

Strategic Goals and Organizational Priorities
Budget Policies
Budget Process
Recommendations



CHANDLER

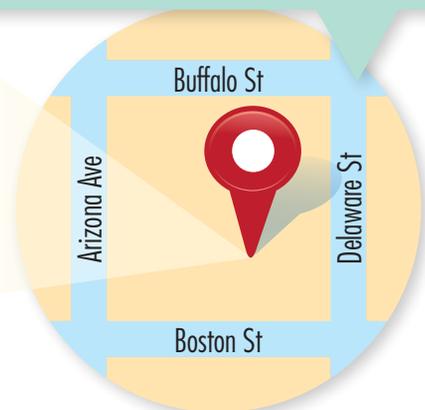


A place of vision

Innovation, entrepreneurship, and creativity thrive in the community through many STEM-based events and organizations, giving developing minds the opportunity to explore new frontiers, and transforming today's youth into the decision makers of tomorrow.



Chandler Science Spectacular



Strategic Goals, Financial Policies, and Budget Recommendations

A. Strategic Goals and Organizational Priorities



The City of Chandler's continued goal is to provide the highest quality services to the community in the most cost-effective manner. The Council's strategy to achieve these results is through goals to continuously improve Chandler and to make fiscally responsible decisions that make the City of Chandler a regional leader with a strong plan for the future.

The process of developing Chandler's budget is designed to address the needs and desires of the community. The Mayor, Council, and staff obtain input from the community through surveys, commissions, neighborhood meetings, and contacts with individuals throughout the year. Based on this input, the Council holds planning sessions to discuss multiple service area efforts and to establish organizational guidelines.

The five primary goal areas are listed below with supporting strategic policy goals. They were first developed in Fiscal Year (FY) 2006-07, updated in 2009, and updated again in 2011. The City has focused on achieving and successfully accomplished many of these goals and this budget is prepared based on these strategic goals and organizational priorities. In February 2015, the City Council conducted a Strategic Planning Retreat, and the Executive Team is in the process of creating recommended priorities to fulfill the goals Council outlined. These updated goals will be used in formulating the FY 2016-17 budget, but the City continues to make great strides in achieving the following goals through FY 2015-16.

Downtown Vibrancy

Downtown Chandler and the Historic Square have served as the focal point of community life since Chandler's inception. Emerging today as a location for independent business and retail, the downtown area also serves as the City's cultural center, providing the community with a sense of identity and uniqueness.

- Establish policies and operational plans to encourage the expansion of employment, entertainment, and educational opportunities.
- Maintain and increase the vibrancy of Downtown Chandler.
- Explore the formation of flexible parking policies to support the vibrancy of Downtown.

Economic Development

The ability of the City to maintain and enhance the quality of life of its residents depends upon a successful economic development program. High paid quality jobs attract potential residents and diversify the employment and tax base, which provides revenue to support the amenities enjoyed by the community.

- Include redevelopment and reuse of existing space in new growth policies and strategies.
- Identify target markets and opportunities and be willing to consider incentives when Chandler's interests are served.
- Encourage the retention and expansion of existing businesses while attracting new opportunities.
- Collaborate with educational institutions for enhancement of economic development attraction to Chandler.
- Capitalize on being "tech-ready."

Neighborhoods

As Chandler has grown rapidly from a community of 30,000 in 1980 to more than 240,000 today, neighborhoods have become increasingly important to help define the community's quality of life and to provide a sense of identity and place. The maintenance and long term care of our neighborhoods will become increasingly important as the community continues to age.

- Neighborhoods are the backbone of a community. Set policy direction for active enforcement of codes to support the quality, identity, and character of Chandler's neighborhoods.
- Continue citywide Council efforts to engage citizens to support the well-being of their neighborhoods.
- Continue and expand opportunities to meet with neighborhoods to discuss issues and opportunities.

Fiscal Health and Sustainability

In order to assure that Chandler's quality of life is enjoyed by future generations, it is imperative that the City acts as an effective steward of our financial and environmental resources. This effort is even more critical as City resources are becoming increasingly limited and as best practices throughout the country have provided ample evidence of the many benefits of doing business in a more sustainable fashion. The City Council is committed to the stewardship of the City's resources through improved business practices and the conservation of our financial and environmental assets.

- Educate and mobilize Chandler citizenry and other stakeholders to understand the potential negative impact that state legislative action can have on the City.
- Continue strong privatization efforts and creative alliances where return on investment shows an advantage for Chandler.
- Use the recession to create an opportunity to improve organizational efficiency through the creativity and commitment of current staff.

Transportation

An effective multimodal transportation system is critical to the long-term vitality of the Chandler community. The City must maintain a viable transportation network that includes an efficient arterial street and transit system that is connected regionally, as well as a network that is bicycle and pedestrian friendly.

- Continue emphasis on completing our critical road and street infrastructure improvements with particular emphasis on southeast Chandler.
- Establish policies for planning and development of Chandler that will allow the City to take advantage of transit options both internally and regionally.

B. Priority Based Budgeting Goals and Desired Results

In addition to the above-stated Council Goals, the City has also established Priority Based Budgeting Goals, also known as "Desired Results." These goals expand on the Council Goals and encompass a broad range of Department programs and services to support the citizens of Chandler. These "results" help define the types of services the citizens expect the City to provide. The results have been established under the broad areas of:

- A Community with Leisure, Culture, and Education Opportunities
- A Safe Community
- A Community with Effective Transportation
- A Healthy and Attractive Community
- A Community with Sustainable Economic Health
- A Community with Good Governance

Each of these results is supported by a matrix of programs and services across multiple Departments and provides a tool for budget decision making.

These goals are integrated into the annual Citizen's Budget Survey to help evaluate how citizens weigh the relative importance of these goals and the supporting programs, services, and capital projects.

C. Financial Policies

The City of Chandler has strong financial policies that allow staff to provide sound fiscal planning and continued management of fiscal integrity. The financial policies are divided into five categories: Operating Management, Capital Management, Debt Management, Reserves, and Financial Reporting policies. Most of these are implemented through budgetary guidelines that are updated and published annually as part of the annual budget process. Listed below are the financial policies and budget guidelines that Chandler has implemented that have resulted in a fiscally strong City.

Operating Management Policies

- One-time expenses will be funded from one-time balances/revenues and ongoing expenses will be funded by ongoing revenues, except as is provided for by the budget stabilization reserve as described in the Reserves Policy. Revenue projections will be based on historical trends by developing base lines for ongoing types of revenues versus one-time.

Budget Policies, Process, and Decisions

- The budget process allows weighing of all competing requests for City resources within projected fiscal constraints. Additions outside of the budget process are discouraged and only approved by the City Manager's office in unique circumstances or by Mayor and Council when required by City Code.
- All personnel requests must be fully justified to show that they will either support new program purposes or maintain or enhance service delivery.
- Department Heads are expected to manage their areas with the overall financial health of the City in mind. With Modified Expenditure Control Budgeting (MECB), managers are expected to look for effective and efficient ways to deliver quality services to our citizens while meeting Council goals.
- User fees and charges, which are approved by City Council, will be periodically analyzed and updated to ensure that all direct and indirect costs are recovered, unless extremely burdensome to citizens. Utility rate studies will be performed at a minimum every four years, but rate analyses will be completed every year for Water, Wastewater, and Solid Waste funds based on ten-year projections.
- Development fees for capital expenses attributable to new development are established in the Infrastructure Improvements Plan fee schedules and updated at a minimum every five years.
- Grant funds received for personnel or other "ongoing expenses" must have a reserve of the total ongoing cost established in the General Fund in order to pay for the ongoing expense when the grant expires. If the position funding is only for the life of the grant, the expenditures will be budgeted as one-time and no reserve is required.
- Projections used to balance revenues to expenditures will be prepared for a ten-year period and updated annually.
- Each Department will establish goals and objectives and create and track performance measurements to assure the goals and objectives are achieved in an efficient and effective manner. Performance measures may be eliminated if approved by the Department Director; however the information will remain in the budget document for four years as required by the Government Finance Officers Association (GFOA).
- Conservative but realistic revenue projections will be prepared to assess the limits of budget appropriation. If projections are too high, under-realized revenues could cause mid-fiscal year budget cuts.
- Investments of cash funds will be maintained in accordance with City Charter and State Statutes.
- The City will pursue outstanding collections through revenue collectors, and the Tax and License Division will perform periodic audits on businesses to ensure compliance with City tax code. These procedures are implemented to protect the major source of income to our City – Transaction Privilege Tax.
- Costs incurred in the General Fund to support the operations of the Enterprise funds (water, wastewater, reverse osmosis, solid waste and airport) will be recovered through an indirect cost allocation. The indirect cost allocation plan will be reviewed annually and adjustments made when approved by the Management Services Director.
- Replacement funds will be maintained to plan for replacement of technology, equipment, and vehicles allowing for the monitoring of inventory, standardization, right-sizing, and cost containment.

Capital Management Policies

- The City Charter requires a minimum of a five-year Capital Improvement Program (CIP) to be developed annually and submitted to Council on or before the fifteenth day of June (Section 5.07, City of Chandler Charter). The Council shall adopt the CIP on the same date as the final adoption of the Annual Budget, which normally occurs in May or June. The City develops a ten-year plan, exceeding the minimum requirements.
- The CIP must include a list of proposed capital improvements with cost estimates, methods of financing, recommended time schedules for each improvement, and the estimated operating income or cost of maintaining the facilities to be constructed. CIP projects will be for infrastructure, equipment, or facilities or developer payments over \$50,000.

Budget Policies, Process, and Decisions

- Capital projects presented in the CIP will show related operating and maintenance costs and will be considered during the operating budget evaluation. Contributions to reserves for replacement of technology, equipment, and vehicles will be incorporated into the operating cost estimate.
- A balance of pay-as-you-go capital improvements versus financing will be evaluated, taking various economic factors into consideration. This review will assure the citizens that they are receiving the most efficient use of their tax dollars to repair or replace major infrastructure in the City.

Debt Management Policies

- The City will seek to maintain and, if possible, improve current bond ratings in order to minimize borrowing costs, resulting in lower interest costs.
- Analysis of every new debt issuance will be performed to ensure that sufficient voter authorization is available, adequate capacity exists according to state law, and to determine the impact that the issuance will have on property tax rates and/or user fees.
- Non-voter approved debt, such as Municipal Property Corporation or Excise Tax Revenue Obligations, will only be used when dedicated revenue sources (i.e., water and wastewater user fees) other than secondary property taxes can be identified to pay debt service expenses. Non-voter approved debt will be considered under the following conditions:
 - *Project requires additional funds over and above what is available from other sources and meets the City's goals and objectives.*
 - *Emergency situations, such as an unfunded mandate or circumstance affecting the public health and welfare.*
 - *The project will generate a positive net revenue position (i.e., revenues will exceed the cost of financing).*
- Improvement Districts debt will only be issued when there is a general City benefit. Each improvement district financing must be closely evaluated since it is secured by the full taxing authority of the General Fund and is viewed by the credit rating agencies as an outstanding City debt.
- Long term bond financing should not exceed the useful life of the infrastructure improvement or useful life of a facility.
- Utility rates will be set, as a minimum, to ensure the rates of revenue to debt service meet bond indenture requirements of 1.2 times coverage (ongoing system revenues will cover ongoing debt 120%) to comply with existing Water/Sewer Revenue Debt Covenants. The goal will be from 1.5 to 2 times coverage to allow fluctuations in revenue collection and to achieve the highest credit rating when bonds are sold.
- Issuance and Post-Issuance Compliance procedures for tax exempt bonds have been adopted and should be followed. Staff will work closely with the City's Bond Counsel, Financial Advisor, and Arbitrage Compliance Specialist to ensure tax exempt bonds remain in compliance with federal tax requirements from the time they are issued until they are no longer outstanding.

Reserve Policies

Government Accounting Standards Board (GASB) statement number 54, Fund Balance Reporting and Governmental Fund Type Definitions, require cities to more clearly define fund balance uses and policies. Following are the expanded definitions for the City of Chandler's reserves to provide for fiscal sustainability:

- For Fiscal Year (FY) 2015-16, an appropriated General Fund Contingency reserve will be maintained equal to 15% of General Fund operating revenues, excluding one-time transfers in. Acceptable contingency reserve uses are emergency situations, unexpected one-time opportunities, and appropriation transfers to allow spending in other funds. Use of this reserve requires Council approval unless delegated in the Budget Resolution. The 15% General Fund Contingency reserve must be replenished annually.
- A Budget Stabilization reserve may be created within the General Fund when needed to help offset operating deficits that result from economic downturns that can create adverse service impacts, allowing time to reduce spending or find other ongoing revenue opportunities. The Council may add to the reserve from time to time but not draw from it for more than three consecutive fiscal years.

Budget Policies, Process, and Decisions

- An Infrastructure Maintenance reserve may be created within the General Fund when needed to help fund planned capital maintenance projects to sustain existing City infrastructure when bond capacity is not available due to volatility of the housing market and the related negative impact to secondary tax levy collections from reduced assessed values.
- Other reserves may be created within the General Fund when needed to fund items such as Strategic Economic Development and Downtown Redevelopment opportunities, other General Government planned capital (e.g., new Information Technology projects, building and facility maintenance, etc.), providing a reserve for payout of employee Compensated Absences and Miscellaneous Personnel (CAMP) (e.g., sick, vacation, military leave, light duty, etc.), appropriated non-departmental Fuel and Utility reserves to cover mid-year price increases, appropriated non-departmental Personnel Reclassification reserve to cover mid-year position reclassifications, appropriated Public Safety reserve for potential personnel costs associated with early hires due to projected retirements or loss of grant funding for certain programs, an Ambulance reserve for acquisition of capital equipment related to ambulance or rescue services, and an appropriated Mayor and Council contingency reserve which can be used for unplanned opportunities. Adopted Fiscal Year 2015-16 one-time reserve is \$325,000 and ongoing reserve is \$75,000 and can be used for Council budget amendments or other uses.
- A Lump Sum Contingency reserve may be created when needed to provide mid-year appropriation for capital projects utilizing funds the developer has previously deposited with the City in lieu of making required offsite improvements. Such reserves may be created in the General Fund, Enterprise Operating Funds, or other funds designated by the Management Services Director.
- Reserves for water system funds will have a goal of 20%, wastewater system funds will have a goal of 15%, and solid waste funds will have a goal of 10% of operating revenues.
- Reserves for self-insurance funds will be maintained at a level, together with purchased umbrella insurance policies, that will adequately indemnify the City's property and liability risk. A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels for property and liability risks. A minimum reserve of 70% of outstanding claims will be maintained.
- Reserves for other special funds, such as Highway User Revenue Fund (HURF), will have a goal of 15% of operating revenues.
- A fleet management vehicle replacement plan will be reviewed annually by the Fleet Advisory Committee to ensure systematic replacement of vehicles based on a combination of miles driven, repairs and maintenance schedules, and years of service. The Vehicle Replacement Fund reserve goal will be 10% of the total City fleet replacement value.
- A Technology Replacement Fund reserve goal will be 10% of the total City technology asset replacement value.
- Fund level contingency reserves will be determined annually and placed in the Non-Departmental cost center to provide for unanticipated revenue shortfalls and/or unexpected expenditure increases. Reserves may also be used for unanticipated events threatening the public health, safety, or welfare. Contingency funds should only be utilized after all other budget sources have been examined for available funds, and use must be approved by Council.

Financial Reporting Policies

- The City's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles (GAAP), standards of the Governmental Accounting Standards Board (GASB), and the Government Finance Officers Association (GFOA).
- An annual audit will be performed by an independent public accounting firm with an audit opinion to be included in the City's published Comprehensive Annual Financial Report (CAFR). An electronic copy of the CAFR will be posted online for the most recent five historical years.
- The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance-related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

Budget Policies, Process, and Decisions

- The City's Annual Budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units, and as a communication device for all significant budget issues, trends, and resource choices. It should also be presented in a format that is easy to read and understandable by the citizens of our community. State Auditor General Budget forms will be posted online for both the proposed and adopted budget for the upcoming budget year. The proposed and adopted versions of the State Auditor General Budget forms will also be posted on the web for five historical years, with the approved budget document.
- Financial systems will be maintained to monitor operating and capital revenues, expenditures, and program performance on an ongoing basis.
- Annual audits will be performed by an independent public accounting firm for the Health Care Benefits Self-Insurance Trust and the Workers Compensation and Employers Liability Self-Insurance Trust.

D. General Budgetary Guidelines

Some of the general guidelines pertaining to the budget are as follows:

- Chandler utilizes a decentralized operating and capital budget process; all Departments participate in the process and enter budget amounts directly into the online budget system.
- Annual budgets for the upcoming fiscal year (July 1 - June 30) are adopted for all funds (excluding funds maintained for financial reporting only).
- Each fund in the budget must be in balance; total anticipated revenues plus the necessary portion of fund balance (all resources) must equal total expenditure appropriations for the upcoming fiscal year.
- Budgetary control is at the Departmental level. A Department cannot spend more than the budget appropriated; however, line item appropriations are established for each cost center (division) within each Department. Appropriation is also for a specific fund and balanced based on specific funding sources, therefore savings in one fund cannot be used to cover over-expenditure in another fund.
- Chandler utilizes the base budget method, where Departments are allocated the prior year's base to support all ongoing operations. Departments may request supplemental funding to maintain current service levels or for new positions, equipment or operating expenses to expand existing programs, or to start new programs. These requests are reviewed with the Department Director and then prioritized by the City Manager, Assistant City Managers, and Management Services Director before presented to Mayor and Council as part of the Proposed Budget. The approved requests are incorporated into the Department base budget or added as a one-time adjustment for the upcoming fiscal year in the Adopted Budget.

Home Rule Option

Under the Home Rule Option, the expenditure limitation is free from any ties to the State imposed expenditure limitation if the majority of the qualified electors vote in favor of this alternative. On August 26, 2014, the City of Chandler voters approved to continue under Home Rule for the next four years. Chandler adopts its expenditure limitation along with the annual budget. The maximum legal expenditure limit is the total of all departmental appropriations in the final budget adopted by the City Council. The City's next Home Rule election will be in 2018.

Budget Amendments

In accordance with the City's Alternative Expenditure Limitation, total expenditures may not exceed the final appropriation once the budget is adopted. The City can amend the total appropriation for an individual fund; however, if one fund's total appropriation is increased, another fund must be decreased by an equal amount.

Amendments moving budget appropriation between departments may be processed at any time during the fiscal year upon written request by the City Manager to the Council (Section 5.08, City of Chandler Charter). Organizational changes resulting in appropriation shifts between departments should be timed for the start of a new budget year, whenever possible.

Budget Transfers and Carryforward Appropriation

As stated within the Budget Resolution, Council has granted the City Manager or his/her designee authority upon written request at any time during the fiscal year to do the following:

- To transfer part or all of any encumbrance or designated carryforward reserve within or to a Department or to another fund if necessary (delegated to Management Services Director).
- To transfer appropriation in the non-departmental personnel accounts to the various Departmental personnel accounts in all funds (delegated to Management Services Director).
- To transfer appropriation in the non-departmental fuel and utility reserve accounts to the various fuel and utility accounts in the appropriate funds and Departments (delegated to Management Services Director).
- To transfer appropriation in the Non-Departmental capital project fund contingency and reserve accounts to various capital programs to make use of payments made by developers as a result of Lump Sum Agreements between the City and developers (delegated to Management Services Director).
- In accordance with Modified Expenditure Control Budgeting (MECB), General Fund under-expenditure from prior appropriations in a Department budget can be re-appropriated in the fund contingency reserve and transferred to the appropriate Department, with approval of the City Manager.
- To transfer any unencumbered appropriation balance within non-personnel accounts among divisions within a Department and fund (delegated to Department Directors).
- To transfer appropriation for telecommunications equipment or services from within the Information Technology Department to the appropriate funds and Department Cost Centers using such equipment and/or services (delegated to Management Services Director).

Fund Balances

According to the City Charter, the total of proposed expenditures shall not exceed the total of estimated income and fund balances available. Since fund balances are non-recurring revenue, they are used for one-time expenditures or budgeted as contingency fund appropriations.

Budget Basis vs. Accounting Basis

The budgets for general governmental fund types, (i.e., General Fund, Special Revenue, Capital Projects, and Expendable Trust) are prepared on a modified accrual basis, which is a mixture of the cash and accrual basis. This basis is consistent with Generally Accepted Accounting Principles (GAAP) except for the following:

- Compensated absences are recorded as expenditures when paid (cash basis) as opposed to a liability that is expected to be liquidated from available financial resources as earned and accrued by employees (GAAP basis).
- Sales tax and grant revenue are recorded on the basis of cash collected (cash basis) as opposed to the accrual basis (GAAP basis) whereby amounts are recorded to the period the revenue was earned.
- Capital outlays for Enterprise funds are recorded as expenses (cash basis) as opposed to fixed assets (GAAP basis).
- Principal payments on long-term debt are recorded as expenses (cash basis) as opposed to a reduction of a liability (GAAP basis).
- Proceeds from the sale of bonds and utility system development fee revenues are recognized as revenue when received (budget basis) as opposed to a reduction of a liability and an increase in contributed capital (GAAP basis).
- No depreciation is budgeted (on a cash basis for any fund) as opposed to depreciation expense recorded in financial statements (GAAP basis).
- Proprietary funds such as the City's Enterprise (water, wastewater, solid waste, and airport), Internal Service, and Permanent Trust funds are budgeted and reported on a full accrual basis of accounting. Under the full accrual basis, expenses are recorded at the time liabilities are incurred, and revenues are recognized when they are obligated to the City (for example, water user fees are recognized as revenue when bills are produced, not when the cash is received). All operating and capital expenditures (except depreciation) are identified in the budgeting process because of the need for appropriation authority.

Budget Policies, Process, and Decisions

- During the year, the City's accounting system is maintained on the same basis as the Adopted Budget. This maintenance enables Departmental budgets to be easily monitored via accounting system reports on a monthly basis. The City's financial records, as reported each year in the Comprehensive Annual Financial Report (CAFR), are maintained in accordance with GAAP. For comparison purposes, the City's CAFR shows fund revenues and expenditures on both a budget basis and a GAAP basis in all funds for which budgets are adopted.

Financial Forecasts

In preparation for both the Capital Improvement Program and the Annual Budget, forecasting models are utilized to analyze the impact of budget decisions on the City's future financial condition.

- Ten-year financial forecast models are implemented for water, wastewater, solid waste, airport operating, and capital funds to assess the impact of revenue adjustments with user-fee rate increases and bond issues, as well as resulting cash reserves and debt coverage ratios. The models also allocate project costs based on growth and non-growth projects and using cash flow from system development fees, utility fees, bond proceeds, and reserves.
- Ten-year forecasts are developed for all operating and capital funds to assess the economic impact of the capital improvement program on Departmental operating budgets and to determine project funding based on available revenues. In addition, extensive review of the Secondary Property Tax Rate is completed to determine bond capacity.
- A ten-year forecast is used to evaluate General Fund revenues and expenditures for ongoing costs and to determine if adequate revenues are available for staffing and program requests, but only five years is shown in the budget book.

Modified Expenditure Control Budgeting (MECB)

In order to encourage cost effectiveness while providing quality services to Chandler citizens, MECB is used for General Fund cost centers. MECB assumes existing service levels will be maintained. Under MECB, Departments do not initiate any programs that require additional personnel without a plan for providing financial resources to support the program on an ongoing basis. The use of MECB supports the following basic philosophies:

- Department Directors, managers, and supervisors are expected to manage wisely and to look for effective and efficient ways to deliver quality services to our citizens while meeting the goals of Council; and
- Department Directors, managers, and supervisors can find more ways to do things more efficiently if given the freedom to innovate and control their own resources.

Departments are allowed to control their own base budget operations and maintenance (O&M) expenditures by developing their own line item budgets. Department Directors are allowed flexibility in programming and allocating funds within their own O&M budgets; however, there are exceptions related to fleet, equipment, and technology replacement transfers which are determined based upon fund requirements, as well as fuel budgets, which are prescribed amounts based upon assigned vehicles. Department O&M base budgets are submitted to the Budget Division to assure they are balanced by fund source.

Under the MECB philosophy, Departments may request to carryforward savings achieved in their operating accounts to the next year, with justification, through a request to the City Manager. Funds available for carryforward will exclude the above noted exceptions.

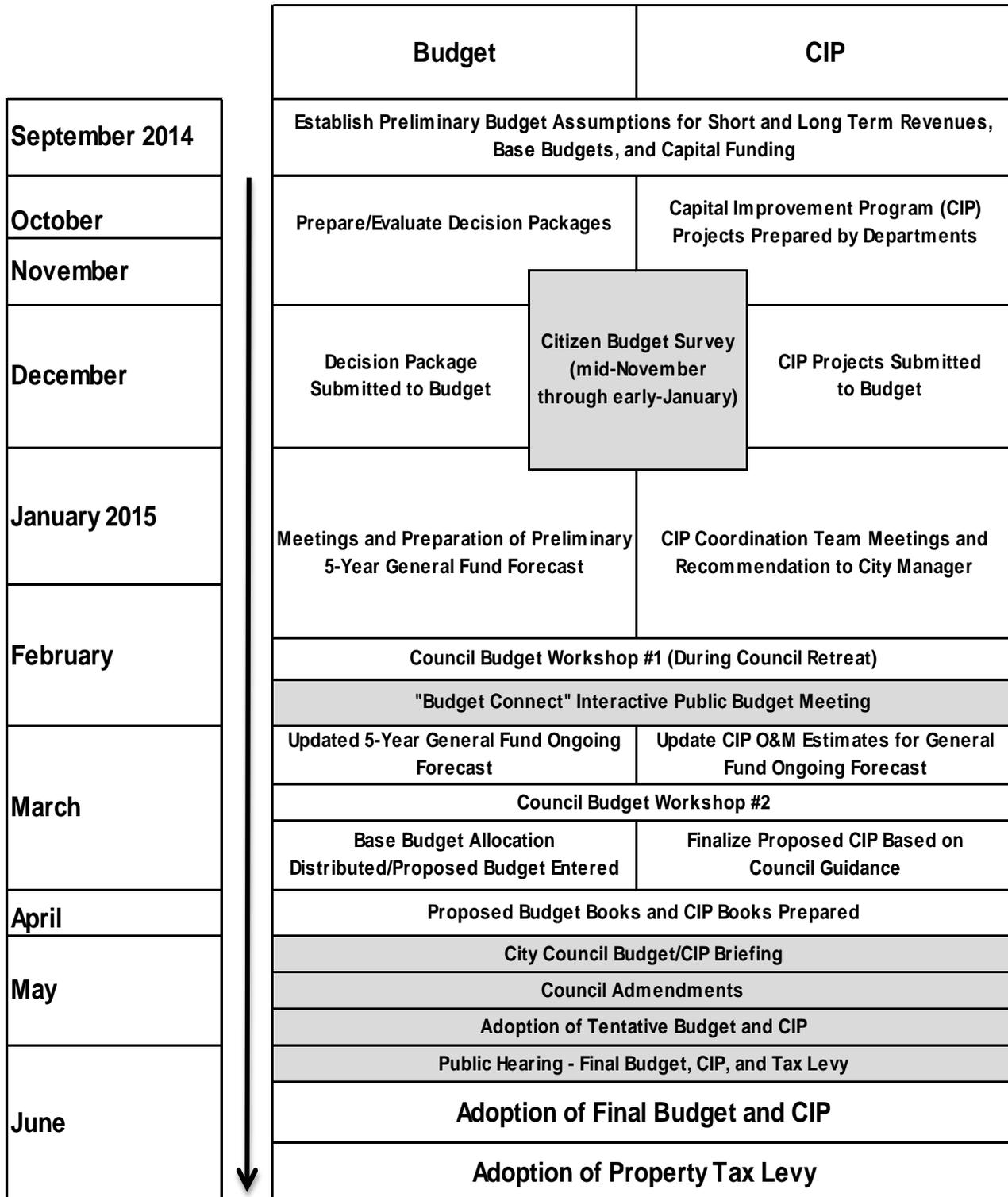
All personnel costs are funded outside of the Departmental base, and any personnel savings accumulated remain in their original fund. The Budget Division develops all personnel services budgets based on full funding of all approved positions. If revenues are available during the budget process, positions may be added to maintain or improve service levels after City Manager review and City Council approval. Additions outside of the budget process are discouraged and only approved by the City Manager's Office in unique circumstances.



**Highlights of the Fiscal Year (FY) 2015-16 Budget
2016-2025 Capital Improvement Program (CIP) Calendar**

Citizen Budget Survey	November 19, 2014 – January 6, 2015
CIP Coordination Team Meetings	December 17, 2014 – January 7, 2015
CIP Coordination Team Recommendations to City Manager	January 30, 2015
Council Workshop #1 – Preliminary 5-Year General Fund Forecast and CIP	February 6, 2015
Community Budget Meeting – “Budget Connect” – Web Meeting	February 26, 2015
Council Workshop #2 – Updated 5-Year General Fund Forecast and CIP	March 12, 2015
Departments Submit Budgets	March 23, 2015
Distribute Proposed Budget and CIP Booklets to Council, City Manager’s Office and Departments	April 15, 2015
All Day Budget and CIP Briefing with Council	May 1, 2015
Council Amendments due to Budget Office	May 11, 2015
Budget Amendments Introduced at City Council (Special Meeting)	May 14, 2015
Tentative Budget Adoption	May 28, 2015
Public Hearings: 2015-16 Budget and Property Tax Levy; 2016-2025 CIP	June 11, 2015
Final Budget and CIP Adoption	June 11, 2015
Property Tax Levy Adoption (must be a period of at least 14 days between Final Adoption & Tax Levy Adoption)	June 25, 2015

Fiscal Year (FY) 2015-16 Budget Process Flowchart



Shaded areas represent opportunities for public input in the budget process.

Fiscal Year (FY) 2015-16 Budget Process Detail

The Annual Budget is developed to meet the needs and goals of the community, within the framework of Council priorities, and comply with legal requirements. The City Charter and State laws both have legal mandates for adoption of the annual budget. The City Charter requires that the budget and Capital Improvement Program (CIP) be submitted to the City Council on or before June 15 (Section 5.04, Chandler Charter). Under Arizona State Law, a Tentative Budget must be adopted on or before the third Monday in July of each year. The property tax levy must be adopted by the third Monday in August, and adoption of the Final Budget must be at least fourteen days before adoption of the Tax Levy. Therefore, the deadline for final budget adoption becomes the second Monday in August although the City typically schedules adoption of the new budget in June.

The steps below summarize the sequencing of the steps in preparing the Fiscal Year (FY) 2015-16 Annual Budget and 2016-2025 CIP. The calendar on the previous page includes dates which comply with the legal mandates of the City and State.

Note that the term “City Manager” used below incorporates the City Manager, Assistant City Managers, and/or other principal staff. Although the processes below imply a sequential order, many of the steps overlap in the budget preparation timeline as shown on the flowchart on the previous page.

1. **Establish Preliminary Budget Assumptions** – The 2015-16 budget process began in September 2014 with a review of recent revenue trends, followed by updated assumptions and forecasts for the largest revenue sources and spending items. This included a request for departments to provide insight for the projection of FY 2015-16 over FY 2014-15 revenues. Preliminary assumptions for major expenditure impacts (retirement costs, health care costs, operating funds for new capital improvements, etc.) were also developed.
2. **Capital Improvement Program (CIP)** – The CIP process began in November. The City Code mandates that a five-year Capital Improvement Program (CIP) be developed each year; however, the City has transitioned to a ten-year CIP, which allows the Council to identify and prioritize the City’s infrastructure needs and available resources over the extended period. If a capital project results in the need for additional personnel, utilities, maintenance, supplies, equipment or other ongoing costs those must be included with the request. Budget staff reviews all of the CIP project requests, performing a detailed analysis to ensure accuracy regarding project descriptions, funding sources, and operational and maintenance (O&M) costs in preparation for CIP Coordination Team meetings in December and January. The CIP Coordination Team is comprised of Department Directors and key staff members from all CIP Departments.
3. **The Decision Package Process (New Funding Requests)** – In December, Departments prepared and submitted recommendations for new program funding, for O&M costs associated with the capital projects in the CIP, or for other budget needs. The Budget Division reviewed and provided the City Manager with a compilation of all final Decision Package requests. The City Manager reviewed all requests and met with the Department Directors to discuss their recommendations and to address any issues or concerns.
4. **Preliminary 5-Year General Fund Forecast** – In December and January, the Management Services Director and Budget Manager prepared the Preliminary 5-Year General Fund Forecast using national, state and local economic indicators, as well as specific knowledge of Chandler to prepare the preliminary revenue and expenditure projections. A five-year projection of the general fund was prepared, separating one-time versus ongoing revenue and expenditures. This analysis determined the amount of funds available for the next five years and was used to build the General Fund budget.
5. **Citizen Budget Survey** – From mid-November through early-January, the Budget Division conducted an online Citizen Budget Survey. The survey was comprised of five basic areas: General Demographics, Satisfaction with City Government, Importance of Selected Programs and Services, Importance of Selected Capital Improvement Projects, and Comments and Questions. The survey results showed that Chandler citizens believe that City leadership is doing a good job managing the City and that the City Council’s budget priorities are in line with citizen priorities and expectations. The results were shared with the City Council and were posted to the City’s website; moreover, this public input helped form the FY 2015-16 Proposed Budget and the 2016-2025 Proposed CIP.

Budget Policies, Process and Decisions

6. **Council Budget Workshops** – In preparation of the FY 2015-16 Proposed Budget and the Proposed 2015-2026 CIP, two Council budget work sessions were held (February and March) with Council to update them on revenue projections, property valuation changes, preliminary CIP projects and funding. Council provided guidance on issues such as property tax rate changes and the use of one-time funds for retirement contributions.
7. **“Budget Connect” Interactive Public Budget Meeting** – In February, citizens were invited to participate in a “virtual” public budget discussion called “Budget Connect”. This meeting was used to increase public awareness and involvement in the budget process by broadcasting the meeting on Local Cable Channel 11 and on the web. This forum provided citizens the opportunity to either attend in person or to participate from home by sending their questions by email, instant message or through social media networks.
8. **Updated 5-Year General Fund Ongoing Forecast** – The General Fund revenues and expenditures were continuously monitored and reviewed with the “Revised” forecast prepared in March. Even with an improving forecast, it is imperative that Council be frequently updated on the status of the General Fund Forecast so that they may make the most informed decisions possible. Staff provided a more current forecast to Council mid-way through the budget process by using updated revenue estimates from Departments, updated personnel estimates and the most up to date economic indicators.
9. **Departmental Budget Allocation/Proposed Budget** – In March, the CIP and Budget review was completed. Departments received notification of their base budgets, including one-time and ongoing adjustments. Departments (or, in some cases the Budget staff) then distributed their budget allocations using the online budget module. The results became the Proposed Budget that was later submitted to Council.
10. **Proposed Budget/CIP Booklet Development** – In April, the Budget Office prepared reports showing prior year actuals, current year budget, year-end estimated expenditures, and the Proposed Budget at the cost center and Department levels. Departments submitted narrative descriptions of significant budget and staffing changes to assist Council members and citizens with understanding where and why the City Budget was changing. Also included were cost center goals, objectives, and performance measurements with an emphasis on showing the effectiveness or quality of services provided. In addition to Department booklets, an Executive Summary booklet and Budget Highlights booklet were published to identify major issues and recommendations as well as budget policies, and a Resources booklet was published to identify the key revenues and other information related to funding sources.
11. **City Council Budget/CIP Briefing** – In early May, the City Manager introduced the budget and CIP to the Council for discussion and summarized the major issues affecting the budget at the Council Budget Briefing. Department Directors or division managers presented their Proposed Budgets, highlighting significant changes affecting the ensuing fiscal year. CIP projects were also presented, along with associated operational/maintenance costs. The budget briefing was open to the public.
12. **Council Amendments** – Late in May, proposed amendments were solicited from Council members and presented at a special meeting. Each proposed change was voted on by the Council, and the Proposed Budget was modified to reflect any approved amendments prior to presenting the Tentative Budget to Council for adoption.
13. **Tentative Budget Adoption** – The Tentative Budget was adopted by resolution in late May, which set the expenditure limitation for the City budget. No additional amendments were made.
14. **Public Hearing - Final Budget, CIP and Proposed Tax Levy** – In June, a public hearing was held during which the public was invited to comment on the Budget, CIP and Proposed Tax Levy.
15. **Final Budget and CIP Adoption** – Following the public hearing, the FY 2015-16 Budget and 2016-2025 CIP were adopted by Council.
16. **Adoption of Property Tax Levy** – The formal public hearing for the property tax levy was combined with the public hearing for the adoption of the budget (see above). The adoption of the Property Tax Levy was 14 days after the public hearing on the tax levy as required by state law.

Major Budget/Financial Issues

Despite some signs of an economic recovery, City staff continue to look for ways to maintain service level demands of our citizens with existing resources. This process is becoming a more difficult task each year with increased cost of services, increased medical and retirement costs, and rising utility and maintenance costs. As the economy begins to improve, there will likely be an expectation of new services, the restoration of some programs that were eliminated during the recession, and future wage and benefit increases for staff. It will be important to manage increases in budget and personnel so that ongoing programs continue to be paid for by ongoing revenues, and one-time “windfall” revenues are used for one-time expenditures.

The City Council and staff have worked diligently to attain financial stability, which helped the City deal with the economic downturn. To maintain this status, the City has developed a conservative budget that takes into account the current economy, the lag in recovery time between private and public sectors, and the otherwise unknown economic climate we continue to face each fiscal year. Chandler will continue to be a quality community that is fiscally healthy because of the commitment to a vision for Chandler by Council and staff utilizing resources in the most cost effective manner.

As Chandler looks to its long term growth, the City is projected to reach 95% residential build-out by 2026, with commercial build-out projected to occur by 2035. Employment build-out is projected between 2030 and 2040. These timelines play a role in future budget considerations; particularly in the capital programs, debt service planning, and State-shared revenues. The Management Services Department, Transportation & Development Department, and Economic Development Division will continue to work closely to validate that budget recommendations are in line with the anticipated growth patterns for the City.

The City Council also continues to refine the strategic goals for the City, which are included in the front of this section. These goals, for areas such as downtown vibrancy, economic growth, and improved transportation systems, also provide a future vision for the budget process as plans and financial commitments are identified and weighed against these strategic goals.

Even as general economic conditions improve the City will undoubtedly be operating in a more constrained financial environment than we were pre-recession. As a result, the budget process will continue to be conservative, flexible, and realistic to meet the City’s ultimate objective of providing quality services to our citizens.

One specific area of interest in the development of future budgets, is the long-term viability of our enterprise fund activities. Concerns include future infrastructure expansion for growth, replacing aging infrastructure, and necessary changes in rate structures to meet operating, capital, and debt service needs.

Water, Wastewater, and Reclaimed Water: Rate increases were implemented in October 2013 for Wastewater and Reclaimed Water. Increases are anticipated in October 2015 for Wastewater and Reclaimed Water to support debt service, the rising costs of operations, and large capital projects that are necessary to support growth requirements, and replacement of aging infrastructure. At this time no water rate increases are anticipated until FY 2017-18.

Solid Waste: Due to the anticipated increases to the waste collection contracts, a rate increase of 6% is planned for 2015. Capital projects for Solid Waste are minimal so the emphasis is on monitoring contracts for probable future Consumer Price Index (CPI) and Fuel Index increases.

Airport: The Airport enterprise fund supports the day-to-day operations of the Airport, debt service, and grant-match funding for capital projects. Small CPI increases are incorporated into the FY 2015-16 budget. While the ultimate goal is for the Airport to be self-sufficient with revenues to meet operating, capital, and debt service needs; it is anticipated that the Airport Operating Fund will require an annual subsidy from the General Fund for the foreseeable future to offset operating losses.



Employee Compensation

In June 2015, the City of Chandler reached agreements with two of its five union groups for Fiscal Year (FY) 2015-16 pay and benefit compensation: SEIU Local 5 (Labor & Trades) and ACE (Administrative, Clerical & Technical). The other three union groups are under contract until June 2016. They are IAFF Local 493 (Fire), CLEA (Police Officers), and CLASA (Police Sergeants).

In June 2014, the City and IAFF agreed to a two-year contract that provides for a 5.0% merit increase for eligible employees in FY 2015-16. For FY 2015-16, a market adjustment of 2.73% will be also be applied following the August salary survey, which requires the maintenance of a minimum fourth place ranking as compared with other valley cities.

In June 2014, the City came to agreements with both CLEA and CLASA to extend the existing contracts for each group through June 2016. For both CLEA and CLASA, FY 2015-16 includes merit pay of up to 5% for eligible members. CLEA members will receive a 0.1% market adjustment for FY 2015-16 to maintain the City's fourth place ranking as compared with other valley cities.

Under the provisions of a new contract effective July 1, 2015 through June 30, 2016, all employees in the SEIU group will receive a 1.5% salary adjustment beginning July 1, 2015 and a maximum 3.5% merit increase during the year.

In June 2015, the City and ACE agreed to a two-year contract that provides all employees in the ACE group with a 1% salary adjustment beginning July 1, 2015, and a maximum 3.5% merit increase for eligible employees during the year. For FY 2016-17, all ACE employees will receive a 1.5% salary adjustment effective July 1, 2016, and a maximum 3% merit increase during the year.

The employees not covered under the five union groups received the following compensation changes:

General employees, who include confidential, professional, supervisors, mid-level managers, and directors (including the Police Chief and Fire Chief), will receive a 1.5% salary adjustment beginning July 1, 2015 and a maximum merit increase of 3.5% for eligible employees.

Police Lieutenants will receive merit increases and supervisory incentive pay for those eligible, the total of which is not to exceed 5%. Police Commanders and Assistant Police Chiefs are eligible for a merit increase up to 5%, and the Assistant Police Chiefs will receive a 1.5% salary adjustment.

Fire Battalion Chiefs will receive merit increases and supervisory incentive pay for those eligible, the total of which is not to exceed 5%. Assistant Chiefs will receive up to a 5% merit increase for eligible employees. Both Battalion Chiefs and Assistant Chiefs will receive a salary adjustment of 2.73% following the IAFF August salary survey.

City Council members, the Presiding City Magistrate, and City Magistrates will receive a 1.5% salary adjustment effective July 1, 2015.

The City Clerk, City Manager, and City Attorney will not receive any automatic salary adjustments for FY 2015-16, but may receive adjustments through their annual contact negotiations.

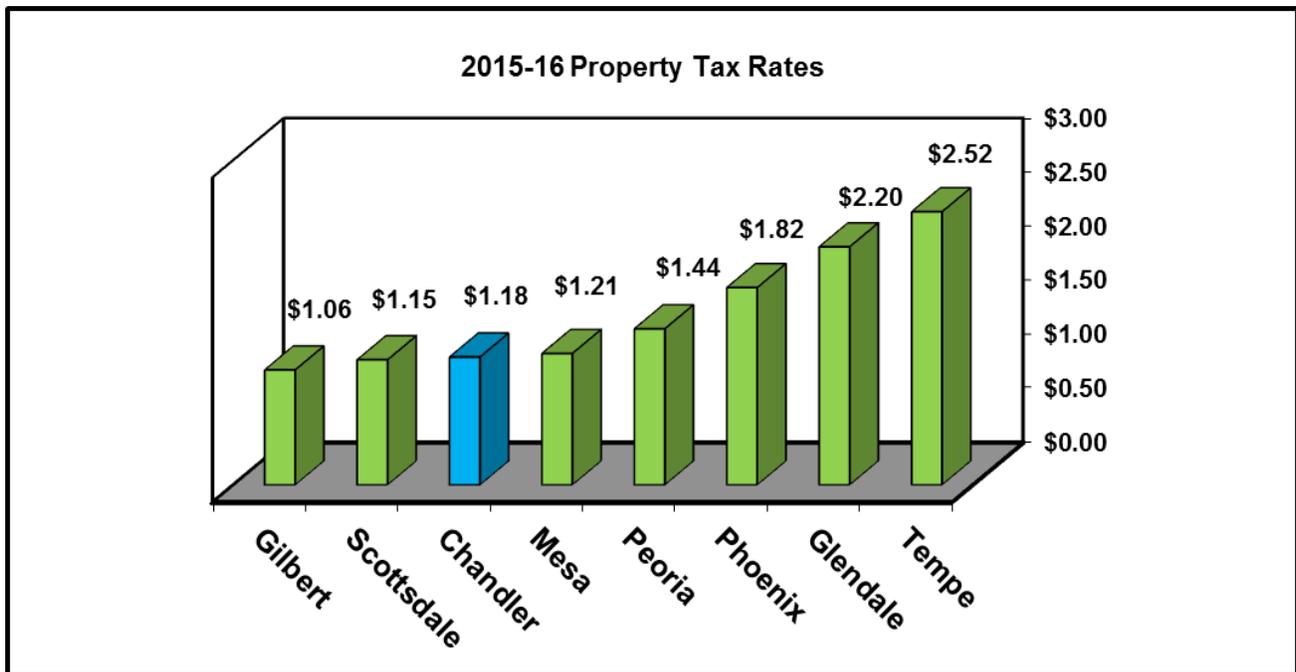
Temporary Employees will receive a 1.5% salary adjustment for FY 2015-16.

Retirement plan rates for FY 2015-16 for all employee groups are shown below:

- Arizona State Retirement System (ASRS) –
 - Employer – 11.35% + 0.12% Long Term Disability = 11.47% total (0.13% decrease from prior year)
 - Employee – 11.35% + 0.12% Long Term Disability = 11.47% total (0.13% decrease from prior year)
- Public Safety Personnel Retirement System (PSPRS) – Fire –
 - Employer – 26.84% (5.39% increase from prior year)
 - Employee – 11.65% (0.60% increase from prior year)
- Public Safety Personnel Retirement System (PSPRS) – Police –
 - Employer – 31.58% (6.85% increase from prior year)
 - Employee – 11.65% (0.60% increase from prior year)
- Elected Officials Defined Contribution Retirement System (EODCRS) –
 - Employer – 23.50% (no change from prior year)
 - Employee – 13.00% (no change from prior year)
 - *(Note: The retirement plan available to elected officials consists of different contribution distributions depending on eligibility. The above rates reflect the combined total rates regardless of plan.)*

Property Tax

The City's combined property tax rate for Fiscal Year (FY) 2015-16 is \$1.1792 per \$100 assessed valuation, unchanged from the previous year. The combined property tax rate includes a primary tax rate of \$0.2992 used for general operations and a secondary tax rate of \$0.88 used for payment of general obligation bonded debt. The FY 2015-16 Property Tax Rates for Chandler and select local cities are shown on the chart below.



According to the Truth in Taxation Law, the City of Chandler is required to notify its property taxpayers of any increases in primary property taxes for existing property over the previous year. If the proposed primary tax levy, excluding amounts attributable to new construction, is greater than the amount levied by the City in the previous year, this would be considered a tax increase, even if the tax rate remained the same.

Chandler's primary property taxes are part of the General Fund revenues and are used for general operations. FY 2015-16 mark the first year Arizona cities will use the limited property value for calculation of both primary and secondary taxes. Chandler's limited net assessed valuation for FY 2015-16 is \$2,380,457,981, which reflects a 4.5% increase compared to FY 2014-15. However, because the increase was attributed to a 5% increase in new growth, no Truth in Taxation process was requested. FY 2015-16 primary tax rate remains to \$0.2992.

Secondary property taxes are restricted funds which are used to repay either the City's general obligation bonded debt or for voter-approved budget overrides. The City's FY 2014-15 secondary property tax rate revisions \$0.88 per \$100 of assessed valuation. Chandler's secondary assessed valuation for FY 2014-15 is \$2,380,457,981, or a 1.3% decrease compared to FY 2014-15.

The property tax rate of \$1.1792 per \$100 of assessed value is reflected in the Adopted Budget and means a reduced payment of City property tax for the average homeowner. A two-year lag exists between Assessor valuations incorporating sales data and property tax collection.



General Fund Contingency

The Fiscal Year (FY) 2015-16 Adopted Budget incorporates a 15% General Fund Reserve. In accordance with the General Fund Contingency Reserve Policy, an appropriated, budgetary amount is set-aside for emergencies or unforeseen expenditures not otherwise budgeted. Having a contingency reserve protects our fiscal health by assuring sufficient funds are available to meet financial challenges in the future. This contingency reserve policy contributes positively to all three major rating agencies (Moody's, Standard and Poor's and Fitch) rating the City of Chandler's general obligation bonds at AAA, the highest rating a city can achieve. The higher the rating, the lower the interest rate the City pays, resulting in millions of dollars in savings to Chandler taxpayers over the life of the bonds.

The 15% contingency reserve amount based on operating revenues is \$30.725 million in FY 2015-16. Additionally, the reserve policy stipulates, "any amount over the 15% goal will be set aside to be used as pay-as-you-go, one-time capital expenditures." Funds have been appropriated for one-time expenditures or placed in either "designated reserves" or "restricted reserves" for legal obligations or future pay-as-you-go projects. A Budget Stabilization reserve was created in FY 2010-11 for a three year period to add additional security as the City responds to the impacts of such an unpredictable economic recession. The Stabilization Reserve was not used in the FY 2012-13 budget, but was re-established at \$5 million in the FY 2013-14 budget and increased to \$15 million in the FY 2014-15 budget as a precaution against unforeseen legislative changes, economic changes, or other impacts on the budget and remains at \$15 million for FY 2015-16.

Amendments to Proposed Budget

In addition to the 15% contingency, one-time and ongoing reserves have been set-aside to provide Council with the ability to fund additional programs or projects during the budget process. For FY 2015-16, the one-time funds set aside totaled \$325,000 and available ongoing funds were \$75,000. Council allocated \$318,007 of the \$400,000 total available. The application of those funds for FY 2015-16 are detailed in the table below. The \$81,993 remaining after the budget adoption will be available for the Council to vote to apply to needs identified during the course of the fiscal year.

Department	Council Reserve Amendments	Ongoing	One-Time	Total
Community & Neighborhood Services CIP	Artificial turf at Nozomi Aquatic Center	\$0	\$68,000	\$68,000
Community & Neighborhood Services CIP	Shade structures for Desert Breeze and Espee Parks	\$0	\$70,000	\$70,000
Community & Neighborhood Services CIP	Cold water drinking fountains	\$0	\$20,000	\$20,000
Non-Departmental	Chandler Education Coalition Early Literacy Campaign	\$0	\$10,000	\$10,000
Transportation & Development	Four bike lockers at the Park & Ride Lot Four bike lockers at the Transit Center	\$0	\$17,600	\$17,600
Transportation & Development CIP	Six small bus shelters	\$0	\$51,285	\$51,285
Transportation & Development CIP	Four large bus shelters	\$0	\$81,122	\$81,122
TOTAL Council Contingency Used		\$0	\$318,007	\$318,007
Remaining Balance		\$75,000	\$6,993	\$81,993



Fiscal Year (FY) 2015-16 Budgetary Additions

The City of Chandler is committed to continually identify efficiencies in operations and service delivery. The reductions and adjustments over the past several years have helped shaped a budget that is lean, but structurally sound to support programs and services required by the citizens. While there are no major Department-level reductions and reallocations, the individual Departments are continually refining internal budgets to put financial resources in the most appropriate areas.

The FY 2015-16 Adopted Budget includes requests for essential ongoing or one-time funding to either maintain service levels, to cover costs for new programs, or to add funding to operating budgets as a result of new capital infrastructure (completed or to be completed in FY 2015-16). The following pages contain the FY 2015-16 Summary of Recommended Additions for the General Fund and Other Funds, followed by a brief explanation of each (table starts on next page).

In order to provide Council and citizens with a summary view of all the Decision Package requests, the table below lists ongoing and one-time requested amounts along with the amounts that were actually approved. The difference shows the change in the approved amount versus the amount requested. For example, the chart shows that there was \$12,516,122 requested for General Fund increase and \$7,752,299 was approved in the Adopted Budget.

Decision Package Comparative Summary

	Requested*	Approved*	Difference*
General Fund			
Personnel Ongoing	\$ 3,752,154	\$ 1,480,235	\$ (2,271,919)
Other Ongoing	2,385,799	1,964,470	(421,329)
Personnel One-Time	457,754	522,954	65,200
Other One-Time	5,920,415	3,784,640	(2,135,775)
Total	\$ 12,516,122	\$ 7,752,299	\$ (4,763,823)
Enterprise Funds			
Personnel Ongoing	\$ 173,630	\$ 173,938	\$ 308
Other Ongoing	1,901,313	1,901,313	-
Personnel One-Time	-	-	-
Other One-Time	100,000	100,000	-
Total	\$ 2,174,943	\$ 2,175,251	\$ 308
Self Insurance Funds			
Personnel Ongoing	\$ 131,073	\$ 118,478	\$ (12,595)
Other Ongoing	2,110	2,110	-
Personnel One-Time	-	-	-
Other One-Time	74,610	74,610	-
Total	\$ 207,793	\$ 195,198	\$ (12,595)
Police Forfeiture Funds			
Personnel Ongoing	\$ -	\$ -	\$ -
Other Ongoing	-	-	-
Personnel One-Time	-	-	-
Other One-Time	911,505	911,505	-
Total	\$ 911,505	\$ 911,505	\$ -
Overall Total			
Personnel Ongoing	\$ 4,056,857	\$ 1,772,651	\$ (2,284,206)
Other Ongoing	4,289,222	3,867,893	(421,329)
Personnel One-Time	457,754	522,954	65,200
Other One-Time	7,006,530	4,870,755	(2,135,775)
Total	\$ 15,810,363	\$ 11,034,253	\$ (4,776,110)

*Does not include revenue offsets.



Budget Policies, Process and Decisions

Fiscal Year (FY) 2015-16 Summary of Adds – General Fund

Dept/ Division	Addition	FTE	Personnel Ongoing	Other Ongoing	Personnel One-Time	Other One-Time	Total
Buildings and Facilities							
	Fleet Bays HVAC*		\$ -	\$ 20,700	\$ -	\$ -	\$ 20,700
	City Hall Audio Visual Equipment Maintenance		-	12,000	-	-	12,000
	Buildings and Facilities Total	0.00	\$ -	\$ 32,700	\$ -	\$ -	\$ 32,700
CAPA							
	City Hall Security Position (\$45,000 offset)	1.00	\$ 73,558	\$ 2,050	\$ -	\$ 1,909	\$ 77,517
	Video Production Contract Funding		-	-	-	50,000	50,000
	Print and Materials Donations (100% offset)		-	10,000	-	-	10,000
	Cable Access Channel (100% offset)		-	-	-	100,000	100,000
	Vehicle for Video Production		-	-	-	23,500	23,500
	CAPA Total	1.00	\$ 73,558	\$ 12,050	\$ -	\$ 175,409	\$ 261,017
City Magistrate							
	Video Surveillance System (Court Enhancement Fund)		\$ -	\$ 3,500	\$ -	\$ 60,000	\$ 63,500
	Digital Court Recording Software (Court Enhancement Fund)		-	3,000	-	12,000	15,000
	City Magistrate Total	0.00	\$ -	\$ 6,500	\$ -	\$ 72,000	\$ 78,500
City Manager - Innovations							
	Innovations Programs		\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000
	City Manager - Innovations Total	0.00	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000
City Manager - Planning							
	On Call Temporary Services		\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000
	City Manager - Planning Total	0.00	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000
Community & Neighborhood Services							
	Citrus Vista Park Site*		\$ -	\$ 49,148	\$ -	\$ -	\$ 49,148
	Supplemental Funding for Armored Car Service		-	7,054	-	-	7,054
	Wheelchair Accessible 14-Passenger Buses		-	4,200	-	130,000	134,200
	Playground Surfacing		-	75,000	-	-	75,000
	Parks Mature Tree Maintenance		-	89,000	-	-	89,000
	Pool Chemicals		-	30,563	-	-	30,563
	Irrigation Supply Supplemental - Parks		-	30,000	-	-	30,000
	Parks Administrative Vehicles		-	4,481	-	23,100	27,581
	Graffiti Abatement Vehicle / Equipment		-	12,150	-	94,000	106,150
	Park Maintenance - Temporary Staff		26,000	1,425	-	-	27,425
	Parks Spray Technician - FTE	1.00	69,775	5,438	-	61,500	136,713
	Sports Fields/Turf Enhancement		-	60,500	-	-	60,500
	ActiveNet Peripheral Hardware		-	10,000	-	-	10,000
	Special Event Sponsorship Program		-	30,000	-	-	30,000
	Shrub Truck Ongoing Costs - Replacement Funds		-	2,194	-	-	2,194
	Code Enforcement Motor Vehicle R&M and Replacement		-	3,820	-	-	3,820
	Snedigar/Tumbleweed Utilities		-	14,700	-	-	14,700
	Utility Supplemental - Parks		-	170,000	-	-	170,000
	American Red Cross - Recreation Staff (100% offset)		-	4,050	-	-	4,050
	Credit Card Bank Fees (100% offset)		-	53,593	-	-	53,593
	Utility Supplemental Funding - Mesquite Groves (100% offset)		-	102,000	-	-	102,000
	Trash Can Rentals for Special Events (100% offset)		-	3,060	-	-	3,060
	Special Events Equipment		-	-	-	24,600	24,600

* CIP related



Budget Policies, Process and Decisions

Fiscal Year (FY) 2015-16 Summary of Adds – General Fund (continued)

Dept/ Division	Addition	FTE	Personnel Ongoing	Other Ongoing	Personnel One-Time	Other One-Time	Total
Community & Neighborhood Services (continued)							
	Paseo Vista Recreation Area Contract Maintenance		\$ -	\$ -	\$ -	\$ 108,800	\$ 108,800
	Recreation - Youth Softball and Tennis Tournaments (\$13,284 offset)		-	-	2,800	27,200	30,000
	4th of July Celebration		-	-	-	15,000	15,000
	Jazz Fest & Fall Rhythm Fest		-	-	-	40,000	40,000
	For Our City Event (100% offset)		-	-	-	10,000	10,000
	Indian Art Market Event (100% offset)		-	-	-	10,000	10,000
	Garibaldi Night Event (Hispanic Heritage Month) (100% offset)		-	-	-	10,000	10,000
	Celebration of Unity Events (100% offset)		-	-	-	50,000	50,000
	Community & Neighborhood Services Total	1.00	\$ 95,775	\$ 762,376	\$ 2,800	\$ 604,200	\$ 1,465,151
Cultural Affairs							
	Custodian (100% offset)	1.00	\$ 59,169	\$ -	\$ -	\$ -	\$ 59,169
	Stage Technician Contract Labor Increase		-	9,454	-	-	9,454
	Library - Pages & Technician Clerk Pay Increase (\$265,538 offset)		268,594	-	-	-	268,594
	Museum Division Cargo Van		-	3,200	-	-	3,200
	Two Copiers - Art Center Division		-	-	-	10,690	10,690
	Microfilm Scanners for Newspaper Digitization		-	-	-	13,682	13,682
	Concessions Counter Design Services		-	-	-	6,500	6,500
	Chandler Symphony Orchestra		-	-	-	40,000	40,000
	Celebrate Chandler Luncheon		-	-	-	4,500	4,500
	Cultural Affairs Total	1.00	\$ 327,763	\$ 12,654	\$ -	\$ 75,372	\$ 415,789
Economic Development							
	Salesforce Contact Management		\$ -	\$ 10,500	\$ -	\$ -	\$ 10,500
	Tourism Funding		-	-	-	63,500	63,500
	Economic Impact Analysis Software		-	-	-	7,300	7,300
	Science Saturday Event - Sponsorship (100% offset)		-	-	-	5,000	5,000
	Economic Development Total	0.00	\$ -	\$ 10,500	\$ -	\$ 75,800	\$ 86,300
Fire, Health & Medical Department							
	Fire Station #1 Relocation - O&M Funding*		\$ -	\$ 38,751	\$ -	\$ -	\$ 38,751
	Overtime Adjustment		106,385	-	-	-	106,385
	Rugged Tablets for Mechanics		-	7,730	-	33,800	41,530
	Patrol Vehicle Decommission		9,000	-	-	-	9,000
	Training Center Expansion*		-	3,724	-	-	3,724
	Recruitment		-	-	22,060	38,910	60,970
	Fire Recruit Academy		-	-	71,225	47,750	118,975
	Paramedic School - Attrition		-	-	310,707	30,208	340,915
	Cardiac Monitor Refurbishment		-	-	-	67,650	67,650
	Automated External Dibrillator Replacement		-	-	-	49,023	49,023
	Foam Concentrate Change Out		-	-	-	19,800	19,800
	Structured Query Language (SQL) Data Migration		-	-	-	13,990	13,990
	Portable Wireless Column Lifts		-	-	-	47,000	47,000
	Grant Matching Funds		-	-	-	120,000	120,000
	Fire, Health & Medical Department Total	0.00	\$ 115,385	\$ 50,205	\$ 403,992	\$ 468,131	\$ 1,037,713

* CIP related



Budget Policies, Process and Decisions

Fiscal Year (FY) 2015-16 Summary of Adds – General Fund (continued)

Dept / Division	Addition	FTE	Personnel Ongoing	Other Ongoing	Personnel One-Time	Other One-Time	Total
Human Resources							
	Replacement of Scanners		\$ -	\$ -	\$ -	\$ 8,700	\$ 8,700
	Audio Visual Equipment - Training Rooms		-	-	-	42,600	42,600
	Professional Development Program		-	-	-	30,000	30,000
Human Resources Total		0.00	\$ -	\$ -	\$ -	\$ 81,300	\$ 81,300
Information Technology							
	Support and Maintenance		\$ -	\$ 38,985	\$ -	\$ -	\$ 38,985
	Website Search Appliance*		-	16,667	-	-	16,667
	Enterprise Interface Support Position	0.50	75,488	1,000	-	-	76,488
	Citywide Network Security Training		-	10,600	-	-	10,600
	Mobile Device Support		-	25,128	8,842	-	33,970
	Telephone System Maintenance		-	16,300	-	-	16,300
	BizTalk Upgrade		-	-	-	117,343	117,343
	Double Fill Resource for Upcoming Retirements		-	-	-	102,000	102,000
	IT Help Desk Phone Support Position		-	-	42,120	-	42,120
Information Technology Total		0.50	\$ 75,488	\$ 108,680	\$ 50,962	\$ 219,343	\$ 454,473
Information Technology Oversight Committee (ITOC)							
	Information Technology Oversight Committee Program		\$ -	\$ 90,642	\$ -	\$ -	\$ 90,642
ITOC Total		0.00	\$ -	\$ 90,642	\$ -	\$ -	\$ 90,642
Law							
	Prosecutors' Copier/Printer		\$ -	\$ -	\$ -	\$ 14,000	\$ 14,000
Law Total		0.00	\$ -	\$ -	\$ -	\$ 14,000	\$ 14,000
Management Services							
	Audit Fees		\$ -	\$ 2,000	\$ -	\$ 3,800	\$ 5,800
	Tax Reporting and Storage Partnership		-	3,500	-	13,888	17,388
	Motion Ruggedized Tablet		-	3,940	-	4,315	8,255
	Tax Mantra Support and Maintenance		-	-	-	29,150	29,150
	Arbitrage Compliance Consulting Services		-	-	-	6,350	6,350
	Other Post Employment Benefits Actuarial Report		-	-	-	14,000	14,000
Management Services Total		0.00	\$ -	\$ 9,440	\$ -	\$ 71,503	\$ 80,943
Non-Departmental							
	Citywide Membership Increase		\$ -	\$ 6,020	\$ -	\$ -	\$ 6,020
	On-Line Payment Portal		-	26,688	-	-	26,688
	Photo Enforcement		-	100,000	-	-	100,000
	Priority Based Budgeting Consultant		-	7,000	-	3,500	10,500
	Citywide Banking Fees		-	-	-	82,000	82,000
	Citywide Membership - EV Partnership Branding		-	-	-	7,500	7,500
Non-Departmental Total		0.00	\$ -	\$ 139,708	\$ -	\$ 93,000	\$ 232,708
Police Department							
	Civilianization of Police Officers in Technology	2.00	\$ 235,308	\$ 8,310	\$ -	\$ 13,332	\$ 256,950
	Vice/Human Trafficking Unit Staffing	2.00	193,654	66,629	-	132,768	393,051
	Body Worn Cameras & Police Records Specialist	1.00	71,000	700	-	1,680	73,380
	Police Mobile Office - Internet in Patrol Vehicles		-	55,000	-	-	55,000
	Pawn Database		-	14,488	-	-	14,488
	Dispatch Center Training		-	12,000	-	-	12,000
	Criminal Investigations Vehicle Upfitting		-	30,000	-	-	30,000
	Additional Ongoing Vehicle Funds		-	75,125	-	-	75,125
	Increase Department Overtime Budget		97,000	-	-	-	97,000
	911 Center Console Workstations		-	5,200	-	-	5,200
	Ballistic Vests		-	-	-	176,320	176,320
	HB2455 Weapons Proceeds (100% offset)		-	-	-	45,000	45,000
Police Department Total		5.00	\$ 596,962	\$ 267,452	\$ -	\$ 369,100	\$ 1,233,514

* CIP related



Fiscal Year (FY) 2015-16 Summary of Adds – General Fund (continued)

Dept / Division	Addition	FTE	Personnel Ongoing	Other Ongoing	Personnel One-Time	Other One-Time	Total
Transportation & Development							
	Landscape Maintenance & Utilities		\$ -	\$ 300,337	\$ -	\$ -	\$ 300,337
	Utilities - BRT Stations		-	13,446	-	-	13,446
	Express Route 542		-	74,790	-	-	74,790
	O&M for Completed City Projects		-	26,020	-	-	26,020
	Public Works Inspector - Utilities (\$97,652 offset)	1.00	97,652	2,570	-	23,500	123,722
	Public Works Inspector - CIP	1.00	97,652	-	-	-	97,652
	Striping Machine Truck (Replace #20000)		-	44,400	-	-	44,400
	On Call Temporary Services		-	-	65,200	50,000	115,200
	Asphalt Patch Truck (Replace #99400)		-	-	-	77,000	77,000
	Alley Loader Tractor (Replace #20335)		-	-	-	90,000	90,000
	Street Sweepers 5.7% Match		-	-	-	29,982	29,982
	Street Maintenance Program		-	-	-	1,000,000	1,000,000
Transportation & Development Total		2.00	\$ 195,304	\$ 461,563	\$ 65,200	\$ 1,270,482	\$ 1,992,549
GRAND TOTAL GENERAL FUNDS		10.50	\$ 1,480,235	\$ 1,964,470	\$ 522,954	\$ 3,784,640	\$ 7,752,299
	Revenue Offsets	0.00	-	(231,872)	-	-	(231,872)
	Base Budget Offsets	0.00	-	(408,190)	-	(243,284)	(651,474)
TOTAL GENERAL FUND REFLECTING OFFSETS		10.50	\$ 1,480,235	\$ 1,324,408	\$ 522,954	\$ 3,541,356	\$ 6,868,953



Budget Policies, Process and Decisions

Fiscal Year (FY) 2015-16 Summary of Adds – Other Funds

Dept / Division	Addition	FTE	Personnel Ongoing	Other Ongoing	Personnel One-Time	Other One-Time	Total
City Manager - Airport	Airport Security System Improvments*		\$ -	\$ 706	\$ -	\$ -	\$ 706
	Aviation Fuel (100% offset)		-	60,000	-	-	60,000
	Airport Operating Fund Total	0.00	\$ -	\$ 60,706	\$ -	\$ -	\$ 60,706
Human Resources	Safety Analyst	0.50	\$ 38,543	\$ 1,055	\$ -	\$ 2,661	\$ 42,259
	Excess Stop/Loss Insurance - Workers' Compensation		-	-	-	43,750	43,750
	Workers Compensation Trust Total	0.50	\$ 38,543	\$ 1,055	\$ -	\$ 46,411	\$ 86,009
	Human Resources Specialist	1.00	\$ 79,935	\$ 1,055	\$ -	\$ 3,199	\$ 84,189
	Blue Cross Blue Shield Self-Funded Admin. Expenses (100% offset)		-	-	-	25,000	25,000
	Medical Self Insurance Trust Total	1.00	\$ 79,935	\$ 1,055	\$ -	\$ 28,199	\$ 109,189
Municipal Utilities	Water Purchase Increase		\$ -	\$ 590,607	\$ -	\$ -	\$ 590,607
	Water Operating Fund Total	0.00	\$ -	\$ 590,607	\$ -	\$ -	\$ 590,607
	Ocotillo Brine Reduction Facility New Positions	2.00	\$ 173,938	\$ -	\$ -	\$ -	\$ 173,938
	Wastewater Industrial Process Treatment Fund Total	2.00	\$ 173,938	\$ -	\$ -	\$ -	\$ 173,938
	Water Reclamation Facility Expansion		-	1,200,000	-	-	1,200,000
	Wastewater Operating Fund Total	0.00	\$ -	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
	Solid Waste Services CPI and Fuel Index Increase		\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
	Paseo Vista Recreation Area Contact Maintenance		-	-	-	100,000	100,000
	Solid Waste Operating Fund Total	0.00	\$ -	\$ 50,000	\$ -	\$ 100,000	\$ 150,000
Police	Body Worn Cameras & Police Records Specialist		\$ -	\$ -	\$ -	\$ 911,505	\$ 911,505
	Police Forfeiture Fund Total	0.00	\$ -	\$ -	\$ -	\$ 911,505	\$ 911,505
	GRAND TOTAL OTHER FUNDS	3.50	\$ 292,416	\$ 1,903,423	\$ -	\$ 1,086,115	\$ 3,281,954
	OTHER FUNDS Revenue Offsets	0.00	-	(60,000)	-	(25,000)	(85,000)
	TOTAL OTHER FUNDS REFLECTING OFFSETS	0.00	\$ 292,416	\$ 1,843,423	\$ -	\$ 1,061,115	\$ 3,196,954
	GRAND TOTAL ALL FUNDS	14.00	\$ 1,772,651	\$ 3,867,893	\$ 522,954	\$ 4,870,755	\$ 11,034,253
	GENERAL FUND Base Budget Offsets	0.00	-	(231,872)	-	-	(231,872)
	GENERAL FUND Revenue Offsets	0.00	-	(408,190)	-	(243,284)	(651,474)
	OTHER FUNDS Revenue Offsets	0.00	-	(60,000)	-	(25,000)	(85,000)
	GRAND TOTAL ALL Offsets	0.00	-	(700,062)	-	(268,284)	(968,346)
	TOTAL ALL FUNDS REFLECTING OFFSETS	14.00	\$ 1,772,651	\$ 3,167,831	\$ 522,954	\$ 4,602,471	\$ 10,065,907

* CIP related



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund

The Adopted Budget contains the following additions to the General Fund. The ongoing costs include any salaries, benefits, and costs such as expendable equipment and supplies associated with positions. Any one-time costs associated with position(s) are presented in the one-time cost column. This section does not reflect any offsets for increased revenue or contract savings. This section is, however, a presentation of total budget appropriations added to Departments for FY 2015-16.

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Buildings and Facilities</u>		
Ongoing funding for utility costs related to fleet bay cooling improvements.	\$ 20,700	\$
Ongoing funding for the maintenance program on audio visual equipment in City Hall.	12,000	
<u>CAPA</u>		
Ongoing and one-time funding for a full-time Security Officer at City Hall and associated costs. Partially offset by base budget reduction.	75,608	1,909
One-time funding for contracted video specialist services.		50,000
Ongoing funding for the purchase of materials and to print special event materials in-house. 100% reimbursed.	10,000	
One-time funding to utilize contributions from CenturyLink and Cox Communications for governmental programming on Channel 11.		100,000
One-time funding for a replacement vehicle for Video Production.		23,000
<u>City Magistrate</u>		
Ongoing and one-time funding for digital video recording and security cameras.	3,500	60,000
Ongoing and one-time funding to replace existing digital recording software.	3,000	12,000
<u>City Manager – Innovations</u>		
One-time funding for expenses associated with improving the Chandler Incubator Project, Innovations.		125,000
<u>City Manager – Planning</u>		
One-time funding for on-call building and civil plan reviews to maintain current service levels.		70,000
<u>Community & Neighborhood Services</u>		
Ongoing funding for park maintenance and utility costs for Citrus Vista Park, which is anticipated to be completed in September 2015.	49,148	
Ongoing funding for armored car service at the aquatic center. 100% reimbursed.	7,054	
Ongoing and one-time funding for two 14 passenger buses with wheelchair accessibility and associated costs.	4,200	130,000



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund (continued)

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Community & Neighborhood Services (continued)</u>		
Ongoing funding to replenish City playgrounds with engineered wood fibar each year.	\$ 75,000	\$
Ongoing funding for mature tree maintenance at City parks and tree maintenance at fire stations.	89,000	
Ongoing funding for water treatment, wastewater treatment, and swimming pool chemicals.	30,563	
Ongoing funding for maintenance and repairs of park irrigation systems.	30,000	
One-time funding for the purchase of a half-ton regular cab pickup truck and ongoing contributions to the Vehicle Replacement Fund.	4,481	23,100
One-time funding for the purchase of a chassis with rear vehicle box for graffiti abatement equipment and ongoing contributions to the Vehicle Replacement Fund.	12,150	94,000
Ongoing funding for temporary park maintenance staff.	27,425	
Ongoing and one-time funding for a full-time Parks Spray Technician and associated costs.	75,213	61,500
Ongoing funding to improve soil and field turf quality by implementing a top dressing to enhance playing surfaces on athletic fields at Chandler's parks.	60,500	
Ongoing funding to replace peripheral equipment purchased as part of the Community & Neighborhood Services new Registration/Reservation System.	10,000	
Ongoing funding for the Special Event Sponsorship Program to assist local non-profit groups in organizing quality community events.	30,000	
Ongoing funding for contributions to the Vehicle Replacement Fund for a shrub truck approved and purchased in FY 2014-15.	2,194	
Ongoing funding for contributions to the Vehicle Replacement Fund for a Code Enforcement vehicle approved and purchased in FY 2014-15.	3,820	
Ongoing funding for utilities and contract maintenance associated with ball field lights approved and installed at Snedigar Sportsplex and Tumbleweed Park approved in FY 2014-15.	14,700	
Ongoing funding for utility expenses at the athletic fields in City parks.	170,000	
Ongoing funding to cover fees charged by the American Red Cross for classes for staff pursuant to the Authorized Provider Agreement. Costs will be 100% offset by revenues.	4,050	
Ongoing funding to improve the way credit card banking fees are processed for the Recreation and Aquatic Divisions. Costs will be 100% offset by revenues.	53,593	
Ongoing funding for the additional cost of utilities for Mesquite Groves Aquatic Center. Costs will be 100% reimbursed by the Chandler Unified School District.	102,000	



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund (continued)

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Community & Neighborhood Services (continued)</u>		
Ongoing funding for trashcan rentals for special events. Costs will be 100% offset by revenues.	\$ 3,060	\$
One-time funding for permanent signage and radio communication equipment for special events.		24,600
One-time funding for contract maintenance for the Paseo Vista Recreation area.		108,800
One-time funding to host one youth softball tournament and one youth tennis tournament in FY 2015-16. Partially offset by revenues.		30,000
One-time funding for the 2015 4th of July Celebration.		15,000
One-time funding for the 2015 Fall Rhythm Fest and 2016 Jazz Festival. The funding will allow these events to continue to grow and enhance the City's signature events.		40,000
One-time funding for faith-based and non-profit community events. Costs will be 100% offset by revenues.		10,000
One-time funding for the Indian Art Market event to showcase Native American heritage and enhance the Miss Indian Arizona Scholarship Program. Costs will be 100% offset by revenues.		10,000
One-time funding for the Garibaldi Night (Hispanic Heritage Month). Costs will be 100% offset by revenues.		10,000
One-time funding for various Celebration of Unity Events. Costs will be 100% offset by revenues.		50,000
<u>Cultural Affairs</u>		
Ongoing funding for a full-time Custodian and associated costs. Costs will be 100% reimbursed by the Chandler Unified School District.	59,169	
Ongoing funding for to support increases in contact labor rates for stage technicians at the Center for the Arts.	9,454	
Ongoing funding to transition library Pages and Clerks from contract to temporary employees. Costs will be partially offset by a reduction in the Professional Contracts budget.	268,594	
Ongoing funding for the rental of cargo van for periodic transportation of museum materials to and from storage public events.	3,200	
One-time funding to replace two copiers for the Center for the Arts.		10,690
One-time funding for scanners to assist with the digitization of newspapers at the Museum.		13,682
One-time funding for design remodel of the Center for the Arts beverage and concession counter.		6,500
One-time funding for the Chandler Symphony Orchestra to partially fund its quality artistic services.		40,000



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund (continued)

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Cultural Affairs (continued)</u>		
One-time funding for the Celebrate Chandler luncheon event celebrating people and businesses that are the new pioneers of today and are making a difference in Chandler.	\$	\$ 4,500
<u>Economic Development</u>		
Ongoing funding for an online application that provides contact management support.	10,500	
One-time funding to maintain tourism grant qualification.		63,500
One-time funding for economic analysis software to measure revenue implications for different developments.		7,300
One-time funding for the Science Saturday event. Costs are 100% reimbursable by donations.		5,000
<u>Fire, Health & Medical</u>		
Ongoing funding for building maintenance for Fire Station #1.	38,751	
Ongoing funding to increase overtime funding due to negotiated and general pay increases.	106,385	
One-time funding for the purchase of ruggedized tablets and ongoing funding for contributions to the Technology Replacement Fund and wireless costs.	7,730	33,800
Ongoing funding for Fleet personnel overtime cost for decommissioning of 25 police patrol vehicles per year.	9,000	
Ongoing funding for the operations and maintenance costs associated with the construction of a fire burn building for firefighter training.	3,724	
One-time funding for the Fire, Health & Medical recruitment process.		60,970
One-time funding to conduct a 12-week fire academy for 5 recruits to meet minimum requirements for state certifications.		118,975
One-time funding for overtime costs for an eleven month paramedic academy scheduled to start in July 2015 for eight students.		340,915
One-time funding for refurbishment of existing cardiac monitors /defibrillators.		67,650
One-time funding for the maintenance of Automated External Defibrillators (AED's) in City Buildings.		49,023
One-time funding for fire extinguishing foam concentrate change out.		19,800
One-time funding for the migration of Fire's existing personnel database to a Structure Query Language (SQL) database improving data accessibility.		13,990
One-time funding to purchase one set of 4 portable wireless column lifts for Fleet Services.		47,000



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund (continued)

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Fire, Health & Medical (continued)</u>		
One-time funding to provide the required matching funds for Fire, Health & Medical Department's 2015-16 Assistance to Firefighters Grant and the Fire Prevention & Safety Grant if the grants are awarded.	\$	\$ 120,000
<u>Human Resources</u>		
One-time funding for the replacement of eight scanners.		8,700
One-time funding for audio visual equipment to be installed in the City Hall training room.		42,600
One-time funding for consulting services for professional development programs.		30,000
<u>Information Technology</u>		
Ongoing funding for support and maintenance costs for multiple software applications.	38,985	
Ongoing funding for contributions to the Technology Replacement Fund for current and future replacement of the web search appliance.	16,667	
Ongoing funding for the partial cost of a full-time Enterprise Interface Support position and associated costs. This position will be partially funded by the transfer of 0.5 FTE from the Management Services Department.	76,488	
Ongoing costs for the annual subscription for cyber security training.	10,600	
Ongoing funding for the continuation of mobile device support and one-time funding for one contract full-time technician for FY 2015-16.	25,128	8,842
Ongoing funding for support and maintenance costs for telephone service upgrades.	16,300	
One-time funding for the upgrade of the City's BizTalk integrating software application licenses, including the cost of maintenance of the licenses for two years.		117,343
One-time funding to early hire key positions with upcoming retirements.		102,000
One-time funding for a temporary position dedicated to phone support with the IT Helpdesk.		42,120
<u>Information Technology Oversight Committee (ITOC)</u>		
Ongoing funding for support of prioritized projects by ITOC.	90,642	
<u>Law</u>		
One-time funding to purchase a multi-functional copier/printer.		14,000
<u>Management Services</u>		
Ongoing funding to complete the audit of City's financial statements.	2,000	3,800
One-time funding to complete the biennial Purchasing Card audit.		



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund (continued)

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Management Services (continued)</u>		
Ongoing funding for an annual use fee and one-time funding to allow participation in a Phoenix based reporting solution after Transaction Privilege Tax (TPT) administration transitions to the State.	\$ 3,500	\$ 13,888
One-time funding for the purchase of a motion ruggedized tablet and ongoing funding for contributions to the Technology Replacement Fund and wireless costs.	3,940	4,315
One-time funding to pay the anticipated increase for maintenance and license costs for Tax Mantra until such time the City can phase out the software after the state begins collecting TPT.		29,150
One-time funding for a consultant to complete the arbitrage evaluation of the City's 2011 tax exempt bonds.		6,350
One-time funding for a contract service to conduct a biennial actuarial valuation on post-employment medical care benefits as required by the Government Accounting Standards Board (GASB).		14,000
<u>Non-Departmental</u>		
Ongoing funding for increased annual membership dues to the East Valley Partnership.	6,020	
Ongoing funding for online payment portal costs associated with the Portal for Electronic Payment Processing Integration project.	26,688	
Ongoing funding to support the increased level of citations and process server usage for photo red-light and speed violations.	100,000	
Ongoing funding to maintain a new online Priority Based Budgeting (PBB) system and one-time funding consultant services to update the City's PBB program in FY 2015-16.	7,000	3,500
One-time funding to cover citywide banking service fees, which include standard banking fees, armored car pickups, and utility receiver services until interest rates rise to offset banking fees.		82,000
One-time funding for the East Valley Partnership Branding campaign.		7,500
<u>Police</u>		
Ongoing and one-time funding for two full-time Business System Support Analyst positions and associated costs to civilianize the duties currently being performed by two sworn officers.	243,618	13,332
Ongoing and one-time funding for two full-time Police Officer positions and associated costs to support Vice/Human Trafficking Operations.	260,283	132,768
One-time funding for costs related to Body Camera recordings and ongoing funding for a full-time Police Records Specialist position and associated costs.	71,700	1,680
Ongoing funding for communication equipment in patrol vehicles.	55,000	
Ongoing funding for the annual maintenance of a new pawn database.	14,488	



Fiscal Year (FY) 2015-16 Budgetary Additions to General Fund (continued)

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>Police (continued)</u>		
Ongoing funding for dispatch center personnel training.	\$ 12,000	\$
Ongoing funding to up-fit the replacement fleet of Criminal Investigation Bureau vehicles with lights and sirens.	30,000	
Ongoing funding for the cost difference of replacing 5 motorcycles with 5 full size vehicles.	75,125	
Ongoing funding to increase overtime funding due to negotiated and general pay increases.	97,000	
Ongoing funding for operations and maintenance related to the installation of new 911 Center console workstations.	5,200	
One-time funding for citing agency and storages fees for the replacement of ballistic vests.		176,320
One-time funding for the expenditure of proceeds received from the sale of unclaimed weapons for community outreach programs. Costs will be 100% offset by revenues.		45,000
<u>Transportation & Development</u>		
Ongoing funding for new areas of responsibility for landscape maintenance, utilities, and deteriorating irrigation parts.	300,337	
Ongoing funding for utility costs associated with twelve bus shelters added to the City's inventory in 2010.	13,446	
Ongoing funding for an additional morning and afternoon service Route 542 (Chandler-Phoenix Express Route).	74,790	
Ongoing operations and maintenance funding for various capital projects scheduled for completion in FY 2015-16.	26,020	
Ongoing and one-time funding for a full-time Public Works Inspector for utilities projects and associated costs. Salary cost offset by departmental base budget reduction of \$97,652.	100,222	23,500
Ongoing funding for a full-time Public Works Inspector for various capital projects and associated costs.	97,652	
Ongoing funding for contributions to the Vehicle Replacement Fund for a striping machine truck to be purchased through the Capital Improvement Program.	44,400	
Ongoing and one-time funding for inspection services to accommodate demand peaks in addition to maintaining current service levels.	65,200	50,000
One-time funding for a replacement asphalt patch truck.		77,000
One-time funding for a replacement alley loader tractor.		90,000
One-time funding to match 5.7% of Maricopa Association of Government's grant for purchase of street sweepers.		29,982
One-time funding to accelerate and complete street maintenance which includes approximately 128 lane miles of local and arterial streets.		1,000,000



Fiscal Year (FY) 2015-16 Budgetary Additions to Other Funds

The Adopted Budget contains the following additions to Other Funds:

	<u>Ongoing Cost</u>	<u>One-time Cost</u>
<u>City Manager - Airport</u>		
<i>Airport Operating Fund</i>		
Ongoing funding for upgrades to perimeter security access system.	\$ 706	\$
Ongoing funding to purchase aviation fuel for resale. This request will be fully offset from the sales of the aviation fuel.	60,000	
<u>Human Resources</u>		
<i>Workers Compensation Trust Fund</i>		
Ongoing and one-time funding for the partial cost of a Safety Analyst position and associated costs. The balance of the cost will be reallocated from the Management Services Department.	39,598	2,661
One-time funding for an anticipated increase to Excess (Stop/Loss) Insurance.		43,750
<i>Medical Self Insurance Trust Fund</i>		
Ongoing and one-time funding for a full-time Human Resources Specialist position and associated costs.	80,990	3,199
One-time funding to allow for the expenditure of funds being provided by Blue Cross/Blue Shield for self-funded administration expenses.		25,000
<u>Municipal Utilities</u>		
<i>Water Operating Fund</i>		
Ongoing funding for increased costs of water purchases.	590,607	
<i>Wastewater Industrial Process Treatment Fund</i>		
Ongoing and one-time funding for a full-time Senior Utilities Mechanic position and a full-time Wastewater Treatment Plant Operator II position at the Ocotillo Brine Reduction Facility.	173,938	
<i>Wastewater Operating Fund</i>		
Ongoing funding for professional services and utilities associated with the Water Reclamation Facility expansion.	1,200,000	
<i>Solid Waste Operating Fund</i>		
Ongoing funding to cover increases in the collection and disposal contracts.	50,000	
One-time funding for contract maintenance for the Paseo Vista Recreation area.		100,000
<i>Police Forfeiture Fund</i>		
One-time funding to purchase Body Worn Cameras, including the licensing, storage, hardware support, and five year warranty.		911,505



Budget Policies, Process and Decisions

Decision Packages Not Funded in Fiscal Year (FY) 2015-16 – General Fund

The table below shows all of the General Fund decision packages that were not funded for FY 2015-16. This is combined with the net amount of the General Fund decision packages that were approved for FY 2015-16 but were approved for an amount different from the original request to provide a combined total of unfunded requests.

Department	Request	FTE	Personnel Ongoing	Other Ongoing	Personnel One-Time	Other One-time	Total
Buildings and Facilities	Custodial Vehicle Replacement	0.00	\$ -	\$ 4,800	\$ -	\$ 44,000	\$ 48,800
	Total:	0.00	\$ -	\$ 4,800	\$ -	\$ 44,000	\$ 48,800
City Manager - Planning	Architectural Excellence	0.00	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
	Total:	0.00	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
Community & Neighborhood Services	Aquatics Maintenance Technician	0.75	\$ 67,585	\$ 8,730	\$ -	\$ -	\$ 76,315
	Park Maintenance Technician	1.00	83,614	7,811	-	45,000	136,425
	Pool Manager FTE - Hamilton (\$12,000 offset)	1.00	68,017	1,300	-	-	69,317
	Fire Station Maintenance	0.00	-	97,171	-	-	97,171
	Ball Field Maintenance Carts	0.00	-	-	-	25,000	25,000
	Parks/Aquatics Backhoe	0.00	-	-	-	80,000	80,000
Total:	2.75	\$ 219,216	\$ 115,012	\$ -	\$ 150,000	\$ 484,228	
Cultural Affairs	Cultural Affairs - Administrative & Budget Support	1.00	\$ 80,159	\$ 11,250	\$ -	\$ 4,886	\$ 96,295
	Celebration Plaza Program	0.00	-	1,500	-	-	1,500
	Library - Programming Librarian	1.00	93,266	980	-	3,066	97,312
	Library - Expansion of Hours at Hamilton Library	1.50	143,340	980	-	3,056	147,376
	Cultural Affairs - Public Relations Strategic Plan	0.00	-	-	-	25,000	25,000
	Tumbleweed Ranch Master Plan	0.00	-	-	-	10,000	10,000
Total:	3.50	\$ 316,765	\$ 14,710	\$ -	\$ 46,008	\$ 377,483	
Fire, Health & Medical	Southeast Fire Station	12.00	\$ 544,895	\$ 51,014	\$ -	\$ 1,025,012	\$ 1,620,921
	Fire Prevention Specialist	1.00	98,118	15,527	-	35,380	149,025
	Community Health and Safety Program Coordinator	1.00	93,266	5,980	-	1,786	101,032
	Building Sustainability Study	0.00	-	-	-	50,000	50,000
	Total:	14.00	\$ 736,279	\$ 72,521	\$ -	\$ 1,112,178	\$ 1,920,978
Information Technology	Offsite Disaster Recover Colocation Site	0.00	\$ -	\$ 140,000	\$ -	\$ -	\$ 140,000
	Technology Testing Program	0.00	-	-	-	100,000	100,000
	Total:	0.00	\$ -	\$ 140,000	\$ -	\$ 100,000	\$ 240,000
Management Services	Senior Staff Accountant	1.00	\$ 105,536	\$ 150	\$ -	\$ -	\$ 105,686
	Total:	1.00	\$ 105,536	\$ 150	\$ -	\$ -	\$ 105,686
Police Department	Backfill Chandler Heights Staffing	2.00	\$ 184,133	\$ 14,662	\$ -	\$ 21,270	\$ 220,065
	Computer Aided Dispatch (CAD) Administrator	1.00	119,837	3,655	-	6,666	130,158
	Arson Investigator Standby Pay	0.00	13,217	-	-	-	13,217
	Total:	3.00	\$ 317,187	\$ 18,317	\$ -	\$ 27,936	\$ 363,440
Transportation & Development	Transit Operations and Services	0.00	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
	Building Inspector (1530)	1.00	98,119	1,280	-	-	99,399
	Street Maintenance Coordinator	1.00	86,941	8,653	-	30,921	126,515
	Total:	2.00	\$ 193,060	\$ 9,933	\$ -	\$ 30,921	\$ 233,914
Totals:	26.25	\$ 1,888,043	\$ 375,443	\$ -	\$ 1,523,043	\$ 3,317,403	
Net Reductions to Requested Amounts: *		13.50	383,876	45,886	(65,200)	612,732	977,294
Combined Total:		39.75	\$ 2,271,919	\$ 421,329	\$ (65,200)	\$ 2,135,775	\$ 4,294,697

*Some of the requests were approved for an amount different than what was originally requested (either less or more than the original request). This amount reflects the net reductions to these approved General Fund decision packages.