



# Council Workshop FY20-21 Budget Discussion

May 19, 2020





# Budget Calendar

Item	Date
Financial Forecast	December 10, 2019
Council Workshop – Policy Overview/Policy Discussions/Revenues	February 4, 2020
Council Workshop – G. O. Bond Project Prioritization	February 18, 2020
Council Workshop – G. O. Bond Project Prioritization Follow Up	March 3, 2020
Council Workshop – Budget Discussion/Follow-up Items/Draft CIP	March 17, 2020
Council Workshop – Budget Discussion/Follow-up Items/Forecast Updates	May 5, 2020
<b>Council Workshop – Budget Discussion/Follow-up Items/Draft CIP</b>	<b>May 19, 2020</b>
<b>Voting Meeting – Tentative Budget Adoption</b>	<b>May 26, 2020</b>
<b>Voting Meeting – Final Budget Adoption/Property Tax Levy</b>	<b>June 9, 2020</b>
<b>Voting Meeting – Property Tax Adoption</b>	<b>June 23, 2020</b>



# Agenda

---

- Follow up and review from May 5, 2020 Workshop
- Draft FY21-30 Capital Improvement Program
  - Follow up items from March 17, 2020 Workshop
  - Changes in Draft CIP



# FY20-21 Budget General Fund Changes

---

- Addition of After-School Programming at City-Owned Recreation Centers
  - One-Time \$94,990
  - Ongoing \$246,676



# General Fund New Positions

General Funded Positions	One-Time	Ongoing	Total	# of positions
New FTE – PFR&SE – Afterschool Program	-	80,358	80,358	1
Position Reclass – Marketing and Communications Manager to CIP Project Manager	-	9,973	9,973	Reclass
Position Reclass – Lead Library Assistant to Library Volunteer Coordinator	-	14,535	14,535	Reclass
<b>Total General Fund</b>	<b>\$-</b>	<b>\$104,866</b>	<b>\$104,866</b>	<b>1</b>



# Summary of Personnel Changes

General Fund	# of Positions
Budget and Finance	1
Human Resources	1
Fire Services - MRU	4
NEW – PFRSE for Afterschool Prgm	1
<b>Total General Fund</b>	<b>7</b>

Internal Service Funds	# of Positions
Human Resources	1
Innovation and Technology	1
Public Housing	1
<b>Total Internal Service Funds</b>	<b>3</b>

Enterprise Funds	# of Positions
Water Services	4
<b>Total Enterprise Funds</b>	<b>4</b>

Total All Funds	# of Positions
General Fund	7
Internal Service Funds	3
Enterprise Funds	4
<b>Total</b>	<b>14</b>



# General Fund Budget

	<b>FY20-21 Budget</b>
<b>Beginning Fund Balance</b>	<b>\$44,344,553</b>
<b>Operating Revenue</b>	<b>233,911,044</b>
<b>One-Time Revenues</b>	<b>6,500,000</b>
<b>Total Revenues</b>	<b>240,411,044</b>
<b>Operating Expenditures</b>	<b>(224,839,061)</b>
<b>Net Transfers</b>	<b>(14,740,330)</b>
<b>Contingency</b>	<b>(2,000,000)</b>
<b>Total Surplus/(Deficit)</b>	<b>(\$1,168,348)</b>
<b>Ending FB With Contingency</b>	<b>\$43,176,206</b>
<b>Ending FB Without Contingency</b>	<b>\$45,176,206</b>



# FY20-21 Budget

## Transportation Sales Tax Changes

---

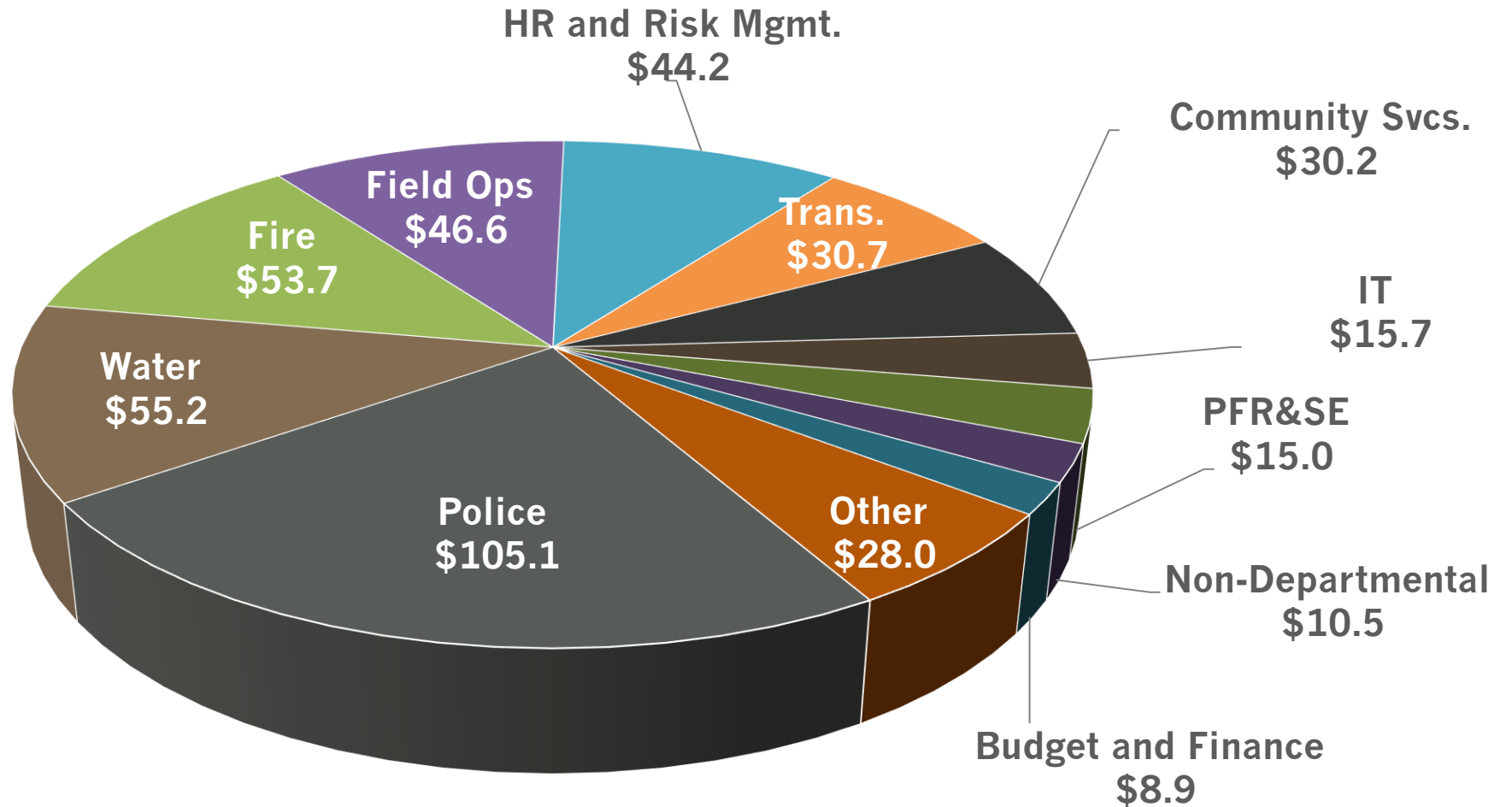
- Removal of 2 Supplemental Requests
  - Regional ADA Contract Increase           \$315,250
  - Fixed Route Contract Increase           \$341,171





# FY20-21 Operating Budget by Department

**FY20-21 Total  
Operating Budget  
\$443.8M**





# Council Discussion

---

- Consensus on Operating Budget



# What is a Capital Improvement Plan?

- Assets valued over \$50,000 with a useful life of 5+ years
- Land, buildings, streets & improvements, plants, large equipment
- Ten-Year Plan (only FY20-21 is adopted as part of the FY20-21 budget)
  - Projects in years 1 to 5 have identified funding sources

## Financial Policy:

- A. Improve existing assets
- B. Replace existing assets as needed
- C. Construct new assets



# Capital Improvement Program Reports

---

- 1. *Change Report*** – Change in FY19-20 Adopted CIP to FY20-21 Draft CIP
- 2. *CIP Summary Report by Project Type*** – 10-Year Capital Improvement Program by Project Type
- 3. *CIP Summary Report by Funding Source*** – 10-Year Capital Improvement Program by Funding Source
- 4. *CIP Project List by Project Type***
- 5. *CIP Project List by Type and Funding Source***
- 6. *CIP Project Detail***



# FY21-30 Draft Capital Improvement Program

---

- Includes carryover
- Report includes program by project type and by funding source
- Change document includes changes between FY19-20 Adopted CIP and this FY20-21 Draft CIP
  - Change document does not include carryover
- Updated some projects from March 17, 2020 Draft CIP



# Capital Improvement Plan Funding Sources

- Pay-As-You-Go Funds
  - 1080 – General Government Capital Projects (General Fund)
  - 2110 – Arts Commission
- Bonds
  - 4010 – Streets Construction
  - 4040 – Public Safety Construction
  - 4050 – Parks Construction
  - 4060 – Government Facilities
  - 4080 – Cultural Facility Construction
  - 4090 – Open Space/Trail Construction
  - 4100 – Library Construction
  - 4110 – Flood Control Construction



# Capital Improvement Plan Funding Sources

- Development Impact Fees (DIF)
  - 4240 – DIF Citywide Parks
  - 4250 – DIF Citywide REC/FAC SB1525
  - 4290 – DIF Citywide Open Space
  - 4320 – DIF Parks and Rec Zone 1 East
  - 4330 – DIF Parks & Rec Zone 2 West 101
  - 4410 – DIF Streets Zone 1 East 101
  - 4420 – DIF Streets Zone 2 West 101
- HURF Streets Construction – 4020
- Transportation Sales Tax – 4030



# Capital Improvement Plan Funding Sources

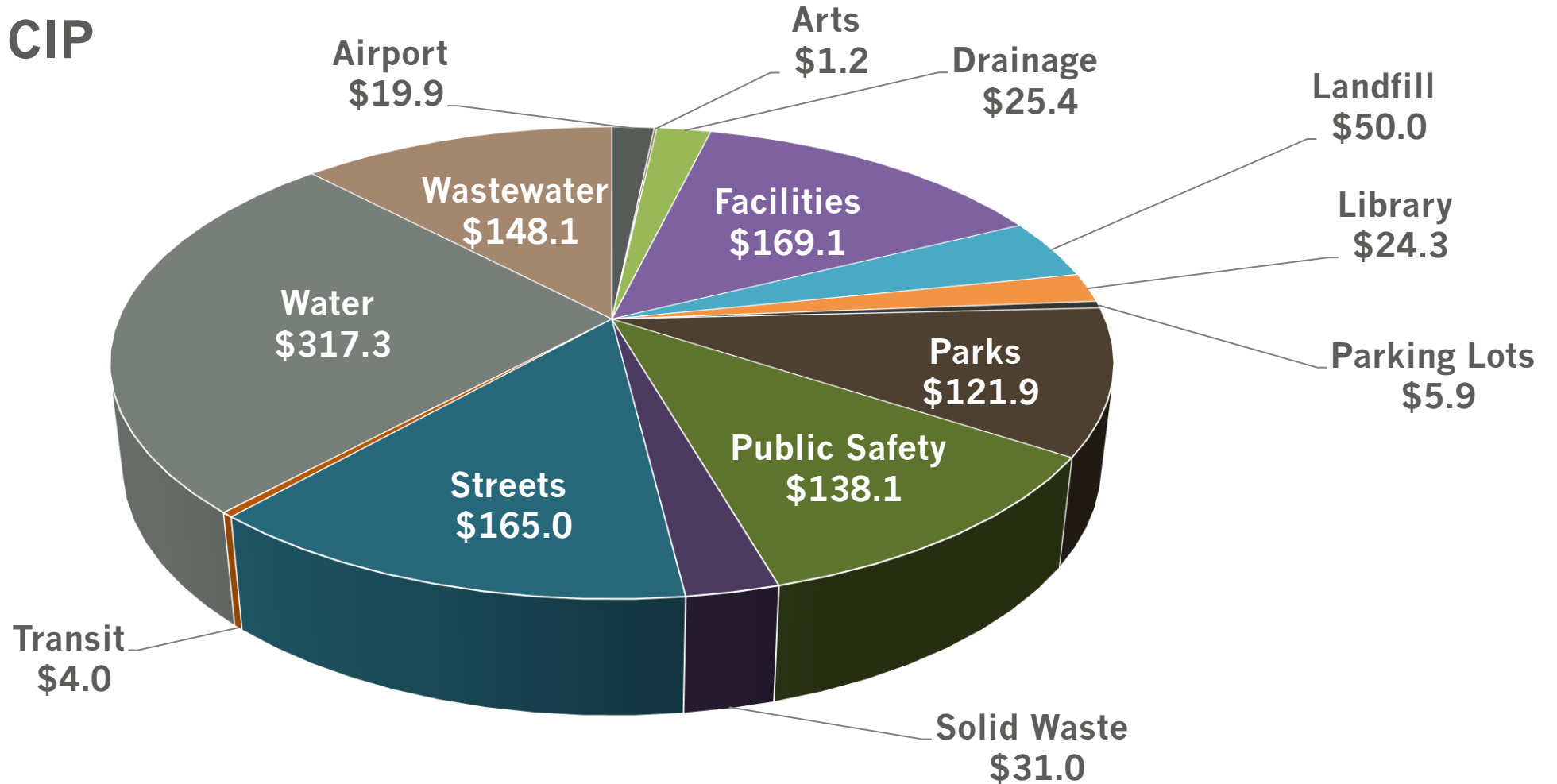
- Enterprise User Fees
  - 6020 – Water
  - 6030 – Sewer
  - 6110 – Landfill
  - 6120 – Solid Waste
- Grants
  - 2060 – Transportation Grants
  - 2160 – Other Grants
  - 2190 – Airport Capital Grants





# 10-Year Capital Improvement Program by Project Type

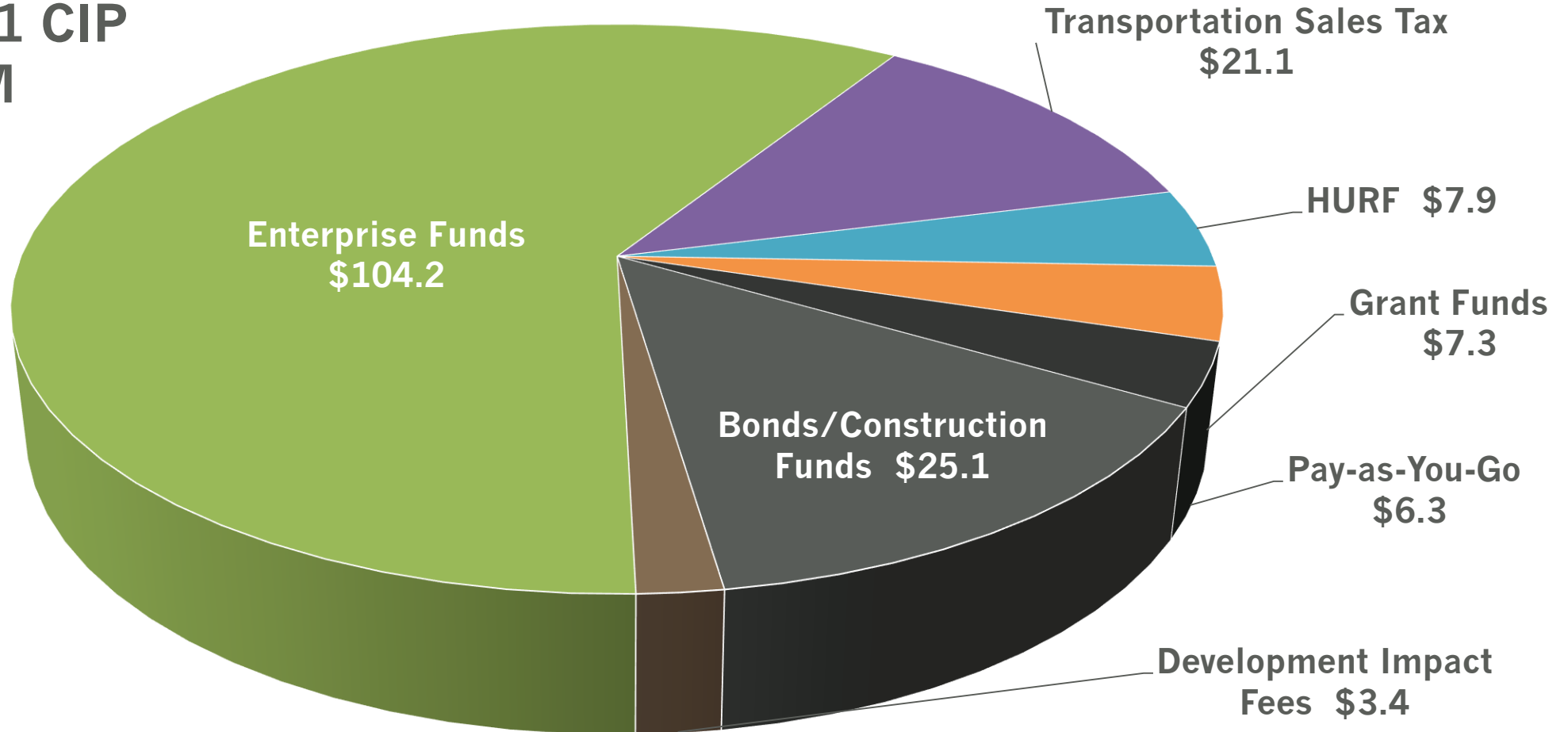
**Total 10-Year CIP  
\$1.22B**





# One Year FY20-21 Capital Improvement Program by Funding Source

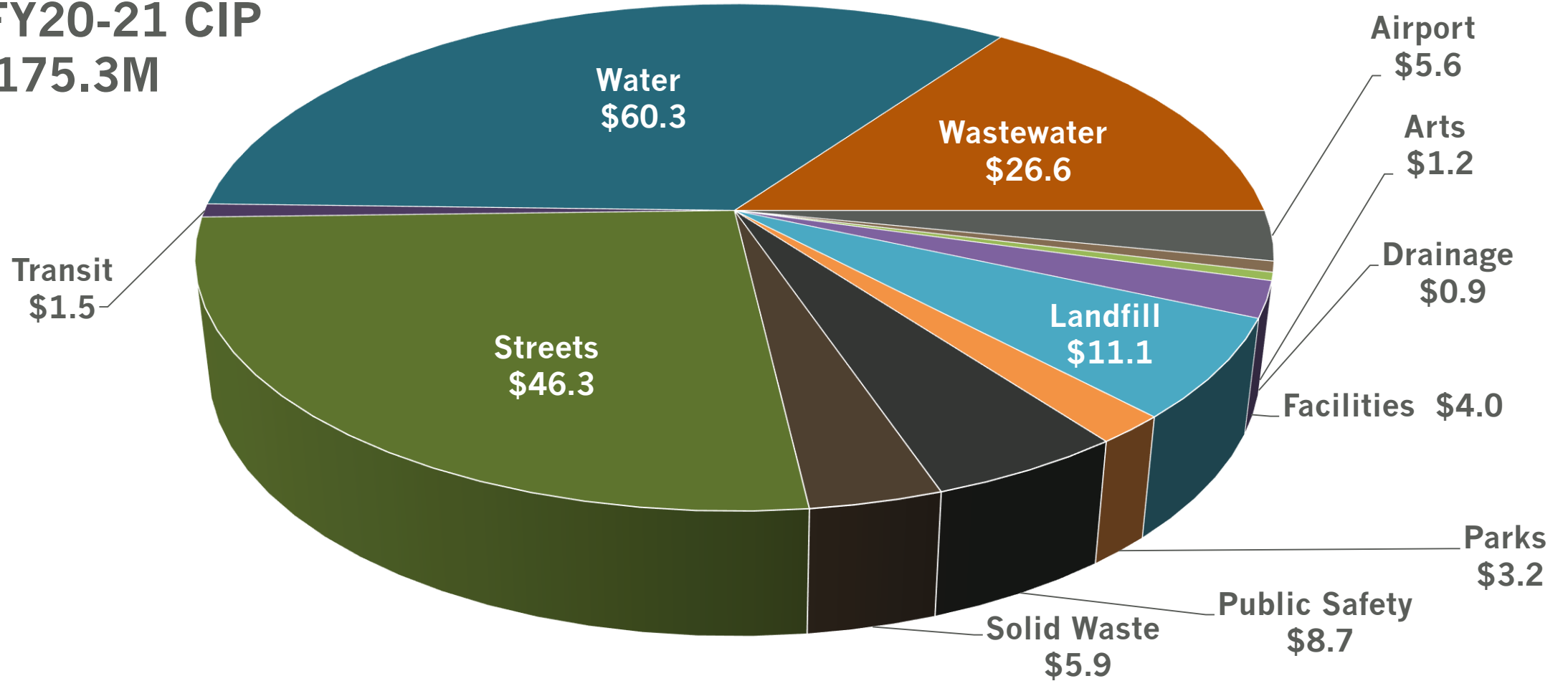
**Total FY20-21 CIP  
\$175.3M**





# One Year FY20-21 Capital Improvement Program by Project Type

Total FY20-21 CIP  
\$175.3M





## CIP Highlights

---

- Carryover to complete design of Heroes Park Lake \$127k
- Pickleball Courts at Foothills Park \$194k
- O'Neil Park Splash Pad \$1.3M
- Public Safety Building Remodels \$7.7M
  - Sine Building
  - Court Building
  - Other items identified in Public Safety Building Assessment



## CIP Highlights

---

- North cell liner at the Landfill \$4.6M
- Bulk trash equipment \$832k
- Luke Airforce Base sewer connection \$5.6M
- Glendale Ave construction \$13M
- Camelback Rd construction \$3M
- Pavement Management Program \$10.2M



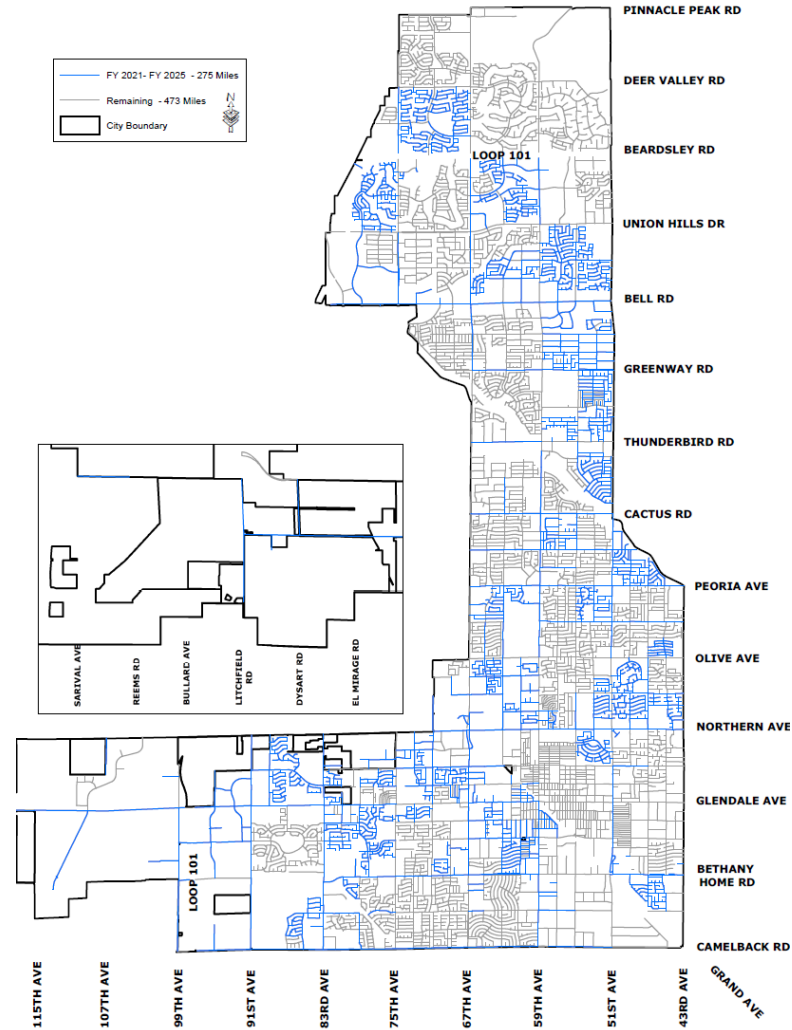
# Current Pavement Management Program (FY2021-2025)

- \$5.2 M per year will fund treatment of 275 Miles over the 5-Year Period

PMP						
Funding Source	FY21	FY22	FY23	FY24	FY25	Total:
HURF (Existing)	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 16.00
Transp. Sales Tax (Existing)	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 10.00
<b>Total:</b>	<b>\$ 5.20</b>	<b>\$ 5.20</b>	<b>\$ 5.20</b>	<b>\$ 5.20</b>	<b>\$ 5.20</b>	<b>\$ 26.00</b>



# Current Pavement Management Program (FY2021-2025)





# Proposed Pavement Management Program (FY 2021-2025)

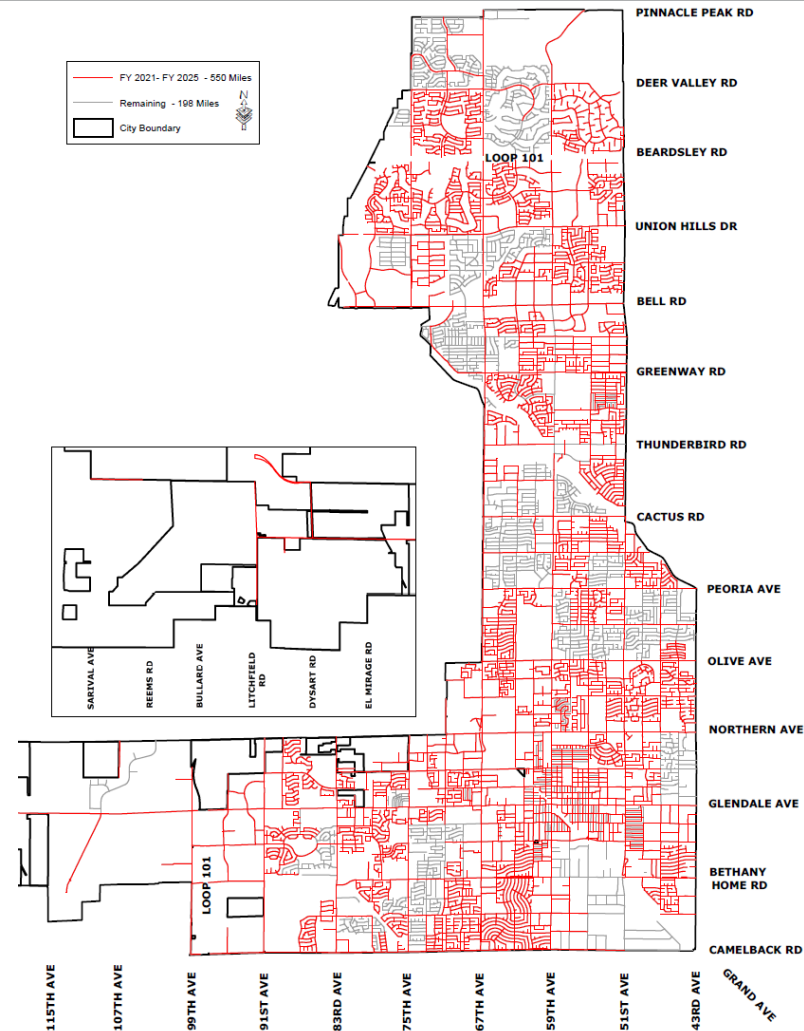
- \$10.2 M per year will fund treatment of 550 Miles over the 5-Year Period

PMP						
Funding Source	FY21	FY22	FY23	FY24	FY25	Total:
HURF (Existing)	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 16.00
Transp. Sales Tax (Existing)	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 10.00
Transp. Sales Tax EFB	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 1.90	\$ 9.50
Transp. Sales Tax Cont.	\$ 3.10	\$ 3.10	\$ 3.10	\$ 3.10	\$ 3.10	\$ 15.50
<b>Total:</b>	<b>\$ 10.20</b>	<b>\$ 10.20</b>	<b>\$ 10.20</b>	<b>\$ 10.20</b>	<b>\$ 10.20</b>	<b>\$ 51.00</b>





# Proposed Pavement Management Program (FY 2021-2025)





# Updates to March 17 Draft CIP

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Telecom Conduits	FY21-30 Draft CIP 3/17/20	209,600	209,600	209,600	209,600	209,600	1,048,000	2,096,000
	FY21-30 Draft CIP 5/19/20	0	0	0	0	0	0	0
Project Removed from Capital Improvement Program								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Fire Apparatus Replacement	FY21-30 Draft CIP 3/17/20	442,000	2,040,625	3,357,200	2,592,675	0	7,299,780	15,732,280
	FY21-30 Draft CIP 5/19/20	0	442,000	2,040,625	3,357,200	2,592,675	7,299,780	15,732,280
Apparatus replacement deferred 1 year. No change in total project budget								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Building Maintenance Reserve	FY21-30 Draft CIP 3/17/20	1,500,000	2,000,000	2,000,000	2,500,000	2,500,000	12,500,000	23,000,000
	FY21-30 Draft CIP 5/19/20	1,000,000	1,500,000	2,000,000	2,500,000	2,500,000	12,500,000	22,000,000
Reduced project funding by \$1M over the 10-year plan								



# Updates to March 17 Draft CIP

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Camelback Ranch Maintenance Reserve	FY21-30 Draft CIP 3/17/20	1,673,000	1,673,000	1,673,000	1,673,000	1,673,000	8,365,000	16,730,000
	FY21-30 Draft CIP 5/19/20	836,752	1,673,000	1,673,000	1,673,000	1,673,000	8,365,000	15,893,752
Reduced project funding by \$836k over the 10-year plan.								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Local Drainage Problems 2160	FY21-30 Draft CIP 3/17/20	0	0	0	0	0	0	0
	FY21-30 Draft CIP 5/19/20	187,500	0	0	0	0	0	187,500
Local Drainage Problems 1080	FY21-30 Draft CIP 3/17/20	240,740	240,740	240,740	240,740	240,740	1,203,700	2,407,400
	FY21-30 Draft CIP 5/19/20	70,000	70,000	240,740	240,740	240,740	1,203,700	2,065,920
Added \$187,500 in grant funding for FY21, Reduced General Government Funding in FY21 and FY22								



# Updates to March 17 Draft CIP

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Bethany Home Road Storm Drain 58th to 79th Avenue 2160	FY21-30 Draft CIP 3/17/20	1,478,200	2,636,800	0	0	0	0	4,115,000
	FY21-30 Draft CIP 5/19/20	0	0	0	0	0	0	0
Bethany Home Road Storm Drain 58th to 79th Avenue 4110	FY21-30 Draft CIP 3/17/20	830,400	2,003,800	5,654,000	0	0	0	8,488,200
	FY21-30 Draft CIP 5/19/20	0	0	0	0	0	0	0
Project removed from Capital Improvement Program; Replaced with BHR SD 43rd to 51st Avenue								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Bethany Home Road Storm Drain 43rd to 51st Avenue 2160	FY21-30 Draft CIP 3/17/20	0	0	0	0	0	0	0
	FY21-30 Draft CIP 5/19/20	300,000	1,625,000	2,575,000	0	0	0	4,500,000
Bethany Home Road Storm Drain 43rd to 51st Avenue 4110	FY21-30 Draft CIP 3/17/20	0	0	0	0	0	0	0
	FY21-30 Draft CIP 5/19/20	322,800	1,781,000	2,822,200	0	0	0	4,926,000
Project added to Capital Improvement Program; Replaced BHR SD 58th to 79th Avenue								



# Updates to March 17 Draft CIP

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Commercial Frontload Trucks	FY21-30 Draft CIP 3/17/20	729,720	0	401,346	0	0	2,077,532	3,208,598
	FY21-30 Draft CIP 5/19/20	729,720	0	401,346	0	413,386	2,077,532	3,621,984
Added \$413K in FY25								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Residential Sideload Trucks	FY21-30 Draft CIP 3/17/20	1,370,306	2,533,755	1,855,070	1,140,867	0	6,023,509	12,923,507
	FY21-30 Draft CIP 5/19/20	1,370,306	2,533,755	1,855,070	1,140,867	1,521,156	6,023,509	14,444,663
Added \$1.5M in FY25								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Residential Bulk Trash Equipment	FY21-30 Draft CIP 3/17/20	830,495	682,146	1,538,322	862,919	0	2,408,970	6,322,852
	FY21-30 Draft CIP 5/19/20	830,495	682,146	1,538,322	862,919	750,360	2,408,970	7,073,212
Added \$750K in FY25								



# Updates to March 17 Draft CIP

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Integrated Water Master Plan	FY21-30 Draft CIP 3/17/20	520,000	0	0	0	0	0	520,000
	FY21-30 Draft CIP 5/19/20	520,000	500,000	0	0	0	0	1,020,000
Added \$500K to project in FY22								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Large Water Valves	FY21-30 Draft CIP 3/17/20	200,000	650,000	650,000	650,000	650,000	3,250,000	6,050,000
	FY21-30 Draft CIP 5/19/20	240,000	680,000	680,000	680,000	680,000	3,500,000	6,460,000
\$410K added to 10-Year Program								

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Glendale Avenue Sewer Line	FY21-30 Draft CIP 3/17/20	1,000,000	8,000,000	0	0	0	0	9,000,000
	FY21-30 Draft CIP 5/19/20	500,000	3,500,000	1,000,000	0	0	0	5,000,000
Project decreased by \$4M in FY21-23								



# Updates to March 17 Draft CIP

Project Name		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Sewer Line Extension	FY21-30 Draft CIP 3/17/20	400,000	0	0	0	0	0	400,000
	FY21-30 Draft CIP 5/19/20	0	0	0	0	0	0	0
New appropriation for Sewer Line Extension removed from CIP								

		FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-30	Total
Water and Sewer Program Changes	FY21-30 Draft CIP 3/17/20	58,986,983	51,087,000	44,822,000	37,455,950	35,120,000	184,773,225	412,245,158
	FY21-30 Draft CIP 5/19/20	24,256,983	50,917,000	40,312,000	33,585,950	41,200,000	218,483,225	408,755,158
	Total Change	(34,730,000)	(170,000)	(4,510,000)	(3,870,000)	6,080,000	33,710,000	(3,490,000)



# Council Discussion

---

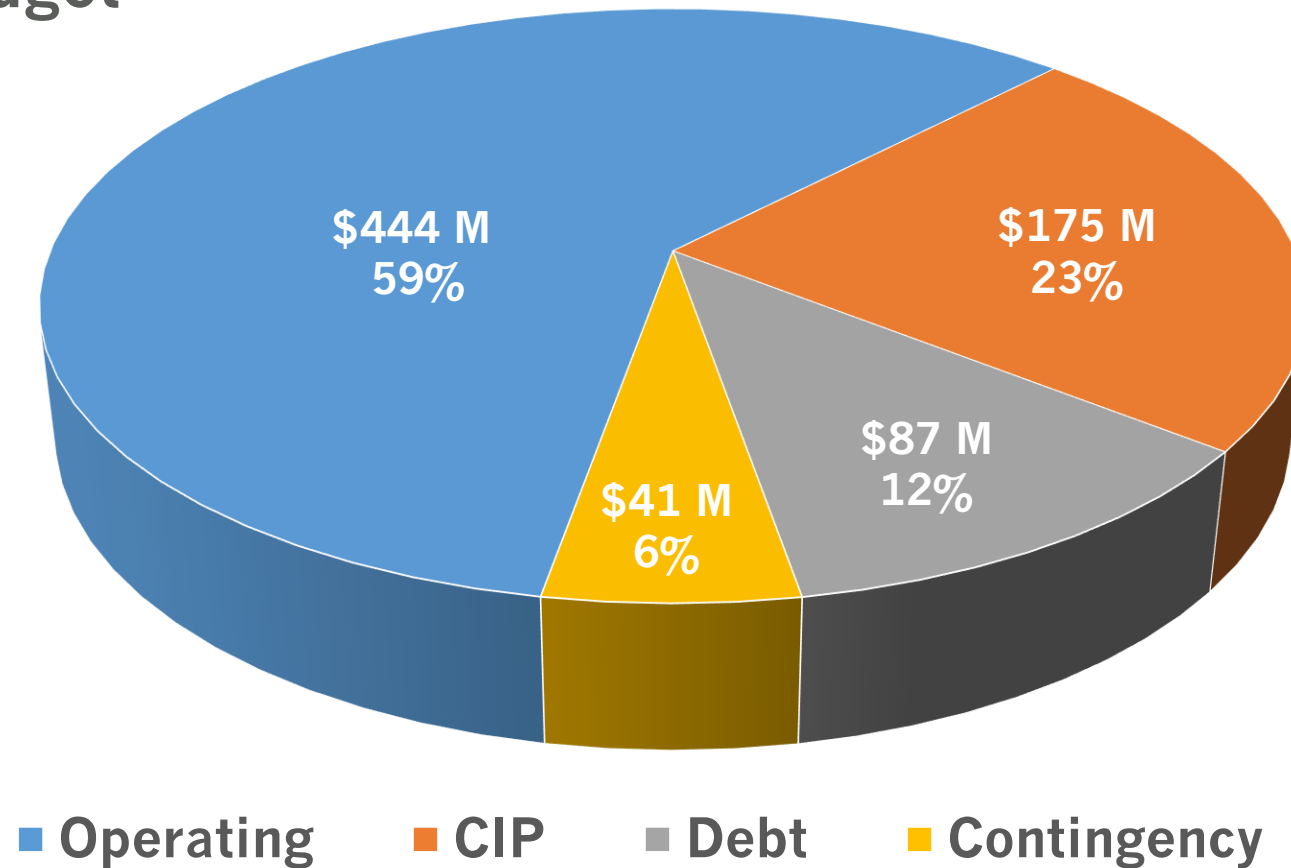
- Consensus on CIP





# FY20-21 Total Budget Appropriation

FY20-21 Total Budget  
\$747M





# Budget Calendar

Item	Date
Financial Forecast	December 10, 2019
Council Workshop – Policy Overview/Policy Discussions/Revenues	February 4, 2020
Council Workshop – G. O. Bond Project Prioritization	February 18, 2020
Council Workshop – G. O. Bond Project Prioritization Follow Up	March 3, 2020
Council Workshop – Budget Discussion/Follow-up Items/Draft CIP	March 17, 2020
Council Workshop – Budget Discussion/Follow-up Items/Forecast Updates	May 5, 2020
Council Workshop – Budget Discussion/Follow-up Items/Draft CIP	May 19, 2020
<b>Voting Meeting – Tentative Budget Adoption</b>	<b>May 26, 2020</b>
<b>Voting Meeting – Final Budget Adoption/Property Tax Levy</b>	<b>June 9, 2020</b>
<b>Voting Meeting – Property Tax Adoption</b>	<b>June 23, 2020</b>