



FY 2023-24 Budget Kickoff with Mayor and Council

Council Conference Room
Thursday, October 27, 2022 | 4:00 p.m.



A close-up photograph of several aloe vera leaves, showing their characteristic serrated edges and green color. The leaves are arranged in a cluster, with some pointing upwards and others downwards. A semi-transparent teal circle is overlaid on the left side of the image, containing the word 'Agenda' in white text.

Agenda

Current Year Budget Actions

Process Review and Theme

Strategic Framework (Goals/Focus Areas)

Budgetary Impacts for New Year

Action Items to Achieve Strategic Framework

Capital Guidelines

Financial Policies

Key Dates



- Council Direction

FY 2022-23 Budget Actions

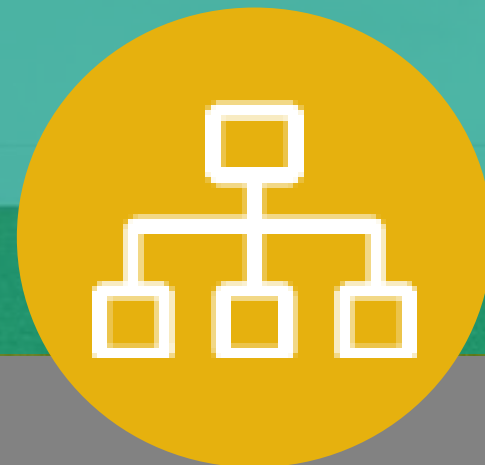


- Sales tax rates unchanged – one of the lowest in AZ
- Reduced property tax rate from \$1.1126 to \$1.1026 per \$100 of assessed value – 7th year of reduction
- Water/Wastewater/Reclaimed & Solid Waste Rate Changes went into effect July 1, 2022
- Added Inflationary Increases to operating budgets to compensate for affected budget lines
- Increased CIP funding to account for anticipated inflation, maintain aging infrastructure, as well as finishing planned parks and arterial streets
- Continued to address pension debt through additional one-time funding towards pay-down of PSPRS unfunded liability (+50M / \$125.3M to date)
- Adds funding for labor association commitments, general employee pay increases, and Classification and Compensation study estimated impacts
- Added positions in critical areas such as Public Safety, Courts, IT, Facilities, Parks, Planning, and Public Works

Where We Are in the Budget Process



Kickoff allows for Council direction on Strategic Goals/Focus Areas action items, policies & guidelines before budget process begins & Resident Budget Survey initiated



Decision Package and CIP recommendations submitted by departments in December



Financial forecast, funding decisions brought to Council during workshops 1 (February) and 2 (March)



Proposed budget brought to Council for discussion at all-day briefing (April)

FY 2023-24 Budget Theme



“Innovation at Work”

Our Brand

A safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence

FY 2023-24 Budgetary Impacts

Personnel/Staffing

- Public Safety Personnel Retirement System (PSPRS) unfunded liability is decreasing, which allows for freed up ongoing funding
- This year's budget allowed for more substantial market adjustments and some impacts of Class and Comp study were incorporated



Local Economic Impacts

- Local revenues continue to come in strong
- Intel construction impacts are being seen in our monthly revenues
- New retail will bring a destination-based shopping experience to Chandler, increasing revenues
- State shared income tax shifting from 15% to 18% to offset flat tax implications, but increase this year is one-time
- Inflation is driving revenues higher
- Long tradition of strong financial management



The Challenges

FY 2023-24 Budgetary Impacts

Delineating Ongoing vs. One-Time



Inflation & Supply Chain

- Affecting utilities, chemicals, construction materials and labor, vehicles, and equipment



Technology

- Multi-year City-wide Enterprise Resource Planning (ERP) system replacement
- Security posture / Infrastructure
- Governance / speed to delivery
- Mobility and flexibility / more to do



Personnel/Staffing

- Retirement and vacancy impacts are still an issue
- Attracting talent to fill vacancies
- Class and Comp study impacts not yet fully known
- ERP system will require significant city-wide staff effort



Potential Legislative Impacts

- Legislative Impacts to local tax base and Model City Tax Code
- Threat of eliminating residential rental and food for home consumption tax (\$22M-\$25M ongoing)
- State shared income tax final level after flat tax implemented unknown
- Prop 400 extension future is uncertain (longer term)

Strategic Framework Guides Our Decision Making

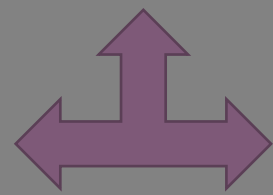


Strategic Policy Goals

- Being the Most Connected City
- Being a Leader in Trust and Transparency
- Maintaining Fiscal Sustainability
- Attracting a Range of Private Sector Businesses
- Fostering a Contemporary Culture that Embraces Unity
- Being Safe and Beautiful

Focus Areas

- Economic Vitality
- Innovation and Technology
- Mobility
- Neighborhoods
- Quality of Life
- Good Governance



Action Items to Achieve the Strategic Framework Goals

Economic Vitality, 2 Year Action Plan

[Economic Vitality](#)

Preserve employment corridors, develop the Airpark, repurpose vacant retail, attract visitors to Chandler, be strategic about infill and redevelopment, and partner with higher education.

Completed

- Airpark area plan
- Downtown alley way study
- RFP & award for executive hangars
- Expand UofA to the Jonathan Building (Ribbon cutting 11/2)
- City Internship program coordinator for CGCC hired
- Three-year tournament contracts at Snedigar

In Process

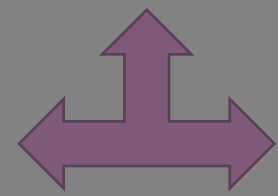


- Airpark Area signage
- Downtown Area Plan
- Pedestrian & Wayfinding Study
- Urban Land Institute Study
- Airport Strategic Business Plan
- City Ordinance update for promoting redevelopment
- Improve Utilization of ASU Innovation
- Healthy Urban Environment Grant pedestrian corridor study in partnership with ASU (Wall St)
- Regional air services for Super Bowl

Yet to Start

- South Arizona Avenue Corridor update
- Winn School/Salvation Army Campus Plan
- Submit proposed State legislation to aid in redevelopment of commercial properties
- Regulatory City code review to adapt to easier ways of doing business

Note: Redevelopment projects currently planned or under construction shown on Story Map



Action Items to Achieve the Strategic Framework Goals

Innovation & Technology, 2 Year Action Plan

Innovation & Technology

Smart and sustainable solutions, ideas that promote efficiency and connectivity, leverage partnerships and outside funding, make Chandler a global technology destination, and invest in technology infrastructure.

Completed

- 5 Electric vehicle charging stations at City Hall, Development Serv., and Fleet (solar)
- 5 additional electric vehicles added to Fleet
- Adding stipulations by P&Z and City Council to have wiring for charging stations in new devl.
- Energy efficiency requirements included in readoption of building code
- Code updated to allow case by case approval of permeable pavers in lieu of asphalt
- Two additional tools for security implemented
- Neighborhood Resources data solution implemented (Building Blocks)
- Fleet management system implemented
- Brand standards updated

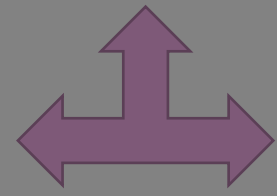
In Process



- MAG RFP for electric vehicle charging feasibility study
- Energy Audit Solicitation & Energy Cap upgrades
- LED streetlight conversion contract approval
- RFP for solar expansion plan
- Review data center zoning requirements
- City facility review for conversion to LED/touchless lighting
- Automation of several paper/manual signature type processes including Utility billing changes
- HR Digital Recruitment and marketing
- Citywide Fiber upgrades

Yet to Start

- Hardware distribution for in field plan review of as-built maps
- Automate compensation management system



Action Items to Achieve the Strategic Framework Goals

Mobility, 2 Year Action Plan

[Mobility](#)

Integrated options to access employment corridors, convenient connections to East Valley, high-tech transit options, safe and attractive roadways and traffic systems, connect neighborhoods and places with multimodal pathways, and leverage regional resources.

Completed

- Chandler Flex (Active Service)
- Downtown Wayfinding Study
- Arizona Avenue Alternatives Analysis
- McClintock Dr., Kyrene & Chandler Rd Bike Lanes
- First mile last mile (Active service)
- Road Projects (e.g. Alma School, Gilbert Rd.)

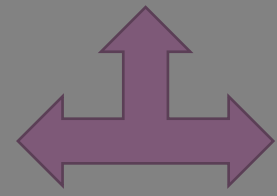
In Process



- ADA improvements
- LED streetlight conversion
- Canal and Trail Improvements
- Downtown Area Ally Studies (Wall Street, Washington Street)
- Frye Rd. Protected Bike Lanes
- Protected Bike Lanes Study
- Hunt Hwy. Traffic Calming & Bike Lanes Study
- Autonomous Vehicles Industry Development
- Fiberoptic Cable Upgrades
- Prop 400 extension
- Road projects (e.g. Cooper Rd. Chandler Heights)
- Bike detection cameras
- MAG emerging technology program

Yet to Start

- Kyrene Road (Chandler Blvd. to Loop 202) Traffic Study
- Road Projects (Cooper Rd. Extension)



Action Items to Achieve the Strategic Framework Goals

Neighborhoods, 2 Year Action Plan

Neighborhoods

Services aligned with needs in specific areas of the city, holistic approach to neighborhood improvement through internal and external partnerships, quality housing for diverse needs, and well-maintained/enhanced infrastructure.

Completed

- Galveston Stakeholder meetings
- Partnered with Galveston Elementary for bike safety and bike giveaway
- Identified 29 encampments and remediated 2
- Purchase of Apartments on Trails End for new housing project
- ADA improvements at Mountain View
- Water Infrastructure at Westwood Manor and Chieftain Village
- Pepperwood event over 1200 volunteers
- Bilingual pay program
- Galveston and Amberwood Envision Events
- Held 3 Golden Neighbors Events
- Emergency Rental Assistance (Active Program)
- IGA with Kyrene Unified School District for Recreational Programing
- Southside Village Conservation District

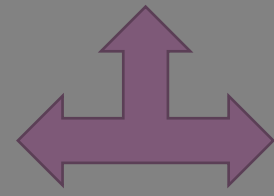
In Process



- Continue to hold EVNAACP meetings
- Donation program with Salvation Army for 120 beds and sheet sets
- More than \$12,000 in requests for Diversity Mini-grants
- RAD project with 157 new housing units
- Water Infrastructure at Kingston neighborhood
- Recreational programing at schools IGA
- Review Development Codes to facilitate housing diversity choices
- Gazelle Meadows and Harris Park Improvements

NA

Yet to Start



Action Items to Achieve the Strategic Framework Goals

Quality of Life, 2 Year Action Plan

Quality of Life

Public safety personnel/technology/training that supports partnerships, high landscaping and architectural standards, parks and amenities serving the surrounding area, public spaces usable year-round, events capitalizing on Chandler's culture, and partnerships for cultural and recreational programs.

Completed

- Behavioral Health Unit
- Mental Health Conference
- Support, Mental Health, and Veterans Courts
- Homestead North Park (ribbon cutting Nov. 12)
- Lantana Ranch Park
- Field of Honor
- Set up Chandler Museum Foundation
- Recreation virtual platform
- GIS encampment initiative

In Process

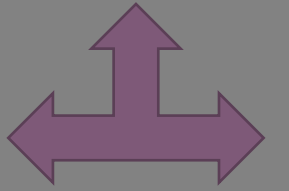


- Navigator Program
- Fire station 2 construction
- Tumbleweed Park softball/baseball complex
- Public art projects
- Pool Equipment room controller
- Reclaimed Water Interconnect Facility (RWIF)
- Intel / SRP partnership for 230 KV lines
- Change-up panhandling signs

NA

Yet to Start

Good Governance Goals



- Continue technology enhancements to support mobility and efficiency solutions including beginning phase of ERP

- Maintain existing City buildings based on Building Assessment

High Priorities

- Maximize use of grants and partnerships to achieve strategic goals

- Building a 21st century workforce

- Continue PSPRS paydown plan

- Minimize increase in property taxes
- Maintain, enhance or re-imagine existing infrastructure
- Finish planned construction of streets, parks, fiber and utility systems
- Prior to adding capital, ensure related ongoing O&M can be supported
- Utilize master plans to guide long-term capital investment
- Deliver on commitments made to residents through 2021 bond election
- Balance inflation, workload, and timely completion of high visibility and grant funded projects

Capital Guidelines



A woman with long dark hair, wearing a pink top and pink pants, is sitting on the grass. A small, light-colored dog is sitting next to her. They are in a park-like setting with a lake and trees in the background. A large teal circle is overlaid on the image, containing the title and subtitle.

Financial Policies

(Revised and adopted by
Council January 14, 2016)

Operating Management

Capital Management

Reserves (Jan. 26, 2017) (Mar. 22, 2018)

Debt Management

Long-Range Financial Planning

Grant Management

Investment

Accounting, Auditing, and Financial Reporting

Pension Funding (annual update; June 9, 2022)

Maintain AAA bond ratings from Moody's, Fitch and S&P

- Continue adherence to all fiscal policies

Remain Structurally balanced

- Ongoing revenues support ongoing expenditures
- One-time revenues support one-time expenditures

Maintain strong reserves

- 15% General Fund contingency reserve
- Budget Stabilization reserve at a minimum of \$10M

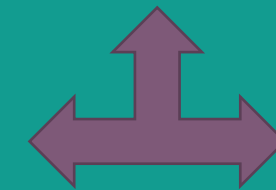
Manage expenditure growth

- Focus on maintaining and/or modernizing existing services

Control Primary Property Tax

- Provide options should the forecast allow reduction

**Council Approved
Budgeting Practices
Support Financial
Sustainability**



Tentative Key Budget Dates

Budget Event		Date
Council Budget Kickoff		Tonight
Citizen Budget Survey with Council Outreach Videos		Nov-Dec 2022
Council Workshop 1		February 9, 2023
Potential Additional Outreach		Early March
Council Workshop 2		March 23, 2023
All-Day Budget Brief		April 28, 2023
Council Meetings:	Amendment Discussion	May 11, 2023
	Tentative Adoption	May 25, 2023
	Public Hearing & Final Adoption	June 15, 2023
	Adoption of Tax Levy	June 29, 2023

Questions?



CHANDLER
a r i z o n a
Community of Innovation

