



2020-21 City Manager's Proposed Budget

This report transmits a balanced budget for fiscal year (FY) 2020-21. No action is requested at this time. Action on the FY 2020-21 budget is scheduled for the May 19, 2020 Council meeting. As presented on April 13, the COVID-19 virus has exacerbated the economic downturn across the entire globe. As a result we are expecting local tax revenues to decline from current levels. On April 13, City Council approved \$27 million worth of preliminary budget balancing actions and approved \$1 million in new spending for Fire 911 Dispatchers and the Office of Accountability and Transparency (OAT). All of these items are included in the proposed budget ([Attachment A](#)).

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

On March 3, 2020, the Budget and Research Department presented a five-year General Fund (GF) forecast to the City Council. At the time the economy was strong and city and state sales tax revenues were approximately 6% higher than the previous fiscal year. For the upcoming fiscal year, GF resources were projected to be \$1.466 billion. This represented an increase of approximately \$42 million over current year projected resources. The 2020-21 Original GF Trial Budget expenditures were projected to be \$1.438 billion. The report projected a surplus of approximately \$28 million. That is, after accounting for the estimated GF revenues and estimated GF expenditures, we estimated that approximately \$28 million would be available to address critical issues.

However like the rest of the country, Phoenix is feeling the effects of the economic downturn. The current economic situation is unlike anything that we have seen before because it is being exacerbated by the COVID-19 pandemic. As of April 20 the pandemic has necessitated over 316 million people in at least 42 states and countless cities to Shelter-In-Place or Stay-At-Home. Since March, over 16.8 million Americans and 345,000 Arizonans have applied for unemployment benefits. Across the county, analysts are estimating that the number of failed businesses and lost jobs will easily and quickly surpass the Great Recession.

Over 30% of the city's revenue comes from sales taxes related to retail sales and tourism and entertainment. As a result of COVID-19 and its impact on the local

economy, we know that our financial situation has drastically changed from what was presented on March 3. On April 2, staff presented four different scenarios that may result over the coming months. Those scenarios were based on data from the Great Recession, local and national economists and information from other municipalities. The four scenarios project potential deficits of \$26 million to \$128 million depending on the severity and length of the downturn. Much of what we know at this point is based on prior experience and anecdotal information from the Great Recession as there is a two-month lag in sales tax activity and reporting.

On April 13, City Council approved a Revised Trial Budget that preserved existing City services by cautiously and strategically identifying \$27 million worth of reductions and balancing actions that minimized the impact on service delivery. Each of these actions is reflected on **Attachment A (Lines F, G, J, K, L)** and **Attachment B**. The approved balancing actions totaled \$27 million which was \$1 million more than the \$26 million target. The extra \$1 million was identified to provide City Council with some resources to address items previously voted on or to address other critical issues. **As approved by City Council on April 13, Attachment C reflects the extra \$1 million allocated between Fire Emergency Dispatch staffing and the Office of Accountability and Transparency (OAT)**. Any other previously voted on item such as the International Strategy remain approved but unfunded at this time. The Council can revisit these funding decisions should revenues improve during the upcoming fiscal year.

The City Council will vote on the City Manager's Proposed Budget on May 19, 2020. The remaining key dates in this year's budget process are as follows:

<u>Date</u>	<u>Event</u>
May 19, 2020	Council Budget Decision
June 3, 2020	2020-21 Tentative Budget Ordinance Adoption
June 17, 2020	2020-21 Funding Plan and Final Budget Ordinance Adoption
July 1, 2020	2020-21 Property Tax Levy Ordinance Adoption

Responding to COVID-19 and The Coronavirus Aid, Relief and Economic Security Act (C.A.R.E.S.)

The C.A.R.E.S. Act provides many types of funding for which local governments can apply for funding to offset COVID-19 related expenses. The Finance Department has provided guidance on tracking expenditures related to the Coronavirus Relief Fund so that we may seek reimbursement. The Coronavirus Relief Fund is intended to cover only those costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19 and that were not accounted for in the budget. There are other types of funding that are intended to supplement existing grants, such as CDBG or LIHEAP, and some that can be used to pay for a variety of services

including operating costs for specific activities. Some funds have already been awarded using standing formulas and others are in the process or will need to be applied for. We are setting up a process to ensure that we have a full accounting of all of the C.A.R.E.S. related funding that the City has received, is eligible for, and has applied for. Our intent is to provide the City Council with regular updates on all COVID-19 and C.A.R.E.S. Act related activities and funding.

Future Actions That May Be Required

As mentioned earlier in this report, staff has modeled four different economic scenarios. For budget adoption we are only asking City Council to address the first scenario which shows a manageable \$26 million dollar GF deficit. The next three scenarios show the GF deficit growing to as high as \$128 million. Because we will not have actual sales tax revenue for March until Mid-May we want to take a measured approach before we make further budget reductions. We have asked all GF departments to prepare possible cuts of up to 25% for Management and City Council review should the economy make this necessary. These draft reductions were due to Budget and Research by April 24. Budget and Research staff are currently analyzing and reviewing each draft submittal and will develop a potential list of reductions for City Council and community input no later than the first week of June. At that point the list of proposed reductions could be taken out to the community for input prior to City Council action. In mid-July, Budget and Research staff will have March, April and May revenue data which will allow us to update our financial status based on real data rather than anecdotal information. Following community input and using the updated status provided by Budget and Research, City Council could take action on the list of proposed reductions in late July or early August.

The current COVID-19 and economic crisis is expected to have a negative impact on all City funds, including Enterprise and Special Revenue funds. Over the coming weeks and months, staff from Aviation, Convention Center, Planning and Development, Streets, Transit, Water and other Enterprise and Special Revenue funded departments will be closely monitoring their revenues. Any required actions to those departments, funds and or programs will be communicated with City Council in a timely manner.

We recognize this process will be difficult and challenging as the full economic impact of the COVID-19 crisis on the City's budget is uncertain at this point. The city has a history in times of economic downturn of responding swiftly and responsibly. The process laid out in this report is critically important so we can achieve our fiscal responsibility of adopting a balanced budget for next fiscal year as required by State Statute and City Charter, while at the same time limiting the negative impact as much as possible to the programs and services we deliver to the residents of Phoenix.

ATTACHMENTS

- [Attachment A](#) - City Manager's Proposed GF Budget Summary
- [Attachment B](#) - Council Approved GF Budget Reductions & Balancing Actions
- [Attachment C](#) - Council Approved GF Budget Additions
- [Attachment D](#) - Detailed Budget Schedules
- [Attachment E](#) - Budget Adoption and Reduction Calendar

Responsible Department

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

ATTACHMENT A - CITY MANAGER'S PROPOSED GENERAL FUND BUDGET

- Based on Scenario 1 Presented on April 2, 2020
- Assumes -6.3% to -12.3% Change in Various GF Revenues
- Assumes Downturn Ends in July 2020
- Balances Anticipated Shortfall Without Impacting Service
- Provides \$1 Million for Minimal Ongoing Service Additions

**2020-21
Proposed Budget**

Total Resources (March 3, 2020)	1,466,000,000	(A)
Total Expenditures (March 3, 2020)	1,438,000,000	(B)
Original Status (March 3, 2020)	28,000,000	(C)
Adjustments to GF Resources For City Manager's Proposed Budget:		
Projected Impact to GF Revenues (Sales Tax, User Fees, State Shared Revenue)	(69,000,000)	(D)
Increase to FY 20-21 Beginning Balance due to FY 19-20 Savings	15,000,000	(E)
Increase GF Revenues by Transferring Proceeds From Surplus Land Sales	6,800,000	(F)
Eliminate Planned Transfer Into the Public Safety Pension Stabilization Fund	1,000,000	(G)
Increase FY 20-21 Beginning Balance due to FY 19-20 Expenditure Carryovers	5,700,000	(H)
Revised Total Resources (Line A plus Lines D through H)	1,425,500,000	(I)
Adjustments to GF Expenditures For City Manager's Proposed Budget:		
Increase Vacancy Savings in FY 20-21 Resulting From Hiring Freeze	(13,000,000)	(J)
Eliminate Proposed Increase to GF Contingency / Rainy-Day Fund	(4,000,000)	(K)
Reduce GF Vehicle Replacements for Non-Public Safety Vehicles	(2,200,000)	(L)
Add 8 Staff for the Fire Emergency 911 System	600,000	(M)
Office of Accountability and Transparency (OAT)	400,000	(N)
Expenditure Carryovers From FY 19-20 to FY 20-21	5,700,000	(O)
Revised Total Expenditures (Line B plus Lines J through O)	1,425,500,000	(P)
Balance	-	(Q)

ATTACHMENT B

2020-21

**CITY COUNCIL APPROVED REDUCTIONS & BALANCING OPTIONS
GENERAL FUND**

Inventory of Programs

<https://www.phoenix.gov/budgetsite/budget-books/2019-20CitywideInventoryOfPrograms.pdf>

Item	2020-21
1. Increase estimated vacancy savings resulting from a hiring freeze of vacant civilian positions.	(\$13,000,000) -
2. Transfer proceeds from real estate transactions into the General Fund. This would extend the Phoenix Parks and Preserves Initiative (PPPI) reimbursement plan.	(6,800,000) -
3. Eliminate the proposed \$4 million increase to the Contingency (Rainy-Day) Fund for FY 2020.21. The Contingency Fund would remain funded at \$55.4 million.	(4,000,000) -
4. Reduce the General Fund replacement budget for non-public safety vehicles from \$5 million to \$2.8 million.	(2,200,000) -
5. Eliminate a planned transfer of \$1 million into the Public Safety Pension Stabilization Fund.	(1,000,000) -
<u>TOTAL PROPOSED PHASE 1 GENERAL FUND REDUCTIONS</u>	(\$27,000,000) -

ATTACHMENT C

2020-21

CITY COUNCIL APPROVED SUPPLEMENTALS
GENERAL FUND

Inventory of Programs

<https://www.phoenix.gov/budgetsite/budget-books/2019-20CitywideInventoryOfPrograms.pdf>

Department/Program

2020-21
Ongoing

City Manager's Office

Program: Administration

- | | | |
|----|--|------------------|
| 1. | Add an Executive Director, an Administrative Assistant I, and outside legal services to establish a Community Review Board and an Office of Accountability & Transparency as approved by City Council on February 25, 2020. Other positions can be requested in the future when the budget situation improves. | \$400,000
2.0 |
|----|--|------------------|

Fire

Program: Fire Emergency Medical Services and Hazardous Incident Response

- | | | |
|----|--|----------------|
| 2. | Add funding for 8 new positions consisting of one Fire Communications Supervisor, two Fire Emergency Dispatcher * Lead, and five Fire Emergency Dispatchers for the Phoenix Fire Regional Dispatch Center (PFDRDC) which provides 9-1-1 fire and medical emergency call-taking and dispatching services for the City of Phoenix and 26 other jurisdictions. The cost for these new positions will be shared beginning in 2021-22 between the City of Phoenix (50%) and the 26 partner jurisdictions (50%). | 600,000
8.0 |
|----|--|----------------|

TOTAL PROPOSED GENERAL FUND ADDITIONS

**\$1,000,000
10.0**

Attachment D

**2018-19 SCHEDULE 1
RESOURCES AND EXPENDITURES BY FUND
ACTUAL
(In Thousands of Dollars)**

	Resources					Expenditures					Ending Fund Balances
	Beginning Fund Balances	Revenue ^{1/}	Recovery	Fund Transfer		Total	Operating	Capital	Debt Service	Total	
				To	From						
General Funds:											
General	\$ 134,620	\$ 298,603	\$ 1,564	\$ 933,961	\$ 151,856	\$ 1,216,892	\$ 1,071,855	\$ 11,457	\$ -	\$ 1,083,312	\$ 133,580
Parks and Recreation	-	17,455	167	73,831	-	91,453	91,453	-	-	91,453	-
Library	-	39,373	125	141	2,197	37,442	36,795	647	-	37,442	-
Cable Communications	-	10,876	1	-	8,721	2,156	2,156	-	-	2,156	-
Total General	\$ 134,620	\$ 366,307	\$ 1,857	\$ 1,007,933	\$ 162,774	\$ 1,347,943	\$ 1,202,259	\$ 12,104	\$ -	\$ 1,214,363	\$ 133,580
Special Revenue Funds:											
Excise Tax	\$ -	\$ 1,356,192	\$ -	\$ -	\$ 1,356,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nghbrhd Protection-Police	13,260	218	1	24,551	366	37,664	22,204	-	-	22,204	15,460
Nghbrhd Protection-Fire	4,876	58	-	8,768	7	13,695	9,059	-	-	9,059	4,636
Nghbrhd Protection-Block Watch	4,242	323	-	1,754	2	6,317	1,460	-	-	1,460	4,857
2007 Public Safety Exp-Police	27,957	354	-	56,123	491	83,943	53,688	-	-	53,688	30,255
2007 Public Safety Exp-Fire	4,815	74	-	14,030	83	18,836	12,734	-	-	12,734	6,102
Public Safety Enhance-Police	10,406	4	-	16,132	224	26,318	13,240	-	-	13,240	13,078
Public Safety Enhance-Fire	9,189	-	-	9,887	-	19,076	8,078	-	-	8,078	10,998
Parks and Preserves	52,363	3,225	1,722	35,073	221	92,162	5,369	23,189	-	28,558	63,604
Transit 2000 ^{2/}	2,148	8	1,316	-	4,171	(699)	-	-	-	-	(699) ^{3/}
Transportation 2050 ^{2/}	214,336	52,127	3,038	243,795	69,732	443,564	198,089	86,558	-	284,647	158,917
Court Awards	258	3,848	2	-	-	4,108	4,408	-	-	4,408	(300) ^{4/}
Development Services	59,849	66,748	133	-	3,414	123,316	52,366	583	-	52,949	70,367
Capital Construction	15,780	395	320	8,812	-	25,307	142	9,173	-	9,315	15,992
Sports Facilities	49,674	4,601	-	21,760	10,587	65,448	2,633	9,933	-	12,566	52,882
AZ Highway User Revenue	63,108	140,794	3,630	-	1,258	206,274	61,791	103,136	-	164,927	41,347
Regional Transit	(9,696)	41,222	235	-	-	31,761	32,632	6,658	-	39,290	(7,529) ^{5/}
Community Reinvestment	14,253	4,320	-	-	1,387	17,186	1,350	2,562	-	3,912	13,274
Secondary Property Tax	100	106,424	-	881	-	107,405	-	-	107,305	107,305	100
Impact Fee Program Admin	1,069	566	4	-	-	1,639	422	-	-	422	1,217
Regional Wireless Cooperative	1,825	4,423	39	-	-	6,287	4,464	-	-	4,464	1,823
Golf Course	-	6,289	-	-	-	6,289	5,493	-	-	5,493	796
City Improvement	-	13	-	123,353	1,028	122,338	-	-	122,338	122,338	-
Other Restricted Funds	84,227	28,741	376	24,444	1,951	135,837	45,125	1,197	-	46,322	89,515
Grant Funds	27,108	261,679	692	88	2,076	287,491	217,058	41,423	-	258,481	29,010
Total Special Revenue	\$ 651,147	\$ 2,082,646	\$ 11,508	\$ 589,451	\$ 1,453,190	\$ 1,881,562	\$ 751,805	\$ 284,412	\$ 229,643	\$ 1,265,860	\$ 615,702
Enterprise Funds:											
Aviation	\$ 354,000	\$ 395,233	\$ 5,117	\$ 25,677	\$ 11,615	\$ 768,412	\$ 256,771	\$ 168,013	\$ 71,011	\$ 495,795	\$ 272,617
Water	92,772	402,799	3,418	-	23,794	475,195	208,655	63,141	113,208	385,004	90,191
Wastewater	39,206	242,959	2,606	69	15,090	269,750	102,925	6,757	75,022	184,704	85,046
Solid Waste	37,609	149,769	6,475	6,775	9,578	191,050	136,191	7,194	14,316	157,701	33,349
Convention Center	46,643	25,486	639	61,200	3,655	130,313	47,360	4,754	19,928	72,042	58,271
Total Enterprise	\$ 570,230	\$ 1,216,246	\$ 18,255	\$ 93,721	\$ 63,732	\$ 1,834,720	\$ 751,902	\$ 249,859	\$ 293,485	\$ 1,295,246	\$ 539,474
GRAND TOTAL	\$ 1,355,997	\$ 3,665,199	\$ 31,620	\$ 1,691,105	\$ 1,679,696	\$ 5,064,225	\$ 2,705,966	\$ 546,375	\$ 523,128	\$ 3,775,469	\$ 1,288,756

^{1/} General fund sales tax revenue is reflected as a transfer from the excise tax fund. Total transfer equates to \$854.5 million, and is included in the General Funds revenue total of \$1,220.8 million shown on Schedule 2.

^{2/} The Transportation 2050 sales tax (Proposition 104) was established by the voters effective January 1, 2016 and increased the Transit 2000 sales tax (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.

^{3/} The negative fund balance in Transit 2000 is due to an accounting issue that occurred in closing out the fund.

^{4/} The negative fund balance in Court Awards is due to the timing of reimbursements for the Records Management System (RMS).

^{5/} The negative fund balance in Regional Transit is due to the timing of reimbursements for project costs from the regional transportation plan (Proposition 400).

Attachment D

2019-20 SCHEDULE 1 RESOURCES AND EXPENDITURES BY FUND PROPOSED ESTIMATE (In Thousands of Dollars)

	Resources						Expenditures				Ending Fund Balances
	Beginning Fund		Recovery	Fund Transfer		Total	Operating	Capital	Debt		
	Balances	Revenue ^{1/}		To	From				Service	Total	
General Funds:											
General	\$ 133,580	\$ 305,916	\$ 3,500	\$ 961,978	\$ 151,984	\$ 1,252,990	\$ 1,136,579	\$ 20,945	\$ -	\$ 1,157,524	\$ 95,466
Parks and Recreation	-	18,057	-	82,166	-	100,223	100,223	-	-	100,223	-
Library	-	40,739	-	1,971	2,410	40,300	39,375	925	-	40,300	-
Cable Communications	-	10,625	-	-	7,989	2,636	2,636	-	-	2,636	-
Total General	133,580	375,337	3,500	1,046,115	162,383	1,396,149	1,278,813	21,870	-	1,300,683	95,466
Special Revenue Funds:											
Excise Tax	\$ -	\$ 1,374,515	\$ -	\$ -	\$ 1,374,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nghbrhd Protection-Police	15,460	290	-	24,699	549	39,900	28,756	-	-	28,756	11,144
Nghbrhd Protection-Fire	4,636	64	-	8,820	55	13,465	9,522	-	-	9,522	3,943
Nghbrhd Protection-Block Watch	4,857	323	-	1,764	11	6,933	1,511	-	-	1,511	5,422
2007 Public Safety Exp-Police	30,255	544	-	56,454	1,100	86,153	67,203	-	-	67,203	18,950
2007 Public Safety Exp-Fire	6,102	107	-	14,113	209	20,113	15,720	-	-	15,720	4,393
Public Safety Enhance-Police	13,078	-	-	14,007	356	26,729	20,240	-	-	20,240	6,489
Public Safety Enhance-Fire	10,998	-	-	8,585	-	19,583	9,674	-	-	9,674	9,909
Parks and Preserves	63,604	2,242	141	35,283	219	101,051	5,920	72,097	-	78,017	23,034
Transit 2000 ^{2/}	(699)	-	-	737	38	-	-	-	-	-	-
Transportation 2050 ^{2/}	158,917	46,176	7,154	240,872	75,083	378,036	219,810	103,695	-	323,505	54,531
Court Awards	(300)	6,422	102	-	-	6,224	5,995	-	-	5,995	229
Development Services	70,367	69,370	16	-	4,322	135,431	64,381	22,008	-	86,389	49,042
Capital Construction	15,992	400	228	8,205	-	24,825	160	11,748	-	11,908	12,917
Sports Facilities	52,882	4,445	-	21,043	6,384	71,986	2,832	9,660	-	12,492	59,494
AZ Highway User Revenue	41,347	145,490	9,473	-	3,893	192,417	78,885	91,142	-	170,027	22,390
Regional Transit	(7,529)	55,768	335	-	-	48,574	34,263	15,798	-	50,061	(1,487) ^{3/}
Community Reinvestment	13,274	11,069	1	-	2,065	22,279	2,203	9,406	-	11,609	10,670
Secondary Property Tax	100	112,669	650	3,543	-	116,962	-	-	116,862	116,862	100
Impact Fee Program Admin	1,217	600	-	-	-	1,817	590	-	-	590	1,227
Regional Wireless Cooperative	1,823	4,886	9	-	-	6,718	5,117	-	-	5,117	1,601
Golf Course	796	6,295	-	-	-	7,091	6,202	500	-	6,702	389
City Improvement	-	-	142	126,077	1,027	125,192	-	-	125,192	125,192	-
Other Restricted Funds	89,515	31,377	332	26,677	4,326	143,575	60,851	11,175	-	72,026	71,549
Grant Funds	29,010	339,281	116	-	271	368,136	243,060	91,630	-	334,690	33,446
Total Special Revenue	\$ 615,702	\$ 2,212,333	\$ 18,699	\$ 590,879	\$ 1,474,423	\$ 1,963,190	\$ 882,895	\$ 438,859	\$ 242,054	\$ 1,563,808	\$ 399,382
Enterprise Funds:											
Aviation	\$ 272,617	\$ 414,162	\$ 1,616	\$ 16,054	\$ 10,685	\$ 693,764	\$ 272,284	\$ 96,593	\$ 94,665	\$ 463,542	\$ 230,222
Water	90,191	465,870	4,181	-	24,096	536,146	218,460	92,313	134,119	444,892	91,254
Wastewater	85,046	248,447	2,068	8	15,253	320,316	107,893	31,478	72,798	212,169	108,147
Solid Waste	33,349	152,044	7,000	4,500	9,337	187,556	149,218	10,268	14,041	173,527	14,029
Convention Center	58,271	26,462	558	57,741	4,615	138,417	56,334	16,484	21,194	94,012	44,405
Total Enterprise	\$ 539,474	\$ 1,306,985	\$ 15,423	\$ 78,303	\$ 63,986	\$ 1,876,199	\$ 804,189	\$ 247,136	\$ 336,817	\$ 1,388,142	\$ 488,057
GRAND TOTAL	\$ 1,288,756	\$ 3,894,655	\$ 37,622	\$ 1,715,297	\$ 1,700,792	\$ 5,235,538	\$ 2,965,897	\$ 707,865	\$ 578,871	\$ 4,252,633	\$ 982,905

^{1/} General fund sales tax revenue is reflected as a transfer from the excise tax fund. Total transfer equates to \$878.7 million, and is included in the General Funds revenue total of \$1,254.0 million shown on Schedule 2.

^{2/} The Transportation 2050 sales tax (Proposition 104) was established by the voters effective January 1, 2016 and increased the Transit 2000 sales tax (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.

^{3/} The negative fund balance in Regional Transit is due to the timing of reimbursements for project costs from the regional transportation plan (Proposition 400).

Attachment D

2020-21 SCHEDULE 1 RESOURCES AND EXPENDITURES BY FUND PROPOSED BUDGET (In Thousands of Dollars)

	Resources						Expenditures				Ending Fund Balances
	Beginning Fund		Recovery	Fund Transfer		Total	Operating	Capital	Debt		
	Balances	Revenue ^{1/}		To	From				Service	Total	
General Funds:											
General	\$ 95,466	\$ 313,318	\$ 1,000	\$ 1,015,334	\$ 145,958	\$ 1,279,160	\$ 1,260,472	\$ 18,688	\$ -	\$ 1,279,160	\$ -
Parks and Recreation	-	18,587	-	83,221	-	101,808	101,808	-	-	101,808	-
Library	-	42,878	-	1,438	2,465	41,851	40,896	955	-	41,851	-
Cable Communications	-	10,120	-	-	7,326	2,794	2,794	-	-	2,794	-
Total General	\$ 95,466	\$ 384,903	\$ 1,000	\$ 1,099,993	\$ 155,749	\$ 1,425,613	\$ 1,405,970	\$ 19,643	\$ -	\$ 1,425,613	\$ -
Special Revenue Funds:											
Excise Tax	\$ -	\$ 1,437,452	\$ -	\$ -	\$ 1,437,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nghbrhd Protection-Police	11,144	250	-	25,578	606	36,366	27,575	-	-	27,575	8,791
Nghbrhd Protection-Fire	3,943	64	-	9,134	63	13,078	10,868	-	-	10,868	2,210
Nghbrhd Protection-Block Watch	5,422	323	-	1,827	12	7,560	2,264	-	-	2,264	5,296
2007 Public Safety Exp-Police	18,950	500	-	58,466	1,216	76,700	64,647	-	-	64,647	12,053
2007 Public Safety Exp-Fire	4,393	107	-	14,617	233	18,884	16,530	-	-	16,530	2,354
Public Safety Enhance-Police	6,489	-	-	14,129	384	20,234	18,436	-	-	18,436	1,798
Public Safety Enhance-Fire	9,909	-	-	8,660	-	18,569	11,858	-	-	11,858	6,711
Parks and Preserves	23,034	2,242	141	36,539	253	61,703	6,251	28,125	-	34,376	27,327
Transportation 2050	54,531	43,468	-	249,230	10,120	337,109	233,398	86,272	-	319,670	17,439
Court Awards	229	5,760	2	-	-	5,991	5,760	-	-	5,760	231
Development Services	49,042	72,140	14	-	4,409	116,787	72,555	12,370	-	84,925	31,862
Capital Construction	12,917	300	228	8,239	-	21,684	167	17,347	-	17,514	4,170
Sports Facilities	59,494	4,412	-	21,586	20,069	65,423	23,173	4,510	-	27,683	37,740
AZ Highway User Revenue	22,390	146,284	1,924	-	3,919	166,679	81,659	84,932	-	166,591	88
Regional Transit	(1,487)	41,124	-	-	-	39,637	36,199	9,850	-	46,049	(6,412) ^{2/}
Community Reinvestment	10,670	5,987	-	5,940	2,064	20,533	1,931	4,837	-	6,768	13,765
Secondary Property Tax	100	118,205	650	10,642	-	129,597	-	-	129,497	129,497	100
Impact Fee Program Admin	1,227	625	-	-	-	1,852	866	-	-	866	986
Regional Wireless Cooperative	1,601	5,167	-	-	-	6,768	5,118	-	-	5,118	1,650
Golf Course	389	6,274	-	-	-	6,663	5,604	-	-	5,604	1,059
City Improvement	-	-	42	75,149	1,028	74,163	-	-	74,163	74,163	-
Other Restricted Funds	71,549	42,028	45	25,112	14,675	124,059	60,582	8,771	-	69,353	54,706
Grant Funds	33,446	330,934	-	-	270	364,110	260,645	75,814	-	336,459	27,651
Total Special Revenue	\$ 399,382	\$ 2,263,646	\$ 3,046	\$ 564,848	\$ 1,496,773	\$ 1,734,149	\$ 946,086	\$ 332,828	\$ 203,660	\$ 1,482,574	\$ 251,575
Enterprise Funds:											
Aviation	\$ 230,222	\$ 425,165	\$ 1,147	\$ 16,526	\$ 11,019	\$ 662,041	\$ 483,851	\$ 87,096	\$ 87,856	\$ 658,803	\$ 3,238
Water	91,254	479,482	2,105	-	25,888	546,953	238,360	101,535	146,446	486,341	60,612
Wastewater	108,147	249,814	885	-	16,322	342,524	119,320	35,036	71,775	226,131	116,393
Solid Waste	14,029	174,882	268	-	9,648	179,531	160,103	3,082	13,702	176,887	2,644
Convention Center	44,405	26,331	51	60,050	4,750	126,087	61,254	8,962	20,954	91,170	34,917
Total Enterprise	\$ 488,057	\$ 1,355,674	\$ 4,456	\$ 76,576	\$ 67,627	\$ 1,857,136	\$ 1,062,888	\$ 235,711	\$ 340,733	\$ 1,639,332	\$ 217,804
GRAND TOTAL	\$ 982,905	\$ 4,004,223	\$ 8,502	\$ 1,741,417	\$ 1,720,149	\$ 5,016,898	\$ 3,414,944	\$ 588,182	\$ 544,393	\$ 4,547,519	\$ 469,379

^{1/} General fund sales tax revenue is reflected as a transfer from the excise tax fund. Total transfer equates to \$924.6 million, and is included in the General Funds revenue total of \$1,309.5 million shown on Schedule 2.

^{2/} The negative fund balance in Regional Transit is due to the timing of reimbursements for project costs from the regional transportation plan (Proposition 400).

Attachment D

SCHEDULE 2 PROPOSED REVENUES BY MAJOR SOURCE (In Thousands of Dollars)

Revenue Source	2018-19 Actuals	2019-20 Estimate	Percent Increase/ Decrease from 2018-19 Actuals	2020-21 Budget	Percent Increase/ Decrease from 2019-20 Estimate
GENERAL FUND					
Local Taxes and Related Fees					
Local Sales Tax	\$ 468,015	\$ 470,100	0.4%	\$ 484,447	3.1%
Privilege License Fees	2,957	3,050	3.1%	3,050	0.0%
Other General Fund Excise Taxes	18,535	18,920	2.1%	18,920	0.0%
Subtotal	\$ 489,507	\$ 492,070	0.5%	\$ 506,417	2.9%
State Shared Revenues					
Sales Tax	165,066	168,964	2.4%	174,072	3.0%
State Income Tax	196,918	214,697	9.0%	241,167	12.3%
Vehicle License Tax	70,210	71,386	1.7%	71,743	0.5%
Subtotal	\$ 432,194	\$ 455,047	5.3%	\$ 486,982	7.0%
Primary Property Tax	\$ 162,130	\$ 170,899	5.4%	\$ 179,950	5.3%
User Fees/Other Revenue					
Licenses & Permits	2,969	2,960	-0.3%	2,960	0.0%
Cable Communications	10,876	10,625	-2.3%	10,120	-4.8%
Fines and Forfeitures	12,456	11,549	-7.3%	11,548	0.0%
Court Default Fee	1,320	1,296	-1.8%	1,296	0.0%
Fire	49,095	50,695	3.3%	51,535	1.7%
Hazardous Materials Inspection Fee	1,369	1,400	2.3%	1,400	0.0%
Library Fees	904	747	-17.4%	768	2.8%
Parks and Recreation	7,725	7,585	-1.8%	7,559	-0.3%
Planning	1,783	1,791	0.4%	1,808	0.9%
Police	15,332	15,481	1.0%	15,481	0.0%
Street Transportation	6,497	6,949	7.0%	6,684	-3.8%
Other Service Charges	23,486	22,592	-3.8%	22,612	0.1%
Other	3,124	2,342	-25.0%	2,399	2.4%
Subtotal	\$ 136,936	\$ 136,012	-0.7%	\$ 136,170	0.1%
TOTAL GENERAL FUNDS	\$ 1,220,767	\$ 1,254,028	2.7%	\$ 1,309,519	4.4%

Attachment D

SCHEDULE 2
PROPOSED REVENUES BY MAJOR SOURCE (Continued)
(In Thousands of Dollars)

Revenue Source	2018-19 Actuals	2019-20 Estimate	Percent Increase/ Decrease from 2018-19 Actuals	2020-21 Budget	Percent Increase/ Decrease from 2019-20 Estimate
SPECIAL REVENUE FUNDS					
Neighborhood Protection	\$ 35,612	\$ 35,960	1.0%	\$ 37,176	3.4%
2007 Public Safety Expansion	70,461	71,218	1.1%	73,690	3.5%
Public Safety Enhancement	26,023	22,592	-13.2%	22,789	0.9%
Parks and Preserves	38,238	37,525	-1.9%	38,781	3.3%
Transit 2000 ^{1/}	8	-	-100.0%	-	NA
Transportation 2050 ^{1/}	291,306	286,754	-1.6%	292,698	2.1%
Court Awards	3,848	6,422	66.9%	5,760	-10.3%
Development Services	66,748	69,370	3.9%	72,140	4.0%
Capital Construction	9,207	8,605	-6.5%	8,539	-0.8%
Sports Facilities	25,333	24,461	-3.4%	24,970	2.1%
Arizona Highway User Revenue	140,794	145,490	3.3%	146,284	0.5%
Regional Transit Revenues	41,222	55,768	35.3%	41,124	-26.3%
Community Reinvestment	4,320	11,069	+100%	5,987	-45.9%
Secondary Property Tax	106,424	112,669	5.9%	118,205	4.9%
Impact Fee Program Administration	566	600	6.0%	625	4.2%
Regional Wireless Cooperative	4,423	4,886	10.5%	5,167	5.8%
Golf Courses	6,289	6,295	0.1%	6,274	-0.3%
City Improvement Fund	13	-	-100.0%	-	NA
Other Restricted Revenues	34,472	36,936	7.1%	47,837	29.5%
Grants					
Public Housing Grants	90,713	109,786	21.0%	96,582	-12.0%
Human Services Grants	55,478	60,301	8.7%	55,083	-8.7%
Community Development	11,469	28,467	+100%	51,368	80.4%
Criminal Justice	10,327	8,715	-15.6%	10,033	15.1%
Public Transit Grants	57,110	87,997	54.1%	58,808	-33.2%
Other Grants	36,582	44,015	20.3%	59,060	34.2%
Subtotal - Grants	\$ 261,679	\$ 339,281	29.7%	\$ 330,934	-2.5%
SUBTOTAL SPECIAL REVENUE FUNDS	\$ 1,166,986	\$ 1,275,901	9.3%	\$ 1,278,980	0.2%
ENTERPRISE FUNDS					
Aviation	395,233	414,162	4.8%	425,165	2.7%
Water System	402,799	465,870	15.7%	479,482	2.9%
Wastewater System	242,959	248,447	2.3%	249,814	0.6%
Solid Waste	149,769	152,044	1.5%	174,882	15.0%
Convention Center	86,686	84,203	-2.9%	86,381	2.6%
SUBTOTAL ENTERPRISE FUNDS	\$ 1,277,446	\$ 1,364,726	6.8%	\$ 1,415,724	3.7%
TOTAL ALL OPERATING FUNDS	\$ 3,665,199	\$ 3,894,655	6.3%	\$ 4,004,223	2.8%

1/ The Transportation 2050 sales tax (Proposition 104) was established by the voters effective January 1, 2016 and increased the Transit 2000 sales tax (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.

Attachment D

SCHEDULE 3 PROPOSED EXPENDITURES BY DEPARTMENT ¹ (In Thousands of Dollars)

Program	2018-19 Actual	2019-20		2020-21 City Manager Recommended	Percent Change from 2019-20		
		Budget	Estimate		Budget	Estimate	
General Government							
Mayor	\$ 1,527	\$ 2,094	\$ 2,144	\$ 2,244	7.2%	4.7%	
City Council	3,525	4,750	4,981	5,444	14.6%	9.3%	
City Manager	2,330	3,191	2,935	3,708	16.2%	26.3%	
Government Relations	1,406	5,168	4,263	1,541	(70.2%)	(63.9%)	
Communications Office	2,527	2,735	2,676	2,779	1.6%	3.8%	
City Auditor	2,700	3,345	3,036	3,207	(4.1%)	5.6%	
Equal Opportunity	2,435	3,230	2,901	3,342	3.5%	15.2%	
Human Resources	11,902	12,898	13,224	14,403	11.7%	8.9%	
Phoenix Employment Relations Board	85	105	106	107	1.9%	0.9%	
Regional Wireless Cooperative	12,582	12,905	13,239	13,238	2.6%	(0.0%)	
Retirement Systems	-	-	-	-	-	-	
Law	5,488	6,178	6,247	6,393	3.5%	2.3%	
Information Technology	41,463	50,427	50,373	55,821	10.7%	10.8%	
City Clerk and Elections	6,259	7,277	5,690	7,351	1.0%	29.2%	
Finance	24,525	28,102	28,450	31,092	10.6%	9.3%	
Budget and Research	3,080	3,659	3,569	3,976	8.7%	11.4%	
Total General Government	\$ 121,834	\$ 146,064	\$ 143,834	\$ 154,646	5.9%	7.5%	
Public Safety							
Police	\$ 669,944	\$ 721,210	\$ 715,042	\$ 744,691	3.3%	4.1%	
Fire	354,629	401,999	403,584	418,496	4.1%	3.7%	
Emergency Management	938	976	1,224	1,288	32.0%	5.3%	
Total Public Safety	\$ 1,025,511	\$ 1,124,185	\$ 1,119,850	\$ 1,164,475	3.6%	4.0%	
Criminal Justice							
Municipal Court	\$ 37,528	\$ 43,517	\$ 40,985	\$ 41,682	(4.2%)	1.7%	
City Prosecutor	16,035	21,515	18,748	21,422	(0.4%)	14.3%	
Public Defender	5,003	5,289	5,293	5,381	1.7%	1.7%	
Total Criminal Justice	\$ 58,566	\$ 70,321	\$ 65,026	\$ 68,485	(2.6%)	5.3%	
Transportation							
Street Transportation	\$ 81,153	\$ 109,809	\$ 101,821	\$ 105,158	(4.2%)	3.3%	
Aviation	256,059	274,894	271,595	468,150	70.3%	72.4%	
Public Transit	319,142	340,461	345,621	290,997	(14.5%)	(15.8%)	
Total Transportation	\$ 656,354	\$ 725,164	\$ 719,037	\$ 864,305	19.2%	20.2%	

Attachment D

SCHEDULE 3 (continued) PROPOSED EXPENDITURES BY DEPARTMENT ¹ (In Thousands of Dollars)

Program	2018-19 Actual	2019-20		2020-21 City Manager Recommended	Percent Change from 2019-20		
		Budget	Estimate		Budget	Estimate	
Community Development							
Planning and Development	\$ 56,227	\$ 71,929	\$ 68,876	\$ 72,796	1.2%	5.7%	
Housing	89,159	100,879	102,619	105,696	4.8%	3.0%	
Community and Economic Development	27,853	42,811	27,078	40,142	(6.2%)	48.2%	
Neighborhood Services	35,610	50,141	46,128	63,561	26.8%	37.8%	
PCDIC	121	-	-	-	0%	0%	
Total Community Development	\$ 208,970	\$ 265,760	\$ 244,701	\$ 282,195	6.2%	15.3%	
Community Enrichment							
Parks and Recreation	\$ 106,209	\$ 117,113	\$ 116,369	\$ 118,090	0.8%	1.5%	
Library	37,569	40,903	40,622	41,959	2.6%	3.3%	
Phoenix Convention Center	49,601	59,546	58,833	60,859	2.2%	3.4%	
Human Services	83,045	94,266	93,198	95,692	1.5%	2.7%	
Office of Arts and Culture	7,979	4,267	4,164	4,412	3.4%	6.0%	
Total Community Enrichment	\$ 284,403	\$ 316,095	\$ 313,186	\$ 321,012	1.6%	2.5%	
Environmental Services							
Water	\$ 311,249	\$ 340,280	\$ 326,044	\$ 341,893	0.5%	4.9%	
Solid Waste Management	136,005	145,095	150,028	158,909	9.5%	5.9%	
Public Works	23,538	27,737	27,172	27,986	0.9%	3.0%	
Environmental Programs	1,494	1,616	1,710	1,449	(10.3%)	(15.3%)	
Office of Sustainability	380	567	501	656	15.7%	30.9%	
Total Environmental Services	\$ 472,666	\$ 515,295	\$ 505,455	\$ 530,893	3.0%	5.0%	
Contingencies	\$ -	\$ 115,412	\$ -	\$ 119,096	3.2%	-	
Unassigned Vacancy Savings	\$ -	\$ (5,000)	\$ (20,000)	\$ (16,000)	220.0%	(20.0%)	
GRAND TOTAL	\$ 2,828,304	\$ 3,273,296	\$ 3,091,089	\$ 3,489,107	6.6%	12.9%	

¹ For purposes of this schedule, department budget allocations include Grants and City Improvement debt service payments.

Attachment D

SCHEDULE 4 2020-21 PROPOSED EXPENDITURES BY DEPARTMENT ¹ BY SOURCE OF FUNDS (In Thousands of Dollars)

Program	Total	General Funds	Enterprise Funds	Special Revenue Funds ¹
General Government				
Mayor	\$ 2,244	\$ 2,244	\$ -	\$ -
City Council	5,444	5,444	-	-
City Manager	3,708	3,372	-	336
Government Relations	1,541	1,541	-	-
Communications Office	2,779	2,779	-	-
City Auditor	3,207	3,207	-	-
Equal Opportunity	3,342	2,763	-	579
Human Resources	14,403	12,974	-	1,429
Phoenix Employment Relations Board	107	107	-	-
Regional Wireless Cooperative	13,238	-	-	13,238
Retirement Systems	-	-	-	-
Law	6,393	6,393	-	-
Information Technology	55,821	52,266	682	2,873
City Clerk and Elections	7,351	7,287	-	64
Finance	31,092	26,023	1,932	3,137
Budget and Research	3,976	3,976	-	-
Total General Government	\$ 154,646	\$ 130,376	\$ 2,614	\$ 21,656
Public Safety				
Police	\$ 744,691	\$ 591,977	\$ -	\$ 152,714
Fire	418,496	352,522	-	65,974
Emergency Management	1,288	243	-	1,045
Total Public Safety	\$ 1,164,475	\$ 944,742	\$ -	\$ 219,733
Criminal Justice				
Municipal Court	\$ 41,682	\$ 32,173	\$ -	\$ 9,509
City Prosecutor	21,422	19,799	-	1,623
Public Defender	5,381	5,381	-	-
Total Criminal Justice	\$ 68,485	\$ 57,353	\$ -	\$ 11,132
Transportation				
Street Transportation	\$ 105,158	\$ 18,978	\$ -	\$ 86,180
Aviation	468,150	-	468,150	-
Public Transit	290,997	1,786	-	289,211
Total Transportation	\$ 864,305	\$ 20,764	\$ 468,150	\$ 375,391

Attachment D

SCHEDULE 4 (continued)
2020-21 PROPOSED EXPENDITURES BY DEPARTMENT ¹
BY SOURCE OF FUNDS
(In Thousands of Dollars)

Program	Total	General Funds	Enterprise Funds	Special Revenue Funds ¹
Community Development				
Planning and Development Services	\$ 72,796	\$ 4,310	\$ -	\$ 68,486
Housing	105,696	169	-	105,527
Community and Economic Development	40,142	6,253	694	33,195
Neighborhood Services	63,561	14,038	-	49,523
Total Community Development	\$ 282,195	\$ 24,770	\$ 694	\$ 256,731
Community Enrichment				
Parks and Recreation	\$ 118,090	\$ 101,808	\$ -	\$ 16,282
Library	41,959	40,896	-	1,063
Phoenix Convention Center	60,859	2,638	57,666	555
Human Services	95,692	19,986	380	75,326
Office of Arts and Culture	4,412	4,222	-	190
Total Community Enrichment	\$ 321,012	\$ 169,550	\$ 58,046	\$ 93,416
Environmental Services				
Water	\$ 341,893	\$ -	\$ 339,575	\$ 2,318
Solid Waste Management	158,909	-	158,909	-
Public Works	27,986	17,663	-	10,323
Environmental Programs	1,449	732	400	317
Office of Sustainability	656	424	-	232
Total Environmental Services	\$ 530,893	\$ 18,819	\$ 498,884	\$ 13,190
Contingencies	\$ 119,096	\$ 55,596	\$ 34,500	\$ 29,000
Unassigned Vacancy Savings	\$ (16,000)	\$ (16,000)	\$ -	\$ -
GRAND TOTAL	\$ 3,489,107	\$ 1,405,970	\$ 1,062,888	\$ 1,020,249

¹ For purposes of this schedule, department budget allocations include Grants and City Improvement debt service payments.

Attachment D

SCHEDULE 5
PROPOSED DEBT SERVICE EXPENDITURES
BY PROGRAM, SOURCE OF FUNDS AND TYPE OF EXPENDITURE
(In Thousands of Dollars)

Program	2018-19 Actual	2019-20 Estimate	2020-21 Proposed Budget
Aviation	\$ 135,936	\$ 158,524	\$ 165,135
Cultural Facilities	12,170	11,404	16,925
Economic Development	20,210	6,784	5,034
Environmental Programs	475	1,899	1,567
Fire Protection	10,700 ¹	7,086	7,825
Freeway Mitigation	335 ¹	610	539
Historic Preservation	367	616	1,490
Human Services	825	2,176	2,472
Information Systems	1,096	3,221	3,491
Libraries	8,232	7,229	7,051
Local Streets/Street Improvements/Lighting	5,061 ¹	7,469	10,958
Maintenance Service Centers	668	3,507	761
Municipal Administration Building	-	10	-
Neighborhood Preservation & Senior Services Centers	5,698	9,776	5,142
Parks & Recreation/Open Space	12,035	16,270	18,356
Phoenix Convention Center	42,925	44,694	44,951
Police, Fire and Computer Tech	8,637	10,366	12,034
Police Protection	6,102	6,784	9,634
Public Housing	1,928	5,024	5,201
Public Transit	67,254	71,785	7,079
Solid Waste Disposal	14,316	14,041	13,702
Storm Sewer	12,832	16,044	20,417
Street Light Refinancing	6 ¹	6 ¹	21
Wastewater	75,022	72,798	71,775
Water	113,208	134,119	146,446
General Government Nonprofit Corporation Bonds	55,011	53,194	66,972
Bond Issuance Costs	1,229	4,750	1,643
Total Program	\$ 612,278	\$ 670,186	\$ 646,621
Type of Expenditure			
Principal	\$ 335,495	\$ 361,917	\$ 308,861
Interest and Other	276,783	308,269	337,760
Total Debt Service Expenditures	\$ 612,278	\$ 670,186	\$ 646,621

Attachment D

SCHEDULE 5
PROPOSED DEBT SERVICE EXPENDITURES
BY PROGRAM, SOURCE OF FUNDS AND TYPE OF EXPENDITURE (continued)
(In Thousands of Dollars)

Source of Funds	2018-19 Actual	2019-20 Estimate	2020-21 Proposed Budget
<u>Operating Funds</u>			
Secondary Property Tax	\$ 107,305	\$ 116,862	\$ 129,497
<i>City Improvement</i>			
General	41,593	41,490	40,876
Housing	72	71	70
Transportation 2050	67,289	71,827	7,293
Library	115	115	115
Sports Facilities	10,332	5,988	19,666
Other Operating	2,924	5,559	6,101
Other Financing Sources	13	142	42
Aviation	71,011	94,665	87,856
Convention Center	19,928	21,194	20,954
Solid Waste	14,316	14,041	13,702
Wastewater	75,022	72,798	71,775
Water	113,208	134,119	146,446
Subtotal Operating Funds	<u>\$ 523,128</u>	<u>\$ 578,871</u>	<u>\$ 544,393</u>
<u>Capital Funds</u>			
Nonprofit Corporation Bonds			
Aviation - Aviation NP Bonds	\$ 856	\$ 1,227	\$ -
Aviation - Customer Facility Charge	-	577	-
Convention Center	-	85	150
Transportation 2050	-	300	-
Wastewater	373	-	-
Water	-	1,100	-
Other	-	667	-
Capital Reserve	-	-	800
Customer Facility Charge ²	21,278	14,024	20,547
Federal, State & Other Participation	22,997	23,500	23,998
Passenger Facility Charges	43,646	49,835	56,733
Subtotal Capital Funds	<u>\$ 89,150</u>	<u>\$ 91,315</u>	<u>\$ 102,228</u>
Total Source of Funds	<u>\$ 612,278</u>	<u>\$ 670,186</u>	<u>\$ 646,621</u>

¹ Interest only expenditure

² FY1819 restated from Non-Profit Corporation Bond - Aviation

Attachment D
SCHEDULE 6
SUMMARY OF PRELIMINARY 2020-21 CAPITAL IMPROVEMENT PROGRAM
FINANCED BY OPERATING FUNDS
(In Thousands of Dollars)

	2018-19 Actuals	2019-20 Estimate	2020-21 Proposed Budget
<u>Use of Funds</u>			
Aviation	166,220	93,233	86,542
Economic Development	2,754	13,466	9,213
Environmental Programs	95	405	250
Facilities Management *	8,387	15,671	14,054
Finance	1,415	-	-
Fire Protection	-	5,657	4,673
Historic Preservation & Planning	155	19,772	12,028
Housing	3,728	10,980	19,266
Information Technology	5,798	14,999	6,966
Libraries	664	925	955
Neighborhood Services	52	4,085	9,690
Parks, Recreation & Mountain Preserves	25,196	77,739	30,625
Phoenix Convention Center	13,546	21,294	9,324
Police Protection	-	5,000	-
Public Art Program	1,411	3,160	130
Public Transit	102,122	166,942	109,749
Solid Waste Disposal	6,034	9,977	2,603
Street Transportation & Drainage	141,461	124,236	136,117
Wastewater	5,611	30,071	34,814
Water	61,726	90,253	101,183
Total Operating Funds	546,375	707,865	588,182
<u>Source of Funds</u>			
General Funds			
General Fund *	11,456	20,945	18,688
Library General Fund	647	925	955
Total General Funds	12,103	21,870	19,643
Special Revenue Funds			
Arizona Highway User Revenue	103,136	91,142	84,932
Capital Construction	9,173	11,748	17,347
Community Reinvestment	2,562	9,406	4,837
Development Services	583	22,008	12,370
Golf	-	500	-
Grants and Public Housing	41,423	91,630	75,814
Other Restricted	1,197	11,175	8,771
Parks and Preserves	23,189	72,097	28,125
Regional Transit	6,658	15,798	9,850
Sports Facilities	9,933	9,660	4,510
Transportation 2050	86,559	103,695	86,272
Total Special Revenue Funds	284,413	438,859	332,828
Enterprise Funds			
Aviation	168,013	96,593	87,096
Convention Center	4,754	16,484	8,962
Solid Waste	7,194	10,268	3,082
Wastewater	6,757	31,478	35,036
Water	63,141	92,313	101,535
Total Enterprise Funds	249,859	247,136	235,711
Total Operating Funds	546,375	707,865	588,182

* Adjusted per revised Trial Budget.

Attachment D

SCHEDULE 7 PROPOSED INTERFUND TRANSFERS TO THE GENERAL FUND (In Thousands of Dollars)

	2018-19 Actuals	2019-20 Estimate	2020-21	
			Budget	Increase/ (Decrease)
Transfers to the General Fund				
<u>Enterprise Funds</u>				
Aviation				
Central Service Cost Allocation	\$ 9,412	\$ 9,736	\$ 10,071	\$ 335
Monthly MOU Installment	776	-	-	-
Total	10,188	9,736	10,071	335
Water Funds				
Central Service Cost Allocation	8,843	8,511	8,786	275
In-Lieu Property Taxes	14,951	15,585	16,865	1,280
Total	23,794	24,096	25,651	1,555
Wastewater Funds				
Central Service Cost Allocation	5,896	5,674	5,857	183
In-Lieu Property Taxes	9,194	9,579	10,315	736
Total	15,090	15,253	16,172	919
Solid Waste				
Central Service Cost Allocation	6,365	6,153	6,257	104
In-Lieu Property Taxes	1,298	1,311	1,387	76
Total	7,663	7,464	7,644	180
Convention Center				
Central Service Cost Allocation	2,767	2,944	3,025	81
Total From Enterprise Funds	\$ 59,502	\$ 59,493	\$ 62,563	\$ 3,070

Attachment D

SCHEDULE 7 PROPOSED INTERFUND TRANSFERS TO THE GENERAL FUND (Continued) (In Thousands of Dollars)

	2018-19 Actuals	2019-20 Estimate	2020-21	
			Budget	Increase/ (Decrease)
Special Revenue Funds				
Excise				
Transfer to General Fund	\$ 854,460	\$ 878,691	\$ 924,616	\$ 45,925
Development Services				
Central Service Cost Allocation	3,414	4,322	4,409	87
Sports Facilities				
Central Service Cost Allocation	151	174	174	-
Phoenix Union Parking Maintenance	79	79	79	-
Total	230	253	253	-
Public Housing In-Lieu Property Taxes	230	200	200	-
ASU Facilities Operations Fund	779	781	782	1
Downtown Community Reinvestment Fund	2,063	2,065	2,064	(1)
T2050 Central Service Costs	894	985	1,061	76
Neighborhood Protection Central Service Costs	347	396	429	33
Public Safety Enhancement Central Service Costs	224	356	384	28
Public Safety Expansion Central Service Costs	519	871	944	73
Housing Central Office Central Service Costs	355	310	334	24
Other Restricted - Sale of Land	-	1,000	6,800	5,800
Library Reserve Fund	141	1,971	819	(1,152)
Total From Special Revenue Funds	\$ 863,656	\$ 892,201	\$ 943,095	\$ 50,894
Total Transfers to the General Fund	\$ 923,158	\$ 951,694	\$ 1,005,658	\$ 53,964
Transfers from the General Fund				
Strategic Economic Development Fund	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Public Safety Other Restricted Fund	16,000	16,000	16,000	-
Public Safety Pension Reserve Fund	10,250	5,500	-	(5,500)
Other Restricted	145	378	-	(378)
Aviation-Emergency Transportation Services	284	285	285	-
Community Facilities Districts-Restricted Fund	-	623	587	(36)
Enhanced Municipal Services District Fund	-	454	-	(454)
Worker's Compensation	7,000	-	-	-
Grant Fund	31	-	-	-
Retiree Rate Stabilization Fund	1,028	1,027	1,028	1
Infrastructure Repayment Agreements	553	1,090	1,523	433
City Improvement - Library	115	115	115	-
City Improvement	41,593	41,490	40,876	(614)
Total Transfers from the General Fund	\$ 77,999	\$ 67,962	\$ 61,414	\$ (6,548)
Net Transfers to the General Fund	\$ 845,159	\$ 883,732	\$ 944,244	\$ 60,512

Attachment D

SCHEDULE 8 PROPOSED POSITIONS BY DEPARTMENT Number of Full Time Equivalent Positions

Program	2018-19 Actual	2019-20 Estimate	2019-20 changes ¹	2019-20 Actual	2020-21 changes ¹	2020-21 Allowances June 30,2021 Authorized
General Government						
Mayor	17.0	17.0	(4.0)	13.0	-	13.0
City Council	30.0	30.0	3.0	33.0	-	33.0
City Manager	19.5	19.5	-	19.5	2.0	21.5
Government Relations	7.0	7.0	-	7.0	-	7.0
Communications Office	19.1	19.1	-	19.1	-	19.1
City Auditor	25.4	25.4	-	25.4	-	25.4
Equal Opportunity	27.0	27.0	-	27.0	-	27.0
Human Resources	103.7	103.7	9.0	112.7	-	112.7
Phoenix Employment Relations Board	1.0	1.0	-	1.0	-	1.0
Retirement Systems	15.0	16.0	-	16.0	-	16.0
Law	209.0	211.0	1.0	212.0	-	212.0
Information Technology	195.0	201.0	-	201.0	-	201.0
City Clerk and Elections	54.5	54.5	(3.0)	51.5	-	51.5
Finance	211.0	211.0	2.0	213.0	-	213.0
Budget and Research	24.0	24.0	-	24.0	-	24.0
Regional Wireless Cooperative	4.0	4.0	-	4.0	-	4.0
Total General Government	962.2	971.2	8.0	979.2	2.0	981.2
Public Safety						
Police	4,337.6	4,367.6	(7.0)	4,360.6	-	4,360.6
Fire	2,041.8	2,062.8	21.0	2,083.8	8.0	2,091.8
Emergency Management	8.0	8.0	1.0	9.0	-	9.0
Total Public Safety	6,387.4	6,438.4	15.0	6,453.4	8.0	6,461.4
Criminal Justice						
Municipal Court	274.0	274.0	-	274.0	-	274.0
Public Defender	9.0	11.0	-	11.0	-	11.0
Total Criminal Justice	283.0	285.0	0.0	285.0	0.0	285.0

Attachment D

SCHEDULE 8 PROPOSED POSITIONS BY DEPARTMENT Number of Full Time Equivalent Positions (Continued)

Program	2018-19 Actual	2019-20 Estimate	2019-20 changes ¹	2019-20 Actual	2020-21 changes ¹	2020-21 Allowances
						June 30,2021 Authorized
Transportation						
Street Transportation	709.0	723.0	(2.0)	721.0	-	721.0
Aviation	891.0	891.0	(1.0)	890.0	-	890.0
Public Transit	115.0	115.0	5.0	120.0	-	120.0
Total Transportation	1,715.0	1,729.0	2.0	1,731.0	0.0	1,731.0
Community Development						
Planning and Development	409.8	430.8	14.0	444.8	-	444.8
Housing	144.0	145.0	(11.0)	134.0	-	134.0
Community and Economic Development	55.0	55.0	2.0	57.0	-	57.0
Neighborhood Services	189.0	192.0	(3.0)	189.0	-	189.0
PCDIC	0.0	-	-	-	-	-
Total Community Development	797.8	822.8	2.0	824.8	0.0	824.8
Community Enrichment						
Parks and Recreation	983.5	1,012.8	1.3	1,014.1	-	1,014.1
Library	375.2	402.3	(1.0)	401.3	-	401.3
Phoenix Convention Center	222.0	222.0	(2.0)	220.0	-	220.0
Human Services	379.0	382.0	9.0	391.0	-	391.0
Office of Arts and Culture	11.0	11.0	-	11.0	-	11.0
Total Community Enrichment	1,970.7	2,030.1	7.3	2,037.4	0.0	2,037.4
Environmental Services						
Water Services	1,477.0	1,498.0	(11.0)	1,487.0	-	1,487.0
Solid Waste Management	609.0	610.0	-	610.0	-	610.0
Public Works	399.5	423.0	2.0	425.0	-	425.0
Environmental Programs	10.0	10.0	-	10.0	-	10.0
Office of Sustainability	4.0	4.0	1.0	5.0	-	5.0
Total Environmental Services	2,499.5	2,545.0	(8.0)	2,537.0	0.0	2,537.0
TOTAL	14,615.6	14,821.5	26.3	14,847.8	10.0	14,857.8

1. Changes (Additions/Reductions) reflect the combined total of proposed and year-to-date budget reductions, budget additions and new positions associated with opening new facilities.

Attachment D

SCHEDULE 9
PRELIMINARY 2020-21 CAPITAL IMPROVEMENT PROGRAM
RESOURCES AND EXPENDITURES BY CAPITAL FUND
(In Thousands of Dollars)

Capital Fund	RESOURCES			EXPENDITURES		FUND BALANCES		
	Beginning Balance	Projected Revenue ¹	Total	Estimated Expenditures	Ending Fund Balance	Projected Resources Beyond 20/21 ²	Funds Available Beyond 20/21	
BONDS AND RELATED FUNDS								
2006 Bonds								
Libraries, Senior & Cultural Centers	\$ (3,729)	\$ -	\$ (3,729)	\$ -	\$ (3,729)	\$ 27,190	\$ 23,461	
Education	(4,549)	-	(4,549)	-	(4,549)	8,090	3,541	
Affordable Housing & Neighborhoods	3,477	-	3,477	-	3,477	17,795	21,272	
Parks and Open Spaces	2,048	-	2,048	-	2,048	13,685	15,733	
Police, Fire & Homeland Security	(7,700)	-	(7,700)	-	(7,700)	36,700	29,000	
Police, Fire & City Technology	289	-	289	-	289	4,790	5,079	
Street and Storm Sewer Improvement	5,935	-	5,935	270	5,665	27,495	33,160	
2001 Bonds								
Affordable Housing & Homeless Shelter	1,053	-	1,053	-	1,053	-	1,053	
Educational, Youth & Cultural Facilities	(1,177)	-	(1,177)	-	(1,177)	1,700	523	
Environmental Improvement & Cleanup	261	-	261	-	261	630	891	
Fire Protection Facilities & Equipment	(788)	-	(788)	-	(788)	800	12	
Neighborhood Protection & Senior Centers	161	-	161	-	161	2,355	2,516	
New & Improved Libraries	3,450	-	3,450	-	3,450	900	4,350	
Parks, Open Space & Recreation	(332)	-	(332)	-	(332)	4,425	4,093	
Police Protection Facilities & Equipment	(524)	-	(524)	-	(524)	1,115	591	
Police, Fire & Computer Technology	(50)	-	(50)	-	(50)	615	565	
Preserving Phoenix Heritage	(174)	-	(174)	-	(174)	795	621	
Storm Sewers	-	-	-	-	-	50	50	
Street Improvements	(457)	-	(457)	-	(457)	2,225	1,768	
1989 Historic Preservation	2	-	2	-	2	-	2	
1988 Bonds								
Freeway Mitigation, Neighborhood Stabilization, Slum & Blight Elimination	850	-	850	-	850	1,000	1,850	
Parks, Recreation & Mountain Preserves	419	-	419	-	419	-	419	
Police Protection	27	-	27	-	27	-	27	
Nonprofit Corporation Bonds								
Aviation	549,632	-	549,632	121,463	428,169	546,210	974,379	
Convention Center	(24,081)	24,150	69	150	(81)	-	(81)	
Solid Waste	399	30,000	30,399	25,073	5,326	145,000	150,326	
Transportation 2050	124,700	-	124,700	416,789	(292,089)	1,300,000	1,007,911	
Wastewater	(85,637)	-	(85,637)	155,037	(240,674)	271,730	31,056	
Water	109,275	-	109,275	477,799	(368,524)	625,000	256,476	
Other	(66,765)	196,000	129,235	117,067	12,168	120,095	132,263	
OTHER FINANCING								
Impact Fees	193,086	-	193,086	148,957	44,129	-	44,129	
Passenger Facility Charge	(2,240)	88,061	85,821	95,750	(9,929)	114,323	104,394	
Customer Facility Charge	9,120	34,957	44,077	20,547	23,530	-	23,530	
Other Cities' Participation in Joint Ventures	-	36,136	36,136	36,136	-	-	-	
Solid Waste Remediation	3,843	-	3,843	343	3,500	-	3,500	
Capital Grants	-	670,903	670,903	670,903	-	-	-	
Federal, State & Other Participation	-	52,588	52,588	52,588	-	-	-	
Capital Gifts	35	-	35	-	35	-	35	
Capital Reserves	232,003	1,250	233,253	2,856	230,397	-	230,397	
Other Capital	2,624	-	2,624	300	2,324	-	2,324	
TOTAL	\$ 1,044,486	\$ 1,134,045	\$ 2,178,531	\$ 2,342,028	\$ (163,497)	\$ 3,274,713	\$ 3,111,216	

¹ Includes bond proceeds and funds which "pass through" bond funds such as grants, land sales and other agency and private participation.

² Includes bonds authorized and available for sale, pledged resources and cost recovery for projects billed and/or reimbursed on a cash flow basis.

Attachment D
SCHEDULE 10
SUMMARY OF PRELIMINARY 2020-21 CAPITAL IMPROVEMENT PROGRAM
BY PROGRAM AND SOURCE OF FUNDS
(In Thousands of Dollars)

Program	Total 2020-21 Proposed Budget	Operating Funds	General Obligation Bond Funds	Nonprofit Corporation Bond Funds	Other Capital Funds
Aviation	326,480	86,542	-	121,463	118,475
Economic Development	119,213	9,213	-	110,000	-
Environmental Programs	250	250	-	-	-
Facilities Management *	14,054	14,054	-	-	-
Fire Protection	18,437	4,673	-	7,067	6,697
Historic Preservation & Planning	12,028	12,028	-	-	-
Housing	25,713	19,266	-	-	6,447
Information Technology	6,966	6,966	-	-	-
Libraries	9,988	955	-	-	9,033
Neighborhood Services	9,690	9,690	-	-	-
Non-Departmental Capital	102,227	-	-	150	102,077
Parks, Recreation & Mountain Preserves	46,990	30,625	-	-	16,365
Phoenix Convention Center	9,324	9,324	-	-	-
Police Protection	7,055	-	-	-	7,055
Public Art Program	252	130	-	122	-
Public Transit	1,036,538	109,749	-	341,789	585,000
Regional Wireless Cooperative	7,325	-	-	-	7,325
Solid Waste Disposal	28,019	2,603	-	25,073	343
Street Transportation & Drainage	263,787	136,117	270	75,000	52,400
Wastewater	290,715	34,814	-	176,929	78,972
Water	595,159	101,183	-	455,784	38,192
Total	2,930,210	588,182	270	1,313,377	1,028,381

* Adjusted per revised Trial Budget.

Attachment D
SCHEDULE 11
Tax Levy and Tax Rate Information
Fiscal Year 2020-21
(In Thousands)

	2019-20	2020-21
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>177,810</u>	\$ <u>185,429</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>172,626</u>	\$ <u>181,767</u>
B. Secondary property taxes	<u>108,971</u>	<u>114,741</u>
C. Total property tax levy amounts	\$ <u>281,597</u>	\$ <u>296,508</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>170,899</u>	
(2) Prior years' levies	<u>1,558</u>	
(3) Total primary property taxes	\$ <u>172,457</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>107,881</u>	
(2) Prior years' levies	<u>1,039</u>	
(3) Total secondary property taxes	\$ <u>108,920</u>	
C. Total property taxes collected	\$ <u>281,377</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>1.3055</u>	<u>1.3055</u>
(2) Secondary property tax rate	<u>0.8241</u>	<u>0.8241</u>
(3) Total city/town tax rate	<u>2.1296</u>	<u>2.1296</u>
B. Special assessment district tax rates		

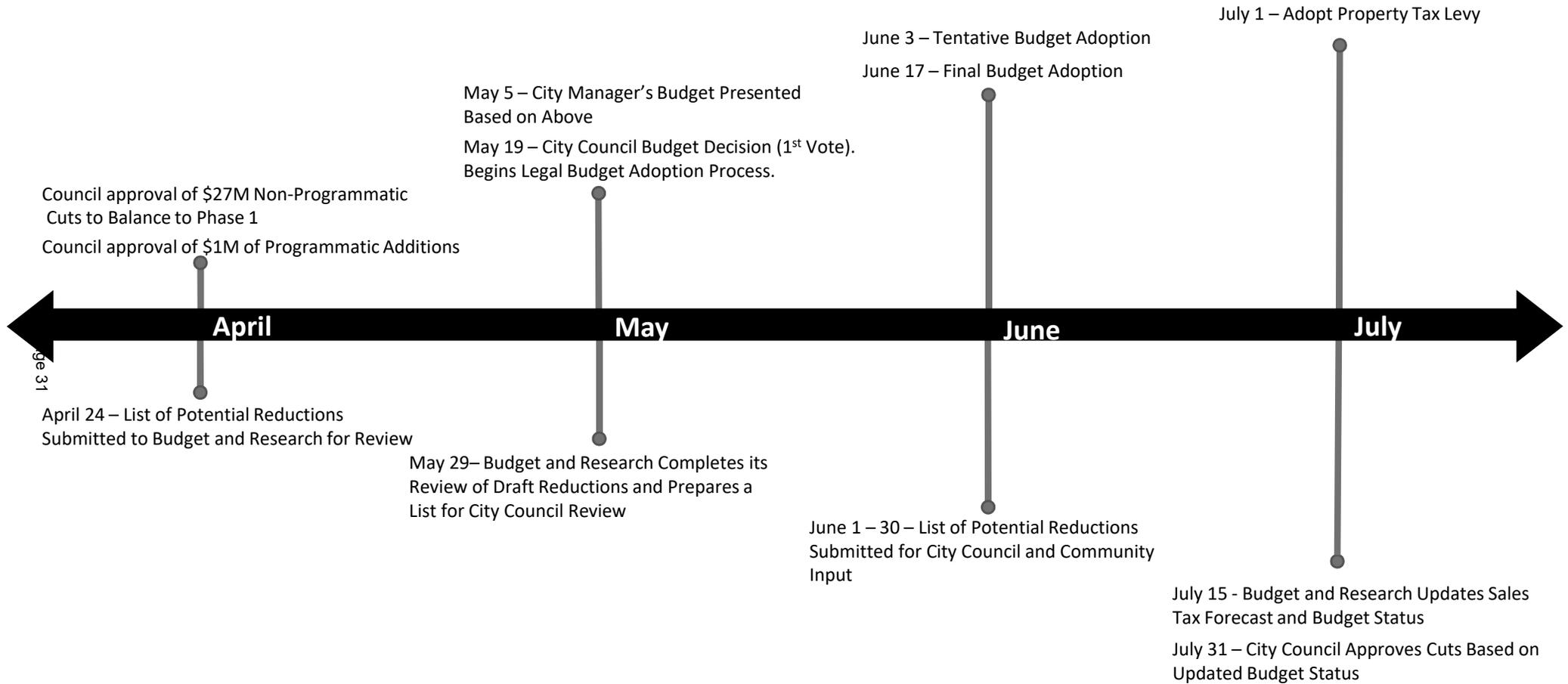
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating zero special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* The 2020-21 planned primary and secondary levies are \$181,767,192 and \$114,740,975, respectively. Historically, actual property tax collections have been slightly lower than the amount levied. For 2020-21, actual collections for primary and secondary property taxes are estimated to be \$179,950,000 and \$113,594,000, or 99% of the levy amount.

** Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

Attachment E

2020-21 LEGAL BUDGET ADOPTION PROCESS



2020-21 BUDGET REDUCTION SCHEDULE