

**City of Phoenix**



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**Thursday, November 7, 2024**

**phoenix.gov**

**General Information Packet**

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Budget Document**

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[City Inventory of Programs - 2024-25 Adopted Budget](#)



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## Fiscal Transparency and Inventory of Programs Budget Document

This report transmits the Fiscal Year 2024-25 Inventory of Programs budget document to the City Council and community.

### Summary

The Inventory of Programs budget document was created in response to the City Council's request for a more transparent, relevant, and detailed presentation of the City's budget. The document provides a comprehensive review of more than 365 City programs, and includes costs, revenues, funding sources, staffing levels, performance measures, and other key budget details.

The Inventory of Programs provides a unique and important look at the City's budget. The budget is presented by program, the key component of a zero-based budget approach. This approach achieves several goals, including:

- Provides a detailed and relevant presentation of the City's budget, allowing the City Council and community to review the budget of every program using a zero-based budgeting approach.
- Provides the City Council with budget and program information at an earlier stage in the annual budget development process.
- Improves the overall accessibility and understandability of the budget by packaging it in a user-friendly format for Phoenix residents.

### Budget Development Process

The City is committed to helping residents understand how their tax dollars are used and to making our processes transparent, accessible, and easily understood. In service of the expectations and desires of residents, the City has one of the most open and accessible budget processes in the country. Phoenix has received a Distinguished Budget Presentation Award from the Government Finance Officers Association for 38 consecutive years.

The City makes the Inventory of Programs available early in the annual budget development process, providing the City Council and community the opportunity to review the current year budget and to begin considering what changes they might

recommend for next year's budget. The Inventory of Programs provides information from both the current and prior year budgets. This provides helpful context to budget data and performance measures.

Alongside the presentation of the Inventory of Programs, the FundPHX tool, which is designed to educate and engage the public in the City's annual budget process, has been updated with the 2024-25 General Fund (GF) Budget. The tool is available in both English and Spanish, and provides residents an opportunity to try their hand at balancing the City's GF operating budget, provide feedback on current funding levels, and share community priorities with staff. FundPHX is also linked to the Inventory of Programs, allowing residents to dive deeper into each department's programs for closer examination of how budgets are allocated.

The Inventory of Programs document is provided on the Budget and Research website at [phoenix.gov/budget](http://phoenix.gov/budget) and is designed to be easily reviewed electronically with a table of contents, navigation links throughout the document, and full word search capability.

The release of the Inventory of Programs and FundPHX marks a significant early milestone in the budget process. That process continues in early 2025 with the presentation of the preliminary 2025-26 General Fund Budget Status and the Multi-Year General Fund Forecast. These documents present a strategic and long-term view of the City budget, providing important context and considerations for well-informed budget discussion and decision making. Following the release of these documents, the City Manager's Trial Budget will be presented in March 2025, which includes greater detail on the proposed 2025-26 Budget.

The Trial Budget will then be brought to the community during community budget hearings in April. Budget hearings will be available both in-person and virtually, providing additional flexibility for residents to participate. Additionally, English and Spanish interpretation services will be available at all budget hearings. Residents can also provide input via the FundPHX tool, online forms, email, and telephone. All community feedback is shared with the City Council routinely so it can be considered ahead of final budget decision making.

This community feedback plays a vital role in the City Manager's Proposed Budget, a revised version of the Trial Budget that incorporates input from residents. The Proposed Budget is scheduled for two meetings in the month of May, the second of which is intended for City Council action. The two Council meetings in May ensure the Mayor and Council have sufficient opportunity to fully evaluate, question, and discuss the budget prior to taking action. In June and July, tentative and final budget information is published in official newspapers, additional hearings are posted and

conducted, and final legally required actions are taken.

### **Resources Available**

Currently, the phoenix.gov webpage provides access to a wealth of information on the City's budget and finances. Listed below are additional resources on the Budget and Research (phoenix.gov/budget) and Finance (phoenix.gov/finance) departments' web pages:

- FundPHX Online Budgeting Tool.
- Inventory of Programs.
- Summary Budget.
- Detail Budget.
- Five-year Capital Improvement Program.
- Budget-related documents and reports to City Council.
- Contact Information for the Budget and Research and Finance Departments.
- Annual Comprehensive Financial Reports.
- Monthly Financial Reports.
- Popular Annual Financial Reports.
- Online Checkbook.
- Investor Information.
- Annual Single Audit detailing grant program expenditures.

Also on the phoenix.gov home page is a link to "Find Public Records", which provides public access to all types of City documents, including City Council meeting minutes, requests for City Council action, ordinances, resolutions, contracts, and reports.

### **Inventory of Programs Information**

The Inventory of Programs budget document contains a variety of information identified below.

#### Citywide and General Fund Information

A breakdown of Citywide operating expenditures by specific expenditure category and fund sources, operating fund revenue by source, and the number of volunteer hours for each department. The specific expenditure categories include:

- Personal services (total compensation costs, including all wages and benefits).
- Contractual services (payments made to outside vendors and contractors, including all outsourced services).
- Supplies, equipment and minor improvements.
- Interdepartmental charges (work order charges from one department to another

based on internal services provided, where appropriate).

- Necessary transfers between funds.

### Actuals Comparison

Annual actual expenditures for recent years in all the budget categories described above are provided.

### Staff Costs Overview

This section provides detail on what comprises staffing costs (also referred to as “personal services”) for all funds and for the General Fund. It describes the major components of staff costs (salaries and wages, benefits, payroll taxes and other legally required costs) and their budgeted amounts.

### Citywide Department Information

The Citywide Inventory of Programs provides department level information, including:

- Department status overview of enhancements, priorities, and challenges.
- Department-specific revenue and budget summary.
- For departments receiving volunteer assistance, description of volunteer services in applicable programs and the number of volunteer hours provided.
- The total cost for each program (net and gross), including the administrative cost; rather than presenting the budget by department, a zero-based budget approach prescribes the use of “budget decision packages”, which are based on the costs of individual programs or services.
- The primary strategic plan area supported by each program.
- Staffing, or total full-time equivalent (FTE), for each program, including full-time, temporary, and part-time staff.
- Program fund source, which may be a single fund, such as the General Fund, or a combination of funds, such as grants, special revenue funds, and General Fund.
- For applicable programs, service level trends illustrated by budgeted performance measures.
- Information on whether the program provides matching funds for a grant-funded program.

The Inventory of Programs is based on the Council-adopted 2024-25 Budget. It also includes data from the Council-adopted 2023-24 Budget for comparison purposes. Costs and staffing levels for each program include a portion of department administrative costs, which are appropriately allocated across programs.

### **Zero-Based Estimates and Detailed Technical Expenditure Reviews**

Each fall, a thorough technical analysis, or detailed line-item review, is performed for the current year's budget. Every department works with Budget and Research staff to review all budget line-items, making adjustments to reflect identified cost savings and ensure accurate forecasts.

At the same time, the City develops estimates for every budget line-item for the next fiscal year's budget. It is important to note that every line-item of the budget starts at zero dollars. This is an important cost-control element of the budget process, as it is designed to ensure new cost estimates are prepared every year, preventing the automatic extension or increase of costs programmed in the current year. The final amounts in each line-item are new estimates necessary to continue existing City Council-adopted service levels for each program. In projecting annual personal services costs (total employee compensation), estimates are based on the number of positions authorized by the City Council and on the specific compensation configuration for each individual position.

### **Responsible Department**

This item is submitted by City Manager Jeffrey Barton and the Budget and Research Department.