseworker II to provide mobile victim advocacy and support services. Victim services includes crisis intervention, intake assessment, assistance with supportive services, and community outreach and education.

Public Defender - \$139,000

The Trial Budget proposes the addition of two positions and increased funding for Court Appointed Attorney legal services to provide support for two of the most vulnerable populations, veterans and individuals with mental health issues.

Library - \$336,000

The Trial Budget proposes adding seven municipal security guards to provide continuous security coverage for patrons and staff at all library facilities during all hours of operation.

Law - No GF Cost Addition

The Law Department is in the process of implementing a modernized sustainable Case Management System (CMS). To assist with the implementation and ongoing support of the selected system, the Department requests two Information Technology Analyst/Programmer II positions. These positions will be funded using

existing resources and the CMS Project budget.

Information Technology - \$751,000

Given recent cyber attacks in other government organizations across the country, the Trial Budget proposes adding six positions needed to enhance the City's current cyber security program. These positions will be tasked with controlling, managing, securing and monitoring privileged access to critical IT assets.

Retirement Systems - \$123,000

The Trial Budget proposes adding a position dedicated to handling public safety retirement and disability issues and supporting the City of Phoenix Police and Fire Pension Boards.

Neighborhood Preservation and Revitalization

Vibrant neighborhoods are the heart of any great city and the need to preserve, revitalize, and enhance neighborhoods throughout Phoenix is of great importance. As a result, the Trial Budget proposes the following enhancements to the City's commitment to maintaining vibrant, healthy neighborhoods:

Neighborhood Services - \$1,039,000

The Trial Budget proposes the addition of one Neighborhood Specialist and a Neighborhood Specialist Supervisor position to serve as liaisons for approximately 1,000 registered neighborhood groups across the city. These positions will provide education on City programs and services, assist neighborhoods in organizing community meetings and cleanups, and work with other City departments to make Phoenix a community of desirable neighborhoods. The proposed budget also includes converting eight Neighborhood Inspector positions from Community Development Block Grant (CDBG) funding to the General Fund. By converting these positions to General Funds, the positions will be available to work throughout the city rather than in specific geographic areas. This transition is expected to significantly improve response times to blight throughout the city in non-CDBG eligible areas. This will also make more CDBG funding available for other projects.

Parks and Recreation - \$1,439,000

Continuing the momentum from last year's efforts to address negative activity in our parks, the proposed budget includes a Park Manager and eight new Park Ranger positions that will provide an additional 80 hours a week of patrol coverage, increasing daily patrol coverage in urban parks to 4 a.m. through 11 p.m. seven days a week. This addition increases the number of flatland Park Rangers from 11

to 19 and enhances the ability to enforce park regulations in City parks. Overall this addition would raise the total Park Ranger count to 87, six more than the pre-recession peak of 81 total Park Rangers. The Trial Budget also proposes adding staff and equipment to provide weekly recreation and cultural activities at five parks across the city. This addition will engage residents and deter negative activity in the parks through the increased traffic generated by activity participants.

Solid Waste and Street Transportation - \$970,000

The 2018-19 budget included a one-year pilot program that consisted of a dedicated solid waste team and a street clean up team to address the impacts of encampments in neighborhoods, alleys and public washes. The Trial Budget proposes that this program continue using General Funds, as Solid Waste Funding is not a viable option to sustain this program indefinitely.

Planning and Development (Historic Preservation) - \$75,000

Phoenix boomed in the postwar years from 1945-1975. Many of those properties now meet the age criteria for listing on the Phoenix Historic Property Register. Developing a context and survey of those properties will help ensure preservation efforts are focused on the buildings that are most significant. The proposed budget includes support of historic resources by adding funds for consultants to complete building condition assessments, historic property context reports, and property surveys to appropriately classify historic assets and to identify significant properties to be preserved.

Community Services

Active community participation through the Arts, Library and Parks is an essential component to healthy and vibrant neighborhoods. The Trial Budget proposes the following community services that will enhance the city's quality of life for all:

Library - \$421,000

Prior to the Great Recession the library averaged approximately 72 hours per branch, not including Burton Barr Library hours. Following the closure of the Burton Barr Library in the summer of 2017, four additional hours were added on Sunday to the Yucca, Century, Harmon and Ocotillo branches. These hours were made permanent in last year's budget process. This year's Trial Budget proposes that Sunday hours at the remaining four branches (Acacia, Agave, Desert Broom, and Desert Sage) without Sunday hours be restored. This addition will restore branch hours to approximately 49 hours per branch or 68 percent of pre-recession level hours.

Parks and Recreation - \$448,000

The Trial Budget proposes adding staff and equipment for the PHXteens program which provides opportunities for disengaged youth to participate in educational trips, sports programs, job training, teen councils, and teen volunteering. This will support providing programs for teens at 10 sites across the city, six days per week up from a current number of seven sites.

Human Services - \$200,000

The Trial Budget proposes adding two Caseworker II positions to provide case management services to assist homeless elderly clients with achieving housing stability. Each position will provide services to a minimum of 20 clients at any point in time.

Office of Arts and Culture - \$25,000

The Trial Budget increases funding for arts grants for youth and underserved communities. This will support the Collaborative Communities, and Youth Arts and Culture Engagement grant programs.

Mayor and City Council - \$250,000

The Trial Budget proposes funding be allocated for a Pilot Program to facilitate community engagement activities through participatory budgeting within the Mayor and City Council Offices. Projects will be those that require no new operating costs, are procured in accordance with City policy and will be at the recommendation of each elected official. Process will also be at the discretion of each elected official.

Infrastructure Maintenance

In June 2018, the Council established a public safety and infrastructure strategic priority for review. Since then, City management has been working to identify the needs and strategies to replace, repair, maintain and renew the City's capital facilities and infrastructure. The Trial Budget proposes the following additions to help address this critical need:

Street Transportation - \$1,358,000

The Trial Budget includes funding to maintain street landscaping along newly developed and renovated streetscapes. This includes maintenance for new landscaping along the Grand Canal between 15th Avenue and 16th Street, and between 36th Street and 40th Street. Also included is funding necessary to increase the frequency of contracted landscape maintenance from three times a year to four

times a year, and to provide monthly irrigation system monitoring to identify and repair leaks and non functioning equipment. Two Senior Construction Inspector positions are also proposed to improve monitoring of contractor performance and to improve response times to safety issues and resident complaints.

Parks and Recreation - \$220,000

The Trial Budget proposes adding two positions to assist with improving response times for plumbing and other maintenance issues at the urban parks, sports, and cultural facilities throughout the city.

Public Works - \$1,336,000

The Trial Budget proposes adding 23.5 full-time positions and needed vehicles to support deferred maintenance projects, asset management efforts, and facility site assessment support. By adding these positions, the Department's ability to respond to facility needs should be greatly improved. These additions represent only a partial restoration of prior reductions in force that occurred during the Great Recession.

Census 2020

Census - \$1,355,000

For the first time in history, the national decennial census will be conducted primarily online. This means we need great preparation and community outreach to ensure all Phoenicians are counted. The results of the 2020 census will be used to determine future allocations of State-shared revenue. To protect Phoenix's share of state-shared revenues, the Trial Budget proposes adding \$1,355,000 in one-time contractual support to ensure that Phoenix residents are accurately counted in this process.

Proposed Non-General Fund Additions

The City budget is made up of three separate pieces: the General Fund, Enterprise Funds and Other Restricted Funds. Recommendations for the General Fund were discussed above. Enterprise Funds include Aviation, Water, Wastewater, Solid Waste and the Convention Center. These funds, with the exception of the Convention Center, are funded with user fees. The Convention Center includes fees paid by those who use the facility and Convention Center parking garages and certain earmarked sales tax categories. Enterprise funds can only be used for costs directly associated with delivering enterprise fund services. The Restricted Funds category includes federal and state grants, gas taxes (AHUR), debt service, the Development Services Fund, the Phoenix Parks and Preserve Initiative (PPPI) and

the voter-approved Transportation 2050 Fund. These funds can only be used in accordance with grant and other statutory rules. A complete list of each Non-General Fund Trial Budget addition can be found in [Attachment B](#). Below, is a summary of the major non-general fund additions:

Development Services Fund

Planning and Development proposes adding several new positions in order to meet the needs of current workload demands and expected increases in development activity. The proposed additions will enhance customer service and ensure a more streamlined experience for the development process. The Department had 669 total staff at the height of the last economic cycle (2006-07) and decreased to a staff of 253 in 2010-11. Today the Department has a staff of 364 employees. In 2006-07 the department served almost 120,000 customers. That dropped to a little over 70,000 customers in 2010-11. In 2017-18 the Department served approximately 113,000 customers. In addition, increased complexity of infill development and the need to work with surrounding property owners and residents on a much more frequent basis than in 2006-07, places a greater demand on staff time.

Street Transportation Arizona Highway User Revenue (AHUR) Fund

The Street Transportation Department proposes adding several new positions in order to meet the needs of current workload demands associated with Right of Way Management and Utility Coordination. The Trial Budget also includes additional staffing needed to coordinate the Department's robust capital improvement program which includes both AHUR and T2050 funded projects. The Preliminary Five-Year CIP reflects \$220.9 million in Street Transportation and Drainage projects that facilitate economic development and public safety, including an accelerated pavement maintenance program, new and expanded streets, mobility improvements, technology enhancements, and storm water improvements.

Water and Wastewater Fund

The Water Services Department proposes adding staff and vehicles to ensure adequate maintenance of the 91st Avenue Wastewater Treatment Facility. Also proposed is funding to implement the use of Cellular Encoder Receiver Transmitters (CERTs) to read water meters on construction fire hydrants, hard to read accounts, accounts with limited/restricted access, and high security/safety areas such as Phoenix Sky Harbor Airport. This technology will allow for billable meter reads to be captured more efficiently.

Next Steps

Staff will publish a tabloid in English and Spanish summarizing the City Manager's Trial Budget and make it available to the public. The tabloid will be available electronically on the City's website, and copies will be available at all senior centers, community centers, libraries, and as always, at all community budget hearings. Electronic document locations will be publicized in the Arizona Republic, the Arizona Informant, La Voz, Prensa Hispana and the Asian American Times.

Next, a series of community budget hearings will be held between April 2 and April 18. A schedule of those hearings is included in the [attached document](#). As is our practice, we will record the comments made at each hearing and transmit them each week in the Council packet. Following the community budget hearing process, the City Manager's Proposed Budget reflecting community input will be presented to City Council on May 7, 2019 and Council action on the budget is scheduled for May 22, 2019. The remaining key dates in this year's budget process are as follows:

<u>Date</u>	<u>Event</u>
May 7, 2019	City Manager's Proposed Budget
May 22, 2019	Council Budget Decision
June 5, 2019	2019-20 Tentative Budget Ordinance Adoption
June 19, 2019	2019-20 Funding Plan and Final Budget Ordinance Adoption
July 3, 2019	2019-20 Property Tax Levy Ordinance Adoption

Responsible Department

This item is submitted by City Manager Ed Zuercher and the Budget and Research Department.

ATTACHMENT A

2019-20

**PROPOSED SUPPLEMENTALS
GENERAL FUND**

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
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EMPLOYEE COMPENSATION

Labor

1. Current employee contracts expire at the end of the current fiscal year. Management has been negotiating with each bargaining unit and has proposed allocating approximately 70 percent of the available surplus for employee compensation. Exact details of the compensation packages will be determined in the negotiations process.	\$21,600,000	\$12,500,000	\$34,100,000
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Public Safety Pension

1. Reflects a transfer to the Pension Reserve Fund of approximately one million annually to further stabilize future required employer contributions to the Public Safety Personnel Retirement System (PSPRS). Also includes a one-time additional payment to PSPRS in FY2019-20 towards the unfunded Public Safety pension liability.	\$1,000,000	\$4,500,000	\$5,500,000
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TOTAL EMPLOYEE COMPENSATION	\$22,600,000	\$17,000,000	\$39,600,000
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PUBLIC SAFETY

Fire

1. <i>Program: Fire Emergency Medical Services and Hazardous Incident Response</i> Add funding for eight new sworn positions consisting of six Firefighters, one Fire Engineer and one Fire Captain. These positions will complete the staffing needed for 24 hour operations at the new Fire Station 55 located at I-17 and Jomax Road.	\$1,100,000	\$-	\$1,100,000 8.0
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Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Fire Emergency Medical Services and Hazardous Incident Response</i>			
2. Add funding for seven existing sworn Fire positions, which were previously unbudgeted, to staff an additional rescue unit to improve ambulance response time in the southwest region of the City of Phoenix. This unit will be assigned to Fire Station 58 located at 47th Ave and Dobbins Rd. The new ambulance will be paid through impact fees budgeted in the capital improvement program.	\$878,000	\$-	\$878,000 -
<i>Program: Crisis Intervention</i>			
3. Add funding to enhance the Fire Department's Community Assistance Program. The funding will provide for one vehicle, one Caseworker III and five Caseworker II positions to staff one additional full-time crisis response unit. This funding was recommended by the Traumatic Incident Intervention Resources (TIIR) Ad Hoc Committee and was recently approved by City Council at the February 26, 2019 Policy Meeting.	\$500,000	\$50,000	\$550,000 6.0
<i>Program: Fire Prevention General Inspections</i>			
4. Add five positions and vehicles for the Annual Facilities Program (AFP). Positions include one Planning & Development Team Leader, one Fire Prevention Supervisor and three Fire Prevention Specialist II positions. These positions will work with staff in the City's Planning and Development Department to review construction documents and plans for new development and conduct field inspections. Costs will be funded through credits charged to the Development Services Fund.	\$-	\$-	\$- 5.0
Total Fire	\$2,478,000	\$50,000	\$2,528,000 19.0

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Police</u>			
<i>Program: Administration</i>			
1. Add funding for eight Police Coding Clerks, one Criminal Intelligence Analyst, and one Police Research & Investigations Bureau Shift Supervisor, as well as additional funding for temporary part-time staff, to provide support for the Department's transition to the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting National Incident-Based Reporting System (UCR NIBRS). The FBI requires this transition to be completed by January 2021. Failure to do so could jeopardize future Police Department federal grant funding and the department's ability to meaningfully compare crime statistics to other cities.	\$983,000	\$-	\$983,000 10.0
<i>Program: Centralized Booking Detail</i>			
2. Add funding for six Detention Officers, six Police Records Clerks, and one Fingerprint Technician to open two booking processing centers at Southern Command Station and Mountain View Precinct. An Advance PHX process improvement project analyzed the Department's current booking process, which takes officers three hours to complete on average. A resulting pilot program at the Mountain View Precinct reduced average booking times by 50%. This funding is the first year in a three-year phase-in approach to reach staffing levels sufficient to expand the booking centers citywide.	\$800,000	\$-	\$800,000 13.0
<i>Program: Investigations</i>			
3. Add funding for three Forensic Scientist III's, two Crime Scene Specialist III's, and two Police Aides at the Lab Services Bureau (LSB). The LSB plays a pivotal role in the investigation and adjudication of criminal cases but currently has a backlog of cases in need of lab testing requiring significant staff time to fully support crime scene response requests from officers. These positions will help eliminate the case backlog and ensure crime scene response support is consistently available.	\$501,000	\$-	\$501,000 7.0

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Crisis Intervention Team</i>			
4. Add funding to provide facilitated community response and debriefing sessions for cases of officer-involved shootings, as well as translation services and additional de-escalation training for the Police Department. This funding was recommended by the Traumatic Incident Intervention Resources (TIIR) Ad Hoc Committee and was recently approved by City Council at the February 26, 2019 Policy Meeting.	\$200,000	\$-	\$200,000 -
Total Police	\$2,484,000	\$-	\$2,484,000 30.0
<u>Human Services</u>			
<i>Program: Victim Advocacy Services</i>			
1. Add a Caseworker II position and vehicle to provide mobile victim advocacy and support services. Victim services include crisis intervention, intake assessment, assistance with supportive services, and community outreach and education.	\$76,000	\$27,000	\$103,000 1.0
Total Human Services	\$76,000	\$27,000	\$103,000 1.0
<u>Public Defender</u>			
<i>Program: Legal Services</i>			
1. Add two positions and increase funding for Court Appointed Attorney (CAA) legal services to provide support for two of the most vulnerable populations, Veterans and individuals with mental health issues. This supplemental will also increase resources for the Driving While License Suspended (DSL) Specialty Court program.	\$139,000	\$-	\$139,000 2.0
Total Public Defender	\$139,000	\$-	\$139,000 2.0

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Library</u>			
<i>Program: Branch Libraries</i>			
1. Add 7 additional Municipal Security Guard positions to provide security coverage at all library facilities during all hours of operation.	\$336,000	\$-	\$336,000 7.0
Total Library	\$336,000	\$-	\$336,000 7.0
<u>Law</u>			
<i>Program: Management Services</i>			
1. The Law department is in the process of implementing a modernized sustainable Case Management System (CMS). To assist with the implementation and ongoing support of the selected system, the Law Department requests two Information Technology Analyst/Programmer II (ITAP II) positions. Positions will be funded by resources appropriated within the City Prosecutor's Criminal Case Management Replacement project and in contractual services used to maintain the outdated existing system.	\$-	\$-	\$- 2.0
Total Law	\$-	\$-	\$- 2.0
<u>Information Technology</u>			
<i>Program: Information Security and Privacy Services</i>			
1. Add six positions to enhance the current cyber security program to further control, manage, secure and monitor privileged access to critical IT assets. Positions include one Deputy Chief Information Officer, one Lead IT Systems Specialist, one Senior IT Systems Specialist, one IT Systems Specialist, one Lead User Technology Specialist and one Lead Business Systems Analyst.	\$751,000	\$-	\$751,000 6.0
Total Information Technology	\$751,000	\$-	\$751,000 6.0

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Retirement Systems</u>			
<i>Program: Retirement Board and Committee Support</i>			
1. Add a Management Assistant II position dedicated to public safety retirement issues and supporting the City of Phoenix Police Pension Board and City of Phoenix Fire Pension Board.	\$123,000	\$-	\$123,000 1.0
Total Retirement Systems	\$123,000	\$-	\$123,000 1.0
TOTAL PUBLIC SAFETY	\$6,387,000	\$77,000	\$6,464,000 68.0

NEIGHBORHOOD PRESERVATION AND REVITALIZATION

<u>Neighborhood Services</u>			
<i>Program: Neighborhood Engagement Program</i>			
1. Add a Neighborhood Specialist and a Neighborhood Specialist Supervisor position, along with vehicles, to increase the capacity of the Neighborhood Specialist team, which serves as liaisons for approximately 1,000 registered neighborhood groups across the city. These positions will provide education on city programs and services, assist neighborhoods in organizing community meetings and cleanups, and work with other city departments, partner agencies and the business community to bring needed resources to make Phoenix a community of desirable neighborhoods by building capacity to connect, identify needs, build consensus, coordinate and advocate for themselves.	\$189,000	\$68,000	\$257,000 2.0
<i>Program: Code Compliance Program</i>			
2. Convert funding of eight Neighborhood Inspector positions from CDBG program income to the General Fund to improve response times to blight throughout the city in non-CDBG eligible areas. This will also make more CDBG funding available for other programs.	\$763,000	\$-	\$763,000 -

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Administration</i>			
3. Add a Contracts Specialist II position to support timely contract procurement and contract monitoring. This position is 80% grant funded.	\$19,000	\$-	\$19,000 -
Total Neighborhood Services	\$971,000	\$68,000	\$1,039,000 2.0
<u>Parks and Recreation</u>			
<i>Program: Park Rangers-Community and Neighborhood Parks</i>			
1. Add a Park Manager and eight Park Ranger positions that will provide an additional 80 hours a week of patrol coverage, increasing daily patrol coverage in urban parks to 4:00 a.m. through 11:00 p.m. seven days a week.	\$790,000	\$280,000	\$1,070,000 9.0
<i>Program: General Recreation</i>			
2. Add staff and equipment to provide weekly recreation and cultural activities at five parks across the city for five days a week to engage residents and deter negative activity in the parks through the increased traffic generated by activity participants.	\$169,000	\$200,000	\$369,000 4.3
Total Parks and Recreation	\$959,000	\$480,000	\$1,439,000 13.3
<u>Solid Waste</u>			
<i>Program: Institutional Collection and Special Services Program</i>			
1. Continue and convert funding for vehicles and two existing full-time temporary Solid Waste Equipment Operator positions to regular status for citywide cleanup of encampments. The positions were previously funded in the Solid Waste Fund as a 2018-19 pilot to address impacts of encampments and to clean up alleys. Funding in Solid Waste is not available past the 2018-19 pilot year.	\$180,000	\$400,000	\$580,000 -
Total Solid Waste	\$180,000	\$400,000	\$580,000 -

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Street Transportation</u>			
<i>Program: Street Cleaning</i>			
1. Continue and convert funding for five existing full time temporary positions to regular status for citywide cleanup of encampments. Positions include three Street Maintenance Worker I's and two Street Maintenance Worker II's. The positions were previously funded in the Solid Waste Fund as a 2018-19 pilot to clean up right of way, City-owned lots, natural washes, culverts and drainage easements from the impacts of encampments. Funding in Solid Waste is not available past the 2018-19 pilot year.	\$390,000	\$-	\$390,000 -
Total Street Transportation	\$390,000	\$-	\$390,000 -
<u>Planning and Development</u>			
<i>Program: Administration and Enforcement of Local, Federal, and Historic Preservation Laws</i>			
1. Add funding for consultants to complete building condition assessments, historic property context reports, and historic property surveys to appropriately classify historic resources and identify significant properties to be preserved. Phoenix boomed in the postwar years from 1945-1975. Many of those properties now meet the age criteria for listing on the Phoenix Historic Property Register. Developing a context and survey of those properties will help ensure preservation efforts are focused on those buildings that are most significant. The proposed funding will assist in making those determinations. The funds can also be used as the required match for Certified Local Government grants. In addition, the funds will help bolster preservation efforts on future threatened and endangered structures.	\$75,000	\$-	\$75,000 -
Total Planning and Development	\$75,000	\$-	\$75,000 -
TOTAL NEIGHBORHOOD PRESERVATION AND REVITALIZATION	\$2,575,000	\$948,000	\$3,523,000 15.3

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
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COMMUNITY SERVICES

Library

Program: Branch Libraries

- | | | | |
|--|-----------|-----|-------------------|
| 1. Restore Sunday hours of operation to all library locations. The final restoration is at four branch libraries: Acacia (750 E. Townley Ave), Agave (23550 N. 36 th Ave), Desert Broom (29710 N. Cave Creek Rd), and Desert Sage (7602 W. Encanto Blvd). This would provide Sunday hours from 1:00 p.m. to 5:00 p.m. | \$421,000 | \$- | \$421,000
10.5 |
|--|-----------|-----|-------------------|

Total Library	\$421,000	\$-	\$421,000 10.5
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Parks and Recreation

Program: General Recreation

- | | | | |
|--|-----------|----------|------------------|
| 1. Add staff and equipment for the PHXteens program which provides opportunities for disengaged youth to participate in sport programs, job training, teen councils, and teen volunteering. This will support providing programs for teens at 10 sites across the city, six days per week up from a current number of 7 sites. | \$358,000 | \$90,000 | \$448,000
7.0 |
|--|-----------|----------|------------------|

Total Parks and Recreation	\$358,000	\$90,000	\$448,000 7.0
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Human Services

Program: Homeless Housing Services

- | | | | |
|--|-----------|----------|------------------|
| 1. Add two Caseworker II positions and vehicles to provide case management services to assist homeless elderly clients with achieving housing stability. Each position will provide services to a minimum of 20 clients each at any point in time. | \$146,000 | \$54,000 | \$200,000
2.0 |
|--|-----------|----------|------------------|

Total Human Services	\$146,000	\$54,000	\$200,000 2.0
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Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Office of Arts and Culture</u>			
<i>Program: Community Investments and Engagement Program</i>			
1. Increase funding for arts grants for youth and underserved communities.	\$25,000	\$-	\$25,000 -
Total Office of Arts and Culture	\$25,000	\$-	\$25,000 -
<u>City Council</u>			
<i>Program: Constituent Services</i>			
1. Add funding to facilitate enhanced community engagement activities by City Council-members through participatory budgeting or other methods at the discretion of the Council member. Projects will be those that require no new operating costs, are procured in accordance with City policy and as recommended by City Council members.	\$200,000	\$-	\$200,000 -
Total City Council	\$200,000	\$-	\$200,000 -
<u>Mayor's Office</u>			
<i>Program: Constituent Services</i>			
1. Add funding to facilitate enhanced community engagement activities by the Mayor through participatory budgeting or other methods at the discretion of the Mayor. Projects will be those that require no new operating costs, are procured in accordance with City policy and as recommended by the Mayor.	\$50,000	\$-	\$50,000 -
Total Mayor's Office	\$50,000	\$-	\$50,000 -
TOTAL COMMUNITY SERVICES	\$1,200,000	\$144,000	\$1,344,000 19.5

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
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INFRASTRUCTURE MAINTENANCE

Street Transportation

<i>Program: Landscape Management</i>			
1. Add funding to maintain street landscaping along newly developed and renovated streetscapes. This includes maintenance for new landscaping along the Grand Canal between 15 th Avenue and 16 th Street, and between 36 th Street and 40 th Street.	\$404,000	\$-	\$404,000 -
<i>Program: Landscape Management</i>			
2. Add funding to increase the frequency of contracted street landscape maintenance from three times a year to four times a year, and to provide monthly irrigation system monitoring to identify and repair leaks and non-functioning equipment. In addition, add two Senior Construction Inspector positions to improve monitoring of contractor performance and improve response times to safety issues and resident complaints.	\$890,000	\$64,000	\$954,000 2.0
<i>Program: Municipal Facility Design & Construction</i>			
3. Add an Information Technology Analyst Programmer II position to support the implementation of new Capital Improvement Program (CIP) project management software. This position will work with client departments to ensure that the new system will meet the city's needs. This position will be charged out to facility related CIP projects.	\$-	\$-	\$- 1.0
Total Street Transportation	\$1,294,000	\$64,000	\$1,358,000 3.0

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Parks and Recreation</u>			
<i>Program: Park Maintenance</i>			
1. Add a Parks Maintenance Mechanic position and equipment to the Downtown Division to improve response times for plumbing and other maintenance issues at the urban parks, sports, and cultural facilities located within the downtown area. Also, add a Buyer position to provide support for the procurement of supplies and equipment needed to maintain Parks facilities citywide.	\$175,000	\$45,000	\$220,000 2.0
Total Parks and Recreation	\$175,000	\$45,000	\$220,000 2.0
<u>Public Works</u>			
<i>Program: Facilities Management and Maintenance</i>			
1. Add funding for 23.5 positions and 17 vehicles for facilities deferred maintenance projects, asset management and site assessment support. Positions include five Facilities Project Planners, one Project Manager, five Project Management Assistants, two Support Services Aides, one Business Systems Analyst, one Building Facilities Superintendent, three Electricians, one Electronic Systems Specialist, one Building Maintenance Worker*U2, one Building Equipment Operator, one Administrative Assistant I, one Electrical Maintenance Foreman and a part-time Support Services Aide. These additions represent a partial restoration of prior reductions in force that occurred during the Great Recession.	\$969,000	\$367,000	\$1,336,000 23.5
Total Public Works	\$969,000	\$367,000	\$1,336,000 23.5

Department/Program	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>City Manager's Office</u>			
<i>Program: Professional Administration of Policies and Objectives Set Forth by Mayor and Council</i>			
1. Convert a temporary Assistant to the City Manager position to regular status to continue to support departments in the maintenance of city facilities by providing oversight, coordination, and policy guidance.	\$-	\$-	\$-
Total City Manager's Office	\$-	\$-	\$-
TOTAL INFRASTRUCTURE MAINTENANCE	\$2,438,000	\$476,000	\$2,914,000 28.5
PREPARING FOR CENSUS 2020			
<i>Program: Census 2020</i>			
1. Add funding for a marketing and public relations agency to help ensure Phoenix maximizes Census participation, which will affect future federal funding allocations and state shared revenues. The additional resources for an experienced marketing agency will assist staff in message development, content creation and media implementation to help reach hard-to-count and hard-to-reach populations.	\$-	\$1,355,000	\$1,355,000
TOTAL PREPARING FOR CENSUS 2020	\$-	\$1,355,000	\$1,355,000
<u>TOTAL PROPOSED GENERAL FUND ADDITIONS</u>	\$35,200,000	\$20,000,000	\$55,200,000 131.3

ATTACHMENT B

2019-20

**PROPOSED SUPPLEMENTALS
NON-GENERAL FUND**

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Fire</u>			
<i>Program: Fire Emergency Medical Services and Hazardous Incident Response</i>			
1. Add funding for a Management Assistant II position to provide management support for the computer aided dispatch system. This position will be funded by the Regional Automatic Aid Consortium partners.	\$103,000	\$-	\$103,000 1.0
<i>Program: Fire Emergency Medical Services and Hazardous Incident Response</i>			
2. Add funding for a Senior User Tech Specialist position to provide computer aided dispatch system maintenance. This position will be funded by the Regional Automatic Aid Consortium partners.	\$117,000	\$-	\$117,000 1.0
Total Fire	\$220,000	\$-	\$220,000 2.0
<u>Housing</u>			
<i>Program: Housing Supportive Services and Project Implementation</i>			
1. Convert six federally-funded temporary full-time positions to regular status to support various Housing programs. Positions include two Project Management Assistants, one Project Manager, one Administrative Assistant I, one Administrative Assistant II and one Relocation Specialist.	\$-	\$-	\$- -
Total Housing	\$-	\$-	\$- -

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Library</u>			
<i>Program: Branch Services</i>			
1. Convert temporary First Things First positions to regular and ongoing status. This includes two full-time Administrative Assistant I positions that provide grant support and oversight, and part-time Library Assistant positions that provide early literacy programming in libraries and community locations.	\$-	\$-	\$- 8.9
Total Library	\$-	\$-	\$- 8.9
<u>Neighborhood Services</u>			
<i>Program: Administration</i>			
1. Add a Contracts Specialist II position to support timely contract procurement and contract monitoring for federal and state requirements, and meet critical grant spending timelines and spending ratios. The funding for this position is 20% General Fund.	\$75,000	\$-	\$75,000 1.0
Total Neighborhood Services	\$75,000	\$-	\$75,000 1.0
<u>Parks and Recreation</u>			
<i>Program: Preserves</i>			
1. Add a GIS Technician position to redesign the Parks Land Asset Inventory database to make detailed park information such as special amenities, features, and activities available to the public. This position will be charged to PPPI funded projects in the Capital Improvement Program budget.	\$-	\$-	\$- 1.0
<i>Program: Parks Maintenance</i>			
2. Add staff and materials to operate and maintain the completion of Pinnacle Park, phase II, which includes athletic fields, restrooms and a skate plaza. The facility is scheduled to open in October 2019.	\$120,000	\$87,000	\$207,000 2.0
Total Parks and Recreation	\$120,000	\$87,000	\$207,000 3.0

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<u>Planning and Development</u>			
<i>Program: Civil Plan Review and Inspections</i>			
1. Add a Chief Engineering Technician position to perform civil plan reviews and provide oversight of contracted civil plan review to ensure turnaround times are maintained as demand for services increases.	\$75,000	\$-	\$75,000 1.0
<i>Program: Administration</i>			
2. Add an Engineering Technician position to reduce turnaround times for processing of pre-application and preliminary review submissions.	\$58,000	\$-	\$58,000 1.0
<i>Program: Commercial Plan Review and Inspections</i>			
3. Add two Architect positions to review complex commercial architectural plans for compliance with building and accessibility codes.	\$220,000	\$-	\$220,000 2.0
<i>Program: Commercial Plan Review and Inspections</i>			
4. Add a Fire Prevention Specialist II position to conduct fire system reviews for commercial building plan submissions. This position is needed due to an increase in commercial building plans being submitted with fire system review requirements.	\$82,000	\$-	\$82,000 1.0
<i>Program: Residential Plan Review and Inspections</i>			
5. Add four positions to maintain a 24-hour turnaround time for performing residential inspections; timely review of plans for conformance with building codes and ordinances; and provide an increased ability to conduct customer meetings regarding development activities.	\$343,000	\$120,000	\$463,000 4.0
<i>Program: Signs Plan Review and Inspections</i>			
6. Add an Engineering Technician position to assist with sign permit processing and data entry in response to increasing demand for services.	\$58,000	\$-	\$58,000 1.0

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Administration</i>			
7. Add an Administrative Assistant I position to help support the Building Official section. Between 2017 and 2018 there was a 25 percent increase in the number of building code modification requirements which has increased the need for training and coordination to implement the changes.	\$75,000	\$-	\$75,000 1.0
<i>Program: Administration</i>			
8. Add a Lead Business Systems Analyst position to support the development and implementation of a new planning, zoning, permitting, and plan review software application. This position will assist with the conversion of historical data from the current business application and provide ongoing support for the new system.	\$105,000	\$-	\$105,000 1.0
<i>Program: Commercial Plan Review and Inspections</i>			
9. Add a Site Development Coordinator and a Building Code Examiner position to maintain a 24-hour turnaround time for commercial combination inspections, which allows multiple disciplines to be reviewed and inspected at the same time.	\$186,000	\$60,000	\$246,000 2.0
<i>Program: Site Planning</i>			
10. Add a Landscape Architect II and a Planner II position to support the pre-application and preliminary plan review process for landscape and hillside projects, and the site planning customer service counter, in response to increasing demand for services.	\$189,000	\$-	\$189,000 2.0
<i>Program: Administration</i>			
11. Add an Engineering Technician position to support the payment and submittals public counter. Due to the increase in development activities the customer wait times at the counter have increased.	\$58,000	\$-	\$58,000 1.0
<i>Program: Growth and Infrastructure</i>			
12. Add an Accountant II position in the Growth and Infrastructure section to perform day-to-day impact fee administrative activities. Due to the increase in development activity additional staff is needed to prepare impact fee estimates, determine impact fee requirements, and enter impact fees on permits.	\$85,000	\$-	\$85,000 1.0

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Administration</i>			
13. Add a Budget Analyst II position to support preparation of the department's annual budget and coordinate procurements and audits. Due to increased development activities, additional fiscal analysis, research, and reporting is needed.	\$93,000	\$-	\$93,000 1.0
Total Planning and Development	\$1,627,000	\$180,000	\$1,807,000 19.0
<u>Solid Waste</u>			
<i>Program: Institutional Collection and Special Services</i>			
1. Add a Project Manager position to review plans for new and existing development projects. Funding for this position is available in the existing Solid Waste budget.	\$-	\$-	\$- 1.0
Total Solid Waste	\$-	\$-	\$- 1.0
<u>Street Transportation</u>			
<i>Program: Street Lighting</i>			
1. Convert a temporary Chief Engineering Technician position to regular status to support increasing demand for small cell site installations. This position will be partially funded through fees. Cost shown is net of revenue.	\$28,000	\$32,000	\$60,000 -
<i>Program: Utility Coordination & Inspection</i>			
2. Add a Chief Engineering Technician position to support increasing demand for underground utility work related to fiber-optic installation and repairs to the aging natural gas infrastructure. This position will be partially funded through fees. Cost shown is net of revenue	\$44,000	\$-	\$44,000 1.0
<i>Program: Landscape Management</i>			
3. Add a Senior Construction Inspector position, along with water costs, to monitor the contracted maintenance of an additional 476 acres of street landscaping being added as part of the new 22-mile Loop 202 freeway connection.	\$275,000	\$32,000	\$307,000 1.0

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Administration</i>			
4. Convert a temporary Special Projects Administrator position to regular status to support the department's continuous process improvement efforts, and communication with businesses and communities regarding street improvement projects.	\$-	\$-	\$- -
<i>Program: Administration</i>			
5. Add an Administrative Assistant II position to support public outreach and community engagement efforts regarding street improvement projects, and transportation issues such as pedestrian safety and safe driving.	\$111,000	\$-	\$111,000 1.0
<i>Program: Transportation & Drainage Design & Construction</i>			
6. Add an Information Technology Analyst Programmer II position to support the implementation of new Capital Improvement Program (CIP) project management software. This position will be charged out to streets related CIP projects.	\$-	\$-	\$- 1.0
<i>Program: Administration</i>			
7. Add GIS positions to support the data collection, analysis, and reporting related to the department's accelerated pavement, Transportation 2050 and other Capital Improvement Program projects. The cost for these positions is offset by a reduction in contract staff and charges to related CIP projects.	\$-	\$-	\$- 5.0
<i>Program: Freeway Coordination Program</i>			
8. Convert a temporary Freeway Coordination Manager position to regular status to support communication, coordination, and policy recommendations regarding freeway system projects within the City of Phoenix. This position works extensively with the Federal Highway Administration (FHA), Maricopa Association of Governments (MAG), Arizona Department of Transportation (ADOT), and other city departments.	\$-	\$-	\$- -

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
<i>Program: Freeway Coordination Program</i>			
9. Convert a temporary Special Projects Administrator position to regular status to manage the technical aspects of freeway system projects, coordinate the activities of city departments, and support communication and coordination with external agencies. The position is currently funded by Maricopa Association of Governments (MAG) through June 2020.	\$-	\$-	\$-
<i>Program: Administration</i>			
10. Add a Senior Business Systems Analyst position to support the department's continuous process improvement efforts.	\$117,000	\$-	\$117,000 1.0
<i>Program: On-Street Parking Program</i>			
11. Add a Parking Meter Repair Supervisor position to support the department's day-to-day maintenance and operation of the City's parking meters, and conduct analysis to optimize collections and meter placement.	\$79,000	\$50,000	\$129,000 1.0
Total Street Transportation	\$654,000	\$114,000	\$768,000 11.0

Water Services

<i>Program: Wastewater Treatment</i>			
1. Add staff and vehicles to ensure adequate maintenance of the 91 st Avenue Wastewater Treatment Facility. This includes maintenance of the liquid and solid system processes, electrical systems/equipment, instrumentation and control systems/equipment and ancillary facilities such as maintenance and control buildings.	\$1,942,000	\$998,000	\$2,940,000 21.0
<i>Program: Water Meter Operations</i>			
2. Add funding to implement the use of Cellular Encoder Receiver Transmitters (CERTs) to read water meters on construction fire hydrants, hard to read accounts, accounts with limited/restricted access, and high security/safety areas such as Phoenix Sky Harbor Airport. This technology allows for billable meter reads to be captured more efficiently.	\$-	\$150,000	\$150,000 -

Department	2019-20 Ongoing	2019-20 One-time	2019-20 Total
Total Water Services	\$1,942,000	\$1,148,000	\$3,090,000 21.0
TOTAL PROPOSED NON-GENERAL FUND ADDITIONS	\$4,638,000	\$1,529,000	\$6,167,000 66.9

Attachment C
City of Phoenix
Locations for 2019-20 Community Budget Hearings

Date/Time	Council District(s)	Location Information
Tuesday, April 2, 2019 8:00 am	D6	Pecos Community Center 17010 S. 48th Street
Tuesday, April 2, 2019 10:30 am	D6	Devonshire Community Center Auditorium 2802 E. Devonshire Avenue
Tuesday, April 2, 2019 6:00 pm	D4	Steele Indian School Park Memorial Hall 300 E. Indian School Road
Tuesday, April 2, 2019 6:00 pm	D3/D5	Sunnyslope Community Center Multipurpose Room 802 E. Vogel Avenue
Thursday, April 4, 2019 8:00 am	D7/D8	South Mountain Community Center Saguaro Room 212 E. Alta Vista Road
Thursday, April 4, 2019 6:00 pm	D7	Burton Barr Central Library College Depot, 2 nd Floor 1221 N. Central Avenue
Monday, April 8, 2019 6:00 pm	D7	Country Place Leadership Academy Cafeteria 10207 W. Country Place Blvd
Monday, April 8, 2019 6:00 pm	D3	North Mountain Visitor Center 12950 N. 7th Street
Monday, April 8, 2019 6:00 pm	D5	Pendergast Community Center Multipurpose Room 10550 W. Mariposa Street
Tuesday, April 9, 2019 8:30 am	D1/D5	Helen Drake Senior Center 7600 N. 27th Avenue
Tuesday, April 9, 2019 6:00 pm	D7/D8	Cesar Chavez High School Cafeteria 3921 W. Baseline Road
Tuesday, April 9, 2019 6:00 pm	D4	Phoenix Children's Hospital Rosenburg Bldg, Melvin L. Cohen Conf. Rm 1919 E. Thomas Road
Thursday, April 11, 2019 6:00 pm	Citywide Spanish/ English	Maryvale Community Center Multipurpose Room 4420 N. 51st Avenue
Thursday, April 11, 2019 6:00 pm	D2/D3	Paradise Valley Community Center Multipurpose Room 17402 N. 40th Street
Monday, April 15, 2019 6:00 pm	D8	Neighborhood Resource Center Large Conference Room 2405 E. Broadway
Tuesday, April 16, 2019 6:00 pm	D1/D2	Goelet A. C. Beuf Community Center Multipurpose Room 3435 W. Pinnacle Peak Road
Tuesday, April 16, 2019 6:00 pm	Citywide Youth	Metro Tech High School Banquet Hall 1900 W. Thomas Road
Thursday, April 18, 2019 8:00 am	D3	Shadow Mountain Senior Center 3546 E. Sweetwater Avenue
Thursday, April 18, 2019 6:00 pm	D4/D7	Encanto Park Clubhouse Ballroom 2605 N. 15th Avenue



City of Phoenix

BUDGET AND RESEARCH DEPARTMENT REPORT	B.R.D. NUMBER 2019-07
SUBJECT General Fund Revenue Estimates	DATE ISSUED March 19, 2018

This report provides additional detail on General Fund (GF) revenue estimates to explain recommended revenue projections. The City is committed to providing a transparent and open budget process. Providing this information enhances the review and understanding of how revenue projections are developed to better facilitate discussions during the annual budget development process.

Careful examination of revenue estimates is required to ensure projections are as accurate as possible in order to maintain fiscal stability and long term budget management. Predicting future revenue growth is challenging and requires consistent and diligent analysis based on sound forecasting principles and methods. Revenues are monitored closely and an updated revenue report is prepared and distributed to the City Manager’s Office, the City Council and the community for review monthly. General Fund revenues are comprised of several categories all of which are unique and require separate analysis. The primary revenue categories include: local taxes and related fees, primary property taxes, state shared sales, income and vehicle license taxes, and user fees and non-tax revenues.

Included in this report is an explanation of how GF revenue is projected, the sources relied upon to assist in developing estimates, economic assumptions and the methods used to analyze revenues. Also included are historical revenue actuals and growth rates, the recommended revenue estimates for 2018-19 and 2019-20 and an explanation of the influencing factors used by staff in conducting analysis for each major revenue category. The below table summarizes the 2018-19 and 2019-20 estimated GF revenues and the primary reason for the variance:

GF Revenue Category (millions)	2018-19 Estimate	2019-20 Estimate	Amount Change	Percent Change	Primary Reason for Difference
Local Taxes	\$482.1	\$505.2	\$23.1	4.8%	Continued solid growth in sales tax collections expected through FY 19/20.
Primary Property Tax	161.6	169.2	7.6	4.7%	Increase in assessed property valuation.
State Shared Sales Tax	164.2	172.6	8.4	5.1%	Continued solid growth expected through FY 19/20.
State Shared Income Tax	196.9	215.2	18.3	9.3%	Already known collections (based on FY 17/18 collections).
State Shared Vehicle License Tax	71.6	76.4	4.8	6.7%	Continued increases in vehicle sales expected through FY 19/20.
User Fees & Non-Taxes	131.4	132.7	1.3	1.0%	Increase in several user fees and non-tax revenues, offset by expected decreases in some user fees and non-tax revenues.
Total	\$1,207.8	\$1,271.3	\$63.5	5.3%	

Revenue Projections & Trusted Sources

Projecting revenues involves complex analysis and continuous monitoring to identify variances and recommend adjustments so that expenditures do not exceed available resources and a balanced budget can be maintained. As part of the overall forecasting process, assumptions about the direction and strength of the national, state and local economy are considered along with indicators such as population, job growth and personal income. Information on program and service activity levels, rates, and fees that influence certain revenues are evaluated and proposed legislation is monitored to determine potential impacts to revenue categories such as sales taxes, state shared revenues, emergency transportation service revenues and property taxes. In addition, information from city departments on user fees and non-tax revenue is requested and analyzed each year as part of the technical budget review process. Finally, trusted economic and financial sources are relied on to provide certain revenue projections and insight into the overall direction and strength of the economy and include experts from the State's Finance Advisory Committee (FAC), Joint Legislative Budget Committee (JLBC), Arizona State University, University of Arizona (UofA) Economic and Business Research Center (EBRC), Arizona Department of Revenue, National Blue Chip, Western Blue Chip, and the US Bureau of Labor Statistics.

The city is also a member of the Forecasting Project through the EBRC at the UofA. This project is a community-sponsored research program providing project members with economic forecasts for Arizona and the Phoenix-Mesa metro area. Budget & Research (B&R) staff attends quarterly meetings, participates in discussions with other local government and private enterprise members, and receives quarterly economic reports. In the fall of 2014, B&R consulted with the UofA to enhance the City's sales tax revenue forecasting process. Dr. George Hammond, EBRC Director, and Dr. Alberta Charney, Senior Research Economist, spent several months working with staff to develop an enhanced econometric forecasting model for sales tax. In the summer of 2017, staff worked with EBRC to update the tax forecasting model. The additional consulting with Drs. Hammond and Charney provided the City with solid, independent economic and statistical expertise used to develop a statistically valid forecasting model specifically for the City of Phoenix. The FY 2019-20 projected growth rates for city and state sales tax are based on estimates developed using the enhanced econometric forecasting model.

Economic Assumptions

Several of the primary revenue categories are influenced by the economy and the sources mentioned above provide valuable information about the expected growth of the economy. These sources are used in developing projected revenue growth rates. B&R staff continuously monitors economic variables and what these experts are predicting when developing revenue estimations.

The overall consensus from these trusted sources is Arizona and the Phoenix Metro area are set to carry significant momentum in 2019. They predict the state will continue to grind out solid gains assuming the national economy avoids recession. However, it is worth noting that since 1945, the average length of a U.S. economic expansion has been approximately 5 years and the longest has been 10 years. The current expansion has lasted over 9 years, and it will break the record for the longest economic U.S. expansion in July 2019. Two-thirds of 60+ U.S. business economists in a recent Wall Street Journal survey expect a recession by the end of 2020. The Moody's Analytics baseline forecast puts the highest odds of the next recession in mid-2020. If their prediction is accurate, the U.S. economic expansion will end at some point within the forecast range.

Arizona and the greater Phoenix area are firing on all cylinders and the solid growth is expected to continue in 2019. State job growth rose by 3.4% over-the-year in the fourth quarter of 2018, which was well above the national rate of 1.7% and was the fourth consecutive acceleration. Construction activity led growth, with strong increases in jobs, permits, and prices (Economic Outlook, 2019 1st

Quarter Report). Arizona is a leader in diverse industrials ranging from construction to manufacturing to health care and professional services, although there still might be a threat to the economy from an unexpected national downturn driven by dissipation of the federal fiscal stimulus, the lagged impacts of past interest rate increases, uncertainty about the resolution of trade disputes, and decelerating global economic performance (Economic Forecasting Luncheon, November 2018; Economic Outlook, 2019 1st Quarter Report).

Revenue Forecasting Methods

Several forecasting methods and practices are used to estimate city revenues and will vary depending on the type of revenue being analyzed. Evaluating historical growth patterns and current actuals is an important component to analysis and provides insight into the direction of the various revenue categories and the growth needed to achieve estimated revenues. Information is also collected from the economic sources mentioned earlier to ensure current and subsequent year estimates are reasonable and in-line with what these experts are predicting. The State FAC provides valuable information from a panel of respected economists and financial professionals. Included in their materials are projections of state sales tax and income tax collections. These projections are considered when developing city sales tax and state shared sales and income tax revenues for both the current and subsequent fiscal years. Additionally, information is collected from city departments during the annual technical review process which is needed to analyze the user fee and non-tax revenue category. The department's knowledge of the revenues generated by various city programs and services is essential to developing accurate projections. Staff also considers one-time revenues, adjustments and contractual agreements impacting growth when developing estimates.

In conjunction with considering historical growth, current trends, and information from trusted sources and departments, B&R staff uses several forecasting methods when preparing recommended estimates. The most common methods of revenue estimation used are: averages of actual revenue experience by varying time periods, annualization of year-to-date actuals, and most often a percent of prior year method. This last method involves analyzing the amount of revenue collected at a point in time during prior fiscal years, for example seven months, represented as a percentage of the total collections for the entire fiscal year and then applying that percentage to current year-to-date actuals. This method accounts for the seasonal nature of many city revenues and is often a more effective method than using an averages or annualizing approach. Additionally, the growth rate needed to reach the budgeted or estimated revenue is considered. If the percentage growth needed for the remaining months of the fiscal year is substantially higher or lower than the current growth rate, adjustments are made to arrive at a new estimated revenue amount for the fiscal year.

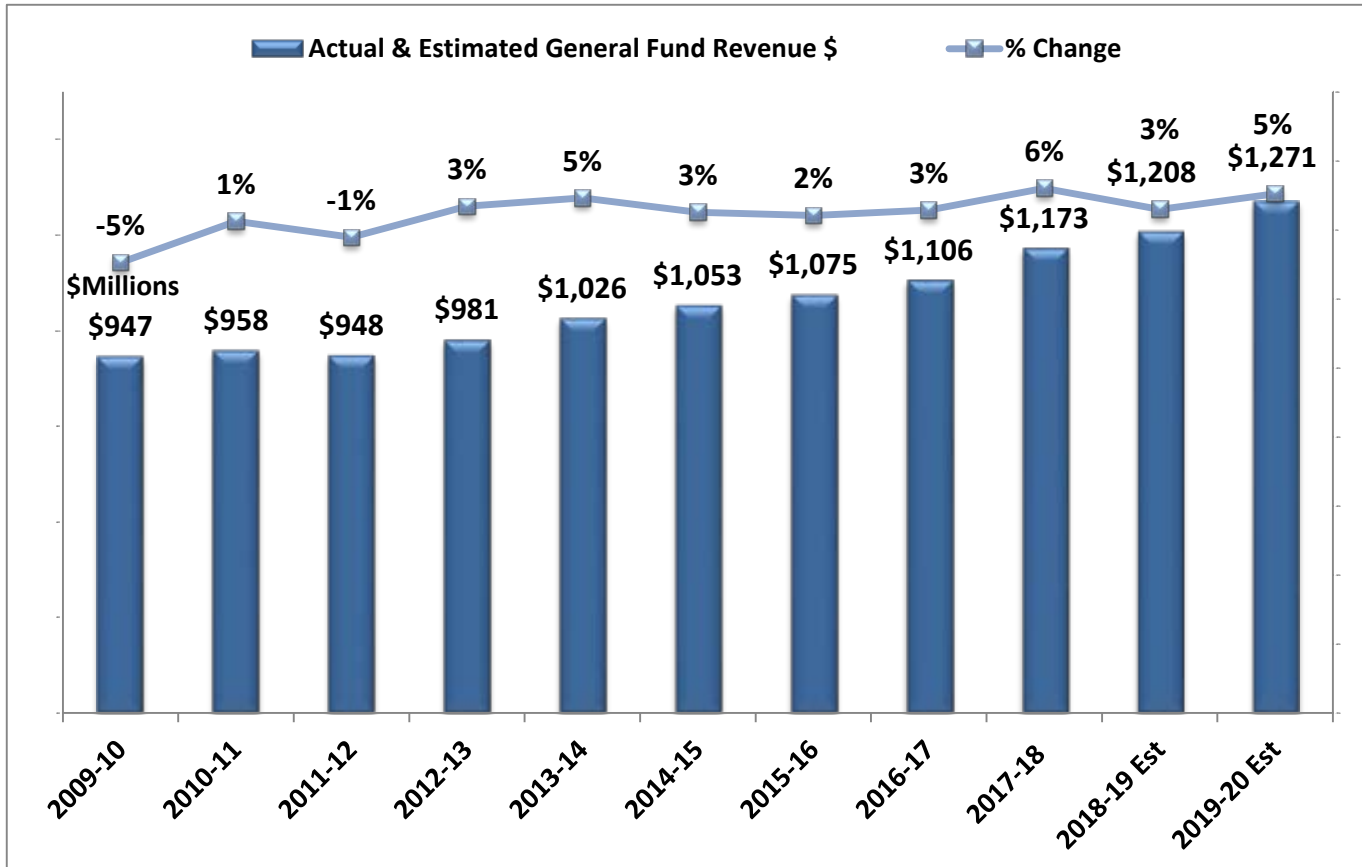
Once the current fiscal year estimate is developed, assumed growth rates are then applied to this amount to arrive at a projected revenue amount for the following fiscal year. These assumed growth rates take into account historical and recent trends in revenue data, one-time revenue adjustments, and information from city departments and our trusted sources to ensure projections are not overly conservative or aggressive.

Finally, as part of the annual budget development process each year, revenue estimates are presented to the City Manager's Office, the City Council and the community as part of the Trial and recommended budgets for consideration and approval prior to final budget adoption in June.

General Fund Revenue

To assist in explaining the basis for how GF revenue is estimated for each of the major categories, historical revenue growth and estimated revenues for the 2018-19 and 2019-20 fiscal years are provided graphically, along with a description of the revenue category and the methodology used to develop recommended revenue estimates beginning with total GF revenue.

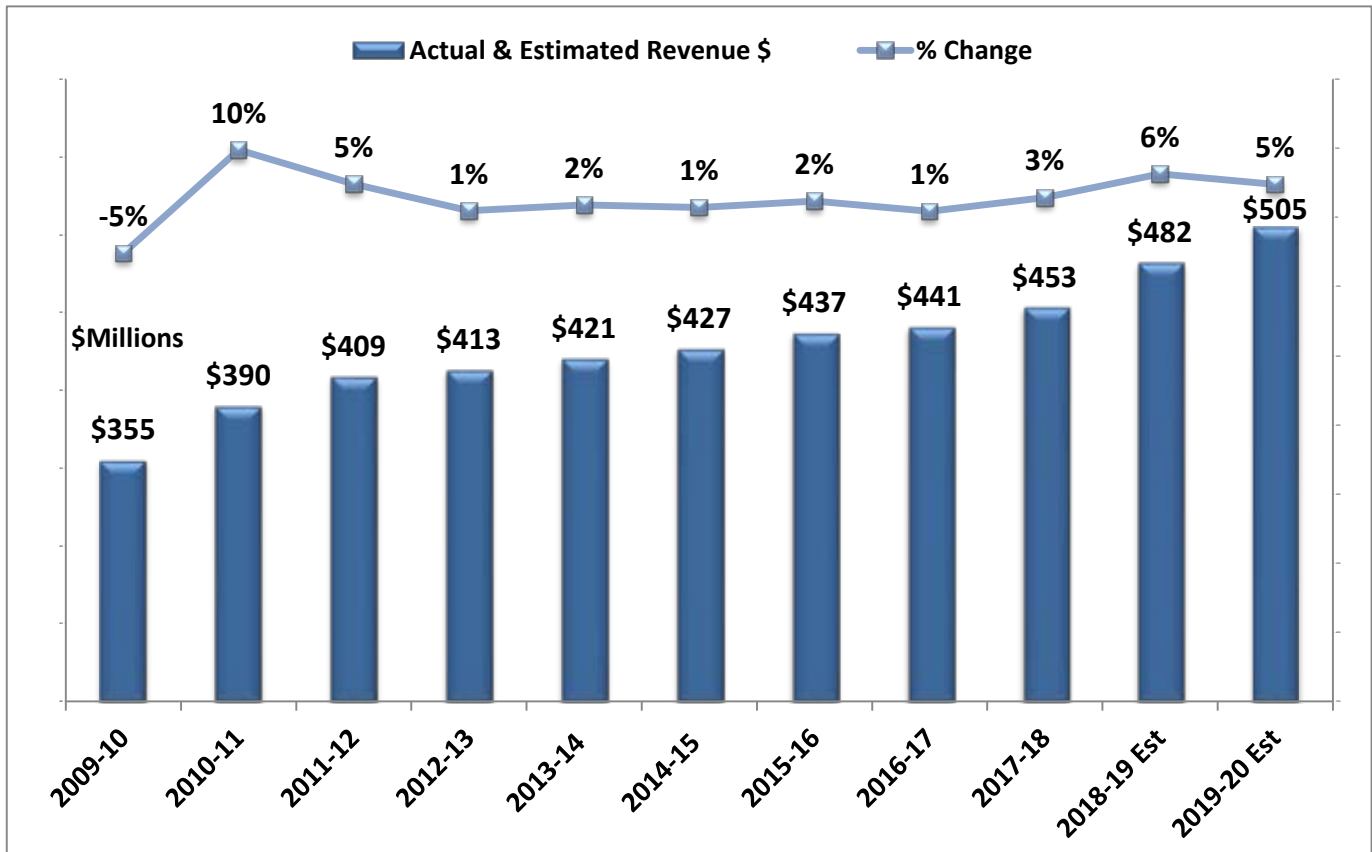
Total General Fund Revenue



**Projections for 2018-19 and 2019-20 assume no fee increases, changes to state shared revenue formulas or legislative changes that have recently been proposed or discussed during the current legislative session.*

As mentioned, GF revenue consists of local taxes and related fees, primary property taxes, state shared sales, income and vehicle license taxes, user fees and non-tax revenues. Estimating revenues for each of these categories is conducted separately to more accurately predict the amount of revenues for the current and following fiscal year. Each category is unique with respect to the variables that comprise the revenue and influence growth. Variables that impact revenue growth include economic factors such as consumer sentiment, discretionary income, population, unemployment, job growth and construction activity. Other influencing factors may include: legislative action, City Council policy directives, legal restrictions and mandates, state statutory formulas, program enhancements or reductions, and changes in rates and fees. For these reasons, evaluating each major category separately is preferred and generates more accurate revenue projections.

Local Taxes and Related Fees, 40% of Total General Fund Revenue



Local taxes and related fees consist of city sales taxes, privilege license fees and other excise taxes. The majority of revenue is derived from city sales taxes which is comprised of 15 general categories collected based on a percentage of business income accruing in each category. The chart on the following page provides the current local sales tax rates by category and the percentage allocated to each fund. Privilege license fees are assessed to recover the costs associated with administering the local tax system. Other excise taxes include the jail tax and the excise tax collected on water service accounts, which provide resources to help offset jail costs paid to Maricopa County and other GF services.

Sales tax can be volatile and typically correlates to the local economy. Increases in sales tax collections are expected when the local economy expands due to underlying fundamentals such as increases in population, discretionary income, business expansion, jobs and real estate growth. The opposite holds true during times of economic contraction or recession as evidenced in 2008-09 and 2009-10. Staff analyzes historical and recent trends in sales tax data by category, evaluates cumulative growth and uses an econometric forecasting model constructed by the UofA to develop projections. Estimates provided by the FAC and JLBC are also considered to ensure projections are reasonable and not overly aggressive or conservative in nature.

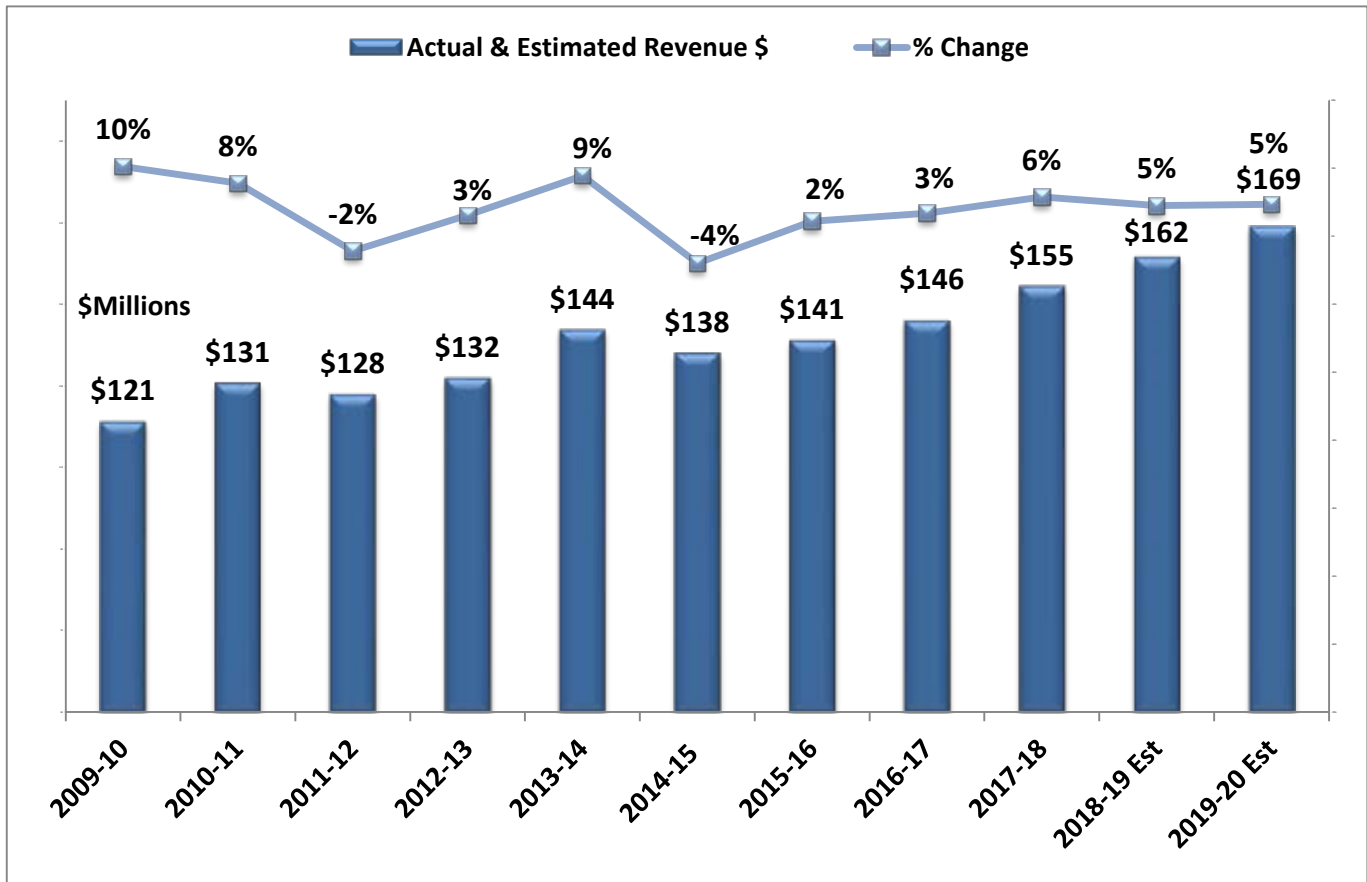
The growth estimated in 2019-20 of 5% assumes continuous growth over 2018-19 and accounts for current trends in actual collections and is based on projections provided by the UofA for city sales taxes. Privilege license fees and other excise tax projections are developed using the existing fee structures, assumptions about historical trends, averages, recent collection experience and use of the percent of prior year method to account for seasonal influences in revenue activity. Privilege license fees in 2019-20 are estimated to be flat. The growth estimated in 2019-20 for other excise taxes assumes conservative growth and continuation of current year-to-date experience.

Current Local Sales Tax Rates by Category

	General Fund	N'hood Protection	2007 Public Safety Expansion	Public Safety Enhance.	Parks & Pres.	Transp. 2050***	Conv. Center	Sports Fac.	Capital Const.	Total
Advertising	–	–	–	–	–	–	0.5%	–	–	0.5%
Contracting	0.7%	0.1%	0.2%	–	0.1%	0.7%	0.5%	–	–	2.3%
Job Printing	0.7%	0.1%	0.2%	–	0.1%	0.7%	0.5%	–	–	2.3%
Publishing	0.7%	0.1%	0.2%	–	0.1%	0.7%	0.5%	–	–	2.3%
Transportation/Towing	0.7%	0.1%	0.2%	–	0.1%	0.7%	0.5%	–	–	2.3%
Restaurants/Bars	0.7%	0.1%	0.2%	–	0.1%	0.7%	0.5%	–	–	2.3%
Leases/Rentals/ Personal Property	1.2%	0.1%	0.2%	–	0.1%	0.7%	–	–	–	2.3%
Short-Term Motor Vehicle Rental	1.2%	0.1%	0.2%	–	0.1%	0.7%	–	2.0%	–	4.3%
Commercial Rentals	1.3%	0.1%	0.2%	–	0.1%	0.7%	–	–	–	2.4%
Lodging Rentals Under 30 Days	1.2%	0.1%	0.2%	–	0.1%	0.7%	2.0%	1.0%	–	5.3%
Lodging Rentals 30 Days and Over	1.2%	0.1%	0.2%	–	0.1%	0.7%	–	–	–	2.3%
Retail (Level 1 – amounts = < \$10,000 for a single item)	1.2%	0.1%	0.2%	–	0.1%	0.7%	–	–	–	2.3%
Retail (Level 2 – amounts > \$10,000 for a single item)	1.2%	0.1%	0.2%	–	0.1%	0.4%	–	–	–	2.0%
Amusements	1.2%	0.1%	0.2%	–	0.1%	0.7%	–	–	–	2.3%
Utilities	2.7%*	–	–	2.0%**	–	–	–	–	–	4.7%
Telecommunications	2.7%	–	–	–	–	–	–	–	2.0%	4.7%

*The General Fund portion of the utilities category includes the 2.0 percent franchise fee paid by utilities with a franchise agreement.
 **The Public Safety Enhancement designated 2.0 percent sales tax applies only to those utilities with a franchise agreement.
 ***The Transportation 2050 Fund (Proposition 104) was established by the voters effective January 1, 2016 and replaced the Transit 2000 Fund (Proposition 2000) to fund a comprehensive transportation plan with a 35-year sunset date. The Proposition increased the transaction privilege (sales) tax rates by 0.3% for various business activities.

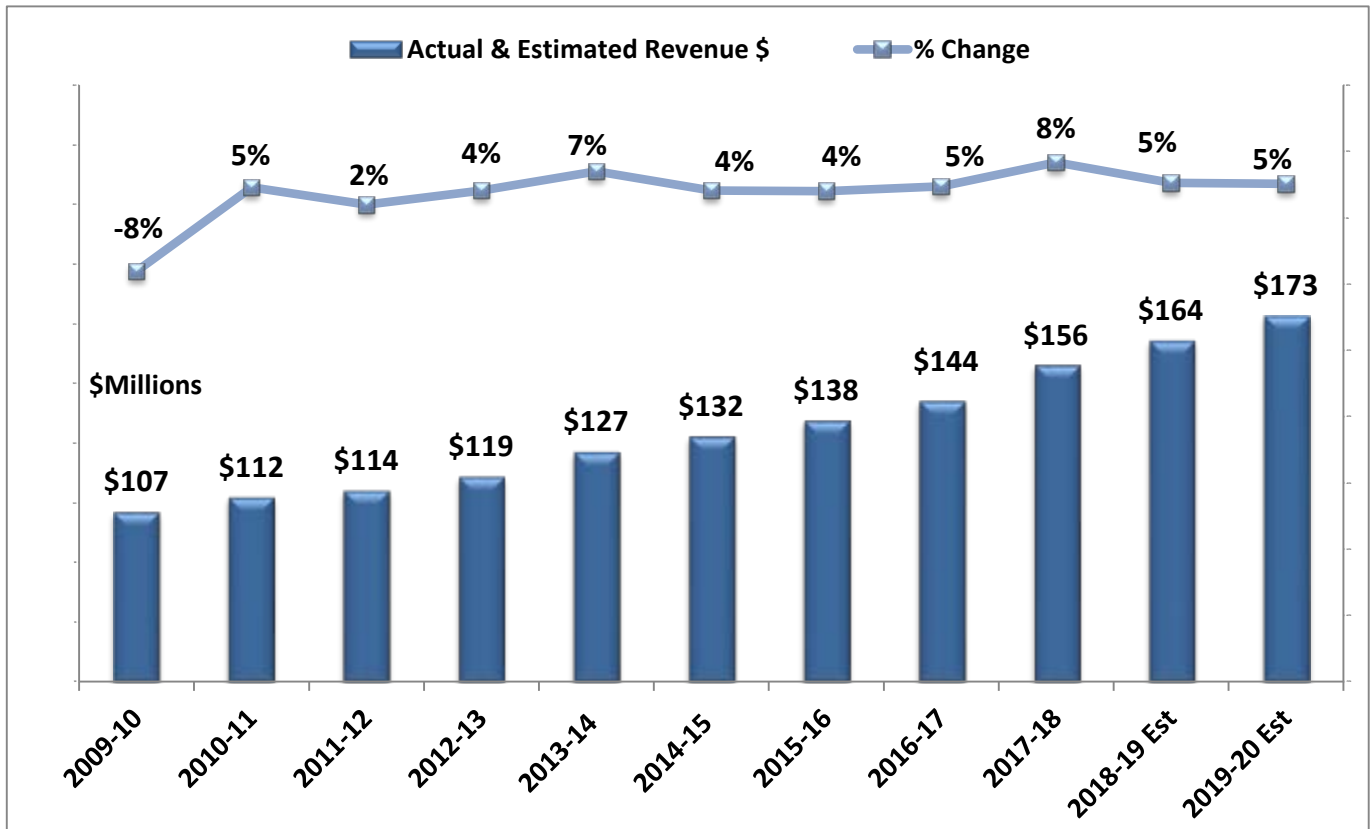
Primary Property Tax, 13% of Total General Fund Revenue



Arizona property tax law provides for two separate tax systems. A primary property tax is levied to pay current operations and maintenance expenses. Therefore, primary property tax revenue is budgeted and accounted for in the GF (and is illustrated in the above graph). A secondary property tax levy is restricted to the payment of debt service on voter approved long-term general obligation debt. Therefore, the secondary property tax revenue is budgeted and accounted for as a special revenue fund. The primary property tax levy forecast reflected here is based on staff’s long-term projections for appreciation and new construction. In the City Manager’s budget, this will be updated to reflect the net assessed value stated in the annual “Levy Limit Worksheet” for the City of Phoenix, issued by the Maricopa County Assessor, multiplied by the projected primary property tax rate. The primary property tax revenue forecast assumes that 99% of the projected primary property tax levy is actually collected.

The annual amount of the primary property tax levy is limited by the Arizona Constitution to a two percent increase over the prior year levy limit plus an estimated levy for previously unassessed property (primarily new construction). Provisions in Chapter XVIII of the City Charter limit the City’s primary property tax rate to \$1.00 per \$100 of assessed valuation with the exception of costs to operate library services. The proposed 2019-20 primary property tax rate, not including the portion of the rate allocated to cover the Library Department operating costs, is \$1.00 per \$100 of assessed valuation.

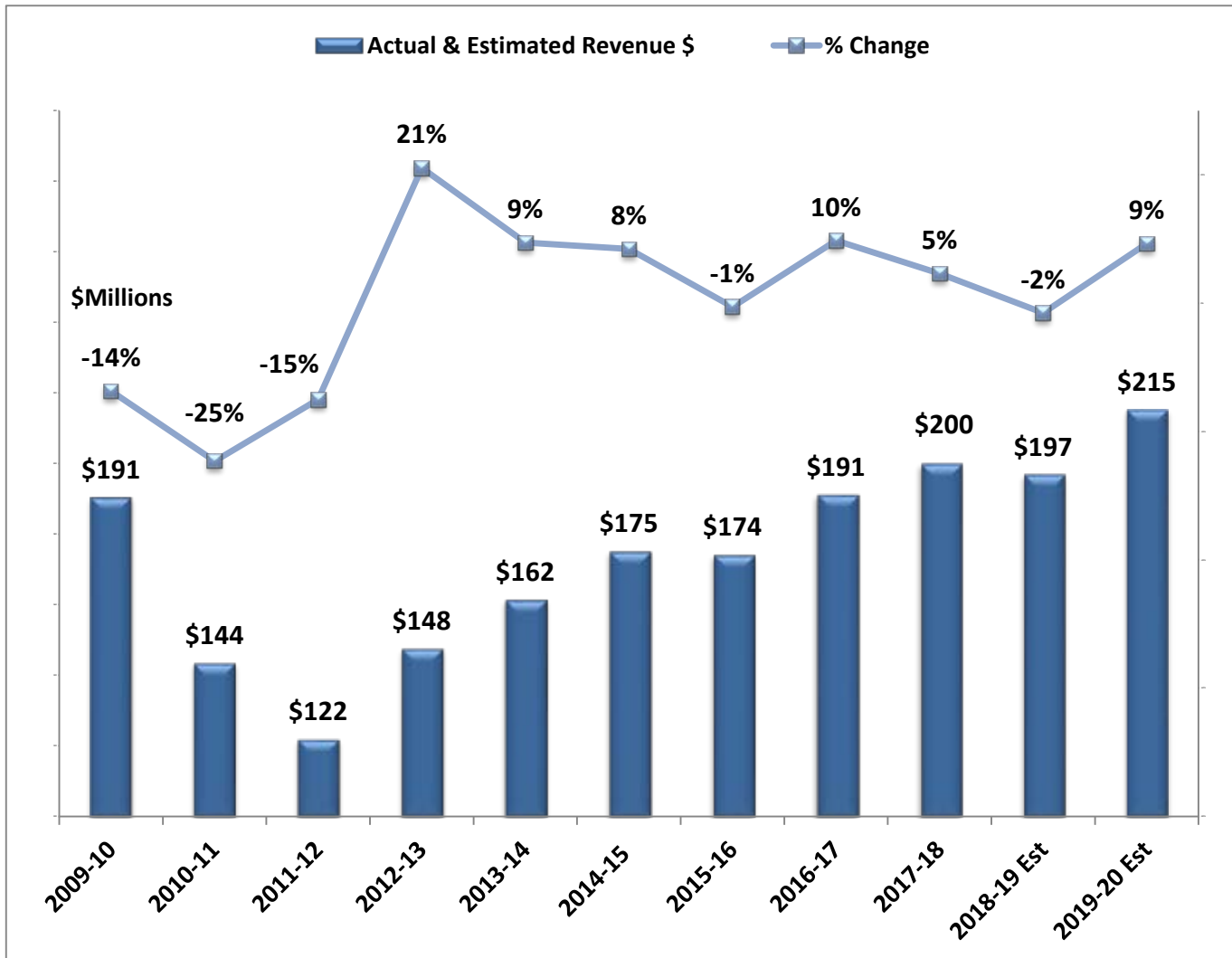
State Shared Sales Tax, 14% of Total General Fund Revenue



State sales tax revenues received by the city are governed by Arizona State Statute §42-5029. State sales tax revenues are split between a “distribution base”, of which Phoenix receives a share, and a “combined non-shared” category, which is allocated entirely to the state. With the exception of some tax categories, the distribution base consists of either 20, 32, 40, 50, or 80 percent of collections depending on the tax category. State statute §42-5029 stipulates of the monies designated in the distribution base the Arizona Department of Revenue shall pay 25 percent to incorporated cities on the basis of relative population percentages. The population share changes annually based on Census Bureau Population Estimates. The 2019-20 City of Phoenix population share is estimated to remain flat at 29.2 percent, and is based on the 2017 Census Bureau Population Estimate.

State sales tax is estimated similar to how city sales tax is forecasted. Staff analyzes historical and recent trends in sales tax data by category and evaluates cumulative growth when developing revised estimates. Projections provided by the UofA EBRC, using an econometric sales tax model, were used to develop 2019-20 estimates; and information from the FAC and JLBC were considered to ensure current fiscal year estimates are reasonable and in-line with what these experts are projecting.

State Shared Income Tax, 17% of Total General Fund Revenue

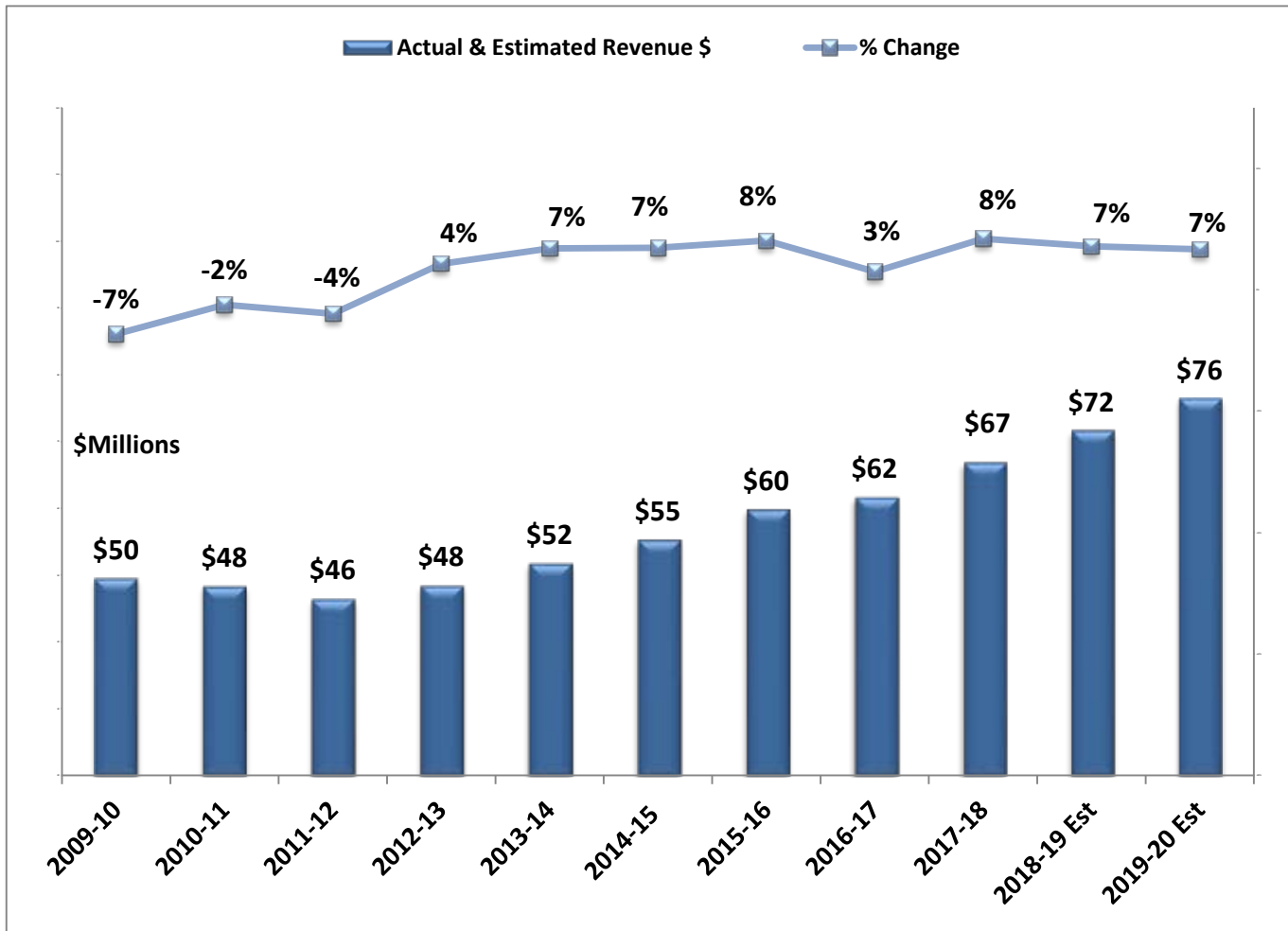


State shared income tax revenue, also known as the Urban Revenue Sharing Fund, was established by voter initiative in 1972 and is governed by Arizona Revised Statute §43-206. The statute stipulates that 15 percent of the net proceeds of state individual and corporate income tax collected two years preceding the current fiscal year be distributed to incorporated cities and towns. Individual cities receive their portion based on the cities' share of the state population. The 2019-20 City of Phoenix population share is estimated to remain flat at 29.2 percent, and is based on the 2017 Census Bureau Population Estimate. This rate will change annually based on Census Bureau Population Estimates.

As a result of the initiative, Arizona Revised Statute §43-201 stipulates the area of income taxation is preempted by the state and a county, city, town or other political subdivision shall not levy an income tax as long as the Urban Revenue Sharing Fund is maintained as provided in §43-206.

Since state shared income tax revenue is based on actual collections from two years preceding the current fiscal year, the 2018-19 and 2019-20 projected revenue is known and is based on actual collections received in 2016-17 and 2017-18, respectively. The state shared income tax reduction in 2018-19 is due to declining Corporate Income Tax collections in 2016-17, and the state shared income tax increase in 2019-20 is due to significant growth in the Individual Income Tax collections in 2017-18.

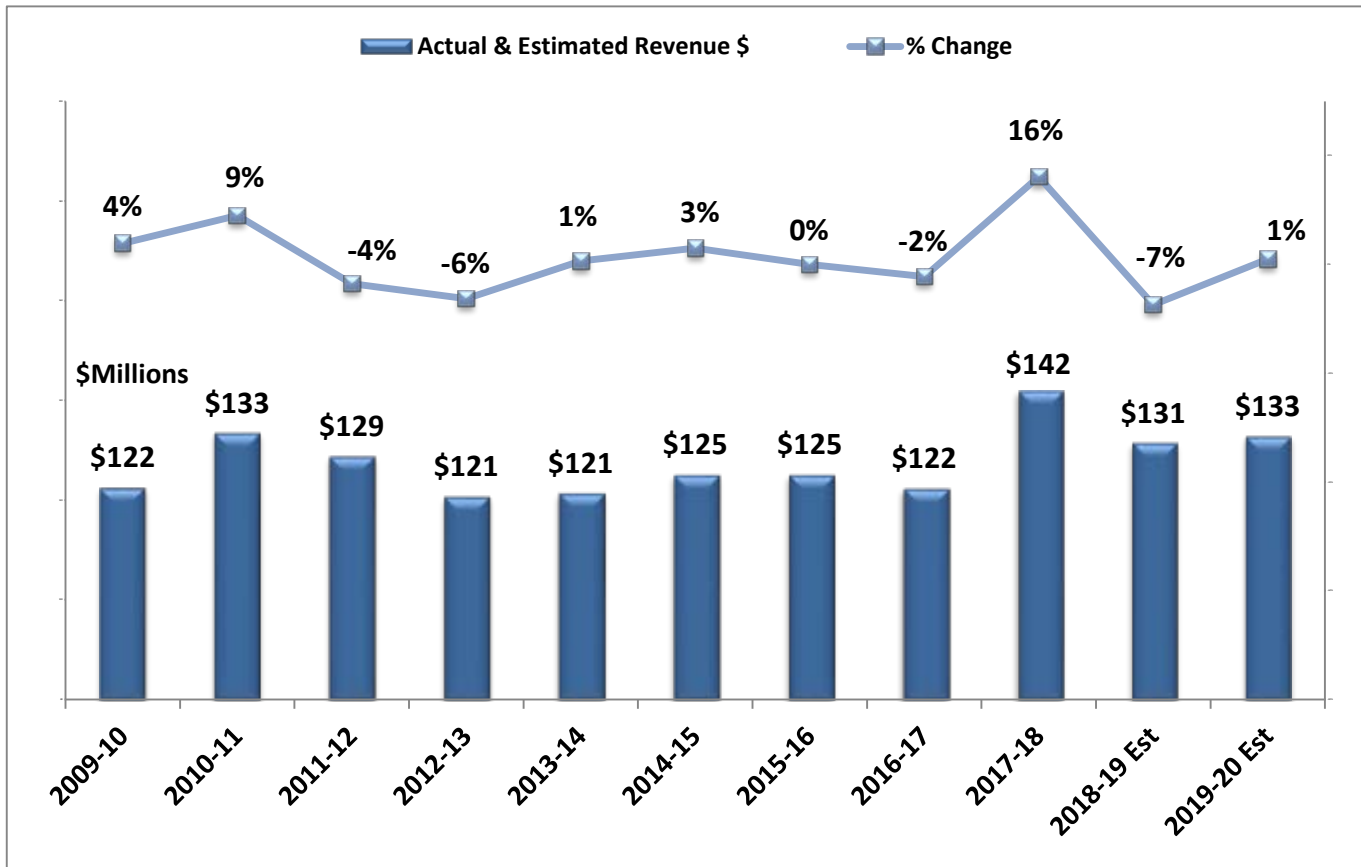
State Shared Vehicle License Tax, 6% of Total General Fund Revenue



State shared vehicle license taxes have been distributed to cities and towns since 1941. The tax is assessed on the basis of an ad valorem rate on each \$100 in value. The value is equal to a percent of the manufacturer's retail price at the time of initial registration. During each succeeding year, this value is decreased until the established minimum amount is reached. The Arizona Department of Transportation collects and distributes the tax according to Arizona Revised Statute §28-5808. The distribution to individual cities is based on their relative population within the county. The 2019-20 City of Phoenix population share is estimated at 41.0 percent, and is based on the 2017 Census Bureau Population Estimate. This rate will change annually based on Census Bureau Population Estimates.

Vehicle License Tax revenues are often correlated to the overall strength of the economy. Similar to sales tax revenues when the economy is growing this revenue category will also exhibit growth, as illustrated in the above graph. Revenues are estimated by evaluating historical growth patterns, year-to-date cumulative growth and applying the percent of prior year method to year-to-date actuals, which accounts for the seasonality in collections. Staff will also consider projections provided by the Arizona Department of Transportation, which are published annually for this revenue source, and any available recent economic information pertaining to projections on the local economy and vehicle sales when formulating recommended current and subsequent year estimates. The growth estimated in 2019-20 of 7% assumes this category will continue to grow but at a slightly slower pace than in 2018-19.

User Fees and Non-Tax Revenues, 10% of Total General Fund Revenue



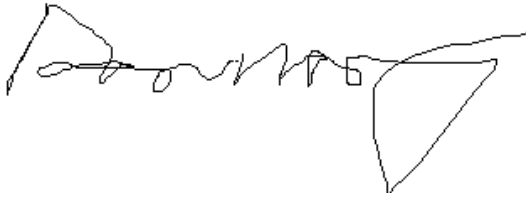
User Fees and Non-Tax Revenues include collections from licenses and permits, fines and forfeitures, cable television fees, user fees from several city departments designed to recover the costs of providing specific city services including Parks and Recreation, Library, Planning, Police, Fire, and Streets; other service charges including interest income, parking meter revenue, in lieu property taxes, sales of surplus property, various rental income, parking garages revenue and concessions; miscellaneous service charges in Finance, Housing, Human Services and Neighborhood Services.

B&R staff relies on departments to provide essential information concerning activity levels, fee increases or decreases and program changes which impact the variety of revenue sources in this category. Technical revenue reviews are conducted twice each fiscal year as part of the annual budget development process. Departments are asked to provide revenue estimates and reasons for changes from prior year actuals. Staff conducts a line-item analysis of all revenues and uses various methods including annualization and percent of prior year, as well as consideration of one-time and contractual revenues, program enhancements or reductions and other adjustments when developing estimates.

The growth estimated in 2019-20 of 1% accounts for increases in several user fees and non-tax revenues, offset by expected decreases in some user fees and non-tax revenues. The decline estimated in 2018-19 of -7% is due to one-time insurance proceeds for the Burton Barr Central Library that were received in 2017-18.

In addition to the technical reviews that are conducted twice each fiscal year, B&R staff monitors revenues monthly to determine if adjustments to projections are necessary. The proposed estimates are then reviewed by B&R management and finally incorporated into the GF proposed revenue projections for consideration by the City Manager, the City Council and the community.

This report is for informational purposes only and is intended to provide the City Council and the community with explanations on how GF revenues are analyzed and developed to better facilitate discussions during the annual budget development process.

A handwritten signature in black ink, appearing to read 'Dan Wang', with a horizontal line extending to the right from the end of the signature.

Dan Wang, Ph.D.
Budget Analyst III