

# PUBLIC MEETING AGENDA

## SPECIAL MEETING

**Thursday, May 06, 2010**

Immediately following the Tempe City Council Formal Meeting  
beginning at 7:30 P.M.

Harry E. Mitchell Government Center  
City Council Chambers - Tempe City Hall  
31 East 5<sup>th</sup> Street, Tempe, Arizona

### AGENDA

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

**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. Tentative Budget Adoption**

- A. This is a public hearing for Resolution No. 2010.51 authorizing adoption of the FY 2010-11 Tentative Budget; setting the public hearing for consideration of the FY 2010-11 Final Budget at a Special Meeting on June 10, 2010, and setting the property tax rate at a meeting scheduled for June 24, 2010.

COMMENTS	N/A
DOCUMENT NAME	20100506fscr01 BUDGET FY10/11 (0205-26-01)

**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:

5/6/2010

Agenda Item Number: \_\_\_\_\_

**SUBJECT:** This is a public hearing for Resolution No. 2010.51 authorizing adoption of the FY 2010-11 Tentative Budget; setting the public hearing for consideration of the FY 2010-11 Final Budget at a Special Meeting on June 10, 2010, and setting the property tax rate at a meeting scheduled for June 24, 2010.

**DOCUMENT NAME:** 20100506fscr01 BUDGET FY10/11 (0205-26-01)

**COMMENTS:** N/A

**PREPARED BY:** Cecilia Robles, Deputy Financial Services Director (480-350-8881)

**REVIEWED BY:** Jerry Hart, Financial Services Manager (480-350-8505)

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

**DEPARTMENT REVIEW BY:** Jerry Hart, Financial Services Manager (480-350-8505)

**FISCAL NOTE:** See below.

**RECOMMENDATION:** Staff recommends approval of Resolution No. 2010.51

**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 FY 2010-11 budget.

Included in the \$422.3 million total financial program are all items discussed by the Council at the budget meetings. Per Council direction, the operating budget totals \$374.3 million and CIP budget totals \$48.0 million.

As prescribed by 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 2010.51

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 2010/11; 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 2010/11.

SECTION 2. That the City Clerk be, and 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 2010/11 budget for the City of Tempe on the 10<sup>th</sup> of June, 2010, at the hour of 7:30 p.m. in the Council Chambers, 31 East Fifth Street.

SECTION 3. That the City Clerk be, and 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 10<sup>th</sup>, 2010 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 FY 2010/11 property tax rate on June 24<sup>th</sup>, 2010.

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 E 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 Financial Services Manager, 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 \_\_\_\_\_, 2010.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Financial Services Manager

## Exhibit A

### Schedule A



### Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/ Expenses FY 2009-10	Unaudited Estimated Expenditures/ Expenses FY 2009-10	Estimated Unreserved Fund Balance 7-1-2010	Direct Property Tax Revenues FY 2010-11
General	\$185,892,521	\$173,783,438	\$27,929,230	\$12,063,972
Special Revenue	107,530,232	96,222,218	50,678,912	175,000
Debt Service	19,875,542	19,217,500	40,589,139	22,174,672
Capital Projects	96,310,568	96,310,568	3,525,328	-
Enterprise	91,126,158	85,998,355	37,871,236	-
<b>TOTAL</b>	<b>\$500,735,021</b>	<b>\$471,532,079</b>	<b>\$160,593,845</b>	<b>\$34,413,644</b>

Expenditure Limitation Comparison	FY 2009-10	FY 2010-11
1. Budgeted Expenditures/Expenses	\$500,735,021	\$422,313,125
2. Budgeted Expenditures/Expenses Adjusted for Reconciling Items		
3. Less: Estimated Exclusions	(203,820,648)	(117,055,414)
4. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	296,914,373	305,257,711
5. Expenditure Limitation	<b>\$296,914,373</b>	<b>\$305,257,711</b>

**Exhibit A**

Schedule A, continued



**Summary Schedule of Estimated Revenues and Expenditures/Expenses**

<b>Fund</b>	<b>Budgeted Revenues Other than Property Taxes FY 2010-11</b>	<b>Proceeds From Other Financing Sources FY 2010-11</b>	<b>Interfund Transfers FY 2010-11</b>		<b>Total Financial Resources Available FY 2010-11</b>	<b>Budgeted Expenditures/Expenses FY 2010-11</b>
			<b>In</b>	<b>(Out)</b>		
General	\$ 142,748,930	\$ 724,712	\$ 186,435	\$ -	\$ 183,653,279	\$ 154,811,302
Special Revenue	78,429,213	7,262	-	(2,770,000)	126,520,387	105,231,193
Debt Service	16,520	-	2,770,000	(49,000)	65,501,331	22,111,500
Capital Projects	-	47,578,292	436,463	(137,435)	51,402,648	48,014,755
Enterprise	88,166,893	4,611,941	-	(436,463)	130,213,607	92,144,375
<b>TOTAL</b>	<b>\$ 309,361,556</b>	<b>\$ 52,922,207</b>	<b>\$ 3,392,898</b>	<b>\$ (3,392,898)</b>	<b>\$ 557,291,252</b>	<b>\$ 422,313,125</b>


**Summary of Tax Levy and Tax Rate Information**

	FY 2009-10*	Estimated FY 2010-11
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		<b>\$12,238,972</b>
2. Amount Received from Primary Property Taxation in the 2009-10 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	11,665,890	12,238,972
B. Secondary Property Taxes	25,192,451	22,174,672
C. Total Property Tax Levy Amounts	<b>\$36,858,341</b>	<b>\$34,413,644</b>
4. Property Taxes Collected		
A. Primary Property Taxes		
1. 2009-10 Levy	11,292,582	
2. Prior Years' Levies	116,659	
3. Total Primary Property Taxes	<b>\$11,409,241</b>	
B. Secondary Property Taxes		
1. 2009-10 Levy	24,386,293	
2. Prior Years' Levies	251,925	
3. Total Secondary Property Taxes	<b>\$24,638,218</b>	
C. Total Property Taxes Collected	<b>\$36,047,459</b>	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.4897	0.5176
2. Secondary Property Tax Rate	0.9103	0.8824
3. Total City Tax Rate	<b>\$1.4000</b>	<b>\$1.4000</b>

\* 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.



## Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues FY 2009-10	Estimated Revenues FY 2009-10*	Budgeted Revenues FY 2010-11
<b>GENERAL FUND</b>			
Local Taxes			
City Sales Tax	\$ 74,005,000	\$ 62,700,000	\$ 68,550,872
Hotel Bed Tax	3,000,000	2,168,700	3,559,916
Franchise Taxes	3,927,281	3,724,281	3,727,000
Licenses and Permits			
Business Licenses	1,497,750	1,564,864	1,567,696
Intergovernmental Revenues			
State-Shared	34,715,155	33,416,962	28,871,873
Vehicle License Tax	6,275,500	5,768,161	6,166,164
Charges for services			
Total Charges for Services	10,645,611	10,008,079	11,021,441
Fines and Forfeitures			
Total Fines and Forfeitures	9,880,662	9,558,931	10,322,095
Interest on Investments			
Total Interest	3,000,000	1,790,340	1,500,000
Voluntary Contributions			
SRP In-Lieu Tax	1,394,846	1,394,846	1,376,393
Miscellaneous Revenues			
All Miscellaneous	3,417,119	2,690,669	6,085,480
Total General Fund	151,758,924	134,785,833	142,748,930
<b>SPECIAL REVENUE FUNDS</b>			
Highway User Revenue Fund			
Intergovernmental	10,019,765	9,219,300	9,495,879
Maintenance of Effort/Other	1,035,000	785,824	785,824
Barricading Fees	180,000	32,000	75,000
Total Highway User Revenue Fund	11,234,765	10,037,124	10,356,703
Local Trans. Assistance Fund (LTAF)			
Intergovernmental	472,645	232,766	-
Total LTAF	472,645	232,766	-





## Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues FY 2009-10	Estimated Revenues FY 2009-10*	Budgeted Revenues FY 2010-11
<b>Transit Fund</b>			
Transit Tax	29,957,000	28,406,000	25,012,100
State Lottery Proceeds	232,794	184,119	-
ASU-Flash Transit	676,790	676,790	773,045
Interest Earned - Trust Investments	212,386	212,386	212,386
Federal and State Funding	44,301,699	10,836,699	14,470,874
Miscellaneous Revenue	813,220	3,032,220	3,369,506
<b>Total Transit Fund</b>	<b>76,193,889</b>	<b>43,348,214</b>	<b>43,837,911</b>
<b>Rio Salado Fund</b>			
City Sales Tax	1,250,000	1,350,000	1,400,000
Hotel Bed Tax	300,000	250,000	410,000
Interest on Investments	130,000	95,000	95,000
Miscellaneous Revenue	163,601	86,361	115,192
<b>Total Rio Salado Fund</b>	<b>1,843,601</b>	<b>1,781,361</b>	<b>2,020,192</b>
<b>Performing Arts</b>			
Performing Arts Tax	6,295,038	5,868,886	5,175,519
Fees and Admissions	351,000	547,750	575,500
Interest on Investments	185,039	75,000	45,439
<b>Total Performing Arts Fund</b>	<b>6,831,077</b>	<b>6,491,636</b>	<b>5,796,458</b>
<b>Community Dev. Block Grant (CDBG)</b>	<b>3,197,782</b>	<b>1,926,196</b>	<b>5,794,897</b>
<b>Section 8 Housing</b>	<b>8,949,041</b>	<b>8,994,784</b>	<b>10,623,052</b>
<b>Total CDBG/Section 8 Funds</b>	<b>12,146,823</b>	<b>10,920,980</b>	<b>16,417,949</b>
<b>Total Special Revenue Funds</b>	<b>108,722,800</b>	<b>72,812,081</b>	<b>78,429,213</b>
<b>DEBT SERVICE FUND</b>			
Intergovernmental	185,458	185,458	16,520
<b>Total Debt Service Fund</b>	<b>2,955,458</b>	<b>185,458</b>	<b>16,520</b>
<b>ENTERPRISE FUNDS</b>			
Cemetery	147,186	144,420	144,420
Golf	2,001,283	1,715,004	1,711,195
Water/Wastewater	61,572,480	60,844,647	71,122,115
Solid Waste	15,828,588	14,989,166	15,189,163
<b>Total Enterprise Funds</b>	<b>79,549,537</b>	<b>77,693,237</b>	<b>88,166,893</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 342,986,719</b>	<b>\$ 285,476,609</b>	<b>\$ 309,361,556</b>

\* 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 2010-11	Interfund Transfers FY 2010-11	
		In	(Out)
GENERAL FUND	\$724,712	\$186,435	
SPECIAL REVENUE FUNDS			
Rio Salado Fund	7,262		
HURF/LTAF			(2,770,000)
Total Special Revenue Funds	7,262		(2,770,000)
DEBT SERVICE FUND		2,770,000	(49,000)
CAPITAL PROJECTS FUNDS		436,463	(137,435)
Bond/Note Proceeds	38,252,292		
CIP - Other Funding	1,739,500		
CIP - Fund Balance Applied	7,586,500		
Total Capital Projects Funds	47,578,292	436,463	(137,435)
ENTERPRISE FUNDS			
Water/Wastewater Fund	4,611,941		(436,463)
<b>TOTAL ALL FUNDS</b>	<b>\$ 52,922,207</b>	<b>\$ 3,392,898</b>	<b>\$ (3,392,898)</b>

Schedule E



Summary by Department of Expenditures / Expenses Within Each Fund

Fund/ Department	Budgeted Expenditures/ Expenses FY 2009-10	Expenditure/ Expense Adjustments Approved FY 2009-10	Estimated Expenditures/ Expenses FY 2009-10*	Budgeted Expenditures/ Expenses FY 2010-11
<b>GENERAL FUND</b>				
Mayor and Council	\$400,337	(2,729)	\$378,900	\$317,913
City Manager	339,673	(2,046)	314,713	273,771
Community Relations	2,962,104	(54,831)	2,730,618	2,274,112
Diversity Program	554,394	(6,232)	538,536	441,351
Internal Audit	502,431	(1,147)	495,011	414,920
City Clerk	884,219	(1,973)	864,781	744,628
City Court	4,259,174	(166,670)	4,059,254	3,605,850
Human Resources	3,222,042	5,586	2,741,597	2,526,736
City Attorney	2,955,464	4,848	2,906,044	2,532,363
Financial Services	4,501,411	(750,323)	3,424,666	3,144,364
Community Development	10,769,312	(603,780)	9,030,808	7,385,386
Police	74,667,301	101,483	73,291,354	66,118,010
Fire	28,726,772	(698,005)	26,047,091	25,471,622
Community Services	22,458,966	(193,881)	20,881,497	18,326,109
Public Works - General	19,248,182	(1,136,455)	16,817,753	15,348,737
Non-Departmental	9,440,739	3,965,636	9,260,815	5,885,430
Contingencies	-	-	-	-
Total General Fund	185,892,521	459,481	173,783,438	154,811,302
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue	15,008,850	(42,488)	11,393,667	13,213,710
Transit	68,825,439	(63,022)	63,071,133	64,810,378
CDBG	3,197,782	1,092,621	1,926,196	5,794,897
Section 8 Housing	8,949,041	(4,257)	8,994,784	10,623,052
Rio Salado	2,444,592	(13,135)	2,016,123	1,873,573
Performing Arts	9,104,528	(5,638)	8,820,315	8,915,583
Total Special Revenue Funds	107,530,232	964,081	96,222,218	105,231,193
<b>DEBT SERVICE FUND</b>				
Debt Service	19,875,542	-	19,217,500	22,111,500
Total Debt Service Fund	19,875,542	-	19,217,500	22,111,500
<b>CAPITAL PROJECTS FUNDS</b>				
All Capital Projects	96,310,568	-	96,310,568	48,014,755
Total Capital Projects Funds	96,310,568	-	96,310,568	48,014,755
<b>ENTERPRISE FUNDS</b>				
Water/Wastewater	72,489,753	(1,897,010)	68,508,991	76,133,397
Golf	2,178,060	(7,844)	1,799,763	1,956,285
Cemetery	376,744	(230)	348,256	379,350
Solid Waste	16,081,601	-	15,341,345	13,675,343
Total Enterprise Funds	91,126,158	(1,905,084)	85,998,355	92,144,375
<b>TOTAL ALL FUNDS</b>	<b>\$ 500,735,021</b>	<b>\$ (481,522)</b>	<b>\$ 471,532,079</b>	<b>\$ 422,313,125</b>