Staff Summary Report

Council Meeting Date: 6/14/2012 **Agenda Item Number:** 4

SUBJECT: Second and final public hearing to adopt a resolution containing estimates of proposed expenditures by the City of Tempe for the fiscal year beginning July 1, 2012 and ending June 30, 2013, and to declare that such shall constitute a budget for the City of Tempe for said fiscal year.

DOCUMENT NAME: 20120614fscr02 BUDGET (2701) RESOLUTION NO. 2012.67

COMMENTS: N/A

PREPARED BY: Cecilia Robles, Budget Manager (480-350-8881)

REVIEWED BY: Ken Jones, Finance and Technology Director (480-350-8504)

LEGAL REVIEW BY: Andrew Ching, City Attorney (480-350-8575)

DEPARTMENT REVIEW BY: Ken Jones, Finance and Technology Director (480-350-8504)

FISCAL NOTE: See below

RECOMMENDATION: Approve Resolution No. 2012.67.

ADDITIONAL INFO: Per City Council direction at tentative budget adoption, the secondary property tax levy and resulting rate were reduced from $23,248,753 and $1.3698 to $23,000,956 and $1.3552 respectively – a $247,797 levy decrease and $0.0146 rate reduction.

Resolution No. 2012.67 adopts the final budget for Fiscal Year 2012-2013. Since tentative adoption on May 31st, the attached schedules (Exhibit A) have been properly advertised pursuant to A.R.S. §42-17103.

Prior to final adoption of the budget at a special meeting, the Council must hold a public hearing where any taxpayer may appear and be heard for or against any proposed expenditure or tax levy pursuant to A.R.S. 42-17104 and 42-17107.

RESOLUTION 2012.67

A RESOLUTION DETERMINING AND ADOPTING
FINAL ESTIMATES OF PROPOSED EXPENDITURES
BY THE CITY OF TEMPE FOR THE FISCAL YEAR
BEGINNING JULY 1, 2012, AND ENDING JUNE 30, 2013.
DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET
FOR THE CITY OF TEMPE FOR SUCH FISCAL YEAR.

WHEREAS, in accordance with the provisions of Title 42, Sections 17101-17104 inclusive, Arizona Revised Statutes, the City Council did, on May 31, 2012, make an estimate of the amounts required to meet the public expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Tempe, Arizona, and

WHEREAS, in accordance with said sections of said Title, and following due public notice, the Council met on May 31, 2012, at which meeting any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures, and

WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the City Council set a property tax public hearing for June 14, 2012 and set an adoption date of June 28, 2012, to adopt the property tax rate, and

WHEREAS, the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Title 42, Section 17051, A.R.S., therefore be it

RESOLVED, that the said estimates of revenues and expenditures shown on the accompanying schedules as now increased, reduced or changed by the same are hereby adopted as the budget of the City of Tempe, Arizona, for the fiscal year 2012-2013.

PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 14th day of June, 2012.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

_____
FINANCE AND TECHNOLOGY DIRECTOR

Exhibit A

Schedule A

Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/ Expenses* FY 2011-12	Actual Expenditures/ Expenses** FY 2011-12	Unreserved Fund Balance*** 7-1-2012	Direct Property Tax Revenues FY 2012-13
General	$ 158,586,382	$ 152,928,833	$ 48,177,073	$ 13,271,172
Special Revenue	85,047,648	88,254,124	89,105,267	-
Debt Service	21,548,322	20,892,327	34,420,594	23,000,956
Capital Projects	49,337,804	49,337,804	13,332,627	-
Enterprise	93,056,710	87,135,613	45,954,788	-
Internal Service	-	-	2,000,000	-
TOTAL	**$ 407,576,866**	**$ 398,548,701**	**$ 232,990,349**	**$ 36,272,128**

Fund	Budgeted Revenues Other than Property Taxes FY 2012-13	Proceeds From Other Financing Sources FY 2012-13	Interfund Transfers FY 2012-13 In	Interfund Transfers FY 2012-13 (Out)	Total Financial Resources Available FY 2012-13	Budgeted Expenditures/ Expenses FY 2012-13
General	$ 154,908,099	$ -	$ -	$ (1,746,879)	$ 214,609,465	$ 168,561,658
Special Revenue	104,746,683	-	1,446,000	(1,579,292)	193,718,658	155,906,301
Debt Service	657,625	-	6,540,953	(5,304,190)	59,315,938	48,623,373
Capital Projects	-	123,326,372	1,486,154	-	138,145,153	124,812,526
Enterprise	93,475,689	-	5,379,190	(6,221,936)	138,587,731	94,497,568
Internal Service	-	-	-	-	2,000,000	2,000,000
TOTAL	**$ 353,788,096**	**$ 123,326,372**	**$ 14,852,297**	**$ (14,852,297)**	**$ 746,376,945**	**$ 594,401,426**

Expenditure Limitation Comparison	FY 2011-12	FY 2012-13
1. Budgeted Expenditures/Expenses	$ 407,576,866	$ 594,401,426
2. Budgeted Expenditures/Expenses Adjusted for Reconciling Items		
3. Less: Estimated Exclusions	(143,399,345)	(309,144,120)
4. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	264,177,521	285,257,306
5. Expenditure Limitation	**$ 285,189,183**	**$ 293,088,986**

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Schedule B

Summary of Tax Levy and Tax Rate Information

	FY 2011-12*	Estimated FY 2012-13
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		**$ 13,271,172**
2. Amount Received from Primary Property Taxation in the 2011-12 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))		
3. Property Tax Levy Amounts		
A. Primary Property Taxes	12,751,029	13,271,172
B. Secondary Property Taxes	22,100,197	23,000,956
C. Total Property Tax Levy Amounts	**$ 34,851,226**	**$ 36,272,128**
4. Property Taxes Collected		
A. Primary Property Taxes		
1. 2011-12 Levy	12,291,992	
2. Prior Years' Levies	81,482	
3. Total Primary Property Taxes	$ 12,373,474	
B. Secondary Property Taxes		
1. 2011-12 Levy	21,304,590	
2. Prior Years' Levies	141,226	
3. Total Secondary Property Taxes	$ 21,445,816	
C. Total Property Taxes Collected	$ 33,819,290	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.6572	0.7862
2. Secondary Property Tax Rate	1.1291	1.3552
3. Total City Tax Rate	**$1.7863**	**$2.1414**

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collected for the remainder of the fiscal year.

Schedule C

Summary by Fund of Revenues Other Than Property Taxes

	Budgeted Revenues FY 2011-12	Estimated Revenues FY 2011-12*	Budgeted Revenues FY 2012-13
GENERAL FUND			
Local Taxes			
City Sales Tax	$ 80,951,331	$ 82,915,787	$ 85,817,840
Transient Lodging Tax	4,131,600	4,477,227	4,647,362
Franchise Fees	3,547,000	3,477,263	3,533,481
Intergovernmental Revenue			
State	31,231,933	31,050,845	35,400,408
Other	127,000	254,750	132,000
Charges for Service	9,777,097	10,590,555	9,514,515
Fines, Fees and Forfeitures	8,907,007	6,506,825	7,375,168
Licenses and Permits	1,568,450	1,569,750	1,543,750
Voluntary Contributions	1,502,400	1,502,400	1,523,000
Interest Income	1,159,000	576,000	464,983
Other Miscellaneous Revenue	4,427,275	5,330,349	4,955,592
Total General Fund	**147,330,093**	**148,251,751**	**154,908,099**
SPECIAL REVENUE			
Transit Fund			
Transit Tax	29,124,332	29,860,672	30,905,796
ASU-Flash Transit	905,840	905,840	932,103
Interest Income	212,386	212,386	120,000
Intergovernmental	13,452,151	13,452,151	18,482,321
Miscellaneous Revenue	3,630,178	3,630,178	4,422,012
Total Transit Fund	47,324,887	48,061,227	54,862,232
Highway User Revenue Fund			
Highway User Revenue Tax	8,142,645	8,082,557	9,101,143
Miscellaneous Revenue	1,000	1,000	1,000
Barricading Fees	90,000	60,000	70,000
Total Highway User Revenue Fund	8,233,645	8,143,557	9,172,143
Performing Arts Fund			
Performing Arts Tax	6,082,100	6,159,297	6,374,872
Fees and Admissions	631,000	611,250	601,500
Miscellaneous Revenue	6,000	5,250	5,550
Interest Income	57,000	19,500	19,582
Total Performing Arts Fund	6,776,100	6,795,297	7,001,504

Schedule C, continued

Summary by Fund of Revenues Other Than Property Taxes

	Budgeted Revenues FY 2011-12	Estimated Revenues FY 2011-12*	Budgeted Revenues FY 2012-13
CDBG/Section 8 Housing Funds			
Community Development Block Grant	6,656,965	2,093,194	5,439,310
Section 8 Housing	10,344,964	9,530,164	11,034,342
Total CDBG/Sec 8 Funds	17,001,929	11,623,358	16,473,652
Police Dept-RICO & Grants Fund	-	-	5,165,104
Govtl Grants or Donations Fund	-	-	10,653,863
Court Enhancement Fund	-	-	1,414,465
Peterson House Fund	-	-	3,720
Total Special Revenue Funds	**79,336,561**	**74,623,439**	**104,746,683**
DEBT SERVICE FUND			
Intergovernmental	182,459	-	657,625
Total Debt Service Fund	**182,459**	**-**	**657,625**
ENTERPRISE FUNDS			
Water/Wastewater Fund	71,017,104	71,084,305	76,104,967
Solid Waste Fund	15,231,809	14,988,732	14,976,722
Golf Fund	2,220,828	2,307,099	2,394,000
Cemetery Fund	113,100	113,100	-
Total Enterprise Funds	**88,582,841**	**88,493,236**	**93,475,689**
Total All Funds	**$ 315,431,954**	**$ 311,368,426**	**$ 353,788,096**

* Includes actual revenues recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated revenues for the remainder of the fiscal year.

Schedule D

Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources FY 2012-13	Interfund Transfers FY 2012-13 In	Interfund Transfers FY 2012-13 (Out)
GENERAL FUND	$ -	$ -	$ (1,746,879)
SPECIAL REVENUE FUNDS			
HURF	-	1,446,000	(503,304)
Performing Arts	-	-	(116,622)
Transit	-	-	(959,366)
Total Special Revenue Funds	-	1,446,000	(1,579,292)
DEBT SERVICE FUND	-	6,540,953	(5,304,190)
CAPITAL PROJECTS FUNDS	-	1,486,154	-
Bond/Note Proceeds	89,096,020	-	-
CIP - Other Funding	18,317,425	-	-
CIP - Fund Balance Applied	15,912,928	-	-
Total Capital Projects Funds	123,326,372	1,486,154	-
ENTERPRISE FUNDS			
Water/Wastewater Fund	-	5,304,190	(5,681,268)
Solid Waste Fund	-	-	(540,668)
Golf Fund	-	75,000	-
Total Enterprise Funds	-	5,379,190	(6,221,936)
TOTAL ALL FUNDS	**$ 123,326,372**	**$ 14,852,297**	**$ (14,852,297)**

Schedule E

Summary by Department of Expenditures / Expenses Within Each Fund

Fund/ Department	Budgeted Expenditures/ Expenses FY 2011-12	Expenditure/ Expense Adjustments Approved FY 2011-12	Estimated Expenditures/ Expenses FY 2011-12*	Budgeted Expenditures/ Expenses FY 2012-13
GENERAL FUND				
Mayor and Council	$ 322,621	$ -	$ 321,854	$ 372,531
City Manager	281,445	-	513,512	578,925
Community Relations	2,298,533	26,000	2,070,436	2,289,832
Diversity	449,752	-	455,314	477,433
Internal Audit	405,502	8,813	388,813	423,408
City Clerk	917,783	-	949,361	561,728
City Court	3,787,780	-	3,494,486	3,791,700
Human Resources	2,041,178	152,889	2,097,637	2,336,150
Tempe Learning Center	538,177	-	460,581	546,676
City Attorney	2,524,064	15,600	2,627,697	2,770,028
Finance and Technology	3,162,837	(56,249)	3,341,284	3,429,884
Community Development	9,504,602	(1,816)	9,195,750	9,593,822
Police	65,018,285	(737,191)	61,834,991	67,833,501
Fire	26,354,274	(117,964)	25,244,161	27,325,938
Community Services	18,285,198	13,210	17,620,323	19,548,371
Public Works - General	16,936,690	326,691	15,773,509	17,214,204
Non-Departmental	5,743,100	384,578	6,539,124	8,467,527
Contingencies	-	-	-	1,000,000
Total General Fund	158,571,821	14,561	152,928,833	168,561,658
SPECIAL REVENUE FUNDS				
Highway User Revenue	7,747,186	(14,329)	8,952,498	8,194,236
Transit	53,863,809	(1,076,381)	58,721,440	106,006,203
CDBG	6,656,965	(1,039,853)	2,726,106	4,908,913
Section 8 Housing	10,344,964	-	9,530,164	11,034,342
Performing Arts	8,565,287	-	8,323,916	8,525,455
Police Dept-Rico & Grants	-	-	-	5,165,104
Govtl Grants or Donations	-	-	-	10,653,863
Court Enhancement	-	-	-	1,414,465
Petersen House Endowment	-	-	-	3,720
Total Special Revenue Funds	87,178,211	(2,130,563)	88,254,124	155,906,301
DEBT SERVICE FUND				
Debt Service	21,548,322	-	20,892,327	48,623,373
Total Debt Service Fund	21,548,322	-	20,892,327	48,623,373
CAPITAL PROJECTS FUNDS				
All Capital Projects	49,337,804	-	49,337,804	124,812,526
Total Capital Projects Funds	49,337,804	-	49,337,804	124,812,526
ENTERPRISE FUNDS				
Water/Wastewater	75,783,498	(8,000)	70,249,321	75,746,634
Golf	2,290,553	-	2,449,743	2,513,917
Cemetery	180,863	-	180,359	-
Solid Waste	14,816,357	(6,561)	14,256,190	16,237,017
Total Enterprise Funds	93,071,271	(14,561)	87,135,613	94,497,568
INTERNAL SERVICE FUNDS				
Risk Management	-	-	-	2,000,000
TOTAL ALL FUNDS	**$ 409,707,429**	**$ (2,130,563)**	**$ 398,548,701**	**$ 594,401,426**

* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated expenditures/expenses for the remainder of the fiscal year.

Schedule F

Summary by Department / Fund

Department / Fund	Budgeted Expenditures/ Expenses FY 2011-12	Expenditure/ Expense Adjustments Approved FY 2011-12	Estimated Expenditures/ Expenses FY 2011-12*	Budgeted Expenditures/ Expenses FY 2012-13
Mayor and Council Department:				
General Fund	$ 322,621	$ -	$ 321,854	$ 372,531
City Manager Department:				
General Fund	281,445	-	513,512	578,925
Community Relations Office:				
General Fund	2,298,533	26,000	2,070,436	2,289,832
Transit Fund	454,452	-	457,098	481,665
Govtl Grants or Donations	-	-	-	2,462,134
Community Relations Total	2,752,985	26,000	2,527,534	5,233,631
City Clerk:				
General Fund	917,783	-	949,361	561,728
Tempe Learning Center Office:				
General Fund	538,177	-	460,581	546,676
Diversity Office:				
General Fund	449,752	-	455,314	477,433
Internal Audit Office:				
General Fund	405,502	8,813	388,813	423,408
City Court Department:				
General Fund	3,787,780	-	3,494,486	3,791,700
Court Enhancement Fund	-	-	-	1,214,465
	3,787,780	-	3,494,486	5,006,165
Human Resources Department:				
General Fund	2,041,178	152,889	2,097,637	2,336,150
City Attorney Department:				
General Fund	2,524,064	15,600	2,627,697	2,770,028
Water Fund	380,051	-	368,720	389,267
Govtl Grants or Donations	-	-	-	379,909
City Attorney Total	2,904,115	15,600	2,996,417	3,539,204
Finance and Technology Department:				
General Fund	3,162,837	(56,249)	3,341,284	3,429,884
Water Fund	2,719,086	-	2,699,658	2,823,847
Finance and Technology Total	5,881,923	(56,249)	6,040,942	6,253,731
Police Department:				
General Fund	65,018,285	(737,191)	61,834,991	67,833,501
Police Dept-Rico & Grants	-	-	-	4,365,104
Police Total	65,018,285	(737,191)	61,834,991	72,198,605
Fire Department:				
General Fund	26,354,274	(117,964)	25,244,161	27,325,938
Govtl Grants or Donations	-	-	-	868,791
Fire Total	26,354,274	(117,964)	25,244,161	28,194,729

* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated expenditures/expenses for the remainder of the fiscal year.

Schedule F, continued

Summary by Department / Fund

Department / Fund	Budgeted Expenditures/ Expenses FY 2011-12	Expenditure/ Expense Adjustments Approved FY 2011-12	Estimated Expenditures/ Expenses FY 2011-12*	Budgeted Expenditures/ Expenses FY 2012-13
Community Services Department:				
General Fund	18,285,198	13,210	17,620,323	19,548,371
Performing Arts Fund	2,005,006	-	1,870,480	2,040,529
Govtl Grants or Donations	-	-	-	1,382,845
Petersen House Endowment	-	-	-	3,720
Community Services Total	20,290,204	13,210	19,490,803	22,975,465
Community Development Department:				
General Fund	9,504,602	(1,816)	9,195,750	9,593,822
Transit Fund	932,870	-	659,438	877,308
Section 8 Grants Fund	10,344,964	-	9,530,164	11,034,342
Comm Dev Block Grant Fund	6,656,965	(1,039,853)	2,726,106	4,908,913
Govtl Grants or Donations	-	-	-	558,184
Community Development Total	27,439,401	(1,041,669)	22,111,458	26,972,569
Public Works Department:				
General Fund	16,936,690	326,691	15,773,509	17,214,204
Golf Fund	2,290,553	-	2,449,743	2,513,917
Cemetery Fund	180,863	-	180,359	-
Performing Arts Fund	532,493	-	510,672	552,576
Solid Waste Fund	14,816,357	(6,561)	14,256,190	16,237,017
Highway User Revenue Fund	7,747,186	(14,329)	8,952,498	8,194,236
Transit Fund	47,406,487	(1,076,381)	52,180,897	46,717,686
Water Fund	38,083,706	(8,000)	34,759,274	38,658,520
Govtl Grants or Donations	-	-	-	2,000
Public Works Total	127,994,335	(778,580)	129,063,142	130,090,156
Non Departmental:				
General Fund	5,743,100	384,578	6,539,124	8,467,527
Debt Service:				
Transit Fund	5,070,000	-	5,424,007	57,854,544
Water Fund	33,600,655	-	32,421,669	32,875,000
Performing Arts Fund	6,027,788	-	5,942,764	5,932,350
Debt Service Fund	21,548,322	-	20,892,327	48,623,373
Debt Service Total	66,246,765	-	64,680,767	145,285,267
Contingency:				
General Fund	-	-	-	1,000,000
Water Fund	1,000,000	-	-	1,000,000
Transit Fund	-	-	-	75,000
Internal Service / Risk Management	-	-	-	2,000,000
Police Dept-Rico & Grants	-	-	-	800,000
Govtl Grants or Donations	-	-	-	5,000,000
Court Enhancement Fund	-	-	-	200,000
Contingency Total	1,000,000	-	-	10,075,000
Capital Projects:				
Capital Projects Funds	49,337,804	-	49,337,804	124,812,526
TOTAL ALL FUNDS	**$ 409,707,429**	**$ (2,130,563)**	**$ 398,548,701**	**$ 594,401,426**

* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated expenditures/expenses for the remainder of the fiscal year.