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FOR CITY COUNCIL PACKET

MAY 6, 2014

POLICY SESSION AGENDA

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2. Employee Service Recognition Announcements (NO REPORT)
3. [2014-15 City Manager's Proposed Budget](#)

BACK-UP INFORMATION FOR THE WEDNESDAY, MAY 7, 2014, FORMAL AGENDA

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GENERAL INFORMATION

- [Liquor License Applications Received for the Period of April 21, 2014 through April 25, 2014](#)
- [Follow-up: April 30, 2014, Formal City Council Meeting](#)
- [Community Budget Hearings](#)

RESPONSE TO REQUEST FROM COUNCIL

Councilman DiCiccio

Councilman DiCiccio requested that staff investigate the legality of pension spiking.

Packet Date: May 1, 2014



**CITY OF PHOENIX  
CITY COUNCIL POLICY SESSION  
TUESDAY, MAY 6, 2014 - 2:30 P.M.  
CITY COUNCIL CHAMBERS  
200 WEST JEFFERSON**

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Pursuant to A.R.S. §38.431.02, notice is hereby given to the members of the City Council and to the general public that the City Council will hold a meeting open to the public on Tuesday, May 6, 2014, at 2:30 P.M. located in the City Council Chambers, 200 West Jefferson, Phoenix, Arizona.

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1:00 P.M.- AN EXECUTIVE SESSION WAS CALLED  
FOR THIS TIME AT THE POLICY SESSION  
OF APRIL 22, 2014.

**THE TIMES LISTED FOR AGENDA ITEMS ARE ESTIMATED. ITEMS MAY BE  
DISCUSSED EARLIER OR IN A DIFFERENT SEQUENCE.**

ESTIMATED COUNCIL INFORMATION AND  
1. 2:30 P.M.- FOLLOW-UP REQUESTS.

This item is scheduled to give City Council members an opportunity to publicly request information or follow-up on issues of interest to the community. If the information is available, staff will immediately provide it to the City Council member. No decisions will be made or action taken.

**CONSENT AGENDA.**

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. The Consent Agenda has been publicly posted.

**CALL FOR AN EXECUTIVE SESSION.**

A vote to call an Executive Session may be held.

**THE TIMES LISTED FOR AGENDA ITEMS ARE ESTIMATED.  
ITEMS MAY BE DISCUSSED EARLIER OR IN A DIFFERENT  
SEQUENCE.**

**POLICY SESSION AGENDA**

**-2-**

**TUESDAY, MAY 6, 2014**

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**REPORTS AND BUDGET UPDATES BY THE CITY MANAGER.**

This item is scheduled to allow the City Manager to report on changes in the City Council Agenda and provide brief informational reports on urgent issues. The City Council may discuss these reports but no action will be taken.

**ESTIMATED**

- |    |                    |   |   |
|----|--------------------|---|---|
| 2. | <u>3:00 P.M.</u> - | EMPLOYEE SERVICE<br>RECOGNITION<br>ANNOUNCEMENTS<br>(NO REPORT) | Staff: Zuercher<br>(Presentation: 5 min.) |
|----|--------------------|---|---|

This item is for information only. No City Council action is required.

**ESTIMATED**

- |    |                    |                                   |   |
|----|--------------------|-----------------------------------|---|
| 3. | <u>3:05 P.M.</u> - | CITY MANAGER'S PROPOSED<br>BUDGET | Staff: Zuercher, Paniagua<br>(Presentation: 15 min.;<br>Estimated Total Time:<br>60 min.) |
|----|--------------------|-----------------------------------|---|

This report transmits the 2014-15 City Manager's Proposed Budget, which reflects reduced employee costs based on considerable progress with negotiating new labor contracts, and inclusion of a proposed increase of about 1% to General Fund revenue. These changes along with other adjustments allow the 2014-15 General Fund to be balanced with no reductions to services. This proposed budget reflects feedback received from the community and from the Mayor and City Council regarding the importance of maintaining current City services and a strong City organization.

This item is for information and discussion. No City Council action is required.

Back-up included in Council packet/City Clerk's Office.

5:00 P.M. – ADJOURNMENT

**THE TIMES LISTED FOR AGENDA ITEMS ARE ESTIMATED.  
ITEMS MAY BE DISCUSSED EARLIER OR IN A DIFFERENT  
SEQUENCE.**

**POLICY SESSION AGENDA**

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**TUESDAY, MAY 6, 2014**

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For further information, please call the Management Intern, City Manager's Office, at 602-262-4449.

For reasonable accommodations, call the Management Intern at Voice/602-262-4449 or TTY/602-534-5500 as early as possible to coordinate needed arrangements.

Si necesita traducción en español, por favor llame a la oficina del gerente de la Ciudad de Phoenix, 602-262-4449 tres días antes de la fecha de la junta.

**PHOENIX CITY COUNCIL MEMBERS**

Councilman DiCiccio  
Councilwoman Gallego  
Councilman Gates  
Councilman Nowakowski  
Councilwoman Pastor  
Councilman Valenzuela  
Vice Mayor Waring  
Councilwoman Williams  
Mayor Stanton



## City of Phoenix

To: Mayor and City Council

Date: May 1, 2014

From: Ed Zuercher  
City Manager

A handwritten signature in black ink, appearing to read 'Ed Zuercher'.

Subject: FY 2014-15 CITY MANAGER'S PROPOSED BUDGET

As the City Manager's Proposed Budget is presented for Mayor, City Council and Community review, it is important to emphasize some key points about the 2014-15 Proposed Budget.

The Proposed Budget is based on updated information. The Trial Budget was released in late March, too early for complete information on reasonable assumptions about additional revenue or employee compensation contracts. As a result, the main strategy for balancing the Trial Budget was to cut services. Now, the Proposed Budget is released at a time when we have more clear direction from the Council on potential new revenue – about a 1% increase for some of the ideas posted at phoenix.gov – and more clarity on future employee compensation.

The Proposed Budget reflects community input. The community responded very clearly in over 20 hearings and through on-line input that they do not want services reduced. The Proposed Budget places the highest priority on preserving important City services, both internal and external, that keep the City a desirable place to live and the City organization a sound institution.

Shared sacrifice saves community services. The Proposed Budget is balanced with a multi-faceted approach. The community is being asked for a slight increase in revenue while employees are being asked to give some compensation concessions. If employee compensation concessions happen across-the-board at 1.6%, this would allow us to preserve all General fund services proposed for elimination in the Trial Budget.

City employees do valuable work. We heard very clearly during the budget hearings that the services we provide make a difference to the community and the community desires more of our services, not less. We provide these services with dedicated employees. The Proposed Budget allows us to keep all of our City employees and to begin hiring more police officers and firefighters ahead of schedule.

The City invests significant resources in employee benefits and compensation. Phoenix employees are compensated fairly and the benefit package represents a

substantial investment in our employees. For example, in the past 5 years, the City budget for employee pensions has increased by \$96 million for all employees, with over \$34 million of that increase for sworn police. This demand on City budget dollars has meant that funds that might have been available for wage increases are instead going to preserve benefits.

Cost-saving measures used in the past are no longer viable today. Some options used five years ago are no longer viable. For example, nearly all refinancing opportunities for the General Fund have been taken and interest rates have risen significantly in the last year. Five years ago, the City's budget balancing plan for a \$277 million deficit included: Financial transactions (33%); Service reductions (23%); Efficiencies (17%); Emergency sales tax on food (14%); Employee concessions (11%); and Police restoration plan (2%). The current plan involves Employee concessions (44%); New revenues and partnerships (29%); Efficiencies (17%); and Financial transactions and cost alignment (10%).

The Proposed Budget maintains the City's financial stability. Maintaining strong fund balances, using one-time revenues for one-time expenses, and investing in pay as you go capital is key to maintaining our health as an organization. This budget resumes investments in technology, vehicles and heavy equipment and our facilities. It allocates funding from one-time land sales to one-time technology needs. And it continues our progress to raise the contingency fund to 5% of General Fund revenue, a key indicator of financial responsibility.

The City will continue to pursue efficiency. With the efficiencies identified in this budget, City employees have achieved \$97 million in savings since 2010. The effort will continue with organizational reviews, collaboration with our Citywide Innovation and Efficiency Task Force and other efforts to provide better service at a reduced cost.

I am pleased to present the attached 2014-15 Proposed Budget for community and City Council discussion on May 6. The budget process continues over the following two weeks, with resolution of labor agreements by mid-May and an action by the City Council on May 20.



**City of Phoenix**  
OFFICE OF THE CITY MANAGER

**TO THE HONORABLE MAYOR AND CITY COUNCIL:**

This letter transmits the balanced 2014-15 City Manager's Proposed Budget.

The 2014-15 City Manager's Proposed Budget protects important services to the community while improving the City's long-term fiscal stability. Facing a \$37.7 million deficit in the General Fund, the community has made it very clear that they place the highest value on preserving services and that cuts to services are not acceptable to balance the budget. The balanced City Manager's Proposed Budget is based on:

- Strong Mayor and Council leadership in light of difficult fiscal challenges to make tough decisions that strengthen the financial position of the City
- Shared sacrifices that save City services and allow us to hire more Police Officers and Firefighters in 2015
- Committed City employees who are being asked to take pay concessions to ensure community services continue
- Continued efficiency improvements; with the additional \$6.5 million in efficiency actions in this budget, the City will reach more than \$97 million in efficiency savings since 2010
- About 1% increase to General Fund revenue reflecting community comments and a willingness to pay a little more in taxes or fees rather than reduce services
- Important investment in technology and capital needs that will help keep the City running efficiently
- Transparency and community involvement with more than 20 budget hearings

**City Manager's Trial Budget**

The 2014-15 City Manager's Trial Budget was presented in March 2014 and provided a draft balanced budget that addressed a \$37.7 million General Fund deficit with \$6.5 million in additional efficiencies, \$1.9 million in deferral of vehicle purchases, and \$29.3 million in service reductions. However, significant changes have occurred since the Trial Budget was presented:

- Significant progress has been made in labor negotiations, with most units agreeing on compensation concessions of -1.6% in 2014-15 and an additional -0.9% in 2015-16. Applying the same level of concessions across all employees will result in total General Fund savings of approximately \$16.5 million in 2014-15 and an additional \$9.3 million in 2015-16.
- On April 16, 2014 the City Council authorized the legally required posting of several potential new revenue sources to consider for addressing the General Fund deficit. The City Manager's budget proposes the addition of \$11.0 million in net new ongoing revenue in 2014-15, which is an increase of about 1% above currently projected General Fund resources.

- A commitment of \$125,000 by Grand Canyon University to restore the Drowning Prevention and Graffiti Busters programs.
- Availability of one-time funds in the Fire Proposition 301 Fund proposed to be used for the purchase of one replacement Fire ladder truck reducing General Fund expenditures by about \$1.1 million. The purchase will not affect the timing of hiring of new Firefighters.
- Slowing the increase in the Contingency Fund by about \$400,000. This brings the Contingency amount to \$45.3 million, or 3.95% of General Fund operating costs, representing the highest ever amount and keeping the City on track to reach the 5% goal.

The above changes total \$29.3 million and allow the City to maintain all General Fund services to the community. Restored services as a result of the above actions include:

#### Public Safety

- Hiring 15 new Police Officers as soon as April 2015. Due to savings in the Police Public Safety Funds from pay concessions, the timeline to begin hiring new Officers to replace attrition is advanced.
- Hiring seven new Firefighters in 2014-15. Due to savings in Fire Public Safety Funds from concessions, the timeline to begin hiring Firefighters to replace attrition is advanced.
- Maintaining the civilian Fire Prevention, Crisis Intervention, and Special Operations of the Fire Department.
- Keeping Police Central Booking open and finalizing the civilianization of this function, which will return 15 officers to patrol and investigations in 2014-15.
- Continuing current Police Air Support helicopter flight hours.

#### Criminal Justice

- Keeping current courtrooms open and judicial and administrative staffing levels in place for Municipal Court.
- Maintaining current Community Prosecution, victims services, and legal support staff in the Prosecutor's Office.
- Maintaining current funding levels in the Public Defender's Office to ensure sufficient court-appointed attorneys are available.

#### Neighborhoods & Livability

- Keeping all Community, Neighborhood, Recreation and Youth Centers open at current hours and restoring the South Phoenix Youth Center.
- Keeping all swimming pools operating including the accessible facility at Telephone Pioneer Park and swim and dive teams continuing.
- Maintaining all current recreational activities.

- Maintaining Graffiti Busters and Neighborhood Code Enforcement Programs at current service levels.

#### Social Services Delivery

- Keeping all Senior Centers open at current hours and program levels.
- Maintaining current funding for homeless programs.
- Continuing closed captioning services for Channel 11.

#### Economic Development

- Maintaining current funding for Community and Economic Development to continue business retention and attraction efforts and enhance City's long-term economic vitality.
- Continuing funding in Planning and Development to ensure the City is able to plan for and respond to City zoning and development activities.
- Maintaining current funding levels for the public art program and for arts and culture grants to the community.
- Continuing current funding for Small and Disadvantaged Business Enterprise programs.

#### Infrastructure

- Continuing current levels of maintenance and repair for city streets and traffic safety programs.
- Maintaining current funding of maintenance of city facilities through Public Works.

#### Technology, Innovation & Efficiency, and Financial Excellence

- Maintaining current funding to facilitate efficiency through technology, to ensure important budgetary process and fiscal controls continue, to coordinate the services of city volunteers, to audit programs and ensure prevention of fraud, waste, and abuse, to ensure efficient management of human resources, and to ensure taxes owed to the city are identified and collected.

### **Five-Year General Fund Forecast**

In February 2014, Budget and Research staff provided a five-year General Fund forecast. The long-range forecast is a financial management best practice providing policy makers with a framework for strategic decision-making. The report explained that under the economic, revenue, and expenditure assumptions in the forecast, the General Fund faces a potential deficit in 2015-16. That is why it is important for City employees to take the lead in the unprecedented step of negotiating a second year reduction to compensation. Also, it is critical for the City to continue to find ways to reduce costs on an ongoing basis. The five-year forecast enabled the City Council, City Management, and the community to evaluate resources along with projected expenditures over multiple years, which improves the City's ability to conduct long-term budget planning. The multi-year forecast was presented well in advance of the community budget

process and hearings so that it could also be considered during the budget-setting process involving residents.

### **Overview of 2014-15 Budget**

The proposed 2014-15 General Fund budget is \$1,148,720,000. This is a 1.9% increase from the adopted 2013-14 General Fund budget, but is below the General Fund peak year of 2007-08 by \$50.6 million, or 4.2%. The proposed 2014-15 budget amount for all funds, which includes General, Enterprise and Special Revenue Funds such as grants, and all debt service and pay-as-you-go capital costs, is \$3,346,490,000. This is a 4.5% decrease from the adopted 2013-14 budget for all funds, and \$389.3 million, or 10.4%, below the peak year in 2008-09 for all funds.

### **Non-General Funds**

Arizona Highway User Revenue Fund (AHUR): The State of Arizona's budget for 2014-15 includes an increase in resources allocated to the Highway User Revenue Fund. The proceeds in this fund are shared with Arizona cities and towns, and Phoenix is expected to receive an additional \$2.7 million in AHUR funds for 2014-15. The estimated increase in funding is not yet reflected in the Capital Improvement Program (CIP) budget for 2014-15. AHUR funds can be used solely for highway and street purposes including costs related to construction, maintenance, repair, roadside development, streets, bridges, right-of-way acquisition and payment of principal and interest on highway and street bonds.

Development Services Fund: In order to meet needs for expected further increases in development activity, Planning and Development proposes to add 12 full-time positions to conduct civil, residential, and commercial plan reviews, inspections, and site planning. Additionally, increased contractual services are proposed to enhance permitting technology and online services.

Phoenix Parks and Preserves Initiative Fund (PPPI): The PPPI fund includes a proposal to add 4.0 part-time FTE to operate the new Cesar Chavez Dog Park, Deems Hills Dog Park, Paradise Valley Dog Park, and Carver Mountain Trailhead expansion.

Wastewater Fund: Water Services proposes the use of Wastewater funds for operating costs related to the enhanced multi-phase digestion process for wastewater treatment and for costs related to the newly converted centrifuge for wastewater treatment.

### **State-Shared Revenues**

It is important to recognize that the Arizona Legislature took no action to negatively impact General Fund state-shared revenue formulas to cities and towns. In fact, a slight increase in AHUR funds is expected to supplement the City's` street maintenance and capital budgets.

## **Conclusion**

The 2014-15 City Manager's Proposed Budget is built on shared sacrifice to save City services. About 1% in revenue combined with service efficiencies and across the board sacrifices of -1.6% by City employees mean that all services are preserved and hiring of new Police Officers and Firefighters can begin again in 2014-15.

Although we face some short-term budget challenges, Phoenix continues to be a diverse, dynamic and desirable city. Fiscal year 2014-15 will bring some exciting events to Phoenix, such as the WNBA All-Star Game and Super Bowl XLIX featuring downtown Phoenix and our resorts as centers of activity. Companies continue to find Phoenix an inviting place to do business and residents rate Phoenix as a desirable place to live. Notably this year, Phoenix received a perfect score in the Municipal Equality Index published by the Human Rights Campaign Foundation. The services provided by City employees play an important role in maintaining a high quality of life in Phoenix.

I want to thank the Mayor and City Council for their leadership during the community hearings. I also want to recognize the outstanding work of city staff to be more efficient. Finally, I want to recognize the contribution of City employees and labor units to take compensation sacrifices in order to continue the focus on our budget priority: providing outstanding services to the residents of Phoenix.



Ed Zuercher  
City Manager  
May 6, 2014

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## CITY COUNCIL REPORT

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### POLICY AGENDA

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TO: Ed Zuercher  
City Manager

AGENDA DATE: May 6, 2014

FROM: Mario Paniagua  
Budget and Research Director

ITEM: 3

SUBJECT: 2014-15 CITY MANAGER'S PROPOSED BUDGET

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This report transmits the 2014-15 City Manager's Proposed Budget, which reflects reduced employee costs based on considerable progress with negotiating new labor contracts, and inclusion of a proposed increase of about 1% to General Fund revenue. These changes along with other adjustments explained further in this report allow the 2014-15 General Fund to be balanced with no reductions to services. This proposed budget reflects feedback received from the community and from the Mayor and City Council regarding the importance of maintaining current City services and a strong City organization.

This year, more than 20 budget hearings were held throughout the City to present the Trial Budget and gather feedback from the public. About 1,700 comments were received at hearings and through e-mail, social media, the City Website, and by phone. Comments overwhelmingly supported the continuance of existing service levels, with many indicating a willingness to pay additional fees or taxes as a means to balance the budget without cutting City programs. At phoenix.gov, the public can access the written minutes and video recordings of completed budget hearings including speaker comments and questions.

This report is for information and discussion only at the May 6, 2014, Council Policy Session. Council action on the proposed 2014-15 budget is scheduled for the May 20, 2014, Policy Session.

#### THE ISSUE

As discussed throughout the budget hearings, the Trial Budget was an initial draft of a balanced budget presented for community discussion and feedback as the City Council prepares to adopt a balanced budget for 2014-15 in late May. The Trial Budget proposed the balancing of a \$37.7 million General Fund deficit through new efficiency actions that reduce annual costs by \$6.5 million, deferral of equipment replacement that saves \$1.9 million, and reduction of City services totaling \$29.3 million. Because the City was in the middle of negotiations with labor units on new contracts at the time, the costs projected in the Trial Budget assumed the continuation of pay levels outlined in current labor contracts. Since then, several labor units have tentatively agreed to new contracts. Additionally, the Trial Budget had not included additional revenue sources; however on April 16, 2014, the Council approved the legally required 60-day posting of

several revenue items to consider as a component of balancing the budget without requiring cuts to services.

As a result of these changes, the 2014-15 City Manager's Proposed Budget provides the following multifaceted, shared sacrifice approach to closing the General Fund deficit of \$37.7 million:

<b>Action</b>	<b>2014-15 Estimate</b>
<b>Total 2014-15 General Fund Deficit</b>	<b>(\$37.7 million)</b>
General Fund efficiencies	\$6.5 million
Defer some replacement of heavy equipment and vehicles	\$1.9 million
Use portion of Fire Neighborhood Protection Fund (Prop. 301) balance for one-time purchase of a replacement fire ladder truck	\$1.1 million
Slightly reduce annual growth to Contingency fund	\$0.4 million
Commence Phase 2 of Central Booking on 9/1/2014	\$0.2 million
Grand Canyon University contribution for Drowning Prevention and Graffiti Busters programs	\$0.1 million
Reduce employee costs reflecting 1.6% concessions in 2014-15 across all labor units	\$16.5 million
Implement 1% additional ongoing revenue (outlined further below)	\$11.0 million
Additional one-time proceeds in 2014-15 from expected sales of excess properties	\$3.1 million
Use of expected property sale proceeds for one-time costs of expected special election in fall of 2014	(\$0.5 million)
Use of remaining expected property sale proceeds to help fund Public Safety technology- the funds will offset one-time costs for necessary replacement of Fire Computer Aided Dispatch (911) System and to address remaining needs of upgraded Police Records Management System	(\$2.6 million)
<b>Remaining 2014-15 General Fund Deficit</b>	<b>\$0</b>

## Services Restored

The proposed actions above allow a balanced General Fund budget for 2014-15 without any reductions to services listed in the Trial Budget. **Attachment A** shows that no service cuts are recommended as part of the 2014-15 City Manager's Proposed Budget. Service reductions were presented in the Trial Budget totaling \$29.3 million since no employee pay concessions or revenue were able to be assumed at that point. However, throughout the month of April, the City gathered about 1,700 comments from members of the Phoenix community at more than 20 budget hearings and in e-mails, letters, and phone calls. Nearly all of the comments expressed opposition to the proposed cuts in services.

Also, during that time, negotiations continued with labor units on new employee contracts. Most labor units have agreed to economic terms of contracts with compensation concessions of -1.6% in 2014-15 and an additional -0.9% in 2015-16. City employees agreed to compensation reductions on top of current concessions in order to continue community services. Staff recommends that the same overall level of compensation concessions be applied to all employee units, which removes the need for \$16.5 million of the service reductions that had been proposed in the Trial Budget.

Additionally, recognizing that many members of the community communicated a willingness to pay some additional taxes and fees, the Council approved the 60-day posting of several revenue items to be considered for the 2014-15 budget. This budget recommends additional revenue items totaling \$11.0 million, or an increase of just over 1% for 2014-15. Due to the legally required 60-day posting period, the Council action to adopt any revenue changes would take place on June 18, 2014, the same date scheduled for adoption of the final budget ordinances.

**Efficiencies, Deferrals, and Cost Realignment-** As presented in the Trial Budget, efficiency actions and deferral of equipment replacement resulted in a General Fund budget savings of \$8.4 million that reduce the deficit. Additional efficiencies and cost realignment actions proposed in the City Manager's Proposed Budget further reduce General Fund costs by approximately \$1.8 million and include:

- A Public-Private Partnership with Grand Canyon University which is contributing \$125,000 for the City's Drowning Prevention and Graffiti Busters programs.
- Using \$1.1 million in one-time funds available in the Fire Neighborhood Protection Fund (Proposition 301) for the replacement cost of one Fire ladder truck. This will not affect the timing of hiring of new Firefighters.
- Slightly reducing growth to the Contingency Fund from \$2 million to \$1.6 million, which increases the fund from 3.9 to 3.95% of General Fund operating costs. Taking the amount to \$45.3 million, it represents the highest ever General Fund Contingency and keeps the City on path toward its 5% goal.
- Resetting the implementation date of the second phase for Police Central Booking civilianization to September 1, 2014, saving \$187,000 in 2014-15. The hiring of 15 new civilians to this detail will enable 15 Police Officers to return to patrol and investigative work.

The additional efficiency and cost realignment actions shown above total \$1.8 million and enable restoration of the following programs:

- Fire Drowning Prevention
- Fire Crisis Intervention
- Graffiti Busters dedicated staff
- Senior centers
- Holiday Pool, Pierce Pool, and fully accessible Telephone Pioneer Pool
- Channel 11 closed captioning

The full restoration of all services, as recommended in this balanced City Manager's Proposed Budget relies on the additional -1.6% concessions in 2014-15 for all employees and labor units. Full service restoration also depends on implementation of recommended additional revenue of about 1%. However, if 2014-15 employee compensation costs are not reduced by at least \$16.5 million, and/or if recommended additional ongoing revenue of at least \$11.0 million is not implemented, service reductions would be needed to balance the General Fund budget. Attached to this report are **Attachments B and C**, which outline the potential service reductions in the event that employee costs are reduced by less than \$16.5 million, and/or additional revenue is less than \$11.0 million.

**Employee Costs-** At time of the printing of this report, a ratified agreement had been reached with labor Unit 1 (LIUNA 777), and tentative agreements had been reached with Unit 3 (AFSCME 2960) and Unit 5 (IAFF) on new two-year contracts that begin July 1, 2014. The agreements include compensation concessions of -1.6% in 2014-15 and an additional -0.9% in 2015-16. Agreements have not been reached with labor Unit 2 (AFSCME 2384) or Unit 4 (PLEA). A final Council decision for all contracts is scheduled to occur on May 7, 2014.

As part of the shared sacrifices approach that minimizes the impact to any particular solution component, staff recommends all City employees take the same level of pay concessions necessary to balance the budget without service reductions.

**Earlier Hiring of New Police Officers and Firefighters-** The recommended compensation concessions would also allow the City to begin hiring new sworn Police Officers next fiscal year, and to begin hiring new sworn Firefighters sooner than planned in 2014-15. This is because in addition to the General Fund savings enabling restoration of services, the cost reductions generate savings in the Public Safety Specialty Funds.

As discussed in the February 25, 2014, report and presentation to the City Council regarding the Public Safety Specialty Funds, these funds are currently in the middle of a Council-adopted balancing plan that relies on a Police Officer and Firefighter hiring freeze to avoid layoffs to sworn personnel. The additional savings would accelerate the balancing of these funds allowing the earlier hiring.

**Revenue-** Staff confirms the estimate of 3.0% growth in 2014-15 for current General Fund revenue above the 2013-14 revised estimate. The basis for these estimates along with additional explanation and information regarding revenue and economic assumptions are outlined in detail in the 2014-15 Trial Budget. The new report added this year provides an overview of General Fund revenue, historical amounts and growth rates, and detail for each specific major revenue category.

Also, the balanced 2014-15 City Manager’s Proposed Budget includes a net increase of \$11.0 million (including implementation costs for parking meters), an increase of about 1% to ongoing General Fund resources. The additional revenue closes the gap on the remainder of the projected 2014-15 budget deficit, enabling a balanced budget without impacting services to the community.

Recommended additional ongoing revenue is listed below:

<b>General Fund Revenue Source</b>	<b>2014-15 Estimate</b>
Additional excise tax collected through City municipal service bills and based on water meter size; \$1.50 for single family residential and higher for larger water meters- uses the municipal services bill as an efficient collection mechanism:	\$9.5 million
Implement proposed demand-based pricing for parking meter system, along with expanded hours, and fees ranging from \$0.50 to \$6.00 per hour based on time, day, location, and special events (less implementation expenses):	\$0.8 million
<p>To help offset program costs:</p> <ul style="list-style-type: none"> <li>• increase fee for annual passes for adult recreation by \$10 for residents and by \$20 for non-residents*</li> <li>• increase fee for annual passes to Senior Centers by \$10 for residents and by \$20 for non-residents (maintaining the same fee for senior and adult recreation passes allows seniors to use one pass for both types of facilities)</li> <li>• increase charge for replacement cards by \$3*</li> <li>• increase fee for adult sports team athletic field usage by \$2 per hour for residents and by \$2.50 for non-residents and for youth sports team athletic field usage by \$2 per hour for residents and by \$4 for non-residents*</li> <li>• implement new \$5 per hour fee for lighting fields at night*</li> </ul> <p>*Parks and Recreation items requires approval by City of Phoenix Parks and Recreation Board per City Charter</p>	\$0.7 million
<b>TOTAL</b>	<b>\$11.0 million</b>

**Sale of Excess City-Owned Real Property-** In April, the City Council approved moving forward with the marketing and sale of five City-owned real properties identified as excess, in addition to properties previously authorized. The properties will be advertised on the open market through the Council-approved broker, Jones Lang LaSalle, at market value to be determined by an appraisal, broker opinion of value, or other valuation method accepted by the City. The properties are located at:

- 12th Street and Greenway Parkway
- 4056 East Washington
- 5347 North 19th Avenue
- 1124 West Camelback
- 139 East Jesse Owens Parkway

Properties that had been previously approved by the Council include:

- 22nd Avenue and Greenway Road
- 101 South Central Avenue (Barrister)

The sale of City-owned properties will result in one-time proceeds that will be available to offset needed one-time expenses. Already accounted for in the proposed 2014-15 General Fund budget is \$1.5 million from expected property sales to help offset decreased revenue resulting from reducing the food sales tax from 2% to 1%. It is not certain how much additional proceeds above the first \$1.5 million might be available from the sale of these properties for 2014-15. A preliminary estimate based on current property values shows that the sales may result in approximately \$3.1 million in one-time revenue that could be applied toward additional technology, equipment, vehicle, or other one-time expenses. Staff recommends that the one-time revenue be used to cover the costs of an expected special election in the fall of 2014 using the Maricopa County ballot, estimated at \$525,000. The one-time funding would also be available to offset the costs of necessary Public Safety technology, including replacement of the Fire Computer Aided Dispatch system and completion of the Police Records Management System conversion. Regionally participating cities have already contributed their share of the funding for the project to replace the Fire CAD system, which will begin in 2014-15, and the one-time proceeds would provide some of the needed City funding for this project.

Recommended Elimination of Vacant Positions/Reduced Salary Savings:

Most department budgets include a vacancy savings line item, which is a credit amount for expected cost savings from vacancies occurring during the year offsetting budgeted expenditures. This line item is intended to account for savings realized due to natural turnover and the typical time to recruit and fill positions. It helps ensure budgeted costs more closely match actual expenses. In recent years, the General Fund vacancy savings credit amounts have increased reflecting the City's hiring slowdown to achieve temporary savings.

Staff recently conducted a review of vacant full-time General Fund civilian positions to determine whether elimination of the position would result in:

- Risk to citizen or employee safety;
- Reduction of current services to the Community;
- Negative impact to internal controls or City risk; and/or
- Decreased revenue, or increased costs.

As a result of the review, 68 full-time General Fund civilian vacant positions that do not meet the above criteria will be eliminated along with a corresponding reduction of \$4.3 million to FY 2014-15 General Fund salary savings. Because the eliminated civilian vacancies are offset by a corresponding reduction to budgeted salary savings, the change results in a net \$0 impact to the General Fund budget's bottom line. Also to be eliminated are 35 full-time civilian vacant positions in the Police Public Safety Expansion Fund. These positions were initially authorized as part of anticipated civilian support as sworn Police positions were filled. However, the civilian positions are vacant and unfunded due to the negative balances in Public Safety funds. The total dollar value of the 35 Expansion Fund positions is about \$2.1 million. Salary savings within the fund will decrease \$1.8 million, resulting in a net savings of about \$300,000. As part of efforts to ensure ongoing resources match ongoing expenditures, the City must not continue to rely on one-time actions to balance the budget. Reducing the current level of vacancy savings is necessary to ensure ongoing expenses are covered by ongoing resources.

#### 2014-15 Budget

**General Fund-** The proposed 2014-15 General Fund budget is \$1,148,720,000. This is a 1.9% increase from the adopted 2013-14 General Fund budget of \$1,127,815,000. It is \$50.6 million, or 4.2% below the 2007-08 peak amount of \$1,199,298,000 for the General Fund.

**All Funds-** For all funds, which includes General, Enterprise, and Special Revenue Funds such as grants, and all debt service and pay-as-you-go capital costs, the proposed 2014-15 budget amount is \$3,346,490,000. This is a 4.5% decrease from the adopted 2013-14 budget of \$3,502,506,000 for all funds. The 2014-15 All Funds budget is \$389.3 million, or 10.4% below the 2008-09 peak amount of \$3,735,754,000 for all funds.

Information regarding changes to positions and necessary funding to operate new capital facilities, and for non-General Fund supplemental changes in the Aviation, Community and Economic Development, Housing, Parks and Recreation, Planning and Development, Public Works, and Water Departments are provided in **Attachment D**.

Extensive budget detail for all City funds is provided in several schedules in **Attachment E** to this report. The various budget schedules include:

- Resources and expenditures by fund for 2012-13 actual, 2013-14 estimate, and 2014-15 proposed budget
- Proposed revenues for all City funds by major source
- Proposed expenditures by department, including fund source
- Proposed debt service by program, source of funds, and expense type
- Preliminary pay-as-you-go 2014-15 Capital Improvement Program budget
- Proposed interfund transfers
- Proposed full-time equivalent (FTE) positions by department
- Preliminary 2014-15 Capital Improvement Program resources and expenditures by capital fund, program, and fund source
- Summary of proposed property tax levy and rate information

#### NEXT STEPS

The City Manager's Proposed Budget is presented for information and discussion only at the May 6, 2014, Policy meeting. The Council and public will then have two weeks to review the proposal, and the 2014-15 budget is scheduled for Council action on the May 20, 2014, Policy agenda. Following the Council's budget action on May 20, both the City Charter and State Law require subsequent public notification, advertising, and legal Council actions. The May 20 Council action provides staff with clear direction and sufficient time to prepare the required legal publications for the following actions:

- June 4, 2014, Formal meeting: public hearing and adoption of tentative budget ordinance
- June 18, 2014, Formal meeting: 2nd public hearing and adoption of formal budget ordinance
- July 2, 2014, Formal meeting: adoption of property tax levy ordinance

#### RECOMMENDATION

No action is requested at this time. Action on the 2014-15 budget is scheduled for the May 20, 2013, Council Policy meeting.

#### ATTACHMENTS

**Attachment A-** Services Restored

**Attachment B-** First Group of Potential Services to Cut From, if necessary

**Attachment C-** Second Group of Potential Services to Cut From, if necessary

**Attachment D-** Necessary Supplemental Changes

**Attachment E-** Various Budget Schedules

**2014-15 City Manager's Proposed Budget  
Attachment A**

**GENERAL FUND**

**RESTORATION OF ALL SERVICE REDUCTIONS**

The recommended actions in the 2014-15 City Manager's Proposed Budget restore all \$29.3 million of reductions to services that were presented in the Trial Budget.

As outlined in the 2014-15 City Manager's Proposed Budget, no reductions to services are necessary to balance the General Fund.

Any changes that would reduce the estimated \$11.0 million of recommended additional net revenue, or that would decrease the \$16.5 million savings from recommended employee compensation concessions, would require reductions to City services. Two levels of potential service reductions are listed on Attachments B and C if required to balance the budget.

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<u>Department</u>	<u>2014-15</u>
 <b><u>City Auditor</u></b>	
1. Reduce audits, program evaluations, and similar assignments by six major studies per year. As with all reductions to audits, this increases the risks to the City and reduces the ability to improve financial controls or to identify fraud, waste and abuse.	\$(91,000) (1.0)
<b>Total</b>	<b>(91,000)</b> <b>(1.0)</b>
 <b><u>City Clerk and Elections</u></b>	
1. Reduce operating hours at the Records Center and increase wait times at the City Hall 15th floor customer service counter. In addition, this reduction would delay responses to public records requests.	(67,000) (1.0)
2. Eliminate floor to floor US mail and Interoffice mail delivery to Phoenix City Hall and the Calvin Goode Building. This reduction would decrease productivity and customer service in various departments as it would require departments to assign existing staff to drop off and pick up mail at a central location in each building.	(41,000) (1.0)
3. Close the Rapid Copy Center which would result in all printed materials, including weekly council agendas and packet information, being printed offsite at the main print shop and delivered to City Hall the next business day. The ability to add late items to the agenda or packet would be negatively impacted, and copies of council agendas and packets would be delayed from Thursday distribution to Friday.	(37,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
4. Eliminate Saturday early voting and the Saturday prior to election day at voting center sites. Early voting would still be available at City Hall during business hours and voting centers would still be open on the Monday prior to election day. This elimination will reduce the flexibility individuals have to vote.	(19,000) -
<b>Total</b>	<b>(164,000)</b> <b>(3.0)</b>
 <b><u>City Council</u></b>	
1. Reduce Council Office budgets for community outreach and constituent services.	(120,000) -
<b>Total</b>	<b>(120,000)</b> -
 <b><u>City Manager's Office</u></b>	
1. Eliminate coordination of the Citywide Volunteer Program. This cut would constrain the City's ability to recruit and utilize volunteers in service delivery, which helps keep costs down while enabling the community to contribute time and work to important programs.	(135,000) (1.0)
<b>Total</b>	<b>(135,000)</b> <b>(1.0)</b>
 <b><u>Community and Economic Development</u></b>	
1. Eliminate an administrative position responsible for oversight of department contract compliance, legislative review, procurement, public records requests and internal and external audits.	(125,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
2. Reduce administrative support for the Sister Cities International Program internship activities.	(60,000) (1.0)
<b>Total</b>	<b>(185,000)</b> <b>(2.0)</b>

**Equal Opportunity**

1. Reduce support staff in the Small and Disadvantaged Business Enterprise (S/DBE) certification program. This reduction would result in higher level staff taking on more administrative duties and delay turnaround time for S/DBE application processing.	(72,000) (1.0)
2. Further reduce support staff in the City's S/DBE program, which would extend turnaround time for application processing and result in an increased risk of noncompliance with federal regulatory requirements. If the City is found to be non-compliant, federal transportation funding could be jeopardized.	(66,000) (1.0)
<b>Total</b>	<b>(138,000)</b> <b>(2.0)</b>

**Finance**

1. Reduce tax enforcement field inspections to identify unlicensed businesses and decrease identification of non-compliant business activities.	(61,000) (1.0)
2. Reduce accounting support, decreasing internal controls for daily cash and banking reconciliation; and eliminate funding for mailing Notice of Violation payment reminders, potentially decreasing revenue.	(80,000) (1.0)
3. Reduce and reclassify accounting staff in accounts payable section, delaying the processing of payments.	(41,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<u>Department</u>	<u>2014-15</u>
4. Further delay tax enforcement field inspections to identify unlicensed businesses and decrease identification of non-compliant business activities. This reduction is offset by part time staff added in the City Clerk Department to continue posting liquor license notification signs.	(27,000) 0.3
5. Reduce support for inputting tax form data, resulting in a delay in recording tax receipt information and reporting monthly revenue, fewer taxpayer education classes, and less staff time for enhanced compliance programs.	(52,000) (1.0)
6. Significantly delay the invoicing of customers for centrally billed services, reduce internal controls, and potentially impact the monthly and annual financial closing processes.	(70,000) (1.0)
7. Reduce administrative support services, reducing customer service and delaying payments to vendors.	(73,000) (1.0)
8. Reduce tax collection support, delaying responding to taxpayer's requesting assistance and requiring eligible delinquent accounts be assigned to a collection agency.	(181,000) (2.0)
<b>Total</b>	<b>(585,000)</b> <b>(7.7)</b>
 <b><u>Fire</u></b>	
1. Reduce clerical support in the Resource Management Section. This will increase response times for delivery of supplies to fire stations.	(55,000) (1.0 civilian)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
2. Reduce staff support in the Resource Management Section. This reduction could create backlogs in the delivery of important supplies throughout the department.	(63,000) (1.0 civilian)
3. Reduce accounting support in the Fiscal Management Section. This will increase processing time for payments to vendors.	(48,000) (1.0 civilian)
4. Reduce funding for Part-Time Rescue/Adaptive Response units that provide patient transportation during peak hours. This reduction could impact response times in areas of the city with high call volume.	(45,000) -
<b>Total</b>	<b>(211,000)</b> <b>(0.0 Sworn)</b> <b>(3.0 Civilian)</b>

**Government Relations**

1. Eliminate funding for business travel necessary to maintain strong communications and information sharing with other cities and with other levels of government. Also reduces the city's ability to communicate important needs to federal agencies and delegations involved in allocating grant funds to critical city programs.	(192,000) (1.0)
<b>Total</b>	<b>(192,000)</b> <b>(1.0)</b>

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<b><u>Department</u></b>	<b><u>2014-15</u></b>
<b><u>Human Resources</u></b>	
1. Reduce support for the Employee Driver's Training Academy (EDTA). This will increase the turn-around time for driving record background checks and other new employee hire associated responsibilities, and decrease internal service.	(68,000) (1.0)
2. Reduce support for the labor relations program. This reduction will result in process delays, and the elimination of citywide grievance tracking that will diminish the ability to identify trends for proactive intervention.	(68,000) (1.0)
3. Reduce pay and leave auditing, employee training support, and decrease internal controls.	(76,000) (1.0)
4. Reduce support to departments participating in the shared human resources services. This decrease will reduce personnel advice to departments in such areas as City HR policies, grievance support, safety concerns, and investigation of employee misconduct, which increases risks of injury, lawsuits, and operational issues.	(105,000) (1.0)
<b>Total</b>	<b>(317,000)</b> <b>(4.0)</b>
<b><u>Human Services</u></b>	
1. Reduce contracts monitoring support. This decrease will reduce oversight and delay the timely implementation of the department's contracts with outside agencies involved in delivery of important services to seniors and other Human Services clients.	(59,000) (1.0)
2. Reduce fiscal support to the Senior Services Division which will weaken departmental financial controls and reporting.	(81,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<u>Department</u>	<u>2014-15</u>
3. Reduce coordination of the Human Services volunteer program. This reduction may reduce volunteer hours in support of critical community programs such as senior services, Heat Relief Network, COMFORT, and Earned Income Tax Credit Campaign.	(81,000) (1.0)
4. Reduce customer service support at Family Service Centers. This reduction would increase the workload for case workers and result in significantly fewer families served.	(141,000) (3.0)
5. Reduce food assistance funding to local food banks by 33 percent; which brings the total funding to half of the original amount, in-line with the 50% reduction to the Temporary Emergency Sales Tax on Food.	(63,000) -
6. Reduce technology improvements at Senior Centers, decreasing the number of planned Wi-Fi installations.	(67,000) -
7. Reduce senior programs by 50%, significantly decreasing entertainment and class opportunities for seniors.	(77,000) -
<b>Total</b>	<b>(569,000)</b> <b>(6.0)</b>

**Information Technology Services**

1. Reduce IT administrative and desktop support throughout the department. This reduction will also impact the department's support of client departments and result in significantly reduced turnaround times.	(191,000) (2.0)
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**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<u>Department</u>	<u>2014-15</u>
2. Halt Customer Care and Billing (CC&B) report development for the Water and Public Works departments. This reduction would dramatically reduce the department's ability to provide enterprise support to the CC&B environment and negatively impact Water and Solid Waste customers.	(148,000) (1.0)
3. Discontinue Fire VHF Radio Communications System support. This reduction would eliminate staff support of the Fire VHF System and would result in the loss of control standards and a severe compromise of site security.	(115,000) (1.0)
4. Completely eliminate Delphi and WebLogic support for applications used by Streets, Public Works and Water Services. This reduction would require more costly outside consulting services for any changes to WebLogic applications in the future and would negatively impact contractors that need access to City information.	(148,000) (1.0)
5. Limit changes to the GIS environment to maintenance updates and basic changes. This reduction would require that major GIS projects be funded separately and conducted by outside consultants. This reduction would also impact contractors who need access to accurate map data for right of way projects.	(282,000) (2.0)
6. Significantly reduce maintenance for the Regional Wireless Cooperative (RWC) Radio Network. This reduction would severely diminish staff's ability to provide effective maintenance to the RWC radio network, which supports regional public safety operations and communication.	(115,000) (1.0)
<b>Total</b>	<b>(999,000)</b> <b>(8.0)</b>

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<u>Department</u>	<u>2014-15</u>
 <b><u>Law - Civil</u></b>	
1. Reduce internal legal support and representation to several internal departments including Neighborhood Services and Finance Department. This reduction will require the remaining staff to absorb the additional workload.	(182,000) (1.0)
2. Reduce internal administrative staff responsible for supporting multiple attorneys. This reduction could have an adverse impact on the timely and accurate processing of information related to civil cases.	(50,000) (1.0)
<b>Total</b>	<b>(232,000)</b> <b>(2.0)</b>
 <b><u>Law – City Prosecutor</u></b>	
1. Eliminate staff responsible for providing complex legal advice and representation, as well as key managerial oversight. This reduction would negatively impact the day-to-day operations of the Prosecutor's Office.	(182,000) (1.0)
2. Reduce legal staff assigned to the Community Prosecution Division. This reduction would severely impact efforts to eliminate blight and crime in troubled neighborhoods.	(160,000) (1.0)
3. Reduce case management in the Victims Services Division. This reduction would impair the department's ability to adequately support victims of crime, including ensuring victims are able to navigate the complex judicial system.	(90,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
4. Reduce internal administrative staff responsible for supporting multiple attorneys. This reduction could have an adverse impact on the timely and accurate processing of information related to criminal cases.	(86,000) (1.0)
5. Reduce legal staff assigned to the Community Prosecution Division. This reduction would not only severely impact efforts to eliminate blight and crime in troubled neighborhoods it would also negatively impact legal services benefitting the community.	(160,000) (1.0)
<b>Total</b>	<b>(678,000)</b> <b>(5.0)</b>
 <b><u>Mayor</u></b>	
1. Reduce Mayor Office budgets for community outreach and constituent services.	(58,000) -
<b>Total</b>	<b>(58,000)</b> -
 <b><u>Municipal Court</u></b>	
1. Eliminate the sentence monitoring unit. This will require a major shift in operations forcing the Judge and Bailiff to monitor and enforce their own orders which will slow down service and create an additional drain upon an already burdened courtroom.	(261,000) (4.0)
2. Eliminate a City Judge position, which would result in reduced service levels and spreading of caseloads across existing staff.	(246,000) (1.0)
3. Eliminate an information technology position assigned to the Court Management System. This will delay required analysis and programming.	(86,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<u>Department</u>	<u>2014-15</u>
4. Eliminate a position within the Tax Intercept program. Although service levels will decrease, there will be little to no negative revenue impact associated with this reduction.	(48,000) (1.0)
5. Eliminate a position within the Customer Service Division. This reduction will increase wait times for customers waiting to check into court and making payments in person.	(50,000) (1.0)
6. Eliminate a position responsible for administration of the Court's Defensive Driving Program. This reduction could reduce the effectiveness of this program and would compromise the level of customer service provided.	(79,000) (1.0)
7. Eliminate a position that provides critical budgetary and procurement duties within Information Systems and Technology Division. This reduction would eliminate daily budget monitoring and increase purchasing timelines which could result in delays.	(70,000) (1.0)
8. Reduce the number of hours the call center is open to the public from nine hours per day to four hours per day. This change would adversely impact customers resulting in increased call wait times, delayed record delivery to courtrooms and create a backlog in case file creation and filing.	(200,000) (4.0)
9. Eliminate a position responsible for contract administration of the seven vendors performing external collection services. Lack of contract monitoring may adversely impact revenue.	(83,000) (1.0)
<b>Total</b>	<b>(1,123,000)</b> <b>(15.0)</b>

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<u>Department</u>	<u>2014-15</u>
 <b><u>Neighborhood Services</u></b>	
1. Eliminate funding for two contracted staff, resulting in a 14% reduction in graffiti removal or over 10,000 fewer sites cleaned each year citywide. This would increase the average complaint based graffiti removal response time from approximately one day to an estimated average of three days.	(101,000) -
<b>Total</b>	<b>(101,000)</b> -
 <b><u>Office of Arts and Culture</u></b>	
1. Reduce Public Art Program support. This reduction would reallocate duties to existing staff, adversely impacting staff's ability to complete public art projects.	(34,000) (1.0)
<b>Total</b>	<b>(34,000)</b> <b>(1.0)</b>
 <b><u>Parks and Recreation</u></b>	
1. Close two summer neighborhood centers. The closure of Barrios Unidos and Holiday neighborhood centers would impact 7,100 user visits during the annual eight week summer program. These facilities provide youth ages 7-17 a place to participate in recreational programs.	(24,000) (0.6)
2. Eliminate supervised activities at the Rose Mofford and Encanto Sports Complexes. This reduction increases the risk of vandalism due to the complex having to remain open similar to flatland parks. All programs, equipment rentals, community events, and partnerships would also be eliminated. These facilities logged over 200,000 visits annually.	(214,000) (6.4)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
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<b><u>Department</u></b>	<b><u>2014-15</u></b>
3. Reduction of operating hours at all 13 community centers. This would reduce operating hours from 65 to 37 hours per week.	(1,076,000) (14.0)
4. Close 3 of the 13 community centers. This reduction would eliminate over 1,200 classes, programs, and special events. These closures would impact approximately 115,000 users.	(1,710,000) (19.5)
5. Close the South Phoenix Youth Center as a result of the non-profit service provider no longer being able to operate the center. Restoring services with City staff would cost \$67,000.	- -
<b>Total</b>	<b>(3,024,000)</b> <b>(40.5)</b>

**Phoenix Convention Center**

1. Reduce security services in the Regency and Heritage Garages by 40%. This would significantly reduce the security presence in the garages, decreasing patron's sense of safety, and could result in decreased usage and further reduce revenue.	(60,000) -
<b>Total</b>	<b>(60,000)</b> -

**Phoenix Employment Relations Board**

1. Reduce funding for Board members to obtain training and the opportunity to exchange best practices with other agencies in administering labor-management relations laws.	(3,000) -
<b>Total</b>	<b>(3,000)</b> -

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
<b><u>Planning and Development</u></b>	
1. Reduce information technology support for the Planning Department's zoning case management system which could reduce quality and/or availability of information to the public.	(125,000) (1.0)
2. Eliminate staff dedicated to providing socioeconomic, demographic, and land use data for city departments, outside agencies, and residents. This would significantly reduce the city's ability to provide data for federal grant applications, economic development activities, and custom maps relying on census data related information.	(125,000) (1.0)
<b>Total</b>	<b>(250,000) (2.0)</b>
<b><u>Police</u></b>	
1. Eliminate funding for the final phase of the Central Booking Unit civilianization plan. This reduction will require some officers to continue staffing the Central Booking Unit and prevent the department from transitioning remaining officers to first response and crime prevention related duties.	(935,000) (15.0 civilian)
2. Reduce the department's expenses by requiring the hosts of special events to pay for the costs associated with barricade rentals.	(246,000) -

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
3. Reduce flight hours in the Air Support Unit by approximately 600 hours annually. This reduction will hamper the ability of the air support unit to provide essential support to a variety of critical police department operations including but not limited to patrol, barricades and surveillance. Increased response times should also be expected.	(369,000) -
<b>Total</b>	<b>(1,550,000)</b> <b>(0.0 sworn)</b> <b>(15.0 civilian)</b>
 <b><u>Public Defender</u></b>	
1. Reduce compensation paid to Court Appointed Attorneys providing legal services in criminal cases. The consequence of this reduction is that turnover will increase and potentially less qualified attorneys will provide constitutionally mandated legal representation.	(147,000) -
<b>Total</b>	<b>(147,000)</b> -
 <b><u>Public Information Office</u></b>	
1. Reduce PHX11 technical support that could reduce the number of shows produced each year.	(40,000) (0.8)
2. Reduce contracted television engineering, commodities, and cellular phone services. This reduction would significantly delay the repair of equipment used for off-site and in-studio filming, and will reduce staff ability to promptly respond to requests for information.	(30,000) -
<b>Total</b>	<b>(70,000)</b> <b>(0.8)</b>

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND**

**FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

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<b><u>Department</u></b>	<b><u>2014-15</u></b>
<b><u>Public Works</u></b>	
1. Reduce the oversight capabilities for daily operations with private contractors responsible for custodial work, pest control, and general City services for City-owned buildings.	(62,000) (1.0)
2. Reduce support for electrical systems in all City buildings. This will cause delays in the scheduled maintenance of power systems as required to maintain City assets and potentially impact public access.	(131,000) (2.0)
3. Eliminate the swing shift at the 22nd Avenue Center South Shop. This will result in delays for repairs, towing, and dispatching services for all City vehicles between 2:30pm and 10:30pm which would also impact service to the public.	(68,000) (2.0)
4. Further reduce support for electrical systems in all City buildings. This will cause delays in response times, project completions, and could develop into safety issues if adequate resources are not available to handle departmental requests.	(70,000) (1.0)
5. Eliminate 3rd shift at Union Hills and Okemah Service Centers. This will result in delays for repairs, towing, and dispatching services for all City vehicles between 10:00pm and 6:30am which would also impact service to the public.	(132,000) (4.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<b><u>Department</u></b>	<b><u>2014-15</u></b>
6. Reduce support of City buildings, including, maintaining roofs, doors, awnings, and other fixtures. This will increase the backlogged departmental requests, limit the ability to protect City assets, and could negatively impact building safety.	(199,000) (3.0)
<b>Total</b>	<b>(662,000)</b> <b>(13.0)</b>
 <b><u>Street Transportation</u></b>	
1. Reduce funding for outside training which will reduce the ability to develop and deliver necessary technical trainings.	(6,000) -
2. Eliminate the purchase and assembly of portable 15 MPH school zone signs. The city has no legal obligation to provide these signs but currently does so as a courtesy to school districts.	(33,000) -
3. Eliminate the oversight of the Adopt-A-Street and Banner Programs. This will decrease oversight of adopted streets to ensure trash is being removed, and will reduce assistance to residents wishing to hang banners and decrease monitoring for compliance with banner regulations.	(118,000) (1.0)
4. Reduce freeway landscape irrigation. This will reduce the frequency of watering during warmer months and may result in dead vegetation and blighted areas along the freeway corridors in Phoenix.	(132,000) -
5. Reduce the response time to repair traffic signal and lighting malfunctions, delaying the construction of new traffic signals, high intensity activated crosswalk pedestrian crossing beacons (HAWKs), and the countdown pedestrian signal head conversion project.	(122,000) (2.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<b><u>Department</u></b>	<b><u>2014-15</u></b>
6. Reduce crack seal activities needed for preparing residential streets for asphalt overlay, slurry treatment, fog seal and repairing cracks in the pavement. This will reduce the annual number of miles of overlay for major streets from 18 to 17, reduce non-overlay related crack seal work by 78 miles annually, and increase the rate of deterioration of streets.	(191,000) (3.0)
7. Reduce materials testing and monitoring in the field and at the Materials Lab of concrete, asphalts, and soils. This reduction could jeopardize the quality of materials used for construction projects and thus reduce their useful life.	(69,000) (1.0)
8. Reduce utility coordination and GIS data entry. This reduction will result in longer turnaround times for utility customers, and jeopardize the accuracy of tracking SRP licenses, utility easements, and utility construction agreements.	(38,000) (1.0)
9. Reduce pavement marking program. This reduction will delay the installation and maintenance of traffic markings and increase the current replacement cycle from 1-2 years to more than two years.	(54,000) (1.0)
10. Eliminate the slurry seal program. Slurry seal is a surface treatment that extends the life of existing road surfaces. The slurry seal program is more cost effective for small areas than an asphalt overlay, thus fewer miles of repair will be completed.	(208,000) (3.0)

**2014-15 City Manager's Proposed Budget  
Attachment B**

**GENERAL FUND  
FIRST GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount of \$13.1 million or less.

<u>Department</u>	<u>2014-15</u>
11. Reduce in-pavement vehicle detector loop installation and repair. Loop detectors sense the presence of vehicles and send the information to the traffic signal controller. This reduction will significantly increase the number of signals that will be operating on a default setting versus a sensor, which will increase levels of traffic congestion.	(153,000) (4.0)
12. Reduce street landscape replacement and repair. Fewer dead plants and trees will be replaced, and fewer irrigation systems will be repaired. In addition, damaged screen walls will be removed rather than repaired.	(103,000) -
13. Reduce Right-of-Way oversight and management. This reduction will diminish the response time to emergency traffic restrictions caused by events such as broken water lines, construction activities, and civil demonstrations.	(129,000) (1.0)
14. Reduce roadway design and review of public- private projects. This reduction will result in delays to arterial street, sidewalk, and street modernization construction projects.	(37,000) (1.0)
<b>Total</b>	<b>(1,393,000)</b> <b>(18.0)</b>
<b>Total Proposed Reductions</b>	<b>\$(13,091,000)</b> <b>(0.0 Sworn)</b> <b>(151.0 Civilian)</b>

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

**Department**

**2014-15**

**Budget and Research**

- |  |                      |
|--|----------------------|
| 1. Eliminate a position that conducts detailed budget reviews and operational research. This will hinder efforts to increase transparency and negatively affect the ability to thoroughly manage costs, identify savings and conduct research studies to improve operations and increase efficiency. | \$(135,000)<br>(1.0) |
|--|----------------------|

**Total**

**(135,000)  
(1.0)**

**City Auditor**

- |   |                    |
|---|--------------------|
| 1. Reduce audits, program evaluations, and similar assignments by six major studies per year. As with all reductions to audits, this increases the risks to the City and reduces the ability to improve financial controls or to identify fraud, waste and abuse. | (124,000)<br>(1.0) |
|---|--------------------|

**Total**

**(124,000)  
(1.0)**

**City Clerk and Elections**

- |   |                   |
|---|-------------------|
| 1. Elimination of off-site mail delivery and pickup. This reduction would decrease productivity and customer service in various departments as it would require departments to assign existing staff to drop off and pick up mail at a central location in each building. | (55,000)<br>(1.0) |
|---|-------------------|

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

- |    |   |                   |
|----|---|-------------------|
| 2. | Reduction of printing services. This reduction would increase turnaround time for print jobs for projects needing short turn-around times, and thus could increase costs if outside printing services are used. | (32,000)<br>(1.0) |
|----|---|-------------------|

<b>Total</b>	<b>(87,000)</b> <b>(2.0)</b>
--------------	---------------------------------

**Community and Economic Development**

- |    |  |               |
|----|--|---------------|
| 1. | Reduce funding used to conduct economic development studies like redevelopment planning studies, market data trends and developing economic forecasts. This would limit staff's ability to timely respond to City Council requests for this information. | (95,000)<br>- |
|----|--|---------------|

<b>Total</b>	<b>(95,000)</b> -
--------------	----------------------

**Equal Opportunity**

- |    |   |                    |
|----|---|--------------------|
| 1. | Reduce funding to administer the S/DBE Goals Compliance program which monitors the participation of S/DBEs in City and federally-funded construction subcontracting and contracting opportunities. This would result in longer response times to resolve contractor concerns, reduced program oversight and reporting, and fewer business forums to solicit community feedback. | (136,000)<br>(1.0) |
|----|---|--------------------|

<b>Total</b>	<b>(136,000)</b> <b>(1.0)</b>
--------------	----------------------------------

**Finance**

- |    |  |                   |
|----|--|-------------------|
| 1. | Further reduce tax enforcement field inspections to identify unlicensed businesses and decrease identification of non-compliant business activities. | (68,000)<br>(1.0) |
|----|--|-------------------|

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

2.	Reduce tax collection support staff, decreasing the department's ability to supervise remaining staff and respond to taxpayer requests for assistance.	(105,000) (1.0)
3.	Reduce accounting support, reducing detailed reviews, timeliness of adjustments and accuracy of financial reports.	(84,000) (1.0)
4.	Reduce administrative support in the Real Estate section, resulting in a reduction of internal service levels, and slowing processing of procurements and real estate transactions.	(49,000) (1.0)
	<b>Total</b>	<b>(306,000) (4.0)</b>

**Fire**

1.	Eliminate the Fire Prevention Section which is part of the Fire Prevention General Inspection Program. The loss of this section would result in drastic reductions in fire code inspections for new and existing buildings, code compliance inspections for general and business/occupancy inspections and fire code enforcement. This reduction would also eliminate permitting for barrier fencing in commercial occupancies and the Pool Safety Program.	(1,840,000) (19.0 civilian)
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**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

- |    |   |                             |
|----|---|-----------------------------|
| 2. | Eliminate the Special Operations Section of the Fire Emergency Medical Services and Hazardous Incident Response Program. This section is responsible for the training and certification of our special operations response units. This includes our response to hazardous materials and technical rescue incidents. The elimination of this section would create a void in the required training programs necessary to keep our special response teams certified. | (552,000)<br>(1.0 civilian) |
|----|---|-----------------------------|

<b>Total</b>	<b>(2,392,000)</b> <b>(0.0 Sworn)</b> <b>(20.0 Civilian)</b>
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**Human Resources**

- |    |  |                   |
|----|--|-------------------|
| 1. | Reduce support to human resources data entry and internal controls. This will increase the processing time and potential errors in employee absence audits, on performance and merit reviews, unemployment claims, disability claims, and child support documentation. | (68,000)<br>(1.0) |
| 2. | Reduce eligibility verification and auditing of employee benefits. This could increase risks of fraud, waste and abuse which increases City costs.   | (83,000)<br>(1.0) |
| 3. | Reduce clerical support of citywide recruiting and compensation services. This decreases internal services and overall citywide efficiency by delaying recruitment processes and requests to fill vacant positions.  | (62,000)<br>(1.0) |

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

4.	Eliminate the Language Education and Diversity Sensitivity (LEADS) program, which will also eliminate the foreign language customer service certification program. Also reduces overall ability to provide employee training.	(115,000) (1.0)
<b>Total</b>		<b>(328,000)</b> <b>(4.0)</b>

**Human Services**

1.	Reduce funding for Local Alcohol Reception Center (LARC). This reduction will decrease detox services by 180 participants and crisis stabilization services to 1,400 individuals.	(20,000) -
2.	Reduce funding to Central Arizona Shelter Services (CASS) contract which will result in 400 less homeless clients receiving services.	(74,000) -
3.	Reduce case management services, which will result in 104 fewer participants receiving short term emergency financial assistance and 624 fewer hours of long-term case management services for clients in need.	(65,000) (1.0)
<b>Total</b>		<b>(159,000)</b> <b>(1.0)</b>

**Information Technology Services**

1.	Reduce IT Enterprise Architecture services, which would hinder the department's ability to manage enterprise architecture compliance efforts and would require that more costly external professional services contracts be procured on an as-needed basis in the future.	(85,000) (2.0)
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**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

2.	Reduce technology project management services, which reduces the City's ability to implement important technology projects.	(468,000) (3.0)
3.	Eliminate staff that supports the City's Human Resource System (eChris). This reduction would limit the City's ability to implement automation projects that improve efficiency or utilize the system's full functionality. Any future project needs to be conducted by outside consultants and funded separately.	(284,000) (2.0)
<b>Total</b>		<b>(837,000) (7.0)</b>

**Law - Civil**

1.	Further reduce administrative support staff to the Civil Division. This reduction could negatively impact the timely processing of legal casework and inefficiently increase administrative responsibilities for attorneys.	(66,000) (1.0)
<b>Total</b>		<b>(66,000) (1.0)</b>

**Law – City Prosecutor**

1.	Reduce staff assigned to provide coverage within a courtroom at Phoenix Municipal Court. This reduction would cause immediate delays to the prosecution of cases and negatively impact crime victims.	(158,000) (2.0)
2.	Reduce staff responsible for providing key in-court representation, including pretrial disposition conferences, jury and non-jury trials and probation revocation hearings. This reduction could cause delays in the prosecution of some cases.	(113,000) (1.0)

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

3.	Reduce administrative staff support in the Community Prosecution division. This reduction could potentially lead to costly delays.	(60,000) (1.0)
4.	Reduce case management in the Victims Services division. This reduction has the potential to delay as many as 1,100 cases per month and negatively impact the quality of service offered to victims.	(76,000) (1.0)
<b>Total</b>		<b>(407,000) (5.0)</b>

**Municipal Court**

1.	Close a courtroom in the Civil Division and eliminate four positions, which will result in backlogs in processing defendants, less effectiveness in handling cases and increase the time a defendant waits until a hearing is scheduled.	(321,000) (4.0)
2.	Reduce courtroom operations support in the Criminal Division by eliminating two positions. This reduction would reduce customer service levels and add more cases to existing courtrooms.	(103,000) (2.0)
3.	Close a courtroom in the Criminal Division and eliminate three positions. This will result in adding more cases to existing courtrooms meaning the Court must schedule cases further into the future reducing the percentage of cases adjudicated timely.	(349,000) (3.0)
<b>Total</b>		<b>(773,000) (9.0)</b>

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

**Neighborhood Services**

1. Reduce code enforcement support and neighborhood preservation inspections, which would significantly increase complaint response times, case cycle times, and delay follow up on case management inquiries. Quality control and guidance on technically challenging cases would also be diminished.	(928,000) (12.0)
<b>Total</b>	<b>(928,000)</b> <b>(12.0)</b>

**Office of Arts and Culture**

1. Reduce grant funding for non-profit arts and culture organizations by 18% which would affect the financial health of arts and culture organizations and their ability to provide services to the community. This cut would compromise the growth and development of cultural opportunities, which attract residents and businesses, and may eliminate the Arts Education and Festival grant categories.	(123,000) -
<b>Total</b>	<b>(123,000)</b> -

**Parks and Recreation**

1. Eliminate 11 swim and 6 dive teams. This will impact approximately 1,600 participants and negatively impact the ability to recruit participants for life guard training classes. This reduction will not impact instructional swim lessons.	(50,000) (5.0)
2. Close seven year round recreation centers that provide a variety of activities for youth and adults. This reduction would impact approximately 251,000 users.	(813,000) (15.8)

**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

3.	Close the remaining 10 of 13 community centers. These facilities offer over 1,200 classes, programs, and special events. This reduction would impact approximately 385,000 users.	(4,509,000) (65.0)
<b>Total</b>		<b>(5,372,000) (85.8)</b>

**Phoenix Convention Center**

1	Eliminate power washing in the Regency and Heritage Garages, which would eliminate ability to clean the garages, increase long term maintenance costs, and negatively impact usage, leading to progressively declining revenue.	(18,000) -
2.	Reduce security services in the Regency and Heritage Garages by 40%. This would significantly reduce the security presence in the garages, decreasing patron's sense of safety, and could result in decreased usage and further reduce revenue.	(59,000) -
<b>Total</b>		<b>(77,000) -</b>

**Phoenix Employment Relations Board**

1.	Reduce funding for hearing transcriptions. The Board, hearing officers, and parties will no longer receive written hearing transcripts for each case which may result in longer case review times, delayed case resolution, and increased review costs.	(3,000) -
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**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

- |    |   |              |
|----|---|--------------|
| 2. | Reduce funding for contracted hearing officers to hear and recommend resolution of unfair employee practice charges relating to wages, hours and working conditions. This cut would diminish the Board's ability to administer the Meet and Confer Ordinance. | (3,000)<br>- |
|----|---|--------------|

<b>Total</b>		<b>(6,000)</b> -
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**Police**

- |    |   |                                |
|----|---|--------------------------------|
| 1. | Completely close the Central Booking facility, eliminating the 15 civilians currently assigned to the facility, and reassigning the 15 officers to first response and crime prevention related duties. This reduction will negatively impact operations, eliminate efficiencies gained as a result of the central booking process and potentially increase overtime due to the lengthy booking process at the Maricopa County Jail. | (1,300,000)<br>(15.0 civilian) |
|----|---|--------------------------------|

<b>Total</b>		<b>(1,300,000)</b> <b>(0.0 sworn)</b> <b>(15.0 civilian)</b>
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**Public Information Office**

- |    |  |                    |
|----|--|--------------------|
| 1. | Eliminate all 24 "City Update" shows. These updates provide residents an opportunity to learn and understand city services. This reduction will reduce overall programming quality and significantly reduce the ability to create special programming for topics such as domestic violence, homelessness, innovation & efficiency and Shop Phoenix segments. | (124,000)<br>(1.0) |
|----|--|--------------------|

<b>Total</b>		<b>(124,000)</b> <b>(1.0)</b>
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**2014-15 City Manager's Proposed Budget  
Attachment C**

**GENERAL FUND**

**REMAINING GROUP OF POSSIBLE SERVICE REDUCTIONS**

These reductions would be proposed as options to balance the budget if the recommended compensation concessions or revenue amounts are reduced by an amount greater than \$13.1 million.

**Public Works**

- |  |                    |
|--|--------------------|
| 1. Reduce support for the federally mandated refrigerant management program in City buildings. This will cause the program to be less effective. Additionally, response times for emergencies and public accessibility would be negatively impacted. | (141,000)<br>(2.0) |
|--|--------------------|

<b>Total</b>	<b>(141,000)</b> <b>(2.0)</b>
--------------	----------------------------------

**Street Transportation**

- |   |                    |
|---|--------------------|
| 1. Reduce support and maintenance of Intelligent Transportation Systems (ITS). This reduction will significantly diminish the ability to investigate and respond to citizen requests for traffic signals, left turn arrows, HAWKs, and other traffic control devices. | (104,000)<br>(1.0) |
| 2. Reduce hardware and software maintenance support of specialized information technology systems at the traffic signal, traffic count, parking meter, and sign shops. This reduction will diminish the ability to provide IT support to these field operations.      | (124,000)<br>(1.0) |

<b>Total</b>	<b>(228,000)</b> <b>(2.0)</b>
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<b>Total Proposed Reductions</b>	<b>\$(14,144,000)</b> <b>(0.0 Sworn)</b> <b>(173.8 Civilian)</b>
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**2014-15 City Manager's Proposed Budget  
Attachment D**

**GENERAL FUND ADDITIONS**

<b><u>Department</u></b>	<b><u>2014-15</u></b>
<b><u>Parks and Recreation</u></b>	
1. Convert contractual funding for youth recreation programming to part-time staff at recreation and teen centers.	\$- 1.6
<b>Total</b>	<b>- 1.6</b>
<b><u>Street Transportation</u></b>	
1. Add funding for contractual landscape maintenance for seven additional miles of new surface streets on Sonoran Desert Drive from I-17 to Dove Valley Road and Dove Valley Road from 23rd Avenue to Poloma Parkway.	93,000 -
2. Add funding for contractual maintenance of wrought iron gates and block walls on 1st Avenue from McDowell Road to Thomas Road.	10,000 -
<b>Total</b>	<b>103,000 -</b>
<b>Total Proposed Additions</b>	<b>\$103,000 1.6</b>

**2014-15 City Manager's Proposed Budget  
Attachment D**

**NON – GENERAL FUND ADDITIONS**

<b><u>Department</u></b>	<b><u>2014-15</u></b>
<b><u>Aviation</u></b>	
(Aviation Operating Funds)	
1. At no additional cost, Aviation proposes to fund additional needs for the PHX Sky Train facility expansion through operational savings and the reallocation of six existing positions.	\$- -
<b>Total</b>	- -
<b><u>Community and Economic Development</u></b>	
(New Market Tax Credit Funds)	
1. Convert three temporary positions in the New Market Tax Credit Program to full time positions.	- -
<b>Total</b>	- -
<b><u>Housing</u></b>	
(Federal Housing Grant Operating Funds)	
1. Convert two temporary full-time positions in the Central Office Cost Center (COCC) to regular full-time positions.	- -
2. Reallocate existing part-time staff positions to accurately reflect department needs and priorities.	- -
<b>Total</b>	- -
<b><u>Parks and Recreation</u></b>	
(Phoenix Parks and Preserves Initiative Funds)	
1. Add staff and materials to operate and maintain the new dog park at Paradise Valley Park opening in the summer of 2014.	55,000 1.0

**2014-15 City Manager's Proposed Budget  
Attachment D**

**NON – GENERAL FUND ADDITIONS**

2.	Add staff and materials to operate and maintain the new dog park at Chavez Park opening in the spring of 2015.	54,000 1.0
3.	Add staff and materials to operate and maintain the new dog park at Deem Hills Park opening in early 2015.	72,000 1.0
4.	Add staff and materials to operate and maintain the Carver Mountain trailhead opening in December 2014.	89,000 1.0
	<b>Total</b>	<b>270,000 4.0</b>

**Planning and Development**  
(Development Services Funds)

1.	Convert five temporary positions responsible for residential and civil plan reviews and inspections to regular status, creating new residential and civil crews to inspect construction of all infrastructure with private development and new home construction.	126,000 -
2.	Convert two temporary positions responsible for residential plan review and inspection to regular status to address the increased growth in residential construction.	- -
3.	Convert two temporary positions responsible for commercial plan review and inspections to regular status to address non permitted construction cases and projected workload increases.	- -
4.	Add four new positions in residential plan review and inspections to address the increased growth in residential construction.	225,000 4.0
5.	Add four new positions for civil and commercial plan review and inspections to address the increasing growth of residential and commercial construction.	418,000 4.0

**2014-15 City Manager's Proposed Budget  
Attachment D**

**NON – GENERAL FUND ADDITIONS**

6.	Add four new positions to address increased workloads in site plan reviews.	335,000 4.0
7.	Provide contract consulting funding to produce development comprehensive guidelines for common residential projects.	250,000 -
8.	Provide contract consulting funding for enhanced and updated KIVA training guidelines.	150,000 -
<b>Total</b>		<b>1,504,000</b> <b>12.0</b>

**Solid Waste**

(Solid Waste Funds)

1.	Reallocate several positions within the solid waste division to begin implementation of the goal to divert forty percent of solid waste generated by 2020.	(34,000) 2.0
2.	Reallocate a support position within the administration section.	26,000 0.0
<b>Total</b>		<b>(8,000)</b> <b>2.0</b>

**Water**

(Wastewater Operating Funds)

1.	Add funding to maintain the acid transfer pump system for the shorter multi-phase digestion process.	131,000 -
2.	Add funding to maintain the newly converted centrifuge, from thickener to dewatering.	107,000 -
<b>Total</b>		<b>238,000</b> <b>-</b>

# 2014-15 City Manager's Proposed Budget Attachment E

## 2012-13 SCHEDULE 1 RESOURCES AND EXPENDITURES BY FUND ACTUAL (In Thousands of Dollars)

	Resources						Expenditures				Ending Fund Balances
	Beginning Fund Balances	Revenue <sup>1/</sup>	Recovery	Fund Transfer		Total	Operating	Capital	Debt Service	Total	
				To	From						
<b>General Funds:</b>											
General	\$ 92,810	\$ 245,017	\$ 1,072	\$ 744,759	\$ 108,358	\$ 975,300	\$ 909,446	\$ 3,113	\$ -	\$ 912,559	\$ 62,741
Parks and Recreation	-	16,630	33	70,877	-	87,540	87,540	-	-	87,540	-
Library	-	27,242	3	6,375	-	33,620	33,564	56	-	33,620	-
Cable Communications	-	9,505	-	-	5,132	4,373	4,373	-	-	4,373	-
<b>Total General</b>	<b>\$ 92,810</b>	<b>\$ 298,394</b>	<b>\$ 1,108</b>	<b>\$ 822,011</b>	<b>\$ 113,490</b>	<b>\$ 1,100,833</b>	<b>\$ 1,034,923</b>	<b>\$ 3,169</b>	<b>\$ -</b>	<b>\$ 1,038,092</b>	<b>\$ 62,741</b>
<b>Special Revenue Funds:</b>											
Excise Tax	\$ -	\$ 1,003,747	\$ -	\$ -	\$ 1,003,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nghbrhd Protection-Police	(10,488)	(55)	-	19,260	185	8,532	17,884	-	-	17,884	(9,352) <sup>2/</sup>
Nghbrhd Protection-Fire	1,977	19	-	6,879	7	8,868	2,805	-	-	2,805	6,063
Nghbrhd Protection-Block Watch	1,815	189	-	1,376	2	3,378	1,250	-	-	1,250	2,128
2007 Public Safety Exp-Police	(11,442)	(83)	-	44,023	506	31,992	49,630	-	-	49,630	(17,638) <sup>2/</sup>
2007 Public Safety Exp-Fire	1,542	5	-	11,006	85	12,468	11,513	-	-	11,513	955
Public Safety Enhance-Police	(9,011)	-	-	15,282	265	6,006	17,765	-	-	17,765	(11,759) <sup>2/</sup>
Public Safety Enhance-Fire	(6,241)	-	-	9,367	-	3,126	8,288	-	-	8,288	(5,162) <sup>2/</sup>
Parks and Preserves	38,173	212	32	27,590	5,730	60,277	1,863	36,551	-	38,414	21,863
Transit 2000	268,160	53,142	1,047	111,592	21,739	412,202	119,091	10,312	-	129,403	282,799
Court Awards	359	9,828	23	-	-	10,210	9,478	-	-	9,478	732
Development Services	16,736	40,433	2	-	2,682	54,489	31,506	58	-	31,564	22,925
Capital Construction	7,301	70	204	16,486	2	24,059	173	14,447	-	14,620	9,439
Sports Facilities	41,171	367	-	14,931	3,346	53,123	1,897	496	19,015	21,408	31,715
AZ Highway User Revenue	16,278	99,032	463	447	-	116,220	44,960	23,426	22,000	90,386	25,834
Regional Transit	2,033	23,767	65	-	-	25,865	23,385	15,218	-	38,603	(12,738) <sup>3/</sup>
Community Reinvestment	14,946	4,845	8	-	1,308	18,491	478	699	-	1,177	17,314
Secondary Property Tax	4,690	66,906	-	50	32	71,614	-	-	68,849	68,849	2,765
Impact Fee Program Admin	355	376	-	-	-	731	142	-	-	142	589
Regional Wireless Cooperative	1,614	4,422	-	-	-	6,036	3,565	-	-	3,565	2,471
City Improvement	278	-	-	81,631	1,062	80,847	-	-	80,847	80,847	-
Other Restricted Funds	42,529	30,352	223	4,665	706	77,063	21,019	8,118	-	29,137	47,926
Grant Funds	24,481	292,013	887	259	1,828	315,812	238,946	60,774	-	299,720	16,092
<b>Total Special Revenue</b>	<b>\$ 447,256</b>	<b>\$ 1,629,587</b>	<b>\$ 2,954</b>	<b>\$ 364,844</b>	<b>\$ 1,043,232</b>	<b>\$ 1,401,409</b>	<b>\$ 605,638</b>	<b>\$ 170,099</b>	<b>\$ 190,711</b>	<b>\$ 966,448</b>	<b>\$ 434,961</b>
<b>Enterprise Funds:</b>											
Aviation	\$ 186,221	\$ 348,769	\$ 2,545	\$ 461,250	\$ 375,918	\$ 622,867	\$ 214,454	\$ 37,481	\$ 61,078	\$ 313,013	\$ 309,854
Water	160,683	424,132	1,805	105	41,496	545,229	164,871	81,922	117,039	363,832	181,397
Wastewater	199,283	215,089	829	-	108,191	307,010	84,860	51,489	68,385	204,734	102,276
Solid Waste	53,597	143,341	181	6,504	13,898	189,725	108,933	14,663	13,386	136,982	52,743
Convention Center	39,187	18,795	134	40,829	2,262	96,683	41,101	1,196	18,592	60,889	35,794
Golf Course	(14,817)	8,338	1	5,767	201	(912)	8,647	-	1	8,648	(9,560) <sup>4/</sup>
<b>Total Enterprise</b>	<b>\$ 624,154</b>	<b>\$ 1,158,464</b>	<b>\$ 5,495</b>	<b>\$ 514,455</b>	<b>\$ 541,966</b>	<b>\$ 1,760,602</b>	<b>\$ 622,866</b>	<b>\$ 186,751</b>	<b>\$ 278,481</b>	<b>\$ 1,088,098</b>	<b>\$ 672,504</b>
<b>GRAND TOTAL</b>	<b>\$ 1,164,220</b>	<b>\$ 3,086,445</b>	<b>\$ 9,557</b>	<b>\$ 1,701,310</b>	<b>\$ 1,698,688</b>	<b>\$ 4,262,844</b>	<b>\$ 2,263,427</b>	<b>\$ 360,019</b>	<b>\$ 469,192</b>	<b>\$ 3,092,638</b>	<b>\$ 1,170,206</b>

<sup>1/</sup> General fund sales tax revenue is reflected as a transfer from the excise tax fund. Total transfer equates to \$682.2 million, and is included in the General Funds revenue total of \$980.6 million shown on Schedule 2.

<sup>2/</sup> The dedicated public safety funds have been severely impacted by declines in sales tax revenues. In November 2010, the Mayor and City Council adopted a plan to balance these funds as soon as possible using an attrition approach. This plan was modified in February 2013 to account for changes in attrition and revised revenue forecasts.

<sup>3/</sup> The negative fund balance in Regional Transit is due to less than anticipated revenues caused by timing delays in reimbursements for project costs from the regional transportation plan (Proposition 400). The reimbursements are expected to be received in FY 2013-14 and will resolve the negative ending fund balance.

<sup>4/</sup> The Mayor and Council adopted a plan in March 2013 to balance the Golf Fund, which will include paying off the cumulative deficit over three years and making operational improvements to reduce or eliminate the annual operating deficit. In April 2013, the Mayor and Council approved no longer classifying Golf as an Enterprise Fund starting in FY 2013-14. For comparison purposes only, all Golf revenue is included in the Special Revenue Funds section of Schedule 2.

# 2014-15 City Manager's Proposed Budget Attachment E

## 2013-14 SCHEDULE 1 RESOURCES AND EXPENDITURES BY FUND PROPOSED ESTIMATE (In Thousands of Dollars)

	Resources						Expenditures				Ending Fund Balances
	Beginning Fund Balances	Revenue <sup>1/</sup>	Recovery	Fund Transfer		Total	Operating	Capital	Debt Service	Total	
				To	From						
<b>General Funds:</b>											
General	\$ 62,741	\$ 249,765	\$ 1,000	\$ 787,683	\$ 109,777	\$ 991,412	\$ 929,112	\$ 2,182	\$ -	\$ 931,294	\$ 60,118
Parks and Recreation	-	15,566	-	75,481	-	91,047	91,047	-	-	91,047	-
Library	-	36,576	-	-	2,171	34,405	34,205	200	-	34,405	-
Cable Communications	-	9,500	-	-	5,203	4,297	4,297	-	-	4,297	-
<b>Total General</b>	<b>\$ 62,741</b>	<b>\$ 311,407</b>	<b>\$ 1,000</b>	<b>\$ 863,164</b>	<b>\$ 117,151</b>	<b>\$ 1,121,161</b>	<b>\$ 1,058,661</b>	<b>\$ 2,382</b>	<b>\$ -</b>	<b>\$ 1,061,043</b>	<b>\$ 60,118</b>
<b>Special Revenue Funds:</b>											
Excise Tax	\$ -	\$ 1,050,721	\$ -	\$ -	\$ 1,050,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nghbrhd Protection-Police	(9,352)	(42)	-	20,677	187	11,096	16,235	-	-	16,235	(5,139) <sup>2/</sup>
Nghbrhd Protection-Fire	6,063	30	-	7,384	13	13,464	3,778	-	-	3,778	9,686
Nghbrhd Protection-Block Watch	2,128	183	-	1,477	3	3,785	1,250	-	-	1,250	2,535
2007 Public Safety Exp-Police	(17,638)	(80)	-	47,262	528	29,016	47,914	-	-	47,914	(18,898) <sup>2/</sup>
2007 Public Safety Exp-Fire	955	3	-	11,822	93	12,687	14,337	-	-	14,337	(1,650) <sup>2/</sup>
Public Safety Enhance-Police	(11,759)	-	-	15,615	201	3,655	15,621	-	-	15,621	(11,966) <sup>2/</sup>
Public Safety Enhance-Fire	(5,162)	-	-	9,557	-	4,395	6,234	-	-	6,234	(1,839) <sup>2/</sup>
Parks and Preserves	21,863	200	50	29,454	4,838	46,729	3,470	33,710	-	37,180	9,549
Transit 2000	282,799	52,787	2,000	122,344	42,391	417,539	135,952	23,839	-	159,791	257,748
Court Awards	732	16,329	-	-	-	17,061	7,561	9,500	-	17,061	-
Development Services	22,925	41,682	-	-	2,936	61,671	34,118	59	-	34,177	27,494
Capital Construction	9,439	60	450	15,277	-	25,226	199	22,285	-	22,484	2,742
Sports Facilities	31,715	250	-	15,454	1,614	45,805	1,967	1,299	21,880	25,146	20,659
AZ Highway User Revenue	25,834	101,270	500	671	10,000	118,275	46,529	61,568	1	108,098	10,177
Regional Transit	(12,738)	57,429	-	-	-	44,691	25,036	19,655	-	44,691	-
Community Reinvestment	17,314	2,971	-	-	5,308	14,977	457	6,744	-	7,201	7,776
Secondary Property Tax	2,765	40,009	-	840	-	43,614	-	-	42,804	42,804	810 <sup>3/</sup>
Impact Fee Program Admin	589	329	-	-	-	918	179	-	-	179	739
Regional Wireless Cooperative	2,471	4,804	-	469	-	7,744	5,616	-	-	5,616	2,128
Golf Course	(9,560)	8,531	-	4,785	-	3,756	8,703	-	-	8,703	(4,947) <sup>4/</sup>
City Improvement	-	-	-	73,379	1,028	72,351	-	-	72,351	72,351	-
Other Restricted Funds	47,926	23,992	-	5,308	748	76,478	32,821	5,361	-	38,182	38,296
Grant Funds	16,092	298,724	-	-	372	314,444	240,228	62,923	-	303,151	11,293
<b>Total Special Revenue</b>	<b>\$ 425,401</b>	<b>\$ 1,700,182</b>	<b>\$ 3,000</b>	<b>\$ 381,775</b>	<b>\$ 1,120,981</b>	<b>\$ 1,389,377</b>	<b>\$ 648,205</b>	<b>\$ 246,943</b>	<b>\$ 137,036</b>	<b>\$ 1,032,184</b>	<b>\$ 357,193</b>
<b>Enterprise Funds:</b>											
Aviation	\$ 309,854	\$ 319,314	\$ -	\$ 7,863	\$ 43,434	\$ 593,597	\$ 228,895	\$ 32,454	\$ 52,517	\$ 313,866	\$ 279,731
Water	181,397	404,727	-	-	20,219	565,905	171,877	158,276	124,913	455,066	110,839
Wastewater	102,276	211,406	-	-	13,075	300,607	88,389	50,487	73,510	212,386	88,221
Solid Waste	52,743	148,319	-	-	8,549	192,513	124,956	16,720	13,911	155,587	36,926
Convention Center	35,794	14,817	-	43,855	2,517	91,949	43,619	1,970	18,584	64,173	27,776
<b>Total Enterprise</b>	<b>\$ 682,064</b>	<b>\$ 1,098,583</b>	<b>\$ -</b>	<b>\$ 51,718</b>	<b>\$ 87,794</b>	<b>\$ 1,744,571</b>	<b>\$ 657,736</b>	<b>\$ 259,907</b>	<b>\$ 283,435</b>	<b>\$ 1,201,078</b>	<b>\$ 543,493</b>
<b>GRAND TOTAL</b>	<b>\$ 1,170,206</b>	<b>\$ 3,110,172</b>	<b>\$ 4,000</b>	<b>\$ 1,296,657</b>	<b>\$ 1,325,926</b>	<b>\$ 4,255,109</b>	<b>\$ 2,364,602</b>	<b>\$ 509,232</b>	<b>\$ 420,471</b>	<b>\$ 3,294,305</b>	<b>\$ 960,804</b>

<sup>1/</sup> General fund sales tax revenue is reflected as a transfer from the excise tax fund. Total transfer equates to \$715.8 million, and is included in the General Funds revenue total of \$1,027.2 million shown on Schedule 2.

<sup>2/</sup> The dedicated public safety funds have been severely impacted by declines in sales tax revenues. In November 2010, the Mayor and City Council adopted a plan to balance these funds as soon as possible using an attrition approach. This plan was modified in February 2013 to account for changes in attrition and revised revenue forecasts.

<sup>3/</sup> Proceeds from Refunding Bonds in the amount of \$840,000 are reflected as a transfer and will be used to pay expenditures for cost of issuance on the General Obligation Refunding Bonds, Series 2014.

<sup>4/</sup> The Mayor and Council adopted a plan in March 2013 to balance the Golf Fund, which will include paying off the cumulative deficit over three years and making operational improvements to reduce or eliminate the annual operating deficit. In April 2013, the Mayor and Council approved no longer classifying Golf as an Enterprise Fund starting in FY 2013-14.

## 2014-15 City Manager's Proposed Budget Attachment E

### 2014-15 SCHEDULE 1 RESOURCES AND EXPENDITURES BY FUND PROPOSED BUDGET (In Thousands of Dollars)

	Resources					Expenditures					Ending Fund Balances
	Beginning Fund Balances	Revenue <sup>1/</sup>	Recovery	Fund Transfer		Total	Operating	Capital	Debt Service	Total	
				To	From						
<b>General Funds:</b>											
General	\$ 60,118	\$ 250,839	\$ 1,000	\$ 822,923	\$ 118,889	\$1,015,991	\$ 1,013,466	\$ 2,525	\$ -	\$1,015,991	\$ -
Parks and Recreation	-	15,512	-	77,401	-	92,913	92,913	-	-	92,913	-
Library	-	37,101	-	178	1,564	35,715	35,515	200	-	35,715	-
Cable Communications	-	9,495	-	-	5,394	4,101	4,101	-	-	4,101	-
<b>Total General</b>	<b>\$ 60,118</b>	<b>\$ 312,947</b>	<b>\$ 1,000</b>	<b>\$ 900,502</b>	<b>\$ 125,847</b>	<b>\$1,148,720</b>	<b>\$ 1,145,995</b>	<b>\$ 2,725</b>	<b>\$ -</b>	<b>\$1,148,720</b>	<b>\$ -</b>
<b>Special Revenue Funds:</b>											
Excise Tax	\$ -	\$ 1,107,258	\$ -	\$ -	\$ 1,107,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nghbrhd Protection-Police	(5,139)	(37)	-	21,791	187	16,428	15,553	-	-	15,553	875
Nghbrhd Protection-Fire	9,686	30	-	7,783	13	17,486	7,425	-	-	7,425	10,061
Nghbrhd Protection-Block Watch	2,535	183	-	1,556	3	4,271	1,250	-	-	1,250	3,021
2007 Public Safety Exp-Police	(18,898)	(70)	-	49,805	527	30,310	45,850	-	-	45,850	(15,540) <sup>2/</sup>
2007 Public Safety Exp-Fire	(1,650)	3	-	12,450	93	10,710	14,634	-	-	14,634	(3,924) <sup>2/</sup>
Public Safety Enhance-Police	(11,966)	-	-	16,227	201	4,060	15,416	-	-	15,416	(11,356) <sup>2/</sup>
Public Safety Enhance-Fire	(1,839)	-	-	9,931	-	8,092	6,138	-	-	6,138	1,954
Parks and Preserves	9,549	200	50	31,137	4,838	36,098	4,025	31,403	-	35,428	670
Transit 2000	257,748	52,021	2,000	125,177	48,424	388,522	150,093	5,069	-	155,162	233,360
Court Awards	-	4,328	-	-	-	4,328	4,086	-	-	4,086	242
Development Services	27,494	42,783	-	-	2,936	67,341	44,457	261	-	44,718	22,623
Capital Construction	2,742	60	450	15,410	-	18,662	200	16,645	-	16,845	1,817
Sports Facilities	20,659	250	-	16,451	1,617	35,743	2,020	1,241	21,875	25,136	10,607
AZ Highway User Revenue	10,177	102,975	500	723	10,000	104,375	48,066	44,970	-	93,036	11,339
Regional Transit	-	46,597	-	-	-	46,597	25,786	11,931	-	37,717	8,880
Community Reinvestment	7,776	2,609	-	-	2,068	8,317	480	6,406	-	6,886	1,431
Secondary Property Tax	810	55,333	-	-	-	56,143	-	-	56,043	56,043	100
Impact Fee Program Admin	739	329	-	-	-	1,068	192	-	-	192	876
Regional Wireless Cooperative	2,128	4,971	-	1,030	-	8,129	4,718	-	-	4,718	3,411
Golf Course	(4,947)	8,550	-	4,785	-	8,388	8,355	-	-	8,355	33
City Improvement	-	-	-	83,020	1,024	81,996	-	-	81,996	81,996	-
Other Restricted Funds	38,296	26,685	-	4,718	1,033	68,666	32,132	4,840	-	36,972	31,694
Grant Funds	11,293	219,631	-	-	376	230,548	196,116	28,697	-	224,813	5,735
<b>Total Special Revenue</b>	<b>\$ 357,193</b>	<b>\$ 1,674,689</b>	<b>\$ 3,000</b>	<b>\$ 401,994</b>	<b>\$ 1,180,598</b>	<b>\$1,256,278</b>	<b>\$ 626,992</b>	<b>\$ 151,463</b>	<b>\$ 159,914</b>	<b>\$ 938,369</b>	<b>\$ 317,909</b>
<b>Enterprise Funds:</b>											
Aviation	\$ 279,731	\$ 322,352	\$ -	\$ -	\$ 7,627	\$ 594,456	\$ 249,325	\$ 23,774	\$ 54,795	\$ 327,894	\$ 266,562
Water	110,839	415,361	-	-	20,730	505,470	187,021	152,828	129,240	469,089	36,381
Wastewater	88,221	214,792	-	-	13,361	289,652	93,511	63,266	60,874	217,651	72,001
Solid Waste	36,926	150,150	-	-	8,686	178,390	136,521	22,034	16,294	174,849	3,541
Convention Center	27,776	15,504	-	47,993	2,523	88,750	47,748	3,578	18,592	69,918	18,832
<b>Total Enterprise</b>	<b>\$ 543,493</b>	<b>\$ 1,118,159</b>	<b>\$ -</b>	<b>\$ 47,993</b>	<b>\$ 52,927</b>	<b>\$1,656,718</b>	<b>\$ 714,126</b>	<b>\$ 265,480</b>	<b>\$ 279,795</b>	<b>\$1,259,401</b>	<b>\$ 397,317</b>
<b>GRAND TOTAL</b>	<b>\$ 960,804</b>	<b>\$ 3,105,795</b>	<b>\$ 4,000</b>	<b>\$ 1,350,489</b>	<b>\$ 1,359,372</b>	<b>\$4,061,716</b>	<b>\$ 2,487,113</b>	<b>\$ 419,668</b>	<b>\$ 439,709</b>	<b>\$3,346,490</b>	<b>\$ 715,226</b>

<sup>1/</sup> General fund sales tax revenue is reflected as a transfer from the excise tax fund. Total transfer equates to \$756.8 million, and is included in the General Funds revenue total of \$1,069.8 million shown on Schedule 2.

<sup>2/</sup> The dedicated public safety funds have been severely impacted by declines in sales tax revenues. In November 2010, the Mayor and City Council adopted a plan to balance these funds as soon as possible using an attrition approach. This plan was modified in February 2013 to account for changes in attrition and revised revenue forecasts.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 2**  
**PROPOSED REVENUES BY MAJOR SOURCE**  
(In Thousands of Dollars)

Revenue Source	2012-13 Actuals	2013-14 Estimate	Percent Increase/ Decrease from 2012-13 Actuals	2014-15 Budget	Percent Increase/ Decrease from 2013-14 Estimate
<b>GENERAL FUND</b>					
<b>Local Taxes and Related Fees</b>					
Local Sales Tax	\$ 403,646	\$ 413,909	2.5%	\$ 423,944	2.4%
Privilege License Fees	2,352	2,441	3.8%	2,541	4.1%
Other General Fund Excise Taxes <sup>1/</sup>	7,130	7,250	1.7%	16,863	132.6%
Subtotal	\$ 413,128	\$ 423,600	2.5%	\$ 443,348	4.7%
<b>State Shared Revenues</b>					
Sales Tax	118,730	127,861	7.7%	135,474	6.0%
State Income Tax	147,668	161,580	9.4%	175,174	8.4%
Vehicle License Tax	48,370	52,200	7.9%	54,300	4.0%
Subtotal	\$ 314,768	\$ 341,641	8.5%	\$ 364,948	6.8%
<b>Primary Property Tax</b>	\$ 132,101	\$ 142,849	8.1%	\$ 137,956	-3.4%
<b>User Fees/Other Revenue</b>					
Licenses & Permits	2,702	2,801	3.7%	2,833	1.1%
Cable Communications	9,505	9,500	-0.1%	9,495	-0.1%
Fines and Forfeitures	18,927	17,442	-7.8%	17,722	1.6%
Court Default Fee	1,086	1,015	-6.5%	1,015	0.0%
Fire	44,855	43,447	-3.1%	44,454	2.3%
Hazardous Materials Inspection Fee	1,233	1,350	9.5%	1,400	3.7%
Library Fees	1,006	1,000	-0.6%	1,025	2.5%
Parks and Recreation <sup>2/</sup>	8,240	7,773	-5.7%	7,361	-5.3%
Planning	1,250	1,344	7.5%	1,431	6.5%
Police	12,681	13,237	4.4%	13,487	1.9%
Street Transportation	4,194	3,885	-7.4%	3,928	1.1%
Other Service Charges <sup>3/</sup>	11,890	11,990	0.8%	14,893	24.2%
Other <sup>4/</sup>	3,056	4,375	43.2%	4,480	2.4%
Subtotal	\$ 120,625	\$ 119,159	-1.2%	\$ 123,524	3.7%
<b>TOTAL GENERAL FUNDS</b>	\$ 980,622	\$ 1,027,249	4.8%	\$ 1,069,776	4.1%

<sup>1/</sup> 2014-15 includes a proposed new general excise tax on municipal services bills based on water meter size. The estimated additional revenue is \$9,488,000.

<sup>2/</sup> 2014-15 includes proposed increases to the annual adult recreation pass, athletic field usage fee, charges for recreation pass replacement cards and a new lighting fee for athletic fields. The estimated additional revenue is \$609,000.

<sup>3/</sup> 2014-15 includes a proposed increase to parking meter rates and expansion of parking meter enforcement hours. The estimated additional revenue is \$1,345,000, which will be offset in 2014-15 by implementation costs in the Police and Street Transportation Departments.

<sup>4/</sup> 2014-15 includes a proposed increase to the senior center annual recreation pass. The estimated additional revenue is \$65,000.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 2**  
**PROPOSED REVENUES BY MAJOR SOURCE (Continued)**  
(In Thousands of Dollars)

Revenue Source	2012-13 Actuals	2013-14 Estimate	Percent Increase/ Decrease from 2012-13 Actuals	2014-15 Budget	Percent Increase/ Decrease from 2013-14 Estimate
<b>SPECIAL REVENUE FUNDS</b>					
Neighborhood Protection	\$ 27,668	\$ 29,709	7.4%	\$ 31,306	5.4%
2007 Public Safety Expansion	54,951	59,007	7.4%	62,188	5.4%
Public Safety Enhancement	24,649	25,172	2.1%	26,158	3.9%
Parks and Preserves	27,727	29,654	6.9%	31,337	5.7%
Transit 2000	163,201	165,131	1.2%	167,198	1.3%
Court Awards	9,828	16,329	66.1%	4,328	-73.5%
Development Services	40,433	41,682	3.1%	42,783	2.6%
Capital Construction	16,452	15,337	-6.8%	15,470	0.9%
Sports Facilities	15,260	15,704	2.9%	16,701	6.3%
Arizona Highway User Revenue	99,032	101,270	2.3%	102,975	1.7%
Regional Transit Revenues	23,767	57,429	141.6%	46,597	-18.9%
Community Reinvestment	4,845	2,971	-38.7%	2,609	-12.2%
Secondary Property Tax	66,906	40,009	-40.2%	55,333	38.3%
Impact Fee Program Administration	376	329	-12.5%	329	0.0%
Regional Wireless Cooperative	4,422	4,804	8.6%	4,971	3.5%
Golf Courses <sup>5/</sup>	8,338	8,531	2.3%	8,550	0.2%
Other Restricted Revenues	35,001	28,693	-18.0%	31,403	9.4%
<b>Grants</b>					
Public Housing Grants	75,984	91,257	20.1%	81,250	-11.0%
Human Services Grants	42,338	39,143	-7.5%	38,309	-2.1%
Community Development	15,407	30,936	100.8%	18,877	-39.0%
Criminal Justice	9,986	8,596	-13.9%	5,015	-41.7%
Public Transit Grants	60,070	60,805	1.2%	43,331	-28.7%
Other Grants	88,228	67,987	-22.9%	32,849	-51.7%
Subtotal - Grants	\$ 292,013	\$ 298,724	2.3%	\$ 219,631	-26.5%
<b>SUBTOTAL SPECIAL REVENUE FUNDS</b>	<b>\$ 914,869</b>	<b>\$ 940,485</b>	<b>2.8%</b>	<b>\$ 869,867</b>	<b>-7.5%</b>
<b>ENTERPRISE FUNDS</b>					
Aviation	348,769	319,314	-8.4%	322,352	1.0%
Water System	424,132	404,727	-4.6%	415,361	2.6%
Wastewater System	215,089	211,406	-1.7%	214,792	1.6%
Solid Waste	143,341	148,319	3.5%	150,150	1.2%
Convention Center	59,623	58,672	-1.6%	63,497	8.2%
<b>SUBTOTAL ENTERPRISE FUNDS</b>	<b>\$ 1,190,954</b>	<b>\$ 1,142,438</b>	<b>-4.1%</b>	<b>\$ 1,166,152</b>	<b>2.1%</b>
<b>TOTAL ALL OPERATING FUNDS</b>	<b>\$ 3,086,445</b>	<b>\$ 3,110,172</b>	<b>0.8%</b>	<b>\$ 3,105,795</b>	<b>-0.1%</b>

<sup>5/</sup> In April 2013, the Mayor and Council approved no longer classifying Golf as an Enterprise Fund starting in FY 2013-14. For comparison purposes only, all Golf revenue is included in the Special Revenue Funds section of this schedule.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 3**  
**PROPOSED EXPENDITURES BY DEPARTMENT <sup>1</sup>**  
(In Thousands of Dollars)

Program	2012-13	2013-14		2014-15 City Manager Recommended	Percent Change from 2013-14		
	Actual	Budget	Estimate		Budget	Estimate	
<b>General Government</b>							
Mayor	\$ 1,669	\$ 1,755	\$ 1,805	\$ 1,831	4.3%	1.4%	
City Council	3,227	3,589	3,511	3,536	(1.5%)	0.7%	
City Manager	2,161	2,663	2,703	2,599	(2.4%)	(3.9%)	
Government Relations	1,304	1,305	1,289	1,296	(0.7%)	0.5%	
Public Information	2,760	2,660	2,659	2,410	(9.4%)	(9.4%)	
City Auditor	1,950	2,389	2,361	2,410	0.9%	2.1%	
Equal Opportunity	2,641	2,797	2,677	2,925	4.6%	9.3%	
Human Resources	11,121	11,410	10,967	11,446	0.3%	4.4%	
Phoenix Employment Relations Board	66	99	98	93	(6.1%)	(5.1%)	
Regional Wireless Cooperative	3,565	4,381	5,616	4,718	7.7%	(16.0%)	
Retirement Systems	-	-	-	-	-	-	
Law	5,207	4,735	4,960	4,783	1.0%	(3.6%)	
Information Technology	34,438	35,060	34,966	39,623	13.0%	13.3%	
City Clerk and Elections	6,050	6,769	5,976	4,875	(28.0%)	(18.4%)	
Finance	19,189	21,962	21,679	21,198	(3.5%)	(2.2%)	
Budget and Research	2,920	3,054	3,054	2,956	(3.2%)	(3.2%)	
<b>Total General Government</b>	<b>\$ 98,268</b>	<b>\$ 104,628</b>	<b>\$ 104,321</b>	<b>\$ 106,699</b>	<b>2.0%</b>	<b>2.3%</b>	
<b>Public Safety</b>							
Police	\$ 559,766	\$ 585,913	\$ 564,412	\$ 568,771	(2.9%)	0.8%	
Fire	282,139	297,953	291,243	304,088	2.1%	4.4%	
Emergency Management	538	476	478	472	(0.8%)	(1.3%)	
<b>Total Public Safety</b>	<b>\$ 842,443</b>	<b>\$ 884,342</b>	<b>\$ 856,133</b>	<b>\$ 873,331</b>	<b>(1.2%)</b>	<b>2.0%</b>	
<b>Criminal Justice</b>							
Municipal Court	\$ 36,525	\$ 41,969	\$ 41,533	\$ 41,837	(0.3%)	0.7%	
City Prosecutor	15,800	15,815	15,722	16,190	2.4%	3.0%	
Public Defender	4,765	4,902	4,853	4,982	1.6%	2.7%	
<b>Total Criminal Justice</b>	<b>\$ 57,090</b>	<b>\$ 62,686</b>	<b>\$ 62,108</b>	<b>\$ 63,009</b>	<b>0.5%</b>	<b>1.5%</b>	
<b>Transportation</b>							
Street Transportation	\$ 66,212	\$ 70,676	\$ 69,527	\$ 72,008	1.9%	3.6%	
Aviation	213,898	229,332	228,277	234,707	2.3%	2.8%	
Public Transit	242,245	260,425	241,470	252,961	(2.9%)	4.8%	
<b>Total Transportation</b>	<b>\$ 522,355</b>	<b>\$ 560,433</b>	<b>\$ 539,274</b>	<b>\$ 559,676</b>	<b>(0.1%)</b>	<b>3.8%</b>	

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 3 (continued)**  
**PROPOSED EXPENDITURES BY DEPARTMENT <sup>1</sup>**  
(In Thousands of Dollars)

Program	2012-13 Actual	2013-14		2014-15 City Manager Recommended	Percent Change from 2013-14		
		Budget	Estimate		Budget	Estimate	
<b>Community Development</b>							
Planning and Development	\$ 35,913	\$ 41,537	\$ 40,522	\$ 46,761	12.6%	15.4%	
Housing	74,729	82,013	82,265	88,592	8.0%	7.7%	
Community and Economic Development	26,321	23,010	27,830	24,679	7.3%	(11.3%)	
Neighborhood Services	65,375	71,116	66,661	34,568	(51.4%)	(48.1%)	
<b>Total Community Development</b>	<b>\$ 202,338</b>	<b>\$ 217,676</b>	<b>\$ 217,278</b>	<b>\$ 194,600</b>	<b>(10.6%)</b>	<b>(10.4%)</b>	
<b>Community Enrichment</b>							
<sup>2</sup> Parks and Recreation	\$ 103,161	\$ 111,344	\$ 109,695	\$ 111,180	(0.1%)	1.4%	
Library	34,266	35,798	35,229	36,063	0.7%	2.4%	
Phoenix Convention Center	42,402	47,194	45,022	46,169	(2.2%)	2.5%	
Human Services	61,673	62,724	58,782	58,671	(6.5%)	(0.2%)	
Office of Arts and Culture	1,120	1,630	1,507	1,542	(5.4%)	2.3%	
<b>Total Community Enrichment</b>	<b>\$ 242,622</b>	<b>\$ 258,690</b>	<b>\$ 250,235</b>	<b>\$ 253,625</b>	<b>(2.0%)</b>	<b>1.4%</b>	
<b>Environmental Services</b>							
Water	\$ 248,387	\$ 262,815	\$ 259,591	\$ 266,009	1.2%	2.5%	
Solid Waste Management	108,786	129,639	124,523	132,027	1.8%	6.0%	
Public Works	20,773	22,864	22,161	25,034	9.5%	13.0%	
Environmental Programs	1,212	1,486	1,329	1,331	(10.4%)	0.2%	
<b>Total Environmental Services</b>	<b>\$ 379,158</b>	<b>\$ 416,804</b>	<b>\$ 407,604</b>	<b>\$ 424,401</b>	<b>1.8%</b>	<b>4.1%</b>	
<b>Contingencies</b>	<b>\$ -</b>	<b>\$ 91,208</b>	<b>\$ -</b>	<b>\$ 93,768</b>	<b>-</b>	<b>-</b>	
<sup>3</sup> <b>Innovation and Efficiency Savings</b>	<b>\$ -</b>	<b>\$ (5,345)</b>	<b>\$ -</b>	<b>\$ -</b>			
<b>GRAND TOTAL</b>	<b>\$ 2,344,274</b>	<b>\$ 2,591,122</b>	<b>\$ 2,436,953</b>	<b>\$ 2,569,109</b>	<b>(0.8%)</b>	<b>5.4%</b>	

<sup>1</sup> For purposes of this schedule, department budget allocations include Grants and City Improvement debt service payments.

<sup>2</sup> Golf is included with Parks and Recreation. In prior years, Golf was classified as an Enterprise Fund and was shown as a separate department.

<sup>3</sup> Innovation and Efficiency actions that resulted in more than the budgeted savings were identified and implemented during the fiscal year and will help to achieve the citywide goal of \$100 million in cumulative savings.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 4**  
**2014-2015 PROPOSED EXPENDITURES BY DEPARTMENT**  
**BY SOURCE OF FUNDS**  
(In Thousands of Dollars)

Program	Total	General Funds	Enterprise Funds	Special Revenue Funds <sup>1</sup>
<b>General Government</b>				
Mayor	\$ 1,831	\$ 1,831	\$ -	\$ -
City Council	3,536	3,536	-	-
City Manager	2,599	2,366	233	-
Government Relations	1,296	1,296	-	-
Public Information	2,410	2,072	-	338
City Auditor	2,410	2,410	-	-
Equal Opportunity	2,925	2,336	-	589
Human Resources	11,446	9,871	-	1,575
Phoenix Employment Relations Board	93	93	-	-
Regional Wireless Cooperative	4,718	-	-	4,718
Retirement Systems	-	-	-	-
Law	4,783	4,783	-	-
Information Technology	39,623	37,168	621	1,834
City Clerk and Elections	4,875	4,860	-	15
Finance	21,198	18,277	2,246	675
Budget and Research	2,956	2,956	-	-
<b>Total General Government</b>	<b>\$ 106,699</b>	<b>\$ 93,855</b>	<b>\$ 3,100</b>	<b>\$ 9,744</b>
<b>Public Safety</b>				
Police	\$ 568,771	\$ 471,388	\$ -	\$ 97,383
Fire	304,088	255,564	-	48,524
Emergency Management	472	14	-	458
<b>Total Public Safety</b>	<b>\$ 873,331</b>	<b>\$ 726,966</b>	<b>\$ -</b>	<b>\$ 146,365</b>
<b>Criminal Justice</b>				
Municipal Court	\$ 41,837	\$ 29,049	\$ -	\$ 12,788
City Prosecutor	16,190	15,177	-	1,013
Public Defender	4,982	4,982	-	-
<b>Total Criminal Justice</b>	<b>\$ 63,009</b>	<b>\$ 49,208</b>	<b>\$ -</b>	<b>\$ 13,801</b>
<b>Transportation</b>				
Street Transportation	\$ 72,008	\$ 21,554	\$ -	\$ 50,454
Aviation	234,707	-	234,707	-
Public Transit	252,961	18,202	-	234,759
<b>Total Transportation</b>	<b>\$ 559,676</b>	<b>\$ 39,756</b>	<b>\$ 234,707</b>	<b>\$ 285,213</b>

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 4 (continued)**  
**2014-2015 PROPOSED EXPENDITURES BY DEPARTMENT**  
**BY SOURCE OF FUNDS**  
(In Thousands of Dollars)

Program	Total	General Funds	Enterprise Funds	Special Revenue Funds <sup>1</sup>
<b>Community Development</b>				
Planning and Development Services	\$ 46,761	\$ 4,908	\$ -	\$ 41,853
Housing	88,592	54	-	88,538
Community and Economic Development	24,679	4,796	608	19,275
Neighborhood Services	34,568	12,481	-	22,087
<b>Total Community Development</b>	<b>\$ 194,600</b>	<b>\$ 22,239</b>	<b>\$ 608</b>	<b>\$ 171,753</b>
<b>Community Enrichment</b>				
<sup>2</sup> Parks and Recreation	\$ 111,180	92,913	\$ -	\$ 18,267
Library	36,063	35,515	-	548
Phoenix Convention Center	46,169	1,367	44,302	500
Human Services	58,671	18,895	350	39,426
Office of Arts and Culture	1,542	1,505	-	37
<b>Total Community Enrichment</b>	<b>\$ 253,625</b>	<b>\$ 150,195</b>	<b>\$ 44,652</b>	<b>\$ 58,778</b>
<b>Environmental Services</b>				
Water	\$ 266,009	\$ -	\$ 264,036	\$ 1,973
Solid Waste Management	132,027	-	132,027	-
Public Works	25,034	17,663	219	7,152
Environmental Programs	1,331	845	277	209
<b>Total Environmental Services</b>	<b>\$ 424,401</b>	<b>\$ 18,508</b>	<b>\$ 396,559</b>	<b>\$ 9,334</b>
<b>Contingencies</b>	<b>\$ 93,768</b>	<b>\$ 45,268</b>	<b>\$ 34,500</b>	<b>\$ 14,000</b>
<b>GRAND TOTAL</b>	<b>\$ 2,569,109</b>	<b>\$ 1,145,995</b>	<b>\$ 714,126</b>	<b>\$ 708,988</b>

<sup>1</sup> For purposes of this schedule, department budget allocations include Grants and City Improvement debt service payments.

<sup>2</sup> Golf is included with Parks and Recreation. In prior years, Golf was classified as an Enterprise Fund and was shown as a separate department.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 5**  
**PROPOSED DEBT SERVICE EXPENDITURES**  
**BY PROGRAM, SOURCE OF FUNDS AND TYPE OF EXPENDITURE**  
(In Thousands of Dollars)

<b>Program</b>	<b>2012-13 Actual</b>	<b>2013-14 Estimate</b>	<b>2014-15 Proposed Budget</b>
Aviation	\$ 121,539	\$ 120,684	\$ 123,066
Cultural Facilities	11,637	9,111	12,232
Economic Development	32,622	30,645	48,886
Environmental Programs	483	735	1,375
Fire Protection	4,679	4,614	6,199
Freeway Mitigation	386	691	699
Golf	1	-	-
Historic Preservation	463	471	606
Human Services	630	628	2,023
Information Systems	704	3,123	938
Libraries	6,791	7,785	8,069
Local Streets/Street Improvements/Lighting	5,408	5,480	8,976
Maintenance Service Centers	506	1,173	1,274
Major Streets and Freeways	22,000	1	-
Municipal Administration Building	50	50	50
Neighborhood Preservation & Senior Services Centers	2,694	4,412	11,504
Parks & Recreation/Open Space	14,236	13,757	12,902
Phoenix Convention Center	38,592	39,033	39,041
Police, Fire and Computer Tech	3,852	4,080	6,564
Police Protection	6,193	7,264	10,019
Public Housing	1,362	1,349	3,758
Public Transit	50,791	40,962	47,522
Solid Waste Disposal	13,386	13,911	16,294
Storm Sewer	26,397	15,486	16,211
Street Light Refinancing	225	7	87
Wastewater	118,385	98,510	60,874
Water	117,039	124,913	129,240
Early Redemption	(31,463)	(46,237)	(75,090)
General Government Nonprofit Corporation Bonds	29,653	30,789	34,400
Bond Issuance Costs	1,148	1,499	3,650
<b>Total Program</b>	<b>\$ 600,389</b>	<b>\$ 534,926</b>	<b>\$ 531,369</b>
<b>Type of Expenditure</b>			
Principal	\$ 284,896	\$ 238,117	\$ 271,609
Interest and Other	315,493	296,809	259,760
<b>Total Debt Service Expenditures</b>	<b>\$ 600,389</b>	<b>\$ 534,926</b>	<b>\$ 531,369</b>

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 5 (continued)**  
**PROPOSED DEBT SERVICE EXPENDITURES**  
**BY PROGRAM, SOURCE OF FUNDS AND TYPE OF EXPENDITURE**  
(In Thousands of Dollars)

<b>Source of Funds</b>	<b>2012-13 Actual</b>	<b>2013-14 Estimate</b>	<b>2014-15 Proposed Budget</b>
<u>Operating Funds</u>			
Secondary Property Tax	\$ 68,849	42,804	56,043
Sports Facilities	19,015	21,880	21,875
Arizona Highway User Revenue	22,000	1	-
City Improvement			
General	29,242	30,540	34,400
Housing	71	70	74
Transit 2000	50,917	41,491	47,522
Other Operating	317	-	-
Capital Funds <sup>1</sup>	300	250	-
Aviation	61,078	52,517	54,795
Convention Center	18,592	18,584	18,592
Golf	1	-	-
Solid Waste	13,386	13,911	16,294
Wastewater	68,385	73,510	60,874
Water	117,039	124,913	129,240
Subtotal Operating Funds	\$ 469,192	\$ 420,471	\$ 439,709
<u>Capital Funds</u>			
Nonprofit Corporation Bonds			
Aviation	\$ 16,275	23,300	24,504
Convention Center	20,000	20,449	20,449
Wastewater	-	840	500
Water	-	-	1,340
Passenger Facility Charges	44,482	44,866	44,867
Capital Reserve	50,440	25,000	-
Subtotal Capital Funds	\$ 131,197	\$ 114,455	\$ 91,660
<b>Total Source of Funds</b>	<b>\$ 600,389</b>	<b>\$ 534,926</b>	<b>\$ 531,369</b>

<sup>1</sup> Reflects transfer of capital funds to City Improvement.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 6**  
**PRELIMINARY CAPITAL IMPROVEMENT PROGRAM**  
**FINANCED FROM OPERATING FUNDS**  
(In Thousands of Dollars)

	2012-13 Actual	2013-14 Estimate	2014-15 Budget
Arts and Cultural Facilities	\$ 6,476	\$ 134	\$ -
Aviation	37,259	29,937	23,491
Economic Development	2,778	9,680	10,196
Energy Conservation	7,087	4,765	1,200
Facilities Management	11,355	4,650	1,340
Finance	-	5,170	-
Fire Protection	859	87	-
Housing	20,659	24,033	7,222
Human Services	-	582	-
Information Technology	706	920	1,061
Libraries	55	200	200
Neighborhood Services	1,879	3,817	-
Parks, Recreation and Mountain Preserves	37,028	33,934	31,403
Phoenix Convention Center	1,698	3,269	5,605
Police	-	10,024	-
Public Transit	55,688	75,590	38,975
Solid Waste	5,888	13,154	21,800
Street Transportation and Drainage	37,904	83,526	61,865
Wastewater	51,082	49,511	62,824
Water	81,618	156,249	152,486
<b>Total</b>	<b>\$ 360,019</b>	<b>\$ 509,232</b>	<b>\$ 419,668</b>

**Source of Funds**

**General Funds:**

General Funds	\$ 3,113	\$ 2,182	\$ 2,525
Library	56	200	200
<b>Total General Funds</b>	<b>\$ 3,169</b>	<b>\$ 2,382</b>	<b>\$ 2,725</b>

**Special Revenue Funds:**

Parks and Preserves	\$ 36,551	\$ 33,710	\$ 31,403
Transit 2000	10,312	23,839	5,069
Court Awards	-	9,500	-
Development Services	58	59	261
Capital Construction	14,447	22,285	16,645
Sports Facilities	496	1,299	1,241
AZ Highway User Revenue	23,426	61,568	44,970
Regional Transit	15,218	19,655	11,931
Community Reinvestment	699	6,744	6,406
Other Restricted Funds	8,118	5,361	4,840
Grant Funds	60,774	62,923	28,697
<b>Total Special Revenue Funds</b>	<b>\$ 170,099</b>	<b>\$ 246,943</b>	<b>\$ 151,463</b>

**Enterprise Funds:**

Aviation	\$ 37,481	\$ 32,454	\$ 23,774
Convention Center	1,196	1,970	3,578
Solid Waste	14,663	16,720	22,034
Wastewater	51,489	50,487	63,266
Water	81,922	158,276	152,828
<b>Total Enterprise Funds</b>	<b>\$ 186,751</b>	<b>\$ 259,907</b>	<b>\$ 265,480</b>

<b>Total Operating Funds</b>	<b>\$ 360,019</b>	<b>\$ 509,232</b>	<b>\$ 419,668</b>
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2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 7**  
**PROPOSED INTERFUND TRANSFERS TO THE GENERAL FUND**  
(In Thousands of Dollars)

	2012-13 Actuals	2013-14 Estimate	2014-15	
			Budget	Increase/ (Decrease)
<b>Transfers to the General Fund</b>				
<b><u>Enterprise Funds</u></b>				
Aviation				
Central Service Cost Allocation	\$ 6,869	\$ 7,262	\$ 7,262	\$ -
Water Funds				
Central Service Cost Allocation	8,081	8,039	8,039	-
In-Lieu Property Taxes	12,095	12,067	12,443	376
Total	20,176	20,106	20,482	376
Wastewater Funds				
Central Service Cost Allocation	5,387	5,359	5,359	-
In-Lieu Property Taxes	7,804	7,641	7,837	196
Total	13,191	13,000	13,196	196
Solid Waste				
Central Service Cost Allocation	6,709	6,607	6,607	-
In-Lieu Property Taxes	1,210	1,235	1,244	9
Total	7,919	7,842	7,851	9
Convention Center				
Central Service Cost Allocation	2,193	2,258	2,258	-
<b>Total From Enterprise Funds</b>	<b>\$ 50,348</b>	<b>\$ 50,468</b>	<b>\$ 51,049</b>	<b>\$ 581</b>

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 7**  
**PROPOSED INTERFUND TRANSFERS TO THE GENERAL FUND (Continued)**  
(In Thousands of Dollars)

	2012-13 Actuals	2013-14 Estimate	2014-15	
			Budget	Increase/ (Decrease)
<b>Special Revenue Funds</b>				
Excise				
Transfer to General Fund	\$ 682,228	\$ 715,842	\$ 756,829	\$ 40,987
Development Services				
Central Service Cost Allocation	2,682	2,936	2,936	-
Sports Facilities				
Central Service Cost Allocation	115	117	117	-
Phoenix Union Parking Maintenance	79	79	79	-
Total	194	196	196	-
Golf Course <sup>1/</sup>				
Parks Administration	201	-	-	-
Public Housing In-Lieu Property Taxes	227	302	302	-
ASU Facilities Operations Fund	494	494	779	285
Downtown Community Reinvestment Fund	1,308	5,308	2,068	(3,240)
T2000 Central Service Costs	750	686	686	-
Neighborhood Protection Central Service Costs	164	150	150	-
Public Safety Enhancement Central Service Costs	265	201	201	-
Public Safety Expansion Central Service Costs	531	515	515	-
Housing Central Office Central Service Costs	212	254	254	-
Access to Care Tax Program Trust Fund	23	-	-	-
Capital Fund - Hail Storm	-	3,564	-	(3,564)
<b>Total From Special Revenue Funds</b>	<b>\$ 689,279</b>	<b>\$ 730,448</b>	<b>\$ 764,916</b>	<b>\$ 34,468</b>
<b>Total Transfers to the General Fund</b>	<b>\$ 739,627</b>	<b>\$ 780,916</b>	<b>\$ 815,965</b>	<b>\$ 35,049</b>
<b>Transfers from the General Fund</b>				
Arizona Highway User Revenue Reimbursement	\$ 359	\$ 671	\$ 723	\$ 52
Regional Wireless Cooperative L/P Fund	-	1,674	3,684	2,010
Library Reserve Fund	-	607	-	(607)
Capital Reserve Fund	-	-	1,100	1,100
Change for Phoenix Fund	85	-	-	-
Public Works L/P Capital Fund	108	-	-	-
Retiree Rate Stabilization Fund	1,024	1,028	1,024	(4)
Infrastructure Repayment Agreements	288	383	379	(4)
City Improvement	29,242	30,540	34,400	3,860
<b>Total Transfers from the General Fund</b>	<b>\$ 31,106</b>	<b>\$ 34,903</b>	<b>\$ 41,310</b>	<b>\$ 6,407</b>
<b>Net Transfers to the General Fund</b>	<b>\$ 708,521</b>	<b>\$ 746,013</b>	<b>\$ 774,655</b>	<b>\$ 28,642</b>

<sup>1/</sup> In April 2013, the Mayor and Council approved no longer classifying Golf as an Enterprise Fund starting in FY 2013-14. For comparison purposes only, the transfer from Golf to the General Fund is included in the Special Revenue Funds section of this schedule.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 8  
PROPOSED POSITIONS BY DEPARTMENT  
Number of Full Time Equivalent Positions**

Program	2012-13	2013-14	<sup>1/</sup> Additions/Reductions		2014-15
	Actual	Estimate	2013-14	2014-15	2014-15 Allowances Ending June 30,2015 Authorized
<b>General Government</b>					
Mayor	12.5	12.5	1.0	-	13.5
City Council	31.0	31.0	-	-	31.0
City Manager	19.0	18.0	1.0	-	19.0
Government Relations	6.0	6.0	-	-	6.0
Public Information	22.8	19.6	(1.0)	-	18.6
City Auditor	26.5	25.5	-	-	25.5
Equal Opportunity	27.0	26.0	-	-	26.0
Human Resources	95.1	93.1	2.0	-	95.1
Phoenix Employment Relations Board	1.0	1.0	-	-	1.0
Retirement Systems	14.0	14.0	-	-	14.0
Law	208.0	207.0	(3.0)	(1.0)	203.0
Information Technology	179.0	167.0	2.0	-	169.0
City Clerk and Elections	66.0	64.0	(0.5)	(1.0)	62.5
Finance	234.0	232.0	(4.0)	-	228.0
Budget and Research	25.0	24.0	-	-	24.0
Regional Wireless Cooperative	4.0	4.0	-	-	4.0
<b>Total General Government</b>	<b>970.9</b>	<b>944.7</b>	<b>(2.5)</b>	<b>(2.0)</b>	<b>940.2</b>
<b>Public Safety</b>					
Police	4,452.4	4,463.4	(33.9)	(67.0)	4,362.5
Fire	1,997.4	1,997.4	(2.8)	-	1,994.6
Emergency Management	4.0	4.0	2.0	-	6.0
<b>Total Public Safety</b>	<b>6,453.8</b>	<b>6,464.8</b>	<b>(34.7)</b>	<b>(67.0)</b>	<b>6,363.1</b>
<b>Criminal Justice</b>					
Municipal Court	310.0	297.0	(2.0)	-	295.0
Public Defender	9.0	9.0	-	-	9.0
<b>Total Criminal Justice</b>	<b>319.0</b>	<b>306.0</b>	<b>(2.0)</b>	<b>0.0</b>	<b>304.0</b>

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 8**  
**PROPOSED POSITIONS BY DEPARTMENT**  
**Number of Full Time Equivalent Positions (Continued)**

Program	2012-13 Actual	2013-14 Estimate	<sup>1/</sup> Additions/Reductions		2014-15 Allowances Ending June 30,2015 Authorized
			2013-14	2014-15	
<b>Transportation</b>					
Street Transportation	667.0	666.0	(2.0)	(3.0)	661.0
Aviation	858.0	858.0	(5.0)	-	853.0
Public Transit	137.5	137.5	(33.0)	-	104.5
<b>Total Transportation</b>	<b>1,662.5</b>	<b>1,661.5</b>	<b>(40.0)</b>	<b>(3.0)</b>	<b>1,618.5</b>
<b>Community Development</b>					
Planning and Development	261.5	266.5	16.5	12.0	295.0
Housing	188.0	188.0	(3.0)	-	185.0
Community and Economic Development	101.0	101.0	(4.0)	-	97.0
Neighborhood Services	214.5	212.5	(7.0)	(1.0)	204.5
<b>Total Community Development</b>	<b>765.0</b>	<b>768.0</b>	<b>2.5</b>	<b>11.0</b>	<b>781.5</b>
<b>Community Enrichment</b>					
Parks and Recreation	1,134.2	1,141.0	(62.2)	(6.0)	1,072.8
Library	374.8	374.8	-	(1.0)	373.8
Phoenix Convention Center	252.0	252.0	(14.0)	-	238.0
Human Services	366.2	365.2	(45.2)	(1.0)	319.0
Office of Arts and Culture	11.0	11.0	(1.0)	-	10.0
<b>Total Community Enrichment</b>	<b>2,138.2</b>	<b>2,144.0</b>	<b>(122.4)</b>	<b>(8.0)</b>	<b>2,013.6</b>
<b>Environmental Services</b>					
Water Services	1,474.1	1,474.1	1.0	-	1,475.1
Solid Waste Management	596.5	596.5	(3.0)	2.0	595.5
Public Works	505.0	504.0	(13.0)	(12.0)	479.0
Environmental Programs	12.0	12.0	(1.0)	-	11.0
<b>Total Environmental Services</b>	<b>2,587.6</b>	<b>2,586.6</b>	<b>(16.0)</b>	<b>(10.0)</b>	<b>2,560.6</b>
<b>TOTAL</b>	<b>14,897.0</b>	<b>14,875.6</b>	<b>(215.1)</b>	<b>(79.0)</b>	<b>14,581.5</b>

1. Additions/Reductions reflect the combined total of budget reductions, budget additions and new positions associated with opening new facilities.

# 2014-15 City Manager's Proposed Budget Attachment E

## SCHEDULE 9 PRELIMINARY 2014-15 CAPITAL IMPROVEMENT PROGRAM RESOURCES AND EXPENDITURES BY CAPITAL FUND (In Thousands of Dollars)

Capital Fund	RESOURCES		EXPENDITURES		FUND BALANCES		
	Beginning Balance	Projected Revenue <sup>1</sup>	Total	Estimated Expenditures	Ending Fund Balance	Projected Resources Beyond 14/15 <sup>2</sup>	Funds Available Beyond 14/15
<b>BONDS AND RELATED FUNDS</b>							
<b>2006 Bonds</b>							
Libraries, Senior & Cultural Centers	\$ (3,848)	\$ -	\$ (3,848)	\$ -	\$ (3,848)	\$ 27,190	\$ 23,342
Education	(4,568)	-	(4,568)	-	(4,568)	8,090	3,522
Affordable Housing & Neighborhoods	2,279	-	2,279	231	2,048	17,795	19,843
Parks and Open Spaces	1,607	-	1,607	-	1,607	13,685	15,292
Police, Fire & Homeland Security	(258)	-	(258)	34	(291)	36,700	36,409
Police, Fire & City Technology	73	-	73	-	73	4,790	4,863
Street and Storm Sewer Improvement	4,860	-	4,860	1,652	3,209	27,495	30,704
<b>2001 Bonds</b>							
Affordable Housing & Homeless Shelter	1,053	-	1,053	-	1,053	-	1,053
Educational, Youth & Cultural Facilities	(76)	-	(76)	1,074	(1,150)	1,700	550
Environmental Improvement & Cleanup	261	-	261	-	261	630	891
Fire Protection Facilities & Equipment	-	-	-	-	-	800	800
Neighborhood Protection & Senior Centers	4,802	-	4,802	-	4,802	2,355	7,157
New & Improved Libraries	3,438	-	3,438	-	3,438	900	4,338
Parks, Open Space & Recreation	(334)	-	(334)	-	(334)	4,425	4,091
Police Protection Facilities & Equipment	(526)	-	(526)	-	(526)	1,115	589
Police, Fire & Computer Technology	(75)	-	(75)	-	(75)	615	540
Preserving Phoenix Heritage	(191)	-	(191)	-	(191)	795	604
Storm Sewers	(26)	-	(26)	-	(26)	50	24
Street Improvements	(601)	-	(601)	-	(601)	2,225	1,624
<b>1989 Historic Preservation</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>1988 Bonds</b>							
Freeway Mitigation, Neighborhood Stabilization, Slum & Blight Elimination	845	-	845	-	845	1,000	1,845
Parks, Recreation & Mountain Preserves	413	-	413	-	413	-	413
Police Protection	27	-	27	-	27	-	27
<b>Nonprofit Corporation Bonds</b>							
Aviation	(183,254)	14	(183,240)	40,224	(223,464)	538,020	314,556
Phoenix Convention Center	9,606	20,449	30,055	20,449	9,606	-	9,606
Golf	-	-	-	-	-	-	-
Solid Waste	432	-	432	246	185	75,000	75,185
Transit 2000	-	-	-	-	-	-	-
Wastewater	(1,708)	-	(1,708)	661	(2,369)	405,000	402,631
Water	(14,230)	-	(14,230)	655	(14,885)	525,000	510,115
Other	(10,044)	4,714	(5,330)	12,586	(17,916)	182,345	164,429
<b>OTHER FINANCING</b>							
Impact Fees	99,743	-	99,743	70,431	29,311	-	29,311
Passenger/Customer Facility Charge	47,722	83,250	130,972	77,337	53,635	77,337	130,972
Other Cities' Participation in Joint Ventures	(16,062)	-	(16,062)	35,965	(52,028)	52,028	-
Solid Waste Remediation	5,049	-	5,049	-	5,049	-	5,049
Capital Grants	(80,852)	-	(80,852)	38,814	(119,666)	119,666	-
Federal, State & Other Participation	(63,171)	-	(63,171)	25,345	(88,516)	88,516	-
Capital Gifts	297	-	297	312	(15)	15	-
Capital Reserves	286,551	3,021	289,572	350	289,222	-	289,222
Other Capital	17,632	-	17,632	2,827	14,805	-	14,805
<b>TOTAL</b>	<b>\$ 106,866</b>	<b>\$ 111,448</b>	<b>\$ 218,314</b>	<b>\$ 329,193</b>	<b>\$ (110,878)</b>	<b>\$ 2,215,283</b>	<b>\$ 2,104,405</b>

<sup>1</sup> Includes bond proceeds and funds which "pass through" bond funds such as grants, land sales and other agency and private participation.

<sup>2</sup> Includes bonds authorized and available for sale, pledged resources and cost recovery for projects billed and/or reimbursed on a cash flow basis.

2014-15 City Manager's Proposed Budget  
Attachment E

**SCHEDULE 10**  
**PRELIMINARY 2014-15 CAPITAL IMPROVEMENT PROGRAM**  
**BY PROGRAM AND SOURCE OF FUNDS**  
(In Thousands of Dollars)

<b>Program</b>	<b>Total Program</b>	<b>Pay-As- You-Go Operating</b>	<b>2001 Bonds</b>	<b>2006 Bonds</b>	<b>Nonprofit Corporation Bonds</b>	<b>Other Capital Sources</b>
Arts and Cultural Facilities	\$ 1,074	\$ -	\$ 1,074	\$ -	\$ -	\$ -
Aviation	163,346	23,491	-	-	40,224	99,631
Economic Development	10,196	10,196	-	-	-	-
Energy Conservation	1,200	1,200	-	-	-	-
Facilities Management	1,740	1,340	-	-	-	400
Finance	225	-	-	-	225	-
Historic Preservation	159	-	-	159	-	-
Housing	21,918	7,222	-	-	-	14,696
Information Technology	13,422	1,061	-	-	12,361	-
Libraries	200	200	-	-	-	-
Neighborhood Services	30	-	-	30	-	-
Parks, Recreation and Mountain Preserves	47,663	31,403	-	-	25	16,235
Phoenix Convention Center	26,054	5,605	-	-	20,449	-
Police Protection	34	-	-	34	-	-
Public Transit	40,799	38,975	-	-	-	1,825
Regional Wireless Cooperative	14,621	-	-	-	-	14,621
Solid Waste Disposal	24,608	21,800	-	42	226	2,540
Street Transportation and Drainage	89,367	61,865	-	1,652	156	25,696
Wastewater	117,495	62,824	-	-	575	54,096
Water	174,710	152,486	-	-	580	21,644
<b>Total Preliminary CIP</b>	<b>\$ 748,861</b>	<b>\$ 419,668</b>	<b>\$ 1,074</b>	<b>\$ 1,916</b>	<b>\$ 74,821</b>	<b>\$ 251,382</b>

**SCHEDULE 11**  
**Summary of Tax Levy and Tax Rate Information**  
**Fiscal Year 2013-14 and 2014-15**

(In Thousands)

	<u>2013-14</u> <u>FISCAL YEAR</u>	<u>2014-15</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 139,120	\$ 144,463
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ -	
3. Property tax levy amounts		
A. Primary property taxes*	\$ 145,024	\$ 139,448
B. Secondary property taxes	35,443	50,404
C. Total property tax levy amounts	\$ 180,467	\$ 189,852
4. Property taxes collected**		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 142,849	
(2) Prior years' levies	1,532	
(3) Total primary property taxes	\$ 144,381	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 35,271	
(2) Prior years' levies	487	
(3) Total secondary property taxes	\$ 35,758	
C. Total property taxes collected	\$ 180,139	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	1.4664	1.3541
(2) Secondary property tax rate	0.3536	0.4659
(3) Total city/town tax rate	1.8200	1.8200

**B. Special assessment district tax rates**

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 1 special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

\* The 2014-15 planned levy is \$139,447,726. Historically, actual property tax collections are slightly lower than the amount levied. For 2014-15, actual collections for primary property tax are estimated to be \$137,956,000 or 98.9% of the levy amount.

\*\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

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**CITY COUNCIL REPORT**

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**FORMAL AGENDA**

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TO: City Council AGENDA DATE: May 7, 2014  
FROM: Greg Stanton PAGE: 1  
Mayor  
SUBJECT: BOARDS AND COMMISSIONS

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**Development Advisory Board**

I recommend the following for appointment:

Michael Abegg

Mr. Abegg is the current Building Official for the City of Phoenix. He will replace Julie Belyeu on the Board as an ex-officio member.

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**CITY COUNCIL REPORT**

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**FORMAL AGENDA**

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TO: Mayor and Council Members                      AGENDA DATE: May 7, 2014

FROM: Penny Parrella, Executive Assistant                      PAGE: 1  
to the City Council

SUBJECT: BOARDS AND COMMISSIONS – CITY COUNCIL APPOINTEES

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**Central City Village Planning Committee**

Councilman Michael Nowakowski recommends the following for appointment:

Caitlyn Mitchell

Ms. Mitchell is a management analyst in the Deputy County Manager's Office for Maricopa County and a resident of Central City. She has previously served on other community advisory boards and will fill a vacancy on the committee. Her term will expire November 19, 2015.

**Estrella Village Planning Committee**

Councilman Michael Nowakowski recommends the following for appointment:

Joseph Gorfoth

Mr. Gorfoth is a planner with Southwest Development Services. He is a resident of District 7 and will fill a vacancy on the committee. His term will expire November 19, 2015.

Dan Rush

Mr. Rush is an entrepreneur and the owner of Rush Auto Recyclers, Inc. in District 7. He will fill a vacancy on the committee and his term will expire November 19, 2015.

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## CITY COUNCIL REPORT

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### FORMAL AGENDA

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TO: Deanna Jonovich  
Deputy City Manager AGENDA DATE: May 7, 2014

FROM: Karl Matzinger  
Interim Housing Director ITEM: 16 PAGE: 24

SUBJECT: ORDINANCE S-40695 – ALLOCATION OF GAP FUNDING FOR FUTURE  
PHASES OF FRANK LUKE ADDITION HOPE VI REVITALIZATION

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This report provides back-up information to Item 16 on the May 7, 2014, City Council Formal Meeting agenda, which requests City Council authorization to use up to \$5,000,000 of City of Phoenix Affordable Housing Program funds, and up to \$2,228,920 of 2006 General Obligation Affordable Housing and Neighborhood Revitalization (GO) Bond funds as presented to the Bond Executive Committee and approved in April 2011, for future phases of the Frank Luke Addition HOPE VI Revitalization.

Affordable Housing and GO Bond funds requested in this report will only be used if the Low Income Housing Tax Credit (LIHTC) applications submitted by the City to the Arizona Department of Housing in March 2014 are not awarded.

The Neighborhoods, Housing, and Development Subcommittee recommended approval of this item on February 18, 2014.

#### THE ISSUE

In May 2011, the U.S. Department of Housing and Urban Development (HUD) awarded the City of Phoenix a \$20 million HOPE VI grant to revitalize the former Frank Luke Addition (FLA) public housing community. The 12.2-acre site is bounded by 16th and 18th Streets, and Villa and McKinley Streets. The revitalized FLA community, now called Aeroterra, will consist of 250 mixed-income rental units built in multiple phases, a new 6,500-square-foot community and early childhood education center, and a renovated Historic building to be used as community space and leasing offices.

Development of the FLA site through City instrumentalities was approved by City Council in three different Ordinances: S-37208, S-38087, and S-38139. Ordinance S-38139, approved in August 2011, authorized the formation of new City instrumentalities, applications for Low Income Housing Tax Credit (LIHTC) financing, and all actions necessary to develop, implement, and operate all phases of the FLA Revitalization.

In accordance with those Ordinances, and the commitment to redevelop the property based on receiving the federal HOPE VI grant, the Housing Department relocated residents and demolished 134 units of public housing on the FLA site with HUD approval. The first phase of the revitalization, Aeroterra Senior Village, was completed in December 2012 and remains 100 percent occupied, serving seniors and persons with disabilities in 60 public housing units.

Federal HOPE VI grant funds require the Housing Department to maintain compliance with HUD requirements such as Davis Bacon wages, environmental abatement, legal services related to the HUD Mixed Finance approval process, and additional operating reserves for public housing, which typically leads to increased costs to the development, when compared to private sector and/or other affordable developments. In addition, a unique aspect of the Phase 2 development includes the mandated renovation of the on-site Historic building.

### OTHER INFORMATION

The Low Income Housing Tax Credit (LIHTC) Program is an indirect Federal subsidy used to finance the development of affordable rental housing for low-income households. Each year, the IRS allocates housing tax credits to designated state agencies which in turn award the credits to developers of qualified projects through a competitive process.

The amount of Federal HOPE VI grant funds awarded to the City for the FLA project will not cover the entire cost to redevelop the 250 rental units and a community center required by the grant. In order to bridge that gap, and leverage the HOPE VI grant funds, the Housing Department submitted LIHTC applications to the Arizona Department of Housing in March 2014 for Phases 2 and 3 of the FLA Revitalization.

Similarly to the HOPE VI grant funds, the LIHTC Program also carries unique compliance requirements and program criteria, which can increase the development costs when compared to private sector and/or other affordable developments. For example, the LIHTC Program generally limits projects to between 50 and 80 units. This can result in increased development costs because economies of scale cannot be achieved due to the limited number of units being constructed. The LIHTC Program also requires additional finance and legal costs because of the tax credit and equity investor documentation and reporting requirements. Finally, based on the City's public housing wait list information, the FLA development has a need to accommodate larger families with more three-, four-, and five-bedroom units than a typical LIHTC development.

The development costs submitted for FLA Phases 2 and 3 are in line with other affordable projects submitted under the LIHTC process. Construction and financing costs for the two Phases are estimates and these two services will be competitively bid if awarded LIHTCs this year.

## RECOMMENDATION

The Neighborhoods, Housing, and Development Subcommittee recommended approval of this item on February 18, 2014.

On the April 16, 2014, Formal Agenda Item 34 was continued to the May 7, 2014, Formal City Council meeting.

The May 7, 2014, Formal Agenda Item 16 requests authorization to use up to \$5,000,000 of City of Phoenix Affordable Housing Program funds, and up to \$2,228,920 of 2006 General Obligation Affordable Housing and Neighborhood Revitalization (GO) Bond funds as presented to the Bond Executive Committee and approved in April 2011, for future phases of the Frank Luke Addition HOPE VI Revitalization. Authorization is also requested for the City Manager to execute all necessary documents and the City Controller to disburse the funds over the life of the contract(s).

Affordable Housing and GO Bond funds requested in this report will only be used if the LIHTC applications submitted by the City to the Arizona Department of Housing in March 2014 are not awarded.

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**CITY COUNCIL REPORT**

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**FORMAL AGENDA**

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TO: Rick Naimark  
Deputy City Manager

AGENDA DATE: May 7, 2014

FROM: Alan Stephenson  
Acting Planning and Development  
Director

ITEM: 85 PAGE: 96

SUBJECT: Z-56-13-6 – LOCATED APPROXIMATELY 305 FEET NORTH OF THE  
NORTHEAST CORNER OF 7TH STREET AND OCOTILLO ROAD

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This report provides back-up information on Item 85 on the May 7, 2014, Formal Agenda.

**THE ISSUE**

A rezoning application has been submitted for approval to the City Council for a parcel located approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road. Application is being made by Jason Allen of Skyline consultants on behalf of Mr. Ken and Dr. Jen Gatt.

**OTHER INFORMATION**

Rezoning Case Z-56-13-6 is a request to rezone 0.96 acres from R1-6 to R-O to allow a psychologist office.

The Camelback East Village Planning Committee reviewed the application on February 4, 2014, and recommended approval, subject to staff stipulations on a 12-0 vote.

The application was heard by the Planning Commission on February 11, 2014, and recommended for approval per the memo from Tricia Gomes dated February 11, 2014, with one additional stipulation limiting the height of development to 15 feet and one story on a 7-0 vote.

The application was appealed by the opposition and a three-fourths vote of the City Council is required for approval.

Attachments:

A – Staff Report Z-56-13-6



**City of Phoenix**  
PLANNING AND DEVELOPMENT DEPARTMENT

**To:** City of Phoenix Planning Commission **Date:** February 11, 2014

**From:** Tricia Gomes  
Planner III

**Subject:** BACK UP TO ITEM 7 (Z-56-13-6) – APPROXIMATELY 305 FEET NORTH OF THE NORTHEAST CORNER OF 7<sup>TH</sup> STREET AND OCOTILLO ROAD

This memo is to update the site plan to address communications between the applicant and adjacent property owners regarding an additional landscape buffer along the east and south property lines. Staff has not received a recorded Proposition 207 Waiver; therefore Stipulation 8 has been added.

Staff recommends approval per the revised and additional stipulations.

1. The development shall be in general conformance with the site plan date stamped ~~January 9, 2014~~ FEBRUARY 11, 2014, except as modified by the following stipulations and approved by the Planning and Development Department.
2. The property owner shall provide a minimum 20-foot landscape setback with a minimum 3-inch caliper trees to be placed 20-feet on center or in equivalent groupings along the east property line as approved by the Planning and Development Department, WITH SPECIFIC REGARD TO THE 11 TREES ALONG THE SOUTH AND EAST PROPERTY LINES AS DEPICTED ON THE SITE PLAN DATE STAMPED FEBRUARY 11, 2014.
3. The property owner shall provide a minimum 20-foot landscape setback with a minimum 3-inch caliper trees to be placed 20-feet on center or in equivalent groupings along the south property line as approved by the Planning and Development Department.
4. The property owner shall maintain a minimum of three trees in the front yard setback.
5. The maximum number of parking spaces allowed shall not exceed 125 percent of the City requirement.
6. The trash enclosure shall be located no closer to the street than the main building as approved by the Planning and Development Department.
7. The property owner shall dedicate a 10-foot wide sidewalk easement along the east side of 7th street as approved by the Planning and Development Department.
8. THAT PRIOR TO PRELIMINARY SITE PLAN APPROVAL, THE LANDOWNER

SHALL EXECUTE A PROPOSITION 207 WAIVER OF CLAIMS IN A FORM APPROVED BY THE CITY ATTORNEY'S OFFICE. THE WAIVER SHALL BE RECORDED WITH THE MARICOPA COUNTY RECORDER'S OFFICE AND DELIVERED TO THE CITY TO BE INCLUDED IN THE REZONING APPLICATION FILE FOR RECORD.

**Attachments**

Site plan date stamped February 11, 2014



**City of Phoenix**  
PLANNING AND DEVELOPMENT DEPARTMENT

**Staff Report: Z-56-13-6**  
January 22, 2014

<b>Camelback East Village Planning Committee Hearing Date</b>	February 4, 2014
<b>Planning Commission Hearing Date</b>	February 11, 2014
<b>Request From:</b>	R1-6 (0.96 acres)
<b>Request To:</b>	R-O (0.96 acres)
<b>Proposed Use</b>	Office
<b>Location</b>	Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road
<b>Owner</b>	Mr. Ken and Dr. Jen Gatt
<b>Applicant's Representative</b>	Jason P. Allen – Skyline Consultants
<b>Staff Recommendation</b>	Approval, subject to stipulations

<b>General Plan Conformity</b>			
<b>General Plan Land Use Designation</b>		Residential 3.5 to 5 du / acre	
<b>Street Map Classification</b>	7th Street	Major Arterial	40-foot east half street
<p><b><i>LAND USE ELEMENT, GOAL 5: INTEGRATION OF LAND USE AND TRANSPORTATION SYSTEMS: AN INTEGRATED LAND USE AND TRANSPORTATION SYSTEM, WHICH FURTHERS THE URBAN VILLAGE MODEL AND MINIMIZES THE ADVERSE IMPACTS OF THE TRANSPORTATION SYSTEM ON HOUSING, BUSINESSES AND PUBLIC USES, SHOULD BE ENCOURAGED.</i></b></p> <p>The elimination of a single family residence along 7th Street will further minimize the adverse impacts of the major arterial on the surrounding single family neighborhood.</p>			
<p><b><i>NEIGHBORHOOD ELEMENT, GOAL 4: CHARACTER AND IDENTITY: NEIGHBORHOOD CHARACTER AND IDENTITY SHOULD BE ENCOURAGED AND REINFORCED.</i></b></p> <p>The proposed redevelopment would repurpose an underutilized and vulnerable property into a compatible use for a major arterial, preserving the neighborhood's residential character and identity.</p>			

<b>Surrounding Land Uses/Zoning</b>		
	<u>Land Use</u>	<u>Zoning</u>
<b>On Site</b>	Single-Family Residential	R1-6
<b>North</b>	Office	R-O
<b>South</b>	Single-Family Residential	R1-6
<b>East</b>	Single-Family Residential	R1-6
<b>West</b>	Single-Family Residential	R1-10

### **Background/Issues/Analysis**

1. This is a request to rezone 0.96 acres from R1-6 (Single-Family Residential) to R-O (Residential Office) to allow an office.
2. The site is currently developed with a vacant, ranch style, single-family home. Access to the existing home is provided through a long driveway that enters the property at the southwest corner of the site. The driveway curves toward the front of the home and then wraps around the north side of the property toward the back of the home.
3. The General Plan designation for the parcel is Residential 3.5 to 5 dwelling units per acre. While the proposal is not consistent with the General Plan designation, it is consistent with many General Plan policies and the land uses in the area.
4. There are single-family properties to the south and east which may be sensitive to the increase traffic and noise of an office development. The property owner has agreed to maintain large landscape setbacks along the southern and eastern property lines to buffer these uses. A stipulation has been added to address this requirement.
5. The property owner has agreed to take steps to keep the residential feel of the property. The property will be providing a large landscape setback in the front of the home to maintain the residential feel of the property, limiting the amount of parking on the site, and keeping the trash enclosure behind the front of the main building. Stipulations have been added to address these requirements.
6. The parking for the development will primarily be located along the northern property line, next to the existing office building to the north. Four parking spaces, including an accessible parking spot will be located in front of the building, near its north end. A general conformance stipulation has been added to address this requirement.
7. The City of Phoenix Floodplain Management division of the Street Transportation Department has determined that this parcel is not in a Special Flood Hazard Area (SFHA), but is located in a Shaded Zone X, on panel 1740 L of the Flood Insurance Rate Maps (FIRM) dated October 16, 2013.
8. Development and use of the site is subject to all applicable codes and ordinances. Zoning approval does not negate other ordinance requirements. Other formal actions such as, but not limited to, zoning adjustments and abandonment may be required.

### **Findings**

1. The proposal is consistent with the surrounding land uses.

2. The development would improve and adaptively reuse an underutilized property along a major arterial.
3. The proposal will maintain residential feel of the surrounding area, while providing a buffer from 7th street for the single-family residential to the east.

### **Stipulations**

1. The development shall be in general conformance with the site plan date stamped January 9, 2014, except as modified by the following stipulations and approved by the Planning and Development Department.
2. The property owner shall provide a minimum 20-foot landscape setback with a minimum 3-inch caliper trees to be placed 20-feet on center or in equivalent groupings along the east property line as approved by the Planning and Development Department.
3. The property owner shall provide a minimum 20-foot landscape setback with a minimum 3-inch caliper trees to be placed 20-feet on center or in equivalent groupings along the south property line as approved by the Planning and Development Department.
4. The property owner shall maintain a minimum of three trees in the front yard setback.
5. The maximum number of parking spaces allowed shall not exceed 125 percent of the City requirement.
6. The trash enclosure shall be located no closer to the street than the main building as approved by the Planning and Development Department.
7. The property owner shall dedicate a 10-foot wide sidewalk easement along the east side of 7th street as approved by the Planning and Development Department.

### **Writer**

Xandon Keating

01/16/14

### **Team Leader**

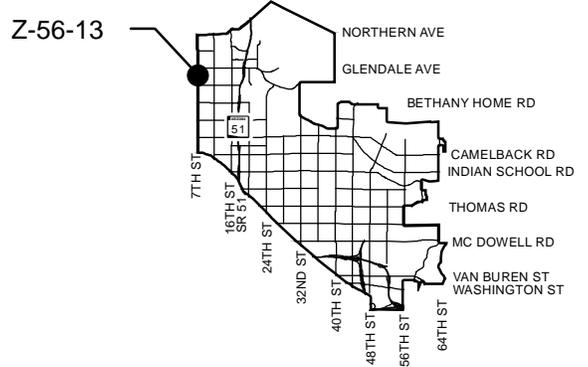
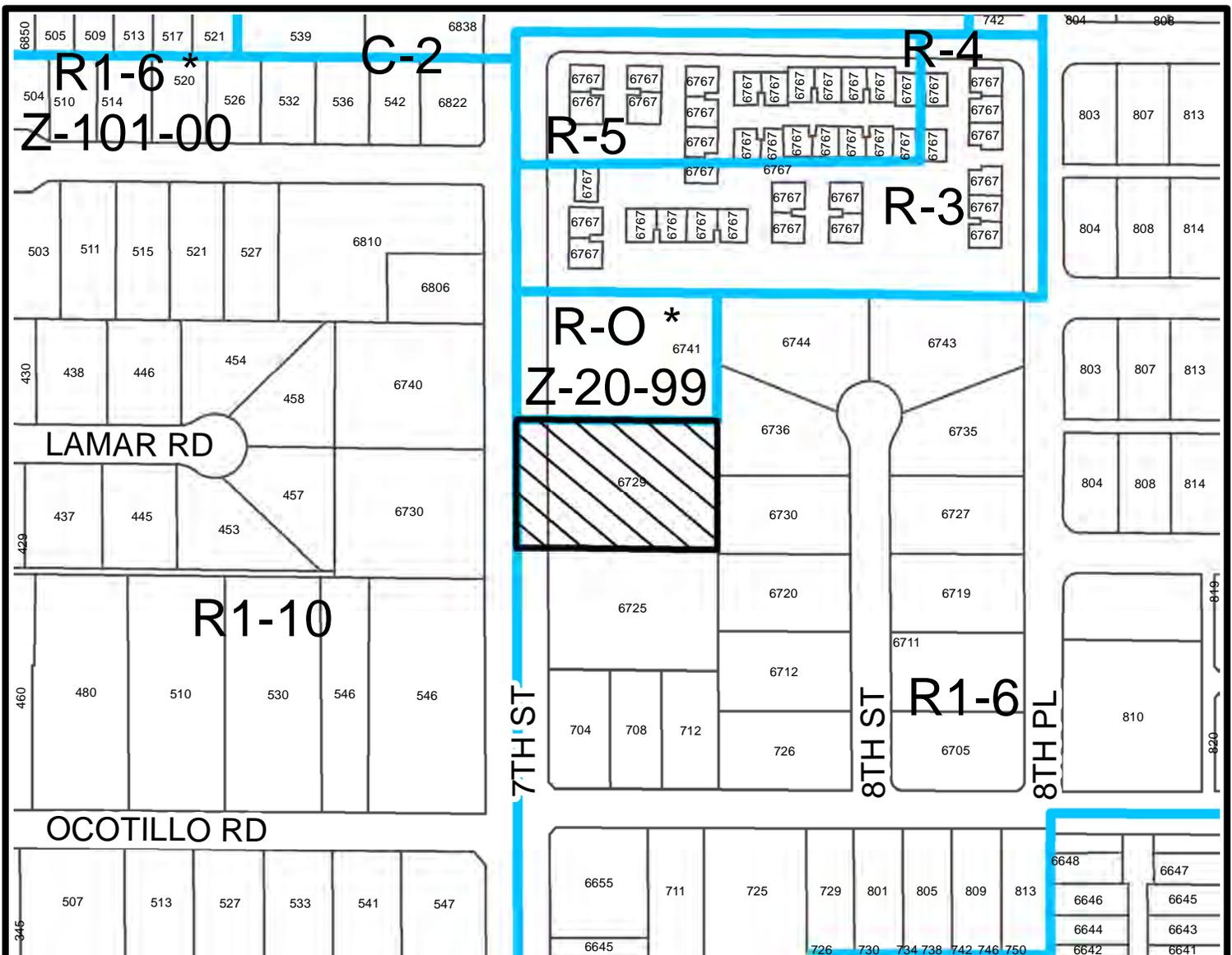
Joshua Bednarek

### **Attachments**

Sketch Map

Aerial

Site Plan (date stamped 1/9/14)

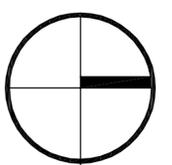
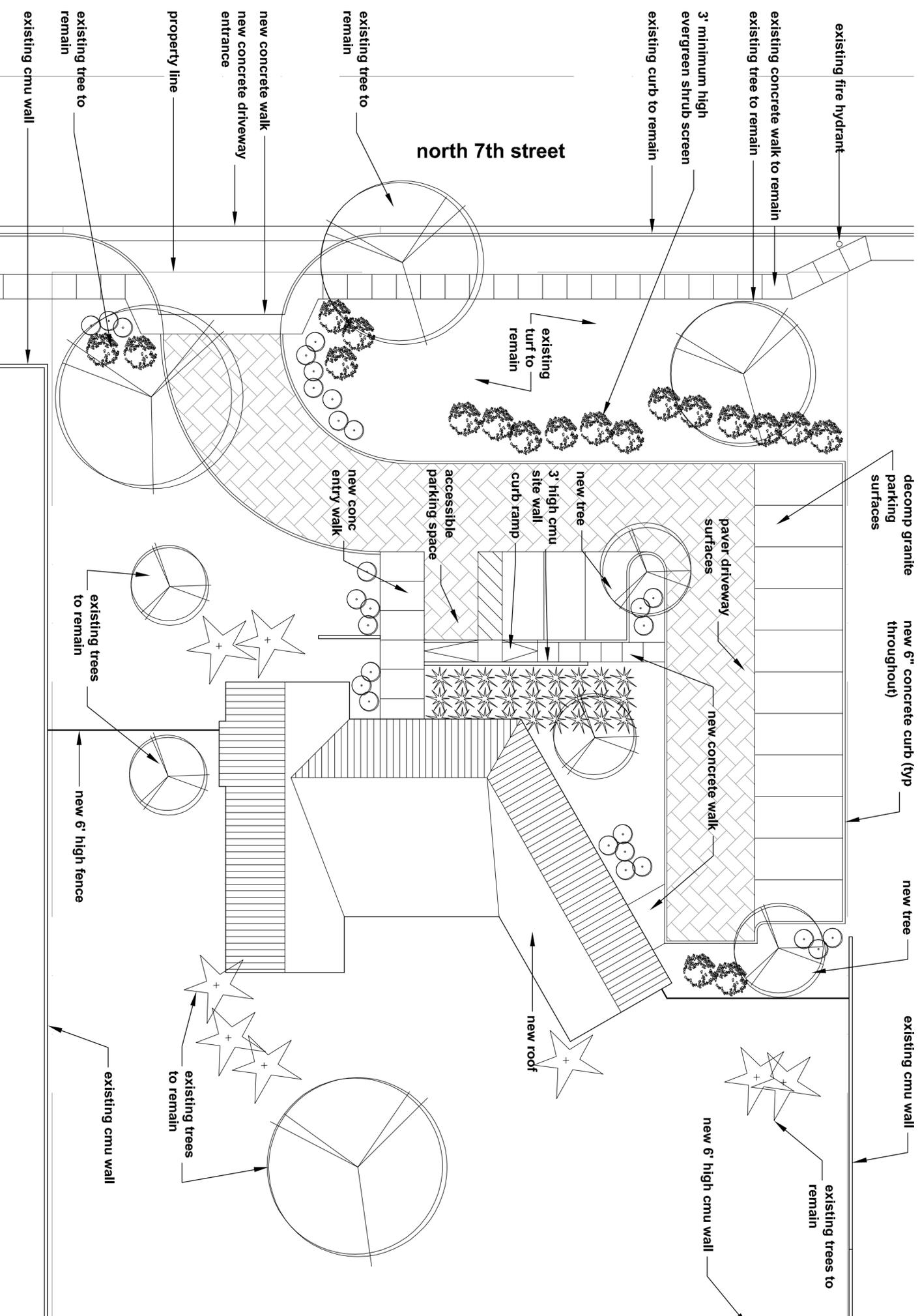


CITY OF PHOENIX PLANNING DEPARTMENT  
**CAMELBACK EAST VILLAGE**  
 CITY COUNCIL DISTRICT: 6

<b>APPLICANT'S NAME:</b> Mr. Ken & Dr. Jen Gatt		<b>REQUESTED CHANGE:</b> FROM: R1-6, (.96 a.c.)  TO: R-O, (.96 a.c.)	
<b>APPLICATION NO.</b> Z-56-13	<b>DATE:</b> 12/13/13	<b>REVISION DATES:</b> (Empty table)	
<small>GROSS AREA INCLUDING 1/2 STREET AND ALLEY DEDICATION IS APPROX.</small>  .96 Acres	<small>AERIAL PHOTO &amp; QUARTER SEC. NO.</small> QS 22-29	<small>ZONING MAP</small> I-8	
<b>MULTIPLES PERMITTED</b> R1-6 R-O	<b>CONVENTIONAL OPTION</b> 4 1		<b>* UNITS P.R.D. OPTION</b> 6 1

\* Maximum Units Allowed with P.R.D. Bonus





# site plan

1/16" = 1'-0"

parking:  
 3312 sf building @ 1 space per 300 sf = 11 spaces required  
 14 standard 8.5'x18' spaces provided  
 1 accessible 11'x18' space provided

# residential office conversion

6729 north 7th street

phoenix, arizona

CITY OF PHOENIX

JAN 09 REC'D

PLANNING DEPT.  
 2ND FL. RECEPTION



## Village Planning Committee Meeting Summary Z-56-13-6

<b>Date of VPC Meeting</b>	February 4, 2014
<b>Request From</b>	R1-6
<b>Request To</b>	R-O
<b>Proposed Use</b>	Office
<b>Location</b>	Approximately 305 feet north of the northeast corner of 7 <sup>th</sup> Street and Ocotillo Road
<b>VPC Recommendation</b>	Approved per the staff recommendation.
<b>VPC Vote</b>	12-0

### **VPC DISCUSSION & RECOMMENDED STIPULATIONS:**

**Vice Chair Cole** noted this case had a number of residents in opposition, and made a motion to continue for 28 days to the next Camelback East Village Planning Committee meeting. **Mr. Rodney Jarvis** seconded the motion, noting he was seconding the motion so they could talk about the proposed continuance. Mr. Jarvis noted he liked the idea of the applicant working with the residents to resolve any issues.

**Ms. Karin Beckvar** asked if the neighborhood notification included the entire platted subdivision. Mr. Keating responded that it likely did, just looking at the plat it would appear everybody would likely be within the 600 feet, but without more research it is impossible to tell.

**Ms. Rhonda Beckerleg Thraen** asked if the continuance would affect the Planning Commission date. Mr. Keating responded the applicant would need to request a continuance at Planning Commission.

**Mr. Jarvis** asked if staff felt the applicant had adequately addressed issues with the community. Mr. Keating responded that this is really a judgment call for the Committee to make. However, Mr. Keating noted the applicant had addressed issues such as security and buffers and the applicant had attempted to reach out on the issue of CC&R's but has been unable to meet with the correct people.

**Chairman Swart** clarified that all members of the public who had put a card in would be given a chance to speak on the continuance. **Mr. Jarvis** withdrew his second because he felt it was better to hear the item and decide what to do then. **Vice Chair Cole** responded by withdrawing his motion.

Mr. Keating provided a brief overview of the request, noting the surrounding land uses, general plan designation and staff recommendation.

The applicant's representative, **Mr. Jason Allen** gave a presentation on the request. Mr. Allen discussed the history of property, noting it has been in the same family for many years, but has remained vacant for several years. He continued with a discussion of previous proposed developments at the site which mostly consisted of three to four homes. Mr. Allen emphasized the home would be preserved, much of the landscaping would remain, and the property would retain its residential feel. Mr. Allen finished by discussing the notification requirements and the CC&R's. Mr. Allen noted the CC&R's have been modified previously, once to allow a three lot split for three new single family homes, and once to allow a two story office building on the property to the north of the subject site.

**Chairman Swart** asked what type of Doctor's office would be operated on the subject site? Mr. Allen responded it would be a neuropsychological office with no more than 9 employees at a time. The only patients would be children who are there for testing, one at a time.

**Mr. Jarvis** asked if the site would be secured after hours. Mr. Allen responded the building would be, they will be building a six foot wall to secure the rear of the property and are working with a security company to install lighting and other security features.

**Ms. Beckvar** asked if drugs would be kept on site. The applicant, **Ms. Jennifer Gatt** responded there would not be any drugs on site. She continued that doctors practicing at this facility are all PHD's, not MD's and do not have the authority to prescribe medicine.

**Mr. Lee Miller** asked what the plan was if the CC&R's cannot be amended. Mr. Allen responded that the property owners now own the home, and did not have a backup plan.

**Ms. Kathryn Langmade** asked for a clarification on the number of people at the facility at one time. She was confused because the numbers seemed to conflict. Ms. Gatt responded that three doctors work at the facility at one time. They each test one child at a time, but do it separately. Because the testing is very intense, they also will have two graduate students each to assist them. The doctors typically test on separate days, and are not at the facility at the same time, but at most they could have a total of nine employees at the facility at one time.

**Mr. Wally Graham** asked what uses R-O allows. Mr. Keating responded that R-O primarily allows professional office uses such as a doctor's office, law firm, accountant, etc. He also explained that R-O would allow conversion back to single family if the property owner chose to do so. Mr. Wally Graham followed up by asking if the permitted R-O uses would be allowed regardless of the CC&R's. Mr. Keating responded that they would. CC&R's do not affect city zoning regulations.

Five cards were presented to the chair in **support** of this item, with one wishing to speak.

**Ms. Holly Courtin** spoke in support of the item. Ms. Courtin noted she is the daughter of the current owner. She continued with a history of the property, and how it got to be in its present condition. She noted it was important to the previous owners that the integrity of the property be kept intact. She noted there were other commercial uses along 7<sup>th</sup> Street and felt the use was appropriate.

The following individuals submitted cards in support but did not choose to speak:

- Jason J. Baker
- Jennifer Gatt
- Ken Gatt
- R. Courtin

Three cards were presented to the chair in opposition of this item, with two wishing to speak.

**Ms. Catherine Balzano** spoke in opposition of the item. She noted after many years of living in other parts of the City, she choose to return to Central Phoenix because of the quality of life that it offers. She mentioned she represented approximately 5 homeowners whose property backs up to the properties that front 7<sup>th</sup> Street. She noted former developers have been willing to work with the neighborhood, and did not feel this property owner had made a good faith effort to meet them. She also noted the CC&R's were very specific that mental health facilities were not allowed.

**Mr. Thomas Beard** spoke in opposition of the item. He mentioned that he likes the residential feel of the neighborhood, explain that when he purchased his home, he read the CC&R's and wanted a residential neighborhood. He does not want to live by commercial businesses and does not see a reason to amend the deed restrictions.

**Ms. Patricia Sallen** asked if the proposed development did not happen, what would he suggest instead. Mr. Beard responded he would like to see a single house on the property. He continued that the previous property owners did not allow the property to stay on the market long enough to attract someone interested in keep the property residential.

**Ms. Janice Ariola** also submitted a card in opposition, but choose not to speak.

**Mr. Jason Allen** gave a brief rebuttal clarifying the residential density of 5.5 units that would be allowed on the site. He noted it is a large lot and 7<sup>th</sup> Street is a major street which is very undesirable to live next to.

**Mr. Graham** noted he was hearing from the community that they are concerned about erosion of commercial uses into the neighborhood, but feels R-O meets the intent of a buffer and would work well for the neighborhood.

**Mr. Miller** asked if R-O could happen along 8<sup>th</sup> Street. Mr. Keating responded we cannot say it is not possible, the decision is ultimately up to City Council, but staff would not be supportive of an R-O request along 8<sup>th</sup> Street. He continued that R-O is intended as a buffer between sensitive single family residential uses, and more intense uses such as typical commercial zoning or an arterial. The office space along 7<sup>th</sup> Street is not intense enough to warrant R-O zoning along 8<sup>th</sup> Street.

**Mr. Craig Tribken** noted the sidewalk was set back on this property, and asked how that happened. Mr. Keating and Mr. Allen both noted reason for the sidewalk modification was not identified through their research, and they did not know. Mr. Tribken also asked why staff would state they were not requiring a landscape strip across the entire rear yard, so if at a future date the property could use a portion of the rear for parking if needed. Staff responded that previous iterations of the proposed site plan included much more parking in the front. Staff wanted to ensure there was very little parking in the front and felt the rear landscape buffer as proposed was sufficient.

**MOTION: Mr. Rodney Jarvis** made a motion to approve as presented noting the Committee does not have any authority to act on CC&R's. **Mr. Craig Tribken** seconded the motion.

**Mr. Graham** explained his support by saying felt this was a good solution, but he was concerned with R-O erosion into the neighborhood.

**Mr. Miller** explained his support, noting he would prefer the CC&R amendment was completed before the rezoning action.

**Chairman Swart** explained his support stating he has come across many vacant properties through his career in law enforcement. He felt this was a good solution and supported the item.

**VOTE:** 12-0 motion to approve passes.

#### **STAFF COMMENTS REGARDING VPC RECOMMENDATION & STIPULATIONS:**

Staff has no comments.

Planning Commission Minutes for February 11, 2014

Item #: 7  
Application #: Z-56-13-6  
From: R1-6  
To: R-O  
Acreage: 0.96  
Location: Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road  
Proposal: Psychologist Office  
Applicant: Mr. Ken & Dr. Jen Gatt  
Owner: Mr. Ken & Dr. Jen Gatt  
Representative: Jason P. Allen - Skyline Consultants

Ms. Tricia Gomes presented Z-56-13-6; a request to rezone 0.96 acres located approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road from R1-6 to R-O to allow a psychologist office. The Camelback East Village Planning Committee recommended approval 12-0 per staff stipulations. Staff recommended approval per the per the memo from Tricia Gomes dated February 11, 2014, which addressed additional landscaping along the south and east property lines and the Proposition 207 Waiver.

Commissioner Davis stated she did not have a conflict but wanted to state on the record that her children and the applicant's children attend the same school.

Mr. Jason Allen stated over 110 notification letters were sent out to the neighborhood in two separate mailings. They had not received any phone calls during that time; one letter was received which they did respond to. At one neighborhood meeting six individuals attended and were met with. The main issue was related to the deed restrictions. An individual was located regarding the deed restrictions but was currently located in California and they could not meet.

After the Village Planning Committee meeting Mr. Allen met with the neighbors and had agreed to amend the site plan by providing eleven additional trees that would address the concerns along the eastern boundary and the southeast corner. Mr. Allen believed the issues were resolved.

Mr. Thomas Beard stated he liked the residential feel of the neighborhood and did not want to live near a commercial business; Mr. Beard did not see a reason to amend the deed restrictions.

Mr. Warren Schneider requested a continuance for additional information on what the specific use would be. The residential neighborhood had active deed restrictions and he did not understand why this property would not have to abide by them.

Chairwomen Katsenes asked Mr. Schneider if he had received a notice from the applicant regarding the project.

Mr. Schneider stated he did on January 17 and another in December; he did not attend the meetings. He believed the Planning Commission was the meeting to attend and

express his concerns.

Ms. Nichelle Whitehead stated that the letters that were sent out to the hundreds of people were not affected by the covenant of restrictions. Ms. Whitehead purchased her home in 2010 understanding that the deed restrictions were in effect. The new owners of the property in question had to have known about the deed restrictions. Her concern was the allowable lot coverage and height which indicated the potential for a two story building which was not consistent to the buildings in the neighborhood.

Commissioner Awai asked staff to confirm the height.

Ms. Gomes stated the R-O designation allowed fifteen feet of building height at the rear and side yard setbacks. It could go up to a maximum of twenty-five feet. It potentially could be a two-story or a one story at twenty-five feet.

Ms. Whitehead stated the concern was that the application was vague in terms of the height and parking. She was asking for more clarification on the plans and also requested a continuance.

Ms. Gomes responded that the parking calculations were based off of the size of the building; that is how the number of parking spaces was determined. The applicant was requesting to move forward with the existing building and maintaining that structure.

Commissioner Johnson confirmed that the applicant would be stipulated to the site plan.

Ms. Gomes stated the project was stipulated to general conformance to the site plan, if there was a significant change to the site plan it would have to come back through the public hearing process.

Commissioner Johnson asked if the site plan specified one story.

Ms. Gomes stated the site plan did not specify the height therefore it would defer to the requirements in the Zoning Ordinance.

Chairwomen Katsenes confirmed that currently if the applicant wanted to change the site plan they would have to come back through a public hearing process.

Mr. Gomes stated yes, the ordinance allows a ten percent variation, however, a significant change beyond the ten percent would require a modification through the Planning Hearing Officer process.

Ms. Mary Ann Guerra stated when they purchased their home that had to modify their plans based on the CC&R's in the deed restrictions. The proposed property was behind their home and she was concerned that the CC&R's were being ignored. Ms. Guerra stated she was actively trying to get information from the applicant and presented a letter with the deed restrictions.

Commissioner Johnson stated that the Planning Commission cannot consider CC&R's

or deed restrictions nor could the city enforce them. Only the Homeowners Associations support those private agreements.

Mr. Damon Boyd asked for a continuance to further discuss with the applicant the plans for the site. He was concerned about the traffic and the number of staff that would be there at any given time.

Two additional cards were submitted in opposition but did not wish to speak.

Janice Ariola and Lee Evans.

Two cards were submitted in favor but did not wish to speak.

Ken Gatt and Jennifer Gatt.

Mr. Allen reiterated the neighborhood outreach in terms of trying to get in touch with the neighborhood. Letters were sent out on December 11 and January 17. The site was posted and there was also notification in the newspaper. The issues of the CC&R's were brought up at the meeting from the second letter notification.

The issues were deed restriction related and were amended for the property north of the proposed site which was zoned R-O and almost twice as large. In terms of the height, Mr. Allen stated that he would limit the height to fifteen feet and one story. The hours of operation would be 8 a.m. to 5 p.m. with no more than 12 clients per week at the site and no more than nine staff members at any one time. Mr. Allen stated he would be more than willing to continue meeting with the neighbors to work out details before the City Council hearing.

Commissioner Awai confirmed that the applicant would stipulate to one-story and fifteen feet.

Mr. Allen confirmed yes; one-story at fifteen feet.

Commissioner Montalvo asked what the main opposition was.

Mr. Allen responded it was the deed restrictions; the CC&R's.

Commissioner Davis clarified with staff that the notices were sent out on December 11, 2013 and January 17, 2014.

Ms. Gomes stated the requirements for notice were met.

Chairwoman Katsenes asked if other homes along 7th Street had R-O uses.

Mr. Allen stated there was one on the southwest corner of 7th Street and Missouri Avenue. The property to the north was a residential office, about 20 feet in height, which was also part of the subdivision. The property to the north was the R-O that was amended and significantly larger than the project Mr. Allen was proposing.

Commissioner Heck stated that the property to the north looked like a two-story building which was a concern of the neighbors of the proposed project.

Mr. Allen confirmed they were in agreement to the 15 foot height and one-story.

Commissioner Awai stated the property was along the 7th Street and would not be safe for a family with children. It was unfortunate for this to happen but he did not see another use for this property. The proposal maintains the residential character which was appropriate.

Commissioner Awai made a MOTION to approve Z-56-13-6 per the memo from Tricia Gomes dated February 11, 2014 with an additional stipulation regarding the building height.

Commissioner Davis SECONDED.

Commissioner Heck commented although she would have preferred residential; this seemed to be the best of both worlds in meeting with the integrity of the existing property which had not been lived in for a long time.

Chairwomen Katsenes agreed with Commissioner Heck in that the home would be kept in its original form as intended. The commercial use seemed to be low in traffic and she appreciated the additional stipulation in regards to the height.

There being no further discussion, Chairwoman Katsenes called for a vote and the MOTION PASSED 7-0 (Whitaker, Beletz absent)

\* \* \*

Stipulations:

1. The development shall be in general conformance with the site plan date stamped ~~January 9, 2014~~ FEBRUARY 11, 2014, except as modified by the following stipulations and approved by the Planning and Development Department.
2. The property owner shall provide a minimum 20-foot landscape setback with a minimum 3-inch caliper trees to be placed 20-feet on center or in equivalent groupings along the east property line as approved by the Planning and Development Department, WITH SPECIFIC REGARD TO THE 11 TREES ALONG THE SOUTH AND EAST PROPERTY LINES AS DEPICTED ON THE SITE PLAN DATE STAMPED FEBRUARY 11, 2014.
3. The property owner shall provide a minimum 20-foot landscape setback with a minimum 3-inch caliper trees to be placed 20-feet on center or in equivalent groupings along the south property line as approved by the Planning and Development Department.

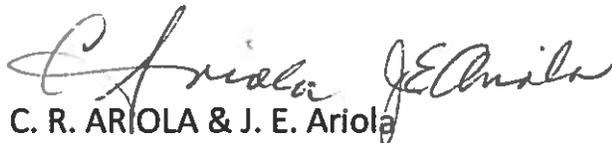
4. The property owner shall maintain a minimum of three trees in the front yard setback.
5. The maximum number of parking spaces allowed shall not exceed 125 percent of the City requirement.
6. The trash enclosure shall be located no closer to the street than the main building as approved by the Planning and Development Department.
7. The property owner shall dedicate a 10-foot wide sidewalk easement along the east side of 7th street as approved by the Planning and Development Department.
8. THAT PRIOR TO PRELIMINARY SITE PLAN APPROVAL, THE LANDOWNER SHALL EXECUTE A PROPOSTIION 207 WAIVER OF CLAIMS IN A FORM APPROVED BY THE CITY ATTORNEY'S OFFICE. THE WAIVER SHALL BE RECORDED WITH THE MARICOPA COUNTY RECORDER'S OFFICE AND DELIVERED TO THE CITY TO BE INCLUDED IN THE REZONING APPLICATION FILE FOR RECORD.
9. THE BUILDING HEIGHT SHALL BE LIMITED TO 1-STORY AND 15-FEET.

January 1, 2014

City of Phoenix Planning Department  
200 W. Washington Street  
Phoenix, Arizona 85003

Ref: Skyline Consultants LLC letter relating to a request for rezoning of a residential lot in Ocotillo Manor Case #Z—56-13 dtd December 11, 2013

1. The reference urged residents to submit comments and attend meetings relating to the subject rezoning.
2. My comments and recommendations are submitted in the 3 page attachment.



C. R. ARIOLA & J. E. Ariola  
Residents, Ocotillo Manor  
6736 N. 8<sup>th</sup> St.  
Phoenix, AZ 85014  
Phone: 602-361-1497

1/2/2014

Comments and Information to whom it May Concern (relating to Referenced (a))

Subject: Lot #2, Ocotillo Manor, 6729 N 7<sup>th</sup> Street, Phoenix, Arizona 85014

Reference (a) Letter from Skyline Consultants, LLC dated December 11, 2013, relating to a proposed rezoning of Lot #2, Ocotillo Manor, 6729 N 7<sup>th</sup> Street, Phoenix, Arizona 85014 (City case #Z-56-13)

1. The referenced letter does not include some significant facts, as follows:
  - a. Makes no mention of the fact that the lot is located in Ocotillo Manor and that it is subject to recorded, and active Covenants and Restrictions. Lot #2 is one of 18 Lots included in the Declaration of Restrictions for "Ocotillo Manor" as recorded on April 29, 1952 in the office of the County Recorder of Maricopa County, Arizona, in Book 52, Page 2(with amendments). These expressed Covenants, stipulations, and restrictions were established as running with the title, are current and have been maintained since they were recorded on April 29, 1952 (Docket: 917 Page 270), over 60 years ago. The Declaration of Restrictions for Ocotillo Manor specifically prohibits the use proposed by reference (a) (see below).
  - b. Modifications to these Covenants require a majority vote of the 18 voting owners of the eighteen (18) lots located in Ocotillo Manor. All past and recent changes effecting use of the Lots of Ocotillo Manor have been reviewed and voted on by the residents of Ocotillo Manor prior to requesting action by the city. Other than receipt of reference (a), the residents of Ocotillo Manor are only aware that someone purchased Lot #2, almost immediately brought in bulldozers to clean sweep much of the vegetation off the lot, level and destroy all irrigation berms, and fill the swimming pool with excess soil and debris (no permit to do so was ever known to have been posted in public view-(perhaps that is not required?)). Also the existing "health hazard", i.e., the seven palm trees that have not been pruned for many years, filled with rats, birds, scorpions, spiders and other vermin, a major fire hazard, remains untouched. The massive dust cloud created by this effort lasted for several days! It is noted that the

- new owner does not live in Ocotillo Manor and has apparently purchased this residential lot for the sole purpose of rezoning and commercial use.
- c. It is also noted that the referenced letter from Skyline was distributed to residential neighborhoods outside the boundaries of Ocotillo Manor, residences that have no connection to Ocotillo Manor. Perhaps the new owners, or their agent have not yet obtained a copy of the Covenants and Restrictions which clearly show the boundaries.
  - d. Paragraph 1 and paragraph 10, of the Ocotillo Manor Covenants and Restrictions does not allow the use stated in reference (a) , i.e.,  
Paragraph 1: "All of said lots in said OCOTILLO MANOR shall be known and described as residential lots". Paragraph 10: "No store, office or other place of business of any kind and no hospital, sanitarium, or other place for the care or treatment of the sick or disabled, physically or mentally, nor any theater, saloon or other place of entertainment shall ever be erected or permitted upon any of said lots, or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence on said lots". Note: Even if a rezoning of any specific lot were approved, these restrictions, in effect for sixty plus years, should be considered prior to any change in rezoning of the subject property.
  - e. Only one Lot in Ocotillo Manor has ever been approved for use other than residential. Several years ago a vacant lot, Lot #1, which is located next to a large residential apartment complex at 6741 N. 7<sup>th</sup> Street, was approved for use by a Non-profit, charitable organization, CTLPC Parenting Arizona, who provides community based support services for needy families. This change had a desirable, humanitarian purpose. The requested change in use of Lot #2 is simply for profit and considered not desirable by many.
2. Ocotillo Manor Covenants and Restrictions contain requirements and regulations that apply to and are designed to properly regulate a well maintained Phoenix community. The residents are proud of their homes as is evidenced by several recent major renovations and upgrades completed, underway and planned. It is likely that the improvements and increase in property values will far exceed any tax value the city could reasonably expect from rezoning Lot #2. Most residents are concerned that such disruptions as those described in reference (a), a commercial endeavor in the center of our community, will most likely cause a

decrease in property values, and especially those that adjoin the boundaries of Lot #2. It should also be noted that the Skyline Consultants letter provides a plan that is not likely the final plan in view of the statement in the last paragraph on page one. "Market conditions" are sure to change quickly and require a new plan? One might ask the question as to why a single Doctor operating from a "residence" needs nineteen parking spaces. With the clearing, leveling of the lot, elimination of the irrigation berms and flow valves, and the filling of the swimming pool, could we already be preparing for an addition? Keep in mind that we are talking about Zoning Ordinance 620 Residential Office R-O District-Restricted Commercial, the full description of the requested zoning, which is absent from the Skyline letter. Paragraph B.3.c. requires occupancy. At this time the property does not seem to meet that requirement. Once the word "Commercial" enters the rezoning definition of a parcel, it would seem we have made a giant leap toward a full Commercial zoning, something that the past and many of the present residents of Ocotillo Manor have fought since its establishment.

3. It is requested the Camelback East Village Planning Committee, the Phoenix City Planning Commission and The Phoenix City Council support those residents of Ocotillo Manor who are against rezoning Lot #2 from its current use, to 620 Residential Office District-Restricted Commercial.
4. Residents of Ocotillo Manor who might support or not support the rezoning request for Lot #2 Ocotillo Manor are encouraged to submit their own comments and/or attend any meetings on this matter.

January 23, 2014

Xandon Keating  
Village Planner  
Ahwatukee Foothills & Camelback East  
City of Phoenix Planning and Development Department  
200 West Washington Street, 3rd Floor  
Phoenix, AZ 85003-1611

Re: Z-56-13-6

Dear Mr. Keating:

I am the daughter of the late Virginia Erwin and beneficiary of the Erwin Trust that recently sold the property at 6729 N. 7<sup>th</sup> Street to Ken and Jennifer Gatt. They have recently submitted an application for new zoning on the property and have asked that I forward to City Staff some historical context for the property that may be helpful as you evaluate the merits of the application.

To start with, we were very glad that we found a buyer for the property who intends to keep the house and update it rather than leveling it and doing something kitchy (or obtrusively dense). There are a lot of memories here, and my mother, sister and I have long hoped that, when the time came, we would find someone who would honor the structural integrity of the property. As it transitions to the next generation, a conversion to professional office makes all the sense in the world.

Here is some history on the house: The house was built in the mid-1950's by the son of the original land owner. Since this was to be his family's personal residence, he wanted to build something custom that would, hopefully set the tenor for the area. As the developer of a resort hotel complex in Mexico, he imported the adobe blocks, floor tile, hand-made wall tile, and hand-crafted ceiling beams and planks.. The front door originally graced the front of a historical turn-of-the-century bank in Douglas. I met a dozen members of the family this last Summer, many of whom were raised there, who told stories of the house being a social gathering spot for North Central families for many years.

My parents bought the house from this family in the mid-1960's (making the Gatts only the third owner of this 60-year-old house). My sister and I were raised here. In the mid-90's, my mother started spending half the year in Washington State, the other half at the Phoenix house. Because of its visibility from 7<sup>th</sup> Street, and I'm sure because of the lack of activity 6-months out of the year, there were a series of burglaries. Eight or ten years ago, Mom confronted a burglar in the dark and in an adrenaline-fueled attack chased the

intruder out of the house. After this traumatic event, she never felt comfortable sleeping in the house again.

The house remained filled with her possessions and was routinely ransacked. Iron bars, heavy chains and padlocks went up on the doors and windows. A jerry-rigged set of high, chain-link fences closed off the back yard, intended to thwart intruders. Nonetheless, the neighbors and police found more than a couple of squatters in the bushes at the back of the lot. As her financial condition deteriorated, she continued to cut back on maintenance of the property, shutting off the gas and water, draining the pool, doing landscape maintenance sporadically, at best. The burglaries continued.

Mom died exactly a year ago. The trustee handling her estate hired a real estate broker and put the property on the market in May to pay off accumulated debts and property taxes. The broker soon realized that what should have been an attractive "fix-up" of a North Central custom home on an acre lot at a bargain price was thwarted by the up-hill battle of trying to sell a house on one of Phoenix' busiest arterial streets. I certainly can understand: Who would want to live day-to-day having to combat the noise and access-safety issues that come with over 30,000 cars a day going past your front door?

When the house was built, 7<sup>th</sup> Street was a 2-lane road in the suburbs. Over the ensuing years, the City widened the street several times, and with each upgrade, the traffic increased. At one point they installed a reversible center lane that essentially created three lanes of traffic for each of the two rush-hours per day.

As the streets widened, the physical character of the area changed. Several houses and "farm-ettes" to the south and farther to the north were developed for multifamily and commercial. Apartments went in a couple hundred feet to our north. A block north at Glendale Avenue, older commercial on three of the corners was redeveloped and expanded. Although the commercial development certainly improved the general quality of the neighborhood, traffic continued to increase.

Adjacent to us, an attorney bought the house to the south and ran his law firm out of it for years (without ever obtaining the appropriate zoning), taking advantage of the perceived "commercial" 7<sup>th</sup> Street address to drive his business. The owner of the lot adjacent to the north did the most logical thing, selling it for development of an office building. My mother continued to own the only real "single-family", original acre-lot house left of the four Ocotillo Manor lots along 7<sup>th</sup> Street. She was often approached by developers, and at one point (although she never went under contract) a synagogue that was proposed for hers and all of the other adjacent 7<sup>th</sup> Street lots. The neighborhood came unglued. The developer thought it was anti-Semitism. I think it was a bad plan that was insensitive to the neighborhood in terms of height, parking and other issues.

So it seemed fitting when the broker found that the only real, qualified buyers for the property that surfaced were developers. One wanted to do a sports bar in the house; the broker discouraged that use based on the potential impact on the surrounding neighborhood. An apartment developer wanted to build 3 and 4-story buildings on ours

and the adjoining lot to the south; that was also discouraged because of the probability of neighborhood opposition to the height. A single-family homebuilder went under contract to build 8 to 10 detached houses on the two combined lots and was shot down by the neighborhood. Three other homebuilders who wanted to build similar or even higher density never went to contract because of the stonewalling they were sure they'd encounter, one of them after meeting with one of the more vocal (and intransigent) neighbors on 8<sup>th</sup> Street. Although these developers were clearly able to demonstrate that there would be no vehicular or pedestrian traffic or noise or light pollution impact on their neighborhood, and several were willing to concede to single-story houses abutting their lots, it was clear that there was simply an aversion to change, under any practical, scenario, that made economic sense.

Since Mr. and Mrs. Gatt are not changing the height or general character of the house (other than possibly doing an addition some time down the road mimicking the same architecture, height, and materials of the existing house), and since Mrs. Gatt's practice is a pretty low-traffic, low-impact use for the house, I can't imagine that the neighborhood would not see this as the best possible solution for the property.

Thank you for giving my comments consideration. I am looking forward to seeing the property once it's fully restored. If you have any questions, you can reach me at (480) 390-8329.

Best regards,



Holly Erwin Courtin  
5601 E Montecito  
Phoenix, AZ 85018

cc: Ken & Jennifer Gatt  
Jason Allen

February 6, 2014

Planning Commission  
Phoenix City Council  
200 W. Jefferson Street  
Phoenix, AZ 85003

**CITY OF PHOENIX**

FEB 11 2014

**Planning & Development  
Department**

Subject: 6729 N. 7<sup>th</sup> Street: General Land-Use and planning discussions

Information from Agenda:

Application Number: Z-56-13-6

From: R1-6

To: R-0

0.96

Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road

Psychologist Office

Mr. Ken & Dr. Jen Gatt

Jason P. Allen - Skyline Consultants

Dear Planning Commission and City Council,

We are taking the time to address both groups regarding the planned use of the property noted in above subject line. This property currently occupies a residential home where the new owners Jenifer and Ken Gatt have announced plans to have its zoning modified for use as a medical office. While information has been provided to the neighbors as to how the home will be renovated, it is a bit unclear from the recent Village Planning Committee meeting whether the true use of the space and planned architecture have been conveyed to the local residence that are concerned with the use of this property. This lot is covered by existing CC&R's that have been active for over 50 years. My husband Lee Evans and I are intimately aware of these deed restrictions, as we have purchased the property of 8th street that is DIRECTLY behind 6729 N. 7<sup>th</sup> street. We have invested over \$600,000.00 to create a beautiful home and to improve the residential landscape of this area. Our current home is at 402 East Lamar Rd, so we are VERY concerned that the neighborhood around us, and this additional property, be used for the highest residential good.

The property in question was previously under contract within the past 12 months and these potential buyers submitted a plan had been submitted to have multiple homes built on this property as well as another adjacent property. Both properties covered by the deed restrictions. The plans were submitted and discussed with the neighborhood HOA and attempts were made to develop a plan that could work for both the builder and the neighbors. The HOA was willing to modify the CC&Rs to accommodate reasonable plans that reflected the spirit of the CC&Rs. Unfortunately the property was re-sold (or is under contract...we are not sue) and now the proposed use is for a medical office with a focus on mental health. The CC&Rs specifically disallow the use of space for commercial use, psychiatric facilities and home office use, so the proposed plan is in direct violation of the basic tenants of these long standing residential operation agreements. The have been in effect since 1952 and are VERY clear in their intent! Specifically the Deed Restrictions state on page 2:

***"10. No store, office or other place of business of any kind and no hospital, sanitarium, or other place for the care or treatment of the sick or disabled, physically or mentally, nor any theater, salon or other place of entertainment shall ever be erected or permitted upon any of said lots, or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence on said lots."***

Having just bought a property, we too were subject to these standards, were required to MODIFY our building plans, lost about 600 sq. ft. of space to our proposed plans, lost time/money in doing this but DID comply with the CC & Rs and worked with the neighborhood to create a beautiful new property that will

add value to all. So our concerns are very personal, not to mention that the property in question is in our backyard!

Our concerns are as follows:

- Skyline has NOT worked with the neighbors to create an acceptable plan. While at the Village Planning Committee meeting Jason Allen stated he had personally contacted the neighborhood residents and none had replied, that statement was a bit inaccurate. Jason called my office (BioAccel) the same afternoon of the Village Planning Committee meeting, held on February 4. My assistant got the message and forwarded it to me. I got the message at 4:00 pm and returned the call immediately. He did not respond.
- My understanding from a few other residents is that they too only received a call that day. Not much time to discuss and negotiate a reasonable plan. We also had attended a Community/Neighborhood meeting with Skyline and the owners Jenifer and Ken Gatt that was held on Monday, January 27, gave them our contact information and conveyed our concerns. So they clearly had our contact information and knew our concerns.
- The proposed plan violates the deed restrictions that have been active for 62 years and applied to all other properties in the neighbor as recently as within the past 4 months.
- Because this is a beautiful historic home and lovely property in N. Central Phoenix, we would be willing to consider a purchase of the property to remain its integrity and residential status. In fact we did speak with the selling Real Estate Agent about the property at one time, and they were VERY clear about the deed restrictions. Therefore the Gatt's were knowledgeable about these limitations from the time of initial interests.

We realize that the legal status of the CC&Rs and City Planning responsibilities may be on two sides of the coin. But there is a serious problem when neighborhoods are encouraged to operate using HOAs, keep the neighborhoods beautiful to retain property values and to create safe places for our families/children and then a commercial entity can ignore these guidelines and force residence to engage in legal battle to protect the integrity of their neighborhood. I am sure as residents of the lovely City of Phoenix each of you might take exception to having a medical practice with a specialty in psychiatrics dropped into your neighborhood and told that is OK.

We thank you for your understanding and consideration of our concern. We would simply like the owners to work with the HOA, CC&Rs and neighbors to come up with a mutually acceptable plan that provide security for adjacent properties.

Sincerely,

MaryAnn Guerra and Lee Evans  
Business Owners  
Neighborhood Residents



Stephanie Saenz/PLN/PHX  
02/11/2014 10:51 AM

To Edward Keyser/PLN/PHX@PHXENT  
cc  
bcc  
Subject Fw: Contact Us Planning and Zoning - Form Submission

Please see email below..

Thanks,  
Stephanie Saenz  
City of Phoenix  
Planning & Development  
200 W. Washington St., 3rd floor  
Phoenix, Arizona 85003-1611  
stephanie.saenz@phoenix.gov  
602-495-2076 - Direct Line  
602-732-2587 - Fax Line

----- Forwarded by Stephanie Saenz/PLN/PHX on 02/11/2014 10:51 AM -----



no-reply@phoenix.gov  
02/10/2014 05:50 PM

To Zoning Mailbox PLN/PLN/PHX@PHXENT  
cc  
Subject Contact Us Planning and Zoning - Form Submission

Form Submission On : 2/10/2014 5:50:38 PM  
IP Address: 98.165.192.30:49511  
Referer: http://phoenix.gov/contactus/index.html

First and Last Name : MaryAnn Guerra  
Email : mguerra@bioaccel.org  
Comments : We are owners in a neighborhood HOA that is impacted by this plan.  
They are ignoring existing HOA guidelines with their rezoning application.  
6729 N. 7th Street: General Land-Use and planning discussions

Information from Agenda:

Application Number: Z-56-13-6

From: R1-6

To: R-0

0,96

Approximately 305 feet north of the northeast corner of 7th Street and  
Ocotillo Road  
Psychologist Office  
Mr. Ken & Dr. Jen Gatt  
Jason P. Allen - Skyline Consultants

We are taking the time to address both groups regarding the planned use of the property noted in above subject line. This property currently occupies a residential home where the new owners Jenifer and Ken Gatt have announced plans to have its zoning modified for use as a medical office. While information has been provided to the neighbors as to how the home will be renovated, it is a bit unclear from the recent Village Planning Committee meeting whether the true use of the space and planned architecture have been conveyed to the local residence that are concerned with the use of this property. This lot is covered by existing CC&R's that have been active for

over 50 years. My husband Lee Evans and I are intimately aware of these deed restrictions, as we have purchased the property of 8th street that is DIRECTLY behind 6729 N. 7th street. We have invested over \$600,000.00 to create a beautiful home and to improve the residential landscape of this area. Our current home is at 402 East Lamar Rd, so we are VERY concerned that the neighborhood around us, and this additional property, be used for the highest residential good.

The property in question was previously under contract within the past 12 months and these potential buyers submitted a plan had been submitted to have multiple homes built on this property as well as another adjacent property. Both properties covered by the deed restrictions. The plans were submitted and discussed with the neighborhood HOA and attempts were made to develop a plan that could work for both the builder and the neighbors. The HOA was willing to modify the CC&Rs to accommodate reasonable plans that reflected the spirit of the CC&Rs. Unfortunately the property was re-sold (or is under contract...we are not sue) and now the proposed use is for a medical office with a focus on mental health. The CC&Rs specifically disallow the use of space for commercial use, psychiatric facilities and home office use, so the proposed plan is in direct violation of the basic tenants of these long standing residential operation agreements. The have been in effect since 1952 and are VERY clear in their intent! Specifically the Deed Restrictions state on page 2:

"10. No store, office or other place of business of any kind and no hospital, sanitarium, or other place for the care or treatment of the sick or disabled, physically or mentally, nor any theater, salon or other place of entertainment shall ever be erected or permitted upon any of said lots, or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence on said lots."

Having just bought a property, we too were subject to these standards, were required to MODIFY our building plans, lost about 600 sq. ft. of space to our proposed plans, lost time/money in doing this but DID comply with the CC & Rs and worked with the neighborhood to create a beautiful new property that will add value to all. So our concerns are very personal, not to mention that the property in question is in our back yard!

Our concerns are as follows:

- Skyline has NOT worked with the neighbors to create an acceptable plan. While at the Village Planning Committee meeting Jason Allen stated he had personally contacted the neighborhood residents and none had replied, that statement was a bit inaccurate. Jason called my office (BioAccel) the same afternoon of the Village Planning Committee meeting, held on February 4. My assistant got the message and forwarded it to me. I got the message at 4:00 pm and returned the call immediately. He did not respond.

- My understanding from a few other residents is that they too only received a call that day. Not much time to discuss and negotiate a reasonable plan. We also had attended a Community/Neighborhood meeting with Skyline and the owners Jenifer and Ken Gatt that was held on Monday, January 27, gave them our contact information and conveyed our concerns. So they clearly had our contact information and knew our concerns.

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- Because this is a beautiful historic home and lovely property in N. Central Phoenix, we would be willing to consider a purchase of the property to remain its integrity and residential status. In fact we did speak with the selling Real Estate Agent about the property at one time, and they were VERY clear about the deed restrictions. Therefore the Gatt's were knowledgeable about these limitations from the time of initial interests.

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We thank you for your understanding and consideration of our concern. We would simply like the owners to work with the HOA, CC&Rs and neighbors to come up with a mutually acceptable plan that provide security for adjacent properties.

Sincerely,

MaryAnn Guerra and Lee Evans  
Business Owners  
Neighborhood Residents  
602 653 5375 (MaryAnn Cell)  
602 820 5223 (Lee Cell)

CITY OF PHOENIX  
PLANNING AND DEVELOPMENT DEPARTMENT

<b>FORM TO REQUEST PC to CC</b>			
<b>I HEREBY REQUEST THAT THE PC / CC HOLD A PUBLIC HEARING ON:</b>			
<b>APPLICATION NO./ LOCATION</b>	Z-56-13-6 Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road	<b>(SIGNATURE ON ORIGINAL IN FILE)</b>	
		opposition	X
<b>APPEALED FROM:</b>	PC 2/11/14	Mary Ann Guerra 602-653-5375	
	<small>PC/CC DATE</small>	<small>NAME / PHONE</small>	
<b>TO PC/CC HEARING</b>	CC 3/19/14	6730 N 8th Street Phoenix AZ 85012	
	<small>DATE</small>	<small>STREET ADDRESS/CITY/STATE/ZIP</small>	
<b>REASON FOR REQUEST: attached letter</b>			
<b>RECEIVED BY:</b>	SK / LO	<b>RECEIVED ON:</b>	2/18/14

Larry Tom  
Diane Rogers  
Lilia Olivarez, PC Secretary  
Ken Black  
David Miller  
Courtney Gordon  
Ben Ernyei  
PLN All



**City of Phoenix**  
PLANNING AND DEVELOPMENT DEPARTMENT

PLANNING DEPT.  
2ND FL. RECEPTION

FEB 18 REC'D

CITY OF PHOENIX

The **PLANNING COMMISSION** agenda for February 11, 2014 is attached.

The **CITY COUNCIL** may approve the recommendation of the Planning Commission without further hearing **unless**:

1. A **REQUEST FOR A HEARING** by the **CITY COUNCIL** is filed within seven (7) days.

There is a \$630.00 appeal fee for hearings requested by the applicant, due by 5:00 p.m. February 18, 2014

Any member of the public may, within seven (7) days after the Planning Commission's action, request a hearing by the City Council on any application. If you wish to request a hearing, fill out and sign the form below and return it to the Planning and Development Department by 5:00 p.m. February 18, 2014

2. A **WRITTEN PROTEST** is filed, no later than seven (7) days after the Planning Commission's action, which requires a three-fourths vote. A written protest will require a three-fourths vote of the City Council to approve a zoning change when the owners of at least 20 percent of the land included in the proposed change or of the land within 150 feet (not including the width of the street) of the front, back or any side of the property sought to be rezoned signed the petition. For condominium, townhouse and other types of ownership with common lands, authorized property owner signatures are required. Please see Planning and Development Department Staff for additional information prior to gathering signatures.

To require a three-fourths vote of the City Council for approval, a written protest for applications on this agenda must be filed with the Planning and Development Department by 5:00 p.m. February 18, 2014.

The Planning and Development Department will verify ownership by protestors to determine whether or not a three-fourths vote will be required.

3. A **CONTINUANCE** is granted at the **PLANNING COMMISSION**. In the event of a continuance, there is an \$830.00 fee due from the applicant within fourteen (14) days, by 5:00 p.m. February 25, 2014.

**FORM TO REQUEST CITY COUNCIL HEARING**

**I HEARBY REQUEST THAT THE CITY COUNCIL HOLD A PUBLIC HEARING:**

Z 56-13-6  
APPLICATION NO.

7th Street between Ocotillo/Glenbrook  
LOCATION OF APPLICATION SITE

2/18/14  
DATE APPEALED FROM

OPPOSITION  
 APPLICANT

[Signature]  
PLANNER  
(PLANNER TAKING THE APPEAL)

**BY MY SIGNATURE BELOW, I ACKNOWLEDGE CITY COUNCIL APPEAL:**

Mary Ann Guerra  
PRINTED NAME OF PERSON APPEALING

[Signature]  
SIGNATURE

67  
STREET ADDRESS

DATE OF SIGNATURE

Phoenix, AZ 85012  
CITY, STATE, & ZIP CODE

602-653-5375  
TELEPHONE NO.

REASON FOR REQUEST Attached Letter

**APPEALS MUST BE FILED IN PERSON AT 200 WEST WASHINGTON, 2ND FLOOR, ZONING COUNTER**

February 17, 2014

Phoenix City Council  
200 W. Jefferson Street  
Phoenix, AZ 85003

Subject: Protest filed for Application Number: Z-56-13-6  
February 24, 2014 Public Hearing for Z-TA-14-13  
6729 N. 7<sup>th</sup> Street: General Land-Use and rezoning request  
From: R1-6  
To: R-O  
Acreage: 0.96  
Location: Approximately 305 feet north of the northeast corner of 7<sup>th</sup> Street and  
Ocotillo Road

Proposal: Psychologist Office  
Owner: Mr. Ken & Dr. Jen Gatt  
Representative: Jason P. Allen - Skyline Consultants

Dear City Council,

We are respectively, officially protesting, the rezoning of 6729 N. 7<sup>th</sup> Street from its current classification of R1-6 to R-O. As local residents of the neighborhood and owners of property that is directly adjacent to the property under rezoning reconsideration, we have grave concerns about the recent actions taken by the Village Planning Committee and City of Phoenix Planning Commission. We feel a public hearing and three-fourths vote of the City Council is appropriate in this instance.

This property currently occupies an historic residential home where the new owners Jenifer and Ken Gatt have announced plans to have its zoning modified for use as a psychiatric medical office. While notice and some information has been provided to the neighbors as to the proposed development, its rezoning to any type of commercial use is not only problematic to the general neighborhood but also specifically to us as our backyard abuts to this property. While we are great supporters of local economic development, we are equally concerned with retention of quality neighborhoods. In this instance, Dr. Gatt is relocating her office from a commercial space south on 7<sup>th</sup> to the proposed location. As the CEO of BioAccel a local non-profit dedicated to growing new biotech companies in Arizona, I am very supportive of strong economic development efforts. However in this case, the proposed change negatively impacts our local neighborhood by expanding the commercial footprint in the neighborhood **without** having any positive or expanded increase in local economic impact.

**Background information:**

This lot is covered by existing CC&R's that have been active for over 50 years. My husband Lee Evans and I are intimately aware of these deed restrictions, our property on 8<sup>th</sup> street that is DIRECTLY behind 6729 N. 7<sup>th</sup> street. We purchased this property within the last year and have invested over \$600,000.00 creating a beautiful home that we had planned to move into and improved the residential landscape of this area. When

we purchased this property we were made aware of the deed restriction upon purchase and have conformed to these legal agreements between neighbors. Additionally we were happy to have these as we had a concern that our property backed up to a home on 7<sup>th</sup>, but were assured that this property was also bound by the same existing CC&Rs. Our current home is at 402 East Lamar Rd, so we are VERY concerned that the neighborhood, and this additional property, be used for the highest residential good.

The property in question was previously under contract within the past 12 months and these potential buyers submitted a plan to have multiple homes built on this property as well as another adjacent property. Both properties are covered by the deed restrictions. The plans were submitted and discussed with the neighborhood HOA and attempts were made to develop a plan that could work for both the builder and the neighbors. The HOA was willing to modify the CC&Rs to accommodate reasonable plans that reflected the spirit of the CC&Rs and **maintained it as residential**. Unfortunately the property was re-sold and now the proposed use is for a medical office with a focus on mental health. The CC&Rs specifically disallow the use of space for commercial use, psychiatric facilities and home office use, so the proposed plan is in direct violation of the basic items of these long standing residential operating agreements. These deed restrictions have been in effect since 1952 and are very clear in their intent! Specifically the Deed Restrictions state on page 2:

***“10. No store, office or other place of business of any kind and no hospital, sanitarium, or other place for the care or treatment of the sick or disabled, physically or mentally, nor any theater, salon or other place of entertainment shall ever be erected or permitted upon any of said lots, or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence on said lots.”***

Having just bought our property on 8<sup>th</sup> street, we too were subject to these standards, were required to MODIFY our building plans, lost about 600 sq. ft. of space to our proposed expansion plans, lost time/money in doing this but **DID** comply with the CC & Rs and worked with the neighborhood to create a beautiful new property that will add value to all. So our concerns are very personal, not to mention that the property in question is in our back yard!

While we have read the beautiful and gut wrenching letter prepared by the previous owner's daughter Holly Erwin, we were also made aware that *her husband is the commercial real estate agent for the property in question* and therefore is somewhat conflicted in their support to “rezone” 7<sup>th</sup> street.

Our concerns are as follows:

- Two hearings have been held on this property. The “neighbors” received 2 minutes to speak at the Village Planning Committee and 10 minutes to speak at the City Planning Commission meeting. The 10 minutes at the Planning Committee meeting had to be divided among 5 members of the neighborhood, who also disagreed with the proposed rezoning. The opposition was allowed to speak for 5 minutes to present his case. and then received another 10 minutes to

rebut the neighbors. This seem quite unfair to us. Additionally the rebuttal by Jason Allen of Skyline consultants basically outlined how they had sent out letters to the neighbors and none of us responded in writing. However we did attend their meeting in person and we did attend the hearings. What Mr. Allen never addresses was why the City should approve rezoning over the opposition of the neighbors, and he never presented any merit to why the rezoning was of value to the City and/or the neighborhood. As noted above, we see no positive economic impact that would support this rezoning due to Dr. Gatt's current location down the street. Also, they argued that her business was small and she had no intention of growing it, so again the move would have no greater positive economic impact for Phoenix.

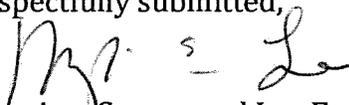
- In neither of these meetings was a case made for "why" the property should be rezoned. I was frankly shocked to have the Chairman of the City Planning Commission refer to 7<sup>th</sup> street as the 7<sup>th</sup> street freeway! And it will become be one if the City continues to kill of the residences for commercial use.
- While 7<sup>th</sup> Street and Glendale have commercial establishments, some of which have been creeping south, that does not justify that all residential properties should be rezoned. The property in question has residential dwellings to the North, South, East and West of it across the street from it. There appears to be no strong reason to support rezoning to commercial office use, especially based on the potential impact it will have to other residence. At least two of us have just purchased the adjacent properties (behind and south) as residences and therefore the impact to our home values is significant if this rezoning is approved. I purposefully modified by morning jog on Sunday to run on the "7<sup>th</sup> street freeway" rather than the Bridle Path and it confirmed my impression that the street has a substantive residential footprint.
- While we realize that the City does not adhere to the deed restrictions that have been active for 62 years and applied to all other properties in the neighborhood and the property in question as recently as within the past 4 months, we do feel that a good case should be made as to why they are being violated and the subsequent benefit to the City. The current owners WERE aware of these deed restrictions yet purchased the property with the intent of blatantly violating long standing legal contracts and have misled the village planning committee, the city planning commission and now the City of Phoenix into allowing them to conduct such a violation. It seems quite unfair that for 62 years this contract has been in place and adhered to by all, yet one party can come along and undue the legal document and take steps to accelerate a deterioration of the local neighborhood. Phoenix needs MORE high quality residential areas, not less.
- We are concerned that the City would be in support of ignoring a binding legal contract relating to the CC & R's without some strong justification to do so.
- Because this is a beautiful historic home and lovely property in N. Central Phoenix, we would be willing to consider a purchase of the property to restore it's integrity and residential status.

We realize that the legal status of the CC&Rs and City Planning responsibilities may be on two sides of the coin. But there is a serious problem when neighborhoods are encouraged to operate using HOAs, keep the neighborhoods beautiful to retain property values and to create safe places for our families/children, and then a commercial entity

can ignore these guidelines and force residents to engage in legal battle to protect the integrity of their neighborhood. I am sure as residents of the lovely City of Phoenix each of you might take exception to having a medical practice with a specialty in psychiatrics dropped into your neighborhood and told that is OK.

We thank you for your understanding and consideration of our concern. We also hope that you will understand the need to maintain our neighborhoods and the integrity of our properties, especially when there is no apparent benefit to the City of Phoenix. This one move will impact many, and frankly without any good reason or sound justification for doing so.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "MaryAnn Guerra and Lee Evans". The signature is written in a cursive style with a horizontal line separating the two names.

MaryAnn Guerra and Lee Evans  
Business Owners  
Neighborhood Residents

CITY OF PHOENIX  
PLANNING AND DEVELOPMENT DEPARTMENT

FORM TO REQUEST PC to CC			
I HEREBY REQUEST THAT THE PC / CC HOLD A PUBLIC HEARING ON:			
APPLICATION NO./ LOCATION	Z-56-13-6 Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road	<i>(SIGNATURE ON ORIGINAL IN FILE)</i>	
		opposition	X applicant
APPEALED FROM:	PC 2/11/14	Kalliopi Schneider 602-234-8994	
	<i>PC/CC DATE</i>	<i>NAME / PHONE</i>	
TO PC/CC HEARING	CC 3/19/14	6743 N 8th Street Phoenix AZ 85014	
	<i>DATE</i>	<i>STREET ADDRESS/CITY/STATE/ZIP</i>	
REASON FOR REQUEST: Continuance			
RECEIVED BY:	DB / LO	RECEIVED ON:	2/18/14

Larry Tom  
Diane Rogers  
Lilia Olivarez, PC Secretary  
Ken Black  
David Miller  
Courtney Gordon  
Ben Ernyei  
PLN All



FEB 18 2014

The **PLANNING COMMISSION** agenda for February 11, 2014 is attached **Planning & Development Department**

The **CITY COUNCIL** may approve the recommendation of the Planning Commission without further hearing **unless**:

1. A **REQUEST FOR A HEARING** by the **CITY COUNCIL** is filed within seven (7) days.

There is a \$630.00 appeal fee for hearings requested by the applicant, due by 5:00 p.m. February 18, 2014

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To require a three-fourths vote of the City Council for approval, a written protest for applications on this agenda must be filed with the Planning and Development Department by 5:00 p.m. February 18, 2014.

The Planning and Development Department will verify ownership by protestors to determine whether or not a three-fourths vote will be required.

3. A **CONTINUANCE** is granted at the **PLANNING COMMISSION**. In the event of a continuance, there is an \$830.00 fee due from the applicant within fourteen (14) days, by 5:00 p.m. February 25, 2014.

**FORM TO REQUEST CITY COUNCIL HEARING**

**I HEARBY REQUEST THAT THE CITY COUNCIL HOLD A PUBLIC HEARING:**

Z-56-13-6  
APPLICATION NO.

305 feet north of the NE corner of 7th Street and Ocotillo Road  
LOCATION OF APPLICATION SITE

Feb 11, 2014  
DATE APPEALED FROM

OPPOSITION  
 APPLICANT

Drew Byck  
PLANNER  
(PLANNER TAKING THE APPEAL)

**BY MY SIGNATURE BELOW, I ACKNOWLEDGE CITY COUNCIL APPEAL:**

Kathleen P. Schneider  
PRINTED NAME OF PERSON APPEALING

[Signature]  
SIGNATURE

6743 N. 8th St  
STREET ADDRESS

2/18/2014  
DATE OF SIGNATURE

Phoenix, AZ 85014  
CITY, STATE & ZIP CODE

602-234-8994  
TELEPHONE NO.

REASON FOR REQUEST Continuance

**APPEALS MUST BE FILED IN PERSON AT 200 WEST WASHINGTON, 2ND FLOOR, ZONING COUNTER**

February 18, 2014

City Council  
City of Phoenix  
200 W. Washington St.  
Phoenix, AZ 85003

# CITY OF PHOENIX

FEB 18 2014

## Planning & Development Department

RE: Z-56-13-6/6729 N. 7<sup>th</sup> Street, Phoenix, AZ

Dear Phoenix City Council Members:

Our names our Damon and Danelle Boyd. We live in Ocotillo Manor at 6743 N. 8<sup>th</sup> St, Phoenix, AZ 85014, our names are Warren and Kalliopi Schneider and we have three children, John-17, Peter-15, and Theodore- 13. We have lived here since July 1997. I grew up on this street, right next door at 6744 and my mother still resides there. We moved into Ocotillo Manor because it is a beautiful, safe, residential neighborhood, with mature vegetation, large size lots, great public schools, and many distinctive older ranch style homes. The neighbors of Ocotillo Manor, several of whom have lived in Ocotillo Manor for more than 60 years, are friendly, supportive and community oriented. They make Ocotillo Manor a friendly and safe neighborhood that is a great place to not just begin and raise a family, but to retire to and enjoy all that North Central Phoenix has to offer. We chose this neighborhood to raise our family and assist my mother to enjoy her retirement.

We enjoy North Central Phoenix and Ocotillo Manor so much, we have recently re-modeled our home with an addition among other remodeling that we have done since we have bought our home in 1997. With all of our remodeling projects, we have adhered to the CC&R's that currently exist. With this investment in our home and neighborhood, we hope to spend the rest of our lives in Ocotillo Manor.

However, we are concerned about the present and future plans the Applicant has (and indeed successors to the Applicant may have) for re-zoning of the lot on 6729 N. 7<sup>th</sup> St. (Application No. Z-56-13-6) to Residential Owner status. In this regard, we have had some dialog with the Applicant's representative to understand some of the details of the site plans that are not apparent in the plans Applicant has thus far submitted, nor in the Camelback East Village Planning Committee Staff Report dated January 22, 2014. We have also had some discussions with the Applicant's representative about potential restrictions on the site to appease our concerns.

However, though we have had some positive steps in this direction, thus far we have no concrete restrictions that give us the assurance that present or future use of the lot at 6729 N. 7<sup>th</sup> St. will not be inconsistent with our neighborhood character. In particular, though we have some level of comfort with the plans the Applicant has provided to us for the immediate future use, we are concerned with what should happen should the Applicant change plans, or if they assign their interest in 6729 N. 7<sup>th</sup> St., what future owners may intend with the property. Frankly, at this point it is that potential future use that concerns us the most.

Because of these concerns, we need further dialog with the Applicant. With that intent, at the Planning Commission Hearing on February 11, 2014, we requested a continuance of 4 weeks. That request was denied, and the Planning Commission recommended approval of the plan.

Accordingly, first and foremost, we request the City Council to re-consider the denial of the continuance and grant those of us in Ocotillo Manor another 4 weeks to continue our dialog with the Applicant. In the event the City Council refuses to grant a continuance, we formally OBJECT to the recommendation of the Planning Commission and request a public hearing on the proposed re-zoning.

I understand that a number of residents of Ocotillo Manor likewise Appeal the decision of the Planning Commission and/or are filing Written Protests of the same. I understand that in connection with those actions, my neighbors are also submitting their thoughts and views and a number of circumstances that impact them personally. We understand and agree with those positions as well and thus, in the interest of brevity, we do not repeat those thoughts and views again in this letter.

Instead, we want to highlight our own position that we understand that as the City of Phoenix grows, some change is inevitable. Recognizing this, we, as a neighborhood, regularly work with individuals that have a desire to join our neighborhood to make sure our neighborhood does not lose its valuable safety and character, while at the same time understand changing circumstances. For example, when a developer sought to purchase and build multiple homes on the lot on the corner of 7<sup>th</sup> St. and Ocotillo Rd., we worked with the developer to amend the deed restrictions in such a way to allow the use conform to the restrictions, but preserve those restrictions which make our neighborhood safe and unique. All the while we recognized the need for the developer to have a financially feasible plan. It is unquestionable that the development was a success for Ocotillo Manor and the developer. Simply put, we are a reasonable neighborhood.

We believe it is important to work together, as allowing one party to come into the neighborhood without sufficient restrictions potentially creates a “slippery slope” where each time someone else comes in, restrictions get further and further from the original intent, **and we fear that in such a scenario, one day there will be little in the way of restriction.**

Accordingly, as noted above, **we request a continuance of 4 weeks** to dialog further with the Applicant and, as we have done in the past, hopefully come to an agreement that is beneficial to all parties involved. Should the City Council refuse a continuance, we hereby formally OBJECT to the recommendation of the Planning Commission and request a public hearing on the proposed re-zoning.

We are both happy to speak to City Council members at any time to discuss our thoughts and concerns and we remain optimistic that our City Council will, as they have in the past, represent the best interests of North Central Phoenix.

Sincerely,

Warren and Kalliopi Schneider

CITY OF PHOENIX  
PLANNING AND DEVELOPMENT DEPARTMENT

<b>FORM TO REQUEST PC to CC</b>			
<b>I HEREBY REQUEST THAT THE PC / CC HOLD A PUBLIC HEARING ON:</b>			
<b>APPLICATION NO./ LOCATION</b>	Z-56-13-6 Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road	<b>(SIGNATURE ON ORIGINAL IN FILE)</b>	
		opposition	X
<b>APPEALED FROM:</b>	PC 2/11/14	Catherine Balzano 520-289-7306	
	<small>PC/CC DATE</small>	<small>NAME / PHONE</small>	
<b>TO PC/CC HEARING</b>	CC 3/19/14	6720 N 8th Street Phoenix AZ 85014	
	<small>DATE</small>	<small>STREET ADDRESS/CITY/STATE/ZIP</small>	
<b>REASON FOR REQUEST: neighbor opposition to upzoning</b>			
<b>RECEIVED BY:</b>	DB / LO	<b>RECEIVED ON:</b>	2/18/14

Larry Tom  
Diane Rogers  
Lilia Olivarez, PC Secretary  
Ken Black  
David Miller  
Courtney Gordon  
Ben Ernyei  
PLN All



# CITY OF PHOENIX

City of Phoenix  
PLANNING AND DEVELOPMENT DEPARTMENT

FEB 18 2014

## Planning & Development Department

The **PLANNING COMMISSION** agenda for February 11, 2014 is attached.

The **CITY COUNCIL** may approve the recommendation of the Planning Commission without further hearing **unless**:

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### FORM TO REQUEST CITY COUNCIL HEARING

I HEARBY REQUEST THAT THE CITY COUNCIL HOLD A PUBLIC HEARING:

2-56-13-6  
APPLICATION NO.

6729 N. 7TH STREET  
LOCATION OF APPLICATION SITE

2-11-2014  
DATE APPEALED FROM

OPPOSITION  
 APPLICANT

XANDON KEATING  
PLANNER  
(PLANNER TAKING THE APPEAL) Drew Byck

BY MY SIGNATURE BELOW, I ACKNOWLEDGE CITY COUNCIL APPEAL:

Catherine Balzano  
PRINTED NAME OF PERSON APPEALING

Catherine Balzano  
SIGNATURE

6720 N. 8TH STREET  
STREET ADDRESS

2-18-2014  
DATE OF SIGNATURE

PHOENIX AZ 85014-1016  
CITY, STATE & ZIP CODE

520-289-7306  
TELEPHONE NO.

REASON FOR REQUEST NEIGHBOR OPPOSITION TO UPZONING

**APPEALS MUST BE FILED IN PERSON AT 200 WEST WASHINGTON, 2ND FLOOR, ZONING COUNTER**

# CITY OF PHOENIX

FEB 18 2014

Catherine Marie Balzano  
6720 North 8th Street  
Phoenix, Arizona 85014-1016

**Planning & Development  
Department**

February 18, 2014

Phoenix City Council  
200 West Washington, Second Floor  
Phoenix, Arizona

HAND-DELIVERED

RE: PROTEST of Rezoning Application **Z-56-13-6**  
**R1-6** (Single-Family Residential) to **R-O** (Residential Office-Restricted Commercial)  
6729 N. 7th Street, Approximately 305 feet north of 7th Street & Ocotillo Road  
AKA: LOT 2, OCOTILLO MANOR SUBDIVISION

Dear Honorable Mayor and City Council Members:

Thank you for the opportunity to participate in the City of Phoenix' public process. It is critical that the City protects its long-established north-central neighborhoods -- where families have peacefully enjoyed well-built homes and a convenient location for school, work and play. I own and live in a renovated 1956 block home built on Lot 9 of Ocotillo Manor, a 16-lot *single-family residential subdivision*, which was created in Maricopa County and IS PROTECTED by a Declaration of Restrictions, recorded 4/29/52.

You are considering a higher intensity of land use on Lot 2 in Ocotillo Manor. Please refer to the enclosed county plat. The use proposed by Z-56-13-6 was never intended and is, in fact, expressly prohibited by the covenants, stipulations and restrictions in the above-referenced document. Exact language is included in a neighbor's letter of protest.

Yes, It's true that many of the Ocotillo Manor homeowners are annoyed and disgusted by the previous owner's neglect of the property -- which ultimately became a crime-infested, public nuisance. That owner, now deceased, was represented by a teary-eyed daughter at the East Camelback Village Planning Committee meeting on February 4th. Her mother had repeatedly stated to at least one homeowner that her goal was to make a huge profit when the property (Lot 2) was rezoned for commercial use.

At that same meeting, I stated that many if not all of the Ocotillo Manor homeowners would fight Z-56-13-6 all the way to the City Council. The only persons supporting the application were ALL part of the application. Ignoring the homeowners, the Village Planning Committee explained that the deed restrictions were NOT considered in the rezoning process.

More homeowners voiced their concerns at the Planning Commission's meeting on February 11th. Although I was unable to attend, I heard about some of the Commissioners' comments -- especially the one referring to 7th Street as a *freeway*; and how could anyone live along 7th Street? I am am very aware of the traffic flow on the city's major arterials -- especially the central corridor. As a retired planning professional and long-time Phoenix resident, I am offended that an appointed official would make such a public comment. Unacceptable! The Commission voted to move the request to the Council for final consideration.

As you evaluate this up-zoning, I ask you to consider the following:

- Subject property is contiguous to low-density residential to the northeast, east, southeast and south, Lots 13, 11, 9 and 3 of Ocotillo Manor, respectively.
- Proposed land use change is NOT supported by the Deed Restrictions which have guided and maintained the integrity of our well-established North Central Phoenix residential neighborhood.
- Existing land use west of subject property and across 7th Street is lower-density, single-family residential and part of the North Central Phoenix Homeowners' Association. *What does the NCPHA think about additional commercial use (and traffic) south of intersection of 7th Street & Glendale Avenue?*
- The zoning of Lot 1, north of subject property and adjacent to multi-family residential, was regrettably changed to R-O to accommodate a non-profit organization. R-O/Restricted Commercial zoning of Lot 2 is NOT NEEDED.
- Proposed zoning change to R-O/Restricted Commercial opens the door for more intense commercial zoning in the future.
- Proposed zoning change to R-O/Restricted Commercial potentially harms our property values. Many Ocotillo Manor residents are currently investing or have already invested 100s of thousands of dollars in their homes. We are rightfully concerned how our home and property values are negatively impacted.

The proposed zoning change from R1-6 to R-O/Restricted Commercial is only desired by the previous landowner and the applicants themselves. Because this rezoning request is controversial, I submit this letter protesting the Planning Commission's action with a formal request for a Public Hearing and ultimately a 3/4 vote by the City Council.

Respectfully submitted,

  
Catherine M. Balzano

ENCLOSURE



CITY OF PHOENIX  
PLANNING AND DEVELOPMENT DEPARTMENT

<b>FORM TO REQUEST PC to CC</b>			
<b>I HEREBY REQUEST THAT THE PC / CC HOLD A PUBLIC HEARING ON:</b>			
<b>APPLICATION NO./ LOCATION</b>	Z-56-13-6 Approximately 305 feet north of the northeast corner of 7th Street and Ocotillo Road	<b>(SIGNATURE ON ORIGINAL IN FILE)</b>	
		<b>opposition</b>	<b>X</b>
<b>APPEALED FROM:</b>	PC 2/11/14	Damon & Danelle Boyd 602-741-4575	
	<small>PC/CC DATE</small>	<small>NAME / PHONE</small>	
<b>TO PC/CC HEARING</b>	CC 3/19/14	6727 N 8th Street Phoenix AZ 85014	
	<small>DATE</small>	<small>STREET ADDRESS/CITY/STATE/ZIP</small>	
<b>REASON FOR REQUEST: Protesting the decision of the Planning Commission</b>			
<b>RECEIVED BY:</b>	RP / LO	<b>RECEIVED ON:</b>	2/18/14

Larry Tom  
Diane Rogers  
Lilia Olivarez, PC Secretary  
Ken Black  
David Miller  
Courtney Gordon  
Ben Ernyei  
PLN All



FEB 18 REC'D

PLANNING DEPT.  
2nd fl. RECEPTION

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**FORM TO REQUEST CITY COUNCIL HEARING**

I HEARBY REQUEST THAT THE CITY COUNCIL HOLD A PUBLIC HEARING:

2-58-13-6  
APPLICATION NO.

6727 N 7th St, Phoenix, AZ 85014  
LOCATION OF APPLICATION SITE

February 11, 2014  
DATE APPEALED FROM

OPPOSITION  
 APPLICANT

Renee Peña  
PLANNER  
(PLANNER TAKING THE APPEAL)

BY MY SIGNATURE BELOW, I ACKNOWLEDGE CITY COUNCIL APPEAL:

Damon & Danelle Boyd  
PRINTED NAME OF PERSON APPEALING

[Signature]  
SIGNATURE

6727 N 8th St  
STREET ADDRESS

2/17/14  
DATE OF SIGNATURE

Phoenix AZ 85014  
CITY, STATE & ZIP CODE

(602) 741-4575  
TELEPHONE NO.

REASON FOR REQUEST Oppose re-zoning to Residential Office, request continuance to discuss potential stipulations with Applicant

**APPEALS MUST BE FILED IN PERSON AT 200 WEST WASHINGTON, 2ND FLOOR, ZONING COUNTER**

February 18, 2014

City Council  
City of Phoenix  
200 W. Washington St.  
Phoenix, AZ 85003

RE: Z-56-13-6/6729 N. 7<sup>th</sup> Street, Phoenix, AZ

Dear Phoenix City Council Members:

Our names are Damon and Danelle Boyd. We live in Ocotillo Manor at 6727 N. 8<sup>th</sup> St, Phoenix, AZ 85014, along with our three children, ages 5, 5 and 3. We have lived here since March of 2003. Ocotillo Manor is a beautiful, safe, residential neighborhood, with mature vegetation, great public schools, and many distinctive "Ralph Haver Homes." The neighbors of Ocotillo Manor, several of whom have lived in Ocotillo Manor for more than 60 years, are friendly, supportive and community oriented. They make Ocotillo Manor a friendly and safe neighborhood that is a great place to not just begin and raise a family, but to retire to and enjoy all that North Central Phoenix has to offer.

Importantly (to us), because we enjoy North Central Phoenix and Ocotillo Manor so much, we have recently undertaken a substantial re-model of our home, spending several hundred thousand dollars in so doing. With this investment in our home and neighborhood, we hope to spend many more years in Ocotillo Manor.

However, we are concerned about the present and future plans the Applicant has (and indeed successors to the Applicant may have) for re-zoning of the lot on 6729 N. 7<sup>th</sup> St. (Application No. Z-56-13-6) to Residential Owner status. In this regard, we have had some dialog with the Applicant's representative to understand some of the details of the site plans that are not apparent in the plans Applicant has thus far submitted, nor in the Camelback East Village Planning Committee Staff Report dated January 22, 2014. We have also had some discussions with the Applicant's representative about potential restrictions on the site to appease our concerns.

However, though we have had some positive steps in this direction, thus far we have no concrete restrictions that give us the assurance that present or future use of the lot at 6729 N. 7<sup>th</sup> St. will not be inconsistent with our neighborhood character. In particular, though we have some level of comfort with the plans the Applicant has provided to us for the immediate future use, we are concerned with what should happen should the Applicant change plans, or if they assign their interest in 6729 N. 7<sup>th</sup> St., what future owners may intend with the property. Examples of potential restrictions we have discussed so far relate to the size of the business, parking, the number of employees, the nature and limits on the number of people that can assemble on the premises, and security.

Frankly, at this point it is the uncertainty relating to potential future use that concerns us the most.

Because of these concerns, we need further dialog with the Applicant. With that intent, at the Planning Commission Hearing on February 11, 2014, we requested a continuance of 4 weeks. That request was denied, and the Planning Commission recommended approval of the plan.

Accordingly, first and foremost, we request the City Council to re-consider the denial of the continuance and grant those of us in Ocotillo Manor another 4 weeks to continue our dialog with the Applicant. In the event the City Council refuses to grant a continuance, we formally OBJECT to the recommendation of the Planning Commission and request a public hearing on the proposed re-zoning.

I understand that a number of residents of Ocotillo Manor likewise Appeal the decision of the Planning Commission and/or are filing Written Protests of the same. I understand that in connection with those actions, my neighbors are also submitting their thoughts and views and a number of circumstances that impact them personally. We understand and agree with those positions as well and thus, in the interest of brevity, we do not repeat those thoughts and views again in this letter.

Instead, we want to highlight our own position that we understand that as the City of Phoenix grows, some change is inevitable. Recognizing this, we, as a neighborhood, regularly work with individuals that have a desire to join our neighborhood to make sure our neighborhood does not lose its valuable safety and character, while at the same time understand changing circumstances. For example, when a developer sought to purchase and build multiple homes on the lot on the corner of 7<sup>th</sup> St. and Ocotillo Rd., we worked with the developer to amend the deed restrictions in such a way to allow the use conform to the restrictions, but preserve those restrictions which make our neighborhood safe and unique. All the while we recognized the need for the developer to have a financially feasible plan. It is unquestionable that the development was a success for Ocotillo Manor and the developer. Simply put, we are a reasonable neighborhood.

We believe it is important to work together, as allowing one party to come into the neighborhood without sufficient restrictions potentially creates a "slippery slope" where each time someone else comes in, restrictions get further and further from the original intent, and we fear that in such a scenario, one day there will be little in the way of restriction.

Accordingly, as noted above, we request a continuance of 4 weeks to dialog further with the Applicant and, as we have done in the past, hopefully come to an agreement that is beneficial to all parties involved. Should the City Council refuse a continuance, we hereby formally OBJECT to the recommendation of the Planning Commission and request a public hearing on the proposed re-zoning.

We are both happy to speak to City Council members at any time to discuss our thoughts and concerns and we remain optimistic that our City Council will, as they have in the past, represent the best interests of North Central Phoenix.

Sincerely,



Damon and Danelle Boyd



Cc: Jason Allen

CITY OF PHOENIX  
PLANNING AND DEVELOPMENT DEPARTMENT

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		<b>opposition</b>	<b>X</b>
<b>APPEALED FROM:</b>	PC 2/11/14	Janice Ariola 602-361-1497	
	<i>PC/CC DATE</i>	<i>NAME / PHONE</i>	
<b>TO PC/CC HEARING</b>	CC 3/19/14	6736 N 8th Street Phoenix AZ 85014	
	<i>DATE</i>	<i>STREET ADDRESS/CITY/STATE/ZIP</i>	
<b>REASON FOR REQUEST: Protesting the decision of the Planning Commission</b>			
<b>RECEIVED BY:</b>	RP / LO	<b>RECEIVED ON:</b>	2/18/14

3/4 Vote

Larry Tom  
Diane Rogers  
Lilia Olivarez, PC Secretary  
Ken Black  
David Miller  
Courtney Gordon  
Ben Ernyei  
PLN All

**FORM TO REQUEST CITY COUNCIL HEARING**

I HEARBY REQUEST THAT THE CITY COUNCIL HOLD A PUBLIC HEARING:

2-56-43-6  
APPLICATION NO.

305 ft North of the NE corner  
LOCATION OF APPLICATION SITE

2-11-2014  
DATE APPEALED FROM

of 7th St @ Acostilla Rd  
PLANNER  
(PLANNER TAKING THE APPEAL)

OPPOSITION  
 APPLICANT

BY MY SIGNATURE BELOW, I ACKNOWLEDGE CITY COUNCIL APPEAL:

Janice Ariola  
PRINTED NAME OF PERSON APPEALING

Janice Ariola  
SIGNATURE

6736 N. 8th St  
STREET ADDRESS

2-18-2014  
DATE OF SIGNATURE

Phoenix AZ 85014  
CITY, STATE & ZIP CODE

602-391-1497  
TELEPHONE NO.

REASON FOR REQUEST protesting the decision of the  
Planning Commission

APPEALS MUST BE FILED IN PERSON AT 200 WEST WASHINGTON, 2ND FLOOR, ZONING COUNTER

RECEIVED  
CITY OF PHOENIX  
PLANNING DEPARTMENT

FEB 18 REC'D

PLANNING DEPT.  
2ND FL. RECEPTION

To: City Council

City of Phoenix

200 West Washington

Phoenix, AZ 85003

FEB 18 REC'D

PLANNING DEPT.  
2nd fl. RECEPTION

From: Carl and Janice Ariola

6736 North 8<sup>th</sup> Street

Phoenix AZ 85014

Subject: REQUEST FOR A THREE-FOURTHS VOTE OF THE CITY OF PHOENIX CITY COUNCIL FOR  
APPLICATION # Z-56-~~53-6~~ - APPROXIMATELY 305 FEET NORTH OF THE NORTHEAST  
CORNER OF 7<sup>TH</sup> STREET AND OCOTILLO ROAD.

Dear Phoenix City Council Members:

This request is being filed to address difficulties that have transpired concerning the communications between the Applicant, the Homeowners of Ocotillo Manor, Camelback East Village Planning and the Planning Commission. The time limits imposed at the meetings on the residents of Ocotillo Manor prevented them from presenting valuable and important information. The time limits are unreasonably short in duration. Whereas, the Applicant was able to enjoy longer times and was able to give extra information. Because of this situation it has been difficult to determine the actual intent of the new owners asking for this rezoning from R1-6 to R-O. We fear that a commercial zoning request may be forthcoming in a short period of time or upon the future sale of this property at 6729 North 7<sup>th</sup> Street.

The Deed Restrictions for Ocotillo Manor are over 60 years old and have always served as guidelines to preserve the integrity of the neighborhood. However, it appears that the Camelback East Village and the Phoenix City Planning Commission have chosen to ignore these restrictions that clearly express that....."no hospital, sanitarium, or other place for the care or treatment of the sick or disabled, physically or mentally shall be erected on any said lots..." in Ocotillo Manor.

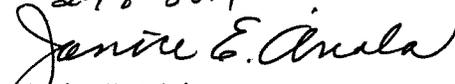
It is a curious fact that the commercial real estate person represented to previous buyers of this property that the subject property was "uninhabitable", and ready for "push-over" or scraping. The entire neighborhood can attest to the fact that the property had two floodings—one was by the City of Phoenix, multiple homeless coming and going, and has been left vacant to rot for years. These facts led to the decision of a prospective builder that the property would lend itself to the construction of three gated patio homes after the old home was **eliminated**. The residents of Ocotillo Manor cooperated fully with the seller and this builder and at their request changed the Deed Restrictions to allow for 3 single residences. And, now the question would be - "why has the question been avoided throughout this rezoning request process of why the sellers and new buyers did not consider the alternative plan that was already in place and allowed three single level residences to be built on the lot? Since the final

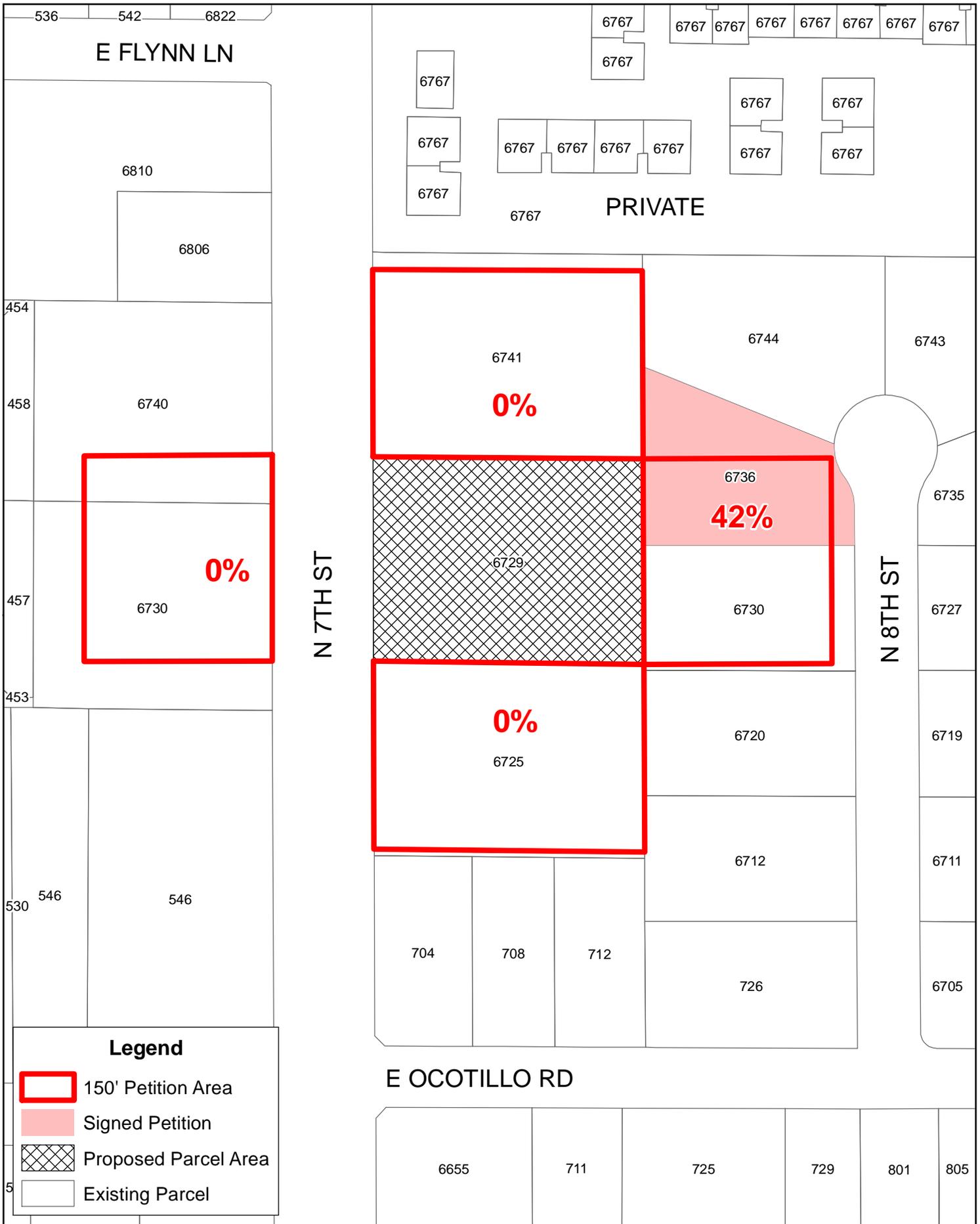
sales transaction of the first property was never completed, the old adobe ruin has now taken on a new façade as an “adorable older adobe home perfect for three doctors to use as a office? The unhealthy state that must exist in the old house must be horrendous and it would seem unrealistic that the Drs. would spend thousands of dollars to bring this house up to a livable state muchless try to develop a workable business sanitary enough to begin seeing patients. This all would lead a reasonable person to believe that there is some other agenda here---like the scraping and push-over of the old home and a new commercial building erected on the site-----after, of course the **next** round of re-zoning for commercial occurs.

The proposed property to be rezoned is directly behind our home. Our home is historic in nature and was built by Ralph Haver, a popular builder in the 1950s here in Phoneix We have lived in Ocotillo Manor for 12 years and my parents built the house and lived here for over 40 years. We have worked diligently to maintain the “Haver Home” look and have spent thousands of dollars in remodeling costs .We feel our property values will plummet due to this proposed rezoning and the activity that will follow along with it. This is a residential family oriented neighborhood and it needs to remain so.

Therefore, because of the present uncertain intent of the Applicant, we request a three-fourths vote by the Phoenix City Council to rescind the favorable decision of the Planning Commssion that was sent forward to grant this re-zoning.

  
Carl R. Ariola  
2-18-2014

  
Janice E. Ariola  
2-18-2014



0 100 200 Feet

### Petition Map for Z-56-13

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**CITY COUNCIL REPORT**

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**FORMAL AGENDA**

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TO: Rick Naimark  
Deputy City Manager

AGENDA DATE: May 7, 2014

FROM: Alan Stephenson  
Acting Planning and Development  
Director

ITEM: 86 PAGE: 98

SUBJECT: GPA-RV-1-14-1 – 43RD AVENUE BETWEEN CIRCLE MOUNTAIN ROAD  
AND JENNY LIN ROAD

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This report provides back-up information on Item 86 on the May 7, 2014, Formal Agenda.

**THE ISSUE**

An amendment to the Street Classification Map has been submitted for approval to reclassify 43rd Avenue between Circle Mountain Road and Jenny Lin Road. Application is being made by Stephen Earl of Earl, Curley & Lagarde, P.C.

**OTHER INFORMATION**

General Plan Amendment Case GPA-RV-1-14-1 is a request to amend the Street Classification Map to reclassify 43rd Avenue between Circle Mountain Road and Jenny Lin Road from an Arterial to a Collector.

The Desert View Village Planning Committee reviewed the application on March 24, 2014, and recommended for approval on a 3-0-1 vote.

The application was heard by the Planning Commission on April 8, 2014, and recommended for approval on an 8-0 vote.

Attachments:

A – Staff Report GPA-RV-1-14-1



## GENERAL PLAN AMENDMENT STAFF ANALYSIS

<u>Application:</u>	GPA-RV-1-14-1
<u>Applicant:</u>	Stephen C. Earl
<u>Location:</u>	43rd Avenue, between Circle Mountain Road and Jenny Lin Road
<u>Acreage:</u>	N/A
<u>Current Plan Designation:</u>	Arterial
<u>Requested Plan Designation:</u>	Collector
<u>Reason for Requested Change:</u>	Amend the Street Classification Map to re-align 43rd Avenue and reclassify 43rd Avenue from an Arterial to a Collector Road
<u>Village Planning Committee Date:</u>	March 24, 2014
<u>Staff Recommendation:</u>	Approval

### Findings:

- 1) The proposed General Plan Amendment and Street Classification Map designation of Collector Street is compatible with the local/residential streets and uses in the area.
- 2) The request will have minimal impact on overall street patterns.

### **BACKGROUND**

This request would amend the existing General Plan Street Classification Map alignment and designation of 43rd Avenue, between Jenny Lin Road and Circle Mountain Road. Existing drainage corridor conditions impact the construction of the 43rd Avenue alignment as depicted on the Street Classification Maps; its realignment would allow the roadway to develop in a manner that would not require construction through a floodplain. Rezoning case Z-32-13-1, a request to rezone 77.88 acres from S-1 to R1-6 for the development of 202 single-family homes, identified 43rd Avenue at this location as a 60-foot wide Collector. Physical geographic constraints and a limited number of homes, diminish the need for a larger street cross-section.

Maricopa County borders the property on the north and the Interstate 17 Highway (Black Canyon Freeway) borders the site on the east. A vacant commercial parcel is

located immediately south of the subject site on Circle Mountain Road, with a single-family subdivision in close proximity. The western property line is bounded by the New River Wash and undeveloped residential.

## **RELATIONSHIP TO GENERAL PLAN GOALS AND POLICIES**

### **CIRCULATION**

- **GOAL 2C, POLICY 5. DESIGN NEW RESIDENTIAL COLLECTOR STREETS WITH NO MORE THAN ONE LANE OF VEHICULAR TRAFFIC IN EACH DIRECTION, PLUS A TURN LANE IF NECESSARY, UNLESS TRAFFIC STUDIES IN HIGH-DENSITY AREAS SHOW A NEED FOR MORE LANES.**

Given the geographic constraints and the limited number of homes proposed, approval of this request will enable the construction of 43rd Avenue as part of the subdivision. This reclassification will require that the applicant be responsible for the design and improvements associated with the reconfiguration of 43rd Avenue.

### **LAND USE ELEMENT**

- **GOAL 5, INTEGRATION OF LAND USE AND TRANSPORTATION SYSTEMS: AN INTEGRATED LAND USE AND TRANSPORTATION SYSTEM, WHICH FURTHERS THE URBAN VILLAGE MODEL AND MINIMIZES THE ADVERSE IMPACTS OF THE TRANSPORTATION SYSTEM ON HOUSING, BUSINESSES AND PUBLIC USES, SHOULD BE ENCOURAGED.**

Approval of this request will allow for the development of 43rd Avenue in a manner that enhances the character of the area while working with the geographic physical constraints of the New River Wash.

The proposed amendment has no significant effect on the following General Plan Elements:

### **COST OF DEVELOPMENT**

**BICYCLING**

**RECREATION**

**OPEN SPACE**

**GROWTH AREA**

**HOUSING ELEMENT**

**PUBLIC SERVICES AND FACILITIES**

**CONSERVATION, REHABILITATION AND REDEVELOPMENT**

**ENVIRONMENTAL PLANNING**

**NATURAL RESOURCES CONSERVATION**

**WATER RESOURCES**

**PUBLIC BUILDING**

**SAFETY**

## **CONCLUSION AND RECOMMENDATION**

Staff recommends that the request be approved

Approval of this General Plan Amendment will further the goals of the General Plan. Approval is consistent with the residential development patterns in the area and will encourage the development of connected single-family housing while preserving the New River Wash.

March 10, 2014

Attachments:

Sketch Map

Aerial (2 Pages)

Stipulated Site Plan for Z-32-13-1

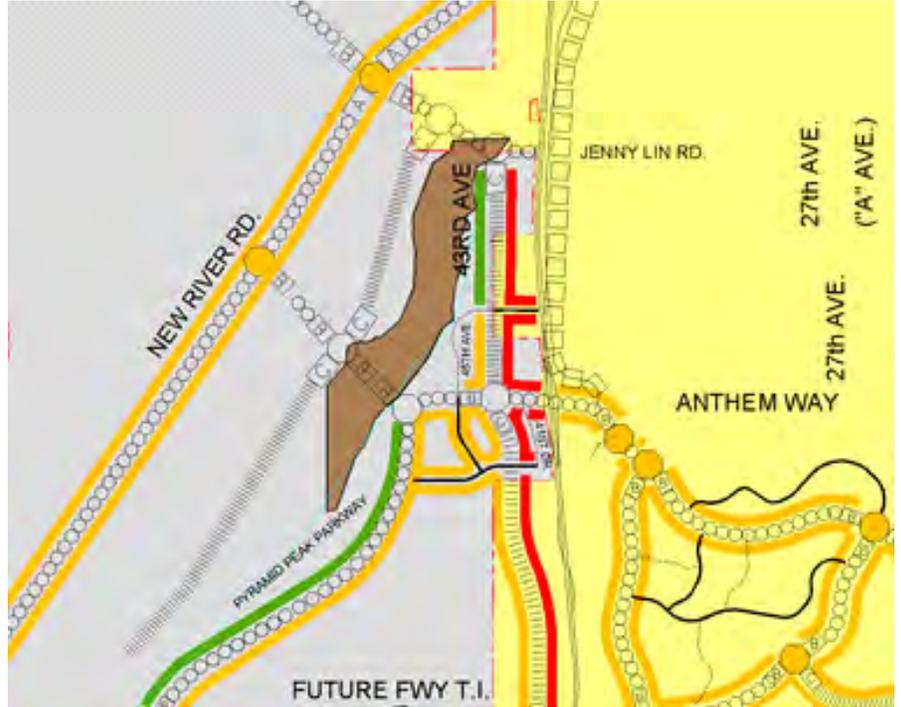
# GENERAL PLAN AMENDMENT

CITY OF PHOENIX ♦ PLANNING DEPARTMENT ♦ 200 W WASHINGTON ST ♦ PHOENIX, AZ ♦ 85003 ♦ (602) 262-6882

APPLICATION NO: GPA-RV-1-14-1	ACRES: N/A
VILLAGE: Rio Vista	COUNCIL DISTRICT: 1
APPLICANT: Stephen C. Earl	

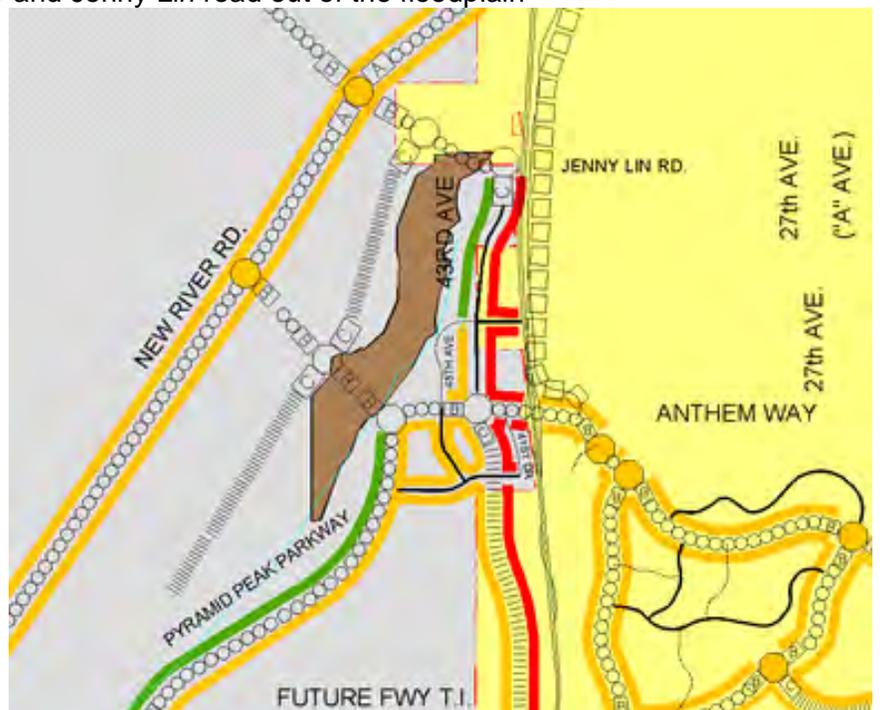
## EXISTING:

43rd Ave between Anthem Way and Jenny Lin Rd- Arterial road



## PROPOSED CHANGE:

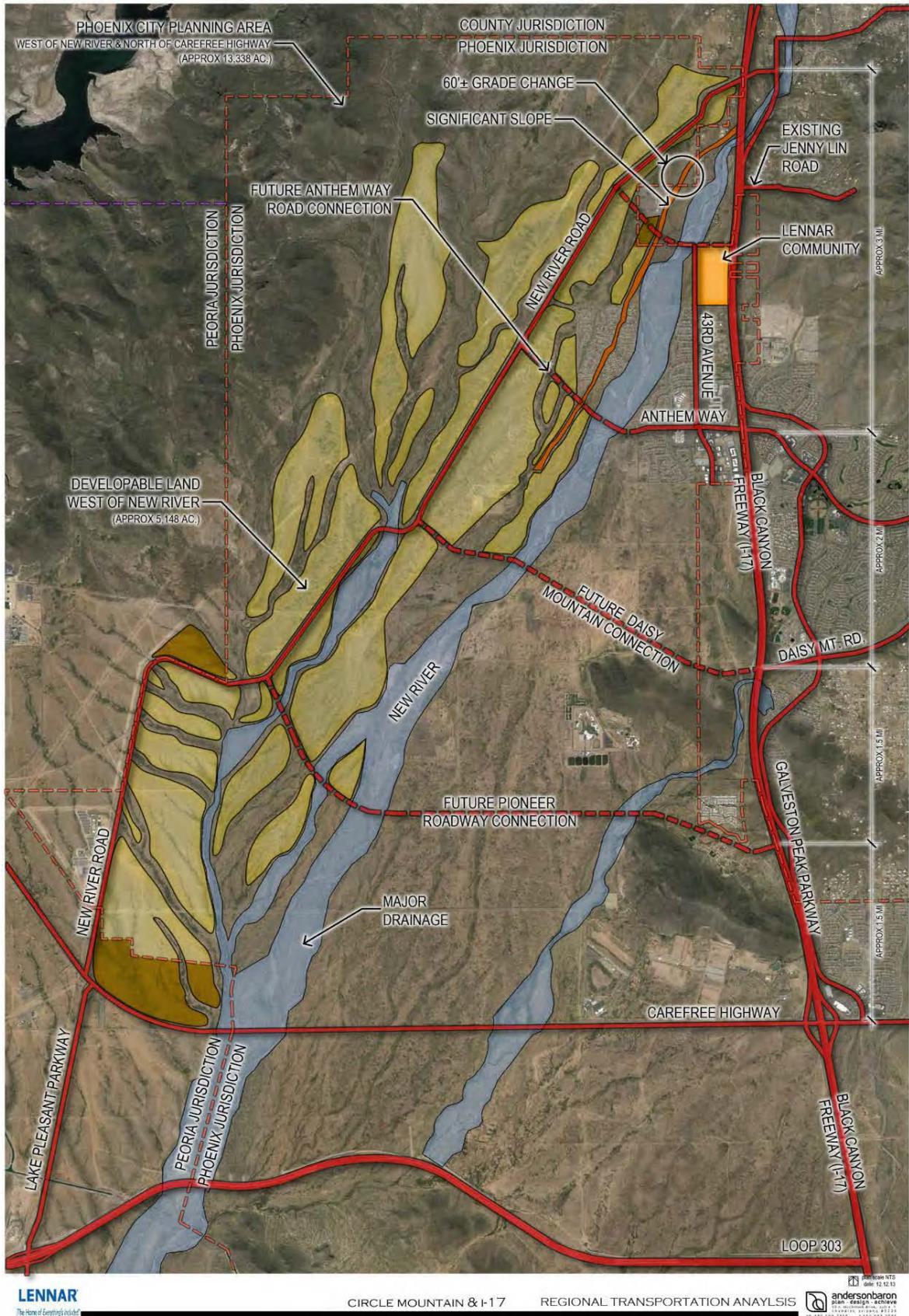
Realign 43rd avenue between Anthem Way and Jenny Lin road out of the floodplain and reclassify from Arterial to a Collector



# Aerial Photograph of Physical Constraints



# City Planned Connectivity

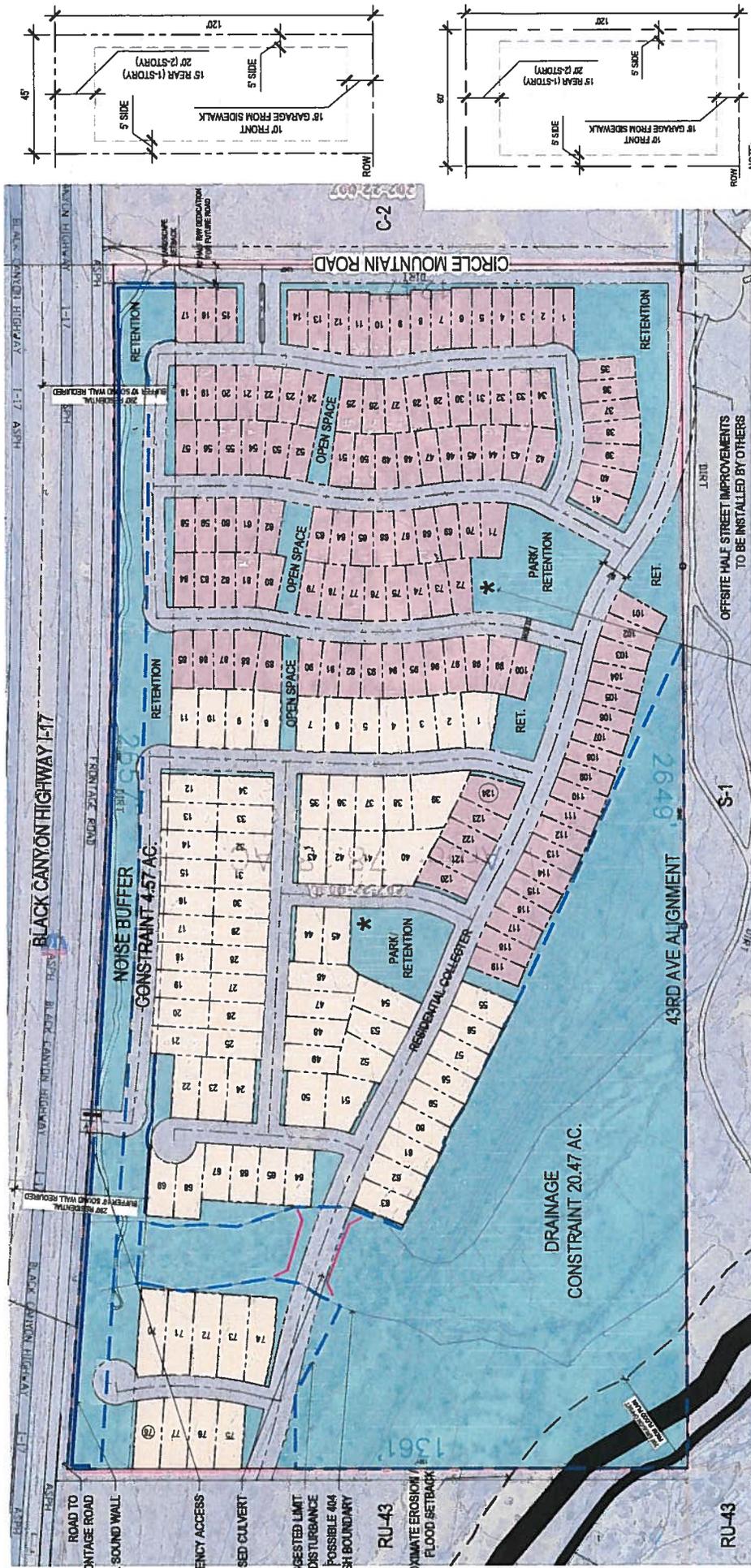


**LENNAR**  
The Home of Everything's included

CIRCLE MOUNTAIN & I-17

REGIONAL TRANSPORTATION ANALYSIS

andersonbaron  
plan design achieve



NOTE: ALL LOTS HAVE A MINIMUM 10' BUILDING SEPARATION

OPTION 8B SITE DATA		
APPROXIMATE GROSS AREA	77.88 AC.	2.59 DU/AC
APPROXIMATE NET AREA	73.15 AC.	2.76 DU/AC
APPROXIMATE NET AREA WITHOUT CONSTRAINTS	48.11 AC.	4.20 DU/AC
OPEN SPACE	33.12 AC.	45%
45'x120' LOTS	124 UNITS	61%
60'x120' LOTS	78 UNITS	39%
LOTS TOTAL	202 UNITS	
CIRCLE MOUNTAIN RD	1,271 L.F.	
COLLECTOR ROAD	2,861 L.F.	
PARCEL ROADS	7,870 L.F.	

OFFSITE HALF STREET IMPROVEMENTS TO BE INSTALLED BY OTHERS

AMENITY LOCATION, TYP.

**CITY OF PHOENIX**  
 OCT 28 2013  
 Planning & Development  
 Department

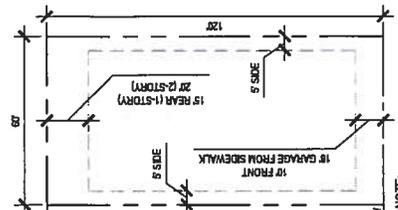
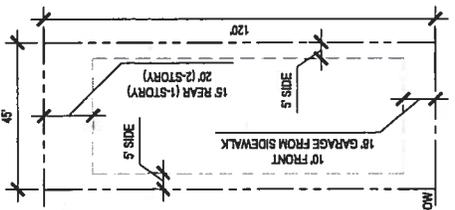
**LENNAR**  
 The Home of Copying's Incentive

CIRCLE MOUNTAIN & I-17

SITE PLAN OPTION 8

**andersonbaron**  
 plan · design · achieve  
 1400 West Camelback Road, Suite 100  
 Phoenix, AZ 85015  
 P: 480.952.7355 F: 480.952.7356

plan scale: 1/100'  
 date: 10.21.13





## Village Planning Committee Meeting Summary GPA-RV-1-14-1

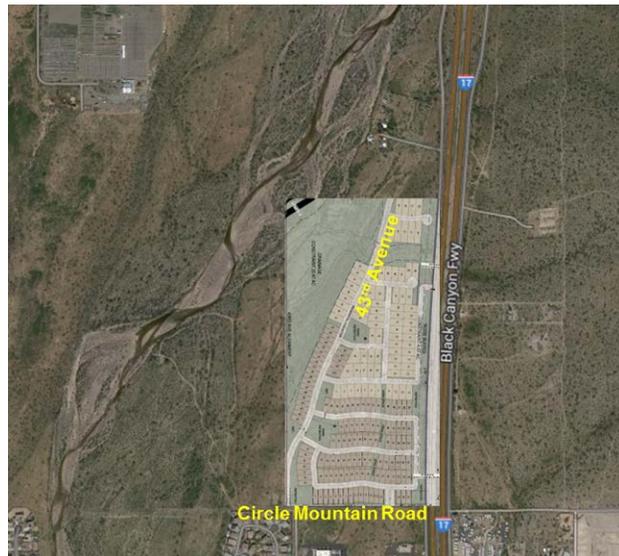
<b>Date of VPC Meeting</b>	March 24, 2014
<b>Request From</b>	Realign and reclassify 43rd Avenue from an Arterial
<b>Request To</b>	Collector Street
<b>Location</b>	43rd Avenue, between Circle Mountain Road and Jenny Lin Road.
<b>VPC Recommendation</b>	Approval
<b>VPC Vote</b>	3:0:1 (Abstained- Cody)

### VPC DISCUSSION & RECOMMENDED STIPULATIONS:

**Staff** presented a brief history of the project. GPA-RV-1-14-1 is associated with a previous rezoning case Z-32-13-1; a request to rezone 77.88 acres from S-1 to R1-6 for the development of 202 single family homes.

**Mr. Stephen Earl** presented on behalf of the applicant. He noted that given the geographic constraints and the limited number of homes proposed, approval of the request would enable the construction of 43rd Avenue as part of the subdivision. The reclassification of the road would ensure that the applicant be responsible for the design and improvements associated with the reconfiguration of 43rd Avenue.

He explained that the existing Street Classification map showed 43<sup>rd</sup> Avenue built through the New River Wash, an existing drainage corridor with a drop of 18 feet. The existing geographic conditions would indicate an increased cost associated with bridges needed to construct 43rd Avenue as depicted on the Street Classification Map. Additionally, the realignment of the road would allow the roadway to develop in a manner that would not require construction through a floodplain.



Based on a traffic generation study and the limited amount of land east of the New River Wash, the currently proposed 110 foot

Arterial cross section map would not be necessary. Given the limited development at this location, a 60 ft. wide Residential Collector was proposed to address the traffic volumes. He felt that approval of this request will allow for the development of 43<sup>rd</sup> Avenue in a manner that enhances the character of the area while working with the geographic physical constraints of the New River Wash.

**Mr. Virgil** asked for clarification that the reclassification of 43<sup>rd</sup> Avenue from an arterial to a collector did not extend south of Circle Mountain Road. Staff clarified that the request was for 43<sup>rd</sup> Avenue between Circle Mountain Road and Jenny Lin Road only.

**Vice Chair Cody** asked for a clarification of the roadway section configuration proposed. **Mr. Earl** clarified that a 60 foot wide road was proposed; 2 lanes in either direction with a center lane and bicycle lanes on both sides.

**Mr. Bob Beletz** was in favor of the item and felt that a collector road was sufficient to service the new homes proposed.

**Chairman Holton** asked about new signalization of the roads and speed limits. He inquired about the limited connectivity to I-17 and future ADOT connections at Jenny Lin and along I-17. He noted that ADOT interchanges could be facilitated by the construction of arterials such as Anthem Way and discussed whether this new cross section would limit those opportunities.

**Mr. Todd Skoro (with Lennar)** referenced ADOT's regional transportation plan through 2025. He indicated that the plan made no reference to any future I-17 connections to Jenny Lin Road.

**Mr. Earl** remarked that the speed for 43<sup>rd</sup> Avenue would be the typical speed for a collector (35 MPH); a stop sign would be placed on Circle Mountain Road to control traffic.

**Vice Chair Cody** discussed that a bridge crossing west of Anthem Way would make sense from a connectivity stand-point. **Mr. Earl** added the District 1 office was studying future connection opportunities at Daisy Mountain.

**MOTION:**

**Mr. Bob Beletz** motioned to recommend approval of **GPA-RV-1-14-1** as written, with a second from **Mr. Ozzie Virgil**. The committee voted 3-0-1 (Cody abstained) to approve the motion.

**VOTE: 3-0-1**

**STAFF COMMENTS REGARDING VPC RECOMMENDATION & STIPULATIONS:**

Staff has no comments.

**GENERAL PLAN AMENDMENTS AND COMPANION REZONING CASES**

Item #: 1  
Application #: GPA-RV-1-14-1  
Request: Street Classification - Map Amendment  
From: Arterial  
To: Collector  
Location: 43rd Avenue, between Circle Mountain Road and Jenny Lin Road  
Proposal: Amend the Street Classification Map to realign and reclassify 43rd Avenue from an Arterial to a Collector  
Applicant: Stephen C. Earl, Earl, Curley & Lagarde, PC  
Owner: John Schimpf  
Representative: Stephen C Earl, Earl, Curley & Lagarde, PC

Ms. Tricia Gomes presented GPA-RV-1-14-1; an amendment to the Street Classification Map to realign and reclassify 43rd Avenue from an Arterial to a Collector, between Circle Mountain Road and Jenny Lin Road. The Rio Vista Village Planning Committee recommended approval 3-0. Staff recommended approval per the recommendation of the Rio Vista Village Planning Committee.

Commission Heck made a MOTION to approve GPA-RV-1-14-1 as recommended by the Rio Vista Village Planning Committee.

Commissioner Beletz SECONDED.

There being no further discussion, Chairwoman Katsenes called for a vote and the MOTION PASSED 8-0 (Davis absent)

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## CITY COUNCIL REPORT

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### GENERAL INFORMATION

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TO: Lisa Takata  
Deputy City Manager

PACKET DATE: May 1, 2014

FROM: Cris Meyer  
City Clerk

SUBJECT: LIQUOR LICENSE APPLICATIONS RECEIVED FOR THE PERIOD OF  
APRIL 21, 2014 THROUGH APRIL 25, 2014

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This report provides advance notice of liquor license applications that were received by the City Clerk during the period of Monday, April 21, 2014 through Friday, April 25, 2014.

#### INFORMATION

The liquor license application process includes the posting of a public notice of the application at the proposed location and online for twenty days, and the distribution of an application copy or a copy of this report to the following departments for their review: Finance, Planning and Development, Police, Fire, and Street Transportation.

Additional information on the items listed below is generally not available until the twenty-day posting/review period has expired.

#### LIQUOR LICENSE APPLICATIONS

<u>Application Type Legend</u>					
<u>O-</u> Ownership	<u>L-</u> Location	<u>N-</u> New	<u>OL-</u> Ownership & Location	<u>AOC-</u> Acquisition of Control	<u>SE-</u> Special Event
<u>Liquor License Series Definitions</u>					
1	In State Producer	*7	On sale-beer & wine	11	Hotel/Motel-all liquor on premises
3	Microbrewery	8	Conveyance license-sale of all liquor on board planes & trains	12	Restaurant-all liquor on premises
4	Wholesaler	9	Off sale-all liquor	14	Clubs-all liquor on premises
5	Government	9S	Sampling Privileges	15	Special Event
*6	On sale-all liquor	10	Off sale-beer & wine		
		10S	Sampling Privileges		

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\*On-sale retailer means any person operating an establishment where spirituous liquors are sold in the original container for consumption on or off the premises and in individual portions for consumption on the premises.

Dist.	App. Type	Agent/Owner Name Business Name/Address Phone	Lic. Type	Approx. Protest End Date	Within 2,000 Feet of Light Rail	Proposed Agenda Date
1	O	Randy Nations, Agent Amber Inn Cocktail Lounge 4236 West Dunlap Avenue 480-730-2675	6	5/20/14	No	6/18/14
1	N	Benjamin Oraha, Agent Burger Mania 2302 West Bell Road 602-743-8123	12	5/16/14	No	6/4/14
2	N	Kim Kwiatkowski, Agent Circle K Store #3479 5601 East Bell Road 602-728-4783	10	5/20/14	No	6/18/14
2	N	Jared Repinski, Agent Black Mountain Tavern & Distillery 30845 North Cave Creek Road, #140 480-664-0389	1	5/16/14	No	6/4/14
2	OL	Jared Repinski, Agent Black Mountain Tavern & Distillery 30845 North Cave Creek Road, #140 480-664-0389	6	5/16/14	No	6/4/14
2	N	Lauren Merrett, Agent Catch 22 Sports Grill 18725 North 32nd Street, Suite 110 602-738-1421	12	5/16/14	No	6/4/14
2	SE	Anissa Franklin ALS Association - Arizona Chapter (6/14/14) 6902 East Greenway Parkway 602-422-9584	15	N/A	N/A	6/4/14
8	N	Navayogasingam Thuraisingam, Agent Tapaz 3200 East Sky Harbor Boulevard, T2-F4 480-329-0149	12	5/16/14	No	6/4/14

Dist.	App. Type	Agent/Owner Name Business Name/Address Phone	Lic. Type	Approx. Protest End Date	Within 2,000 Feet of Light Rail	Proposed Agenda Date
8	N	Navayogasingam Thuraisingam, Agent Ziegler's New York Pizza Dept. 3200 East Sky Harbor Boulevard, T2-F1 480-329-0149	12	5/16/14	No	6/4/14

For further information regarding any of the above applications, please contact the City Clerk Department, License Services Section, at 602-262-6018.

RECOMMENDATION

This report is provided for information only. No City Council action is required.

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**CITY COUNCIL REPORT**

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**GENERAL INFORMATION**

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TO: Mayor and Council

PACKET DATE: May 1, 2014

FROM: Ed Zuercher  
City Manager

SUBJECT: FOLLOW-UP: APRIL 30, 2014, FORMAL CITY COUNCIL MEETING

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Attached are the April 30, 2014, Citizen Requests/Comments.

**CITIZEN REQUESTS/COMMENTS  
CITY COUNCIL FORMAL SESSION  
April 30, 2014**

**Leonard Clark**

Mr. Clark expressed his disappointment regarding the implementation of the policy that residents are allowed to offer comments on a maximum of five agenda items per meeting. Mr. Clark commented that this policy was not displayed on the City's website.

**Follow-up: None**

**Pat Vint**

Mr. Vint expressed his concern about the practice of pension-spiking, and questioned the need for employees to serve in acting roles or capacities.

**Follow-up: None**

**John Rusinek**

Mr. Rusinek stated everyone should be concerned about the amount of dust residents in the City are exposed to, and proposed the development of regional and state initiatives to mitigate the related health risks, particularly for children and seniors.

**Follow-up: None**

**Dianne Barker**

Ms. Barker agreed that the amount of dust in Phoenix was a concern. Ms. Barker suggested increasing the quantity of vegetation along roads, or the development of a high speed passenger rail, would help alleviate the situation. Ms. Barker commented it was important for residents to participate in public meetings because their ideas contributed to the City's success.

**Follow-up: None**

**CITY COUNCIL AND CITIZEN REQUESTS**  
**April 30, 2014**

**CITY COUNCIL INFORMATION REQUESTS**

<b>INFORMATION REQUESTS</b>	<b>DATE AND COUNCIL PERSON</b>	<b>DUE DATE</b>	<b>ASSIGNED TO</b>	<b>STATUS</b>
<p>Councilman DiCiccio requested that staff prepare five-year and ten-year projections for the secondary property tax fund before Council is asked to vote on policies that would use resources designated for investments in critical infrastructure to pay for operational expenses. Councilman DiCiccio also asked how much money has been taken out of the secondary property tax fund since 2009.</p>	<p style="text-align: center;">April 8, 2014 Councilman DiCiccio</p>	<p style="text-align: center;">04/24/14</p>	<p style="text-align: center;">Zuercher, Paniagua, Young</p>	<p style="text-align: center;">Pending</p>
<p>Councilman DiCiccio requested that staff investigate the legality of pension spiking.</p>	<p style="text-align: center;">April 8, 2014 Councilman DiCiccio</p>	<p style="text-align: center;">04/24/14</p>	<p style="text-align: center;">Zuercher, Brown</p>	<p style="text-align: center;">Completed</p>

<p>Councilman DiCiccio asked staff how the elimination of \$19 million in employee pay raises, the removal of all vacant positions, and the selling of vacant city-owned property would affect the budget deficit.</p> <p>Councilman DiCiccio asked staff if salary savings in the proposed budget referred to an employee's salary or total compensation package.</p>	<p>April 15, 2014 Councilman DiCiccio</p>	<p>05/01/14</p>	<p>Zuercher, Paniagua</p>	<p>Completed</p>
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<p align="center"><b><u>CITY COUNCIL INFORMATION REQUESTS</u></b></p>				
<p align="center"><b>INFORMATION REQUESTS</b></p>	<p align="center"><b>DATE AND COUNCIL PERSON</b></p>	<p align="center"><b>DUE DATE</b></p>	<p align="center"><b>ASSIGNED TO</b></p>	<p align="center"><b>STATUS</b></p>
<p>Councilman DiCiccio requested a breakdown of the following information related to each employee association in the new 2014 contracts versus the previous 2012 contracts:</p> <ol style="list-style-type: none"> <li>1. Aggregate cost</li> <li>2. Average compensation per unit member</li> <li>3. Merit increases granted</li> <li>4. Longevity granted</li> <li>5. Number of days off granted</li> <li>6. Pension spiking costs</li> <li>7. List of other command and control features, such as some unions require a say concerning overtime</li> </ol>	<p>April 22, 2014 Councilman DiCiccio</p>	<p>05/08/14</p>	<p>Zuercher, Paniagua</p>	<p>Pending</p>

Councilwomen Williams and Gallego requested more information concerning marijuana donation clubs and opportunities to address problems surrounding their operation.	April 22, 2014 Councilwoman Williams and Councilwoman Gallego	05/08/14	Dohoney, Garcia	Pending
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<b><u>CITIZEN REQUESTS</u></b>				
<b>REQUEST</b>	<b>REQUEST DATE AND NAME OF CITIZEN</b>	<b>DUE DATE</b>	<b>ASSIGNED TO</b>	<b>STATUS</b>
Ms. Harrison asked what volunteer opportunities existed for seniors to help the City prepare for the Super Bowl.	April 16, 2014 Ms. Harrison	04/30/2014	Blue	Pending
Mr. Clark stated he was grateful for all of the assistance Grand Canyon University (GCU) provided homeless and low-income residents of Phoenix. Mr. Clark remarked he was uncertain GCU's recent financial contribution to the City would not cause elected officials or staff to treat GCU in a preferential manner, thereby violating the principle of separation of church and state.	April 16, 2014 Mr. Clark	04/30/2014	Zuercher, Brown	Pending

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## CITY COUNCIL REPORT

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### GENERAL INFORMATION

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TO: Ed Zuercher  
City Manager

PACKET DATE: May 1, 2014

FROM: Mario Paniagua  
Budget and Research Director

SUBJECT: COMMUNITY BUDGET HEARINGS

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This report transmits additional budget comments from the Online with the Mayor budget hearing on April 22, 2014, and those received by email through the Budget and Research Department.

At [phoenix.gov/budget](http://phoenix.gov/budget) residents can access:

- The 2014-15 City Manager's Trial Budget
- Community Budget Hearing Schedule
- The Proposed 2014-15 Budget for Community Review tabloid in English and Spanish
- The Budget Hearing presentation video
- Videos of all completed budget hearings
- Budget Information Packet and Citywide Inventory of Programs

The additional comments are provided below.

**Additional Comments**  
**Mayor's Online Budget Hearing**  
**April 22, 2014**

1. Christopher sent an email suggesting the City raise revenues. He added the City should increase fees at community centers and bicycle registration fees however not the food tax.
2. Ann Bogart sent an email suggesting street striping and traffic signals be privatized, and to privatize other departments and/or eliminate others. Additionally she commented no one should be allowed a full pension without 30 years of service and the city should not allow employees to collect until they are 65 years old. Lastly, she suggested a 50-50 employer-employee split.
3. Ashely Dechter sent an email to maintain funding for homeless programs noting a reduction is contradictory in assisting the City's goal to end homelessness.
4. James Emge sent an email in support of maintaining fire prevention and crisis response programs noting the importance of being prepared as Phoenix continues to grow.
5. Kristina Pham sent an email in support of maintaining services at the community centers, especially the Sunnyslope Community Center.
6. Jack Ranby sent an email suggesting the City raise property taxes enough to balance the budget.
7. Mary Pat sent an email noting closing community centers would be devastating.
8. Bruce Mckinstry sent an email to not fund downtown parks at the expense of basic services such as police and fire protection.
9. Pat Mckinstry sent an email asking the Mayor to lead a majority vote against the proposed budget. She asked the City to reprioritize the budget.
10. Mary Lynne Herr sent an email stating she was against reducing city services. She asked to reinstate the sales tax on food.
11. Traci Benstine sent an email suggesting stiffer penalties for garbage in yards, outreach programs can receive help with xeriscaping yards and clean up. She also suggested using the canal clean up as community service and stronger police presence.
12. Karla Roberts sent an email asking Mayor Stanton to not balance the budget on the backs of employees but to find another way. She added the City is too top heavy and the budget staff that mismanaged funds should be fired.

13. Janessa Gonzales sent an email asking to not reduce City services and to stop attacking employees and their pay.
14. Alice sent an email stating look at the wealth being funneled everywhere and asked why the city does not have its share to keep in the community where it is being spent. Additionally she questioned reinstating the sales tax on food.
15. Gene Wikle sent an email to maintain support for Central Arizona Shelter Services. He questioned how the City justifies such a reduction of services to the citizens who need it the most vulnerable.
16. Neal Haddad sent an email stating that the City Manager did not suggest the sales tax on food as a revenue option. He added the entire budget process is a travesty as it effectively marginalizes citizen involvement in finding a solution. He also stated the planned spending was too aggressive based on an exuberant forecast in revenue. He asked to reinstate the sales tax on food.
17. Tim O'Malley sent an email saying the City made a commitment to serve the homeless and to keep safe the neighboring areas around the shelter.
18. Breaktofix sent an email noting the City was balancing the deficit on employees' backs, yet noting the City Manager's salary. He stated he hopes that people think about what they are doing and how many people will be affected by the choices.
19. Evert Andersen sent an email with the following suggestions:
  - Cut all city officers and employees wages by 5% as many of those who work outside of government received a cut in hours and a 10% cut.
  - Zero in on traffic violations such as driving on out of state plates and living here.
  - Fines for load radios.
  - Fines for non-muffled vehicles.
  - More radar and higher fines for speeders.
  - Cut down on the bulk trash pick up to once every six months.
  - Cut back on the purchase of vehicles by driving the vehicles an extra two years.
  - Simplify the water bills to a simple post card cutting stationary costs.
  - Eliminate street lights where there are frontage roads with lights.
  - At 35th Ave and Cactus area, there are many duplications of street lights.
20. Jodie Snyder sent an email in support maintaining tennis classes at Encanto Park.

21. Richard Rea sent an email stating he strongly believes that the current budget (and those for several years to come) should be increased to cover those projects that have been delayed, cancelled or just under-funded. He added it is neither the current Council nor the workers for the city of Phoenix causing the current problem. He commented without a significant source of future funding, it will be almost impossible. Lastly, he stated we all have to roll up our sleeves, pitch in, pay more and pay for the services that our citizens need and deserve.
22. Trish McCarty sent an email to consider any programs having to do with youth engagement, especially military working with the kids to learn on-the-job-training. She added we could accomplish job training and perform needed city work by enlisting our kids.
23. Bill Cusimano sent an email asking the Council to ask employees for their input on the budget and suggested changes. He added the City may be surprised at the sacrifices that employees may be willing to make, however he suggested that there needs something that is fair to all.
24. Dave Drake sent an email suggesting the following reductions:
  - A 10% reduction in government salaries for any amount over \$100,000; Frank Fairbanks was never paid this and the City was better run.
  - A 10% tax on all government salaries over \$100,000.
  - Outsource items like changing oil and routine maintenance on government vehicles to save money.
  - Reduce redundancies in overlapping regulations and work processes within the government.
25. Katie McClure sent an email stating she was disappointed about the cut to the sales tax on food and the potential impact of closing senior centers and pools. She asked that the City do something to rectify the situation.
26. Ryan McClure sent an email stating cutting the sales tax on food was not in the City's favor. He added balancing the budget by cutting the community and employees does not fix the problem of bad decision-making.
27. Bert Aldieiri sent an email suggesting identifying City services that offer low value to residents or offer services that can be served by the private sector and remove them from the budget. He added we also need to provide incentives to business growth in our city.
28. Susan Rajchel sent an email strongly opposed to the sales tax of food.
29. Caroline Condit sent an email strongly opposed to the sales tax on food.
30. Sam Oliver sent an email saying it is not right to balance your budget on the tax payers and your City employees. He asked to fix the budget in a different way as it is the City's management of funds that have caused this budget problem in the first place.

31. Joseph Caiola sent an email asking the City to say no to the sales tax on food, union workers and city employee salary and pension increases.
32. Steve Vollmer sent an email asking the Council to vote yes to maintain funding for Encanto Park.
33. Tom Cox sent an email to maintain funding to ensure elderly and under privileged are not short changed.
34. Helen Burland sent an email to raise alarm fees to \$15 annually and increase dog license fees.
35. Susan Dale sent an email concerned about the proposed reductions to the Phoenix Parks and Recreation Department's facilities, programs and services throughout the city including all 13 full-service community centers, resulting in the elimination of full-day supervised summer recreation programs, the elimination of recreational swim and dive team programs at all city pools, the elimination of supervised activities at Rose Mofford and Encanto Sports Complexes. She added of particular concern for my neighborhood are those reductions that would have a significant impact on our beloved, beautifully renovated Encanto Park. Lastly she stated she would like to see the city food tax restored.
36. Robert Fiore sent an email commenting:
  - NO to big spenders, live within our means.
  - NO to the FOOD TAX.
  - NO to Union Workers and City Employees salary and pension increases while pools, libraries, and senior centers are CLOSED down due to lack of funds.
37. Lynn Remelski sent an email stating she wants the city to live within its means.
38. Suzanne Jordan sent an email stating no on the sales tax on food. She added Phoenix needs to live within its means.
39. James Shoat sent an email commenting against employee pay reductions.
40. Dennis Mareiro sent an email to remind people that employees have kept the City running the past few years. He added employees have families to take care of.
41. S. Pierce sent an email asking to not increase staff salaries.
42. Bdpcole sent an email questioning the acceptability of continuing to balance the budget on the backs of employees. The email also noted it was shortsighted to end the sales tax on food early instead of keeping promises to employees. Lastly, is stated the more employees are cut, the less they have to spend on taxable items in Phoenix.

43. Marcia Viedmark sent an email to maintain funding to retain Neighborhood Services Department staff.
44. Alison Richardson sent an email stating the pension system is breaking the City. She asked to get the pension system under control and to reinstate the sales tax on food.
45. Frank Maglietta sent an email suggesting increase of taxes on cigarettes, hard liquor, hotels and motels.
46. Glen Ocotillo Neighborhood sent an email stating the City should raise revenue and not cut any critical services.
47. Kathleen Jayne sent an email to disagree with the City Manager's salary. She added the City should live within its means.
48. Martin Jiminez sent an email to look at revenue alternatives, noting employee pay should not be sacrificed.
49. Dan Suchoff sent an email saying it was too easy to just raise taxes and fees. He challenges the City to eliminate marginal programs, gain efficiencies and cut fat rather than raising taxes.
50. Gordon sent an email stated when it was voted to stop the sales tax on food; people were told it would not impact services and employees. He suggested following through on the promise.
51. Tom Ziegmann tweeted, "I had really high hopes for Mayor Stanton, but he's proven he's just another Democrat in it for himself and bigger government, such a shame. He added Seriously Mayor Stanton - You have the nerve to propose raising taxes on residents?! How about living within your means like the rest of us."
52. Jim Thomas tweeted, "Mayor Stanton Why are the streets and roads in such bad shape but you have given all of you big raises, undeserved."
53. Theresa Womack sent a tweet, "Mayor Stanton, Thomas road between 35th ave and 43rd ave needs to be repaved. Can we budget that in?"
54. Greg Knauss tweeted, "Mayor Stanton why are police and fire taking concession again? Will it be 4 years before they get a chance to get back the 11% they gave up?"
55. AFSCME 2384 tweeted, "Mayor Stanton Has city looked at increasing fees for rental properties. Thousands of out of state property owners who have rental properties. They added this budget will mean 6 years of concession contracts. We need to find viable solutions rather than to blame public servants."

56. Derek Montilla tweeted, "Mayor Stanton to save the community centers and programs."
57. David Leibowitz tweeted he did not believe that a promotion that comes along with a \$56K pay increase a "raise".
58. Byron Baldwin posted on Facebook to maintain funding for the Beuf Community Center.
59. Doug Arnold posted on Facebook a suggestion to find revenue resources instead of closing down swimming pools and senior centers.
60. Anna Maria Thornton posted comments against employee pay raises. She added the City is now asking residents to pay more to make up for bad budgeting decisions. She added be assured we will buy all our products in other cities if you decide to raise the taxes. If you decide to charge a bag tax, we will bring our own bags, if you raise water rates we will haul in our own water. Stop with bad budgeting decisions.
61. Tom Reade posted commented if the City cuts homeless shelter funding, graffiti and code enforcement, won't crime go up, thus increasing other costs.
62. Joyce McDonough Barbano commented, "Mayor Stanton, has any consideration been made to look at adding a facility tax/tarmac tax/terminal tax for Sky Harbor Airport for each ticket issued to bring added revenue to help reduce the deficit? Also, with the costs of water/sewer operating costs continually increasing to the city, any thoughts to increasing water bills on sliding scale to water users over a 3- 5 year plan to offset the costs?"
63. Cristina Fitch posted a comment in support of the sales tax on food.
64. Buffalo Rick Galeener posted to support cutting salaries and pensions.

Respectfully Submitted,

Julie Flaskerud  
Management Assistant

**SUMMARY MINUTES  
VOICEMAIL, ELECTRONIC, AND WRITTEN BUDGET COMMENTS  
Through April 30, 2014**

1. A petition with 147 signatures was submitted in support of maintaining services at all senior centers.
2. Desert Mission sent a letter concerned about the proposed reduction of funding to local food banks.
3. Melissa Crook sent an email in support of maintaining employee pay.
4. Kathy Sroke Richmond posted comments on her concerns of possible reductions to swim and dive team programs.
5. Craig Bowen sent an email suggesting the City cut City spending, end pension spiking, freeze employee pay increases, down size government by contracting non-essential services, and maintain the City Manager's salary. He added he did not support tax or fee increases.
6. Job Hernandez commented at change.org to leave the 13 proposed Recreation and Senior Centers open. The City of Phoenix has already cut multiple School activities in addition to the after school programs created for our youth of today. The closure of these recreation centers would impact thousands of families throughout the metropolitan area, not to mention the children directly. Why should they have to pay the cost to increase City officials pay, when ultimately they are losing more than a place to learn and expand their minds and talents.
7. David Martinez sent an email about the impact St. Mary's Food Bank has on the community. It stated in 2013, St. Mary's Food Bank distributed, with the assistance of more than 275 active agencies and food distribution partners in Phoenix, nearly 66 million pounds of food to Phoenicians in need. That includes serving more than 500 children daily meals at City of Phoenix community and recreation centers proposed for closure, as well as providing more than 1,500 seniors and families food boxes and fresh produce monthly in City of Phoenix seniors centers proposed for closure.
8. Cyndy Beckham sent an email in support of maintaining services at the Beuf Community Center.
9. Daniel Baugh sent an email in support of maintaining community centers.
10. Jenny Boone sent an email to support recreational swim programs.
11. Carrie Kaput sent an email asking to maintain services at community centers and pools.

12. Teryl Sands sent an email to support of maintaining swim and dive team programs. Additionally, she stated she would like to see it fully restored to pre-recession levels.
13. Laurie Devine, as an avid pickleball player, sent an email in support of maintaining programs and services at community centers.
14. Emily Crapo sent an email in support of maintaining summer youth activities.
15. Mary Reid sent an email in support of keeping the Paradise Valley Senior Center open.
16. Jane Sanderson sent an email about the positive impact Devonshire Center has on seniors and the community.
17. Dave Cameron sent an email in support of maintaining services at the community centers.
18. Cathy Humphrey sent an email in support of maintaining Telephone Pioneer Park, the only pool in Phoenix that is uniquely designed for special needs participants.
19. Wendy Flood sent an email with the following suggestions:

General Fund proposed Dept. efficiencies:

- Extend the life of city vehicles and ensure proper maintenance before purchasing new vehicles.
- Do not eliminate any administrative staff, as they are a necessary component to a high functioning work group.

Agreed with all proposed reductions except the following:

City Council –

Do not reduce the funds to do community outreach and constituent service and instead of an overall reduction to City Council budget and let each councilperson decide what should be cut or reduce; They know their offices best.

City Manager's office –

Do not eliminate as volunteers are needed more than ever and save the City money.

Equal Opportunity -

One support staff reduction is enough.

Finance -

Do not cut staff involved with paying vendors - credit rating is important and that would affect it and the quality of future vendors who would want to work for the City.

Fire -

Do not cut pool safety programs and reduce fewer civilians.

Human Resources -

Do not cut Human Resources staff as training and fraud prevention save the City money.

Human Service -

Do not cut senior programs or senior centers. Do not cut volunteer coordinator. Do not cut homeless shelter funding as it will hurt the City's image and those in need.

Law - City Prosecutor

Do not cut community prosecution or there will be blight in the community.

Mayor -

Do not cut constituent and outreach services, let the Mayor decide what to cut.

Municipal Court –

Do not cut as many positions or those that impact revenue collection.

Neighborhood Services -

Do not cut Graffiti and support less reduction to code enforcement program.

Parks and Recreation –

Do not cut so deeply into parks and recreation programs.

Police -

Keep central booking open and consider adding fewer civilians to save costs.

Public Information Office -

Do not fully cut Channel 11 programming.

Public Works -

Do not cut so deeply into Public Works.

Street Transportation -

Supports cutting elimination of the 15 mph signs in and opposed to adding operation of new facilities funds for street landscape maintenance.

Planning and Development –

Add fewer positions in Planning and Development Department.

Solid Waste –

Opposed to added funding for recycling programs.

Opposed to food tax. Look at other revenue sources, such as alcohol sales tax and all aspect of adult entertainment, cigarettes and taxing soda.

Supports adding more fees to permits and anything that the city reviews or approves. Increase the library fines by .25\$ or .50\$, increase the pool admission by \$1, swim lesson by \$10, other city classes a few \$\$ here and there.

Supports adding needed services to the South Mountain area and Laveen such as a community, streets and weeds that need attention, vacant lots, bus stops with no shade, a conveyance channel that has the potential to be as lush and glorious as Scottsdale greenbelt or the 48th street channel.

Respectfully Submitted,

Julie Flaskerud  
Management Assistant

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## CITY COUNCIL REPORT

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### COUNCIL REQUEST

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TO: Ed Zuercher  
City Manager

PACKET DATE: May 1, 2014

FROM: Daniel L. Brown  
Acting City Attorney

SUBJECT: RESPONSE TO QUESTIONS ON LEGISLATIVE IMMUNITY OF CITY  
COUNCILMEMBERS

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This report provides a response to questions raised by Councilman DiCiccio about whether Councilmembers have personal liability for Council action or inaction taken related to pension spiking.

#### THE ISSUE

Legislative immunity from personal liability, as set forth by the United States Supreme Court and Arizona Statutes, applies to protect Councilmembers from any liability arising out of decisions made, votes taken, or discussion in relation to pension reform or spiking. Council's decision to act or not regarding pension policy is the sort of action anticipated by that theory.

In contrast, a legislator is not protected for *ultra vires* acts, in other words, acts outside the scope of his or her legislative authority. For example, legislative immunity does not protect a legislator's action such as: soliciting or taking bribes, engaging in undisclosed self-interested negotiations in exchange for future support of legislation, violating an otherwise valid criminal law, racial discrimination, or sexual harassment.

The actions at issue here regarding pensions are clearly not *ultra vires*, but are legislative acts protected by broad legislative immunity. Legislative immunity has been thoroughly established in court decisions, the Arizona Constitution, and Arizona Revised Statutes (A.R.S. §12-820.01).

This protection is very broad and to be construed liberally. Actions such as voting on an ordinance, introducing a budget, signing into law an ordinance, and most importantly, speech and debate, have explicitly been found by the United States Supreme Court to be legislative acts immune from liability. Legislative immunity even extends to provide some protection for individual City Council members from liability arising from voting to violate a federal statute. An affirmative decision not to act is also protected by legislative immunity.

Any of Council's statements, actions, or decisions not to act regarding pensions fall within that realm, and Councilmembers are fully protected from liability.

## OTHER INFORMATION

The City is currently being sued over the Public Safety Pension and Retirement System (PSPRS) in Wright, et al. v. City of Phoenix, et al. That lawsuit is still in the early stages of discovery; the trial court has made no ruling whatsoever on the merits of the claim that the City's practices violate Arizona statutes related to PSPRS. Moreover, the City is not the arbiter of PSPRS policy; rather the PSPRS State and Local Boards are vested with that authority. Although the City Attorney of Tucson has come out with an opinion regarding Tucson's contracts and practices, the Phoenix Local PSPRS Board had come out with an exactly contrary opinion. Finally, another City Attorney's opinion has no binding authority on the City of Phoenix, even if Tucson's contract language were identical, which it is not.

## RECOMMENDATION

This report is for information only.