



Agenda

City Council Policy Session

Tuesday, February 27, 2024

2:30 PM

phoenix.gov

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 2 hours prior to the start of this meeting**. Then, click on this link at the time of the meeting and join the Webex to speak: <https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=e10799c58b1d6b8242ff5d858d9673b73>

- **Register via telephone** at 602-262-6001 **at least 2 hours prior to the start of this meeting**, noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

In-Person Requests to speak at a meeting:

- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive **1 hour prior to the start of this meeting**. Depending on seating availability, residents will attend and speak from the Upper Chambers, Lower Chambers or City Hall location.

- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak for that item will not be accepted.

At the time of the meeting:

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- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2554 260 9672# (for English) or 2557 511 0078# (for Spanish). Press # again when prompted for attendee ID.

- **Watch** the meeting in-person from the Upper Chambers, Lower Chambers or City Hall depending on seating availability.

- Members of the public may attend this meeting in person. Physical access to the meeting location will be available starting 1 hour prior to the meeting.

Para nuestros residentes de habla hispana:

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 2 horas antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2557 511 0078#. El intérprete le indicará cuando sea su turno de hablar.

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión (602-666-0783; ingrese el número de identificación de la reunión 2557 511 0078#). Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

- **Para asistir a la reunión en persona**, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, en el piso de abajo de las cámaras, o en el edificio municipal.

Miembros del público pueden asistir a esta reunión en persona. El acceso físico al lugar de la reunión estará disponible comenzando una hora antes de la reunión.

CALL TO ORDER**COUNCIL INFORMATION AND FOLLOW-UP REQUESTS**

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

CONSENT ACTION

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. There is no Consent Agenda for this meeting.

CALL FOR AN EXECUTIVE SESSION

A vote may be held to call an Executive Session for a future date.

REPORTS AND BUDGET UPDATES BY THE CITY MANAGER

This item is scheduled to allow the City Manager to provide brief informational reports on topics of interest to the City Council. The City Council may discuss these reports but no action will be taken.

INFORMATION AND DISCUSSION (ITEMS 1-2)

1 **General Fund 2024-25 Preliminary Budget Status and
Multi-Year Forecast**

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This report transmits the preliminary status for the General Fund (GF) Fiscal Year (FY) 2024-25 budget and a multi-year GF forecast through FY 2026-27 (**Attachment A**). The multi-year forecast is being presented to the Mayor and City Council as an essential tool in long-term budget discussions and decision making.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department

This item is submitted by City Manager Jeffrey Barton and the Budget and Research Department.

2 City of Phoenix 2024 Heat Response Plan

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This report presents to City Council the annual update to the City of Phoenix Heat Response Plan for Summer 2024. The Heat Response Plan details the programs and services that Phoenix delivers to residents and visitors to prevent illness, death, and other serious and immediate adverse health outcomes associated with indoor and outdoor heat exposure.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays, Deputy City Manager Gina Montes and the Fire, Emergency Management, Heat Response and Mitigation, Public Health, and Homeless Solutions offices.

ADJOURN



General Fund 2024-25 Preliminary Budget Status and Multi-Year Forecast

This report transmits the preliminary status for the General Fund (GF) Fiscal Year (FY) 2024-25 budget and a multi-year GF forecast through FY 2026-27 (**Attachment A**). The multi-year forecast is being presented to the Mayor and City Council as an essential tool in long-term budget discussions and decision making.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

The GF budget outlook for FY 2024-25 reflects a projected one-time surplus of \$80 million. The City has experienced strong growth over the past three fiscal years with continued increases in resources. However, as the attached multi-year forecast report (**Attachment B**) demonstrates, projected deficits in FY 2025-26 and FY 2026-27 will require strategic decision making to ensure the GF budget remains balanced. Staff will update revenue and expenditure estimates in the coming weeks as part of the annual 7+5 technical review process and incorporate required changes to projections. The 2024-25 Trial Budget will be presented to City Council on March 19, and will include recommendations on how to responsibly allocate the one-time surplus.

The attached Multi-Year Forecast report includes estimates of future GF resources and expenditures for FY 2024-25 through FY 2026-27 based on several economic and budgetary assumptions. Negative numbers are shown in parenthesis. The forecast projects a range of ending balances with deficits in FY 2025-26 of \$(103) million to \$(66) million and for FY 2026-27 of \$(53) million to a potential surplus of \$19 million. The deficits are due to the State's actions to eliminate residential rental sales tax and reduce individual income tax rates, further discussed in this report. The forecast is not intended to precisely predict future GF capacity, but rather to present ranges of potential ending fund balances to be used as a framework for decision making and strategic planning to ensure a balanced budget going forward.

GF 2024-25 Preliminary Budget Status

The FY 2024-25 GF ending fund balance is estimated to be \$80 million and is considered one-time funds representing a carry forward of prior year fund balance and savings in GF capital costs. The projected ending fund balance includes significant

reductions in revenues caused by legislation passed by the State that eliminates residential rental sales taxes for cities and towns effective January 2025 (SB 1131). The estimated five-month impact to the GF for FY 2024-25 is approximately \$(18.4) million and the ongoing annual impact beginning in FY 2025-26 is \$(43.4) million. Additionally, SB 1828 reduced individual income tax rates beginning in tax year 2022 to the current "flat tax" rate of 2.5 percent. On June 9, 2023, the State's Joint Legislative Budget Committee (JLBC) notified the legislative membership of a significant decline in GF revenue collections, which is primarily due to underestimating the negative impact of the rate reduction. The City receives state-shared income taxes based on actual collections from two years prior. Budget and Research staff rely on projections from the JLBC to estimate this revenue stream for budget development. The estimated negative impact to FY 2024-25, FY 2025-26, and FY 2026-27 of the less than estimated income tax revenues by the JLBC is approximately \$(36) million, \$(43) million and \$(41) million respectively, compared to projections in the GF Forecast presented to City Council on Feb. 21, 2023.

The GF preliminary estimated resources in FY 2024-25 are \$2.096 billion or (1.6) percent lower than FY 2023-24 estimated resources. GF revenue for FY 2024-25 is estimated at \$1.843 billion or (3.1) percent lower than the FY 2023-24 revised revenue estimate. Projections account for the reductions mentioned above to city sales tax and state shared revenue. Staff will further refine GF revenue estimates over the coming weeks in preparation for the City Manager's Trial Budget scheduled to be presented to City Council on March 19. More information on each resource category is detailed in **Attachment A**.

The GF preliminary expenditure projections may change as cost estimates are further refined in the coming weeks; however at this time the preliminary FY 2024-25 GF expenditures to continue existing levels of service are projected to be \$2.016 billion, or \$1.927 billion excluding contingency funds. This compares to the FY 2023-24 GF expenditure estimate of \$1.890 billion. The increase accounts primarily for higher costs for employee salaries and benefits, associated with the City Council approved Classification and Compensation Study, negotiated labor increases and pension costs. These cost increases were partially offset by lower GF capital costs for vehicle replacements and pay-as-you-go projects that will instead utilize excise tax bond proceeds.

The FY 2023-24 preliminary GF budget also accounts for increasing the contingency fund from \$81 million to \$89 million, to reflect 4.75 percent of operating expenditures. In March 2010, the City Council agreed to gradually increase the contingency with a goal of achieving five percent of GF operating expenses. Achieving this goal will improve the City's ability to withstand potential future economic declines.

GF Multi-Year Forecast

The attached Multi-Year Forecast and Preliminary GF Status Report includes economic, resource and expenditure assumptions (**Attachment C**) used to develop the forecast. The report also includes possible risks and unfunded needs, including costs necessary beginning in FY 2024-25 to continue efforts helping individuals experiencing homelessness. Additional GF resources will be required for the Office of Homeless Solutions (OHS) upon expiration of American Rescue Plan Act (ARPA) funds with preliminary estimates for FY 2024-25 of \$6.5 million and in FY 2025-26 of \$22 million. These costs have not been factored into the forecast.

The current forecast assumes no changes to existing labor contracts or service levels, and does not assume any further negative impacts to the City from the current State legislative session. The forecast accounts for anticipated cost increases for operating expenses associated with the voter approved 2023 General Obligation Bond Program in FY 2025-26 and FY 2026-27 totaling \$12.8 million over the two fiscal years. Additionally, pension costs are forecasted separately based on information from the City of Phoenix Employees Retirement System (COPERS), and the Public Safety Personnel Retirement System (PSPRS) actuaries, and are anticipated to increase \$109 million, or 30 percent from FY 2022-23 to FY 2026-27 (**Attachment G**).

The multi-year forecast as presented does not assume any period of recession but rather includes a baseline, optimistic and pessimistic projection, based on ranges for revenues and expenditures. As mentioned above, the FY 2024-25 GF ending fund balance is estimated to be \$80 million. The outer years of the forecast project a range of ending balances with deficits in FY 2025-26 of \$(103) million to \$(66) million and for FY 2026-27 of \$(53) million to a potential surplus of \$19 million. The baseline forecast in FY 2025-26 and FY 2026-27 includes deficits estimated at \$(92) million and \$(31) million, respectively. The forecast assumes the one-time surplus in FY 2024-25 of \$80 million is allocated for one-time purposes rather than spent on ongoing initiatives and therefore is not continued in the following year. The FY 2025-26 deficit is balanced by reducing ongoing expenditures and is not carried over to FY 2026-27. The projected deficits are due to the state's actions to diminish the ongoing tax base by prohibiting cities and towns from collecting residential rental sales tax and lowering individual income tax rates.

It is important to note the FY 2024-25 GF ending balance if adjusted for the loss of residential rental sales tax and the impact of the less than projected state shared income tax collections would have been estimated at \$134 million (versus \$80 million). The outer years of the forecast would also be significantly improved absent the loss in revenue with a range in FY 2025-26 of \$(17) million to \$20 million and projected

surpluses of \$33 million to \$105 million in FY 2026-27 (**Attachment B**).

Additionally, to better prepare for future challenges, the attached report includes stress testing for moderate and severe recessions, which is an essential fiscal tool to evaluate how revenues respond to different levels of economic crisis. Stress test simulations can help determine if an organization can weather economic shocks or unexpected declines in revenues and is included for illustration purposes only (**Attachment D, E and F**).

As we look ahead, areas which could impact the GF include revenue volatility, economic declines or a recession, continued pension cost increases, higher costs for employee compensation, impacts from the Department of Justice inquiry, State legislative actions, and unfunded mandates. Staff will continue to monitor legislation, economic conditions and monthly revenue collections closely throughout the budget development process.

Next Steps and Community Engagement

The Phoenix City Charter requires a balanced budget each year. On March 19, a balanced City Manager's Trial Budget will be presented for City Council and community discussion along with the Preliminary Five-Year Capital Improvement Program (CIP). The CIP is a multi-year plan for capital expenditures that are needed to replace, expand, and improve infrastructure and systems.

Engaging residents in the budget process is a priority of the City Council, and this year staff plans to continue the practice of seeking community input on the proposed budget with several opportunities for residents to participate through community budget hearings to be held during the month of April. Residents are also invited to use the FundPHX tool and can contact the Budget and Research Department directly to provide input on the budget. More information is available on the Budget and Research Department's website, phoenix.gov/budget. Feedback received from residents will be provided to the City Council regularly so it may be considered ahead of final budget adoption.

Responsible Department

This item is submitted by City Manager Jeffrey Barton and the Budget and Research Department.

ATTACHMENT A

RESEARCH REPORT BUDGET AND RESEARCH DEPARTMENT		B.R. REPORT NUMBER 2024-05
		DATE ISSUED February 22, 2024
TO: JEFF BARTON CITY MANAGER	FROM: AMBER WILLIAMSON BUDGET AND RESEARCH DIRECTOR	
SUBJECT MULTI-YEAR FORECAST AND FY 2024-25 PRELIMINARY GENERAL FUND BUDGET STATUS		
BACKGROUND <p>Development and presentation of the multi-year forecast is an important step in the City's budget process. Evaluating projected available resources and identifying potential ongoing budget surpluses or funding gaps will allow City management and Council to develop strategic plans to ensure the continuation of City operations and optimize services to the community.</p> <p>The multi-year forecast estimates future revenues and expenditures of the General Fund for the current fiscal year through fiscal year 2026-27. The purpose of this forecast is to identify key trends in revenues and expenditures and to provide information about the financial landscape anticipated over the next few years. The information contained in this forecast is based on data available through January 2024.</p> <p>The General Fund (GF) multi-year forecast (Attachment B) is provided to the City Council and the community for consideration and provides City policy makers with:</p> <ul style="list-style-type: none">• A strategic financial management best practice• A framework for strategic decision-making to ensure a balanced budget each fiscal year• The opportunity to make policy changes to maximize City resources and service delivery• A roadmap to continued fiscal health and award-winning budgetary and financial reporting <p>The forecast is not an official policy or legal budget document and does not enact any budgetary allocations. The forecast is also not intended to set or precisely predict future revenues or expenditures. Rather, the forecast presents current estimates based on several economic and financial assumptions of the future direction and ranges of growth rates for both resources and expenditures. The economic, revenue, and expenditure assumptions are provided in Attachment C.</p> <p>The forecast is built on several assumptions outlined in Attachment C regarding:</p> <ul style="list-style-type: none">• The national, state, and local economy• Population and job growth		

- Revenue and expenditure growth
- Impacts of anticipated increasing pension liabilities
- Effects of the state's actions on residential rental sales tax and individual income tax cuts
- Estimated additional costs for the Class and Comp study
- Cost management practices

All of these factors are subject to change and are detailed further in this report.

Projecting future available resources and expenses over multiple years is complex and involves several assumptions concerning how revenue and expenditures will grow over time. To model potential future budgetary scenarios under varying economic conditions, a range is provided for resources and expenditures for the outer years of the forecast. The differences between the upper and lower ends of the ranges increase in the later years of the forecast reflecting additional economic uncertainty. The top of each range represents the "optimistic" forecast, while the bottom of the range represents the "pessimistic" forecast.

It is important to note, if any of these assumptions as described were to change or modeled differently, the ranges of amounts presented in the forecast would need to be revised. Unexpected economic shocks, recessions, legislation, unfunded mandates, or other risks to the forecast can also adversely affect projections.

Additionally, even slight variances in the revenue and expenditure growth rates in the initial years of the forecast result in substantial changes to the later years due to the compounding effect of the changes. For example, a revenue growth variance of only 1% in FY 2024-25 can result in a \$19 million change to the ending balance, which would impact the ending fund balances in the subsequent forecast years. Long term forecasts become less reliable the further they are from development because of the many underlying assumptions subject to frequent fluctuations.

Projections are formulated in the first six months of the fiscal year and are based on current estimates of where staff believes resources and expenditures will be for the current fiscal year and the subsequent three years. In order to create the most reliable revenue and expenditure projections, staff relies on several economic sources, months of actual collections and extensive technical reviews before recommending estimates to City management and ultimately the City Council for final consideration.

GF Summary

Revenue growth in the previous fiscal year was strong despite the onset of geopolitical conflicts, high inflation, actions by the Federal Reserve to increase interest rates, tighter monetary policy, and volatile markets. In FY 2022-23, GF revenues were 13.2% higher than FY 2021-22, primarily due to a one-time increase in state shared income tax collections (based on actual collections from FY 2020-21), and strong city and state sales tax revenues. However, significant economic uncertainty and volatility in sales tax revenue collections in the first six months of FY 2023-24 require a cautious approach to forecasting. The baseline revenue forecast for the remainder of FY 2023-24 and looking ahead to FY 2024-25 is projected to expand but at a slower pace and is in line with trusted economic sources used to develop revenue estimates. The revised estimated revenue growth for FY 2023-24 and FY 2024-25 is 12.4% and -3.1% respectively. The negative growth in FY 2024-25 is primarily due to significantly lower state shared income tax collections caused by the state's actions to lower the individual income tax rate to the current "flat tax", and the elimination of residential rental sales tax.

The State recently enacted Senate Bill 1131, which prohibits municipalities from taxing residential rental property starting Jan. 1, 2025. The estimated 5-month impact to the GF for FY 2024-25 is approximately \$(18) million and the ongoing annual impact beginning in FY 2025-26 is over \$(43) million. Additionally, Senate Bill 1828 reduces individual income tax rates beginning in tax year 2022 to the current flat tax rate of 2.5%. On June 9, 2023, the State's Joint Legislative Budget Committee (JLBC) notified the legislative membership of a significant decline in GF revenue collections, which is primarily due to underestimating the negative impact of the state's decision in 2021 to enact Senate Bill 1828. The City receives state-shared income taxes based on actual collections from two years prior. Budget and Research (B&R) staff rely on projections from the JLBC to estimate this revenue stream for budget development. The estimated negative impact to FY 2024-25, FY 2025-26, and FY 2026-27 of the less than estimated income tax revenues by the JLBC is approximately \$(36) million, \$(43) million and \$(41) million respectively compared to projections in the GF Multi-year Forecast presented to City Council on Feb. 21, 2023.

The FY 2024-25 GF ending fund balance is estimated to be \$80 million and is considered one-time funds representing a carryforward of prior year fund balance and savings in capital expenditures. The outer years of the forecast project a range of ending balances with deficits in FY 2025-26 of \$(103) million to \$(66) million and for FY 2026-27 of \$(53) million to a potential surplus of \$19 million. The baseline forecast in FY 2025-26 and FY 2026-27 includes deficits estimated at \$(92) million and \$(31) million, respectively. The forecast assumes the one-time surplus in FY 2024-25 is allocated for one-time purposes rather than spent on ongoing initiatives. The FY 2025-26 deficit is balanced by reducing ongoing expenditures and is not carried over to FY 2026-27. The projected deficits are due to the state's actions to diminish the ongoing tax base by prohibiting cities and towns from collecting residential rental sales tax and lowering individual income tax rates. It is important to note the FY 2024-25 GF ending balance if adjusted for the loss of residential rental sales tax and the impact of the less than projected state shared income tax collections would have been estimated at \$134 million (versus \$80 million). The outer years of the forecast would also be significantly improved absent the loss in revenue with a range in FY 2025-26 of \$(17) million to \$20 million and projected surpluses of \$33 million to \$105 million in FY 2026-27 (**Attachment B**).

Additionally, to better prepare for future challenges, this report also includes stress testing for moderate and severe recessions, which is an essential fiscal tool to evaluate how revenues might respond to different levels of economic crisis (**Attachment D, E and F**).

OTHER INFORMATION

Staff is underway with the annual 7+5 expenditure and revenue technical review process and may update estimates if necessary. The final estimates and recommendations to the City Council on how best to allocate the one-time GF surplus in FY 2024-25 to achieve a required balanced budget will be presented in the proposed Trial Budget on March 19.

It is also worth noting the preliminary FY 2024-25 budget and forecast is based on existing state-shared revenue models and statutory obligations. Any changes to state-shared revenue formulas, or other revenue sources proposed in the Governor's budget or in legislative bills that would impact the GF forecast, are not reflected, and would need to be addressed if adopted by the State.

General Fund FY 2024-25 Preliminary Budget Status

FY 2024-25 Resources - The chart below shows the preliminary resources projection:

GF Resource Category	2024-25 Preliminary Estimate (in millions)	2024-25 Preliminary Projected Annual Growth Rate %
Local Sales & Excise Taxes ¹	\$737	0.9%
State-Shared Revenue ²	\$699	-8.9%
Primary Property Tax ³	\$215	3.9%
User Fees and Other	\$192	-2.9%
Beginning Balance ⁴	\$242	N/A
Transfers/Recoveries ⁴	\$11	N/A
Total GF Resources	\$ 2,096	-1.6%

¹ Reflects the negative impact to Local Sales & Excise taxes because of Senate Bill 1131, which prohibits municipalities from taxing residential rental property starting January 1, 2025.

² Reflects the negative impact to State-Shared Income Tax Revenue because of Senate Bill 1828, which reduces the individual income tax rates to flat tax of 2.5% beginning in tax year 2022. However, it does not reflect any impact to State-Shared Revenue resulting from the FY 2024-25 State budget, nor legislative changes that have recently been proposed or discussed during the current legislative session.

³ Assumes the continuation of the City Council adopted policy to maximize the primary levy in order to preserve GF services. Any deviation from this policy would require an ongoing reduction to GF programs.

⁴ Estimates for beginning balance and transfers/recoveries are not derived from annual growth rate projections or broader economic factors.

Revenue Forecasting Model - In the fall of 2014, Budget and Research consulted with the University of Arizona's Eller College of Management, Economic and Business Research Center (EBRC) to enhance the City's sales tax revenue forecasting process. Dr. George Hammond, EBRC Director, and Dr. Alberta Charney, Senior Research Economist, spent several months working with City staff to develop an enhanced econometric sales tax forecasting model for all categories of city and state sales tax. In the summer of 2017, staff worked with EBRC to update the tax forecasting model. In March 2021, the EBRC revised the City's model again by including online sales tax. The City began collecting sales tax from online marketplace retailers effective October 2019 just prior to the pandemic, which helped to offset losses experienced in the leisure and hospitality sales tax categories during the pandemic. The EBRC leads the State of Arizona Forecasting Project, which provides in-depth economic forecast analysis and databases on a subscription basis to businesses, organizations, and government via membership. The additional consulting with Dr. Hammond has provided the City with solid, independent economic and statistical expertise used to develop a statistically valid forecasting model specifically for the City of Phoenix. The projected growth rates in each category of sales tax for the FY 2024-25 estimate and the outer years of the forecast are based on projections developed with the enhanced econometric forecasting model. Revenue estimates may change as more data becomes available and will be finalized in the coming weeks.

GF Expenditures - The preliminary expenditure estimates may change as cost estimates are further refined in the coming weeks. Currently, FY 2023-24 and FY 2024-25 General Fund expenditure estimates excluding contingency are projected to be \$1.890 billion and \$1.927 billion, respectively. The increase includes the additional costs for the Class and Comp study, and increased costs for pension, contractual services, and commodities. The outer years of the forecast assume expenditures excluding pension grow by five percent and account for increased costs from the Class & Comp study and estimated operating cost impacts for the voter approved 2023 General Obligation Bond Program. Further detail on expenditure assumptions can be found in **Attachment C**.

Pension Costs – Expected changes in COPERS and PSPRS pension costs are as follows:

- COPERS: GF pension costs in FY 2024-25 for civilian employees are estimated at \$113 million and are expected to increase to \$122 million in FY 2026-27. The overall trend in COPERS pension cost has been driven by recent actuarial changes, plan earnings, payroll growth and pension reform (**Attachments B and G**).
- PSPRS: GF pension costs in FY 2024-25 for sworn Police and Fire are estimated at \$330 million and are expected to increase to \$352 million in FY 2026-27. The primary factors contributing to the growth are recent actuarial changes, plan earnings, and changes to the payroll base. As the multi-year forecast shows, GF public safety pension costs are estimated to increase by \$31 million from the FY 2023-24 budget through FY 2026-27 (**Attachments B and G**), which adds pressure to the GF budget going forward and limits the City's ability to either expand programs and services to residents or increase employee compensation.

Contingency Fund (Rainy Day Fund) – The Contingency Fund is assumed to increase from \$81 million to \$89 million in FY2024-25 to reflect 4.75% of operating expenditures. The contingency rate remains at 4.75% for the entire forecast period due to the anticipated deficits in FY 2025-26 and FY 2026-27. In March 2010, the City Council agreed to gradually increase the contingency with a goal of achieving five percent of GF operating expenses to withstand potential economic declines. Contingency/rainy day funds provide one-time resources for possible emergencies and unanticipated costs that may occur after the budget is adopted. The possibility of natural disasters, public or employee safety emergencies, public health issues, economic shocks or declines, and geopolitical events that can impact the broader economy necessitates maintaining adequate contingency funds. The Government Finance Officers Association (GFOA) recommends cities maintain reserve levels as a financial best practice and according to the Pew Charitable Trust, research also shows that contingency/rainy day funds can affect a government's credit rating, which in turn has an impact on borrowing costs and operating expenses. The role of the contingency/rainy day funds is to improve a city or town's monetary stability by building up a safety net for cities and towns so that it could be used to protect itself against adversities. They offer the capability to meet a monetary crisis without hindering public services. Without a contingency fund, unforeseen emergencies or economic declines may create budget deficits requiring reductions to programs and services.

The GF preliminary FY 2024-25 budget status and multi-year forecast are provided for information purposes only.

ATTACHMENTS

Attachment B- Multi-Year General Fund Forecast

Attachment C- Forecast Assumptions

Attachment D- Background, Methodology and Assumptions for Stress Testing

Attachment E- Stress Testing for Moderate Recession Scenario

Attachment F- Stress Testing for Severe Recession Scenario

Attachment G- Pension Cost Increases

ATTACHMENT B **Multi-Year General Fund Forecast (\$ Millions)**

	2023-24 Adopted Budget	2024-25 Preliminary Budget Estimate	For Planning Purposes Only	
			2025-26 Forecast	2026-27 Forecast
Resources				
Local Taxes	\$699	\$737	\$741 - \$752	\$769 - \$792
State Shared Revenues	770	699	674 - 685	700 - 722
Primary Property Tax	207	215	222 - 225	228 - 235
User Fees and Other	155	192	194 - 197	196 - 202
Other (Carryover Balance, Transfers, Recoveries)	130	172	16	7
Unused Contingency from Prior Year	68	81	89	91 - 90
Total Resources	\$2,029	\$2,096	\$1,936 - \$1,964	\$1,991 - \$2,048
Expenditures				
Operating Expenditures	\$1,360	\$1,408	\$1,434 - \$1,426	\$1,406 - \$1,392
Civilian Pension	112	113	115	122
Sworn Public Safety Pension	321	330	340	352
Contingency	81	89	91 - 90	91 - 90
Pay-As-You-Go Capital	122	60	38	38
Minimum Vehicles	33	16	21	35
Total Expenditures	\$2,029	\$2,016	\$2,039 - \$2,030	\$2,044 - \$2,029
PROJECTED (DEFICIT)/SURPLUS:	\$ -	\$80	\$(103) - \$(66)	\$(53) - \$19
State's Actions to Reduce Revenue: AZ Individual Income Tax Cut, Effective Tax Year 2022 Residential Rental Property Tax Cut, Effective 1/1/2025		\$36 \$18	\$43 \$43	\$41 \$45
ADJUSTED PROJECTED (DEFICIT)/SURPLUS:		\$134	\$(17) - \$20	\$33 - \$105

Key Resource Forecast Assumptions:

- * The forecast assumes modest revenue growth with no recession from 2024-25 to 2026-27, no fee increases or decreases and no new revenue sources.
- * The forecast includes tax rate reduction: Laws 2021, Chapter 412 (Tax Omnibus) reduced the number of individual income tax brackets from four in Tax Year (TY) 2021 to two brackets in TY 2022. Starting from TY 2023, the individual income tax has been reduced to 2.5%.
- * Relative population share used in calculating state shared revenues in 2024-25 was based on the 2022 Census Bureau Population Estimate. It was projected to remain flat throughout the forecast period. The actual share will change annually based on Census Bureau Population Estimates. In addition, Laws 2021, Chapter 412 (Tax Omnibus) increased the Urban Revenue Sharing distribution from 15% to 18% starting in 2023-24.
- * The forecast includes residential rental property tax reduction: Senate Bill 1131 prohibits municipalities from taxing residential rental property starting January 1, 2025.

Key Expenditure Forecast Assumptions:

- * The contingency fund is set as 4.75% of the total General Fund operating expenditures from 2024-25 through 2026-27.
- * Includes no additional future funding for program enhancements, unfunded mandates, expiring grants, etc.
- * 2024-25 employee costs are based on projections under the current Council-adopted pay plan ordinance and employee contracts. No assumptions have been made concerning future labor contract negotiations. Estimated costs of the Class and Comp study are included in the forecast. Pension costs are based on required and projected contribution rates provided by the respective pension system actuaries.
- * Non-personnel related expenditures for 2024-25 assume expenditure growth is in line with recent historical averages, and the out years are anticipated to align with the estimated CPI growth.

Other Forecast Notes:

- * Ranges provided for revenues and expenditures. Upper & lower ends of ranges increase slightly in the outer years of the forecast reflecting additional economic uncertainty in the later years.
- * Ranges include pessimistic and optimistic scenarios within assumptions provided by the primary sources of economic information mentioned in this report.
- * When a baseline deficit or ongoing surplus is projected, the next year's operating expenses are assumed to be decreased or increased by the baseline deficit/surplus amount prior to applying the assumed annual projected growth rate, as the City is required by Charter to balance the budget each year.

ATTACHMENT C

Forecast Assumptions

Economic Sources - Budget and Research staff relies on several different sources for economic data and forecasts to assist with developing revenue and expenditure projections.

The list below includes the primary sources of information:

- State of Arizona Finance Advisory Committee (FAC) which includes several economists and finance professionals from the private and public sectors
- State of Arizona Joint Legislative Budget Committee (JLBC)
- University of Arizona (UofA), Economic Business Research Center (EBRC)
- Global Insight, IHS
- Arizona State University (ASU) – WP Carey School of Business, and Western Blue Chip
- Arizona Department of Administration (ADOA) - Employment and Population Statistics Office
- JP Morgan Chase Economic Outlook Center
- Blue Chip Economic Indicators (BCEI) – National Level
- U.S. Bureau of Labor Statistics
- U.S. Census Bureau
- U.S. Bureau of Economic Analysis (BEA)
- The Conference Board
- University of Arizona (UofA) Forecasting Project – A community-sponsored research program within the Economic and Business Research Center providing project members with economic forecasts for Arizona, the Phoenix-Mesa metro area, and the Tucson metro area. City staff attends the Forecasting Project quarterly meetings and receives quarterly reports and data/projections used to assist in developing our forecasts. Forecasting Project data relies on Global Insight, IHS which is a well-known economics organization that provides comprehensive economic and financial information. The data from this project is incorporated into an econometric software program used to forecast sales tax.

Economic Outlook

The U.S. economy has demonstrated resilience over the past three years. Real Gross Domestic Product (GDP), a common economic measure, grew 2.5% in 2023. According to the U.S. Bureau of Economic Analysis (January 2024), the 2023 growth was attributed to increases in consumer spending, nonresidential fixed investment, state and local government spending, exports, and federal government spending partly offset by decreases in residential fixed investment and inventory investment. However, real GDP is expected to rise more slowly in 2024 than in 2023. The Conference Board anticipates two quarters of slightly negative GDP growth during the second and third quarters of 2024 that will be broadly felt across the economy. Estimated GDP for 2024 and 2025 is 1.2% and 1.4%, respectively. These figures represent a decline compared to the preceding three years: 5.8% in 2021, 1.9% in 2022, and 2.5% in 2023 (The Conference Board, January 2024) signaling a softening of the economy. Despite the anticipated normalization of inflation and interest rates in 2024, volatility is still expected to persist throughout the year. Several contributing factors include challenges in real disposable income growth, diminishing pandemic-related savings, rising household debt, and the impact of “buy now, pay later” plans. At a broader level, the challenges facing the U.S. economy arise from geopolitical conflicts and the risk of a surge in energy prices. It’s noteworthy that the upcoming presidential election could have an impact on the economy, and economists note concerns with the housing and commercial real estate markets as risks to the broader economy.

The U.S. economic growth established a platform for continued solid gains in Arizona in 2023. For the five-year period ending in the third quarter of 2023, the Arizona economy grew 19.6%, making it the fourth fastest-growing state during this period (Arizona Governor's Executive Budget, January 2024). Arizona was also one of the fastest states to recover its lost jobs during the pandemic. As of December 2023, Arizona's job growth was at 2%, slightly higher than the national rate of 1.9%. Overall, Arizona is well positioned to grow in 2024 but at a reduced pace. While it shares common challenges with the broader U.S. economy, the state is currently navigating potential short-term risks within the housing market. Housing permits are expected to decrease this year for both single-family and multi-family activity, driven by high interest rates and significantly reduced housing affordability. Single-family housing affordability continued to deteriorate in the third quarter of 2023, according to data from the National Association of Home Builders and Wells Fargo. In Phoenix, only 24.9% of homes sold were affordable, down from 64.9% in the last quarter of 2019 (Economic Outlook 4th Quarter 2023, UofA Economic Business Research Center).

Other significant economic assumptions from trusted sources include the following:

- Personal income growth for the Phoenix Metro area is projected to slightly decline from 6.4% in 2023 to 6.3% in 2024 and range from 6.1% to 6.4% from 2025 to 2027 (UofA Economic Business Research Center).
- Growth in population is expected to continue, but at lower rates than historical growth. Phoenix Metro population is projected to grow by 1.5% in 2024 and slightly increase to 1.6% for the remaining forecast period (UofA Economic Business Research Center).
- Non-farm employment in metro Phoenix is estimated to slow down from the growth of 2.4% in 2023 to 2.2% in 2024 and decrease to 2.1% for the remaining forecast period (UofA Economic Business Research Center).
- Arizona unemployment rate is estimated to increase from the rate of 3.7% in 2023 to 4.0% in 2024 and range from 4.4% to 4.6% for the remaining forecast horizon (UofA Economic Business Research Center).
- Arizona housing affordability declines due to home price inflation and interest rate hikes. In addition, housing permits are projected to decrease by 19% in 2024 and remain flat in 2025 (UofA Economic Business Research Center).
- Inflation is expected to decelerate from 2023. The Consumer Price Index-All Urban Consumers (CPI-U) West region is estimated to decline from 4.4% in 2023 to 2.6% in 2024 and range from 2.2% to 2.3% for the remaining forecast period (UofA Economic Research Center). In the past 50 years, CPI-U has ranged from negative 0.4% in 2009, to a high of 13.5% in 1980 (U.S. Department of Labor Bureau of Labor Statistics).

Resource Assumptions- Revenue growth rates are determined using information from our above-mentioned trusted sources, analyzing actual revenue trends and averages, and factoring in any known policy or legislative changes.

Revenue assumptions beyond the broader economic considerations are described below:

- No further period of recession with modest revenue growth for the forecast horizon.
- Annual revenue growth rates range from -3.1% to 4.2% during the forecast period. The state's actions to diminish the tax base for both city sales tax and state-shared income taxes have resulted in a negative growth rate in FY 2024-25 and will have a lasting impact on the subsequent years.
- No further impact to current revenue tax base, as provided in applicable state statutes and City ordinances.

- The forecast includes tax rate reduction: Laws 2021, Chapter 412 (Tax Omnibus) reduced the number of individual income tax brackets from four in Tax Year (TY) 2021 to two brackets in TY 2022. Starting from TY 2023, the individual income tax has been reduced to a 2.5% flat tax rate.
- Relative population share used in calculating state shared revenues in FY 2024-25 was based on the 2022 Census Bureau Population Estimate. It is projected to remain flat throughout the forecast period. The actual share will change annually based on Census Bureau Population Estimates. In addition, Laws 2021, Chapter 412 (Tax Omnibus) increases the Urban Revenue Sharing distribution from 15% to 18% starting in FY 2023-24.
- The forecast includes residential tax rate reduction starting on January 1, 2025. The state recently enacted Senate Bill 1131, which prohibits municipalities from taxing residential rental property.
- No future fee increases or decreases and no new sources of revenue.
- Potential increases to revenue resulting from economic development efforts are not included in the forecast.
- Ranges provided for revenues: upper and lower ends of ranges increase slightly in later years of the forecast reflecting additional economic uncertainty.

Expenditure Assumptions - Assumptions regarding forecasted expenditures are described below:

- Annual operating expenditure growth rates, except for pension, are based on historical growth rates, estimated CPIs and account for the impact of the City Council approved Class and Comp (C&C) study throughout the forecast period.
- Pension costs are based on historical actuals and information provided by the COPERS and PSPRS actuaries. The forecast does not attempt to predict future pension liabilities, assets or other plan assumptions, but rather to account for the anticipated costs of both pension systems.
- The forecast does not include the impact of additional potential reform measures for COPERS or PSPRS or the impact of pending litigation or proposed legislation.
- The forecast includes no additional future funding for program enhancements, unfunded mandates, expiring grants, etc.
- Pay-as-you-go capital costs are based on the preliminary estimates in the five-year Capital Improvement Program and include costs for facility major maintenance, replacement of critical IT infrastructure, and money earmarked for future expenses, including one-time funds for costs of grant matching requirements for the Bipartisan Infrastructure Bill.
- The contingency fund is set at 4.75% of the total GF operating expenditures from FY 2024-25 through FY 2026-27.
- The FY 2024-25 total compensation costs are based on projections under the current Council adopted pay plan ordinance and existing employee contracts.
- The C&C study requires significant increases to employee salaries that will have an ongoing impact to the budget beginning in the current fiscal year. The study also provides for higher starting salaries to attract qualified candidates to fill vacancies throughout the City. Costs are estimated at \$99 million in FY 2024-25, \$143 million in FY 2025-26, and \$170 million in FY 2026-27 and have been accounted for in the forecast.
- No other financial impact from changes to labor unit contracts resulting from current or future negotiations is assumed.

- In forecast years with a projected baseline deficit or ongoing surplus, the next year's operating expenses are assumed to decrease or increase by the baseline deficit/surplus amount prior to applying the assumed annual growth projection, as the City is required by Charter to balance the budget each year.
- Ranges provided for operating expenditures: upper and lower ends of ranges increase slightly in later years of the forecast reflecting additional economic uncertainty.

Other Considerations to the Multi-Year Forecast - The items below will likely require additional funding or could adversely impact the multi-year forecast as it's currently presented.

- The forecast incorporates the estimated annual ongoing operating costs in FY 2025-26 and FY 2026-27 for the voter approved 2023 General Obligation Bond Program totaling \$12.8 million over the two fiscal years. These costs have been factored into the forecast, but additional resources could be needed.
- The forecast reflects the continued funding of approximately \$16 million per year earmarked to address aging City infrastructure and critical equipment. Examples of these projects include upgrades and replacements of fire life safety, electrical, and cooling systems in City facilities. Also, under the direction of the City Manager, staff continues to identify critical needs in all City facilities and works with several external firms that specialize in facility assessments. Staff has also taken active steps to enhance facility maintenance oversight by centralizing GF facility maintenance funding and creating a review committee. This change has significantly enhanced the prioritization of GF facility projects. However, additional resources may be required to adequately maintain city infrastructure.
- GF vehicle funding is estimated at \$16.2 million for FY 2024-25 and increases to \$20.7 million in FY 2025-26, and \$35 million in FY 2026-27 to replace units in the fleet. The cost to replace vehicles and Fire apparatus has grown significantly due to inflation over the past three fiscal years per the Public Works Department. It should be noted the current GF backlog of vehicles is estimated by Public Works at 1,193 units with a total backlog value of \$122 million, and more vehicle replacement funding may be needed during the forecast horizon.
- Additional costs to the GF are anticipated to further the City's effort to help individuals experiencing homelessness upon the expiration of American Rescue Plan Act funds. Preliminary estimates include a funding need in FY 2024-25 of \$6.5 million and in FY 2025-26 of \$22 million. These costs have not been factored into the forecast.
- The current state legislative session could result in further negative revenue impacts that if passed would require adjustments to revenue projections used in the forecast.

ATTACHMENT D

Stress Testing

Background – According to the National Bureau of Economic Research, the longest economic expansion on record was ended by COVID-19 in February 2020. The COVID-19 recession is one of the deepest but shortest in U.S. history. With federal stimulus packages and more than anticipated revenue collections, the City was not forced to cut the budget. The City exhibited remarkable economic resilience during the pandemic. However, several risks currently threaten national and local economies, potentially triggering a recession or economic slowdown. Thus, stress testing is crucial, as it helps estimate potential financial shortfalls resulting from adverse events. To help the City plan ahead, avert or limit a fiscal emergency and keep long-term priorities on track, staff conducted stress testing for the General Fund.

Methodology/Assumptions - "Stress test" in financial terminology, is an analysis or simulation designed to determine the ability of a given entity to deal with an economic crisis. Instead of doing a financial projection on a "best estimate" basis, a company or its regulators may do stress testing to estimate how robust an entity performs in certain negative circumstances, a form of scenario analysis. There are two scenarios for this stress testing: moderate and severe recession scenarios.

Attachment E shows a hypothetical moderate recession estimated to start in FY 2024-25. This scenario assumes that General Fund revenue, except state-shared income tax, will decline by 1% for two consecutive years. According to Moody's Analytics, a recession typically affects budgets for at least two years (except for the COVID-19 recession, which was interfered with the federal stimulus packages). Although a moderate recession may impact revenue by more than 1%, the model is simulated with a 1% decrease. State-shared income tax distributed to cities and towns is based on the collections from 2 years prior, so the state-shared income tax decrease due to a moderate recession will not affect revenues until FY 2026-27.

Attachment F shows a hypothetical severe recession that is estimated to start in FY 2024-25. This scenario assumes that General Fund revenue, except state-shared income tax, will decline by 3% for three consecutive years. Although a severe recession may impact revenues by more than 3%, for simulation purposes, this stress test used a 3% decrease. Similar to the moderate scenario, the state-shared income tax decrease caused by the economic recession will not affect revenues until FY 2026-27.

Assumptions for recoveries, fund transfers and expenditures remain the same as the model shown in **Attachment B**. However, the expenditures for the forecast period will be different due to the methodology applied in the model. When a deficit or surplus is projected, the next year's operating expenses are assumed to be decreased or increased by the deficit/surplus amount prior to applying the assumed annual projected growth rate, as the City is required by Charter to balance the budget each year.

ATTACHMENT E **Multi-Year General Fund Forecast – Moderate Recession Scenario (\$ Millions)**

	2023-24 Adopted Budget	2024-25 Preliminary Budget Estimate	For Planning Purposes Only 2025-26 Forecast		2026-27 Forecast
	Budget	Budget Estimate	Forecast	Forecast	Forecast
Resources					
Local Taxes	\$699	\$696	\$666 - \$676	\$690 - \$712	
State Shared Revenues	770	680	638 - 648	645 - 665	
Primary Property Tax	207	205	201 - 204	207 - 214	
User Fees and Other	155	187	183 - 186	185 - 191	
Other (Carryover Balance, Transfers, Recoveries)	130	168	16	7	
Unused Contingency from Prior Year	68	81	89	91 - 90	
Total Resources	\$2,029	\$2,017	\$1,793 - \$1,819	\$1,825 - \$1,879	
Expenditures					
Operating Expenditures	\$1,360	\$1,408	\$1,434 - \$1,425	\$1,255 - \$1,242	
Civilian Pension	112	113	115	122	
Sworn Public Safety Pension	321	330	340	352	
Contingency	81	89	91 - 90	84 - 83	
Pay-As-You-Go Capital (Includes Technology Plan)	122	60	38	38	
Minimum Vehicles	33	16	21	35	
Total Expenditures	\$2,029	\$2,016	\$2,039 - \$2,029	\$1,886 - \$1,872	
PROJECTED (DEFICIT)/SURPLUS:	\$ -	\$1	\$(246) - \$(210)	\$(61) - \$7	

Key Resource Forecast Assumptions:

- * The forecast assumes moderate recession in 2024-25 and 2025-26, no fee increases or decreases and no new revenue sources.
- * The forecast includes tax rate reduction: Laws 2021, Chapter 412 (Tax Omnibus) reduced the number of individual income tax brackets from four in Tax Year (TY) 2021 to two brackets in TY 2022. Starting from TY 2023, the individual income tax has been reduced to 2.5%.
- * Relative population share used in calculating state shared revenues in 2024-25 was based on the 2022 Census Bureau Population Estimate. It is projected to remain flat throughout the forecast period. The actual share will change annually based on Census Bureau Population Estimates. In addition, Laws 2021, Chapter 412 (Tax Omnibus) increased the Urban Revenue Sharing distribution from 15% to 18% starting in 2023-24.
- * The forecast includes residential rental property tax reduction: Senate Bill 1131 prohibits municipalities from taxing residential rental property starting January 1, 2025.

Key Expenditure Forecast Assumptions:

- * The contingency fund is set at 4.75% of the total General Fund operating expenditures from 2024-25 through 2026-27.
- * Includes no additional future funding for program enhancements, unfunded mandates, expiring grants, etc.
- * 2024-25 employee costs are based on projections under the current Council-adopted pay plan ordinance and employee contracts. No assumptions have been made concerning future labor contract negotiations. Estimated costs of the Class and Comp study are included in the forecast. Pension costs are based on required and projected contribution rates provided by the respective pension system actuaries.
- * Non-personnel related expenditures for 2024-25 assume expenditure growth is in line with recent historical averages, and the out years are anticipated to align with the estimated CPI growth.

Other Forecast Notes:

- * Ranges provided for revenues and expenditures. Upper & lower ends of ranges increase slightly in the outer years of the forecast reflecting additional economic uncertainty in the later years.
- * Ranges include pessimistic and optimistic scenarios within assumptions provided by the primary sources of economic information mentioned in this report.
- * When a baseline deficit or surplus is projected, the next year's operating expenses are assumed to be decreased or increased by the baseline deficit/surplus amount prior to applying the assumed annual projected growth rate, as the City is required by Charter to balance the budget each year.

ATTACHMENT F **Multi-Year General Fund Forecast – Severe Recession Scenario (\$ Millions)**

	2023-24 Adopted Budget	2024-25 Preliminary Budget Estimate	For Planning Purposes Only	
			2025-26 Forecast	2026-27 Forecast
Resources				
Local Taxes	\$699	\$681	\$635 - \$645	\$615 - \$635
State Shared Revenues	770	673	623 - 634	601 - 621
Primary Property Tax	207	201	193 - 196	186 - 192
User Fees and Other	155	183	176 - 179	169 - 174
Other (Carryover Balance, Transfers, Recoveries)	130	167	16	7
Unused Contingency from Prior Year	68	81	89	89
Total Resources	\$2,029	\$1,986	\$1,732 - \$1,759	\$1,667 - \$1,718
Expenditures				
Operating Expenditures	\$1,360	\$1,408	\$1,403 - \$1,394	\$1,193 - \$1,180
Civilian Pension	112	113	115	122
Sworn Public Safety Pension	321	330	340	352
Contingency	81	89	89	81 - 80
Pay-As-You-Go Capital (Includes Technology Plan)	122	60	38	38
Minimum Vehicles	33	16	21	35
Total Expenditures	\$2,029	\$2,016	\$2,006 - \$1,997	\$1,821 - \$1,807
PROJECTED (DEFICIT)/SURPLUS:	\$ -	\$(30)	\$(274) - \$(238)	\$(154) - \$(89)

Key Resource Forecast Assumptions:

- * The forecast assumes severe recession from 2024-25 to 2026-27, no fee increases or decreases and no new revenue sources.
- * The forecast includes tax rate reduction: Laws 2021, Chapter 412 (Tax Omnibus) reduced the number of individual income tax brackets from four in Tax Year (TY) 2021 to two brackets in TY 2022. Starting from TY 2023, the individual income tax has been reduced to 2.5%.
- * Relative population share used in calculating state shared revenues in 2024-25 was based on the 2022 Census Bureau Population Estimate. It is projected to remain flat throughout the forecast period. The actual share will change annually based on Census Bureau Population Estimates. In addition, Laws 2021, Chapter 412 (Tax Omnibus) increased the Urban Revenue Sharing distribution from 15% to 18% starting in 2023-24.
- * The forecast includes residential rental property tax reduction: Senate Bill 1131 prohibits municipalities from taxing residential rental property starting January 1, 2025.

Key Expenditure Forecast Assumptions:

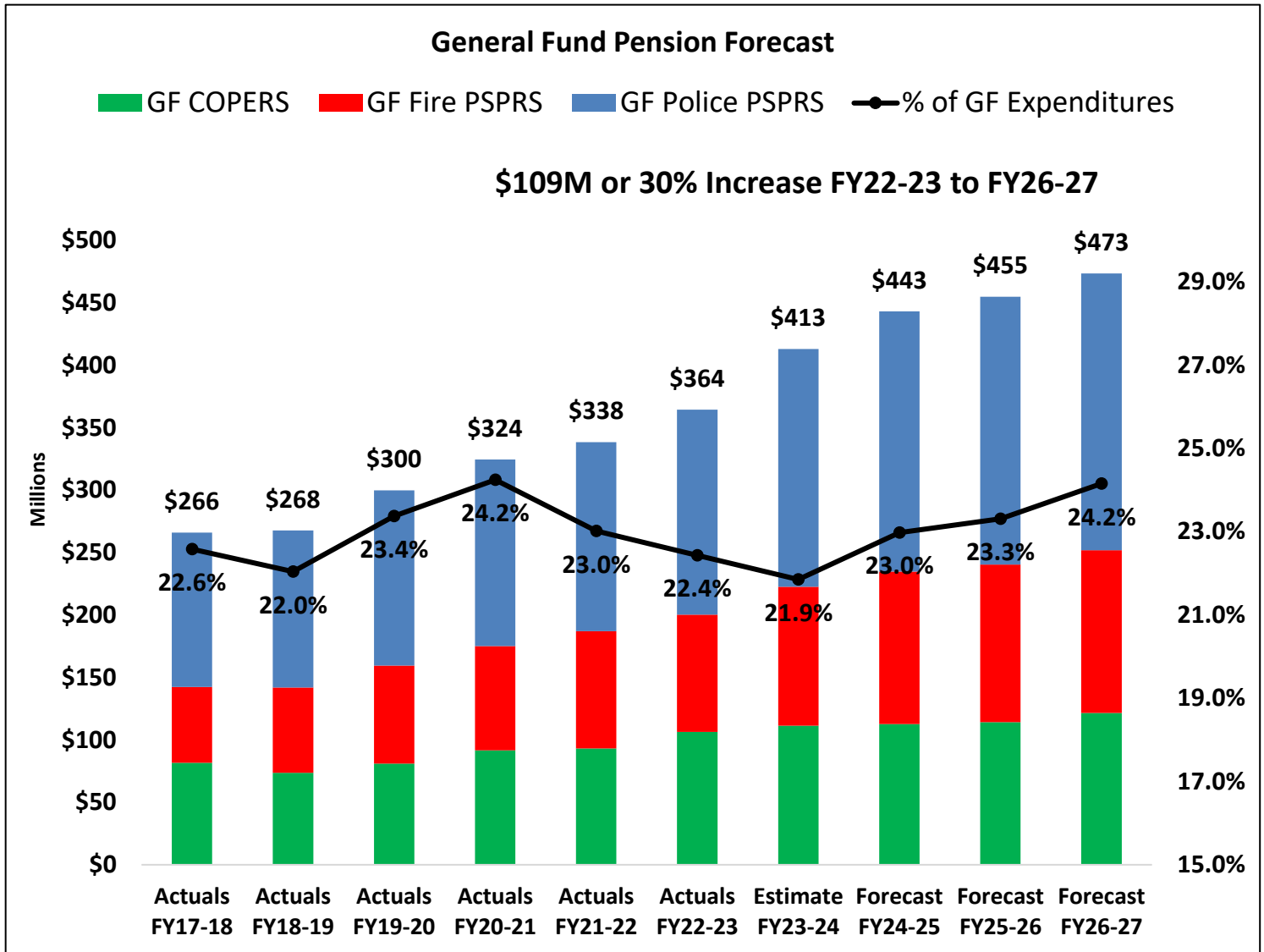
- * The contingency fund is set at 4.75% of the total General Fund operating expenditures from 2024-25 through 2026-27.
- * Includes no additional future funding for program enhancements, unfunded mandates, expiring grants, etc.
- * 2024-25 employee costs are based on projections under the current Council-adopted pay plan ordinance and employee contracts. No assumptions have been made concerning future labor contract negotiations. Estimated costs of the Class and Comp study are included in the forecast. Pension costs are based on required and projected contribution rates provided by the respective pension system actuaries.
- * Non-personnel related expenditures for 2024-25 assume expenditure growth is in line with recent historical averages, and the out years are anticipated to align with the estimated CPI growth.

Other Forecast Notes:

- * Ranges provided for revenues and expenditures. Upper & lower ends of ranges increase slightly in the outer years of the forecast reflecting additional economic uncertainty in the later years.
- * Ranges include pessimistic and optimistic scenarios within assumptions provided by the primary sources of economic information mentioned in this report.
- * When a baseline deficit or surplus is projected, the next year's operating expenses are assumed to be decreased or increased by the baseline deficit/surplus amount prior to applying the assumed annual projected growth rate, as the City is required by Charter to balance the budget each year.

ATTACHMENT G Pension Cost Increases

The below chart illustrates the rise in General Fund (GF) pension costs for PSPRS and COPERS. The forecast for fiscal years 2024-25 through 2026-27 is based on information from plan actuaries and on the valuations dated June 30, 2023. Projected amounts account for changes made by the PSPRS Board, which updated the salary, inflation, and demographic assumptions. The PSPRS Board also lowered the payroll growth assumption to 2.0%, resulting in an increase to the employer contribution rate.





City of Phoenix 2024 Heat Response Plan

This report presents to City Council the annual update to the City of Phoenix Heat Response Plan for Summer 2024. The Heat Response Plan details the programs and services that Phoenix delivers to residents and visitors to prevent illness, death, and other serious and immediate adverse health outcomes associated with indoor and outdoor heat exposure.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

Extreme Heat and Public Health

Summer heat is a serious public health challenge for residents of and visitors to the region. Heat-related deaths in Phoenix as reported by the Maricopa County Department of Public Health have risen substantially since 2014, to a new record high of 395 during 2023, the hottest summer in the city's history. Drugs and/or alcohol were contributing factors to 73 percent of the heat-related deaths in Phoenix last summer, and people experiencing homelessness accounted for 54 percent of all cases. Of the 73 heat-related deaths associated with an indoor place of injury in Phoenix last summer, air conditioning was not functioning, turned off, or not present in 90 percent of the cases.

The total public health burden of extreme heat in Phoenix also includes thousands of cases of heat-related illness that require medical treatment including ambulance dispatches, emergency room visits and overnight hospitalization. In 2023, the single day with the most medical calls to the Phoenix Fire Department was July 18. Total calls surged 34 percent higher than a typical day as high temperatures reached 118 degrees Fahrenheit in the middle of what would become the hottest month on record for any major American city.

Beyond incidents that require emergency medical service, many residents experience physical and mental health challenges associated with prolonged or frequent heat exposure, disrupted sleep patterns, anxiety over high electricity bills, and other factors. These outcomes are not routinely or systematically tracked, but available evidence suggests that they impact a high percentage of the City's and the region's residents.

For example, in a 2015 community assessment, the Maricopa County Department of Public Health found that nearly one-third of residents consider their homes to be “too hot” at some point in the summer.

Heat Response Planning Process

Planning for the 2024 heat season began in late summer 2023, with the formalization of an Executive Heat Response Leadership team. This team is comprised of senior staff from Emergency Management, Fire, Public Health, Homeless Solutions, and Heat Response and Mitigation. The Executive Heat Response Leadership team conducted a multi-pronged program evaluation to identify opportunities for improvement toward the goal of preventing heat-associated illness and deaths. The evaluation included an after-action analysis of the City’s summer 2023 efforts, a facilitated enterprise risk management workshop with departmental leadership, and review of program performance with each of the 15 individual departments that operate programs and services relevant to the heat response mission. This evaluation informed plans for summer 2024.

Summer 2023 Progress

Although public health data clearly indicates that existing programs and services are not fully meeting needs to protect all people from dangerous summer heat in Phoenix, the City’s increased effort and investment in heat response over the past several years have led to positive outcomes. Statistical models demonstrate that the number of heat-related deaths and emergency dispatches in Phoenix would have been expected to be even higher than the 2023 totals if there had been no change in community preparedness or response.

Heat Response program improvements in summer 2023 included:

- Distribution of \$384,000 in grant funding to 19 local non-profits and faith-based organizations that benefited nearly 29,000 residents.
- Deployment of a City bus as a temporary cooling center in the vicinity of the Human Services Campus, which recorded 7,400 visits over a 47-day operating period.
- Expansion of direct heat relief outreach efforts by City staff and volunteers, doubling engagements from the previous year to more than 8,300.
- Activation of the Sunnyslope Family Services Center as a heat respite site for people experiencing homelessness in the Sunnyslope area, in partnership with St. Vincent de Paul.

2024 Heat Response Plan

The draft City of Phoenix Heat Response Plan for Summer 2024 is included as **Attachment A**. The document includes a thorough analysis of weather and health

data from prior years, specification of goals and performance indicators, and descriptions of key networks and partnerships. The primary section of the plan describes 39 heat response actions for which the City holds a leadership role, organized into nine broad strategies:

1. Equip first responders for effective heat response;
2. Leverage data for informed action;
3. Provide publicly accessible cool space;
4. Increase access to drinking water;
5. Support cool and safe home environments;
6. Support cool and safe mobility and recreation;
7. Implement heat safety measures for workers;
8. Engage with the community to build heat readiness;
9. Collaboratively work across department and agency boundaries.

There are 12 new or significantly revised actions in the 2024 Heat Response Plan. These changes are proposed based on analysis of 2023 health impact data, stakeholder input, and new capacity to support the heat response mission from multiple departments and agencies. The significant revisions are as follows:

1. Adopt an Incident Management Team (IMT) framework for the entire heat season. The Office of Emergency Management is well suited to integrate a unified command approach covering all phases of the City's Extreme Heat Response efforts. Implementation of an IMT will effectively provide a command-and-control element to systematically coordinate and manage the collective resources and personnel the City of Phoenix is committing to this effort.
2. Formalize a tiered heat response framework. The 2024 plan will delineate three tiers of response: (I) seasonal preparedness and programming, which operate May through September, (II) peak season programming, operating during the mid-June through mid-August time frame when most heat-related deaths and illnesses occur, and (III) short-term emergency adjustments as triggered by National Weather Service Excessive Heat Warnings.
3. Expand operating hours and services provided at City of Phoenix Heat Relief Network locations. Staff have developed plans to operate two overnight respite and navigation centers at Burton Barr Library and the Senior Opportunities West Senior Center from May 1 through Sept. 30 with professional case management services and dedicated security staff at each facility. Staff have also developed plans to extend the operating hours of three Cooling Centers during the heat season: Cholla Library, Yucca Library, and Harmon Library.
4. Integrate heat outreach programs into other City services. The executive committee has identified opportunities to improve service delivery by redirecting components of

the heat relief outreach efforts into ongoing engagement and case management functions of the Office of Homeless Solutions.

5. Follow updated heat illness and injury prevention plans created for City departments with affected employees aligned with the Arizona Division of Occupational Safety and Health (ADOSH) State Emphasis Program on worker heat safety. The City of Phoenix Human Resources Safety Division has helped ensure each affected department has an updated written heat illness and injury prevention plan and will be collaborating with departments to support the implementation of those plans in 2024.
6. City staff are exploring opportunities to implement new requirements in City procurement processes and/or City contracts related to heat safety. These requirements would ensure that City-engaged businesses (contractors and sub-contractors) have relevant and effective heat safety plans in place.
7. Leverage the Phoenix Fire Department's dispatch and patient care data resources in new ways to more effectively guide and evaluate heat response programs and services. New dashboards and reporting tools have been developed to support internal planning and response and to provide updates to City Council and the public.
8. Develop more specific strategies to reduce heat-related health risks among people who use substances, especially methamphetamines and opioids. Among the strategies anticipated to be implemented in 2024 are new training programs for City employees and partners engaged in heat relief that enable them to more effectively engage substance users, as well as heat safety and program training for local organizations who provide services to substance users.
9. Coordinate with recently added staff positions at the Maricopa County Department of Public Health and Arizona Department of Health Services to ensure that regional and statewide efforts align with City of Phoenix heat response efforts. This coordination further extends to ongoing and new efforts catalyzed by the Governor's Extreme Heat emergency declaration in August 2023 and associated Executive Order.
10. Increase the modalities and reach of public messaging related to heat response to maximize community awareness of heat illness symptoms, available resources, and opportunities to participate in heat response initiatives.
11. Expand the hours of the closure policy for selected trails at mountain preserves on National Weather Service Excessive Heat Warning Days, as adopted by the Parks Board in 2023.
12. Operate the Safe Outdoor Space for people experiencing homelessness, including the provision of shaded outdoor space and cooled indoor space.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays, Deputy City Manager Gina

Montes and the Fire, Emergency Management, Heat Response and Mitigation, Public Health, and Homeless Solutions offices.

Attachment A
City of Phoenix
2024 Heat Response Plan

*DRAFT for City Council Review
February 27, 2024*



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Executive Summary

The Heat Response Plan details the programs and services that Phoenix delivers to residents and visitors to prevent illness, death, and other serious and immediate adverse health outcomes associated with indoor and outdoor heat exposure. Heat-related deaths in the City of Phoenix as reported by the Maricopa County Department of Public Health have risen substantially since 2014, to a new record high of 395 during 2023, the hottest summer in the City's history. The 2024 Heat Response Plan acknowledges these rising impacts by proposing several substantive changes to the City's overall approach to heat response, as well as revisions to several programs.

The Heat Response Plan contains 39 specific heat response actions for which the City holds a leadership role, organized into nine broad strategies:

1. Equip first responders for effective heat response.
2. Leverage data for informed action.
3. Provide publicly accessible cool space.
4. Increase access to drinking water.
5. Support cool and safe home environments.
6. Support cool and safe mobility and recreation.
7. Implement heat safety measures for workers.
8. Engage with the community to build heat readiness.
9. Collaboratively work across department and agency boundaries.

There are 12 new or significantly revised actions in the 2024 Heat Response Plan:

1. Adopt an Incident Management Team (IMT) framework for the heat season.
2. Formalize a tiered heat response framework.
3. Expand operating hours and services at Heat Relief Network locations.
4. Integrate heat outreach programs into other city services.
5. Follow improved heat safety plans for all city departments.
6. Propose new heat safety requirements for City-engaged businesses.
7. Leverage the Phoenix Fire Department's data resources in new ways.
8. Develop more specific strategies for people who use substances.
9. Coordinate with recently added County and State staff positions.
10. Increase the modalities and reach of public messaging.
11. Expand the trail closure policy on heat warning days.
12. Operate the Safe Outdoor Space.

The City of Phoenix 2024 Heat Response Plan was presented for discussion by City Council at the February 27, 2024 City Council Policy meeting.

Purpose and Planning Process

The City of Phoenix Heat Response Plan outlines programs and services intended to protect public health and quality of life from the threats of hot weather. Extreme heat is a leading cause of weather-related deaths in the United States and exerts a significant public health burden in Phoenix. The most acute impacts include heat-caused and heat-related fatalities, as well as heat-related illnesses that require emergency medical service and hospital care. Many other health challenges are also known to be related to prolonged, frequent, or severe heat exposure that are not systematically documented. These challenges include cases of heat illness that are unreported, disrupted sleep patterns, and anxiety over high electricity bills.

While everyone is potentially vulnerable to heat-related illness, certain communities account for a disproportionately high share of the public health burden of extreme heat. Multiple studies of heat-health impacts in Arizona find that rates of heat-related illness and/or death are higher in communities that have lower incomes, lower quality housing, a higher prevalence of elderly individuals, a higher prevalence of people of color, and other indicators of social vulnerability. Public health reports in Arizona further point to people experiencing homelessness and substance users as disproportionately burdened by heat.

Managing the public health risks associated with extreme heat is an integral component of hazard preparedness for the City of Phoenix owing to its geographic positioning in the Sonoran Desert. Prolonged, hot summers are a part of the regional climate. However, the experience of summer heat is highly variable between different neighborhoods in Phoenix and between individual residents. Historical development patterns and varying topography across Phoenix lead to neighborhood-to-neighborhood air temperature differences of 10°F or more on summer days. Exposure to individual people is even more variable depending on their daily activity patterns and access to air-conditioned spaces. Over time, the severity of summer heat in Phoenix is being amplified beyond background conditions by urban development and global-scale climate change. Summer daytime and nighttime temperatures have increased in the City of Phoenix for several decades and temperatures are projected to continue to rise.

To address the significant, inequitable, and growing public health risks associated with extreme heat, the Phoenix City Council unanimously passed the City's first Heat Response Plan in 2022. This document reflects the second annual update to the Heat Response Plan.

The process to update the Heat Response Plan for the 2024 Heat Season began in late summer 2023, with the formalization of an Executive Heat Response Leadership team. This team is comprised of senior staff from Emergency Management, Fire, Public Health, Homeless Solutions, and Heat Response and Mitigation. The Executive Heat Response Leadership team initiated several different types of program evaluation to identify opportunities for improvement toward the goal of preventing heat-associated illness and deaths. Those evaluation activities included a formal after-action analysis of the City's enhanced efforts during summer 2023, a facilitated enterprise risk management workshop with departmental leadership, and review of program performance with each of the individual departments that operate programs and

services relevant to the heat response mission. The Heat Response Plan is also informed by other stakeholder engagements, including the City's participation in a two-day planning workshop with the National Oceanic and Atmospheric Administration in February 2024, an April 2024 Heat, Health, and Homelessness Roundtable, a June 2024 convening of the C40 Cool Cities Network, and the 2023 Arizona Heat Planning Summit.

The 2024 Heat Response Plan presents 39 actions organized into nine broad strategies:

1. Equip first responders for effective heat response.
2. Leverage data for informed action.
3. Provide publicly accessible cool space.
4. Increase access to drinking water.
5. Support cool and safe home environments.
6. Support cool and safe mobility and recreation.
7. Implement heat safety measures for workers.
8. Engage with the community to build heat readiness.
9. Collaboratively work across department and agency boundaries.

The goal of the Heat Response Plan is to enhance public health and community resilience by alleviating adverse effects of heat. Key performance indicators include:

- Heat-related mortality: Strive for year-over-year reductions in the number of fatalities attributed to heat exposure in the City of Phoenix
- Heat-related illnesses: Strive for year-over-year reductions in the number and severity of medical service calls related to heat exposure in the City of Phoenix.

The scope of the Heat Response Plan has been modified from previous iterations to emphasize program and services that either wholly or partially operate on seasonal time scales with a focus on heat, public health, and quality of life. The City of Phoenix also implements and invests in a wide range of other programs and services that support the goals of the Heat Response Plan but are not specifically activated or emphasized for the heat season, and as such are not listed as actions in this document. Examples of those related initiatives include:

- Major investments in affordable housing units and shelter beds, with 1,864 new beds to be created in the 2022–2025 time frame along with 125 affordable housing units.
- Operation of housing repair and weatherization programs.
- Launch of a pilot program to deploy water stations in high density, multimodal areas to enhance access to equitable, free and reliable chilled drinking water.
- Installation of shade structures at transit stops and in the public right of way, including through the Phoenix Sidewalk Shade Project that will include work from local artists.
- Installation of shade structures at schools and youth-focused centers through the Shade for Students grant program.
- Curation of ideas for innovative shade structure designs through an Innovate PHX Challenge that attracted over 170 participants.
- Increases in urban tree canopy through the Community Canopy and Canopy for Kids grant programs, focused on low tree equity score neighborhoods.
- Authorship of a new ShadePHX Plan to replace the 2010 Tree and Shade Master Plan.

Weather and Climate Assessment

The City of Phoenix Heat Response Plan defines May through September as “Heat Season” and June through August as “Summer.”

Heat Season 2023 Review

The 2023 Heat Season in the City of Phoenix set many records with respect to the severity and duration of extreme heat conditions. After a near-normal May and temperatures below normal for much of June, each month from July through September was ranked among the top six all time, respectively, in Phoenix’s history. Conditions were most severe in July, which became the hottest month on record for any major city in the United States. In July, temperatures reached 110°F or above 30 times and 115°F or above 17 times. The highest recorded temperature during the summer was 119°F, reached three times—all in July. The table below provides a month-by-month comparison of high and low temperatures for the 2023 Heat Season against climatological normals.

Month	2023 Avg. High	Normal Avg. High*	2023 Rank**	2023 Avg. Low	Normal Avg. Low*	2023 Rank**
May	96.0°F	94.5°F	27	70.6°F	69.5°F	16
June	103.3°F	104.2°F	52	75.6°F	78.6°F	39
July	114.7°F	106.5°F	1	90.8°F	84.5°F	1
August	109.5°F	105.1°F	2	88.0°F	83.6°F	1
September	103.4°F	100.4°F	6	78.9°F	78.1°F	11

*per the official 1991–2020 U.S. Climate Normals adopted by the National Oceanic and Atmospheric Administration

**out of 128 recorded years; 1 indicates hottest on record

Other records of note for the 2023 Heat Season include:

- Excessive Heat Warnings were in effect for Phoenix on 42 days, which was the second most on record.
- Daily high temperature records were set or tied on 20 separate days, including on 12 days between July 13 and July 29.
- The daily high temperature of 119°F recorded on three separate days represent the fourth warmest days on record for the City of Phoenix. Temperatures have only reached 120°F and above on three days (all in the 1990s).
- New records for the highest and second highest daily low temperature were set in 2023. The new record high low temperature of 97°F was set on July 19.
- The stretch of 31 consecutive days with daily high temperatures was the longest such streak on record, breaking the prior streak of 18 days set in 1974.

Climate Data for Planning

The table below presents weekly averages, ranges, and probabilities of exceedance for Phoenix Sky Harbor based on 2014–2023 observations. Statistics are based on the previous ten years rather than the official 30-year normals established by the National Oceanic and Atmospheric Administration to ensure that the most recent observations are used and to acknowledge non-stationarity in regional temperature trends. Data are presented for each week of the 2024 Heat Season starting on Sundays.

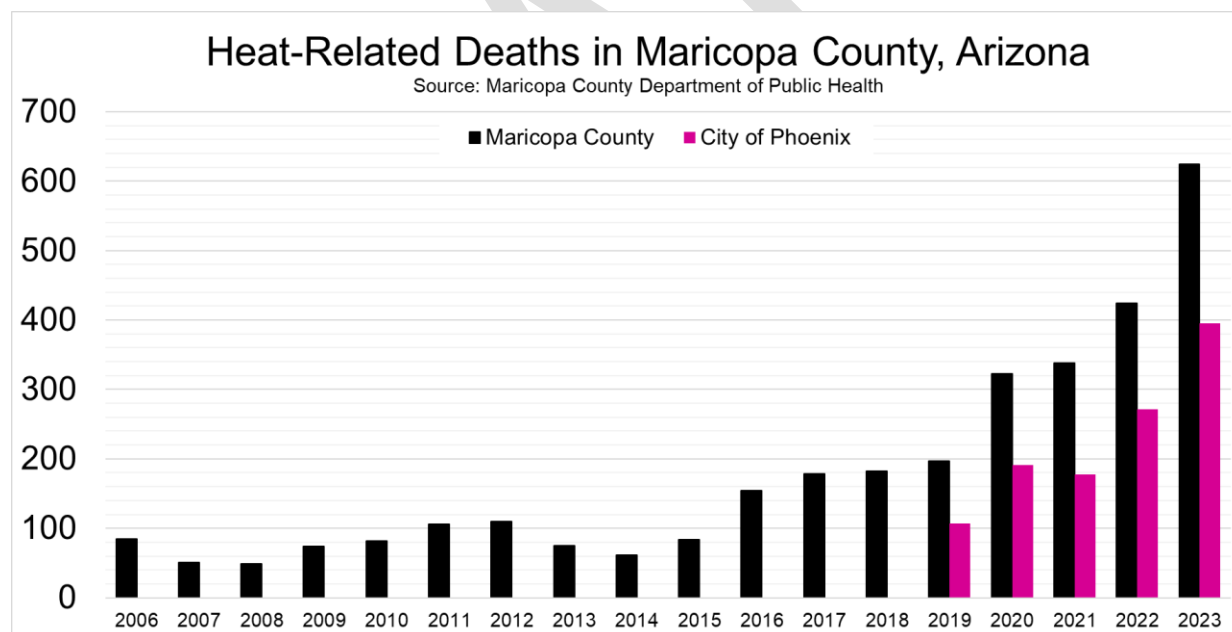
Week	Date	Daily High Temperatures				Daily Low Temperatures		
		Average (°F)	Highest (°F)	100°F or above*	110°F or above*	Average (°F)	Highest (°F)	90°F or above*
1	4/28	92.5	104	16%	0%	66.5	75	0%
2	5/5	92.0	108	26%	0%	67.4	81	0%
3	5/12	94.7	105	33%	0%	69.6	82	0%
4	5/19	93.7	108	24%	0%	69.1	79	0%
5	5/26	99.6	112	54%	3%	73.8	84	0%
6	6/2	104.2	115	81%	13%	77.5	87	0%
7	6/9	104.6	115	83%	16%	79.1	90	4%
8	6/16	108.0	119	96%	37%	81.3	92	11%
9	6/23	107.9	116	99%	36%	83.2	93	9%
10	6/30	107.5	116	96%	33%	84.2	94	3%
11	7/7	109.4	118	99%	56%	86.9	95	33%
12	7/14	107.5	119	96%	29%	86.7	97	29%
13	7/21	107.1	119	89%	39%	86.0	96	30%
14	7/28	106.7	118	91%	36%	85.2	95	24%
15	8/4	106.7	116	91%	31%	84.8	92	16%
16	8/11	106.0	117	84%	29%	83.7	93	16%
17	8/18	103.5	115	77%	11%	82.0	91	6%
18	8/25	106.9	117	94%	27%	84.5	93	13%
19	9/1	104.5	115	86%	10%	83.0	90	1%
20	9/8	102.3	114	69%	7%	80.4	90	1%
21	9/15	100.3	109	53%	0%	77.6	87	0%
22	9/22	97.4	106	53%	0%	74.8	85	0%
23	9/29	95.0	107	21%	0%	71.2	79	0%

*Probabilities of exceedance indicate the percent of days within the given week that temperatures have reached the indicated temperature over the past decade.

Health Assessment

Heat-related deaths are tracked in Maricopa County by the Maricopa Department of Public Health (MCDPH), in partnership with the Maricopa County Office of the Medical Examiner. Heat-related deaths include those that are directly attributable to heat exposure (heat-caused deaths) and those where heat played a contributing role but was not the primary cause of death (heat-contributed deaths). The Maricopa County heat-health system is widely recognized as national and international best practice. Heat-related deaths have been recorded using consistent methods since 2006.

Heat-related deaths have increased year-over-year in Maricopa County each year since 2014 and have set new record highs each year since 2016; this pattern holds true when adjusting for population growth. Particularly large year-over-year increases were evident from 2015 to 2016 (+83%), 2019 to 2020 (+62%), and 2021 to 2022 (+25%). Another large increase is evident from 2022 to 2023, with an increase of more than 47% to a new record high of 625 cases in Maricopa County last summer. Of those, 395 cases occurred in the City of Phoenix and/or were among residents of the City of Phoenix. Approximately 63% of heat-related deaths in Maricopa County over the past two summers have been in the City of Phoenix or among Phoenix residents.



MCDPH produces comprehensive annual reports that detail key risk factors and characteristics of heat-associated deaths, including demographic information, details about housing status, air conditioning availability, and indications of drug/alcohol use.

Key details for City of Phoenix cases (total = 395) in 2023:

- 224 cases were considered heat caused and 171 cases were considered as heat contributed.
- 340 cases had a place of injury in Phoenix. Among these cases, 257 were among Maricopa County residents, 23 were among residents of other counties in Arizona, and 80 had out of state or unknown residency.
- 268 cases had a known place of injury *outdoors*; 73 cases had a known place of injury *indoors*.
- Among 268 outdoor cases, 200 occurred in an urban area, and 225 were men
- Among 73 indoor cases, 60 occurred with either a non-functioning air conditioning unit (50), an air conditioning unit that was turned off (8), or in a unit without electricity (2). Women accounted for 1/3 of the indoor cases, versus less than 1/6 of the outdoor cases.
- 213 of the 395 total cases were individuals known to be experiencing homelessness and another 59 were among people with an unknown living situation.
- 290 of the 395 cases involved drugs or alcohol in the cause of death. Methamphetamine/amphetamines were present in 240 of those cases and fentanyl/fluorofentanyl were present in 143. Of the 290 substance use cases, 190 were among people experiencing homelessness.
- 252 cases occurred in July.
- ZIP codes with especially high rates of place of injury or place of residence for heat-related deaths in Phoenix in 2023 included 85006, 85007, 85009, 85017, and 85034.

A key lesson learned from MCDPH and Arizona State University (ASU) analysis of heat-associated death and illness data is that *serious health impacts from heat are not confined to only the hottest summer days*. While the hottest days do bring the highest risk of heat-associated death and illness, cases begin to be seen at temperatures that would be considered mild by most Phoenixians. These findings imply that a seasonal approach to heat management, rather than one only focused on intermittent “heat waves” is necessary in our hot desert city. While the days with the highest temperatures and National Weather Service Excessive Heat Warnings in effect are indeed the most dangerous, there are many more days without warnings and with lower temperatures that also require vigilance and sufficiently protective programs and services. In 2023 in the City of Phoenix:

- 210 heat-related deaths (53.2%) occurred on the 22 Heat Season days with temperatures reaching 115°F or above.
- 115 heat-related deaths (29.1%) occurred on the 33 Heat Season days with temperatures reaching 110°F to 114°F.
- 67 heat-related deaths (17.7%) occurred on the 98 Heat Season days with temperatures not reaching 110°F.

City staff from multiple departments are continuing to analyze heat-related medical dispatch data collected by the Fire Department. This analysis has informed actions in the 2024 Heat Response Plan and will be posted when finalized.

Heat Response Programs and Services

In 2024, the City of Phoenix will take the lead or play a significant role in executing 39 heat response programs and services. This comprehensive portfolio comprises a mix of ongoing programs continuing from previous years, revised existing programs, and new initiatives introduced for the summer of 2024. The responsibility and support for these programs and services, encompassing budget and staffing needs, are distributed across more than 15 different City departments and functions.

There are 12 new or significantly revised actions in the 2024 Heat Response Plan:

1. Adopt an Incident Management Team (IMT) framework for the heat season (see Action 9.1).
2. Formalize a tiered heat response framework (2.1).
3. Expand operating hours and services at Heat Relief Network locations (3.2, 3.3).
4. Integrate heat outreach programs into other city services (8.6).
5. Follow improved heat safety plans for all city departments (7.1).
6. Propose new heat safety requirements for City-engaged businesses (7.3).
7. Leverage the Phoenix Fire Department's data resources in new ways (2.2).
8. Develop more specific strategies for people who use substances (8.4)
9. Coordinate with recently added County and State staff positions (9.5).
10. Increase the modalities and reach of public messaging (8.1).
11. Expand the trail closure policy on heat warning days (6.4).
12. Operate the Safe Outdoor Space (3.4).

The subsequent pages feature an inventory of all programs and services organized by strategy, presented in table format. Following the table, a short narrative is provided for each action to provide a more complete perspective of the components of the Heat Response Plan.

Strategies	Actions	2024 Status	City Departments
Equip First Responders for Effective Heat Response	1.1 Activate Summer Heat Response Protocols	CONTINUED	FIRE
Leverage Data for Informed Action	2.1 Adopt a Tiered Heat Response Framework	NEW	OEM, FIRE, OHRM, OPH
	2.2 Monitor City of Phoenix Dispatch and First Responder Calls	CONTINUED	OEM, FIRE, OHRM, OPH
	2.3 Monitor Regional Data with the Arizona Heat Resilience Work Group	CONTINUED	OEM, FIRE, OHRM, OPH
Provide Publicly Accessible Cool Space	3.1 Designate City Facilities as Cooling Centers in the Heat Relief Network	REVISED	LIBRARY, OHRM
	3.2 Offer Extended Hours at City of Phoenix Cooling Centers	NEW	LIBRARY, OHRM, OPH, OEM, FIRE
	3.3 Establish Overnight Respite and Navigation Centers at City Facilities	NEW	LIBRARY, HSD, OHRM, OPH, OEM, FIRE
	3.4 Operate Safe Outdoor Space	NEW	OHS
	3.5 Provide Shade and Cooled Rest Areas at The Key Campus	CONTINUED	OHS
	3.6 Distribute Heat Relief Network signage to participating facilities	NEW	OHRM, FINANCE
Support Publicly Accessible Drinking Water	4.1 Distribute Bottled Water to Community Organizations and Heat Relief Network Sites	CONTINUED	OHRM, FINANCE
	4.2 Distribute Reusable Water Bottles Through Heat Response Programs	CONTINUED	OHRM, PWD, OHS, PRD
	4.3 Deploy Mobile Water Unit	NEW	WSD, PWD, OHRM
	4.4 Designate City Facilities as Hydrations Stations in the Heat Relief Network	CONTINUED	PRD, HSD, OHRM
Support Cool and Safe Home Environments	5.1 Promote and Enforce Cooling Ordinance for Rental Housing Units	CONTINUED	NSD, HSD, COMMS
	5.2 Provide Emergency Utility Assistance	CONTINUED	HSD
	5.3 Offer Low-flow Water Services Program	REVISED	WSD
	5.4 Educate the Community About Electric Utility Disconnection Rules	CONTINUED	COMMS, OHRM, 311
	5.5 Offer Telephone-based Heat Wellness Checks	REVISED	OHRM, VOL
Support Cool and Safe Mobility and Recreation	6.1 Promote Take a Hike, Do It Right Heat Safety Messaging	REVISED	PRD, OHRM, FIRE
	6.2 Provide Heat Safety Messaging to Transit Riders	REVISED	PTD, LRT, OHRM
	6.3 Operate City Pools for Cool Recreation	CONTINUED	PRD
	6.4 Close Select Trailheads on Excessive Heat Warning Days	REVISED	PRD
Implement Heat Safety Measures for Workers	7.1 Implements Heat Safety Plans in City Departments	CONTINUED	HR
	7.2 Promote State Emphasis Program on Heat Safety	REVISED	HR, COMMS, OHRM
	7.3 Develop and Adopt Heat Safety Expectations for City Contractors	NEW	HR, LAW, FINANCE, OHRM
	8.1 Operate a Comprehensive Heat Response Public Education Campaign	REVISED	COMMS, OHRM, OPH, OEM, FIRE
	8.2 Provide Heat Relief Funding to Community Partners	CONTINUED	OHRM

Engage with the Community to Build Heat Readiness	8.3 Distribute Youth Heat Safety Books	CONTINUED	OHRM, LIBRARY, COMMS, OAC
	8.4 Improve Engagement Strategies for People Who Use Substances	CONTINUED	OPH, OHRM, COMMS
	8.5 Support Media Requests Related to Heat Response	CONTINUED	OHRM, COMMS
	8.6 Distribute Heat Relief Supplies to People Experiencing Homelessness	REVISED	OHS, OHRM
	8.7 Train Volunteers to Support Heat Response Programs	REVISED	VOL, OHRM
	8.8 Attend Community Events to Share Heat Safety Resources	CONTINUED	OHRM
Collaboratively Work Across Department and Agency Boundaries	9.1 Build Incident Management Team for Coordinated Heat Response	NEW	OEM
	9.2 Convene Regular Meetings with Departmental Liaisons	NEW	OHRM
	9.3 Collect Comprehensive Evaluation Data to Support Heat Response	REVISED	OHRM
	9.4 Provide Weekly Updates on Heat Response Programs	CONTINUED	OHRM
	9.5 Participate in and Lead Cross-Agency Engagement	REVISED	OHRM

Department key: OHRM – Office of Heat Response and Mitigation; PD – Police; COMMS – Communications; VOL – Volunteer Programs; OAC – Arts and Culture; HSD – Human Services; Human Resources – HR; NSD – Neighborhood Services; OPH – Public Health, OEM – Office of Emergency Management; Public Works Department – PWD; Parks and Recreation Department – PRD; Water Services Department – WSD; Public Transit Department – PTD; Light Rail Transit - LRT.

Status key: NEW indicates new programs for 2024; REVISED indicates programs with significant changes from 2023; CONTINUED indicates programs that will operate largely unchanged from 2023 and/or operate on an ongoing basis year-round.

STRATEGY 1: EQUIP FIRST RESPONDERS FOR EFFECTIVE HEAT RESPONSE



► Activate summer heat response protocols

Action 1.1

The City of Phoenix Fire Department responded to more than 2,000 calls for heat emergencies in the 2024 Heat Season. The life-saving measures taken by the Fire Department for heat emergencies include chilled intravenous therapy and other innovative strategies designed to reduce case severity. The Fire Department Heat Stress Management Standard Operation Procedure (MP 206.19) provides a robust framework for minimizing the effects of heat stress on first responders, which would have a cascading adverse impact on the community. The framework focuses on health assessments, rest, hydration, and temperature regulation for personnel exposed to high temperatures. Protective directives engage when temperatures exceed 105°F, deploying additional resources and implementing enhanced rehabilitation measures. Training exposures comply with ADOSH guidelines, further ensuring the well-being of civilian personnel.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	FIRE
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/fire/publications/standard-operating-procedures
IN EFFECT	TIER 1

STRATEGY 2: LEVERAGE DATA FOR INFORMED ACTION



► Adopt a tiered heat response framework

Action 2.1

Heat Response actions for 2024 will be activated as follows:

Tier 1 actions are in effect May 1 through September 30. Most actions in the Heat Response Plan are activated for Tier 1 but may receive additional emphasis or investment during Tier 2.

Tier 2 is in effect June 15–August 15 to reflect peak efforts for the portion of the summer that typically has the most significant public health impacts.

Tier 3 actions are in effect on days when the National Weather Service issues an Excessive Heat Warning for any region that includes the City of Phoenix.

The start and end dates for Tier 1 and Tier 2 actions may be modified by City Management and the Incident Management Team based on available intelligence and operational capabilities.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OEM, FIRE, OHRM, OPH
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	https://www.weather.gov/psr/heat for NWS Excessive Heat Warning information

► **Monitor City of Phoenix dispatch and first responder data**

Action 2.2

City staff are analyzing the Phoenix Fire Department's dispatch and patient care data resources in new ways to guide and evaluate heat response programs and services more effectively. New dashboards and reporting tools have been developed to support internal planning and response and to provide updates to City Council and the public.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OEM, FIRE, OHRM, OPH
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / DISPATCH DATA WERE ANALYZED WEEKLY
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► **Monitor regional data with the Arizona Heat Resilience Work Group**

Action 2.3

The AZ Heat Resilience Work Group meets to convene stakeholder organizations from around Arizona to monitor heat forecasts/warnings from the National Weather Service, review community health indicators provided by health agencies, share best practices relating to heat response and relief, and to encourage collaboration, coordination, and development of novel responses to preparedness and resilience to extreme heat. Diverse stakeholders participate in the Work Group, including local, county, state, and federal government officials, regional non-profits, faith-based institutions, academic and research partners, and community advocates. Multiple City departments participate in the Work Group's biweekly virtual meetings in the Heat Season, and staff from the Office of Heat Response and Mitigation serve on the Work Group's steering committee.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OEM, FIRE, OHRM, OPH
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / STAFF ATTENDED ALL MEETINGS
RESOURCES / MORE INFO.	https://globalfutures.asu.edu/sustainable-cities/az-heat-resilience-workgroup/
IN EFFECT	TIER 1 AND YEAR-ROUND

STRATEGY 3: PROVIDE PUBLICLY ACCESSIBLE COOL SPACE



► Designate City facilities as Cooling Centers in the Heat Relief Network

Action 3.1

The regional Heat Relief Network is coordinated by the Maricopa Association of Governments (MAG) and consists of Respite Centers, Cooling Centers, Hydration Stations, and Donation Sites. Cooling Centers are indoor, air-conditioned locations that also offer hydration. 17 City of Phoenix Library locations served as Cooling Centers throughout the 2023 Heat Season and the City will continue this commitment in 2024. All participating City facilities are listed on a publicly accessible web map and directory hosted by MAG. A new research partnership with the Arizona State University Knowledge Exchange for Resilience will generate data concerning the role of Cooling Centers in reducing physiological heat stress.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	LIBRARY, OHRM
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 17 PARTICIPATING COOLING CENTERS
RESOURCES / MORE INFO.	https://azmag.gov/Programs/Heat-Relief-Network
IN EFFECT	TIER 1

► Offer extended hours at City of Phoenix Cooling Centers

Action 3.2

Participating facilities in the regional Heat Relief Network typically provide services coincident with their normal hours of business operation. This model creates gaps in network availability, particularly in the late afternoon and evening hours, as well as on weekends. To address this deficiency, the City of Phoenix is preparing to extend the hours of three Cooling Centers to 10pm each day of the week and add capacity from noon to 10pm on Sundays throughout the heat season. The three locations identified for this mission based on analysis of public health and community vulnerability data as well as operational capabilities are Cholla Library, Harmon Library, and Yucca Library. Staffing and operational models are still in development as of the publication of the Heat Response Plan.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	LIBRARY, OHRM, OPH, OEM, FIRE
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► Establish Overnight Respite and Navigation Centers at City facilities

Action 3.3

To further address deficiencies in regional Heat Relief Network availability (see Action 3.2), the City of Phoenix will establish two overnight Respite and Navigation Centers that will operate through the entire Heat Season. These locations will provide water and serve as a safe, cool indoor space for refuge from the heat. They will also provide case management and navigation services, including transportation, to help people access the wide range of other City of Phoenix resources that are aligned with the Heat Response Plan goals. The two locations identified for this mission based on analysis of public health and community vulnerability data as well as operational capabilities are Burton Barr Library and the Senior Opportunities West Senior Center. The Burton Barr Library location is anticipated to have the capacity to operate as a 24/7 Respite and Navigation Center, whereas the Senior Opportunities West location will only be available overnight.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	LIBRARY, HSD, OHRM, OPH, OEM, FIRE
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► Operate the Safe Outdoor Space

Action 3.4

The Safe Outdoor Space at 1537 W. Jackson St. is a key component in the city's strategy to address homelessness around the Key Campus. It is designed as an alternative for those not yet ready for indoor shelter during enhanced engagements, will provide a safer, shaded environment with essential services to aid individuals in ending their homelessness. The unique property, procured with \$5.4 million in grant funding, offers both outdoor and indoor spaces. The operation of the Safe Outdoor Space aligns with recommendations from the Strategies to Address Homelessness Task Force and the City Manager's proposal in April 2022. Partnership with the Arizona State University-led Southwest Integrated Field Laboratory will enable deployment and evaluation of innovative cooling techniques on site to benefit residents.

TARGET POPULATION	PEOPLE EXPERIENCING HOMELESSNESS
LEAD DEPARTMENT(S)	OHS
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1 AND YEAR-ROUND

► Provide shade and cooled rest areas at the Key Campus**Action 3.5**

Multiple investments made over the past three years will provide additional shade and cooled space to individuals experiencing homelessness at the Key Campus. These investments include shade structures and evaporative coolers that are activated on the Campus during the Heat Season.

TARGET POPULATION	PEOPLE EXPERIENCING HOMELESSNESS
LEAD DEPARTMENT(S)	OHS
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► Distribute Heat Relief Network signage to participating facilities**Action 3.6**

In partnership with the Maricopa County Department of Public Health, the City of Phoenix will coordinate the distribution of physical signage to facilities that participate in the regional Heat Relief Network. Items to be distributed include A-frame/sandwich board-style signs, yard signs, and window clings. Signage will be available in multiple languages with a regionally consistent brand identity.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, FINANCE
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	BEFORE HEAT SEASON AND TIER 1

STRATEGY 4: INCREASE ACCESS TO DRINKING WATER



► Distribute water to community organizations and Heat Relief Network sites Action 4.1

The City of Phoenix coordinates a water bottle distribution program that serves community- and faith-based organizations as well as City of Phoenix Heat Relief Network sites. In 2023, nearly 400,000 bottles were distributed to community partners and approximately 100,000 bottles were distributed to Cooling Centers and Hydration Stations. This action relies on a combination of City of Phoenix funding and charitable financial or in-kind contributions. In 2023, this program was reassigned to be managed by Office of Heat Response and Mitigation and Finance Department. The two units collaborated to create a new request management system and logistical workflow for the program.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, FINANCE
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 494,112 BOTTLES TO 35 COMMUNITY ORGS. AND CITY
RESOURCES / MORE INFO.	COMMUNITY PARTNERS MAY CONTACT HEATREADYPHX@PHOENIX.ORG
IN EFFECT	TIER 1

► Distribute reusable water bottles through Heat Response programs Action 4.2

City staff will continue to integrate and expand the use of reusable water bottles through heat relief outreach efforts and the City's Heat Relief Network sites. This action provides more durable bottles for community use relative to single use plastic bottles and support's the City's Zero Waste goals. The reusable lightweight aluminum bottles deployed in 2023 featured multiple custom designs printed with Phoenix-specific heat safety information, including QR codes linked to the regional Heat Relief Network map and hiking safety information on the Parks and Recreation Department Take a Hike, Do it Right website.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, PWD, OHS, PRD
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 7,248 REUSABLE ALUMINUM BOTTLES DISTRIBUTED
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► Deploy mobile water unit**Action 4.3**

The City of Phoenix Water Department and Public Works Department designed and procured a mobile drinking water unit with refrigeration that was completed and delivered by the vendor in late 2023. Staff are now developing operational models and being trained on operational and safety procedures for the mobile water unit in advance of its expected deployment for the 2024 Heat Season. The unit will be deployed to community events and will augment heat relief outreach efforts. The mobile water unit provides the equivalent amount of water as 4,400 single use plastic bottles.

TARGET POPULATION	CITYWIDE, SPECIAL EVENT ATTENDEES
LEAD DEPARTMENT(S)	WSD, PWD, OHRM
2024 STATUS	NEW
2023 STATUS / METRICS	ACTION WAS IN PLANNING STAGE / MOBILE WATER UNIT WAS BUILT
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1 AND YEAR-ROUND

► Designate City facilities as Hydration Stations in the Heat Relief Network**Action 4.4**

The regional Heat Relief Network is coordinated by the Maricopa Association of Governments (MAG) and consists of Respite Centers, Cooling Centers, Hydration Stations, and Donation Sites. Hydration Stations are indoor or outdoor locations that offer bottled water and may offer other heat relief resources. 45 City of Phoenix facilities as Hydration Stations throughout the 2023 Heat Season and the City will continue this commitment in 2024. All participating City facilities are listed on a publicly accessible web map and directory hosted by MAG.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	PRD, HSD, OHRM
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 45 PARTICIPATING HYDRATION STATIONS
RESOURCES / MORE INFO.	https://azmag.gov/Programs/Heat-Relief-Network
IN EFFECT	TIER 1

STRATEGY 5: SUPPORT COOL AND SAFE HOME ENVIRONMENTS



► Promote and enforce cooling ordinance for rental housing units

Action 5.1

The Neighborhood Services Department enforces the City's cooling ordinance, which sets minimum temperature requirements for cooling systems in all single and multi-family rental housing units. Every rental housing unit must be capable of safely cooling all inhabitable rooms to 86°F if cooled by evaporative cooling and 82°F if cooled by air conditioning. The Human Services Department also operates a Landlord Tenant program that helps parties understand their rights and responsibilities concerning. The City proactively promotes these and related programs throughout the Heat Season.

TARGET POPULATION	RENTERS
LEAD DEPARTMENT(S)	NSD, HSD, COMMS
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/nsd/site/Documents/NPD%20Documents/Cooling%20Ordinance%20Flyer.pdf
IN EFFECT	TIER 1 AND YEAR-ROUND

► Provide emergency utility assistance

Action 5.2

The Human Services Department operates the City's utility assistance program for residents, which aids in the coverage of costs for electricity, water, and gas services. Assistance is provided through the Emergency Rental Assistance Program and local utility assistance funding initiatives. Priority populations for this support include seniors, disabled, and medically involved individuals, families with young children, and renters facing an imminent eviction crisis. The utility assistance program operates year-round and will be promoted as a heat response strategy during the heat season.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	HSD
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/humanservices
IN EFFECT	TIER 1 AND YEAR-ROUND

► Offer Low-Flow Water Service Program**Action 5.3**

The Water Services Department is continuing and expanding its innovative Low-Flow Water Service Program. This program provides a vital lifeline for customers experiencing difficulty paying their water bills, offering essential water services for up to three months. By ensuring continued access to water for basic needs, such as hydration, while residents work to resolve challenges with bill payment, the City strives to alleviate the burdens associated with extreme heat and financial strain. As part of this update, customers will be directed to [phoenix.gov/resources](https://www.phoenix.gov/resources) for comprehensive assistance with their bills, underscoring our commitment to supporting residents through challenging times and fostering community resilience.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	WSD
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/waterservices
IN EFFECT	TIER 1 AND YEAR-ROUND

► Educate the community about electric utility disconnection rules**Action 5.4**

To augment efforts by Arizona Public Service (APS) and Salt River Project (SRP), City staff will deliver public-facing message and provide internal training to relevant departments regarding Heat Season electrical utility disconnection rules. As of the publication of this plan, APS and SRP have different disconnection rules and procedures. APS suspends disconnections for nonpayment between June 1 and October 15; SRP suspends disconnections on National Weather Service Excessive Heat Warning Days. Both utilities offer a wide range of services and support to help customers avoid disconnection.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	COMMS, OHRM
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	https://www.aps.com/en/Residential/Billing-and-Payment/Payment-Policies https://blog.srpnet.com/heat-moratoriums-excessive-heat-warnings-explained/
IN EFFECT	VARIES BY UTILITY

► Offer telephone-based heat wellness checks

Action 5.5

The city will leverage external partners and collaborate with additional city departments to reform and relaunch the Cool Callers outreach program initiated in 2022. Volunteers, trained by City staff, will continue conducting telephone-based wellness checks for residents who opt into the program. These volunteers will inquire about residents' health status and the adequacy of their home cooling systems, while also providing information on the city's emergency utility program, weatherization program, cooling centers, hydration stations, services available from utility companies, and emergency medical services as needed. The goal for this program in 2024 is to expand outreach efforts and reach a broader pool of community members, building upon the successes and lessons learned from the pilot programs conducted in summer 2022 and 2023, with the aim of ensuring the well-being of residents during periods of extreme heat.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, VOL
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN PILOT STAGE
RESOURCES / MORE INFO.	https://www.phoenix.gov/heat
IN EFFECT	TIER 1

STRATEGY 6:
SUPPORT COOL AND SAFE MOBILITY AND RECREATION



► Promote Take a Hike, Do it Right Heat Safety Messaging

Action 6.1

The Parks and Recreation Department's "Take a Hike, Do it Right" campaign provides consistent messaging regarding heat and trail safety measures with large signage at city trailheads and parallel messaging on city websites and social media feeds. Parks rangers are trained in heat illness symptom recognition and make frequent direct contact with trail users during the summer months to ensure adequate preparedness. On days with temperatures exceeding 110°F, rangers are deployed to selected popular trailheads to provide additional heat safety messaging to residents. Where possible, water is provided in 5-gallon coolers to help hikers refill personal water bottles. Park Stewards known as Camelback Navigators and We're Cool volunteers (primary comprised of members of the Phoenix Community Emergency Response Team) support staff in providing heat safety messaging and resources throughout the Heat Season at select trailheads. Parking lot entrances at select trailheads have extended hours during the summer months to promote hiking during cooler parts of the day. Dogs are prohibited from all City of Phoenix trails when temperatures reach 100°F.

TARGET POPULATION	HIKERS
LEAD DEPARTMENT(S)	PRD, OHRM, FIRE
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 200+ HOURS OF VOLUNTEER SUPPORT
RESOURCES / MORE INFO.	https://www.phoenix.gov/parkssite/Pages/take-a-hike-do-it-right.aspx
IN EFFECT	TIER 1

► **Provide heat safety messaging to transit riders**

Action 6.2

Valley Metro and the Office of Heat Response and Mitigation are partnering to increase heat safety messaging for public transit users. New and improved initiatives for summer 2024 include heat relief resource cards for contracted security staff, social media messaging, kiosk posters, pop-up messaging in the Valley Metro app, and audio messaging at platforms. With support from the City of Phoenix Transit and Light Rail Departments, Valley Metro continues to improve the ability for transit system users to monitor bus and train movements in real time, which enables them to spend less time outdoors waiting for services.

TARGET POPULATION	TRANSIT USERS
LEAD DEPARTMENT(S)	PTD, LRT, OHRM
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► **Operate City pools for cool recreation**

Action 6.3

The Parks and Recreation Department operates a network of public pools throughout the city that provide heat relief and safe summer recreational opportunities for residents. Recruitment bonuses were offered for summer 2023 to increase the number of lifeguards on staff, in response to shortages in previous years that constrained pool access. The Departments' "Kool Kids" program reduces or eliminates cost barriers to enter select city pools for Phoenix youth.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	PRD
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/parks/pools
IN EFFECT	VARIES BY LOCATION

► **Close select trailheads on Excessive Heat Warning days**

Action 6.4

The Parks Board voted in October 2021 to close the summit trails at Piestewa Peak and Camelback Mountain at certain times on summer days for which the National Weather Service has issued an Excessive Heat Warning; Parks staff enforces these trail closures. Parks Board updated the policy in August 2023 to amend the closure times to 9am and 5pm on any days for which the National Weather Service has issued an Excessive Heat Warning; Parks staff enforces these trail closures.

TARGET POPULATION	HIKERS
LEAD DEPARTMENT(S)	PRD
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / TRAIL CLOSURES ON 42 DAYS
RESOURCES / MORE INFO.	https://www.phoenix.gov/parks/trails/take-a-hike-do-it-right to receive alerts
IN EFFECT	TIER 3

STRATEGY 7: IMPLEMENT HEAT SAFETY MEASURES FOR WORKERS



► Implement heat safety plans in City departments

Action 7.1

The Human Resources Safety division has developed Heat Injury and Illness Prevention Plans with departments whose employees face extreme heat safety dangers during their work duties. These plans work to minimize or eliminate employee exposures to heat related hazards that may lead to serious injuries, illnesses or death. These plans outline each department's safety controls and policies to mitigate heat related hazards, procedures to follow should a heat related illness or injury occur and training to ensure employees are familiar with their department's plan.

TARGET POPULATION	CITY EMPLOYEES
LEAD DEPARTMENT(S)	HR
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1 AND YEAR-ROUND

► Promote State Emphasis Program on Heat Safety

Action 7.2

The Arizona Division of Occupational Safety and Health launched a State Emphasis Program on Heat Safety in July 2023. The City of Phoenix will promote this program and other state and federal resources related to worker safety as a component of the broader heat response public education campaign.

TARGET POPULATION	WORKERS
LEAD DEPARTMENT(S)	HR, COMMS, OHRM
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://test-az2-ica.pantheonsite.io/sites/default/files/2023-09/Arizona%20Heat%20SEP%20CPL_03-00-024%202.0.pdf
IN EFFECT	TIER 1 AND YEAR-ROUND

► Develop and adopt heat safety expectations for City contractors

Action 7.3

City staff are exploring opportunities to implement new requirements in City procurement processes and/or City contracts related to heat safety. These requirements would ensure that City-engaged businesses (contractors and sub-contractors) have relevant and effective heat safety plans in place.

TARGET POPULATION	WORKERS
LEAD DEPARTMENT(S)	HR, LAW, FINANCE, OHRM
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	N/A

STRATEGY 8: ENGAGE WITH THE COMMUNITY TO BUILD HEAT READINESS



► Operate a comprehensive heat response public education campaign

Action 8.1

The City will increase the modalities and reach of public messaging related to heat response in 2024 through a comprehensive public education campaign. The goal of the campaign is to maximize community awareness of heat illness symptoms, available resources, and opportunities to participate in heat response initiatives. Historically, the City has shared heat safety and cooling resource information through print and digital communication channels, including social media. The City also hosts multiple websites with heat safety information and links to related resources, including [phoenix.gov/heat](https://www.phoenix.gov/heat) and [phoenix.gov/summer](https://www.phoenix.gov/summer). These resources will be updated and new resources will be created for the 2024 heat season to more effectively engage with heat-vulnerable populations and the community at large.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	COMMS, ORHM, OPH, OEM, FIRE
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/pio/summer
IN EFFECT	TIER 1

► Provide heat relief funding to community partners

Action 8.2

In 2023, the Office of Heat Response and Mitigation established a Heat Relief Grant program to support community organizations whose efforts aligned with the goals of the Heat Response Plan. City Council allocated \$450,000 in American Rescue Plan Act funding to support this program. The grants were intended to augment the efforts of community organizations that offer a wide range of services to meet the needs of heat-vulnerable residents. Heat relief grants for the 2023 and 2024 heat season were awarded to 19 community organizations. To date, grantees have reported more than 45,000 engagements with community members related to this funding. Community members have received heat relief supplies, accessed cooled space, and received case management through this funding.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 45,061 ENGAGEMENTS SUPPORTED
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► **Distribute youth heat safety books**

Action 8.3

The City will continue to distribute the “Hot Days, Cool Fun” workbook developed in 2023 to promote heat safety awareness for younger community members. The workbook was developed collaboratively between the Office of Heat Response and Mitigation, Office of Arts and Culture, and Arizona State University. It is available in English and Spanish.

TARGET POPULATION	YOUTH
LEAD DEPARTMENT(S)	OHRM, LIBRARY, COMMS, OAC
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/heatsite/Documents/heatact_book_pdf3.pdf
IN EFFECT	TIER 1

► **Improve engagement strategies for people who use substances**

Action 8.4

The Office of Heat Response and Mitigation in partnership with the Office of Public Health will continue efforts to improve heat related outcomes for people who use drugs and alcohol. Substance use was a factor in 73% of heat-related deaths in the City of Phoenix in 2023 and a factor in 89% of the heat-related deaths among people experiencing homelessness. Efforts in 2024 will include the continuation of the naloxone program through heat outreach and cooling centers, education on overdose signs, symptoms, and response. In addition, OHRM and OPH will develop and implement heat risk messaging and tools in partnership with overdose and disease prevention agencies and services supporting people who use drugs.

TARGET POPULATION	SUBSTANCE USERS
LEAD DEPARTMENT(S)	OHRM, OPH, COMMS
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/healthsite/Pages/Naloxone.aspx
IN EFFECT	TIER 1

► **Support media requests related to heat response**

Action 8.5

City staff help build public awareness of heat safety strategies and community cooling resources by participating as subject matter experts in requested interviews. Media requests related to heat response programs are coordinated by the Communications Office and filled by departments as appropriate to the request. The City also hosts a pre-heat season media event coincident with Arizona Heat Awareness Week with a wide range of city departments and external partners available for interviews, and provides periodic media pool availability through the heat season. In 2023, the Communications Office coordinated more than 100 requests from local, national, and international outlets related to the City’s Heat Response Plan and programs.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	COMMS, OHRH, OPH, OEM, FIRE
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 100+ MEDIA REQUESTS FILLED
RESOURCES / MORE INFO.	https://www.phoenix.gov/pio
IN EFFECT	TIER 1 AND YEAR-ROUND

► **Distribute heat relief supplies to people experiencing homelessness**

Action 8.6

The City proactively engages with people experiencing homelessness through the daily work of professional outreach specialists from the Office of Homeless Solutions. In the 2024 heat season, these outreach teams will be equipped with heat relief resource kits including water and other heat relief supplies and information about community cooling resources. This is a shift in the City's operational model for distributing heat relief supplies and cooling resource information to people experiencing homelessness, which previously involved a larger share of volunteer efforts through the We're Cool program. The shift leverages increased capacity in the Office of Homeless Solutions, ensures that the most qualified personnel are engaged with a highly vulnerable population, and creates new opportunities for volunteers to support heat programs.

TARGET POPULATION	PEOPLE EXPERIENCING HOMELESSNESS
LEAD DEPARTMENT(S)	OHS, OHRM
2024 STATUS	ENHANCED INITIATIVE FROM 2023
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 29,000+ ITEMS DISTRIBUTED
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

► **Train volunteers to support heat response programs**

Action 8.7

Volunteers play a critical role in supporting the Heat Response Plan. In previous years, volunteers have participated in street outreach efforts, provided public education, distributed resources, conducted telephone wellness checks, augmented staffing at heat relief network facilities, and helped organize heat relief supplies. The Offices of Volunteer Programs, Heat Response and Mitigation, and Public Health will continue to develop training programs to enable volunteers to support heat response programs as safely and effectively as possible.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, VOL
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 1,700 VOLUNTEER HOURS CONTRIBUTED
RESOURCES / MORE INFO.	https://volunteer.phoenix.gov/
IN EFFECT	TIER 1

► **Attend community events to share heat safety resources**

Action 8.8

The Office of Heat Response and Mitigation will help raise awareness of heat response initiatives by supporting requests to participate in community gatherings, fairs, and outreach events throughout the heat season. Staff will provide an informational booth and engage with attendees to raise awareness about heat safety measures, distribute educational materials, and provide guidance on accessing community cooling resources.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1

STRATEGY 9: COLLABORATIVELY WORK ACROSS DEPARTMENT AND AGENCY BOUNDARIES



► Build Incident Management Team for coordinated heat response

Action 9.1

Beginning in 2024, the City of Phoenix will adopt an Incident Management Team (IMT) framework for the Heat Season. The Office of Emergency Management is well suited to integrate a unified command approach covering all phases of the City's Extreme Heat Response efforts. Implementation of an IMT will effectively provide a command-and-control element to systematically coordinate and manage the collective resources and personnel the City of Phoenix is committing to reduce public health risks associated with extreme heat.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OEM
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1 AND YEAR-ROUND

► Convene regular meetings with departmental liaisons

Action 9.2

In coordination with the Incident Management Team, cross-departmental meetings with heat response liaisons from individual departments will be convened on a biweekly basis at minimum through the 2024 heat season. These meetings will help raise collective awareness of the entire portfolio of heat response programs and services offered by the City and provide updates concerning program status, weather forecasts, and health impacts.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, OEM, OPH
2024 STATUS	NEW
2023 STATUS / METRICS	N/A
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1 AND YEAR-ROUND

► Collect comprehensive evaluation data to support heat response

Action 9.3

The City will continue its efforts to gather and analyze a wide range of data related to the Heat Response Plan. These data include outcome and process measures, as well as qualitative feedback from program administrators, community partners, and individuals receiving City services. The addition of new staff in the Office of Heat Response and Mitigation in 2023 will enable a more rigorous evaluation process for the 2024 Heat Season to ensure that heat response efforts remain adaptive, evidence-based, and responsive to community needs.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM
2024 STATUS	REVISED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	N/A
IN EFFECT	TIER 1 AND YEAR-ROUND

► Provide weekly updates on heat response programs**Action 9.4**

The Office of Heat Response and Mitigation will publish a weekly status report throughout the Heat Season, offering insights into the ongoing implementation of heat response programs and services. This report will feature highlights, recommendations for program adjustments as needed, and summaries of pertinent weather and health data. In response to feedback from city staff and external partners, the format and content of this report have been revised for the year 2024. All weekly heat reports are posted and archived online.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT / 12 WEEKLY REPORTS PUBLISHED IN 2023
RESOURCES / MORE INFO.	https://www.phoenix.gov/heat
IN EFFECT	TIER 1

► Participate in and lead cross-agency engagement**Action 9.5**

The City will continue to participate in, and where appropriate, lead, heat response initiatives across a wide range of governance scales. Examples of past and ongoing efforts include a two-day regional heat planning workshop convened with the National Oceanic and Atmospheric Administration (NOAA) in February 2023, a City-organized roundtable discussion on heat, health, and homelessness with regional partners in April 2023, and participation as a NOAA Heat and Equity Pilot Project city. Phoenix also participated in the Arizona Heat Planning Summit held in October 2023 and has provided input to the forthcoming Statewide Heat Preparedness Plan. The City recognizes the importance of coordination across governance scales to ensure that resources are deployed as effectively as possible to support the goals of the Heat Response Plan.

TARGET POPULATION	CITYWIDE
LEAD DEPARTMENT(S)	OHRM, OEM, OPH
2024 STATUS	CONTINUED FROM PRIOR YEARS
2023 STATUS / METRICS	ACTION WAS IN EFFECT
RESOURCES / MORE INFO.	https://www.phoenix.gov/heat
IN EFFECT	TIER 1 AND YEAR-ROUND

Acknowledgments

The City of Phoenix appreciates the efforts of all community partners who are working to reduce the adverse impacts of extreme heat. The organizations listed below participate in actions listed in the Heat Response Plan, have provided guidance on the City's heat response strategies, or have published plans and reports from which the Heat Response Plan draws content and inspiration.

City of Phoenix Mayor and Council Offices

Office of Mayor Kate Gallego
Office of Vice Mayor Debra Stark, District 3
Office of Ann O'Brien, District 1
Office of Jim Waring, District 2
Office of Debra Stark, District 3
Office of Laura Pastor, District 4
Office of Betty Guardado, District 5
Office of Kevin Robinson District 6
Office of Yassamin Ansari, District 7
Office of Keshia Hodge Washington, District 8

City of Phoenix Departments and Functions

Arts & Culture, Aviation, City Manager's Office, Communications, Environmental Programs, Fire, Heat Response and Mitigation, Emergency Management, Homeless Solutions, Housing, Human Resources, Human Services, Innovation, Library, Light Rail Transit, Neighborhood Services, Parks and Recreation, Police, Public Health, Public Transit, Public Works, Sustainability, Volunteer Programs, and Water Services.

Local, Regional, and National Partners

Arizona Department of Health Services, Arizona Faith Network, Arizona Heat Resilience Work Group, Arizona Public Service, Arizona State University, Bloomberg Associates, C40 Cool Cities Network, Centers for Disease Control and Prevention, Chispa AZ, Community Bridges, Inc., Crisis Response Network, Healthy Giving Council, Keys to Change, Maricopa Association of Governments, Maricopa County Department of Emergency Management, Maricopa County Department of Public Health, National Oceanic and Atmospheric Administration, National Weather Service Phoenix Forecast Office, Nature Conservancy Arizona Healthy Cities Program, Phoenix Community Emergency Response Team, Phoenix Parks Foundation, Phoenix Revitalization Corporation, Salt River Project, Sustainable Cities Network, University of Arizona, Valley Metro, and Valley of the Sun United Way.

Funding Partners

The City of Phoenix Heat Response initiatives benefit from financial resources made available through grant programs offered by the Arizona Department of Housing, Arizona State University, Environmental Protection Agency, Gila River Indian Community, and Maricopa County Department of Public Health.