



**City of Phoenix**

**UPDATE  
PHOENIX'S BUDGET,  
INNOVATION AND EFFICIENCY INITIATIVES**



# Budget Update: “Cautiously Optimistic”

- April through August 2010 – positive sales tax collections; first since December 2007
- FY 09-10 revenue within 0.2% of \$948 million target
- FY 09-10 expenditures \$16 million below estimates
- Positive revenues and decreased expenditures resulted in a FY 09-10 ending balance of \$46.8 million, more than twice our estimate
- Resulting in first “Normal” Budget Cycle in several years

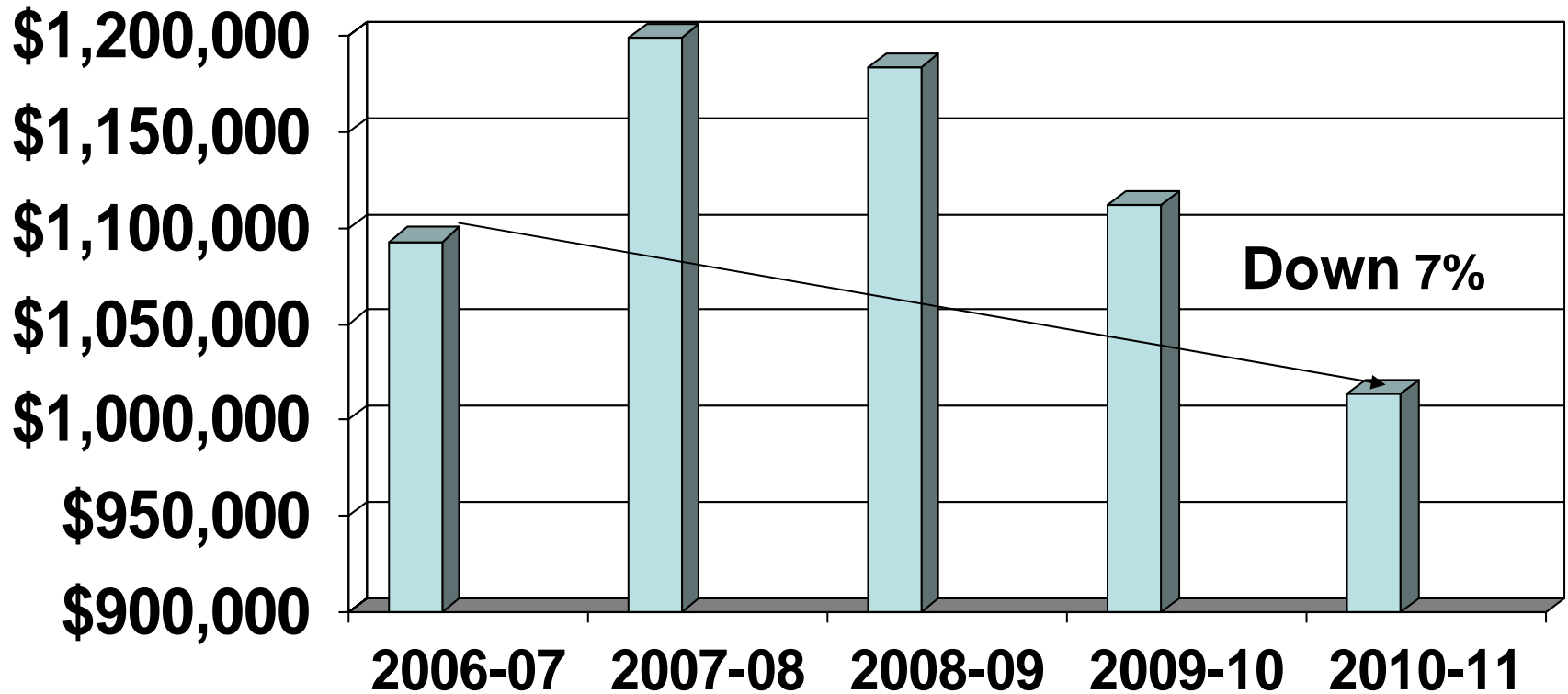


# Delivering More With Less

- 2010-11 General Fund Budget –
  - \$79 million (or 7%) less than five years ago
  - Population increased by 6% during this period and dozens of new facilities were opened



# General Fund Budget 2006-07 thru 2010-11 (in thousands)

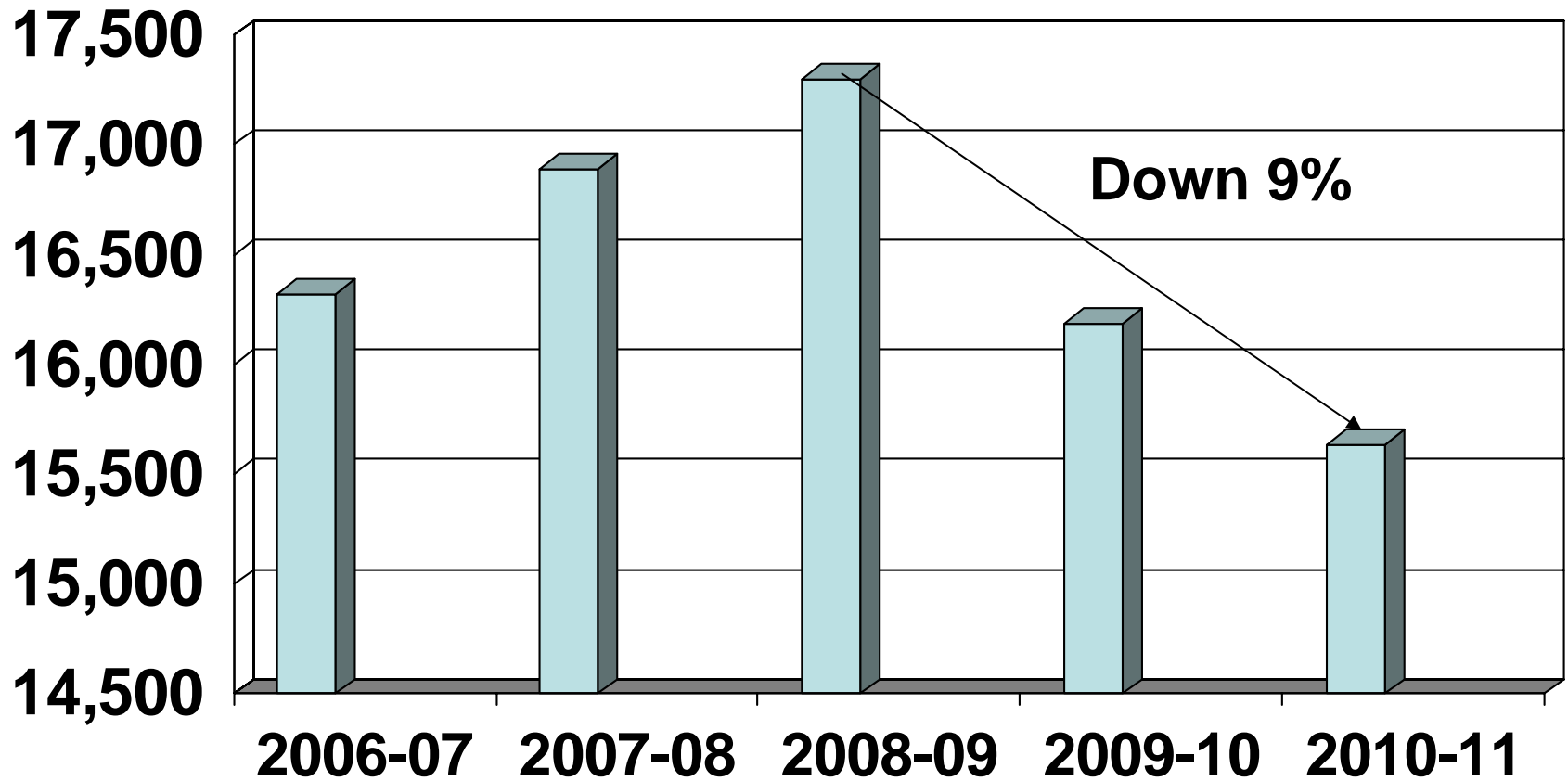


# Delivering More With Less

- Nearly 1500 fewer employees since 2008
  - 9% total reduction in employees
  - Employees agreed to 3.2% compensation concessions; totaling \$70 million
  - 97% believe the City is a good place to work
- But no layoffs of police officers or firefighters



# Citywide Positions 2006-07 thru 2010-11



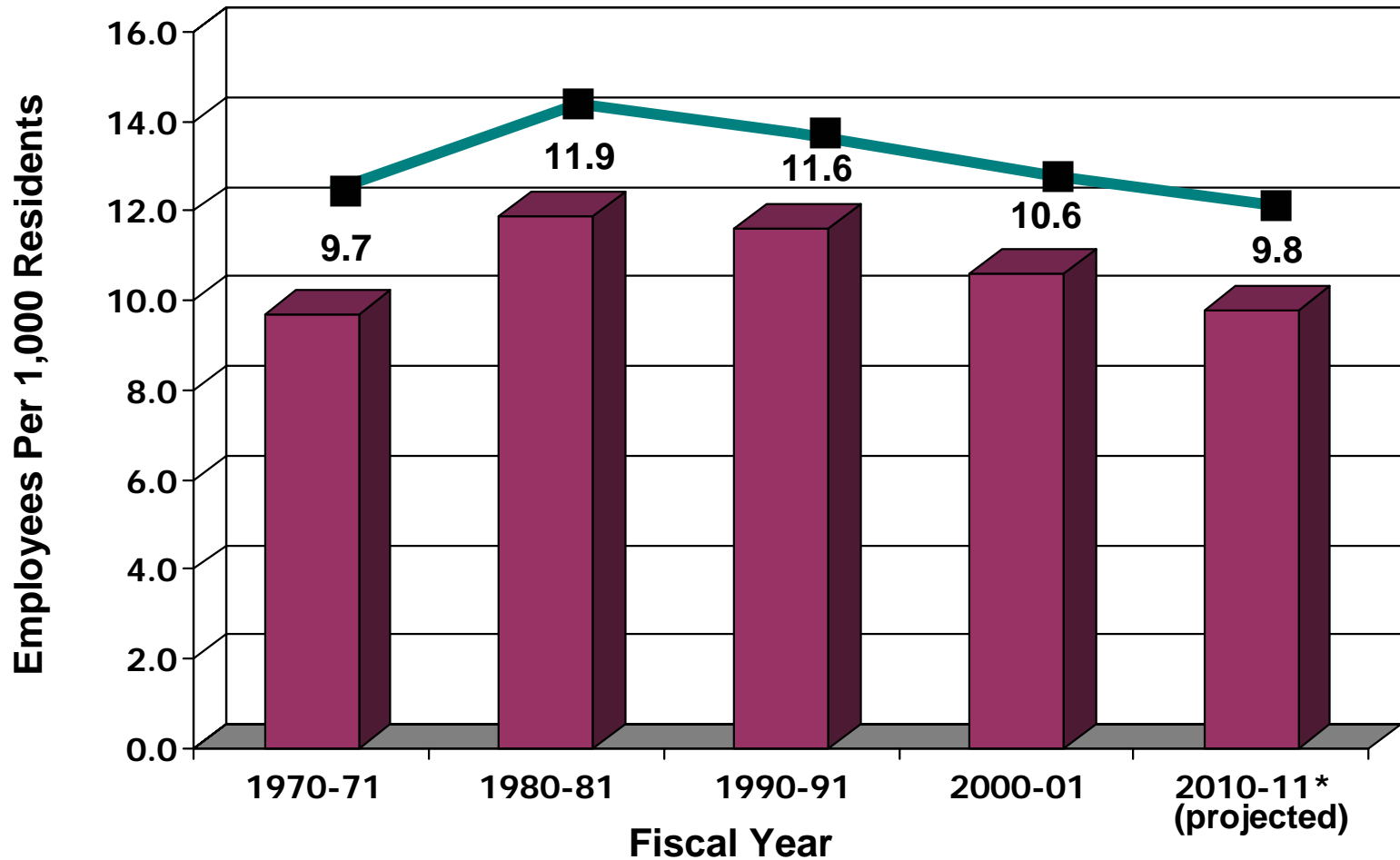
# Delivering More With Less

- Smallest City government in 40 years



# CITY OF PHOENIX

## Number of Authorized Full-Time Employees Per 1,000 Residents



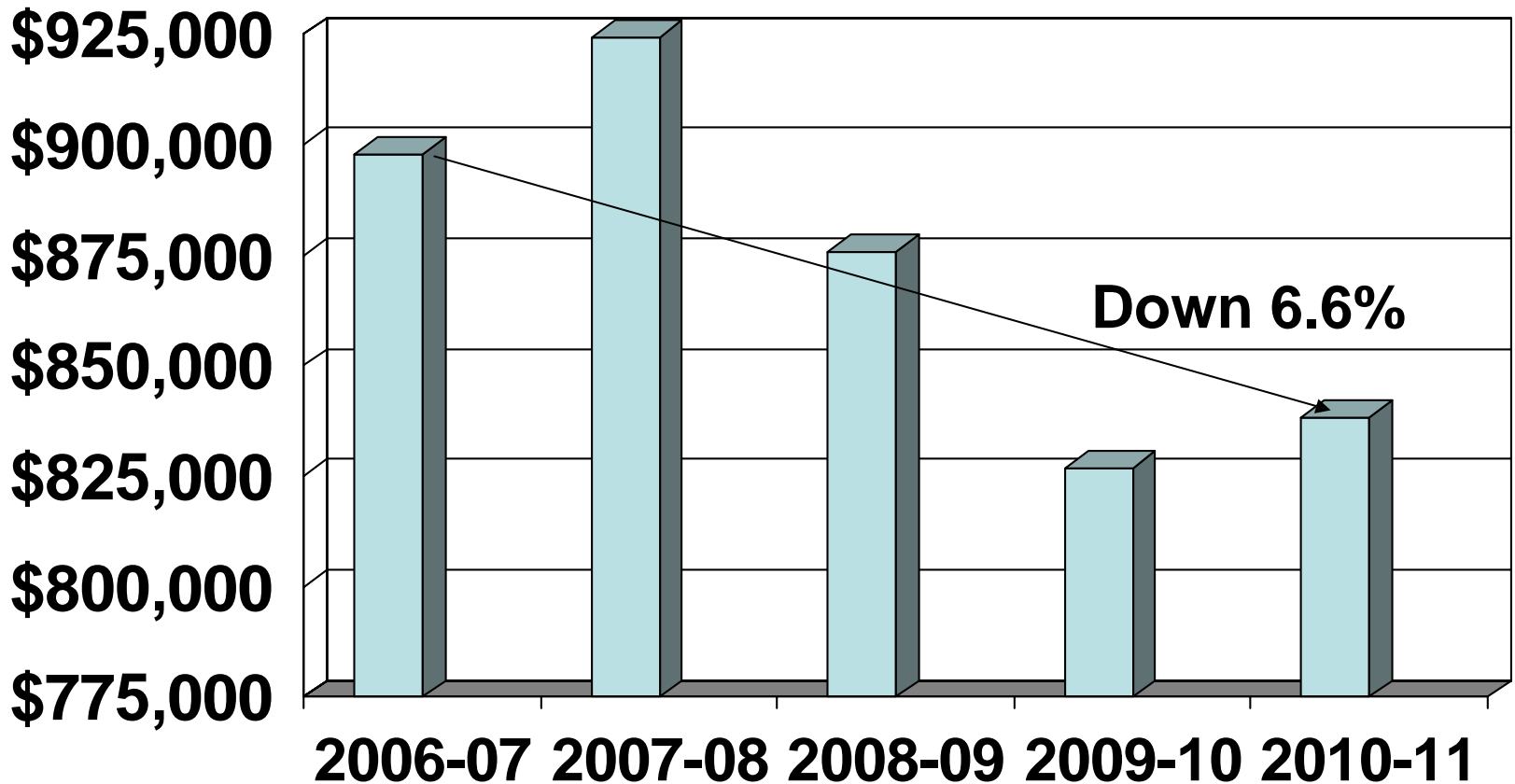
\* This includes 700 General Fund positions that will be reviewed during the next several months

# Lowering The Tax Burden

- General Fund collections for 2010-11 have declined by \$59 million, or 6.6% from revenues collected five years ago



# Total General Fund Taxes 2006-07 thru 2010-11 (in thousands)



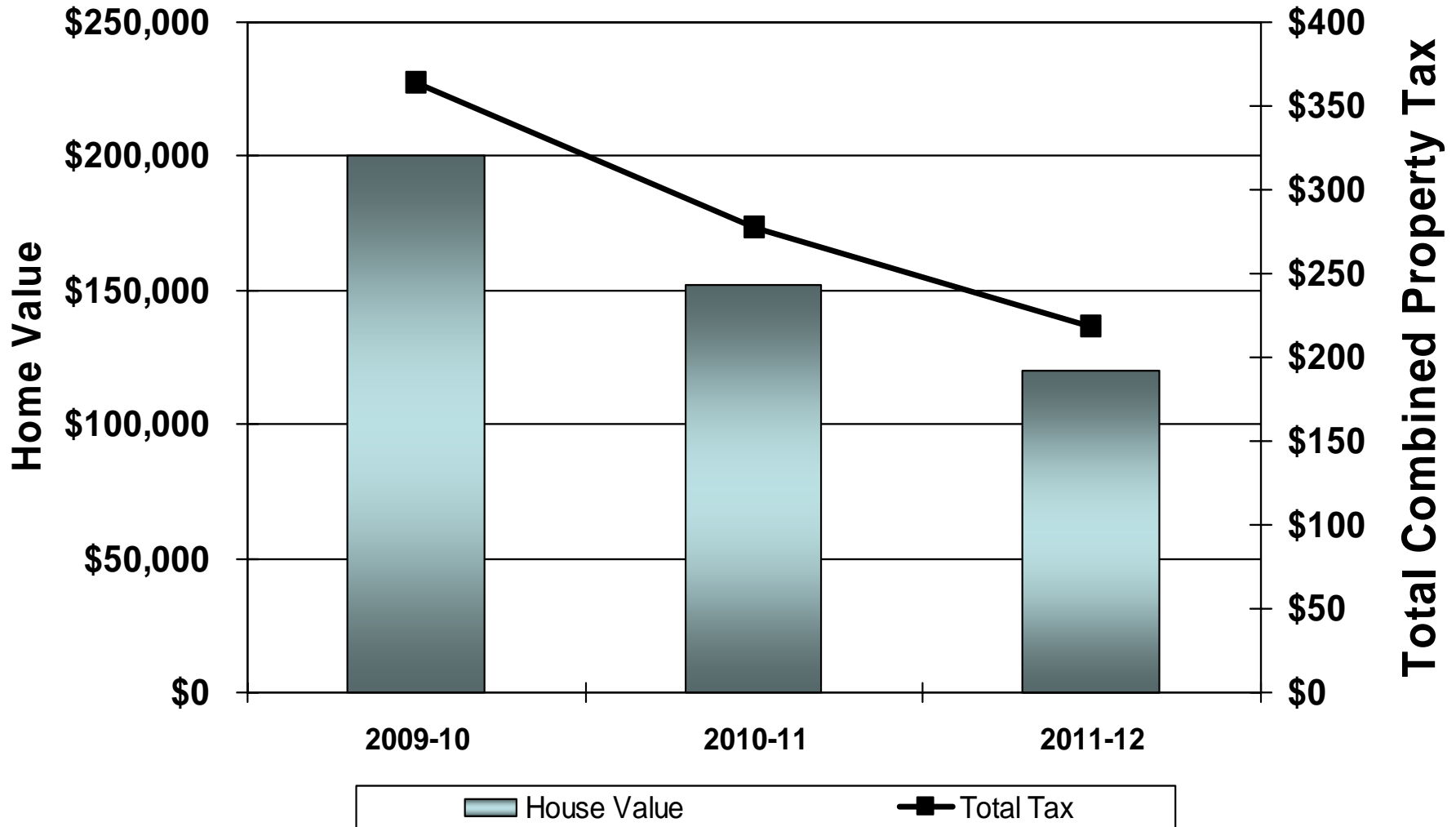
1/ General Fund Taxes include primary property taxes, city and state sales taxes, state-shared income and vehicle license taxes.

# Lowering The Tax Burden

- Due to lower property values and actions taken by the City Council on the secondary property tax, the average homeowner will see a 40% reduction in City property taxes over the next two years
- These fiscally responsible efforts help ensure that Phoenix remains one of only a handful of cities in America with a AAA credit rating with Standard and Poor's and Aa1 credit rating with Moody's.



# Property Tax Estimate for a \$200,000 Home



# Innovation and Efficiency Initiative

- Created Innovation and Efficiency Task Force to address economic challenges and strain on General Fund Budget
- Task Force Comprised of City Department Heads and members of the community



# Task Force Mission

To develop and implement innovative solutions that will result in the most efficient delivery of services at the most effective cost



# Task Force Fiscal Goal

Fiscal Years 2009-10 and 2010-11

Savings Target - \$10 Million



# Task Force Working Groups

- Consolidations
- Right Sourcing
- Revenue Enhancements and Cost Recovery
- Process Improvement and Efficiency



# Task Force Recommendations

Recommendation	Estimated General Fund Cost Savings
Department Consolidations	\$1 million
Improved Cost Recovery	\$.8 million
Process Improvements	<u>\$5.9 million</u>
Total General Fund Savings	\$7.7 million
Total Non-General Fund Savings	\$13.3 million
Total Savings	\$21 million

Note: Savings include nearly \$800,000 in voluntary fee reductions from over 130 professional consultants.

Non-General Fund savings include \$2 million of insourced services in Aviation, and \$1 million in late payment penalties in Water Services

# Some City Priorities

- Economic Development and Education
- Financial Excellence
- Infrastructure
- Innovation and Efficiency
- Neighborhoods/Livability
- Phoenix Team
- Public Safety
- Social Services Delivery
- Sustainability
- Technology



# Thank You & Questions?

For Copies of this Presentation, e-mail  
[Sam.Feldman@Phoenix.gov](mailto:Sam.Feldman@Phoenix.gov)

