



Council Workshop FY21-22 Budget Discussion

April 6, 2021





Budget Calendar

Item	Date
Budget Overview / Revenues / Five-Year Financial Forecasts	January 12, 2021
CIP Council Workshop #1 – G. O. Bond Funded CIP Projects (Streets, Flood Control, Libraries, Public Safety)	February 2, 2021
CIP Council Workshop #2 – G. O. Bond Funded CIP (Parks, Cultural Facilities, Open Space, General Government)	February 16, 2021
CIP Council Workshop #3 – Pay-As-You-Go, Transportation Sales Tax, HURF, DIF, and Grant Funded CIP Projects	March 2, 2021
CIP Council Workshop #4 – Enterprise Funded CIP Projects (Landfill, Solid Waste, Water, Wastewater)	March 16, 2021
CIP Council Workshop #5 – Follow Up Items, DRAFT CIP	March 30, 2021
Materials for All Day Budget Workshops	March 29, 2021
<i>Council Workshop (All Day) – FY22 Operating Budget (City Court, Engineering, Budget & Finance, Non-Departmental, Transportation, City Manager’s Office, Code Compliance, Field Operations, City Clerk, HR, IT, and Community Services)</i>	<i>April 6, 2021</i>
Council Workshop (All Day) – FY22 Operating Budget (City Attorney, PD, Development Svcs, Econ Dev, PFRSE, Mayor & Council Offices, Fire, Organizational Performance, Audit, Water Services, and Public Affairs)	April 8, 2021
Updated DRAFT CIP Binder to Council	April 12, 2021
Final Budget Workshop – Tentative Draft Budget & 10-Year CIP Program	April 20, 2021
Voting Meeting – Tentative Budget Adoption	May 11, 2021
Voting Meeting – Final Budget Adoption / Property Tax Levy	June 8, 2021
Voting Meeting – Property Tax Adoption	June 22, 2021



Agenda

- 1) Budget Priorities and Highlights
- 2) What's in your book?
- 3) FY21-22 Operating Budget
 - a. Summary of Personnel Changes
 - b. Operating Budget by Fund
 - c. General Fund Operating Budget by Function
 - d. Department Budgets



FY21-22 Budget Priorities

- Sustainability
- Public Safety
- Project Delivery
- Economic Development
- Neighborhoods
- Strategic Planning



FY21-22 Budget Highlights

- Balanced budget
 - Retail and Construction sales tax remains strong
- Funding for increased cost in Risk Mgmt. and Worker's Comp
- Employee incentives for Innovation or Excellence in Service
- 1% COLA plus performance pay of 1.5% available for non-MOU employees
- Salary increases in accordance with current Memorandums of Understanding (MOUs) for represented employees



FY21-22 Budget Highlights

- Funding for three (3) new Comm. Specialists/911 Dispatchers
- Eight (8) new firefighters and associated equipment for 2nd MRU
- Two (2) additional Detectives - 1 Violent Crimes and 1 CID Persons Crimes



FY21-22 Budget Highlights

- Operating costs for Heroes Park Lake and Glen Lakes Park
- Additional Project Managers and Engineers for improved project delivery
- Additional Building Safety Inspectors and Development Services Department assistance to support growth and eliminate current log jams
- Additional Innovation and Technology staff to enhance systems support and cybersecurity



What's in your book?

- Summary by Fund
- Summary by Department and Division
- Detail by Division
- Handouts
 - FTE Schedule
 - Approved Supplementals
 - Not-Approved Supplementals
 - Change Report



Summary of Personnel Changes

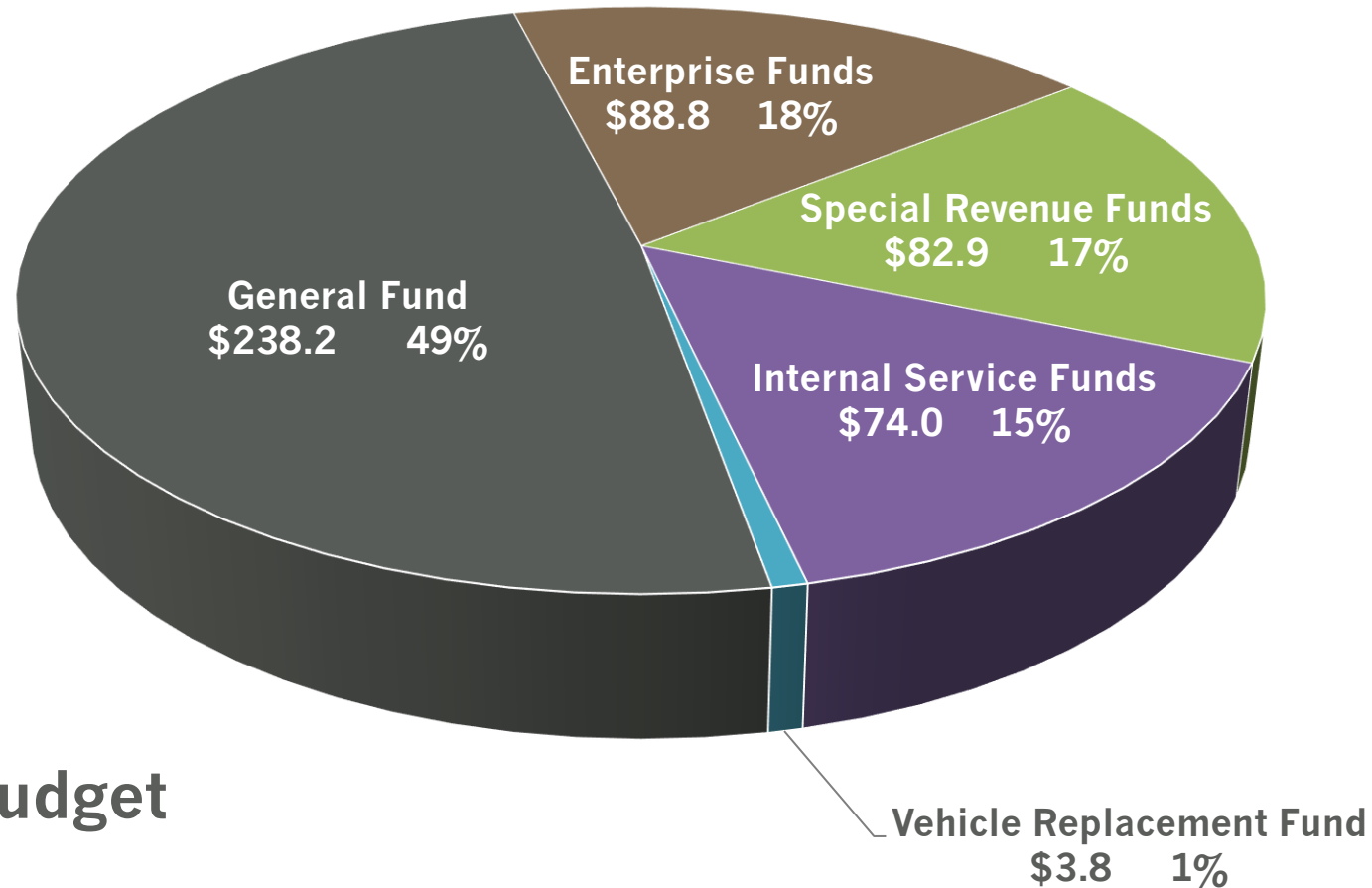
General Fund	# of Positions
Budget and Finance	3
Community Services	.5
Development Services	5
Economic Development	1
Engineering	2
Field Operations	3
Mayor & Council Office	1
Police Services	6
Public Facilities, Rec & Events	2
Total General Fund	22.5

Internal Service Funds	# of Positions
Innovation and Technology	3
Total Internal Service Funds	3

Enterprise Funds	# of Positions
Field Operations	2
Water Services	-3
Total Enterprise Funds	-1
Special Revenue Funds	# of Positions
Arts Commission	1
CAP Grant	3
Highway User Revenue Fund	1
Other Grants	8
Transportation Sales Tax	1
Total Special Revenue	14
Total All Funds	# of Positions
General Fund	22.5
Enterprise Funds	-1
Internal Service Funds	3
Special Revenue Funds	14
Total	38.5



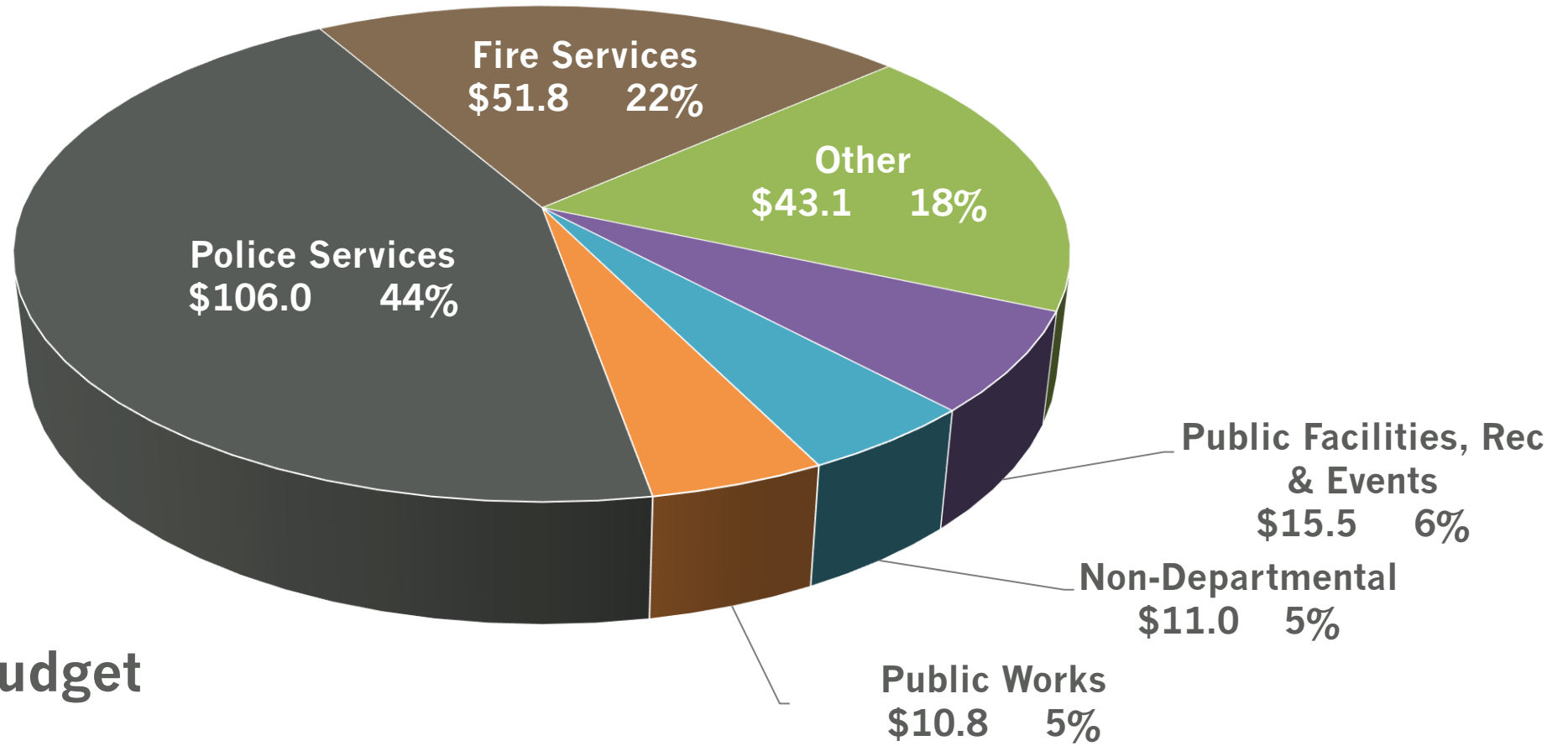
FY21-22 Operating Budget by Fund



**Total FY21-22 Budget
\$487.7M**



FY21-22 General Fund Operating Budget by Function



**Total FY21-22 Budget
\$238.2M**



Operating Budget Presentation Schedule

April 6, 2021

- ❖ City Court
- ❖ Engineering
- ❖ Budget and Finance & Non-Departmental
- ❖ Transportation
- ❖ City Manager's Office
- ❖ Field Operations
- ❖ City Clerk's Office
- ❖ Human Resources
- ❖ Innovation and Technology
- ❖ Community Services

April 8, 2021

- ❖ City Attorney
- ❖ Police Department
- ❖ Development Services
- ❖ Economic Development
- ❖ PFRSE
- ❖ Mayor and Council Offices
- ❖ Fire Department
- ❖ Organizational Performance
- ❖ Audit
- ❖ Water Services
- ❖ Public Affairs



City Court

April 6, 2021





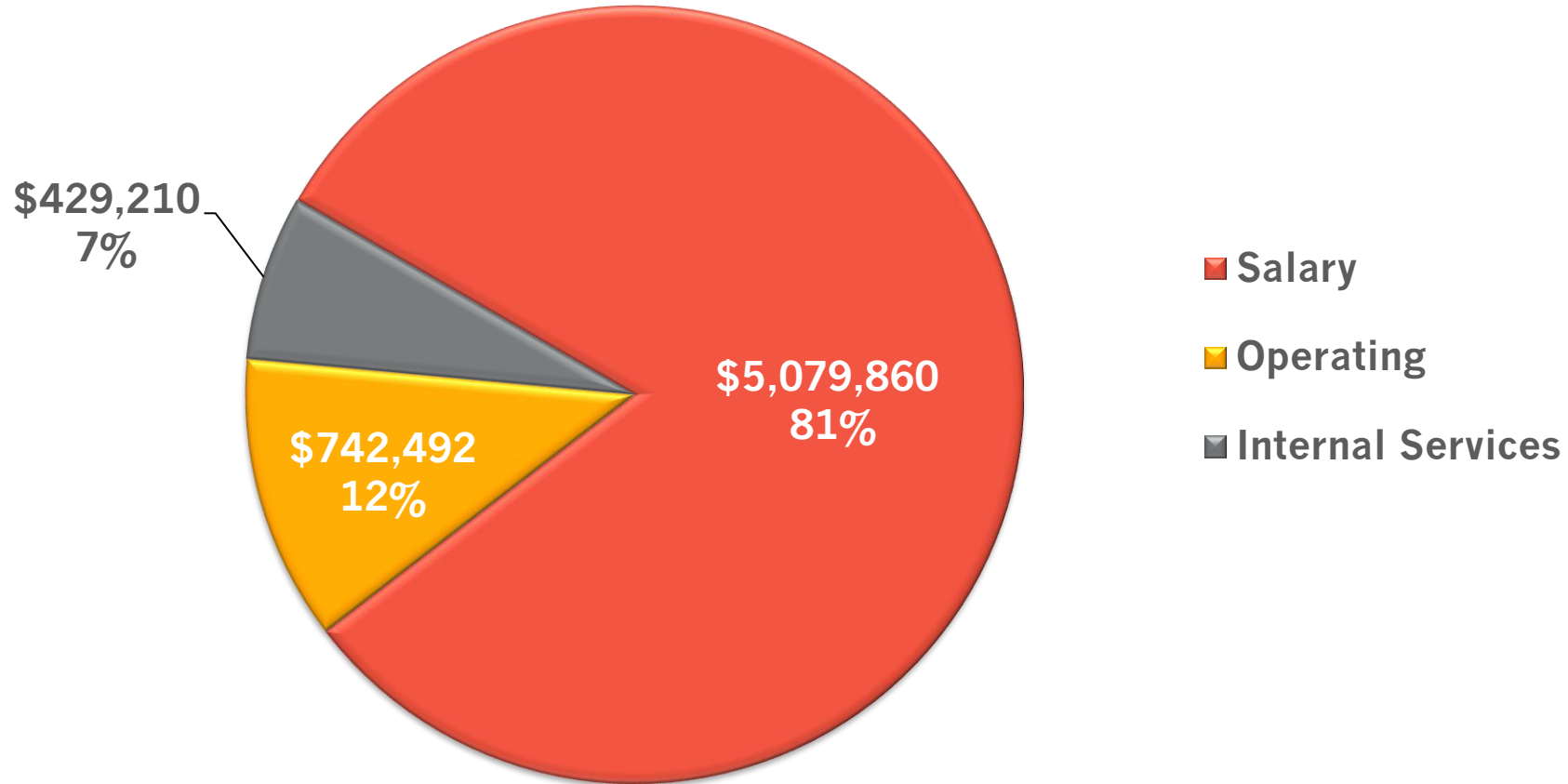
City Court
\$6,251,562 46.5 FTEs

Mission Statement

To provide a forum for fair, just and prompt resolution of cases in a professional, efficient and courteous manner.



City Court FY2022 Operating Budget Request



Total FY2022 Operating Budget \$6,251,562



City Court Goals, Objectives & Performance Measures

<i>Strategic Objectives</i>	Improve Tools & Technology Optimize Processes & Services			
<i>Department Strategic Initiative</i>	Create and implement an electronic process to transmit warrant information, eliminating manual processes.			
<i>Intended Result</i>	The Police Department will have accurate and timely Information about warrants issued and quashed by the Court.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Projected</i>
<i>Warrants issued</i>	5192	7581	9000	7000
<i>Warrants quashed</i>	4234	11,684	4000	4500
<i>Estimated cost avoidance</i>	\$8,468	\$18,952	\$22,500	\$17,500



City Court Goals, Objectives & Performance Measures

<i>Strategic Objectives</i>	Improve Community Experience Improve Resource Alignment Improve Purposeful Communication			
<i>Department Strategic Initiative</i>	Increase participation and retention rates in the Compliance Assistance Program (CAP), a Supreme Court Fair Justice Initiative.			
<i>Intended Result</i>	More litigants are current on delinquent court ordered fines and fees, allowing the reinstatement of their suspended drivers license.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Projected</i>
<i>Cases entered into CAP</i>	1408	1629	1000	1400
<i>Fines paid</i>	\$1,035,145	\$1,104,289	\$450,000	\$1,000,000
<i>Retention rate</i>	68%	59%	25%	65%



City Court Goals, Objectives & Performance Measures

<i>Strategic Objective</i>	Improve Community Experience Improve Resource Alignment Improve Purposeful Communication			
<i>Department Strategic Initiative</i>	Increase collections through the Tax Intercept Program (TIP).			
<i>Intended Result</i>	The increased collection of delinquent fines, costs and fees from intercepted State Tax refunds.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Projected</i>
<i>Tax Intercept Program</i>	\$204,740	\$209,035	\$215,000	\$215,000

*New Performance Measure FY2021



City Court Goals, Objectives & Performance Measures

<i>Strategic Objectives</i>	Increase Innovation Solutions Optimize Processes & Services Improve Resource Alignment			
<i>Department Strategic Initiative</i>	Remind litigants of upcoming court dates and payments with text and auto-dial phone messages.			
<i>Intended Result</i>	Improve Court appearance and compliance rates; increase litigant's likelihood of attaining successful case resolution; improve collection rates.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Projected</i>
Text messages sent	23,862	18,083	42,000	44,000
Phone calls made	13,496	4,753	5,000	5250
Cost	\$648	\$415	\$940	\$1,000
Error Rate	13%	13%	11%	10%



City Court Goals, Objectives & Performance Measures

<i>Strategic Objectives</i>	Increase Innovation Solutions Optimize Processes & Services Improve Resource Alignment			
<i>Department Strategic Initiative</i>	The establishment of Arizona case processing time standards will help courts move toward timely justice.			
<i>Intended Result</i>	Timely completion and administration of justice.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
Civil Traffic (98% within 90 Days)	NA	91%	80%	98%
Criminal Misdemeanor (98% within 180 Days)	NA	96%	82%	98%
DUI (93% within 180 Days)	NA	84%	71%	93%
Local Ordinances (98% within 180 Days)	NA	99%	94%	98%

*New Performance Measure FY2021



City Court Goals, Objectives & Performance Measures

<i>Strategic Objective</i>	Optimize Processes & Services			
<i>Department Strategic Initiative</i>	Clearance Rates help courts determine effective case processing and positive case workflow.			
<i>Intended Result</i>	The goal for all courts is to be 100% or above for the disposition of cases. Anything below 100% indicates a growing number of unadjudicated cases.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
Clearance Rate	91%	97%	90%	100%

*New Performance Measure FY2021



City Court 2021 Accomplishments

1. Court Innovation Projects

- Interactive policy & procedure manual for the entire staff using the Courtroom Helper application
- Pilot Court for the AZPoint Domestic Violence portal for all statewide courts & law enforcement agencies
- Launching of Virtual Court, 148 cases since March 2020
- Waitwhile, a customer service management pilot for both the City & Supreme Court to allow for social distancing of the public due the pandemic



City Court 2021 Accomplishments

2. Effective Case Management & Monitoring

- Migration from a Treatment Court model to a Judicial Monitoring model thus eliminating the cost of Maricopa County Adult Probation supervision
- Address only non-compliant defendants
- Cost avoidance of \$105,000 per year



City Court 2021 Accomplishments

3. Re-established Criminal Justice User Group (CJUG)
 - Collaborating to improve the criminal justice process
 - In an addition to the Court, Police & Prosecutor's Office, CJUG now has representation from Code Compliance & the Public Defenders



City Court FY22 Supplemental Requests

- No Supplemental Requests for FY22



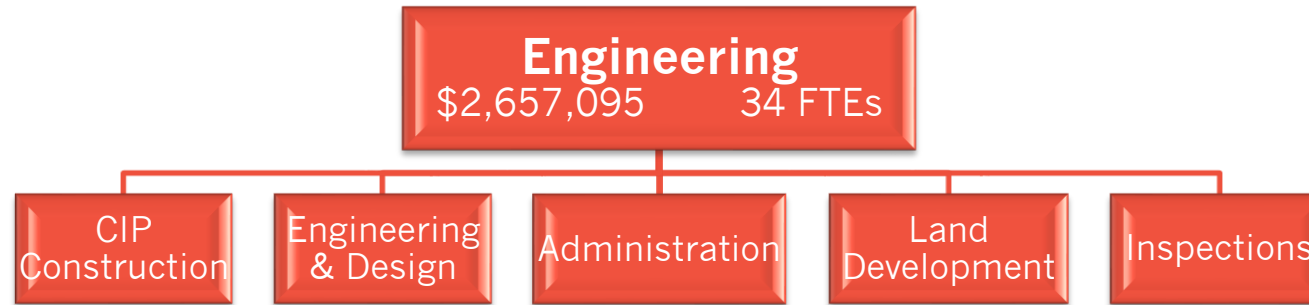
QUESTIONS?



Engineering

April 6, 2021



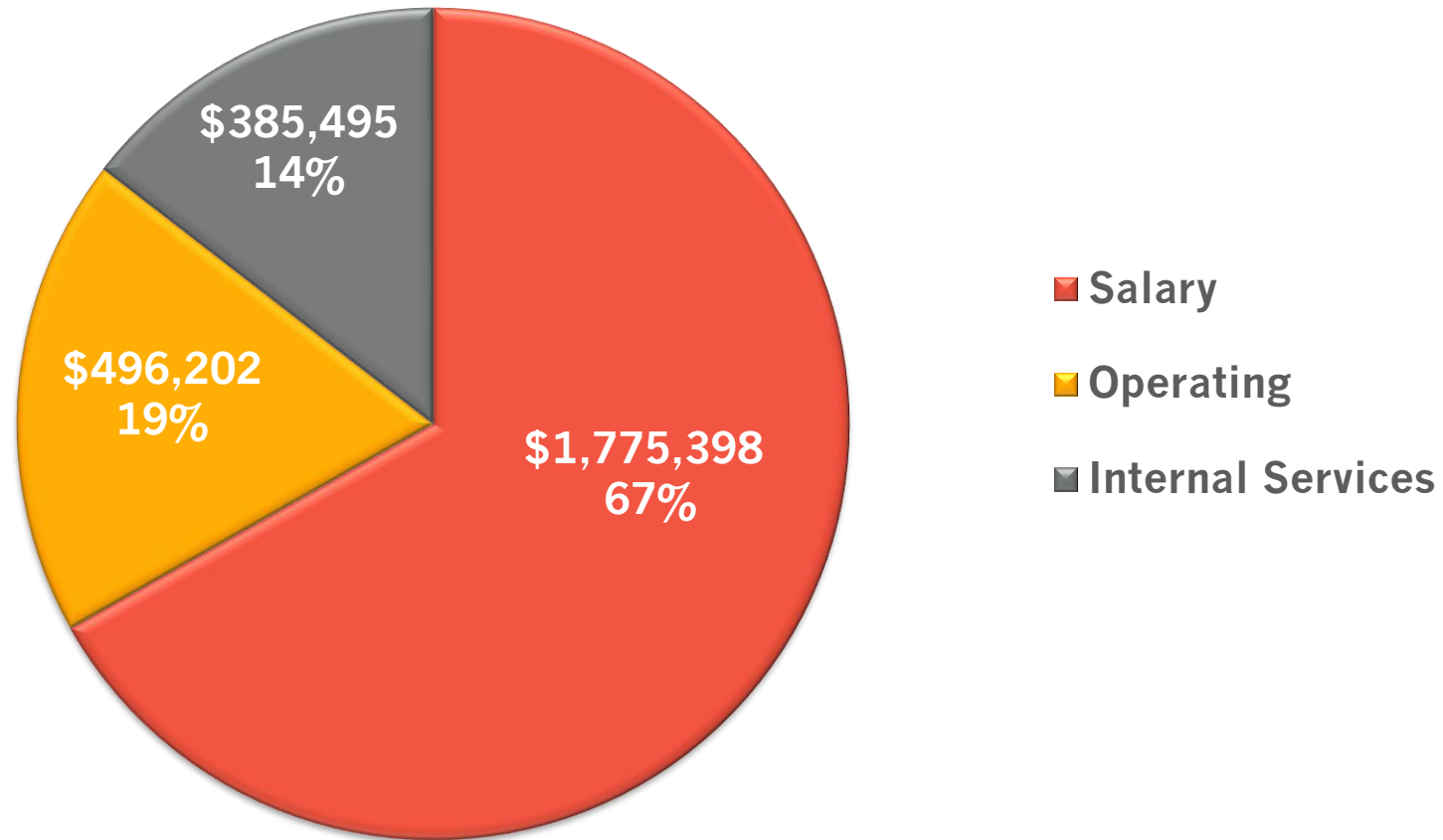


Mission Statement

To develop and implement the Capital Improvement Plan (CIP), review and inspect public/private infrastructure to successfully meet the needs of the community.



Engineering FY2022 Operating Budget Request



Total FY2022 Operating Budget \$2,657,095



Engineering Goals, Objectives & Performance Measures

<i>Strategic Objective</i>	Optimize Processes & Services			
<i>Department Strategic Initiative</i>	Process CIP invoices within 7 days			
<i>Intended Result</i>	Be the client of choice for contractors and design professionals, increasing competition and lowering prices.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
% of CIP invoices processed by the department within 7 days	NEW	67%	75%	90%

<i>Strategic Objective</i>	Optimize Processes & Services			
<i>Department Strategic Initiative</i>	Deliver CIP projects on time with respect to the project charter developed with the partner departments at project inception.			
<i>Intended Result</i>	Ensure that CIP projects are completed per the plans and specifications within the agreed schedule from the project charter.			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
% of projects delivered on time	NEW	TBD	75%	90%



Engineering Goals, Objectives & Performance Measures

<i>Strategic Objective</i>		Optimize Processes & Services			
<i>Department Strategic Initiative</i>		Warranty inspections result in no rework.			
<i>Intended Result</i>		Ensure that projects are completed per the plans and specifications ensuring that no rework interferes with the traveling public or the operation of the city.			
<i>Performance Measures</i>		<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
% warranty inspections that pass		NEW	95%	95%	95%
<i>Strategic Objective</i>		Optimize Processes & Services			
<i>Department Strategic Initiative</i>		Development plans are reviewed within the service level agreement timeframes.			
<i>Intended Result</i>		Recognition by the development community as a dependable partner for the delivery of safe and reliable public infrastructure.			
<i>Performance Measures</i>		<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
% of development plans that are reviewed within the published service times		NEW	97%	90%	95%



Engineering FY2021 Accomplishments

- **Engineering CIP Design & Construction**
 - Incorporated Project Charters into the CIP & Right-size the annual CIP spend
 - Implemented Engineering Chargebacks to ensure the GF is made whole
 - Increased delivery effectiveness by 30% (\$95M)
 - Increased transparency - Bi-Weekly Project Updates
- **Engineering Land & Real Estate**
 - Over 400 plan reviews completed on time
 - Planning Applications 9 days
 - Construction Plans 11 days
 - Over 75 land transactions in support of city finances, CIP or Economic Development
- **Engineering Administration**
 - Over 700 invoices processed within 7 days
- **Engineering ROW**
 - Over 2000 inspections city wide to ensure quality - average pass rate 95.5%
 - EPCOR Franchise Agreement



Engineering FY2022 Supplemental Requests

General Fund

New FTE – Principal Engineer (Architect)	\$138,641
New FTE – Director of Engineering Services	\$190,180
Temporary Contract Analyst	\$54,000
Contract Temporary Position – CIP Project Manager	\$117,243



Engineering FY2022 Supplemental Requests

General Fund

Temp Contract Positions - Inspectors (2)	\$145,600
Engineering Associate Program	\$39,500



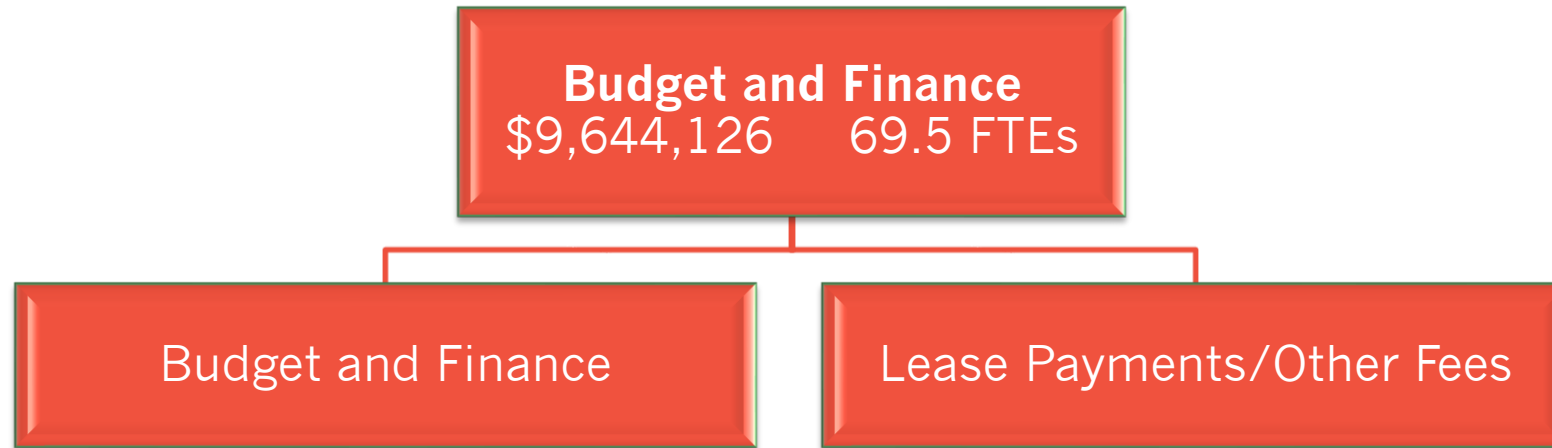
QUESTIONS?



Budget and Finance Department

April 6, 2021





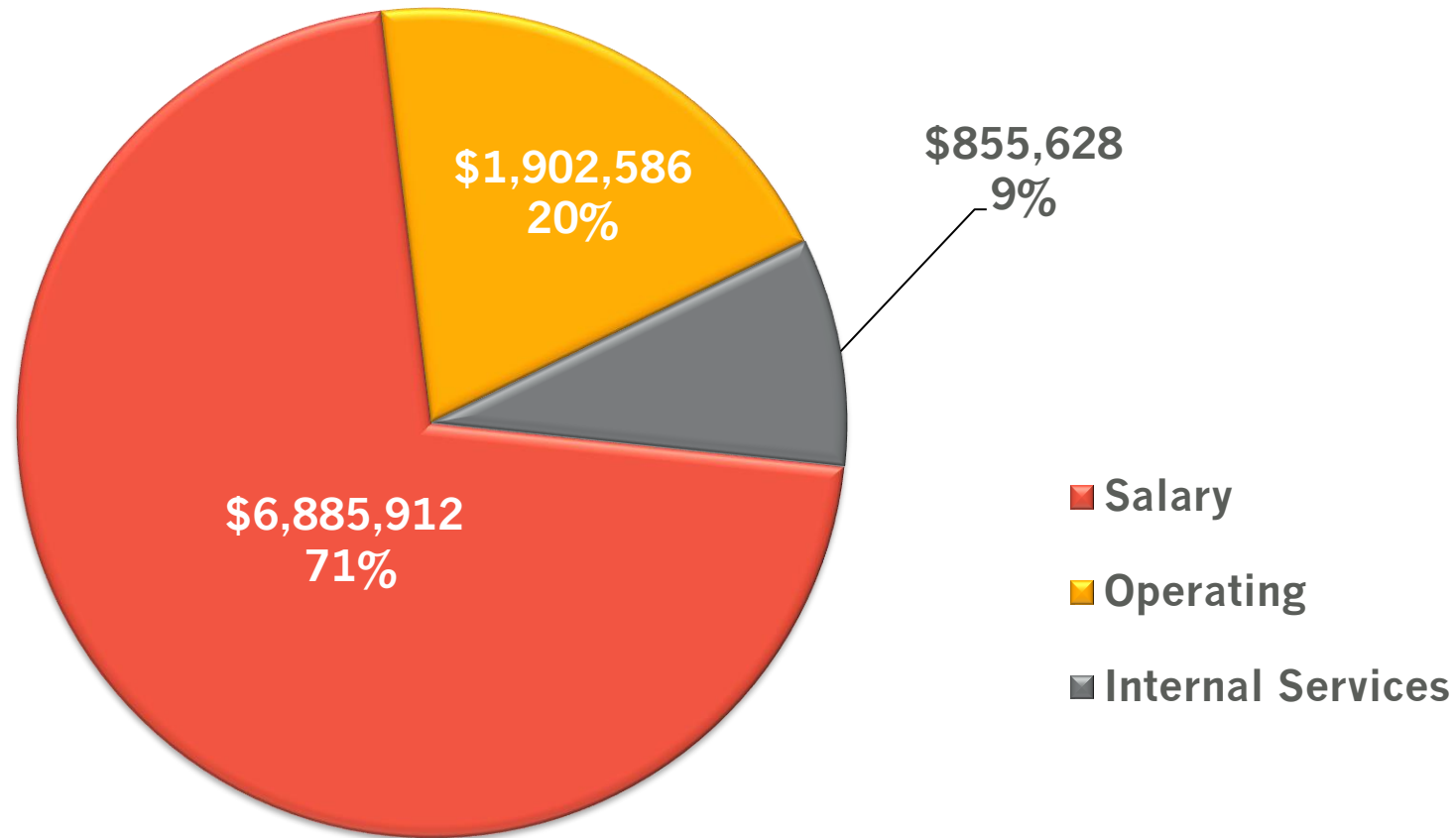
Mission Statement

The Budget and Finance Department provides financial management services with integrity and accountability while improving service levels, managing costs, and leveraging information across City departments.



Budget and Finance

FY2022 Operating Budget Request



Total FY2022 Operating Budget \$9,644,126



Budget and Finance

Goals, Objectives & Performance Measures

<i>Strategic Objective</i>	Improve Resource Alignment			
<i>Department Strategic Initiative</i>	Employ strong fiscal management practices that encourage sustainable fiscal decision-making.			
<i>Intended Result</i>	Prudent fiscal stewardship			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
<i>Bond ratings for general obligation bonds</i>				
Standard & Poor's:	AA-	AA-	AA-	AA-
Moody's Investor Services:	A1	A1	A1	A1
Fitch Ratings:	AAA	AAA	AAA	AAA
<i>Bond ratings for Water and Sewer revenue bonds</i>				
Standard & Poor's:	AA-	AA-	AA-	AA-
Moody's Investor Services:	A1	A1	A1	A1
<i>Annualized amortized cost basis return on portfolio (net of fees)</i>	1.6%	1.7%	1.0%	.5%
<i>Number of grants received through Grants Administration</i>	25	31	35	35
<i>Compliance with Council adopted Financial Policies (# complied with/# of policies)</i>	6/7	7/7	7/7	7/7



Budget and Finance Goals, Objectives & Performance Measures

<i>Strategic Objective</i>	Improve Resource Alignment			
<i>Department Strategic Initiative</i>	Provide accurate and timely financial analysis, forecasting, and reporting.			
<i>Intended Result</i>	Prudent fiscal stewardship			
<i>Performance Measures</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Estimate</i>	<i>FY2022 Target</i>
Maintain a +/- 5% variance in general fund revenue forecasts from the final actual revenue to the adopted budget	±5%	±5%	±5%	±5%
% of month-end reports completed by the monthly reporting schedule deadline	N/A	N/A	75%	100%
Obtain the GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
Obtain the GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes



Budget and Finance

Goals, Objectives & Performance Measures

Strategic Objective	Optimize Processes & Services			
Department Strategic Initiative	Perform customer service and procurement activities effectively, accurately and timely.			
Intended Result	Improved levels of service			
Performance Measures	FY2019 Actual	FY2020 Actual	FY2021 Estimate	FY2022 Target
% of vendor invoices paid within 30 days of invoice date	85%	95%	93%	95%
% of employees receiving electronic W-2's	83%	56%	60%	85%
Number of vendor protests upheld	0	2	2	0
Number of RFP's and IFB's issued	55	42	55	55
% of contract renewals completed on-time	90%	100%	100%	100%
% of sole source/special procurements processed within 10 days	90%	95%	100%	100%
% of call center calls answered within 1 minute	80%	78%	80%	90%
% of call center calls abandoned	5%	7%	4%	<=2.5%
Number of sales tax audits/reviews completed	83	100	140	140



Budget and Finance

2021 Accomplishments

- Systems and Process Improvement
 - Online business licensing system (SmartGov)
 - Online and digital payments (Paymentus)
 - Cash kiosk
 - Monthly financial reports
- Collected \$3.6M in delinquent sales tax returns
 - July 2020 through January 2021



Budget and Finance 2021 Accomplishments

- Results Driven Contracting
 - Citywide custodial services
 - Landscaping services
- 2020 Government Finance Officers Association's Distinguished Budget Presentation Award
- 2019 Government Finance Officers Association's Award for Excellence in Financial Reporting



Budget and Finance

FY22 Supplemental Requests

General Fund

Move Collections Positions from Water Fund to General Fund	\$273,859
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Water Fund

Position Reclassification – Administrative Support Assistant to Business Analyst	\$31,000
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Move Collections Positions from Water Fund to General Fund	-\$273,859
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QUESTIONS?



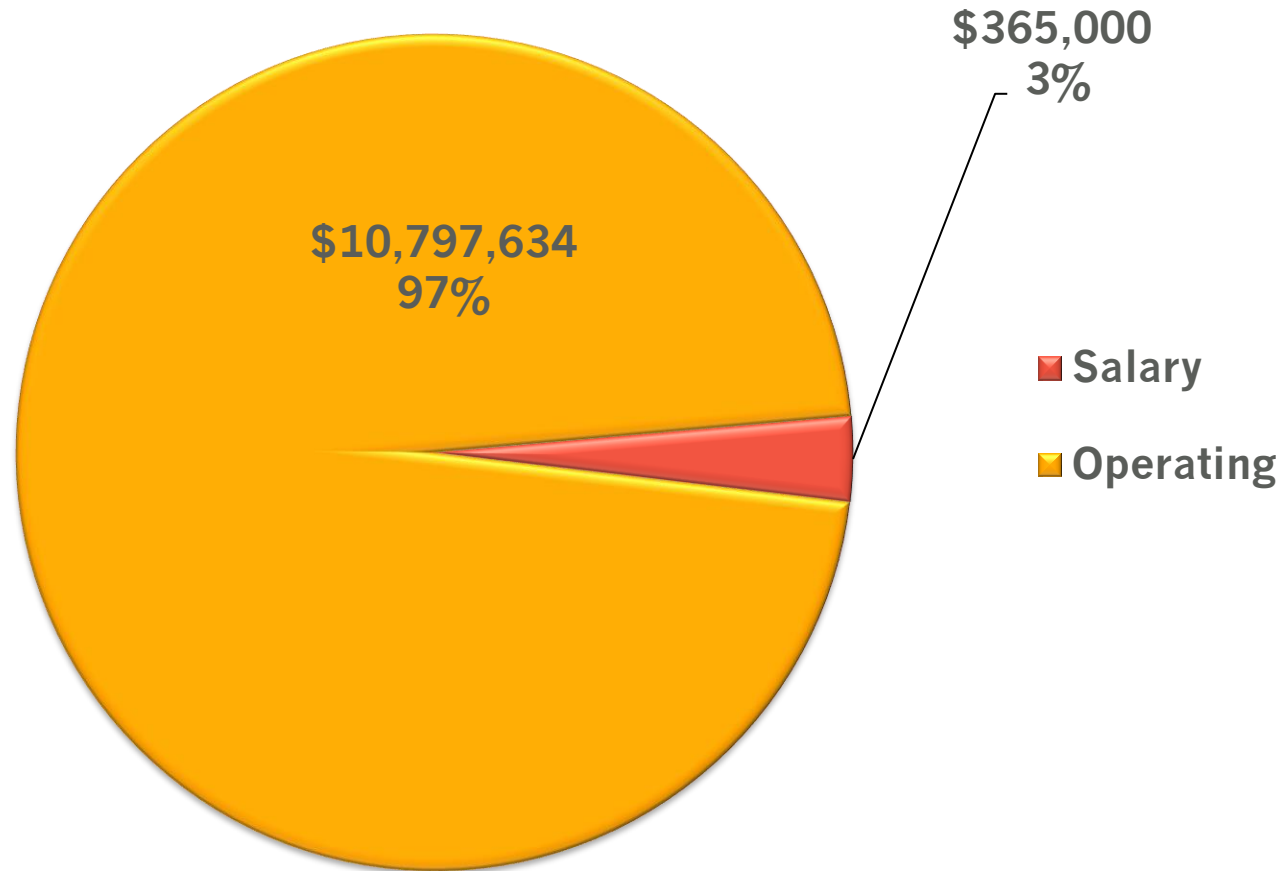
Non-Departmental

April 6, 2021





Non-Departmental FY2022 Operating Budget Request



Total FY2022 Operating Budget \$11,162,634



Non-Departmental Budget Items

- Sales Tax Rebates
- Arena Management Fee
- TPT Admin Fees
- Strategic Initiatives
- Unemployment Insurance
- Long-term Disability
- Citywide Memberships and Subscriptions



Non-Departmental Memberships and Subscriptions

- League of Arizona Cities and Towns \$93,295
- Maricopa Association of Governments (MAG) \$48,000
- National League of Cities \$14,740
- Alliance for Innovation \$10,000
- Westmarc \$6,000
- Phoenix Business Journal \$2,250



Non-Departmental FY22 Supplemental Requests

General Fund

AZSTA Sales Tax Rebate	\$495,594
Unemployment Insurance Increase	\$100,000



QUESTIONS?