



Council Workshop FY24-25 Budget Discussion

April 16, 2024





Budget Calendar

Item	Date
Workshop #1 – Budget Overview / Revenues / Five-Year Financial Forecasts	December 12, 2023
Workshop #2 – FY25-34 Capital Improvement Plan	March 5, 2024
Workshop #3 – (All Day) FY25 Operating Budget Department Presentations	April 2, 2024
Workshop #4 – (All Day) FY25 Operating Budget Department Presentations	April 4, 2024
<i>Workshop #5 – FY25 Budget Workshop</i>	<i>April 16, 2024</i>
Voting Meeting – Tentative Budget Adoption	May 14, 2024
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Agenda

- Follow Up Items from Previous Budget Workshops
- Changes to Budget
- FY24-25 Operating Budget
- FY24-25 Capital Improvement Plan
- FY24-25 General Fund Transfers Budget
- FY24-25 Total Budget



Capital Improvement Plan Follow Up Items



CIP Follow Up Items

- Foothills Recreation & Aquatics Center Upgrades
 - Flooring replacement in office and reception desk area and rental rooms
 - Replaced skylight
 - Resurfaced parking lot
 - Replaced folding wall to divide rental rooms
 - Replaced shade structures
 - Replaced access control system
 - Aquatics Upgrades/ Pool resurfacing
 - Chlorine alarm system
 - Replaced and added security cameras



CIP Follow Up Items

- Foothills Recreation & Aquatics Center Upgrades in Design/Permitting
 - HVAC replacement
 - Shade parking (solar)
 - Lighting upgrades to LED (interior and exterior)
 - Painting of doors and trim



CIP Follow Up Items

- Scallop Streets Program – CIPST22065
– \$7.8M FY25



Changes to CIP since March 5th Workshop

- Carryover Adjustments for Existing Projects \$69.2M
- CIPAP25005 Runway Overlay (\$1.8M)
 - Project Removed – Project is to be completed by ADOT
- CIPFC70800 – 10-Year Building Maintenance Reserve (\$18M)
 - \$1.8M per year for 10-Year CIP Removed
 - Ongoing Funding Added to Facilities Operating Budget
- CIPST24056 – System of Care Improvements (\$322k)
 - \$322k moved from FY25 to FY24 (current year)



Changes to CIP since March 5th Workshop

- CIPST24068 – 67th Avenue, Beardsley to Pinnacle Peak (\$3.4M)
 - Three Projects Combined into One
 - CIPST24019, CIPST24020 and CIPST24021 Removed
- CIPST24026 Camelback Rd 99th to Loop 101 (\$414k)
 - Will be completed in the future as part of a freeway interchange project
- CIPST21052 83rd Ave Glendale to Northern \$2.6M
 - DIF Funding Added to Project for Widening and Intersection Improvements
- CIPPK22097 and CIPPK22031 – Sierra Verde Park Improvements
 - Combined into CIPPK22097



Operating Budget Follow Up Items



General Fund Personnel Services

Increases to General Fund Personal Services

Salaries	\$18.7M
Benefits	\$ 2.6M
Retirement	<u>\$ 8.6M</u>
Total	\$29.9M



FY25 Budget – Personnel Services

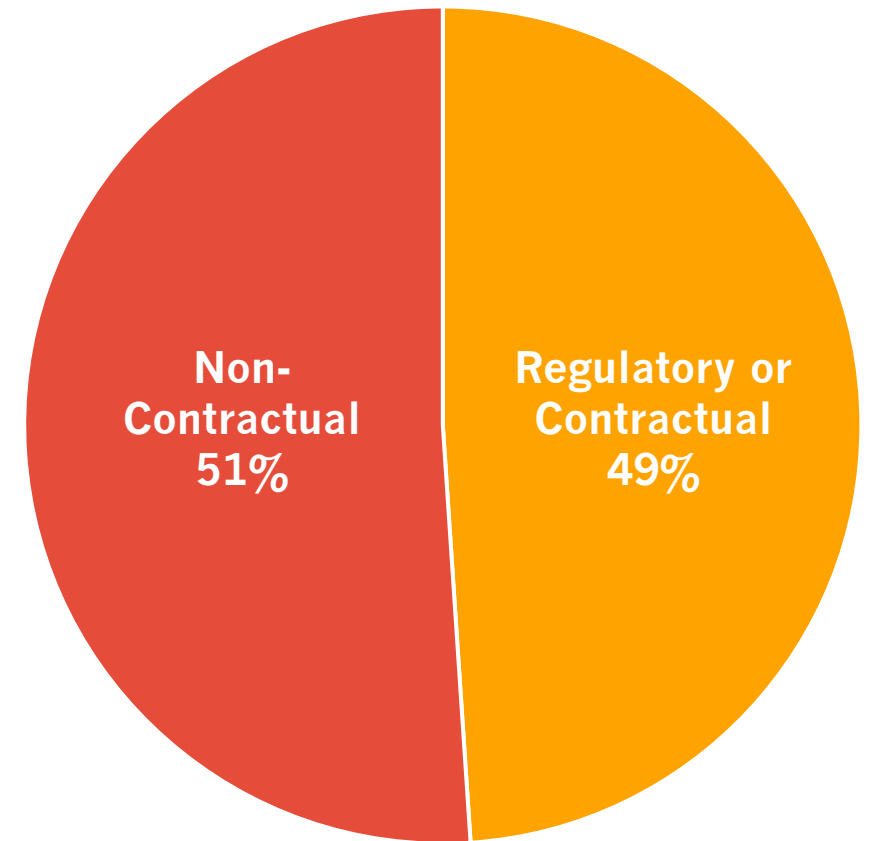
Increases to Personnel Services

Salaries	\$27.9M
Retirement	\$ 9.8M
Benefits	<u>\$ 4.5M</u>
Total	\$42.2M



Regulatory/Contractual Increases

Proposed Budget Increase	\$76,242,468
Non-Contractual	\$39,249,919
Regulatory/Contractual	\$36,992,549





Expanded Heat Relief Respite Center

Current Operating Costs:

- \$108,500 per location
 - \$88,500 Operations
 - \$20,000 Facility/Utilities
- Transportation and Case Management paid separately
- Deeply discounted rental rate
- 6 day/week operation

Estimated City Cost for 3rd Center:

- \$130,000 – \$200,000
 - \$103,200 Operations
 - \$1/SF Cooling
 - \$14-40/SF Lease
- Operator has capacity
- City to secure location
- June opening
- 7 day/week operation



FY24-25 General Fund Transfers

General Fund Transfers In	
Public Safety Sales Tax – Police	\$33,082,347
Public Safety Sales Tax – Fire	\$17,282,648
Total Transfers In	\$50,364,995

General Fund Transfers Out	
Vehicle Replacement Fund	(\$4,299,131)
Airport Special Revenue Fund	(\$167,047)
CAP Grant	(\$64,299)
Public Housing	(\$1,135,224)
GRPSTC	(\$3,466,052)
Maintenance of Effort Transfers	(\$2,214,492)
General Fund Capital Projects	(\$93,660,924)
Debt Service – COPs	(\$19,469,411)
Debt Service – MPC/Excise Tax	(\$32,345,201)
Total – Transfers Out	(\$156,821,781)



Change to Operating Budget since April 4th

Council Requested Additions to Operating Budget

- | | |
|-----------------------------------------|----------|
| • Comp and Class/MOU Salary Adjustments | \$1.5M |
| • Equipment Carryover | \$1.2M |
| • Dolly Parton Imagination Library | \$ 10k |
| • Updated annual cost for HR Software | (\$ 10k) |
| • Vehicle Allowances | \$ 8k |



FY24-25 Budget Highlights

- Balanced Budget
 - Conservative Forecasting Methodology
- No Property Tax Increases
 - Property Tax Rate Decreases Annually due to Flat Levy Policy
 - Rate has decreased from 2.1965 in FY16 to 1.5696 in FY25
- Budget Aligned with Council Priorities
 - Park Maintenance
 - Public Safety
 - City Infrastructure (Streets, Water/Wastewater, Etc.)

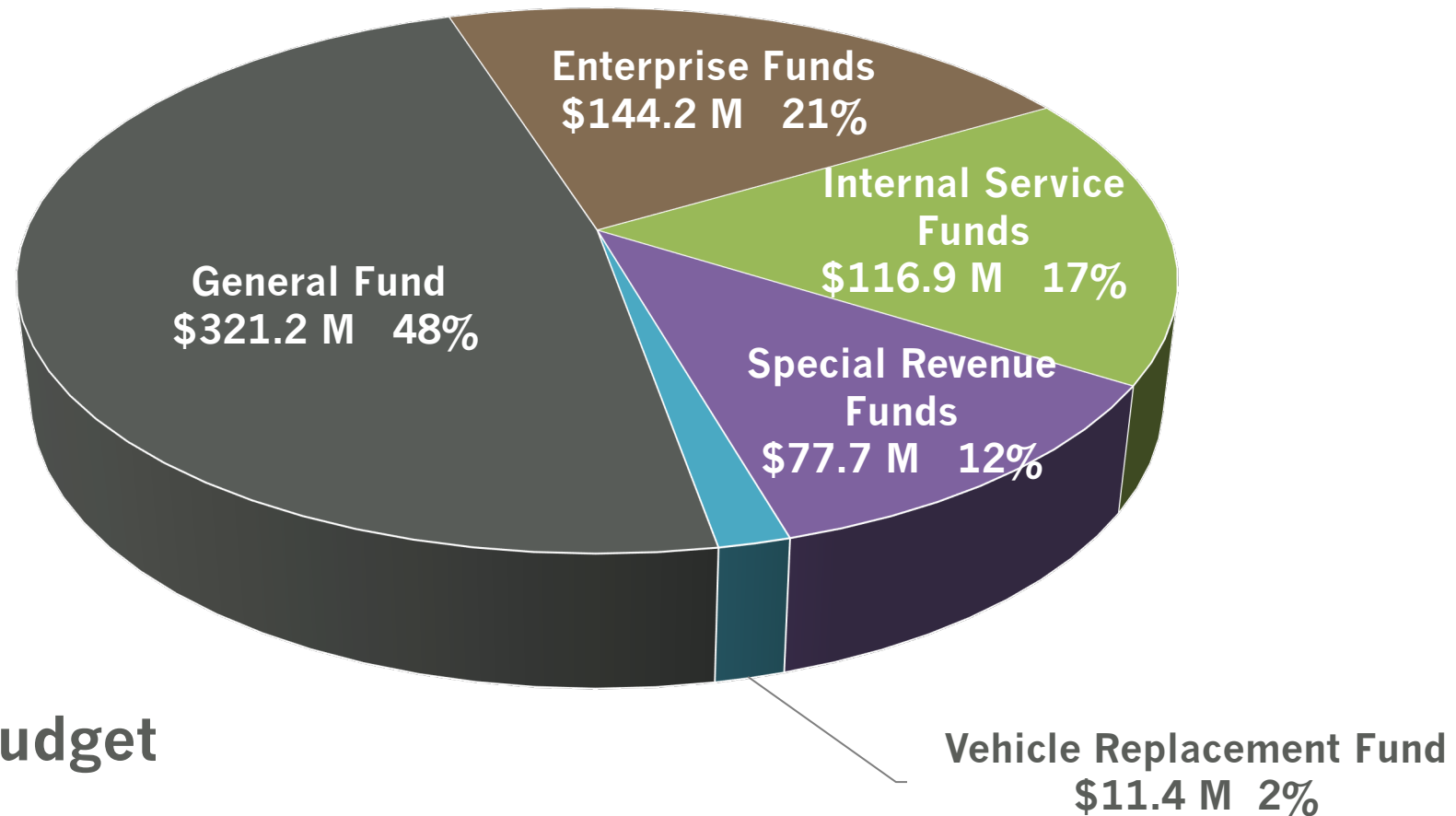


FY24-25 Budget Highlights

- Employee Compensation in Line with other Cities
 - Public Safety Increases in accordance with current Memorandums of Understanding (MOUs) for represented employees
 - Recommended Increases in Employee Pay
 - 3.5% Cost of Living Adjustment (COLA) for non-represented employees
 - Up to 3.5% merit increases
 - Implementation of Classification and Compensation Study



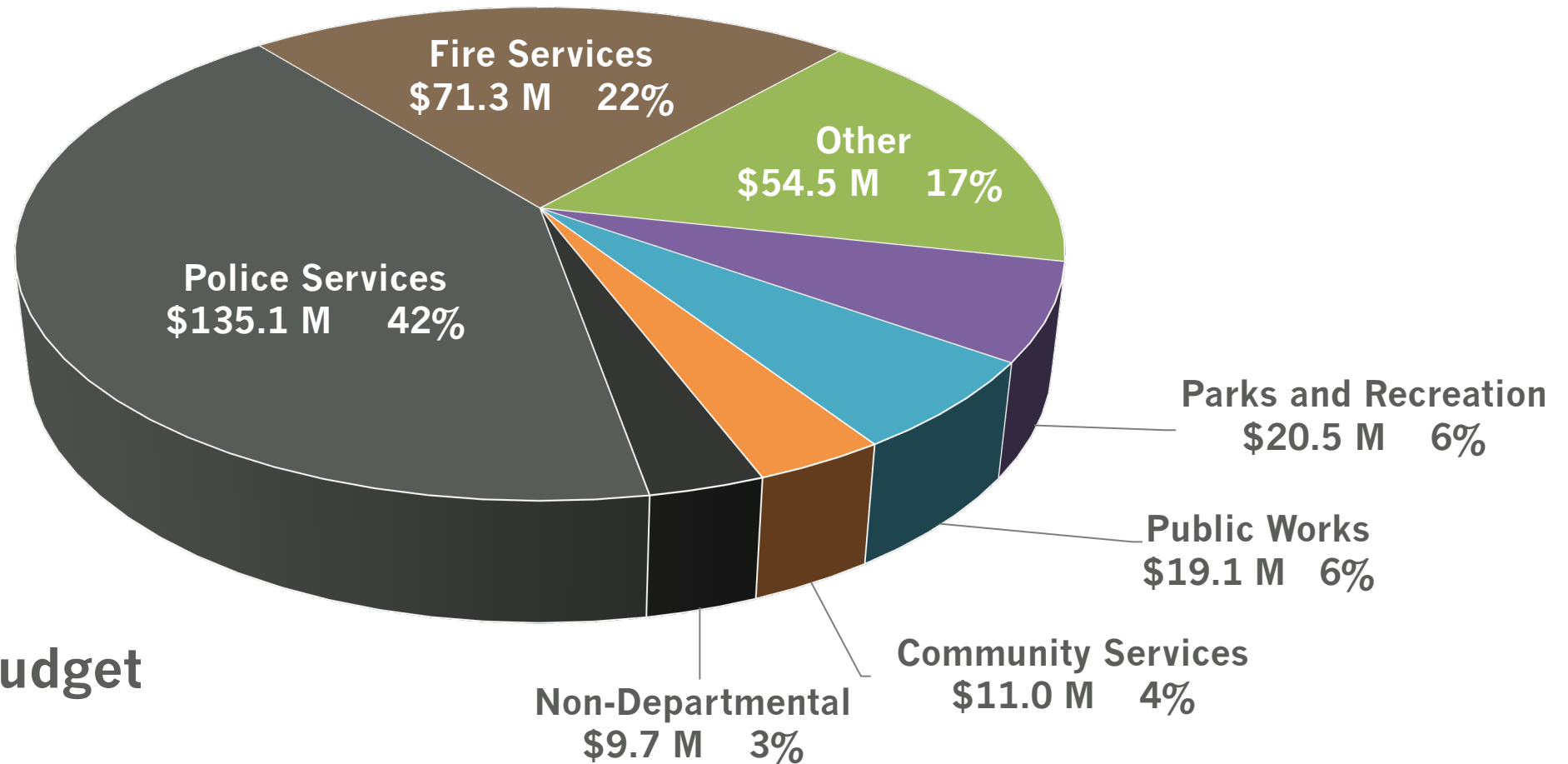
FY24-25 Operating Budget by Fund



Total FY24-25 Budget
\$671.4M



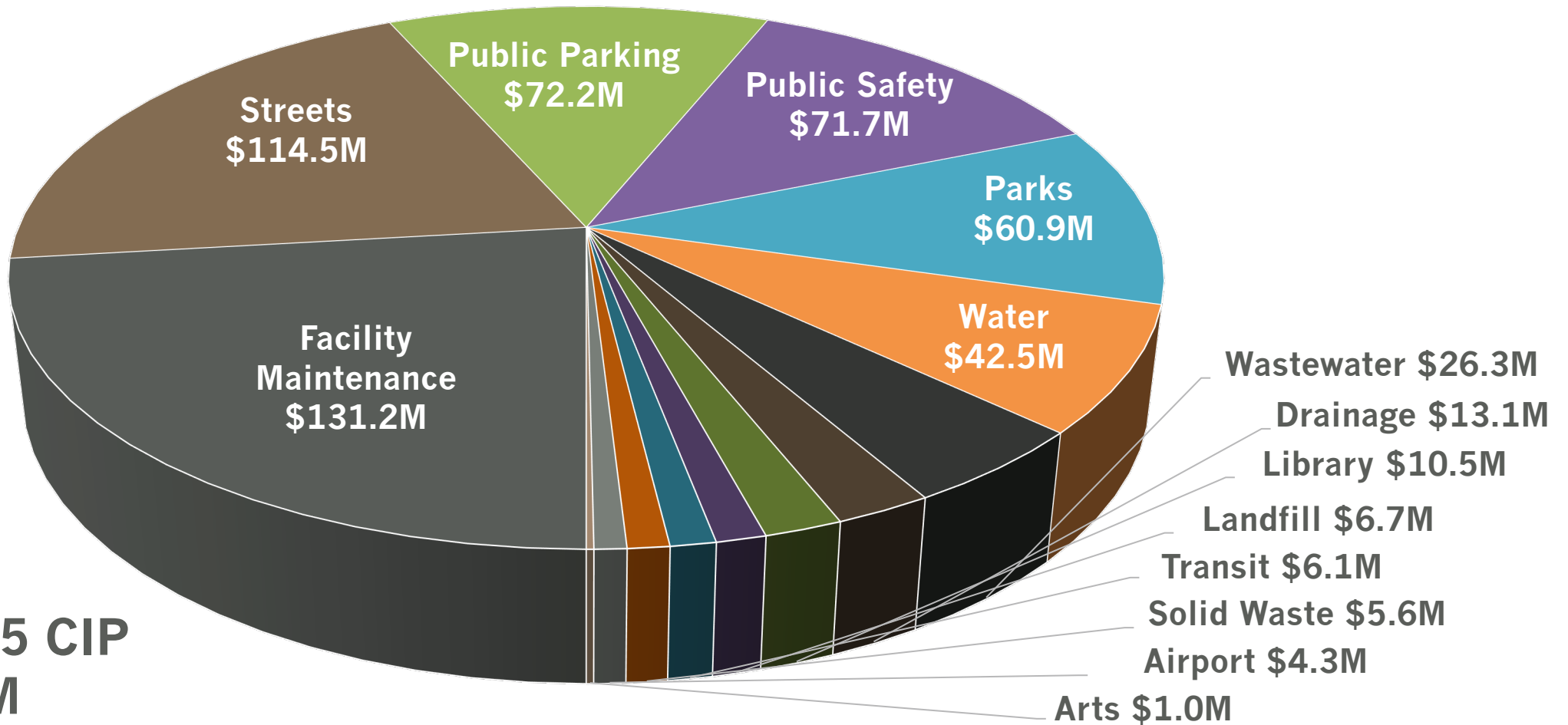
FY24-25 General Fund Operating Budget by Function



**Total FY24-25 Budget
\$321.2M**



FY24-25 Capital Improvement Plan



Total FY24-25 CIP
\$566.7M

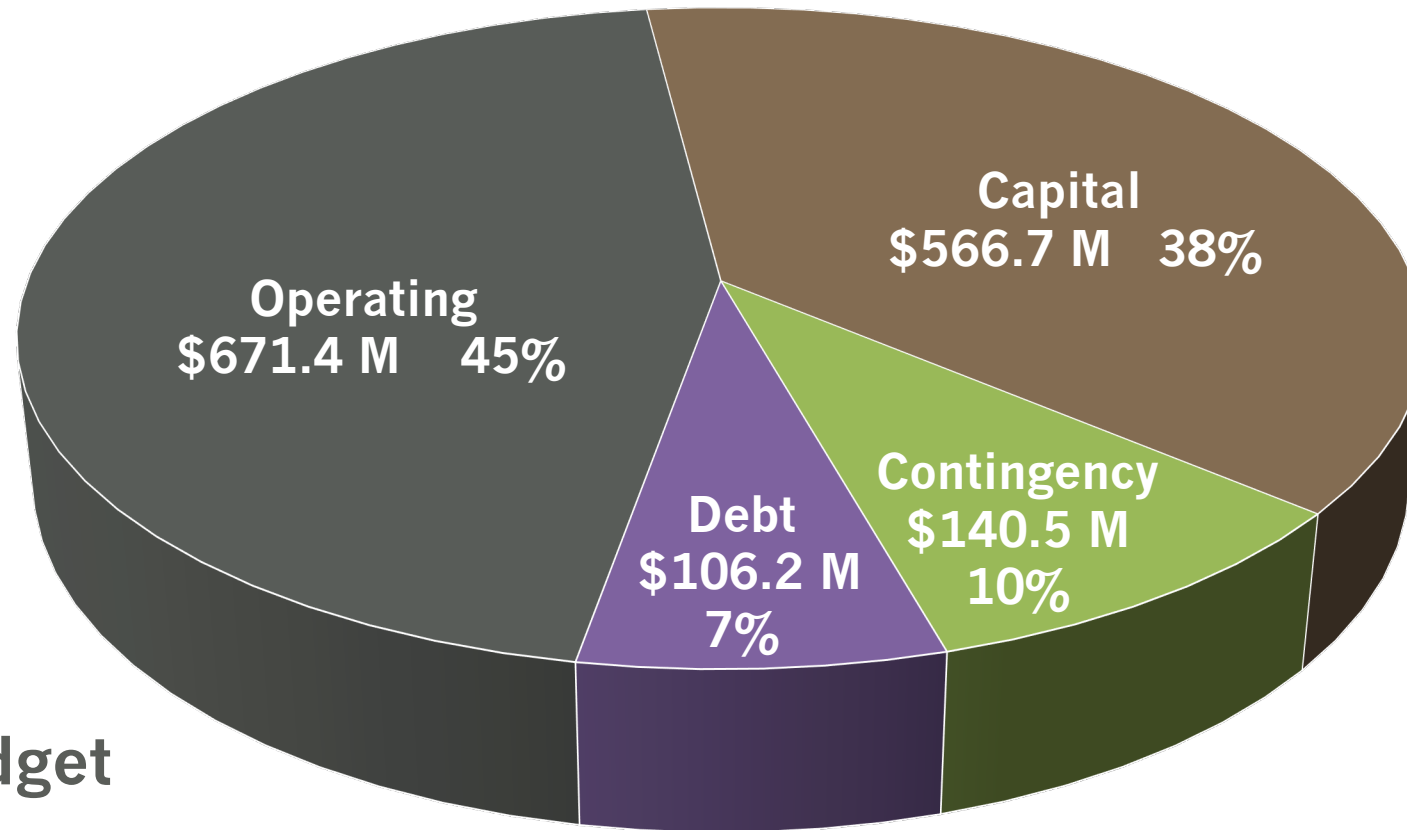


General Fund Five-Year Financial Forecast

	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
Beginning Fund Balance (est)	267,790,055	251,055,319	235,134,288	205,522,363	171,982,726
Ongoing Operating Revenue	414,156,468	347,411,491	351,726,416	358,517,423	367,388,385
Operating Expenditures	(314,239,081)	(330,884,803)	(344,136,535)	(358,468,277)	(374,807,008)
One-time Expenditures	(5,195,337)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Net Transfers	(106,456,786)	(29,947,719)	(34,701,806)	(31,088,783)	(32,311,370)
Contingency	(5,000,000)				
Total Surplus/(Deficit)	(16,734,736)	(15,921,030)	(29,611,926)	(33,539,637)	(42,229,993)
Ending Fund Balance	251,055,319	235,134,288	205,522,363	171,982,726	129,752,733
Assigned Fund Balance - CIP	16,021,001	10,969,744	6,366,848	6,622,060	5,500,000
Assigned Fund Balance - Pension Reserve	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Assigned Fund Balance	36,021,001	30,969,744	26,366,848	26,622,060	25,500,000
Ending Unassigned Fund Balance	215,034,318	204,164,544	179,155,515	145,360,666	104,252,733
GF Fund Balance Policy 25% Ongoing Expenditures	78,559,770	82,721,201	86,034,134	89,617,069	93,701,752



FY24-25 Total Budget Appropriation



**FY24-25 Total Budget
\$1.48B**



Questions?



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