

**Tempe City Council
Special Meeting
Harry E. Mitchell Government Center
Tempe City Hall - City Council Chambers
31 East 5th Street, Tempe, Arizona
Thursday, May 26, 2016**

Immediately following the Regular City Council Meeting which begins at 6:00 p.m.

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

AGENDA

- **1.** [Hold a public hearing to adopt a resolution adopting the fiscal year 2016-17 Tentative Budget and setting public hearings for June 9, 2016 for the following: 1\) adopting the fiscal years 2016-17 through 2020-21 Capital Improvements Program, 2\) holding a Truth in Taxation Hearing, 3\) approving the fiscal year 2016-17 property tax levy, and 4\) adopting the fiscal year 2016-17 Final Budget. Also, setting a public hearing for the final adoption of the property tax levy rate at a meeting scheduled for June 23, 2016. \(Resolution No. R2016.53\)](#)

Fiscal Impact: Per City Council direction, the fiscal year (FY) 2016-17 operating budget totals \$442,468,544 and the FY 2016-17 capital budget totals \$143,575,745 for a total financial program of \$586,044,289.

* Background material included

** Public Hearing item

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 (480) 350-2905 (voice) or (480) 350-2750 (TDD) to request an accommodation to participate in a public meeting.

CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Meeting Date: 05/26/2016
Agenda Item: 1

ACTION: Hold a public hearing to adopt a resolution adopting the fiscal year 2016-17 Tentative Budget and setting public hearings for June 9, 2016 for the following: 1) adopting the fiscal years 2016-17 through 2020-21 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2016-17 property tax levy, and 4) adopting the fiscal year 2016-17 Final Budget. Also, setting a public hearing for the final adoption of the property tax levy rate at a meeting scheduled for June 23, 2016. (Resolution No. R2016.53)

FISCAL IMPACT: Per City Council direction, the fiscal year (FY) 2016-17 operating budget totals \$442,468,544 and the FY 2016-17 capital budget totals \$143,575,745 for a total financial program of \$586,044,289.

RECOMMENDATION: Adopt Resolution No. R2016.53.

BACKGROUND INFORMATION: The FY 2016-17 budget planning process included a public budget forum on February 24, 2016, and employee budget forums on April 5 and 6, 2016. During the Issue Review Session portion of Work Study Sessions held on February 18, March 17 and March 29, 2016, the City's FY 2016-17 operating and capital budgets were discussed. On April 21, 2016, the City Manager presented the City's recommended operating and capital budgets for FY 2016-17 to the City Council.

A Budget Review Session Follow-up was held at the May 5, 2016 Work Study Session. Per City Council direction, the following were added to the FY 2016-17 operating budget and capital improvement program:

- \$25,000 to the Maryanne Corder Neighborhood Grants Program
- \$52,000 for ASU sustainability coordination services (annual amount for each of the next 2 years)
- \$150,000 (one-time funding) for the Police Department to hire two temporary detectives
- \$3.5 million contingency to enable spending of GPLET lease revenue and land sale proceeds
- \$10,000 (one-time funding) for the Community Services Department for "little libraries"
- \$100,000 (one-time funding) for potential contract renewals during the fiscal year
- \$60,000 to the Highline Canal Path CIP project for drinking fountains

Also, the FY 2016-17 CIP total appropriation has increased by \$1,370,039. The increase is primarily related to six Water Program projects and one Transportation project that will not be completed by June 30, 2016, as anticipated, and must be reappropriated from FY 2015-16 to FY 2016-17. There is no overall impact to the 5-year CIP.

The tentative budget adoption process establishes the maximum expenditure limit for next year's budget. As required by state statute, Schedules A-G are attached as Exhibit A.

ATTACHMENTS: Resolution and Exhibit A.

STAFF CONTACT(S): Cecilia Robles, Municipal Budget Director, (480) 350-8881

Department review: Ken Jones, Deputy City Manager – Chief Financial Officer

Legal review by: Judi Baumann, City Attorney

Prepared by: Cecilia Robles, Municipal Budget Director

RESOLUTION NO. R2016.53

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF TEMPE FOR THE FISCAL YEAR 2016-17; 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; AND GIVING NOTICE OF THE TIMES FOR HEARING TAXPAYERS FOR ADOPTION OF THE CAPITAL IMPROVEMENTS PROGRAM AND THE BUDGET, FOR HOLDING A TRUTH IN TAXATION HEARING, AND FOR SETTING THE TAX LEVY AND RESULTING RATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE ARIZONA, as follows:

SECTION 1. In accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the 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 2016-17.

SECTION 2. That the City Clerk is hereby authorized and directed to publish in the manner prescribed by law, 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 on June 9, 2016, immediately following the Regular Council Meeting which begins at the hour of 6:00 p.m. in the Council Chambers, 31 East Fifth Street for the following: 1) adopting the fiscal years 2016-17 through 2020-21 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2016-17 property tax levy, and 4) adopting the fiscal year 2016-17 Final Budget.


SECTION 3. That the City Clerk is hereby authorized and directed to publish in the manner prescribed by law a notice that the City Council will hold a meeting to officially set the fiscal year 2016-17 property tax levy and resulting rate on June 23, 2016 immediately following the Regular City Council meeting which begins at 6:00 p.m. in the Council Chambers, 31 East Fifth Street.

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 the Tempe City Charter, Code, Ordinances, or Resolutions.

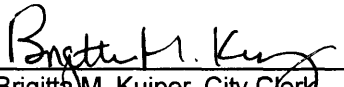
SECTION 6. Schedules A through G are attached hereto as Exhibit "A" and incorporated herein by reference. Copies of this information, along with supporting documentation, are available for public inspection at the office of the Deputy City Manager, Chief Financial Officer, 31 East Fifth Street, Third Floor, the City Clerk's Office, 31 East Fifth Street, Second Floor, the Library, 3500 South Rural Road, and the World Wide Web at www.tempe.gov/budget.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this
26th day of May, 2016.




Mark W. Mitchell, Mayor

ATTEST:



Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:



Judith R. Baumann, City Attorney

Exhibit A

CITY OF TEMPE Summary Schedule of Estimated Revenues and Expenditures/Expenses Fiscal Year 2017

| Fiscal Year | S c h | FUNDS | | | | | | | Total All Funds |
|-------------|-------------|--------------|----------------------|-------------------|-----------------------|----------------------------|------------------------|----------------------------|-----------------|
| | | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Enterprise Funds Available | Internal Service Funds | Blended Component Unit (s) | |
| 2016 | E | 186,619,887 | 108,667,529 | 29,057,155 | 134,654,836 | 107,772,259 | 2,000,000 | | 568,771,666 |
| 2016 | E | 181,857,769 | 98,142,530 | 29,057,155 | 68,498,036 | 105,263,828 | - | | 482,819,318 |
| 2017 | | 77,000,000 | 48,582,389 | 19,344,565 | 72,565,555 | 61,759,349 | 2,000,000 | | 281,251,858 |
| 2017 | B | 15,690,240 | | | | | | | 15,690,240 |
| 2017 | B | | | 26,577,755 | | | | | 26,577,755 |
| 2017 | C | 178,929,601 | 117,667,405 | 5,445,913 | - | 100,946,824 | - | | 402,989,743 |
| 2017 | D | - | - | - | 126,141,315 | - | | | 126,141,315 |
| 2017 | D | - | - | - | - | - | | | - |
| 2017 | D | 140,850 | 1,490,000 | 6,912,506 | 17,434,430 | 6,618,921 | | 3,045,950 | 35,642,657 |
| 2017 | D | (5,565,942) | (8,282,685) | (11,418,100) | - | (10,375,930) | | | (35,642,657) |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | | | | | | | | | |
| 2017 | E | 197,777,306 | 110,280,857 | 27,455,151 | 143,575,745 | 104,955,230 | 2,000,000 | | 586,044,289 |

EXPENDITURE LIMITATION COMPARISON

| | 2016 | 2017 |
|---|-----------------------|-----------------------|
| 1. Budgeted expenditures/expenses | \$ 568,771,666 | \$ 586,044,289 |
| 2. Add/subtract: estimated net reconciling items | (194,059,281) | (179,812,816) |
| 3. Budgeted expenditures/expenses adjusted for reconciling item | 374,712,385 | 406,231,473 |
| 4. Less: estimated exclusions | 104,733,998 | 93,439,328 |
| 5. Amount subject to the expenditure limitation | \$ 269,978,387 | \$ 312,792,145 |
| 6. EEC expenditure limitation | <u>\$ 313,889,296</u> | <u>\$ 322,879,964</u> |

* Includes Expenditure/Expense Adjustments Approved in the 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 on this line represent Fund Balance/Net Position 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).

a. The Rio Salado Community Facilities District is a blended component unit of the City of Tempe formed under the laws of the State of Arizona to facilitate development of the Rio Salado Town Lake project. The board of the district is comprised of the same members as the City's council.

CITY OF TEMPE
Tax Levy and Tax Rate Information
Fiscal Year 2017

| | 2016 | 2017 |
|--|---------------|---------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A) | \$ 14,877,877 | \$ 15,690,240 |
| 2. Amount received from primary property taxation in the current 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 | \$ 14,877,877 | \$ 15,690,240 |
| B. Secondary property taxes | 25,281,551 | 26,577,755 |
| C. Total property tax levy amounts | \$ 40,159,428 | \$ 42,267,995 |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) Current year's levy | \$ 14,380,368 | |
| (2) Prior years' levies | 48,615 | |
| (3) Total primary property taxes | \$ 14,428,983 | |
| B. Secondary property taxes | | |
| (1) Current year's levy | \$ 24,436,148 | |
| (2) Prior years' levies | 82,610 | |
| (3) Total secondary property taxes | \$ 24,518,758 | |
| C. Total property taxes collected | \$ 38,947,741 | |
| 5. Property tax rates | | |
| A. City/Town tax rate | | |
| (1) Primary property tax rate | 0.9334 | 0.9399 |
| (2) Secondary property tax rate | 1.5861 | 1.5921 |
| (3) Total city/town tax rate | 2.5195 | 2.5320 |

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

CITY OF TEMPE
Revenues Other Than Property Taxes
Fiscal Year 2017

| SOURCE OF REVENUES | ESTIMATED REVENUES 2016 | ACTUAL REVENUES* 2016 | ESTIMATED REVENUES 2017 |
|---|-------------------------------|-----------------------------|-------------------------------|
| GENERAL FUND | | | |
| Local Taxes | | | |
| City Sales Tax | \$ 88,527,594 | \$ 90,832,788 | \$ 90,079,612 |
| Transient Lodging Tax | 5,576,481 | 6,455,409 | 6,689,087 |
| Franchise Fees | 3,336,246 | 3,470,820 | 3,471,358 |
| Licenses and Permits | 1,458,000 | 1,481,830 | 1,458,000 |
| Intergovernmental | | | |
| State | 41,312,118 | 41,312,118 | 44,959,227 |
| Other | 522,000 | 1,188,910 | 1,154,121 |
| Charges for Services | 11,905,431 | 12,773,582 | 11,858,984 |
| Fines and Forfeitures | 8,345,560 | 8,282,918 | 8,404,268 |
| Interest on investments | 850,000 | 750,000 | 800,000 |
| Voluntary Contributions | 3,023,125 | 3,214,223 | 3,342,792 |
| Miscellaneous | 5,960,042 | 14,359,097 | 6,712,152 |
| Total General Fund | \$ 170,816,597 | \$ 184,121,695 | \$ 178,929,601 |
| SPECIAL REVENUE FUNDS | | | |
| Transit | | | |
| Transit Tax | \$ 36,809,942 | \$ 37,533,863 | \$ 37,256,871 |
| ASU-Flash Transit | 929,006 | 929,006 | 750,629 |
| Interest Income | 175,000 | 175,000 | 320,000 |
| Intergovernmental | 5,856,437 | 5,852,785 | 7,922,780 |
| Miscellaneous Revenue | 16,011,740 | 14,826,675 | 14,263,473 |
| Total Transit | \$ 59,782,125 | \$ 59,317,329 | \$ 60,513,753 |
| Highway User Revenue | | | |
| Highway User Revenue Tax | \$ 10,091,343 | \$ 10,091,343 | \$ 10,640,302 |
| Barricading Fees | 85,000 | 76,682 | 82,000 |
| Miscellaneous Revenue | 37,620 | 43,538 | 454,300 |
| Total Highway User Revenue | \$ 10,213,963 | \$ 10,211,563 | \$ 11,176,602 |
| Performing Arts | | | |
| Performing Arts Tax | \$ 7,447,743 | \$ 7,604,980 | \$ 7,548,857 |
| Fees and Admissions | 848,250 | 823,500 | 1,349,100 |
| Interest Income | 13,000 | 13,000 | 7,500 |
| Miscellaneous Revenue | | 207,000 | 200,000 |
| Total Performing Arts | \$ 8,308,993 | \$ 8,648,480 | \$ 9,105,457 |
| CDBG and Section 8 Housing | | | |
| Community Development Block Grant (CDBG) | \$ 5,298,381 | \$ 5,380,895 | \$ 4,197,178 |
| Section 8 Housing | 11,022,206 | 11,022,206 | 10,453,710 |
| Total CDBG and Section 8 Housing | \$ 16,320,587 | \$ 16,403,101 | \$ 14,650,888 |
| Govtl Restricted Revenue and Donations | \$ 1,203,440 | \$ 2,126,691 | \$ 2,533,428 |
| Police Department-RICO and Grants | \$ 5,904,844 | \$ 5,767,700 | \$ 6,033,352 |
| Governmental Grants | \$ 12,130,361 | \$ 4,132,535 | \$ 12,122,895 |
| Court Enhancement | \$ 687,756 | \$ 1,155,043 | \$ 1,521,750 |
| Peterson House Endowment | \$ 1,500 | \$ 6,780 | \$ 9,280 |
| Total Special Revenue Funds | \$ 114,553,569 | \$ 107,769,222 | \$ 117,667,405 |
| DEBT SERVICE FUNDS | | | |
| General Obligation | \$ 1,301,462 | \$ 1,301,462 | \$ 3,236,263 |
| Special Assessments | 2,389,233 | 2,389,233 | 2,209,650 |
| Total Debt Service Funds | \$ 3,690,695 | \$ 3,690,695 | \$ 5,445,913 |
| ENTERPRISE FUNDS | | | |
| Water/Wastewater | \$ 81,110,882 | \$ 80,256,897 | \$ 82,412,650 |
| Solid Waste | 14,224,575 | 15,616,041 | 15,872,148 |
| Golf | 2,908,938 | 2,656,949 | 2,662,026 |
| Total Enterprise Funds | \$ 98,244,395 | \$ 98,529,887 | \$ 100,946,824 |
| TOTAL ALL FUNDS | \$ 387,305,256 | \$ 394,111,499 | \$ 402,989,743 |

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

SCHEDULE C

CITY OF TEMPE
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

| FUND | OTHER FINANCING 2017 | | INTERFUND TRANSFERS 2017 | |
|-------------------------------------|-------------------------|----------|-----------------------------|-----------------|
| | SOURCES | <USES> | IN | <OUT> |
| GENERAL FUND | \$ _____ | \$ _____ | \$ 140,850 | \$ (5,565,942) |
| SPECIAL REVENUE FUNDS | | | | |
| Court Enhancement | \$ _____ | \$ _____ | \$ _____ | \$ (120,100) |
| Highway User Revenue | _____ | _____ | 1,300,000 | (2,323,941) |
| Transit | _____ | _____ | _____ | (4,780,630) |
| Performing Arts | _____ | _____ | _____ | (1,058,014) |
| Section 8 Housing | _____ | _____ | 190,000 | _____ |
| Total Special Revenue Funds | \$ _____ | \$ _____ | \$ 1,490,000 | \$ (8,282,685) |
| DEBT SERVICE FUNDS | | | | |
| General Governmental | \$ _____ | \$ _____ | \$ 6,912,506 | \$ (11,418,100) |
| Total Debt Service Funds | \$ _____ | \$ _____ | \$ 6,912,506 | \$ (11,418,100) |
| CAPITAL PROJECTS FUNDS | | | | |
| Bond Proceeds | \$ 89,346,140 | \$ _____ | \$ _____ | \$ _____ |
| Fund Balance Applied | 22,475,671 | _____ | 17,434,430 | _____ |
| Other Funding | 14,319,504 | _____ | _____ | _____ |
| Total Capital Projects Funds | \$ 126,141,315 | \$ _____ | \$ 17,434,430 | \$ _____ |
| ENTERPRISE FUNDS | | | | |
| Water/Wastewater | \$ _____ | \$ _____ | \$ 6,344,921 | \$ (10,174,309) |
| Solid Waste | _____ | _____ | 200,000 | (19,171) |
| Golf | _____ | _____ | 74,000 | (182,450) |
| Total Enterprise Funds | \$ _____ | \$ _____ | \$ 6,618,921 | \$ (10,375,930) |
| BLENDED COMPONENT UNIT | | | | |
| Community Facilities District | \$ _____ | \$ _____ | \$ 3,045,950 | \$ _____ |
| TOTAL ALL FUNDS | \$ 126,141,315 | \$ _____ | \$ 35,642,657 | \$ (35,642,657) |

CITY OF TEMPE
Expenditures/Expenses by Fund
Fiscal Year 2017

| FUND/DEPARTMENT | ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016 | EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED * 2016 | ACTUAL EXPENDITURES/ EXPENSES** 2016 | BUDGETED EXPENDITURES/ EXPENSES 2017 |
|--|--|--|---|---|
| GENERAL FUND | | | | |
| Mayor and Council | \$ 365,279 | \$ 15,000 | \$ 361,108 | \$ 373,878 |
| City Manager | 3,426,599 | 68,092 | 3,503,959 | 3,644,457 |
| Internal Audit | 445,102 | 10,324 | 404,758 | 456,042 |
| Strategic Management and Diversity | | | | 905,429 |
| City Clerk | 1,135,790 | 22,878 | 882,800 | 985,974 |
| City Court | 4,200,689 | 60,866 | 4,121,293 | 4,396,533 |
| City Attorney | 2,873,649 | 66,720 | 2,738,605 | 2,981,389 |
| Internal Services | 7,215,706 | 304,313 | 7,249,525 | 14,747,799 |
| Municipal Budget Office | 257,006 | 11,618 | 249,892 | 273,410 |
| Police | 76,481,059 | 276,667 | 73,481,222 | 77,999,428 |
| Fire | 29,955,798 | 1,306,139 | 30,608,622 | 31,825,767 |
| Community Services | 19,206,201 | 92,482 | 18,554,628 | 19,515,248 |
| Community Development | 15,070,840 | 155,317 | 13,830,961 | 14,317,864 |
| Human Services | 4,567,028 | 144,064 | 4,376,813 | 4,458,158 |
| Public Works | 19,464,865 | 274,136 | 19,026,441 | 13,603,959 |
| Non-Departmental | 1,482,273 | (2,336,613) | 2,467,142 | 2,291,971 |
| General Fund Contingency | 1,500,000 | (1,500,000) | | 5,000,000 |
| Total General Fund | \$ 187,647,884 | \$ (1,027,997) | \$ 181,857,769 | \$ 197,777,306 |
| SPECIAL REVENUE FUNDS | | | | |
| Highway User Revenue | \$ 10,141,956 | \$ | \$ 9,682,897 | \$ 10,648,475 |
| Transit | 55,937,932 | | 53,415,045 | 54,867,955 |
| CDBG/HOME | 4,674,676 | | 5,421,689 | 4,197,178 |
| Section 8 Housing | 11,212,206 | | 11,244,209 | 10,643,710 |
| Housing Trust | 50,000 | | | 51,000 |
| Performing Arts | 9,075,472 | | 9,036,953 | 7,444,010 |
| Govtl Restricted Revenue and Donations | 3,053,782 | (233,840) | 728,138 | 2,533,428 |
| Police Department-Rico and Grants | 6,262,223 | (336,916) | 4,816,668 | 6,361,276 |
| Governmental Grants | 12,130,361 | (4,510,575) | 3,484,667 | 12,122,895 |
| Court Enhancement | 1,204,300 | | 312,264 | 1,401,650 |
| Petersen House Endowment | 5,952 | | | 9,280 |
| Total Special Revenue Funds | \$ 113,748,860 | \$ (5,081,331) | \$ 98,142,530 | \$ 110,280,857 |
| DEBT SERVICE FUNDS | | | | |
| General Obligation | \$ 26,667,922 | \$ | \$ 26,667,922 | \$ 25,245,501 |
| Special Assessment | 2,389,233 | | 2,389,233 | 2,209,650 |
| Total Debt Service Funds | \$ 29,057,155 | \$ | \$ 29,057,155 | \$ 27,455,151 |
| CAPITAL PROJECTS FUNDS | | | | |
| All Capital Projects | \$ 162,829,772 | \$ (28,174,936) | \$ 68,498,036 | \$ 143,575,745 |
| ENTERPRISE FUNDS | | | | |
| Water/Wastewater | \$ 91,198,186 | \$ (3,773,317) | \$ 85,673,475 | \$ 84,539,493 |
| Golf | 2,807,160 | | 2,813,086 | 2,633,148 |
| Solid Waste | 18,238,867 | (698,637) | 16,777,267 | 17,782,589 |
| Total Enterprise Funds | \$ 112,244,213 | \$ (4,471,954) | \$ 105,263,828 | \$ 104,955,230 |
| INTERNAL SERVICE FUNDS | | | | |
| Risk Management | \$ 2,000,000 | \$ | \$ | \$ 2,000,000 |
| TOTAL ALL FUNDS | \$ 607,527,884 | \$ (38,756,218) | \$ 482,819,318 | \$ 586,044,289 |

* Includes approved transfers between departments as well as reductions for operating and capital budget carryforwards and unrealized grants.

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

CITY OF TEMPE
Expenditures/Expenses by Department
Fiscal Year 2017

| DEPARTMENT/FUND | ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016 | EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED * 2016 | ACTUAL EXPENDITURES/ EXPENSES** 2016 | BUDGETED EXPENDITURES/ EXPENSES 2017 |
|--|---|---|---|---|
| Mayor and Council | | | | |
| General Fund | \$ 365,279 | \$ 15,000 | \$ 361,108 | 373,878 |
| City Manager | | | | |
| General Fund | \$ 3,426,599 | \$ 68,092 | \$ 3,503,959 | 3,644,457 |
| Transit Fund | 550,957 | | 552,622 | 549,891 |
| Govtl Restricted Revenue and Donations | 821,511 | (83,654) | 234,854 | 519,659 |
| Governmental Grants | 5,400,000 | (4,505,000) | 1,365,827 | 5,525,000 |
| Department Total | \$ 10,199,067 | \$ (4,520,562) | \$ 5,657,262 | \$ 10,239,007 |
| Internal Audit | | | | |
| General Fund | \$ 445,102 | \$ 10,324 | \$ 404,758 | 456,042 |
| Strategic Management and Diversity | | | | |
| General Fund | | | | 905,429 |
| Governmental Grants | 10,000 | | 8,908 | 1,092 |
| Department Total | \$ 10,000 | \$ | \$ 8,908 | \$ 906,521 |
| City Clerk | | | | |
| General Fund | \$ 1,135,790 | \$ 22,878 | \$ 882,800 | 985,974 |
| City Court | | | | |
| General Fund | \$ 4,200,689 | \$ 60,866 | \$ 4,121,293 | 4,396,533 |
| Governmental Grants | | 100,000 | 25,000 | 100,000 |
| Court Enhancement Fund | 984,300 | 46,383 | 312,264 | 1,151,650 |
| Department Total | \$ 5,184,989 | \$ 207,249 | \$ 4,458,557 | \$ 5,648,183 |
| City Attorney | | | | |
| General Fund | \$ 2,873,649 | \$ 66,720 | \$ 2,738,605 | 2,981,389 |
| Governmental Grants | 183,079 | 8,421 | 113,018 | 190,598 |
| Department Total | \$ 3,056,728 | \$ 75,141 | \$ 2,851,623 | \$ 3,171,987 |
| Internal Services | | | | |
| General Fund | \$ 7,215,706 | \$ 304,313 | \$ 7,249,525 | 14,747,799 |
| Water/Wastewater Fund | 2,822,552 | | 2,689,877 | 3,071,815 |
| Department Total | \$ 10,038,258 | \$ 304,313 | \$ 9,939,402 | \$ 17,819,614 |
| Municipal Budget Office | | | | |
| General Fund | \$ 257,006 | \$ 11,618 | \$ 249,892 | 273,410 |
| Police | | | | |
| General Fund | \$ 76,481,059 | \$ 276,667 | \$ 73,481,222 | 77,999,428 |
| Police Department-Rico and Grants | 6,262,223 | (336,916) | 4,816,668 | 6,361,276 |
| Department Total | \$ 82,743,282 | \$ (60,249) | \$ 78,297,890 | \$ 84,360,704 |
| Fire | | | | |
| General Fund | \$ 29,955,798 | \$ 1,306,139 | \$ 30,608,622 | 31,825,767 |
| Govtl Restricted Revenue and Donations | 115,386 | 2,560 | 21,452 | 92,182 |
| Governmental Grants | 328,209 | 165,231 | 420,815 | 109,017 |
| Department Total | \$ 30,399,393 | \$ 1,473,930 | \$ 31,050,889 | \$ 32,026,966 |

CITY OF TEMPE
Expenditures/Expenses by Department
Fiscal Year 2017

| DEPARTMENT/FUND | ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016 | EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED * 2016 | ACTUAL EXPENDITURES/ EXPENSES** 2016 | BUDGETED EXPENDITURES/ EXPENSES 2017 |
|--|---|---|---|---|
| Community Services | | | | |
| General Fund | \$ 19,206,201 | \$ 92,482 | \$ 18,554,628 | 19,515,248 |
| Performing Arts Fund | 2,469,958 | | 2,477,006 | 3,284,269 |
| Govtl Restricted Revenue and Donations | 588,675 | (87,656) | 243,090 | 551,577 |
| Governmental Grants | 854,123 | 264,182 | 659,794 | 610,969 |
| Petersen House Endowment | 5,952 | | | 9,280 |
| Department Total | \$ 23,124,909 | \$ 269,008 | \$ 21,934,518 | \$ 23,971,343 |
| Community Development | | | | |
| General Fund | \$ 15,070,840 | \$ 155,317 | \$ 13,830,961 | 14,317,864 |
| Govtl Restricted Revenue and Donations | 557,628 | (15,780) | 8,600 | 447,248 |
| Governmental Grants | 58,028 | (941) | 12,340 | 40,253 |
| Department Total | \$ 15,686,496 | \$ 138,596 | \$ 13,851,901 | \$ 14,805,365 |
| Human Services | | | | |
| General Fund | \$ 4,567,028 | \$ 144,064 | \$ 4,376,813 | 4,458,158 |
| CDBG/HOME Fund | 4,674,676 | | 5,421,689 | 4,197,178 |
| Section 8 Housing Fund | 11,212,206 | | 11,244,209 | 10,643,710 |
| Housing Trust Fund | 50,000 | | | 51,000 |
| Govtl Restricted Revenue and Donations | 466,582 | 13,478 | 220,142 | 416,902 |
| Governmental Grants | 596,922 | 607,797 | 800,984 | 897,947 |
| Department Total | \$ 21,567,414 | \$ 765,339 | \$ 22,063,837 | \$ 20,664,895 |
| Public Works | | | | |
| General Fund | \$ 19,464,865 | \$ 274,136 | \$ 19,026,441 | \$ 13,603,959 |
| Highway User Revenue Fund | 10,141,956 | | 9,682,897 | 10,648,475 |
| Transit Fund | 50,608,512 | | 48,193,960 | 49,537,201 |
| Performing Arts Fund | 673,838 | | 628,271 | 721,891 |
| Govtl Restricted Revenue and Donations | 4,000 | 1,860 | | 5,860 |
| Governmental Grants | 200,000 | 38,344 | 77,981 | 148,019 |
| Water/Wastewater Fund | 41,886,725 | (3,071,317) | 37,494,689 | 41,151,793 |
| Golf Fund | 2,807,160 | | 2,813,086 | 2,633,148 |
| Solid Waste Fund | 18,238,867 | (698,637) | 16,777,267 | 17,282,589 |
| Department Total | \$ 144,025,923 | \$ (3,455,614) | \$ 134,694,592 | \$ 135,732,935 |
| Non-Departmental | | | | |
| General Fund | \$ 1,482,273 | \$ (2,336,613) | \$ 2,467,142 | \$ 2,291,971 |
| Contingency | | | | |
| General Fund | \$ 1,500,000 | \$ (1,500,000) | \$ | \$ 5,000,000 |
| Transit Fund | 110,000 | | | 112,000 |
| Govtl Restricted Revenue and Donations | 500,000 | (64,648) | | 500,000 |
| Governmental Grants | 4,500,000 | (1,188,609) | | 4,500,000 |
| Court Enhancement Fund | 220,000 | (46,383) | | 250,000 |
| Water/Wastewater Fund | 1,000,000 | (702,000) | | 1,000,000 |
| Solid Waste Fund | | | | 500,000 |
| Risk Management Fund | 2,000,000 | | | 2,000,000 |
| Department Total | \$ 9,830,000 | \$ (3,501,640) | \$ | \$ 13,862,000 |
| Debt Service | | | | |
| Transit Fund | \$ 4,668,463 | \$ | \$ 4,668,463 | \$ 4,668,863 |
| Performing Arts Fund | 5,931,676 | | 5,931,676 | 3,437,850 |
| General Obligation Debt Service Fund | 26,667,922 | | 26,667,922 | 25,245,501 |
| Special Assessment Debt Service Fund | 2,389,233 | | 2,389,233 | 2,209,650 |
| Water/Wastewater Fund | 45,488,909 | | 45,488,909 | 39,315,885 |
| Department Total | \$ 85,146,203 | \$ | \$ 85,146,203 | \$ 74,877,749 |
| Capital | | | | |
| All Capital Projects | \$ 162,829,772 | \$ (28,174,936) | \$ 68,498,036 | \$ 143,575,745 |
| TOTAL ALL DEPARTMENTS | \$ 607,527,884 | \$ (38,756,218) | \$ 482,819,318 | \$ 586,044,289 |

* Includes approved transfers between departments as well as reductions for operating and capital budget carryforwards and unrealized grants.

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

SCHEDULE F

CITY OF TEMPE
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

| FUND | Full-Time Equivalent (FTE) 2017 | Employee Salaries and Hourly Costs 2017 | Retirement Costs* 2017 | Healthcare Costs 2017 | Other Benefit Costs** 2017 | Total Estimated Personnel Compensation 2017 |
|-------------------------------------|--|--|------------------------------|-----------------------------|----------------------------------|--|
| GENERAL FUND | 1,230.70 | \$ 99,005,544 | \$ 25,155,047 | \$ 12,966,755 | \$ 9,383,124 | \$ 146,510,470 |
| SPECIAL REVENUE FUNDS | | | | | | |
| Highway User Revenue | 41.50 | \$ 2,764,228 | \$ 305,612 | \$ 510,286 | \$ 338,772 | \$ 3,918,898 |
| Transit | 34.75 | 2,515,413 | 267,246 | 376,434 | 271,251 | 3,430,344 |
| CDBG/Home | 4.00 | 275,647 | 30,418 | 42,859 | 24,200 | 373,124 |
| Section 8 Housing | 8.00 | 481,581 | 52,825 | 62,003 | 59,366 | 655,775 |
| Performing Arts | 22.65 | 1,362,682 | 151,801 | 211,330 | 162,967 | 1,888,780 |
| Police Dept - Rico & Grants | 15.50 | 1,517,554 | 254,008 | 157,800 | 67,544 | 1,996,906 |
| Govtl Grants | 3.40 | 245,630 | 26,293 | 42,944 | 17,341 | 332,208 |
| Court Enhancement | 6.00 | 201,121 | 23,089 | 46,505 | 15,387 | 286,102 |
| Total Special Revenue Funds | 135.80 | \$ 9,363,856 | \$ 1,111,292 | \$ 1,450,161 | \$ 956,828 | \$ 12,882,137 |
| CAPITAL PROJECTS FUNDS | | | | | | |
| Total Capital Projects Funds | 1.00 | \$ 75,259 | \$ 8,640 | \$ 15,076 | \$ 5,860 | \$ 104,835 |
| ENTERPRISE FUNDS | | | | | | |
| Water/Wastewater | 175.75 | \$ 11,605,073 | \$ 1,291,335 | \$ 1,892,604 | \$ 1,177,066 | \$ 15,966,078 |
| Golf | 6.00 | 343,532 | 38,037 | 67,142 | 33,673 | 482,384 |
| Solid Waste | 73.00 | 4,150,979 | 461,123 | 801,886 | 423,820 | 5,837,808 |
| Total Enterprise Funds | 254.75 | \$ 16,099,584 | \$ 1,790,495 | \$ 2,761,632 | \$ 1,634,559 | \$ 22,286,270 |
| INTERNAL SERVICE FUND | | | | | | |
| Risk Management | 6.50 | \$ 460,902 | \$ 50,975 | \$ 59,215 | \$ 55,437 | \$ 626,529 |
| Total Internal Service Fund | 6.50 | \$ 460,902 | \$ 50,975 | \$ 59,215 | \$ 55,437 | \$ 626,529 |
| TOTAL ALL FUNDS | 1,628.75 | \$ 125,005,145 | \$ 28,116,449 | \$ 17,252,839 | \$ 12,035,808 | \$ 182,410,241 |

* Represents employer contributions to Arizona State Retirement System, Public Safety Personnel Retirement System, and Elected Officials Retirement System.

** Includes FICA, Mediflex reimbursement, deferred compensation contributions, and employer contributions to a health reimbursement plan for future retirees.