



City Council Weekly Information Packet

Friday, April 26, 2024

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) Government Relations Update
- 3) Quarterly Financial Report for FY 2023-24 Q1
- 4) Tempe Works Program Update – January 2024 to March 2024
- 5) Internal Audit Office – Final Report
- 6) Transportation and Sustainability Friday Packet Department Update
- 7) Community Services Department Update



City Council Events Schedule

April 26, 2024 thru December 13, 2024

The Mayor and City Council have been invited to attend various community meetings and public and private events at which a quorum of the City Council may be present. The Council will not be conducting city business, nor will any legal action be taken. This is an event only and not a public meeting. A list of the community meetings and public and private events along with the schedules, dates, times, and locations is attached. Organizers may require a rsvp or fee.

Fri	Apr 26	4:00 p.m. – 6:00 p.m.	Friendship Village Tempe 44 th Anniversary Party Location: Friendship Village Tempe 2645 E. Southern Avenue Tempe, AZ
Fri	Apr 26	7:00 p.m. – 9:00 p.m.	Music Under the Stars Location: Tempe Diablo Stadium 220 W. Alameda Drive Tempe, AZ
Sat	Apr 27	8:00 a.m. – 12:00 p.m.	Tree-a-Thon Location: Meyer Montessori 2615 S. Dorsey Lane Tempe, AZ
Sat	Apr 27	10:00 a.m. – 12:00 p.m.	Tempe Pre End of Year Celebration Location: Wood Elementary School 727 W. Cornell Drive Tempe, AZ
Sat	Apr 27	4:00 p.m. – 6:00 p.m.	Tempe Palms NA Spring Potluck Location: Cul-de-sac 2025 E. Apache Boulevard Tempe, AZ
Sat	Apr 27	6:00 p.m. – 9:00 p.m.	Canvas Fashion Show Location: Fabric Tempe 117 E. Fifth Street Tempe, AZ
Sat	Apr 27	6:00 p.m. – 9:00 p.m.	Tempe Leadership – Cocktail Fundraiser for lass 39 Location: Tempe Center for Habilitation 215 W. Lodge Drive # 3652 Tempe, AZ
Mon	Apr 29	3:00 p.m. – 4:00 p.m.	Workforce Readiness and Liable Communities

			Location: Teams Meeting ID: 276 785 415 748 Passcode: zq7atP
Tue	Apr 30	4:00 p.m. – 6:00 p.m.	Escalante Youth Mural Reception Location: Escalante Multi-Generational Center 2150 E. Orange Street Tempe, AZ
Thur	May 2	6:00 p.m. – 9:30 p.m.	Excellence in Education Location: The Showroom at Wild Horse Pass 5040 Wild Horse Pass Boulevard Chandler, AZ
Mon	May 6	6:00 p.m. – 9:00 p.m.	Community Salutes Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ
Tue	May 7	12:00 p.m. – 1:00 p.m.	Nautical Bowls Ribbon Cutting Location: Nautical Bowls 690 S. Novus Place Suite 185 Tempe, AZ
Wed	May 8	8:00 a.m. – 9:00 a.m.	For Our City Breakfast Location: Tempe YMCA 7070 S. Rural Road Tempe, AZ
Wed	May 8	2:00 p.m. – 3:00 p.m.	Downtown Tempe Refresh Merchant Update Location: City of Tempe 31 E. Fifth Street Tempe, AZ
Thur	May 9	11:00 a.m. – 1:00 p.m.	Arizona Friends of Foster Children Foundation 40th Anniversary Location: El Chorro 5550 E. Lincoln Drive Paradise Valley, AZ
Fri	May 10	11:00 a.m. – 12:00 p.m.	Prime IV Hydration and Wellness Location: Prime IV Hydration & Wellness 1825 E. Guadalupe Road Suite 106 Tempe, AZ
Fri	May 10	5:30 p.m. – 7:00 p.m.	Tempe Leadership Class XXXIX Graduation Location: Omni Tempe Hotel at ASU 7 E. University Drive Tempe, AZ

Mon	May 13	11:00 a.m. – 1:00 p.m.	Experience Corp Volunteer Recognition Event Location: Westside Multi-Generational Center 715 W. Fifth Street Tempe, AZ
Wed	May 15	12:00 p.m. – 1:00 p.m.	Human Services and Community Safety Committee Location: Teams Meeting ID: 266 153 553 02 Passcode: Q6EBAy
Wed	May 15	4:00 p.m. – 5:00 p.m.	Ribbon Cutting for New Tempe Business Location: Cryo Tempe 8400 S. Kyrene Road Suite 107 Tempe, AZ
Fri	May 17	1:00 p.m. – 2:00 p.m.	SEV Committee Meeting Location: Council Chambers 31 E. 5 th Street Tempe, AZ
Fri	May 17	5:00 p.m. – 7:00 p.m.	2024 Boards and Commissions Appreciation Event Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ
Sat	May 18	9:00 a.m. – 10:00 a.m.	Escalante Neighborhood Association Meeting Location: Escalante Community Garden 2150 E. Orange Street Tempe, AZ
Mon	May 20	8:30 a.m. – 10:30 a.m.	Economic Outlook Breakfast Location: Umpqua Bank 298 E. Camelback road Phoenix, AZ
Wed	May 22	6:00 p.m. – 8:00 p.m.	CAP East Valley Cities & Towns Dinner Location: Central Arizona Project 23636 N. 17 th Street Tempe, AZ
Sat	Jun 1	7:00 p.m. – 11:00 p.m.	DTA – Pride Party Location: CenterPoint Plaza 660 S. Mill Avenue Tempe, AZ

Fri	Jun 14	1:00 p.m. – 4:00 p.m.	City Council Retreat Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ
Sat	Jun 15	11:00 a.m. – 3:00 p.m.	11 th Annual Juneteenth Celebration Location: Tempe History Museum 809 E. Southern Ave Tempe, AZ
Sat	Jun 15	7:00 p.m. – 11:00 p.m.	DTA's – Juneteenth Block Party Location: CenterPoint Plaza 740 S. Mill Avenue Tempe, AZ
Mon	Jun 17	1:00 p.m. – 2:00 p.m.	SEV Committee Meeting Location: Council Chambers 31 E. 5 th Street Tempe, AZ
Wed	Jun 26	5:00 p.m. – 7:00 p.m.	Councilmember Navarro Outgoing Council Reception Location: Tempe History Museum 809 E. Southern Avenue Tempe, AZ
Tue	Aug 27 - 30	All Day	2024 Annual League Conference Location: Arizona Biltmore 2400 E. Missouri Avenue Phoenix, AZ
Sat	Oct 12	4:00 p.m. – 6:00 p.m.	Parque de Sol Renaming Celebration Location: Parque de Soza Park 1430 S. Cedar Street Tempe, AZ
Sat	Oct 19	3:00 p.m. – 7:00 p.m.	Getting Arizona Involved in Neighborhoods (GAIN) Location: City of Tempe 31 E. Fifth Street Tempe, AZ
Sat	Nov 16	6:00 p.m. – 9:00 p.m.	Tempe Jam Location: Tempe Sports Complex 8401 S. Hardy Tempe, AZ
Fri	Dec 13	11:00 a.m. – 4:00 p.m.	Tempe Elementary Blood Drive Location: Tempe Elementary School District #3

			3205 S. Rural Road Tempe, AZ
--	--	--	---------------------------------

04/26/24 JR

MEMORANDUM



TO: Mayor and Council
THROUGH: Rosa Inchausti, City Manager
FROM: Jonathan Shuffield, Government Relations Director
DATE: April 26, 2024
SUBJECT: Government Relations Update

Below you will find the latest update on the current Arizona legislative session, actions taken by the governor to sign or veto bills, federal legislation/regulations, and federal grant opportunities. This memo also contains links to the legislature's webpage where you can find the background, status materials, and bill texts/summaries.

State Legislature

With the legislature in recess except Wednesdays, House and Senate leaders continue to negotiate a budget with Governor Hobbs. No major actions on the state budget have been reported this week.

Here is an update on bills relevant to Tempe as the legislature works its way through the session. The state legislative calendar has not been updated for next week. They are expected to be in session only on Wednesday again next week:

HB2584 - residential building materials; requirements; prohibition (awaiting third read in the Senate)

Prohibits a municipality from adopting or enforcing any code, ordinance, standard, stipulation or other legal requirement that limits the use or installation of a building product or material that is approved by a national model code or subjects a prefabricated residential building, material or component to additional requirements. As written, it could restrict cities from requiring different materials on the exterior of a building if what the designer wants to use is an approved product under national model codes. There is also significant concern this bill could prevent cities from requiring plumbing fixtures for water conservation purposes if the fixtures are beyond the national model codes.

HB2677 – abortion ban; repeal (passed House on 4/24; awaiting Senate action)

Repeals the 1864 abortion ban. Because the legislation does not reference/repeal the 2022 15-week law signed by then-Governor Ducey that law would take effect. HB2677 passed the House 31-29 with Rep. Matt Gress the only Republican to vote in favor. It is expected to pass the Senate, as two Republicans (Senators Shope and Bolick) have publicly supported a repeal of the 1864 law.

HB2721 – municipal zoning' middle housing (retained by the Senate on 4/24)

Requires cities greater than 75,000 people by 2026 to authorize by ordinance and through zoning regulations the development of duplexes, triplexes, fourplexes and townhomes on all lots zoned for single-family residential use. This was expected to move through the Senate this week but was retained for future consideration.

HB2815 – religious institutions; use-by-right zoning development (awaiting Senate first read)

Allows religious institutions to develop housing by-right without requiring discretionary review by municipalities or counties. This is also known as the "in God's backyard" bill. It passed the House 38-21 on February 29 but the Senate has not taken any action.

SB1005 - public monies; ideology training; prohibition (awaiting third read in the House)

Prohibits a public entity from requiring or spending public monies on a diversity, equity and inclusion program (DEI program) and allows an employee who is required to participate in

the program to bring an action against the public entity. Prohibits a public entity from entering into a contract with a company that participates in a DEI program. The Tempe Human Relations Commission presented on this at the March 14 Council Work Study Session.

SB1361 – sober living homes (awaiting third read in the House)

Provides a comprehensive definition of sober living home, ensuring any operator purporting to provide housing for those receiving services be licensed and regulated by the AZ Department of Human Services. Facilities must comply with local zoning/building/fire codes to receive or renew a license. Mandates regular on-site inspections of sober living homes increases civil penalty for non-compliance from \$500 to \$1,000 for each violation, and requires ADHS to deny a license application, suspend a license, or revoke a license for non-compliance. The governor's office and the legislature are currently negotiating amendments to the bill, which may get it moving for the first time in several weeks.

SB1415/HB2720 – accessory dwelling units; requirements (possible floor action next week)

Requires municipalities of 75,000 people or more to adopt regulations that allow accessory dwelling units (ADU) on any lot or parcel where a single-family dwelling is allowed. Outlines development standards for the ADUs. There may be amendments to allow cities some authority to clamp down on ADUs being used for short-term rentals, but that language is not finalized.

Governor's Actions

On April 23, Governor Hobbs signed 12 bills and vetoed another 10. Her total number of vetoes so far this session is 52. Below are a few bills related to local government matters that the Governor signed or vetoed:

HB2328 – mobile food vendors; operations; rules (Veto Letter from the Governor)

Allows a mobile food vendor to operate on private residential property in a residential area if the mobile food vendor meets prescribed requirements.

SB1063 – political signs; removal; elections (signed by the Governor)

Allows campaign signs to be erected 71 days before an election. The previous law was 45 days.

SB1129 – unlawful occupants; property; removal (Veto Letter from the Governor)

Allows a property owner to request from law enforcement the immediate removal of a person who is unlawfully occupying a residential dwelling. Deems that a person who fails or refuses to surrender possession of the property as directed by a law enforcement officer is committing trespass.

Federal Update

Congress

Both chambers were scheduled to be out this week due to Passover, but the Senate came back Tuesday to take up the national security supplemental made up of military/humanitarian aid bills for Ukraine, Israel (including humanitarian aid to the Palestinians), and the Indo-Pacific, along with legislation to force the sale of TikTok before the end of the year. President Biden signed it on Wednesday.

Rep. Mike Gallagher (R-WI) resigned, and Rep. Donald Payne (D-NJ) passed away on April 24. The current House is made up of 217 Republicans, 212 Democrats, and 6 vacancies. A special election will be held in New York's 26th congressional district on April 30, which the Democrats are expected to win.

Finally, the U.S. House Appropriations Committee released its rules on congressionally directed spending requests for FY2025. City staff will work with Rep. Greg Stanton's office on our specific requests as we did with Senators Kelly's and Sinema's offices. Rep. Stanton's deadline for submission is next Monday, April 29.

EPA Power Plant Rules

On April 25, the U.S. Environmental Protection Agency (EPA) released a series of four rules governing emissions from fossil fuel-fired power plants:

- Coal and new natural gas-fired power plants will have to capture 90% of their carbon emissions.
- Reducing the power plant emissions standard for toxic metals by 67% and a 70% reduction in mercury emissions.
- Reducing coal-fired power plant pollutants in wastewater discharge by 660 million pounds/year.
- Requiring the safe management of coal ash to reduce leaks that can contaminate groundwater.

Federal Grant Opportunities

If any city departments apply for federal grants, please let me know, so I can work with our congressional delegation to generate support letters.

U.S. Department of Homeland Security (DHS) Targeted Violence and Terrorism Prevention Grants

On Tuesday, DHS released the FY24 Targeted Violence and Terrorism Prevention (TVTP) Grant Program Notice of Funding Opportunity. This is the only federal grant program dedicated to helping local communities develop and capabilities to prevent targeted violence and terrorism. Grants support online, in-person, and hybrid projects that address the threat of online pathways to violence as well as the threat of violence in physical spaces. CP3 has invested \$70 million across the United States in the past four years to increase awareness, establish local prevention networks, and provide training to community members. Previously funded recipients include Palm Beach County, who in 2023 was able to leverage their Behavioral Threat Assessment and Management Team (BTAM), created through their TVTP award, to stop an individual on the Palm Beach State College campus who had threatened mass violence.

\$18 million is available for such projects. The applications must be submitted by May 17, and awards will be announced in September.

MEMORANDUM



TO: Mayor and Council
FROM: Tom Duensing, Chief Deputy City Manager
DATE: April 22, 2024
SUBJECT: Quarterly Financial Report for FY 2023-24 Q1

Attached is the Quarterly Financial Report for the first quarter of Fiscal Year 2023-24, the quarter ending September 30, 2023. The Municipal Budget Office prepares quarterly financial reports for all the major operating funds, revenue sources and departments that reflect budget to actual comparisons and highlight major variances that may require additional monitoring or action.

Although revenues and expenditures are not budgeted on a quarterly basis, the report applies a three-year historical average to the annual budget to gain insight into revenue and expenditure actual performance versus the estimated budget for the quarter.

We have included a quick-reference Table of Contents on the following page that will allow you to quickly navigate to areas of interest by clicking on titles or page numbers. The *table of contents* link at the bottom of every page will return you to the Table of Contents. The report can also be found on the Municipal Budget Office's Internet page.

Please let me know if you have questions about the information contained in this report.



TABLE OF CONTENTS

Quarterly Financial Performance Report

Through the First Quarter Ended September 30, 2023

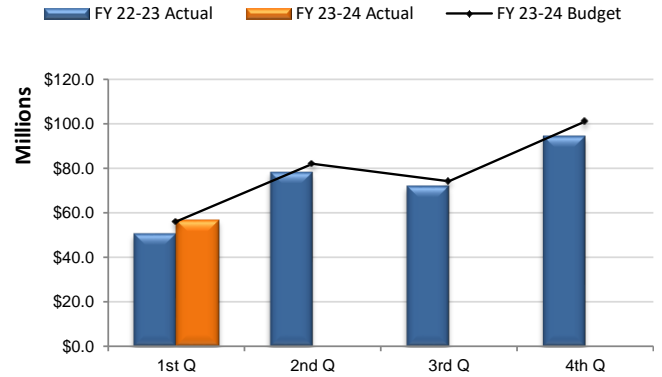
General Fund Revenue	Rating	Page
General Fund Revenue Quarterly Analysis	Positive	1
Sales Tax	Positive	2
Property Tax	Positive	2
Bed Tax	Positive	3
Franchise Fees	Positive	3
Sales Tax Licenses	Positive	4
Intergovernmental	Positive	4
Building & Trades	Positive	5
Cultural & Recreational	Positive	5
Fines, Fees & Forfeitures	Positive	6
Other Revenues	Watch	6
General Fund Expenditures		Page
General Fund Expenditures Quarterly Analysis	Positive	7
City Attorney's Office	Positive	8
City Clerk's Office	Positive	8
City Court	Positive	9
City Manager's Office	Watch	9
Communications & Marketing Office	Positive	10
Community Development	Positive	10
Community Health & Human Services	Watch	11
Community Services	Positive	11
Diversity, Equity & Inclusion	Positive	12
Economic Development Office	Watch	12
Education, Career & Family Services	Positive	13
Engineering & Transportation	Positive	13
Financial Services	Positive	14
Fire Medical Rescue	Positive	14
Government Relations Office	Positive	15
Human Resources	Watch	15
Information Technology	Positive	16
Internal Audit Office	Positive	16
Mayor & Council	Positive	17
Municipal Budget Office	Positive	17
Municipal Utilities	Positive	18
Police	Positive	18
Strategic Management & Innovation Office	Positive	19
Sustainability Office	Watch	19
Non-Departmental	Positive	20
Special Revenue Funds		Page
Transit Fund	Positive	21
Highway User Revenue Fund	Positive	21
CDBG/Section 8 Funds	Positive	22
Debt Service Fund	Positive	22
Arts & Cultural Fund	Positive	23
Enterprise Funds		Page
Water/Wastewater Fund	Positive	23
Solid Waste Fund	Positive	24
Emergency Medical Transport	Positive	24
Grant Funds		Page
Restricted Revenue and Donations	Positive	25
Police Dept-RICO & Grants	Positive	25
Governmental Grants	Positive	26
Court Enhancement Fund	Positive	26

Performance Ratings Key

- Positive** = A positive variance, or a negative variance of less than 2%, which shows the category is performing close to historical trends.
- Watch** = A negative variance between 2-5%, compared to historical trends.
- Negative** = A negative variance of greater than 5%, compared to historical trends.



		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 56,122,777	\$ 56,888,625	18.1%	17.9%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 56,122,777	\$ 56,888,625	18.1%	17.9%
Variance from Budget			\$ 765,848	0.2%	



Positive

Through the first quarter of FY 2023-24, General Fund revenue is 18.1% of budget, compared with a historical percentage of 17.9%. In terms of budget-to-actual variance, total collections are above the anticipated revenue target for the first quarter by \$766 thousand. The scope of budget-to-actual variance for each category can be seen in the table and graph at the bottom-right corner of this page. Quarterly collection detail by category can be found on pages 2 through 6 of this reports.



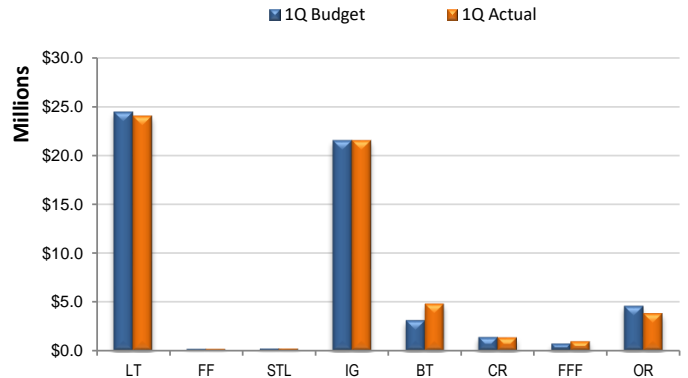
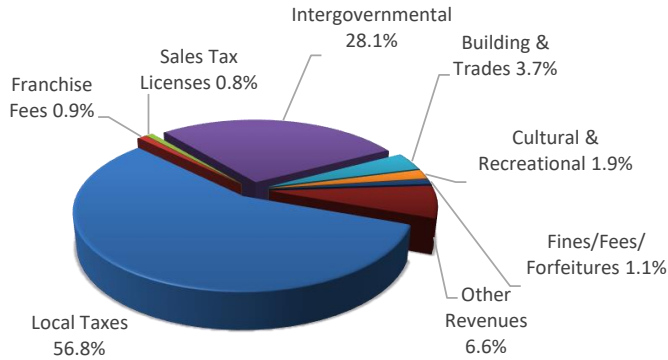
General Fund Revenue by Category

Revenue Categories	FY 23-24 Annual Budget	% of Annual Budget
Local Taxes	\$ 177,975,209	56.8%
Franchise Fees	2,909,996	0.9%
Sales Tax Licenses	2,589,500	0.8%
Intergovernmental	88,020,345	28.1%
Building & Trades	11,721,500	3.7%
Cultural & Recreational	6,037,538	1.9%
Fines/Fees/ Forfeitures	3,392,474	1.1%
Other Revenues	20,796,362	6.6%
Total	\$ 313,442,924	100.0%

Cumulative Revenue through 1Q 2023-2024

	1Q Budget Target	1Q Actual Revenue	% of Budget Target
Local Taxes (LT)	\$ 24,454,521	\$ 24,059,125	98%
Franchise Fees (FF)	151,320	161,022	106%
Sales Tax Licenses (STL)	201,981	190,961	95%
Intergovernmental (IG)	21,564,985	21,560,069	100%
Building & Trades (BT)	3,094,476	4,798,173	155%
Cultural & Recreational (CR)	1,364,484	1,348,993	99%
Fines/Fees/Forfeitures (FFF)	715,812	949,023	133%
Other Revenues (OR)	4,575,200	3,821,261	84%
Total	\$ 56,122,777	\$ 56,888,625	101%

FY 23-24 Budget

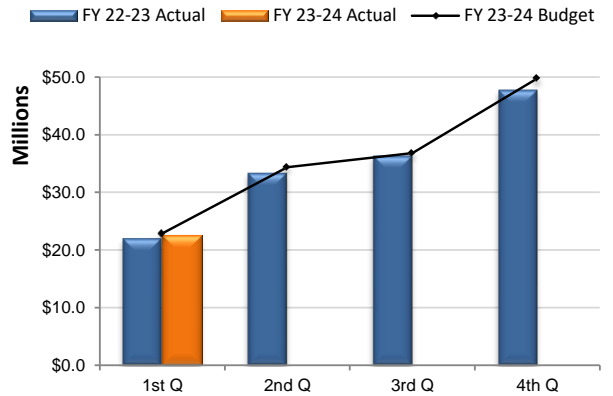


[table of contents](#)



Sales Tax

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 22,875,618	\$ 22,443,818	15.6%	15.9%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 22,875,618	\$ 22,443,818	15.6%	15.9%
Variance from Budget			\$ (431,800)	-0.3%	



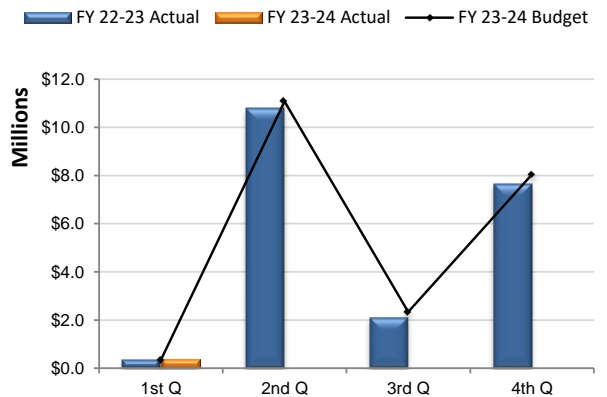
Positive

City Sales Taxes are generated by a 1.8% levy on sales transactions in the city. Of the total 1.8% rate, 1.2% is deposited in the General Fund, 0.5% is dedicated for Transit purposes, and the remaining 0.1% is deposited in the Arts & Culture Fund. The amount deposited in the General Fund is depicted in the table and graph above. This revenue source contributes 45.9% of the General Fund budget in FY 2023-24 making it the City's largest revenue source. Through the first quarter of FY 2023-24, Sales Tax collections are 15.6% of budget, which is slightly below the historical average of 15.9%. In terms of budget-to-actual variance, collections are \$432 thousand below the budgeted value.



Property Tax

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 348,845	\$ 387,217	1.8%	1.6%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 348,845	\$ 387,217	1.8%	1.6%
Variance from Budget			\$ 38,372	0.2%	



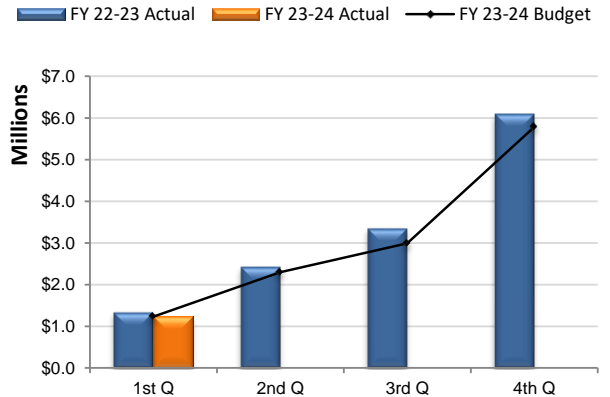
Positive

Property Tax revenue in the General Fund is generated by a \$0.87 charge per \$100 of the primary assessed valuation of real and personal property. In FY 2023-24, Property Tax contributes 7.0% of budgeted General Fund revenue. Through the first quarter of FY 2023-24, Property Tax collections are 1.8% of budget, slightly above the historical average of 1.6%. In terms of budget-to-actual variance, Property Tax is \$38 thousand above the budgeted value.



Bed Tax

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,230,057	\$ 1,228,090	10.0%	10.0%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,230,057	\$ 1,228,090	10.0%	10.0%
Variance from Budget			\$ (1,967)	0.0%	



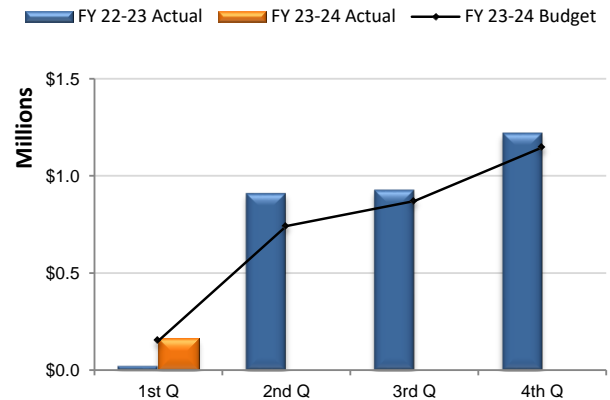
Positive

The Transient Lodging Tax, or Bed Tax, is a 5.0% levy on hotel and motel sales that contributes approximately 3.9% of budgeted General Fund revenue in FY 2023-24. Bed Tax collections through the first quarter of FY 2023-24 are 10.0% of budget, which is the same as the historical average of 10.0%. In terms of budget-to-actual variance, collections are \$2 thousand below the budgeted value.



Franchise Fees

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 151,320	\$ 161,022	5.5%	5.2%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 151,320	\$ 161,022	5.5%	5.2%
Variance from Budget			\$ 9,702	0.3%	



Positive

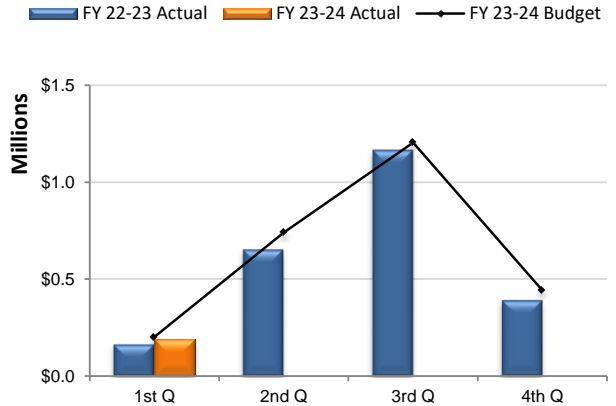
Franchise Fee revenues are collected based on specific agreements with service providers in the city, including Arizona Public Service (2.0% of revenue), Cox Communications (5.0% of gross revenue), and Southwest Gas (2.0% of gross revenue). These fees contribute 0.9% of annual General Fund revenue. Franchise Fee payments are 5.5% of the budgeted amount through the first quarter of FY 2023-24, compared to 5.2% historically. In terms of budget-to-actual variance, collections are \$10 thousand above the expected amount.



Sales Tax Licenses

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 201,981	\$ 190,961	7.4%	7.8%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 201,981	\$ 190,961	7.4%	7.8%
Variance from Budget			\$ (11,020)	-0.4%	

Positive



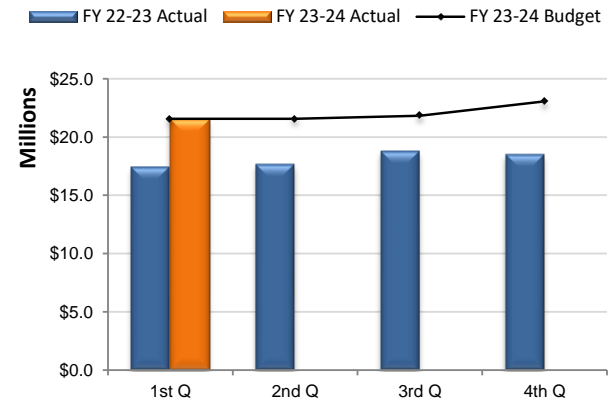
The City requires taxable business activities to be licensed, with the annual licensing fee amount varying by business type. Starting in 2017, the Arizona Department of Revenue (ADOR) began collecting the fees for Tempe's Sales Tax Licenses. Sales Tax License collections through the first quarter of FY 2023-24 were 7.4% of budget, compared to the historical average of 7.8%. Sales Tax Licenses contribute 0.8% of annual General Fund revenue. In terms of budget-to-actual variance, collections are 0.4% below budget, or \$11 thousand.



Intergovernmental

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 21,564,985	\$ 21,560,069	24.5%	24.5%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 21,564,985	\$ 21,560,069	24.5%	24.5%
Variance from Budget			\$ (4,916)	0.0%	

Positive

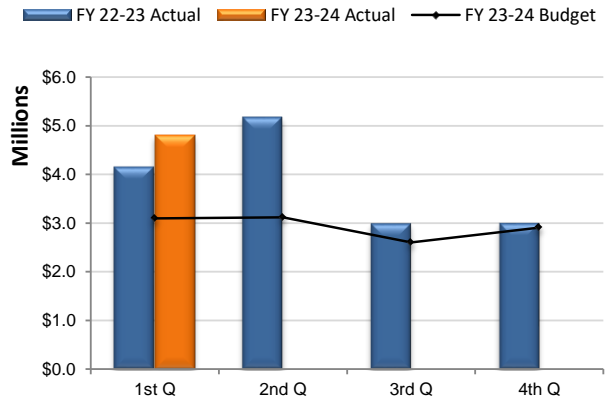


Intergovernmental revenue includes distributions of State Income Taxes, State Sales Taxes, and State Vehicle License Taxes. These revenues are distributed based on Tempe's share of the state urban population as determined by the U.S. Census. In total, these revenues constitute 28.1% of budgeted revenue for FY 2023-24, making this the second largest General Fund revenue source after Sales Taxes. Through the first quarter of FY 2023-24, actual collections are 24.5% of budget, compared to a historical average of 24.5%. In terms of budget-to-actual variance, collections are \$5 thousand or 0.0% below budget.



Building & Trades

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 3,094,476	\$ 4,798,173	40.9%	26.4%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 3,094,476	\$ 4,798,173	40.9%	26.4%
Variance from Budget			\$ 1,703,697	14.5%	



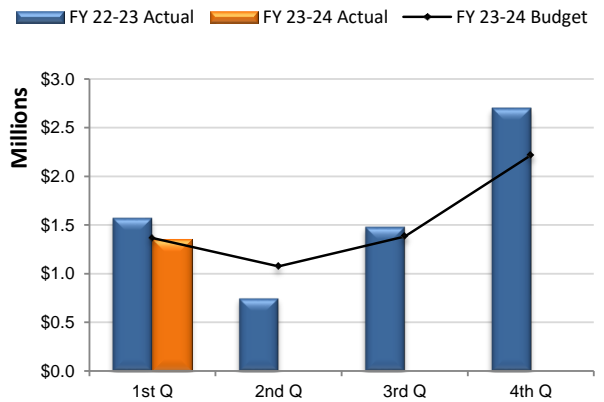
Positive

Building and Trade revenues consist of Building Permit Fees, Plan Check Fees, and other miscellaneous engineering and permitting fees generated by development. These fees are charged to recover a portion of the cost of regulating development. In FY 2023-24, this revenue source contributes 3.7% of budgeted General Fund revenue. Through the first quarter of FY 2023-24, actual collections are 40.9% of budget, compared to a historical average of 26.4%. Thus far, in terms of budget-to-actual variance, collections are 14.5% above the budgeted estimate, or \$1.7 million.



Cultural & Recreational

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,364,484	\$ 1,348,993	22.3%	22.6%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,364,484	\$ 1,348,993	22.3%	22.6%
Variance from Budget			\$ (15,491)	-0.3%	



Positive

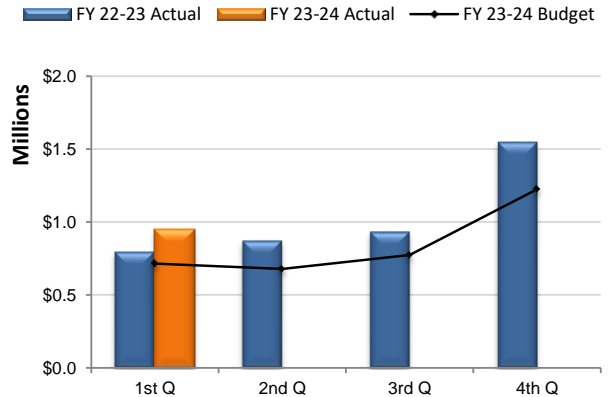
Cultural and Recreational revenues include fees and charges to recover a portion of the costs of providing the City's cultural and recreational programs. The majority of this revenue source is generated from fees charged for the City's Kid Zone program. In total, Cultural and Recreational fees represent 1.9% of total budgeted General Fund revenue for FY 2023-24. Through the first quarter of FY 2023-24, Cultural and Recreational fee collections are 22.3% of budget, compared to the historical average of 22.6%. In terms of budget-to-actual variance, collections are \$15 thousand or 0.3% below the budgeted estimate.



Fines, Fees & Forfeitures

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 715,812	\$ 949,023	28.0%	21.1%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 715,812	\$ 949,023	28.0%	21.1%
Variance from Budget			\$ 233,211	6.9%	

Positive



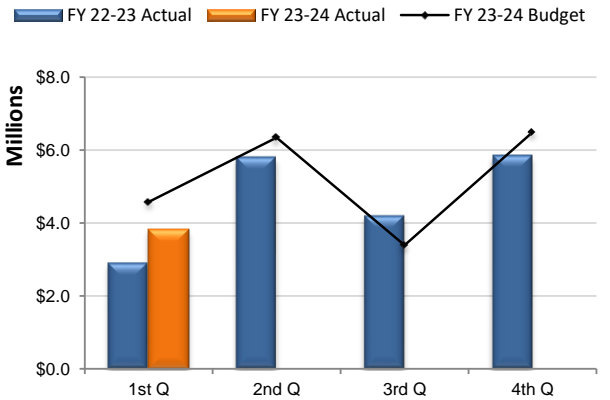
Fines, Fees, and Forfeiture revenue derives from fines and other payments related to violations of state laws and local ordinances, including parking, traffic, and criminal enforcement activities. In total, Fines, Fees, and Forfeitures represent 1.1% of total budgeted General Fund revenue for FY 2023-24. Through the first quarter of FY 2023-24, 28.0% of budgeted revenues have been collected, compared to a historical average of 21.1%. In terms of budget-to-actual variance, this category is 6.9% above the expected value through the first quarter.



Other Revenues

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,575,200	\$ 3,821,261	18.4%	22.0%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 4,575,200	\$ 3,821,261	18.4%	22.0%
Variance from Budget			\$ (753,939)	-3.6%	

Watch



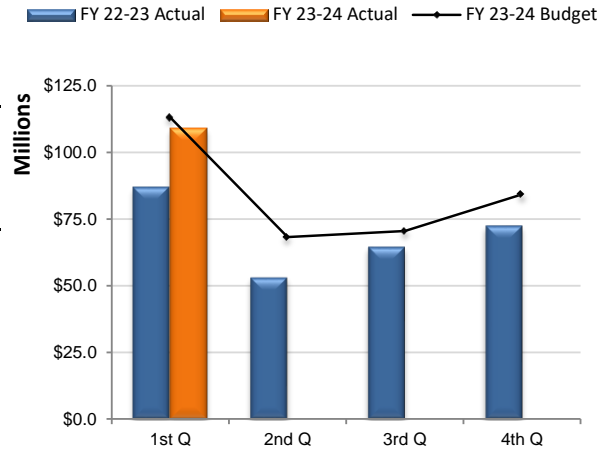
Other revenues include collections from a variety of sources not otherwise accounted for in the major revenue categories. Primary components of Other Revenues are Land Sales, Interest Earnings, Land and Building Facility Rental, and SRP In-Lieu Payments. In FY 2023-24, this revenue source contributes 6.6% of budgeted General Fund revenue. Through the first quarter of the fiscal year, collections of Other Revenue are 18.4% of the FY 2023-24 budget, compared to a historical tracking percentage of 22.0%. It is anticipated that this variance will normalize as the fiscal year progresses.



		FY 23-24 Year to Date Budget*	FY 23-24 Actual Expense	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 113,088,194	\$ 109,013,953	32.4%	33.6%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 113,088,194	\$ 109,013,953	32.4%	33.6%
Variance from Budget			\$ 4,074,241	1.2%	

*Budget excludes contingency appropriation

Positive



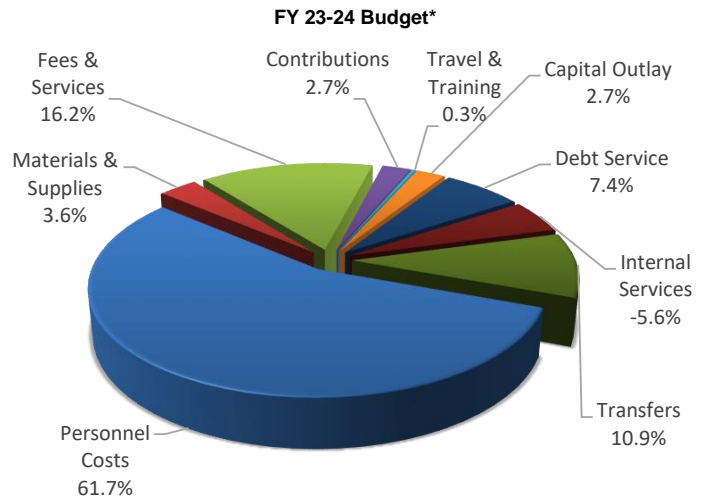
Through the first quarter of FY 2023-24, General Fund expenditures are 32.4% of budget, compared with a historical percentage of 33.6%. In terms of budget-to-actual variance, General Fund expenditures are 1.2% or \$4.0 million below budget through the first quarter. Departmental quarterly expenditure tracking data can be found on pages 8 through 17 of this report.



General Fund Expenditures By Category

Categories	FY 23-24 Year to Date Budget*	% of Year to Date Budget
Personnel Costs	\$ 207,536,524	61.7%
Materials & Supplies	12,166,077	3.6%
Fees & Services	54,508,714	16.2%
Contributions	9,028,772	2.7%
Travel & Training	1,167,783	0.3%
Capital Outlay	9,007,408	2.7%
Debt Service	24,772,360	7.4%
Internal Services	(18,693,830)	-5.6%
Transfers	36,630,264	10.9%
Total Budget	\$ 336,124,072	100.0%

*Budget excludes contingency appropriation

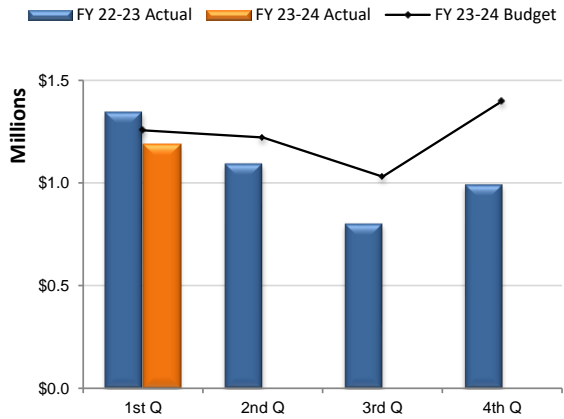




City Attorney's Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,256,740	\$ 1,187,741	24.2%	25.6%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,256,740	\$ 1,187,741	24.2%	25.6%
Variance from Budget			\$ 68,999	1.4%	

*Actual amounts exclude internal service charges, inventory and encumbrances.



Positive

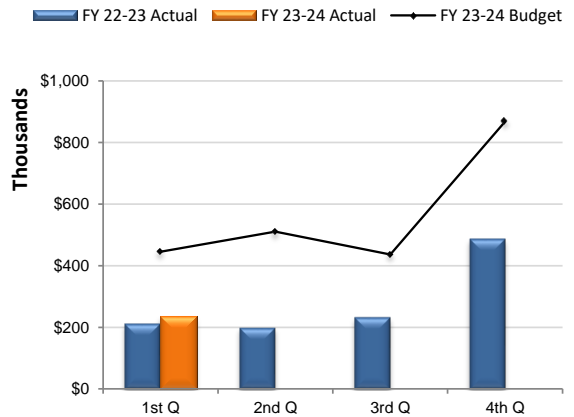
The City Attorney's Office spent 24.2% of its FY 2023-24 budget through the first quarter, compared to a historical average of 25.6%. In terms of budget-to-actual variance, expenditures are \$69 thousand or 1.4% less than budgeted through the first quarter.



City Clerk's Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 445,354	\$ 234,087	10.4%	19.7%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 445,354	\$ 234,087	10.4%	19.7%
Variance from Budget			\$ 211,267	9.3%	

*Actual amounts exclude internal service charges, inventory and encumbrances.



Positive

The City Clerk's Office has spent 10.4% of its FY 2023-24 budget through the first quarter, compared to a historical average of 19.7%. In terms of variance from the budget through the first quarter, expenditures are \$211 thousand or 9.3% below the expected amount.

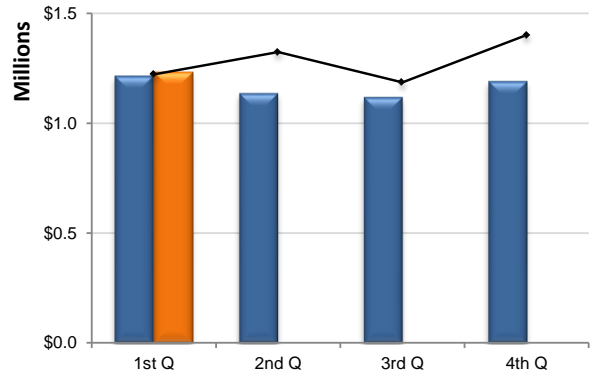


City Court

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,221,615	\$ 1,229,798	24.0%	23.8%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,221,615	\$ 1,229,798	24.0%	23.8%
Variance from Budget			\$ (8,183)	-0.2%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



Positive

The City Court has spent 24.0% of its FY 2023-24 budget through the first quarter compared to the historical average of 23.8%. In terms of variance from the budget through the first quarter, expenditures are \$8 thousand above the budgeted amount.

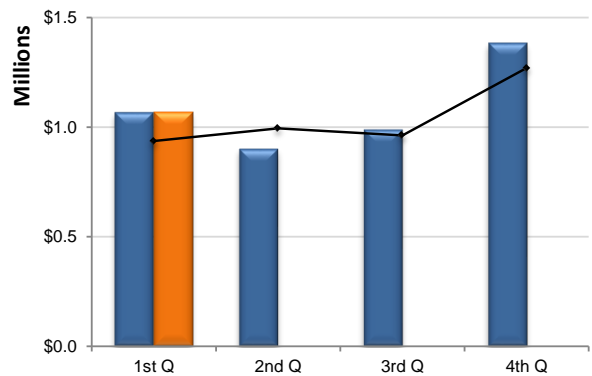


City Manager's Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 936,704	\$ 1,067,937	25.7%	22.5%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 936,704	\$ 1,067,937	25.7%	22.5%
Variance from Budget			\$ (131,233)	-3.2%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



Watch

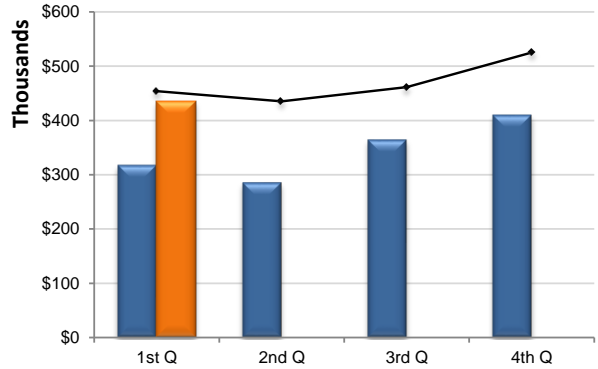
The City Manager's Office has spent 25.7% of its FY 2023-24 budget through the first quarter, compared to the historical average of 22.5%. In terms of budget-to-actual variance, expenditures are \$131 thousand or 3.2% more than budgeted through the first quarter.



Communications & Marketing Office

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 453,934	\$ 435,756	23.2%	24.2%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 453,934	\$ 435,756	23.2%	24.2%
Variance from Budget			\$ 18,179	1.0%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

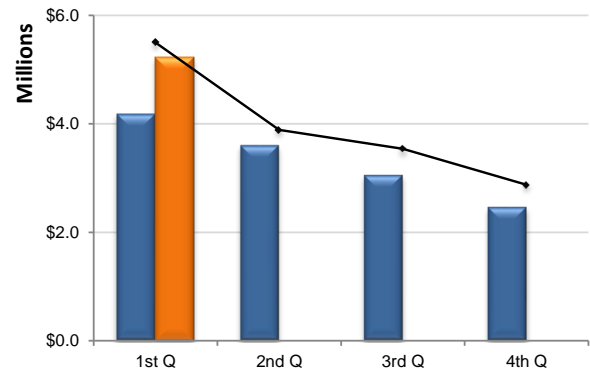
The Communications and Marketing Office has spent 23.2% of its FY 2023-24 budget through the first quarter, compared to the historical value of 24.2%. In terms of variance from the budget, expenditures are \$18 thousand or 1.0% below the expected amount.



Community Development

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 5,498,196	\$ 5,226,571	33.1%	34.8%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 5,498,196	\$ 5,226,571	33.1%	34.8%
Variance from Budget			\$ 271,625	1.7%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

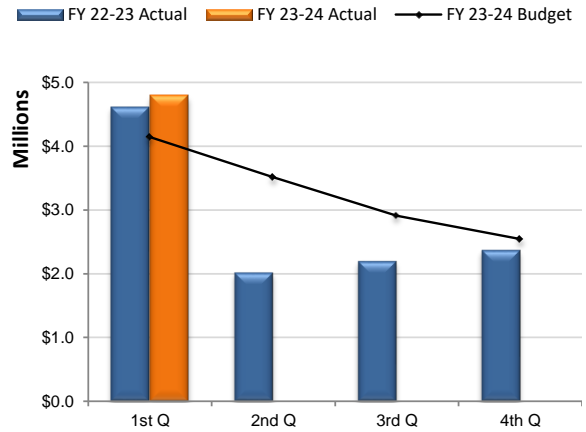
Positive

The Community Development Department has spent 33.1% of its FY 2023-24 budget through the first quarter, compared to the historical value of 34.8%. In terms of variance from the budget, expenditures are \$272 thousand or 1.7% below the expected amount.



Community Health & Human Services

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,142,918	\$ 4,789,046	36.5%	31.6%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 4,142,918	\$ 4,789,046	36.5%	31.6%
Variance from Budget			\$ (646,129)	-4.9%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

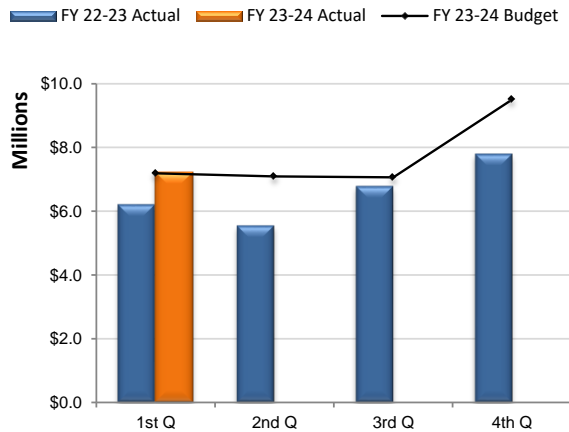
Watch

The Community Health and Human Services Department has spent 36.5% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 31.6%. In terms of variance from the budget through the first quarter, expenditures are \$646 thousand or 4.9% above the expected amount.



Community Services

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 7,187,870	\$ 7,217,384	23.4%	23.3%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 7,187,870	\$ 7,217,384	23.4%	23.3%
Variance from Budget			\$ (29,514)	-0.1%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

The Community Services Department spent 23.4% of its FY 2023-24 budget through the first quarter, compared to the historical average of 23.3%. In terms of variance from the budget through the first quarter, expenditures are \$30 thousand or 0.1% above the expected amount.

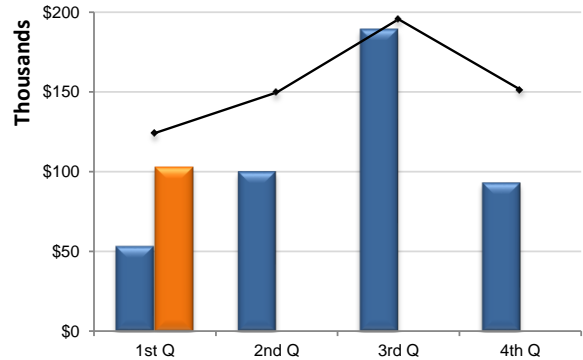


Diversity, Equity & Inclusion

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 124,191	\$ 102,775	16.6%	20.0%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 124,191	\$ 102,775	16.6%	20.0%
Variance from Budget			\$ 21,415	3.4%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



Positive

The Diversity, Equity and Inclusion Department has spent 16.6% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 20.0%. In terms of variance from the budget through the first quarter, expenditures are \$21 thousand or 3.4% below the expected amount.

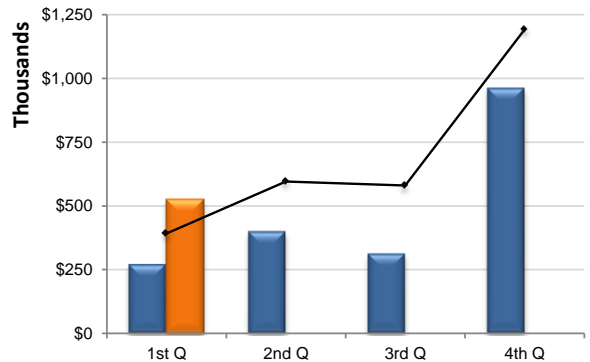


Economic Development Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 391,796	\$ 525,398	19.0%	14.2%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 391,796	\$ 525,398	19.0%	14.2%
Variance from Budget			\$ (133,603)	-4.8%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



Watch

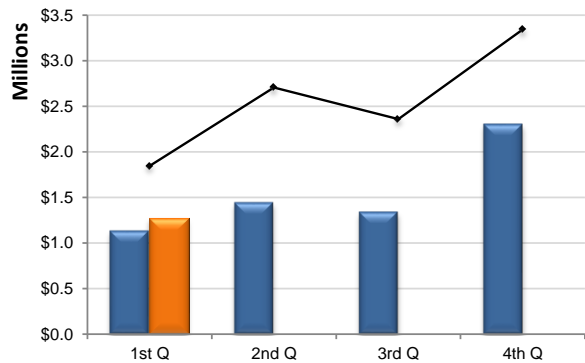
The Economic Development Office has spent 19.0% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 14.2%. In terms of variance from the budget through the first quarter, expenditures are \$134 thousand or 4.8% above the expected amount.



Education, Career & Family Services

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,845,967	\$ 1,271,490	12.4%	18.0%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,845,967	\$ 1,271,490	12.4%	18.0%
Variance from Budget			\$ 574,476	5.6%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

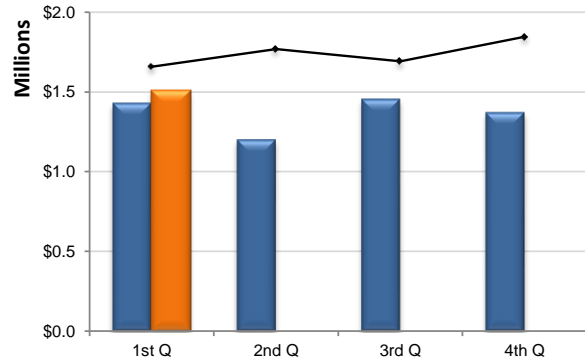
The Education, Career and Family Services Department has spent 12.4% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 18.0%. In terms of variance from the budget through the first quarter, expenditures are \$574 thousand or 5.6% below the expected amount.



Engineering & Transportation

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,658,137	\$ 1,512,377	21.7%	23.8%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,658,137	\$ 1,512,377	21.7%	23.8%
Variance from Budget			\$ 145,760	2.1%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

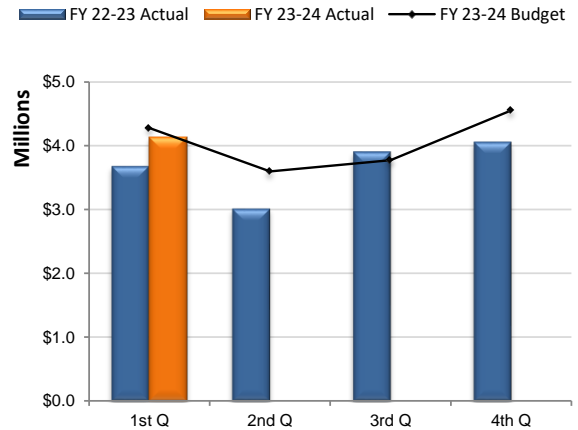
The Engineering and Transportation Department has spent 21.7% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 23.8%. In terms of variance from the budget through the first quarter, expenditures are \$146 thousand or 2.1% below the expected amount.



Financial Services

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,278,628	\$ 4,134,214	25.5%	26.4%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 4,278,628	\$ 4,134,214	25.5%	26.4%
Variance from Budget			\$ 144,414	0.9%	

*Actual amounts exclude internal service charges, inventory and encumbrances.



Positive

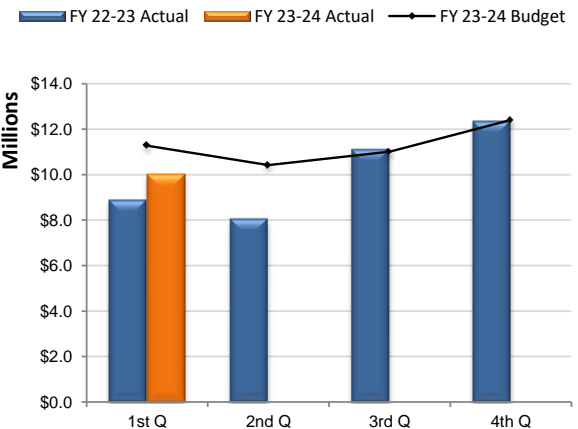
The Financial Services Department has spent 25.5% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 26.4%. In terms of variance from the budget through the first quarter, expenditures are \$144 thousand or 0.9% below the expected amount.



Fire Medical Rescue

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 11,279,472	\$ 10,022,440	22.2%	25.0%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 11,279,472	\$ 10,022,440	22.2%	25.0%
Variance from Budget			\$ 1,257,032	2.8%	

*Actual amounts exclude internal service charges, inventory and encumbrances.



Positive

The Fire Medical Rescue Department has spent 22.2% of its FY 2023-24 budget through the first quarter, compared with a historical percentage of 25.0%. In terms of variance from the budget through the first quarter, expenditures are \$1.3 million or 2.8% below the expected amount.



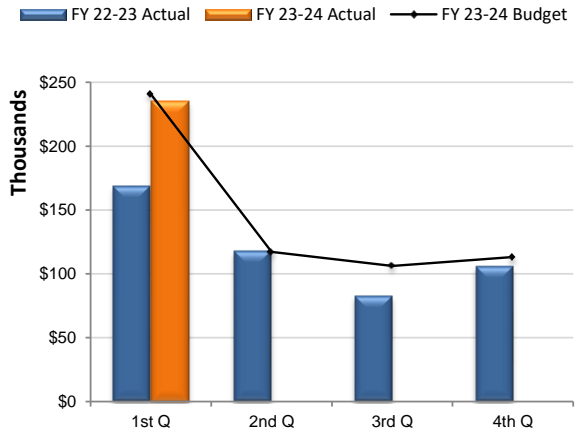
Government Relations Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 240,615	\$ 235,100	40.7%	41.7%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 240,615	\$ 235,100	40.7%	41.7%
Variance from Budget			\$ 5,515	1.0%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

The Government Relations Office has spent 40.7% of its FY 2023-24 budget through the first quarter, compared with a historical average of 41.7%. In terms of variance from the budget through the first quarter, expenditures are \$6 thousand or 1.0% below the expected amount.



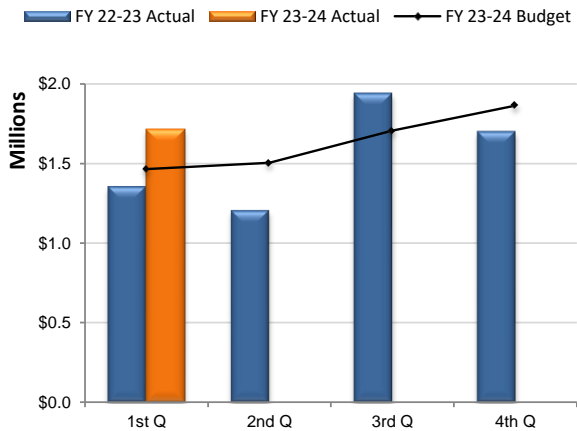
Human Resources

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,464,978	\$ 1,712,944	26.2%	22.4%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,464,978	\$ 1,712,944	26.2%	22.4%
Variance from Budget			\$ (247,966)	-3.8%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

Watch

The Human Resources Department has spent 26.2% of its FY 2023-24 budget through the first quarter, compared with a historical average of 22.4%. In terms of variance from the budget through the first quarter, expenditures are \$248 thousand or 3.8% above the expected amount.

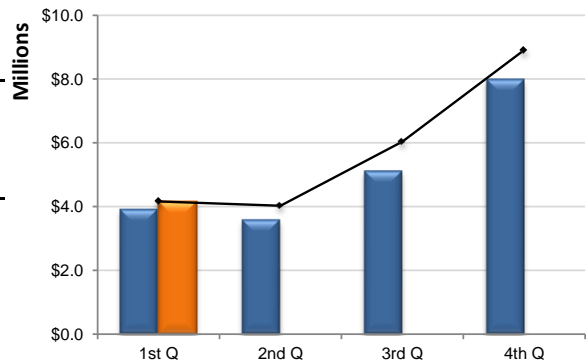




Information Technology

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,165,912	\$ 4,166,202	18.0%	18.0%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 4,165,912	\$ 4,166,202	18.0%	18.0%
Variance from Budget			\$ (290)	0.0%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

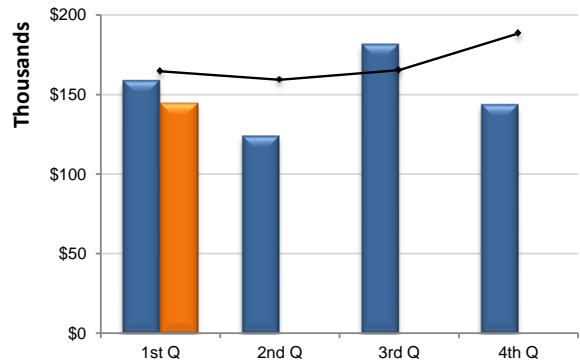
The Information Technology Department has spent 18.0% of its FY 2023-24 budget through the first quarter, compared with a historical average of 18.0%. In terms of variance from the budget in the first quarter, expenditures are 0.0% from the expected amount.



Internal Audit Office

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 164,672	\$ 144,509	21.3%	24.3%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 164,672	\$ 144,509	21.3%	24.3%
Variance from Budget			\$ 20,163	3.0%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

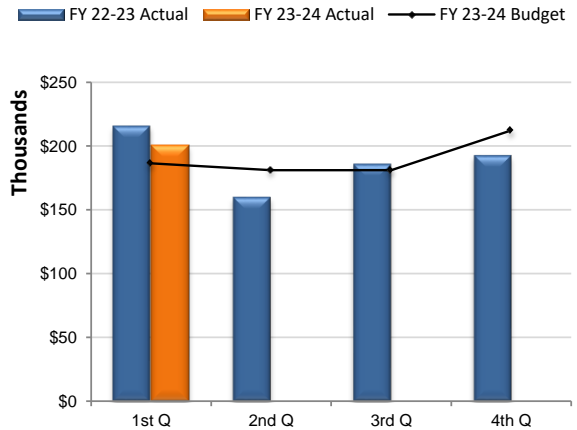
The Internal Audit Office has spent 21.3% of its FY 2023-24 budget through the first quarter, compared with a historical average of 24.3%. In terms of variance from the budget through the first quarter, expenditures are \$20 thousand or 3.0% below the expected amount.



Mayor & Council

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 186,419	\$ 200,806	26.4%	24.5%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 186,419	\$ 200,806	26.4%	24.5%
Variance from Budget			\$ (14,387)	-1.9%	

*Actual amounts exclude internal service charges, inventory and encumbrances.



Positive

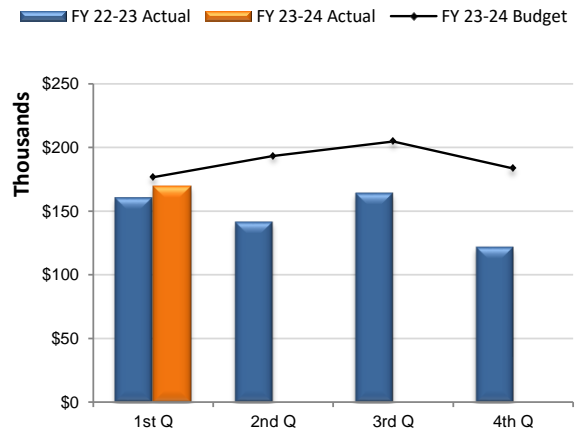
The Mayor and Council Department has spent 26.4% of its FY 2023-24 budget through the first quarter, compared with a historical average of 24.5%. In terms of variance from the budget in the first quarter, expenditures are \$14 thousand or 1.9% above the expected amount.



Municipal Budget Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 176,677	\$ 169,909	22.4%	23.3%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 176,677	\$ 169,909	22.4%	23.3%
Variance from Budget			\$ 6,768	0.9%	

*Actual amounts exclude internal service charges, inventory and encumbrances.



Positive

The Municipal Budget Office has spent 22.4% of its FY 2023-24 budget through the first quarter, compared to a historical average of 23.3%. In terms of variance from the budget through the first quarter, expenditures are \$7 thousand or 0.9% below the expected amount.

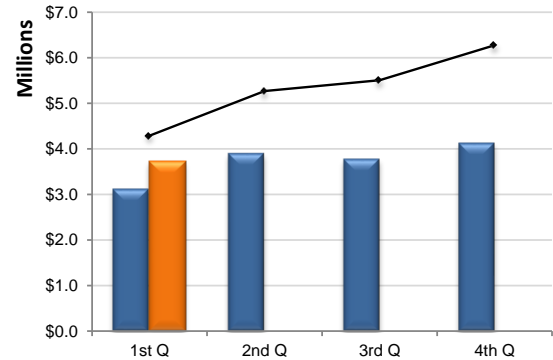


Municipal Utilities

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,289,784	\$ 3,723,955	17.4%	20.1%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 4,289,784	\$ 3,723,955	17.4%	20.1%
Variance from Budget			\$ 565,829	2.7%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



Positive

The Municipal Utilities Department has spent 17.4% of its FY 2023-24 budget through the first quarter, compared to a historical average of 20.1%. In terms of variance from the budget through the first quarter, expenditures are \$566 thousand or 2.7% below the expected amount.

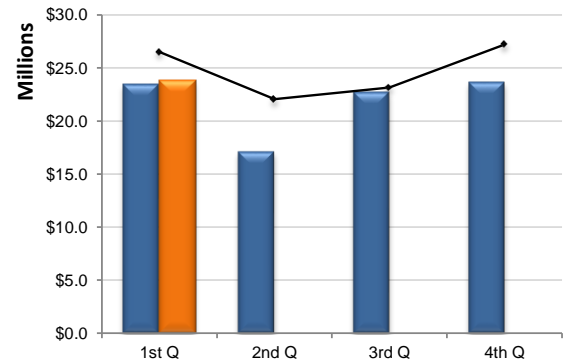


Police

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 26,515,101	\$ 23,867,391	24.1%	26.8%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 26,515,101	\$ 23,867,391	24.1%	26.8%
Variance from Budget			\$ 2,647,710	2.7%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



Positive

The Police Department has spent 24.1% of its FY 2023-24 General Fund budget through the first quarter, compared with a historical average of 26.8%. In terms of variance from the budget through the first quarter, expenditures are \$2.6 million or 2.7% below the expected amount.



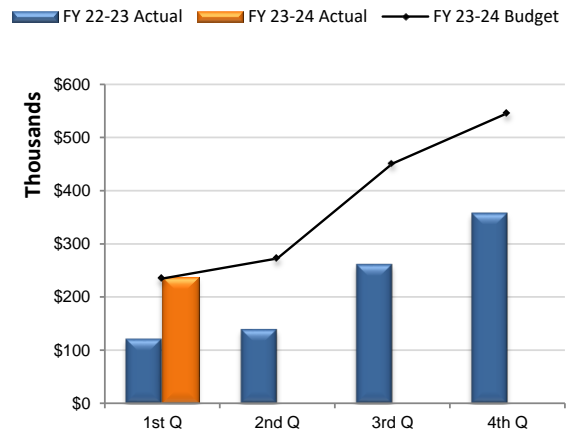
Strategic Management & Innovation Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 234,611	\$ 236,667	15.7%	15.6%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 234,611	\$ 236,667	15.7%	15.6%
Variance from Budget			\$ (2,056)	-0.1%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

The Strategic Management and Innovation Office has spent 15.7% of its FY 2023-24 budget through the first quarter, compared with a historical average of 15.6%. In terms of variance from the budget through the first quarter, expenditures are \$2 thousand or 0.1% above the expected amount.



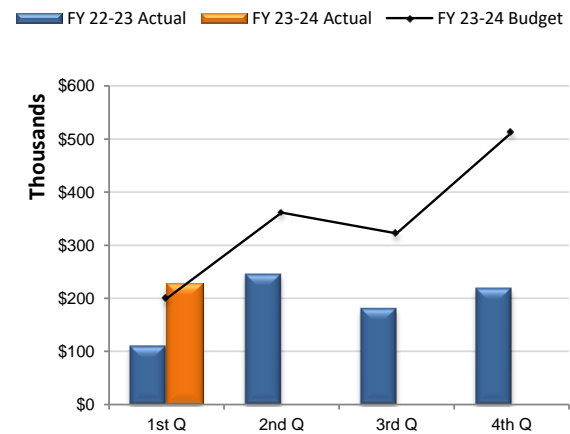
Sustainability Office

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 199,503	\$ 228,978	16.4%	14.3%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 199,503	\$ 228,978	16.4%	14.3%
Variance from Budget			\$ (29,475)	-2.1%	

*Actual amounts exclude internal service charges, inventory and encumbrances.

Watch

The Sustainability Office has spent 16.4% of its FY 2023-24 budget through the first quarter, compared to a historical average of 14.3%. In terms of variance from the budget through the first quarter, expenditures are \$29 thousand or 2.1% above the expected amount.

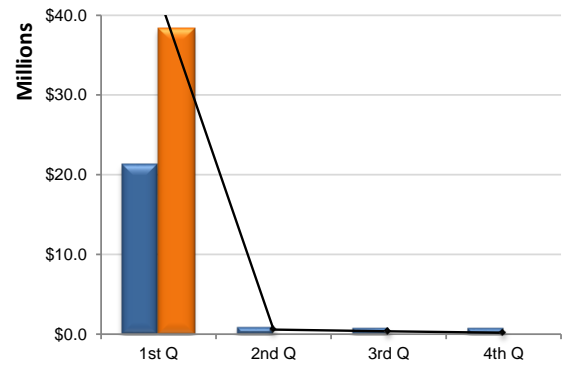




Non-Departmental

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 42,515,762	\$ 38,325,546	87.9%	97.5%
2nd Q	Oct-Dec 23				
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 42,515,762	\$ 38,325,546	87.9%	97.5%
Variance from Budget			\$ 4,190,216	9.6%	



*Actual amounts exclude internal service charges, inventory and encumbrances.

Positive

The Non-Departmental category of the budget includes items not directly related to the operations of any one City operating department. One example includes the payment of the Tempe Tourism Office's portion of the Bed Tax. Through the first quarter of FY 2023-24, Non-Departmental expenditures are 87.9% of the budget compared to the historical pattern of 97.5%. In terms of variance from the budget through the first quarter, expenditures are \$4.2 million or 9.6% below budget.

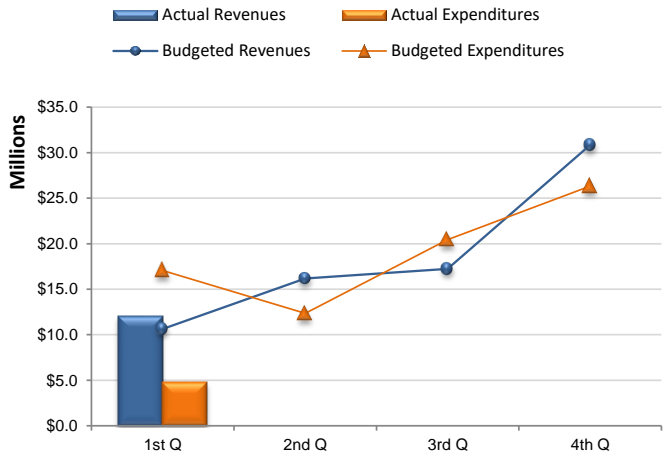
Transit Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 10,632,249	\$ 12,051,922	16.1%	14.2%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 10,632,249	\$ 12,051,922	16.1%	14.2%
Operating	\$ 5,681,091	\$ (2,868,936)	-4.5%	9.0%
Capital	23,487	1,769	1.9%	25.8%
Debt Service	3,113,335	5,700	0.1%	66.3%
Transfers Out	8,233,091	7,608,937	92.4%	100.0%
Total Expenses	\$ 17,051,004	\$ 4,747,470	6.2%	22.4%
Net Rev/Exp	\$ (6,418,756)	\$ 7,304,452		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Transit Fund accounts for the receipt of the Mass Transit Tax, a 0.5% tax on sales. Fund resources are dedicated to transit system planning, design, and operations, community outreach, and debt service. Through the end of the first quarter, there is an operating surplus in the Transit Fund of \$7.3 million. Transit Fund revenue is at 16.1% of budget which is above the historical tracking percentage of 14.2%. Expenditures are 6.2% of budget while the historical tracking percentage is 22.4%. The net result is an operating surplus through the first quarter of the fiscal year. The lower than anticipated expenditures is due to a timing difference in payment for fixed-route and light rail services. It is anticipated that both revenues and expenditures will normalize in subsequent quarters of the fiscal year.



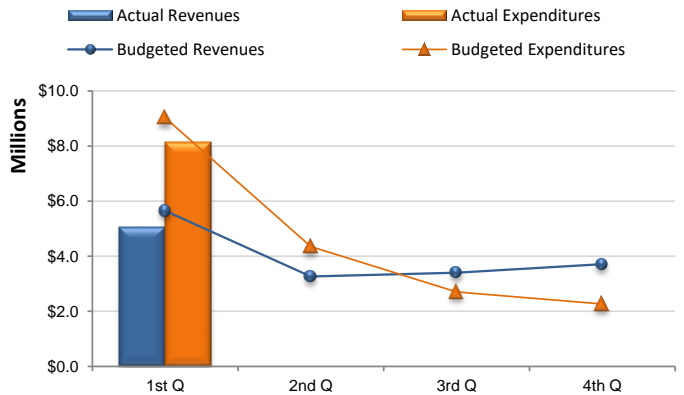
Highway User Revenue Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 4,149,595	\$ 3,557,684	24.5%	28.6%
Transfers In	1,500,000	1,500,000	100.0%	100%
Total Revenues	\$ 5,649,595	\$ 5,057,684	31.5%	35.2%
Operating	\$ 3,346,695	\$ 2,431,684	22.2%	30.5%
Capital	49,829	72,252	4.1%	2.8%
Debt Service	-	-	0.0%	0.0%
Transfers Out	5,629,141	5,629,547	100.0%	100.0%
Total Expenses	\$ 9,025,665	\$ 8,133,483	44.3%	49.2%
Net Rev/Exp	\$ (3,376,070)	\$ (3,075,798)		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

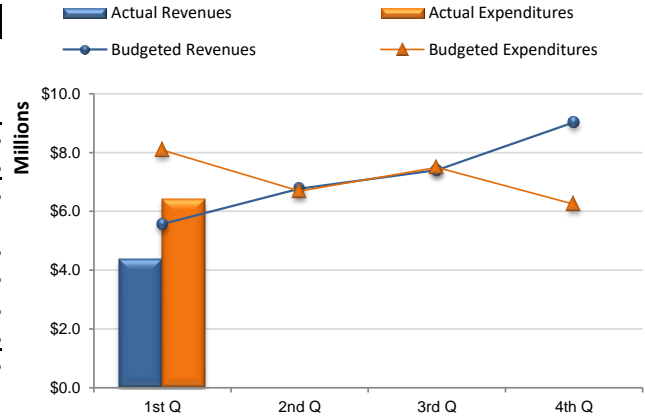
The Highway User Revenue Fund (HURF) accounts for the receipt of HURF distributions from the state. These revenues are derived largely from fuel taxes and vehicle registration fees and are allocated based on Tempe's share of state population as well as other factors. HURF resources are dedicated to Street and Traffic Operations, Maintenance, and Construction activities in the City. Revenues are 31.5% of budget compared to a historical average of 35.2%, and expenditures are 44.3% of budget compared to the three year historical trend of 49.2%. The net result is an operating deficit through the first quarter of \$3.1 million.





CDBG/Section 8 Funds

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 5,569,675	\$ 4,377,165	15.2%	19.4%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 5,569,675	\$ 4,377,165	15.2%	19.4%
Operating	\$ 7,572,077	\$ 5,891,687	21.1%	27.1%
Capital	45	-	0.0%	0.1%
Debt Service	509,372	529,534	96.3%	92.6%
Transfers Out	-	-	0.0%	0.0%
Total Expenses	\$ 8,081,494	\$ 6,421,220	22.5%	28.3%
Net Rev/Exp	\$ (2,511,820)	\$ (2,044,055)		



*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

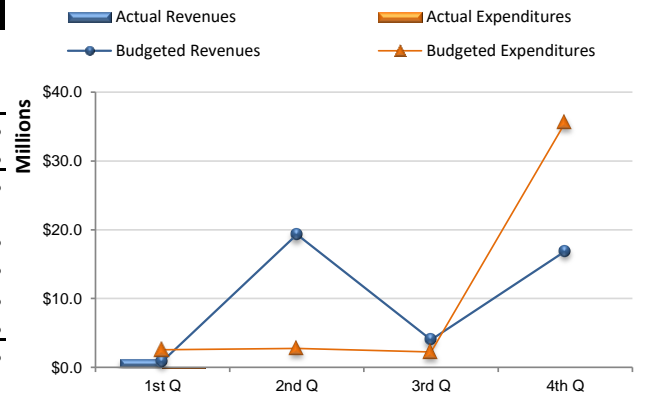
Positive

The Community Development Block Grant (CDBG) and Section 8 Funds are established to account for the receipt and expenditure of federal grants for redevelopment and rental subsidies for low income residents. Revenues through the first quarter total 15.2% of the FY 2023-24 budget, compared to the historical percentage of 19.4%. Expenditures through the first quarter total 22.5% of the FY 2023-24 budget, compared to the historical percentage of 28.3%. The net effect on the fund status through the first quarter is an operating deficit of \$2.0 million. This is largely due to the timing of grant revenue receipts from the federal government.



Debt Service Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 601,273	\$ 663,213	1.7%	1.6%
Transfers In	295,886	530,365	17.1%	10%
Total Revenues	\$ 897,159	\$ 1,193,578	2.9%	2.2%
Operating	\$ -	\$ -	0.0%	0.0%
Capital	-	-	0.0%	0.0%
Debt Service	2,534,778	(117,626)	-0.3%	6.2%
Transfers Out	-	-	0.0%	0.0%
Total Expenses	\$ 2,534,778	\$ (117,626)	-0.3%	5.9%
Net Rev/Exp	\$ (1,637,619)	\$ 1,311,203		



*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

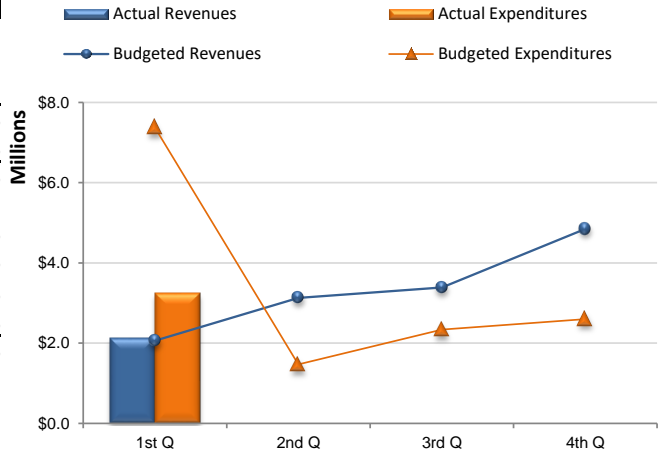
Positive

The Debt Service Fund accounts for the receipt of secondary property taxes to be used for payment of debt service on the City's tax supported debt. The City receives significant revenue from the Maricopa County Treasurer's Office in October and May, coinciding with the property tax due dates. The annual secondary tax levy includes the amount necessary to make the annual payments of principal and interest on existing bonds, payments of principal and interest on new debt planned for the ensuing year, plus a reasonable delinquency factor. The majority of the debt service payments as well as all transfers out occur during the last quarter of the fiscal year. Actual revenues through the first quarter are 2.9% of budget compared to the historical tracking percentages of 2.2%. Actual expenditures through the first quarter are -0.3% of budget, compared to the historical tracking percentages of 5.9%. The net result is an operating surplus of \$1.3 million. The variances in both revenues and expenditures are primarily due to the timing of receipts and bond payments.



Arts & Cultural Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 2,061,340	\$ 2,121,624	16.1%	15.6%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 2,061,340	\$ 2,121,624	15.8%	15.4%
Operating	\$ 2,110,065	\$ 1,866,997	21.3%	24.1%
Capital	3,791	18,253	25.5%	5.3%
Debt Service	32,563	-	0.0%	5.6%
Transfers Out	5,225,913	1,354,000	31.1%	120.0%
Total Expenses	\$ 7,372,331	\$ 3,239,250	23.5%	53.5%
Net Rev/Exp	\$ (5,310,992)	\$ (1,117,626)		



*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

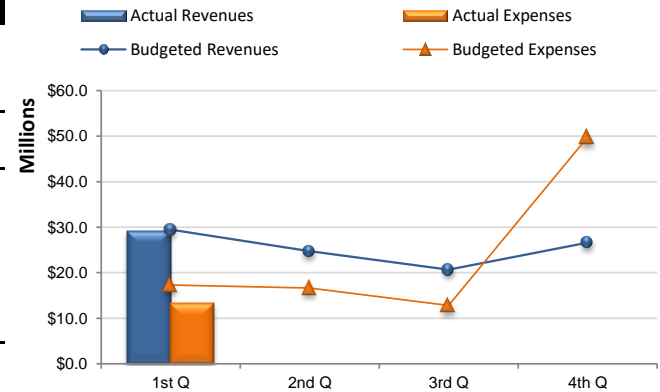
Positive

The Arts & Culture Fund accounts for the receipt of the 0.1% Arts & Cultural Sales Tax, which is used to fund operating expenses associated with the Tempe Center for the Arts (TCA), Tempe History Museum, Edna Vihel Arts Center and other arts and cultural programming. Revenues through the first quarter of FY 2023-24 are 15.8% of budget, compared to the historical tracking percentage of 15.4%. Total expenditures are 23.5% of budget, compared to a historical average of 53.5%. The net result is an operating deficit of \$1.1 million.



Water/Wastewater Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 29,465,097	\$ 29,127,724	29.4%	29.8%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 29,465,097	\$ 29,127,724	28.7%	29.0%
Operating	\$ 11,799,832	\$ 9,696,835	21.0%	25.6%
Capital	232,937	124,608	5.9%	11.0%
Debt Service	1,751,485	12,544	0.0%	4.1%
Transfers Out	3,525,569	3,546,542	64.2%	63.8%
Total Expenses	\$ 17,309,823	\$ 13,380,528	13.9%	17.9%
Net Rev/Exp	\$ 12,155,273	\$ 15,747,196		



*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Water/Wastewater Fund is an enterprise fund used to account for all water and wastewater treatment operations in the City. Total revenues through the first quarter of FY 2023-24 are 28.7%, compared to the historical tracking percentage of 29.0%. Total expenses through the first quarter are 13.9% of budget compared to 17.9% historically. Through the first quarter, the fund posted a \$15.7 million surplus.



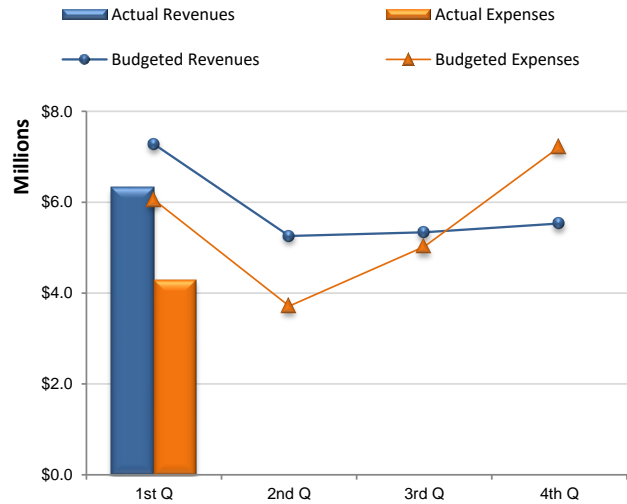
Solid Waste Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 5,396,962	\$ 5,376,616	25.0%	25.1%
Transfers In	1,879,652	939,826	50.0%	100%
Total Revenues	\$ 7,276,614	\$ 6,316,442	27.0%	31.1%
Operating	\$ 2,594,576	\$ 2,403,111	18.9%	20.4%
Capital	3,382,781	1,813,543	19.6%	36.6%
Debt Service	-	-	0.0%	0.0%
Transfers Out	74,653	74,676	100.0%	100.0%
Total Expenses	\$ 6,052,010	\$ 4,291,330	19.5%	27.5%
Net Rev/Exp	\$ 1,224,604	\$ 2,025,112		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Solid Waste Fund is an enterprise fund that accounts for the operating, maintenance, and capital costs of providing residential and commercial solid waste services. Total revenues through the first quarter of FY 2023-24 are 27.0% of budget compared to 31.1% historically. Total expenses through the first quarter are 19.5% of budget compared to 27.5% historically. Through the first quarter, the fund posted a \$2.0 million surplus.



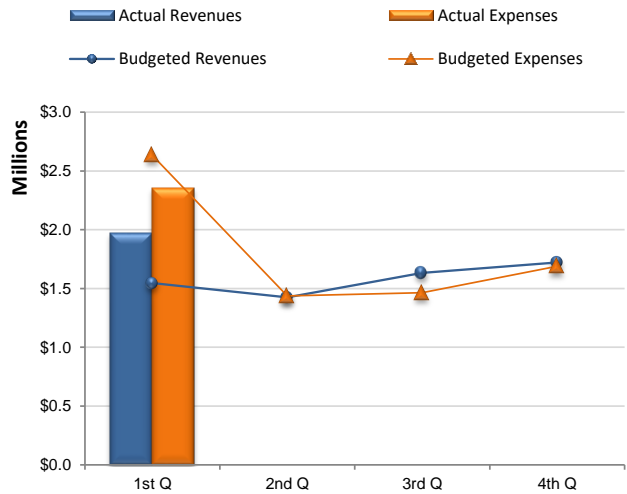
Emergency Medical Transport

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 1,546,710	\$ 1,971,708	31.2%	24.5%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 1,546,710	\$ 1,971,708	31.2%	24.5%
Operating	\$ 1,250,610	\$ 1,251,929	22.4%	22.4%
Capital	232,445	18,924	3.9%	47.5%
Debt Service	-	-	0.0%	0.0%
Transfers Out	1,148,756	1,084,776	94.4%	100.0%
Total Expenses	\$ 2,631,811	\$ 2,355,629	32.6%	36.4%
Net Rev/Exp	\$ (1,085,101)	\$ (383,921)		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Emergency Medical Transport Fund is an enterprise fund that provides for operation, maintenance, and debt service costs associated with providing ambulance service for medical emergencies within the community. Total revenues through the first quarter of FY 2023-24 are 31.2% of budget compared to the historical average of 24.5%. Total expenses through the first quarter are 32.6% of budget compared to the historical average of 36.4%. Through the first quarter, the fund has an operating deficit of \$384 thousand.





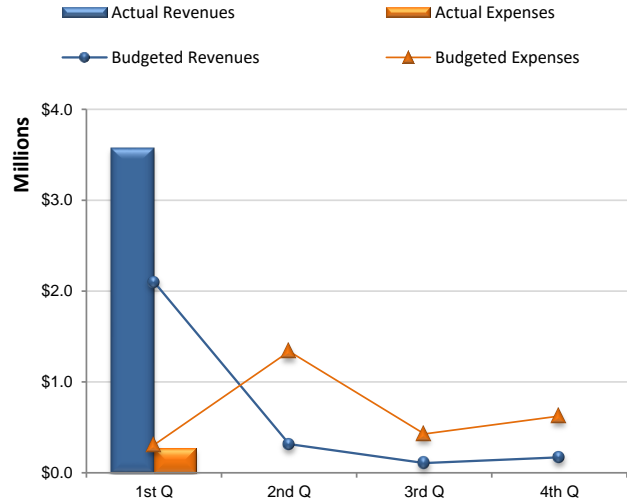
Restricted Revenue and Donations

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 2,101,042	\$ 3,571,192	132.5%	77.9%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 2,101,042	\$ 3,571,192	132.5%	77.9%
Operating	\$ 307,018	\$ 269,779	10.0%	11.4%
Capital	-	-	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
Total Expenses	\$ 307,018	\$ 269,779	10.0%	11.4%
Net Rev/Exp	\$ 1,794,024	\$ 3,301,413		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Restricted Revenue and Donations Fund accounts for the receipt and expenditure of restricted revenue and donations related to general governmental activities. Revenues through the first quarter total 132.5%, while expenditures total 10.0% of budget. The fund has an operating surplus of \$3.3 million. It is anticipated that the variance will normalize as the fiscal year progresses.



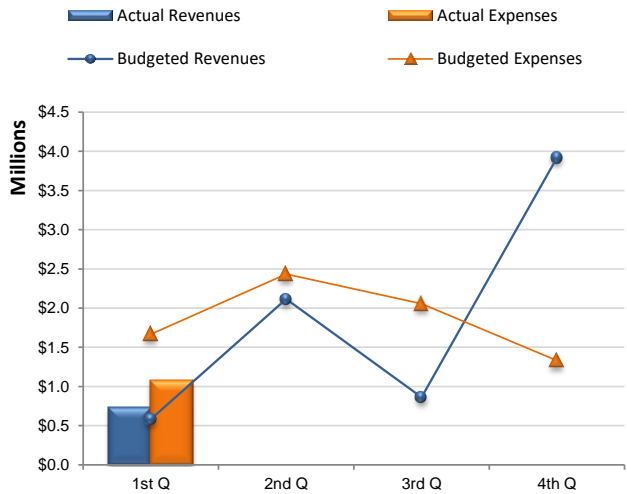
Police Dept-RICO & Grants

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 583,100	\$ 739,469	9.9%	7.8%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 583,100	\$ 739,469	9.9%	7.8%
Operating	\$ 1,665,991	\$ 1,062,385	14.2%	22.3%
Capital	-	15,523	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
Total Expenses	\$ 1,665,991	\$ 1,077,908	14.4%	22.3%
Net Rev/Exp	\$ (1,082,891)	\$ (338,440)		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Police Dept-RICO & Grants Fund accounts for the receipt and expenditure of grants, donations, asset forfeitures, and tow hearing fines associated with Police Department activities. Revenues through the first quarter total 9.9% of the FY 2023-24 budget, compared to the historical percentage of 7.8%. Expenditures through the first quarter total 14.4% of the FY 2023-24 budget, compared to the historical percentage of 22.3%. The net result on the fund's status through the first quarter is an operating deficit of \$338 thousand. The deficit is due largely to the timing of receipt of grant revenue for reimbursement of expended funds.





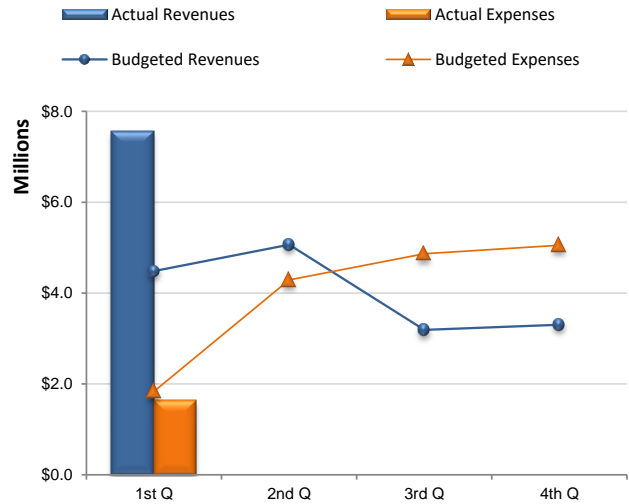
Governmental Grants

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 4,485,084	\$ 7,564,474	47.1%	28.0%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 4,485,084	\$ 7,564,474	47.1%	28.0%
Operating	\$ 1,835,623	\$ 1,627,629	10.1%	11.4%
Capital	-	2,292	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
Total Expenses	\$ 1,835,623	\$ 1,629,921	10.2%	11.4%
Net Rev/Exp	\$ 2,649,461	\$ 5,934,553		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Governmental Grants Fund accounts for the receipt and expenditure of grants related to general governmental activities. Revenues through the first quarter of FY 2023-24 total 47.1%, compared to the historical percentage of 28.0%. Expenditures through the first quarter total 10.2% of the FY 2023-24 budget, compared to the historical percentage of 11.4%.



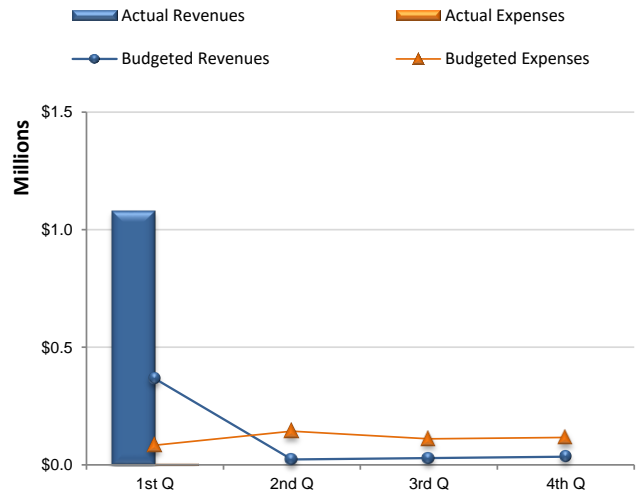
Court Enhancement Fund

	FY 23-24 YTD Budget	FY 23-24 1Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 366,592	\$ 1,081,445	238.3%	80.8%
Transfers In	-	-	0.0%	0%
Total Revenues	\$ 366,592	\$ 1,081,445	238.3%	80.8%
Operating	\$ 83,586	\$ 8,067	1.8%	18.4%
Capital	-	-	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
Total Expenses	\$ 83,586	\$ 8,067	1.8%	18.4%
Net Rev/Exp	\$ 283,005	\$ 1,073,378		

*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

Positive

The Governmental Grants Fund accounts for the receipt and expenditure of grants related to general governmental activities. Revenues through the first quarter of FY 2023-24 total 238.3%, compared to the historical percentage of 80.8%. Expenditures through the first quarter total 1.8% of the FY 2023-24 budget, compared to the historical percentage of 18.4%.



MEMORANDUM



TO: Mayor and Council
THRU: Tim Burch, Community Health and Human Services Director
FROM: Lilliana Urenda, CHHS Tempe Works Coordinator
DATE: April 19, 2024
SUBJECT: Tempe Works Program Update – January 2024 to March 2024

Purpose

The purpose of this memorandum is to provide an update to Mayor and Council regarding Tempe Works. The updates detailed below occurred from January 2024 to March 2024.

In addition, this quarterly report includes an appendix (i.e., Appendix A) that details program data from 2018 to present.

Program Highlights

- **Tempe Works Staff Presents to City of Tempe Directors:** Tempe Works staff presented to City of Tempe department directors on February 26th at the Tempe Library to encourage more employers to partner with Tempe Works. The presentation showcased the program's transitional job training model and details on the current designated positions within our Solid Waste and Parks & Recreation Divisions. The goal of the presentation was to have more partnering employers within various City departments to provide employment opportunities designated for Tempe Works.
- **Tempe Works Featured in City Manager's *The Employee Connection*:** In February, Tempe Works was featured in City Manager Rosa Inchausti's *The Employee Connection* online weekly newsletter, which highlighted Tempe Works program participants and graduates. The newsletter was distributed to all City employees and included an overview of Tempe Works, a success story, and photos of program participants and graduates at their places of employment.

Graduates

Tempe Works has had five (5) graduates complete the program in Q3 between January 2024 and March 2024 by obtaining employment and stable housing. A total of thirteen graduates have graduated Tempe Works in fiscal year 2024.

Graduation is achieved in two ways. First, Tempe Works participants who are placed in a designated program position and complete 90 days of employment and become stably housed are considered a graduate of the program. Second, individuals who find employment on their own as a "self-resolve" and become stably housed through Tempe Works services are also considered graduates.

Program Participants

As of the end of March 2024, there have been 7 active program participants. Participants can either be employed 1) through Tempe Works designated positions, 2) through a partnering agency, or 3) find employment on their own.

The table below shows details of program participants from January 2024 to March 2024. During this quarter, a total of sixteen (16) individuals were active in the program. All participants received services and resources from Tempe Works staff.

Tempe Works Participants				
Count	ID	Status	Placement	Current Housing
1	#233	Graduate	Goodwill	Stably Housed
2	#239	Graduate	COT-SW	Stably Housed
3	#234	Inactive	Aramark	Shelter
4	#293	Graduate	COT-SW	Stably Housed
5	#297	Graduate	COT-SW	Stably Housed
6	#315	Active	COT-SW	Shelter
7	#346	Graduate	COT-PR	Stably Housed
8	#353	Active	Fry's	Shelter
9	#358	Inactive	Aramark	Homeless
10	#360	Inactive	Aramark	Shelter
11	#368	Active	COT-PR	Shelter
12	#371	Active	Aramark	Shelter
13	#380	Active	Aramark	Shelter
14	#386	Active	COT-SW	Other
15	#395	Inactive	COT-SW	Shelter
16	#401	Active	COT-SW	Shelter

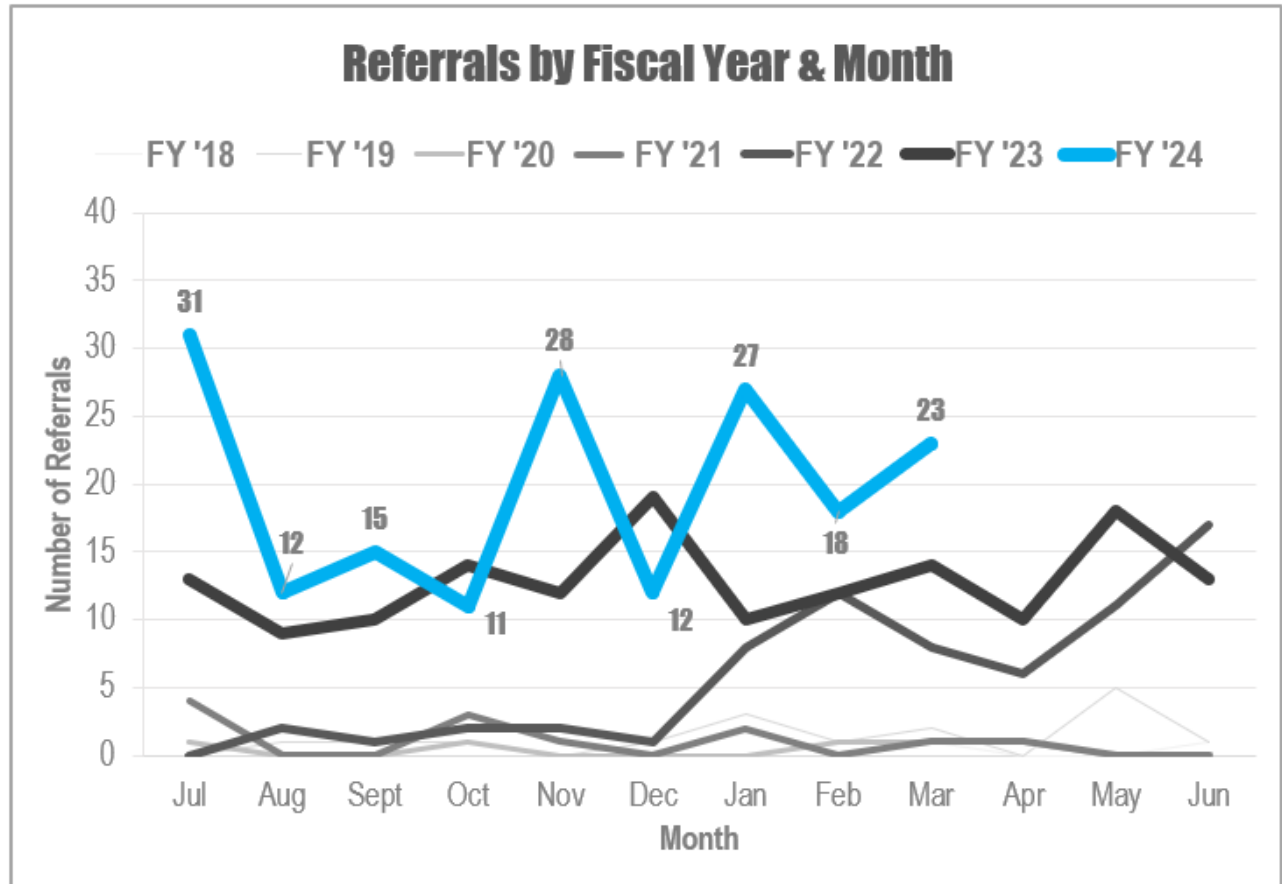
Key

COT-SW = City of Tempe Solid Waste

COT-PR = City of Tempe Parks & Recreation

Referrals

In Q3, Tempe Works has received 68 referrals from program partners such as Mercy House, HOPE, TCAA, and Care 7 between the months of January 2024 and March 2024.



In addition, Tempe Works has made numerous referrals to partnering employment agencies including Corporate Job Bank (7), and Maricopa County-Arizona@Work (8) throughout January 2024 and March 2024.

New Employment Partnerships

We would like to thank Ironworkers Local 75 for partnering with Tempe Works to recruit program graduates for their apprenticeship program. The program will allow for individuals to continue their path to stability through long-term employment opportunities through the apprenticeship.

Program Partner Outreach

Tempe Works staff is actively conducting outreach to internal City departments and external businesses to bring awareness to the community about the program and cultivate new partnerships. The following organizations are current partners of Tempe Works:

- Corporate Job Bank
- Homeless Outreach Prevention Effort (HOPE)
- Tempe Community Action Agency (TCAA)
- Mercy House

- East Valley Men's Center
- City of Tempe Solid Waste
- City of Tempe Parks & Recreation
- Care 7
- Maricopa County-Arizona@Work
- Kiwanis Recreation Center
- Bike Saviours
- Downtown Tempe Authority
- West Pharmaceutical
- Laura's Gourmet Granola
- Cortez Coffee Roasters
- Tempe Elementary School District
- Kary Environmental Services
- Aramark
- Ironworkers Local 75

Appendix A

Program-to-Date Data

The data below refers to information regarding Tempe Works from the beginning of the program in 2018 to current date.

Number of referrals: 454

Number of participants: 103

Number of graduates: 32

Number of housed non-graduates: 7

Total housed: 39



Memorandum

TO: Mayor and City Council

FROM: Bill Greene, City Auditor

DATE: April 26, 2024

SUBJECT: FINAL REPORT

Attached is our final report issued for the following project:

- Grant Management and Administration Review

A copy of this report will also be posted to the Internal Audit Office website.

We appreciate the cooperation of all the City staff during this project. Please contact me if you have any questions about our results.



TO: Rosa Inchausti, City Manager

FROM: Bill Greene, City Auditor

CC: Tom Duensing, Chief Deputy City Manager
Keith Burke, Deputy City Manager
Greg Ruiz, Interim Deputy City Manager
Lisette Camacho, Financial Services Director
Wydale Holmes, Strategic Management and Innovation Director

DATE: April 23, 2024

SUBJECT: **GRANT MANAGEMENT AND ADMINISTRATION REVIEW**

Executive Summary

Purpose:

The purpose of this engagement is to provide guidance to City of Tempe (City) Leadership on establishing a comprehensive central grant management policy and implementing citywide and department-specific procedures for effective grant administration throughout the grant lifecycle, aligned with industry best practices.

Background

The City pursues and manages grant opportunities through a decentralized approach. Staff with specialized knowledge throughout the City apply for grants in their respective areas of expertise. The City receives significant grants from other governments and organizations to support its programs and activities. According to the Fiscal Year 2023/24 Adopted Budget, grant revenues should reach almost \$140M in the following categories:

	FY 2023/24
Source	Adopted Budget - Grant Revenue
CDBG / Sec 8 Housing	\$52,192,639
Governmental Grants	\$23,378,511
Police RICO Grants	\$9,177,332
<u>Capital Budget Fed Grants</u>	<u>\$54,386,147</u>
Total	\$139,134,629

Currently, the Municipal Budget Office (MBO) provides the only citywide procedures for grant management. These procedures outline specific administrative steps that must be followed to accept and receive new grants. However, no citywide policy exists for the pre-award, management, or the closeout phases of the grant lifecycle.

In 2022, we conducted an audit of three specific grants. Overall, we concluded that grant funds were spent on activities consistent with grant terms but found opportunities to improve management controls and create and clarify policies and procedures in several areas. Without overarching City policy or guidance, we recognized that individually developed processes and controls could lead to:

- Inefficiency and duplication
- Communication and knowledge gaps
- Compliance risks
- Strategic and resource challenges

Approach

In this project, we took a multi-pronged approach to assess the cohesiveness of the City's grant management process. Our comprehensive review and analysis included the following:

- Multi-departmental outreach sessions
- Policy and procedure review
- eCivis implementation review
- Benchmarking of similar cities
- Best practices research

We provided the Strategic Management and Innovation Office (SMIO) with minutes from department outreach sessions as well as a summary of the overall strengths, challenges and needs expressed by the groups, grant policies, guidelines and procedures obtained from other cities we contacted, and consolidated summaries of best practices prepared from guidance published by the Government Financial Officers Association (GFOA) and other authoritative bodies. This information can also be found in our Comprehensive Grant Review Report following this Executive Summary.

Conclusions in Brief

Staff responsible for grant management believe specific improvements are needed:

- City departments face a variety of grant management challenges and articulated numerous specific needs including: some aspects of a centralized grant management function with dedicated staff, standardized procedures, training, and better streamlined processes.

Changes to the City's organizational structure would help improve grant management functions:

- Establishing a Grants Administration Oversight Committee would help ensure grant compliance and promote strategic funding decisions that could avoid unexpected future financial burdens.
- The newly established Sustainability and Resilience Project Coordinator – Policy and Grants position within the Strategic Management and Innovation Office (SMIO) offers a significant opportunity to improve efficiency, transparency, and resource acquisition. However, the position is only .5 FTE. Based on the needs and challenges of grant management expressed department-wide, there may be a potential misalignment between the prioritization of the grant management program versus the allocated resources.

Formal grant policies and procedures based on best practices are needed to support consistent grant management practices:

- A formal citywide grant policy is needed help safeguard the City's finances and maximize the impact of grant funds.
- When creating and updating grant policies and procedures, the City can maximize resources by conducting a comprehensive review and comparison of policies previously developed by similar organizations.
- Departments responsible for grant funds should create/update processes and procedures to align with the new citywide grant management policy to ensure consistency and awareness across departments.

The City's planned grant management software will improve processes, but implementation is complex and will take time:

- eCivis can simplify and improve the grant management process. If implemented alongside a formal centralized grant policy with supporting documented procedures and formal training for staff, this software application can help the City maximize funding and deliver greater impact in the communities. However, there is some concern that the implementation of eCivis could add to their workload rather than ease it.
- Due to the complexity of the eCivis system and the limited staffing resources available to complete the implementation, SMIO would benefit from creating and following a formal documented project plan that calls for a phased implementation.

Summary of Recommendations

1. Consider establishing a Grant Administration Oversight Committee to help ensure grant compliance and promote strategic funding decisions.

2. Develop a formal citywide grant policy that addresses each stage of the grant management lifecycle. This will help safeguard City finances and maximize the impact of grant funds. See Attachment A for a schedule of best practices for developing grant policy.
3. Create and update department-specific grant policies and procedures that align with citywide grant management policy. See Attachment B for recommended best practices for developing grant related procedures.
4. Due to the complexity of the eCivis application and the limited staffing resources, consider the need to create a formal software implementation plan.

Please refer to the Comprehensive Review Report accompanying this Executive Summary for additional details and information regarding our work performed, conclusions reached, and recommendations made above.

Grant Management and Administration Comprehensive Review

In this project, we took a multi-pronged approach to assess the cohesiveness of the City's grant management, including internal practices, external benchmarking, and best practices research. Our analysis included:

Internal Review:

- **Department Outreach:** We met with staff who regularly manage grant funds from five city departments to understand the current state of grant management, including their specific needs, common challenges, and any persisting weaknesses and control gaps.
- **Policy and Procedure Review:** We evaluated existing policies and procedures in grant-administering departments, centralized processes in Budget and Finance, and reviewed the most recent Single Audit for control deficiencies.
- **eCivis:** For the eCivis grant management software implementation, we offered an advisory perspective on building comprehensive citywide policies and procedures alongside the software system. This ensures proper controls and compliance are addressed while maximizing the effectiveness of eCivis for grant management.

External Benchmarking:

- **Survey of Similar Cities:** We gathered best practices from six municipalities through interview, online research and policy review. Our surveyed cities included Flagstaff, Denver, Houston, Pasadena, Richmond, and San Antonio.

Best Practices Research:

- **Expert Guidance:** We researched current best practices for grant management issued by the Governmental Financial Officers Association (GFOA) and other authoritative bodies.
- **Grant Management Software Assessment:** We considered the benefits and drawbacks of the City of Tempe's planned citywide implementation of eCivis.

Conclusions

City departments we engaged with are encountering a variety of challenges and articulated numerous specific needs.

To better understand the current state of grant management, we partnered with SMIO's Sustainability and Resilience Project Coordinator – Policy and Grants, hosting 10 meetings with over 30 department employees from five departments that regularly rely on grant funding. We provided the Sustainability and Resilience Project Coordinator with the minutes for each meeting as well as a summary of all meetings, highlighting strengths, challenges and needs as expressed by department staff. The strengths as expressed by department staff in summary are as follows:

Department Strengths in Grant Management

Experience

- Most departments have some key staff members with many years of experience in grant administration who are dedicated to tracking, budgeting, reporting and compliance.

Collaboration

- Collaboration is strong within teams and among different departments.

Positive Track Record

- Departments overall have a positive track record of both securing and administering grants.

Partnerships

- Departments have strong partnerships with community stakeholders.

The challenges and needs departments are facing when administering grants are listed below:

Challenges

- **Limited resources:** Lack of dedicated grant writers, coordinators, and administrative support is prevalent across departments.
- **Decentralized and siloed processes:** Departments operate independently, leading to a lack of coordination and information sharing, and potential for duplication of efforts.
- **Knowledge gaps:** Staff desire training on various aspects of grant management, including grant writing, specific federal requirements (e.g., SAM.gov, DUNS number), budgeting, city processes, compliance, and software usage.
- **Time constraints:** Short lead times, extensive reporting requirements, and competing priorities make it difficult to manage grant workloads effectively citywide.
- **Complex internal processes:** Delays caused by approvals and City systems integration hinder efficiency.
- **Difficulties finding suitable grants:** Challenges exist in identifying grants aligned with program needs while avoiding competition with other departments.
- **Sustainability concerns:** Difficulty ensuring long-term program sustainability after grant funding ends.

Needs

- **Centralized grant management:** Centralization of some processes and controls would help departments coordinate activities, share information, track and report on grant activity, and could offer overall policy guidance.
- **Dedicated staff:** Departments require dedicated grant writers, coordinators, and potentially administrative support to manage the grant lifecycle effectively.
- **Standardized procedures:** Documented procedures for grant management, including conflict of interest protocols, streamlined internal approvals, and clear roles and responsibilities, are essential.
- **Training:** Training programs on various aspects of grant management, including writing, monitoring, budgeting, specific software usage, and city processes, are crucial for building staff capacity.
- **Improved communication and collaboration:** Mechanisms for departments to share information, collaborate on grant opportunities, and identify potential conflicts are necessary.
- **Technology solutions:** Implementation of a user-friendly grant management platform like eCivis is needed to improve efficiency, searchability, and potentially streamline internal processes and provide a centralized grant repository in a readily accessible format.
- **Clearer budgeting guidelines:** More flexibility in budget line items would facilitate spending on grant-related activities.
- **Proactive grant search and prioritization system:** A system that can actively identify grant opportunities that align with City and department goals and prioritize grant applications based on resource availability, and long-term sustainability is needed.
- **Streamlined administrative and reporting processes:** Improvements to internal processes for grant setup and management within Finance, Budget, and HR departments would reduce administrative burdens while efforts to reduce reporting burden and explore ways to utilize existing data for grant reporting would save time and resources.
- **Grant sustainability analysis:** Conducting feasibility assessments to consider long-term implications for staffing and budget before accepting grants is essential for program sustainability.
- **Increased staffing:** Filling vacant positions and potentially hiring additional staff is necessary to manage the workload in some departments.
- **Improved information sharing:** Clearer communication regarding eCivis implementation and potential benefits for entitlement programs is necessary to address concerns.
- **Improved performance measurement:** A stronger focus on setting clear and measurable performance outcomes for grant projects would enhance program evaluation.

Establishing a Grants Administration Oversight Committee would help ensure grant compliance and promote strategic funding decisions that could avoid unexpected future financial burdens.

The GFOA recommends that a grant oversight committee be both interdisciplinary and permanent, and meet at least quarterly. Representatives generally include the Chief Financial Officer, Budget Manager, Assistant City Manager, Grant Management Coordinator, and one or more Department Heads. Furthermore, the Committee should be involved before applying for, accepting, renewing, or continuing a grant.

Duties of a centralized grant oversight committee typically include:

- **Reviewing Grant Applications and Renewals:** Understanding grant requirements to ensure compliance before accepting or renewing a grant.
- **Ensuring Alignment with Government Goals:** Verifying if the grant aligns with the city's mission and strategic priorities.
- **Conducting Cost-Benefit Analysis:** Evaluating the grant's financial feasibility, including potential future costs after the grant ends.
- **Assigning Oversight Responsibilities:** Designating individuals and departments responsible for managing and reporting on the grant.
- **Establishing Grant Monitoring Plan:** Developing a system to track grant activities and ensure sub-recipient compliance (if applicable).
- **Securing Adequate Resources:** Confirming sufficient financial, human resource, and technological resources to support the grant.
- **Evaluating Post-Grant Personnel Costs:** Assessing potential personnel expenses after the grant period ends (e.g., severance, retaining staff).
- **Evaluating Post-Grant Asset Maintenance Costs:** Analyzing potential costs associated with maintaining equipment or facilities acquired through the grant after it ends.

The GFOA recognizes that smaller governments may need to reduce the total number of members on the oversight committee, but the duties assigned remain essentially the same.

Development of a formal citywide grant policy will help safeguard the City's finances and maximize the impact of grant funds by ensuring strategic selection, efficient management, and responsible use of these resources.

A formal grant policy can streamline grant management for City staff. This policy would outline requirements and best practices for each stage of the grant lifecycle, from pre-award through closeout. This includes identifying, organizing, and tracking specialized requirements for grant operations, specific compliance rules, monitoring of sub-recipients, and specialized reporting needs. There are typically negative consequences for failing to meet these requirements. Furthermore, a formal grant policy will help the City identify and make timely decisions regarding maintaining a program or asset after

the expiration of the grant, either as a condition of the grant itself or because of practical/political circumstances.

Grant Management Lifecycle

Pre-Award	Award	Manage and Report	Closeout
<ul style="list-style-type: none"> • Identify Funding Opportunities • Prepare Application / Obtain Department Approval • Evaluate Strategic Alignment with City Priorities • Understand Requirements • Cost Benefit Analysis • Develop project plan and team • Submit Application 	<ul style="list-style-type: none"> • Receive Award Letter • <i>Request Council Approval to accept and disburse the grant funds *</i> • <i>Submit Request for Cost Center / Budget Transfer *</i> <p><i>* These steps are currently the only steps documented in citywide procedures.</i></p>	<ul style="list-style-type: none"> • Administer program / follow terms and conditions • Track project schedule / deliverables • Maintain internal controls to prevent error, fraud, waste • Drawdown funds • Maintain all required documents and keep records • Report performance measures timely • Fulfill financial reporting requirements timely 	<ul style="list-style-type: none"> • Complete final drawdown • Submit final reports and reconciliations • Retain records

Currently, the Municipal Budget Office (MBO) provides the only citywide procedures for grant management. These procedures outline specific administrative steps that must be followed to accept and receive new grants - including obtaining Council approval, submitting a request for a new cost center, and requesting a budget transfer. A fiscal impact statement is also required which indicates if matching funds are required. Once these steps are complete, management of the grant throughout its lifecycle is managed by the department who was awarded the grant.

Based on our review of GFOA and other authoritative guidance on grant administration and our review of surveyed cities' grant policies, a citywide grant policy is typically implemented by the centralized grant management function and components of the policy include:

- Grants identification and application
- Strategic alignment
- Funding analysis
- Evaluations / renewals

- Administrative and operational support

Attachment A provides detailed best practices for each of these components.

When creating and updating grant policies and procedures, the City can maximize resources by conducting a comprehensive review and comparison of policies previously developed by similar organizations.

We evaluated the grant management policies of six cities with populations ranging from under 80,000 to almost 2.5 million, noting the inclusion of GFOA best practices. We found the following common subjects addressed in policies:

- Centralization of some grant oversight functions
- Early involvement of Finance and Budgetary assessment
- Requirement for strategic alignment with the City's mission and priorities
- Creation of a multi-year cost benefit analysis with identification of all potential costs, contributions, and funding gaps.
- Early development of a project implementation plan identifying roles and responsibilities
- Requirement to understand terms and conditions upon acceptance
- Supporting procedures to charge expenses and obtain reimbursement correctly

We also noted that most of the grant policies we reviewed were silent on the following GFOA best practices:

- An overall approach to grant renewals
- A provision for training those responsible for the management of the grant

We consider these to be important aspects of grant management and should be taken into consideration as well.

We provided SMIO staff with copies of all City policies we obtained during our review.

Departments responsible for receiving and managing grant funds should update and document processes and procedures to align with the new citywide grant management policy. This ensures consistency and awareness across departments that grant requirements must be properly managed and documented upon fulfillment.

In addition to a current, citywide grants policy, it is important to ensure that departments appropriately manage grants after their acceptance. Departments must ensure compliance with grant agreement terms and conditions, such as:

- Efficient administration and operation and financial management of grant programs.
- Proper support of grant management software solutions
- Proper internal controls to prevent error, waste, or abuse of grant funds
- Proper subrecipient monitoring and reporting
- Continuous interagency communications and information sharing

- Accurate and Timely reporting
- Compliance with auditing requirements
- Performance monitoring for determining if program goals have been met
- Recordkeeping and documentation
- Adherence to applicable laws, regulations, and policies

Inappropriate administration can result in the failure to meet all requirements of the grants that the City receives. In such cases, some or all grant resources may need to be returned to the provider and future grants may then become more difficult to obtain. Normally, a failure to meet all grant requirements is not usually intentional. Instead, the problem often occurs because staff within departments may not have proper experience, guidance, or training, or may not have been aware of all requirements in a timely manner.

Departments may need support from SMIO, Finance, and IT to ensure their documented processes and procedures are efficient and effective. We assembled a list of best practices that could be beneficial for the City's efficient administration and operation of grant programs at the department level. See *Attachment B*.

Note that *Attachment A and B* may have overlapping best practices listed as some best practices could be included in the overall grant policy and/or incorporated into department procedures and practices. These best practices are meant to provide guidance but not dictate policy or procedure. Procedures will need to be tailored to individual department needs based on specific grants and activities.

The newly established Sustainability and Resilience Project Coordinator – Policy and Grants position within SMIO offers a significant opportunity to improve efficiency, transparency, and resource acquisition.

The central Sustainability and Resilience Project Coordinator – Policy and Grants position offers the opportunity to significantly increase efficiency, enhance transparency, and improve resource acquisition. This position can also strengthen internal controls and help ensure grant requirements are met by:

- Creating and administering a citywide grant management policy and providing guidance and assistance to departments in developing grant management procedures.
- Developing training for users in citywide grant policy and procedures and requirements for managing grants in eCivis.
- Coordinating implementation of eCivis, a citywide grant management system.

However, considering the extensive responsibilities assigned to this position, achieving desired outcomes within associated target dates may prove challenging, as the position only works on grant management activities on a part-time basis.

eCivis can simplify and improve the grant management process. If implemented alongside a formal centralized grant policy with supporting documented

procedures and formal training for staff, this software application will help the City maximize funding and deliver greater impact in the communities.

The City's Information Technology Department (IT), Government Relations Office, the Finance Department, and the Municipal Budget Office, all recognized the City's growing need to streamline grant efforts and optimize grant compliance and began working towards the implementation of eCivis, a grant management software solution. In October 2023, after completing much of the pre-implementation phase, IT began transitioning the project to the SMIO. The tentative implementation date of key modules in eCivis for some departments is July 2024.

eCivis' Key Features:

- Finding grants: Access databases of available funding opportunities and filter them based on specific criteria.
- Applying for grants: Streamline the application process with online forms and automated workflows.
- Managing grants: Track budgets, expenses, and performance metrics for awarded grants.
- Generating reports: Create custom reports to track progress and analyze grant program data.
- Compliance: Ensure adherence to federal and state grant regulations.
- Cost allocation: Manage and allocate costs associated with grants and other programs.

eCivis can help ensure policies and procedures are followed in several ways:

- **Streamlined workflows-** By automating tasks and setting up clear, step-by-step processes for different grant activities, eCivis can help prevent deviations from established policies and procedures. For example, the software can enforce deadlines for submitting reports or requesting budget changes, making it less likely that these requirements will be missed.
- **Centralized data repository-** eCivis stores all grant-related data in a central location, making it easy for authorized personnel to track progress, identify any inconsistencies, and ensure that everyone is adhering to the same policies and procedures.
- **Audit trails and reporting-** eCivis automatically logs all actions taken within the system, creating a detailed audit trail of who did what, when, and why. This can be helpful for identifying any potential policy violations, training opportunities or areas where procedures need to be revised.
- **Role-based access control-** eCivis allows administrators to set different levels of access for different users, limiting what each person can do within the system. This can help to prevent unauthorized changes to data or workflows, further ensuring adherence to policies and procedures.

However, concerns among department staff that the implementation of eCivis could add to their workload rather than ease it must be also addressed. Also, because this system will interface with City financial systems and be implemented Citywide, IT enterprise resources will need to be allocated on an ongoing basis.

Due to the complexity of the eCivis system and the limited staffing resources available to complete the implementation, SMIO would benefit from further collaboration with IT in creating and following a formal documented project implementation plan.

The project plan should outline tasks, timelines, resources, budget, and communication strategy. Other important areas that the project plan should cover are:

- **Phased Implementation Strategy** – Using a phased approach may necessary. Deploying each module of eCivis in a separate phase or importing only certain grants at a time may make the implementation more manageable.
- **Migration and Conversion Strategy** – Determining if only new grants will be created in the system or if existing grant projects will be included. Departments will need detailed guidance on moving existing data and ensuring accuracy.
- **User Training and Documentation** – Training strategies should be documented far in advance. Issues such as who will provide training and how guides and system documentation will be created and made available.
- **System Launch** – The project plan should lay out the system go-live date and document and what post implementation support will be made available.
- **System Integration:** The plan should document plans for the system to interface with other systems, including the upcoming PeopleSoft upgrade.

Both the Project Management Institute (PMI) and the IT Infrastructure Library (ITIL) have well known sets of IT best practices and additional guidance for software implementation projects.

While eCivis can be a valuable tool for ensuring compliance, it is not a foolproof solution. Ultimately, the responsibility for following policies and procedures lies with the individuals involved in managing grants. However, by using eCivis effectively, City departments can significantly improve their ability to stay compliant and achieve desired outcomes.

Recommendations

We provided the results of our department outreach sessions, external benchmarking review, and research into GFOA grant management best practices to SMIO's Sustainability and Resilience Project Coordinator. This project was not an audit but was performed as a management service. The following recommendations are for

consideration by City Leadership and are not subject to the IAO's audit follow-up process.

1. Determine if additional resources are needed to achieve the goals and objectives of the centralized grant management function in SMIO while also addressing the current needs and challenges expressed by staff.
2. Consider establishing a grant administration oversight committee to help ensure grant compliance and promote strategic funding decisions.
3. Develop a formal citywide grant policy to help safeguard City finances and maximize the impact of grant funds. See Attachment A for assistance.
4. Create and update department-specific grant policies and procedures that align with citywide grant management policy. See Attachment B for assistance.
5. Consider the need to create a formal project plan for the implementation of eCivis due to the complexity of the system and the limited staffing resources.

IAO Review Team:

Bill Greene, City Auditor

Jacqueline Gerald, Sr. Internal Auditor

Diana Storino, Sr. Internal Auditor

Attachment A – Grant Management Policy - Best Practices

Category / Best Practice	Stage
Grants Identification and Application	
Document both a government-wide policy and individual grant policies	Ongoing
Document the purpose for the policy. Examples: To provide framework, ensure consistency, strengthen internal control, etc.	Ongoing
Include detailed definitions to ensure clarity and consistency	Ongoing
Develop a timeline and process for updating policies and procedures as changes occur	Ongoing
Require that Departments document grant procedures and update regularly	Ongoing
Alert agencies that policy decisions concerning grants are made entity-wide to ensure consistency and adherence to strategic planning goals	Ongoing
Implement procedures for grant seeking departments or agencies to notify other relevant departments including finance and budget of their intention before applying. This will help ensure that all parties in the City are aware of the ground and are prepared to administer it	Pre-Award
Provide examples of request forms, timelines, etc.	Pre-Award
Document City Council approval and the RFCA process	Pre-Award
Document role of Legal or IT review / approval in the grant identification / approval process	Pre-Award
Ensure that every award application has the signature of the executive director or agency head, or has received approval, prior to submitting the application	Pre-Award
Review and know the laws, regulations, OMB circulars, 2 CFR200, grant terms and conditions of the grant	Pre-Award
Distinguish grants by source (federal, state, local, and private entity)	Ongoing
Identify the time periods required by the grants	Ongoing
Identify grant reporting requirements	Ongoing
Identify grants that require specialized administration	Ongoing
Strategic Alignment	

Establish a central grants management function	Ongoing
Establish procedure for addressing internally competing applications	Pre-Award
Before completing a grant application, determine the extent to which the grant is consistent with the City's mission, strategic priorities, and/or adopted plans	Pre-Award
Perform due diligence to ensure that the use of the proposed Technology and/or Data does not cause or create an undue or material technical, cybersecurity, regulatory, or privacy risk	Pre-Award
Funding Analysis	
General Policy should reference Financial / Budget policy and procedures	Pre-Award
Require a multi-year cost/benefit analysis prior to application or acceptance. The analysis should include matching funds (and whether they will need to be set aside) and any other direct costs associated with a grant, the extent to which overhead costs will be covered, in-kind contributions, audit and close-out costs, and potential costs that might need to be incurred beyond the grant period	Pre-Award
Disallow the supplantation of an existing expense so that current funds can be diverted to another use for federal grant recipients, unless such use of award funds is explicitly identified as allowable in writing by the sponsor in the award	Ongoing
Be aware of any procurement requirements which may be more stringent than the City's standard procurement policies plan accordingly	Pre-Award
Identify the source of any required grant match and determine any requirements regarding the grant match.	Pre-Award
Develop a contingency plan for funding services that will be continued even if the grant funding is reduced or terminated	Pre-Award
Evaluations / Renewals	
Develop and document an understanding of audit requirements specific to grants including, those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	Ongoing
Include an overall approach to grant renewals and an evaluation of the impacts of the grant funded program	Post-Award
Develop and document an understanding of audit requirements for grant close-out	Ongoing

Establish a post-implementation review process that evaluates the program, answering questions such as: - Whether the program achieved its goals - Were any process or internal control issues that were identified by staff, grantor or auditors resolved?	Post-Award
Ensure a proper closeout process to include evaluation for renewal, accounting for unspent funds, and correct disposition procedures are followed	Post-Award
Administrative	
For new programs, establish a project plan identifying timelines and parties responsible for implementing the plan	Pre-Award
Include detailed roles and responsibilities for each City function throughout the grant management process	Ongoing
Address potential conflict of interest, appearance or actual	Ongoing
Provide initial training for new and unfamiliar programs and continuing training for the government (both for oversight agencies, such as finance, and department/program staff that directly administer the grants) and others involved with the grant program (e.g., subrecipients)	Ongoing
Ensure departments understand responsibility for managing the award throughout the entire lifecycle, ensuring compliance with overall terms and conditions.	Ongoing
Maintain a process to ensure that costs charged to grants are allowable, necessary, and reasonable, and properly allocated, and that these determinations are made in a consistent manner	Ongoing
Document the official system of record and what systems (eCivis) should be used to maintain and support proper grant management and tracking	Ongoing
Maintain internal control procedures over accounting, financial reporting, and program administration	Ongoing
Maintain internal control procedures over the identification of, and adherence to, Federal and State compliance requirements, such as those relating to contracting	Ongoing
Design and use internal control procedures to ensure the reliability of information obtained from third parties	Ongoing
Ensure that each area of the grant process (programmatic, budgeting, accounting, etc.) is managed by competent staff who are trained and knowledgeable in their areas of responsibility	Ongoing

Providing for administrative monitoring, including timely reporting and adherence to compliance requirements by subrecipients	Ongoing
Providing for the receipt, review, and appropriate follow-up of Single Audit reports, when applicable	Ongoing
Establish communications with: <ul style="list-style-type: none"> - The grant sponsor/provider - External financial statement and Single Audit providers - Those with oversight responsibility including, when applicable, the Federal Cognizant Agency 	Ongoing
Document in a format accessible to stakeholders the purpose and the government's responsibilities for each of its grants	Ongoing
Ensure that program deficiencies are communicated to all responsible parties, including management, and elected and appointed officials	Ongoing
Ensure that corrective action plans addressing the control deficiencies are written, identify responsible parties and timelines, and are implemented in a timely manner whether the program achieved its goals	Ongoing
Maintaining a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines	Ongoing
Document need for compliance with City record retention policy	Ongoing
Develop and maintain a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant	Post-Award
Utilize federal, state, and local government's official debarment lists to update the government's list of contractors	Post-Award

Attachment B – Grant Administration Procedures - Best Practices

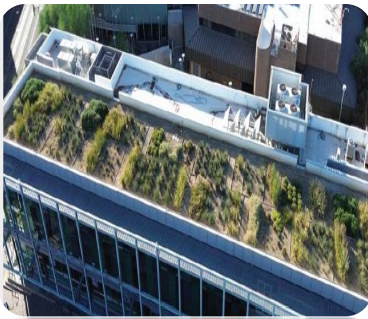
	Category / Best Practice	Stage
1	To ensure the efficient administration and operation of grant programs, the government should:	
	Document both a government-wide and individual grant policies	Ongoing
	Address potential conflict of interest, appearance or actual	Ongoing
	Require that Departments document grant procedures and update regularly	Ongoing
	Document role of Legal or IT review / approval in the grant identification / approval process	Pre-Award
	Provide initial training for new and unfamiliar programs and continuing training for the government (both for oversight agencies, such as finance, and department/program staff that directly administer the grants) and others involved with the grant program (e.g., subrecipients)	Ongoing
	Maintain a process to ensure that costs charged to grants are allowable, necessary, and reasonable, and properly allocated, and that these determinations are made in a consistent manner	Ongoing
	Maintain a process to address specific personnel issues related to grants (e.g., whether salaries and/or benefits are eligible expenditures and if so, what are the related time-keeping requirements)	Ongoing
	Disallow the supplantation of an existing expense so that current funds can be diverted to another use for federal grant recipients, unless such use of award funds is explicitly identified as allowable in writing by the sponsor in the award	Ongoing
2	To ensure the efficient financial management of grants, governments should:	
	Utilize financial management systems to support compliance with grant-related legal and regulatory requirements	Ongoing
	Establish one or more grant funds or unique grant project identifiers to account for all financial transactions for each grant	Pre-Award
	Develop appropriate cash management procedures for drawdown and receipt of funds as well as disbursement of funds	Ongoing
	Develop procedures to reconcile internal records with federal and state reports	Ongoing
	Maintain internal control procedures over accounting, financial reporting, and program administration	Ongoing
	Determine whether administrative/ indirect costs will be allocated to grant programs, and if so, maintain an appropriate process to make the allocation	Ongoing

	Document if the government will use a negotiated rate or the de minimis indirect cost rate	Pre-Award
	Maintain a process to track information about local matching funds, including identification of the source of such funds	Ongoing
	Integrate grants into the annual budget process	Ongoing
	Integrate grants into the government's cash flows planning	Ongoing
	Become knowledgeable of and implement, as necessary, federal, and state standards for procurement	Ongoing
	Maintain internal control procedures over the identification of, and adherence to, Federal and State compliance requirements, such as those relating to contracting	Ongoing
3	To support grants administration, governments should maintain systems that:	
	Support comprehensive, information technology policies and procedures to support general and application specific controls	Ongoing
	Design and use internal control procedures to ensure the reliability of information obtained from third parties	Ongoing
	Ensure IT policies and procedures are reviewed and updated at least annually	Ongoing
	Comply with federal and state standards for financial management systems	Ongoing
	Ensure that systems will provide information to all involved parties to allow them to comply with both GAAP and grant requirements	Ongoing
	Identify and segregate costs as necessary for the grant (e.g., separate allowable and unallowable costs, separate direct costs from indirect costs, and separate administrative costs)	Ongoing
	Account for and track grant funded capital items	Ongoing
	Track information for non-cash grants	Ongoing
	Store and provide information electronically so that it is available to multiple users	Ongoing
4	To maintain proper internal control procedures, governments should:	
	Ensure that each area of the grant process (programmatic, budgeting, accounting, etc.) is managed by competent staff who are trained and knowledgeable in their areas of responsibility	Ongoing
	Providing for administrative monitoring, including timely reporting and adherence to compliance requirements by subrecipients	Ongoing
	Consider the level of program risk (e.g., high, medium, low) when establishing internal control procedures	Ongoing
	Providing for the receipt, review, and appropriate follow-up of Single Audit reports, when applicable	Ongoing

	Establish communications with: - The grant sponsor/provider - External financial statement and Single Audit providers - Those with oversight responsibility including, when applicable, the Federal Cognizant Agency - An interdisciplinary implementation task force within the government that meets regularly to discuss necessary program and control changes and how they should be implemented	Ongoing
	Perform and document a risk assessment of the entity's grants management processes	Ongoing
	Provide an annual periodic review of the risk assessment process	Ongoing
5 Ensure proper subrecipient monitoring by		
	Establishing requirements for subrecipients to submit progress reports	Ongoing
	Establishing control activities to ensure the reliability of information obtained from third parties (e.g., contractors, subrecipients and beneficiaries)	Ongoing
	Document in a format accessible to stakeholders the purpose and the government's responsibilities for each of its grants	Ongoing
	Providing for financial monitoring, including obtaining an understanding of, and adhering to, cost principles	Ongoing
	Ensure that program deficiencies are communicated to all responsible parties, including management, and elected and appointed officials	Ongoing
	Developing contacts with the state for funds that pass through the state	Ongoing
6 Establish continuous communications with:		
	Ensure that corrective action plans addressing the control deficiencies are written, identify responsible parties and timelines, and are implemented in a timely manner whether the program achieved its goals	Ongoing
6a To promote information sharing and communication with all parties above:		
	Maintaining a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines	Ongoing
	Distinguish grants by source (federal, state, local, and private entity)	Ongoing
	Identify the time periods required by the grants	Ongoing
	Identify grant reporting requirements	Ongoing
	Ensure that grant requirements are documented in contractor communication	Ongoing
	Ensure that grant information is available to internal stakeholders	Ongoing
	Develop ongoing communication and knowledge of grantors, pass-through organizations and subrecipients, including confirmation of the nature of the relationship (contractor or subrecipient)	Ongoing
	Develop an ongoing dialogue with financial statement, Single Audit, and program auditors concerning grant reporting and compliance	Ongoing

	Develop processes to ensure that quality, supportable information is utilized in grant decision making	Ongoing
	Document need for compliance with City record retention policy	Ongoing
	Develop and maintain a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant	Post-Award
7	Establish processes to meet various specialized reporting requirements including:	
	Utilize federal, state, and local government's official debarment lists to update the government's list of contractors	Post-Award
	Identifying who is responsible for the various reporting requirements	Ongoing
	Establish who is responsible for tracking grant outputs/outcomes	Ongoing
	Establishing methodologies for the preparation of specialized reports	Ongoing
	Establishing approval processes for certifying specialized reporting	Ongoing
	Establishing processes for obtaining all the information needed for the Schedule of Expenditures of Federal Awards (SEFA)	Ongoing
8	Ensure compliance with auditing requirements for grants by:	
	Developing and documenting an understanding of audit requirements specific to grants including, those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	Ongoing
	For new programs, establish a project plan identifying timelines and parties responsible for implementing the plan	Pre-Award
	Developing and documenting an understanding of audit requirements for grant close-out	Ongoing
9	To identify and address potential program shortcomings,	
	Establish a post-implementation review process that evaluates the program, answering questions such as: - Whether the program achieved its goals - Were any process or internal control issues that were identified by staff, grantor or auditors resolved?	Post-Award
	Ensure a proper closeout process to include evaluation for renewal, accounting for unspent funds, and correct disposition procedures are followed.	Post-Award
	Review and know the laws, regulations, OMB circulars, 2 CFR200, grant terms and conditions of the grant	Pre-Award

April 26, 2024



Transportation and Sustainability Friday Packet

Keep Tempe Beautiful (KTB), GreenLight Solutions, the Transportation and Sustainability Department and the Community Services Department organized a comprehensive food composting and recycling program at all 16 spring training games in 2024, resulting in almost 15 tons of recycling, food scraps and other items diverted from the landfill. For reference, one ton is equivalent to an adult elephant. This was the largest diversion effort at any building or special event operated by the City of Tempe to date, except for Zero Waste Days, and helps advance Tempe toward the Solid Waste Landfill Diversion – Performance Measure 4.04 commercial goal of 15% and the citywide goal of 20% by the Fiscal Year 2025/2026.

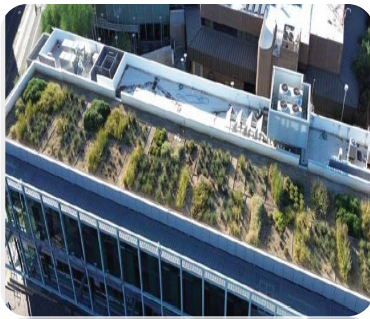
GreenLight Solutions and KTB volunteers, several paid GreenLight Solutions staff and a Transportation and Sustainability Department staff member sorted through



hundreds of bags of trash to remove recyclables and compostable items. Trash and compost were also removed from hundreds of bags of recycling. Additional partners included R. City (local farm and composting operation), Legends (merchandising and concessions), Plan B Facility Services (custodial) and the Solid Waste Services Section – Public Works Department.

This year's recycling and composting program was made possible by a \$5,000 donation from Keep Tempe Beautiful and a smaller donation through GreenLight Solutions. Both Tempe-based nonprofits worked closely with the City of Tempe to ensure the success of this year's program while planning for future spring training

April 26, 2024



Transportation and Sustainability Friday Packet

seasons. This season's efforts included waste generated from concessions, merchandising, bathrooms, all containers on the main concourse and in the press box area and containers located outside the entrances.

There are several benefits to composting and recycling, including more job creation and workforce opportunities, conserving natural resources, reducing the need for raw materials and reducing carbon emissions by using less energy-intensive processes. Food composting is an important part of the Transportation and Sustainability Department's Climate Action Plan and circular economy work.



A sorting station directly next to the trash and recycling roll-offs allowed for the more efficient capture of compostable material (food scraps, liquid and paper products) and recyclable items. Over the course of the season, dozens of game attendees talked with volunteers as they removed compostables and recyclables from trash containers and trash and compostables from recycling containers both inside and outside of the stadium. New signage was placed on the recycling containers inside the stadium and ten additional recycling containers were positioned at all three entrances.

A Keep Tempe Beautiful banner was displayed inside the stadium on the left side of the infield seating, "Recycling at Spring Training Brought to you by Keep Tempe Beautiful." Media included a Facebook post on the City of Tempe Government Facebook page (1,833 reached), [Instagram](#) (1,059 reached), [LinkedIn](#) and inclusion in the [March 4 edition of Tempe This Week](#) (8,870 recipients).

Dawn Ratcliffe, Dawn_Ratcliffe@tempe.gov, 480-353-7167

Jerry Hall, Jerry_Halljr@tempe.gov, 480-350-5265

Brianne Fisher, Brianne_Fisher@tempe.gov, 480-350-8959

Eric Iwersen, Director, Eric_Iwersen@tempe.gov, 623-715-5508

COMMUNITY SERVICES UPDATE

April 26, 2024

Escalante Center Mural Celebration

Tuesday, April 30 | 4-6 pm | 2150 E Orange Street | [INFO](#)

Please join Tempe Public Arts staff and local community residents for an evening of celebration and refreshments, as we unveil an exciting new art piece created especially for the Escalante Center Youth Game Room.

Artist Ignacio Garcia worked in conjunction with staff and local Escalante Center youth to create a dream-filled mural that incorporates many design ideas. This striking artwork cleverly combines desert plants, fantasy-based characters and interactive elements that youth visitors to the center will greatly enjoy. Best of all, each time participants and their families visit, they can experience a sense of pride and connectivity, having been an integral part of the final work.

Ignacio Garcia is well known throughout the Southwest for his street art commissions and large photo-realistic murals. His work can be found throughout Arizona and across the country. This is Garcia's first project with the City of Tempe.



Mural detail and work in progress images

COMMUNITY SERVICES UPDATE

April 26, 2024

Free Art Friday

On April 20, the Tempe Community Arts team held its final Free Art Friday event of the spring season! Approximately 2,000 children under age five and their family members attended these exciting events throughout February, March, and April, which provided arts opportunities supporting early childhood development.

During April, two additional youth-centric initiatives were added:

- Free Art Friday was extended to a two-day event, allowing even more toddlers to experience natural wonders through creativity.
- We welcomed a special performance of *WoBo Show: Clouds* from the Scoundrel & Scamp Theatre developed specifically for young children and their families.

Free Art Friday is an event for families and their children aged 0-4. Each event's thoughtful programming (arts and music activities, snacks, sensory play and decorations) are based on a theme that changes each month. Free Art Friday allows caregivers and their little ones to explore and create together through art projects, imaginative play, music and movement.



Thank you to the ASU Emerging Minds Lab for collaborating on activities and the Tempe Diablos for partially funding this program. Join us in the fall when Free Art Friday returns for its exciting next season!

TEMPE SPORTS COMPLEX



**UPDATED
SUMMER
HOURS**
@ dog park,
skate park, &
pickleball
courts



Due to rising temperatures & increased facility use, the temporary summer hours for TSC's dog park, skate park, and pickleball courts will be extended one (1) hour with operating times of...



OPEN
May 1st to
October 31st
6am
-
11pm



**More information
please call:**

 **480-350-4311**