

Management Services

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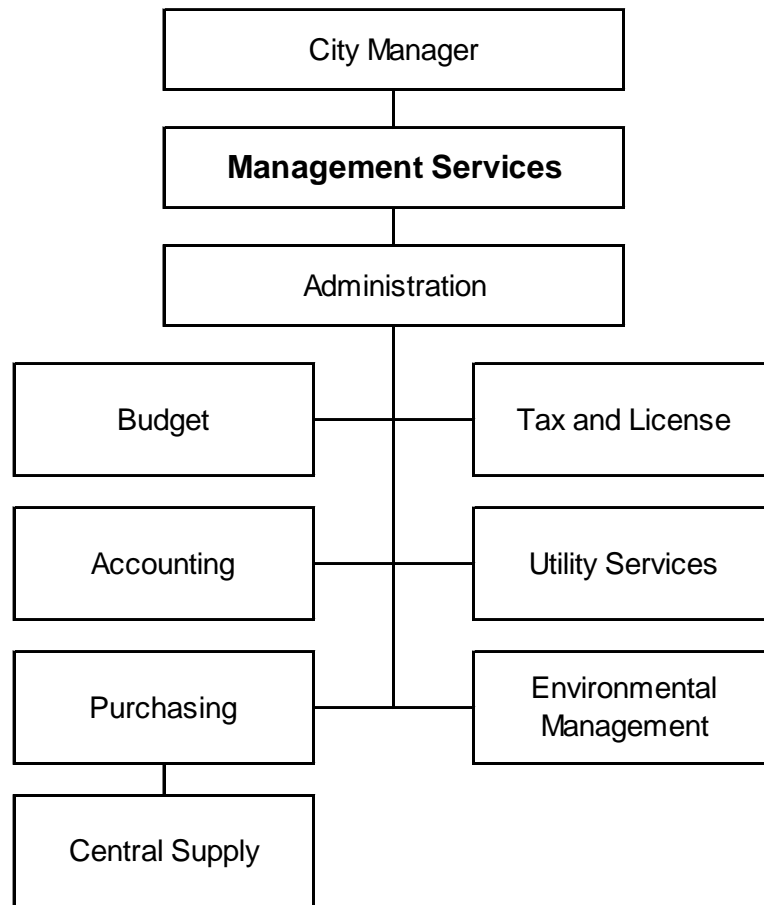


Those charged with carrying forward the financial policies of the City take this responsibility very seriously. Years of conservative fiscal policy have earned Chandler AAA Bond ratings from all three national rating agencies.



CHANDLER CITY

Management Services





Management Services

The table below depicts the breakdown by division for the Fiscal Year (FY) 2016-17 Management Services Department Budget. Subsequent pages provide cost center descriptions, goals and objectives, performance measurements, budget summaries, authorized positions, and highlights of significant changes.

Management Services Overview

Expenditures by Cost Center	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Management Services Administration	\$ 604,743	\$ 562,723	\$ 637,344	\$ 580,696	3.19%
Budget	669,671	675,381	707,115	710,269	5.17%
Purchasing	581,708	647,442	658,191	686,912	6.10%
Central Supply	363,870	364,940	372,786	378,507	3.72%
Accounting	1,445,150	1,643,064	1,669,787	1,666,478	1.43%
Tax and License	1,702,752	2,007,109	1,894,990	2,124,883	5.87%
Utility Services	1,403,287	1,371,398	1,389,408	1,382,043	0.78%
Environmental Management	418,841	456,112	426,666	445,208	-2.39%
Environmental Management Liabilities	11,312	473,200	483,000	473,200	0.00%
Total Management Svcs w/o Non-Dept.	\$ 7,201,334	\$ 8,201,369	\$ 8,239,287	\$ 8,448,196	3.01%
Non-Departmental ⁽¹⁾	\$ 24,738,391	\$ 147,458,736	\$ 27,293,685	\$ 139,154,515	-5.63%
Non-Departmental Capital ⁽¹⁾	1,676,494	20,415,468	1,456,616	20,242,670	-0.85%
Total Non-Department	\$ 26,414,884	\$ 167,874,204	\$ 28,750,301	\$ 159,397,185	-5.05%
Total Management Svcs. with Non-Dept.	\$ 33,616,218	\$ 176,075,573	\$ 36,989,588	\$ 167,845,381	-4.67%
Expenditures by Category					
Personnel & Benefits					
Total Personnel	\$ 6,089,325	\$ 6,603,612	\$ 6,552,317	\$ 6,847,216	
Ongoing ⁽²⁾	-	6,603,612	6,552,317	6,847,216	3.69%
One-time ⁽²⁾	-	-	-	-	N/A
Operating & Maintenance	1,112,009	1,597,757	1,686,970	1,600,980	0.20%
Total Management Svcs w/o Non-Dept.	\$ 7,201,334	\$ 8,201,369	\$ 8,239,287	\$ 8,448,196	3.01%
Expenditures by Category					
Personnel & Benefits					
Total Personnel	\$ 1,113,831	\$ 8,635,996	\$ 1,434,423	\$ 9,427,022	
Ongoing ⁽²⁾	-	4,954,996	1,434,423	4,325,147	-12.71%
One-time ⁽²⁾	-	3,681,000	-	5,101,875	38.60%
Operating & Maintenance	23,624,560	4,954,594	25,859,262	21,567,615	335.31%
Contingencies & Reserves	-	133,868,146	-	108,159,878	-19.20%
Capital - Major	1,676,494	20,415,468	1,456,616	20,242,670	-0.85%
Total Non-Department	\$ 26,414,884	\$ 167,874,204	\$ 28,750,301	\$ 159,397,185	-5.05%
Total Management Svcs. with Non-Dept.	\$ 33,616,218	\$ 176,075,573	\$ 36,989,588	\$ 167,845,381	-4.67%

⁽¹⁾ Non-Departmental includes contingencies & reserves of \$133,868,146 in FY 2015-16 and \$108,159,878 in FY 2016-17.

⁽²⁾ Ongoing and One-time Personnel Services detail not available for FY 2014-15 Actual.



Management Services

Management Services Overview (continued)

Staffing by Cost Center	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted	% Change Adopted to Adopted
Management Services Administration	4.000	4.000	4.000	4.000	0.00%
Budget	6.000	6.000	6.000	6.000	0.00%
Purchasing	6.900	6.900	6.900	6.900	0.00%
Central Supply	5.100	5.100	5.100	5.100	0.00%
Accounting	17.000	17.000	17.000	17.000	0.00%
Tax and License	21.000	20.500	20.500	20.500	0.00%
Utility Services	11.000	10.500	10.500	10.500	0.00%
Environmental Management	3.500	3.000	3.000	3.000	0.00%
Total	74.500	73.000	73.000	73.000	0.00%

2015-16 Management Services Accomplishments

- Awarded 33rd consecutive Certificate of Achievement for Excellence in Financial Reporting and 28th consecutive Distinguished Budget Presentation Award from the Government Finance Officers' Association.
- Maintained AAA General Obligation Bond credit ratings with stable outlooks from all three rating agencies.
- Completed \$70M of Excise Tax Revenue Obligation sale for water and wastewater projects and paid off 2005 outstanding water and wastewater revenue bonds to realize savings.
- Updated the City's Financial Policies and adopted a new Grant Management Policy using the Government Finance Officer Association's (GFOAs) best practices.
- Implemented Government Accounting Standards Board (GASB) Pronouncement #68, Accounting and Financial Reporting for Pensions, requiring additional pension information in the City Financial Report.
- Conducted a 100% review of programs and services by use of the Priority Based Budgeting program to ensure services align with Mayor and Council's desired results.
- Continued the Utility Rate Study Cost of Service Analysis effort to determine future rate realignment between customer classes.
- Amended the Chandler City Code, adding a new Chapter 21, regulating Mobile Food Units.
- Awarded 12th consecutive Achievement of Excellence in Procurement Award from the National Procurement Institute, and 11th consecutive Excellence in Achievement Agency Certification Award from the National Institute of Governmental Purchasing.
- Rolled out chip and PIN enabled purchasing cards to all City P-card holders and created a database, converting paper purchasing card records to electronic storage.
- Created and distributed customer-focused, easy to use informational tools including the Purchasing guide for City Employees and one-page guides for sole sourcing, product demonstrations, and solicitations.
- Continued the Rental Tax Recovery Program that brought over 275 unlicensed properties into compliance and collected an additional \$380,000 in tax revenue during Fiscal Year 2015-16.
- The License Inspector brought more than 415 unlicensed businesses into compliance with the City Tax Code through the use of tax data in the field, enhanced by GIS mapping.
- Provided Taxpayer Education Classes with more than 75 taxpayers of the Retail/Other Tax classifications.
- Fully transitioned to the online auction program for surplus City property, vehicles, and police property and evidence, increasing general operating revenue from sales of approximately \$20,000 to an average of \$46,000 per month.
- Conducted 15 environmental audits of City facilities resulting in corrective measures to enhance compliance with environmental regulations; completed asbestos assessments of 50 City owned facilities to determine that no new asbestos containing materials were introduced; and completed review and comment on 26 environmental site assessments prior to property acquisitions to ensure no environmental liability existed.
- Responded to 10 hazardous materials incidents and successfully took corrective action as required by each incident.
- Successfully completed updates to the Utility Billing and Payment System and field work order system including adding credit card processing enhancements to the cashier station. Increased account holders who pay their bill electronically via Chandler's online payment portal to over 50%.



Division:	Administration
Cost Center:	1180

Administration serves the Management Services Department and provides finance and debt management, financial systems management, and support services to other City departments.

In addition to maintaining the financial integrity of the City with comprehensive financial administration, this division also provides for the development, coordination, and review of all activities in the department including: Budget, Purchasing, Central Supply, Accounting, Tax and License, Utility Services, and Environmental Management.

2016-17 Performance Measurements

Goal:

Ensure long-term financial stability for the City.

Supports Priority Based Budgeting Goal(s): Good Governance; Sustainable Economic Health

Objectives:

- ◆ Oversee financial management to secure or improve bond credit ratings.
- ◆ Facilitate long-term financial planning.
- ◆ Manage outside investment management services.
- ◆ Seek optimum and innovative financing structures to reduce debt service costs.
- ◆ Determine whether resources are properly safeguarded and used efficiently, effectively, and economically.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Bond rating for general obligation bonds:					
Moody's Investor Service	Aaa	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA	AAA	AAA
Fitch Ratings	AAA	AAA	AAA	AAA	AAA

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Administration – 1180 <<<

Goal:

Provide technical/functional system analyst support to users of the City’s finance and human resource enterprise-wide Oracle and Budget systems, and Tax and License system.

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Analysis and timely resolution of system problems, business processes, and procedures.
- ◆ Collaborate with users and Information Technology teams to address needs.
- ◆ Coordinate and execute the testing of new applications, releases, and enhancements.
- ◆ Assist with training of users on new practices, policies, and procedures.
- ◆ Work closely with vendors using existing maintenance agreements to support department applications.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Maintain all citywide financial applications at actively supported versions of vendor software	100%	100%	100%	100%	100%
Ensure nightly and monthly TaxMantra jobs complete successfully ⁽¹⁾	N/A	N/A	100%	95% ⁽¹⁾	98% ⁽¹⁾
Process 100% of iExpense Purchasing Card Transactions ⁽¹⁾	N/A	N/A	100%	100%	100%
Ensure nightly Oracle interface transactions are processed successfully ⁽¹⁾	N/A	N/A	100%	100%	100%
Resolve all issues related to timecard processing prior to processing in Oracle Payroll ^{(1)/(2)}	N/A	N/A	100%	100%	100%

⁽¹⁾ New measure beginning Fiscal Year (FY) 2015-16. Tax Mantra system upgrade planned in FY 2016-17 will ensure up-to-date version. Jobs affected infrequently on old version.

⁽²⁾ Measurement processing timeframe is revised beginning FY 2016-17.

* 2015-16 Year End Estimate reflects “six months actual” and “six months estimated.”

Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Administration – 1180 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 555,242	\$ 549,083	\$ 561,277	\$ 562,000	\$ 567,197	3.30%
Ongoing*	-	549,083	561,277	562,000	567,197	3.30%
One-time*	-	-	-	-	-	N/A
Professional/Contract	40,000	300	63,300	63,300	300	0.00%
Operating Supplies	1,361	4,580	4,580	1,740	2,350	-48.69%
Repairs/Maintenance	1,123	1,200	1,200	1,254	1,200	0.00%
Communications/Transportation	4,966	4,535	4,634	6,000	5,474	20.71%
Other Charges/Services	2,051	3,025	3,025	3,050	4,175	38.02%
Total Cost Center - 1180	\$ 604,743	\$ 562,723	\$ 638,016	\$ 637,344	\$ 580,696	3.19%
General Fund	\$ 604,743	\$ 562,723	\$ 638,016	\$ 637,344	\$ 580,696	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Business Systems Support Analyst	0	0	1	1	1	1
Business Systems Support Supervisor	0	0	1	1	1	1
Financial Systems Supervisor	1	1	0	0	0	0
Management Assistant	0	0	1	1	1	1
Management Services Director	1	1	1	1	1	1
Senior Executive Assistant	1	1	0	0	0	0
Systems Analyst	1	1	0	0	0	0
Total	4	4	4	4	4	4

Significant Budget and Staffing Changes

Fiscal Year 2016-17 reflects the reduction of overtime funding that is reallocated to the Communications and Public Affairs Department, cost center 1070.



Division:	Budget
Cost Center:	1195

The Budget Division ensures effective and efficient allocation of City resources to enable the City Council, City Manager, and City departments to provide quality services to our citizens. The

Division prepares, monitors, researches alternatives, and presents the City's Annual Budget and Capital Improvement Program (CIP). The Budget Division is also responsible for development of long-range financial forecasts, regular financial reports, and providing assistance for all grant activities throughout the City.

2016-17 Performance Measurements

Goal:

Prepare and monitor operating and capital budgets to comply with financial policies and legal requirements, while working with departments to ensure the reliability and accuracy of information.

Supports Priority Based Budgeting Goal(s): Good Governance; Sustainable Economic Health

Objectives:

- ◆ Maintain and improve appropriation control efforts in compliance with legal and policy requirements.
- ◆ Meet all State and City charter deadlines for adoption of Annual Budget and CIP.
- ◆ Continue to improve the budget document and qualify for Government Finance Officers Association Distinguished Budget Presentation Award.
- ◆ Monitor expenditures and identify potential problems as well as deviations from approved spending plans.
- ◆ Provide citywide budget support services to all departments.
- ◆ Work with departments to continuously enhance and improve the budget process and meet or exceed their expectations for an effective budget process.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Compliance with state budget laws	100%	100%	100%	100%	100%
Adopt ten-year CIP and Budget prior to June 15 th of the prior fiscal year	06/13/13	06/12/14	06/11/15	06/11/15	06/09/16
Consecutive years for Distinguished Budget Presentation Award	26	27	28	28	29
Obtain budget user survey results of satisfactory to excellent on budget process	100%	97%	97%	100%	100%

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."
Note: All measurements are through June 30th, the last day of the fiscal year.

>>> **Budget – 1195** <<<

Goal:

To provide City Council with regular financial updates and provide public access to financial information, ensuring transparency and maintaining compliance with state requirements.

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Provide City Council and executive leadership with regular updates of City revenues and expenditures.
- ◆ Provide accessible information to citizens and other agencies regarding the City's economic condition.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Maintain full compliance with all state required laws regarding public access to financial documents	Yes	Yes	Yes	Yes	Yes
Provide information on the City's budget through CityScope Newsletter and internet	Yes	Yes	Yes	Yes	Yes
Provide monthly financial analysis to City Council and make available on www.chandleraz.gov within the following month for August through May ⁽¹⁾	10	10	10	10	10
Provide quarterly financial analysis to City Council and make available on www.chandleraz.gov within the following two months for the first three quarters of the fiscal year ⁽¹⁾	3	3	3	3	3

⁽¹⁾ Reports for the months of June and July and for the fourth quarter of the fiscal year typically require an extended period of time for completion due to the personnel resources needed to complete activities related to the end of fiscal year close.

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."

Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Budget – 1195 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 660,076	\$ 663,200	\$ 689,026	\$ 695,000	\$ 698,040	5.25%
Ongoing*	-	663,200	689,026	695,000	698,040	5.25%
One-time*	-	-	-	-	-	N/A
Operating Supplies	5,152	5,950	5,950	6,570	5,950	0.00%
Repairs/Maintenance	1,030	1,400	1,400	1,400	1,400	0.00%
Communications/Transportation	714	651	699	1,405	699	7.37%
Other Charges/Services	2,699	4,180	4,180	2,740	4,180	0.00%
Total Cost Center - 1195	\$ 669,671	\$ 675,381	\$ 701,255	\$ 707,115	\$ 710,269	5.17%
General Fund	\$ 669,671	\$ 675,381	\$ 701,255	\$ 707,115	\$ 710,269	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Budget Management Assistant	1	1	1	1	1	1
Budget Manager	1	1	1	1	1	1
Financial Analyst	1	1	1	1	0	0
Senior Budget and Research Analyst	2	2	2	2	3	3
Senior Financial Analyst	1	1	1	1	1	1
Total	6	6	6	6	6	6

Significant Budget and Staffing Changes

During Fiscal Year 2015-16, one Financial Analyst was reclassified to Senior Budget and Research Analyst.



Division: Purchasing
Cost Center: 1220

Purchasing is responsible for supporting the City's need for materials and services in accordance with Federal, State, and City legal requirements. This is conducted in an open, competitive, and professional manner, which maximizes the effectiveness of the tax dollar.

2016-17 Performance Measurements

Goal:

Obtain the best value in the purchase of goods and services for the City in a timely fashion in accordance with established policies and procedures, to meet department needs to serve citizens.

Supports Priority Based Budgeting Goal(s): Sustainable Economic Health; Good Governance

Objectives:

- ◆ Obtain survey results of 95% excellent/good in annual Purchasing survey to departments.
- ◆ Demonstrate use of best practices through receipt of awards from professional associations.
- ◆ Maximize purchasing card rebates through employee cards and e-payables.
- ◆ Identify and implement one process improvement annually.⁽¹⁾

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Customer survey results of excellent/good	98%	88%	95%	95%	95%
Obtain National Purchasing Institute "Achievement of Excellence in Procurement" award	Yes	Yes	Yes	Yes	Yes
Obtain Universal Public Purchasing Certification Council "Excellence in Achievement" 100% Certification award	Yes	Yes	Yes	Yes	Yes
Purchasing card transactions	24,080	26,750	25,760	27,500	28,500
E-payables transactions	538	475	515	495	475
Purchasing card rebate	\$170,154	\$195,000	\$200,000	\$244,000	\$200,000
Number of process improvements implemented ⁽¹⁾	N/A	N/A	1	2	1

⁽¹⁾ New objective and measure beginning FY 2015-16. Improvements may include conversion to online auction format and completion of solicitation standardization project.

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated".
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Purchasing – 1220 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 573,457	\$ 638,050	\$ 652,029	\$ 649,000	\$ 674,929	5.78%
Ongoing*	-	638,050	652,029	649,000	674,929	5.78%
One-time*	-	-	-	-	-	N/A
Professional/Contract	119	-	-	-	-	N/A
Operating Supplies	1,201	1,100	1,100	941	1,050	-4.55%
Repairs/Maintenance	847	1,000	1,000	1,000	1,000	0.00%
Communications/Transportation	2,562	2,800	2,891	3,884	4,791	71.11%
Other Charges/Services	3,516	4,492	4,492	3,366	5,142	14.47%
Capital Replacement	6	-	-	-	-	N/A
Total Cost Center - 1220	\$ 581,708	\$ 647,442	\$ 661,512	\$ 658,191	\$ 686,912	6.10%
General Fund	\$ 581,708	\$ 647,442	\$ 661,512	\$ 658,191	\$ 686,912	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Administrative Assistant	0	0	1	1	1	1
Administrative Specialist	0	1	0	0	0	0
Information Support Specialist II	1	1	0	0	0	0
Procurement Officer	4	4	3	3	3	3
Purchasing & Material Manager	0.75	1	0.9	0.9	0.9	0.9
Purchasing & Material Supervisor	0.25	0	0	0	0	0
Purchasing Clerk	1	0	0	0	0	0
Purchasing Specialist	0	0	1	1	1	1
Senior Procurement Officer	0	0	1	1	1	1
Total	7	7	6.9	6.9	6.9	6.9

Significant Budget and Staffing Changes

Fiscal Year 2016-17 reflects the reallocation of ongoing funding from the City Manager Department, cost center 1040, for professional development and the reduction of overtime funding that is reallocated to the Communications and Public Affairs Department, cost center 1070.



Division: Central Supply
Cost Center: 1225

Central Supply is responsible for maintaining and managing an inventory of maintenance, operational, and repair (MOR) supplies for City departments. The division is

also responsible for managing the City's asset recovery program and providing departmental records pick-up and storage services for the City's records retention program.

2016-17 Performance Measurements

Goal:

Operate a sound inventory program to minimize operating cost while ensuring adequate supplies to meet demands and maximize inventory turnover, provide material pick-up and delivery service for City departments, and ensure timely delivery of material to meet operational requirements of departments.

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Maintain an inventory turnover ratio of 2.5 or greater.
- ◆ Maintain an inventory accuracy rate of 98% or greater.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Total dollar amount of inventory	\$1,054,426	\$1,088,000	\$1,025,000	\$968,000	\$900,000
Dollar value of material issued ⁽¹⁾	N/A	\$1,679,107	\$2,000,000	\$1,800,000	\$1,900,000
Inventory turnover ratio ⁽²⁾	2.1	1.54 ⁽³⁾	2.0	1.9	2.1
Inventory accuracy rate	99%	99%	99%	99%	99%
Number of deliveries made ⁽⁴⁾	N/A	800	1,000	940	1,000

⁽¹⁾ Supports inventory accuracy and turnover ratios, and measures efficiency.

⁽²⁾ "Inventory turnover ratio" equals = dollar amount of inventory used divided by total dollar amount of inventory.

⁽³⁾ Low inventory ratio due to large amount of unissued stock aged 2 plus years.

⁽⁴⁾ Increase in deliveries means higher use of Central Supply Warehouse and staff customer service.

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."

Note: All measurements are through June 30th, the last day of the fiscal year.

>>> **Central Supply – 1225** <<<

Goal:

Manage the City's asset recovery program, ensuring departmental surplus property is picked up in a timely manner, and an optimal return is received from the redistribution and sale of surplus, obsolete, and scrap material and supplies.

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Maximize revenue received from the sale of surplus, obsolete, and scrap material.
- ◆ Provide a high level of service through pick-up of departmental surplus property within four working days.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Surplus property and scrap material revenue	\$38,153	\$94,487 ⁽¹⁾	\$100,000	\$100,000	\$100,000
Vehicle revenue	\$158,198	\$177,232	\$300,000	\$365,000	\$200,000
Surplus property picked up within four working days	90%	96%	96%	98%	98%

⁽¹⁾ Significant increase in non-vehicle revenues in beginning in Fiscal Year 2015-16 is due to higher sales prices and reduced auction fees through use of online auction format.

Goal:

Provide pick-up and delivery service for departmental records, ensuring records are picked-up in a timely manner and that departments are notified when records have reached the destruction due date.

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Notify departments that records have reached the destruction date 30 days prior to destruction date.
- ◆ Provide a high level of service through pick-up of records within four working days of receipt of request from departments.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Notify departments of destruction date 30 days prior	N/A	95%	95%	95%	95%
Records picked-up within four working days	98%	98%	98%	99%	99%

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> **Central Supply – 1225** <<<

Budget Summary

Description	2014-15	2015-16	2015-16	2015-16	2016-17	% Change
	Actual Expenditures	Adopted Budget	Adjusted Budget	Estimated Expenditures	Adopted Budget	Adopted to Adopted
Personnel Services						
Total Personnel	\$ 340,425	\$ 350,288	\$ 357,826	\$ 359,276	\$ 363,811	3.86%
Ongoing*	-	350,288	357,826	359,276	363,811	3.86%
One-time*	-	-	-	-	-	N/A
Professional/Contract	119	-	-	-	-	N/A
Operating Supplies	5,459	6,850	6,850	5,500	6,937	1.27%
Repairs/Maintenance	1,187	1,550	1,550	1,661	1,350	-12.90%
Communications/Transportation	542	570	614	640	700	22.81%
Other Charges/Services	477	373	373	400	400	7.24%
Machinery/Equipment	4,995	-	-	-	-	N/A
Office Furniture/Equipment	5,356	-	-	-	-	N/A
Capital Replacement	5,309	5,309	5,309	5,309	5,309	0.00%
Total Cost Center - 1225	\$ 363,870	\$ 364,940	\$ 372,522	\$ 372,786	\$ 378,507	3.72%
General Fund	\$ 363,870	\$ 364,940	\$ 372,522	\$ 372,786	\$ 378,507	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Authorized Positions

Position Title	2012-13	2013-14	2014-15	2015-16	2015-16	2016-17
	Revised	Revised	Revised	Adopted	Revised	Adopted
Administrative Assistant	0	0	1	1	1	1
Administrative Support II	1	1	0	0	0	0
Lead Supply Specialist	1	1	1	1	1	1
Purchasing & Material Manager	0.25	0	0.1	0.1	0.1	0.1
Purchasing & Material Supervisor	0.75	0	0	0	0	0
Supply Supervisor	0	1	1	1	1	1
Supply Worker	2	2	2	2	2	2
Total	5	5	5.1	5.1	5.1	5.1

Significant Budget and Staffing Changes

There are no significant budget and staffing changes for Fiscal Year 2016-17.



Division: Accounting
Cost Center: 1230

Accounting is responsible for maintaining accurate financial records and providing timely financial information to the public, bondholders, grantors, auditors, City Council, and

City management. This division is responsible for the areas of general ledger, accounts payable, accounts receivable, payroll, special assessments, fixed assets, cash management, investments, debt management, grant accounting, and compliance with accounting policies and procedures citywide.

2016-17 Performance Measurements

Goal:

Effectively perform accounts payable, payroll, and other accounting functions for City departments.

Supports Priority Based Budgeting Goal(s): Good Governance; Sustainable Economic Health

Objective:

- ◆ Process City payroll, accounts payable vendor payments, and special assessment billings accurately and in a timely manner.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Accounts payable payments issued	15,816	15,252	15,000	15,500	15,500
Payroll payments processed	48,121	48,900	48,350	51,150	51,150

Goal:

Coordinate the annual financial statement audit and prepare the Comprehensive Annual Financial Report (CAFR).

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Continue to comply with the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program by obtaining annual award.
- ◆ Complete the annual financial statement audit by the first week in December and release the CAFR by the second week in December.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Consecutive years for GFOA Certificate of Achievement for Excellence in Financial Reporting award	33	34	35	35	36
Audit completion date	12/26/14 ⁽¹⁾	12/14/15	12/09/16	12/12/16	12/11/17
Financial report completion date	12/29/14 ⁽¹⁾	12/17/15	12/16/16	12/16/16	12/15/17

⁽¹⁾ Fiscal Year 2013-14 audit completion and financial report completion delayed due to implementation of new utility billing software.

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated".
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> **Accounting – 1230** <<<

Goal:

Maintain adequate internal controls and adhere to Generally Accepted Accounting Principles (GAAP).

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Maintain compliance with applicable federal and state mandates concerning financial matters.
- ◆ Maintain adherence with financial accounting and reporting standards set by the Governmental Accounting Standards Board.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Compliance with federal and state mandates	In Compliance	In Compliance	In Compliance	In Compliance	In Compliance

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated".
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Accounting – 1230 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 1,324,573	\$ 1,498,603	\$ 1,530,841	\$ 1,517,000	\$ 1,526,442	1.86%
Ongoing*	-	1,498,603	1,530,841	1,517,000	1,526,442	1.86%
One-time*	-	-	-	-	-	N/A
Professional/Contract	107,262	119,328	175,227	128,604	111,728	-6.37%
Operating Supplies	4,507	11,715	18,604	11,255	11,715	0.00%
Repairs/Maintenance	1,210	1,480	1,480	1,210	1,480	0.00%
Communications/Transportation	4,184	4,239	4,414	4,019	4,414	4.13%
Other Charges/Services	3,413	7,699	7,700	7,699	10,699	38.97%
Total Cost Center - 1230	\$ 1,445,150	\$ 1,643,064	\$ 1,738,266	\$ 1,669,787	\$ 1,666,478	1.43%
General Fund	\$ 1,310,524	\$ 1,495,862	\$ 1,586,731	\$ 1,520,386	\$ 1,511,863	
Special Assessment Fund	53,194	62,656	64,416	63,990	67,683	
Workers Comp Self Ins Trust	34,064	36,695	37,788	35,711	37,837	
Medical Self Insurance Trust	47,368	47,851	49,331	49,700	49,095	
Grand Total	\$ 1,445,150	\$ 1,643,064	\$ 1,738,266	\$ 1,669,787	\$ 1,666,478	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Accounting Manager	1	1	1	1	1	1
Accounting Specialist	5	5	5	5	5	5
Accounting Supervisor	1	1	1	1	1	1
Executive Assistant	1	1	0	0	0	0
Financial Services Analyst	1	1	1	1	1	1
Management Assistant	0	0	1	1	1	1
Payroll Specialist	2	1	1	1	1	1
Senior Accountant	2	2	3	3	3	3
Senior Accounting Specialist	2	2	2	2	2	2
Senior Financial Reporting Analyst	1	1	1	1	1	1
Senior Payroll Specialist	0	1	1	1	1	1
Total	16	16	17	17	17	17

Significant Budget and Staffing Changes

Fiscal Year (FY) 2016-17 reflects additional one-time funding for arbitrage compliance consulting and ongoing funding for audit fees and armored car services. FY 2016-17 is offset by the reduction of overtime funding that is reallocated to the Communications and Public Affairs Department, cost center 1070, and reduction of one-time funding from FY 2015-16 allocated for arbitrage compliance consulting, Other Post-Employment Benefit (OPEB) actuary reporting, and audit services.



Division: Tax and License
Cost Center: 1240

The Tax and License Division administers the collection of transaction privilege (sales) and use taxes and issues tax and special regulatory licenses. Licensing provides

general information to the public, processes tax returns and payments, and processes all tax and special regulatory license applications. License Compliance ensures businesses operating in the City are properly licensed. Revenue Collection recovers delinquent tax revenues owed to the City. Tax Audit provides taxpayer education, tax code guidance and interpretation, and conducts audits of taxpayer records to enhance voluntary compliance.

2016-17 Performance Measurements

Goal:

To administer the City’s Code to ensure voluntary compliance with the transaction privilege (sales) tax and special regulatory licensing requirements through fair, consistent, and equitable treatment of all businesses and citizens.

Supports Priority Based Budgeting Goal(s): Good Governance; Sustainable Economic Health

Objectives:

- ◆ Process tax returns and license applications in accordance with code requirements and established performance standards.
- ◆ Maintain a high level of customer satisfaction through the continuous enhancement of business processes and technology.
- ◆ Promote the use of e-Tax to increase the electronic filing of tax and license transactions.
- ◆ Promote voluntary compliance through taxpayer education, compliance audits, and timely collections.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Process 100% of tax returns, license applications, and payments on time	92%	90%	95%	95%	95%
Process regulatory license applications timely per code requirements	100%	100%	100%	100%	100%
Implement at least five business process or technology improvements	5	5	5	5	5
Increase the number of taxpayers using e-Tax to file electronically by at least 5%	16.5%	5%	5%	5%	5%
Conduct at least 24 taxpayer education events	24	24	24	24	24
Verify taxpayer compliance through assisting the State in the review of at least 1% of total tax accounts ⁽¹⁾	0.59% ⁽²⁾	1.17%	1.0%	1.0%	1.0%
Limit tax delinquency rate (at least one return not filed) to <20% of total accounts	23% ⁽³⁾	26% ⁽³⁾	20%	24% ⁽³⁾	20%
Audited Taxpayer Customer Service Survey: Obtain customer satisfaction level above average on at least 90% of surveys.	N/A	100%	90%	90%	90%

⁽¹⁾ Modified measure due to House Bill 2111 which requires all audits to be issued by the Arizona Department of Revenue. Chandler was pre-empted from performing audits effective January 1, 2015, without State approval.

⁽²⁾ Measure fell short of goal due to increasing number of total accounts and Audit staff vacancies.

⁽³⁾ Measure fell short of goal due to increasing number of total accounts and Collection staff shortages.

* 2015-16 Year End Estimate reflects “six months actual” and “six months estimated”.

Note: All measurements are through June 30th, the last day of the fiscal year.

Note:

The Arizona Legislature passed House Bill 2111, which sets forth State requirements related to the audit, contracting and administration of Transaction Privilege Tax. The bill was signed by the Governor on June 25, 2013. The City is currently operating under the Arizona Department of Revenue for Audit and Contracting as of January 1, 2015, and Administration is anticipated to transition in the future.



>>> Tax and License – 1240 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 1,488,672	\$ 1,746,336	\$ 1,786,447	\$ 1,617,987	\$ 1,862,462	6.65%
Ongoing*	-	1,746,336	1,786,447	1,617,987	1,862,462	6.65%
One-time*	-	-	-	-	-	N/A
Professional/Contract	3,943	4,700	14,700	14,700	4,700	0.00%
Operating Supplies	40,517	61,923	61,923	62,043	43,990	-28.96%
Repairs/Maintenance	155,600	172,260	172,260	172,376	188,003	9.14%
Communications/Transportation	4,474	10,100	10,356	10,194	10,616	5.11%
Other Charges/Services	9,547	11,790	17,790	17,690	15,112	28.18%
Total Cost Center - 1240	\$ 1,702,752	\$ 2,007,109	\$ 2,063,476	\$ 1,894,990	\$ 2,124,883	5.87%
General Fund	\$ 1,702,752	\$ 2,007,109	\$ 2,063,476	\$ 1,894,990	\$ 2,124,883	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Administrative Assistant	0	0	1	1	1	1
Administrative Specialist	1	1	0	0	0	0
Business Systems Support Analyst	0	0	0.5	0	0	0
Customer Service Supervisor	1	1	1	1	1	1
Financial Analyst	0	0	1	1	1	1
Lead Tax Auditor	1	1	1	1	1	1
License Inspector	1	1	1	1	1	1
Revenue and Tax Manager	0.5	0.5	0.5	0.5	0.5	0.5
Revenue Collections Supervisor	1	1	1	1	1	1
Revenue Collector	2	2	2	2	2	2
Senior Management Assistant	1	1	0	0	0	0
Senior Tax Auditor	4	4	4	4	4	4
Systems Analyst	0.5	0.5	0	0	0	0
Tax & License Representative	6	6	6	6	6	6
Tax & License Specialist	1	1	1	1	1	1
Tax Audit Supervisor	1	1	1	1	1	1
Total	21	21	21	20.5	20.5	20.5

Significant Budget and Staffing Changes

Fiscal Year (FY) 2016-17 reflects additional one-time funding for Tax Mantra support and computer hardware. Ongoing funding is allocated for software licensing. FY 2016-17 is offset by the reduction of overtime funding that is reallocated to the Communications and Public Affairs Department, cost center 1070.



Division: Utility Services
Cost Center: 1245

The Utility Services Division provides customers a single point of contact for utilities, billing, and collecting user charges for the operation of the water, wastewater, and sanitation systems. This Division provides the highest quality of customer service possible.

2016-17 Performance Measurements

Goal:

Fairly and accurately, provide information and services to Chandler utility customers with a high level of customer satisfaction.

Supports Priority Based Budgeting Goal(s): Good Governance

Objectives:

- ◆ Provide efficient and friendly services to existing customers and new residents and businesses requiring utility services.
- ◆ Facilitate on-time payments and collect delinquent receivables to minimize write-offs.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Activate utility accounts on date specified by customer 100% of the time	100%	99.9%	100%	100%	100%
Issue 100% of utility bills within three days of meter reading	99.9%	40% ⁽¹⁾	100%	92%	100%
Write-off <0.5% of total revenue	0.9% ⁽²⁾	0.5%	0.5%	0.1% ⁽³⁾	0.5%
Increase volume of electronic transactions by 5% ⁽⁴⁾	N/A	N/A	5%	63.2%	5%
Reduce 90-day aging dollar amount by 20% ⁽⁴⁾	N/A	N/A	20%	25%	10%

⁽¹⁾ Fiscal Year (FY) 2014-15 implementation of the new utility billing software system caused utility bills to be frequently processed beyond the three day meter reading goal, resulting in a lower performance measure.

⁽²⁾ Implemented a new utility system in FY 2014-15 which required significant account/data review and cleanup, thereby increasing write-offs prior to implementation.

⁽³⁾ Due to the success of the account/data review and cleanup effort completed in FY 2014-15, write-offs will be significantly reduced in FY 2015-16.

⁽⁴⁾ New measure beginning FY 2015-16. New system implemented July 2014, FY 2015-16 will be the base year

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."

Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Utility Services – 1245 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 781,916	\$ 786,901	\$ 806,526	\$ 801,054	\$ 794,134	0.92%
Ongoing*	-	786,901	806,526	801,054	794,134	0.92%
One-time*	-	-	-	-	-	N/A
Professional/Contract	(3,119)	1,000	7,000	8,000	4,000	300.00%
Operating Supplies	65,590	70,470	70,470	81,200	70,470	0.00%
Repairs/Maintenance	148,508	164,000	162,871	123,000	164,000	0.00%
Communications/Transportation	319,352	310,027	310,199	325,408	310,199	0.06%
Other Charges/Services	91,041	39,000	39,000	50,746	39,240	0.62%
Total Cost Center - 1245	\$ 1,403,287	\$ 1,371,398	\$1,396,066	\$ 1,389,408	\$ 1,382,043	0.78%
General Fund	\$ 1,403,287	\$ 1,371,398	\$1,396,066	\$ 1,389,408	\$ 1,382,043	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Billing and Compliance Specialist	0	0	0	0	1	1
Business Systems Support Analyst	0	0	0.5	0	0	0
Customer Service Supervisor	1	1	1	1	1	1
Lead Utility Billing Representative	1	1	1	1	0	0
Revenue and Tax Manager	0.5	0.5	0.5	0.5	0.5	0.5
Senior Utility Billing Representative	1	1	1	1	1	1
Systems Analyst	0.5	0.5	0	0	0	0
Utility Billing Representative	6	6	6	6	6	6
Utility Services Business Manager	1	0	0	0	0	0
Utility Services Manager	0	1	1	1	1	1
Total	11	11	11	10.5	10.5	10.5

Significant Budget and Staffing Changes

During Fiscal Year (FY) 2015-16, one Lead Utility Billing Representative was reclassified to Billing and Compliance Specialist.

FY 2016-17 reflects addition of ongoing funding for armored car services.



Division: Environmental Management
Cost Center: 1265

Environmental Management provides environmental regulatory compliance oversight of City operations and facilities, and also performs environmental clean-up services when environmental releases or spills have occurred on City property. This division assures that the City performs environmental due diligence on all property acquisitions and dedication of real property to the City. This division also maintains the central environmental compliance files for the City.

2016-17 Performance Measurements

Goal:

Provide a comprehensive program whereby the exposure through environmental non-compliance is reduced to the lowest possible level consistent with the economic viability of the City.

Supports Priority Based Budgeting Goal(s): Good Governance; Safe Community; Sustainable Economic Health

Objectives:

- ◆ Monitor and resolve environmental non-compliance issues of City operation.
- ◆ Evaluate likely cases of non-compliance and develop corrective action plans and educate personnel.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Environmental evaluations performed	23	24	24	15 ⁽¹⁾	20

⁽¹⁾ Air permits for approximately 40 facilities required review and renewal in early 2016 and effort reduced staff time available to conduct audits during this time period.

Goal:

Provide support to City departments performing environmental due diligence for real property acquisitions and dedications.

Supports Priority Based Budgeting Goal(s): Good Governance; Safe Community

Objective:

- ◆ To review environmental due diligence investigations and other environmental investigations in evaluating property acquisitions and redevelopment parcels in a timely manner.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Percent of investigations reviewed within five working days of receipt	100%	97%	98%	98%	98%
Total number of facilities assessed	57	46 ⁽²⁾	60	40 ⁽²⁾	40

⁽²⁾ As Chandler approaches build-out, the number of Phase I and II Environmental facility assessments drops. Chandler is not acquiring property but rather renovating current roadways, right-of-ways, etc.

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Environmental Management – 1265 <<<

Goal:

Provide a comprehensive program whereby the regulatory exposure through environmental non-compliance related to asbestos containing building materials at City owned facilities is reduced to the lowest possible level consistent with the economic viability of the City.

Supports Priority Based Budgeting Goal(s): Good Governance; Safe Community

Objective:

- ◆ To assess building materials in City owned facilities for asbestos and assure all regulatory compliance measures are followed during renovation or demolition of City owned facilities.

Measures	2013-14 Actual	2014-15 Actual	2015-16 Projected	2015-16 Year End Estimate *	2016-17 Projected
Asbestos assessments performed	75	46	70	50 ⁽¹⁾	50

⁽¹⁾ Decrease is due to evaluation of the asbestos program. Surveys are done on a facility renovation/demolition schedule as opposed to updating all surveys on an annual basis. This ensures efficiency and allows for better oversight and management of the asbestos survey program.

* 2015-16 Year End Estimate reflects "six months actual" and "six months estimated."
Note: All measurements are through June 30th, the last day of the fiscal year.



>>> Environmental Management – 1265 <<<

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 364,964	\$ 371,151	\$ 376,136	\$ 351,000	\$ 360,201	-2.95%
Ongoing*	-	371,151	376,136	351,000	360,201	-2.95%
One-time*	-	-	-	-	-	N/A
Professional/Contract	42,820	54,400	54,400	54,400	54,400	0.00%
Operating Supplies	4,502	19,975	19,975	11,700	19,975	0.00%
Repairs/Maintenance	438	1,290	1,290	1,550	1,290	0.00%
Communications/Transportation	2,649	5,096	5,142	4,616	5,142	0.90%
Other Charges/Services	3,229	4,200	4,200	3,400	4,200	0.00%
Machinery/Equipment	238	-	-	-	-	N/A
Total Cost Center - 1265	\$ 418,841	\$ 456,112	\$ 461,143	\$ 426,666	\$ 445,208	-2.39%
Uninsured Liability Fund	\$ 418,841	\$ 456,112	\$ 461,143	\$ 426,666	\$ 445,208	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Authorized Positions

Position Title	2012-13 Revised	2013-14 Revised	2014-15 Revised	2015-16 Adopted	2015-16 Revised	2016-17 Adopted
Administrative Assistant	0	0	0.5	0	0	0
Administrative Specialist	0.5	0.5	0	0	0	0
Environmental Program Coordinator	1	1	1	1	1	1
Environmental Program Manager	1	1	1	1	1	1
Environmental Program Specialist	1	1	1	1	1	1
Total	3.5	3.5	3.5	3	3	3

Significant Budget and Staffing Changes

There are no significant budget and staffing changes for Fiscal Year 2016-17.



Division:	Environmental Management Liabilities
Cost Center:	1266

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Professional/Contract	\$ 11,312	\$ 377,600	\$ 530,500	\$ 426,000	\$ 377,600	0.00%
Operating Supplies	-	95,600	95,600	57,000	95,600	0.00%
Total Cost Center - 1266	\$ 11,312	\$ 473,200	\$ 626,100	\$ 483,000	\$ 473,200	0.00%
Uninsured Liability Fund	\$ 11,312	\$ 473,200	\$ 626,100	\$ 483,000	\$ 473,200	

Significant Budget Changes

Cost center funding is maintained for unforeseen environmental clean-up services that may occur on City property and by nature is difficult to predict.

There are no significant budget changes for Fiscal Year 2016-17.



Division:	Non-Departmental
Cost Center:	1290

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 1,113,831	\$ 8,635,996	\$ 5,548,183	\$ 1,434,423	\$ 9,427,022	9.16%
Ongoing*	-	4,954,996	5,548,183	1,434,423	4,325,147	-12.71%
One-time*	-	3,681,000	-	-	5,101,875	38.60%
Professional/Contract	2,858,808	3,042,188	3,658,166	5,395,023	3,505,573	15.23%
Operating Supplies	9,063	333,000	693,000	332,914	333,000	0.00%
Repairs/Maintenance	1,085	-	3,914	-	-	N/A
Communications/Transportation	236	-	-	100	-	N/A
Insurance/Taxes	18,277,228	18,440,000	18,440,000	18,400,000	21,805,000	18.25%
Rents/Utilities	-	200,000	200,000	-	200,000	0.00%
Other Charges/Services	2,478,141	2,279,124	4,861,924	1,731,225	1,863,212	-18.25%
Contingencies/Reserves	-	114,528,428	90,751,204	-	102,020,708	-10.92%
Total Cost Center - 1290	\$ 24,738,391	\$147,458,736	\$124,156,391	\$ 27,293,685	\$ 139,154,515	-5.63%

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Significant Budget Changes

As part of the FY 2016-17 amendment process, one-time funding of \$11,000 was transferred from the Council Contingency to Non-Department line items for the Chandler Education Coalition Early Literacy Campaign (\$10,000) and the Domestic Violence Commission Breakfast (\$1,000) and ongoing funding of \$5,000 was transferred for City to City Connection opportunities. For a complete detail of the \$400,000 Council Contingency amendment allocation refer to the Budget Policies, Process and Decisions section of this document.

Non-Department Operating Cost Center Purpose

The Non-Departmental Operating cost center 1290 is used to house budgets for citywide costs that are not department specific. This presentation does not include cost center 1291, Non-Departmental Capital, which includes capital costs and is kept separate to clearly distinguish operating from capital funding.

Budgets include:

- *Personnel Services:* includes ongoing compensation changes anticipated for employee groups, but not yet determined (i.e., merit, cost of living, market adjustments, or other personnel cost changes negotiated by union groups). One-time funding is also included for retiree payouts and Public Safety personnel costs related to early hires for upcoming known retirements. The majority of the Fiscal Year (FY) 2015-16 Personnel Services adjusted budget is anticipated to be spent within other Departments after transfers of this appropriation prior to fiscal year end.
- *Operations and Maintenance Categories:* includes costs that are citywide in nature, including City memberships, professional services, legal services, citywide contracts, self-insurance fund contracts, insurance and claim budgets (i.e., medical, dental, short-term disability, etc.), technology, fuel, and utility reserves, and other charges.
- *Contingency and Reserves:* includes the contingencies for almost all budgeted funds, with the largest contingency in the General Fund equal to 15% of General Fund operating revenues (\$31.6 million), general fund lump-sum reserve for future developer agreement payouts, Council Contingency for Council's use during the budget amendment process or during the year for various initiatives, and encumbrance reserves which reflects appropriation from FY 2015-16 anticipated to be unspent at year end. This carryforward appropriation is for operating cost centers within all funds. Once FY 2015-16 closes, these encumbrance reserves are allocated to each Department's cost centers based on actual encumbrances outstanding. Further detail for the Contingency/Reserve category is shown on page 35.

Fund detail comprising the appropriation for the FY 2016-17 Budget is shown on the next page.



>>> **Non-Departmental – 1290** <<<

Fund Designation	2016-17 Adopted
General Fund	\$ 49,292,003
Police Forfeiture Fund	210,000
Highway User Revenue Fund (HURF)	3,888,867
Local Transportation Assistance Fund (LTAF)	2,010,200
Grant Fund - Operating	202,261
HOME Program Fund	6,276
Community Development Block Grant Fund (CDBG)	135,094
Public Housing Authority Family Sites	85,242
Public Housing Authority Elderly and Scattered Site	62,600
Public Housing Authority Management	15,149
Public Housing Authority Family Self Sufficiency	4,798
Housing Authority Section 8 Voucher Fund	5,000
Capital Fund Program Grant Fund	150,000
Proceeds Reinvestment Projects Fund	261,000
General Obligation Debt Service Fund	894,892
Capital Replacement Fund - Contingency	150,000
Technology Replacement Fund - Contingency	868,000
Vehicle Replacement Fund - Contingency	565,000
Street Bond Fund	2,104,607
Storm Sewer GO Bond Fund	200,000
Arterial Street Impact Fund	2,072,445
Park Bond Fund	1,000,000
Community Park Impact Fees Fund	940,200
Residential Park Impact Fees Fund	1,000
Park System Development Fund	2,002,500
Parks NW System Development Fund	870,700
Parks NE System Development Fund	1,893,100
Parks SE System Development Fund	3,623,400
Library Bond Fund	10,000
Library Impact Fund	135,400
Art Center Bond Fund	10,000
Museum Bond Fund	10,000
Public Building Impact Fees Fund	100,000
Public Facility Bond Fund	10,000
Police Bond Fund	100,000
Police Impact Fund	602,500
Fire Bond Fund	100,000
Fire Impact Fund	1,002,500
Water Bond Fund	2,000,000
Water System Development Fund	2,002,500
Water Resource System Development Fees Fund	2,500
Water Operating Fund	7,437,246
Reclaimed Water System Development Fund	1,002,500
Wastewater Bond Fund	1,000,000
Reclaimed Water Fund	240,198
Wastewater System Development Fund	1,002,500
Wastewater Operating Fund	17,136,408
Wastewater Industrial Process Treatment Facility Fund	1,925,523
Solid Waste Operating Fund	1,834,460
Airport Operating Fund	52,802
Workers Compensation Self-Insurance Trust Fund	960,059
Insured Liability Self-Insurance Fund	550,101
Uninsured Liability Self-Insurance Fund	664,200
Short Term Disability Self-Insurance Fund	510,000
Dental Self-Insurance Fund	2,305,000
Medical Self-Insurance Trust Fund	22,924,204
In-house Capital Fund	9,580
Grand Total	\$ 139,154,515



Division:	Non-Departmental
Function:	Contingencies/Reserves
Cost Center:	1290

Budget Summary

Description	2015-16 Adopted Budget	2016-17 Adopted Budget	% Change Adopted to Adopted
General Fund 15% Contingency	\$ 30,725,000	\$ 31,623,000	2.92%
General Fund Encumbrance Reserve	5,200,000	6,000,000	15.38%
General Fund Council Reserve	81,993	11,000	-86.58%
Debt Service Fund Contingency	-	894,892	N/A
Special Revenue Funds Contingencies	5,000,000	5,000,000	0.00%
Special Revenue Funds Encumbrance Reserve	2,624,800	1,864,000	-28.99%
Enterprise Funds Contingencies	21,400,000	21,640,198	1.12%
Enterprise Funds Lump Sum	500,000	500,000	0.00%
Enterprise Funds Encumbrance Reserve	6,643,800	5,735,400	-13.67%
System Development Fees Funds Contingencies	30,120,200	17,223,745	-42.82%
Bond Funds Contingencies	7,440,000	6,544,607	-12.03%
Self-Insurance Funds Contingencies	2,778,004	2,959,866	6.55%
Self-Insurance Funds Encumbrance Reserve	218,000	441,000	102.29%
Other Funds Contingencies	1,154,531	1,150,000	-0.39%
Other Funds Encumbrance Reserve	642,100	433,000	-32.57%
Total Contingency/Reserves for Cost Center - 1290	\$ 114,528,428	\$ 102,020,708	-10.92%

Contingencies and Reserves policies are set in the City Financial Reserve Policy located within the Budget Policies, Process, and Decisions section. Contingencies and Reserves are budgetary amounts set-aside for a specific purpose, emergencies, or unforeseen expenditures not otherwise budgeted. For example, encumbrance reserves provide carryforward appropriation for potential purchase orders remaining open at the close of a fiscal year to allow them to be appropriated and paid in the next budget year.

General Fund Contingency

In June 1992, the City Council adopted a General Fund Contingency Reserve Policy, which required a contingency reserve level of 15% of General Fund operating revenues, less transfers in. At a later date this reserve was changed to 12%. The Reserve Policy was updated once again and approved by Mayor and Council in January 2016, expanding the policy and setting the General Fund Contingency back to 15%. Under this policy, the City maintains a General Fund contingency, which may be used for emergency situations, unexpected one-time opportunities, and appropriation transfers to allow spending in other funds. Use of this reserve requires Council approval except as delegated in the budget resolution. The amount included in the budget is \$31.6 million. This amount **does not** accumulate, but is recalculated and replenished annually based on the anticipated General Fund operating revenues, excluding transfers-in, for that fiscal year.

All Fund Contingency/Reserves

The City Charter in Section 5.08 requires that fund contingency and interdepartmental transfers of unencumbered appropriations be approved by the City Manager and City Council.



Division:	Non-Departmental Capital
Cost Center:	1291

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Personnel Services						
Total Personnel	\$ 7,961	\$ -	\$ -	\$ 1,061	\$ -	N/A
Ongoing*	-	-	-	-	-	N/A
One-time*	-	-	-	1,061	-	N/A
Professional/Contract	12,800	-	-	3,538	75,000	N/A
Operating Supplies	-	-	-	3,497	-	N/A
Repairs/Maintenance	-	2,000	-	-	2,000	0.00%
Communications/Transportation	20	-	-	-	-	N/A
Rents/Utilities	-	-	-	14,060	-	N/A
Other Charges/Services	301,791	573,750	2,655,609	928,991	1,026,500	78.91%
Contingencies/Reserves	-	19,339,718	2,483,606	-	6,139,170	-68.26%
Land/Improvements	72,548	-	-	-	-	N/A
Building/Improvements	1,281,374	500,000	2,307,766	263,869	13,000,000	2500.00%
Street Improvements	-	-	602,000	-	-	N/A
Park Improvements	-	-	241,000	241,600	-	N/A
Total Cost Center - 1291	\$ 1,676,494	\$20,415,468	\$ 8,289,981	\$ 1,456,616	\$20,242,670	-0.85%
General Fund	\$ 307,636	\$ 9,623,604	\$ 9,497,640	\$ 928,991	\$ 3,852,909	
Gen Gov't Capital Projects Fund	1,368,858	10,791,864	11,358,381	291,005	16,389,761	
Grand Total	\$ 1,676,494	\$20,415,468	\$20,856,021	\$ 1,219,996	\$20,242,670	

* Ongoing and One-time Personnel Services detail not available for 2014-15 Actual Expenditures.

Significant Budget Changes

The Non-Departmental Capital cost center 1291 is used to house budgets for General Government Capital Projects not tied to a specific department, those tied to developer agreements, and those managed by departments without a designated capital cost center. This presentation does not include cost center 1290, Non-Departmental, which includes only operating costs. Cost centers 1290 and 1291 are kept separate to clearly distinguish operating from capital funding.

Significant budget variances for capital cost centers are primarily attributed to specific project completions for the current year and new projects for the new budget year. Further detail for the Contingency/Reserve category is shown on the next page. Additional detail on the capital program is available in the 2017-2026 Capital Improvement Program.



Division:	Non-Departmental
Function:	Capital Contingencies/Reserves
Cost Center:	1291

Budget Summary

Description	2015-16 Adopted Budget	2016-17 Adopted Budget	% Change Adopted to Adopted
General Fund Lump Sum Contingency	\$ 450,000	\$ 450,000	0.00%
General Fund Development Reserve	1,100,000	1,100,000	0.00%
General Fund Encumbrance Reserve	416,899	413,404	-0.84%
General Fund Carryforward Reserve	17,372,819	4,175,766	-75.96%
Total Contingency for Cost Center - 1291	\$ 19,339,718	\$ 6,139,170	-68.26%
General Fund	\$ 9,049,854	\$ 2,826,409	
Gen. Gov't Capital Projects Fund	10,289,864	3,312,761	
Grand Total	\$ 19,339,718	\$ 6,139,170	

Contingencies and Reserves are budgetary amounts set-aside for specific purpose, emergencies, or unforeseen expenditures not otherwise budgeted. For example, the Contingency/Reserve category reflects capital encumbrance carryforward reserves that provide carryforward appropriation for potential purchase orders remaining open at the close of a fiscal year to allow them to be appropriated and paid in the next budget year. In addition, carryforward reserves are included to bring forward unencumbered funds for capital projects approved in prior years by City Council.

The City Charter in Section 5.08 requires that fund contingency and interdepartmental transfers of unencumbered appropriations be approved by the City Manager and City Council.



Fund:	402
Function:	Equipment Replacement

Budget Summary

Description	2014-15	2015-16	2015-16	2015-16	2016-17	% Change
	Actual Expenditures	Adopted Budget	Adjusted Budget	Estimated Expenditures	Adopted Budget	Adopted to Adopted
Machinery/Equipment	\$ 515,200	\$ 870,500	\$ 870,500	\$ 382,675	\$ 892,250	2.50%
Total	\$ 515,200	\$ 870,500	\$ 870,500	\$ 382,675	\$ 892,250	2.50%
General Government - Airport	\$ -	\$ -	\$ -	\$ -	\$ 20,000	
Community & Neighborhood Services	-	33,500	33,500	32,675	35,250	
Public Safety - Police	515,200	837,000	837,000	350,000	837,000	
Equipment Replacement Fund	\$ 515,200	\$ 870,500	\$ 870,500	\$ 382,675	\$ 892,250	

Significant Budget Changes

The Equipment Replacement Fund allows for the ongoing replacement of operating equipment citywide. Revenues to support this fund are generated through ongoing contributions from departments towards the future replacement costs of their operating equipment (reflected in department cost center budgets under the Capital Replacement category).

Each year during the budget process, divisions identify anticipated replacement items to be purchased and the amount to be included for payment within their budget.

Fiscal Year 2016-17 reflects funding for the replacement of an airport tractor, police communication equipment, and park maintenance carts.



Fund:	403
Function:	Technology Replacement

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Professional/Contract	\$ 13,238	\$ -	\$ -	\$ -	\$ -	N/A
Repairs/Maintenance	310,663	750,663	838,956	857,391	422,100	-43.77%
Machinery/Equipment	3,068,359	2,542,898	3,038,019	3,019,584	2,069,943	-18.60%
Total	\$ 3,392,260	\$ 3,293,561	\$ 3,876,975	\$ 3,876,975	\$ 2,492,043	-24.34%
Technology Replacement Fund	\$ 3,392,260	\$ 3,293,561	\$ 3,876,975	\$ 3,876,975	\$ 2,492,043	

Significant Budget Changes

The Technology Replacement Fund allows for the ongoing replacement of technology equipment citywide. Under the existing Technology Replacement Policy, personal computers (PCs) are used for at least 7 years and then evaluated for replacement as business needs dictate. Laptops are evaluated after five years of use to determine if they need to be replaced.

During Fiscal Year (FY) 2015-16, the City worked on several major technology replacement projects. This included regularly scheduled computer workstations, security appliances, servers, and remote sites network infrastructure replacements. The most significant replacement project was the City Hall network equipment.

FY 2016-17 replacement plans include Police Department (PD) dispatch computers, standard laptops, core citywide services servers, PD storage and the datacenter uninterruptible power supply unit.



Fund:	404
Function:	Vehicle Replacement

Budget Summary

Description	2014-15 Actual Expenditures	2015-16 Adopted Budget	2015-16 Adjusted Budget	2015-16 Estimated Expenditures	2016-17 Adopted Budget	% Change Adopted to Adopted
Machinery/Equipment	\$ 2,453,822	\$ 4,662,159	\$ 5,463,441	\$ 2,977,028	\$ 5,474,625	17.43%
Total	\$ 2,453,822	\$ 4,662,159	\$ 5,463,441	\$ 2,977,028	\$ 5,474,625	17.43%
Gen Gov't - CAPA	\$ -	\$ 27,000	\$ 27,000	\$ -	\$ 27,000	
Gen Gov't - Airport	-	-	-	-	48,000	
Gen Gov't - Building & Facilities	22,823	179,221	178,471	46,290	227,800	
Gen Gov't - Economic Development	-	26,500	27,250	27,250	-	
Gen Gov't - Information Technology	-	-	21,880	21,880	-	
Gen Gov't - Neighborhood Programs	23,894	-	-	-	-	
Gen Gov't - Planning	-	-	21,880	21,880	20,000	
Community Services - Parks	235,274	-	-	-	-	
Com & Nbhd Services - Code Enforcement	-	165,000	187,129	28,845	199,500	
Com & Nbhd Services - Aquatics	-	96,675	96,675	57,507	58,675	
Com & Nbhd Services - Parks	-	449,925	510,091	268,695	299,125	
Com & Nbhd Services - Recreation	-	130,000	130,000	63,643	47,375	
Management Services - Central Supply	-	-	-	-	29,500	
Municipal Utilities - Solid Waste	25,152	235,200	235,200	53,188	212,600	
Municipal Utilities - Water	469,691	798,550	859,924	377,495	691,700	
Municipal Utilities - Wastewater	88,538	382,950	382,950	118,311	361,250	
Fire, Health & Medical	40,914	313,000	340,975	258,798	387,000	
Police	1,284,644	638,500	966,195	873,675	2,010,600	
T&D - Development Services	-	207,400	185,520	42,620	161,500	
T&D - Engineering	-	25,300	25,300	24,474	-	
T&D - Capital Projects	-	81,800	81,800	70,258	27,200	
T&D - Streets	214,364	805,263	928,876	465,769	552,050	
T&D - Traffic Engineering	48,527	99,875	256,325	156,450	113,750	
Vehicle Replacement Fund	\$ 2,453,822	\$ 4,662,159	\$ 5,463,441	\$ 2,977,028	\$ 5,474,625	

Significant Budget Changes

The Vehicle Replacement Fund allows for the ongoing replacement of operating fleet vehicles citywide that are less than \$100,000. Revenues to support this fund are generated through ongoing contributions from departments towards the future replacement costs of their operating fleet vehicles (reflected in department cost center budgets under the Capital Replacement category).

During the budget process, Fleet provides the Budget Division with a preliminary listing of vehicles to be budgeted for replacement in the upcoming fiscal year. All vehicles are reviewed based on miles driven, years of service, repair history, and ability for the vehicle to meet service needs over the next one to two years. City Divisions submit their desired replacement listing to the Fleet Advisory Committee (FAC). After extensive discussion between the divisions and the FAC, final replacement recommendations are made.