

**Tempe City Council  
Special Meeting  
Harry E. Mitchell Government Center  
Tempe City Hall - City Council Chambers  
31 East 5<sup>th</sup> Street, Tempe, Arizona  
Thursday, June 2, 2011**

**Immediately following the Formal 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 FY 2012-2016 Capital Improvements Program (CIP).\***

**COMMENTS** This is a public hearing to adopt a resolution approving the FY 2012-2016 Capital Improvements Program (CIP).  
**DOCUMENT NAME** 20110602fsaw01 (CIP 0206-28) CAPITAL IMPROVEMENTS PROGRAM 2012-2016 Resolution No. 2011.35

**3. Introduction and first public hearing for the adoption of the Fiscal Year (FY) 2011-2012 Property Tax Ordinance. The second public hearing is scheduled for June 16, 2011.\***

**COMMENTS** N/A  
**DOCUMENT NAME** 20110602fscr02 (MISCELLANEOUS TAX 0210-06) Ordinance No. 2011.13

**4. 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, 2011 and ending June 30, 2012, and to declare that such shall constitute a budget for the City of Tempe for said fiscal year.\***

**COMMENTS** N/A  
**DOCUMENT NAME** 20110602fscr01 (BUDGET 2701) Resolution No. 2011.36

\*Background material included

# Staff Summary Report



Council Meeting Date:

6/2/2011

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

**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, 2011 and ending June 30, 2012, and to declare that such shall constitute a budget for the City of Tempe for said fiscal year.

**DOCUMENT NAME:** 20110602fscr01 (BUDGET 2701) Resolution No. 2011.36

**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. 2011.36

**ADDITIONAL INFO:** Resolution No. 2011.36 adopts the final budget for Fiscal Year 2011-2012. Since tentative adoption on May 19th, 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 2011.36

A RESOLUTION DETERMINING AND ADOPTING  
FINAL ESTIMATES OF PROPOSED EXPENDITURES  
BY THE CITY OF TEMPE FOR THE FISCAL YEAR  
BEGINNING JULY 1, 2011, AND ENDING JUNE 30, 2012.  
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 19, 2011, 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 19, 2011, 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 2, 2011 and set an adoption date of June 16, 2011, to adopt the property tax rate, and

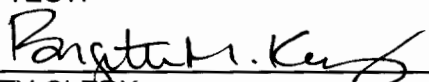
WHEREAS, the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Title 42, Section 17051, A.R.S., therefore be it

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 2011-2012.

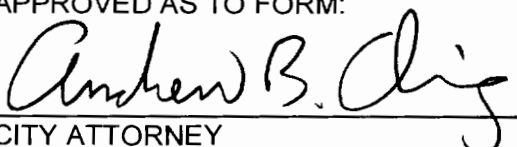
PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 2nd day of June, 2011.

  
MAYOR

ATTEST:

  
CITY CLERK

APPROVED AS TO FORM:

  
CITY ATTORNEY

  
FINANCE AND TECHNOLOGY DIRECTOR



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	
<b>TOTAL</b>	<b>\$419,697,944</b>	<b>\$396,547,260</b>	<b>\$135,239,053</b>	<b>\$34,851,226</b>

Fund	Budgeted Revenues Other than Property Taxes FY 2011-12	Interfund Transfers FY 2011-12 In (Out)	Total Financial Resources Available FY 2011-12	Budgeted Expenditures/ Expenses FY 2011-12
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
<b>TOTAL</b>	<b>\$316,641,778</b>	<b>\$2,532,678 (\$2,532,678)</b>	<b>\$486,732,057</b>	<b>\$412,595,253</b>

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	<b>\$305,391,699</b>	<b>\$285,189,183</b>

**Schedule B**



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

	<b>FY 2010-11*</b>	<b>Estimated FY 2011-12</b>
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		<b>\$12,751,029</b>
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	<b>\$34,413,644</b>	<b>\$34,851,226</b>
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	<b>\$12,102,327</b>	
B. Secondary Property Taxes		
1. 2010-11 Levy	21,703,870	
2. Prior Years' Levies	223,227	
3. Total Secondary Property Taxes	<b>\$21,927,097</b>	
C. Total Property Taxes Collected	<b>\$34,029,424</b>	
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	<b>\$1.4000</b>	<b>\$1.7863</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.

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
<b>GENERAL FUND</b>			
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
<b>Total General Fund</b>	<b>143,779,913</b>	<b>145,007,715</b>	<b>147,330,093</b>
<b>SPECIAL REVENUE</b>			
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
<b>Total Transit Fund</b>	<b>43,837,911</b>	<b>45,700,555</b>	<b>47,324,887</b>
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
<b>Total Highway User Revenue Fund</b>	<b>10,356,703</b>	<b>10,348,936</b>	<b>9,369,469</b>
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
<b>Total Performing Arts Fund</b>	<b>5,796,368</b>	<b>6,500,887</b>	<b>6,776,100</b>

**Schedule C, continued**



**Summary by Fund of Revenues Other Than Property Taxes**

	<b>Budgeted Revenues FY 2010-11</b>	<b>Estimated Revenues FY 2010-11*</b>	<b>Budgeted Revenues FY 2011-12</b>
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
<b>Total Special Revenue Funds</b>	<b>76,408,931</b>	<b>79,354,749</b>	<b>80,472,385</b>
DEBT SERVICE FUND			
Intergovernmental	16,520		
Other Miscellaneous Revenue		103,436	182,459
<b>Total Debt Service Fund</b>	<b>16,520</b>	<b>103,436</b>	<b>182,459</b>
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
<b>Total Enterprise Funds</b>	<b>83,554,952</b>	<b>83,053,692</b>	<b>88,656,841</b>
<b>Total All Funds</b>	<b>\$303,760,316</b>	<b>\$307,519,592</b>	<b>\$316,641,778</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 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)
<b>TOTAL ALL FUNDS</b>	<b>\$49,334,752</b>	<b>\$2,532,678</b>	<b>(\$2,532,678)</b>



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
<b>GENERAL FUND</b>				
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	-	-	-	-
<b>Total General Fund</b>	<b>\$156,701,101</b>	<b>(\$1,110,751)</b>	<b>\$151,531,573</b>	<b>\$159,357,645</b>
<b>SPECIAL REVENUE FUNDS</b>				
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
<b>Total Special Revenue Funds</b>	<b>100,622,986</b>	<b>(10,107)</b>	<b>89,708,422</b>	<b>88,728,211</b>
<b>DEBT SERVICE FUND</b>				
Debt Service	22,111,500	-	20,443,097	21,548,322
<b>Total Debt Service Fund</b>	<b>22,111,500</b>	<b>-</b>	<b>20,443,097</b>	<b>21,548,322</b>
<b>CAPITAL PROJECTS FUNDS</b>				
All Capital Projects	48,264,755	-	48,264,755	49,337,804
<b>Total Capital Projects Funds</b>	<b>48,264,755</b>	<b>-</b>	<b>48,264,755</b>	<b>49,337,804</b>
<b>ENTERPRISE FUNDS</b>				
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
<b>Total Enterprise Funds</b>	<b>91,997,602</b>	<b>(3,412,034)</b>	<b>86,599,413</b>	<b>93,623,271</b>
<b>TOTAL ALL FUNDS</b>	<b>\$419,697,944</b>	<b>(\$4,532,892)</b>	<b>\$396,547,260</b>	<b>\$412,595,253</b>

\* 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
<b>TOTAL</b>	<b>\$419,697,944</b>	<b>(\$4,532,892)</b>	<b>\$396,547,260</b>	<b>\$412,595,253</b>

\* 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.