



## City Council Weekly Information Packet

Friday, December 4, 2020

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) State and Federal Update & Grant Opportunities
- 3) Tax Revenue Statistical Report - October 2020
- 4) FY21 General Fund Local Sales Tax Update
- 5) Medical Claims Process Review - Final Memo
- 6) Human Trafficking Awareness and Prevention Month - January 2021



## City Council Events Schedule

December 4, 2020 thru December 14, 2020

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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.

DAY	DATE	TIME	EVENT
Mon	Dec 14	1:00-1:30 p.m.	<p>Ribbon Cutting for United Dairymen of Arizona</p> <p>Join us in a virtual celebration as we celebrate United Dairymen of Arizona's 60th Anniversary! We invite our members and Ambassadors to attend this unique, online event! During this event, attendees will have the opportunity to hear from United Dairymen of Arizona and introduce themselves through a 30-second commercial.</p> <p>Please register here: <a href="https://us02web.zoom.us/meeting/register">https://us02web.zoom.us/meeting/register</a></p>

# MEMORANDUM



TO: Mayor and City Council  
THROUGH: Andrew Ching, City Manager  
FROM: Marge Zylla, Government Relations Officer  
DATE: December 4, 2020  
SUBJECT: State and Federal Update & Grant Opportunities

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Below are summaries of recent actions and announcements at the state and federal level:

- USCM Federal Update
- Bipartisan Senate COVID-19 Relief Legislative Proposal
- Governor Executive Orders
- Governor's Office Update on COVID-19 Response
- State Legislative Committees

Please let me know if there are follow-up questions for Tempe's federal lobbyist. Also, please let me know if Tempe staff members are pursuing federal grants so we can arrange for letters of support from our Congressional delegation.

## **USCM Federal Update**

*Via US Conference of Mayors Staff, 12/3/20*

[Lame-Duck Stimulus Movement Continues, Pelosi-Schumer Join New Bipartisan House Group as Starting Point, Senate Majority Leader McConnell and President Trump are Key Players](#)

As the deadline for the lame-duck session nears with the urgent need for a stimulus package to be delivered before Christmas, there is new movement within Congress.

A group of bipartisan senators and House members in recent days, in a private session, have come forward with a new bipartisan plan totaling \$908 billion.

This proposal is not the "skinny" bill that Senate Majority Leader Mitch McConnell had been pushing and it's not the \$3 trillion plan pushed forward by House Speaker Nancy Pelosi, Senate Democratic Leader Chuck Schumer, and other top Democrats.

It is a temporary compromise with the understanding that a larger stimulus package will come in early 2021 with the new Biden Administration.

The framework coming from the new bipartisan group of lawmakers includes upwards of \$160 billion for state and local governments. Presently, we don't have information on the breakdown of the state, county, and city shares, and we do not have the formula disclosed to us. Under the HEROES Act, we worked hard to make sure that all cities – with large, medium, and small populations – would receive funds to provide the emergency fiscal assistance needed. We have every reason to believe that with Speaker Pelosi at the negotiating table, our cities will not be left on the cutting room floor. Further, we want to make sure that there is no population cutoff that would prevent funds coming directly to our city halls, rather than coming through county courthouses, state legislatures, or governors in the statehouses. We are most interested in the \$160-plus billion and it may go higher once the negotiations begin.

One of the most significant developments of this recent movement is the press release I shared yesterday coming from House Speaker Nancy Pelosi and Senator Schumer where they announced and welcomed the new bipartisan plan as a starting point for the final proposal that they all want to be passed before Congress goes home.

With the "coming together" of this new bipartisanship, finally, in the Congress, there are still two players needed in order for it to be real and for the needed funds to reach all Americans that have not had assistance in months. First, there's Senator McConnell. We are hopeful that he will come together with the bipartisan group of Senators and support this much-needed compromise. Second, there is President Donald Trump and he has said all along that he does support fiscal assistance to state and local governments during this pandemic.

The mayors of the nation have never been more active on a piece of legislation as they have during this economic crisis caused by the COVID-19 pandemic. We must not give up in the waning days of this Congress. We have an alive proposition with bipartisan support and if we continue, we have the opportunity to bring relief now to state and local governments and to millions of Americans in need as we end this challenging year of 2020.

*Via US Conference of Mayors Staff, 12/2/20*

[COVID Relief Stimulus Need Provokes a Number of New Proposals – All Facing Obstacles and a Murky Political Picture](#)

We have awakened again to a renewed urgency to pass a second COVID relief bill during this lame-duck session.

A group of bipartisan senators has been working for the past week to reach a consensus, all feeling pressure as they go home for the holidays having produced nothing for millions in desperate economic need.

These senators do not have the blessing of Senate Majority Leader Mitch McConnell of Kentucky who, even with signs of movement, seems to be reluctant to go along because he says he has to have a signature of President Donald Trump on the bill.

Meanwhile, Treasury Secretary Steve Mnuchin has continued to talk with House Speaker Nancy Pelosi and it is not clear where the White House is after the confusion that has erupted since the election.

The question for us has been the need for state and local aid to help with our budget shortfalls and to protect frontline workers. Money to states, counties, and cities has been a sticking point for McConnell. And his position doesn't seem to have changed.

In addition to aid for state and local governments, liability protection for businesses is another issue that has slowed down the consensus needed for action.

Mnuchin also said in testimony to Congress yesterday that direct payments to Americans like the \$1,200 checks that were sent earlier in the pandemic are "at the moment" not part of the deal that's being negotiated but he went on to say that maybe later "down the road," wherever that means.

Speaker Pelosi and Senate Democratic Leader Chuck Schumer issued a joint statement today on the importance of a bipartisan agreement. They are in a compromising mood. They need Senator McConnell to join in the negotiations now. [You can read Schumer and Pelosi's statement here.](#)

## **Bipartisan Senate COVID-19 Relief Legislative Proposal**

*Via Van Scoyoc Associates, 12/1/20*

A bipartisan coalition of Senators have been working together on COVID-19 relief legislation and this morning they released the outlines of a \$908 billion coronavirus stimulus package. It includes \$160 billion for state, local and tribal governments. Attached is a chart that the group of Senators just released [attached to this memo]. We will send more details as we receive them.

There has been no reaction yet from the House and Senate leadership, or the White House, so it is unclear if this will jump start COVID relief negotiations.

*Articles on federal stimulus legislation progress from [12/4/2020](#) and [12/3/2020](#).*

## **Governor Executive Orders**

The Governor has issued a number of Executive Orders this year. They can be found at [this link](#). Three Executive Orders have issued this week:

- 2020-60 Easing Regulations to Encourage Outdoor Dining, 12/2/2020
- 2020-59 Further Mitigation Requirement for Events, 12/2/2020
- 2020-58 Ensuring the Availability of the Vaccine Without Financial Barriers, 12/2/2020

## **Governor's Office Update on COVID-19 Response**

*Via Governor's Office Staff, 12/2/20*

Today's actions include:

- [Executive Order](#) ensuring all Arizonans receive the vaccine without financial barriers
- [Executive Order](#) easing regulations on outdoor dining
- \$1.2 million more to support Arizona restaurants

- [Executive Order](#) enhancing health and safety requirements for large public events approved by local cities, towns and counties
- \$60 million more to support hospital staffing

#### *Vaccine Distribution*

Arizona is expected to receive an initial shipment of COVID-19 vaccine doses in mid to late December, with more doses available in the weeks following. Once received, the state will promptly begin distribution. The distribution plan prioritizes health care workers, residents of long term care facilities, educators and vulnerable populations. ADHS Director Dr. Christ will provide updated details of the vaccination plan at a later date.

Additionally, the Governor today issued an Executive Order ensuring all Arizonans receive the vaccine without any financial barriers. The Governor's Office has worked closely with insurers to ensure cost-sharing requirements, such as co-pays and co-insurance, for the vaccine are waived.

#### *Support For Restaurants*

The Governor today issued an Executive Order easing red tape on outdoor dining, increasing opportunities for safer dining experiences. The order makes it easier for restaurants to expand outdoor dining spaces. This EO is in direct response to issues raised by cities and counties to ensure that the process for their local restaurants is as smooth as possible.

Previously, restaurants could not temporarily extend their premises and they were limited to the amount of space for which they could extend their premises. The existing barriers result in longer wait times and a more onerous process with the local governing body. This order provides temporary extensions after approval from the local governing body.

The Arizona Office of Tourism (AOT) is providing \$100,000 to the Arizona Lodging and Tourism Association (AzLTA) to expand its AZSafe + Clean [Certification](#), helping restaurants and hotels strengthen sanitation and mitigation practices to further protect patrons and staff. With the funding, AzLTA will:

- Make public health and sanitation experts available to hotels and resorts;
- Develop a webinar in consultation with the Arizona Office of Tourism (AOT) and Arizona Commerce Authority (ACA) related to the AZSafe + Clean Certification Program, providing an overview of the program and marketing offerings in relation to the program; and
- Develop a statewide outreach campaign to encourage participation and make hotels and resorts aware of the cooperative membership grants available.

Arizona is also providing an initial investment of \$1 million to help restaurants and other dining establishments expand outdoor dining options, further protecting patrons and staff and making more space for customers. The funding will support the launch of the *Safest Outside Restaurant Assistance Program*, funding up to \$10,000 per restaurant for items they need to extend their outdoor dining premise, including outdoor furniture, barriers, patio heaters, patio covers, and more.

Funding will be distributed on a first come, first served basis for eligible businesses that have been approved for an extension of premises. To be eligible, applicants must comply with all COVID-19 related Executive Orders; demonstrate a new extension of premises that has been approved by the local governing body and the Arizona Department of Liquor, if applicable; plan to extend the premises for a minimum of three months; must have fewer than 50 employees; must be Arizona owned and operated, and more. Additional requirements will be listed on the application. The application will open on Monday, December 7 and will be available [HERE](#).

The funding for the *Safest Outside Restaurant Assistance Program* comes from the Crisis Contingency and Safety Net Fund, a [bipartisan budget agreement](#) signed by Governor Ducey that added \$50 million for Arizona's COVID-19 response.

Additionally, AOT is providing \$100,000 to help restaurants and other dining establishments safely and effectively expand outdoor dining options for patrons. With the funding, the Arizona Restaurant Association (ARA) will provide direct consultation to any Arizona dining establishment interested in expanding its premises to increase physical distancing and maximize seating capacity amid the pandemic.

ARA will assist in navigating the local and state permitting process, and provide application review prior to restaurants submitting to local and state officials. Additionally, ARA will expand public health campaigns that inform Arizona restaurants of current public health best practices.

#### *Mitigation Requirements For Events*

Governor Ducey also issued an Executive Order enhancing health and safety requirements for large public events approved by local cities, towns and counties.

Under [Executive Order 2020-43](#) issued in June, organized public events with more than 50 attendees are prohibited in Arizona, with the option for local jurisdictions to selectively approve events of greater than 50 people only if they implemented enhanced mitigation measures.

Beginning today, organized public events of more than 50 people may only be approved by local cities, towns and counties if they have determined that safety precautions consistent with guidance issued by both the U.S. Centers for Disease Control and Prevention (CDC) and ADHS are in place, and the event organizer has committed to implementing and enforcing these precautions.

If an event is approved by a local city, town or county, the local jurisdiction must publicly post the mitigation measures that the event organizer is required to implement and enforce on their website and submit a copy to ADHS. In addition, the jurisdiction must dedicate resources to enforcing mitigation measures that the organizer has agreed to implement during the event and any public health requirements currently applicable in the jurisdiction.

As was the case before, a local city, town or county may deny a request for an organized event due to public health concerns related to COVID-19.

#### *Additional Dollars For Hospitals*

The Governor is directing an additional \$60 million to provide more staffing at Arizona hospitals. With the funding, ADHS is working to secure an additional 500 nurses through the end of the month, with additional staffing to last throughout January. The staffing boost will provide critical nursing resources to hospitals statewide amid the surge of COVID-19 patients.

Today's funding for staffing comes from the Coronavirus Relief Fund (CRF) as part of the federal CARES Act. It comes in addition to the [\\$25 million](#) from CRF announced last month to help hospitals address staffing needs and support current staff.

#### **State Legislative Committees**

In addition to the standing committee information in earlier memos, lists with the full committee membership for the House and Senate are attached.



## COVID Emergency Relief Framework

<b>Major Issues</b>	<b>Cost Estimate</b>
<b>State, Local, and Tribal Governments</b>	\$160 billion
<b>Additional Unemployment Insurance (UI)</b>	\$180 billion
<b>Support for small businesses including Paycheck Protection Program (PPP), EIDL, restaurants, stages, and deductibility</b>	\$288 billion
<b>CDFI/MDI Community Lender Support</b>	\$12 billion
<b>Transportation (Airlines, Airports, Buses, Transit and Amtrak)</b>	\$45 billion
<b>Vaccine Development and Distribution &amp; Testing and Tracing</b>	\$16 billion
<b>Healthcare Provider Relief Fund</b>	\$35 billion
<b>Education</b>	\$82 billion
<b>Student Loans</b>	\$4 billion
<b>Housing Assistance (Rental)</b>	\$25 billion
<b>Nutrition/Agriculture</b>	\$26 billion
<b>U.S. Postal Service</b>	\$10 billion
<b>Child Care</b>	\$10 billion
<b>Broadband</b>	\$10 billion
<b>Opioid Treatment</b>	\$5 billion
<b>Provide short term Federal protection from Coronavirus related lawsuits with the purpose of giving states time to develop their own response.</b>	
<b>TOTAL</b>	<b>\$908 billion</b>



## 55<sup>th</sup> Legislature Senate Committee Members

### Monday PM

#### **Rules**

Sen. Karen Fann (C)  
Sen. Rick Gray (VC)  
Sen. Sonny Borrelli  
Sen. Vince Leach  
Sen. Martin Quezada  
Sen. Rebecca Rios  
Sen. Lela Alston

#### **Government**

Sen. Michelle Ugenti-Rita (C)  
Sen. Kelly Townsend (VC)  
Sen. Sonny Borrelli  
Sen. J.D. Mesnard  
Sen. Warren Petersen  
Sen. Juan Mendez  
Sen. Martin Quezada  
Sen. Jamescita Peshlakai

#### **Transportation**

Sen. Tyler Pace (C)  
Sen. T.J. Shope (VC)  
Sen. Paul Boyer  
Sen. Rick Gray  
Sen. Sine Kerr  
Sen. Rosanna Gabaldon  
Sen. Christine Marsh  
Sen. Lisa Otondo  
Sen. Victoria Steele

### Tuesday PM

#### **Appropriations**

Sen. David Gowan (C)  
Sen. Vince Leach (VC)  
Sen. Sine Kerr  
Sen. David Livingston  
Sen. Kelly Townsend  
Sen. Michelle Ugenti-Rita  
Sen. Lela Alston  
Sen. Lisa Otondo  
Sen. Sean Bowie  
Sen. Tony Navarrete

#### **Education**

Sen. Paul Boyer (C)  
Sen. T.J. Shope (VC)  
Sen. Nancy Barto  
Sen. Rick Gray  
Sen. Tyler Pace  
Sen. Sally Ann Gonzales  
Sen. Jamescita Peshlakai  
Sen. Christine Marsh

### Wednesday AM

#### **Health & Human Services**

Sen. Nancy Barto (C)  
Sen. Tyler Pace (VC)  
Sen. Wendy Rogers  
Sen. T.J. Shope  
Sen. Kelly Townsend  
Sen. Tony Navarrete  
Sen. Sally Ann Gonzales  
Sen. Rosanna Gabaldon

#### **Finance**

Sen. David Livingston (C)  
Sen. Vince Leach (VC)  
Sen. Paul Boyer  
Sen. J.D. Mesnard  
Sen. Warren Petersen  
Sen. Michelle Ugenti-Rita  
Sen. Sean Bowie  
Sen. Lela Alston  
Sen. Kirsten Engel  
Sen. Juan Mendez

### Wednesday PM

#### **Commerce**

Sen. J.D. Mesnard (C)  
Sen. Michelle Ugenti-Rita(VC)  
Sen. Sonny Borrelli  
Sen. David Livingston  
Sen. Tyler Pace  
Sen. Tony Navarrete  
Sen. Jamescita Peshlakai  
Sen. Rosanna Gabaldon  
Sen. Sean Bowie

#### **Natural Resources, Energy & Water**

Sen. Sine Kerr (C)  
Sen. T.J. Shope (VC)  
Sen. David Gowan  
Sen. Rick Gray  
Sen. Wendy Rogers  
Sen. Lisa Otondo  
Sen. Victoria Steele  
Sen. Kirsten Engel  
Sen. Juan Mendez

### Thursday AM

#### **Judiciary**

Sen. Warren Petersen (C)  
Sen. Wendy Rogers (VC)  
Sen. Nancy Barto  
Sen. Sonny Borrelli  
Sen. Vince Leach  
Sen. Kirsten Engel  
Sen. Lupe Contreras  
Sen. Martin Quezada

## 55<sup>th</sup> Legislature House Committee Members

### Monday PM

#### **Rules**

Rep. Becky Nutt (C)  
Rep. Travis Grantham (VC)  
Rep. Leo Biasiucci  
Rep. Rusty Bowers  
Rep. Ben Toma  
Rep. Diego Espinoza (RM)  
Rep. Domingo DeGrazia  
Rep. Mitzi Epstein

#### **Health & Human Services**

Rep. Joanne Osborne (C)  
Rep. Regina Cobb (VC)  
Rep. Joseph Chaplik  
Rep. Jacqueline Parker  
Rep. Justin Wilmeth  
Rep. Kelli Butler (RM)  
Rep. Randy Friese  
Rep. Alma Hernandez  
Rep. Amish Shah

#### **Land, Agriculture & Rural Affairs**

Rep. Tim Dunn (C)  
Rep. Joel John (VC)  
Rep. Brenda Barton  
Rep. David Cook  
Rep. Gail Griffin  
Rep. Frank Pratt  
Rep. Lorenzo Sierra (RM)  
Rep. Andrea Dalessandro  
Rep. Mitzi Epstein  
Rep. Diego Rodriguez  
Rep. Arlando Teller

### **Military Affairs & Public Safety**

Rep. Kevin Payne (C)  
Rep. Quang Nguyen (VC)  
Rep. Walt Blackman  
Rep. Judy Burges  
Rep. John Fillmore  
Rep. Mark Finchem  
Rep. John Kavanagh  
Rep. Bret Roberts  
Rep. Jennifer Jermaine (RM)  
Rep. Richard Andrade  
Rep. Myron Tsosie  
Rep. Daniel Hernandez  
Rep. Melody Hernandez  
Rep. Jennifer Longdon

### Tuesday PM

#### **Commerce**

Rep. Jeff Weninger (C)  
Rep. Steve Kaiser (VC)  
Rep. Joseph Chaplik  
Rep. David Cook  
Rep. Becky Nutt  
Rep. Justin Wilmeth  
Rep. Pam Powers Hannley (RM)  
Rep. Diego Espinoza  
Rep. Charlene Fernandez  
Rep. Robert Meza

#### **Education**

Rep. Michelle Udall (C)  
Rep. Beverly Pingerelli (VC)  
Rep. Joel John  
Rep. Quang Nguyen  
Rep. Frank Pratt  
Rep. Bret Roberts  
Rep. Jennifer Pawlik (RM)  
Rep. Daniel Hernandez  
Rep. Athena Salman  
Rep. Judy Shwiebert

**Natural Resources, Energy, & Water**

Rep. Gail Griffin (C)  
Rep. Judy Burges (VC)  
Rep. Frank Carroll  
Rep. Tim Dunn  
Rep. Mark Finchem  
Rep. Jacqueline Parker  
Rep. Andres Cano (RM)  
Rep. Andrea Dalessandro  
Rep. Aaron Lieberman  
Rep. Stephanie Stahl Hamilton

**Wednesday AM****Government & Elections**

Rep. John Kavanagh (C)  
Rep. Jake Hoffman (VC)  
Rep. Judy Burges  
Rep. Frank Carroll  
Rep. John Fillmore  
Rep. Kevin Payne  
Rep. Jeff Weninger  
Rep. Athena Salman (RM)  
Rep. Kelli Butler  
Rep. Jennifer Jermaine  
Rep. Jennifer Pawlik  
Rep. Stephanie Stahl Hamilton  
Rep. Raquel Teran

**Judiciary**

Rep. Frank Pratt (C)  
Rep. Jacqueline Parker (VC)  
Rep. Walt Blackman  
Rep. Mark Finchem  
Rep. Quang Nguyen  
Rep. Beverly Pingerelli  
Rep. Cesar Chavez (RM)  
Rep. Domingo DeGrazia  
Rep. Melody Hernandez  
Rep. Diego Rodriguez

**Ways & Means**

Rep. Shawna Bolick (C)  
Rep. Brenda Barton (VC)  
Rep. Regina Cobb  
Rep. Tim Dunn  
Rep. Travis Grantham  
Rep. Steve Kaiser  
Rep. Mitzi Epstein (RM)  
Rep. Andres Cano

Rep. Pam Powers Hannley  
Rep. Lorenzo Sierra

**Wednesday PM****Appropriations**

Rep. Regina Cobb (C)  
Rep. John Kavanagh (VC)  
Rep. Jake Hoffman  
Rep. Steve Kaiser  
Rep. Quang Nguyen  
Rep. Becky Nutt Joanne Osborne  
Rep. Michelle Udall  
Rep. Randy Friese (RM)  
Rep. Cesar Chavez  
Rep. Charlene Fernandez  
Rep. Aaron Lieberman  
Rep. Judy Shwiebert

**Criminal Justice Reform**

Rep. Walt Blackman (C)  
Rep. Shawna Bolick (VC)  
Rep. Joel John  
Rep. Bret Roberts  
Rep. Ben Toma  
Rep. Diego Rodriguez (RM)  
Rep. Reginald Bolding  
Rep. Alma Hernandez  
Rep. Raquel Teran

**Transportation**

Rep. Frank Carroll (C)  
Rep. Justin Wilmeth (VC)  
Rep. Brenda Barton  
Rep. Leo Biasiucci  
Rep. David Cook  
Rep. Kevin Payne  
Rep. Frank Pratt  
Rep. Richard Andrade (RM)  
Rep. Robert Meza  
Rep. Amish Shah  
Rep. Arlando Teller  
Rep. Myron Tsosie

**Ethics (meets as needed)**

Rep. Becky Nutt (C)  
Rep. Frank Pratt (VC)  
Rep. Jacqueline Parker  
Rep. Alma Hernandez (RM)  
Rep. Domingo DeGrazia

# Memorandum



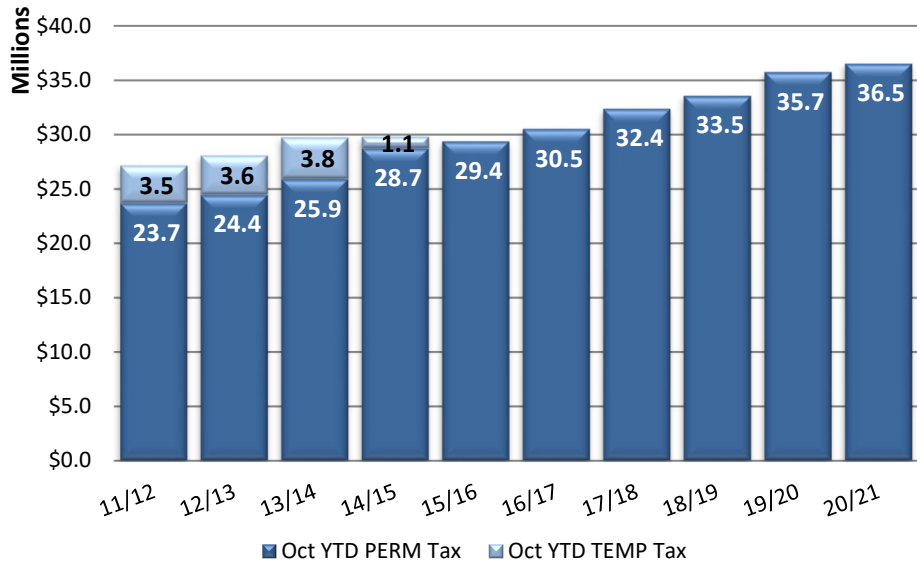
## Municipal Budget Office

Date: December 4, 2020  
 To: Mayor and Council  
 Through: Mark Day, Municipal Budget Director (8697)  
 From: Lauri Vickers, Municipal Budget & Finance Analyst (8980)  
 Subject: Tax Revenue Statistical Report – October 2020

Attached is the Executive Summary of the Tax Revenue Statistical Report for October 2020 covering September sales activity reported to the Arizona Department of Revenue (ADOR).

Total fiscal year-to-date taxable *sales* increased by 0.6% over the same year-to-date period in the prior fiscal year. Total sales tax *revenue* is down 0.6% or \$366 thousand, despite the growth in retail (\$2.5 million), rentals (\$636 thousand), and utilities (\$8 thousand) activity. The graph to the right depicts year-to-date General Fund historical sales tax revenue from FY 2011/12 through FY 2020/21. General Fund sales tax revenue is up 2.2% or \$791 thousand over the prior year-to-date period.

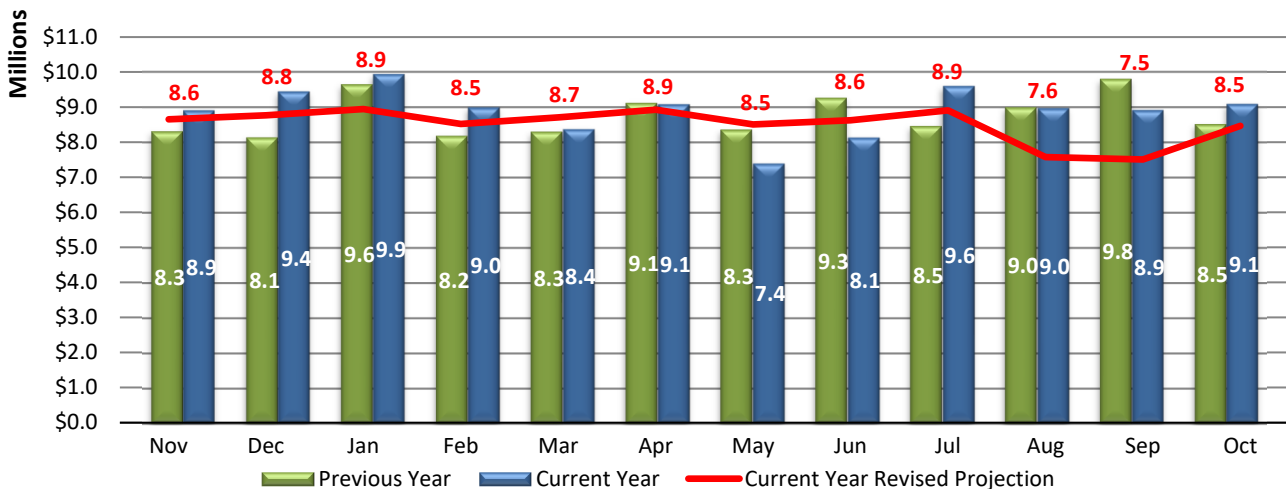
**General Fund Sales Tax Collections through October**



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year.

Although sales tax is not projected on a monthly basis, the graph below applies historical collection percentages to a revised revenue projection to gain insight into sales tax performance. The Municipal Budget Office developed a revised revenue projection for FY 2020-21 to reflect the anticipated economic impact of the COVID-19 pandemic. Using this approach, fiscal year-to-date sales tax collections in the General Fund are \$4.1 million above the revised revenue projection. Higher than anticipated activity in retail and a one-time revenue collection in July have contributed to revenues exceeding projections.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

### Current Month - October

### Fiscal Year to Date - October

	Current Month - October				Fiscal Year to Date - October												
	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change	2017-18	Change	2018-19	Change	2019-20	Change	2020-21	Change	
<b>Taxable Sales</b>																	
Total Taxable Sales	726,442,000	2.7%	749,078,000	3.1%	744,250,000	-0.6%	779,546,000	4.7%	2,805,042,000	5.7%	2,911,738,000	3.8%	3,107,707,000	6.7%	3,126,751,000	0.6%	
Retail Taxable Sales	379,777,000	8.6%	395,226,000	4.1%	387,654,000	-1.9%	448,439,000	15.7%	1,541,429,000	15.8%	1,606,035,000	4.2%	1,656,694,000	3.2%	1,798,199,000	8.5%	
<b>Tax Revenues by Funds</b>																	
Privilege Tax - General Fund (1.2%)	8,375,000	2.8%	8,626,000	3.0%	8,503,000	-1.4%	9,077,000	6.8%	32,368,000	6.1%	33,538,000	3.6%	35,728,000	6.5%	36,519,000	2.2%	
Bed Tax - General Fund	428,000	-9.1%	467,000	9.1%	732,000	56.7%	323,000	-55.9%	1,581,000	-1.6%	1,714,000	8.4%	2,237,000	30.5%	1,128,000	-49.6%	
Privilege Tax Rebates - General Fund	337,000	-0.3%	346,000	2.7%	354,000	2.3%	284,000	-19.8%	1,282,000	-3.7%	1,396,000	8.9%	1,442,000	3.3%	1,036,000	-28.2%	
Transit Tax Fund (0.5%)	3,492,000	2.7%	3,602,000	3.2%	3,546,000	-1.6%	3,782,000	6.7%	13,497,000	6.1%	13,982,000	3.6%	14,900,000	6.6%	15,217,000	2.1%	
Performing Arts Tax Fund (0.1%)	718,000	2.7%	740,000	3.1%	730,000	-1.4%	773,000	5.9%	2,773,000	5.7%	2,877,000	3.8%	3,063,000	6.5%	3,104,000	1.3%	
<b>Totals</b>	<b>13,350,000</b>	<b>2.2%</b>	<b>13,781,000</b>	<b>3.2%</b>	<b>13,865,000</b>	<b>0.6%</b>	<b>14,239,000</b>	<b>2.7%</b>	<b>51,501,000</b>	<b>5.5%</b>	<b>53,507,000</b>	<b>3.9%</b>	<b>57,370,000</b>	<b>7.2%</b>	<b>57,004,000</b>	<b>-0.6%</b>	
<b>Tax Revenues by Business Activities</b>																	
Retail	6,836,000	5.5%	7,114,000	4.1%	6,978,000	-1.9%	8,072,000	15.7%	27,638,000	10.9%	28,909,000	4.6%	29,820,000	3.2%	32,368,000	8.5%	
Rentals	2,684,000	13.1%	2,562,000	-4.5%	2,601,000	1.5%	2,911,000	11.9%	8,942,000	6.5%	9,424,000	5.4%	10,214,000	8.4%	10,850,000	6.2%	
Utilities/Communication	813,000	-21.8%	817,000	0.5%	861,000	5.4%	840,000	-2.4%	3,430,000	-17.0%	3,392,000	-1.1%	3,281,000	-3.3%	3,289,000	0.2%	
Restaurants	1,097,000	13.1%	1,076,000	-1.9%	1,105,000	2.7%	918,000	-16.9%	3,967,000	7.1%	4,051,000	2.1%	4,254,000	5.0%	3,347,000	-21.3%	
Contracting	870,000	-18.8%	725,000	-16.7%	1,175,000	62.1%	933,000	-20.6%	3,806,000	-6.1%	3,895,000	2.3%	4,412,000	13.3%	4,336,000	-1.7%	
Hotel/Motel	163,000	-44.0%	178,000	9.2%	229,000	28.7%	124,000	-45.9%	603,000	-29.6%	670,000	11.1%	797,000	19.0%	430,000	-46.0%	
Transient (Bed Tax)	428,000	-9.1%	467,000	9.1%	732,000	56.7%	323,000	-55.9%	1,581,000	-1.6%	1,714,000	8.4%	2,237,000	30.5%	1,128,000	-49.6%	
Non-Recurring Business Activities	240,000	100.0%	603,000	151.3%	2,000	-99.7%	1,000	-50.0%	674,000	100.0%	535,000	-20.6%	1,596,000	198.3%	864,000	-45.9%	
Amusements	111,000	-41.3%	108,000	-2.7%	105,000	-2.8%	65,000	-38.1%	457,000	-23.6%	445,000	-2.6%	483,000	8.5%	180,000	-62.7%	
All Other	108,000	-37.6%	131,000	21.3%	77,000	-41.2%	52,000	-32.5%	403,000	-23.4%	472,000	17.1%	276,000	-41.5%	212,000	-23.2%	
<b>Totals</b>	<b>13,350,000</b>	<b>2.2%</b>	<b>13,781,000</b>	<b>3.2%</b>	<b>13,865,000</b>	<b>0.6%</b>	<b>14,239,000</b>	<b>2.7%</b>	<b>51,501,000</b>	<b>5.5%</b>	<b>53,507,000</b>	<b>3.9%</b>	<b>57,370,000</b>	<b>7.2%</b>	<b>57,004,000</b>	<b>-0.6%</b>	
<b>Retail Tax Revenues by Activities</b>																	
Automotive	942,000	-15.1%	1,175,000	24.7%	1,096,000	-6.7%	1,192,000	8.8%	4,208,000	3.3%	4,564,000	8.5%	4,728,000	3.6%	4,626,000	-2.2%	
Building Supply Stores	270,000	17.9%	279,000	3.3%	185,000	-33.7%	335,000	81.1%	1,118,000	29.7%	1,130,000	1.1%	1,128,000	-0.2%	1,377,000	22.1%	
Department Stores	885,000	-3.8%	897,000	1.4%	922,000	2.8%	975,000	5.7%	3,889,000	-2.5%	3,902,000	0.3%	4,017,000	2.9%	4,027,000	0.2%	
Drug/Small Stores	845,000	50.9%	966,000	14.3%	1,096,000	13.5%	1,313,000	19.8%	3,535,000	54.8%	4,088,000	15.6%	4,561,000	11.6%	5,092,000	11.6%	
Furniture/Equipment/Electronics	756,000	-33.6%	643,000	-14.9%	535,000	-16.8%	612,000	14.4%	2,898,000	-42.3%	2,432,000	-16.1%	2,347,000	-3.5%	2,653,000	13.0%	
Grocery Stores	750,000	1.1%	805,000	7.3%	813,000	1.0%	867,000	6.6%	2,937,000	6.2%	3,048,000	3.8%	3,079,000	1.0%	3,365,000	9.3%	
Manufacturing Firms	803,000	139.0%	640,000	-20.3%	440,000	-31.3%	606,000	37.7%	2,579,000	104.5%	2,895,000	12.3%	2,498,000	-13.7%	2,447,000	-2.0%	
All Other Retail	1,585,000	9.8%	1,709,000	7.8%	1,891,000	10.6%	2,172,000	14.9%	6,474,000	38.8%	6,850,000	5.8%	7,462,000	8.9%	8,781,000	17.7%	
<b>Totals</b>	<b>6,836,000</b>	<b>5.5%</b>	<b>7,114,000</b>	<b>4.1%</b>	<b>6,978,000</b>	<b>-1.9%</b>	<b>8,072,000</b>	<b>15.7%</b>	<b>27,638,000</b>	<b>10.9%</b>	<b>28,909,000</b>	<b>4.6%</b>	<b>29,820,000</b>	<b>3.2%</b>	<b>32,368,000</b>	<b>8.5%</b>	

**Privilege Tax Revenue - General Fund (1.2%)  
2020-21 Actual Compared to Revised Projection**

**Monthly Amounts**

	2020-21 Revised Projection		2020-21 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 8,906,000	\$ 9,587,000	\$ 681,000	7.6%
Aug	7.6%	7,575,000	8,955,000	1,380,000	18.2%
Sep	7.5%	7,509,000	8,900,000	1,391,000	18.5%
Oct	8.4%	8,464,000	9,077,000	613,000	7.2%
Nov	7.2%	7,246,000			
Dec	7.8%	7,803,000			
Jan	8.7%	8,756,000			
Feb	8.5%	8,488,000			
Mar	9.1%	9,140,000			
Apr	8.9%	8,898,000			
May	8.5%	8,542,000			
Jun	8.9%	8,919,000			
<b>Totals</b>	<b>100.0%</b>	<b>\$ 100,246,000</b>	<b>\$ 36,519,000</b>	<b>\$ 4,065,000</b>	<b>4.1%</b>

**Cumulative Amounts**

	2020-21 Revised Projection		2020-21 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.9%	\$ 8,906,000	\$ 9,587,000	\$ 681,000	7.6%
Jul-Aug	16.4%	16,481,000	18,542,000	2,061,000	12.5%
Jul-Sep	23.9%	23,990,000	27,442,000	3,452,000	14.4%
Jul-Oct	32.4%	32,454,000	36,519,000	4,065,000	12.5%
Jul-Nov	39.6%	39,700,000			
Jul-Dec	47.4%	47,503,000			
Jul-Jan	56.1%	56,259,000			
Jul-Feb	64.6%	64,747,000			
Jul-Mar	73.7%	73,887,000			
Jul-Apr	82.6%	82,785,000			
Jul-May	91.1%	91,327,000			
Jul-Jun	100.0%	100,246,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
Percent of Increase	\$ 108,234,000	\$ 100,246,000	\$ 7,988,000	8.0%
Percentage Received	\$ 112,802,000	\$ 100,246,000	\$ 12,556,000	12.5%



# MEMORANDUM

DATE: December 4, 2020  
TO: Mayor & Council  
THROUGH: Ken Jones, Deputy City Manager - Chief Financial Officer (8504)  
FROM: Mark Day, Municipal Budget Director (8697)  
SUBJECT: FY21 General Fund Local Sales Tax Update

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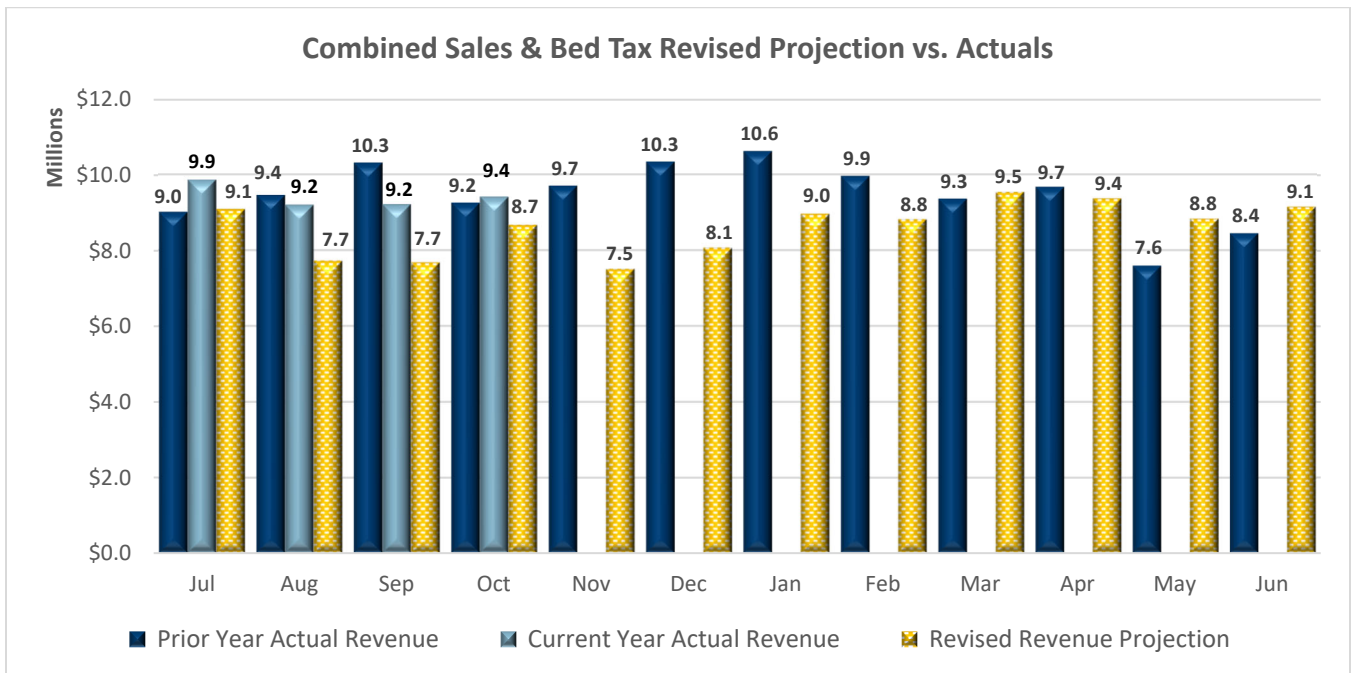
### Background

The Municipal Budget Office, as an adopted Government Finance Office’s Association (GFOA) best practice, routinely compares the City’s revenue projections to actual activity to monitor financial performance. This practice provides the opportunity to adjust for any significant variances to ensure continuity of programs and service delivery. Due to the uncertainty of the economic impacts of the COVID-19 pandemic on City revenues, this monitoring function will be crucial as we progress through the fiscal year in determining if projected year-end revenue targets will be met.

### General Fund Sales Tax & Bed Tax Collections

The purpose of this memo is to provide a “snapshot” of the FY 2020-21 General Fund sales tax and bed tax revenue collections through the month of October 2020. The General Fund portion of the city sales tax (1.2%) and the bed (transient lodging) tax (5%) combined represent the General Fund’s largest revenue source.

Although sales and bed tax are not budgeted on a monthly, the graph below displays FY 2020-21 General Fund sales tax and bed tax revenue collections, to date, compared to the revised revenue projection amount and FY 2019-20 actuals collections. The FY 2020-21 revised revenue projection amount is based on the most recent economic data available and considers the anticipated economic impacts of the COVID-19 pandemic.



### *Highlights*

General Fund sales tax and bed tax revenues for the month of October are 8.5% above the revised revenue projection (\$9.4M versus \$8.7M) amount but 1.8% above prior year collections (\$9.4M versus \$9.2M). Total fiscal year-to-date General Fund sales tax and bed tax collections through September are 13.6% above the revised revenue projection amount and 0.8% below prior year collections.

Revenues are exceeding revised revenue projects due mainly to higher than anticipated activity in the retail and rentals taxable activities that has offset declines in the hotel, restaurant/bar and amusement taxable activities. Revenues have also been bolstered by the collection of tax on online purchases. This revenue stream was first received in November 2019, so next November 2020 will be first month where both the prior year and the current year will have the same basis. In addition, some one-time revenues received in July helped to bolster total revenue collections year-to-date.

Although local sales tax collections are currently exceeding the revised revenue projections, it's important to note that there is still much uncertainty about the on-going impacts of the COVID-19 pandemic on the local and State economy. It is anticipated that the expiration of the enhanced unemployment benefits and the one-time stimulus payments will begin to have an impact on future local sales tax revenues. The Municipal Budget Office continues to review the most recent economic data available and monitor for any significant variances from the revised revenue projections.

### *On-Going Revenue/Expense Monitoring*

The Municipal Budget Office will continue to prepare the Quarterly Financial Report that details revenue and expenses for all the City's major funds as well as the monthly tax statistical report that provides details on the City's sales tax revenues. Both reports are distributed via the Friday Information Packet and are posted on the Municipal Budget Office web page [www.tempe.gov/budget](http://www.tempe.gov/budget).





## Memorandum

TO: Mayor and City Council

FROM: Bill Greene, City Auditor

DATE: December 4, 2020

SUBJECT: MEDICAL CLAIMS PROCESS REVIEW – FINAL MEMO

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Attached is our final memo on the subject review. Copies of this report will be posted to the Internal Audit Office website.

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



## Memorandum

TO: Ken Jones, Deputy City Manager, Chief Financial Officer  
FROM: Bill Greene, City Auditor (X8982)  
CC: Andrew Ching, City Manager  
Steven Methvin, Deputy City Manager, Chief Operating Officer  
Tom Duensing, Deputy Internal Services Director - Finance  
Rebecca Strisko, Deputy Internal Services Director –HR  
Kathleen Broman, Manager, HR Benefits  
DATE: December 1, 2020  
SUBJECT: MEDICAL CLAIMS PROCESS

### **Purpose**

On September 30, 2020 the IAO issued a memo providing the results of our review of the City's Healthcare Fund. This review prompted additional questions about controls surrounding the third-party administrator's review of medical claims and the necessity of a claims audit by an external party.

The IAO performed additional work at the request of the City Manager's Office:

1. Documented the healthcare claims payment process.
2. Conducted a risk assessment to identify medical claims overpayment risks and existing controls, including procedures conducted by the City's Third-Party Administrator (Allegiance).
3. Compared City of Tempe controls/procedures to other local jurisdictions with a similar structure (e.g. self-insured). Specifically, we verified if other jurisdictions employ periodic claims auditing/testing as part of their control structure and verified if other jurisdictions pay from summary claim information rather than detailed medical billings.
4. Identified relevant findings/support from the IAO's recent Healthcare Fund memo.

## **Scope and Methods**

The objective of this consulting engagement was to identify City of Tempe medical claims processing procedures and related controls in place to mitigate risks of fraud and over-payment. We met this objective by performing the steps noted in the Purpose section above.

The work performed does not constitute an audit in accordance with *Government Auditing Standards*. An audit would have required additional steps such as the testing of relevant internal controls and a validation of data and information provided to IAO.

We employed the following methods to complete this engagement:

- Review of claims processing steps and controls with the City's third-party administrator;
- Survey of various metro-Phoenix cities;
- A matching of specific risk areas of concern with controls as described by the third-party administrator.

## **Results**

1. **Our survey of other cities showed that Tempe has medical claims review processes consistent with other cities surveyed. One area of differentiation is that half of the jurisdictions surveyed reported having an audit of claims performed by an entity not affiliated with the claims processing activities. As stated in our September 30, 2020 memo, we still recommend that HR-Benefits work with Procurement to contract for a periodic audit of medical claims by an independent firm not affiliated with the claims processing and payment functions.**

The IAO initiated a survey of metro-Phoenix cities relating to claims auditing and processing. The cities/towns of Phoenix, Mesa, Scottsdale, Surprise, Gilbert, and Glendale responded. Key findings were:

- 3 of 6 cities surveyed use independent claims audits performed by firms not affiliated with the city or its claims processing function. Recovery from such audits were reported to be "minimal" to less than 1%. Tempe does not execute an independent medical claims audit at this time. "Audits" of claims are solely performed by the city's third-party administrator for healthcare claims processing prior to payment.
- 4 of 6 cities surveyed work with TPA's to review, process and pay claims. This is the same arrangement Tempe has with Allegiance.
- 1 of 6 cities surveyed indicated that they reconcile detailed claims data to the billing summary prior to payment. Tempe pays claims weekly based on a summary report.

- 4 of 6 cities surveyed reported having processes in place aside from an annual audit to detect overpayments, fraud, or duplicate payments. Tempe's TPA reported that they use an automated claims processing system with built-in functions that are designed to detect indicators of fraud, overpayment, and duplicate payments and designate any claims flagged for review by a trained examiner.

See **Appendix 1** for the detailed summary of survey results.

**2. Information provided by Allegiance adequately described medical claims processing procedures and specific controls established to address the primary risks to the City.**

Allegiance provided a detailed description of the claims processing and payment functions. The IAO flowcharted the process to gain a better understanding of the steps. In addition, in consultation with Finance and HR, the IAO identified six primary risks to the City and corresponding potential negative outcomes associated with the medical claims processing and payment functions:

- Fraudulent medical claims are submitted and paid
- Duplicate medical claims are submitted and paid
- Detailed claims billing documentation does not match the summary billing
- Claims paid are not supported by adequate detailed claims documentation/invoices
- Claims are paid for ineligible participants
- Claims are paid in excess of the contracted amounts

Allegiance provided IAO staff information and documentation related to each of the six risks, which we used to determine whether controls exist to address and mitigate each risk. We did not conduct control testing as this was not the purpose of our work. However, we received the necessary information and supporting documentation that, if accurate, should provide the necessary controls to protect the City's interests. As mentioned in result #1 above, claims processing performed by the TPA has not been audited by a firm other than Allegiance itself.

See **Appendix 2** for the detailed risk/control matrix.

City of Tempe Internal Audit  
 Summary of Survey of Other Cities  
 Claims Processing/Audits

**APPENDIX 1**

City	1. Is your City self-insured for medical benefit expenses?	2. Who is your 3rd party administrator (TPA)?	3. Does your TPA have the responsibility to review and pay medical claim billings?	4. Do you reconcile detailed claims data to the summary billing prior to payment?	5. Are claims paid from summary billings and does the TPA receive detailed invoices?	6. What other steps are taken by you or your TPA to identify overpayments, fraud, and/or duplicate payments?	7. Is an audit of medical claims performed?	8. If claims audit is performed: by whom? How often?	9. Does your contract with your TPA contain a requirement to perform periodic claims audits?	10. What % of claim costs have been recovered due to audits?
TEMPE	Yes	Allegiance	Yes	No; only a summary report is supplied weekly by Allegiance	Tempe pays claims based on a summary billing request but TPA receives detailed claims data	Allegiance has automated processes built into its claims processing system designed to identify duplicates, potential fraud, and overpayments.	Not by independent party-Allegiance performs internal audits on 3-6% of claims	See #7	Specific Audit services can be requested for additional charge	N/A
Phoenix	Yes	N/A -no TPA	N/A	Carrier provides performance guarantees on all medical management and administrative and clinical services in adherence to plan description processes and operational procedures.	N/A	Audit performed by third-party auditor, annually.	Yes	External Auditor, annually	N/A	N/A
Mesa	Yes	Cigna	Yes	No, but we do cross reference 3 different reporting mechanisms by division, plan and dollars to reconcile to the overall	Not answered	several medical management processes including case management, disease management and pre-certification and concurrent review processes; bill review/cost containment processes including large claims over \$250,000 medical director review, specifically designated fraud and abuse team, complex claim review, overpayment recovery processes, bill negotiation services etc.	implementation audit (upon new contract installation – discretionary) and/or stratified medical claims audits available up to annually (discretionary).	third party benefits consulting audit practice	as part of performance guarantees to support financial accuracy measures	significantly less than 1%





## Appendix 2 RISK ASSESSMENT / INTERNAL CONTROLS

#	RISK/POTENTIAL ERROR	POSSIBLE NEGATIVE RESULTS (including FRAUD)	CONTROL IN PLACE PER ALLEGIANCE
1	Fraudulent medical claims are submitted and paid	FRAUD; negative effect on Healthcare funds balance	Allegiance's claims processing system, LuminX, has the ability to perform a multitude of edits to review claims for coding accuracy, fraud and duplication. System edits automatically flag the claim for an examiner for review. Examples of edits in our system include: <ul style="list-style-type: none"> <li>• Age/sex procedural codes</li> <li>• Workers compensation</li> <li>• Auto/medical</li> <li>• Fraudulent providers</li> <li>• Suspect addresses</li> <li>• Limits on age for covered services</li> <li>• Verification of the accuracy of coding</li> <li>• Matches claims to pre-certifications</li> <li>• Follow-up questionnaires for information to identify third party liability and work-related claims.</li> </ul> All claims examiners are required to complete an extensive fraud training course that provides them with the skills and expertise to identify potentially fraudulent claims or providers.
2	Duplicate medical claims are submitted and paid	Overpayment of claims; negative effect on Healthcare fund balance	Allegiance's core administrative system automatically compares key components of a claim, such as date of service, name of provider, and type of charge, against our claims history files to prevent duplicate payments. If the system finds an exact match in our history file, we automatically deny payment. If several, but not all, key items match a claim on the history file, a claims examiner reviews, investigates and determines whether the claim is a duplicate.
3	Detailed claims billing documentation does not match the summary billing	Paying for unsupported costs; paying for procedures/services not performed	Claims funding requests are generated from actual medical claims data. Claims are fully processed when they are selected for funding.
4	Claims paid are not supported by adequate detailed claims documentation/invoices	Potential overcharging	Claims funding is requested weekly. A summary request is provided listing the total disbursements, voids, and refunds as well as the claims detail in a csv format. Claims are reviewed by Allegiance at the line-item level, not just at summary/total level.
5	Claims are paid for ineligible participants	Unnecessary payments; negative effect on Healthcare fund balance	Client eligibility is loaded directly to the same system used to pay claims. During the processing of each claim the system is queried for current eligibility prior to adjudication. Eligibility and enrollment are accepted from client in many formats, and clients also have direct access to a dedicated Enrollment Specialist to make urgent updates to enrollment data. Eligibility data is updated weekly.
6	Claims are paid in excess of the contracted amounts	Overpayment of claims; negative effect on Healthcare fund balance	1. Claims are received pre-priced from Cigna who reviews the claims and prices according to provider contracts. Allegiance has a dedicated contact to review any claims where the pricing is disputed from the provider. During the implementation process, they conduct a thorough review of the client's benefit plan in ensure that the intent behind all plan language is understood fully. The claims system, LuminX, operates around a group plan building module that completely defines and stores the intricacies of your plan. Because everything is programmed according to

#	RISK/POTENTIAL ERROR	POSSIBLE NEGATIVE RESULTS (including FRAUD)	CONTROL IN PLACE PER ALLEGIANCE
			<p>the individual plan document, they are able to process claims quickly, accurately and consistently.</p> <p>They conduct a number of claim edits and reviews on a pre-payment basis, reducing the number of overpayment requests necessary.</p> <p>2. Allegiance has implemented innovative processes to proactively monitor and prevent potential overpayments. They regularly report processing accuracy rates greater than 99%. They identify overpayments from multiple sources including, but not limited to, the providers, the group, the members, payment audits, and a contracted hospital auditing firm. When an overpayment is identified, a refund request is submitted to the recipient of the payment. If no refund is received in a specified period, a second request is submitted. If no payment is received subsequently, a telephone call is made to the recipient of the payment. If no payment is received subsequent to the call and the refund meets criteria the case is forwarded to their in-house counsel for follow-up and recovery.</p>



## MEMORANDUM

**TO:** Mayor and Council  
**THROUGH:** Naomi Farrell, Human Services Director  
**FROM:** City of Tempe Family Justice Commission  
**DATE:** December 4, 2020  
**SUBJECT:** Human Trafficking Awareness and Prevention Month – January 2021

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### **Purpose**

January is designated Human Trafficking Awareness and Prevention Month. To recognize the prevalence and severity of this wrongdoing in Tempe, and in support of the City Council's Priority of Safe and Secure Communities, the Tempe Family Justice Commission (TFJC) presents the following information based on its research and makes these recommendations for action.

### **Context**

According to the Department of Homeland Security and Center for Disease Control (CDC), human trafficking involves the use of force, fraud, or coercion to obtain some type of labor or commercial sex act. Department of Health Services (DHS) has created the Blue Campaign to identify and combat human trafficking, which is a problem that exists all over the US and which can affect people of all ages, genders and races.

Sex trafficking is defined by the Trafficking Victims Protection Act of 2000 as "the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of an adult for the purpose of a commercial sex act." However, any commercial sexual activity with a minor, even without force, fraud, or coercion, is considered trafficking. Understanding the shared risk and protective factors for violence can help us prevent trafficking from happening in the first place.

Preventing human trafficking requires addressing factors at all levels of the [social ecology](#)—the individual, relational, community, and societal levels. Research is being done at Arizona State University (ASU) with regard to this issue. Complicating the issue are conspiracy theories, such as those endorsed by Q Anon, which recognize a legitimate problem but ascribe it to political enemies without any legitimate supporting evidence. The damage done by this false messaging cannot be overstated, as it diverts efforts from legitimate threats. Also involved, especially in border states, is the unlawful trafficking of undocumented persons across the border.

Human sex trafficking is a current issue in Tempe which is almost certainly under reported. This must continue to be addressed in Tempe, in order to improve the lives of our citizens. Tempe PD has been actively involved with other Maricopa County and State of Arizona agencies to combat this problem.

### **Best Practices for Fighting Human Trafficking**

1. Provide training for law enforcement and others who serve the public to identify victims of human trafficking
2. Provide training for law enforcement in the skills needed to interview victims, so that cases can be prosecuted successfully
3. Insist on accurate data in all discussions of trafficking, and actively discount false conspiracies
4. Encourage healthy behaviors in relationships
5. Foster safe homes and neighborhoods
6. Identify and address vulnerabilities during health care visits
7. Reduce demand for commercial sex
8. End business profits from trafficking-related transactions

### **Current City of Tempe Practices**

The City of Tempe incorporates many, if not all, of the above listed best practices through the actions of the Police Department, Human Services Department and CARE 7. Examples include, proactive law enforcement operations, educating the public about trauma and its effects, and providing victims a vast array of supportive services.

TFJC and Staff action:

The Family Justice Commission is committed to furthering these initiatives by supporting a Family Advocacy Center in Tempe and regularly bringing this issue to the attention of Mayor and Council. CARE 7 currently provides victims of sex trafficking advocacy and support during the investigative process, safety plans and emergency shelter options, connects the victims to a CARE 7 victim services counselor, and provides basic needs such as food, clothing and transportation. Of great importance, CARE 7 helps victims identify themselves as a victim of a crime.

Staff is finalizing its exploration on estimated resources and costs necessary to implement a City of Tempe Family Advocacy Center. Multiple workgroups and outside agencies have contributed to this research. The TFJC is aware that an update on this exploration will be provided to Mayor and Council in the near future. The TFJC remains available to support this initiative through education, advisement, and potential fund raising.

### **Recommendations**

Mayor and Council can support these actions in the following ways:

1. Run human trafficking videos on Channel 11, in support of best practices
2. Post the DHS graphics on city Facebook page, also in support of best practices
3. Discuss these issues both officially and in casual conversation
4. Issue a city proclamation acknowledging this significant public safety issue
5. Display a blue light on city hall to recognize this public safety issue
6. Support staff's exploration of best practices toward providing centralized services to victims of human trafficking. A Family Advocacy Center would provide centralized trauma-sensitive services at the local level are proven to result in more positive outcomes for victims.

### **Resources**

<https://www.cdc.gov/violenceprevention/sexualviolence/trafficking.html>

<https://www.cdc.gov/violenceprevention/sexualviolence/trafficking.html>

[https://asunow.asu.edu/20200818-solutions-identifying-facts-sex-trafficking-and-internet?utm\\_campaign=ASU\\_ASU+Now+8-19-20&utm\\_medium=email&utm\\_source=ASU%20Now&utm\\_term=ASU&utm\\_content=%20Read+more+Sex+trafficking](https://asunow.asu.edu/20200818-solutions-identifying-facts-sex-trafficking-and-internet?utm_campaign=ASU_ASU+Now+8-19-20&utm_medium=email&utm_source=ASU%20Now&utm_term=ASU&utm_content=%20Read+more+Sex+trafficking)