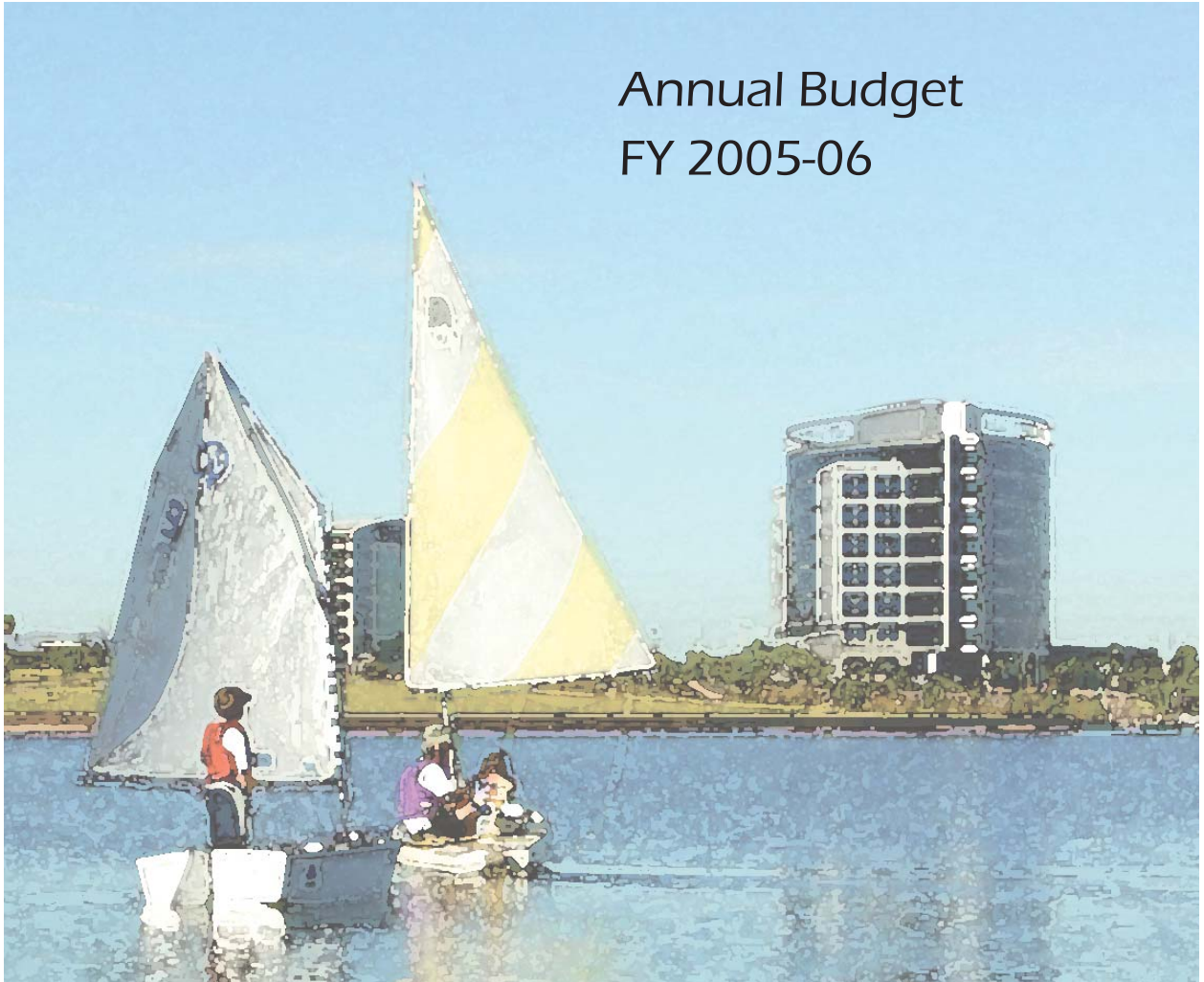


Annual Budget FY 2005-06



Will Manley
City Manager

Jerry Hart
Financial Services Manager

Cecilia Velasco-Robles
Deputy Financial Services Manager

Michelle Caruso
Budget and Research Analyst

Deborah Bair
Lead Budget and Research Analyst

Tom Mikesell
Budget and Research Analyst

Anita Erspamer
Executive Assistant

Tempe Mayor & City Council



Hugh Hallman
Mayor



Mark Mitchell
Vice Mayor



Leonard Copple
Council Member



P. Ben Arredondo
Council Member



Pamela L. Goronkin
Council Member



Barbara Carter
Council Member



Hut Hutson
Council Member





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Tempe
Arizona**

For the Biennium Beginning

July 1, 2003

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Tempe for its biennial budget for the fiscal year beginning July 1, 2003.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Mission...

To work with each other and the community to make Tempe the best place to live, work and play.

We Value...

People - *We appreciate the talents of each person and encourage responsible decision making at the most appropriate level. We recognize the importance of personal and professional development.*

Creativity - *We encourage imaginative problem solving, innovation, resourcefulness and responsible risk taking.*

Quality - *We provide superior services and are committed to continuous improvement. We are attentive to the changing needs of the people we serve.*

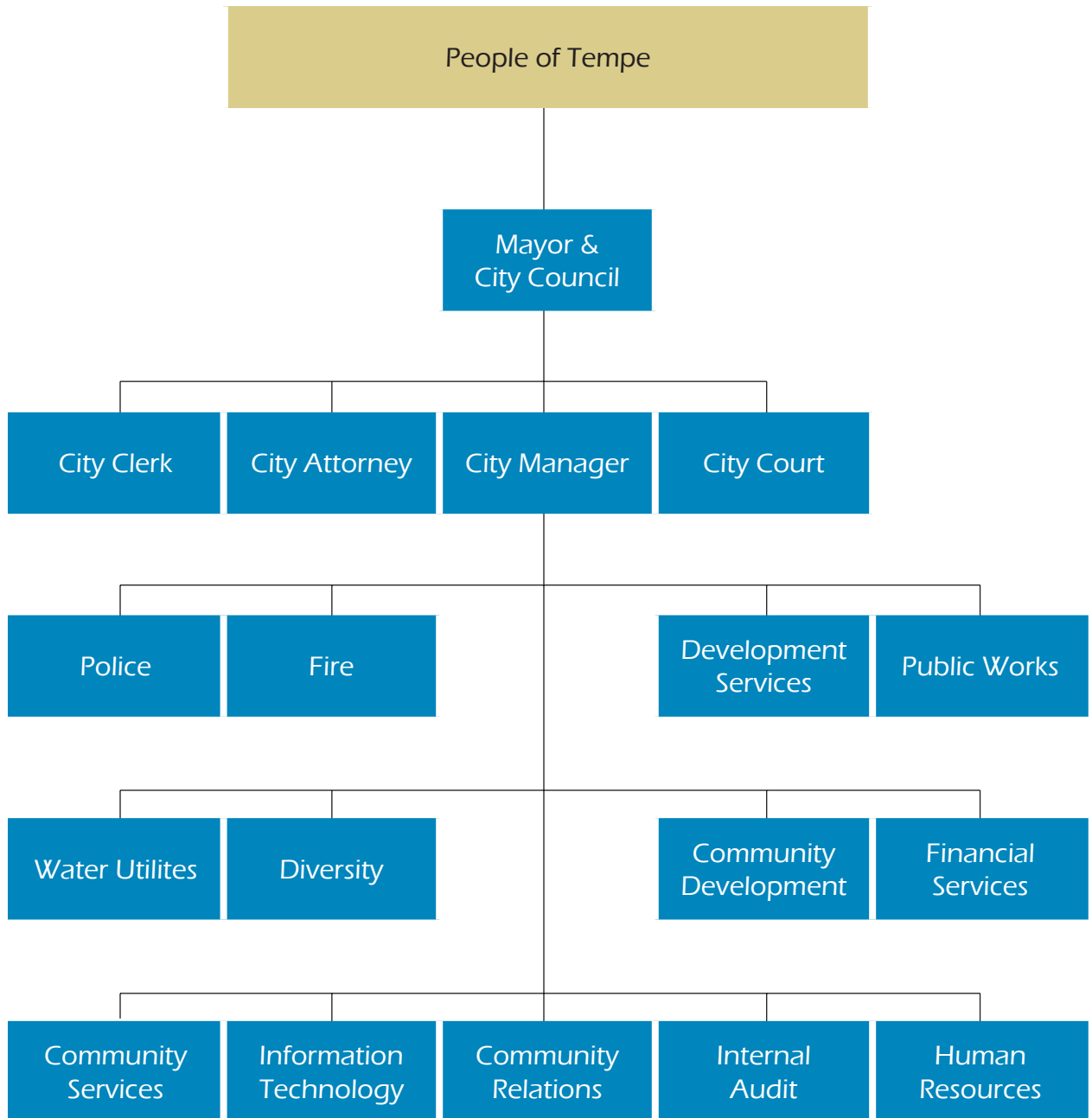
Integrity - *We are honest, accountable and trustworthy.*

Openness - *We are accessible and work as a team by sharing information, ideas, resources and responsibility.*

Respect - *We welcome individual and professional differences and treat everyone with dignity, courtesy and sensitivity.*

Diversity - *We promote diversity in the workforce to meet the needs of a diverse community. We recognize that with diversity comes strength.*

Organizational Chart





June 2, 2005

To the Honorable Mayor and City Council:

Transmitted herein is the City's Fiscal Year 2005-06 financial program. The combined operating and capital budgets included in the financial program total \$465.3 million, which represents a change of \$28.2 million, or 6.3% from the FY 2004-05 adopted budget. The operating budget increases are driven by employee compensation, health insurance and state retirement contribution costs. The growth in the capital budget is primarily due to capacity expansion in water and wastewater facilities, replacement of Public Safety Radio System and the East Valley Light Rail project.

The City's economy is growing, with FY 2004-05 General Fund revenue surpassing the level collected prior to the economic downturn in early 2001. Streamlining efforts in recent years, coupled with recovering revenue, contributed to balancing the budget for FY 2005-06. However, the five-year long-range financial forecast projects a deficit in the General Fund in FY 2006-07. The Ad-Hoc Long-Range Budget & Finance Planning Committee is currently reviewing City expenditures and revenue sources to identify opportunities to eliminate the gap.

Total Annual Budget Financial Program		
	FY 2004-05 Budget	FY 2005-06 Budget
Operating Budget	\$260,131,518	\$275,297,746
Percent Change		5.8%
Capital Improvements	\$176,983,222	\$189,971,703
Percent Change		7.3%
Total Financial Program	\$437,114,740	\$465,269,449
Percent Change		6.3%

Operating Budget

The following chart presents a summary breakdown of the operating budget by fund.

Operating Budget			
	FY 2004-05 Budget	FY 2005-06 Budget	Percent Change
General Fund	\$ 125,500,350	\$ 138,273,504	10.2%
Enterprise Funds			
Water/Wastewater	47,773,817	47,720,279	(0.1)%
Solid Waste	10,753,264	12,602,968	17.2%
Golf	2,480,484	2,071,538	(16.5)%
Cemetery	0	290,248	—
Special Revenue Funds			
Transit	32,166,810	31,118,922	(3.3)%
Transportation	8,287,572	8,656,870	4.5%
Rio Salado	1,498,862	1,551,834	3.5%
Performing Arts	6,479,332	6,868,730	6.0%
CDBG/Section 8	11,712,361	11,731,640	0.2%
Debt Service Fund	13,478,666	14,411,213	6.9%
Total Operating Budget	\$260,131,518	\$275,297,746	5.8%

Operating Budget Highlights

- State Retirement** – Arizona State Retirement System contribution rate is set at 7.40%, an increase from 5.70% in previous budgets (\$1.1M impact to General Fund)
- Public Safety Retirement (General Fund)** – Police contribution rate is set at 13.87%, an increase from 11.15% in previous budgets (\$537K impact); Fire contribution increased to 11.63% (from 8.30%) with a \$422K impact
- Health, Dental & Life** – Human Resources estimates a 13% increase in benefit costs
- Maintenance of Effort (MOE)** – After a state granted three-year suspension from the MOE requirement for the transportation program, the full \$1.85 million commitment has been reintroduced
- Solid Waste Fund** – Purchase of one-time capital equipment, including the replacement of seven solid waste trucks
- Golf Fund** – Ongoing streamlining efforts in the Golf Program
- Cemetery Fund** – Start-up staffing, capital, and debt service costs associated with the Double Butte Cemetery expansion
- Performing Arts Fund** – Staffing and equipment costs associated with the opening of the Tempe Center for the Arts in the latter part of FY 2005-06

Capital Budget

The City's five-year Capital Improvement Program (CIP) covering FY 2005-06 through FY 2009-10 totals \$580.1 million. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$190.0 million for FY 2005-06.

As is normal, requests exceeded available funding sources. Funding sources are maximized within the financial policies established by the Council. There is no General Fund pay-as-you-go financing recommended as part of the budget.

Capital Improvement Program Summary						
Program	2005-06 Funded Program	Additional Needs				Total Five-Year Program
		2006-07	2007-08	2008-09	2009-10	
Enterprise Program						
Water	\$17,936,000	\$21,851,000	\$18,458,643	\$14,893,357	\$11,526,000	\$84,665,000
Wastewater	42,064,688	8,364,688	17,287,125	17,787,125	14,250,000	99,753,626
Golf	50,000	50,000	50,000	50,000	50,000	250,000
Cemetery	1,400,000	0	0	0	0	1,400,000
Total Enterprise	61,450,688	30,265,688	35,795,768	32,730,482	25,826,000	186,068,626
Special Purpose Program						
Transit	67,475,773	119,741,517	52,902,815	25,742,880	18,836,500	284,699,485
Performing Arts	22,228,912	0	0	0	0	22,228,912
Rio Salado	99,090	100,000	100,000	100,000	100,000	499,090
Total Special Purpose	89,803,775	119,841,517	53,002,815	25,842,880	18,936,500	307,427,487
General Purpose Program	31,728,760	8,293,300	14,866,830	8,430,204	4,168,310	67,487,404
Transportation Program	6,988,480	3,256,439	2,928,902	2,385,219	3,516,354	19,075,394
Total General / Transportation	38,717,240	11,549,739	17,795,732	10,815,423	7,684,664	86,562,798
Subtotal Tax Supported	128,521,015	131,391,256	70,798,547	36,658,303	26,621,164	393,990,285
TOTAL PROGRAM	\$189,971,703	\$161,656,944	\$106,594,315	\$69,388,785	\$52,447,164	\$580,058,911

Capital Budget Highlights

Continued funding for the Transit program (\$67.5 million) including:

- Funding for the Central Phoenix and East Valley Light Rail Transit planning, design and construction (\$46.1 million)
- Funding for the Transit Regional Maintenance Facility (\$10.9 million)
- Funding for the Transit Center (\$3.9 million)

Continued funding for Water projects (\$17.9 million) including:

- Continued funding for expansion at the Johnny G. Martinez Water Treatment Plant (\$7.0 million)
- Continued funding for waterline improvements along Apache Boulevard (\$3.5 million)

Continued funding for Wastewater projects (\$42.1 million) including:

- Continued funding for the plant expansion at the Kyrene Water Reclamation Facility (KWRF) (\$21.0 million)
- Continued funding for 91st Avenue Treatment Plant capacity expansion (\$12.5 million)

- Funding for Kyrene Reclaimed Water Transmission line (\$6.7 million)

Continued funding for construction of the Tempe Center for the Arts (\$22.2 million)

Continued funding for the Police Protection Program (\$14.1 million) including:

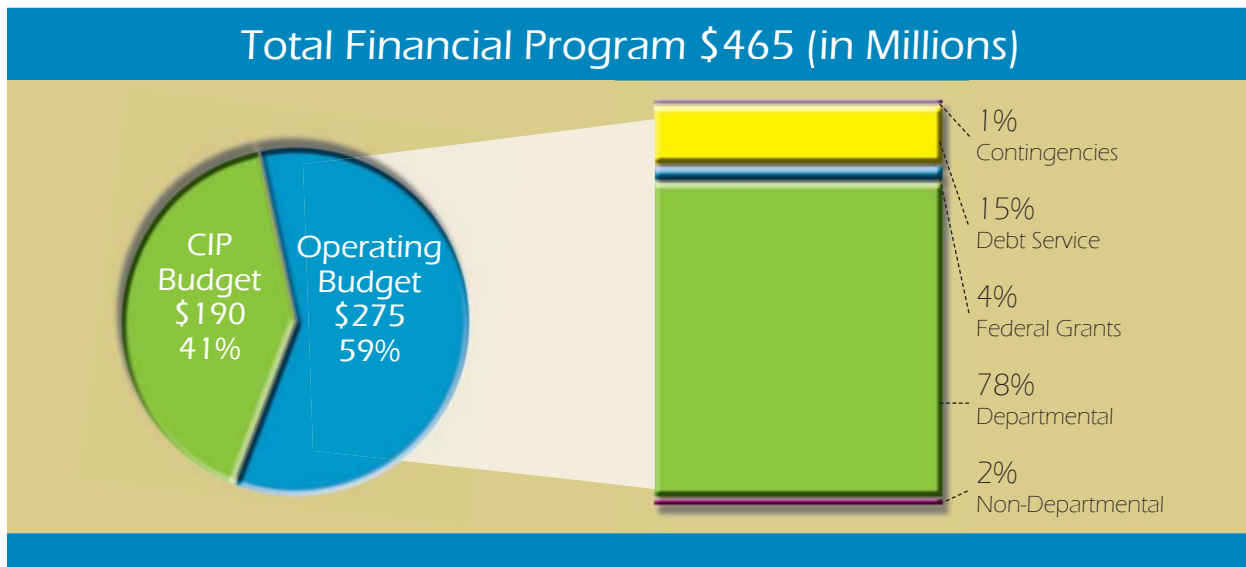
- Continued funding for the Apache Boulevard Police Substation (\$12.4 million)
- Funding for the Police/City Radio Replacement (\$1.3 million) and Computer Aided Dispatch (CAD)/Records Management System (RMS)/Field Report Writing System (FRWS) (\$150,000)

Continued funding for the Park Improvements Program (\$11.1 million) including:

- Continued funding for Tempe Diablo Stadium Renovation (\$10 million)
- Continued funding for the North Tempe Multigenerational Center (\$750,000)

Continued funding for Transportation and Right-of-Way Improvements (\$7.0 million)

As the graph below depicts, the operating budget represents 59% of the FY 2005-06 total financial program. Departmental budgets make up over 75% of the citywide operating budget.



Revenue Considerations

The City will modify revenue as needed in several areas for FY 2005-06.

Enterprise Fund Rate Reviews

Water and Wastewater rates and Golf fees will be reviewed to determine if adjustments are required. The Solid Waste program is scheduled to increase rates in November given prior Council authorization.

Review of Other Fees

In addition to the Enterprise Fund rate reviews, other fees are periodically reviewed. As part of this cycle, fees charged by the Development Services Department and City Court will be reviewed for potential adjustments.

We will continue to review fees on an ongoing basis and will bring them to Council as necessary.

Financial Assessment

Through conservative financial management and adherence to sound fiscal analysis and policies, Tempe has developed and maintained a strong financial position.

Fund Balances

One measure of a city's financial strength is the level of its fund balances (i.e., revenue exceeds expenditures). The City's estimated unreserved fund

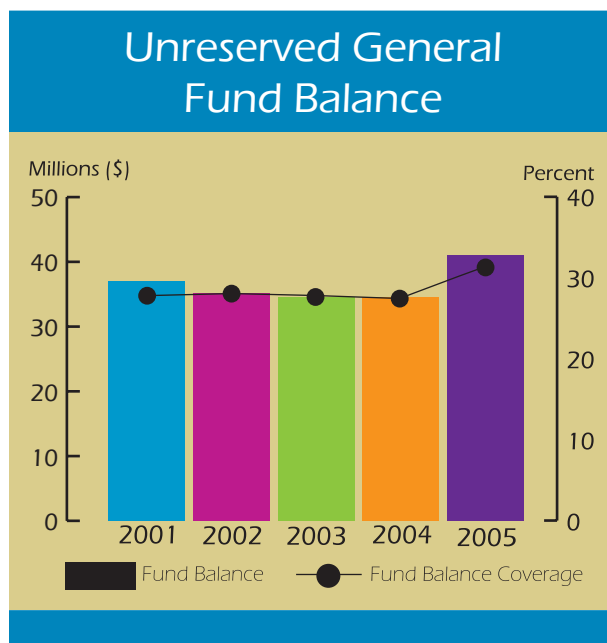
balance in the General Fund will be approximately \$41 million as of June 30, 2005. This balance represents 31% of FY 2004-05 total General Fund revenue. Our recommended guideline for General Fund fund balance coverage is a minimum of 25% of General Fund revenue. The City's Enterprise funds (Water/Wastewater, Golf, and Solid Waste programs) are projected to have a combined fund balance of approximately \$61 million at the end of FY 2004-05.

Financial Reserves

Another indicator of a city's financial strength is the level of its financial reserves. Over the years, the City has established financial reserves to absorb unforeseen liabilities. The City currently has self-insurance reserves totaling \$8.8 million, monies that will protect the City against potential claims. Additionally, the City approximates \$15.6 million in debt service reserves at June 30, 2005, funds that will help stabilize and fund future debt service obligations. Included in the annual budget and financed from current revenue is \$3.1 million of contingency funding for unanticipated emergencies.

Bond Ratings

The City's bond ratings are further evidence of its financial strength. Tempe's general obligation bonds are currently rated AAA by Fitch, Aa1 by Moody's and AA+ by Standard & Poor's. Having solid financial policies and strong financial reserves are principle reasons for these excellent bond ratings. These high ratings translate directly into lower interest rates on the City's debt.



Bond Ratings

Fitch	December 2000	AAA
Moody's	April 1997	Aa1
Standard & Poor's	February 1992	AA+

Development Activity

City staff facilitated 17 companies locating or expanding operations in FY 2004-2005 that will add over 2,500 jobs and make a capital investment of more than \$51 million in the community. Highlights include:

- **Edward Jones** began construction of a 100,000 square foot office tower, their second on the campus of Arizona State University Research Park at Elliot and Price roads.
- **Motorola Embedded Systems Group**, corporate headquarters began an expansion of their campus with the addition of 125 new employees.
- **Macroelectronics Works (Flexible Display Center)** occupied 275,000 square foot of research, development and production space at the Arizona State University Research Park. The partnership between academia, industry and government will accelerate the development of lightweight, flexible and portable display technologies for the US Army and private industry.
- **Smith Barney** located a corporate office on the eighth floor of the first Hayden Ferry Lakeside tower and added its name to the top story of the building.
- **Hayden Ferry Lakeside** broke ground on its first condominium tower, Edgewater. The 45 units are selling at prices between \$250,000 and \$2.5 million. The next project, Bridgeview, is being promoted now.
- Two projects on **Playa del Norte** are underway: **Mondrian** condominiums are under construction and **Northshore** condominiums are more than 75 percent sold. The In-n-Out Burger is under construction and should open in September.

More than 100 special events took place at Tempe Town Lake last year, with a Tempe Convention and Visitors Bureau suggested economic impact of more than \$60 million. Included in these, the first Ironman Arizona.

The city continues to benefit from biotechnology and high technology companies. About one of every seven workers within Tempe holds a job with a technology-focused company. The Arizona Biodesign Institute at Arizona State University is developing leading-edge medical research that will foster the commercialization of new therapies.

Tempe's downtown is experiencing a renaissance of activity. Several luxury high rise developments breaking ground will change the city's skyline and generate new activity in the downtown. The urban atmosphere of the downtown will continue to proliferate with new residents. Centerpoint Condominiums, for example, will build four skyscrapers of at least 22 stories in the heart of downtown.

Major Policy Considerations

Budget appropriation choices were made within the context of the City's Comprehensive Financial Plan, (Debt Management Plan and Long-Range Financial Capacity Study), Council Budget Policies, and Strategic Issues Plan.

Debt Management Plan

The favorable bond ratings are due not only to having solid fund balances and reserves, but also result from adherence to the Debt Management Plan which links our debt capacity to population, tax base growth, and current level of general operating revenue.

Long-Range Financial Capacity Study

City staff prepares and updates the long-range financial plans and forecasts annually in preparation for developing suggested budget policies for City Council consideration.

The long-range forecast provides for a balanced budget through FY 2005-06. A "Comprehensive Financial Plan" Section is included which describes revenues and expenditures, issues, trends, and resource choices for all funds.

Favorable Development Activity

Commercial Development

Job Growth

Council Budget Policies for FY 2005-06

The operating budget embraces the following tenets that historically have made the City financially strong:

- the budget *provides that current revenue is sufficient to support current expenditures* (“We are living within our means” without drawing down general fund reserves for operating purposes);
- the budget *maintains the City’s strong general fund reserves*;
- the budget *provides for a General Fund contingency appropriation* sufficient to support emergencies and unforeseen circumstances, given past experience in the City;
- the budget *provides a minimum level of maintenance and replacement dollars* to ensure that all capital facilities and equipment are properly maintained.

With these basic tenets as a guide, combined with the direction provided by our comprehensive financial planning process, the following budget policy direction was followed:

1. Successful efforts to control spending were directed at avoiding increases in personnel.
2. Maintain the City’s strong financial reserve and fund balance program.
3. Increase the property tax rate to \$1.40/\$100 assessed value to provide for additional bonding capacity.
4. Evaluate the revenue structure on a regular basis to insure that fees are adjusted on a timely basis to reflect City costs.
5. Conduct periodic budget reviews with City Council.
6. Continue examination of current programs by each Department for potential “sunsetting”.

Strategic Issues

The City establishes strategic issues, goals and objectives to provide more long-range focus to resource allocation choices. The strategic issues, goals and objectives are aligned to Council committees as follows:

- Neighborhood Quality of Life and Public Safety
- Education Partnerships
- Community Services
- Transportation
- Diversity and Human Relations and Resources
- Technology Advancement and Redevelopment
- Central City Development Committee of the Whole
- Ad-Hoc Long-Range Budget and Finance Planning

The goal of each strategic team is to delineate long-range goals, formulate a cohesive strategy for each of the defined areas, and develop action plans to advance the city toward those strategic goals.

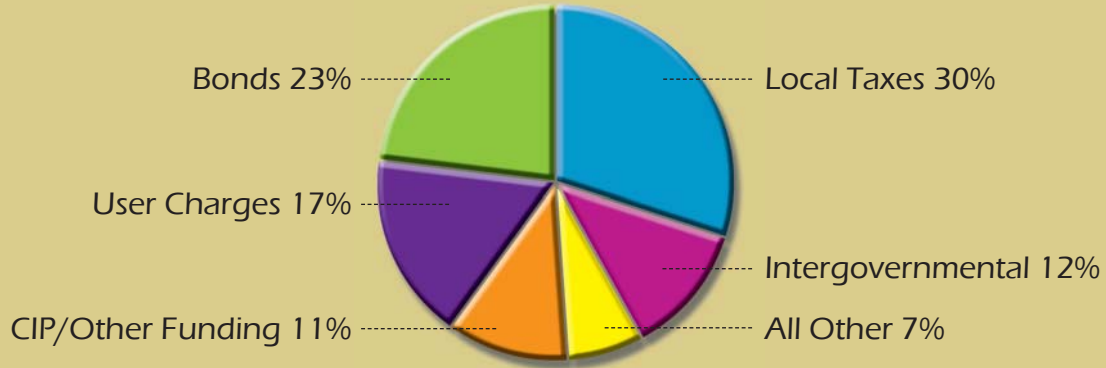
Income/Outgo

The pie charts on the following page portray the City’s income and outgo. Revenue is grouped by major category, while expenditures are shown by program area and by type of expenditure (such as personal services). Local taxes (e.g., city sales tax and property tax) continue to be the largest City revenue source, representing 30% of the FY 2005-06 total revenue budget. Other major revenue sources include user charges (such as water service and refuse fees) and intergovernmental revenue.

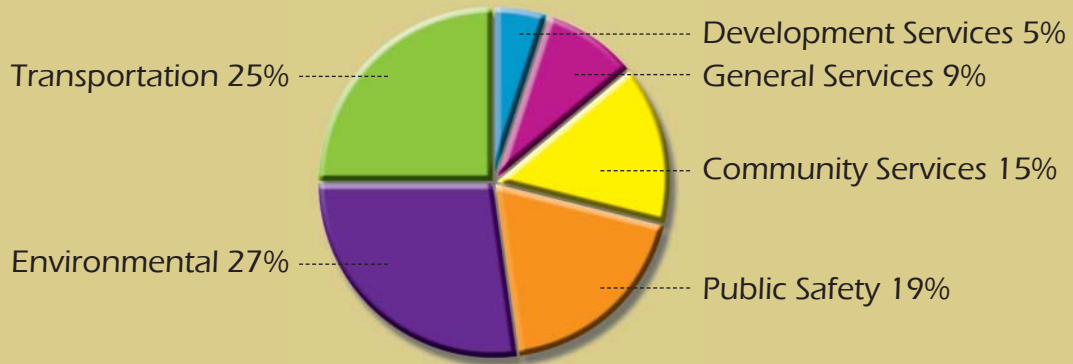
The pie charts show a breakdown of City expenditures and where the money is spent by program. Environmental Health and Transportation represent the greatest areas of program appropriation, accounting for 52% of the total financial program in 2005-06.

The final chart portrays budget appropriations by line-item category. Personal Services (salaries, wages and benefits) and Capital Projects represent the largest portions of the total financial program.

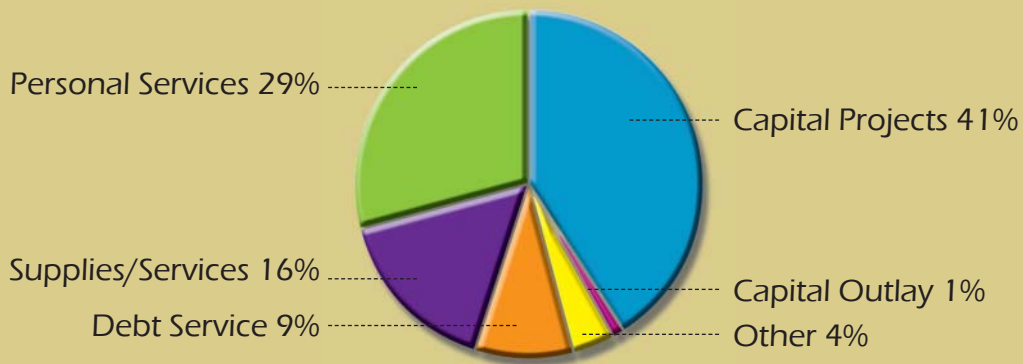
Where the Money Comes From by Source of Funds



Where the Money Goes by Type of Program



Where the Money Goes by Line Item Category



Conclusion

We can expect the economy to grow, underscoring the need to continue to focus on our long-range planning and the managing of our resources.

The following budget is committed to Council's policy of preserving Tempe's solid financial position by maintaining strong fund balances and reserves, recommending a balanced budget, and making decisions within the context of our long-range financial capacity study and debt management plan.

With final budget adoption, I want to thank the Mayor and City Council, residents of Tempe and City staff for their time and effort throughout this budget process.

Respectfully submitted,

A handwritten signature in black ink, reading "Will Manley". The signature is written in a cursive style with a prominent flourish at the end of the name.

Will Manley, City Manager



Budget Summaries

The following section provides a summary of the Operating and Capital Budgets along with summary budget schedules, historical overview of Citywide budget data, debt service, personnel, and fund summaries.



The budgetary policies specified below provide a general framework of goals and objectives for the operating budget, debt management, capital budget, financial reserves, and financial reporting. Strong policies provide a standard against which current budgetary performance can be measured and proposals for future programs evaluated.

Operating Budget Policies

Current revenue will be sufficient to support current operating expenditures.

- **Status:** *FY 2004-05 estimated General Fund operating revenue (\$131.6 million) to expenditures (\$124.6 million) Ratio 1:1*

Financial systems will be maintained to monitor expenditures, revenue and program performance on an ongoing basis.

- **Status:** *Ongoing monitoring system with monthly reviews including automated payment and purchase requisition system*

Revenue and expenditures will be projected for the next five years and will be updated annually.

- **Status:** *Projections completed in Comprehensive Financial Plan (Winter 2004 Update)*

Debt Management Policies

Long-term debt will not be issued to finance current operations.

- **Status:** *None issued to finance current operations*

Debt Service Reserve will be maintained at a minimum of 8% of total outstanding general governmental debt.

- **Status:** *FY 2004-05 11.0%*

Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

- **Status:** *Average weighted life years on CIP bonds: FY 2003-04 15.6 years*

Capital Budget Policies

As required by City Charter, a five-year capital improvements program will be developed and updated annually, including anticipated funding sources.

- **Status:** *FY 2005-06 Annual CIP Budget of \$190.0 million adopted representing the first year of a 5 year, \$580.1 million CIP program*

The City will coordinate development of the capital improvements budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

- **Status:** *Operating and maintenance impact of new capital projects is estimated at \$1.6 million plus an estimated \$11.4 million (\$2.1million Special Purpose, \$5.8 million Enterprise, \$3.4 million General Purpose, and \$126,000 Transportation) in additional debt service. Future operating costs associated with new capital projects have been incorporated into the Comprehensive Financial Plan.*



The City will maintain all its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

- **Status:** *Aggressive capital maintenance program approved in Capital Improvements Program budget, including city facilities rehabilitation, local and major street reconstruction, and neighborhood park improvements*

The City will establish an appropriate mix of bonded debt and pay-as-you-go financing in the funding of capital projects.

Sources of Funds	
(\$ Millions)	FY 2005-06
General Obligation/Excise Tax Bonds	\$102.3
Pay-As-You-Go Financing	13.5
Outside Revenue	49.2
Capital Projects Fund Balance	25.0
Total Sources of Funds	\$190.0

Financial Reserve Policies

The City will continue its healthy financial reserve position. Fund balance coverage for the General Fund will be maintained at a minimum of 25% of General Fund revenue

- **Status:**

Fund Balance FYE 04	Revenue FY 2003-04	Fund Balance Coverage
\$34.2 M	\$127.2 M	26.9%
Estimated Fund Balance FYE 05	Revenue FY 2004-05	Fund Balance Coverage
\$41.2 M	\$131.6 M	31.3%
Estimated Fund Balance FYE 06	Revenue FY 2005-06	Fund Balance Coverage
\$41.2 M	\$138.3 M	29.8%



The City will maintain an unrestricted minimum retained earnings balance of no less than 12 months of anticipated revenue in the Water/Wastewater Fund, and a minimum of 10% and 15% of anticipated revenue in the Solid Waste and Golf funds, respectively.

- **Status:**

	Fund Balance FYE 04	Revenue FY 2003-04	Fund Balance Coverage	Days Coverage
Water/Wastewater	\$67.0 M	\$43.5 M	154.0%	562
Solid Waste	\$1.1 M	\$11.0 M	10.0%	37
Golf	\$0.6 M	\$2.0 M	30.0%	110
	Estimated Fund Balance FYE 05	Revenue FY 2004-05	Fund Balance Coverage	Days Coverage
Water/Wastewater	\$57.7 M	\$44.9 M	128.5%	469
Solid Waste	\$2.5 M	\$12.1 M	20.7%	75
Golf	\$0.5 M	\$2.1 M	23.8%	87
	Estimated Fund Balance FYE 06	Revenue FY 2005-06	Fund Balance Coverage	Days Coverage
Water/Wastewater	\$54.9 M	\$46.0 M	119.3%	436
Solid Waste	\$2.7 M	\$12.8 M	21.1%	77
Golf	\$0.5 M	\$2.1 M	23.8%	87

Self-insurance reserves shall be maintained at a level which, together with purchased insurance policies, adequately indemnify the City's assets.

- **Status:** *FY 2004-05 \$8.8 million in self-insurance reserves*

Financial Reporting Policies

The City's accounting and financial reporting systems will be maintained in conformance with current accepted principles and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

- **Status:** *GFOA Certificate of Achievement for Excellence in Financial Reporting. GFOA Distinguished Budget Presentation Award*

Full disclosure will be provided in the general financial statements and bond representations.

- **Status:** *Notes to the financial statements and official bond statement provide full disclosure*

An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official annual financial statement.

- **Status:** *Unqualified independent audit report*



Financial Stability

Several steps were taken to ensure our continued financial stability amid anticipated reduction of state-shared revenue. These recommendations, listed under the Financial Action Plan in the Comprehensive Financial Plan, include the following:

- Continue **Ad-Hoc Long-Range Budget and Finance Planning Committee** review of city expenditures, sources of revenue, and long-range projections, and propose revisions to the City Council.
- **Long-Range Forecast** was prepared for all funds projecting revenue and expenditures over the next five years.
- Annual review of the **Debt Management Plan and Sizing of Capital Budget to Debt Criteria** led us to limit new General Obligation debt issues to an average of \$14.0 million each year for the next 5 years.
- Building on the **Benchmarking Program**, incorporating recommended benchmarks from the Governmental Accounting Standards Board Service Efforts and Accomplishments Reporting program, International City/County Management Association Performance Measures, and citywide internal and external benchmarking programs to assist in public accountability and continuous improvement in the efficiency, quality, and outcomes of work processes and services.
- Continue citywide **Competitive Analyses** to evaluate and improve service delivery while enhancing accountability to the citizens.
- **Strategic Issues Program** implemented to identify and prioritize key strategic issues, leading to incorporation of recommended corresponding strategies and goals into the budget process.
- **Financial Policy Implementation and Monitoring** continue to refine financial guidelines and the administrative procedures to monitor performance criteria.
- **Expenditure Control** will be directed at slowing growth by means of citywide line item reviews, modified base budget approach, and program sunseting.
- **Limit Midyear Adjustments** which circumvent the normal budget process and pose a risk to careful long-range financial planning.
- Continue efforts in coalition with the League of Arizona Cities and Towns to help **Protect State-Shared Revenue** from legislative changes at the state level.
- **Manage Stability** as effectively as growth has been managed in the past. Financial flexibility, which comes easily during rapid revenue growth periods, must be intentionally constructed through effective decision-making when managing stability.
- **Review Benefits Program** to explore such options as increasing deductibles, requiring greater employee contributions and/or modifying our benefits cafeteria programs.



Council Budget Tenets

- Continue the modified base budget implemented at the start of the budget process, incorporating historical spending patterns, program cost adjustments, and long-range forecasts in the preparation of budget allocation targets, thereby limiting the rate of budgetary growth.
- Continue to evaluate our self-supporting enterprise operations on an annual basis for rate changes.
- Continue to re-examine current programs, re-engineering processes and competitiveness in the City as necessary.
- Continue to identify and address Council's strategic issues.
- Continue periodic budget reviews with the City Council.
- Continue examination of current programs by each department for potential sunseting opportunities.

Fund Summary



Impact of budget decisions on the City's financial position:

The table below gives the estimated Operating and Capital Improvement fund balances for the 2005-06 fiscal year. Beginning balances total \$189.7 million and the ending fund balances are \$160.0 million. The decreases in fund balances are a planned drawdown primarily for "pay-as-you-go" financing. This financing is critical to the City's Capital Improvement Program to fund projects that have the most value to Tempe residents. The Highway User Revenue Fund (HURF) fund balance drawdown is for local and major street renovation and reconstruction and the Transit Fund \$7.7 million transfer out is largely for continued funding for a new light rail system and bus replacements.

Rio Salado's negative fund balance is due to planned drawdowns to fund capital and land purchases. Also, the FY 05-06 estimated shortfall will be absorbed by the Rio Salado and Community Facilities District reserve which has a current balance of \$8,759,029, this is a designated reserve for the special district.

The Cemetery is a new fund, whose cost recovery will not be seen until next fiscal year with the completion of the City's mausoleum. The FY 05-06 shortfall will be absorbed by an interfund loan.

FY 2005-06								
Fund	Estimated Fund Balance 7/1/05	Revenue ¹	Total Financial Resources	Budgeted Expend. ²	Adjusted Financial Resources	Interfund In	Transfer (Out)	Estimated Fund Balance 6/30/06
General	\$41,167,650	\$138,273,504	\$179,441,154	\$138,273,504	\$41,167,650			\$41,167,650
Special Revenue:								
HURF/LTAF	9,152,382	14,324,497	23,476,879	8,656,870	14,820,009		(7,204,283)	7,615,726
CDBG/Section 8		11,731,640	11,731,640	11,731,640	11,731,640			
Rio Salado		735,500	735,500	1,551,834	(816,334)			(816,334)
Performing Arts	14,348,911	5,881,072	20,229,983	6,868,730	13,361,253			13,361,253
Transit	24,751,214	37,922,748	62,673,962	31,118,922	31,555,040		(7,742,077)	23,812,963
Debt Service	12,939,224	17,384,026	30,323,250	17,498,441	12,824,809	3,700,000	(1,237,750)	15,287,059
Enterprise:								
Cemetery		127,628	127,628	290,248	(162,620)			(162,620)
Golf	537,463	2,073,194	2,610,657	2,071,538	539,119			539,119
Solid Waste	2,507,367	12,809,949	15,317,316	12,602,968	2,714,348			2,714,348
Water/Wastewater	57,695,498	45,953,569	103,649,067	47,720,279	55,928,788		(1,000,007)	54,928,781
TOTAL OPERATING	163,099,709	287,217,327	450,317,036	278,384,974	171,932,062	3,700,000	(17,184,117)	158,447,945
Capital Improvements	26,593,567	151,451,095	178,044,662	189,971,703	(11,927,041)	13,484,117		1,557,076
TOTAL FUNDS	\$189,693,276	\$438,668,422	\$628,361,698	\$468,356,677	\$160,005,021	\$17,184,117	\$(17,184,117)	\$160,005,021

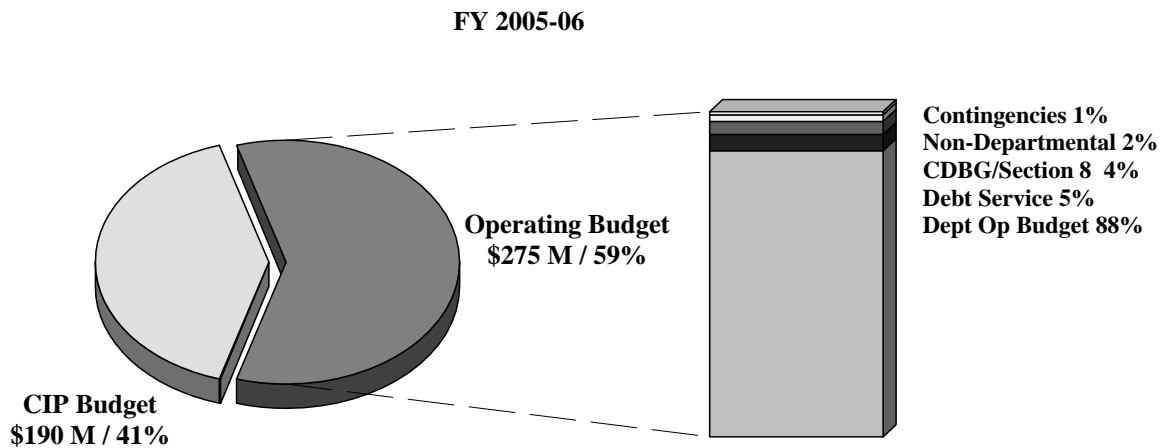
Notes:

- 1) Revenue is net of Capital Improvement fund balances
- 2) Expenditures include a transfer to Community Facilities District

Total Financial Program



The total financial program adopted for FY 2005-06 is \$465 million, representing a 6.3% increase from the FY 2004-05 total financial program. The FY 2005-06 amount includes an Operating Budget of \$275 million and a \$190 million Capital Budget. The operating budget growth of 5.8% in FY 2005-06 is related primarily to an increase in funding for employee compensation, healthcare, retirement contributions, and additional capital. The 7.3% increase in the Capital Budget is largely attributed to the construction of the Performing Arts Center, Central Phoenix and East Valley Light Rail Transit and Water/Wastewater plant expansion.



Total Financial Program		
	FY 2004-05	FY 2005-06
OPERATING BUDGET		
Departmental Operating Budget	\$227,680,037	\$239,908,385
Debt Service	13,478,666	14,411,213
Non-Departmental	4,321,834	6,158,296
Contingencies	3,145,518	3,088,212
CDBG/Section 8 Housing	11,505,463	11,731,640
TOTAL OPERATING BUDGET	\$260,131,518	\$275,297,746
TOTAL CAPITAL BUDGET	\$176,983,222	\$189,971,703
TOTAL FINANCIAL PROGRAM	\$437,114,740	\$465,269,449

Financial Program Summary



The following tables summarize the revenue, expenditures and beginning fund balances for the City's Financial Program in fiscal year 2005-06.

FY 04-05 FUND BALANCES			
General	\$41,167,650	Debt Service	\$12,939,224
HURF/LTAF	9,152,382	Cemetery	0
CDBG	0	Golf	537,463
/Section 8			
Rio Salado	0	Solid Waste	2,507,367
Performing Arts	14,348,911	Water/Wastewater	57,695,498
Transit	24,751,214	Capital	26,593,567

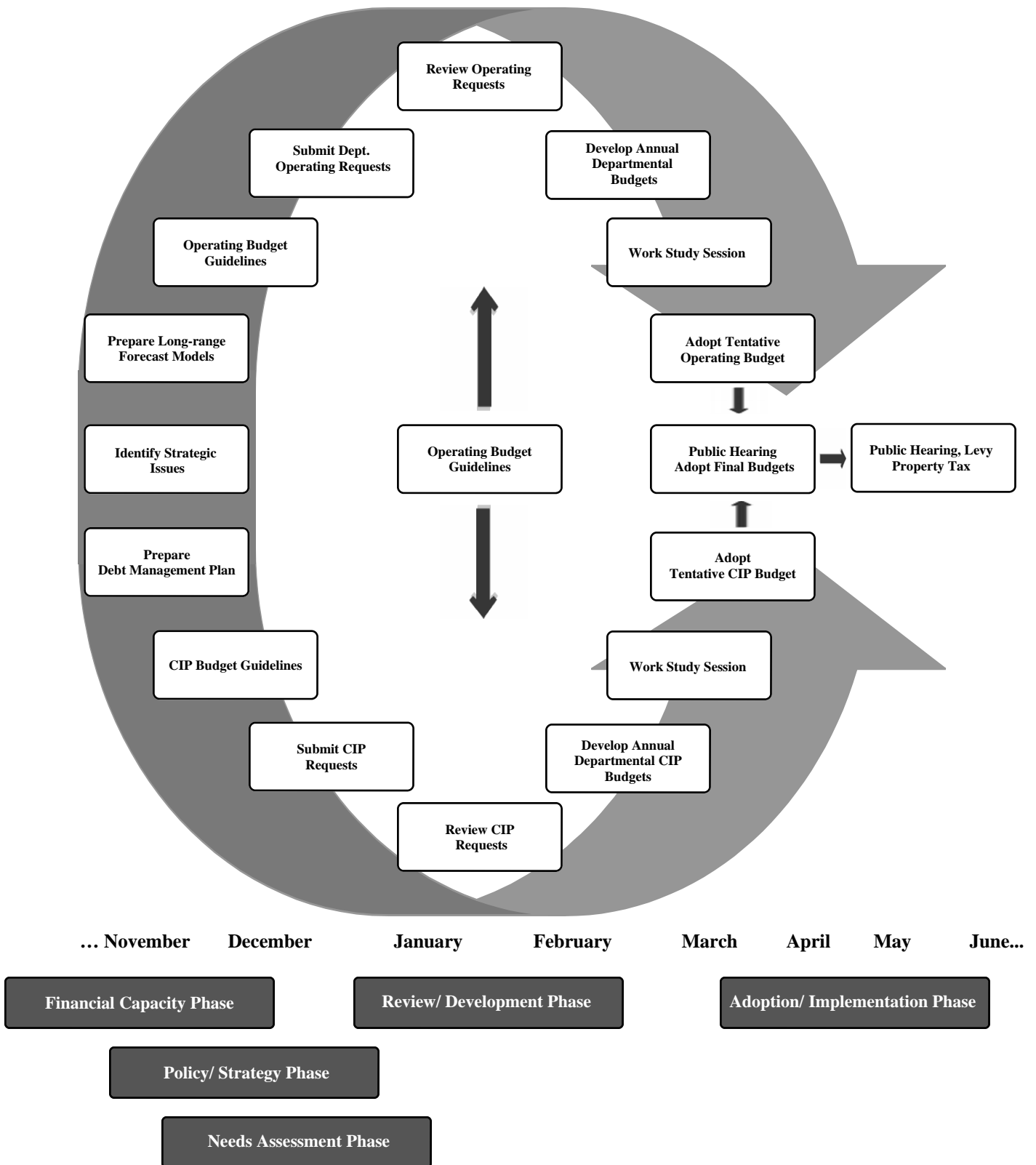
FY 05-06 REVENUE	
Operating Revenue	
General Governmental	
Local Taxes/Licenses	\$98,221,427
Intergovernmental	38,239,707
Charges for Services	7,477,396
Interest	3,569,155
Fines & Forfeitures	6,012,750
Other	2,137,095
Special Revenue	
Transit	37,922,748
HURF	13,789,041
CDBG/Section 8	11,731,640
Performing Arts	5,881,072
Rio Salado	735,500
Lottery Funds	535,456
Enterprise	
Water/Wastewater	45,953,569
Solid Waste	12,809,949
Golf	2,073,194
Cemetery	127,628
Subtotal Operating Revenue	\$287,217,327
Capital Revenue	
Bonds	
Water/Wastewater	50,598,544
Excise	33,678,912
Tax-Supported General Obligation	18,024,605
CIP Outside Revenue	
Federal Funds	47,649,034
Development Fees	1,500,000
Other	26,601,027
Subtotal Capital Revenue	\$178,052,122
TOTAL PROGRAM	\$465,269,449

FY 05-06 EXPENDITURES	
Operating Budget	
General Governmental	
Public Safety	\$75,890,227
General Services	25,166,159
Community Services	25,451,975
Development Services	9,484,537
Debt Service	14,411,213
Environmental Health	430,606
Enterprise	
Water/Wastewater	47,720,279
Solid Waste	12,602,968
Golf	2,071,538
Cemetery	290,248
Special Revenue	
Transit Tax	31,118,922
Highway User	8,656,870
Section 8	8,882,632
CDBG	2,849,008
Rio Salado	1,551,834
Performing Arts	6,868,730
Subtotal Operating Budget	\$275,297,746
Capital Budget	
General Purpose	
General Government	\$2,871,146
Park Improvements	11,110,000
Police	14,107,614
Storm Drains	3,640,000
Enterprise	
Water	17,396,000
Wastewater	42,064,688
Golf	50,000
Cemetery	1,400,000
Transportation	
Transportation & Right-of-Way	6,043,480
Street Lighting & Traffic Signals	945,000
Special Purpose	
Transit	67,475,773
Rio Salado	99,090
Performing Arts	22,228,912
Subtotal Capital Budget	\$189,971,703
TOTAL PROGRAM	\$465,269,449

Budget Process Flowchart



The following flowchart depicts the City of Tempe’s Annual Budget process and timeline.





Budget Process Overview

Budget preparation allows departments the opportunity to reassess goals and objectives and the means for accomplishing them. Even though the budget is heard by the Mayor and Council in May and adopted in June, its preparation begins at least six months prior with projections of City reserves, revenue, expenditure limit requirements, and financial capacity. It is with this "groundwork" that departmental expenditure requests are made and subsequently reviewed.

- **Financial Capacity Phase**

Forecasting is an integral part of our decision-making process. Both long-range and short-range projections are prepared. The City's Comprehensive Financial Plan is updated annually to assess our current financial condition and future financial capacity, given our long-range plans and objectives. A five-year financial forecast is prepared for each major fund, projecting both expenditures and revenue. As a part of this phase, alternative scenarios are examined for their fiscal impact on each respective fund.

Concurrent with the Comprehensive Financial Plan is the update of the Debt Management Plan, which provides a ten-year view of the City's debt capacity. This planning process gauges the capacity to incur debt in the upcoming Capital Improvement Program given the City's Financial Policy guidelines.

- **Policy/Strategy Phase**

The Council's goals and directives set the tone for the development of the budget. In fact, shortly after the budget is adopted, the Council meets to identify strategic priorities, issues, and projects impacting the next fiscal year budget. The Council identifies key strategic issues that will provide the direction and framework for the budget. It is within this general framework that departments' supplemental requests are formulated. Aside from the Council's own objectives, the

departments identify and discuss their own policy issues with the City Manager.

Presentations by Budget Office staff at "budget kickoff" meetings include a discussion of citywide goals and objectives, budgeting guidelines for the operating and capital budgets, timelines, an overview of fiscal constraints, and resources available for allocation. The Budget Manual distributed at these meetings is designed to assist the departments in preparing all budget requests and forms.

- **Needs Assessment Phase**

The departments have an opportunity to assess current conditions, programs, and needs. Examination of current departmental programs or positions for possible trade-offs, reduction, or elimination is strongly suggested. During this phase, departments are encouraged to thoroughly review all programs and services, assessing their value and priority to the citizens of Tempe. Additionally, departments reassess service level standards and workload indicators. They then attempt to provide the "best fit" of resource allocation with service and workload estimates. From this process, they prepare preliminary departmental budgets.

- **Review/Development Phase**

Within the framework of the City's financial capacity, Council and City Manager priorities and departmental needs assessments, budget requests are reviewed and a preliminary Citywide operating budget takes shape. The departments initially prepare and submit base budget worksheets reflecting allocation targets. The amount of the allocation is based on the department's prior year budget.

Supplemental requests are evaluated and the budget is presented at various levels: (1) base budget level, and (2) recommended level providing monies to implement new programs or expand existing City programs.



- **Adoption/Implementation Phase**

Prior to May 1, the City Manager submits to the Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

The property tax levy must be adopted by the 3rd Monday in August. State law requires cities and towns with property taxes to adopt their tax rates annually, even though a jurisdiction may operate on a biennial budget.

At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency.

Management control of the budget is maintained by conducting monthly budget performance reviews throughout the fiscal year. They are aimed at examining expenditure patterns, and recommending corrective action to be taken during the year.

Additionally, records are maintained to evaluate ongoing programs and services.

- **Budget Roles and Responsibilities**

Every employee plays a role in budgeting, be it formulation, preparation, implementation, administration, or evaluation. Ultimately, of course, the department head, through the City Manager, is accountable to the City Council for the performance of departmental personnel in meeting specific objectives within allocation resource limits.

Actual budget preparation responsibility can be identified more specifically:

1. The program **cost center manager** is responsible for (a) preparing cost estimates for the remainder of the current fiscal year; (b) projecting base budget requirements for the next year; and (c) developing other requests that change or revise the program so that it will be more

effective, efficient, productive and economical.

2. The **department manager** and the **division administrator** are responsible for reviewing, modifying and assembling their cost center data into a departmental request package. Department heads should critically evaluate departmental objectives and prioritize requests.

The preparation of budget requests, goals and objectives should coincide with the strategic issues set forth by the Council.

3. **Internal Service Areas** (Fleet and Information Technology Areas) will contact each department to coordinate the initial needs assessment, cost estimates, and recommendations. Replacement equipment (i.e. vehicles, hardware/software and communication equipment) will be submitted to the Budget Office by the Internal Service areas. Any new equipment required by the departments should reflect the cost estimates and recommendations from the Internal Services areas and submitted by the departments. Final review and recommendations for hardware/software and communication equipment will be the result of evaluating priorities within the departmental budget team process.

4. The **Budget Administrator and Analysts** within the Financial Services Department are responsible for (a) preparing short and long-range revenue and expenditure forecasts, (b) assisting departments as requested in the preparation of supplemental requests, (c) analyzing supplemental requests and presenting that analysis to the Budget Team (Department Managers and the Financial Services Manager), and (d) reviewing the linkage between budget requests and the City's strategic issues.

5. The **Budget Team** consisting of the Department Managers is responsible for



reviewing departmental operating requests within the context of a set of evaluation criteria and preparing a recommended budget for review by the City Manager.

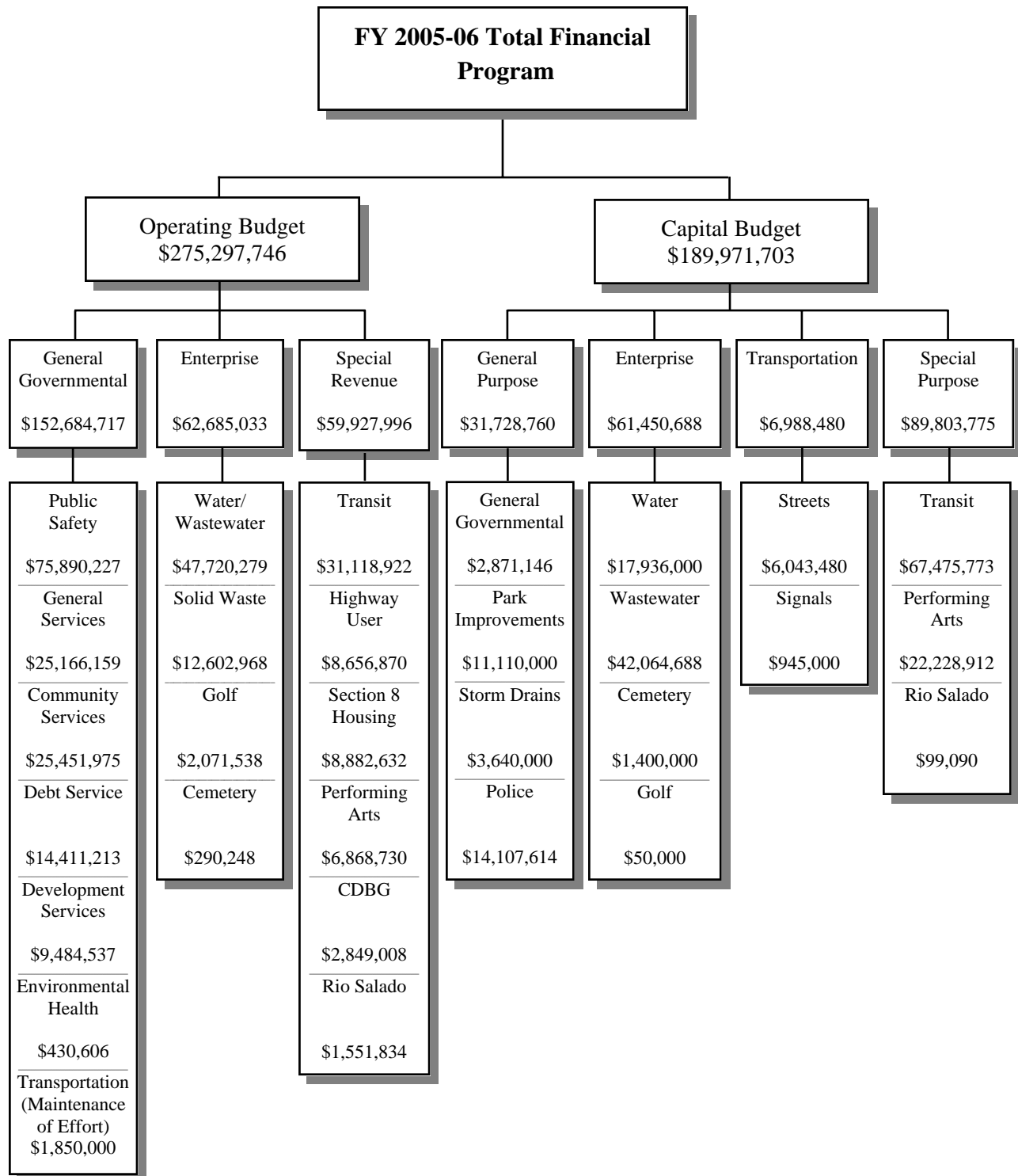
6. **The Capital Improvement Program Executive Committee** reviews program scopes, cost estimates and funding sources of CIP requests and prepares a recommended CIP budget for review by the City Manager.
7. The **City Council** is responsible for the review of the City Manager's tentative budget and approval of a final budget.
8. **Transfer of Appropriations;** At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency. Upon written request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another (**Section 5.08, City of Tempe Charter**).
9. **Mid-Year Program/ Personnel Adjustment Request;** Should the need arise for additional personnel or program enhancements during the fiscal year to meet some unforeseen need, a mid-year program/personnel request is submitted to the Budget Office for a needs assessment and fiscal impact review. If, after evaluation, the request is approved and involves either additional personnel or the abolition of a position(s), the request is forwarded to either the relevant Council Committee or full Council with recommended action.
10. **Budget Transfers;** The department should process a budget transfer request form anytime a shortfall is anticipated in a departmental subtotal budget. Budget transfers are not necessary to address a shortfall within summary account groups

as long as sufficient monies are available in the subtotal departmental budget. The subtotal budget includes salaries and wages, fringe benefits, materials and supplies, fees and services, travel and other expenses, contributions, and capital outlay, and excludes internal services.

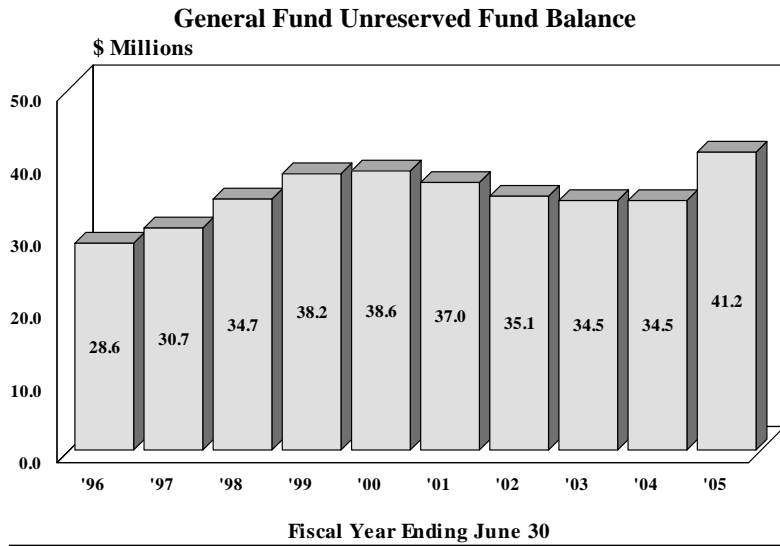
Only as a last resort are contingency monies used to fund a shortfall. Alternative courses of action should be sought before contingency monies will be considered. Purchase orders and requisitions will be held until the budget shortfall is addressed.

11. **Permission to Exceed Budget;** In the event of an emergency, the Council may seek permission from the State Board of Tax Appeals (previously State Tax Commission) to exceed the adopted budget (**Section 5.09, City of Tempe Charter**).

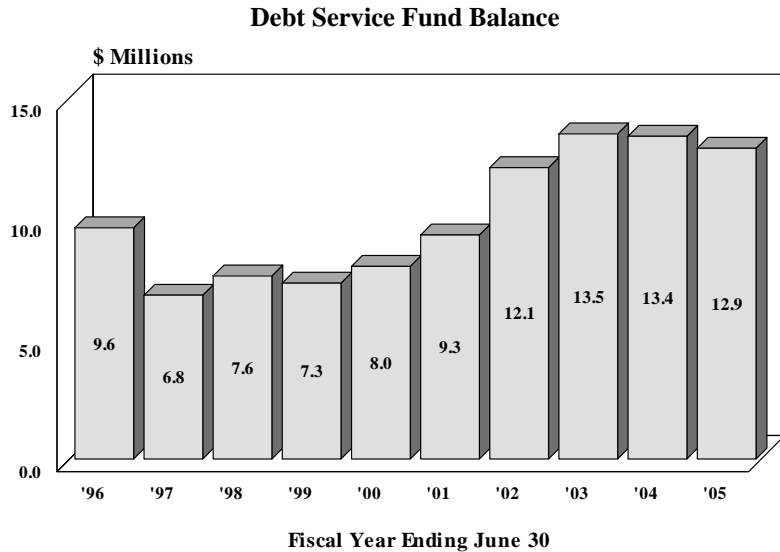
Components of Total Financial Program



General Governmental Funds: Ten Year Fund Balance Trends

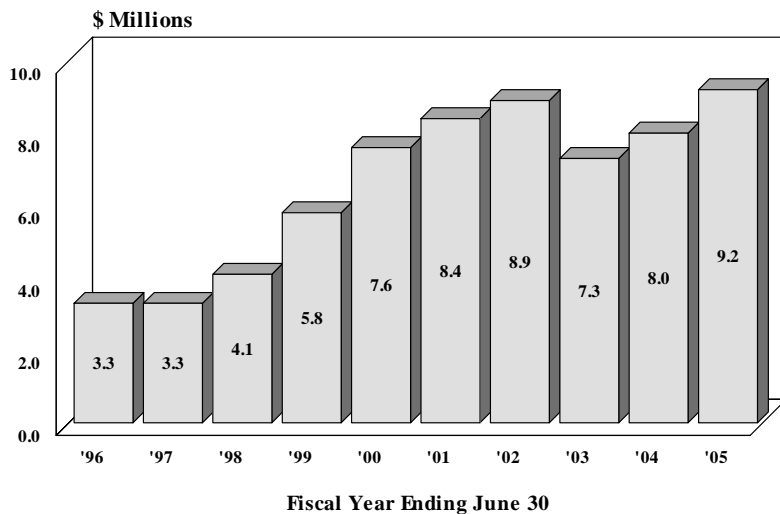


Over the ten year period, fund balances in the General Fund have been maintained at the financial policy guideline of 25% of revenue. At FYE 2005, the General Fund unreserved fund balance is estimated at \$41.2 million. This projected 19% increase is a result of sales tax and intergovernmental revenue growth which is consistent with the national economic turnaround.



The Debt Service reserve was established a number of years ago to address increasing debt service payments without impacting future operating budgets. As part of the City's debt strategy, planned draw-downs of debt reserves will occur over the next several years.

Highway User Revenue/Local Transportation Assistance Fund Balances

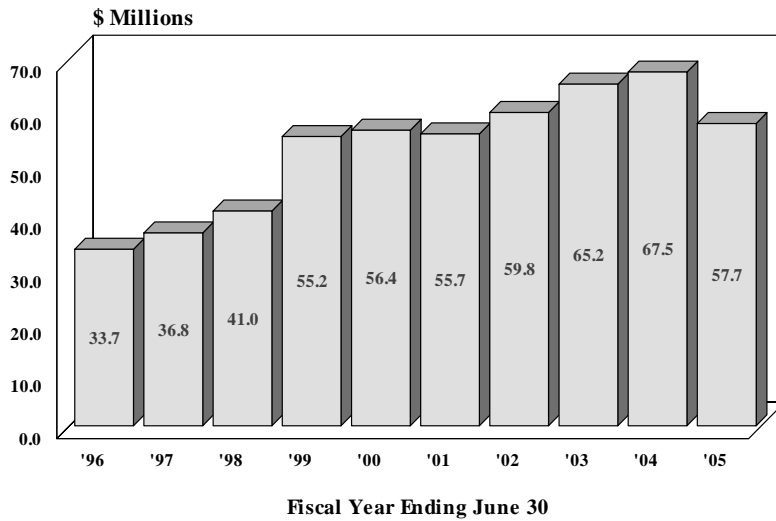


Planned drawdowns used to fund street infrastructure projects have contributed to the inconsistent trend in fund balances. Concurrently, state-shared revenue has grown at a modest pace, allowing the fund balance to rebound to a healthy level.

Enterprise Funds: Ten Year Fund Balance Trends

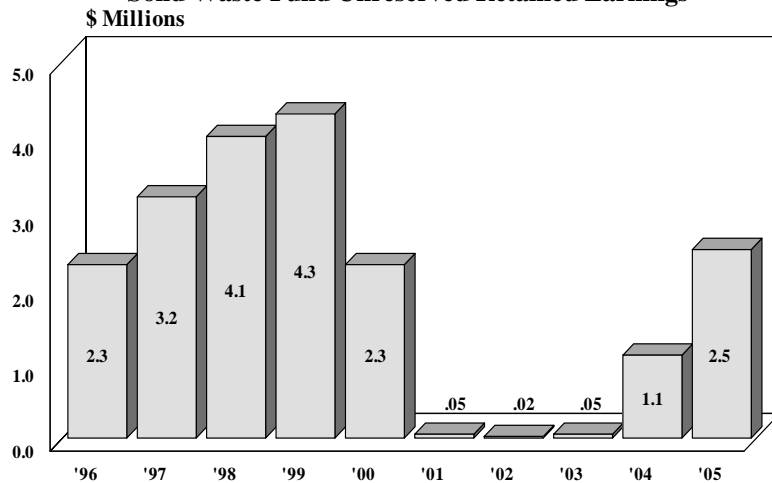


Water/Wastewater Fund Unreserved Retained Earnings



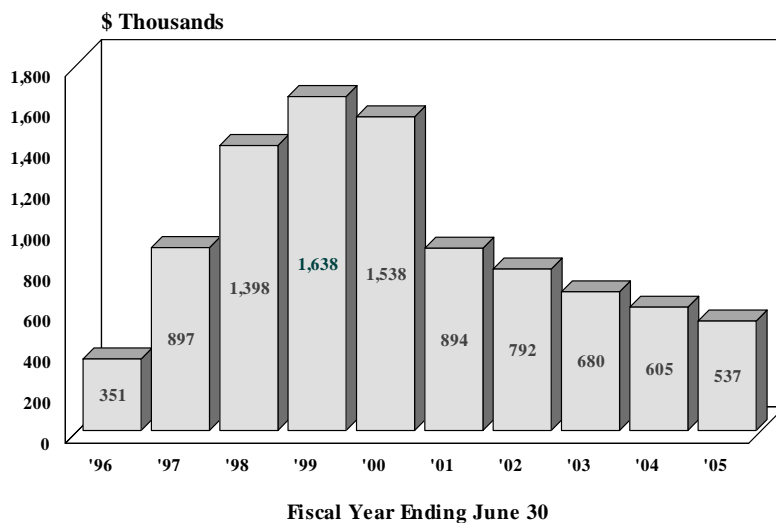
The large increase in FY 1998-99 is due to the reduction of an asset replacement reserve resulting in increased unreserved retained earnings. In FY 2004-05, a planned drawdown for pay-as-you-go financing of capital improvement projects was implemented. This reduction did not jeopardize the level of retained earnings, which is maintained at a level equal to one year of operating revenue. This is consistent with the City's Financial Policy.

Solid Waste Fund Unreserved Retained Earnings



A planned drawdown of unreserved retained earnings began in FY 1999-00, which resulted in the reserve's depletion to \$20,000 in FY 2001-02. A policy change increasing the fund's balance reserve target to 10% of annual revenue was instituted in 2004. In November 2005, a fee increase was implemented which has helped the fund restore its balance and meet the new financial guideline.

Golf Unreserved Retained Earnings



Expense growth has outpaced revenue growth since FY 1999-00, leading to a steady decline in reserves. Based on the Long-Range Forecast, this trend is not expected to reverse itself under the current operating plan. Therefore, a comprehensive study of Golf operations is ongoing.



The citywide operating budget for FY 2005-06 totals \$275.3 million. This operating budget amount represents growth of 5.8% from the prior fiscal year. This amount includes \$11.7 million for Community Development Block Grant and Section 8 Housing grant funding. The number of full-time employees for FY 2005-06 totals 1,693 which represents a 2.9% increase from the prior year. These additional positions were for community service, water utility, and public safety programs.

General Fund appropriations increased by 10.2%. This reflects funding for retirement and benefit inflationary adjustments.

◆ **General Fund**

Fund Structure Description

The General Fund is the general operating fund of the City and is used to account for all financial activity not reflected in another fund.

Revenue Structure

Major revenue sources are: Local Sales Taxes, Intergovernmental Revenue, Charges for Services, Property Taxes, Fines and Forfeitures and All Other.

The following table depicts the major revenue sources as a percentage of General Fund revenue. Local Sales Taxes and Intergovernmental revenue represent the two major revenue sources in the General Fund. Together they comprise 78.2% or \$108.1 million of the total \$138.3 million FY 2005-06 General Fund revenue.

Major Revenue Sources	FY 2005-06
Local Taxes	50.6%
Intergovernmental	27.6%
All Other	5.2%
Charges for Services	5.5%
Property Tax	6.8%
Fines & Forfeitures	4.3%

■ **Local Taxes**

Local sales tax revenue is estimated at \$69.8 million in FY 2005-06. Local sales taxes are derived from a 1.2% City sales tax, while the overall tax rate is 1.8% . The remaining 0.6% is restricted to transit and performing arts purposes and is reflected in their respective funds.

Over half of the sales tax revenue comes from retail sales, with the remainder collected primarily from rental payments, utility and telecommunication payments, restaurant and bar sales and contracting sales.

Tempe's single largest revenue source is highly responsive to changes in economic activity. As the national economy has recovered from the 2001-03 national downturn, so too has the City. For FY 2005-06, sales tax collections are estimated at their highest level to date.

■ **Intergovernmental Revenue**

Revenue in this category is derived from three sources of state-levied revenue sharing: state sales tax, state income tax, and vehicle license taxes. Intergovernmental revenue represents \$38.2 million or 27.6% in FY 2005-06 of total General Fund revenue.

The primary allocation basis for state revenue sharing is each city or town's relative share of the population of all incorporated cities and towns in Arizona. The allocations are based on the most recently completed United States Census.

State sales tax

State sales tax distributions are estimated at \$15.3 million in FY 2005-06. Tempe's allocation is based on its share of total statewide incorporated population (currently 4.0%). The size of the overall pool of funding available for distribution is based on state statute, which provides for the allocation of 8.9% of transaction privilege (sales) tax revenue to cities and towns. The total statewide sales tax pool is estimated to be \$398.0 million.

State income tax

Total estimated state-shared income tax revenue



to be distributed to Arizona cities and towns is estimated at \$421.9 million. Tempe’s share in FY 2005-06 is estimated at \$16.6 million.

Vehicle license tax

The remaining state-shared revenue of \$6.1 million is from vehicle license taxes. Of the net revenue collected for the licensing of motor vehicles by a county, 25% is distributed to incorporated towns and cities within the county. Tempe’s share of the vehicle license tax collections is based on its population in relation to the total incorporated population of the county.

■ **Charges for Services**

Charges for services remained stable at \$7.5 million in FY 2005-06. Of this amount, recreation and social services programs contribute \$5.0 million and development-related charges for building and trade permits, planning and zoning fees, and engineering fees account for \$2.5 million. By Council policy, recreation and social service programs operate on a full or partial cost recovery basis.

■ **Property Tax**

Tempe’s property tax rate is \$1.40 per \$100 of assessed valuation, consisting of a primary tax rate of \$0.52 per \$100 of assessed valuation and a secondary tax rate of \$0.88 per \$100 of assessed valuation. Only the primary levy goes to the General Fund. While there is no restriction on its usage, the primary levy is limited by state law to a 2% annual increase plus any amount generated by new construction. The primary levy is estimated at \$9.3 million in FY 2005-06.

■ **Fines and Forfeitures**

Fines and Forfeitures represent \$6.0 million in FY 2005-06. Traffic Fines represent \$1.4 million or 25.3% of total fines collected. Rounding out the fines and forfeiture revenue sources is defensive driving school fees, parking fines, and criminal fines, along with delinquent collections and default penalties.

■ **All Other**

Other General Fund revenue sources include Interest Income, Transient Lodging (Hotel/Motel Bed) Tax, Franchise Fees, Licenses and Permits, the Salt River Project Payment In-Lieu of Property Taxes, and other miscellaneous revenue. These sources contribute \$2.1 million or 5.2% of General Fund revenue in FY 2005-06.

Expenditure Structure

The General Fund operating budget for FY 2005-06 totals \$138.3 million. Major expenditure categories are: Personal Services, Fees and Services, Materials and Supplies, Capital Outlay, and All Other.

The following table depicts the major expenditure categories as a percentage of total appropriations.

Major Expenditure Categories	FY 2005-06
Personal Services	78.6%
Fees and Services	13.4%
Materials and Supplies	5.2%
Capital Outlay/All Other	2.8%

The General Fund consists of all City operations with the exception of Enterprise Fund operations (Water, Solid Waste, Cemetery and Golf), Transportation (LTAF and HURF), Transit, Rio Salado, Performing Arts and Debt Service.

For FY 2005-06, Personal Services (salaries, wages and benefits) account for \$108.7 million or 78.6% of the total General Fund operating budget. The remaining appropriations consist of \$18.6 million or 13.4% for Fees and Services, \$7.2 million or 5.2% for Materials and Supplies, and 2.8% for Capital Outlay and All Other.

■ **Personal Services**

Since the majority of City personnel, and major functions of city government, are supported by the General Fund, it is not surprising that salaries and wages represent such a significant proportion of total expenditures. Salaries and



wages account for \$82.9 million, or 78.6% of the \$138.3 million General Fund operating budget for FY 2005-06. Personal Services will continue to represent the major portion of fund expenditures regardless of any policy changes over the next five years. Fringe Benefits represent \$25.8 million of the total Personal Services budget for FY 2005-06.

■ **Fees and Services**

Fees and Services expenditures comprise 13.4% of the FY 2005-06 General Fund appropriations. The largest portion of this expenditure category is for contracted services, accounting for 20.4% of total Fees and Services. Contracted services make up an increasing share of Fees and Services costs due in part to the City’s practice of contracting for services rather than adding personnel. Utilities (electricity, water, solid waste, and sewer) comprise the second largest share at 17.5% of total Fees and Services.

Unlike most of the Fees and Services accounts, utility expenses are expected to increase somewhat higher than inflation. Other major Fees and Services expenditures for FY 2005-06 include software maintenance agreements (6.5%), equipment rental and repair (4.9%), computer refresh (6.8%), and county jail costs (7.6%).

■ **Materials and Supplies**

Totaling \$7.2 million in FY 2005-06, expenditures for Materials and Supplies account for 5.2% of the General Fund operating budget. Of these expenditures, 14% is derived from motor vehicle parts, fuels, and lubricants. The remainder is for library books, clothing allowances, general office supplies, minor equipment, and miscellaneous supplies. Increases in Materials and Supplies over the next five years are expected to be driven largely by inflation.

■ **Capital Outlay/All Other**

Capital Outlay expenditures account for \$2.3 million or 2.8% of the total General Fund operating budget in FY 2005-06. These monies fund new and replacement equipment, of which automobile and truck purchases constitute the largest portion at 83.1% of total Capital Outlay.

Other major items in the Capital Outlay category include radios, turf maintenance equipment and computer equipment. Within the All Other category are amounts for contingencies, travel, contributions to community service organizations and the local convention and visitors bureau, and payment to Maricopa County for animal control services.

◆ **Program Budget Summary**

The following section describes the allocation of funding for the major functional, or program areas of Tempe city government. The General Fund budget for FY 2005-06 totals \$138.3 million, an increase of 10.2% over the prior year. The majority of General Fund spending growth is related to inflationary increases in employment compensation, retirement contributions and health benefits.

Major Services

The General Fund consists of the following major functions:

- General Services
- Development Services
- Public Safety
- Community Services
- Environmental Health
- Maintenance of Effort

Program	FY 2005-06
General Services	\$25,166,159
Development Services	9,484,537
Public Safety	75,890,227
Community Services	25,451,975
Environmental Health	430,606
Transportation	1,850,000
Total	\$138,273,504

■ **General Services Program**

General Services operating appropriations account for 18.2% of the General Fund budget in FY 2005-06. This area includes appropriations for Mayor and Council, City Manager, City Clerk, Human Resources, City Attorney, Fleet Services, Information Technology, Financial



Services, and other departments. Funding for General Services increased to \$25.2 million in FY 2005-06, a 1.7% increase over FY 2004-05.

■ **Development Services Program**

Approximately 6.9% of the General Fund operating appropriations are earmarked for Development Services. This program area includes the Development Services and Community Development departments, as well as the Public Works engineering division. The FY 2005-06 budget represents a \$278,087 increase from FY 2004-05.

■ **Public Safety Program**

Public Safety continues to represent the largest appropriations area, accounting for 54.9% or \$78.9 million of the General Fund operating budget in FY 2005-06. It includes appropriations for Police, Fire, and City Court. Increases in the Public Safety program are driven by additional temporary positions, public safety retirement plan contributions and benefits. Public Safety developed a personnel succession plan to address retirement of sworn personnel, which resulted in a temporary increase of 4 Police Officers and 12 Firefighters.

■ **Community Services**

This area consists of all Community Services divisions (Parks and Recreation, Library, Social Services, Cultural Services and Historical Museum, Cemetery), along with Parks Maintenance, Baseball Facilities, and Facility Services. General Fund appropriations for Community Services represent 18.4% or \$25.5 million in FY 2005-06.

■ **Environmental Health Program**

With most of our Environmental Health appropriations residing in the Enterprise Funds, this area represents just 0.03% of the FY 2005-06 General Fund appropriations. Inflation is the primary driver of increases in this area.

■ **Maintenance of Effort**

This transfer of local revenue funding fulfills a statutory requirement to maintain expenditures for streets with locally generated revenue. This

obligation was suspended from FY 2002-03 through FY 2004-05 by the State Legislature in response to the revenue slowdown experienced by cities within Arizona.

Transit Fund

Fund Structure Description

The Transit Fund is a Special Revenue fund established to account for the receipt and expenditure of the City's transit tax and the one-third commitment of Lottery proceeds for mass transit.

Major Services

This fund provides the following Transit related functions:

- Planning and Design
- Operations
- Procurement
- Community Outreach and Marketing

Revenue Structure

Transit Fund revenue comes primarily from a ½ cent City sales tax to fund transit improvements and a one-third commitment of state Lottery proceeds dedicated for mass transit.

■ **Transit Tax**

On September 10, 1996, the citizens of Tempe approved a ½ cent increase in the City sales tax to fund transit improvements. Proposition 400 limited the expenditure of the additional sales tax to improvements such as additional bus routes, alternative fuel buses, bus pullouts, and light rail. For FY 2005-06, the transit tax is expected to generate \$28.0 million in revenue, or 73.8% of total Transit Fund revenue.

■ **Lottery Proceeds**

Per state statute (Arizona Revised Statutes §28-2502 (F)), a municipality with a population of 60,000 or more persons is required to spend one-



third of its local transportation monies for public transportation each fiscal year. Total Lottery proceeds to the City are expected to be \$799,186 in FY 2005-06. This represents a slight decrease from the prior fiscal year, a trend that is likely to continue as Tempe's population growth rate remains below those of other cities. The decrease in total Lottery proceeds translates into a gradual decline in the one-third commitment of Lottery monies available for public transportation. The commitment is estimated at \$263,730 for FY 2005-06.

Expenditure Structure

The Transit Fund includes all personnel in Transit Administration, Transit Operations, Transit Store and Bus Stop Maintenance. Major expenditures in the Transit Fund include: Fees and Services, Internal Services, Capital Outlay/All Other, Personal Services and Contingency.

The following table depicts the major expenditure categories as a percentage of the total transit budget.

Major Expenditure Categories	FY 2005-06
Fees and Services	60.1%
Internal Services	22.5%
Capital Outlay/All Other	10.2%
Personal Services	6.0%
Contingency	1.2%

■ Fees and Services

The largest expenditure in the Transit Fund is for Fees and Services, specifically funding for local and City of Phoenix transit routes and Dial-A-Ride services. In FY 2005-06, Fees and Services are estimated to account for \$23.4 million or 60.1% of the Transit Fund operating budget.

■ Internal Services

Indirect cost allocations to the Transit Fund account for 22.5% or \$8,751,331 of the FY 2005-06 budget. This amount represents the Transit Fund's share of certain administrative costs funded by the General Fund.

■ Capital Outlay/All Other

Within this category are budgeted amounts for capital outlay, debt service, travel and other contributions. Debt service represents 97% of these expenditures in FY 2005-06.

■ Personal Services

Personal Services account for 6.0%, or \$2,335,301 of the total FY 2005-06 budget.

■ Contingency

The contingency account will remain constant at \$449,232. This amount represents 1.2% of the budget in FY 2005-06. This funding has been set aside for vehicle replacement and unanticipated expenses.

■ Capital Projects

Although not a part of the operating budget, funding for capital projects constitutes a significant portion of the total financial program in Transit. A large portion of each year's operating surplus forecast here will be applied towards new and replacement buses, a new Transit Center, light rail construction and other related capital projects.

◆ Transportation Funds

Fund Structure Description

The Highway User Revenue Fund (HURF) and the Local Transportation Assistance Fund (LTAF) are Special Revenue funds that comprise the City's Transportation funds. They have been established to account for the receipt and expenditure of Tempe's allocation of state-shared Highway User taxes and state Lottery funds.

Major Services

- Street Maintenance
- Traffic Operations
- Street Lighting and Signal Systems

Revenue Structure

Transportation revenue is derived primarily (83.2% in FY 2005-06) from state-shared



Highway User taxes. State Lottery proceeds account for 3.7% increase in FY 2005-06.

■ Highway User Tax

Highway User revenue comes primarily (55%) from the \$0.18 per gallon fuel tax levied by the state, with the remainder from motor carrier fees (16%), vehicle license taxes (14%), vehicle registration fees (11%), and other transportation-related fees (4%). Estimates for the total pool of HURF revenue to be shared by cities will be \$338.3 million in FY 2005-06, with Tempe’s share at \$11.9 million. Experience has shown, however, that state projections for HURF revenue have not proven reliable. In short, HURF revenue is subject to state policy changes, fuel sales, and population growth, all factors beyond the City’s control. Pursuant to state statute, HURF monies can be used only for street and highway purposes, including right-of-way acquisition, construction, reconstruction, maintenance in the public right-of-way, and payment of debt service on highway and street bonds. HURF funds may not be used for transit or law enforcement programs. The outlook for HURF revenue is for gradually declining distributions to Tempe as our relative share of total statewide population falls.

■ Lottery Proceeds

Lottery proceeds (Local Transportation assistance Fund or LTAF), including Powerball revenue, are expected to be \$799,186 in FY 2005-06, representing a slight decrease, a trend that is likely to continue as long as Tempe’s population growth remains below that of other cities. The distribution of Lottery funds is based on population, with all cities and towns receiving at least \$10,000. A \$20.5 million minimum total distribution pool is guaranteed to cities and towns. State law limits the distribution pool to a maximum of \$23 million.

Cities benefit from Powerball revenue only after a minimum amount of receipts are first collected by the state. Pursuant to state law, after the state Lottery director determines that deposits to the state general fund from all Lottery revenue have reached \$31 million, a maximum of \$18 million is to be paid to the LTAF from Powerball revenue

for distribution to cities, towns and counties. The \$18 million statewide pool is divided into county pools based on each county’s market share of Lottery ticket sales. Actual distributions to cities and towns are based on their share of the incorporated population within the county.

Generally, proceeds can be used only for street and highway projects such as construction or reconstruction in the public right-of-way. However, for cities in counties with populations of 1,200,000 persons or more, 1/3 must be allocated to public transit (A.R.S. §28-2502 (F)). Thus, the forecast reflects the transfer of funds from Transportation funds to the Transit Fund.

■ Maintenance of Effort

In addition to state-shared revenue sources, Transportation derives its remaining revenue from a “Maintenance of Effort” transfer from the General Fund. This transfer of locally-generated funds fulfills the statutory requirement placed on Arizona cities to maintain the expenditure of local revenue for streets at a level computed as an average of local funds expended for any four of the fiscal years 1981-82 through 1985-86. This obligation was suspended from FY 2002-03 through FY 2004-05 by the State Legislature in response to a revenue slowdown experienced by cities within Arizona. This transfer requirement resumes in FY 2005-06.

Expenditure Structure

Transportation funds include all personnel in the Street Maintenance and Traffic Operations Divisions. Major budgeted expenditures for the Transportation funds include: Personal Services, Internal Services, Utilities, Materials and Supplies, Fees and Services, and All Other.

Major Expenditure Categories	FY 2005-06
Personal Services	47.3%
Internal Services	23.6%
Utilities	12.4%
Materials and Supplies	5.4%
Fees and Services	5.1%
All Other	6.2%



■ **Personal Services**

The largest budgeted expenditure in the Transportation Fund is Personal Services, which accounts for 47.3% or \$4.1 million in FY 2005-06 of the total Transportation budget and will likely continue in that range for the next few years.

■ **Internal Services and Utilities**

Additional expenditure demands in the Transportation funds are for Internal Services and Utilities. Internal Services costs (communications, information systems and vehicle maintenance) represent 23.6% or \$2.0 million of the FY 2005-06 budget, while utility costs (electricity for street lights and traffic signals) account for another 12.4% or \$1.2 million.

■ **Loan Repayment**

The expenditure from the Transportation funds for Loan Repayment to the Water Utilities Fund amounts to \$309,862 in FY 2005-06.

The remaining expenditures are for Capital Outlay, Materials and Supplies and Contracted Services. These costs will be driven largely by inflation over the next five years.

Summary

Expenditures for Transportation increased from \$8.2 million in FY 2004-05 to an estimated \$8.7 million in FY 2005-06. The FY 2005-06 adopted budget does not include any appropriation of LTAF funding in the Transportation Fund. Rather, the LTAF funding will be allowed to accumulate in the fund for future uses.

With population being the primary determinant for the distribution of state-shared HURF and Lottery revenue, Tempe's share slightly increased by approximately \$1.0 million dollars from FY 2004-05 to 2005-06. Total Transportation revenue is projected to increase by 9.1% to \$12.5 million. Although we are estimating some growth in revenue, that growth will be minimal at best.

◆ **Debt Service Fund**

Fund Structure Description

A Debt Service Fund is maintained to receive dedicated revenue used to make principal and interest payments on the City's general obligation debt. Debt service for Special Purpose and Enterprise Program projects is accounted for in the respective funds.

Revenue Structure

Debt Service Fund revenue is derived from the secondary property tax and the Salt River Project (SRP) Payment In-Lieu of Property Taxes. The property tax accounts for 96.1% of the fund's revenue in FY 2005-06. Revenue from these sources can only be used to retire debt.

Debt Service revenue trends are a function of changes in assessed valuation and the City's secondary property tax rate. While changes in assessed valuation represent the effects of the marketplace and assessor methodology, the secondary rate is determined by City policy.

The secondary property tax rate for FY 2005-06 years is \$0.88 per \$100 of assessed valuation and is expected to generate \$16.7 million. The City's property tax is levied each year on or before the third Monday in August based on the full cash value of property from the previous January 1 as determined by the Maricopa County Assessor. Additional Debt Service revenue includes \$676,495 from the SRP Payment In-Lieu of Property Taxes.

Our estimate of FY 2005-06 secondary property tax collections was based on the decision of the City Council to increase the overall property tax rate (primary and secondary) property tax rate from \$1.35 per \$100 of assessed valuation to \$1.40 per \$100 of assessed valuation. The additional nickel was dedicated to pay the additional debt service costs associated with the communications and technology projects in the Police Protection program of the Capital Budget.



In total, the City plans to issue \$58.7 million of tax-supported general obligation bonds over the next five years.

Expenditure Structure

Expenditures in this fund are confined to principal and interest payments on bonded indebtedness. To keep these costs in check, the Council adopted a long-range debt management plan, which is updated annually based on population growth, tax base growth, and current levels of general operating costs. Projected outstanding long-term general obligation bonds at July 1, 2005 totaled \$299.3 million, including \$118.0 million in Water/Wastewater bonds (not repaid by general tax revenue).

Summary

Projected revenue for FY 2005-06 totals \$17.4 million, a 14.0% increase from actual FY 2004-05 collections. Expenditures are estimated at \$14.41 million in FY 2005-06.

◆ **Community Development Block Grant/ Section 8 Housing Funds**

Fund Structure Description

The Community Development Block Grant Fund (CDBG) and the Section 8 Housing Fund are Special Revenue Funds, established to account for the receipt and expenditure of federal grant funding awarded to the city for redevelopment projects and rental subsidies for low income residents.

Major Services

- Slum and blight removal (CDBG)
- Rehabilitation of owner-occupied housing (CDBG)
- Rent and utility subsidies (Section 8)

Revenue Structure

The following table displays funding awarded to Tempe over the past 10 years. Both grants are

awarded directly to the City from the federal government based on a funding formula which reflects such local factors as the percentage of people living in poverty, unemployment, population, the age of existing housing, and the need for housing.

Fiscal Year	CDBG	Section 8
1996-97	\$2,700,015	\$3,861,578
1997-98	2,915,622	3,843,309
1998-99	2,399,237	4,068,842
1999-00	2,390,100	4,624,100
2000-01	2,967,700	4,985,700
2001-02	2,148,750	5,427,291
2002-03	2,896,728	7,277,924
2003-04	3,174,654	8,364,970
2004-05	2,901,168	8,811,193
2005-06	2,849,008	8,882,632

Expenditure Structure

Pursuant to federal requirements, most CDBG and Section 8 funding is expended on property rehabilitation and rental subsidies. In FY 2005-06, 7.2% is earmarked for salaries and benefits and 3.7% is allocated to contingencies and miscellaneous expenses.

◆ **Water/Wastewater Fund**

Fund Structure Description

The Water/Wastewater Fund is a self-supporting enterprise fund used to account for water and wastewater treatment operations, including debt service. It is financed and operated similarly to a private business and intended to recover costs through user charges. Revenue earned, expenses incurred, and/or net income is appropriated for Capital maintenance, public policy, management control, accountability, or other purposes. Other enterprise funds include the Solid Waste, Golf, and Cemetery Funds.



Major Services

This budget provides for:

- Water/Wastewater Administration
- Water Resource Management
- Water Conservation
- Water Quality
- Transmission & Collection
- Technical Services
- Wastewater Reclamation
- Environmental Services
- Utility Customer Services
- Irrigation

Revenue Structure

Water, Irrigation, and Wastewater user fees account for 91.4% or \$42.0 million of the \$46.0 million in total fund revenue in FY 2005-06. The following table depicts the major revenue categories as a percentage of total revenue.

Major Revenue Categories	FY 2005-06
Water and Irrigation User Fees	54.4%
Wastewater User Fees	37.0%
All Other	6.7%
Interest Income	1.9%

■ Water and Irrigation User Fees

Water and irrigation user (consumption) fees provide \$25.0 million or 54.4% of the total Water/Wastewater Fund revenue in FY 2005-06. This revenue amount reflects an estimated 41,532 accounts for potable water and 921 irrigation water accounts.

■ Wastewater User Fees

Over 35,000 Wastewater Service accounts are estimated to produce \$17.0 million or 37.0% in FY 2005-06 of the total user fee revenue. Residential wastewater charges are largely driven by water consumption in that monthly billings are based upon a three month Winter average consumption.

■ Interest Income/All Other

Cash balances in the Water/Wastewater Fund are expected to generate \$886,116 in Interest Income during FY 2005-06. This represents 1.9% of the fund's total revenue. Other sources of fund revenue include a loan repayment from the General Fund, land and building rental fees, delinquent payment charges, and miscellaneous fees and charges.

Expenditure Structure

Total estimated operating expenses for FY 2005-06 are \$48.7 million. Together, Debt Service, Personal Services and Wastewater Plant Regional Operating Expenses represent 70.0% of the total operating expenses.

The following table shows the composition of fund expenditures earmarked for Debt Service, Personal Services, Internal Services, Wastewater Plant Regional Operating Expenses, Electricity and Water, and All Other.

Major Expense Categories	FY 2005-06
Debt Service	35.8%
Personal Services	25.5%
All Other	13.5%
Internal Services	9.0%
WW Regional Exp.	8.7%
Electricity and Water	7.5%

■ Debt Service

Debt Service accounts for 35.8% of total estimated expenses for FY 2005-06, indicative of the capital intensive nature of a water/wastewater operation.

■ Personal Services

Personal Services represent \$12.4 million or 25.5% of Water/Wastewater operating expenses. For FY 2005-06, salaries and wages account for 75.0% of the total Personal Services budget, followed by health insurance at 12.4%, retirement at 6.2%, FICA at 5.6%, and other at 0.8%.



■ **All Other**

Other major budgeted expenses include chemical supplies, contingencies, water quality testing and contracted services.

■ **Internal Services**

Internal Services costs for information systems, communications, vehicle maintenance, and indirect charges account for \$4.4 million or 9.0% of FY 2005-06 Water/Wastewater expenses.

■ **Wastewater Plant Regional Operating Expenses**

Tempe participates in an intergovernmental agreement for the construction, operation, and maintenance of jointly used facilities, including the 91st Avenue Wastewater Treatment Plant, Salt River Outfall Sewer and the Southern Avenue Interceptor. The City pays for upgrades based on relative sewage flows and strengths.

Expenses associated with the 91st Avenue Plant represent \$4.3 million or 8.7% of the FY 2005-06 total. Excess sewer capacity will continue to be purchased to accommodate increasing flow demand. Planning and cost-benefit assessments are currently underway to estimate the costs associated with additional sewage treatment capacity and available alternatives.

■ **Electricity and Water**

Utilities comprise a major expense within this fund, as substantial electricity and water is required to provide these services. For FY 2005-06, electricity and water are budgeted at \$3.6 million, or 7.5% of total expenses.

Summary

Water/Wastewater Fund estimated operating expenses for FY 2005-06 are \$48.7 million. Tempe's shared cost to operate the 91st Avenue Wastewater Treatment Plant is expected to remain stable in FY 2005-06. Debt service expense increased primarily due to Wastewater treatment plant expansion and mandated water testing.

Revenue for FY 2005-06 is projected to be \$45.9 million; which includes a rate increase in

November of 2004. Continued rate adjustments are planned to bring the Wastewater operation closer to full cost recovery. Sewer rate increases will continue the phased-in approach, adjusted to attain full cost recovery as customer charges are based upon water consumption and strength of discharge into the sewer system.

◆ **Solid Waste Fund**

Fund Structure Description

The Solid Waste Fund is a self-supporting enterprise fund intended to recover all operating, maintenance, and debt service costs to provide residential, commercial, recycling and roll-off solid waste services.

Major Services

This enterprise fund provides for:

- Residential Collection
- Commercial Collection
- Recycling Collection
- Roll-Off Collection

Revenue Structure

Revenue in the Solid Waste Fund derives almost exclusively from user fees for residential, recycling, commercial, roll-off, and uncontained solid waste service. These revenue are supplemented by a small amount of interest revenue. The collection and disposal of contained solid waste represents the City's second largest enterprise operation.

■ **Residential Solid Waste User Fees**

Residential solid waste user fee revenue are expected to generate \$6.8 million in FY 2005-06, which equates to 53.0% of the total revenue for this fund. Residential customers pay \$15.29 per month and the number of active accounts totals 33,800.



■ **Commercial Solid Waste User Fees**

Commercial solid waste fees are expected to generate \$4.7 million in FY 2005-06 or 36.5% of the total fund revenue. Collection of commercial solid waste is provided by the City or a licensed collector. The number of active commercial accounts totals 2,385. This figure is expected to remain steady but could decline as competition for commercial solid waste services increases.

Expense Structure

Solid Waste estimated expenses for FY 2005-06 total \$12.6 million. Of the total operating expenses, Personal Services, Internal Services and Landfill Usage Charges comprise 81.3%. Capital Outlay accounts for 15.1%, while the remaining 3.6% is for Materials and Supplies, Utilities, and Miscellaneous Fees and Services.

Major Expense Categories	FY 2005-06
Personal Services	33.0%
Landfill Usage Charge	25.9%
Internal Services	22.4%
Capital Outlay	15.1%
All Other	3.6%

■ **Personal Services**

As with many labor intensive operations, Personal Services represent a major expense in the Solid Waste Fund, accounting for \$4.2 million or 33.0% of the \$12.6 million budget in FY 2005-06. Salaries and wages account for 71.3% of the total personal services budget, with health insurance accounting for 16.7% and the remainder for other fringe benefits.

■ **Landfill Usage Charges**

Landfill usage charges have increased over the prior fiscal year and are now estimated at \$3.3 million, representing 25.9% of total expenses. Landfill tipping fees are projected to follow expected inflation rates, but environmental compliance requirements could impact these expenses beyond normal inflation.

■ **Internal Services**

Internal Service charges represent 22.4% or \$2.8 million of the FY 2005-06 budget. Internal

Service charges consist of data processing, communications, vehicle maintenance and related Internal Services charges. As might be expected in Solid Waste operations, a majority (52.2%) of total internal service costs derive from vehicle operating and maintenance expenses.

■ **Capital Outlay/All Other**

The Solid Waste budget reflects appropriations of \$1.9 million for replacement of solid waste trucks. Other budgeted expenses include recycling sorting fees of \$88,500.

Summary

The Solid Waste Fund budget of \$12.6 million represents a 17% increase over the FY 2004-05 budget. This is primarily due to a \$1.5 million increase in capital outlay costs associated with the purchase of solid waste vehicles.

Revenue in this fund is expected to slightly increase to \$12.8 million, a 6% increase over FY 2004-05 collections.

◆ **Golf Fund**

Fund Structure Description

The Golf Fund is a self-supporting enterprise fund similar to the Water/Wastewater and Solid Waste Funds, intended to recover all costs incurred through user charges. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance and debt service.

Major Services

- Ken McDonald and Rolling Hills Golf Course Operations
- Golf Course Pro Shops
- Golf Course Restaurants

Revenue Structure

■ **Greens Fees**

Greens fees amount to \$1.9 million in FY 2005-06, accounting for 89.2% of golf course revenue for the year. Greens fees are set by Council and



were last adjusted in November 2002, with adjustments ranging from \$1 to \$4 per 18 holes. Revenue projections are traditionally conservative to reflect the volatility that can result from weather conditions or fee changes.

Total rounds of golf played in FY 2004-05 for Ken McDonald (9 and 18 holes) and Rolling Hills (9 holes) were 83,670 and 86,065 rounds, respectively.

■ **Pro Shop and Restaurant Revenue**

Pro shop revenue for Rolling Hills is paid to the City by the pro shop based on annual receipts. A minimum payment of \$150,000 a year is paid in advance of the gross annual receipts, depending on which is greater for the first four years of the five year contract. The restaurant concessionaire pays revenue of \$5,599 per month.

Expenditure Structure

Personal Services and Supplies and Services represent the major categories of Golf Fund expenditures. Together they account for 74.2% of total Golf Fund expenses in FY 2005-06. The remaining expenses include Internal Services, Debt Service, Materials and Supplies, and Capital Outlay.

Major Expenses Categories	FY 2005-06
Personal Services	47.0%
Supplies and Services	27.2%
Internal Services	14.4%
Debt Service	7.4%
Capital Outlay	4.0%

■ **Personal Services**

Personal Services account for \$973,788 or 47.0% of FY 2005-06 expenses.

■ **Fees and Services**

Fees and Services expenses account for 27.2% of expenses in FY 2005-06, and primarily fund irrigation water and electricity.

■ **Internal Services**

Golf operation internal service costs are primarily vehicle maintenance and fuel, and represent \$299,065, or 14.4% of budgeted expenses in FY 2005-06.

■ **Capital outlay**

Capital Outlay expenses are for lawn and turf equipment, and represent 4.0% of fund expenses.

■ **Debt Service**

Debt service costs total \$153,453, or 7.4% of fund expenses in FY 2005-06.

Summary

Golf Fund appropriations for FY 2005-06 remain constant at \$2.0 million, similar to the FY 2004-05 level. Cost containment is necessary to offset declining revenue reflective of the slowdown in the golf industry. By financial policy, the City maintains an unrestricted optimum fund balance level of at least 15% of annual revenue. The FYE 2004 fund balance reserve was \$604,703 or 29.2% of estimated FY 2003-04 operating revenue.

Capital Budget Overview



Pursuant to City Charter, a five-year capital improvement plan is developed and updated annually. The first year's funding requirements of the plan are included in the Capital Budget, and are formally adopted by the City Council. The FY 2005-06 Capital Budget expenditures total \$189,971,703, a 7.3% increase from the FY 2004-05 amount. This increase in the budget is driven largely by capacity expansion in the Water/Wastewater Program, continued construction of the Light Rail Transit project and the construction of the Performing Arts Center. The capital improvement program also continues the City's emphasis on quality of life programs, maintenance of capital assets, streets and highways, and coordinated land use planning and development.

The Capital Budget is grouped into four major programs. Expenditures for these programs in the FY 2005-06 budget include \$61.5 million for Enterprise capital programs; \$89.8 million for Special Purpose capital programs; \$31.7 million for General Purpose capital programs; and \$7.0 million for Transportation capital programs. Transit projects represent the largest appropriation area in fiscal year 2005-06 at \$67.5 million, which accounts for 36% of the total Capital Budget. Other major areas include \$17.9 million for Water projects, \$42.1 million for Wastewater projects, and \$6.0 million for Transportation and Right-of-Way projects.

The table below compares the 2004-05 Capital Program with the FY 2005-06 program.

Comparison of FY 2004-05 and FY 2005-06 Capital Budgets

Capital Program	2004-05 Budget	2005-06 Budget
Enterprise		
Water	\$19,355,000	\$17,936,000
Wastewater	32,789,500	42,064,688
Golf	1,490,000	50,000
Cemetery	770,000	1,400,000
Special Purpose		
Transit	77,324,792	67,475,773
Performing Arts	26,107,768	22,228,912
Rio Salado	526,269	99,090
General Purpose		
Police	6,715,950	14,107,614
Fire	0	0
Storm Drains	200,000	3,640,000
Park Improvements	2,385,000	11,110,000
General Governmental	2,978,445	2,871,146
Transportation		
Transportation and R.O.W	5,395,498	6,043,480
Traffic Signals/ Street Lighting	945,000	945,000
Total	\$176,983,222	\$189,971,703



Enterprise Capital Program

Enterprise capital projects include Water, Wastewater, Golf, and Cemetery projects.

Water projects comprise \$17.9 million or 29.2% of the Enterprise Capital Budget in FY 2005-06. Major projects include \$7.0 million for expansion and waterline improvements at the Johnny G. Martinez Water Treatment Plant and \$3.5 million for replacement of the Apache Boulevard Water Line.

Wastewater projects comprise \$42.1 million or 68.5% of the enterprise program in FY 2005-06. This includes \$12.5 million for the City’s share of improvements at the 91st Avenue Wastewater Treatment Plant, \$21.0 million for the expansion of the Kyrene Water Reclamation Facility (KWRP), and \$6.7 million for the KWRP Transmission/Distribution Line.

Golf and Cemetery projects represent only 2.3% or \$1.5 million of the Enterprise program in FY 2005-06. Projects include \$50,000 for ongoing improvements at the city-owned golf courses and \$1.4 million for expansion of the Double Butte Cemetery.

The primary funding for the Enterprise capital projects comes from bond proceeds that total \$52.0 million or 85% in fiscal year 2005-06. The next largest funding source is Capital Improvement Project (CIP) Fund Balances, which represent \$7.9 million, or 13% of the Enterprise program funding. The balance of the Enterprise program is funded with development fee revenue, which contributes \$1.5 million or 2% in FY 2005-06.

Enterprise – Sources of Funds	
(\$ Millions)	FY 05-06
Bonds	\$52.0
CIP Fund Balance	7.9
Development Fees	1.5
Total	\$61.4

Special Purpose Capital Program

Special Purpose capital projects include those for Transit, the Performing Arts, and the Rio Salado program.

Transit projects represents \$67.5 million or 75.1% of the Special Purpose Capital Budget. Major projects include \$46.1 million for planning, design, and construction of the Central Phoenix and East Valley (C.P.& E.V.) Light Rail Transit system, \$3.9 million for a Transit Center, and \$10.9 million for a Regional Bus Maintenance Facility.

The Transit capital program is funded from Excise Tax bonds, transit taxes, capital projects fund balances, and outside revenue.

Performing Arts projects represent \$22.2 million or 24.8% of the Special Purpose Capital Budget in FY 2005-06. This funding provides for the construction of the Tempe Center for the Arts on the south side of Tempe Town Lake.

The **Rio Salado** projects represent less than 1% of the Special Purpose Program. These projects deal with ancillary construction in the Rio Salado area.

The primary funding for the Special Purpose capital projects comes from Federal Grant revenue that total \$45.8 million or 51% in fiscal year 2005-06. The next largest funding source is Excise Tax Bonds, which represent \$22.2 million, or 24.8% of the Special Purpose program funding. The balance of the Special Purpose program is funded with Transit Tax Revenue, which contributes \$7.7 million or 8.6% and CIP Fund Balance, representing \$14.0 million or 15.6% in FY 2005-06.

Special Purpose – Sources of Funds	
(\$ Millions)	FY 05-06
Federal Grants	\$45.8
Excise Tax bonds	22.2
CIP Fund Balance	14.0
Transit Tax Revenue	7.7
Total	\$89.7



General Purpose Capital Program

The General Purpose program includes Police Protection, Storm Drains, Park Improvements, and General Governmental projects.

Police Protection accounts for \$14.1 million or 44.5% of the General Purpose Capital Budget in FY 2005-06. Of this amount, \$12.4 million is provided for construction of the Apache Boulevard Police Substation and the remainder provides for various communications and technology projects.

Storm Drains represent \$3.6 million or 11.4% of the General Purpose Capital Budget. Of this amount, \$3.4 million is for the Highline Western Canal Storm Drain Improvements.

Park Improvements represent \$11.1 million or 35% of the total General Purpose Capital Budget. Principal projects include \$10 million for improvements to the Tempe Diablo Stadium and \$750,000 for the completion of the North Tempe Multigenerational Center.

General Governmental projects account for \$2.9 million or 9.1% of the General Purpose Capital Budget, with funding provided for a variety of purposes.

General Purpose – Sources of Funds	
(\$ Millions)	FY 05-06
General Obligation Bonds	\$16.4
Excise Tax Bonds	10.0
Other Operating Funds	2.8
Grants	1.7
CIP Fund Balance	0.9
Total	\$31.7

As shown in the table above, funding for General Purpose capital projects primarily comes from General Obligation and Excise Tax Bonds, grants, CIP Fund Balance, and Other Operating Funds, as shown in the following table.

Transportation Capital Program

The Transportation Capital Budget includes projects for Transportation and Right-of-Way (R.O.W.) and Street Lighting and Traffic Signals.

The majority of Transportation capital funding is for **Transportation and R.O.W.**, which represents \$6.0 million or 86.5% of the total Transportation Capital Budget. These amounts provide ongoing funding for local and major street renovation and reconstruction.

The remaining funding is for **Street Lighting and Traffic Signals**, which combined represent \$1.0 million or 13.5% of the total Transportation Capital Budget in FY 2005-06. These amounts provide funding for street light upgrades, new signals, and the undergrounding of overhead utility lines.

The Transportation Capital Budget is funded from General Obligation Bonds, the Local Transportation Assistance Fund, CIP Fund Balance, and Grants.

Transportation – Sources of Funds	
(\$ Millions)	FY 05-06
General Obligation Bonds	\$1.7
Local Transportation Assistance Fund	3.5
CIP Fund Balance	1.7
Grants	0.1
Total	\$7.0

Capital Improvements Program Summary



Program	2005-06		Additional Needs			Total 5-Year Program
	Funded Program	2006-07	2007-08	2008-09	2009-10	
Enterprise Program						
Water	\$17,936,000	\$21,851,000	\$18,458,643	\$14,893,357	\$11,526,000	\$84,665,000
Wastewater	42,064,688	8,364,688	17,287,125	17,787,125	14,250,000	99,753,626
Golf	50,000	50,000	50,000	50,000	50,000	250,000
Cemetery	1,400,000	0	0	0	0	1,400,000
Subtotal Enterprise	61,450,688	30,265,688	35,795,768	32,730,482	25,826,000	186,068,626
Special Purpose Program						
Transit	67,475,773	119,741,517	52,902,815	25,742,880	18,836,500	284,699,485
Performing Arts	22,228,912	0	0	0	0	22,228,912
Rio Salado	99,090	100,000	100,000	100,000	100,000	499,090
Subtotal Special Purpose	89,803,775	119,841,517	53,002,815	25,842,880	18,936,500	307,427,487
General Purpose Program						
Police	14,107,614	4,709,648	10,977,622	5,213,649	1,435,800	36,444,333
Fire	0	765,000	402,000	0	0	1,167,000
Storm Drains	3,640,000	200,000	250,000	250,000	250,000	4,590,000
Park Improvements						
Recreation	11,060,000	310,000	965,000	725,000	310,000	13,370,000
Public Works	50,000	50,000	50,000	50,000	50,000	250,000
General Governmental						
Municipal Arts Program	600,007	302,157	357,458	326,805	257,760	1,844,187
Development Services	1,062,750	1,062,750	1,062,750	1,062,750	1,062,750	5,313,750
Financial Services	175,000	175,000	175,000	175,000	175,000	875,000
Information Technology	90,000	0	0	0	0	90,000
Neighborhood Program	225,000	225,000	225,000	225,000	225,000	1,125,000
Public Works	718,389	493,745	402,000	402,000	402,000	2,418,134
Subtotal General Purpose	31,728,760	8,293,300	14,866,830	8,430,204	4,168,310	67,487,404
Transportation Program						
Transportation and R.O.W.	6,043,480	2,771,439	2,418,902	1,887,719	3,018,854	16,140,394
Traffic Signals/Street Lighting	945,000	485,000	510,000	497,500	497,500	2,935,000
Subtotal Transportation	6,988,480	3,256,439	2,928,902	2,385,219	3,516,354	19,075,394
Subtotal Enterprise	61,450,688	30,265,688	35,795,768	32,730,482	25,826,000	186,068,626
Subtotal Tax Supported	128,521,015	131,391,256	70,798,547	36,658,303	26,621,164	393,990,285
TOTAL PROGRAM	\$189,971,703	\$161,656,944	\$106,594,315	\$69,388,785	\$52,447,164	\$580,058,911

Capital Improvements Program Source of Funds



Program	2005-06	Additional Needs				Total
	Funded Program	2006-07	2007-08	2008-09	2009-10	5-Year Program
Enterprise Supported						
<i>Water/Wastewater</i>						
Water/Wastewater Bonds	\$50,598,544	\$28,715,688	\$35,245,768	\$32,180,482	\$25,276,000	\$172,016,482
Water/Wastewater (FB Applied)	0	0	0	0	0	0
Capital Projects Fund Balance	7,902,144	0	0	0	0	7,902,144
Development Fees	1,500,000	1,500,000	500,000	500,000	500,000	4,500,000
Total Water/Wastewater Funds	60,000,688	30,215,688	35,745,768	32,680,482	25,776,000	184,418,626
<i>Golf</i>						
Excise Tax Bonds - Golf Fund	50,000	50,000	50,000	50,000	50,000	250,000
<i>Cemetery</i>						
Excise Tax Bonds - Cemetery Fund	1,400,000	0	0	0	0	1,400,000
Subtotal Enterprise Supported	61,450,688	30,265,688	35,795,768	32,730,482	25,826,000	186,068,626
Special Purpose Program						
<i>Transit</i>						
Transit Tax Revenue	7,742,077	27,678,160	6,830,790	4,954,880	614,720	47,820,627
Excise Tax Bonds	0	37,000,000	17,000,000	0	0	54,000,000
Regional Public Transportation	0	0	0	1,020,000	2,660,500	3,680,500
Capital Projects Fund Balance	13,912,662	0	0	0	0	13,912,662
Regional Participation	0	3,244,999	0	0	0	3,244,999
Grants	45,821,034	51,818,358	29,072,025	19,768,000	15,561,280	162,040,697
Total Transit Funds	67,475,773	119,741,517	52,902,815	25,742,880	18,836,500	284,699,485
<i>Performing Arts Program</i>						
Excise Tax Bonds - Performing Arts	22,228,912	0	0	0	0	22,228,912
<i>Rio Salado</i>						
Capital Projects Fund Balance	99,090	100,000	100,000	100,000	100,000	499,090
Subtotal Special Purpose	89,803,775	119,841,517	53,002,815	25,842,880	18,936,500	307,427,487
General Purpose/Transportation Program						
General Obligation Bonds	18,024,605	9,809,832	15,950,524	9,000,868	5,939,154	58,724,983
Excise Tax Bonds	10,000,000	0	0	0	0	10,000,000
Water/Wastewater Fund	1,000,007	502,157	607,458	250,000	250,000	2,609,622
Transfers from Other Funds	4,742,033	1,237,750	1,237,750	1,564,555	1,495,510	10,277,598
CIP Fund Balances	3,122,595	0	0	0	0	3,122,595
FTA Grant	108,000	0	0	0	0	108,000
Flood Control District Grant	1,720,000	0	0	0	0	1,720,000
Subtotal General/Transport.	38,717,240	11,549,739	17,795,732	10,815,423	7,684,664	86,562,798
Subtotal Enterprise Supported	61,450,688	30,265,688	35,795,768	32,730,482	25,826,000	186,068,626
Subtotal Tax Supported	128,521,015	131,391,256	70,798,547	36,658,303	26,621,164	393,990,285
TOTAL PROGRAM	\$189,971,703	\$161,656,944	\$106,594,315	\$69,388,785	\$52,447,164	\$580,058,911

Capital Improvements Program Fund Balances



Program	Estimated Fund Bal. 06-30-05	Transfers from Other Funds	Outside Revenue	Bond Proceeds	Appropriation	Estimated Fund Bal. 06-30-06
Enterprise						
Water/Wastewater	\$8,310,298	\$0	\$1,500,000	\$50,598,544	\$60,000,688	\$408,154
Golf	42,425	0	0	50,000	50,000	42,425
Cemetery	0	0	0	1,400,000	1,400,000	0
Subtotal Enterprise	8,352,723	0	1,500,000	52,048,544	61,450,688	450,579
Special Purpose						
Transit	14,161,784	7,742,077	45,821,034	0	67,475,773	249,122
Performing Arts	231,098	0	0	22,228,912	22,228,912	231,098
Rio Salado	1,482,718	0	0	0	99,090	1,383,628
Subtotal Special Purpose	15,875,600	7,742,077	45,821,034	22,228,912	89,803,775	1,863,848
General Purpose						
Police Protection	(1,030,535)	0	0	14,107,614	14,107,614	(1,030,535)
Fire Protection	3,166	0	0	0	0	3,166
Storm Drains	555,372	200,000	1,720,000	1,164,628	3,640,000	0
Park Improvements	36,551	0	0	11,110,000	11,110,000	36,551
General Governmental	1,033,072	2,037,757	0	0	2,871,146	199,683
Subtotal General Purpose	597,626	2,237,757	1,720,000	26,382,242	31,728,760	(791,135)
Transportation						
Transportation. & R.O.W. Improvements	1,679,904	3,504,283	108,000	762,000	6,043,480	10,707
Traffic Signals/Street Lighting	64,637	0	0	880,363	945,000	0
Subtotal Transportation	1,744,541	3,504,283	108,000	1,642,363	6,988,480	10,707
TOTAL PROGRAM	\$26,570,490	\$13,484,117	\$49,149,034	\$102,302,061	\$189,971,703	\$1,533,999

Capital Improvements Program Project Listing Descriptions



The following Capital Budget Project listing shows the title and short description for each project included in the FY 2005-06 Capital Budget, as approved by the City Council. The total 5 year project cost is displayed in the upper right hand corner of each project description, and the source of funds for the budgeted FY 2005-06 expenditure is shown below the description.

Water	5 Year Cost		5 Year Cost
JGMWTP: 15 MGD Plant Expansion	\$45,000,000	Waterline Upgrades & Extensions	\$4,250,000
<p>This project will provide the increased water treatment capacity needed to meet the projected growth resulting from in-fill development, development of remaining vacant land, and re-development of existing parcels.</p>		<p>This project provides funding to replace water lines that break during normal operation or that have reached their useful life as identified in the Water Utilities Division Integrated Master Plan.</p>	
05-06 Source of Funds		05-06 Source of Funds	
W/WW Bonds	7,000,000	W/WW Bonds	850,000
Apache Boulevard Waterline Improvements	\$3,500,000	Utility Services & Warehouse Building	\$2,625,000
<p>This project funds replacement of older water lines along Apache Boulevard that will be impacted by the construction of the Light Rail Transit (LRT) project in the Special Purpose Transit Program.</p>		<p>This project provides for design and construction of new facilities on the site of the Kyrene Water Reclamation Facility to house the staff of the Utility Services workgroup and Water User Department Warehouse.</p>	
05-06 Source of Funds		05-06 Source of Funds	
W/WW Bonds	3,500,000	W/WW Bonds	2,200,000
Rural-Lemon Terrace Water/Sewer Improvements	\$2,410,000	Enterprise Geographical Information System	\$1,800,000
<p>This project funds replacement of older water lines along Rural Road, Lemon Road, and Terrace Road that will be impacted by the construction of the LRT project in the Special Purpose Program.</p>		<p>This project funds a Geographical Information System in the Water Department to provide a new view of spatial information to both internal and external customers.</p>	
05-06 Source of Funds		05-06 Source of Funds	
W/WW Bonds	910,000	W/WW Bonds	900,000
Development Fees	1,500,000		
Distribution System Fittings	\$1,250,000	STWTP Capital Equipment Replacement	\$750,000
<p>This project provides for the acquisition, assembly, and installation of water works infrastructure including meters, valves, hydrants and water lines.</p>		<p>This project provides funding for replacement of pumps, valves, and other operating equipment due to unforeseen failures at the South Tempe Water Treatment Plant (STWTP).</p>	
05-06 Source of Funds		05-06 Source of Funds	
CIP Fund Balance	250,000	CIP Fund Balance	150,000
JGMWTP: Capital Equipment Replacement	\$750,000	Central Arizona Project Capital Charge	\$630,000
<p>This project provides funding for replacement of pump, valves, and other operating equipment due to unforeseen failures at the Johnny G. Martinez Water Treatment Plant (JGMWTP).</p>		<p>This project provides the annual repayments to the Central Arizona Water Conservation District (CAWCD) to reimburse construction cost of the Central Arizona Project canal.</p>	
05-06 Source of Funds		05-06 Source of Funds	
W/WW Bonds	138,544	CIP Fund Balance	126,000
CIP Fund Balance	11,456		
SCADA Remote Terminal Units Replacement	\$400,000	Wastewater	
<p>This project provides a funding mechanism to facilitate replacement of equipment at the South Tempe Water Treatment Plant (STWTP).</p>		91st Avenue Wastewater Treatment Plant	\$65,000,000
05-06 Source of Funds		<p>This project represents Tempe's share of all expansion activities at the jointly-owned, regional 91st Avenue Wastewater Treatment Plant.</p>	
W/WW Bonds	400,000	05-06 Source of Funds	
		W/WW Bonds	12,500,000



	5 Year Cost		5 Year Cost
Kyrene Water Reclamation Facility Expansion	\$21,000,000	Kyrene Reclaimed Water Transmission Distribution Line	\$6,700,000
This project provides funding to renovate the Kyrene Water Reclamation Facility (KWRF) to a 9 MGD membrane treatment facility.		This project funds a pipeline that will be constructed from the Kyrene Reclamation Facility to the Tempe Town Lake, to provide water to refill the lake. The pipeline will be 24-inches in diameter and will extend for five miles.	
05-06 Source of Funds		05-06 Source of Funds	
W/WW Bonds 21,000,000		W/WW Bonds 2,950,000	
		CIP Fund Balance 3,750,000	
Sewer Line Upgrades and Extensions	\$3,750,000	Southern Avenue Interceptor Rehabilitation – All Phases	\$3,303,626
This project provides a recurring funding source to replace sewer lines that break during normal operation, as identified in the Water Utilities Division Integrated Master Plan (IMP).		This project funds the phased rehabilitation or replacement of a jointly-owned regional sewer line that runs through Tempe.	
05-06 Source of Funds		05-06 Source of Funds	
CIP Fund Balance 750,000		CIP Fund Balance 1,114,688	
■ Golf		■ Cemetery	
Golf Course Improvements	\$250,000	Double Butte Cemetery Improvements and Expansion	\$1,400,000
This ongoing project provides funds for small annual renovation and improvement projects at both golf courses.		This project provides funding for improvements and expansion of the Double Butte Cemetery based on the completed master plan as recommended by the Cemetery Advisory Committee.	
05-06 Source of Funds		05-06 Source of Funds	
Excise Tax Bonds 50,000		Excise Tax Bonds 1,400,000	
■ Transit			
Central Phoenix & East Valley Light Rail Transit	\$200,437,663	Transit Regional Maintenance Facility	\$32,449,990
This project provides funding for design, engineering and construction of a light rail transit corridor that would link downtown Phoenix and downtown Mesa to Tempe.		This project funds design and construction costs for a cooperative multi-jurisdictional regional maintenance center located in Tempe.	
05-06 Source of Funds		05-06 Source of Funds	
CIP Fund Balance 9,292,663		Federal Grants 7,609,034	
Federal Grants 31,752,000		CIP Fund Balance 3,244,999	
Transit Tax 5,054,000			
Bus Replacement and Purchase	\$23,110,000	Tempe Transit Center	\$5,900,170
This project replaces 53 buses in the Tempe fleet. This project also provides funding for 4 additional neighborhood circulator buses to meet current usage demands.		This project funds the design and construction of a transit center, including parking, commercial and office space, and 15 bus bays.	
05-06 Source of Funds		05-06 Source of Funds	
Transit Tax 1,460,000		Federal Grants 3,900,000	
College Avenue Streetscape and Pedestrian Improvements	\$3,000,000	Municipal Arts Program—Transit	\$2,818,807
This project provides funding for two miles of pedestrian improvements and traffic calming for a collector street.		This project provides for various Transit-related Municipal Arts projects.	
05-06 Source of Funds		05-06 Source of Funds	
Transit Tax 150,000		Transit Tax 668,077	



5 Year Cost

Tempe Canal Multi-Use Path: Phase II **\$2,400,000**

This project involves design and construction of a two mile segment of paved off-street pathway that will include lighting, landscaping, and art elements along the Tempe Canal from the Union Pacific Railroad to Earnhardt Park at the US-60.

05-06 Source of Funds

Transit Tax 240,000

Curry Road Pedestrian Improvement Project **\$560,000**

This project provides for the design and construction of missing sidewalks, bicycle crossings and Americans with Disabilities Act compliant ramps on Curry Road between Hayden Road and Scottsdale Road.

05-06 Source of Funds

Federal Grants 500,000
Transit Tax 60,000

Midlife Scheduled Fleet Maintenance **\$4,618,000**

This project funds maintenance of the Tempe bus fleet and associated operational equipment.

05-06 Source of Funds

Federal Grants 1,560,000
CIP Fund Balance 1,375,000

Rio Salado

Rio Salado Ancillary Construction **\$499,090**

This project funds the various design, safety requirements, emergency signage and fencing projects, and any other unforeseen project that becomes necessary in the Rio Salado area.

05-06 Source of Funds

CIP Fund Balance 99,090

Apache Boulevard Substation **\$12,372,814**

This project provides for a Police Substation and property/evidence facility on Apache Boulevard.

05-06 Source of Funds

GO Bonds 12,372,814

Technology Integrated Police System **\$800,000**

This project incorporates new technology in the Police Department, and adds resources to upgrade and interface existing automated systems.

05-06 Source of Funds

GO Bonds 150,000

5 Year Cost

University Drive Pedestrian Improvement Project **\$560,000**

This project provides for the design and construction of missing sidewalks, bicycle crossings and Americans with Disabilities Act compliant ramps on University Drive between Hacienda Road and George Drive.

05-06 Source of Funds

Federal Grants 500,000
Transit Tax 60,000

Apache Boulevard—Mill to Terrace **\$250,000**

This project provides design and construction funding to reduce the segment of Apache Boulevard from Mill Avenue to Terrace Road from 3 lanes to 2 lanes.

05-06 Source of Funds

Transit Tax 50,000

Performing Arts

Tempe Center for the Arts **\$22,228,912**

This project will produce the Tempe Center for the Arts located on the south shore of Tempe Town Lake.

05-06 Source of Funds

Excise Tax Bonds 22,228,912

Police

Police/City Radio System Replacement **\$15,572,519**

This project will replace the City's existing analog radio system with an interoperable digital system.

05-06 Source of Funds

GO Bonds 1,285,800

Police CAD/RMS/FRWS System **\$6,150,000**

This project replaces the Police Department's existing Computer Aided Dispatch System, Records Management System, and Field Report Writing System.

05-06 Source of Funds

GO Bonds 150,000

Police Logging Recorder **\$149,000**

This project replaces the Communication Bureau's logging recorder that records all 911 and dispatch correspondence in accordance with the State of Arizona Records Retention Schedule requirements.

05-06 Source of Funds

GO Bonds 149,000



■ Storm Drains **5 Year Cost**
Highline Western Canal Storm Drain Improvements **\$3,440,000**

This project provides storm drainage relief to the residences identified by the Highline Western Canal Floodplain Delineation Study by removing them from the floodplain.

05-06 Source of Funds

GO Bonds 1,164,628
 Flood Control Grants 1,720,000
 CIP Fund Balance 555,372

■ Park Improvements/Recreation
Tempe Diablo Stadium Renovation **\$10,000,000**

This project continues funding for extensive renovations of Tempe Diablo Stadium.

05-06 Source of Funds

Excise Bonds 10,000,000

Neighborhood Park Improvements **\$1,250,000**

This project provides for the renovation and redevelopment of neighborhood parks with playground equipment, picnic equipment, landscaping, concrete replacement/installation, and sand.

05-06 Source of Funds

GO Bonds 250,000

Acquisition and Development of Victory Acres Park **\$2,820,000***

This project funds acquisition of land for a park in the Victory Acres section of Tempe.

05-06 Source of Funds

*Funded in Community Development Block Grant operating budget.

■ General Governmental
Commercial Center Façade Improvement Program **\$300,000***

This project provides matching grants to assist in the revitalization of neighborhood retail centers and downtown building facades.

05-06 Source of Funds

*Funded in Community Development Block Grant operating budget.

America West Airlines—1st Street Redevelopment **\$4,313,750**

This project provides funding for the Development Agreement between America West Airlines and the City of Tempe.

05-06 Source of Funds

Transfer from Other Funds 862,750

Storm Drain Improvements **\$1,150,000** **5 Year Cost**

This project provides for the construction of minor storm drain extensions to relieve localized problems for replacement and/or upgrades associated with various storm water retention facilities.

05-06 Source of Funds

W/WW Funds 200,000

North Tempe Multigenerational Center **\$750,000**

This request provides funding for the construction of the North Tempe Multigenerational Center.

05-06 Source of Funds

GO Bonds 750,000

Sport Facility Relamping **\$300,000**

This project provides for the continued funding of maintenance for the city's sports facilities' lighting needs.

05-06 Source of Funds

GO Bonds 60,000

■ Park Improvements/Public Works
Various Park Landscaping/Improvements **\$250,000**

This project provides funding to improve the softball, baseball, and multi-use sports fields.

05-06 Source of Funds

GO Bonds 50,000

Municipal Arts Program **\$1,844,187**

This project provides for various Transit-related municipal arts projects.

05-06 Source of Funds

W/WW Fund 600,007

Downtown Public Parking **\$1,000,000**

This project provides funding for private parking facilities for which the City has leased or purchased parking rights for use as public parking in the downtown area.

05-06 Source of Funds

Transfer from Other Funds 200,000



	5 Year Cost		5 Year Cost
Leased Office Space	\$875,000	Replacement of A/C Units in Data Center	\$90,000
This project funds the office lease costs for the Tax and License Office at Centerpoint Plaza.		This project provides funding to upgrade the City's software from Windows 95/97 to Windows 2000.	
05-06 Source of Funds		05-06 Source of Funds	
Transfer from Other Funds	174,000	CIP Fund Balance	500,000
Maryanne Corder Neighborhood Improvement Program	\$1,125,000	Fleet Vehicle Refueling Site Relocation	\$508,134
This project provides funding for small neighborhood initiated projects.		This project would re-establish a City owned fueling facility on the north west end of town, to replace the prior site that was eliminated to provide space for the expansion of the water treatment plant.	
05-06 Source of Funds		05-06 Source of Funds	
CIP Fund Balance	225,000	W/WW Fund	200,000
		CIP Fund Balance	216,389
City Facilities Rehabilitation	\$1,540,000	Historical Properties Preservation	\$175,000
This project provides funding for the rehabilitation and repair of city owned properties.		This project provides funding to preserve the structural and aesthetic value of City owned historical properties.	
05-06 Source of Funds		05-06 Source of Funds	
CIP Fund Balance	200,000	CIP Fund Balances	35,000
HVAC Equipment Replacement	\$175,000	Energy Upgrade and Retrofit	\$160,000
This project replaces Heating Ventilation and Air Conditioning (HVAC) equipment as it reaches its useful life span or is identified as ineffective and inefficient through increased downtime of excessive repair costs.		This project improves and upgrades lighting in city facilities, based on past surveys of city facilities, buildings, and parking lots.	
05-06 Source of Funds		05-06 Source of Funds	
CIP Fund Balance	35,000	CIP Fund Balances	32,000
Transportation & Right-of-Way		Major Street Renovation	\$3,750,825
Local and Major Street Reconstruction	\$6,109,451	This project provides ongoing preventive maintenance of major arterial and collector streets throughout the city in accordance with the City's Pavement Management Program.	
This project provides for the reconstruction and/or resurfacing of local and major streets and intersections throughout the city in accordance with the City's Pavement Management Program.		05-06 Source of Funds	
05-06 Source of Funds		Local Transportation Assistance Fund	1,541,954
GO Bonds	535,000		
CIP Fund Balance	1,516,316		
Local Street Renovation	\$3,375,373	Minor Concrete Improvements	\$975,000
This project provides ongoing preventive maintenance of local/residential streets throughout the city in accordance with the City's Pavement Management Program.		This project will provide for a variety of improvements to curbs, gutters, and sidewalks in the city right-of-way.	
05-06 Source of Funds		05-06 Source of Funds	
Local	1,255,062	GO Bonds	52,000
Transportation Assistance Fund		Local Transportation Assistance Fund	273,000



5 Year Cost
Neighborhood Transportation Management \$588,000

This project will provide resources to strengthen the City’s ability to address neighborhood traffic concerns. Tempe will work with neighborhoods to plan and identify the most effective neighborhood-specific traffic calming measures.

05-06 Source of Funds

Local	
Transportation	
Assistance Fund	188,000

Bridge Maintenance \$300,000

This project provides funds for maintenance and rehabilitation of bridges located throughout Tempe as identified in the City’s Bridge Inspection Report.

05-06 Source of Funds

GO Bonds	100,000
----------	---------

Streets Modular Trailer Expansion \$164,420

This project will provide work and meeting space immediately adjacent to the modular trailer once used as the Rio Salado Project construction trailer.

05-06 Source of Funds

Local	
Transportation	
Assistance Fund	51,539
CIP Fund Balance	112,881

Various Street Landscaping \$225,000

This project provides funding to continue to improve various street rights-of-way and city properties by installing, replacing or improving existing landscaping.

05-06 Source of Funds

GO Bonds	75,000
----------	--------

Traffic Signals/ Street Lighting

New Signals/ Modular Upgrade \$960,000

This project provides for the installation of new traffic signals and/ or the conversion of existing signals to modular standards.

05-06 Source of Funds

GO Bonds	280,363
CIP Fund Balance	39,637

Streetlight Upgrades/ New Installations \$900,000

This project provides for the installation of new street lights at various locations as well as the upgrading of streetlight from mercury vapor luminaires to high pressure sodium luminaires.

05-06 Source of Funds

GO Bonds	300,000
----------	---------

5 Year Cost
City Facilities Parking Lots \$412,325

This project will provide for the sealing, resurfacing, and reconstruction of City parking lots in accordance with the City’s Pavement Management Program.

05-06 Source of Funds

Local	
Transportation	
Assistance Fund	182,728

Various Street Landscaping \$225,000

This project provides funding to continue to improve various street rights-of-way and city properties by installing, replacing or improving existing landscaping.

05-06 Source of Funds

GO Bonds	75,000
----------	--------

Minor Street and Alley Improvements \$120,000

This project provides for the improvement or dust control of minor streets and alleys throughout the city.

05-06 Source of Funds

CIP Fund Balance	40,000
------------------	--------

5th Street and Farmer Drive Railroad Sign Reloc. \$120,000

This project provides Tempe’s share of an agreement with Union Pacific Railroad to relocate and upgrade the signal crossing at 5th Street and Farmer Drive.

05-06 Source of Funds

Local	
Transportation	
Assistance Fund	12,000
Federal Grants	108,000

Utility Undergrounding \$975,000

This project provides for the undergrounding of overhead utility lines

05-06 Source of Funds

GO Bonds	300,000
----------	---------

Antique Street Sign and Frames Replacement \$50,000

The project provides for the replacement of the Antique Street Sign faces and frames in the downtown area.

05-06 Source of Funds

CIP Fund Balance	25,000
------------------	--------



CAPITAL/OPERATING BUDGET RELATIONSHIP

Though the City of Tempe prepares a separate Capital Budget from the Operating Budget, the two budgets are closely linked. These links include operating and maintenance costs associated with new facilities, debt service payments for new debt financed projects, pay-as-you-go financing, and new operating revenue. These impacts total \$25.1 million as shown in the following table.

Total Impact of Capital Budget on Operating Budget	
	FY 2005-06
New Debt Service	
Enterprise	\$5,826,214
Special Revenue	2,084,073
Transportation	126,258
General Purpose	3,372,700
New Operations and Maintenance Cost	1,642,443
Pay-As-You-Go Financing	12,246,297
New Operating Revenue	(190,336)
Total	\$25,107,649

Current Operating and Maintenance Costs

As part of the Capital Improvement Program, departments were asked to identify those capital projects that have an impact on the operating budget specifically in terms of operation and maintenance. The table below summarizes the projected operating and maintenance impact by project of the capital improvements on the operating budget for FY 2005-06. There were no savings explicitly quantified for these projects.

As shown in the table below, the finalization of the construction of the Tempe Center for the Arts contributes the largest operating cost, with nearly \$1.2 million in capital equipment and operating costs. Approximately \$400,000 of this amount is budgeted for 16 new Full-Time Equivalent (FTE) positions associated with the opening of this facility in the latter months of FY 2005-06. In general terms these costs relate to the hiring of personnel to operate the arts center, including administrative and custodial staff, and groundskeepers. Other notable items include additional staff to maintain and market burial lot sales for the expansion of Double Buttes

Operating and Maintenance Costs of FY 2005-06 Capital Budget			
Program/Project	\$ Amount	FTE	Fund
Special Purpose			
Performing Arts Center	\$1,239,877	16	Performing Arts Fund
Enterprise			
Kyrene Water Reclamation Facility Expansion	131,714	2	Water/Wastewater Fund
Doubles Buttes Cemetery Improvements and Expansion	127,628	2	Cemetery Fund
Transportation			
Streetlight Upgrades/New Installation	16,440		Highway User Revenue Fund
New Signals/Modular Upgrade	5,840		Highway User Revenue Fund
Streets Modular Trailer Expansion	4,800		Highway User Revenue Fund
General Purpose			
North Tempe Multigenerational Center	110,944	2.5	General Fund
Police Logging Recorder	200		General Fund
Technology Integrated Police System	5,000		General Fund
Total Operating and Maintenance Costs	\$1,642,443	22.5	



Cemetery, plant operating staff for the Kyrene Water Reclamation Facility, and custodial and support staff for the finalization of construction of the North Tempe Multigenerational Center. Combined these projects add \$370,000 in operating costs and 6.5 new FTE positions.

the project and request of the department. Cost and revenue estimates beyond the FY 2005-06 budget will be subject to upward or downward revision in future years based on changes in scope of the project and/or Council and Community priorities.

Current Operating Revenue

Two projects included in the FY 2005-06 Capital Budget are expected to generate total operating revenue of \$190,336 in FY 2005-06. These include the Double Butte Cemetery Improvements and Expansion Project, which is expected to generate burial plot sales revenue of \$127,628 to the Cemetery Fund associated with the addition of new burial plots, and the North Tempe Multigenerational Center, which will generate \$62,708 to the General Fund from an Intergovernmental Agreement with the Tempe Elementary School District.

As shown in the table below, several projects have potential to generate operating revenue over the next four years. Key revenue generating projects are the Double Butte Cemetery, which is expected to generate revenue as burial plots are sold, and the Central Phoenix and East Valley Light Rail Transit Project, which will generate train fare revenue as part of its operation. In total, the projects included in the CIP are estimated to generate \$12.6 million in revenue between FY 2006-07 and FY 2009-10.

Future Impacts of the Capital Improvements Program

A final consideration in the Capital Improvements Program process is the projection of future operating costs and revenue associated with current and future projects. Since the City Council only formally adopts Operating and Capital Budgets on an annual basis, it is important to note that these impacts merely represent estimates based on the current scope of

The table on the following page shows the estimated future operating costs of projects in the 5-year CIP. It is important to note that no operating savings were explicitly delineated for any projects in the 5-year CIP. The operation of the Central Phoenix and East Valley Light Rail Transit Project, the Tempe Center for the Arts, the Transit Regional Maintenance Facility, and the Apache Boulevard Police Substation have the largest cost, net of operational savings, over the four years from FY 2006-07 to FY 2009-10. In total, operating costs for all projects are estimated to total \$23,584,362 in this time period.

Capital Improvements Program: Projected Revenue: FY 2006-07 to FY 2009-10						
Capital Project	Fiscal Year				Total	Fund
	2006-07	2007-08	2008-09	2009-10		
Double Butte Cemetery Expansion	\$1,085,000	\$1,130,000	\$1,175,000	\$1,220,000	\$4,610,000	Cemetery
C.P. & E.V. Light Rail Transit			1,522,000	1,806,000	3,328,000	Transit
Transit Regional Maintenance Facility		490,397	505,700	521,498	1,517,595	Transit
Tempe Transit Center	197,478	204,390	211,543	218,948	832,359	Transit
Tempe Center for the Arts	440,000	456,000	473,000	490,400	1,859,400	Performing Arts
North Tempe Multigenerational Center	122,750	122,750	122,750	122,750	491,000	General
Total	\$1,845,228	\$2,403,537	\$4,009,993	\$4,379,596	\$12,638,354	All Funds

Future Impact of Capital Improvements on Operating Budget



Capital Improvements Program: Future Operating Cost Estimates: FY 2006-07 to FY 2009-10						
Capital Project	Fiscal Year				Total	Fund
	2006-07	2007-08	2008-09	2009-10		
Kyrene Water Reclamation Facility Expansion	\$111,714	\$111,714	\$111,714	\$111,714	\$446,856	Water
Double Butte Cemetery Expansion	122,782	122,782	122,782	122,782	491,128	Cemetery
C.P. & E.V. Light Rail Transit			3,545,000	7,214,000	10,759,000	Transit
Transit Regional Maintenance Facility		984,271	1,015,051	1,046,829	3,046,151	Transit
Tempe Transit Center	85,325	88,312	91,403	94,602	359,642	Transit
Western Canal Multi-Use Path		28,600	28,600	28,600	85,800	Transit
Tempe Canal Multi-Use Path: Phase II		10,400	10,400	10,400	31,200	Transit
Rio Salado Multi-Use Path: Tempe/Phoenix				10,400	10,400	Transit
Crosscut Canal				5,200	5,200	Transit
Tempe Center for the Arts	1,642,000	1,218,000	1,279,000	1,323,590	5,462,590	Performing Arts
Apache Boulevard Police Substation	421,232	408,413	430,543	461,511	1,721,699	General
North Tempe Multigenerational Center	236,009	236,009	236,009	236,009	944,036	General
Acquisition and Development of Victory Acres Property			20,300	20,300	40,600	General
Technology Integrated Police System	5,000	10,000	10,000	10,000	35,000	General
Kiwanis Center Wave Equipment Restoration			3,000	31,000	34,000	General
Laptop Refresh			15,000	15,000	30,000	General
Police Logging Recorder	200	200	200	220	820	General
Streetlight Upgrades/New Installations	8,940	8,940	8,940	8,940	35,760	HURF
New Signals/Modular Upgrades	5,840	6,480	6,480	6,480	25,280	HURF
Streets Modular Trailer Expansion	4,800	4,800	4,800	4,800	19,200	HURF
Total	\$2,643,842	\$3,238,921	\$6,939,222	\$10,762,377	\$23,584,362	All Funds

Capital Budget, Debt Service and Property Tax Rate: Ten Year Historical Trends



Fiscal Year	Budgeted	Outstanding Principal Debt	Debt Service Requirements P & I	Net	% Change	Property Tax Rate (\$)		
	Capital Improvements Program			Secondary Assessed Value	in Secondary Assessed Valuation	Primary	Secondary	Total
1996-97	35,466,698	141,285,000	27,161,881	912,856,941	2.8	.57	.83	1.40
1997-98	79,717,004	173,470,000	24,533,678	993,270,348	8.8	.56	.84	1.40
1998-99	87,651,929	203,495,000	24,297,657	1,098,826,160	10.6	.54	.86	1.40
1999-00	85,587,326	197,735,000	31,836,932	1,223,438,321	11.3	.55	.85	1.40
2000-01	61,256,862	200,805,000	29,772,986	1,356,429,397	10.9	.54	.81	1.35
2001-02	85,541,430	205,950,000	26,675,235	1,456,361,617	7.4	.53	.82	1.35
2002-03	130,638,313	252,480,000	23,996,164	1,556,492,294	6.9	.52	.83	1.35
2003-04	117,968,707	280,525,000	27,243,978	1,688,452,415	8.5	.55	.80	1.35
2004-05	176,983,222	298,600,000	27,696,707	1,768,877,385	4.8	.53	.82	1.35
2005-06	189,971,703	419,954,814	46,326,184	1,904,426,188	7.7	.52	.88	1.40

Summary:

(1) The increase from \$86 to \$190 million between FY 2001-02 and FY 2005-06 primarily comes from the addition of light rail construction within the Transit program, an expanded Water/Wastewater capital program, and the building of the Performing Arts Center; (2) the City decreased the property tax rate from \$1.40 to \$1.35 in FY 2000-01; and (3) the city increased the total property tax rate from \$1.35 to \$1.40 in FY 2005-06 for the purpose of funding Public Safety communications projects.



The objective of the City of Tempe debt management policy is to maintain the City’s ability to incur present and future debt at the most beneficial interest rates in amounts needed for financing the adopted Capital Improvements Program without adversely affecting the city’s ability to finance essential City services.

Policy Statements:

- Debt will only be used to finance long term capital improvements and not be used to finance recurring operating expenses.
- In accordance with state law, the total value of General Obligation bonds issued for the purposes of water, wastewater, artificial light, open space preserves, parks, playgrounds, and recreational facilities cannot exceed 20% of assessed valuation. The total value of General Obligation bonds issued for all other purposes other than those listed above cannot exceed 6% of assessed valuation.
- Debt term should match the useful life of the capital project funded.
- Debt service schedules will be based upon level annual principal and interest payments.
- Overlapping debt issue shall be included in the City’s financial reports.
- Authorized debt shall be limited as follows unless authorization is obtained from the City council to exceed these limits:
 - General obligation bonds shall follow the guidelines established in the debt management plan
 - Excise tax bonds shall maintain revenue coverage limits of at least 3 times debt service
 - Improvement District bonds shall not exceed 5% of the City’s secondary assessed valuation
 - Short-term borrowing or lease/purchase contracts must be budgeted within the Operating Budget
- Benchmark ratios of per capita debt, debt service to operating revenue, and outstanding debt as a percent of full cash value will be updated regularly and incorporated into the Debt Management Plan.

Bonded Debt Limits July 1, 2005

	FY 2005-06	
	6%	20%
Bond Limit ⁽¹⁾	\$114,265,571	\$380,885,238
Outstanding Bonded Debt-Previously Issued	(73,535,000)	(174,265,000)
Proposed Bonds to be Sold in FY 2005-06:		
Water/Wastewater	0	0
Storm Drains	0	0
Park Improvements	0	(1,110,000)
All Others ⁽²⁾	(24,230,555)	0
Debt Margin Available	\$16,500,016	\$205,510,238

Notes: (1) The FY 2005-06 Bond Limit is based upon an estimated secondary assessed value of \$1,904,426,188, compared to the FY 2004-05 secondary assessed value of \$1,768,877,385. (2) Includes \$7,315,950 in previously authorized, unissued debt.

Under Arizona law², cities may issue general obligation bonds for purposes of water, wastewater, artificial light, open space preserves, parks, playgrounds and recreational facilities up to an amount not exceeding 20% of the secondary

assessed value. Cities may also issue general obligation bonds for all other purposes not included in the 20% Debt Margin category up to an amount not exceeding 6% of the secondary assessed value.

Debt Service Schedule



FY 2005-06

	Original Issue	Outstanding 7-1-05	Direct Principal	Direct Interest	Fiscal Agent Payments	2005-06 Total Requirements
General Purpose						
Existing Debt:						
1993A General Obligation	\$3,850,000	\$895,000	\$475,000	\$46,960		\$521,960
1994 General Obligation	4,000,000				\$30,000	30,000
1995 General Obligation	5,600,000	1,680,000	285,000	84,988	10,000	379,988
1997 General Obligation	4,000,000	765,000	180,000	42,208		222,208
1998 General Obligation	4,035,000	3,170,000	390,000	150,055		540,055
1998A General Obligation	10,500,000	7,695,000	445,000	349,300		794,300
1999 Certificates of Part.	5,110,000	2,320,000	540,000	110,760		650,766
2001A General Obligation	3,300,000	2,905,000	115,000	145,700		260,700
2002A General Obligation	4,330,000	3,900,000	155,000	175,919		330,919
2002R General Obligation	3,215,000	2,215,000	10,000	99,130		109,130
2003 General Obligation	10,860,000	10,165,000	410,000	422,763		832,763
2004R General Obligation	4,630,000	4,450,000	200,000	182,875		382,875
2004 General Obligation	3,215,000	3,125,000	115,000	140,838		255,838
2005 General Obligation	6,935,000	6,935,000	230,000	298,797		528,797
Total Existing Debt	73,580,000	50,220,000	3,550,000	2,250,293	40,000	5,840,299
2006 Planned New Debt:						
General Obligation ¹	23,698,192	23,698,192	755,407	1,066,419		1,821,826
Excise Tax ²	20,000,000	20,000,000	630,874	920,000		1,550,874
Total General Purpose	117,278,192	93,918,192	4,936,281	4,236,712	40,000	9,212,999
Streets						
Existing Debt:						
1993A General Obligation	4,800,000	2,580,000	475,000	137,015		612,388
1995 General Obligation	9,400,000	2,815,000	475,000	142,388		617,388
1997 General Obligation	4,500,000	865,000	200,000	47,675		247,675
1998 General Obligation	3,390,000	2,665,000	330,000	126,168		456,168
1998A General Obligation	9,500,000	6,965,000	405,000	316,125		721,125
2001A General Obligation	6,700,000	5,905,000	235,000	296,123		531,123
2002A General Obligation	3,670,000	3,310,000	130,000	149,350		279,350
2002R General Obligation	2,755,000	1,905,000	10,000	85,225		95,225
2003 General Obligation	8,860,000	8,860,000	360,000	368,650		728,650
2004R General Obligation	6,130,000	5,945,000	185,000	247,238		432,238
2004 General Obligation	3,935,000	3,825,000	140,000	172,225		312,225
2005 General Obligation	6,340,000	6,340,000	210,000	273,176		483,176
Total Existing Debt	48,215,000	40,330,000	2,275,000	1,725,446		4,000,446
2006 Planned New Debt:						
General Obligation	1,642,363	1,642,363	52,352	73,906		126,258
Total Streets	71,622,363	53,622,363	3,207,352	2,435,264		5,642,989
Rio Salado (CFD)						
Existing Debt:						
2003 Rio Salado Refunding	39,275,000	36,570,000	1,395,000	1,692,228		3,087,228
Total Rio Salado (CFD)	39,275,000	36,570,000	1,395,000	1,692,228		3,087,228



	Original Issue	Outstanding 7-1-05	Direct Principal	Direct Interest	Fiscal Agent Payments	2005-06 Total Requirements
Performing Arts						
Existing Debt:						
2004 Excise Tax	37,595,000	36,095,000	1,695,000	1,831,888		3,526,888
2006 Planned New Debt:						
Excise Tax	22,228,912	22,218,912	1,061,543	1,022,530		2,084,073
Total Performing Arts	63,000,000	63,000,000	2,441,266	3,224,001		5,665,267
Golf Enterprise						
Existing Debt:						
1993 Tempe Municipal Property Corporation	1,400,000	275,000	135,000	23,015		158,015
2006 Planned New Debt:						
Excise Tax Obligations	50,000	50,000	1,577	2,300		3,877
Total Golf Enterprise	1,450,000	325,000	136,577	25,315		161,892
Cemetery Enterprise						
2006 Planned New Debt:						
Excise Tax Obligations	1,400,000	1,400,000	44,161	64,400		108,561
Total Cemetery Enterprise	1,400,000	1,400,000	44,161	64,400		108,561
Water/Wastewater Enterprise						
Existing Debt:						
1993A General Obligation	8,655,000	4,610,000	905,000	244,723		1,149,723
1995 General Obligation	11,300,000	3,390,000	575,000	171,513		746,513
1997 General Obligation	6,000,000	1,160,000	265,000	63,888		328,888
1998 General Obligation	5,330,000	4,195,000	520,000	198,590		718,590
1998A General Obligation	17,500,000	12,820,000	745,000	581,925		1,326,925
2001A General Obligation	14,000,000	12,330,000	485,000	618,288		1,103,288
2002A General Obligation	14,000,000	12,620,000	505,000	569,263		1,074,263
2002R General Obligation	5,075,000	3,535,000	20,000	158,120		178,120
2003 General Obligation	25,100,000	23,500,000	950,000	977,825		1,927,825
2004R General Obligation	8,015,000	7,690,000	325,000	316,438		641,438
2004 General Obligation	12,750,000	12,390,000	460,000	558,288		1,018,288
2005 General Obligation	39,150,000	39,150,000	1,300,000	1,686,574		2,986,574
Total Existing Debt	166,875,000	137,390,000	7,055,000	6,145,435		13,200,435
2006 Planned New Debt:						
Water/Wastewater Debt ³	73,798,544	73,798,544	2,310,355	3,381,494		5,691,849
Total Water/Wastewater	240,673,544	211,188,544	9,365,355	9,526,929		18,892,284
TOTAL ALL ISSUES	\$534,699,099	\$460,024,099	\$21,525,992	\$21,204,849	\$40,000	\$42,771,220

1 Includes \$7,315,950 of previously authorized, unissued debt.

2 Includes \$10,000,000 of previously authorized, unissued debt.

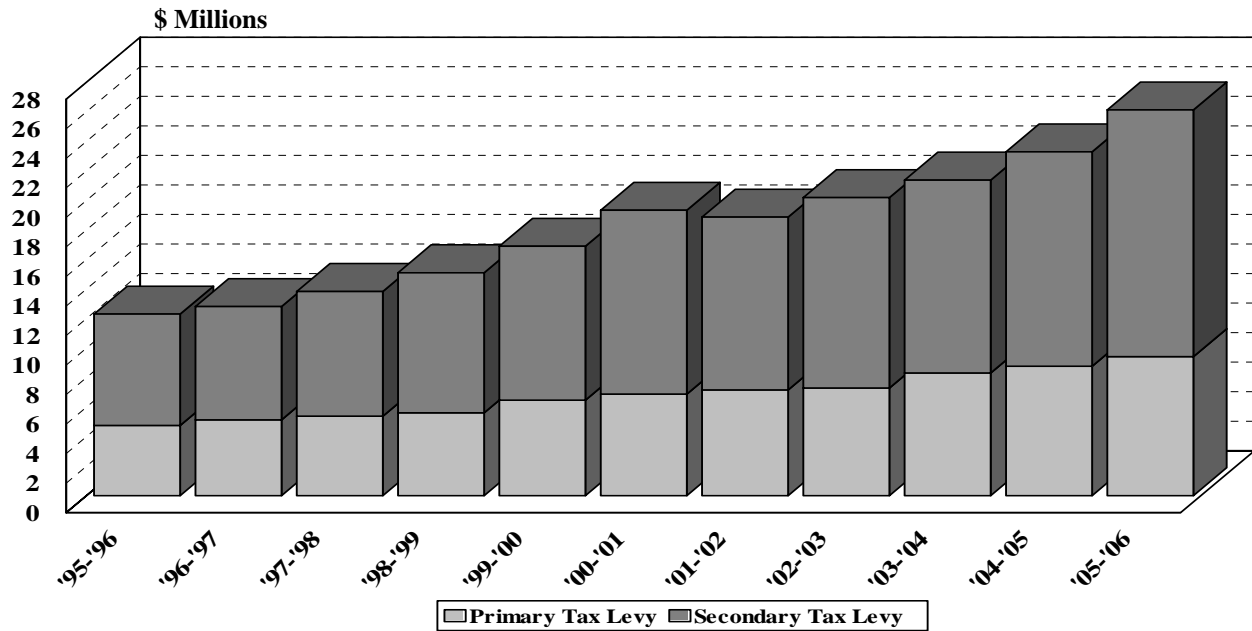
3 Includes \$23,200,000 of previously authorized, unissued debt.

Property Taxes



Beginning with fiscal year 1980-81, property taxes were divided into two distinct levies, primary and secondary. The primary tax levy may be imposed for any type of municipal expenditure while the secondary tax levy may only be used to retire principal and interest charges on bonded indebtedness.

Primary levy increases are restricted by state statutes. However, secondary levy increases are “unlimited” in that they may be increased to the level necessary to retire bonded indebtedness. For FY 2005-06, the City raised the levy rate to \$1.40 to increase debt capacity for public safety capital improvement projects.



Fiscal Year	Primary	Secondary	Total	Tax Rate/ \$100
1995-96	\$4,760,417	\$7,537,093	\$12,297,510	\$1.40
1996-97	5,141,986	7,666,645	12,808,631	1.40
1997-98	5,382,818	8,449,186	13,832,004	1.40
1998-99	5,665,500	9,506,788	15,172,288	1.40
1999-00	6,145,600	10,416,336	16,561,936	1.35
2000-01	6,879,783	11,615,100	18,414,400	1.35
2001-02	7,169,352	11,695,228	18,864,580	1.35
2002-03	7,291,549	12,897,095	20,188,644	1.35
2003-04	8,313,398	13,059,814	21,373,212	1.35
2004-05*	8,768,091	14,517,177	23,285,268	1.35
2005-06*	9,413,934	16,707,531	26,121,465	1.40

* Amounts reflect estimated receipts.



Total Operating Budget and Debt Service

Budget Data	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Operating Budget	\$252,461,143	\$260,131,518	\$249,794,666	\$275,297,746
Cost Per Capita	\$1,582	\$1,618	\$1,553	\$1,703
% Change (cost per capita)		2.3%	(1.2%)	5.3%
Debt Service*	11,666,989	13,478,666	13,278,518	14,411,213
Cost Per Capita	\$73	\$84	\$83	\$90
% Change (cost per capita)		15.5%	13.8%	7.1%

* Tax-Supported

Total Operating Revenue by Source

Source	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
General Fund	\$120,011,327	\$125,500,350	\$124,641,296	\$138,273,504
Debt Service Fund	11,666,989	13,478,666	13,278,518	14,411,213
Transportation/Transit Funds	31,057,297	40,454,381	38,316,196	39,775,792
CDBG/Section 8 Funds	11,143,513	11,712,361	11,712,361	11,731,640
Rio Salado Fund	974,644	1,498,862	1,082,118	1,551,834
Performing Arts Fund	15,389,165	6,479,332	3,996,475	6,868,730
Enterprise Funds	50,764,316	61,007,567	56,771,702	62,685,033
Total	\$241,007,250	\$260,131,518	\$249,798,665	\$275,297,746

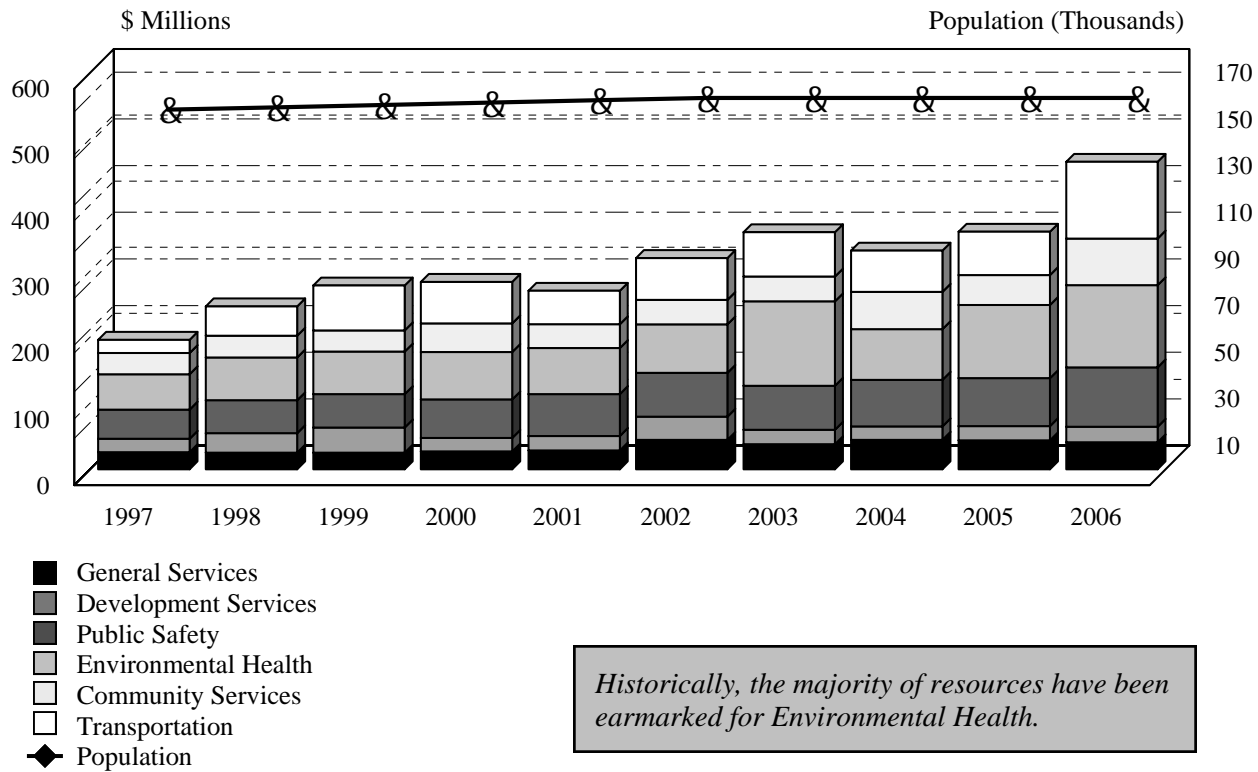
Staffing Summaries Citywide: Full-Time Authorized Positions

Source	2002-03 Actual	2003-04 Actual	2004-05 Revised	2005-06 Budget
Total Personnel	1,692	1,643	1,645	1,693
Employees/1,000 Population	10.6	10.3	10.2	10.5
% Change (Employees/1,000 Population)		(2.8%)	(1.0%)	2.9%

Program Budget at a Glance



Historically, Environmental Health has always consumed the largest share of program expenditures. For FY 2005-06, Environmental Health represents 27% of the budget, reflecting funding for plant capacity expansions for water and wastewater facilities. Transportation constitutes 25% of total program expenditures, reflecting the commitment to construct the transit light rail project.



Program (Thousands)	FYE 97	FYE 98	FYE 99	FYE 00	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06
General Services	\$25,881	\$25,096	\$25,138	\$27,024	\$28,427	\$44,517	\$37,819	\$44,547	\$43,779	\$40,785
Development Services	20,172	29,563	37,949	20,483	21,842	35,036	21,958	20,287	21,659	23,454
Public Safety	44,271	49,853	50,509	58,040	63,479	66,277	66,618	70,515	72,421	89,998
Environmental Health	53,542	64,665	64,472	72,022	69,586	73,406	127,686	76,678	110,865	124,395
Community Services	32,027	32,982	32,138	43,320	36,232	37,070	37,544	56,500	45,126	70,547
Transportation	20,032	44,186	67,905	62,624	50,508	63,251	67,055	62,389	65,461	116,090
Total	\$195,925	\$246,345	\$278,111	\$283,513	\$270,074	\$319,557	\$358,680	\$330,916	\$359,311	\$465,269

Per Capita Expenditures by Program

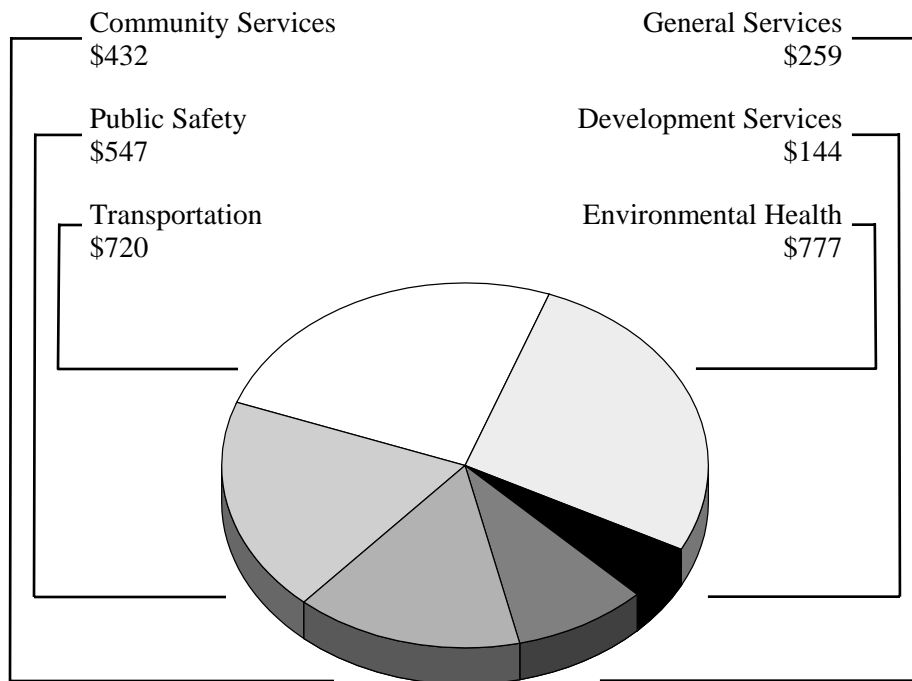


The City's budget consists of six major programmatic areas: (1) General Services, (2) Development Services, (3) Public Safety, (4) Environmental Health, (5) Community Services, and (6) Transportation.

In FY 2005-06, the total per capita cost is \$2,879. In this fiscal year, for every \$1 of expenditure, 27¢ is earmarked for Environmental Health, 25¢ for Transportation and the remainder for Public Safety, Community Services, and Development Services.

Environmental Health and Transportation represent the greatest areas of expense. Environmental compliance modifications and additional treatment plant capacity continue to impact enterprise operations resulting in increasing water and wastewater costs. The increase in Transportation is primarily due to construction of a light rail transit corridor.

FY 2005-06



Per Capita Expenditures		
Program	FY 2005-06	Percentage of Total
General Services	\$259	9%
Development Services	144	5%
Public Safety	547	19%
Environmental Health	777	27%
Community Services	432	15%
Transportation	720	25%
Total Per Capita Expenditures	\$2,879	100%

Program By Fund Summary



Environmental Health represents the greatest expense, primarily attributed to capacity expansion projects and water/wastewater improvements. Transportation, the second greatest expense, reflects the engineering and construction of the light rail transit corridor.

FY 2005-06							
Fund	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
General	\$25,166,159	\$9,484,537	\$75,890,227	\$430,606	\$25,451,975	\$1,850,000	\$138,273,504
Rio Salado		1,175,398			376,436		1,551,834
HURF						8,656,870	8,656,870
Transit						31,118,922	31,118,922
Debt Service	14,411,213						14,411,213
Performing Arts					6,868,730		6,868,730
Golf					2,071,538		2,071,538
Solid Waste				12,602,968			12,602,968
Water Utilities				47,720,279			47,720,279
CDBG/Section 8		11,731,640					11,731,640
Cemetery					290,248		290,248
Total Operating	39,577,372	22,391,575	75,890,227	60,753,853	35,058,927	41,625,792	275,297,746
Capital Improvements	1,208,389	1,062,750	14,107,614	63,640,688	35,488,009	74,464,253	189,971,703
TOTAL PROGRAM	\$40,785,761	\$23,454,325	\$89,997,841	\$124,394,541	\$70,546,936	\$116,090,045	\$465,269,449

Program By Department Summary



FY 2005-06							
Department	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
Mayor & Council	\$386,716						\$386,716
City Manager	307,987						307,987
Community Relations	2,556,094						2,556,094
City Clerk	726,757						726,757
City Court			3,759,540				3,759,540
Human Resources	2,461,483						2,461,483
City Attorney	2,453,274			338,578			2,791,852
Financial Services	4,102,465						4,102,465
Diversity Program	558,314						558,314
Internal Audit	453,147						453,147
Development Services		4,795,089					4,795,089
Community Development		16,130,966					16,130,966
Police			53,475,942				53,475,942
Fire			18,654,745				18,654,745
Community Services					14,782,981		14,782,891
Water Utilities				28,935,590			28,935,590
Public Works	5,645,562	1,465,520		13,033,574	14,768,649	37,347,560	72,260,865
TOTAL DEPT	19,651,799	22,391,575	75,890,227	42,307,742	29,551,630	37,347,560	227,140,533
Non-Departmental	4,288,296						4,288,296
Debt Service	14,411,213			17,446,111	5,130,861	3,829,000	40,817,185
Contingency	1,226,064			1,000,000	376,436	449,232	3,051,732
TOTAL OPERATING	39,557,372	22,391,575	75,890,227	60,753,853	35,058,927	41,625,792	275,297,746
Capital Improvements	1,208,389	1,062,750	14,107,614	63,640,688	35,488,009	74,464,253	189,971,703
TOTAL PROGRAM	\$40,785,761	\$23,454,325	\$89,997,841	\$124,394,541	\$70,546,936	\$108,633,477	\$465,269,449

Public Works represents 32% of the total General Services program, while Police comprises 70% of the total Public Safety program budget.

Impact of Total Budget on Residents



The City maintains three utility services for water, sewer, and solid waste. For FY 2005-06, an increase in solid waste rates has been approved and is effective November 1, 2005. Water and sewer rates will continue phased-in increases. Rate reviews for each of the utility services will continue annually.

Local Taxes

Sales Tax

Tempe voters approved a 0.1% increase to the sales tax rate from 1.7% to 1.8% effective January 1, 2001. The proceeds from this increase are dedicated to the Visual and Performing Arts.

Property Tax

The property tax rate for FY 2005-06 will increase by \$.05 to \$1.40/\$100 assessed valuation. This increase is primarily earmarked for debt service requirements for the new Police/City Radio System Replacement and the new Police CAD/RMS/FRWS System in the Capital Improvements Program. The primary tax rate is \$0.52 and the secondary tax rate is \$0.88.

Utility Charges for Services

Water/Sewer

Effective November 1, 2004, water rates increased by 4%, sewer rates increased by 7.5%, and irrigation rates increased by 9%. Pending Council approval, rates will be adjusted again this fall to attain full cost recovery, as customer charges are based upon water consumption and strength of discharge into the sewer system.

Solid Waste

A fee adjustment to solid waste rates will take effect on November 1, 2005. The rate for residential services will increase by 9.5%, while commercial services will increase by 7.5%. Our last fee adjustment of 9.5% for residential rates and 7.5% for commercial rates was implemented August 1, 2004.

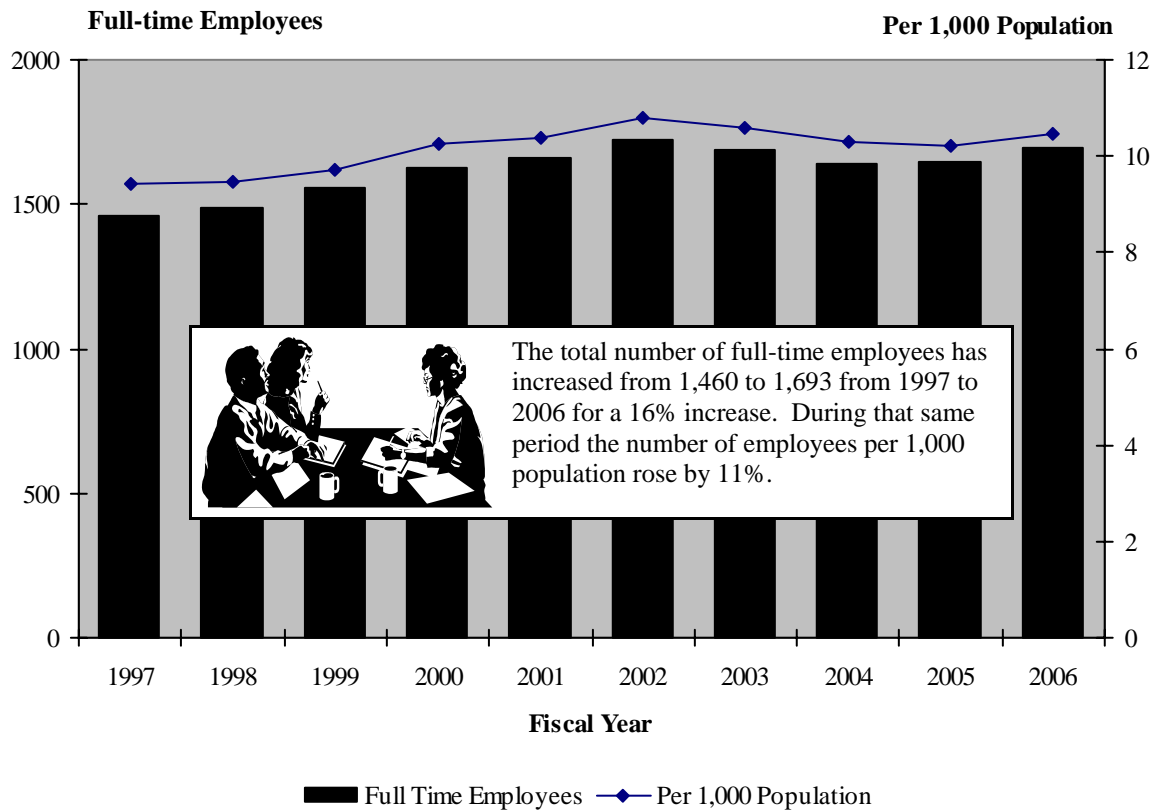
Fiscal Year	Local Taxes		Utility Charges for Services (monthly) ¹		
	Sales Tax	Property Tax	Water	Sewer	Solid Waste
2004-05	1.8%	\$1.35	\$21.29	\$12.45	\$15.29
2005-06	1.8%	\$1.40	\$22.15	\$13.38	\$15.29

¹ Charges reflect rates effective July 1.

Personnel Summary: Ten Year History



The number of full-time employees, which does not include permanent full-time equivalents or temporary full-time equivalents, for fiscal year 2005-06 totals 1,693, a 2.9% increase from the FY 2004-05 budget. Total employees per 1,000 population for 2005-06 is estimated at 10.48, a 2.4% increase from the previous fiscal year. The increase in personnel can primarily be attributed to the hiring of additional police officers, and to positions requested in conjunction with the opening of the new Tempe Center for the Arts.



Fiscal Year-End	Full- Time Employees	Employees Per 1,000 Population
1997	1,460	9.41
1998	1,488	9.45
1999	1,556	9.71
2000	1,628	10.27
2001	1,661	10.36
2002	1,722	10.80
2003	1,692	10.61
2004	1,643	10.29
2005	1,645	10.23
2006	1,693	10.48



Comprehensive Financial Plan

The following section summarizes the comprehensive financial plan which served as the cornerstone for the financial action plan and capital and operating budget decision-making. It includes long-range forecasts of revenue and expenditures, issues, trends, resource choices for all funds, and the debt management program.



Introduction

The Comprehensive Financial Plan, first published in March 1991, is a vital component of Tempe's financial management strategy. Its purpose is to provide a five-year perspective on the financial condition of each of the City's appropriated funds. As a planning tool it provides a long-range context for short-term budgetary decisions.

Study Approach

As part of this study, the Management and Budget Section within Financial Services has established financial models that examine the City's appropriated operating funds and their underlying revenue and expenditure structures for the period of fiscal year 2004-2005 through fiscal year 2008-09.

Forecast models are presented along with trends, forecasts, and fund balances for each of the funds.

Operating funds examined include:

- General Fund
- Transit Fund
- Transportation Fund
- Performing Arts Fund
- Water/Wastewater Fund
- Solid Waste Fund
- Golf Fund
- Rio Salado and Comm. Fac. Dist Funds

Not included in this forecast is the Cemetery Fund as it had not been established at the time of the forecast.

Major Study Findings

Highlights of the major findings and conclusions from the long-range financial study follow:

The City continues to have strong fund balances and reserves. This is best depicted by the following:

- Unrestricted fund balance in the General Fund totaled \$34.5 million as of June 30,

2004. This balance represents 27.4% of FY 2003-04 total General Fund revenue (25% is the guideline used by the City as an optimum fund balance level according to the City's financial policy).

- Self-insurance reserve of \$8.8 million (considered adequately protected from potential liability claims).
- Restricted debt service reserves of \$13.3 million, sufficient to absorb debt obligations over the next five years.
- Water/Wastewater fund balance of \$67 million provides necessary coverage for operating and capital expenses and critical strategic flexibility over the next several years.
- The City enjoys bond ratings of:
"AAA" Fitch,
"AA+" Standard and Poor's
"Aa1" Moody's

Previously, revenue growth and operating surpluses in the General Fund have allowed the City to address high priority needs in the Capital Improvements Program with pay-as-you-go financing. For the current fiscal year, the General Fund shows a balanced budget with revenue equaling expenses, thus eliminating pay-as-you-go financing.

The successful transit tax proposal in September 1996, increasing the sales and use tax rate by one half of one percent, is forecasted to provide sufficient revenue for transit purposes through the end of the forecast period. It should be noted that light rail operating impacts are planned to occur in FY 2006-07.

Our projection is for continued reductions in our percentage share of state revenue for transportation from the Highway User Revenue Fund (HURF) and the state Lottery as Tempe's share of statewide population falls. This factor, combined with expenditure growth, may produce a deficit condition in the Transportation Funds in future years.



The Water/Wastewater fund will most likely require rate adjustments to occur in the near term, with the goal to bring wastewater into full cost recovery and to ensure that all customers are charged equitably based on discharge volume and strengths. Over the next five years further adjustments will be necessary to meet the fiscal impact of water/wastewater compliance and sewer capacity demands. These costs are driven primarily by federally mandated modifications at the regionally shared 91st Avenue Wastewater Treatment Plant, and the need for increased sewage processing capacity, and other compliance required improvements.

Continued close monitoring of the Solid Waste and Golf Enterprise Fund operations will be required, which may include the possibility of rate adjustments to avoid operating deficits and to maintain adequate reserves for capital needs and contingencies. The Golf Fund faces unique challenges as valley courses vie for golfers. These challenges may require a look at options beyond rate adjustments to ensure fund solvency in the future.



Forecasting as used in this report refers to the estimating of the future values of revenue and expenditures. It provides an estimate of how much revenue will be available and the resources required to meet current service levels and programs over the forecast period, along with an understanding of how the total financial program will be affected by the demographic and economic factors driving these forecasts. The value of forecasts is in estimating whether, given assumptions about local financial policies and economic trends, the City will have sufficient resources to meet the resource requirements of ongoing, planned, or mandated programs. Forecast models have the added value of providing a planning tool for capital projects and/or whether bonded indebtedness will be required for capital funding. In short, forecasting provides an estimate of the financial flexibility of the City, as well as insight into tax, revenue, and service options the Council must address.

Our forecasting methodology reflects a combination of internal analysis and locally generated consensus forecasts covering such factors as population growth, retail sales, and inflation. Specifically, for the revenue forecasts, we begin with models that include prior year actual collections and project the balance of the current fiscal year based on prior year patterns. For the remaining years of the revenue forecast, we look to consensus forecasts (such as the Bank One Arizona Blue Chip Forecast, Western Blue Chip Economic Forecast, and AZB/Arizona Business published by the ASU College of Business) for an indication of the expected trends in key economic and demographic indicators. Typically, these forecasts cover the state or the metro-Phoenix area as a whole, so adjustments to reflect unique conditions in Tempe are sometimes necessary. In general, we seek to match revenue sources with the economic and/or demographic variables that most directly affect year-to-year changes in those revenue. For example, a revenue such as the city sales tax will reflect consensus forecasts related to taxable sales growth. Other revenue, such as those from recreation services, are linked

to Tempe's expected population growth. By identifying and utilizing as many revenue-related variables as possible in our forecast, we hope to minimize the risks of overstating or understating revenue that could arise from using only a few variables to forecast all revenue sources.

For expenditures, growth is most closely linked to two major factors: 1) inflation (including general inflation, market adjustments to salaries, and changes in benefits costs), and 2) City financial policies related to the amount of new funding added each year for new programs and/or the expansion of existing programs as well as including new operational and debt service funding associated with Capital Improvement Program projects. As with our revenue forecasts, we consider consensus forecasts related to general inflation (particularly the trends projected). For certain expenditure categories (such as fuel and utilities), we apply inflation factors that reflect the historical rate of price inflation in these categories relative to overall inflation. Amounts for new programs and/or program expansions are assumed to be constant over the forecast period (same amount is added to each year of the forecast).

Forecast and Major Revenue Assumptions

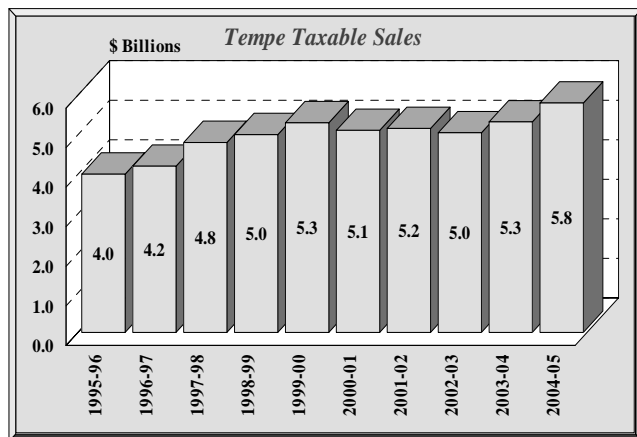


Our general approach to forecasting is to apply a conservative philosophy that does not overstate revenue nor understate expenditures. We recognize that economic forecasting is not an exact science and at times relies upon the professional judgment of the forecaster. To reduce the risks of miscalculating revenue or expenditures, we attempt to identify as many factors as possible that may contribute to changes in revenue and expenditures. The City's revenue and expenditure budgets are comprised of many unique elements that respond to a variety of external factors such as population growth, development, inflation, and interest rates. The following provides our assumptions relating to major revenue and expenditures.

■ *Tempe Taxable Sales*

Taxable sales in Tempe had steadily increased until the 2001-03 national downturn in the economy. The City took proactive steps to encourage new development. This has resulted in our highest taxable sales to date. As the table below shows, taxable sales in FY 2004-05 were \$5.8 billion (45%) higher than total taxable sales in FY 1995-96.

In the graph, General Fund retail sales steadily increased until the nationwide economic

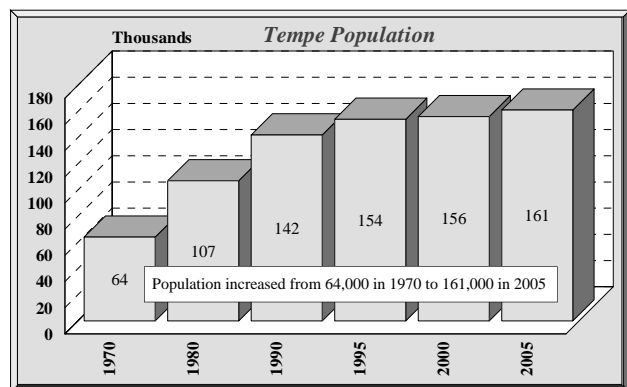


slowdown in FY 2001-02 through FY 2002-03. Sales that generate tax revenue for the City, had a widespread impact on many funds. The primary categories of sales (based on FY 2004-05 annual averages) are retail sales (54%),

commercial and residential rent (16%), utility sales (8%), restaurant sales (7%), and building materials sales (7%). Construction sales are expected to decline sooner than retail and other sales as a slowdown in construction typically precedes an economic downturn.

■ *Population*

Following the strong population growth period of the late 1970's (5.3%) and the 1980's (2.8%), Tempe experienced steady but considerably slower growth. This trend is expected to continue as the City land use approaches build out. Population in Tempe is assumed to increase by



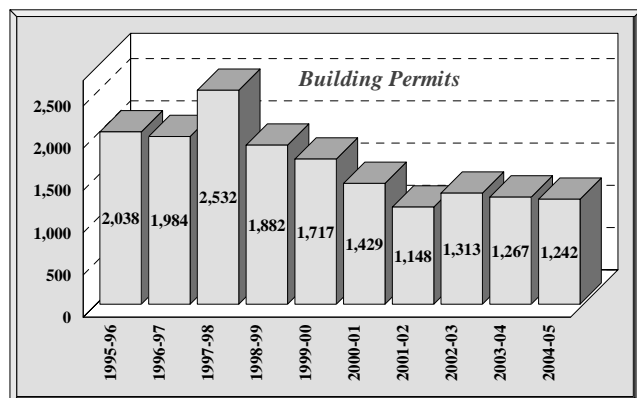
0.05% over the forecast period. In contrast state population growth is assumed to average 2.7% per year over the next five years. This disparity is significant in that several major revenue categories are dependent upon Tempe's population as a percentage of the state. Continued population growth statewide and in Maricopa County in particular has been credited for much of the increased state revenue during the latest economic expansion. While Tempe is now seeing the benefit of statewide population growth through increased state-shared revenue, our slower pace of growth relative to other cities could produce a smaller share of the statewide pool of funds after the 2005 Special Census. Our long-range revenue forecasts reflect these economic assumptions and the estimated impact of the Census.

■ *Development/Redevelopment*

New housing and commercial starts (construction activity) are expected to decline to a moderate level of activity as the City's



undeveloped land approaches build-out. After the 1997 peak, building permit activity for 2006 is expected to decline. While we expect redevelopment efforts to sustain some level of construction activity, we have conservatively assumed a level of growth equivalent to the



projected rate of population growth.

■ **State-Shared Revenue**

For purposes of the forecast, we have assumed that State law related to shared revenue distributions will remain unchanged. It should be noted that all state shared revenue is at the discretion of the state legislature. The last state-share cut affected FY 2001-02 revenue and resulted in a \$3.5 million reduction in state-shared revenue for Tempe. The forecast reflects this loss and its impact on subsequent years.

The temptation to tap state-shared revenue may persist over the next five years. Therefore our assumption that state revenue distribution formulas will not change may prove to be overly optimistic as the state is faced with the task of balancing its budget.

■ **Assessed Valuation**

Throughout the 1980's, Tempe experienced growth in net secondary assessed valuations. In 1990 this trend began to slow, and in 1991 net secondary assessed valuations increased by only 0.3%. From 1990-91 through FY 1994-95, Tempe experienced a decline in assessed valuation resulting from a countywide decrease in assessed valuations reflective of the general decline in the real estate market and a

methodological change from a "cost" to an "incomes" approach by the county assessor for valuing commercial real estate.

In FY 1999-00, Tempe's secondary assessed valuation was up by 12.9%, following 10.6% growth the prior year. This trend has slowed to 8.2% in FY 2004-05. In November 1999, the Maricopa County Assessor's Office implemented a two-year cycle of valuations of residential, vacant land, and agricultural properties. As a result, property tax revenue spikes every two years. Consistent with the City's Debt Management Plan, the forecast assumes an annual increase from 4.0% to 5.0% in valuation.

■ **Interest Rates/Cash Balances**

Interest revenue is expected to increase modestly in most funds, while yields tied primarily to short-term government interest rates are expected to average 3.0% for the forecast period. Some planned, short-term drawdowns of cash balances may occur periodically over the period of the forecast, reducing interest earnings.

Financial Overview



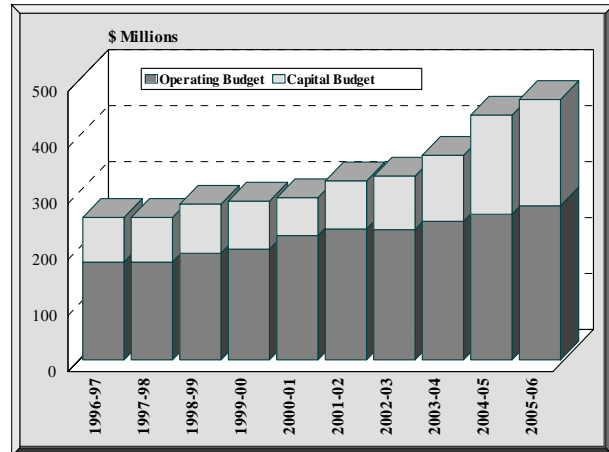
The following financial overview provides a summary of revenue, expenditure, and historical budget trends.

The FY 2005-06 budget of \$465.3 million provides for a \$275.3 million operating budget and a \$190.0 million capital budget. The operating budget includes \$152.7 million of general governmental operations, \$62.7 million of enterprise operations (Water/Wastewater, Solid Waste, Cemetery, and Golf) and \$59.9 million of special revenue operations (Transportation, Transit, Performing Arts, Redevelopment, and Housing).

Fiscal Year	Operating Budget	Capital Budget	Total Budget
1996-97	\$162,042,739	\$35,466,698	\$197,509,437
1997-98	174,865,699	79,717,004	254,582,703
1998-99	190,459,638	87,651,929	278,111,567
1999-00	197,926,204	85,587,326	283,513,530
2000-01	222,169,282	67,408,152	289,577,434
2001-02	234,015,370	85,541,430	319,556,800
2002-03	232,846,185	95,318,794	328,164,979
2003-04	247,565,261	117,968,707	365,533,968
2004-05	260,131,518	176,983,222	437,114,740
2005-06	275,297,746	189,971,703	465,269,449

Major funding sources include \$98.2 million in local taxes (sales and property), \$38.2 million of intergovernmental revenue, \$61.0 million of enterprise revenue, and \$70.6 million of special revenue (Transit, Performing Arts, Highway User, Lottery, Rio Salado, Community Development Block Grant and Section 8 Housing).

Total budgeted revenue for FY 2005-06 is \$465.3 million, with operating revenue of \$287.2 million and the remainder from other capital funding sources. General Governmental revenue accounts for \$155.7 million of the total operating revenue. Enterprise and special revenue represents the remainder of total operating revenue, most of which derives from water/wastewater service charges and user fees.



Summary overviews of appropriations and revenue provide a base reference for the fund specific forecast models that follow. A ten year history of budget trends is depicted in the following graph.



■ *Salaries and Wages*

On the expenditure side, we have assumed salary and wage market adjustments in the FY 2005-06 projection but no future adjustments for the later years. Any planning for the next several years must recognize the importance of compensation because of its significant long term expenditure impact. For example, every one percent change in compensation has an estimated expenditure impact of \$850,000 to the General Fund and another \$213,600 to the Special and Enterprise Funds. It is obvious that whatever policy decision is made with regard to compensation will have a profound effect on future decision-making options.

■ *Fringe Benefits*

Health insurance costs are forecasted to increase on average 14.0% for the next five years. Market forces, the movement towards managed care, and an excellent claims history had temporarily moderated the City's health care costs, but we are now seeing a resumption of growth in excess of general inflation, much of which is derived from higher claims costs.

Our expectation is that health care costs will rise at a rate exceeding the overall Consumer Price Index. Retiree health care cost will continue to rise as our work force matures and greater percentages of employees retire.

■ *Inflation (Consumer Price Index)*

Inflation is expected to fluctuate from 1.75% to 2.50% in the later years of the forecast.

■ *Supplemental Limits*

As a result of the economic downturn, City revenue streams have been affected. For this budget forecast, no new programs were authorized, as our focus is to maintain basic services.

■ *Capital Improvement Program Operating Budget Impacts*

An important aspect of the City's Capital Improvement Program is the identification of operating budget impacts associated with capital projects. Since long-range planning takes place prior to the adoption of the Capital budget,

future impacts of new programs are not included. However, projects approved in the prior year Capital Budget are included in the out years of the forecast.

■ *State Expenditure Limitation*

The City's FY 2005-06 total financial program is estimated at \$465.3 million, including capital improvements. In 1996 and 2002, Tempe citizens approved budget overrides to the state imposed expenditure limitation, allowing the City to permanently adjust its FY 1979-80 base budget. The City's base expenditure level of \$29,579,379 established in FY 1979-80 increased to \$235,207,684 for FY 2005-06.

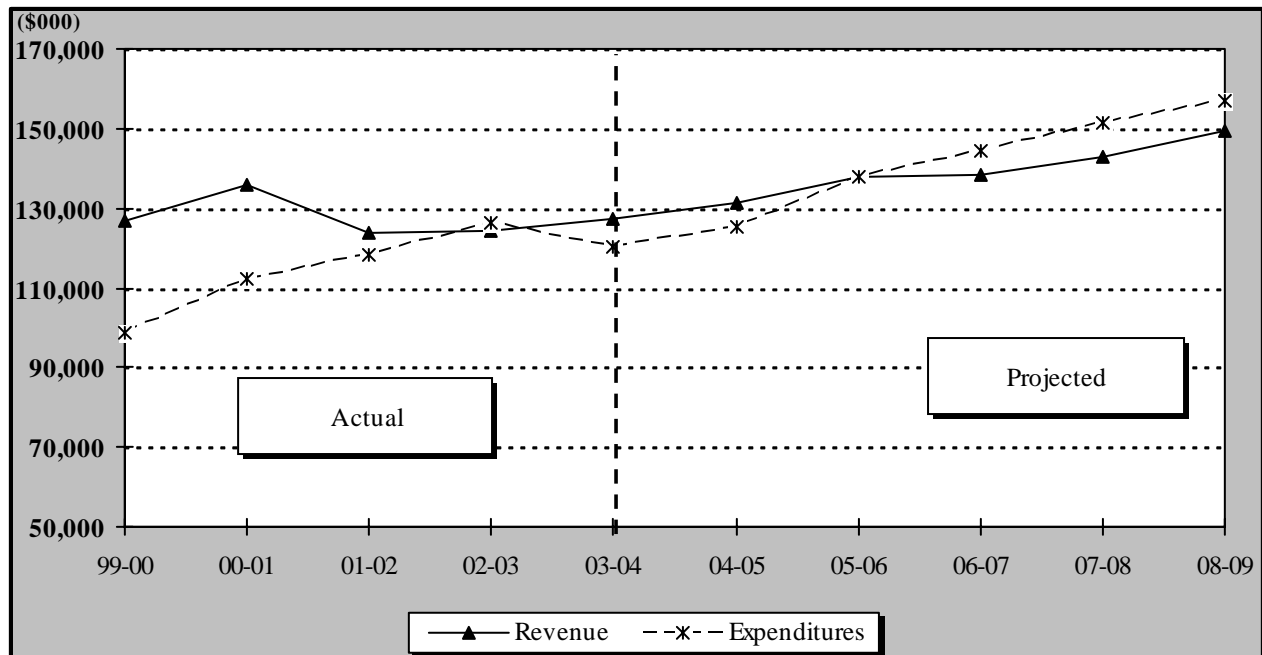
Economic Outlook

Following the mild recession in mid-1990 to 1991, both the local and state economies have enjoyed a prolonged robust period. The metropolitan Phoenix area has been among the nation's leading major metropolitan areas in population and job growth, factors that have undoubtedly benefited Tempe. Tempe's economy, along with those of other Phoenix area cities, have also become stronger through increased diversification.

In 1993, Arizona's and Tempe's economic growth accelerated, driven largely by a surge in construction and later joined by growth in other sectors. Construction, however, appears to have peaked during this cycle and will likely decline during the next few fiscal years.

The duration of the economic expansion may largely be a function of Federal Reserve policy, inflation, and the rate of economic growth. Due to the relatively low cost of living and moderate tax burden, the Arizona economy should continue to do well, even with a slow-down in the economy. It is predicted that Arizona's performance relative to other states will continue to be favorable.

General Fund: Projected Revenue and Expenditures



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Local Taxes	68,567	72,207	66,344	66,841	71,455	75,308	77,918	80,418	82,886	87,443
Intergovernmental	36,055	37,490	33,927	35,536	34,076	34,761	38,240	35,912	37,706	39,301
Building & Planning	2,958	2,731	2,020	2,585	2,643	2,471	2,395	2,407	2,419	2,431
Cultural and Recreation	4,204	4,259	4,457	4,699	5,114	4,963	4,979	5,004	5,029	5,054
Fines, Fees and Forfeitures	4,778	4,490	4,577	5,510	5,831	5,829	5,771	5,800	5,829	5,858
Business Licenses	605	1,081	1,091	1,263	1,079	1,072	1,091	1,091	1,091	1,091
Interest Income	5,940	7,211	6,529	3,452	2,764	2,880	3,569	3,676	3,796	3,929
Franchise Fees	1,281	2,045	2,135	1,532	1,505	1,298	1,329	1,379	1,426	1,471
Other Revenue Sources	2,246	4,415	2,621	2,780	2,731	2,747	2,637	2,662	2,683	2,710
Total Revenue	126,635	135,929	123,702	124,199	127,198	131,328	137,928	138,348	142,864	149,288
Expenditures (\$000)										
Personal Services	79,005	86,338	95,095	100,518	98,286	101,274	107,931	113,624	120,083	124,798
Materials and Supplies	6,324	7,446	6,821	6,275	6,417	6,841	7,146	7,327	7,525	7,759
Fees and Services	15,268	16,750	17,208	16,341	15,996	17,260	18,455	18,874	19,328	19,864
Travel and Training	955	1,122	891	606	647	684	684	697	712	729
Non-Departmental/Loan	2,598	2,693	3,265	4,082	3,405	3,708	3,835	3,909	3,992	4,091
Capital Outlay	2,687	3,723	2,592	3,779	3,287	1,431	2,186	2,229	2,276	2,332
Contingency	0	0	0	0	0	661	1,800	1,800	1,800	1,800
Maintenance of Effort	1,850	1,850	1,850	0	0	0	1,850	1,850	1,850	1,850
Internal Services/Adjust	(10,063)	(7,565)	(9,452)	(5,369)	(7,656)	(6,557)	(5,959)	(5,989)	(6,019)	(6,049)
Total Expenditures	98,625	112,357	118,269	126,232	120,381	125,302	137,928	144,321	151,546	157,176
Net Operating Surplus/ (Deficit)	28,010	23,572	5,433	(2,033)	6,817	6,026	(0)	(5,972)	(8,682)	(7,888)



Trend/Forecast

In the early 1990's the City experienced declining annual surpluses as expenditure growth exceeded revenue growth by as much as 5%-6% per year. In response to this situation, the City invoked three years of spending reductions to slow the rate of expenditure growth. The success of the expenditure reduction strategy alone was limited, however, because it coincided with a slow-down of the national and regional economy.

The outlook for the General Fund improved dramatically in 1993 with voter approval of an increase in the sales tax rate from 1.0% to 1.2%. The sales tax increase was projected to add \$5 million to \$6 million each year and kept the General Fund fiscally sound for almost a decade. That expectation has been confirmed, while improvements in retail sales and commercial development have also bolstered General Fund revenue.

In the beginning of the 2000s, annual operating surpluses started to decline again as revenue growth slowed resulting from a national downturn in the economy. In addition, our share of locally-distributed state income, sales and vehicle license tax revenue declined in FY 2001-02. Tempe's declining percentage of statewide population has a direct impact on our state shared revenue, as it is the methodology for allocating monies to Cities. Our forecast is for operating surpluses to decline such that an operating deficit within the forecast period appears in FY 2006-07. In the assumptions related to future revenue and expenditure growth, it appears that over the long-term, the current economic growth trend is not sustainable and thus leads to operating deficits within this forecast horizon.

An important caveat to our projections concerns the issue of state-shared revenue, which has come under attack in recent years and may be at risk in the future. Income and vehicle license tax reductions enacted at the state level in recent years have been mitigated in part by a strong state economy and population growth. In addition, the state has recently assumed significant

responsibilities for funding the capital costs of local school districts and alternative fuel vehicles. Our concern as a local government is how state budget-balancing decisions may affect local revenue. Close monitoring of the Legislature's efforts to alter the distribution formulas for state-shared revenue or to enact laws that may narrow the local tax base will be required.

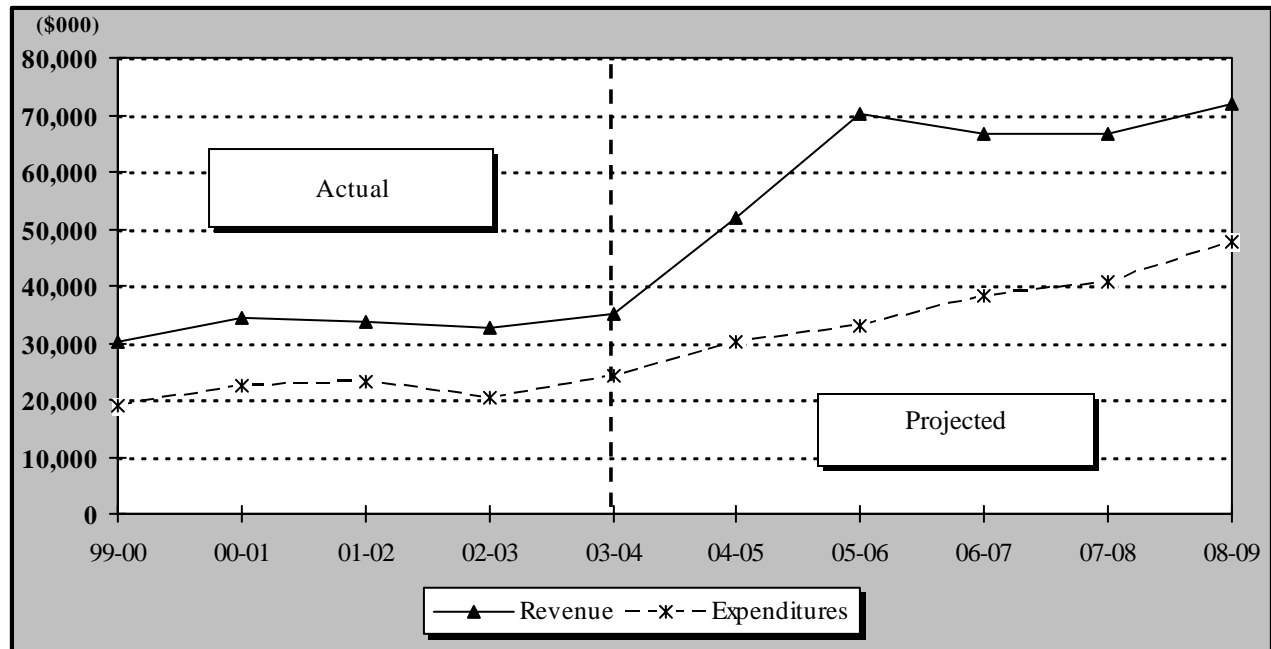
Policy choices made now regarding annual supplemental limits will have a significant impact on the long-term condition of the General Fund. The forecast assumes no new programs and streamlining of operational and personnel costs.

Fund Balance

The General Fund's unreserved fund balance has grown from \$23.2 million just ten years ago to \$34.5 million for FYE 2004. Over the next several years, we anticipate some drawdown of fund balances primarily for "pay-as-you-go" capital financing, bringing the General Fund balances in line with the financial policy of 25% of General Fund revenue.

FYE	Unreserved Fund Balance
95	23,196,449
96	28,590,826
97	30,639,891
98	34,682,895
99	38,201,087
00	38,615,537
01	36,985,072
02	35,125,797
03	34,473,270
04	34,480,754

Transit Fund: Projected Revenue and Expenditures



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Transit Tax	26,384	27,310	25,230	25,141	26,741	27,102	27,996	29,116	30,208	31,039
Lottery Transfer In	325	319	300	290	282	271	264	259	253	248
ASU-Flash Transit	316	310	345	352	481	478	496	508	521	534
Interest Income	1,936	4,229	3,475	919	778	1,422	1,691	1,518	1,471	1,418
Light Rail Fares	0	0	0	0	0	0	0	0	0	1,522
Out of Jurisdiction Service Revenue	489	1,685	4,025	5,057	5,671	5,907	6,027	6,214	6,322	9,035
FTA Light Rail Reimbursements	0	0	0	0	0	16,001	31,752	27,204	26,012	24,497
Regional Transportation Fund	0	0	0	0	0	0	165	170	173	1,969
Miscellaneous Revenue	625	491	212	739	1,090	877	1,658	1,702	1,743	1,802
Total Revenue	30,076	34,344	33,586	32,498	35,043	52,058	70,049	66,691	66,704	72,064
Expenditures (\$000)										
Personal Services	1,110	1,282	1,482	1,477	1,785	1,945	2,271	2,351	2,493	2,596
Materials and Supplies	29	29	27	9	1,550	1,683	1,951	1,990	2,031	2,082
Fees and Services	11,927	15,515	18,343	18,534	20,177	20,330	23,966	25,158	25,761	32,538
Travel and Training	53	37	20	8	19	17	17	17	18	19
Capital Outlay	170	3	9	12	24	41	115	117	120	122
Debt Service	4,748	4,772	2,443	1	0	5,460	3,829	7,982	9,469	9,469
Internal Service Charges	588	621	504	207	237	242	305	311	317	325
Indirect Cost Allocations	154	181	235	244	428	437	445	453	463	474
Total Expenditures	18,779	22,440	23,063	20,492	24,222	30,154	32,898	38,378	40,673	47,626
Net Operating Surplus/ (Deficit)	11,297	11,904	10,523	12,006	10,821	21,903	37,151	28,312	26,031	24,438



Trend/Forecast

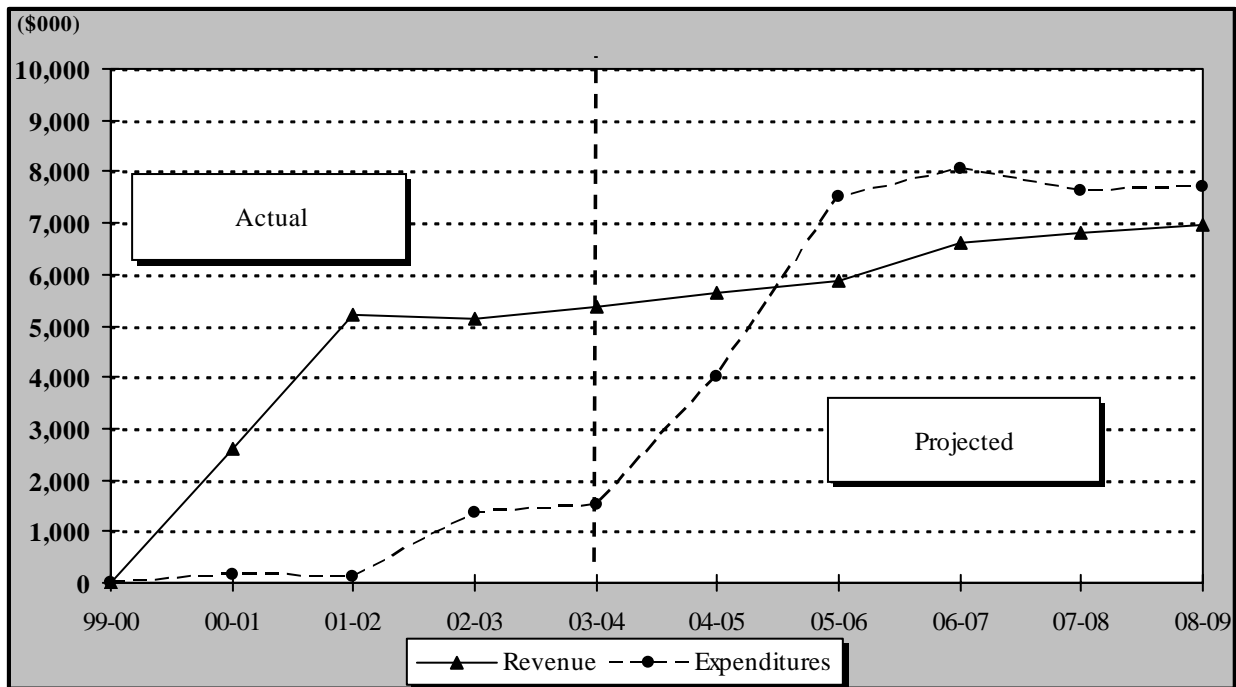
Since the transit tax is a component of the overall City sales tax, the growth trend projected in General Fund sales tax revenue is mirrored here in the Transit Fund. The projected increase in revenue growth in the later years of the forecast can be attributed to an increase in federal reimbursements received in conjunction with construction of the City's light rail project.

The pattern of growth reflected in the expenditure estimates relies upon the 20-Year Transit Business Plan and the assumptions made in that plan regarding the expansion of routes, the acquisition of new buses, and the implementation of a light rail system. The forecast is for planned fund surpluses from FY 2005-06 through FY 2008-09.

In FY 1997-98, the first full year of the transit tax, operating expenses were \$5.2 million. By the end of the forecast period, expenses are estimated to climb to \$47.6 million.

FYE	Unreserved Fund Balance
97	\$8,552,661
98	18,437,544
99	19,946,528
00	20,958,629
01	29,318,960
02	40,943,760
03	48,999,032
04	42,109,647

Performing Arts Fund: Projected Revenue and Expenditures



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Performing Arts Tax	0	2,608	5,006	5,010	5,280	5,420	5,600	5,824	6,042	6,208
Facility Revenue	0	0	0	0	0	0	0	440	456	473
Interest Income	0	7	202	112	98	238	282	332	322	289
Total Revenue	0	2,615	5,208	5,123	5,378	5,658	5,881	6,596	6,820	6,970
Expenses (\$000)										
Personal Services	0	17	112	145	203	314	685	1,535	1,603	1,654
Materials and Supplies	0	3	2	1	1	2	23	24	24	25
Fees and Services	0	17	4	11	43	130	215	238	246	256
Travel and Other	0	108	10	4	2	9	9	9	9	9
Capital Outlay	0	0	0	0	0	0	1,500	500	0	0
Debt Service	0	0	0	1,204	1,234	3,521	4,815	5,611	5,604	5,606
Internal Service Charges	0	2	6	8	22	20	280	150	150	150
Indirect Cost Allocations	0	0	0	0	0	0	0	0	0	0
Total Expenses	0	147	134	1,373	1,504	3,997	7,527	8,067	7,636	7,699
Net Operating Surplus/ (Deficit)										
	0	2,468	5,074	3,750	3,874	1,661	(1,646)	(1,471)	(816)	(729)



Trend/Forecast

The Performing Arts Fund receives revenue from the Performing Arts Tax. This tax, which represents 0.1% of retail taxable sales and is collected as a portion of the City Sales Tax, was approved by voters in January 2001. Monies received from this tax are dedicated to the construction and operating expenses of the Tempe Center for the Arts.

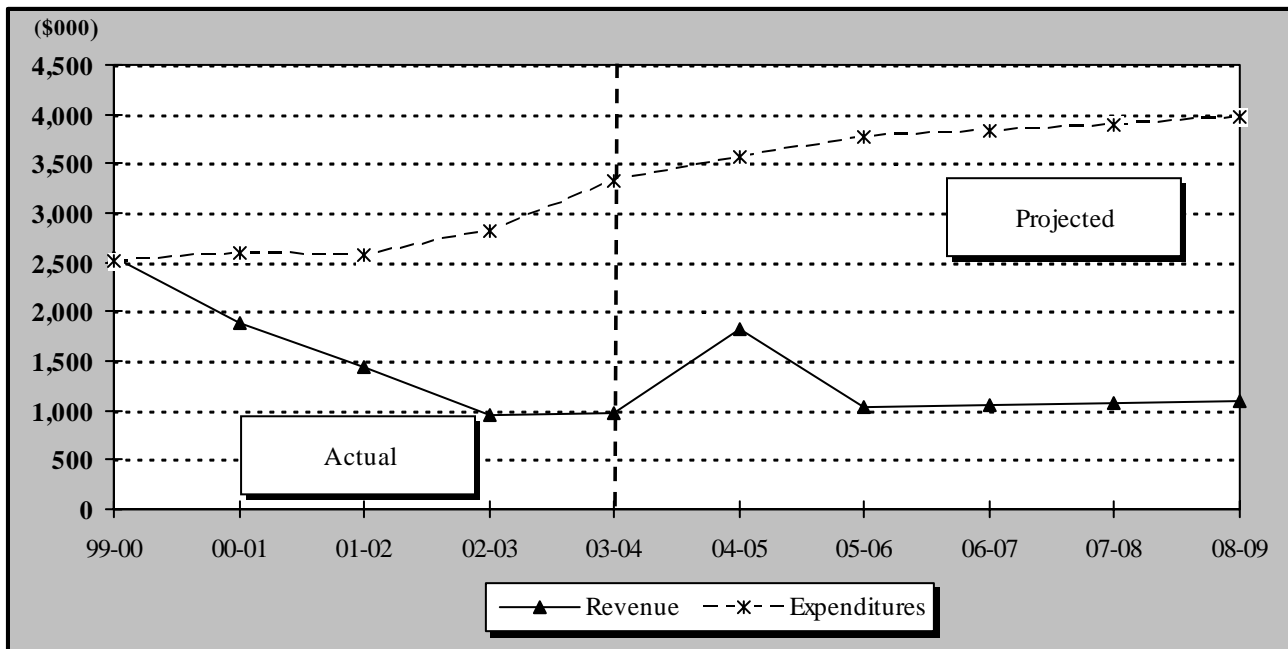
Since the performing arts tax is a component of the overall City sales tax, the growth trend projected in General Fund sales tax revenue is mirrored in the Performing Arts Fund.

The expenditure growth pattern reflects the opening of the Tempe Center for the Arts (TCA) in the spring of 2006. Beginning in FY 2005-06, 16 new full-time positions, and related capital equipment will be added to prepare for the full-time operation of the TCA. These costs represent the operating impacts of this capital project as identified in prior years' Capital Improvement Programs.

As the rate of expenditure growth outpaces revenue from FY 2005-06 through FY 2008-09, the projected level of expenditures relies on drawing down fund balance. A large part of this deficit condition during the forecast period is the result of capital equipment purchases in FY 2005-06 and FY 2006-07. Due to the one-time nature of these purchases, the deficit is expected to continue but not grow.

FYE	Unreserved Fund Balance
02	7,116,094
03	10,865,891
04	14,339,689

Transportation Funds: Projected Revenue and Expenditures



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Highway User Revenue Tax	11,074	11,225	9,854	10,286	10,985	11,161	11,939	10,641	11,147	11,679
State Lottery Proceeds	976	958	900	870	846	821	799	783	768	752
Maintenance of Effort Transfer	1,850	1,850	1,850	0	0	0	1,850	1,850	1,850	1,850
Lottery Transfer to Transit	(325)	(319)	(300)	(287)	(282)	(271)	(264)	(259)	(253)	(248)
Total Revenue	13,575	13,713	12,453	10,869	11,549	11,711	14,324	13,016	13,512	14,033
Expenditures (\$000)										
Personal Services	3,141	3,270	3,326	3,540	3,470	3,809	4,093	4,241	4,500	4,689
Materials and Supplies	523	578	448	448	433	441	469	478	488	500
Fees and Services	1,434	1,506	1,545	1,465	1,460	1,605	1,686	1,755	1,830	1,916
Capital Outlay	254	539	159	204	503	274	370	378	385	395
Debt Service	4,000	4,722	4,500	4,000	2,000	2,000	3,750	3,750	3,750	3,750
Loan Repayment	356	356	356	356	310	310	310	310	310	310
Internal Service Charges	1,586	618	681	640	883	978	1,110	1,132	1,155	1,184
Indirect Cost Allocations	978	1,152	1,078	1,109	682	746	619	631	645	661
Total Expenditures	12,273	12,742	12,094	11,765	9,756	10,162	12,407	12,674	13,063	13,405
Net Operating Surplus/ (Deficit)	1,302	971	360	(896)	1,793	1,549	1,917	342	449	628



Trend/Forecast

Small surpluses are expected through the forecast period, although unforeseen circumstances could easily push this fund into a deficit condition. We have already witnessed a reduction in our allocations of HURF and Lottery revenue resulting from Tempe's declining percentage of statewide population. The results of the 2000 U.S. Census further worsen the situation, contributing to the problems we are forecasting for this fund. With only small surpluses projected over the forecast period, limited resources will be available to address transportation capital project needs.

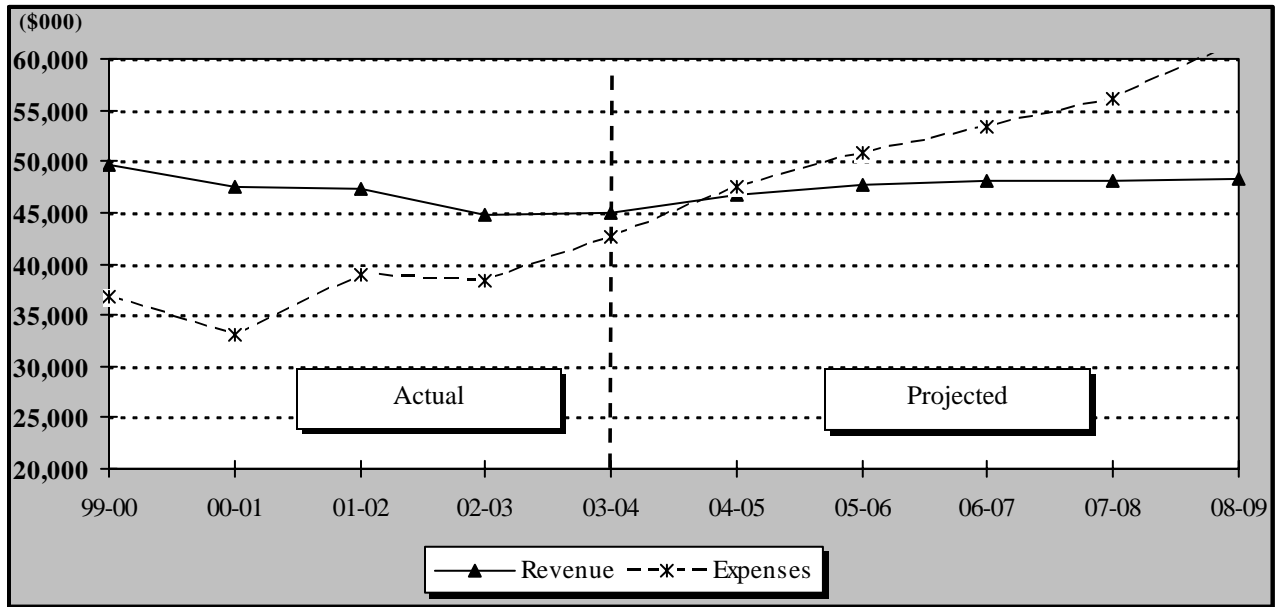
FYE	Unreserved Fund Balance
95	\$3,686,673
96	3,300,576
97	3,326,715
98	4,092,879
99	5,792,212
00	7,592,808
01	8,444,881
02	9,254,027
03	7,325,855
04	8,010,238

One approach now in place to minimize operating deficits is to cap debt service at payments of \$3.75 million for three years beginning in FY 2005-06. Any excess General Obligation debt service requirements beyond this cap will be absorbed by the Debt Service Fund during the three year period. Over the longer term, we will need to monitor the level of General Obligation tax-supported debt applied to Transportation projects and the resulting impact on the Debt Service Fund, being aware that opportunities for pay-as-you-go financing of capital projects will be limited.

Fund Balance

Transportation Fund balances have recovered somewhat from the lows experienced a few years ago. Maintaining an adequate fund balance for contingencies and transfers for capital projects will become a difficult challenge with little or no revenue growth. No relief on the expenditure side can be found as the cost of inflation and debt service requirements appear to be factors that will be with us throughout the forecast period.

Water/Wastewater Fund: Projected Revenue and Expenses



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Charges for Service-Water	25,950	24,263	25,051	25,669	26,183	27,361	28,052	28,191	28,330	28,470
Charges for Service-Wastewater	17,000	17,281	15,841	16,958	16,857	17,633	18,163	18,254	18,345	18,437
Interest Income	3,328	4,921	3,665	886	942	1,004	886	889	849	754
Land and Facility Rental	495	500	515	520	520	520	520	520	520	520
Loan Repayment	362	342	321	299	146	130	114	97	79	57
Other Miscellaneous Rev.	2,589	115	1,931	477	242	61	61	61	62	62
Total Revenue	49,724	47,422	47,324	44,808	44,890	46,710	47,796	48,012	48,185	48,300
Expenses (\$000)										
Personal Services	7,623	7,777	8,887	9,552	11,234	11,843	12,405	12,876	13,660	14,233
Materials and Supplies	1,995	1,632	1,704	1,378	1,650	1,732	2,335	2,381	2,431	1,492
Fees and Services	7,885	8,961	9,411	8,777	10,850	10,539	11,219	10,766	11,125	11,528
Travel and Training	79	90	111	80	109	84	83	84	86	88
Depreciation Expense Share of 91 st Avenue	8,605	8,135	8,181	9,009	9,240	9,910	12,072	12,026	12,029	15,426
Depreciation	3,096	(1,630)	1,875	1,764	1,482	1,482	1,482	1,482	1,482	1,482
Debt Svc Intrst/Fiscal Agent Fees	3,831	3,967	4,212	3,915	4,750	7,553	7,881	10,311	11,695	12,922
Internal Service Charges	1,420	1,488	1,356	1,354	1,388	1,485	1,575	1,606	1,640	1,681
Indirect Cost Allocations	2,269	2,684	3,155	2,588	1,876	2,870	1,828	1,864	1,903	1,951
Total Expenses	36,804	33,104	38,892	38,417	42,579	47,496	50,880	53,395	56,050	61,801
Net Operating Surplus/ (Deficit)										
	12,920	14,318	8,432	6,391	2,311	(786)	(3,084)	(5,383)	(7,865)	(13,500)



Trend/Forecast

The water and sewer rate increases approved by the Council over the past few years had the intended effect of eliminating, at least in the short-term, a projected deficit condition in the Water/Wastewater Fund. The primary intent of the sewer rate adjustments was to ensure full cost recovery in the wastewater operation. Additionally, the new rate structure is intended to equitably charge all customers based on the volume and strength of discharges.

The latest water and sewer rate increase went into effect November 1, 2004. However, the need for further rate adjustments in the water and sewer service areas will be reviewed annually. A new rate structure may have the effect of encouraging customers to reduce discharges or at least alter the strengths of discharges, both of which could substantially reduce revenue. Such changes should produce reductions in the City's shared cost of operating the 91st Avenue facility, although those reductions may not mirror revenue losses. Thus, the long-term outlook for this fund could change substantially depending to large extent on 91st Avenue costs.

As the long-range forecast predicts, the Water/Wastewater Fund has entered a deficit condition in FY 2004-05. This fund could continue to operate under a deficit condition through FY 2008-09 as the growth in treatment costs outpace revenue growth. Should this occur, a drawdown of fund balances will be applied to cover the deficit. For the purpose of this forecast, we have assumed no further rate adjustments. Throughout the forecast period, pay-as-you-go financing for the Water/Wastewater Capital Improvements Program will continue to be utilized to help offset higher debt service costs.

Unreserved Retained Earnings

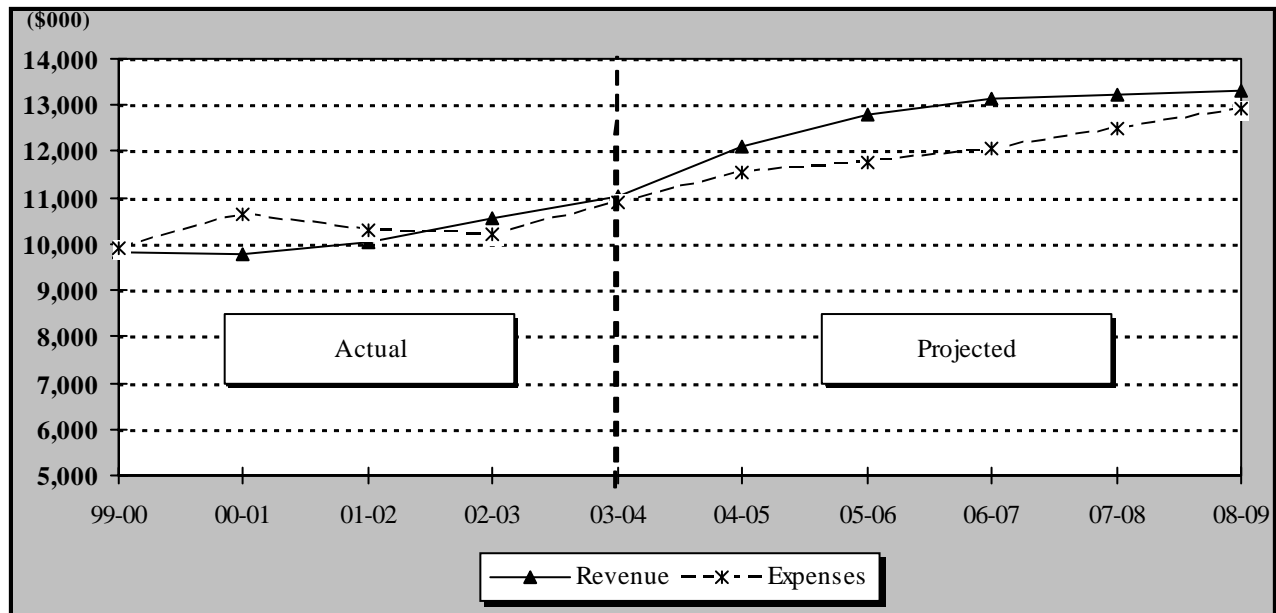
During the early 1990's, there was a drawdown of Water/Wastewater Fund balances resulting from

pay-as-you-go financing for infrastructure improvements. These fund balances have since been built back up to \$67 million at FYE 04.

Over the period of this forecast, healthy fund balances should be retained, notwithstanding the impact of compliance driven contingencies. The \$67 million fund balance provides 154% or 562 days of coverage to operating expenses in this fund, providing a degree of flexibility likely to be required in the future.

FYE	Unreserved Retained Earnings
95	24,383,051
96	33,746,270
97	36,796,384
98	41,020,060
99	55,159,498
00	56,434,920
01	55,717,922
02	59,841,408
03	65,158,188
04	66,963,366

Solid Waste Fund: Projected Revenue and Expenses



	99/00 Actual	00/01 Actual	01/02 Actual	02/03 Actual	03/04 Actual	04/05 Revised	05/06 Projected	06/07 Projected	07/08 Projected	08/09 Projected
Revenue (\$000)										
Charges for Services	9,407	9,595	9,771	10,460	10,870	11,758	12,564	13,000	13,094	13,189
Sludge Disposal	123	92	208	37	145	90	95	96	96	97
Interest Income	100	71	36	3	9	27	31	30	32	32
Other Revenue Sources	193	24	11	49	0	224	120	0	0	0
Total Revenue	9,823	9,782	10,026	10,549	11,024	12,099	12,810	13,126	13,222	13,317
Expenses (\$000)										
Personal Services	3,029	3,206	3,332	3,516	3,899	3,960	4,157	4,231	4,498	4,700
Materials and Supplies	342	322	341	246	227	169	188	192	196	201
Fees and Services	2,875	3,192	3,244	3,159	3,266	3,349	3,529	3,624	3,723	3,825
Depreciation	1,206	1,390	869	919	903	986	1,125	1,177	1,162	1,213
Loan Repayment- Interest Only	137	137	137	137	0	0	0	0	0	0
Internal Service/Adj.	1,616	1,749	1,680	1,641	1,699	2,086	2,136	2,178	2,224	2,279
Indirect Cost Allocations	708	661	706	610	918	997	646	659	672	689
Total Expenses	9,913	10,658	10,310	10,230	10,912	11,548	11,780	12,060	12,475	12,907
Net Operating Surplus	(90)	(876)	(284)	319	112	551	1,030	1,066	747	410



Trend/Forecast

With the FY 1999-00 shortfall in this fund, solid waste rates were modified to fully recover the cost of the solid waste operation and replacement obligations. Since then, rate increases have been implemented each fiscal year, with the latest increase to industrial, commercial, and residential rates occurring on August 1, 2004. An additional rate increase has been approved by the Mayor and Council and will be effective November 1, 2005. These rate increases have eliminated the deficit condition in the Solid Waste fund. Furthermore, it appears that there will continue to be a surplus in this fund over the projected forecast period.

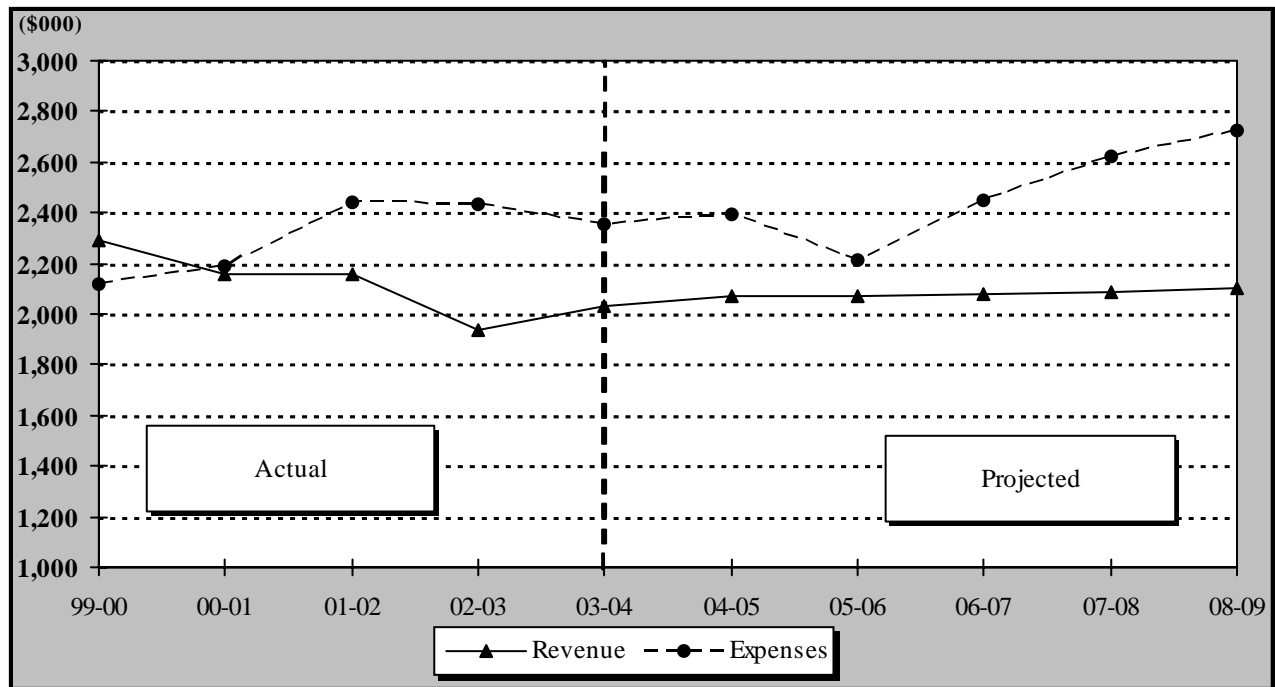
Solid waste rates will be subject to annual rate reviews to ensure that the fund remains fully self-sufficient and to smooth the effect of potential rate adjustments on the City's residential and commercial customers.

Unreserved Retained Earnings

There is a \$1,138,305 fund balance in the Solid Waste fund, providing 9.9% coverage to estimated FY 2004-05 expenses of \$11.5 million. With environmental mandates always present, this enterprise operation will require as much financial flexibility as possible for contingent compliance driven costs.

FYE	Unreserved Retained Earnings
95	\$1,542,782
96	1,135,131
97	1,623,386
98	1,979,294
99	2,168,155
00	1,162,872
01	451,358
02	20,065
03	469,027
04	1,138,305

Golf Fund: Projected Revenue and Expenses



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Greens Fees	1,942	1,838	1,774	1,850	1,801	1,850	1,850	1,859	1,869	1,878
Pro Shop/Restaurant	284	229	350	76	219	210	210	211	212	213
Interest Income	86	92	33	12	8	12	13	11	9	9
Other Revenue Sources	(20)	0	0	0	0	0	0	0	0	0
Total Revenue	2,292	2,160	2,157	1,938	2,028	2,072	2,073	2,081	2,090	2,100
Expenses (\$000)										
Personal Services	834	888	941	1,006	1,057	1,106	974	1,034	1,089	1,141
Materials and Supplies	188	229	214	283	271	149	192	196	200	205
Fees and Services	326	320	355	321	314	422	371	380	390	403
Depreciation	354	313	374	370	364	345	358	453	467	498
Debt Service Interest	55	49	44	38	32	23	16	79	166	162
Internal Service Charges	134	150	223	140	109	140	111	114	116	119
Indirect Cost Allocations	229	237	291	278	206	210	188	191	195	200
Total Expenses	2,120	2,185	2,442	2,436	2,354	2,396	2,210	2,447	2,624	2,727
Net Operating Surplus/ (Deficit)	172	(25)	(285)	(498)	(326)	(324)	(137)	(366)	(534)	(627)



Trend/Forecast

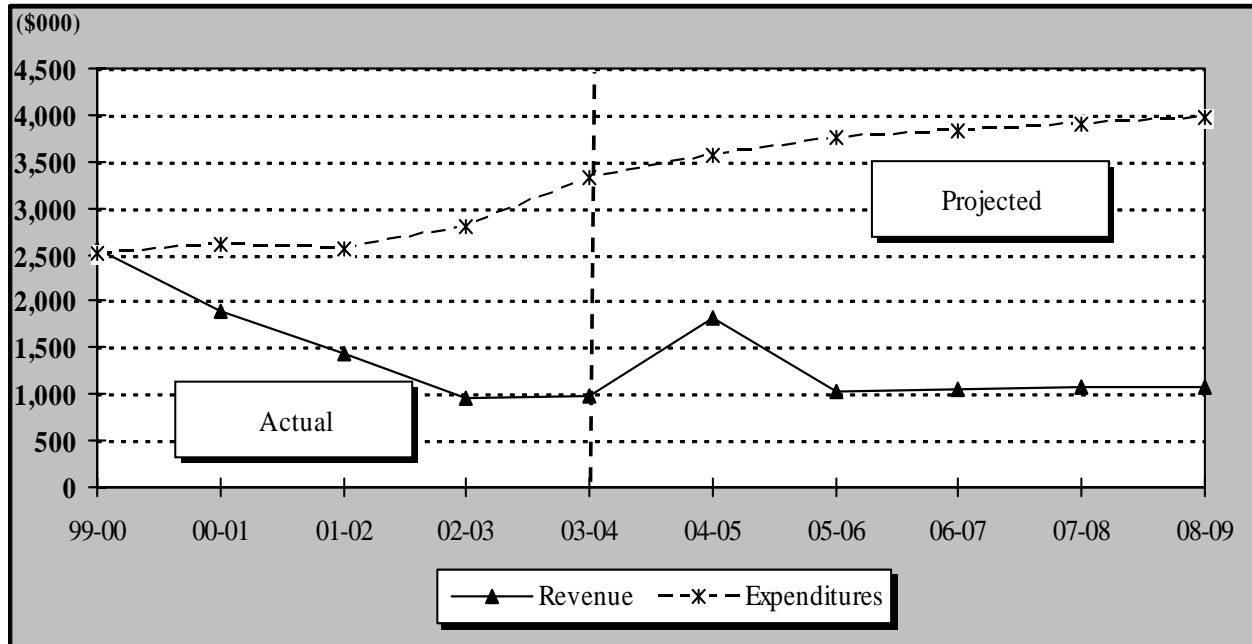
Over the forecast period, we expect revenue growth to generally follow the historical patterns, although other unpredictable factors such as weather conditions and competition from other courses in the Valley, may improve or worsen usage of the municipal golf courses. The Golf Fund has been experiencing a deficit condition since FY 1999-00. As with the City's other self-supporting Enterprise operations, annual rate reviews are conducted of the Golf Fund. In addition, due to ongoing operating shortfalls, special attention has been given to operating cost reductions and review of contracts with Golf program vendors to ensure future fund viability.

Unreserved Retained Earnings

After six consecutive years of fund balance losses the trend was reversed, at least in the short-term, in FY 1995-96 as increased rounds of play bolstered the reserve to over \$350,000. Growth in the balance continued through FY 1998-99, at which point weakness in the golf industry combined with rising operating costs resulted in ongoing operating deficits. This balance built in the earlier years has provided some flexibility as solutions for future fund stability are sought.

FYE	Unreserved Fund Balance
95	50,000
96	351,158
97	896,542
98	1,397,897
99	1,638,174
00	1,538,156
01	893,591
02	791,701
03	680,101
04	604,703

Rio Salado and Community Facilities (CFD) District Funds



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Sales Tax	583	734	693	390	341	353	365	376	389	400
Property Tax	0	0	0	40	62	68	68	71	74	77
Transient Lodging Tax	109	60	89	123	136	140	143	146	149	152
Interest Revenue	473	628	451	133	135	130	100	100	100	100
Sale of Real Estate	888	267	0	0	0	789	0	0	0	0
Other Revenue	333	38	36	36	74	60	60	60	60	60
CFD Revenue	173	166	171	230	226	277	292	294	295	297
Total Revenue	2,559	1,894	1,440	953	975	1,817	1,028	1,048	1,067	1,086
Expenditures (\$000)										
Personal Services	540	535	410	530	577	582	660	683	724	754
Materials and Supplies	16	10	22	21	15	22	32	33	33	34
Fees and Services	176	427	481	557	481	669	672	685	699	717
Travel and Training	46	6	12	4	3	6	11	11	11	12
Capital Outlay	146	43	32	19	10	0	0	0	0	0
Internal Service Charges	96	53	106	94	260	250	249	254	259	265
CFD Administrative Credit	(440)	(420)	(431)	(411)	(365)	(448)	(448)	(457)	(467)	(478)
CFD Operating and Maintenance	1,940	1,945	1,941	1,999	2,335	2,490	2,590	2,615	2,642	2,668
Total Expenditures	2,520	2,598	2,573	2,812	3,316	3,572	3,765	3,823	3,902	3,972
Net Operating Surplus/(Deficit)	39	(704)	(1,133)	(1,859)	(2,342)	(1,755)	(2,737)	(2,776)	(2,835)	(2,886)



Trend/Forecast

The largest revenue source, tax revenue, is highly responsive to changes in economic activity. The financial health of this fund is dependent on the nature of development in Rio Salado.

Urban development will increase both tax and property revenues. Future projects not included in the forecast are:

- Hayden Ferry Lakeside, which broke ground on its first condominium tower. The 45 units are selling at prices between \$250,000 and \$2.5 million;
- Mondrian condominiums are under construction; and
- Northshore condominiums which are 75% sold.

CFD revenue includes assessment collections from property owners and boat permits, concessions, and special event fees.

Unreserved Fund Balance

The unreserved fund balance reached a high of \$5.2 million in FY 1998-99. The variation depicted in the unreserved fund balance is due to planned drawdowns to fund capital and land purchase costs. Although unreserved fund

FYE	Unreserved Fund Balance
97	\$1,138,546
98	4,480,474
99	5,220,120
00	1,282,512
01	5,032,088
02	2,062,140
03	0
04	0

balance has been exhausted, the Rio Salado and Community Facilities District funds still have a designated fund balance of \$8,759,029 for operating and maintenance costs.



Recommended Plan of Action

Several recommendations are offered as key elements of a financial action plan, which can be implemented to meet future operating and infrastructure fiscal challenges. Many recommendations are intended to adjust expenditure growth to keep the rate of expenditure growth in line with anticipated revenue growth.

■ *Expenditure Control/Supplemental Limits*

Decreasing personnel growth has the advantage of providing both near term benefits and long-term expenditure control for the City. The addition of personnel has a greater fiscal impact on a fund than any other type of budget appropriation. Any successful effort to control spending in the General Fund or any of our funds will need to be directed at slowing or decreasing the growth in personnel and associated costs.

We recommend a continued annual evaluation of an appropriate General Fund supplemental limit, with consideration given to our long-range revenue and expenditure forecasts and how various supplemental scenarios will affect our long-term financial condition.

■ *Increase the Property Tax Rate*

Given the number of unfunded Capital Improvement Program projects, the City should increase its property tax rate by \$0.05 to \$1.40/\$100 of assessed value, earmarking the increase to debt service requirements of the new Police capital projects. The \$0.05 change in the property tax rate increases the revenue by \$950,000, capable of financing \$7.0 million in projects over a 20 year period.

■ *Modified Base Budget Plan*

Continuation of a modified base budget review program is recommended. This entails a review of departmental base budgets, with the size of modifications linked directly to financial forecasts. Modified base budgets incorporate historical spending patterns, price adjustments, and long-range forecasts, thereby limiting budgetary growth within departments.

■ *Continue to Limit Midyear Adjustments*

Even as the City effectively manages supplemental additions through the normal budget process, there is a tendency to circumvent this process for additional midyear appropriations and personnel, often with little or no needs assessment, fiscal impact analysis or prioritization with other budgetary needs. The fiscal impact of these midyear adjustments poses a risk to careful long-range financial planning and should be discouraged except under unusual circumstances where an adjustment is warranted.

■ *Adhere to Debt Management Plan*

Continued commitment to the Debt Management Plan is strongly recommended. Sizing the City's Capital Improvement Program budget to the Debt Management Plan will stabilize per capita outstanding tax-supported debt while lowering annual debt service costs. This will also help to preserve our sound financial standing and bond ratings. Adoption of the Debt Management Plan has been one of the most significant financial decisions over the last decade.

■ *Comprehensive Financial Plan*

The Comprehensive Financial Plan, along with the Debt Management Plan, have served as the cornerstones of the long-term fiscal strength of the City. We recommend a continued update of this financial capacity study to provide a long-term perspective to the policy decisions of today.

■ *Identify and Limit CIP Operating Budget Impacts*

In addition to establishing a viable supplemental limit, identifying the operating budget impact of Capital Improvement Program (CIP) projects is a significant factor in achieving control over expenditure growth. We recommend continued efforts to refine the process of identifying these impacts and ensuring that provisions are made in operating budgets for these impacts as CIP projects are approved.

■ *Financial Policies*

Continued adherence to our operating budget, debt service, capital expenditure and investment policies, while maintaining ample fund balances and reserves, is the best strategy the City has to



ensure its sound fiscal position. These policies require periodic review to strengthen and update as necessary. The point here is to warn against "creative finance" solutions and the underlying impacts these solutions may have on the City in the longer term.

■ ***Protect State-Shared Revenue***

It is recommended that we continue our efforts in coalition with the League of Arizona Cities and Towns to protect state-shared revenue. They are very likely to continue to be at risk over the next few years. A freeze of state-shared revenue or a significant change in distribution methodologies could pose a costly financial risk to General Fund and Transportation revenue.

■ ***Economic Development/Redevelopment***

A further recommendation is to continue improving our economic development and redevelopment efforts to increase property valuation, commercial growth and job growth in the City. Effective decision-making on economic development and redevelopment will require us to evaluate the relative merits of development projects, placing emphasis on those adding the greatest value for Tempe's citizens.

■ ***Review Benefits Program***

We recommend that the City explore employee benefit options to ensure that Tempe's benefits package remains competitive with other Valley cities. On the other hand, the city must also explore alternative means of minimizing expected increases in health care costs, both employee and retiree.

■ ***Rio Salado Financial Plan***

We recommend the continuation of the Rio Salado Project Financial Plan, which addresses operating, maintenance costs and debt service requirements. The City has created a Community Facilities District, a legal entity with assessment and taxing authority, that will provide part of the financial strategy.

■ ***Transit Plan***

With voter approval of a dedicated funding source for transit and the expansion of transit

services, the City has created a 10-year Transit Plan. Also, Transit has developed an extensive benchmarking program in conjunction with the Transit Advisory Committee to evaluate services and assist in long-range planning. Both the Transit Plan and the benchmarking effort are valuable tools in the City's continued expansion of transit service and should be regularly updated.

■ ***Water/Wastewater Infrastructure Costs***

Careful financial planning will be required to address the increasing capital costs associated with water infrastructure and sewage treatment, primarily at the regional 91st Avenue Plant. We recommend a financial plan that minimizes sudden spikes in rates and controls expenditure growth.

■ ***Regular Review of City Fees and Charges***

Incremental increases in City fees and charges maintain the City's ability to keep pace with inflation. The City's long-term revenue outlook should include regular review of all City fees to ensure cost recovery as allowed by Council policy.

■ ***Program Sunsetting***

We recommend that the City continue, through the budgetary process, the annual sunset review program. This program facilitates a review of all existing citywide programs, using evaluation criteria to serve as guides in considering the merits of sunsetting an existing program.

■ ***Strategic Issues Program***

The Strategic Issues Program has provided a linkage between the City's budget process (resource allocation) and the long-term goals of the City. The strategic issues are periodically updated and refined, while departmental budget requests are associated with strategic issues. This gives direction to the budget process and a clearer rationale for resource allocation decisions. We recommend a continuation of this process and further reinforcement of the value in linking budget requests to strategic issues.



■ ***Benchmarking/Competitive Analysis***

We recommend that the City continue its efforts in benchmarking and competitive analysis. These activities will provide the City with opportunities to evaluate and improve service delivery while enhancing accountability to the citizens.

The challenge facing the City is to position itself to manage stability as effectively as it has managed the growth in the past. Financial flexibility, which is often facilitated during rapid revenue growth periods, must be intentionally constructed through effective decision-making when managing stability. It requires reliable projections, clear priorities, effective planning, efficient systems, and continued adherence to sound fiscal guidelines. How well we manage these challenges will go a long way toward improving basic services provided our citizens, as well as improving the quality of life in the City.



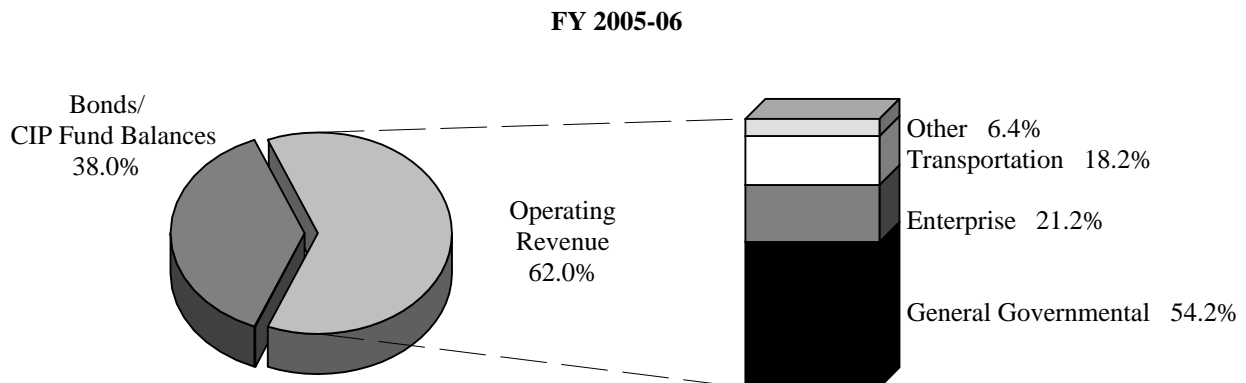
Revenue Information

The following section summarizes assumptions, trends, major influences, restrictions and composition of the City's revenue sources.

Total Revenue

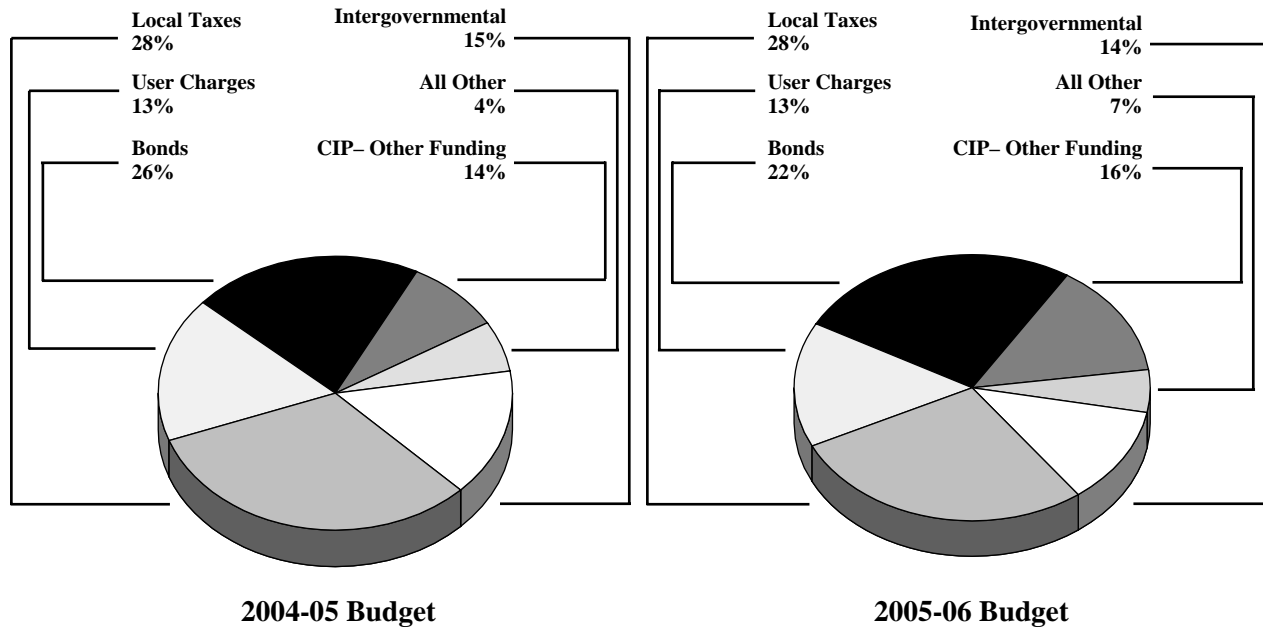


Total revenue for FY 2005-06 is \$465.3 million reflecting \$287.2 million in operating revenue and \$178.1 million from bond proceeds, fund balances and other funding sources. The FY 2005-06 operating revenue total represents 8.8% growth over the FY 2004-05. The growth in operating revenue sources is indicative of recent economic improvement from the 2001 recession, while the increase in bonding and other funding sources is directly related to the growth in the budget.



TOTAL REVENUE		
	2004-05 Budget	2005-06 Budget
OPERATING REVENUE		
General Governmental		
Local Taxes, Licenses and Permits, and Debt	\$89,638,845	\$98,221,427
Intergovernmental	33,897,635	38,239,707
Charges for Services	7,519,651	7,477,396
Miscellaneous	10,188,871	11,719,000
Transportation/Transit	46,377,633	52,247,245
Performing Arts	5,533,300	5,881,072
CDBG/Section 8 Housing	11,712,361	11,731,640
Rio Salado Special Revenue	602,204	735,500
Enterprise	58,484,714	60,964,340
TOTAL OPERATING REVENUE	\$263,955,214	\$287,217,327
Operating Revenue Per Capita	\$1,641	\$1,777
Bond/Note Proceeds	113,032,768	102,302,061
CIP Other Funding	40,517,237	49,149,034
Fund Balances	19,609,521	26,601,027
TOTAL REVENUE	\$437,114,740	\$465,269,449
Total Revenue Per Capita	\$2,718	\$2,879

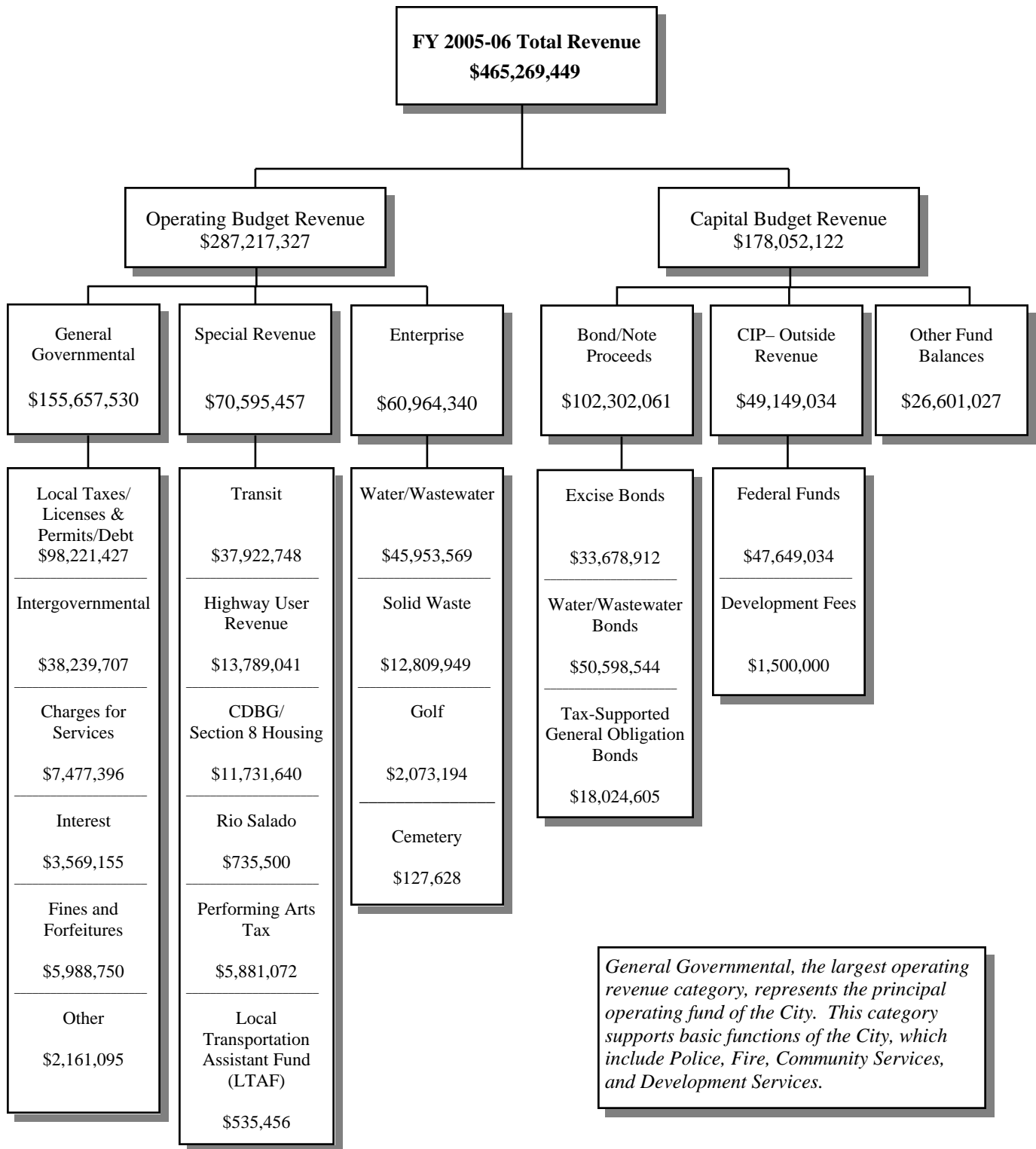
Total Revenue by Source



Where the Money Comes From

Revenue Source	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Local Taxes				
Local Sales Taxes	\$60,926,575	\$60,150,000	\$64,254,000	\$66,170,000
Transit Tax	26,740,623	26,858,153	27,102,000	27,996,400
Other Local Taxes	26,726,778	28,848,868	28,603,768	31,536,127
Performing Arts	5,279,580	5,343,800	5,420,000	5,599,500
User Charges				
Water/Wastewater	41,081,390	42,847,966	42,783,898	43,943,620
Solid Waste	9,905,810	9,900,000	10,660,901	11,456,951
Community Services	5,113,578	5,238,551	5,197,133	5,012,896
Building/Trades & Planning/Zoning	2,642,589	2,281,100	2,470,550	2,464,500
Intergovernmental				
State-Shared Revenue	34,076,257	33,897,635	34,761,000	38,239,707
HURF/LTAF	11,827,540	11,739,643	11,981,815	12,737,393
CDBG/Section 8 Housing	11,158,504	11,712,361	11,712,361	11,731,640
Transit State & Federal	6,579,945	5,955,394	6,602,928	6,368,909
All Other				
Interest Revenue	6,629,684	4,985,544	5,712,298	6,571,467
Miscellaneous Revenue	6,036,705	7,788,984	8,314,382	10,284,567
Fines and Forfeitures	5,858,482	5,292,138	5,886,372	6,012,750
Licenses and Permits	1,079,490	1,115,077	1,071,694	1,090,900
Bonds/Note Proceeds	77,971,520	113,032,768	113,032,768	102,302,061
CIP - Outside Revenue	8,049,874	40,517,237	40,517,237	49,149,034
Other - Fund Balance	526,269	19,609,521	19,609,521	26,601,027
Total Revenue	\$348,211,193	\$437,114,740	\$445,694,626	\$465,269,449

Components of Total Revenue



Comparative Operating Revenue by Major Source and Fund



Revenue Source	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
General Fund				
Local Taxes				
City Sales Tax	\$60,926,575	\$60,150,000	\$64,254,000	\$66,170,000
Primary Property Tax	8,251,333	8,700,091	8,700,091	9,345,934
Transient Lodging Tax	2,277,294	2,250,000	2,354,000	2,402,000
Franchise Fees	1,505,133	1,732,700	1,297,700	1,328,567
<i>Total Local Taxes</i>	72,960,335	72,832,791	76,605,791	79,246,501
Intergovernmental Revenue				
State Sales Tax	13,345,152	13,697,342	14,074,950	15,538,331
State Income Tax	14,303,004	14,600,293	14,586,050	16,601,376
Vehicle License Tax	6,428,101	5,600,000	6,100,000	6,100,000
<i>Total Intergovernmental</i>	34,076,257	33,897,635	34,761,000	38,239,707
Building & Trades/Planning & Zoning	2,642,589	2,281,100	2,470,550	2,464,500
Cultural and Recreational				
Registration Fees	3,868,210	4,017,400	4,113,729	3,913,300
Recreation Admission Charges	297,467	295,200	495,248	295,200
Library Fines and Fees	408,808	462,451	333,722	345,196
Other Cultural and Rec Fees	539,093	463,500	254,434	459,200
<i>Total Cultural and Recreational</i>	5,113,578	5,238,551	5,197,133	5,012,896
Fines, Fees and Forfeitures				
Traffic Fines	1,531,611	1,440,000	1,500,000	1,520,000
Criminal Fines	1,016,539	864,000	1,016,000	992,000
Parking Fines	468,363	422,000	468,400	520,000
Other Fines, Fees and Forfeitures	2,841,969	2,566,138	2,901,972	2,980,750
<i>Total Fines, Fees and Forfeitures</i>	5,858,482	5,292,138	5,886,372	6,012,750
Business/Non-Business Licenses	1,079,490	1,115,077	1,071,694	1,090,900
Other Revenue Sources				
SRP Payment in Lieu of Taxes	443,299	500,000	500,000	500,000
Interest Income	2,763,994	2,188,068	2,880,044	3,569,155
Other Miscellaneous Revenue and Loan	2,255,213	2,708,665	2,247,007	2,137,095
<i>Total Other Revenue</i>	5,462,506	5,396,733	5,627,051	6,206,250
Total General Fund	127,193,237	126,054,025	131,619,591	138,273,504
Debt Service Fund				
Secondary Property Tax	13,059,814	14,517,177	14,517,177	16,707,531
SRP Payment in Lieu of Taxes	650,879	673,800	673,800	676,495
Total Debt Service Fund	13,710,693	15,190,977	15,190,977	17,384,026



Revenue Source	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Transit Fund				
Transit Tax	26,740,623	26,858,153	27,102,000	27,996,400
Lottery Transfer In	281,938	285,700	271,000	263,730
ASU-Flash Transit	481,476	386,252	477,623	496,403
Interest Income	1,546,797	1,061,807	1,422,012	1,690,921
Federal and State Funding	6,098,469	5,569,142	6,125,305	5,872,506
Miscellaneous Revenue	32,886	762,636	658,560	1,602,788
Total Transit Fund	35,182,189	34,923,690	36,056,500	37,922,748
Transportation Funds				
Highway User Revenue Tax	10,981,726	10,903,791	11,160,663	11,938,207
Maintenance of Effort				1,850,000
State Lottery Proceeds	563,876	550,152	550,152	535,456
Other Revenue	2,905		834	834
Total Transportation Funds	11,548,507	11,453,943	11,711,649	14,324,497
Rio Salado Fund				
City Sales Tax	341,156	223,000	353,000	364,600
Transient Lodging Tax	135,805	159,500	140,000	143,000
Primary Property Tax	62,065	92,600	68,000	68,000
Interest Income	134,803	77,554	130,000	100,000
Miscellaneous Revenue	65,454	49,550	849,012	59,900
Total Rio Salado Fund	739,283	602,204	1,540,012	735,500
Performing Arts				
Performing Arts Tax	5,279,580	5,343,800	5,420,000	5,599,500
Interest Income	233,837	189,500	237,524	281,572
Total Performing Arts	5,513,417	5,533,300	5,657,524	5,881,072
Total CDBG/Section 8 Housing Funds	11,158,504	11,712,361	11,712,361	11,731,640
Solid Waste Fund				
Residential Service	5,849,909	5,800,000	6,379,778	6,783,831
Commercial Service	4,055,901	4,100,000	4,281,123	4,673,120
Roll-Off Service	899,576	915,000	907,579	967,489
Recycling	64,887	60,400	190,000	140,000
Sludge Disposal	144,676	108,900	90,000	95,000
Interest Income	22,629	21,709	26,633	30,509
Other Miscellaneous Revenue			224,175	120,000
Total Solid Waste Fund	11,037,578	11,006,009	12,099,288	12,809,949



Revenue Source	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Water/Wastewater Fund				
Charges for Service-Water				
Water Consumption	17,131,548	17,461,525	17,344,751	17,842,578
Water Service	6,515,137	6,570,358	6,671,685	6,854,390
Irrigation	296,220	279,500	303,412	313,412
Other Water Charges	974,608	1,637,079	1,567,396	1,582,046
<i>Total Charges for Service-Water</i>	24,917,513	25,948,462	25,948,462	26,592,426
Charges for Service-Wastewater				
Sewer Usage	10,200,476	9,901,335	10,412,656	10,696,652
Sewer Service	5,839,617	5,852,378	6,026,197	6,272,609
Other Wastewater Charges	123,784	1,145,791	396,583	381,933
<i>Total Charges for Service-Wastewater</i>	16,163,877	16,899,504	16,835,436	17,351,194
Interest Income	1,911,997	1,436,417	1,004,450	886,116
Land and Facility Rental	520,000	520,000	520,000	520,000
Loan Repayment from General Fund	542,833	542,833	542,833	542,833
Other Miscellaneous Revenue	(511,857)	61,000	61,000	61,000
Total Water/Wastewater Fund	43,544,363	45,408,216	44,850,963	45,953,569
Golf Fund				
Greens Fees	1,800,754	1,850,000	1,850,000	1,850,000
Pro Shop and Restaurant Revenue	219,378	210,000	210,000	210,000
Interest Income	15,627	10,489	11,635	13,194
Total Golf Fund	2,035,759	2,070,489	2,071,635	2,073,194
Cemetery Fund				
Lot & Burial Sales				127,628
Total Cemetery Fund				127,628
Total Revenue - All Funds	\$261,663,530	\$263,955,214	\$272,535,100	\$287,217,327

City Sales Tax



Restrictions	Fiscal Year	Amount	Percent Change
Current rate of 1.8% can be increased only by electorate. Proceeds are pledged as security for bond payments due under various bond security agreements. Revenue from a voter-approved 0.5% portion are dedicated to transit purposes and 0.1% dedicated funding for Performing Arts. In addition, all transaction privilege tax revenue generated in the Rio Salado Enterprise Fund Zone are deposited to the Rio Salado Fund for the operating expenses of the Rio Salado project. ¹ During 1995, Governmental Accounting Standards Board (GASB) Statement No. 22 required revenue from taxpayer-assessed taxes to be recognized in the accounting period in which they become susceptible to accrual. This resulted in 13 months being recorded in FY 1994-95. Account: 4001	1995-96 ¹	48,488,111	(2.3)
	1996-97	50,495,336	4.1
	1997-98	57,283,547	13.4
	1998-99	60,100,000	4.9
	1999-00	59,967,700	(0.2)
	2000-01	63,602,106	6.1
	2001-02	59,991,774	(5.7)
	2002-03	59,855,000	(0.2)
	2003-04	60,926,575	1.8
	2004-05 est.	64,254,000	5.5
	2005-06 est.	66,170,000	3.0

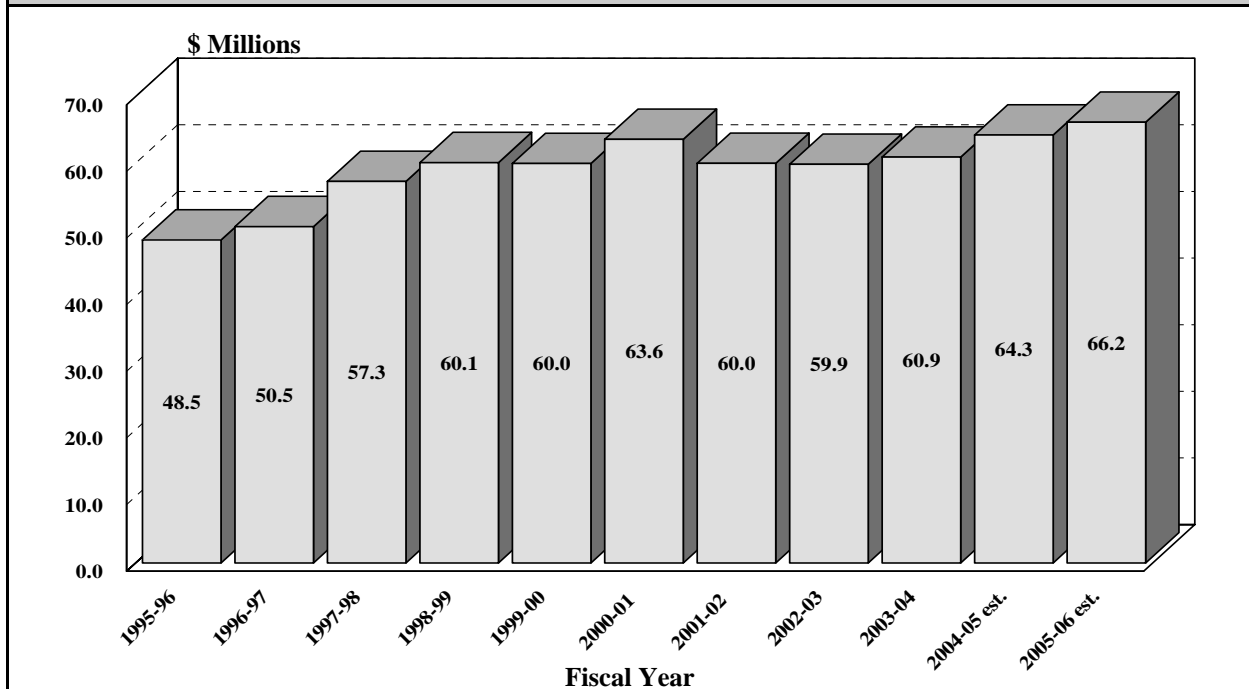
Assumptions

The City sales tax, known formally as the transaction privilege tax, is derived from a 1.8% tax on a variety of financial transactions, including retail sales, rental payments, contracting sales, utility, telecommunications payments, and hotel/restaurant sales. In FY 1993-94, voters approved a 0.2% increase from 1.0% to 1.2%. Additional increases of 0.5% (September 1996) and 0.1% (January 2001), are devoted to transit and performing arts needs and are not reflected in the amounts above.

A downturn in the national economy accounts for the 2001-03 reduction in sales tax collections. The City has fully recovered from this downturn and our FY 2005-06 projection is at its highest level to date for collections.

Major Influences: Taxable Sales, Population, and Consumer Price Index

City Sales Tax



City Property Tax



Restrictions	Fiscal Year	Amount	Percent Change
Primary Levy: Limited to annual increase of 2% plus amount generated by new construction. No restriction on usage.	1995-96	12,297,510	8.7
	1996-97	12,808,631	4.2
	1997-98	13,832,004	8.0
	1998-99	15,172,288	9.7
	1999-00	16,561,936	9.2
Secondary Limit: Restricted for debt service purposes only. No limit on rate.	2000-01	18,414,400	11.2
	2001-02	18,864,580	2.4
	2002-03	20,238,875	7.3
	2003-04	21,373,212	5.6
	2004-05 est.	23,285,268	8.9
	2005-06 est.	26,121,465	12.2
Account: 4012			

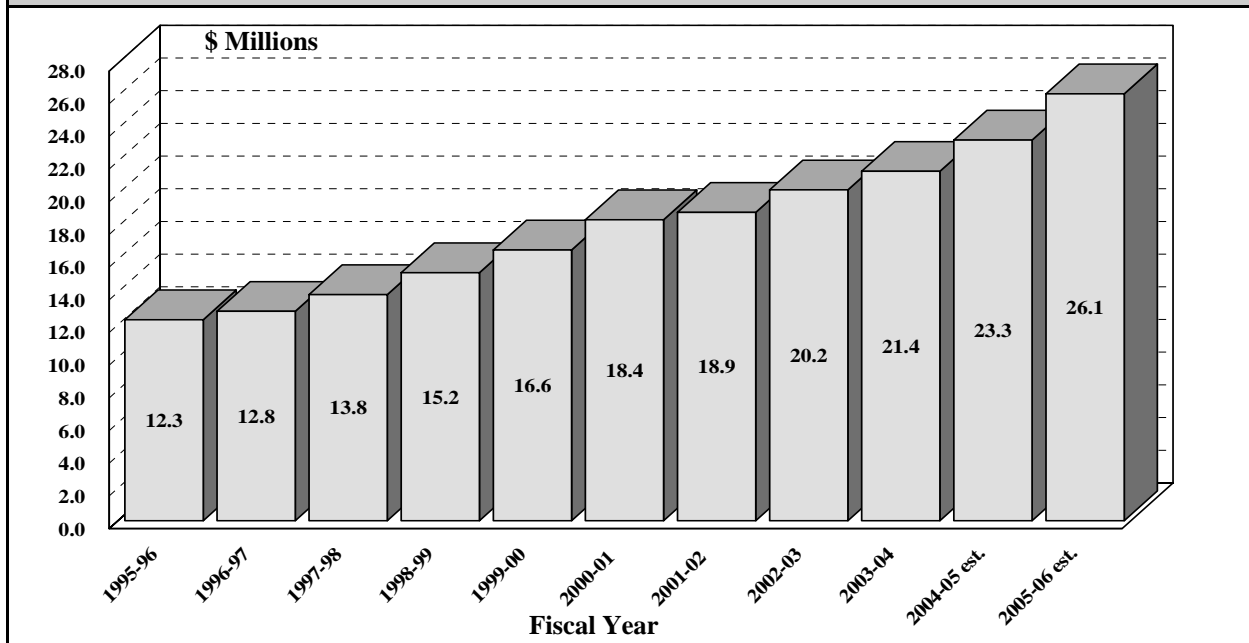
Assumptions

The City's property tax is levied based on the full cash value of property from the previous February 10th as determined by the Maricopa County Assessor, whose office both bills and collects all property taxes. Changes in total revenue collected during these years have been the result of state policy affecting assessed valuations, assessed valuation growth, and new development.

The combined primary and secondary property tax rate for FY 2005-06 will total \$1.40 per \$100 assessed valuation, consisting of \$0.52 per \$100 of primary assessed valuation for operating and maintenance costs and \$0.88 per \$100 of secondary assessed valuation to fund principal and interest payments on bonded indebtedness. The City held the aggregate property tax rate at \$1.35 for five fiscal years before increasing it by \$0.05 in FY 2005-06 to \$1.40. The full amount of the increase was applied to the secondary, with the intent that the additional revenue generated be dedicated to repay debt for new public safety communication projects. For FY 2005-06, assessed valuation growth is in accordance with the County's biennial valuation methodology. These proceeds will go to different funds; primary levy of \$9.7 million goes to the General fund and the secondary levy of \$16.7 million goes to the Debt Service fund.

Major Influences: Development, Assessor Appraisal Methodology, State Policy, Population Growth, and Policy Regarding Property Tax Rates

City Property Tax



Transient Lodging Tax



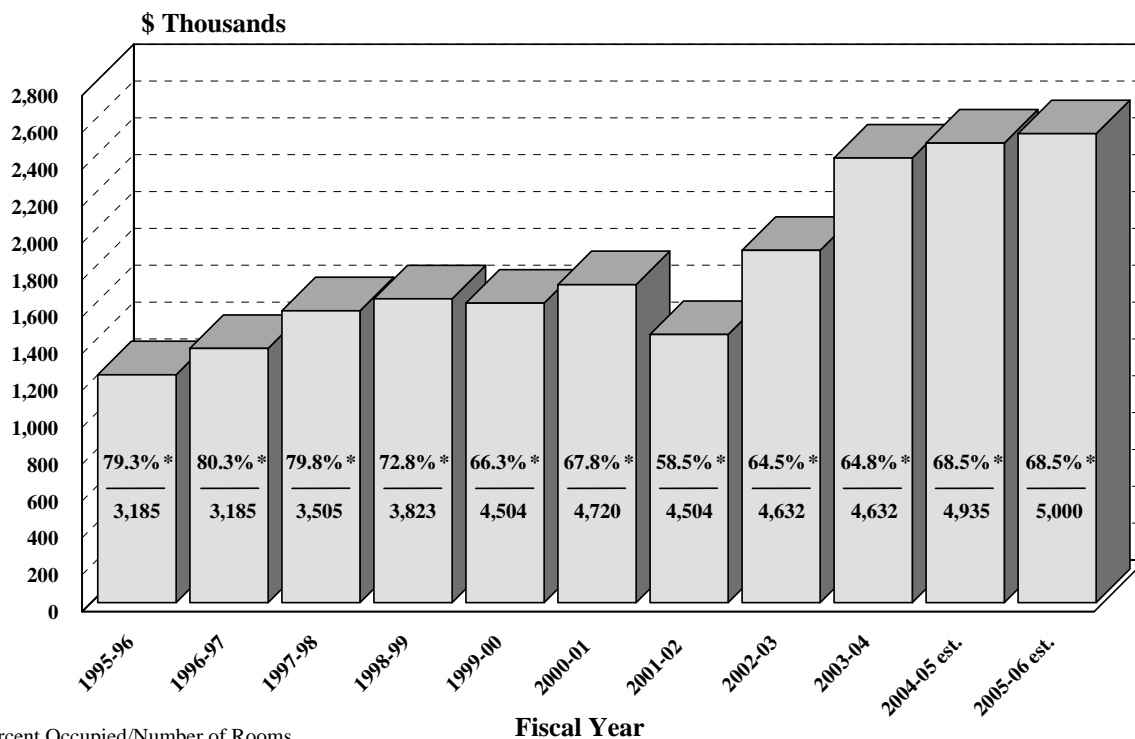
Restrictions	Fiscal Year	Amount	Percent Change
<p>Current rate of 3% can be increased only by electorate.</p> <p>Of the total amount collected, 2/3 is pledged to the Tempe Convention and Visitors Bureau (TCVB). Excess unrestricted proceeds are deposited into the General Fund, except for bed tax revenue generated within the Rio Salado Enterprise Zone, which is deposited to the Rio Salado Fund for operating costs of the Rio Salado Project.</p> <p>The tax originated in June of 1988 at 2% with half (or 1%) dedicated to TCVB. In FY 2001 voters approved an additional 1%, increasing the tax from 2% to 3%, with the entire 1% dedicated to TCVB.</p> <p>Account: 4002</p>	1995-96	1,236,458	6.6
	1996-97	1,379,301	11.6
	1997-98	1,584,138	14.9
	1998-99	1,649,000	4.1
	1999-00	1,625,300	(1.4)
	2000-01	1,725,597	6.2
	2001-02	1,454,927	(15.7)
	2002-03	1,911,752	31.4
	2003-04	2,413,099	26.2
	2004-05 est.	2,494,000	3.4
	2005-06 est.	2,545,000	2.0

Assumptions

The tax is imposed on businesses, who charge for lodging for any period of not more than 30 consecutive days. The increase in the revenue projection beginning in 2001 is reflective of a voter approved 1% increase rather than an increase in lodging structures or occupants. Given the landlocked boundaries of the City, it is anticipated that occupants and lodgings will remain relatively constant.

Major Influences: Economy, Competition from Hotels Located in Neighboring Cities, and Consumer Price Index

Transient Lodging Tax



*Percent Occupied/Number of Rooms

Salt River Project In-Lieu Tax



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage.	1995-96	1,322,950	(2.6)
	1996-97	1,263,705	(4.5)
	1997-98	1,199,458	(5.1)
	1998-99	1,144,363	(4.6)
	1999-00	1,110,420	(3.0)
	2000-01	967,193	(12.9)
	2001-02	1,041,291	7.7
	2002-03	1,110,403	6.6
	2003-04	1,094,665	(1.5)
	2004-05 est.	1,173,800	7.2
	2005-06 est.	1,176,495	0.2

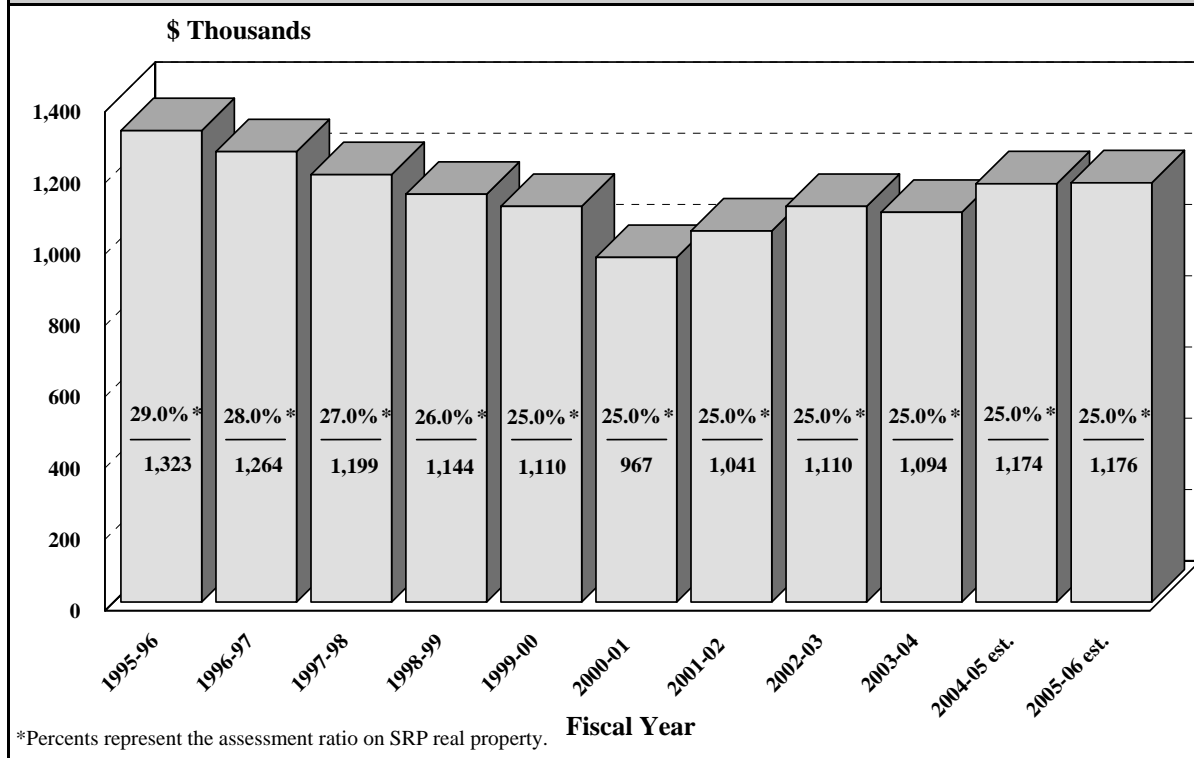
Account: 4015

Assumptions

As a government-operated public utility, the Salt River Project pays no franchise or property taxes. In lieu of these taxes, an amount is received from the utility based on a computation involving property location and plant investment. Proceeds from this revenue source are received through Maricopa County in June and December, and deposited into two different funds. For FY 05-06 it is estimated that \$500,000 will go to the General fund \$676,495 to the Debt Service fund. The SRP In-Lieu payment increase in FY 2005-06 reflects estimated assessed property value increases.

Major Influences: Real Property Value and State Policy (assessment ratio)

Salt River Project In-Lieu Tax



*Percents represent the assessment ratio on SRP real property.

State-Shared Sales Tax



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for a public purpose. Account: 4204	1995-96	11,474,400	4.9
	1996-97	10,857,100	(5.4)
	1997-98	10,476,954	(3.5)
	1998-99	12,292,002	17.3
	1999-00	13,511,356	9.9
	2000-01	13,951,532	3.3
	2001-02	12,148,438	(12.9)
	2002-03	12,405,713	2.1
	2003-04	13,345,152	7.6
	2004-05 est.	14,074,950	5.5
	2005-06 est.	15,538,331	10.4

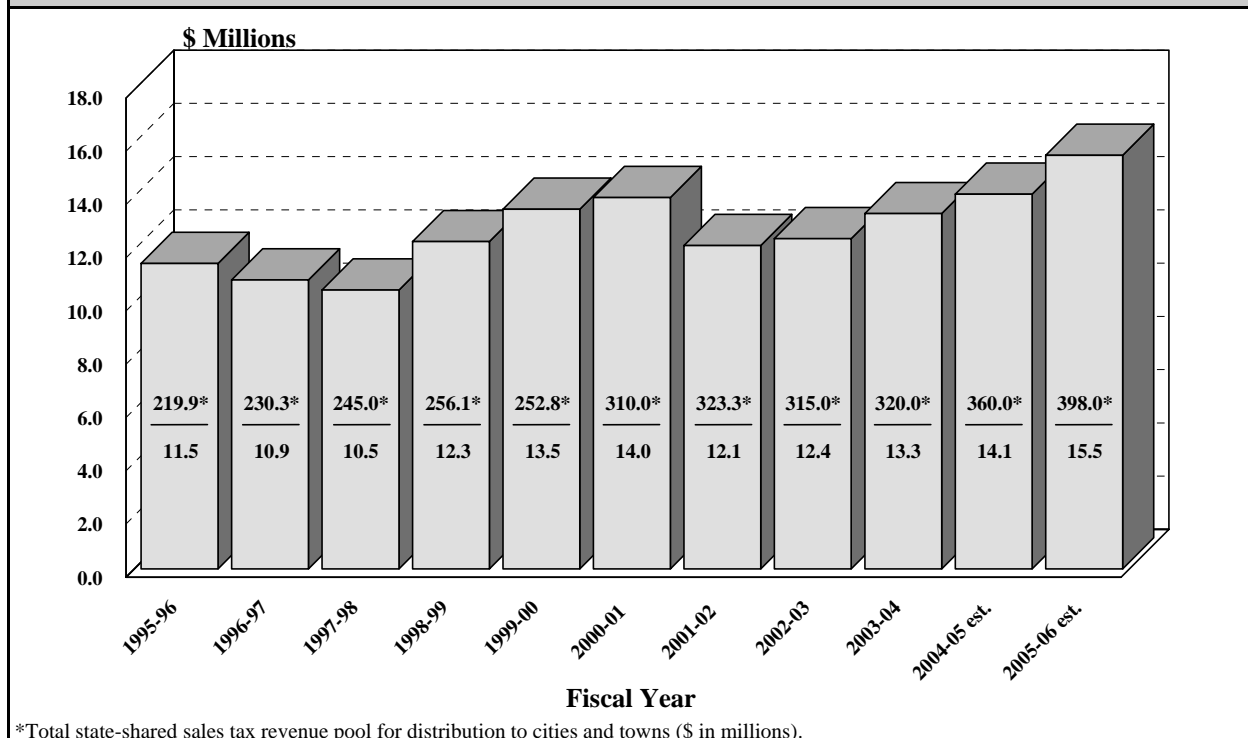
Assumptions

The state assesses a 5.6% sales tax, of which 2% is designated for educational purposes and 1% deposited in the State general fund. From the remaining 2%, cities and towns share in 25% of the collections total (estimated at \$398 million for FY 2005-06) on the basis of their population in relation to total state population. Prior to 2000, Tempe accounted for 4.5% of the state's population, but with the 2000 Census, Tempe's share fell to 4.0%. This reduction explains much of the decline in Tempe's state-shared sales tax revenue in FY 2001-02.

The projected increase of 10.4% is reflective of the strength of the state's economic recovery since the national recession.

Major Influences: Taxable Sales, Population (relative to State) and State Policy

State-Shared Sales Tax



*Total state-shared sales tax revenue pool for distribution to cities and towns (\$ in millions).

State-Shared Vehicle License Tax



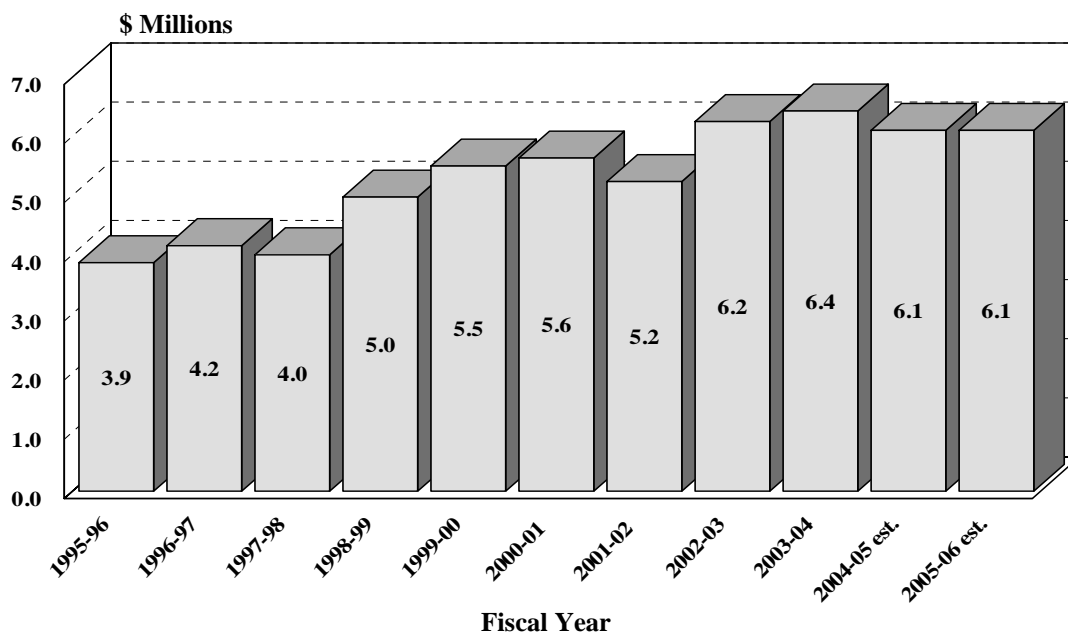
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for a public purpose. Account: 4214	1995-96	3,863,003	(4.2)
	1996-97	4,150,865	7.5
	1997-98	3,997,411	(3.7)
	1998-99	4,971,529	24.4
	1999-00	5,497,492	10.6
	2000-01	5,632,181	2.5
	2001-02	5,233,512	(7.1)
	2002-03	6,247,543	19.4
	2003-04	6,428,101	2.9
	2004-05 est.	6,100,000	(5.1)
	2005-06 est.	6,100,000	0.0

Assumptions

Cities and towns receive 25% of the net revenue collected for vehicle licensing within their county. The respective shares are determined by the Cities' share of population in relation to total incorporated population of the county. The remainder of the revenue collected is shared by schools, counties, and the state. Prior to 2000, Tempe accounted for 4.5% of the state's population, but with the 2000 Census, Tempe's share fell to 4.0%. This reduction explains much of the decline in Tempe's vehicle license tax revenue in FY 2001-02. In FY 2005-06, the strength of the state's economy has offset the effect of the Census, but the City's near build-out of residential space for commuters will have a leveling effect on future revenue.

Major Influences: Population (relative to State), State Policy and Auto Sales

State-Shared Vehicle License Tax



State-Shared Income Tax



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for a public purpose. ¹ During 1995, Governmental Accounting Standards Board (GASB) Statement No. 22 required revenue from taxpayer-assessed taxes to be recognized in the accounting period in which they become susceptible to accrual. This resulted in 13 months being recorded in FY 1994-95.	1995-96 ¹	9,939,946	(10.8)
	1996-97	11,139,519	12.1
	1997-98	13,158,548	18.1
	1998-99	15,361,479	16.7
	1999-00	17,045,903	11.0
	2000-01	17,890,338	5.0
	2001-02	16,544,791	(7.5)
	2002-03	16,882,535	2.0
	2003-04	14,303,004	(15.3)
	2004-05 est.	14,586,050	2.0
	2005-06 est.	16,601,376	13.8

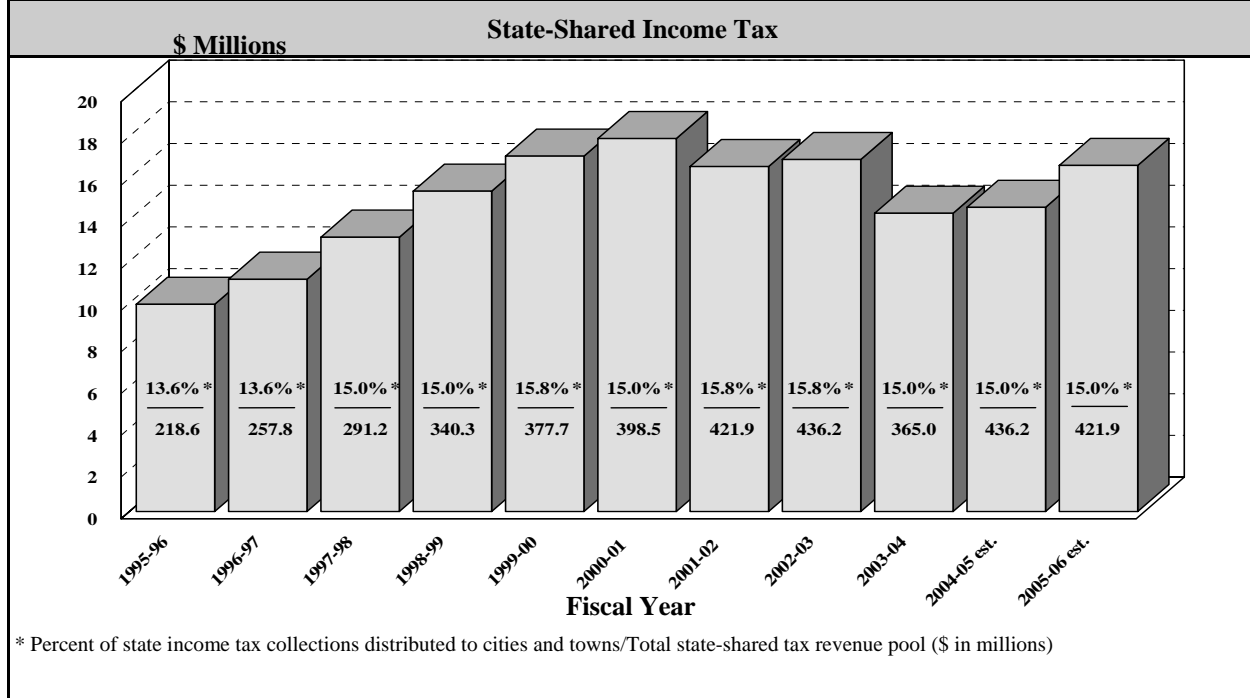
Account: 4208

Assumptions

The right to levy income taxes in Arizona is a state responsibility. Amounts distributed are based on actual income tax collections from two years prior to the fiscal year in which the City receives the funds. Originally, Arizona cities and towns were entitled to receive 15% of the State's income tax collections; but this percentage is at the legislature's discretion and has varied from 13.6% in FY 1992-93 to 15.8% in FY 1999-00. Currently, the state-shared revenue is at 15.0%.

This state-shared revenue is distributed to cities or towns based on the relation of their population to the total population of all incorporated cities and towns in the state. Prior to 2000, Tempe accounted for 4.5% of the state's population, but with the 2000 Special Census, Tempe's share fell to 4.0%. This accounts for the decline in FY 2001-02. The FY 2003-04 decrease followed the national downturn in the economy. The projected increase of 13.8% is reflective of the strength of the state's economic recovery from the national recession.

Major Influences: Personal Income, Corporate Net Profits, Population (relative to State) and State Policy



Charges for Services/Recreation and Social Services



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage, but intended to defray costs of recreation and social service programs.	1995-96	2,732,022	8.2
	1996-97	3,145,907	15.1
	1997-98	3,369,509	7.1
	1998-99	3,345,728	(0.7)
	1999-00	3,836,700	14.7
	2000-01	4,258,777	11.0
	2001-02	4,471,110	5.0
	2002-03	4,699,196	(5.1)
	2003-04	5,113,578	8.8
	2004-05 est.	4,963,133	(2.9)
	2005-06 est.	4,978,896	0.3

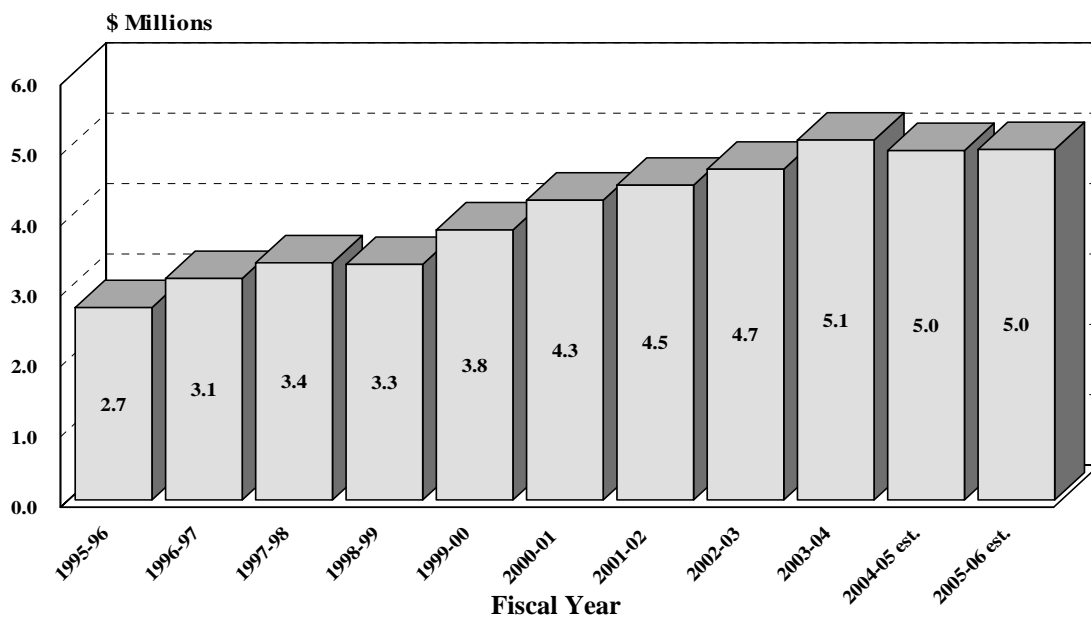
Accounts: 4301-4315

Assumptions

Revenue in this category is derived from a wide array of recreational activities (such as softball, swimming, and tennis) and social services programs (such as counseling services and after-school programs). By Council policy, many of these activities and services are partially or fully-funded through user charges. Fees are based on a targeted percentage for cost recovery of direct program operating costs, including wages and supply costs but excluding facility costs, administration, and capital outlay. The percentage of recovery of direct program costs is classified by user groups as follows: adult programs, 100% cost recovery; youth programs and senior programs, 50% cost recovery; and all Kiwanis Recreation Center classes/programs, 100% cost recovery.

Major Influences: Population, Cost Recovery Policy and New Program Development

Charges for Services/Recreation and Social Services



Charges for Services/Development Related



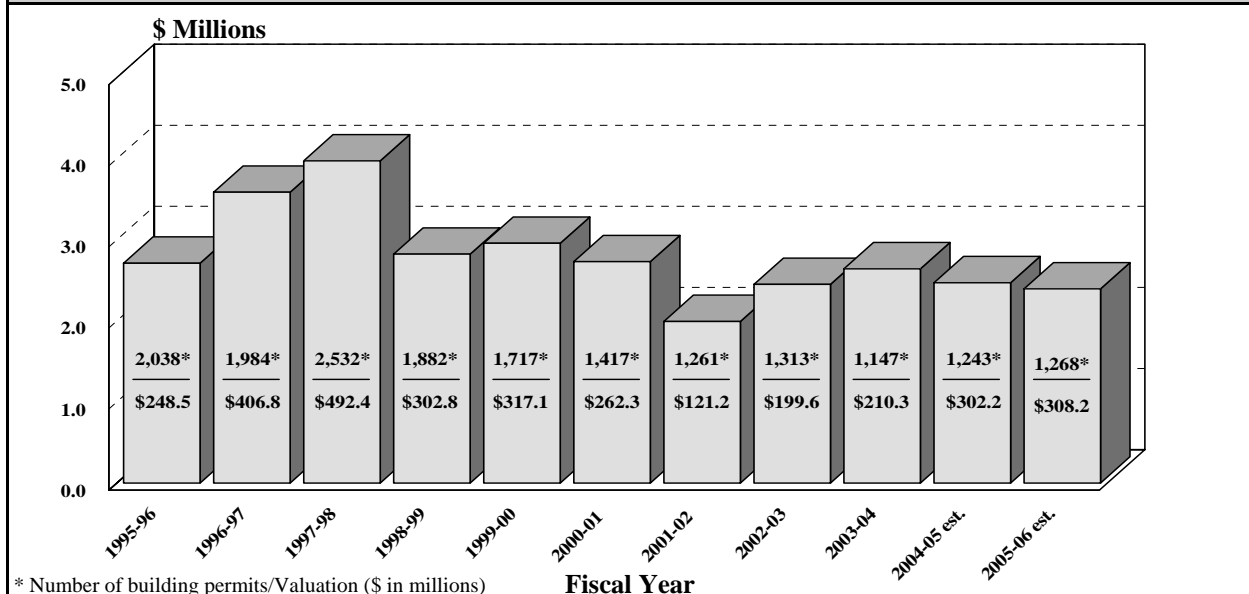
Restrictions	Fiscal Year	Amount	Percent Change	
Intended to offset costs related to permitting and planning for residential and commercial development in the City.	1995-96	2,711,393	(5.2)	
	1996-97	3,586,390	32.3	
	1997-98	3,973,347	10.8	
	1998-99	2,822,892	29.0	
	1999-00	2,957,600	4.8	
	2000-01	2,730,681	(7.7)	
	2001-02	1,993,308	(27.0)	
	2002-03	2,450,574	22.9	
	Accounts:	2003-04	2,642,589	7.8
	4102-4112 (Building & Trade Permits)	2004-05 est.	2,470,550	(6.5)
	4401-4405, 4411-4413 (Engineering Fees)			
4406-4410, 4414-4418 (Planning & Zoning)	2005-06 est.	2,394,500	(3.1)	

Assumptions

Declines in development related permit revenue in the early 1990's were largely a function of slower population growth, a more stringent Tax Reform Act of 1986, and a downturn in both the economy and development. A new building permit and plan check fee structure was implemented in August 1991, while planning, zoning, and engineering fees were revised in FY 1992-93. The annual growth rates shown above reflect the sometimes extreme cyclical nature of development. Following a year that included permit revenue related to the new Arizona Mills Mall, FY 1998-99 saw a drop-off in development activity in all sectors, consistent with declining rates of growth county-wide. Much of the increase in FY 2002-03 is due to a fee/rate increase. The impact of this increase is moderated in recent years in light of development activity associated with a landlocked community.

Major Influences: Population, Tax Laws, Economy and Development

Charges for Services/Development Related



* Number of building permits/Valuation (\$ in millions)

Fines and Forfeitures



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage.	1995-96	3,234,571	10.8
	1996-97	3,162,253	2.2
	1997-98	3,636,208	15.0
	1998-99	3,856,034	6.1
	1999-00	4,709,700	22.1
	2000-01	4,489,939	(4.7)
	2001-02	4,615,379	2.8
	2002-03	5,510,475	19.4
	2003-04	5,858,482	6.3
	2004-05 est.	5,828,972	(0.5)
	2005-06 est.	5,771,186	(0.9)

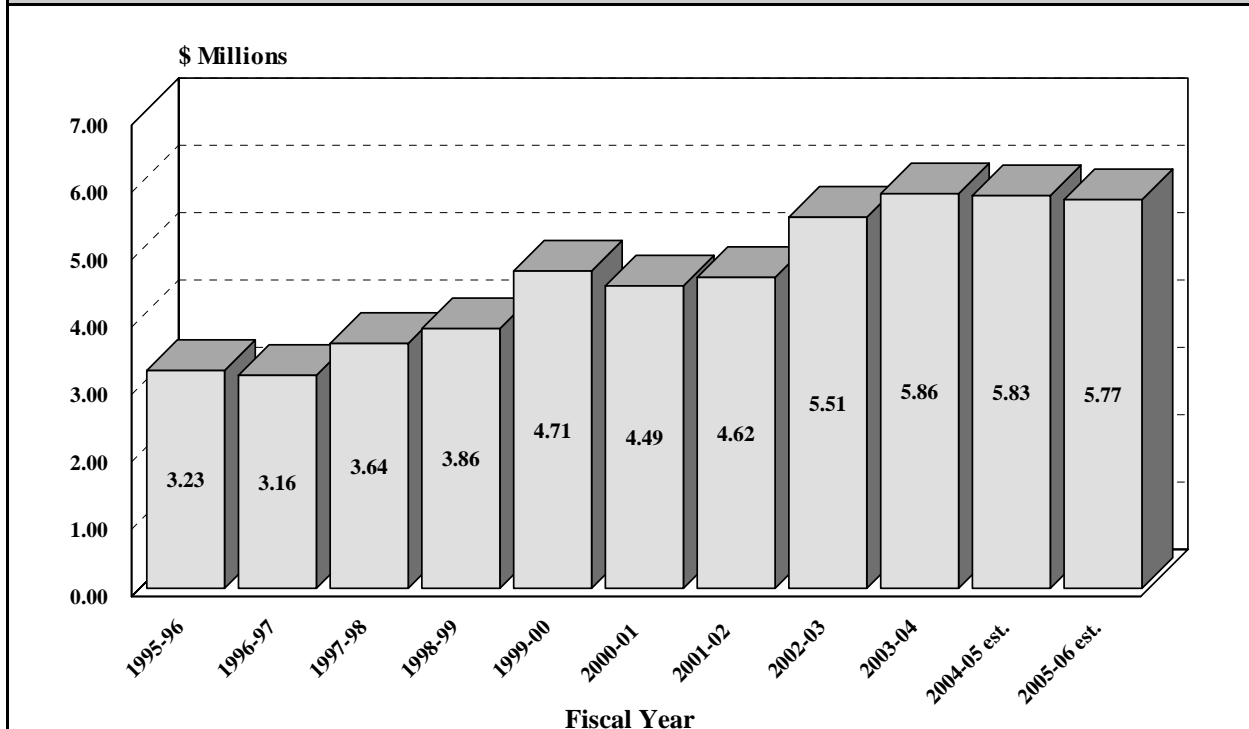
Accounts: 4601-4653

Assumptions

The fines and forfeitures revenue to the City derive from fines related to parking, traffic, criminal, animal control, defensive driving school, adult diversion, domestic violence, and false alarms, plus revenue from public defender reimbursements, forfeitures, and boot fees. Much of the FY 2001-02 increase is related to Council– approved increases in false alarm fines and alarm system registration fees and a police selective neighborhood traffic enforcement unit. Projected increases are based on enhanced collection efforts and rate changes.

Major Influences: Population, Crime Rate and Internal Policy (Enforcement, Number of Police Officers)

Fees, Fines and Forfeitures



Transit Tax



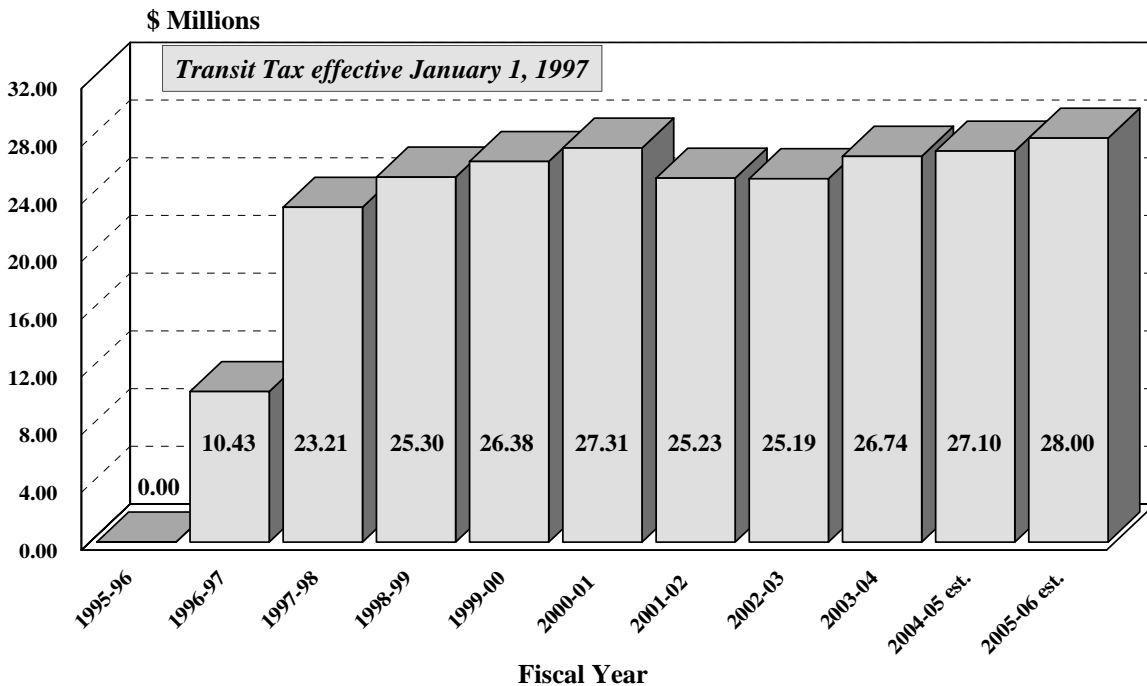
Restrictions	Fiscal Year	Amount	Percent Change
Represents a portion of the City sales tax dedicated by public vote to transit-related purposes, such as bus acquisition and maintenance, connecting bus routes to neighboring cities, bus stop construction, transit planning, and light rail construction. Account: 4004	1997-98	23,212,252	122.6
	1998-99	25,300,000	9.0
	1999-00	26,384,500	4.3
	2000-01	27,310,246	3.5
	2001-02	25,229,927	(7.6)
	2002-03	25,187,121	(0.2)
	2003-04	26,740,623	6.2
	2004-05 est.	27,102,000	1.4
	2005-06 est.	27,996,400	3.3

Assumptions

The Transit Tax represents 1/2 cent of the 1.8% City sales tax. The amount for transit was approved by Tempe voters in September 1996. The additional tax became effective January 1, 1997, thus the revenue for FY 1996-97 only reflects collections over the last half of the fiscal year. Although the estimate for FY 2005-06 mirrors our trend for overall City sales tax growth, it does slightly deviate due to nuances resulting from rebates and tax incentives.

Major Influences: Taxable Sales, Population and Consumer Price Index

Transit Tax



Performing Arts Tax



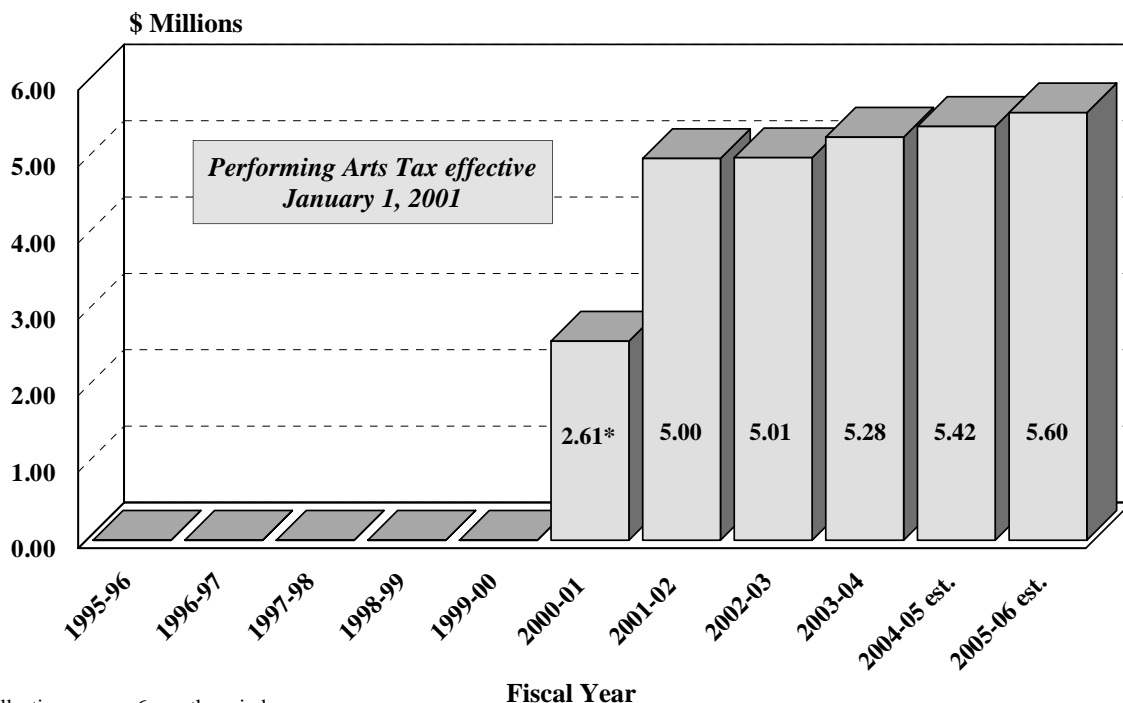
Restrictions	Fiscal Year	Amount	Percent Change
Represents a portion of the City sales tax dedicated by public vote for a Performing Arts center and related activities. *Collections over a 6 month period Account: 4005	2000-01*	2,607,541	-
	2001-02	4,999,984	91.2%
	2002-03	5,010,392	(0.2)
	2003-04	5,279,580	5.4
	2004-05 est.	5,420,000	2.7
	2005-06 est.	5,599,500	3.3

Assumptions

The Performing Arts Tax represents a voter-approved 0.1% increase to the 1.8% City Sales Tax. These funds are dedicated for construction and operation of the Tempe Center for the Arts. The tax for the performing arts was implemented in January 2001, therefore, FY 2000-01 reflects a partial year. Although the estimate for FY 2005-06 mirrors our trend for overall City sales tax growth, it does slightly deviate due to nuances resulting from rebates and tax incentives.

Major Influences: Taxable Sales, Population, and Consumer Price Index

Performing Arts Tax



* Collections over a 6 month period

Highway User Tax



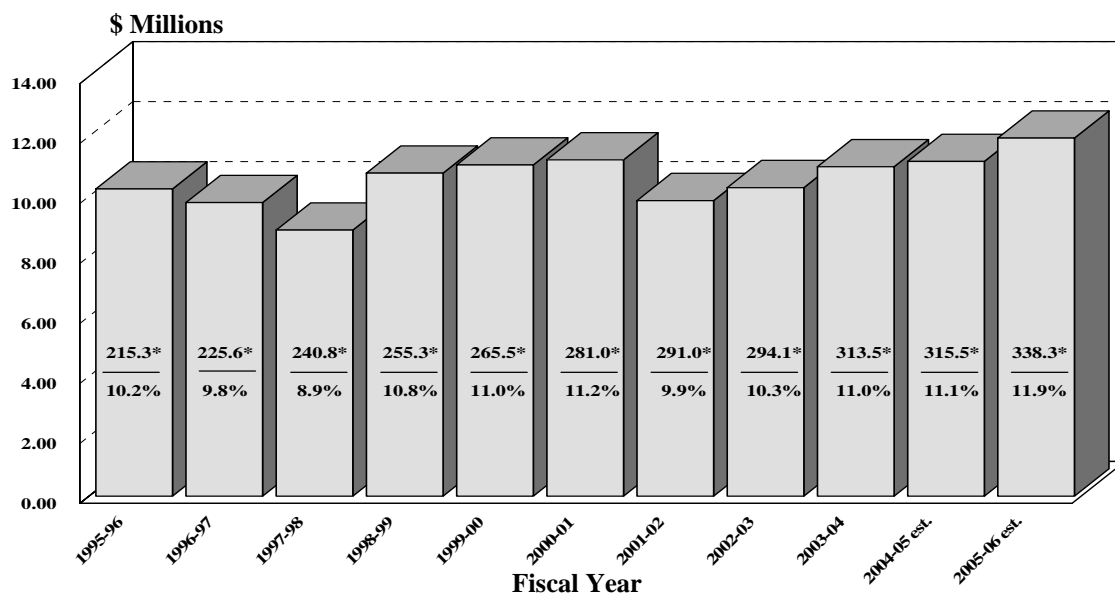
Restrictions	Fiscal Year	Amount	Percent Change
Proceeds can be used only for street and highway purposes including right-of-way acquisition, construction, reconstruction, maintenance, and payment of debt service on highway and street bonds. Account: 4206	1995-96	10,238,951	8.4
	1996-97	9,788,235	(4.4)
	1997-98	8,870,589	(9.4)
	1998-99	10,767,285	21.4
	1999-00	11,041,067	2.5
	2000-01	11,213,830	1.6
	2001-02	9,853,831	(12.1)
	2002-03	10,285,028	4.4
	2003-04	10,981,726	6.8
	2004-05 est.	11,160,663	1.6
	2005-06 est.	11,938,207	7.0

Assumptions

Highway User Revenue Fund (HURF) revenue is comprised primarily of a share of the state-imposed tax on fuel (18 cents per gallon), but also includes a portion of vehicle license taxes and other motor carrier permits and fees. Of the statewide total HURF revenue, 27.5% is distributed to cities and towns. Of this amount, one-half is distributed based on each city or town's percentage share of the statewide total population of all incorporated cities and towns. The remaining one-half is divided into county pools based on each county's share of statewide fuel sales. Within each county, cities and towns receive an allocation based on their percentage share of total incorporated population in the county. Reductions in FY 1996-97 and FY 1997-98 were the result of the 1995 Special Census, which placed Tempe at 4.5% of the state's population, down from the 5% share which resulted from the 1990 Census. The FY 2001-02 decline is a reflection of the 2000 Census, which resulted in Tempe's share again declining to 4.0%. The strength of the state's economy combined with continued state population increases have offset the effect of the Census.

Major Influences: Population, State Policy, Economy and Gasoline Sales

Highway User Tax



* Percent of state income tax collections distributed to cities and towns/Total state-shared tax revenue pool (\$ in millions)

Local Transportation Assistance Fund



Restrictions	Fiscal Year	Amount	Percent Change
Proceeds can be used only for street and highway projects, for any construction or reconstruction in the public right-of-way as well as transit programs. Account : 4212	1995-96	1,089,151	(1.7)
	1996-97	1,081,122	(0.7)
	1997-98	1,019,776	(5.7)
	1998-99	1,000,596	(1.9)
	1999-00	976,015	(2.5)
	2000-01	957,785	(1.9)
	2001-02	900,415	(6.0)
	2002-03	870,471	(3.3)
	2003-04	845,814	(2.8)
	2004-05 est.	821,152	(2.9)
	2005-06 est.	799,186	(2.7)

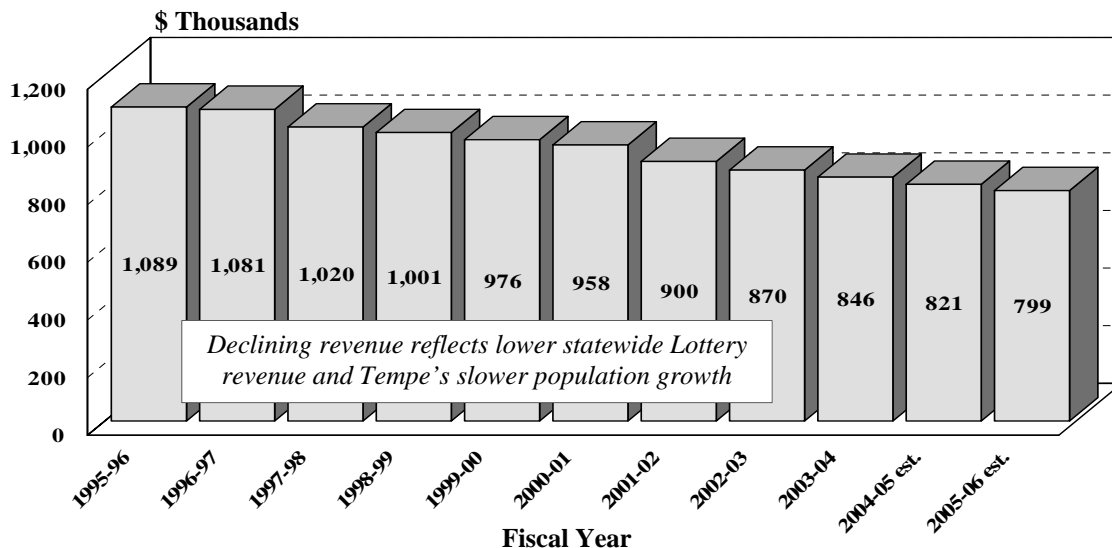
Assumptions

Revenue are derived from the state lottery game and the multi-state Powerball lottery game. By state statute, the state must distribute at least \$20.5 million annually to cities and towns from state lottery revenue, up to a maximum total distribution pool of \$23 million. Amounts distributed to cities and towns are based on their percentage share of statewide population as determined and updated annually by the state Department of Economic Security. Revenue derived from Powerball may be received only after the state first collects \$31 million from Powerball sales. If this threshold is reached, the state will distribute up to a total of \$18 million from Powerball revenue, dividing the pool into amounts based on each county's share of lottery ticket sales. Amounts from these county pools distributed to cities and towns are based on each city or town's share of incorporated population in the county.

Continued reductions in lottery revenue over the past 10 years reflect the overall decline in the total amount of funds available statewide for distribution. State lottery sales continue to suffer since the introduction of Powerball and casino-style gaming on Native American Reservations. Further exacerbating this problem is Tempe's declining share of statewide population.

Major Influences: Population (relative to State) and Lottery Ticket Sales

Local Transportation Assistance Fund



Community Development Block Grant/Section 8 Housing Grant



Restrictions

Community Development Block Grant (CDBG) funds are awarded by the federal government and may be used only for the rehabilitation of owner-occupied housing and the removal of “slum and blight”. Section 8 Housing Grants, also federal funds, may be used only for rent and utility subsidies for low income persons.

Account : 4202

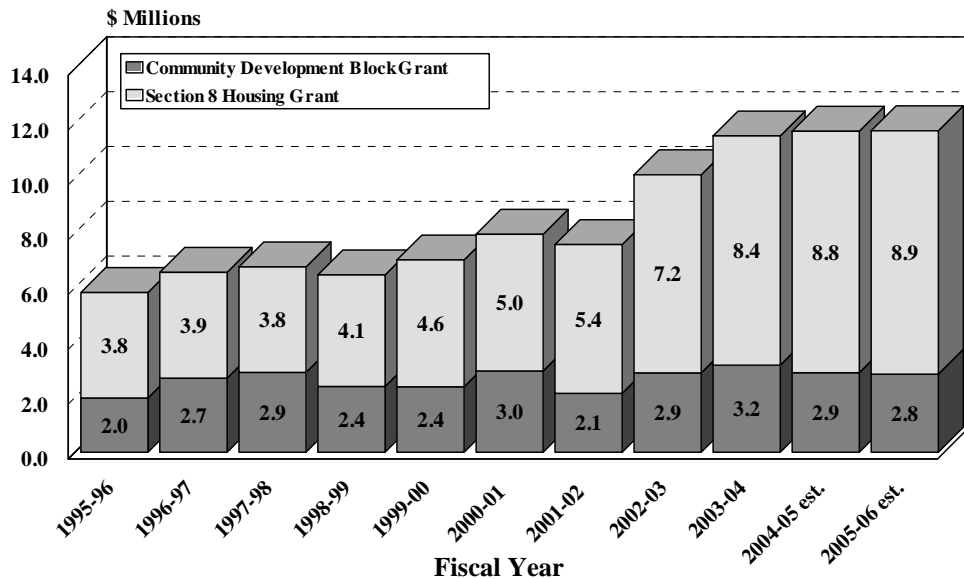
Fiscal Year	Community Development Block Grant		Section 8 Housing Grant	
	Amount	Percent Change	Amount	Percent Change
1995-96	1,980,305	23.0	3,846,066	3.4
1996-97	2,700,015	36.3	3,861,578	0.4
1997-98	2,915,622	8.0	3,843,309	(0.5)
1998-99	2,399,237	(17.7)	4,068,842	5.9
1999-00	2,390,100	(0.4)	4,624,100	13.6
2000-01	2,967,700	24.2	4,985,700	7.8
2001-02	2,148,750	(27.6)	5,427,291	8.9
2002-03	2,896,728	34.8	7,227,924	33.2
2003-04	3,174,654	9.6	8,364,970	15.7
2004-05 est.	2,901,168	(8.6)	8,811,193	5.3
2005-06 est.	2,849,008	(1.8)	8,882,632	0.8

Assumptions

Funding levels in both programs are based on a federal formula which reflects local factors such as the percentage of people living in poverty, unemployment, population, age of existing housing, and the need for housing.

Major Influences: Federal Policy, Poverty Levels and Population

Community Development Block Grant/Section 8 Housing Grant



Water/Wastewater User Fees



Restrictions	Fiscal Year	Amount	Percent Change
Fees can only be used to support the Water/Wastewater enterprise.	1995-96	32,895,352	(0.7)
	1996-97	34,979,993	6.3
	1997-98	37,928,781	8.4
	1998-99	37,540,000	(1.0)
	1999-00	46,296,100	23.3
	2000-01	45,349,960	(2.0)
	2001-02	44,591,306	(1.7)
	2002-03	40,586,501	(9.0)
	2003-04	41,037,476	1.1
	2004-05 est.	41,560,201	1.3
	2005-06 est.	42,661,141	2.6

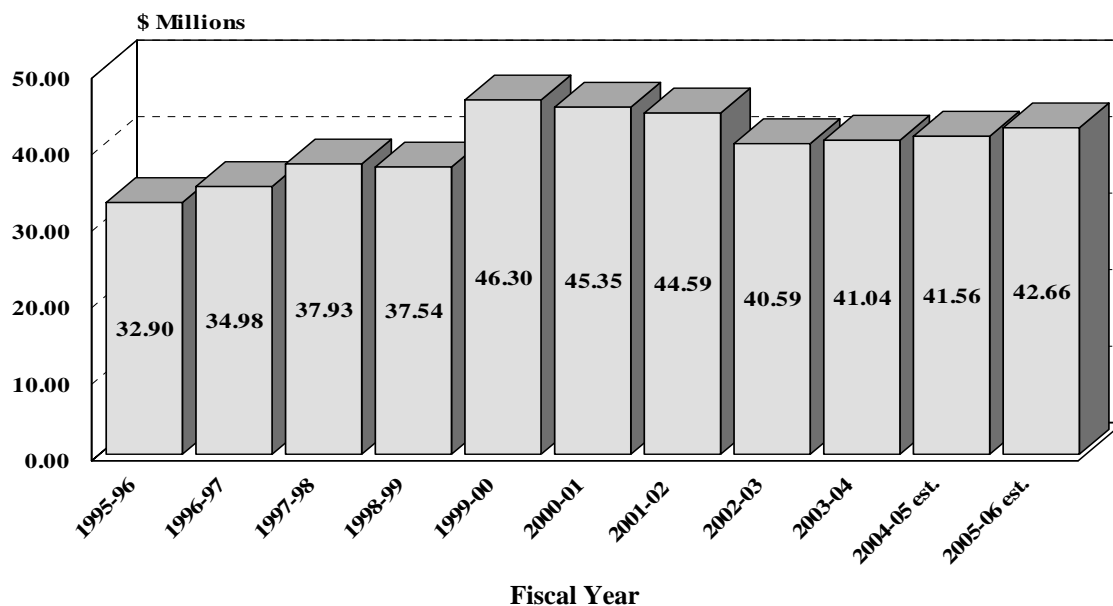
Accounts: 4282, 4284, 4821-4831, 4834-4842

Assumptions

Water/Wastewater revenue is derived from fees and service charges assessed to residential and commercial customers of the City's water and wastewater systems. Revenue also includes charges to the City's residential irrigation customers. Over the past few years, both water and sewer rates have been adjusted to address increased costs resulting from inflation, debt service on capital projects, and environmental regulation compliance. The most recent fee adjustment went into effect on November 1, 2004. Water rates were increased by 4%, irrigation rates were increased by 9%, and sewer rates for residential customers increased by 7.5%. Sewer rates for commercial and industrial customers increased as well in accordance with a new wastewater rate structure based on strength and volume of discharge.

Major Influences: Population, Internal Policy, Water Consumption Patterns and Weather

Water/Wastewater User Fees



Solid Waste Fees



Restrictions	Fiscal Year	Amount	Percent Change
Used to defray costs of providing solid waste collection and disposal service.	1995-96	8,484,046	5.5
	1996-97	8,636,576	1.8
	1997-98	9,039,504	4.7
	1998-99	9,256,680	2.4
	1999-00	9,840,100	6.3
	2000-01	9,758,199	(0.8)
	2001-02	10,024,863	2.7
	2002-03	10,496,774	4.7
	2003-04	11,014,949	4.9
	2004-05 est.	11,848,480	7.6
	2005-06 est.	12,659,440	6.8

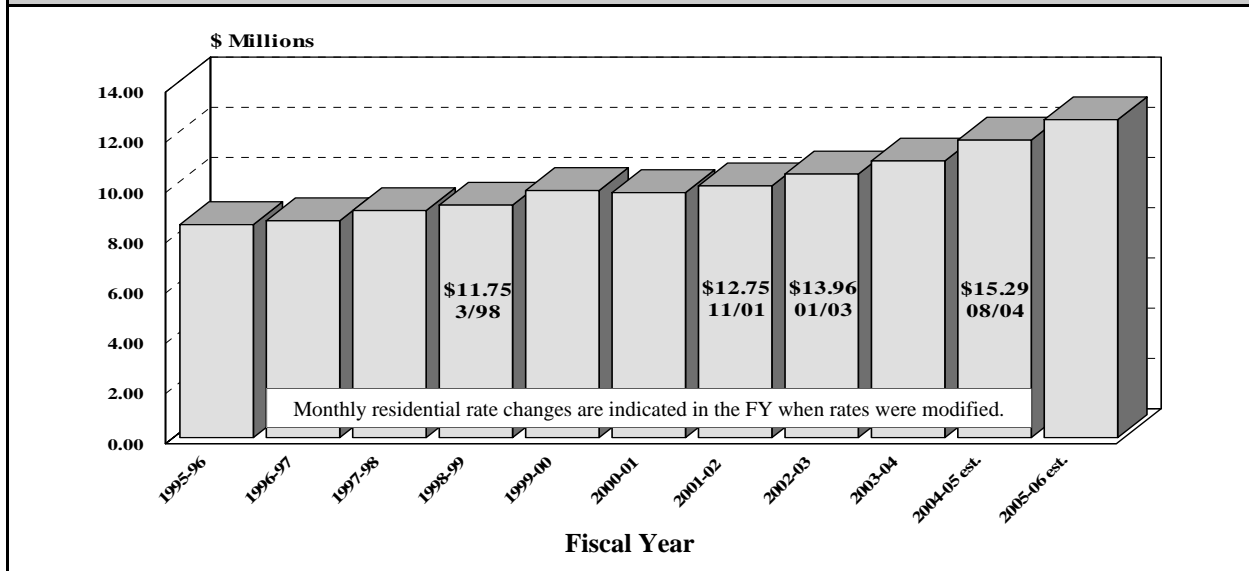
Accounts: 4251-4259

Assumptions

The collection and disposal of solid waste constitutes the City's second largest enterprise operation. Revenue derives from user fees for residential, commercial, roll-off, and uncontained solid waste service. As the graph below indicates, residential solid waste fees were increased four times starting in FY 1998-99 to address increased landfill and recycling costs. Most recently, residential rates were increased in August 2004 to address projected shortfalls in the Solid Waste Fund. Solid waste fees are reviewed annually to determine if the fee structure will generate sufficient revenue to cover fund operating expenses and provide a reserve for capital expenditures and contingencies.

Major Influences: Population, Internal Policy, and Commercial Market/Competition

Solid Waste Fees



Golf Course Fees



Restrictions

Revenue is used to defray costs of operating the Rolling Hills and Ken McDonald golf courses.

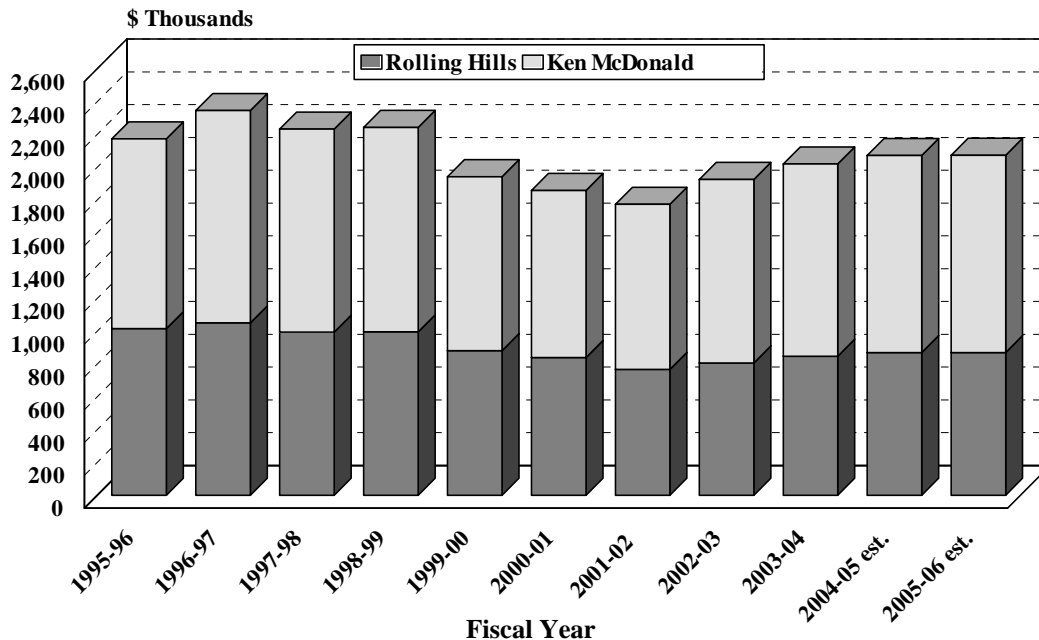
Fiscal Year	Rolling Hills		Ken McDonald	
	Amount	Percent Change	Amount	Percent Change
1995-96	1,016,217	23.2	1,156,946	6.5
1996-97	1,051,586	3.5	1,294,228	11.9
1997-98	994,964	(5.4)	1,237,961	(4.4)
1998-99	997,000	0.2	1,246,000	0.7
1999-00	882,082	(11.5)	1,060,418	(14.9)
2000-01	840,000	(4.8)	1,018,500	(4.0)
2001-02	767,285	(8.7)	1,006,532	(1.2)
2002-03	806,588	5.1	1,119,184	11.2
2003-04	847,844	5.1	1,172,288	4.7
2004-05 est.	870,000	2.6	1,201,635	2.5
2005-06 est.	870,000	0.0	1,203,194	0.1

Assumptions

Revenue from greens fees account for nearly 87% of golf course revenue, with the rest coming from lease agreements with the pro shops and restaurant concessionaires. Our projection conservatively assumes minimal growth in revenue, particularly in light of the volatility that can result from weather conditions or fee changes.

Major Influences: Competition from Other Golf Courses, Weather, and City Fee Policy

Golf Course Fees





Performance Budget

The following section includes departmental per capita and aggregate appropriations, goals, objectives, performance indicators, and staffing levels. This section describes activities, services, and functions carried out by organizational units including the measurement of results by unit, objective and fiscal year.

Performance Budget Summary



Department	Personal Services	Supplies/Services/Contributions	Capital Outlay	Internal Services	Total 2005-06 Budget
Mayor & Council	\$352,806	\$55,801		(\$21,891)	\$386,716
City Manager	312,963	13,100		(18,076)	307,987
Internal Audit	404,871	22,752		25,524	453,147
Community Relations	1,484,997	890,525		180,572	2,556,094
Diversity Program	357,136	188,331		12,847	558,314
Community Development	3,450,472	12,607,033	3,000	70,461	16,130,966
City Clerk	343,557	336,600		46,600	726,757
City Court	2,590,153	564,326		605,061	3,759,540
Human Resources	2,049,541	773,038		(361,096)	2,461,483
City Attorney	2,376,094	281,975		133,783	2,791,852
Financial Services	4,943,153	3,204,965	25,000	(2,404,997)	5,768,121
Information Technology	6,625,167	6,064,970		(12,690,137)	
Development Services	3,925,055	219,116		650,918	4,795,089
Police	41,410,443	3,582,163	21,150	8,462,186	53,475,942
Fire	15,251,108	1,139,310	689,200	1,153,906	18,233,524
Community Services	13,705,423	3,702,795	40,000	3,014,473	20,462,691
Public Works	23,879,663	37,891,160	4,028,787	(667,234)	65,132,376
Water Utilities	10,846,863	12,825,110	222,100	3,375,861	27,269,934
Total Departmental	134,309,465	84,363,070	5,029,237	1,568,761	225,270,533
Debt Service		40,817,185			40,817,185
Non-Departmental	900,828	3,172,719		2,084,749	6,158,296
Contingencies		3,051,732			3,051,732
Total Operating Budget	134,903,360	131,373,077	5,029,237	3,653,494	275,297,746
Capital Improvements		189,971,703			189,971,703
Total Financial Program	\$134,903,360	\$321,344,780	\$5,029,237	\$1,803,494	\$465,269,449

Per Capita Performance Budget



The citywide operating budget for FY 2005-06 totals \$275.3 million. This represents per capita growth of 5.8%.

Budget increases in these departments are primarily due to increased employee compensation, retirement contributions and rising health care costs.

The City continues to prioritize the areas of Public Works, Public Safety, and Community Services, accounting for 70% of the total departmental budgets.

Department	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Mayor & Council	\$2.55	\$2.48	\$2.54	\$2.39
City Manager	1.63	1.70	1.91	1.91
Internal Audit	2.54	2.64	2.64	2.80
Community Relations	15.05	15.39	15.15	15.82
Diversity Programs	2.93	2.75	3.37	3.45
Community Development	94.17	99.74	97.55	99.81
City Clerk	4.00	2.83	2.99	4.50
City Court	19.95	20.69	21.71	23.26
Human Resources	15.23	15.86	15.42	15.23
City Attorney	12.84	14.43	14.27	15.18
Financial Services	34.61	36.24	35.96	35.69
Information Technology	0	0	0	0
Development Services	24.30	28.95	28.80	29.67
Police	295.35	299.47	306.79	330.87
Fire	100.83	98.33	100.77	112.81
Community Services	110.00	116.14	111.67	126.61
Public Works	352.15	367.24	365.60	402.99
Water Utilities	157.18	170.53	165.51	168.73
Total Departmental Per Capita	\$1,245.31	\$1,295.41	\$1,292.65	\$1,391.72
Debt Service	308.27	275.03	234.25	252.54
Non-Departmental	23.07	26.87	24.43	38.10
Contingencies	0	18.27	0	18.88
Capital Improvement Projects	739.08	1,100.51	1,100.51	1,173.73
Total Operating Per Capita	\$2,315.73	\$2,716.09	\$2,651.84	\$2,874.97



Purpose

The purpose of a Strategic Issues Management/Budgeting program for Tempe is to provide a mechanism for identifying, prioritizing, and managing top priority emerging issues which require interdepartmental coordination and to provide a process for integrating strategic planning and budgeting. The City Council identifies strategic issues setting the tone at the start of the budget process. The process allows a prioritization of emerging issues, yielding specific priorities and plans which have multiyear operational and budget implications.

Strategic Issues Management/Budgeting Process		
Activity	Responsibility	Timeframes
Identify and prioritize key goals that each Council Committee wants to achieve and see further progress on for the upcoming budget year. Incorporate goals into Council Committee's work plan.	City Council	August Council Summit
Establish cross-functional teams and/or standing groups to advance each goal identified and develop action plans for each.	City Manager Executive Team	August
Identify and recommend corresponding strategies, action plans, and/or departmental activities to further bring improvement and/or results to goals identified by each committee.	Cross-functional Teams	September/October
Review strategies, action plans, and or departmental activities recommended by the cross-functional team/groups with the Executive Team.	Staff Coordinators Executive Team	Late October, early November Executive Summit
Review strategies/action plans associated with goal with oversight Council Committee for recommendations, and interface to Committee's work plan.	City Council Committee	Mid/late November
Review strategies, action plans, responsibilities, and associated Council Committee work plan with City Council.	Staff Coordinator City Council	December/January
Incorporate approved goals, strategies, and action plans into operating and capital improvement budget program and structure budget requests.	Executive Team	December/January
Consider FY 2005-06 budget requests from departments (based on FY 2005-06 goals and action plans).	City Council Executive Team	February
Evaluate status of FY 2005-06 goals and action plans with management team (midyear review).	City Council Executive Team	February (midyear review)
Evaluate budget requests and allocate budget resources accordingly (based on approved FY 2005-06 goals and action plans).	Executive Team	March/April
Conduct public sessions on operating and capital improvement budget program (FY 2005-06).	City Council Executive Team	April/May
Adopt budget program.	City Council	June
Review results of goals and action plans established for the fiscal year just completed. Begin process anew for the next budget period.	City Council Executive Team	August Council Summit



Neighborhood Quality of Life and Public Safety Committee

Goal: To address neighborhood issues

- Resolve residential rental issues
- Enforce Nuisance and Property Enhancement Code (party ordinance)
- Discuss parking in residential areas
- Review zoning code (3 unrelated)
- Review ordinance as it applies in residential districts and redevelop and enhance neighborhood-supportive business districts
- Discuss Day Resources and Opportunity Center

Goal: To identify impact of ASU on neighborhoods

- Facilitate ASU-City partnerships to improve student housing at ASU and within the City
- Discuss City support of building on campus housing and ASU imposing sanctions for off campus behavior

Goal: To review the development of public safety resources

- Attend neighborhood meetings
- Enhance neighborhood policing efforts
- Facilitate Getting Arizona Involved in Neighborhoods (GAIN) program
- Provide overview and capability of Fire Department Dive Team activation
- Discuss concept and update of the Heavy Rescue Truck
- Review status and compare with other agencies of the Fire Prevention fee structure
- Provide update of new State law regarding county islands; firefighting; and medical services
- Discuss Fire Department challenges with new high rise buildings
- Provide update on the Fire prevention and Public Safety Education Division
- Provide update on emergency Traffic Signal Preemption for fire apparatus
- Provide update on assistance provided to the Guadalupe Fire Department
- Analyze and compare emergency response time
- Provide medical services update



Education Partnership Committee

Goal: To advance partnerships between Arizona State University and the City of Tempe

- Support ASU's plan of providing more on-campus housing
- Pursue ASU's prototype "University school" program
- Seek opportunities of joint use of ASU sports facilities for local programs
- Work with ASU and Tempe School Districts to enhance transit opportunities such as "transit training programs" for physically challenged students
- Promote more Board and Commission applications from ASU students
- Work with ASU to obtain an accurate count of students residing in Tempe for the 2005 Special Census
- Coordinate with ASU to continue to offer student intern opportunities within the City of Tempe
- Capitalize on partnership opportunities (e.g. Presidential Debate, Earned Income Tax Credit Program, Open Horizons, ENLACE, Community for Kids)
- Support multi-lingual school projects and programs

Goal: To strengthen relationships between Tempe schools and the City of Tempe

- Schedule effective joint meetings between the City Council and school boards
- Continue to provide school campus officers
- Utilize the National League of Cities as a resource for joint city/school programs and opportunities
- Seek improvement of neighborhood schools through communities' in-schools programs
- Enhance Kid Zone partnerships and explore extending program to 8th grade
- Promote Mayor's Youth Advisory Council
- Enhance and expand Pappas School partnerships
- Enhance athletic partnerships with the schools
- Continue to provide school ground maintenance partnerships
- Explore service and program opportunities to maximize resources, share resources and enhance efficiencies
- Promote and support programs that encourage youth to remain in school and prevent school drop-out

Goal: To advance community services and programs in collaboration with educational entities serving Tempe

- Utilize existing forms of communication such as Channel 11, Tempe Today and school distributions to promote education partnerships
- Develop linkages between City and school district staffs to promote service, programs and information
- Review internal education opportunities within City of Tempe's tuition reimbursement program
- Coordinate human and social services programs and resources between schools and the City where appropriate
- Coordinate programs and services with Tempe Leadership, YMCA, Boys and Girls Club and other service organizations where appropriate
- Facilitate mentoring programs by City employees
- Promote and expand various joint grant opportunities that further City's goals (e.g., Unity Grants, Minority Achievers)
- Promote safe activities for youth (e.g., Grad Nite)
- Promote and encourage community volunteers in support of schools (e.g., Cinderella Affair)



Community Services Committee

Goal: To review golf course operations and strategies to ensure a positive experience for our citizens

- Review and analyze enterprise fund viability
- Explore potential operational structures to enhance efficiencies
- Review potential golf course enhancements and capital improvements

Goal: To assure that community recreational needs are being met through the development, maintenance, improvement of our parks and athletic fields

- Review the development of the Tempe Sports Complex
- Develop master plans for various neighborhood parks
- Assist neighborhood groups that receive grant funding to improve parks
- Review park improvement projects
- Review the development of Double Butte Cemetery
- Examine potential strategies to address the long-range needs of our neighborhood parks
- Explore opportunities to collaborate with other communities in the master planning of Papago Park

Goal: To promote and encourage the development of the Arts and events in Tempe

- Monitor the development of the Tempe Center for the Arts and the adjacent arts park
- Explore and review Tempe Center for the Arts operational strategies
- Pursue the development of Mitchell School as a home for Childsplay
- Explore opportunities for annual cultural festival in conjunction with the new arts facilities
- Review and follow-up on issues regarding events identified in the Destination Tempe Task Force summary report

Goal: To strengthen and promote Community Service programs and facilities that serve the Public

- Promote the development and monitor the construction of the North Tempe Multigenerational Center
- Promote the development of services to seniors through the development of the Connections Café grant from the Virginia Piper Charitable Trust
- Monitor the implementation of the Library strategic plan



Transportation Committee

Goal: To ensure that light rail transit (LRT) design and construction activities meet community needs

- Review Valley Metro Rail (VMR) construction schedule and progress
- Review and follow-up on VMR construction outreach and mitigation efforts
- Review station design and integration with the community
- Review the need for bus pull-outs along Apache Boulevard

Goal: To increase transit ridership

- Monitor bus contractor performance
- Monitor bus stop and bus pull-out implementation program
- Review customer education programs for persons with disabilities and schools
- Review potential changes to the regional bus fare policy
- Encourage Valley Metro to adopt a free youth pass system (Valley metro technical committee recommendation not to adopt free youth pass received)
- Monitor the development of the downtown Tempe transit center
- Evaluate the implementation of additional neighborhood circulators
- Evaluate the transportation recommendations from the Task Force on Disability Issues Report

Goal: To coordinate local and regional transportation decisions

- Monitor implementation of regional transportation plan (freeways, bus, LRT, dial-a-ride)
- Explore and recommend modifications to Tempe transportation program to complement regional transportation
- Support federal funding requests for regional and local transit projects
- Monitor the regional maintenance facility design and construction activities

Goal: To ensure the safe and efficient movement of people and vehicles along the street system

- Review speed limit alternatives
- Review the locations for new signal systems and the signal system upgrade
- Explore opportunity of yield signs on buses
- Examine leading and lagging left turn signal configurations
- Review traffic volume and crash analysis
- Examine the need for underpass/overpass at railroad crossing at Rural Road
- Evaluate rubberized asphalt as a potential paving surface
- Evaluate the effect of multiple downtown special events on transportation system

Goal: To recognize and encourage pedestrian and bicycle travel as an important part of the transportation system

- Pursue the development of a transportation overlay district
- Review sidewalk inventory and develop plan for completion of sidewalk
- Review the potential for combining the Bicycle Advisory Committee and the Transportation Commission (completed in December 2004)
- Monitor bicycle facility plan implementation

Goal: To expand community partnerships

- Encourage a dialogue and partnership with ASU on transportation parking, student, faculty, and staff transit pass, Free Local Area Shuttle (FLASH) and bicycle improvements
- Educate students at all Tempe schools about using bus and LRT



Diversity and Human Relations and Resources Committee

Goal: To promote a fair, equitable and accessible environment for the City of Tempe through partnerships, resource sharing and community building

- Enhance and promote accessibility opportunities through the newly established ADA Accessibility Specialist position and the continued partnership with the Mayor's Commission on Disability Concerns, i.e. Parking accessibility, architectural compliance, and timely response to community concerns
- Develop and implement a Race Neutral Diversity Supplier Program through partnerships with the Human Relations Commission, City of Tempe's Diversity Department, Financial Services Department and Public Works Department
- Develop a diversity newsletter and brochure
- Identify regional, national, or global issues that may impact Tempe in the near future for proactive action by the Human Relations Committee. Examples: Immigration issues, inter-faith issues

Goal: To educate through programming and celebrate through events Tempe's rich diversity

- Create a diversity events committee charged with identifying and coordinating celebrations to recognize the multitude of cultures within Tempe
- Research historical civil rights and diversity related dates to acknowledge and commemorate, i.e. Brown vs. Board of Education, Martin Luther King "I have a dream" speech
- Collaborate with local school districts and ASU on diversity related programs and initiatives
- Enhance the Diversity Dialogue and Community Conversation Programs through collaboration with local schools

Goal: To conduct human service agency review process on behalf of the City of Tempe

- Recruit and train citizen review panels, issue request for proposals, review proposals, make funding recommendations to City Council
- Monitor funded agency services during year
- Implement new Employee Compensation Fund online application review process and monitoring system

Goal: To broaden the base of resources to meet the human service needs of the community

- Increase participation in the H2O program; continue to see a new match partner
- Transfer oversight of Arizona Community Foundation and Tempe Community Foundation fund distribution to Tempe Community Council
- Explore development of Tempe Community Foundation
- Promote the development of community philanthropy; recognize role models, highlight efforts, and identify opportunities for community participation

Goal: To continue implementation of task force recommendations

- Facilitate recommendations of the Homeless Task Force, especially concerning the needs of those "on the street" in need of day resources
- Facilitate recommendations from the Task Force on Aging and Disability Issues

Goal: To explore and promote affordable housing opportunities in Tempe

- Help New/Town/Land Trust develop affordable housing capacity
- Identify opportunities for public and private housing partnerships

Goal: To continue identification of unmet human service needs in Tempe

- Utilize new technology – social indicators, GIS mapping
- Research and publish reports on pressing issues (e.g., living wage, children and family issues)
- Collaborate and share information with other human services organizations (e.g., Maricopa Association of Governments, United Way, Cities of Mesa, Scottsdale and Chandler)



Technology Advancement, Tourism & Redevelopment Committee

Goal: To build a stronger, more diverse technology community in Tempe

- Participate in technology events and programs that co-brand Tempe with ASU
- Continue to evolve the “Tempe, the Smart Place to be” marketing kit including electronic media
- Market “Tempe, the Smart Place to be” to ASU’s science and technology graduate students to further a global workforce in Tempe
- Develop “Tempe 50” list of ASU technology contacts and cultivate their interest in a business location in Tempe
- Continue targeted advertising program
- Explore ways to add technology specialist

Goal: To expand tourism outreach activities

- Research and develop a baseline report on the current tourism economy in Tempe
- Identify the top 50 ASU decision makers who choose locations for technical conferences, association meetings and develop program to market “Tempe, the Smart Place to be”
- Incorporate the Tempe Convention & Visitor’s message in city’s retention call program
- Facilitate development of additional hotel rooms/properties in downtown/Rio Salado area

Goal: To invest in Redevelopment Initiatives and Projects

- Explore ways and means to develop a neighborhood grant program for aging shopping centers in Tempe
- Develop new housing strategy/program to address future workforce affordability issues in Tempe
- Prioritize redevelopment projects currently under consideration including potential demonstration project
- Investigate and make recommendations to apply for grant opportunities in redevelopment areas
- Pursue economic development tools such as tax increment financing
- Monitor and facilitate use of the New Markets Tax Credit program in Tempe

Goal: To improve and enhance the development process

- Evaluate the consolidation of the Planning & Zoning Board and the Design Review Board as well as the Plumbing, Electrical, and Mechanical Boards and make a recommendation to Council
- Study various fees, such as Impact fees and General Plan Amendment Application fees, and make suggestions/recommendation to the Council
- Evaluate the processing of variances and make suggestions/recommendation to the Council



Central City Development Committee of the Whole

Goal: To ensure continued quality development of the Tempe Town Lake, Mill Avenue District and Central City core

Develop design principles for architecture and urban space development in Central Business District

Goal: To identify and facilitate opportunities for Arizona State University (ASU), Downtown Tempe, the City of Tempe and other community partners in the Central City to work together in promoting development of the area

Coordinate marketing efforts of Downtown Tempe Community (DTC), ASU, and City of Tempe to comprehensively represent area to targeted markets

Convene Downtown, University and City of Tempe Committee (DUC) to address common promotion, events and marketing

Goal: To monitor and improve the services and quality of life to residents in the Central City core

Provide inputs to ASU Decision Theatre to create 3-D model of proposed development and infrastructure impacts of proposed development to facilitate decision making in Central City

Goal: To focus community resources on the preservation of significant historic structures

Secure Proposition 202 funds for archeological studies of Flour Mill

Prepare National Historic Register nomination of Hayden Butte



Ad-Hoc Long-Range Budget and Finance Planning Committee

Goal: To review the City's expenditures

Identify streamlining opportunities

Goal: To review existing and identify new revenue sources

Examine current sales/property tax programs and other general revenue streams
Consider new revenue sources

Goal: To review the City's financing protocols

Review the update of the City's Long-Range Financial Capacity Plan
Continue to examine impact of mid-decade census to state-shared revenue
Evaluate long-term impact of policy decisions made today or in the past
Recommend possible deficit reduction proposal to full Council

Goal: To evaluate incentive guidelines

Review incentive guidelines and propose possible revisions to Council
Recommend possible regional economic development strategies to full Council



In the following Performance Budget Section, the reader will note a number of performance measures, or benchmarks related to each department's statement of its goals and objectives. These benchmarks are part of a benchmarking program throughout Tempe city government. Benchmark measures found in this section reflect a sampling of the more critical measures of department performance and service delivery.

Benchmarking has been used for many years in the private sector as a tool for improving efficiency and accountability, lowering costs, and enhancing competitiveness. Companies found that they could improve their own work processes by learning “best industry practices” from recognized leaders in various business sectors. In recent years, governments have become involved in benchmarking, realizing that they too can learn from each other. Properly implemented, benchmarking can provide a systematic tool for evaluating an organization’s work processes and service delivery to determine if costs and service levels are meeting desired objectives and are competitive within the industry.

The City has tracked performance indicators for many years as a means of identifying service trends and communicating results to the public. The City made a commitment to develop a benchmarking program modeled after other successful private and public sector efforts. Taking advantage of much work already done on benchmarking nationally, we utilized consensus benchmarks established by several national programs addressing benchmarking, including the International City/County Management Association (ICMA), the Governmental Accounting Standards Board (GASB) Services Efforts and Accomplishments (SEA) program and the Innovation Group.

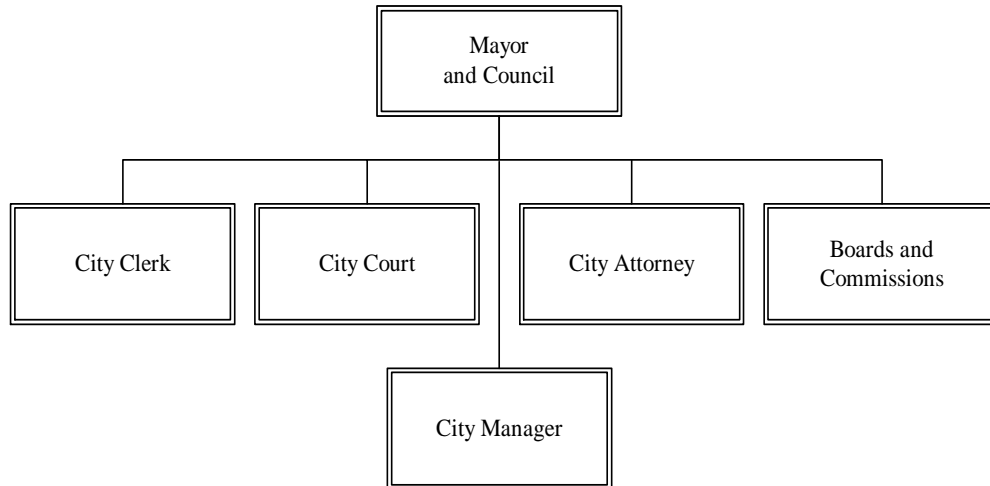
Tempe’s benchmarking project began in 1984 with its participation in an experimental program coordinated by the Innovation Group, a non-profit organization serving local government. Data for Innovation Group-suggested benchmarks were gathered for a “test” group of City departments for possible comparisons with other local

governments in the Innovation Group benchmark database. In addition, the City formally participated in ICMA’s Comparative Performance Measurement Program.

The City continues to refine the benchmarks tracked to include benchmarks developed by national professional organizations, as well as those developed by individual departments. Efforts have focused on establishing a database of historical information on a wide array of benchmarks for most City departments. As a result of discussions with the City's management team and input from departments, we identified the most important 25-30 comparative benchmarks.

Concurrent with these efforts, a comparative benchmarking program was established with peer cities. The goal was to develop and maintain partnerships with cities having comparable demographic and financial characteristics (i.e., population and operating budget size). Further, our intention was to gather data from the benchmark cities to evaluate Tempe’s performance across critical operational areas.

The City has made a long-term commitment to benchmarking and expects to utilize this program as a means to continuously improve our service delivery at the lowest possible cost to the citizens.



The Mayor and six City Council Members are the elected representatives of the citizens of Tempe. They are charged with the formulation of public policy to meet community needs. The City Council is responsible for appointing the City Clerk, City Court, City Manager and City Attorney, as well as, Board and Commission members. Services provided by this division are as follows: (1) represent the City of Tempe citizens (citizen input, advisory boards, intergovernmental relations); (2) formulate legislation (ordinances, resolutions); and (3) establish policy (goals and objectives, resource allocations).

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$315,684	\$305,816	\$320,877	\$352,806
Supplies and Services	26,483	33,601	27,101	33,601
Capital Outlay	505	0	0	0
Internal Services	(21,424)	(25,050)	(25,940)	(21,891)
Contributions	85,118	85,133	86,354	22,200
Expenditure Total	\$406,366	\$399,500	\$408,392	\$386,716
Per Capita	\$2.55	\$2.48	\$2.54	\$2.39

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Mayor and Council	7			7			7		
Total	7			7			7		



Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning

Goal: To represent the citizens of Tempe by providing leadership and public policy decision making necessary to serve the needs of Tempe

Objective: To formulate policy to meet the current and anticipated needs of the Tempe community recognizing fiscal and administrative constraints

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Council & Council Committee Meetings	140	140	150	150
Agenda Items	1,700	1,700	1,750	1,750

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning

Goal: To provide effective professional leadership and direction for the implementation of City policy and the coordination and administration of the City organization

Objective: To supervise City administration and to oversee citizen boards and commissions

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Council appointees reviewed	4	4	4	4
Citizen board and commission oversight	31	31	31	31

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning

Goal: To provide municipal governance as defined by the City Charter

Objective: To examine and adopt a fiscally sound and balanced budget

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Adopt a balanced budget	Yes	Yes	Yes	Yes



City Manager

Working with the City’s governing body, the community, and City staff, the mission of the City Manager’s Office is to professionally implement all City Council policy decisions and efficiently direct the City’s operations and activities in accordance with sound management principles. These efforts will create an organizational culture which results in the delivery of excellent municipal services to the citizens of Tempe.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$259,214	\$268,318	\$303,161	\$312,963
Supplies and Services	6,814	13,100	13,100	13,100
Internal Services	(6,087)	(8,148)	(8,931)	(18,076)
Expenditure Total	\$259,941	\$273,270	\$307,330	\$307,987
Per Capita	\$1.63	\$1.70	\$1.91	\$1.91

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
City Manager	2		0.5	2		0.5	2		0.5
Total	2		0.5	2		0.5	2		0.5



Internal Audit

Internal Audit is responsible for enhancing the quality of City government, products and services, and providing independent, timely and relevant information concerning the City's programs, activities, and functions. This is accomplished by responding to requests to conduct objective evaluations of departments, divisions, and systems or units thereof. Internal Audit's work is vital in maintaining the general public's trust and confidence that City resources are used effectively and efficiently.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$369,660	\$371,991	\$380,812	\$404,871
Supplies and Services	3,465	22,752	12,752	22,752
Capital Outlay	173	0	0	0
Internal Services	31,687	30,502	30,556	25,524
Expenditure Total	\$404,985	\$425,245	\$424,120	\$453,147
Per Capita	\$2.54	\$2.64	\$2.64	\$2.80

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Internal Audit	4			4			4		
Total	4			4			4		

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance				
Goal:	To provide an internal consulting service to City Administration and the operating departments that assists in evaluating the operations of the various departments and strives to ensure that products and services are provided in an efficient and effective manner			
Objective:	To perform independent evaluation and quality improvement initiatives/studies of City departments, divisions, and systems or units			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Management advisory services	8	8	8	8
Citywide audit plan	1	1	1	1
Performance and operational audits	2	2	2	2
Internal control review audits	2	2	2	2
Contract compliance audits	1	1	1	1
Self-assessment projects	1	1	1	1



Diversity Program

The Diversity Program is responsible for coordinating the City’s response to the Diversity Audit, functions as an ombudsman for City employees, provides administrative support to the Human Resources Commission and coordinates community special events.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$249,400	\$241,938	\$267,628	\$357,136
Supplies and Services	205,922	188,331	262,678	188,331
Capital Outlay	130	0	0	0
Internal Services	12,574	11,918	11,981	12,847
Expenditure Total	\$468,026	\$442,187	\$542,287	\$558,314
Per Capita	\$2.93	\$2.75	\$3.37	\$3.45

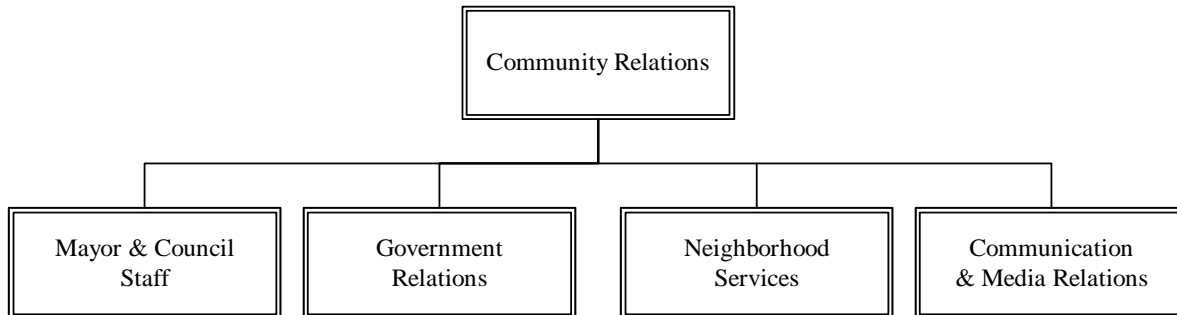
	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Diversity	3			3	0.5		4		
Total	3			3	0.5		4		



Related Strategic Issue: Diversity & Human Relations and Resources				
Goal: To create a fair and equitable work environment for City of Tempe employees				
Objective: (1) To develop and implement the Diversity Action Plan; and (2) serve as a Safe Haven for City employees				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Employee Safe Haven/Fact-Finding Investigation and Mediation hours*	N/A	N/A	520	455
Employee advocacy group participants*	N/A	N/A	28	28
Mentoring Program Participants*	N/A	N/A	20	50
Management advisory hours*	N/A	N/A	1,040	1,235
Diversity training people served*	N/A	N/A	835	900

Related Strategic Issue: Diversity & Human Relations and Resources				
Goal: To develop community related programs and community events to facilitate cultural awareness and diversity within the City of Tempe				
Objective: (1) To design and coordinate community diversity celebrations; and (2) create and implement community awareness opportunities				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Fiesta Bowl & Rock and Roll Marathon Thank You Reception participants	250	250	250	250
Tempe Talks: A Diversity Dialogue participants	40	75	40	50
Cesar Chavez Celebration participants*	0	0	0	100
Tempe Talks: A Community Conversation participants	0	80	80	80
Beautification Awards participants*	250	250	250	250
Tardeada participants	8,000	8,500	10,000	11,000
Boards and Commission Dinner participants	500	500	500	500

* New measure



The Community Relations Office is comprised of the Mayor and Council's Office Staff, Government Relations Division, Neighborhood Services Division, and Communication and Media Relations Division.

The Mayor and Council Office staff provide administrative, technical and clerical support to the Mayor and Council members.

The Government Relations Division interacts with the State Legislature, the Maricopa Association of Governments, and other agencies and elected bodies. It also provides support to the Mayor, Council, and City Manager on legislative, transportation and aviation issues.

The Neighborhood Services Division helps preserve the integrity of Tempe's residential areas and promotes a sense of community. It provides technical and informational services to neighborhood associations, homeowners associations and affiliate groups. It also supplies clerical support to neighborhood associations. Neighborhood Services helps associations identify and resolve neighborhood problems and determine future goals and priorities. Informed citizen participation is the goal of this division.

The Communication and Media Relations Division gathers and distributes information to publicize the city's objectives, issues and successes. The graphics area assists with layout, design, printing and web coordination needs. The media services area provides electronic and video media assistance, including programming of Tempe 11. The media relations area maintains a liaison with news media organizations.



Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$1,432,287	\$1,362,160	\$1,460,739	\$1,484,997
Supplies and Services	475,109	543,543	475,271	713,471
Capital Outlay	812	0	0	0
Internal Services	208,590	200,427	200,337	180,572
Contributions	284,888	368,328	300,800	177,054
Expenditure Total	\$2,401,686	\$2,474,458	\$2,437,147	\$2,556,094
Per Capita	\$15.05	\$15.39	\$15.15	\$15.82

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Community Relations– Admin; Mayor and Council Staff	\$809,511	\$841,995	\$748,597	\$945,408
Government Relations	386,511	419,674	440,936	358,920
Neighborhood Services	221,595	233,681	281,783	201,846
Communication & Media Relations	984,068	979,108	965,831	1,049,920
Expenditure Total	\$2,401,685	\$2,474,458	\$2,437,147	\$2,556,094

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Community Relations- Admin; Mayor and Council Staff	8		0.98	8		0.98	7		0.98
Government Relations	2			2			1		
Neighborhood Services	2			2			2		
Communication & Media Relations	6		0.85	6		0.85	6		0.85
Total	18		1.83	18		1.83	16		1.83

Administration/Mayor's Office and Council Staff



The Administration Division coordinates the operations of the Community Relations Department. The Mayor's Office and Council Staff facilitate communication among the public, city staff, other elected entities and the Mayor and Council. Staff support is also provided for Council committees.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$547,870	\$639,445	\$585,966	\$642,953
Supplies and Services	172,396	132,300	91,800	209,000
Contributions	14,339	0	0	32,500
Capital Outlay	812	0	0	0
Internal Services	74,094	70,250	70,831	60,955
Expenditure Total	\$809,511	\$841,995	\$748,597	\$945,408
Per Capita	\$5.07	\$5.24	\$4.65	\$5.85

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Community Relations - Admin; Mayor and Council Staff	8		0.98	8		0.98	7		0.98
Total	8		0.98	8		0.98	7		0.98

Government Relations



The Government Relations Division is responsible for the following activities: (1) coordination of all state and federal legislative activities; (2) oversight of all Maricopa Association of Governments programs and other intergovernmental activities; (3) review and coordination of various transportation and air quality issues, in conjunction with the Transportation Division; (4) staff assistance on special projects to the City Manager, and Mayor and City Council; and (5) serve as a liaison to the Tempe Sports Authority.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$153,395	\$97,237	\$118,275	\$122,866
Supplies and Services	9,728	12,727	13,955	171,388
Contributions	198,749	286,328	285,100	42,121
Internal Services	24,639	23,382	23,606	22,545
Expenditure Total	\$386,511	\$419,674	\$440,936	\$358,920
Per Capita	\$2.42	\$2.61	\$2.74	\$2.22

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Government Relations	2			2			1		
Total	2			2			1		

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To maintain effective communication with the City's state and federal legislative delegation

Objective: To preserve the City's existing revenue base and local zoning authority through regular meetings with appropriate parties. Advocate for Federal and State appropriations for energy, water and transportation projects

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Joint City Council/Legislative meetings	2	2	2	2
Briefings with federal legislative delegation	2	2	2	2

Neighborhood Services



The Neighborhood Services Division, created by City Council Resolution in 1987, is designed to help preserve the integrity of Tempe's residential areas and to promote a sense of community. It provides technical and informational services to 67 neighborhood associations, more than 100 homeowner associations and 5 affiliate groups. It also supplies clerical support to neighborhood associations. The Neighborhood Services Division's key job is to maintain clear communication lines between neighborhood groups and City government, focusing on identifying, resolving and preventing neighborhood problems.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$194,770	\$191,096	\$249,309	\$175,692
Supplies and Services	7,016	23,350	13,350	13,350
Internal Services	19,809	19,235	19,124	12,804
Expenditure Total	\$221,593	\$233,681	\$281,783	\$201,846
Per Capita	\$1.39	\$1.45	\$1.75	\$1.25

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Neighborhood Services	2			2			2		
Total	2			2			2		

**Related Strategic Issue: Neighborhood Quality of Life and Public Safety**

Goal: To preserve and improve existing neighborhoods in the City of Tempe by encouraging citizen participation in the problem-solving/planning activities with City staff and elected officials

Objective: 1) To enhance neighborhoods through maintenance of private properties with City-driven strategies; 2) encourage maintenance of private properties through self-help programs; 3) facilitate neighborhood problem-solving strategies with appropriate City departments (e.g., coordinating the Neighborhood Grant Program); 4) strengthen a sense of community by establishing partnerships with schools, businesses and civic organizations; and 5) keep neighborhoods involved and informed about City issues and programs

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Participating households	37,250	38,000	37,500	37,875
Percent change		2.0%	(1.3)%	1.0%
Grant applications received	51	65	46	50
Households awarded grants	7,530	11,000	10,100	10,000
Grant funds awarded	\$225,000	\$225,000	\$225,000	\$225,000
Matching funds received	\$150,000	\$150,000	\$125,000	\$150,000
Mailing sent by office	41,700	47,500	47,500	45,000

Capital Improvements Program-Neighborhood Services

Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Maryanne Corder Neighborhood Improvement Program	225,000	225,000	225,000	225,000	225,000	1,125,000
Total - Neighborhood Services Projects	225,000	225,000	225,000	225,000	225,000	1,125,000

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating budgets.*

Communication and Media Relations



The Communication and Media Relations Division handles all public information and media relations for the City and manages cable channel Tempe 11. It is responsible for keeping the community informed about programs and activities within the City as well as working on Tempe's image locally, regionally and nationally. Services provided by the division include media relations, graphic design, public relations, audio-visual and government access cable channel coordination.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$536,252	\$434,382	\$507,189	\$543,486
Supplies and Services	285,967	375,166	356,166	375,166
Contributions	71,800	82,000	15,700	47,000
Internal Services	90,049	87,560	86,776	84,268
Expenditure Total	\$984,068	\$979,108	\$965,831	\$1,049,920
Per Capita	\$6.17	\$6.09	\$6.01	\$6.50

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Communication & Media Relations	6		0.85	6		0.85	6		0.85
Total	6		0.85	6		0.85	6		0.85

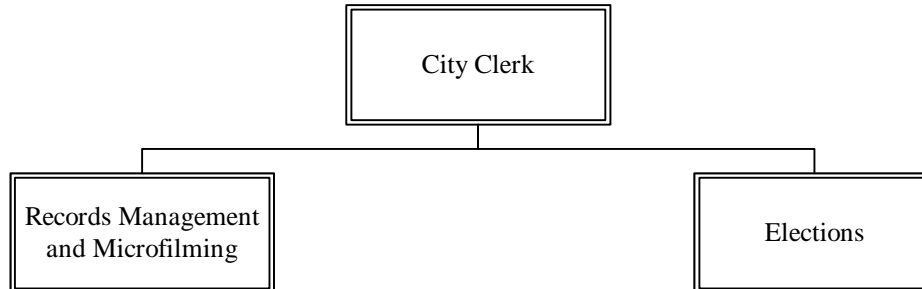


Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To keep Tempe residents, the general public, City employees and the media informed about City issues, programs, community events and organizational changes; and position the City positively locally, regionally and nationally

Objective: 1) To provide information to the community through newsletters, brochures, press releases and advertising; 2) design and produce high quality informational publications, promotional items and visual graphics for all City departments that reflect the image of Tempe; and 3) provide the City with high quality audio/visual, media production and *Tempe 11* television programming services

Measures	2003-04	2004-05	2004-05	2005-06
	Actual	Budget	Revised	Budget
Tempe Today water bill newsletter	12	12	12	12
Newsbreak city employee newsletter	12	12	12	12
Newspaper advertisements	12	12	12	12
Press releases	144	144	144	144
Informational publications	85	85	85	85
Major publication ads	15	15	15	20
Fiesta Bowl media packets	1,000	1,600	1,000	900
Water bill insert flyers	12	12	12	12
Newsletters for other divisions	8	8	8	8
City, Transit & Fire Performance Reports	3	3	2	2
Special Projects	10	10	10	10
Major event graphic support	10	10	10	10
Audio/visual equipment & staging	100	100	100	100
Still photography assignments	60	60	60	60
Video productions on <i>Tempe 11</i>	300	300	300	300



The City Clerk, appointed by the Mayor and City Council pursuant to the Tempe City Charter, serves as the legal custodian of the City’s official records, Tempe City Code, minutes, ordinances, resolutions, contracts/agreements, deeds, leases, insurance certificates, bonds, annexation documents, notarized affidavits of publications, meetings and agenda postings; serves as the Chief Elections Officer of the City; administers Council Meetings; affixes the City Seal on all official documents; and attests to all official acts of the Mayor posting meetings notices, advertising public hearings and calls for bids, attending bid openings, preparing departments by providing microfilming services; administer City primary, general, and special elections; serve as secretary to Tempe Firefighter/Police Public Safety Personnel Retirement boards; and assist the Mayor in the administration of appointing members to serve on various City boards and commissions as established by Council.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$296,406	\$316,158	\$330,345	\$343,557
Supplies and Services	295,682	94,600	106,600	336,600
Capital Outlay	0	0	0	0
Internal Services	46,335	44,486	44,293	46,600
Contributions	0	0	0	0
Expenditure Total	\$638,423	\$455,244	\$481,238	\$726,757
Per Capita	\$4.00	\$2.83	\$2.99	\$4.50

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
City Clerk	4		0.58	4		0.58	4		0.58
Total	4		0.58	4		0.58	4		0.58



Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To continue providing an effective microfilming and Public Safety program through the development of a computerized indexing system

Objective: To maintain a sufficient level of microfilming for various departments in accordance with the State of Arizona Department of Library and Archives

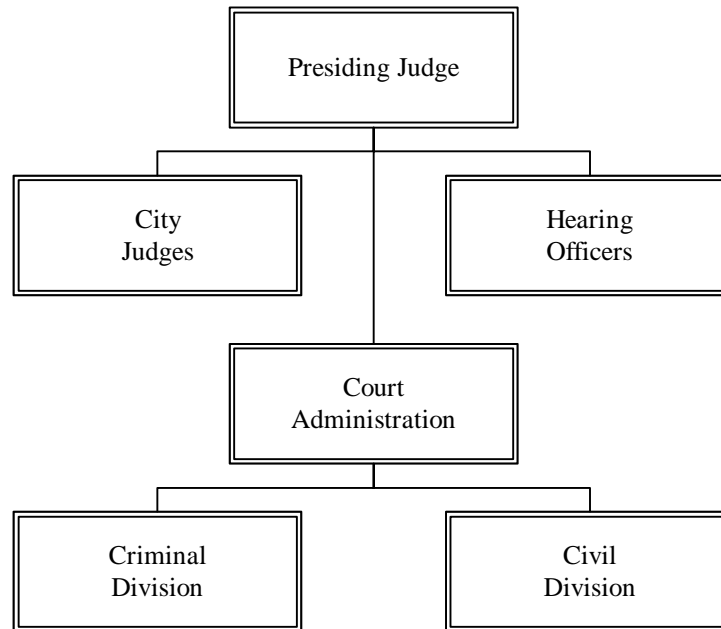
	2003-04	2004-05	2004-05	2005-06
Measures	Actual	Budget	Revised	Budget
Rolls microfilmed	81	80	87	90
Percent change		(1.0%)	7.4%	12.5%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To monitor and maintain all council and citywide contracts and agreements, process all ordinances and resolutions, and advertise and post all bids

Objective: 1) To effectively maintain and monitor all contracts/agreements for the city and ensure that an original signed and executed copy is on file in the clerk's office; 2) effectively process all ordinances and resolutions including advertising, signatures, recording with the county recorder, distributing to all code users and keeping current files; and 3) advertise and post all bids in accordance with state statutes

	2003-04	2004-05	2004-05	2005-06
Measures	Actual	Budget	Revised	Budget
Contracts and agreements processed	221	300	239	300
Ordinances and resolutions processed	179	400	108	200
Bids advertised and posted	118	150	92	150



City Court is a municipal limited jurisdiction court that deals with criminal misdemeanor, civil traffic cases, code enforcement and zoning violations as well as Orders of Protection and Injunctions Against Harassment. City Court consists of three divisions including (1) Administration, (2) Criminal, and (3) Civil. The court includes all judicial, administrative, and staff functions necessary to accomplish the court’s mission. This includes initial appearances, arraignments, pre-trial conferences, orders to show cause, subpoenas, arrest warrants, jury and non-jury trials, hearings, misdemeanor search warrants and financial services to enforce court orders by collecting fines, fees, surcharges and restitution.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,283,325	\$2,338,237	\$2,498,931	\$2,590,153
Supplies and Services	403,561	512,529	514,045	564,326
Internal Services	497,057	476,809	478,738	605,061
Expenditure Total	\$3,183,943	\$3,327,576	\$3,491,714	\$3,759,540
Per Capita	\$19.95	\$20.69	\$21.71	\$23.26

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
City Court	33			33	0.65		33	0.65	
Total	33			33	0.65		33	0.65	



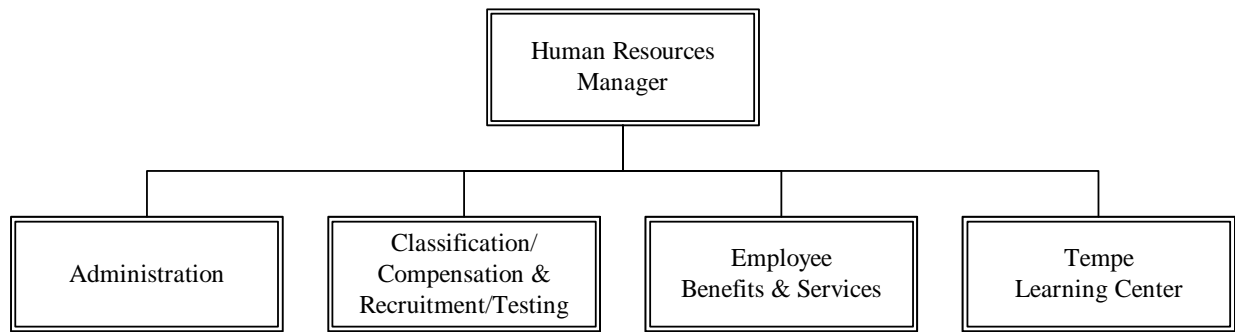
Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To improve efficiency and effectiveness in the City Court system's adjudication process

Objective: To ensure 100% processing of court filings to prevent a backlog

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Total number of filings*	115,720	N/A	131,100	131,100
Total number of dispositions*	112,996	N/A	128,478	129,789
Clearance ratio*	98%	N/A	98%	99%

*New measure



The Human Resources Department consists of four divisions: Administration; Classification/ Compensation and Recruitment/Testing; Employee Benefits and Services; and the Tempe Learning Center (TLC). The department directly and indirectly serves all City departments and their respective employees by attracting and retaining a qualified and diverse work force; administering: local, state and federal employment laws; wage and salaries; employee and retiree healthcare benefits; and the deferred compensation program to improve organizational productivity and effectiveness while effectively communicating to employees their rights, responsibilities, benefits, and training opportunities; investigating complaints and grievances; assisting with employee relations issues; and providing mediation services.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$1,895,134	\$1,901,774	\$1,968,575	\$2,049,541
Material and Supplies	113,815	82,817	83,002	81,612
Fees and Services/Travel	629,695	816,132	678,219	691,426
Internal Services	(208,254)	(249,373)	(249,960)	(361,096)
Expenditure Total	\$2,430,391	\$2,551,350	\$2,479,836	\$2,461,483
Per Capita	\$15.23	\$15.86	\$15.42	\$15.23

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Human Resources	16			16			15		
Tempe Learning Center	2	0.5		2	0.5		3	0.5	
Total	18	0.5		18	0.5		18	0.5	



Related Strategic Issue: Diversity & Human Relations and Resources

Goal: To attract and retain a diverse and qualified workforce

Objective: To achieve a low annual turnover rate of less than 10% of the total workforce

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Employee Turnover Rate</i>	4.8%	8.0%	6.5%	<10%

Comparative Benchmark

Related Strategic Issue: Diversity & Human Relations and Resources

Goal: To reduce the number of Equal Employment Opportunity Commission (EEOC) complaints and formal grievances filed against the City

Objective: To ensure fair and equitable internal conflict resolution practices by promoting ways in which employees can resolve conflict through the Human Resources' mediation program, safe havens, education and coaching

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Equal Employment Opportunity Commission (EEOC) Complaints	5	4	4	0
Formal Grievances	3	6	6	0



The Tempe Learning Center (TLC) supports the City’s mission, values and strategic initiatives through employee training and development. Working closely with the Diversity Steering Committee, the City’s six-sided employee partnership and guided by the Tempe Learning Center Board, TLC ensures that services are inclusive and meet organizational objectives. In order to prepare Tempe employees for the future and to create a learning organization, TLC provides education and career counseling and administers the tuition reimbursement program. TLC also develops and manages a mandatory skills training series for managers and supervisors, educational partnerships for academic degree and vocational/technical certifications, and workshops targeting specific training needs.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$732,527	\$630,937	\$718,586	\$763,794
Materials and Supplies	28,603	28,365	28,075	10,777
Fees and Services/Travel	38,635	54,770	49,060	29,444
Internal Services	(77,763)	(78,721)	(78,356)	(126,818)
Expenditure Total	\$722,002	\$635,351	\$717,365	\$677,197
Per Capita	\$4.53	\$3.95	\$4.46	\$4.19

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Tempe Learning Center	2			2			3		
Total	2			2			3		

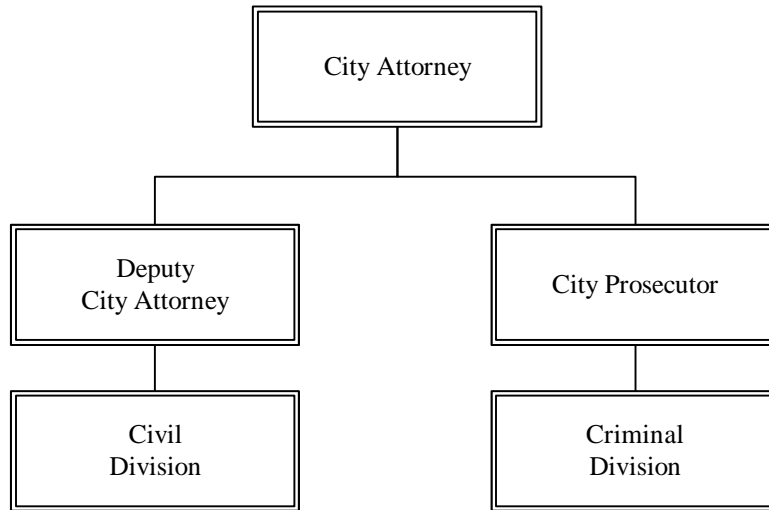


Related Strategic Issue: Diversity & Human Relations and Resources

Goal: To support the City's mission, values and strategic initiatives through employee development

Objective: To provide employees with the tools and resources they need to support the City's mission, values and strategic initiatives by providing a learning environment that will prepare employees for the future while ensuring that services provided are inclusive and meet organizational objectives

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Mandatory Skills Training I	140	85	85	85
Mandatory Skills Training II	311	85	85	85
Mandatory Skills Training III	488	250	250	250
Customized Classes (e.g. Field Services and Water Utilities)	500	500	500	500



The City Attorney, appointed by the Mayor and City Council under the City Charter, is legal advisor and attorney for the City. Activities include presentation and defense of the City’s legal interests and rights and prosecution for misdemeanor complaints. The City Attorney also is responsible for attending City Council meetings and serving as legal counsel during such meetings. Services are as follows: (1) support the legislative and administrative processes (ordinances, opinions, litigation, contracts, legal research, liens); (2) present and defend the City’s legal interests and rights before all courts, legislative and administrative tribunals; and (3) prosecute complaints (misdemeanor traffic and criminal, municipal and superior courts).

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$1,800,218	\$1,957,040	\$2,021,692	\$2,069,161
Materials and Supplies	132,575	250,364	162,089	250,346
Capital Outlay	53	0	0	0
Internal Services	115,878	112,698	111,735	133,767
Expenditure Total	\$2,048,724	\$2,320,102	\$2,295,516	\$2,453,274
Per Capita	\$12.84	\$14.43	\$14.27	\$15.18

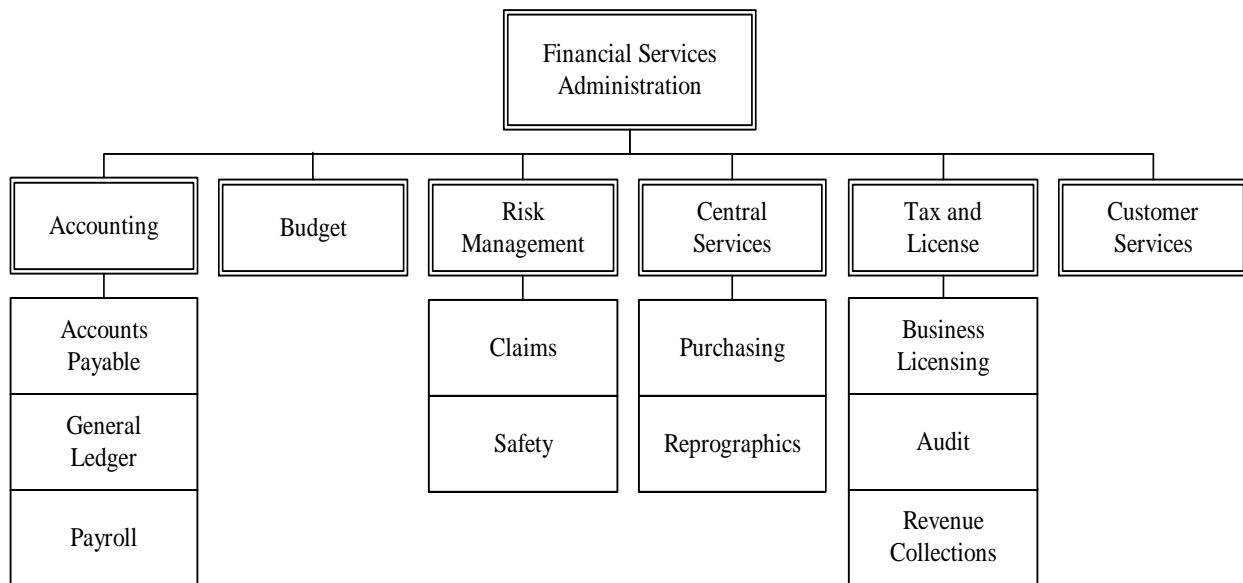
	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
City Attorney	21	0.75	0.62	21	0.75	0.62	21	0.75	0.62
Total	21	0.75	0.62	21	0.75	0.62	21	0.75	0.62



Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To effectively and efficiently represent the City as a party in legal proceedings				
Objective: To defend and resolve litigation in the City's best interest while managing caseload fluctuations				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Lawsuits:				
Pending civil lawsuits	41	60	64	50
Forfeiture actions	82	35	59	50
Property hearings	74	70	75	74
Lawsuits filed by/against City	29	45	45	40
Percent change in caseload		(7.1%)	7.5%	1.9%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To effectively serve as legal counsel for the City and practice preventative law				
Objective: To provide legal expertise to cover all major legal issues of the City and issue quality legal research on written and verbal legal opinions				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Ordinances, resolutions and contracts reviewed/drafted				
	400	700	347	500
Written and verbal legal opinions	2,500	2,541	3,230	4,000
Percent Change		1.7%	29.2%	57.4%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To prosecute misdemeanors effectively and efficiently with an emphasis on serious crimes, and provide support and assistance to victims				
Objective: 1) To obtain early resolution of criminal cases consistent with doing justice and speedy resolution of cases at arraignment by effectively managing cases per attorney; 2) increase emphasis on driving under the influence (DUI) cases; 3) decrease number of pretrials as exemplified by number of trials; and 4) increase resources for implementing victim's rights and ensure compliance with and information on victim's rights, as well as seeking restitution and emphasizing prosecution of crimes involving bodily injury				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Criminal, criminal traffic and DUI cases				
	14,501	12,000	15,909	17,500
Per attorney	2,417	2,000	2,652	2,917
DUI cases (included above)	1,934	1,600	2,162	2,378
Criminal traffic trials	95	60	112	123
Criminal trials (other than traffic)	190	180	259	285
Victim contacts	14,292	17,000	15,356	16,900
Percent of cases going to trial	2%	2%	2%	2%



The Financial Services Department is comprised of Administration, Accounting, Budget, Risk Management, Central Services, Customer Services and Tax & License. The department’s operational functions include all finance, accounting, budget, revenue audit and collections, purchasing, reprographics, business licensing responsibilities, and customer service billing operations. Though the main funding source for Financial Services is the General Fund, funding is also provided from the Risk Management Fund and the Water/Wastewater Fund.

The following services are provided by the Financial Services Department:

Administration is responsible for the overall management of the department;

Accounting services include payroll, accounts payable, special assessments, accounts receivable, and financial reporting;

Budget responsibilities include preparation of budget documents, Comprehensive Financial Planning, revenue forecasting, capital improvements program, budget monitoring, forecasting, benchmarking, and special financial studies;

Risk Management functions include liability claims resolution, worker’s compensation claims, and the employee safety program;

Central Services functions include purchasing, contract negotiations for goods and services, duplicating services, and mail delivery;

Tax and License receives all City sales tax and licensing revenue and is responsible for issuing sales tax licenses and auditing license holders; and

Customer Services is responsible for billing and collecting charges for water, sewer, refuse, and irrigation services.



Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$4,460,242	\$4,734,156	\$4,765,983	\$4,943,153
Supplies and Services	2,630,497	3,193,914	3,157,301	3,204,965
Capital Outlay	63,201	60,900	24,400	25,000
Internal Services	(1,630,420)	(2,160,874)	(2,164,015)	(2,404,997)
Expenditure Total	\$5,523,520	\$5,828,096	\$5,783,669	\$5,768,121
Per Capita	\$34.61	\$36.24	\$35.96	\$35.69

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Financial Services Administration	\$243,159	\$272,096	\$286,298	\$175,954
Accounting	859,301	915,609	901,853	936,783
Budget	277,006	282,030	287,081	337,566
Risk Management*	149	0	0	0
Central Services	1,038,882	1,106,212	1,108,718	1,180,891
Tax and License	1,422,573	1,517,659	1,490,323	1,471,271
Customer Services**	1,669,540	1,734,48	1,709,396	1,665,656
Total	\$5,523,520	\$5,828,096	\$5,783,669	\$5,768,121

* Funded by the Risk Management Fund

**Funded by the Water/Wastewater Fund

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Financial Services-Admin.	2			2			2		
Accounting	10		0.63	10		0.63	10		0.63
Budget	4			4			4		
Risk Management	3	0.5		3	0.5		3	0.5	
Central Services	11		0.62	11		0.62	11		0.62
Tax and License	17			17			17		
Customer Services	20			20			20		
Total	67	0.5	1.25	67	0.5	1.25	67	0.5	1.25

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning

Goal: 1) To effectively perform accounts payable, payroll and other accounting functions for City departments; and 2) maintain adequate internal controls, adhere to generally accepted accounting principles, and ensure the safety of the City's investments

Objective: To maintain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Accounting				
GFOA Certificate of Achievement	Yes	Yes	Yes	Yes
Compliance with State and Federal Reporting Requirements (941, W-2, 1099, etc.)	Yes	Yes	Yes	Yes
Investment Policy Compliance	Yes	Yes	Yes	Yes
Unqualified Audit Opinion	Yes	Yes	Yes	Yes
Maintain Effective System of Internal Controls	Yes	Yes	Yes	Yes



Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning				
Goal: To ensure the long-term financial success of the City through sound financial management practices				
Objective: To adhere to a financial management strategy that produces financial results that compare favorably with our peer cities as measured by generally accepted financial indicators				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Administration and Budget</i>				
Fund balance coverage	27.4%	25.0%	29.8%	29.8%
Long-term net-direct debt per capita	\$490.58	\$547.24	\$453.33	\$490.33
General Obligation Bond Ratings (Standard and Poors/ Moodys/ Fitch)	AA+/Aa1/ AAA	AA+/Aa1/ AAA	AA+/Aa1/ AAA	AA+/Aa1/ AAA

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning				
Goal: To minimize the City's exposure to liability and worker's compensation claims through a proactive approach to risk management, loss prevention and employee safety education				
Objective: To minimize the City's liability and worker's compensation claims paid as measured by claims per capita and claims per employee				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Risk Management</i>				
General and property liability claims	\$459,816	\$725,000	\$185,304	\$650,000
Worker's compensation claims	\$734,744	\$1,100,000	\$609,347	\$800,000
Cost of general and property liability claims per capita	\$2.88	\$4.55	\$1.15	\$4.02
Cost of general and property liability claims per 100 employees	\$27,986	\$40,278	\$11,264	\$38,393
Cost of worker's compensation claims per 100 employees	\$44,719	\$66,666	\$37,042	\$47,253

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning				
Goal: To procure low cost, quality goods and services for City departments, while ensuring that purchases are made in a timely and ethical manner				
Objective: 1) To procure at least 45% of lower cost items through annual contracts; and 2) maintain compliance with the American Bar Association's Model Procurement Code				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Central Services</i>				
Conformity to American Bar Association Model Procurement Code	Conform	Conform	Conform	Conform
Lower cost purchases made through annual contracts	45%	45%	45%	45%
Bid award recommendations accepted by City Council	95%	95%	100%	95%
Maintain an automated bidder registration program and Procurement Office webpage	Maintained	Maintained	Maintained	Maintained
Maintain and monitor a city procurement card program	Maintained	Maintained	Maintained	Maintained

Comparative Benchmark



Related Strategic Issue: Ad-Hoc Long-Range Budget & Finance Planning				
Goal: To implement the city's tax ordinances by ensuring that all businesses and individuals subject to the tax ordinances pay taxes as prescribed				
Objective: To maximize the productivity of the Tax and License staff as measured by taxable accounts and collections per employee				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Tax and License</i>				
Sales tax license holders (accounts)	14,133	14,000	14,337	14,500
Taxable sales per capita (\$)	32,163	32,544	33,116	34,424
Percent Change*			2.9%	5.8%
Accounts per Tax and License employee	831	824	843	853
Collections for Auditors and Revenue Collectors (\$)	\$4,621,556	\$1,000,000	\$1,500,000	\$1,500,000

*New measure

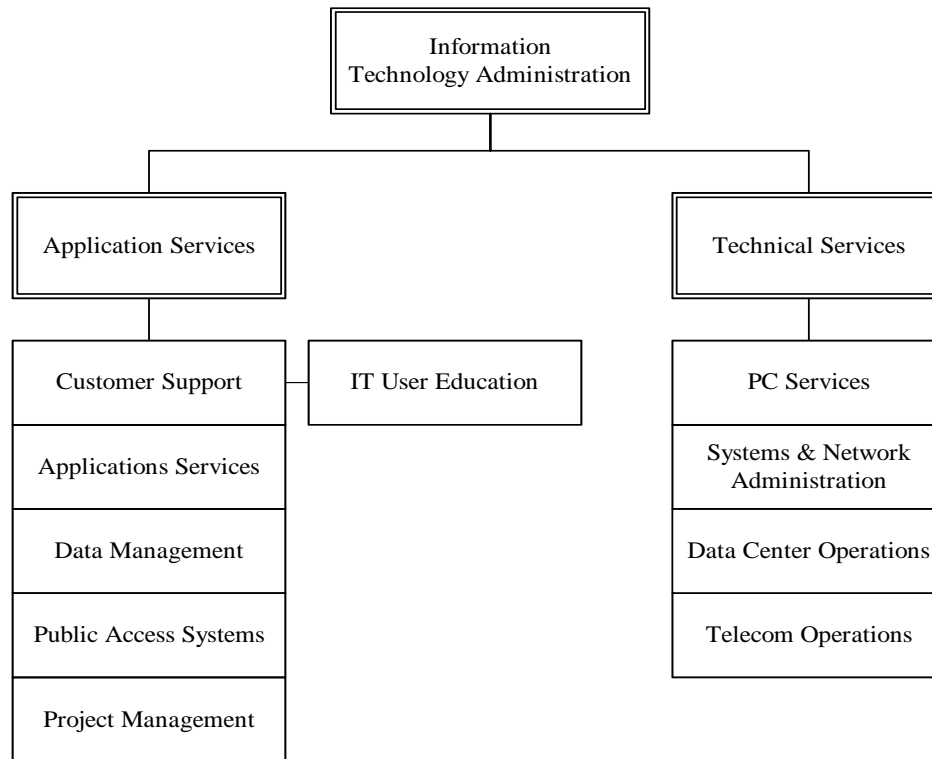
Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning				
Goal: To provide efficient and timely services to the City's utility customers				
Objective: 1) To maximize employee productivity as measured by accounts per employee and accounts per Customer Service Representative; and 2) ensure prompt and accurate customer service by keeping the call abandonment rate at no more than 10%				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Customer Services</i>				
Utility services accounts	41,632	41,300	41,600	41,700
Percent change		0%	0%	0%
Utility services accounts per Customer Services employee	2,082	2,065	2,080	2,085
Percent of calls abandoned		10%	10%	10%

Related Strategic Issue: Ad-Hoc Long-Range Budget and Finance Planning				
Goal: To be a low cost provider of utility billing customer services				
Objective: To minimize the cost of providing the City's utility billing function as measured by cost per account, and cost per employee				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Cost per utility services account (annual)	\$40.10	\$40.55	\$41.09	\$39.94
Percent change		1.1%	1.3%	(1.6)%

Capital Improvements Program-Financial Services

Project Title	2005-06	2006-07**	2007-08**	2008-09**	2009-10**	Total
Leased Office Space	175,000	175,000	175,000	175,000	175,000	875,000
Total - Financial Services Projects	175,000	175,000	175,000	175,000	175,000	875,000

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future capital budgets.



The Information Technology Department (ITD) is responsible for fostering a partnership with City Departments and optimizing the productivity of the office environment by empowering our employees with state-of-the-art tools and leveraging the City’s investment in information technology. ITD provides services that include: shared resources, systems, software, and information processing.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$6,026,158	\$6,274,422	\$6,390,745	\$6,625,167
Supplies and Services	5,038,584	5,953,660	5,837,337	6,064,970
Capital Outlay	1,530,513	0	0	0
Internal Services	(12,595,255)	(12,228,082)	(12,228,082)	(12,690,137)
Expenditure Total	\$0	\$0	\$0	\$0
Per Capita	\$78.91	\$76.04	\$76.02	\$78.52

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	4			4			4		
Customer Spt/Application Svcs/ Data Mgmt/Public Access Systems/Project Mgmt	37			37			37		
PC Services	8			8			8		
Systems & Network Administration/Data Ctr Ops	14			17			18		
Telecommunications	10			6			5		
Total	73			72			72		

**Related Strategic Issue: Technology Advancement and Redevelopment**

Goal: To provide low cost, high quality computing and telecommunications services to City departments

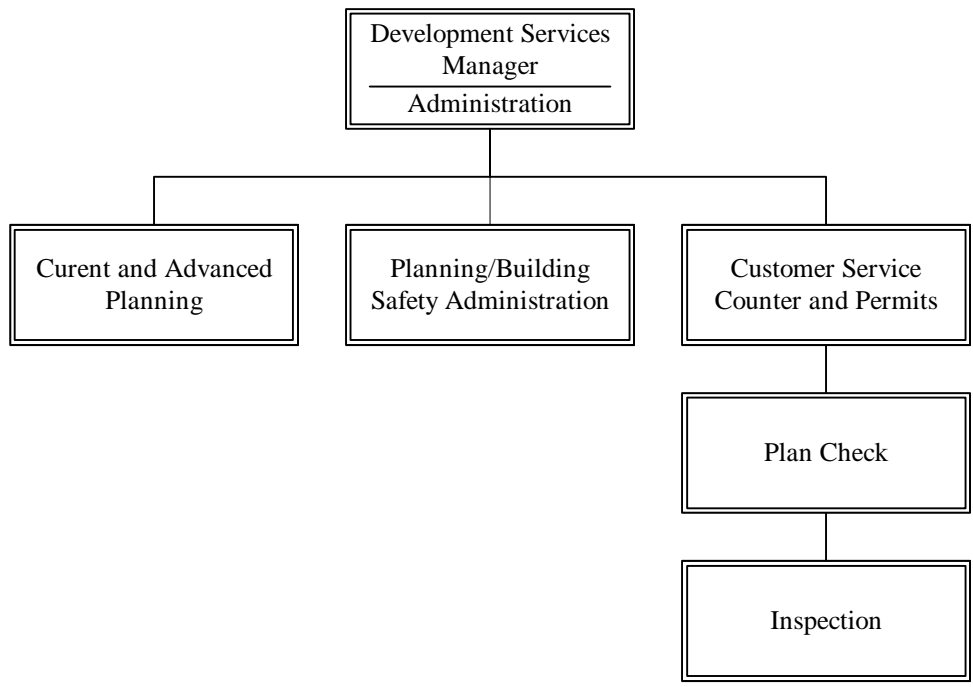
Objective: 1) To operate in a cost-effective manner as measured by cost per computer workstation; and
2) maximize staff productivity as measured by computer workstations and telephone inventory

Measures	2003-04	2004-05	2004-05	2005-06
	Actual	Budget	Revised	Budget
Personal computer inventory	2,227	2,247	2,259	2,259
Percent change		0.9%	1.4%	5.3%
Telephone inventory	2,925	2,945	2,905	2,852
Percent change		0.68%	(0.70%)	(3.20%)
<i>Cost per computer and terminal workstation</i>	<i>\$4,151</i>	<i>\$4,187</i>	<i>\$4,493</i>	<i>\$4,493</i>

Comparative Benchmark

Capital Improvements Program - Information Technology

Project Title	2005-06	2006-07	2007-08	2008-09	2009-10	Total
Replacement of A/C Units in Data Center	90,000					90,000
Total - Information Technology Projects	90,000					90,000



The Development Services Department is responsible for enhancing the quality of Tempe’s living environment and its economic base. The major divisions include Administration, Current and Advanced Planning, Planning/Building Safety Administration, and Customer Service Counter and Permits. Services provided are as follows: (1) assisting our customers through the city’s development entitlement process; (2) current planning and administrative support for Design Review, Board of Adjustment, Planning Commission, and City Council; (3) professional advisement on the change or adoption of codes and ordinances, rules and regulations applicable to new development, redevelopment, construction and property conservation; (4) review and approval of building plans and specifications of all proposed construction; (5) issuance of building, fire and engineering permits for development; (6) on-site building inspections; and (7) development of long-range, strategic, and local area planning documents for the City of Tempe.



Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$3,210,224	\$3,863,715	\$3,831,319	\$3,925,055
Supplies and Services	111,244	214,030	214,030	219,116
Internal Services	557,203	577,818	586,536	650,918
Expenditure Total	\$3,878,671	\$4,655,563	\$4,631,885	\$4,795,089
Per Capita	\$24.30	\$28.95	\$28.80	\$29.67

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Development Services - Admin.	\$226,096	\$671,529	\$662,838	\$549,589
Building Safety and Permits	2,511,658	0	0	0
Planning	1,140,917	0	0	0
Planning/Building Safety Administration	0	211,941	272,326	438,337
Inspection	0	960,292	991,558	991,401
Current and Advanced Planning	0	1,328,350	1,268,182	1,259,259
Customer Service Counter	0	581,889	562,907	640,592
Plan Check	0	901,562	874,074	915,911
Total	\$3,878,671	\$4,655,563	\$4,631,885	\$4,795,089

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Development Services - Admin.	1			6			4		
Building Safety and Permits	29		1.00						
Planning	16		1.86						
Planning/Building Safety Admin.				5			5		
Inspection				12			12		
Current and Advanced Planning				12		1.86	12		1.86
Customer Service Counter				6		1.00	6		1.00
Plan Check				9			9		
Total	46		2.86	50		2.86	48		2.86



Related Strategic Issue: Technology Advancement and Redevelopment

Goal: To verify through formal plan check and permit processes that plans, specifications, and engineering calculations meet minimum requirements for adopted building codes, ADA, and planning & zoning ordinances

Objective: To provide thorough, accurate, objective plan check services for all applicants within the following standard timeframes: new commercial building 20 days; new residential construction 12 days

	2003-04	2004-05	2004-05	2005-06
Measures	Actual	Budget	Revised	Budget
Building plans submitted	1,675	1,580	1,693	1,700
Plans checked per month (weighted)	157	145	157	158
Average plan review time (days):				
<i>New commercial building</i>	20	20	20	20
<i>New residential construction</i>	12	12	12	12

Related Strategic Issue: Technology Advancement and Redevelopment

Goal: To perform on-site inspections of commercial and residential buildings, and to inspect damaged buildings for compliance

Objective: To consistently perform at least 33 inspections per inspector per day on a sustained basis without reducing the level of service or quality of inspections

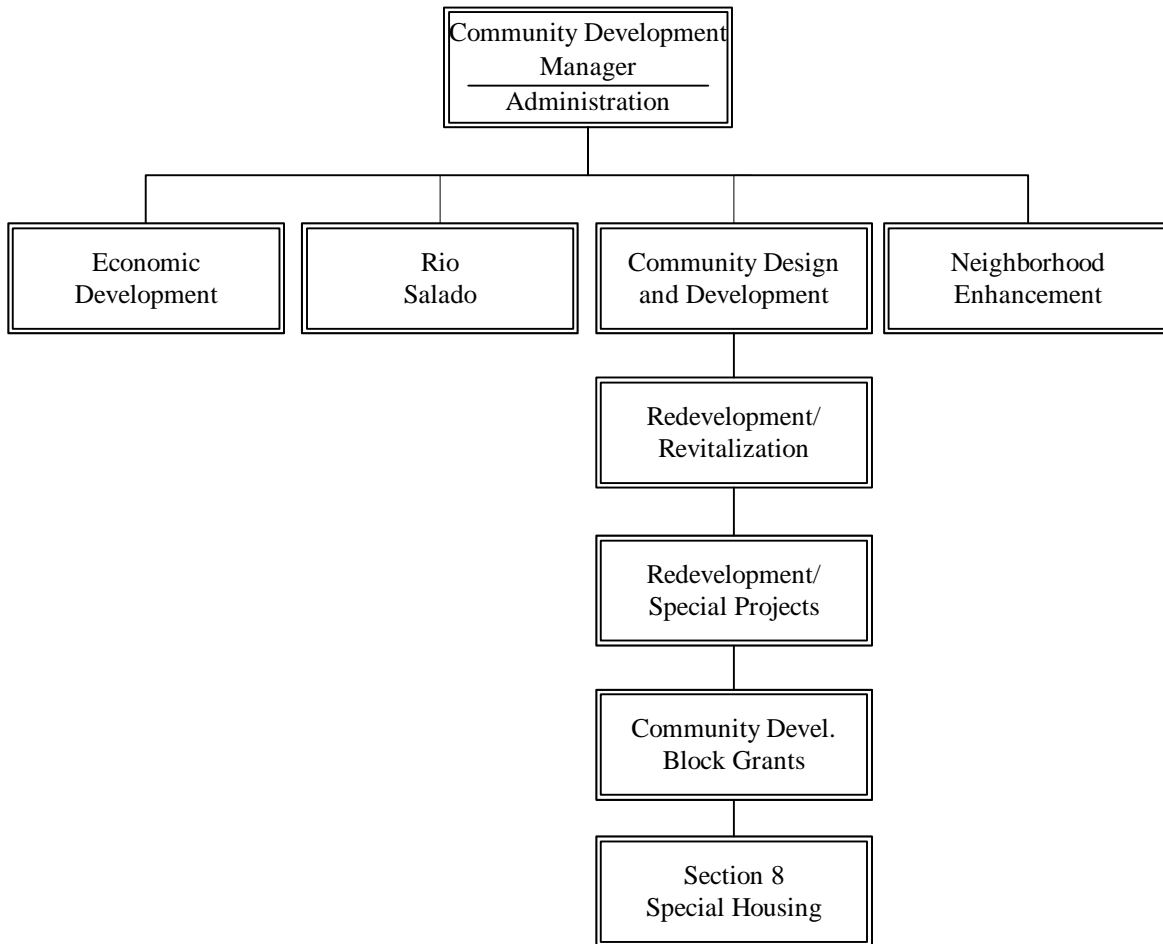
	2003-04	2004-05	2004-05	2005-06
Measures	Actual	Budget	Revised	Budget
Number of inspections performed	66,232	46,000	63,122	69,000
Inspections per inspector per day	54.1	33.0	41.8	45.7

**Comparative benchmark*

Capital Improvements Program-Development Services

Project Title	2005-06	2006-07**	2007-08**	2008-09**	2009-10**	Total
America West Airlines - 1st Street Redevelopment	862,750	862,750	862,750	862,750	862,750	4,313,750
Downtown Public Parking	200,000	200,000	200,000	200,000	200,000	1,000,000
Total - Development Services Projects	1,062,750	1,062,750	1,062,750	1,062,750	1,062,750	5,313,750

***Amounts for FY 2006-07 through FY 2009-10 represent estimates of future capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future capital budgets.*



Community Development is responsible for a wide range of activities that focus on promoting Tempe as a favorable place for business location and expansion. Its divisions and their respective functions include:

Economic Development: Working with prospective businesses, coordinating regional and local entities in attracting quality companies, broadening the Tempe tax base, and encouraging educational, cultural and recreational opportunities that make for a well-balanced city and contribute to the quality of life;

Rio Salado: Management of the Rio Salado Town Lake project and coordinating development in the Rio Salado region;

Community Design and Development: Provide low interest housing rehabilitation loans and rental assistance for the elderly, persons with disabilities and low-income individuals and families; administer redevelopment and historic preservation programs; develop neighborhood plans and low income housing plans; and

Neighborhood Enhancement: Receive and investigate complaints of all alleged city code violations, and initiate action to abate violations; recommend codes and ordinances, rules and regulations applicable to construction and property preservation.



Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$3,380,285	\$3,230,674	\$3,029,759	\$3,450,472
Supplies and Services	10,736,779	11,994,178	11,827,010	11,980,105
Capital Outlay	15,598	4,800	3,350	3,000
Internal Services	250,407	93,975	97,343	70,461
Contributions	648,531	717,199	730,410	626,928
Expenditure Total	\$15,031,600	\$16,040,826	\$15,687,872	\$16,130,966
Per Capita	\$94.17	\$99.74	\$97.55	\$99.81

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Community Development- Admin	\$766,238	\$769,371	\$758,260	\$995,952
Neighborhood Enhancement	982,177	1,023,938	1,018,931	1,089,962
Redevelopment/Special Projects	0	1,035,432	703,517	905,583
Redevelopment/Revitalization	0	226,740	262,127	232,431
Rio Salado	974,643	1,122,426	1,082,118	1,175,398
Downtown Management	1,051,106	0	0	0
Matching Funded-Home Program	100,316	150,558	150,558	0
Community Development Block Grant	2,782,928	2,901,168	2,901,168	2,849,008
Section 8 Housing	8,374,191	8,811,193	8,811,193	8,882,632
Total	\$15,031,600	\$16,040,826	\$15,687,872	\$16,130,966

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Community Development- Admin	4			4			6		1.0
Neighborhood Enhancement	13			13			11		
Redevelopment/Special Projects							7		
Redevelopment/Revitalization							2		
Rio Salado	8		0.49	8		0.49	8		0.49
Downtown Management	11			11					
Housing Services (Section 8/CDBG)	14			14			16		
Total	50		0.49	50		0.49	50		1.49

Related Strategic Issue: Central City Development Committee of the Whole				
Goal:	1) To foster good communication between existing businesses and local government; and 2) increase job opportunities for residents			
Objective:	1) To retain existing businesses in Tempe; and 2) hold quarterly business round-table meetings with Mayor and City Council			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Calls on existing Tempe businesses	120	120	120	100
Quarterly business round-table meetings with Mayor and City Council	4	4	4	3
Opportunities to retain Tempe businesses	5	5	5	15



Related Strategic Issue: Central City Development Committee of the Whole				
Goal: To diversify the Tempe economy				
Objective: To continue to "trigger" development in Tempe, including the Rio Salado project area				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
New research and development operations	1	1	1	3
New office users	6	6	6	6
New sales tax generator	4	4	4	5
Jobs generated by new companies	3,000	3,000	3,000	2,200
New businesses brought to Tempe	10	10	10	10
Successful business retentions and expansions	5	5	5	5

Related Strategic Issue: Central City Development Committee of the Whole				
Goal: To increase use of Tempe Town Lake and the surrounding Rio Salado parks				
Objective: To increase revenue from annual and daily boat permits, boating classes, and park reservations/permits				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Boat permit revenue	\$26,250	\$25,000	\$22,142	\$26,085
Boating class revenue	\$7,160	\$4,500	\$8,463	\$8,375
Rio Salado park permit revenue	\$884	\$2,460	\$2,400	\$885
Rental charges (vendors)	\$5,423	\$5,188	\$5,370	\$6,100
Boat Storage-Operations Center*	\$22,470	N/A	\$22,381	\$20,000
Boat Storage-Marina*	\$12,240	N/A	\$12,000	\$12,000

*New measure

Capital Improvements Program-Community Development

Project Title	2005-06	2006-07**	2007-08**	2008-09**	2009-10**	Total
Economic Development						
Commercial Center Façade Program - CDBG Share***						
Subtotal Economic Development						
Rio Salado						
Rio Salado Ancillary Projects	99,090	100,000	100,000	100,000	100,000	499,090
Subtotal Rio Salado						
	99,090	100,000	100,000	100,000	100,000	499,090
Total-Community Development Projects						
	199,090	200,000	200,000	100,000	100,000	799,090

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future capital budgets.

***Amounts budgeted in Community Development Block Grant operating appropriations.

Redevelopment/Housing (Section 8, CDBG & HOME)



The Housing Services Division provides the following services: (1) rehabilitation of structures with low-interest loans; (2) Section 8 rental assistance for the elderly, persons with disabilities and low-income individuals and families; (3) Community Development Block Grant (CDBG) and Home Occupancy Made Easier (HOME) program administration; (4) Family Self-Sufficiency Programs; (5) Fair Housing activities; and (6) Social Services funding through CDBG and HOME programs. Also included in this division is general funds for matching dollars for the HOME Programs and first-time homebuyer's program. General funds are also used for low interest rehabilitation loans for qualified applicants in the 81-120% income range.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$1,021,582	\$901,490	\$1,040,545	\$841,827
Supplies and Services	9,884,807	10,366,023	10,352,076	10,564,620
Capital Outlay	3,751	3,000	3,000	3,000
Internal Services	3,629	0	0	11,911
Contributions	243,350	234,950	234,950	273,802
Contingencies	0	206,898	81,790	36,480
Expenditure Total	\$11,157,119	\$11,712,361	\$11,712,361	\$11,731,640
Per Capita	\$69.90	\$72.83	\$72.83	\$72.59

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Community Development Block Grant & HOME	5			5			5		
Section 8 Housing	9			9			11		
Total	14			14			14		



Related Strategic Issue: Central City Development Committee of the Whole

Goal: To preserve the City's neighborhoods and standard housing stock by providing housing assistance to low income people in Tempe, at standards required by the U.S. Department of Housing and Urban Development

Objective: To increase the number of houses rehabilitated using federal Community Development Block Grant and HOME program funding, while maximizing staff productivity and controlling administrative costs

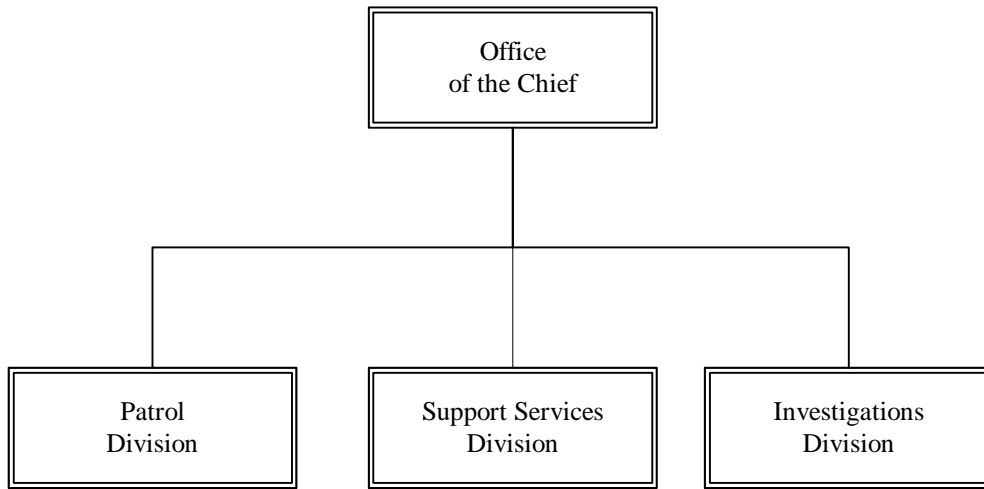
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Single family houses rehabilitated:				
Community Development Block Grant (CDBG)	21	60	60	60
Home Occupancy Made Easier (HOME) Program Funds	32	20	20	30
Households assisted per FTE staff – CDBG	17	26	26	20
O&M expenditures per household assisted - CDBG	\$36,334	\$40,040	\$40,040	\$32,800
First-time Homebuyer Program (HOME)	22	30	30	15
Households Assisted per FTE	22	15	15	15

Related Strategic Issue: Central City Development Committee of the Whole

Goal: To provide decent, safe and sanitary housing for the City's low and moderate income citizens

Objective: To provide rental subsidies and family self-sufficiency guidance to low income people living in private rental housing within Tempe

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Households receiving rental subsidies	1,008	1,022	1,082	1,082
Housing certifications/inspections provided				
Certifications	325	400	350	350
Inspections	1,300	1,000	1,500	1,500
Households assisted per FTE staff - Section 8	115.2	113.6	119.0	119.0
O&M expenditures per household assisted - Section 8	\$8,164	\$7,364	\$7,727	\$7,727



The Police Department consists of the following divisions: Office of the Chief, Patrol, Support Services, and Investigations. The department's responsibilities include effective and efficient police protection through investigations of criminal offenses, reinforcement of state laws and City ordinances, response to citizen requests for services, and maintenance of support services.



Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$37,002,820	\$38,016,998	\$38,780,924	\$41,410,443
Supplies and Services	3,077,049	2,843,971	3,165,207	3,582,163
Capital Outlay	2,038	0	0	21,150
Internal Services	7,060,001	7,300,233	7,391,731	8,462,186
Expenditure Total	\$47,141,908	\$48,161,202	\$49,337,862	\$53,475,942
<i>Per Capita</i>	<i>\$295.35</i>	<i>\$299.47</i>	<i>\$306.79</i>	<i>\$330.87</i>

Comparative Benchmark

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Office of the Chief	\$3,340,406	\$3,188,938	\$3,383,302	\$4,296,052
Patrol	19,257,011	20,161,104	20,835,942	21,795,379
Support Services	9,782,413	9,710,645	10,169,309	10,975,702
Investigations	14,762,078	15,100,515	14,949,309	16,408,809
Total	\$47,141,908	\$48,161,202	\$49,337,862	\$53,475,942

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Office of the Chief	12			12			13		
Patrol	211		3.29	211		3.29	218		3.29
Support Services	133	1.0	1.70	133	1.0	1.70	137		1.70
Investigations	159		1.26	159		1.26	156		1.26
Total	515	1.0	6.25	515	1.0	6.25	524		6.25



The Police Chief is responsible for the administration and general supervision of all police operations. This office also is charged with the coordination of all investigations and procedures. Services provided by this division are as follows: (1) provide leadership, management and administration for the Police Department; (2) conduct planning and research studies; (3) administer departmental operating and capital improvement budgets; (4) administer, review, and revise departmental policies and procedures; (5) coordinate the selection and retention of employees; and (6) store and retrieve departmental criminal justice information.

2005-06 Highlights:

Funding was appropriated for a full-time benefitted Assistant City Attorney position. This position will provide dedicated legal assistance to the Police Department. Currently, the City Attorney's office provides support when needed. This reactive response does not provide the Police Department or the City the support needed to minimize risk and potential litigation.

2005-06 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for software maintenance expense associated with the Technology Integrated Police System.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$875,441	\$917,987	\$899,527	\$1,125,517
Supplies and Services	1,588,362	1,361,059	1,582,868	2,014,096
Capital Outlay	301	0	0	3,150
Internal Services	876,302	909,894	900,907	1,153,289
Expenditure Total	\$3,340,406	\$3,188,940	\$3,383,302	\$4,296,052
Per Capita	\$20.93	\$19.83	\$21.04	\$26.58

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Office of the Chief	12			12			13		
Total	12			12			13		



Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To uphold and enforce the laws of the State and City through professional law enforcement, and maintain the department's awareness of how the public perceives the department

Objective: 1) To maintain or improve clearance rate of Part 1 crimes; 2) maintain at a minimum of 90% the level of citizens' satisfaction with police services as measured by the annual citizen survey; and 3) efficiently manage resources to meet the needs of citizens with less than 2.01 sworn full-time equivalents (FTE) per 1,000 capita

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Part 1 Crimes-Property	14,923	19,367	12,288	14,402
Clearance Rate	14.4%	18.7%	14.9%	14.6%
Part 1 Crimes-Persons	997	1,552	1,040	918
Clearance Rate	38.8%	61.8%	30.8%	34.8%
<i>Part I Crimes Per 1,000 Capita</i>	99	90	86	95
Citizen satisfaction	82	90	86	84
<i>O&M Cost Per Capita</i>	\$295.35	\$299.47	\$306.79	\$330.87
<i>Sworn FTE's per Capita (1,000)</i>	2.09	2.11	2.03	2.01
Percent change		1.0%	(2.9%)	(4.7%)
<i>Non-Sworn FTE's per Capita (1,000)</i>	1.10	1.09	1.09	1.13

Comparative Benchmark

Patrol



The Police Patrol Division is responsible for providing basic community policing services to the community. Services provided by this division are as follows: (1) to respond to requests for service; (2) to perform preliminary investigative work at crime scenes; (3) to work with the community to address public safety concerns; (4) to conduct vehicle patrol to provide visibility in neighborhoods; (5) to provide police resources for special or unscheduled events that require additional staffing; and (6) to provide crime prevention and community education programs to the public.

2005-06 Highlights:

Funding was appropriated for four non-recurring full-time Police Officer positions to increase the number of Police Officer overhires from eight to twelve. Additional officers are needed as 24 Police Officers have joined the Deferred Retirement Option Program (D.R.O.P). This funding will allow the Department to maintain staffing levels while hiring and training replacements for retirees.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$15,410,118	\$16,056,516	\$16,653,502	\$17,350,666
Supplies and Services	196,102	264,348	270,788	292,660
Capital Outlay	0	0	0	18,000
Internal Services	3,650,791	3,840,240	3,911,652	4,134,053
Expenditure Total	\$19,257,011	\$20,161,104	\$20,835,942	\$21,795,379
Per Capita	\$120.65	\$125.36	\$129.56	\$134.85

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Patrol	211		3.29	211		3.29	218		3.29
Total	211		3.29	211		3.29	218		3.29



Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To effectively answer "911" requests for Police, Fire, and emergency medical calls, and to provide proactive neighborhood programs

Objective: 1) To respond to all citizen calls for police services; respond to accident emergency calls within an average of 5:00 minutes; and 2) maintain or increase neighborhoods participating in the Crime Watch Program

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Priority Zero calls answered*	4,523	5,153	4,462	4,492
Percent change		13.9%	(1.4%)	(12.8%)
<i>Citizen calls for police service</i>	<i>131,901</i>	<i>135,000</i>	<i>124,923</i>	<i>128,412</i>
Percent change		2.3%	(5.3%)	(4.9%)
<i>Average response time to emergency calls (minutes)</i>	<i>4:41</i>	<i>4:59</i>	<i>4:43</i>	<i>4:42</i>
Operating expenses per citizen calls	\$361.08	\$150.46	\$391.87	\$420.29
Neighborhoods with Crime Watch Program	335	300	330	321
Percent change		(10.5%)	(1.5%)	7.0%

Comparative Benchmark

* Priority zero calls are citizen calls for service that were responded to by patrol and have received a priority designation. They are the highest priority calls that represent life threatening emergencies.

Support Services



The Support Services Division is comprised of Personnel Services, Communications, Records, Operations Support, Public Information, and Volunteers in Policing. Support Services is responsible for providing comprehensive support services to the entire Police Department. Services provided by this division are as follows: (1) to answer all incoming calls and provide 24-hour dispatch service; (2) to provide radio communications between the police station and all patrol field units; (3) to provide full service police records management services; (4) to respond to media requests for information; (5) to recruit, test, and hire sworn police officers and civilian personnel; (6) to provide in-service training programs; (7) to investigate internal complaints and liaison with the Tempe Citizens' Panel for Review of Police Complaints and Use of Force; (8) to provide jail and booking service and transport all prisoners to the City Court; (9) to update and implement organizational policy and procedure; (10) to process and maintain all impounded property; and (11) to provide crime scene photography and evidence collection services.

2005-06 Highlights:

Funding was appropriated for two non-recurring full-time Communications Dispatch I/II positions. These positions are intended to be overhires to supplement current staffing. The Communication Division has experienced increased service demands requiring inordinate amounts of scheduled overtime to meet minimum staffing needs, which contributed to increased leave use and individuals leaving the Department for other opportunities.

2005-06 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for film and recording supplies associated with the Police Logging Recorder project.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$8,377,515	\$8,457,107	\$8,768,084	\$9,330,476
Supplies and Services	534,309	410,343	551,582	466,531
Capital Outlay	1,737	0	0	0
Internal Services	868,852	843,195	849,643	1,178,695
Expenditure Total	\$9,782,413	\$9,710,645	\$10,169,309	\$10,975,702
Per Capita	\$61.29	\$60.38	\$63.23	\$67.91

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Support Services	133	1.0	1.70	133	1.0	1.70	137		1.70
Total	133	1.0	1.70	133	1.0	1.70	137		1.70

Investigations



The Investigations Division is comprised of Criminal Investigations, Special Investigations, Special Services, and Traffic Investigations. The Investigations Division is responsible for investigating felony, misdemeanor crimes; working in the schools; providing undercover and narcotics investigations, testifying in court, and providing basic services in the Downtown and Rio Salado areas. Services provided by this division are as follows: (1) investigate and report incidents of crime; (2) investigate and report motor vehicle accidents; (3) investigate and clear Part I and Part II crimes against persons and property; (4) investigate and prevent traffic accidents; (5) develop selective enforcement programs against special or increasing crime problems; and (6) provide specialty services including Mounted and K-9 functions.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$12,339,745	\$12,585,389	\$12,459,811	\$13,603,784
Supplies and Services	758,277	808,221	759,969	808,876
Internal Services	1,664,056	1,706,905	1,729,529	1,996,149
Expenditure Total	\$14,762,078	\$15,100,515	\$14,949,309	\$16,408,809
Per Capita	\$92.48	\$93.90	\$92.96	\$101.52

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Investigations	159		1.26	159		1.26	156		1.26
Total	159		1.26	159		1.26	156		1.26



Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To investigate and clear cases assigned to the Criminal Investigations Division				
Objective: To effectively manage property caseload per investigator				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Property cases assigned	2,931	3,100	2,550	2,600
Cases per investigator	195	117	170	177
Percent change		(40.0%)	(12.8%)	51.3%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To investigate and clear cases assigned to the Criminal Investigations Division				
Objective: To effectively manage persons caseload per investigator				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Persons cases assigned	2,242	2,200	2,097	2,342
Cases per investigator	160	170	150	167
Percent change		6.3%	(6.3%)	(1.8%)

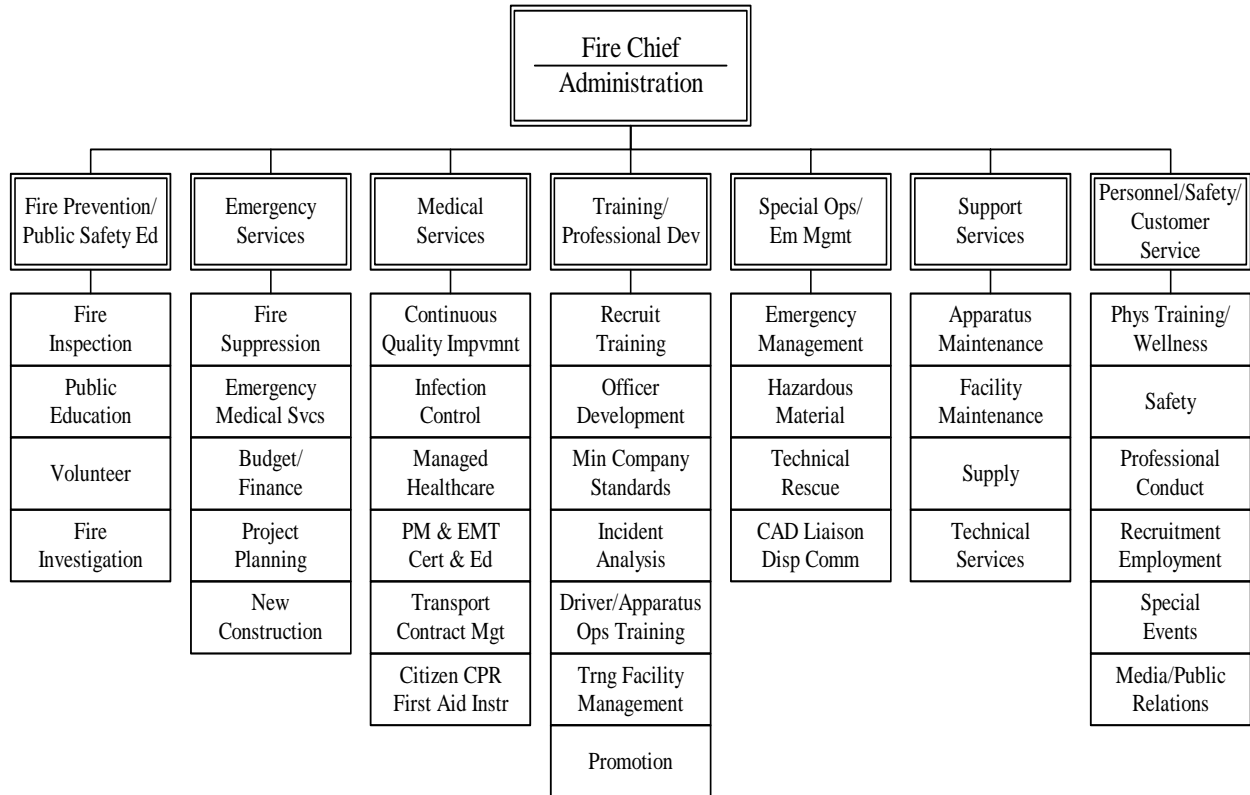
Capital Improvements Program-Police Department



Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Apache Boulevard Police Substation	12,372,814					12,372,814
Police/City Radio System Replacement	1,285,800	2,559,648	6,777,622	3,663,649	1,285,800	15,572,519
Police CAD/RMS/FRWS System	150,000	2,000,000	4,000,000			6,150,000
TIPS (Technology Integrated Police System)	150,000	150,000	200,000	150,000	150,000	800,000
Police Logging Recorder	149,000					149,000
Laptop Refresh				1,400,000		1,400,000
Total - Police Department Projects	14,107,614	4,709,648	10,977,622	5,213,649	1,435,800	36,444,333

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Apache Boulevard Police Substation		421,232	408,413	430,543	461,511	1,721,699
TIPS (Technology Integrated Police System)	5,000	5,000	10,000	10,000	10,000	40,000
Police Logging Recorder	200	23,200	24,360	24,360	220	72,340
Laptop Refresh				15,000	15,000	30,000
Total - CIP Operating Impacts	5,200	449,432	442,773	479,903	486,731	1,864,039

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating and capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating and capital budgets.*



The Fire Department consists of Administration and Fire Prevention, Emergency and Medical Services, Training and Professional Development, Special Operations, Support Services, and Personnel Safety Divisions.

The Department’s operational areas include administrative services, fire suppression, emergency management, emergency medical services, hazardous materials control, technical rescue, communications, equipment and facilities maintenance, training, fire prevention and inspection, and public safety education.



Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$12,985,914	\$13,318,244	\$13,579,969	\$15,251,108
Supplies and Services	1,035,402	985,682	1,089,768	1,126,310
Contributions	11,982	13,000	14,509	13,000
Capital Outlay	929,729	294,000	294,000	689,200
Internal Services	1,130,253	1,202,583	1,226,920	1,153,906
Expenditure Total	\$16,093,279	\$15,813,509	\$16,205,166	\$18,233,524
<i>Per Capita</i>	<i>\$100.83</i>	<i>\$98.33</i>	<i>\$100.77</i>	<i>\$112.81</i>

Comparative Benchmark

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Admin and Fire Prevention	\$2,406,953	\$2,519,934	\$2,674,122	\$2,627,009
Emergency and Medical Svcs	11,010,717	11,398,838	11,369,884	13,048,858
Training and Professional Dev	317,006	311,619	359,622	362,796
Special Operations	269,638	253,841	289,379	297,145
Support Svcs and Personnel Safety	2,088,966	1,329,277	1,512,159	1,897,716
Total	\$16,093,279	\$15,813,509	\$16,205,166	\$18,233,524

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration and Fire Prevention/Personnel Safety	17			17			17		1.0
Emergency and Medical Services	128			128			141		
Training and Professional Dev	3			3			3		
Special Operations	3			3			3		
Support Services	5	1.0		5	1.0		5	1.0	
Total	156	1.0		156	1.0		169	1.0	1.0

Administration and Fire Prevention/Personnel Safety



Administration is responsible for general policy and direction of the department, as delineated in the Six Year Strategic Plan and Operational Guide, by providing management and leadership for the operating divisions within the Fire Department. Development and administration of the budget, recruitment, member safety and wellness program management are also basic responsibilities of Administration.

The basic responsibility of the Fire Prevention Division is the prevention of fires through inspection and code enforcement, public safety education, and the investigation of fires. Services include: (1) inspection of commercial properties, hospitals, nursing homes, child care facilities, and vacant building and land parcels; (2) response to citizen fire hazard complaints; (3) approval of plans for and inspections of new construction; (4) determination of cause and origin of fires; (5) investigation of false alarms; and (6) public safety education programs.

2005-06 Highlights:

Funding was appropriated for one full-time non-benefitted position to supplement fire inspection staff. The Commission of Fire Accreditation International recommends inspections every two years; current staffing levels allow inspections every three years.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$1,504,994	\$1,462,704	\$1,627,028	\$1,684,809
Supplies and Services	135,679	185,727	166,497	189,686
Capital Outlay	0	0	0	21,700
Internal Services	766,279	871,503	880,597	730,814
Expenditure Total	\$2,406,953	\$2,519,934	\$2,674,122	\$2,627,009
Per Capita	\$15.08	\$15.67	\$16.63	\$16.25

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Administration and Fire Prevention/Personnel Safety	17			17			17		1.0
Total	17			17			17		1.0

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To provide high quality cost efficient fire services

Objective: To efficiently manage resources to meet the needs of citizens with 9.22 sworn full-time equivalents (FTE) per capita and .15 fire stations per square mile

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Department cost per fire employee	117,469	115,427	118,286	122,373
<i>Firefighters per capita (10,000)</i>	8.58	8.52	8.52	9.22
<i>Non-Firefighters per capita (10,000)</i>	1.19	1.18	1.18	1.24
Companies per capita (10,000)	0.56	0.56	0.56	0.56
Fire Stations per capita (10,000)/sq mile	.38/.15	.37/.15	.37/.15	.37/.15
Insurance Services Office (ISO) rating	2	2	2	2
Operating Expenditures per \$100,000 of property protected	153	138	142	153
Percent Change		(9.64%)	2.48%	8.19%

Comparative Benchmark

Emergency and Medical Services



The basic responsibility of Emergency Services is to deliver rapid effective service when fire, medical and other hazardous emergencies occur. These services are extended through the use of seven engine companies and two ladder trucks located at six fire stations throughout the City. Services provided by this division are as follows: (1) respond to and extinguish fires, prevent fires in cases of fuel spills and electrical malfunctions, and deliver effective medical and rescue services; (2) deliver emergency medical training and paramedic level medical services for injuries, illnesses, and accidents; (3) respond to and control hazardous materials emergencies; (4) conduct company fire prevention inspections; and (5) provide technical rescue services.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$10,573,938	\$10,974,416	\$10,922,534	\$12,551,290
Supplies and Services	404,561	395,422	418,350	405,068
Capital Outlay	32,218	29,000	29,000	92,500
Expenditure Total	\$11,010,717	\$11,398,838	\$11,369,884	\$13,048,858
Per Capita	\$68.98	\$70.88	\$70.70	\$80.74

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Emergency and Medical Services	128			128			141		
Total	128			128			141		

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal:	To provide efficient response to fire, medical, hazardous materials, and rescue emergencies			
Objective:	To reduce safe emergency responses by an average of four seconds			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Responses to fire alarms	2,123	2,450	2,100	2,150
Responses to emergency medical incidents	13,068	12,900	13,300	13,400
Responses to special operations incidents	151	80	135	140
Responses to other emergency services	1,637	2,100	1,600	1,700
<i>Average emergency response time in minutes (from call receipt to arrival)*</i>	4:25	4:25	4:21	4:21
% of emergency responses taking 5.0 minutes or less	70%	74%	71%	71%
<i>Calls per capita (1,000)</i>	82	80	83	83
Percent change		(2.5%)	1.2%	0.0%

Comparative Benchmark

*Calls do not include alarm processing time

Training/Professional Development



Training/Professional Development includes all categories of departmental training including recruits, officer development, driver training, and minimum company standards. Incident analysis is another method used to improve the quality of our service by reviewing emergency incidents and applying lessons learned. All promotional and assignments tests are administered through this section. This section also provides oversight and maintenance of Department personnel certifications.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$265,896	\$257,343	\$306,819	\$302,993
Supplies and Services	51,110	54,276	52,803	59,803
Expenditure Total	\$317,006	\$311,619	\$359,622	\$362,796
Per Capita	\$1.99	\$1.94	\$2.22	\$2.24

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Training and Professional Development	3			3			3		
Total	3			3			3		

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To provide training and evaluation standards for all phases of emergency services				
Objective: 1) To evaluate all Emergency Services Division personnel quarterly for compliance with Tempe Fire Department standards relating to fireground, EMS and special operations procedures; and 2) maintain current percentages of completion				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Percentage of companies completing minimum company standards evaluations	100%	100%	100%	100%
Percentage of individuals who successfully attain compliance with minimum company standards	98%	100%	100%	100%
Percentage of individuals who successfully attain self contained breathing apparatus proficiency compliance	98%	100%	100%	100%

Special Operations



Special Operations involves oversight of development, training, and certification of all special type emergency procedures including hazardous materials and technical rescue (high angle, confined space, swift water, etc.).

The Fire Department is charged with management of the City's emergency preparedness plan for disaster type issues. This includes development and maintenance of the plan, conducting disaster drills, and coordination of disaster preparedness with the County.

Also under the auspices of this section is dispatch liaison with the City of Phoenix Fire Dispatch Center. This includes helping to draft and implement policy and coordination of the technical aspect relevant to Tempe.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$228,414	\$211,706	\$249,618	\$254,860
Supplies and Services	29,242	29,135	25,252	29,285
Contributions	11,982	13,000	14,509	13,000
Expenditure Total	\$269,638	\$253,841	\$289,379	\$297,145
Per Capita	\$1.69	\$1.58	\$1.80	\$1.84

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Special Operations	3			3			3		
Total	3			3			3		

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal:	To provide efficient response to emergencies that involve hazardous materials			
Objective:	To effectively manage the number of first responders			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
First responders	101	101	101	101
Hazardous materials technicians	24	24	24	24
First responders per technician	4.3	4.2	4.2	4.2

Support Services and Personnel Safety



Primary responsibilities of Support Services and Personnel Safety include equipment maintenance and repair, apparatus construction management, maintaining the Department's communications systems, and writing equipment bid specifications. In addition, the division orders and distributes fire-fighting supplies to the City's six fire stations.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$412,672	\$412,075	\$473,970	\$457,156
Supplies and Services	414,809	321,122	426,866	442,468
Capital Outlay	897,511	265,000	265,000	575,000
Internal Services	363,974	331,080	346,323	423,092
Expenditure Total	\$2,088,966	\$1,329,277	\$1,512,159	\$1,897,716
Per Capita	\$13.09	\$8.27	\$9.40	\$11.74

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Support Svcs and Personnel Safety	5	1.0		5	1.0		5	1.0	
Total	5	1.0		5	1.0		5	1.0	

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To conduct progressive maintenance, inspections, service work, and major and minor repairs of all fire apparatus

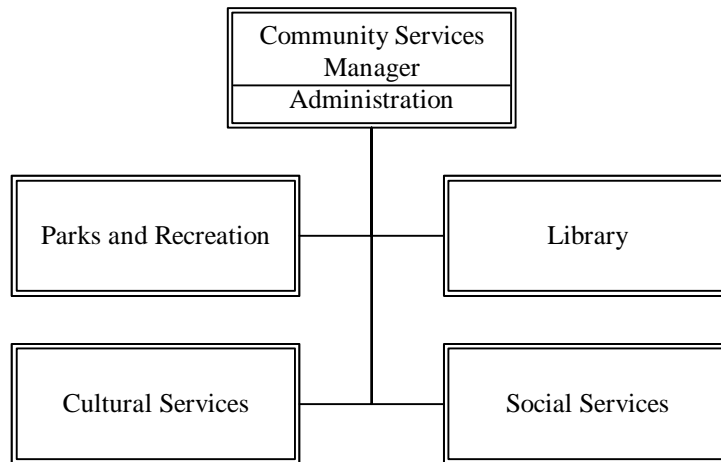
Objective: 1) To insure reliability and safety of equipment serviced by Fire Maintenance; and 2) target 100% maintenance completion within the preventive maintenance (PM) schedule

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Vehicles maintained	25	23	27	28
Percent change		(8.0%)	8.0%	21.8%
Preventive maintenance inspections	211	276	210	250
Percent completed within PM schedule	100%	100%	100%	100%

Capital Improvements Program-Fire Department

Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Replacement of Self Contained Breathing Apparatus		625,000				625,000
Radio Replacement for Conversion to 800 Megahertz		140,000				140,000
Renovations to Fire Station 4			402,000			402,000
Total - Fire Department Projects		765,000	402,000			1,167,000

*Amounts for FY 2006-07 through FY 2009-10 represent estimates of future capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future capital budgets.



The Community Services Department consists of Administration, Parks & Recreation, Library, Cultural Services, and Social Services Divisions.

The Department's responsibilities include developing, scheduling and supervising City recreation programs; a full range of public library services; historical/cultural enrichment to Tempe citizens; and social service programs.



Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$12,360,114	\$13,226,734	\$12,724,771	\$13,705,423
Supplies and Services	2,479,615	2,879,181	2,650,691	3,610,471
Capital Outlay	118,504	0	16,669	40,000
Internal Services	2,573,463	2,509,115	2,504,805	3,014,473
Contributions	26,305	62,324	62,324	92,324
Expenditure Total	\$17,558,001	\$18,677,354	\$17,959,260	\$20,462,691
Per Capita	\$110.00	\$116.14	\$111.67	\$126.61

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Administration	\$517,341	\$515,485	\$522,324	\$570,539
Parks and Recreation	5,980,049	6,111,150	6,077,896	6,340,430
Library	4,342,603	4,512,145	4,377,070	4,545,036
Cultural Services	1,407,720	2,075,033	1,623,625	3,351,027
Social Services	5,310,287	5,463,541	5,358,345	5,655,719
Total	\$17,558,001	\$18,677,354	\$17,959,260	\$20,462,691

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Admin. and Parks & Recreation	37	3.25	67.87	37	3.25	67.87	42	2.0	67.87
Library	34	4.75	9.84	34	4.75	9.84	33	6.0	9.84
Cultural Services	14	1.5	8.0	14	1.50	8.00	31	0.50	21.30
Social Services	41	2.15	81.49	41	2.15	81.49	42	3.15	81.49
Total	126	11.65	167.20	126	11.65	167.20	148	11.65	180.50

Administration and Parks & Recreation



Community Services Administration is responsible for overall management of the City's recreation, library, cultural, and social services resources. In this role, Administration manages services provided at municipal parks, golf courses, stadium facilities, swimming pools, the Tempe Public Library, the Tempe Historical Museum, the Pyle Adult Recreation Center, the Vihel Cultural Center, and at community events occurring throughout the city.

Services provided by Parks and Recreation are as follows: (1) facilities coordination and scheduling; (2) general recreation; (3) special recreation for retired citizens; (4) instructional programs; (5) community special events; (6) aquatics maintenance and programming; (7) baseball and softball programs; (8) oversight of golf course operations; and (9) park planning and design.

This division also provides resources to coordinate improvements and expansions at the Double Butte Cemetery. This program is funded by the Cemetery Fund.

2005-06 Capital Budget Operating Impacts:

The approved amount includes funding for operation and maintenance costs associated with the Double Butte Cemetery Expansion and Improvement project. These costs total \$127,628 in FY 2005-06, and include funding for 2 additional full time positions, computer leasing costs, and one time capital equipment.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$4,524,036	\$4,767,509	\$4,737,257	\$4,853,256
Supplies and Services	1,201,433	1,156,640	1,157,186	1,177,990
Capital Outlay	118,309	0	13,909	40,000
Internal Services	627,307	640,162	629,544	747,339
Contributions	26,305	62,324	62,324	92,324
Expenditure Total	\$6,497,392	\$6,626,635	\$6,600,220	\$6,910,909
Per Capita	\$40.71	\$41.21	\$41.04	\$42.76

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Administration	3		0.52	3		0.52	3		0.52
Parks and Recreation	34	3.25	67.35	34	3.25	67.35	39	2	67.35
Total	37	3.25	67.87	37	3.25	67.87	42	2	67.87

**Related Strategic Issue: Community Services****Goal:** To provide quality recreation services to the community, and to coordinate the effective use of community facilities**Objective:** To provide recreational opportunities at a cost that compares favorably with other cities as measured by cost per capita

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
O&M cost per capita	\$31.73	\$36.43	\$36.43	\$36.43
Parks & Recreation revenue	\$2,139,869	\$2,235,600	\$2,235,600	\$2,235,600
Cost Recovery	40%	37%	37%	37%

*Comparative Benchmark***Capital Improvements Program-Parks and Recreation**

Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Tempe Diablo Stadium Renovation	10,000,000					10,000,000
Double Butte Cemetery Expansion	1,400,000					1,400,000
Acquisition and Development of Victory Acres Property*						
Neighborhood Park Improvements	250,000	250,000	250,000	250,000	250,000	1,250,000
Sports Facility Relamping	60,000	60,000	60,000	60,000	60,000	300,000
Golf Course Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Kiwanis Recreation Center Tennis Court Resurfacing			565,000			565,000
Kiwanis Recreation Center Wave Equipment Restoration			60,000	415,000		475,000
Kiwanis Park Batting Range Netting			30,000			30,000
Total - Parks & Recreation Projects	11,760,000	360,000	1,015,000	775,000	360,000	14,270,000

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07**	2007-08**	2008-09**	2009-10**	Total
Double Butte Cemetery Expansion	127,628	122,782	122,782	122,782	122,782	608,598
Acquisition and Development of Victory Acres Property				20,300	20,300	40,600
Kiwanis Recreation Center Wave Equipment Restoration				3,000	31,000	34,000
Total - CIP Operating Impacts	127,628	122,782	122,782	146,082	174,082	683,198

* Amounts budgeted in Community Development Block Grant operating appropriations

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating and capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating and capital budgets.

Library



The Tempe Public Library serves the needs of the citizens of Tempe by providing books, audio-visual materials, and computer-based information resources to inform, instruct, and entertain people of all ages, levels of ability, and educational backgrounds. Services provided by this division are as follows: (1) check-out of print and audio-visual materials; (2) reference and reader's advisory services; (3) children's story hours, reading incentive programs, lecture and discussion programs, book discussion groups, and class visits; (4) community outreach; (5) inter-library loan service; (6) computer and Internet instructional classes; (7) public access computing; and (8) in-house and remote access to electronic information resources via the library Web site and online public catalog.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,629,805	\$2,808,297	\$2,660,695	\$2,750,247
Supplies and Services	736,026	771,980	772,872	771,980
Capital Outlay	195	0	2,760	0
Internal Services	976,577	931,868	940,743	1,022,809
Expenditure Total	\$4,342,603	\$4,512,145	\$4,377,070	\$4,545,036
Per Capita	\$27.21	\$28.06	\$27.22	\$28.12

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Library	34	4.75	9.84	34	4.75	9.84	33	6	9.84
Total	34	4.75	9.84	34	4.75	9.84	33	6	9.84



Related Strategic Issue: Community Services

Goal: To provide access to excellent library resources and services that will assist community residents of all ages obtain information that meets their educational, professional, and recreational needs

Objective: To increase community usage of the library's collection and electronic research resources

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Library visitors (door count)	1,056,297	1,035,890	1,045,733	1,045,780
Registered borrowers	141,509	147,160	155,121	156,672
Percent change		4.0%	9.6%	0.65%
Circulation	1,404,318	1,330,774	1,377,210	1,404,754
Percent change		(5.3)%	3.4%	5.6%
Public Computer Usage	154,712	162,181	175,036	176,786
Percent Change		4.8%	13.4%	0.09%
<i>Operating cost per volume circulated</i>	<i>\$3.09</i>	<i>\$3.37</i>	<i>\$3.17</i>	<i>\$3.23</i>
<i>Library FTE per 1,000 population</i>	<i>0.30</i>	<i>0.29</i>	<i>0.30</i>	<i>0.30</i>
<i>Circulation per capita</i>	<i>8.8</i>	<i>8.0</i>	<i>6.5</i>	<i>8.69</i>

Comparative Benchmark

Cultural Services



The Cultural Services Division includes four program areas: Tempe Historical Museum, Community Arts Program, Fine Arts Program, and Tempe Center for the Arts. Services include management of the Peterson House, Vihel Center for the Arts, the Tempe Performing Arts Center, exhibits, community arts and cultural classes, grants for arts organizations and schools, and public art. The Division is also overseeing the design and development of the new Tempe Center for the Arts.

2005-06 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for operating and maintenance expenses to coincide with the opening of the Tempe Center for the Arts, which is slated for the end of FY 2005-06. These appropriations total \$1,239,877 in FY 2005-06. Of this amount, a portion is dedicated for the purchase of one-time capital equipment to outfit the Center, and the remainder will provide salary and benefit costs in support of 16 new full time positions added in FY 2005-06.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$1,039,621	\$1,371,754	\$1,163,382	\$1,694,757
Supplies and Services	153,114	492,591	254,321	1,195,032
Internal Services	214,986	210,688	205,922	461,238
Expenditure Total	\$1,407,720	\$2,075,033	\$1,623,625	\$3,351,027
Per Capita	\$8.82	\$12.90	\$10.10	\$20.73

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Cultural Services	11	1.0	8	11	1.0	8	12	0.5	8.03
Performing Arts	3	0.5		3	0.5		19		13.27
Total	14	1.5	8	14	1.5	8	31	0.5	21.30



Related Strategic Issue: Community Services				
Goal: To collect, record, and preserve tangible aspects of Tempe's past; and present and interpret Tempe's history to the general public				
Objective: 1) To maintain the number of catalogued objects in the permanent artifact collections of the Tempe Historical Museum; and 2) increase public visitation at the Historical Museum and Peterson House Museum				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Objects catalogued	3,000	3,000	3,000	3,000
Visitors to Historical Museum and Peterson House	23,492	19,000	22,000	22,000

Related Strategic Issue: Community Services				
Goal: To provide quality arts programming to the community, facilitate the effective use of arts facilities, and provide a diverse array of arts opportunities				
Objective: 1) To support arts programming through grants funding of arts organizations and schools; and 2) offer a wide array of quality arts programming and classes				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Program enrollment	4,329	5,500	6,146	6,000
Percent Change		27.1%	11.8%	(2.3)%
Arts Classes revenue	\$130,160	\$138,000	\$138,000	\$138,000
Grants provided to Art Organizations and Schools	\$105,752	\$122,500	\$127,580	\$100,000
Participants reached through grants	138,000	210,000	245,267	240,000

Capital Improvements Program-Cultural Services

Project Title	2005-06	2006-07	2007-08	2008-09	2009-10	Total
Performing Arts Center	22,228,912					22,228,912
Total-Cultural Services Projects	22,228,912					22,228,912

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Performing Arts Center	1,239,877	1,642,000	1,218,000	1,279,000	1,323,590	6,702,467
Total - CIP Operating Impacts	1,239,877	1,642,000	1,218,000	1,279,000	1,323,590	6,702,467

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating budgets.*

Social Services



The Social Services Division provides a wide array of services for Tempe youth and families. Activities and services are offered to all age groups in order to promote positive and healthy lifestyles. Services for youth include pre-school programs at the Escalante and West Side Multigenerational Centers, Kid Zone before and after school enrichment program, Teen Zone which encourages youth involvement in positive activities and services, and the Youth Employment Program which promotes strong work values and assists youth in exploring career opportunities. Residents of all ages may participate in State Licensed Counseling and/or Crisis Intervention Services. The Diversion/Probation Program provides a constructive program of case management, assessment, counseling and community service to individuals referred from Tempe City Court.

2005-06 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for operating and maintenance expenses to coincide with the opening of the North Tempe Multigenerational Center. These costs total \$110,944 in FY 2005-06 and include funding for 2.5 full time positions.

Expenditures by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$4,166,652	\$4,279,174	\$4,163,437	\$4,407,163
Supplies and Services	389,042	457,970	466,312	465,469
Internal Services	754,593	726,397	728,596	783,087
Expenditure Total	\$5,310,287	\$5,463,541	\$5,358,345	\$5,655,719
Per Capita	\$33.27	\$33.97	\$33.32	\$34.99

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Social Services/Administration	22	2.15	15.56	22	2.15	15.56	23	3.15	15.56
Social Services/ KID ZONE	19		65.93	19		65.93	19		65.93
Total	41	2.15	81.49	41	2.15	81.49	42	3.15	81.49



Related Strategic Issue: Education Partnerships

Goal: To promote and enhance quality of life through education partnerships and community based programs that provide a safe and healthy environment for our citizens

Objective: To maintain and expand the quality of Community Service programs offered to the public at a level of satisfaction that supports our mission and values and to support school and community based programs through grant funding of substance abuse prevention, delinquency prevention and crime victim assistance

	2003-04	2004-05	2004-05	2005-06
Measures	Actual	Budget	Revised	Budget
Kid Zone Participants	N/A	N/A	244,424	246,800
Percent change				1.0%
Escalante Usage contacts	142,374	149,402	143,797	144,515
Teen Contacts*	N/A	N/A	6,580	6,580
Care 7 number served	3,500	3,500	3,250	3,000

Related Strategic Issue: Education Partnerships

Goal: 1) To improve public safety by redirecting adult/youth first-time offenders into positive community activities; 2) To address social issues of domestic violence and alcohol and drug abuse by providing assessment and referral services to offenders; 3) To provide case management services to monitor offenders' compliance with assigned programs; and 4) To provide the court system with an alternative mechanism for processing offenders that is effective and cost-saving

Objective: 1) To attain a success rate of 75% for adult diversion clients; 2) attain a success rate of 60% for probation clients; and 3) attain a success rate of 85% for screening services clients, and 4) to attain a success rate of 95% for Home Detention clients

	2003-04	2004-05	2004-05	2005-06
Measures	Actual	Budget	Revised	Budget
New Adult Diversion Program	820	850	850	925
New Probation	344	300	300	325
Substance Abuse Screenings	1,334	1,000	1,320	1,350
Home Detention Program*	55	N/A	60	70
Minor in Possession of Alcohol*	454	N/A	475	475
Percent Program Completion:				
Adult/Youth Diversion Program	85.2%	N/A	77.5%	77.5%
Probation Services	62.1%	60%	60%	60%
Substance Abuse Screening services	87.7%	80%	85%	85%
Home Detention Program*	98.2%	N/A	95%	95%

* New measure

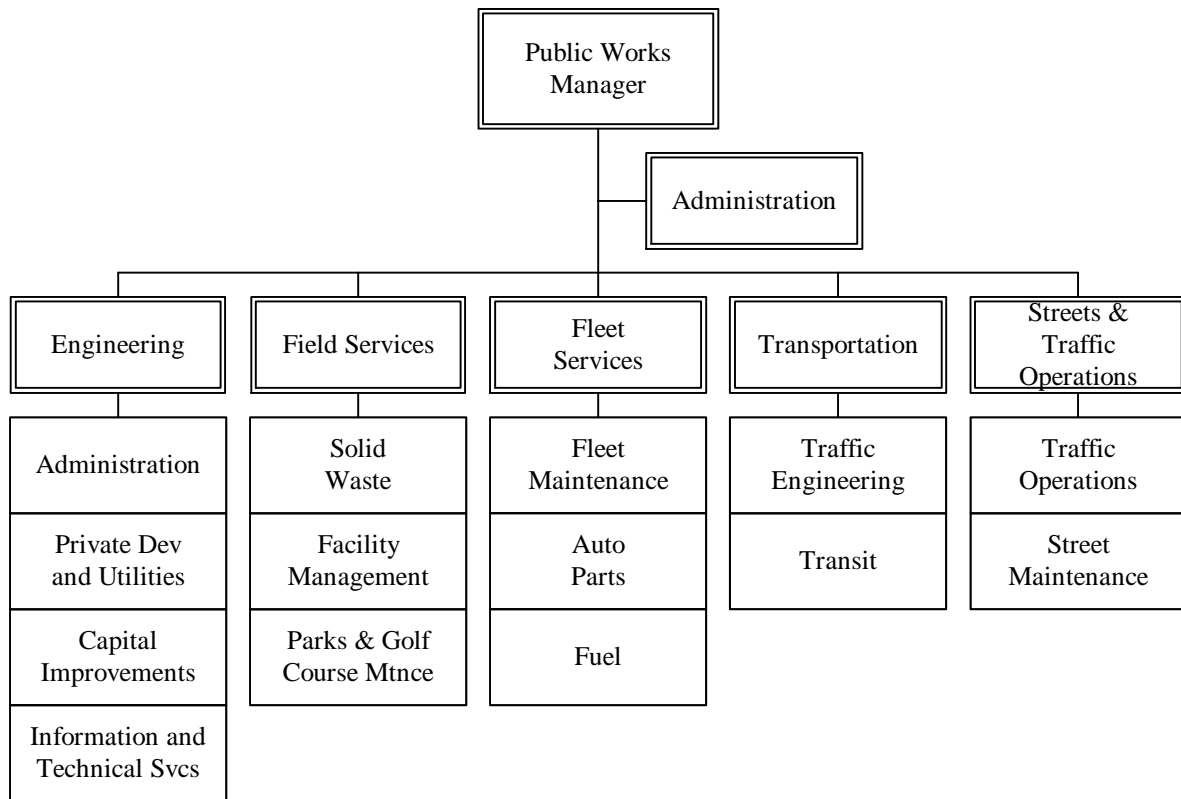
Capital Improvements Program-Social Services



Project Title	2005-06	2006-07	2007-08	2008-09	2009-10	Total
North Tempe Multigenerational Center	750,000					750,000
Total-Social Services Projects	750,000					750,000

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
North Tempe Multigenerational Center	110,944	236,009	236,009	236,009	236,009	1,058,917
Total - CIP Operating Impacts	114,881	236,009	236,009	236,009	236,009	1,058,917

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating budgets.*



The Public Works Department consists of Administration and Engineering, Field Services, Fleet Services, Transportation, and Streets and Traffic Operations.

The Engineering Division provides CIP project implementation, utility management, real estate services, property addressing, right-of-way permitting, project design, and construction management.

Field Services consists of Solid Waste, Parks and Golf Course Maintenance, and Facility Management. Field Services is responsible for maintaining all the City’s public parks and two golf courses, performing building maintenance and custodial services, and solid waste recycling, collection and disposal.

Fleet Services is responsible for the City’s vehicle and equipment acquisition, repair, preventative maintenance, accident damage, fleet road service, utilization and disposal.

The Transportation group currently includes two major sections: Traffic Engineering and Transit. Transportation is responsible for traffic engineering design and studies, traffic calming, transit services, long-range transportation planning including light rail and public involvement marketing.

Streets and Traffic Operations is responsible for pavement marking and striping, traffic signal maintenance and construction, street lighting, alley maintenance, street sweeping, pavement management and street repair and construction.



Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$21,227,085	\$22,842,874	\$21,997,656	\$23,879,663
Supplies and Services	34,463,310	34,920,361	35,608,550	37,885,160
Capital Outlay	1,440,644	1,858,270	1,925,270	4,028,787
Internal Services	(922,771)	(562,123)	(736,205)	(667,234)
Contributions	0	0	0	6,000
Expenditure Total	\$56,208,268	\$59,059,382	\$58,795,271	\$65,132,376
Per Capita	\$352.15	\$367.24	\$ 365.60	\$402.99

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Administration and Engineering	\$1,294,662	\$1,445,440	\$1,522,111	\$1,821,678
Field Services:				
Administration & Solid Waste	10,657,583	11,146,985	11,143,383	13,033,574
Facility Management	4,564,197	4,870,419	4,575,523	5,185,493
Parks and Golf Course Maintenance	8,634,766	9,074,682	8,697,910	9,594,071
Fleet Services	(233)	0	0	0
Transportation	24,084,414	24,896,356	25,481,006	27,737,208
Streets and Traffic Operations	6,972,879	7,625,500	7,375,338	7,760,352
Total	\$56,208,268	\$59,059,382	\$58,795,271	\$65,132,376

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration and Engineering	34		0.49	34		0.49	34		0.49
Field Services	212	0.50	8.69	211	0.50	8.69	211	1.00	8.69
Fleet Services	33		0.50	33		0.50	33		0.50
Transportation	35	0.50		37	0.50		39		
Streets and Traffic Operations	52			51			52		
Total	366	1.00	9.68	366	1.00	9.68	369	1.00	9.68



The Public Works Director has overall responsibility for providing the leadership, management and administrative support necessary for the Public Works Department.

Services provided are as follows: (1) administer the Public Works budget and acquisition of capital outlay; (2) approve all Public Works personnel actions; (3) submit recommendations on Public Works and related activities to the City Council; (4) monitor public improvement projects; (5) plans review, technical standards, design services, and engineering studies; (6) coordinate and administer the Capital Improvements Program (estimates, scheduling, specifications, improvement districts, surveying and staking); (7) control public rights-of-way: construction permits, construction inspection, Water, Sewer and Storm Drain Extension Ordinance, Grading and Drainage Ordinance, Flood Plain Ordinance and as-built records/information; and (8) provide real estate services (acquisitions, annexations, abandonments, encroachments and appraisals).

The Engineering Division has the primary responsibility of providing engineering, surveying, inspection, testing and contractual services for all improvements constructed within the public right-of-way.

2005-06 Highlights:

Numerous major projects with a combined budget of more than \$200 million will be under construction or under design during the next two years. These projects include the Tempe Center for the Arts, North Side Multigenerational Center, Kyrene Water Reclamation Facility Expansion, Johnny G. Martinez Water Treatment Plant Expansion, Light Rail and Transit Center, and the Police Property Facility/Police Substation on Apache Boulevard. Managing the design/construction of these City projects, as well as the increase of over 200% in new development and redevelopment over the past four years by private developers and residents, presents a challenging opportunity in light of a 25% reduction in staffing levels for the Engineering Division.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,556,811	\$2,587,126	\$2,655,914	\$2,824,655
Supplies and Services	295,114	435,767	441,016	435,767
Capital Outlay	1,383	0	0	0
Internal Services	(1,558,646)	(1,577,453)	(1,574,819)	(1,438,744)
Contributions	0	0	0	0
Expenditure Total	\$1,294,662	\$1,445,440	\$1,522,111	\$1,821,678
Per Capita	\$8.11	\$8.99	\$9.47	\$11.27

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	3		0.49	3		0.49	3		0.49
Engineering	31			31			31		
Total	34		0.49	34		0.49	34		0.49



Related Strategic Issue: Central City Development Committee of the Whole				
Goal: To efficiently provide for improved community quality of life by strategic planning, budgeting, design, and construction of capital improvement projects which address recreational, municipal facilities, public utilities, transportation, and public safety needs				
Objective: To commit 90% of funding for budgeted projects within 18 months				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
CIP dollars budgeted	\$117.9M	\$176.9M	\$176.9M	\$182.4M
Projects budgeted	74	65	63	66
Engineering Services and Architect Consultants managed	125	120	106	110
Projects committed within 18 months	90%	90%	90%	90%

Related Strategic Issue: Central City Development Committee of the Whole				
Goal: To insure that the construction of private developments and related utility work is coordinated with the City's infrastructure, transportation plan and quality standards, and is in compliance with applicable codes and ordinances				
Objective: 1) To issue 350 private development and 120 new private development permits; and 2) spend 5,200 staff hours inspecting the work for all utility and private development construction activity				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Private development permits issued	341	275	420	350
New private developments	93	150	120	120
Value of projects designed	\$223M	\$90M	\$230M	\$230M
Staff hours for inspection	7,280	6,240	5,200	5,200

Related Strategic Issue: Central City Development Committee of the Whole				
Goal: To plan for the maintenance, upgrade or replacement of the City's infrastructure (water, sewer, storm drain, irrigation, pavement, and concrete) to maximize its life and maintain its level of service				
Objective: To maintain a database of the facility type, condition, and history which is used to prioritize projects that will minimize disruption of service, extend the useful life, and maintain quality service to the public				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>(In millions)</i>				
Pavement maintained (square yards)	11.9	13.1	11.9	11.9
Concrete curbs maintained (linear feet)	5.0	6.4	5.0	5.3
Sidewalk maintained (square yards)	4.0	8.9	4.0	4.2
Funds required for preventive maintenance	\$2.1	\$5.2	\$3.4	\$3.6

Field Services/Administration and Solid Waste Services



Solid Waste Services is responsible for the collection and disposal of solid waste generated from all residential and selected commercial facilities within the City of Tempe. The solid waste is taken to the Waste Management Sky Harbor Transfer Station. Services provided by this section include: (1) plastic solid waste containers provided to all residential customers, residential solid waste collected and transported to the transfer station; (2) commingled residential recyclables collected at curbside; (3) metal bulk solid waste containers provided to commercial customers, commercial solid waste collected and transported to transfer station; (4) commercial cardboard and paper recycling program; (5) uncontained/bulk item solid waste collected from residential customers and transported to transfer station; and (6) container repair program featuring repair and maintenance of 90 and 300 gallon plastic solid waste containers, roll off containers and various sizes of solid waste metal containers.

2005-06 Highlights:

Since this budget does not include new programs or significant increases in resources, staff will continue to strengthen the comprehensive solid waste services program by evaluating and potentially shifting existing resources. Key goals include reducing overtime in the commercial area and working with Financial Services to improve the solid waste billing process.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$4,231,773	\$4,371,279	\$4,390,879	\$4,596,870
Supplies and Services	3,340,181	3,236,723	3,258,560	3,732,662
Capital Outlay	460,063	489,950	489,950	1,905,181
Internal Services	2,625,566	3,049,033	3,003,994	2,798,861
Contributions	0	0	0	0
Expenditure Total	\$10,657,583	\$11,146,985	\$11,143,383	\$13,033,574
Per Capita	\$66.77	\$69.31	\$69.29	\$80.64

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Field Services Administration	5			5			5		
Solid Waste	65	0.50		65	0.50		65	0.50	
Total	70	0.50		70	0.50		70	0.50	



Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To properly collect and dispose of all contained and uncontained solid waste and green waste generated by residential customers				
Objective: 1) To provide excellent service to residential customers by effectively and efficiently managing solid waste collected; and 2) to divert 27% of residential waste stream				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Residential households serviced	32,914	33,740	33,790	33,800
Total O&M: (Including Admin. & Support Services)				
Residential contained/recycling	\$3,809,229	\$4,163,542	\$4,040,739	\$5,084,952
Residential uncontained/green waste	\$1,880,752	\$1,958,964	\$1,924,602	\$2,229,813
Tons of solid waste collected:				
Residential contained	40,660	41,112	41,160	41,225
Residential uncontained	22,388	19,081	19,062	20,000
Recycling	13,918	13,547	13,984	14,500
Collection cost per ton:				
<i>Residential contained/recycling</i>	<i>\$69.79</i>	<i>\$67.74</i>	<i>\$73.28</i>	<i>\$91.25</i>
Residential uncontained	\$84.01	\$100.15	\$101.00	\$111.50
Residential diversion rate (recycling)	27%	24%	25%	27%
<i>Residential Contained Solid Waste tons per capita (1,000)</i>	<i>255</i>	<i>255</i>	<i>255</i>	<i>255</i>

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To properly collect and dispose of all solid waste generated by commercial customers and multi-family housing units within the City				
Objective: To continue to provide quality and timely collection service to all commercial accounts and minimize collection cost per ton to \$55.76				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Commercial accounts serviced per month	2,381	2,390	2,380	2,385
Percent change		0.40%	(0.04%)	(0.20%)
Total O&M–Commercial	\$4,483,672	\$4,630,757	\$4,710,242	\$5,297,065
Tons of solid waste collected	84,186	112,544	90,415	95,000
Collection cost per ton	\$44.95	\$39.27	\$52.10	\$55.76

Comparative Benchmark

Field Services/Facility Management



The Facility Management Services Section provides maintenance and repair service to all City owned buildings and area lighting for City parks and parking lots. The maintenance and repair activities provided are: carpentry, painting, plumbing, electrical, heating, cooling, ventilation, locks, security, building automation systems, and energy management.

The Custodial Services Section provides interior cleaning of City owned buildings and park restrooms. The basic services provided are: trash removal, mopping, waxing, and vacuuming.

2005-06 Highlights:

Funding has been approved for two full-time Custodians and one part-time Facilities Technician II to maintain the new North Tempe Multigenerational Center.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,785,669	\$2,957,378	\$2,597,340	\$3,125,102
Supplies and Services	2,161,975	2,262,806	2,324,949	2,341,874
Capital Outlay	674	0	0	0
Internal Services	(384,121)	(349,765)	(346,766)	(281,483)
Contributions	0	0	0	0
Expenditure Total	\$4,564,197	\$4,870,419	\$4,575,523	\$5,185,493
Per Capita	\$28.60	\$30.29	\$28.45	\$32.08

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Facility Services	19			19			19	0.50	
Custodial Services	38		0.49	38		0.49	40		0.49
Total	57		0.49	57		0.49	59	0.50	0.49

**Related Strategic Issue: Community Services****Goal:** To provide efficient maintenance and custodial services to all City facilities while maintaining a safe, clean and productive work environment**Objective:** 1) To hold facility maintenance costs per square foot maintained to \$2.65; and 2) provide manpower coverage between 50,000 to 55,000 square foot per 10 hour shift for routine maintenance functions

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Facility Maintenance</i>				
Total O&M	\$3,181,503	\$3,130,857	\$3,423,582	\$3,471,490
Full-time Equivalents (FTE's)	18.5	18.5	18.5	19.0
Buildings maintained	80	80	81	82
Square feet maintained	1,262,085	1,262,085	1,270,485	1,288,147
Percent change		0.0%	0.01%	0.01%
O&M per square foot maintained	\$2.52	\$2.48	\$2.69	\$2.65
Square feet maintained per FTE	68,220	68,220	68,675	67,792

Related Strategic Issue: Community Services**Goal:** To provide efficient maintenance and custodial services to all City facilities while maintaining a safe, clean and productive work environment**Objective:** 1) To hold custodial costs per square foot per year between \$1.50 and \$2.00; and 2) maintain square footage per custodian between 18,000 to 18,500 per 8 hour shift for routine cleaning

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Custodial Services</i>				
Total O&M	\$1,444,264	\$1,540,085	\$1,558,069	\$1,713,589
Full-time Equivalents	37.5	37.5	37.5	39.5
Total square feet	1,262,085	1,262,085	1,270,485	1,288,147
Total square feet cleaned	916,917	916,917	925,317	942,979
Percent change		0.0%	0.01%	0.02%
Number of buildings cleaned	68	68	69	70
O&M per square foot cleaned	\$1.57	\$1.67	\$1.68	\$1.81
Square feet cleaned per FTE	24,451	24,451	24,675	23,872

Field Services/Parks and Golf Course Maintenance



The Parks and Golf Course Maintenance section of Field Services assists in the planning and development of parkland and facilities. Services provided by this section are as follows: (1) maintain recreational facilities to meet the public needs; (2) maintenance for all parks, special facilities and golf courses; (3) maintenance of the Diablo Stadium Sports Complex; (4) necessary services for a professional baseball team, other sporting activities and special events held at the stadium complex; (5) maintain rights-of-way and facility grounds in an attractive and pleasing state; and (6) maintain the Rio Salado linear parks.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$4,409,936	\$4,802,318	\$4,520,989	\$4,625,839
Supplies and Services	3,709,285	3,226,538	3,121,905	3,314,808
Capital Outlay	3,531	0	0	82,500
Internal Services	512,014	1,045,826	1,055,016	1,570,924
Contributions	0	0	0	0
Expenditure Total	\$8,634,766	\$9,074,682	\$8,697,910	\$9,594,071
Per Capita	\$54.10	\$56.43	\$54.09	\$59.36

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Parks Maintenance	46		5.12	46		5.12	49		5.12
Pest Control	5			4					
Baseball Facility	8		0.56	8		0.56	8		0.56
Golf Courses	22		2.42	22		2.42	21		2.42
Landscape Maintenance	1			1			1		
Rio Salado	4		0.10	4		0.10	4		0.10
Double Butte Cemetery	1			1			1		
Total	87		8.20	86		8.20	84		8.20



Related Strategic Issue: Community Services				
Goal: To maintain rights-of-way in an attractive and pleasing manner				
Objective: To manage the landscape contract for the care and maintenance of the City's rights-of-way, medians and facility grounds and perform manual watering in designated areas				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Landscape maintained (square feet)	12,184,819	11,461,990	13,504,782	13,548,592
Percent change		(6%)	11%	18%
Landscape maintained (acres)	280	254	310	311

Related Strategic Issue: Community Services				
Goal: To provide recreational facilities for leisure opportunities that are accessible, attractive, enjoyable and safe				
Objective: To provide facilities to meet the public's recreational needs and maintain high standards for all recreational use				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Total acres maintained	1,369	1,089	1,369	1,369
Per employee:				
Stadium	15.63	15.00	15.63	15.63
Parks/Special Facilities	18.49	21.57	20.66	20.66
Golf courses	8.64	10.37	10.56	11.18
Parks/Special Facilities maintained	52.00	52.00	52.00	52.00
Golf course rounds of play:				
Ken McDonald (18 hole rounds)	81,471	85,000	78,000	78,000
Percent change		(4.3%)	(4.3%)	0.0%
Rolling Hills (9 hole rounds)	70,315	95,000	70,000	70,000
Percent change		(3.5%)	(0.4%)	0.0%
Diablo stadium special events	204	170	150	60

Fleet Services



The Fleet Services Division of the Public Works Department is responsible for maintaining the municipal vehicular and construction equipment fleet in as high a degree of mechanical readiness as economically possible. Services provided by this division include: (1) vehicular fleet maintenance; (2) preventative maintenance; (3) unscheduled repair and road service; (4) quality control; (5) fuel site maintenance and fuel inventory control; (6) parts inventory control; (7) equipment specifications preparation, and (8) vehicle disposal.

2005-06 Highlights:

The Fleet Services Division prides itself with the continued efforts and participation of all employees' talents and ideas to provide efficient and cost effective programs to maintain the fleet. Implementation of an aggressive tire management program, increased warranty tracking, development of motor pools and extended replacement mileage are programs being implemented to meet the challenges of the FY 2005-06 budget cycle.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,029,853	\$2,253,019	\$2,078,667	\$2,278,628
Supplies and Services	2,042,805	2,274,631	2,386,457	2,530,502
Capital Outlay	395,160	953,420	1,120,420	1,555,680
Internal Services	(4,768,051)	(5,481,070)	(5,585,544)	(6,364,810)
Contributions	0	0	0	0
Expenditure Total	\$(233)	\$0	\$0	\$0

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Fleet Services	33		0.5	33		0.5	33		0.5
Total	33		0.5	33		0.5	33		0.5



Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To maintain the City's fleet at the lowest cost and highest quality of service and vehicle condition				
Objective: 1) To contain the growth in maintenance and repair, fuel and capital costs as measured by cost per mile; and 2) adhere to a vehicle replacement policy that prevents higher repair and maintenance costs resulting from fleet vehicles with excessive mileages				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Cost per mile (maintenance and repair, fuel and capital cost):</i>				
Police patrol sedans (\$)	0.56	0.48	0.56	0.61
Light duty trucks (\$)	0.43	0.40	0.44	0.47
Solid Waste trucks (\$)	2.79	2.94	3.06	3.19
<i>Vehicle age in miles:</i>				
Police patrol sedans	40,404	41,000	40,145	38,000
Light duty trucks	46,345	51,425	51,177	51,000
Solid Waste trucks	69,848	69,635	68,578	68,500
Preventive maintenance compliance rate	100%	100%	100%	100%
<i>Replacement guidelines for:</i>				
Police patrol sedans (miles)	100,000	100,000	100,000	100,000
Light duty trucks (miles)	100,000	100,000	100,000	100,000
Solid Waste front loaders (miles)	7 years / 140,000	7 years / 140,000	7 years / 140,000	7 years / 140,000
Solid Waste side loaders (miles)	8 years / 140,000	8 years / 140,000	8 years / 140,000	8 years / 140,000
Solid Waste rear loaders (miles)	12 years / 140,000	12 years / 140,000	12 years / 140,000	12 years / 140,000

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To utilize equipment and personnel resources in an efficient and effective manner				
Objective: 1) To maximize utilization of fleet mechanic time; and 2) target 70% mechanic productivity rate as measured by percent of mechanic work hours spent on direct repair and maintenance of vehicles				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Annual vehicle utilization (miles):</i>				
Police patrol sedans	1,129,336	1,300,000	1,201,846	1,201,846
Light duty trucks	918,368	967,610	908,220	908,220
Solid Waste trucks	635,963	650,000	642,336	642,336
<i>Miles per mechanic hour:</i>				
Police patrol sedans	434	400	481	481
Light duty trucks	486	542	529	529
Solid Waste trucks	72	70	68	68
Mechanic utilization rate	66%	68%	70%	70%
Vehicles per mechanic	62	62	63	63

Comparative Benchmark

Capital Improvements Program-Public Works



Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Highline Western Canal Storm Drain Improvements	3,440,000					3,440,000
Storm Drain Improvements	200,000	200,000	250,000	250,000	250,000	1,150,000
Fleet Vehicle Fueling Site Relocation	416,389	91,745				508,134
City Facilities Rehabilitation	200,000	300,000	300,000	300,000	300,000	1,400,000
Historic Properties Preservation	35,000	35,000	35,000	35,000	35,000	175,000
HVAC Equipment Replacement	35,000	35,000	35,000	35,000	35,000	175,000
Energy Upgrade and Retrofit	32,000	32,000	32,000	32,000	32,000	160,000
Various Park Landscaping Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Carpet Replacement - Library						
Total - Public Works Projects	4,408,389	743,745	702,000	702,000	702,000	7,258,134

**Amounts for FY 2006-07 through FY 2009-10 represent estimates of future capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future capital budgets.*

Transportation



The Transportation Division is responsible, through its two sections (Traffic Engineering and Transit), for all transportation activities throughout the City. Services provided by this division include: (1) review subdivision plats, site development plans and permits; (2) study and analyze accidents at hazardous locations and conduct traffic engineering studies; (3) provide traffic volume data to general public and other agencies, and provide technical and professional assistance to other divisions; (4) prepare traffic signal, lighting, striping, signing designs, and other plans; (5) provide sight restriction abatements; (6) participate in regional transportation/transit planning and programming; (7) plan, coordinate, benchmark and provide transit services; (8) plan and administer bicycle facilities and encouragement projects; and (9) staff the Transportation Commission which provides oversight over the 1996 dedicated transit tax.

2005-06 Highlights:

Funding was approved for one full-time Light Rail Transportation Planner to assist the existing light rail team in managing ongoing construction activities within the City, and to convert a part-time Administrative Assistant position to full-time.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,295,623	\$2,634,308	\$2,630,246	\$3,112,736
Supplies and Services	21,021,935	21,500,103	22,084,496	23,436,274
Capital Outlay	24,959	41,100	41,100	117,100
Internal Services	741,897	720,845	725,164	1,065,098
Contributions	0	0	0	6,000
Expenditure Total	\$24,084,414	\$24,896,356	\$25,481,006	\$27,737,208
Per Capita	\$150.89	\$154.81	\$158.44	\$171.62

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Studies and Design	7			9			9		
Transit	28	0.5		28	0.5		30		
Total	35	0.5		37	0.5		39		



Related Strategic Issue: Transportation				
Goal:	To effectively manage and evaluate transit service provided through regional or City contracts funded by a dedicated Tempe transit tax			
Objective:	To efficiently and cost-effectively provide and monitor regional and local fixed route, circulator and dial-a-ride service			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Total O&M (bus)	\$18,786,180	\$19,490,741	\$20,082,281	\$20,939,125
Total O&M (dial-a-ride)	\$710,338	\$1,150,430	\$1,151,113	\$974,019
Vehicle revenue miles (bus)	5,891,872	5,800,000	5,387,726	5,489,762
Vehicle revenue hours (dial-a-ride)	20,949	20,000	17,025	19,000
O&M per vehicle revenue mile (bus)	\$3.19	\$3.36	\$3.73	\$3.81
O&M per vehicle revenue hour (dial-a-ride)	\$33.91	\$57.52	\$67.61	\$48.70
<i>Boardings per vehicle revenue mile (bus)</i>	<i>1.58</i>	<i>1.63</i>	<i>1.46</i>	<i>1.55</i>
Boardings per vehicle revenue mile (dial-a-ride)	0.10	0.11	0.10	0.10
Annual boardings (dial-a-ride)	41,779	42,604	43,000	44,000

Related Strategic Issue: Transportation				
Goal:	1) To attract people to use the transit system; 2) operate a reliable bus system; and 3) operate a reliable dial-a-ride system			
Objective:	1) To increase bus boardings by 8%; 2) meet the dial-a-ride industry standard of 95% of trips on time (minimum); and 3) meet the industry standard of 85% of trips on time (minimum)			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Annual boardings (bus)	7,359,216	9,450,000	7,851,872	8,500,000
Percent Change		28%	7%	8%
On-time performance (bus)	93%	95%	95%	95%
On-time performance-(dial-a-ride)	95%	95%	94%	95%

Related Strategic Issue: Transportation				
Goal:	To provide outstanding customer service to bus and dial-a-ride customers			
Objective:	To meet contract standards by limiting bus service complaints to 15 per 100,000 boardings (maximum) and dial-a-ride service complaints to 3 per 1,000 boardings (maximum)			
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Complaints per 100,000 boardings (bus)	16.7	25.0	16.3	15.0
Complaints per 100,000 boardings (dial-a-ride)	1.0	3.0	2.3	3.0

Comparative Benchmark

**Related Strategic Issue: Transportation**

Goal: To provide a transportation system within Tempe and connecting to neighboring communities which is multi-modal and accessible for all residents

Objective: 1) To improve the bicycle and accessible pedestrian facilities available, and to encourage their use; and 2) increase attendance at bike events by 25%

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Bikeway miles added	4	5	2	4
Attendance at bike events	1,750	3,125	2,000	2,500
Percent change		78%	14%	25%

Related Strategic Issue: Transportation

Goal: To create a physical and social environment that supports mixing of transportation modes through traffic calming efforts

Objective: 1) To increase citizen awareness, respect, and responsibility; 2) process all citizens requests for speed humps; 3) improve environment for bicyclists and pedestrians; and 4) reduce speed limits on arterial streets through education and public awareness efforts

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Traffic calming/speed hump studies conducted	40	50	40	50
Speed humps installed	35	80	35	40
Traffic calming projects (other than speed humps)	6	6	6	9
Arterial street pedestrian crossings designed	2	2	2	3
Arterial street pedestrian crossings constructed	1	2	1	3
Public outreach events held	8	8	8	9

Capital Improvements Program-Transit



Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Central Phoenix & East Valley Light Rail Transit	46,098,663	87,692,000	48,859,000	17,788,000		200,437,663
Transit Regional Maintenance Facility	10,854,033	21,595,957				32,449,990
Tempe Transit Center Midlife Scheduled Fleet Replacement	3,900,000	2,000,000				5,900,000
Bus Replacement and Purchase	2,935,000	1,683,000				4,618,000
Municipal Arts Program-Transit Curry Road Pedestrian Improvement Project	1,460,000			6,000,000	15,650,000	23,110,000
University Drive Pedestrian Improvement Project	668,077	1,185,560	523,790	254,880	186,500	2,818,807
Tempe Canal Multi Use Path: Phase II	560,000					560,000
College Ave. Streetscape & Pedestrian Improvements	560,000					560,000
Apache Boulevard-Mill/Terrace Western Canal Multi-Use Path	240,000	2,160,000				2,400,000
Rio Salado Multi-Use Path - Tempe/Phoenix	150,000	1,100,000	1,750,000			3,000,000
Mid-Block Crossing Treatments	50,000	200,000				250,000
Crosscut Canal		1,300,000				1,300,000
Transportation Management Center- Equipment		300,000	1,100,000			1,400,000
Broadway Road Streetscape & Pedestrian Improvements		300,000				300,000
		200,000		1,400,000		1,600,000
		25,000	670,025			695,025
				300,000	3,000,000	3,300,000
Total - Transit Projects	67,475,773	119,741,517	52,902,815	25,742,880	18,836,500	284,699,485

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Central Phoenix & East Valley Light Rail Transit				3,545,000	7,214,000	10,759,000
Transit Regional Maintenance Facility			984,271	1,015,051	1,046,829	3,046,151
Tempe Transit Center		85,325	88,312	91,403	94,602	359,642
Tempe Canal Multi-Use Path: Phase II			10,400	10,400	10,400	31,200
Western Canal Multi-Use Path			28,600	28,600	28,600	85,800
Rio Salado Multi-Use Path - Tempe/Phoenix					10,400	10,400
Crosscut Canal					5,200	5,200
Total - CIP Operating Impacts		85,325	1,111,583	4,690,454	8,410,031	14,297,393

*Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating and capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating and capital budgets.

Streets and Traffic Operations



The Streets and Traffic Operations Division, through its two sections – Street Maintenance and Traffic Operations – is responsible for the following work programs: 1) pavement marking and striping; 2) traffic signal maintenance and construction; 3) street lighting; 4) street sign fabrication, installation, and maintenance; 5) bus shelter maintenance; 6) alley reconstruction and maintenance; 7) street sweeping; 8) pavement management; 9) CIP project management/contract administration of annual street maintenance programs, including major and local street renovation and minor concrete improvements; 10) street repair; and 11) right-of-way maintenance, including graffiti removal and tree trimming.

2005-06 Highlights:

As construction of the light rail transit system through Tempe proceeds, the number of traffic signals to be maintained will increase. This budget cycle includes an additional Traffic Signal Technician I/II to keep pace with our signal maintenance responsibilities. Additionally, this budget includes funding to continue an aggressive street maintenance program on local and major streets, including routing of cracks, edge milling, and crack filling in preparation of pavement sealing.

2005-06 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for contracted services, pole painting, electricity, and water, sewer, and refuse expenses associated with the following capital projects: Street Light Upgrades/New Installations, New Signs/Modular Upgrades, and Streets Modular Trailer Expansion.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$2,917,420	\$3,237,446	\$3,123,621	\$3,315,833
Supplies and Services	1,892,014	1,983,793	1,991,167	2,093,273
Capital Outlay	254,874	373,800	273,800	368,326
Internal Services	1,908,570	2,030,461	1,986,750	1,982,920
Contributions	0	0	0	0
Expenditure Total	\$6,972,879	\$7,625,500	\$7,375,338	\$7,760,352
Per Capita	\$43.69	\$47.42	\$45.86	\$48.02

	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Street Maintenance	24			25			25		
Traffic Operations	26			24			25		
Total	50			49			50		



Related Strategic Issue: Transportation				
Goal: To perform preventative maintenance and/or minor construction on existing streets and alleys (paved and unpaved) to ensure safety to the public				
Objective: 1) To efficiently provide crack routing and sealing operations on all streets; and 2) keep all streets and paved alleys free of potholes, and to ensure that utility cuts are leveled out				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Street Maintenance (Construction)</i>				
Total O&M:				
Crack filling	\$382,775	\$422,292	\$406,338	\$452,351
Utility cut repairs	\$456,694	\$147,732	\$208,874	\$349,423
Asphalt milling	\$143,818	Complete	\$115,279	\$192,984
Square yards of crack seal installed	1,056,317	1,462,153	1,115,105	1,565,378
Street utility cuts repaired (square feet)	63,919	26,740	111,413	87,666
Asphalt milling (linear feet)	316,800	Complete	201,147	436,599
Cost per square yard of cracks filled	\$0.36	\$0.29	\$0.36	\$0.28
Cost per utility cut repaired (square feet)	\$7.14	\$5.52	\$1.87	\$3.99
Cost per square foot of asphalt milled	\$0.45	Complete	\$0.57	\$0.44

Related Strategic Issue: Transportation				
Goal: To provide safe and well-maintained streets for the citizens of Tempe				
Objective: To hold maintenance costs to under \$9.00 per curb mile swept				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Sweeping (Right-of-Way)</i>				
Total O&M				
Curbs miles of street swept	\$427,121	\$431,001	\$357,870	\$438,745
Cost per curb mile swept	50,324	50,324	41,935	50,324
	\$8.49	\$9.35	\$8.53	\$8.72

Related Strategic Issue: Transportation				
Goal: To reconstruct unimproved alleys, returning them to original grades, reducing dust particulates and providing adequate run off of storm water to ensure the safety for the public and City service vehicles				
Objective: 1) To improve alley roadways for City service vehicles; and 2) reconstruct 1,013,760 square feet (16 miles) of alley roadway per year				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Alley Reconstruction</i>				
Total O&M				
Square feet constructed	\$511,952	N/A	\$513,939	\$438,745
Cost per square foot*	441,522	N/A	421,890	50,324
Miles of alley	\$1.16	N/A	\$1.22	\$0.52
	7	N/A	7	16

Comparative Benchmark

* New measure



Related Strategic Issue: Transportation

Goal: To improve and ensure the safety and efficiency of the city's transportation system

Objective: 1) To paint 1.5M linear ft. of roadway striping and 300 crosswalks annually; 2) provide quality traffic signing along streets; 3) assure that traffic signals work as designed at all times by annually rewiring intersections and performing preventative maintenance on all traffic control cabinets twice annually; 4) perform preventative maintenance through the replacement of signs; and 5) replace structurally deficient street light poles

Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Lane lines striped annually (linear feet)	1,800,000	1,800,000	1,418,356	1,500,000
Crosswalks striped	485	485	286	300
Develop infrastructure management system	20%	Complete	Complete	Complete
Preventative maintenance of street signs	18	20	28	24
Intersections upgraded (rewired)	2	2	4	4
Traffic control cabinets upgraded	Complete	Complete	Complete	Complete
Traffic control cabinets preventative maintenance	360	360	370	378
Light Emitting Diode (LED) retrofits	5	Complete	Complete	Complete
Street light lamp upgrades* (mercury vapor to high pressure sodium)	41	0	3	10
Evaluate structural integrity of streetlights	0	0	0	0
Replace structurally deficient street poles	160	160	19	10

* Eliminated through Budget Reduction Program

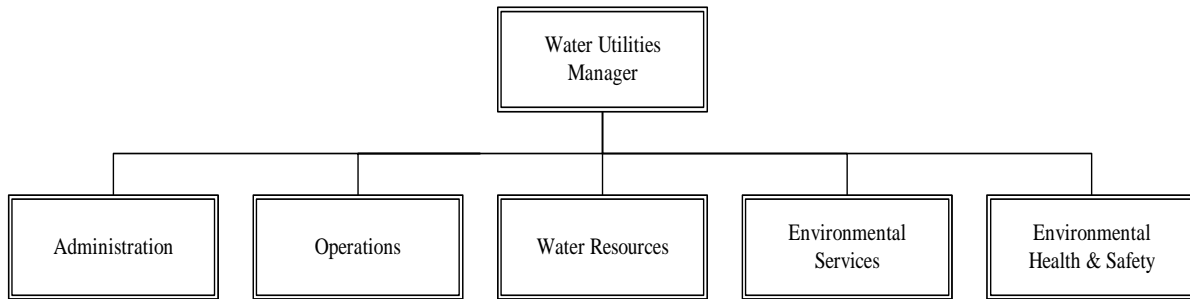
Capital Improvements Program-Streets and Traffic Operations



Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Streets						
Local and Major Street Reconstruction	2,051,316	1,129,156	1,059,156	896,469	973,354	6,109,451
Major Street Renovation	1,541,954	692,307	324,265	192,299	1,000,000	3,750,825
Local Street Renovation	1,255,062	553,948	605,045	398,818	562,500	3,375,373
Minor Concrete Improvements	325,000	162,500	162,500	162,500	162,500	975,000
Neighborhood Transportation Management	188,000	100,000	100,000	100,000	100,000	588,000
City Facilities Parking Lots	182,728	26,028	60,436	30,133	113,000	412,325
Streets Modular Trailer Expansion	164,420					164,420
5th and Farmer Railroad Sign Relocation	120,000					120,000
Bridge Maintenance	100,000	50,000	50,000	50,000	50,000	300,000
Various Street Landscaping	75,000	37,500	37,500	37,500	37,500	225,000
Minor Street and Alley Improvements	40,000	20,000	20,000	20,000	20,000	120,000
Streets Subtotal	6,043,480	2,771,439	2,418,902	1,887,719	3,018,854	16,140,394
Traffic Operations						
New Signals/Modular Upgrades	320,000	160,000	160,000	160,000	160,000	960,000
Utility Undergrounding	300,000	150,000	175,000	175,000	175,000	975,000
Streetlight Upgrades/New Installations	300,000	150,000	150,000	150,000	150,000	900,000
Antique Streetsign and Frames Replacement	25,000	12,500	12,500			50,000
Installation of ADA Pedestrian Push Buttons		12,500	12,500	12,500	12,500	50,000
Traffic Operations Subtotal	945,000	485,000	510,000	497,500	497,500	2,935,000
Total Streets and Traffic Projects	6,988,480	3,256,439	2,928,902	2,385,219	3,516,354	19,075,394

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Streets						
Streets Modular Trailer Expansion	4,800	4,800	4,800	4,800	4,800	24,000
Streets Operating Impacts	4,800	4,800	4,800	4,800	4,800	24,000
Traffic Signals-Street Lighting						
New Signals/Modular Upgrades	5,840	6,480	6,480	6,480	5,840	31,120
Streetlight Upgrades/New Installations	16,440	8,940	8,940	16,440	8,940	59,700
Traffic Operations Impacts	22,280	15,420	15,420	22,920	14,780	90,820
Total - CIP Operating Impacts	27,080	20,220	20,220	27,720	19,580	114,820

*Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating and capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating and capital budgets.



In December 2000, the City Council approved the establishment of a Water Utilities Department. This department consists of five major divisions: Administration, Operations, Water Resources, Environmental, and Environmental Health and Safety (EHS).

The Administration Division provides services to ensure that the utility remains competitive. This includes organizational development, legal and secretarial support, and operation of the City Warehouse.

The Operations Division is comprised of Plant Operations, Transmission & Collection, Technical Support and Engineering.

Water Resources is responsible for water resource management and planning, water rights and administration, water supply acquisition, the water conservation program and hydrology services.

The Environmental Division includes water regulatory compliance, laboratory services, administration of industrial pretreatment and stormwater programs, and managing environmental issues related to federal and state superfund sites within Tempe.

The EHS Division is responsible for the Household Product Collection Center, providing educational information on environmental issues and internal environmental health and safety training.

**2005-06 Highlights:**

Funding was approved for a Water Security Networked Video Server to provide additional security monitoring, to increase funding for the existing Residential Landscape Rebate Program, and to purchase a vehicle for the Stormwater Investigators. In addition, as part of the Water Utilities Department's succession planning, funding for two full-time Plant Operator positions was approved on a recurring basis through FY 2008-09.

2005-06 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for one full-time Plant Operator and one full-time Plant Electrician in conjunction with the Kyrene Water Reclamation Facility (KWRF) Expansion.

Expenditure by Type	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Personal Services	\$9,408,105	\$9,564,944	\$10,281,699	\$10,846,863
Supplies and Services	11,930,995	13,375,231	11,997,894	12,825,110
Capital Outlay	184,874	216,670	57,199	222,100
Internal Services	3,562,784	4,267,659	4,278,985	3,375,861
Contributions	1,000	500	1,000	0
Expenditure Total	\$25,087,758	\$27,425,004	\$26,616,777	\$27,269,934
Per Capita	\$157.18	\$170.53	\$165.51	\$168.73

Expenditures by Division	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Administration	\$4,527,758	\$5,079,884	\$5,080,242	\$4,216,435
Operations	17,262,897	18,752,583	17,846,703	19,281,498
Water Resources	682,727	1,157,457	1,023,496	1,073,629
Environmental Services	2,081,871	2,034,938	2,178,724	2,165,005
Environmental Health & Safety	532,505	400,142	487,612	533,367
Total	\$25,087,758	\$27,425,004	\$26,616,777	\$27,269,934

Authorized Personnel	2003-04 Actual			2004-05 Revised			2005-06 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	13		0.49	12		0.49	12		0.49
Operations	90			90			94		
Water Resources	4			4			4		
Environmental Services	20	0.5		20	0.5		20	0.5	
Environmental Health & Safety	3			4			4		
Total	130	0.5	0.49	130	0.5	0.49	134	0.5	0.49



Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To provide a safe and adequate domestic water supply to all citizens in Tempe, while at the same time minimizing cost				
Objective: 1) To monitor increases in water treatment costs for the Johnny G. Martinez and South Tempe Plants; and 2) maintain an O&M per 1,000 gallons treated under eighty cents				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Water Treatment</i>				
Total O&M	\$11,867,825	\$13,835,894	\$13,010,323	\$13,673,008
Number of customer accounts	41,813	41,642	41,532	41,532
Total gallons treated (Million gallons- MG)	17,920	18,810	17,000	18,000
<i>O&M per 1,000 gallons treated</i>	<i>\$0.66</i>	<i>\$0.74</i>	<i>\$0.77</i>	<i>\$0.76</i>
Percent Change		12.1%	16.7%	2.7%
O&M per customer account	\$283.83	\$307.09	\$313.26	\$329.22
Percent Change		8.2%	10.4%	7.2%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To maintain the water distribution system to assure an adequate supply of drinking water to our customers, and reduce the cost of maintaining the water distribution system				
Objective: 1) To maintain water distribution costs; and 2) retain the same response time				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Water Distribution</i>				
Total O&M	\$4,080,015	\$4,122,410	\$4,347,887	\$4,457,795
Number of miles of waterline	750.0	750.0	848.3	848.3
O&M per mile of distribution system	\$5,440	\$5,497	\$5,125	\$5,255
Percent Change		1.0%	(5.8%)	(4.4%)
Service calls responded to within 30 minutes and repaired in 24 hours	100%	100%	100%	100%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To reduce operating and maintenance costs of the wastewater collection system				
Objective: To achieve wastewater collection costs that are less than \$10,000				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
<i>Wastewater Collection</i>				
Total O&M	\$4,883,694	\$4,737,266	\$4,778,224	\$5,059,263
Miles of mains in collection system	500.0	500.0	502.2	502.2
O&M per mile	\$9,767	\$9,475	\$9,515	\$10,074
Percent Change		(3.0%)	(2.6%)	6.3%

Comparative Benchmark



Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To reduce water pollution by industrial enterprises from discharges into the wastewater collection system				
Objective: 1) To inspect each SIU (Significant Industrial User) twice per year; 2) sample each SIU eight days per year; and 3) reduce significant non-compliance with EPA and local regulations to 0%				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Number of SIU's	45	37	46	46
Total inspections	87	76	92	92
Number of sampling visits	755	488	700	544
Percent of permitted industries in significant non-compliance	2%	0%	0%	0%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To develop an ongoing Public Information program as required by the Environmental Protection Agency (EPA) in the 91st Avenue National Pollution Discharge Elimination System (NPDES) permit				
Objective: 1) To continue with the informational newsletter for industries operating in Tempe and prepare one for school age children; and 2) develop public information/pollution prevention outreach program for civic groups and local schools				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Total newsletters	5	5	5	5
Total brochures	4	4	4	4

Related Strategic Issue: Neighborhood Quality of Life and Public Safety				
Goal: To establish a hazardous waste management program for City facilities and operations				
Objective: To reduce by 25% the quantity of hazardous waste generated by City facilities				
Measures	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Amount of hazardous waste generated by				
City facilities (lbs.):*		10,000	74,731**	20,000
Recycled hazardous waste*		25%	3%	7%
Incinerated hazardous waste*		0%	5%	7%
Reduction of hazardous waste generated		25%	0%	25%

*New Measure in FY 2004-05

**In FY 2004-05, major reconstruction occurred at water facilities; chlorine was replaced with new water treatment chemicals, accounting for 75% of the material generated.

Capital Improvements Program-Water Utilities



Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Water						
Johnny G. Martinez Water Treatment Plant: 15 MGD Expansion	7,000,000	19,000,000	16,632,643	2,367,357		45,000,000
Apache Boulevard Waterline Replacement	3,500,000					3,500,000
Utility Services and Warehouse Building	2,200,000	425,000				2,625,000
Rural-Lemon-Terrace Water & Sewer Improvement	2,410,000					2,410,000
Enterprise Geographical Information System	900,000	900,000				1,800,000
WL Upgrades/Extensions	850,000	850,000	850,000	850,000	850,000	4,250,000
SCADA Remote Terminal Units Replacement	400,000					400,000
Distribution System Fittings	250,000	250,000	250,000	250,000	250,000	1,250,000
South Tempe Water Treatment Plant Capital Equipment Replacement	150,000	150,000	150,000	150,000	150,000	750,000
Johnny G. Martinez Water Treatment Plant Capital Equipment Replacement	150,000	150,000	150,000	150,000	150,000	750,000
CAP Capital Charge	126,000	126,000	126,000	126,000	126,000	630,000
Membrane Conversion at South Tempe Water Treatment Plant				10,000,000	10,000,000	20,000,000
New Production Wells				1,000,000		1,000,000
Update Integrated Master Plan			300,000			300,000
Water Projects Subtotal	17,936,000	21,851,000	18,458,643	14,893,357	11,526,000	84,665,000
Wastewater						
Kyrene Water Reclamation Facility Expansion	21,000,000					21,000,000
91st Avenue Wastewater Treatment Plant	12,500,000	6,500,000	16,000,000	16,500,000	13,500,000	65,000,000
Kyrene Reclaimed Water Transmission/Distribution Line	6,700,000					6,700,000
Southern Avenue Interceptor Rehabilitation/All Phases	1,114,688	1,114,688	537,125	537,125		3,303,626
Sewerline Upgrades and Extension	750,000	750,000	750,000	750,000	750,000	3,750,000
Wastewater Projects Subtotal	42,064,688	8,364,688	17,287,125	17,787,125	14,250,000	99,753,626
Total - Water/Wastewater Projects	60,000,688	30,215,688	35,745,768	32,680,482	25,776,000	184,418,626

Capital Improvements Program-Operating Impacts						
Project Title	2005-06	2006-07*	2007-08*	2008-09*	2009-10*	Total
Wastewater Program						
Kyrene Water Reclamation Facility Expansion	131,714	111,714	111,714	111,714	111,714	578,570
Total - CIP Operating Impacts	131,714	111,714	111,714	111,714	111,714	578,570

*Amounts for FY 2006-07 through FY 2009-10 represent estimates of future operating and capital costs based on the planned scope of the project, and are subject to future review, revision, and adoption in future operating and capital budgets.



Schedules and Summaries

This section includes the City's budget resolution, property tax information, budgetary units, and budget concepts along with personnel schedules and miscellaneous statistical data.



RESOLUTION NO. 2005.30

A RESOLUTION DETERMINING AND ADOPTING FINAL ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TEMPE FOR THE FISCAL YEAR BEGINNING JULY 1, 2005, AND ENDING JUNE 30, 2006, 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, 2005, 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 June 2, 2005, at which meeting any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures or tax levy, 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, 2005, and set an adoption date of June 16, 2005, to adopt the property tax rate, and

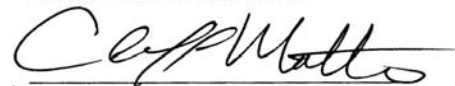
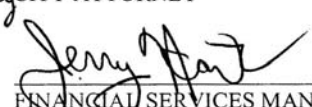
WHEREAS, the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Title 42, Section 17051, A.R.S., therefore be it

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 2005-2006.

PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 2nd day of June, 2005.


MAYOR

ATTEST: 
CITY CLERK

APPROVED AS TO FORM:

Deputy CITY ATTORNEY

FINANCIAL SERVICES MANAGER



ORDINANCE NO. 2005.35

AN ORDINANCE LEVYING SEPARATE AMOUNTS TO BE RAISED FOR PRIMARY AND SECONDARY PROPERTY TAX LEVIES UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF THE ASSESSED VALUATION OF PROPERTY SUBJECT TO TAXATION WITHIN THE CITY OF TEMPE FOR THE FISCAL YEAR ENDING JUNE 30, 2005; EFFECTIVE UPON ADOPTION.

PURSUANT to A.R.S. §42-17151, the ordinance levying taxes for Fiscal Year 2005-2006 is required to be adopted on or before the third Monday in August.

WHEREAS, the County of Maricopa is the assessing and collecting authority for the City of Tempe.

WHEREAS, Tempe City Charter Section 5.11 allows an ordinance necessary in connection with the adoption of the annual budget to be adopted and go into effect upon adoption.

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

Section 1: There is hereby levied on each One Hundred Dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation, a primary property tax rate, for general and administrative expenses of the City of Tempe. City of Tempe intends to adopt a primary property tax levy reflecting the 2005 allowable levy limit as determined by Maricopa County pursuant to the laws of the state of Arizona;

Section 2: In addition to the rate set in Section 1 hereof, there is hereby levied on each One Hundred Dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation, a secondary property tax rate equal to the difference between the primary tax rate, established in Section 1, and totaling \$1.4000.

Section 3: The combined tax rate as set forth in Sections 1 and 2 shall equal \$1.4000 per one hundred dollars (\$100.00) of assessed valuation of all property, real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation.

Section 4: Failure by the county officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Tempe upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien therefore or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

Section 5: All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 6: This ordinance shall become effective upon adoption.

Section 7: The Clerk of the City is directed to transmit a certified copy of this ordinance to the County Assessor and Board of Supervisors of Maricopa County.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this 16th day of June, 2005.

MAYOR [Signature]

ATTEST: [Signature] CITY CLERK

APPROVED AS TO FORM: [Signature] CITY ATTORNEY [Signature] FINANCIAL SERVICES MANAGER



Summary Schedule of Estimated Revenue and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/ Expenses 2004-05	Unaudited Actual Expenditures/ Expenses 2004-05	Fund Balance/ Retained Earnings 7-1-2005	Direct Property Tax Revenue 2005-06
General	\$125,500,350	\$124,641,295	\$41,167,650	\$9,345,934
Special Revenue	60,144,937	55,107,150	48,710,401	68,000
Debt Service	13,478,666	13,274,518	12,939,224	16,707,531
Capital Projects	176,983,222	126,670,575	26,593,567	0
Enterprise	61,007,565	56,771,702	60,740,328	0
Total	\$437,114,740	\$376,465,240	\$190,151,170	\$26,121,465

Fund	Estimated Revenue Other than Property Taxes 2005-06	Proceeds From Other Financing Sources 2005-06	Interfund Transfers 2005-06		Total Financial Resources Available 2005-06	Budgeted Expenditures/ Expenses 2005-06
			In	(Out)		
General	\$128,927,570	\$0	\$0	\$0	\$179,441,154	\$138,273,504
Special Revenue	70,527,457	0	0	(14,946,360)	104,359,498	59,927,996
Debt Service	676,495	0	3,700,000	(1,237,750)	32,785,500	14,411,213
Capital Projects	0	151,451,095	13,484,117	0	191,528,779	189,971,703
Enterprise	60,964,340	0		(1,000,007)	120,704,661	62,685,033
TOTAL	\$261,095,862	\$151,451,095	\$17,184,117	(\$17,184,117)	\$628,819,592	\$465,269,449

Expenditure Limitation Comparison

	2004-05	2005-06
1. Budgeted Expenditures/Expenses	\$437,114,740	\$465,269,449
2. Less: Estimated Exclusions*	(198,017,838)	(220,711,800)
3. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	239,096,902	244,557,649
4. Expenditure Limitation	\$239,096,902	\$244,557,649

* FY 2005-06 Estimate from the League of Arizona Cities and Towns.



Summary of Tax Levy and Tax Rate Information

	2004-05 Fiscal Year	Estimated 2005-06 Fiscal Year
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		\$9,413,934
2. Amount Received from Primary Property Taxation in the 2004-05 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))	\$0	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	8,792,691	9,413,934
B. Secondary Property Taxes	14,517,177	16,707,531
C. Total Property Tax Levy Amounts	\$23,309,868	\$26,121,456
4. Property Taxes Collected*		
A. Primary Property Taxes		
1. 2004-05 Levy	8,792,691	
2. Prior Years' Levies	0	
3. Total Primary Property Taxes	8,792,691	
B. Secondary Property Taxes		
1. 2004-05 Levy	14,517,177	
2. Prior Years' Levies	0	
3. Total Secondary Property Taxes	14,517,177	
C. Total Property Taxes Collected	23,309,868	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5293	0.5227
2. Secondary Property Tax Rate	0.8207	0.8773
3. Total City Tax Rate	\$1.3500	\$1.4000
B. Special District Tax Rates		
<p>*Secondary Property Tax Rates-As of the date proposed budget was prepared, the city was operating -0- special assessments districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city.</p>		



Summary by Fund of Revenue Other Than Property Taxes

Source of Revenue	Budgeted Revenue 2004-05	Estimated Revenue 2004-05	Budgeted Revenue 2005-06
General Fund			
Local Taxes			
City Sales Tax	\$61,011,600	\$64,254,000	\$66,170,000
Hotel Bed Tax	2,250,000	2,354,000	2,402,000
Franchise Taxes	1,732,700	1,297,700	1,328,567
Licenses and Permits			
Business Licenses	1,115,077	1,071,694	1,090,900
Intergovernmental Revenue			
State-Shared	28,297,635	28,661,000	32,139,707
County	5,600,000	6,100,000	6,100,000
Charges for Services	7,519,651	7,667,683	7,477,396
Fines and Forfeitures	5,154,793	5,886,372	6,012,750
Interest on Investments	2,188,068	2,880,044	3,569,155
Voluntary Contributions			
SRP In-Lieu Tax	500,000	500,000	500,000
Miscellaneous Revenue	2,846,010	2,247,007	2,137,095
Total General Fund	117,353,934	122,919,500	128,927,570
Special Revenue Funds			
Highway Users Revenue Fund			
Intergovernmental	10,903,791	11,161,497	13,789,041
Total Highway Users Revenue Fund	10,903,791	11,161,497	13,789,041
Local Transportation Assistance Fund (LTAF)			
Intergovernmental	550,152	550,152	535,456
Total LTAF	550,152	550,152	535,456
Transit Fund			
Transit Tax	26,858,153	27,102,000	27,996,400
Lottery Transfer In	285,700	271,000	263,730
ASU-Flash Transit	386,252	477,623	496,403
Interest Earned-Trust Investment	1,061,807	1,422,012	1,690,921
Miscellaneous Revenue	6,331,778	6,783,865	7,475,294
Total Transit Fund	34,923,690	36,056,500	37,922,748



Summary by Fund of Revenue Other Than Property Taxes

Source of Revenue	Budgeted Revenue 2004-05	Estimated Revenue 2004-05	Budgeted Revenue 2005-06
Rio Salado Fund			
City Sales Tax	223,000	353,000	364,600
Miscellaneous Revenue	286,604	1,119,012	302,900
Total Rio Salado Fund	509,604	1,472,012	667,500
Performing Arts Fund			
Performing Arts Tax/Interest Income	5,533,300	5,657,524	5,881,072
Total Performing Arts Fund	5,533,300	5,657,524	5,881,072
Community Dev. Block Grant (CDBG)	11,712,361	11,712,361	11,731,640
Total Special Revenue Funds	64,132,898	66,610,046	70,527,457
Debt Service Fund			
SRP In-Lieu Tax	673,800	673,800	676,495
Total Debt Service Fund	673,800	673,800	676,495
Enterprise Funds			
Cemetery			127,628
Golf	2,070,489	2,071,635	2,073,194
Water/Wastewater	45,408,216	44,850,963	45,953,569
Solid Waste	11,006,009	12,099,288	12,809,949
Total Enterprise Funds	58,484,714	59,021,886	60,964,340
TOTAL ALL FUNDS	\$240,645,346	\$249,225,232	\$261,095,862



Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources 2005-06	Interfund Transfers 2005-06	
		In	Out
Special Revenue Funds			
HURF/LTAF			\$(7,204,283)
Transit			(7,742,077)
Total Special Revenue Funds			(14,946,360)
Total Debt Service Fund		\$3,700,000	(1,237,750)
Capital Project Funds		13,484,117	
Bond/Note Proceeds	\$102,302,061		
CIP-Other Funding	49,149,034		
Total Capital Project Funds	151,451,095	13,484,117	
Enterprise Funds			
Water/Wastewater			(1,000,007)
Total Enterprise Funds			(1,000,007)
Total All Funds	\$151,451,095	\$17,184,117	\$(17,184,117)

Schedule E



Summary by Department of Expenditures/Expenses Within Each Fund

	Adopted Budgeted Expenditures/ Expenses 2004-05	Expenditure/ Expense Adjustments Approved 2004-05	Revised Expenditures/ Expenses 2004-05	Budgeted Expenditures/ Expenses 2005-06
General Fund				
Mayor and Council	\$399,500		\$399,500	\$386,716
City Manager	273,270	5,500	307,330	307,987
Community Relations	2,474,458	62,438	2,446,039	2,556,094
Diversity Program	442,187	90,702	542,287	558,314
Internal Audit	425,245		424,120	453,147
City Clerk	455,243		481,238	726,757
City Court	3,327,576	10,900	3,491,714	3,759,540
Human Resources	2,551,350	(105,997)	2,479,836	2,461,483
City Attorney	2,320,102		2,295,516	2,453,274
Financial Services	4,093,608	55,000	4,074,273	4,102,465
Development Services	7,092,231	228,700	6,767,018	4,987,775
Police	48,161,202	(5,541)	49,337,862	53,475,942
Fire	15,813,510	168,000	16,205,166	18,233,524
Community Services	17,863,289	73,828	17,483,893	18,281,121
Community Development				3,031,242
Public Works - General	13,603,422	184,013	13,217,840	15,113,763
Economic Development	769,371	80,000	758,260	
Non-Departmental	4,321,834	173,085	3,929,403	6,158,296
Contingencies	1,112,952	(462,250)		1,226,064
Total General Fund	125,500,350	558,378	124,641,295	138,273,504
Special Revenue Funds				
Highway Users Revenue Fund	8,287,572	18,130	8,162,055	8,656,870
Transit	32,166,810	5,230	30,154,141	31,118,922
CDBG	2,901,168		2,901,168	2,849,008
Section 8 Housing	8,811,193		8,811,193	8,882,632
Rio Salado	1,498,862		1,082,118	1,551,834
Performing Arts	6,479,332		3,996,475	6,868,730
Total Special Revenue Funds	60,144,937	23,360	55,107,150	59,927,996
Debt Service Fund				
Debt Service	13,478,666		13,274,518	14,411,213
Total Debt Service Fund	13,478,666		13,274,518	14,411,213
Capital Project Funds				
All Capital Project	176,983,222		126,670,575	189,971,703
Total Capital Project Funds	176,983,222		126,670,575	189,971,703
Enterprise Funds				
Water/Wastewater	47,773,817	291,172	43,902,601	47,720,279
Golf	2,480,484		2,138,875	2,071,538
Cemetery				290,248
Solid Waste	10,753,264		10,730,226	12,602,968
Total Enterprise Funds	61,007,565	291,172	56,771,702	62,685,033
Total All Funds	\$437,114,740	\$872,910	\$288,135,463	\$465,269,449



Accounting/Budgetary Basis

The City of Tempe's operating budget is legally adopted by Council resolution each fiscal year on a modified accrual basis, which is consistent with Generally Accepted Accounting Principles (GAAP). With modified accrual basis, revenue is recognized when it becomes available and measurable and expenditures as they are made. By contrast, Government-wide financial statements in the Comprehensive Annual Financial Report (CAFR) must be recorded on a full accrual basis. This is where revenue is recognized as soon as it is earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. Fund Statements, in the CAFR, are modified accrual basis for the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Project Funds and accrual basis for Enterprise funds.

Budget Units

- **Funds (Fund Accounting)**

The City's Operating Budget is organized by funds in conformity with GAAP with guidelines established by the Governmental Accounting Standards Board (GASB). The accounts of the City are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. With this account structure, the revenue and expenditures/expenses are budgeted and approved prior to the beginning of each fiscal year by a resolution passed by the City Council.

The various funds are grouped by two types, governmental fund and proprietary fund types. Governmental funds are those through which most governmental functions of the City are financed and include the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Project Funds. Proprietary funds are used to account for the City's organizations and activities which are similar to those often found in the private sector. The Enterprise Funds are the City's proprietary funds and include the

Water/Wastewater, Solid Waste, Golf and Cemetery Funds. The Comprehensive Annual Financial Report includes the combined financial statements of all funds.

- **Programs**

Presentation of the operating budget is also structured by programs which delineate budget expenditures in terms of broad goals and objectives. Major programs include 1) General Services, 2) Development Services, 3) Public Safety, 4) Environmental Health, 5) Community Services, and 6) Transportation.

Programs may transcend specific fund or departmental boundaries in that a program encompasses all associated activities, regardless of fund or department, directed toward the attainment of a general goal or objective. The relationship between programs and funds is presented in summary form in the Summaries Budget section as is their relation to the Departments and Divisions engaged in the pursuit of the respective goals and objectives.

- **Departments**

Finally, the Performance Budget section of the operating budget illustrates the distribution of budget appropriations along the major organization units of City departments and their divisions.



Changes to the Budget

- **Mid-Year Program/Personnel Adjustment Request**

Should the need arise for additional personnel or program enhancements during the fiscal year to meet some unforeseen need, a mid-year program/personnel request is submitted to Budget Office for a needs assessment and fiscal impact review. If after evaluation the request is approved and involves either additional personnel or the abolition of a position(s), the request is forwarded to either the relevant Council Committee or full Council with recommended action.

- **Budget Transfers**

The department should process a budget transfer request form anytime a shortfall is anticipated in a departmental subtotal budget. Budget transfers are no longer necessary to address a shortfall within summary account groups as long as sufficient monies are available in the subtotal departmental budget. The subtotal budget includes salaries and wages, fringe benefits, materials and supplies, fees and services, travel and other expenses, contributions, and capital outlay, and excludes internal services.

Only as a last resort are contingency monies used to fund a shortfall. Alternative courses of action should be sought before contingency monies will be considered. Purchase orders and requisitions will be held until the budget shortfall is addressed.

- **Transfer of Appropriation**

At any time during the fiscal year the Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency. Upon written request by the Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another (Section 5.08, City of Tempe Charter).

- **Permission to Exceed Budget**

In the event of an emergency, the Council may seek permission from the State Board of Tax Appeals (previously State Tax Commission) to exceed the adopted budget (Section 5.09, City of Tempe Charter).



- **Types of Budgeting**

Two separate budgets are adopted at the aggregate level for both the Operating and Capital Improvements Program and are then presented in program budget, performance and line-item form. The program budget portrays total and per capita expenditures along six broad programs or functions, including General Services, Development Services, Public Safety, Environmental Health, Community Services, and Transportation. This budget information is presented in the Budget Summaries section of the Annual Budget. The performance budget focuses on departmental and divisional goals and objectives. Benchmark and other workload data are collected to assess the effectiveness and efficiency of services. This information is published in the performance budget section of our Annual Budget. Finally, the line-item budget lists dollar amounts budgeted for each cost center and expenditure category and is published separately.

- **Level of Revenue and Expenditure Detail**

Revenue is presented at several levels within the revenue information section of the Annual Budget. Revenue is given by fund type (General Governmental, Special Revenue, and Enterprise), by revenue category, and by major source. Additionally, all key revenue is addressed in terms of a ten year history, underlying assumptions, and major influences with graphic illustration of the trends to facilitate review of the revenue patterns. Summary schedules of estimated revenue is also presented in the Schedules and Summaries section of the Annual Budget. Expenditures are presented at several levels of detail including information by line-item, organizational unit performance, program, and fund. Line-item detail of expenditures is given in the Annual Line-Item Budget. Performance, program, and fund level expenditure data are presented in the Annual Budget.

- **Relationship Between Budgeting and Accounting**

This budget is adopted on a basis consistent with GAAP, except for certain items which are adjusted on the City's accounting system at fiscal

year end. During the year, the City's accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored via accounting system reports on a monthly basis.

The major differences between this adopted budget and GAAP for governmental funds are: a) encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP); b) certain revenue and expenditures, not recognized for budgetary purposes are accrued (GAAP); c) supply inventory and self-insurance contributions are recognized as expenditures for budgetary purposes only. Enterprise Fund differences consist of the following: a) encumbrances are recorded as the equivalent of expenses (budget basis) as opposed to an expense of the following accounting period (GAAP); b) certain items, e.g., principal expense and capital outlay, are recorded as expenditures for budgetary purposes as opposed to adjustments of the appropriate balance sheet accounts (GAAP); and c) depreciation is recorded as an expense (GAAP) and not recognized for budgetary purposes.



Fund Structure

- **Governmental Funds**

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Debt Service Fund: Debt Service Funds are set up to receive dedicated revenue used to make principal and interest payments on City debt. They are used to account for the accumulation of resources and the payment of general obligation and special assessment debt principal, interest and related costs, except the debt service accounted for in the Special Revenue Funds and Enterprise Funds.

General Fund: The General Fund is the general operating fund of the City. It is used to account for all activities of the City not accounted for in some other fund.

Special Revenue Funds: Special Revenue Funds are established to account for legally restricted funding. Our Special Revenue Funds include the Performing Arts Fund, the Highway User Revenue Fund, the Local Transportation Assistance Fund, the Transit Fund, Community Development Block Grant and the Housing Assistance Fund.

- **Proprietary Funds**

Enterprise Funds: Enterprise Funds are used to account for operations including debt service that are: (a) financed and operated in a manner similar to private businesses, where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has determined that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public

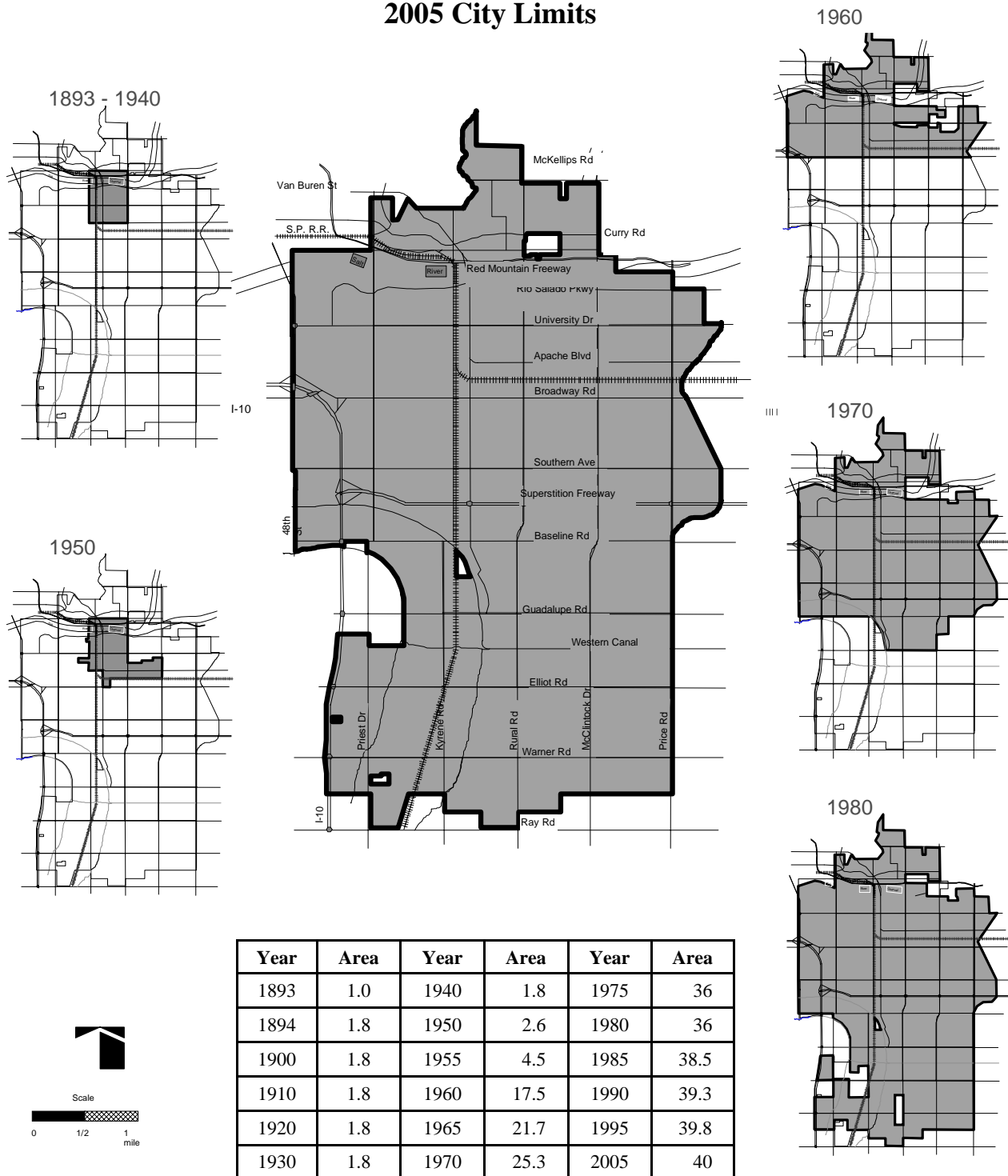
policy, management control, accountability, or other purposes. Our Enterprise Funds include the Water and Wastewater Fund, the Solid Waste Fund, the Cemetery Fund and the Golf Fund.

- **Fiduciary Funds**

Trust and Agency: Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.



2005 City Limits



Year	Area	Year	Area	Year	Area
1893	1.0	1940	1.8	1975	36
1894	1.8	1950	2.6	1980	36
1900	1.8	1955	4.5	1985	38.5
1910	1.8	1960	17.5	1990	39.3
1920	1.8	1965	21.7	1995	39.8
1930	1.8	1970	25.3	2005	40



Date of Incorporation - November 26, 1894
Date Charter Adopted - October 19, 1964
Form of Government - Council - Manager

Tempe is unique among valley cities, due to the youth of its population and education levels that exceed valley and state norms, with 72% of the population having at least some college and 40% with four or more years of college education. Tempe also stands out due to presence of the Tempe Town Lake, which provides both recreational and business opportunities for residents and visitors. The Hayden Ferry Lakeside office complex, Tempe Beach Park, and the Town Lake Marina will be joined by the Tempe Center for the Arts in May 2006. This project will further enhance the status of both the Lake and Tempe downtown as valley destinations. Tempe is currently home to Arizona State University, Fiesta Bowl, the Arizona Cardinals and the California Angels' spring training. Due to the selection of Phoenix as the headquarters for the International Genomics Consortium and the Translational Genomics Research Institute, the Arizona State University campus will be the site of the Arizona Biodesign Institute. The Institute's work in the field of biotechnical and biodesign research will put Tempe in the position to attract new businesses spawned by this research.





DEMOGRAPHICS

Area– Square Miles ⁽¹⁾

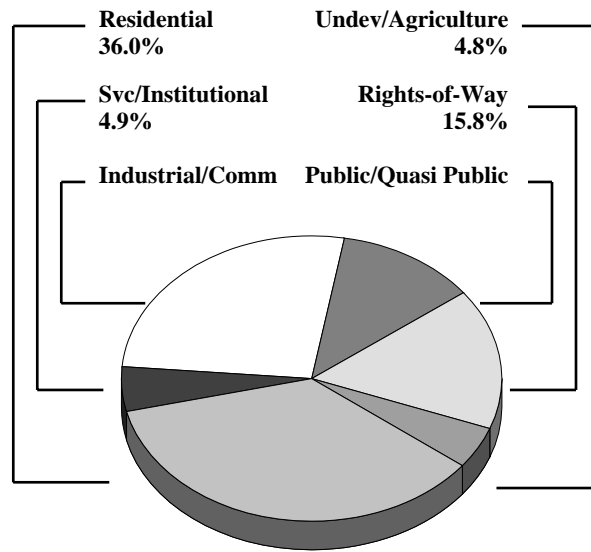
2005	40.0	1992	39.3
1999	39.8	1991	39.3
1998	39.8	1990	39.3
1997	39.8	1980	38.1
1996	39.8	1970	25.3
1995	39.8	1960	17.5
1994	39.8	1950	2.7
1993	39.6	1894	1.8

Land Use (1999)(%)⁽⁴⁾

Residential	36.0
Undeveloped/Agricultural	4.8
Rights-of-Way	15.8
Public/Quasi Public	12.1
Industrial/Commercial	26.4
Service/Institutional	4.9

Population ⁽²⁾

2004	AZ Dept. of Economic Security	160,820
2000	U.S. Census	158,625
1995	Interim Census	153,821
1990	U.S. Census	142,165
1985	Interim Census	132,942
1980	U.S. Census	106,743
1970	U.S. Census	63,550
1960	U.S. Census	24,897
1950	U.S. Census	7,906



Building Permits ⁽³⁾

	<u>Number</u>	<u>Value (\$000)</u>
2003-04	1,147	210,300
2002-03	1,313	199,570
2001-02	1,148	99,197
2000-01	1,417	262,266
1999-00	1,717	317,143
1998-99	1,905	304,600
1997-98	2,533	492,419
1996-97	1,984	406,821
1995-96	2,038	248,476
1994-95	2,291	275,409
1993-94	2,298	265,148

Elections ⁽⁵⁾

Registered voters	Primary	74,367
	General	73,352
Voter Turnout	Primary	18,591
	General	11,736
% Voting	Primary	25%
	General	16%

**DEMOGRAPHICS, continued****School Registration ⁽⁶⁾**

Tempe Elementary District	13,987
Tempe Union High School District	12,800
ASU University (Spring 2005)	49,171

Education Attainment (%) ⁽⁷⁾

4 years or more College	39.6
1-3 years College	32.5
High School degree	17.9
Less than High School degree	9.9

Major Employers⁽⁸⁾

Arizona State University	12,569
Wells Fargo Bank	6,601
Motorola, Inc.	4,779
Salt River Project	3,331
Honeywell	3,000
Chase Manhattan Corp.	2,377
Kyrene School District	2,205
Bank One Corp.	2,000
City of Tempe	1,693
Phillips 66 Company	1,500

Employment Trends⁽⁹⁾

	Employment	Unemployment Rate
2004	135,703	3.4%
2003	130,818	4.2%
2002	128,679	4.8%
2001	126,638	3.4%
2000	122,854	2.3%

Household Income (1999)(%) ⁽¹⁰⁾

Less than \$15,000	14.6
\$15,000 - \$34,999	25.5
\$35,000-\$49,999	17.3
\$50,000-\$100,000	30.0
\$100,000+	12.7

Median Household Income	\$42,361
-------------------------	----------

Occupational Composition (%) ⁽¹¹⁾

Sales and Office	29.4
Managerial and Professional	39.7
Service	14.6
Construction, Extraction, Maintenance	6.8
Production, Transportation, Material Moving	9.4
Farming, Forestry and Fishing	0.1

Industrial Composition (%) ⁽¹¹⁾

Agriculture, Forestry, Fishing, Hunting and Mining	0.1
Construction	5.2
Manufacturing	11.4
Wholesale trade	3.7
Retail trade	11.1
Transportation, Warehousing and Utilities	5.1
Information	3.6
Finance, Insurance, Real Estate, and Rental and Leasing	8.8
Professional, Scientific, Management, Administrative, and Waste Management Services	12.6
Educational, Health, and Social Services	19.4
Arts, Entertainment, Recreation, Accommodation, and Food Services	11.8
Other Services	3.6
Public Administration	3.7

**ECONOMICS****Property Tax Rate ⁽¹²⁾**

Primary	0.52
Secondary	0.88
Total	\$1.40

Largest Property Taxpayers ⁽¹³⁾

	% Secondary Assessed Value
Qwest Communications	2.11
Motorola, Inc.	1.71
Arizona Mills LLC	1.53
Arizona Public Service Company	1.16
AT&T	1.04
Britcher Arizona	0.86
State Farm Mutual Auto Insurance	0.71
Allied Signal	0.63
Phoenix Coca-Cola	0.48
Microchip Technology	0.47

City Sales Tax ⁽¹⁴⁾

1.8%

Bond Rating

Fitch	AAA
Standard and Poor's	AA+
Moody's	Aa1

Police ⁽¹⁵⁾

Sworn Personnel	339
Non-Sworn Personnel	185
Total	524

Avg. Emergency Response Time (min.) 4:43

Crime Index (CY 2004) 14,058

Part I Crime Per 1,000 Capita 86

Fire

Sworn Personnel	149
Non-Sworn Personnel	20
Total	169

Fire Stations 6

Avg. Emergency Response Time (min.) 4:21

Response to emergency medical incidents 13,300

Total emergency response incidents 15,400

Solid Waste

Residential Accounts Serviced	32,588
Commercial Accounts Serviced	2,332
Solid Waste Collected (tons)	165,286

Parks/Golf Courses

Developed Parks 46

Parks Acres Maintained 1,074

Municipal Golf Courses: 2

Rounds of Play:

Ken McDonald (18 holes) 83,670

Rolling Hills (9 holes) 86,065

Water/Wastewater

Active Accounts Serviced 40,822

Water Treated and Distributed (billions of gallons) 18.9

Sanitary Sewers (miles) 549

Source: (1) Area-Square Miles, City of Tempe-Development Services; (2) Population for 2004 based on estimate by Arizona Department of Economic Security; (3) Building Permits, City of Tempe-Development Services; (4) Land Use, City of Tempe-Development Services; (5) Elections, City of Tempe-City Clerk's Office; (6) School Registration, Tempe Elementary & High School District, ASU; (7) Education Attainment, 2000 U.S. Census; (8) Major Employers, City of Tempe-Community Development; (9) Employment Trends, Arizona Department of Economic Security; (10) Household Income, 1999 Special Census; (11) Occupational, Industrial Composition, 2000 U.S. Census; (12) Property Tax Rate, City of Tempe-Financial Services; (13) Largest Property Taxpayers, Maricopa County Treasurer (14) City Sales Tax, Bond Rating, City of Tempe-Financial Services; (15) Police, Fire, Solid Waste, Parks/Golf Courses, Water/Wastewater, City of Tempe Annual Budget-Performance Section.

Personnel Summary



Department	2003-04 Actual			2004-05 Budget			2004-05 Revised			2005-06 Budget		
	Full-Time	Perm FTE	Temp FTE	Full-Time	Perm FTE	Temp FTE	Full-Time	Perm FTE	Temp FTE	Full-Time	Perm FTE	Temp FTE
Mayor and Council	7			7			7			7		
City Manager	2		0.50	2		0.50	2		0.50	2		0.50
Diversity Program	3			3			3	0.50		4		
Internal Audit	4			4			4			4		
Community Relations	18		1.83	18		1.83	16		1.83	16		1.83
City Clerk	4		0.58	4		0.58	4		0.58	4		0.58
City Court	33		4.20	33		4.20	33	0.65	4.20	33	0.65	4.20
City Attorney	24	0.75	0.62	24	0.75	0.62	24	0.75	0.62	24	0.75	0.62
Financial Services	68	0.50	1.25	68	0.50	1.25	67	0.50	1.25	67	0.50	1.25
Economic Development	4			4			4		1.00			
Rio Salado	8		0.49	8		0.49	8		0.49			
Human Resources	18	0.50		18	0.50		18	0.50		18	0.50	
Information Technology	73			73			72			72		
Development Services	84		2.86	84		2.86	86		2.86	48		2.86
Police	515	1.00	6.25	515	1.00	6.25	515	1.00	6.25	524		6.25
Fire	156	1.00		156	1.00		156	1.00		169	1.00	1.00
Community Services	126	11.65	167.22	126	11.65	167.22	130	11.15	167.22	148	11.65	180.49
Community Development										50		1.49
Public Works												
Admin & Engineering	34		0.49	34		0.49	34		0.49	34		0.49
Field Services	212	0.50	8.69	212	0.50	8.69	211	0.50	8.69	211	1.00	8.69
Fleet Services	33		0.50	33		0.50	33		0.50	33		0.50
Transportation	87	0.50		87	0.50		88	0.50		91		
Total Public Works	366	1.00	9.68	366	1.00	9.68	366	1.00	9.68	369	1.00	9.68
Water Utilities	130	0.50	0.49	130	0.50	0.49	130	0.50	0.49	134	0.50	0.49
Sub Total	1,643	16.90	195.97	1,643	16.90	195.97	1,645	17.55	196.97	1,693	16.55	211.24
Total Personnel		1,855.87			1,855.87			1,859.52			1,920.79	

The number of full-time employees for FY 2005-06 totals 1,920.79 full-time equivalents (FTE), including 1,693 full-time, 16.55 permanent full-time equivalents, and 211.24 temporary full-time equivalent employees. This total translates to a 3.5% increase over the 1,855.87 full-time equivalents budgeted in FY 2004-05.

Public Works and Police account for over 47% of the total work force, representing 379.68 and 530.25 full-time equivalents in FY 2005-06.

Personnel Schedules



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
1110	MAYOR & COUNCIL					
	Mayor	99	1	1	1	1
	Council Member	98	6	6	6	6
	Mayor & Council Department Total Full-Time		7	7	7	7
	CITY MANAGER					
1210	Administration					
	City Manager	103	1	1	1	1
	Executive Assistant to the City Manager/Mayor II	28	1	1	1	1
	Administrative Intern*		0.5	0.5	0.5	0.5
	City Manager Department Total Full-Time		2	2	2	2
	City Manager Department Total Temp FTE*		0.50	0.50	0.50	0.50
1212	DIVERSITY					
	Diversity Manager	148	1	1	1	1
	Diversity Specialist	36	0	0	1	1
	ADA Accessibility Specialist	36	0	0	0	1
	Events Coordinator	31	1	1	0	0
	Executive Assistant	26	0	0	1	1
	Administrative Assistant II	16	1	1	0	0
	ADA Accessibility Specialist**		0.00	0.00	0.50	0.00
	Diversity Department Total Full-Time		3	3	3	4
	Diversity Department Total Perm FTE**		0.00	0.00	0.50	0.00
1213	INTERNAL AUDIT					
	Internal Audit Manager	161	1	1	1	1
	Internal Auditor	41	2	2	2	2
	Contract Administrator	31	1	1	1	1
	Internal Audit Department Total Full-Time		4	4	4	4
	COMMUNITY RELATIONS					
1219	Administration					
	Community Relations Manager	163	1	1	1	1
	Mayor's Chief of Staff	154	1	1	1	1
	Executive Assistant to the City Manager/Mayor II	30	1	1	1	1
	Mayoral/Council Aide II	30	1	1	1	1
	Mayoral/City Council Aide I	28	2	2	2	2
	Executive Assistant	26	1	1	1	1
	Management Intern	15	1	1	0	0
	Administrative Intern*		0.49	0.49	0.49	0.49
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		8	8	7	7
	Total Temp FTE*		0.98	0.98	0.98	0.98
1214	Communication & Media Relations					
	Communication & Media Relations Director	154	1	1	1	1



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Media Services Coordinator	40	1	1	1	1
	Communications Relations Coordinator	36	2	2	2	2
	Media Services Producer I/II+	29	2	2	2	2
	Media Services Assistant *		0.19	0.19	0.19	0.19
	Media Services Intern*		0.66	0.66	0.66	0.66
	Total Full-Time		<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
	Total Temp FTE*		<u>0.85</u>	<u>0.85</u>	<u>0.85</u>	<u>0.85</u>
1215	Neighborhood Program					
	Neighborhood Program Director	154	1	1	1	1
	Neighborhood Services Specialist	37	1	1	1	1
	Total Full-Time		<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
1216	Government Relations					
	Government Relations Director	154	1	1	1	1
	Management Assistant I/II+	35	1	1	0	0
	Total Full-Time		<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
	Community Relations Department Total Full-Time		<u>18</u>	<u>18</u>	<u>16</u>	<u>16</u>
	Community Relations Department Total Temp FTE*		<u>1.83</u>	<u>1.83</u>	<u>1.83</u>	<u>1.83</u>
1310	CITY CLERK					
	City Clerk	100	1	1	1	1
	Executive Assistant	26	3	3	3	3
	COE *		0.58	0.58	0.58	0.58
	City Clerk Department Total Full-Time		<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
	City Clerk Department Total Temp FTE*		<u>0.58</u>	<u>0.58</u>	<u>0.58</u>	<u>0.58</u>
1410	CITY COURT					
	Administration/Judicial Division					
	Presiding City Judge	114	1	1	1	1
	Court Manager	153	1	1	1	1
	City Judge	104	2	2	2	2
	Deputy Court Manager	45	2	2	2	2
	Hearing Officer	45	2	2	2	2
	Executive Assistant	26	1	1	1	1
	Court Interpreter	23	1	1	1	1
	Court Interpreter**		0.00	0.00	0.65	0.65
	<i>(Position funded by State Fill the Gap Grant)</i>					
	Total Full-Time		<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
	Total Perm FTE**		<u>0.00</u>	<u>0.00</u>	<u>0.65</u>	<u>0.65</u>
1411	Criminal Division					
	Court Services Supervisor	29	2	2	2	2
	Court Services Specialist I/II+	18	7	7	7	7
	COE*		2.1	2.1	2.1	2.1



Cost Center Position		2003-04	2004-05	2004-05	2005-06
		Range	Actual	Budget Revised	Budget
	Total Full-Time		9	9	9
	Total Temp FTE*		2.1	2.1	2.1
1412	Civil Division				
	Court Services Supervisor	29	3	3	3
	Court Services Specialist I/II+ COE*	18	11	11	11
			2.1	2.1	2.1
	Total Full-Time		14	14	14
	Total Temp FTE*		2.1	2.1	2.1
	City Court Department Total Full-Time		33	33	33
	City Court Department Total Perm FTE**		0.00	0.00	0.65
	City Court Department Total Temp FTE*		4.20	4.20	4.20
	CITY ATTORNEY				
1710	Legal Services				
	City Attorney	114	1	1	1
	Deputy City Attorney	60	1	1	1
	City Prosecutor	57	1	1	1
	Sr. Assistant City Attorney	56	0	0	1
	Assistant City Attorney	300	4	4	3
	Prosecutor I/II+	47	5	5	5
	Paralegal II+	29	1	1	1
	Legal Executive Assistant	28	1	1	1
	Administrative Support Supervisor	25	0	0	0
	Paralegal I+	25	1	1	1
	<i>(1 position 60% funded by General Fund / 40% by Victim's Rights Grants)</i>				
	Legal Specialist I/II+	19	1	1	1
	Senior Legal Assistant	19	1	1	0
	Legal Assistant	16	4	4	4
	Paralegal**		0.75	0.75	0.75
	Law Intern*		0.62	0.62	0.62
	Total Full-Time		21	21	21
	Total Perm FTE**		0.75	0.75	0.75
	Total Temp FTE*		0.62	0.62	0.62
3115	City Attorney/Water				
	Sr. Assistant City Attorney	56	0	0	1
	Assistant City Attorney	300	2	2	1
	Administrative Assistant II	16	1	1	1
	Total Full-Time		3	3	3
	City Attorney Department Total Full-Time		24	24	24
	City Attorney Department Total Perm FTE**		0.75	0.75	0.75
	City Attorney Department Total Temp FTE*		0.62	0.62	0.62



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
FINANCIAL SERVICES						
1810	Administration					
	Financial Services Manager	165	1	1	1	1
	Executive Assistant	26	1	1	1	1
	Total Full-Time		<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
1812	Budget					
	Deputy Financial Services Manager	158	1	1	1	1
	Lead Budget and Research Analyst	42	1	1	1	1
	Budget and Research Analyst I/II+	39	2	2	2	2
	Total Full-Time		<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
2621	Risk Management					
	Risk Manager	48	1	1	1	1
	Claims Officer - Liability	35	1	1	1	1
	Risk Management Specialist	20	0	0	1	1
	Administrative Assistant II	16	1	1	0	0
	Administrative Assistant II**	16	0	0	0.5	0.5
	Workers Compensation Rep***	15	0.5	0.5	0	0
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	Total Perm FTE**		<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
1831	Accounting					
	Accounting Administrator	51	1	1	1	1
	Accounting Supervisor	42	1	1	0	0
	Cash Management Specialist	39	1	1	1	1
	Senior Accountant	37	1	1	1	1
	Accountant	32	1	1	1	1
	Payroll Supervisor	32	1	1	1	1
	Payroll Specialist	20	1	1	1	1
	Financial Services Technician I/II+	18	4	4	4	4
	Accounting Assistant*		0.63	0.63	0.63	0.63
	Total Full-Time		<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>
	Total Temp FTE*		<u>0.63</u>	<u>0.63</u>	<u>0.63</u>	<u>0.63</u>
1832	Tax and Licensing					
	Tax and License Administrator	49	1	1	1	1
	License & Collections Supervisor	42	1	1	1	1
	Tax Audit Supervisor	42	1	1	1	1
	Tax Auditor I/II+	32	5	5	5	5
	Specialty Licenses Coordinator	31	1	1	1	1
	Tax Audit Analyst	27	1	1	1	1
	Revenue Compliance Officer I/II	25	3	3	3	3
	Financial Services Technician I/II+	18	4	4	4	4
	Total Full-Time		<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
1841	Customer Services					
	Deputy Financial Services Manager	158	1	1	1	1
	Customer Services Administrator	48	1	1	1	1
	Customer Services Office Supervisor	35	1	1	1	1
	Customer Services Field Supervisor	32	1	1	1	1
	Financial Services Technician I/II+	18	9	9	9	9
	Water Meter Reader Tech	13	1	1	1	1
	Water Meter Reader	10	6	6	6	6
	Total Full-Time		20	20	20	20
1851	Central Services/Purchasing					
	Central Services Administrator	49	1	1	1	1
	Procurement Officer	34	2	2	2	2
	Financial Services Technician I/II+	18	3	3	3	3
	Administrative Assistant II	16	1	1	1	1
	Unclassified Temporary-Office*		0.62	0.62	0.62	0.62
	Total Full-Time		7	7	7	7
	Total Temp FTE*		0.62	0.62	0.62	0.62
1852	Central Services/Duplicating & Supplies					
	Senior Reprographics Operator	22	2	2	2	2
	Reprographics Operator	14	1	1	1	1
	Distribution Clerk	8	1	1	1	1
	Total Full-Time		4	4	4	4
	Financial Services Department Total Full-Time		68	68	67	67
	Financial Services Department Total Perm FTE**		0.50	0.50	0.50	0.50
	Financial Services Department Total Temp FTE*		1.25	1.25	1.25	1.25
1870	Economic Development					
	Economic Development Manager	163	1	1	1	0
	Dep Economic Development Manager	157	0	0	1	0
	Technology Development Specialist	45	0	0	1	0
	Economic Development Specialist	43	1	1	0	0
	Retail Recruiter	43	1	1	0	0
	Executive Assistant	26	1	1	1	0
	COE*		0.00	0.00	1.00	0.00
	Economic Development Division Total Full-Time		4	4	4	0
	Economic Development Department Total Temp FTE*		0.00	0.00	1.00	0.00
4410	Economic Development - Rio Salado					
	Deputy Economic Development Manager	153	1	1	1	0
	Rio Salado Financial Analyst	40	0	0	1	0
	Senior Planner	39	1	1	1	0
	Community Relations Coordinator	36	1	1	1	0
	Management Assistant I/II+	35	2	2	1	0
	Administrative Assistant II	16	1	1	1	0
	COE*		0.49	0.49	0.49	0.00



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Total Full-Time		6	6	6	0
	Total Temp FTE *		0.49	0.49	0.49	0.00
4413	Rio Salado Park					
	Administrative Assistant I	10	2	2	2	0
	Total Full-Time		2	2	2	0
Rio Salado Division Total Full-Time			8	8	8	0
Rio Salado Division Total Temp FTE*			0.49	0.49	0.49	0.00
HUMAN RESOURCES						
1911	Human Resources -Administration					
	Human Resources Manager	163	1	1	1	1
	Deputy Human Resources Manager	155	1	1	1	1
	Employee Benefits Administrator	44	1	1	1	1
	Sr./Human Resources Analyst +	40	4	4	4	4
	Sr./Benefits Coordinator +	34	0	0	1	1
	Human Resources Specialist	29	0	0	1	1
	Executive Assistant	26	1	1	1	1
	Benefits Specialist	22	1	1	1	1
	Human Resources Technician I/II+	22	6	6	4	3
	Administrative Assistant II	16	1	1	1	1
	Human Resources Technician I/II+**		0	0	0	0.5
	Human Resources Analyst I/II+**		0.5	0.5	0.5	0.0
	Total Full-Time		16	16	16	15
	Total Perm FTE**		0.5	0.5	0.5	0.5
1920	Tempe Learning Center					
	Org Development Administrator	48	1	1	1	1
	Management Assistant I/II+	35	1	1	1	1
	Administrative Assistant I	10	0	0	0	1
	Total Full-Time		2	2	2	3
Human Resources Department Total Full-Time			18	18	18	18
Human Resources Department Total Perm FTE**			0.5	0.5	0.5	0.5
INFORMATION TECHNOLOGY						
1981	Information Technology/Administration					
	Information Technology Manager	163	1	1	1	1
	Deputy Information Tech Manager	157	2	2	2	2
	Executive Assistant	26	1	1	1	1
	Total Full-Time		4	4	4	4
1982	Information Technology/Customer Support					
	PC Services Supervisor	47	1	1	1	1
	Sr. PC Services Consultant	39	1	1	2	2
	PC Services Consultant I/II+	33	6	6	5	5
	Total Full-Time		8	8	8	8



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
1983	Information Technology/Technical Services					
	System Network Supervisor	49	1	1	1	1
	Data Center & Network Operations Supervisor	48	1	1	1	1
	Sr. Enterprise Network Engineer	45	2	2	1	1
	Sr. Tech Support	44	0	0	2	2
	Technical Support Analyst	41	0	0	3	4
	Enterprise Network Engineer I/II+	41	5	5	4	4
	Production Control Coordinator	33	1	1	1	1
	Senior Data Center Support Specialist	27	1	1	1	1
	Data Center Support Specialist	23	3	3	3	3
	Total Full-Time		14	14	17	18
1984	Information Technology/Application Services					
	Application Services Supervisor	51	1	1	1	1
	IT Project Coordinator	50	1	1	1	1
	Business Analyst	49	8	8	8	8
	<i>(1 position funded by Water/Wastewater)</i>					
	Database Administrator	48	3	3	3	2
	Webmaster	48	2	2	2	2
	Customer Support Supervisor	47	1	1	1	1
	Senior Programmer Analyst	47	9	9	9	10
	<i>(1 position funded by Water/Wastewater)</i>					
	Programmer Analyst I/II+	42	6	6	6	6
	<i>(1 position funded by Water/Wastewater)</i>					
	IT Training Coordinator	39	1	1	1	1
	Customer Support Specialist I/II+	31	5	5	5	5
	Total Full-Time		37	37	37	37
1985	Information Technology/Telecommunications					
	Telecommunications Supervisor	46	1	1	0	0
	Enterprise Network Engineer II	41	3	3	0	0
	Telecommunications Operations Supervisor	40	1	1	1	1
	Management Assistant I/II+	35	0	0	1	1
	Sr Communication Network Technician	31	1	1	1	1
	Communication Network Technician	28	3	3	3	2
	Administrative Assistant II	16	1	1	0	0
	Total Full-Time		10	10	6	5
Information Technology Department Total Full-Time			73	73	72	72
DEVELOPMENT SERVICES						
2710	Development Services - Administration					
	Development Services Manager	165	1	1	1	1
	Principal Planner	47	0	0	1	0
	Senior Planner	39	0	0	1	1
	Management Assistant I/II+	35	0	0	1	1
	Planner I/II+	34	0	0	1	0
	Executive Assistant	26	0	0	1	1
	Total Full-Time		1	1	6	4



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
2721	Building Safety and Permits					
	Deputy Dev Services Manager-BS	157	1	1	0	0
	Plan Check Administrator	45	1	1	0	0
	Bldg. Inspection Superintendent	40	1	1	0	0
	Senior Plan Check Engineer	39	2	2	0	0
	Sr Building Inspector	36	1	1	0	0
	Plan Check Engineer	35	4	4	0	0
	Permits Center Supervisor	36	1	1	0	0
	Plans Examiner	32	2	2	0	0
	Building Code Complaint Investigator	31	1	1	0	0
	Building Inspector I/II+	31	6	6	0	0
	Executive Assistant	26	1	1	0	0
	Sign Code Inspector	25	1	1	0	0
	Planning Code Inspector I/II	25	1	1	0	0
	Dev Services Specialist I/II +	22	5	5	0	0
	Administrative Assistant II	16	1	1	0	0
	Dev Services Specialist I/II + *		1	1	0	0
	Total Full-Time		29	29	0	0
	Total Temp FTE*		1	1	0	0
2722	Planning/Building Safety-Administration					
	Deputy Dev Services Manager-Dev.	157	0	0	1	1
	Administrative Assistant I/II+	16	0	0	4	4
	Total Full-Time		0	0	5	5
2723	Inspection					
	Building Inspection Supt	41	0	0	1	1
	Sr. Building Inspector	37	0	0	1	1
	Building Code Complaint Investigator	33	0	0	1	1
	Building Inspector I/II+	31	0	0	6	6
	Code Inspector I/II+	26	0	0	2	2
	Administrative Assistant II	16	0	0	1	1
	Total Full-Time		0	0	12	12
2724	Current and Advanced Planning					
	Principal Planner	47	0	0	2	2
	Sr. Planner	39	0	0	3	3
	Planner I/II+	34	0	0	7	7
	COE*		0.00	0.00	1.86	1.86
	Total Full-Time		0	0	12	12
	Total Temp FTE*		0.00	0.00	1.86	1.86
2725	Customer Service Counter					
	Permit Center Supervisor	35	0	0	1	1
	Development Services Specialist I/II+	22	0	0	5	5
	Dev Services Specialist I/II+*		0.00	0.00	1.00	1.00
	Total Full-Time		0	0	6	6
	Total Temp FTE*		0.00	0.00	1.00	1.00



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
2726	Plan Check					
	Plan Check Administrator	47	0	0	1	1
	Sr. Plan Check Engineer	41	0	0	2	2
	Plan Check Engineer	37	0	0	4	4
	Plans Examiner	32	0	0	2	2
	Total Full-Time		<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>
2731	Planning					
	Principal Planner	45	2	2	0	0
	Senior Planner	39	4	4	0	0
	Planner I/II+	34	7	7	0	0
	Administrative Assistant II	16	3	3	0	0
	COE*		1.86	1.86	0.00	0.00
	Total Full-Time		<u>16</u>	<u>16</u>	<u>0</u>	<u>0</u>
	Total Temp FTE*		<u>1.86</u>	<u>1.86</u>	<u>0.00</u>	<u>0.00</u>
2732	Code Compliance					
	Code Enforcement Manager	40	1	1	1	0
	Senior Code Inspector Specialist	32	1	1	1	0
	Senior Code Inspector	27	1	1	1	0
	Code Inspector I/II+	26	8	8	8	0
	Administrative Assistant II	16	1	1	0	0
	Administrative Assistant I	8	1	1	0	0
	Total Full-Time		<u>13</u>	<u>13</u>	<u>11</u>	<u>0</u>
2733	Redevelopment/Special Projects					
	Principal Planner	45	0	0	2	0
	Senior Planner	39	0	0	3	0
	Planner I/II+	34	0	0	2	0
	Total Full-Time		<u>0</u>	<u>0</u>	<u>7</u>	<u>0</u>
2734	Redevelopment/Revitalization					
	Administrative Assistant II	16	0	0	1	0
	Administrative Assistant I	10	0	0	1	0
	Total Full-Time		<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>
2741	Redevelopment, Neighborhood Planning & Urban Design					
	Deputy Dev Svcs Manager - Comm. Design & Dev.	157	1	1	0	0
	Principal Planner	45	3	3	0	0
	Senior Planner	39	3	3	0	0
	(2 positions funded by Federal Grant)					
	Planner I/II+	34	3	3	0	0
	Administrative Assistant II	16	1	1	0	0
	Total Full-Time		<u>11</u>	<u>11</u>	<u>0</u>	<u>0</u>
2761- 2779	Housing Services Division					
	Dep Dev Svcs Manager - Housing Svcs	157	1	1	1	0
	Housing Services Supervisor	40	1	1	1	0
	Accountant	32	1	1	1	0



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
	Homeless Coordinator	31	1	1	1	0
	Rehabilitation Specialist	27	0	0	3	0
	Family Self Sufficiency Specialist	27	1	1	2	0
	Housing Services Specialist (CDBG & HOME)	25	3	3	0	0
	Housing Services Specialist (Section 8)	21	5	5	6	0
	Administrative Assistant II	16	1	1	1	0
	Total Full-Time		14	14	16	0
Development Services Department Total Full-Time			84	84	86	48
Development Services Department Total Temp FTE*			2.86	2.86	2.86	2.86
POLICE						
2210	Office of the Chief					
	Police Chief	167	1	1	1	1
	Fiscal-Research Administrator	44	1	1	1	1
	Management Assistant II	35	2	2	2	2
	Crime Analyst I/II+	31	3	3	3	3
	Executive Assistant	26	1	1	1	1
	Alarm Coordinator	21	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Police Records Clerk II	16	1	1	1	1
	Administrative Assistant I	10	1	1	1	1
	Assistant City Attorney	300	0	0	0	1
	Total Full-Time		12	12	12	13
2222	RICO					
	Police Officer - CIB Detective <i>(Funded through FY 06-07)</i>	29	0	0	0	1
	Total Full-Time		0	0	0	1
2231	Detention Facility					
	Operational Support Administrator	48	1	1	1	1
	Police Identification Supervisor	31	1	1	1	0
	Detention Supervisor	29	6	6	6	6
	Police Property Supervisor	28	1	1	1	1
	Police ID Technician	22	5	5	5	0
	Detention Officer	19	19	19	19	20
	Police Property Technician	18	5	5	5	5
	Fingerprint Technician	17	2	2	2	0
	Detention Officer**		1	1	1	0
	Total Full-Time		40	40	40	33
	Total Perm FTE**		1.0	1.0	1.0	0.0
2232	Communications Bureau					
	Police Communications Administrator	42	1	1	1	1
	Police Communications Shift Supvr.	32	6	6	6	6
	Police Communications Dispatcher I/II+ <i>(2 overhires are non-recurring through FY 05-06)</i>	22	36	36	36	38
	Total Full-Time		43	43	43	45



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
2233	Records Bureau					
	Records Administrator	42	1	1	1	1
	Senior Police Records Clerk	24	3	3	3	3
	Police Records Clerk II	16	15	15	15	15
	Administrative Assistant I	10	1	1	1	1
	Police Records Clerk I	8	8	8	8	8
	COE*		1.00	1.00	1.00	1.00
	Total Full-Time		28	28	28	28
	Total Temp FTE*		1.00	1.00	1.00	1.00
2235	Identification Unit					
	Police Identification Supervisor	31	0	0	0	1
	Police ID Technician	22	0	0	0	5
	Fingerprint Technician	17	0	0	0	2
	Total Full-Time		0	0	0	8
2236	Crime Prevention					
	Police Sergeant	37	1	1	1	1
	Crime Free Multi-Housing Coordinator	29	1	1	1	1
	Police Officer	29	5	5	5	4
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		8	8	8	7
2241	Investigations/Criminal Investigations					
	Assistant Police Chief	160	1	1	1	1
	Police Commander	54	1	1	1	1
	Police Sergeant	37	6	6	6	6
	Police Officer	29	39	39	39	38
	Administrative Support Supervisor	25	1	1	1	1
	Police Community Service Officer	20	3	3	3	3
	Police Investigative Asst.	16	3	3	3	3
	Administrative Assistant II	16	1	1	1	1
	COE*		1.26	1.26	1.26	1.26
	Total Full-Time		55	55	55	54
	Total Temp FTE*		1.26	1.26	1.26	1.26
2242	Investigations/Traffic Investigations					
	Police Commander	54	1	1	1	1
	Police Sergeant	37	5	5	5	5
	Police Officer	29	25	25	25	25
	Administrative Assistant II	16	1	1	1	2
	Administrative Assistant I	10	1	1	1	0
	Traffic Enforcement Aide	10	7	7	7	7
	Total Full-Time		40	40	40	40
2243	SEU					
	Police Commander	54	1	1	1	1
	Police Sergeant	37	5	5	5	5



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06	
			Actual	Budget	Revised	Budget	
	Criminal Intelligence Analyst	31	1	1	1	1	
	Police Officer	29	22	22	22	23	
	<i>(1 position is a Senior Intelligence Officer)</i>						
	Police Community Service Officer	20	1	1	1	1	
	Police Investigative Assistant	16	1	1	1	1	
	Administrative Assistant II	16	1	1	1	1	
	Total Full-Time		32	32	32	33	
2248	Downtown Unit						
	Police Commander	54	1	1	1	1	
	Police Sergeant	37	3	3	3	3	
	Police Officer	29	16	16	16	13	
	Police Licensing Specialist	26	1	1	1	1	
	Total Full-Time		21	21	21	18	
2251	Administration						
	Assistant Chief	160	1	1	1	1	
	Police Commander	54	1	1	1	1	
	Police Sergeant	37	8	8	8	8	
	Management Assistant I/II	35	1	1	1	1	
	Police Polygraph Examiner I/II+ <i>(1 position sworn, 1 non-sworn)</i>	34	2	2	2	2	
	Volunteer Coordinator	31	1	1	1	1	
	Police Officer	29	4	4	4	5	
	Policy Procedures Officer	29	1	1	1	1	
	Administrative Assistant II	16	2	2	2	2	
	Administrative Assistant I	10	1	1	1	1	
	COE*		0.7	0.7	0.7	0.7	
	Total Full-Time		22	22	22	23	
	Total Temp FTE*		0.7	0.7	0.7	0.7	
2258	Rio Salado - Park Rangers						
	Park Ranger	13	6	6	6	6	
	Total Full-Time		6	6	6	6	
2259	Rio Salado - Sworn						
	Police officer	29	5	5	5	5	
	Total Full-Time		5	5	5	5	
2271	Patrol-Administration						
	Assistant Police Chief	160	1	1	1	1	
	Police Commander	54	1	1	1	0	
	Police Sergeant	37	2	2	2	2	
	Police Officer	29	1	1	1	1	
	Administrative Assistant II	16	2	2	2	2	
	Administrative Assistant I	10	2	2	2	2	
	Police Reserves*		0.16	0.16	0.16	0.16	
	Service Aide*		2.5	2.5	2.5	2.5	



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
	COE*		0.63	0.63	0.63	0.63
	Total Full-Time		9	9	9	8
	Total Temp FTE*		3.29	3.29	3.29	3.29
2272	Patrol					
	Police Commander	54	5	5	5	6
	Police Sergeant	37	23	23	23	24
	Police Officer	29	137	137	137	140
	Police Community Service Officer	20	10	10	10	10
	Total Full-Time		175	175	175	180
2273	City Security Team					
	Police Sergeant	37	2	2	2	1
	<i>(.5 funded by Rio Salado Fund)</i>					
	Park Ranger	13	9	9	9	9
	Total Full-Time		11	11	11	10
2274	Recruits					
	Police Officer	29	8	8	8	12
	<i>(4 Police Officers non-recurring through FY 05-06)</i>					
	Total Full-Time		8	8	8	12
	Police Department Total Full-Time		515	515	515	524
	Police Department Total Perm FTE**		1.0	1.0	1.0	0.0
	Police Department Total Temp FTE*		6.25	6.25	6.25	6.25
	FIRE					
2310	Administration					
	Fire Chief	165	1	1	1	1
	Assistant Fire Chief	158	1	1	1	1
	Fire Battalion Chief	48	3	3	3	3
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		6	6	6	6
2330	Fire Prevention					
	Fire Marshal	49	1	1	1	1
	Fire Inspector I/II+	35	7	7	7	7
	Fire Education Specialist	22	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Unclassified Temporary*		0.0	0.0	0.0	1.0
	Total Full-Time		11	11	11	11
	Total Temp FTE*		0.0	0.0	0.0	1.0
2340	Fire Emergency Services					
	Fire Captain	35	30	30	30	30
	Fire Engineer	30	33	33	33	33
	Firefighter	26	62	62	62	74
	<i>(12 overhires authorized through FY 05-06)</i>					
	<i>(57 Firefighter, Engineer or Captain positions are paramedic assignment)</i>					
	Total Full-Time		125	125	125	137



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
2350	Training/Professional Development					
	Fire Battalion Chief	48	1	1	1	1
	Fire Captain - Assgt.	37	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
2363	Fire Apparatus Maintenance					
	Senior Fire Mechanic	33	1	1	1	1
	Fire Mechanic	28	1	1	1	1
	Inventory Services Specialist **	16	0.5	0.5	0.5	0.5
	Total Full-Time		<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	Total Perm FTE**		<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
2361 (2364)	Support Services - Administration					
	Fire Battalion Chief	48	1	1	1	1
	Fire Services Inventory Technician	24	1	1	1	1
	Fire Support Services Technician	16	1	1	1	1
	Service Aide **		0.50	0.50	0.50	0.50
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	Total Perm FTE**		<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
2370	Medical Services					
	Fire Battalion Chief	48	1	1	1	1
	Fire Captain - Paramedic-Assgt.	38	1	1	1	1
	Emergency Medical Services Coordinator	33	1	1	1	1
	Medical Transport Contract Supervisor	28	0	0	0	1
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>
2380	Special Operations					
	Fire Battalion Chief	48	1	1	1	1
	Haz Mat Program Specialist (Position funded by Water/Wastewater)	37	1	1	1	1
	Fire Captain - Paramedic-Assgt.	35	1	1	1	1
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	Fire Department Total Full-Time		156	156	156	169
	Fire Department Total Perm FTE**		1.00	1.00	1.00	1.00
	Fire Department Total Temp FTE*		0.00	0.00	0.00	1.00
COMMUNITY SERVICES						
2410	Administration					
	Community Services Manager	165	1	1	1	1
	Volunteer Coordinator	31	1	1	1	1
	Executive Assistant	26	1	1	1	1
	Unclassified Temporary*		0.52	0.52	0.52	0.52
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	Total Temp FTE*		<u>0.52</u>	<u>0.52</u>	<u>0.52</u>	<u>0.52</u>



Cost Center Position		2003-04	2004-05	2004-05	2005-06	
		Range	Actual	Budget Revised	Budget	
2421	Recreation/Administration					
	Dep Comm. Svs. Mgr. - Parks & Rec	159	1	1	1	
	Management Assistant II+	35	1	1	1	
	Recreation Coordinator	31	1	1	1	
	Community Services Registration Tech	19	1	1	1	
	Administrative Assistant II	16	3	3	3	
	Administrative Assistant II**		1.50	1.50	0.75	0.75
	Unclassified Temporary*		0.22	0.22	0.22	0.22
	Total Full-Time		7	7	7	7
	Total Perm FTE**		1.50	1.50	0.75	0.75
	Total Temp FTE*		0.22	0.22	0.22	0.22
2422 (2483)	Recreation/Community Events					
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	1	1	2	2
	Assistant Recreation Coordinator	23	1	1	1	0
	Unclassified Temporary*		1.18	1.18	1.18	1.18
	Total Full-Time		3	3	4	3
	Total Temp FTE*		1.18	1.18	1.18	1.18
2423	Recreation/Special Populations					
	Senior Recreation Coordinator	35	1	1	1	1
	Asst. Recreation Coordinator	23	1	1	2	2
	Administrative Assistant II	16	1	1	1	1
	Unclassified Temporary*		2.87	2.87	2.87	2.87
	Total Full-Time		3	3	4	4
	Total Temp FTE*		2.87	2.87	2.87	2.87
2424	Recreation/Rec. Instructional					
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	3	3	2	2
	Assistant Recreation Coordinator	23	0	0	0	1
	Recreation Leader III*		1.93	1.93	1.93	1.93
	Unclassified Temporary*		4.72	4.72	4.72	4.72
	Total Full-Time		4	4	3	4
	Total Temp FTE*		6.65	6.65	6.65	6.65
2425	Recreation/Youth Sports					
	Social Services Coordinator	31	0	0	1	0
	Recreation Coordinator	31	2	2	1	2
	Unclassified Temporary*		3.84	3.84	3.84	3.84
	Total Full-Time		2	2	2	2
	Total Temp FTE*		3.84	3.84	3.84	3.84
2426	Recreation/Adult Sports					
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	2	2	2	2
	Unclassified Temporary*		3.89	3.89	3.89	3.89
	Total Full-Time		3	3	3	3
	Total Temp FTE*		3.89	3.89	3.89	3.89



Cost Center Position	Range	2003-04	2004-05	2004-05	2005-06
		Actual	Budget	Revised	Budget
2427 Recreation Resources					
Recreation Coordinator	31	1	1	1	1
Unclassified Temporary*		4.1	4.1	4.1	4.1
Total Full-Time		1	1	1	1
Total Temp FTE*		4.1	4.1	4.1	4.1
2429 Recreation/Diablo Stadium Operation					
Senior Recreation Coordinator	35	1	1	1	1
Unclassified Temporary*		2.41	2.41	2.41	2.41
Total Full-Time		1	1	1	1
Total Temp FTE*		2.41	2.41	2.41	2.41
2431 Recreation/Kiwanis Center					
Community Services Supervisor	39	1	1	1	1
Recreation Coordinator	31	1	1	2	1
Asst. Recreation Coordinator	23	2	2	2	2
Administrative Assistant II	16	1	1	2	2
Administrative Assistant II**		1.75	1.75	0.75	0.75
Recreation Leader I*		0.75	0.75	0.75	0.75
Recreation Worker*		0.50	0.50	0.50	0.50
Unclassified Temporary*		18.46	18.46	18.46	18.46
Total Full-Time		5	5	7	6
Total Perm FTE**		1.75	1.75	0.75	0.75
Total Temp FTE*		19.71	19.71	19.71	19.71
2432 Recreation/Kiwanis Concession					
Unclassified Temporary*		1.99	1.99	1.99	1.99
Total Temp FTE*		1.99	1.99	1.99	1.99
2433 Recreation/Aquatics					
Community Services Supervisor	39	1	1	1	1
Recreation Coordinator	31	1	1	1	1
Swimming Pool Maint Mechanic	27	1	1	1	1
Swimming Pool Maint Technician	21	1	1	1	1
Unclassified Temporary*		18.08	18.08	18.08	18.08
Total Full-Time		4	4	4	4
Total Temp FTE*		18.08	18.08	18.08	18.08
2434 Adapted Recreation					
Senior Recreation Coordinator	35	0	0	1	1
Total Full-Time		0	0	1	1
2435 Recreation/Kiwanis Batting Cage					
Batting Cage Coordinator	27	1	1	1	1
Unclassified Temp*		2.41	2.41	2.41	2.41
Total Full-Time		1	1	1	1
Total Temp FTE*		2.41	2.41	2.41	2.41



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
2440	Library					
	Dep Comm Svcs Mgr - Library	158	1	1	1	1
	Library Supervisor	39	4	4	4	4
	Librarian I/II+	32	11	11	11	11
	Recreation Coordinator	31	1	1	1	1
	Catalog Services Coordinator	31	1	1	1	1
	Circulation Services Coordinator	28	1	1	1	1
	Library Specialist I/II+	17	9	9	9	9
	Administrative Assistant II	16	1	1	1	1
	Administrative Assistant I	10	0	0	1	1
	Library Assistant	8	5	5	3	3
	Librarian I/II+**		0.50	0.50	0.50	0.50
	Library Specialist II**		1.00	1.00	1.00	1.00
	Library Assistant**		3.25	3.25	4.50	4.50
	Unclassified Temp - Office*		9.84	9.84	9.84	9.84
	Total Full-Time		34	34	33	33
	Total Perm FTE**		4.75	4.75	6.00	6.00
	Total Temp FTE*		9.84	9.84	9.84	9.84
2486	Social Services/Administration					
	Dep Comm Svcs Mgr - Social Services	159	1	1	1	1
	Management Assistant II	35	1	1	1	1
	Administrative Assistant II	16	4	4	3	3
	Administrative Assistant II**		0.00	0.00	1.00	1.00
	Unclassified Temporary*		0.85	0.85	0.85	0.85
	Total Full-Time		6	6	5	5
	Total Perm FTE**		0.00	0.00	1.00	1.00
	Total Temp FTE*		0.85	0.85	0.85	0.85
2451	Social Services/Diversion					
	Social Services Supervisor	40	1	1	1	1
	Social Services Counselor I/II+	35	3	3	3	3
	Social Services Counselor**		0.65	0.65	0.65	0.65
	Total Full-Time		4	4	4	4
	Total Perm FTE**		0.65	0.65	0.65	0.65
2457	Social Services/KID ZONE					
	Community Services Supervisor	39	1	1	1	1
	Social Services Coordinator	31	5	5	5	5
	Social Services Specialist	27	0	0	3	3
	Assistant Recreation Coordinator	23	11	11	9	9
	Administrative Assistant II	16	1	1	0	0
	Inventory Services Specialist	16	1	1	1	1
	Unclassified Temporary*		65.93	65.93	65.93	65.93
	Total Full-Time		19	19	19	19
	Total Temp FTE*		65.93	65.93	65.93	65.93



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
2485	Social Services/Partnerships					
	Social Services Supervisor	40	2	2	2	2
	Social Services Counselor II	35	1	1	1	1
	Youth Employment Coordinator	31	0	0	1	1
	Social Services Coordinator	31	2	2	1	1
	Crisis Intervention Specialist	27	1	1	1	1
	Unclassified Temporary *		7.43	7.43	7.43	7.43
	Total Full-Time		6	6	6	6
	Total Temp FTE*		7.43	7.43	7.43	7.43
2487	Social Services/Escalante					
	Community Services Supervisor	39	1	1	1	1
	Social Services Coordinator	31	2	2	2	2
	Recreation Coordinator	31	0	0	1	2
	Assistant Recreation Coordinator	23	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Customer Support Specialist I**		0.75	0.75	0.75	0.75
	Administrative Assistant I**		0.75	0.75	0.75	0.75
	Unclassified Temporary*		7.28	7.28	7.28	7.28
	Total Full-Time		6	6	7	8
	Total Perm FTE**		1.50	1.50	1.50	1.50
	Total Temp FTE*		7.28	7.28	7.28	7.28
2481	Cultural Services - Administration					
	Dep Comm Svcs Mgr - Cultural Services	158	0	0	1	1
	(50% funded by General Fund, 50% by Performing Arts Fund)					
	Community Services Supervisor	39	1	1	1	1
	Fine Arts Coordinator	32	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Dep Comm Svcs Mgr - Cultural Services**		0.50	0.50	0.00	0.00
	Recreation Leader III*		0.95	0.95	0.95	0.95
	Recreation Leader IV*		0.36	0.36	0.36	0.36
	Unclassified Temporary*		6.01	6.01	6.01	6.01
	Total Full-Time		4	4	5	5
	Total Perm FTE**		0.50	0.50	0.00	0.00
	Total Temp FTE*		7.32	7.32	7.32	7.32
2484 (2445)	Historical Museum					
	Museum Administrator	39	1	1	1	1
	Museum Curator	32	4	4	4	4
	Museum Registrar	27	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Museum Aide**		0.5	0.5	0.5	0.5
	Unclassified Temp - Office*		0.7	0.7	0.7	0.7
	Total Full-Time		7	7	7	7
	Total Perm FTE**		0.5	0.5	0.5	0.5
	Total Temp FTE*		0.7	0.7	0.7	0.7



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
3310	Cemetery Administration					
	Executive Assistant	26	0	0	0	1
	Administrative Assistant I**		0.00	0.00	0.00	0.50
	Total Full-Time		0	0	0	1
	Total Perm FTE**		0.00	0.00	0.00	0.50
3311	Cemetery Maintenance					
	Groundskeeper I	8	0	0	0	1
	Total Full-Time		0	0	0	1
3610	Performing Arts - Administration					
	Cultural Facilities Administrator	53	1	1	1	1
	Management Assistant II	35	0	0	0	1
	Technical Director	32	0	0	0	1
	Gallery Coordinator	32	0	0	0	1
	Fine Arts Coordinator	32	1	1	1	1
	Facility Automation Tech	29	0	0	0	1
	Custodial Supervisor	28	0	0	0	1
	Asst. Tech Director - Lighting	27	0	0	0	1
	Asst. Tech Director - Audio	27	0	0	0	1
	Box Office Manager	27	0	0	0	1
	Facility Technician II	23	0	0	0	1
	Box Office Assistant Manager	16	0	0	0	1
	Administrative Assistant II	10	1	1	1	1
	Groundskeeper I/II	8	0	0	0	3
	Custodian	5	0	0	0	3
	Dep Comm Svcs Mgr - Cultural Services**		0.50	0.50	0.00	0.00
	Unclassified Temp*		0.00	0.00	0.00	13.27
	Total Full-Time		3	3	3	19
	Total Perm FTE**		0.50	0.50	0.00	0.00
	Total Temp FTE*		0.00	0.00	0.00	13.27
	Community Services Department Total Full-Time		126	126	130	148
	Community Services Department Total Perm FTE**		11.65	11.65	11.15	11.65
	Community Services Department Total Temp FTE*		167.22	167.22	167.22	180.49
	COMMUNITY DEVELOPMENT					
2810	Community Development - Admin					
	Community Development Manager	165	0	0	0	1
	Dep Comm Dev Manager - Economic Dev	157	0	0	0	1
	Technology Development Specialist	45	0	0	0	1
	Principal Planner	45	0	0	0	1
	Planner I/II+	34	0	0	0	1
	Executive Assistant	26	0	0	0	1
	COE*		0.00	0.00	0.00	1.00
	Total Full-Time		0	0	0	6
	Total Temp FTE*		0.00	0.00	0.00	1.00



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
2811	Neighborhood Enhancement					
	Code Enforcement Administrator	40	0	0	0	1
	Senior Code Inspector Specialist	32	0	0	0	1
	Neighborhood Enhance Program Coord	29	0	0	0	1
	Code Inspector I/II+	27	0	0	0	8
	Total Full-Time		0	0	0	11
2812	Redevelopment/Special Projects					
	Principal Planner	45	0	0	0	2
	<i>(1 position funded by Federal Grant)</i>					
	Senior Planner	39	0	0	0	3
	<i>(1 position funded by Federal Grant)</i>					
	Planner I/II+	34	0	0	0	2
	<i>(1 position 50% funded by Federal Grant)</i>					
	Total Full-Time		0	0	0	7
2813	Redevelopment/Revitalization					
	Administrative Assistant II	16	0	0	0	1
	Administrative Assistant I	10	0	0	0	1
	Total Full-Time		0	0	0	2
2861-2869	Housing Services Division					
	Dep Dev Svs Manager - Revitalization & Redev	157	0	0	0	1
	<i>(50% funded by General Fund)</i>					
	Housing Services Administrator	40	0	0	0	1
	Accountant	32	0	0	0	1
	Homeless Coordinator	31	0	0	0	1
	Rehabilitation Specialist	28	0	0	0	3
	Family Self Sufficiency Specialist	27	0	0	0	2
	Housing Services Specialist	21	0	0	0	6
	Administrative Assistant II	16	0	0	0	1
	Total Full-Time		0	0	0	16
4410	Community Development - Rio Salado					
	Deputy Community Development Manager	157	0	0	0	1
	Rio Salado Financial Analyst	40	0	0	0	1
	Senior Planner	39	0	0	0	1
	Community Relations Coordinator	36	0	0	0	1
	Management Assistant I/II+	35	0	0	0	1
	Administrative Assistant II	16	0	0	0	1
	COE*		0.00	0.00	0.00	0.49
	Total Full-Time		0	0	0	6
	Total Temp FTE *		0.00	0.00	0.00	0.49
4413	Rio Salado Park					
	Administrative Assistant I	10	0	0	0	2
	Total Full-Time		0	0	0	2
Rio Salado Division Total Full-Time			0	0	0	8
Rio Salado Division Total Temp FTE*			0.00	0.00	0.00	0.49



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
Community Development Department Total Full-Time			0	0	0	50
Community Development Department Total Temp FTE*			0.00	0.00	0.00	1.49
PUBLIC WORKS						
3210	Administration					
	Public Works Manager	166	1	1	1	1
	Management Assistant II	35	1	1	1	1
	Executive Assistant	26	1	1	1	1
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		3	3	3	3
	Total Temp FTE*		0.49	0.49	0.49	0.49
3221	Engineering/Admin. Support/Contract Admin.					
	Deputy PW Manager-Engineering	160	1	1	1	1
	Senior Management Assistant	40	1	1	1	1
	Contract Administrator	31	1	1	1	1
	Administrative Assistant II	16	2	2	2	2
	Total Full-Time		5	5	5	5
3222	Engineering/Construction Mgt. & Quality Assurance					
	Principal Civil Engineer	44	1	1	1	1
	Senior Civil Engineer+	41	0	0	1	1
	Engineering Permit Inspection Coordinator	36	1	1	1	1
	Utility Infrastructure Coordinator	33	0	0	1	1
	Senior Engineering Associate+	31	3	4	4	4
	Engineering Associate+	27	1	1	0	0
	Total Full-Time		6	7	8	8
3223	Engineering/Plan Review/Project Development					
	Principal Civil Engineer	44	1	1	1	1
	Senior Civil Engineer+	41	2	2	2	2
	<i>(One position funded by Water/Wastewater)</i>					
	Civil Engineer +	36	1	1	0	0
	Utility Infrastructure Coordinator	33	1	1	0	0
	Senior Engineering Associate+	31	3	3	4	4
	Total Full-Time		8	8	7	7
3225	Engineering/Information & Technical Services					
	Engineering Services Administrator	46	1	1	1	1
	Engineering Systems Supervisor	37	1	1	1	1
	Real Estate Property Specialist	36	1	1	1	1
	Senior Engineering Associate+	33	4	3	3	3
	Engineering Technician I/II+	24	4	4	4	4
	Survey Technician II+	18	1	1	1	1
	Total Full-Time		12	11	11	11
Admin & Engineering Division Total Full-Time			34	34	34	34
Admin & Engineering Division Total Temp FTE*			0.49	0.49	0.49	0.49



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
3231	Field Services/Administration					
	Deputy PW Manager-Field Services	160	1	1	1	1
	Senior Management Assistant	40	1	1	1	1
	Management Assistant I/II+	35	1	1	1	1
	Administrative Assistant II	16	2	2	2	2
	Total Full-Time		<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
3241	Field Services/Facility Maintenance Administration					
	Asst. Field Serv. Director-Facility Management	44	1	1	1	1
	Facility Maintenance Supervisor	32	1	1	1	1
	Facility Automation Technician	29	1	1	1	1
	Facility Electrician	26	1	1	1	1
	Facility Technician I/II+	24	15	15	15	15
	Facility Technician I/II+ **		0	0	0	0.5
	Total Full-Time		<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
	Total Perm FTE**		<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
3250	Field Services/Custodial Services					
	Custodial Supervisor	24	4	4	0	0
	Custodian	5	34	34	0	0
	Custodian*		0.49	0.49	0.00	0.00
	Total Full-Time		<u>38</u>	<u>38</u>	<u>0</u>	<u>0</u>
	Total Temp FTE*		<u>0.49</u>	<u>0.49</u>	<u>0.00</u>	<u>0.00</u>
3271	Field Services/Custodial 1					
	Custodial Supervisor	24	0	0	1	1
	Custodian	5	0	0	10	10
	Total Full-Time		<u>0</u>	<u>0</u>	<u>11</u>	<u>11</u>
3272	Field Services/Custodial 2					
	Custodial Supervisor	24	0	0	1	1
	Custodian	5	0	0	8	8
	Total Full-Time		<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>
3273	Field Services/Custodial 3					
	Custodial Supervisor	24	0	0	1	1
	Custodian	5	0	0	7	7
	Total Full-Time		<u>0</u>	<u>0</u>	<u>8</u>	<u>8</u>
3274	Field Services/Custodial 4					
	Custodial Supervisor	24	0	0	1	1
	Custodian	5	0	0	9	11
	Custodian*		0.00	0.00	0.49	0.49
	Total Full-Time		<u>0</u>	<u>0</u>	<u>10</u>	<u>12</u>
	Total Temp FTE*		<u>0.00</u>	<u>0.00</u>	<u>0.49</u>	<u>0.49</u>
3252	Field Services/Parks Maintenance					
	Asst. Field Services Director - Park/Golf Course Maintenance	44	1	1	1	0
	Parks and Golf Course Supervisor	34	3	3	3	0



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Parks Facility Maint. Wkr. I/II+	23	2	2	2	0
	Senior Groundskeeper	21	7	7	8	0
	Parks & Golf Course Mechanic	21	1	1	1	0
	Equipment Operator II	19	6	6	5	0
	Sprinkler Sys. Maint. Worker I/II+	17	7	7	7	0
	Equipment Operator I	11	4	4	4	0
	Groundskeeper I/II+	8	15	15	15	0
	Groundskeeper*		2.62	2.62	2.62	0
	Unclassified Temporary*		2.5	2.5	2.5	0.0
	Total Full-Time		46	46	46	0
	Total Temp FTE*		5.12	5.12	5.12	0.00
3212	Central Parks and Rio Salado District					
	Parks and Golf Course Supervisor	34	0	0	0	1
	Senior Groundskeeper	21	0	0	0	2
	Sprinkler Sys. Maint. Worker I/II+	17	0	0	0	1
	Pest Control Technician	17	0	0	0	1
	Groundskeeper I/II+	8	0	0	0	4
	Groundskeeper*		0.00	0.00	0.00	0.88
	Unclassified Temporary*		0.00	0.00	0.00	0.84
	Total Full-Time		0	0	0	9
	Total Temp FTE*		0.00	0.00	0.00	1.72
3213	North Parks District					
	Parks and Golf Course Supervisor	34	0	0	0	1
	Parks Facility Maint. Wkr. I/II+	23	0	0	0	1
	Senior Groundskeeper	21	0	0	0	2
	Parks & Golf Course Mechanic	21	0	0	0	1
	Equipment Operator II	19	0	0	0	2
	Sprinkler Sys. Maint. Worker I/II+	17	0	0	0	3
	Pest Control Technician	17	0	0	0	1
	Equipment Operator I	11	0	0	0	1
	Groundskeeper I/II+	8	0	0	0	3
	Groundskeeper*		0.00	0.00	0.00	0.87
	Unclassified Temporary*		0.00	0.00	0.00	0.83
	Total Full-Time		0	0	0	15
	Total Temp FTE*		0.00	0.00	0.00	1.70
3214	South Parks and Sports Complex					
	Parks and Golf Course Supervisor	34	0	0	0	1
	Parks Facility Maint. Wkr. I/II+	23	0	0	0	1
	Senior Groundskeeper	21	0	0	0	4
	Equipment Operator II	19	0	0	0	3
	Sprinkler Sys. Maint. Worker I/II+	17	0	0	0	3
	Pest Control Technician	17	0	0	0	2
	Equipment Operator I	11	0	0	0	3
	Groundskeeper I/II+	8	0	0	0	8
	Groundskeeper*		0.00	0.00	0.00	0.87
	Unclassified Temporary*		0.00	0.00	0.00	0.83



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Total Full-Time		0	0	0	25
	Total Temp FTE*		0.00	0.00	0.00	1.70
3253	Field Services/Baseball Facility					
	Parks and Golf Course Supervisor	34	1	1	1	1
	Senior Groundskeeper	21	2	2	2	2
	Groundskeeper I/II+	8	5	5	5	5
	Groundskeeper*		0.56	0.56	0.56	0.56
	Total Full-Time		8	8	8	8
	Total Temp FTE*		0.56	0.56	0.56	0.56
3254	Field Services/Rio Salado					
	Senior Groundskeeper	21	1	1	1	1
	Groundskeeper I/II+	8	1	1	1	1
	Groundskeeper*		0.1	0.1	0.1	0.1
	Total Full-Time		2	2	2	2
	Total Temp FTE*		0.1	0.1	0.1	0.1
3255	Field Services/Landscape Maintenance Contract					
	Parks and Golf Course Supervisor	34	1	1	1	1
	Total Full-Time		1	1	1	1
3256	Field Services/Pest Control					
	Senior Pest Control Worker	23	1	1	0	0
	Pest Control Technician	17	4	4	4	0
	Total Full-Time		5	5	4	0
3257	Field Services/Rio Salado - CFD					
	Groundskeeper I/II+	8	2	2	2	2
	Total Full-Time		2	2	2	2
3258	Double Butte Cemetery					
	Groundskeeper I/II+	8	1	1	1	1
	Total Full-Time		1	1	1	1
3712	Field Services/Solid Waste Support Services					
	Asst. Field Services Manager - Solid Waste	47	1	1	1	1
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Solid Waste Services Specialist	22	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		4	4	4	4
3713	Field Services/Solid Waste Residential Refuse					
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Solid Waste Equipment Operator II	19	19	19	19	19
	Total Full-Time		20	20	20	20
3714	Field Services/Solid Waste Commercial Refuse					
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Senior Equipment Operator	22	0	0	0	2



Cost Center	Position	Range	2003-04 2004-05 2004-05 2005-06			
			Actual	Budget	Revised	Budget
	Solid Waste Equipment Operator II	19	15	15	15	13
	Total Full-Time		16	16	16	16
3715	Field Services/Roll Off Tilt Frame					
	Senior Equipment Operator	22	3	3	3	1
	Solid Waste Equipment Operator II	19	0	0	0	2
	Total Full-Time		3	3	3	3
3716	Field Services/Solid Waste Support Services					
	Lead Solid Waste Technician	22	1	1	1	1
	Solid Waste Equipment Technician	19	3	3	3	3
	Wash Bay Attendant**		0.5	0.5	0.5	0.5
	Total Full-Time		4	4	4	4
	Total Perm FTE**		0.5	0.5	0.5	0.5
3718	Field Services/Solid Waste Uncontained Refuse					
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Solid Waste Equipment Operator II	19	15	15	15	15
	Total Full-Time		16	16	16	16
2511	Field Services/Rolling Hills Golf					
	Parks & Golf Course Supervisor	34	1	1	1	0
	Senior Groundskeeper	21	1	1	1	1
	Parks & Golf Course Mechanic	21	1	1	1	1
	Equipment Operator II	19	1	1	1	1
	Sprinkler Systems Maint. Worker I/II+	17	1	1	1	1
	Equipment Operator I	11	1	1	1	1
	Groundskeeper I/II+	8	4	4	4	4
	Groundskeeper I/II+*		1.07	1.07	1.07	1.07
	Total Full-Time		10	10	10	9
	Total Temp FTE*		1.07	1.07	1.07	1.07
2512	Field Services/Ken McDonald Golf					
	Parks & Golf Course Supervisor	34	1	1	1	1
	Senior Groundskeeper	21	1	1	1	1
	Parks & Golf Course Mechanic	21	1	1	1	1
	Equipment Operator II	19	2	2	2	2
	Sprinkler System Maint. Worker I/II+	17	1	1	1	1
	Equipment Operator I	11	1	1	1	1
	Groundskeeper I/II+	8	5	5	5	5
	Groundskeeper I/II+*		1.35	1.35	1.35	1.35
	Total Full-Time		12	12	12	12
	Total Temp FTE*		1.35	1.35	1.35	1.35
	Field Services Division Total Full-Time		212	212	211	211
	Field Services Division Total Perm FTE**		0.5	0.5	0.5	1.0
	Field Services Division Total Temp FTE*		8.69	8.69	8.69	8.69
3261	Fleet Services/Fleet Management					
	Fleet Director	148	1	1	1	1



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Fleet Analyst	35	1	1	1	1
	Automotive Parts Supervisor	32	1	1	1	1
	Equipment Control Coordinator	30	1	1	1	1
	Senior Auto Parts Specialist	23	1	1	1	1
	Auto Parts Specialist	16	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Auto Parts Messenger*		0.5	0.5	0.5	0.5
	Total Full-Time		8	8	8	8
	Total Temp FTE*		0.5	0.5	0.5	0.5
3262	Fleet Services/Fleet Maintenance					
	Equipment Maint. Supervisor	33	3	3	3	3
	Equipment Control Coordinator	30	1	1	0	0
	Lead Equipment Mechanic	28	2	2	3	3
	Equipment Mechanic	25	14	14	14	14
	Equipment Paint & Body Repair Worker	22	1	1	1	1
	Equipment Service Worker II	14	4	4	4	4
	Total Full-Time		25	25	25	25
	Fleet Services Division Total Full-Time		33	33	33	33
	Fleet Services Division Total Temp FTE*		0.50	0.50	0.50	0.50
3813	Streets & Traffic Operations/Street Maintenance					
	Street Maintenance Superintendent	45	1	1	1	1
	Senior Civil Engineer +	43	1	1	1	1
	Street Maintenance Supervisor	31	1	1	1	1
	Senior Pest Control Technician	23	0	0	1	1
	Senior Equipment Operator	22	3	3	3	3
	Street Maintenance Worker I/II	19	20	20	19	19
	<i>(2 positions funded by Solid Waste for Alley Management Program)</i>					
	<i>(4 positions funded by Water/Wastewater for Street sweeping-stormwater program)</i>					
	Administrative Assistant II	16	0	0	1	1
	Total Full-Time		26	26	27	27
3821	Streets & Traffic Operations/Administration					
	Deputy Public Works Manager - Transportation	160	1	1	1	1
	Assistant to PW Manager	42	1	1	1	1
	Administrative Assistant II	16	1	1	0	0
	Total Full-Time		3	3	2	2
3822	Transportation/Studies & Design					
	Traffic Engineering Supervisor	45	1	1	1	1
	Intelligent Trans. System Coordinator	45	0	0	1	1
	Senior Civil Engineer+	43	1	1	1	1
	Senior Transportation Planner	40	1	1	1	1
	Traffic Engineering Analyst	34	4	4	3	3
	Traffic Engineering Technician+	27	0	0	1	1
	Administrative Assistant II	16	0	0	1	1
	Total Full-Time		7	7	9	9



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
3823	Streets & Traffic Operations/Operations					
	Traffic Operations Supervisor	45	1	1	1	1
	Senior Sign Technician	30	1	1	1	1
	Traffic Operations Crew Leader	23	2	2	2	2
	Sign Technician	18	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Transportation Worker I/II+	16	4	4	4	4
	Total Full-Time		10	10	10	10
3824	Streets & Traffic Operations/Street Lighting					
	Management Assistant I/II+	35	1	1	1	1
	Lighting Systems Coordinator	29	1	1	1	1
	Total Full-Time		2	2	2	2
3825	Streets and Traffic Operations/Signal System					
	Intelligent Trans. System Coordinator	45	1	1	0	0
	Traffic Signal Supervisor	35	1	1	1	1
	Traffic Signal Technician I/II+	26	3	3	3	4
	Underground Utilities Coordinator	22	1	1	1	1
	Traffic Signal Service Worker I/II+	21	5	5	5	5
	Total Full-Time		11	11	10	11
3911	Transportation/Transit					
	Deputy Public Works Manager	160	1	1	1	1
	Principal Planner	47	2	2	0	0
	Transit Administrator	45	1	1	0	0
	Principal Civil Engineer	46	1	1	0	0
	Sr Civil Engineer+	43	2	2	0	0
	Senior Transportation Planner +	40	2	2	0	0
	Transportation Financial Analyst	40	0	0	1	1
	Management Assistant I/II	35	0	0	1	1
	Transit Operations Supervisor	37	1	1	0	0
	Transit Finance Specialist	37	1	1	0	0
	Transportation Planner +	36	2	2	0	0
	Community Outreach & Marketing Coordinator I/II+	36	1	1	0	0
	Transit Operations Coordinator	32	1	1	0	0
	Alternative Modes Specialist	32	1	1	0	0
	Transit Information Specialist	32	1	1	0	0
	Transit Support Services Supervisor	26	1	1	0	0
	Transportation Support Specialist	20	0	0	1	1
	Transit Operations Technician	18	1	1	0	0
	Administrative Assistant II	16	1	1	0	1
	Management Intern**		0.5	0.5	0.0	0.0
	Total Full-Time		20	20	4	5
	Total Perm FTE**		0.5	0.5	0.0	0.0
3914	Transit Operations					
	Transit Administrator	45	0	0	1	1
	Sr. Transit Operations Coordinator	37	0	0	1	1



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Transit Operations Coordinator I/II +	32	0	0	1	2
	Transit Operations Technician	18	0	0	1	0
	Total Full-Time		0	0	4	4
3915	Transportation/Transit Store					
	Financial Services Technician I/II+	18	3	3	3	3
	Total Full-Time		3	3	3	3
3916	Marketing and Public Information					
	Community Outreach & Marketing Supervisor	40	0	0	1	1
	Community Outreach Marketing Coordinator I/II+	36	0	0	0	2
	Alternative Modes Specialist	32	0	0	1	0
	Transit Information Specialist	32	0	0	1	0
	Total Full-Time		0	0	3	3
3917	Transportation/Bus Stop Maintenance					
	Transportation Operations Worker I/II+	16	5	5	5	5
	Total Full-Time		5	5	5	5
3921	CP/EV Light Rail Project					
	LRT Project Manager	51	0	0	1	1
	Principal Civil Engineer	44	0	0	1	1
	Senior Transportation Planner +	40	0	0	1	1
	LRT Transportation Planner	36	0	0	0	1
	Transit Support Services Supervisor	26	0	0	1	1
	Management Intern**		0.00	0.00	0.50	0.00
	Total Full-Time		0	0	4	5
	Total Perm FTE**		0.00	0.00	0.50	0.00
3922	Transportation Systems					
	Sr Civil Engineer+	43	0	0	1	1
	Total Full-Time		0	0	1	1
3923	Operations/Transportation					
	Principal Planner	47	0	0	2	2
	Sr. Transportation Planner +	40	0	0	2	2
	Total Full-Time		0	0	4	4
	Transportation Division Total Full-Time		87	87	88	91
	Transportation Division Total Perm FTE**		0.5	0.5	0.5	0.0
	Public Works Department Total Full-Time		366	366	366	369
	Public Works Department Total Perm FTE**		1.0	1.0	1.0	1.0
	Public Works Department Total Temp FTE*		9.68	9.68	9.68	9.68
	WATER UTILITIES					
3002	Water Utilities - Administration					
	Water Utilities Dept. Manager	165	1	1	1	1
	Deputy Water Utilities Manager - Operations	157	1	1	1	1
	Principal Infrastructure Engineering Planner	43	1	1	1	1



Cost Center	Position	Range	2003-04	2004-05	2004-05	2005-06
			Actual	Budget	Revised	Budget
	Senior Management Assistant	40	1	1	1	1
	Planning and Research Analyst	40	1	1	1	1
	Management Assistant I/II+	35	1	1	1	1
	Water Utility Safety & Training Coordinator	33	1	1	1	1
	Executive Assistant	26	1	1	0	0
	Administrative Assistant II	16	2	2	2	2
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		10	10	9	9
	Total Temp FTE*		0.49	0.49	0.49	0.49
3003	Water Utilities Warehouse					
	Warehouse Supervisor	25	1	1	1	1
	Inventory Services Specialist	16	1	1	2	2
	Distribution Clerk	8	1	1	0	0
	Total Full-Time		3	3	3	3
3004	Water Utilities Security					
	WUD Security Coordinator	35	1	1	1	1
	Water Utility Security Guard	15	2	2	2	2
	Total Full-Time		3	3	3	3
3011	Water Quality - Administration					
	Plant Operations Administrator	49	1	1	1	1
	Total Full-Time		1	1	1	1
3012	Control Center Operations					
	Control Center Supervisor	37	1	1	1	1
	Instrumentation and Control Tech (4 SBP)	28	4	4	4	4
	Control Center Operator	26	4	4	4	4
	Total Full-Time		9	9	9	9
3013	Johnny G. Martinez Water Plant					
	Plant Team Leader	36	1	1	1	1
	Plant Electrician (SBP)	26	1	1	1	1
	Plant Operator I/II+ (6 SBP)	24	7	7	8	9
	<i>(1 position funded through FY 08/09 only)</i>					
	Plant Mechanic (SBP)	24	2	2	2	3
	Total Full-Time		11	11	12	14
3014	South Tempe Water Plant					
	Plant Team Leader	36	1	1	1	1
	Plant Electrician (1 SBP)	26	1	1	1	1
	Plant Operator I/II+ (4 SBP)	24	5	5	4	5
	<i>(1 position funded through FY 08/09 only)</i>					
	Plant Mechanic (SBP)	24	2	2	2	1
	Total Full-Time		9	9	8	8
3021	Distribution System Services - Administration					
	Transmission and Collection Administrator	49	1	1	1	1
	Total Full-Time		1	1	1	1



Cost Center	Position	2003-04 Range	2004-05 Actual	2004-05 Budget	2005-06 Revised	2005-06 Budget
3022	Distribution System Maintenance					
	Utility Services Supervisor	37	1	1	1	1
	Utility Services Team Lead	27	2	2	2	2
	Utility Services Tech I/II+ (SBP)	17	10	10	10	10
	Total Full-Time		13	13	13	13
3024	Irrigation					
	Water Systems Supervisor	33	1	1	1	1
	Water Systems Coordinator	24	1	1	1	1
	Irrigator	8	7	7	7	7
	Total Full-Time		9	9	9	9
3025	Technical Support Team					
	CMMS Tech II	24	4	4	4	4
	Engineering Tech II	24	2	2	2	2
	Underground Utilities Coordinator	22	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		9	9	9	9
3027	Environmental					
	Environmental Services Administrator	49	1	1	1	1
	Environmental Program Supervisor	42	1	1	1	1
	Environmental Quality Specialist	37	3	3	3	3
	Sr. Cross Connection Control Inspector	33	1	1	1	1
	Environmental Investigator+	31	2	2	0	0
	Cross Connection Control Inspector	28	1	1	1	1
	Administrative Assistant II**		0.5	0.5	0.5	0.5
	Total Full-Time		9	9	7	7
	Total Perm FTE**		0.5	0.5	0.5	0.5
3028	Environmental - Pretreatment					
	Sr. Environmental Investigator	35	1	1	1	1
	Environmental Investigator I/II+	31	4	4	6	6
	Environmental Technician I/II+	22	4	4	4	4
	Administrative Assistant II	16	2	2	2	2
	Total Full-Time		11	11	13	13
3029	Environmental Health & Services					
	Environmental Haz. Mat. Supervisor	42	1	1	1	1
	Industrial Hygienist	33	1	1	1	1
	Water Utility Safety & Training Coordinator	33	0	0	1	1
	Hazardous Material Safety Specialist	33	0	0	1	1
	Environmental Investigator I/II+	31	1	1	0	0
	Total Full-Time		3	3	4	4
3031	Wastewater Services - Administration					
	S.R.O.G Program Administrator	47	1	1	1	1
	Total Full-Time		1	1	1	1



Cost Center	Position	Range	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
3033	Wastewater Utility Services					
	Utility Services Team Lead (SBP)	27	2	2	2	2
	Utility Services Tech I/II+ (SBP)	17	8	8	8	8
	Total Full-Time		10	10	10	10
3034	Kyrene Water Reclamation Plant					
	Plant Team Leader	36	1	1	1	1
	Plant Electrician	26	0	0	0	1
	Plant Operator I/II+ (SBP)	24	1	1	1	2
	Plant Mechanic+ (SBP)	24	1	1	1	1
	Total Full-Time		3	3	3	5
3035	Field Facilities - Wastewater					
	Plant Team Leader (SBP)	36	1	1	1	1
	Plant Mechanic+ (SBP)	24	2	2	2	2
	Total Full-Time		3	3	3	3
3041	Laboratory Services - Administration					
	Laboratory Supervisor	43	0	0	1	1
	Senior Chemist	38	1	1	0	0
	Chemist I/II+	32	5	5	5	5
	Water Quality Technician	22	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		8	8	8	8
3051	Water Resources - Administration					
	Water Resource Administrator	47	1	1	1	1
	Water Resources Hydrologist	43	1	1	1	1
	Total Full-Time		2	2	2	2
3052	Water Conservation					
	Water Conservation Coordinator	31	1	1	1	1
	Water Resources Technician	20	1	1	1	1
	Total Full-Time		2	2	2	2
	Water Utilities Department Total Full-Time		130	130	130	134
	Water Utilities Department Total Perm FTE*		0.50	0.50	0.50	0.50
	Water Utilities Department Total Temp FTE*		0.49	0.49	0.49	0.49
Grand Total Full-Time			1,643	1,643	1,645	1,693
Grand Total Perm FTE**			16.90	16.90	17.55	16.55
Grand Total Temp FTE*			195.97	195.97	196.97	211.24

**Permanent Full-Time Equivalent *Temporary Full-Time Equivalent () Former Cost Center Number



Grant Funded Personnel (Included in above totals)	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
City Attorney				
Legal Services (Victims Right Grant)	1	1	1	1
City Court	1	1	1	0
Development Services				
Redevelopment/Section 8 Housing	14	14	16	16
Redevelopment, Neighborhood Planning and Urban Design	3	3	3	3
Total	<u>17</u>	<u>17</u>	<u>19</u>	<u>19</u>
Police				
Grant Funded	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Grand Total	18	18	20	21

Personnel by Fund (Full-Time Only)	2003-04 Actual	2004-05 Budget	2004-05 Revised	2005-06 Budget
General Fund	1,272	1,272	1,272	1,296
Risk Management Fund	3	3	3	3
Special Revenue Funds				
HURF	54	54	54	55
Transit	28	28	28	30
Rio Salado	19	19	19	19
Performing Arts	3	3	3	19
CDBG/Section 8	14	14	16	16
Enterprise Funds				
Golf	22	22	22	21
Cemetery	1	1	1	3
Water/Wastewater	162	162	162	166
Solid Waste	65	65	65	65
Grand Total	1,643	1,643	1,645	1,693



Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Adopted Budget - The financial plan of revenue and expenditures for a fiscal year as approved by the governing entity.

Annexation - Is the legal merging of some territory into another. A city might annex unincorporated areas or a county might annex other disputed territories. Also used to refer to mergers of countries.

Appropriation - An authorization made by the City Council which permits the City to incur obligations to make expenditures for specific purposes.

Assessed Valuation - A value that is established for real and personal property for use as a basis for levying property taxes (note: Property values are established by the County).

Asset - Resources owned or held by a government which have monetary value.

Available (Undesignated) Fund Balance - Refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Balance Sheet - A financial statement showing the assets, liabilities, and net worth of an entity as of a specific date.

Balanced Budget -A balanced budget arises when the government entity estimates the same amount of money from revenue collection as it is appropriating for expenditures.

Benchmarking-The process of comparing a entities performance against the practices of other leading entities -in or outside of an industry -for the purpose of improving performance. Entities also benchmark internally by tracking and comparing past performance.

Bond -A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation, revenue bonds, and special improvement district bonds. These are most frequently used to finance capital projects.

Bond Rating - Is the measure of the quality and safety of a bond. It indicates the likelihood that a debt issuer will be able to meet scheduled repayments, and dictates the interest rate paid.

Bond Refinancing -The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget -A plan of financial operation for a specified period of time (fiscal year). The annual Budget authorizes, and provides the basis for control of, financial operations during the fiscal year.

Capital Budget -A Capital Budget is a separate budget from the operating budget. Items in the CIP are usually construction or renovation projects designed to improve the value of the government assets. Examples of capital improvement projects include new roads, sewer lines, buildings, recreational facilities and large scale remodeling. The City Council receives a separate document that details the CIP costs for the upcoming fiscal year.

Line-Item Budget -A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Operating Budget -The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.



Performance Budget -A budget that focuses upon departmental goals and objectives rather than line items, programs, or funds. Workload and unit cost data are collected in order to assess the effectiveness and efficiency of services. Typical measures collected might include average emergency response time for fire or cost per man-hour of garbage collection.

Program Budget -A budget that focuses upon broad functions or activities of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure. The City's programs: (1) General Services; (2) Development Services; (3) Public Safety; (4) Environmental Health; (5) Community Services; and (6) Public Transportation.

Budget Adjustment -A procedure to revise a budget appropriation either by City Council approval through the adoption of a supplemental appropriation ordinance for any interdepartmental or interfund adjustments or by City Manager authorization to adjust appropriations within a departmental budget.

Budget Calendar -The schedule of key dates or milestones which the City follows in the preparation, adoption, and administration of the budget.

Budget Document -The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Group - A fun group of hard working employees responsible for budget preparation, benchmarking, forecasting, and financial analysis.

Budget Message - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and

recommendations regarding the financial policy for the upcoming period.

Budgetary Basis - This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) investments in supply inventories and assets restricted for self-insurance purposes are not considered to be appropriable, (d) revenue accruing to sinking funds are not appropriable, and (e) contributions into sinking funds are budgeted, whereas disbursements from sinking funds are not budgeted. Unencumbered appropriations lapse at the close of the fiscal year.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenue.

Capital Budget - The appropriation of bonds or other revenue for improvements to facilities and other infrastructure.

Capital Expenditures - Expenditures approved in the Capital Budget related to the acquisition, expansion or rehabilitation of an element of the government's physical plant.

Capital Improvements - The acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvements Program - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a period of several future years. Tempe's City Charter requires annual submission of a five-year capital program for City Council approval.



Capital Outlay- Expenditures which result in the acquisition of or addition to fixed assets.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Community Development Block Grant (CDBG) - Program authorized by the Housing and Community Development Act of 1974 in place of several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low and moderate income persons.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Center - An organizational budget/operating unit within each City division or department, i.e., Radio Maintenance is a cost center within the Communications Division.

Department Goal - Specific intended result of a strategy; used interchangeably with objective. The term "goal" is used in a wide variety of ways in planning; e.g. as a strategic result or outcome; an objective, a measure, a target, etc.

Debt Management (Capacity) Plan - The City's basis to evaluate upcoming and future debt financing in relation to the impact the borrowing will have on the City's debt ratios and related to the City's credit position as determined by the major rating agencies.

Debt Ratios - Ratios which provide measure of assessing debt load and ability to repay debt which play a part in the determination of credit ratings. They are also used to evaluate the City's debt position over time and against its own standards and policies. The four major debt ratios used by the City are (1) Debt Per Capita; (2) Debt

to Full Value; (3) Debt to Personal Income; and (4) Debt Services to Revenue.

Debt Service - The amount of interest and principal that a City must pay each year on net direct long-term debt plus the interest it must pay on direct short-term debt.

Direct Debt - The sum of the total bonded debt and any unfunded debt (e.g. short-term notes) of the City for which the City has pledged its "full faith and credit." It does not include the debt of overlapping jurisdictions.

Self-Supporting Debt - Debt for which the City has pledged a repayment source separate from its general tax revenue (e.g. water bond repaid from water utility income/special assessment bonds).

Outstanding Tax Supported Debt - Direct debt minus self-supporting debt. Debt for which the City has pledged a repayment from its secondary property taxes.

Overlapping Debt - The City's proportionate share of the debt of other local governmental units which either overlap it or underlie it. The debt is generally apportioned based on relative assessed value.

Overall Net Debt - Net direct debt plus overlapping debt.

Debt Service Fund Requirements - The amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures over revenue during a single accounting period.

Department - A major administrative division of the City which indicates overall management



responsibility for an operation or a group of related operations within a functional area.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A group of homogeneous cost centers within a department, i.e., all traffic engineering, traffic operations and transit cost centers make up the Transportation Division within the Public Works Department.

Effective Measure - Degree to which an activity or initiative is successful in achieving a specified goal. Also, the degree to which activities of a unit achieve the unit's mission or goal.

Efficiency Measure - Degree of capability or productivity of a process, such as the number of cases closed per year or tasks accomplished per unit cost.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Expenditure/Expense - This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

Fiscal Year - The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Tempe has specified July 1 to June 30 as its fiscal year.

Fixed Assets - Assets of long-term character

which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Franchise Fees - Annual fees paid by utilities (electricity, telephone, cable TV, natural gas) for the use of the city's public rights-of-way, or that are granted a service monopoly that is regulated by the city (garbage collection). The franchise fee is typically a set percentage of gross revenue within the city.

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent (FTE) - There are three types of classifications: (1) Full-time - works 40 hrs/week (full-time) and is benefitted; (2) Permanent FTE - works more than 19.5 hours per week and less than 40 hrs/week, is not seasonal, is not of specific limited duration, and is not for educational training; and (3) Temporary FTE - works less than 40 hrs/week, is seasonal, and is of specific limited duration, or is for educational training.

Fund - A set of inter-related accounts to record revenue and expenditures associated with a specific purpose. Fund structure consists of Governmental Funds (e.g., General Fund, Special Revenue Fund, Debt Service Fund), Proprietary Funds, and Fiduciary Funds (See previous section on "Financial Structure and Operations" for complete description of funds).

Governmental Funds

Capital Projects Fund - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Debt Service Fund - Debt Service Funds are set up to receive dedicated revenue used to make principal and interest payments on City debt. They are used to account for the



accumulation of resources for, and the payment of, general obligation and special assessment debt principal, interest and related costs, except the debt service accounted for in the Special Revenue Funds, and Enterprise Funds.

General Fund - The General Fund is the general operating fund of the City. It is used to account for all activities of the City not accounted for in some other fund.

Special Revenue Fund - Special Revenue Funds are set up as accounts for Federal or State grants legally restricted to expenditures for specific purposes. Our Special Revenue Funds include the Highway User Fund, the Local Transportation Assistance Fund, the Performing Arts Fund, the Community Development Fund, and the Housing Assistance Fund.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations including debt service (a) that are financed and operated in a manner similar to private businesses - where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges; or (b) where the governing body has determined that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Our Enterprise Funds include the Water and Wastewater Fund, the Solid Waste Fund, the Cemetery and the Golf Course Fund.

Fund Balance - The difference between revenue and expenditures. The beginning fund balance represents the residual funds brought forward from the previous year (ending balance).

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for

financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Governmental Accounting Standards Board (GASB) - An accounting standards board formed in 1984 by the Financial Accounting Foundation (FAF) to develop accounting standards for state and local governmental entities.

General Governmental Revenue - The revenue of a government other than those derived from and retained in an enterprise fund. General Governmental revenue include those from the General, Debt Service, and Special Revenue Funds.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from secondary property taxes, and these bonds are backed by the "full faith and credit" of the issuing government.

Goal - A long-term, attainable target for an organization—its vision of the future.

Grant - A contribution by the State or Federal government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Highway User Revenue Fund (HURF)- Special revenue fund to account for the receipts and expenditures of highway user monies. Arizona cities/towns are entitled to receive a portion of the highway user revenue collected by the state. The highway user revenue consist of the gasoline and diesel fuel taxes as well as other transportation related fees. One half of the money is distributed on the basis of the' population of an incorporated city/town as a percentage of the total of all incorporated cities/ towns in the state. The remaining half of the money is distributed based on the level of gasoline sales in the county in which the



municipality is located and the population of each city or town in the county. Highway user revenue funds may only be used for street and highway purposes.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned, such as administrative support, facility maintenance or custodial services.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenue, and payments in lieu of taxes.

Interfund Transfer - The movement of monies between funds of the same governmental entity.

Internal Services Charges - The charges to user departments for internal services provided by another government agency, such as data processing, fleet services and communications.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communications systems, water and power lines, and public institutions including schools, post offices, and prisons.

Liability - Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed, and amounts received but not as yet earned.

Local Transportation Assistance Fund (LTAF) - Special revenue fund to account for the receipts and expenditures associated with LTAF monies. This state shared revenue is generated by the state lottery. Distribution is based upon the population of the city/town in relation to the total population of all cities/towns. Each city/town is entitled to receive a minimum of \$10,000. A maximum of \$23 million (if that amount is generated by the lottery) is distributed each year to cities/towns. The principal use of these funds is for transportation purposes.

Levy - To impose taxes for the support of government activities.

Line-Item Budget - A budget prepared along departmental lines that focuses on what is to be bought.

Long-Term Debt - Debt with a maturity of more than one year after the date of issuance.

Maintenance of Effort - A transfer of General Fund dollars to Transportation to fulfill the statutory requirement placed on cities to maintain the expenditure of local revenue for streets at a level computed as an average of local funds expended for any four of the FY 1981-82 through FY 1985-86. That obligation is calculated at \$1,850,705.

Mandate - Is a binding obligation issued from an inter-governmental organization for example the state to a county which is bound to follow the instructions of the organization.

Modified Accrual Basis - Refers to the accrual basis of accounting, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Thus, under modified accrual basis of accounting, then, amounts are recognized as revenue when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.

Municipality - An urban district having corporate status and powers of self-government.

Objective - A specific measurable and observable result of an organization's activity which advances the organization toward its goal.

Operating Expenses - The cost for personnel, materials and equipment required for a department to function.

Operating Revenue - Funds that the government receives as income to pay for ongoing operations, including such items as taxes, user fees, interest earnings, and grant



revenue. Operating revenue is used to pay for day-to-day services.

Pay-As-You-Go Financing - A term used to describe a financial policy by which the capital program is financed from current revenue rather than through borrowing.

Per Capita - Applies to a unit of population or a person and shows how much each would have if a commodity/expense was divided equally.

Performance Budget - A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Performance Indicators - Specific quantitative and qualitative measure of work performed as an objective of the department.

Performing Arts Fund - Used to account for the receipts and expenditures of Performing Arts monies. This tax is for the construction and operation of the performing and visual arts center.

Personal Services - Expenditures for salaries, wages, and fringe benefits of a government's employees.

Policy - A plan, course of action or guiding principle, designed to set parameters for decisions and actions.

Prior Year Encumbrances - Obligations from previous years in the form of purchase orders or contracts which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program Budget - A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments. The City's program budget is divided into six major programs:

(1) **General Services** consist of: Mayor and

Council; City Manager; Internal Audit; Diversity Program; Community Relations; City Clerk; Human Resources; City Attorney; Financial Services; Public Works; Information Technology; and Other Programs.

(2) **Development Services** consist of: Development Services, Community Development, and Public Works – Design/Construction/ Landscape maintenance.

(3) **Public Safety** consists of: City Court; Police; and Fire.

(4) **Environmental Health** consists of: Water Utilities; Public Works- Solid Waste; and Development Services – Code Enforcement.

(5) **Community Services** consist of: Community Services – Recreation/Library/Social Services; Public Works – Park Maintenance; and Cemetery.

(6) **Transportation** consists of: Public Works – Transit/Street Maintenance.

Property Tax - A levy upon the assessed valuation of the property within the City of Tempe upon each \$100 of valuation. Property taxes in Arizona consist of both primary and secondary levies.

Primary Property Tax - A statutory limited tax levy which may be imposed for any purpose.

Secondary Property Tax - An unlimited tax levy which may be used only to retire the principal and interest or redemption charges on bond indebtedness.

Retained Earnings - An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts



from other governments, fines, forfeitures, grants, shared revenue and interest income.

Revenue Bonds - Bonds usually sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest of the bond.

Reserve - An account used to indicate that a portion of a fund's assets are restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution - A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenue, fund transfers, and beginning balances.

Revised Budget - A revised budget is a revision of the adopted budget previously submitted and authorized by a governing board.

Right-of-Way - The land used by a public utility, road, or railroad.

Rio Salado Fund - Special revenue fund to account for the receipts and expenditures of miscellaneous monies used to foster the development of Rio Salado.

Rio Salado - Spanish for Salt River was a project to re-introduce water into a dry riverbed. In 1999, Tempe Town Lake was filled and it extends about 5.5 miles in length and one mile in width.

Rio Salado Community Facilities District Fund - Special revenue fund established in 1987, under the laws of the State of Arizona. The purpose is to account for the receipts and expenditures associated with Tempe Town Lake.

Risk Management - An organization goal to protect a government's assets against accidental loss in the most economical method.

R.O.W. - Abbreviated form, see *Right-of-Way*.

Source of Revenue - Revenue are classified according to their source or point of origin.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated).



Even though the budget is heard by the Mayor and Council in March and April, its preparation begins months prior, with projections of City funding sources, remaining bond authorization, reserves, revenue, and expenditures. It continues through numerous phases and culminates with adoption in June. We recognize and appreciate that budgeting is an ongoing process of planning, monitoring, problem solving, and customer service throughout the fiscal year. Each year, every effort is made to improve both the budget process and the usefulness of budget documents.

Please see City of Tempe budget documents on the World Wide Web.

We're at: www.tempe.gov

If you have any questions, call us at (480) 350-8350

Our mailing address is:

City of Tempe
Financial Services/Budget
P.O. Box 5002
Tempe, Arizona 85280

Cecilia Velasco-Robles
Deputy Financial Services Manager

Debbie Bair
Lead Budget & Research Analyst

Michelle Caruso
Budget & Research Analyst

Tom Mikesell
Budget & Research Analyst

Anita Erspamer
Executive Assistant