



Fiscal Year 2024-25 City Manager's Trial Budget

This report transmits a balanced Fiscal Year (FY) 2024-25 City Manager's 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 budget development process. It provides the Mayor, City Council and community an opportunity to review a proposed, balanced budget months in advance of final budget adoption in June. The proposed FY 2024-25 General Fund (GF) Trial Budget includes a one-time projected surplus of \$80 million. However, due to projected future deficits discussed at the Feb. 27, 2024 Policy meeting, the City Manager is recommending to set aside the surplus in reserve to help balance the FY 2025-26 GF budget.

The City of Phoenix is committed to engaging residents in the budget process and this year there are many opportunities for residents to provide feedback outside of regularly scheduled City Council meetings. Between April 2 and April 16, the FY 2024-25 Trial Budget will be presented to Phoenix residents for input at 11 community budget hearings. A complete list of hearing dates and times is included in [Attachment C](#) and is available on our website at 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 and Research Department. All resident 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 to City Council on May 7.

Summary

The GF projected surplus in FY 2024-25 of \$80 million represents one-time resources carried forward from the prior fiscal year, and savings from GF capital project costs. As mentioned above, the GF long-term outlook as presented in the GF Status and Multi-Year Forecast includes projected baseline deficits in FY 2025-26 and FY 2026-27, due to the State's actions to reduce the tax base. To ensure the GF budget remains sustainable, staff recommends the \$80 million surplus be set aside and carried forward

to be available next fiscal year to help balance the FY 2025-26 budget.

The FY 2024-25 Trial Budget is focused on preserving City programs and services delivered to the community. Over the last three fiscal years, the City has benefited from strong economic growth and the City Council has made strategic decisions to responsibly allocate available resources to community priorities and to invest in employee salaries. Over this time, significant investments have been made totaling \$365 million to enhance and add a variety of programs and services for residents, and to ensure the City can be a market leader in pay to attract and retain a high quality workforce. Unfortunately, due to actions by the State of Arizona to diminish the tax base, discussed further in this report, revenues are expected to decline resulting in forecasted baseline deficits in FY 2025-26 of \$(92) million and in FY 2026-27 of \$(31) million. More information on the FY 2024-25 Preliminary GF Budget Status and Multi-Year Forecast is available on the Budget and Research Department website at phoenix.gov/budget.

Additionally, the proposed FY 2024-25 Trial Budget includes 30.0 ongoing full-time equivalent (FTE) positions needed in the GF (28.0 FTE) and Non GFs (2.0 FTE), and represents conversion of existing budgeted resources for critical position needs. Funding for these positions has been identified and accounted for in department operating budgets. Details on each position can be found in [Attachment A](#). Also included in this report is a status update of the budget supplementals added in FY 2022-23 and FY 2023-24 ([Attachment B](#)), the schedule of upcoming community budget hearings to engage residents and gather feedback ([Attachment C](#)) and the Annual GF Revenue Estimates Report ([Attachment D](#)).

Resources

FY 2024-25 GF resources, which include the beginning fund balance, net transfers and revenues, are projected at \$2.100 billion or (1.5) percent lower than FY 2023-24 estimated resources. GF revenues for FY 2024-25 make up the majority of resources and are projected at \$1.843 billion or (3.1) percent lower than the FY 2023-24 revised revenue estimate. As detailed in the GF Multi-Year Forecast report presented to City Council on Feb. 27, the negative growth in revenue is due to the State's actions to diminish the tax base by eliminating residential rental sales taxes effective January 2025 (Senate Bill 1131) and to reduce the individual income tax rate to the current "flat tax" of 2.5 percent (Senate Bill 1828). The combined impact to the GF of these legislative actions is estimated at \$(54) million in FY 2024-25 and \$(86) million in FY 2025-26. Revenue estimates assume no further negative impacts from the current legislative session. The FY 2024-25 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 D](#):

- Local Sales Tax - \$737 million;
- State Shared Revenue - \$699 million;
- Primary Property Tax - \$215 million;
- User Fees - \$192 million.

Expenditures

FY 2024-25 GF expenditures continuing existing levels of service are projected to be \$2.020 billion, or \$1.931 billion excluding contingency funds. This compares to the FY 2023-24 GF expenditure estimate of \$1.887 billion, representing an increase of \$44 million or 2.3 percent. The increase accounts primarily for higher costs associated with employee salaries and fringe benefits, including higher pension costs discussed below, and accounts for the City Council approved Classification and Compensation Study and negotiated labor increases. These cost increases were partially offset by lower GF capital costs for vehicle replacements and pay-as-you-go projects that will instead utilize excise tax bond proceeds. The FY 2024-25 budget includes increasing the contingency fund from \$81 million to \$89 million, to reflect 4.75 percent of operating expenditures. 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 7.

Since FY 2007-08, employee pension costs have consumed a growing share of the City's GF resources. GF pension costs in FY 2024-25 are estimated to be \$443 million, and represent 23 percent of total GF operating costs. The GF Multi-Year Forecast included estimated increases of \$109 million, or 30 percent, between FY 2022-23 and FY 2026-27. This increase is primarily caused by rising costs in public safety pension costs. 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. 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 the Public Safety Personnel Retirement System (PSPRS), there remains a significant unfunded sworn pension liability of approximately \$3.7 billion, per the PSPRS June 30, 2023 actuarial valuation.

Future Considerations

The Proposed FY 2024-25 Trial Budget as presented does not account for additional costs that may be needed to continue efforts helping individuals experiencing homelessness upon expiration of American Rescue Plan Act (ARPA) funding, or from the ongoing Department of Justice (DOJ) investigation of the Phoenix Police

Department. Preliminary estimates from the Office of Homeless Solutions (OHS) for the ongoing GF need to address homelessness is \$6.5 million in FY 2024-25 and \$22 million in FY 2025-26. Staff does not have projected costs at this time, or a reliable method to estimate, any potential budgetary impacts from the DOJ inquiry. It is also important to note that employee contracts expire at the end of the current fiscal year and management is currently negotiating with each bargaining unit. Exact details of agreements will be determined in the negotiations process.

Next Steps

In order to engage the community in the budget development process, staff will be holding 11 community budget hearings between April 2 and April 16. Budget and Research staff has also made available the FundPHX tool, which will be updated with the FY 2024-25 proposed Trial Budget. Residents are also welcome to contact the Budget and Research Department directly to provide input or ask questions about the budget. The schedule of budget hearings, the FundPHX tool, and contact information is available at phoenix.gov/budget.

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

<u>Date</u>	<u>Event</u>
May 7, 2024	City Manager's 2024-25 Proposed Budget
May 21, 2024	City Council Budget Decision
May 31, 2024	2024-25 Tentative Budget Ordinance Adoption
June 12, 2024	2024-25 Funding Plan and Final Budget Ordinance Adoption
July 1, 2024	2024-25 Property Tax Levy Ordinance Adoption

Responsible Department

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

ATTACHMENT A

2024-25

**PROPOSED ADDITIONS
GENERAL AND NON-GENERAL FUNDS**

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

Department/Program	2024-25 Total
GENERAL FUND	
<u>Set-Aside</u>	
1. General Fund set-aside to be used to balance the projected budget deficit in FY 2025-26 caused by the State's actions to eliminate residential rental sales tax (SB 1131) and lower the individual income tax rate to the current "flat tax" (SB 1828) resulting in less than estimated state shared income tax revenues.	\$80,000,000
Total Set-Aside	\$80,000,000
<u>City Council</u>	
1. <i>Constituent Services</i> Convert a temporary Management Assistant I to ongoing status. The position processes invoices, payroll, and travel requests for the City Council.	\$0 1.0
Total City Council	\$0 1.0
<u>Communications Office</u>	
1. <i>Media Relations and Strategic Communications</i> Convert a temporary Public Information Officer position to ongoing status. This position provides service to multiple City departments, including Planning and Development, Neighborhood Services, Human Services, Housing, and the Office of Homeless Solutions.	\$0 1.0
Total Communications Office	\$0 1.0
<u>Finance</u>	
1. <i>Goods & General Services Procurement and Contract Management</i> Convert a temporary Assistant Finance Director position to ongoing status. The position oversees Risk Management, Financial Accounting and Reporting, Revenue Management, and Treasury & Debt Management divisions.	\$0 1.0
Total Finance	\$0 1.0

Department/Program	2024-25 Total
<u>Neighborhood Services</u>	
1. <i>Blight Reduction Program</i>	\$0
Convert a temporary Project Management Assistant position to ongoing status. This position assists the private property clean-up program, which was created by Council as part of the FY 2022-23 budget. This program addresses repeated or chronic blight issues occurring on private properties and supports the Strategies to Address Homelessness Plan.	1.0
Total Neighborhood Services	\$0 1.0
<u>Police</u>	
1. <i>Administration</i>	\$0
Convert a temporary Executive Assistant to the City Manager position to ongoing status. This position serves as Chief of Staff and is the link between the Chief of Police and various units throughout the department. The position also oversees the daily operations of the Office of Administration, which include ensuring compliance with local, state, and federal laws, departmental policies, and active operating agreements; preparing multiple reports, briefings, presentations, and responses on community issues.	1.0
2. <i>Administration</i>	\$0
Convert two temporary Senior Human Resources Analyst positions to ongoing status. These positions provide vital support for Police Department recruitment efforts, with particular focus on 911 staffing.	2.0
3. <i>Airport Bureau - Uniformed Patrol and Canine</i>	\$0
Add an Administrative Assistant I position in the Airport Bureau. As a partner to the Aviation Department, the bureau is mandated to maintain compliance with several Transportation Safety and Administration and Governor's Office of Highway Safety grants, which require ongoing reporting and maintenance to ensure the accuracy of data collection and timely reimbursement. This position will be responsible for compliance efforts, serve as the travel liaison, coordinate staffing, and directly supervise the equipment coordinator and a secretary. The full year ongoing cost will be \$83,000. This position is fully funded by the Aviation Department; there is no impact to the General Fund.	1.0
Total Police	\$0 4.0

Department/Program	2024-25 Total
<u>Public Works</u>	
1. <i>Property Management Services</i>	\$0
Create new positions and allocate funding currently budgeted for third party contractual services to enable the Public Works Department Facilities Operations Division to assume ongoing building maintenance, property management, and custodial services for the 100 West Washington Complex. The funding includes 20 new positions, contractual services, supplies, tools, equipment, and vehicles. The positions to be added are one Management Services Administrator, one Property Manager, one Building Equipment Supervisor, three Building Equipment Operator II's, one Facility Coordinator, one Electrical Maintenance Crew Chief, one Building Maintenance Foreman, one Facilities Projects Planner, four Electricians, four Building Maintenance Workers, one Facility Contract Compliance Specialist, and one Support Services Aide.	20.0
Total Public Works	\$0 20.0
<u>TOTAL PROPOSED GENERAL FUND ADDITIONS</u>	\$80,000,000 28.0

NON-GENERAL FUND

<u>Planning and Development</u>	
1. <i>Commercial Plan Review & Inspections</i>	\$0
Convert a temporary Deputy Director position to ongoing status. This position manages the department's Inspections Division, which includes Residential and Commercial Building Inspections, Civil Inspections, Fire Inspections, the Annual Facilities Program, Elevator Inspections, and the Communications Team.	1.0
2. <i>Growth and Infrastructure</i>	\$0
Convert a temporary Special Projects Administrator to ongoing status. This position will continue to lead the department's strategic planning efforts and coordination with the Arizona State Land Department.	1.0
Total Planning and Development	\$0 2.0
<u>TOTAL PROPOSED NON-GENERAL FUND ADDITIONS</u>	\$0 2.0

ATTACHMENT B

2022-23

**SUPPLEMENTALS UPDATE
GENERAL FUND**

Department/Program	2022-23 Total
<u>City Manager's Office</u>	
1. <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
<p><u>Status Update:</u> Since her appointment in October 2022, the Office of Homeless Solutions (OHS) Director has made significant progress. The OHS applied for and was awarded funding to support various homeless services initiatives totaling over \$35 million, including a Governor’s Office request for \$13.3 million (HSD engagement effort focus); ADOH funding for Workforce/ Shelter Program for \$7 million (new shelter on City property); Maricopa County shelter infrastructure for \$6 million (Rio Fresco); Maricopa County housing infrastructure for \$5 million (Super 8); Maricopa County heat relief for \$1.015 million; MAG/Paradise Valley shelter funding for \$200,000; and ADOH Homeless Support Shelter funding for \$3.1 million. OHS led the effort to close streets to camping around the Human Services Campus (7th to 15th Avenues, Van Buren to Harrison Streets) in May of 2023, resulting in over 80 percent of the almost 700 homeless individuals accepting indoor shelter placements. The office helped create emergency shelter capacity in the homeless system, adding over 1,000 new permanent and temporary shelter beds, with an additional 790 permanent beds in the construction pipeline, providing safe, indoor respite and services to help individuals end their homelessness. The City’s work on homelessness was recognized locally and nationally, with the City asked to participate in the White House and the United States Interagency Council on Homelessness (USICH) ‘All Inside’ initiative, providing federal technical assistance to support our efforts to address unsheltered homelessness. Additionally, the OHS Director was confirmed as Co-Chair of the Maricopa Continuum of Care Board of Directors and the Governor’s Interagency and Community Council on Homelessness and Housing. Both positions provide the City representation and influence on a regional level.</p>	

<u>Department/Program</u>		2022-23 Total
2.	<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
	Status Update: The office onboarded two part-time Administrative Interns and an AmeriCorps VISTA member who helped develop a successful Post-Census Group Quarters Review appeal to the U.S. Census Bureau, potentially increasing federal funding for Phoenix residents. Subsequently, funding supported a pilot program to expand equitable access to chilled drinking water in public spaces, including robust community surveying, resulting in two custom-designed water systems being installed and evaluated near City Hall and Council Chambers. Launched the Innovate PHX Challenge at Venture Café Phoenix, engaging more than 300 community innovators during two events to help solve City challenges including extreme heat and homelessness. Ideas from the events are currently being piloted, evaluated, and prototyped, with a third Innovate PHX Challenge being planned.	
	Total City Manager's Office	\$327,000 1.0
	<u>Community and Economic Development</u>	
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

Status Update: A contract was procured to provide trade development services for the city in Northern Mexico. This contract, annually costing \$140,000, successfully assisted 166 businesses with finding supply-chain sourcing opportunities, improving business-to-business connections, and fostering business expansion, incorporation, development, relocation and investment in Phoenix. The International Trade Program has allowed staff to travel to multiple countries to arrange economic development collaboration agreements, expand availability of direct air travel between Phoenix and cities in other countries, and promote Phoenix as a hub for technology manufacturing while celebrating Phoenix’s existing Sister City relationships with Taipei, Himeji and Suwon. The Economic Development Program Manager (EDPM) position remains vacant after an unsuccessful attempt to fill this past year. Staff is initiating a new recruitment mid-2024, with the duties for the International Trade Program split among existing staff until the EDPM position is filled.

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| 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 |
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Status Update: The position remains vacant after an unsuccessful attempt to fill in 2023. During this time, administration of marketing programs has been covered by executives.

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| 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 |
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Status Update: Last year, staff was unsuccessful in filling the position. Duties of the “funertainment” position were covered by the existing retail team staff. In December 2023, the position was underfilled by a new Project Manager, who is becoming familiar with job responsibilities and the Phoenix market.

<u>Department/Program</u>	2022-23 Total
4. <i>Business and Workforce Development</i> Add funding to support the Elevate EdAz: Connecting Education and Business for a Thriving Community program managed by the Greater Phoenix Chamber through the Greater Phoenix Chamber Foundation. The Elevate EdAz program aims to transform education and business connections by aligning high school curriculum with workforce needs. The program creates work-based learning and exposes students to career pathways. The funding will result in contractual agreements to expand the program in Phoenix.	\$750,000 0.0
<p><u>Status Update:</u> The Elevate EdAz program funding allowed staff to execute a contract with the Greater Phoenix Chamber Foundation in March 2023, expanding the range of the program to include the Paradise Valley and Deer Valley Unified School Districts, and providing additional program staffing to fully support the expansion. Since the beginning of 2024, over 1,700 students participated in career exploration events, with over 1,500 students enrolling in classes focused on creating a pathway to a professional career and more than 600 students registering for dual enrollment at Maricopa Community College. Staff facilitated 11 Business Advisor Council Meetings, where employers and educators collaborated on curricula to provide students knowledge and abilities sought by employers. Fifteen educators enrolled into externships, 200 students received job-shadow experiences, and 80 students were awarded internship opportunities.</p>	
Total Community and Economic Development	\$1,682,000 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

Department/Program

Status Update: The Climate Program Manager (PM) has organized public meetings on climate action, is currently coordinating a progress update for the Climate Action Plan, and is helping the Office of Environmental Programs (OEP) oversee plan coordination with City departments and stakeholders. The PM is developing the latest Biennial Greenhouse Gas Inventory with associated modeling and verification to provide important information on trends and effectiveness of current strategies to reduce greenhouse gas emissions and other air pollution. The PM led completion of other essential climate assessments, such as the C40 Green Jobs Report and the Crosswalk Labs report to quantify fossil fuel carbon dioxide for the City. Phoenix is a member of C40, an international network of mayors confronting climate-change issues, and has been recognized as an A-list city by the Carbon Disclosure Project, a non-profit organization to which Phoenix annually discloses its progress towards positive climate mitigation and adaptation.

Total Environmental Programs	\$187,000 1.0
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Fire

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| 1. | <p><i>Fire Emergency Medical Services and Hazardous Incident Response</i></p> <p>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.</p> | <p>\$2,444,000
15.0</p> |
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Status Update: The fifteen positions have been hired, trained, and assigned to Station 72 and are providing emergency response service to the community. The funding provided for dedicated staffing for Engine 72 has allowed the Fire Department to reposition temporarily assigned Squad 29 to Fire Station 41 allowing for more efficient use of the emergency response unit.

Department/Program	2022-23 Total
<p>2. <i>Fire Emergency Medical Services and Hazardous Incident Response</i></p> <p>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.</p> <p>Status Update: All four positions have been hired, trained, and now provide roving staff coverage for various fire stations throughout the city. The four positions provide necessary staffing relief coverage on an as needed basis.</p>	<p>\$368,000</p> <p>4.0</p>
<p>3. <i>Fire Prevention General Inspections</i></p> <p>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.</p> <p>Status Update: All four positions are filled and dedicated to the maintenance of the OCS program. The program maintains and updates policies and procedures, training, and education of Fire Code compliance. These positions identify and verify OCS sites, inspect and restrict volume of stored materials, and ensure appropriate distances between piles, structures and property lines which slow the spread of fire. Since filling these positions, Fire Prevention has significantly increased the number of facilities inspected, identifying and correcting nearly 400 fire code violations, and has seen a 50 percent reduction in the number of OCS fire incidents.</p>	<p>\$174,000</p> <p>4.0</p>
Total Fire	<p>\$2,986,000</p> <p>23.0</p>

Department/Program

Housing

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| 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 |

Status Update: In early FY 2022-23, the Housing Department converted 13 grant-funded temporary full-time positions to regular full-time positions, enabled by this supplemental's funding for housing supportive services. The positions continue to provide supportive services to residents to achieve self-sufficiency and assist residents with social, educational, and employment services.

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| 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 |

Status Update: The funding continues to be used to support Phoenix Starfish Place operations, which provides critical affordable housing to survivors of human trafficking and enables a focus on healing.

Total Housing	\$1,527,000
	0.0

Human Resources

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| 1. | <i>Various</i> | \$84,000 |
| | 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. | 1.0 |

Department/Program

Status Update: The Senior Human Resources Clerk position was filled in July 2022. The position supports the Transactions, Records, and Leave Administration section in the Organizational Support and Leave Programs Division, following management’s reorganization of the department. In April 2023, the position was reallocated to a Human Resources Aide to perform more complex job duties within Transactions, Records, and Leave Administration. The Human Resources Aide position was filled in April 2023 and remains filled.

Total Human Resources \$84,000
1.0

Human Services

1. *Administration* \$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.

Status Update: In October 2022, the Human Resources Supervisor position was filled. In December 2022, the Human Resources Aide position was filled. The Senior Human Resources Analyst position was filled in June 2023. The new Human Resources Team totaling three employees manages numerous recruitments, as well as employee relation issues and other HR responsibilities for the growing department.

2. *Various* \$1,134,000
9.0
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.

Department/Program

Status Update: In Fall 2022, the Office of the Homeless Solutions (OHS) was created, and in October 2022 the Assistant to the City Manager (Director) position was filled. Of the nine positions approved, all are filled. Seven vehicles have been ordered and received, enabling the OHS case management and homeless liaisons teams to provide outreach and engagement effectively and efficiently throughout the City of Phoenix. The establishment of the OHS and additional positions has resulted in vast improvements to the City’s homeless solutions projects and programs and greatly contributed to the goal of reducing unsheltered homelessness in the city. Efforts and accomplishments have included adding 1,074 additional shelter beds throughout the city, preventing families from becoming homeless, decreasing the time people experience homelessness, and ensuring ample housing solutions are available to end an individual’s or family’s homelessness experience.

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| 3. | <i>Administration</i> | \$170,000 |
| | 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. | 1.0 |

Status Update: The Special Projects Administrator position was filled in March 2023 and presently manages six refugee support service contracts. The position actively represents the City in various national, regional, and local meetings aimed at coordinating humanitarian aid for asylum seekers released by Customs & Border Protection. The Special Projects Administrator participates in quarterly refugee resettlement public consultations organized by Refugee Resettlement Agencies and the Arizona Department of Economic Security, convenes quarterly meetings with refugee service providers, and chairs a monthly Refugee & Immigrant Data Committee seeking to establish standardized performance metrics across the service delivery network. In addition to ongoing initiatives detailed above, the position is in the process of developing strategic direction on program and coordination efforts. Staff are actively engaged in conducting client listening sessions, gathering valuable insights from stakeholders through surveys, and conducting key informant interviews. By actively seeking input and feedback, the office aims to create a strategic plan that prioritizes and responds to the most important needs of foreign-born City residents.

<u>Department/Program</u>	2022-23 Total
4. <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
 Status Update: Of the \$250,000, \$200,000 has been allocated for sponsorships of community activities and \$50,000 has been allocated to purchase educational resources, table sponsorships, and special events. To date, Fast Track Cities has sponsored 12 community agencies whose focus is on conducting HIV/Sexually Transmitted Infections (STI) testing, Pre-Exposure Prophylaxis (PrEP) services for HIV prevention and treatment services, and other outreach and resources. Over 4,000 individuals have received collateral Fast Track Cities items to bring awareness to the initiative and its goals.	
Total Human Services	\$1,907,000 13.0
 <u>Information Technology Services</u>	
1. <i>Information Security and Privacy Services</i> Add funding for one Lead Information Technology Systems Specialist and two Sr. Information Technology Systems Specialist positions. These positions will support the Information Security and Privacy Office’s Cyber Threat Intelligence program.	\$555,000 3.0
 Status Update: The Lead Information Technology System Specialist was filled in December 2023. The role of this position is the Security Operation Center (SOC) Manager, overseeing critical operations that allow the department to prevent, detect, and respond to cybersecurity threats citywide. The two Senior Information Technology System Specialists are currently in the recruitment process to fill the roles of Threat Intelligence Analysts.	
Total Information Technology Services	\$555,000 3.0

Department/Program

Law

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|----|---|------------------|
| 1. | <i>Criminal Division - Community Prosecution Bureau</i> | \$190,000
1.0 |
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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.

Status Update: The Assistant City Attorney III position is filled. The Attorney supports the Community Safety Plan (CSP) operations along the 19th Avenue Corridor by attending and participating in coordinated team meetings with the Police Department and Neighborhood Services Department to discuss and problem-solve blighted properties and high crime areas. The Attorney provides educational presentations to business alliances, block watches, and the CSP Community Committee on criminal procedure basics, Community Court, trespassing and authorities to arrest, and how to be a good witness at trial. Additionally, the Attorney provides supplemental training to police officers, park rangers, and code inspectors.

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| 2. | <i>Various</i> | \$1,244,000
11.0 |
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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.

Status Update: The six Admin Aide positions are filled. The positions assist in the timely review and redaction of the increased BWC workload to meet legal requirements of disclosure. The Admin Assistant I position was vacated in January 2024. The position provides BWC training support to new staff and monitors BWC workload and assignment distribution to ensure discovery obligations are met. The Attorney II positions are filled except for one due to a promotion. The benefits to the community would be reflected in the quality preparation and presentation of criminal cases that are litigated by the office. The addition of attorney positions allow for proper review of discovery, including the vast increase in body-worn camera video, and ensuring victim rights compliance.

<u>Department/Program</u>	2022-23 Total
3. <i>Civil Division</i>	\$0
Create an Assistant City Attorney IV position in the Civil Division to litigate risk management cases on behalf of the City. The cost of the position is offset by a reduction in contractual legal services. Hiring a full-time employee to handle litigation cases instead of outside counsel will result in overall savings to the City.	1.0

Status Update: The Assistant City Attorney IV position in the Civil Division is filled. This position has been able to work on litigation cases in-house instead of sending to outside counsel that has resulted in savings to the City.

Total Law	\$1,434,000
	13.0

Library

1. <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

Status Update: All five bookmobile staff were hired this fiscal year. While staff waited for the bookmobile's arrival, they worked on purchasing library materials and supplies for the vehicle. They also began reaching out to future partners and provided outreach into the community, where they created over 500 new library cards. When the bookmobile arrived in November 2023, the team worked to get it road-ready and were trained on its operation. Full bookmobile service is set to commence in March 2024.

Total Library	\$257,000
	5.0

Department/Program

Municipal Court

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| 1. | <i>Civil Courtroom Operations - Civil Division</i> | \$192,000
2.0 |
|----|--|------------------|
- 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.

Status Update: The Caseworker II and Caseworker III are currently filled. The focus of these positions has been creating the Municipal Court’s Community Justice Resource Center (CJRC). The CJRC is a centralized location for community resources which are available to all members of the public, including those experiencing intimate partner violence. Partnerships continue to be strengthened with five community agencies who assist with staffing the CJRC five days a week and specialize in connecting individuals with essential social services. Through established connections the Caseworkers can do direct hand-offs with persons in need of immediate services. As of July 2023, these positions have made referrals and assisted 135 individuals connect with community services, attended two community events (GAIN neighborhood event and the Rasa Fair Hiring Employment Event), and conducted training for 47 team members of three Protective Order Assistance Centers.

Total Municipal Court	\$192,000 2.0
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Neighborhood Services

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|----|---------------------------------|------------------|
| 1. | <i>Blight Reduction Program</i> | \$558,000
1.0 |
|----|---------------------------------|------------------|
- 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.

Status Update: The pilot Private Property Cleanup Program (PPCP) was successfully launched, and the position filled in Fiscal Year 2022-23. As of January 2024, the PPCP has completed 89 enhanced biohazard cleanings via a contracted City vendor in three identified locations known to have consistent biohazard waste. Approximately 5,000 used needles have been collected through this effort since implementation. Additionally, the PPCP pilot assisted 22 individual property owners, who have met the program’s eligibility requirements.

Department/Program	2022-23 Total
<p>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.</p> <p>Status Update: Four of the five positions were filled in the prior fiscal year, with the remaining position moved to the new Office of Homeless Solutions. The Neighborhood Specialists are assigned to service areas and are working closely with the police precincts in each of those areas to address homelessness. This team supports multi-department outreach coordination for PHX C.A.R.E.S., as well as assists with identifying private properties that may be eligible for the Private Property Cleanup Program. The Neighborhood Specialists also help train other department staff members involved with PHX C.A.R.E.S. efforts on the proper use of the customer relations management system and other processes.</p>	\$654,000 5.0
<p>3. <i>Targeted Neighborhood Revitalization Programs</i> Convert the Gated Alley Program, currently funded with one-time grant funds, to ongoing funding and add a Project Manager position to oversee the program. The funding will provide for up to 45 alley segments to be gated on an annual basis. The initial pilot program was designed by an interdepartmental committee in collaboration with residents to provide a new approach to deterring illegal dumping, graffiti, and criminal activity in residential alleys. The program provides homeowners whose properties abut an alleyway the opportunity to apply to the City requesting both the relocation of solid waste services from the alley to curbside, and installation of locking gates at the ends of the alley adjacent to their properties. The program provides the funds to pay for gate fabrication and installation, locks, required revocable fence permit fees and other related costs.</p> <p>Status Update: In FY 2022-23, the project manager assigned to the program successfully processed and installed gates for 124 alley segments, 45 of which were approved with General Funds and the remainder with one-time funds from NSD and Council offices. Installation of the gates for the 124 alley segments was completed in December 2023. This funding will continue to be utilized, alongside additional funding approved by Council in November 2023 from Neighborhood Block Watch funds.</p>	\$627,000 1.0
Total Neighborhood Services	\$1,839,000 7.0

<u>Department/Program</u>	2022-23 Total
<u>Office of Arts and Culture</u>	
1. <i>Community Investment and Engagement Program</i>	\$275,000
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.	0.0
<u>Status Update:</u> The additional \$275,000 Community Arts grant funding in FY 2022-23 was awarded to organizations as part of the total Community Arts Grant fund, addressing an 11 percent increase in organizational applications when Arts and Culture requested this supplemental. As of June 30, 2023, 8.7 million residents and visitors participated in nonprofit arts and culture events and programs sponsored by the Community Arts Grants Program. Of that, 2.6 million were under the age of 17. Because of this supplemental, the grants program has expanded its reach and impact on Phoenix residents and contributed to a vibrant arts and cultural community.	
2. <i>Public Art Program</i>	\$40,000
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 and renovations to address wear and damage, including recession-deferred maintenance. The public art collection includes over 200 art installations.	0.0
<u>Status Update:</u> The additional \$40,000 in funding for public art preservation and maintenance in FY 2022-23 was utilized to pay for the repair maintenance of Shadow Play benches, Public Art Lighting Assessments, and Cave Creek Tower at Rose Mofford Complex. Additional environmental costs were needed to repair and paint the Cave Creek Tower due to the discovery of hazardous lead elements. These funds continue to be used annually on public arts maintenance, ensuring public art pieces remain community points of pride.	
Total Office of Arts and Culture	\$315,000 0.0
<u>Parks and Recreation</u>	
1. <i>PAC (Phoenix Afterschool Center)</i>	\$283,000
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.	0.0

Department/Program

Status Update: An agreement was executed with Arizona State University as a partner to recruit and provide a tutoring enhancement component to the PAC program with a focus on homework assistance. The additional educational resource augments services City staff currently provides during PAC program hours. The number of sites is determined by ASU's recruitment efforts and success.

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| 2. | <i>Park Rangers-Community and Neighborhood Parks</i> | \$671,000 |
| | 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 decreased response times when calls are made for assistance by the public. | 8.0 |

Status Update: The park rangers are performing regular patrols of the urban parks where they educate park users on the code of conduct rules. Additionally, the park rangers assist with large cleanup efforts throughout City parks. The positions have increased the ability to respond to calls more quickly. Seven of the eight positions are currently filled.

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| 3. | <i>Parks Maintenance</i> | \$1,500,000 |
| | 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. | 0.0 |

Status Update: This funding is being used for the design and construction drawings of the new Eastlake pool facility. Construction drawings were anticipated by June 2023; however, there was a delay in obtaining the design group due to the abundance of requests ahead of this project. At present, the department has received 60 percent design drawings and anticipates having 90 percent by the end of February 2024. The balance of funding will be carried over to the next fiscal year to be applied towards construction.

Department/Program	2022-23 Total
4. <i>Art, Educational & Environmental Facilities Operated by City Staff</i> Add staff and equipment to re-open the South Mountain Environmental Education Center. The addition includes a full-time Park Ranger and 1.5 FTE of part-time Recreation Leader positions. After being closed because of the 2009 recession, the center reopened in 2012 and was operated by various non-profits until 2020 when it was vacated by the last operator. This addition would allow the center to be open four days a week and provide educational opportunities through the visitor center, museum, and the Natural and Cultural Learning Center classrooms and library. The center will also once again be available to rent for meetings and other events. The Park Ranger position will also support the Pueblo Grande Museum and act as a steward for cultural resources throughout the preserve system, with an emphasis on South Mountain Park.	\$229,000 2.5
<p>Status Update: The positions have been filled. This has enabled the South Mountain Environmental Education Center (SMEEC) to be open four days per week, as projected. SMEEC has welcomed a variety of walk-in visitors and visiting school groups. The Recreation Leaders supported the ‘Hike with a Firefighter, Hear from a Park Ranger’ event each of the past two years in support of Black History Month. The Park Ranger II position serves as a steward for cultural resources throughout the preserve system with an emphasis on South Mountain Park/Preserve. Since the creation of this position, much work has been done to protect the many cultural resources within South Mountain Park/Preserve as well as around the entire preserve system.</p>	
5. <i>Parks Maintenance</i> Add funds to renovate two tennis courts at Desert Foothills Park and convert one of the courts to dual use by adding pickleball lines.	\$21,000 0.0
<p>Status Update: The renovation project is complete. The funds to renovate the existing tennis courts and convert them to dual tennis/pickleball courts has provided the community with another recreational amenity that provides health and wellness opportunities.</p>	
Total Parks and Recreation	\$2,704,000 10.5

Department/Program

Planning and Development

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|----|----------------------------|------------------|
| 1. | <i>Long Range Planning</i> | \$213,000
3.0 |
|----|----------------------------|------------------|
- 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.

Status Update: Both Village Planner positions have been filled. The Principal Planner was filled in December 2022. This position was ultimately moved to the Current Planning Team in exchange for a Special Project Administrator position moving to the Long Range Team, also filled in December 2022. The Special Project Administrator position secured \$1 million from the Federal Transit Authority to implement the City Council-adopted South Central Transit-Oriented Development Community Plan. The position has worked with the Mayor and City Council to form the PlanPHX Leadership Committee to oversee the General Plan Update and developed a work program and schedule that will have the General Plan Update completed in time for the November 2024 election.

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| 2. | <i>Current Planning</i> | \$270,000
3.0 |
|----|-------------------------|------------------|
- 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.

Status Update: The Planner III position was filled in January 2023. The Secretary III and Planner II positions were filled in February 2023. The Planner III provides a higher level of service for the Zoning Adjustment process. The position's oversight of the Zoning Adjustment process has and will continue to create capacity for the Zoning Administrator and other members of the Current Planning team to initiate and manage text amendment requests related to mobile homes, housing, and electric vehicle infrastructure. The Secretary III and Planner II positions are providing critical support to staff and improved support for zoning requests.

Department/Program	2022-23 Total
<p>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.</p>	\$107,000 1.0
<p><u>Status Update:</u> The Vacant Storefront Program Planner III position was filled in February 2023. The position provided assistance to commercial customers with adaptive reuse inquiries and opportunities. The incumbent vacated the position in July 2023 to fill a Team Leader vacancy within the department. Efforts to recruit the Planner III position are now underway.</p>	
<p>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.</p>	\$502,000 0.0
<p><u>Status Update:</u> The Warehouse & Threatened Building Grant Program Guide and Grant Application were updated to be shared with potential applicants when appropriate projects are identified. Staff reached out to property owners of vacant buildings as well as property owners looking to redevelop sites with the potential to incorporate existing historic buildings otherwise threatened with demolition. Staff will continue to reach out to property owners of vacant and threatened buildings to continue to build a pipeline of projects eligible for grant funding. A number of projects have utilized this funding or are in process, including: the historic City Center Motel, the Duppa-Montgomery adobe, the Sargeant-Oldaker residence, the First Baptist Church, and the Yaun Ah Gim Groceries property.</p>	
Total Planning and Development	\$1,092,000 7.0

Department/Program

Police

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|----|---|------|
| 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 |

Status Update: These positions support numerous bureaus/units, providing key support and enabling sworn staff to be deployed more effectively. Specific updates on these positions include: **Employment Services Bureau (1.0 FTE)** - This position was vacated in November 2023, but a recruitment will begin shortly. The position conducts background investigations on civilian applicants and contractor positions, allowing sworn positions to focus on sworn hiring. **Violent Crimes Cold Case Homicide Unit (2.0 FTE)** - These positions are filled and are responsible for conducting five-year reviews of unsolved homicide investigations, updating reviews of various homicides as new issues arise, contacting next of kin to provide case updates, purging property for adjudicated homicide investigations, and conducting interviews of witnesses, surviving victims, and in custody suspects. **Family Investigations Bureau (7.0 FTE)** - All positions are filled and are working up to 100 cases per month while assisting detectives with investigations. **Property Crimes (12.0 FTE)** - Seven positions are filled with active recruitments to fill the remaining five. These positions are conducting interviews, gathering evidence, and purging property related to adjudicated investigations. **Drug Enforcement Bureau (2.0 FTE)** - Both positions are filled and are revamping the confidential informant database to a new version that includes continual updates. They are also assisting with asset forfeiture cases. Finally, the positions routinely assist with human trafficking operations, specifically with analyst work and locating suspected sex traffickers. **Vehicular Crimes Unit (1.0 FTE)** - The position is filled and is submitting DUI cases to the City and County Attorney's Office, completing additional requests from attorneys, completing Rule 15 requests, and purging case related property.

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| 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 |

Department/Program

Status Update: All positions have been filled. The newly formed squad has been able to streamline the process for fulfilling City Prosecutor’s Office and County Attorney’s Office video requests within the required/acceptable turnaround time. While waiting for the positions and recruitments, the public records request backlog increased to an 18-month backlog. The new squad, made possible by the additional positions, are working to reduce the public records request backlog, resulting in the community receiving requested documents more quickly.

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| 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 is \$1,799,803; however, the cost for FY 2022-23 will be absorbed utilizing savings from vacant sworn positions. | 13.0 |

Status Update: Position updates are as follows: Senior Information Technology Systems Specialist (3.0 FTE): All three positions are vacant but recruitments are underway. Information Technology Analyst/Programmer II – (2.0 FTE): one position (GIS developer) is filled. The second position was filled but has since been vacated and will need to be recruited. Information Technology Analyst/Programmer III – (3.0 FTE): one position is filled, and the two remaining position recruitments are currently being developed. Senior User Technology Specialist – (3.0 FTE): all positions are filled. User Technology Specialists – (2.0 FTE): both positions are filled. Overall, these positions will ensure the police department’s software and technology systems remain operational. In the event a system fails, the additional specialists provide coverage to troubleshoot the failure and get them back online. Finally, they are allowing the department to increase the use of technology, enhancing public safety for residents.

Department/Program	2022-23 Total
4. <i>Laboratory Bureau - Lab Services</i> 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.	\$0 10.0
<p><u>Status Update:</u> Both Crime Scene Specialist III positions were filled in November 2022 and are fully trained and operational. One Crime Scene Specialist II was hired in April 2023 and is nearing the completion of training. The second was hired but has since vacated the position, and a new process is underway to fill the position. Once the additional positions are fully functional, additional crime scenes will be able to be processed efficiently, ultimately resulting an increase in evidence that may lead to the identification of a suspect or assist in investigations. Five of the Forensic Scientist IIIs have been fully trained and are conducting casework. The request to fill the final position is still in process. The additional positions increased the number of cases analyzed. The additional cases analyzed assists in the identification of suspects, ultimately closing investigative cases and increasing public safety.</p>	
5. <i>Patrol - Respond to Calls for Service</i> 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.	\$2,841,000 6.0

Department/Program

Status Update: The Lead Information Technology Systems Specialist is currently vacant. The position was recently transferred to the Information Technology Bureau and will be recruited to assist the 19th and 27th Avenue Corridor Real Time Operation Centers. All five Police Assistants are filled and continue to be essential components of the Real Time Operations Centers (RTOC). They have completed numerous trainings for video evidence uploads, Intelligence Officer training, Records Management System report writing, image comparison, command central, and gang related trainings. They have also assisted with the installation and monitoring of over 40 license plate readers, 120 FireFly sensors, and 40 cameras. Additionally, they assist officers in gathering information and calls for service that are often identified through the RTOC, including over 18,500 Firefly activations where officers were able to recover shell casings on over 50 incidents, and assisted with the recovery of 29 guns. The additional positions supplement sworn officers allowing an increase in analysis work, ultimately resulting in the identification of additional suspects, furthering public safety.

Total Police \$2,841,000
64.0

Public Defender

1. *Legal Representation Services* \$155,000
2.0
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.

Status Update: All positions are filled. The Public Defender's Office is operating at the highest level of client care for vulnerable populations since its inception. By changing from contracted attorneys to City staff, clients can reach their attorney easier, and the attorneys have more dedicated time for individual client's cases. This has resulted in better legal representation for clients and has ensured that everything that can be done for a client in our specialty courts (both Veterans and Behavioral Health) will be done. The Legal Assistant is assigned to Behavioral Health Court, which has a very large caseload. This allows the attorney to focus on legal matters while staff prepare files, call clients, and most importantly, schedule all Rule 11 appointments for determination of competency to participate in court proceedings. The loss of a full-time toxicologist has been negligible due to the contracted forensic toxicologist's availability for testifying, as well as test second samples of blood for DUI cases.

Total Public Defender \$155,000
2.0

Department/Program

Public Works

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| 1. | <i>Facilities Management and Maintenance</i> | \$382,000 |
| | 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. | 5.0 |

Status Update: All positions are filled. The Building Equipment Operator (BEO) apprenticeship is based on the established Arizona Pipe Trade Apprenticeship Program training curriculum and on-the-job training activities set forth in an Apprenticeship Handbook created to support this program. The Electrician and BEO apprenticeship programs are part of the City’s Building Trade Apprenticeship Program, administered jointly by Public Works and Aviation through an apprenticeship committee. Apprentices are mentored by journeyman staff. Staff receiving apprentice assistance in the field also benefit from the program. Developing and administering apprenticeship programs exemplifies the department’s commitment to workforce development and community growth while reducing vacancies and addressing shortages of building trades labor. The Administrative Aide position provides administrative support for the Water Conservation Project as well as the Apprenticeship Program. This position supports the workforce and ensures the seamless coordination of various projects within the department.

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| 2. | <i>Facilities Management and Maintenance</i> | \$218,000 |
| | Add funding to restore two facilities maintenance positions that support city building and infrastructure repairs. The request includes adding one Building Equipment Operator II and one Building Maintenance Worker*U2. 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 a one-time capital equipment purchase, will be \$196,000. | 2.0 |

Status Update: The two facilities maintenance positions are filled. They helped retrofit 51 facilities, convert 426 faucets, 475 toilets, and 125 urinals to water-saving fixtures, resulting in approximately 5.61 acre-feet of water saved. Completed sites include nine senior centers, 16 libraries, nine community centers, and 17 recreation centers, with police facility retrofitting underway as of January 2024. These achievements underscore the department’s dedication to water conservation and reducing community water usage.

<u>Department/Program</u>		2022-23 Total
3.	<p><i>Energy Management Consultation Services and Energy Analysis</i></p> <p>To support essential City priorities related to the City of Phoenix 2021 Climate Action Plan and the Electric Vehicle (EV) Task Force, a comprehensive EV study is needed, which includes an assessment of EV Charging Stations, infrastructure needs, and an implementation plan for City vehicles. This item adds funding for one Operations Analyst position and contractual funding for the comprehensive study. Additionally, the position will coordinate with City staff and vendors to assist with the implementation of citywide initiatives as recommended from the study. The full-year ongoing cost, excluding funds for the study, will be \$90,000.</p> <p>Status Update: The Operations Analyst position for the Electric Vehicle Charging Program is developing a plan to charge all new Fleet Services electric vehicles (EVs). The analyst produced an EV training video to assist employees new to operating EVs. The analyst is currently working on the EPA Carbon Pollution Reduction Grant (CPRG) to fund EVs, calculating levels of pollution reduction, working as a lead resource for a coalition of cities on EV infrastructure and technology, researching EV hazards, working with the Phoenix Fire Department to purchase new firefighting equipment and to update standards for EV safety, and conducting research toward the introduction of new electric garbage trucks and necessary charging infrastructure.</p>	<p>\$340,000 1.0</p>
Total Public Works		\$940,000 8.0
<u>Street Transportation</u>		
1.	<p><i>Street Maintenance</i></p> <p>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.</p> <p>Status Update: The Cool Pavement Program was originally scoped for nine locations across the city. Street Transportation identified \$4 million of funding within the CIP to begin the program after the pilot project. The added funding expanded the program scope to 11 locations beginning in FY 2023-24. It is anticipated that the added funding will allow 11 locations to be included in the program annually going forward (for a program total of \$4.85 million annually). The added funding does not have an inflation factor, so as construction costs increase gradually over time due to inflation, the number of locations in the program could decrease unless additional funding is identified.</p>	<p>\$850,000 0.0</p>

<u>Department/Program</u>	2022-23 Total
2. <i>Traffic Safety and Neighborhood Traffic</i>	\$1,200,000
Add funding for the Roadway Safety Action Plan (RSAP) 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 \$1.2 million per year and combined with funds added in fiscal year 2021-22 would provide \$1.8 million annually in General Funds. This funding will help implement safety improvements targeted at both engineering and education-based traffic safety measures. Such improvements could include traffic signals, streetlighting, HAWK pedestrian signals, crosswalks, sidewalks, public service announcements (PSAs), and safety education campaigns. Funding will also be utilized in the development of the RSAP to engage the community to ensure equity in the selection and prioritization of traffic safety improvement projects.	0.0
<p><u>Status Update:</u> The City of Phoenix Vision Zero – Road Safety Action Plan (VZ-RSAP) was unanimously approved by the City Council on September 2022. Completion of the VZ-RSAP enabled the Street Transportation Department to apply for two Federal Safety Grants known as Safe Streets and Roads for All (SS4A). The City was awarded two SS4A grants: 1) \$460,000 for the development of a Supplemental Plan to develop a Pedestrian High Risk Network planning document and an updated Speed Limit Setting process, and 2) \$25,000,000 was awarded to improve pedestrian, cyclist, and vehicular safety focused within an underserved community along Indian School Road from 39th to 91st Avenues, known as ReVISIONing Indian School Road. The VZ-RSAP identified traffic crash patterns within the City, developed a High Injury Network that has been utilized to prioritize the locations of traffic safety infrastructure projects, and engaged the community in the development of 41 safety strategies. RSAP funding has contributed to the implementation of the VZ-RSAP strategies with the design and construction of several traffic safety infrastructure projects (traffic signal modernization projects, HAWKS, etc.), Community Engagement via the VZ-RSAP Community Advisory Committee, Public Service Announcements via Scan the Street for Wheels and Feet, and evaluations of traffic safety improvements to determine safety efficacy and effectiveness.</p>	
Total Street Transportation	\$2,050,000 0.0
<u>TOTAL GENERAL FUND</u>	\$23,074,000 163.5

2022-23

SUPPLEMENTALS UPDATE
NON-GENERAL FUND

2022-23
Total

Department/Program

Aviation

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| 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 |
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Status Update: All but five positions are filled. Multiple recruitments have been made without success of finding qualified candidates. The benefit of having these new positions is the airport can provide a safe, secure, and customer friendly environment for passengers passing through the airport's newest terminal concourse and Phoenix Sky Train stations.

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| 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 I, one Economic Development Program Manager, and one Energy Management Superintendent position. 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 |
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Status Update: All positions are filled. These positions assist with adequately addressing Green House Gas (GHG) reductions and other environmental challenges. They also allow the Aviation Department to implement Energy Efficiency measures in-house, which is the most cost-effective way to reduce our carbon footprint, and enhance automation of systems.

Department/Program

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| 3. | <i>Administration</i> | \$0 |
| | Add funding for a new Asset Management section within the Facilities and Services Division to centralize asset management and effectively 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 Managers, 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. | 1.0 |

Status Update: All positions are filled. Staffing of this section provides the ability to centralize asset management responsibilities to effectively ensure buildings, equipment, and grounds of the Phoenix airport system are safe, clean, user friendly, and efficient.

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| 4. | <i>Capital Management & Support</i> | \$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 |

Status Update: All positions are filled. The additional positions have allowed the department to aggressively seek state and federal grant assistance and new federal infrastructure improvement grant programs available to airports, all while efficiently managing the grant program valued over \$1 billion. A variety of airfield and terminal improvement projects anticipated to be funded by grants would allow PHX, DVT and GYR to better serve the public.

Total Aviation	\$0
	31.0

<u>Department/Program</u>		2022-23 Total
<u>Neighborhood Services</u>		
1	<p><i>Housing Rehab Programs</i></p> <p>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.</p> <p>Status Update: Prior to the commencement of Fiscal Year 2023-24, all four positions were filled. However, due to a retirement and recent promotion, two of the positions are currently vacant. The Neighborhood Services Department continues to operate the Lead Safe Phoenix program with Department of Housing and Urban Development funds.</p>	<p>\$402,000</p> <p>4.0</p>
Total Neighborhood Services		<p>\$402,000</p> <p>4.0</p>
<u>Planning and Development</u>		
1.	<p><i>Administration</i></p> <p>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.</p>	<p>\$0</p> <p>2.0</p>

Department/Program

Status Update: Both Management Assistant II positions were filled in late 2022. Since these hires, the Ombudsman section staff has steadily ramped up service levels and is now managing close to 100 projects/calls for assistance per month. Staff provides plan review guidance, research on property history, responds to complaints, and facilitates meetings and discussions with necessary plan review and permitting staff. Ombudsman assistance has freed up plan review staff to devote more focus to plan and project reviews. In addition to daily project assistance, the Ombudsman section worked closely with consultants from the Bloomberg Foundation to revamp the section’s call tracking log to improve project tracking and reporting capabilities. Staff also has drafted a comprehensive guide to adding accessory dwelling units to single-family properties.

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| 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 |

Status Update: This position was temporarily filled in February 2023 but has since been vacated. Since then, the department director initiated a major staff reorganization, which included assigning the job duties of this Special Projects Administrator (SPA), along with numerous other responsibilities, to a newly vacated Deputy Director position (initially intended to serve as the department’s technology lead). The Deputy Director position is fulfilling all of the infrastructure planning and financing duties outlined in the original supplemental request. The SPA was reassigned to support technology, and the position is being considered for reallocation to a position that is more in alignment with technology management.

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| 3. | <i>Administration</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 |

Department/Program

Status Update: The two Lead Business Systems Analyst (LBSA) positions were filled in January 2023. The addition of the LBSA positions supports the software design build process to take full advantage of the new technology provided by the SHAPE PHX Project. The two Information Technology Analyst/Programmer (ITAP) III positions were filled at the end of FY 2022-23, and these two new positions have enhanced the development and rollout of the SHAPE PHX project. SHAPE PHX gives internal and external users the opportunity to communicate more seamlessly and efficiently regarding all planning, plan review, permitting, and inspections-related needs. The department's goal is to continue expanding its online community by providing users with the latest technology to assist them with the City of Phoenix development process.

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| 4. | <i>Various</i> | \$0
3.0 |
| | 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. | |

Status Update: The architect position was filled in May 2023. The addition of another architect to the major commercial team has resulted in less strain on existing staff and less dependence on outside contract assistance for architectural review. The General Inspections Field Supervisor was filled in August 2022 and has helped with reduced carryovers and knowledge sharing within the team specific to electrical building codes. The Building Code Examiner position has recently been filled. This has helped decrease turnaround time for field employees and has added extra support to supervisors and staff.

Total Planning and Development	\$0 10.0
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Public Transit

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| 1. | <i>Local Fixed Route Bus Service</i> | \$241,000
0.0 |
| | 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. | |

Department/Program

Status Update: After the results of the public outreach process that ended December 2022, the proposed transit service extension in north Phoenix on Norterra Parkway and North Valley Parkway north of Happy Valley Road was not recommended for implementation. The route 35/36 service change proposal received 287 public comments in opposition to the route modification and 113 comments in support. This is on hold indefinitely.

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| 2. | <p><i>Federal Grants Administration & Oversight (Designated Recipient Role)</i></p> <p>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.</p> | <p>\$430,000</p> <p>4.0</p> |
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Status Update: The Special Projects Administrator position was filled in 2022, and the three Contract Specialist II positions were filled in 2023. One of these Contract Specialist II positions was reallocated to a Contract Specialist II *Lead. Although the other two Contract Specialist II positions were filled, turnover has occurred and there is one vacancy as of December 2023. A recruitment is in process and the one Contract Specialist II vacancy is expected to be filled by the end of February 2024. As a result of these positions, the Contracts and Procurement Section has been able to issue and award solicitations in a timely manner, while also providing the contract administration needed oversight, ensuring that Chapter 43 and federal requirements are met. There have been significant Federal Transit Administration (FTA) funds secured through the Public Transit Grants Section, which has increased workload, and these newer positions allow this demand to be successfully met.

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| 3. | <p><i>Light Rail</i></p> <p>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.</p> | <p>\$214,000</p> <p>2.0</p> |
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Department/Program

Status Update: The Management Assistant II (MAII) position (Light Rail Transit Coordinator) was filled January 2023. This position has continued to play a critical role in supporting the progress of LRT expansion. This position is currently overseeing the coordination of interdepartmental requirements and implementation of citywide initiatives (heat mitigation, sustainability, and others). This position is also responsible for tracking IGAs, MOAs and other agreements needed for the design, construction, operations, and maintenance of the light rail system. Since December 2022, the BRT MA II position has managed efforts to support the development of the first Phoenix BRT Corridor of 35th Avenue and Van Buren Street. With the next milestone of 15 percent design plans, these efforts included work on the alternatives analysis process, traffic analysis, community education and engagement, and station area planning.

Total Public Transit	\$885,000 6.0
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Public Works

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| 1. | <p><i>Contained Residential Collection</i></p> <p>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.</p> | \$228,000
3.0 |
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Status Update: The Equipment Operator IV position, filled in May 2023, operates heavy equipment and helps ensure proper disposal of solid waste at the SR85 Landfill, promoting health and safety of the community. The two Solid Waste Equipment Operator positions, filled in September 2022, have helped to provide and maintain critical public service to Phoenix residents, mitigating overtime hours and collection backlog.

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| 2. | <p><i>Administration</i></p> <p>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.</p> | \$40,000
1.0 |
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Status Update: The Administrative Intern positions are currently vacant and are being held to offset an increase in rising salary costs. There is no recruiting process being held at this time.

<u>Department/Program</u>	2022-23 Total
3. <i>Contained Residential Collection</i>	\$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
<u>Status Update:</u> All four Solid Waste Foremen positions were filled in August 2022 and have been essential in leading the SWEO Apprenticeship Program, conducting training and helping expand the program. The SWEO positions were filled with incumbents currently in the apprenticeship program. The SWEO Apprenticeship program is the first of its kind in the nation, developed collaboratively in 2017 by the City of Phoenix and the Laborers' International Union for North America, expanding opportunities for employment with the City. Selected candidates receive on the job training and instruction to secure a Class-A (commercial) Driver License. This program has been highly successful for recruiting, training, and retaining specialized knowledge and skills in a challenging labor market.	
Total Public Works	\$1,093,000
	15.0
<u>Street Transportation</u>	
1. <i>Various</i>	\$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

Department/Program

Status Update: The Accountant III position is filled and currently manages reimbursements for federal, state, and local grant projects. The Procurement Manager position is filled and continues to provide valuable oversight, training, and quality control. The Senior IT Systems Specialist position is filled and continues to provide business analysis, project coordination, and project management for Street Transportation critical projects with IT and/or GIS components. The Lead User Technology Specialist position is filled and continues to provide technical support to Street Transportation staff, programs, projects, and services focused on several Council priorities. The Senior Human Resources Clerk position was successfully recruited and occupied for about a year. Once the position was vacated, a strategic decision was made to reallocate the role, transforming it into an HR Analyst position. The Project Manager position in the Streetlighting section has not been filled. The position is being reviewed and a recruit timeline is still being developed.

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| 2. | <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 |

Status Update: The Principal Planner position has been filled. Initial recruitment for the Civil Engineer III was unsuccessful, but a new recruitment is underway. The Traffic Engineer III is currently open for active recruitment. The Principal Planner position has allowed for the department to increase the depth of its review and stipulations with future Arizona State Land sale proposals; support large scale entitlement and planning applications submitted to the City; and support Council-directed plans such as the Tree and Shade Master Plan, General Plan, and others.

Total Street Transportation	\$0
	10.0

<u>Department/Program</u>	<u>2022-23 Total</u>
<u>Water Services</u>	
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 aquafer, 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
<u>Status Update:</u> The six positions have been filled. Two positions were allocated for the system control room to provide better shift coverage and reduce the overtime in that area. Four positions were allocated to field staff, and the department has been able to secure more groundwater and improve the stability of the City's water portfolio due to the increased staff support. The program continues to move forward with outfitting the wells with arsenic treatment systems to meet any water shortages from the CAP system.	
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
<u>Status Update:</u> Three positions have been filled at this time to staff the transition team. This team is working on the background logistics that are needed to successfully takeover operations of the facility. Four vehicles are on site with the remaining vehicles in a purchase order status awaiting delivery. Water Services intends to start filling the remaining positions in the first quarter of 2024 for anticipated City operation starting in January 2025.	
Total Water Services	\$1,957,000 47.0
TOTAL NON-GENERAL FUND	\$4,337,000 123.0

2023-24

SUPPLEMENTALS UPDATE
GENERAL FUND

Department/Program	2023-24 Total
<u>Fire</u>	
<p>1. <i>Fire Emergency Medical Services and Hazardous Incident Response</i> Add funding for twenty-four sworn positions (four Fire Captains, four Fire Engineers, and sixteen Firefighters) to provide dedicated staffing for the new Fire Station 74, located at 19th Avenue and Chandler Boulevard. The Fire Department intends to hire personnel to staff this fire station beginning January 2024. The full-year ongoing cost will be \$3,796,000.</p> <p><u>Status Update:</u> All 24 positions have been hired and the new members began the Fire Training Academy on January 22, 2024. Fire Station 74 is anticipated to open in 2025 and 24 firefighters will be permanently assigned to meet the daily staffing needs.</p>	<p>\$2,021,000 24.0</p>
<p>2. <i>Fire Emergency Medical Services and Hazardous Incident Response</i> Add funding for seven new sworn positions (Firefighters) and one new vehicle (ambulance) to provide dedicated staffing and apparatus for one new Rescue unit. These positions and equipment will significantly improve service delivery citywide. The full-year ongoing cost, excluding initial vehicle purchases, will be \$1,049,000.</p> <p><u>Status Update:</u> All seven firefighter positions have been filled and trained, allowing for a new rescue company to go into service on September 22, 2023. The funding for the positions has provided dedicated staffing for a new full-time rescue, which will have an impact on reducing response times and will help improve overall service delivery to the community. Additionally, the new rescue company will help to ensure the Fire Department can better meet the required ambulance response times established by the Arizona Department of Health Services.</p>	<p>\$1,355,000 7.0</p>
<p>3. <i>Administration</i> Add funding for a new Human Resources Aide position to support the processing of payroll and leave transactions for the Fire Department. This addition will reduce the number of transactions per employee to reduce human errors in the payroll process and ensure that employees are paid correctly. The full year ongoing cost, excluding initial equipment purchases, will be \$69,000.</p> <p><u>Status Update:</u> The position is filled and supports the Fire Department's payroll section in processing payroll and leave transactions.</p>	<p>\$71,000 1.0</p>
Total Fire	<p>\$3,447,000 32.0</p>

<u>Department/Program</u>	<u>2023-24 Total</u>
<u>Human Services</u>	
1. <i>Client Services</i>	\$500,000
Add funding to compensate for the loss of Low Income Home Energy Assistance Program (LIHEAP) funding from the Arizona Department of Economic Security (DES). Administrative changes in the DES funding process have resulted in a loss of revenue to the City's program. The anticipated reduction will negatively impact the City's ability to adequately staff the LIHEAP program, resulting in reduced levels of service to residents qualifying for home energy assistance. This addition helps ensure continued service.	0.0
<u>Status Update:</u> This requested supplemental resulted from a Department of Economic Security (DES) notice of change in administrative funding. Unexpectedly, DES provided funds for navigation support in place of the Low-Income Home Energy Assistance Program (LIHEAP) administrative funds. The additional DES funding has supported the program for the first part of Fiscal Year 2023-24. Human Services will begin to spend the supplemental funding as of March 2024, once the funding DES provided for navigation services is exhausted.	
2. <i>Victim Advocacy Services</i>	\$450,000
Add funding to offset expiring Victims of Crime Act (VOCA) grant funding. These funds will enhance the department's ability to provide domestic violence and sexual assault referrals, reducing caseloads, preventing case backlogs, and maintaining adequate response times.	0.0
<u>Status Update:</u> The requested supplemental funding resulted from Office for Victims of Crime (OVC) communication regarding a 50 percent reduction of funding levels for Fiscal Year 2023-24. The State of Arizona used American Rescue Plan Act funds to make up for the shortfall. As a result, no supplemental funds have been spent to date. For Fiscal Year 2024-25, OVC is again anticipating a 50 percent reduction in funding based on the amounts of deposits received into the Crime Victims funds as of November 2023. This will result in Human Services utilizing this supplemental's funding to cover the lost funding from OVC.	
3. <i>Homeless Outreach Services</i>	\$600,000
Add funding to expand the department's Behavioral Health Engagement Teams (BET) contract. BET teams provide outreach to specific and targeted areas of the city that are experiencing high instances of substance abuse and behavioral health issues, which may contribute to people experiencing homelessness.	0.0

Department/Program

Status Update: The Behavioral Health Engagement Teams (BET) contract is in place and has more than 100 engagements with people experiencing homelessness. While positive exits are very challenging with these encounters, the team has been able to successfully move 42 people to positive exits including shelter, detox, and one person has obtained permanent housing through this contract. To date more than 2,000 services have been delivered. Services include case management, obtaining identification or securing forms, transportation, and benefits assistance. The additional resources provided for this contract are supporting positive outcomes and increased community engagement of people with mental health needs and substance use disorder.

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| 4. | <i>Homeless Community Engagement</i> | \$600,000 |
| | Add funding to expand the department's PHX CARES Outreach Teams contract. The expansion will dedicate teams to hot spots throughout the city where there are high concentrations of encampments. The teams will provide outreach from 5 a.m. to 11 p.m., seven days per week, with the goal of reducing people experiencing homelessness. | 0.0 |

Status Update: This contract has served more than 500 people with mental health needs, substance use disorders, and chronic health conditions. A total of 202 people were exited to shelter, two went to transitional housing programs, 10 were exited to live with family or friends, and 68 went to substance use treatment or detox. A total of 255 people engaged through this contract are identified as chronically homeless. The additional funding for the contract is supporting positive outcomes and increased engagement of high needs populations.

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| 5. | <i>Homeless Emergency Services</i> | \$5,200,000 |
| | Add funding needed to continue emergency services for shelter operations throughout the city serving individuals experiencing unsheltered homelessness. The City is developing a new shelter that will house up to 280 individuals per night at 3000 S. 22nd Ave, which will be operated by a nonprofit shelter and wrap around service provider. Additionally, the City and Maricopa County are co-funding Community Bridges Inc.'s (CBI) acquisition of a hotel to be converted into an emergency shelter called Rio Fresco Healing Center. Although the acquisition is not finalized, the rooms at the hotel are currently being rented by CBI, serving 140 individuals per night at that location. Together the two shelters supported with this funding will serve up to 420 individuals per night and approximately 1,260 individuals per year. While operational funding for both locations is being sought through additional federal, state, county, and private sources, this funding will facilitate operations through June 2024. | 0.0 |

Department/Program	2023-24 Total
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Status Update: The project originally planned for this funding was not a viable option; therefore, funds were moved to use for temporary shelter while a new site for a City shelter could be identified. A contract with A New Leaf was executed in October 2023 for emergency shelter services via temporary lodging. This temporary lodging site provides 100 non-congregate beds and accepted its first residents on October 18, 2023.

6.	<i>Head Start Birth to Five</i>	\$250,000
	Add funding to support the Phoenix Day Early Childhood Education Center (PDECEC). This one-time allocation will allow the PDECEC to retain and expand teaching staff and training to increase enrollment to a sustainable level. Impacts from COVID resulted in a \$1 million deficit in funding. A New Leaf has developed a plan to increase enrollment and is on track to reach sustainability by 2024.	0.0

Status Update: The one-time funding has allowed Phoenix Day Early Childhood Education Center to continue to increase student enrollment and hire teachers to meet their 2024 financial sustainability goals. The funding is currently being used to fund three lead teachers, an enrollment coordinator, and a compliance manager.

Total Human Services	\$7,600,000
	0.0

Law

1.	<i>Criminal Division - Victim Services Unit</i>	\$344,000
	Fund five Federal Victim of Crime Act Assistance (VOCA) Fund grant positions with General Funds. Grantees were informed funding will be reduced by 50-60% beginning fiscal year 2023-24. These positions provide services to victims and assistance to comply with mandated victims' rights. The full-year ongoing cost will be \$447,000.	5.0

Status Update: All positions are filled. Services have remained at existing levels.

2.	<i>Civil Division</i>	\$0
	Add four Management Assistant II and two Assistant City Attorney IV positions. Convert from temporary to ongoing status a Chief Assistant City Attorney, an Assistant Chief Counsel, a Management Assistant II, and a Special Projects Administrator. These positions are needed to facilitate and coordinate immediate and ongoing needs related to the Department of Justice investigation of the Phoenix Police Department. The cost of these positions will be offset with salary savings within the Police Department budget.	10.0

Department/Program

Status Update: The four Management Assistant II positions were transferred to the Police Department in July 2023. The two Assistant City Attorney IV positions are filled; one assigned to the Phoenix Police Academy and the other to the PD Professional Accountability Bureau. One attorney was hired to provide legal support and training to the Academy to develop, review, and deliver training to both new recruits and veteran staff on law related topics to ensure compliance with policy and constitutional requirements. One attorney was hired to provide legal review and support to PAB in investigations and accountability. Both attorneys provide support in developing the City’s response to the results of the Department Of Justice investigation.

Total Law **\$344,000**
15.0

Neighborhood Services

- 1. *Targeted Neighborhood Revitalization Programs* \$352,000
 Increase funding for the Gated Alley Program. In 2022-23, 45 gated alley segments are scheduled to be initiated, which will expend all current program funding. By increasing program funding, an additional 32 gated alley segments already approved will be able to be initiated. The ongoing funding will provide for approximately 77 gated alley segments per fiscal year. 0.0

Status Update: In Fiscal Year 2023-24, General Fund use for the Gated Alley Program was expanded to \$852K in total, allowing 77 alley segments to be gated. Staff have identified the 77 alley segments that have been approved using General Funds; these segments are going through final approval and construction processes. The estimated completion of gate installations is April/May 2024. Funding will continue to be used in Fiscal Year 2024-25 for additional gated alleys.

Total Neighborhood Services **\$352,000**
0.0

Office of Arts and Culture

- 1. *Community Investment and Engagement Program* \$250,000
 Increase funding for the Community Arts Grants Program from \$125,000 to \$250,000 to enhance efforts towards greater equity of funds to arts organizations, including providing support to renters at City cultural venues to help offset performance and production costs. The increase will provide ongoing annual funding from Community Arts Grants of \$1.45 million. 0.0

Department/Program

Status Update: The additional \$250,000 Community Arts grant funding in Fiscal Year 2023-24 was awarded to organizations as part of the total Community Arts Grant fund, addressing a 10 percent increase in organizational applications. These additional grant awards are expanding the City's reach to community arts and cultural organizations, enabling increased programming, and enhancing the community's ability to engage in and enjoy arts and cultural offerings.

Total Office of Arts and Culture \$250,000
0.0

Parks and Recreation

1. *Park Rangers-Community and Neighborhood Parks* \$1,537,000
15.0
 Add funding for one Park Manager, two Park Ranger III, and 12 Park Ranger II positions to create an overnight shift of two Urban Park Ranger Teams. By creating these two teams, Park Ranger coverage will be available 24 hours per day, seven days per week throughout the 186 parks within the City's 500 plus square miles. The full-year ongoing cost, excluding initial vehicle purchase costs, will be \$1,344,000.

Status Update: These positions were filled in July 2023. A two-week Park Ranger Academy was held along with six weeks of field training focusing on the overnight work to be performed. This training included radio communications, courtroom procedures, search and rescue, mental health/crisis intervention, education, code of conduct enforcement, defense tactics, and a wide variety of other subjects applicable to the position. The park rangers are currently performing regular patrols of the urban parks overnight, where they educate park users on the code of conduct rules. Additionally, the park rangers assist with large cleanup efforts throughout City parks. The positions have also increased the ability to respond to calls more quickly.

2. *Specialized Maintenance-Skilled Trades* \$394,000
5.0
 Add funding for an additional Forestry crew consisting of one Parks Foreman, two Urban Forestry Technician, and two Equipment Operator II positions. The Forestry section provides citywide tree planting, tree maintenance activity, technical support, and 24/7 emergency response. Additional staff are needed for irrigation system installation, maintenance and operation of controllers, tree planting, staking, and pruning. These activities will support the Tree and Shade Master Plan, an important component of the City's Climate Action Plan. The full-year ongoing cost, excluding initial vehicle purchases, will be \$353,999.

Status Update: In an effort to stagger the hiring of vacant positions, these positions have not yet been filled. Parks and Recreation staff anticipates working with Human Resources on the recruitment process soon.

Department/Program		2023-24 Total
3.	<p><i>General Recreation</i></p> <p>Add funding for a Volunteer Coordinator position. This position would serve as a single point of contact to brand and promote a Parks volunteer program supporting urban flatland parks citywide. The department receives a large number of volunteer requests from the public. This position would receive those requests, plan, develop, and implement volunteers, and conduct fundraising and/or community service programs.</p> <p>Status Update: This position has not yet been filled due to staggered hiring in the department, but Parks and Recreation staff anticipate beginning the recruitment process soon.</p>	<p>\$101,000</p> <p>1.0</p>
4.	<p><i>General Recreation</i></p> <p>Add funding for up to three cricket fields and explore development of partnership opportunities to expand more sites in the future.</p> <p>Status Update: An evaluation was performed to determine a feasible site(s) for the installation of cricket pitches. One site was confirmed (Turtle Rock Basin), and selection of a second site is still being considered. A contractor has been selected. Quotes and an installation schedule are forthcoming.</p>	<p>\$250,000</p> <p>0.0</p>
5.	<p><i>Parks Maintenance</i></p> <p>Add funding for additional maintenance and repair items at Sueño Park and other Parks sites.</p> <p>Status Update: Parks and Recreation staff will be working with the community in March 2024 to identify improvements that will be made at Sueño Park.</p>	<p>\$125,000</p> <p>0.0</p>
Total Parks and Recreation		\$2,407,000 21.0
<u>Police</u>		
1.	<p><i>Various</i></p> <p>Add funding for 20 Civilian Investigator positions and related equipment to support the department's ongoing civilianization efforts. These positions perform select investigative functions and enhance investigative capacity, provide staffing flexibility, and allow the department to use sworn staff where they are most needed. The full-year ongoing cost will be \$1,917,000; however, the cost for FY 2023-24 will be absorbed utilizing savings from vacant sworn positions.</p>	<p>\$0</p> <p>20.0</p>

Department/Program

Status Update: These positions were requested to perform functions historically performed by sworn personnel but could be completed by civilian employees. Recruitments are in process to fill the positions. Seven of the positions are assigned to the Employment Services Unit to assist with police department’s employee background process, one is assigned to the Employee Wellness Unit to support the Early Intervention System, and the remaining twelve are assigned to Property Crimes at this time.

- | | | |
|----|--|-----|
| 2. | <i>Various</i> | \$0 |
| | Add funding for three Police Research Analyst positions and three Criminal Intelligence Analyst positions and related equipment to the Investigations and Patrol Divisions and the Compliance and Oversight Bureau as part of the department's ongoing civilianization efforts. These positions will provide key analytics and research work to support a variety of department efforts, including work with the Office of Accountability and Transparency and the Professional Standards Bureau addressing community concerns. The full-year ongoing cost will be \$575,000; however, the cost for FY 2023-24 will be absorbed utilizing savings from vacant sworn positions. | 6.0 |

Status Update: The Police Research Analyst positions are assigned to the Continuous Improvement Unit (formerly known as Compliance and Oversight Bureau) to assist with policy and oversight. Though currently vacant, a recruitment is in process and anticipated to result in hires by March 2024. The Criminal Intelligence Analysts were assigned to the Strategic Information Bureau to query data and analyze crime statistics. Two of the positions are filled, and the third is anticipated to be filled shortly.

- | | | |
|----|---|-----|
| 3. | <i>Training Bureau - Training, ALEA & AZPOST</i> | \$0 |
| | Add funding for four Civilian Curriculum and Training Coordinator positions working as Law Enforcement Training Specialists in the Training Bureau. These positions are needed to enhance training capacity, benefitting both new recruits and existing sworn staff. The full-year ongoing cost will be \$384,000; however, the cost for FY 2023-24 will be absorbed utilizing savings from vacant sworn positions. | 4.0 |

Status Update: A recruitment and interview process has been held. Four candidates have been selected, and the hiring should be completed shortly.

<u>Department/Program</u>		2023-24 Total
4.	<p><i>Laboratory Bureau - Crime Scene Response/Crime Suppression</i></p> <p>Add funding for five Crime Scene Specialist II positions, vehicles, and related equipment in the Laboratory Services Bureau. These positions play a pivotal role in the investigative process and processing of crime scenes. Due to increased work volume, additional positions are needed to keep pace with national standards and best practices. The full-year ongoing cost will be \$381,000; however, the cost for FY 2023-24 will be absorbed utilizing savings from vacant sworn positions.</p> <p>Status Update: Four of the positions have been filled, and these employees are currently in training. A candidate has been selected for the final position and is completing the background check process. These positions will provide key additional support to crime scene investigations.</p>	<p>\$0</p> <p>5.0</p>
5.	<p><i>Various</i></p> <p>Add funding for 10 Police Assistant positions, vehicles, and related equipment to the Patrol Division and Logistical Resources Bureau. The Police Department recently partnered with Arizona State University in a collaborative assessment of calls for service, resulting in the identification of four call types that could best be performed by Police Assistants. Among other tasks, these positions will ensure the integrity of chain of custody and preservation of property. The full-year ongoing cost will be \$680,000; however, the cost for FY 2023-24 will be absorbed utilizing savings from vacant sworn positions.</p> <p>Status Update: Recruitment processes are underway to fill the Police Assistant positions. Four positions will support the Police Property Management Bureau, with the other remaining six to support Patrol operations.</p>	<p>\$0</p> <p>10.0</p>
	Total Police	<p>\$0</p> <p>45.0</p>
<u>Street Transportation</u>		
1.	<p><i>Street Cleaning</i></p> <p>Add funding to allow Street Transportation Maintenance to clean, cut, and remove debris in up to three additional washes annually, and to enhance the clean-up of medians. This would reduce the turnaround time each wash is maintained, shortening the time frame between each cleaning. Additional cleanings will help reduce calls for service and citizen complaints.</p>	<p>\$150,000</p> <p>0.0</p>

<u>Department/Program</u>	<u>2023-24 Total</u>
<p><u>Status Update:</u> In Fiscal Year 2022-23, 3.68 linear miles of additional wash maintenance was completed, and as of mid-February 2024 there has been another 1.3 linear miles completed. Additional wash locations are in process. This additional funding has allowed for vegetation control and removal of debris within natural conveyance channels. The funding has helped reduce turnaround times and increase production, and the additional cleanings have helped reduce calls for service and citizen complaints.</p>	
<p>2. <i>Street Cleaning</i></p> <p>Add funding for a street sweeper for bike lanes. The sweeper will improve the safety and cleanliness of protected bike lanes on city streets. Bike lane sweepers can remove debris and other hazards from the lanes, making them safer for cyclists to use. Regularly cleaning the lanes can help promote cycling as a viable mode of transportation, contributing to a reduction in traffic congestion and air pollution.</p> <p><u>Status Update:</u> Street Transportation staff have completed the procurement process and expect a delivery date of April 2024. After delivery, the mini sweeper will go through the make-ready process before being enlisted in service. Once in service, the sweeper will provide dedicated cleanings of protected bike lanes, improving safety for cyclists.</p>	<p>\$100,000 0.0</p>
Total Street Transportation	\$250,000 0.0
<u>TOTAL GENERAL FUND</u>	\$14,650,000 113.0

2023-24

**SUPPLEMENTALS UPDATE
NON-GENERAL FUND**

<u>Department/Program</u>	2023-24 Total
<u>Aviation</u>	
1. <i>Terminal Safety, Security & Communication Center</i>	\$167,000
Add two Airport Access Agent positions to provide security badging services to an active badge population of 19,000. These additional positions will reduce wait times and increase the number of available appointments. They will also assist in meeting regulatory requirements of security functions such as background checks, security training, and badging services. The full-year ongoing cost, excluding one-time equipment purchases, will be \$122,000.	2.0
<u>Status Update:</u> All positions were filled in November 2023. These positions reduce wait times, increase available appointments for badging customers, and allow the Badging Office to take additional walk-in customers.	
2. <i>Terminal Safety, Security & Communication Center</i>	\$750,000
Increase the Airport Police Bureau fleet by adding 10 new vehicles. Due to the growth in passenger traffic, geographic footprint and the Sky Train expansion, the Police Bureau is gaining 12 additional officer positions. This increase to the fleet will help support daily operations.	0.0
<u>Status Update:</u> All 10 vehicles were procured December 2023. The delivery and make-ready of the vehicles is estimated to be six to twelve months.	
Total Aviation	\$917,000 2.0
<u>Planning and Development</u>	
1. <i>Administration</i>	\$335,000
Add funding for a Planning and Development Team Leader position, Plan Review Coordinator position, and a Senior Business Systems Analyst position to support the SHAPE PHX technology replacement project and ensure continuity of IT support services. The project will replace numerous highly-customized legacy systems with a new application that supports planning, zoning, historic preservation, and plan review and permitting. The Team Leader position will supervise Business Leads, oversee involvement of subject matter experts, and ensure turnaround times and customer service levels are maintained. The Plan Review Coordinator position will support the largest project release which includes civil and commercial plan review and permitting and serve as the liaison between the team and the vendor. The Senior Business Systems Analyst position will respond to customer requests from residents, the development community, and staff. The full-year ongoing cost, excluding initial computer and office supply purchases, will be \$324,000.	3.0

Department/Program

Status Update: The Team Leader position and Senior Business Systems Analyst position have been filled. The Plan Review Coordinator (Business Lead) position is vacant. The Team Leader position is supervising staff to ensure optimum turnaround times and customer service levels. The Senior Business Systems Analyst is dedicated to overseeing internal and external customer communications regarding SHAPE PHX portal accounts and permit application questions. The position is also overseeing a resource/tool for staff to assist external customers with questions regarding SHAPE PHX portal processes, as well as website updates.

- 2. *Administration* \$83,000
1.0
Add funding for a Chief Engineering Technician position for the Electronic Plan Review administrative team. This position will facilitate plan review submittals and processing. This will allow staff to manage turnaround times and support the demand of high-profile projects without adversely impacting other teams. The full-year ongoing cost, excluding initial computer and office supply purchases, will be \$79,000.

Status Update: The Chief Engineering Technician position was filled in November 2023. The position provides support on high-profile projects, including coordination and plan review and ensuring adherence to all state statutes.

- 3. *Administration* \$71,000
1.0
Add funding for a Human Resources Aide position to reduce turnaround times for HR transactions and processing. The full-year ongoing cost, excluding initial computer and office supply purchases, will be \$67,000.

Status Update: This position has temporarily been filled as of January 2024. The current workload for leave, transactions, and payroll functions were previously distributed between two HR Aide positions, causing delays to key HR processes. This position allows for more even distribution of workloads and increased efficiency.

Total Planning and Development **\$489,000**
5.0

Public Transit

- 1. *Facility Construction and Maintenance* \$50,000
0.0
Increase funding for clean-up, removal of debris, and overall maintenance of bus stops. This funding will enable additional services through multiple existing contracts to include bus stop cleaning, bus stop repairs, landscaping, and other maintenance and improvements.

Status Update: This funding is being utilized to support the dramatic increase in cleaning efforts at many of the City’s bus stop locations. These increased services are being performed by Graffiti Protective Coatings.

<u>Department/Program</u>	2023-24 Total
Total Public Transit	\$50,000 0.0
<u>Regional Wireless Cooperative</u>	
1. <i>Regional Wireless Cooperative</i>	\$51,000
Add a part-time Accountant I position to support the administrative and accounting responsibility of the VHF (Conventional) Radio Network. This position will assist in the following areas: accounts receivable, accounts payable, audit, budgeting, projections, member inquiries, research, and special projects specifically related to the VHF system. This position was approved by the RWC Board of Directors on December 1, 2022.	1.0
Total Regional Wireless Cooperative	\$51,000 1.0
<u>TOTAL NON-GENERAL FUND</u>	\$1,507,000 8.0

ATTACHMENT C

City of Phoenix 2024-25 Community Budget Hearings

Date/Time	Council District(s)	Location Information
Tuesday, April 2, 2024 6:00 pm	Community-wide: (virtual/in-person open to all residents)	City Council Chambers 200 W. Jefferson Street www.phoenix.gov/budget/hearings
Thursday, April 4, 2024 6:00 pm	D6	Devonshire Senior Center Multipurpose 2802 E. Devonshire Avenue
Thursday, April 4, 2024 6:00 pm	D4	Steele Indian School Park Memorial Hall 300 E. Indian School Road
Friday, April 5, 2024 8:00 am	D1	DoubleTree by Hilton Phoenix North 10220 N. Metro Pkwy E
Saturday, April 6, 2024 10:30 am	Community-wide: Bilingual (virtual/in-person open to all residents)	City Council Chambers 200 W. Jefferson Street www.phoenix.gov/budget/hearings
Monday, April 8, 2024 6:00 pm	D8	South Mountain Community College Library Community Room 7050 S. 24th Street
Wednesday, April 10, 2024 6:00 pm	D5	Maryvale Community Center Multipurpose 4420 N. 51st Avenue
Thursday, April 11, 2024 8:30 am	D3	Sunnyslope Community Center Multipurpose 802 E. Vogel Avenue
Thursday, April 11, 2024 6:00 pm	D7	Desert West Community Center Multipurpose 6501 W. Virginia Avenue
Monday, April 15, 2024 6:00 pm	D2/D3	Shadow Mountain Senior Center 3546 E. Sweetwater Avenue
Tuesday, April 16, 2024 6:00 pm	D4/D5: Spanish-language (English interpretation services will be available)	Maryvale Community Center Multipurpose 4420 N. 51st Avenue

ATTACHMENT D



City of Phoenix

BUDGET AND RESEARCH DEPARTMENT REPORT	B.R.D. NUMBER 2024-06
SUBJECT General Fund Revenue Estimates	DATE ISSUED March 19, 2024

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 2023-24 and 2024-25, and an explanation of the influencing factors used by staff in analyzing each major revenue category. The below table summarizes the 2023-24 and 2024-25 estimated GF revenues and the primary reason for the variance:

GF Revenue Category (millions)	2023-24 Estimate	2024-25 Estimate	Amount Change	Percent Change	Primary Reason for Difference
Local Taxes	\$730.4	\$737.1	\$6.7	0.9%	Moderate growth in city sales tax collections, offset by residential rental tax elimination (SB 1311).
Primary Property Tax	208.0	215.4	7.4	3.6%	Increase in assessed property valuation.
State Shared Sales Tax	249.6	259.8	10.2	4.1%	Moderate growth in state-shared sales tax collections is expected.
State Shared Income Tax	435.8	353.2	(82.6)	-19.0%	Based on collections received two years prior. Reduction is due to negative impact of SB 1828.
State Shared Vehicle License Tax	82.2	86.1	3.9	4.8%	Moderate growth in this category is expected.
User Fees & Non-Taxes	197.6	192.2	(5.4)	-2.7%	Projected decline in interest earnings, which offset the moderate growth of emergency transportation services.
Total	\$1,903.6	\$1,843.8	\$(59.7)	-3.1%	

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. For instance, The State recently enacted Senate Bill 1131, which prohibits municipalities from taxing residential rental property starting Jan. 1, 2025. The estimated 5-month impact to the GF for 2024-25 is approximately \$(18) million and the ongoing annual impact beginning in 2025-26 is over \$(43) million. 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 U.S. 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, 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 taxes. 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 during the pandemic. 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 Dr. Hammond 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 2024-25 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 demonstrated resilience over the past three years. Real Gross Domestic Product (GDP), a common economic measure, grew 2.5% in 2023. According to the U.S. Bureau of Economic Analysis (January 2024), the 2023 growth was attributed to increases in consumer

spending, nonresidential fixed investment, state and local government spending, exports, and federal government spending partly offset by decreases in residential fixed investment and inventory investment. However, real GDP is expected to rise more slowly in 2024 than in 2023. The Conference Board anticipates two quarters of slightly negative GDP growth during the second and third quarters of 2024 that will be broadly felt across the economy. Estimated GDP for 2024 and 2025 is 1.2% and 1.4%, respectively. These figures represent a decline compared to the preceding three years: 5.8% in 2021, 1.9% in 2022, and 2.5% in 2023 (The Conference Board, January 2024) signaling a softening of the economy. Despite the anticipated normalization of inflation and interest rates in 2024, volatility is still expected to persist throughout the year. Several contributing factors include challenges in real disposable income growth, diminishing pandemic-related savings, rising household debt, and the impact of “buy now, pay later” plans. At a broader level, the challenges facing the U.S. economy arise from geopolitical conflicts and the risk of a surge in energy prices. It’s noteworthy that the upcoming presidential election could have an impact on the economy, and economists note concerns with the housing and commercial real estate markets as risks to the broader economy.

The U.S. economic growth established a platform for continued solid gains in Arizona in 2023. For the five-year period ending in the third quarter of 2023, the Arizona economy grew 19.6%, making it the fourth fastest-growing state during this period (Arizona Governor’s Executive Budget, January 2024). Arizona was also one of the fastest states to recover its lost jobs during the pandemic. As of December 2023, Arizona’s job growth was at 2%, slightly higher than the national rate of 1.9%. Overall, Arizona is well positioned to grow in 2024 but at a reduced pace. While it shares common challenges with the broader U.S. economy, the state is currently navigating potential short-term risks within the housing market. Housing permits are expected to decrease this year for both single-family and multi-family activity, driven by high interest rates and significantly reduced housing affordability. Single-family housing affordability continued to deteriorate in the third quarter of 2023, according to data from the National Association of Home Builders and Wells Fargo. In Phoenix, only 24.9% of homes sold were affordable, down from 64.9% in the last quarter of 2019 (Economic Outlook 4th Quarter 2023, UofA Economic Business Research Center).

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.

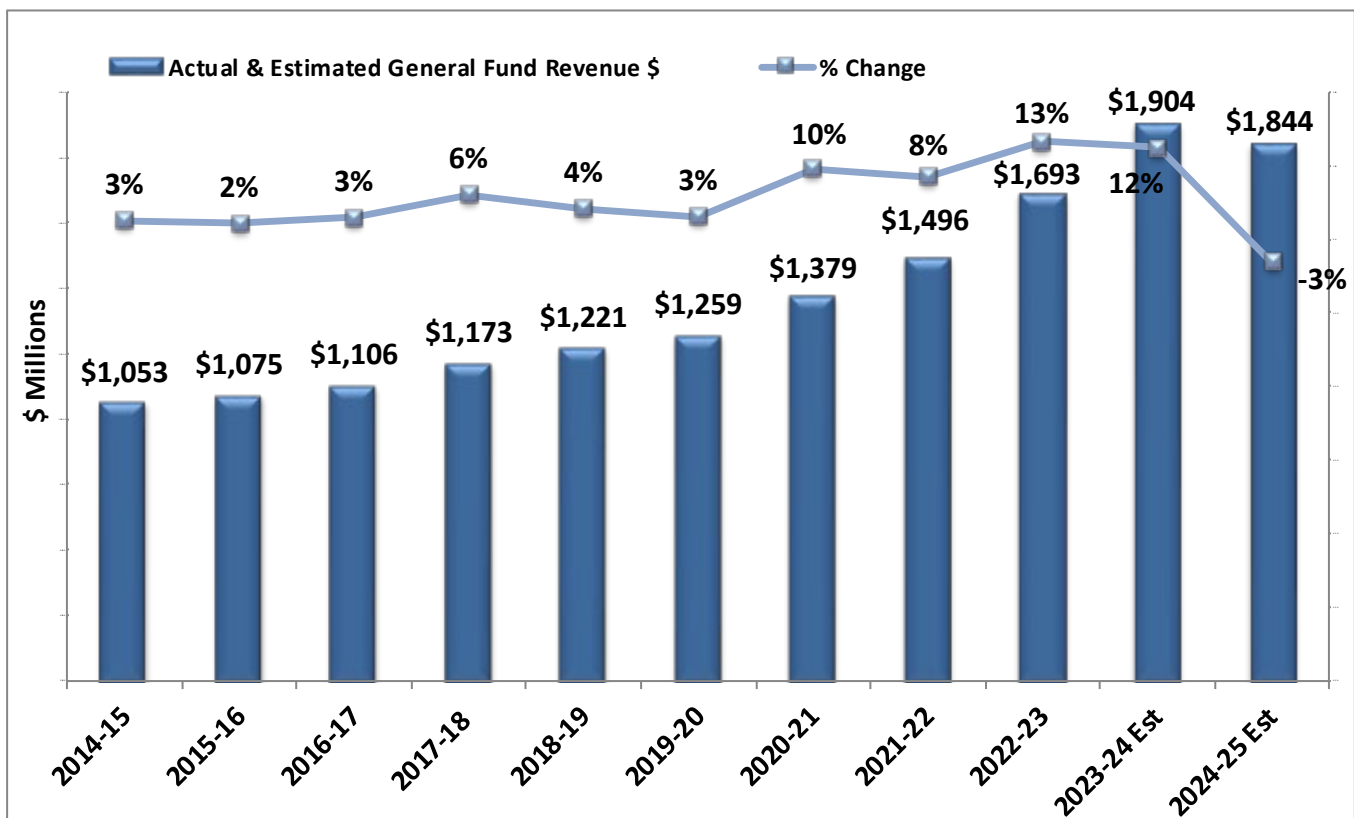
Once the current fiscal year estimate is developed, assumed growth rates are then applied to this amount to arrive at a projected revenue amount for the following fiscal year. These assumed growth rates take into account historical and recent trends in revenue data, one-time revenue adjustments, and 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 GF Multi-Year Forecast, the proposed Trial Budget and City Manager’s Budget recommended 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 2023-24 and 2024-25 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.

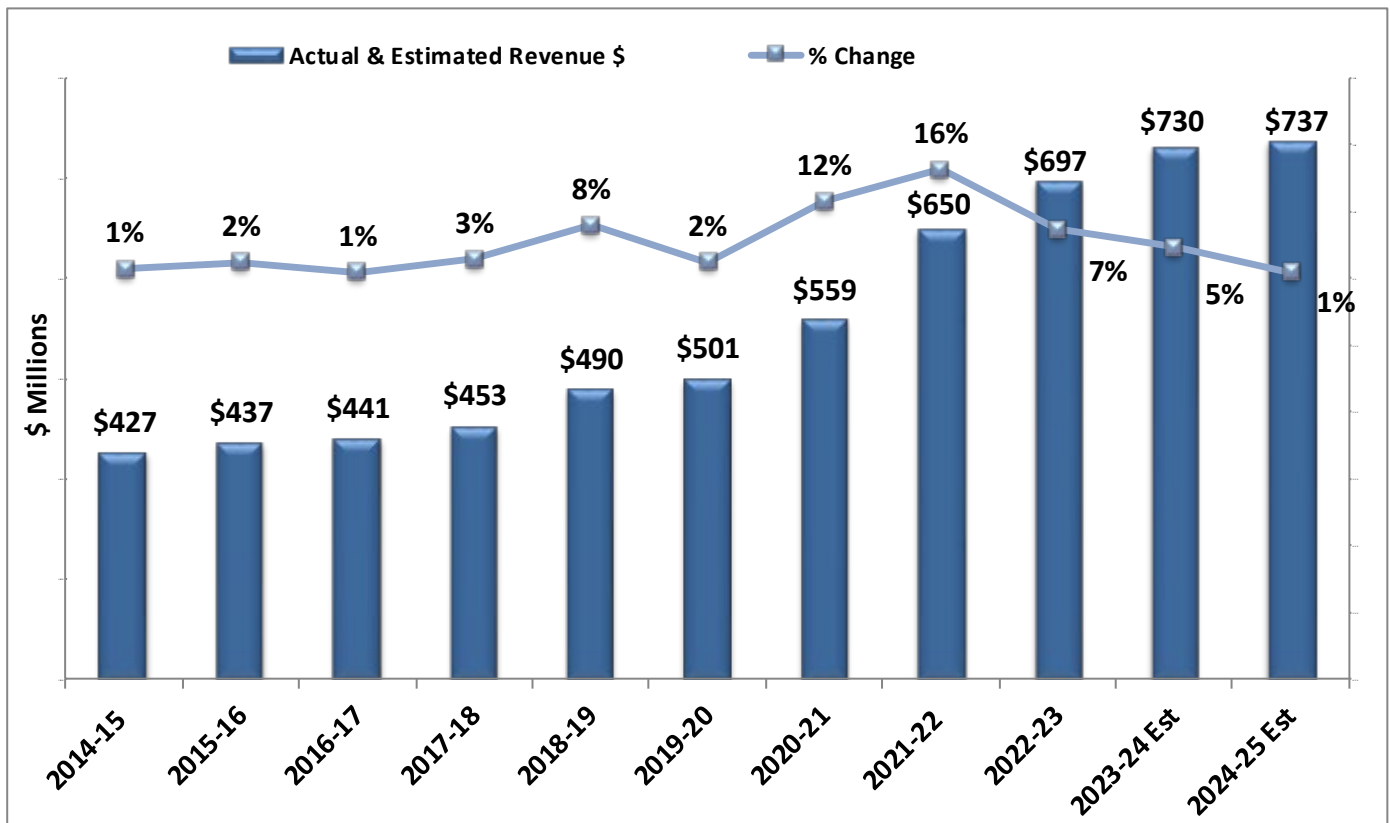
Total General Fund Revenue



**Projections for 2023-24 and 2024-25 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 category is conducted separately to predict the revenues for the current and following fiscal year more accurately. 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 inflation, 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 table 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.

Projections provided by the UofA were used to develop city sales tax estimates. 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. Sales tax can be volatile and typically correlates to the local

economy and consumer spending behavior. 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 during the Great Recession, and most recently during the COVID-19 pandemic. The federal stimulus assistance provided during the pandemic and more than expected revenue collections from retail and contracting sales taxes offset the revenue loss in the hospitality and leisure sales tax categories which prevented a severe decline in City revenues. Additionally, the recent surge in inflation has positively impacted the City by drawing in greater tax revenue from higher-priced taxable goods and a rise in wages. However, significant economic uncertainty and volatility in sales tax revenue collections in the first six months of FY 2023-24 require a cautious approach to forecasting. Staff is closely monitoring revenue collections and may revise revenue estimates as more information is available. Currently, the growth estimated in 2024-25 of 0.9% assumes modest growth over 2023-24 and accounts for current trends in actual collections. The growth also accounts for the negative impact of the elimination of residential rental sales tax. The State recently enacted Senate Bill 1131, which prohibits municipalities from taxing residential rental property starting Jan. 1, 2025. The estimated 5-month impact to the GF for 2024-25 is approximately \$(18) million.

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. The growth for privilege license fees in 2024-25 are estimated to be flat. The growth estimated in 2024-25 for other excise taxes assumes conservative growth and continuation of current year-to-date experience.

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 = < \$13,886 for a single item) ****	1.2%	0.1%	0.2%	-	0.1%	0.7%	-	-	-	2.3%
Retail (Level 2 – amounts > \$13,886 for a single item) ****	1.2%	0.1%	0.2%	-	0.1%	0.4%	-	-	-	2.0%

	General Fund	N'hood Protection	2007 Public Safety Expansion	Public Safety Enhance.	Parks & Pres.	Transp. 2050***	Conv. Center	Sports Fac.	Capital Const.	Total
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%

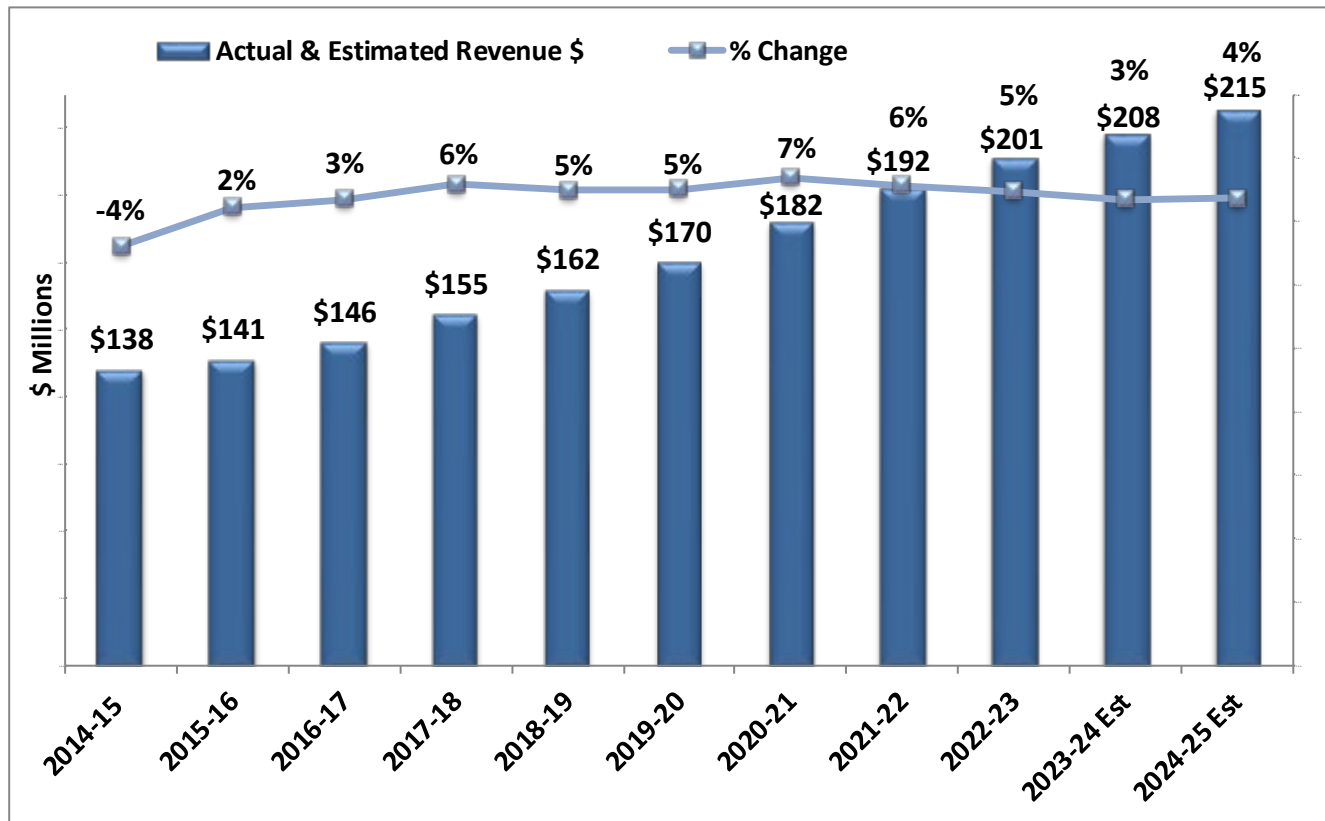
*The General Fund portion of the utilities category includes the 2.7 percent franchise fee paid by utilities with a franchise agreement.

**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 on January 1, 2024, and the current threshold is \$13,886, which will be adjusted again on January 1, 2026.

Primary Property Tax, 12% of Total General Fund Revenue

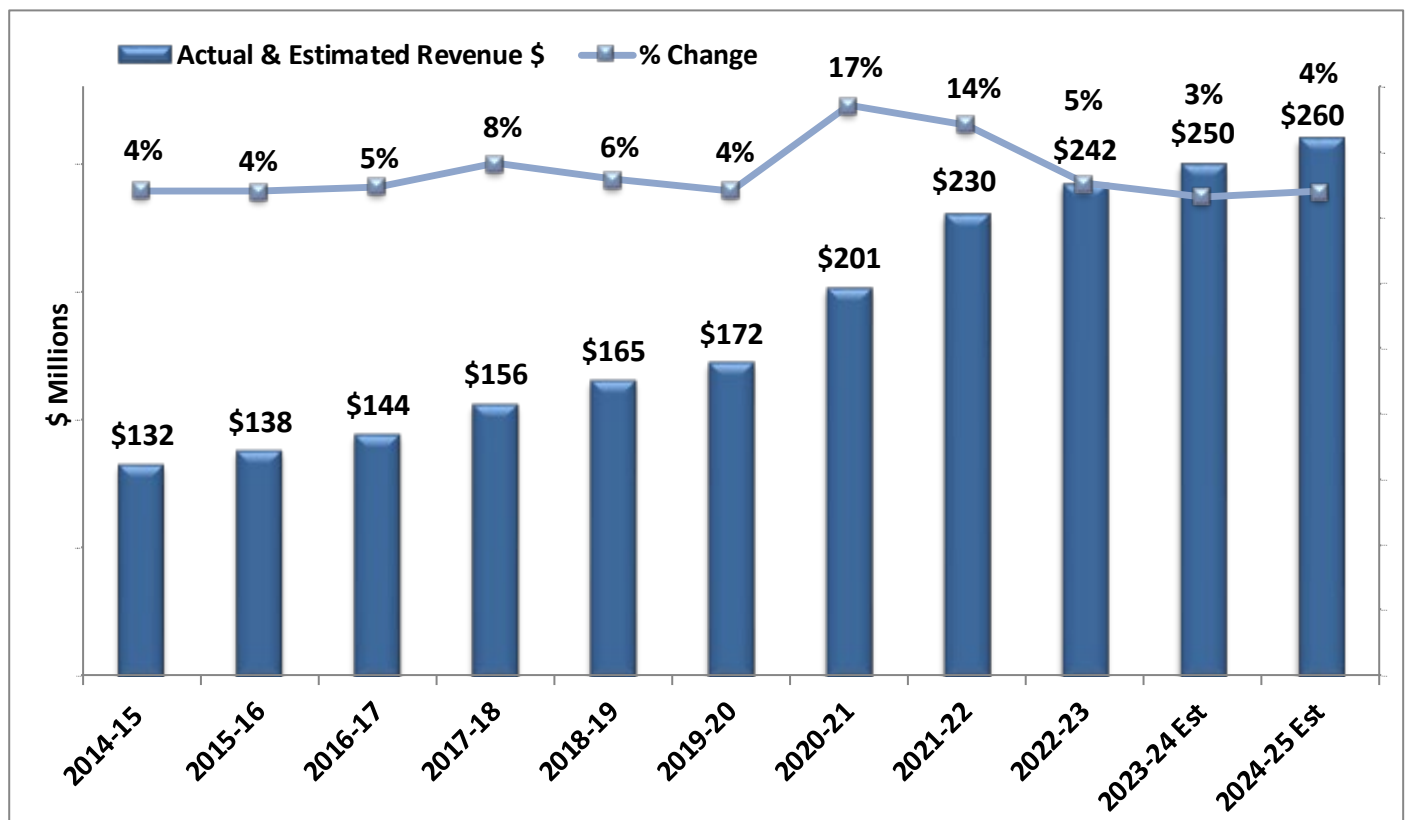


Arizona property tax law provides for two separate tax systems. A primary property tax is levied to pay current operations and maintenance expenses. Therefore, primary property tax revenue is budgeted and accounted for in the GF (and is illustrated in the above graph). A secondary property tax levy is 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 2024-25 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 2024-25 primary property tax rate is \$1.2658 per \$100 of assessed valuation, which is reduced from the current rate of \$1.2851 due to the constitutional levy limit.

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

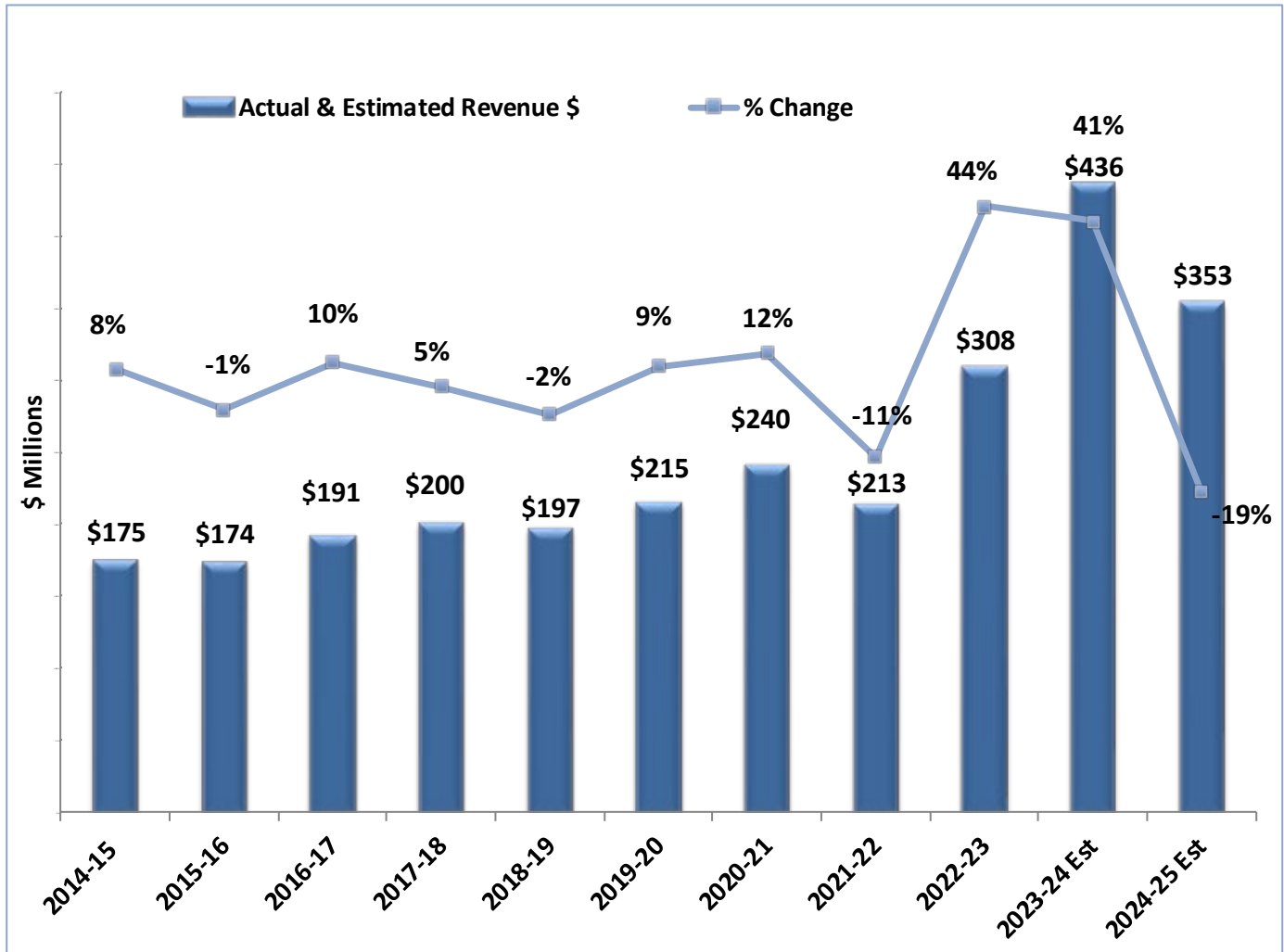


State sales tax revenues received by the City are governed by Arizona State Statute §42-5029. State sales tax revenues are split between a “distribution base”, of which Phoenix receives a share, and a “combined non-shared” category, which is allocated entirely to the state. With the exception of some tax categories, the distribution base consists of either 20, 32, 40, or 50 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 2024-25 City of Phoenix population share is estimated at 27.88 percent and is based on the 2022 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 2024-25 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, 19% of Total General Fund Revenue

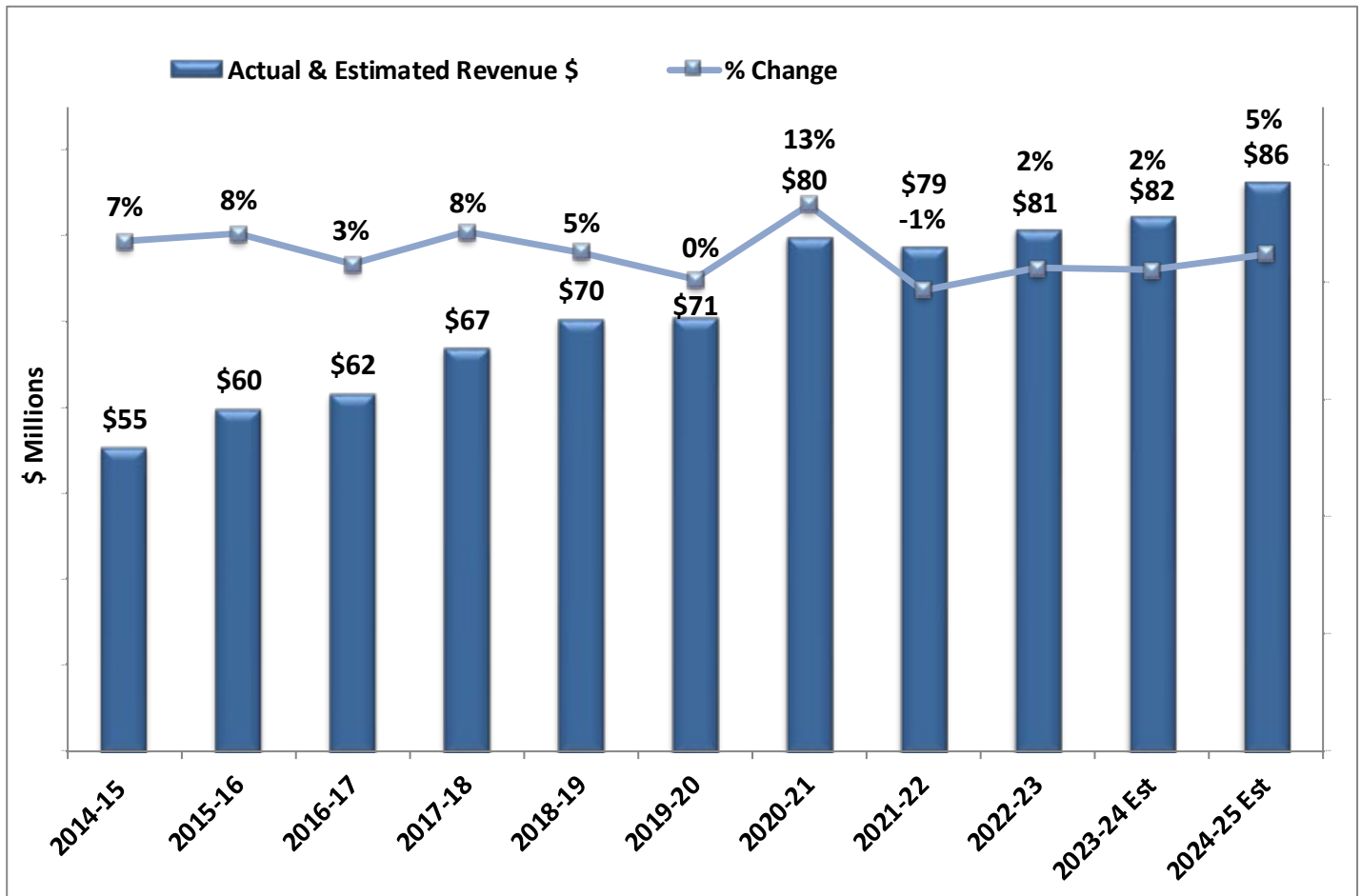


State shared income tax revenue, also known as the Urban Revenue Sharing (URS) Fund, was established by voter initiative in 1972 and is governed by Arizona Revised Statute §43-206. The statute stipulates that 15 percent of the net proceeds of state individual and corporate income tax collected two years preceding the current fiscal year be distributed to incorporated cities and towns. Laws 2021, Chapter 412 (Tax Omnibus) increased the Urban Revenue Sharing distribution from 15% to 18% starting in 2023-24. Individual cities receive their portion based on the cities' share of the state population. The 2024-25 City of Phoenix population share is estimated at 27.85 percent and is based on the 2022 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 state statute §43-206.

Since state shared income tax revenue is based on actual collections from two years preceding the current fiscal year, the 2023-24 and 2024-25 projected revenue is known and is based on actual

collections received in 2021-22 and 2022-23, respectively. The negative growth of (19)% in FY 2024-25 is primarily due to significantly lower state shared income tax collections caused by the state's actions to lower the individual income tax rate to the current "flat tax". Senate Bill 1828 reduces individual income tax rates beginning in tax year 2022 to the current flat tax rate of 2.5%.

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

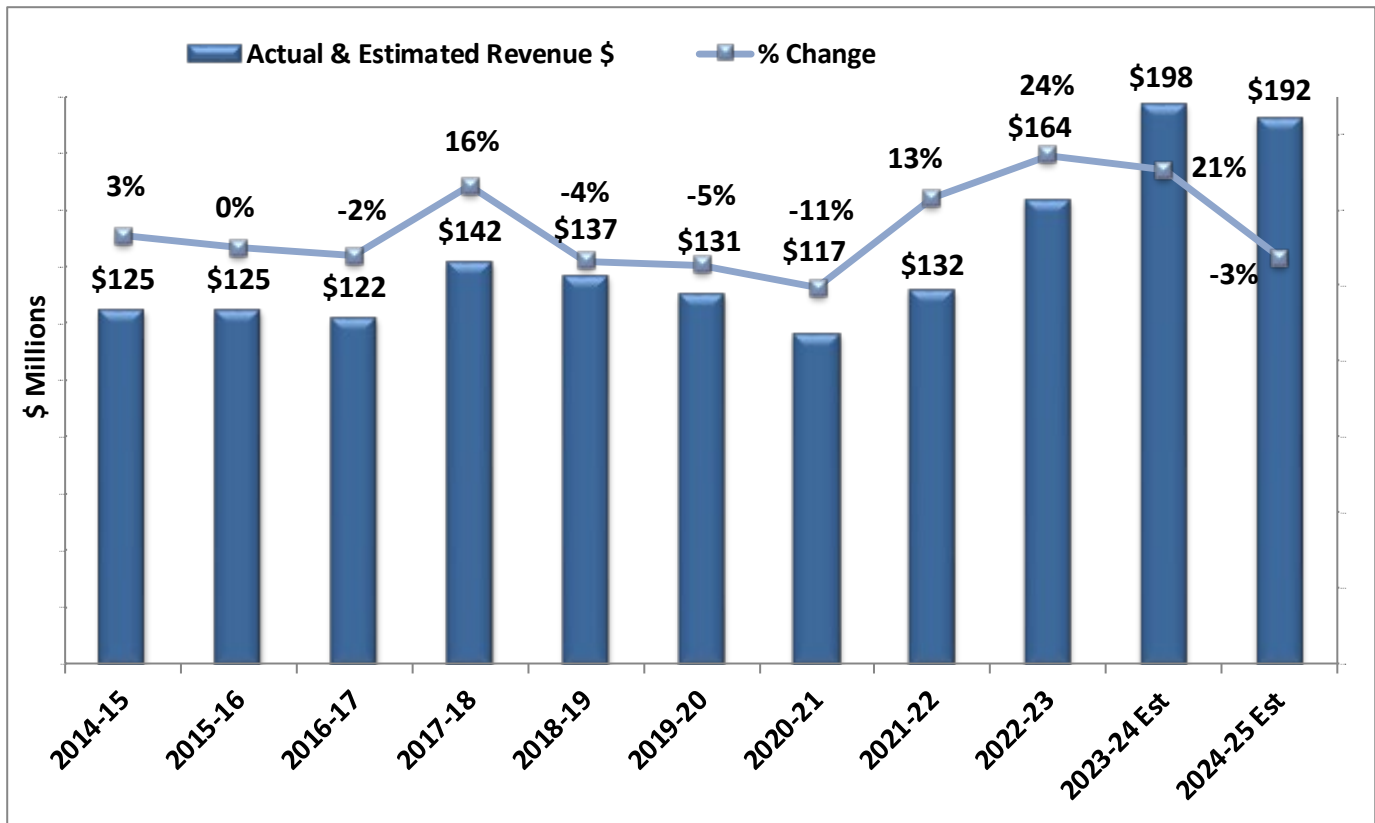


State shared vehicle license tax has been distributed to cities and towns since 1941. The tax is levied per \$100 of a vehicle's assessed value. For the first 12 months of the vehicle's life, the assessed value is 60% of the manufacturer's base retail price. For each subsequent year, the assessed value is 16.25% less than the previous year. The rate per \$100 of assessed value is \$2.80 for new vehicles and \$2.89 for renewals. 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 2024-25 City of Phoenix population share is estimated at 38.45 percent and is based on the 2022 Census Bureau Population Estimate. This rate will change annually based on Census Bureau Population Estimates.

Vehicle License Tax (VLT) 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 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 projected growth rate for

2024-25 is expected to be 4.8%, assuming a moderate growth rate based on the ADOT forecast in September 2023.

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



User Fees and Non-Tax Revenues include collections from licenses and permits, fines and forfeitures, cable television fees, user fees from several City departments designed to recover the costs of providing specific City services including Parks and Recreation, Library, Planning, Police, Fire, and Streets; other service charges including interest income, parking meter revenue, in lieu property taxes, sales of surplus property, various rental income, parking garage revenues 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 projected negative growth rate of (2.7)% in 2024-25 was attributed to a decline in interest earnings, which offset the moderate growth of emergency transportation services. Some non-tax revenues, such as cable communications, parks and recreation, neighborhood services, and other service charges, are expected to decrease in 2024-25 due to a decline in collection trends.

In addition to the technical reviews conducted twice each fiscal year, B&R staff monitors revenues

monthly to determine if adjustments to projections are needed. The proposed estimates are then reviewed by B&R management and the City Manager, and finally incorporated into the GF proposed revenue projections for consideration by 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

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