



FY2020 Budget Process City Manager Proposed Budget

City Council Work Session

April 15, 2019



FY 2020 Budget Priorities

- Continued financial sustainability, balancing between meeting the needs of today and preparing for the growth and opportunities for tomorrow
- Aligning on-going resources and on-going uses
- Continuing to maintain strategic reserve balances in General Fund and Enterprise Funds
- Expanding and enhancing services when resources are available



FY2020 Recommended Budget

	Amount
Expenses	\$233,187,816
Transfers Out	\$36,088,065
Total Uses	\$269,275,881

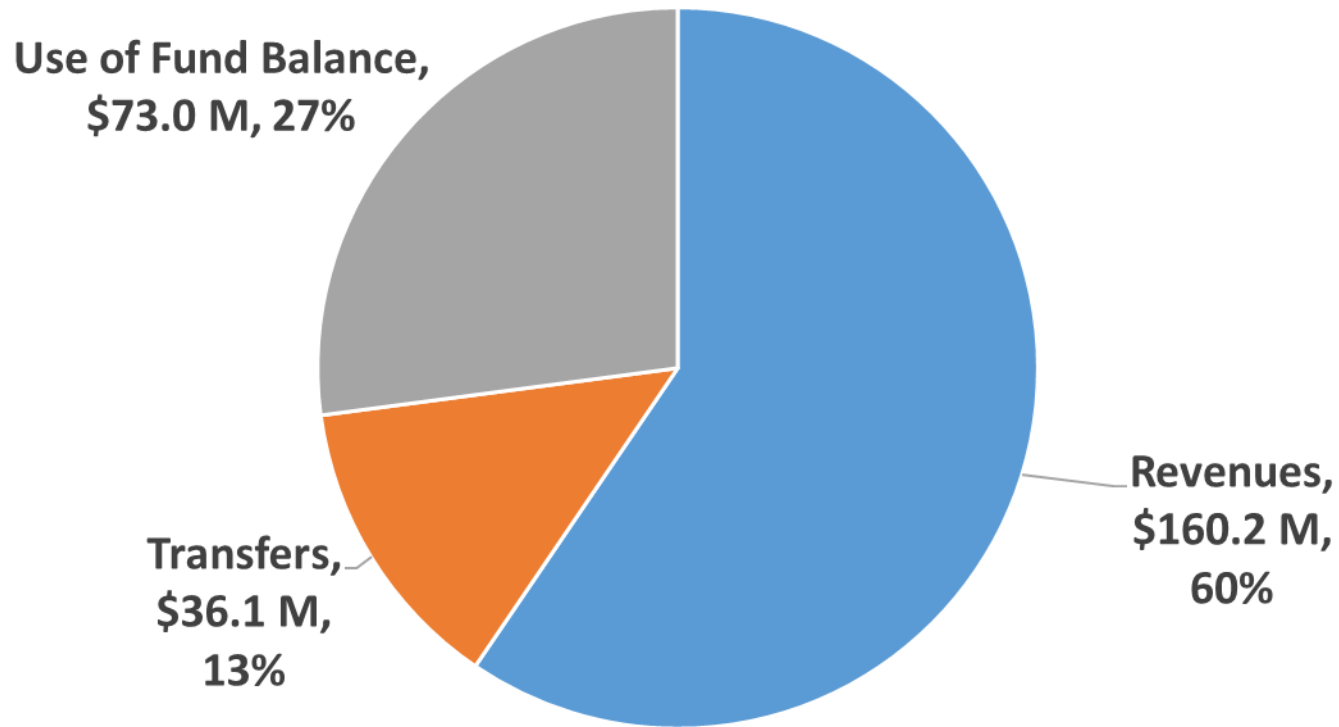
FY2020 Recommended Budget

Category	2019 Adopted	2020 CM Rec.	\$ Variance	% Variance
Expenditures	\$ 243.8	\$ 233.2	(\$ 10.6)	-4%
Transfers Out	26.9	36.1	9.2	34%
Total	\$ 270.7	\$ 269.3	(\$ 1.4)	-1%

Amounts in millions

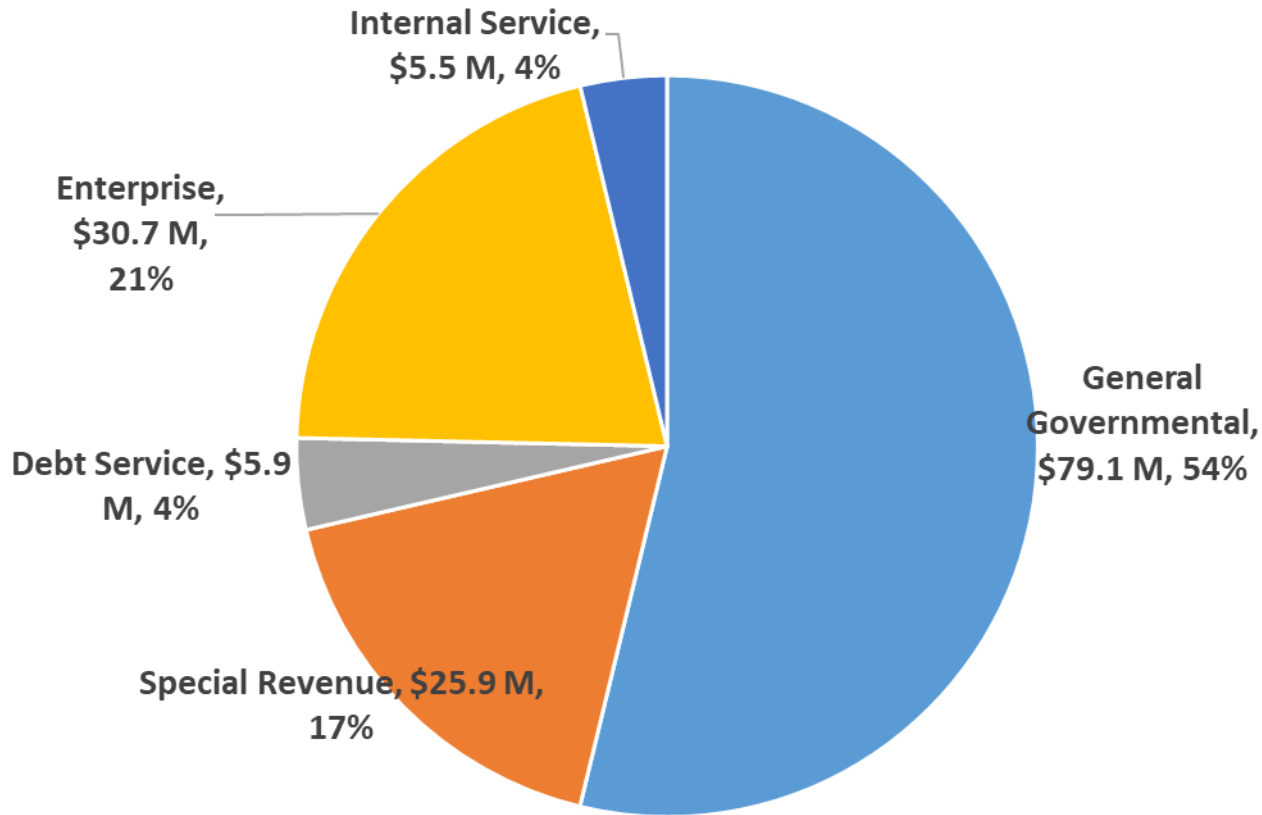
Citywide Sources

Sources of Funds - \$269.3 Million



Citywide Operating Sources by Fund Type

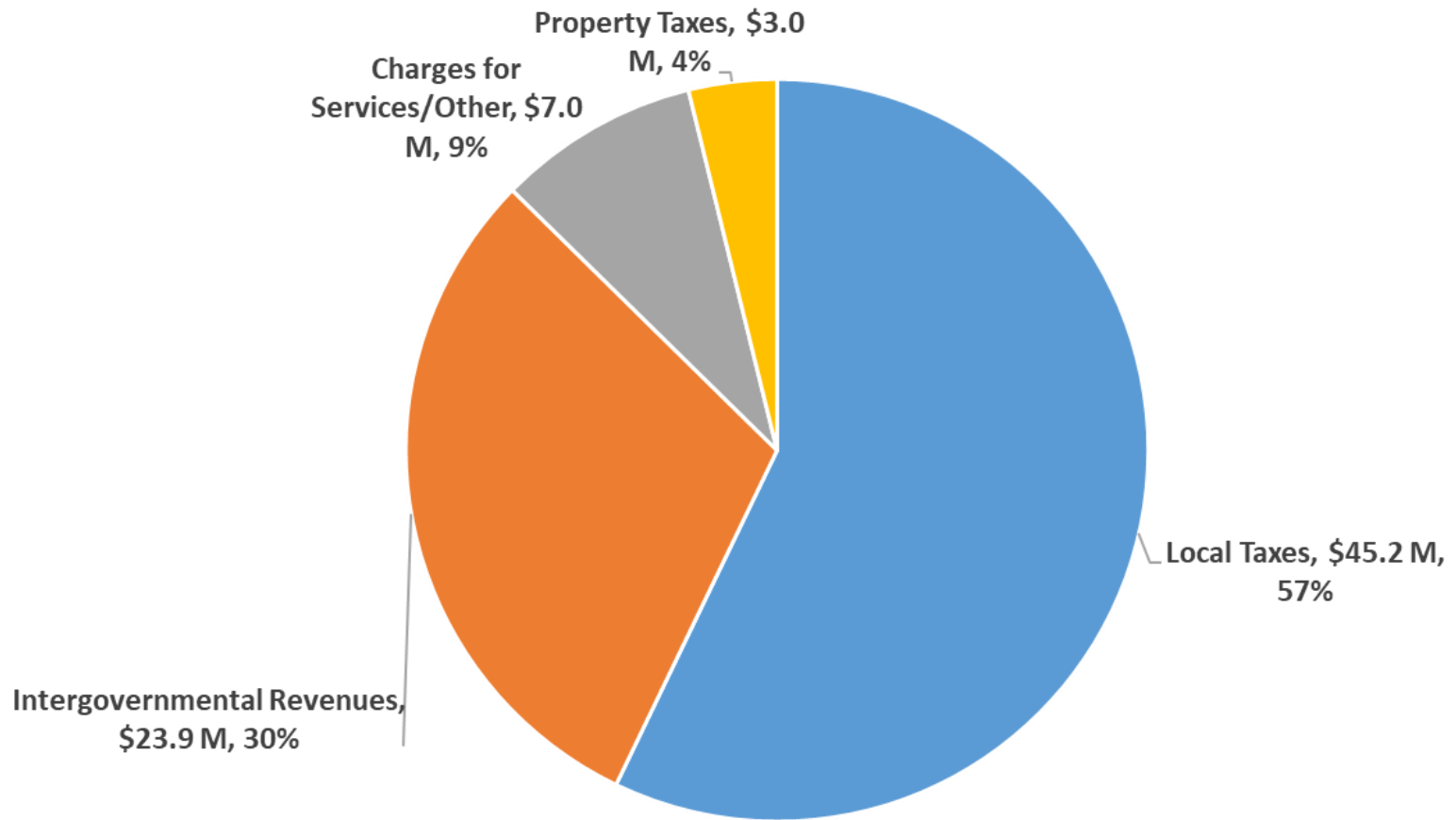
Operating Sources (revenue + transfer in) - \$147.1 Million



*General Governmental includes General Fund and Public Safety Sales Tax

General Governmental Sources by Category

General Governmental Sources - \$79.1 Million





FY 2020 Revenue Trends

- Forecasting steady increase in most sales tax categories and state shared revenues
- Decrease in contracting sales tax, permit revenues, and development fees due to decreased residential permit activity

Local Sales Tax (in millions)

	FY 2018 Actual	FY 2019 Est.	FY 2020 Projection
Retail	\$22.3	\$24.4	\$25.4
Auto dealers	9.4	9.3	9.7
Restaurants and bars	4.3	4.6	4.8
Contracting	3.5	3.5	2.4
Property rental - residential	2.6	2.8	2.9
Property rental - commercial	2.0	2.1	2.1
Utilities, communications, transporting	1.9	1.9	1.9
Personal property rental	1.1	1.2	1.2
Amusement	0.7	0.7	0.7
Other	0.5	0.6	0.6
Use tax	0.5	0.6	0.6
Audit activity	0.1	-	-
Grand Total	\$48.8	\$51.8	\$52.4

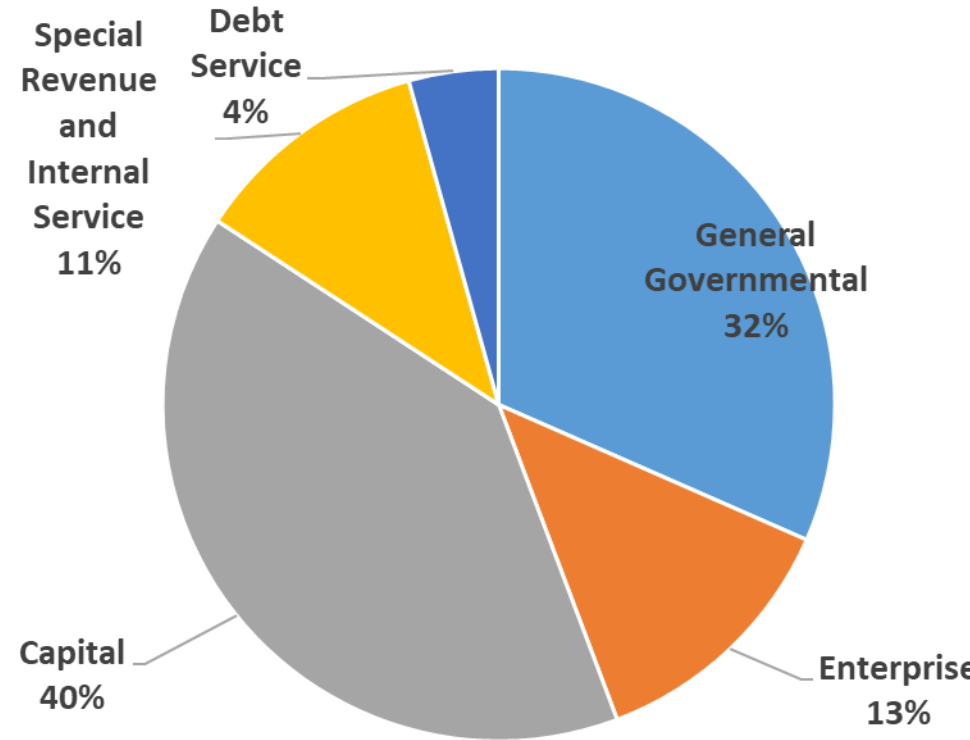
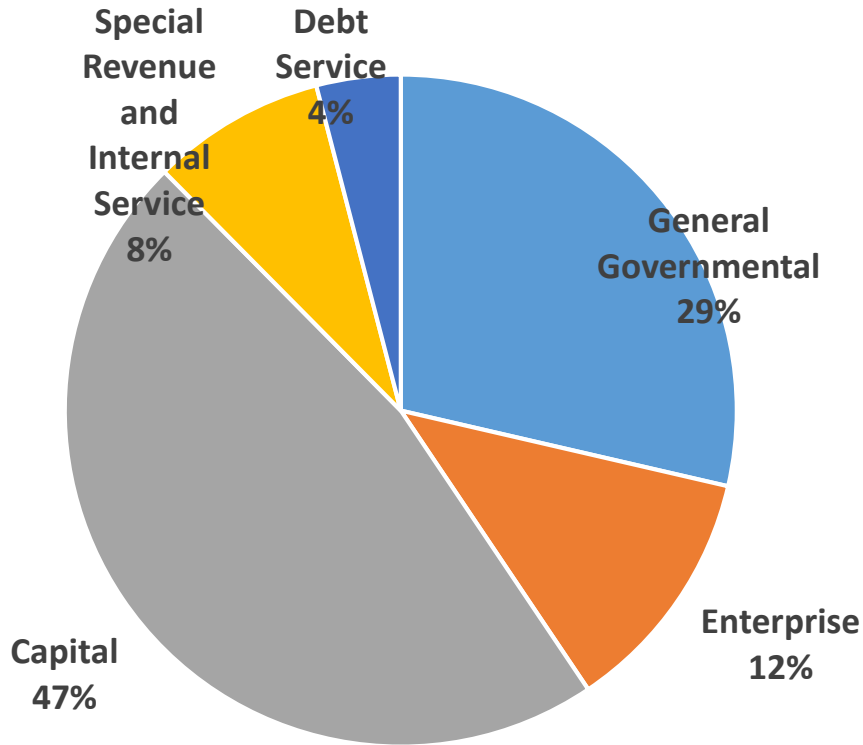
General Government Revenues

Rev Source	FY2018 Actual	FY 2019 Est	FY2020 Projection
Local Taxes	\$41.6	\$44.7	\$45.2
Intergovernmental	\$22.1	\$22.4	\$23.9
Licenses/Permits	\$3.4	\$1.8	\$1.8
Charges for Services	\$2.1	\$1.3	\$1.3
Property Tax	\$2.8	\$2.9	\$3.0
Sale of Assets	\$0.0	\$1.5	\$1.1
Fines	\$1.3	\$1.0	\$1.0
Miscellaneous	\$1.4	\$2.3	\$2.0
Total	\$74.6	\$77.9	\$79.4

Total Budget Slide FY19 to FY20

FY 2019 – \$243.8 million

FY 2020 – \$233.2 million

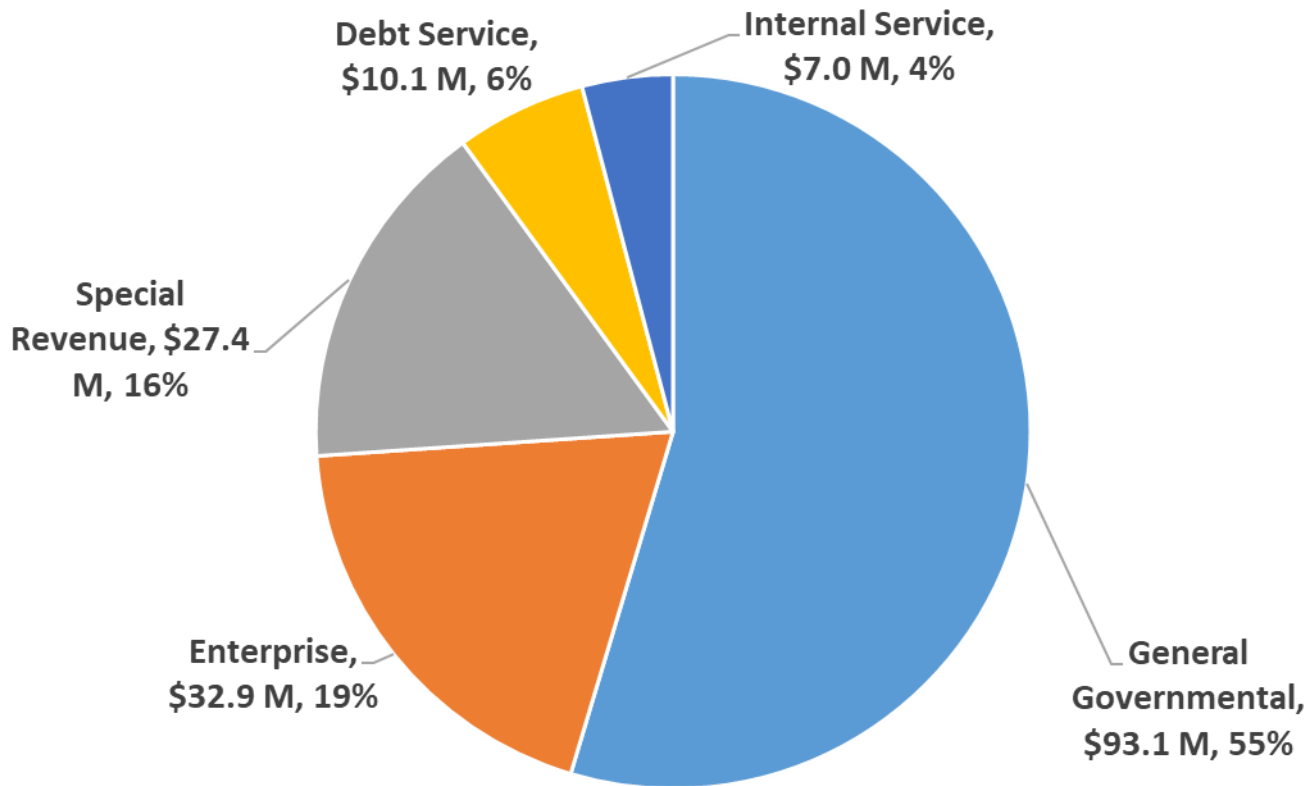


Does not include Fund Transfers

*General Governmental includes 0.5% Public Safety Sales Tax

Citywide Operating Uses by Category

Uses of Funds - \$269.3 Million
Operating Expenses + Transfers Out - \$170.4 Million





General Governmental

	FY2020 Recommended
Beginning balance	\$53.0 M
Operating sources	\$79.1 M
Operating uses	\$72.2 M
Transfers out	\$17.9 M
Contingency	\$3.0 M
Ending Fund Balance	\$39.0 M
Reserve Amount	\$25.8 M



FY 2020 Budget Priorities – Public Safety

- 5 patrol officers
 - Targeting improvement in proactive patrol time
- 1 School Resource Officer
 - Partially reimbursed from school district
- 2 Park Rangers
 - City currently has one Park Ranger
- Fire Support Services Technician
 - Facilitate maintenance and deployment of equipment



FY 2020 Budget Priorities – General Operations

- Facility Maintenance Worker
 - Preventative maintenance and improvements
- Recycling Coordinator
 - Improve education related to recycling
- Contract Administrator
 - Citywide contract assistance and education
- Legal Services Supervisor
 - Support Legal Department team



FY 2020 Budget Priorities – Leadership

- Assistant Directors
 - Development and Engineering Services
 - Neighborhood and Family Services
- Assistant Police Chief
- Expand strategic and daily operational leadership capacity



Accounting Change for Temporary Positions

- Employees providing city services were not previously calculated in FTE count
- Change counts 21.5 FTE
- Generally grant or other revenue funded
- Positions are still revenue dependent

Five Year Staffing

Area	FY2020	FY2021	FY2022	FY2023	FY2024
Police					
Sworn	7.0	3.0	4.0		
Park Rangers	2.0				
Non-Sworn Support					
Fire					
Sworn			5.0	4.0	5.0
Non-Sworn Support	1.0		1.0		
General Government	2.5				
Community Services	3.5	2.0			3.5
Community Development	1.0				
Public Works	1.0		1.0		1.0

*does not include accounting change for Temporary Positions



Capital Improvement Program

- Projects identified through staff analysis, contractual obligation, and/or council priority
- Multi-year plan for capital infrastructure
- City Council appropriates funding for first year through the annual budget adoption process
- Individual construction contracts are brought to Council for approval throughout the year



Capital Sources for CIP FY2020

- Development Fees
- Dedicated Sales Tax
- Bonds
- Operating Transfers
 - General Fund
 - Enterprise
 - HURF
- Internal replacement charges



Capital Sources for CIP FY2020

- Transfer from General Fund
 - \$9.5M for Festival Fields
 - \$3.3M for Street Construction
 - \$0.2M for Historic Avondale
- \$0.9M Interfund Loan from General Fund for Property and Evidence
- \$1.3M Transfer from Dedicated Sales Tax Fund
- \$4.5M Transfer from Enterprise Operating Funds
- \$5.0 M Transfer from Highway User Revenue Fund



Property and Evidence Facility

Build new 10,000 square foot Property and Evidence Room. Separate locations for guns, illegal drugs, refrigerator, and freezer. Current room limited with few options for expansion.

- FY2020 Budget - \$8.0M
- Partially development fee eligible



Festival Fields

Upgrades to Festival Fields to full service community park. Includes enhancing park facilities including a lake, public restrooms, sports fields and courts, skate park, playgrounds, splash pads, and ramadas. Project completion scheduled for December 2019.

- FY2020 Budget - \$17.5M



Resource Center

New 30,000 square foot human services facility to replace the existing Care1st Avondale Resource Center and Avondale Senior Center. Will allow for the continuation of current services and meet additional services and demand. Will be located at Dysart Road and Riley Drive.

- FY2020 Budget - \$11.7M



107th Ave / McDowell Road Widening

Widen McDowell and 107th Ave. Improvements will include pavement, curb and gutter, scuppers, drainage excavation and new traffic signal.

- FY2020 Budget - \$2.8M
- Development fee eligible



Avondale Blvd – McDowell and Encanto

Widening of Avondale Boulevard to minor arterial street standards. Includes sidewalks and bike lanes to support students walking and biking to school.

- FY2020 Budget - \$1.0M
- Total project budget – \$2.0M
- Development fee eligible



Fairway Drive Improvements

ADOT will construct a new traffic interchange, at Fairway Drive. At the completion of the ADOT project, the City will construct a 5-lane section from Garfield St. to Van Buren St, which will allow for safe and continuous vehicular travel to Van Buren.

- FY2020 Budget - \$2.2M
- Total project budget – \$4.0M
- Development fee eligible



Debt Service

General Obligation – \$3.7 million

0.5% Sales Tax for Streets, Water, Sewer, and Transit - \$6.1 million

Dysart Road MDC - \$0.3 million

Total Debt Service – \$10.1 million

Contingency

Fund	Amount
General Fund	\$3.0 M
Water Operations	\$1.0 M
Sewer Operations	\$1.0 M
Sanitation	\$0.5 M
Risk Management	\$0.5 M
Public Safety Dedicated Sales Tax	\$0.5 M
Highway User Revenue Fund	\$0.3 M
Fleet Services	\$0.1 M
Environmental Programs	\$0.1 M

Budget Calendar

Date	Topic
May 6	Tentative Budget Adoption
June 3	Hearing and Final Budget Adoption
June 17	Adopt Property Tax Levy





Proposed Budget

Questions/Comments?