



City of Phoenix

To: Mayor and City Council

Date: March 24, 2022

From: Jeff Barton
City Manager

Subject: TRIAL BUDGET MESSAGE

Attached is the 2022-23 Trial Budget proposal for Council and community consideration. The Trial Budget reflects broad Council and community priorities. It is an early look at possible allocations of resources for next fiscal year and serves as a beginning point for discussion leading to a more refined proposal in May. As a result of the strong Phoenix economy, strategic actions taken by City Council and City Management, along with the commitments of City employees to provide services and control spending through the pandemic, the Trial Budget reflects a \$76M surplus.

The goal of the Trial Budget is to identify programs that build a better city. In putting together this proposal, we attempt to address many issues that have been raised by councilmembers and the community over the past year without over-committing current and projected resources. Balancing available resources with the community's desire for expanded service and the organization's needs for staff and infrastructure required to provide those services is no easy task. This is especially true at this time given the current geopolitical climate and the economic turmoil that was prompted by the Russian declaration of war against Ukraine. Given the uncertainty that this conflict will have on the global and local economies, it is recommended that we strategically use the surplus in a way that provides maximum flexibility should we need budget balancing actions in the upcoming fiscal year.

As reflected in the General Fund (GF) Status, the GF surplus includes both one-time and ongoing resources. Absent any adverse activity in the economy, the one-time resources can be used to strategically address one-time capital needs or they can be aligned to provide a multi-year funding plan to help the GF absorb ongoing costs over time. The ongoing resources, barring an economic downturn, can be used to expand, enhance or create new programs and services based on City Council and community needs and priorities. At this time, given the uncertainty of the economy and the tight job market, the Trial Budget does not reflect spending the entire GF surplus. Instead, it recommends holding the majority of these funds in reserve to help mitigate any potential negative economic shock experienced in the coming months or to address any unforeseen needs.

The attached Trial Budget includes \$21M in service additions that will continue to move the City forward in addressing several key priorities that have been discussed over the last few years. The proposed additions provide needed resources in the following areas:

- Affordable Housing
- Climate and Sustainability
- Economic Development, Planning and Innovation
- Historic Preservation and Arts
- Homelessness, Immigrant/Refugee Support and Fast Track Cities
- Parks & Recreation and Library
- Public Safety and Criminal Justice
- Roadway Safety

To further enhance the City's ability to withstand the economic uncertainty ahead and to provide resources for critical projects and priorities, the Trial Budget also recommends strategically creating two GF set-asides that would serve a dual purpose. The GF set-asides could be used as an economic shock absorber to offset any negative economic impacts experienced in the coming months and they could also be used to provide the resources needed to address several City Council priorities (if the local economy isn't negatively impacted). In the event that the economy stays strong, the Trial Budget recommends that the \$55M in GF set-asides would be used to provide the resources needed to address several critical issues such as:

- Employee Compensation
- Homelessness and Affordable Housing Strategies
- Roadway Safety
- Climate, Sustainability and other Environmental Initiatives
- Infrastructure and Future Bond Project O&M Needs
- ARPA GF Transition

The attached report from Budget and Research provides additional details on the proposed service additions and the GF set-asides. The 2022-23 Trial Budget is offered for feedback and will be publicly discussed between April 2 and April 15 at the Community Budget Hearings. Residents can also view the document at [Phoenix.gov/budget](https://phoenix.gov/budget) and provide direct feedback at budget.research@phoenix.gov. A Proposed Budget will then be presented for Council consideration on May 3, 2022.



2022-23 City Manager's Trial Budget

This report transmits a balanced fiscal year (FY) 2022-23 Trial Budget for community review and comment.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

The Trial Budget is an important step in the City's Zero-Based Budget development process. It provides the Mayor, City Council and the community an opportunity to review a proposed balanced budget months in advance of final budget adoption in June. The proposed balanced General Fund (GF) budget includes minor but essential increases in a variety of city programs and services. Due to recent geopolitical events in Europe and rising economic uncertainty, the proposed Trial Budget also includes set-asides for future spending initiatives or to provide flexibility if needed to ensure the budget remains balanced.

Between April 2 and April 15, the FY 2022-23 Trial Budget will be presented to Phoenix residents for input at 11 virtual community budget hearings. A complete list of hearing dates and times is included in **Attachment D** and is available on our website at <https://www.phoenix.gov/budget/hearings>. The website also includes the City's **FundPHX** interactive budget tool and information on how to provide feedback directly to the Budget & Research Department. All feedback received will be communicated to the City Council routinely so it may be used in budget decision making. As a result of public input, changes could be made to the Trial Budget when a proposed City Manager's Budget is presented on May 3.

Summary

As presented to the City Council on February 22 in the Five Year Forecast, the GF projected surplus for FY 2022-23 is \$76M which includes one-time resources of \$44M and ongoing resources of \$32M. The ongoing resources are primarily due to higher than anticipated revenue growth. The one-time resources include excess salary savings caused by a significant increase in vacancies due to the competitive and tight labor market, and the carryover fund balance from last fiscal year. These resources were budgeted to pay for the negotiated compensation increases for

fiscal years 2021-22 and 2022-23, and the additional programs and services added in the current year budget.

As presented in February, the GF long-term outlook is positive at this time, with ongoing resources balanced to projected ongoing expenditures. However, the war in Europe presents additional uncertainty in terms of potential negative impacts to the broader economy calling for a cautious and conservative approach to the budget. Revenue volatility also continues as a result of the COVID-19 pandemic and inflation. There is simply no way to predict how revenue could be impacted in the future from either the war, future COVID-19 outbreaks or continued high inflation. As a result of these factors, staff is not recommending changes to the GF Status and will be closely monitoring city revenues, the economy and our trusted experts over the next several weeks. It is possible revenue adjustments could be made with the City Manager's Proposed Budget scheduled to be presented on May 3 as more data and information becomes available.

In light of recent events, increased uncertainty, and challenges with hiring city staff the FY 2022-23 Trial Budget proposes to allocate the estimated \$76M surplus to both ongoing program and service additions totaling \$21M and to GF set-asides totaling \$55M to provide budget flexibility. While the GF five year forecast model presented in February projects ongoing resources of \$32M could be available, for the reasons stated above staff does not recommend spending the entire amount for ongoing programs and services additions at this time. The GF set-asides could be used next fiscal year to address employee compensation and to achieve City Council priorities, or to provide needed resources in the event of an economic downturn to mitigate any possible negative revenue impacts. The proposed FY 2022-23 GF supplementals totaling \$21M and proposed GF set-asides of \$55M are discussed further in this report and detailed in [Attachment A](#). Also, included are proposed FY 2022-23 Non-GF supplementals totaling \$4.9M detailed below and in [Attachment B](#).

Resources

At this time FY 2022-23 resources, which include the beginning fund balance, net transfers, and revenues, are projected at \$1.777 billion. GF revenues make up the majority of resources and are projected at \$1.587 billion representing growth of 9.4% over FY 2021-22. As detailed in the GF Five Year Forecast report presented to City Council on February 22, a conservative approach was used to project revenue given we are still experiencing impacts from the pandemic, rising inflation and now a geopolitical crisis in Europe. Furthermore, according to the State's Joint

Legislative Budget Committee (JLBC) at the January 20 Finance Advisory Committee meeting \$78 billion in one-time COVID-19 Federal Aid helped to fuel an 8.6% increase in AZ personal income increasing discretionary spending and influencing sales tax collections. It is expected over the next several months we will see a slowdown in revenue growth as a result of diminished COVID-19 aid and a higher revenue base in FY 2020-21 and FY 2021-22.

For FY 2022-23, the projected increase in GF revenue is primarily a result of known increased state shared income tax collections, which are based on collections from FY 2020-21, and are artificially higher due to the State's decision to defer income tax filings in the fourth quarter of FY 2019-20. Revenue increases are also attributable to a growing diversified state and local economy, which has outperformed most cities in the U.S. throughout the pandemic, and assumes no fee increases and no new sources of revenue. The FY 2022-23 GF estimates for each major revenue category are highlighted below, and additional information about assumptions and methodologies used to estimate revenue is provided in [Attachment E](#):

- Local Sales Tax - \$632 million;
- State Shared Revenue - \$621 million;
- Primary Property Tax - \$199 million; and
- User Fees - \$135 million

Expenditures

FY 2022-23 GF Trial Budget expenditures are projected to be \$1.701 billion. This compares to the adopted GF expenditure budget of \$1.608 billion for FY 2021-22, representing an increase of \$93 million or 5.8%. The increase accounts for City Council approved employee compensation increases, increased funding for information technology, replacement vehicles and contingency funds to achieve a target of 4.25% of operating expenses. The increase also accounts for higher costs for public safety pension (further discussed below), increases in capital equipment, and increases for pay-as-you-go capital projects, including funding for a future time and labor system, energy savings and storm water projects. Expenditure amounts may change over the coming weeks as staff continues to refine final estimates prior to the presentation of the City Manager's Proposed Budget on May 3.

Since FY 2007-08 employee pension costs have consumed a growing share of our GF resources. GF pension costs are anticipated to increase over \$61M between FY 2021-22 and FY 2026-27. This increase is primarily caused by rising costs in public

safety pension. The City is committed and legally required to pay 100 percent of our actuarially required contribution every year. Also under the leadership of the City Council a pension funding policy has been adopted each year as required by state statute and a Public Safety Personnel Retirement System (PSPRS) Stabilization Fund has also been created, which has a balance of just over \$42M to offset future sworn pension increases if needed. Additionally, pension reform for the City of Phoenix Employees' Retirement System (COPERS) is helping to stabilize civilian pension costs. While reform efforts have been successful for PSPRS, there still exists a significant unfunded sworn pension liability of approximately \$3.4 billion, which will require continued diligence and further resource strategies in the coming years.

Proposed Budget Additions & Set-asides

As a result of the strong Phoenix economy, strategic actions taken by City Council and City Management, along with the commitment of City employees to provide services and control spending through the pandemic, the GF portion of the FY 2022-23 Trial Budget includes a surplus of approximately \$76 million. As presented, the Trial Budget includes several strategic recommendations that continue to move the City forward in addressing community priorities, provides resources needed to offer competitive employee compensation in the future, while also ensuring resources are available in the event of an economic downturn. Proposed use of the available \$76M GF surplus include supplemental additions to programs and services totaling \$21M for next fiscal year, and GF set-asides totaling \$55M, both are discussed below and detailed in [Attachment A](#).

The proposed Trial Budget anticipates leveraging the final tranche of ARPA funds to further address critical priorities. Recommendations for GF supplemental additions in FY 2022-23 total \$21M and focus on City Council and community priorities including:

- Affordable Housing - \$1.5M
- Climate & Sustainability - \$1.3M
- Economic Development, Planning & Innovation - \$1.6M
- Historic Preservation & Arts - \$0.3M
- Homelessness, Immigrant/Refugee Support & Fast Track Cities - \$3.0M
- Parks & Recreation and Library - \$2.7M
- Public Safety & Criminal Justice - \$6.3M
- Roadway Safety - \$0.6M

In addition to the above City Council priority areas, proposed additions totaling \$3.7M are included to support general government departments including: Budget & Research, Finance, Human Resources, Information Technology, Law and Public Works. Detailed information on GF supplementals is included in [Attachment A](#).

As mentioned above staff is proposing to set-aside \$55M of the projected \$76M surplus for future City Council spending initiatives, or to provide resources needed to maintain a balanced budget in the event of an economic downturn. The set-asides will provide budget flexibility and can be used next fiscal year or in future years at Council's direction. This would also allow for more time to determine the ongoing impacts to revenues from the pandemic and diminishing Federal COVID-19 aid, inflation and now the war in Europe.

Proposed GF Set-asides include \$30M that could be used in the future to address employee compensation and to provide resources needed for recommendations from the ongoing Classification & Compensation study. Labor negotiations will begin in December 2022 and it is imperative to offer competitive pay to city employees given the competitive labor market and impacts to employees of rising inflation. Further, the Classification & Compensation study will be completed next fiscal year and is anticipated to result in increased labor costs.

The remaining \$25M in set-asides could be used for the above City Council and community priority areas, and/or to provide resources for ongoing costs relating to ARPA initiatives the City Council may want to continue once funding is depleted, or for future operation and maintenance costs from a General Obligation (GO) Bond Program. Under the direction of the Mayor and City Council, staff has started to work with City departments to identify unfunded capital needs that could be addressed with a potential 2023 GO Bond Program. The program would require voter approval at the November 2023 general election. The GF Five Year Forecast presented on February 22 did not assume ongoing operating costs in the later years of the forecast from either ongoing ARPA initiatives or GO Bond projects. Given the uncertainty of these potential needs, it would be financially prudent to reserve GF budget capacity to be able to address operating costs for new bond projects or to transition temporary programs to the GF when ARPA funding expires.

The proposed Trial Budget also includes additions of \$4.9M for Non-GF Departments for Aviation, Planning and Development, Solid Waste, Streets Transportation and Water. Detailed information on proposed Non-GF budget

additions, including the number of positions and dollar amount by department, is provided in [Attachment B](#).

Proposed 2022-23 General Fund Additions - \$21M and 166.0 positions

Below is a summary highlighting proposed GF additions by City Council priority area. In addition, it's important to note that ARPA funds may likely be leveraged for some of these same priorities. Detailed information about each supplemental, including the number of positions and dollar amount by department, is provided in [Attachment A](#).

Affordable Housing - \$1.5M and 0.0 Positions

Funding of \$1.5M is proposed for the Housing Department to provide resources to maintain and increase the scope of permanent supportive housing services, and for Phoenix Starfish Place. The Affordable Housing Fund provides support services to low income residents including self-sufficiency services, homelessness prevention, counseling, employment and youth services. Grant funding is not expected to provide the resources necessary to meet the needs of Affordable Housing residents and General Fund support is requested. Funding will be used to pay for staff to provide these critical services to residents. Additionally, funding is proposed for Phoenix Starfish Place, which is dedicated to the healing and empowerment of human trafficking survivors by providing safe and affordable housing, case management and support services for residents. Funds will be used to pay for staff, maintenance, utilities and unit upgrades.

Climate & Sustainability - \$1.3M and 3.0 positions

Negative impacts from rising temperatures and climate change call for strategies to reduce pollutants, carbon emissions and combat the urban heat island effect in order to improve air quality and life for residents. The City Council approved Climate Action Plan requires implementation of projects, strategies and policies to achieve goals, report results and engage the community. Proposed additions in this category include a Climate Action Plan Manager, Operations Analyst and a Electric Vehicle Manager in the Environmental Programs, Public Works and Office of Sustainability Office respectively. These positions will evaluate effectiveness of electric vehicle infrastructure and implementation, conduct policy research on climate adaptation and mitigation, conduct community education and engagement on climate initiatives, implement climate and resilience protocols and conduct vulnerability assessments. Additionally, increased funding is proposed for the award winning and successful Cool Pavement program administered by the Streets and Transportation Department to

apply surface treatments for two additional neighborhoods per year designed to reduce the urban heat island effect. The Cool Pavement program was recently awarded with the Women in Transportation's 2022 Innovative Transportation Solutions award.

Economic Development, Planning & Innovation - \$1.6M and 10.0 positions

Phoenix is a leader in the country for attracting businesses, demonstrating successful economic development efforts, meeting community demands for planning activities, and implementing innovative policy. Resources are recommended to further economic development, support planning activities and to enhance the newly created Office of Innovation. Proposed additions include: positions for the Community and Economic Development Department to formalize an international trade program to remain competitive with global markets, enhance marketing opportunities to increase jobs, and create a Vacant Commercial Storefront and "Funertainment" team; staff additions for the Planning and Development Department for general and long range planning to process growing development applications requiring zoning adjustments, and to execute City Council priority projects including transit oriented development, the Housing Phoenix Plan and downtown redevelopment areas, and staff for the Office of Customer Advocacy to assist property owners and businesses with efforts to activate vacant storefronts and expand the Adaptive Reuse Program. Funding is also proposed for the Office of Innovation to provide resources to conduct 3-4 projects per year focused on testing and prototyping, and for an AmeriCorps VISTA member to support capacity building, community engagement, and innovation in low-to-moderate income areas of the City.

Historic Preservation & Arts - \$0.3M and 0.0 positions

The Historic Preservation Commission has requested General Funds for the "Threatened Buildings Grant Program" to preserve historical buildings. Grant funds total \$200K per year and would require owners to convey a conservation easement to the City and would protect the public's investment in the building. Additionally, resources are proposed for the Office of Arts and Culture to increase community arts grants by \$75K bringing funding to \$1M per year. These grants are awarded to artists, arts and culture organizations, youth, and neighborhood groups to execute high quality arts programming. Funding is also proposed to increase the current public art maintenance budget by \$40K to adequately protect and refurbish the City's art collection.

Homelessness, Immigrant/Refugee Support & Fast Track Cities - \$3.0M and 17.0 positions

The city has a growing homeless, immigrant and refugee population in need of

assistance. The city also has residents who continue to suffer from HIV and AIDS who need treatment and resources. The City Council approved the Strategies to Address Homelessness Plan in 2020 to find solutions specifically to identify ways to help individuals suffering from homelessness and to work with community partners to connect people to resources. Additionally, private businesses are negatively impacted by homeless encampments resulting in incidents of trespassing, blight, litter and hazardous waste. Proposed additions are included for the City Manager's Office and the Human Services Department to expand the team dedicated to helping those suffering in our community from homelessness to achieve the goals of the Council approved plan. Resources are also included for the Neighborhood Services Department for a private property clean-up pilot program to fund a temporary position and contractual services for clean-up of private property required due to homeless encampments, and to expand the C.A.R.E.S program by adding staff to manage the growing number of cases to provide timelier response to the community. A new navigator position is also proposed to work with immigrants and refugees to connect individuals to resettlement agencies, or to obtain referrals for services such as housing, employment, healthcare, and to assist with a successful transition into the community. Finally, ongoing funding to continue the \$250K allocated in the 2021-22 Budget for Fast Track Cities (FTC) is proposed. This addition will provide ongoing resources to reach the FTC initiatives goal for 90% of Phoenixians to be aware of their HIV/AIDS status and to enroll in antiviral treatment. The City of Phoenix is one of 25 cities in the U.S. working to end the AIDS endemic.

Parks & Recreation and Library - \$2.7M and 13.0 positions

Supplementals are included in the Trial Budget for the Parks & Recreation Department and Library Department to enhance community services. For the Parks & Recreation Department additional resources are proposed to provide enhanced after school programming including tutoring and educational support for children at facilities and within the departments Phoenix Afterschool Center (PAC) program. Additional Urban Park Rangers are included to provide a greater presence of rangers in City parks, and resourced needed for Eastlake pool renovations are also proposed. The Library Department supplemental is included to launch a new bookmobile at 67th Avenue and Lower Buckeye Rd. Initially the bookmobile will operate five days per week and offer programming and access to computers from a fixed location, however the intent is to eventually build a new library at the site with proceeds from a future GO Bond Program. If the bond program is approved by Phoenix voters, the bookmobile would transition into a mobile library and be used across the City.

Public Safety and Criminal Justice - \$6.3M and 92.0 positions

Included in the Trial Budget are several supplementals for Fire, Police, Municipal Court and Public Defender. The Fire Department is in need of additional sworn positions to

permanently staff Fire Station 72 located at 33027 N Cave Creek Rd, and for additional rovers to meet minimum staffing requirements to ensure effective service delivery for the community. Additional civilian positions are also included for Fire Prevention to perform inspections of outdoor combustible storage facilities and information technology support for the electronic care patient reporting system (EPCR). Additions for the Police Department include: additional civilian investigators to continue civilianization efforts to provide support to the Violent Crimes, Family Investigations, Property Crimes and Drug Enforcement Bureaus; new civilian positions to process the increased amount of body worn camera footage and to provide timelier response for public records requests; information technology positions for the Business Application Team that supports critical systems including the computer aided dispatch and records management systems; and additional positions for the Laboratory Services Bureau to process evidence for violent crimes and provide oversight of the Crime Scene Response operations. The above positions for the Police Department in FY 2022-23 will be funded by excess sworn vacancy savings resulting in no additional cost to the budget. Additional funding for Police is included for the 19th Avenue Community Safety and Crime Prevention Plan to improve the safety of area residents, businesses, and students. Funding will be used for additional civilian staff and technology to decrease violent crime and address quality of life concerns in the area. Finally, the Municipal Court and Public Defender's Office is in need of new positions to provide case management support for the Phoenix Intimate Partner Violence Court to assist victims of domestic violence, and for a new Veteran Court Attorney and Behavioral Health Attorney.

Roadway Safety - \$0.6M and 0.0 positions

The City Council is dedicated to improving pedestrian and roadway safety on city streets. The 2022-23 Trial Budget proposes increasing resources for roadway safety projects to further advance the Council approved Roadway Safety Action Plan (RSAP). This supplemental would increase the existing budget of \$600K to \$1.2M for the next four fiscal years for various projects.

GF Position Conversions to Maintain Services - \$0.8M and 45.0 positions

The Trial Budget includes converting 45.0 GF temporary positions to ongoing status. Funding for these positions has either been identified in each respective department's existing operating budget, and therefore represent a no-cost addition to the GF, or is included as a budget increase in the proposed Trial Budget. The position conversions are requested because the duties of each position are no longer temporary in nature and are necessary to maintain existing service levels. GF position conversions are included by department in [Attachment A](#).

Proposed 2022-23 Non-General Fund Additions - \$4.9M and 132.0 positions

The City budget is made up of three fund sources: the General Fund, Enterprise Funds and Special Revenue 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 services. The Special Revenue Funds category includes federal and state grants, gas taxes (AHUR), debt service, the Development Services Fund, the Public Safety Specialty Funds, 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.

Total Non-GF proposed additions are summarized below by department. Detailed information about each supplemental, including the number of positions and dollar amount by department, is provided in [Attachment B](#). Below, is a summary of the Non-GF additions:

Aviation (Enterprise Funds) - \$0M and 31.0 positions

Due to growth at the airport, including a new Terminal 4 concourse and two new PHX Skytrain stations, new positions are required to effectively support operations. The costs of positions will be absorbed in Aviation's current operating budget by reducing contractual services no longer needed. These positions will support the following divisions of the Aviation Department: Facilities and Services, Operations, and Technology. Positions are also required for a new Sustainability section and Asset Management section within the Facilities and Services Division to establish a formal sustainability management team and to centralize asset management to effectively ensure all buildings, equipment and grounds are safe, clean, user friendly, and efficient.

Neighborhood Services (Special Revenue Funds) - \$0.6M and 6.0 positions

The supplemental request for the Neighborhood Services Department includes converting existing temporary CDBG grant funded positions to ongoing full-time positions. This will assist the department in timely completion of City Council approved grant funded neighborhood enhancement infrastructure projects. These positions work with multiple City departments, federal agency representatives and contractors related to grant compliance activities. This request also includes converting Lead Safe Phoenix grant funded temporary positions to ongoing status and adds a new ongoing administrative position. These positions are needed due to increased complexity and reporting requirements per the U.S. Department of Housing and Urban Development and to perform critical financial and programmatic analysis and oversight.

Planning and Development (Special Revenue Funds) - \$0.0M and 10.0 positions

New positions are needed for the Development Services Fund to establish an ombudsman program to provide additional support to customers with unresolved concerns regarding planning, permitting or plan reviews; and for the Growth and Infrastructure Section to evaluate complex analysis of short-term infrastructure funding costs and long-term impacts to ensure new development does not negatively impact city services for existing residents and businesses. Proposed additions also include converting two temporary positions to ongoing status and new positions for the continued support of the SHAPE PHX project. SHAPE PHX will replace the department's current permitting and inspection software applications. Finally, three new positions for the Commercial Plan Review and Residential Inspections sections due to increasing workloads. The cost for new positions will be offset in FY 2022-23 with excess vacancy savings.

Public Transit (Special Revenue Funds) - \$0.9M and 6.0 positions

The Public Transit Department is in need of funding to extend fixed route bus service in north Phoenix on Norterra Parkway and North Valley Parkway north of Happy Valley Road effective April 24, 2023. The extension will operate at a 30-minute frequency Monday through Sunday and will connect neighborhoods and businesses into the region's extensive transit network. Additional positions are also needed to address the increasing workload and complexity for managing additional programs, funding, and new requirements resulting from an increase in Federal Transit Administration (FTA) grant funds. The recently enacted federal Bipartisan Infrastructure Law has increased FTA formula funding by roughly 30%, approximately doubled the FTA Capital Investment Grant program funding, and added several new FTA discretionary/competitive grant programs. These positions will provide support in the areas of applications, funds management, reporting, compliance, subrecipient oversight, grant closeout and complex and specialized procurement activities.

Solid Waste (Enterprise Funds) - \$1.1M and 15.0 positions

Additional funding and positions are needed for the Public Works Solid Waste Division to support refuse and recycle collection services due to growth and to maintain existing and future service levels. The request is consistent with the financial plan recommended by the Solid Waste Rate Advisory Committee and approved by Mayor and City Council. Positions are also needed for part-time interns to assist with implementing innovations and operational efficiencies and to support the expansion of the SWEO Apprenticeship Program which aides in workforce development. The program focuses on diversifying the workforce by performing outreach to youth, women, and veterans.

Street Transportation (Special Revenue Funds) - \$0.0M and 12.0 positions

New positions to be funded by the Arizona Highway User Revenue (AHUR) Fund are necessary to provide internal and external support for programs, projects, and services focused on several Council priorities, and for the long range transportation team. The team will partner with the Arizona State Land Department, the City of Phoenix Planning & Development and Community & Economic Development departments, as well as other regional partners to support the city's planned growth. These new positions will provide analysis and infrastructure planning to attract and spur economic development, help address road safety, and determine future transportation needs. This supplemental also includes conversion of two temporary positions associated with the Street Maintenance Worker Apprenticeship Program to ongoing status. The cost for new positions will be offset in FY 2022-23 with excess vacancy savings.

Water Services (Enterprise Funds) - \$2.3M and 51.0 positions

The Water Department is in need of additional funding for new positions, utilities, materials, and vehicles to operate and maintain three new water production wells and eight aquifer, storage and recovery (ASR) wells scheduled to be completed by December 2022. Additionally, the Lake Pleasant Water Treatment Plant is owned by the City of Phoenix and is currently operated and maintained by a service agreement with Veolia Water. The request includes the required positions needed to progressively staff the plant upon conclusion of the contract. This proposed supplemental also includes conversion of six temporary positions to ongoing status to address substantial, multi-year business needs that are continuous in nature based on increased work effort and new or expanded programs.

Non-GF Position Conversions to Maintain Services - \$1.4 and 30.0 positions

The Trial Budget includes converting 30.0 Non-GF temporary positions to ongoing status. Funding for these positions has either been identified in each respective department's existing operating budget, and therefore represent a no-cost addition, or is included as a budget increase in the proposed Trial Budget. The position conversions are requested because the duties of each position are no longer temporary in nature and are necessary to maintain existing service levels. Non-GF position conversions are included by department in [Attachment B](#).

FY 2021-22 Supplementals Status Update

A status update for each GF and Non-GF supplemental included in the current FY 2021-22 budget is provided in [Attachment C](#). The status update includes progress made on filling new full-time and part-time positions and implementing each item. As mentioned earlier in this report, hiring continues to be a challenge due to the competitive labor market and a significant number of vacancies exists. For

example, of the 326.2 new positions added in the current year budget, 189.3 positions (58%) remain vacant.

Next Steps

In order to engage the community in the budget development process we will be holding 11 virtual community budget hearings between April 2 and April 15. We will also make available our [FundPHX](#) tool which will be updated with the FY 2022-23 Trial Budget additions prior to April 1. Residents are also welcome to contact the Budget and Research Department directly to provide input or ask questions about the budget. The virtual budget hearings schedule, the [FundPHX](#) tool and contact information is available on our website at Phoenix.gov/budget.

The remaining key dates in this year's budget process are as follows:

<u>Date</u>	<u>Event</u>
May 3, 2022	City Manager's 2022-23 Proposed Budget
May 17, 2022	City Council Budget Decision
June 1, 2022	2022-23 Tentative Budget Ordinance Adoption
June 15, 2022	2022-23 Funding Plan and Final Budget Ordinance Adoption
July 1, 2022	2022-23 Property Tax Levy Ordinance Adoption

Responsible Department

This item is submitted by City Manager Jeffrey Barton and the Budget and Research Department.

ATTACHMENT A

2022-23

**PROPOSED SUPPLEMENTALS
GENERAL FUND**

View the [Inventory of Programs published online](#) for program details.

Department/Program	2022-23 Total
<u>Non-Departmental Set-Asides</u>	
1. Funds will be used to enhance future employee compensation necessary to attract and retain a quality workforce, and to provide resources needed for results from the ongoing Classification & Compensation study expected to be completed in FY 2022-23.	\$30,000,000
2. City Council and community initiatives for homelessness, affordable housing, roadway safety, climate and sustainability, infrastructure needs, future General Obligation Bond Program operating and maintenance needs, and/or transition of select ARPA programs to the General Fund.	\$25,400,000
Total Non-Departmental Set-Asides	\$55,400,000
<u>Budget and Research</u>	
1. <i>Administration</i> Convert a temporary Administrative Assistant I position to ongoing status. This position provides administrative support for the department including assisting with research, preparing reports and annual budget documents, processing Legistar files and budget control documents, and assisting with community budget hearings.	\$0 0.0
2. <i>Research, Innovation and Efficiency</i> Convert two temporary Management Intern positions to ongoing status. These positions perform a variety of duties to support the Budget and Research Department, City Manager’s Office, and departments citywide by conducting research studies to improve administrative processes and programs.	\$0 0.0
Total Budget and Research	\$0 0.0

Department/Program**2022-23
Total****City Manager's Office**

- | | | |
|----|---|--------------------------|
| 1. | <i>Administration of Policies and Objectives Set by Mayor and Council;
Oversight of Departments</i> | \$0 |
| | Convert three temporary Support Services Aide positions and one temporary Administrative Aide position to ongoing status. These positions staff MyPHX311, the City Employee COVID-19 Scheduling line, the City Council Request to Speak line, and respond to customer email inquiries through the City's Contact Us email inbox. | 0.0 |
| 2. | <i>Administration of Policies and Objectives Set by Mayor and Council;
Oversight of Departments</i> | \$213,000 |
| | Add an Assistant to the City Manager position to oversee the City's homeless services and programs. The position will directly supervise the Homeless Services Division housed in the Human Services Department and provide executive level leadership and guidance on the development and implementation of policies and procedures to achieve the goals of the City Council adopted Strategies to Address Homelessness Plan. | 1.0 |
| 3. | <i>Administration of Policies and Objectives Set by Mayor and Council;
Oversight of Departments</i> | \$114,000 |
| | Add funding to the Office of Innovation. The funds will support annual citywide testing and prototyping of innovation projects and metrics tracking and reporting, aligning with the priorities of the City Manager, Mayor, and Council. The funds will also provide for an AmeriCorps VISTA member to support capacity building, community engagement, and innovation in low-to-moderate income areas of the City. Total funding being added is \$175,000, which is partially provided by non-General Funds. | 0.0 |
| | Total City Manager's Office | \$327,000
1.0 |

Community and Economic Development

- | | | |
|----|--|-----------|
| 1. | <i>Business Development</i> | \$452,000 |
| | Add a new Economic Development Program Manager and contractual funding to formalize an international trade program, which was originally approved by City Council and put on hold in March 2020 due to the pandemic. The request includes funding for two Mexico trade contracts and travel expenses. The full-year ongoing cost, excluding workstation and computer costs, will be \$440,000. | 1.0 |

Department/Program	2022-23 Total
2. <i>Business Retention and Expansion</i> Add funding for a Marketing Supervisor position focused on developing, implementing, and administering marketing plans and strategies that support job creation, retention, and attract capital investments throughout the city.	\$284,000 1.0
3. <i>Business Retention and Expansion</i> Add one Economic Development Program Manager position and consulting services dedicated to addressing vacant commercial storefronts and increasing "funertainment" sites. Targeting vacant commercial buildings will create new retail centers and attract the burgeoning industry sector of "funertainment". The full-year ongoing cost, excluding workstation and computer expenses, will be \$187,000.	\$196,000 1.0
Total Community and Economic Development	\$932,000 3.0
<u>Environmental Programs</u>	
1. <i>Air Quality</i> Add funding for one Program Manager and resources to implement and advance the Climate Action Plan, adopted by the City Council in October 2021. The new position will conduct policy research, monitor citywide implementation of climate change policy, coordinate with outside agencies and stakeholders, and develop and implement climate and resilience protocols and plans. Funds will be used to conduct biennial greenhouse gas inventories, continue community engagement with bilingual support, and provide technical support for modeling and verification analysis. The full-year ongoing cost, excluding initial office equipment purchases, will be \$184,000.	\$187,000 1.0
Total Environmental Programs	\$187,000 1.0
<u>Finance</u>	
1. <i>Acquisition, Relocation and Title</i> Convert a temporary Assistant Real Estate Administrator and Management Assistant II position in the Real Estate Division to ongoing status. Street Transportation, Aviation, and Public Transit department infrastructure projects have significantly increased over the past two years. The positions will continue to support these projects by managing title, development, and property management services. The positions will also assist with the enactment of the Infrastructure Investment and Jobs Act.	\$0 0.0

Department/Program**2022-23
Total**

2.	<i>Financial Accounting and Reporting</i>	\$0
	Convert a temporary Fiscal Manager position in the Financial Reporting and Accounting Division to ongoing status. The position will continue preparing the City's Popular Annual Financial Report, the City's Annual Expenditure Limitation Report to the State Auditor General's Office, and the City's Single Audit Report to the Federal Audit Clearing House. The position will support any future ARPA audits and support financial planning efforts citywide for a potential 2023 General Obligation Bond Program.	0.0
3.	<i>Various</i>	\$0
	Convert a temporary Management Assistant I position in the Administration Division to ongoing status. The position will continue to assist with special projects, legislative tracking, regulatory compliance, and department-wide hiring.	0.0
	Total Finance	\$0
		0.0
	<u>Fire</u>	
1.	<i>Fire Emergency Medical Services and Hazardous Incident Response</i>	\$2,444,000
	Add funding for fifteen new sworn positions (four Fire Captains, four Fire Engineers, and seven Firefighters) and one new vehicle (pumper engine) to provide dedicated staffing and apparatus to permanently staff Fire Station 72 located at 33027 N. Cave Creek Rd. These positions will allow the Fire Department to relocate Ladder 41 to Fire Station 25 to address ladder coverage deficiencies and relocate Engine 925 to Fire Station 3 to address high activity levels. The permanent staffing of Station 72 will provide the necessary resources to address coverage deficiencies at other stations and improve overall service delivery. The full- year ongoing cost, excluding initial equipment costs, will be \$1,739,000.	15.0
2.	<i>Fire Emergency Medical Services and Hazardous Incident Response</i>	\$368,000
	Add funding for four Firefighter positions to cover absences at various fire stations citywide. These positions ensure the safe and effective delivery of emergency services by filling the minimum staffing requirements to keep all emergency response units in service. The need for additional "rover" positions was exacerbated during the pandemic. This will help alleviate staffing shortages and reduce the need to utilize overtime.	4.0

Department/Program

**2022-23
Total**

3.	<i>Fire Prevention General Inspections</i>	\$174,000
	Add funding for four new Fire Prevention Specialist II positions to provide dedicated staffing for inspections of outdoor combustible storage (OCS) facilities. These positions will ensure Fire Code compliance at OCS facilities by enabling the transition to a one-year operating permit cycle to reduce the frequency and scale of OCS fires. First year one-time costs include office space configuration, vehicles, and technology equipment. The full-year ongoing cost of \$366,000 is offset with \$360,000 in estimated revenue generated from permit fees.	4.0
4.	<i>Administration</i>	\$87,000
	Convert a temporary Information Technology Systems Specialist position to ongoing status. This position will administer the electronic patient care reporting system by maintaining the software and hardware needed to analyze medical incident and transportation data. This system provides accuracy and efficiency improvements to the emergency transportation billing process.	1.0
	Total Fire	\$3,073,000 24.0

Housing

1.	<i>Housing Supportive Services</i>	\$1,149,000
	Add funding to provide permanent, expanded housing supportive services. These services address the needs of low-income residents, increasing self-sufficiency and enhancing quality of life. This funding will increase the number of individuals and families served and expand the types of services provided, including additional self-sufficiency services, homelessness prevention and counseling, senior tenant outreach, employment services, bridging education gaps, homeownership coaching, and youth services. General Funds will be used to pay for staff in the Affordable Housing Fund.	0.0
2.	<i>Family Housing</i>	\$378,000
	Add funding to support Phoenix Starfish Place, which provides affordable housing, case management, and supportive services to victims of human trafficking. While Section 8 rental assistance vouchers have previously been used to fund this program, they are unable to fully provide necessary staffing, maintenance, utilities, unit upgrades, and replacements at the community.	0.0
	Total Housing	\$1,527,000 0.0

Department/Program**2022-23
Total****Human Resources**

1.	<i>Various</i>	\$84,000 1.0
	Add a Senior Human Resources Clerk position for the Classification and Compensation Division. This position will perform specialized clerical and technical duties, information gathering, and data entry in the Transactions Team needed due to the recent 44% increase in transactions such as hires, rehires, demotions, reclassifications, promotions, terminations and retirements.	
2.	<i>Various</i>	\$579,000 4.0
	Convert 11 temporary positions to ongoing status including two Assistant Human Resources Directors, a Contract Specialist II, a Human Resources Officer, a Lead Business Systems Analyst, a Multimedia Specialist, a Safety Analyst II, a Senior Business Systems Analyst, and three Senior Human Resources Analysts. These positions support day-to-day business operations and provide employee customer service in the Administration, Safety, Labor Relations, Talent Acquisition and Management, Classification and Compensation, and Organizational Development divisions.	
	Total Human Resources	\$663,000 5.0

Human Services

1.	<i>Administration</i>	\$0 0.0
	Convert a temporary Assistant Human Services Director to ongoing status. This position will provide leadership and direction to a wide variety of human service programs and projects and will assist the department director with the supervision of the various divisions and program areas.	
2.	<i>Administration</i>	\$353,000 3.0
	Add funding for a Human Resources Team to provide support for the various human resource related roles and responsibilities within the department including a Human Resources Supervisor, a Senior Human Resources Analyst, and a Human Resources Aide position. These positions will begin to transition the department away from a shared services model to full support.	

Department/Program**2022-23
Total**

3.	<i>Various</i> Add staff and vehicles to improve the City's ability to proactively address homelessness issues and implement recommendations from the Strategies to Address Homelessness Plan. The new positions will allow the Human Services Department to better oversee and manage homeless outreach programs with a focus on connecting with individuals and collaborating with social service agencies to identify the social service needs of homeless individuals in the community. Also, the additional staff will provide a greater focus on data analytics and performance measurement that will improve communication with City Council and the community on the implementation of the Strategies to Address Homelessness Plan.	\$1,134,000 9.0
4.	<i>Administration</i> Add a Special Projects Administrator position to provide culturally relevant navigation services to the refugee, asylee and immigrant communities. The position will coordinate with internal city departments and local, county, state and non-profit partners and represent the City on issues related to refugee resettlement. This position will also work closely with staff of various refugee resettlement agencies to coordinate referrals for services, employment, healthcare, and housing among other services needed for an individual or family's successful transition into the community.	\$170,000 1.0
5.	<i>Client Services</i> Add ongoing funding for contractual services to support the Fast Track Cities Initiative. Fast Track Cities is an international effort working to end the HIV/Aids pandemic and the City of Phoenix is one of 25 cities in the U.S. working to reach this goal. One-time funding was added in fiscal year 2021-22, this request would add ongoing funding that will continue the city's efforts towards the goal of having 90 percent of Phoenicians know their HIV status, 90 percent who know their HIV-positive status to be in antiviral treatment, and 90 percent who are on antiviral treatment to achieve viral suppression and to have no stigma or discrimination.	\$250,000 0.0
Total Human Services		\$1,907,000 13.0

Information Technology Services

1.	<i>Radio Communications Services</i> Convert a temporary Information Tech Systems Specialist to ongoing status. This is a net-zero General Fund action as the Regional Wireless Cooperative provides funding for the ongoing cost. This position resides within the Radio Systems Services Division.	\$0 1.0
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Department/Program	2022-23 Total
2. <i>Various</i> Convert three Senior Info Tech Systems Specialist positions from temporary to ongoing status. These positions provide database administration support and perform quality assurance management for the Phoenix Police Department's records management system.	\$0 0.0
3. <i>Information Security and Privacy Services</i> Add funding for three Lead Information Technology Systems Specialist positions. These positions will support the Information Security and Privacy Office's Cyber Threat Intelligence program.	\$555,000 3.0
Total Information Technology Services	\$555,000 4.0
<u>Law</u>	
1. <i>Criminal Division - Community Prosecution Bureau</i> Add funding to provide legal support for the 19th Avenue Corridor Community Safety and Crime Prevention Plan which seeks to: improve the safety of area residents, businesses, patrons, and students; build upon the City's relationships with area community groups and business partners; and reduce violent and quality of life crimes at key intersections along the corridor. Funding adds one Assistant City Attorney III position to the Criminal Prosecution Division. The full-year ongoing cost, excluding initial desk and computer purchases, will be \$183,000.	\$190,000 1.0
2. <i>Various</i> Add funding for staff in the City Prosecutor's Office and the Legal Assistant Unit of the Criminal Division. New staff will support the City's efforts to timely review body worn camera (BWC) footage and conduct attorney case assessments related to charging decisions. Funding is needed due to the increased workload for both staff and attorneys caused by the legal requirements to review and release BWC footage within specific time frames. Funding adds six Admin Aide, one Admin Assistant I, and four Assistant City Attorney II positions. The full-year ongoing cost, excluding initial office reconfiguration and computer costs, will be \$1,123,000.	\$1,244,000 11.0
Total Law	\$1,434,000 12.0

Department/Program**2022-23
Total****Library**

1.	<i>Security</i>	\$0
	Convert six temporary Municipal Security Guard Lead*U7 positions to ongoing status. These positions perform supervisory duties and are assigned to each of the four library regions, with two assigned to Burton Barr Central Library.	0.0
2.	<i>Children and Teen Services</i>	\$257,000
	Add staff and supplies to operate a temporary library located on city-owned land at 67th Avenue and Lower Buckeye Road. The temporary library will be a 38-foot-long coach style bus (bookmobile) that is being purchased with federal funding from the American Rescue Plan Act. The bookmobile will also be available to make outreach visits to other sites around the city on occasion. If City Council approves a General Obligation Bond Program and approval within the program to build a new library on this site, then the bookmobile will be used solely in a mobile capacity citywide. The bookmobile will have a collection of over 3,000 books and audio-visual items and provide access to public computers. The staff will also provide regular weekly programming such as Storytimes, Babytimes, and more based on community need and interest. The new bookmobile will begin service in the spring of 2023. The full-year ongoing cost will be \$494,000.	5.0
	Total Library	\$257,000 5.0

Municipal Court

1.	<i>Civil Courtroom Operations - Civil Division</i>	\$192,000
	Add funding for one Caseworker II and one Caseworker III positions to provide support for the Intimate Partner Violence Court pilot program to enhance domestic violence victim safety and provide a concentration of social services. These positions will support a specialized case management team to conduct enhanced contact with the victim and perpetrator and provide follow-up on violations of any terms of probation to reduce the risk of re-offense. The full-year ongoing cost, excluding initial office reconfiguration and computer costs, will be \$189,000.	2.0
	Total Municipal Court	\$192,000 2.0

Department/Program	2022-23 Total
<u>Neighborhood Services</u>	
1. <i>Blight Reduction Program</i> Add funding for contractual services and a temporary Project Management Assistant position to implement a pilot private property clean-up program that supports a service included in the Strategies to Address Homelessness Plan, approved by City Council in 2020. The program will address repeated or chronic blight issues occurring on private properties.	\$558,000 1.0
2. <i>Blight Reduction Program</i> Add staff and a vehicle to improve the City's ability to address the significant growth in PHX C.A.R.E.S. cases and connect residents and businesses impacted by homelessness with resources. The new positions will ensure staff respond to and resolve PHX C.A.R.E.S. cases timely, and support residents and businesses through education, access to services, and the strengthening of neighborhood alliances.	\$654,000 5.0
Total Neighborhood Services	\$1,212,000 6.0
<u>Office of Arts and Culture</u>	
1. <i>Community Investment and Engagement Program</i> Increase funding for arts grants for nonprofit arts and cultural organizations. Arts grants enable artists, arts and culture organizations, youth, and neighborhood groups to carry out high-quality arts programming for all residents.	\$75,000 0.0
2. <i>Public Art Program</i> Increase funding for public art maintenance which would allow residents to enjoy the collection, showcase the city's initial investment, and help avoid safety issues with artwork in the community. Maintenance includes lighting upgrades and renovations to address wear and damage, including recession-deferred maintenance. The public art collection includes over 200 art installations.	\$40,000 0.0
3. <i>Cultural Facilities Development and Property Management Services</i> Convert a temporary Special Projects Administrator position to ongoing status. The position manages special initiatives, including the development, programming, and management of a new Latino Cultural Center.	\$0 0.0
Total Office of Arts and Culture	\$115,000 0.0

Department/Program**2022-23
Total****Office of Sustainability**

- | | | |
|----|---|------------------|
| 1. | <i>Citywide Sustainability Program</i>
Convert a temporary Economic Development Program Manager position to ongoing status to manage the implementation of the City Electric Vehicle Charging Infrastructure program, the Public Electric Vehicle buying program, and an electric vehicle public education and awareness campaign. The position will also advance active transportation infrastructure improvements through special projects, provide expertise to city departments and other stakeholders on future federally funded grants, and provide staff support for the Council Ad Hoc Committee on electric vehicles. | \$178,000
1.0 |
|----|---|------------------|

Total Office of Sustainability**\$178,000
1.0****Parks and Recreation**

- | | | |
|----|--|--------------------|
| 1. | <i>PAC (Phoenix Afterschool Center)</i>
Add funding for contracted staff and supplies to support enhanced recreation programs and activities for youth during the critical after-school hours. Funding will be used to provide tutoring and educational support, as well as specialized enrichment classes and events such as dance, arts and culture, fitness, youth sports and special events during after-school hours at Parks and Recreation facilities and within the departments Phoenix Afterschool Center (PAC) program. | \$283,000
0.0 |
| 2. | <i>Park Rangers-Community and Neighborhood Parks</i>
Add funding for eight Park Ranger II positions and vehicles to provide education and enforcement of park rules at 185 urban flatland parks throughout the city. This represents a 50% increase in Park Ranger II positions for urban flatland parks. The additional staff will enable increased response times when calls are made for assistance by the public. | \$671,000
8.0 |
| 3. | <i>Parks Maintenance</i>
Add funding for ongoing facility maintenance needs. In fiscal year 2022-23, funding will be used for major repairs, renovations, and other improvements to the Eastlake Pool facility. This facility is unable to open due to safety hazards created by the structural failure of the pool. | \$1,500,000
0.0 |

Total Parks and Recreation**\$2,454,000
8.0**

Department/Program**2022-23
Total****Planning and Development**

- | | | |
|----|---|------------------|
| 1. | <i>Long Range Planning</i>
Add funding for two Village Planner II positions and a Principal Planner position to provide support for the implementation of community driven and City Council supported community planning projects, with a focus on developing Transit Oriented Development (TOD) community planning programs. These positions will provide coordination, development, implementation and oversight of community planning efforts. The Public Transit Department will fund 50% of the cost for two of the three new positions. | \$213,000
3.0 |
| 2. | <i>Current Planning</i>
Add funding for a Secretary III position, a Planner II position and a Planner III position to support the Current Planning Section team's efforts to respond to significant increases in the number of zoning verification, interpretation, and adjustment requests. Zoning adjustment applications have increased from 596 in 2016 to 743 in 2020. This year the number of zoning adjustment cases is on pace to meet or exceed the record number of cases from 2020. The increase in the zoning adjustment caseload has resulted in hearing dates being scheduled well beyond the normal hearing time frame. These positions will also support the team's zoning ordinance text amendment efforts. | \$270,000
3.0 |
| 3. | <i>Office of the Customer Advocacy</i>
Add a Planner III position to the Office of Customer Advocacy (OCA) to support creating and implementing the Vacant Storefront Program and expand the Adaptive Reuse Program to include the conversion of older shopping centers and individual retail spaces into economically viable uses, to assist customers with opportunities to share existing parking spaces, and to expand the level of customer assistance provided by the OCA. | \$107,000
1.0 |
| 4. | <i>Administration and Enforcement of Local and Federal Historic Preservation Laws</i>
Add funding to the Historic Preservation Office for the Threatened Buildings Grant Program. The grant funds will be used to preserve, rehabilitate or move historic buildings in order to prevent their loss. A threatened building is one that is in deteriorated condition and/or has a high likelihood of demolition. Grant funds require the owner to convey a conservation easement to the City, with the length of the easement varying based on the amount of the funds provided. This conservation easement protects the public's investment in the building during the life of the easement. | \$202,000
0.0 |

Department/Program	2022-23 Total
Total Planning and Development	\$792,000 7.0
<u>Police</u>	
1. <i>Violent Crimes Unit - Homicide Unit</i>	\$0
Add funding for 25 Police Civilian Investigator positions to continue Police Department civilianization efforts. These positions will undertake select investigative functions, provide staffing flexibility, and enable sworn personnel to be deployed where they are most needed. This funding expands on previous civilianization hires approved by the City Council in March 2022. The annual cost is \$2,492,650; however, the cost for FY 2022-23 will be absorbed utilizing savings from vacant sworn positions.	25.0
2. <i>Strategic Information Bureau - Body Camera Unit</i>	\$0
Add one Administrative Assistant I, one Administrative Assistant II, and eight Administrative Aide positions to support the Body Worn Camera Unit. These positions will assist in providing body worn camera footage to the City Prosecutor and Maricopa County Attorney's Office by required court case deadlines and will help fulfill current and backlogged public records requests. The annual cost is \$790,983; however, the cost for FY 2022-23 will be absorbed utilizing savings from vacant sworn positions.	10.0
3. <i>Administration</i>	\$0
Add two User Technology Specialist, two Information Technology Analyst/Programmer II, three Senior User Technology Specialist, three Senior Information Technology Systems Specialist, and three Information Technology Analyst/Programmer III positions to the Information Technology Bureau. These positions will provide the necessary technical support to maintain current service levels, complete migration of legacy custom-built applications to web-based platforms, manage department software and security needs, and support critical infrastructure systems, including servers, data storage, and remote systems. The annual cost \$1,799,803; however, the cost for FY 2022-23 will be absorbed utilizing savings from vacant sworn positions.	13.0
4. <i>Laboratory Bureau - Lab Services</i>	\$0
Add two Crime Scene Specialist II, two Crime Scene Specialist III, and six Forensic Scientist III positions to the Laboratory Services Bureau to increase evidence processing capabilities for violent crimes, respond to complex crime scenes, and provide oversight of crime scene response operations. The annual cost is \$1,086,952; however, the cost for FY 2022-23 will be absorbed utilizing savings from vacant sworn positions.	10.0

Department/Program	2022-23 Total
5. <i>Administration</i>	\$0
Convert one temporary Budget Analyst II to ongoing status in the Fiscal Management Bureau. This position provides budgetary forecasting and analysis, user fee and activity rate updates, as well as support for financial, procurement, and other processes.	0.0
6. <i>Strategic Information Bureau</i>	\$0
Convert one temporary Criminal Intelligence Analyst, one temporary Information Technology Analyst/Programmer III, one temporary Police Research Analyst, and two temporary Police Research Supervisor positions to ongoing status. These positions are required for the implementation of a new records management system. The positions will supplement existing staff to provide parallel and ongoing support of multiple systems, ensuring accurate records, workflows, reporting, and database management.	0.0
7. <i>Patrol - Respond to Calls for Service</i>	\$2,841,000
Add funding for one Lead Information Technology Systems Specialist and five Police Assistant*Special Detail positions, as well as additional resources, for the 19th Avenue Corridor Community Safety and Crime Prevention Plan. This multi-departmental effort will work to improve safety and security along the 19th Avenue corridor using three key strategies: outreach, education and partnerships; prevention and intervention; and enforcement. The full-year ongoing cost, excluding one-time technology and equipment purchases, will be \$658,000.	6.0
Total Police	\$2,841,000 64.0
<u>Public Defender</u>	
1. <i>Legal Representation Services</i>	\$155,000
Add funding to provide better services for clients in the Veteran's Court and the Behavioral Health Court. This includes adding two Assistant City Attorney III positions, one Legal Assistant position, and funding for a toxicology consultant. The ongoing costs will be partially offset by eliminating a Forensic Toxicology Expert position and reducing contract attorney services.	2.0
Total Public Defender	\$155,000 2.0

Department/Program**2022-23
Total****Public Works**

1.	<i>Facilities Management and Maintenance</i> Add funding to expand the Building Trade Apprenticeship Program which will aide in workforce development in the Facilities Operations Division. Request includes adding two Electrician Apprentice positions, two Building Equipment Operator Apprentice positions, and one Administrative Aide position. The full-year ongoing cost, excluding initial equipment costs, will be \$364,000.	\$382,000 5.0
2.	<i>Facilities Management and Maintenance</i> Add funding to restore two facilities maintenance positions that support city building and infrastructure repairs. The request includes adding one Building Maintenance Foreman, one Building Maintenance Worker*U2, and one vehicle. These positions are needed to adequately support and maintain the increase in city facility repairs due to aging buildings and infrastructure. Staffing levels were greatly diminished since 2008 due to budget reductions. Adding these positions will partially restore the department to prior staffing levels. The full-year ongoing cost, excluding initial vehicle purchases, will be \$190,000.	\$277,000 2.0
3.	<i>Energy Management Consultation Services and Energy Analysis</i> Add funding for one Operations Analyst position to assist with the implementation of the Electric Vehicle Charging program. The position will coordinate with city staff and vendors in support of the 2021 Climate Action Plan.	\$90,000 1.0
4.	<i>Administration</i> Convert three Buyer Aide positions from temporary to ongoing status to provide more stable procurement and invoice management support to the department.	\$0 0.0
	Total Public Works	\$749,000 8.0

Street Transportation

1.	<i>Street Maintenance</i> Add funding to the award winning Cool Pavement Program. The program applies surface treatments to nine neighborhoods annually specifically engineered to combat the urban heat island effect to existing roadway surfaces. The Program uses objective criteria ensuring the program targets the right streets with the most need across the City. Supplemental funding will increase capacity by two neighborhoods annually.	\$850,000 0.0
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Department/Program

**2022-23
Total**

2. <i>Traffic Safety and Neighborhood Traffic</i>	\$600,000
Add funding for the Roadway Safety Action Plan adopted by City Council on March 2, 2021. The plan addresses comprehensive roadway safety issues on City streets. The effort is funded using the General Fund, the Transportation 2050 fund (T2050), and the Arizona Highway User Revenue fund (AHUR). The General Fund portion being proposed is an additional six-hundred thousand per year over the next four years and combined with funds added in fiscal year 2021-22 would provide \$1.2 million in General Funds over the next four years.	0.0
Total Street Transportation	\$1,450,000 0.0
<u>TOTAL PROPOSED GENERAL FUND ADDITIONS</u>	\$76,400,000 166.0

ATTACHMENT B

2022-23

**PROPOSED SUPPLEMENTALS
NON-GENERAL FUND**

View the [Inventory of Programs published online](#) for program details.

Department/Program	2022-23 Total
<u>Aviation</u>	
1. <i>Administration</i> Add funding for 27 positions to enhance existing operations at Phoenix Sky Harbor International, Deer Valley and Goodyear airports as activity returns to pre-pandemic levels. These positions will support the following divisions of the Aviation Department: Facilities and Services, Operations, and Technology. Funding also includes the addition of six vehicles. To offset ongoing costs, two existing positions that are no longer needed will be eliminated. The annual cost is \$2,225,000, however the cost for FY 2022-23 will be absorbed utilizing contractual savings within Aviation's operating budget.	\$0 25.0
2. <i>Administration</i> Add funding for a new sustainability section within the Facilities and Services Division to establish a formal sustainability management team in the Aviation Department. This addition includes funding for one Administrative Assistant, one Program Manager, and one Energy Management Specialist positions. The annual cost is \$309,000, however the cost for FY 2022-23 will be absorbed utilizing contractual savings within Aviation's operating budget.	\$0 3.0
3. <i>Administration</i> Add funding for a new asset management section within the Facilities and Services Division to centralize asset management and effectivity ensure all buildings, equipment and grounds are safe and clean, user friendly, and efficient. This addition includes funding for one vehicle and four positions including an Aviation Superintendent, two Facilities Project Manager, and a Special Projects Administrator. To offset ongoing costs, three existing positions that are no longer needed will be eliminated. The annual cost is \$257,000, however the cost for FY 2022-23 will be absorbed utilizing contractual savings within Aviation's operating budget.	\$0 1.0

Department/Program**2022-23
Total**

-
4. *Capital Management & Support* \$0
Add funding to support the expansion of grant programs to allow the department to seek and apply for more state and federal grants. This addition includes funding for an Economic Development Program Manager and a Planner III position. The annual cost is \$226,000, however the cost for FY 2022-23 will be absorbed utilizing contractual savings within Aviation's operating budget. 2.0

Total Aviation \$0
31.0

Housing

1. *Project Implementation* \$0
Convert one temporary Project Management Assistant position, one temporary Project Manager position, and one temporary Housing Manager position to ongoing status. The Project Management Assistant supports the Home Investment Partnerships Program (HOME) Down Payment Assistance program, which assists low-income first-time homebuyers. The Project Manager ensures department-wide compliance with federal regulations, enabling critical Housing initiatives to continue. The Housing Manager oversees the HOME American Rescue Plan program, which assists vulnerable populations with affordable housing, rental assistance, and/or supportive services, and purchases and/or develops non-congregate shelter. 0.0

Total Housing \$0
0.0

Neighborhood Services

1. *Administration* \$231,000
Convert one Management Assistant II and one Project Manager position in the Grants Compliance Capital Improvement Program from temporary to ongoing status. This will assist the department in timely completion of City Council approved grant funded neighborhood enhancement infrastructure projects. These positions work with multiple City departments and federal agency representatives and provide guidance and monitoring to multiple departments and contractors related to grant compliance activities. 2.0

Department/Program**2022-23
Total**

-
2. *Housing Rehab Programs* \$402,000
4.0
- Convert Lead Safe Phoenix grant funded temporary positions to ongoing status and add a new ongoing Administrative Assistant I position. These positions are needed due to increased complexity and reporting requirements per the U.S. Department of Housing and Urban Development and to perform critical financial and programmatic analysis and oversight. The new Administrative Assistant I position will assist staff, community partners such as Maricopa County and Arizona Department of Health Services, as well as federal agency representatives to provide services and education to residents pertaining to lead hazard remediation. The position will develop and provide targeted education and outreach, data collection and analysis, manage enrollment activities, and support sufficient and timely responses to ongoing and changing requirements tied to grant reporting.

Total Neighborhood Services**\$633,000
6.0****Parks and Recreation**

1. *Administration* \$0
1.0
- Convert a temporary Deputy Parks Development Director position to ongoing status to oversee the Parks Development section. The Parks Development Section is made up of eight positions and has an annual Capital Improvement Program budget of approximately \$30 million. The Parks Development section is responsible for planning and implementing a variety of new park construction projects and existing park renovations, improvements and building repair projects. The cost of this position will be charged to the Capital Improvement Program budget.

Total Parks and Recreation**\$0
1.0****Planning and Development**

1. *Administration* \$0
2.0
- Add two Management Assistant II positions and supplies to establish an ombudsman program to provide additional support to customers with unresolved concerns regarding planning, permitting or plan reviews and inspections. The ombudsman positions will serve as a liaison to understand and identify root causes, investigate, resolve and communicate information between customers and city staff. The ombudsman program will also make suggestions for further action or revisions to policies, procedures and amendments to improve the customer experience. The annual cost is \$222,000, however the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions.

Department/Program**2022-23
Total**

2.	<i>Growth and Infrastructure</i>	\$0
	Add a Special Projects Administrator position to the Growth and Infrastructure Section to evaluate complex analysis of short-term infrastructure funding costs and long-term impacts to city budgets to ensure that new development does not negatively impact City services for existing residents and businesses. The annual cost is \$140,000, however the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions.	1.0
3.	<i>Administration and Enforcement of Local and Federal Historic Preservation Laws</i>	\$0
	Convert two temporary Information Technology Analyst/Programmer III positions to ongoing status and add two new Lead Business Systems Analyst positions for the continued support of the SHAPE PHX project. SHAPE PHX will replace the department's current permitting and inspection software applications. The annual cost is \$430,000, however, the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions and consultant and professional services.	4.0
4.	<i>Various</i>	\$0
	Add a Building Code Examiner, a General Inspections Field Supervisor and an Architect position to the Commercial Plan Review and Residential Inspections sections due to increasing workloads. These positions will assist the department in responding to field inspection issues quicker and reducing turnaround times. The annual cost is \$406,000, however the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions.	3.0
Total Planning and Development		\$0
		10.0

Public Transit

1.	<i>Local Fixed Route Bus Service</i>	\$241,000
	Add funding to extend fixed route bus service in north Phoenix on Norterra Parkway and North Valley Parkway north of Happy Valley Road effective April 24, 2023. The extension will operate at a 30-minute frequency Monday through Sunday and will connect neighborhoods and businesses into the region's extensive transit network. The full-year ongoing cost will be \$1,440,000.	0.0

Department/Program**2022-23
Total**

2.	<i>Federal Grants Administration & Oversight (Designated Recipient Role)</i> Add a Special Projects Administrator and three Contract Specialist II positions to address the increasing workload and complexity for managing additional programs, funding, and new requirements resulting from an increase in Federal Transit Administration (FTA) grant funds. The recently enacted federal Bipartisan Infrastructure Law has increased FTA formula funding by roughly 30%, approximately doubled the FTA Capital Investment Grant program funding, and added several new FTA discretionary/competitive grant programs. These positions will provide support in the areas of applications, funds management, reporting, compliance, subrecipient oversight, grant closeout and complex and specialized procurement activities.	\$430,000 4.0
3.	<i>Light Rail</i> Add two Management Assistant II positions; one to serve as liaison for Light Rail Transit (LRT) and the other to directly support Bus Rapid Transit (BRT). The LRT position will manage oversight of public engagement, community relations, and administrative tasks for implementation of two additional light rail extensions as well as serve as back up to the Light Rail Administrator. The BRT position will support the BRT Administrator in the design, development, and implementation of the BRT program and oversight of BRT consultant teams for transit planning, community outreach, preliminary design and engineering, and contract management activities.	\$214,000 2.0
Total Public Transit		\$885,000 6.0
<u>Public Works</u>		
1.	<i>Contained Residential Collection</i> Add funding to support the refuse and recycle collection service growth needed to efficiently maintain existing and future service levels. The request is consistent with the financial plan recommended by the Solid Waste Rate Advisory Committee and approved by Mayor and City Council. The funding will add one Equipment Operator IV position and two Solid Waste Equipment Operator positions.	\$228,000 3.0
2.	<i>Administration</i> Add funding for part-time Administrative Interns to assist with implementing innovations and operational efficiencies. The Solid Waste Administrative Internship Program attracts graduate level students interested in solid waste, sustainability, and environmentally focused careers within the public sector. The ongoing positions will eliminate the need for temporary positions currently used in the program.	\$40,000 1.0

Department/Program**2022-23
Total**

-
3. *Contained Residential Collection* \$825,000
Add four Solid Waste Foreman and seven Solid Waste Equipment Operator (SWEO) positions to support the expansion of the SWEO Apprenticeship Program which aides in workforce development. The program focuses on diversifying the workforce by performing outreach to youth, women, and veterans. The ongoing positions will eliminate the need for temporary positions currently used in the program. 11.0

Total Public Works**\$1,093,000
15.0****Street Transportation**

1. *Various* \$0
Add a Project Manager position for the Street Lighting program, and a Senior IT Systems Specialist, Lead User Technology Specialist, Civil Engineer III, and an Accountant III position. This will also convert a temporary Senior Human Resources Clerk and Procurement Manager position to ongoing status. These administrative and technical support positions are necessary to provide internal and external support for Street Transportation staff, programs, projects, and services focused on several Council priorities, including management and implementation of community driven street lighting requests. The annual cost is \$813,000, however the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions. 7.0
2. *Street Maintenance* \$0
Convert a temporary Administrative Assistant II and Street Maintenance Supervisor position associated with the Street Maintenance Worker Apprenticeship Program to ongoing status. Per changes in the Street Maintenance Worker (SMW) job classification, all new hires will be hired as SMW Apprentices. For the program to be successful it will need staff to manage the program, recruit, and train new hires. The annual cost is \$258,000, however the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions. 2.0

Department/Program**2022-23
Total**

- | | | |
|----|--|-----|
| 3. | <i>Development Coordination</i> | \$0 |
| | Add three positions and two vehicles for the Long-Range Transportation Team. The team will partner with the Arizona State Land Department, the City of Phoenix Planning & Development and Community & Economic Development departments, as well as other regional partners to support the city's planned growth. The Civil Engineer III, Principal Planner, and Traffic Engineer II positions will provide analysis and infrastructure planning to attract and spur economic development, help address road safety, and determine future transportation needs. The annual cost is \$396,000, however the cost for FY 2022-23 will be absorbed utilizing savings from vacant positions. | 3.0 |

Total Street Transportation**\$0
12.0****Water Services**

- | | | |
|----|---|-------------|
| 1. | <i>Water Production</i> | \$1,508,000 |
| | Add funding for staff, utilities, materials, and vehicles required to operate and maintain three new water production wells and eight aquifer, storage and recovery (ASR) wells scheduled to be completed by December 2022. The water from these wells will supplement the potable water system, and augment Phoenix's potable water resources during times of water shortages and emergency outages. The full-year ongoing cost, excluding initial vehicle and equipment purchases, will be \$1,192,000. | 6.0 |
| 2. | <i>Water Production</i> | \$449,000 |
| | The Lake Pleasant Water Treatment Plant is owned by the City of Phoenix and is currently operated and maintained by a service agreement with Veolia Water. The initial 15-year service agreement is set to expire in June 2022. A five-year extension of the contract is being discussed. The requested staff and equipment would be necessary should the city exercise the right within the contract to take over the current operations of the plant within the next three to five years during the extension period. The request includes all the required positions needed to progressively staff the plant over the transition time period. The FY 2022-23 costs shown represent the initial set of positions and equipment that would be needed in the first year of planning. The timing of any transition may shift as contract discussions progress. | 41.0 |

Department/Program**2022-23
Total**

3. <i>Water Resource Management and Development Planning</i>	\$356,000
Convert six temporary positions to ongoing status including an Accountant II, Management Assistant II, Senior Human Resources Analyst, Water Customer Services Supervisor II, and two Water Services Project Coordinators. These positions will address substantial, multi-year business needs that are continuous in nature based on increased work effort and new or expanded programs.	4.0
Total Water Services	\$2,313,000 51.0
<u>TOTAL PROPOSED NON-GENERAL FUND ADDITIONS</u>	\$4,924,000 132.0

ATTACHMENT C

2021-22

SUPPLEMENTALS UPDATE
GENERAL FUND

Department/Program	2021-22 Total
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PUBLIC SAFETY REFORM AND RESPONSIVENESS

Fire

1. *Emergency Medical Services* \$382,000
3.0
Paramedic Training: Add funding for two Paramedic Training Coordinators and one Admin Aide position. These positions will support current and future programs of Emergency Medical Services including the addition and implementation of a new electronic patient care reporting (EPCR) system. These positions will also restore previously eliminated positions from prior budget reductions.

Status Update: The three positions are currently vacant. Recruitment processes are ongoing and it is expected all positions will be filled before the end of April.
2. *Administration* \$260,000
2.0
Radio Repair: Add funding for one User Technology Specialist to support the maintenance and repair of radios used by Firefighters. Add funding for one Admin Aide to provide administrative support to the Phoenix Fire Regional Dispatch Center. The onetime costs include one vehicle, technology equipment, and office space reconfiguration.

Status Update: The User Technology Specialist position is filled. The addition of this position has allowed Technical Services to respond to radio coverage issues and perform preventative maintenance in accordance with manufacturer's recommendations. Filling this position has also benefited the community by ensuring sustainable resources are available to provide technical services that are relied on by the operational staff, to provide sustainable service to field operations, provides more efficient and effective after-hours support and to evaluate new product offerings to plan for the modernization of apparatus that will enhance the quality of service to the community. The Admin Aide position is expected to be filled by the end of March 2022. Once the position is filled, it will provide administrative support to the Phoenix Fire Regional Dispatch Center.

Department/Program**2021-22
Total**

- | Department/Program | 2021-22
Total |
|--|-----------------------|
| 3. <i>Crisis Intervention</i>
Crisis Response: Expand the City of Phoenix Community Assistance Program in order to provide additional resources for responding to behavioral and mental health calls for service using a civilian model. Full implementation of the enhanced program is anticipated to take 18-24 months. During this time the City plans to seek input from the community and mental and behavioral health stakeholders to ensure that the program meets the needs of all. Staff also plans to engage an independent consultant to conduct a thorough review of the program to include process mapping, best practices identification, community engagement, developing performance measures, and developing the scope of the behavioral health unit request for proposal. The concept is to create an effective City of Phoenix behavioral and mental health crisis response program where multiple city departments work alongside non-profit organizations and the behavioral health community to improve the quality of life for residents in need. The program will also allow first responders to return to core public safety emergencies to reduce response times. | \$15,000,000
130.9 |

Status Update: The following full-time positions have been filled: four Casework Service Coordinator positions and eight Caseworker II positions. An outcome of filling the Casework Service Coordinator positions has been establishing collaborative relationships with each Fire Department District to identify community member needs in each District and to present status of the expansion and role of the Casework Service Coordinators. The coordinators are attending regular meetings with the Police and Fire Communications divisions to establish consistent questions during the 9-1-1 intake that will identify calls that may be diverted to a Behavioral Health Unit (BHU) and to identify call type or nature codes for which a BHU may respond without first responders. The outcome of filling the Caseworker II positions has been stabilizing the staffing on existing Crisis Response Units (CRU), increasing the availability of current CRU teams Monday through Friday to respond to traumatic incidents and provide support services, resources and referrals to Phoenix residents impacted by the traumatic event.

The following positions have yet to be filled: 25 Caseworker III and 48 Caseworker positions. Caseworker III interviews were held in February 2022. The Caseworker II recruitment began in February 2022.

Department/Program**2021-22
Total**

4. *Fire Emergency Medical Services and Hazardous Incident Response* \$87,000
Fire Dispatch: Add funding for 10 new positions consisting of two Fire Communications Supervisor, two Fire Emergency Dispatcher * Lead, and six 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. Funding is shared between the City of Phoenix (50%) and the 26 partner jurisdictions (50%). In FY 2020-21, the City Council approved eight positions fully funded by the City of Phoenix with the shared cost beginning in FY 2021-22. The FY 2021-22 cost shown represents additional funding needed for one position since eight are already funded in the General Fund. The cost of the remaining nine positions will be paid for by the partner cities. 10.0

Status Update: During the last year the Regional Dispatch Center recruited, hired, and trained new members to occupy the ten new Emergency Fire Dispatcher positions. However, the full potential benefit of these new positions has not materialized due to an unusual number of resignations and retirements. A recruitment was recently completed, and it is anticipated the new employees will begin training in mid-April. The full impact to operations of the additional positions is not expected until September 2022.

Total Fire \$15,729,000
145.9

Human Services

1. *Victim Advocacy Services* \$93,000
Traumatic Incident Liaison: Add a Caseworker III position to assist relatives of decedents, incapacitated individuals and juveniles as a result of a police interaction. Relatives of decedents may not be entitled to victims rights advocacy until the determination of a criminal offense. This position will provide case management services to relatives to address needs outside of the criminal justice system. 1.0

Status Update: A Victim Services Supervisor (Caseworker III) was hired and began overseeing homicide cases on January 24, 2022. The Victim Services Division began accepting cases in August 2021 and to date has three open cases.

Total Human Services \$93,000
1.0

Department/Program

2021-22
Total

Municipal Court

1.	<i>Civil Courtroom Operations - Civil Division</i>	\$133,000
	Intake, Transfer, and Release (ITR) Staff: Add two Bailiff positions to provide judicial and operational support in a criminal courtroom located at the new Maricopa County ITR facility that opened in November 2020. This criminal courtroom is designed to handle initial appearances for individuals who have been arrested and held by the City of Phoenix. Funding would provide for the continued processing of cases in a timely and efficient manner.	2.0
	<u>Status Update:</u> The bailiff positions are currently filled. These positions have been instrumental in improving the process as staff have more time to prepare and process the docket. Cases are able to be updated in a timelier manner, resulting in earlier processing and release times for defendants. Additionally, staff can thoroughly explain court paperwork and follow up instructions to defendants. This avoids confusion about the process and requirements of their case along with providing clear next steps.	
2.	<i>Civil Courtroom Operations - Civil Division</i>	\$224,000
	Orders of Protection: Add one Court Interpreter and two Court/Legal Clerk II positions to support the operations of the Order of Protection Office. In September 2019, the Phoenix Municipal Court implemented the mandated firearm transfer process for defendants that are deemed a credible threat in an Order of Protection (OOP) case. Additionally, in January 2020, the Arizona Administration Office of the Courts (AOC) required the utilization of an on-line public portal system. Both process changes have caused increased staff workload and wait times. Staff and resources are needed in a customer service capacity, for administrative documentation and translation services.	3.0
	<u>Status Update:</u> The Court/Legal Clerk II positions were both filled, however, one staff member promoted to another City department this month. The Court Interpreter position was also filled. These positions have decreased processing times since customers do not have to wait as long for interpretation and translation services. This is even more relevant when multiple interpreters are requested at the same time, which frequently occurs. The additional personnel allow staff to have more time with customers who may have recently experienced an emotional and traumatic event and can assist them throughout the process. This provides staff the time to connect customers with valuable community resources.	
	Total Municipal Court	\$357,000
		5.0

Police

1. *Fiscal Management Bureau - Public Records Unit* \$1,009,000
Public Records Support: Add funding for nine Administrative Aide, three Forensic Photo Specialist, two Administrative Assistant I, and one Forensic Photo Specialist Lead positions to provide additional staff support for the Public Records and Services Unit. These positions will help eliminate public records request backlogs, ensure timely request processing, and improve overall customer service and transparency. 15.0

Status Update: Six of the 15 positions have been filled, with the remaining nine expected to be filled by calendar year-end. The additional staff have helped facilitate the creation of the critical incident team and freed up the customer services team to focus on serving the community. The additional staff have assisted phone customers who prefer to schedule phone appointments versus in-person appointments, helped manage incoming portal requests, provided over the phone technical support, and performed report, audio, video, and photograph redactions. This translates into a focused approach to the fulfillment of record requests by triaging critical incidents to the critical incident team to handle. On average, the customer service team assists 1,500 lobby and phone appointments and walk-in customers and 8,800 phone customers via the appointment line.

Department/Program

2021-22
Total

-
2. *Professional Standards Bureau - Inspections Unit* \$298,000
Early Intervention: Add two Administrative Aide, one Management Assistant I, and one Police Research Analyst positions to support the Early Intervention System (EIS). These positions will ensure timely and accurate data and implement intervention recommendations, with the goal of identifying employee risk and preventing adverse events. 4.0

Status Update: All four positions have been filled and are supporting the day-to-day operations and development of the Early Identification and Intervention Program (EIIP), referred to above as the Early Intervention System, as well as transparency efforts. With the support of these positions, the EIIP has been able to analyze data to identify employee risk behaviors, resulting in timelier engagement of interventions designed to improve performance and mitigate risk. These positions also provide enhanced data collection, analytical efforts, data cleaning, and process improvements. Leveraging these positions, the EIIP was able to complete Phase I of a project charter for EIIP systems development and has initiated Phase II, which will focus on continuing to collect new sources of relevant EIIP data, systems development, process and intervention enhancements, and a continued relationship with Arizona State University in their assessment of enhanced analysis of predictive indicators and effective intervention strategies.

Department/Program**2021-22
Total**

3. *Strategic Information Bureau* \$1,924,000

Data Transparency: Add staffing required to meet federal National Incident-Based Reporting System (NIBRS) standards, additional demands for increased transparency in policing and timely publication of data, and increased workload due to Proposition 207's requirement to purge prior criminal records related to marijuana offenses. This funding will allow for 22 ongoing positions, including 12 Police Coding Clerk, six Admin Aide*U7, two Police Records Clerk, one Criminal Intelligence Analyst, and one Police R&I Bureau Shift Supervisor. It also includes funding for 12 temporary part-time Police Coding Clerk positions.

34.0

Status Update: Four of the 34 positions have been filled. The hiring process for the remaining 30 positions has been delayed during the procurement and implementation of a new records management system (RMS), which began in mid-2021. Five of the 12 full-time Police Coding Clerk positions will be reallocated for a civilian Records Management Team, which will supplement and enhance the existing RMS team. The new RMS is required to meet the NIBRS reporting component of data transparency. The hiring of the two Police Records Clerks has enabled the Strategic Information Bureau to develop and begin the process of mandatory Proposition 207 expungements. To date, 2,353 requests have been received, and 2,203 have been entered into the RMS and locked/protected from being released to the public. Hiring the R&I Bureau Shift Supervisor has resulted in increased quality of the data shared on public facing dashboards. The new staff provide 24/7 support for officers utilizing the RMS, reducing officer return to service times. The Criminal Intelligence Analyst has assisted with improved delivery times for department policing statistics and publication of data.

Department/Program

2021-22
Total

- 4. *Centralized Booking Detail* \$0
 Civilianize Central Booking: Add funding for 18 temporary Detention Officer positions and four temporary Detention Supervisor positions in the Centralized Booking Detail. These civilian positions will take the place of sworn positions, allowing officers to be redeployed to higher priority duties. Vacancies in the department will offset the cost of the new positions. 22.0

Status Update: One of the Detention Supervisor positions has been filled and one additional candidate is currently in training. If successful, the position will be filled in April 2022. A new recruitment process is scheduled to begin in February 2022 for the remaining two positions. A new recruitment process was recently completed for the 18 Detention Officer positions with 12 candidates offered a position. A new recruitment will fill the remaining six positions. Currently, there has been no benefit to the community as a result of this supplemental, due to the difficulties of filling temporary positions. The department received approval to convert the temporary positions into permanent positions that has resulted in more candidates applying.

- 5. *Various* \$500,000
 Police Reform Reviews: To support police reform, community trust, and enhanced transparency we are recommending a comprehensive review of the Phoenix Police Department. Funds will be used to hire independent third-parties that have a demonstrated track record with assisting police departments across the country achieve these goals. Reviews will include practices and policies, stakeholder and community feedback, and provide recommendations for improvement. 0.0

Status Update: The City signed an intergovernmental agreement with Arizona State University to review department calls for service, with a focus on comparisons to existing best practices, possible alternative responses, improvements to existing practices and procedures, and effective data collection and reporting. The City Manager’s Office and the Police Department’s executive staff are continuing to review additional initiatives that will be implemented using these funds.

Total Police \$3,731,000
75.0

Department/Program

2021-22
Total

Street Transportation

1. *Traffic Safety and Neighborhood Traffic* \$600,000

Pedestrian Safety: Add funding as part of the Roadway Safety Action Plan 0.0

adopted by City Council on March 2, 2021. The plan addresses comprehensive roadway safety issues on City streets. The effort will be funded using the General Fund, the Transportation 2050 fund (T2050), and the Arizona Highway User Revenue fund (AHUR). The General Fund portion being requested is six-hundred thousand per year over five years.

Status Update: The \$600K budgeted for FY21/22 was moved to the Capital Improvement Program to augment additional roadway safety funds. Projects that have been developed and/or are in active implementation and will deliver tangible crash reduction countermeasures include:

- Three traffic signal construction projects, at 75th Avenue and Indian School Road, 16th Street and Camelback Road, and 19th Avenue and Southern Avenue.
- The Road Safety Action Plan has made substantial progress, with the project currently in its first public outreach phase. An update on the RSAP was delivered to City Council on January 25, 2022. The RSAP will deliver valuable safety analysis tools and allow staff to target infrastructure improvements that deliver optimal safety benefits.
- Staff is currently programming additional safety projects to be initiated before the end of this fiscal year.

Total Street Transportation \$600,000

0.0

TOTAL PUBLIC SAFETY REFORM AND RESPONSIVENESS

\$20,510,000

226.9

COVID RESPONSE AND RESILIENCY

City Manager's Office

- | | | |
|----|--|-----------------------------|
| 1. | <p><i>Oversight of and Assistance to Departments; City Council Support; Strategic Planning</i></p> <p>Public Health Advisors: Continue funding for COVID-19 consultants, including medical experts, to advise the City on reopening facilities and providing up-to-date guidance from the CDC.</p> | <p>\$150,000</p> <p>0.0</p> |
|----|--|-----------------------------|

Status Update: Approximately \$52,750 has been spent from the \$150,000 budgeted amount on contracted public health consulting services related to the COVID-19 pandemic. At the outbreak of the pandemic, the City did not have the internal public health expertise needed to handle the ever-shifting realities of a public health emergency. The consultant provided expertise and advice on reopening of facilities and staff returning to work. A Public Health Advisor position has been requested in the FY 2022-23 Program Budget. If approved, this \$150,000 will be reallocated to this ongoing position to deal with current and future issues of public health.

Total City Manager's Office	<p>\$150,000</p> <p>0.0</p>
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Department/Program

2021-22
Total

Environmental Programs

1. *Brownfields Land Recycling* \$300,000
Food Program: Add funding for a Program Manager to continue the COVID-19 emergency food assistance program, the 2025 Phoenix Food Action Plan approved by Council in March 2020, and community engagement by hosting educational events and workshops including Phoenix Food Day. 1.0

Status Update: The Food Systems Program Manager was hired in September 2021, and the position is managing the implementation of ten American Rescue Plan Act (ARPA) Phoenix Resilient Food System programs and assisting with implementation of the 2025 Food Action Plan. Community engagement events included two drive-thru Phoenix Food Day & Healthfest events in the South Phoenix and Maryvale communities attended by 4,000 families and individuals. The impact of the ARPA programs has been significant to residents, with approximately 40,000 meals delivered as of January 31, 2022; 22 food banks/pantries have been funded serving 25,500 households; 92 residents enrolled in the Backyard Garden Program; 6 school districts and 11 community organizations funded for food delivery. Training programs were initiated in February 2022 including 25 trainees in the Sustainable Worker Cooperative Training program and 9 fellows in the Urban Agriculture Fellowship program.

Total Environmental Programs

\$300,000
1.0

Information Technology Services

- | | | |
|----|--|-----------|
| 1. | <i>Enterprise Business Applications Services</i> | \$585,000 |
|----|--|-----------|

City Services IT Support: Add contractual services funding to provide development support for the 311 and Learning Management System projects. Funding three additional senior developers will continue citywide integration and mobile app development for these critical initiatives, which enhance citizen access to City services and provide a needed virtual learning environment for City employees.

Status Update: The PHX 311 implementation has been very successful. All critical resident facing services are now in the website portal and in a mobile app for both Android and Apple. The adoption of the app and the services by the residents has been significant, with 5,600 Mobile App downloads since soft launch and 53,000 distinct user interactions since the launch of the new web portal. New services continue to be added and contractual services will continue to be used to add and grow these services for residents and businesses. Similarly, work is being done on the Learning Management System (LMS) which will result in significant benefits for all city departments by consolidating all the disparate departmental training tracking systems into one enterprise application. The LMS project is multi-phase with the first phase involving application setup, migration of training data from eChris to LMS. The contractual staff are now working on the second phase which will consolidate departmental training applications and data into one city-wide LMS.

Department/Program**2021-22
Total**

-
2. *IT Project Management Services* \$350,000
311: Add contractual services funding for project management services of several large-scale projects that emerged due to COVID-19, including 311, Learning Management System, enhanced security needs, and conference room technology upgrades. The City's 311 system significantly expanded due to COVID-19, providing enhanced connectivity to City services for residents. This expansion requires additional ongoing support to ensure continued seamless integration with City applications. 0.0

Status Update: This funding has been used to provide contractual IT project management and business analyst staff for critical projects. These staff work in the Program Management Office and collaborate with city IT Project Managers and Business Analysts on projects such as the Learning Management System implementation, PHX 311 and security projects. These services have been instrumental in the success of the PHX 311 project and with ensuring that COVID-19 projects remain on budget and on schedule.

3. *Enterprise Infrastructure Services* \$169,000
WiFi Support: Add funding for one Senior Information Technology Systems Specialist to serve as a Senior WiFi Engineer. This position will provide ongoing support and management for the 50+ new public WiFi locations the City added during COVID-19 to address public need for WiFi. These locations are currently managed by a temporary position. 1.0

Status Update: This position has been filled and is providing critical support for the new public Wi-Fi locations. This service ensures the continuance of the free public Wi-Fi that was rolled out to assist residents needing Wi-Fi to attend virtual classes or for other important needs during the pandemic. This service is part of efforts to address the digital divide among Phoenix residents by providing reliable secure Wi-Fi at city facilities such as community centers. This position also manages reporting and tracking of usage to ensure ongoing improvements to the program.

Department/Program

**2021-22
Total**

-
4. *Various* \$354,000
IT Security: Add one Lead Information Technology Systems Specialist and one Senior Information Technology Systems Specialist. These positions are needed to support security applications and additional infrastructure support required as a result of COVID-19 related enhancements. 2.0

Status Update: The Lead IT Systems Specialist position has been filled. This position serves as a Cloud Engineer to support the secure implementation and support of the City’s growing cloud infrastructure.

5. *Enterprise Infrastructure Services* \$323,000
Remote Work Support: Convert one temporary Information Technology Systems Specialist and one temporary Senior Information Technology Systems Specialist to ongoing to provide coordination and administration of City video conferencing needs. The City continues to require vastly expanded video conferencing capabilities, which facilitates virtual work and helps ensure public access to City Council and other meetings. The temporary positions are currently being funded by vacancies in the department. 0.0

Status Update: The Senior IT Systems Specialist and the IT Systems Specialist have been filled and those positions are performing the roles of Senior Video Conferencing Coordinator and Video Conferencing Coordinator respectively. This service has been critical while staff have been remote and in support of remote public meetings. These staff assist with virtual City Council Meetings while also supporting the back-end of the system providing video conferencing capabilities to employees dispersed throughout the City.

**Total Information Technology Services \$1,781,000
3.0**

Department/Program

2021-22
Total

Library

1. *Administration* \$181,000
0.0
Add funding to continue mobile and self-serve computing services initiated as a result of the COVID-19 pandemic. These include cellular service for the MiFi hotspot loan program, annual maintenance for additional self-checkout payment kiosks, and security software for the laptop loan program.

Status Update: Since April of 2021, the Library acquired 405 laptops and 285 hotspots. Since April, the laptops have been checked out 1,421 times and hotspots 1,188. Annual maintenance for self-checkout payment kiosks covers 17 self-checkout kiosks that require annual maintenance. The Laptop lending security software and content filtering software has been installed on all laptop lending devices.

Total Library \$181,000
0.0

Public Works

1. *Property Management Services* \$191,000
3.0
City Hall by Appointment: Add staff and resources to support the operation of the appointment only counter at Phoenix City Hall and the Calvin Goode building. In response to COVID health concerns, three full-time Support Service Aide positions will support, coordinate and schedule appointments for residents and manage authorized access to these facilities. The appointment only desk is currently being staffed on a temporary basis with part-time Parks and Recreation staff that were displaced due to COVID closures.

Status Update: The three Support Services Aide positions were filled in September 2021. The positions staff the Appointment Only Counters at the Phoenix City Hall and Calvin C. Goode buildings to assure that only customers who have appointments with City staff enter the building. These positions have improved customer service by assisting residents and increased front line support for City departments located in the two buildings.

Total Public Works \$191,000
3.0

TOTAL COVID RESPONSE AND RESILIENCY \$2,603,000
7.0

CLIMATE CHANGE AND HEAT READINESS

City Manager's Office

- | | | |
|----|--|-----------|
| 1. | <i>Professional Administration of Policies and Objectives Set Forth by Mayor and Council</i> | \$475,000 |
|----|--|-----------|

Office of Heat Response and Mitigation: The office will establish a cohesive strategy and action plan to address the growing hazard of urban heat, which threatens the City’s economic viability and health and well-being of vulnerable residents. The office will increase the community’s capacity to prepare for and respond to both extreme heat events and the increasing frequency of high temperature days that adversely affect residents’ and visitors’ comfort. The office will build a research and practice-informed process to ensure that heat is addressed in an effective manner by using technology and innovative, locally-relevant solutions, providing preventative information and education, and encouraging coordination and cooperation among diverse stakeholders. Will include a Chief Heat Response Officer, Tree and Shade administrator, shade infrastructure manager, and an Administrative Aide.

4.0

Status Update: Two of the four positions have been filled. The two filled positions have facilitated cross-departmental coordination on heat response and mitigation activities, identified opportunities for service improvements, enabled additional community, media, and partner agency engagement, and developed new funding proposals to support City goals. The interview and selection process for the Urban Tree Program Manager (Tree and Shade Administrator) was completed in January 2022. The Built Environment Specialist recruitment posted in January 2022 and is expected to be filled by March 2022.

Total City Manager's Office

\$475,000
4.0

Department/Program

2021-22
Total

Environmental Programs

1.	<i>Air Quality</i>	\$200,000
	Climate Change and Support: Add funding to support existing and future needs relating to air quality, climate and resilience planning. Funds will be used to conduct greenhouse gas emissions inventories, facilitate bilingual community engagement, implementation of the Climate Action Plan and efforts to reduce emissions.	0.0
	<u>Status Update:</u> The 2020 Greenhouse Gas (GHG) inventory will be completed by March 2022 through an intergovernmental agreement executed with Arizona State University for \$95,000. Additional funding of \$40,000 will be expended to conduct a water consumption GHG inventory during fiscal year 2021-22, to be completed in May 2022. Implementation of the Climate Action Plan is moving forward with the Office of Environmental Programs serving as coordinator with City departments and stakeholders. Staff plans to provide progress reports to the community in English and Spanish through virtual webinars and workshops, social media, written materials, or in-person meetings, as feasible.	
	Total Environmental Programs	\$200,000 0.0

Fire

1. *Fire Prevention General Inspections* \$0

Solar Energy Inspection: Add funding for vehicles, supplies, and five new positions for a new energy system inspection program. The new positions include one Planning and Development Team Lead and four Fire Prevention Specialist II. This program will provide Fire Prevention the staff to conduct plan reviews and inspections of photovoltaic and energy storage systems. This addition is offset with \$698,000 in revenue generated from permit fees. 5.0

Status Update: All positions were successfully filled. Unfortunately, one of the four new Fire Prevention Specialist II has since become vacant. The new Planning & Development Team Leader position has had an immediate positive impact on the Fire Prevention section. This position supervises three Fire Prevention Supervisors and a Fire Protection Engineer*Lead, which addressed span of control challenges. This position also manages and has oversight of the Regional Training Program for new Fire Inspectors, which is critical due to the large size of the current class. Four Fire Prevention Specialist II positions are currently completing their six-month training program. With the resignation of one of the new Fire Prevention Specialist II, the vacant position will be filled when the current training program concludes. Once completing the training program, the new fire inspectors will be instrumental in addressing the increasing demand for Solar and Battery Energy Storage System plan review and inspection requests. Currently, Solar inspections and plan review are being completed by Fire Inspectors that have other areas of responsibility.

Total Fire \$0
5.0

Department/Program

2021-22
Total

Parks and Recreation

1. *Specialized Maintenance-Skilled Trades* \$674,000

Parks Trees: Add staff and equipment to create an additional Forestry Crew 5.0

Add staff and equipment to create an additional Forestry Crew to maintain the increasing citywide tree inventory. The City adopted the Tree and Shade Master Plan in 2010 with a goal to double the tree and shade canopy by 2030. This has led to a significant increase in tree planting on City property and rights-of-way to mitigate the effects of the urban heat island in vulnerable neighborhoods that have a limited tree canopy and where residents have a greater exposure to heat while walking to transit, schools and work. The Parks and Recreation Department Forestry section provides citywide tree planting, tree maintenance activity, technical support, and 24/7 emergency response for several City departments.

Status Update: One position was filled and the other four are expected to be filled by May 1, 2022. A challenge continues to exist to have enough qualified candidates to fill vacancies and/or staff resigning for better pay in other cities. This has resulted in the Forestry Crew having reduced capacity and longer response times. The Tree Inventory contract has been added to the City's procurement plan. The Finance Department is completing the contract procurement and developing the agreement with an anticipated start date of June 2022.

Total Parks and Recreation \$674,000
5.0

Street Transportation

1. *Landscape Management* \$1,483,000

Cool Corridors: Add funding for the Cool Corridors Program to plant 1,800 trees annually. Each year tree plantings will occur in one-mile roadway segments located in each Council district, plus a one-mile roadway segment for the Mayor's Office. This program will contribute to achieving the City of Phoenix's goals for the Tree and Shade Master Plan, reducing the City's overall carbon footprint and reducing climate impacts through the cooling effects of shade trees. 0.0

Add funding for the Cool Corridors Program to plant 1,800 trees annually. Each year tree plantings will occur in one-mile roadway segments located in each Council district, plus a one-mile roadway segment for the Mayor's Office. This program will contribute to achieving the City of Phoenix's goals for the Tree and Shade Master Plan, reducing the City's overall carbon footprint and reducing climate impacts through the cooling effects of shade trees.

Status Update: Potential Cool Corridors locations have been provided to each Council Office for consideration and selection for the initial phase of the program. The estimated timeline for irrigation and tree installation is spring 2022 with completion in summer 2022. As this is an annual program, staff is working on a public engagement plan for next fiscal year's Cool Corridors program.

Total Street Transportation \$1,483,000
0.0

TOTAL CLIMATE CHANGE AND HEAT READINESS

\$2,832,000
14.0

AFFORDABLE HOUSING AND HOMELESSNESS

Housing

- | | | |
|----|-----------------------|------------------|
| 1. | <i>Family Housing</i> | \$162,000
1.0 |
|----|-----------------------|------------------|

Affordable Housing Manager: Add one Special Projects Administrator position to continue implementation of the Housing Phoenix Plan, focusing on redevelopment of city-owned land for mixed-income housing. This position will help to achieve the goal of creating or preserving 50,000 housing units by 2030.

Status Update: The Housing Department reallocated the Special Projects Administrator position to a Deputy Director position. A recruitment was completed February 2022 and the position starts March 21, 2022, to continue implementation of the Housing Phoenix Plan (HPP). The Deputy Director and a Housing Manager will continue implementation strategies for city-owned land and help to achieve the goal of creating or preserving 50,000 homes by 2030.

- | | | |
|----|-----------------------|--------------------|
| 2. | <i>Family Housing</i> | \$1,400,000
0.0 |
|----|-----------------------|--------------------|

Santa Fe Springs Rehabilitation: Add funding to complete critical safety and infrastructure repairs at Santa Fe Springs Apartments. These repairs will address community safety and quality of life concerns, including improved lighting, cameras, and fencing, as well as the rehabilitation of deteriorated structures and amenities.

Status Update: The Housing Department successfully engaged a proposal for construction services through a competitive solicitation. Construction services are scheduled to begin Spring 2022. The construction services will address critical repairs and security enhancements to the property. The outcome will result in improvements to the property which will improve safety, quality of life, and security for the residents and community.

Total Housing

\$1,562,000
1.0

Department/Program

**2021-22
Total**

Human Services

1. *Business and Workforce Development* \$89,000
1.0
Employment Connection: Add a Workforce Development Specialist position to link with rapid rehousing programs to incorporate employment support by providing direct client services for individuals experiencing homelessness to better access employment benefits and training. This will support a key goal of the Strategies to Address Homelessness Plan by helping to achieve seamless comprehensive, and integrated access to services.

Status Update: The recruitment process and interviews were held in January 2022. A tentative offer has been made with anticipation of the incumbent starting with the City of Phoenix in March. The first 60 days will focus on learning WIOA Federal regulations and case management.

2. *Homeless Emergency Services* \$88,000
1.0
Homelessness Strategy Support: Add an Administrative Assistant I position to support the Homeless Services Division by assisting with monitoring federal regulatory requirements for grant funds, contract and fiscal compliance as well as various administrative tasks needed to support the programs around the Strategies to Address Homelessness Plan.

Status Update: The position was filled on December 13th, 2021. The first 60 days will focus on gaining an understanding of contract scopes of work and other administrative responsibilities in support of the division.

Total Human Services \$177,000
2.0

Department/Program

2021-22
Total

Neighborhood Services

1. *Neighborhood Engagement Program* \$99,000
1.0
Neighborhood Specialist Homeless Strategies: Add a Neighborhood Specialist position to serve within a three mile radius of the Human Services Campus. This position will work with businesses and neighborhoods to provide better communication, as well as a more coordinated team effort within the surrounding area by assisting neighborhoods in organizing community meetings, coordinating cleanups, and working with other City departments, partner agencies and the business community to bring needed resources to the community.

Status Update: Neighborhood Engagement filled the position in July 2021. The Neighborhood Specialist has been connecting with business and resident community organizations to continuously educate them about the PHX C.A.R.E.S. process and the city’s strategies to address homelessness. The Neighborhood Specialist completed a tour with key community members in Fall 2021 to identify areas and types of concerns. Resulting from this tour, staff have identified alleys that could benefit from the Gated Alley Program Pilot, which has been shared with councilmembers in Districts 7 and 8. Additionally, staff have assisted businesses with Crime Prevention Through Environmental Design best practices in conjunction with the Police Department to minimize environmental factors that unintentionally encourage encampments.

Total Neighborhood Services \$99,000
1.0

Department/Program

2021-22
Total

Public Works

1. *Education and Enforcement* \$815,000
Human Services Campus Cleanup: Add funding to support the coordination and expansion of the Human Services Campus Clean-Up service. The request includes adding one Supervisor and two Solid Waste Equipment Operator positions, one Rear Loader, one Articulator Loader, and one Trailer. Positions will be in the Solid Waste Division of Public Works.

Status Update: All three positions are filled resulting in a faster response to verifying, cleaning, and removing debris and litter left from encampments surrounding the Human Services Campus. The equipment order has been placed for the Rear Loader, Articulator loader and trailer. Until this order is received, staff are utilizing existing equipment for clean-ups. Bio-hazard clean-up funding is available within the operation to address bio-hazard related clean-ups, completed by a contracted vendor.

Total Public Works \$815,000
0.0

Street Transportation

1. *Street Cleaning* \$134,000
Street Cleaning: Convert federally-funded deep-cleaning process around the Human Services Campus (HSC) and the right of way in the West Hatcher Road area of Sunnyslope to General Fund. The process uses antibacterial chemicals and high-pressure sprayers to clean and sanitize the sidewalks and right-of-way surrounding the HSC facility and the right-of-way in the area of 10th Street and Hatcher. Service is completed once or twice a month.

Status Update: The contract is in place and cleanings have continued without service interruption. The continuation of these services has prevented large volumes of trash and biohazards from collecting within the two areas serviced, and thereby assisted with the health, safety, and welfare of unsheltered persons within these areas.

Total Street Transportation \$134,000
0.0

TOTAL AFFORDABLE HOUSING AND HOMELESSNESS \$2,787,000
4.0

BUILDING COMMUNITY AND RESPONDING TO GROWTH

Community and Economic Development

- | | | |
|----|---|-----------|
| 1. | <i>Business Development</i> | \$301,000 |
| | Retail Revitalization: Add funding for one Economic Development Program Manager and one Project Manager to support citywide retail revitalization projects. The positions will facilitate small business growth, redevelopment, and potential new development, including infill of commercial projects. | 2.0 |

Status Update: The Economic Development Program Manager position has been filled. This staff person has commenced the recruitment process for the Project Manager position. The Program Manager has started meeting with businesses, brokers, and property owners in the area to determine areas of opportunity as well as familiarizing with city tools and programs that can assist this effort. Results from economic development efforts typical take a year or two to be realized.

Total Community and Economic Development	\$301,000
	2.0

Department/Program

2021-22
Total

Human Services

1. *Administration* \$250,000
0.0
- Fast Track Cities: Add contractual services to support the Fast Track Cities Initiative. Fast Track Cities is an international effort working to end the HIV/Aids pandemic and the City of Phoenix is one of 25 cities in the U.S. working to reach this goal. The additional funding will help increase engagement and awareness so that people know their HIV status, are linked to treatment, are retained in care, and follow-up is conducted with patients that fall out of care. Support can also help with advocacy and enhance access to care for evolving Antiretroviral Treatment and continue outreach to communities of color who are disproportionately impacted by HIV and AIDS. The goal of this outreach is for 90 percent of Phoenicians to know their status, 90 percent who know their HIV-positive status to be in antiviral treatment, 90 percent who are on antiviral treatment to achieve viral suppression and to have no stigma or discrimination.

Status Update: \$75,000 was allocated to Aunt Rita's Foundation, \$75,000 to Arizona Community Foundation, \$50,000 to the Maricopa County Ryan White Part A program, and \$50,000 to Human Service Departments Strategic Initiatives section. Currently the contracts for Aunt Rita's, Arizona Community Foundation and Maricopa County are being finalized. The Strategic Initiatives section has begun utilizing its allocation to purchase resource materials. All monies are to be expended by June 2022. The goal is to provide outreach and for 90 percent of Phoenicians to be aware of their status and enroll in antiviral treatment.

Department/Program	2021-22 Total
2. <i>Administration</i>	\$95,000 1.0
<p>Veterans Case Management: Add a Caseworker III position that will be responsible for coordinating with the U.S. Department of Veterans Affairs (VA) to assist with navigation and referrals to social services such as emergency rental/utility assistance, counseling, housing needs, healthcare, employment and other supports necessary to promote self-sustainability or stabilization for veterans. This position would also assist the VA case managers in providing general needs assessments, recommendations on root causes of the veteran’s needs and follow-up ensuring services have been provided.</p> <p><u>Status Update:</u> The Caseworker III began January 10, 2022. Job duties and performance metrics will be established by the end of January 2022. The first 60 days will focus on building relationships with veterans serving agencies, developing an initial inventory of veteran services, programs, contacts and creating performance metrics.</p>	
Total Human Services	\$345,000 1.0
<u>Library</u>	
1. <i>College Depot</i>	\$210,000 2.0
<p>Add an Administrative Assistant II position and a Caseworker II position for the expansion of the College Depot program to accommodate growing demand for additional GED classes, ACT/SAT prep classes, and one-on-one counseling appointments. The program expansion is projected to serve 291 additional students, offer 103 additional classes, and increase the one-on-one GRIT appointments by 546 hours.</p> <p><u>Status Update:</u> The Administrative Assistant II position was filled in fall 2021 and the new Caseworker II position was filled in December 2021. The program expansion is projected to serve 291 additional students and increase the one-on-one GRIT appointments by 546 hours by June 30, 2022. By June 30, 2023, College Depot will offer 103 additional classes.</p>	
Total Library	\$210,000 2.0

Department/Program

2021-22
Total

Office of Arts and Culture

1. *Community Investment and Engagement Program* \$110,000
0.0

Increase funding for arts grants for nonprofit arts and cultural organizations. Arts grants enable artists, arts and culture organizations, youth, and neighborhood groups to carry out high-quality arts programming for all residents.

Status Update: The additional Community Arts grant funding was awarded to organizations whose projects and programs enabled artists, youth, underserved populations and neighborhood groups to carry out high-quality arts programming in the City of Phoenix. With the 11% increase in organizational applications, the additional funding also helped provide funding opportunities to applicants that did not receive funding in the past.

Department/Program**2021-22
Total**

2.	<i>Community Investment and Engagement Program</i>	\$30,000
	Add funding for youth arts and culture development programs, professional development and technical assistance for artists and arts administrators, and pop-up programming around the city to promote the Latino Cultural Center. This funding will supplement increasingly unreliable funding from the State of Arizona.	0.0
	<u>Status Update:</u> The additional funding for non-grant programs to youth, artists, and arts administrators, POAC is currently implementing the following: 1) Youth (in-progress): The Phoenix Office of Arts and Culture opened applications for the Literary Arts Program in the Schools (LAPS). It is a pilot educational writer-in-residence position with the Deer Valley Unified School District for spring 2022. The program will cost an estimated \$10,000 to cover the cost of a teaching artist and program supplies. 2) Youth (committed): District 8/The Sagrado youth event (\$5,000) The Forever Rising Young Artist Showcase will take place on March 5, 2022 at Circle K Park in District 8 as an effort to activate the park, engage community members in sharing a vision for the future of Circle K Park and programming at the City of Phoenix's public parks. Featured youth art will include skate deck art, canvas paintings, photography, and poetry. At this showcase, the Sagrado will launch the Forever Rising booth, an art entrepreneurship training program and business opportunity for youth. 3) Latino Cultural Pop-Up Programming (in-progress): Pop-up theatre and performing arts programming in District 5 (\$7,500) and will take place on May 2022. 4) Latino Cultural Pop-Up Programming (in-progress): Monarch Butterfly & Storytellers event (\$7,500) and is scheduled to take place on June 2022.	
3.	<i>Public Art Program</i>	\$60,000
	Increase funding for public art maintenance which would allow residents to enjoy the collection, showcase the city's initial investment, and help avoid safety issues with artwork in the community. Maintenance includes lighting upgrades, annual maintenance, and renovations to address wear and damage. The public art collection includes over 200 art installations.	0.0
	<u>Status Update:</u> The additional funding for art preservation and maintenance is utilized to pay for the maintenance of two Ed Pastor Bus Shelters at 35th Avenue and McDowell Road.	
	Total Office of Arts and Culture	\$200,000
		0.0

Department/Program

**2021-22
Total**

Parks and Recreation

1. *Community Centers* \$911,000
Cesar Chavez Community Center: Add staff and supplies for the new Cesar Chavez Community Center, scheduled to open in the fall of 2021. The Cesar Chavez Community Center will offer a variety of activities to the general public. These activities will include special events, sports programs, specialty classes, adaptive/inclusive programs, out-of-school time sessions, field trips, and provide meeting space for events and community groups. 9.8

Status Update: Opening of the center has been delayed until spring 2022 due to supply chain and construction delays. Three full-time positions have been filled and the final full-time position is in the process of being filled. The part-time positions are in the process of being filled and pop-up employment educational events are occurring to inform the community about part-time employment opportunities.

2. *Parks Maintenance* \$260,000
Hance Park: Add staff and equipment for grounds maintenance at Margaret T. Hance Park. The Fiesta Bowl PLAY at Hance Park opened to the community in December 2020. As part of this phase, a new landscape design incorporating over 7,000 new plants and trees was added. Maintenance of this plant material will require staff with both horticultural and irrigation skills to maintain the new park amenities. 3.0

Status Update: The three full-time positions are currently vacant and are in the process of being filled. The workload is currently being covered by existing staff.

Department/Program**2021-22
Total**

-
- | | | |
|----|---|------------------|
| 3. | <i>Park Rangers-Community and Neighborhood Parks</i>
Ranger Support: Add a Park Supervisor position to oversee the Urban Park Ranger Patrol Program. This position will manage daily operations, establish additional Field Operation Procedures, manage personnel issues and work directly with PhxCARES to increase contacts to individuals requiring services.
<u>Status Update:</u> The position has been filled. The Park Supervisor is focusing on improving response times of operational issues to help ensure park areas are adequately patrolled and park rules, regulations, ordinances and statutes are obeyed. The Park Supervisor is also strategizing improvements with the current Urban Park Patrol partners on targeted outreach opportunities as a component of the PHX C.A.R.E.S. initiative to reduce the impact of homelessness in the City, along with addressing the concerns residents have related to negative activity in their neighborhood. Further, the Park Supervisor is working directly with the Police Department to control violence and vandalism, and with neighborhood and community groups on matters of civic and park interests to create more effective public service. | \$106,000
1.0 |
| 4. | <i>Administration</i>
Property Management: Add a Property Manager position to manage the maintenance of Parks facilities. The Parks and Recreation Department directly manages an estimated two million square feet of indoor space, various specialty facilities (examples include: 29 public pools, South Mountain Tower site, historic buildings, museums, and Tovrea Castle), and outdoor park and trail amenities.
<u>Status Update:</u> The position is currently vacant, however the job opportunity has been advertised and is anticipated to be filled in March/April 2022. | \$108,000
1.0 |
| 5. | <i>Parks Maintenance</i>
Deem Hills: Add a part-time Groundskeeper position and supplies to maintain the phase 3 project at Deem Hills Park, which includes: a sand volleyball court, a tennis court, pickleball courts, a large ramada, three small ramadas, a .7 mile nature trail interpretive loop, 25 additional parking stalls and other site furnishings like new trees, irrigation system and landscaping.

<u>Status Update:</u> The part-time position is currently vacant. The workload is currently being covered by existing staff. | \$34,000
0.5 |

Department/Program**2021-22
Total**

-
- | | | |
|----|--|------------------|
| 6. | <i>General Recreation</i>
Adaptive Recreation: Add staff and supplies to maintain the current Adaptive/Inclusive Recreation Program with General Funds upon the expiration of the existing donations and to expand the program citywide. This program started in March 2020 and is currently funded until March 2022 based on a two-year funding commitment from the Phoenix Suns. It offers adaptive recreation services to individuals with developmental disabilities and adaptive recreation programming and inclusion services for youth and adults, their families and caregivers to enhance quality of life and to promote inclusion. Failure to continue funding this program when the donations expire will result in the program not being able to continue leaving the City without any adaptive recreation programs.

<u>Status Update:</u> The full-time position is filled, and the two part-time positions are currently vacant and in the recruitment process. The addition of staff has allowed for individuals citywide to participate in adaptive programs, such as golf, soccer, cheerleading, bocce ball and E-sports, that otherwise would not be offered by the City. | \$68,000
3.0 |
| 7. | <i>Parks Maintenance</i>
New Parks: Add a General Fund set-aside for staff, supplies and equipment to operate three new parks expected to open in fiscal year 2022-23. The new parks will be located at 55th Ave. & Samantha Way, 71st Ave. & Meadow Loop Rd., and 87th Ave & Lower Buckeye Rd. Construction of the parks will be paid for using available resources from impact fees.

<u>Status Update:</u> The new park sites are expected to open in spring and summer of 2022. The community was heavily engaged throughout the design process of the new parks. Two full-time positions have been filled and the other four are anticipated to be filled in February 2022. | \$945,000
6.0 |
| 8. | <i>Parks Maintenance</i>
Historic Cemeteries: Add staff and equipment to provide more frequent maintenance at two historic cemeteries, the Phoenix Pioneer and Military Cemetery and Cementerio Lindo Cemetery, and to begin providing maintenance services for the historic Sotelo Heard Cemetery located at 4545 South 12th Street. The cemeteries are highly visited by residents and out of town tourists alike as part of the History of the City of Phoenix tours offered by the nonprofit Phoenix Cemetery Association (PCA).

<u>Status Update:</u> Two full-time positions are currently vacant. The additional workload is currently being covered by existing staff. | \$171,000
2.0 |

Department/Program**2021-22
Total**

9.	<i>Parks Maintenance</i> Highline Canal Trail: Add staff, supplies and equipment to maintain the Highline Canal Trail between 7th Avenue and 40th Street. The trail includes a 6' wide asphalt path, advanced irrigation system, trees and shrubs and two large urban desert bosques (urban forests areas). In addition, the trail is also home to the "Zanjero" Art Project, which includes numerous art features playing tribute to the agrarian roots of South Phoenix.	\$171,000 2.0
	<u>Status Update:</u> One of the two positions has been filled. The second position is anticipated to be filled in February 2022. Hired staff is currently maintaining the canal, which is 5.25 miles long and needs constant attention and maintenance. Maintenance includes the elimination of debris, tree trimming, weed control and trail maintenance, which has resulted in a clean and accessible trail for the community to enjoy.	
10.	<i>Art, Educational & Environmental Facilities Operated by City Staff</i> Pueblo Grande Museum: Convert a temporary Museum Assistant position to an ongoing position in the General Fund. The Museum Assistant is a professional-level position responsible for the registration, curation, and care of collections in the archaeological repository. This includes creating new repository agreements, arranging curation deliveries, accessioning incoming collections, and conducting registration activities for repository collections.	\$78,000 1.0
	<u>Status Update:</u> The position has been filled. Staffing has enhanced preservation conditions resulting in better care of the Museum's collection and the efficiency and response times related to the archaeological repository.	
	Total Parks and Recreation	\$2,852,000 29.3

Department/Program

**2021-22
Total**

Planning and Development

1. *Long Range Planning*

\$296,000

Community Planning: Add two Planner II positions and a Planner III position to support Council and community-initiated projects and priorities. The team will devote significant time to Rio Reimagined, leading the development of a plan with the vision, goals, policies and strategies that guide the future growth, redevelopment and preservation along the banks of the Salt River. The Planning team will work with the Mayor and Council and community, along with multiple city departments, consultants and other partners to establish a Rio Reimagined Plan that provides a foundation for future actions and investments, including sustainable land use, heat mitigation, diverse housing options, economic development and other important programs.

3.0

Status Update: The Planner III position has been filled. A scope of work for the first phase of the Rio Reimagined Plan has been drafted and existing conditions analysis and mapping is done. There is an active recruitment for the Planner II positions. Staff anticipates filling both of these positions this spring.

Department/Program

2021-22
Total

2. *Office of the Customer Advocacy* \$30,000

Adaptive Reuse: Increase funding for the Adaptive Reuse Program. The program provides resources to assist small business owners who are locating their businesses in Phoenix, and supports the City's reenergized clean construction efforts, resulting in the expanded use of underutilized/vacant existing buildings. The City Manager is proposing a \$5,000 increase to the Trial Budget proposal of \$25,000.

0.0

Status Update: The supplemental increase for FY22 resulted in a total annual budget of \$130,000 for adaptive reuse incentives. The Adaptive Reuse Incentive provides up to \$7,000 in plan review and permit fee assistance to qualified projects; use of the incentive requires the applicant to submit plans to the city for review. During the first 6 months of FY21/22, the Office of Customer Advocacy assisted 27 projects with reuse/repurposing existing buildings for new uses with total disbursement of \$8,751 in Adaptive Reuse Incentive funding. Seven of those projects resulted in businesses opening, 4 projects are in the conceptual stage, 8 projects are in the planning/plan review stage, and 8 projects are under construction. As projects progress toward receiving a Certificate of Occupancy for their new use, additional funds will be provided to assist with paying qualified plan review and permit fees. If all projects submit for the maximum Adaptive Reuse Incentive amount, those incentives will total an additional \$87,000 to be provided to these small businesses. The Office of Customer Advocacy will continue assisting the currently underway projects and will promote the Adaptive Reuse Program to recruit and assist additional projects during the next 6 months of this fiscal year which will increase reuse of existing buildings for new purposes and will increase opportunities to assist businesses with Adaptive Reuse Incentive funds.

Department/Program

2021-22
Total

3.	<p><i>Administration and Enforcement of Local and Federal Historic Preservation Laws</i></p> <p>Historic Preservation: Add funding for historic preservation grants to assist residential property owners in maintaining their historic properties.</p> <p>Status Update: The Exterior Rehabilitation Grant Program Guide and Grant Application were updated and shared on the city’s website, via email to preservation organizations and neighborhood representatives and on social media with a grant application deadline of 10/18/21. A total of 62 applications were received totaling over \$850,000 in grant funds requested. The grant review panel selected 12 of the applications based on stated criteria totaling an award of \$186,997.45. The Historic Preservation Commission and Equity and Economic Development Subcommittee recommended the 12 applications, and City Council approved grant awards on 12/1/21. Staff are currently working with grant recipients on preparing their legal documents prior to the start of rehabilitation work. Because of these grants, 12 historic homes will be rehabilitated, and integrity protected with a conservation easement. The Zoning Ordinance only delays demolition by up to a year and review of exterior work is only done for work that requires a permit. With the conservation easement, demolition is not permitted during the life of the easement (15-20 years) and all exterior work requires approval.</p>	<p>\$200,000</p> <p>0.0</p>
	Total Planning and Development	\$526,000 3.0
	<u>Public Works</u>	
1.	<p><i>Floodplain Management</i></p> <p>Flood Plan Management: Add one Civil Engineer II to support the Flood Plain Management program and assist in maintaining Federal Emergency Management Agency (FEMA) compliance to the National Flood Insurance Program (NFIP) and the Community Rating System (CRS) which provides insurance premium discounts for residents. This position is needed to assist in completing the increasingly complex compliance requirements.</p> <p>Status Update: The Civil Engineer II position was filled in January 2022 resulting in an increase in support to the Floodplain Management program.</p>	<p>\$107,000</p> <p>1.0</p>
	Total Public Works	\$107,000 1.0

Department/Program

2021-22
Total

Street Transportation

1.	<i>Landscape Management</i>	\$147,000
	New Street Landscaping: Add funding to maintain street landscaping along newly developed and renovated streetscapes. This includes maintenance for new landscaping along the Grand Canal Phase II, Avenida Rio Salado from 35th Avenue to 51st Avenue, and the east side of 107th Avenue from Indian School Road to Camelback Road.	0.0
	<u>Status Update:</u> The contract is in place and maintenance has been completed on schedule. Funding of this program expansion has facilitated the maintenance and care of landscaping in the newly developed areas as well as routine trash clean-up and addressing waste from encampments in these areas.	
2.	<i>Central Records</i>	\$0
	Public Records Support: Add an Engineering Technician position in the Central Records Section to support increased public records requests for right-of-way, City infrastructure, facilities and private development plans and maps including paving, storm drain, traffic services, and procurement and street maintenance records for the public, media and legal request. This position will be charged out to departments for whom records are being requested regarding their projects.	1.0
	<u>Status Update:</u> The position has been filled. The team's workload has increased due to the City's increasing five-year capital improvement program. Adding this position has allowed the Central Records Section to continue processing public records requests in a timely manner.	
	Total Street Transportation	\$147,000 1.0
	TOTAL BUILDING COMMUNITY AND RESPONDING TO GROWTH	\$4,688,000 39.3

ADMINISTRATIVE ACCOUNTABILITY

City Clerk

- | | | |
|----|---------------------------------|------------------|
| 1. | <i>Elections Administration</i> | \$300,000
0.0 |
|----|---------------------------------|------------------|

Election Transparency: Add funding for consulting services to perform a strategic assessment of the City's election services information technology needs. This would include the evaluation of the existing application portfolio and the development of a strategic, multi-year plan. Additional requests for funding will follow in future years once an overall information technology strategy is approved. Improving the information systems supporting election services will enable the City to meet the need for increased transparency in elections, and for voters, candidates and elected officials to more easily engage in the elections process.

Status Update: City Clerk staff have been coordinating with the Information Technology Services department to develop a strategic, multi-year plan to improve the information systems that support election services and meet the need for increased transparency in elections, and for voters, candidates, and elected officials to more easily engage in the election process. City Clerk has identified areas for improvement, increased efficiency and new or improved services. The Information Technology Services department is currently working to contract the appropriate resources to begin evaluating existing election applications and develop an implementation plan.

At the same time, City Clerk staff is diligently monitoring current proposed legislation for impacts on election related services and impacts on this multi-year plan. Voluminous and significant legislation is currently being proposed during the legislative session; therefore, City Clerk is being cautious with the approach. City Clerk staff will need to evaluate the outcome of legislation prior to making any significant changes, and therefore, any significant spending may need to occur in next fiscal year.

Total City Clerk

\$300,000
0.0

Department/Program

2021-22
Total

City Manager's Office

1. *Professional Administration of Policies and Objectives Set Forth by Mayor and Council* \$272,000
2.0

Diversity, Equity, and Inclusion: Add an Assistant to the City Manager position to act as the Diversity, Equity, and Inclusion Officer and an Administrative Assistant I position to provide administrative support. This new office will be charged with ensuring equitable distribution of City services throughout the entire City and serve as the champion for delivering racial equity programs for the community.

Status Update: The two positions are vacant. The Diversity, Equity, and Inclusion Director (Assistant to the City Manager) recruitment posted in January 2022 and is expected to be filled by April 2022. Once the Director is hired, a recruitment for the Administrative Assistant I position will start. The process is anticipated to begin in May.

Total City Manager's Office \$272,000
2.0

Communications Office

1. *Public Records, Customer Requests, and Customer Service to the Public* \$94,000
1.0

Citywide Public Records Support: Add a Management Assistant I position to assist with tracking and responding to public records requests. In the last several years the volume of records requests has increased by more than 60% to over 9,500 per year. Adding this position will allow for the maintenance of service levels.

Status Update: The Management Assistant I position was filled in November 2021. The number of public records requests have doubled since this position was initially requested in January 2021. The Communications Office is at least able to maintain the same level of service with this position.

Total Communications Office \$94,000
1.0

Department/Program

2021-22
Total

Human Resources

1. *Various* \$391,000
3.0

HR Support: Add three positions for procurement, data management, and investigations. A Contracts Specialist II*Lead position to conduct formal procurement processes and manage contracts. Contract monitoring and administration is critical to ensure contractors perform in accordance with the City's terms and conditions and with satisfactory performance. A Human Resources Officer position to conduct investigations as a result of the increase in citywide complaints in recent years. These complaints have been received through a variety of sources including departments, employees, citizens, and through the internal integrity line. A Lead Business Systems Analyst position to create and collect data, convert raw data into meaningful information, make recommendations to various levels of City staff, and facilitate or participate in work groups tasked with making business improvements.

Status Update: The Contract Specialist II Lead position has been filled. This position conducts formal procurement processes and manages the Department's contracts. The Human Resources Department has ongoing complex formal procurement processes and over 100 contracts to manage. The Human Resources Officer position has been filled. The Human Resources Officer is responsible for investigations and providing a wide variety of services including providing guidance on recruiting, training, performance evaluation as well as conducting investigations of employee misconduct. This position provides critical services to the Neighborhood Services Department, Retirement Office and the Office of Environmental Programs. For the Lead Business Systems Analyst, a second recruitment effort is underway after the final candidate from the first recruitment process declined the offer.

Total Human Resources

\$391,000
3.0

Department/Program

2021-22
Total

Information Technology Services

1. *Enterprise Business Applications Services* \$750,000
ERP System Support: Add contractual funding for a managed services agreement with a technology provider specializing in Enterprise Resource Planning (ERP) systems. This support is needed to bridge the technical expertise gap in existing City personnel who support the City's SAP and Peoplesoft ERP systems. The agreement will be to provide an ERP program manager, business analyst, technical leader and other needed services in an effort to improve processes and implement system advancements. 0.0

Status Update: This funding has been critical in the support of the City's two ERP systems, SAP and PeopleSoft. Contractual services have included an ERP Program Manager assisting with the SAP migration to the cloud. This resource has prior experience in moving complex financial systems to the cloud. The funding is also funding professional services for PeopleSoft (eChris). This has enabled the upgrade of the PeopleTools environment, kept the systems secure and patched, and is moving several critical City initiatives forward, including the one-time premium pay and referrals. Funding has also been used to engage an Oracle Managed Service Provider to assist in moving the eChris database to a new database platform to ensure ongoing support.

2. *IT Strategic Services* \$523,000
IT Information Security: Add one Lead Information Technology Systems Specialist and two Senior Information Technology Systems Specialist positions to support the City's growing technology infrastructure. These critical positions are needed to lead infrastructure and application vulnerability remediation efforts that mitigate known security and operational deficiencies. 3.0

Status Update: All three positions are currently vacant. These positions are being used to address the most critical needs of the City's growing infrastructure and address security and operational deficiencies. The Lead IT Systems Specialist is being recruited for an Enterprise Network Architect, the first Senior IT Systems Specialist as a Business Continuity/Disaster Recovery Lead, and the final Senior IT Systems Specialist as a Privacy and Compliance Lead. The positions are in various stages of recruitment, with the last having to be reposted after the selected candidate declined.

Total Information Technology Services

\$1,273,000
3.0

Law

- | | | |
|----|---|-----|
| 1. | <i>Civil Division</i> | \$0 |
| | In-source Legal Support: Convert contractual services for paralegal support to create two Legal Assistant positions. The Law Department utilizes a paralegal contract for support of civil litigation cases. It was determined that hiring two full-time employees and reducing the contracted services results in a cost savings and greater efficiency of services. | 2.0 |

Status Update: One of the two Legal Assistant positions was filled in November 2022. A second candidate initially accepted the position at that same time and then declined due to the City’s potential vaccination requirement. Another recruitment is currently open to fill the second position. The benefit of adding the Legal Assistant position has allowed the department to start to reduce the cost of the paralegal contract since this position has been able to take on some of the work that would be spent on the contract. This position has also trained to assist the department on the Department of Justice investigation. The individual has been trained on the new software that will be assisting the department in their response to the investigation to submit thousands of documents. The department will realize more savings to the paralegal contract with the addition of the second position.

Total Law	\$0
	2.0

Library

- | | | |
|----|---|-----------|
| 1. | <i>Administration</i> | \$306,000 |
| | Add two information technology positions to support expanded technology services. Positions include a Lead Information Technology Systems Specialist to manage teams that support 60 applications, 1,000 public access computers, and multiple platforms for 17 libraries; and a User Technology Specialist position to support new programs to reach customers remotely such as the public laptop lending program. | 2.0 |

Status Update: The Lead Information Technology Systems Specialist has been hired and is now managing the Library Information Technology unit, and the User Technology Specialist recruiting process has been completed and a job offer has been made to the recommended candidate.

Department/Program**2021-22
Total**

-
2. *Administration* \$93,000
1.0
Add an Accountant II position to oversee the daily operation of the Library's accounting section. This position will provide support for accounts payables and receivables, fixed asset accounting, bank account reconciliations, inter-agency invoices, grant administration support, expenditures review, response to auditors, and payroll accounting.

Status Update: In December 2021, the vacant Accountant II position was changed to an Accounting Supervisor to provide high-level leadership and financial direction overseeing a wide range of fiscal responsibilities to improve financial controls and oversight for procurement, budget, and accounting management. This position has been temporarily filled until a formal recruitment can be done.

Total Library \$399,000
3.0

Parks and Recreation

1. *Administration* \$208,000
2.0
Parks IT Support: Add a Senior User Technology 2.0 Specialist position and a User Technology Specialist to provide IT support for the department. The Parks and Recreation Department Information Technology staff provides support to 32 community/recreation centers, numerous offsite office locations, over 800 devices and over 1,500 full and part-time employees. These additional positions are necessary to support the significant increase in new hardware and IT projects that have been implemented in the department.

Status Update: The two positions have been filled and have helped the department to expand its IT support and services. Staff is in the process of developing a tracking system for the department's hardware and software. Other efficiencies include streamlining the rollout of devices and updating software for public-facing laptops and staff laptops. Having additional staff has allowed other team members to implement features in the department's recreation management software that will allow the public to make reservations for classroom and gym usages in the community centers.

Total Parks and Recreation \$208,000
2.0

Department/Program

2021-22
Total

Public Works

- | | | |
|----|---|-----------|
| 1. | <i>Equipment Maintenance Repair and Related Parts Service Support</i> | \$137,000 |
| | Fleet Maintenance: Restore 10 fleet maintenance positions that support the Fire, Parks and Recreation, Public Works Solid Waste, Street Transportation, and Water Services Departments. Funding for these positions is primarily from Non-GF departments. Adding these positions will decrease downtime and service delays. The cost of these positions will be partially offset by a reduction in contract vendor funding. The ten positions include two Equipment Service Worker II, five Heavy Equipment Mechanic, one Auto Technician, one Auto Parts Clerk II and one Support Services Aide. | 10.0 |

Status Update: Fleet Services has filled three positions that include the Support Services Aide, Auto Parts Clerk II and Heavy Equipment Mechanic. Fleet Services is in the process of hiring the remaining seven restored fleet maintenance positions, with interviews and recruitments in progress. Once these positions are filled, an increase of production in direct billable hours and preventative maintenance is anticipated, as well as a decrease in service delays and downtime. With the hiring of all ten positions, Fleet Services will see a decrease of outside labor costs and an increase of availability of critical equipment and vehicles.

- | | | |
|----|--|-----|
| 2. | <i>Administration</i> | \$0 |
| | Add one Senior Human Resources Analyst position to provide support to the Solid Waste divisions. This position is located in the General Fund but will be funded by the Solid Waste fund and is needed to increase response time, provide supervisor support, process corrective actions and recruitments. | 1.0 |

Status Update: The position is currently vacant. A recruitment processes is underway and it is expected the position will be filled before the end of April.

Total Public Works	\$137,000
	11.0

TOTAL ADMINISTRATIVE ACCOUNTABILITY	\$3,074,000
	27.0

<u>TOTAL GENERAL FUND</u>	\$36,494,000
	318.2

2021-22

SUPPLEMENTALS UPDATE
NON-GENERAL FUND

Department/Program	2021-22 Total
CLIMATE CHANGE AND HEAT READINESS	
<u>Water Services</u>	
1. <i>Water Resource Management and Development Planning</i>	\$724,000
Water Conservation: Add staff and equipment to implement Phase II of the water conservation plan approved by City Council. The positions are being requested based on the Water Conservation Ad Hoc Committee recommendation to expand conservation outreach within the City. Council also adopted the water conservation metric to reduce the total gallons-per-capita-per-day (GPCD) from 169 to 155 by 2030.	5.0
<u>Status Update:</u> Phase II of the water conservation plan is under way to expand conservation outreach and to develop metrics to measure the success of the various programs approved by the City Council. All staff have been hired as of January 2022 and vehicles have been ordered but not yet received.	
Total Water Services	\$724,000 5.0
TOTAL CLIMATE CHANGE AND HEAT READINESS	\$724,000 5.0

AFFORDABLE HOUSING AND HOMELESSNESS

Public Works

- | | | |
|----|---|-----|
| 1. | <i>Education and Enforcement</i> | \$0 |
| | Human Services Campus Cleanup: Add funding to support the coordination and expansion of the Human Services Campus Clean-Up service. The request includes adding one Supervisor and two Solid Waste Equipment Operator positions, one Rear Loader, one Articulator Loader, and one Trailer. Positions will be in the Solid Waste Division of Public Works. | 3.0 |

Status Update: All three positions are filled resulting in a faster response to verifying, cleaning, and removing debris and litter left from encampments surrounding the Human Services Campus. The equipment order has been placed for the Rear Loader, Articulator loader and trailer. Until this order is received, staff are utilizing existing equipment for clean-ups. Bio-hazard clean-up funding is available within the operation to address bio-hazard related clean-ups, completed by a contracted vendor.

Total Public Works	\$0
	3.0

TOTAL AFFORDABLE HOUSING AND HOMELESSNESS	\$0
	3.0

BUILDING COMMUNITY AND RESPONDING TO GROWTH**Planning and Development**

- | | | |
|----|--|------------------|
| 1. | <i>Residential Plan Review & Inspections</i> | \$284,000
3.0 |
|----|--|------------------|
- Add two Construction Permit Specialist II positions and a Plan Review Coordinator position to the Residential Plan Review section which has seen a 49% increase in Single Family Residence plot plan submittals compared to last fiscal year along with a 90% increase in photovoltaic submittals. Additional staffing resources are needed to reduce the turnaround times for these reviews and maintain turnaround times in the future.

Status Update: The Residential Plan Review Coordinator (PRC) position was filled on 11/15/2021. The two Construction Permit Specialist II positions are currently in the hiring process with start dates anticipated in February 2022. The PRC has provided better oversight and increased coordination among the Residential Plan Review team. The PRC has also been involved in the development of a pilot Residential Permit by Inspection process for residential photovoltaic applications. The position assisted in a significant reduction in plan review turnaround times for residential reviews since July of 2021.

- | | | |
|----|---|------------------|
| 2. | <i>Commercial Plan Review & Inspections</i> | \$325,000
3.0 |
|----|---|------------------|
- Add a Structural Plans Engineer position, a Mechanical Plans Engineer position and a Principal Engineering Technician position in the Commercial Plan Review section due to several large development projects, including the semiconductor plant project, which is expected to meet strict deadlines to keep the project on track.

Status Update: The Structural Plans Engineer (SPE) and Principal Engineering Tech (PET) positions were filled on 01/24/22. Due to organizational needs, the PET position was reassigned to the Traffic Engineering team. The Mechanical Plans Engineer (MPE) position was held until the hiring supervisor position of Team Leader was filled, and the hiring process for the MPE began in January 2022. Commercial development continues to increase, and these positions will provide additional resources to assist in maintaining plan review turnaround times.

Department/Program**2021-22
Total**

-
- | | | |
|----|---|------------------|
| 3. | <i>Administration</i>
Add an Accountant I position to support the data reconciliation, analysis and reporting of financial data for accounts receivable, accounts payable and budget/cost recovery. Additional financial analysis support is needed primarily due to new duties anticipated with the KIVA/SHAPE PHX permitting system conversion. This position will provide technical/financial expertise and support in the new SHAPE PHX system to over 50 cash handling staff across various payment counters and sections within the department.

<u>Status Update:</u> The position was filled on 11/1/2021. The Accountant I processes refunds and cash bond releases for customers daily, performs Buyer functions, reconciles financial data, and provides accounting and budget support. This position created essential team coverage and continuity of service when other staff members are out of the office and has improved refund processing turn-around times as well as customer response times. The position was filled by an individual who worked on the same team as a temporary agency employee and who attended all required SHAPE PHX trainings in preparation for system release in 2022. | \$78,000
1.0 |
| 4. | <i>Residential Plan Review & Inspections</i>
Add a General Inspector II position for the Remote Inspections program. This position will be dedicated to the Remote Inspections program but will also be able to assist with other inspections as needed.

<u>Status Update:</u> The position was filled on 11/8/2021. The section has been able to maintain the Remote Inspections program and expand resource capacity by providing next day inspections for residential projects. | \$116,000
1.0 |
| 5. | <i>Administration</i>
Add a User Technology Specialist position. IT staff provide day-to-day support for more than 500 computer workstations and associated software. This position will help ensure any service or technical issues are being proactively resolved in order to minimize customer impact.

<u>Status Update:</u> The position was filled on 09/20/2021. The position was filled by an individual who worked on the same team as a temporary agency employee and immediately provided expedited support for technical issues. This position was a key part of the team that replaced inspector's field equipment and has attended all SHAPE PHX training classes. | \$96,000
1.0 |

Department/Program

2021-22
Total

6.	<i>Administration</i>	\$60,000
	Add a Records Clerk II position to support the scanning of planning, zoning and historic preservation files. Increased activity and resulting workloads of planners supports the need for this position. PDD averages 750 to 1,000 zoning cases annually. Each of these Zoning adjustment, rezoning and special permit case files need to be scanned into SIRE database system after the cases are completed.	1.0
	Status Update: The position was filled on 08/23/21. The Records Clerk II primarily scans zoning case files and ensures quality assurance and consistency. Along with the scanning, customers receive zoning public records responses within the timeframe requested. Not only has the Records Clerk II position alleviated unnecessary workload from the Records Supervisor and PDD Zoning staff, but it has also had a positive impact on the entire Records section by providing public records in a timely manner.	
	Total Planning and Development	\$959,000 10.0

Public Works

1.	<i>Contained Residential Collection</i>	\$2,012,000
	Add funding to support the refuse and recycle collection service growth needed to efficiently maintain existing and future service levels. The request is consistent with the 2019 Solid Waste Rate Advisory Committee and financial plan approved by Mayor and City Council. Includes adding four Solid Waste Equipment Operator and four automated side loaders.	4.0
	Status Update: The four Solid Waste Equipment Operator positions have been filled. These additional resources have helped the Solid Waste Field Services division maintain services to Phoenix residents. Phoenix has maintained service levels during the pandemic despite an increase in demand and sick leave taken, as well as the standard residential household growth.	

Department/Program

2021-22
Total

2.	<i>Open Landfill</i>	\$72,000
	Add one Equipment Operator IV position to support the citywide growth in solid waste tonnage at the SR85 Landfill. This position is needed to reduce overtime, employee fatigue and operational efficiency.	1.0
	<u>Status Update:</u> The Equipment Operator IV position is currently in recruitment, with one candidate undergoing the background process. The candidate pool for this specific location and classification has been limited, which has delayed the onboarding process significantly. Last calendar year, SR85 completed five hiring demonstrations. Operational impacts of this vacancy include employee fatigue and excess overtime. Equipment Operators in general are becoming more difficult to attract and retain due to external market challenges. Hired contractors are also expressing this challenge.	
	Total Public Works	\$2,084,000 5.0
	<u>Street Transportation</u>	
1.	<i>Street Maintenance</i>	\$0
	Add a Senior GIS Technician position in the Geographic Technology Services Section to oversee quality control, training, and data research for the GIS land base information and ensure recorded documents are correctly prepared and documented for GIS Technicians to map. Position will replace consulting services resulting in a net zero add.	1.0
	<u>Status Update:</u> Position has been filled. The Senior GIS Technician is providing valuable oversight, training, and quality control. This position is also streamlining processes to improve turnaround times for customers.	
2.	<i>Administration</i>	\$94,000
	Add a Senior GIS Technician position in the Technical Services Section to meet the needs of Pavement Management program's GIS editing and analyses, and the demand for GIS maps, tools, and services.	1.0
	<u>Status Update:</u> Position has been filled. The new Senior GIS Technician has been instrumental in updating the existing public facing Pavement Dashboard. This new position is also part of the team updating the public facing Cool Pavement web site with an embedded map that shows the locations of Cool Pavement projects.	

Department/Program

2021-22
Total

3. *Various* \$262,000
2.0

Restore two Street Maintenance Foreman III positions and add funding for two vehicles. Positions are assigned to the Preventive Maintenance and Street Cleaning Sections. Six Foreman III positions were eliminated during the recession, four positions were restored, these are the last two positions. Positions handle day-to-day operations, provide training on procedures and safe operation of equipment, and handle administrative responsibilities related to emergency and storm response.

Status Update: Both positions have been filled. Funding these positions has provided a renewed leadership role in the Preventative Maintenance and Street Cleaning Sections. The Preventative Maintenance Foreman III is currently focused on assigning paving crews to segments of arterial streets needing major repairs. The Street Cleaning Foreman III is currently focused on addressing the increasing calls for service through PHX CARES to address encampments in the right-of-way and at the Human Services Campus.

4. *Street Maintenance* \$77,000
1.0

Add an Administrative Aide position in the Field Operations Administration section, dispatch function to assist with phone service requests, email, and other communications from the public, City staff, and other agencies regarding emergency, non-emergency street maintenance, and non-street related concerns.

Status Update: Position is filled. This position has been critical in the reduction of the use of an existing call center contract to ensure continuous coverage of Street Transportation Department Dispatch functions. Approval of this position is resulting in an overall cost savings to the city and also reducing wait times for calls from the public to report street maintenance issues.

Total Street Transportation \$433,000
5.0

TOTAL BUILDING COMMUNITY AND RESPONDING TO GROWTH \$3,476,000
20.0

ADMINISTRATIVE ACCOUNTABILITY

Public Works

- | | | |
|----|-----------------------|-----------------|
| 1. | <i>Administration</i> | \$94,000
0.0 |
|----|-----------------------|-----------------|
- Add one Senior Human Resources Analyst position to provide support to the Solid Waste divisions. This position is located in the General Fund but will be funded by the Solid Waste fund and is needed to increase response time, provide supervisor support, process corrective actions and recruitments.

Status Update: The position is currently vacant. A recruitment processes is underway and it is expected the position will be filled before the end of April.

Total Public Works	\$94,000 0.0
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TOTAL ADMINISTRATIVE ACCOUNTABILITY	\$94,000 0.0
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<u>TOTAL NON- GENERAL FUND</u>	\$4,294,000 28.0
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Attachment D

City of Phoenix 2022-23 Virtual Community Budget Hearings [Virtual Budget Hearings \(phoenix.gov\)](https://www.phoenix.gov)

Date/Time	Council District(s)
Saturday, April 2, 2022 10:00 am	Citywide
Monday, April 4, 2022 8:30 am	District 2
Tuesday, April 5, 2022 8:30 am	District 4
Tuesday, April 5, 2022 5:30 pm	District 6
Thursday, April 7, 2022 8:30 am	District 3
Thursday, April 7, 2022 5:30 pm	District 5
Saturday, April 9, 2022 10:00 am	Citywide-Bilingual
Monday, April 11, 2022 5:30 pm	District 7
Wednesday, April 13, 2022 5:30 pm	Citywide-Bilingual
Thursday, April 14, 2022 5:30 pm	District 8
Friday, April 15, 2022 8:30 am	District 1



City of Phoenix

BUDGET AND RESEARCH DEPARTMENT REPORT	B.R.D. NUMBER 2022-10
SUBJECT General Fund Revenue Estimates	DATE ISSUED March 24, 2022

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 to maintain fiscal stability and long-term budget management. Predicting future revenue growth is challenging and requires a 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 2021-22 and 2022-23, and an explanation of the influencing factors used by staff in analyzing each major revenue category. The below table summarizes the 2021-22 and 2022-23 estimated GF revenues and the primary reason for the variance:

GF Revenue Category (millions)	2021-22 Estimate	2022-23 Estimate	Amount Change	Percent Change	Primary Reason for Difference
Local Taxes	\$611.5	\$632.3	\$20.8	3.4%	Moderate improvement in sales tax collections expected.
Primary Property Tax	191.3	199.2	7.9	4.1%	Increase in assessed property valuation.
State Shared Sales Tax	223.4	227.2	3.8	1.7%	Moderate improvement expected.
State Shared Income Tax	213.3	310.4	97.1	45.5%	Already known collections (based on FY 20/21 collections). Large Increase is due to tax deferral.
State Shared Vehicle License Tax	79.0	83.1	4.1	5.2%	Increase in tax collections expected.
User Fees & Non-Taxes	131.5	134.8	3.3	2.5%	Recovery from the pandemic, continued increase in several user fees and non-tax revenues.
Total	\$1,450.0	\$1,587.0	\$137.0	9.4%	

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. A possible reduction in city and state-shared contracting sales taxes could occur due to the House Bill 2701, which reduces the tax base for the prime contracting classification of transaction privilege taxes. The estimated revenue loss would be approximately \$11 million to \$13 million in 2023-24 and around \$22 million to \$28 million each year starting from 2024-25. 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 and Bureau of Economic Analysis.

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, Budget and Research consulted with the University of Arizona's Eller College of Management, Economic and Business Research Center (EBRC) 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 City staff to develop an enhanced econometric sales tax forecasting model for all categories of City and State sales tax. In the summer of 2017, staff worked with EBRC to update the tax forecasting model. In March 2021, the EBRC revised the City's model again by including online sales tax. The City began collecting sales tax from online marketplace retailers effective October 2019 just prior to the pandemic, which helped to offset losses experienced in the leisure and hospitality sales tax categories. The EBRC leads the State of Arizona Forecasting Project, which provides in-depth economic forecast analysis and databases on a subscription basis to businesses, organizations, and government via membership. The additional consulting with Drs. Hammond and Charney has 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 projected growth rates in each category of sales tax for the 2022-23 estimate and the out years of the forecast are based on projections developed with 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 U.S. economy has been on a roller coaster ride the past two years, as coronavirus and the emergency government response to it brought on both the sharpest, shortest recession in history as

well as the fastest growth in nearly 40 years. The consensus from trusted sources is the economic recovery from the pandemic will continue to be robust, albeit a slowdown from 2021.

Arizona's economy and revenue growth have outperformed the nation throughout the pandemic, and this trend is expected to continue. As of November 2021, Arizona replaced 101% of the jobs lost during the pandemic (Office of the Governor News Release, December 2021). Arizona was also ranked third in population growth in 2021 according to the U.S. Census. Additionally, Arizona has experienced strong housing demand and a significant increase in prices. Year-to-date as of September 2021, single family permits were up by 23% and multi-family permits grew by 5.6% (58th Annual Economic Forecast Luncheon, December 2021).

It is important to note, the inflation surge and the recent geopolitical crisis in Ukraine raise concerns about the future economy. The U.S. Bureau of Labor Statistics CPI-U for All Items Less Food and Energy in Phoenix-Mesa-Scottsdale was 9.9% in February 2022. The war in Ukraine could have economic repercussions globally and in the United States, ramping up uncertainty, roiling commodity markets, and pushing up inflation as gas and food prices rise worldwide. Information and data are not available at this time to make adjustments to revenue projections. Staff will monitor revenue data and look to the trusted economic sources to determine if adjustments could be necessary in the future.

Revenue Forecasting Methods

Several forecasting methods and practices are used to estimate city revenues and vary depending on the type of revenue being analyzed. Evaluating historical growth patterns and current actuals is an important component to analysis and provide 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 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 the estimates. The most common methods of revenue estimation used are averages of actual revenue experience by varying 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, the 7-month actuals represented a certain percentage of the total collections for the entire fiscal year, and then applying it 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

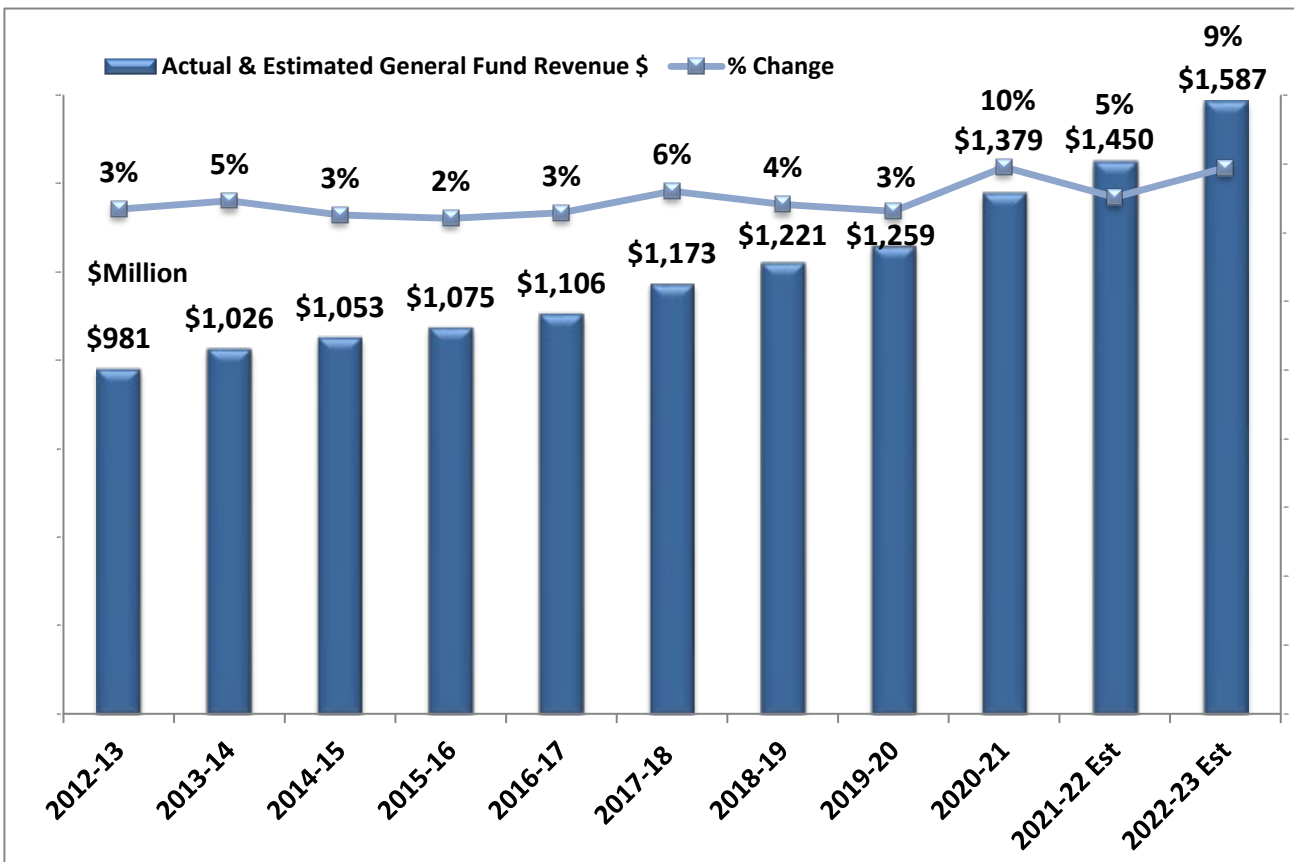
rates take into account historical and recent trends in revenue data, one-time revenue adjustments, and information from city departments and our trusted sources to ensure projections are not overly conservative or aggressive.

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 2021-22 and 2022-23 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

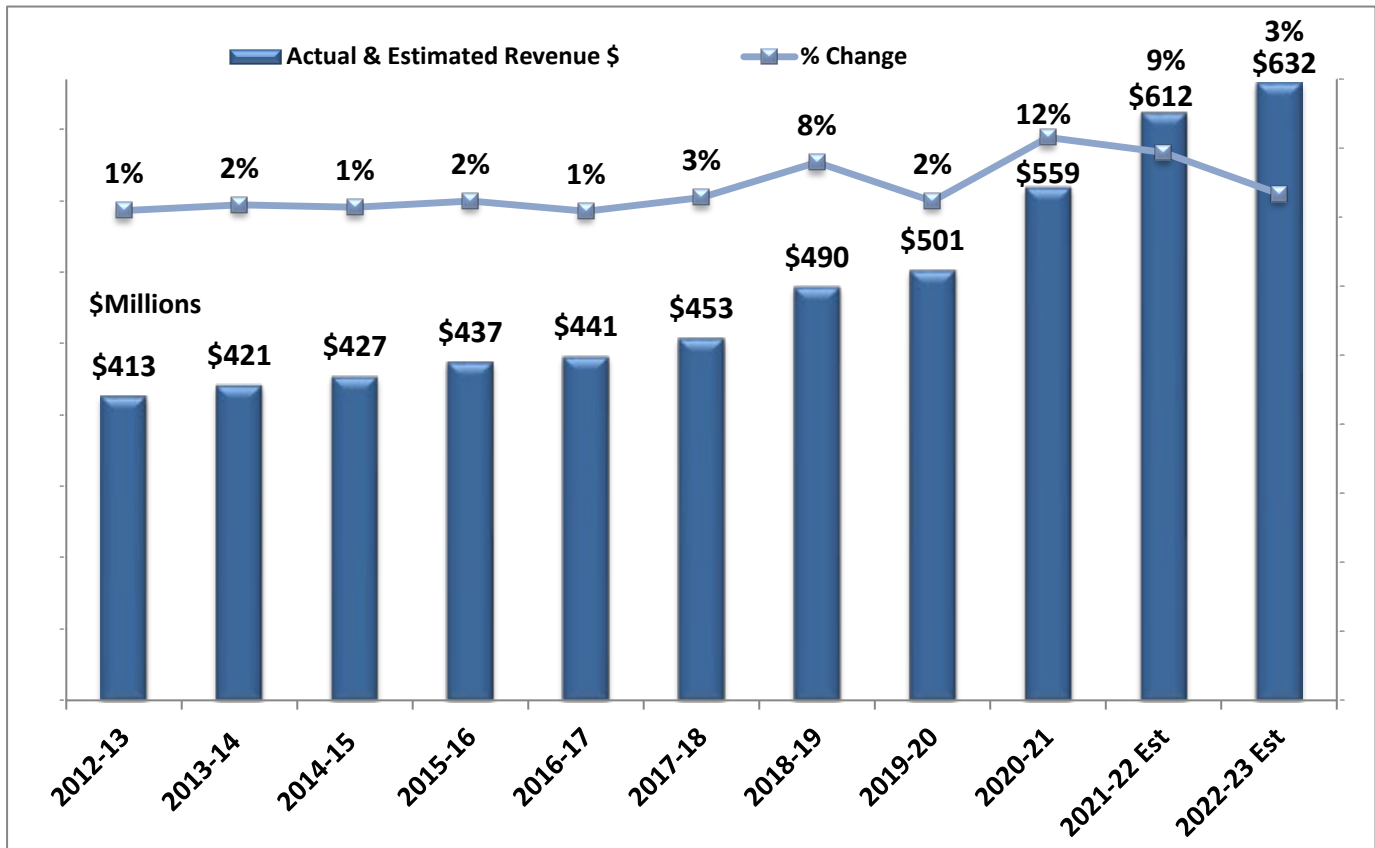


**Projections for 2021-22 and 2022-23 assume no fee increases, changes to state shared revenue formulas or legislative changes that have recently been proposed or discussed during the current legislative session.*

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. Thanks to federal assistance and more than expected revenue collections from retail and contracting sales taxes, which have offset the revenue loss in the hospitality and leisure industries, the Coronavirus recession did not negatively impact revenue collections from local taxes and related fees. 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 2022-23 of 3% assumes continuous growth over 2021-22 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 2022-23 are estimated to be flat. The growth estimated in 2022-23 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 = < \$11,631 for a single item) ****	1.2%	0.1%	0.2%	–	0.1%	0.7%	–	–	–	2.3%
Retail (Level 2 – amounts > \$11,631 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%

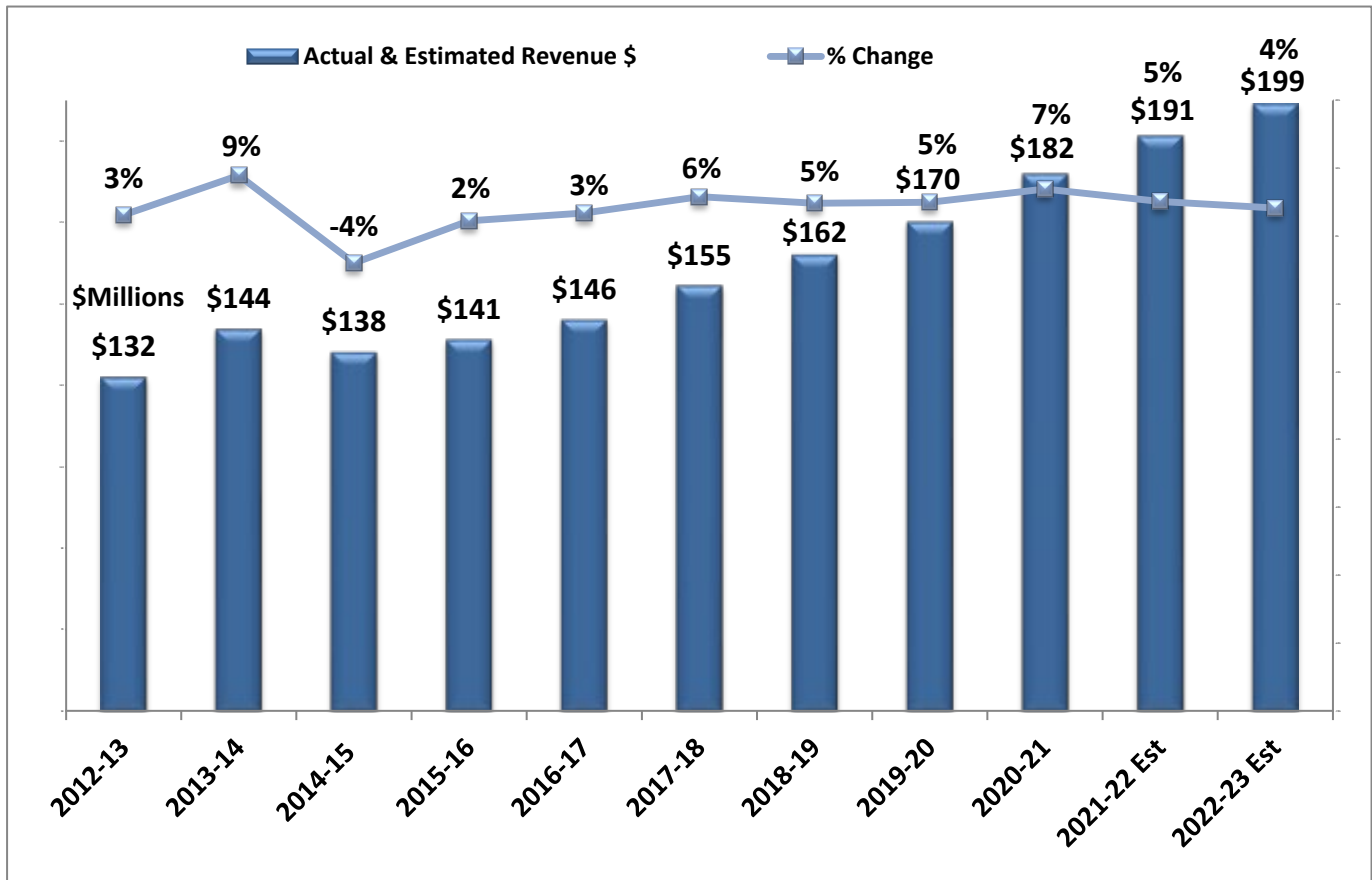
*The General Fund portion of the utilities category includes the 2.0 percent franchise fee paid by utilities with a franchise agreement.

**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.

**** Proposition 104 also established a two-tier tax rate structure applicable to retail sales of single items in excess of \$10,000, to be adjusted biennially for inflation. Effective January 1, 2018, the first \$10,303 (Level 1) is subject to the 2.3% tax rate, while transactions over \$10,303 (Level 2) are subject to the 2.0% tax rate. The criteria for Level 1 and Level 2 were adjusted again on January 1, 2022, and the new threshold is \$11,631.

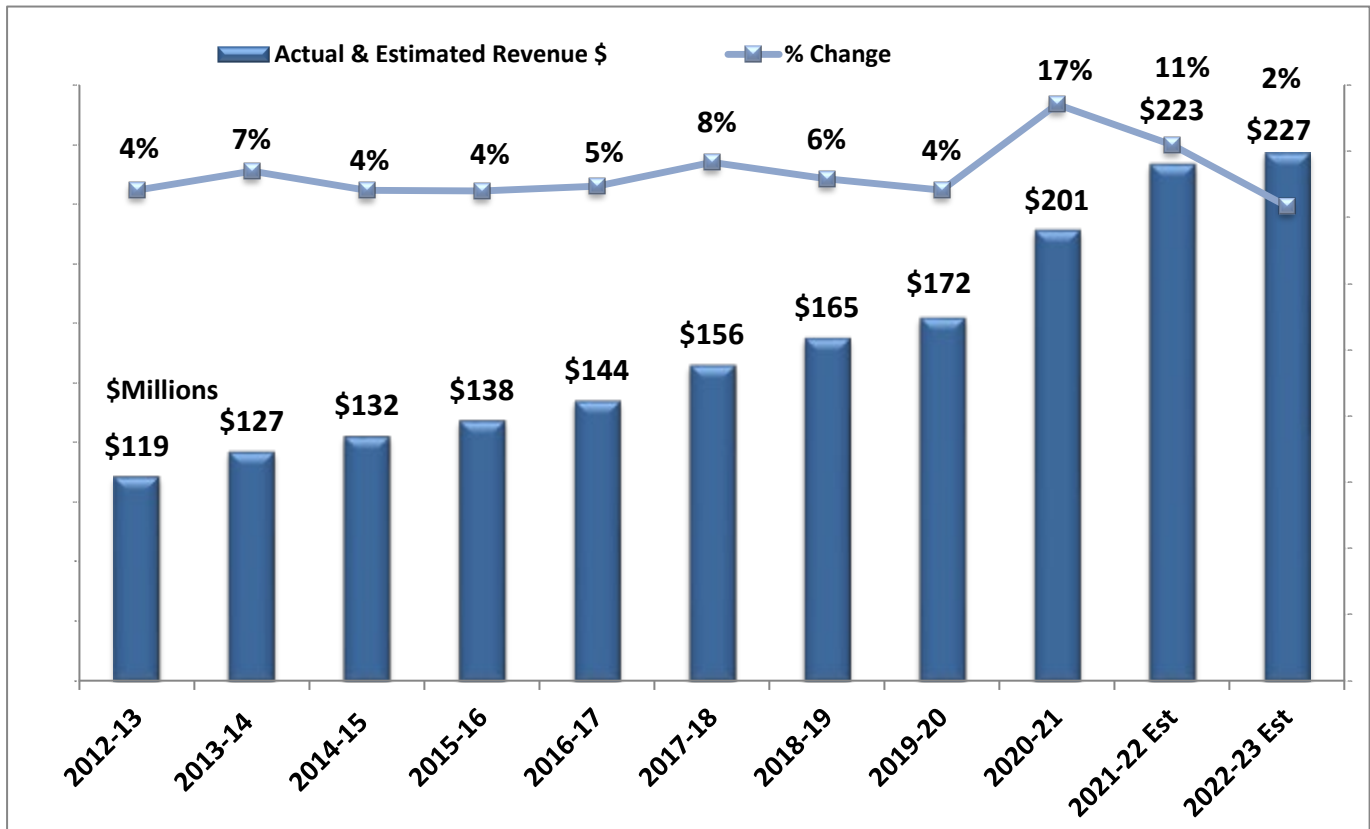
Primary Property Tax, 13% of Total General Fund Revenue



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 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 2022-23 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. The total proposed 2022-23 primary property tax rate is \$1.2989 per \$100 of assessed valuation, which is reduced from the current rate of \$1.3055 due to the constitutional levy limit.

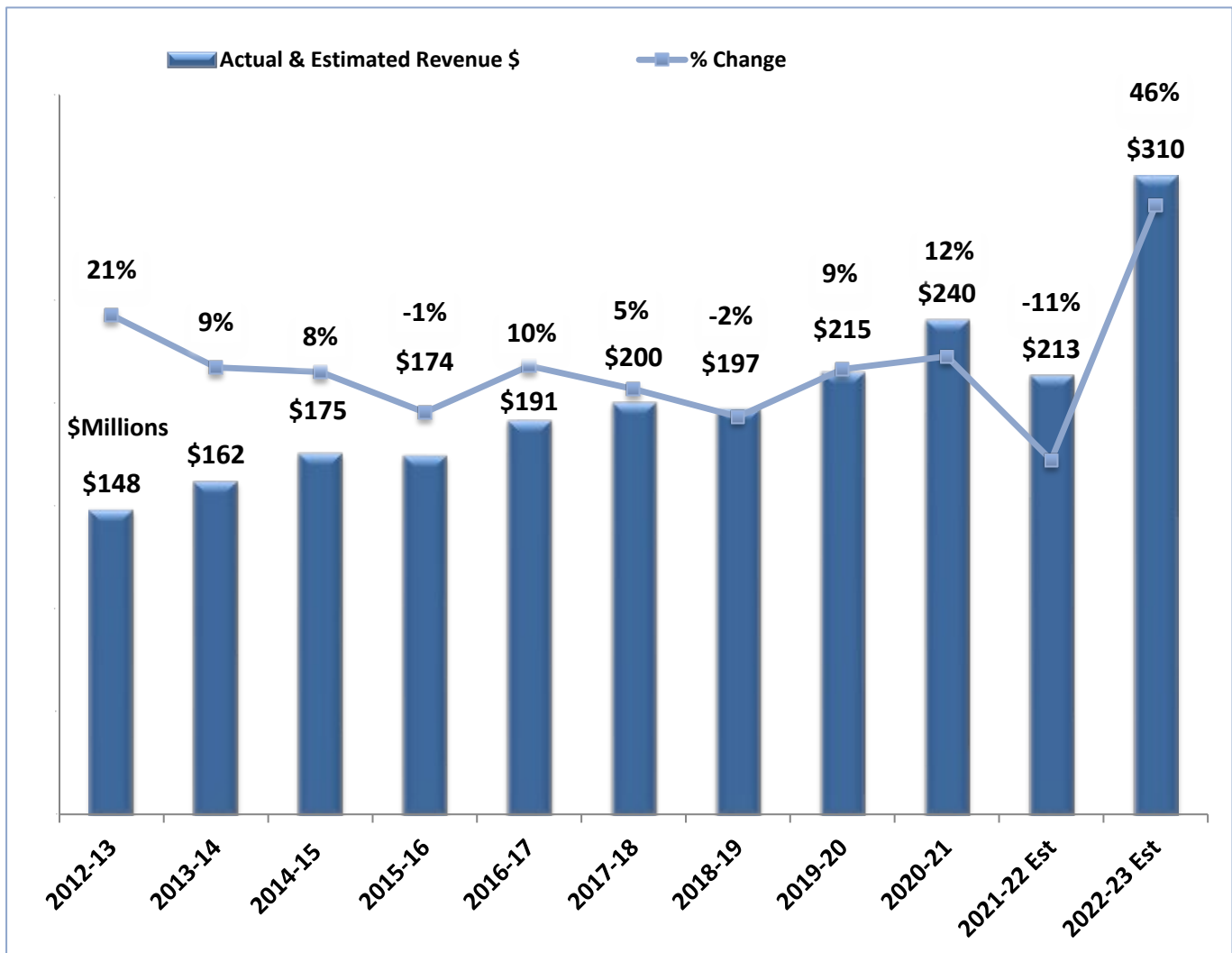
State Shared Sales Tax, 14% of Total General Fund Revenue



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 2022-23 City of Phoenix population share is estimated at 28.07 percent and is based on the 2020 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 2022-23 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, 20% of Total General Fund Revenue

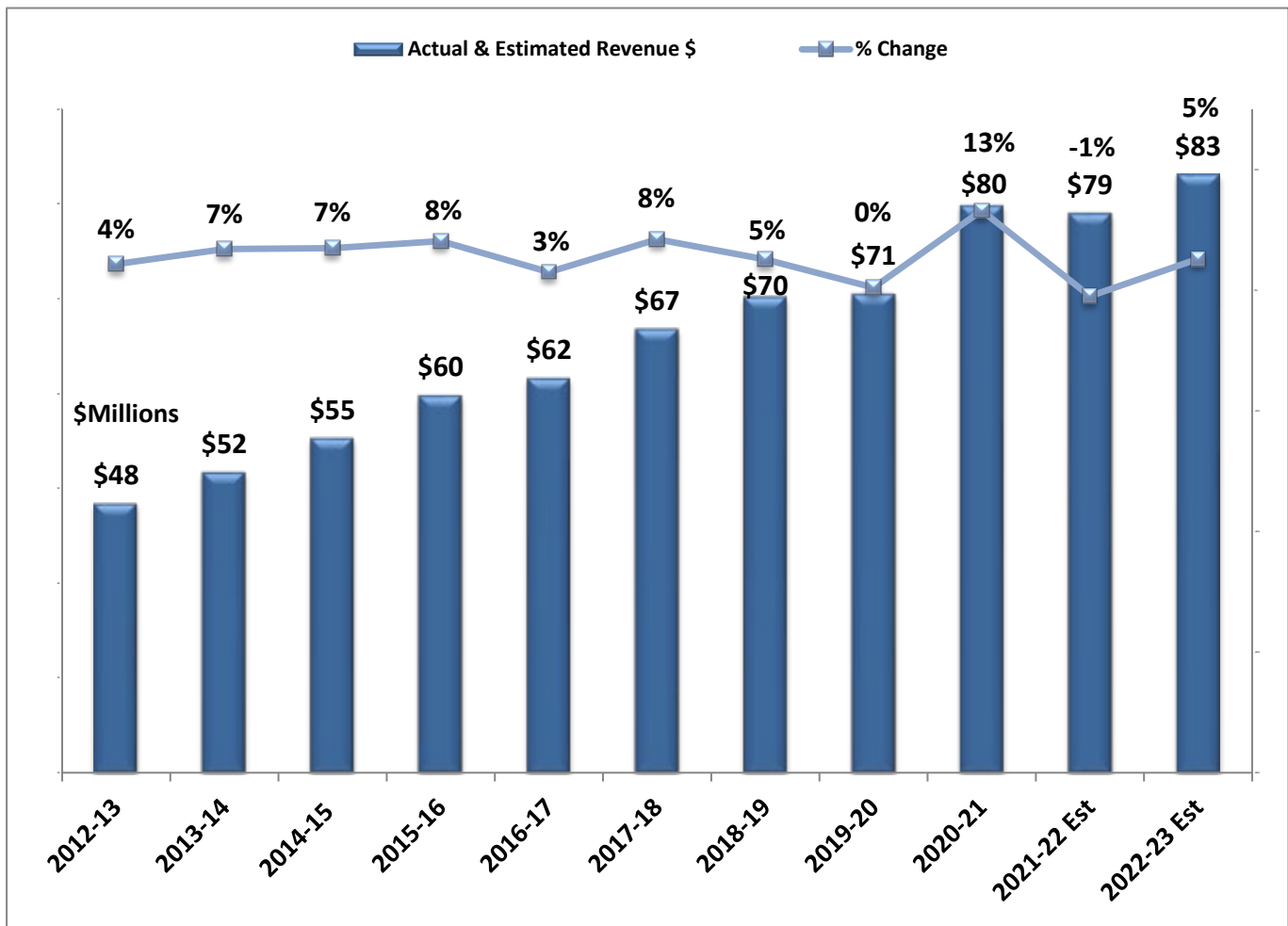


State shared income tax revenue, also known as the Urban Revenue Sharing Fund, was established by voter initiative in 1972 and is governed by Arizona Revised Statute §43-206. The statute stipulates that 15 percent of the net proceeds of state individual and corporate income tax collected two years preceding 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 2022-23 City of Phoenix population share is estimated at 28.04 percent and is based on the 2020 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 2021-22 and 2022-23 projected revenue is known and is based on actual collections received in 2019-20 and 2020-21, respectively. The substantial decline (-11%) in 2021-22 is due to the change of City's population share, down to 28.04 percent from 29.0 percent based on the 2020 Census Bureau Population Estimate. Furthermore, the decline in 2021-22 and surge in 2022-23 is also a result of the State deferred income tax filings in the 4th quarter of 2019-20 to 2020-21 due to the pandemic.

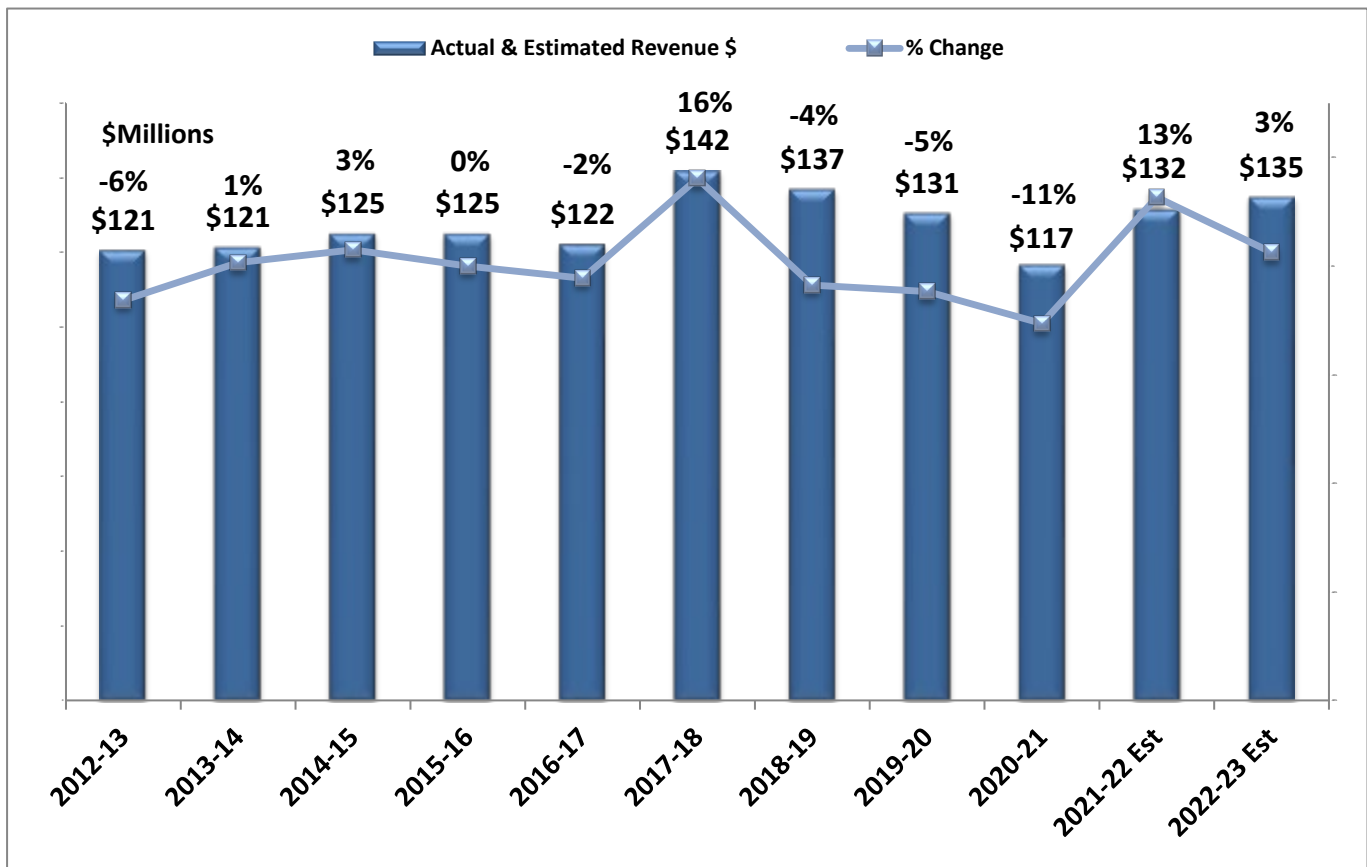
State Shared Vehicle License Tax, 5% of Total General Fund Revenue



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 (ADOT) 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 2022-23 City of Phoenix population share is estimated at 40.4 percent and is based on the 2019 Census Bureau Population Estimate, which is the current distribution percentage used by the ADOT. 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 also exhibits 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 also considers projections provided by the ADOT, 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 expected 1% drop in 2021-22 was due to a setback caused by ADOT's newly implemented system in 2020, which recognized revenues from 2019-20 in 2020-21 and artificially boosted the revenue collection in August and September 2020. The decline in 2021-22 might also be attributable to the supply-chain shortages and declined car sales. The 5% growth rate projected for 2022-23 is based on the ADOT forecast and assumes the vehicle license tax collections will improve.

User Fees and Non-Tax Revenues, 8% 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 expected growth rate of 3% in 2022-23 assumes a continued recovery in licenses and permits, Parks and Libraries, Planning, emergency transportation, and other service charges. However, some GF non-tax revenue categories are anticipated to decrease in 2022-23 due to discontinued revenue sources, declined trends, or a one-time revenue in 2021-22, including cable communications, Municipal Court fines and forfeitures, fees from Police and Street departments, and other miscellaneous receipts.

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.

Yung Pham

Yung Pham
Central Revenue Coordinator