



PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES. THANK YOU.

NOTICE OF POSSIBLE QUORUM OF THE CITY OF BUCKEYE PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD: PLEASE NOTE THAT THERE MAY BE A QUORUM PRESENT BUT THERE WILL BE NO VOTING TAKING PLACE BY THE CITY PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD AT THIS MEETING.

**CITY OF BUCKEYE
COUNCIL WORKSHOP
MAY 3, 2022
AGENDA**

**City Hall - 1st Floor / Executive Conference Room
530 East Monroe Avenue
Buckeye, AZ 85326
3:00 PM**

Accessibility for all persons with disabilities will be provided upon request. Please telephone your accommodation request (623) 349-6911, 72 hours in advance if you need a sign language interpreter or alternate materials for a visual or hearing impairment.

Voting Members will either attend in person or by telephone conference call or video presentation. Items listed may be considered in any order.

1. Call to Order/Roll Call

2. Workshop Items

2.A Presentation and discussion regarding regional housing needs from HomeArizona and Elliot D. Pollack & Co. Representatives. (Approximate time: 1 hour)

Summary: Representatives from the group HomeArizona and Elliott Pollack & Co. will present a supply and demand analysis of the Greater Phoenix Housing Market. City Staff will provide a brief snapshot of current residential activity in Buckeye, to include single-family platting and construction, and multi-family projects in the pipeline.

Staff Liaison: Dave Roderique, Deputy City Manager & Economic Development Director, droderique@buckeyeaz.gov, (623) 349-6971

2.B Review and discussion of the Fiscal Year 2022-2023 Budget. (Approximate time: 1 hour and 30 minutes)

Summary: Staff will present Council with an overview of the proposed Fiscal Year 2022-2023 Budget. Discussion will be held and staff will seek guidance and direction from Council.

Staff Liaison: William Kauppi, Chief Financial Officer, wkauppi@buckeyeaz.gov, (623) 349-6161

3. Adjournment.

CITY OF BUCKEYE
Council Workshop Agenda
COUNCIL ACTION REPORT

MEETING DATE: 05/03/22	AGENDA ITEM: 2.A. Presentation and Discussion Regarding Regional Housing Needs
DATE PREPARED: 05/03/22	DISTRICT NO.: All
STAFF LIAISON: Dave Roderique, Deputy City Manager & Economic Development Director, droderique@buckeyeaz.gov, (623) 349-6971	
DEPARTMENT: Development Services	AGENDA ITEM TYPE: Staff Reports / Discussion and Possible Direction from Council

TIME NEEDED: 60 minutes

ACTION/MOTION: (This language identifies the formal motion to be made by the Council)
Presentation and discussion regarding regional housing needs from HomeArizona and Elliot D. Pollack & Co. Representatives. (Approximate time: 1 hour)

RELEVANT GOALS:

GOAL 3: A Well-Planned Urban Community

ADDITIONAL RELEVANT GOALS:

GOAL 5: Responsive and Accountable Government and Effective Public Services

SUMMARY

PROJECT DESCRIPTION:

Representatives of the group HomeArizona and Elliott Pollack & Co. will present a supply and demand analysis of the Greater Phoenix Housing Market. City Staff will provide a brief snapshot of current residential activity in Buckeye, to include single-family platting and construction, and multi-family projects in the pipeline.

Items related to a project or facility location must include an attached vicinity map for Council Review.

ATTACHMENTS:

[Buckeye_050322 Work Study Session Housing.pptx](#)

Current State of the Greater Phoenix Housing Market

A Supply & Demand Analysis

Buckeye Council Study Session

May 3rd, 2022

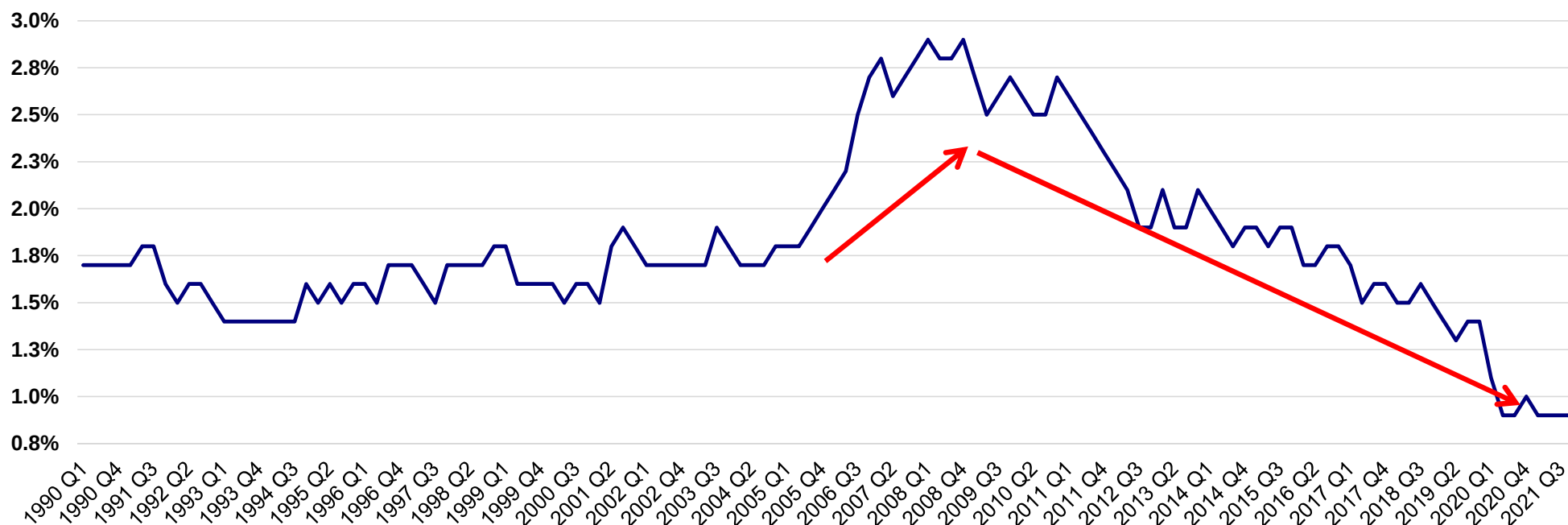
By Home Arizona



Elliott D. Pollack & Company

U.S. Homeowner Vacancy Rate

Source: U.S. Census Bureau



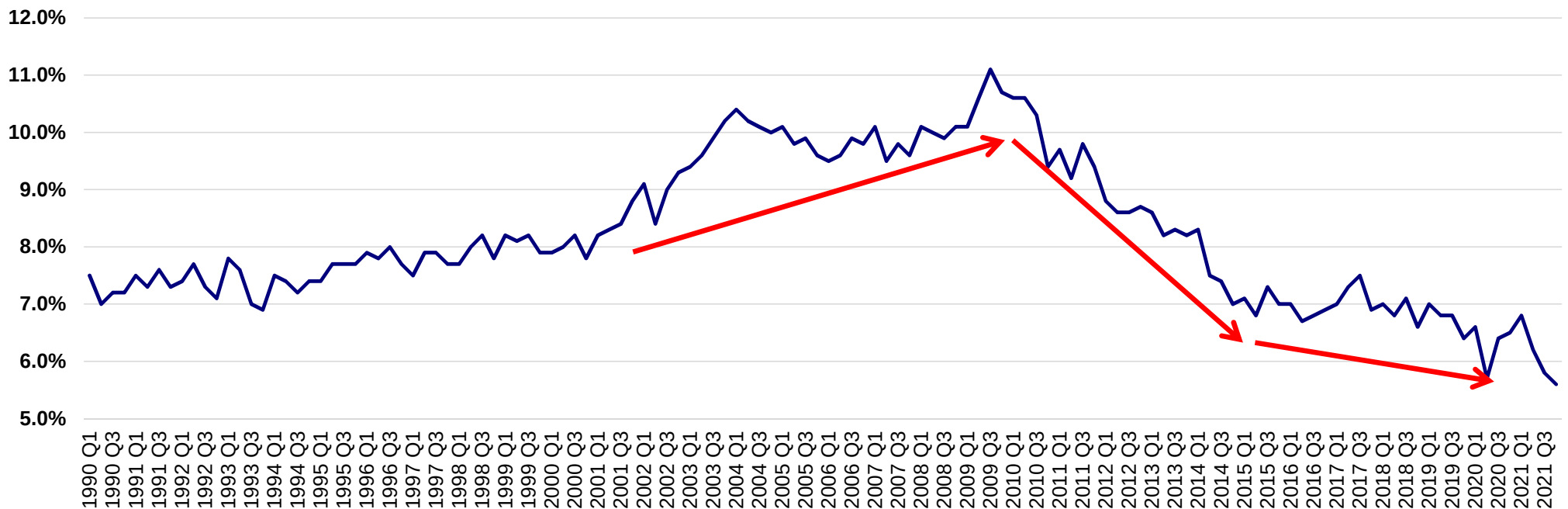
The homeowner vacancy rate is calculated as the ratio of vacant year-round units for sale to the sum of owner-occupied units, vacant year-round units sold but awaiting occupancy, and vacant year-round units for sale.



Elliott D. Pollack & Company

U.S. Rental Vacancy Rate

Source: U.S. Census Bureau



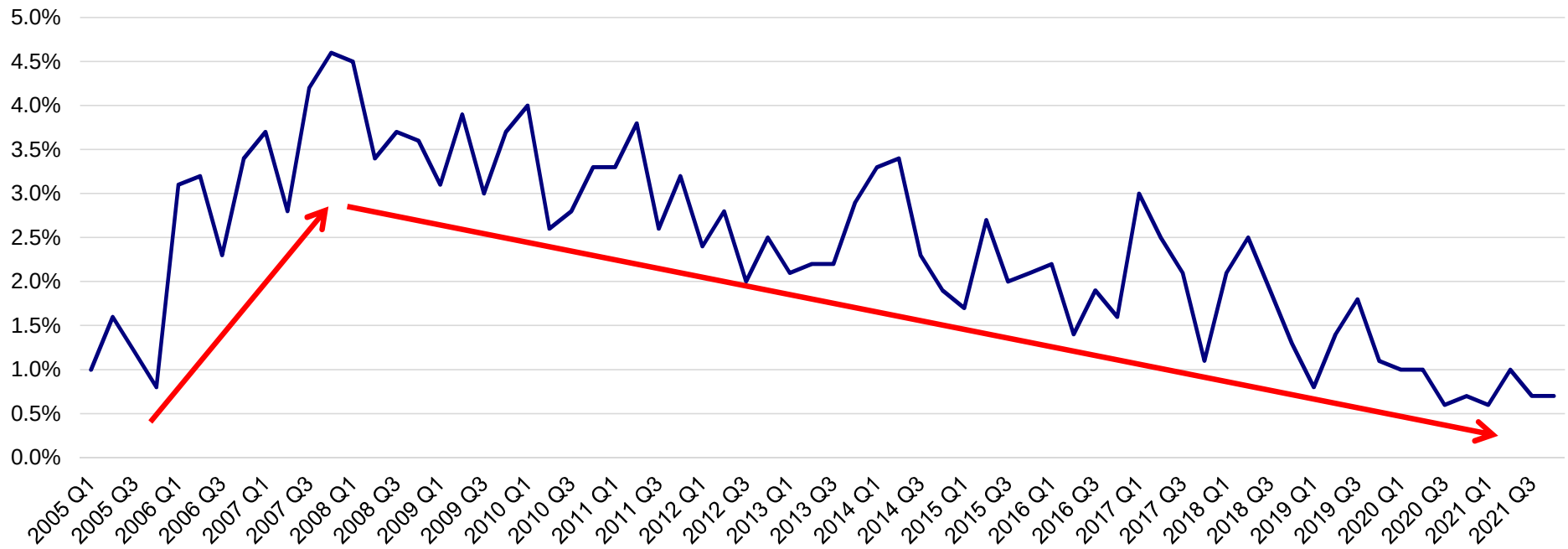
The rental vacancy rate is calculated as the ratio of vacant year-round units for rent to the sum of renter-occupied units, vacant year-round units rented but awaiting occupancy, and vacant year-round units for rent.



Elliott D. Pollack & Company

AZ Homeowner Vacancy Rate

Source: U.S. Census Bureau

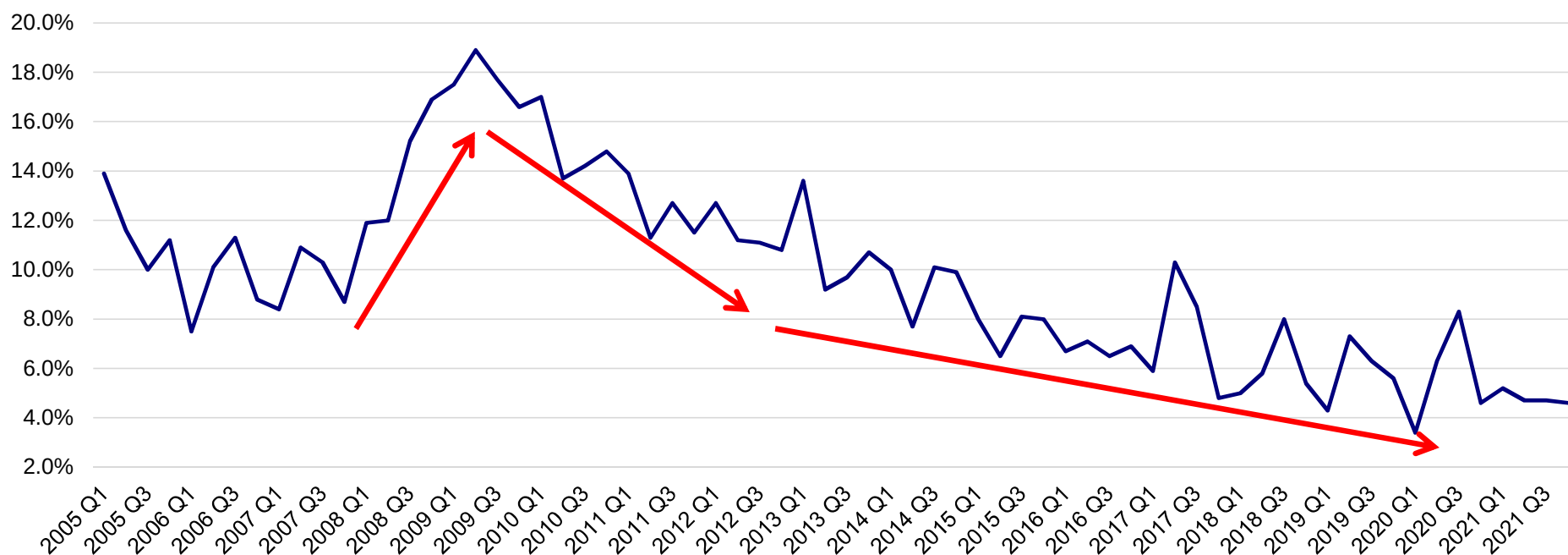


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The homeowner vacancy rate is calculated as the ratio of vacant year-round units for sale to the sum of owner-occupied units, vacant year-round units sold but awaiting occupancy, and vacant year-round units for sale.

AZ Rental Vacancy Rate

Source: U.S. Census Bureau



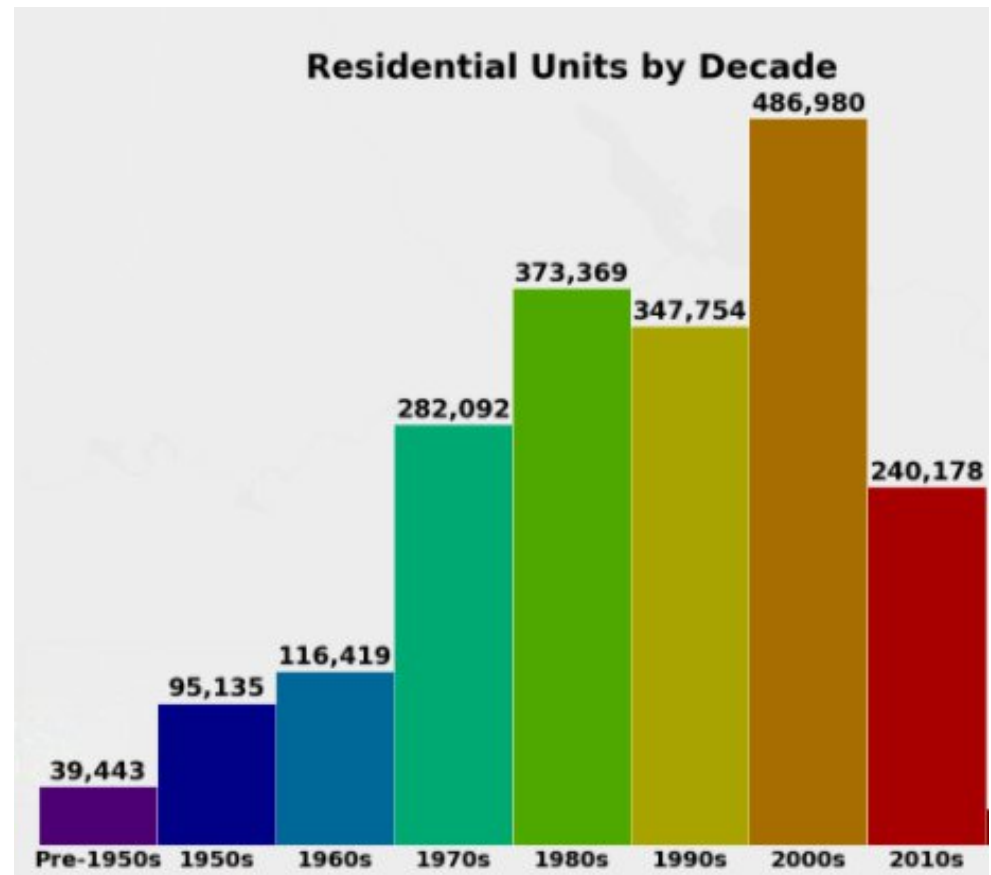
Elliott D. Pollack & Company

The rental vacancy rate is calculated as the ratio of vacant year-round units for rent to the sum of renter-occupied units, vacant year-round units rented but awaiting occupancy, and vacant year-round units for rent.

The 2000's - A decade of building excess inventory.

The 2010's - A decade of absorbing that inventory.

We are now short of inventory.

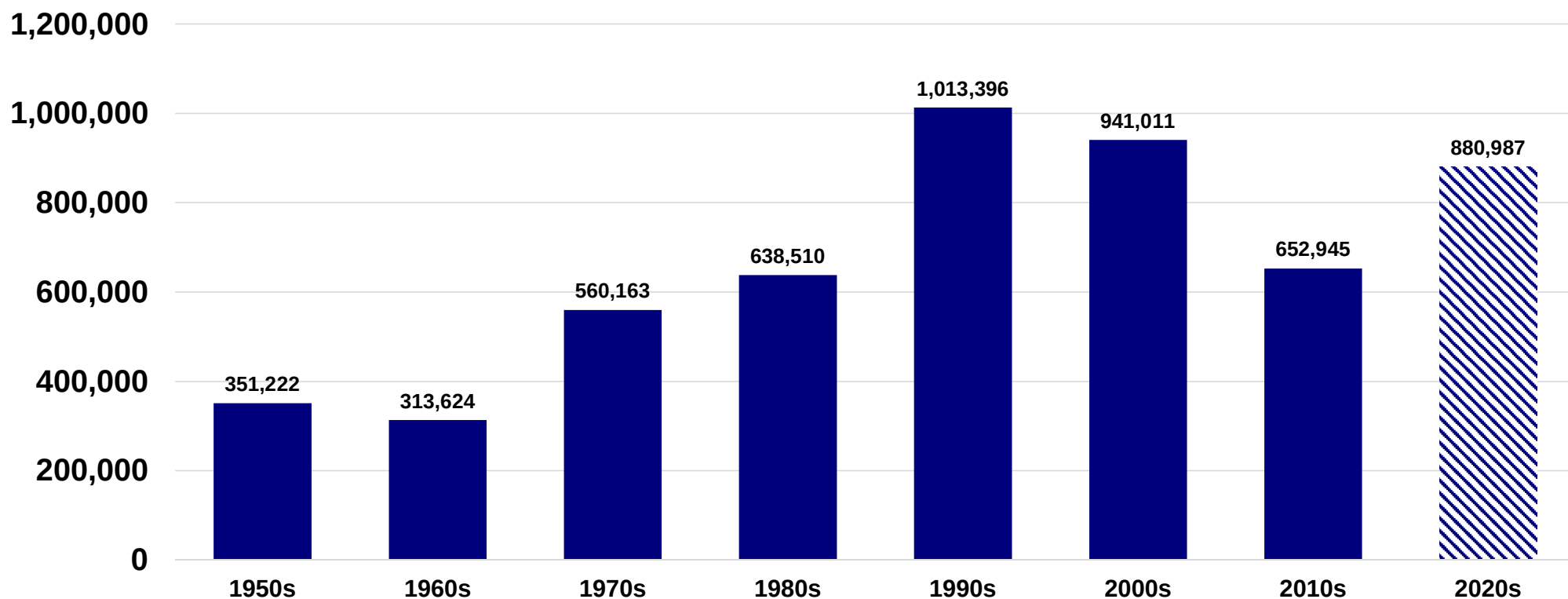


Source: Maricopa Association of Governments. Data reflects Greater Phoenix.



Greater Phoenix Population Growth by Decade

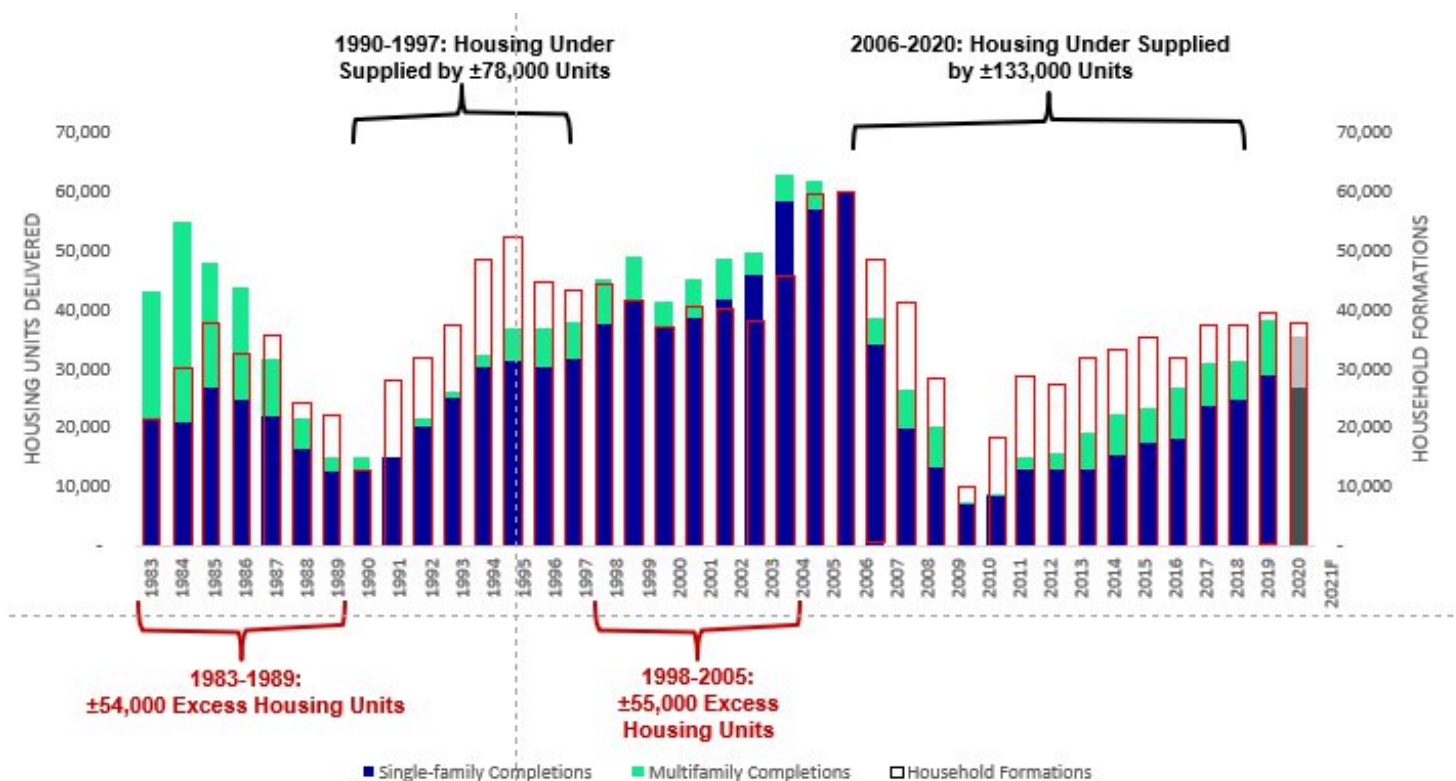
Source: U.S. Census; UofA Forecasting Project



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Household Formations Outpacing Single and Multifamily Additions

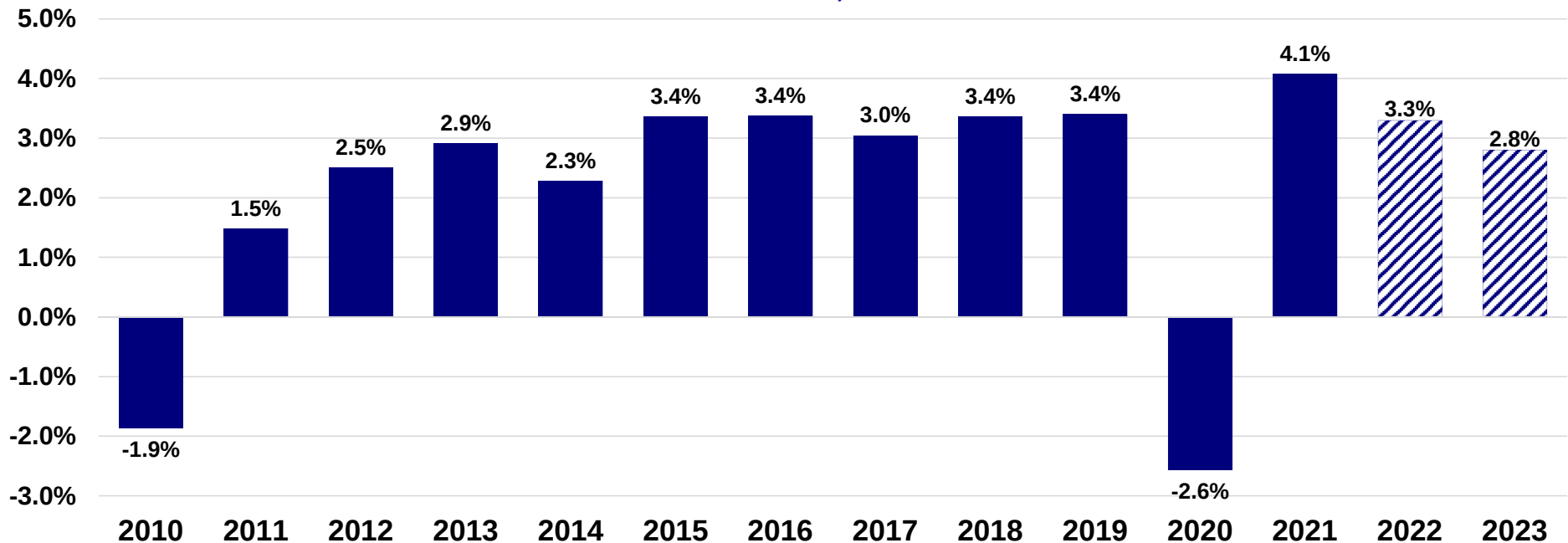
Sources: U.S. Census; Moody's Analytics; CBRE Research



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Greater Phoenix Employment

Source: AOEO; EDPCo



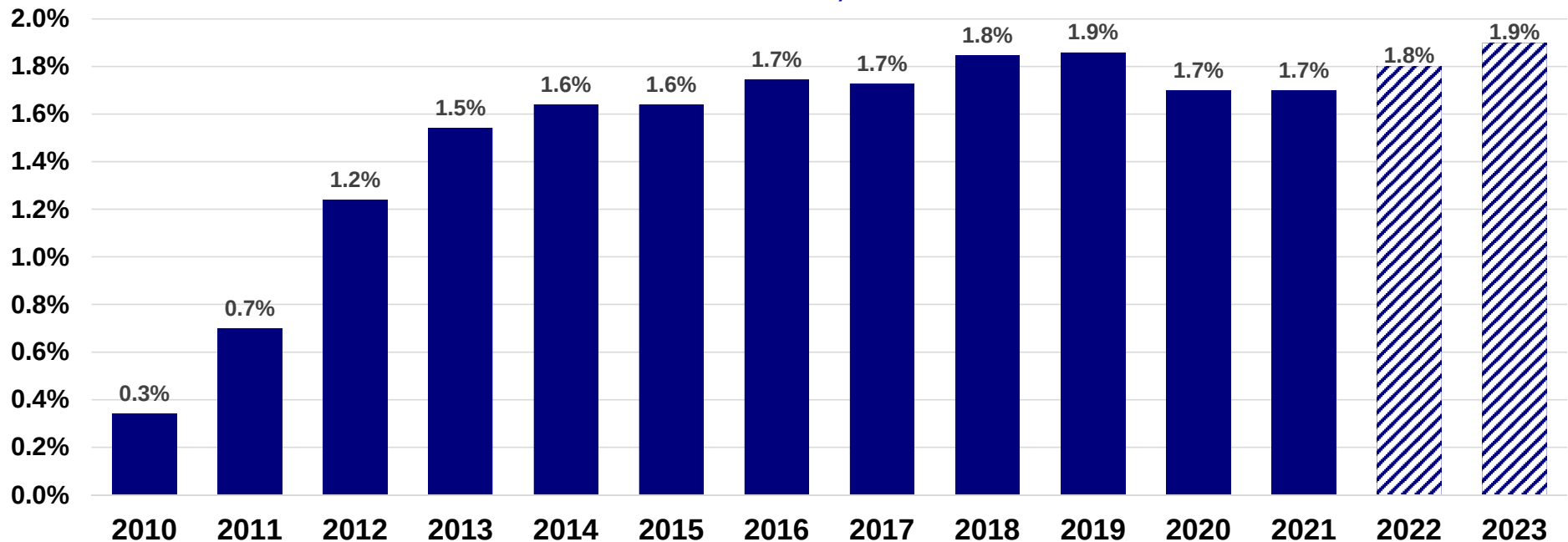
Greater Phoenix has a long history of strong employment growth



Elliott D. Pollack & Company

Greater Phoenix Population

Source: AOEO; EDPCo



Projected growth approximates 90,000 new residents each year

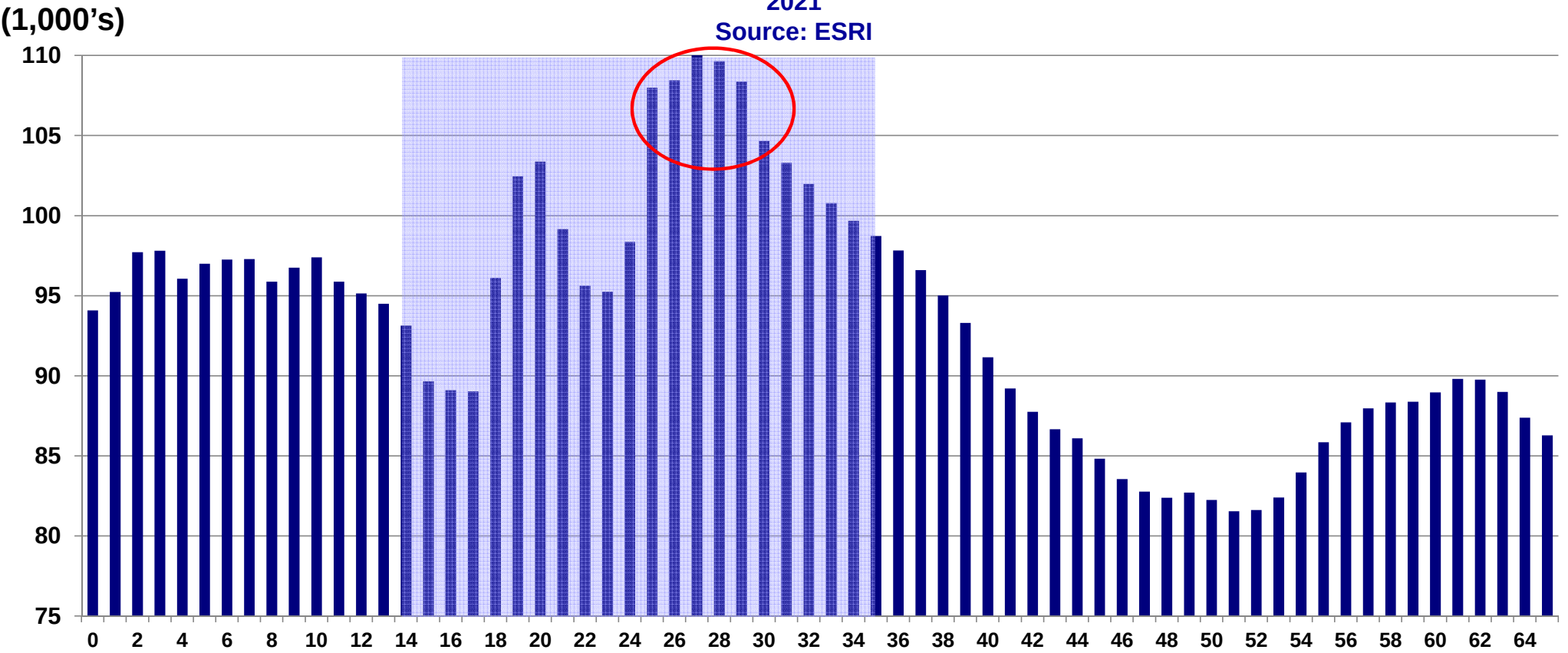


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Arizona Population by Age (0-65)

2021

Source: ESRI

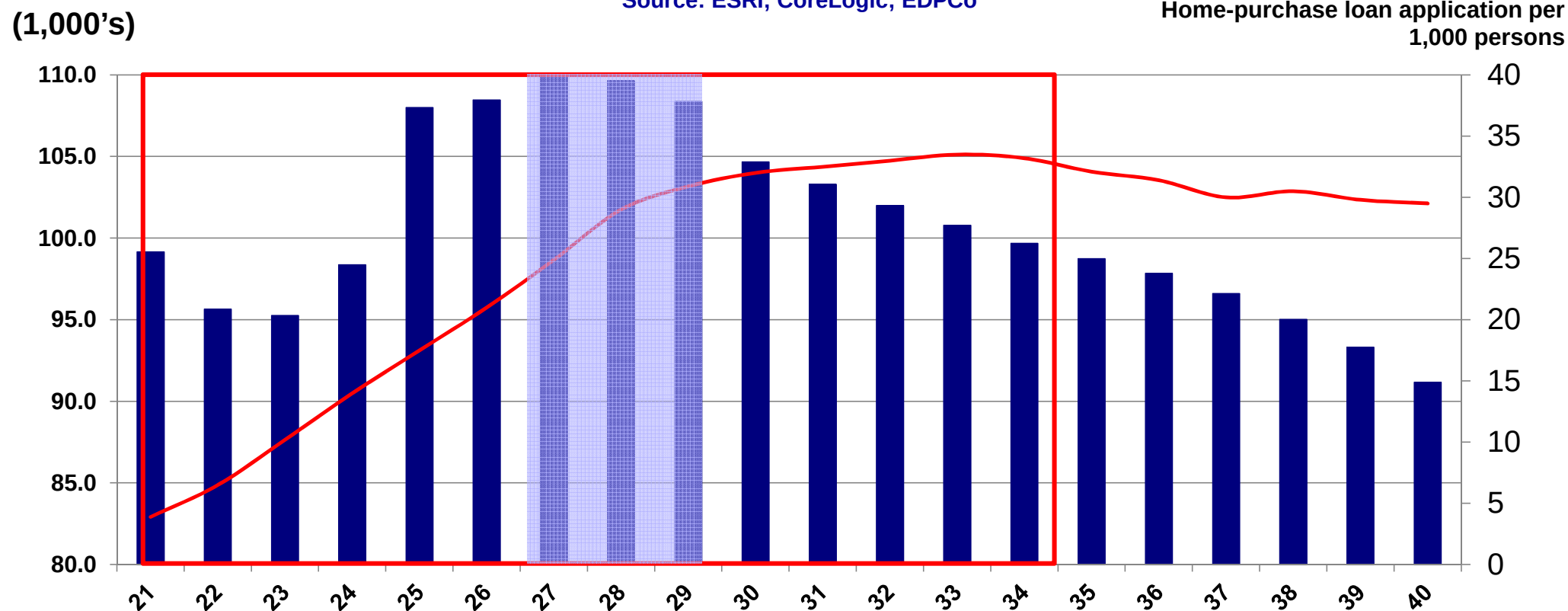


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Arizona Number of Persons vs. Home-Purchase Loan Applications 2021

Source: ESRI; CoreLogic; EDPCo

Home-purchase loan application per
1,000 persons

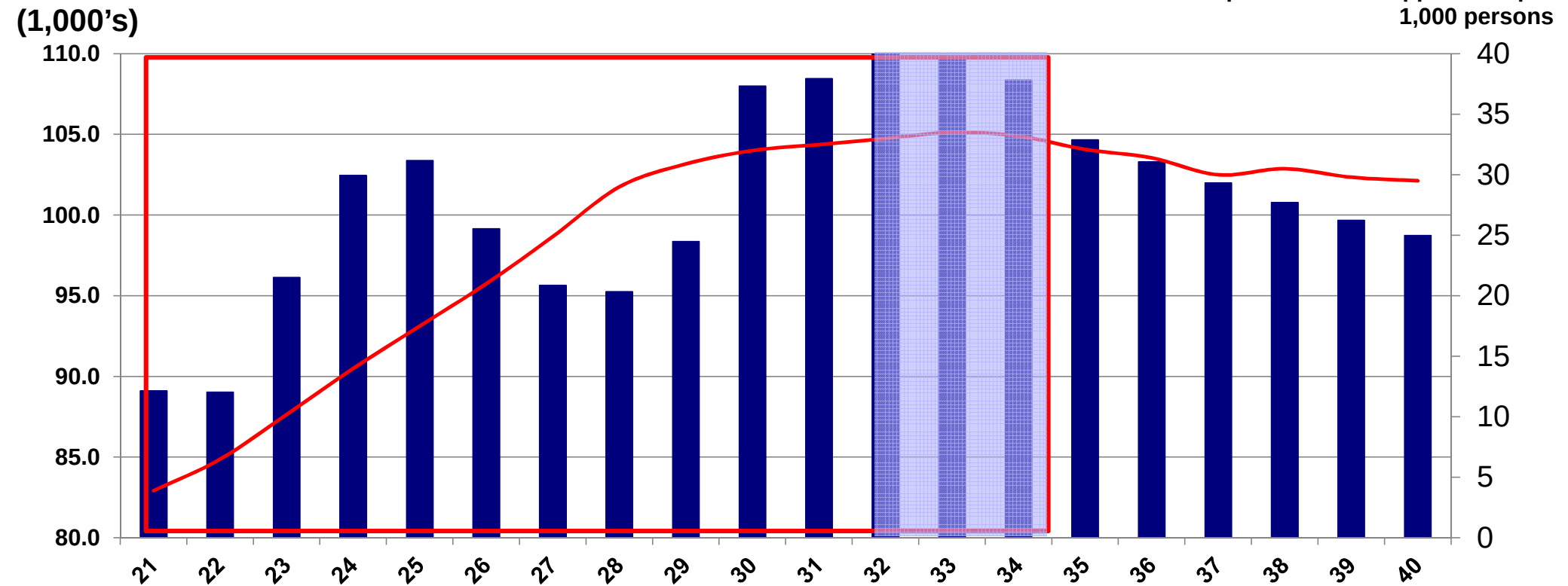


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Arizona Number of Persons vs. Home-Purchase Loan Applications 2026

Source: ESRI; CoreLogic; EDPCo

Home-purchase loan application per
1,000 persons



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Arizona

Homeownership Rates by Age Group

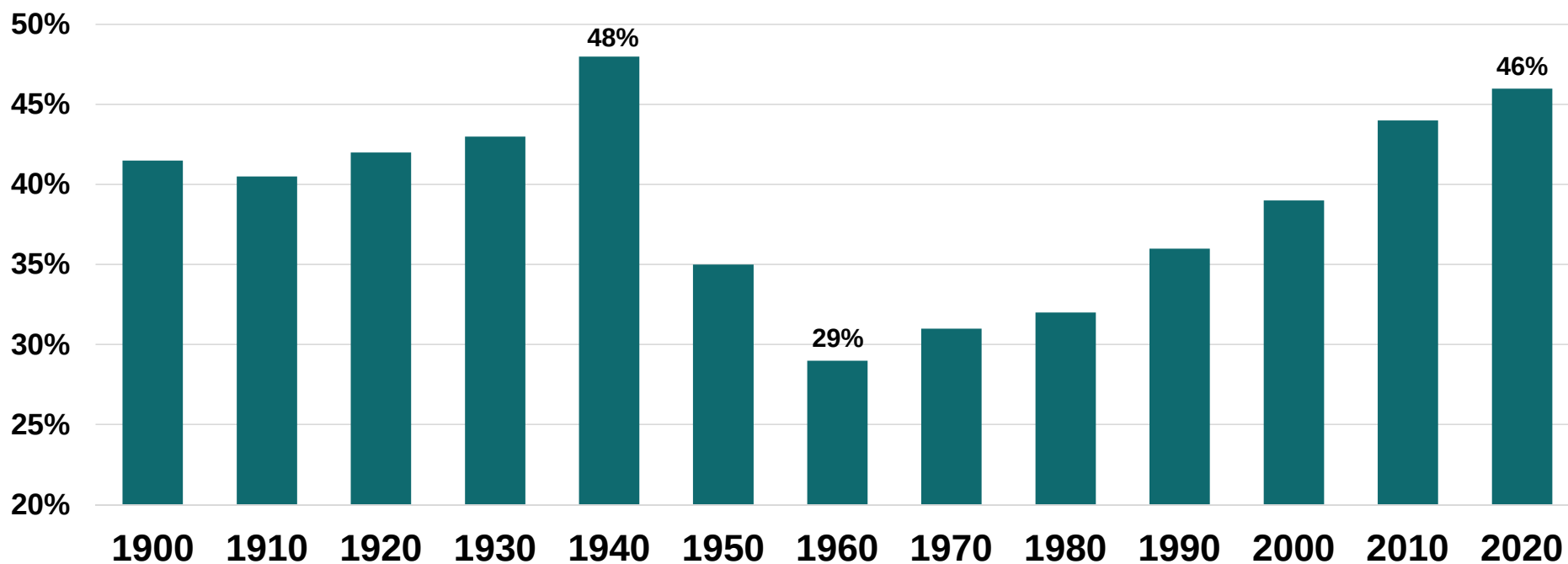
Source: 2020 American Community Survey 5-Year Estimates

Householder Age	% of Total Occupied
15 to 24 years	15.0%
25 to 34 years	<u>49.8%</u>
35 to 44 years	<u>58.1%</u>
45 to 54 years	67.3%
55 to 64 years	76.1%
65 to 74 years	82.4%
75 to 84 years	84.0%
85 years and over	73.9%
Total	65.3%



Adults Living with a Parent 18-to-29-year-olds

Source: U.S. Census Bureau

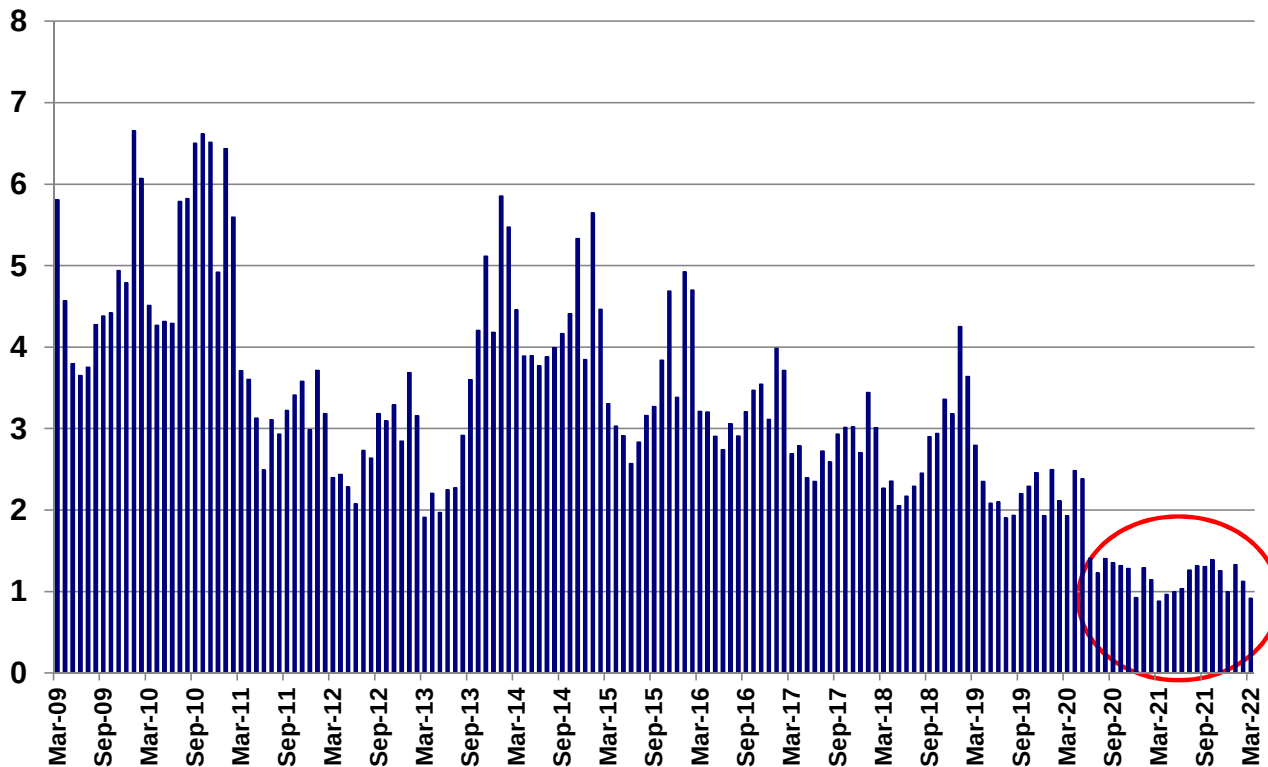


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SF Greater Phoenix Months Supply

2009-2022*

Source: ARMLS; Cromford Report; Zonda



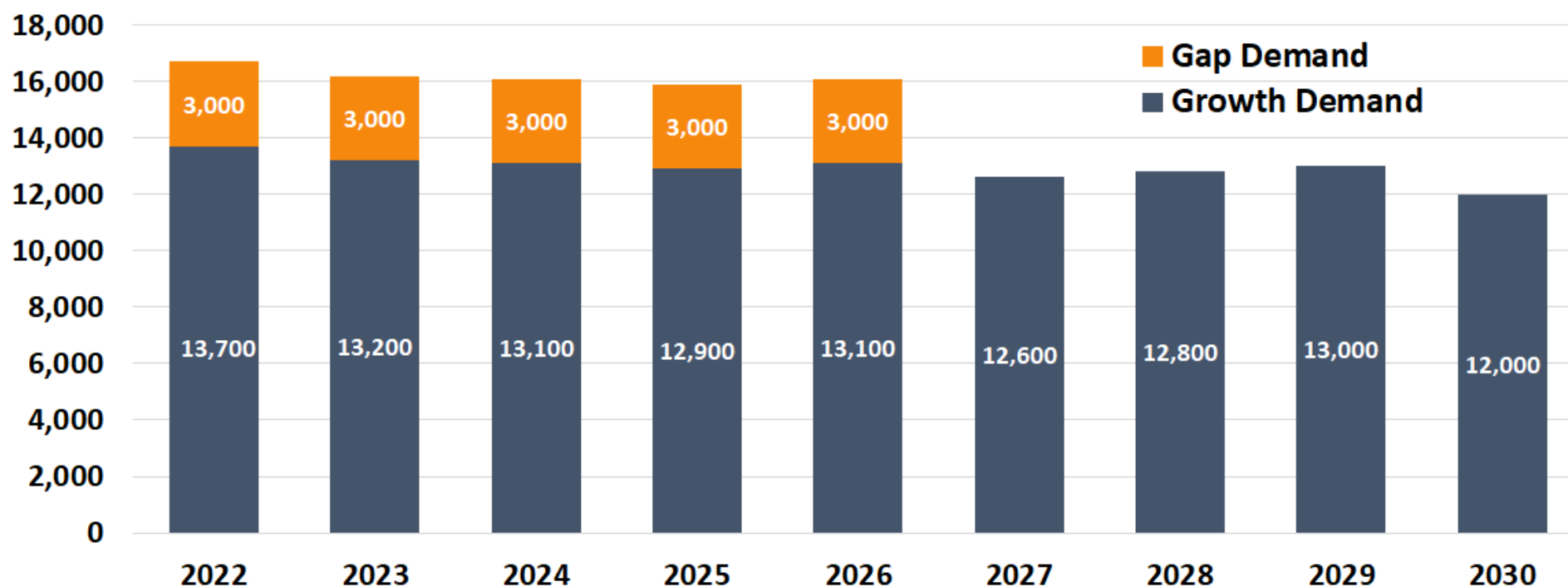
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*Data through March 2022

- SF Days of inventory:
 - Long run average 65.5
 - Currently at 16.6
- SF Days of Inventory for homes under \$350,000:
 - Long run average 45.6
 - Currently 5.0
- Inventory of new homes is down from 1,631 just 18 months ago to 452.

Greater Phoenix Apartment Need

Source: AOEO; Elliott D. Pollack & Company

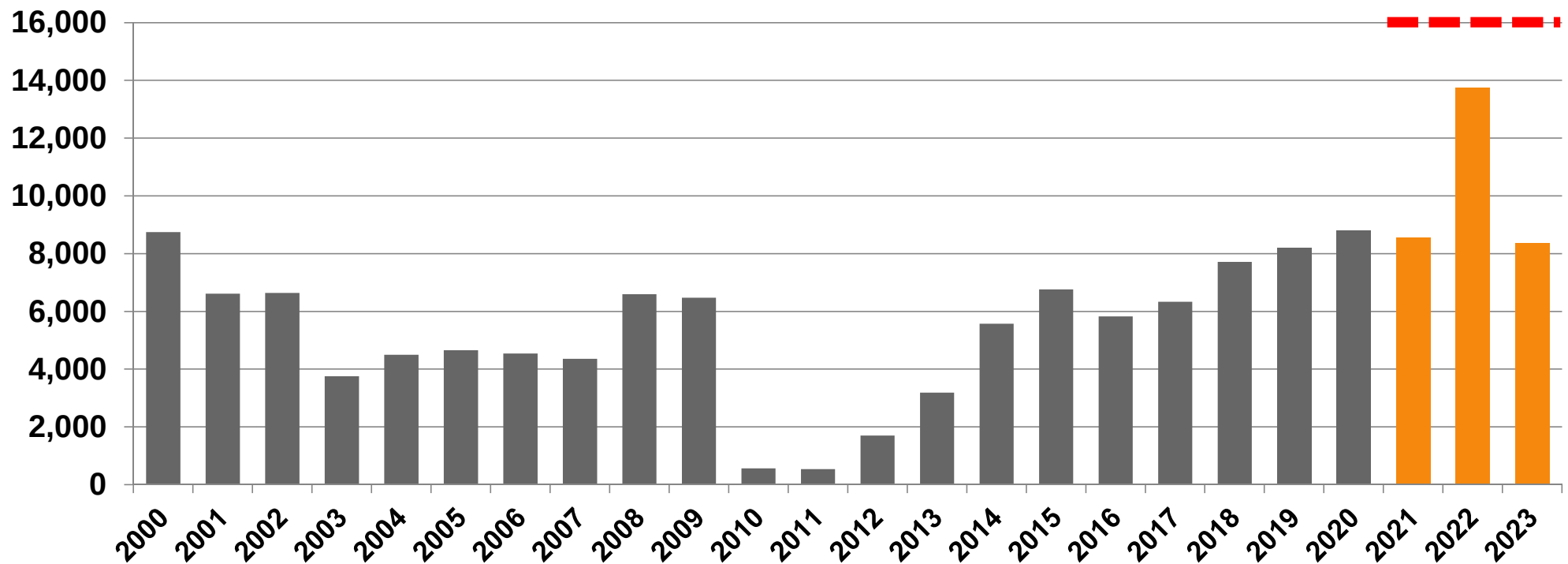


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Apartment Deliveries - Not Keeping Pace

2000-2020; Forecast 2021-2023

Source: RealData; Commercial Brokers; Elliott D. Pollack & Company



Elliott D. Pollack & Company

What Do We Need?

- ☑ Entry Level Ownership Housing
- ☑ Move-Up Ownership Housing
- ☑ Market Rate Rental Housing
- ☑ Workforce Level Rental Housing
- ☑ Low-Income Rental Housing
- ☑ Extremely Low-Income Rental Housing

The current shortage is in all housing types, at all price levels, and all income levels.



Housing Affordability Ladder Effect



Prices Are Increasing Rapidly

Source: RealData; The Information Market; BLS

	Latest Data	% Change Y-O-Y
Apts. Rents	\$1,564	29.9%
SF Resale	\$465,000	29.2%
Core-CPI	288.811	6.4%

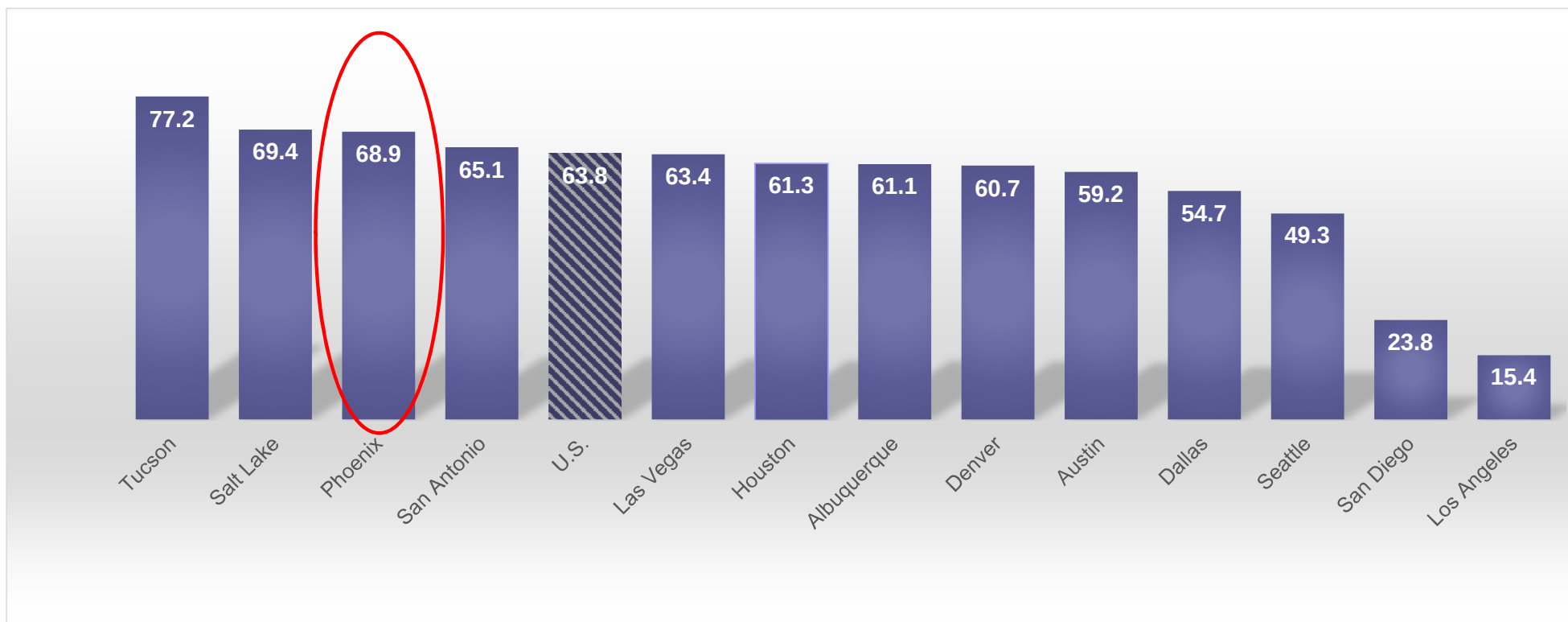
You cannot get this big of a price increase in housing without a significant supply demand imbalance.



Housing Opportunity Index

2015 Q4

Source: NAHB/Wells Fargo



Elliott D. Pollack & Company

Housing Opportunity Index

2021 Q4

Source: NAHB/Wells Fargo



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Low levels of affordability are associated with lower levels of homeownership and higher level of rentals.

Area	Affordability (Q4 2015 NAHB)	Affordability (Q4 2019 NAHB)	Homeownership Rate (Q4 2021 HVS)	% Renter Occupied (Q4 2021 HVS)
Los Angeles	15.4%	11.3%	47.8%	52.2%
San Francisco	10.6%	12.3%	52.9%	47.1%
San Diego	23.8%	19.1%	52.9%	47.1%
New York	22.3%	36.4%	50.9%	49.1%
Seattle	49.3%	44.3%	59.7%	40.3%
Phoenix	68.9%	64.9%	66.3%	33.7%
Denver	60.7%	54.6%	63.5%	36.5%
Austin	59.2%	67.2%	59.0%	41.0%
Dallas	54.7%	58.0%	62.0%	38.0%
U.S.	63.8%	63.2%	65.5%	34.5%
Houston	61.3%	64.4%	64.1%	35.9%
Albuquerque	76.3%	71.8%	64.5%	35.5%



What happens if there is shift from homeownership to rentals?

Source: ACS; EDPCo

	Renter Occupied Changes
All Units (latest)	1,745,219
Percent of Units (latest)	35.6%
No. of Renter Units	621,809
No. of Units Renter at 40%	698,088
No. of Units Renter at 50%	872,610



Interest Rates & Mortgage Rates

Source: Zonda

- A 0.5% change in interest rate translates to 6.5% in home price.
 - \$400,000 home at 3.15% principal and interest payment of \$1,719.
 - \$375,759 home at 3.65% principal and interest payment of \$1,719.
- A 1.0% Change in the Interest rate translates to 13.2% in home price.
 - \$400,000 home at 3.15% principal and interest payment of \$1,719.
 - \$353,618 home at 4.15% principal and interest payment of \$1,719.



Diminishing Housing Affordability in Greater Phoenix

Source: RL Brown, NAHB, Wells Fargo

	Q4	2022 (e) (Q1 26.8%)	2023 (f) (5%)	2024 (f) (0%)	2025 (f) (5%)
Income (5% Growth)	\$79,000	\$82,950	\$87,098	\$91,452	\$96,025
28% of Income	\$1,843	\$1,936	\$2,032	\$2,134	\$2,241
Taxes & Insurance	\$270	\$270	\$270	\$270	\$270
Payment (Principal & Interest)	\$1,573	\$1,666	\$1,762	\$1,864	\$1,971
Interest Rate	3.15%	3.9%	6.0%	6.0%	5.0%
Affordable Home	\$406,795	\$392,343	\$326,592	\$345,423	\$407,870
% Affordable	44.5%	34.5%	14.4%	17.3%	27.2%



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Diminishing Housing Affordability in Greater Phoenix

Source: RL Brown, NAHB, Wells Fargo

	Q4	2022 (e) (Q1 26.8%)	2023 (f) (8%)	2024 (f) (2%)	2025 (f) (0%)
Income (5% Growth)	\$79,000	\$82,950	\$87,098	\$91,452	\$96,025
28% of Income	\$1,843	\$1,936	\$2,032	\$2,134	\$2,241
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% Affordable	44.5%	34.5%	13.0%	14.6%	27.9%



Elliott D. Pollack & Company

Diminishing Housing Affordability in Greater Phoenix

Source: RL Brown, NAHB, Wells Fargo

	Q4	2022 (e) (Q1 26.8%)	2023 (f) (0%)	2024 (f) (0%)	2025 (f) (0%)
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Payment (Principal & Interest)	\$1,573	\$1,666	\$1,762	\$1,864	\$1,971
Interest Rate	3.15%	3.9%	6.0%	6.0%	5.25%
Affordable Home	\$406,795	\$392,343	\$326,592	\$345,423	\$407,870
% Affordable	44.5%	34.5%	17.0%	20.3%	35.7%



Greater Phoenix Home Affordability

Year	Cost	Interest Rate	Total Monthly Payment	Annual Household Income Needed	Medium Income	HOI Phoenix
2000	\$140,000	8.05%	\$1,034	\$44,312	\$53,100	67.2%
2005	\$255,000	6.21%	\$1,598	\$68,501	\$58,300	33.0%
2010	\$135,000	4.59%	\$723	\$31,002	\$66,600	83.4%
2015	\$220,000	3.98%	\$1,074	\$46,034	\$64,000	68.9%
2020	\$335,000	2.85%	\$1,665	\$71,345	\$77,800	65.7%
2021	\$418,000	2.95%	\$1,932	\$82,809	\$79,000	44.5%
% Change	198.6%	-60.7%	86.9%	86.9%	48.8%	-33.8%

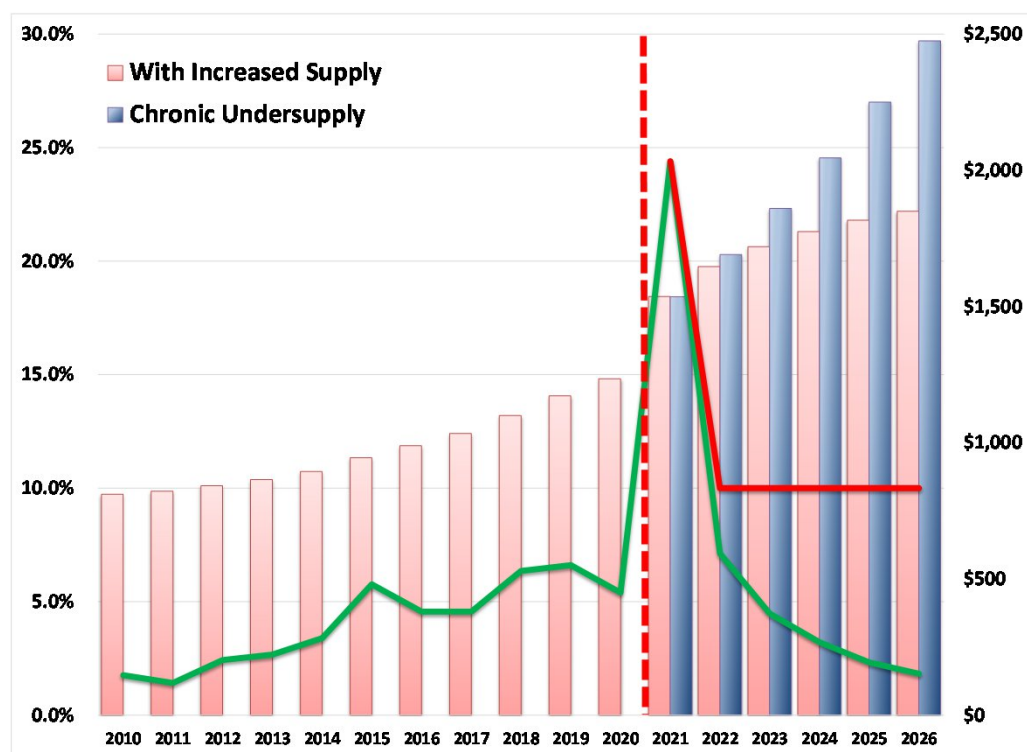
Total Payment: Principal, Interest, Property Tax and Insurance; LTV 90%

*Source: Freddie Mac, NAHAB



Elliott D. Pollack & Company

Greater Phoenix Rent Affordability



Year	With Increased Supply			Chronic Under Supply		
	Avg Rent	% Chg	Income Required	Avg Rent	% Chg	Income Required
2017	\$1,034	4.6%	\$41,360			
2018	\$1,100	6.4%	\$44,000			
2019	\$1,172	6.6%	\$46,880			
2020	\$1,235	5.4%	\$49,400			
2021	\$1,537	24.4%	\$61,480	\$1,537	24.4%	\$61,480
2022	\$1,646	7.1%	\$65,840	\$1,690	10.0%	\$67,630
2023	\$1,720	4.5%	\$68,800	\$1,860	10.0%	\$74,400
2024	\$1,775	3.2%	\$71,000	\$2,045	10.0%	\$81,830
2025	\$1,817	2.3%	\$72,680	\$2,250	10.0%	\$90,010
2026	\$1,850	1.8%	\$74,000	\$2,475	10.0%	\$99,010



Affordability by Occupation

	Median Home Price	Annual Salary Needed	2-Bedroom Rent	Annual Salary Needed	1-Bedroom Rent	Annual Salary Needed	Nurse	Police Officer	Firefighter	High School Teacher	Chef	Elementary/Middle School Teacher	Construction Worker	Wait Staff	Retail Worker
2020 (August)							\$80,609	\$73,786	\$54,900	\$54,186	\$53,071	\$47,799	\$47,034	\$34,940	\$26,843
Avondale	\$285,000	\$53,800	\$1,340	\$53,600	\$1,152	\$46,100									
Chandler	\$381,500	\$72,100	\$1,420	\$56,800	\$1,251	\$50,000									
Gilbert	\$395,000	\$74,600	\$1,395	\$55,800	\$1,201	\$48,000									
Glendale	\$297,000	\$56,100	\$1,144	\$45,800	\$905	\$36,200									
Goodyear	\$324,780	\$61,400	\$1,477	\$59,100	\$1,164	\$46,600									
Mesa	\$315,000	\$59,500	\$1,200	\$48,000	\$1,046	\$41,800									
Peoria	\$346,613	\$65,500	\$1,302	\$52,100	\$1,250	\$50,000									
Phoenix	\$310,000	\$58,600	\$1,135	\$45,400	\$929	\$37,200									
Scottsdale	\$570,901	\$107,900	\$1,465	\$58,600	\$1,235	\$49,400									
Surprise	\$303,495	\$57,300	\$1,428	\$57,100	\$1,219	\$48,800									
Tempe	\$337,000	\$63,700	\$1,313	\$52,500	\$1,099	\$44,000									
2021 (August)							\$83,269	\$76,221	\$56,712	\$55,974	\$55,141	\$49,376	\$48,680	\$36,303	\$27,836
Avondale	\$378,500	\$70,300	\$1,724	\$69,000	\$1,482	\$59,300									
Chandler	\$465,000	\$91,100	\$1,810	\$72,400	\$1,594	\$63,800									
Gilbert	\$515,000	\$100,900	\$1,765	\$70,600	\$1,519	\$60,800									
Glendale	\$385,000	\$75,500	\$1,430	\$57,200	\$1,132	\$45,300									
Goodyear	\$438,600	\$86,000	\$1,787	\$71,500	\$1,409	\$56,400									
Mesa	\$405,000	\$79,400	\$1,496	\$59,800	\$1,304	\$52,200									
Peoria	\$440,000	\$86,200	\$1,638	\$65,500	\$1,573	\$62,900									
Phoenix	\$380,000	\$74,500	\$1,394	\$55,800	\$1,142	\$45,700									
Scottsdale	\$717,500	\$140,600	\$1,870	\$74,800	\$1,576	\$63,000									
Surprise	\$410,000	\$80,400	\$1,764	\$70,600	\$1,506	\$60,200									
Tempe	\$431,500	\$84,600	\$1,665	\$66,600	\$1,393	\$55,700									

Buy
Rent 2BD
Rent 1BD
Neither

Source:
Cromford Report; AZ
Office of Economic
Opportunity; Bureau of
Labor Statistics;
ApartmentList.com; Elliott
D. Pollack & Company



Elliott D. Pollack & Company

Affordability by Occupation



	Median Home Price	Annual Salary Needed	2-Bedroom Rent	Annual Salary Needed	1-Bedroom Rent	Annual Salary Needed	Nurse	Police Officer	Firefighter	High School Teacher	Chef	Elementary/Middle School Teacher	Construction Worker	Wait Staff	Retail Worker
2020 (August)							\$80,609	\$73,786	\$54,900	\$54,186	\$53,071	\$47,799	\$47,034	\$34,940	\$26,843
Avondale	\$285,000	\$53,800	\$1,340	\$53,600	\$1,152	\$46,100									
Chandler	\$381,500	\$72,100	\$1,420	\$56,800	\$1,251	\$50,000									
Gilbert	\$395,000	\$74,600	\$1,395	\$55,800	\$1,201	\$48,000									
Glendale	\$297,000	\$56,100	\$1,144	\$45,800	\$905	\$36,200									
Goodyear	\$324,780	\$61,400	\$1,477	\$59,100	\$1,164	\$46,600									
Mesa	\$315,000	\$59,500	\$1,200	\$48,000	\$1,046	\$41,800									
Peoria	\$346,613	\$65,500	\$1,302	\$52,100	\$1,250	\$50,000									
Phoenix	\$310,000	\$58,600	\$1,135	\$45,400	\$929	\$37,200									
Scottsdale	\$570,901	\$107,900	\$1,465	\$58,600	\$1,235	\$49,400									
Surprise	\$303,495	\$57,300	\$1,428	\$57,100	\$1,219	\$48,800									
Tempe	\$337,000	\$63,700	\$1,313	\$52,500	\$1,099	\$44,000									
2022 (March)							\$86,600	\$78,965	\$58,753	\$58,213	\$57,953	\$51,351	\$50,725	\$38,154	\$29,228
Avondale	\$425,000	\$97,000	\$1,764	\$70,600	\$1,516	\$60,600									
Chandler	\$520,000	\$118,700	\$1,869	\$74,800	\$1,646	\$65,800									
Gilbert	\$567,750	\$129,600	\$1,846	\$73,800	\$1,589	\$63,600									
Glendale	\$425,000	\$97,000	\$1,535	\$61,400	\$1,214	\$48,600									
Goodyear	\$500,000	\$114,100	\$1,941	\$77,600	\$1,530	\$61,200									
Mesa	\$425,000	\$97,000	\$1,636	\$65,400	\$1,426	\$57,000									
Peoria	\$495,000	\$113,000	\$1,688	\$67,500	\$1,621	\$64,800									
Phoenix	\$425,000	\$97,000	\$1,498	\$59,900	\$1,227	\$49,100									
Scottsdale	\$795,000	\$181,500	\$2,037	\$81,500	\$1,717	\$68,700									
Surprise	\$442,000	\$100,900	\$1,949	\$78,000	\$1,664	\$66,600									
Tempe	\$477,000	\$108,900	\$1,744	\$69,800	\$1,459	\$58,400									

Source:
Cromford Report; AZ
Office of Economic
Opportunity; Bureau of
Labor Statistics;
ApartmentList.com; Elliott
D. Pollack & Company



Elliott D. Pollack & Company

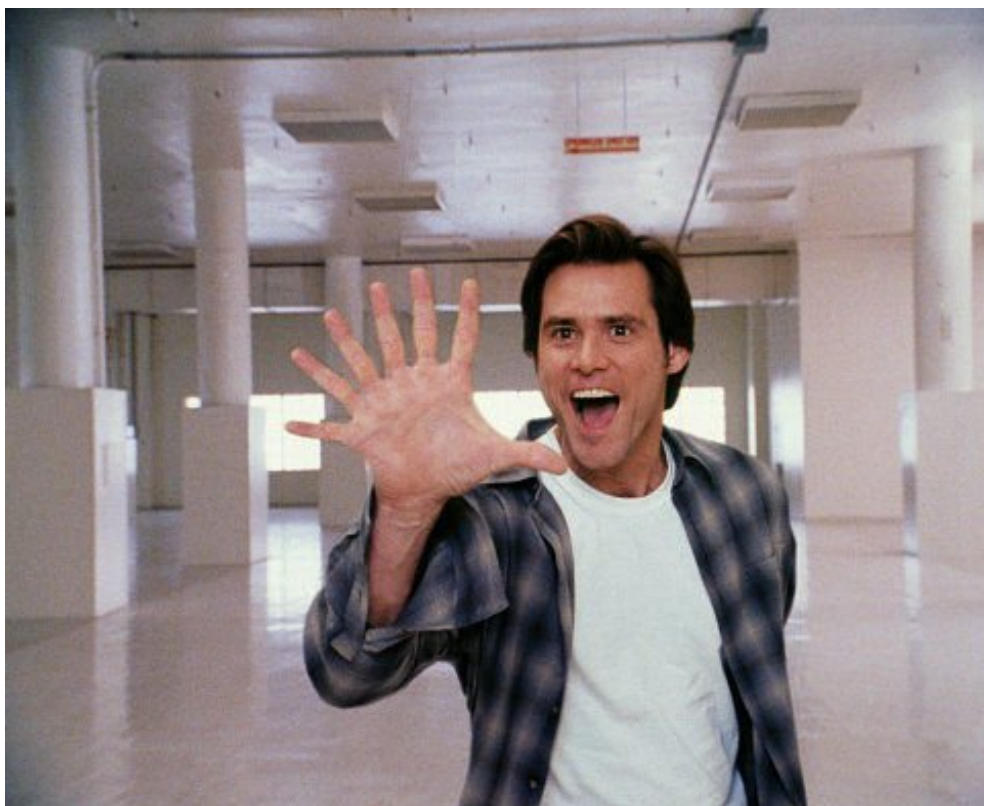
What Happens if the Affordability Situation Continues to Deteriorate?

(The Unintended Consequences of Ignoring Market Demand)

- Fewer potential buyers can afford the median price home
- Fewer people will be owners / More people will be renters
- More rental of single family units as families double up
- More Millennials and Gen Z's living with parents / More parents living with kids
- Smaller homes / More density
- Fewer workforce housing units - Where do essential workers live? (police, fire, teachers, nurses)
- C and D apartment units get less maintenance
- More homelessness
- A worsening economic development picture as the ability to draw in employees diminishes
- Upward pressure on wages and city budgets
- Slower growth for the economy as a whole and less real income growth



Top 7 Things That Can Be Done to End The Housing Shortage



Elliott D. Pollack & Company

Top 7 Things That Can Be Done to End The Housing Shortage

1. **Build more housing units**
2. **Build more housing units**
3. **Build more housing units**
4. **Build more housing units**
5. **Build more housing units**
6. **Build more housing units**
7. **Build more housing units**



Conclusions – Do the Math

- Net population growth is 80,000 to 90,000 new people a year.
- This creates total housing demand of about 35,000 new units (owner and renter) per year just to meet population growth.
- Over and above the amount needed for new population each year, we need additional units to fix the imbalance of supply and demand:
 - **20,000-25,000 single family for-sale units**
 - **15,000 rental units**
 - **2,000-2,500 units of new home inventory**
 - **Replacing demolished units**
 - **Pent up demand from Millennial and Gen Z adults leaving home and forming new households**
- **To get supply and demand back into balance over the next 5 years we need an elevated total of about 42,000 units (owner and renter) per year.**
- The only answer to the housing shortage is more supply.



Key Takeaways

1. Affordability has fallen and is now plummeting.
2. There is virtually no vacancy or available supply.
3. Supply is not keeping pace with demand.
4. Our success in attracting jobs and people has not been matched with a sufficient housing supply that new employees need.
5. A continued shortage of housing drives up costs and threatens economic development efforts (jobs & real income growth).



**CITY OF BUCKEYE
Council Workshop Agenda
COUNCIL ACTION REPORT**

MEETING DATE: 05/03/22	AGENDA ITEM: 2.B. Financial Update – Fiscal Year 2022-23 Budget Overview
DATE PREPARED: 05/03/22	DISTRICT NO.: All
STAFF LIAISON: William Kauppi, Chief Financial Officer, wkauppi@buckeyeaz.gov, (623) 349-6161	
DEPARTMENT: Financial Services	AGENDA ITEM TYPE: Staff Reports / Discussion and Possible Direction from Council

TIME NEEDED: 1.5 Hours

ACTION/MOTION: (This language identifies the formal motion to be made by the Council)
Review and discussion of the Fiscal Year 2022-2023 Budget. (Approximate time: 1 hour and 30 minutes)

RELEVANT GOALS:

GOAL 1: Fiscal Wellness and Financial Flexibility and Accountability

ADDITIONAL RELEVANT GOALS:

GOAL 5: Responsive and Accountable Government and Effective Public Services

SUMMARY

PROJECT DESCRIPTION:

Council workshop for the FY2022-23 budget. One of the goals of the Workshop is to share FY2022-23 Budget information and seek any guidance Council may wish to provide.

FUTURE ACTION:

Documents related to the Budget will be provided upon completion by staff.

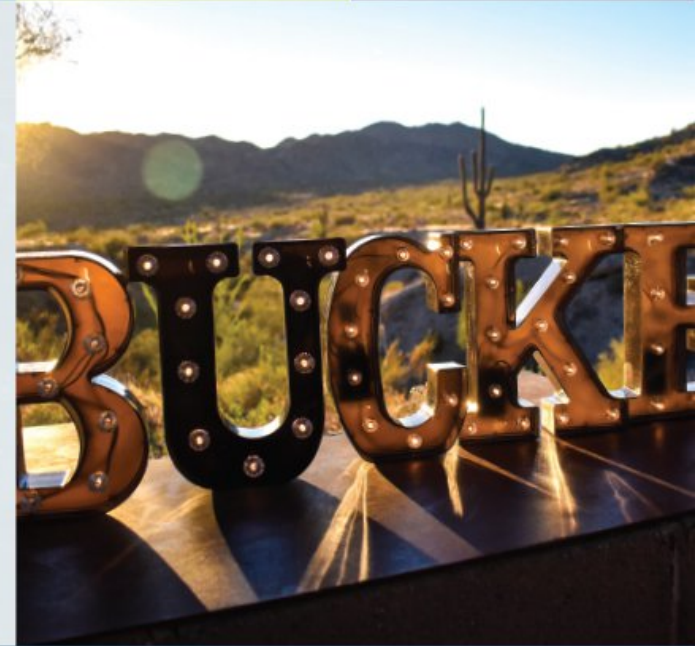
Items related to a project or facility location must include an attached vicinity map for Council Review.

ATTACHMENTS:

[City Manager Budget Presentation.pptx](#)

CITY MANAGER'S FY2022-23 RECOMMENDED BUDGET

May 3, 2022



Overview of Presentation

- Financial Policies Compliance
- Citywide Budget Overview
 - Recommendation
 - Revenues/Fees
 - Expenditures/Personnel
- Department Budgets
- CIP Overview

FY2022-23 Recommended Budget

Financial Policies

Financial Policies

FY 2022-23 RECOMMENDED BUDGET

- Conservative revenue estimates
- Ongoing expenses are paid for with ongoing revenues
- \$28M of Construction TPT recognized for one time expenditures
- Continue to invest in the future
- 10% contingency for General Fund, HURF and Enterprise Funds
- Maintaining 25% unreserved fund balance for General Fund, HURF and Enterprise Funds
- Property Tax rate below \$1.80

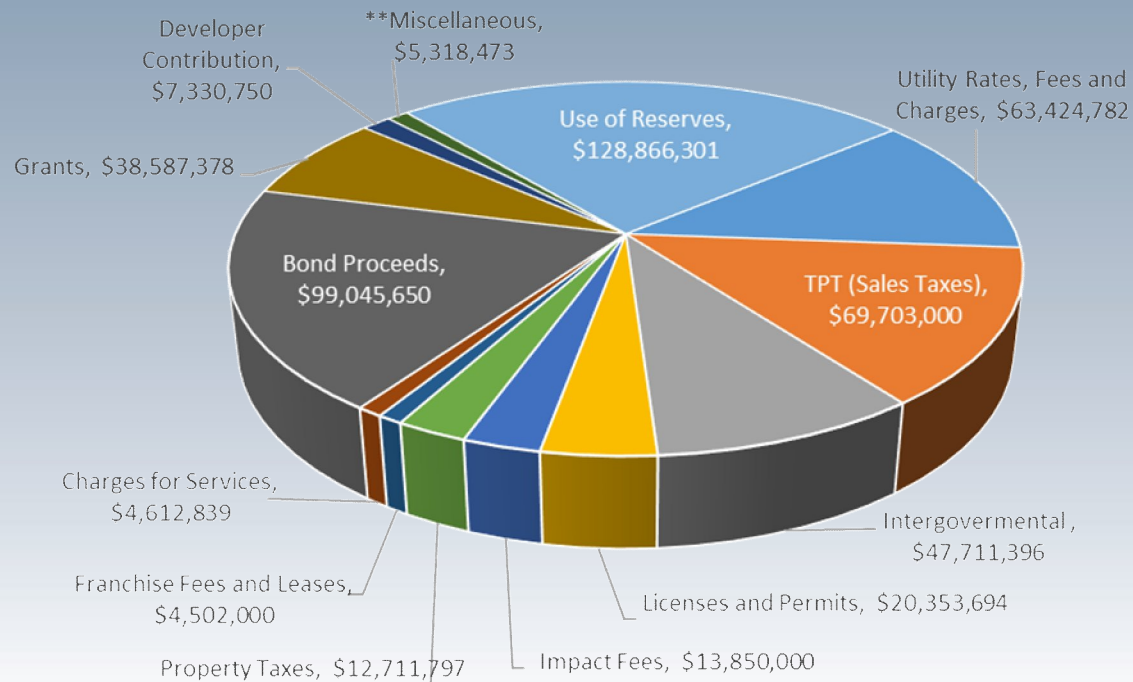
FY2022-23 Recommended Budget

Revenues

“Where does the money come from?”

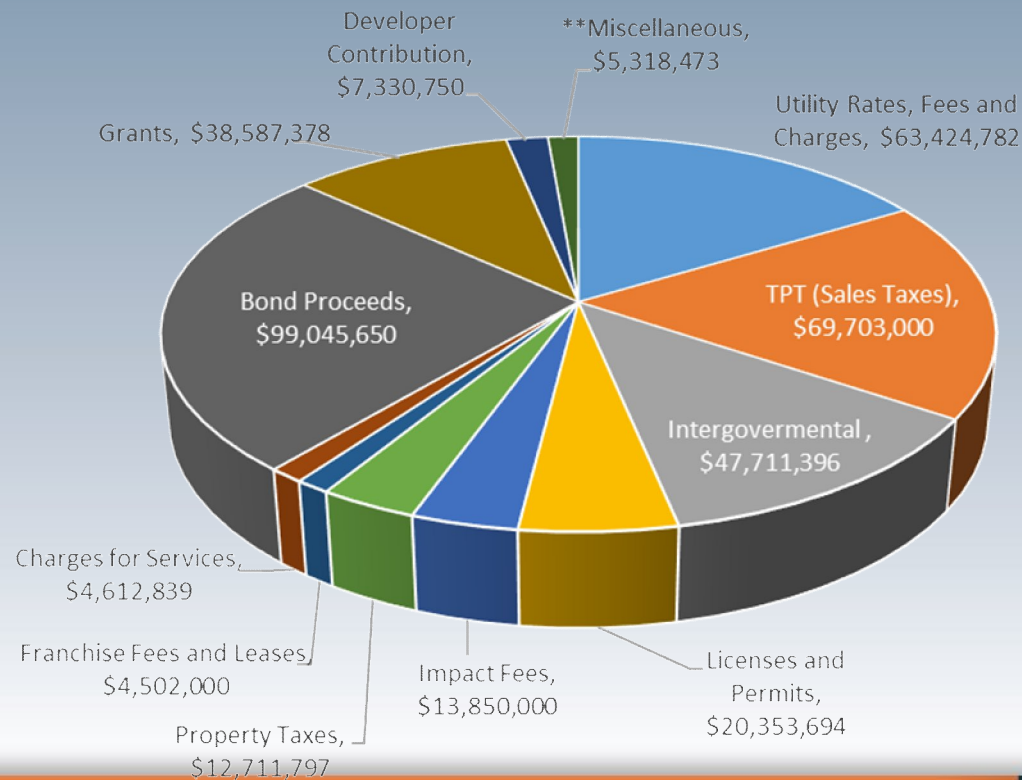
FY2022-23 Recommended Budget

REVENUES / RESOURCES - \$516.0 Million



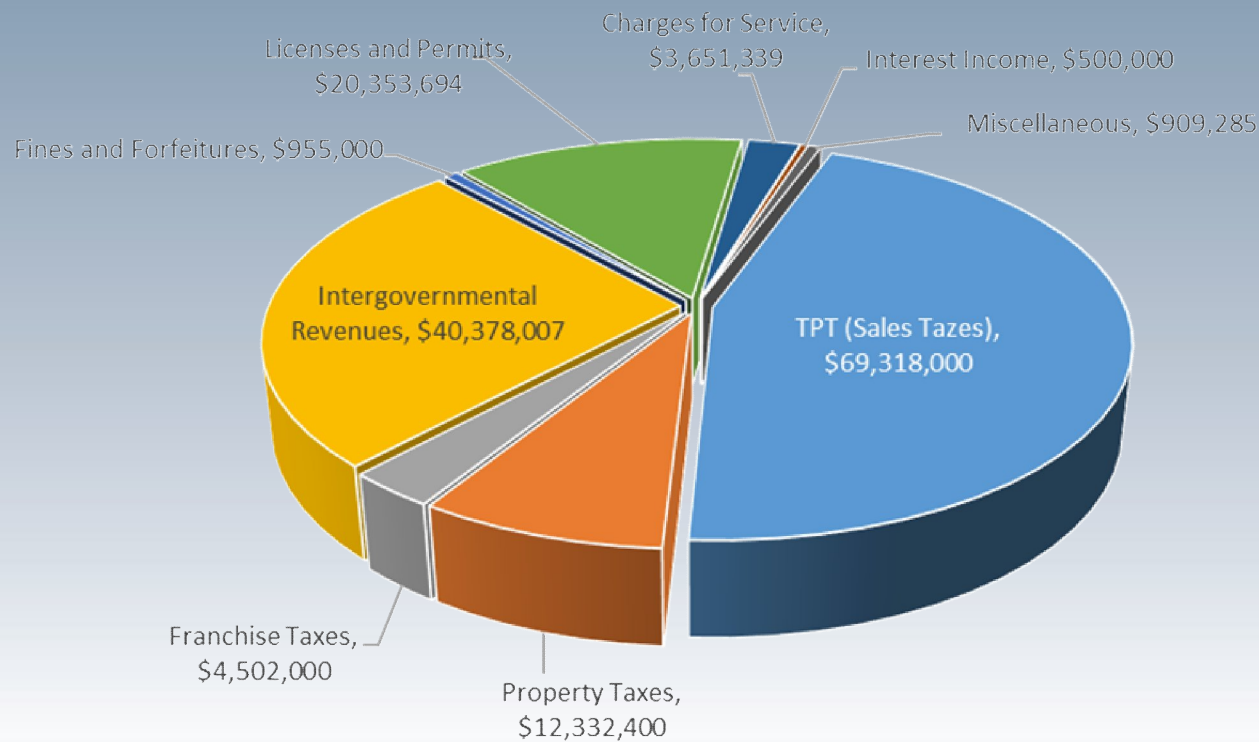
FY2022-23 Recommended Budget

REVENUES - \$387.2 Million



FY2022-23 Recommended Budget

REVENUES – GENERAL FUND - \$152.9 Million



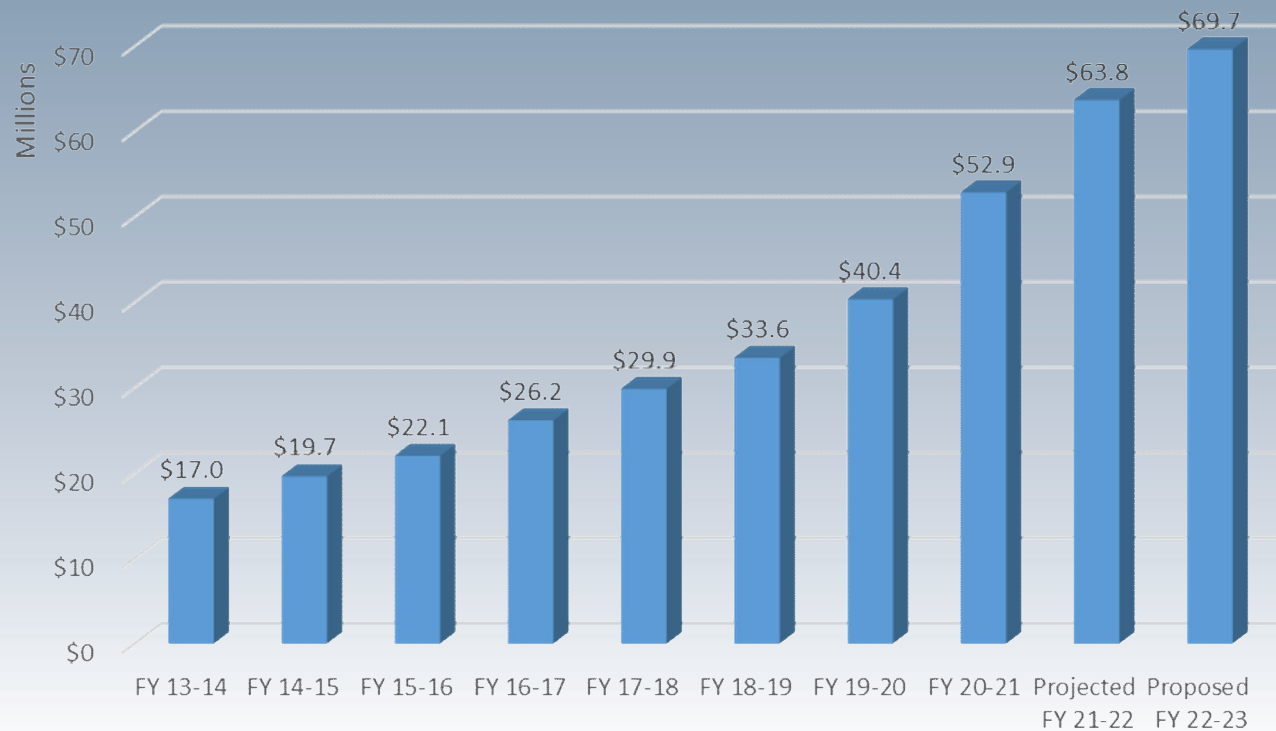
FY2022-23 Recommended Budget

CITY SALES TAXES

- FY 2022-23 Proposed TPT reviewed monthly
 - Projected by Category (adjustment for unusual activity or new businesses)
 - Conservative practices
 - Prior year actual collections

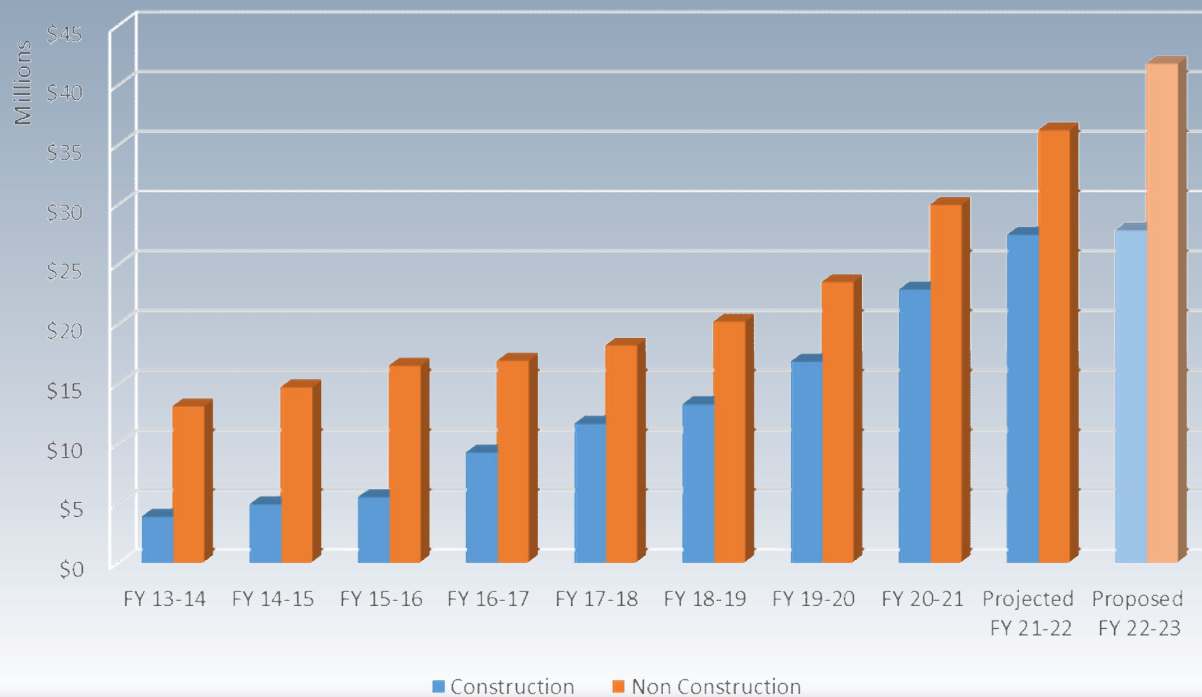
FY2022-23 Recommended Budget

CITY SALES TAXES



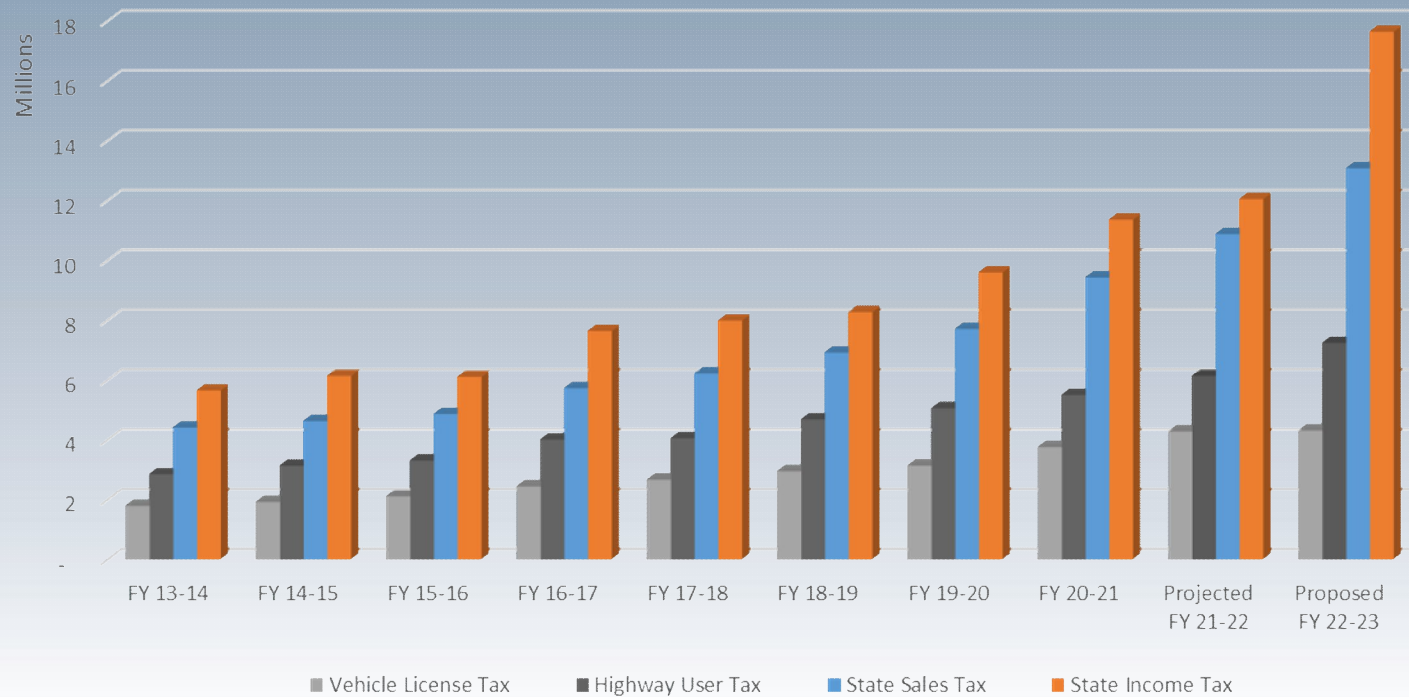
FY2022-23 Recommended Budget

CITY SALES TAXES



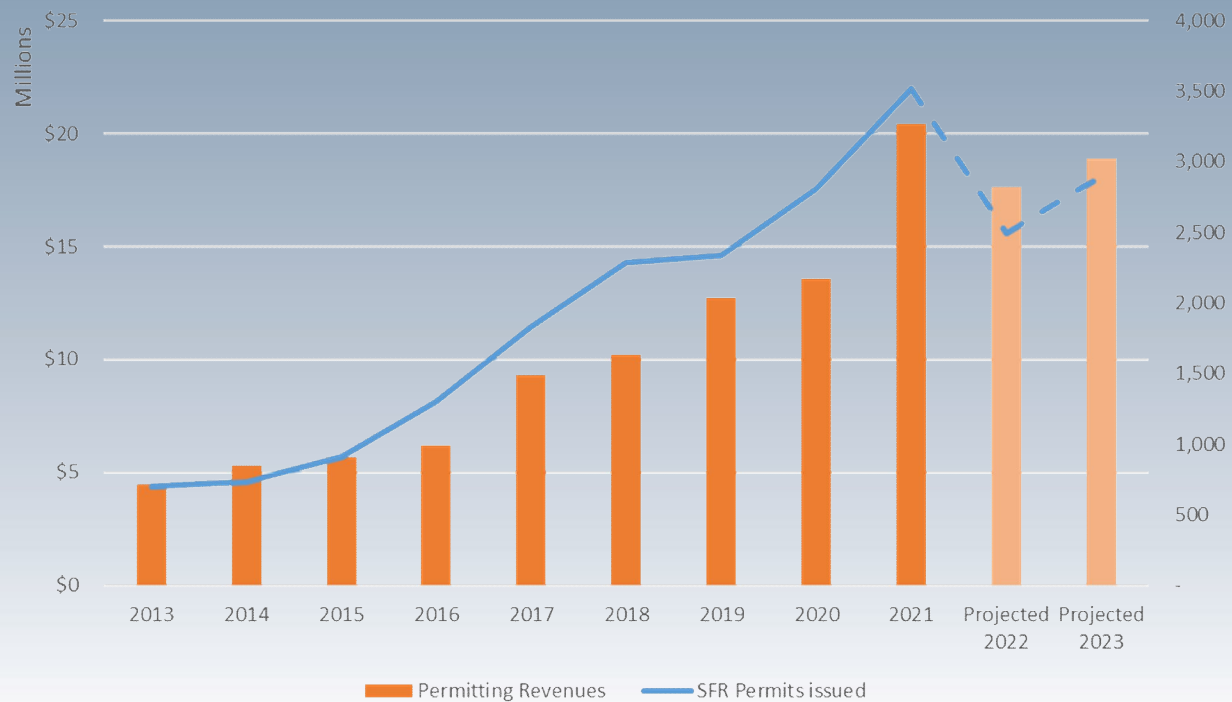
FY2022-23 Recommended Budget

STATE SHARED REVENUES - \$42.3 Million



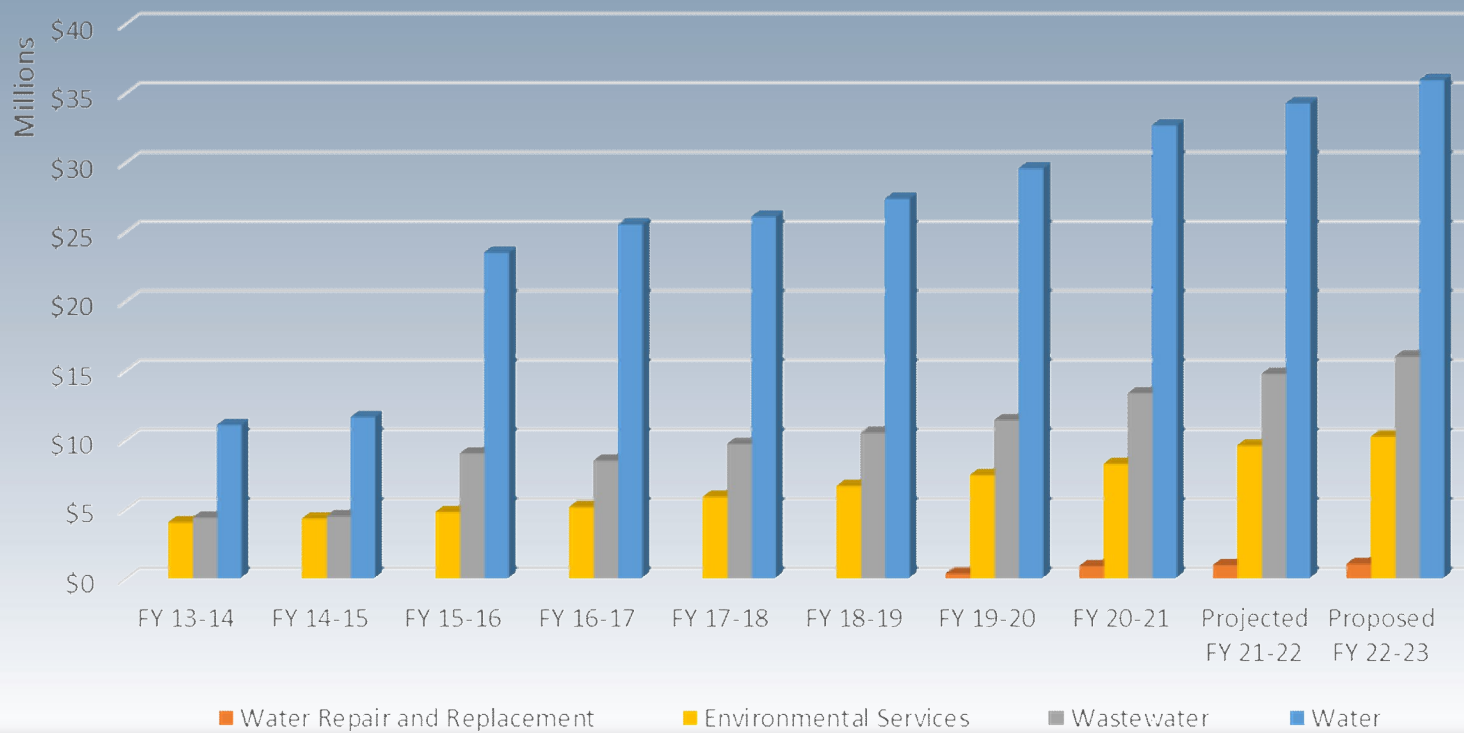
FY2022-23 Recommended Budget

PERMITTING REVENUES - \$18.9 Million



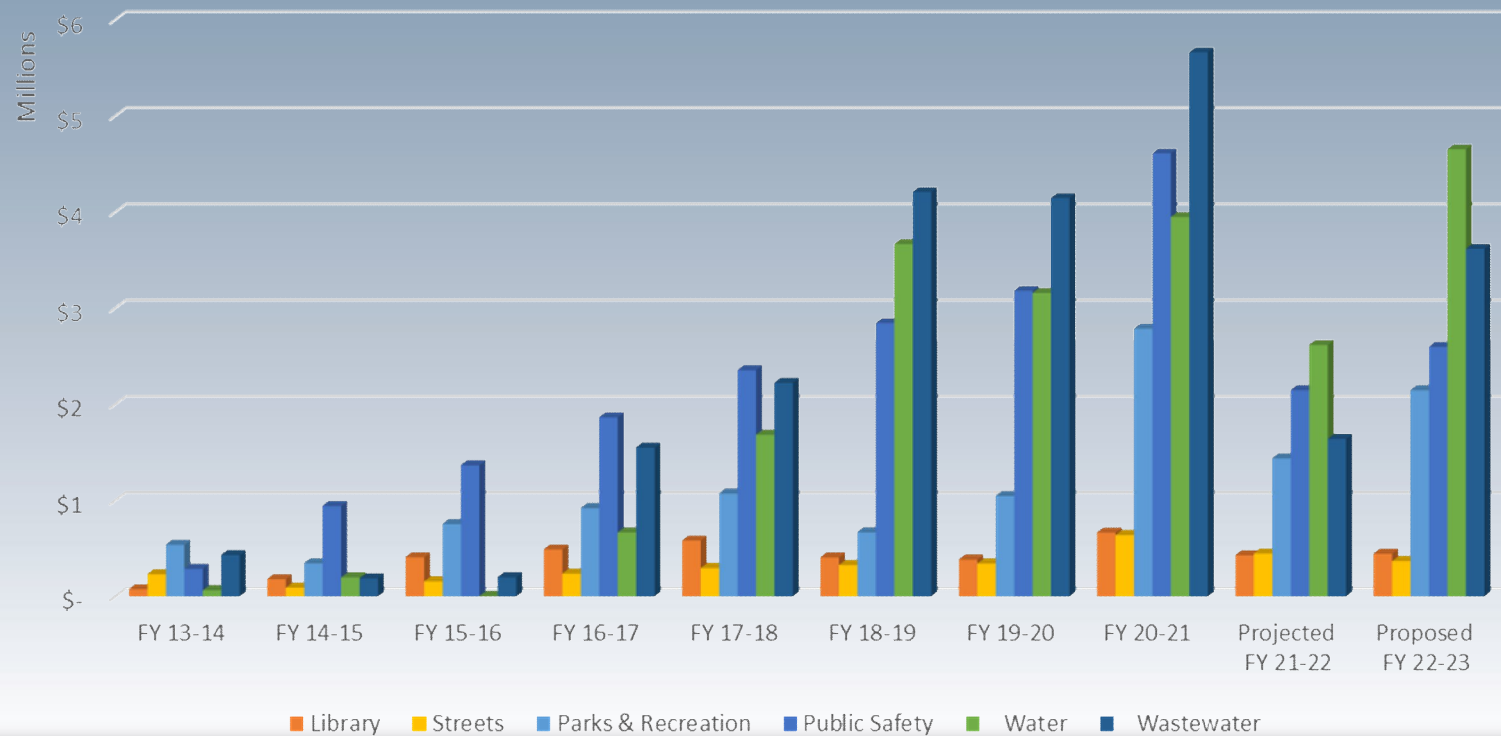
FY2022-23 Recommended Budget

ENTERPRISE FEES - \$63.4 Million



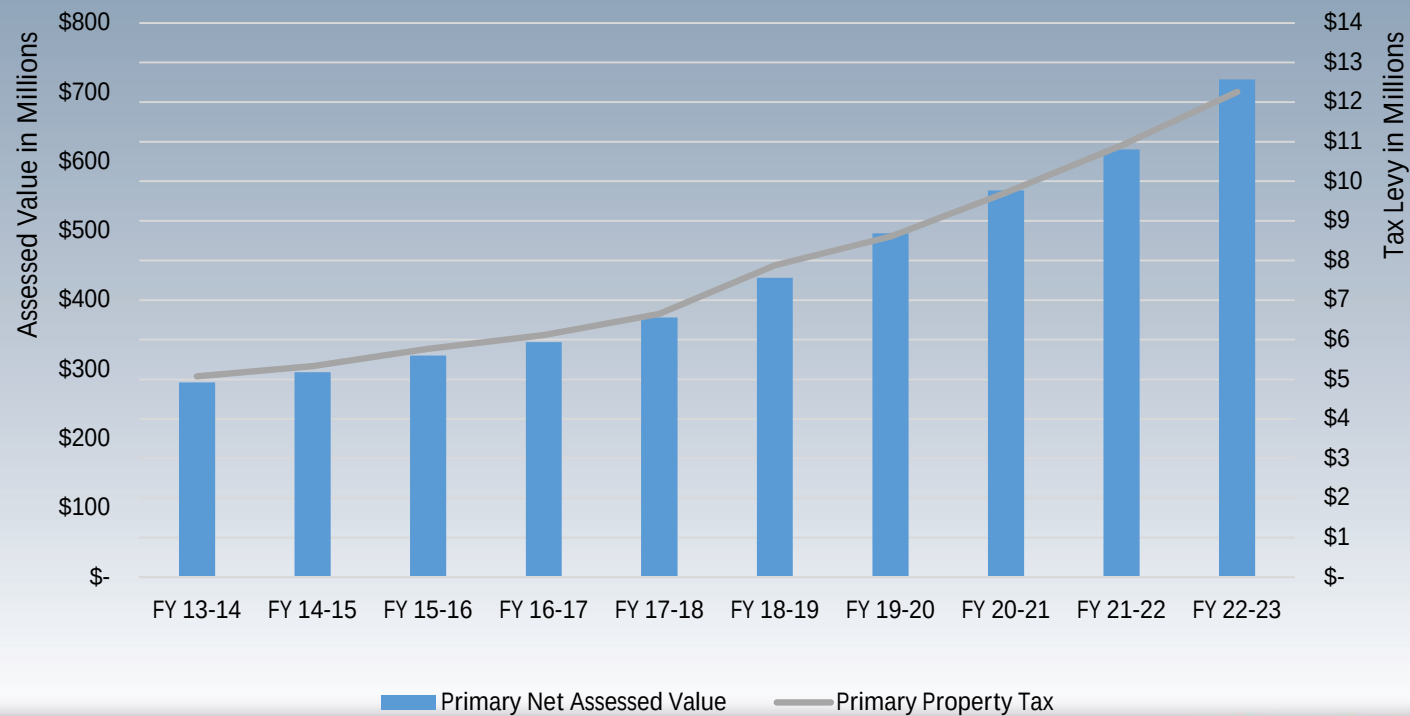
FY2022-23 Recommended Budget

IMPACT FEES - \$13.9 Million



FY2022-23 Recommended Budget

PROPERTY TAXES - \$12.3 Million



FY2022-23 Recommended Budget

PROPERTY TAXES

- Maximum Primary Property Tax
- No Secondary Tax

Fiscal Year	Primary Net Assessed Value	Amount Change	Percent Change	Primary Property Tax		Tax Rate	Amount Change	Percent Change
				Primary Property Tax	Amount Change			
FY 18-19	\$ 432,220,285	\$ 57,143,875	15.2%	\$ 7,875,473	\$ 1,225,903	\$1.822	\$0.0492	18.4%
FY 19-20	\$ 496,102,577	\$ 63,882,292	14.8%	\$ 8,606,160	\$ 730,687	\$1.735	(\$0.0873)	9.3%
FY 20-21	\$ 558,013,165	\$ 61,910,588	12.5%	\$ 9,707,921	\$ 1,101,761	\$1.740	\$0.0050	12.8%
FY 21-22	\$ 617,421,432	\$ 59,408,267	10.6%	\$10,910,454	\$ 1,202,533	\$1.767	\$0.0274	12.4%
FY 22-23	\$ 718,798,778	\$ 101,377,346	16.4%	\$12,254,082	\$ 1,343,628	\$1.705	(\$0.0623)	12.3%

FY 2022 City of Buckeye Property Tax - \$100,000 home value \$176.70

FY 2023 City of Buckeye Property Tax - \$105,000 home value (maximum 5% appreciation) \$179.02

FY2022-23 Recommended Budget

INTERGOVERNMENTAL / GRANTS - \$43.9 Million

• American Rescue Plan Act	\$5,287,733
• Fire Grants	\$7,381,115
• Police Grants	\$3,030,000
• Airport Grants	\$9,183,656
• Water Grants	\$8,400,000
• Wastewater Grants	\$4,250,000

FY2022-23 Recommended Budget

FUND BALANCE -

• General Fund	\$34.2 Million
• Enterprise Funds	\$32.1 Million
• Special Revenue / Debt Service	\$1.6 Million
• Impact Fees Funds	\$16.8 Million
• Other Capital Projects Funds	\$1.3 Million

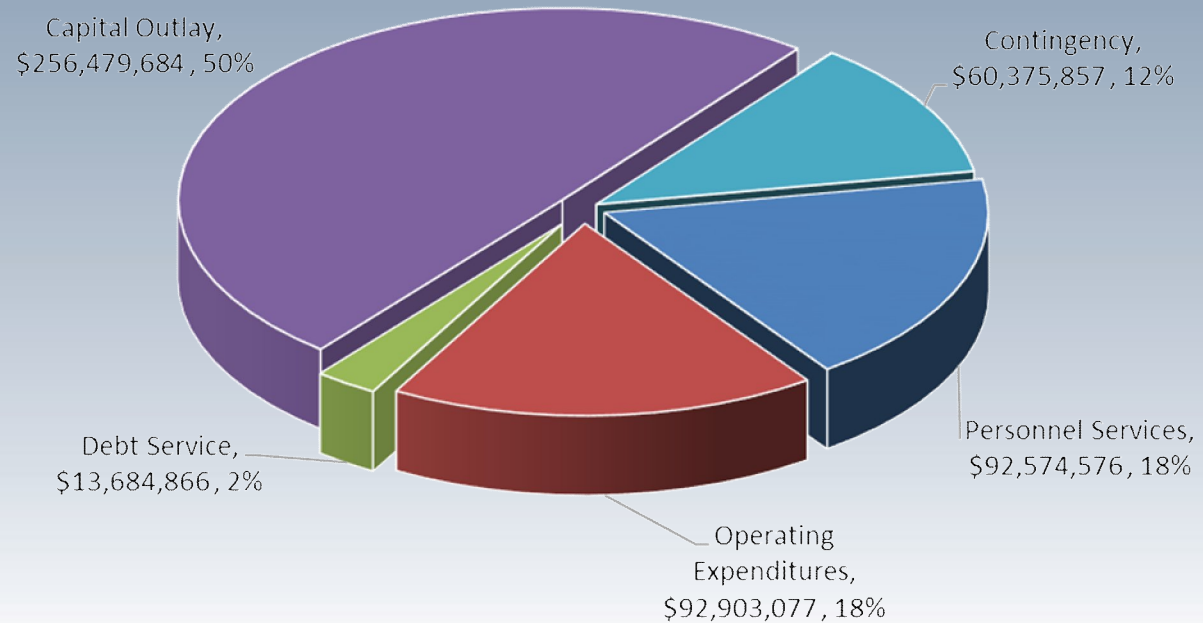
FY2022-23 RECOMMENDED BUDGET EXPENDITURES

“Where does the money go?”

FY2022-23 Recommended Budget

WHERE DOES THE MONEY GO? - \$516.0 Million

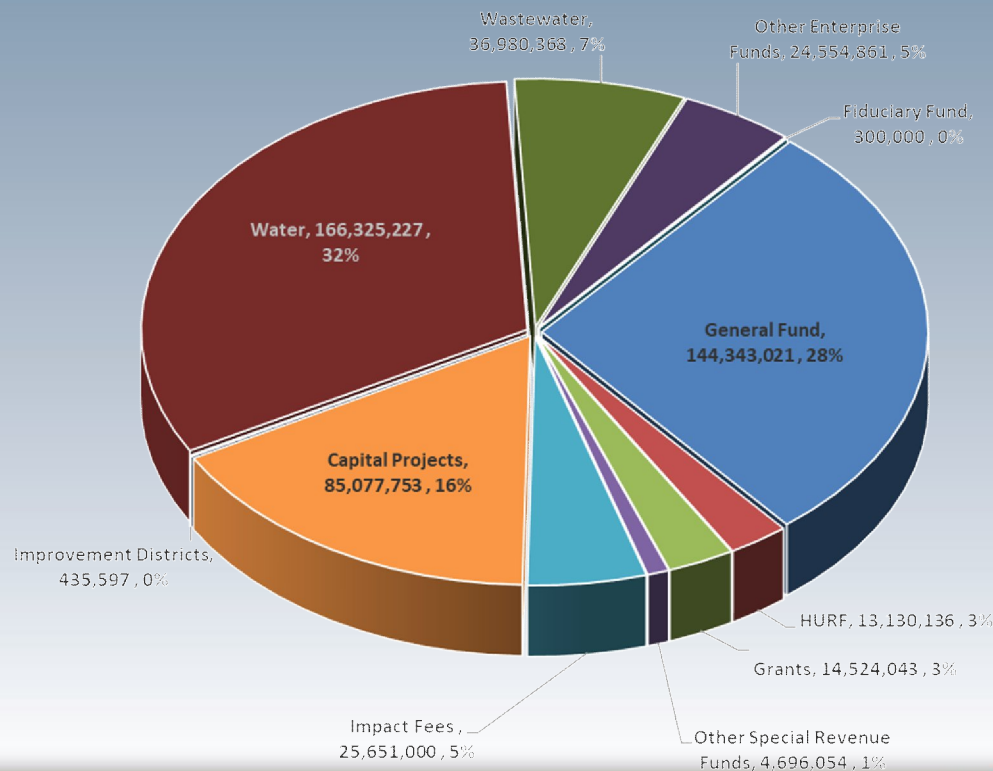
All Funds – By
Category



FY2022-23 Recommended Budget

WHERE DOES THE MONEY GO? - \$516.0 Million

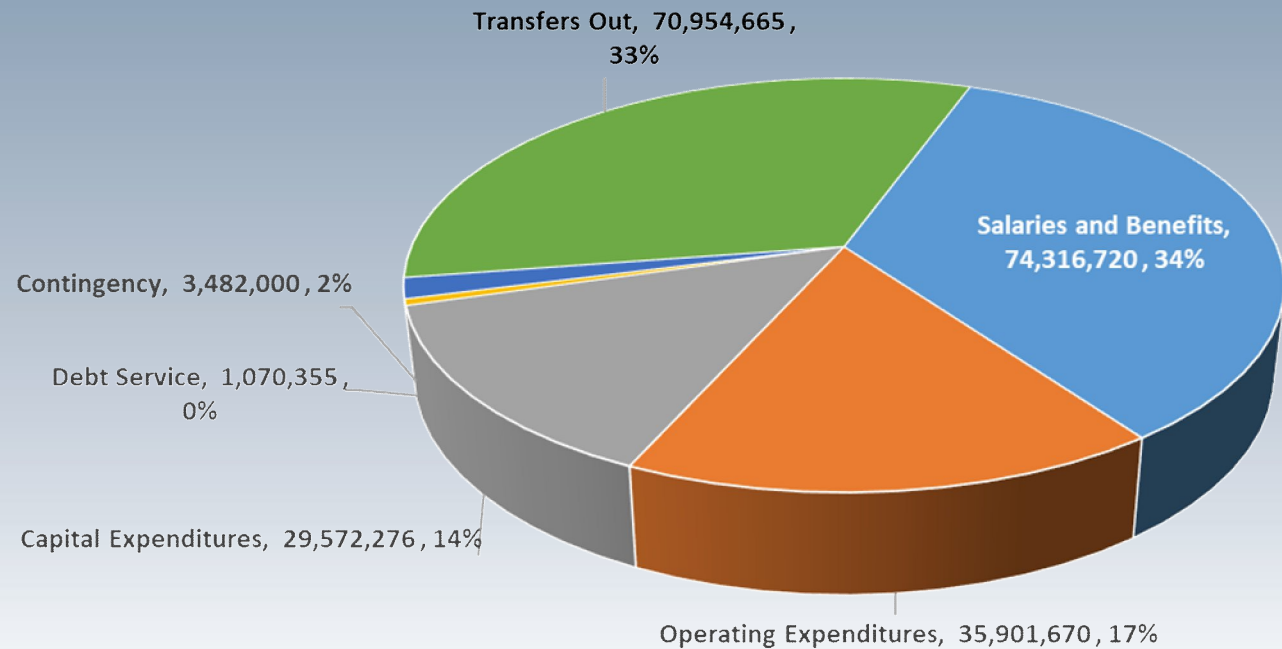
All Funds –
By Fund



FY2022-23 Recommended Budget

WHERE DOES THE MONEY GO? - \$215.3 Million

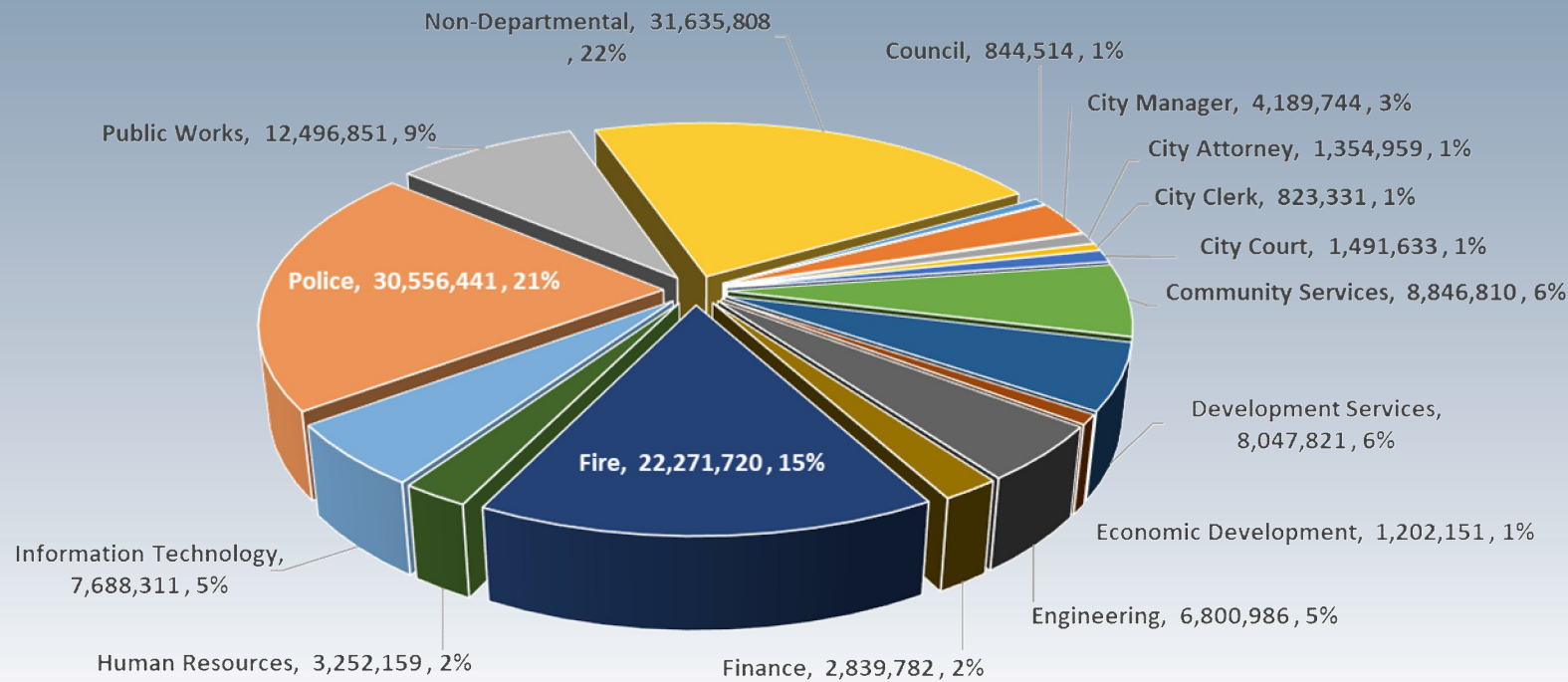
General
Fund by
Category



FY2022-23 Recommended Budget

WHERE DOES THE MONEY GO? - \$215.3 Million

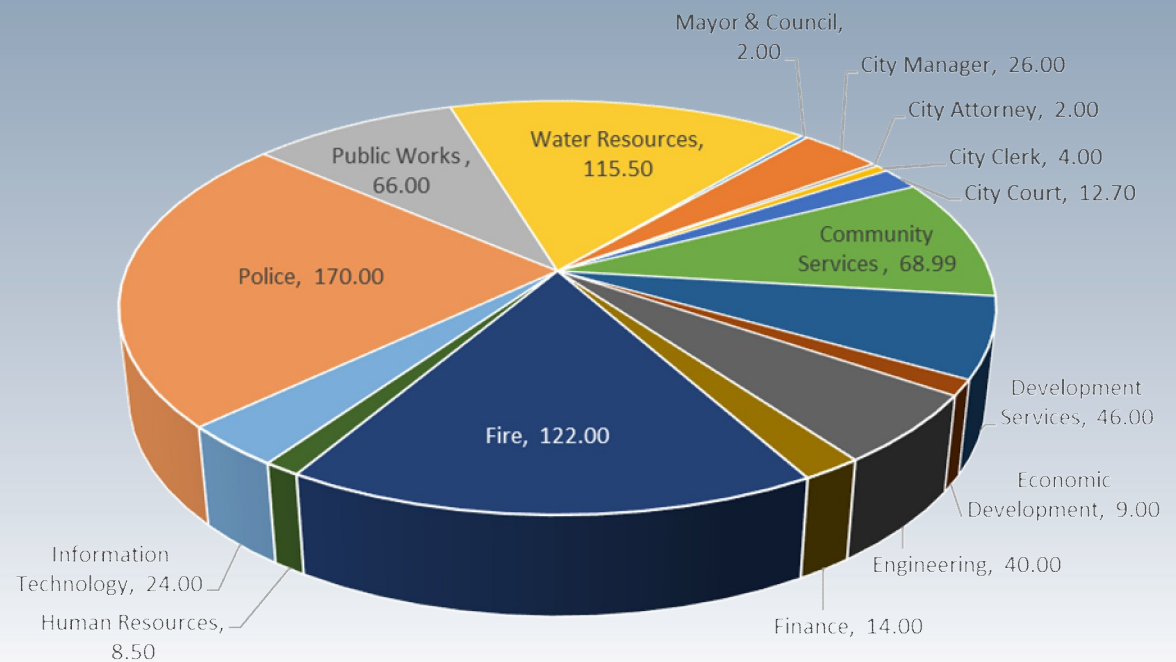
General Fund by Department



FY2022-23 Recommended Budget

PERSONNEL – TOTAL AUTHORIZATION – 730.69 Positions

Department	Actual FY 21-22	Recommended FY 22-23	Change
Mayor & Council	2.00	2.00	-
City Manager	25.00	26.00	1.00
City Attorney	1.00	2.00	1.00
City Clerk	4.00	4.00	-
City Court	11.20	12.70	1.50
Community Services	62.24	68.99	6.75
Development Services	45.00	46.00	1.00
Economic Development	9.00	9.00	-
Engineering	35.00	40.00	5.00
Finance	12.00	14.00	2.00
Fire	104.00	122.00	18.00
Human Resources	8.50	8.50	-
Information Technology	20.00	24.00	4.00
Police	156.00	170.00	14.00
Public Works	60.00	66.00	6.00
Water Resources	105.50	115.50	10.00
Total Staffing	660.44	730.69	70.25



Includes .75 position due to reclassification of Library Aides

FY2022-23 Recommended Budget

PERSONNEL – EMPLOYEE COMPENSATION

- All staff – 5% COLA
- Non Public Safety staff - 2% Merit
- Police and Fire Personnel will be based on comp and class study
- Budgeted Health Insurance increase of 11%
- \$2.0 Million to pay down Public Safety unfunded liability

FY2022-23 Recommended Budget

Department Budgets

Mayor and City Council

GENERAL FUND

- FY 2022-23 Budget \$844,514
- FY 2021-22 Budget \$752,161
- 2.0 budgeted positions
- Major changes:
 - \$25,000 budgeted for facilitator for Council Retreats
 - \$10,000 increase in Contribution to civic organizations
 - \$10,000 increase in City events
 - \$8,000 increase in postage

City Manager

GENERAL FUND

- FY 2022-23 Budget \$4,189,744
- FY 2021-22 Budget \$3,504,933
- 24.0 budgeted positions
- Major changes
 - 1 full time Office Assistant
 - \$25,000 for internship program
 - \$15,000 increase in professional services
 - \$36,000 furniture/equipment
 - \$37,000 training and conferences



Includes Construction & Contracting and Marketing & Communication

City Attorney

GENERAL FUND

- FY 2022-23 Budget \$1,354,959
- FY 2021-22 Budget \$0
- 2.0 budgeted positions
- Major changes
 - 1 full time Paralegal
 - \$750,000 in professional services

City Clerk

GENERAL FUND

- FY 2022-23 Budget \$823,331
- FY 2021-22 Budget \$866,080
- 4.0 budgeted position
- No major changes

City Court

GENERAL FUND

- FY 2022-23 Budget \$1,491,633
- FY 2021-22 Budget \$1,284,298
- 12.7 budgeted positions
- Major changes
 - 1 full time Court Clerk III
 - 1 part time Court Clerk I
 - \$20,000 increase in public defender budget

Community Services

GENERAL FUND

- FY 2022-23 Budget \$8,846,810
- FY 2021-22 Budget \$7,818,934
- 55.65 budgeted positions
- Major changes
 - 1.5 full time Park Attendants
 - 2 full time Recreation Programmer Kids Base
 - 1 full time Recreation Superintendent
 - \$462,000 increase in professional services

Community Services

SPECIAL REVENUE FUND – AREA AGENCY ON AGING

- FY 2022-23 Budget \$1,092,028
- FY 2021-22 Budget \$755,480
- 9.338 budgeted positions
- Major changes
 - 1 full time Kitchen Coordinator
 - 1 part time Senior Center Assistant
 - \$75,000 increase in cost of food

Funding Source: Grant and General Fund

Development Services

GENERAL FUND

- FY 2022-23 Budget \$8,047,821
- FY 2021-22 Budget \$7,712,110
- 46.0 budgeted positions
- Major changes
 - 1 full time Management Assistant
 - \$245,000 decrease in Inspection services
 - \$110,000 increase in professional services

Economic Development

GENERAL FUND

- FY 2022-23 Budget \$1,202,151
- FY 2021-22 Budget \$1,205,326
- 6.0 budgeted positions
- No major changes

Engineering

GENERAL FUND

- FY 2022-23 Budget \$6,800,986
- FY 2021-22 Budget \$5,044,313
- 40.0 budgeted positions
- Major changes
 - 1 full time Permit Technician I
 - 1 full time Permit Technician II
 - 1 full time Project Engineer
 - 1 full time Real Estate Coordinator
 - 1 full time Transportation Planner
 - \$600,000 increase in Engineering Services
 - \$135,000 decrease in Professional Services

Finance

GENERAL FUND

- FY 2022-23 Budget \$2,839,782
- FY 2021-22 Budget \$2,791,121
- 14.0 budgeted positions
- Major changes
 - 1 full time Budget Analyst
 - 1 full time Grant Coordinator
 - \$50,000 increase in Investment Fees
 - \$156,000 decrease in Professional Services (\$275,000 moved to Non-Departmental)

Fire

GENERAL FUND

- FY 2022-23 Budget \$22,271,720
- FY 2021-22 Budget \$17,488,260
- 122.0 budgeted positions
- Major changes
 - 1 full time Assistant Fire Chief
 - 16 full time Firefighters
 - 1 full time Public Information Officer
 - \$161,000 increase in Professional Services
 - \$166,000 increase in minor equipment
 - \$934,000 increase in vehicles (partially impact fees eligible)
 - \$119,500 increase in operational supplies

Human Resources

GENERAL FUND

- FY 2022-23 Budget \$3,252,159
- FY 2021-22 Budget \$1,370,544
- 8.5 budgeted positions
- Major change
 - Risk Management was moved into General Fund (previously Special Revenue Fund) \$1,932,100

Information Technology

GENERAL FUND

- FY 2022-23 Budget \$7,688,311
- FY 2021-22 Budget \$7,877,701
- 25.0 budgeted positions
 - 24.0 General Fund
 - 1.0 Water Resources Funds
- Major changes
 - 1 full time Business Analyst
 - 1 full time Desk Support Technician
 - 1 full time Industrial Control Systems Administrator
 - 1 full time Project Manager
 - \$160,000 increase in General Contractual Services
 - \$219,000 increase in Software licenses
 - \$845,000 decrease in capital requests

Police

GENERAL FUND

- FY 2022-23 Budget \$30,556,441
- FY 2021-22 Budget \$25,497,377
- 170.0 budgeted positions
- Major changes
 - 1 full time Code Enforcement Officer
 - 1 full time Crime Scene Technician
 - 1 full time Dispatcher
 - 1 full time Lieutenant
 - 8 full time Police Officers
 - 1 full time Police Service Assistant
 - 1 full time Sergeant
 - \$400,000 increase in minor equipment
 - \$720,000 increase in vehicles (partially impact fees eligible)

Public Works

GENERAL FUND

- FY 2022-23 Budget \$12,496,851
- FY 2021-22 Budget \$10,317,838
- 26.0 budgeted positions
- Major changes
 - 1 full time Maintenance Worker
 - 1 full time Operations Manager
 - \$1,300,000 increase in building repairs
 - \$1,200,000 increase in capital requests

Public Works

SPECIAL REVENUE FUND - HURF

- FY 2022-23 Budget \$13,130,136
- FY 2021-22 Budget \$11,535,704
- 35.0 budgeted positions
- Major changes
 - 2 full time Equipment Operator
 - 2 full time Maintenance Worker
 - \$173,000 increase in software maintenance
 - \$584,000 increase in pavement and traffic signal maintenance
 - \$640,000 decrease in capital requests

Public Works

ENTERPRISE FUND - ENVIRONMENTAL SERVICES

- FY 2022-23 Budget \$11,452,440
- FY 2021-22 Budget \$9,412,755
- 4.0 budgeted positions
- Major changes
 - \$1,700,000 increase in collections contract

Non-Departmental

GENERAL FUND

- FY 2022-23 Budget \$102,590,473
- FY 2021-22 Budget \$93,724,798
- Includes Sales tax reimbursements
- Economic Development Infrastructure reimbursements
- Major changes
 - \$1,056,000 in legal services were deleted and rebudgeted in the City Attorney Department
 - \$2,500,000 increase in capital outlay
 - \$6,200,000 increase in inter-fund transfers to other funds

Water Resources

WATER / WASTEWATER FUND – STAFFING

- 115.5 budgeted positions
- Staffing Additions:
 - 1 full time Electrician
 - 1 full time Lead Programmer
 - 2 full time Water Operator II – Treatment
 - 1 full time Water Operator III
 - 1 full time Enterprise Asset Management Coordinator
 - 4 full time Operator II (wastewater)

Water Resources

WATER FUND

- FY 2022-23 Budget \$166,325,227
- FY 2021-22 Budget \$84,735,905
- Major changes
 - \$1,000,000 increase in Professional Services
 - \$2,000,000 bond financing expenses
 - \$80,000,000 purchase of water rights

Water Resources

WASTEWATER FUND

- FY 2022-23 Budget \$36,980,368
- FY 2021-22 Budget \$31,156,407
- Major changes
 - \$300,000 increase in Contractual Services
 - \$100,000 IT life cycle replacement
 - \$4,400,000 increase in capital request

Contingencies

• General Fund	\$3.5 Million
• HURF	\$1.2 Million
• Other Special Revenue Funds	\$1.9 Million
• Impact Fees	\$23.3 Million
• Capital Projects	\$21.4 Million
• Other Capital Projects	\$5.4 Million
• Water Enterprise	\$1.6 Million
• Wastewater Enterprise	\$0.6 Million
• Other Enterprise	\$1.3 Million

FY2022-23 Recommended Budget

Capital Improvement Plan

Airport – CIP Projects

- Equipment Storage and Maintenance Facility - \$1,500,000 (FAA, ADOT and General Fund)
- Taxiway & Southern Apron - \$1,317,812 (FAA, ADOT and General Fund)
- T-Hangar Door Upgrades and Roof Bracing - \$410,000 (General Fund)
- 74 Acre Land Acquisition - \$6,000,000 (FAA, ADOT and General Fund)
- Utility Improvements - \$486,324 (General Fund)
- Perimeter Security Fencing and Gates - \$400,000 (ADOT)
- FBO Operator Hangar with attached office - \$325,000 (Grant)
- Conventional Hangar Reconstruction - \$309,138 (General Fund)
- Total Airport CIP Projects equals \$10,748,274

Community Services – CIP Projects

- Sundance Park Phase II - \$12,500,000 (Impact Fees, Grants and General Fund)***
- North Zone Community Park - \$2,465,340 (Impact Fees and General Fund)
- Buckeye Senior Center Kitchen Expansion - \$750,000 (Grant and AZCARES funds)
- Total Community Services CIP Projects equals \$15,715,340

Fire – CIP Projects

- Blue Horizons Fire Station - \$7,400,000 (Impact Fees and General Fund)
- Westpark Fire Station - \$600,000 (General Fund)
- Fire House, Downtown - \$600,000 (General Fund)
- Total Fire CIP Projects equals \$8,600,000

Information Technology – CIP Projects

- Communication Tower - \$2,200,000 (Impact Fees)
- Communication Tower (Festival – Tower only) - \$320,000 (General Fund)
- Downtown Fiber Infrastructure - \$194,000 (General Fund)
- Airport Communication Conduit - \$75,000 (General Fund)
- Total IT CIP projects equals \$2,789,000

Police – CIP Projects

- Police Communication Center - \$8,500,000 (Impact Fees and General Fund)
 - Police Training Center - \$500,000 (Impact Fees and General Fund)
 - Firearms Simulator for Police Training Center - \$400,000 (Impact Fees)
 - Equipment Storage Steel Structure - \$250,000 (General Fund)
-
- Total Police CIP Projects equals \$9,650,000

Public Works – CIP Projects

- Watson Rd from MC85 to Southern - \$1,400,000 (General Fund)
- Verrado Way – Yuma Rd to Van Buren - \$4,500,000 (General Fund)
- Watson Rd improvements East half of Durango to Lower Buckeye – \$2,100,000 (General Fund)
- Durango St – Miller Rd to Yuma Rd - \$1,850,000 (General Fund)
- Park-n-Ride Expansion - \$1,400,000 (MAG and General Fund)
- Miller Rd and Baseline Intersection/Traffic Signal - \$1,300,000 (General Fund)
- Miller Rd Expansion Durango to Lower Buckeye - \$1,300,000 (General Fund)
- Apache and Southern Intersection/Traffic Signal - \$3,500,000 (General Fund)
- Other Public Works CIP Projects - \$5,418,143
 - Total Public Works CIP Projects equals \$22,768,143

Water Resources – CIP Projects

WATER

- Purchase of water rights - \$80,000,000 (Bond issue)
- Farallon Water Campus #16 - \$18,500,000 (Developer Contribution and Reserves)
- West Phoenix Estates Water Campus Improvements – \$5,000,000 (Reserves)
- Well #13 – \$4,750,000 (Grant)
- Jackie Meck Well #8 (Shult Well) - \$4,500,000 (WIFA Loan)
- Water Campus #5 - \$2,350,000 (Reserves)
- 16” Reach line connection to JMWC reservoir - \$2,500,000 (Reserves)
- Water Campus #9 - \$2,000,000 (Grant)
- 16” water line in Verrado between Van Buren & Yuma - \$2,650,000 (Grant)
- Other Water CIP Projects - \$6,875,000 (Reserves and WIFA Loan)
 - Total Water CIP projects equals \$49,125,000

Water Resources – CIP Projects

WASTEWATER

- Sundance WRF Improvement - \$5,500,000 (WIFA Loan)
 - Water Reclamation Facility #6 – Phase I - \$1,500,000 (Reserves)
 - Sundance WRF Centrifuge - \$1,100,000 (CFD and Reserves)
 - Rooks Rd Sewer Main - \$4,000,000 (Grant)
 - Lift Station West of MC 85 - \$4,500,000 (Reserves)
 - Festival, Sundance and Tartesso WRF Improvements - \$4,250,000 (Reserves)
 - Central WWTP Improvements - \$1,000,000 (Reserves)
 - Central WWTP Ring Levee - \$500,000 (Grant)
 - Other Wastewater CIP projects - \$2,050,000 (Grant and Reserves)
- Total Wastewater CIP Projects equals \$24,400,000

FY2022-23 Recommended Budget

NEXT STEPS

- May 17, 2022 Adoption of Tentative Budget
- June 7, 2022 Truth-in-Taxation and Adoption of Final Budget (Public Hearing)
- June 21, 2022 Adoption of Property Tax Levy

Questions?

FY2022-23 Recommended Budget

CAPITAL IMPROVEMENT PLAN