

# Memorandum



## City Manager's Office

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Date: May 18, 2017

To: Mayor and City Council

From: Ken Jones, Deputy City Manager, CFO (x8504)

Subject: Tentative Budget Discussion

During the May 25<sup>th</sup> Special Budget Meeting, the City Manager and I will discuss issues raised by the City Council during the April 27<sup>th</sup> Budget Review Session and how we propose to address the issues in the FY 2017-18 budget.

During your April 27<sup>th</sup> meeting, several Councilmembers expressed frustration with the manner in which restricted revenue from land sales/leases is allocated, outside the formal operating budget and CIP processes. Suggestions were proposed to commit the on-going funding to agreed-upon uses in the budget and eliminate further restrictions. I do not believe consensus direction was provided.

The City Council also provided direction to seek potential funding to address a few concerns:

1. Resources dedicated to address park encampments and other issues related to homeless individuals
2. Additional TCC Agency Review funding
3. Resources dedicated to City Council support staff

To address the issues above, we propose that the City Council consider eliminating future restrictions of land sale/lease revenue, add the following appropriations to the General Fund budget and allow previously-restricted funds to be added to General Fund revenues, allocated during the formal budget process in future years:

1. The amount determined necessary by the City Council to fund the Free Pre-K pilot for two years after reviewing the program proposal, currently being developed by staff (estimated to be \$3 million in FY 2017-18 and somewhat less in FY 2018-19).
2. The amount necessary to fund an additional Police Officer position and a vehicle adequate to patrol City parks (estimated \$114,176 recurring and \$66,165 non-recurring).
3. \$241,771 recurring increase to the General Fund appropriation for Agency Review, raising the total annual appropriation from \$758,229 to \$1 million.
4. The amount necessary to fund an additional permanent City Council Aide Position (estimated \$70,000)
5. Other City Council priorities not addressed in the formal operating and capital budget development processes.

Since the FY 2017-18 tentative budget includes a contingent appropriation of \$7.68 million related to restricted land sale/lease proceeds, it would not be necessary to increase the proposed budget to accommodate the proposal above.

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**CITY OF TEMPE  
REQUEST FOR COUNCIL ACTION****Council Meeting Date: 5/25/2017  
Agenda Item: 1**

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**ACTION:** Hold a public hearing to adopt a resolution adopting the fiscal year 2017-18 Tentative Budget and setting public hearings for June 8, 2017 for the following: 1) adopting the fiscal years 2017-18 through 2021-22 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2017-18 property tax levy, and 4) adopting the fiscal year 2017-18 Final Budget. Also, setting a public hearing for the final adoption of the property tax levy rate at a meeting scheduled for July 27, 2017. (Resolution No. R2017.60)

**FISCAL IMPACT:** The fiscal year (FY) 2017-18 operating budget totals \$494,949,486 and the FY 2017-18 capital budget totals \$190,921,855 for a total financial program of \$685,871,341.

**RECOMMENDATION:** Adopt Resolution No. R2017.60.

**BACKGROUND INFORMATION:** The FY 2017-18 budget planning process included various budget forums: a public budget forum on February 22, 2017, and two employee budget forums on March 21, 2017. During the Issue Review Session portion of Work Study Sessions held on February 16 and March 16, 2017, the City's FY 2017-18 capital budget was discussed. On April 27, 2017, the City Manager presented the City's recommended operating and capital budgets for FY 2017-18 to the City Council.

The FY 2017-18 financial program increased by \$99,827,052 million from the FY 2016-17 financial program.

In large part, increases are due to a sizable increase in the Capital Improvements Program (CIP), and increases related to early debt payoff, retirement system contributions, the establishment of a new ambulance service, contingent expenditures of City Council-restricted lease and land sale proceeds and base budget supplemental additions.

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

**ATTACHMENTS:** Resolution and Exhibit A.

**STAFF CONTACT(S):** Cecilia V. 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 V. Robles, Municipal Budget Director

## RESOLUTION NO. R2017.60

**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 2017-18; 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 2017-18.

**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 8, 2017, 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 2017-18 through 2021-22 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2017-18 property tax levy, and 4) adopting the fiscal year 2017-18 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 2017-18 property tax levy and resulting rate on July 27, 2017 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.

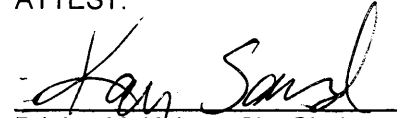
**SECTION 5.** Money from any funds may be used for any of these appropriations, except money specifically restricted by State law, or by the Tempe City Charter, Code, Ordinances, or Resolutions.

**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](http://www.tempe.gov/budget).


PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this  
25th day of May, 2017.

  
Mark W. Mitchell, Mayor

ATTEST:

*for*   
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 2018

Fiscal Year	S c h	FUNDS							Blended Component Unit (b)	Total All Funds
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Enterprise Funds Available	Internal Service Funds (a)			
2017	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	196,908,840	109,935,550	27,455,151	133,496,073	102,796,700	2,000,000		572,592,315
2017	Actual Expenditures/Expenses**	E	194,717,430	92,568,094	26,998,566	61,991,984	100,258,957	0		476,535,031
2018	Fund Balance/Net Position at July 1***		78,321,000	50,780,796	24,434,024	56,446,019	66,842,000	4,949,758		281,773,597
2018	Primary Property Tax Levy	B	16,404,593							16,404,593
2018	Secondary Property Tax Levy	B			27,834,225					27,834,225
2018	Estimated Revenues Other than Property Taxes	C	187,902,563	123,259,802	1,992,875	27,369,029	104,663,700	0		445,187,969
2018	Other Financing Sources	D	0	0	0	126,918,664	0	0		126,918,664
2018	Other Financing (Uses)	D	0	0	0	0	0	0		0
2018	Interfund Transfers In	D	3,613,452	1,500,000	6,925,070	18,378,771	6,632,415		3,041,450	40,091,158
2018	Interfund Transfers (Out)	D	3,498,482	16,179,527	12,810,117	0	7,603,032	0		40,091,158
2018	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:									0
2018	Total Financial Resources Available		282,743,126	159,361,071	48,376,077	229,112,483	170,535,083	4,949,758	3,041,450	898,119,048
2018	Budgeted Expenditures/Expenses	E	214,711,103	128,836,337	37,249,890	190,921,855	112,152,156	2,000,000		685,871,341

#### EXPENDITURE LIMITATION COMPARISON

	2017	2018
1. Budgeted expenditures/expenses	\$ 572,592,315	\$ 685,871,341
2. Add/subtract: estimated net reconciling items	(174,282,840)	(130,922,424)
3. Budgeted expenditures/expenses adjusted for reconciling items	398,309,475	554,948,917
4. Less: estimated exclusions	88,881,485	119,331,545
5. Amount subject to the expenditure limitation	\$ 309,427,990	\$ 435,617,372
6. EEC expenditure limitation	\$ 322,879,964	\$ 335,790,320

\* 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. Budgeted and actual expenditures for the Internal Service Funds, i.e., Risk Management, Worker's Compensation, and Health are included throughout the schedules at the department level.  
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 2018**

	2017	2018
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>15,690,240</u>	\$ <u>16,404,593</u>
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u>                    </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>15,690,240</u>	\$ <u>16,404,593</u>
B. Secondary property taxes	<u>26,577,755</u>	<u>27,834,225</u>
C. Total property tax levy amounts	\$ <u>42,267,995</u>	\$ <u>44,238,818</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ <u>15,346,412</u>	
(2) Prior years' levies	<u>53,545</u>	
(3) Total primary property taxes	\$ <u>15,399,957</u>	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ <u>25,995,343</u>	
(2) Prior years' levies	<u>90,700</u>	
(3) Total secondary property taxes	\$ <u>26,086,043</u>	
C. Total property taxes collected	\$ <u>41,486,000</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.9399</u>	<u>0.9246</u>
(2) Secondary property tax rate	<u>1.5921</u>	<u>1.5688</u>
(3) Total city/town tax rate	<u>2.5320</u>	<u>2.4934</u>
B. Special assessment district tax rates		

\* 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.

**FY 2017/18 Primary Property Tax Levy - Truth in Taxation Calculation**

A. Prior Year (FY2016/17) primary property tax levy	15,690,240
B. Proposed Primary Property Tax Levy	
Prior year primary property tax levy	15,690,240
2% increase permitted by law (requires Truth In Taxation Hearing)	313,805
Amount attributable to new construction	<u>400,548</u>
Maximum primary property tax levy	16,404,593
C. Maximum primary property tax levy without a truth in taxation hearing	
Prior year levy amount	15,690,240
Amount attributable to new construction	<u>391,442</u>
Maximum primary property tax levy without a truth in taxation hearing	16,081,682
2017 net assessed value - existing property	1,731,006,229
Primary tax rate to collect same levy amount as prior year	0.9064
D. Proposed Primary Property Tax Rate	
2017 Net Assessed Value - all properties	1,774,236,710
Proposed primary property tax levy	16,404,593
Primary property tax rate	0.9246

**CITY OF TEMPE**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2018**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2017</b>	<b>ACTUAL REVENUES* 2017</b>	<b>ESTIMATED REVENUES 2018</b>
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
City Sales Tax	\$ 90,079,612	\$ 90,630,000	\$ 93,594,490
Transient Lodging Tax	6,689,087	7,850,000	8,125,241
Franchise Fees	3,471,358	3,215,708	3,464,170
<b>Licenses and permits</b>	<b>1,458,000</b>	<b>1,460,338</b>	<b>1,437,000</b>
<b>Intergovernmental</b>			
State	44,959,227	44,757,978	46,234,949
Other	1,154,121	596,126	4,135,400
<b>Charges for services</b>	<b>11,940,084</b>	<b>13,028,262</b>	<b>12,430,070</b>
<b>Fines and forfeits</b>	<b>8,323,168</b>	<b>7,486,795</b>	<b>6,320,251</b>
<b>Interest on investments</b>	<b>800,000</b>	<b>900,000</b>	<b>1,060,000</b>
<b>Voluntary contributions</b>	<b>3,342,792</b>	<b>3,334,809</b>	<b>3,468,201</b>
<b>Miscellaneous</b>	<b>6,712,152</b>	<b>10,281,342</b>	<b>7,632,791</b>
<b>Total General Fund</b>	<b>\$ 178,929,601</b>	<b>\$ 183,541,358</b>	<b>\$ 187,902,563</b>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Transit</b>			
Transit Tax	\$ 37,256,871	\$ 36,020,000	\$ 37,198,207
ASU-Flash Transit	750,629	750,629	802,449
Interest Income	320,000	400,000	512,000
Intergovernmental	7,922,780	7,243,945	7,614,804
Miscellaneous Revenue	14,263,473	14,289,588	13,667,455
<b>Total Transit</b>	<b>\$ 60,513,753</b>	<b>\$ 58,704,162</b>	<b>\$ 59,794,915</b>
<b>Highway User Revenue</b>			
Highway User Revenue Tax	\$ 10,640,302	\$ 10,485,626	\$ 10,979,121
Barricading Fees	82,000	68,000	70,000
Miscellaneous Revenue	454,300	544,561	454,250
<b>Total Highway User Revenue</b>	<b>\$ 11,176,602</b>	<b>\$ 11,098,187</b>	<b>\$ 11,503,371</b>
<b>Performing Arts</b>			
Performing Arts Tax	\$ 7,548,857	\$ 7,530,000	\$ 7,776,305
Fees and Admissions	1,349,100	845,650	1,233,275
Interest Income	7,500		
Miscellaneous Revenue	200,000	400,000	240,000
<b>Total Performing Arts</b>	<b>\$ 9,105,457</b>	<b>\$ 8,775,650</b>	<b>\$ 9,249,580</b>
<b>CDBG and Section 8 Housing</b>			
Community Development Block Grant (CDBG)	\$ 4,197,178	3,386,398	8,061,322
Section 8 Housing	10,453,710	9,758,305	10,667,423
<b>Total CDBG and Section 8 Housing</b>	<b>\$ 14,650,888</b>	<b>\$ 13,144,703</b>	<b>\$ 18,728,745</b>

\* 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.

**CITY OF TEMPE**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2018**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2017</b>	<b>ACTUAL REVENUES* 2017</b>	<b>ESTIMATED REVENUES 2018</b>
<u>Govtl Restricted Revenue and Donations</u>	\$ 2,533,428	\$ 2,044,314	\$ 2,528,081
<u>Police Department-RICO and Grants</u>	\$ 6,033,352	\$ 4,507,866	\$ 5,235,910
<u>Governmental Grants</u>	\$ 12,122,895	\$ 3,304,069	\$ 14,529,676
<u>Court Enhancement</u>	\$ 1,521,750	\$ 1,285,683	\$ 1,614,941
<u>Peterson House Endowment</u>	\$ 9,280	\$ 76,605	\$ 74,583
<b>Total Special Revenue Funds</b>	<b>\$ 117,667,405</b>	<b>\$ 102,941,239</b>	<b>\$ 123,259,802</b>
<b>DEBT SERVICE FUNDS</b>			
<u>General Obligation</u>	\$ 3,236,263	\$ 3,236,263	\$ 1,992,875
<u>Special Assessments</u>	2,209,650	2,209,650	1,992,875
<b>Total Debt Service Funds</b>	<b>\$ 5,445,913</b>	<b>\$ 5,445,913</b>	<b>\$ 1,992,875</b>
<b>CAPITAL PROJECTS FUNDS</b>			
<u>Development Fees</u>	\$ 5,937,359	\$ 5,787,870	\$ 5,999,167
<u>Grants</u>	10,607,845	2,602,302	15,702,785
<u>Miscellaneous</u>	2,276,188	344,054	5,667,077
<b>Total Capital Projects Funds</b>	<b>\$ 18,821,392</b>	<b>\$ 8,734,226</b>	<b>\$ 27,369,029</b>
<b>ENTERPRISE FUNDS</b>			
<u>Water/Wastewater</u>	\$ 82,412,650	\$ 83,253,258	\$ 84,670,180
<u>Solid Waste</u>	15,872,148	16,154,231	16,100,730
<u>Golf</u>	2,662,026	2,520,709	2,935,588
<u>Emergency Medical Transport</u>			957,202
<b>Total Enterprise Funds</b>	<b>\$ 100,946,824</b>	<b>\$ 101,928,198</b>	<b>\$ 104,663,700</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 421,811,135</b>	<b>\$ 402,590,934</b>	<b>\$ 445,187,969</b>

\* 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.



**CITY OF TEMPE**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2018**

<b>FUND</b>	<b>OTHER FINANCING 2018</b>		<b>INTERFUND TRANSFERS 2018</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>GENERAL FUND</b>	\$	\$	\$ 3,613,452	\$ 3,498,482
<b>Total General Fund</b>	\$	\$	\$ 3,613,452	\$ 3,498,482
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue	\$	\$	\$ 1,500,000	\$ 7,375,931
Performing Arts				694,783
Transit				7,642,813
Police Department - RICO+Grants				466,000
<b>Total Special Revenue Funds</b>	\$	\$	\$ 1,500,000	\$ 16,179,527
<b>DEBT SERVICE FUNDS</b>				
General Governmental	\$	\$	\$ 6,925,070	\$ 12,810,117
<b>Total Debt Service Fund</b>	\$	\$	\$ 6,925,070	\$ 12,810,117
<b>CAPITAL PROJECTS FUNDS</b>				
Bond Proceeds	\$ 126,918,664	\$	\$	\$
General Governmental Capital Projects			10,471,325	
Transit Capital Projects			7,907,446	
<b>Total Capital Projects Funds</b>	\$ 126,918,664	\$	\$ 18,378,771	\$
<b>ENTERPRISE FUNDS</b>				
Water/Wastewater	\$	\$	\$ 6,358,415	\$ 7,204,734
Solid Waste			200,000	215,848
Golf			74,000	182,450
<b>Total Enterprise Funds</b>	\$	\$	\$ 6,632,415	\$ 7,603,032
<b>BLENDED COMPONENT UNIT</b>				
Community Facilities District	\$	\$	\$ 3,041,450	\$
<b>Blended Component Unit Service Funds</b>	\$	\$	\$ 3,041,450	\$
<b>TOTAL ALL FUNDS</b>	\$ 126,918,664	\$	\$ 40,091,158	\$ 40,091,158

**CITY OF TEMPE**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2018**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ ADJUSTMENTS APPROVED* 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES** 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
<b>GENERAL FUND</b>				
Mayor and Council	\$ 373,878	\$ 44,600	\$ 376,470	\$ 410,062
City Manager	3,644,457	99,739	3,557,135	3,906,200
Internal Audit	456,042	9,227	344,650	512,117
Strategic Management and Diversity	905,429	19,054	901,946	996,004
City Clerk	985,974	(202,042)	758,319	1,279,518
City Court	4,396,533	75,415	4,475,742	4,771,375
City Attorney	2,981,389	151,888	2,974,190	3,190,684
Internal Services	14,747,799	818,302	15,244,284	15,867,267
Municipal Budget Office	273,410	13,586	239,911	291,311
Police	77,999,428	977,732	79,876,842	85,315,634
Fire	31,825,767	565,621	32,736,929	34,177,796
Community Services	19,515,248	160,110	19,370,341	19,716,557
Community Development	14,317,864	174,527	13,686,975	15,677,685
Human Services	4,458,158	405,635	4,623,413	4,986,323
Public Works	13,603,959	309,976	13,114,783	14,170,281
Non-Departmental	2,291,971	(3,398,971)	2,435,500	257,289
General Fund Contingency	5,000,000	(1,092,865)		9,185,000
<b>Total General Fund</b>	<b>\$ 197,777,306</b>	<b>\$ (868,466)</b>	<b>\$ 194,717,430</b>	<b>\$ 214,711,103</b>
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue	\$ 10,648,475	\$ (5,085)	\$ 9,867,612	\$ 10,463,039
Transit	54,867,955		54,589,792	67,868,959
CDBG/HOME	4,197,178		3,386,398	8,061,322
Section 8 Housing	10,643,710		9,758,305	10,667,423
Housing Trust	51,000			51,000
Performing Arts	7,444,010		7,274,868	8,207,403
Govtl Restricted Revenue and Dona	2,533,428		687,496	2,528,081
Police Department-Rico and Grants	6,361,276	(143,668)	4,227,733	4,769,910
Governmental Grants	12,122,895	(196,554)	2,394,834	14,529,676
Court Enhancement	1,401,650		377,534	1,614,941
Petersen House Endowment	9,280		3,522	74,583
<b>Total Special Revenue Funds</b>	<b>\$ 110,280,857</b>	<b>\$ (345,307)</b>	<b>\$ 92,568,094</b>	<b>\$ 128,836,337</b>
<b>DEBT SERVICE FUNDS</b>				
General Obligation	\$ 25,245,501	\$	\$ 24,788,916	\$ 35,257,015
Special Assessment	2,209,650		2,209,650	1,992,875
<b>Total Debt Service Funds</b>	<b>\$ 27,455,151</b>	<b>\$</b>	<b>\$ 26,998,566</b>	<b>\$ 37,249,890</b>
<b>CAPITAL PROJECTS FUNDS</b>				
General Governmental Capital	\$ 120,022,862	\$ (9,139,657)	\$ 56,819,609	\$ 158,542,301
Transit Capital Projects	23,552,883	(940,015)	5,172,375	32,379,554
<b>Total Capital Projects Funds</b>	<b>\$ 143,575,745</b>	<b>\$ (10,079,672)</b>	<b>\$ 61,991,984</b>	<b>\$ 190,921,855</b>
<b>ENTERPRISE FUNDS</b>				
Water/Wastewater	\$ 84,539,493	\$ (2,274,530)	\$ 81,223,698	\$ 88,882,479
Solid Waste	17,782,589	(25,000)	16,359,181	18,535,557
Golf	2,633,148	141,000	2,676,078	2,762,347
Emergency Medical Transport				1,971,773
<b>Total Enterprise Funds</b>	<b>\$ 104,955,230</b>	<b>\$ (2,158,530)</b>	<b>\$ 100,258,957</b>	<b>\$ 112,152,156</b>
<b>INTERNAL SERVICE FUNDS</b>				
Risk Management	\$ 2,000,000	\$	\$	\$ 2,000,000
<b>Total Internal Service Funds</b>	<b>\$ 2,000,000</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,000,000</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 586,044,289</b>	<b>\$ (13,451,974)</b>	<b>\$ 476,535,031</b>	<b>\$ 685,871,341</b>

\* 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.

\*\* 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 E**

**CITY OF TEMPE**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2018**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED* 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES** 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
Mayor and Council				
General Fund	\$ 373,878	\$ 44,600	\$ 376,470	\$ 410,062
<b>Department Total</b>	<b>\$ 373,878</b>	<b>\$ 44,600</b>	<b>\$ 376,470</b>	<b>\$ 410,062</b>
City Manager				
General Fund	\$ 3,644,457	\$ 99,739	\$ 3,557,135	\$ 3,906,200
Transit Fund	549,891		431,810	555,415
Govtl Restricted Revenue and Donations	519,659	(66,961)	97,156	390,861
Governmental Grants	5,525,000	(4,491,554)	550,000	4,400,000
<b>Department Total</b>	<b>\$ 10,239,007</b>	<b>\$ (4,458,776)</b>	<b>\$ 4,636,101</b>	<b>\$ 9,252,476</b>
Internal Audit				
General Fund	\$ 456,042	\$ 9,227	\$ 344,650	\$ 512,117
<b>Department Total</b>	<b>\$ 456,042</b>	<b>\$ 9,227</b>	<b>\$ 344,650</b>	<b>\$ 512,117</b>
Strategic Management and Diversity				
General Fund	\$ 905,429	\$ 19,054	\$ 901,946	\$ 996,004
Governmental Grants	1,092	30,000	10,838	20,254
<b>Department Total</b>	<b>\$ 906,521</b>	<b>\$ 49,054</b>	<b>\$ 912,784</b>	<b>\$ 1,016,258</b>
City Clerk				
General Fund	\$ 985,974	\$ (202,042)	\$ 758,319	\$ 1,279,518
<b>Department Total</b>	<b>\$ 985,974</b>	<b>\$ (202,042)</b>	<b>\$ 758,319</b>	<b>\$ 1,279,518</b>
City Court				
General Fund	\$ 4,396,533	\$ 75,415	\$ 4,475,742	\$ 4,771,375
Governmental Grants	100,000		86,320	90,000
Court Enhancement Fund	1,151,650	21,727	377,534	1,389,941
<b>Department Total</b>	<b>\$ 5,648,183</b>	<b>\$ 97,142</b>	<b>\$ 4,939,596</b>	<b>\$ 6,251,316</b>
City Attorney				
General Fund	\$ 2,981,389	\$ 151,888	\$ 2,974,190	\$ 3,190,684
Governmental Grants	190,598		81,727	178,475
<b>Department Total</b>	<b>\$ 3,171,987</b>	<b>\$ 151,888</b>	<b>\$ 3,055,917</b>	<b>\$ 3,369,159</b>
Internal Services				
General Fund	\$ 14,747,799	\$ 818,302	\$ 15,244,284	\$ 15,867,267
Water/Wastewater Fund	3,071,815	(16,238)	2,988,148	3,525,395
<b>Department Total</b>	<b>\$ 17,819,614</b>	<b>\$ 802,064</b>	<b>\$ 18,232,432</b>	<b>\$ 19,392,662</b>
Municipal Budget Office				
General Fund	\$ 273,410	\$ 13,586	\$ 239,911	\$ 291,311
<b>Department Total</b>	<b>\$ 273,410</b>	<b>\$ 13,586</b>	<b>\$ 239,911</b>	<b>\$ 291,311</b>
Police				
General Fund	\$ 77,999,428	\$ 977,732	\$ 79,876,842	\$ 85,315,634
Police Department-Rico and Grants	6,361,276	(143,668)	4,227,733	4,769,910
<b>Department Total</b>	<b>\$ 84,360,704</b>	<b>\$ 834,064</b>	<b>\$ 84,104,575</b>	<b>\$ 90,085,544</b>

**CITY OF TEMPE**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2018**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED* 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES** 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
<b>Fire</b>				
General Fund	\$ 31,825,767	\$ 565,621	\$ 32,736,929	\$ 34,177,796
Govtl Restricted Revenue and Donations	92,182	553	7,893	91,248
Governmental Grants	109,017	163,126	155,281	281,426
Emergency Medical Transport				1,971,773
<b>Department Total</b>	<b>\$ 32,026,966</b>	<b>\$ 729,300</b>	<b>\$ 32,900,103</b>	<b>\$ 36,522,243</b>
<b>Community Services</b>				
General Fund	\$ 19,515,248	\$ 160,110	\$ 19,370,341	\$ 19,716,557
Performing Arts Fund	3,284,269		3,111,905	4,041,685
Govtl Restricted Revenue and Donations	551,577	320,485	288,986	720,263
Governmental Grants	610,969	475,615	608,639	684,216
Petersen House Endowment	9,280		3,522	74,583
<b>Department Total</b>	<b>\$ 23,971,343</b>	<b>\$ 956,210</b>	<b>\$ 23,383,393</b>	<b>\$ 25,237,304</b>
<b>Community Development</b>				
General Fund	\$ 14,317,864	\$ 174,527	\$ 13,686,975	\$ 15,677,685
Govtl Restricted Revenue and Donations	447,248	(1,002)	49,055	503,823
Governmental Grants	40,253	7,731	7,888	40,712
<b>Department Total</b>	<b>\$ 14,805,365</b>	<b>\$ 181,256</b>	<b>\$ 13,743,918</b>	<b>\$ 16,222,220</b>
<b>Human Services</b>				
General Fund	\$ 4,458,158	\$ 405,635	\$ 4,623,413	\$ 4,986,323
CDBG/HOME Fund	4,197,178		3,386,398	8,061,322
Section 8 Housing Fund	10,643,710		9,758,305	10,667,423
Housing Trust Fund	51,000			51,000
Govtl Restricted Revenue and Donations	416,902	37,935	244,406	320,026
Governmental Grants	897,947	453,608	862,693	1,205,522
<b>Department Total</b>	<b>\$ 20,664,895</b>	<b>\$ 897,178</b>	<b>\$ 18,875,215</b>	<b>\$ 25,291,616</b>
<b>Public Works</b>				
General Fund	\$ 13,603,959	\$ 309,976	\$ 13,114,783	\$ 14,170,281
Highway User Revenue Fund	10,648,475	(5,085)	9,867,612	10,463,039
Transit Fund	49,537,201		49,489,119	53,971,731
Performing Arts Fund	721,891		725,113	733,468
Govtl Restricted Revenue and Donations	5,860			1,860
Governmental Grants	148,019	20,000	31,448	129,071
Water/Wastewater Fund	41,151,793	(2,258,292)	36,996,057	42,653,743
Solid Waste Fund	17,282,589		16,359,181	18,035,557
Golf Fund	2,633,148	141,000	2,676,078	2,762,347
<b>Department Total</b>	<b>\$ 135,732,935</b>	<b>\$ (1,792,401)</b>	<b>\$ 129,259,391</b>	<b>\$ 142,921,097</b>
<b>Non-Departmental</b>				
General Fund	\$ 2,291,971	\$ (3,398,971)	\$ 2,435,500	\$ 257,289
<b>Department Total</b>	<b>\$ 2,291,971</b>	<b>\$ (3,398,971)</b>	<b>\$ 2,435,500</b>	<b>\$ 257,289</b>

**CITY OF TEMPE**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2018**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED* 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES** 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
Contingency				
General Fund	\$ 5,000,000	\$ (1,092,865)	\$	\$ 9,185,000
Transit Fund	112,000			178,000
Govtl Restricted Revenue and Donations	500,000	(291,010)		500,000
Governmental Grants	4,500,000	3,144,920		7,500,000
Court Enhancement Fund	250,000	(21,727)		225,000
Water/Wastewater Fund	1,000,000			1,000,000
Solid Waste Fund	500,000	(25,000)		500,000
Risk Management Fund	2,000,000			2,000,000
<b>Department Total</b>	<b>\$ 13,862,000</b>	<b>\$ 1,714,318</b>	<b>\$</b>	<b>\$ 21,088,000</b>
Debt Service				
Transit Fund	\$ 4,668,863	\$	\$ 4,668,863	\$ 13,163,813
Performing Arts Fund	3,437,850		3,437,850	3,432,250
General Obligation Debt Service Fund	25,245,501		24,788,916	35,257,015
Special Assessment Debt Service Fund	2,209,650		2,209,650	1,992,875
Water/Wastewater Fund	39,315,885		41,239,493	41,703,341
<b>Department Total</b>	<b>\$ 74,877,749</b>	<b>\$</b>	<b>\$ 76,344,772</b>	<b>\$ 95,549,294</b>
Capital				
General Governmental Capital Projects	\$ 120,022,862	\$ (9,139,657)	\$ 56,819,609	\$ 158,542,301
Transit Capital Projects	23,552,883	(940,015)	5,172,375	32,379,554
<b>Department Total</b>	<b>\$ 143,575,745</b>	<b>\$ (10,079,672)</b>	<b>\$ 61,991,984</b>	<b>\$ 190,921,855</b>
<b>TOTAL ALL DEPARTMENTS</b>	<b>\$ 586,044,289</b>	<b>\$ (13,451,974)</b>	<b>\$ 476,535,031</b>	<b>\$ 685,871,341</b>

\* 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**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2018**

<b>FUND</b>	<b>Full-Time Equivalent (FTE) 2018</b>	<b>Employee Salaries and Hourly Costs 2018</b>	<b>Retirement Costs* 2018</b>	<b>Healthcare Costs 2018</b>	<b>Other Benefit Costs** 2018</b>	<b>Total Estimated Personnel Compensation 2018</b>
<b>GENERAL FUND</b>	1,454.77	\$ 107,831,007	\$ 31,132,067	\$ 13,726,438	\$ 10,787,616	\$ 163,477,128
<b>SPECIAL REVENUE FUNDS</b>						
Highway User Revenue	43.00	\$ 2,998,556	\$ 334,399	\$ 512,206	\$ 290,001	\$ 4,135,162
Transit	38.25	2,688,071	291,251	427,626	232,549	3,639,497
CDBG/Home	4.00	307,643	35,035	41,216	26,431	410,325
Section 8 Housing	8.00	468,234	53,331	82,735	42,105	646,405
Performing Arts	43.44	2,031,901	184,290	307,777	225,297	2,749,265
Police Dept - RICO & Grants	12.50	1,688,288	254,774	149,838	63,737	2,156,637
Gov't Grants	3.40	595,047	26,963	54,732	19,420	696,162
Court Enhancement	4.00	301,960	34,727	64,311	25,848	426,846
Emergency Medical Transport	13.00	776,011	89,008	165,750	59,365	1,090,134
<b>Total Special Revenue Funds</b>	<b>169.59</b>	<b>\$ 4,076,527</b>	<b>\$ 458,134</b>	<b>\$ 742,267</b>	<b>\$ 375,214</b>	<b>\$ 15,950,433</b>
<b>CAPITAL PROJECTS FUNDS</b>						
Capital Projects	1.00	\$ 79,502	\$ 9,143	\$ 15,434	\$ 6,237	\$ 110,316
<b>Total Capital Projects Funds</b>	<b>1.00</b>	<b>\$ 79,502</b>	<b>\$ 9,143</b>	<b>\$ 15,434</b>	<b>\$ 6,237</b>	<b>\$ 110,316</b>
<b>ENTERPRISE FUNDS</b>						
Water/Wastewater	179.74	\$ 11,948,713	\$ 1,379,961	\$ 1,938,020	\$ 1,238,058	\$ 16,504,752
Golf	7.35	337,021	38,762	72,626	32,149	480,558
Solid Waste	74.23	4,192,644	481,875	816,951	436,050	5,927,520
<b>Total Enterprise Funds</b>	<b>261.32</b>	<b>\$ 16,478,378</b>	<b>\$ 1,900,598</b>	<b>\$ 2,827,597</b>	<b>\$ 1,706,257</b>	<b>\$ 22,912,830</b>
<b>INTERNAL SERVICE FUND</b>						
Risk Management	6.50	\$ 472,235	\$ 54,307	\$ 59,996	\$ 58,212	\$ 644,750
<b>Total Internal Service Fund</b>	<b>6.50</b>	<b>\$ 472,235</b>	<b>\$ 54,307</b>	<b>\$ 59,996</b>	<b>\$ 58,212</b>	<b>\$ 644,750</b>
<b>TOTAL ALL FUNDS</b>	<b>1,893</b>	<b>\$ 128,937,649</b>	<b>\$ 33,554,249</b>	<b>\$ 17,371,732</b>	<b>\$ 12,933,536</b>	<b>\$ 203,095,457</b>

\* 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.