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Annual Budget FY 2006/07

Tempe Mayor & City Council



Hugh Hallman
Mayor



Mark Mitchell
Vice Mayor



Leonard Copple
Council Member



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Council Member



Pamela L. Goronkin
Council Member



Barbara Carter
Council Member



Hut Hutson
Council Member



Table of Contents

Introduction

Budget Award	vii
City of Tempe Mission Statement	ix
Organizational Chart	xi
Budget Message	1

Budget Summaries

Budget Summaries Contents	11
Budget Policies	12
Fund Summary	16
Total Financial Program	17
Financial Program Summary	18
Budget Process Flowchart	19
Budget Process Summary	20
Components of Total Financial Program	22
General Governmental and Enterprise Funds: Ten Year Fund Balance Trends	23
Capital Budget	
Capital Budget Overview	25
Capital Improvements Project Map	28
Capital Improvements Program Summary	29
Capital Improvements Program Source of Funds	30
Capital Improvements Program Changes in Fund Balances	31
Capital Improvements Program Project Listings and Descriptions	32
Relationship Between Operating and Capital Budgets	48
Projected Impact of Capital Improvements on Future Operating Budgets	50
Debt Policy	51
Capital Budget, Debt Service, and Property Tax Rate: Ten Year Historical Trends	52
Property Taxes	53
Citywide Overview	54
Program Budget	
Program Budget at a Glance	52
Per Capita Expenditures by Program	56
Program by Fund Summary	57
Program by Department Summary	58
Impact of Total Budget on Residents	59
Personnel Summary: Ten Year History	60

Comprehensive Financial Plan

Comprehensive Financial Plan Contents	61
Comprehensive Financial Plan Overview	62
Forecast Methodology	63
Forecast and Major Revenue Assumptions	64
Financial Overview	66
Major Expenditure Assumptions and Economic Outlook	67
General Fund	68
Transit Fund	70
Performing Arts Fund	72
Transportation Funds	74
Enterprise Funds	76
Rio Salado and Community Facilities District Funds	82
Financial Action Plan	84

Revenue Information

Revenue Information Contents 87
 Total Revenue 88
 Total Revenue by Source 89
 Components of Total Revenue 90
 Comparative Operating Revenue by Major Source and Fund 91
 General Governmental Revenue: Ten Year Historical Trends 94
 Special Revenue: Ten Year Historical Trends 104
 Enterprise Revenue: Ten Year Historical Trends 109

Performance Budget

Performance Budget Contents 113
 Performance Budget Summary 114
 Per Capita Performance Budget 115
 Strategic Issues Management/Budgeting 116
 Council Committees and Strategic Issues 117
 Performance Benchmarking 118
 Organizational Chart 119
 Departments
 Mayor and Council 120
 City Manager 122
 Internal Audit 123
 Diversity Program 124
 Community Relations 126
 City Clerk 131
 City Court 132
 Human Resources 134
 City Attorney 138
 Financial Services 140
 Information Technology 148
 Development Services 150
 Community Development 152
 Police 158
 Fire 164
 Community Services 172
 Parks and Recreation 178
 Public Works 182
 Water Utilities 194

Schedules and Summaries

Schedules and Summaries Contents 197
 Budget Resolution 198
 Property Tax Ordinance 199
 Budget Schedules 200
 Budget Basis, Units, and Changes 206
 Financial Structure and Organization 207
 Annexation Progress 208
 Tempe Community Profile 209
 Personnel Summary 214
 Personnel Schedules 215
 Glossary of Terms 250
 Index 288
 OMB Staff 292



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Tempe
Arizona**

For the Fiscal Year Beginning

July 1, 2005

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 fiscal year beginning July 1, 2005.

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.

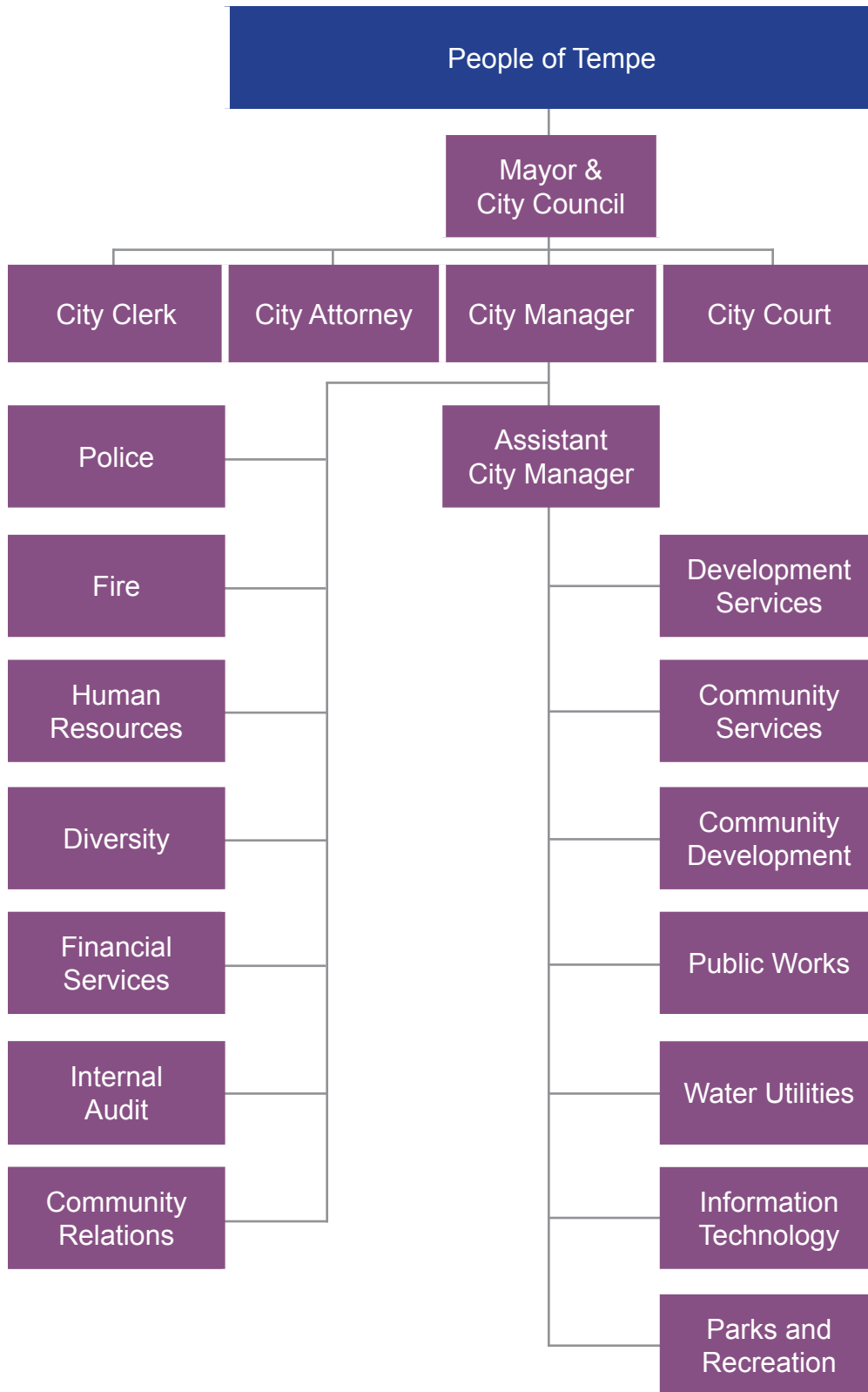
Diversity

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

Teamwork

We work together to provide the best possible service to our community.

Organizational Chart





June 15, 2006

To the Honorable Mayor and City Council:

Transmitted herein is the City's Fiscal Year 2006-07 Financial Program. The combined operating and capital budgets included in the financial program total \$511 million, which represents a change of \$45.6 million, or 9.8% from the FY 2005-06 adopted budget. Additional personnel, increasing health insurance costs, retirement system contribution rates and annual step increases are driving the growth in the operating budget. The increase in the capital budget is largely attributable to increases in the Water/Wastewater, Transit, and Transportation programs.

The City's economy is exhibiting solid growth in all sectors including retail, contracting, restaurants, and commercial rentals indicating a broad-based expansion. Even though it is expected that this growth will moderate going forward, the five year long-range financial forecast projects General Fund surpluses throughout that planning horizon.

FINANCIAL PROGRAM SUMMARY

Total Annual Financial Program		
	FY 2005-06 Budget	FY 2006-07 Budget
Operating Budget	\$275,297,746	\$314,115,625
Percent Change		14.1%
Capital Improvements Budget	\$189,971,703	\$196,728,491
Percent Change		3.6%
Total Financial Program	\$465,269,449	\$510,844,116
Percent Change		9.8%

OPERATING BUDGET

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

Operating Budget Summary			
	<i>FY 2005-06 Budget</i>	<i>FY 2006-07 Budget</i>	<i>Percent Change</i>
General Fund	\$138,273,504	\$158,994,288	15.0%
Special Revenue Funds			
Transportation	8,656,870	9,413,469	8.7%
Transit	31,118,922	35,313,568	13.5%
Rio Salado	1,551,834	1,983,090	27.8%
Performing Arts	6,868,730	9,106,148	32.6%
CDBG/Section 8	11,731,640	11,502,474	-2.0%
Debt Service Fund	14,411,213	16,495,505	14.5%
Enterprise Funds			
Water/Wastewater	47,720,279	54,797,488	14.8%
Solid Waste	12,602,968	13,955,883	10.7%
Golf	2,071,538	2,195,431	6.0%
Cemetery	290,248	358,281	23.4%
Total Operating Budget	\$275,297,746	\$314,115,625	14.1%
Capital Improvements Budget	\$189,971,703	\$196,728,491	3.6%
Total Financial Plan	\$465,269,449	\$510,844,116	9.8%

Operating Budget Highlights

Personal Services costs comprise approximately 50% of the operating budget. As a result, it is not surprising that growth in this category drives total budget growth.

- **New Personnel**
Addition of 66 full-time equivalent positions to address citywide workload concerns (\$3.2 million impact citywide; \$2.0 million impact to the General Fund)
- **New and Replacement Capital Outlay**
Over \$6.0 million in new and replacement motor vehicles, heavy equipment, and other capital (\$2.7 million impact to the General Fund)
- **Salary Progression**
Movement of existing employees through the established salary ranges (\$4.0 million impact to the General Fund)
- **Health, Dental & Life**
Human Resources estimates a 13% increase in benefit costs (\$3.3 million impact to the General Fund)
- **Public Safety Retirement (General Fund)**
Police contribution rate is set at 14.1%, an increase from 13.9% in previous budgets (\$1.0 million impact);
Fire contribution increased from 11.63% to 14.2% with a \$440,000 impact

- **State Retirement Fund**
Arizona State Retirement System contribution rate is set at 9.1%, an increase from 7.4% in previous budgets (\$0.9 million impact to the General Fund)
- **Sponsorship costs for the Insight Bowl**
(\$1.2 million impact to the General Fund)
- **Contingency Budget**
Revenue growth has allowed for an increase in the General Fund Contingency Budget (\$1.9 million).

Capital Budget

The City's five-year Capital Improvement Program (CIP) covering FY 2006-07 through FY 2010-11 totals \$552.2 million. The first year of the five-year CIP, which the City incorporates into the annual budget, is \$196.7 million for FY 2006-07.

As is typical, funding requests exceeded available sources. Funding sources are maximized within the financial policies established by the Council.

Capital Budget Highlights

Continued funding for the Transit program (\$111.9 million) including:

- Continued funding for the Central Phoenix and East Valley Light Rail Transit System (\$58.4 million)
- Continued funding for the Transit Regional Maintenance Facility (\$33.9 million)
- Continued funding for the Tempe Transportation Center (\$13.1 million)

Continued funding for Water projects (\$31.3 million) including:

- Continued funding for expansion at the Johnny G. Martinez Water Treatment Plant (\$19.0 million)

Capital Improvements Program Summary						
Program	2006-07 Funded Program	Additional Needs				Total Five-Year Program
		2007-08	2008-09	2009-10	2010-11	
Enterprise Program						
Water	\$31,257,580	\$21,884,800	\$3,843,357	\$1,476,000	\$1,476,000	\$59,937,737
Wastewater	24,959,000	24,550,000	20,950,000	11,272,802	7,120,000	88,851,802
Golf	50,000	50,000	50,000	50,000	50,000	250,000
Subtotal Enterprise	56,266,580	46,484,800	24,843,357	12,798,802	8,646,000	149,039,539
Special Purpose Program						
Transit	111,901,276	97,121,084	24,782,445	18,950,000	1,100,000	253,854,805
Rio Salado	3,700,000	3,743,500	11,250,000	4,925,500	2,246,000	25,865,000
Total Special Purpose	115,601,276	100,864,584	36,032,445	23,875,500	3,346,000	279,719,805
Total General Purpose	17,037,406	23,859,591	15,581,669	15,913,492	10,588,187	82,980,345
Total Transportation Program	7,823,229	7,646,634	7,049,379	8,632,527	9,277,031	40,428,800
Subtotal Tax Supported	140,461,911	132,370,809	58,663,493	48,421,519	23,211,218	403,128,950
TOTAL PROGRAM	\$196,728,491	\$178,855,609	\$83,506,850	\$61,220,321	\$31,857,218	\$552,168,489

Continued funding for Wastewater projects (\$25.0 million) including:

- Funding for 91st Avenue Wastewater Treatment Plant expansion (\$21.6 million)

Continued funding for Police projects (\$7.3 million) including:

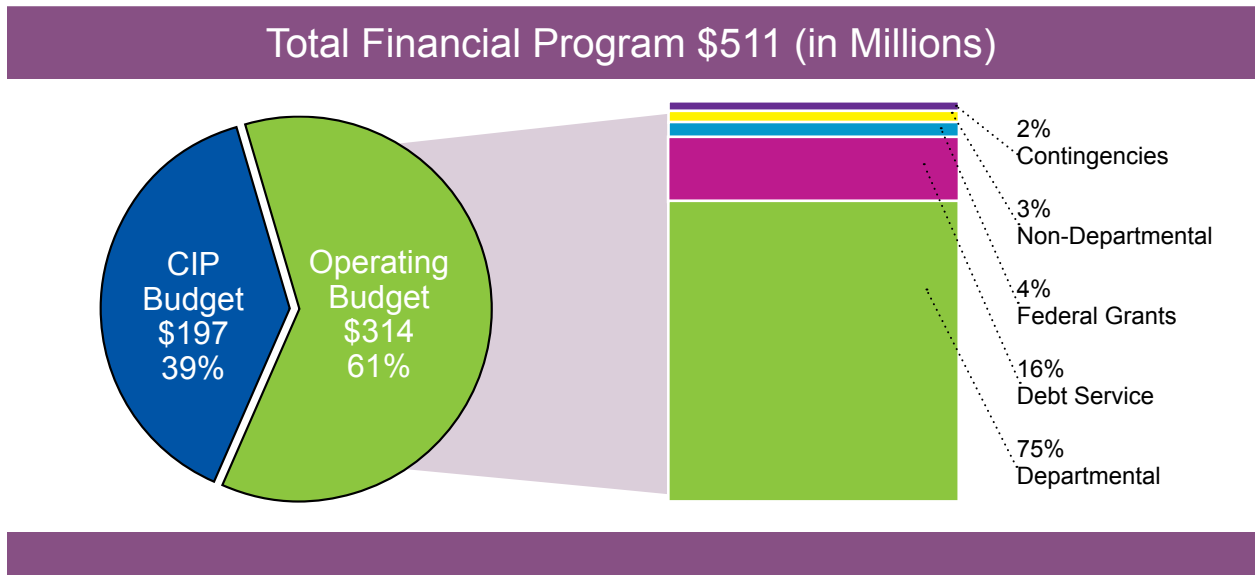
- Final funding for Apache Boulevard Police Substation (\$2.5 million)
- Continued funding for the Police Radio Replacement (\$2.6 million) and data management software systems (\$2.0 million)

Continued funding for Transportation improvements (\$7.8 million)

Funding for the Police Department Chiller Expansion (\$2.5 million)

Initial funding for the Tempe Public Library and Historical Museum renovations (\$1.6 million)

As the following graph below depicts, the operating budget represents 61% of the FY 2006-07 total financial program. Departmental budgets make up 75% of the citywide operating budget.



Revenue Considerations

The City will modify revenue as needed in several areas for FY 2006-07.

Utility Rate Reviews

Upon finalizing FY 2005-06 financial statements, Golf fees and Solid Waste rates will be reviewed to determine if adjustments are required. Council-authorized rate increases of 4.2% for Water and 7.1% for Wastewater services are scheduled for this upcoming November.

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 City Court, Development Services, Parks and Recreation, and Community Services Departments will be reviewed for potential adjustments.

FINANCIAL ASSESSMENT

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

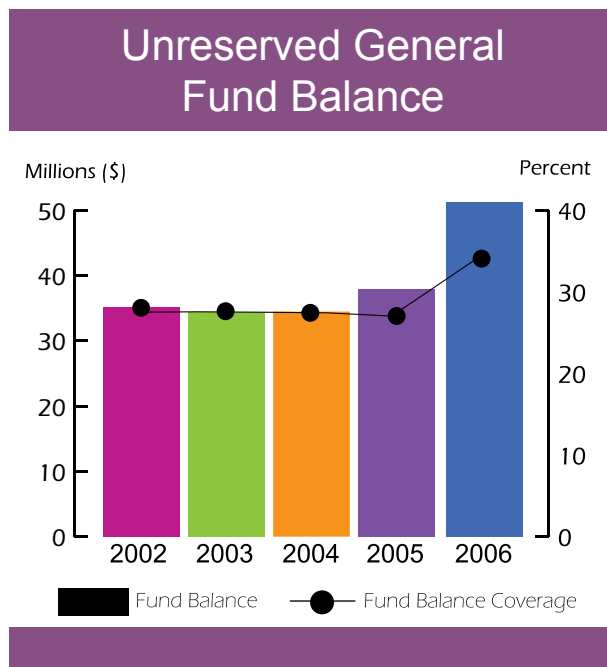
Fund Balances

One measure of a city's financial strength is the level of its fund balances (i.e., revenues in excess of expenditures). The City's estimated unreserved fund balance in the General Fund will approximate \$52 million as of June 30, 2006.

This balance represents 35% of FY 2005-06 total General Fund unreserved 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) will have a combined fund unreserved balance of approximately \$64 million at the end of FY 2005-06.

Financial Reserves

Another indicator of a city's financial strength is the level of its financial reserves. The City has established financial reserves to absorb unforeseen liabilities. The City currently has self-insurance reserves totaling \$8.8 million to protect the City against potential claims. Additionally, the City has approximately \$19.5 million in debt service reserves to help stabilize and fund future debt service obligations. Included in the annual budget and financed from current revenues is \$5.0 million of contingency funding for unanticipated emergencies. Finally, the City's "rainy day reserve" of \$8.0 million is available for unexpected emergencies.



Bond Ratings

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

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, prudent financial management practices and strong fund balances and financial reserves are principle reasons for these excellent bond ratings. These high ratings translate directly into lower interest rates on the City's debt.

Development Activity

City staff facilitated over 20 companies locating or expanding operations in FY 2005-2006 adding over 2,800 jobs with a capital investment of more than \$65 million in the community.

Highlights include:

- *Edward Jones completed 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.*
- *Google selected Tempe, AZ for business expansion with the addition of 125 new employees.*
- *KPMG LLP, the audit, tax and advisory firm, has signed a 31,000-square-foot lease at Hayden Ferry Lakeside, a mixed-use development on the shores of Tempe Town Lake in Tempe. KPMG will anchor the second 12-story, 300,000-square-foot office tower, which is currently under construction and is expected to relocate more than 200 employees from its downtown Phoenix offices in 2007.*
- *The US Airways/America West Airlines corporate merger occurred in the community occupying an additional 300,000 square feet of office space and generating an additional 1,200 jobs.*

More than \$1 billion in development is occurring in Tempe right now, with the majority of this occurring in the city's Mill Avenue District and Tempe Town Lake area. There are 43 projects under way at this time:

- *Hayden Ferry Lakeside sold out its first 45 units in Edgewater Condominiums. The building is now completed and occupied. Units in its second tower, Bridgeview, are under construction and selling from \$500,000 to \$6 million. Two more residential buildings are planned.*

- Le Meridien, a four star hotel at Hayden Ferry Lakeside is currently going through the development process.
- The second commercial building at Hayden Ferry Lakeside is 80 percent leased. This tower will open in 2007. Expansion of the parking garage is about 50 percent complete. When finished, the garage has space for retail shops.
- The 18-story Cosmopolitan Building will offer approximately 150 luxury condo units, ground level retail, including a two-story Whole Foods Market where shoppers will use escalators and elevators to get their gourmet groceries home.
- The Armory Project consists of two residential towers near Sun Devil Stadium, one designed with smaller units for students and busy professionals with the other having larger spaces.
- Several smaller developments, including the Brownstones at Hyde Park, Millstone Townhomes, and The Residences at Town Lake are nearly complete. These will add another 150 residential units to the area.
- University Square, a \$500 million project near Arizona State University, is at the beginning stages of the development process. When complete, the project would offer residential, retail, hotel and commercial opportunities.
- Centerpoint Condominiums increased the size of its project from four 22 story towers to two 22 story and two 30-story buildings.

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 are the New Year's Eve Block Party, Ironman Arizona, Rock-n-Roll Arizona Marathon and Association of Volleyball Professionals (AVP) Pro Beach Volleyball.

Favorable Development Activity

Commercial Development

Job Growth

About one of every seven workers within Tempe holds a job with a technology-focused company. As a result, Economic Development added a staff member to focus on technology development, which focuses on biotechnology and high technology recruitment. The Arizona Biodesign Institute at Arizona State University is developing leading-edge medical research that will foster the commercialization of new therapies.

Tempe's city center is experiencing a resurgence of activity. Several luxury high rise developments are under

construction and 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.

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 Work 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 future debt capacity to population, tax base growth, and current level of general operating revenue. The Capital Improvement Plan lives within the Debt Management Plan's design of limiting General Governmental tax supported debt issuance, currently averaging \$20.3 million per year over the five year CIP.

Long-Range Financial Capacity Study

The long-range financial plans and forecasts are updated annually in preparation for developing suggested budget policies for City Council consideration. The long-range forecast projects continued economic growth. Total retail taxable sales have grown over 16% over the last year, driven by strength in all business sectors. Though this brisk pace will moderate in the long-term, the broad based nature of the recent economic expansion supports a forecast of continued strength through FY 2006-07.

It is worth noting that this projection does not incorporate the potential impact to the City's finances of funding Other Post Employment Benefits (OPEB). An actuarial study has been commissioned and the results have been sent to the Finance, Aviation, Diversity, Human Resources and Tempe Community Council Committee for review and recommendations.

A "Comprehensive Financial Plan" Section is included which describes revenues and expenditures, issues, trends, and resource choices for all funds.

Council Budget Policies for FY 2006-07

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

- *the budget provides that current revenues are 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;*
- *the budget provides an adequate level of maintenance and replacement dollars to ensure that all capital facilities and equipment are properly maintained; and*
- *the budget maintains a competitive compensation and benefits package.*

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
- Finance, Aviation, Diversity, Human Resources and Tempe Community Council
- Technology Advancement, Tourism and Redevelopment
- Central City Development Committee of the Whole

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. Where relevant, departmental goals and objectives are linked to the City Council's Strategic Issues.

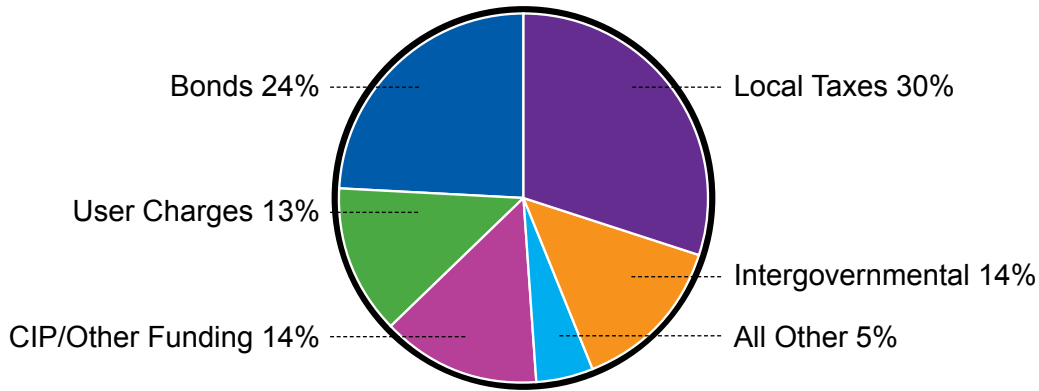
Income/Outgo

The following pie charts portray the City's income and outgo. Revenues are 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 2006-07 total revenue budget. Other major revenue sources include bond proceeds, user charges (such as water service and solid waste fees) and intergovernmental revenue.

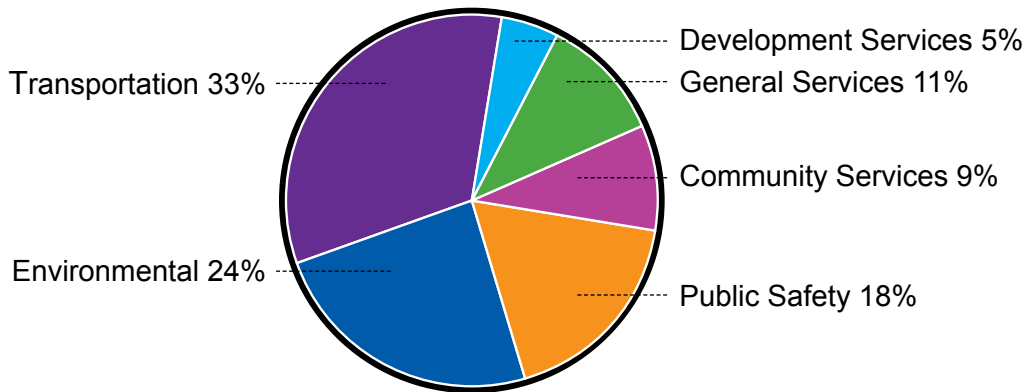
The pie charts show a breakdown of City expenditures and where the money is spent by program. Environmental Health and Transportation represent the greatest areas of program appropriation, accounting for 57% of the total financial program in FY 2006-07.

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

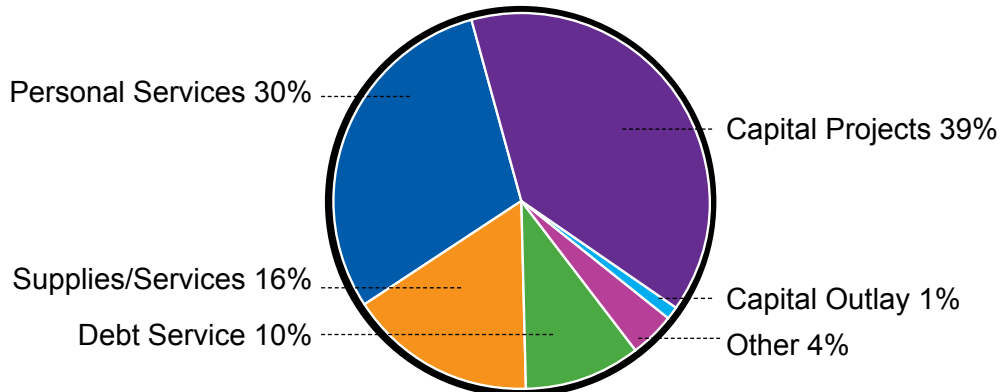
Where the Money Comes From by Source of Funds



Where the Money Goes by Type of Program



Where the Money Goes by Line Item Category



Conclusion

We can expect the brisk pace of the economy to moderate in the long-term, underscoring the need to continue to focus on our long-range planning and the management of our resources.

The following adopted budget is committed to Council's policy of preserving Tempe's quality of life and 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, appearing to read "Will Manley". The signature is fluid and cursive, with a prominent loop at the end of the last name.

Will Manley, City Manager

Budget Summaries

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



Annual Budget
July 1, 2006
through June 30, 2007



	<u>Page</u>
Budget Policies	12
Fund Summary	16
Total Financial Program	17
Financial Program Summary	18
Budget Process Flowchart	19
Budget Process Summary	20
Components of Total Financial Program	22
General Governmental and Enterprise Funds: Ten Year Fund Balance Trends	23
Capital Budget	
Capital Budget Overview	25
Capital Improvements Project Map	28
Capital Improvements Program Summary	29
Capital Improvements Program Source of Funds	30
Capital Improvements Program Changes in Fund Balances	31
Capital Improvements Program Project Listings and Descriptions	32
Relationship Between Operating and Capital Budgets	48
Projected Impact of Capital Improvements on Future Operating Budgets	50
Debt Policy	51
Capital Budget, Debt Service, and Property Tax Rate: Ten Year Historical Trends	52
Property Taxes	53
Citywide Overview:	
Operating Budget, Debt Service, Revenue, and Staffing	54
Program Budget	
Program Budget at a Glance	55
Per Capita Expenditures by Program	56
Program by Fund Summary	57
Program by Department Summary	58
Impact of Total Budget on Residents	59
Personnel Summary: Ten Year History	60

Budget Policies



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 2006-07 estimated General Fund operating revenue (\$160.5 million) to expenditures (\$159.0 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 2005 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 2006-07 11.5%*

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:** *The following debt issues are planned for FY 2006-07 with a 20 year debt amortization period: \$7.2 million for police and fire projects; \$7.5 million for transportation projects; \$11.6 million for parks, community services, and facility rehabilitation projects; \$49.9 million for transit system projects; \$29.8 million for water and wastewater projects*

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 2006-07 Annual CIP budget of \$196.7 million adopted representing the first year of a 5-year, \$552.2 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 \$500,000*

The City will maintain all its physical assets at a level adequate to protect its 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.

- **Status:**

Sources of Funds	
(\$ Millions)	FY 2006-07
General Obligation/Excise Tax Bonds	\$122.1
Pay-As-You-Go Financing	18.6
Outside Revenue	47.6
Capital Projects Fund Balance	8.4
Total Sources of Funds	\$196.7

Financial Reserve Policies

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

- **Status:**

Unreserved Fund Balance FYE 05	Revenue FY 2004-05	Unreserved Fund Balance Coverage
\$37.8 M	\$138.4 M	27.3%
Estimated Unreserved Fund Balance FYE 06	Revenue FY 2005-06	Unreserved Fund Balance Coverage
\$52.2 M	\$150.5 M	34.7%
Estimated Unreserved Fund Balance FYE 07	Revenue FY 2006-07	Unreserved Fund Balance Coverage
\$53.6 M	\$160.5 M	33.4%



The City will maintain an unreserved fund 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:**

	Unreserved Fund Balance FYE 05	Revenue FY 2004-05	Unreserved Fund Balance Coverage	Days Coverage
Water/Wastewater	\$60.7 M	\$43.7 M	138.9%	507
Solid Waste	\$2.2 M	\$12.3 M	17.9%	65
Golf	\$0.5 M	\$2.0 M	25.0%	91

	Estimated Unreserved Fund Balance FYE 06	Revenue FY 2005-06	Unreserved Fund Balance Coverage	Days Coverage
Water/Wastewater	\$61.2 M	\$44.9 M	136.3%	498
Solid Waste	\$2.5 M	\$12.9 M	19.4%	71
Golf	\$0.6 M	\$2.1 M	28.6%	104

	Estimated Unreserved Fund Balance FYE 07	Revenue FY 2006-07	Unreserved Fund Balance Coverage	Days Coverage
Water/Wastewater	\$53.0 M	\$47.3 M	112.1%	409
Solid Waste	\$1.7 M	\$13.2 M	12.9%	47
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 2006-07 \$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 and GFOA Distinguished Budget Presentation Award*

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

- **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. These recommendations, listed under the Financial Action Plan in the Comprehensive Financial Plan, include the following:

- Implement suggestions from the **Ad-Hoc Long-Range Budget and Finance Planning Committee**.
- Prepared the **Long-Range Forecast** 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 \$20.0 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.
- Continue **Financial Policy Implementation and Monitoring**.
- **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 participant 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 unreserved fund balances for the 2006-07 fiscal year. Beginning balances total \$206.1 million and the ending fund balances are \$179.6 million. The decreases in fund balances reflect 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 to pay debt associated with local and major street reconstruction and the Transit Fund \$17.0 million transfer out is primarily for a new transit center and bus replacements.

Rio Salado's negative fund balance is due to planned drawdowns to fund operating and capital expenses. Also, the FY 2005-06 estimated shortfall will be absorbed by the Rio Salado and Community Facilities District reserve which has a current balance of \$6,644,489. This is a designated reserve for the special district.

The completion of the Cemetery Fund was newly established in FY 2005-06, and cost recovery will not be seen until next fiscal year with the completion of the Cemetery expansion. The FY 2006-07 shortfall will be absorbed by an interfund loan.

Drawdowns of fund balances for the Performing Arts, Golf, Solid Waste and Water/Wastewater operations are consistent with their financial plans and include expenses for debt, capital outlay, and mandatory environmental compliance.

FY 2006-07								
Fund	Estimated Unreserved Fund Balance 7/1/06 ¹	Revenue	Total Financial Resources	Budgeted Expend. ²	Adjusted Financial Resources	Interfund Transfer In	Interfund Transfer (Out)	Estimated Unreserved Fund Balance 6/30/07
General	\$52,227,847	\$160,525,688	\$212,753,535	\$158,994,288	\$53,759,247			\$53,759,247
Special Revenue:								
HURF/LTAF	10,276,865	12,952,520	23,229,385	9,413,469	13,815,916		(3,750,000)	10,065,916
CDBG/Section 8		11,502,474	11,502,474	11,502,474	11,502,474			
Rio Salado	379,652	1,054,747	1,434,399	1,983,090	(548,691)			(548,691)
Performing Arts	13,953,773	7,393,250	21,347,023	9,106,148	12,240,875			12,240,875
Transit	35,649,629	42,976,399	78,626,028	35,313,568	43,312,460		(16,986,279)	26,326,181
Debt Service	19,505,996	18,580,379	38,086,375	19,596,603	18,489,772	3,750,000	(862,750)	21,377,022
Enterprise:								
Cemetery	(453,918)	171,000	(282,918)	358,281	(641,199)			(641,199)
Golf	583,387	2,065,729	2,649,116	2,195,431	453,685			453,685
Solid Waste	2,506,282	13,159,257	15,665,539	13,955,883	1,709,656			1,709,656
Water/Wastewater	61,237,103	47,345,297	108,582,400	54,797,488	53,784,912		(762,166)	53,022,746
TOTAL OPERATING	195,866,616	317,726,740	513,593,356	317,216,723	196,376,633	3,750,000	(22,361,195)	177,765,438
Capital Improvements	10,209,548	169,727,491	179,937,039	196,728,491	(16,791,452)	18,611,195		1,819,743
TOTAL FUNDS	\$206,076,164	\$487,454,231	\$693,530,395	\$513,945,214	\$179,585,181	\$22,361,195	\$(22,361,195)	\$179,585,181

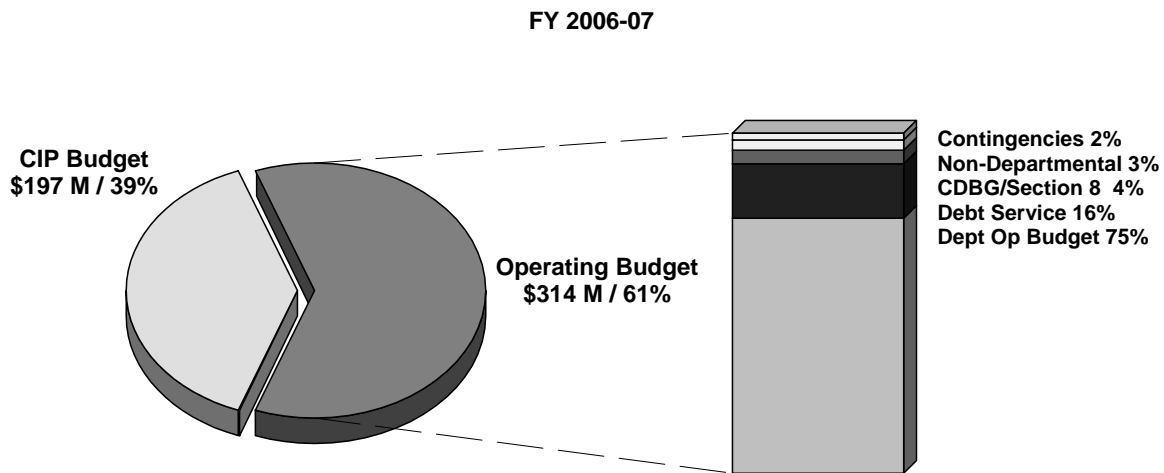
Notes:

- 1) Capital Improvements line includes Capital Improvements Reserves
- 2) Expenditures include a transfer to Community Facilities District

Total Financial Program



The Total Financial Program adopted for FY 2006-07 is \$511 million, representing a 9.8% increase from the FY 2005-06 Total Financial Program. The FY 2006-07 amount includes an Operating Budget of \$314 million and a \$197 million Capital Budget. The operating budget growth of 14.1% in FY 2006-07 is related primarily to an increase in funding for employee compensation, healthcare, retirement contributions, and additional capital outlay. The 3.6% increase in the Capital Budget is largely attributed to the construction of the Central Phoenix and East Valley Light Rail Transit System and Water/Wastewater plant capacity expansions.



Total Financial Program		
	FY 2005-06	FY 2006-07
OPERATING BUDGET		
Departmental Operating Budget	\$239,908,385	\$271,333,685
Debt Service	14,411,213	16,495,505
Non-Departmental	6,158,296	9,858,293
Contingencies	3,088,212	4,925,668
CDBG/Section 8 Housing	11,731,640	11,502,474
TOTAL OPERATING BUDGET	\$275,297,746	\$314,115,625
TOTAL CAPITAL BUDGET	\$189,971,703	\$196,728,491
TOTAL FINANCIAL PROGRAM	\$465,269,449	\$510,844,116

Financial Program Summary



The following tables summarize the revenues and expenditures for the City's Financial Program.

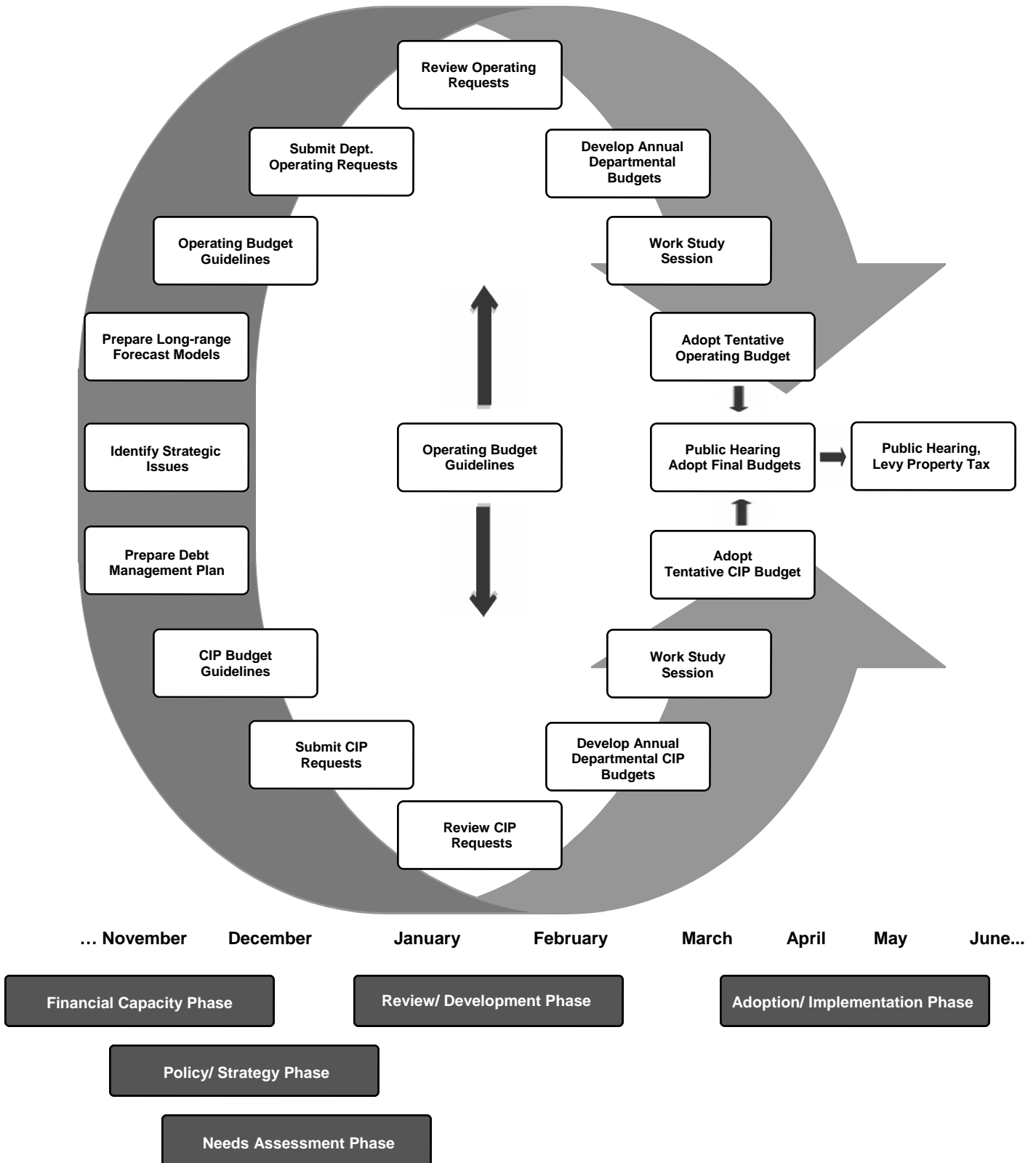
REVENUE		
<i>Operating Revenue</i>		
	FY 2005-06	FY 2006-07
General Governmental		
Local Taxes/Licenses	\$98,221,427	\$113,905,630
Intergovernmental	38,239,707	40,809,492
Charges for Services	7,477,396	10,922,429
Interest	3,569,155	3,534,039
Fines & Forfeitures	6,012,750	7,491,027
Other	2,137,095	2,445,450
Special Revenue		
Transit	37,922,748	42,976,399
Highway User Revenue Fund	13,789,041	12,427,820
CDBG/Section 8 Housing	11,731,640	11,502,474
Performing Arts	5,881,072	7,393,250
Rio Salado	735,500	1,052,747
Lottery Funds	535,456	524,700
Enterprise		
Water/Wastewater	45,953,569	47,345,297
Solid Waste	12,809,949	13,159,257
Golf	2,073,194	2,065,729
Cemetery	127,628	171,000
Subtotal Operating Revenue	\$287,217,327	\$317,726,740
Capital Revenue		
Bonds		
Water/Wastewater	50,598,544	51,844,979
Excise Tax	33,678,912	49,938,037
Tax-Supported General Obligation	18,024,605	20,320,727
CIP Outside Revenue		
Federal Funds	47,649,034	46,123,748
Development Fees	1,500,000	1,500,000
Other	26,601,027	23,389,885
Subtotal Capital Revenue	\$178,052,122	\$193,117,376
TOTAL PROGRAM	\$465,269,449	\$510,844,116

EXPENDITURES		
<i>Operating Budget</i>		
	FY 2005-06	FY 2006-07
General Governmental		
Public Safety	\$75,890,227	\$84,489,365
General Services	25,166,159	33,740,080
Community Services	25,451,975	26,868,171
Debt Service	14,411,213	16,495,505
Development Services	9,484,537	11,795,527
Transportation (Maintenance of Effort)	1,850,000	1,850,000
Environmental Health	430,606	251,145
Special Revenue		
Transit	31,118,922	35,313,568
Highway User Revenue Fund	8,656,870	9,413,469
Performing Arts	6,868,730	9,106,148
Section 8 Housing	8,882,632	9,048,759
CDBG	2,849,008	2,453,715
Rio Salado	1,551,834	1,983,090
Enterprise		
Water/Wastewater	47,720,279	54,797,488
Solid Waste	12,602,968	13,955,883
Golf	2,071,538	2,195,431
Cemetery	290,248	358,281
Subtotal Operating Budget	\$275,297,746	\$314,115,625
Capital Budget		
General Purpose		
Police	14,107,614	7,289,648
General Government	2,871,146	7,286,358
Park Improvements	11,110,000	1,172,000
Fire		1,089,400
Storm Drains	3,640,000	200,000
Special Purpose		
Transit	67,475,773	111,901,276
Rio Salado	99,090	3,700,000
Performing Arts	22,228,912	
Enterprise		
Water	17,936,000	31,257,580
Wastewater	42,064,688	24,959,000
Golf	50,000	50,000
Cemetery	1,400,000	
Transportation		
Transportation & Right-of-Way	6,043,480	6,703,229
Street Lighting & Traffic Signals	945,000	1,120,000
Subtotal Capital Budget	\$189,971,703	\$196,728,491
TOTAL PROGRAM	\$465,269,449	\$510,844,116

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.

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 resource allocation limits. Actual

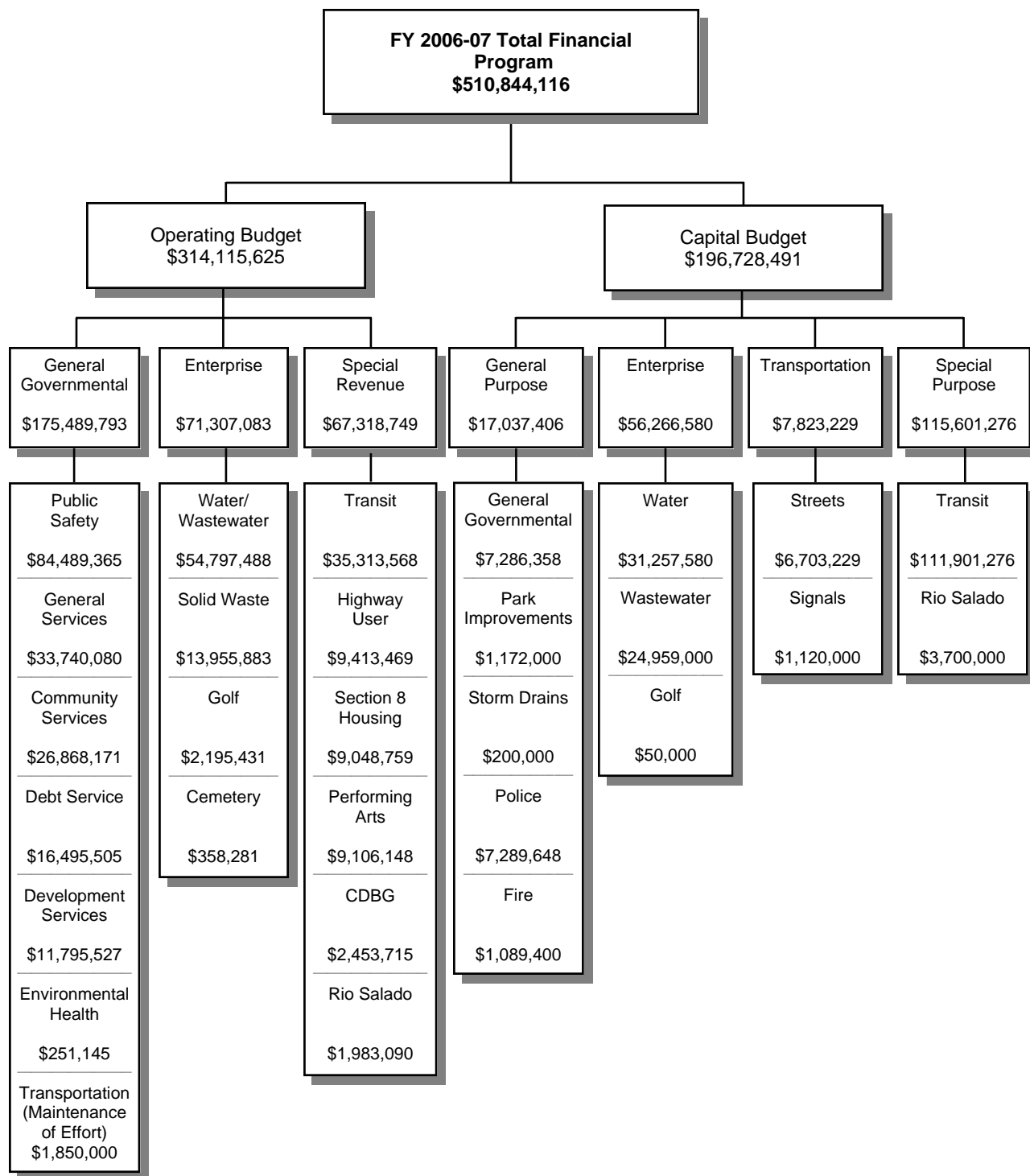


budget preparation responsibility can be identified more specifically:

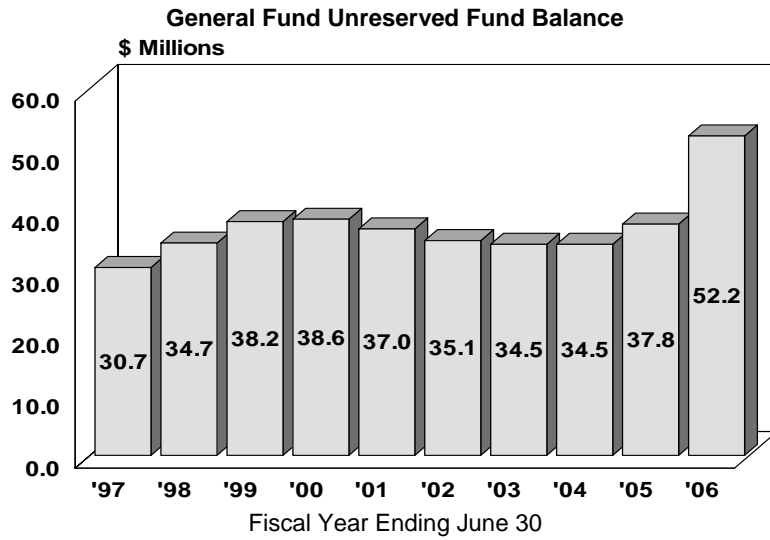
1. The program **cost center manager** is responsible for (a) preparing cost estimates for the remainder of the current fiscal year; (b) projecting base budget requirements for the next year; and (c) developing other requests that change or revise the program so that it will be more effective, efficient, 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 Service areas and submitted by the departments to the Budget Office. 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** 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 (**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**).

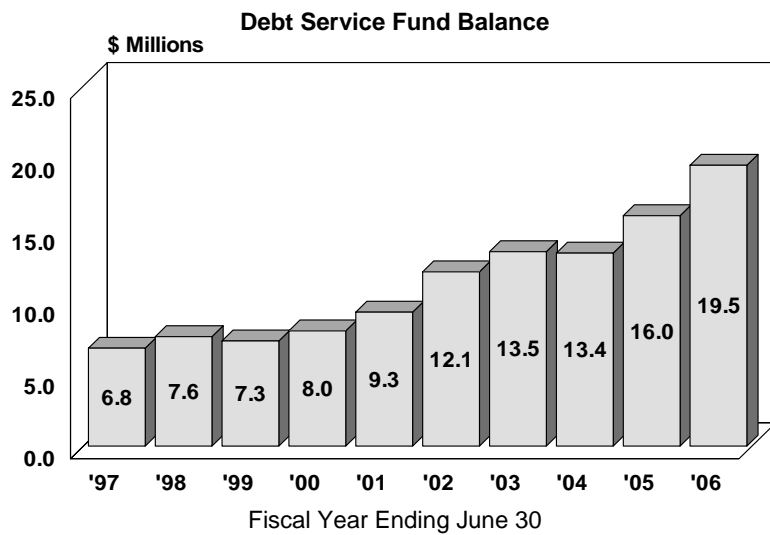
Components of Total Financial Program



General Governmental Funds: Ten Year Fund Balance Trends

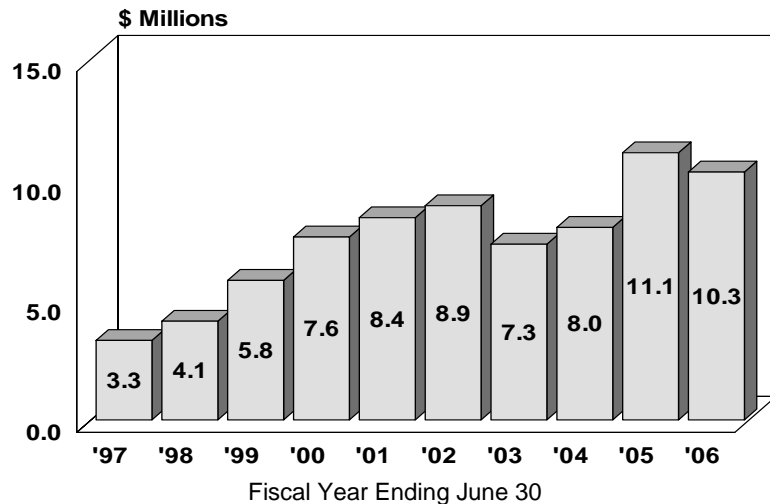


Over the ten year period, unreserved fund balances in the General Fund have been maintained at the policy guideline of 25% of revenue. At FYE 2006, the General Fund unreserved fund balance is estimated at \$52.2 million. This projected 38% increase is primarily the result of sales tax collections and building fees. The sales tax increase is reflective of an expanding and diverse retail base. Planning fees were raised to be comparable with other cities in the valley which resulted in a 58% increase in revenue collection.



The Debt Service reserve was established a number of years ago to address increasing debt service payments without impacting future operating budgets.

Highway User Revenue/Local Transportation Assistance Fund Balances

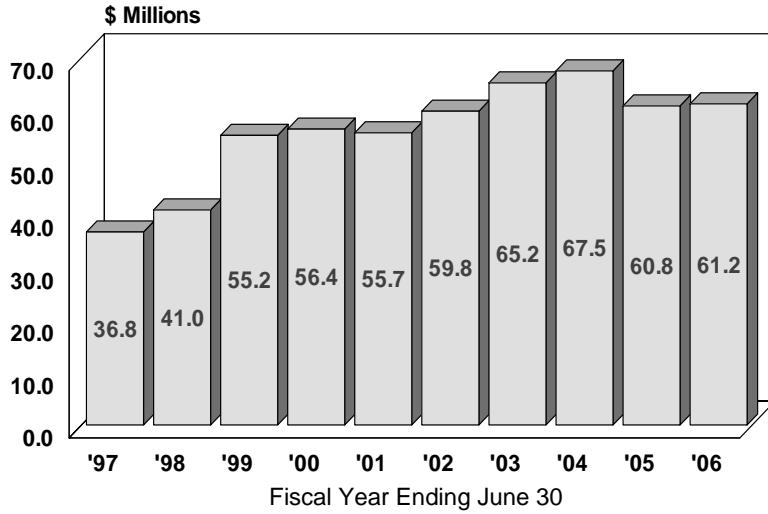


Planned drawdowns used to fund street infrastructure projects have contributed to the inconsistent trend in fund balances. The primary revenue source for these funds, state shared revenue, has grown at a modest pace, allowing the fund balance to rebound to a healthy level.

Enterprise Funds: Ten Year Fund Balance Trends

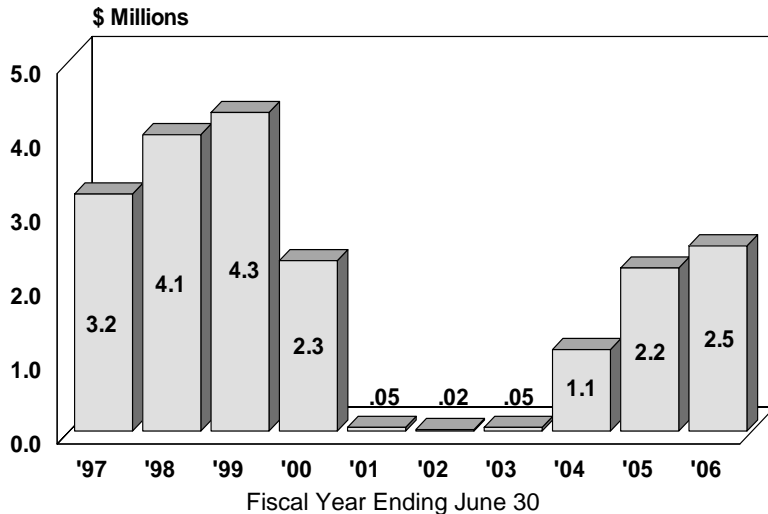


Water/Wastewater Fund Unreserved Retained Earnings



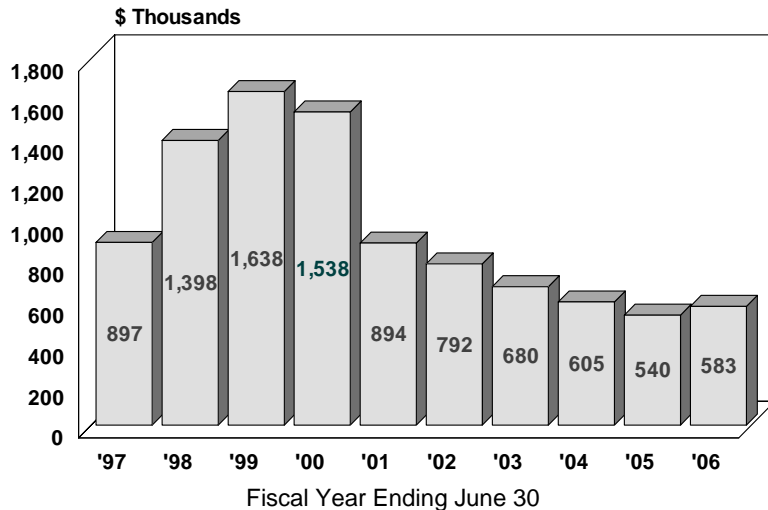
The large increase in FY 1998-99 is due to the reduction of an asset replacement reserve resulting in increased unreserved retained earnings. In FY 2004-05, a planned drawdown for pay-as-you-go financing of capital improvement projects was implemented. This reduction did not jeopardize the level of retained 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. In November 2005, a fee increase was implemented which has helped to restore the fund balance and meet the new financial guideline.

Golf Unreserved Retained Earnings



Expense growth has outpaced revenue growth since FY 1999-00, leading to the 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.

Capital Budget Overview



Pursuant to City Charter, a five-year Capital Improvement Plan (CIP) is developed and updated annually. The first year's funding requirements of the plan are included in the Capital Budget, and are formally appropriated by the City Council. Capital expenditures included in the Capital Improvement Plan are defined as having the following characteristics:

- Relatively high monetary value (\$100,000 or more)
- Long life (minimum of 5 years)
- Results in the creation of a fixed asset, or the revitalization of a fixed asset

The following are some examples of items that are included within the definition of capital expenditures:

- Construction of new facilities
- Remodeling or expansion of existing facilities
- Purchase, improvement, or development of land
- Operating equipment and machinery for new and expanded facilities
- Planning and engineering costs related to specific capital improvements
- Street resurfacing, renovation, or reconstruction
- Emergency vehicles
- Information Technology infrastructure

The FY 2006-07 Capital Budget expenditures total \$196,728,491, a 3.6% increase from the FY 2005-06 amount. This increase in the budget is driven largely by capacity expansion in the Water/Wastewater

Program, continued construction of the Light Rail Transit System project and Transportation reconstruction and renovation projects. 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 2006-07 budget include:

- \$56.3 million for Enterprise capital programs;
- \$115.6 million for Special Purpose capital programs;
- \$17.0 million for General Purpose capital programs; and
- \$7.8 million for Transportation capital programs.

Transit projects represent the largest appropriation area in FY 2006-07 at \$111.9 million, which accounts for 56.9% of the total Capital Budget. Other major areas include \$31.3 million for Water projects, \$25.0 million for Wastewater projects, and \$6.7 million for Transportation and Right-of-Way projects.

The table below compares the FY 2005-06 Capital Budget with the FY 2006-07 budget.

Comparison of FY 2005-06 and FY 2006-07 Capital Budgets

Capital Program	FY 2005-06 Budget	FY 2006-07 Budget
Enterprise		
Water	\$17,936,000	\$31,257,580
Wastewater	42,064,688	24,959,000
Golf	50,000	50,000
Cemetery	1,400,000	
Special Purpose		
Transit	67,475,773	111,901,276
Performing Arts	22,228,912	
Rio Salado	99,090	3,700,000
General Purpose		
Police	14,107,614	7,289,648
Fire		1,089,400
Storm Drains	3,640,000	200,000
Park Improvements	11,110,000	1,172,000
General Governmental	2,871,146	7,286,358
Transportation		
Transportation and R.O.W	6,043,480	6,703,229
Traffic Signals/ Street Lighting	945,000	1,120,000
Total	\$189,971,703	\$196,728,491



Enterprise Capital Program

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

Water projects comprise \$31.3 million or 55.5% of the Enterprise Capital Budget in FY 2006-07. Major projects include \$19.0 million for expansion and membrane conversion at the Johnny G. Martinez Water Treatment Plant and \$2.5 million for construction of the Utility Services Warehouse Building.

Wastewater projects comprise \$25.0 million or 44.4% of the enterprise program in FY 2006-07. This includes \$21.6 million for the City's share of improvements at the 91st Avenue Wastewater Treatment Plant and \$2.0 million for the rehabilitation of the Southern Avenue Interceptor.

Golf projects represent only 0.1% or \$50,000 of the Enterprise program in FY 2006-07, with the entire amount for ongoing improvements at the City-owned golf courses.

The primary funding for the Enterprise capital projects comes from bond proceeds that total \$51.9 million or 92.2% in FY 2006-07.

The next largest funding source is Capital Improvement Project (CIP) Fund Balances, which represent \$2.9 million, or 5.1% of the Enterprise program funding. The balance of the Enterprise program is funded with development fee revenue, which contributes \$1.5 million or 2.7% in FY 2006-07.

Enterprise – Sources of Funds	
(\$ Millions)	FY 2006-07
Bonds	\$51.9
CIP Fund Balance	2.9
Development Fees	1.5
Total	\$56.3

Special Purpose Capital Program

Special Purpose capital projects include those for the Transit and the Rio Salado programs.

Transit projects represent \$111.9 million or 96.8% of the Special Purpose Capital Budget. Major projects include \$58.4 million for planning, design, and construction of the Central Phoenix and East Valley (C.P.& E.V.) Light Rail Transit System, \$33.9 million for the East Valley Regional Maintenance Facility, and \$13.1 million for the Tempe Transportation Center.

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

Rio Salado projects represent 3.2% of the Special Purpose Program. The primary project in this program includes \$3.6 million for the Playa del Norte Park construction.

The main funding for the Special Purpose capital projects comes from Excise Tax Bonds that total \$49.9 million or 43.2% in FY 2006-07. The next largest funding source is Outside Revenue, including Federal grants and Regional Participation, which represent \$45.3 million, or 39.2% of the Special Purpose program funding. The balance of the program is funded with Transit Tax Revenue, which contributes \$16.5 million or 14.3%, General Obligation Bonds, representing \$1.4 million or 1.2%, Capital Improvements Reserve, which contributes \$2.2 million or 1.9%, and CIP Fund Balance, representing \$250,000 or 0.3% in FY 2006-07.

Special Purpose – Sources of Funds	
(\$ Millions)	FY 2006-07
Excise Tax Bonds	\$49.9
Outside Revenue	45.3
Transit Tax Revenue	16.5
General Obligation Bonds	1.4
Capital Improvements Reserve	2.2
CIP Fund Balance	0.3
Total	\$115.6



General Purpose Capital Program

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

Police Protection accounts for \$7.3 million or 42.8% of the General Purpose Capital Budget in FY 2006-07. Of this amount, \$2 million is provided for completing the Apache Boulevard Police Substation and \$4.6 million is for various communications and technology projects.

Fire Protection accounts for \$1.1 million or 6.4% of the General Purpose Capital Budget in FY 2006-07. Of this amount, \$625,000 is for replacement of Self Contained Breathing Apparatus and \$420,000 is for a Fire Pumper Truck.

Storm Drains account for \$200,000 or 1.2% of the General Purpose Capital Budget in FY 2006-07. This amount provides for Storm Drain Improvements.

Park Improvements represent \$1.2 million or 6.9% of the total General Purpose Capital Budget. Principal projects include \$812,000 for development of Victory Acres Park and \$250,000 for Neighborhood Park Improvements.

General Governmental projects account for \$7.3 million or 42.8% of the General Purpose Capital Budget. Principal projects include \$2.5 million for the expansion of the Police Department Chiller, \$1.3 million for continued funding of Municipal Arts projects, and \$1.6 million for the renovation of the Tempe Public Library and the Tempe Historical Museum Exhibit Hall.

Funding for General Purpose capital projects comes from several sources, as shown in the following table.

General Purpose – Sources of Funds	
(\$ Millions)	FY 2006-07
General Obligation Bonds	\$11.3
Capital Improvements Reserve	2.4
Transfers from Other Funds	3.0
CIP Fund Balance	0.3
Total	\$17.0

Transportation Capital Program

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

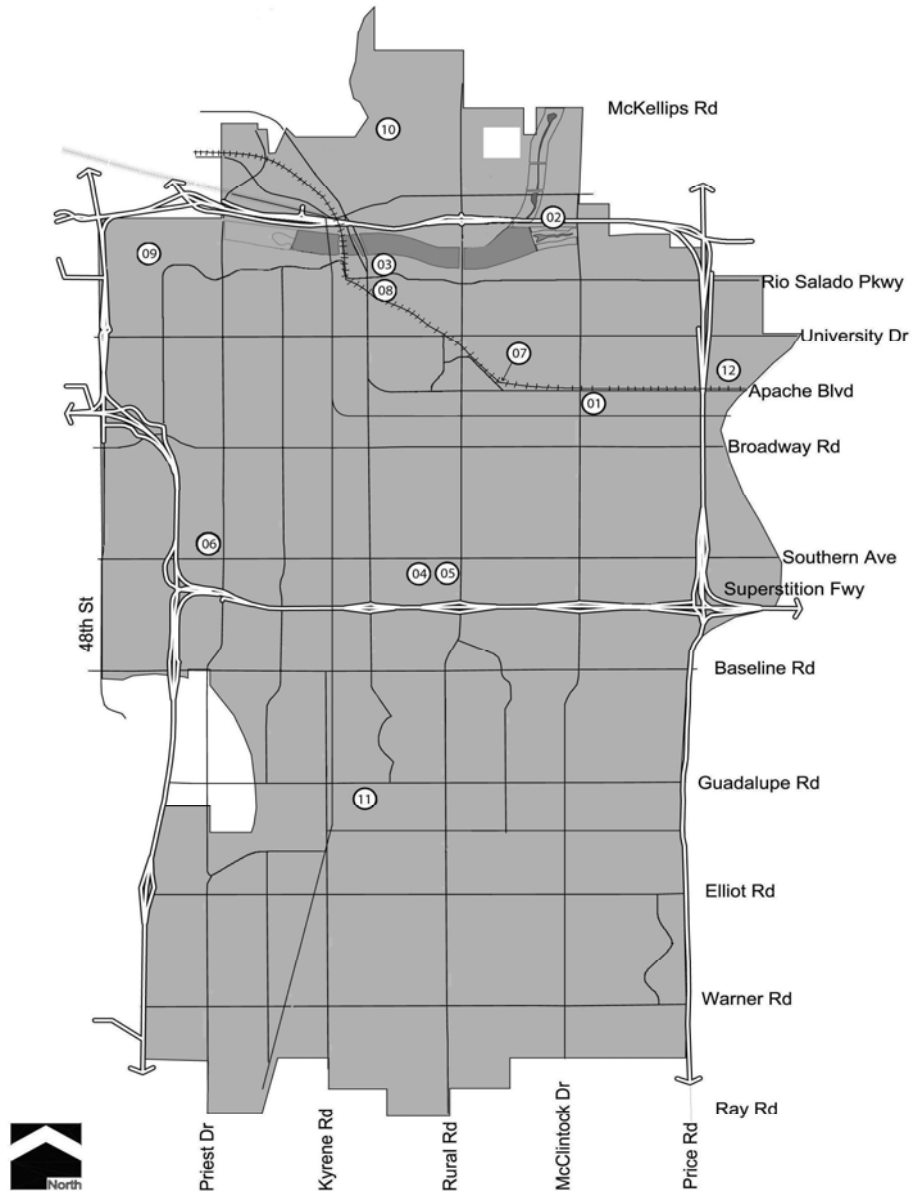
The majority of Transportation capital funding is for **Transportation and R.O.W.**, which represents \$6.7 million or 85.7% of the total Transportation Capital Budget. These amounts provide ongoing funding for local and major street renovation and reconstruction in accordance with the City's Pavement Management Program.

The remaining funding is for **Street Lighting and Traffic Signals**, which combined represent \$1.1 million or 14.3% of the total Transportation Capital Budget in FY 2006-07. 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 and CIP Fund Balances.

Transportation – Sources of Funds	
(\$ Millions)	FY 2006-07
General Obligation Bonds	\$7.6
CIP Fund Balance	0.2
Total	\$7.8

The locations of some key capital improvements projects are shown on the map of Tempe provided on the following page.



Location	Project Description
1	Apache Boulevard Substation
2	Playa del Norte
3	Police Department Chiller Expansion
4	Tempe Public Library Renovation
5	Renovation of the Tempe Historical Museum
6	Southern Avenue Interceptor Rehabilitation

Location	Project Description
7	Central Phoenix & East Valley Light Rail Transit System
8	Transit Center
9	Transit Regional Maintenance Facility
10	Johnny G. Martinez Water Treatment Plant: Expansion
11	Utility Services and Warehouse Building
12	Development of Victory Acres Park

Capital Improvements Program Summary



Program	Funded Program		Additional Needs			Total 5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY2010-11	
Enterprise Program						
Water	\$31,257,580	\$21,884,800	\$3,843,357	\$1,476,000	\$1,476,000	\$59,937,737
Wastewater	24,959,000	24,550,000	20,950,000	11,272,802	7,120,000	88,851,802
Golf	50,000	50,000	50,000	50,000	50,000	250,000
Subtotal Enterprise	56,266,580	46,484,800	24,843,357	12,798,802	8,646,000	149,039,539
Special Purpose Program						
Transit	111,901,276	97,121,084	24,782,445	18,950,000	1,100,000	253,854,805
Rio Salado	3,700,000	3,743,500	11,250,000	4,925,500	2,246,000	25,865,000
<i>Total Special Purpose</i>	<i>115,601,276</i>	<i>100,864,584</i>	<i>36,032,445</i>	<i>23,875,500</i>	<i>3,346,000</i>	<i>279,719,805</i>
General Purpose Program						
Police	7,289,648	10,977,622	5,213,649	1,435,800	150,000	25,066,719
Fire	1,089,400	2,158,088	290,400	4,232,730	4,833,752	12,604,370
Storm Drains	200,000	250,000	250,000	250,000	250,000	1,200,000
Park Improvements	1,172,000	4,882,000	4,052,000	4,102,000	3,147,000	17,355,000
General Governmental						
City Attorney	100,438					100,438
Community Development	862,750	862,750	862,750	862,750	862,750	4,313,750
Community Services	2,886,170	3,792,131	3,975,870	4,093,212	407,685	15,155,068
Neighborhood Program	225,000	225,000	225,000	225,000	225,000	1,125,000
Public Works	3,212,000	712,000	712,000	712,000	712,000	6,060,000
<i>Total General Purpose</i>	<i>17,037,406</i>	<i>23,859,591</i>	<i>15,581,669</i>	<i>15,913,492</i>	<i>10,588,187</i>	<i>82,980,345</i>
Transportation Program						
Transportation and R.O.W.	6,703,229	6,526,634	5,929,379	7,512,527	8,157,031	34,828,800
Traffic Signals/Street						
Lighting	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000	5,600,000
<i>Total Transportation</i>	<i>7,823,229</i>	<i>7,646,634</i>	<i>7,049,379</i>	<i>8,632,527</i>	<i>9,277,031</i>	<i>40,428,800</i>
<i>Total General/Transportation</i>	<i>24,860,635</i>	<i>31,506,225</i>	<i>22,631,048</i>	<i>24,546,019</i>	<i>19,865,218</i>	<i>123,409,145</i>
Subtotal Tax Supported	140,461,911	132,370,809	58,663,493	48,421,519	23,211,218	403,128,950
TOTAL PROGRAM	\$196,728,491	\$178,855,609	\$83,506,850	\$61,220,321	\$31,857,218	\$552,168,489

Capital Improvements Program Source of Funds



Program	Funded Program		Additional Needs			Total 5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Enterprise Supported						
Water/Wastewater						
Water/Wastewater Bonds	\$51,844,979	\$44,934,800	\$23,293,357	\$11,248,802	\$7,096,000	\$138,417,938
Capital Projects Fund Balance	2,871,601					2,871,601
Development Fees	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
<i>Total Water/Wastewater</i>	<i>56,216,580</i>	<i>46,434,800</i>	<i>24,793,357</i>	<i>12,748,802</i>	<i>8,596,000</i>	<i>148,789,539</i>
Golf						
Excise Tax Bonds - Golf Fund	50,000	50,000	50,000	50,000	50,000	250,000
Subtotal Enterprise Supported						
	56,266,580	46,484,800	24,843,357	12,798,802	8,646,000	149,039,539
Special Purpose						
Transit						
Transit Tax Revenues	16,451,257	38,836,748	4,177,445	728,220	300,000	60,493,670
Excise Tax Bonds	49,888,037	15,000,000	1,020,000	2,660,500		68,568,537
Valley Metro Rail Inc.		26,930,311				26,930,311
Capital Projects Fund Balance	250,234					250,234
Regional Participation	30,515,925	13,229,000	14,105,000			57,849,925
Grants	14,795,823	3,125,025	5,480,000	15,561,280	800,000	39,762,128
<i>Total Transit</i>	<i>111,901,276</i>	<i>97,121,084</i>	<i>24,782,445</i>	<i>18,950,000</i>	<i>1,100,000</i>	<i>253,854,805</i>
Rio Salado						
Land Sales/Rio Salado Reserve	2,230,000	243,500	10,400,000	4,825,500	2,146,000	19,845,000
General Obligation Bonds	1,370,000					1,370,000
Grants		3,400,000	750,000			4,150,000
Capital Projects Fund Balance	100,000	100,000	100,000	100,000	100,000	500,000
<i>Total Rio Salado</i>	<i>3,700,000</i>	<i>3,743,500</i>	<i>11,250,000</i>	<i>4,925,500</i>	<i>2,246,000</i>	<i>25,865,000</i>
<i>Total Special Purpose</i>	<i>115,601,276</i>	<i>100,864,584</i>	<i>36,032,445</i>	<i>23,875,500</i>	<i>3,346,000</i>	<i>279,719,805</i>
General Purpose & Transportation						
General Obligation Bonds	18,950,727	23,790,177	18,404,915	21,211,170	17,222,783	99,579,772
Capital Improvements Reserve	2,397,720	1,243,399	1,157,803	1,176,891	1,132,725	7,108,538
Water/Wastewater Fund	762,166	714,348	497,934	377,488	335,960	2,687,896
Transit Fund	535,022	95,551	82,000	189,500	11,000	913,073
Transfers from Other Funds	862,750	862,750	862,750	862,750	862,750	4,313,750
Capital Project Fund Balances	540,250					540,250
Community Development Block Grant	812,000	800,000				1,612,000
COPS Grant		4,000,000	1,625,646			5,625,646
<i>Total General/Transportation</i>	<i>24,860,635</i>	<i>31,506,225</i>	<i>22,631,048</i>	<i>24,546,019</i>	<i>19,865,218</i>	<i>123,409,145</i>
Subtotal Tax Supported	140,461,911	132,370,809	58,663,493	48,421,519	23,211,218	403,128,950
TOTAL PROGRAM	\$196,728,491	\$178,855,609	\$83,506,850	\$61,220,321	\$31,857,218	\$552,168,489

Capital Improvements Program Changes in Fund Balances



Program	Estimated Fund Balance 06-30-06	Transfers from Other Funds	Outside Revenue	Bond Proceeds	Appropriation	Estimated Fund Balance 06-30-07
Enterprise						
Water/Wastewater	\$3,618,741		\$1,500,000	\$51,844,979	\$56,216,580	\$747,140
Golf	42,425			50,000	50,000	42,425
Cemetery	14,289					14,289
Subtotal Enterprise	3,675,455		1,500,000	51,894,979	56,266,580	803,854
Special Purpose						
Transit	784,781	16,451,257	45,311,748	49,888,037	111,901,276	534,547
Performing Arts	453,540					453,540
Rio Salado	876,374	2,230,000		1,370,000	3,700,000	776,374
Subtotal Special Purpose	2,114,695	18,681,257	45,311,748	51,258,037	115,601,276	1,764,461
General Purpose						
Police Protection	(1,030,535)	80,000		7,209,648	7,289,648	(1,030,535)
Fire Protection	3,166	1,045,000		41,234	1,089,400	
Storm Drains		200,000			200,000	
Park Improvements	225,232		812,000	222,274	1,172,000	87,506
General Governmental	199,945	3,232,658		3,853,824	7,286,358	69
Subtotal General Purpose	(602,192)	4,557,658	812,000	11,326,980	17,037,406	(942,960)
Transportation						
Transp. & R.O.W. Improvements	127,406			6,663,137	6,703,229	87,314
Traffic Signals/Street Lighting	159,390			960,610	1,120,000	
Subtotal Transportation	286,796			7,623,747	7,823,229	87,314
Total Program	\$5,474,754	\$23,238,915	\$47,623,748	\$122,103,743	\$196,728,491	\$1,712,669

Capital Improvements Program Project Listings and Descriptions



Water Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
JGMWTP Expansion and Membrane Conversion	\$19,000,000	\$17,000,000	\$2,367,357			\$38,367,357
Utility Services and Warehouse Building	2,521,580					2,521,580
New Production Wells	2,500,000	1,258,800				3,758,800
University Drive Waterline Replacement	2,410,000					2,410,000
Water Utilities Department Security Improvements	2,000,000	1,550,000				3,550,000
Enterprise Geographical Information System	900,000					900,000
Water Line Upgrades/ Extensions	850,000	850,000	850,000	850,000	850,000	4,250,000
Well #9 Building Security/ System Piping	450,000					450,000
Distribution System Fittings	200,000	200,000	200,000	200,000	200,000	1,000,000
STWTP Capital Equipment Replacement	150,000	150,000	150,000	150,000	150,000	750,000
JGMWTP 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
SCADA Remote Terminal Units Replacement		600,000				600,000
Total Recommended	\$31,257,580	\$21,884,800	\$3,843,357	\$1,476,000	\$1,476,000	\$59,937,737

Water Program Project Descriptions

JGMWTP: Expansion and Membrane Conversion

This project will provide the increased water treatment capacity at the Johnny G. Martinez Water Treatment Plant (JGMWTP) needed to meet the projected growth resulting from in-fill development, development of remaining vacant land, and redevelopment of existing parcels.

06-07 Source of Funds

W/WW Bonds 19,000,000

Utility Services & Warehouse Building

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.

06-07 Source of Funds

W/WW Bonds 2,521,580



New Production Wells

This project funds the construction of new water production wells to provide additional groundwater production capacity of approximately 13.0 million gallons per day to the City system.

06-07 Source of Funds

W/WW Bonds	1,000,000
Development Fees	1,500,000

Water Utilities Department Security Improvements

This project funds new security improvements and upgrades of existing components at well sites, water production plants, wastewater reclamation facilities, reservoirs, and the Household Products Collection Center.

06-07 Source of Funds

W/WW Bonds	2,000,000
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Water Line Upgrades/Extensions

This project funds replacement of water lines that break during normal operation or that have reached their useful life as identified in the Water Utilities Department Integrated Master Plan.

06-07 Source of Funds

W/WW Bonds	850,000
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Distribution System Fittings

This project provides for the acquisition, assembly, and installation of water works infrastructure including meters, valves, hydrants, and water lines.

06-07 Source of Funds

W/WW Bonds	200,000
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JGMWTP Capital Equipment Replacement

This project provides funding for replacement of pumps, valves, and other operating equipment due to unforeseen failures at the Johnny G. Martinez Water Treatment Plant (JGMWTP).

06-07 Source of Funds

W/WW Bonds	150,000
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University Drive Waterline Replacement

This project funds the relocation or replacement of older water lines along University Drive.

06-07 Source of Funds

W/WW Bonds	2,410,000
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Enterprise Geographical Information System

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.

06-07 Source of Funds

W/WW Bonds	900,000
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Well #9 Building Security/System Piping

This project provides funding for structural improvements at Well #9, including a building for the electrical gear, a new system connection from the well, a new building for chlorination equipment, and a new block wall.

06-07 Source of Funds

W/WW Bonds	450,000
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STWTP Capital Equipment Replacement

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).

06-07 Source of Funds

W/WW Bonds	150,000
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CAP Capital Charge

This project funds the annual repayments to the Central Arizona Water Conservation District (CAWCD) to reimburse construction costs of the Central Arizona Project (CAP) Canal.

06-07 Source of Funds

W/WW Bonds	126,000
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Wastewater Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
91st Avenue Wastewater Treatment Plant	\$21,600,000	\$21,300,000	\$18,200,000	\$8,522,802	\$5,000,000	\$74,622,802
Southern Avenue Interceptor (SAI) Rehabilitation/ All Phases	2,000,000	2,000,000	2,000,000	2,000,000	1,370,000	9,370,000
Sewer Line Upgrades and Extension	750,000	750,000	750,000	750,000	750,000	3,750,000
Metering Station Improvements	405,000					405,000
48th Street Meter Station	204,000					204,000
SRO 10 MGD Diversion (Priest - 48th St.)		500,000				500,000
Total Recommended	\$24,959,000	\$24,550,000	\$20,950,000	\$11,272,802	\$7,120,000	\$88,851,802

Wastewater Program Project Descriptions

91st Avenue Wastewater Treatment Plant

This project represents Tempe's share of all expansion activities at the jointly-owned, regional 91st Avenue Wastewater Treatment Plant.

06-07 Source of Funds

W/WW Bonds 18,728,399
CIP Fund Balances 2,871,601

SAI Rehabilitation – All Phases

This project funds the phased rehabilitation or replacement of a jointly-owned regional sewer line that runs through Tempe.

06-07 Source of Funds

W/WW Bonds 2,000,000

Sewer Line Upgrades and Extensions

This project provides a recurring funding source to replace sewer lines that break during normal operation, as identified in the Water Utilities Department Integrated Master Plan (IMP).

06-07 Source of Funds

W/WW Bonds 750,000

Metering Station Improvements

This project provides funding for modifications to existing meter station access at the Priest Road Metering Station and the Southern Avenue Metering Station.

06-07 Source of Funds

W/WW Bonds 405,000

48th Street Meter Station

This project provides funding for construction of a facility to allow dewatering of solids following the wastewater collection system cleaning process.

06-07 Source of Funds

W/WW Bonds 204,000



Golf Program Project Listings

Project Description	Funded		Additional Needs			5-Year
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Program
Golf Course Improvements	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total Recommended	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Golf Program Project Descriptions

Golf Course Improvements

This ongoing project provides funds for small annual renovation and improvement projects at both golf courses.

06-07 Source of Funds

Excise Tax Bonds 50,000



Transit Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Central Phoenix & East Valley						
Light Rail Transit System	\$58,399,037	\$87,566,059	\$16,582,445			\$162,547,541
East Valley Regional Maintenance						
Facility	33,867,239					33,867,239
Tempe Transportation Center	13,100,000					13,100,000
Bus-Midlife Scheduled Fleet						
Maintenance	3,619,000	1,470,000				5,089,000
Bus Purchase-Fleet Replacement	1,600,000		6,000,000	15,650,000		23,250,000
Mid-Block Crossing						
Treatments	616,000					616,000
College Avenue Streetscape & Pedestrian Improvements	235,000	2,615,000				2,850,000
Crosscut Canal Multi-Use Path, Phase II	200,000		1,900,000			2,100,000
Rio Salado South Bank Multi-Use Path (Priest/Hardy)	140,000					140,000
Tempe Canal Multi-Use Path: Phase I	100,000					100,000
Transportation Management						
Center-Equipment	25,000	670,025				695,025
Western Canal Multi-Use Path		4,600,000				4,600,000
Broadway Road Streetscape & Pedestrian Improvements			300,000	3,000,000		3,300,000
Rio Salado Multi-Use Path- Tempe/Phoenix (Priest/SR 143)				300,000	1,100,000	1,400,000
Apache Boulevard Street Improvements (Mill/Terrace)		200,000				200,000
Total Recommended	\$111,901,276	\$97,121,084	\$24,782,445	\$18,950,000	\$1,100,000	\$253,854,805



Transit Program Project Descriptions

Central Phoenix & East Valley Light Rail Transit System

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.

06-07 Source of Funds

Excise Bonds	49,888,037
Regional Participation	8,511,000

Tempe Transportation Center

This project funds the design and construction of a transit center, including parking, commercial and office space, and 15 bus bays.

06-07 Source of Funds

Transit Tax	11,465,691
Federal Grants	1,634,309

Bus Purchase-Fleet Replacement

This project funds the replacement of 52 fixed route buses in the Tempe fleet.

06-07 Source of Funds

Transit Tax	1,600,000
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College Ave. Streetscape & Pedestrian Improvements

This project funds two miles of pedestrian improvements and traffic calming for a collector street.

06-07 Source of Funds

CIP Fund Balance	225,234
Transit Tax	9,766

Rio Salado South Bank Multi-Use Path (Priest/Hardy)

This project funds a multi-use path that would be located on City of Tempe right-of-way on the south bank of the Rio Salado Town Lake between Hardy and Priest Drive.

06-07 Source of Funds

Transit Tax	140,000
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Transportation Management Center -Equipment

This project funds the purchase of equipment to manage and monitor traffic and transit operations in an increasingly dynamic environment.

06-07 Source of Funds

CIP Fund Balances	25,000
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East Valley Regional Maintenance Facility

This project funds design and construction costs for a cooperative multi-jurisdictional regional maintenance center located in Tempe.

06-07 Source of Funds

Regional Participation	22,004,925
Federal Grants	11,862,314

Bus Midlife Scheduled Fleet Maintenance

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

06-07 Source of Funds

Transit Tax	2,819,800
Federal Grant	799,200

Mid-Block Crossing Treatments

This project funds the design and construction of up to six mid-block arterial street crossings at various locations throughout the City.

06-07 Source of Funds

Federal Grants	500,000
Transit Tax	116,000

Crosscut Canal Multi-Use Path, Phase II

This project will build a one mile non-motorized path that will connect to the recently completed, award winning 1.25 mile Crosscut Canal Multi-Use Path Phase I.

06-07 Source of Funds

Transit Tax	200,000
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Tempe Canal Multi-Use Path, Phase I

This project funds design and construction of a one mile segment of concrete off-street pathway that will include lighting, landscaping, and art elements along the Tempe Canal.

06-07 Source of Funds

Transit Tax	100,000
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Rio Salado Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Playa Del Norte Park	\$3,600,000					\$3,600,000
Rio Salado Ancillary Construction Projects	100,000	100,000	100,000	100,000	100,000	500,000
Town Lake Rubber Dam Replacement			9,400,000	4,740,000	2,060,000	16,200,000
Tempe Town Lake Pedestrian Bridge		3,643,500	1,750,000	85,500	86,000	5,565,000
Total Recommended	\$3,700,000	\$3,743,500	\$11,250,000	\$4,925,500	\$2,246,000	\$25,865,000

Rio Salado Program Project Descriptions

Playa Del Norte Park

This project funds enhancements to the Playa Del Norte Park, including patio shade structure, mature tree planting, and construction of a water fountain.

06-07 Source of Funds

Capital Improvements Reserve	2,230,000
G.O. Bonds	1,370,000

Rio Salado Ancillary Project

This project funds the various projects that become necessary at Tempe Town Lake, the Tempe Beach Park, and the linear park system.

06-07 Source of Funds

CIP Fund Balances	100,000
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Police Protection Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Police/City Radio System						
Replacement	\$2,559,648	\$6,777,622	\$3,663,649	\$1,285,800		\$14,286,719
Apache Boulevard Substation	2,500,000					2,500,000
Police CAD/RMS/FRWS						
System	2,000,000	4,000,000				6,000,000
TIPS (Technology Integrated						
Police System)	150,000	200,000	150,000	150,000	150,000	800,000
Detention Facility Improvements	80,000					80,000
Laptop Refresh			1,400,000			1,400,000
Total Recommended	\$7,289,648	\$10,977,622	\$5,213,649	\$1,435,800	\$150,000	\$25,066,719

Police Protection Program Project Descriptions

Police/City Radio System Replacement

This project will replace the City's analog radio system with an interoperable digital system, allowing communication with other jurisdictions in the Phoenix metro area.

06-07 Source of Funds

G.O. Bonds 2,559,648

Apache Boulevard Substation

This project funds the construction of a Police Substation and Property/Evidence Facility on Apache Boulevard.

06-07 Source of Funds

G.O. Bonds 2,500,000

Police CAD/RMS/FRWS System

This project funds replacement of the Department's existing Computer Aided Dispatch (CAD) System, Records Management System (RMS), and Field Report Writing System (FRWS).

06-07 Source of Funds

G.O. Bonds 2,000,000

TIPS (Technology Integrated Police System)

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

06-07 Source of Funds

G.O. Bonds 150,000

Detention Facility Improvements

This project funds the replacement of the Police Department's graphic enunciator system in the Detention Facility.

06-07 Source of Funds

Capital Improvements 80,000
Reserve



Fire Protection Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Replacement of Self Contained Breathing Apparatus	\$625,000					\$625,000
Replacement Pumper Truck	420,000					420,000
Renovations to Fire Station 4	44,400	394,000				438,400
New Support Services Facility		1,424,200	290,400	3,825,160		5,539,760
Fire Station 2 Classroom Addition at Fire Training Center		199,888		407,570	4,833,752	5,241,322
Radio Replacement for Conversion to 800 MHz		140,000				140,000
Total Recommended	\$1,089,400	\$2,158,088	\$290,400	\$4,232,730	\$4,833,752	\$12,604,370

Fire Protection Program Project Descriptions

Replacement of Self-Contained Breathing Apparatus

This project funds replacement of the Fire Department's current self-contained breathing apparatus units.

06-07 Source of Funds

Capital Improvements Reserve	625,000
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Replacement Pumper Truck

This project provides funding to replace pumper truck #E273.

06-07 Source of Funds

Capital Improvements Reserve	420,000
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Renovations to Fire Station 4

This project funds the renovation of Fire Station 4, including adding a women's restroom, rebuilding the kitchen area, construction of an exercise room, and upgrades to the truck room.

06-07 Source of Funds

G.O. Bonds	41,234
CIP Fund Balances	3,166



Storm Drains Program Project Listings

Project Description	Funded		Additional Needs			5-Year
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Program
Storm Drain Improvements	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,200,000
Total Recommended	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,200,000

Storm Drains Program Project Descriptions

Storm Drain Improvements

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

06-07 Source of Funds

Water/Wastewater Fund 200,000



Park Improvements Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Development of Victory Acres						
Property	\$812,000	\$800,000				\$1,612,000
Neighborhood Park Improvements	250,000	300,000	300,000	350,000	350,000	1,550,000
Sports Facility Relamping	60,000	60,000	60,000	60,000	60,000	300,000
Park Landscaping Improvements	50,000	75,000	75,000	75,000	75,000	350,000
Park Renovation and Restoration		2,312,000	2,012,000	2,012,000	2,262,000	8,598,000
Kiwanis Park Sprinkler System						
Replacement		240,000	1,255,000	1,255,000		2,750,000
Athletic Field Lighting						
Improvements		300,000	350,000	350,000	400,000	1,400,000
Kiwanis Recreation Center Tennis						
Court Resurfacing		795,000				795,000
Total Recommended	\$1,172,000	\$4,882,000	\$4,052,000	\$4,102,000	\$3,147,000	\$17,355,000

Park Improvements Program Project Descriptions

Development of Victory Acres Property

This project funds the development of a park in the Victory Acres section of Tempe

06-07 Source of Funds

Community Dev. Block Grant	812,000
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Sports Facility Relamping

This project provides funding for the maintenance of sports facility lighting.

06-07 Source of Funds

G.O. Bonds	60,000
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Neighborhood Park Improvements

This project funds the replacement of playground equipment, picnic equipment, fencing, signage, and other improvements in the various neighborhood parks.

06-07 Source of Funds

G.O. Bonds	154,699
Capital Improvements Reserve	95,301

Park Landscaping Improvements

This project provides funding for the repair and replacement of neighborhood park landscaping.

06-07 Source of Funds

G.O. Bonds	7,575
CIP Fund Balances	42,425



General Governmental Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
City Attorney						
Security Enhancement-City Attorney's Office/Criminal Division	\$100,438					\$100,438
Community Development						
AWA - 1st Street Redevelopment	862,750	862,750	862,750	862,750	862,750	4,313,750
Community Services						
Municipal Arts Program	1,332,470	866,298	550,737	556,879	292,685	3,599,069
Renovation of the Tempe Historical Museum Exhibit Hall	926,000	2,625,000				3,551,000
Tempe Public Library Renovation	627,700	300,833	3,425,133	3,536,333	115,000	8,004,999
Maryanne Corder Neighborhood Improvement Program						
	225,000	225,000	225,000	225,000	225,000	1,125,000
Public Works						
Police Department Chiller Expansion	2,500,000					2,500,000
City Facilities Rehabilitation	500,000	500,000	500,000	500,000	500,000	2,500,000
Historic Properties Preservation	100,000	100,000	100,000	100,000	100,000	500,000
HVAC Equipment Replacement	50,000	50,000	50,000	50,000	50,000	250,000
Energy Upgrade and Retrofit	32,000	32,000	32,000	32,000	32,000	160,000
Roof Maintenance Program	30,000	30,000	30,000	30,000	30,000	150,000
Total Recommended	\$7,286,358	\$5,591,881	\$5,775,620	\$5,892,962	\$2,207,435	\$26,754,256

General Governmental Program Project Descriptions

Security Enhancement-City Attorney's Office/Criminal Division

This project improves the ergonomics of support staff workstations and enhances security at the City Attorney's Office.

06-07 Source of Funds

Capital Improvements Reserve 100,438

America West Airlines (AWA)-1st Street Redevelopment

This project provides funding for the development agreement between America West Airlines and the City.

06-07 Source of Funds

Other Funds 862,750

**Municipal Arts Program**

This project provides for various municipal arts projects as determined by the Municipal Arts Commission and the City Council.

06-07 Source of Funds

Water/Wastewater Fund	562,166
Capital Improvements Reserve	235,282
Transit Fund	535,022

Tempe Public Library Renovation

This project provides funds to enhance and renovate the Tempe Public Library. Enhancements will include upgrading the computer network, remodeling existing space, and purchase of new furniture.

06-07 Source of Funds

G.O. Bonds	627,700
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Police Department Chiller Expansion

This project will provide redundant cooling capacity for the Municipal District Cooling Loop.

06-07 Source of Funds

G.O. Bonds	2,500,000
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Historic Properties Preservation

This project provides funding to preserve the structural and aesthetic value of City owned historical properties.

06-07 Source of Funds

Capital Improvements Reserve	100,000
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Energy Upgrade and Retrofit

This project funds the retrofit of lighting City facilities to improve energy efficiency throughout the City.

06-07 Source of Funds

Capital Improvements Reserve	32,000
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Renovation of the Tempe Historical Museum Exhibit Hall

This project funds the complete renovation of the exhibit gallery of the Tempe Historical Museum Exhibit Hall, and funds the addition of 4,000 square feet of artifact storage.

06-07 Source of Funds

G.O. Bonds	726,124
CIP Fund Balances	199,876

Maryanne Corder Neighborhood Improvement Program

This project provides funding for small neighborhood initiated projects.

06-07 Source of Funds

Capital Improvements Reserve	225,000
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City Facilities Rehabilitation

This project provides funding for the rehabilitation and repair to aging City owned building infrastructure.

06-07 Source of Funds

Capital Improvements Reserve	500,000
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HVAC Equipment Replacement

This project funds the replacement of City owned A/C equipment.

06-07 Source of Funds

Capital Improvements Reserve	50,000
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Roof Maintenance Program

This project provides funding for the maintenance and repair of the roofs on City buildings.

06-07 Source of Funds

Capital Improvements Reserve	30,000
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Transportation and Right-of-Way Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
Major Street Renovation	\$1,384,614	\$1,082,409	\$1,190,650	\$2,000,000	\$2,200,000	\$7,857,673
Local and Major Street Reconstruction	1,234,142	955,142	459,729	477,628	525,391	3,652,032
Local Street Renovation	1,218,685	1,331,099	877,400	1,237,500	1,361,250	6,025,934
Arterial Resurfacing	874,481	961,929	1,058,122	1,163,934	1,280,328	5,338,794
Neighborhood Rehabilitation	650,000	715,000	786,500	865,150	951,665	3,968,315
Intersection Reconstruction	600,000	660,000	726,000	798,600	878,460	3,663,060
Minor Concrete Improvements	393,250	432,575	475,832	523,415	575,757	2,400,829
Neighborhood Transportation Management	200,000	200,000	200,000	200,000	200,000	1,000,000
Bridge Maintenance	100,000	100,000	100,000	100,000	100,000	500,000
City Facilities Parking Lots	26,057	66,480	33,146	124,300	62,180	312,163
Minor Street and Alley Improvements	22,000	22,000	22,000	22,000	22,000	110,000
Total Recommended	\$6,703,229	\$6,526,634	\$5,929,379	\$7,512,527	\$8,157,031	\$34,828,800

Transportation and Right-of-Way Program Project Descriptions

Major Street Renovation

This project provides funds for ongoing preventative maintenance and resurfacing of major arterial and collector streets throughout the city in accordance with the City's Pavement Management Program.

06-07 Source of Funds

G.O. Bonds 1,384,614

Local and Major Street Reconstruction

This project provides for the reconstruction, resurfacing, and rehabilitation of isolated and/or small groups of streets that have exceeded their design life or that were never part of the City's street system.

06-07 Source of Funds

G.O. Bonds 1,234,142

Local Street Renovation

This project will provide the ongoing preventative maintenance of local/residential streets throughout the city in accordance with the City's Pavement Management Program.

06-07 Source of Funds

G.O. Bonds 1,218,685

Arterial Resurfacing

This project provides funding for the resurfacing and localized reconstruction of the arterial street system in the City.

06-07 Source of Funds

G.O. Bonds 874,481

Neighborhood Rehabilitation

This project provides for the reconstruction, resurfacing, and/or rehabilitation of residential streets in Tempe Neighborhoods

06-07 Source of Funds

G.O. Bonds 650,000

Intersection Reconstruction

This project provides for the reconstruction, resurfacing, and rehabilitation of intersections throughout the City.

06-07 Source of Funds

G.O. Bonds 600,000



Minor Concrete Improvements

This project provides funds for the emergency replacement of broken curbs, gutters, and sidewalks throughout the City.

06-07 Source of Funds

G.O. Bonds	393,250
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Neighborhood Transportation Management

This project will provide the Transportation Division with resources to plan and identify effective neighborhood specific traffic calming measures, including speed humps.

06-07 Source of Funds

G.O. Bonds	200,000
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Bridge Maintenance

This project funds maintenance of City bridges.

06-07 Source of Funds

G.O. Bonds	59,908
CIP Fund Balances	40,092

City Facilities Parking Lots

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

06-07 Source of Funds

G.O. Bonds	26,057
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Minor Street and Alley Improvements

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

06-07 Source of Funds

G.O. Bonds	22,000
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Traffic Signals/Street Lighting Program Project Listings

Project Description	Funded		Additional Needs			5-Year Program
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	
New Signals/Modular						
Upgrades	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000	\$1,600,000
Streetlight Upgrades/New						
Installation	300,000	300,000	300,000	300,000	300,000	1,500,000
Street Light Pole Structural						
Replacement	300,000	300,000	300,000	300,000	300,000	1,500,000
Utility Undergrounding	150,000	175,000	175,000	175,000	175,000	850,000
Installation of ADA Pedestrian						
Push Buttons	25,000	25,000	25,000	25,000	25,000	125,000
Antique Street Sign Face and						
Frames Replacement	25,000					25,000
Total Recommended	\$1,120,000	\$1,120,000	\$1,120,000	\$1,120,000	\$1,120,000	\$5,600,000

Traffic Signals/Street Lighting Program Project Descriptions

New Signals/Modular Upgrades

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

06-07 Source of Funds

G.O. Bonds 320,000

Street Light Upgrades/ New Installation

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

06-07 Source of Funds

G.O. Bonds 300,000

Street Light Pole Structural Replacement

This project funds the replacement of existing rusted street light poles that are direct buried with those that meet current street light pole foundation standards.

06-07 Source of Funds

G.O. Bonds 140,610
CIP Fund Balances 159,390

Utility Undergrounding

This project provides funding for the undergrounding of overhead utility lines.

06-07 Source of Funds

G.O. Bonds 150,000

Installation of ADA Pedestrian Push Buttons

This project provides for the installation of pedestrian push buttons in compliance with the Americans With Disabilities Act.

06-07 Source of Funds

G.O. Bonds 25,000

Antique Street Sign Face and Frame Replacement

This project provides for the replacement of the Antique Street Sign Faces and Frames in the downtown business district.

06-07 Source of Funds

G.O. Bonds 25,000

Relationship Between Operating and Capital Budgets



Pursuant to City Charter, all current and future operating and maintenance impacts associated with capital improvements are to be identified and reviewed in the Capital Budget process. These impacts can include increased costs, new revenues, and cost savings. Examples of increased costs include new staffing needs, supplies and services, operating equipment purchases, facility maintenance contracts, and utility costs. To ensure that these costs are accurately identified for each project, department staff work in tandem with Facilities Maintenance and the Information Technology Department staff in preparing operating budget impact projections.

In addition to cost considerations, any new operating revenue generated by a capital project is to be identified. Examples of new revenue can include user fees, charges for services, taxes, and permit fees. A final operating consideration is expenditure offsets achieved by building

a capital project. Examples of these offsets can include reduced office rental or land lease costs and reductions in miscellaneous fees and service charges.

Current Operating and Maintenance Impacts

The table below summarizes the operating and maintenance impacts for the FY 2006-07 Capital Budget. These costs totaled \$508,822 in FY 2006-07, and include funding for five new full-time positions. As is evident from the table, no new operating revenues nor offsetting expenditure reductions were identified for these projects. These impacts were included in the FY 2006-07 Operating Budget.

In terms of specific projects, the **Apache Boulevard Police Substation** project contributes by far the largest operating cost, with \$396,698 in equipment and

Current Operating and Maintenance Impacts of Capital Budget							
FY 2006-07							
Offsets							
	FTE	Total Cost	Expenditure Reductions	New Revenue	Net Fiscal Effect	Recurring	Non-Recurring
General Fund							
Police							
Apache Boulevard Substation	4.00	\$396,698			\$396,698	\$338,198	\$58,500
Community Services							
Tempe Historical Museum Renovation		9,920			9,920	9,920	
Tempe Public Library Renovation		5,000			5,000	5,000	
Total - General Fund	4.00	411,618			411,618	353,118	58,500
Transit Fund							
Public Works							
East Valley Regional Maintenance Facility	1.00	81,784			81,784	80,295	1,489
Total - Transit Fund	1.00	81,784			81,748	80,295	1,489
Highway User Revenue Fund							
Public Works							
Street Light Upgrades/New Installation		8,940			8,940	8,940	
New Signals/Modular Upgrade		6,480			6,480	6,480	
Total - Highway User Revenue Funds		15,420			15,420	15,420	
Grand Total - All Funds	5.00	\$508,822			\$508,822	\$448,833	\$59,989



operating costs in FY 2006-07. Of this amount, \$338,198 is budgeted for the recurring costs of hiring four new full-time positions, including two Custodians, a Facility Technician II, and an Administrative Assistant I for the lobby of the Substation. The nonrecurring amount is for office furnishings and vehicles. These costs will be paid from the City's General Fund.

Other General Fund impacts include \$9,920 for increased utility and custodial costs associated with adding 4,000 square feet of storage space in the **Tempe Historical Museum Renovation** and \$5,000 for information technology hardware maintenance expenses associated with upgrading the computer network as part of the **Tempe Public Library Renovation**. The impacts for both of these projects are recurring in nature.

The **East Valley Regional Maintenance Facility** will have an \$81,784 impact on the Transit Fund associated with hiring a Transit Maintenance Administrator to oversee the construction and operations of the facility. Of this amount, \$80,295 is ongoing in nature and the remainder is for non-recurring equipment costs.

The remaining current year operating impacts include pole painting, electricity, and contracted services costs related to the **Street Light Upgrades/New Installation** and **New Signal/Modular Upgrade** projects in the Transportation Program. These recurring costs total \$8,940 and \$6,480 respectively, and will be paid from the Highway User Revenue Fund.

Future Operating and Maintenance Impacts

In addition to current year impacts, future operating costs, savings, and revenue associated with current and planned projects are identified in the Capital Budget process to aid in long range planning. As the City Council only formally adopts Operating and Capital Budgets on an annual basis, it is important to note that these 'out-year' impacts merely represent a forecast based on the current scope of the project and inflation assumptions. As such, they will be subject to upward and/or downward revision in future years based on changes in inflation, the scope of the project and/or Council and Community priorities.

As shown in the table on the following page, the total operating costs for all projects are estimated to grow from \$2.4 million in FY 2007-08 to \$10.2 million in FY 2010-11. Transit projects in the Special Purpose program are the primary driver of this growth, as the **Central Phoenix and East Valley Light Rail Transit System**, the **East Valley Regional Maintenance Facility**, and the **Tempe Transportation Center** projects become fully operational. Operating costs

associated with these projects will be paid with monies from the Transit Fund.

With the exception of the **Apache Boulevard Substation**, which represents an ongoing operating impact of approximately \$400,000 per year in the forecast period, the remaining impacts represent relatively minor operating and maintenance impacts.

Projected Impact of Capital Improvements on Future Operating Budgets



Capital Improvements Plan Net Operating Impact Forecast: FY 2007-08 to FY 2010-11					
Capital Project	Fund	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Enterprise Program					
Utility Services and Warehouse Building	Water	\$38,582	\$38,582	\$38,582	\$38,582
Water Utilities Department Security Improvements	Water	93,941			
Enterprise Subtotal		132,523	38,582	38,582	38,582
Special Purpose Program					
East Valley Regional Maintenance Facility	Transit	1,141,078	1,170,226	1,200,205	1,231,044
CP/EV Light Rail Transit System	Transit		3,545,000	7,214,000	7,466,000
Western Canal Multi-Use Path	Transit	28,600	28,600	28,600	28,600
Rio Salado Multi-Use Path: Tempe/Phoenix	Transit				10,400
Crosscut Canal Multi-Use Path, Phase II	Transit				5,200
Rio Salado S. Bank Multi-Use Path Priest/Hardy	Transit	2,600	2,600	2,600	2,600
Tempe Canal Multi-Use Path, Phase I	Transit	5,200	5,200	5,200	5,200
Tempe Transportation Center	Transit	513,840	517,887	491,975	496,105
Tempe Town Lake Pedestrian Bridge	Rio Salado		43,590	85,501	86,001
Playa Del Norte Park	Rio Salado	95,641			
Special Purpose Subtotal		1,786,959	5,313,103	9,028,081	9,331,150
General Purpose Program					
Apache Boulevard Police Substation	General	382,249	402,662	431,818	463,307
TIPS (Technology Integrated Police Systems)	General	10,000	10,000	10,000	10,000
Laptop Refresh	General		15,000	15,000	15,000
Police CAD/RMS/FRWS System	General		55,000	55,000	55,000
Police/City Radio System Replacement	General	9,000	9,000	49,000	49,000
Detention Facility Improvements	General		7,000	7,000	7,000
New Support Services Facility	General			63,030	63,030
Classroom Addition at Fire Training Center	General	3,934	3,934	3,934	3,934
Renovation of the Tempe Historical Museum Exhibit Hall	General	9,920	9,920	9,920	9,920
Tempe Public Library Renovation	General	20,000	38,400	38,400	48,400
Development of Victory Acres Property	General	10,150	20,300	20,300	20,300
General Purpose Subtotal		445,253	571,216	703,402	744,891
Transportation Program					
Streetlight Upgrades/New Installations	HURF	8,940	16,440	8,940	16,440
New Signals/Modular Upgrades	HURF	6,480	6,480	6,480	6,480
Transportation Subtotal		15,420	22,920	15,420	22,920
Total		\$2,380,155	\$5,945,821	\$9,785,485	\$10,137,543



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 issues 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, 2006

	FY 2006-07	
	6%	20%
Bond Limit ⁽¹⁾	\$120,402,199	\$401,340,666
Outstanding Bonded Debt-Previously Issued	(83,490,000)	(201,835,000)
Proposed Bonds to be Sold in FY 2006-07:		
Water/Wastewater		(51,844,979)
Park Improvements		(1,592,274)
All Others	(18,728,453)	
Debt Margin Available	\$18,183,746	\$146,068,413

Notes: (1) The FY 2006-07 Bond Limit is based upon an estimated secondary assessed value of \$2,006,703,332, compared to the FY 2005-06 secondary assessed value of \$1,904,426,188.

Under Arizona law, 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.

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



Fiscal Year	Budgeted Capital Improvements Program	Outstanding Principal Debt	Debt Service Requirements P & I	Net Secondary Assessed Value	% Change in Secondary Assessed Valuation	Property Tax Rate (\$)		
						Primary	Secondary	Total
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	1,240,471,800	12.9	.55	.85	1.40
2000-01	67,408,152	200,805,000	29,772,986	1,356,429,397	9.3	.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	95,318,794	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	177,118,222	339,960,000	27,696,707	1,768,877,385	4.8	.53	.82	1.35
2005-06	189,971,703	484,860,000	36,218,409	1,904,426,188	7.7	.52	.88	1.40
2006-07	196,728,491	553,202,321	53,474,507	2,006,703,332	5.4	.52	.88	1.40

Summary:

(1) The increase from \$86 million to \$197 million between FY 2001-02 and FY 2006-07 primarily comes from the addition of light-rail construction within the Transit program, an expansion of the Water/Wastewater capital program, and the building of the Performing Arts Center. The increase in outstanding principal is due to an increasing utilization of bonded debt in the Capital Budget.

Debt Service Requirements by Fund

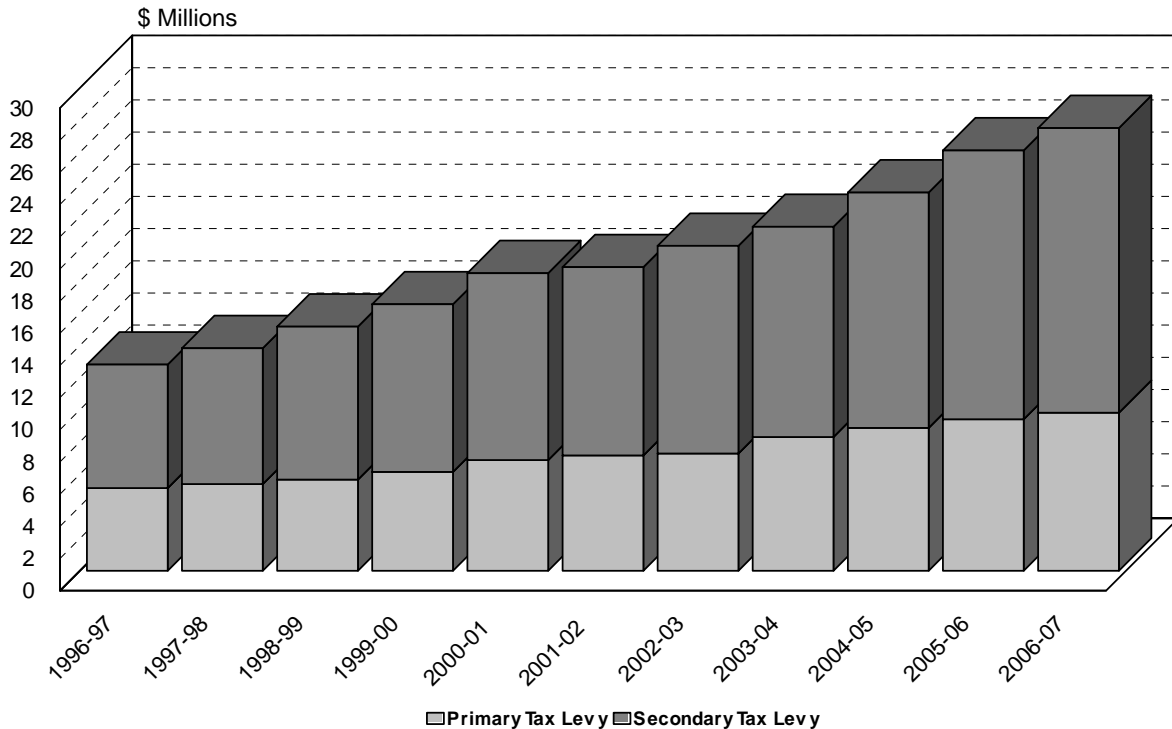
	FY 2006-07			
	Principal	Interest	Fiscal Agent Fees	Total
Debt Service Fund	\$9,101,344	\$7,064,161	\$330,000	\$16,495,505
Transit Fund	2,144,973	3,128,000	210,000	5,482,973
Water/Wastewater Fund	12,221,840	10,320,298	2,500	22,544,638
Golf Fund	144,326	11,703	70,000	226,029
Performing Arts Fund	3,445,000	2,624,026	40,000	6,109,026
Cemetery Fund	80,000	99,738	25,000	204,738
Total	\$27,137,483	\$23,247,926	\$677,500	\$51,062,909

Property Taxes



Beginning with FY 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 statute. However, secondary levy increases are “unlimited” in that they may be increased to the level necessary to retire bonded indebtedness. In FY 2005-06, the City raised the levy rate to \$1.40 to increase debt capacity for capital improvement projects.



Fiscal Year	Primary Tax Levy	Secondary Tax Levy	Total	Tax Rate/ \$100
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	8,878,734	14,631,500	23,510,234	1.35
2005-06*	9,413,934	16,707,531	26,121,465	1.40
2006-07*	9,822,845	17,693,103	27,515,948	1.40

* Amounts reflect estimated receipts



Total Operating Budget and Debt Service

Budget Data	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
Operating Budget	\$275,193,835	\$275,297,746	\$264,032,225	\$314,115,625
Cost Per Capita	1,698	1,675	1,606	1,895
% Change (cost per capita)		(0.8%)	(4.1%)	13.1%
Debt Service*	10,589,230	14,411,213	13,244,199	16,495,508
Cost Per Capita	65	88	81	99
% Change (cost per capita)		35%	(8%)	22%

* Tax-Supported

Total Operating Revenue by Source

Source	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
General Fund	\$138,420,327	\$138,273,504	\$150,534,665	\$160,525,688
Debt Service Fund	15,561,772	17,384,026	17,834,026	18,580,379
Transportation/Transit Funds	50,950,767	52,247,245	54,886,281	55,928,919
CDBG/Section 8 Funds	11,574,472	11,731,640	11,730,640	11,502,474
Rio Salado Fund	1,607,864	735,500	1,014,443	1,054,747
Performing Arts Fund	6,103,402	5,881,072	6,897,355	7,393,250
Enterprise Funds	54,170,056	60,964,340	59,844,284	62,741,283
Total	\$278,388,660	\$287,217,327	\$302,741,694	\$317,726,740

Staffing Summaries Citywide: Full-Time Authorized Positions

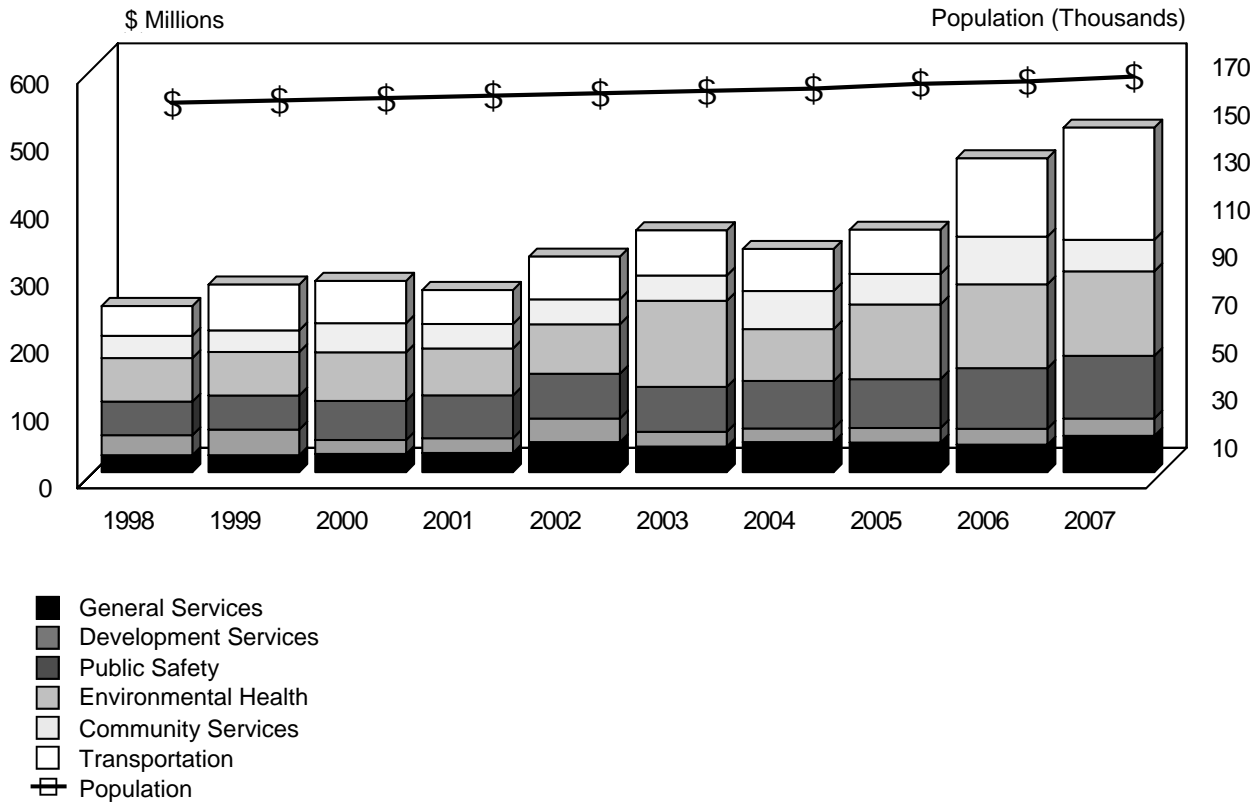
Source	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Revised	FY 2006-07 Budget
Total Personnel	1,643	1,645	1,700	1,731
Employees/1,000 Population	10.3	10.1	10.4	10.4
% Change (Employees/1,000 Population)		(2.0%)	3.0%	0.0%

Program Budget at a Glance



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

Historically, Environmental Health has always consumed the largest share of program expenditures. For FY 2006-07, Transportation now constitutes the largest share with 33% of total program expenditures. This reflects the commitment to construct the transit light rail project and regional maintenance facility. Environmental Health represents 24% of the budget, reflecting funding for plant capacity expansions for water and wastewater facilities.



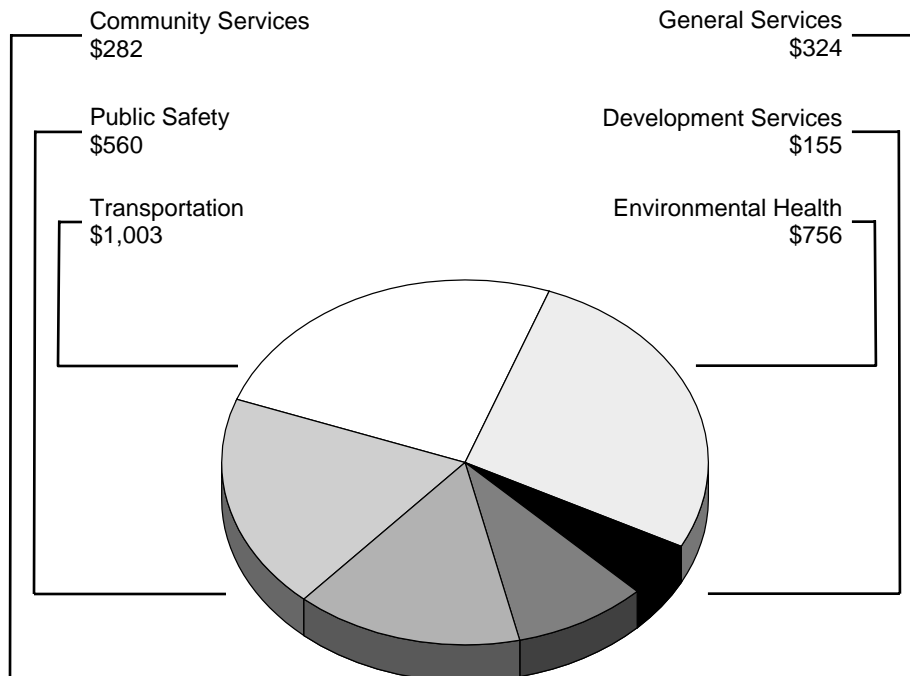
Program (Thousands)	FYE 98	FYE 99	FYE 00	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07
General Services	\$25,096	\$25,138	\$27,024	\$28,427	\$44,517	\$37,819	\$44,547	\$43,779	\$40,785	\$53,773
Development Services	29,563	37,949	20,483	21,842	35,036	21,958	20,287	21,659	23,454	25,767
Public Safety	49,853	50,509	58,040	63,479	66,277	66,618	70,515	72,421	89,998	92,868
Environmental Health	64,665	64,472	72,022	69,586	73,406	127,686	76,678	110,865	124,395	125,421
Community Services	32,982	32,138	43,320	36,232	37,070	37,544	56,500	45,126	70,547	46,713
Transportation	44,186	67,905	62,624	50,508	63,251	67,055	62,389	65,461	116,090	166,302
Total	\$246,345	\$278,111	\$283,513	\$270,074	\$319,557	\$358,680	\$330,916	\$359,311	\$465,269	\$510,844

Per Capita Expenditures by Program



In FY 2006-07, the total per capita cost is \$3,080, representing a 7% increase over FY 2005-06. In this fiscal year, for every \$1 of expenditure, 33¢ is earmarked for Transportation, 24¢ for Environmental Health and the remainder for Public Safety, General Services, Community Services, and Development Services.

FY 2006-07



Per Capita Expenditures				
Program	FY 2005-06	Percentage of Total	FY 2006-07	Percentage of Total
General Services	\$259	9%	\$324	11%
Development Services	144	5%	155	5%
Public Safety	547	19%	560	18%
Environmental Health	777	27%	756	24%
Community Services	432	15%	282	9%
Transportation	720	25%	1,003	33%
Total Per Capita Expenditures	\$2,879	100%	\$3,080	100%

Program By Fund Summary



From a funding perspective, it is evident that the majority of funding for the City's two largest program areas, Environmental Health and Transportation, comes from enterprise, special revenue, and capital revenues. In terms of General Governmental revenues, the Public Safety program receives the majority of funding.

FY 2006-07							
Fund	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
General	\$33,740,080	\$11,795,527	\$84,489,365	\$251,145	\$26,868,171	\$1,850,000	\$158,994,288
Rio Salado		1,606,654			376,436		1,983,090
HURF						9,413,469	9,413,469
Transit						35,313,568	35,313,568
Debt Service	16,495,505						16,495,505
Performing Arts					9,106,148		9,106,148
Golf					2,195,431		2,195,431
Solid Waste				13,955,883			13,955,883
Water Utilities				54,797,488			54,797,488
CDBG/Section 8		11,502,474					11,502,474
Cemetery					358,281		358,281
Total Operating	50,235,585	24,904,655	84,489,365	69,004,516	38,904,467	46,577,037	314,115,625
Capital Improvements	3,537,438	862,750	8,379,048	56,416,580	7,808,170	119,724,505	196,728,491
TOTAL PROGRAM	\$53,773,023	\$25,767,405	\$92,868,413	\$125,421,096	\$46,712,637	\$166,301,542	\$510,844,116

Public Safety represents the largest program in the General Fund.

Program By Department Summary



FY 2006-07							
Department	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
Mayor and Council	\$399,696						\$399,696
City Manager	422,762						422,762
Community Relations	2,952,643						2,952,643
City Clerk	621,974						621,974
City Court			3,943,906				3,943,906
Human Resources	2,932,056						2,932,056
City Attorney	2,786,507			322,402			3,108,909
Financial Services	4,674,269						4,674,269
Diversity Program	732,197						732,197
Internal Audit	464,381						464,381
Development Services		6,310,149					6,310,149
Community Development		16,688,062					16,688,062
Police			59,512,347				59,512,347
Fire			20,063,940				20,063,940
Community Services			969,172		15,109,150		16,078,322
Parks and Recreation					16,859,088		16,859,088
Water Utilities				30,930,448			30,930,448
Public Works	6,665,302	1,906,444		14,207,028		38,794,832	61,573,606
TOTAL DEPT	22,651,787	24,904,655	84,489,365	45,459,878	31,968,238	38,794,832	248,268,755
Non-Departmental	7,988,293				20,000	1,850,000	9,858,293
Debt Service	16,495,505			22,544,638	6,539,793	5,482,973	51,062,909
Contingency	3,100,000			1,000,000	376,436	449,232	4,925,668
TOTAL OPERATING	50,235,585	24,904,655	84,489,365	69,004,516	38,904,467	46,577,037	314,115,625
Capital Improvements	3,537,438	862,750	8,379,048	56,416,580	7,808,170	119,724,505	196,728,491
TOTAL PROGRAM	\$53,773,023	\$25,767,405	\$92,868,413	\$125,421,096	\$46,712,637	\$166,301,542	\$510,844,116

Public Works represents 100% of the total Transportation program, while Police comprises 78% 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 2006-07, an increase in water and sewer rates has been approved and will be effective November 1, 2006. Rate reviews for each of the utility services will continue annually.

Local Taxes

Sales Tax

The City Sales Tax is currently 1.8%. Of this tax, 1.2% is dedicated to the General Fund, 0.5% goes to fund Transit, and 0.1% is devoted to the Visual and Performing Arts.

Property Tax

The property tax rate for FY 2006-07 will remain at \$1.40/\$100 assessed valuation. The primary tax rate is \$0.52 and the secondary tax rate is \$0.88. The primary levy is used to offset General Fund services such as police, fire, parks, libraries, while the secondary tax levy is used to repay debt.

Utility Charges for Services

Water/Sewer

Effective November 1, 2005, water rates increased by 3.9%, sewer rates increased by 7.7%, and irrigation rates increased by 9%. Per Council approval, water and sewer rates will be adjusted again in the fall of 2006 to attain full cost recovery, as customer charges are based upon water consumption and strength of discharge into the sewer system. The impact to water and sewer customers will be 4.6% and 6.7%, respectively.

Solid Waste

Effective November 1, 2005, solid waste rates were changed. The rate for residential services increased by 9.5%, while commercial services increased by 7.5%. Upon finalizing FY 2005-06 financial statements, solid waste rates will be reviewed to determine if fee adjustments are required.

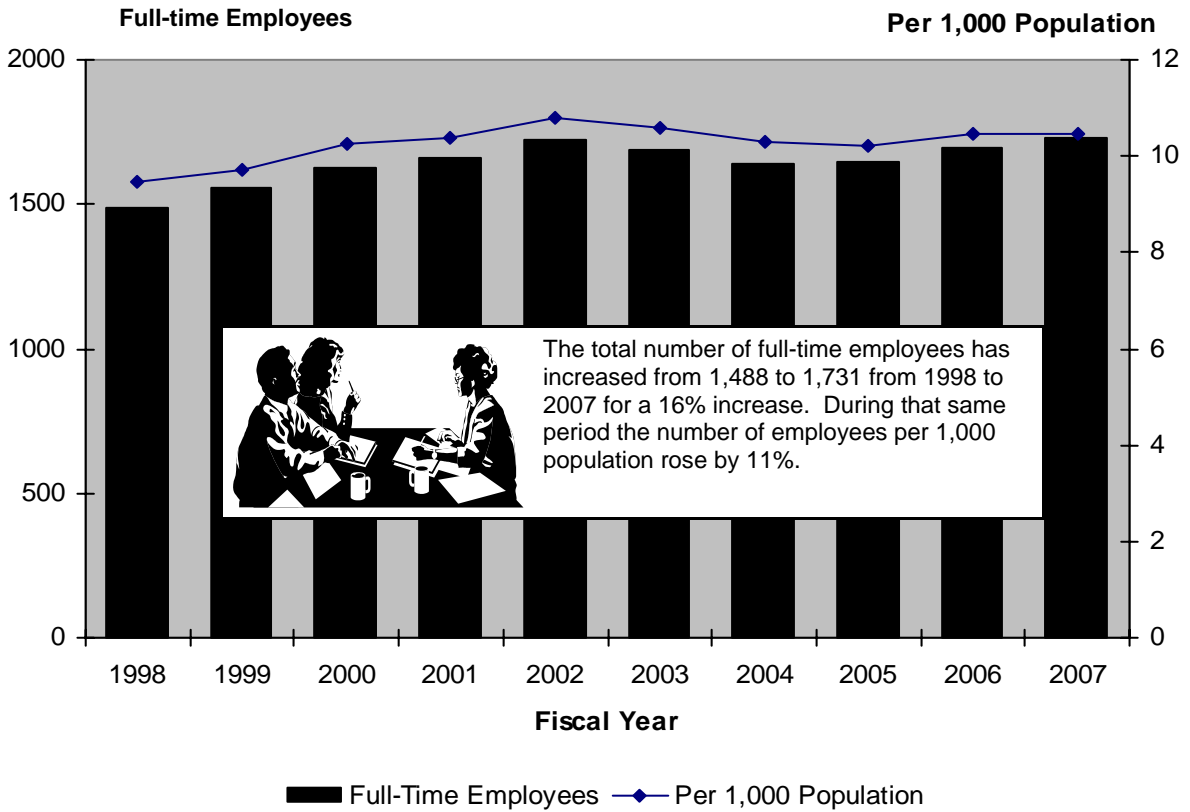
Fiscal Year	Local Taxes		Average Utility Charges for Services (monthly) ¹		
	Sales Tax	Property Tax	Water	Sewer	Solid Waste
2005-06	1.8%	\$1.40	\$22.15	\$13.38	\$15.29
2006-07	1.8%	\$1.40	\$23.01	\$14.41	\$16.74

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 FY 2006-07 totals 1,731, a 2.2% increase from the FY 2005-06 budget. Total employees per 1,000 population for FY 2006-07 is estimated at 10.44, a 1.4% increase from the previous fiscal year. The increase in personnel can primarily be attributed to increased development activity within the City. Of this increase, fourteen positions have been hired to address the increase in development, while five positions were requested in conjunction with the City's light rail construction project.



Fiscal Year End	Full-Time Employees	Employees Per 1,000 Population
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	10.10
2006	1,693	10.30
2007	1,731	10.44

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 revenues and expenditures, issues, trends and resource choices for all fund, and debt management program.



Annual Budget
July 1, 2006
through June 30, 2007



	<u>Page</u>
Comprehensive Financial Plan Overview	62
Forecast Methodology	63
Forecast and Major Revenue Assumptions	64
Financial Overview	66
Major Expenditure Assumptions and Economic Outlook	67
General Fund	68
Transit Fund	70
Performing Arts Fund	72
Transportation Funds	74
Enterprise Funds	
Water/Wastewater Fund	76
Solid Waste Fund.....	78
Golf Fund	80
Rio Salado and Community Facilities District (CFD) Funds	82
Financial Action Plan	84



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 the City's major 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 FY 2005-06 through FY 2009-10.

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

Major operating funds examined include:

- General Fund
- Transit Fund
- Transportation Fund
- Performing Arts Fund
- Water/Wastewater Fund
- Solid Waste Fund
- Golf Fund
- Rio Salado and Community Facilities District Funds

Major Study Findings

Highlights of the major findings and conclusions from the long-range financial study are as follows:

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

- Unrestricted fund balance in the General Fund is at \$37.8 million as of June 30, 2005. This balance represents 27.3% of FY 2004-05 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 \$19.7 million, sufficient to absorb debt obligations over the next five years.
- Water/Wastewater fund balance of \$60.7 million provides necessary coverage for operating and capital expenses and critical financial flexibility over the next several years.

- The City enjoys bond ratings of:
 - "AAA" Fitch - Highest Rating
 - "AA+" Standard and Poor's - 2nd Highest Rating
 - "Aa1" Moody's - Highest Rating

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. Although the General Fund balance is estimated to grow to \$52.2 million for FYE 2006, these funds are not being used for pay-as-you-go financing as the City is assessing the financial impact associated with Other Post Employment Benefits (OPEB). A recent decision by the Governmental Accounting Standards Board (GASB) requires government employers to disclose the cost of OPEB over the active life of the benefiting employees (GASB Statement No. 45). The City of Tempe's liability arises from retiree healthcare subsidies. The City has taken a proactive stance by commissioning an actuarial study. This study has been completed and findings forwarded to the City's Finance, Aviation, Diversity, Human Resources and Tempe Community Council Committee for review and recommendations.

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.

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 (which is the method used to allocate these monies). 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 with the goal to ensure full cost recovery. 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 due to federally mandated modifications at the regionally shared 91st Avenue Wastewater Treatment Plant and the need for increased sewage processing capacity and other compliance driven 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 future fund solvency.

Performing Arts and Rio Salado and Community Facilities District forecasted shortfalls are consistent with their financial plans.



Forecasting 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 forecasting lies in estimating whether, given assumptions about local financial policies and economic trends, the City will have sufficient resources to meet the requirements of ongoing, planned, or mandated programs. Forecast models also provide a planning tool for capital projects and/or determining 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 Arizona Economy published by the University of Arizona and published presentations of the State Finance Advisory Committee) 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 revenues. 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.

Expenditure growth is most closely linked to two major factors in our models: 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 (the same amount is added to each year of the forecast).

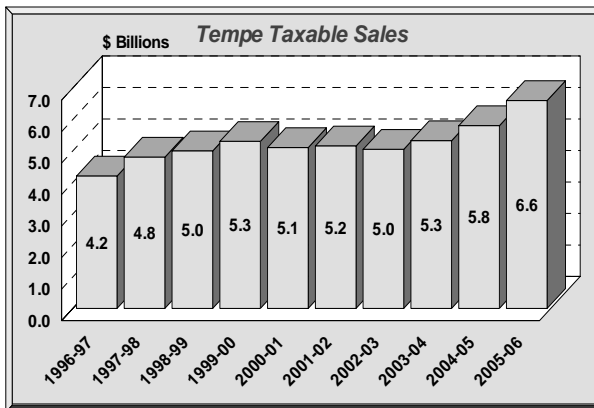
Forecast and Major Revenue Assumptions



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, which has resulted in our highest taxable sales to date. As the graph below shows, taxable sales in FY 2005-06 were \$6.6 billion (57%) higher than total taxable sales in FY 1996-97.

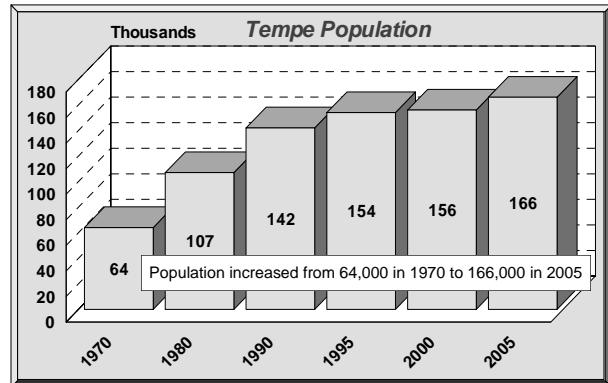


As shown, General Fund retail sales steadily increased until the nationwide economic slowdown in FY 2001-02 through FY 2002-03. Sales tax revenue have an impact on many funds. The primary categories of sales (based on FY 2005-06 annual averages) are retail sales (54%), commercial and residential rent (9%), utility sales (8%), contracting (8%), and restaurant sales (7%). Construction sales are expected to decline sooner than retail and other sales as the City reaches build out of available property.

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 approaches build out. Population in Tempe is assumed to increase by 0.5% over the forecast period. In contrast, state population growth is assumed to average 2.7% per year over the next five years. This

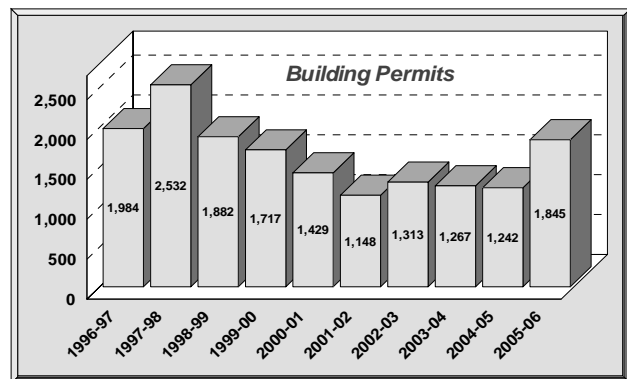
disparity is significant since several major revenue categories are dependent upon Tempe's population as a percentage of the state. Continued population



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 produced 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 increase to an aggressive level of activity as the City focuses on development. Currently, 43 projects with a total value of over \$1 billion dollars are planned for the City, with the majority of this occurring in the City's Mill Avenue District and Tempe Town Lake area. These projects include residential, retail, hotel and commercial ventures.





State Shared Revenue

For purposes of the forecast, we have only assumed distributions of state shared revenue based on state law prior to the 2006 legislative session. It is worth noting that in its most recent regular session the Legislature cut state income tax rates for future years, which is expected to result in \$2 million state shared revenue loss in FY 2009-10. However, this legislative change took place after the long-range forecast phase of the budget process and therefore is not included.

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 FY 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 7.7% in FY 2005-06. 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.

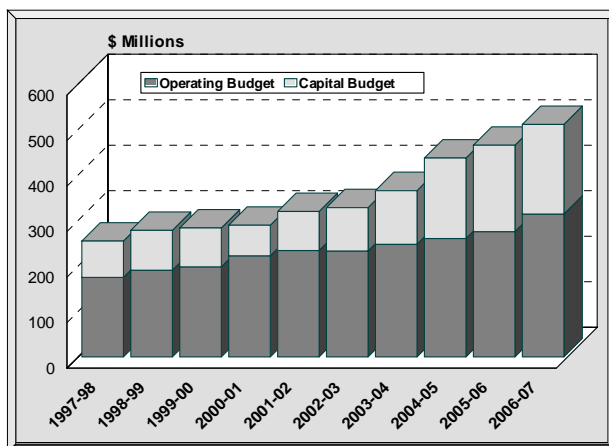
Financial Overview



The following financial overview provides a summary of revenue, expenditure, and historical budget trends. The FY 2006-07 budget of \$510.8 million provides for a \$314.1 million operating budget and a \$196.7 million capital budget. The operating budget includes \$175.5 million of general governmental operations, \$71.3 million of enterprise operations (Water/Wastewater, Solid Waste, Cemetery, and Golf) and \$67.3 million of special revenue operations (Transportation, Transit, Performing Arts, Rio Salado, Redevelopment, and Housing).

Fiscal Year	Operating Budget	Capital Budget	Total Budget
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
2006-07	314,115,625	196,728,491	510,844,116

Total budgeted revenue for FY 2006-07 is \$510.8 million, with operating revenue of \$317.7 million and the remainder from other capital funding sources. General Governmental revenue accounts for \$179.1 million of the total operating revenue. Major funding sources include \$113.9 million in local taxes (sales and property), \$40.8 million of intergovernmental revenue, \$62.7 million of enterprise revenue, and



\$75.9 million of special revenue. 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 graph above.



■ **Salaries and Wages**

On the expenditure side, we have assumed salary and wage market adjustments in the FY 2006-07 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 \$902,000 to the General Fund and another \$215,500 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 12.0% 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 1.80% to 2.50% in the later years of the forecast.

■ **Supplemental Limits**

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.

■ **Other Post Employment Benefits (OPEB)**

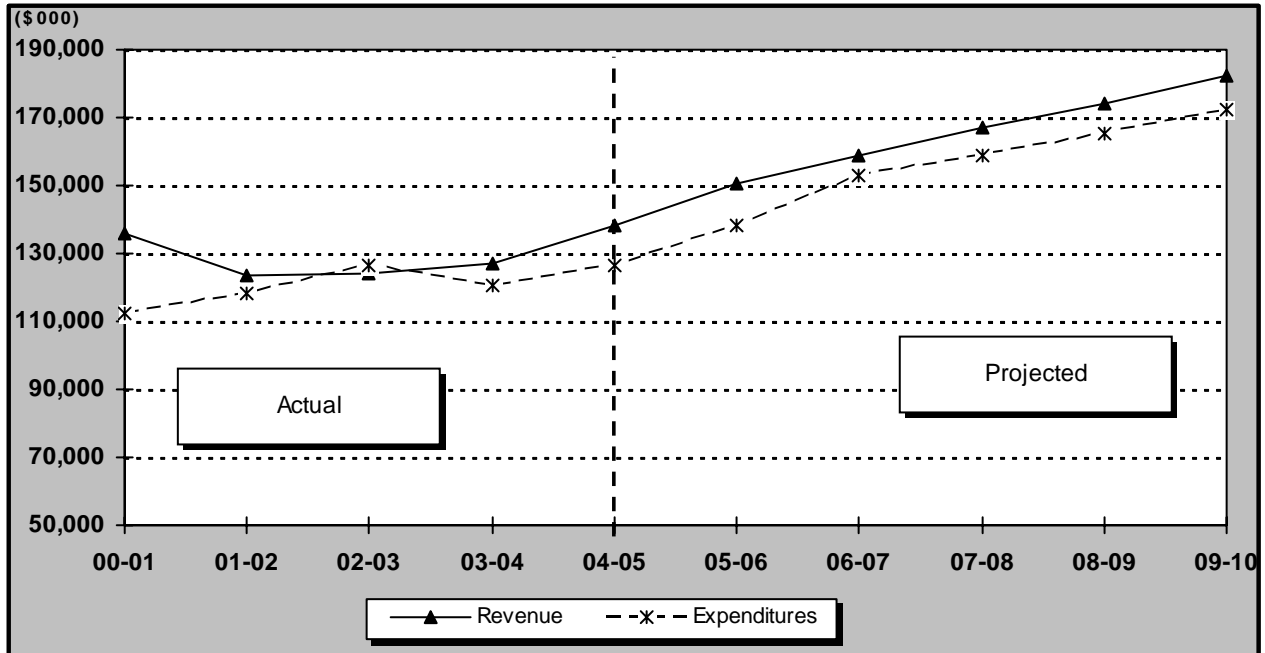
A recent decision by the Governmental Accounting Standards Board (GASB) requires government employers to disclose the cost of OPEB over the active life of the benefiting employees (GASB Statement No. 45). The City of Tempe's liability arises from retiree healthcare subsidies. An actuarial study was commissioned and the findings were forwarded to the Finance, Aviation, Diversity, Human Resources and Tempe Community Council committee for review and recommendations. This impact is not included in the forecast.

Economic Outlook

Following the mild recession in 2001 to 2002, 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.

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. It is predicted that Arizona's performance relative to other states will continue to be favorable.

General Fund: Projected Revenue and Expenditures



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Local Taxes	72,207	66,344	66,841	71,455	77,772	86,606	91,781	96,756	102,064	107,429
Intergovernmental	37,490	33,927	35,536	34,076	36,068	38,940	40,809	43,662	46,485	49,160
Building & Trades/ Planning & Zoning	2,731	2,020	2,585	2,643	3,459	4,036	4,841	5,057	3,747	3,766
Cultural and Recreation	4,259	4,457	4,699	5,114	5,010	4,996	5,018	5,043	5,069	5,094
Fines, Fees and Forfeitures	4,490	4,577	5,510	5,831	6,652	6,652	6,886	6,920	6,955	6,989
Business Licenses	1,081	1,091	1,263	1,079	1,185	1,250	1,246	1,246	1,246	1,246
Interest Income	7,211	6,529	3,452	2,764	2,969	3,929	3,534	3,649	3,768	3,892
Franchise Fees	2,045	2,135	1,532	1,505	1,678	1,532	1,572	1,676	1,787	1,899
Other Revenue Sources	4,415	2,621	2,780	2,731	3,633	2,595	2,969	2,990	3,017	3,045
Total Revenues	135,929	123,702	124,199	127,198	138,425	150,535	158,655	166,998	174,135	182,519
Expenditures (\$000)										
Personal Services	86,338	95,095	100,518	98,286	100,868	108,761	117,957	123,333	128,990	135,010
Materials and Supplies	7,446	6,821	6,275	6,417	6,811	7,677	7,731	7,718	7,790	7,913
Fees and Services	16,750	17,208	16,341	15,996	18,521	18,768	19,591	20,011	20,495	21,019
Travel and Training	1,122	891	606	647	649	664	677	689	704	720
Non-Departmental/Loan Repayment	2,693	3,265	4,082	3,405	4,310	4,247	5,709	5,362	5,474	5,647
Capital Outlay	3,723	2,592	3,779	3,287	2,002	2,266	2,401	2,444	2,495	2,551
Contingency							3,173	3,340	3,483	3,650
Transportation Maintenance of Effort	1,850	1,850				1,850	1,850	1,850	1,850	1,850
Internal Services/ Adjustments	(7,565)	(9,452)	(5,369)	(7,656)	(6,896)	(5,959)	(5,989)	(6,019)	(6,049)	(6,079)
Total Expenditures	112,357	118,269	126,232	120,381	126,265	138,274	153,099	158,728	165,232	172,281
Net Operating Surplus/ (Deficit)	23,572	5,433	(2,033)	6,817	12,160	12,261	5,556	8,271	8,904	10,238



Trend/Forecast

At the beginning of the 2000s, annual operating surpluses started to decline 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 throughout this time frame.

Two important caveats to our projections relate to financial impact of other post employment benefits (OPEB) and state shared revenue. First, with regard to OPEB, which is a liability related to the subsidy of retirees healthcare, the City has taken a proactive stance by commissioning an actuarial study. This study has been completed and findings forwarded to the City's Finance, Aviation, Diversity, Human Resources and Tempe Community Council Committee for review and recommendations. Management is considering allocating the cost based on where the retiree's last job was being paid from before retirement. This is of particular concern, since it is estimated that 80% of retirees were last paid from the General Fund.

Second, state shared revenue 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 have been mitigated in part by a strong state economy and population growth. The 2006 legislative session passed a cut of state income tax which will impact the City by \$2 million dollars in FY 2009-10. 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.

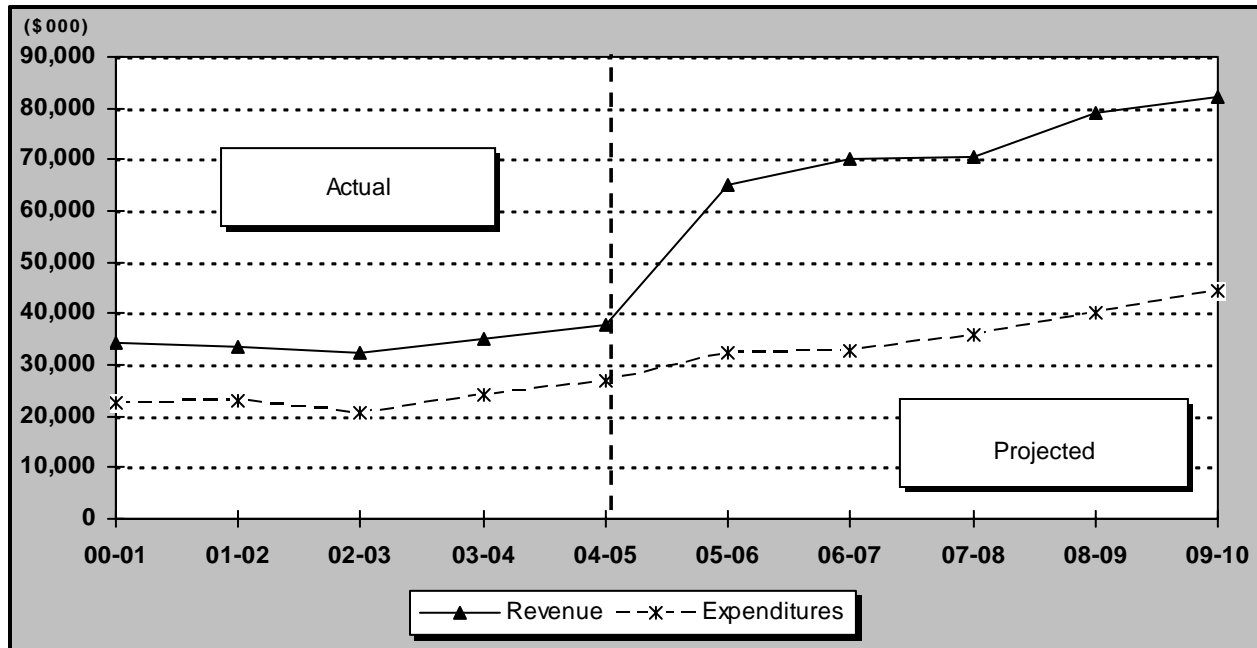
Policy choices made now regarding annual supplemental limits will have a significant impact on the long-term condition of the General Fund. The forecast assumes no new programs and streamlining of operational and personnel costs.

Unreserved Fund Balance

The General Fund's unreserved fund balance has grown from \$28.6 million just ten years ago to \$37.8 million for FYE 2005. Over the next several years, we anticipate some drawdown of fund balances to bring the General Fund balances in line with the financial policy of 25% of General Fund revenue.

FYE	Unreserved Fund Balance
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
05	37,827,259

Transit Fund: Projected Revenue and Expenditures



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Transit Tax	27,310	25,230	25,141	26,741	28,848	31,999	33,983	35,784	37,662	39,545
Lottery Transfer In	319	300	290	282	274	264	258	253	248	248
ASU-Flash Transit	310	345	352	481	478	496	508	521	534	548
Interest Income	4,229	3,475	919	778	1,410	1,210	990	954	853	775
Light Rail Fares									799	1,696
Out of Jurisdiction Service Revenue	1,685	4,025	5,057	5,671	5,936	5,653	6,298	5,759	9,143	9,222
FTA Light Rail Reimbursements						24,608	25,323	23,542	24,257	24,045
PTF Funding							1,911	1,889	3,590	4,254
Miscellaneous Revenue	491	212	739	1,090	922	938	938	1,799	1,848	1,899
Total Revenue	34,344	33,586	32,498	35,043	37,868	65,168	70,209	70,501	78,935	82,232
Expenditures (\$000)										
Personal Services	1,282	1,482	1,477	1,785	1,930	2,282	2,454	2,569	2,686	2,820
Materials and Supplies	29	27	9	1,550	1,781	1,951	1,991	2,027	2,070	2,116
Fees and Services	15,515	18,343	18,534	20,177	22,467	23,966	24,457	24,898	28,966	33,206
Travel and Training	37	20	8	19	17	17	17	17	18	18
Capital Outlay	3	9	12	24	182	115	118	119	122	125
Debt Service	4,772	2,443	1			3,128	3,029	5,441	5,316	5,274
Internal Service Charges	621	504	207	237	243	305	311	317	323	331
Indirect Cost Allocations	181	235	244	428	437	449	459	467	477	487
Total Expenditures	22,440	23,063	20,492	24,222	27,057	32,213	32,836	35,855	39,978	44,377
Net Operating Surplus/ (Deficit)										
	11,904	10,523	12,006	10,821	10,811	32,955	37,373	34,646	38,957	37,855



Trend/Forecast

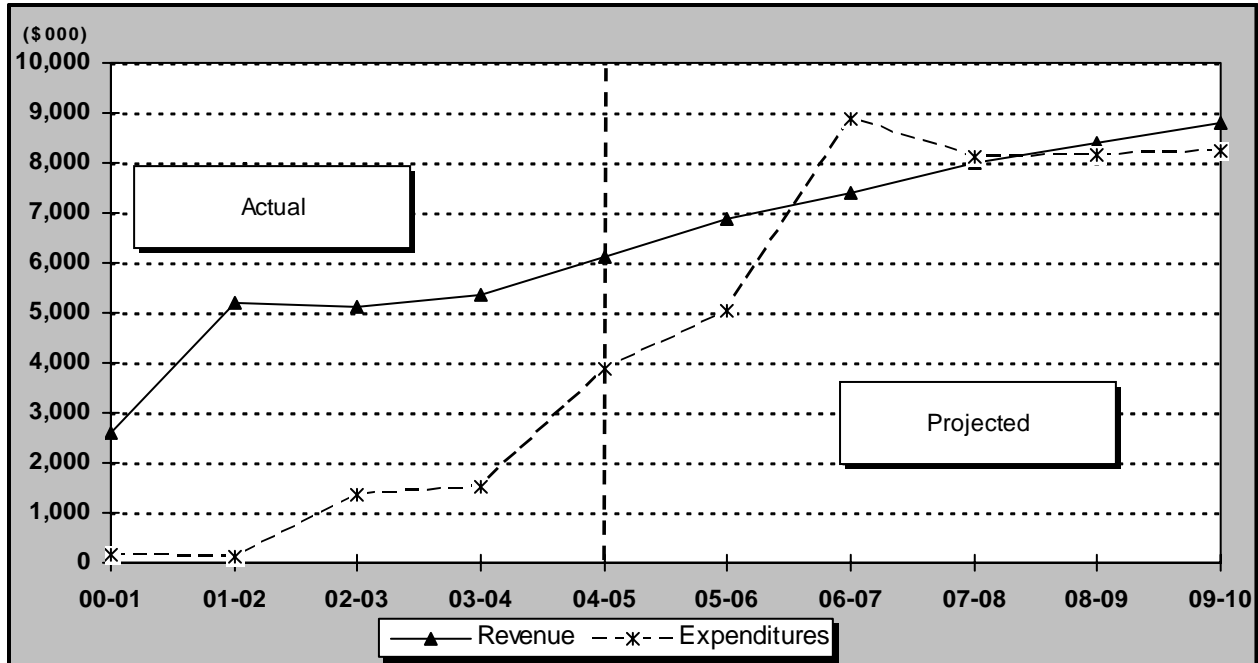
Since the transit tax is a component of the overall City sales tax, the growth trend projected in General Fund sales tax revenue is mirrored here in the Transit Fund. The projected increase in revenue growth in the later years of the forecast can be attributed to an increase in federal reimbursements 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 2006-07 through FY 2009-10.

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 \$44.4 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
05	29,567,749

Performing Arts Fund: Projected Revenue and Expenditures



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Performing Arts Tax	2,608	5,006	5,010	5,280	5,768	6,400	6,797	7,157	7,533	7,909
Facility Revenue							145	375	390	406
Interest Income	7	202	112	98	335	497	451	466	481	497
Total Revenue	2,615	5,208	5,123	5,378	6,103	6,897	7,393	7,998	8,404	8,812
Expenses (\$000)										
Personal Services	\$17	\$112	\$145	\$203	\$194	\$424	\$1,450	\$1,781	\$1,836	\$1,898
Materials and Supplies	3	2	1	1	16	23	24	24	25	25
Fees and Services	17	4	11	43	54	215	238	246	254	263
Travel and Other	108	10	4	2	5	9	9	9	9	9
Capital Outlay						250	1,100			
Debt Service			1,204	1,234	3,572	3,833	5,845	5,838	5,839	5,834
Internal Service Charges	2	6	8	22	20	280	200	204	208	212
Total Expenses	147	134	1,373	1,504	3,861	5,034	8,867	8,102	8,171	8,242
Net Operating Surplus/ (Deficit)	2,468	5,074	3,750	3,874	2,243	1,863	(1,473)	(103)	233	570



Trend/Forecast

The Performing Arts Fund receives its primary 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 in May 2000 and became effective in January 2001. Monies received from this tax are dedicated to the construction and operating expenses of the Tempe Center for the Arts.

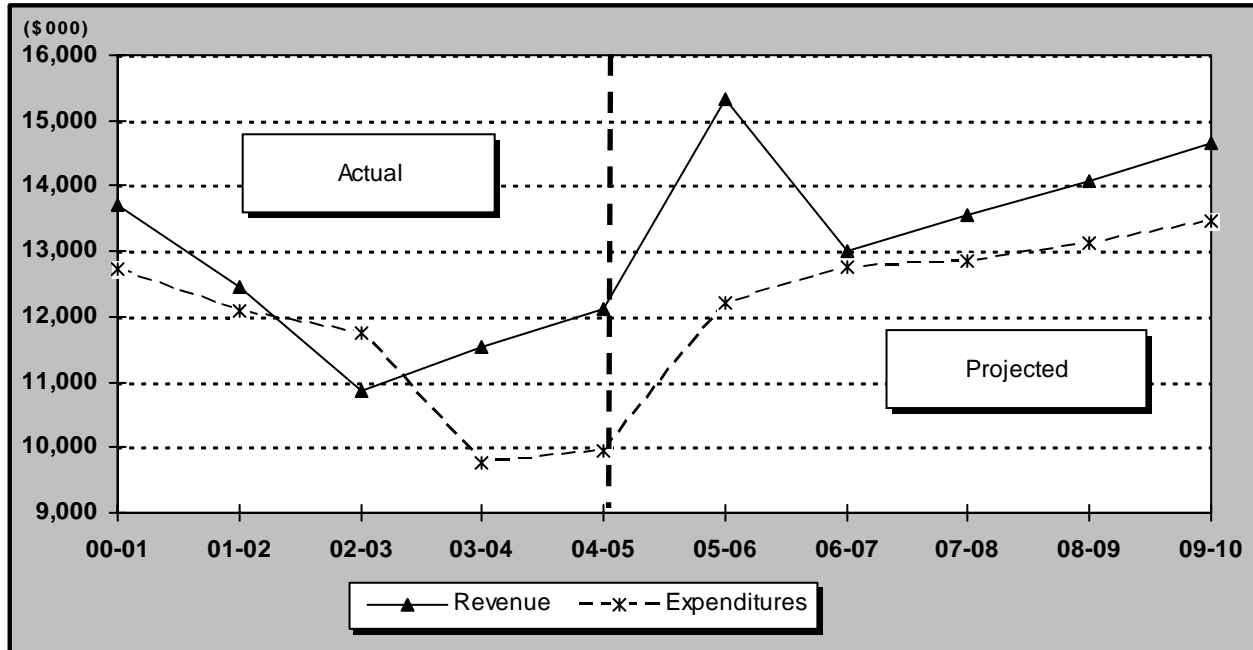
Since the performing arts tax is a component of the overall City sales tax, the growth trend projected in General Fund sales tax revenue is mirrored in the Performing Arts Fund.

The other main component of current revenue is interest earnings. These earnings fluctuate with changes in the fund balance and the City's investment portfolio. Beginning in FY 2006-07 the fund will begin to receive revenue from programming at the facility. This revenue stream is expected to grow moderately through the end of the forecast period.

The expenditure growth pattern reflects the opening of the Tempe Center for the Arts (TCA) in the spring of 2007. In FY 2005-06, 16 new full-time positions, and related capital equipment were 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. After a brief period of an operating deficit, the fund is expected to have an operating surplus as revenue collections exceed expenditures.

FYE	Unreserved Fund Balance
02	\$7,116,094
03	10,865,891
04	14,339,689
05	14,255,302

Transportation Funds: Projected Revenue and Expenditures



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Highway User Revenue Tax	11,225	9,854	10,286	10,985	11,533	12,899	10,578	11,147	11,691	12,248
State Lottery Proceeds	958	900	870	846	821	799	783	768	752	752
Miscellaneous					43	43	43	43	43	43
Maintenance of Effort Transfer	1,850	1,850				1,850	1,850	1,850	1,850	1,850
Lottery Transfer to Transit	(319)	(300)	(287)	(282)	(274)	(264)	(259)	(253)	(248)	(248)
Total Revenue	13,713	12,453	10,869	11,549	12,123	15,327	12,995	13,554	14,088	14,645
Expenditures (\$000)										
Personal Services	3,270	3,326	3,540	3,470	3,700	3,896	4,173	4,293	4,460	4,651
Materials and Supplies	578	448	448	433	467	469	477	486	496	507
Fees and Services	1,506	1,545	1,465	1,460	1,682	1,686	1,757	1,827	1,905	1,990
Capital Outlay	539	159	204	503	189	370	518	377	385	394
Debt Service	4,722	4,500	4,000	2,000	2,000	3,750	3,750	3,750	3,750	3,750
Loan Repayment	356	356	356	310	310	310	310	310	310	310
Internal Service Charges	618	681	640	883	853	1,110	1,133	1,153	1,177	1,204
Indirect Cost Allocations	1,152	1,078	1,109	682	746	619	632	643	657	672
Total Expenditures	12,742	12,094	11,765	9,756	9,946	12,210	12,749	12,838	13,139	13,477
Net Operating Surplus/ (Deficit)	971	360	(896)	1,792	2,177	3,117	247	716	948	1,168



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 2005 Special Census further worsen the situation, contributing to the precarious position of this fund. With only small surpluses projected over the forecast period, limited resources will be available to address transportation capital project needs.

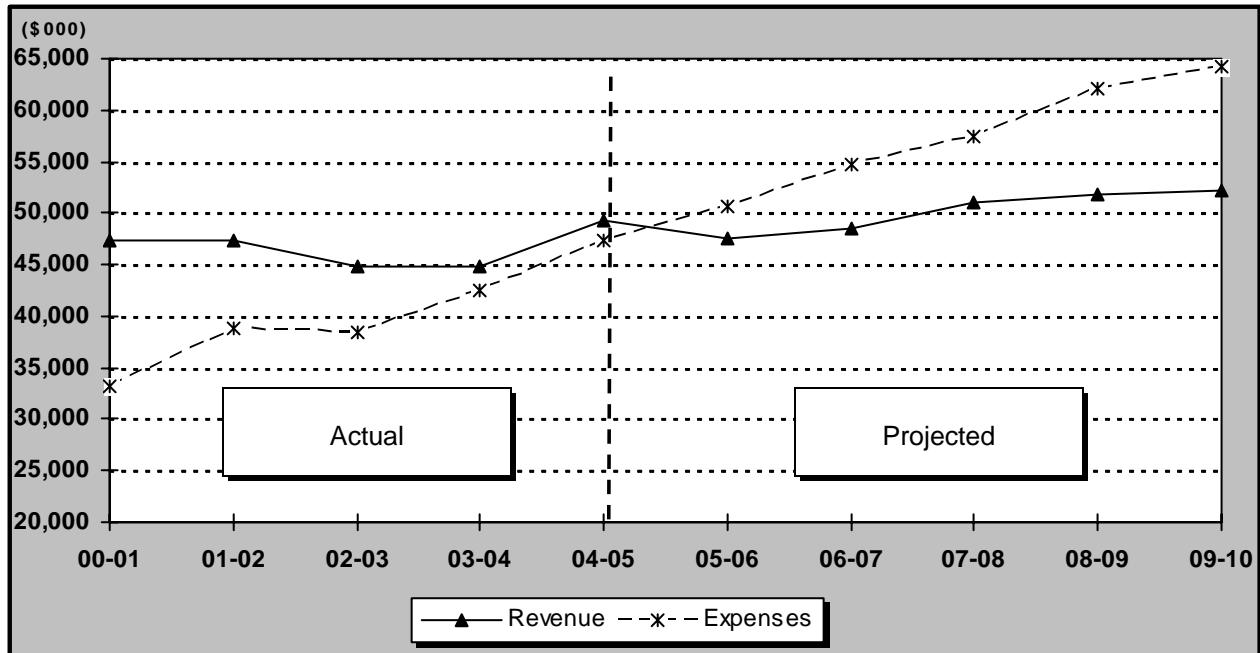
One approach now in place to minimize operating deficits is to cap debt service at payments of \$3.75 million for the remainder of the forecast period. Any excess General Obligation debt service requirements beyond this cap will be absorbed by the Debt Service Fund during the five year period. Over the 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.

Unreserved 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.

FYE	Unreserved Fund Balance
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
05	11,053,146

Water/Wastewater Fund: Projected Revenues and Expenses



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Charges for Service-Water	24,263	25,051	25,669	26,183	26,328	26,851	27,345	28,621	29,251	29,392
Charges for Service-Wastewater	17,281	15,841	16,958	16,857	18,116	18,181	18,813	20,064	20,477	20,737
Interest Income	4,921	3,665	886	942	1,506	1,558	1,338	1,294	1,157	1,051
Land and Facility Rental	500	515	520	520	520	520	520	520	520	520
Loan Repayment	342	321	299	146	130	114	97	79	57	41
Other Miscellaneous Rev.	115	1,931	477	242	2,784	361	361	363	365	366
Total Revenue	47,422	47,324	44,808	44,890	49,384	47,585	48,474	50,941	51,827	52,107
Expenses (\$000)										
Personal Services	7,777	8,887	9,552	11,234	11,611	12,421	12,918	13,383	13,946	14,592
Materials and Supplies	1,632	1,704	1,378	1,650	2,872	2,335	2,383	2,426	2,477	2,533
Fees and Services	8,961	9,411	8,777	10,850	10,426	11,219	10,773	11,111	11,334	11,576
Travel and Training	90	111	80	109	109	83	84	86	87	89
Depreciation Expense	8,135	8,181	9,009	9,240	9,960	13,417	13,371	13,373	15,958	16,695
Share of 91 st Avenue Depreciation	(1,630)	1,875	1,764	1,482	3,786	1,482	1,482	1,482	1,482	1,482
Debt Svc Intrst/Fiscal Agent Fees	3,967	4,212	3,915	4,750	4,826	6,335	10,263	12,064	13,217	13,525
Internal Service Charges	1,488	1,356	1,354	1,388	1,609	1,578	1,611	1,640	1,674	1,712
Indirect Cost Allocations	2,684	3,155	2,588	1,876	2,176	1,825	1,863	1,896	1,936	1,979
Total Expenses	33,104	38,892	38,417	42,579	47,375	50,695	54,748	57,461	62,111	64,183
Net Operating Surplus/ (Deficit)										
	14,318	8,432	6,391	2,311	2,009	(3,110)	(6,274)	(6,520)	(10,284)	(12,076)



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, sewer, and irrigation rate increase went into effect November 1, 2005. Additional water and sewer rate increases have been approved and will go into effect November 1, 2006 and November 1, 2007. The need for further rate adjustments in the water and sewer service areas will continue to be reviewed on an annual basis. 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 a large extent on 91st Avenue costs.

As the long-range forecast predicted, the Water/Wastewater Fund entered into a deficit condition in FY 2005-06. This fund could continue to operate under a deficit condition through FY 2009-10 as the growth in treatment cost outpaces 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 in FY 2008-09 or FY 2009-10.

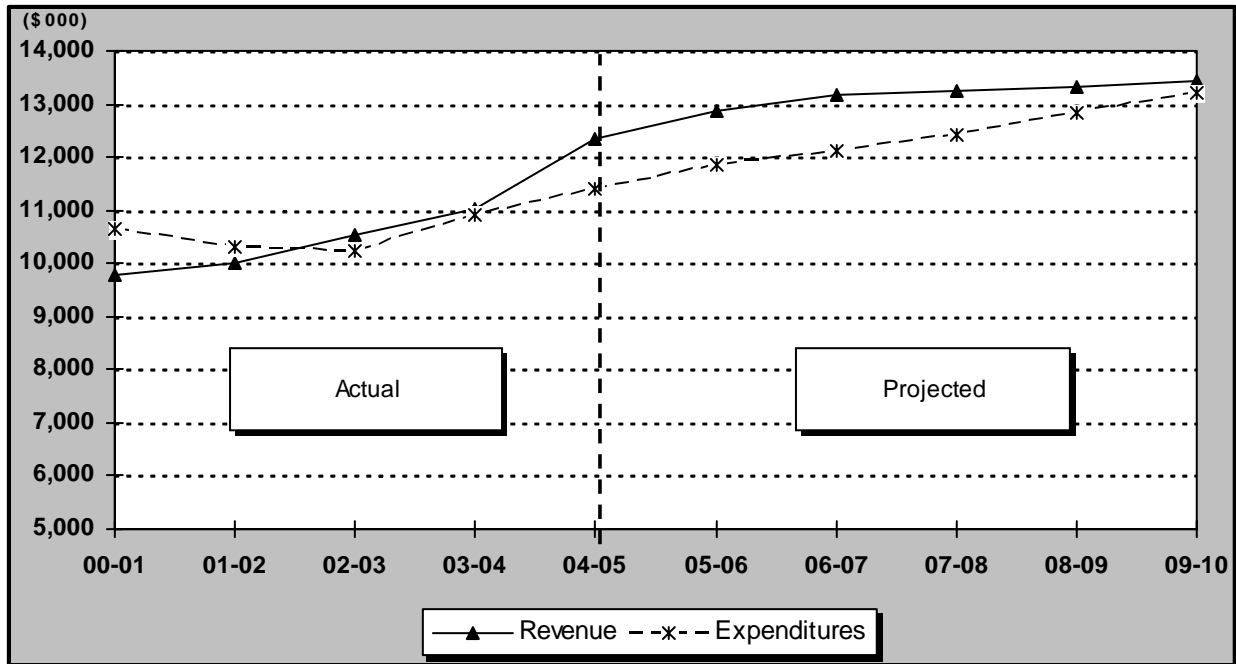
Unreserved Fund Balance

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 \$61 million at FYE 05.

Over the period of this forecast, healthy fund balances should be retained, notwithstanding the impact of compliance driven contingencies. The \$61 million fund balance provides 138.9% or 507 days of coverage to operating expenses in this fund, providing a degree of flexibility likely to be required in the future.

FYE	Unreserved Fund Balance
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	58,958,188
04	58,790,163
05	60,752,643

Solid Waste Fund: Projected Revenue and Expenses



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Charges for Services	9,595	9,771	10,460	10,870	11,839	12,564	13,000	13,094	13,189	13,285
Sludge Disposal	92	208	37	145	119	95	95	96	97	97
Interest Income	71	36	3	9	39	72	64	62	55	50
Other Revenue Sources	24	11	49		328	120				
Total Revenue	9,782	10,026	10,549	11,024	12,325	12,851	13,159	13,252	13,341	13,432
Expenses (\$000)										
Personal Services	3,206	3,332	3,516	3,899	3,914	4,193	4,255	4,401	4,594	4,814
Materials and Supplies	322	341	246	227	268	188	192	195	199	204
Fees and Services	3,192	3,244	3,159	3,266	3,258	3,529	3,625	3,723	3,824	3,928
Depreciation	1,390	869	919	903	972	1,125	1,177	1,162	1,213	1,213
Loan Repayment-Interest Only	137	137	137							
Internal Service	1,749	1,680	1,641	1,699	2,383	2,204	2,249	2,290	2,338	2,391
Indirect Cost Allocations	661	706	610	918	618	620	633	644	658	673
Total Expenses	10,658	10,310	10,230	10,912	11,413	11,859	12,131	12,415	12,826	13,223
Net Operating Surplus/ (Deficit)	(876)	(284)	319	112	912	992	1,028	837	515	209



Trend/Forecast

With the FY 2000-01 shortfall in this fund, solid waste rates were modified in November 2001 to fully recover the cost of the solid waste operation and replacement obligations. Since then, rate increases have been implemented three out of the past four years, with the latest increase to industrial, commercial, and residential rates occurring on November 1, 2005. An additional rate increase has been approved by the Mayor and Council and will be effective November 1, 2006. 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.

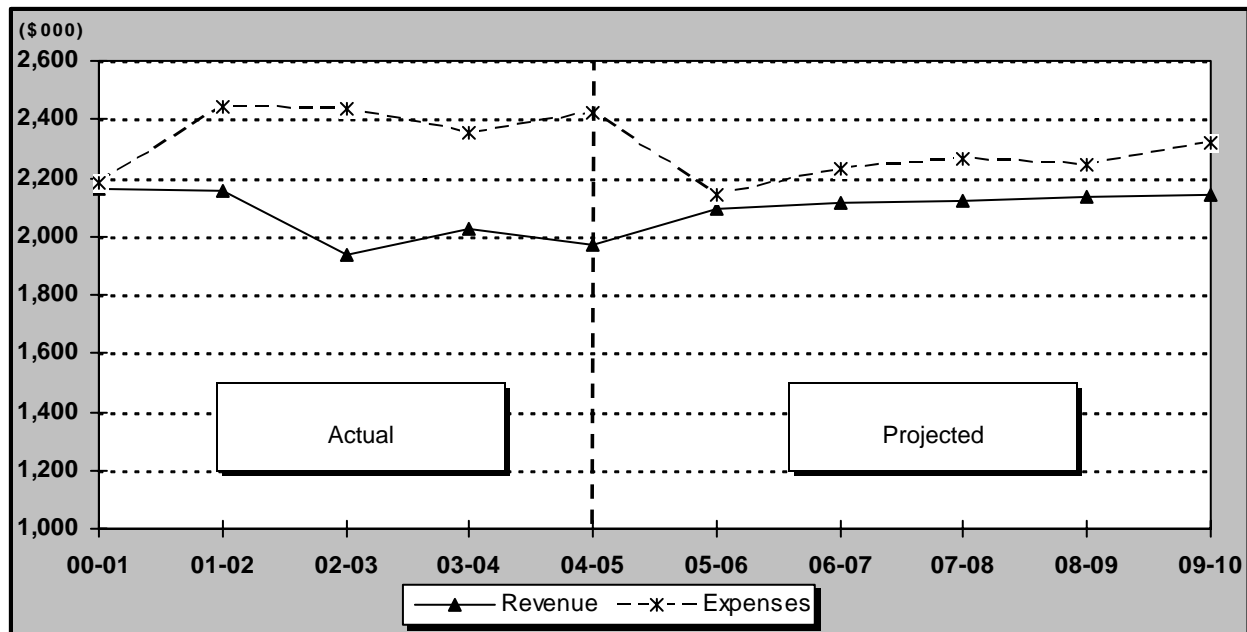
Solid waste rates will be subject to annual rate reviews to ensure that the fund remains fully self-sufficient and to smooth the effect of potential rate adjustments on the City's residential and commercial customers.

Unreserved Fund Balance

There is a \$2,226,136 fund balance in the Solid Waste Fund, providing 17.9% coverage to estimated FY 2004-05 expenses of \$11.4 million. With environmental mandates always present, this enterprise operation will require as much financial flexibility as possible for contingent compliance driven costs.

FYE	Unreserved Fund Balance
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
05	2,226,136

Golf Fund: Projected Revenue and Expenses



	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	Projected
Revenue (\$000)										
Greens Fees	1,838	1,774	1,850	1,801	1,746	1,872	1,882	1,891	1,901	1,910
Pro Shop/Restaurant	229	350	76	219	208	210	220	221	222	223
Interest Income	92	33	12	8	14	13	11	9	9	9
Total Revenue	2,160	2,157	1,938	2,028	1,969	2,096	2,113	2,121	2,132	2,142
Expenses (\$000)										
Personal Services	888	941	1,006	1,057	1,050	984	1,080	1,126	1,174	1,229
Materials and Supplies	229	214	283	271	269	192	196	199	204	208
Fees and Services	320	355	321	314	372	326	334	342	351	361
Depreciation	313	374	370	364	347	326	302	283	186	186
Debt Service Interest	49	44	38	32	23	16	13	7	10	12
Internal Service Charges	150	223	140	109	153	111	114	116	118	121
Indirect Cost Allocations	237	291	278	206	210	188	192	195	199	204
Total Expenses	2,185	2,442	2,436	2,354	2,424	2,143	2,230	2,268	2,241	2,320
Net Operating Surplus/ (Deficit)	(25)	(285)	(498)	(326)	(455)	(47)	(118)	(147)	(110)	(177)



Trend/Forecast

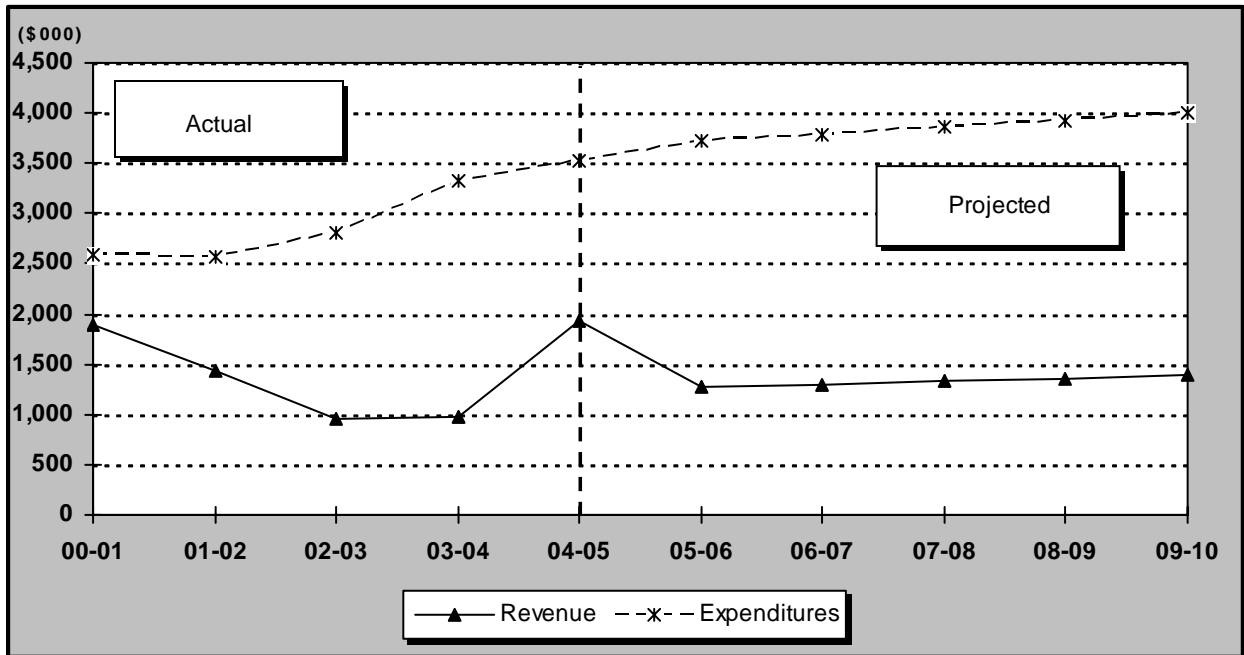
Over the forecast period, we expect revenue growth to generally follow the historical patterns, although other unpredictable factors such as weather conditions and competition from other courses in the valley, may improve or worsen usage of the municipal golf courses. The Golf Fund has been experiencing an operating 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 Fund Balance

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
05	540,158

Rio Salado and Community Facilities District (CFD) Funds



	00/01 Actual	01/02 Actual	02/03 Actual	03/04 Actual	04/05 Actual	05/06 Revised	06/07 Projected	07/08 Projected	08/09 Projected	09/10 Projected
Revenue (\$000)										
Sales Tax	734	693	390	341	309	470	499	532	563	595
Property Tax			40	62	68	68	72	76	81	85
Transient Lodging Tax	60	89	123	136	182	203	216	220	224	229
Interest Revenue	628	451	133	135	149	157	123	120	100	100
Sale of Real Estate	267				789					
Other Revenue	38	36	36	74	111	60	60	60	60	60
CFD Revenue	166	171	230	226	315	317	318	320	322	323
Total Revenue	1,894	1,440	953	975	1,923	1,274	1,288	1,329	1,349	1,392
Expenditures (\$000)										
Personal Services	535	410	530	577	589	603	619	661	688	719
Materials and Supplies	10	22	21	15	17	32	33	33	34	35
Fees and Services	427	481	557	481	546	672	768	781	798	816
Travel and Training	6	12	4	3	5	11	11	11	12	12
Capital Outlay	43	32	19	10	96					
Internal Service Charges	53	106	94	260	245	249	254	258	264	270
CFD Administrative Credit	(420)	(431)	(411)	(365)	(396)	(448)	(458)	(466)	(476)	(486)
CFD Operating and Maintenance	1,945	1,941	1,999	2,335	2,431	2,600	2,560	2,586	2,612	2,638
Total Expenditures	2,598	2,573	2,812	3,316	3,533	3,719	3,786	3,865	3,931	4,003
Net Operating Surplus/ (Deficit)										
	(704)	(1,133)	(1,859)	(2,342)	(1,610)	(2,444)	(2,498)	(2,537)	(2,582)	(2,611)



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 planned projects not included in the forecast are:

- Edgewater, 40 condominiums, 25 have closed escrow
- Grigio at Tempe Town Lake, 523 apartments, first 1/3 will start occupancy in October 2006, second 1/3 in December 2006 and last 1/3 in March 2007
- Northshore, 134 condominiums, under construction
- Bridgewater, 140 condominiums, under construction
- Onyx, 186 unit condominiums, in plan review
- Starbucks, retail and office space, in plan review

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 the unreserved fund balance has been exhausted, the Rio Salado and Community Facilities District Funds still have a designated fund balance of \$6,644,489 for operating and maintenance costs.

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
05	0



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.

■ **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 residents.

■ **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 20 year Transit Business 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 provides a link 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 residents.

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 to our residents, as well as, improving the quality of life in the City.

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



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Revenue Information

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



Annual Budget
July 1, 2006
through June 30, 2007

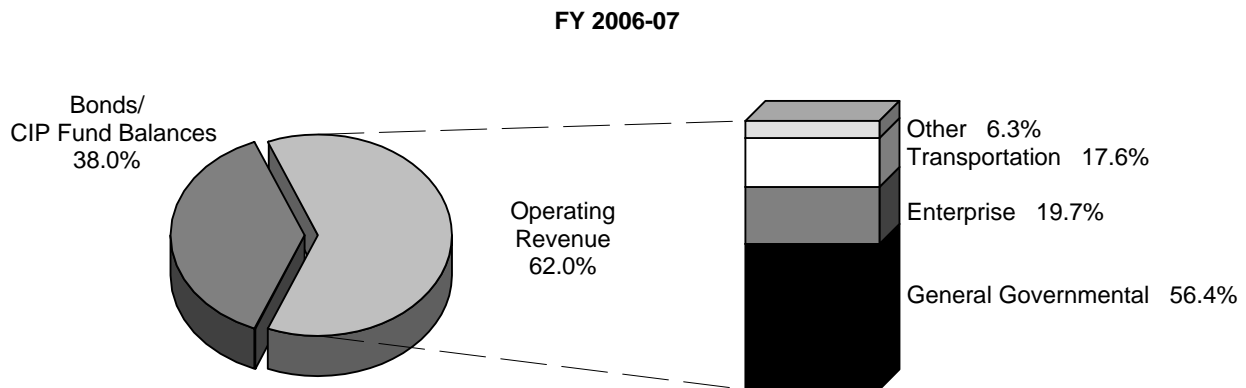


	<u>Page</u>
Total Revenue	88
Total Revenue by Source	89
Components of Total Revenue	90
Comparative Operating Revenue by Major Source and Fund	91
General Governmental Revenue: Ten Year Historical Trends	
City Sales Tax	94
City Property Tax	95
Transient Lodging Tax	96
Salt River Project In-Lieu Tax	97
State Shared Sales Tax	98
State Shared Vehicle License Tax	99
State Shared Income Tax	100
Charges for Services/Recreation and Social Services	101
Charges for Services/Development Related	102
Fines and Forfeitures	103
Special Revenue: Ten Year Historical Trends	
Transit Tax	104
Performing Arts Tax	105
Highway User Tax	106
Local Transportation Assistance Fund	107
Community Development Block Grant/Section 8 Housing Grant	108
Enterprise Revenue: Ten Year Historical Trends	
Water/Wastewater User Fees	109
Solid Waste Fees	110
Golf Course Fees	111

Total Revenue

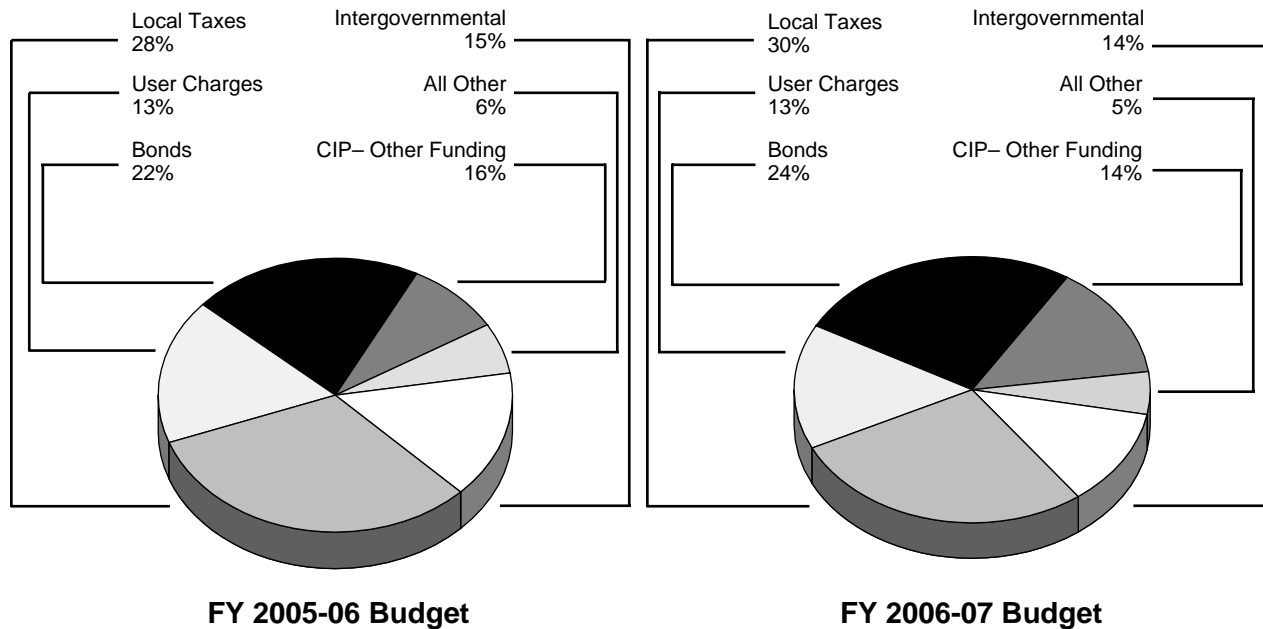


Total revenue for FY 2006-07 is \$510.8 million reflecting \$317.7 million in operating revenue and \$193.1 million from bond proceeds, fund balances and other funding sources. The FY 2006-07 operating revenue total represents 10.6% growth over FY 2005-06. The growth in operating revenue sources is indicative 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 Capital Improvement Program (CIP) budget.



TOTAL REVENUE		
	FY 2005-06 Budget	FY 2006-07 Budget
OPERATING REVENUE		
General Governmental		
Local Taxes, Licenses and Permits, and Debt	\$98,221,427	\$113,905,630
Intergovernmental	38,239,707	40,809,492
Charges for Services	7,477,396	10,922,429
Miscellaneous	11,719,000	13,470,516
Transportation/Transit	52,247,245	55,928,919
Performing Arts	5,881,072	7,393,250
CDBG/Section 8 Housing	11,731,640	11,502,474
Rio Salado Special Revenue	735,500	1,052,747
Enterprise	60,964,340	62,741,283
TOTAL OPERATING REVENUE	\$287,217,327	\$317,726,740
Operating Revenue Per Capita	\$1,747	\$1,916
Bond/Note Proceeds	102,302,061	122,103,743
CIP Other Funding	49,149,034	47,623,748
Fund Balances	26,601,027	23,389,885
TOTAL REVENUE	\$465,269,449	\$510,844,116
Total Revenue Per Capita	\$2,831	\$3,080

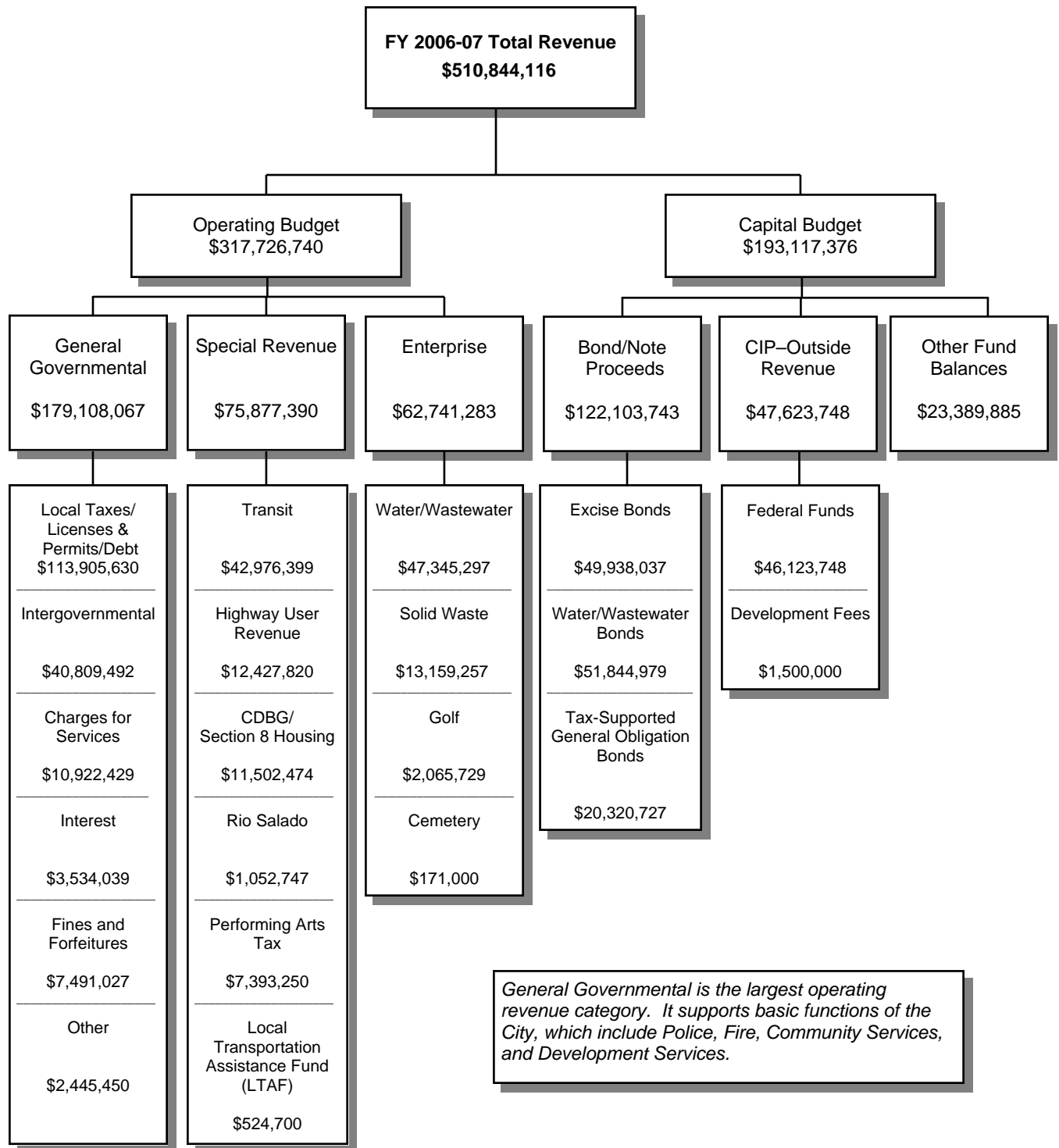
Total Revenue by Source



Where the Money Comes From

Revenue Source	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
Local Taxes				
Local Sales Taxes	\$66,667,254	\$66,534,600	\$74,815,800	\$79,432,060
Transit Tax	28,848,493	27,996,400	32,000,000	33,984,000
Other Local Taxes	29,500,709	31,171,527	31,967,460	33,791,710
Performing Arts	5,768,058	5,599,500	6,400,000	6,796,800
User Charges				
Water/Wastewater	40,694,013	43,943,620	42,222,688	44,883,245
Solid Waste	10,708,033	11,456,951	11,456,951	11,858,647
Community Services	6,755,860	6,990,524	6,866,052	7,447,939
Building/Trades & Planning/Zoning	3,458,518	2,464,500	4,035,677	5,640,490
Intergovernmental				
State Shared Revenue	36,068,229	38,239,707	38,939,707	40,809,492
HURF/LTAF	13,040,026	12,473,663	12,473,663	11,102,520
CDBG/Section 8 Housing	11,731,640	11,731,640	11,730,640	11,502,474
Transit State & Federal	6,905,135	6,632,639	6,633,133	7,284,534
All Other				
Interest Revenue	6,423,338	6,571,467	7,432,061	6,519,334
Miscellaneous Revenue	7,939,592	8,306,939	7,427,255	7,732,962
Fines and Forfeitures	6,639,189	6,012,750	6,640,519	7,491,027
Licenses and Permits	1,184,114	1,090,900	1,250,088	1,449,506
Bonds/Note Proceeds	113,032,768	102,302,061	102,302,061	122,103,743
CIP - Outside Revenue	40,517,237	49,149,034	49,149,034	47,623,748
Other - Fund Balance	19,609,521	26,601,027	26,601,027	23,389,885
Total Revenue	\$455,491,727	\$465,269,449	\$480,343,816	\$510,844,116

Components of Total Revenue



Comparative Operating Revenue by Major Source and Fund



Revenue Source	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
General Fund				
Local Taxes				
City Sales Tax	\$66,358,662	\$66,170,000	\$74,360,000	\$78,948,000
Primary Property Tax	8,810,296	9,345,934	9,345,684	9,752,845
Transient Lodging Tax	2,603,119	2,402,000	2,900,000	3,079,800
Franchise Fees	1,678,437	1,328,567	1,531,500	1,571,500
<i>Total Local Taxes</i>	<i>79,450,514</i>	<i>79,246,501</i>	<i>88,137,184</i>	<i>93,352,145</i>
Intergovernmental Revenue				
State Sales Tax	14,695,069	15,538,331	15,538,331	17,484,642
State Income Tax	14,582,117	16,601,376	16,601,376	16,615,250
Vehicle License Tax	6,791,043	6,100,000	6,800,000	6,709,600
<i>Total Intergovernmental</i>	<i>36,068,229</i>	<i>38,239,707</i>	<i>38,939,707</i>	<i>40,809,492</i>
Building & Trades/Planning & Zoning	3,458,518	2,464,500	4,035,677	5,640,490
Cultural and Recreational				
Registration Fees	3,963,567	3,913,300	3,914,627	4,144,049
Recreation Admission Charges	274,076	295,200	295,928	328,700
Library Fines and Fees	244,970	345,196	326,297	349,490
Other Cultural and Rec Fees	527,077	459,200	459,200	459,700
<i>Total Cultural and Recreational</i>	<i>5,009,690</i>	<i>5,012,896</i>	<i>4,996,052</i>	<i>5,281,939</i>
Fines, Fees and Forfeitures				
Traffic Fines	1,684,479	1,520,000	1,684,500	1,775,000
Criminal Fines	1,154,703	992,000	1,154,700	1,177,700
Parking Fines	635,450	520,000	635,500	661,000
Other Fines, Fees and Forfeitures	3,164,557	2,980,750	3,165,819	3,877,327
<i>Total Fines, Fees and Forfeitures</i>	<i>6,639,189</i>	<i>6,012,750</i>	<i>6,640,519</i>	<i>7,491,027</i>
Business/Non-Business Licenses	1,184,114	1,090,900	1,250,088	1,449,506
Other Revenue Sources				
SRP Payment in Lieu of Taxes	596,940	500,000	535,000	521,600
Interest Income	2,969,200	3,569,155	3,929,213	3,534,039
Other Miscellaneous Revenue and Loan	3,043,933	2,137,095	2,071,225	2,445,450
<i>Total Other Revenue</i>	<i>6,610,073</i>	<i>6,206,250</i>	<i>6,535,438</i>	<i>6,501,089</i>
Total General Fund	\$138,420,327	\$138,273,504	\$150,534,665	\$160,525,688
Debt Service Fund				
Secondary Property Tax	\$14,631,500	\$16,707,531	\$16,707,531	\$17,693,103
SRP Payment in Lieu of Taxes	930,272	676,495	676,495	887,276
Total Debt Service Fund	\$15,561,772	\$17,384,026	\$17,384,026	\$18,580,379



Revenue Source	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
Transit Fund				
Transit Tax	\$28,848,493	\$27,996,400	\$32,000,000	\$33,984,000
Lottery Transfer In	273,604	263,730	263,730	258,500
ASU-Flash Transit	477,623	496,403	496,403	508,434
Interest Income	1,410,065	1,690,921	1,210,347	989,577
Federal and State Funding	6,153,908	5,872,506	5,873,000	6,517,600
Miscellaneous Revenue	704,160	1,602,788	718,288	718,288
Total Transit Fund	\$37,867,853	\$37,922,748	\$40,561,768	\$42,976,399
Transportation Funds				
Highway User Revenue Tax	\$12,492,819	\$11,938,207	\$11,938,207	\$10,577,820
Maintenance of Effort		1,850,000	1,850,000	1,850,000
State Lottery Proceeds	547,207	535,456	535,456	524,700
Other Revenue	42,887	834	850	
Total Transportation Funds	\$13,082,913	\$14,324,497	\$14,324,513	\$12,952,520
Rio Salado Fund				
City Sales Tax	\$308,592	\$364,600	\$455,800	\$484,060
Transient Lodging Tax	181,707	143,000	203,000	215,586
Primary Property Tax	68,438	68,000	68,250	70,000
Interest Income	148,828	100,000	156,823	136,601
Miscellaneous Revenue	900,299	59,900	130,570	148,500
Total Rio Salado Fund	\$1,607,864	\$735,500	\$1,014,443	\$1,054,747
Performing Arts				
Performing Arts Tax	\$5,768,058	\$5,599,500	\$6,400,000	\$6,796,800
Interest Income	335,344	281,572	497,355	451,450
Fees and Admission				145,000
Total Performing Arts	\$6,103,402	\$5,881,072	\$6,897,355	\$7,393,250
Total CDBG/Section 8 Housing Funds	\$11,574,472	\$11,731,640	\$11,730,640	\$11,502,474
Solid Waste Fund				
Residential Service	\$6,384,448	\$6,783,831	\$6,783,831	\$7,024,009
Commercial Service	4,323,585	4,673,120	4,673,120	4,834,638
Roll-Off Service	967,635	967,489	967,489	1,000,691
Recycling	259,948	140,000	140,000	140,700
Sludge Disposal	118,947	95,000	95,000	95,500
Interest Income	39,313	30,509	72,394	63,719
Other Miscellaneous Revenue	231,075	120,000	120,000	
Total Solid Waste Fund	\$12,324,951	\$12,809,949	\$12,851,834	\$13,159,257



Revenue Source	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
Water/Wastewater Fund				
Charges for Service-Water				
Water Consumption	\$16,426,749	\$17,842,578	\$17,590,211	\$18,619,482
Water Service	6,755,487	6,854,390	7,047,645	7,372,003
Irrigation	297,768	313,412	332,217	332,212
Other Water Charges	1,140,807	1,582,046	501,500	511,500
<i>Total Charges for Service-Water</i>	24,620,811	26,592,426	25,471,573	26,835,197
Charges for Service-Wastewater				
Sewer Usage	10,084,809	10,696,652	10,640,362	11,471,121
Sewer Service	5,670,683	6,272,609	5,970,753	6,436,927
Other Wastewater Charges	317,710	381,933	140,000	140,000
<i>Total Charges for Service-Wastewater</i>	16,073,202	17,351,194	16,751,115	18,048,048
Interest Income	1,506,075	886,116	1,557,673	1,338,219
Land and Facility Rental	520,000	520,000	520,000	520,000
Loan Repayment from General Fund	542,832	542,833	542,833	542,833
Other Miscellaneous Revenue	399,768	61,000	61,000	61,000
Total Water/Wastewater Fund	\$43,662,688	\$45,953,569	\$44,904,194	\$47,345,297
Golf Fund				
Greens Fees	\$1,746,170	\$1,850,000	\$1,850,000	\$1,850,000
Pro Shop and Restaurant Revenue	208,108	210,000	210,000	210,000
Interest Income	14,513	13,194	8,256	5,729
Total Golf Fund	\$1,968,791	\$2,073,194	\$2,068,256	\$2,065,729
Cemetery Fund				
Lot & Burial Sales		\$127,628	\$20,000	\$171,000
Total Cemetery Fund		\$127,628	\$20,000	\$171,000
Total Revenue - All Funds	\$282,175,037	\$287,217,327	\$302,291,694	\$317,726,740

City Sales Tax



Restrictions	Fiscal Year	Amount	Percent Change
Current rate of 1.8% can be increased only by electorate. Certain 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.	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	66,358,662	8.9
	2005-06 est.	74,360,000	12.1
2006-07 est.	78,948,000	6.2	

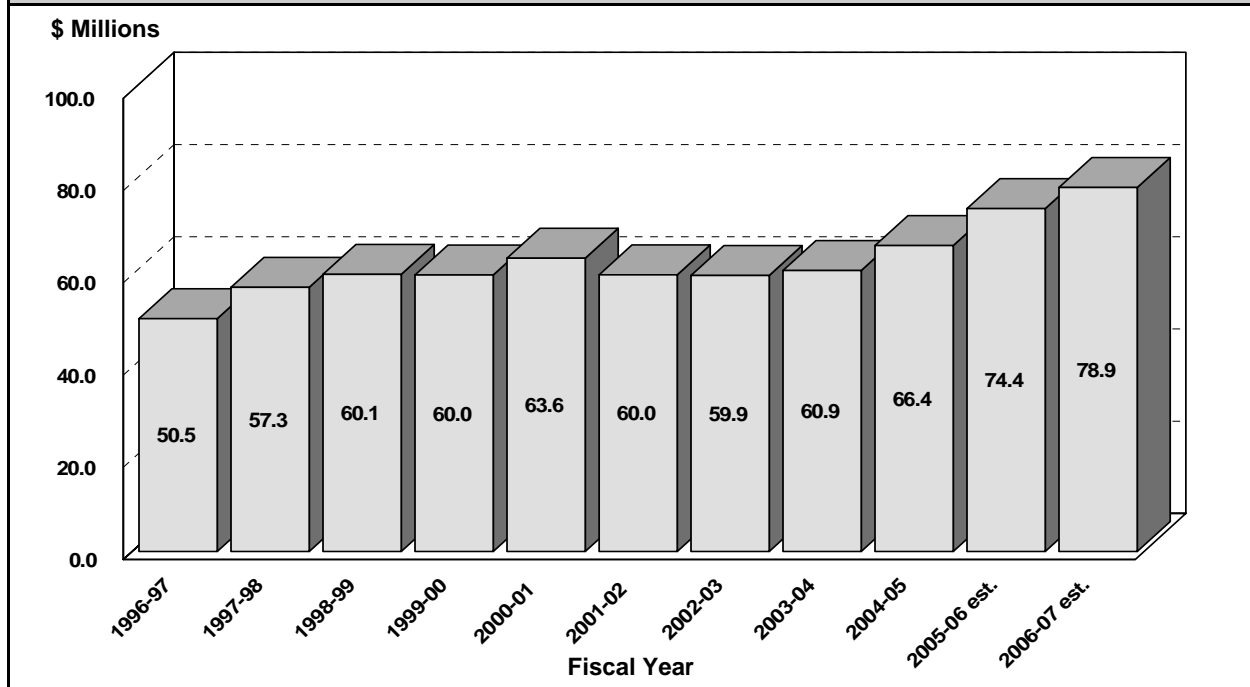
Assumptions

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. Due to proactive redevelopment and planning the City has fully recovered from this downturn. The FY 2005-06 year end estimates indicate collection increases of 27.5% in construction, 14.6% in retail and 12.8% in restaurant. Given this trend, the FY 2006-07 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.	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 Levy: 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	23,510,234	10.0
	2005-06 est.	26,121,465	11.1
	2006-07 est.	27,515,948	5.3

Assumptions

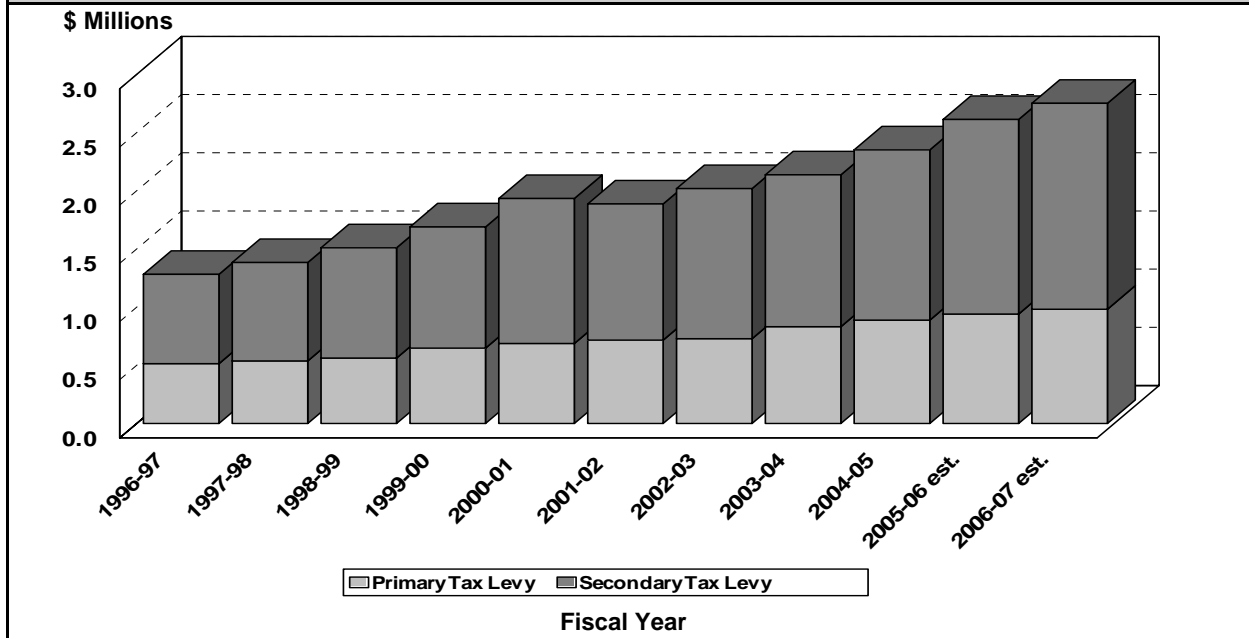
The City's property tax is levied based on the assessed value of the property from the previous February 10th as determined by the Maricopa County Assessor, whose office both bills and collects all property taxes. Changes in total revenue collected during these years have been the result of state policy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

The combined primary and secondary property tax rate for FY 2006-07 will total \$1.40 per \$100 assessed valuation, consisting of \$0.52 per \$100 of the 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 capital improvement projects. For FY 2006-07, assessed valuation growth is in accordance with the County's biennial valuation methodology.

These proceeds go to different funds; the primary levy of \$9.8 million goes to the General fund and the secondary levy of \$17.7 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



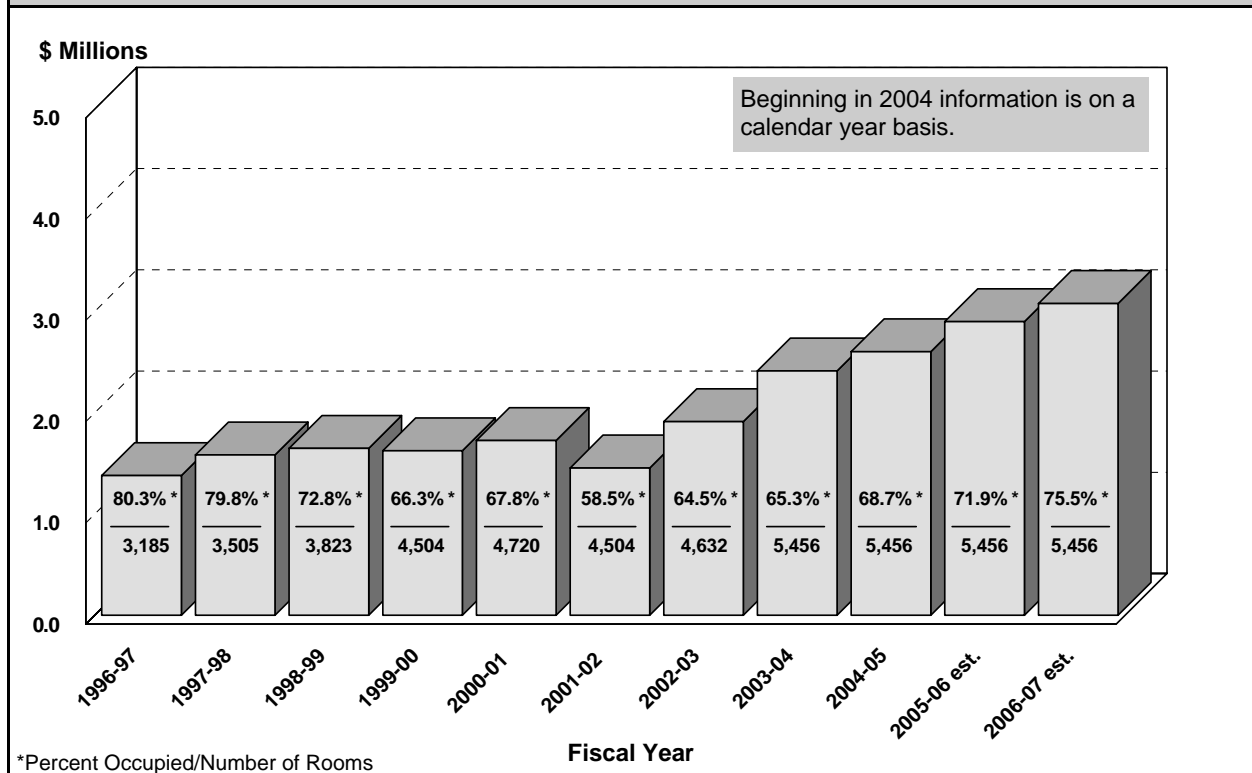
Restrictions	Fiscal Year	Amount	Percent Change
<p>Current rate of 3% can be increased only by electorate.</p> <p>Of the total amount collected, 2/3 is pledged to the Tempe Convention and Visitors Bureau (TCVB). Excess unrestricted proceeds are deposited into the General Fund, except for bed tax revenue 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% for TCVB, increasing the tax from 2% to 3%.</p>	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	2,603,119	7.9
	2005-06 est.	2,900,000	11.4
2006-07 est.	3,079,800	6.2	

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.

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

Transient Lodging Tax



Salt River Project In-Lieu Tax



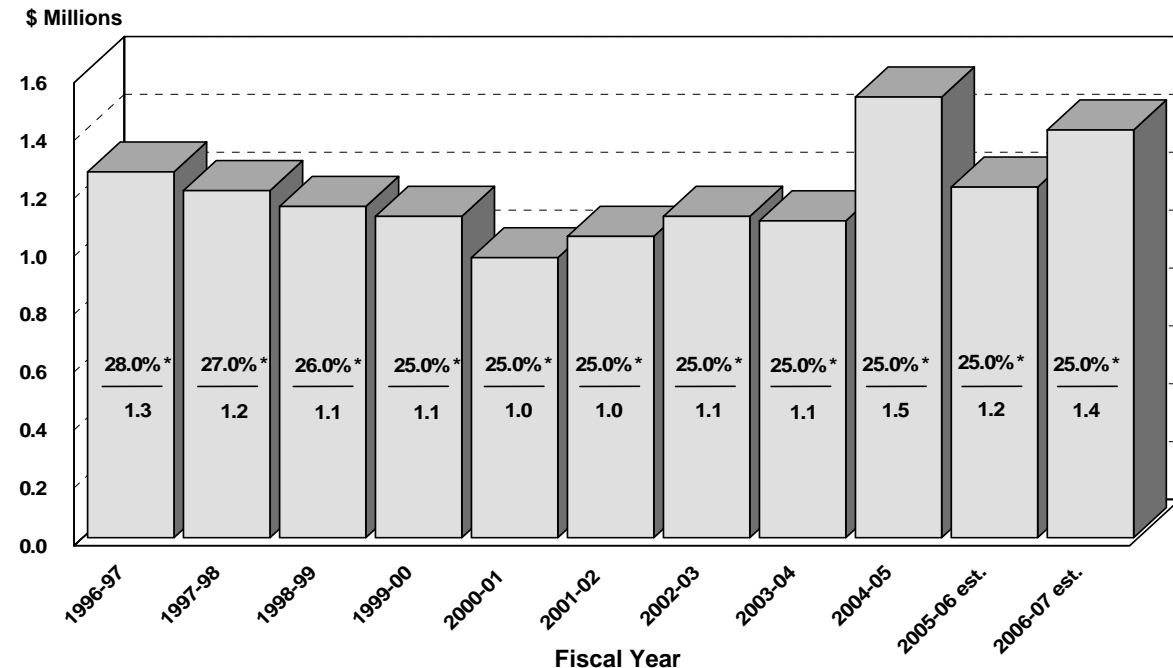
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage.	1996-97	\$1,263,705	(4.5)
	1997-98	1,199,458	(5.1)
	1998-99	1,144,363	(4.6)
	1999-00	1,110,420	(3.0)
	2000-01	967,193	(12.9)
	2001-02	1,041,291	7.7
	2002-03	1,110,403	6.6
	2003-04	1,094,665	(1.5)
	2004-05	1,522,519	39.1
	2005-06 est.	1,211,495	(20.4)
	2006-07 est.	1,408,876	16.3

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 2006-07 it is estimated that \$521,600 will go to the General Fund and \$887,276 to the Debt Service Fund. The SRP In-Lieu payment increase in FY 2006-07 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/In-Lieu Tax revenue

State Shared Sales Tax



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for a public purpose.	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	14,695,069	10.1
	2005-06 est.	15,538,331	5.7
	2006-07 est.	17,484,642	12.5

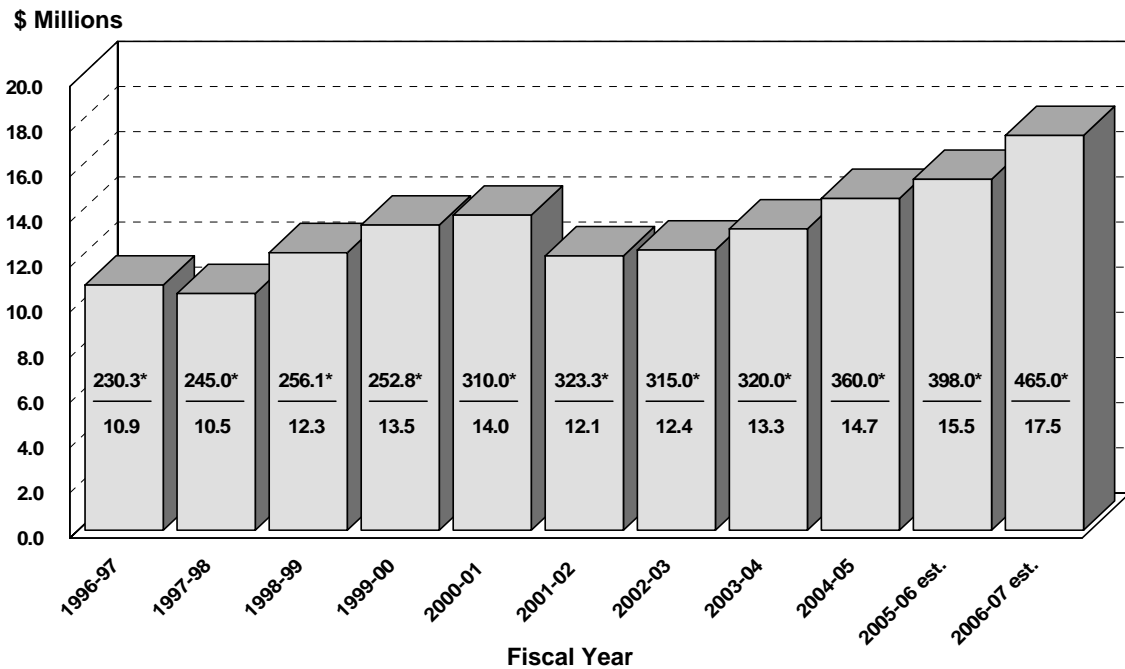
Assumptions

The state assesses a 5.6% sales tax, of which 0.6% is designated for educational purposes. Of the remaining, cities and towns share in 25% of the collections total (estimated at \$465 million for FY 2006-07) 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 share declined again to 3.4% with the 2005 mid-decade Census; but due to the robust State revenue growth the City did not experience a year over year net decrease.

The projected increase of 12.5% 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 Law

State Shared Sales Tax



*Total state shared sales tax revenue pool/City's share of pool

State Shared Vehicle License Tax



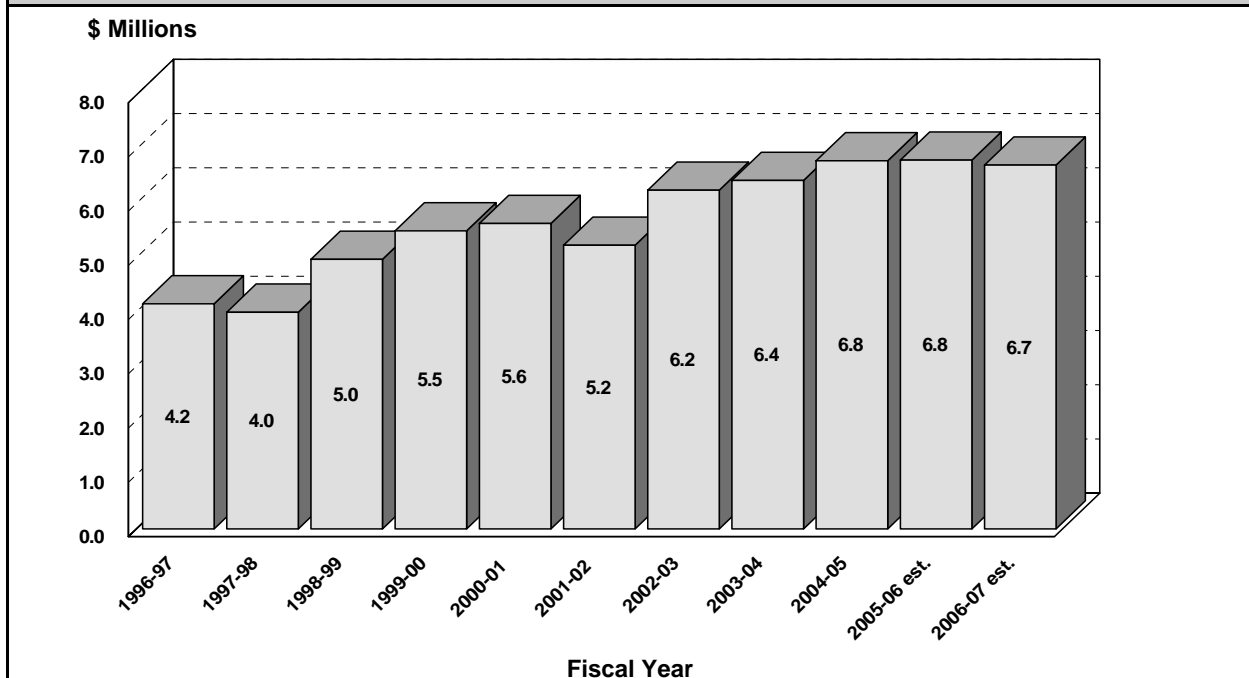
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for a public purpose.	1996-97	\$4,150,865	7.5
	1997-98	3,997,411	(3.7)
	1998-99	4,971,529	24.4
	1999-00	5,497,492	10.6
	2000-01	5,632,181	2.5
	2001-02	5,233,512	(7.1)
	2002-03	6,247,543	19.4
	2003-04	6,428,101	2.9
	2004-05	6,791,043	5.6
	2005-06 est.	6,800,000	0.1
	2006-07 est.	6,709,600	(1.3)

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. Based on the 2005 Special Census, this figure declined to 3.4%. In FY 2006-07, the strength of the state's economy has minimized the financial impact, but as the City nears build out, it 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.	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	14,582,117	2.0
	2005-06 est.	16,601,376	13.9
	2006-07 est.	16,615,520	0.1

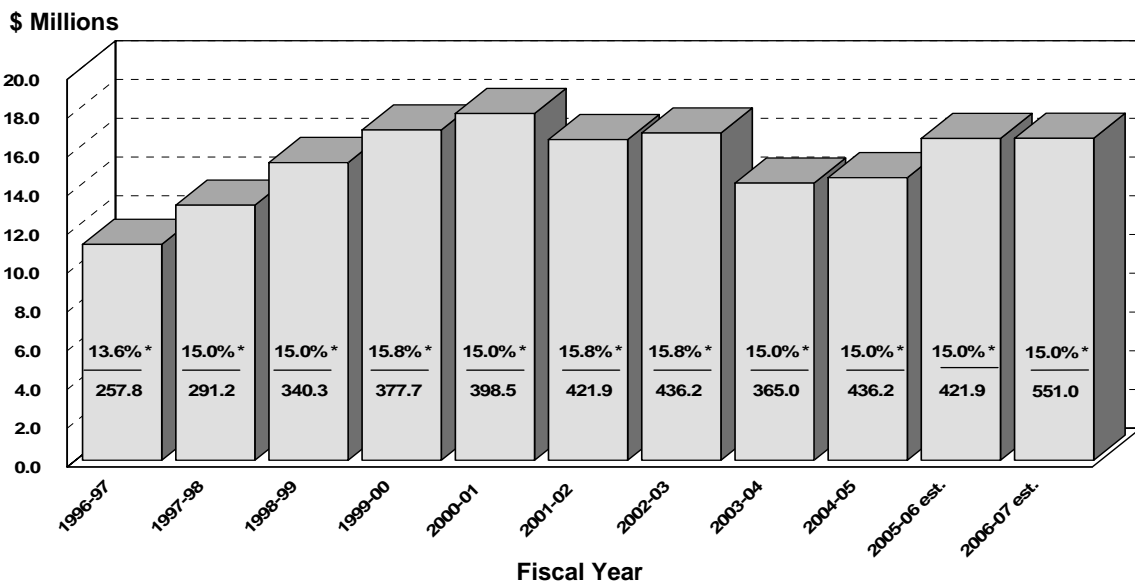
Assumptions

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 15.0% of the State's income tax collections, but this percentage is at the legislature's discretion and has varied from 13.6% in FY 1996-97 to 15.8% in FY 1999-00. Currently, the state shared revenue has been restored to 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 the 2005 Special Census, Tempe accounted for 4.0% of the state's population, but this share fell to 3.4% for FY 2006-07. The strength of the state's economy has offset the reduction in the City's percentage share and the FY 2006-07 estimate shows an increase of .1%.

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

State Shared Income Tax



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

Charges for Services/Recreation and Social Services



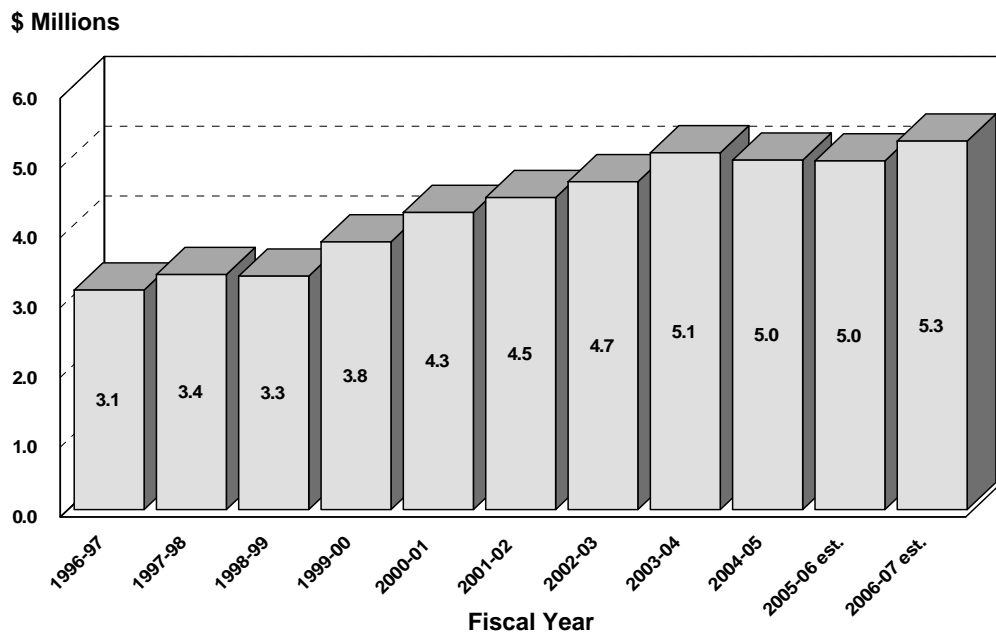
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage, but intended to defray costs of recreation and social service programs.	1996-97	\$3,145,907	15.1
	1997-98	3,369,509	7.1
	1998-99	3,345,728	(0.7)
	1999-00	3,836,700	14.7
	2000-01	4,258,777	11.0
	2001-02	4,471,110	5.0
	2002-03	4,699,196	(5.1)
	2003-04	5,113,578	8.8
	2004-05	5,009,690	(2.0)
	2005-06 est.	4,996,052	(0.2)
	2006-07 est.	5,281,939	5.7

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



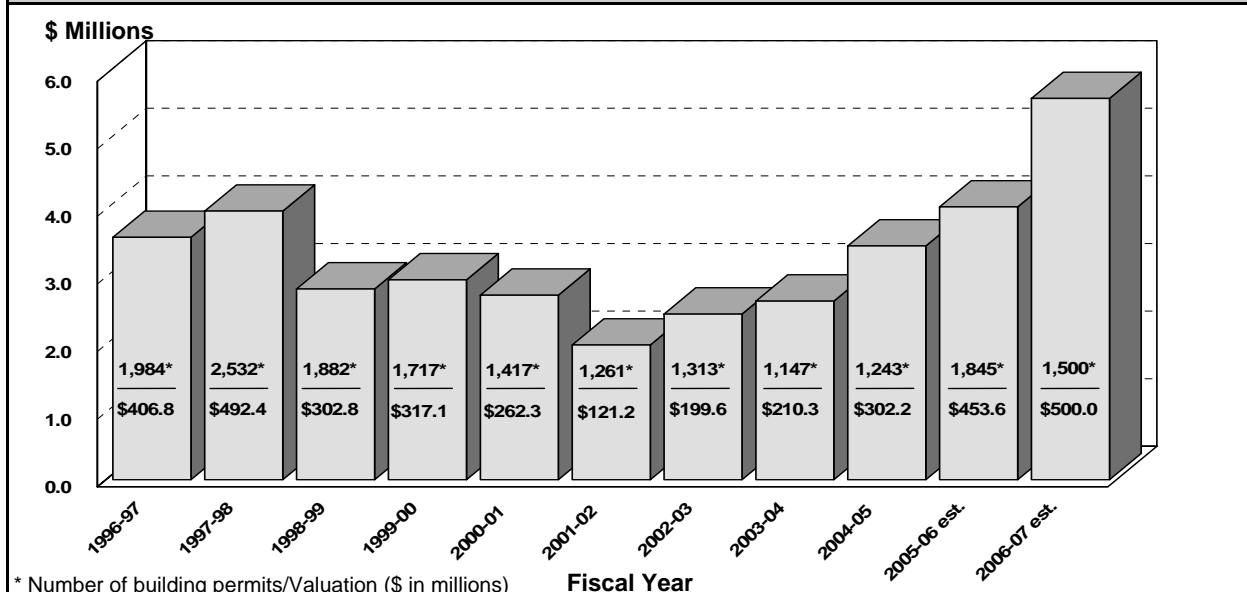
Restrictions	Fiscal Year	Amount	Percent Change
Intended to offset costs related to permitting and planning for residential and commercial development in the City, though there are no restrictions on usage.	1996-97	\$3,586,390	32.3
	1997-98	3,973,347	10.8
	1998-99	2,822,892	29.0
	1999-00	2,957,600	4.8
	2000-01	2,730,681	(7.7)
	2001-02	1,993,308	(27.0)
	2002-03	2,450,574	22.9
	2003-04	2,642,589	7.8
	2004-05	3,458,518	30.9
	2005-06 est.	4,035,677	16.7
	2006-07 est.	5,640,490	39.8

Assumptions

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 was due to a fee/rate increase. The impact of this increase was moderated in subsequent years in light of slow development activity associated with a landlocked community. This trend has reversed itself sharply, as the attractiveness of the Tempe downtown for development has increased permitting activity. When combined with a planning fee increase approved in FY 2004-05, the forecast growth is the largest in ten years.

Major Influences: Population, Tax Laws, Economy and Development

Charges for Services/Development Related



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

Fines and Forfeitures



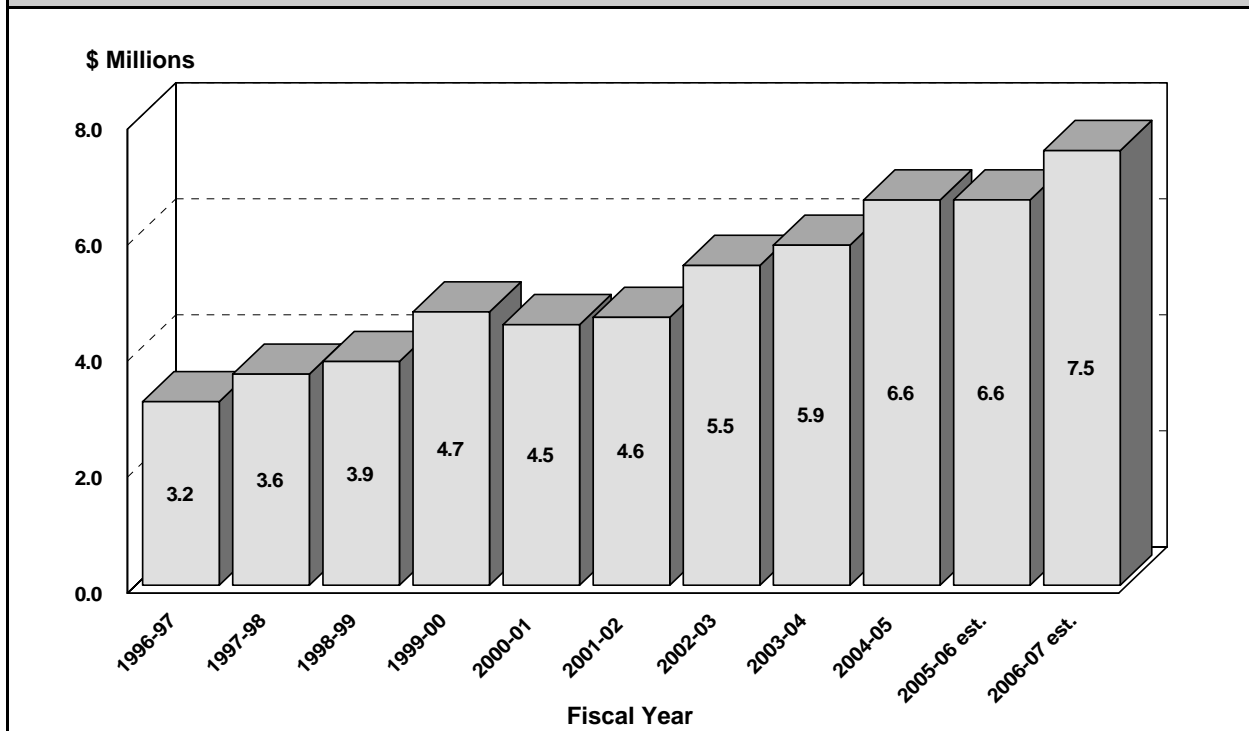
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage.	1996-97	\$3,162,253	2.2
	1997-98	3,636,208	15.0
	1998-99	3,856,034	6.1
	1999-00	4,709,700	22.1
	2000-01	4,489,939	(4.7)
	2001-02	4,615,379	2.8
	2002-03	5,510,475	19.4
	2003-04	5,858,482	6.3
	2004-05	6,639,189	13.3
	2005-06 est.	6,640,519	0.0
	2006-07 est.	7,491,027	12.8

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)

Fines and Forfeitures



Transit Tax



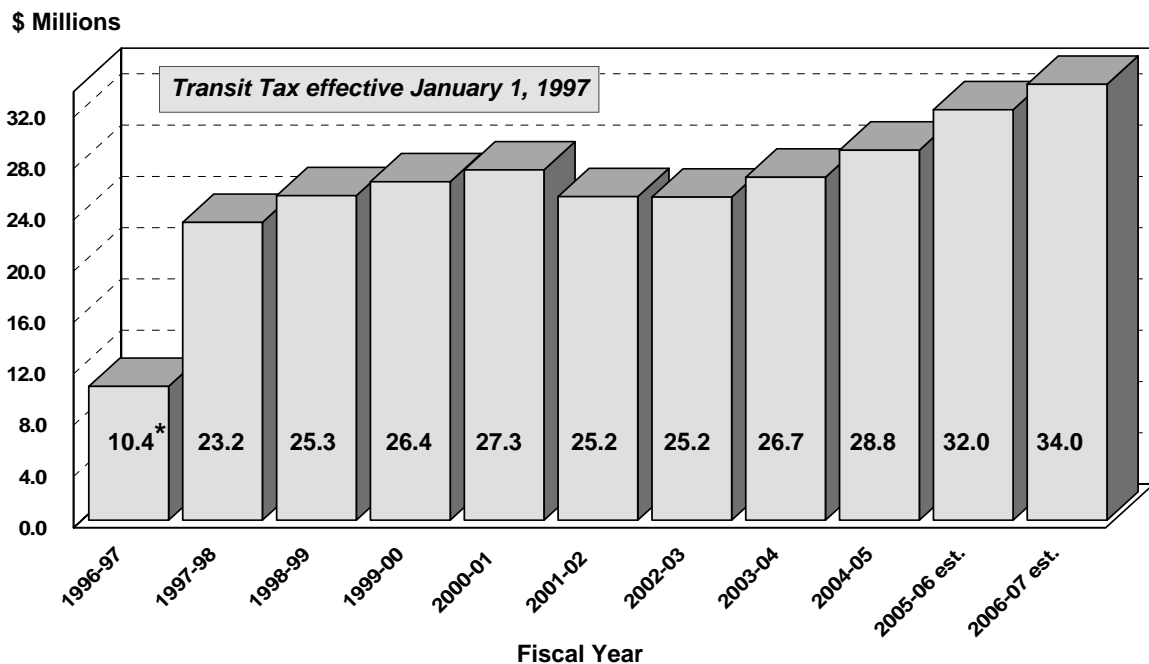
Restrictions	Fiscal Year	Amount	Percent Change
Represents a portion of the City sales tax dedicated by public vote to transit-related purposes, such as bus acquisition and maintenance, connecting bus routes to neighboring cities, bus stop construction, transit planning, and light rail construction. *Collections over a six month period	1996-97*	\$10,429,431	-
	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	28,848,493	7.9
	2005-06 est.	32,000,000	10.9
	2006-07 est.	33,984,000	6.2

Assumptions

The Transit Tax represents 1/2 cent of the 1.8% City Sales Tax. The tax for transit was approved by Tempe voters in September 1996 and became effective January 1, 1997. The revenue for FY 1996-97 only reflects collections over the last half of the fiscal year. Although the estimate for FY 2006-07 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



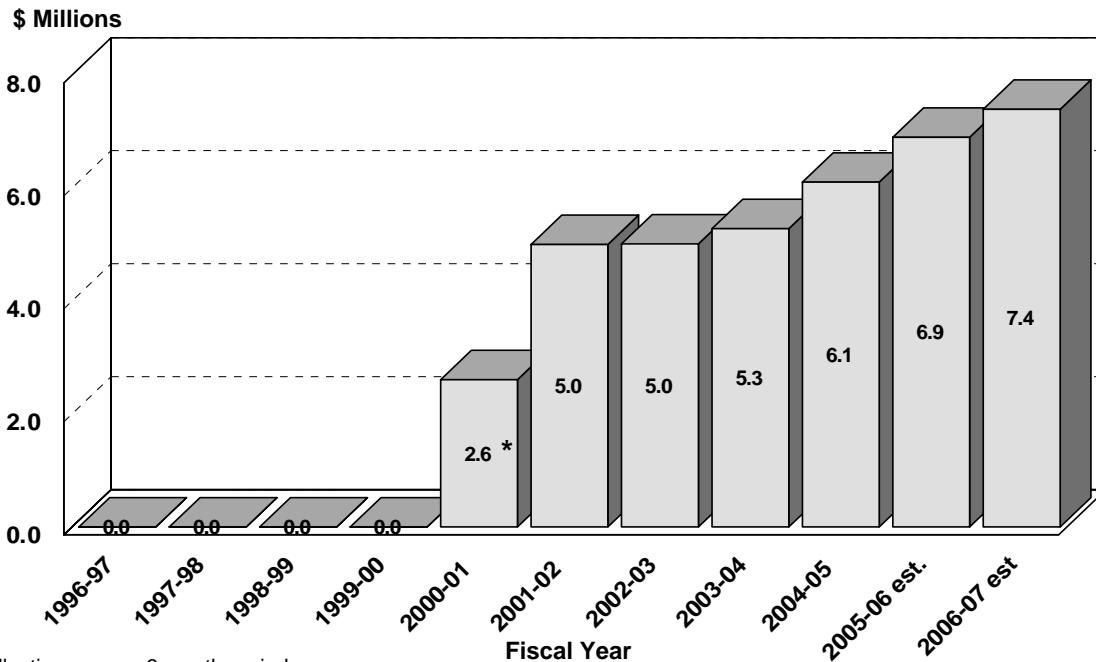
Restrictions	Fiscal Year	Amount	Percent Change
Represents a portion of the City sales tax dedicated by public vote for construction and operation of the Performing Arts Center. *Collections over a six month period	2000-01*	\$2,607,541	-
	2001-02	4,999,984	91.2
	2002-03	5,010,392	(0.2)
	2003-04	5,279,580	5.4
	2004-05	6,103,402	15.6
	2005-06 est.	6,897,355	13.0
	2006-07 est.	7,393,250	7.2

Assumptions

The Performing Arts Tax represents 1/10 cent of the 1.8% City Sales Tax. This tax was approved in May 2000 and became effective January 2001. Although the estimate for FY 2006-07 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



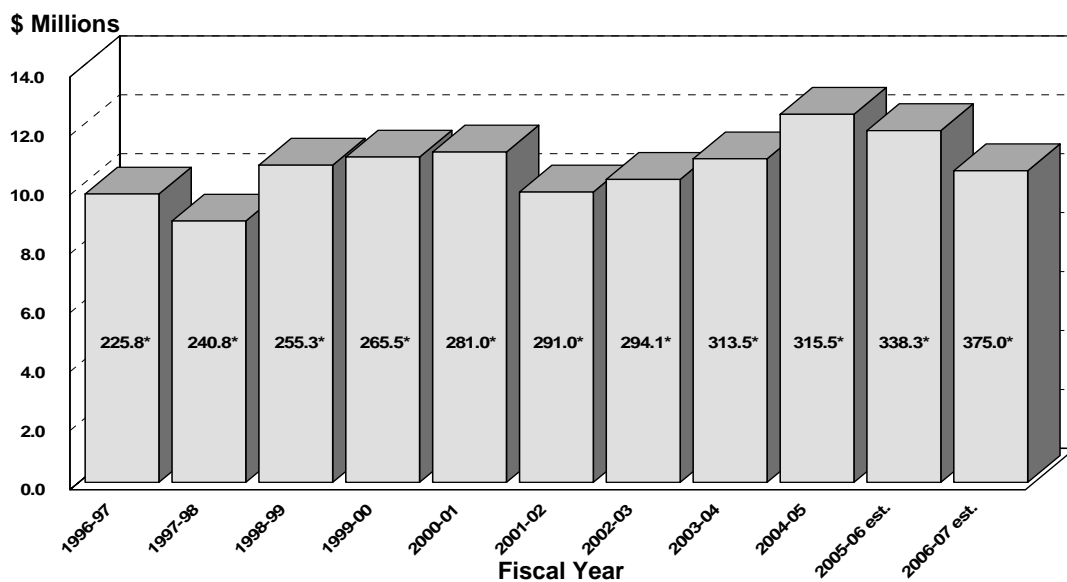
Restrictions	Fiscal Year	Amount	Percent Change
Proceeds can be used only for street and highway purposes including right-of-way acquisition, construction, reconstruction, maintenance, and payment of debt service on highway and street bonds.	1996-97	\$9,788,235	(4.4)
	1997-98	8,870,589	(9.4)
	1998-99	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	12,492,819	13.8
	2005-06 est.	11,938,207	(4.4)
	2006-07 est.	10,577,820	(11.4)

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 collected HURF revenue, 27.5% is distributed to cities and towns. Half of this pool amount 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 mid-decade Census, which placed Tempe at 4.5% of the state's population, down from the previous 5% share. The FY 2001-02 decline is a reflection of the 2000 Census, which resulted in Tempe's share declining to 4.0%. The 2005 mid-decade Census estimates a further decline to 3.4% which will result in a year over year decrease in revenue.

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

Highway User Tax



* Total State Shared Highway User Tax Revenue Pool distributed to Cities/Towns.

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.	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	820,811	(3.0)
	2005-06 est.	799,186	(2.6)
	2006-07 est.	783,200	(2.0)

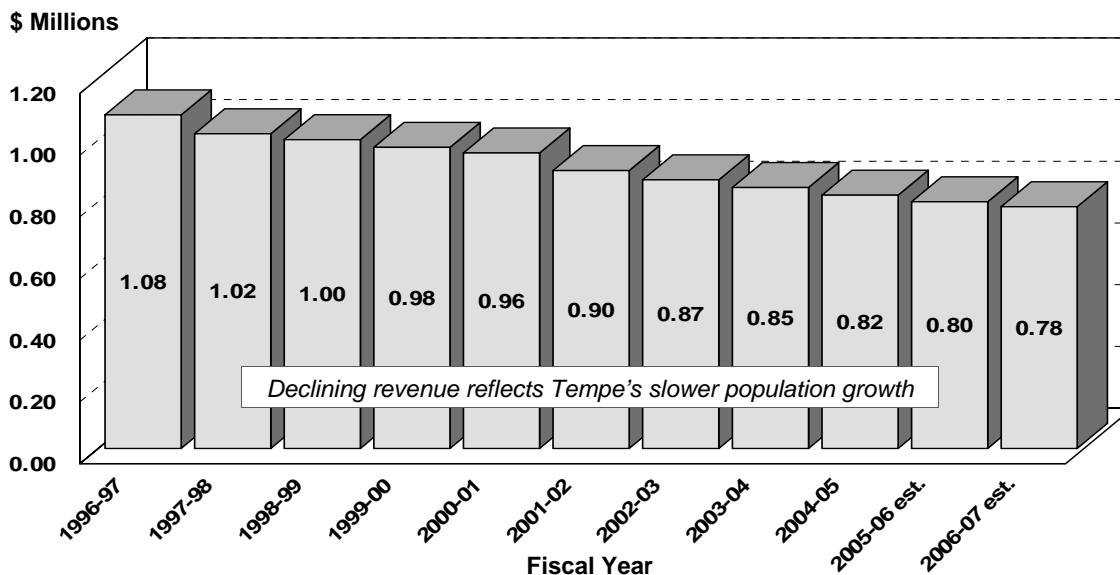
Assumptions

Revenue is 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.

The lottery state shared pool is adjusted every year by population determined by the Department of Economic Security. Tempe's declining share of statewide population accounts for the lottery revenue reduction over the past 10 years.

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

Local Transportation Assistance Fund



Community Development Block Grant/Section 8 Housing Grant

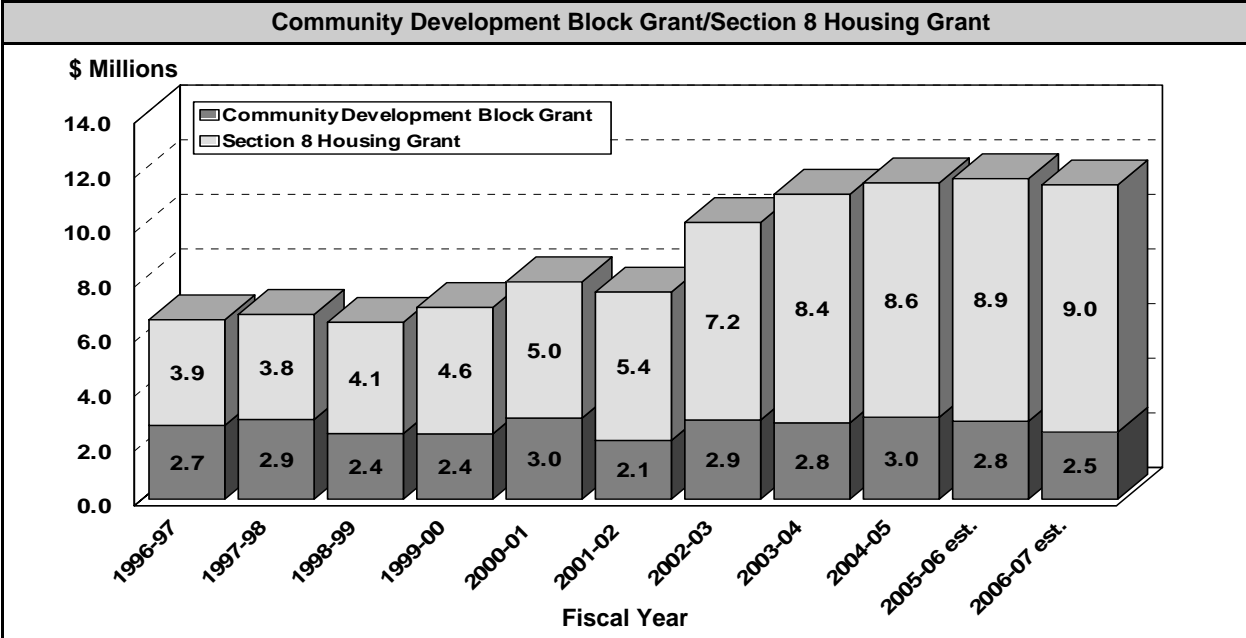


Restrictions				
Community Development Block Grant (CDBG) funds are awarded by the federal government and may be used only for the rehabilitation of owner-occupied housing and the removal of "slum and blight". Section 8 Housing Grants, also federal funds, may be used only for rent and utility subsidies for low income persons.				
Fiscal Year	Community Development Block Grant		Section 8 Housing Grant	
	Amount	Percent Change	Amount	Percent Change
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	2,793,637	(3.6)	8,364,970	10.2
2004-05	2,996,729	7.3	8,577,743	3.7
2005-06 est.	2,848,008	(5.0)	8,882,632	1.3
2006-07 est.	2,453,715	(13.8)	9,048,759	(1.9)

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



Water/Wastewater User Fees



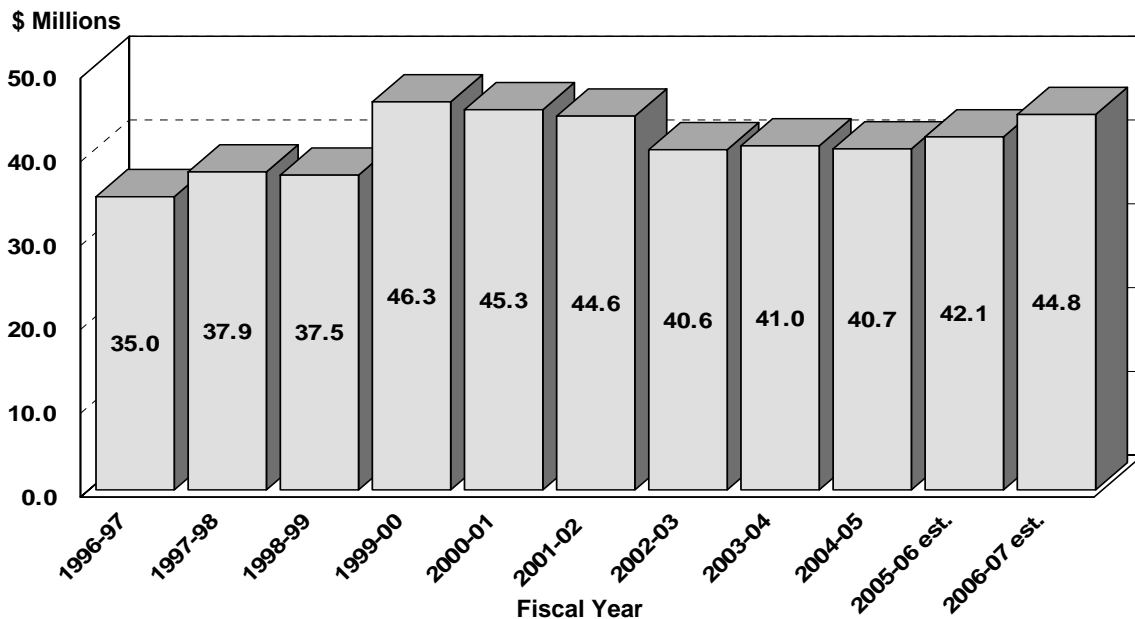
Restrictions	Fiscal Year	Amount	Percent Change
Fees can only be used to support the Water/Wastewater enterprise.	1996-97	\$34,979,993	6.3
	1997-98	37,928,781	8.4
	1998-99	37,540,000	(1.0)
	1999-00	46,296,100	23.3
	2000-01	45,349,960	(2.0)
	2001-02	44,591,306	(1.7)
	2002-03	40,586,501	(9.0)
	2003-04	41,037,476	1.1
	2004-05	40,674,305	(0.9)
	2005-06 est.	42,122,688	3.6
	2006-07 est.	44,783,245	6.3

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, 2005. Water rates were increased by 4%, irrigation rates were increased by 9%, and sewer rates for residential customers increased by 7.7%.

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

Water/Wastewater User Fees



Solid Waste Fees



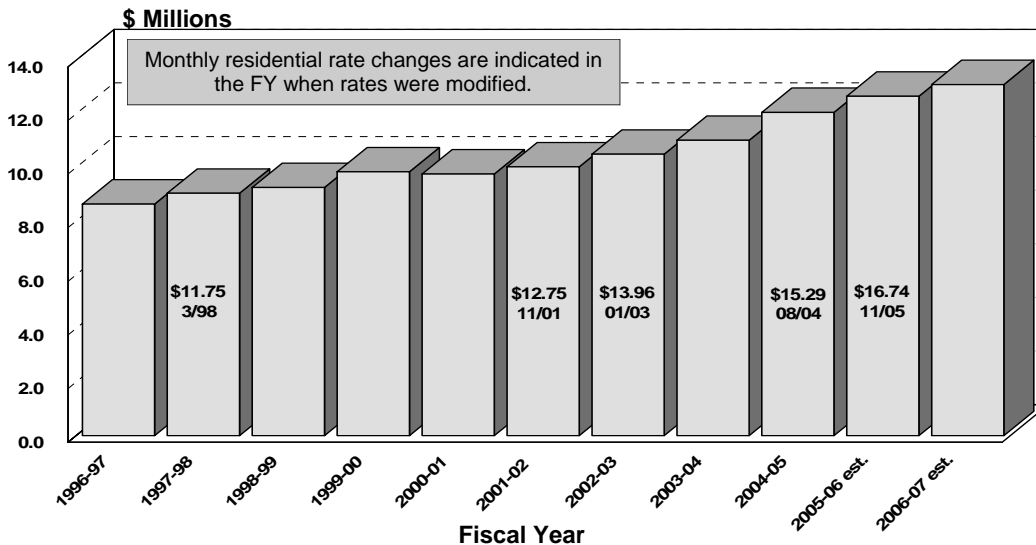
Restrictions	Fiscal Year	Amount	Percent Change
Used to defray costs of providing solid waste collection and disposal service.	1996-97	\$8,636,576	1.8
	1997-98	9,039,504	4.7
	1998-99	9,256,680	2.4
	1999-00	9,840,100	6.3
	2000-01	9,758,199	(0.8)
	2001-02	10,024,863	2.7
	2002-03	10,496,774	4.7
	2003-04	11,014,949	4.9
	2004-05	12,054,563	9.4
	2005-06 est.	12,659,440	4.8
	2006-07 est.	13,095,538	3.4

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 five times starting in FY 1998-99 to address increased landfill and recycling costs. Most recently, residential rates were increased in November 2005 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 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

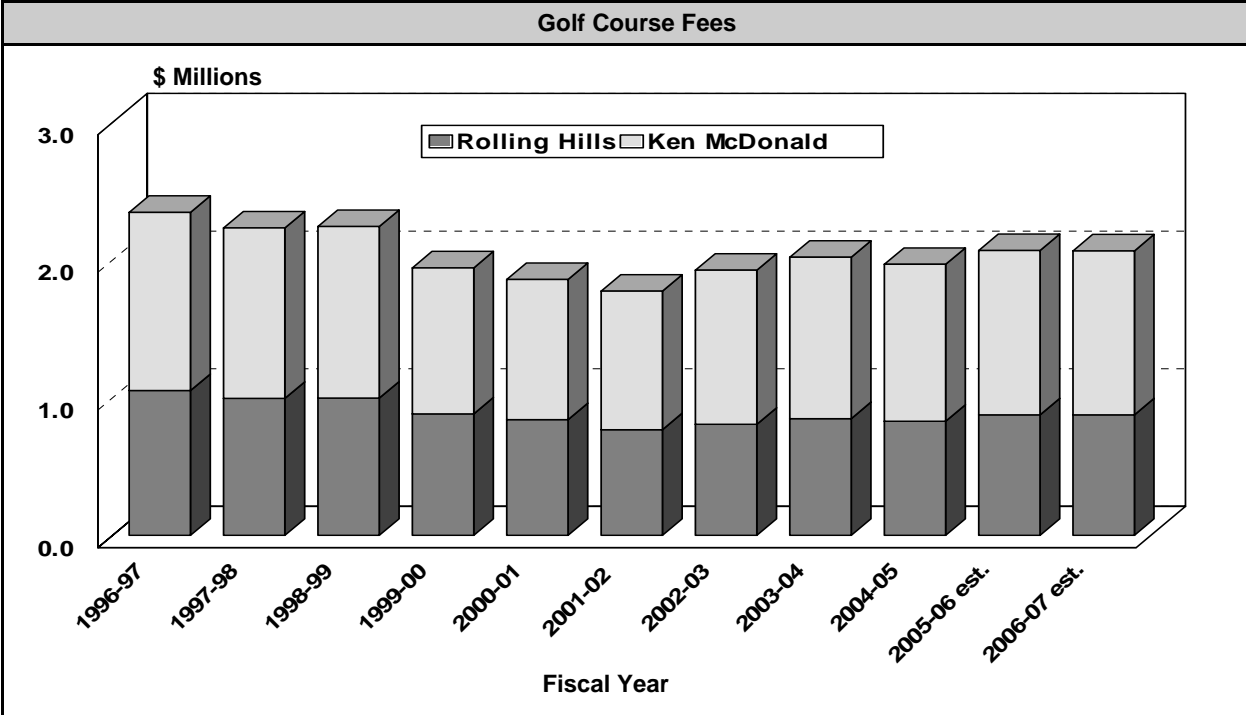


Restrictions				
Revenue is used to defray costs of operating the Rolling Hills and Ken McDonald golf courses.				
Fiscal Year	Rolling Hills		Ken McDonald	
	Amount	Percent Change	Amount	Percent Change
1996-97	\$1,051,586	3.5	\$1,294,228	11.9
1997-98	994,964	(5.4)	1,237,961	(4.4)
1998-99	997,000	0.2	1,246,000	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	828,454	(2.3)	1,139,519	(2.8)
2005-06 est.	875,000	5.6	1,193,256	4.7
2006-07 est.	875,000	0.0	1,190,729	(0.2)

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 a slight decline in revenue, particularly in light of the volatility that can result from weather conditions or fee changes, and competition from private courses.

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





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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.



Annual Budget
July 1, 2006
through June 30, 2007

Performance Budget Contents



	<u>Page</u>
Performance Budget Summary	114
Per Capita Performance Budget	115
Strategic Issues Management/Budgeting	116
Council Committees and Strategic Issues	117
Performance Benchmarking	118
City Organizational Chart	119
Mayor and Council	120
City Manager	122
Internal Audit	123
Diversity Program	124
Community Relations	126
Administration/Mayor's Office and Council Staff	127
Government Relations	128
Neighborhood Services	129
Communication and Media Relations	130
City Clerk	131
City Court	132
Human Resources	134
Tempe Learning Center	136
City Attorney	138
Financial Services	140
Administration and Budget	142
Accounting	143
Risk Management	144
Central Services	145
Tax and License	146
Customer Services	147
Information Technology	148
Development Services	150
Community Development	152
Administration/Economic Development	154
Revitalization/Redevelopment	155
Rio Salado	157
Police	158
Office of the Chief	159
Patrol	160
Support Services	161
Investigations	162
Fire	164
Administration and Fire Prevention/Personnel Safety	166
Emergency/Medical Services	167
Training/Professional Development	168
Homeland Security/Special Operations	169
Support Services/Personnel Safety	170
Community Services	172
Administration	173
Library	174
Cultural Services	175
Social Services	176
Parks and Recreation	178
Administration	179
Parks Services	180
Recreation Services	181
Public Works	182
Administration and Engineering	184
Field Services/Administration and Solid Waste Services	185
Field Services/Facility Management	186
Field Services/Parks and Golf Course Maintenance	187
Fleet Services	188
Transportation	189
Streets and Traffic Operations	191
Water Utilities	194

Performance Budget Summary



Department	Personal Services	Supplies/Services/Contributions	Capital Outlay	Internal Services	Total FY 2006-07 Budget
Mayor & Council	\$416,435	\$27,601		(\$44,340)	\$399,696
City Manager	545,038	15,250		(137,526)	422,762
Internal Audit	424,363	14,120		25,898	464,381
Diversity Program	379,333	333,331		19,533	732,197
Community Relations	1,665,576	986,769		300,298	2,952,643
City Clerk	369,501	206,600		45,873	621,974
City Court	2,834,558	584,379		524,969	3,943,906
Human Resources	2,537,847	891,825		(497,616)	2,932,056
City Attorney	2,791,526	235,524	3,800	78,059	3,108,909
Financial Services	5,426,590	3,352,776	26,200	(2,340,118)	6,465,448
Information Technology	7,034,909	5,825,100		(12,860,009)	
Development Services	5,040,444	482,116	26,740	760,849	6,310,149
Community Development	3,996,187	12,282,009	59,563	350,303	16,688,062
Police	45,496,600	4,641,730	3,500	9,370,517	59,512,347
Fire	16,649,721	1,370,829	643,900	1,399,490	20,063,940
Community Services	11,077,678	2,658,115	110,240	2,232,289	16,078,322
Parks and Recreation	10,141,377	4,582,822		2,134,889	16,859,088
Public Works	21,696,458	37,703,633	4,919,072	(2,745,557)	61,573,606
Water Utilities	11,510,134	14,036,150	283,200	3,309,785	29,139,269
Total Departmental	150,034,275	90,230,679	6,076,215	1,927,586	248,268,755
Debt Service		51,062,909			51,062,909
Non-Departmental	2,380,712	5,381,393		2,096,188	9,858,293
Contingencies		4,925,668			4,925,668
Total Operating Budget	152,414,987	151,600,649	6,076,215	4,023,774	314,115,625
Capital Improvements			196,728,491		196,728,491
Total Financial Program	\$152,414,987	\$151,600,649	\$202,804,706	\$4,023,774	\$510,844,116

Per Capita Performance Budget



The citywide operating budget for FY 2006-07 totals \$314.1 million. This represents per capita growth of 2.4%.

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 general areas of Public Safety, Public Works, and Community Services, accounting for 82% of the total departmental budgets.

Department	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Revised	FY 2006-07 Budget
Mayor & Council	\$2.42	\$2.35	\$2.40	\$2.41
City Manager	1.79	1.87	2.42	2.55
Internal Audit	2.56	2.76	2.69	2.80
Diversity Programs	3.31	3.40	3.20	4.42
Community Relations	14.56	15.55	15.44	17.81
City Clerk	2.68	4.42	3.12	3.75
City Court	20.34	22.87	22.13	23.79
Human Resources	15.80	14.98	15.68	17.68
City Attorney	15.32	16.99	15.87	18.75
Financial Services	33.68	35.09	34.16	39.00
Development Services	28.13	29.17	29.75	38.06
Community Development	95.39	98.14	96.96	100.65
Police	298.67	325.35	326.15	358.95
Fire	97.30	110.94	110.59	121.02
Community Services	108.65	123.72	120.25	96.98
Parks and Recreation				101.69
Public Works	362.95	396.27	391.98	371.38
Water Utilities	158.65	165.91	169.82	175.75
Total Departmental Per Capita	\$1,262.20	\$1,369.78	\$1,363.82	\$1,497.44
Debt Service	144.96	248.34	205.18	307.59
Non-Departmental	27.46	37.47	36.90	59.06
Contingencies		18.57		29.51
Capital Improvement Projects	1,041.52	1,155.81	1,155.81	1,186.57
Total Per Capita	\$2,476.14	\$2,829.97	\$2,761.71	\$3,080.17



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 (shown on following page) 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 in conjunction with the 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 2006-07 budget requests from departments (based on FY 2006-07 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 2006-07 goals and action plans).	Executive Team	March/April
Conduct public sessions on operating and capital improvement budget program (FY 2006-07).	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

Address neighborhood deterioration and public safety, including enforcement of neighborhood enhancement code, party ordinance, neighborhood policing efforts, and redevelopment and enhancement of neighborhood-supportive business districts. Work Plan should include review of sign ordinance as it applies in residential districts, in neighborhood areas, development of public safety resources and ASU (Arizona State University)-City partnerships to improve student housing.

Education Partnerships

Address partnership opportunities for the City and education providers to assist in the improvement of neighborhood schools through community-in-schools program, provision of City services through school facilities, resource sharing between districts and the City, and facilitate ASU's participation in education improvement in all Tempe schools. Work Plan should include examination of purchasing and maintenance programs to identify overlap and partnership opportunities, joint facilities development for school-resident use (e.g. North Tempe Multi-Generational Center) and joint transportation solutions.

Community Services

Address delivery of community services programs and community service capital project oversight, including identifying programs for enhancement, stabilizing golf program revenues and expenses, development and implementation of parks improvement and rehabilitation program, and oversight of construction of Arts Center and North Tempe Multi-Generational Center.

Transportation

Address development of transportation resources, including oversight of street and alley maintenance programs, traffic congestion, noise reduction, bus program improvements, bicycle program and development of light-rail.

Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Oversee development and policy formation and implementation of financial health, aviation matters, diversity, antidiscrimination programs, human service planning, and resource development. Address staff policy issues, including financial issues, aviation mitigation issues, employment policy manual issues, budgetary policy issues, employment policy issues, and human relations and resource issues.

Technology Advancement, Tourism and Redevelopment

Address Economic Stabilization & Revitalization, including ASU-City partnership for development of High-Tech, Bio-Tech, Nano-Tech Metropolis (the "HBN Technopolis"), and development of major employment bases. Focus should include redevelopment of neighborhood commercial centers, review of zoning code rewrite, sign ordinance, redevelopment Code, and streamlining of development process to ensure resident participation with expedited, cost-effective processing for projects.

Central City Development Committee of the Whole

Address continuing development of the Rio Salado project, Papago Salado, Downtown redevelopment and stabilization, branding, tourism and identification of Tempe's central core, and major redevelopment projects within central core, including ASU partnerships, light-rail related real estate development and other development and redevelopment affecting Tempe's central core.



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.

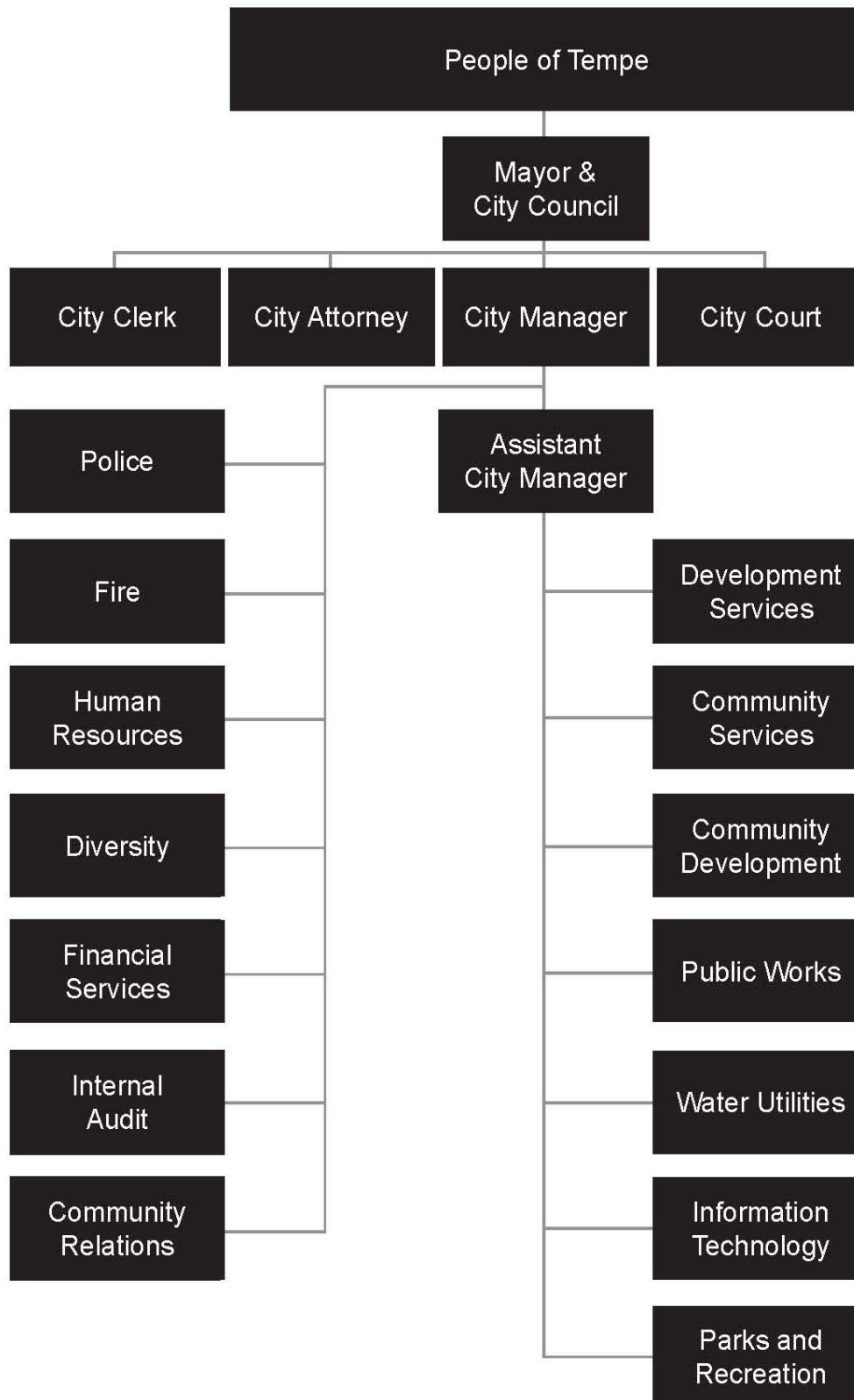
Tempe's benchmarking project began in 1984 with its participation in an experimental program coordinated by the Innovation Group, a nonprofit organization serving local government. Data for Innovation Group suggested benchmarks were gathered for a "test" group of City departments for possible comparisons with other local governments in the Innovation Group benchmark database. In addition, the City formally participated in ICMA's Comparative Performance Measurement Program.

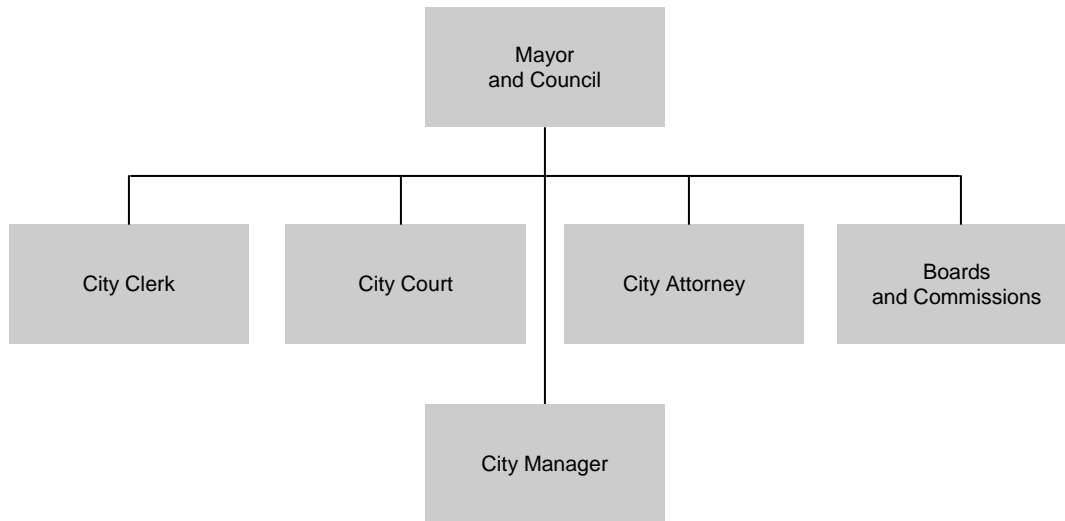
The City continues to refine the benchmarks tracked to include benchmarks developed by national professional organizations, as well as those developed by individual departments. Efforts have focused on establishing a database of historical information on a wide array of benchmarks for most City departments. 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 goal was to gather data from the benchmark cities to evaluate Tempe's performance across critical operational areas.

This last fiscal year a special effort was initiated to enhance the value of performance measurement in the budget. As a result, several new performance measurements are included in this year's budget book.

This renewed focus on service delivery outcomes is indicative of the City's long-term commitment to benchmarking, and continuous improvement of our service delivery at the lowest possible cost to residents.





Department Purpose:

To represent residents of the City of Tempe, formulate legislation, and establish City policy.

Department Description:

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.

FY 2006-07 Budget Highlights:

No changes in staffing levels.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$335,485	\$352,806	\$362,177	\$416,435
Supplies and Services	23,901	33,601	33,601	27,601
Capital Outlay	578			
Internal Services	(30,372)	(21,891)	(23,181)	(44,340)
Contributions	64,154	22,200	22,200	
Expenditure Total	\$393,745	\$386,716	\$394,797	\$399,696
Per Capita	\$2.42	\$2.35	\$2.40	\$2.41

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Mayor and Council	7			7			7		
Total	7			7			7		



Related Strategic Issue: All Council Committees

Goal: To respond to all constituent forms of communication in a timely manner

Objective: 1) To respond to phone calls within 24 hours of receipt; 2) respond to email inquiries within 72 hours of receipt; 3) respond to mail/letter inquiries within five working days; 4) respond to 95% of all Council email within 24 hours of receipt; and 5) respond to 95% of all Council voicemail within 24 hours of receipt

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of calls responded to within 24 hours	N/A	N/A	N/A	95%
Percentage of email inquiries responded to within 72 hours	N/A	N/A	N/A	95%
Percentage of mail/letter inquiries responded to within five working days	N/A	N/A	N/A	95%
Percentage of Council Communicator email responded to within 24 hours of receipt	N/A	N/A	N/A	95%
Percentage of Council Communicator voicemail responded to within 24 hours of receipt	N/A	N/A	N/A	95%



City Manager

Department Purpose:

To professionally implement all City Council policy decisions, efficiently direct the City's operations, and create an organizational culture that results in the delivery of excellent municipal services to residents of Tempe.

Department Description:

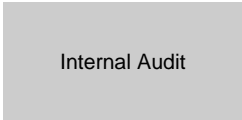
Working with the City's governing body, the community, and City staff, the City Manager's Office is to professionally implement all City Council policy decisions and efficiently direct the City's operations and activities in accordance with sound management principles. These efforts will create an organizational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

FY 2006-07 Budget Highlights:

No changes in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$274,382	\$312,963	\$403,627	\$545,038
Supplies and Services	8,519	13,100	15,250	15,250
Internal Services	8,708	(18,076)	(21,285)	(137,526)
Expenditure Total	\$291,610	\$307,987	\$397,592	\$422,762
Per Capita	\$1.79	\$1.87	\$2.42	\$2.55

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
City Manager	2		0.5	3		0.5	3		0.5
Total	2		0.5	3		0.5	3		0.5



Department Purpose:

To support management in its efforts to uphold the City's values and achieve the City's mission by evaluating operations and encouraging the use of cost-effective internal controls to promote efficient utilization of available resources.

Department Description:

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.

FY 2006-07 Budget Highlights:

No changes in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$381,646	\$404,871	\$394,183	\$424,363
Supplies and Services	7,355	22,752	22,752	14,120
Internal Services	28,145	25,524	25,100	25,898
Expenditure Total	\$417,146	\$453,147	\$442,035	\$464,381
Per Capita	\$2.56	\$2.76	\$2.69	\$2.80

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Internal Audit	4			4			4		
Total	4			4			4		

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To achieve City's mission by evaluating operations and encouraging the use of cost-effective internal controls

Objective: To provide effective support to management through proactive and reactive analytical efforts

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Obtain management acceptance and support for 95% of recommendations	N/A	N/A	N/A	95%
Respond to 100% of management's requests for analytical and investigative assistance	N/A	N/A	N/A	100%



Department Purpose:

To promote a fair, equitable and accessible work environment for City employees, and provide administrative support to the Human Relations Commission.

Department Description:

The Diversity Office coordinates the City's response to the Diversity Audit, functions as an ombudsman for City employees, provides administrative support to the Human Resources Commission, Tardeada Advisory Board, the Mayor's Commission on Disability Concerns, and organizes community special events.

FY 2006-07 Budget Highlights:

Funding provided for Americans with Disabilities Act compliance audits and corrective measures. No changes in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$264,989	\$357,136	\$325,034	\$379,333
Supplies and Services	263,548	188,331	188,331	333,331
Internal Services	11,107	12,847	12,636	19,533
Expenditure Total	\$539,644	\$558,314	\$526,001	\$732,197
Per Capita	\$3.31	\$3.40	\$3.20	\$4.42

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Diversity	3			3	0.5		3	0.5	
Total	3			3	0.5		3	0.5	



Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Maintain a low number (3) of EEOC Complaints	N/A	N/A	N/A	<3

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

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

Objective: 1) To design and coordinate community diversity celebrations and programs; and 2) create and implement community educational opportunities

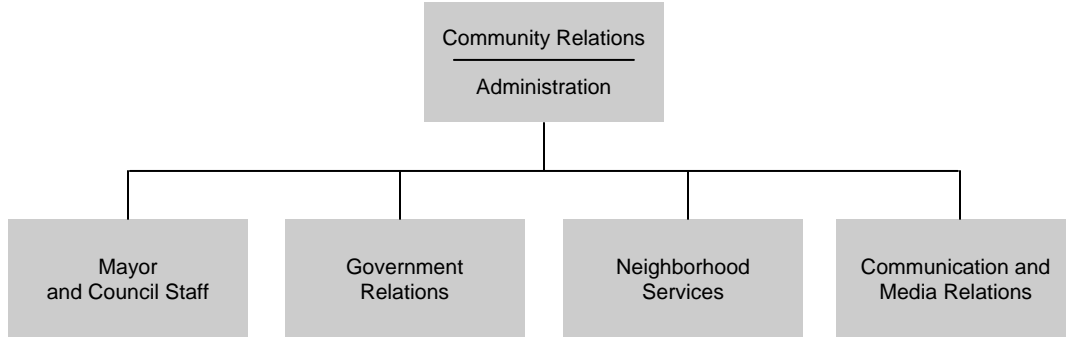
Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of attendants rating events above average or higher (80%)	N/A	N/A	N/A	80%

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To promote an accessible environment for the City of Tempe workforce and community

Objective: 1) To create and implement City accessible policies and procedures; and 2) educate workforce and community about the City’s accessible policies and procedures

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of successful (90%) remediated ADA grievances	N/A	N/A	N/A	90%



Department Purpose:

To serve the community, elected officials and city departments by delivering Tempe's message and information to the public.

Department Description:

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.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$1,418,709	\$1,484,997	\$1,462,667	\$1,665,576
Supplies and Services	478,412	713,471	713,471	808,569
Capital Outlay	2,799			
Internal Services	189,869	180,572	177,921	300,298
Contributions	281,702	177,054	183,200	178,200
Expenditure Total	\$2,371,491	\$2,556,094	\$2,537,259	\$2,952,643
Per Capita	\$14.56	\$15.55	\$15.44	\$17.81

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Community Relations- Administration; Mayor and Council Staff	\$818,380	\$945,408	\$957,239	\$1,084,296
Government Relations	378,332	358,920	360,797	358,610
Neighborhood Services	256,003	201,846	205,030	233,775
Communication and Media Relations	918,775	1,049,920	1,014,193	1,275,962
Expenditure Total	\$2,371,491	\$2,556,094	\$2,537,259	\$2,952,643

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Community Relations- Admin; Mayor and Council Staff	7		0.98	7		0.98	9		0.98
Government Relations	1			1			1		
Neighborhood Services	2			2			2		
Communication & Media Relations	6		0.85	6		0.85	6		0.85
Total	16		1.83	16		1.83	18		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.

FY 2006-07 Budget Highlights:

Funding provided for one full-time Council Aide I position and one full-time Administrative Assistant I position.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$594,200	\$642,953	\$656,154	\$767,968
Supplies and Services	147,249	209,000	209,000	212,498
Capital Outlay	2,663			
Internal Services	69,154	60,955	59,585	71,330
Contributions	5,113	32,500	32,500	32,500
Expenditure Total	\$818,380	\$945,408	\$957,239	\$1,084,296
Per Capita	\$5.02	\$5.75	\$5.82	\$6.54

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Community Relations - Administration; Mayor and Council Staff	7		0.98	7		0.98	9		0.98
Total	7		0.98	7		0.98	9		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.

FY 2006-07 Budget Highlights:

No change in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$115,884	\$122,866	\$118,677	\$131,139
Supplies and Services	12,812	115,955	115,955	115,955
Contributions	23,461	22,545	22,465	7,816
Internal Services	226,175	97,554	103,700	103,700
Expenditure Total	\$378,332	\$358,920	\$360,797	\$358,610
Per Capita	\$2.32	\$2.18	\$2.20	\$2.16

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Government Relations	1			1			1		
Total	1			1			1		

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

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

Objective: 1) To preserve the City's existing revenue base and local zoning authority through regular meetings with appropriate parties; and 2) advocate for federal and state appropriations for energy, water and transportation projects

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 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 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.

FY 2006-07 Budget Highlights:

No change in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$198,375	\$175,692	\$179,087	\$207,255
Supplies and Services	40,106	13,350	13,350	13,350
Internal Services	17,522	12,804	12,593	13,170
Expenditure Total	\$256,003	\$201,846	\$205,030	\$233,775
Per Capita	\$1.57	\$1.23	\$1.25	\$1.41

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Neighborhood Services	2			2			2		
Total	2			2			2		

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To preserve and improve neighborhoods in the City of Tempe by encouraging citizen participation in decision-making processes

Objective: 1) To facilitate neighborhood problem-solving strategies with appropriate City departments; 2) strengthen a sense of community by establishing partnerships between neighborhoods and schools, businesses and civic organizations; and 3) keep neighborhoods involved and informed about City issues and programs

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Participating households	37,500	37,875	37,900	40,000
Grant applications received	46	50	50	50
Neighborhood association mailings	47,500	45,000	46,500	45,000
Neighborhood association meetings attended (percent of total)	95%	95%	97%	95%
Percent of citizen contacts returned in 24 hours	99%	95%	99%	95%

Communication and Media Relations



The Communication and Media Relations Division handles all public information and media relations for the City and manages Tempe cable channel 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.

FY 2006-07 Budget Highlights:

Funding provided for a system for recording and playback of the City's public meetings. No change in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$510,249	\$543,486	\$508,749	\$559,214
Supplies and Services	278,245	375,166	375,166	466,766
Capital Outlay	136			
Internal Services	79,732	84,268	83,278	207,982
Contributions	50,413	47,000	47,000	42,000
Expenditure Total	\$918,775	\$1,049,920	\$1,014,193	\$1,275,962
Per Capita	\$5.64	\$6.39	\$6.17	\$7.70

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
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: 1) To keep Tempe residents, the general public, City employees and the media informed about City issues, programs, community events and organizational changes; and 2) 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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Tempe 11 electronic program guide accuracy and playback reliability	N/A	N/A	N/A	95%
Video-on-Demand access of public meetings within one working day	N/A	N/A	N/A	95%
Number of informational pieces provided	N/A	N/A	N/A	100
Press releases issued by Communications and Media Relations that result in news stories	N/A	N/A	N/A	90%



City Clerk

Department Purpose:

To accurately maintain the legal record of the actions of the City Council and all permanent City records, ensuring the preservation and accessibility of essential information, and to equitably conduct City elections to ensure the integrity of the democratic voting process.

Department Description:

The City Clerk, appointed by the Mayor and City Council pursuant to City Charter, serves as the legal custodian of the City's official records; serves as the Chief Elections Officer of the City; administers Council meetings; and affixes the City Seal on all official documents.

FY 2006-07 Budget Highlights:

No changes in staffing levels.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$310,793	\$343,557	\$329,678	\$369,501
Supplies and Services	85,076	336,600	336,600	206,600
Internal Services	40,602	46,600	45,755	45,873
Expenditure Total	\$436,472	\$726,757	\$712,033	\$621,974
Per Capita	\$2.68	\$4.42	\$4.33	\$3.75

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
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 prepare accurate agenda packets for the Mayor and Council

Objective: To prepare 100% of agenda packets without any errors

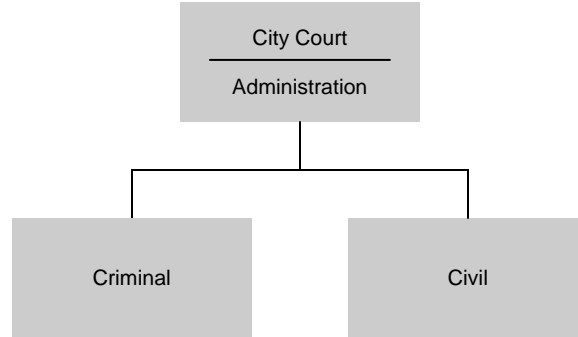
Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Agenda packets prepared without error reported	N/A	N/A	57	57
Percent prepared without error	N/A	N/A	99.5%	100%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To meet the public's requests for information

Objective: To process all requests made by the public

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Public records requests processed	N/A	N/A	397	400



Department Purpose:

To contribute to the quality of life in our community by fairly and impartially administering justice in the most effective, efficient, and professional manner possible.

Department Description:

The 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. The court includes all judicial, administrative, and staff functions necessary to accomplish the court's purpose. 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.

FY 2006-07 Budget Highlights:

Funding was approved for three full-time Court Services Specialists to address workload in the Municipal Courts Criminal and Civil Divisions.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,374,022	\$2,590,153	\$2,482,522	\$2,834,558
Supplies and Services	497,590	564,326	563,301	584,379
Internal Services	442,670	605,061	591,715	524,969
Expenditure Total	\$3,314,281	\$3,759,540	\$3,637,538	\$3,943,906
Per Capita	\$20.34	\$22.87	\$22.13	\$23.79

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
City Court - Administration	\$1,548,641	\$1,801,784	\$1,763,553	\$1,810,156
Criminal Division	742,223	806,112	775,606	877,298
Civil Division	1,023,418	1,151,644	1,098,379	1,256,452
Expenditure Total	\$3,314,281	\$3,759,540	\$3,637,538	\$3,943,906



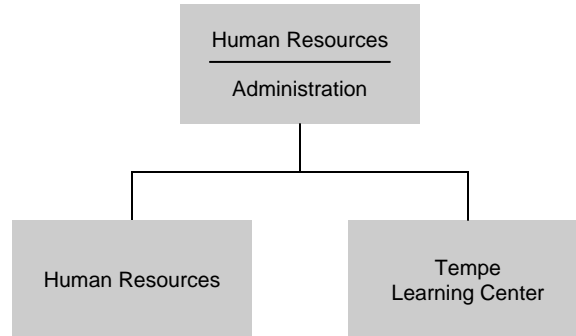
Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
City Court - Administration	10	.65		10	.65		10	.65	
Civil Division	14		2.1	14		2.1	16		2.1
Criminal Division	9		2.1	9		2.1	10		2.1
Total	33	.65	4.2	33	.65	4.2	36	.65	4.2

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

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

Objective: To achieve a 98% clearance rate of court filings

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Total number of filings	135,657	126,475	126,475	126,475
Total number of dispositions	126,513	122,680	122,680	123,945
Clearance ratio	93%	97%	97%	98%



Department Purpose:

To attract, train and retain a diverse workforce that is better able to serve our community and mirrors the community in which we serve.

Department Description:

The Human Resources Department is responsible for 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.

FY 2006-07 Budget Highlights:

Funding was appropriated for one full-time Human Resources Analyst position. This position is needed due to increased workload in classification and compensation, recruitment and selection, and employee relations issues.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$1,986,865	\$2,085,046	\$2,158,406	\$2,537,847
Supplies and Services	821,767	737,533	802,234	891,825
Internal Services	(233,969)	(361,096)	(383,155)	(497,616)
Expenditure Total	\$2,574,663	\$2,461,483	\$2,577,485	\$2,932,056
Per Capita	\$15.80	\$14.98	\$15.68	\$17.68

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Human Resources	\$1,808,774	\$1,784,286	\$1,821,532	\$2,031,022
Tempe Learning Center	765,888	677,197	755,953	901,034
Total	\$2,574,663	\$2,461,483	\$2,577,485	\$2,932,056



Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Human Resources	16			15			16		
Tempe Learning Center	2	0.5		3	0.5		4	0.5	
Total	18	0.5		18	0.5		20	0.5	

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To strive to retain a stable workforce

Objective: To maintain an annual turnover rate of less than 10%

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Employee turnover rate	6.5%	8.4%	8.4%	7.5%

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To strive to retain a diverse workforce

Objective: To develop and maintain fair and equitable employment practices reflected by the percentage of unsubstantiated allegations and EEOC findings received in relation to the number of allegations and EEOC complaints filed

Measures	2004-05 ¹ Actual	2005-06 ¹ Budget	2005-06 Revised	2006-07 Budget
Equal Employment Opportunity Commission (EEOC) complaints	7	36 ²	36 ²	7
Formal grievances	3	3	3	3
Employee unsubstantiated allegations	86%	67%	67%	85%
EEOC complaints found in favor of the City	100%	100%	100%	100%

¹ Calendar Years (2004 and 2005)

² Two formal complaints included 30 separate issues that were investigated individually



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.

FY 2006-07 Budget Highlights:

Funding was appropriated for one full-time Performance Management Instructor Designer position. This position is needed due to increasing departmental requests for instruction design. Also, TLC was approved for a Tempe Schools Training Partnership pilot program with the Tempe School District. This partnership will allow Tempe School District employees to obtain cost-efficient training while reimbursing the City for associated costs.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$748,494	\$763,794	\$841,486	\$1,029,126
Materials and Supplies	16,493	10,777	10,777	19,577
Fees and Services/Travel	81,195	29,444	31,091	29,444
Internal Services	(80,294)	(126,818)	(127,401)	(177,113)
Expenditure Total	\$765,888	\$677,197	\$755,953	\$901,034
Per Capita	\$4.70	\$4.12	\$4.60	\$5.43

	2004-05 Actual			2005-06 Revised			2006-07 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			3			4		
Total	2			3			4		

Related Strategic Issue: Education Partnership

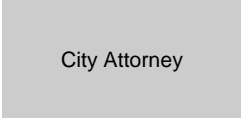
Goal: To utilize learning to support the City’s mission, values, strategic initiatives and develop a stable, capable workforce

Objective: 1) To maintain a 90% knowledge, skills and competence improvement rate among participants; and 2) obtain a 100% successful completion rate for all courses with each education partnership degree program

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of participants who rated improved knowledge, skills and competence as a result of TLC training and development programming	92%	93%	93%	90%
Percentage of education partnership participants successfully completing classes	98%	92%	90%	100%



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Department Purpose:

To facilitate Tempe’s vision through supreme quality legal services.

Department Description:

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).

FY 2006-07 Budget Highlights:

Funding was appropriated for additional positions: one full-time Assistant City Attorney, one part-time Assistant City Attorney and one full-time Legal Assistant. These positions are needed to address increased workload in criminal justice cases and real estate transactions. Mid-year one part-time Assistance City Attorney position was added to workload associated with intellectual property licensing.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,237,865	\$2,376,094	\$2,300,964	\$2,791,526
Materials and Supplies	136,737	281,975	179,837	235,524
Capital Outlay	71			3,800
Internal Services	121,272	133,783	127,430	78,059
Expenditure Total	\$2,495,945	\$2,791,852	\$2,608,231	\$3,108,909
Per Capita	\$15.32	\$16.99	\$15.87	\$18.75

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
City Attorney	24	0.75	0.62	24	1.25	0.62	26	1.75	0.62
Total	24	0.75	0.62	24	1.25	0.62	26	1.75	0.62



Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To provide prompt legal services

Objective: To achieve a 98% satisfaction rating from department responding to the Civil Client Satisfaction Survey

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percent of responding departments indicating a positive response to promptness	N/A	N/A	91%	98%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To provide excellent customer service

Objective: To maintain 100% satisfaction rating from department responding to the Civil Client Satisfaction Survey

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percent of responding departments indicating a positive response to courteous and approachable services	N/A	N/A	100%	100%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To provide prompt disposal of DUI cases

Objective: To dispose of 100% of DUI cases within 180 days

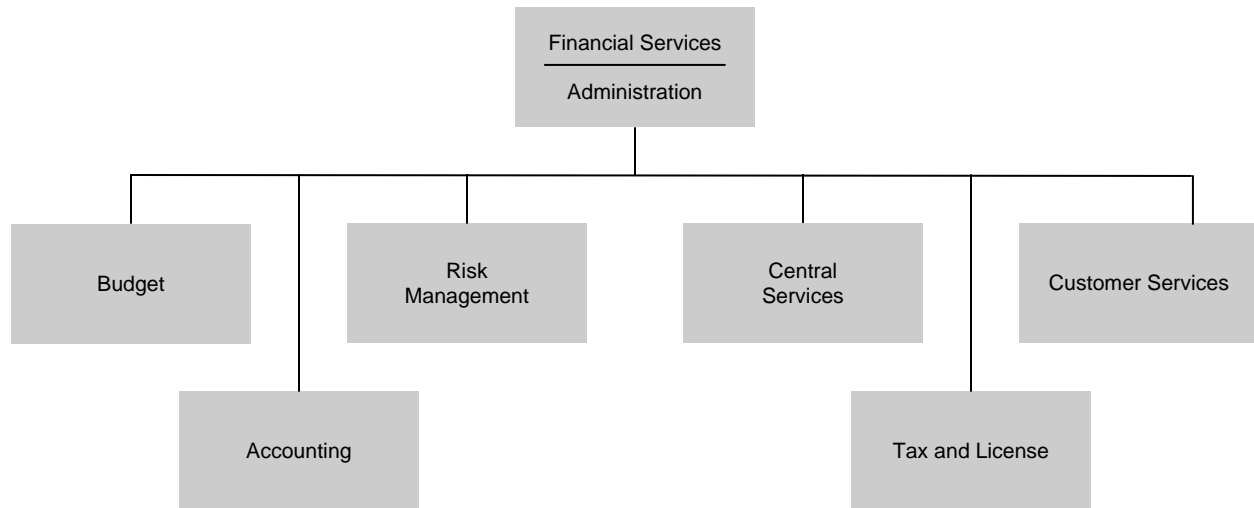
Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
DUI cases disposed of within 120 days	N/A	N/A	90%	95%
DUI cases disposed of within 180 days	N/A	N/A	98%	100%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To increase victim's rights satisfaction rating

Objective: To achieve a 75% victim's rights satisfaction rating

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Victim's rights satisfaction rating	N/A	N/A	70%	75%



Department Purpose:

To provide excellent financial management services through sound fiscal administration with integrity, accountability, superior customer service, and low cost.

Department Description:

The Financial Services Department is comprised of Administration, Budget, Accounting, Risk Management, Central Services, Tax and License and Customer Services. 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 Water/Wastewater Fund.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$4,799,212	\$4,943,153	\$4,745,785	\$5,426,590
Supplies and Services	3,789,391	3,204,965	2,675,828	3,352,776
Capital Outlay	24,867	25,000	25,000	26,200
Internal Services	(3,127,261)	(2,404,997)	(1,832,124)	(2,340,118)
Expenditure Total	\$5,487,571	\$5,768,121	\$5,614,489	\$6,465,448
Per Capita	\$ 33.68	\$35.09	\$34.16	\$39.00

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Financial Services Administration	\$259,295	\$175,954	\$190,976	\$228,925
Budget	263,891	337,566	305,340	334,062
Accounting	913,585	936,783	892,886	1,227,290
Risk Management	2,709			
Central Services	996,688	1,180,891	1,128,546	1,304,892
Tax and License	1,451,623	1,471,271	1,487,170	1,579,100
Customer Services*	1,598,417	1,665,656	1,609,571	1,791,179
Total	\$5,487,571	\$5,768,121	\$5,614,489	\$6,465,448

*Funded by the Water/Wastewater Fund



Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	2			2			2		
Budget	4			4			4		
Accounting	10		0.63	10		0.63	10		0.63
Risk Management	3	0.5		3	0.5		4	0.5	
Central Services	11		0.62	11		0.62	12		0.62
Tax and License	17			17			17		
Customer Services	20			20			21		
Total	67	0.5	1.25	67	0.5	1.25	70	0.5	1.25

Administration and Budget



Administration is responsible for the overall management of the department. Budget responsibilities include: preparation of budget documents, comprehensive financial planning, forecasting, capital improvements program, budget monitoring, benchmarking, and special financial studies.

FY 2006-07 Budget Highlights:

No change in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$596,489	\$644,190	\$597,683	\$714,158
Supplies and Services	87,259	48,386	79,200	38,386
Capital Outlay	54			
Internal Services	(160,616)	(179,056)	(180,567)	(189,557)
Expenditure Total	\$523,186	\$513,520	\$496,316	\$562,987
Per Capita	\$3.21	\$3.12	\$3.02	\$3.40

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	2			2			2		
Budget	4			4			4		
Total	6			6			6		

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources, and Tempe Community Council

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 (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration				
Fund balance coverage - General Fund	27.3%	29.8%	34.7%	33.4%
Long-term net direct debt per capita	\$521.63	\$490.33	\$604.06	\$661.02
General obligation bond rating (Standard & Poor's/Moody's/Fitch)	AA+/Aa1/AAA	AA+/Aa1/AAA	AA+/Aa1/AAA	AA+/Aa1/AAA

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources, and Tempe Community Council

Goal: To provide quality customer service to all citywide user departments

Objective: To maintain a 95% or higher satisfaction with overall service provided by the Budget Office

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Budget				
Overall satisfaction with service	N/A	N/A	94%	95%



Accounting services include payroll, accounts payable, cash management, special assessments, accounts receivable, and financial reporting.

FY 2006-07 Budget Highlights:

Funding was provided for contracted services to support the upgrade of the PeopleSoft financial system to version 8.8. No change in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$687,974	\$768,373	\$725,746	\$808,291
Supplies and Services	363,690	414,700	414,700	564,700
Internal Services	(138,078)	(246,290)	(247,560)	(145,701)
Expenditure Total	\$913,586	\$936,783	\$892,886	\$1,227,290
Per Capita	\$5.61	\$5.70	\$5.43	\$7.40

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Accounting	10		0.63	10		0.63	10		0.63
Total	10		0.63	10		0.63	10		0.63

Related Strategic Issue: Finance and Aviation

Goal: 1) To effectively perform accounts payable, payroll, and other accounting functions for City departments; 2) maintain adequate internal controls; 3) adhere to generally accepted accounting principles; and 4) ensure the safety of City investments

Objective: To receive positive independent certifications of financial reports

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Unqualified opinion from independent auditor	Yes	Yes	Yes	Yes
GFOA Certificate of Excellence	Yes	Yes	Yes	Yes

Risk Management



Risk Management functions include liability, property, Workers' Compensation claims resolution, and the administration of the employee safety program. This division is funded entirely by the Risk Fund.

FY 2006-07 Budget Highlights:

Funding provided for one full-time Safety and Risk Coordinator position to oversee OSHA regulatory responsibilities and to address industrial injuries occurring throughout the City.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$426,787	\$537,061	\$530,534	\$670,477
Supplies and Services	2,592,294	3,276,811	2,601,977	3,474,885
Capital Outlay	101			600
Internal Services	(3,016,473)	(3,813,872)	(3,132,511)	(4,145,962)
Expenditure Total	\$2,709	\$0	\$0	\$0
Per Capita	\$0	\$0	\$0	\$0

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Risk Management	3	0.5		3	0.5		4	0.5	
Total	3	0.5		3	0.5		4	0.5	

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To partner with all City departments in the detection, elimination, and control of potential loss exposures to the City

Objective: 1) To reduce Workers' Compensation claims by 5% annually; and 2) increase subrogation recovery by 3% annually

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percent of claims investigated within 7 days	N/A	N/A	N/A	100%
Workers' Compensation claims	\$919,457	\$800,000	\$800,000	\$800,000
Percent change		(13%)	0	(5%)
Subrogation recovery totals	N/A	N/A	N/A	\$200,000

Central Services



Central Services functions include purchasing, contract negotiations for goods and services, duplicating services, mail delivery, and surplus property management.

FY 2006-07 Budget Highlights:

Funding provided for one full-time Procurement Officer position to address an increase in bids and proposals.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$623,848	\$749,968	\$703,390	\$898,379
Supplies and Services	414,352	460,601	460,601	485,213
Internal Services	(41,512)	(29,678)	(35,445)	(78,700)
Expenditure Total	\$996,688	\$1,180,891	\$1,128,546	\$1,304,892
Per Capita	\$6.12	\$7.18	\$6.87	\$7.87

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Central Services	11		0.62	11		0.62	12		0.62
Total	11		0.62	11		0.62	12		0.62

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

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 Model Procurement Code

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percent of lower cost purchases made through annual contracts	30%	45%	40%	45%
Conformity to American Bar Association Model Procurement Code	95%	100%	97%	100%

Tax and License



Tax and License receives all City sales tax and licensing revenue and is responsible for issuing sales tax licenses and auditing license holders.

FY 2006-07 Budget Highlights:

No change in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$1,202,900	\$1,229,455	\$1,248,673	\$1,338,178
Supplies and Services	39,755	54,480	54,480	52,480
Capital Outlay	122			
Internal Services	208,846	187,336	184,017	188,442
Expenditure Total	\$1,451,623	\$1,471,271	\$1,487,170	\$1,579,100
Per Capita	\$8.91	\$8.95	\$9.05	\$9.52

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Tax and License	17			17			17		
Total	17			17			17		

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To administer the tax and license codes in an efficient, fair, and equitable manner

Objective: 1) To complete audits within 6 months of starting fieldwork 80% of the time; 2) to have less than 10% of completed audits be protested; and 3) to have protested audit upheld 80% of the time

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percent of audits completed within six months	N/A	80%	80%	80%
Percent of completed audits protested	N/A	10%	10%	10%
Percent of protested audits upheld as valid	N/A	80%	80%	80%

Customer Services



Customer Services is responsible for billing and collecting charges for water, sewer, solid waste, and irrigation services. This division is funded entirely by the Water/Wastewater Fund.

FY 2006-07 Budget Highlights:

Funding provided on an ongoing basis for one full-time Water Meter Reader position in the Customer Services office to address workload in the Customer Services program.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$1,260,587	\$1,251,167	\$1,195,293	\$1,367,584
Supplies and Services	292,668	361,847	361,847	361,997
Capital Outlay	24,590	25,000	25,000	26,200
Internal Services	20,572	27,642	27,431	35,398
Expenditure Total	\$1,598,417	\$1,665,656	\$1,609,571	\$1,791,179
Per Capita	\$9.81	\$10.13	\$9.79	\$10.80

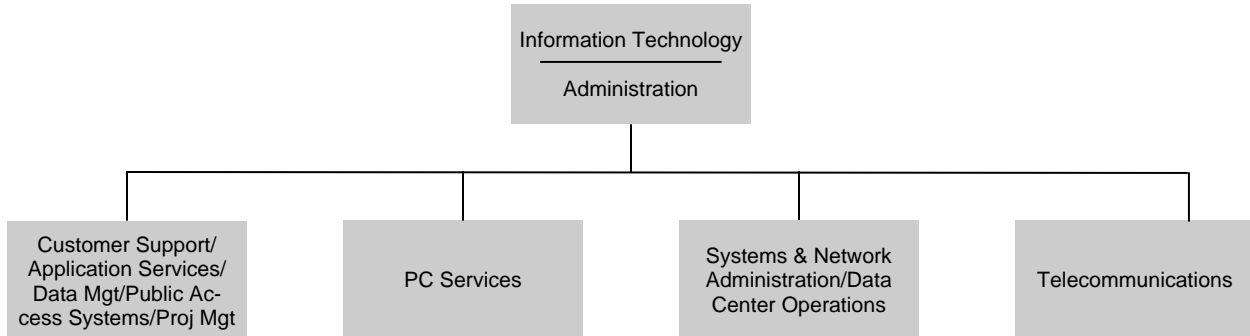
Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Customer Services	20			20			21		
Total	20			20			21		

Related Strategic Issue: Finance, Aviation, Diversity, Human Resources and Tempe Community Council

Goal: To answer all incoming calls within the industry standard based on American Water Works Association (AWWA) Benchmarking Water Utility Customer Relations Best Practices (AWWA Research Foundation, 2006)

Objective: To answer customer calls under the AWWA industry standard of 58 seconds

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Monthly call center reports (average speed answered)	N/A	58 sec.	58 sec.	<58 sec.



Department Purpose:

To partner with internal customers and provide them with cost-effective, high quality service, support and systems enabling City departments to be productive, efficient, and deliver excellent service to the residents of Tempe.

Department Description:

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.

FY 2006-07 Budget Highlights:

Funding was appropriated for one full-time Enterprise Network Engineer. This new position is needed to oversee the implementation and continuing compliance with Federal Bureau of Investigation security mandates.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$6,186,722	\$6,410,167	\$6,410,192	\$7,034,909
Supplies and Services	4,809,734	6,064,970	6,065,170	5,825,100
Capital Outlay	217,116			
Internal Services	(11,214,572)	(12,690,137)	(12,475,362)	(12,860,009)
Expenditure Total	\$0	\$0	\$0	\$0
Per Capita	\$68.83	\$77.21	\$75.90	\$77.57

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration	\$1,287,174	\$2,046,830	\$2,049,726	\$2,147,559
Customer Support/Application Services/ Data Management/Public Access Systems/ Project Management	3,601,097	3,963,051	3,817,852	4,049,588
PC Services	2,100,793	1,994,331	1,931,684	1,977,819
Systems & Network Administration/Data Center Operations	2,736,505	2,842,747	2,900,883	2,985,386
Telecommunications	1,489,003	1,843,178	1,775,217	1,699,657
Internal Services	(11,214,572)	(12,690,137)	(12,475,362)	(12,860,009)
Total	\$0	\$0	\$0	\$0



Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	4			4			4		
Customer Support/Application Svcs/ Data Management/Public Access Systems/Project Management	37			37			37		
PC Services	8			8			8		
Systems & Network Administration/ Data Center Operations	14			17			19		
Telecommunications	10			6			5		
Total	73			72			73		

Related Strategic Issue: Technology Advancement, Tourism and Redevelopment

Goal: To provide prompt response to computer system problems

Objective: To resolve 81% of incoming calls to the Helpdesk within 30 minutes, 16% of calls routed to second level support personnel within 4 hours and 3% of the calls requiring 4 hours or longer to resolve

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Calls resolved within 30 minutes	N/A	79%	81%	81%
Second level calls resolved within 4 hours	N/A	18%	16%	16%
Calls requiring longer than 4 hours to resolve	N/A	3%	3%	3%

Related Strategic Issue: Technology Advancement, Tourism and Redevelopment

Goal: To minimize system downtime

Objective: To average less than 70 milliseconds for PC to server response time during peak traffic load

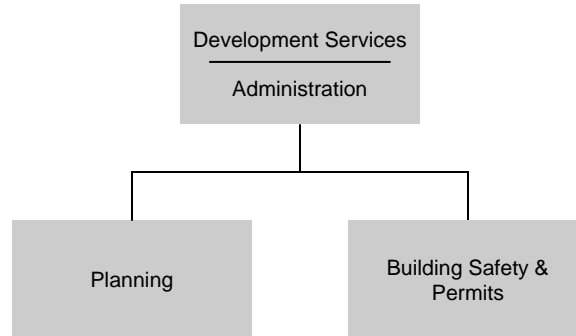
Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
PC to server response time during peak traffic load (milliseconds)	N/A	70	65	70

Related Strategic Issue: Technology Advancement, Tourism and Redevelopment

Goal: To provide prompt computer response time

Objective: To target 99.9% network access availability for voice and data

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Network access availability for voice and data	N/A	99.9%	99.9%	99.9%

**Department Purpose:**

To protect public health and safety by providing advice and giving direction as projects navigate the challenges and opportunities of developing in our built out community.

Department Description:

The Development Services Department is responsible for enhancing the quality of Tempe's living environment and its economic base. 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.

FY 2006-07 Budget Highlights:

Funding provided for contracted services for one full-time Hearing Officer, building plan review, inspections, and administrative support services. Funding also provides for the following positions:

- two full-time Building Inspector I/II positions to address a projected 30% increase in building inspections;
- one Senior Code Inspector Specialist position and two Code Inspector II positions to enhance the proactive and reactive capabilities of the Commercial Code Enforcement program;
- one full-time Administrative Assistant II position in the Planning Division;
- one full-time Administrative Assistant II position in the Building Safety Division;
- one full-time Administrative Assistant II position to provide reception and other administrative services at the Customer Service counter;
- convert a temporary Development Services Specialist position to full-time status to provide stable and consistent services at the front counter; and
- temporary Building Inspectors to help address a projected 30% increase in inspection workload.



Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$3,801,778	\$3,925,055	\$4,027,840	\$5,040,444
Supplies and Services	202,947	219,116	219,090	482,116
Capital Outlay	2,155			26,740
Internal Services	577,012	650,918	643,576	760,849
Expenditure Total	\$4,583,892	\$4,795,089	\$4,890,506	\$6,310,149
Per Capita	\$28.13	\$29.17	\$29.75	\$38.06

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Development Services - Administration	\$668,031	\$549,589	\$495,805	\$459,215
Building Safety and Permits	2,790,913	2,986,241	3,028,813	3,637,692
Planning	1,124,948	1,259,259	1,365,888	2,213,242
Total	\$4,583,892	\$4,795,089	\$4,890,506	\$6,310,149

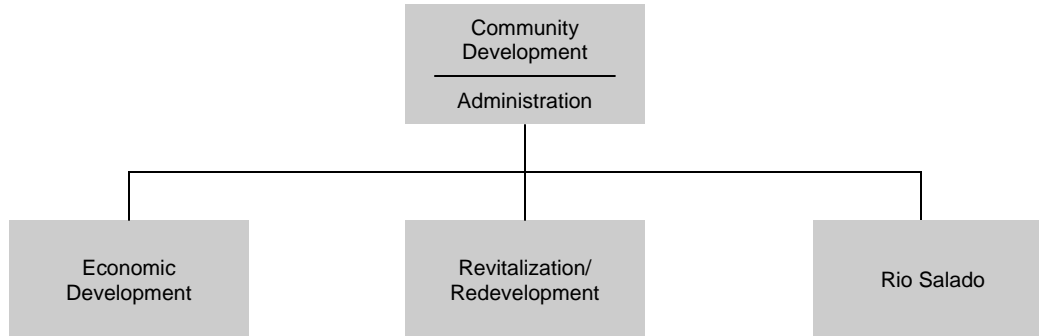
	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Development Services - Administration	6			3			3		
Building Safety and Permits	32		1.00	29		1.00	33		2.00
Planning	12		1.86	17		1.86	22		1.86
Total	50		2.86	49		2.86	58		3.86

Related Strategic Issue: Technology Advancement, Tourism 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 and zoning ordinances

Objective: To provide thorough, accurate, objective inspection, plan check, and front counter services for all applicants

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percent of building inspections completed within one day of request	N/A	N/A	N/A	100%
Percent of plan reviews processed within agreed time frame	N/A	N/A	N/A	95%
Percent of customers served within five minutes of arrival	N/A	N/A	N/A	100%
Accuracy of front counter activities	N/A	N/A	N/A	95%



Department Purpose:

To proactively solve the challenges related to Economic Development, Redevelopment, Tempe Town Lake, Housing and Neighborhood Enhancement by focusing on quality new urban development and job attraction while making sure the physical condition of our neighborhoods is maintained and nurtured.

Department Description:

The Community Development Department 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 is responsible for 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.

Revitalization/Redevelopment is responsible for receiving and investigating complaints of all alleged City code violations, and initiating action to abate violations; recommending codes and ordinances, rules and regulations applicable to construction and property preservation; providing low interest housing rehabilitation loans and rental assistance for the elderly, persons with disabilities and low income individuals and families; administering redevelopment and historic preservation programs; and developing neighborhood plans and low income housing plans. Partially funded by Community Development Block Grant Fund and Section 8 Fund.

Rio Salado is responsible for management of the Rio Salado Town Lake project and coordinating development in the Rio Salado region. Funded by the Rio Salado Fund.



Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$3,290,685	\$3,450,472	\$3,415,787	\$3,996,187
Supplies and Services	11,462,502	11,943,625	11,801,243	11,452,190
Capital Outlay	100,607	3,000	6,127	59,563
Internal Services	128,508	70,461	65,504	350,303
Contributions	560,034	626,928	611,839	816,446
Contingencies		36,480	36,480	13,373
Expenditure Total	\$15,542,336	\$16,130,966	\$15,936,980	\$16,688,062
Per Capita	\$95.39	\$98.14	\$96.96	\$100.65

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration/Economic Development	\$853,164	\$995,952	\$890,061	\$1,029,609
Revitalization/Redevelopment	13,586,768	13,959,616	13,979,877	14,051,799
Rio Salado	1,102,406	1,175,398	1,067,042	1,606,654
Total	\$15,542,338	\$16,130,966	\$15,936,980	\$16,688,062

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Administration/Economic Development	4		1.00	6		1.00	6		1.00
Revitalization/Redevelopment	36			38			39		5.00
Rio Salado	8		0.49	8		0.49	9		0.49
Total	48		1.49	52		1.49	54		6.49



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.

FY 2006-07 Budget Highlights:

Funding provided to purchase a conference room table and a Smart Board.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$402,086	\$621,711	\$517,183	\$622,911
Supplies and Services	222,047	128,630	143,719	128,630
Internal Services	48,462	45,611	44,248	78,068
Contributions	180,569	200,000	184,911	200,000
Expenditure Total	\$853,164	\$995,952	\$890,061	\$1,029,609
Per Capita	\$5.24	\$6.06	\$5.42	\$6.21

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration/Economic Development	4		1.00	6		1.00	6		1.00
Total	4		1.00	6		1.00	6		1.00

Related Strategic Issue: Central City Development Committee of the Whole

Goal: To expand and diversify the Tempe economy

Objective: To grow the tax base and job market in the community

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Opportunities to retain Tempe businesses	5	15	20	20
Jobs generated by new companies	3,000	2,200	2,400	2,600
New businesses brought to Tempe	10	14	15	15
Successful business retention and expansions	5	5	5	8

Revitalization/Redevelopment



The Revitalization/Redevelopment Division is charged with a wide variety of projects including redevelopment, historic preservation, housing assistance, homeless coordination, code compliance and neighborhood revitalization. This division includes activities funded from the Federal Section 8, Community Development Block Grant funds, and the City's General Fund.

FY 2006-07 Budget Highlights:

Funding provided for one full-time Senior Planner position to assist with high-profile development projects and five temporary FTE positions to identify neighborhood code violations. Funding also provided to offset increasing operating and maintenance expenses for the Tempe Woman's Club.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,299,883	\$2,168,419	\$2,320,958	\$2,586,563
Supplies and Services	10,672,080	11,100,266	10,970,522	10,517,881
Capital Outlay	4,682	3,000	1,200	29,953
Internal Services	230,658	224,523	223,789	287,583
Contributions	379,465	426,928	426,928	616,446
Contingencies		36,480	36,480	13,373
Expenditure Total	\$13,586,768	\$13,959,616	\$13,979,877	\$14,051,799
Per Capita	\$83.39	\$84.93	\$85.06	\$84.75

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Revitalization/Redevelopment	36			38			39		5.00
Total	36			38			39		5.00

Related Strategic Issue: Central City Development Committee of the Whole

Goal: To obtain compliance with City codes that relate to nuisances, property enhancements, rental housing and zoning ordinance requirements

Objective: To resolve code issues within 40 days or less

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Number of days to resolve code violations	33	34	34	40
Code enforcement cases received	5,660	5,600	5,558	7,000
Code enforcement cases closed	5,241	5,600	5,471	7,000
Cases per inspector per month	71	70	70	60



Related Strategic Issue: Central City Development Committee of the Whole

Goal: To make responsible investments of time, money, and energy that produce a variety of housing opportunities for those most in need while simultaneously strengthening the social, economic, and social character of our neighborhoods

Objective: To invest in housing development that allows for maximum long-term affordability while providing alternatives for affordable housing units lost through redevelopment

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Decent and affordable rental housing units made available	10	10	10	10
Decent and affordable owner occupied housing units made available	3	5	5	10
Percent increase in community partnerships	5%	5%	10%	15%

Related Strategic Issue: Central City Development Committee of the Whole

Goal: To create an adequate supply of affordable, quality, rental housing

Objective: To provide rental subsidies, family self-sufficiency support and encourage homeownership for low income individuals and families living in rental housing

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Households provided with rental assistance Housing Choice Vouchers	1,041	994	1,082	1,082
Housing quality inspections	2,149	1,684	2,505	2,505
Home Occupancy Made Easier (HOME) program recipients	32	20	20	30
Section 8 Family Self-Sufficiency program participation	72	65	65	65

Related Strategic Issue: Central City Development Committee of the Whole

Goal: To increase homeownership within the City, revitalize and preserve neighborhoods, and help low and moderate income families build wealth through their investment in homeownership

Objective: To ensure homebuyers have the information, education, and counseling services through partnerships with local nonprofit organizations and financial institutions

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Households becoming homeowners with HOME funding	19	25	25	25
Families graduated from Family Self-Sufficiency program	8	8	10	10
Section 8 families becoming homeowners through HOME or American Dream Downpayment Initiative (ADDI) funds	1	5	3	5
Families receiving U.S. Department of Housing and Urban Development (HUD) housing counseling	50	50	50	50



The Rio Salado Division is responsible for the management of the Rio Salado Town Lake project and coordinating development in the Rio Salado region. This division is funded by the Rio Salado Fund.

FY 2006-07 Budget Highlights:

Funding provides for one full-time Senior Planner position to assist with public/private development projects and lake operations in the Rio Salado area. Funding also provides for two full-time Assistant Recreation Coordinators and one full-time Recreation Leader to address an increase in special events at Tempe Beach Park. These positions are located in the Parks and Recreation Department.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$588,716	\$660,342	\$577,646	\$786,713
Supplies and Services	568,377	714,729	687,002	805,679
Capital Outlay	95,925		4,927	29,610
Internal Services	(150,612)	(199,673)	(202,533)	(15,348)
Expenditure Total	\$1,102,406	\$1,175,398	\$1,067,042	\$1,606,654
Per Capita	\$6.77	\$7.15	\$6.49	\$9.69

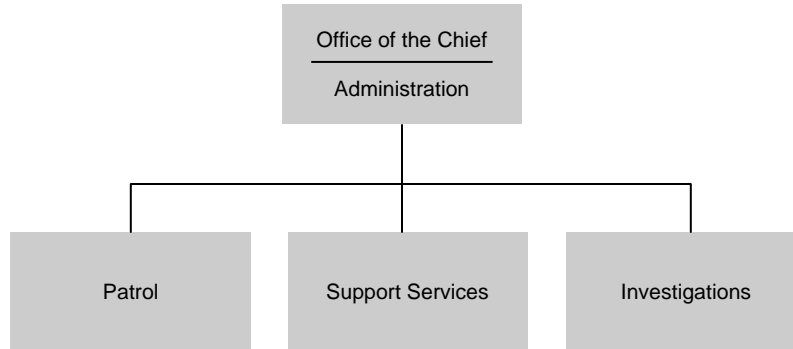
Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Rio Salado	8		0.49	8		0.49	9		0.49
Total	8		0.49	8		0.49	9		0.49

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 lake activities

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Boat permit revenue	\$21,976	\$26,085	\$22,215	\$23,000
Boat storage marina revenue	\$10,360	N/A	\$10,630	\$12,000
Boating class revenue	\$9,443	\$8,375	\$17,435	\$11,500



Department Purpose:

To partner with the citizens of Tempe to improve the quality of life in our City by identifying and resolving public safety concerns.

Department Description:

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, enforcement of state laws and City ordinances, response to citizen requests for services, and maintenance of support services.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$38,425,727	\$41,410,443	\$41,231,323	\$45,496,600
Supplies and Services	3,427,030	3,582,163	4,156,930	4,641,730
Capital Outlay	2,362	21,150	3,150	3,500
Internal Services	6,806,781	8,462,186	8,214,776	9,370,517
Expenditure Total	\$48,661,900	\$53,475,942	\$53,606,179	\$59,512,347
<i>Per Capita (Comparative Benchmark)</i>	\$298.67	\$325.35	\$326.15	\$358.95

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Office of the Chief	\$3,475,024	\$4,252,945	\$4,683,056	\$4,337,957
Patrol	20,285,047	22,158,520	22,062,969	24,926,461
Support Services	10,039,748	11,018,809	11,162,509	12,548,871
Investigations	14,862,081	16,045,668	15,697,645	17,699,058
Total	\$48,661,900	\$53,475,942	\$53,606,179	\$59,512,347

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Office of the Chief	12			13			14		
Patrol	211		3.29	218		3.29	216		3.29
Support Services	133	1.0	1.70	142	1.0	1.70	139		1.70
Investigations	159		1.26	156		1.26	156		1.26
Total	515	1.0	6.25	529	1.0	6.25	525		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.

FY 2006-07 Budget Highlights:

Funding was appropriated for increased operating costs associated with: Prisoner Supplies, Ammunition, Minor Equipment, Contracted Services, Canine Services, and Building Maintenance and Repair operating accounts. Change in staffing due to reorganization.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$892,634	\$1,125,517	\$1,022,654	\$1,227,893
Supplies and Services	1,823,947	1,970,989	2,538,191	2,784,257
Capital Outlay		3,150	3,150	
Internal Services	758,443	1,153,289	1,119,061	325,807
Expenditure Total	\$3,475,024	\$4,252,945	\$4,683,056	\$4,337,957
Per Capita	\$21.33	\$25.88	\$28.49	\$26.16

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Office of the Chief	12			13			14		
Total	12			13			14		

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 at a minimum of 90% the level of citizens' satisfaction with police services as measured by the annual citizen survey; and 2) efficiently manage resources to meet the needs of citizens with less than 2.01 sworn full-time equivalents (FTE) per 1,000 capita

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Citizen satisfaction survey	86%	84%	87%	90%
Operating and Maintenance Cost per Capita	\$298.67	\$325.35	\$326.15	\$358.95
Sworn FTE's per Capita (1,000)	2.03	2.01	2.03	2.01
Percent change		(0.98%)	0.0%	(0.98%)
Non-Sworn FTE's per Capita (1,000)	1.13	1.13	1.16	1.16



The Police Patrol Division is responsible for providing basic community policing services. Services provided by this division are as follows: (1) respond to requests for service; (2) perform preliminary investigative work at crime scenes; (3) work with the community to address public safety concerns; (4) conduct vehicle patrol to provide visibility in neighborhoods; (5) provide police resources for special or unscheduled events that require additional staffing; and (6) provide crime prevention and community education programs to the public.

FY 2006-07 Budget Highlights:

Funding was appropriated to create a Citizens on Patrol program, where volunteers serve as the "eyes and ears" for law enforcement; these volunteers would patrol their community using vehicles provided by the Department. Non-recurring full-time Police officer positions were eliminated in FY 2006-07. These positions were a temporary increase to hire and train replacements for pending retirements.

FY 2006-07 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for one full-time Administrative Assistant; this support staff is needed for the new Apache Boulevard Police Substation.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$16,485,051	\$17,704,052	\$17,767,181	\$19,832,169
Supplies and Services	228,177	302,415	290,903	380,188
Capital Outlay		18,000		3,500
Internal Services	3,571,819	4,134,053	4,004,885	4,710,604
Expenditure Total	\$20,285,047	\$22,158,520	\$22,062,969	\$24,926,461
Per Capita	\$124.50	\$134.82	\$134.23	\$150.34

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Patrol	211		3.29	218		3.29	216		3.29
Total	211		3.29	218		3.29	216		3.29

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To effectively respond to requests for Police, Fire, and emergency medical calls

Objective: To respond to all accident emergency calls within an average of 5:00 minutes

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Average response time to emergency calls (minutes)	4:29	4:25	4:58	4:36

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) answer all incoming calls and provide 24-hour dispatch service; (2) provide radio communications between the police station and all patrol field units; (3) provide full service police records management services; (4) respond to media requests for information; (5) recruit, test, and hire sworn police officers and civilian personnel; (6) provide in-service training programs; (7) investigate internal complaints and serve as liaison with the Tempe Citizens' Panel for Review of Police Complaints and Use of Force; (8) provide jail and booking service and transport all prisoners to the City Court; (9) update and implement organizational policy and procedure; (10) process and maintain all impounded property; and (11) provide crime scene photography and evidence collection services.

FY 2006-07 Budget Highlights:

Change in staffing due to reorganization.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$8,691,561	\$9,330,476	\$9,501,492	\$9,934,682
Supplies and Services	526,801	509,638	524,450	597,379
Capital Outlay	2,362			
Internal Services	819,024	1,178,695	1,136,567	2,016,810
Expenditure Total	\$10,039,748	\$11,018,809	\$11,162,509	\$12,548,871
Per Capita	\$61.62	\$67.04	\$67.91	\$75.69

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 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	142	1.0	1.70	139		1.70
Total	133	1.0	1.70	142	1.0	1.70	139		1.70

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: 1) To effectively answer "911" requests for Police, Fire, and emergency medical calls; and 2) provide proactive neighborhood programs

Objective: 1) To respond to all citizen calls for police services; and 2) maintain or increase neighborhoods participating in the Crime Watch program

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Priority Zero calls answered*	4,524	4,492	4,440	3,016
Percent change		(0.99%)	(0.98%)	(0.67%)
Citizen calls for police service	126,402	127,236	129,984	133,884
Percent change		0.07%	1.03%	3.0%
Neighborhoods with Crime Watch program	300	332	359	360
Percent change		10.7%	8.8%	8.4%

* Priority zero calls are citizens 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.

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 1 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.

FY 2006-07 Budget Highlights:

Change in staffing due to reorganization.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$12,357,027	\$13,250,398	\$12,939,996	\$14,501,856
Supplies and Services	847,559	799,121	803,386	879,906
Internal Services	1,657,495	1,996,149	1,954,263	2,317,296
Expenditure Total	\$14,862,081	\$16,045,668	\$15,697,645	\$17,699,058
Per Capita	\$91.22	\$97.62	\$95.51	\$106.75

	2004-05 Actual			2005-06 Revised			2006-07 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	156		1.26	156		1.26
Total	159		1.26	156		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; and 2) effectively manage persons caseload per investigator

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Property cases assigned	2,623	2,660	2,667	2,744
Cases per investigator	166	177	181	180
Percent change		6.6%	9.0%	16.9%
Persons cases assigned	2,227	2,342	2,280	2,250
Cases per investigator	145	167	140	148
Percent change		15.2%	(.97%)	2.1%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

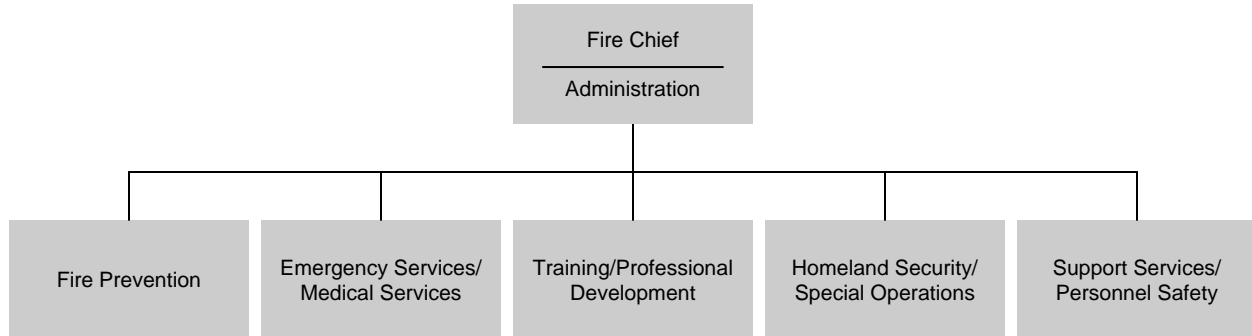
Goal: 1) To uphold and enforce the laws through professional law enforcement; and 2) maintain the Department's awareness of how the public perceives the department

Objective: To maintain or improve clearance rate of Part 1 crimes

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Part 1 Crimes-Property	12,269	14,402	12,647	14,229
Clearance rate	15.8%	14.4%	9.7%	13.8%
Part 1 Crimes-Persons	1,030	918	1,027	1,047
Clearance rate	51.7%	53.1%	45.6%	50.3%
Part 1 Crimes per 1,000 capita	83	95	85	89



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Department Purpose:

To provide for the safety and welfare of the public through preservation of life, property, and the environment.

Department Description:

The Fire Department consists of Administration and Fire Prevention, Emergency/Medical Services, Training/Professional Development, Homeland Security/Special Operations, and Support Services/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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$13,655,027	\$15,251,108	\$15,402,818	\$16,649,721
Supplies and Services	1,069,019	1,126,310	1,063,221	1,357,829
Contributions	14,526	13,000	12,961	13,000
Capital Outlay	29,010	689,200	642,900	643,900
Internal Services	1,086,024	1,153,906	1,055,387	1,399,490
Expenditure Total	\$15,853,606	\$18,233,524	\$18,177,287	\$20,063,940
<i>Per Capita (Comparative Benchmark)</i>	\$97.30	\$110.94	\$110.59	\$121.02



Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration/Fire Prevention	\$2,402,251	\$2,627,009	\$2,417,876	\$2,972,425
Emergency/Medical Services	11,579,796	13,048,858	13,214,406	14,023,746
Training/Professional Development	317,505	362,796	343,645	384,294
Homeland Security/Special Operations	297,514	297,145	295,164	423,153
Support Services/Personnel Safety	1,256,539	1,897,716	1,906,196	2,260,322
Total	\$15,853,606	\$18,233,524	\$18,177,287	\$20,063,940

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration/Fire Prevention	17			17		1.0	19		
Emergency/Medical Services	128			141			129		
Training/Professional Development	3			3			3		
Homeland Security/Special Operations	3			3			3		
Support Services/Personnel Safety	5	1.0		5	1.0		5	1.0	
Total	156	1.0		169	1.0	1.0	159	1.0	

Administration and Fire Prevention/Personnel Safety



Administration is responsible for general policy and direction of the department, as delineated in the Five-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 goal of Fire Prevention is to prevent loss of life, injury and property loss to fire through the creation, implementation, and management of comprehensive and effective building and fire codes, education programs and fire inspections. Services include: (1) inspection of commercial and industrial properties; (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) public information office; (6) volunteer program; and (7) public safety education programs.

FY 2006-07 Budget Highlights:

Funding was appropriated for one full-time 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. Also approved, the restoration of one full-time Senior Management Assistant position.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$1,470,301	\$1,684,809	\$1,599,225	\$1,878,870
Supplies and Services	182,712	189,686	192,198	206,822
Capital Outlay		21,700	2,500	3,500
Internal Services	749,239	730,814	623,953	883,233
Expenditure Total	\$2,402,251	\$2,627,009	\$2,417,876	\$2,972,425
Per Capita	\$14.74	\$15.98	\$14.71	\$17.93

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 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		1.0	19		
Total	17			17		1.0	19		

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 (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Firefighters per capita (10,000)	8.58	8.52	8.52	9.22
Non-Firefighters per capita (10,000)	1.19	1.18	1.18	1.24
Fire Stations per square mile	0.15	0.15	0.15	0.15

Emergency/Medical Services



The goal 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; (2) deliver effective medical and rescue 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.

Also, under the auspices of this section is the dispatch liaison function 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.

FY 2006-07 Budget Highlights:

Non-recurring full-time Firefighter positions were eliminated in FY 2006-07. These positions were a temporary increase to hire and train replacements for pending retirements.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$11,242,286	\$12,551,290	\$12,810,106	\$13,564,632
Supplies and Services	308,501	405,068	338,900	393,714
Capital Outlay	29,010	92,500	65,400	65,400
Expenditure Total	\$11,579,796	\$13,048,858	\$13,214,406	\$14,023,746
Per Capita	\$71.07	\$79.39	\$80.40	\$84.58

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Emergency/Medical Services	128			141			129		
Total	128			141			129		

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 (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Average emergency response time in minutes (from call receipt to arrival)*	4:25	4:25	4:21	4:17
Percent of emergency responses taking 5.0 minutes or less	70%	74%	71%	71%
Calls per capita (1,000)	82	80	83	83
Percent change		(2.5%)	1.2%	0.0%

*Calls do not include alarm processing time

Training/Professional Development



Training/Professional Development incorporates all categories of departmental training including recruit training, 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 assignment tests are administered through this section. This section also provides oversight and maintenance of Department personnel certifications.

FY 2006-07 Budget Highlights:

No changes in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$275,221	\$302,993	\$287,846	\$324,491
Supplies and Services	42,285	59,803	55,799	59,803
Expenditure Total	\$317,505	\$362,796	\$343,645	\$384,294
Per Capita	\$1.95	\$2.21	\$2.09	\$2.32

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Training/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 100% of completion

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of companies completing minimum company standards evaluations	100%	100%	100%	100%

Homeland Security/Special Operations



Homeland Security/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 oversight for matters relating to Homeland Security. This includes response to chemical, biological, radiological, nuclear and explosive incidents.

FY 2006-07 Budget Highlights:

No changes in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$239,488	\$254,860	\$248,951	\$371,901
Supplies and Services	43,518	29,285	33,252	38,252
Contributions	14,509	13,000	12,961	13,000
Expenditure Total	\$297,514	\$297,145	\$295,164	\$423,153
Per Capita	\$1.83	\$1.81	\$1.80	\$2.55

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Homeland Security/Special Operations	3			3			3		
Total	3			3			3		

Support Services/Personnel Safety



Primary responsibilities of Support Services/Personnel Safety include apparatus maintenance, equipment maintenance and repair, apparatus acquisition management, facilities maintenance, maintaining the Department's communications systems, and writing equipment bid specifications. In addition, the division orders and distributes firefighting supplies to the City's six fire stations.

This division is also responsible for physical training and wellness, safety, recruitment and employment, special events, and promotional testing.

FY 2006-07 Budget Highlights:

Funding was appropriated to upgrade the Firehouse Software. The current software application does not run efficiently and the vendor is discontinuing support. The new Web Firehouse version can be accessed remotely via laptops utilizing the City's new wireless connectivity which results in improved access. No changes in staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$427,751	\$457,156	\$456,690	\$509,827
Supplies and Services	492,259	442,468	443,072	659,238
Capital Outlay		575,000	575,000	575,000
Internal Services	336,528	423,092	431,434	516,257
Expenditure Total	\$1,256,539	\$1,897,716	\$1,906,196	\$2,260,332
Per Capita	\$7.71	\$11.55	\$11.60	\$13.63

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Support Services/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

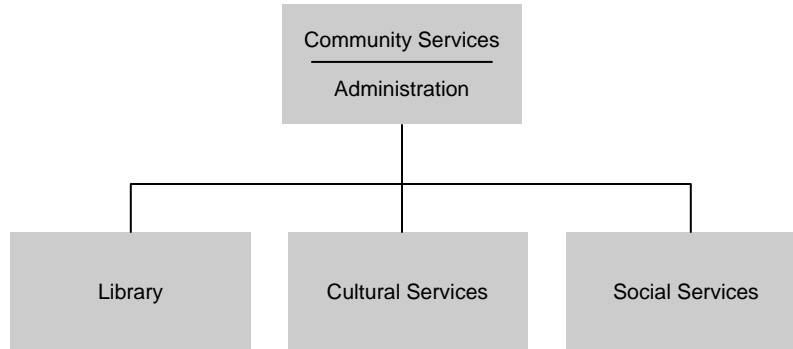
Goal: To conduct progressive maintenance, inspections, service work, and major and minor repairs of all fire apparatus

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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Preventive maintenance inspections	211	276	210	250
Percent completed within PM schedule	100%	100%	100%	100%



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Department Purpose:

To provide quality Cultural, Social and Library Services to our residents.

Department Description:

The Department's responsibilities include a full range of public library services; historical/cultural enrichment to Tempe citizens, and social service programs.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$12,648,713	\$13,659,597	\$13,165,537	\$11,077,678
Supplies and Services	2,630,417	3,588,221	3,576,953	2,658,115
Capital Outlay	62,865			110,240
Internal Services	2,302,247	2,994,921	2,929,107	2,232,289
Contributions	57,815	92,324	92,324	
Expenditure Total	\$17,702,057	\$20,335,063	\$19,763,921	\$16,078,322
Per Capita	\$108.65	\$123.72	\$120.25	\$96.98

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration	\$466,768	\$570,539	\$567,877	\$512,855
Parks and Recreation	6,117,929	6,212,742	6,169,380	
Library	4,281,004	4,545,036	4,491,457	4,653,324
Cultural Services	1,482,150	3,351,027	2,867,478	4,363,854
Social Services	5,354,206	5,655,719	5,667,729	6,548,289
Total	\$17,702,057	\$20,335,063	\$19,763,921	\$16,078,322

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	3		0.52	3		0.52	3		0.52
Parks and Recreation	38	1.5	67.35	39	2.0	67.35			
Library	33	6.0	9.84	33	6.0	9.84	32	6.0	9.84
Cultural Services	15	0.5	8.02	31	0.5	21.29	31	0.5	21.29
Social Services	41	3.15	81.49	42	3.15	81.49	45	3.15	81.49
Total	130	11.15	167.22	148	11.65	180.49	111	9.65	113.14

Administration



Community Services Administration is responsible for overall management of the City's library, cultural, and social services resources. In this role, Administration manages services provided at the Tempe Public Library, the Tempe Historical Museum, the Vihel Cultural Center, and at community events throughout the City.

FY 2006-07 Budget Highlights:

The decrease of 36 full-time positions shown in FY 2006-07 is the result of a mid-year departmental reorganization in FY 2005-06 that created the Parks and Recreation Department.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$4,607,790	\$4,807,430	\$4,776,743	\$361,626
Supplies and Services	1,294,517	1,155,740	1,155,740	100,500
Capital Outlay	59,507			
Internal Services	565,068	727,787	712,450	50,729
Contributions	57,815	92,324	92,324	
Expenditure Total	\$6,584,697	\$6,783,281	\$6,737,257	\$512,855
Per Capita	\$40.41	\$41.27	\$40.99	\$3.09

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration	3		0.52	3		0.52	3		0.52
Recreation	38	1.5	67.35	39	2.0	67.35			
Total	41	1.5	67.87	42	2.0	67.87	3		0.52



The Tempe Public Library’s mission is to be the premier information portal for the Tempe community. In keeping with this mission, the library provides materials, programs, and services that (1) address popular cultural and social trends and residents’ recreational needs; (2) assist residents in developing their ability to find, evaluate, and use information effectively; (3) assist community members in understanding their own cultural heritage and the cultural heritage of others; (4) address the community’s desire for self-directed personal growth and development opportunities; and (5) address the need to be able to read and perform essential daily tasks.

FY 2006-07 Budget Highlights:

The change in staffing reflects the reorganization of one full-time position to the Social Services Division.

FY 2006-07 Capital Budget Operating Impacts:

Funding provided for hardware maintenance expenses associated with the Tempe Public Library Renovation project as included in the Capital Improvements Program Budget.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,656,657	\$2,750,247	\$2,725,243	\$2,879,103
Supplies and Services	748,152	771,980	760,712	771,230
Capital Outlay	2,613			
Internal Services	873,582	1,022,809	1,005,502	1,002,991
Expenditure Total	\$4,281,004	\$4,545,036	\$4,491,457	\$4,653,324
Per Capita	\$26.28	\$27.65	\$27.33	\$28.07

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Library	33	6.0	9.84	33	6.0	9.84	32	6.0	9.84
Total	33	6.0	9.84	33	6.0	9.84	32	6.0	9.84

Related Strategic Issue: Community Services

Goal: To provide access to excellent library resources and services that will help community residents of all ages obtain information that meets their educational, professional, and recreational needs

Objective: To maximize community usage of the library’s collection and electronic research resources

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Library visitors (door count)	1,056,297	1,045,733	982,437	1,011,910
Registered borrowers	141,509	155,121	153,687	158,298
Percent change		9.6%	(0.9)%	3.0%
Circulation	1,404,318	1,377,210	1,302,753	1,341,836
Percent change		(1.9)%	(5.4)%	3.0%
Public Computer Usage	154,712	175,036	156,051	160,733
Percent Change		13.1%	(10.8)%	3.0%
Library FTE per 1,000 population	0.30	0.30	0.18	0.18
Circulation per capita	8.74	8.57	8.11	8.35

Cultural Services



The Cultural Services Division includes three program areas: the Tempe Historical Museum, Community and Fine Arts, and Performing Arts. Services include the management of the Tempe Historical Museum, Peterson House Museum, Elias Rodriguez House, Vihel Center for the Arts, the Tempe Performing Arts Center, exhibits, community arts, history and cultural classes, and public art. The Division is also overseeing the design, development and construction of the Tempe Center for the Arts.

FY 2006-07 Budget Highlights:

No changes in staffing levels.

FY 2006-07 Capital Budget Operating Impacts:

Funding provided for utilities and custodial expenses associated with the Renovation of the Tempe Historical Museum Exhibit Hall project as included in the Capital Improvements Program Budget. No change in approved staffing levels.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$1,105,236	\$1,694,757	\$1,215,096	\$2,754,146
Supplies and Services	189,237	1,195,032	1,195,032	1,240,979
Capital Outlay	447			110,240
Internal Services	187,229	461,238	457,350	258,489
Expenditure Total	\$1,482,150	\$3,351,027	\$2,867,478	\$4,363,854
Per Capita	\$9.10	\$20.39	\$17.45	\$26.32

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Cultural Services	12	0.5	8.02	12	0.5	8.02	12	0.5	8.02
Performing Arts	3			19		13.27	19		13.27
Total	15	0.5	8.02	31	0.5	21.29	31	0.5	21.29

Related Strategic Issue: Community Services

Goal: To provide visitors and volunteers with a quality experience that meets the mission of the Tempe Historical Museum

Objective: 1) To measure the level of satisfaction of visitors and volunteers with their museum experience; and 2) solicit suggestions for future programming and exhibits

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Objects catalogued	3,000	3,000	1,200	2,000
Visitors to Historical Museum and Peterson House	19,000	20,000	20,000	20,000
Quantified levels of satisfaction reported by visitors and volunteers on evaluation forms.	N/A	N/A	N/A	90-100%

Related Strategic Issue: Community Services

Goal: 1) To provide quality arts programming to the community; 2) facilitate the effective use of arts facilities; and 3) 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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Program enrollment	6,146	6,000	6,126	6,000
Percent change		(2.4)%	2.1%	0%
Grants provided to Art Organizations and Schools	\$127,580	\$132,635	\$132,635	\$132,000
Quantified levels of satisfaction reported by attendees and participants on evaluation form	N/A	N/A	N/A	90-100%



The Social Services Division provides a wide array of services for Tempe youth and families. Activities and services are offered to all age groups 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.

FY 2006-07 Budget Highlights:

Funding provided on a non-recurring basis for two full-time Crisis Intervention Specialist positions and temporary staffing that were previously funded with federal/state and foundation grant funding in the CARE 7 program. Appropriations also provided for additional part-time, temporary staffing at the Kid Zone program. Finally, funding provided for operating equipment and supplies associated with the North Tempe Multigenerational Center. The authorized staffing level reflects the reorganization of one full-time position from the Library Division.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$4,279,029	\$4,407,163	\$4,448,455	\$5,082,803
Supplies and Services	398,510	465,469	465,469	545,406
Capital Outlay	298			
Internal Services	676,369	783,087	753,805	920,080
Expenditure Total	\$5,354,206	\$5,655,719	\$5,667,729	\$6,548,289
Per Capita	\$32.86	\$34.41	\$34.48	\$39.50

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Social Services/Administration	22	3.15	15.56	23	3.15	15.56	26	3.15	15.56
Social Services/Kid Zone	19		65.93	19		65.93	19		65.93
Total	41	3.15	81.49	42	3.15	81.49	45	3.15	81.49



Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To provide quality programs that enhance the quality of life of Tempe residents

Objective: To obtain customer input and feedback on services provided at the Escalante Community Center through program and facility surveys throughout the year

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Retain an 80% overall customer approval rating for the Escalante Early Education Program	N/A	N/A	N/A	80%
Retain an 80% overall customer approval rating for the Escalante Summer Camp Program	N/A	N/A	N/A	80%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: 1) To provide the citizens of Tempe with quality crisis intervention services, support and referral; and 2) provide comprehensive services to victims of crimes occurring in Tempe

Objective: 1) To provide resources/referrals to victims in order to assist them with their needs; and 2) ensure that a minimum of 85% of the clients served respond favorably to the services provided by Care 7

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of victims satisfied with services	N/A	N/A	N/A	85%
Percentage of Care 7 clients reporting satisfaction with services	N/A	N/A	N/A	85%

Related Strategic Issue: Education Partnerships

Goal: To continue to provide the highest quality of out of school time, enrichment program to the citizens of Tempe through the Kid Zone Enrichment Program

Objective: To maintain at least an 80% approval rating from customers and the school community who use the Kid Zone services for their children's out of school times

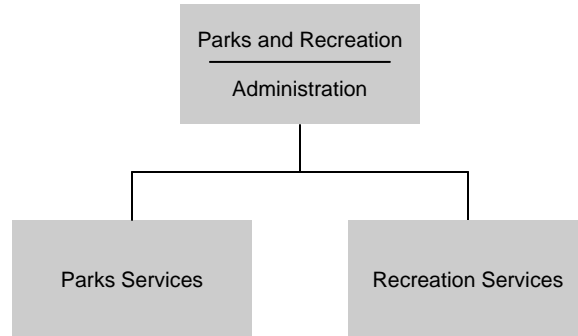
Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Parent evaluation survey results measures indicate "very satisfied" with the Kid Zone Enrichment Program	N/A	N/A	N/A	80%
Maintain the national accreditation evaluation survey results of "very satisfied with the Kid Zone Enrichment Program"	N/A	N/A	N/A	80%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To redirect offenders into positive community activities by providing assessment, counseling, referral and educational programs

Objective: To attain a successful program completion rate of 80%

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
New program participants	3,122	3,270	3,650	3,600
Percentage of successful program completion	80%	80%	80%	80%
Level of satisfaction	N/A	N/A	N/A	80%



Department Purpose:

To maintain all City public parks and two golf courses and to supervise City recreation programs.

Department Description:

The Parks and Recreation Department consists of Administration, Parks Services, and Recreation Services Divisions.

The Parks and Recreation Department was newly established in FY 2006-07 from a reorganization of the Community Services Department and the Public Works Department personnel and resources.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services				\$10,141,377
Supplies and Services				4,490,498
Internal Services				2,134,889
Contributions				92,324
Expenditure Total				\$16,859,088
Per Capita				\$101.69

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration				\$1,126,927
Parks Services				10,030,347
Recreation Services				5,701,814
Total				\$16,859,088

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Administration							9	0.75	0.22
Parks Services							87	0.50	9.60
Recreation Services							32	0.75	68.17
Total							128	2.00	77.99

Administration



Parks and Recreation Administration is responsible for the overall management of the City's parks and recreation resources. In this role, Administration manages services provided at municipal parks, golf courses, stadium facilities, sports complexes, swimming pools, recreation centers, the Double Butte Cemetery, right-of-way landscaping and community special events throughout the City. The Administration Division also administers the Parks and Recreation budget, approves all Parks and Recreation personnel actions, submits recommendations on Parks and Recreation and related activities to the City Council, manages employee safety programs and volunteer programs, and coordinates and administers the Capital Improvements Program, as well as the four advisory boards (Cemetery, Golf, Parks, and Sponsorship Review) for the Parks and Recreation Department.

FY 2006-07 Budget Highlights:

The Administration Division is part of the newly established Parks and Recreation Department. Staff and budget were previously allocated in the Community Services and Public Works Departments.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services				\$971,360
Supplies and Services				35,355
Internal Services				90,212
Contributions				30,000
Expenditure Total				\$1,126,927
Per Capita				\$6.80

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Administration							9	0.75	0.22
Total							9	0.75	0.22

Parks Services



Parks Services consists of Parks and Golf Maintenance. Parks Services is responsible for managing and maintaining all of the City's public parks, sports complexes, golf courses, rights-of-way landscaping, and multi-modal paths, as well as administering and implementing the department's CIP projects and coordination of the park redevelopment plan.

The Parks Services Division of the Parks and Recreation Department assists in the planning and development of parkland and facilities. Services provided by this division are as follows: (1) maintain recreation facilities to meet the public demands; (2) maintenance for all parks, special facilities and golf courses; (3) oversight of golf course operations; (4) maintenance for the Diablo Stadium Sports Complex; (5) necessary services for a professional baseball team, other sporting activities, and special events held at the stadium complex; (6) maintain rights-of-way, multi-modal paths, and facility grounds in an attractive state; (7) maintain the Rio Salado linear parks; (8) assist in staging and clean-up for special events at Rio Salado/Town Lake; (9) maintain skate and off-leash dog parks; and (10) park planning and development.

This division also provides resources to coordinate improvements and expansions at the Double Butte Cemetery, using monies from the Cemetery Fund.

FY 2006-07 Budget Highlights:

Funding was approved for one full-time Senior Groundskeeper, one full-time Groundskeeper I/II, and part-time staffing to manage the maintenance of the Rio Salado Arts Park. These positions are responsible for the daily grounds maintenance of the Arts Park as well as for the preparation of the site before and after special events.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services				\$5,199,370
Supplies and Services				3,314,064
Internal Services				1,516,913
Expenditure Total				\$10,030,347
Per Capita				\$60.50

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Parks Services							87	0.50	9.60
Total							87	0.50	9.60

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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Golf course rounds of play:				
Ken McDonald (18 hole rounds)*				74,764
Percent change				0.0%
Rolling Hills (9 hole rounds)*				63,028
Percent change				0.0%
Total park acreage	N/A	N/A	N/A	1,874
Acres per capita	N/A	N/A	N/A	.0114
Developed park acres	N/A	N/A	N/A	1,745
Developed park acres per capita	N/A	N/A	N/A	.0106

* History resides in Public Works/Parks and Golf Course Maintenance Division.

Recreation Services



Recreation Services consist of Aquatics, the Kiwanis Recreation Center, Special Events, Special Interest and Boating, Youth and Adult Sports, and Adapted Recreation. Services provided by the Recreation Services Division are as follows: (1) facilities coordination and scheduling; (2) general recreation; (3) special recreation for retired residents; (4) adapted recreation for special populations; (5) instructional programs; (6) community special events; (7) aquatics maintenance and programming; and (8) youth and adult sports.

FY 2006-07 Budget Highlights:

Funding was approved for additional staffing to manage and coordinate the use of park space in the Rio Salado area for the purpose of hosting special events. Two full-time Assistant Recreation Coordinators and one part-time Recreation Leader have been authorized on a recurring basis. In addition, funding for temporary staffing has been approved to accommodate an increase in special interest classes at the Kiwanis Recreation Center.

Expenditures by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services				\$3,970,647
Supplies and Services				1,141,079
Internal Services				527,764
Contributions				62,324
Expenditure Total				\$5,701,814
Per Capita				\$34.39

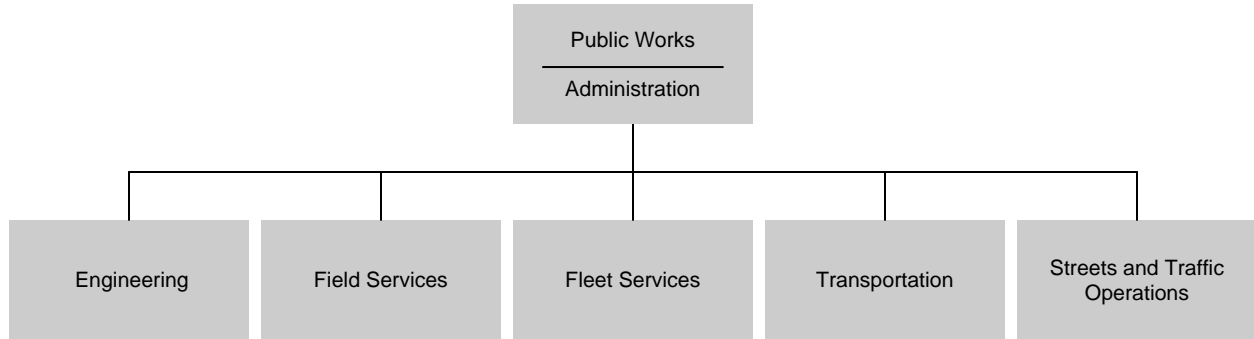
Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Recreation Services							32	0.75	68.17
Total							32	0.75	68.17

Related Strategic Issue: Community Services

Goal: 1) To provide quality recreation services to coordinate the effective use of community parks and recreation resources; 2) provide a variety of recreation programs to meet the needs of the residents of Tempe; and 3) develop and maintain parks to meet the needs of the residents of Tempe and visitors to the community

Objective: 1) To maintain and operate parks, recreation programs and facilities at a cost and staffing level that meets the needs of residents of Tempe on a per capita basis; 2) collect fees for programs and services at a level based on a percentage of the total budgeted expenditure for parks and recreation; and 3) provide sufficient open space and parks for the residents of Tempe

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Operating & Maintenance Cost per capita	N/A	N/A	N/A	\$34.39
Recreation Services staff per capita	N/A	N/A	N/A	.00022
Parks Services staff per capita	N/A	N/A	N/A	.00051
Annual Parks and Recreation capital expenditures	N/A	N/A	N/A	\$1,172,000
Parks and Recreation revenue	N/A	N/A	N/A	\$2,235,600
Percent of revenue vs. expenditures (Recreation)	N/A	N/A	N/A	34%



Department Purpose:

To serve the residents of Tempe and to assure that they have a clean, safe, well maintained environment, and a sound adequate infrastructure that will serve this community many years into the future.

Department Description:

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 and Facility Management. Field Services is responsible for 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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$22,037,930	\$23,879,663	\$23,005,202	\$21,696,458
Supplies and Services	36,275,615	37,885,160	38,504,438	37,697,633
Capital Outlay	2,130,825	4,028,787	3,997,092	4,919,072
Internal Services	(1,314,976)	(667,234)	(1,085,903)	(2,745,557)
Contributions	5,171	6,000	6,000	6,000
Expenditure Total	\$59,134,565	\$65,132,376	\$64,426,829	\$61,573,606
Per Capita	\$362.95	\$396.27	\$391.98	\$371.38

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administration and Engineering	\$1,347,028	\$1,821,678	\$1,527,493	\$2,232,371
Field Services:				
Administration & Solid Waste	11,494,096	13,033,574	13,033,806	14,207,028
Facility Management	4,721,419	5,185,493	5,571,110	6,339,375
Parks and Golf Course Maintenance	8,871,457	9,594,071	8,932,667	
Fleet Services				
Transportation	25,518,779	27,737,208	27,896,106	30,306,517
Streets and Traffic Operations	7,181,786	7,760,352	7,465,647	8,488,315
Total	\$59,134,565	\$65,132,376	\$64,426,829	\$61,573,606

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 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	40		0.49
Field Services	211	0.50	8.69	211	1.00	8.69	132	1.00	0.49
Fleet Services	33		0.50	33		0.50	33		0.50
Transportation	37	0.50		39			42		2.00
Streets and Traffic Operations	51			52			52		3.00
Total	366	1.00	9.68	369	1.00	9.68	299	1.00	6.48

Administration and Engineering



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 operating and capital 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) 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 (7) 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 rights-of-way.

FY 2006-07 Budget Highlights:

Funding has been approved to hire three full-time engineering positions to address an increased workload in the Private Development and Utilities section. Also funded are one full-time Senior Civil Engineer to oversee the construction of Water/Wastewater infrastructure, and one full-time Principal Civil Engineer and Contract Compliance Auditor to oversee the construction of Transit's capital improvement program infrastructure.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,580,088	\$2,824,655	\$2,537,115	\$3,274,790
Supplies and Services	314,447	435,767	435,767	439,872
Internal Services	(1,547,507)	(1,438,744)	(1,445,389)	(1,482,291)
Expenditure Total	\$1,347,028	\$1,821,678	\$1,527,493	\$2,232,371
Per Capita	\$8.27	\$11.08	\$9.29	\$13.47

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Administration	3		0.49	3		0.49	3		0.49
Engineering	31			31			37		
Total	34		0.49	34		0.49	40		0.49

Related Strategic Issue: Central City Development Committee of the Whole

Goal: 1) To improve the quality of life by strategic planning, design and construction of various City facilities; 2) function as the custodian of good engineering practices to ensure specifications and applicable codes and ordinances are met; and 3) plan for the maintenance or upgrade of infrastructure to improve the quality of service to the public

Objective: 1) To ensure the timely completion of City and private development that meet specifications and applicable codes and ordinances; and 2) attain a 90% target associated with these measures

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Capital Improvement Program dollars budgeted	\$176.9M	\$182.4M	\$182.4M	\$179.7M
Percent of contracts completed on schedule	N/A	N/A	95%	95%
Percent of contracts completed on budget	N/A	N/A	100%	100%
Off-site Private Development Permits Issued	570	350	656	600
Utility Permits Issued	1,397	1,800	1,970	1,900
Construction projects by private developers	\$302M	\$230M	\$320M	\$300M
Percent of civil plan reviews performed within scheduled time allotment	N/A	N/A	85%	90%

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 the 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.

FY 2006-07 Budget Highlights:

Funding was approved for one full-time Solid Waste Equipment Operator II to address overtime costs resulting from an increase in commercial development accounts and the number of special events. In addition, funds for one full-time Solid Waste Inspector were authorized to maintain the City's alleys and to provide inspection and education services. Staffing change due to reorganization.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$4,348,905	\$4,596,870	\$4,430,841	\$4,786,037
Supplies and Services	3,367,452	3,732,662	3,790,762	3,791,952
Capital Outlay	931,039	1,905,181	1,905,181	2,415,282
Internal Services	2,846,700	2,798,861	2,907,022	3,213,757
Expenditure Total	\$11,494,096	\$13,033,574	\$13,033,806	\$14,207,028
Per Capita	\$70.55	\$79.30	\$79.30	\$85.69

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Field Services Administration	5			4			3		
Solid Waste	65	0.50		65	0.50		67	0.50	
Total	70	0.50		69	0.50		70	0.50	

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To collect and dispose of all contained 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) divert 48% of residential recycling waste stream

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Residential contained/recycling cost per ton	\$72.86	\$91.01	\$91.41	\$90.03
Residential recycling diversion rate	34%	35%	45%	48%
Residential Contained Solid Waste tons per capita (1,000)	339	339	338	342

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To collect and dispose of solid waste from our commercial customers and multi-family housing units

Objective: To provide an efficient and competitive solid waste operation and minimize collection cost per ton to \$70

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Commercial service accounts (per month)	1,868	2,385	1,875	1,895
Commercial collection cost per ton	\$56.79	\$55.72	\$58.39	\$69.75

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.

FY 2006-07 Budget Highlights:

Funding has been approved for two full-time Custodians to address an increase in workload resulting from the number of events held at City facilities, a window washing program, and an aerial bucket truck for the Facility Management Division. In addition, budget for a full-time Custodian dedicated to providing cleaning services at Diablo Stadium was transferred to the newly established Parks and Recreation Department.

FY 2006-07 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for two full-time Custodians and one Building Equipment Technician I/II+ associated with the Apache Boulevard Police Substation capital project.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,794,506	\$3,125,102	\$3,052,703	\$3,672,309
Supplies and Services	2,309,856	2,341,874	2,833,887	2,684,399
Capital Outlay	874			1,446
Internal Services	(383,818)	(281,483)	(317,228)	(18,779)
Expenditure Total	\$4,721,419	\$5,185,493	\$5,571,110	\$6,339,375
Per Capita	\$28.98	\$31.55	\$33.90	\$38.24

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Facility Services	19			20	0.50		21	0.50	
Custodial Services	38		0.49	40		0.49	43		0.49
Total	57		0.49	60	0.50	0.49	64	0.50	0.49

Related Strategic Issue: Community Services

Goal: To maintain a high level of maintenance and service to ensure that facilities are physically safe and in good condition

Objective: 1) To hold facility maintenance costs per square foot maintained to \$2.70; and 2) provide coverage between 70,000 to 74,000 square feet per 10 hour shift for routine maintenance functions

Measures - Facility Maintenance	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Total square feet maintained per FTE	66,868	68,158	68,158	74,263
Operating and Maintenance Cost per square foot maintained	\$2.64	\$2.68	\$3.05	\$2.70

Related Strategic Issue: Community Services

Goal: To maintain a high level of cleanliness and maintain a sanitary environment for City facilities

Objective: 1) To hold custodial costs per square foot cleaned to \$1.79; and 2) maintain square footage per custodian between 18,000 to 18,500 per 8 hour shift for routine cleaning

Measures - Custodial Services	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Operating and Maintenance Cost per square foot cleaned	\$1.72	\$1.82	\$1.71	\$1.79
Total square feet cleaned per FTE	33,008	23,289	23,343	24,952

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.

FY 2006-07 Budget Highlights:

The Parks and Golf Course Maintenance sections of Field Services are no longer a division of the Public Works Department. As of July 1, 2006, this division is now part of the newly established Parks and Recreation Department. FY 2006-07 expenditures, authorized personnel, and performance measures are included within the Parks Services Division of the Parks and Recreation Department.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$4,562,252	\$4,625,839	\$4,470,175	
Supplies and Services	3,738,065	3,314,808	2,824,563	
Capital Outlay	52,907	82,500	50,500	
Internal Services	517,689	1,570,924	1,587,429	
Contributions	544			
Expenditure Total	\$8,871,457	\$9,594,071	\$8,932,667	
Per Capita	\$54.45	\$58.37	\$53.88	

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Parks Maintenance	50		5.12	49		5.12			
Baseball Facility	8		0.56	8		0.56			
Golf Courses	22		2.42	21		2.42			
Landscape Maintenance	1			1					
Rio Salado	4		0.10	4		0.10			
Double Butte Cemetery	1			1					
Total	86		8.20	84		8.20			

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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Golf course rounds of play:				
Ken McDonald (18 hole rounds)	77,718	78,000	74,764	
Percent change		0.4%	(4.1%)	
Rolling Hills (9 hole rounds)	65,358	70,000	63,028	
Percent change		7.1%	(10.0%)	

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.

FY 2006-07 Budget Highlights:

Funding was approved for one laptop computer and software to provide online technician training for Fleet Services employees. There were no changes in staffing levels.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,121,712	\$2,278,628	\$2,248,847	\$2,470,298
Supplies and Services	2,385,585	2,530,502	3,065,891	3,120,836
Capital Outlay	829,109	1,555,680	1,555,680	1,999,204
Internal Services	(5,336,406)	(6,364,810)	(6,870,418)	(7,590,338)
Expenditure Total	\$0	\$0	\$0	\$0

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 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) achieve a preventive maintenance compliance rate of 100%

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
<i>Cost per mile (maintenance and repair, fuel and capital cost):</i>				
Police patrol sedans	\$0.50	\$0.61	\$0.60	\$0.72
Light duty trucks	\$0.41	\$0.47	\$0.48	\$0.56
Solid Waste trucks	\$3.08	\$3.19	\$3.48	\$3.93
Preventive maintenance compliance rate	100%	100%	100%	100%

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To utilize personnel resources in an efficient and effective manner

Objective: 1) To maximize utilization of fleet mechanic time at a target of 70% productivity; and 2) maintain an optimum vehicle to mechanic ratio

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Mechanic utilization rate	72%	70%	70%	70%
Vehicles per mechanic	63	63	65	67



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 (9) staff the Transportation Commission which provides oversight over the dedicated transit tax.

FY 2006-07 Budget Highlights:

Funding was approved for one full-time Senior Management Assistant who will be dedicated to the light-rail real estate team, one full-time Traffic Engineering Technician to coordinate barricading and traffic control during construction of the light-rail project, one temporary Administrative Assistant to provide additional coverage, and traffic analysis software to analyze the impact of proposed developments. Funding was also approved to cover an increase in operational costs associated with the bus services and light-rail programs. Traffic Engineering received funding for one temporary Traffic Engineering Technician to handle the increase in workload in this area.

FY 2006-07 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for one full-time Transit Maintenance Administrator associated with the East Valley Regional Maintenance Facility capital project.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$2,592,187	\$3,112,736	\$3,269,894	\$3,717,445
Supplies and Services	22,073,677	23,436,274	23,436,274	25,340,299
Capital Outlay	128,145	117,100	117,100	35,610
Internal Services	720,144	1,065,098	1,066,838	1,207,163
Contributions	4,627	6,000	6,000	6,000
Expenditure Total	\$25,518,779	\$27,737,208	\$27,896,106	\$30,306,517
Per Capita	\$156.63	\$168.76	\$169.72	\$182.79

Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Studies and Design	9			9			9		1.00
Transit	28	0.50		30			33		1.00
Total	37	0.50		39			42		2.00

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 (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Vehicle revenue miles (bus)	4,272,655	4,336,955	4,412,688	4,784,682
Operating and Maintenance Cost per vehicle revenue mile (bus)	\$4.59	\$4.74	\$4.65	\$5.00
Boardings per vehicle revenue mile (bus)	1.6	2.0	1.9	1.8



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 3%; 2) meet the Dial-A-Ride industry standard of 95% of trips on time (minimum); and 3) meet the industry standard of 95% of bus trips on time (minimum)

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Annual boardings (bus)	6,805,383	8,500,000	8,264,705	8,500,000
Percent Change		25%	(3%)	3%
On-time performance (Dial-A-Ride)	93%	95%	90%	95%
On-time performance (bus)	94%	95%	95%	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	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Complaints per 100,000 boardings (bus)	17	15	20	15
Complaints per 1,000 boardings (Dial-A-Ride)	2.3	3.0	3.8	3.0

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) rights-of-way maintenance, including graffiti removal and tree trimming.

FY 2006-07 Budget Highlights:

Funding was approved for three temporary employees to assist in the installation of new traffic signals, training for Streets and Traffic Operations employees to improve knowledge and skill levels essential to the required job functions, and contracted services to outsource the painting of 13 to 14 modular traffic signal intersections per year.

FY 2006-07 Capital Budget Operating Impacts:

As part of the Capital Improvements Program Budget, funding was approved for contracted services, pole painting, and electricity expenses associated with the following capital projects: Street Light Upgrades/New Installations, and New Signs/Modular Upgrades.

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$3,038,282	\$3,315,833	\$2,995,627	\$3,775,579
Supplies and Services	2,086,533	2,093,273	2,117,294	2,320,275
Capital Outlay	188,747	368,326	366,883	467,530
Internal Services	1,868,223	1,982,920	1,985,843	1,924,931
Expenditure Total	\$7,181,786	\$7,760,352	\$7,465,647	\$8,488,315
Per Capita	\$44.08	\$47.22	\$45.42	\$51.20

	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Authorized Personnel									
Street Maintenance	27			27			27		
Traffic Operations	24			25			25		3.0
Total	51			52			52		3.0

Related Strategic Issue: Transportation

Goal: To provide adequate illumination of the transportation system

Objective: To respond to a street light outage within three working days

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of street light outage calls repaired within three working days	N/A	96%	96%	96%



Related Strategic Issue: Transportation

Goal: To improve and ensure the safety and efficiency of the traffic signal system

Objective: To respond to emergency signal service calls within 30 minutes

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Percentage of emergency signal service calls responded to within 30 minutes	99%	98%	98%	98%
Preventive maintenance of traffic signal control cabinets (twice annually)	76%	98%	98%	98%

Related Strategic Issue: Transportation

Goal: To provide safe and well maintained streets for Tempe citizens

Objective: To hold maintenance costs below \$9.00 per curb mile swept

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
<i>Cost per curb mile swept</i>	\$8.53	\$8.71	\$8.98	\$8.98

Related Strategic Issue: Transportation

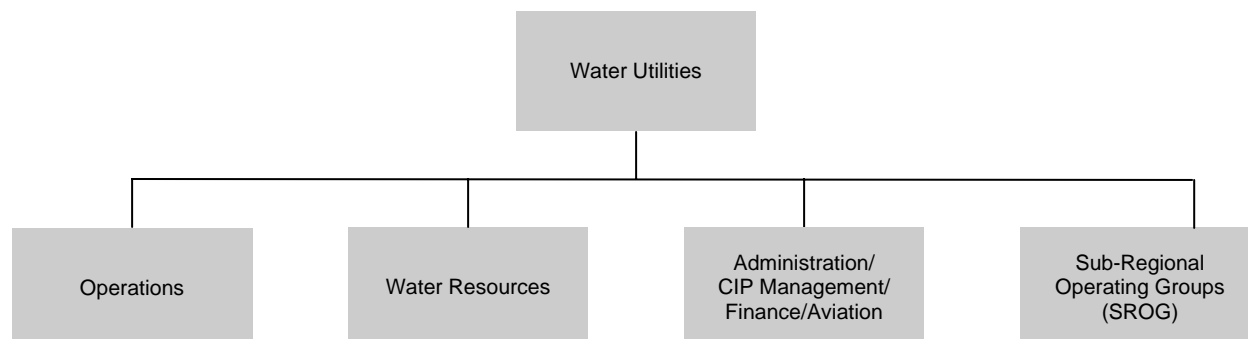
Goal: To perform preventive maintenance on existing streets to ensure safety for the public

Objective: To repair 1,600,000 square yards of street surface which includes crack routing, crack sealing, and edge milling

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Number of square yards repaired	1,884,102	1,628,777	1,136,956	1,628,777



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Department Purpose:

To provide the residents, businesses and visitors of Tempe with a reliable and economical supply of drinking water that meets or exceeds all federal, state and local standards of quality, and to protect the health, safety and overall environment of our community through wastewater and storm water management and the collection and disposal of household hazardous materials.

Department Description:

The Water Utilities Department is responsible for Operations, Water Resources, Administration, and SROG. The Operations Division is comprised of Plant Operations, Field Operations, Environmental Services, Environmental Health & Safety, and Security. Water Resources is responsible for the water conservation program, Tempe Town Lake, and hydrology services. The Administration Division includes Capital Improvement Program (CIP) management, Finance, and Aviation. The Sub-Regional Operating Groups (SROG) division is responsible for administration of the SROG program.

FY 2006-07 Budget Highlights:

Funding was approved for laboratory supplies and testing, compound meter replacement, sewer cleaning, and a rate study for water, sewer and irrigation. In addition, funding for two temporary intern positions was approved to address an increased workload at the Household Products Collection Center (HPCC).

Expenditure by Type	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Personal Services	\$9,878,309	\$10,846,863	\$10,805,993	\$11,510,134
Supplies and Services	12,055,360	12,825,110	13,348,528	14,036,150
Capital Outlay	229,835	222,100	384,933	283,200
Internal Services	3,684,064	3,375,861	3,372,724	3,309,785
Contributions	1,000			
Expenditure Total	\$25,848,568	\$27,269,934	\$27,912,178	\$29,139,269
Per Capita	\$158.65	\$165.91	\$169.82	\$175.75

Expenditures by Division	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Operations	\$16,327,978	\$17,574,531	\$18,175,519	\$19,079,336
Water Resources	607,459	1,073,629	892,387	1,052,672
Administration/CIP Management/Finance/Aviation	4,516,225	4,216,435	4,444,003	4,604,428
SROG	4,396,906	4,405,339	4,400,269	4,402,833
Total	\$25,848,568	\$27,269,934	\$27,912,178	\$29,139,269



Authorized Personnel	2004-05 Actual			2005-06 Revised			2006-07 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Operations	113	0.50		117	1.00		116	1.00	
Water Resources	4			4			4		
Admin./CIP Mgt./Finance/Aviation	12		0.49	11	0.50	0.49	12	0.50	0.49
SROG	1			1			1		
Total	130	0.50	0.49	133	1.50	0.49	133	1.50	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 Water Treatment Plants; and 2) maintain an Operating and Maintenance Cost per 1,000 gallons treated under eighty cents

Measures (Comparative Benchmark)	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Total Water Treatment Operating and Maintenance Cost	\$9,186,874	\$10,995,858	\$10,995,858	\$10,849,927
Number of customer accounts	41,532	41,532	41,532	42,000
Total gallons treated (Million Gallons)	15,152	18,800	17,563	17,900
Operating and Maintenance Cost per 1,000 gallons treated	\$0.61	\$0.59	\$0.63	\$0.61
Operating and Maintenance Cost per customer account	\$221.20	\$264.76	\$264.76	\$258.33

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 per mile

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Total Wastewater Collection Operating and Maintenance Cost	\$3,153,522	\$3,445,996	\$3,445,996	\$3,453,689
Miles of mains in collection system	500.0	502.2	502.2	502.2
Operating and Maintenance Cost per mile	\$6,307	\$6,862	\$6,862	\$6,877

Related Strategic Issue: Neighborhood Quality of Life and Public Safety

Goal: To minimize the number of resident complaints related to water quality and respond to those complaints within 24 hours

Objective: To maintain low resident complaints and to respond within 24 hours

Measures	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Taste and odor complaints	6	N/A	17	<17
Hardness complaints	2	N/A	1	<1
Other complaints	9	N/A	5	<5
Response within 24 hours of the complaint	100%	N/A	100%	100%



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Schedules and Summaries

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 revenues and expenditures, issues, trends and resource choices for all fund, and debt management program.



Annual Budget
July 1, 2006
through June 30, 2007

Schedules and Summaries Contents



	<u>Page</u>
Budget Resolution	198
Property Tax Ordinance	199
Budget Schedules	
Schedule A-Summary Schedule of Estimated Revenue and Expenditures/Expenses.....	200
Schedule B-Summary of Tax Levy and Tax Rate Information	201
Schedule C-Summary of Revenue Other Than Property Taxes	202
Schedule D-Summary of Other Financing Sources and Interfund Transfers	204
Schedule E-Summary by Department of Expenditures/Expenses Within Each Fund.....	205
Budget Basis, Units, and Changes	206
Financial Structure and Organization	207
Annexation Progress	208
Tempe Community Profile	209
Personnel Summary	214
Personnel Schedules	215
Glossary of Terms	250
Index	257
OMB Staff	261



RESOLUTION NO. 2006.48

A RESOLUTION DETERMINING AND ADOPTING FINAL ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TEMPE FOR THE FISCAL YEAR BEGINNING JULY 1, 2006, AND ENDING JUNE 30, 2007, 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 June 1, 2006, 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 15, 2006, at which meeting any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures, and

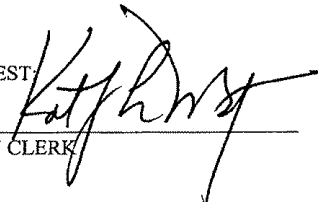
WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the City Council set a property tax public hearing for July 6, 2006, and set an adoption date of July 20, 2006, to adopt the property tax rate, and

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 2006-2007.

PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 15th day of June, 2006.


MAYOR

ATTEST 
CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY


FINANCIAL SERVICES MANAGER



ORDINANCE NO. 2006.63

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, 2007; AND ADOPTED EFFECTIVE IMMEDIATELY.

PURSUANT to A.R.S. §42-17151, the ordinance levying taxes for Fiscal Year 2006-2007 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 immediately.

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 2006 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 immediately 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 20th day of July, 2006.

ATTEST:

CITY CLERK

[Handwritten signature of City Clerk]

MAYOR

[Handwritten signature of Mayor]

APPROVED AS TO FORM:

CITY ATTORNEY (Acting)

[Handwritten signature of City Attorney] FINANCIAL SERVICES MANAGER



Summary Schedule of Estimated Revenue and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/ Expenses FY 2005-06	Unaudited Actual Expenditures/ Expenses FY 2005-06	Fund Balance/ Retained Earnings 7-1-2006	Direct Property Tax Revenue FY 2005-06
General	\$138,273,504	\$136,134,077	\$52,227,847	\$9,754,845
Special Revenue	59,927,996	56,349,861	60,259,919	68,000
Debt Service	14,411,213	13,244,199	19,505,996	17,693,103
Capital Projects	189,971,703	189,971,703	10,209,548	
Enterprise	62,685,033	58,304,088	63,872,854	
Total	\$465,269,449	\$454,003,928	\$206,076,164	\$27,515,948

Fund	Estimated Revenue Other than Property Taxes 2006-07	Proceeds From Other Financing Sources 2006-07	Interfund Transfers 2006-07		Total Financial Resources Available 2006-07	Budgeted Expenditures/ Expenses 2006-07
			In	(Out)		
General	\$150,772,843				\$212,755,535	\$158,994,288
Special Revenue	75,809,390			(\$20,736,279)	115,401,030	67,318,749
Debt Service	887,276		\$3,750,000	(862,750)	40,973,625	16,495,505
Capital Projects		\$168,915,491	18,611,195		197,736,234	196,728,491
Enterprise	62,741,283			(762,166)	125,851,971	71,307,083
TOTAL	\$290,210,792	\$168,915,491	\$22,361,195	(\$22,361,195)	\$692,718,395	\$510,844,116

Expenditure Limitation Comparison

	2005-06	2006-07
1. Budgeted Expenditures/Expenses	\$465,269,449	\$510,844,116
2. Less: Estimated Exclusions	(220,711,800)	(257,589,509)
3. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	244,557,649	253,254,607
4. Expenditure Limitation*	\$244,557,649	\$253,254,607

* FY 2006-07 Estimate from the League of Arizona Cities and Towns.



Summary of Tax Levy and Tax Rate Information

	FY 2005-06	Estimated FY 2006-07
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		\$9,822,845
2. Amount Received from Primary Property Taxation in the 2005-06 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))		
3. Property Tax Levy Amounts		
A. Primary Property Taxes	9,413,934	9,822,845
B. Secondary Property Taxes	16,707,531	17,693,103
C. Total Property Tax Levy Amounts	\$26,121,465	\$27,515,948
4. Property Taxes Collected		
A. Primary Property Taxes		
1. 2005-06 Levy	\$9,413,934	
2. Prior Years' Levies		
3. Total Primary Property Taxes	9,413,934	
B. Secondary Property Taxes		
1. 2005-06 Levy	16,707,531	
2. Prior Years' Levies		
3. Total Secondary Property Taxes	16,707,531	
C. Total Property Taxes Collected	\$26,121,465	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5227	0.5183
2. Secondary Property Tax Rate	0.8773	0.8817
3. Total City Tax Rate	\$1.4000	\$1.4000
B. Special District Tax Rates		



Summary by Fund of Revenue Other Than Property Taxes

Source of Revenue	Budgeted Revenue FY 2005-06	Estimated Revenue FY 2005-06	Budgeted Revenue FY 2006-07
General Fund			
Local Taxes			
City Sales Tax	\$66,170,000	\$74,360,000	\$78,948,000
Hotel Bed Tax	2,402,000	2,900,000	3,079,800
Franchise Taxes	1,328,567	1,531,500	1,571,500
Licenses and Permits			
Business Licenses	1,090,900	1,250,088	1,449,506
Intergovernmental Revenue			
State Shared	32,139,707	32,139,707	34,099,892
County	6,100,000	6,800,000	6,709,600
Charges for Services	7,477,396	9,031,729	10,922,429
Fines and Forfeitures	6,012,750	6,640,519	7,491,027
Interest on Investments	3,569,155	3,929,213	3,534,039
Voluntary Contributions			
SRP In-Lieu Tax	500,000	535,000	521,600
Miscellaneous Revenue	2,137,095	2,071,225	2,445,450
Total General Fund	128,927,570	141,188,981	150,772,843
Special Revenue Funds			
Highway Users Revenue Fund			
Intergovernmental	13,789,041	13,788,207	12,427,820
Total Highway Users Revenue Fund	13,789,041	13,788,207	12,427,820
Local Transportation Assistance Fund (LTAF)			
Intergovernmental	535,456	536,306	524,700
Total LTAF	535,456	536,306	524,700
Transit Fund			
Transit Tax	27,996,400	32,000,000	33,984,000
Lottery Transfer In	263,730	263,730	258,500
ASU-Flash Transit	496,403	496,403	508,434
Interest Earned-Trust Investment	1,690,921	1,210,347	989,577
Miscellaneous Revenue	7,475,294	6,591,288	7,235,888
Total Transit Fund	37,922,748	40,561,768	42,976,399



Summary by Fund of Revenue Other Than Property Taxes

Source of Revenue	Budgeted Revenue FY 2005-06	Estimated Revenue FY 2005-06	Budgeted Revenue FY 2006-07
Rio Salado Fund			
City Sales Tax	364,600	455,800	484,060
Miscellaneous Revenue	302,900	490,393	500,687
Total Rio Salado Fund	667,500	946,193	984,747
Performing Arts Fund			
Performing Arts Tax/Interest Income	5,881,072	6,897,355	7,393,250
Total Performing Arts Fund	5,881,072	6,897,355	7,393,250
Community Dev. Block Grant (CDBG)	11,731,640	11,730,640	11,502,474
Total Special Revenue Funds	70,527,457	74,460,469	75,809,390
Debt Service Fund			
SRP In-Lieu Tax	676,495	676,495	887,276
Total Debt Service Fund	676,495	676,495	887,276
Enterprise Funds			
Cemetery	127,628	20,000	171,000
Golf	2,073,194	2,068,256	2,065,729
Water/Wastewater	45,953,569	44,904,194	47,345,297
Solid Waste	12,809,949	12,851,834	13,159,257
Total Enterprise Funds	60,964,340	59,844,284	62,741,283
TOTAL ALL FUNDS	\$ 261,095,862	\$ 276,170,229	\$ 290,210,792



Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources FY 2006-07	Interfund Transfers FY 2006-07	
		In	Out
Special Revenue Funds			
HURF/LTAF			(\$3,750,000)
Transit			(16,986,279)
Total Special Revenue Funds			(20,736,279)
Total Debt Service Fund		\$3,750,000	(862,750)
Capital Project Funds		18,611,195	
Bond/Note Proceeds			
CIP-Other Funding	46,811,748		
Total Capital Project Funds	168,915,491	18,611,195	
Enterprise Funds			
Water/Wastewater			(762,166)
Total Enterprise Funds			(762,166)
Total All Funds	\$168,915,491		

Schedule E



Summary by Department of Expenditures/Expenses Within Each Fund

	Adopted Budgeted Expenditures/ Expenses FY 2005-06	Expenditure/ Expense Adjustments Approved FY 2005-06	Revised Expenditures/ Expenses FY 2005-06	Budgeted Expenditures/ Expenses FY 2006-07
General Fund				
Mayor and Council	\$386,716		\$394,797	\$399,696
City Manager	307,987	150,000	397,592	422,762
Community Relations	2,556,094	61,400	2,537,259	2,952,643
Diversity Program	558,314		526,001	732,197
Internal Audit	453,147		442,035	464,381
City Clerk	726,757		712,033	621,974
City Court	3,759,540	50,996	3,637,538	3,943,906
Human Resources	2,461,483	2,000	2,577,485	2,932,056
City Attorney	2,453,274		2,310,429	2,786,507
Financial Services	4,102,465	53,000	4,004,918	4,674,269
Community Development	3,223,928	27,297	3,139,298	3,578,934
Development Services	4,795,089	200,403	4,890,506	6,310,149
Police	53,475,942	78,900	53,606,179	59,512,347
Fire	18,233,524	13,400	18,177,287	20,063,940
Community Services*	18,281,121		18,093,272	13,081,200
Parks and Recreation*				14,736,143
Public Works-General*	15,113,763	85,199	14,622,005	8,822,891
Non-Departmental	6,158,296	(72,673)	6,065,443	9,858,293
Contingencies	1,226,064	(597,096)		3,100,000
Total General Fund	138,273,504	52,826	136,134,077	158,994,288
Special Revenue Funds				
Highway Users Revenue Fund	8,656,870		8,336,532	9,413,469
Transit	31,118,922		27,405,888	35,313,568
CDBG	2,849,008	3,575,535	2,848,008	2,453,715
Section 8 Housing	8,882,632		8,882,632	9,048,759
Rio Salado	1,551,834		1,067,042	1,983,090
Performing Arts	6,868,730		7,809,759	9,106,148
Total Special Revenue Funds	59,927,996	3,575,535	56,349,861	67,318,749
Debt Service Fund				
Debt Service	14,411,213		13,244,199	16,495,505
Total Debt Service Fund	14,411,213		13,244,199	16,495,505
Capital Project Funds				
All Capital Projects	189,971,703		189,971,703	196,728,491
Total Capital Project Funds	189,971,703		189,971,703	196,728,491
Enterprise Funds				
Water/Wastewater	47,720,279	61,802	43,419,727	54,797,488
Golf	2,071,538		2,025,027	2,195,431
Cemetery	290,248		287,646	358,281
Solid Waste	12,602,968		12,571,688	13,955,883
Total Enterprise Funds	62,685,033	61,802	58,304,088	71,307,083
Total All Funds	\$465,269,449	\$3,690,163	\$454,003,928	\$510,844,116

* FY 2006/07 budgets for Community Services and Public Works - General are reduced due to a reorganization of resources from these departments to the newly established Parks and Recreation Department.



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 Proprietary 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, 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 and proprietary. 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 Proprietary (Enterprise) Funds 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 Budget Summaries 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 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.

• 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 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).

• 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.

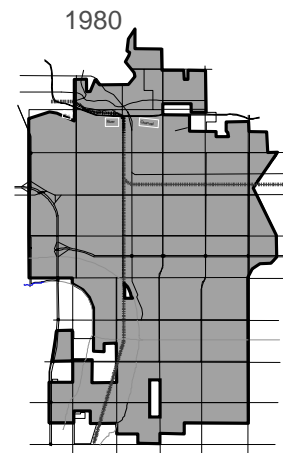
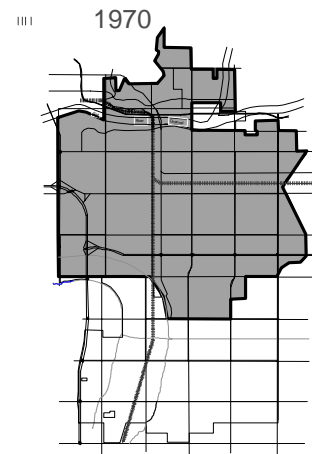
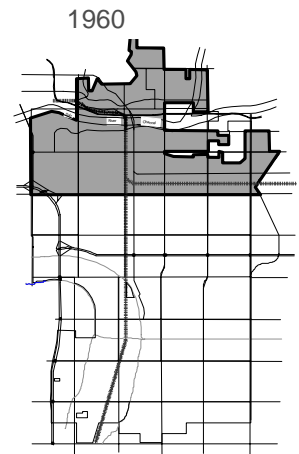
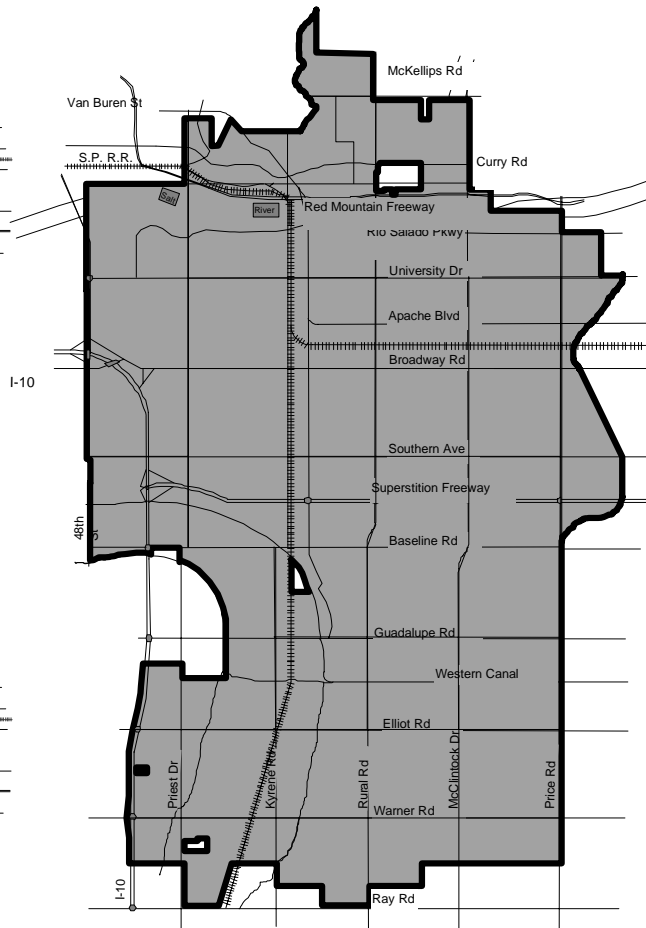
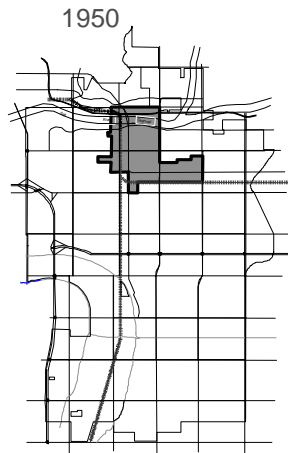
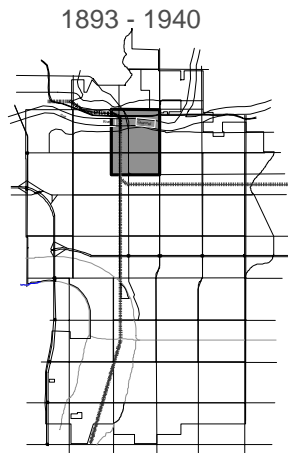
Special Revenue Funds: Special Revenue Funds are established to account for legally restricted funding. Our Special Revenue Funds include the: Performing Arts, Highway User Revenue, Local Transportation Assistance, Rio Salado, Community Facilities District, Transit, Community Development Block Grant and the Housing Assistance.

- **Proprietary Funds**

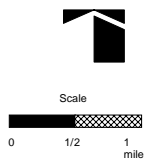
Enterprise Funds: Enterprise Funds are used to account for operations including debt service that are: (a) financed and operated in a manner similar to private businesses, where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the 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, Solid Waste, Cemetery and the Golf .



2006 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	2006	40.1





Date of Incorporation - November 26, 1894
Date Charter Adopted - October 19, 1964
Form of Government - Council - Manager

History-Tempe's History dates back to 1867 when Mr. Charles T. Hayden, father of former U.S. Senator Carl Hayden, constructed a cable ferry on the then uncontrolled waters of the Salt River. In 1871, Mr. Hayden and four others organized the Hayden Milling operations and related agricultural enterprises. Soon after, the Town of Hayden's Ferry was founded. The name of the town was changed from Hayden's Ferry to Tempe in 1880 and was incorporated in 1894.

Government and Organization-The City operates under a council-manager form of government. The Mayor is elected for four years and six council members are elected at large on a non-partisan ballot for staggered four-year terms. The City Council appoints the City Manager who has full responsibility for carrying out Council policies and administering City operations. The City Manager appoints City department heads as specified in the City's Charter.

Current Profile-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 2007. 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, the Insight Bowl, 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⁾

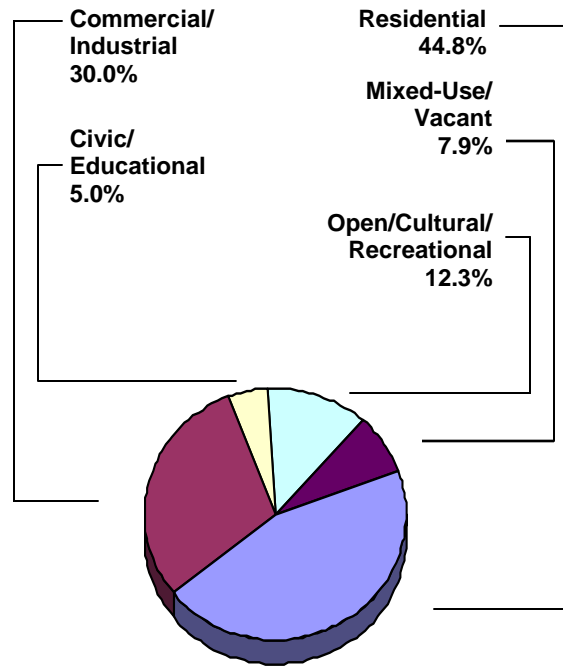
2006	40.1	1993	39.6
2005	40.0	1992	39.3
1999	39.8	1991	39.3
1998	39.8	1990	39.3
1997	39.8	1980	38.1
1996	39.8	1970	25.3
1995	39.8	1960	17.5
1994	39.8	1950	2.7

Land Use (2003)(%)⁽⁴⁾

Residential	44.8
Commercial/Industrial	30.0
Open/Cultural/Recreational	12.3
Mixed-Use/Vacant	7.9
Civic/Educational	5.0

Population ⁽²⁾

2005	Interim Census	165,796
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 (Calendar Year Data) ⁽³⁾

	Number	Value (\$000)
2004-05	1,416	287,539
2003-04	1,183	253,451
2002-03	1,303	174,689
2001-02	1,321	128,924
2000-01	1,301	189,010
1999-00	1,494	309,831
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

Elections (2006) ⁽⁵⁾

Registered voters	Primary	76,613
	General	70,431
Voter Turnout	Primary	13,283
	General	12,550
% Voting	Primary	17%
	General	18%



DEMOGRAPHICS, continued

School Registration ⁽⁶⁾

Tempe Elementary District	13,800
Tempe Union High School District	13,000
ASU University (Fall 2005)	61,033

Education Attainment (%) ⁽⁷⁾

4 years or more College	39.6
1-3 years College	32.6
High School degree	17.9
Less than High School degree	9.9

Major Employers ⁽⁸⁾

Arizona State University	12,569
US Airways	3,916
Motorola, Inc.	3,510
JP Morgan Chase Bank	2,300
City of Tempe	1,734
Meditronic Microelectronics	1,363
State Farm Insurance	1,149
Bank One Corp.	1,000
Financial & Credit Services Group	914
Wilson Electric	850

Employment Trends ⁽⁹⁾

	Employment	Unemployment Rate
2005	109,631	3.5%
2004	105,306	3.8%
2003	101,619	4.5%
2002	99,507	4.9%
2001	98,566	3.6%

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	29.9
\$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	3.6



ECONOMICS

Property Tax Rate ⁽¹²⁾

Primary	0.52
Secondary	0.88
Total	<u>\$1.40</u>

Largest Property Taxpayers ⁽¹³⁾

Qwest Communications	1.81
Arizona Mills LLC	1.49
Arizona Public Service Company	1.34
Amberjack Ltd	0.88
AT&T	0.82
Allied Signal	0.79
Papago Buttes Corporate LLC	0.78
Freescale Semiconductor Inc.	0.71
State Farm Mutual Auto Insurance	0.71
Wells Fargo Bank	0.63

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	186
Total	<u>525</u>

Avg. Emergency Response Time (min.)	4:36
Crime Index (CY 2004)	14,229
Part I Crime Per 1,000 Capita	86

Fire

Sworn Personnel	137
Non-Sworn Personnel	22
Total	159

Fire Stations	6
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Avg. Emergency Response Time (min.)	4:21
Response to emergency medical incidents	13,400
Total number of calls	18,900

Solid Waste

Residential Accounts Served	33,021
Commercial Accounts Served	1,976
Solid Waste Collected (tons)	160,267

Parks/Golf Courses

Developed Parks	47
Parks Acres Maintained	1,684
Municipal Golf Courses:	2
Rounds of Play:	
Ken McDonald (18 holes)	74,764
Rolling Hills (18 holes)	63,028

Water/Wastewater

Active Accounts Served	40,822
Water Treated and Distributed (billions of gallons)	17.6
Sanitary Sewers (miles)	549

Source: (1) Area-Square Miles, City of Tempe-Development Services; (2) Population for 2005 based on mid-decade Special Census; (3) Building Permits, City of Tempe-Development Services; (4) Land Use, City of Tempe-General Plan 2030; (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.



COMMUNITY COMPARISONS

Tempe is part of the greater Phoenix metropolitan area, which is the economic, political, and population center of the state. Popularly referred to as the Valley of the Sun, this area includes a number of adjacent communities with distinct municipal jurisdictions. The following section provides a perspective on the relative populations of the largest cities in the Valley as well as key comparative cost of service data. This information was obtained from city Budget Offices, as well as, printed and online budget documents.

Population (as of September 2005)	
Phoenix	1,475,834
Mesa	448,096
Glendale	242,369
Scottsdale	234,752
Chandler	230,845
Gilbert	173,072
Tempe	165,796
Peoria	138,143

Operating Budget (FY 2006-07)	Million \$
Phoenix	3,187.6
Glendale	913.0
Chandler	850.5
Mesa	836.9
Scottsdale	457.7
Tempe	314.1
Gilbert	495.8
Peoria	300.7

Property Tax (as of July 1, 2006)	(per \$100 assessed Value)
Phoenix	\$1.82
Glendale	1.72
Peoria	1.49
Tempe	1.40
Chandler	1.25
Gilbert	1.15
Scottsdale	0.97
Mesa	N/A

Incorporated City Limits	sq. miles
Phoenix	475.1
Scottsdale	184.2
Peoria	141.7
Mesa	125.2
Chandler	58.0
Glendale	55.8
Gilbert	43.2
Tempe	40.1

Sales Tax (as of July 1, 2006)	
Phoenix	1.80%
Glendale	1.80%
Tempe	1.80%
Mesa	1.75%
Scottsdale	1.65%
Chandler	1.50%
Gilbert	1.50%
Peoria	1.50%

Personnel Summary



Department	2004-05 Actual			2005-06 Budget			2005-06 Revised			2006-07 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	3		0.50	3		0.50
Diversity Program	3	0.50		3	0.50		3	0.50		3	0.50	
Internal Audit	4			4			4			4		
Community Relations	16		1.83	16		1.83	16		1.83	18		1.83
City Clerk	4		0.58	4		0.58	4		0.58	4		0.58
City Court	33	0.65	4.20	33	0.65	4.20	33	0.65	7.20	36	0.65	4.20
City Attorney	24	0.75	0.62	24	0.75	0.62	24	1.25	0.62	26	1.75	0.62
Financial Services	67	0.50	1.25	67	0.50	1.25	67	0.50	1.25	70	0.50	1.25
Economic Development	4		1.00									
Rio Salado	8		0.49									
Human Resources	18	0.50		18	0.50		18	0.50		20	0.50	
Information Technology	72			72			72			73		
Development Services	86		2.86	48		2.86	49		2.86	58		3.86
Police	515	1.00	6.25	524		6.25	529		6.25	525		6.25
Fire	156	1.00		169	1.00	1.00	169	1.00	1.00	159	1.00	
Community Services	130	11.15	167.22	148	11.65	180.49	148	11.65	180.49	111	9.65	113.14
Parks and Recreation										128	2.00	77.99
Community Development				50		1.49	52		1.49	54		6.49
Public Works												
Admin & Engineering	34		0.49	34		0.49	34		0.49	40		0.49
Field Services	211	0.50	8.69	211	1.00	8.69	211	1.00	8.69	132	1.00	0.49
Fleet Services	33		0.50	33		0.50	33		0.50	33		0.50
Transportation	88	0.50		91			91			94		5.00
Total Public Works	366	1.00	9.68	369	1.00	9.68	369	1.00	9.68	299	1.00	6.48
Water Utilities	130	0.50	0.49	134	0.50	0.49	133	1.50	0.49	133	1.50	0.49
Sub Total	1,645	17.55	196.97	1,692	17.05	211.24	1,700	18.55	214.24	1,731	19.05	223.68
Total Personnel		1,859.52			1,920.29			1,932.79			1,973.73	

The number of full-time employees for FY 2006-07 totals 1,973.73 full-time equivalents (FTE), including 1,731 full-time, 19.05 permanent full-time equivalents, and 223.68 temporary full-time equivalent employees. This total translates to a 2.8% increase over the 1,920.29 full-time equivalents budgeted in FY 2005-06.

Public Works and Police account for over 42% of the total work force, representing 306.48 and 531.25 full-time equivalents in FY 2006-07.

Personnel Schedules



Cost Center	Position	Range	2004-05 Actual	2005-06 Budget	2005-06 Revised Budget	2006-07 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
	Assistant City Manager	178	0	0	1	1
	Executive Assistant to the City Manager/Mayor II	36	1	1	1	1
	Administrative Intern*		0.5	0.5	0.5	0.5
	City Manager Department Total Full-Time		2	2	3	3
	City Manager Department Total Temp FTE*		0.50	0.50	0.50	0.50
1212	DIVERSITY					
	Diversity Manager	163	1	1	1	1
	Diversity Specialist	40	1	1	1	1
	ADA Compliance Specialist	40	0	0	0	0
	Executive Assistant	30	1	1	1	1
	ADA Compliance Specialist**		0.50	0.50	0.50	0.50
	Diversity Department Total Full-Time		3	3	3	3
	Diversity Department Total Perm FTE**		0.50	0.50	0.50	0.50
1213	INTERNAL AUDIT					
	Internal Audit Manager	163	1	1	1	1
	Internal Auditor	43	2	2	2	2
	Contract Administrator	36	1	1	1	1
	Internal Audit Department Total Full-Time		4	4	4	4
	COMMUNITY RELATIONS					
1219	Administration					
	Community Relations Manager	167	1	1	1	1
	Mayor's Chief of Staff	161	1	1	1	1
	Executive Assistant to the City Manager/Mayor II	36	1	1	1	1
	Mayoral/Council Aide II+	36	1	1	1	1
	Mayoral/City Council Aide I+	32	2	2	2	3
	Executive Assistant	30	1	1	1	1
	Administrative Assistant I/II+	20	0	0	0	1
	Administrative Intern*		0.49	0.49	0.49	0.49
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		7	7	7	9
	Total Temp FTE*		0.98	0.98	0.98	0.98
1214	Communication & Media Relations					
	Communication & Media Relations Director	156	1	1	1	1



Cost Center	Position	Range	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
	Media Services Administrator	48	1	1	1	1
	Communications Relations Coordinator	40	2	2	2	2
	Media Services Producer I/II+	34	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		6	6	6	6
	Total Temp FTE*		0.85	0.85	0.85	0.85
1215	Neighborhood Program					
	Neighborhood Program Director	156	1	1	1	1
	Neighborhood Services Specialist	42	1	1	1	1
	Total Full-Time		2	2	2	2
1216	Government Relations					
	Government Relations Director	158	1	1	1	1
	Total Full-Time		1	1	1	1
	Community Relations Department Total Full-Time		16	16	16	18
	Community Relations Department Total Temp FTE*		1.83	1.83	1.83	1.83
1310	CITY CLERK					
	City Clerk	100	1	1	1	1
	Executive Assistant	30	3	3	3	3
	COE *		0.58	0.58	0.58	0.58
	City Clerk Department Total Full-Time		4	4	4	4
	City Clerk Department Total Temp FTE*		0.58	0.58	0.58	0.58
1410	CITY COURT					
	Administration/Judicial Division					
	Presiding City Judge	101	1	1	1	1
	Court Manager	159	1	1	1	1
	City Judge	104	2	2	2	2
	Deputy Court Manager	49	2	2	2	2
	Hearing Officer	45	2	2	2	2
	Executive Assistant	30	1	1	1	1
	Court Interpreter	29	1	1	1	1
	Court Interpreter**		0.65	0.65	0.65	0.65
	<i>(Position funded by State Fill the Gap Grant)</i>					
	Total Full-Time		10	10	10	10
	Total Perm FTE**		0.65	0.65	0.65	0.65
1411	Criminal Division					
	Court Services Supervisor	34	2	2	2	2
	Court Services Specialist I/II+	21	7	7	7	8
	Court Services Specialist I/II+ *		0.0	0.0	1.0	0.0
	COE*		2.1	2.1	2.1	2.1



Cost Center Position		2004-05 Range	2005-06 Actual	2005-06 Budget Revised	2006-07 Budget
	Total Full-Time		9	9	10
	Total Temp FTE*		2.1	2.1	2.1
1412	Civil Division				
	Court Services Supervisor	34	3	3	3
	Court Services Specialist I/II+	21	11	11	13
	Court Services Specialist I/II+ *		0.0	0.0	0.0
	COE*		2.1	2.1	2.1
	Total Full-Time		14	14	16
	Total Temp FTE*		2.1	2.1	2.1
	City Court Department Total Full-Time		33	33	36
	City Court Department Total Perm FTE**		0.65	0.65	0.65
	City Court Department Total Temp FTE*		4.20	4.20	4.20
	CITY ATTORNEY				
1710	Legal Services				
	City Attorney	102	1	1	1
	Deputy City Attorney	66	1	1	1
	City Prosecutor	64	1	1	1
	Sr. Assistant City Attorney	61	1	1	1
	Assistant City Attorney	305	3	3	8
	Prosecutor I/II+	47	5	5	0
	Paralegal II+	33	1	1	1
	Legal Executive Assistant	32	1	1	1
	Administrative Support Supervisor	32	0	1	1
	Paralegal I+	29	1	1	1
	<i>(1 position 60% funded by General Fund / 40% by Victim's Rights Grants)</i>				
	Legal Specialist I/II+	24	1	1	1
	Legal Assistant	23	4	4	4
	Senior Legal Assistant	19	1	0	0
	Paralegal**		0.75	0.75	0.75
	Assistant City Attorney**		0.00	0.00	0.50
	Law Intern*		0.62	0.62	0.62
	Total Full-Time		21	21	23
	Total Perm FTE**		0.75	0.75	1.25
	Total Temp FTE*		0.62	0.62	0.62
3115	City Attorney/Water				
	Sr. Assistant City Attorney	61	1	1	1
	Assistant City Attorney	305	1	1	1
	Administrative Assistant I/II+	20	1	1	1
	Total Full-Time		3	3	3
	City Attorney Department Total Full-Time		24	24	26
	City Attorney Department Total Perm FTE**		0.75	0.75	1.25
	City Attorney Department Total Temp FTE*		0.62	0.62	0.62



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
FINANCIAL SERVICES						
1810	Administration					
	Financial Services Manager	170	1	1	1	1
	Executive Assistant	30	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	161	1	1	1	1
	Lead Budget and Finance Analyst	45	1	1	1	1
	Senior Budget and Finance Analyst	42	2	2	2	2
	Total Full-Time		<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
2621	Risk Management					
	Risk Manager	54	1	1	1	1
	Safety and Risk Coordinator		0	0	0	1
	Claims Officer - Liability	35	1	1	1	1
	Risk Management Specialist	25	1	1	1	1
	Administrative Assistant II**	20	0.5	0.5	0.5	0.5
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>
	Total Perm FTE**		<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
1831	Accounting					
	Controller	56	1	1	1	1
	Senior Accountant	46	1	1	1	1
	Cash Management Specialist	43	1	1	1	1
	Payroll Supervisor	39	1	1	1	1
	Accountant	35	1	1	1	1
	Payroll Specialist	23	1	1	1	1
	Financial Services Technician I/II+	23	4	4	4	4
	Accounting Assistant*		0.63	0.63	0.63	0.63
	Total Full-Time		<u>10</u>	<u>10</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	52	1	1	1	1
	License & Collections Supervisor	44	1	1	1	1
	Tax Audit Supervisor	44	1	1	1	1
	Tax Auditor I/II+	36	5	5	5	5
	Specialty Licenses Coordinator	34	1	1	1	1
	Tax Analyst	28	1	1	1	1
	Revenue Compliance Officer I/II	28	3	3	3	3
	Financial Services Technician I/II+	23	4	4	4	4
	Total Full-Time		<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
1841	Customer Services					
	Deputy Financial Services Manager	161	1	1	1	1
	Customer Services Administrator	52	1	1	1	1



Cost Center Position		2004-05 Range	2005-06 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
	Customer Services Office Supervisor	38	1	1	1	1
	Customer Services Field Supervisor	37	1	1	1	1
	Financial Services Technician I/II+	23	9	9	9	9
	Water Meter Reader Tech	17	1	1	1	1
	Water Meter Reader	15	6	6	6	7
	Total Full-Time		20	20	20	21
1851	Central Services/Purchasing					
	Central Services Administrator	54	1	1	1	1
	Procurement Officer	40	2	2	2	3
	Financial Services Technician I/II+	23	3	3	3	3
	Administrative Assistant II+	20	1	1	1	1
	Unclassified Temporary-Office*		0.62	0.62	0.62	0.62
	Total Full-Time		7	7	7	8
	Total Temp FTE*		0.62	0.62	0.62	0.62
1852	Central Services/Duplicating & Supplies					
	Reprographics Supervisor	25	2	2	2	2
	Reprographics Operator	17	1	1	1	1
	Distribution Clerk	11	1	1	1	1
	Total Full-Time		4	4	4	4
	Financial Services Department Total Full-Time		67	67	67	70
	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	0	0	0
	Dep Economic Development Manager	157	1	0	0	0
	Technology Development Specialist	45	1	0	0	0
	Executive Assistant	26	1	0	0	0
	COE*		1.00	0.00	0.00	0.00
	Economic Development Division Total Full-Time		4	0	0	0
	Economic Development Department Total Temp FTE*		1.00	0.00	0.00	0.00
4410	Economic Development - Rio Salado					
	Deputy Economic Development Manager	153	1	0	0	0
	Rio Salado Financial Analyst	40	1	0	0	0
	Senior Planner	39	1	0	0	0
	Community Relations Coordinator	36	1	0	0	0
	Management Assistant I/II+	35	1	0	0	0
	Administrative Assistant II+	18	1	0	0	0
	COE*		0.49	0.00	0.00	0.00
	Total Full-Time		6	0	0	0
	Total Temp FTE *		0.49	0.00	0.00	0.00
4413	Rio Salado Park					
	Administrative Assistant I	10	2	0	0	0
	Total Full-Time		2	0	0	0



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
Rio Salado Division Total Full-Time			8	0	0	0
Rio Salado Division Total Temp FTE*			0.49	0.00	0.00	0.00
HUMAN RESOURCES						
1911	Human Resources -Administration					
	Human Resources Manager	168	1	1	1	1
	Deputy Human Resources Manager	161	1	1	1	1
	Human Resource Administrator	52	0	0	1	1
	Employee Benefits Administrator	51	1	1	1	1
	Sr./Human Resources Analyst +	43	4	4	3	4
	Sr./Benefits Coordinator +	37	1	1	1	1
	Human Resources Specialist	32	1	1	1	1
	Executive Assistant	30	1	1	1	1
	Benefits Specialist	28	1	1	1	1
	Human Resources Technician I/II+	28	4	3	3	3
	Administrative Assistant I/II+	20	1	1	1	1
	Human Resources Technician I/II+**		0	0.5	0.5	0.5
	Human Resources Analyst I/II+**		0.5	0.0	0.0	0.0
	Total Full-Time		16	15	15	16
	Total Perm FTE**		0.5	0.5	0.5	0.5
1920	Tempe Learning Center					
	Org Development Administrator	51	1	1	1	1
	Performance Management Instructor Designer		0	0	0	1
	Sr. Learning & Organizational Development Assoc.	38	0	0	1	1
	Management Assistant I/II+	38	1	1	0	0
	Learning & Organizational Development Assoc.	30	0	0	1	1
	Administrative Assistant I	10	0	1	0	0
	Total Full-Time		2	3	3	4
Human Resources Department Total Full-Time			18	18	18	20
Human Resources Department Total Perm FTE**			0.5	0.5	0.5	0.5
INFORMATION TECHNOLOGY						
1981	Information Technology/Administration					
	Information Technology Manager	169	1	1	1	1
	Deputy Information Tech Manager	161	2	2	2	2
	Executive Assistant	30	1	1	1	1
	Total Full-Time		4	4	4	4
1982	Information Technology/Customer Support					
	PC Services Supervisor	51	1	1	1	1
	Sr. PC Services Consultant	45	2	2	2	2
	PC Services Consultant I/II+	39	5	5	5	5
	Total Full-Time		8	8	8	8
1983	Information Technology/Technical Services					
	System Network Supervisor	54	1	1	1	1
	Data Center & Network Operations Supervisor	52	1	1	1	1



Cost		2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget Revised	Budget
	Sr. Enterprise Network Engineer	51	1	1	1
	Sr. Tech Support	51	2	2	2
	Enterprise Network Engineer I/II+	49	4	4	5
	Technical Support Analyst	45	3	4	4
	Production Control Coordinator	37	1	1	1
	Senior Data Center Support Specialist	27	1	1	1
	Data Center Support Specialist	26	3	3	3
	Total Full-Time		17	18	19
1984	Information Technology/Application Services				
	Application Services Supervisor	55	1	1	1
	IT Project Coordinator	53	1	1	1
	Business Analyst	52	8	8	8
	<i>(1 position funded by Water/Wastewater)</i>				
	Database Administrator	51	3	2	2
	Webmaster	51	2	2	2
	IT Support Analyst Supervisor	51	1	1	1
	Senior Programmer Analyst	50	9	10	10
	<i>(1 position funded by Water/Wastewater)</i>				
	Programmer Analyst I/II+	46	6	6	6
	<i>(1 position funded by Water/Wastewater)</i>				
	IT Training Coordinator	44	1	1	1
	IT Support Analyst I/II+	35	5	5	5
	Total Full-Time		37	37	37
1985	Information Technology/Telecommunications				
	Telecommunications Operations Supervisor	43	1	1	1
	Management Assistant I/II+	38	1	1	1
	Sr Communication Network Technician	34	1	1	1
	Communication Network Technician	31	3	2	2
	Total Full-Time		6	5	5
Information Technology Department Total Full-Time			72	72	73
DEVELOPMENT SERVICES					
2710	Development Services - Administration				
	Development Services Manager	170	1	1	1
	Principal Planner	51	1	0	0
	Senior Planner	44	1	1	0
	Planner I/II+	39	1	0	0
	Management Assistant I/II+	38	1	1	1
	Executive Assistant	30	1	1	1
	Total Full-Time		6	4	3
2721	Building Safety and Permits				
	Deputy Dev Services Manager	162	0	0	1
	Plan Review Administrator	51	0	0	1
	Bldg. Inspection Superintendent	45	0	0	1
	Senior Plan Check Engineer	43	0	0	2
	Sr Building Inspector	42	0	0	1
	Plan Check Engineer	40	0	0	4
	Building Code Complaint Investigator	38	0	0	1



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Plans Examiner	37	0	0	0	2
	Permit Center Supervisor	36	0	0	0	1
	Building Inspector I/II+	36	0	0	0	8
	Code Inspector I/II+	31	0	0	0	1
	Dev Services Specialist I/II +	27	0	0	0	6
	Administrative Assistant I/II+	20	0	0	0	4
	Building Inspector I/II+ *		0.0	0.0	0.0	2.0
	Total Full-Time		0	0	0	33
	Total Perm FTE**		0	0	0	0
	Total Temp FTE*		0.0	0.0	0.0	2.0
2722	Planning/Building Safety-Administration					
	Deputy Dev Services Manager-Dev.	157	1	1	1	0
	Administrative Assistant I/II+	18	4	4	2	0
	Total Full-Time		5	5	3	0
2723	Inspection					
	Building Inspection Supt	41	1	1	1	0
	Sr. Building Inspector	37	1	1	1	0
	Building Code Complaint Investigator	33	1	1	1	0
	Building Inspector I/II+	31	6	6	6	0
	Code Inspector I/II+	28	2	2	1	0
	Administrative Assistant II	18	1	1	1	0
	Total Full-Time		12	12	11	0
2724	Current and Advanced Planning					
	Deputy Dev Services Manager - Planning	158	0	0	1	0
	Principal Planner	47	2	2	2	0
	Sr. Planner	40	3	3	5	0
	Planner I/II+	34	7	7	6	0
	Code Inspector I/II+	28	0	0	1	0
	Administrative Assistant I/II+	18	0	0	2	0
	COE*		1.86	1.86	1.86	0.00
	Total Full-Time		12	12	17	0
	Total Temp FTE*		1.86	1.86	1.86	0.00
2725	Customer Service Counter					
	Permit Center Supervisor	35	1	1	1	0
	Development Services Specialist I/II+	22	5	5	5	0
	Dev Services Specialist I/II+*		1.00	1.00	1.00	0.00
	Total Full-Time		6	6	6	0
	Total Temp FTE*		1.00	1.00	1.00	0.00
2726	Plan Check					
	Plan Review Administrator	49	1	1	1	0
	Sr. Plan Check Engineer	41	2	2	2	0
	Plan Check Engineer	37	4	4	4	0
	Plans Examiner	32	2	2	2	0
	Total Full-Time		9	9	9	0
2731	Planning					
	Deputy Dev Services Manager	162	0	0	0	1



Cost		2004-05 2005-06 2005-06 2006-07				
Center	Position	Range	Actual	Budget	Revised	Budget
	Principal Planner	51	0	0	0	2
	Senior Planner	44	0	0	0	5
	Planner I/II+	39	0	0	0	7
	Senior Code Inspector Specialist	37	0	0	0	1
	Code Inspector I/II +	31	0	0	0	3
	Administrative Assistant II+	20	0	0	0	3
	COE*		0.00	0.00	0.00	1.86
	Total Full-Time		0	0	0	22
	Total Temp FTE*		0.00	0.00	0.00	1.86
2732	Code Compliance					
	Code Enforcement Administrator	48	1	0	0	0
	Senior Code Inspector Specialist	32	1	0	0	0
	Senior Code Inspector	27	1	0	0	0
	Code Inspector I/II+	28	8	0	0	0
	Administrative Assistant II	18	0	0	0	0
	Administrative Assistant I	8	0	0	0	0
	Total Full-Time		11	0	0	0
2733	Redevelopment/Special Projects					
	Principal Planner	45	2	0	0	0
	Senior Planner	40	3	0	0	0
	Planner I/II+	34	2	0	0	0
	Total Full-Time		7	0	0	0
2734	Redevelopment/Revitalization					
	Administrative Assistant II	18	1	0	0	0
	Administrative Assistant I	10	1	0	0	0
	Total Full-Time		2	0	0	0
2761- 2779	Housing Services Division					
	Dep Dev Svs Manager - Housing Srvs	157	1	0	0	0
	Housing Services Supervisor	40	1	0	0	0
	Accountant	32	1	0	0	0
	Homeless Coordinator	31	1	0	0	0
	Rehabilitation Specialist	27	3	0	0	0
	Family Self Sufficiency Specialist	27	2	0	0	0
	Housing Services Specialist (CDBG & HOME)	25	0	0	0	0
	Housing Services Specialist (Section 8)	21	6	0	0	0
	Administrative Assistant II	18	1	0	0	0
	Total Full-Time		16	0	0	0
Development Services Department Total Full-Time			86	48	49	58
Development Services Department Total Temp FTE*			2.86	2.86	2.86	3.86
POLICE						
2210	Office of the Chief					
	Police Chief	175	1	1	1	1
	Police Legal Advisor	61	0	1	1	1
	Fiscal-Research Administrator	52	1	1	1	1
	Management Assistant II	38	2	2	2	2



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Crime Analyst I/II+	37	3	3	3	3
	Executive Assistant	30	1	1	1	1
	Alarm Coordinator	30	1	1	1	1
	Administrative Assistant I/II+	20	1	1	1	3
	Police Records Clerk II	19	1	1	1	1
	Administrative Assistant I	10	1	1	1	0
	Total Full-Time		12	13	13	14
2222	RICO					
	Police Officer - CIB Detective	36	0	1	1	1
	<i>(Funded through FY 06-07)</i>					
	Total Full-Time		0	1	1	1
2231	Detention Facility					
	Operational Support Administrator	49	1	1	0	0
	Detention Administrator	44	0	0	1	1
	Detention Supervisor	34	6	6	6	6
	Police Property Supervisor	33	1	1	1	1
	Police Identification Supervisor	31	1	0	0	0
	Fingerprint Technician	23	2	0	0	0
	Police ID Technician	22	5	0	0	0
	Detention Officer	22	19	20	20	20
	Police Property Technician	21	5	5	6	6
	Detention Officer Trainee	18	0	0	4	4
	<i>(Positions funded through December 2006)</i>					
	Detention Officer**		1	0	0	0
	Total Full-Time		40	33	38	38
	Total Perm FTE**		1.0	0.0	0.0	0.0
2232	Communications Bureau					
	Police Communications Administrator	47	1	1	1	1
	Police Communications Shift Supvr.	37	6	6	6	6
	Police Communications Dispatcher I/II+	26	36	38	38	36
	<i>(2 overhires are non-recurring through FY 05-06)</i>					
	Total Full-Time		43	45	45	43
2233	Records Bureau					
	Records & Identification Administrator	53	1	1	1	1
	Police Records Supervisor	33	3	3	3	3
	Administrative Assistant I/II+	20	1	1	1	1
	Police Records Clerk II	19	15	15	15	15
	Police Records Clerk I	15	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	45	0	1	1	1
	Police ID Technician	36	0	5	5	5
	Fingerprint Technician	25	0	2	2	2
	Total Full-Time		0	8	8	8



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
2236	Crime Prevention					
	Police Sergeant	44	1	1	1	1
	Police Officer	36	5	4	4	4
	Crime Free Multi-Housing Coordinator	30	1	1	1	1
	Administrative Assistant I/II+	20	1	1	1	1
	Total Full-Time		8	7	7	7
2241	Investigations/Criminal Investigations					
	Assistant Police Chief	165	1	1	1	1
	Police Commander	59	1	1	1	1
	Police Sergeant	44	6	6	6	6
	Police Officer	36	39	38	38	38
	Administrative Support Supervisor	32	1	1	1	1
	Police Community Service Officer	23	3	3	3	3
	Police Investigative Assistant	21	3	3	3	3
	Administrative Assistant I/II+	20	1	1	1	1
	COE*		1.26	1.26	1.26	1.26
	Total Full-Time		55	54	54	54
	Total Temp FTE*		1.26	1.26	1.26	1.26
2242	Investigations/Traffic Investigations					
	Police Commander	59	1	1	1	1
	Police Sergeant	44	5	5	5	5
	Police Officer	36	25	25	25	24
	Community Service Officer	23	0	0	0	1
	Administrative Assistant I/II+	20	1	2	2	2
	Traffic Enforcement Aide	14	7	7	7	7
	Administrative Assistant I	10	1	0	0	0
	Total Full-Time		40	40	40	40
2243	SEU					
	Police Commander	59	1	1	1	1
	Police Sergeant	44	5	5	5	5
	Police Officer	36	22	23	23	23
	<i>(1 position is a Senior Intelligence Officer)</i>					
	Criminal Intelligence Analyst	35	1	1	1	1
	Police Community Service Officer	23	1	1	1	1
	Police Investigative Assistant	21	1	1	1	1
	Administrative Assistant I/II+	20	1	1	1	1
	Total Full-Time		32	33	33	33
2248	Downtown Unit					
	Police Commander	59	1	1	1	1
	Police Sergeant	44	3	3	3	3
	Police Officer	36	16	13	13	13
	Police Licensing Specialist	29	1	1	1	1
	Total Full-Time		21	18	18	18
2251	Administration					
	Assistant Chief	165	1	1	1	1
	Police Commander	59	1	1	1	1
	Police Sergeant	44	8	8	8	8



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Police Polygraph Examiner I/II+ <i>(1 position sworn, 1 non-sworn)</i>	42	2	2	2	2
	Management Assistant I/II	38	1	1	1	1
	Police Officer	36	4	5	5	5
	Policy Procedures Officer	36	1	1	1	1
	Volunteer Coordinator	34	1	1	1	1
	Police Support Services Specialist	24	0	0	0	1
	Administrative Assistant I/II+	20	2	2	2	1
	Administrative Assistant I	10	1	1	1	0
	COE*		0.7	0.7	0.7	0.7
	Total Full-Time		22	23	23	22
	Total Temp FTE*		0.7	0.7	0.7	0.7
2258	Rio Salado - Park Rangers					
	Park Ranger	21	6	6	6	6
	Total Full-Time		6	6	6	6
2259	Rio Salado - Sworn					
	Police officer	36	5	5	5	5
	Total Full-Time		5	5	5	5
2271	Patrol-Administration					
	Assistant Police Chief	165	1	1	1	1
	Police Commander	59	1	0	0	0
	Police Sergeant	44	2	2	2	2
	Police Officer	36	1	1	1	1
	Administrative Assistant I/II+	20	2	2	2	5
	Administrative Assistant I	10	2	2	2	0
	Police Reserves*		0.16	0.16	0.16	0.16
	Service Aide*		2.5	2.5	2.5	2.5
	COE*		0.63	0.63	0.63	0.63
	Total Full-Time		9	8	8	9
	Total Temp FTE*		3.29	3.29	3.29	3.29
2272	Patrol					
	Police Commander	59	5	6	6	6
	Police Sergeant	44	23	24	24	24
	Police Officer	36	137	140	140	141
	Police Community Service Officer	23	10	10	10	10
	Total Full-Time		175	180	180	181
2273	City Security Team					
	Police Sergeant	44	2	1	1	1
	<i>(.5 funded by Rio Salado Fund)</i>					
	Park Ranger	21	9	9	9	9
	Total Full-Time		11	10	10	10
2274	Recruits					
	Police Officer	36	8	12	12	8
	<i>(4 Police Officers non-recurring through FY 05-06)</i>					
	Total Full-Time		8	12	12	8



Cost Center	Position	Range	2004-05 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Police Department Total Full-Time			515	524	529	525
Police Department Total Perm FTE**			1.0	0.0	0.0	0.0
Police Department Total Temp FTE*			6.25	6.25	6.25	6.25
FIRE						
2310	Administration					
	Fire Chief	173	1	1	1	1
	Assistant Fire Chief	163	1	1	1	1
	Fire Battalion Chief	50	3	3	3	3
	Senior Management Assistant	44	0	0	0	1
	Executive Assistant	30	0	0	0	1
	Administrative Assistant I/II+	20	1	1	1	0
	Total Full-Time		<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>
2330	Fire Prevention					
	Assistant Fire Chief	163	1	1	1	1
	Fire Inspector I/II+	38	7	7	7	8
	Fire Education Specialist	33	2	2	2	2
	Administrative Assistant I/II+	20	1	1	1	1
	Unclassified Temporary*		0.0	1.0	1.0	0.0
	Total Full-Time		<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>
	Total Temp FTE*		<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
2340	Fire Emergency Services					
	Fire Captain	38	30	30	30	30
	Fire Engineer	34	33	33	33	33
	Firefighter	30	62	74	74	62
	<i>(12 overhires authorized through FY 05-06)</i>					
	<i>(57 Firefighter, Engineer or Captain positions are paramedic assignment)</i>					
	Total Full-Time		<u>125</u>	<u>137</u>	<u>137</u>	<u>125</u>
2350	Training/Professional Development					
	Fire Battalion Chief	50	1	1	1	1
	Fire Captain - Assgt.	39	1	1	1	1
	Administrative Assistant II	20	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	37	1	1	1	1
	Fire Mechanic	32	1	1	1	1
	Inventory Services Specialist **	17	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	50	1	1	1	1
	Fire Services Inventory Technician	26	1	1	1	1
	Fire Support Services Technician	23	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>



Cost			2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget	Revised	Budget
2370	Medical Services					
	Fire Battalion Chief	50	1	1	1	1
	Fire Captain - Paramedic-Assgt.	40	1	1	1	1
	Emergency Medical Services Coordinator	40	1	1	1	1
	Medical Transport Contract Supervisor	35	0	1	1	1
	Total Full-Time		3	4	4	4
2380	Special Operations					
	Fire Battalion Chief	50	1	1	1	1
	Haz Mat Program Specialist	41	1	1	1	1
	Fire Captain - Paramedic-Assgt.	40	1	1	1	1
	Total Full-Time		3	3	3	3
Fire Department Total Full-Time			156	169	169	159
Fire Department Total Perm FTE**			1.00	1.00	1.00	1.00
Fire Department Total Temp FTE*			0.00	1.00	1.00	0.00
COMMUNITY SERVICES						
2410	Administration					
	Community Services Manager	170	1	1	1	1
	Sr. Social Services Coordinator	38	1	1	1	1
	Executive Assistant	30	1	1	1	1
	Unclassified Temporary*		0.52	0.52	0.52	0.52
	Total Full-Time		3	3	3	3
	Total Temp FTE*		0.52	0.52	0.52	0.52
2421	Recreation/Administration					
	Dep Comm. Svs. Mgr. - Parks & Rec	159	1	1	1	0
	Management Assistant II+	35	1	1	1	0
	Recreation Coordinator	31	1	1	1	0
	Community Services Registration Tech	19	1	1	1	0
	Administrative Assistant II	18	3	3	3	0
	Administrative Assistant II**		0.75	0.75	0.75	0.00
	Unclassified Temporary*		0.22	0.22	0.22	0.00
	Total Full-Time		7	7	7	0
	Total Perm FTE**		0.75	0.75	0.75	0.00
	Total Temp FTE*		0.22	0.22	0.22	0.00
2422 (2483)	Recreation/Community Events					
	Community Services Supervisor	39	1	1	1	0
	Recreation Coordinator	31	2	2	2	0
	Assistant Recreation Coordinator	23	1	0	0	0
	Unclassified Temporary*		1.18	1.18	1.18	0.00
	Total Full-Time		4	3	3	0
	Total Temp FTE*		1.18	1.18	1.18	0.00
2423	Recreation/Special Populations					
	Senior Recreation Coordinator	35	1	1	1	0
	Asst. Recreation Coordinator	23	2	2	2	0
	Administrative Assistant II	18	1	1	1	0
	Unclassified Temporary*		2.87	2.87	2.87	0.00
	Total Full-Time		4	4	4	0
	Total Temp FTE*		2.87	2.87	2.87	0.00



Cost		2004-05	2005-06	2005-06	2006-07	
Center	Position	Range	Actual	Budget Revised	Budget	
2424	Recreation/Rec. Instructional					
	Community Services Supervisor	39	1	1	1	0
	Recreation Coordinator	31	2	2	2	0
	Assistant Recreation Coordinator	23	0	1	1	0
	Recreation Leader III*		1.93	1.93	1.93	0.00
	Unclassified Temporary*		4.72	4.72	4.72	0.00
	Total Full-Time		3	4	4	0
	Total Temp FTE*		6.65	6.65	6.65	0.00
2425	Recreation/Youth Sports					
	Social Services Coordinator	31	1	0	0	0
	Recreation Coordinator	31	1	2	2	0
	Unclassified Temporary*		3.84	3.84	3.84	0.00
	Total Full-Time		2	2	2	0
	Total Temp FTE*		3.84	3.84	3.84	0.00
2426	Recreation/Adult Sports					
	Community Services Supervisor	39	1	1	1	0
	Recreation Coordinator	31	2	2	2	0
	Unclassified Temporary*		3.89	3.89	3.89	0.00
	Total Full-Time		3	3	3	0
	Total Temp FTE*		3.89	3.89	3.89	0.00
2427	Recreation Resources					
	Recreation Coordinator	31	1	1	1	0
	Unclassified Temporary*		4.1	4.1	4.1	0.0
	Total Full-Time		1	1	1	0
	Total Temp FTE*		4.1	4.1	4.1	0.0
2429	Recreation/Diablo Stadium Operation					
	Senior Recreation Coordinator	35	1	1	1	0
	Unclassified Temporary*		2.41	2.41	2.41	0.00
	Total Full-Time		1	1	1	0
	Total Temp FTE*		2.41	2.41	2.41	0.00
2431	Recreation/Kiwanis Center					
	Community Services Supervisor	39	1	1	1	0
	Recreation Coordinator	32	2	1	1	0
	Asst. Recreation Coordinator	23	2	2	2	0
	Administrative Assistant II	18	2	2	2	0
	Administrative Assistant II**		0.75	0.75	0.75	0.00
	Recreation Leader I*		0.75	0.75	0.75	0.00
	Recreation Worker*		0.50	0.50	0.50	0.00
	Unclassified Temporary*		18.46	18.46	18.46	0.00
	Total Full-Time		7	6	6	0
	Total Perm FTE**		0.75	0.75	0.75	0.00
	Total Temp FTE*		19.71	19.71	19.71	0.00
2432	Recreation/Kiwanis Concession					
	Unclassified Temporary*		1.99	1.99	1.99	0.00
	Total Temp FTE*		1.99	1.99	1.99	0



Cost		2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget	Revised Budget
2433	Recreation/Aquatics				
	Community Services Supervisor	39	1	1	1
	Recreation Coordinator	31	1	1	1
	Swimming Pool Maint Mechanic	27	1	1	1
	Swimming Pool Maint Technician	21	1	1	1
	Unclassified Temporary*		18.08	18.08	18.08
	Total Full-Time		4	4	4
	Total Temp FTE*		18.08	18.08	18.08
2434	Adapted Recreation				
	Senior Recreation Coordinator	35	1	1	1
	Total Full-Time		1	1	1
2435	Recreation/Kiwanis Batting Cage				
	Batting Cage Coordinator	27	1	1	1
	Unclassified Temp*		2.41	2.41	2.41
	Total Full-Time		1	1	1
	Total Temp FTE*		2.41	2.41	2.41
2440	Library				
	Dep Comm Svcs Mgr - Library	162	1	1	1
	Library Supervisor	41	4	4	4
	Sr. Social Services Coordinator	38	1	1	1
	Librarian I/II+	37	11	11	11
	Catalog Services Coordinator	33	1	1	1
	Circulation Services Coordinator	30	1	1	1
	Library Specialist I/II+	21	9	9	9
	Administrative Assistant II	20	1	1	1
	Administrative Assistant I	13	1	1	1
	Library Assistant	13	3	3	3
	Librarian I/II+**		0.50	0.50	0.50
	Library Specialist II**		1.00	1.00	1.00
	Library Assistant**		4.50	4.50	4.50
	Unclassified Temp - Office*		9.84	9.84	9.84
	Total Full-Time		33	33	33
	Total Perm FTE**		6.00	6.00	6.00
	Total Temp FTE*		9.84	9.84	9.84
2486	Social Services/Administration				
	Dep Comm Svcs Mgr - Social Services	162	1	1	1
	Management Assistant II	38	1	1	1
	Administrative Assistant II	20	3	3	3
	Administrative Assistant II**		1.00	1.00	1.00
	Unclassified Temporary*		0.85	0.85	0.85
	Total Full-Time		5	5	5
	Total Perm FTE**		1.00	1.00	1.00
	Total Temp FTE*		0.85	0.85	0.85



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
2451	Social Services/Diversion					
	Social Services Supervisor	45	1	1	1	1
	Social Services Counselor I/II+	38	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					
	Kid Zone Program Administrator	49	1	1	1	1
	Social Services Coordinator	34	5	5	5	5
	Social Services Specialist	30	3	3	3	3
	Assistant Recreation Coordinator	26	9	9	9	9
	Inventory Services Specialist	17	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
2485	Social Services/Partnerships					
	Social Services Supervisor	45	2	2	2	2
	Sr. Social Services Coordinator	38	1	1	1	1
	Social Services Counselor II	38	1	1	1	1
	Social Services Coordinator	34	1	1	1	1
	Crisis Intervention Specialist	33	1	1	1	3
	<i>(2 positions funded through FY 06/07)</i>					
	Unclassified Temporary*		7.43	7.43	7.43	7.43
	Total Full-Time		6	6	6	8
	Total Temp FTE*		7.43	7.43	7.43	7.43
2487	Social Services/Escalante					
	Social Services Administrator	49	1	1	1	1
	Sr. Social Services Coordinator	38	2	2	2	1
	Social Services Coordinator	34	1	2	2	3
	Assistant Recreation Coordinator	26	2	2	2	0
	Administrative Assistant II	20	1	1	1	1
	Social Services Coordinator**		0.00	0.00	0.00	0.75
	IT Support Specialist I**		0.75	0.75	0.75	0.00
	Administrative Assistant I**		0.75	0.75	0.75	0.75
	Unclassified Temporary*		7.28	7.28	7.28	7.28
	Total Full-Time		7	8	8	6
	Total Perm FTE**		1.50	1.50	1.50	1.50
	Total Temp FTE*		7.28	7.28	7.28	7.28
2415	Social Services/North Side Multigenerational Center					
	Sr. Social Services Coordinator	38	0	0	0	2
	Administrative Assistant I/II+	20	0	0	0	1
	Total Full-Time		0	0	0	3
2481	Cultural Services - Administration					
	Dep Comm Svcs Mgr - Cultural Services	162	1	1	1	1
	<i>(50% funded by General Fund, 50% by Performing Arts Fund)</i>					
	Arts Administrator	47	1	1	1	1



Cost		2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget Revised	Budget
	Arts Coordinator	36	2	2	2
	Administrative Assistant II	20	1	1	1
	Recreation Leader III*		0.95	0.95	0.95
	Recreation Leader IV*		0.36	0.36	0.36
	Unclassified Temporary*		6.01	6.01	6.01
	Total Full-Time		5	5	5
	Total Temp FTE*		7.32	7.32	7.32
2484	Historical Museum				
(2445)	Museum Administrator	49	1	1	1
	Museum Curator	36	4	4	4
	Museum Registrar	30	1	1	1
	Administrative Assistant II	20	1	1	1
	Museum Aide**		0.5	0.5	0.5
	Unclassified Temp - Office*		0.7	0.7	0.7
	Total Full-Time		7	7	7
	Total Perm FTE**		0.5	0.5	0.5
	Total Temp FTE*		0.7	0.7	0.7
3310	Cemetery Administration				
	Executive Assistant	30	0	1	0
	Administrative Assistant I**		0.00	0.50	0.00
	Total Full-Time		0	1	0
	Total Perm FTE**		0.00	0.50	0.00
3311	Cemetery Maintenance				
	Groundskeeper I	8	0	1	0
	Total Full-Time		0	1	0
3610	Performing Arts - Administration				
	Cultural Facilities Administrator	56	1	1	1
	Management Assistant II	38	0	1	1
	Technical Director	36	0	1	1
	Gallery Coordinator	36	0	1	1
	Arts Coordinator	36	1	1	1
	Facility Automation Tech	34	0	1	1
	Asst. Tech Director - Lighting	29	0	1	1
	Asst. Tech Director - Audio	29	0	1	1
	Box Office Manager	29	0	1	1
	Custodial Supervisor	28	0	1	1
	Facility Technician II	23	0	1	1
	Administrative Assistant II	20	1	1	1
	Groundskeeper I/II	19	0	3	3
	Box Office Assistant Manager	18	0	1	1
	Custodian	9	0	3	3
	Unclassified Temp*		0.00	13.27	13.27
	Total Full-Time		3	19	19
	Total Temp FTE*		0.00	13.27	13.27
Community Services Department Total Full-Time			130	148	148
Community Services Department Total Perm FTE**			11.15	11.65	9.65
Community Services Department Total Temp FTE*			167.22	180.49	113.14



Cost			2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget	Revised	Budget

PARKS AND RECREATION

2511	Rolling Hills Golf Course					
	Senior Groundskeeper	26	0	0	0	1
	Parks & Golf Course Mechanic	25	0	0	0	1
	Sprinkler Systems Maint. Worker I/II+	24	0	0	0	1
	Equipment Operator II	23	0	0	0	1
	Groundskeeper I/II+	19	0	0	0	4
	Equipment Operator I	19	0	0	0	1
	Groundskeeper I/II+*		0.00	0.00	0.00	1.07
	Total Full-Time		0	0	0	9
	Total Temp FTE*		0.00	0.00	0.00	1.07
2512	Ken McDonald Golf Course					
	Parks & Golf Course Supervisor	40	0	0	0	1
	Senior Groundskeeper	26	0	0	0	1
	Parks & Golf Course Mechanic	25	0	0	0	1
	Sprinkler System Maint. Worker I/II+	24	0	0	0	1
	Equipment Operator II	23	0	0	0	2
	Groundskeeper I/II+	19	0	0	0	5
	Equipment Operator I	19	0	0	0	1
	Groundskeeper I/II+*		0.00	0.00	0.00	1.35
	Total Full-Time		0	0	0	12
	Total Temp FTE*		0.00	0.00	0.00	1.35
2521	Parks & Recreation - Administration					
	Parks and Recreation Manager	170	0	0	0	1
	Dep Comm. Svs. Mgr. - Parks & Rec	162	0	0	0	2
	Parks & Golf Course Supervisor	40	0	0	0	2
	Sr. Recreation Coordinator	38	0	0	0	1
	Management Assistant II+	38	0	0	0	2
	Administrative Assistant II	20	0	0	0	3
	Administrative Assistant II**		0.00	0.00	0.00	0.75
	Unclassified Temporary*		0.00	0.00	0.00	0.22
	Total Full-Time		0	0	0	11
	Total Perm FTE**		0.00	0.00	0.00	0.75
	Total Temp FTE*		0.00	0.00	0.00	0.22
2522	Special Events					
	Community Services Supervisor	46	0	0	0	1
	Sr. Recreation Coordinator	38	0	0	0	2
	Assistant Recreation Coordinator	26	0	0	0	2
	<i>(Positions funded by Performing Arts Fund)</i>					
	Recreation Leader*		0.00	0.00	0.00	1.00
	Unclassified Temporary*		0.00	0.00	0.00	1.18
	Total Full-Time		0	0	0	5
	Total Temp FTE*		0.00	0.00	0.00	2.18
2523	Senior Adults					
	Senior Recreation Coordinator	38	0	0	0	1
	Asst. Recreation Coordinator	26	0	0	0	2



Cost		2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget	Revised Budget
	Administrative Assistant II	20	0	0	0
	Unclassified Temporary*		0.00	0.00	0.00
	Total Full-Time		0	0	0
	Total Temp FTE*		0.00	0.00	0.00
2524	Special Interest and Boating				
	Community Services Supervisor	46	0	0	0
	Sr. Recreation Coordinator	38	0	0	0
	Assistant Recreation Coordinator	26	0	0	0
	Recreation Leader III*		0.00	0.00	0.00
	Unclassified Temporary*		0.00	0.00	0.00
	Total Full-Time		0	0	0
	Total Temp FTE*		0.00	0.00	0.00
2525	Adult Sports				
	Sr. Recreation Coordinator	38	0	0	0
	Unclassified Temporary*		0.00	0.00	0.00
	Total Full-Time		0	0	0
	Total Temp FTE*		0.00	0.00	0.00
2526	Youth Sports				
	Community Services Supervisor	46	0	0	0
	Sr. Recreation Coordinator	38	0	0	0
	Unclassified Temporary*		0.00	0.00	0.00
	Total Full-Time		0	0	0
	Total Temp FTE*		0.00	0.00	0.00
2527	Facility Resources				
	Sr. Recreation Coordinator	38	0	0	0
	Unclassified Temporary*		0.0	0.0	0.0
	Total Full-Time		0	0	0
	Total Temp FTE*		0.0	0.0	0.0
2529	Diablo Stadium				
	Sr. Recreation Coordinator	38	0	0	0
	Unclassified Temporary*		0.00	0.00	0.00
	Total Full-Time		0	0	0
	Total Temp FTE*		0.00	0.00	0.00
2531	Kiwanis Recreation Center				
	Community Services Supervisor	46	0	0	0
	Sr. Recreation Coordinator	38	0	0	0
	Asst. Recreation Coordinator	26	0	0	0
	Administrative Assistant II	20	0	0	0
	Administrative Assistant II**		0.00	0.00	0.00
	Recreation Leader I*		0.00	0.00	0.00
	Recreation Worker*		0.00	0.00	0.00
	Unclassified Temporary*		0.00	0.00	0.00
	Total Full-Time		0	0	0
	Total Perm FTE**		0.00	0.00	0.00
	Total Temp FTE*		0.00	0.00	0.00



Cost Center Position		2004-05 Range	2005-06 Actual	2005-06 Budget Revised	2006-07 Budget
2532	Kiwanis Concessions				
	Unclassified Temporary*		0.00	0.00	1.99
	Total Temp FTE*		0.00	0.00	1.99
2533	Aquatics				
	Community Services Supervisor	46	0	0	1
	Sr. Recreation Coordinator	38	0	0	1
	Swimming Pool Maint Mechanic	29	0	0	1
	Swimming Pool Maint Technician	25	0	0	1
	Unclassified Temporary*		0.00	0.00	18.08
	Total Full-Time		0	0	4
	Total Temp FTE*		0.00	0.00	18.08
2534	Adapted Recreation				
	Sr. Recreation Coordinator	38	0	0	1
	Total Full-Time		0	0	1
2535	Kiwanis Batting Cage				
	Batting Cage Coordinator	30	0	0	1
	Unclassified Temp*		0.00	0.00	2.41
	Total Full-Time		0	0	1
	Total Temp FTE*		0.00	0.00	2.41
2551	Sports Complex Maintenance				
	Senior Groundskeeper	26	0	0	1
	Groundskeeper I/II+	19	0	0	2
	Total Full-Time		0	0	3
2553	Diablo Stadium Maintenance				
	Parks and Golf Course Supervisor	40	0	0	1
	Senior Groundskeeper	26	0	0	2
	Sprinkler Sys. Maint. Worker I/II+	24	0	0	1
	Groundskeeper I/II+	19	0	0	5
	Groundskeeper*		0.00	0.00	0.56
	Total Full-Time		0	0	9
	Total Temp FTE*		0.00	0.00	0.56
2554	Rio Salado Maintenance				
	Senior Groundskeeper	26	0	0	2
	<i>(1 Position funded by Rio Salado Fund)</i>				
	Groundskeeper I/II+	19	0	0	2
	<i>(1 Position funded by Rio Salado Fund)</i>				
	Groundskeeper*		0.0	0.0	0.1
	Unclassified Temporary*		0.0	0.0	1.4
	Total Full-Time		0	0	4
	Total Temp FTE*		0.0	0.0	1.5
2555	Landscape Maintenance				
	Parks and Golf Course Supervisor	40	0	0	1
	Total Full-Time		0	0	1



Cost		2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget	Revised Budget
2556	North Parks				
	Building Equip Technician I/II+	30	0	0	1
	Parks & Golf Course Mechanic	25	0	0	1
	Sprinkler Sys. Maint. Worker I/II+	24	0	0	3
	Equipment Operator II	23	0	0	2
	Senior Groundskeeper	21	0	0	4
	Pest Control Technician	21	0	0	2
	Groundskeeper I/II+	19	0	0	7
	Equipment Operator I	19	0	0	1
	Groundskeeper*		0	0	1.75
	Unclassified Temporary*		0.00	0.00	1.67
	Total Full-Time		0	0	21
	Total Temp FTE*		0.00	0.00	3.42
2557	Rio Salado - Ent. Zone				
	Groundskeeper I/II+	19	0	0	2
	Total Full-Time		0	0	2
2558	Cemetery Maintenance				
	Groundskeeper I/II+	19	0	0	1
	Total Full-Time		0	0	1
2559	South Parks				
	Parks and Golf Course Supervisor	40	0	0	1
	Parks Facility Maint. Wkr. I/II+	30	0	0	1
	Senior Groundskeeper	26	0	0	3
	Equipment Operator II	23	0	0	3
	Sprinkler Sys. Maint. Worker I/II+	24	0	0	3
	Pest Control Technician	21	0	0	2
	Groundskeeper I/II+	19	0	0	5
	Equipment Operator I	19	0	0	3
	Groundskeeper*		0.00	0.00	0.87
	Unclassified Temporary*		0.00	0.00	0.83
	Total Full-Time		0	0	21
	Total Temp FTE*		0.00	0.00	1.70
3310	Cemetery Administration				
	Executive Assistant	30	0	0	1
	Administrative Assistant I**		0.00	0.00	0.50
	Total Full-Time		0	0	1
	Total Perm FTE**		0.00	0.00	0.50
3311	Cemetery Maintenance				
	Groundskeeper I	15	0	0	1
	Total Full-Time		0	0	1
	Parks & Recreation Department Total Full-Time		0	0	128
	Parks & Recreation Department Total Perm FTE**		0.00	0.00	2.00
	Parks & Recreation Department Total Temp FTE*		0.00	0.00	77.99

COMMUNITY DEVELOPMENT

2810 Community Development - Admin



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Community Development Manager	170	0	1	1	1
	Dep Comm Dev Manager - Economic Dev	162	0	1	0	0
	Principal Planner	51	0	1	1	1
	Technology Development Specialist	47	0	1	1	1
	Economic Development Specialist	45	0	0	1	1
	Planner I/II+	39	0	1	1	1
	Executive Assistant	30	0	1	1	1
	COE*		0.00	1.00	1.00	1.00
	Total Full-Time		0	6	6	6
	Total Temp FTE*		0.00	1.00	1.00	1.00
2811	Neighborhood Enhancement					
	Code Enforcement Administrator	53	0	1	1	1
	Senior Code Inspector Specialist	37	0	1	1	1
	Neighborhood Enhance Program Coord	34	0	1	1	1
	Code Inspector I/II+	31	0	8	8	8
	Unclassified Temporary*		0.00	0.00	0.00	5.00
	<i>(Positions funded through FY 2006-07)</i>					
	Total Full-Time		0	11	11	11
	Total Temp FTE*		0.00	0.00	0.00	5.00
2812	Redevelopment/Special Projects					
	Principal Planner	51	0	2	2	2
	<i>(1 position funded by Federal Grant)</i>					
	Senior Planner	44	0	3	3	4
	<i>(1 position funded by Federal Grant)</i>					
	Planner I/II+	39	0	2	2	2
	<i>(1 position 50% funded by Federal Grant)</i>					
	Total Full-Time		0	7	7	8
2813	Redevelopment/Revitalization					
	Administrative Assistant II	20	0	1	1	2
	Administrative Assistant I	13	0	1	1	0
	Total Full-Time		0	2	2	2
2861-2869	Housing Services Division					
	Dep Comm Dev Manager - Revitalization & Redev	162	0	1	1	1
	<i>(50% funded by General Fund)</i>					
	Housing Services Administrator	53	0	1	1	1
	Housing Services Supervisor	40	0	0	1	1
	Accountant	35	0	1	1	1
	Homeless Coordinator	34	0	1	1	1
	Rehabilitation Specialist	33	0	3	3	3
	Family Self Sufficiency Specialist	31	0	2	2	2
	Housing Services Specialist	23	0	6	6	6
	Administrative Assistant II	20	0	1	2	2
	Total Full-Time		0	16	18	18
4410	Community Development - Rio Salado					
	Deputy Community Development Manager	162	0	1	1	1
	Rio Salado Financial Analyst	44	0	1	1	1
	Senior Planner	44	0	1	1	2



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Community Relations Coordinator	40	0	1	1	1
	Management Assistant I/II+	38	0	1	1	1
	Administrative Assistant II	20	0	1	1	1
	COE*		0.00	0.49	0.49	0.49
	Total Full-Time		0	6	6	7
	Total Temp FTE *		0.00	0.49	0.49	0.49
4413	Rio Salado Park					
	Administrative Assistant I	13	0	2	2	2
	Total Full-Time		0	2	2	2
	Rio Salado Division Total Full-Time		0	8	8	9
	Rio Salado Division Total Temp FTE*		0.00	0.49	0.49	0.49
	Community Development Department Total Full-Time		0	50	52	54
	Community Development Department Total Temp FTE*		0.00	1.49	1.49	6.49
	PUBLIC WORKS					
3210	Administration					
	Public Works Manager	171	1	1	1	1
	Sr. Management Assistant	44	0	0	1	1
	Management Assistant II	38	1	1	0	0
	Executive Assistant	30	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	165	1	1	1	1
	Contract Compliance Auditor (1 position funded by Transit)		0	0	0	1
	Senior Management Assistant	44	1	1	1	1
	Contract Administrator	36	1	1	1	1
	Engineering Technician I/II+	29	0	0	0	1
	Engineering Contract Services Specialist	24	2	2	2	2
	Total Full-Time		5	5	5	7
3222	Engineering/Private Development and Utility					
	Principal Civil Engineer	53	1	1	1	1
	Senior Civil Engineer+	49	1	1	1	1
	Engineering Permit Inspection Coordinator	44	1	1	1	1
	Utility Infrastructure Coordinator	38	1	1	1	1
	Senior Engineering Associate+	38	4	4	4	6
	Total Full-Time		8	8	8	10
3223	Engineering/Capital Improvements					
	Principal Civil Engineer	53	1	1	1	2
	Senior Civil Engineer+	49	2	2	2	3
	(2 positions funded by Water/Wastewater; 1 by Transit)					
	Senior Engineering Associate+	38	4	4	4	4
	Total Full-Time		7	7	7	9



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
3225	Engineering/Information & Technical Services					
	Engineering Services Administrator	50	1	1	1	1
	Engineering GIS Supervisor	44	1	1	1	1
	Real Estate Property Specialist	41	1	1	1	1
	GIS Coordinator	39	3	3	3	3
	GIS Analyst/Technician	34	0	0	2	2
	Engineering Technician I/II+	29	4	4	2	2
	Survey Technician II+	25	1	1	1	1
	Total Full-Time		11	11	11	11
	Admin & Engineering Division Total Full-Time		34	34	34	40
	Admin & Engineering Division Total Temp FTE*		0.49	0.49	0.49	0.49
3231	Field Services/Administration					
	Deputy PW Manager-Field Services	160	1	1	0	0
	Senior Management Assistant	44	1	1	1	1
	Management Assistant I/II+	38	1	1	1	0
	Administrative Assistant II	20	2	2	2	2
	Total Full-Time		5	5	4	3
3241	Field Services/Facility Maintenance Administration					
	Facility Maintenance Director	151	0	0	1	1
	Asst. Field Serv. Supt.- Facility Maintenance	44	1	1	1	1
	Facility Maintenance Supervisor	36	1	1	1	1
	Facility Automation Technician	34	1	1	1	2
	Building Equipment Technician I/II+	30	15	15	15	15
	Facility Electrician	28	1	1	1	1
	Building Equipment Technician I/II+ **		0	0.5	0.5	0.5
	Total Full-Time		19	19	20	21
	Total Perm FTE**		0	0.5	0.5	0.5
3271	Field Services/Custodial 1					
	Custodial Services Superintendent	39	0	0	1	1
	Custodial Supervisor	28	1	1	0	0
	Custodian	9	10	10	10	12
	Total Full-Time		11	11	11	13
3272	Field Services/Custodial 2					
	Custodial Supervisor	28	1	1	1	1
	Custodian	9	8	8	8	7
	Total Full-Time		9	9	9	8
3273	Field Services/Custodial 3					
	Custodial Supervisor	28	1	1	1	1
	Custodian	9	7	7	7	7
	Total Full-Time		8	8	8	8
3274	Field Services/Custodial 4					
	Custodial Supervisor	28	1	1	1	1
	Custodian	9	9	11	11	13
	Custodian*		0.49	0.49	0.49	0.49



Cost		2004-05	2005-06	2005-06	2006-07	
Center	Position	Range	Actual	Budget Revised	Budget	
	Total Full-Time		10	12	12	14
	Total Temp FTE*		0.49	0.49	0.49	0.49
3252	Field Services/Parks Maintenance					
	Asst. Field Services Director -					
	Park/Golf Course Maintenance	44	1	0	0	0
	Parks and Golf Course Supervisor	34	3	0	0	0
	Parks Facility Maint. Wkr. I/II+	23	2	0	0	0
	Senior Groundskeeper	21	8	0	0	0
	Parks & Golf Course Mechanic	21	1	0	0	0
	Equipment Operator II	19	5	0	0	0
	Sprinkler Sys. Maint. Worker I/II+	17	7	0	0	0
	Groundskeeper I/II+	17	15	0	0	0
	Equipment Operator I	11	4	0	0	0
	Groundskeeper*		2.62	0	0	0
	Unclassified Temporary*		2.5	0.0	0.0	0.0
	Total Full-Time		46	0	0	0
	Total Temp FTE*		5.12	0.00	0.00	0.00
3212	Central Parks and Rio Salado District					
	Parks and Golf Course Supervisor	34	0	1	1	0
	Senior Groundskeeper	21	0	2	2	0
	Sprinkler Sys. Maint. Worker I/II+	17	0	1	1	0
	Pest Control Technician	17	0	1	1	0
	Groundskeeper I/II+	17	0	4	4	0
	Groundskeeper*		0.00	0.88	0.88	0.00
	Unclassified Temporary*		0.00	0.84	0.84	0.00
	Total Full-Time		0	9	9	0
	Total Temp FTE*		0.00	1.72	1.72	0.00
3213	North Parks District					
	Parks and Golf Course Supervisor	34	0	1	1	0
	Parks Facility Maint. Wkr. I/II+	23	0	1	1	0
	Senior Groundskeeper	21	0	2	2	0
	Parks & Golf Course Mechanic	21	0	1	1	0
	Equipment Operator II	19	0	2	2	0
	Sprinkler Sys. Maint. Worker I/II+	17	0	3	3	0
	Pest Control Technician	17	0	1	1	0
	Groundskeeper I/II+	17	0	3	3	0
	Equipment Operator I	11	0	1	1	0
	Groundskeeper*		0.00	0.87	0.87	0.00
	Unclassified Temporary*		0.00	0.83	0.83	0.00
	Total Full-Time		0	15	15	0
	Total Temp FTE*		0.00	1.70	1.70	0.00
3214	South Parks and Sports Complex					
	Parks and Golf Course Supervisor	34	0	1	1	0
	Parks Facility Maint. Wkr. I/II+	23	0	1	1	0
	Senior Groundskeeper	21	0	4	4	0
	Equipment Operator II	19	0	3	3	0
	Sprinkler Sys. Maint. Worker I/II+	17	0	3	3	0
	Pest Control Technician	17	0	2	2	0



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Groundskeeper I/II+	17	0	8	8	0
	Equipment Operator I	11	0	3	3	0
	Groundskeeper*		0.00	0.87	0.87	0.00
	Unclassified Temporary*		0.00	0.83	0.83	0.00
	Total Full-Time		0	25	25	0
	Total Temp FTE*		0.00	1.70	1.70	0.00
3253	Field Services/Baseball Facility					
	Parks and Golf Course Supervisor	34	1	1	1	0
	Senior Groundskeeper	21	2	2	2	0
	Groundskeeper I/II+	17	5	5	5	0
	Groundskeeper*		0.56	0.56	0.56	0.00
	Total Full-Time		8	8	8	0
	Total Temp FTE*		0.56	0.56	0.56	0.00
3254	Field Services/Rio Salado					
	Senior Groundskeeper	21	1	1	1	0
	Groundskeeper I/II+	17	1	1	1	0
	Groundskeeper*		0.10	0.10	0.10	0.00
	Total Full-Time		2	2	2	0
	Total Temp FTE*		0.10	0.10	0.10	0.00
3255	Field Services/Landscape Maintenance Contract					
	Parks and Golf Course Supervisor	34	1	1	1	0
	Total Full-Time		1	1	1	0
3256	Field Services/Pest Control					
	Pest Control Technician	17	4	0	0	0
	Total Full-Time		4	0	0	0
3257	Field Services/Rio Salado - CFD					
	Groundskeeper I/II+	17	2	2	2	0
	Total Full-Time		2	2	2	0
3258	Double Butte Cemetery					
	Groundskeeper I/II+	17	1	1	1	0
	Total Full-Time		1	1	1	0
3712	Field Services/Solid Waste Support Services					
	Solid Waste Services Superintendent	51	1	1	1	1
	Solid Waste/Recycling Supervisor	38	1	1	1	1
	Solid Waste Services Specialist	28	1	1	1	1
	Solid Waste Inspector	28	0	0	0	1
	Administrative Assistant II	18	1	1	1	1
	Total Full-Time		4	4	4	5
3713	Field Services/Solid Waste Residential Refuse					
	Solid Waste/Recycling Supervisor	38	1	1	1	1
	Solid Waste Equipment Operator II	23	19	19	19	19
	Total Full-Time		20	20	20	20



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
3714	Field Services/Solid Waste Commercial Refuse					
	Solid Waste/Recycling Supervisor	38	1	1	1	1
	Senior Equipment Operator	29	0	2	3	3
	Solid Waste Equipment Operator II	23	15	13	12	13
	Total Full-Time		16	16	16	17
3715	Field Services/Roll Off Tilt Frame					
	Senior Equipment Operator	29	3	1	0	0
	Solid Waste Equipment Operator II	23	0	2	3	3
	Total Full-Time		3	3	3	3
3716	Field Services/Solid Waste Support Services					
	Lead Solid Waste Technician	23	1	1	1	1
	Solid Waste Equipment Technician	20	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	38	1	1	1	1
	Solid Waste Equipment Operator II	23	15	15	15	15
	Total Full-Time		16	16	16	16
2511	Field Services/Rolling Hills Golf					
	Parks & Golf Course Supervisor	34	1	0	0	0
	Senior Groundskeeper	21	1	1	1	0
	Parks & Golf Course Mechanic	21	1	1	1	0
	Equipment Operator II	19	1	1	1	0
	Sprinkler Systems Maint. Worker I/II+	17	1	1	1	0
	Groundskeeper I/II+	17	4	4	4	0
	Equipment Operator I	11	1	1	1	0
	Groundskeeper I/II+*		1.07	1.07	1.07	0
	Total Full-Time		10	9	9	0
	Total Temp FTE*		1.07	1.07	1.07	0
2512	Field Services/Ken McDonald Golf					
	Parks & Golf Course Supervisor	34	1	1	1	0
	Senior Groundskeeper	21	1	1	1	0
	Parks & Golf Course Mechanic	21	1	1	1	0
	Equipment Operator II	19	2	2	2	0
	Sprinkler System Maint. Worker I/II+	17	1	1	1	0
	Groundskeeper I/II+	17	5	5	5	0
	Equipment Operator I	11	1	1	1	0
	Groundskeeper I/II+*		1.35	1.35	1.35	0
	Total Full-Time		12	12	12	0
	Total Temp FTE*		1.35	1.35	1.35	0.00
Field Services Division Total Full-Time			211	211	211	132
Field Services Division Total Perm FTE**			0.5	1.0	1.0	1.0
Field Services Division Total Temp FTE*			8.69	8.69	8.69	0.49



Cost		2004-05	2005-06	2005-06	2006-07
Center	Position	Range	Actual	Budget	Revised Budget
3261	Fleet Services/Fleet Management				
	Fleet Director	155	1	1	1
	Fleet Analyst	42	1	1	1
	Fleet Supervisor	40	1	1	1
	Equipment Control Coordinator	33	1	1	1
	Fleet Parts Specialist	26	2	2	3
	Sr. Auto Parts Specialist	23	1	1	0
	Administrative Assistant II	20	1	1	1
	Parts Messenger*		0.50	0.50	0.50
	Total Full-Time		8	8	8
	Total Temp FTE*		0.50	0.50	0.50
3262	Fleet Services/Fleet Maintenance				
	Fleet Supervisor	40	3	3	3
	Lead Equipment Mechanic	33	3	3	3
	Equipment Mechanic	31	14	14	14
	Equipment Paint & Body Repair Worker	28	1	1	1
	Equipment Service Worker II	16	4	4	4
	Total Full-Time		25	25	25
	Fleet Services Division Total Full-Time		33	33	33
	Fleet Services Division Total Temp FTE*		0.50	0.50	0.50
3813	Streets & Traffic Operations/Street Maintenance				
	Street Maintenance Superintendent	49	1	1	1
	Senior Civil Engineer +	49	1	1	1
	Street Maintenance Supervisor	36	1	1	1
	Street Maintenance Team Leader	29	3	3	3
	Senior Pest Control Technician	28	1	1	1
	Street Maintenance Equip Operator I/II	24	19	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	20	1	1	1
	Total Full-Time		27	27	27
3821	Streets & Traffic Operations/Administration				
	Deputy PW Manager - Trans. Ops. & Streets	163	1	1	1
	Deputy PW Manager - Admin. & Cust. Svcs	162	1	1	1
	Total Full-Time		2	2	2
3822	Transportation/Studies & Design				
	Traffic Engineering Supervisor	51	1	1	1
	Intelligent Trans. System Coordinator	51	1	1	1
	Senior Civil Engineer+	49	1	1	1
	Senior Transportation Planner	43	1	1	1
	Traffic Engineering Analyst	38	3	3	3
	Traffic Engineering Technician+	30	1	1	1
	Administrative Assistant II	20	1	1	1
	Traffic Engineering Technician+ *		0.00	0.00	1.00
	<i>(Position funded through December 2006)</i>				
	Total Full-Time		9	9	9
	Total Temp FTE*		0.00	0.00	1.00



Cost Center Position		2004-05 Range	2005-06 Actual	2005-06 Budget Revised	2006-07 Budget
3823	Streets & Traffic Operations/Operations				
	Traffic Operations Supervisor	49	1	1	1
	Senior Sign Technician	33	1	1	1
	Traffic Operations Crew Leader	27	2	2	2
	Sign Technician	23	1	1	1
	Transportation Worker I/II+	21	4	4	4
	Administrative Assistant II	20	1	1	1
	Total Full-Time		10	10	10
3824	Streets & Traffic Operations/Street Lighting				
	Management Assistant I/II+	38	1	1	1
	Lighting Systems Coordinator	38	1	1	1
	Total Full-Time		2	2	2
3825	Streets and Traffic Operations/Signal System				
	Traffic Signal Supervisor	41	1	1	1
	Traffic Signal Tech Crew Lead	36	0	0	1
	Traffic Signal Technician I/II+	31	3	4	3
	Traffic Signal Services Crew Lead	30	0	0	1
	Traffic Signal Service Worker I/II+	25	5	5	4
	Underground Utilities Coordinator	24	1	1	1
	Unclassified Temporary*		0	0	0
	<i>(Positions funded through FY 2006-07 only)</i>				
	Total Full-Time		10	11	11
	Total Temp FTE*		0.00	0.00	0.00
					3.00
3911	Transportation/Transit				
	Deputy Public Works Manager-Transit & Transp.	162	1	1	1
	Transportation Financial Analyst	44	1	1	1
	Management Assistant I/II	38	1	1	1
	Transportation Support Specialist	24	1	1	1
	Administrative Assistant I/II+	20	0	1	1
	Administrative Assistant I/II+ *		0.00	0.00	0.00
	Total Full-Time		4	5	5
	Total Temp FTE*		0.00	0.00	0.00
					1.00
3914	Transit Operations				
	Transit Administrator	52	1	1	1
	Transit Maintenance Administrator	52	0	0	0
	Sr. Transit Operations Coordinator	40	1	1	1
	Transit Operations Coordinator I/II +	36	1	2	2
	Transit Operations Technician	27	1	0	0
	Total Full-Time		4	4	4
					5
3915	Transportation/Transit Store				
	Lead Transit Store Technician	27	3	3	3
	Total Full-Time		3	3	3
3916	Marketing and Public Information				
	Community Outreach & Marketing Supervisor	47	1	1	1
	Community Outreach Marketing Coordinator I/II+	40	0	2	2



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
	Alternative Modes Specialist	32	1	0	0	0
	Transit Information Specialist	32	1	0	0	0
	Total Full-Time		3	3	3	3
3917	Transportation/Bus Stop Maintenance					
	Transportation Operations Worker I/II+	21	5	5	5	5
	Total Full-Time		5	5	5	5
3921	CP/EV Light Rail Project					
	Dep PW Manager - LRT Project Manager	162	1	1	1	1
	Principal Civil Engineer	53	1	1	1	1
	Sr. Management Assistant	44	0	0	0	1
	Senior Transportation Planner +	43	1	1	1	1
	LRT Transportation Planner	38	0	1	1	1
	Sr. / Traffic Engineering Technician	33	0	0	0	1
	Transit Support Services Supervisor	26	1	1	1	1
	Management Intern**		0.50	0.00	0.00	0.00
	Total Full-Time		4	5	5	7
	Total Perm FTE**		0.50	0.00	0.00	0.00
3922	Transportation Systems					
	Sr Civil Engineer+	49	1	1	1	1
	Total Full-Time		1	1	1	1
3923	Operations/Transportation					
	Principal Planner	51	2	2	2	2
	Sr. Transportation Planner +	43	2	2	2	2
	Total Full-Time		4	4	4	4
	Transportation Division Total Full-Time		88	91	91	94
	Transportation Division Total Perm FTE**		0.5	0.0	0.0	0.0
	Transportation Division Total Temp FTE**		0.00	0.00	0.00	5.00
	Public Works Department Total Full-Time		366	369	369	299
	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	6.48
WATER UTILITIES						
3002	Water Utilities - Administration					
	Water Utilities Dept. Manager	171	1	1	1	1
	Deputy Water Utilities Manager - Operations	163	1	1	1	1
	Principal Infrastructure Engineering Planner	49	1	1	1	1
	Assistant to the WUD Manager	46	0	0	1	1
	Senior Management Assistant	44	1	1	0	0
	Planning and Research Analyst	44	1	1	1	1
	Environmental Quality Specialist	41	0	0	1	1
	Management Assistant I/II+	38	1	1	1	1
	Water Utility Safety & Training Coordinator	36	1	1	0	0
	Executive Assistant	30	0	0	0	0
	Engineering Tech II+	29	0	0	0	1



Cost Center Position	2004-05 Range	2005-06 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
Administrative Assistant II COE*	20	2	2	2	2
		0.49	0.49	0.49	0.49
Total Full-Time		9	9	9	10
Total Temp FTE*		0.49	0.49	0.49	0.49
3003 Water Utilities Warehouse					
Warehouse Supervisor	31	1	1	1	1
Inventory Services Specialist	17	2	2	1	1
Inventory Services Specialist**		0.0	0.0	0.5	0.5
Total Full-Time		3	3	2	2
Total Perm FTE**		0.0	0.0	0.5	0.5
3004 Water Utilities Security					
WUD Security Coordinator	37	1	1	1	1
Water Utility Security Guard	18	2	2	2	2
Water Utility Security Guard**		0.0	0.0	0.5	0.5
Total Full-Time		3	3	3	3
Total Perm FTE**		0.0	0.0	0.5	0.5
3011 Water Quality - Administration					
Plant Operations Administrator	53	1	1	1	1
Total Full-Time		1	1	1	1
3012 Control Center Operations					
Control Center Supervisor	41	1	1	1	1
Instrumentation and Control Tech (4 SBP)	32	4	4	4	4
Control Center Operator	31	4	4	4	4
Total Full-Time		9	9	9	9
3013 Johnny G. Martinez Water Plant					
Plant Team Leader	40	1	1	1	1
Plant Electrician (SBP)	32	1	1	1	1
Plant Mechanic (SBP)	29	2	3	3	3
Plant Operator I/II+ (6 SBP)	28	8	9	9	9
<i>(1 position funded through FY 08/09 only)</i>					
Total Full-Time		12	14	14	14
3014 South Tempe Water Plant					
Plant Team Leader	40	1	1	1	1
Plant Electrician (1 SBP)	32	1	1	1	1
Plant Mechanic (SBP)	29	2	1	1	1
Plant Operator I/II+ (4 SBP)	28	4	5	5	5
<i>(1 position funded through FY 08/09 only)</i>					
Total Full-Time		8	8	8	8
3021 Distribution System Services - Administration					
Transmission and Collection Administrator	53	1	1	1	1
Total Full-Time		1	1	1	1
3022 Distribution System Maintenance					
Utility Services Supervisor	39	1	1	1	1
Utility Services Team Lead	30	2	2	2	2
Utility Services Tech I/II+ (SBP)	25	10	10	10	10
Total Full-Time		13	13	13	13



Cost Center Position		2004-05 Range	2005-06 Actual	2005-06 Budget	2005-06 Revised	2006-07 Budget
3024	Irrigation					
	Water Systems Supervisor	37	1	1	1	1
	Irrigator	15	7	7	7	7
	Total Full-Time		8	8	8	8
3025	Technical Support Team					
	Engineering Tech II+	29	2	2	2	1
	CMMS Tech II	28	4	4	4	4
	TV Truck Technician	28	1	1	1	1
	Underground Utilities Coordinator	24	2	2	2	2
	Administrative Assistant II	20	1	1	1	1
	Total Full-Time		10	10	10	9
3027	Environmental					
	Environmental Services Administrator	51	1	1	1	1
	Environmental Program Supervisor	51	1	1	1	1
	Environmental Quality Specialist	41	3	3	2	2
	Cross Connection Control Supervisor	37	1	1	1	1
	Cross Connection Control Inspector	30	1	1	1	1
	Administrative Assistant II**		0.5	0.5	0.5	0.5
	Total Full-Time		7	7	6	6
	Total Perm FTE**		0.5	0.5	0.5	0.5
3028	Environmental - Pretreatment					
	Sr. Environmental Investigator	42	1	1	1	1
	Environmental Investigator I/II+	31	6	6	6	6
	Environmental Technician I/II+	24	4	4	4	4
	Administrative Assistant II	20	2	2	2	2
	Total Full-Time		13	13	13	13
3029	Environmental Health & Services					
	Environmental Haz. Mat. Supervisor	51	1	1	1	1
	Industrial Hygienist	41	1	1	1	1
	Hazardous Material Safety Specialist	38	1	1	1	1
	Water Utility Safety & Training Coordinator	36	1	1	2	2
	Total Full-Time		4	4	5	5
3031	Wastewater Services - Administration					
	S.R.O.G Program Administrator	51	1	1	1	1
	Total Full-Time		1	1	1	1
3033	Wastewater Utility Services					
	Utility Services Team Lead (SBP)	30	2	2	2	2
	Utility Services Tech I/II+ (SBP)	25	8	8	8	8
	Total Full-Time		10	10	10	10
3034	Kyrene Water Reclamation Plant					
	Plant Team Leader	40	1	1	1	1
	Plant Electrician	32	0	1	1	1
	Plant Mechanic+ (SBP)	29	1	1	1	1
	Plant Operator I/II+ (SBP)	28	1	2	2	2
	Total Full-Time		3	5	5	5



Cost Center	Position	Range	2004-05	2005-06	2005-06	2006-07
			Actual	Budget	Revised	Budget
3035	Field Facilities - Wastewater					
	Plant Team Leader (SBP)	40	1	1	1	1
	Plant Mechanic+ (SBP)	29	2	2	2	2
	Total Full-Time		<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
3041	Laboratory Services - Administration					
	Laboratory Supervisor	46	1	1	1	1
	Chemist I/II+	36	5	5	5	5
	Water Quality Specialist	28	1	1	1	1
	Administrative Assistant II	20	1	1	1	1
	Total Full-Time		<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
3051	Water Resources - Administration					
	Water Resource Administrator	53	1	1	1	1
	Water Resources Hydrologist	46	1	1	1	1
	Total Full-Time		<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
3052	Water Conservation					
	Water Conservation Coordinator	39	1	1	1	1
	Water Conservation Specialist	35	1	1	1	1
	Total Full-Time		<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Water Utilities Department Total Full-Time			130	134	133	133
Water Utilities Department Total Perm FTE*			0.50	0.50	1.50	1.50
Water Utilities Department Total Temp FTE*			0.49	0.49	0.49	0.49
Grand Total Full-Time			1,645	1,692	1,700	1,731
Grand Total Perm FTE**			17.55	17.05	18.55	19.05
Grand Total Temp FTE*			196.97	211.24	214.24	223.68

**Permanent Full-Time Equivalent *Temporary Full-Time Equivalent () Former Cost Center Number



Grant Funded Personnel (Included in above totals)	2004-05 Revised Budget	2005-06 Budget	2005-06 Budget	2006-07 Budget
City Attorney				
Legal Services (Victims Right Grant)	1	1	1	1
City Court	1	0	0	0
Development Services				
Redevelopment/Section 8 Housing	16	16	18	18
Redevelopment, Neighborhood Planning and Urban Design	3	3	3	3
Total	<u>19</u>	<u>19</u>	<u>21</u>	<u>21</u>
Police				
Grant Funded	0	1	1	1
Total	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>
Grand Total	20	21	23	23

Personnel by Fund (Full-Time Only)	2004-05 Revised Budget	2005-06 Budget	2005-06 Budget	2006-07 Budget
General Fund	1,272	1,295	1,302	1,319
Risk Management Fund	3	3	3	4
Special Revenue Funds				
HURF	54	55	55	55
Transit	28	30	30	35
Rio Salado	19	19	19	22
Performing Arts	3	19	19	21
CDBG/Section 8	16	16	18	18
Enterprise Funds				
Golf	22	21	21	21
Cemetery	1	3	3	3
Water/Wastewater	162	166	165	166
Solid Waste	65	65	65	67
Grand Total	1,645	1,692	1,700	1,731

Glossary of Terms



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.

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.

Overall Net Debt - Net direct debt plus overlapping debt.

Overlapping Debt - The City's proportionate share of the debt of other local overlapping governmental jurisdictions. The debt is generally apportioned based on relative assessed value.

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.

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.

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 Fund 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).

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.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules,

and procedures that define accepted accounting principles.

Goal - A long-term, attainable target for an organization—its vision of the future.

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.

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.

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.

Interfund Transfer - The movement of monies between funds of the same governmental entity.

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.

Internal Services Charges - The charges to user departments for internal services provided by another government agency, such as data processing, fleet services and communications.

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.

Other Post Employment Benefits - in addition to salary, an employee may earn benefits over their years of service that will not be received until after their employment ends. Post-employment benefits other than pensions generally take the form of health insurance and dental, vision, prescription or life insurance benefits provided to eligible retirees. As a group, these are referred to as Other Post-employment Benefits, or OPEB.

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 consists 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 consists 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 consists 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.

Purpose - A broad statement, in terms of meeting public service needs, that a department is organized to meet.

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.

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.

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 - 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.

Rio Salado Fund - Special revenue fund to account for the receipts and expenditures of miscellaneous monies used to foster the development of Rio Salado.

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.

Surplus - An excess of receipts over disbursements.

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).

Acronyms

ADA-American with Disabilities Act
ADDI-American Dream Downpayment Initiative
APS-Arizona Public Service
A.R.S.- Arizona Revised Statutes
AWA-America West Airlines
AWWA-American Water Works Association
ASU-Arizona State University
CAD-Computer Assisted Dispatch
CAFR-Comprehensive Annual Financial Report
CAP-Central Arizona Project
CAWCD-Central Arizona Water Conservation District
CDBG-Community Development Block Grant
CIP-Capital Improvement Plan
COE-Cooperative Office Education
COPS-Community Oriented Policing System
CP/EV-Central Phoenix/East Valley
EEOC-Equal Employment Opportunity Commission
DUI-Driving Under the Influence
FTE-Full Time Equivalent
FRWS-Field Report Writing System
FY-Fiscal Year
FYE-Fiscal Year Ending
GAAP-Generally Accepted Accounting Principles
GASB-Governmental Accounting Standards Board
GIS-Geographical Information System
G.O.-General Obligation
HBN-High Tech, Nanotech, Biotech
HOME-Home Ownership Made Easier
HPCC-Household Products Collection Center
HUD-Housing and Urban Development
HURF-Highway User Revenue Fund
HVAC-Heating, Ventilation, and Air Conditioning
ICMA-International City Management Association
IMP-Integrated Master Plan
ITD-Information Technology Department
JGMWTP-Johnny G. Martinez Water Treatment Plant
LTAF-Local Transportation Assistance Fund
MGD-Million Gallons per Day
N/A-Not Applicable
O&M-Operation and Maintenance
OPEB-Other Post Employment Benefits
OSHA-Occupational Safety & Health Administration
RICO-Racketeer Influenced and Corrupt Organizations
RMS-Records Management System
SAI-Southern Avenue Interceptor
SCADA-Supervisory Control and Data Acquisition



A		
Annexation Progress.....	208	
Assessed Valuation:		
Ten Year Historical Trends.....	52	
B		
Bed Tax (Transient Lodging Tax).....	96	
Benchmarking, Performance.....	118	
Bonded Debt Limits Summary	51	
Budget Basis, Budgetary Units, and		
Changes to Budget.....	206	
Budget Message	1	
Budget Per Capita.....	56, 115	
Budget Policies	12	
Budget Process Flowchart	19	
Budget Process Summary	20	
Budget Resolution.....	198	
Budget Schedules		
Estimated Revenue and Expenditures		
Summary	200	
Tax Levy and Tax Rate Information	201	
Revenue Other Than Property Taxes.....	202	
Other Financing Sources and Interfund		
Transfers Summary	204	
Expenditures Within Each Fund Summary	205	
C		
Capital Improvements Program		
Capital Expenditures Policy.....	12	
Fund Balances	31	
Overview	25	
Project Listing.....	32	
Relationship Between Operating and		
Capital Budgets.....	48	
Summary	29	
Ten Year Historical Trends.....	52	
Charges for Services		
Development Related.....	102	
Recreation and Social Services.....	101	
City Attorney Performance Budget.....	138	
City Clerk Performance Budget.....	131	
City Court Performance Budget	132	
City Manager.....	122	
Citywide Overview of Operating Budget	54	
Debt Service, Revenue and Staffing	54	
Community Development.....	152	
Administration/Economic Development	154	
Revitalization/Redevelopment	155	
Rio Salado.....	157	
Community Development Block Grant		
Revenue	108	
Community Profile.....	209	
Community Relations Performance Budget	126	
Community Services		
Performance Budget.....	172	
Administration	173	
Library.....	174	
Cultural Services.....	175	
Social Services	176	
Comparative Revenue by Source	91	
Comprehensive Financial Plan		
Assumptions	64	
Economic Outlook.....	67	
Enterprise Funds	76	
Financial Action Plan	84	
General Fund.....	68	
Methodology	63	
Performing Arts.....	72	
Transit Fund	70	
Transportation Funds.....	74	
Rio Salado/Community Facilities		
District Funds	82	
D		
Debt Policy	51	
Debt Service Requirements	52	
Debt Service Ten Year Historical Trends	52	
Departmental, Per Capita Performance		
Budget	115	
Departments, Performance Budget		
City Attorney	138	
City Clerk	150	
City Court.....	132	
City Manager	122	
Community Development	152	
Community Relations.....	126	
Community Services.....	172	
Development Services.....	150	
Diversity Program	124	
Financial Services.....	140	
Fire	164	
Human Resources	134	
Information Technology	148	
Internal Audit	123	
Mayor and Council.....	120	
Police.....	158	
Public Works.....	182	
Water Utilities	194	
E		
Engineering Performance Budget	184	



Enterprise Funds.....	76
Revenue	
Golf Fees.....	111
Solid Waste Fees	110
Unreserved Retained Earnings (10 Years).....	24
Water/Wastewater User Fees	109

F

Field Services	
Facility Management	186
Parks & Golf Course Maintenance	187
Solid Waste Services	185
Financial Action Plan	84
Financial Program	17
Financial Program Components.....	22
Financial Program Summary.....	18
Financial Reporting Policies.....	14
Financial Services.....	140
Accounting.....	143
Administration and Budget	142
Central Services	145
Customer Services	147
Risk Management	144
Tax and License	146
Financial Structure and Organization	
Type of Budgeting	206
Relationship Between Budgeting and	
Accounting	206
Fund Structure.....	207
Fines and Forfeitures	103
Fire	
Performance Budget	164
Administration/Fire Prevention/	
Personnel Safety	166
Emergency/Medical Services	167
Training/Professional Development.....	168
Special Operations	169
Support Services	170
Fleet Services Performance Budget	188
Fund Balances, Unreserved	
General Fund	23
Highway User Revenue Fund.....	23
Local Transportation Assistance Fund	23
Fund Structure	207
Fund Summary	16

G

General Fund	
Fund Balances, Unreserved (10 Years)	23
Comprehensive Financial Plan.....	68

General Governmental Revenue	
Charges for Services	
Development Related.....	102
Recreation and Social Services	101
City Property Tax	95
City Sales Tax	94
Fines and Forfeitures.....	103
Salt River Project In-Lieu Tax	97
State Shared	
Income Tax	100
Sales Tax	98
Vehicle License Tax.....	99
Transient Lodging Tax.....	96
Glossary of Terms	250
Golf Fund	80
Comprehensive Financial Plan	80
Revenue	111

H

Highway User Tax Fund (HURF)	74
Fund Balances, Unreserved (10 Years).....	23
Comprehensive Financial Plan	74
Revenue	106
Human Resources Performance Budget.....	134

I

Impact of Budget on Residents	59
Information Technology	
Performance Budget.....	148
Internal Audit Performance Budget	123

L

Library Performance Budget	174
Local Sales Tax.....	94
Local Transportation Assistance Fund (LTAF)	
Fund Balances, Unreserved (10 Years).....	23
Comprehensive Financial Plan	74
Revenue	107

M

Mayor and Council Performance Budget.....	120
Mission Statement.....	ix



N	R
Needs Assessment Phase 120	Recreation Performance Budget 178
Neighborhood Services Performance Budget 129	Relationship Between Operating and Capital Budgets 48
O	Reserve Policies 13
Operating Budget Policies..... 12, 84	Retained Earnings, Unreserved
Operating Revenue..... 88	Golf Fund 14, 81, 24
Organization Chart.....v	Solid Waste Fund 14, 78, 24
P	Water and Wastewater Fund 14, 77, 24
Parks and Recreation Performance Budget..... 178	Revenue
Administration..... 179	By Source 89
Parks Services 180	Charges for Service
Recreation Services 181	Development Related..... 102
Per Capita Operating Expenditures	Recreation and Social Services 101
by Program 56	City Property Tax 95
Per Capita Performance Budget 115	City Sales Tax 94
Performance Benchmarking..... 118	Community Development Block Grant..... 108
Performance Budget Summary 114	Comparative Revenue by Source 91
Performance Budget, Departmental	Fines and Forfeitures..... 103
Per Capita 115	Golf Course Fees..... 111
Personnel	Highway User Tax 106
Schedules..... 215	Local Transportation Assistance Fund..... 107
Summary by Department..... 214	Performing Arts Fund..... 105
Summary by Fund 249	Salt River Project In-Lieu Tax 97
Ten-Year History 60	Solid Waste Fees..... 111
Police	Section 8 Housing Grant..... 108
Performance Budget 158	State Shared Income Tax 100
Office of the Chief..... 159	State Shared Sales Tax..... 98
Patrol 160	State Shared Vehicle License Tax..... 99
Support Services 161	Total Revenue 88
Investigations 162	Transit Tax..... 104
Program Budget	Transient Lodging Tax (Bed Tax) 96
At a Glance..... 55	Water/Wastewater User Fees..... 109
Department Summary 58	Rio Salado Performance Budget 157
Fund Summary 57	S
Per Capita 56	Sales Tax, City 94
Property Tax	Salt River Project In-Lieu Tax..... 97
Levy and Rate 201	Solid Waste Fund
Ordinance..... 199	Comprehensive Financial Plan 78
Ten Year Historical Trends..... 53	Performance Budget..... 185
Public Works	Retained Earnings, Unreserved (10 Years)
Performance Budget 182	Revenue 23, 110
Administration and Engineering..... 184	Schedule A 200
Field Services	Schedule B 201
Solid Waste Services 185	Schedule C 202
Facility Management..... 186	Schedule D 204
Parks and Golf Course Maintenance 187	Schedule E 205
Transportation 189	



Section 8 Housing
 Revenue Trends..... 108
 Social Services Performance Budget..... 111
 Special Revenue
 Highway User Revenue Fund..... 106
 Local Transportation Assistance Fund 107
 Community Development Block Grant 108
 Section 8 Housing Grant 108
 Transit Tax 104
 Performing Arts Tax 105
 State Shared Revenue
 Income Tax..... 100
 Sales Tax 98
 Vehicle License Tax 99
 Strategic Issues: Goals and Strategy/Action Plan
 Ad-Hoc Long-range Budget and Finance
 Planning Committee..... 117
 Central City Development Committee
 of the Whole..... 117
 Community Services Committee 117
 Education Partnerships Committee 117
 Finance, Aviation, Diversity, and Human
 Resources Committee 117
 Neighborhood Quality of Life Committee..... 117
 Transportation Committee 117
 Technology Advancement, Tourism and
 Redevelopment Committee 117
 Streets and Traffic Operations
 Performance Budget 191

T

Transient Lodging Tax (Bed Tax)..... 96
 Transit Fund
 Comprehensive Financial Plan..... 70
 Performance Budget 191
 Revenue 104
 Transportation
 Comprehensive Financial Plan..... 74
 Performance Budget 191
 Revenue
 Highway User Tax 106
 Local Transportation Assistance Fund..... 107
 Transit Tax..... 104

W

Water Utilities Performance Budget 194
 Water/Wastewater Fund
 Comprehensive Financial Plan..... 76
 Retained Earnings,
 Unreserved (10 Years).....14, 23, 77
 Revenue 109



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

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