

Special Meeting Agenda

**Tempe City Council
Special Meeting
Harry E. Mitchell Government Center
Tempe City Hall - City Council Chambers
31 East 5th Street, Tempe, Arizona
Thursday, May 19, 2011**

Immediately following the City Council Meeting which begins at 7:30 p.m.

Members of the City Council may attend either in person or by telephone conference call.

AGENDA

1. Call to the Audience

The City Council welcomes public comment at this time only for items listed on this agenda. There is a three-minute time limit per citizen.

2. This is a public hearing to adopt a resolution approving the fiscal year 2011-12 Tentative Budget; setting the public hearing for consideration of the fiscal year 2011-12 Final Budget at a Special Budget Meeting on June 2, 2011, and setting the property tax rate at a meeting scheduled for June 16, 2011.*

COMMENTS	N/A
DOCUMENT NAME	20110519fscr01 BUDGET (0205-11-01) Resolution No. 2011.33

According to the Arizona Open Meeting Law, the City Council may only discuss matters listed on the agenda. The City of Tempe endeavors to make all public meetings accessible to persons with disabilities. With 72 hours advance notice, special assistance is available at public meetings for sight and/or hearing-impaired persons. Please call 350-2905 (voice) or 350-2750 (TDD) to request an accommodation to participate in a public meeting.

Staff Summary Report



Council Meeting Date: 5/19/2011

Agenda Item Number: _____

SUBJECT: This is a public hearing to adopt a resolution approving the fiscal year 2011-12 Tentative Budget; setting the public hearing for consideration of the fiscal year 2011-12 Final Budget at a Special Budget Meeting on June 2, 2011, and setting the property tax rate at a meeting scheduled for June 16, 2011.

DOCUMENT NAME: 20110519fscr01 BUDGET (0205-27-01) Resolution No. 2011.33

COMMENTS: N/A

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

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

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

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

FISCAL NOTE: See below

RECOMMENDATION: Adopt Resolution No. 2011.33

ADDITIONAL INFO: As a result of the Capital Improvement Program (CIP) and Operating Budget sessions, the necessary exhibits have been prepared and are attached as required by law to provide notice to taxpayers and begin the approval process for the fiscal year 2011/12 budget.

Included in the \$412.6 million total financial program are all items discussed by the Council at the budget meetings. Per Council direction, the operating budget totals \$363.3 million and CIP budget totals \$49.3 million.

As prescribed in A.R.S. §42-17105, the tentative budget adoption process establishes the upper limit for next year's budget along with the time and date of the required public hearing prior to final adoption.

RESOLUTION NO. 2011.33

A RESOLUTION OF THE COUNCIL OF THE CITY OF TEMPE, MARICOPA COUNTY, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF TEMPE FOR THE FISCAL YEAR 2011/12; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNTS ACTUALLY LEVIED AND THE AMOUNTS ESTIMATED AS COLLECTIBLE FOR THE PREVIOUS FISCAL YEAR; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES; GIVING NOTICE OF THE TIMES FOR HEARING TAXPAYERS, FOR ADOPTION OF THE BUDGET AND FOR FIXING THE TAX RATE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TEMPE, AS FOLLOWS:

SECTION 1. That the statements, estimates and schedules attached in Exhibit "A" are hereby adopted for the purposes as hereinafter set forth as the tentative budget for the City of Tempe for the fiscal year 2011/12.

SECTION 2. That the City Clerk is hereby authorized and directed to publish in the manner prescribed by law (Arizona Revised Statutes §42-17103), the estimates of expenditures, as set forth in Exhibit "A", together with a notice that the Council will meet for the purpose of final hearing of taxpayers and for adoption of the fiscal year 2011/12 budget for the City of Tempe on the 2nd of June, 2011, at the hour of 7:30 p.m. in the Council Chambers, 31 East Fifth Street.

SECTION 3. That the City Clerk is hereby authorized and directed to publish in the manner prescribed by law (Arizona Revised Statutes §42-17103), a notice that the Council will: (1) immediately following the public hearing on the estimates of expenses on June 2nd, 2011 convene a special meeting for the purpose of finally determining and adopting the estimates of proposed expenditures for the various purposes set forth in the published proposal as the official budget of the City Council; and (2) hold a meeting of the City Council to officially set the fiscal year 2011/12 property tax rate on June 16th, 2011.

SECTION 4. The transfers of any sums within or without any specific appropriations shall conform to Section 5.08, Tempe City Charter.

SECTION 5. Money from any funds may be used for any of these appropriations, except money specifically restricted by State Law or by City Charter, Codes, Ordinances, or Resolutions.

SECTION 6. Schedules A through F are attached hereto as Exhibit "A" and incorporated herein by reference. Copies of this information, along with supporting documentation, are available for public inspection at the office of the Finance and Technology Director, 20 East Sixth Street, Second Floor, and the City Clerk's Office, 31 East Fifth Street.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this _____ day of _____, 2011.

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 2010-11	Unaudited Estimated Expenditures/ Expenses FY 2010-11	Estimated Unreserved Fund Balance 7-1-2011	Direct Property Tax Revenues FY 2011-12
General	\$156,701,101	\$151,531,573	\$35,412,168	\$12,751,029
Special Revenue	100,622,986	89,708,422	18,649,207	
Debt Service	22,111,500	20,443,097	42,672,352	22,100,197
Capital Projects	48,264,755	48,264,755	3,439,740	
Enterprise	91,997,602	86,599,413	35,065,586	
TOTAL	\$419,697,944	\$396,547,260	\$135,239,053	\$34,851,226

Fund	Budgeted Revenues Other than Property Taxes FY 2011-12	Interfund Transfers FY 2011-12		Total Financial Resources Available FY 2011-12	Budgeted Expenditures/ Expenses FY 2011-12
		In	(Out)		
General	\$147,330,093	\$186,435		\$195,679,725	\$159,357,645
Special Revenue	80,472,385		(1,916,643)	97,204,949	88,728,211
Debt Service	182,459	1,550,000	(49,000)	66,456,008	21,548,322
Capital Projects		796,243	(137,435)	4,098,548	49,337,804
Enterprise	88,656,841		(429,600)	123,292,827	93,623,271
TOTAL	\$316,641,778	\$2,532,678	(\$2,532,678)	\$486,732,057	\$412,595,253

Expenditure Limitation Comparison	FY 2010-11	FY 2011-12
1. Budgeted Expenditures/Expenses	\$419,697,944	\$412,595,253
2. Budgeted Expenditures/Expenses Adjusted for Reconciling Items		
3. Less: Estimated Exclusions	(243,985,622)	(153,134,828)
4. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	175,712,322	259,460,425
5. Expenditure Limitation	\$305,391,699	\$285,189,183

Schedule B



Summary of Tax Levy and Tax Rate Information

	FY 2010-11*	Estimated FY 2011-12
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		\$12,751,029
2. Amount Received from Primary Property Taxation in the 2010-11 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	12,238,972	12,751,029
B. Secondary Property Taxes	22,174,672	22,100,197
C. Total Property Tax Levy Amounts	\$34,413,644	\$34,851,226
4. Property Taxes Collected		
A. Primary Property Taxes		
1. 2010-11 Levy	11,979,120	
2. Prior Years' Levies	123,207	
3. Total Primary Property Taxes	\$12,102,327	
B. Secondary Property Taxes		
1. 2010-11 Levy	21,703,870	
2. Prior Years' Levies	223,227	
3. Total Secondary Property Taxes	\$21,927,097	
C. Total Property Taxes Collected	\$34,029,424	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5176	0.6572
2. Secondary Property Tax Rate	0.8824	1.1291
3. Total City Tax Rate	\$1.4000	\$1.7863

* 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 2010-11	Estimated Revenues FY 2010-11*	Budgeted Revenues FY 2011-12
GENERAL FUND			
Local Taxes			
City Sales Tax	\$69,880,072	\$77,900,797	\$80,951,331
Transient Lodging Tax	3,969,916	4,100,214	4,131,600
Franchise Fees	3,727,000	3,766,415	3,547,000
Intergovernmental Revenue			
State-shared	28,871,873	28,400,614	25,884,826
Vehicle License Tax	6,166,164	5,388,171	5,347,107
Charges for Service	11,200,441	9,261,994	10,257,097
Fines, Fees and Forfeitures	10,322,095	7,554,318	8,427,007
Licenses and Permits			
Business/Non-Business Licenses	1,567,696	1,568,250	1,568,450
Voluntary Contributions			
SRP Payment in Lieu of Taxes	1,376,393	1,502,400	1,502,400
Interest Income	1,595,000	998,201	1,159,000
Other Miscellaneous Revenue	5,103,263	4,566,341	4,554,275
Total General Fund	143,779,913	145,007,715	147,330,093
SPECIAL REVENUE			
Transit Fund			
Transit Tax	25,012,100	28,136,095	29,124,332
ASU-Flash Transit	773,045	853,809	905,840
Interest Income	212,386	212,386	212,386
Federal and State Funding	14,470,874	13,006,168	13,452,151
Miscellaneous Revenue	3,369,506	3,492,097	3,630,178
Total Transit Fund	43,837,911	45,700,555	47,324,887
Highway User Revenue Fund			
Highway User Revenue Tax	9,495,879	9,157,112	8,142,645
Miscellaneous Revenue		1,000	1,000
Barricading Fees	75,000	55,000	90,000
Maintenance of Effort Transfer	785,824	785,824	785,824
Solid Waste Fund Transfer		350,000	350,000
Total Highway User Revenue Fund	10,356,703	10,348,936	9,369,469
Performing Arts Fund			
Performing Arts Tax	5,175,519	5,831,000	6,082,100
Fees and Admissions	575,500	617,200	631,000
Miscellaneous Revenue		5,750	6,000
Interest Income	45,349	46,937	57,000
Total Performing Arts Fund	5,796,368	6,500,887	6,776,100

Schedule C, continued



Summary by Fund of Revenues Other Than Property Taxes

	Budgeted Revenues FY 2010-11	Estimated Revenues FY 2010-11*	Budgeted Revenues FY 2011-12
CDBG/Section 8 Housing Funds			
Community Development Block Grant	5,794,897	6,634,865	6,656,965
Section 8 Housing	10,623,052	10,169,506	10,344,964
Total CDBG/Sec 8 Funds	16,417,949	16,804,371	17,001,929
Total Special Revenue Funds	76,408,931	79,354,749	80,472,385
DEBT SERVICE FUND			
Intergovernmental	16,520		
Other Miscellaneous Revenue		103,436	182,459
Total Debt Service Fund	16,520	103,436	182,459
ENTERPRISE FUNDS			
Water/Wastewater Fund	66,510,174	66,501,664	71,017,104
Solid Waste Fund	15,189,163	15,074,701	15,231,809
Golf Fund	1,711,195	1,360,227	2,294,828
Cemetery Fund	144,420	117,100	113,100
Total Enterprise Funds	83,554,952	83,053,692	88,656,841
Total All Funds	\$303,760,316	\$307,519,592	\$316,641,778

* 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 2011-12	Interfund Transfers FY 2011-12	
		In	(Out)
GENERAL FUND	\$76,771	\$186,435	
SPECIAL REVENUE FUNDS			
HURF/LTAF			(1,550,000)
Transit			(366,643)
Total Special Revenue Funds	\$0	\$0	(\$1,916,643)
DEBT SERVICE FUND		1,550,000	(49,000)
CAPITAL PROJECTS FUNDS		796,243	(137,435)
Bond/Note Proceeds	40,171,865		
CIP - Other Funding	4,160,396		
CIP - Fund Balance Applied	4,209,300		
Total Capital Projects Funds	\$48,541,561	\$796,243	(\$137,435)
ENTERPRISE FUNDS			
Water/Wastewater Fund	716,420		(429,600)
TOTAL ALL FUNDS	\$49,334,752	\$2,532,678	(\$2,532,678)

Schedule E



Summary by Department of Expenditures / Expenses Within Each Fund

Fund/ Department	Budgeted Expenditures/ Expenses FY 2010-11	Expenditure/ Expense Adjustments Approved FY 2010-11	Estimated Expenditures/ Expenses FY 2010-11*	Budgeted Expenditures/ Expenses FY 2011-12
GENERAL FUND				
Mayor and Council	\$317,913	(\$500)	\$302,961	\$322,621
City Manager	273,771	(7,181)	251,072	281,445
Community Relations	2,365,004	29,139	2,259,490	2,298,533
Diversity Program	441,351	16,130	437,644	449,752
Internal Audit	414,920	(31,728)	367,793	405,502
City Clerk	744,628	(292,597)	417,554	917,783
City Court	3,605,850	(80,891)	3,549,689	3,787,780
Human Resources	2,006,752	(190,200)	1,812,226	2,041,178
Tempe Learning Center	519,984	(8,500)	474,513	538,177
City Attorney	2,532,363	(24,340)	2,480,225	2,524,064
Finance and Technology	3,144,364	(117,552)	2,975,027	3,162,837
Community Development	8,309,816	(82,600)	8,157,333	9,504,602
Police	66,334,365	(859,026)	64,142,908	65,018,285
Fire	25,471,622	174,226	25,164,407	26,354,274
Community Services	18,727,492	81,951	17,076,626	18,285,198
Public Works - General	15,706,182	(473,836)	15,090,966	16,936,690
Non-Departmental	5,784,724	756,754	6,571,139	6,528,924
Contingencies	-	-	-	-
Total General Fund	\$156,701,101	(\$1,110,751)	\$151,531,573	\$159,357,645
SPECIAL REVENUE FUNDS				
Highway User Revenue	11,667,658	(10,107)	11,207,196	9,297,186
Transit	64,026,251	-	57,321,719	53,863,809
CDBG	5,794,897	-	2,593,891	6,656,965
Section 8 Housing	10,623,052	-	10,169,506	10,344,964
Performing Arts	8,511,128	-	8,416,110	8,565,287
Total Special Revenue Funds	100,622,986	(10,107)	89,708,422	88,728,211
DEBT SERVICE FUND				
Debt Service	22,111,500	-	20,443,097	21,548,322
Total Debt Service Fund	22,111,500	-	20,443,097	21,548,322
CAPITAL PROJECTS FUNDS				
All Capital Projects	48,264,755	-	48,264,755	49,337,804
Total Capital Projects Funds	48,264,755	-	48,264,755	49,337,804
ENTERPRISE FUNDS				
Water/Wastewater	75,772,343	(3,213,684)	70,422,362	75,985,498
Golf	1,731,353	-	1,681,345	2,290,553
Cemetery	379,350	(198,350)	179,013	180,863
Solid Waste	14,114,556	-	14,316,693	15,166,357
Total Enterprise Funds	91,997,602	(3,412,034)	86,599,413	93,623,271
TOTAL ALL FUNDS	\$419,697,944	(\$4,532,892)	\$396,547,260	\$412,595,253

* 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 2010-11	Expenditure/ Expense Adjustments Approved FY 2010-11	Estimated Expenditures/ Expenses FY 2010-11*	Budgeted Expenditures/ Expenses FY 2011-12
Mayor and Council Department:				
General Fund	\$317,913	(\$500)	\$302,961	\$322,621
City Manager Department:				
General Fund	273,771	(7,181)	251,072	281,445
Community Relations Office:				
General Fund	2,365,004	29,139	2,259,490	2,298,533
Transit Fund	554,820	0	549,285	454,452
Community Relations Total	2,919,824	29,139	2,808,775	2,752,985
City Clerk				
General Fund	744,628	(292,597)	417,554	917,783
Tempe Learning Center Office:				
General Fund	519,984	(8,500)	474,513	538,177
Diversity Office:				
General Fund	441,351	16,130	437,644	449,752
Internal Audit Office:				
General Fund	414,920	(31,728)	367,793	405,502
City Court Department:				
General Fund	3,605,850	(80,891)	3,549,689	3,787,780
Human Resources Department:				
General Fund	2,006,752	(190,200)	1,812,226	2,041,178
City Attorney Department:				
General Fund	2,532,363	(24,340)	2,480,225	2,524,064
Water Fund	377,142	0	327,550	380,051
City Attorney Total	2,909,505	(24,340)	2,807,775	2,904,115
Finance and Technology Department:				
General Fund	3,144,364	(117,552)	2,975,027	3,162,837
Water Fund	2,323,263	0	2,694,875	2,719,086
Finance and Technology Total	5,467,627	(117,552)	5,669,902	5,881,923

* 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 2010-11	Expenditure/ Expense Adjustments Approved FY 2010-11	Estimated Expenditures/ Expenses FY 2010-11*	Budgeted Expenditures/ Expenses FY 2011-12
Police Department:				
General Fund	66,334,365	(859,026)	64,142,908	65,018,285
Fire Department:				
General Fund	25,471,622	174,226	25,164,407	26,354,274
Community Services Department:				
General Fund	18,727,492	81,951	17,076,626	18,285,198
Performing Arts Fund	8,000,155	0	7,886,502	8,032,794
Community Services Total	26,727,647	81,951	24,963,128	26,317,992
Community Development Department:				
General Fund	8,309,816	(82,600)	8,157,333	9,504,602
Transit Fund	1,139,262	0	1,190,501	932,870
Section 8 Grants Fund	10,623,052	0	10,169,506	10,344,964
Comm Dev Block Grant Fund	5,794,897	0	2,593,891	6,656,965
Community Development Total	25,867,027	(82,600)	22,111,231	27,439,401
Public Works Department:				
General Fund	15,706,182	(473,836)	15,090,966	16,936,690
Golf Fund	1,731,353	0	1,681,345	2,290,553
Cemetery Fund	379,350	(198,350)	179,013	180,863
Performing Arts Fund	510,973	0	529,608	532,493
Solid Waste Fund	14,114,556	0	14,316,693	15,166,357
Highway User Revenue Fund	11,667,658	(10,107)	11,207,196	9,297,186
Transit Fund	62,332,169	0	55,581,933	52,476,487
Water Fund	72,071,938	(3,213,684)	67,399,937	71,886,361
Public Works Total	178,514,179	(3,895,977)	165,986,691	168,766,990
Non Departmental:				
General Fund	5,784,724	756,754	6,571,139	6,528,924
Debt Service:				
Debt Service Fund	22,111,500	0	20,443,097	21,548,322
Contingency:				
Water Fund	1,000,000	0	0	1,000,000
Capital Projects:				
Capital Projects Funds	48,264,755	0	48,264,755	49,337,804
TOTAL	\$419,697,944	(\$4,532,892)	\$396,547,260	\$412,595,253

* 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.