

Biennial Budget

For the fiscal years beginning July 1, 2003
Through June 30, 2005



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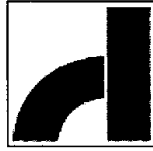
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OMB Staff



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Tempe
Arizona**

For the Biennium Beginning

July 1, 2001

Arnold A. Brewer

President

Jeffrey R. Emer

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 annual budget for the fiscal year beginning July 1, 2001.

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.

*Biennial Budget
FY 2003-05*



*Will Manley
City Manager*

*Jerry Hart
Financial Services Manager*

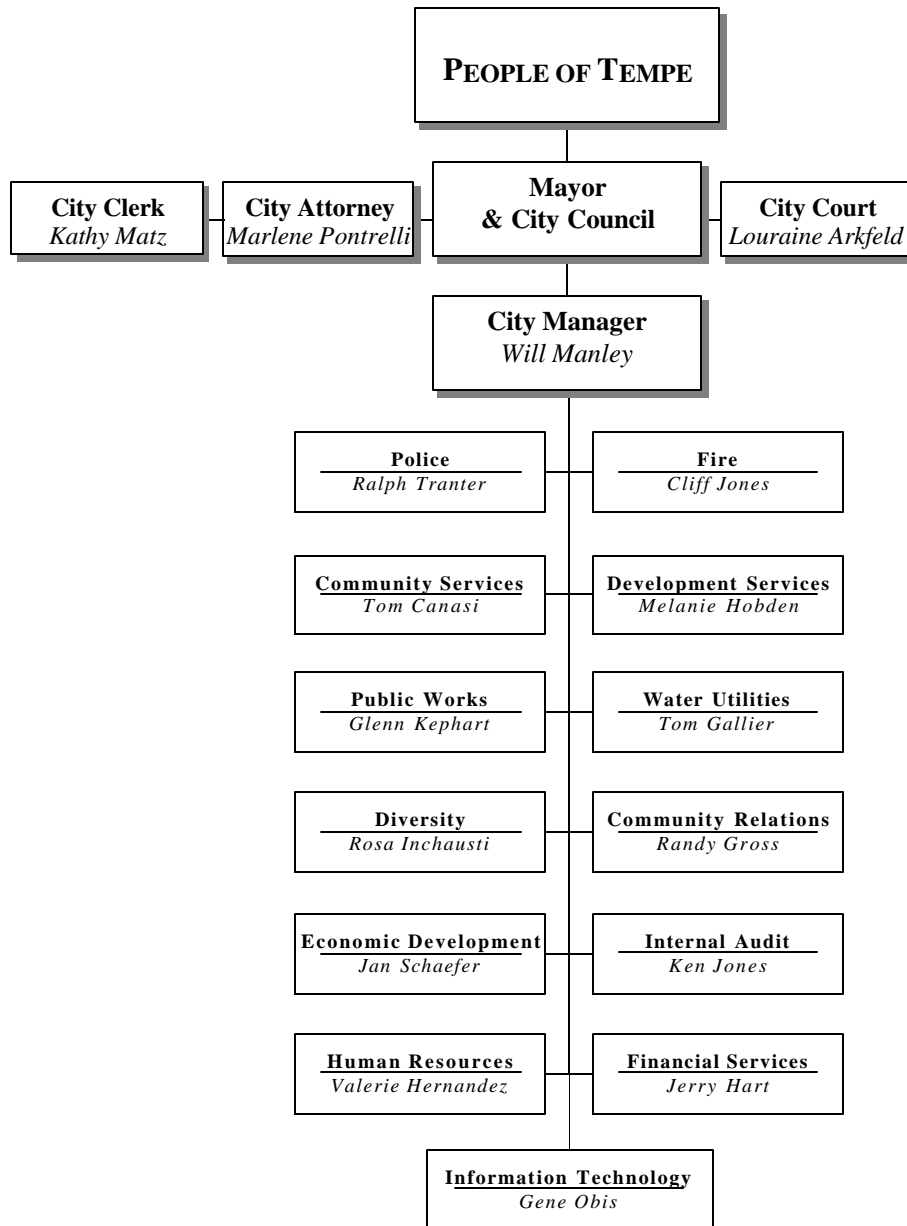
*Cecilia Velasco-Robles
Deputy Financial Services Manager*

*Michelle Caruso
Budget and Research Analyst*

*Deborah Bair
Budget and Research Analyst*

*Tom Mikesell
Budget and Research Analyst*

*Anita Erspamer
Executive Assistant*





June 19, 2003

To the Honorable Mayor and City Council:

Transmitted herein is the City's FY 2003-05 biennial operating budget, the third two-year budget for the City of Tempe. The biennial budget has encouraged a longer term view of financial planning and shifted the emphasis from the process itself to a more careful examination of our resource allocation choices. As an additional benefit, moving to a budget process that occurs every other year rather than each year has allowed City departments greater time to focus on service delivery and program improvements.

Budget in Brief

The adopted operating budget for FY 2003-04 (Year 1) totals \$247.6 million, a \$14.7 million or 6.3% increase over FY 2002-03. The operating budget increases in FY 2004-05 (Year 2) by \$9.2 million or 3.7% to \$256.8 million.

The economic downturn in the economy had a significant impact on budgetary decisions within

the City. Specifically, the decline in sales tax and state-shared revenues prompted the City to streamline operations to reduce costs, especially in the General Fund. City management, with the support of the Mayor and Council, undertook a number of cost-saving initiatives designed to balance the biennial budget and maintain strong financial reserves while minimizing the impacts to resident service delivery.

The following Biennial Budget Balancing Plan and Biennial Budget Impacts contributed to the changes in the budget from a year ago:

Biennial Balancing Plan

The following reflect the assumptions used to balance the two-year budget:

- *Reduction in Force - Elimination of funding for approximately 125 General Fund positions, which include previously frozen positions*



- *Market Adjustment - No cost of living salary increase*
- *Operations - Budget Office identified \$1M in non-personnel type departmental budget reductions*
- *Capital - Minimal capital replacement and elimination of non-recurring items (\$1.3M)*
- *Maintenance of Effort (MOE) - Due to a change in legislation, the City is suspending its MOE contribution to Transportation for three fiscal years (\$1.85M) until FY 05-06*
- *Contingency (FY 03-05) - General Fund contingency reduced to balance the biennial budget*
- *Supplementals - No General Fund program increases*
- *No Growth - No General Fund additional positions*

Biennial Budget Impacts

- *State-Shared Income - Department of Revenue and Joint Legislative Budget Committee estimated 15% and 6% decreases in the State-Shared Income Pool, equating to \$2.6 million and \$0.8 million decreases for the City of Tempe in each respective fiscal year*
- *State Retirement - Arizona State Retirement System contribution rate is set at 5.70%, an increase from 2.49% in previous forecasts (\$1.4M impact)*
- *Police Retirement - Contribution rate is set at 9.73%, an increase from 6.0% in previous forecasts (\$700K impact)*
- *Health, Dental & Life - Human Resources estimated increases as high as 15%*

Budget Highlights

Total Financial Program

The size of our total biennial program increases over the biennium largely due to the light rail component in transit and expansion of the Water/Wastewater program. The preceding tables

Biennial Budget		
	FY 2003-04	FY 2004-05
Operating Budget	\$247,565,261	\$256,761,144
Percent Change	6%	4%
Capital Improvements	\$117,968,707	\$176,983,222
Percent Change	24%	50%
Total Financial Program	\$365,533,968	\$433,744,366
Percent Change	11%	19%

Biennial Operating Budget		
Fund	FY 2003-04	FY 2004-05
General	\$121,825,963	\$123,539,540
Special Revenue		
Transportation	8,082,560	8,220,667
Transit	27,221,366	32,155,626
Rio Salado	1,480,621	1,493,950
Performing Arts	6,215,657	6,378,147
CDBG/Section 8	10,817,664	10,817,664
Debt Service	13,083,608	13,478,666
Enterprise		
Water/Wastewater	45,965,050	47,696,565
Solid Waste	10,592,902	10,515,727
Golf	2,279,870	2,464,592
Total Operating Budget	\$247,565,261	\$256,761,144

depict the adopted biennial total financial program (operating and capital improvements budgets) and the operating budget detailed by fund.

Personnel Total proposed full-time positions equal 1,643 for FY 2003-04 and for FY 2004-05. In response to the economic downturn, a citywide workforce reduction program was implemented, resulting in a net reduction of funding for 125 positions. This takes into account positions that were created subsequent to the adoption of the last biennial budget.

Pay-As-You-Go Total “pay-as-you-go” financing within the Capital Improvements Program includes \$30.0 million (FY 2003-04) and \$39.3 million (FY 2004-05) from operating



Capital Improvements Program

Program	2003-04	2004-05	2005-06	Additional Needs			Total 6-Year
	Funded	Funded		2006-07	2007-08	2008-09	
Enterprise Program							
Water	20,977,680	19,355,000	7,933,000	20,858,000	20,983,000	2,308,000	92,414,680
Wastewater	13,546,612	32,789,500	27,722,201	13,164,394	10,112,620	7,900,209	105,235,536
Golf	170,000	1,490,000	50,000	50,000	50,000	50,000	1,860,000
Cemetery	225,000	770,000	1,400,000	0	0	0	2,395,000
Subtotal Enterprise	34,919,292	54,404,500	37,105,201	34,072,394	31,145,620	10,258,209	201,905,216
Special Purpose Program							
Transit	62,122,070	77,324,792	88,018,672	86,096,440	3,243,110	0	316,805,084
Performing Arts	1,863,320	26,107,768	22,228,912	0	0	0	50,200,000
Rio Salado	200,000	526,269	4,435,545	4,090,000	875,000	125,000	10,251,814
Subtotal Special Purpose	64,185,390	103,958,829	114,683,129	90,186,440	4,118,110	125,000	377,256,898
General Purpose Program	7,656,543	12,279,395	17,370,116	13,654,374	4,628,036	9,108,316	64,696,780
Transportation Program	11,207,482	6,340,498	6,716,061	6,537,878	5,832,804	4,770,398	41,405,121
Subtotal General/Transp.	18,864,025	18,619,893	24,086,177	20,192,252	10,460,840	13,878,714	106,101,901
TOTAL PROGRAM	\$117,968,70	\$176,983,22	\$175,874,50	\$144,451,08	\$45,724,57	\$24,261,92	\$685,264,015

revenues, reflecting a \$17.5 million and \$9.3 million increase over each of the preceding years’ “pay-as-you-go” financing.

Capital Budget The City’s 2003-09 Capital Improvements Program (CIP) totals \$685.3 million, with the first year 2003-04 program recommended at \$118.0 million, and the second year recommended at \$177.0 million. The City funds the first two years of the six (6) year Capital Improvements Program, which is incorporated as part of the total biennial budget.

Highlights of the 2003-05 biennial capital program include:

Continued funding for the Transit program (\$139.4 million) including:

- Funding for the Central Phoenix and East Valley Light Rail Transit rail planning, design and construction (\$125.8 million)
- Funding for the Transit Center (\$5.9 million)
- Funding for the multi-use paths (phased) along the Western Canal (\$4.7 million)

Continued funding for Wastewater projects (\$46.3 million) including:

- Continued funding for 91st Avenue Treatment

Plant capacity expansion (\$24.6 million)

- Continued funding for the plant expansion at the Kyrene Water Reclamation Facility (KWRF) \$17.3 million)
- Funding for Rural Road Influent Line to KWRF (\$3.0 million)

Continued funding for Water projects (\$40.3 million):

- Continued funding for expansion and waterline improvements at the Johnny G. Martinez Water Treatment Plant (\$31.2 million)
- Funding for waterline improvements along the Apache Blvd. corridor (\$2.6 million)
- Continued funding for the expansion of the Kyrene Booster Zone (\$2.0 million)

Continued funding for Transportation and Right-of-Way Improvements (\$17.6 million):

- Continued funding for local and major street renovation and reconstruction (\$15.6 million)

Funding for Police Property Facility/Apache Blvd. Police Substation (\$7.5 million)

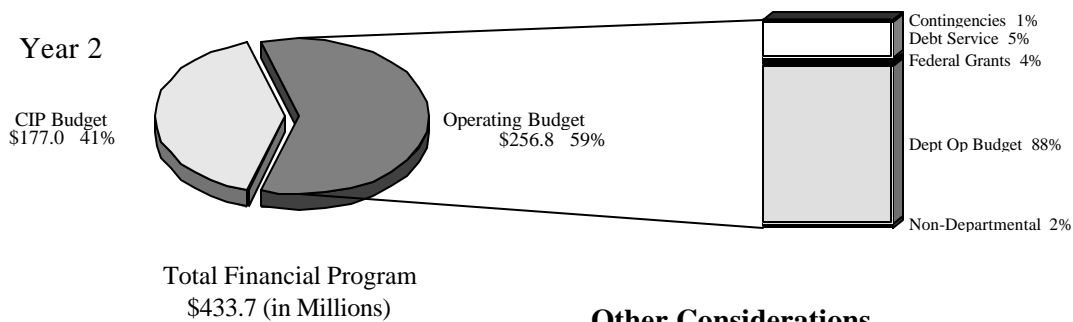
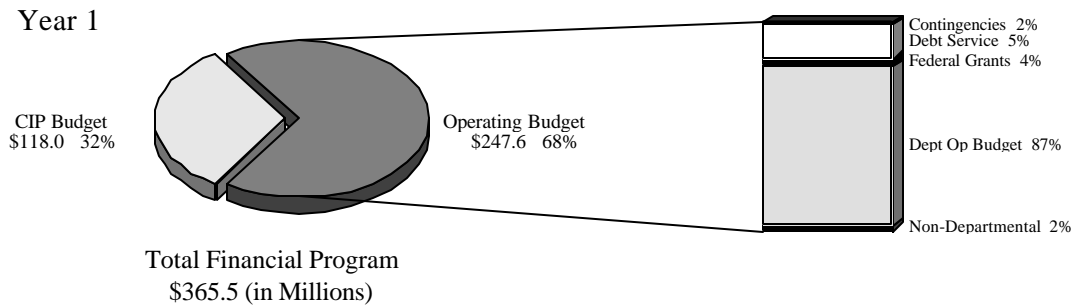
Funding for Fire projects (\$1.9 million)



As the graphs below depict, the operating budget represents 68% of the FY 2003-04 total financial program, decreasing to 59% in FY 2004-05 as the size of our CIP budget increases. Departmental budgets make up over 85% of the citywide operating budget.

Golf Fees

Golf rate reviews will be conducted annually to ensure that the fund remains self sufficient. Seasonal fees for residents and non-residents increased in November 2002, ranging from \$1 to \$4 per 18 holes.



Revenue Considerations

The City will modify revenue as needed in several areas for FY 2003-04.

Water/Wastewater

For FY 2003-04, water and sewer rates will be reviewed to ensure full cost recovery and to maintain adequate reserves for capital needs. The last fee adjustment of 2% was implemented in November 2002.

Solid Waste Fees

Upon finalizing the FY 2002-03 financial report in the Fall of 2003, solid waste fees will be reviewed to determine if a fee adjustment is required. The last solid waste fee adjustment of 9.5% was

Other Considerations

We will continue to closely monitor the distribution methodology of State-Shared Revenues. Although the Legislature did abide by a “hold harmless” philosophy regarding State-Shared income, a reverse revenue sharing of court fees was instituted. Starting September 15, 2003 and using FY 2002-2003 court collections as a baseline, 75% of any additional collection above the baseline will revert to the state.

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

Financial Assessment

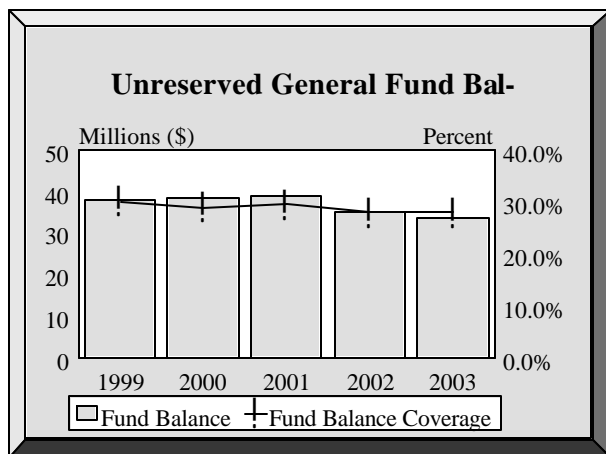
Over the years, through conservative financial management and adherence to sound fiscal



analysis and policies, Tempe has developed and maintained a strong financial reputation.

Fund Balances

One measure of a city’s financial strength is the level of its fund balances (i.e., revenues exceed expenditures). The City’s estimated unrestricted fund balance in the General Fund will approximate



\$33.8 million as of June 30, 2003. This balance represents 28% of FY 2002-03 total General Fund revenue. Our recommended guideline for General Fund fund balance coverage is a minimum of 25% of General Fund revenues. The City’s Enterprise funds (Water/Wastewater, Golf, and Solid Waste programs) will have a combined fund balance of approximately \$65 million at the end of FY 2002-03.

Financial Reserves

Another indicator of a city’s financial strength is the level of its financial reserves. Over the years the City has established financial reserves to absorb unforeseen liabilities. The City currently has self-insurance reserves totaling \$5.6 million, monies that will protect the City against potential claims. Additionally, the City approximates \$9.7 million in debt service reserves at June 30, 2003, funds that will help stabilize and fund future debt service obligations. Included in each of the biennial budget years and financed from current revenues are \$3.8 million and \$2.9 million of contingency funding for unanticipated

emergencies. Finally, the City’s “rainy day reserve” of \$8.0 million will be tapped for the Incentivized Workforce Reduction Program.

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. Such

Fitch	December 2000
AAA	
Moody’s	April 1997

rankings mean the City’s bonds are considered to be of excellent investment quality, meaning lower interest rates on bonds with corresponding lower interest payments. Having solid financial policies and strong financial reserves are principle reasons for these excellent bond ratings.

Development Activity

City staff worked with 17 companies in FY 2002-03 that will add over 2,030 jobs and make a capital investment of more than \$53 million. Highlights include:

- Target Financial Services began construction of their second 100,000-sq. ft. building in Emerald Center at Warner Road and I-10.
- Life Time Fitness opened a 184,000-sq. ft., state-of-the-art health and fitness resort that caters to the entire family.
- Action Performance Companies, Inc. chose Tempe as the site for their corporate headquarters.
- Express Scripts, Inc. located a new \$10 million facility in Tempe. Express Scripts is one of the largest pharmacy benefit management (PBM) companies in North America. Express Scripts now has almost 1,000,000 sq. ft. of operations in Tempe.



Overall, FY 2002-2003 total building construction was valued at more than \$199.5 million. This number includes over \$109 million in commercial, industrial, and office developments. Residential construction was valued at over \$87 million. Governments, churches and schools invested the remainder, approximately \$3.5 million.

Retail activity was affected by the economic downturn, but Tempe still saw positive signs in the marketplace. For example, both Costco and Target are expanding their Tempe stores; the Autoplex added an Acura dealership and continues to be an extremely successful development; and both Eckerd and CVS are building new drugstores at various locations in Tempe. In downtown Tempe, as of June 2003, there are 17 new businesses either opened or

Favorable Development Activity

- ◆ **Commercial Development**
- ◆ **Job Growth**

soon to open since January 2003. Taxable sales in downtown continued to increase this year and pedestrian counts continue to climb.

Tempe continues to work on retail attraction and development and held a showcase for property owners and developers called “Romancing the Store.” The event was designed to educate national and independent retailers about available space in existing and future retail developments.

The first office building on Tempe Town Lake, at Hayden Ferry Lakeside, opened in July 2002 with significant tenants such as MedAire, SunCor Development Company and McCarthy Building Companies, Inc. The site preparation phase for the new \$65 million Tempe Center for the Arts (TCA) on the Town Lake started in April 2003. The TCA will open in May 2006. Construction on the Town Lake Marina began in January of 2003 with a grand opening date slated for November 2003.

Arizona as a whole, and Tempe in particular, from the selection of Phoenix as the headquarters for the International Genomics Consortium (IGC) and the Translational Genomics Research Institute (TGen). The IGC will create a genetic database from tumors and other cancer cells, which will be a tremendous resource for researchers in developing specialized treatments for cancer and other diseases. TGen is focused on a relatively new field of genetic research that will lead to the development of new tests and treatments for cancer and other debilitating diseases. The research team at TGen will collaborate with researchers from all three of Arizona’s universities as well as other world-class scientists from academic, clinical and corporate entities to deliver these new discoveries to patients

As a result of the IGC/TGen location in Phoenix, Arizona State University is creating a biodesign corridor that includes five research buildings. Construction started on the first of four phases of the Arizona Biodesign Institute—a 170,000-sq. ft. building on the Main Campus in Tempe that will be connected by light rail to the IGC and TGen by FY 2006-07. This \$69 million complex will become a hub for biotechnical and biodesign research in central Arizona and will produce highly trained professionals, new discoveries, new technologies and even new businesses. Tempe will be in a strategic position to attract many of the new businesses spawned by the emphasis on biotechnology research.

Tempe continues to concentrate on developing infill housing opportunities ranging from the Riverview at Rio Salado, a 460-unit ultra-high end apartment complex, to new affordable single family homes being built by the Community Land Trust of Tempe. Several new downtown residential projects are in the planning stages and should break ground in late 2004. ASU has made a significant commitment to student housing with the selection of OPUS to build a 2,000-unit academic village on the southern boundary of campus.



Major Policy Considerations

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

Debt Management Plan

The favorable bond ratings are due not only to having solid fund balances and reserves, but also result from adoption of and adherence to the Debt Management Plan by the City Council since 1989, which links our future debt capacity to population, tax base growth, and current level of general operating revenue.

Long-Range Financial Capacity Study

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

The long-range forecast provides for a balanced budget through FY 2004-05. 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 2003-05

The operating budget embraces the following tenets that over the years 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, given past experience in the City;

- the budget *provides a minimum level of maintenance and replacement dollars* to ensure that all capital facilities and equipment are properly maintained; and
- the budget *requires no increase in the total property tax rate*. The tax rate for FY 2003-04 is \$1.35 per \$100 assessed valuation.

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

1. Successful efforts to control spending were directed at avoiding increases in personnel.
2. Maintain the City's strong financial reserve and fund balance program since the economy has slowed significantly since January 2001.
3. Increased assessed valuation allowed us to maintain our property tax rate at \$1.35/\$100 assessed value, yet provide for increasing bond capacity. Average annual increase in assessed values of 4.0% are projected over the next five years.
4. Evaluate the revenue structure on a regular basis to insure that fees are adjusted on a timely basis to reflect City costs.
5. Conduct periodic budget reviews with City Council.
6. Continue examination of current programs by each Department for potential "sunsetting".

Strategic Issues

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

- Finance and Diversity Committee
- Tourism and Economic Development Committee
- Rio Salado Committee of the Whole
- Cultural and Community Programs Committee
- Neighborhood Enhancement and People Improvement Program Committee
- Transportation/Light Rail & Development Services Committee
- Community/Schools/ASU Partnership Committee



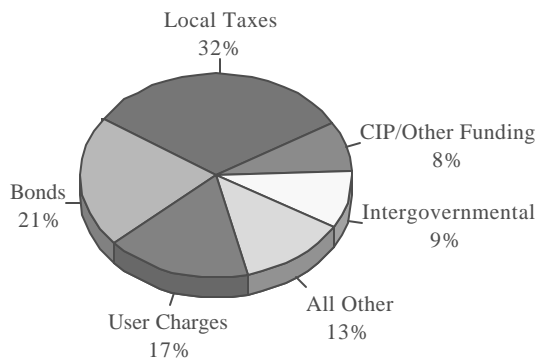
Income/Outgo

The pie charts below 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. Local taxes (e.g., city sales tax and property tax) continue to be the largest City revenue source, representing 32% of the FY 2003-04 total revenue budget, decreasing to 28% in FY 2004-05. Other

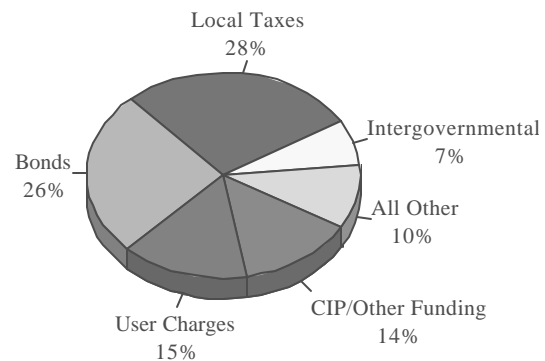
major revenue sources include user charges (such as water service and solid waste fees) and intergovernmental revenue.

The pie charts show a breakdown of City expenditures and where the money is spent by program. Transit and Environmental Health represent the greatest areas of program appropriation, accounting for 55% of the total financial program in each of the fiscal years 2003-05

Where the Money Comes From

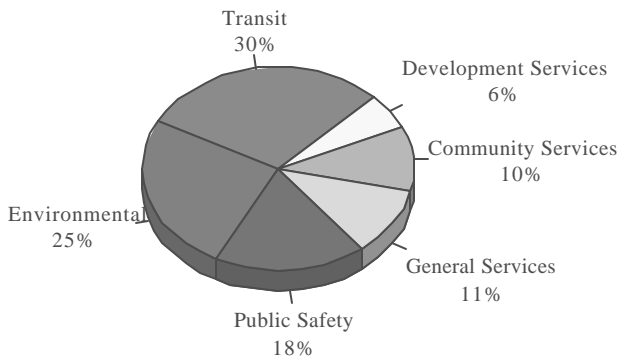


FY 2003-04

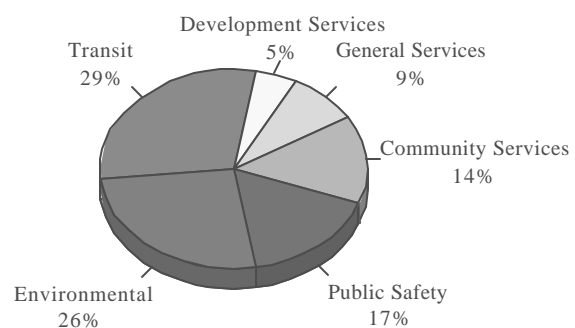


FY 2004-05

Where the Money Goes



FY 2003-04

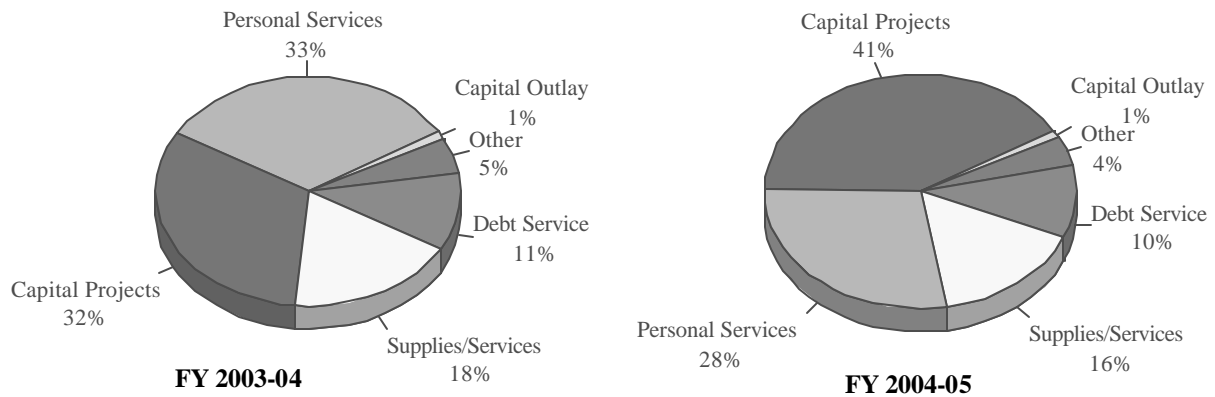


FY 2004-05



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

Where the Money Goes
by Line Item Category



Conclusion

We approach the new biennium on a cautionary note. At best, we can expect the economy to grow at a significantly slower pace than in recent years. The uncertainty over the ensuing biennium underscores the need to continue to focus on our long-range planning and the managing of our resources.

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

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

Respectfully submitted,

Will Manley, City Manager



MISSION:

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

VALUES:

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.

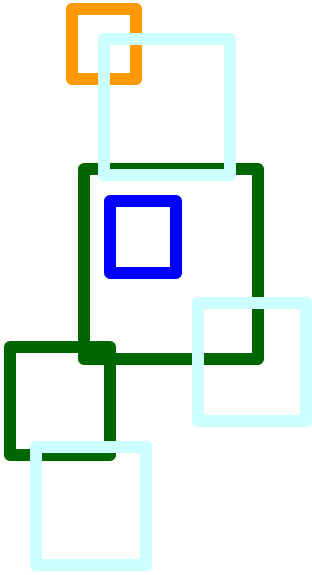
Creativity- We encourage imaginative problem solving, innovation, resourcefulness and responsible risk taking.

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.



Budget Summaries

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



Budget Policies

Fund Summary

Total Financial Program

Financial Program Summary

Budget Process Flowchart

Budget Process Summary

Components of Total Financial Program

General Governmental and Enterprise Funds: Ten Year Fund Balance Trends

Operating Budget Overview

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Community Development Block Grant/Section 8 Housing Grant Funds

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Impact of Total Budget on Citizens

Personnel Summary: Ten Year History



The budgetary policies enumerated below outline a general framework of budgetary goals and objectives regarding the operating budget, debt service, capital expenditures, reserves, and financial reporting. They provide standards against which current budgetary performance can be measured and proposals for future programs evaluated.

Operating Budget Policies

Current revenues will be sufficient to support current operating expenditures.

- **Status:** *FY 2002-03 estimated General Fund operating revenues (\$121.3 million) to expenditures (\$119.3 million) Ratio 1:1*

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

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

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

- **Status:** *Projections completed in Comprehensive Financial Plan (Fall 2002 Update)*

Debt Service Policies

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

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

Outstanding Non-enterprise General Obligation (G.O.) Tax Supported Debt* growth rate will be maintained at a rate commensurate with Tempe's population, growth factors and financial condition consistent with the rate of growth in its underlying tax base and budget base; long-term debt will not exceed the City's resources for repaying the debt.

- **Status:** *Debt growth commensurate with growth indicators; FY 2001-02 G.O. tax supported debt \$63.4 million; FY 2002-03 G.O. tax supported debt \$77.0 million, percent change 21.5%; FY 2003-04 \$82.9 million (est.), percent change 7.7%; FY 2004-05 \$97.4 million (est.), percent change 17.5%*

** Includes total Non-enterprise G.O. tax supported debt less debt service fund reserve*

Outstanding Non-enterprise G.O Tax Supported Debt will not exceed 1.10-1.25% of the estimated full assessed valuation* (FY 2002-03 \$9,669,307,443); (FY 2003-04 est. \$10,779,997,040); (FY 2004-05 est. \$11,211,196,922)

- **Status:** *Debt to Full Value: FY 2002-03 0.8%; FY 2003-04 0.77%; FY 2004-05 0.87%*

** Actual full cash value, net of estimated value of property exempt from taxation*

Annual G.O Tax Supported Debt Service (FY 2002-03 \$10.7 million; FY 2003-04 \$12.7 million) will not exceed 10-15% of the Total Governmental Revenue (FY 2002-03 \$134.9 million; FY 2003-04 \$136.0 million; FY 2004-05 \$137.9 million)*

- **Status:** *Debt Service to Revenues: FY 2002-03 7.9%; FY 2003-04 9.3% (est.); FY 2004-*



05 9.3% (est.)

* Includes General Fund and Debt Service

Outstanding G.O. Tax Supported Debt per capita will be maintained within the range of \$700 and \$800 per capita and increase no more than 50% within four years or 20% in one year.

- **Status:** *Debt Per Capita: FY 2002-03 \$483; FY 2003-04 \$517 (est.); FY 2004-05 \$605 (est.)*

Capital Expenditures Policies

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

- **Status:** *FY 2003-05 Biennial CIP Budget of \$118.0 million (FY 2003-04) and \$177.0 million (FY 2004-05) adopted as part of a 6 year, \$685.3 million CIP program*

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

- **Status:** *Average weighted life years on CIP bonds: FY 2001-02 16.0%; FY 2002-03 15.9%*

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 Budget impact of new capital projects is estimated at \$77,000 plus an estimated \$13.8 million (\$8.0M Special Purpose, \$3.1M Water/Wastewater, \$1.5M General Purpose, and \$1.2M Transportation) in additional debt service. Future operating costs associated with new capital projects have been incorporated into the Comprehensive Financial Plan.*

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

- **Status:** *Aggressive capital maintenance program approved in Capital Improvements Program budget*

(\$ Millions)	Sources of Funds	
	FY 2003-04	FY 2004-05
General Obligation/Excise Tax Bonds	\$78.0	\$113.0
Pay-As-You-Go Financing	31.2	40.5
Outside Revenue	8.1	22.9
Capital Projects Fund Balance	0.7	0.6
Total Sources of Funds	\$118.0	\$177.0



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

Reserve Policies

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

- **Status:**

Fund Balance FYE 02	Revenues FY 2002-03	Fund Balance Coverage
\$35.1 M	\$121.3 M	29.0%
Fund Balance FYE 03	Revenues FY 2003-04	Fund Balance Coverage
\$33.8 M	\$121.9 M	28.0%
Fund Balance FYE 04	Revenues FY 2005-05	Fund Balance Coverage
\$33.8M	\$123.5M	27.0%

	Fund Balance FYE 02	Revenue FY 2002-03	Fund Balance Coverage	Days Coverage
Water/Wastewater	\$71.7 M	\$46.2 M	155.2%	566
Solid Waste	\$1.2 M	\$10.3 M	11.7%	43
Golf	\$0.2 M	\$2.1 M	10.0%	35
	Fund Balance FYE 03	Revenue FY 2003-04	Fund Balance Coverage	Days Coverage
Water/Wastewater	\$64.5 M	\$45.4 M	142.1%	519
Solid Waste	\$0.3 M	\$10.6 M	2.8%	10
Golf	\$0.5 M	\$2.1 M	23.8%	87
	Fund Balance FYE 04	Revenue FY 2004-05	Fund Balance Coverage	Days Coverage
Water/Wastewater	\$53.6 M	\$45.8 M	117.0%	427
Solid Waste	\$0.3M	\$10.6 M	2.8%	10
Golf	\$0.5 M	\$2.1 M	14.3%	52

The City will maintain an unrestricted minimum retained earnings balance of \$45 million of anticipated revenues in the Water/Wastewater Fund, and a minimum of 10% of anticipated revenues in the other Enterprise Funds (Solid Waste, Golf).

- **Status:**

Self-insurance reserves shall be maintained at a level which, together with purchased insurance



policies, adequately indemnify the City's capital assets.

- **Status:** *FY 2002-03 \$5.6 million and FY 2003-04 \$5.6 million in self-insurance reserves*

Financial Reporting Policies

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

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

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

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

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

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

Financial Stability

Several steps were undertaken to insure our continued financial stability amid declining local and state-shared revenues. These recommendations, listed under the Financial Action Plan in the Comprehensive Financial Plan, include the following:

- **Long-Range Forecast** was prepared for all funds projecting revenues and expenditures over the next three years.
- **Sales Tax Revenues** (in General Fund) derived from the sales tax election of 1993 approving an increase in the rate from 1.0% to 1.2%, appears sufficient to meet projected expenditure needs through FY 2004-05.
- Amid increasing transportation needs, a **Transit Tax** was passed by the voters on September 10, 1996, increasing the sales and use tax rate by one half of one percent, and restricting revenues to improving public transportation.
- Annual review of the **Debt Management Plan** and **sizing of Capital Budget to Debt Criteria** led us to limit new debt issues to an average of \$14.0 million each year for the next 6 years.
- Building on the **Benchmarking Program**, incorporating recommended benchmarks from the Governmental Accounting Standards Board Service Efforts and Accomplishments Reporting program, International City/County Management Association Performance Measures, and citywide internal and external benchmarking programs to assist in public accountability and



continuous improvement in the efficiency, quality, and outcomes of work processes and services.

- Continue citywide **Competitive Analyses** to evaluate and improve service delivery while enhancing accountability to the citizens.
- **Strategic Issues Program** implemented to identify and prioritize key strategic issues, leading to incorporation of recommended corresponding strategies and goals into the budget process.
- **Financial Policy Implementation and Monitoring** continue to be fine-tuned to refine financial guidelines and the administrative procedures to monitor performance criteria.
- **Expenditure Control** will be directed at slowing growth by means of citywide line item reviews, modified base budget approach, and program sunseting.
- **Limit Midyear Adjustments** which circumvent the normal budget process and pose a risk to careful long-range financial planning.
- Continue efforts in coalition with the League of Arizona Cities and Towns to help **Protect State-Shared Revenues**.
- **Manage Stability** as effectively as growth has been managed in the past. Financial flexibility, which comes easily during rapid revenue growth periods, must be intentionally constructed through effective decision-making when managing stability.
- **Review Benefits Program** to explore such options as increasing deductibles, requiring greater employee contributions and/or modifying our benefits cafeteria programs.

Council Budget Tenets

- Continue the modified base budget implemented at the start of the budget process, incorporating historical spending patterns, program cost adjustments, and long-range forecasts in the preparation of budget allocation targets, thereby limiting the rate of budgetary growth.
- Continue to evaluate our self-supporting enterprise operations on an annual basis for possible revenue 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



FY 2003-04

Fund	Estimated Fund Balance	Revenue ¹	Total Financial Resources	Budgeted Expend. ²	Adjusted Financial	Interfund Transfer		Estimated Fund Balance
						In	(Out)	
General	\$33,751,999	\$121,825,963	\$155,577,962	\$121,825,963	\$33,751,999	\$0	\$0	\$33,751,999
Special Revenue:								
HURF/LTAF	\$5,933,387	11,578,169	17,511,556	8,082,560	9,428,996		(2,945,000)	6,483,996
CDBG/Section 8	0	10,817,663	10,817,663	10,817,664	(1)			(0)
Rio Salado	0	856,800	856,800	1,480,621	(623,821)			(623,821)
Performing Arts	12,387,081	5,428,500	17,815,581	6,215,657	11,599,924		(400,000)	11,199,924
Transit	48,731,900	33,909,993	82,641,893	27,221,366	55,420,527		(17,455,070)	37,965,457
Debt Service	9,718,444	14,209,096	23,927,540	16,173,349	7,754,190	2,000,000	(1,227,000)	8,527,190
Enterprise:								
Golf Courses	481,517	2,066,800	2,548,317	2,279,870	268,447			268,447
Solid Waste	292,579	10,603,700	10,896,279	10,592,902	303,377			303,377
Water/Wastewater	64,492,949	45,384,864	109,877,813	45,965,050	63,912,763	0	(10,545,243)	53,367,520
TOTAL OPERAT-	\$175,789,856	256,681,548	432,471,404	250,655,002	181,816,401	2,000,000	(32,572,313)	151,244,088
Capital Improvements	\$22,119,879	86,696,394	108,816,273	117,968,707	(9,152,434)	30,572,313		21,419,879
TOTAL FUNDS	\$197,909,735	343,377,942	541,287,677	368,623,709	172,663,967	32,572,313	(32,572,313)	\$172,663,967

FY 2004-05

Fund	Estimated Fund Balance	Revenue ¹	Total Financial Resources	Budgeted Expend. ²	Adjusted Financial Resources	Interfund Transfers		Estimated Fund Balance
						In	(Out)	
General	\$33,751,999	\$123,649,199	\$157,401,198	\$123,649,199	\$33,751,999	\$0	\$0	\$33,751,999
Special Revenue:								
HURF/LTAF	\$6,483,996	11,580,200	18,064,196	8,443,668	9,620,528	0	(2,000,000)	\$7,620,528
CDBG/Section 8	0	10,817,663		10,817,663	10,817,663			
Rio Salado	0	896,750	896,750	1,493,950	(597,200)	0	0	(597,200)
Performing Arts	11,199,924	5,533,300	16,733,224	6,320,447	10,412,777	0	(2,300,000)	8,112,777
Transit	37,965,457	34,930,222	72,895,679	32,240,625	40,655,054		(26,260,792)	14,394,262
Debt Service	8,527,190	14,356,300	22,883,490	16,566,607	6,316,883	2,000,000	(1,225,000)	7,091,883
Enterprise:								
Golf Courses	268,447	2,066,800	2,335,247	2,464,592	(129,345)		0	(129,345)
Solid Waste	303,377	10,603,700	10,907,077	10,565,727	341,350			341,350
Water/Wastewater	53,367,520	45,835,835	99,203,355	47,564,497	51,638,858	0	(10,721,445)	40,917,413
TOTAL OPERAT-	151,867,910	260,269,969	412,137,879	260,126,975	152,010,904	2,000,000	(42,507,237)	111,503,667
Capital Improvements	21,419,879	135,949,716	157,369,595	176,983,222	(19,613,627)	40,507,237		20,893,610
TOTAL FUNDS	\$173,287,789	396,219,685	569,507,474	437,110,197	132,397,277	42,507,237	(42,507,237)	\$132,397,277

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

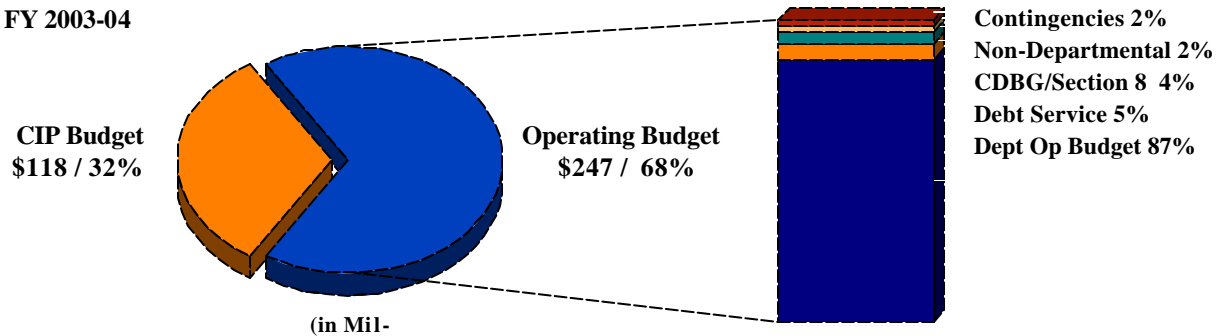
The tables above give the estimated Operating and Capital Improvement fund balances for both fiscal years of the biennium. Respectively for each year, beginning balances are \$197.9 million and \$173.3 million with an ending fund balance of \$132.4 million for the biennium. Fund reserves continue to provide available resources for our "pay-as-you-go" capital financing and the strategic opportunity to fund projects that have the most value to Tempe citizens.

Total Financial Program

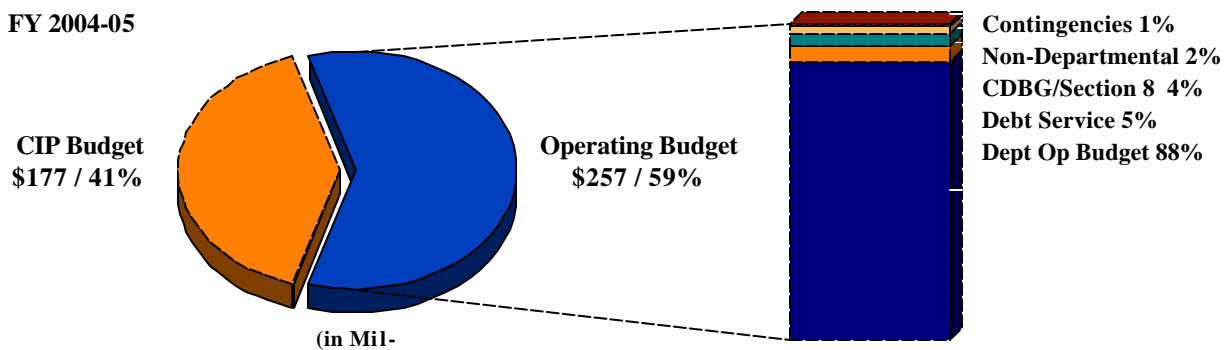


The total financial program adopted for the biennial budget is \$365 million for FY 2003-04 and \$434 million for FY 2004-05. Year 1 of the biennium reflects a \$247 million operating budget and a \$118 million Capital Improvements Program, representing an 11.4% increase from the FY 2002-03 total financial program. In Year 2, the total financial program increases to \$434 million, an 18.7% increase in the total financial program from FY 2003-04, with the CIP budget growing to \$177 million. Operating budget growth of 6.3% and 3.7% in FY 2003-04 and FY 2004-05, respectively, is related primarily to increased funding for performing arts and water/wastewater. The increase in the CIP is largely attributed to the construction of the performing arts facility, expanded water/wastewater program and implementation of light rail.

FY 2003-04



FY 2004-05



Total Financial Program			
	FY 2002-03	FY 2003-04	FY 2004-05
OPERATING BUDGET			
Departmental Operating Budget	\$202,796,166	\$215,562,588	\$225,161,927
Debt Service	11,518,082	13,083,608	13,478,666
Non-Departmental	5,551,135	4,275,733	4,364,267
Contingencies	4,366,550	3,825,668	2,938,620
CDBG/Section 8 Housing	8,614,252	10,817,664	10,817,664
TOTAL OPERATING BUDGET	\$232,846,185	\$247,565,261	\$256,761,144
Capital Improvements	95,318,794	117,968,707	176,983,222
TOTAL FINANCIAL PROGRAM	\$328,164,979	\$365,533,968	\$433,744,366

Financial Program Summary



The tables below depict the City's Financial Program Summary, revenues and expenditures, for both fiscal years.

Revenues

	FY 2003-04	FY 2004-05		FY 2003-04	FY 2004-05
Operating Revenue			Enterprise		
<u>General Governmental</u>			Water/Wastewater	45,384,864	45,835,835
Local Taxes/Licenses	\$86,747,724	\$88,241,674	Solid Waste	10,603,700	10,603,700
Intergovernmental	32,466,160	32,027,500	Golf	2,066,800	2,066,800
Charges for Services	6,988,051	7,519,651	Subtotal Operating Re-	\$256,861,548	\$260,126,873
Interest	2,600,000	2,600,000	Capital Revenue		
Fines & Forfeitures	4,947,485	5,154,793	<u>Bonds</u>		
Other	2,285,639	2,352,224	Excise	\$57,486,520	\$78,617,768
<u>Special Revenue</u>			Enterprise G.O.	12,750,000	19,100,000
Transit	33,618,393	34,611,083	Tax-Supported G.O.	7,735,000	15,315,000
HURF	10,986,169	11,000,000	<u>CIP Outside Revenues</u>		
CDBG/Section 8	10,817,663	10,817,663	Federal Funds	6,667,000	21,064,000
Performing Arts	5,428,500	5,533,300	Land Sale	908,582	1,348,448
Rio Salado	856,800	896,750	Development Fees	474,292	494,500
Lottery Funds	883,600	865,900	Other	22,831,026	37,677,777
			Subtotal Capital Revenue	\$108,852,420	\$173,617,493
			TOTAL PROGRAM*	\$365,533,968	\$433,744,366

* Figures adjusted for rounding.

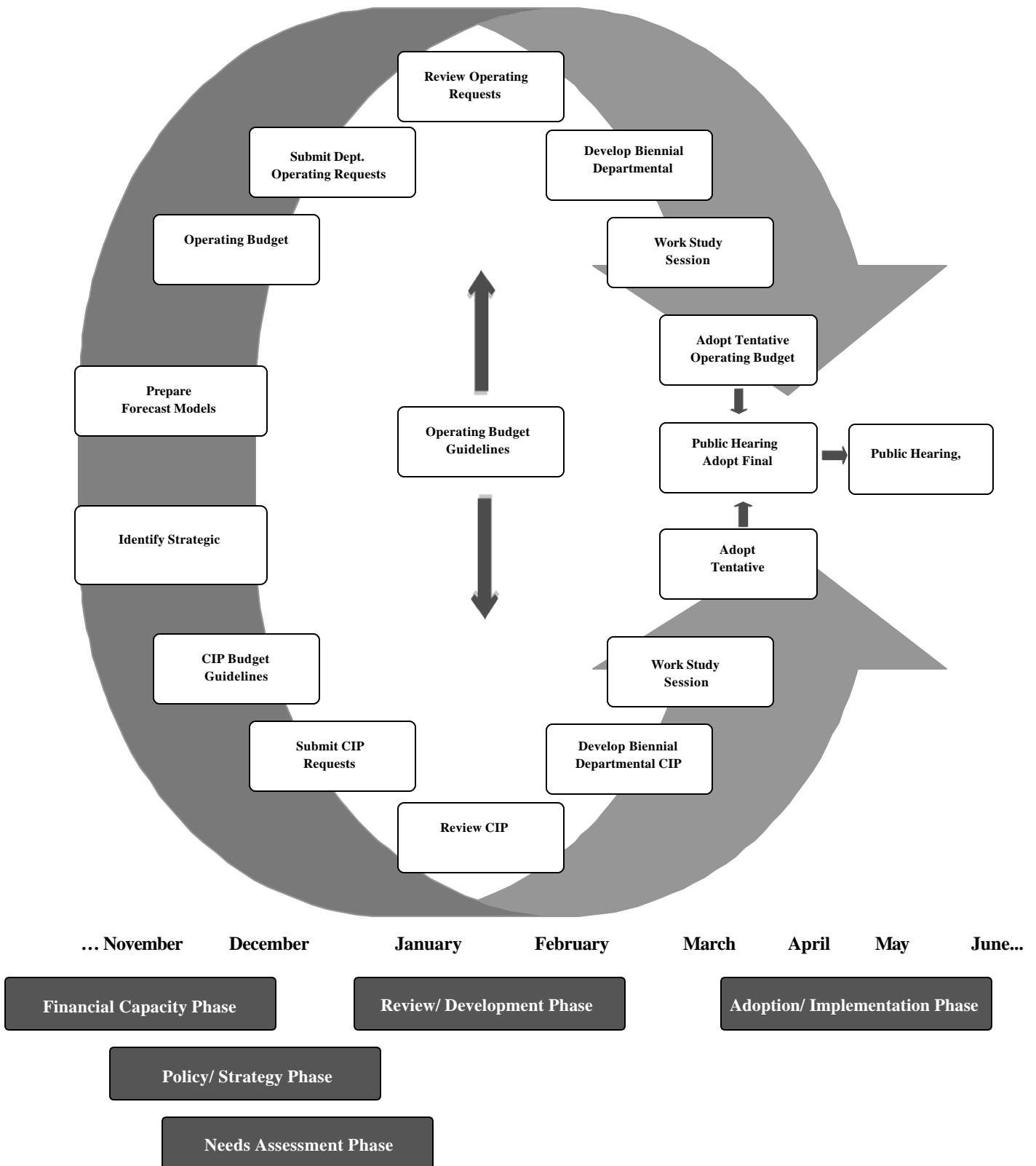
Expenditures

	FY 2003-04	FY 2004-05		FY 2003-04	FY 2004-05
Operating Budget			Capital Budget		
<u>General Governmental</u>			<u>General Purpose</u>		
Public Safety	\$64,732,798	\$66,128,473	General Government	\$3,039,243	\$3,178,445
General Services	25,427,607	24,958,317	Park Improvements	1,923,000	2,385,000
Community Services	22,821,799	23,336,837	Police	794,300	6,715,950
Developmental	7,350,932	7,577,885	Fire	1,900,000	0
Debt Service	13,083,608	13,478,666	<u>Enterprise</u>		
Environmental Health	1,492,827	1,538,028	Water	20,977,680	19,355,000
<u>Enterprise</u>			Wastewater	13,546,612	32,789,500
Water/Wastewater	45,965,050	47,696,565	Golf	170,000	1,490,000
Solid Waste	10,592,902	10,515,727	Cemetery	225,000	770,000
Golf	2,279,870	2,464,592	<u>Transportation</u>		
<u>Special Revenue</u>			Streets	10,262,482	5,395,498
Transit Tax	27,221,366	32,155,626	Signals	945,000	945,000
Highway User	8,082,560	8,220,667	<u>Special Purpose</u>		
Section 8	7,598,433	7,526,434	Transit	62,122,070	77,324,792
CDBG	3,219,231	3,291,230	Rio Salado	200,000	526,269
Rio Salado	1,480,621	1,493,950	Performing Arts	1,863,320	26,107,768
Performing Arts	6,215,657	6,378,147	Subtotal Capital Budget	\$117,968,707	\$176,983,222
Subtotal Operating Budget	\$247,565,261	\$256,761,144	TOTAL PROGRAM	\$365,533,968	\$433,744,366

Budget Process Flowchart



The following flowchart depicts the City of Tempe’s Biennial 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, revenues, expenditure limit requirements, and financial capacity. It is with this "groundwork" that departmental expenditure requests are made and subsequently reviewed. Due to the prolonged economic downturn, the following process was altered for non-enterprise funds, whose focus included cost containment and streamlining efforts.

- **Impact of Biennial Budgeting**

With the transition to biennial budgeting, the City's budget development process was fundamentally altered, but many aspects of the existing process were kept in place. Functions normally occurring each year (such as the submission of department budget requests and the preparation of the Manager's recommended budget) now occur every other year. During the "off" budget year, minimal technical adjustments are made to the budget for items that could include employee benefits rate changes, for example, or other costs expected to significantly surpass original budgeted amounts and in aggregate exceed the contingency budget.

- **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 three-year financial forecast is prepared for each major fund, projecting both expenditures and revenues. As a part of this phase, alternative scenarios are examined for their fiscal impact on each respective fund.

- **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.

As part of this Needs Assessment Phase, a citizen survey is conducted to solicit citizen



satisfaction with City services and their perception of resource allocation or budget priorities.

- **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 determined by modifying the prior year budget by historical spending patterns and then adjusting for price increases (inflation).

Supplemental requests are evaluated and presented at various budget levels: (1) base budget level, (2) recommended level providing monies to implement new or expand City programs, and (3) policy level which allows additional program options.

- **Adoption/Implementation Phase**

Prior to May 1 in a budget preparation year (Year 2 of the biennium), the City Manager submits to the Council a proposed operating budget for the next biennium commencing the following July. The operating budget includes proposed expenditures and the means of financing them.

Even though a city may operate with a biennial budget, Arizona's local budget and finance laws still require cities and towns to adopt budgets annually. According to state statutes, tentative budget adoption must occur on or before the 3rd Monday in July each year, with final adoption taking place no less than 7 days prior to adoption of the property tax rate. Thus, the formal action by the Council is to adopt the budget for the upcoming fiscal year rather than both years of the biennium.

The property tax levy must be adopted by the 3rd Monday in August. State law requires cities and towns with property taxes to adopt their

tax rates annually, even though a jurisdiction may operate on a biennial budget.

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

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

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

- **Budget Roles and Responsibilities**

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

Actual budget preparation responsibility can be identified more specifically:

1. The program **cost center manager** is responsible for (a) preparing cost estimates for the remainder of the current fiscal year; (b) projecting base budget requirements for the biennium; and (c) developing other requests that change or revise the program so that it will be more effective, efficient, productive and economical.
2. The **department manager** and the **division administrator** are responsible for reviewing, modifying and assembling their cost center data into a departmental request package. Department heads should

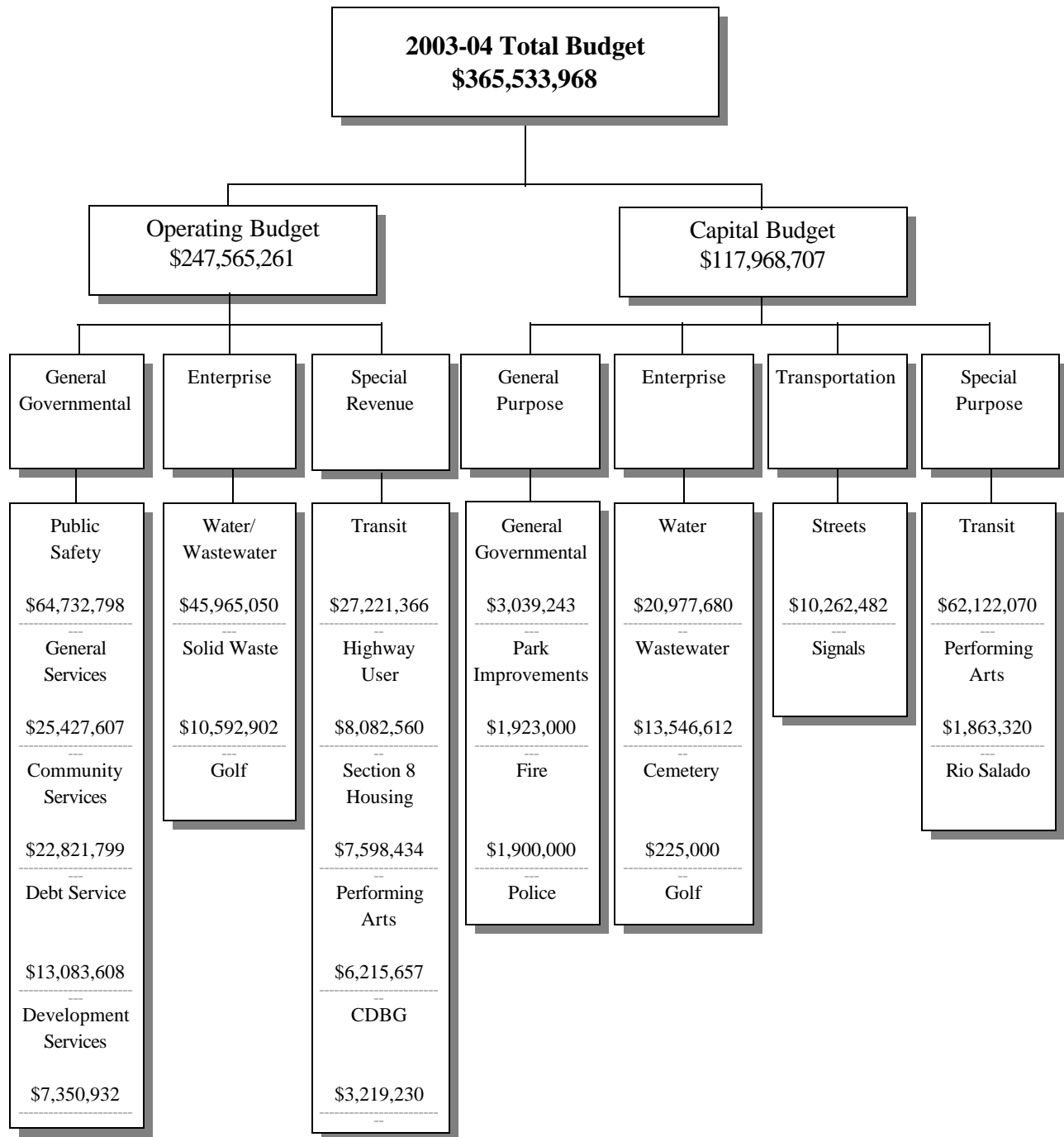


critically evaluate departmental objectives and prioritize requests.

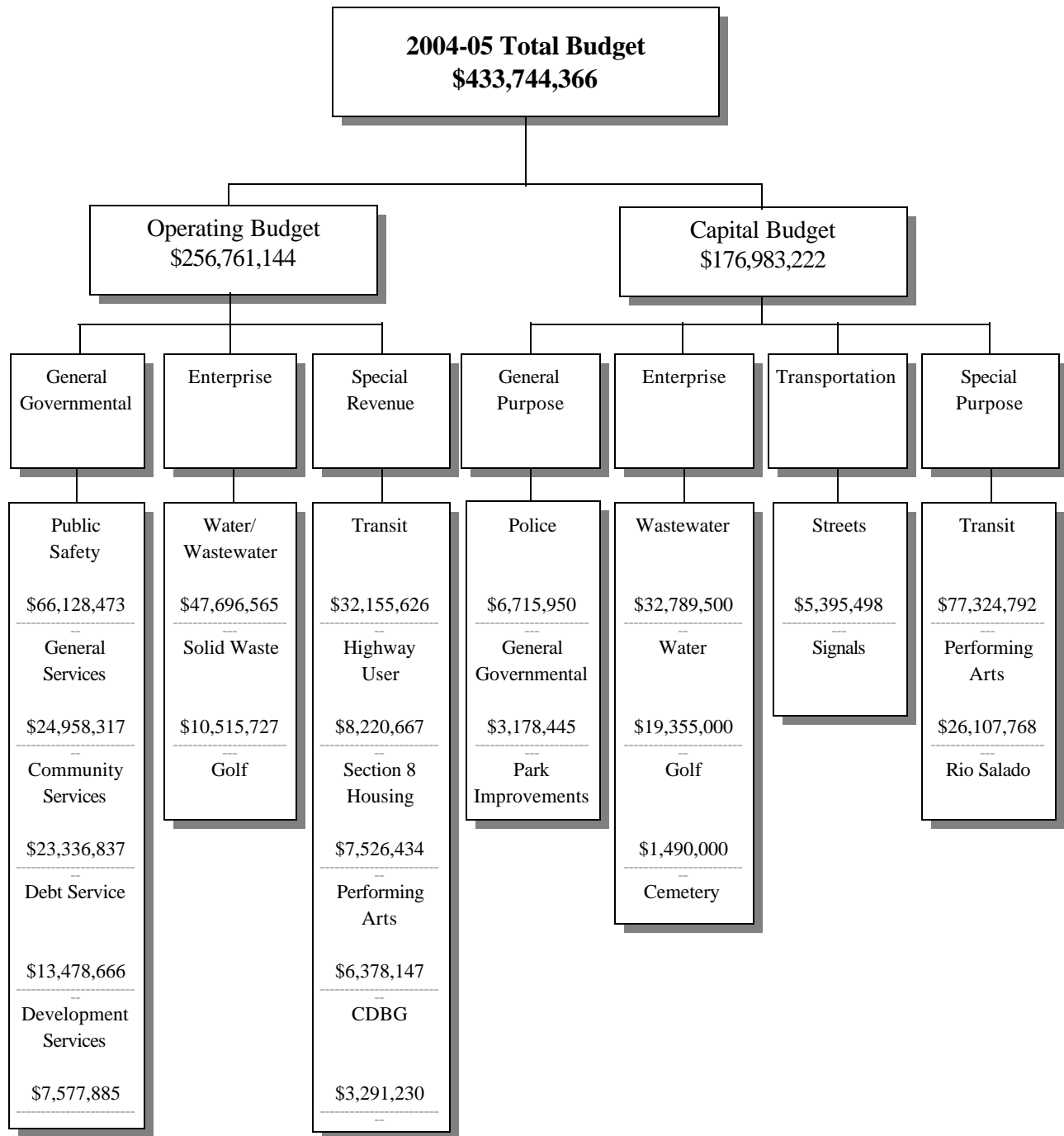
The preparation of budget requests, goals and objectives should coincide with the strategic issues set forth by the Council.

3. **Internal Service Areas** (Fleet and Information Technology Areas) will contact each department to coordinate the initial needs assessment, cost estimates, and recommendations. Replacement equipment (i.e. vehicles, hardware/software and communication equipment) will be submitted to the Budget Office by the Internal Service areas. Any new equipment required by the departments should reflect the cost estimates and recommendations from the Internal Services areas and submitted by the departments. Final review and recommendations for hardware/software and communication equipment will be the result of evaluating priorities within the departmental budget team process.
4. The **Budget Administrator and Analysts** within the Financial Services Department are responsible for (a) preparing short and long-range revenue and expenditure forecasts, (b) assisting departments as requested in the preparation of supplemental requests, (c) analyzing supplemental requests and presenting that analysis to the Budget Team (Department Managers and the Financial Services Manager), and (d) reviewing the linkage between budget requests and the City's strategic issues.
5. The **Budget Team** consisting of the Department Managers is responsible for reviewing departmental operating requests within the context of a set of evaluation criteria and preparing a recommended budget for review by the City Manager.
6. The **Capital Improvement Program Executive Committee** reviews program scopes, cost estimates and funding sources of CIP requests and prepares a recommended CIP budget for review by the City Manager.
7. The **City Council** is responsible for the review of the City Manager's tentative budget and approval of a final budget.
8. **Transfer of Appropriations**; At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency. Upon written request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another (**Section 5.08, City of Tempe Charter**).
9. **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—FY 2003-04



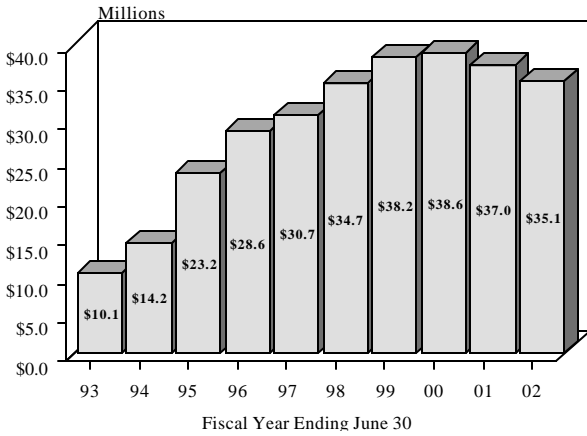
Components of Total Financial Program-FY 2004-05



General Governmental Funds: Ten Year Fund Balance Trends

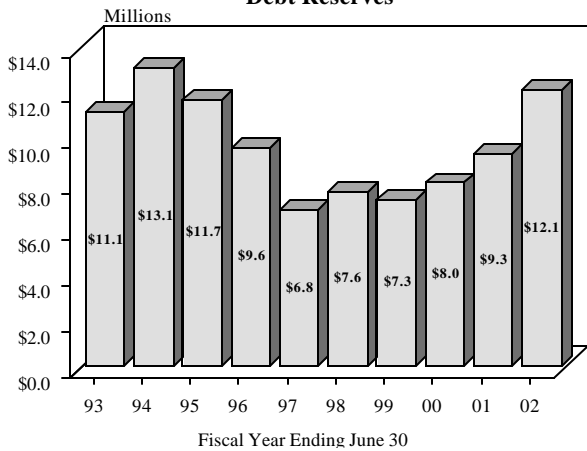


**General Fund
Unreserved Fund Balance**



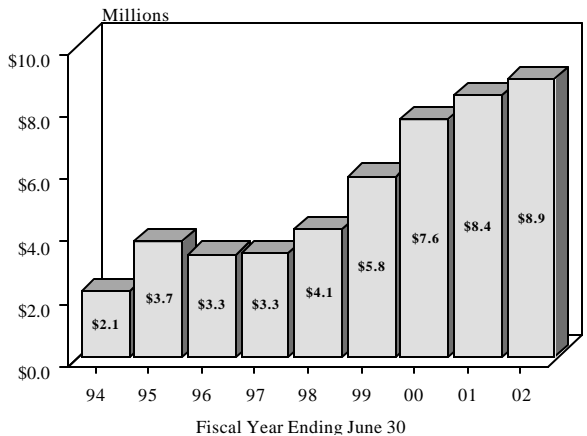
Over the ten year period, fund balances in the General Fund improved as a result of economic development and sales tax growth. At FYE 2002, the General Fund unreserved fund balance is estimated at \$35.1 million. As a working guideline, fund balance coverage for the General Fund is maintained at a minimum of 25% of General Fund revenue.

**Debt Service Fund
Debt Reserves**



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

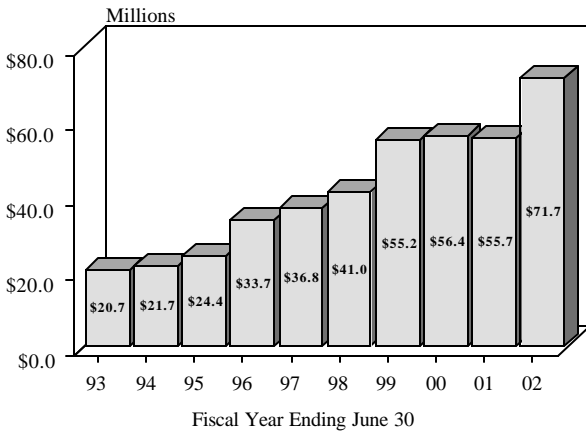
**Highway User Revenue/Local Trans. Assistance
Unreserved Fund Balance**



Transportation fund balances hit a low in FY 1993 due to streets infrastructure demands. Fund balances have gradually increased as state-shared revenue growth has grown at a modest pace, coupled

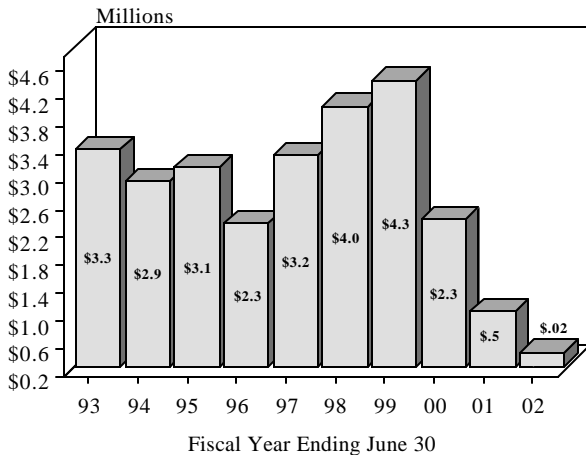


**Water/Wastewater Fund
Unreserved Retained Earnings**



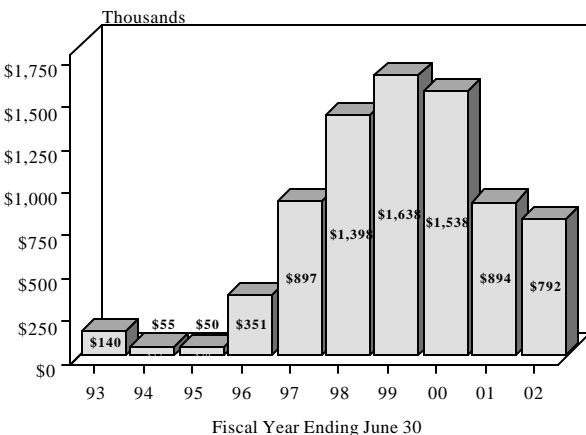
Unreserved retained earnings increased in FY 1995-96 largely as a result of the City's improved equity position in the regional wastewater treatment plant, customer growth, and debt refinancing savings. The increase in FY 1998-99 is due to the reduction of an asset replacement reserve resulting in increased unreserved retained earnings. The increase in the FY 2001-02 fund balance is due mainly to the change in reporting requirements under Governmental Accounting Standards Board Statement No. 34. Future drawdowns are planned for pay-as-you-go financing of capital improvements, with a target guideline of an unreserved retained earnings balance

**Solid Waste Fund
Unreserved Retained Earnings**



A planned drawdown of unreserved retained earnings began in FY 1999-00. The fund's targeted balance guideline is 10% of anticipated solid waste revenue. The last fee increase of 9.5% was implemented in January 2003.

**Golf Fund
Unreserved Retained Earnings**



In FY 1992-93, improvements at Ken McDonald Golf Course closed part of the course (9 holes) for a period of time. Improved attendance at both golf courses the last two years has provided a reserve to fund current and future capital improvements. Slow growth and increasing expenses had caused and are again causing the steady decline in reserves. The last rate increase ranging from \$1 to \$4 per 18 holes



The citywide operating budget for FY 2003-04 totals \$247.6 million and for FY 2004-05 totals \$256.8 million. These operating budget amounts represent 6.3% and 3.7% growth respectively for the two fiscal years. This includes \$10.8 million for Community Development Block Grant and Section 8 Housing grant funding. The number of full-time employees for FY 2003-05 totals 1,643 which represents a 4.6% decrease from the previous biennial budget.

General Fund appropriations decrease by (5.2%) and increase 1.4% in the biennial budget. The year two increase reflects funding for retirement and benefit inflationary adjustments.

The operating budget streamlining plan was necessary to address the effects of a prolonged economic downturn.

◆ **General Fund**

Fund Structure Description

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

Major Services

The General Fund consists of the following major functions:

- Administrative Services
- Police
- Fire
- Management/Financial Services
- Legal Services
- Community Services
- Development Services
- Engineering
- Facility Maintenance

Revenue Structure

Major revenue sources for the two fiscal years are: Local Sales Taxes, Intergovernmental Revenues, Charges for Services, Property Taxes, Fines and Forfeitures and All Other.

The following table depicts the major revenue sources as percentages of General Fund revenue.

Major Revenue	FY 2003-04	FY 2004-05
Local Taxes	51.3%	51.4%
Intergovernmental	26.7%	25.9%
All Other	5.2%	5.3%
Charges for Services	5.7%	6.1%
Property Tax	7.0%	7.1%
Fines & Forfeitures	4.1%	4.2%

Local Sales Taxes and Intergovernmental revenues represent the two major revenue sources in the General Fund. Together they comprise 78.0% or \$95.1 million of the total \$121.8 million FY 2003-04 General Fund revenues. In FY 2004-05 the two sources are estimated to account for \$95.5 million or 77.3% of total General Fund revenues.

■ **Local Taxes**

Local sales tax revenues are estimated at \$62.5 million in FY 2003-04 and \$63.5 million in FY 2004-05, derived from a 1.2% City sales tax. (The estimated sales tax collections amount is based on the non-Transit and Performing Arts portion of the City sales tax rate of 1.8%. The remaining 0.6% is restricted to transit purposes and performing arts purposes and is reflected in their respective funds). Over half of the sales tax revenue comes from retail sales, with the remainder collected primarily from rental payments, utility and telecommunication payments, restaurant and bar sales and contracting sales.

Tempe's single largest revenue source is highly responsive to changes in economic activity. The City has adequate reserves and streamlining



plans to address any prolonged downturn.

■ **Intergovernmental Revenue**

Revenues in this category are derived from three sources of state-levied revenue sharing: the state sales tax, the state income tax, and vehicle license taxes. Intergovernmental revenues represent \$32.5 million or 26.7% in FY 2003-04 and \$32.0 million or 25.9% in FY 2004-05 of total General Fund revenues.

The primary allocation basis for state revenue sharing is each city or town's relative share of the state's population of all incorporated cities and towns. Tempe's allocations are based on the 2000 U.S. Census.

State sales tax

Estimated state sales tax distributions total \$12.5 million in FY 2003-04 and \$13.0 million in FY 2004-05. Tempe's allocation is based on its share of total statewide incorporated population (currently 4.0%). The size of the overall pool of funding available for distribution is based on state statute, which provides for the allocation of 8.9% of transaction privilege (sales) tax revenue to cities and towns. The total statewide sales tax pool is estimated to be \$320.0 million.

State income tax

Total estimated state-shared income tax revenues to be distributed to Arizona cities and towns for the two fiscal years are \$365.0 million and \$343.0 million respectively. Tempe's share is estimated at \$14.3 million and \$13.5 million for the biennium.

Vehicle license tax

The remaining state-shared revenues of \$5.6 million in both years derive from vehicle license taxes. Twenty-five percent of the net revenues collected for the licensing of motor vehicles by a county is distributed to incorporated towns and cities within the county. Tempe receives a share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county.

■ **Charges for Services**

Charges for services represent \$7.0 million or 5.7% in FY 2003-04 and \$7.5 million or 6.1% in FY 2004-05 of total General Fund revenues. Recreation and social services programs represent \$4.8 million in FY 2003-04. By Council policy, certain recreation and social service programs operate on a full or partial cost recovery basis. Other Charges for Services revenues derive from development-related charges for building and trade permits, planning and zoning fees, and engineering fees.

■ **Property Tax**

Tempe's property tax rate is \$1.35 per \$100 of assessed valuation, consisting of a primary tax rate of \$0.55 per \$100 of assessed valuation and a secondary tax rate of \$0.80 per \$100 of assessed valuation. Only the primary levy goes to the General Fund. While there is no restriction on its usage, the primary levy is limited by state law to a 2% annual increase plus any amount generated by new construction. The primary levy is estimated at \$8.5 million in FY 2003-04 and \$8.8 million for FY 2004-05.

■ **Fines and Forfeitures**

Fines and Forfeitures represent \$4.9 million in FY 2003-04 and \$5.2 million in FY 2004-05. Traffic Fines represent \$1.4 million or 27.8% in FY 2003-04 and 26.2% in FY 2004-05 of total fines collected. Rounding out the fines and forfeiture revenue sources is defensive driving school fees, parking fines, and criminal fines, along with delinquent collections and default penalties.

■ **All Other**

Other General Fund revenue sources include Interest Income, Transient Lodging (Hotel/Motel Bed) Tax, Franchise Fees, Licenses and Permits, the Salt River Project Payment In-Lieu of Property Taxes, and other miscellaneous revenue.

Expenditure Structure

The General Fund operating budget for FY



2003-04 totals \$121.8 million and \$123.5 million for FY 2004-05. Major expenditure categories are: Personal Services, Fees and Services, Materials and Supplies, Capital Outlay, and All Other.

The following table depicts the major expenditure categories as a percentage of total appropriations. The General Fund consists of all City operations with the exception of Enterprise Fund operations (Water, Solid Waste, and Golf), Transportation (LTAF and HURF), Transit, Rio Salado and Debt Service.

Major Expenditure	FY 2003-04	FY 2004-05
Personal Services	79.8%	80.8%
Fees and Services	12.9%	13.3%
Materials and Supplies	5.1%	5.0%
All Other	2.2%	0.9%

For FY 2003-04, Personal Services (salaries, wages and benefits) account for \$97.3 million or 79.8% of the total General Fund operating budget. The remaining appropriations consist of \$15.7 million or 12.9% for Fees and Services, \$6.2 million or 5.1% for Materials and Supplies, and 2.2% for Capital and All Other.

In FY 2004-05, General Fund appropriations for Personal Services consist of \$99.8 million or 80.8% of the total budget, \$16.5 million or 13.3% for Fees and Services, \$6.2 million or 5.0% for Materials and Supplies, and 0.9% for Capital and All Other.

■ Personal Services

Since most personnel and major functions of city government are located within the General Fund, it is not surprising that salaries and wages represent such a significant proportion of total expenditures. Respectively for the two fiscal years, salaries and wages account for \$77.2 million of the \$97.3 million and \$78.7 million of the \$99.8 million in total General Fund appropriations. Personal Services will continue to represent the major

portion of fund expenditures regardless of any policy changes over the next five years. Fringe benefits represent \$20.1 million and \$21.1 million respectively in the two fiscal years.

■ Fees and Services

For the two fiscal years, this budget category comprises 12.9% (FY 2003-04) and 13.3% (FY 2004-05) of total General Fund appropriations. The largest portion of this expenditure category is for contracted services, accounting for 21.0% and 24.2% respectively of total Fees and Services. Contracted services make up an increasing share of Fees and Services costs due in part to the City's practice of contracting for services rather than adding personnel. Utilities (electricity, water, solid waste, and sewer) comprise the second largest share (19.5% and 18.6%) of total Fees and Services. Unlike most of the Fees and Services accounts, utility expenses are expected to increase somewhat higher than inflation. Other major Fees and Services expenditures for FY 2003-04 include software maintenance agreements (7.1%), equipment rental and repair (6.3%), computer refresh (10.6%), and county jail costs (4.6%). For FY 2004-05 major expenditures include software maintenance agreements (6.8%), equipment rental and repair (6.0%), telephone service (3.7%), and county jail costs (4.4%).

■ Materials and Supplies

Totaling \$6.2 million in each fiscal year, expenditures for Materials and Supplies respectively account for 5.1% and 5.0% of the total General Fund operating budgets. In each fiscal year 26.0% (\$1.6 million) of these expenditures derive from motor vehicle parts, fuels, and lubricants. The remainder is for library bookstock, clothing allowances, general office supplies, minor equipment, and miscellaneous supplies. Increases in Materials and Supplies over the next five years are expected to be driven largely by inflation.

■ Capital Outlay/All Other

Capital Outlay accounts for \$1.8 million or 1.5%



in FY 2003-04 and \$2.1 million or 1.7% in FY 2004-05 of the total General Fund operating budgets. Respectively over the next two fiscal years, funding for replacement and new equipment (primarily automobiles and trucks) constitutes the largest portion, with vehicle replacement making up 49.5% and 58.2% of total Capital Outlay. Other major Capital Outlay budgeted items include radios, turf equipment and computer equipment. Within the All Other category are budgeted amounts for contingencies, travel, contributions to community service organizations and the local convention and visitors bureau, and payment to the county for animal control.

■ Operating Revenues and Expenditures

Revenue growth in FY 1993-94 and FY 1994-95 averaged over 20% annually, primarily the result of a voter-approved increase in the sales tax rate from 1.0% to 1.2% in September 1993. A strong and increasingly diversified local economy has contributed to continued growth in revenues, resulting in an overall positive average annual revenue growth over the past five years.

However, due to the slow growth at the national and state economy level we predict

Fiscal Year	Revenues (\$)	Expenditures (\$)
1993-94	75.6	70.8
1994-95	94.4	70.8
1995-96	99.9	78.2
1996-97	104.2	81.1
1997-98	108.2	91.2
1998-99	118.3	92.5
1999-00	124.0	105.1
2000-01	134.0	108.1
2001-02	124.2	118.2
2002-03 est.	121.2	121.3

minimal revenue growth during the next biennium. General Fund expenditure growth over the past five years has averaged just under 7.8% annually. This rate of increase is significantly less than previous years, and was adjusted to offset predicted slowing of revenue growth.

In the past, operating surpluses have been utilized for "pay-as-you-go" financing in the Capital Improvements Program. Throughout the forecast period, this type of financing for the Capital Improvements Program has been suspended to ensure a balanced budget and to offset decreased revenue streams.

◆ Program Budget Summary

The following section describes the allocation of funding for the major functional, or program areas of Tempe city government. The General Fund for FY 2003-04 totals \$121.8 million, and in FY 2004-05 appropriations increased by 1.4% to 123.5 million. Most General Fund spending growth is related to inflationary increases in retirement contributions and health benefits.

As the table on the following page depicts, Public Safety (police and fire protection) comprises the largest share of the biennial General Fund budgets. Funding for Public Safety increased by the largest dollar amount among the program areas, reflective of a high Council priority.

■ General Services Program

General Services appropriations account for 20.6% and 19.9% of the General Fund budgets in FY 2003-04 and FY 2004-05 respectively. This area includes appropriations for Mayor and Council, City Manager, City Clerk, Human Resources, City Attorney, Fleet Services, Information Technology, Accounting, Purchasing, and other programs. Funding for General Services decreased in FY 2003-04 to \$25.4 million, a \$2.1 million decrease over FY 2002-03. FY 2004-05 appropriations decreased



by \$439,482 to \$24.6 million. Streamlining of personnel and operating costs were necessary to offset the slowdown in revenue collections.

■ **Development Services Program**

In both fiscal years, approximately 6% of the General Fund appropriations are earmarked for Development Services. This program area includes the functions of building safety inspections, planning and zoning, and Public Works engineering. The FY 2003-04 \$6.8 million budget represents a decrease from FY 2002-03, while the FY 2004-05 \$7.0 million budget reflects a 2.9% increase. Inflation is the primary driver of the slight increase in year two.

■ **Public Safety Program**

Public Safety continues to represent the largest appropriations area, accounting for 51.0% or

General Fund appropriations for Community Services represent 21.9% or \$26.6 million in FY 2003-04 and 22.1% or \$27.3 million in FY 2004-05.

■ **Environmental Health Program**

With most of our Environmental Health

Program	FY 2002-03	FY 2003-04	FY 2004-05
General Services	\$27,538,924	\$25,044,986	\$24,605,504
Development Services	7,456,621	6,846,657	7,047,064
Public Safety	59,567,626	61,655,129	62,963,950
Community Services	25,184,122	26,648,212	27,269,274
Environmental Health	1,569,737	1,630,978	1,653,750
Total General Fund	\$121,317,030	\$121,825,962	\$123,539,542

\$61.6 million in FY 2003-04 and \$63.0 million in FY 2004-05 of the total General Fund budgets. It includes appropriations for Police, Fire, and City Court. Increases in the Public Safety program are driven by an increase to the Police retirement contribution and benefits.

■ **Community Services**

This area consists of all Community Services divisions (Parks and Recreation, Library, Social Services, Cultural Services and Historical Museum), along with Parks Maintenance, Baseball Facilities, and Facility Services.



appropriations residing in the Enterprise Funds, this area represents just 1.3% in FY 2003-04 and FY 2004-05 of the General Fund appropriations, and consists of Field Services Administration. Inflation is the primary driver of increases in this area.

◆ **Transit Fund**

Fund Structure Description

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

Major Services

This fund provides for:

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

Revenue Structure

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

■ **Transit Tax**

On September 10, 1996, the citizens of Tempe approved a ½ cent increase in the City sales tax to fund transit improvements. Proposition 400 limited the expenditure of the additional sales tax to improvements such as additional bus routes, alternative fuel buses, bus pullouts, and light rail. For FY 2003-04, the transit tax is expected to generate \$26.0 million in revenue, or 76.7% of total Transit Fund revenues and FY 2004-05 is estimated at \$26.9 million or 77.0%.

■ **Lottery Proceeds**

Per state statute (Arizona Revised Statutes §28-2502 (F)), a municipality with a population of 60,000 or more persons is required to spend one-third of its local transportation monies for public transportation each fiscal year. Total Lottery proceeds are expected to be \$883,600 in FY 2003-04 and \$865,900 in FY 2004-05, which represent a slight decrease, a trend that is likely to continue as Tempe's population growth rate remains below those of other cities. The decrease in total Lottery proceeds translates into a gradual decline in the one-third commitment of Lottery monies available for public transportation. The commitment is estimated for the next two fiscal years at \$291,600 and \$285,700 respectively.

Expenditure Structure

The Transit Fund includes all personnel in Transit Administration, Transit Store and Bus

Major Expenditure	FY 2003-04	FY 2004-05
Fees and Services	75.4%	66.6%
Capital Outlay/All Other	16.2%	23.6%
Personal Services	4.3%	6.3%
Internal Services	2.4%	2.1%
Contingency	1.7%	1.4%

Stop Maintenance. Major expenditures in the Transit Fund include: Fees and Services, Capital Outlay/All Other, Personal Services, Internal Services, and Contingency.

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

■ **Fees and Services**

The largest expenditure in the Transit Fund is for Fees and Services, specifically funding for local and City of Phoenix transit routes and Dial-A-Ride services. In FY 2003-04, Fees and Services are estimated to account for \$20.5 million or 75.4% and FY 2004-05 is estimated at



\$21.4 million or 66.6% of the Transit Fund operating budget.

■ **Capital Outlay/All Other**

Within this category are budgeted amounts for capital outlay, debt service, travel and other contributions. Debt service represents 86% of these expenditures in FY 2003-04.

■ **Personal Services**

Personal Services account for 4.3% of the total FY 2003-04 budget, or \$1,940,538 and 6.3% or \$2,011,548 of the FY 2004-05 budget.

■ **Internal Services**

Indirect cost allocations to the Transit Fund account for 2.4% or \$656,977 of the FY 2003-04 budget and 2.1% or \$670,189 of the FY 2004-05 budget. This amount represents the Transit Fund's share of certain administrative costs funded by the General Fund.

■ **Contingency**

The contingency account remains constant for each of the two fiscal years at \$449,232. This amount represents 1.7% of the budget in FY 2003-04 and 1.4% of the budget in FY 2004-05. This funding has been set aside for vehicle replacement and unanticipated expenses.

■ **Capital Projects**

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

◆ **Transportation Funds**

Major Services

- Street Maintenance
- Operations
- Studies and Design
- Street Lighting and Signal Systems

Revenue Structure

Transportation revenues are derived primarily (94.9% in FY 2003-04 and in FY 2004-05) from state-shared Highway User taxes. State Lottery proceeds account for 7.6% of FY 2003-04 and 7.4% of FY 2004-05 Transportation revenues.

■ **Highway User Tax**

Highway User revenues come primarily (55%) from the fuel tax (currently \$0.18 per gallon), with the remainder from motor carrier fees (16%), vehicle license taxes (14%), vehicle registration fees (11%), and other transportation-related fees (4%). Estimates for the total pool of HURF revenues to be shared by cities will be \$313.5 million in FY 2003-04 and \$316.6 million in FY 2004-05, with Tempe's share at \$10.9 million and \$11.0 million, respectively. Experience has shown, however, that state projections for HURF revenue have not proven reliable. In short, HURF revenues are subject to state policy changes, fuel sales, and population growth, all factors beyond the City's control. Pursuant to state statute, HURF monies can be used only for street and highway purposes, including right-of-way acquisition, construction, reconstruction, maintenance in the public right-of-way, and payment of debt service on highway and street bonds. HURF funds may not be used for transit or law enforcement programs. The outlook for HURF revenues is for gradually declining distributions to Tempe in FY 2003-04 as our relative share of total statewide population falls.



■ **Lottery Proceeds**

Lottery proceeds (Local Transportation assistance Fund or LTAF), including Powerball revenue, are expected to be \$883,600 in FY 2003-04 and \$865,900 in FY 2004-05, representing a slight decrease, a trend that is likely to continue as long as Tempe’s population growth remains below that of other cities. The distribution of Lottery funds is based on population, with all cities and towns receiving at least \$10,000. A \$20.5 million minimum total distribution pool is guaranteed to cities and towns. State law limits the distribution pool to a maximum of \$23 million.

Cities benefit from Powerball revenues only after a minimum amount of receipts are first collected by the state. Pursuant to state law, after the state Lottery director determines that deposits to the state general fund from all Lottery revenues have reached \$31 million, a maximum of \$18 million is to be paid to the LTAF from Powerball revenues for distribution to cities, towns and counties. The \$18 million statewide pool is divided into county pools based on each county’s market share of Lottery ticket sales. Actual distributions to cities and towns are based on their share of the incorporated population within the county.

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

■ **Maintenance of Effort**

In addition to state-shared revenue sources, Transportation derives its remaining revenues from a “Maintenance of Effort” transfer from the General Fund. This transfer of locally-generated funding fulfills the statutory

requirement placed on Arizona cities to maintain the expenditure of local revenue for streets at a level computed as an average of local funds expended for any four of the fiscal years 1981-82 through 1985-86. This obligation was suspended, by the State Legislature, in response to revenue slowdown experienced by Cities within Arizona.

Expenditure Structure

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

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

Major Expenditure	FY 2003-04	FY 2004-05
Personal Services	45.5%	45.9%
Internal Services	20.1%	20.3%
Utilities	14.9%	14.7%
Materials and Supplies	5.8%	5.7%
Fees and Services	4.5%	4.4%
All Other	9.2%	9.0%

■ **Personal Services**

The largest budgeted expenditure in the Transportation Fund is Personal Services, which accounts for 45.5% or \$3.7 million in FY 2003-04 and 45.9% or \$3.8 million in FY 2004-05 of the total Transportation budget and will likely continue in that range for the next few years.

■ **Internal Services and Utilities**

Additional expenditure demands in the Transportation funds are for Internal Services and Utilities. Internal Services costs (communications, information systems and vehicle maintenance) represent 20.1% or \$1.6 million of



the FY 2003-04 budget and 20.3% or \$1.7 million of the FY 2004-05 budget. Utility costs (electricity for street lights and traffic signals) account for another 14.9% and 14.7% or \$1.2 million for the biennium.

■ **Loan Repayment**

The expenditure in the Transportation funds for Loan Repayment to the Water Utilities Fund amounts to \$356,175 in both FY 2003-04 and FY 2004-05.

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

Summary

Expenditures for Transportation increased from \$8.1 million in FY 2003-04 to an estimated \$8.2 million in FY 2004-05. The FY 2003-04 adopted budget does not include any appropriation of LTAF funding in the Transportation Fund. Rather, the LTAF funding will be allowed to accumulate in the fund for future uses.

With population being the primary determinant for the distribution of state-shared HURF and Lottery revenues, Tempe's share decreased approximately \$1.4 million dollars from FY 2000-01 to 2001-02. Total Transportation revenues are projected to increase by 1.6% to \$11.0 million by FY 2004-05. Although we are estimating some growth in revenue, that growth will be minimal at best.

◆ **Debt Service Fund**

Fund Structure Description

A Debt Service Fund is maintained to receive dedicated revenues used to make principal and interest payments on the City's general obligation debt, except the debt service

accounted for in Special Revenue and Enterprise Funds.

Revenue Structure

Debt Service Fund revenues are derived from the secondary property tax and the Salt River Project (SRP) Payment In-Lieu of Property Taxes. The property tax accounts for 95.4% in FY 2003-04 and 95.3% in FY 2004-05 of the Fund's revenue. Revenues from these sources can only be used to retire debt.

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

The secondary property tax rate for both fiscal years is \$0.80 per \$100 of assessed valuation and is expected to generate \$13.6 million in FY 2003-04 and \$13.7 million in FY 2004-05. The City's property tax is levied each year on or before the third Monday in August based on the full cash value of property from the previous January 1 as determined by the Maricopa County Assessor. Additional Debt Service revenues in each fiscal year include \$654,200 and \$673,800 from the SRP Payment In-Lieu of Property Taxes.

Our estimate of FY 2003-04 secondary property tax collections was based on the commitment of the City to hold the overall property tax rate (primary and secondary) property tax rate to \$1.35 per \$100 of assessed valuation. Consistent with the City's debt management plan, we plan to issue \$77.3 million of tax-supported general obligation bonds over the next six years.

Expenditure Structure

Expenditures in this fund are confined to principal and interest payments on voter-approved bonded indebtedness. To keep these



costs in check, the Council adopted a long-range debt management plan, which is updated annually based on population growth, tax base growth, and current levels of general operating costs. Projected outstanding long-term general obligation bonds at July 1, 2003 totaled \$188.0 million, including \$98.0 million in Water/Wastewater bonds (not repaid by general tax revenues).

Summary

Projected revenues for FY 2003-04 total \$14.2 million, a 5.0% increase from actual FY 2002-03 collections. FY 2004-05 projected revenues total \$14.4 million or a 1.0% increase over the prior fiscal year. Expenditures are estimated at \$13.1 million in FY 2003-04 and at \$13.5 million in FY 2004-05. FY 1998-99 marked a reversal in the pattern of Debt Service Fund expenditures exceeding revenues, although previous shortfalls were fully covered by Debt Service reserves that had been accumulated for the purpose of funding lump sum principal payments. At least in the short term, assessed valuation growth should provide sufficient revenues to fund the City’s debt service requirements.

Debt Management Criteria

In response to the necessity to incur debt to finance capital projects, the City commissioned a debt capacity study in 1988 to determine the proper level of tax-supported debt as represented across key debt criteria. As a product of the debt capacity study, the City developed a Debt Management Plan (first released in March 1989) which has been updated annually.

Fund Structure

Outstanding tax-supported debt (property and excise taxes) is not to exceed the estimated full cash value. With outstanding tax-supported debt of \$188.0 million and estimated full cash value of

Tax-Supported Debt		
Bonds	FY 2003-04	FY 2004-05
General Obligation	\$12,000,000	\$15,000,000

\$9.8 billion, the City’s estimated debt to full cash value for FY 2003-04 is 1.92% and is projected to remain about the same for FY 2004-05. Our General Obligation debt is in compliance with our debt management plan which generates a three year projection to monitor the City’s fiscal health.

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

Fund Structure Description

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

Major Services

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

Revenue Structure

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



FYE	CDBG	Section 8
1995-96	1,980,305	3,846,066
1996-97	2,700,015	3,861,578
1997-98	2,915,622	3,843,309
1998-99	2,399,237	4,068,842
1999-00	2,390,100	4,624,100
2000-01	2,967,700	4,985,700
2001-02	2,148,750	5,427,291
2002-03 est.	5,553,570	5,926,644
2003-04 est.	3,291,230	7,526,433
2004-05 est.	3,552,230	7,265,433

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

Expenditure Structure

Pursuant to federal requirements, most CDBG and Section 8 funding is expended on property rehabilitation and rental subsidies. In FY 2003-04, 8.0% is earmarked for salaries and benefits, another 5.1% allocated to contingencies and miscellaneous expenses, and in FY 2004-05, 8.4% is earmarked for salaries and benefits, with another 4.9% allocated to contingencies and miscellaneous expenses.

◆ Water/Wastewater Fund

Fund Structure Description

The Water/Wastewater Fund is a self-supporting enterprise fund used to account for water and wastewater treatment operations, including debt service. It is financed and operated similarly to a private business and intended to recover costs through user charges.

Revenues earned, expenses incurred, and/or net income is appropriated for Capital maintenance, public policy, management control, accountability, or other purposes. Other enterprise funds include the Solid Waste and Golf Funds.

Major Services

This budget provides for:

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

Major Revenue	FY 2003-04	FY 2004-05
Water and Irrigation	56.2%	56.3%
Wastewater User Fees	34.8%	34.8%
Interest Income	4.5%	4.5%
All Other	4.5%	4.4%

Revenue Structure

User fees account for 91.0% or \$41.3 million of the \$45.4 million in total fund revenues in FY 2003-04 and 91.0% or \$41.7 million in FY 2004-05.

■ **Water and Irrigation User Fees**

Water and irrigation user (consumption) fees



■ **Wastewater User Fees**

Over 35,000 Wastewater Service accounts are estimated to produce \$15.8 million or 34.8% in FY 2003-04 and \$15.9 million or 34.8% in FY 2004-05 of the total user fee revenues.

Residential wastewater charges are largely driven by water consumption in that monthly billings are based upon a three month Winter average consumption.

■ **Interest Income/All Other**

Cash balances in the Water/Wastewater Fund are expected to generate \$2.0 million in Interest Income during FY 2003-04 and FY 2004-05, or 4.5% of the fund’s total revenues respectively. Other sources of fund revenues include a loan repayment from the General Fund, land and building rental fees, delinquent payment charges, and miscellaneous fees and charges.

Expenditure Structure

Total estimated operating expenses for FY 2003-04 are \$46.0 million and \$47.7 million in FY 2004-05. Together, Debt Service, Personal Services and Wastewater Plant Regional Operating Expenses represent 67.0% and 68.3% of the total operating expenses

Major Expenditure	FY 2003-04	FY 2004-05
Debt Service	34.5%	36.3%
Personal Services	23.3%	23.1%
All Other	18.7%	17.9%
Internal Services	9.2%	9.0%
WW Regional Exp.	9.2%	8.9%
Electricity and Water	5.1%	4.8%

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

■ **Debt Service**

Debt Service accounts for 34.5% of total estimated expenses for FY 2003-04 and 36.3% for FY 2004-05, indicative of the capital intensive nature of a water/wastewater operation.

■ **Personal Services**

Personal Services represent \$10.7 million or 23.3% in FY 2003-04 of Water/Wastewater operating expenditures and \$11.0 million or 23.1% in FY 2004-05. For FY 2003-04, salaries and wages account for 78.6% of the total Personal Services budget, followed by health insurance at 10.3%, FICA at 5.9%, retirement at 4.5%, and other at 0.7%. For FY 2004-05, salaries and wages account for 77.8% of the total Personal Services budget, followed by health insurance at 11.2%, FICA at 5.8%, retirement at 4.4%, and other at 0.8%.

■ **Wastewater Plant Regional Operating Expenses**

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

Expenses associated with the 91st Avenue Plant represent \$4.3 million or 9.2% of the FY 2003-04 total and 8.9% in FY 2004-05. Excess sewer capacity will continue to be purchased to accommodate increasing flow demand. Planning and cost-benefit assessments are currently underway to estimate the costs associated with additional sewage treatment capacity and available alternatives.

■ **Electricity and Water**

Utilities comprise a major expense within this fund, as substantial electricity and water is required to provide these services. For FY 2003-04, electricity and water are budgeted at \$2.3 million, or 5.1% of total expenses and 4.8% in FY 2004-05.

■ **Internal Services**

Internal Services costs for information systems,



communications, vehicle maintenance, and indirect charges account for \$4.2 million or 9.2% of FY 2003-04 Water/Wastewater expenses and \$4.3 million or 8.9% in FY 2004-05.

■ **All Other**

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

Summary

FY 2003-04 estimated operating expenses for the Water/Wastewater Fund are \$46.0 million, a 14.0% increase over FY 2002-03 expenses. Tempe's shared cost to operate the 91st Avenue Wastewater Treatment Plant is expected to remain constant through FY 2004-05. Debt service expense increased in FY 2004-05 primarily due to Wastewater treatment plant expansion and mandated water testing.

Revenues for FY 2003-04 and FY 2004-05 are projected to be \$45.4 million and \$45.8 million; this includes a rate increase in November of 2002. Continued rate adjustments are planned to bring the Wastewater operation closer to full cost recovery. Sewer rate increases will continue the phased-in approach, adjusted to attain full cost recovery as customer charges are based upon water consumption and strength of discharge into the sewer system.

◆ **Solid Waste Fund**

Fund Structure Description

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

Major Services

This enterprise fund provides for:

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

Revenue Structure

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

■ **Residential Solid Waste User Fees**

Residential solid waste user fee revenues are expected to amount to \$5.7 million in FY 2003-04 and FY 2004-05 or 53.8% of the total revenues for this fund. Residential customers pay \$13.96 per month and the number of active accounts total 33,703.

■ **Commercial Solid Waste User Fees**

Commercial solid waste fees generate \$4.1 million in FY 2003-04 and FY 2004-05 or 38.7% of the total fund revenues in each fiscal year. Collection of commercial solid waste is provided by the City or a licensed collector. The number of active commercial accounts total 1,931. The number of commercial accounts is expected to remain steady but could decline as competition for commercial refuse services increases.

Expenditure Structure

Solid Waste estimated expenses for FY 2003-04 total \$10.6 million and \$10.5 million in FY 2004-05. Of the total FY 2003-04 operating expenses, Personal Services, Internal Services and Landfill Usage Charges comprise 88.4%. Capital Outlay accounts for 7.4%, while the remaining 4.2% is for Materials and Supplies, Utilities, and Miscellaneous Fees and Services.



Major Expenditure Categories	FY 2003-04	FY 2004-05
Personal Services	36.1%	37.5%
Landfill Usage Charge	26.2%	26.4%
Internal Services	26.1%	27.2%
Capital Outlay	7.4%	4.7%
All Other	4.2%	4.2%

In FY 2004-05, Personal Services, Internal Services and Landfill Usage Charges comprise 91.1%. Capital Outlay accounts for 4.7%, while the remaining 4.2% is for Materials and Supplies, Utilities, and Miscellaneous Fees and Services.

■ Personal Services

As with many labor intensive operations, Personal Services represent a major expense in the Solid Waste Fund, accounting for \$3.8 million or 36.1% of the \$10.6 million FY 2003-04 budget and \$3.9 million or 37.5% of the \$10.5 million FY 2004-05 budget. Respectively, for each of the fiscal years, salaries account for 75.8% and 74.7% of the total personal services budget, with health insurance accounting for 13.5% and 14.6%, and the remainder for other fringe benefits.

■ Landfill Usage Charges

Landfill usage charges remain relatively constant in each of the fiscal years at \$2.8 million, representing 26.2% and 26.4% of total expenses, respectively. Landfill tipping fees are projected to follow expected inflation rates, but environmental compliance requirements could impact these expenses beyond normal inflation.

■ Internal Services

Internal Service charges represent 26.1% or \$2.8 million of the FY 2003-04 budget and 27.2% or \$2.9 million of the total FY 2004-05 budget. Internal Service charges consist of data processing, communications, vehicle maintenance and related Internal Services charges. As might be expected in Solid Waste operations, a majority (53.0% and 53.2%, respectively) of total internal service costs derive from vehicle operating and maintenance

expenses.

■ Capital Outlay/All Other

The Solid Waste budget reflects appropriations of \$800,000 and \$500,000 in the two fiscal years for replacement of refuse trucks. Other budgeted expenses include recycling sorting fees of \$88,500 each year.

Summary

The Solid Waste Fund budget of \$10.6 million for FY 2003-04 and \$10.5 million in FY 2004-05 represents a \$77,000 decrease. This is due to reduced capital outlay costs associated with refuse vehicles.

For the biennium, revenues in this fund are expected to slightly increase to \$10.6 million, a 2% increase over FY 2002-03 collections.

◆ Golf Fund

Fund Structure Description

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

Major Services

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

Revenue Structure

For both years, revenues from greens fees account for 89.5% of golf course revenues, with the balance derived from a share of pro shops and restaurant revenues.



■ **Greens Fees**

Greens fees amount to \$1.9 million in FY 2003-04 and FY 2004-05 of the total Golf Fund revenues. Green fees are set by Council and were last adjusted in November 2002, with adjustments ranging from \$1 to \$4 per 18 holes. Projections in the two fiscal years are conservative to reflect the volatility that can result from weather conditions or fee changes.

Total rounds in FY 2002-03 for Ken McDonald (9 and 18 holes) and Rolling Hills (9 holes) were 86,065 and 83,670 rounds respectively.

■ **Pro Shop and Restaurant Revenues**

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

■ **Expenditure Structure**

A review of Golf Fund expenditures reveals that Personal Services and Fees and Services represent the major expenditure areas. Together they account for 68.5% in FY 2003-04 and 65.1% in FY 2004-05 of total Golf Fund expenses. The remaining expenses include Internal Services, Debt Service, Materials and Supplies, and Capital Outlay.

Major Expenditure Categories	FY 2003-04	FY 2004-05
Personal Service	50.6%	48.6%
Fees and Services	17.9%	16.5%
Internal Services	14.7%	14.0%
Materials and Supplies	9.4%	8.7%
Debt Service	7.4%	12.2%

■ **Personal Services**

Personal Services account for \$1.2 million or

50.6% of FY 2003-04 appropriations and \$1.2 million or 48.6% of FY 2004-05. Salaries and wages alone represent 76.0% and 75.1% respectively of total Personal Services, with health insurance and FICA accounting for an additional 18.7% and 19.6% for the two fiscal years. The remainder is for retirement and other benefits.

■ **Fees and Services**

Budgeted expenses account for 17.9% and 16.5% in each fiscal year and primarily fund irrigation water and electricity.

■ **Internal Services**

Golf operation internal service costs are primarily vehicle maintenance and fuel.

■ **Debt Service**

The Debt Service increase in FY 2004-05 is for repayment of debt associated with a Rolling Hills irrigation capital improvements project.

Summary

Golf Fund appropriations for the two fiscal years remain constant at \$2.3 million and \$2.5 million, a decrease from the FY 2002-03 budget of \$2.8 million. Cost containment was necessary to offset declining revenues reflective of the economic slowdown.

Revenues are expected to generate \$2.1 million in both fiscal years. By financial policy, the City maintains an unrestricted optimum fund balance level of at least 10% of anticipated revenues. The FYE 2002 fund balance reserve was \$791,701 or 38.3% of estimated FY 2003-04 operating revenues.

Capital Budget Overview



Pursuant to City Charter, a five-year capital improvement plan is developed and updated annually. Due to the City's Biennial Budget, the City has transitioned to a six-year capital program to ensure the City has two distinct five-year capital programs contained within the Biennial Budget. The first and second year's funding requirements of the plan are included in the Capital Budget. The FY 2003-04 Capital Improvement expenditures total \$117,968,707, a (10%) decrease from the \$131 million CIP budget for 2002-03. For FY 2004-05, Capital Improvement expenditures total \$176,983,222, a 50% increase from 2003-04. This increase in the budget is driven largely by capacity expansion in the Water/Wastewater Program, Light Rail and the construction of the Performing Arts Center. The two year capital program 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

capital programs. These include \$34.9 million in 2003-04 and \$54.4 million in 2004-05 for Enterprise capital programs; \$64.2 million and \$104 million for Special Purpose capital programs; \$7.7 million and \$12.3 million for General Purpose capital programs; and \$11.2 million and \$6.3 million for Transportation capital programs in each respective fiscal year.

Transit projects represent the single largest appropriation area in fiscal year 2003-04 accounting for 53% of the total Capital Budget. Other major project areas include \$20.9 million for Water, \$13.5 million for Wastewater, and \$10.3 million for Transportation and R.O.W. In fiscal year 2004-05, Transit projects again represent the largest appropriation area of the total Capital Budget at 44%, followed by Wastewater projects at \$32.8 million, Performing Arts projects at \$26.1 and Water projects at \$19.4 million.

The following table shows a comparison of the 2003-04 and 2004-05 Capital Programs with the

Comparison of Capital Programs

Capital Program	2002-03 Budget	2003-04 Budget	2004-05 Budget
Enterprise			
Water	\$13,923,000	20,977,680	\$19,355,000
Wastewater	29,846,000	13,546,612	32,789,500
Golf	2,305,000	170,000	1,490,000
Cemetery	0	225,000	770,000
Special Purpose			
Transit	59,703,524	62,122,070	77,324,792
Performing Arts	0	1,863,320	26,107,768
Rio Salado	2,082,620	200,000	526,269
General Purpose			
Police	2,309,100	794,300	6,715,950
Fire	1,700,000	1,900,000	0
Storm Drains	0	200,000	200,000
Park Improvements	6,335,000	1,923,000	2,385,000
General Governmental	6,387,430	2,839,243	2,978,445
Transportation			
Transportation and R.O.W	4,186,639	10,262,482	5,395,498
Sidewalks & Bikeways	410,000	0	0
Traffic Signals/ Street Lighting	1,450,000	945,000	945,000
Total	\$130,638,313	\$117,968,707	\$176,983,222



Enterprise

Enterprise capital projects include those for Golf, Water, Cemetery, and Wastewater representing \$34.9 million or 30% in fiscal year 2003-04 and \$54.4 million or 47% in fiscal year 2004-05 of the total Capital Budget. The primary funding for the Enterprise capital projects comes from bond proceeds that total \$24.5 million or 70% in fiscal year 2003-04 and \$43.9 million or 81% in fiscal year 2004-05 of the total financing. Of this amount, Excise Tax Bonds provide \$11.7 million in fiscal year 2003-04 and \$24.8 million in fiscal year 2004-05.

The remaining bond funding comes from General Obligation Bonds that provide \$12.8 million in fiscal year 2003-04 and \$19.1 million in fiscal year 2004-05. The remaining portion of capital projects is financed with Water/Wastewater operating revenues and development fee revenue for a combined total of \$10.5 million in both fiscal year 2003-04 and fiscal year 2004-05.

Enterprise – Sources of Funds		
(\$ Millions)	FY 03-04	FY 04-05
Excise Tax Bonds	\$11.7	\$24.8
General Obligation Bonds	12.8	19.1
Operating Revenues	10.0	10.0
Development Fees	0.5	0.5
Total	\$35.0	\$54.4

Water projects comprise \$21.0 million or 60% in fiscal year 2003-04 and \$19.4 million or 36% in fiscal year 2004-05 of the Enterprise Capital Budget. Major projects include \$31.2 million over the next two fiscal years for expansion and waterline improvements at the Johnny G. Martinez Water Treatment Plant, \$2.6 million over the next two fiscal years for replacement of the Apache Boulevard waterline, and \$2.0 million in fiscal year 2003-04 for expansion of the Kyrene Booster Zone.

Wastewater projects comprise \$13.5 million or 39% in fiscal year 2003-04 and \$32.8 million or 60.3% in fiscal year 2004-05 of the Enterprise Capital Budget. This includes \$24.6 million

over the next two fiscal years for the City's share of improvements at the 91st Avenue Wastewater Treatment Plant, \$17.3 million for expansion of the Kyrene Water Reclamation Facility (KWRF) over the next two fiscal years, and \$3.0 million for the Rural Road Influent Line to KWRF.

Special Purpose

Special Purpose capital projects include those for Transit, the Performing Arts, and the Rio Salado program, representing \$64.2 million or 54% in fiscal year 2003-04 and \$104.0 million or 59% in fiscal year 2004-05 of the total Capital Budget.

The Transit capital program represents \$62.1 million or 96.8% in fiscal year 2003-04 and \$77.3 million or 74.4% in fiscal year 2004-05 of the Special Purpose Capital Budget. Major projects funded over the next two fiscal years include \$125.8 million for planning, design, and construction of the Central Valley and East Valley Light Rail Transit corridor, \$5.9 million for a Transit Center, and \$4.7 million for multi-use paths along the Western Canal. The Transit capital program is funded from Excise Tax bonds, transit taxes, performing arts tax revenue, capital projects fund balances, and Outside

Special Purpose – Sources of Funds		
(\$ Millions)	FY 03-04	FY 04-05
Excise Tax Bonds	\$39.5	\$53.8
Transit Tax Revenues	17.7	23.3
Outside Revenue	6.4	24.1
Performing Arts Tax	0.4	2.3
Capital Projects Fund		
Total	\$64.2	\$104.0

Revenue.

The Performing Arts Center capital program represents \$1.9 million or 2.9% in fiscal year 2003-04 and \$26.1 million or 25.1% in fiscal year 2004-05 of the Special Purpose Capital Budget. This funding primarily provides for the construction of the Tempe Center for the Arts on the south side of Tempe Town Lake.



Performing Arts Capital Budget funding comes from excise tax bonds and performing arts tax revenue.

General Purpose

The General Purpose capital projects include those for General Governmental, Police and Fire Protection, and Park Improvements. In aggregate, they represent \$7.7 million or 6.5% of the total Capital Budget and 9.3% of the tax-supported capital projects for fiscal year 2003-04. In fiscal year 2004-05, they represent \$12.3 million or 7% of the total Capital Budget and 10.1% of tax-supported capital projects.

General Governmental projects account for \$2.8 million or 37.1% in fiscal year 2003-04 and \$3.0 million or 24.3% in fiscal year 2004-05 of the General Purpose Capital Budget, with funding provided for a variety of purposes.

Police Protection accounts for \$1.0 million or 10.4% in fiscal year 2003-04 and \$6.7 million or 54.7% in fiscal year 2004-05 of the General Purpose Capital Budget. These amounts provide for the construction of a new Property and Evidence Storage Facility/Substation.

Park Improvements represent \$1.9 million or 24.5% in fiscal year 2003-04 and \$2.4 million or 19.0% in fiscal year 2004-05 of the total General Purpose Capital Budget. These amounts provide \$1.9 million for the completion of the North Side Multigenerational Complex and \$1.1 million for improvements to the Cole and Rotary Park playgrounds.

Fire Protection accounts for \$1.9 million or 24.8% of the fiscal year 2003-04 General Purpose Capital Budget for the conversion of radios to the 800 MHz frequency and the purchase of land for a fire station in the southeast quadrant.

Funding for General Purpose capital projects

General Purpose – Sources of Funds		
(\$ Millions)	FY 03-04	FY 04-05
General Obligation Bonds	\$3.8	\$9.0
Other Operating Funds	2.7	3.3
Transit Tax	0.7	0.0
Capital Projects Fund		
Total	\$7.7	\$12.3

primarily comes from General Obligation Bonds and Other Operating Funds.

Transportation

The Transportation Capital Budget includes projects for Street Improvements, and Street Lighting and Traffic Signals. In total, Transportation projects represent \$11.2 million or 9.5% in fiscal year 2003-04 and \$6.3 million or 3.6% in fiscal year 2004-05 of the total Capital Budget.

The majority of Transportation capital funding is for Street Improvements, which represent \$10.3 million or 91.6% in fiscal year 2003-04 and \$5.4 million or 85.1% in fiscal year 2004-05 of the total Transportation Capital Budget. These amounts provide continued funding for local and major street renovation and reconstruction.

The remaining funding is for Street Lighting and Traffic Signals, which combined represent \$1.0 million or 8.4% in fiscal year 2003-04 and \$1.0 million or 14.9% in fiscal year 2004-05 of the total Transportation Capital Budget. These amounts provide funding for street light upgrades, new signals, and the undergrounding of overhead utility lines. The Transportation

Transportation – Sources of Funds		
(\$ Millions)	FY 03-04	FY 04-05
General Obligation Bonds	\$3.9	\$6.3
Improvement District Bonds	6.3	0.0
Other Operating Revenue	0.9	0.0
Total	\$11.1	\$6.3

Capital Budget is funded from General Obligation Bonds, Improvement District Bonds, and Other Operating Revenue.

Capital Improvements Program Summary



Program	2003-04 Funded	2004-05 Funded	Additional Needs				Total 6-Year Program
			2005-06	2006-07	2007-08	2008-09	
Enterprise Program							
Water	\$20,977,680	\$19,355,000	\$7,933,000	\$20,858,000	\$20,983,000	\$2,308,000	\$92,414,680
Wastewater	13,546,612	32,789,500	27,722,201	13,164,394	10,112,620	7,900,209	105,235,536
Golf	170,000	1,490,000	50,000	50,000	50,000	50,000	1,860,000
Cemetery	225,000	770,000	1,400,000	0	0	0	2,395,000
Subtotal Enterprise	34,919,292	54,404,500	37,105,201	34,072,394	31,145,620	10,258,209	201,905,216
Special Purpose Program							
Transit	62,122,070	77,324,792	88,018,672	86,096,440	3,243,110	0	316,805,084
Performing Arts	1,863,320	26,107,768	22,228,912	0	0	0	50,200,000
Rio Salado	200,000	526,269	4,435,545	4,090,000	875,000	125,000	10,251,814
Total Special Purpose	64,185,390	103,958,829	114,683,129	90,186,440	4,118,110	125,000	377,256,898
General Purpose Program							
Police	794,300	6,715,950	12,522,814	150,000	1,490,000	3,672,000	25,345,064
Fire	1,900,000	0	0	0	127,330	2,134,484	4,161,814
Storm Drains	200,000	200,000	200,000	250,000	250,000	250,000	1,350,000
Park Improvements							
Recreation	1,873,000	2,335,000	1,060,000	9,560,000	310,000	310,000	15,448,000
Public Works	50,000	50,000	50,000	50,000	50,000	50,000	300,000
General Governmental							
Community Services	0	0	200,000	0	0	0	200,000
Development Services	930,000	930,000	1,648,750	1,777,150	1,062,750	1,062,750	7,411,400
Financial Services	167,000	175,000	175,000	175,000	175,000	175,000	1,042,000
Information Technology	725,000	725,000	225,000	725,000	225,000	725,000	3,350,000
Municipal Arts Program	345,243	521,445	356,552	340,224	310,956	102,082	1,976,502
Neighborhood Program	225,000	225,000	225,000	225,000	225,000	225,000	1,350,000
Public Works	447,000	402,000	707,000	402,000	402,000	402,000	2,762,000
Total General Purpose	7,656,543	12,279,395	17,370,116	13,654,374	4,628,036	9,108,316	64,696,780
Transportation Program							
Transportation and	10,262,482	5,395,498	5,771,061	5,542,878	4,837,804	3,775,398	35,585,121
Traffic Signals/Street	945,000	945,000	945,000	995,000	995,000	995,000	5,820,000
Total Transportation	11,207,482	6,340,498	6,716,061	6,537,878	5,832,804	4,770,398	41,405,121
Total General/	18,864,025	18,619,893	24,086,177	20,192,252	10,460,840	13,878,714	106,101,901
Subtotal Tax Supported	83,049,415	122,578,722	138,769,306	110,378,692	14,578,950	14,003,714	483,358,799
TOTAL PROGRAM	\$117,968,707	\$176,983,222	\$175,874,507	\$144,451,086	\$45,724,570	\$24,261,923	\$685,264,015

Capital Improvements Program Fund Balances



Program	Estimated Fund Bal.	Transfers from Other Funds	Outside Revenue	Bond Proceeds	Appropriation	Estimated Fund Bal.
Enterprise						
Water/Wastewater	\$5,405,000	\$10,000,000	\$474,292	\$24,050,000	\$34,524,292	\$5,405,000
Golf	0	0	0	170,000	170,000	0
Cemetery	0	0	0	225,000	225,000	0
Subtotal Enterprise	5,405,000	10,000,000	474,292	24,445,000	34,919,292	5,405,000
Special Purpose						
Transit	10,497,500	17,655,070	6,467,000	38,000,000	62,122,070	10,497,500
Performing Arts	0	400,000	0	1,463,320	1,863,320	0
Rio Salado	2,201,500	0	0	0	200,000	2,001,500
Subtotal Special Purpose	12,699,000	18,055,070	6,467,000	39,463,320	64,185,390	12,499,000
General Purpose						
Police Protection	(50,000)	0	0	794,300	794,300	(50,000)
Fire Protection	0	0	0	1,900,000	1,900,000	0
Storm Drains	555,400	200,000	0	0	200,000	555,400
Park Improvements	0	805,000	0	1,118,000	1,923,000	0
General Governmental	314,600	1,242,243	1,097,000	0	2,839,243	(185,400)
Subtotal General Purpose	820,000	2,247,243	1,097,000	3,812,300	7,656,543	320,000
Transportation						
Transp. & R.O.W. Improve-	2,046,000	0	0	10,262,482	10,262,482	2,046,000
Traffic Signals/Street Lighting	64,300	945,000	0	0	945,000	64,300
Subtotal Transportation	2,110,300	945,000	0	10,262,482	11,207,482	2,110,300
Total Program	\$21,034,300	\$31,247,313	\$8,038,292	\$77,983,102	\$117,968,707	\$20,334,300

Program	Estimated Fund Bal. 06-30-04	Transfers from Other Funds	Outside Revenue	Bond Proceeds	Appropriation	Estimated Fund Bal. 06-30-05
Enterprise						
Water/Wastewater	\$5,405,000	\$10,000,000	\$494,500	\$41,650,000	\$52,144,500	\$5,405,000
Golf	0	0	0	1,490,000	1,490,000	0
Cemetery	0	0	0	770,000	770,000	0
Subtotal Enterprise	5,405,000	10,000,000	494,500	43,910,000	54,404,500	5,405,000
Special Purpose						
Transit	10,497,500	23,260,792	24,064,000	30,000,000	77,324,792	10,497,500
Performing Arts	0	2,300,000	0	23,807,768	26,107,768	0
Rio Salado	2,001,500	0	0	0	526,269	1,475,231
Subtotal Special Purpose	12,499,000	25,560,792	24,064,000	53,807,768	103,958,829	11,972,731
General Purpose						
Police Protection	(50,000)	0	0	6,715,950	6,715,950	(50,000)
Fire Protection	0	0	0	0	0	0
Storm Drains	555,400	200,000	0	0	200,000	555,400
Park Improvements	0	130,000	0	2,255,000	2,385,000	0
General Governmental	(185,400)	1,873,445	1,105,000	0	2,978,445	(185,400)
Subtotal General Purpose	320,000	2,203,445	1,105,000	8,970,950	12,279,395	320,000
Transportation						
Transp. & R.O.W. Improve-	2,046,000	0	0	5,395,498	5,395,498	2,046,000
Traffic Signals/Street Lighting	64,300	0	0	945,000	945,000	64,300
Subtotal Transportation	2,110,300	0	0	6,340,498	6,340,498	2,110,300
Total Program	\$20,334,300	\$37,764,237	\$25,663,500	\$113,029,216	\$176,983,222	\$19,808,031

CIP Project Listing



Water

JGMWTP: 30 MGD Plant Expansion \$68,950,105

This project will provide the increased water treatment capacity needed to meet the projected growth resulting from in-fill development, development of remaining vacant land, and re-development of existing parcels.

03-04 Source of Funds		04-05 Source of Funds	
W/WW Fund		W/WW Fund	
Balance	10,000,000	Balance	10,000,000

Waterline Upgrades & Extensions \$3,358,435

The Integrated Master Plan (IMP) identified most of the specific waterlines that need to be replaced to meet increasing demands. This project provides a recurring funding source to replace water lines that break during normal operation.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	108,435	GO Bonds	650,000

Apache Blvd. Corridor Waterline Improvements \$2,600,000

This project will replace 50+ year old lead-jointed cast iron pipes with new ductile iron pipe that meets City codes and specifications.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	1,350,000	GO Bonds	1,250,000

Kyrene Booster Zone \$2,000,000

This project will expand the booster zone and move the pumping function to the potable water storage and pump station located at the Kyrene WRF. This project also includes new valves and piping, and

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	2,000,000		

CAP Capital Charge \$1,398,000

An agreement with the Central Arizona Water Conservation District (CAWCD) imposes a semi-annual capital charge payable annually through 2034. These charges repay the federal government's advance

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	233,000	GO Bonds	233,000

STWTP: Capital Equipment Replacement \$750,000

This project provides a funding mechanism to facilitate replacement of equipment at the South Tempe Water Treatment Plant (STWTP).

03-04 Source of Funds		04-05 Source of Funds	
		GO Bonds	150,000

JGMWTP: Waterline Improvements \$4,500,000

This project provides for replacing existing 42" diameter and 30" diameter pipes that have nearly reached their useful lives with 4500 l.f. of 60" diameter and 8600 l.f. of 42" diameter pipe to accommodate the increased future flows from the

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	2,250,000	GO Bonds	2,250,000

Utility Services & Warehouse Building \$2,917,000

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.

03-04 Source of Funds		04-05 Source of Funds	
		GO Bonds	292,000

New Production Wells \$2,266,140

This project provides for two (2) new wells to be brought into production over a 2-year period. These wells would provide an additional 8.7 MGD of production capacity, and coupled

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	311,140	GO Bonds	1,330,000

Distribution System Fittings \$1,500,000

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

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	250,000	GO Bonds	250,000

JGMWTP: Capital Equipment Replacement \$900,000

This project provides funding for pumps, valves, and other operating equipment that need replacement due to fatigue, wear, and structural failure.

03-04 Source of Funds		04-05 Source of Funds	
Development	150,000	Development	150,000

Update Integrated Master Plan (IMP) \$600,000

In 1999-2000 the Water Utility Department completed the first master planning effort for water, wastewater, stormwater, and flood irrigation. This project provides funding to facilitate the first update to the IMP on the recommended 3-year cycle.

03-04 Source of Funds		04-05 Source of Funds	
		GO Bonds	300,000



Compound Meter Replacement \$175,000

This project provides for a systematic replacement program over a three year period. Less frequent maintenance and improved accuracy are the expected results of this program.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	175,000		

KWRF Expansion \$33,187,356

This project provides funding to renovate the Kyrene Water Reclamation Facility (KWRF) to a 9 MGD membrane treatment

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	1,277,356	Excise Bonds	15,955,000

Sewer Reconstruction \$2,500,000

This project provides a recurring funding source to replace sewer lines that break during normal operation.

03-04 Source of Funds		04-05 Source of Funds	
		Excise Bonds	317,500
		Development Fees	182,500

Rural Road Sewer Replacement \$162,000

This project provides funding to upgrade the 21” diameter sewer that conveys flow from Bel de Mar north on Rural Road to Guadalupe to a 36” diameter pipe.

03-04 Source of Funds		04-05 Source of Funds	
		Development Fees	162,000

Golf Course Improvements \$300,000

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

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	50,000	Excise Bonds	50,000

Transit

CP & EVLRT Rail Planning, Design & \$282,727,000

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.

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	38,000,000	Excise Bonds	30,000,000
Transit Tax	16,640,000	FTA Grant	19,964,000
FTA Grant	5,044,000	Transit Tax	16,159,000

Wastewater

91st Avenue WWTP (Wastewater Treatment Plant) \$62,224,554

This project represents Tempe’s share of all activities at the 91st Avenue WWTP including: capacity expansion projects, equipment replacement, modifications and additions to meet regulatory requirements, process enhancements and rehabilitation of jointly owned

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	9,446,936	GO Bonds	9,895,000
GO Bonds	1,922,320	Excise Bonds	3,319,500

Rural Road Influent Line to KWRF \$2,958,000

This project upgrades the 30” diameter sewer that diverts flow from Rural Road to the Kyrene Water Reclamation Facility (KWRF) to a 42”

03-04 Source of Funds		04-05 Source of Funds	
		Excise Bonds	2,958,000

SAI Diversion Structure \$900,000

This project provides for the refinement of an existing design and construction of a diversion structure. This request will be jointly

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	575,708		
Development Fees	324,292		

Golf

Rolling Hills Irrigation System Replacement \$1,560,000

This project provides funds for the replacement of the irrigation system and for the replacement of turf with desert landscaping to reduce water consumption.

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	120,000	Excise Bonds	1,440,000

Cemetery

Double Butte Cemetery Improvements and \$2,395,000

This project provides funding for improvements and expansion of the Double Butte Cemetery based on the completed master plan as

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	225,000	Excise Bonds	770,000

Local Participation in Regional Transit \$15,680,000

This project provides the local match for design and construction of a regional transit maintenance center in the east valley to serve transit contractors working for the Regional Public Transportation Authority, and other local cities. The center would provide adequate resources for

03-04 Source of Funds		04-05 Source of Funds	
Federal Grants	480,000	Transit Tax	200,000



Transit Center \$7,158,400

This project funds transit improvements, including the construction of two transit centers.

03-04 Source of Funds		04-05 Source of Funds	
Transit Tax	400,000	Transit Tax	5,476,200

Western Canal Multi-Use Path, Phase 2 \$2,000,000

This project involves design and construction of a 1.5 mile segment of concrete off-street pathway that will include lighting, landscaping and art elements along the Western Canal from Baseline Road to the Ken McDonald Golf Course.

03-04 Source of Funds		04-05 Source of Funds	
		Federal Grants	1,600,000

Western Canal Multi-Use Path, Phase 1 \$1,250,000

This project involves design and construction of a 2.5 mile segment of concrete off-street pathway that will include lighting, landscaping and art elements along the Western Canal from Price Road to Ken

03-04 Source of Funds		04-05 Source of Funds	
		Federal Grants	1,250,000

College Ave: Apache/US 60 \$60,000

This project will improve pedestrian facilities along College Avenue from Apache to the Superstition Freeway.

03-04 Source of Funds		04-05 Source of Funds	
		Transit Tax	60,000

Performing Arts Park \$2,700,000

This project provides for developing plans and construction documents for an "Arts Park" to connect the Tempe Visual and Performing Arts Center with the Tempe Beach Park to the east.

03-04 Source of Funds		04-05 Source of Funds	
Performing Arts	400,000	Performing Arts	2,300,000

Rio Salado Ancillary Construction \$525,000

Rio Salado Ancillary Projects will fund the various design, safety requirements, emergency signage and fencing projects, and any other unforeseen project that becomes necessary in the Rio Salado area.

03-04 Source of Funds		04-05 Source of Funds	
Fund Balance	100,000	Fund Balance	100,000

Municipal Arts Program-Transit \$3,136,684

This project provides for various Transit related Municipal Arts projects as determined by the Transit and Cultural Services Divisions, Municipal Arts and Transportation Commissions, and the City Council.

03-04 Source of Funds		04-05 Source of Funds	
Transit Tax	615,070	Transit Tax	765,592

Western Canal Multi-Use Path, Phase 3 \$1,450,000

This project involves design and construction of a 1.5 mile segment of paved off-street pathway that will include lighting, landscaping and art elements along the Western Canal from Arizona Mills Mall to Baseline Road.

03-04 Source of Funds		02-03 Source of Funds	
		Federal Grants	1,250,000

Rio Salado S. Bank Multi-Use Path - Hardy/ \$943,000

This project involves design and construction of a .5 mile long 12 foot wide path including lighting and landscaping on the south bank of the Rio Salado Town Lake between Hardy and Priest

03-04 Source of Funds		04-05 Source of Funds	
Federal Grants	943,000		

Performing Arts

Performing Arts Center \$47,500,000

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

03-04 Source of Funds		04-05 Source of Funds	
Excise Bonds	1,463,320	Excise Bonds	23,807,768

Rio Salado

US Army Corps Match Money \$954,635

This project provides the required balance of City of Tempe match and operating funds for the US Army Corps of Engineers Habitat Restoration Project.

03-04 Source of Funds		04-05 Source of Funds	
		Fund Balance	351,269

Rio Salado Consultant Studies \$375,000

This project provides funding to retain and administer consultant studies and participate in agreements to design improvements and monitor the Rio Salado Project.

03-04 Source of Funds		04-05 Source of Funds	
Fund Balance	100,000	Fund Balance	75,000



Police

Apache Boulevard Property Facility/Police \$19,883,064

This project funds the construction of a new Substation and Property & Evidence Storage Facility to meet the Police Department’s projected needs for the next 10 years.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	794,300	GO Bonds	6,715,950

Radio Replacement for Conversion to 800 MHz \$1,300,000

This project provides for the City of Tempe’s share of the infrastructure costs of converting the Fire Department’s radios to 800 MHz radio frequency, as required by the Federal Communications Commission.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	1,300,000		

Park Improvements/Recreation

North Side Multi-Generational Center \$1,895,000

This request provides funding for the construction of the North Tempe Multi-Generational Center. This facility will be similar to the Westside and the Escalante Facility.

03-04 Source of Funds		04-05 Source of Funds	
		GO Bonds	1,895,000

Cole & Rotary Park Playgrounds \$1,075,000

This project provides funding for improvements to playgrounds at Cole & Rotary Parks. These improvements were promised by Council in exchange for the impacts on these parks caused by the construction of an accessible pedestrian/bicycle bridge over US 60 by the Arizona Department of Transportation.

03-04 Source of Funds		04-05 Source of Funds	
Transit Tax	675,000		
GO Bonds	400,000		

Kiwanis Park Pump Station Replacement \$310,000

This project provides funding to adequately water the turf, trees and landscaping throughout Kiwanis Park.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	310,000		

Pyle Adult Recreation Center \$48,000

This project provides funding for modifications and improvements to enhance services at the recreation center.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	48,000		

Fire

Fire Station for Southeast Quadrant \$2,861,814

This project will provide funding to build a two bay fire station in the southeast quadrant.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	600,000		

Storm Drains

Storm Drains \$1,350,000

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

03-04 Source of Funds		04-05 Source of Funds	
W/WW Fund	200,000	W/WW Fund	200,000

Neighborhood Park Improvements \$1,500,000

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

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	250,000	GO Bonds	250,000

Sports Facility Relamping \$360,000

This project provides for the continued funding of a maintenance program for our sports facilities’ lighting needs.

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	60,000	GO Bonds	60,000

Mitchell School Acquisition \$260,000

This project provides for the annual payment for the acquisition of the Mitchell Park site.

03-04 Source of Funds		04-05 Source of Funds	
Transfer from	130,000	Transfer from	130,000

Park Improvements/Public Works

Various Park Landscaping/Improvements \$300,000

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

03-04 Source of Funds		04-05 Source of Funds	
GO Bonds	50,000	GO Bonds	50,000



General Governmental

AWA 1st Street Redevelopment \$4,911,000

The City has entered into a twenty year development agreement with America West Airlines for the development of the America West Corporate Center. This project provides for annual payments to

03-04 Source of Funds 04-05 Source of Funds

Transfer from Other 730,000 Transfer from 730,000

City PC Software Environmental Upgrade \$2,000,000

This project provides funding to upgrade the City’s software from Windows 95/97 to Windows 2000.

03-04 Source of Funds 04-05 Source of Funds

Fund Balance 500,000 Other Reserve 500,000

Municipal Arts Program \$1,976,502

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

03-04 Source of Funds 04-05 Source of Funds

W/WW Fund 345,243 W/WW Fund 521,445

City Facilities Rehabilitation \$1,800,000

This project provides for the rehabilitation and repair of City owned properties. This rehabilitation includes roofing repairs, facility painting, structural modifications, lighting improvements,

03-04 Source of Funds 04-05 Source of Funds

Other Revenue 300,000 Other Revenue 300,000

Neighborhood Improvement Program \$1,350,000

This project provides funding for small projects in Tempe neighborhoods. Such projects would include landscaping, security

03-04 Source of Funds 04-05 Source of Funds

Other Revenue 225,000 Other Revenue 225,000

Digital Infrastructure \$1,350,000

This project provides funding to upgrade and enhance the telecommunications network infrastructure providing increased

03-04 Source of Funds 04-05 Source of Funds

Other Revenue 225,000 Other Revenue 225,000

Downtown Public Parking \$1,200,000

This project provides funding for operations and lease payments on private parking facilities which the City has leased or purchased parking rights for use as public parking in the downtown.

03-04 Source of Funds 04-05 Source of Funds

Transfer from Other 200,000 Transfer from Other 200,000

Leased Office Space \$1,042,000

This project provides funding for the office lease costs, including annual operating and maintenance (O&M), for the Code Enforcement Office and the Tax and License Office at Centerpoint

03-04 Source of Funds 04-05 Source of Funds

Transfer from 167,000 Transfer from 175,000

Historic Properties Preservation \$240,000

This project provides funding to preserve the structural and aesthetic

03-04 Source of Funds 04-05 Source of Funds

Other Revenue 65,000 Other Revenue 35,000

HVAC Equipment Replacement \$225,000

This project will provide funding to replace heating, ventilation,

03-04 Source of Funds 04-05 Source of Funds

Other Revenue 50,000 Other Revenue 35,000

Transp. & R.O.W.

Energy Upgrade and Retrofit \$192,000

This project provides funding to improve energy efficiency throughout the city and reduce power utility bills.

03-04 Source of Funds 04-05 Source of Funds

Other Revenue 32,000 Other Revenue 32,000

Local and Major Street Reconstruction \$10,189,421

This project will provide for the reconstruction or resurfacing of local and major streets throughout the City in accordance with the

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 200,000 GO Bonds 1,768,547

**Playa del Norte / Miller Road Widening I.D. \$7,182,900**

This project provides funding for the acquisition of right-of-way and the construction of Miller Road south of Curry Road and through the Playa del Norte Redevelopment Project to connect to Rural Road.

03-04 Source of Funds 04-05 Source of Funds

I.D. Bonds 5,622,900
G.O. Bonds 1,560,000

Local Street Renovation \$5,664,847

This project will provide for sealing local streets throughout the City in accordance with the City's Pavement Program.

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 200,000 G.O. Bonds 1,094,161

Major Street Renovation \$5,802,708

This project will provide for the sealing of arterial and collector streets throughout the City in accordance with the City's Pavement Program.

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 265,821 G.O. Bonds 1,577,230

Minor Concrete Improvements \$1,950,000

This project will provide for the replacement of broken curbs, gutters, and sidewalks throughout the City and for the construction of curbs, gutters, and sidewalks to close small gaps at various

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 325,000 G.O. Bonds 325,000

Playa del Norte / Rural Road Widening I.D. \$1,640,300

This project provides funding for the widening of Rural Road and the creation of a signalized intersection in conjunction with the Playa del Norte Redevelopment Project.

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 935,000
I.D. Bonds 705,300

Neighborhood Transportation Management \$1,000,000

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

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 200,000

City Facilities Parking Lots \$719,945

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

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 88,461 G.O. Bonds 215,560

Bridge Maintenance \$600,000

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

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 100,000 G.O. Bonds 100,000

Various Street Landscaping \$450,000

This project will provide funding to continue improvement of various street rights-of-way and public properties by installation of upgraded landscaping.

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 75,000 G.O. Bonds 75,000

Major Street Renovation \$5,802,708

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

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 265,821 G.O. Bonds 1,577,230

Minor Street and Alley Improvements \$240,000

This project provides funding for the improvement or dust control of minor streets and alleys throughout the City, including paving unpaved streets or upgrading of substandard minor streets to City

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 40,000 G.O. Bonds 40,000

Rural Road/Western Canal Drainage \$145,000

The project provides funds to modify drainage, landscape, and replace the masonry wall on the west side of Rural Road north of the Western Canal.

03-04 Source of Funds 04-05 Source of Funds

G.O. Bonds 145,000



■ **Traffic Signals/ Street Lighting**

Utility Undergrounding \$1,950,000

This project will provide for the undergrounding of overhead utility lines.

03-04 Source of Funds		04-05 Source of Funds	
HURF FB	300,000	G.O. Bonds	300,000

Streetlight Upgrades/ New Installs \$1,800,000

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.

03-04 Source of Funds		04-05 Source of Funds	
HURF FB	300,000	G.O. Bonds	300,000

New Signals/ Modular Upgrades \$1,920,000

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

03-04 Source of Funds		04-05 Source of Funds	
HURF FB	320,000	GO Bonds	320,000

Installation of ADA Pedestrian Push Buttons \$150,000

This purpose of this project is to convert existing or install new accessible pedestrian push buttons at traffic signal controlled intersections.

03-04 Source of Funds		04-05 Source of Funds	
HURF FB	25,000	G.O. Bonds	25,000

Relationship Between Operating and Capital Budgets



The City of Tempe prepares a separate Capital Budget from the Operating Budget, but the two budgets are closely linked. The Capital Improvements Program (CIP), as distinguished from the Operating Budget, is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City services. Capital projects typically apply to: (1) expenditures that take place over two or more years, requiring continuing appropriations beyond a single fiscal year; (2) funding with debt because of significant costs to be shared by current and future beneficiaries; (3) systematic acquisition over an extended period of time; and (4) scheduled replacement or maintenance of specific elements of physical assets.

Revenues for the Capital Budget derive primarily from General Obligation bond sales, long and short-term loans, development fees, and some current revenues. The Capital Budget, unlike the Operating Budget, is a six-year plan that is updated every two years. Only those projects scheduled during the first two years of the plan are financed and adopted as part of the City's Biennial Budget.

The property tax rate will remain at \$1.35 per \$100 assessed valuation. No property tax increase is necessary to fund debt service requirements of the FY 2003-05 Capital Budget.

Total Impact of Capital Budget		
	2003-04	2004-05
Existing Debt	\$24,569,738	\$34,523,888
New Debt		
Enterprise	3,094,709	3,764,142
Special Revenue	8,019,167	3,986,121
Transportation	1,213,025	523,107
General Purpose	1,507,941	1,433,661
O&M by Project	76,915	409,272
Total	\$69,728,808	\$85,157,428

The following table shows the estimated impact of the Capital Budget on the Operating Budget is \$69.7 million in FY 2003-04 and \$85.2 million in FY 2004-05. This includes debt service costs incurred from long-term financing of capital projects approved this year and in prior years, operating and maintenance costs directly related to new capital projects, and "pay-as-you-go" financing of capital projects.

As part of the FY 2003-05 Capital Improvements Program, departments were asked to identify those

FY 2003-05 Operating Budget Impacts			
			Fiscal Year
Special Purpose			
Performing Arts	Performing Arts Center	\$30,000	\$333,000
Total Special Purpose			30,000 346,632
Enterprise			
Water	Kyrene Booster Zone	22,565	22,565
Total Enterprise			\$46,915 \$62,640
Total Program			\$76,915 \$409,27

capital projects that have an impact on the operating budget. Operating impacts include those costs associated with supplies and services, electricity, and maintenance.

The table above summarizes the projected impact of the capital improvement plan on the City's operating budget for FY 2003-04 and FY 2004-05. Total operating impacts from the Special Purpose Program are estimated at \$30,000 in 2003-04 and \$346,632 in 2004-05, with the majority (\$30,000) and (\$330,000) associated with miscellaneous fees and services for the Performing Arts Center. The remainder provides for landscape maintenance for the Western Canal Multi-Use Path.

Operating budget impacts from Water projects funded in the Enterprise Capital Program total \$46,915 in fiscal year 2003-04 and \$62,640 in fiscal year 2004-05. These amounts funds supplies, electricity, contracted services, and equipment and machinery repair for the Kyrene Booster Zone Project and the construction of

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	Property Tax Rate (\$)		
						Primary	Secondary	Total
1995-96	22,192,124	145,830,000	29,841,317	887,858,508	4.4	.56	.84	1.40
1996-97	35,466,698	141,285,000	27,161,881	912,856,941	2.8	.57	.83	1.40
1997-98	79,717,004	173,470,000	24,533,678	993,270,348	8.8	.56	.84	1.40
1998-99	87,651,929	203,495,000	24,297,657	1,098,826,160	10.6	.54	.86	1.40
1999-00	85,587,326	197,735,000	31,836,932	1,223,438,321	11.3	.55	.85	1.40
2000-01	61,256,862	200,805,000	29,772,986	1,356,429,397	10.9	.54	.81	1.35
2001-02	85,541,430	205,950,000	26,675,235	1,456,361,617	7.4	.53	.82	1.35
2002-03	130,638,313	252,480,000	23,996,164	1,556,492,294	6.9	.52	.83	1.35
2003-04 (est.)	117,968,707	375,212,960	39,191,569	1,688,452,415	8.5	.55	.80	1.35
2004-05 (est.)	176,983,222	455,043,401	43,555,527	1,755,990,512	4.0	.55	.80	1.35

Summary:

(1) The increase in the Capital Budget from \$35 million in FY 1996-97 to \$80 million in FY 1997-98 is principally due to the addition of the Transit and Rio Salado capital programs; the increase from \$86 to \$177 million between FY 2001-02 and FY 2004-05 primarily comes from the addition of light-rail construction within the Transit program, an expanded Water/Wastewater capital program, and the building of the Performing Arts Center; and (2) the City decreased the property tax rate from \$1.40 to \$1.35 in FY 2000-01, with no change planned in FY 2003-04 or FY 2004-05.



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:

- A six-year capital improvement program will be developed and updated annually along with corresponding anticipated funding sources.
- Capital projects financed through the issuance of bonded debt will be financed for a period not to exceed the useful life of

the project.

- Debt service schedules will be based upon level annual principal and interest payments.
- Capital improvement operating budget impacts will be coordinated with the development of 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. (All debt is tax supported and does not include enterprise or overlapping debt.)

Bonded Debt Limits Summary, July 1, 2003 and July 1, 2004

	FY 2003-04		FY 2004-05	
	6%	20%	6%	20%
Bond Limit ¹	\$101,307,145	\$337,690,483	\$105,359,431	\$351,198,103
Outstanding Bonded Debt Previously Issued by City	(61,165,000)	(120,905,000)	(57,667,000)	(113,005,000)
Proposed Bonds to be Sold in FY 2003-05				
Water/Wastewater	0	(12,550,000)	0	(18,985,000)
Storm Drains	0	(200,000)	0	(115,000)
Park Improvements	0	(1,795,000)	0	(2,255,000)
All Others	(5,940,000)	0	(13,060,000)	0
Debt Margin Available	\$34,202,145	\$202,240,483	\$34,632,431	\$216,838,103

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

the secondary assessed value.

Cities may also issue general obligation bonds for all other purposes not included in the 20% Debt Margin category up to an amount not

¹ FY 2003-04 is based upon an estimated secondary assessed value of \$1,688,452,415, compared to the FY 2002-03 secondary assessed value of \$1,556,492,294. FY 2004-05 is based upon an estimated secondary assessed value of \$1,755,990,512.

² Article 9, Section 8 – Arizona Constitution

Debt Service Schedule



FY 2003-04

	Original Issue	Outstanding 7-1-03	Direct Principal	Direct Interest	Fiscal Agent Payments	2003-04 Total Requirements
General Purpose						
Existing Debt:						
1993A General Obligation	3,850,000	2,110,000	775,000	108,150		883,150
1994 General Obligation	4,000,000	2,865,000	175,000	42,000		217,000
1995 General Obligation	5,600,000	4,160,000	260,000	216,325		476,325
1997 General Obligation	4,000,000	3,215,000	165,000	173,732		338,732
1998 General Obligation	4,035,000	3,230,000	30,000	152,665		182,665
1998A General Obligation	10,500,000	8,525,000	405,000	394,950		799,950
1999 Certificates of Participation	5,110,000	3,335,000	495,000	155,940		650,940
2000A \$17.310 Excise Tax	7,743,500	6,635,000	255,000	352,326		607,326
2001A General Obligation	3,300,000	3,115,000	100,000	158,300		258,300
2002A General Obligation	4,330,000	4,195,000	145,000	186,244		331,244
2002R General Obligation	3,250,000	2,890,000	330,000	124,443	35,000	489,443
Total Existing Debt	55,718,500	44,275,000	3,135,000	2,065,075	35,000	5,235,075
2003 Planned New Debt:						
General Obligation	10,460,000	10,460,000	316,337	523,000		839,337
2004 Planned New Debt:						
General Obligation	5,600,000	5,600,000	160,604	308,000	200,000	668,604
Total General Purpose	71,778,500	60,335,000	3,611,941	2,896,075	235,000	6,743,016
Streets						
Existing Debt:						
1993A General Obligation	4,800,000	4,475,000	1,465,000	232,195		1,697,195
1994 General Obligation	3,500,000	2,500,000	150,000	36,638		186,638
1995 General Obligation	9,400,000	6,950,000	435,000	361,350		796,350
1997 General Obligation	4,500,000	3,620,000	185,000	195,618		380,618
1998 General Obligation	3,390,000	2,715,000	25,000	128,343		153,343
1998A General Obligation	9,500,000	7,720,000	370,000	357,650		727,650
2001A General Obligation	6,700,000	6,330,000	205,000	321,623		526,623
2002A General Obligation	3,670,000	3,555,000	120,000	157,925		277,925
2002R General Obligation	2,755,000	2,465,000	275,000	106,225		381,225
Total Existing Debt	48,215,000	40,330,000	3,230,000	1,897,567		5,127,567
2003 Planned New Debt:						
General Obligation	8,860,000	8,860,000	267,949	443,000		710,949
2004 Planned New Debt:						
General Obligation	6,000,000	8,860,000	172,076	330,000		502,076
Total Streets	63,075,000	58,050,000	3,670,025	2,670,567		6,340,592
Performing Arts						
Existing Debt:						
2002 Excise Tax	15,500,000	15,500,000	555,000	738,015		1,293,015
2004 Planned New Debt:						
Excise Tax	47,500,000	47,500,000	1,759,494	2,612,500	150,000	4,521,994
Total Performing Arts	63,000,000	63,000,000	2,314,494	3,350,515	150,000	5,815,009



	Original Issue	Outstanding 7-1-03	Direct Principal	Direct Interest	Fiscal Agent Payments	2003-04 Total Requirements
Rio Salado (CFD)						
Existing Debt:						
2003 Rio Salado Refunding	39,275,000	39,275,000	1,340,000	1,749,742	110,000	3,199,742
Total Rio Salado (CFD)	39,275,000	39,275,000	1,340,000	1,749,742	110,000	3,199,742
Transit						
2004 Planned New Debt:						
Excise Tax	40,000,000	40,000,000	1,147,173	2,200,000	150,000	3,497,173
Total Transit	40,000,000	40,000,000	1,147,173	2,200,000	150,000	3,497,173
Golf Enterprise						
Existing Debt:						
1993 Tempe Municipal Prop.	1,400,000	520,000	120,000	29,675	3,000	152,675
2004 Planned New Debt:						
Excise Tax Obligations	170,000	170,000	4,875	9,350	1,500	15,725
Total Golf Enterprise	1,570,000	690,000	124,875	39,025	4,500	168,400
Water/Wastewater Enterprise						
Existing Debt:						
1993A General Obligation	8,655,000	8,285,000	2,795,000	429,353		3,224,353
1994 General Obligation	6,500,000	4,655,000	280,000	67,988		347,988
1995 General Obligation	11,300,000	8,355,000	520,000	434,375		954,375
1997 General Obligation	6,000,000	4,830,000	240,000	261,004		501,004
1998 General Obligation	5,330,000	4,270,000	35,000	201,855		236,855
1998A General Obligation	17,500,000	14,210,000	680,000	658,375		1,338,375
2001A General Obligation	14,000,000	13,215,000	430,000	671,388		1,101,388
2002A General Obligation	14,000,000	13,560,000	460,000	602,163		1,062,163
2001R General Obligation	5,040,000	4,540,000	490,000	195,808	71,000	756,808
Total Existing Debt	88,325,000	75,920,000	5,930,000	3,522,309	71,000	9,523,309
2003 Planned New Debt:						
General Obligation	25,500,000	25,500,000	771,186	1,275,000		2,046,186
2004 Planned New Debt:						
General Obligation	12,750,000	12,750,000	365,661	701,250	125,000	1,191,911
Excise Tax Obligations	35,600,000	35,600,000	1,020,984	1,958,000	100,000	3,078,984
Total Water/Wastewater Fund	162,175,000	149,770,000	8,087,831	7,456,559	296,000	15,840,390
TOTAL ALL ISSUES	440,873,500	411,120,000	20,296,339	20,362,483	945,500	41,604,322



FY 2004-05

	Original Issue	Outstanding 7-1-04	Direct Principal	Direct Interest	Fiscal Agent Payments	2004-05 Total Requirements
General Purpose						
Existing Debt:						
1993A General Obligation	3,850,000	1,335,000	440,000	69,400		509,400
1994 General Obligation	4,000,000	575,000	180,000	30,188	30,000	240,188
1995 General Obligation	5,600,000	3,900,000	275,000	199,425	10,000	484,425
1997 General Obligation	4,000,000	3,050,000	175,000	162,830		337,830
1998 General Obligation	4,035,000	3,200,000	30,000	151,375		181,375
1998A General Obligation	10,500,000	8,120,000	425,000	372,675		797,675
1999 Certificates of Participation	5,110,000	3,335,000	520,000	134,160		654,160
2000A \$17.310 Excise Tax	7,743,500	6,635,000	265,000	339,895		604,895
2001A General Obligation	3,300,000	3,015,000	110,000	152,300		262,300
2002A General Obligation	4,330,000	4,050,000	150,000	181,169		331,169
2002R General Obligation	3,215,000	2,560,000	345,000	112,068	35,000	492,068
Total Existing Debt	55,683,500	39,775,000	2,915,000	1,905,485	75,000	4,895,485
2003 Planned New Debt:						
General Obligation	10,460,000	10,460,000	332,154	507,183	105,000	944,337
2004 Planned New Debt:						
General Obligation	5,600,000	5,600,000	169,437	299,167		468,604
2005 Planned New Debt:						
General Obligation	14,150,000	14,150,000	384,661	849,000	200,000	1,433,661
Total General Purpose	85,893,500	69,985,000	3,801,252	3,560,835	380,000	7,742,087
Streets						
Existing Debt:						
1993A General Obligation	4,800,000	4,475,000	430,000	158,945		588,945
1994 General Obligation	3,500,000	2,500,000	160,000	26,513		186,513
1995 General Obligation	9,400,000	6,950,000	455,000	333,075		788,075
1997 General Obligation	4,500,000	3,620,000	190,000	183,384		373,384
1998 General Obligation	3,390,000	2,715,000	25,000	127,268		152,268
1998A General Obligation	9,500,000	7,720,000	385,000	337,300		722,300
2001A General Obligation	6,700,000	6,330,000	220,000	309,323		529,323
2002A General Obligation	3,670,000	3,555,000	125,000	153,725		278,725
2002R General Obligation	2,755,000	2,465,000	285,000	95,913		380,913
Total Existing Debt	48,215,000	40,330,000	2,275,000	1,725,446		4,000,446
2003 Planned New Debt:						
General Obligation	8,860,000	8,860,000	281,347	429,603		710,950
2004 Planned New Debt:						
General Obligation	6,000,000	6,000,000	181,540	320,536		502,076
2005 Planned New Debt:						
General Obligation	6,000,000	6,000,000	163,107	360,000		523,107
Total Streets	69,075,000	61,190,000	2,900,994	2,835,585		5,736,579
Rio Salado (CFD)						
Existing Debt:						
2003 Rio Salado Refunding	39,275,000	39,275,000	1,365,000	1,722,942	110,000	3,197,942
Total Rio Salado (CFD)	39,275,000	39,275,000	1,365,000	1,722,942	110,000	3,197,942



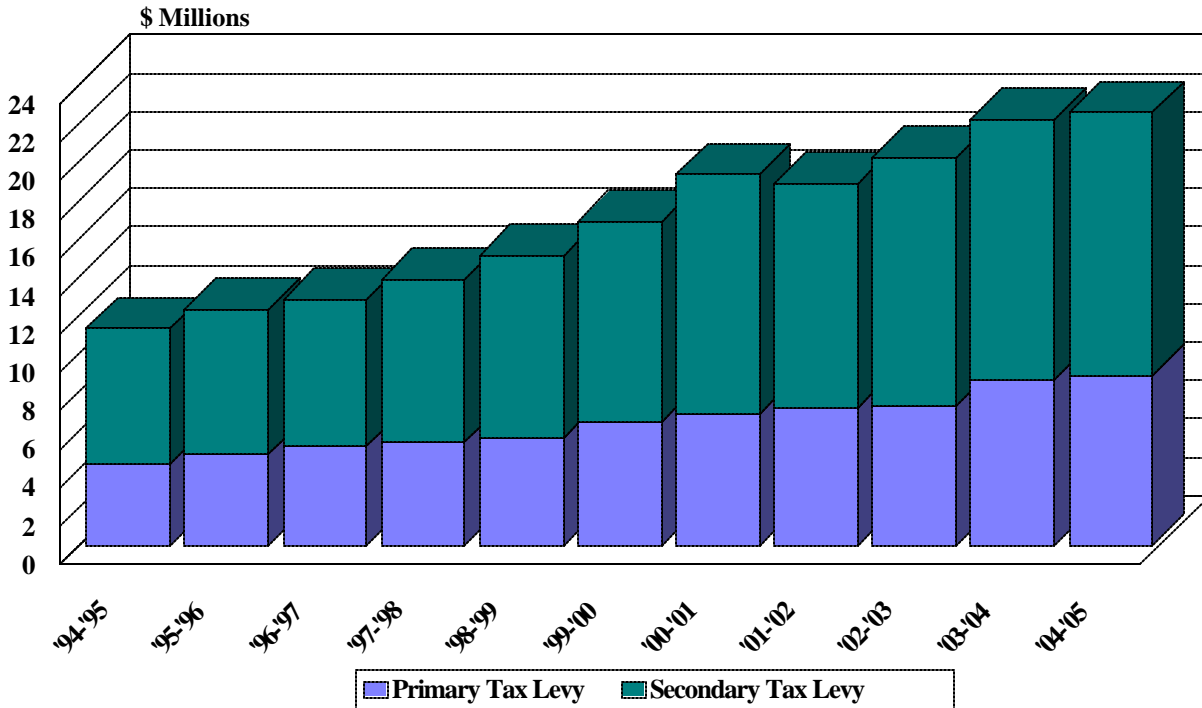
	Original Issue	Outstanding 7-1-04	Direct Principal	Direct Interest	Fiscal Agent Payments	2004-05 Total Requirements
Performing Arts						
Existing Debt:						
2002 Excise Tax	15,500,000	15,500,000	585,000	708,273		1,293,273
2004 Planned New Debt:						
Excise Tax	47,500,000	47,500,000	1,856,266	2,515,728		4,371,994
Total Performing Arts	63,000,000	63,000,000	2,441,266	3,224,001		5,665,267
Transit						
2004 Planned New Debt:						
Excise Tax	40,000,000	40,000,000	1,210,268	2,136,905	150,000	3,497,173
2005 Planned New Debt:						
Excise Tax	44,000,000	44,000,000	1,196,121	2,640,000	150,000	3,986,121
Total Transit	84,000,000	84,000,000	2,406,389	4,776,905	300,000	7,483,294
Golf Enterprise						
Existing Debt:						
1993 Tempe Municipal Prop.	1,400,000	520,000	125,000	23,015	3,000	151,015
2004 Planned New Debt:						
Excise Tax Obligations	170,000	170,000	5,144	9,082	1,500	15,726
2005 Planned New Debt:						
Excise Tax Obligations	1,490,000	1,490,000	40,505	89,400	3,000	132,905
Total Golf Enterprise	3,060,000	2,180,000	170,649	121,497	7,500	299,646
Water/Wastewater Enterprise						
Existing Debt:						
1993A General Obligation	8,655,000	8,285,000	880,000	289,603		1,169,603
1994 General Obligation	6,500,000	4,655,000	295,000	49,088		344,088
1995 General Obligation	11,300,000	8,355,000	545,000	400,575		945,575
1997 General Obligation	6,000,000	4,830,000	250,000	245,052		495,052
1998 General Obligation	5,330,000	4,270,000	40,000	200,350		240,350
1998A General Obligation	17,500,000	14,210,000	710,000	620,975		1,330,975
2001A General Obligation	14,000,000	13,215,000	455,000	645,588		1,100,588
2002A General Obligation	14,000,000	13,560,000	480,000	586,063		1,066,063
2001R General Obligation	5,040,000	4,540,000	515,000	177,433	71,000	763,433
Total Existing Debt	88,325,000	75,920,000	4,170,000	3,214,727	71,000	7,455,727
2003 Planned New Debt:						
General Obligation	25,500,000	25,500,000	809,745	1,236,441	125,000	2,171,186
2004 Planned New Debt:						
General Obligation	12,750,000	12,750,000	385,773	681,139		1,066,912
Excise Tax Obligations	35,600,000	35,600,000	1,077,138	1,901,846		2,978,984
2005 Planned New Debt:						
General Obligation	19,100,000	19,100,000	519,225	1,146,000		1,665,225
Excise Tax Obligations	22,550,000	22,550,000	613,012	1,353,000		1,966,012
Total Water/Wastewater Fund	203,825,000	191,420,000	7,574,893	9,533,153	196,000	17,304,046
TOTAL ALL ISSUES	548,128,500	511,050,000	20,660,443	25,774,918	993,500	47,428,861

Property Taxes



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

principal and interest charges on bonded indebtedness. Primary levy increases are restricted by state statutes. However, secondary levy increases are “unlimited” in that they may be increased to the level necessary to retire bonded indebtedness.



Fiscal Year	Primary	Secondary	Total	Tax Rate/ \$100
1994-95	\$4,247,312	\$7,068,557	\$11,315,869	1.40
1995-96	4,760,417	7,537,093	12,297,510	1.40
1996-97	5,141,986	7,666,645	12,808,631	1.40
1997-98	5,382,818	8,449,186	13,832,004	1.40
1998-99	5,665,500	9,506,788	15,172,288	1.40
1999-00	6,145,600	10,416,336	16,561,936	1.35
2000-01	6,879,783	11,615,100	18,414,400	1.35
2001-02	7,169,352	11,695,228	18,864,580	1.35
2002-03*	7,291,549	12,897,095	20,188,644	1.35
2003-04*	8,628,551	13,554,896	22,176,447	1.35
2004-05*	8,880,197	13,682,500	22,562,697	1.35

* Amounts reflect estimated receipts.



Total Operating Budget and Debt Service

Budget Data	2001-02 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Operating Budget	\$234,015,370	\$232,846,185	\$247,565,261	\$256,761,144
Cost Per Capita	\$1,468	\$1,461	\$1,545	\$1,595
% Change (cost per capita)		(0.5%)	5.8%	3.2%
Debt Service*	11,224,317	11,518,082	13,083,608	13,478,666
Cost Per Capita	\$70	\$72	\$82	\$84
% Change (cost per capita)		2.6%	13.0%	2.5%

* Tax-Supported

Total Operating Revenue by Source

Source	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
General Fund	\$124,179,570	\$121,347,593	\$121,825,963	\$123,539,542
Debt Service Fund	12,469,683	13,532,251	14,209,096	14,356,300
Transportation/Transit Funds	43,864,795	43,984,846	45,488,162	46,476,983
CDBG/Section 8 Funds	7,576,041	11,480,214	10,817,663	10,817,663
Rio Salado Fund	1,302,852	877,663	856,800	896,750
Performing Arts Fund	5,189,104	5,471,540	5,428,500	5,533,300
Enterprise Funds	56,772,176	58,559,768	58,055,364	58,506,335
Total	\$251,354,221	\$255,253,875	\$256,681,548	\$260,126,873

Staffing Summaries Citywide: Full-Time Authorized Positions

Source	2001-02	2002-03	2003-04 Budget	2004-05 Budget
Total Personnel	1,722	1,692	1,643	1,643
Employees/1,000 Population	10.8	10.6	10.3	10.2
% Change (Employees/1,000 Population)		(1.9%)	(2.8%)	1.0%

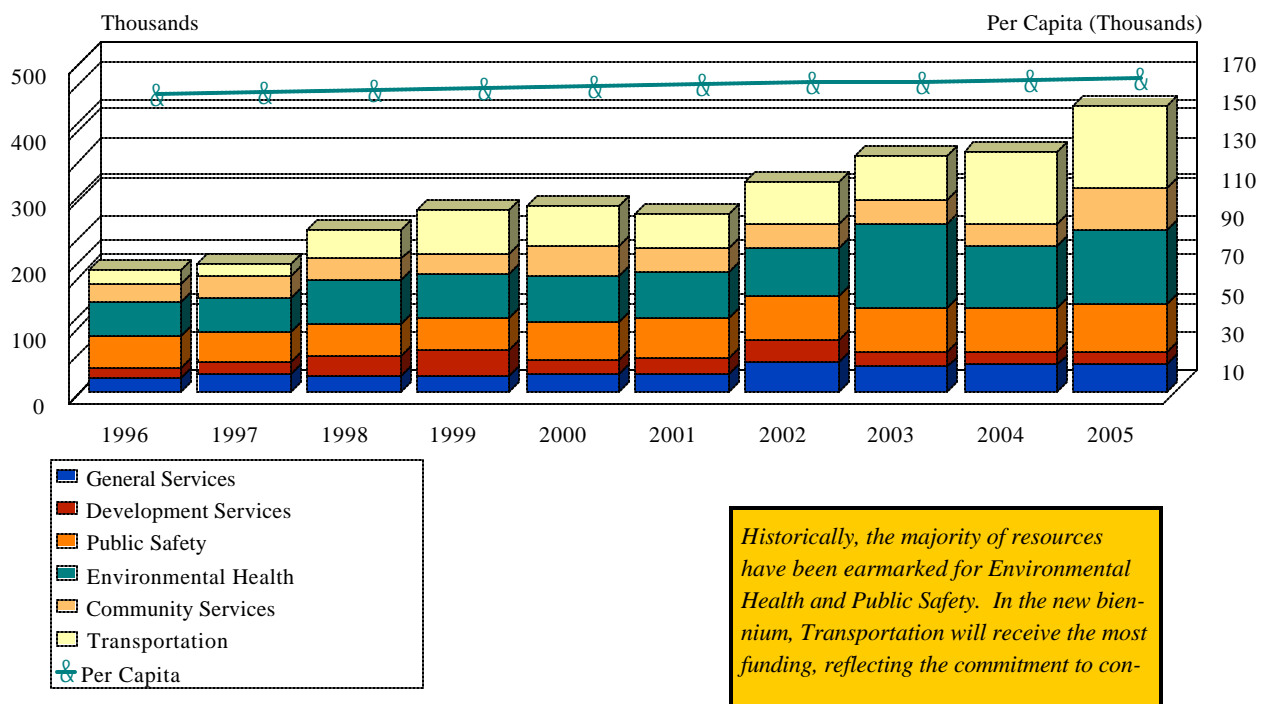
Program Budget at a Glance



Historically, Environmental Health and Public Safety Programs consumed the largest share of program expenditures, except for FY 1998-99, when Transportation represented the most significant share of the total financial program. Transportation now consumes the greatest share of program expenditures.

For FY 2003-04, Transportation represents the majority of resources consuming 30% of the budget and reflecting the commitment to construct the transit light rail project. Environmental Health constitutes 25% of total program expenditures. This program reflects funding for capacity expansions for water and wastewater.

For FY 2004-05, Transportation comprises 29% of the total program budget. Again, this is principally due to funding for transit light rail. Environmental Health reflects 26% of the budget, largely driven by



Program (thousands)	FYE 96	FYE 97	FYE 98	FYE 99	FYE 00	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05
General Services	20,925	25,881	25,096	25,138	27,024	28,427	44,517	37,819	40,947	41,566
Development Services	15,698	20,172	29,563	37,949	20,483	21,842	35,036	21,958	20,203	20,443
Public Safety	47,943	44,271	49,853	50,509	58,040	63,479	66,277	66,618	67,427	72,844
Environmental Health	53,224	53,542	64,665	64,472	72,022	69,586	73,406	127,686	92,473	111,785
Community Services	26,166	32,027	32,982	32,138	43,320	36,232	37,070	37,544	35,850	63,065
Transportation	21,736	20,032	44,186	67,905	62,624	50,508	63,251	67,055	108,633	124,042
Total	185,692	195,925	246,345	278,111	283,513	270,074	319,557	358,680	365,534	433,744

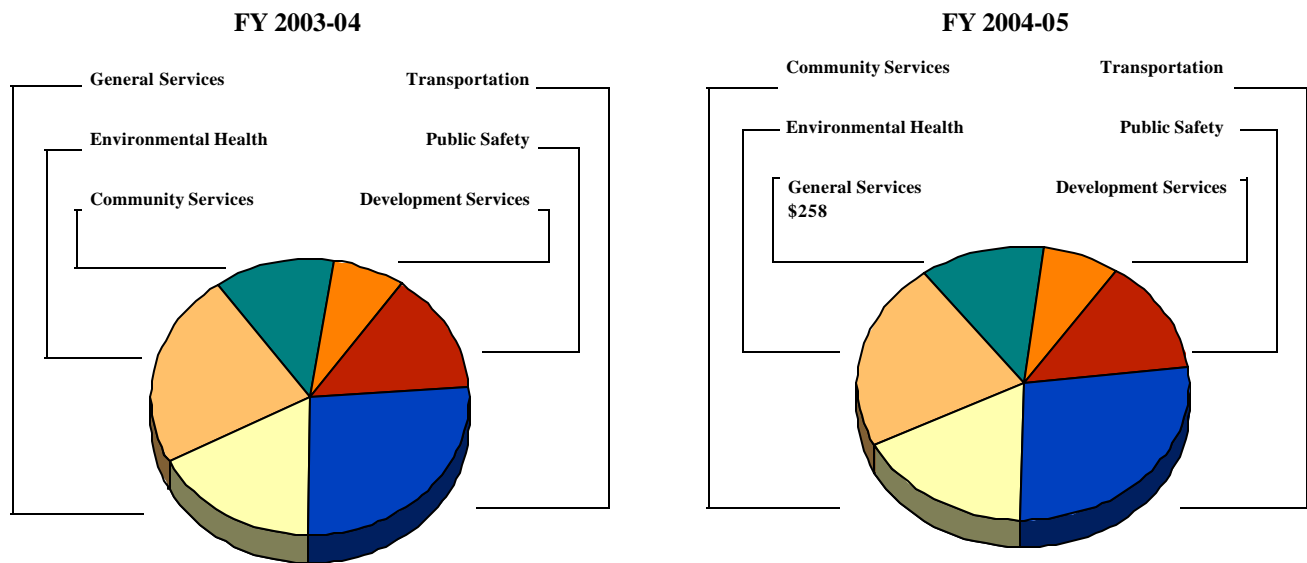
Per Capita Operating Expenditures by Program



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

In FY 2003-04, the total per capita operating cost is \$2,282. In this fiscal year, for every \$1 of expenditure, 30¢ is earmarked for Transportation, 25¢ for Environmental Health and the remainder for Public Safety, Community Services, and Development Services. In FY 2004-05, the total per capita operating cost is \$2,693, with Transportation and Environmental Health accounting for 55¢ of every \$1 of expenditure.

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



Per Capita Expenditures

Program	FY 2003-04	Percentage	FY 2004-05	Percentage
General Services	\$256	11%	\$258	9%
Development Services	126	6%	127	5%
Public Safety	421	18%	452	17%
Environmental Health	577	25%	694	26%
Community Services	224	10%	392	14%
Transportation	678	30%	770	29%
Total Operating Expenditures	\$2,282	100%	\$2,693	100%

Program By Fund Summary



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

Fund	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
FY 2003-04							
General	\$25,427,607	\$7,350,932	\$64,732,798	\$1,492,827	\$22,821,800		\$121,825,963
Rio Salado		1,104,185			376,436		1,480,621
HURF						8,082,560	8,082,560
Transit						27,221,366	27,221,366
Debt Service	13,083,608						13,083,608
Performing Arts					6,215,657		6,215,657
Golf					2,279,870		2,279,870
Solid Waste				10,592,902			10,592,902
Water Utilities	301,595			45,663,455			45,965,050
CDBG/Section 8		10,817,664					10,817,664
Total	38,812,810	19,272,781	64,732,798	57,749,184	31,693,763	35,303,925	247,565,261
Capital	2,134,243	930,000	2,694,300	34,724,292	4,156,320	73,329,552	117,968,707
TOTAL	\$40,947,053	\$20,202,781	\$67,427,098	\$92,473,476	\$35,850,083	\$108,633,477	\$365,533,968
FY 2004-05							
General	\$24,958,317	\$7,577,884	\$66,128,476	\$1,538,028	\$23,336,837		\$123,539,540
Rio Salado		1,117,514			376,436		1,493,950
HURF						8,220,667	8,220,667
Transit						32,155,626	32,155,626
Debt Service	13,478,666						13,478,666
Performing Arts					6,378,147		6,378,147
Golf					2,464,592		2,464,592
Solid Waste				10,515,727			10,515,727
Water Utilities	310,277			47,386,287			47,696,565
CDBG/Section 8		10,817,664					10,817,664
Total	38,747,260	19,513,062		59,440,042	32,556,012	40,376,293	256,761,144
Capital	2,818,445	930,000		52,344,500	30,509,037	83,665,290	176,983,222
TOTAL	\$41,565,705	\$20,443,062	\$72,844,426	\$111,784,542	\$63,065,049	\$124,041,583	\$433,744,366

Program By Department Summary



Department	General Services	Development Services	Public Safety	Environmental Health	Community Services	Transportation	Total
FY 2003-04							
Mayor & Council	\$374,066						\$374,066
City Manager	269,047						269,047
Community Relations	2,618,742						2,618,742
City Clerk	669,770						669,770
City Court			3,077,668				3,077,668
Human Resources	2,000,755						2,000,755
City Attorney	2,472,744						2,472,744
Financial Services	3,990,063			1,688,490			5,678,553
Diversity Program	430,513						430,513
Internal Audit	412,235						412,235
Development Svcs.		16,552,267		1,112,054			17,664,321
Economic Dev/Rio	676,033	1,104,185					1,780,218
Police			46,266,000				46,266,000
Fire			15,389,129				15,389,129
Community Services					17,805,901		17,805,901
Water Utilities				27,134,575			27,134,575
Public Works	5,163,066	1,616,329		10,973,675	7,904,453	31,357,520	57,015,043
TOTAL DEPT	19,077,034	19,272,781	64,732,798	40,908,795	25,710,354	31,357,520	201,059,280
Non-Departmental	4,652,168						4,652,168
Debt Service	13,083,608			15,840,390	5,983,409	3,497,173	38,404,580
Contingency	2,000,000			1,000,000		449,232	3,449,232
TOTAL	38,812,810	19,272,781	64,732,798	57,749,184	31,693,763	35,303,925	247,565,261
Capital Improve-	2,134,243	930,000	2,694,300	34,724,292	4,156,320	73,329,552	117,968,707
TOTAL	\$40,947,053	\$20,202,781	\$67,427,098	\$92,473,476	\$35,850,083	\$108,633,477	\$365,533,968
FY 2004-05							
Mayor & Council	\$378,595						\$378,595
City Manager	272,501						272,501
Community Relations	2,676,742						2,676,742
City Clerk	454,343						454,343
City Court			3,164,527				3,164,527
Human Resources	2,033,308						2,033,308
City Attorney	2,622,146						2,622,146
Financial Services	4,060,887			1,735,780			5,796,667
Diversity Program	439,402						439,402
Internal Audit	423,772						423,772
Development Svcs		16,716,083		1,148,645			17,864,728
Economic Dev/Rio	768,137	1,117,514					1,885,651
Police			47,325,529				47,325,529
Fire			15,638,421				15,638,421
Community Svcs					18,486,419		18,486,419
Water Utilities				27,346,461			27,346,461
Public Works	5,285,106	1,679,466		10,905,110	8,104,680	32,443,767	58,418,129
TOTAL DEPT	19,414,939	19,513,062	66,128,476	41,135,996	26,591,099	32,443,767	205,227,340
Non-Departmental	4,740,702						4,740,702
Debt Service	13,478,666			17,304,046	5,964,913	7,483,294	44,230,919
Contingency	1,112,952			1,000,000		449,232	2,562,182
TOTAL	38,747,260	19,513,062	66,128,476	59,440,042	32,556,012	40,376,293	256,761,144
Capital Improve-	2,818,445	930,000	6,715,950	52,344,500	30,509,037	83,665,290	176,983,222
TOTAL	\$41,565,705	\$20,443,062	\$72,844,426	\$111,784,542	\$63,065,049	\$124,041,582	\$433,744,366

Public Works represents 28% of the total General Services program, while Police comprises 71% of the total Public

Community Services comprises 70% of the total Community program budget, while Water Utilities comprises 66% of the total Environmental pro-



In May of 2000, the citizens of Tempe approved a Performing Arts Tax of 0.1% through a special sales tax election changing the rate from 1.7% to 1.8%, effective January 1, 2001. The property tax rate for FY 2003-04 will remain unchanged at \$1.35/\$100 assessed valuation. The City anticipates modest increases in assessed valuation as the real estate market remains strong and the City approaches build out.

The City maintains three utility services for water, sewer, and solid waste. Water, sewer and solid waste rates will continue phased-in increases. Rate reviews for each of the utility services will continue annually.

Local Taxes

Sales Tax

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

Property Tax

No increase in the property tax rate is required with this budget. The FY 2003-04 tax rate is \$1.35/\$100 of assessed valuation, unchanged from the prior year. The primary tax rate is \$0.55 and the secondary tax rate is \$0.80.

Utility Charges for Services

Water/Sewer

Water rates increased by 2% effective November 1, 2001 and November 1, 2002, while sewer rates increased by 3% and 2% respectively. Rates will be adjusted again this fall to attain full cost recovery, as customer charges are based upon water consumption and strength of discharge into the sewer system. Irrigation rates were last adjusted in July of 1997 to address irrigation rehabilitation needs.

Solid Waste

A fee adjustment to solid waste rates is proposed for January 1, 2004. Our last fee adjustment of 9.5% for residential rates and 5.0% for commercial rates was implemented January 1, 2003.

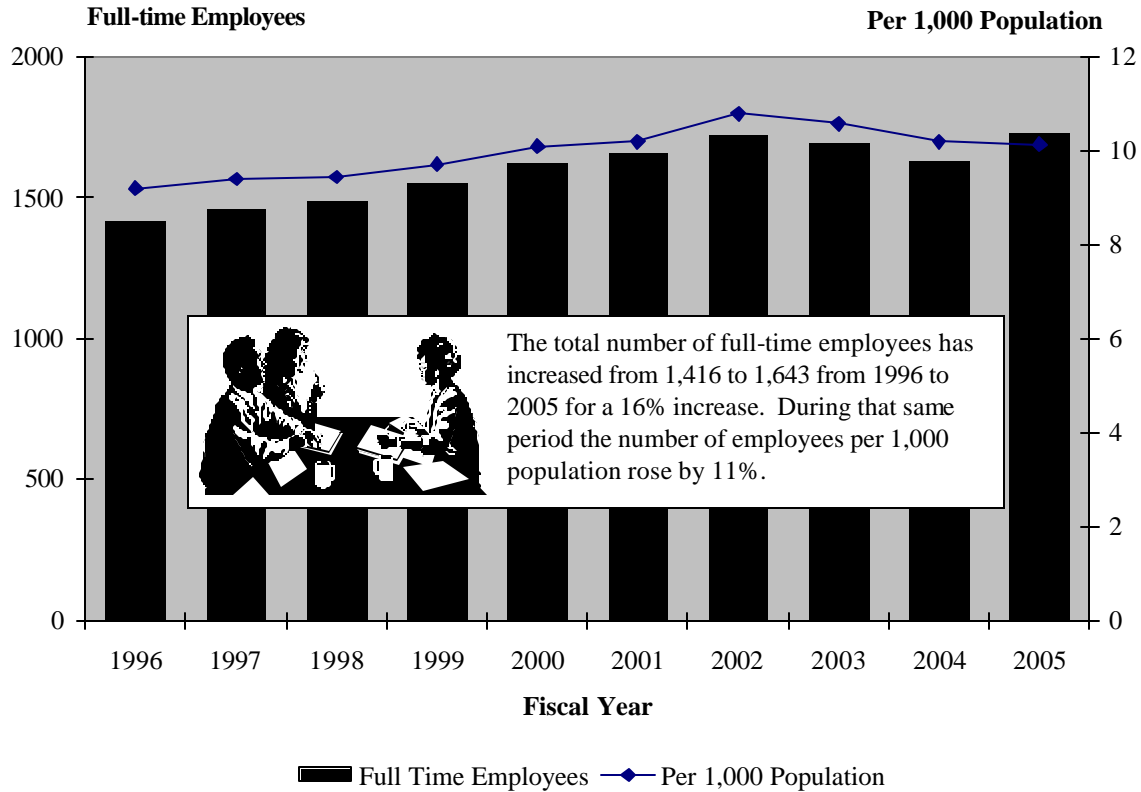
Fiscal Year	Local Taxes		Utility Charges for Services (monthly) ¹		
	Sales Tax	Property Tax	Water	Sewer	Solid Waste
2002-03	1.8%	\$1.35	\$20.78	\$12.17	\$12.75
2003-04	1.8%	\$1.35	\$21.29	\$12.45	\$13.96

¹ Charges reflect rates effective July 1.

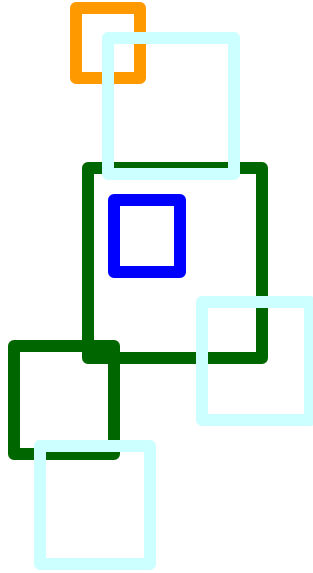
Personnel Summary: Ten Year History



The number of full-time employees for fiscal year 2003-04 and 2004-05 totals 1,643, a 5.2% decrease from the FY 2002-03 budget. Total employees per 1,000 population for 2003-04 is estimated at 10.25, a 3.4% decrease from the previous fiscal year, and 10.20 in 2004-05, a 0.5% decrease from fiscal year 2003-04. This decrease is a result of a citywide incentivized budget reduction plan, whereby the City eliminated funding for approximately 125 positions in FY 2002-03 through FY 2004-05.



Fiscal Year-End	Full- Time Employees	Employees Per 1,000 Population
1996	1,416	9.21
1997	1,460	9.41
1998	1,488	9.45
1999	1,556	9.71
2000	1,628	10.27
2001	1,661	10.36
2002	1,722	10.80
2003	1,692	10.61
2004	1,643	10.25



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, resource choices for all funds, and debt management program.



Comprehensive Financial Plan Overview

Financial Overview

Forecast Methodology

Forecast and Major Revenue Assumptions

Major Expenditure Assumptions and Economic Outlook

General Fund

Transit Fund

Transportation Funds

Enterprise Funds

Water/Wastewater Fund

Solid Waste Fund

Golf Fund

Rio Salado and Community Facilities District Funds

Financial Action Plan



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 three-year perspective on the financial condition of each of the City's major appropriated funds. As a planning tool for short-term budgetary decisions, the Plan gives us insight into the long-term implications of today's policy choices.

Study Approach

As part of this study, the Management and Budget Section within Financial Services has established financial models that examine the City's appropriated operating funds and their underlying revenue and expenditure structures for the period of fiscal year 2001-2002 through fiscal year 2005-06.

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

Operating funds examined include the:

- General Fund
- Transportation Fund
- Transit Fund
- Water/Wastewater Fund
- Solid Waste Fund
- Golf Fund
- Rio Salado Fund

Major Study Findings

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

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

- The City's unrestricted fund balance in the General Fund totaled \$35.1 million as of June 30, 2002. This balance represents 28.3% of FY 2001-02 total General Fund revenue (25% is the working guideline used by the City as an optimum fund balance level).
- Self-insurance reserve of \$9.6 million (considered adequately protected from potential liability claims).
- Restricted debt service reserves of 12.1 million, sufficient to absorb debt obligations over the next five years.
- Water/Wastewater fund balance of \$71.7 million provides necessary coverage for operating and capital expenses and critical strategic flexibility over the next several years.
- The City enjoys bond ratings of:
"AAA" --Fitch,
"AA+" --Standard and Poor's
"Aa1" --Moody's

(B) Previously, revenue growth and operating surpluses in the General Fund have allowed the City to address high priority needs in public safety, information technology, development and community services. For the current biennium (FY 2003-05), the General Fund shows a balanced budget with revenues equaling expenses.

(C) The successful transit tax proposal in September 1996, increasing the sales and use tax rate by one half of one percent, should provide sufficient revenue for transit purposes through the end of the forecast period. It should be noted that Light-Rail operating impacts are planned to occur in FY 2006-07, which is beyond the five year horizon of this report.



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

(E) The Water/Wastewater Fund may require further rate increases over the next three years to meet the fiscal impact of water/wastewater compliance and sewer capacity demands. These costs are driven primarily by federally mandated modifications at the 91st Avenue Wastewater Treatment Plant, increased sewage processing capacity, along with compliance required improvements.

In the near term, we expect rate adjustments to occur in the wastewater operation, with the goal to bring wastewater into full cost recovery and to ensure that all customers are charged equitably based on discharge volume and strengths.

(F) 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.

Financial Overview



The following financial overview provides a summary of revenues, expenditures, and historical budget trends.

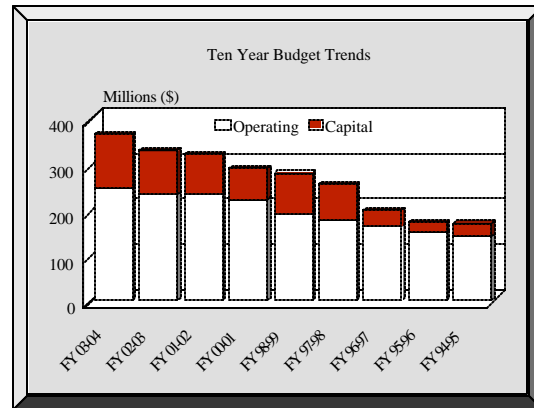
The FY 2003-04 total budget of \$365.5 million provides for a \$247.5 million operating budget and a \$118.0 million capital budget. The operating budget includes \$135.0 million of general governmental operations, \$58.8 million of enterprise operations (water/wastewater, solid waste, and golf) and \$53.8 million of special revenue operations (transportation, transit, redevelopment, and housing).

Fiscal	Operating	Capital	Total
2003-04	\$247,565,261	\$117,968,707	\$365,533,968
2002-03	232,846,185	95,318,794	328,164,979
2001-02	234,015,370	85,541,430	319,556,800
2000-01	222,169,282	67,408,152	289,577,434
1999-00	197,926,204	85,587,326	283,513,530
1998-99	190,459,638	87,651,929	278,111,567
1997-98	174,865,699	79,717,004	254,582,703
1996-97	162,042,739	35,466,698	197,509,437
1995-96	150,047,736	22,192,124	172,239,860
1994-95	139,929,485	29,283,757	169,213,242

Major funding sources include \$86.7 million in local taxes (sales and property), \$32.5 million of intergovernmental revenues, \$53.1 million of enterprise revenues, and \$62.6 million of special revenues (Transit, Highway User, Lottery, Community Development Block Grant and Section 8 Housing).

Total budgeted revenues for FY 2003-04 are \$256.7 million, with operating revenues of \$108.8 million and the remainder from bond proceeds and other CIP funding. General Governmental revenues combine for \$136.0 million of the total operating revenues. Enterprise and special revenues represent the remainder of total operating revenues, most of which derives from water/wastewater service charges and user fees.

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





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

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

For example, a revenue such as the city sales tax will reflect consensus forecasts related to taxable sales growth; whereas, revenue from building permits and plan review will be tied to the expected trends in development and redevelopment. Other revenues, 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 revenues that could arise from using only a few variables to forecast all revenue sources.

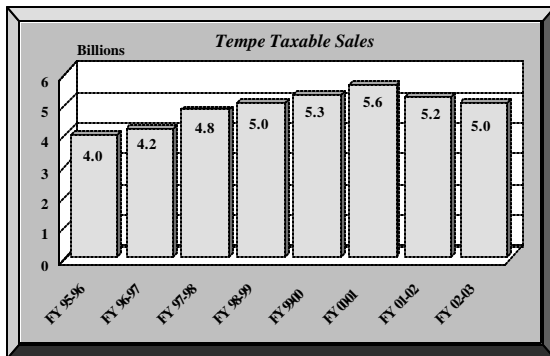
For expenditures, growth is most closely linked to two major factors: 1) inflation (including general inflation, market adjustments to salaries, and changes in benefits costs), and 2) City financial policies related to the amount of new funding added each year for new programs and/or the expansion of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



Our approach to forecasting, in general, is to apply a conservative philosophy that will produce our long-term goal of not overstating revenues nor understating expenditures. We recognize that economic forecasting is not an exact science and at times relies upon the best professional judgement of the forecaster. To reduce the risks of miscalculating revenues or expenditures, we attempt to identify as many factors as possible that may contribute to changes in revenues 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 revenues and expenditures.

■ **Tempe Taxable Sales**

Taxable sales in Tempe had steadily increased from FY 1995-96 through FY 2000-01, indicative of continued development in Tempe and the strong local economy. As the table below shows, taxable sales in FY 2000-01 were \$1.6 billion (40%) higher than total



taxable sales in FY 1995-96.

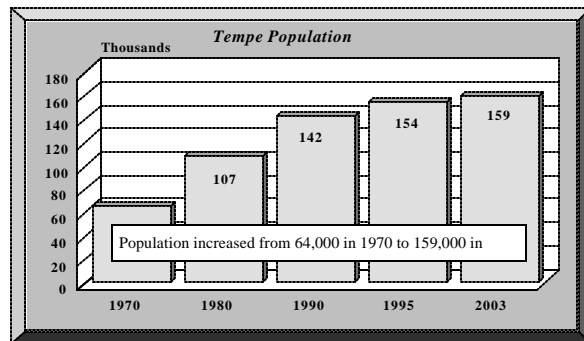
In the forecast, General Fund retail sales steadily increased until the nationwide economic slowdown in FY 2001-02 through FY 2002-03. The City immediately addressed this fiscal issue by streamlining both operations and personnel.

Sales that generate tax revenue for the City,

had a widespread impact on many funds. The primary categories of sales (based on FY 1999-00 annual averages) are retail sales (52%), commercial and residential rent (17%), utility sales (9%), restaurant sales (7%), and building materials sales (7%). Construction sales are expected to decline sooner than retail and other sales as a slowdown in construction typically precedes an economic downturn.

■ **Population**

Population in Tempe is assumed to increase by 0.02% in FY 2002-03, with the rate of growth gradually increasing over the forecast period to 0.05% annual growth by FY 2005-06. State population growth is assumed to average 2.7%



per year over the next three years.

Following the strong population growth period of the late 1970's (5.3%) and the 1980's (2.8%), Tempe is expected to experience steady but slower population growth as land

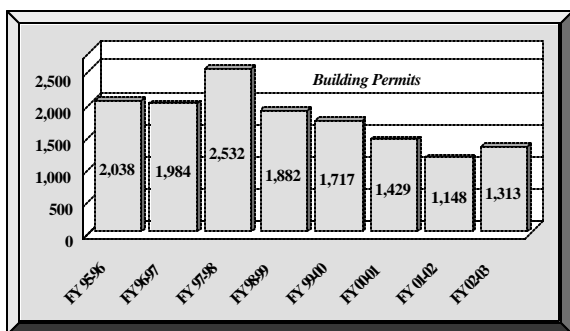
use approaches build out. To a large extent the revenue growth of the 70's and 80's was fueled by the City's population growth. Continued population growth statewide and in Maricopa County in particular has been credited for much of the increased state revenues during the latest economic expansion. While Tempe is now seeing the benefit of statewide population growth through increased state-shared revenue, our slower pace of growth relative to other cities could produce a smaller share of the statewide pool of funds after the 2000 Census. That decline affected our FY 2001-02 revenues. Our long-range revenue forecasts reflect these economic assumptions and the



estimated impact of the 2000 census.

■ **Development/Redevelopment**

New housing and commercial starts (construction activity) are expected to decline to a moderate level of activity as the City's undeveloped land approaches build-out. Building permit activity for 2004 should decline, after the 1997 peak during this latest construction cycle. While we expect redevelopment efforts to sustain some level of construction activity, we have conservatively



assumed a level of growth equivalent to the projected rate of population growth.

■ **State-Shared Revenue**

For purposes of the forecast, we have assumed that State law related to shared revenue distributions will remain unchanged. Recent tax cuts enacted by the state Legislature have contained provisions holding cities and towns harmless from potential reductions in state-shared revenues, although action in the 1998 legislative session to further reduce the state income tax did not contain a hold harmless provision, meaning that locally-distributed funds will bear a proportionate share of the expected revenue reduction. This last state-share cut affected FY 2001-02 revenues and resulted in a \$3.5 million reduction in state-shared revenues for Tempe. The forecast reflects this loss and its impact on subsequent years.

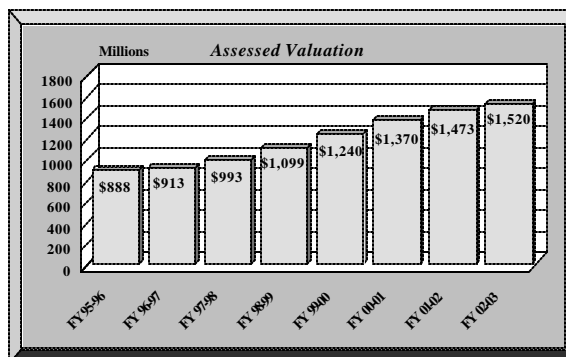
The temptation to tap state-shared revenues may persist over the next five years. Therefore our assumption that state revenue

distribution formulas will not change may prove to be overly optimistic as the state is faced with the task of balancing its budget.

■ **Assessed Valuation**

Throughout the 1980's, Tempe experienced growth in net secondary assessed valuations. In 1990 this trend began to slow, and in 1991 net secondary assessed valuations increased by only 0.3%. From 1991 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. Consistent with the City's Debt Management Plan, the forecast



assumes a 5.0% annual increase in assessed valuation in FY 2003-04, with assessed value growth gradually slowing over the period of the forecast to 4.0% by 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.

■ **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 2.0% for the



■ *Salaries and Wages*

On the expenditure side, we have assumed no salary and wage market adjustment in FY 2003-05. A 3.5% market adjustment has been incorporated in the FY 2005-06 projection. Any planning for the next several years must address the issue of compensation because of its significant expenditure impact. For example, every one percent change in compensation has an estimated expenditure impact of \$875,000 to the General Fund and another \$150,000 to the 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 continue to rise up to 15% annually. Market forces, the movement towards managed care, and an excellent claims history had contained the growth in the City's health care costs for a time, 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. Historically, annual growth in the health care component of the metro-Phoenix CPI has been nearly 50% above annual growth in the overall CPI. 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 2.66% in FY 2002-03, to 1.44% for the later year of the forecast. Although we recognize there will be inflationary increases, we have not factored them into the biennial budget as the City has entered into a cost containment phase.

■ *Supplemental Limits*

As a result of the economic downturn, City revenue streams have been affected. For this biennial budget forecast no new programs 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. But with the prolonged economic downturn, the City's flexibility was minimized to fund operational impacts associated with new programs.

■ *State Expenditure Limitation*

The City's FY 2003-04 total financial program is estimated at \$365.5 million, including capital improvements. In 1996 and 2002, Tempe citizens approved budget overrides to the state imposed expenditure limitation, allowing the City to permanently adjust its FY 1979-80 base budget. The City's base expenditure level of \$29,579,379 established in FY 1979-80 increased to \$235,207,684 for FY 2003-04.

Economic Outlook

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

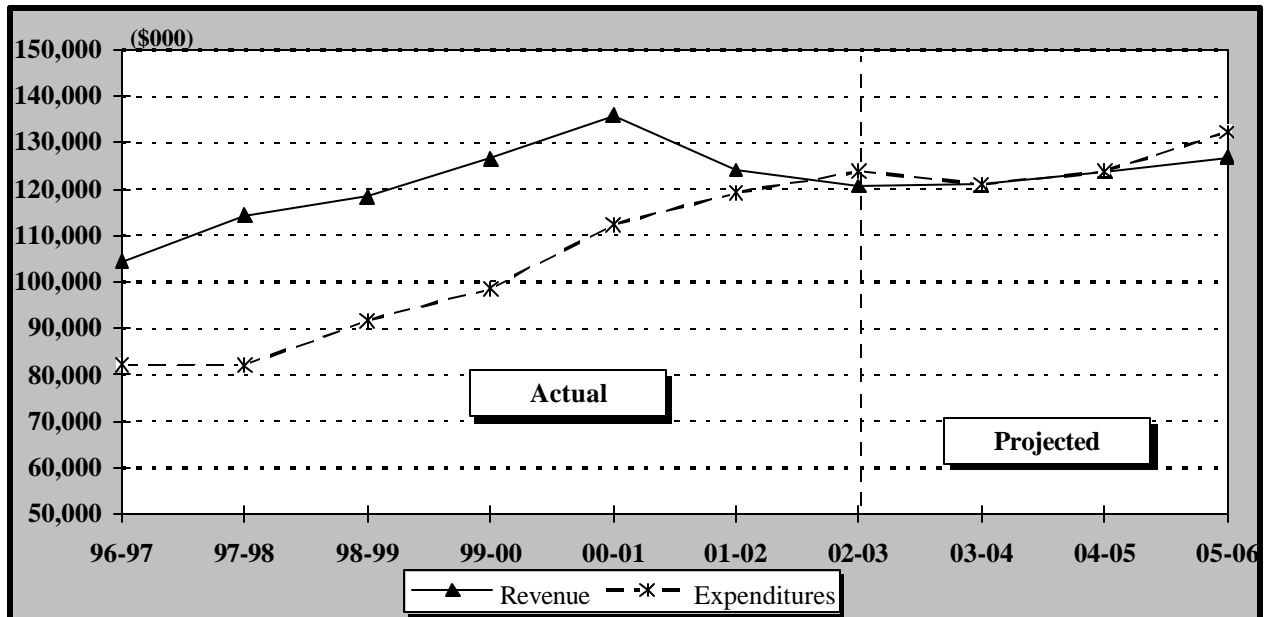
In 1993 Arizona's and Tempe's economic growth accelerated, driven largely by a surge in construction and later joined by growth in other sectors. Construction, however, appears to have peaked during this cycle and will likely decline during the next few fiscal years.

The outlook is for no economic growth for the next year or two, but gradually increasing thereafter. The consensus among state economic forecasters is for moderate growth in the Arizona economy in late 2004.



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

General Fund: Projected Revenue and Expenditures



	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected
Revenue (\$000)										
Local Taxes	57,195	64,014	64,682	68,567	72,207	66,344	65,980	68,607	71,060	72,734
Intergovernmental	26,670	29,026	32,625	36,055	37,490	33,927	34,485	32,199	31,983	33,187
Building & Planning	3,693	4,119	2,738	2,958	2,731	2,020	1,862	1,871	1,881	1,890
Cultural and Recrea-	3,508	3,762	3,915	4,204	4,259	4,457	4,286	4,807	5,081	5,107
Fines, Fees and	3,269	3,700	4,440	4,778	4,490	4,577	4,577	4,950	4,975	5,000
Business Licenses	937	947	1,100	605	1,081	1,091	1,087	1,087	1,087	1,087
Interest Income	5,217	5,764	5,596	5,940	7,211	6,529	4,100	3,083	3,174	3,276
Franchise Fees	1,019	1,368	1,221	1,281	2,045	2,135	2,163	2,231	2,313	2,371
Other Revenue	2,957	1,630	2,022	2,246	4,415	3,098	2,199	2,223	2,223	2,223
Total Revenue	104,463	114,331	118,333	126,635	135,929	124,179	120,740	121,059	123,777	126,876
Expenditures										
Personal Services	61,704	64,646	71,247	79,005	86,338	95,095	98,532	96,246	99,470	105,214
Materials and Sup-	5,250	5,543	5,955	6,324	7,446	6,821	6,221	6,095	6,095	6,175
Fees and Services	11,597	14,013	15,477	15,268	16,750	17,208	16,514	16,065	16,068	16,291
Travel and Training	750	729	903	955	1,122	891	888	733	733	743
Non-Dept/Loan	2,096	2,307	2,276	2,598	2,693	3,265	3,893	3,916	3,986	4,057
Capital Outlay	3,703	2,478	2,396	2,687	3,723	2,592	2,428	1,100	1,100	1,116
Contingency			0	0	0	0	1,000	2,500	1,900	2,500
Maintenance Of	1,850	1,850	1,850	1,850	1,850	1,850	0	0	0	1,850
Internal Services/	(4,654)	(9,533)	(8,341)	(10,063)	(7,565)	(8,478)	(5,617)	(5,596)	(5,574)	(5,602)
Total Expenditures	82,297	82,031	91,763	98,625	112,357	119,243	123,860	121,059	123,777	132,344
Designated for Capi-	22,165	32,300	26,575	28,009	23,572	0	0	0	0	0
Net Operating	0	0	0	0	0	4,936	(3,120)	0	0	(5,469)

Note: Actuals reflect budget basis figures represented in the Comprehensive Annual Financial Report.



Trend/Forecast

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

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

Annual operating surpluses declined as revenue growth slowed resulting from a predicted downturn in the economy. In addition, our share of locally-distributed state income, sales and vehicle license tax revenues declined in FY 2001-02. Tempe's declining percentage of statewide population has a direct impact on our state shared revenues, as it is the methodology for allocating monies to Cities. Our forecast is for operating surpluses to decline such that an operating deficit within the forecast period appears in FY 2005-06. In the assumptions related to future revenue and expenditure growth, it appears that over the long-term, the current economic growth trend is not sustainable and thus leads to operating deficits within this forecast horizon.

An important caveat to our projections concerns the issue of state-shared revenues, which has come under attack in recent years and may in the future. Income and vehicle license tax

reductions enacted at the state level in recent years have been mitigated in part by a strong state economy and population growth. In addition, the state has recently assumed significant responsibilities for funding the capital costs of local school districts and alternative fuel vehicles. Our concern as a local government is how state budget-balancing decisions may affect local revenues. Close monitoring of the Legislature's efforts to alter the distribution formulas for state-shared revenues 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 FY 2003-05 forecast assumes no new programs and streamlining of operational and personnel costs.

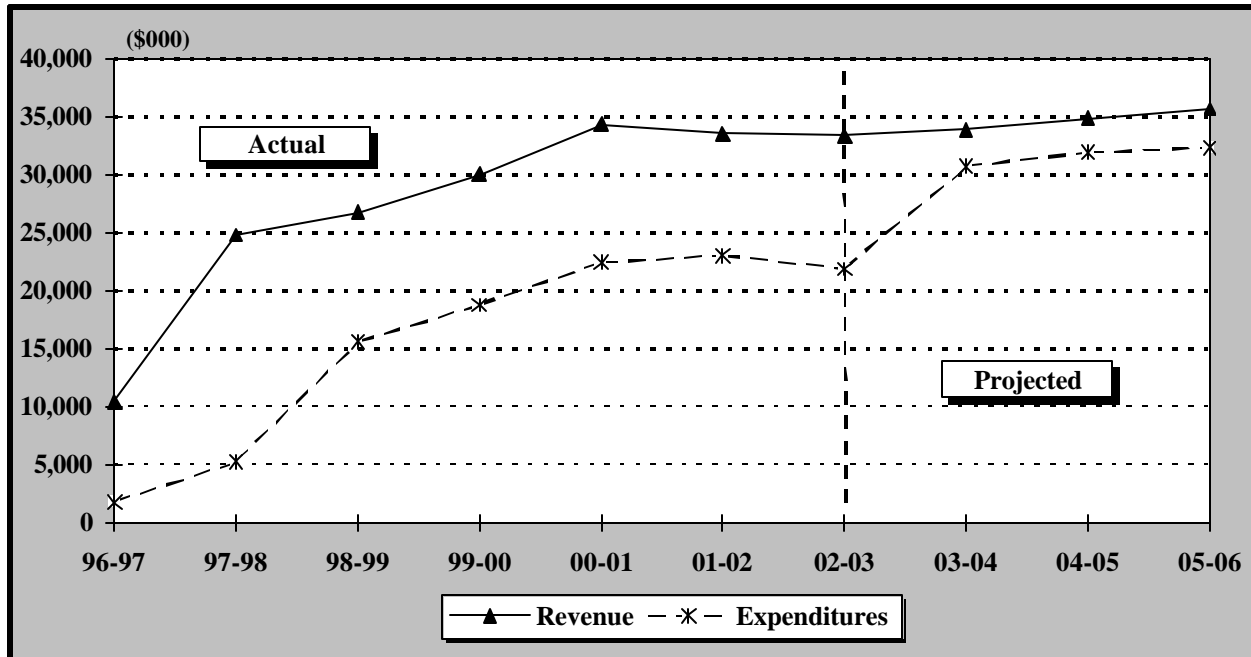
Fund Balance

The General Fund's unreserved fund balance has grown from \$23.2 million just eight years ago to \$35.1 million for FYE 2002. Over the next several years, we anticipate some drawdown of fund balances primarily for "pay-as-you-go" capital financing, bringing the

FYE	Unreserved
94	\$14,121,709
95	23,196,449
96	28,590,826
97	30,639,891
98	34,682,895
99	38,201,087
00	38,615,537
01	36,985,072
02	35,125,797

General Fund balances in line with the financial policy of 25% of General Fund revenues.

Transit Fund: Projected Revenue and Expenditures



	96/97 Actual	97/98 Actual	98/99 Actual	99/00 Actual	00/01 Actual	01/02 Actual	02/03 Revised	03/04 Projected	04/05 Projected	05/06 Projected
Revenue (\$000)										
Transit Tax	10,429	23,212	24,542	26,384	27,310	25,230	25,326	26,028	26,858	27,449
Lottery Transfer In	0	340	334	325	319	300	298	292	286	280
ASU-Flash Transit	0	316	532	1,407	2,485	4,571	353	375	386	409
Interest Income	0	931	1,375	1,936	4,229	3,475	1,969	1,262	1,262	1,300
Miscellaneous Revenue	11	1	4	23	1	10	5,470	5,953	6,105	6,256
Total Revenue	10,440	24,800	26,787	30,076	34,344	33,586	33,415	33,910	34,897	35,694
Expenditures (\$000)										
Personal Services	133	512	807	1,110	1,282	1,482	1,820	1,913	1,986	2,099
Materials and Supplies	12	99	60	29	29	27	37	38	39	40
Fees and Services	1,580	3,926	7,563	11,927	15,515	18,343	19,501	20,818	21,762	22,064
Travel and Training	7	23	28	53	37	20	56	59	61	63
Capital Outlay	13	95	61	170	3	9	0	0	52	34
Debt Service	0	73	6,837	4,748	4,772	2,443	0	7,428	7,500	7,500
Internal Service Charges	3	15	23	588	621	504	211	237	266	294
Indirect Cost Allocations	0	484	213	154	181	235	243	247	253	256
Total Expenditures	1,749	5,228	15,592	18,779	22,440	23,063	21,868	30,740	31,918	32,350
Designated for Capital	101	9,680	2,975	9,272	8,909	10,523	11,547	3,170	2,979	3,344
Net Operating Surplus/	8,590	9,892	8,220	2,025	2,994	0	0	0	0	0



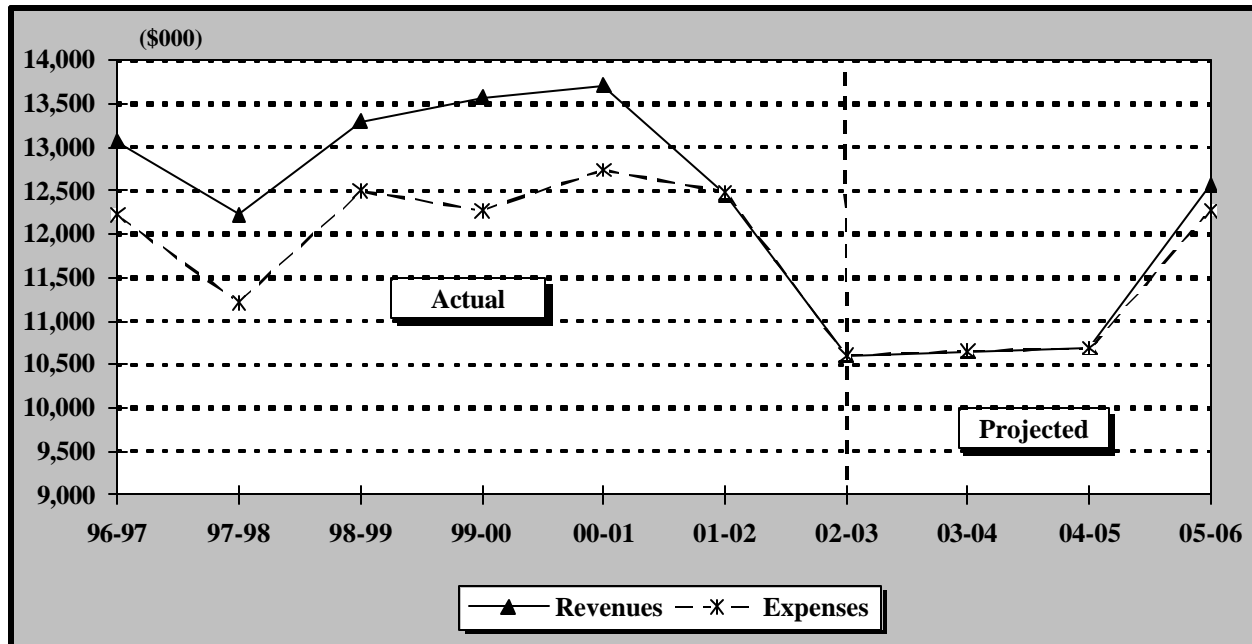
Trend/Forecast

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. Revenue growth is projected to slow in the later years of the forecast as the economy enters a mild downturn.

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 and the acquisition of new buses. The forecast is for planned fund surpluses in the early years due primarily to the implementation time required to expand routes. However, expenditures are expected to increase as the plan is more fully implemented. By FY 2006-07 there will be operating impacts to the Transit Fund resulting from the construction of a light-rail system. 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 \$32.3 million.

FYE	Unreserved
97	\$8,552,661
98	18,437,544
99	19,946,528
00	20,958,629
01	29,318,960
02	40,943,760

Transportation Funds: Projected Revenue and Expenditures



	96/97 Actual	97/98 Actual	98/99 Actual	99/00 Actual	00/01 Actual	01/02 Actual	02/03 Revised	03/04 Projected	04/05 Projected	05/06 Projected
Revenue (\$000)										
Highway User	9,810	9,684	10,781	11,074	11,225	9,854	10,000	10,060	10,110	10,110
State Lottery Proceeds	1,144	1,020	1,001	976	958	900	902	884	866	849
Maintenance of ASU Flash	1,850 243	1,850	1,850	1,850	1,850	1,850	0	0	0	1,850
Lottery Transfer to Other Revenue	0 23	(340) 14	(334) 0	(325) 0	(319) 0	(300) 149	(298) 0	(292) 0	(286) 0	(280) 0
Total Revenue	13,070	12,228	13,299	13,575	13,713	12,453	10,604	10,652	10,691	12,529
Expenditures (\$000)										
Personal Services	2,850	2,903	3,001	3,141	3,270	3,419	3,672	3,889	4,037	4,037
Materials and Supplies	551	509	446	523	578	448	486	486	486	496
Fees and Services	1,611	1,455	1,324	1,434	1,506	1,545	1,594	1,594	1,594	1,619
Capital Outlay	291	351	369	254	539	159	300	300	300	306
Debt Service	4,726	4,534	4,603	4,000	4,722	4,502	2,450	2,250	2,100	3,750
Loan Repayment	356	356	356	356	356	356	356	356	356	356
Transit Routes/ Internal Service Chgs	1,377 460	473	1,467	1,586	618	776	724	737	756	752
Indirect Cost	940	630	935	978	1,152	1,278	1,023	1,040	1,062	1,062
Total Expenditures	13,162	11,211	12,500	12,273	12,742	12,482	10,604	10,652	10,690	12,378
Net Operating	(93)	1,017	799	1,302	971	(29)	0	0	0	151

Note: Actuals reflect budget basis figures represented in the Comprehensive Annual Financial Report.



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 revenues resulting from Tempe's declining percentage of statewide population. The results of the 2000 U.S. Census further worsen the situation, contributing to the problems we are forecasting for this fund. With only small surpluses projected over the period of the forecast, limited resources will be available to address transportation capital project needs.

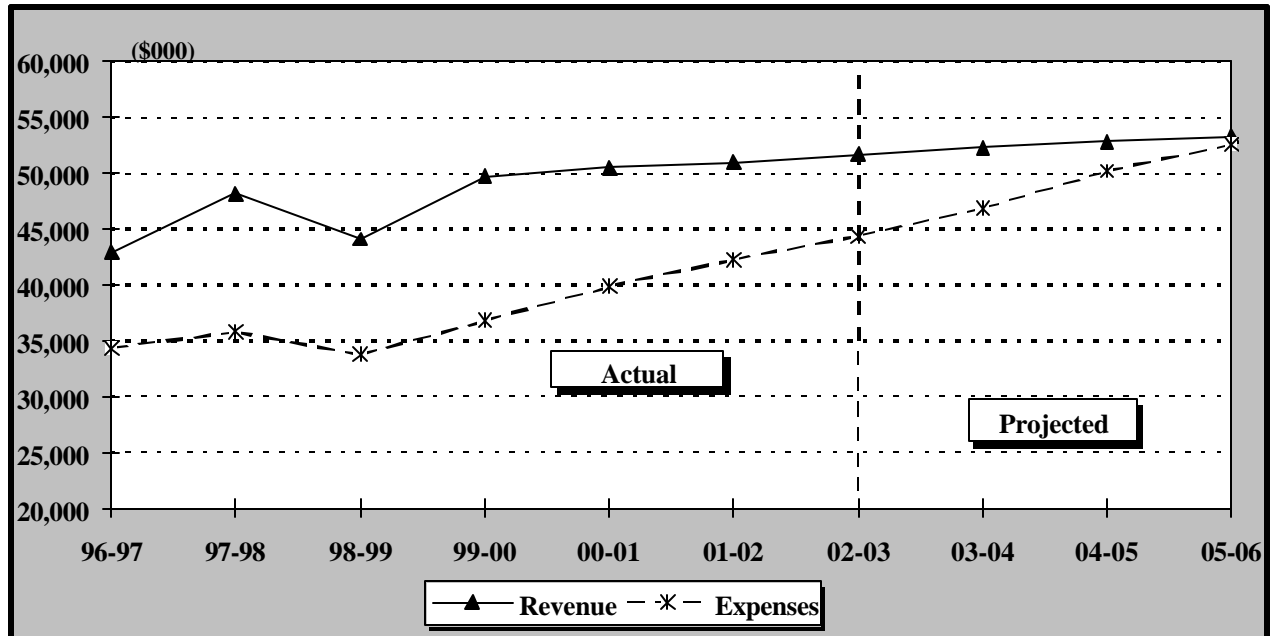
FYE	Unreserved
95	\$3,686,673
96	3,300,576
97	3,326,715
98	4,092,879
99	5,792,212
00	7,592,808
01	8,444,881
02	9,254,027

One approach now in place to minimize operating deficits is to limit debt service payments to established caps (\$2.2 million in FY 2003-04, to \$3.4 million by FY 2005-06). Any excess General Obligation debt service requirements beyond this cap will be absorbed by the Debt Service Fund. Over the longer term, we will need to monitor the level of General Obligation tax-supported debt applied to Transportation projects and the resulting impact on the Debt Service Fund, being aware that opportunities for pay-as-you-go financing of capital projects will be limited.

Fund Balance

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

Water/ Wastewater Fund: Projected Revenue and Expenditures



	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected
Revenue (\$000)										
Charges for Service-Water	26,151	26,993	25,086	27,152	26,428	28,242	26,010	26,228	26,543	26,675
Charges for Service-Interest Income	1,990	2,697	2,912	3,727	3,881	3,427	3,234	2,044	2,044	1,500
Land and Facility Rental	498	490	490	495	500	515	520	520	520	520
Loan Repayment	413	397	380	624	342	321	624	624	624	624
Other Miscellaneous Rev.	116	665	210	213	1,777	664	61	61	61	61
Total Revenue	42,913	48,198	44,098	49,729	51,351	50,840	46,200	45,385	45,836	45,504
Expenses (\$000)										
Personal Services	7,024	7,031	7,332	7,623	7,777	8,887	8,919	9,414	9,764	10,313
Materials and Supplies	2,046	2,625	2,242	1,995	1,632	1,704	2,198	2,238	2,285	2,318
Fees and Services	9,153	9,063	7,714	7,890	8,961	8,872	8,677	8,881	9,775	9,457
Travel and Training	67	65	78	79	90	111	107	109	111	113
Depreciation Expense	7,960	8,021	8,143	8,605	8,135	8,181	9,868	11,666	13,356	14,434
Share of 91 st Avenue	553	753	1,187	3,096	(1,630)	1,875	2,750	2,747	2,745	2,742
Debt Svc Intrst/Fiscal	3,909	3,835	3,751	3,831	3,967	4,212	4,995	6,847	8,410	9,870
Internal Service Charges	1,732	2,457	1,585	2,517	1,488	2,485	1,455	1,595	1,744	1,891
Indirect Cost Allocations	1,904	1,960	1,715	2,133	2,684	2,157	2,339	2,381	2,431	2,466
Total Expenses	34,349	35,810	33,749	37,770	33,104	38,484	41,308	45,878	50,620	53,602
Designated for Capital	0	0	894	6,387	3,871	3,500	2,938	10,545	10,721	557
Fund Balance Applied	0	0	0	0	0	0	0	(11,038)	(15,506)	(8,655)
Net Operating Surplus/	8,564	12,388	9,456	5,572	14,376	8,855	1,953	0	0	0



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 need for further rate adjustments in the sewer service area will be reviewed annually. Uncertainties still exist regarding the impact of the new usage and "strength-based" rate structure on the major industrial customers. The new rate structure may have the effect of encouraging these customers to reduce discharges or at least alter the strengths of discharges, both of which could substantially reduce revenues. Such changes should produce reductions in the City's shared cost of operating the 91st Avenue facility, although those reductions may not mirror revenue losses. Thus, the long-term outlook for this fund could change substantially depending to large extent on 91st Avenue costs.

As the long range forecast predicts, the Water/Wastewater Fund may enter a deficit condition by the end of FY 2003-04 as the growth in treatment costs outpace revenue growth. Should this occur, a drawdown of fund balances will be applied to cover the deficit. For the purpose of this forecast, we have assumed no further rate adjustments. As more data becomes available revealing the longer term impact of the new rate structure, this assumption must be revisited. Throughout the forecast period, pay-as-you-go financing for the Water/Wastewater Capital Improvements Program will continue to be utilized to help offset higher debt service costs.

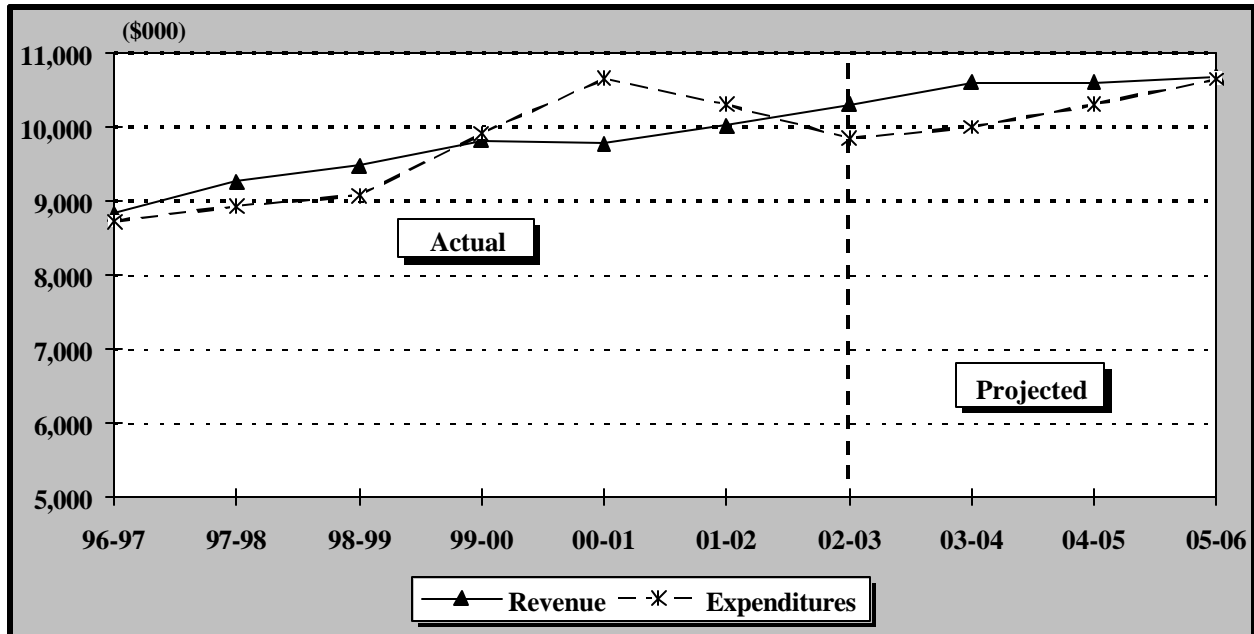
Unreserved Retained Earnings

A history of Water/Wastewater Fund balances shows the drawdown that occurred in the early 1990's as the result of pay-as-you-go financing for infrastructure improvements. To illustrate, unreserved retained earnings were \$18.2 million at FYE 92 before being built back up to \$55.7 million by FYE 01. The increase in the FYE 02 fund balance is due mainly to the change in reporting requirements under GASB 34.

Over the period of this forecast, healthy fund balances should be retained, notwithstanding the impact of compliance driven contingencies. With \$45.9 million in projected FY 2003-04 expenses, the \$71.7 million fund balance provides 127% coverage to operating expenses

FYE	Unreserved
92	\$18,217,298
93	20,667,194
94	21,671,776
95	24,383,051
96	33,746,270
97	36,796,384
98	41,020,060
99	55,159,498
00	56,434,920
01	55,717,922
02	71,701,351

Solid Waste Fund: Projected Revenue and Expenditures



	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected
Revenue (\$000)										
Charges for Services	8,493	8,822	9,132	9,407	9,595	9,771	10,138	10,440	10,440	10,516
Sludge Disposal	143	218	223	123	92	208	75	90	90	91
Interest Income	95	123	126	100	71	36	12	8	8	9
Other Revenue Sources	107	101	0	193	24	11	80	65	65	66
Total Revenue	8,838	9,264	9,481	9,823	9,782	10,026	10,305	10,604	10,604	10,681
Expenses (\$000)										
Personal Services	2,589	2,596	2,769	3,029	3,206	3,332	3,288	3,422	3,561	3,770
Materials and Supplies	166	203	440	342	322	341	169	172	176	178
Fees and Services	2,877	2,905	2,882	2,875	3,192	3,244	3,042	3,097	3,161	3,207
Depreciation	890	897	915	1,206	1,390	869	900	920	928	936
Loan Repayment-Interest	48	42	137	137	137	137	137	0	0	0
Internal Service/Adj.	1,587	1,529	1,388	1,617	1,749	1,680	1,762	1,834	1,913	1,984
Indirect Cost Allocations	571	763	550	708	661	706	547	557	568	576
Total Expenses	8,728	8,935	9,082	9,913	10,658	10,310	9,845	10,001	10,307	10,652
Net Operating Surplus	111	329	399	(90)	(876)	(284)	460	603	296	29



Trend/Forecast

With the FY 1999-00 shortfall in this fund, solid waste rates were modified to fully recover the cost of the solid waste operation and replacement obligations. Since then, rate increases have been implemented each fiscal year, with the latest increase to industrial, commercial, and residential rates occurring on January 1, 2003. These rate increases appear to be having the intended effect of eliminating, at least in the short-term, a projected deficit condition in the Solid Waste Fund.

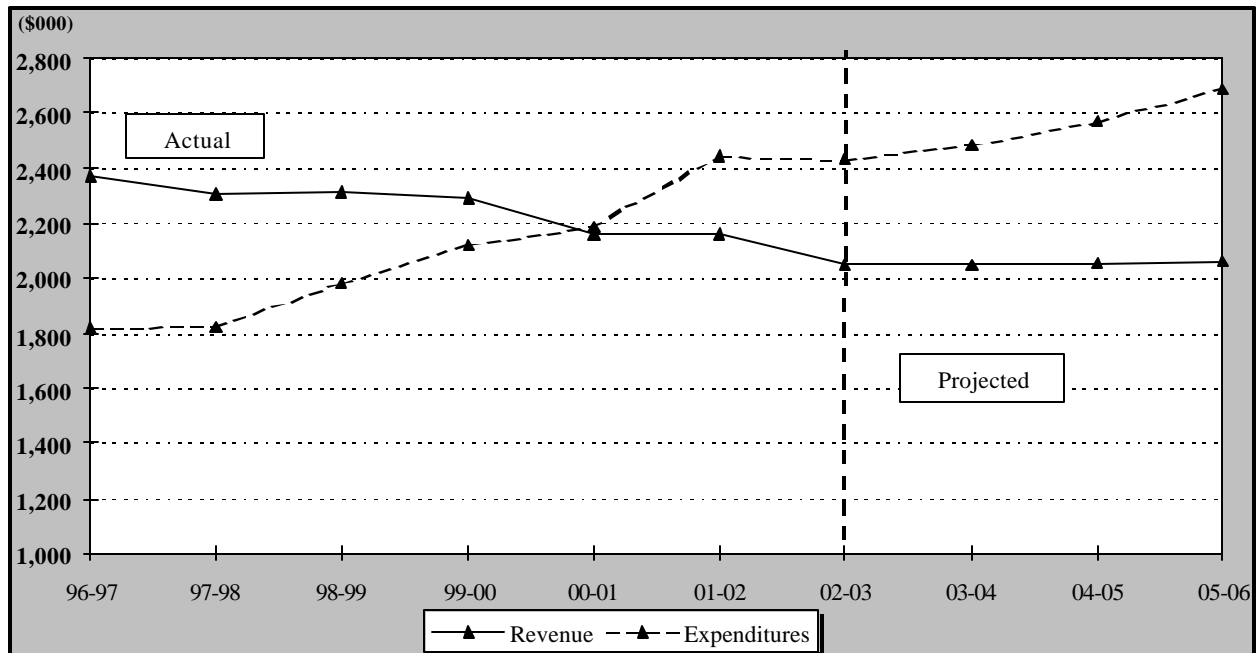
FYE	Unreserved
93	\$1,672,646
94	1,442,692
95	1,542,782
96	1,135,131
97	1,623,386
98	1,979,294
99	2,168,155
00	1,162,872
01	451,358
02	20,065

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

Unreserved Retained Earnings

A planned drawdown of unreserved retained earnings began in FY 1999-00. With environmental mandates always present, this enterprise operation will require as much financial flexibility as possible for contingent compliance driven costs.

Golf Fund: Projected Revenue and Expenditures



	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected
Revenue (\$000)										
Greens Fees	1,990	1,982	1,942	1,838	1,774	1,800	1,809	1,818	1,827	1,836
Pro Shop and Restaurant	243	250	284	229	350	231	232	233	235	236
Interest Income	66	76	86	92	33	19	10	4	1	0
Other Revenue Sources	7	0	(20)	0	0	0	0	0	0	0
Total Revenue	2,305	2,309	2,292	2,160	2,157	2,050	2,051	2,055	2,063	2,072
Expenses (\$000)										
Personal Services	792	790	834	888	941	983	1,055	1,100	1,167	1,239
Materials and Supplies	146	140	188	229	214	215	215	215	219	222
Fees and Services	296	396	326	320	355	407	407	407	413	418
Depreciation	279	305	354	313	374	374	348	370	395	423
Debt Service Interest	64	61	55	49	44	39	30	23	23	23
Internal Service Charges	96	102	134	150	223	135	149	165	180	196
Indirect Cost Allocations	151	187	229	237	291	278	283	289	293	297
Total Expenses	1,824	1,981	2,120	2,185	2,442	2,431	2,486	2,569	2,689	2,818
Net Operating Surplus/	481	328	173	(26)	(285)	(381)	(435)	(514)	(627)	(746)

Note: Actuals reflect budget basis figures represented in the Comprehensive Annual Financial Report.



Trend/Forecast

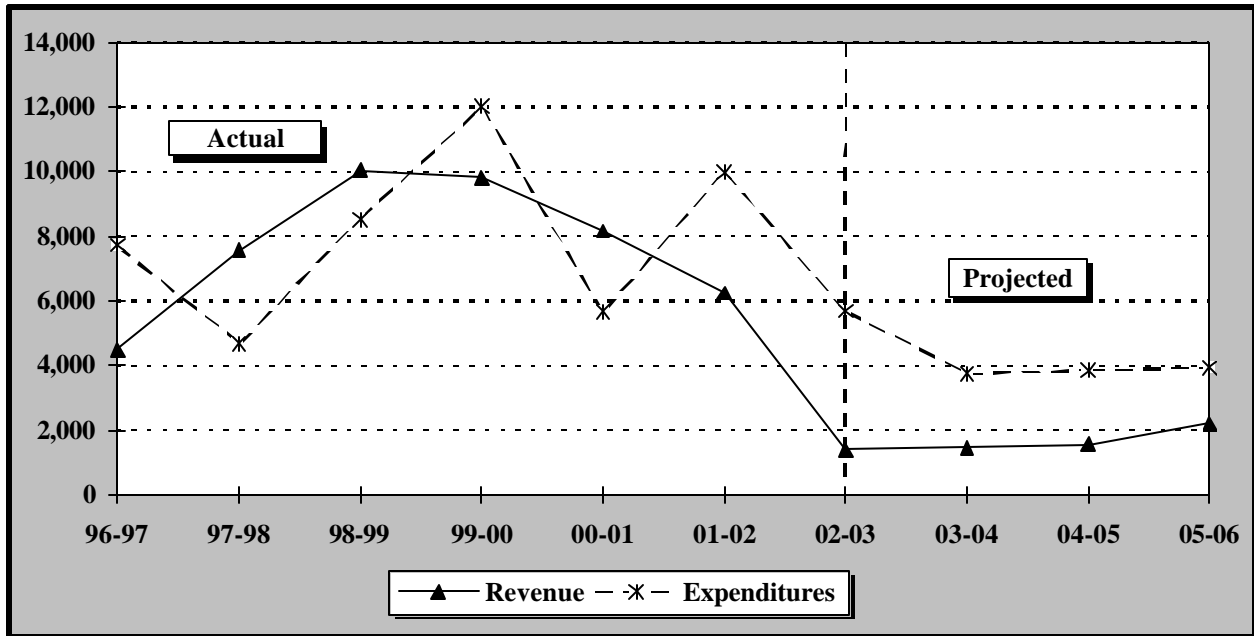
Over the forecast period, we expect revenue growth to generally follow the historical use patterns, although other unpredictable factors such as weather conditions, may improve or worsen the revenue picture. The Golf Fund has been experiencing a deficit condition since FY 1999-00. As with the City’s other self-supporting Enterprise operations, annual rate reviews will be conducted to maintain a favorable financial position in the Golf Fund.

Unreserved Retained Earnings

After six consecutive years of fund balance losses the trend was reversed, at least in the short-term, in FY 1995-96 as increased rounds of play bolstered the reserve to over \$350,000. Fiscal years 1998-99 through 1999-00 proved to be good years as the fund ended FY 2001-02 with a balance of \$791,701. This balance will provide some flexibility in funding current and future capital improvements.

FYE	Unreserved
93	\$139,693
94	54,780
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

Rio Salado and Community Facilities District Funds



	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	
	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Projected	Projected	Projected	
Revenue (\$000)											
General Fund Allocation	4,500	7,000	8,600	7,260	6,270	4,815	0	0	0	0	
Sales Tax	0	461	685	583	734	693	639	656	676	691	
Transient Lodging Tax	0	63	85	109	60	89	98	108	108	110	
Interest Revenue	0	42	65	473	628	451	452	389	334	287	
Sale of Real Estate	0	0	0	888	267	0	0	0	0	0	
Bond Forfeiture	0	0	0	300	0	0	0	0	0	0	
Other Revenue	0	0	24	33	38	36	32	32	32	32	
CFD Revenue	0	0	592	173	166	171	177	269	413	1,082	
Total Revenue	4,500	7,566	10,050	9,819	8,164	6,254	1,398	1,454	1,564	2,202	
Expenditures (\$000)											
Personal Services	54	104	374	540	535	410	571	608	631	667	
Materials and Supplies	0	1	21	16	10	22	27	27	28	28	
Fees and Services	0	95	102	176	427	481	683	683	683	693	
Travel and Training	0	0	8	46	6	12	15	15	15	7	
Contributions	0	0	123	0	0	0	0	0	0	0	
Capital Outlay	24	0	6	146	43	32	23	0	0	0	
Purchase of Land	3,577	0	0	0	0	0	0	0	0	0	
Internal Service Charges	0	1	63	96	79	106	125	134	144	154	
CFD Administrative Credit	0	0	(62)	(440)	(420)	(431)	(431)	(439)	(448)	(455)	
CFD Operating and Maintenance	0	449	258	1,940	1,833	2,708	2,690	2,714	2,804	2,830	
Total Expenditures	3,655	648	892	2,520	2,511	3,340	3,703	3,743	3,857	3,925	
Designated for Capital Projects	4,074	4,025	7,614	9,511	3,150	6,633	1,990	0	0	0	
Net Operating Surplus/									9)	(2,293)	(1,723)

Note: Actuals reflect budget basis figures represented in the Comprehensive Annual Financial Report.



Trend/Forecast

Rio Salado’s single largest revenue source was the General Fund allocation (1/3 of any surplus). With the downturn in the economy, General Fund expenditures now equal revenue collections, resulting in a loss of this revenue stream to the Rio Salado Fund. This has been a direct negative affect and is depicted in the forecast.

The second 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.

CFD revenue includes assessment collections from property owners and boat permits, concessions, and special event fees. Overall revenue is projected to decrease as next fiscal year reflects a price decrease in boat permits.

Unreserved Fund Balance

The unreserved fund balance reached a high of \$5.2 million in FY 1998-99. The variations depicted in the unreserved fund balances from FY 1996-97 to FY 2001-02 is due to planned drawdowns to fund capital and land purchase costs.

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



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 objectives. Many recommendations are intended to adjust expenditure growth in order 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.

■ ***Maintain the Current Property Tax Rate***

Given the number of unfunded Capital Improvement Program projects, the City should maintain its property tax rate at \$1.35/ \$100 of assessed value in order to provide funding for its capital program. Each \$0.05 change in the property tax rate either increases or reduces the revenues by \$650,000, capable of financing \$7.5 million in projects over a 20 year period.

■ ***Modified Base Budget Plan***

Continuation of a modified base budget review program is recommended. This entails a review of departmental base budgets, with the size of modifications linked directly to financial

forecasts. Modified base budgets incorporate historical spending patterns, price adjustments, and long-range forecasts, thereby limiting budgetary growth within departments.

■ ***Continue to Limit Midyear Adjustments***

Even as the City effectively manages supplemental additions through the normal biennial 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 Revenues***

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

■ ***Economic Development/Redevelopment***

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

■ ***Review Benefits Program***

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

employee and retiree.

■ ***Rio Salado Financial Plan***

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

■ ***Transit Plan***

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

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

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

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

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

■ ***Program Sunsetting***

We recommend that the City continue, through the budgetary process, the annual sunset review program. This program facilitates a review of all existing citywide programs, using evaluation



criteria to serve as guides in considering the merits of sunsetting an existing program.

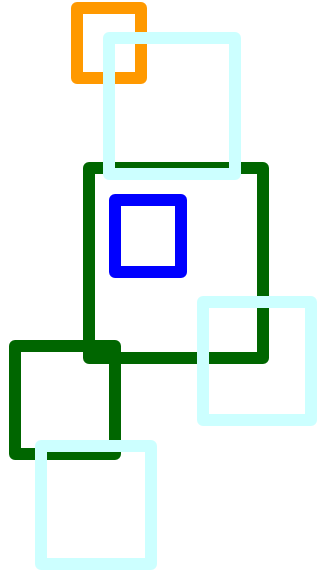
■ ***Strategic Issues Program***

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

■ ***Benchmarking/Competitive Analysis***

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

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



Revenue Information

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



Total Revenues

Total Revenue by Source

Components of Total Revenue

Comparative Revenue by Source

General Governmental Revenues: Ten Year Historical Trends

City Sales Tax.

City Property Tax.

Transient Lodging Tax

Salt River Project In-Lieu Tax

State-Shared Sales Tax.

State-Shared Vehicle License Tax.

State-Shared Income Tax

Charges for Services/Recreation and Social Services

Charges for Services/Development Related

Fines and Forfeitures

Interest Earnings

Special Revenues: Ten Year Historical Trends

Transit Tax

Performing Arts Tax

Highway User Tax

Local Transportation Assistance Fund

Community Development Block Grant/Section 8 Housing Grant

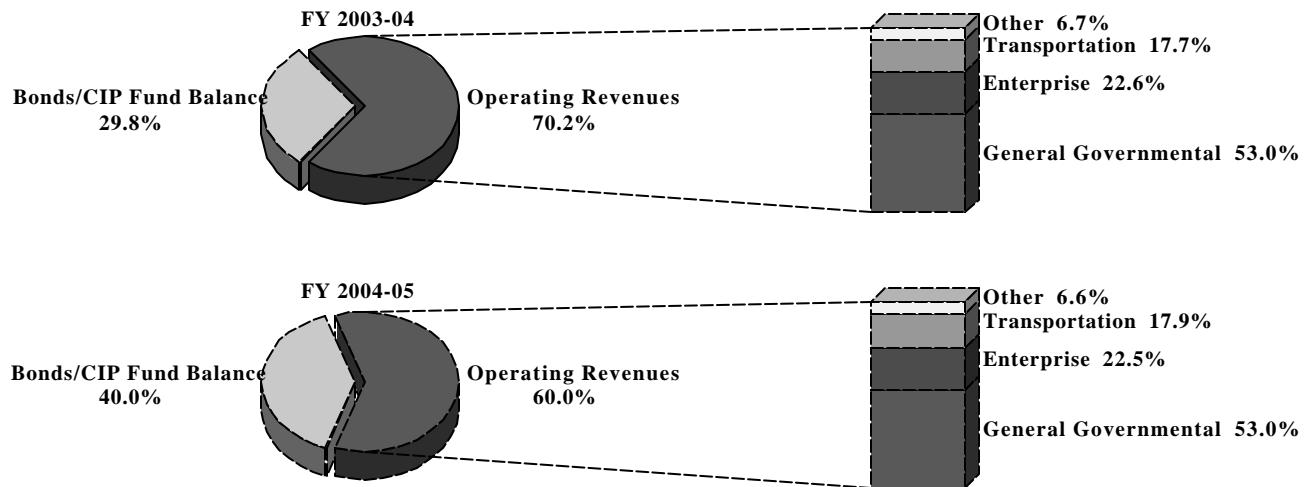
Enterprise Revenues: Ten Year Historical Trends

Water and Wastewater User Fees

Total Revenue

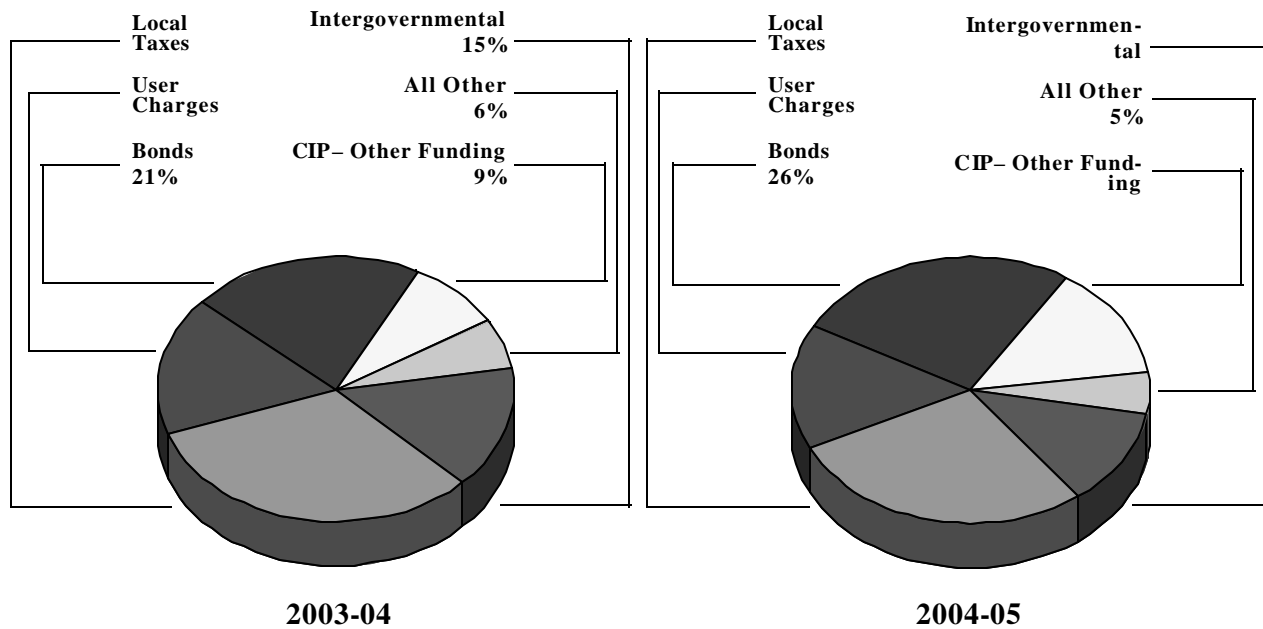


Total revenue for the biennial budget is estimated at \$365.5 million for FY 2003-04 and \$433.7 for FY 2004-05, reflecting \$256.7 million in operating revenue and \$109.0 million from Bond Proceeds, Fund Balances and Other Funding Sources in FY 2003-04 and \$260.1 million in operating revenue and \$173.6 million from Bond Proceeds, Fund Balances and Other Funding Sources in FY 2004-05. The FY 2003-04 operating revenue total represents 1.3% growth over revised FY 2002-03 operating revenues, with minimal total revenue growth in FY 2004-05 at 1.9% over FY 2003-04. The revenue trend reflects sluggish taxable sales growth and decreased state-shared revenue. Bond Proceeds and Other Funding Sources will increase in the second year of the biennium, corresponding to the size of the Capital Improvements Program budget.



TOTAL REVENUES		
	2003-04	2004-05
OPERATING REVENUES		
General Governmental		
Local Taxes, Licenses and Permits, and Debt	\$86,747,724	\$88,241,674
Intergovernmental	32,466,160	32,027,500
Charges for Services	6,988,051	7,519,651
Miscellaneous	9,833,124	10,107,017
Transportation/Transit	45,488,162	46,476,983
Performing Arts	5,428,500	5,533,300
CDBG/Section 8 Housing	10,817,663	10,817,663
Rio Salado Special Revenue	856,800	896,750
Enterprise	58,055,364	58,506,335
TOTAL OPERATING REVENUES	\$256,681,548	\$260,126,873
Operating Revenue Per Capita	\$1,602	\$1,615
Bond/Note Proceeds	77,971,520	113,032,768
CIP Other Funding	8,049,874	22,906,948
Fund Balances	22,831,026	37,677,777
TOTAL REVENUES	\$365,533,968	\$433,744,366
Total Revenues Per Capita	\$2,281	\$2,694

Total Revenue by Source

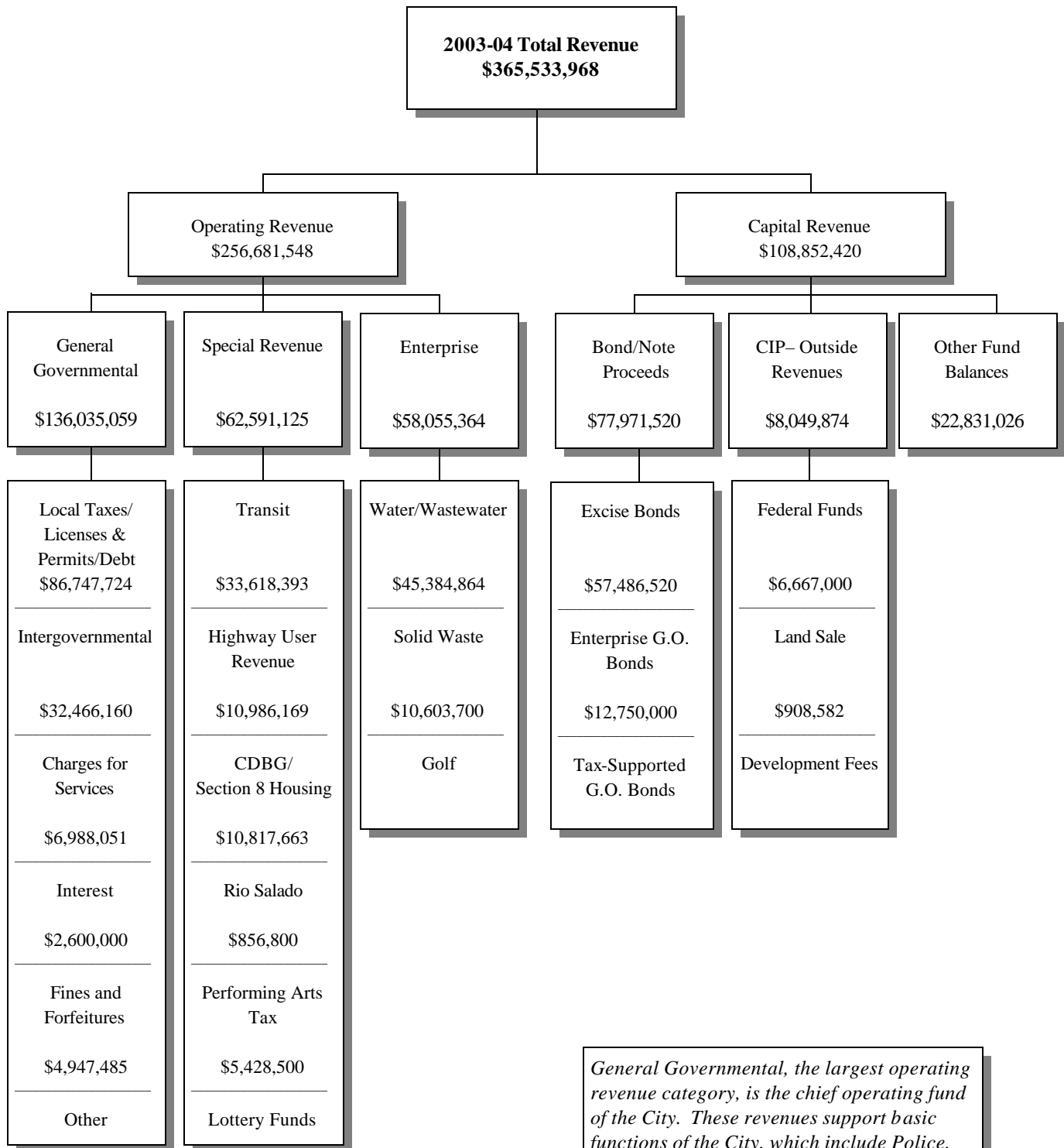


Where the Money Comes From

	2001-02	2002-03	2003-04	2004-05
Local Taxes				
Local Sales Taxes	\$59,991,774	\$59,855,000	\$61,325,000	\$62,350,000
Transit Tax	25,229,927	25,326,325	26,027,864	26,858,153
Other Local Taxes	21,860,441	22,783,862	24,984,847	25,469,197
Performing Arts	4,999,984	5,187,140	5,239,000	5,343,800
User Charges				
Water/Wastewater	40,866,138	42,904,834	43,279,764	43,730,735
Solid Waste	9,943,891	10,212,834	10,530,000	10,530,000
Community Services	6,595,146	6,323,998	6,856,251	7,298,551
Building/Trades & Planning/Zoning	1,993,308	2,259,650	2,191,800	2,281,100
Intergovernmental				
State-Shared Revenue	33,926,741	34,785,000	32,466,160	32,027,500
HURF/LTAF	10,455,043	10,569,500	11,578,169	11,580,200
CDBG/Section 8 Housing	7,576,041	11,480,214	10,817,663	10,817,663
All Other				
Interest Revenue	14,018,561	9,006,700	6,265,200	6,265,200
Miscellaneous Revenue	8,209,320	9,073,207	9,081,468	9,304,904
Fines and Forfeitures	4,615,379	4,413,086	4,947,485	5,154,793
Licenses and Permits	1,072,526	1,072,525	1,090,877	1,115,077
Bonds/Note Proceeds	25,900,000	79,811,000	77,971,520	113,032,768
CIP - Outside Revenues*	40,283,000	33,000,000	8,049,874	22,906,948
Other - Fund Balance	(7,055,000)	(9,504,800)	22,831,026	37,677,777
Total Revenue	\$310,482,221	\$358,560,075	\$365,533,968	\$433,744,366

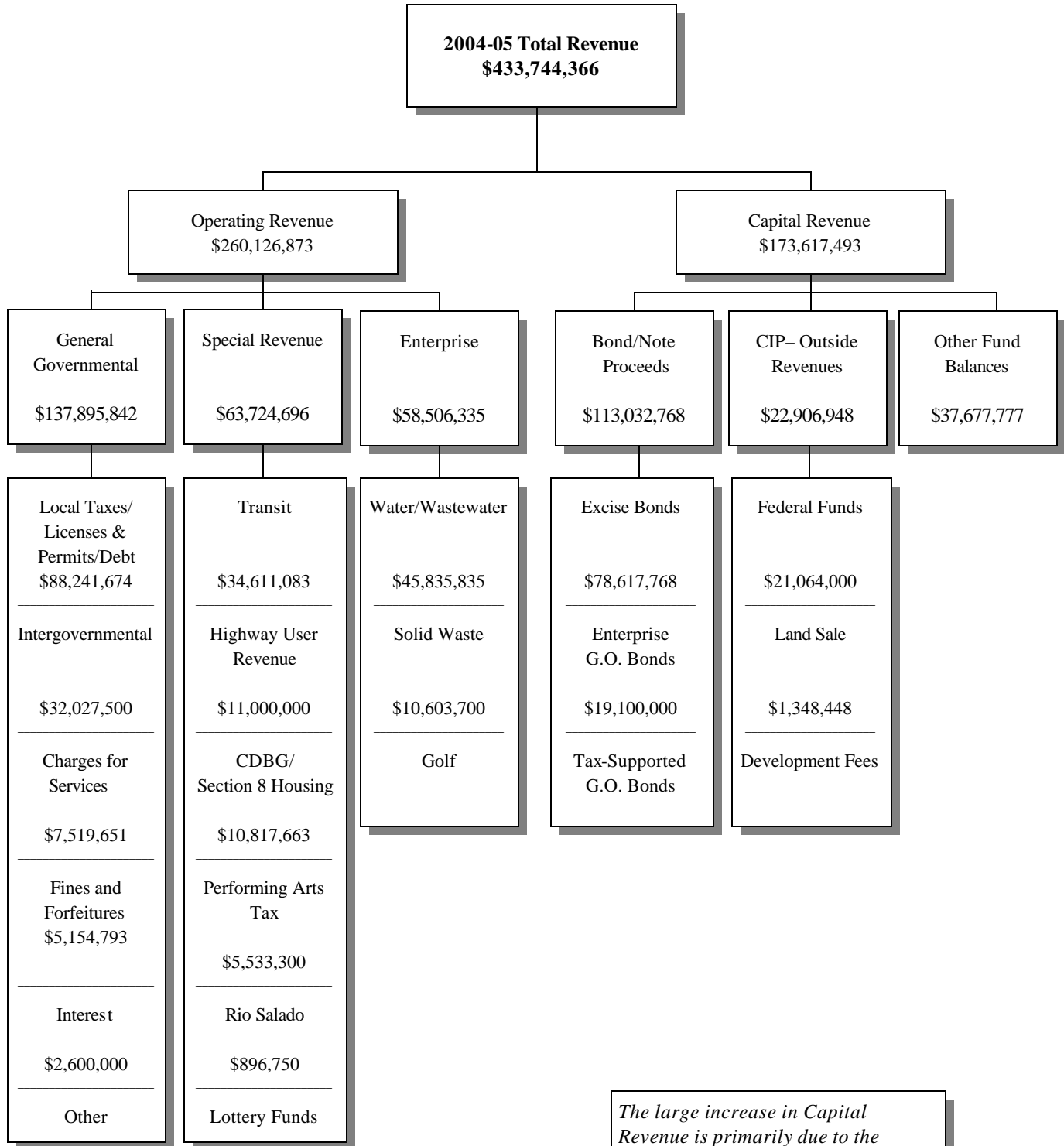
* Includes Federal and State Grants and Residential Development Tax and Fees.

Components of Total Revenue -FY 2003-04



General Governmental, the largest operating revenue category, is the chief operating fund of the City. These revenues support basic functions of the City, which include Police, Fire, Community, and Development Services.

Components of Total Revenue -FY 2004-05



The large increase in Capital Revenue is primarily due to the issuance of bonds to support the City's Transit and Wastewater Plant expansion projects.

Comparative Revenue by Source



Revenue Source	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
General Fund				
Local Taxes				
City Sales Tax	57,754,994	57,300,000	58,500,000	59,500,000
Primary Property Tax	7,135,100	7,251,511	8,543,551	8,787,597
Transient Lodging Tax	1,454,927	2,000,000	2,250,000	2,250,000
Franchise Fees	1,811,060	1,531,200	1,704,200	1,732,700
<i>Total Local Taxes</i>	68,156,081	68,082,711	70,997,751	72,270,297
Intergovernmental Revenue				
State Income Tax	16,544,791	16,885,000	14,316,739	13,474,200
State Sales Tax	12,148,438	12,300,000	12,549,421	12,953,300
Vehicle License Tax	5,233,512	5,600,000	5,600,000	5,600,000
<i>Total Intergovernmental</i>	33,926,741	34,785,000	32,466,160	32,027,500
Building & Trades/Planning & Zoning	1,993,308	2,259,650	2,191,800	2,281,100
Cultural and Recreational				
Registration Fees	3,494,159	3,301,339	3,687,600	4,017,400
Recreation Admission Charges	310,353	273,900	284,200	295,200
Library Fines and Fees	240,990	240,640	392,451	462,451
Other Cultural and Rec Fees	425,608	473,119	432,000	463,500
<i>Total Cultural and Recreational</i>	4,471,110	4,288,998	4,796,251	5,238,551
Fines, Fees and Forfeitures				
Traffic Fines	1,371,706	1,335,000	1,375,000	1,375,000
Criminal Fines	724,646	669,000	715,000	715,000
Parking Fines	338,176	223,300	375,000	375,000
Other Fines, Fees and Forfeitures	2,180,851	2,185,786	2,482,485	2,689,793
<i>Total Fines, Fees and Forfeitures</i>	4,615,379	4,413,086	4,947,485	5,154,793
Business/Non-Business Licenses	1,072,526	1,072,525	1,090,877	1,115,077
Other Revenue Sources				
SRP Payment in Lieu of Taxes	410,346	428,862	450,000	500,000
Interest Income	6,529,452	3,233,700	2,600,000	2,600,000
Other Miscellaneous Revenue and Loan	3,004,627	2,783,061	2,285,639	2,352,224
<i>Total Other Revenue</i>	9,944,425	6,445,623	5,335,639	5,452,224
Total General Fund	124,179,570	121,347,593	121,825,963	123,539,542
Debt Service				
Secondary Property Tax	11,695,227	12,897,095	13,554,896	13,682,500
SRP Payment in Lieu of Taxes	774,456	635,156	654,200	673,800
Total Debt Service	12,469,683	13,532,251	14,209,096	14,356,300

Comparative Revenue by Source



Revenue Source	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
Transit Fund				
Transit Tax	25,229,927	25,326,325	26,027,864	26,858,153
Lottery Transfer In	300,138	297,500	291,600	285,700
ASU-Flash Transit	344,654	352,776	375,440	386,252
Interest Income	3,298,605	1,969,100	1,261,900	1,261,900
Federal and State Funding	4,226,452	4,933,930	5,442,257	5,569,142
Miscellaneous Revenue	9,976	535,715	510,932	535,636
Total Transit Fund	33,409,752	33,415,346	33,909,993	34,896,783
Transportation Funds				
Highway User Revenue Tax	9,854,766	9,965,400	10,986,169	11,000,000
State Lottery Proceeds	900,415	901,600	883,600	865,900
Lottery Transfer to Transit	(300,138)	(297,500)	(291,600)	(285,700)
Other Revenue	0	0	0	0
Total Transportation Funds	10,455,043	10,569,500	11,578,169	11,580,200
Rio Salado Fund				
City Sales Tax	692,756	475,000	490,000	510,000
Transient Lodging Tax	89,097	80,000	85,000	90,000
Primary Property Tax	34,252	40,038	78,000	92,600
Interest Income	451,064	253,800	154,600	154,600
Miscellaneous Revenue	35,683	28,825	49,200	49,550
Total Rio Salado Fund	1,302,852	877,663	856,800	896,750
Performing Arts				
Performing Arts Tax	4,999,984	5,187,140	5,239,000	5,343,800
Interest Income	189,120	284,400	189,500	189,500
Total Performing Arts	5,189,104	5,471,540	5,428,500	5,533,300
Total CDBG/Section 8 Housing Funds	7,576,041	11,480,214	10,817,663	10,817,663
Solid Waste Fund				
Charges for Services				
Residential Service	4,940,451	5,500,000	5,700,000	5,700,000
Commercial Service	3,993,028	3,987,834	4,100,000	4,100,000
Roll-Off Service	756,467	600,000	600,000	600,000
Recycling	46,035	50,000	40,000	40,000
Sludge Disposal	207,910	75,000	90,000	90,000
Interest Income	36,254	12,000	8,300	8,300
Other Miscellaneous Revenue	44,718	80,400	65,400	65,400
Total Solid Waste Fund	10,024,863	10,305,234	10,603,700	10,603,700

Comparative Revenue by Source



Revenue Source	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
Water/Wastewater Fund				
Charges for Service-Water				
Water Consumption	17,372,621	18,718,000	18,905,180	19,188,758
Water Service	6,209,198	6,269,627	6,300,975	6,332,480
Irrigation	293,401	279,500	279,500	279,500
Other Water Charges	561,115	742,500	742,500	742,500
<i>Total Charges for Service-Water</i>	24,436,335	26,009,627	26,228,155	26,543,238
Charges for Service-Wastewater				
Sewer Usage	9,486,942	9,956,846	10,056,414	10,106,199
Sewer Service	5,417,312	5,683,394	5,740,228	5,826,331
Other Wastewater Charges	386,582	111,000	111,000	111,000
<i>Total Charges for Service-Wastewater</i>	15,290,836	15,751,240	15,907,642	16,043,530
Interest Income	3,482,096	3,233,700	2,044,100	2,044,100
Land and Facility Rental	515,000	520,000	520,000	520,000
Loan Repayment from General Fund	623,967	623,967	623,967	623,967
Other Miscellaneous Revenue	243,072	61,000	61,000	61,000
Total Water/Wastewater Fund	44,591,306	46,199,534	45,384,864	45,835,835
Golf Fund				
Greens Fees	1,773,817	1,825,000	1,850,000	1,850,000
Pro Shop and Restaurant Revenue	350,219	210,000	210,000	210,000
Interest Income	31,970	20,000	6,800	6,800
Total Golf Fund	2,156,006	2,055,000	2,066,800	2,066,800
Total Revenue - All Funds	251,354,221	255,253,875	256,681,54	260,126,87

City Sales Tax



Restrictions	Fiscal Year	Amount	Percent
Current rate of 1.8% can be increased only by electorate.	1994-95 ¹	49,632,044	46.6
Proceeds are pledged as security for bond payments due under various bond security agreements. Revenues from a voter-approved 0.5% portion are dedicated to transit purposes, as well as a voter approved 0.1% dedicated funding for Performing Arts. In addition, all transaction privilege tax revenues generated in the Rio Salado Enterprise Fund Zone are deposited to the Rio Salado Fund for the operating expenses of the Rio Salado project.	1995-96	48,488,111	(2.3)
	1996-97	50,495,336	4.1
	1997-98	57,283,547	13.4
	1998-99	60,100,000	4.9
	1999-00	59,967,700	(0.2)
	2000-01	63,602,106	6.1
	2001-02	57,754,994	(9.2)
	2002-03 est.	57,300,000	(0.08)
¹ During 1995, Governmental Accounting Standards Board (GASB) Statement No. 22 required revenue from taxpayer-assessed taxes to be recognized in the accounting period in which they become susceptible to accrual. This resulted in 13 months being recorded in FY 94-95.	2003-04 est.	58,500,000	2.1
	2004-05 est.	59,500,000	1.7

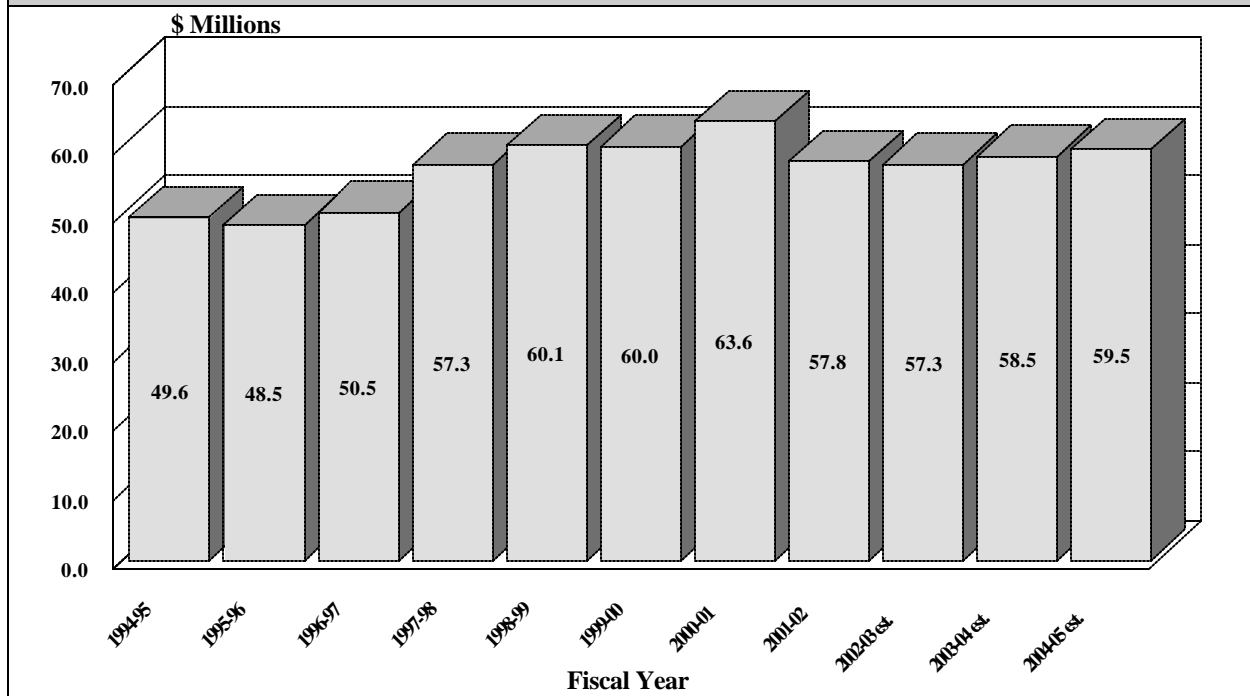
Assumptions

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.

FY 2002-03 decrease reflects the impact of a national downturn in the economy. Our projections reflect a modest increase and assume the economy will recover in late FY 2003-04.

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

City Sales Tax



City Property Tax



Restrictions	Fiscal Year	Amount	Percent
Primary Levy: Limited to annual increase of 2% plus amount generated by new construction. No restriction on usage.	1994-95	11,315,869	(4.1)
	1995-96	12,297,510	8.7
	1996-97	12,808,631	4.2
	1997-98	13,832,004	8.0
Secondary Limit: Restricted for debt service purposes only. No limit on rate.	1998-99	15,172,288	9.7
	1999-00	16,561,936	9.2
	2000-01	18,414,400	11.2
	2001-02	18,864,580	2.4
	2002-03 est.	20,188,644	7.0
	2003-04 est.	22,176,447	9.8
	2004-05 est.	22,562,697	1.7

Assumptions

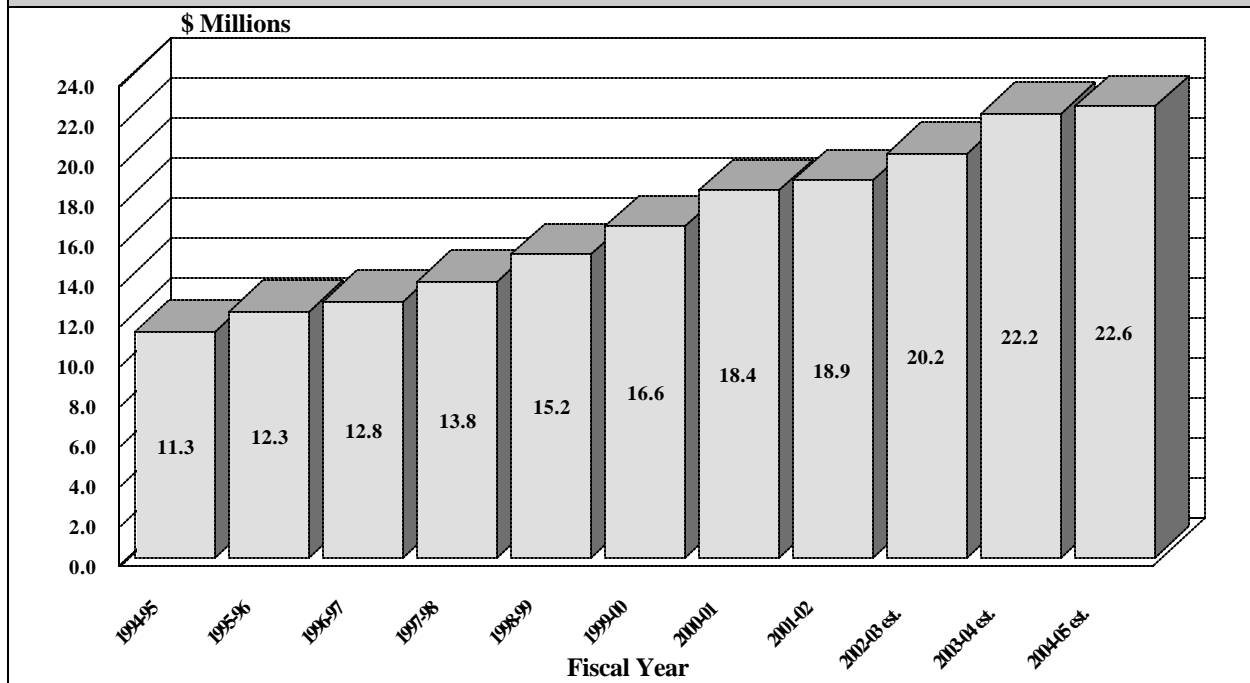
The City's property tax is levied based on the full cash value of property from the previous February 10th as determined by the Maricopa County Assessor, whose office both bills and collects all property taxes. Changes in total revenue collected during these years have been the result of state policy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

The combined primary and secondary property tax rate for FY 2003-04 will total \$1.35 per \$100 assessed valuation, consisting of \$0.55 per \$100 of primary assessed valuation for operating and maintenance costs and \$0.80 per \$100 of secondary assessed valuation to fund principal and interest payments on bond indebtedness. The City held the aggregate property tax rate at \$1.40 for six fiscal years before decreasing it by 0.05 in FY 2000-01 to \$1.35.

For the biennial budget period, assessed valuation growth is expected to peak and decline in accordance with the County's biennial valuation methodology.

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

City Property Tax



Transient Lodging Tax

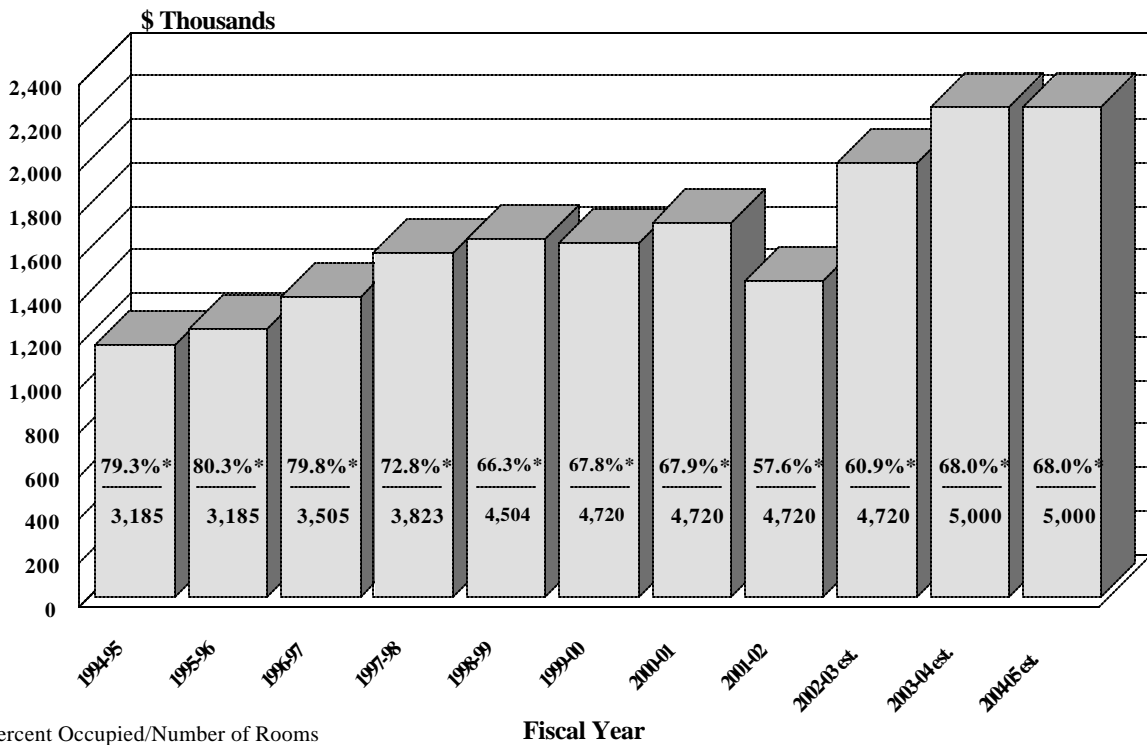


Restrictions	Fiscal Year	Amount	Percent
<p>Current rate of 3% can be increased only by electorate.</p> <p>Proceeds are restricted with 2 of the 3% pledged to the Tempe Convention and Visitors Bureau (TCVB). Excess unrestricted proceeds are for General Fund usage, except for bed tax revenue generated within the Rio Salado Enterprise Zone, which is deposited to the Rio Salado Fund for operating costs of the Rio Salado Project.</p> <p>The tax originated in June of 1988 at 2% with half (or 1%) dedicated to TCVB. In FY 2001 voters approved an additional 1%, increasing the tax from 2% to 3%, with the entire 1% dedicated to TCVB.</p> <p>Account: 4002</p>	1994-95	1,160,235	20.2
	1995-96	1,236,458	6.6
	1996-97	1,379,301	11.6
	1997-98	1,584,138	14.9
	1998-99	1,649,000	4.1
	1999-00	1,625,300	(1.4)
	2000-01	1,725,597	6.2
	2001-02	1,454,927	(15.7)
	2002-03 est.	2,000,000	37.5
	2003-04 est.	2,250,000	12.5
	2004-05 est.	2,250,000	0.0

Assumptions

The tax is imposed on businesses within the city, who charge for lodging for any period of not more than 30 consecutive days. The increase in our revenue projection is reflective of a voter approved 1% increase rather than an increase in lodging structures or occupants. It is anticipated that occupants and lodgings will remain relatively

Transient Lodging Tax



*Percent Occupied/Number of Rooms

Salt River Project In-Lieu Tax



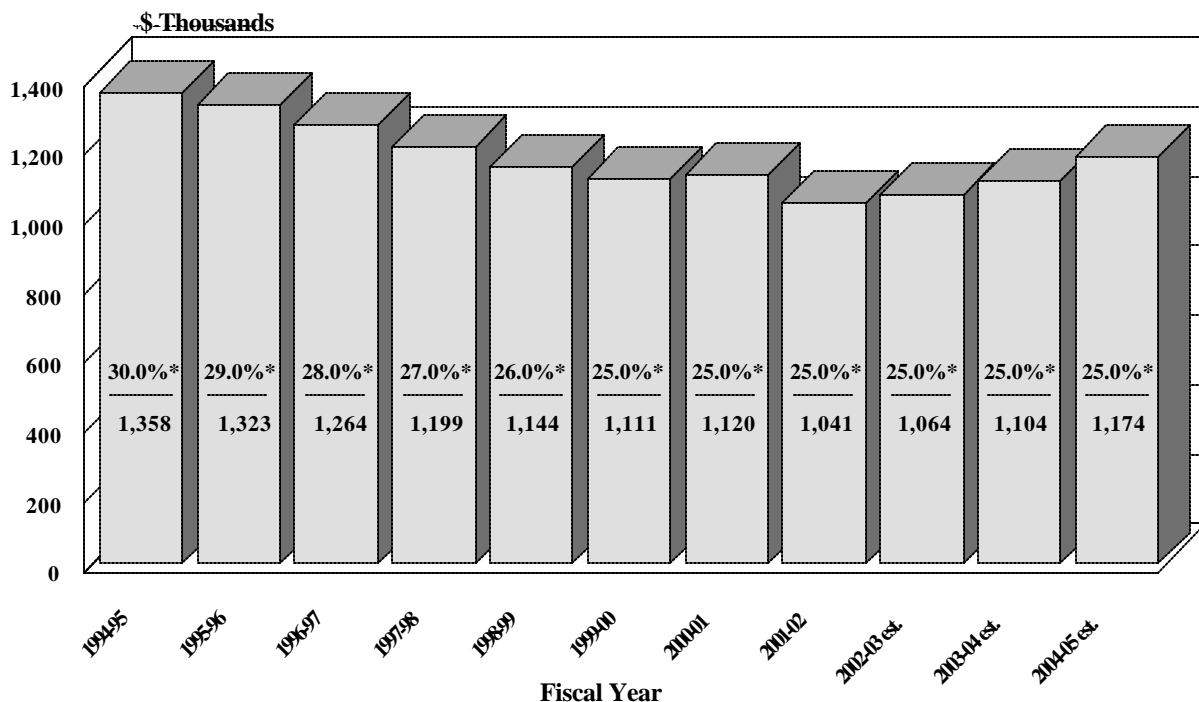
Restrictions	Fiscal Year	Amount	Percent
No restrictions on usage.	1994-95	1,357,799	3.5
	1995-96	1,322,950	(2.6)
	1996-97	1,263,705	(4.5)
	1997-98	1,199,458	(5.1)
	1998-99	1,144,363	(4.6)
	1999-00	1,110,500	(3.0)
	2000-01	1,120,200	0.9
	2001-02	1,184,802	5.8
	2002-03 est.	1,064,018	(10.2)
	2003-04 est.	1,104,200	3.8
	2004-05 est.	1,173,800	6.3

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. The SRP In-Lieu payment increase in FY 2003-05 reflects estimated assessed property value increases.

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

Salt River Project In-Lieu Tax



*Percents represent the assessment ratio on SRP real property.

State-Shared Sales Tax



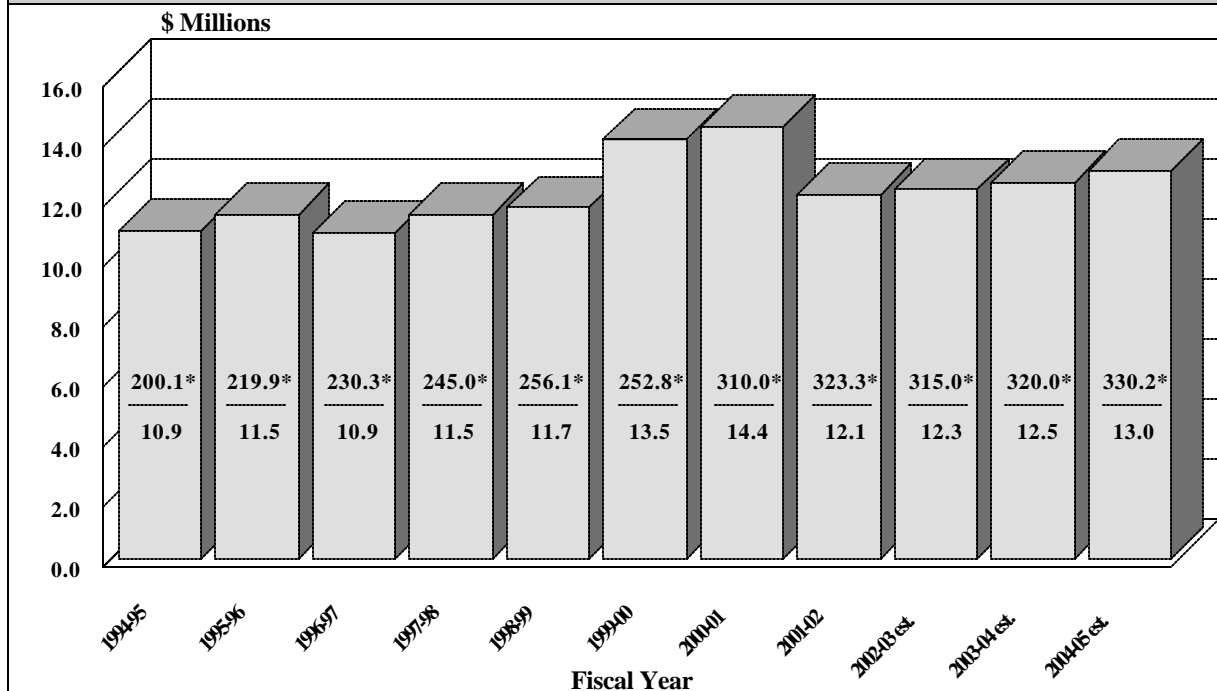
Restrictions	Fiscal Year	Amount	Percent
Proceeds are pledged as security for bond payments under various bond security agreements. Excess proceeds are restricted to usage.	1994-95	10,937,700	8.7
	1995-96	11,474,400	4.9
	1996-97	10,857,100	5.4
	1997-98	11,467,000	5.6
	1998-99	11,700,000	2.0
	1999-00	13,551,400	15.5
	2000-01	14,400,000	3.2
	2001-02	12,148,438	(15.6)
	2002-03 est.	12,300,000	1.2
	2003-04 est.	12,549,421	2.0
Account: 4204	2004-05 est.	12,953,300	3.2

Assumptions

The state assesses a 5% sales tax, of which 2% is designated for educational purposes and 1% deposited in the State general fund. From the remaining 2%, cities and towns share in 25% of the collections total (estimated at \$320 million for FY 2003-04) on the basis of their population to total state population. Distributions beginning in FY 2003-05 are based on the 2000 Census. Prior to 2000, Tempe accounted for 4.5% of the state's population (state-shared revenue distributions until FY 2000-01 are based on the 1995 Special Census), 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. Projected modest increases, over the biennium, is reflective of the strength of the state's

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

State-Shared Sales Tax



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

State-Shared Vehicle License Tax



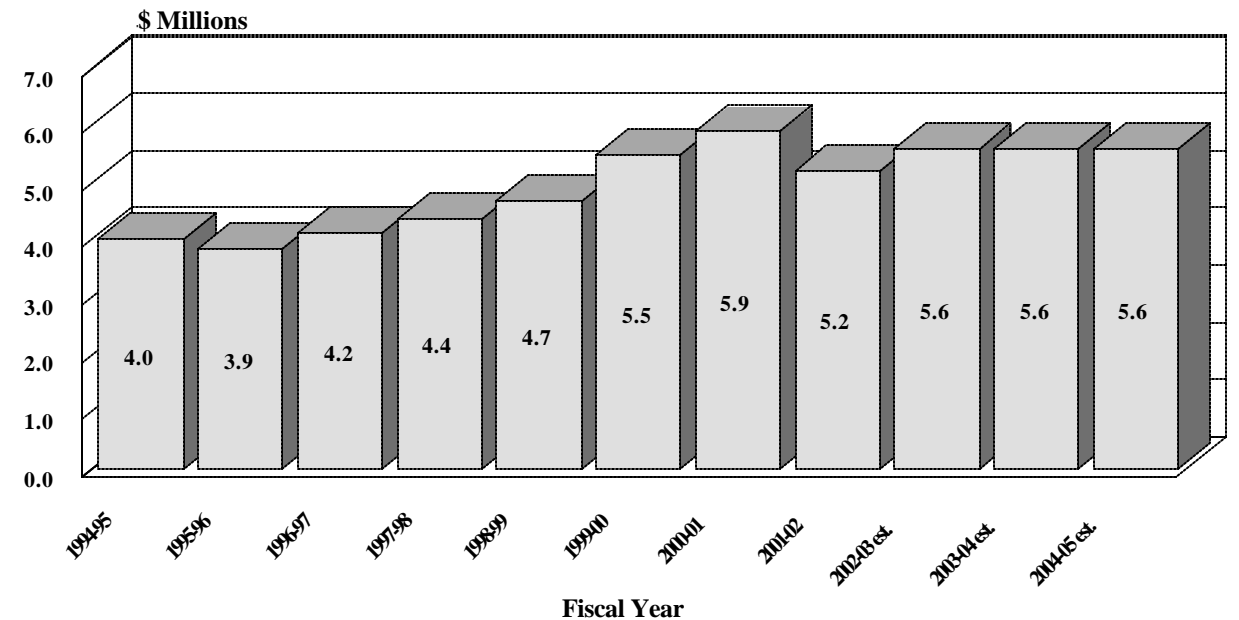
Restrictions	Fiscal Year	Amount	Percent
No restrictions on usage. Must be expended for public purpose.	1994-95	4,031,788	24.5
	1995-96	3,863,003	(4.2)
	1996-97	4,150,865	7.5
	1997-98	4,390,865	5.8
	1998-99	4,700,000	7.0
	1999-00	5,498,000	17.0
	2000-01	5,900,000	7.3
	2001-02	5,233,512	(11.3)
	2002-03 est.	5,600,000	7.0
	2003-04 est.	5,600,000	0.0
	2004-05 est.	5,600,000	0.0

Assumptions

Cities and towns receive 25% of the net revenues collected for vehicle licensing within their county. The respective shares are determined by the proportion of population to total incorporated population of the county. The remainder of the revenues collected are shared by schools, counties, and the state. Continued strong economic performance in the state during FY 1998-99, sustained in large part by high population growth, more than offset the recovery of overpayments made to cities by Maricopa County from 1992 to 1995. Distributions beginning in FY 2003-05 are based on the 2000 Census. Prior to 2000, Tempe accounted for 4.5% of the state's population (state-shared revenue distributions until FY 2000-01 are based on the 1995 Special Census), but with the 2000 Census, Tempe's share fell to 4.0%. This reduction explains much of the decline in Tempe's vehicle license tax revenue in FY 2001-02. In FY 2002-03, the strength of the state's economy has offset the effect of the Census, but the City's near build-out of residential space will have a leveling effect on future revenues.

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
Proceeds are pledged as security for bond payments due under various bond security agreements. Excess proceeds are unrestricted as to usage.	1994-95 ¹	11,139,519	20.4
	1995-96	9,939,946	(10.8)
	1996-97	11,139,519	12.1
	1997-98	13,158,548	18.1
	1998-99	15,000,000	14.0
	1999-00	17,045,900	13.6
	2000-01	17,890,338	5.0
	2001-02	16,544,791	(7.5)
	2002-03 est.	16,885,000	2.1
	2003-04 est.	14,316,739	(15.2)
	2004-05 est.	13,474,200	(5.9)

¹ During 1995, Governmental Accounting Standards Board (GASB) Statement No. 22 required revenue from taxpayer-assessed taxes to be recognized in the accounting period in which they become susceptible to accrual. This resulted in 13 months being recorded in FY 1994-95.

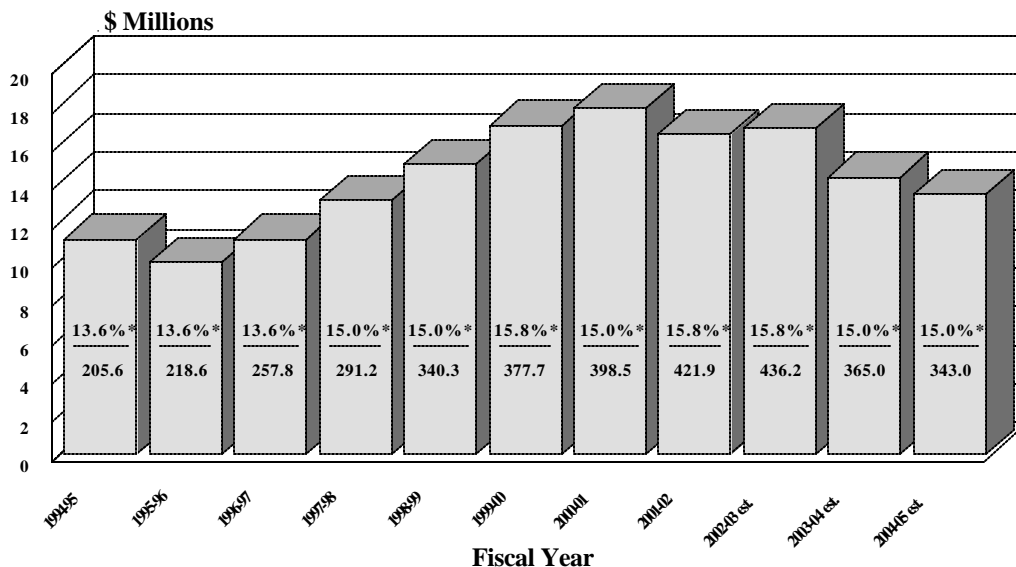
Account: 4208

Assumptions

The right to levy income taxes in Arizona is a state responsibility. Amounts distributed are based on actual income tax collections from two years prior to the fiscal year in which the City receives the funds. Arizona cities and towns were entitled to receive 15% of the State's income tax collections until FY 1992-93 when the percentage dropped to 13.6%. The percentage share then was restored to 15% in FY 1997-98 and then increased in FY 1999-00 to 15.8%. However, in a 1999 state legislation session, the local share fell back to 15% and is the percentage at present. This state-shared revenue is distributed to cities or towns based on the relation of their population to the total population of all incorporated cities and towns in the state. Prior to 2000, Tempe accounted for 4.5% of the state's population (state-shared revenue distributions until FY 2000-01 were based on the 1995 Special Census), but with the 2000 Special Census, Tempe's share fell to 4.0%. This accounts for the decline in FY 2001-02. The estimated decrease in FY 2003-05 is in accordance with historical trends and driven by statewide population and personal

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 mil-

Charges for Services/Recreation and Social Services



Restrictions	Fiscal Year	Amount	Percent
No restrictions on usage, but intended to defray costs of recreation and social service programs.	1994-95	2,524,369	8.2
	1995-96	2,732,022	8.2
	1996-97	3,145,907	15.2
	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 est.	4,288,998	(4.1)
	2003-04 est.	4,796,251	11.8
	2004-05 est.	5,238,551	9.2

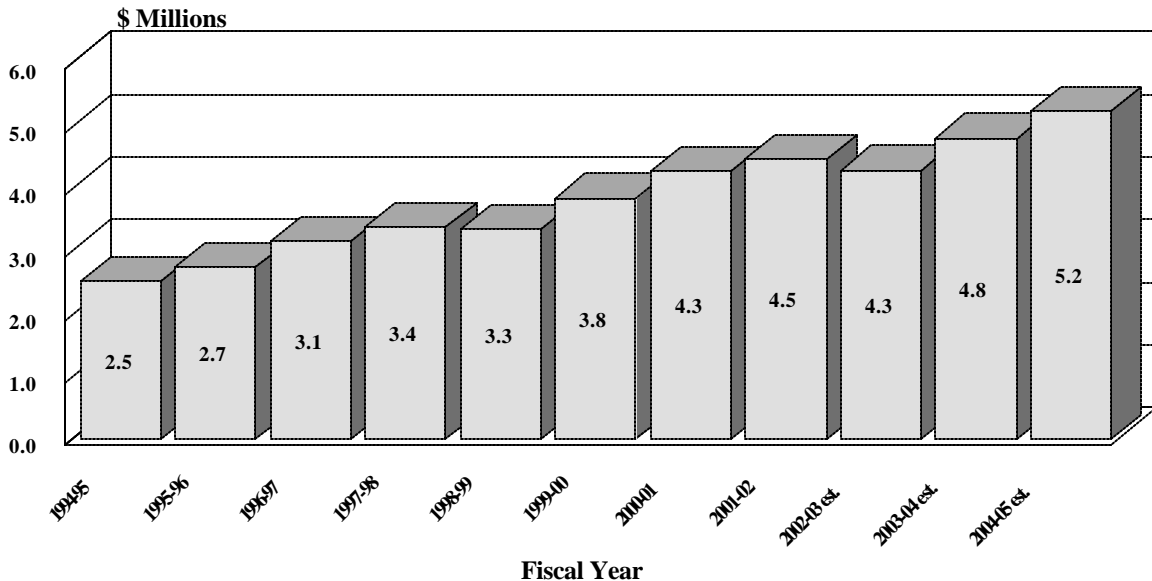
Accounts: 4301-4315

Assumptions

Revenue in this category is derived from a wide array of recreational activities (such as softball, swimming, and tennis) and social services programs (such as counseling services and after-school programs). By Council policy, many of these activities and services are partially or fully-funded through user charges. Fees are based on a targeted percentage for cost recovery of direct program operating costs, including wages and supply costs but excluding facility costs, administration, and capital outlay. The percentage of recovery of direct program costs is by classification of 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. Most of the additional revenue generated in FY 1996-97 and FY 1997-98 was related to the expansion of social service programs, especially Kid Zone and Teen Zone, which operate under the 100% cost recovery policy. Over the longer term, we expect recreational and social services to increase as the department plans to expand services.

Major Influences: Population, Internal Policy and Program Development

Charges for Services/Recreation and Social Services



Charges for Services/Development Related



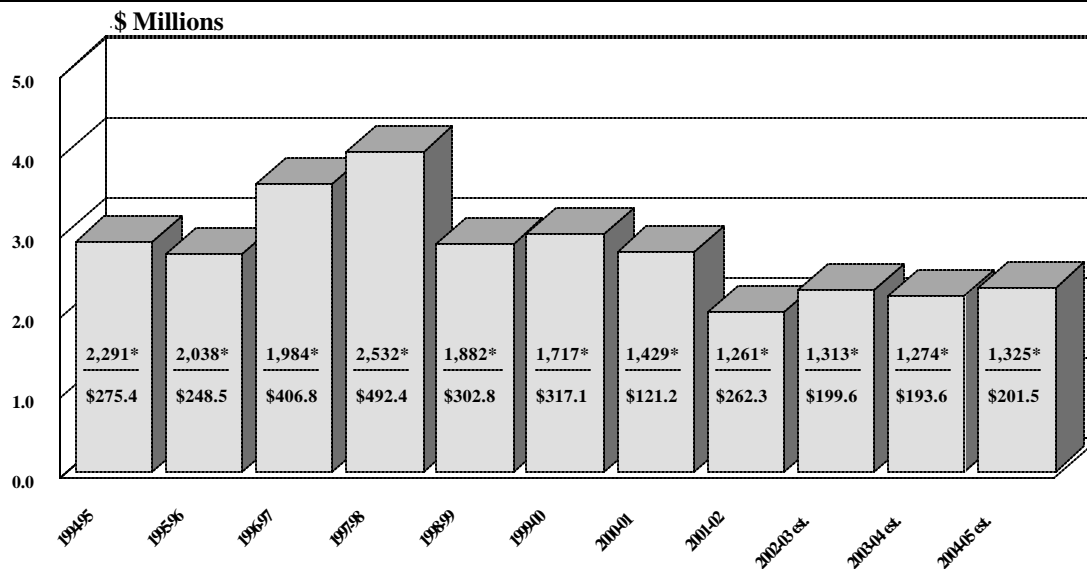
Restrictions	Fiscal Year	Amount	Percent
Proceeds are pledged as security for bond payments due under various bond security agreements. Excess proceeds are unrestricted as to usage.	1994-95	2,860,656	(4.0)
	1995-96	2,711,393	(5.2)
	1996-97	3,586,390	32.3
	1997-98	3,973,347	10.8
	1998-99	2,822,892	29.0
	1999-00	2,957,600	4.8
	2000-01	2,730,681	(7.7)
	2001-02	1,993,308	(27.0)
	2002-03 est.	2,259,650	13.4
	2003-04 est.	2,191,800	(3.0)
Accounts:	2004-05 est.	2,281,100	4.1
4102-4112 (Building & Trade Permits)			
4401-4405, 4411-4413 (Engineering Fees)			

Assumptions

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

Major Influences: Population, Tax Laws, Economy and Development

Charges for Services/Development Related



* Number of building permits/Valuation (\$ in mil-

Fiscal Year

Fines and Forfeitures



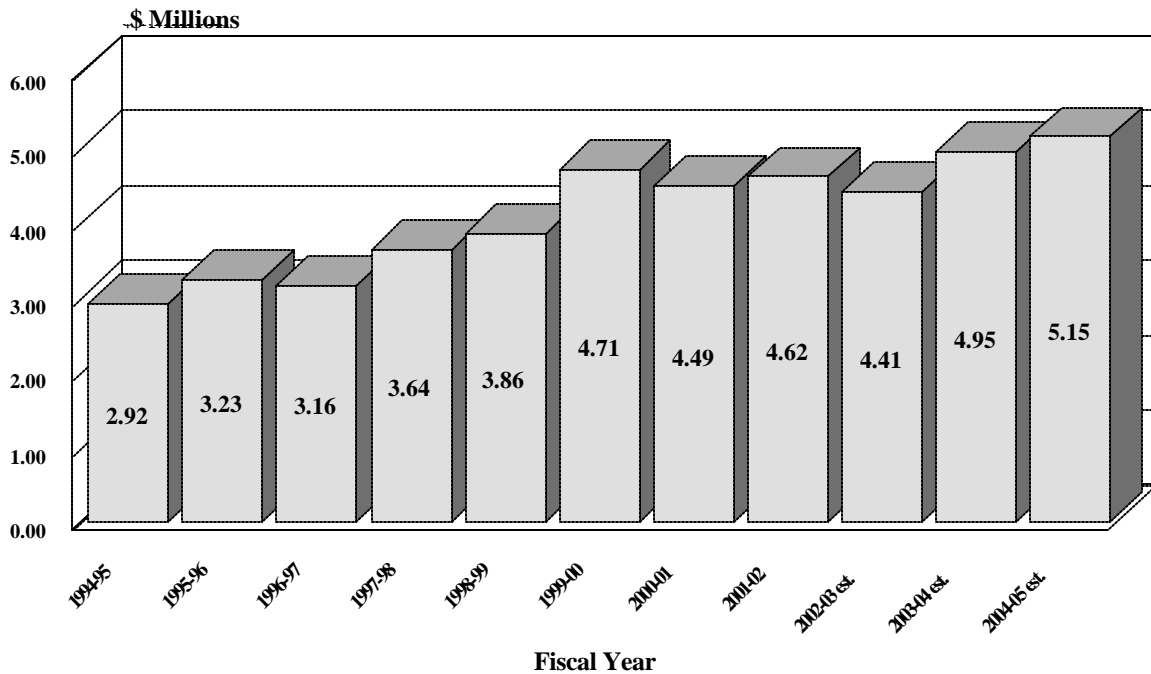
Restrictions	Fiscal Year	Amount	Percent
No restrictions on usage. Accounts: 4601-4609, 4612-4625	1994-95	2,918,357	16.3
	1995-96	3,234,571	10.8
	1996-97	3,162,253	2.2
	1997-98	3,636,208	15.0
	1998-99	3,856,034	6.1
	1999-00	4,709,700	22.1
	2000-01	4,489,939	(4.7)
	2001-02	4,615,379	2.8
	2002-03 est.	4,413,086	(4.4)
	2003-04 est.	4,947,485	12.1
	2004-05 est.	5,154,793	4.2

Assumptions

The fines and forfeitures revenues to the City derive from fines related to parking, traffic, criminal, animal control, defensive driving school, adult diversion, domestic violence, and false alarms, plus revenues 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 biennial increases are based on enhanced collection efforts and rate changes.

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

Fines and Forfeitures



Interest Earnings



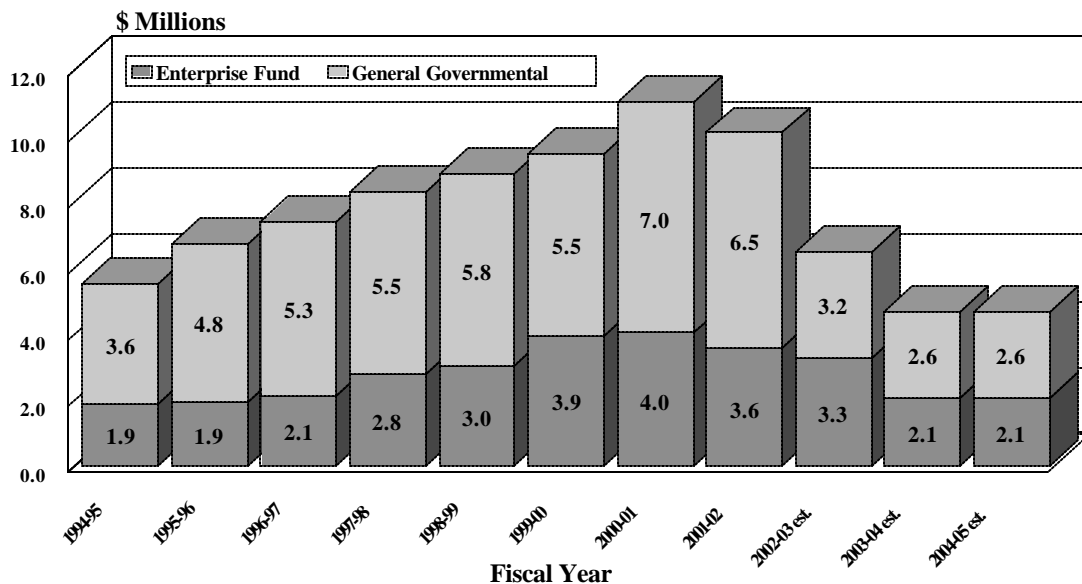
Restrictions:				
No restrictions on usage.				
Fiscal Year	Enterprise Funds		General Governmental	
	Amount	Percent	Amount	Percent
1994-95	1,854,923	24.7	3,644,455	69.7
1995-96	1,945,695	4.9	4,750,313	30.3
1996-97	2,111,981	8.6	5,296,770	11.5
1997-98	2,759,749	30.7	5,527,174	4.4
1998-99	3,003,500	8.8	5,814,000	5.2
1999-00	3,931,500	30.9	6,994,300	20.3
2000-01	4,021,601	2.3	7,210,945	3.1
2001-02	3,550,320	(11.7)	6,529,452	(9.5)
2002-03 est.	3,265,700	(8.0)	3,233,700	(50.5)
2003-04 est.	2,059,200	(36.9)	2,600,000	(19.6)
2004-05 est.	2,059,200	0.0	2,600,000	0.0

Assumptions

Interest earnings are derived from the investment of cash. The City’s investment policy authorizes investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, bankers’ acceptances, repurchase agreements, money market funds, and the State of Arizona’s Local Government Investment Pool. Revenues are influenced by the amount of temporarily idle cash on hand, prevailing short-term interest rates, and the scope and timing of the City’s bond issues. Through FY 2000-01 expenditure controls and rate adjustments in the Enterprise Funds, particularly the Water/Wastewater Fund have produced higher cash balances and greater interest income. Revenue growth, resulting from the strong economy, bolstered cash balances in the General Fund as well. FY 2001-02 saw a reversal of this trend, with planned drawdowns of fund balances occurring to fund capital projects as the City continues its policy of utilizing these balances as “pay-as-you-go” financing in place of debt financing. Over the next biennial period, projections are flat as both interest rates and the pool of available funds to invest

Major Influences: Cash Balances, Short-Term Governmental Interest Rates, and Bond Sales

Interest Earnings



Transit Tax



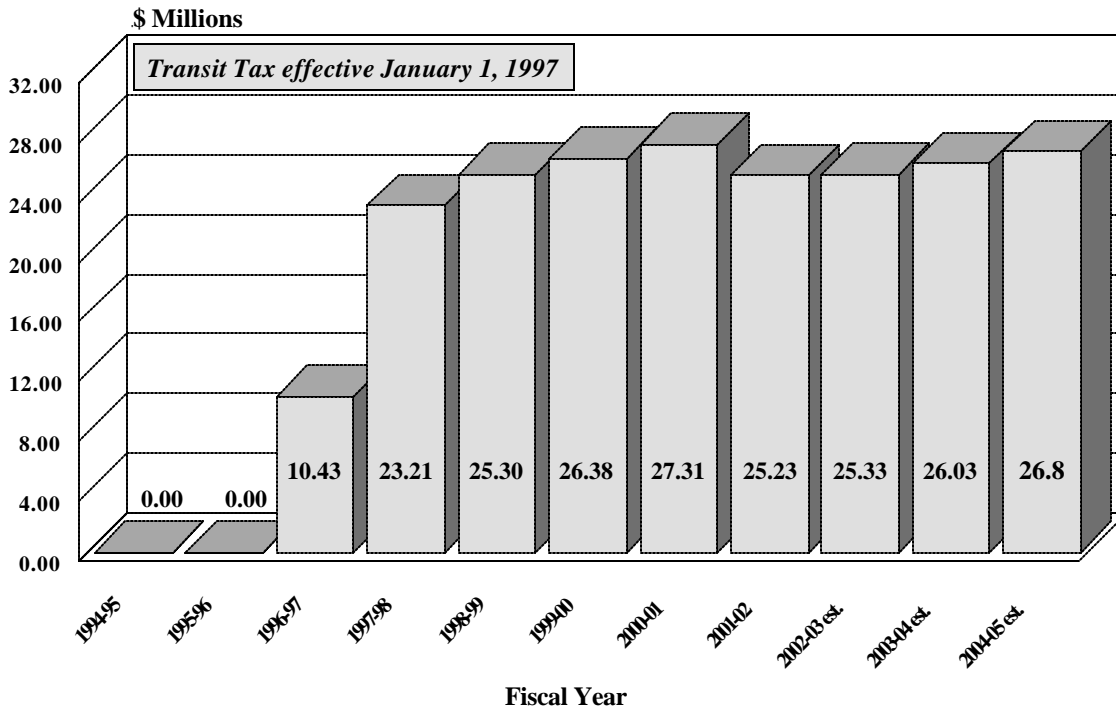
Restrictions	Fiscal Year	Amount	Percent
Represents a portion of the City sales tax dedicated by public vote to transit-related purposes, such as bus acquisition and maintenance, connecting bus routes to neighboring cities, bus stop construction, and transit planning. *Collections over a 6 month period	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 est.	25,326,325	0.4
	2003-04 est.	26,027,864	2.8
	2004-05 est.	26,858,153	3.2

Assumptions

The Transit Tax represents 1/2 cent of the 1.8% City sales tax. The amount for transit was approved by Tempe voters in September 1996. The additional tax became effective January 1, 1997, thus the revenue for FY 1996-97 only reflects collections over the last half of the fiscal year. Although the estimate for FY 2003-04 and FY 2004-05 mirrors our trend for overall City sales tax growth, it does slightly deviate due to nuances resulting from rebates and tax incentives.

Major Influences: Taxable Sales, Population and Consumer Price Index

Transit Tax



Performing Arts Tax



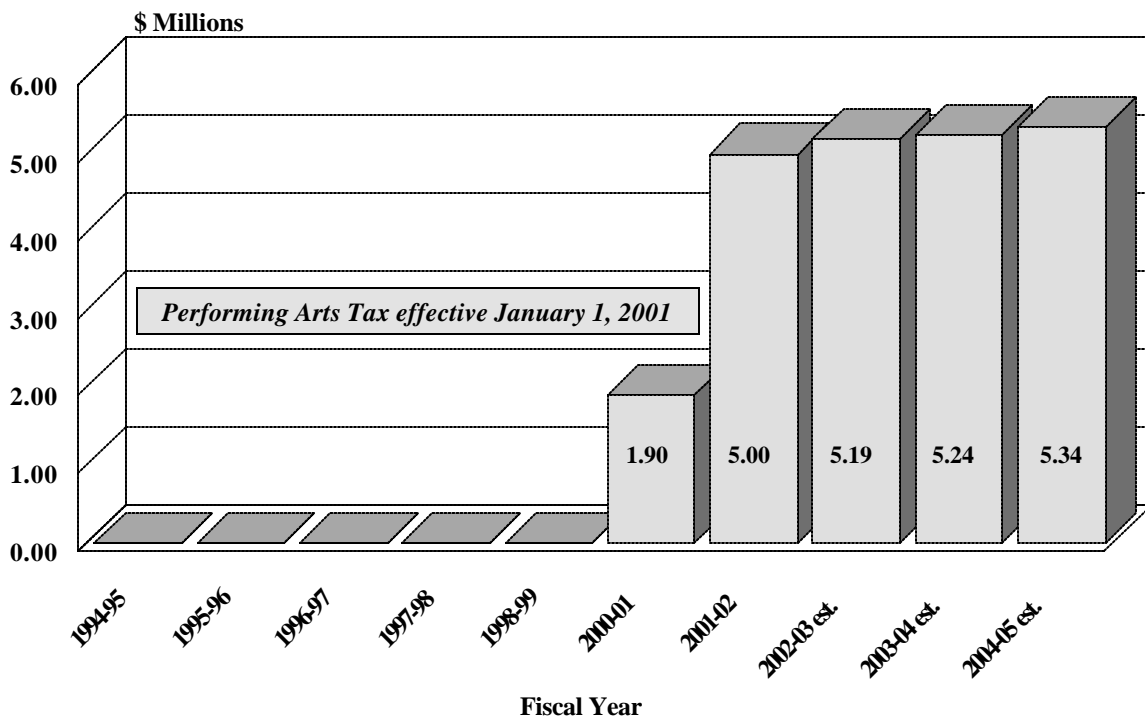
Restrictions	Fiscal Year	Amount	Percent Change
Represents a portion of the City sales tax dedicated by public vote for a Performing Arts center and related activities. *Collections over a 6 month period	2000-01*	1,900,000	-
	2001-02	4,999,984	-
	2002-03 est.	5,187,140	3.7
	2003-04 est.	5,239,000	1.0
	2004-05 est.	5,343,800	2.0

Assumptions

The Performing Arts Tax represents a voter-approved 0.1% increase to the 1.8% City Sales Tax. These funds are dedicated for a Visual and Performing Arts Center. The tax for the performing arts was implemented in January 2001, therefore, FY 2000-01 reflects a partial year. Although the estimate for FY 2003-04 and FY 2004-05 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

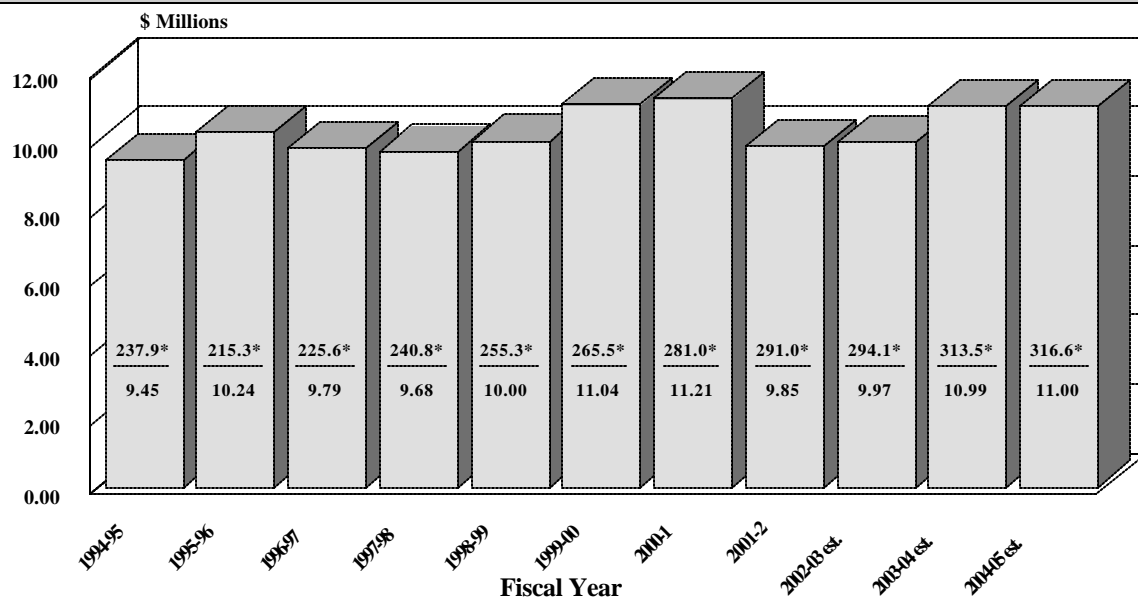


Restrictions	Fiscal Year	Amount	Percent
Proceeds can be used only for street and highway purposes including right-of-way acquisition, construction, reconstruction, maintenance, and payment of debt services on highway and street bonds.	1994-95	9,449,774	5.4
	1995-96	10,238,951	8.4
	1996-97	9,788,235	(4.4)
	1997-98	9,684,269	(1.1)
	1998-99	10,000,000	3.3
	1999-00	11,041,100	10.4
	2000-01	11,213,830	1.7
	2001-02	9,854,766	(12.1)
	2002-03 est.	9,965,400	1.1
	2003-04 est.	10,986,169	10.2
	2004-05 est.	11,000,000	0.1

Assumptions

Highway User Revenue Fund (HURF) revenues are comprised primarily of a share of the state-imposed tax on fuel (18 cents per gallon), but also include a portion of vehicle license taxes and other motor carrier permits and fees. Of the statewide total HURF revenues, 27.5% is distributed to cities and towns. Of this amount, one-half is distributed based on each city or town's percentage share of the statewide total population of all incorporated cities and towns. The remaining one-half is divided into county pools based on each county's share of statewide fuel sales. Within each county, cities and towns receive an allocation based on their percentage share of total incorporated population in the county. The sudden drop in FY 1991-92 was the result of an action by the state Legislature to fund a portion of the state Highway Patrol from HURF revenue, thereby lowering the pool of funds available for distribution to cities and towns. Continued reductions in FY 1996-97 and FY 1997-98 were the result of Tempe's Special Census, which placed Tempe at 4.5% of the state's population, down from our 5% share which resulted from the 1990 Census. The FY 2001-02 decline is a reflection of the 2000 Census, which resulted in Tempe's share again declining to 4.0%. The strength of the state's economy combined with continued population increases has offset the effect of the Census and modest increases are projected over the biennium.

Highway User Tax



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

Local Transportation Assistance Fund



Restrictions	Fiscal Year	Amount	Percent
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.	1994-95	1,107,750	1.4
	1995-96	1,089,151	(1.7)
	1996-97	1,081,122	(0.7)
	1997-98	1,019,776	(5.7)
	1998-99	950,000	(6.8)
	1999-00	976,000	2.7
	2000-01	957,785	(1.9)
	2001-02	900,415	(6.0)
	2002-03 est.	901,600	0.1
	2003-04 est.	883,600	(2.0)
	2004-05 est.	865,900	(2.0)

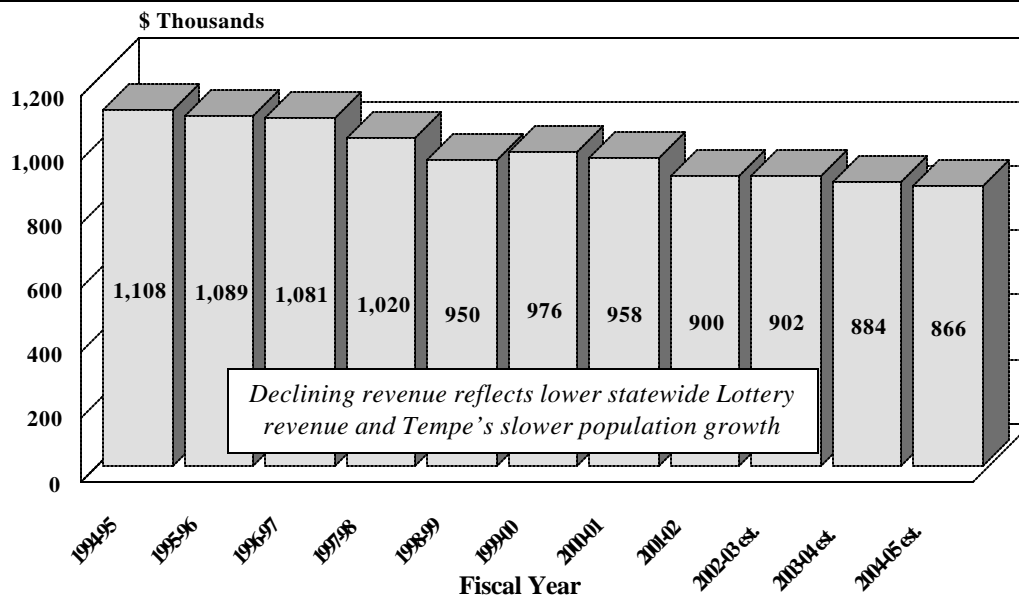
Assumptions

Revenues are derived from the state lottery game and the multi-state Powerball lottery game. By state statute, the state must distribute at least \$20.5 million annually to cities and towns from state lottery revenues, 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. Revenues 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 revenues, dividing the pool into amounts based on each county's share of lottery ticket sales. Amounts from these county pools distributed to cities and towns are based on each city or town's share of incorporated population in the county.

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

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

Local Transportation Assistance Fund



Community Development Block Grant/Section 8 Housing Grant



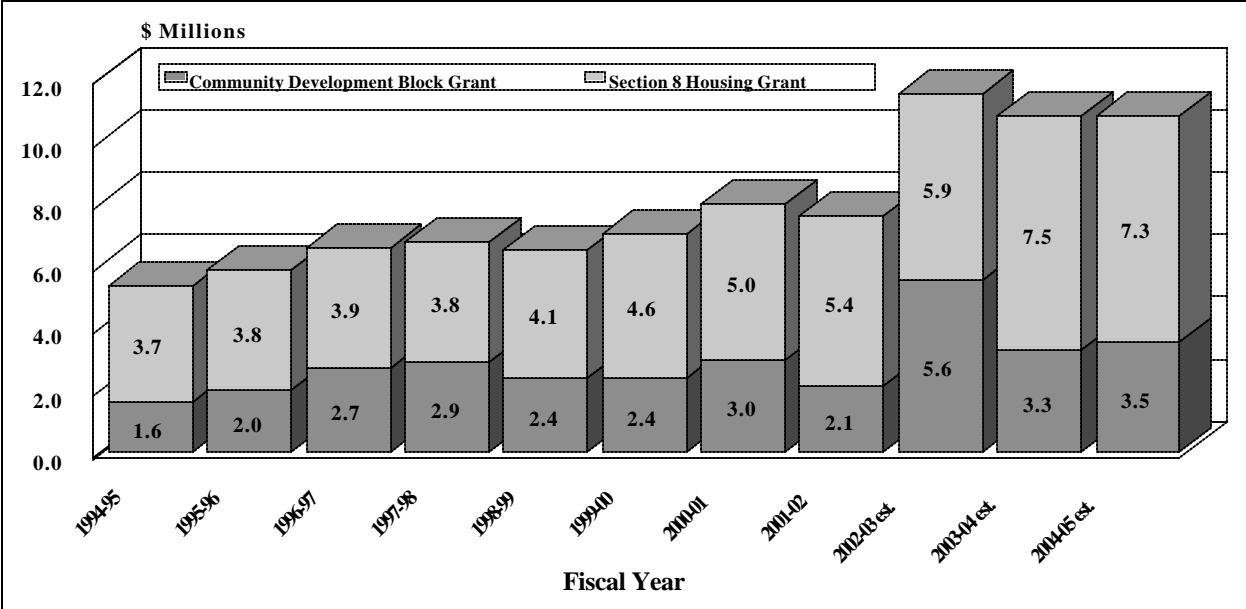
Restrictions				
Community Development Block Grant (CDBG) funds are awarded by the federal government and may be used only for the rehabilitation of owner-occupied housing and the removal of "slum and blight". Section 8 Housing Grants, also federal funds, may be used only for rent and utility subsidies for low income persons.				
Fiscal Year	Community Development Block		Section 8	
	Amount	Percent	Amount	Percent
1994-95	1,610,050	(30.8)	3,719,248	2.5
1995-96	1,980,305	23.0	3,846,066	3.4
1996-97	2,700,015	36.3	3,861,578	0.4
1997-98	2,915,622	8.0	3,843,309	(0.5)
1998-99	2,399,237	(17.7)	4,068,842	5.9
1999-00	2,390,100	(0.4)	4,624,100	13.6
2000-01	2,967,700	24.2	4,985,700	7.8
2001-02	2,148,750	(27.6)	5,427,291	8.9
2002-03 est.	5,553,570	158.5	5,926,644	9.2
2003-04 est.	3,291,230	(40.7)	7,526,433	27.0
2004-05 est.	3,552,230	7.9	7,265,433	(3.5)

Assumptions

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

Major Influences: Federal Policy, Poverty Levels and Population

Community Development Block Grant/Section 8 Housing Grant



Water/Wastewater Revenues User Fees



Restrictions	Fiscal Year	Amount	Percent
Water/Wastewater is a self-supporting, enterprise operation.	1994-95	33,107,522	14.5
	1995-96	32,895,352	(0.7)
	1996-97	34,979,993	6.3
	1997-98	37,928,781	8.4
	1998-99	37,540,000	(1.0)
	1999-00	46,296,100	23.3
	2000-01	45,349,960	(2.0)
	2001-02	44,591,306	(1.7)
	2002-03 est.	46,199,534	3.6
	2003-04 est.	45,384,864	(1.8)
	2004-05 est.	45,835,835	1.0

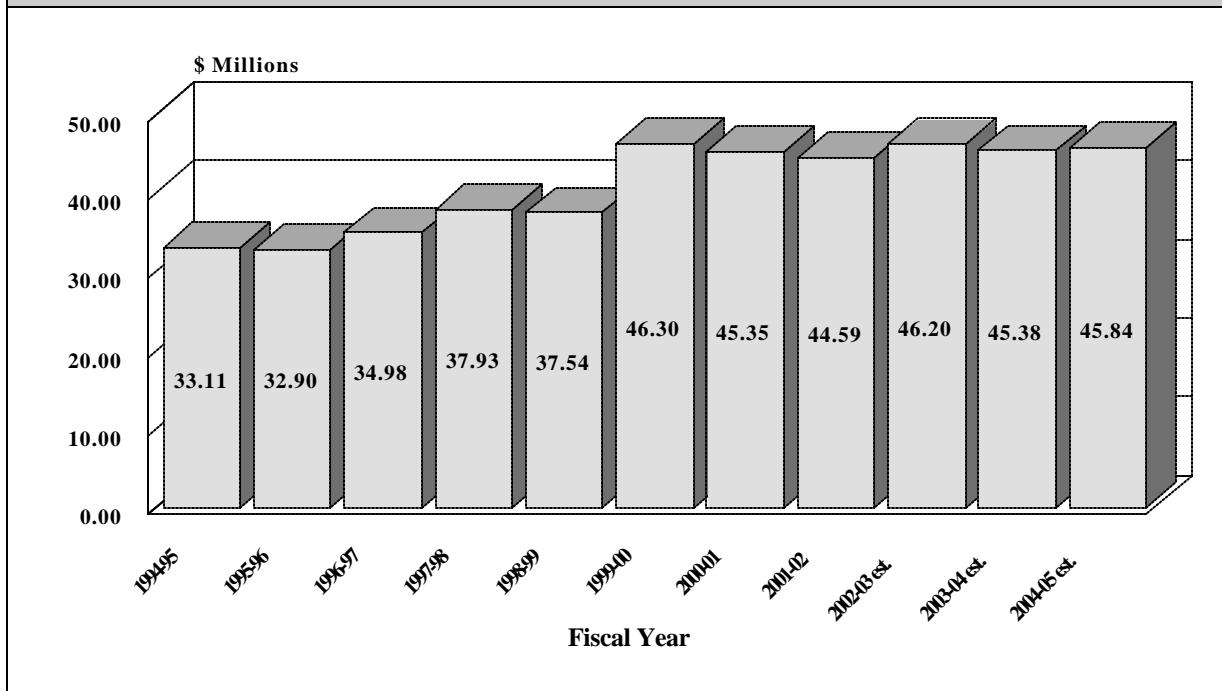
Assumptions

Water/Wastewater revenues are derived from fees and service charges assessed to residential and commercial customers of the City’s water and wastewater systems. Revenues also include charges to the City’s residential irrigation customers. As the graph below depicts, water and sewer rate and fee adjustments were made over three consecutive fiscal years (FY 1991-92 to FY 1993-94) to address increased costs resulting from inflation, debt service on capital projects, operational impact of the South Tempe Water Reclamation Plant, and environmental regulation compliance. In FY 1996-97, irrigation rates were increased by 5%, while sewer rates for residential customers increased an average of 6%. Sewer rates for commercial and industrial customers increased as well in accordance with a new wastewater rate structure based on strength and volume of discharge.

FY 2003-04 decrease reflects a reduction in interest income due to the drawdown of funds available to invest. In the second year of the biennium, the slight increase is due to an approved rate increase.

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

Water/Wastewater Revenues User Fees



Solid Waste Fees



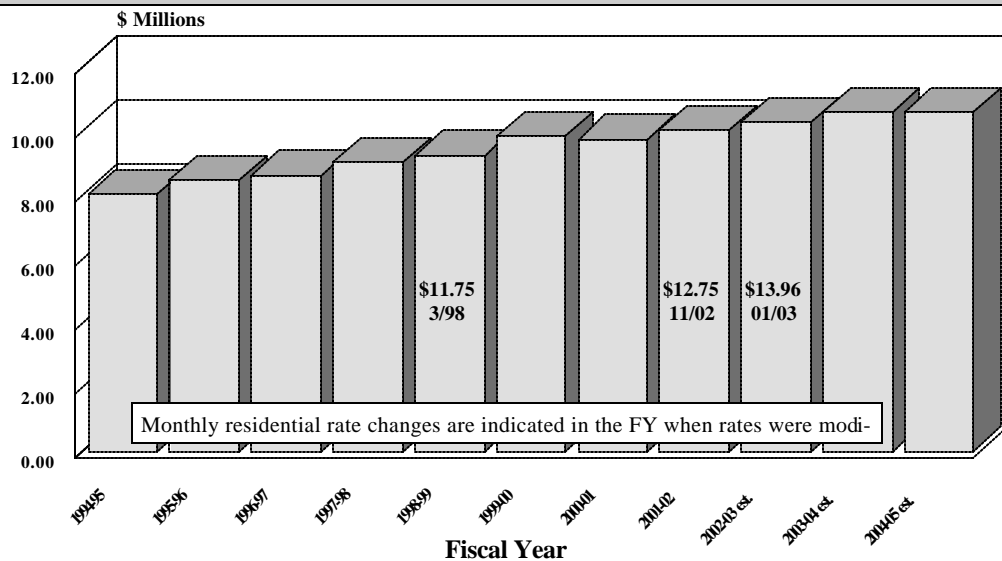
Restrictions	Fiscal Year	Amount	Percent
Used to defray costs of providing solid waste collection and disposal service. Any operating deficits are covered by the General Fund from unrestricted revenue.	1994-95	8,038,917	14.5
	1995-96	8,484,046	5.5
	1996-97	8,636,576	1.8
	1997-98	9,039,504	4.7
	1998-99	9,256,680	2.4
	1999-00	9,840,100	6.3
	2000-01	9,758,199	(0.8)
	2001-02	10,024,863	2.7
	2002-03 est.	10,305,234	2.8
	2003-04 est.	10,603,700	2.9
	2004-05 est.	10,603,700	0.0

Assumptions

The collection and disposal of solid waste constitutes the City’s second largest enterprise operation. Revenues derive from user fees for residential, commercial, roll-off, and uncontained solid waste service. As the graph below indicates, residential solid waste fees were increased three times starting in FY 1991-92 to address increased landfill and recycling costs. Most recently, residential rates were increased in January 2003 to address projected shortfalls in the Solid Waste Fund. Solid waste fees are reviewed annually to determine if the fee structure will generate sufficient revenue to cover fund operating expenses and provide a reserve for capital expenditures and contingencies. FY 2002-03 and FY 2003-04 increases are reflective of an approved rate increase. In the second year of the biennium, as the City approaches build-out (Tempe is a landlocked city), Solid Waste revenue growth should level.

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

Solid Waste Fees



Golf Course Fees

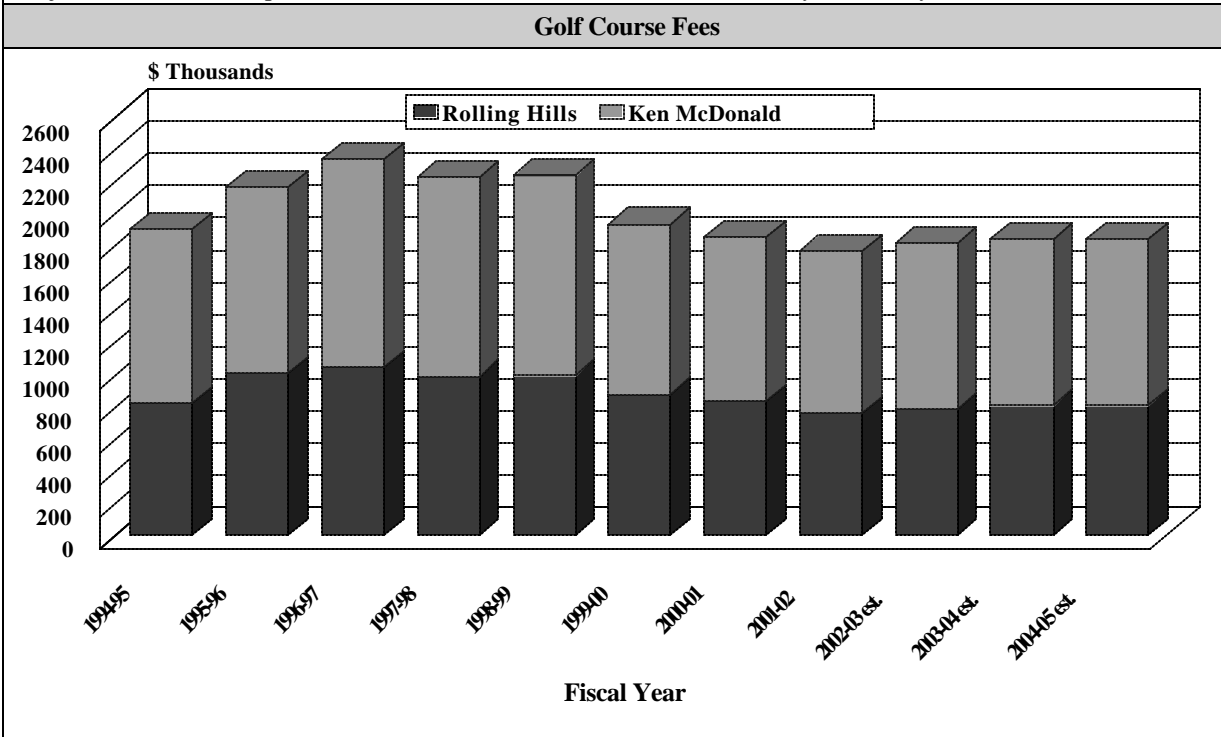


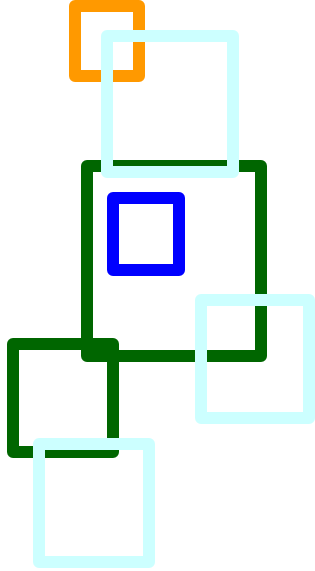
Restrictions				
Revenues are used to defray costs of operating the Rolling Hills and Ken McDonald golf courses.				
Fiscal Year	Rolling Hills		Ken McDonald	
	Amount	Percent	Amount	Percent
1994-95	824,968	0.9	1,086,521	0.9
1995-96	1,016,217	23.2	1,156,946	6.5
1996-97	1,051,586	3.5	1,294,228	11.9
1997-98	994,964	(5.4)	1,237,961	(4.4)
1998-99	997,000	0.2	1,246,000	0.7
1999-00	882,082	(11.5)	1,060,418	(14.9)
2000-01	840,000	(4.8)	1,018,500	(4.0)
2001-02	767,285	(8.7)	1,006,532	(1.2)
2002-03 est.	790,000	3.0	1,035,000	2.8
2003-04 est.	810,000	2.5	1,040,000	0.5
2004-05 est.	810,000	0.0	1,040,000	0.0

Assumptions

Revenue from greens fees account for nearly 91% of golf course revenues, with the rest coming from lease agreements with the pro shops and restaurant concessionaires. Fees are reviewed annually to ensure that revenues will fully cover the cost of Golf Fund operations while providing a sufficient reserve to address capital funding needs. Golf fees were last adjusted in June 1999 when greens fees for nine holes for non-residents during the Summer increased by \$1. FY 1997-98 revenues fell from the prior year as weather conditions reduced rounds of play. Our projection over the biennium is to conservatively assume minimal growth in revenues, particularly in light of the volatility that can result from weather conditions or fee changes.

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





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.



Issues Management/Strategic Budgeting

Strategic Issues: Goals and Strategy/Action Plan

Per Capita Performance Budget

Performance Budget Summary

Performance Benchmarking

Mayor and Council

City Manager

Internal Audit

Diversity Program

Community Relations

Administration/Mayor's Office and Council Staff

Government Relations

Neighborhood Services

Communication and Media Relations

Economic Development

City Clerk

City Court

Human Resources

Tempe Learning Center

City Attorney

Financial Services

Administration, Accounting, Budget, Risk Management, Central Services, and Tax & License

Information Technology

Development Services

Administration and Planning & Code Compliance

Housing Services (Section 8, CDBG & HOME)

Community Design and Development

Building Safety and Permits

Police

Office of the Chief

Patrol

Support Services

Investigations

Fire

Administration and Fire Prevention/Personnel Safety

Emergency and Medical Services

Training and Professional Development

Special Operations

Support Services

Community Services

Administration and Parks & Recreation

Library

Cultural Services

Social Services

Public Works

Administration and Engineering

Field Services/Administration and Solid Waste Services

Field Services/Facility Management

Field Services/Parks and Golf Course Maintenance

Fleet Services

Transportation

Streets and Traffic Operations

Water Utilities



Scope

Tempe implemented an Issues Management Program designed to enhance the identification, prioritization, and management of emerging strategic issues which, by virtue of their scope, complexity, and/or potential impact on City planning, operations and its citizens, require a coordinated multidepartmental action plan and multiyear budget commitment. Issues for consideration are substantive matters of broad concern to the City including internally generated issues resulting from the City's own operations as well as externally generated issues resulting from governmental and regulatory actions, economic and technological developments, social/demographic trends, or citizen surveys.

Purpose

The purpose of an Issues Management 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. Issues Management, to have value, should not be an independent process but must be integrated with budget and operational planning. By design, the program should improve the flexibility and quality of decision making on critical emerging issues by clarifying, sorting, analyzing, and winnowing issues to yield specific priorities and plans which have multiyear operational and budget implications.

Strategic Issues Management 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 workplan.	City Council	August Council Advance
Establish cross-functional teams and/or standing groups to advance	City Manager	August
Identify and recommend corresponding strategies, action plans, and/or departmental activities to further bring improvement and/or results	Cross-functional Teams	September/October
Review strategies, action plans, and or departmental activities recommended by the cross-functional team/groups with the Executive	Staff Coordinators Executive Team	Late October, early November
Review strategies/action plans associated with goal with oversight Council Committee for recommendations, and interface to Committee's	City Council Committee	Mid/late November
Review strategies, action plans, responsibilities, and associated	Staff Coordinator	December/January
Incorporate approved goals, strategies, and action plans into operating and capital improvement budget program and structure	Executive Team	December/January
Hear and consider FY 2003-05 budget requests from departments (based on FY 2003-05 goals and action plans).	City Council Executive Team	February
Evaluate status of FY 2003-05 goals and action plans with management	City Council	February
Evaluate budget requests and allocate budget resources accordingly	Executive Team	March/April
Conduct public sessions on operating and capital improvement	City Council	April/May
Adopt budget program.	City Council	June
Review results of goals and action plans established for the fiscal year just completed. Update on goals and strategies established for the current biennium (FY 2003-05). Begin process anew for the next	City Council Executive Team	August Council Advance



FINANCE AND DIVERSITY COMMITTEE

Status at a Glance		
23 Action Items		
✓	Completed	5
✓	Ongoing	18
✓	On Hold	0

Goal 1: To oversee the update of the City’s Long-Range Financial Plan

- Evaluate the plan’s assumptions *Completed*
- Evaluate potential cost savings to the City and possible revenue-raising opportunities *Ongoing*
- Examine City options for potential future reductions to state-shared revenue *Completed*
- Communicate financial plan to Boards/Commissions and public *Completed*

Goal 2: To review the City’s existing financial policies

- Review level of fund balance and reserves *Ongoing*
- Review debt capacity strategies *Ongoing*
- Review bond rating impacts *Ongoing*
- Review City special event policies *Ongoing*
- Review contingency levels *Completed*
- Review capital budget policies *Completed*
- Review debt policies *Ongoing*
- Review investment policy *Ongoing*
- Review audit process with agencies with which the City interacts, such as Tempe Community Council or Downtown Tempe Community *Ongoing*

Goal 3: To review the City’s development incentive policy

- Review use of incentives/basis *Ongoing*
- Review other development tools *Ongoing*
- Review market-driven economics versus land use management *Ongoing*

Goal 4: To emphasize competitive service delivery throughout the City

- Further develop performance measures that best measure City program activity, efficiency, and effectiveness *Ongoing*
- Do comparison of performance measures with that of other comparable cities *Ongoing*
- Conduct periodic reviews of City programs for competitiveness *Ongoing*
- Pursue possible sunseting of programs *Ongoing*

Goal 5: To strengthen diversity within the City and community

- Redefine the role of the Human Relations Commission *Ongoing*
- Provide oversight of the City’s Diversity Action Plan *Ongoing*



TOURISM AND ECONOMIC DEVELOPMENT COMMITTEE

Status at a Glance		
16 Action Items		
✓	Completed	3
✓	Ongoing	13
✓	On Hold	0

Goal 1: To initiate activities that enhance Tempe’s reputation as an intellectual center

- Develop strategic new partnerships with ASU to facilitate economic development mission of retaining existing business, attracting new business and diversifying the economy at a higher level *Ongoing*
- Attract biotech industry capitalizing on location of International Genomics Consortium in Arizona *Ongoing*
- Encourage development of incubator and wet lab space in Tempe *Ongoing*
- Enhance livable, walkable, urban environment for attracting/retaining knowledgeable workers *Ongoing*
- Examine opportunity for “wireless umbrella” over downtown/ASU *Ongoing*

Goal 2: To focus on tourism development and reposition Tempe as a regional destination for the future

- Examine impact of attracting youth/amateur sports tournaments by adding new indoor and outdoor facilities *Ongoing*
- Investigate opportunities to provide “niche convention space” in Tempe *Ongoing*
- Constantly improve on existing events and identify opportunities to bring new events, attractions and business to the City *Ongoing*
- Create Tempe video to exchange with sister cities to foster visits and tourism *Completed*

Goal 3: To improve economic development relationships with all cities in metro Phoenix

- Address legislative issues that have regional economic impact *Completed For FY 2002-03 Session*
- Cooperate with neighboring cities to enhance light rail business opportunities *Ongoing*
- Support expansion of Phoenix Civic Plaza with resulting opportunities for Tempe *Completed*

Goal 4: To improve sales tax revenues in Tempe

- Aggressively market Tempe to retailers *Ongoing*
- Promote relationships between neighborhoods and neighborhood businesses *Ongoing*
- Identify ailing neighborhood shopping centers and develop tools to incentivize revitalization of neighborhood shopping centers and/or designating as redevelopment areas *Ongoing*
- Develop accurate demographic and trend information for retailers and make it available on the economic development web page *Ongoing*



RIO SALADO COMMITTEE OF THE WHOLE

Status at a Glance		
11 Action Items		
✓	Completed	2
✓	Ongoing	9
✓	On Hold	0

Goal 1: To examine and modify Rio Salado Finance Plan based on three years worth of experience

Re-examine indexing rate and finance rate for capital assessments *Completed*

Re-examine Rio Salado Community Facility District assessment formula *Completed*

Goal 2: To the fullest extent possible, complete desired public developments in the Rio Salado Master Plan

Complete the planning, design and construction of grant-funded park projects *Ongoing*

Complete the Project Cooperation Agreement (PCA) with the U.S. Corps of Engineers and begin construction on the habitat restoration projects *Ongoing*

Develop a plan for the financing and development of the former Bureau of Land Management property as a recreational destination *Ongoing*

Plan and develop expanded use of the Town Lake, Marina, Beach Park, and the linear park system *Ongoing*

Study options for the development of the site west of the Arts Center to Priest Drive as open space *Ongoing*

Support Arizona State University partnership opportunities on the Town Lake *Ongoing*

Support the Rio Salado Town Lake Foundation efforts to enhance the Rio Salado Project *Ongoing*

Goal 3: To support the development of private projects in Rio Salado

Assist private partners with the planning, review and execution of projects in Rio Salado *Ongoing*

Provide intra-city and intergovernmental liaison to overcome land use, utility, planning, and other development challenges within Rio Salado *Ongoing*



CULTURAL AND COMMUNITY PROGRAMS COMMITTEE

Status at a Glance		
16 Action Items		
✓	Completed	3
✓	Ongoing	13
✓	On Hold	0

Goal 1: To examine issues related to Double Butte Cemetery

Review Double Butte Cemetery Master Plan Completed
Review options to develop an enterprise fund to start the master plan Completed

Goal 2: To examine options to relocate Anaheim Angels' minor league to Diablo Stadium

Develop a master plan of existing site Ongoing
Examine funding strategies for implementation Ongoing
Examine recreational impacts and strategies to mitigate these impacts Ongoing

Goal 3: To examine issues related to the development of the Tempe Arts Center (after direction from the Council of the Whole)

Review various project aspects after direction from the Council of the Whole Ongoing

Goal 4: To review golf course operations and strategies to promote continued success

Review annual enterprise fund viability Ongoing
Determine need and use of current and/or additional facilities Ongoing
Review any significant course enhancements or operational changes Ongoing

Goal 5: To assure community and neighborhood recreational needs are being met through the development of a strategy to address issues of maintenance and improvements to our parks and athletic fields

Develop master plans for various neighborhood parks around the City to help guide long-range improvements Ongoing
Assist neighborhood groups that receive grant funding to improve parks Ongoing
Examine potential strategies to address the long-range needs of our neighborhood parks Ongoing

Goal 6: To maintain and enhance Tempe's role in coordinating special events

Examine the possibility of providing umbrella insurance options to event sponsors Completed
Assist community non-profits to successfully sponsor events and address event issues Ongoing
Examine performance, success and economic impact of events Ongoing

Goal 7: To complete the design of the North Tempe Multigenerational Center



NEIGHBORHOOD ENHANCEMENT AND PEOPLE IMPROVEMENT PROGRAM COMMITTEE

Status at a Glance		
17 Action Items		
✓	Completed	5
✓	Ongoing	12
✓	On Hold	0

Neighborhood Enhancement scope of work :

Goal 1: To identify and facilitate resolutions/discussion of current neighborhood issues/programs presented by residents, the Neighborhood Advisory Commission and City staff

Research and discuss neighborhood street issues: noise walls; speeding; cut-through traffic Ongoing

Research and discuss neighborhood alley issues: new maintenance program Ongoing

Facilitate discussion of neighborhood property issues: party houses; transients in parks; problems with adjacent railroad properties Ongoing

Facilitate neighborhood community building; neighborhood recognition (by City):

- Annual Residential Beautification awards Completed
- Neighbor of the Year (individual/group efforts) Ongoing
- Neighborhood of the Year Ongoing

Facilitate education of neighborhoods regarding economic development conditions/needs of City Ongoing

People Improvement Program scope of work:

Goal 1: To collaborate and partner with community groups and organizations to address Tempe’s social service issues

Facilitate People Improvement Plan - Inventory of needs and services Completed

Provide Human Services Planning update Completed

Facilitate poverty issues/outreach (Earned Income Tax Credits; Savings Program for Working Poor) Completed

Locate new funding partner for H₂O Program Ongoing

Assess Tempe Community Foundation status Ongoing

Complete assessment of aging population Completed

Begin assessment of disability/access issues - Fall 2003 Ongoing

Update progress on Homeless Task Force recommendations Ongoing

Review Community Services fee structure Ongoing

Relationship with Tempe St. Luke’s Hospital Ongoing



TRANSPORTATION/LIGHT RAIL & DEVELOPMENT SERVICES COMMITTEE

Status at a Glance		
15 Action Items		
✓	Completed	3
✓	Ongoing	11
✓	On Hold	1

Goal 1: To participate in planning and development of high-capacity corridor systems review

- Coordinate with Arizona State University on issues related to light rail, including: station location and design, site planning/connections, right-of-way, and funding *Ongoing*
- Coordinate with regional partners on light rail issues, including: funding; cooperation with partners in Central Phoenix/East Valley light rail project corridor; participate in Valley Metro Rail, Inc. and review agenda *Ongoing*
- Provide public information and communication regarding milestones and throughout design and construction of light rail project *Ongoing*
- Address ancillary issues related to light rail, such as parking replacement, transit-oriented development, and connections with other modes of transportation *Ongoing*
- Participate in Scottsdale/Tempe/Chandler North/South Corridor Study *Completed*
- Participate in Maricopa Association of Governments High Capacity Study *Completed*

Goal 2: To focus on development of General Plan 2030 and Transportation Plans

- Develop General Plan 2030, focusing on oversight and adoption issues, including: coordination, public process, affordable housing, density, and election issues *Ongoing*
- Develop Comprehensive Transportation Plan, focusing on oversight and adoption issues, including: coordination with General Plan 2030, coordination with MAG Long Range Transportation Plan and Transportation Policy Committee process *Completed*
- Develop strategies to encourage reinvestment and revitalization *Ongoing*

Goal 3: To rewrite Zoning Code to facilitate quality development, meet current standards, and promote pedestrian-oriented development

- Develop and adopt Zoning Code and oversee implementation *Ongoing*
- Develop and implement Pedestrian Overlay District as part of Zoning Code rewrite *On Hold*

Goal 4: To identify and coordinate transportation funding opportunities

- Coordinate regional transportation funding issues, including light rail revenue streams/costs *Ongoing*
- Participate in regional half-cent tax extension discussions *Ongoing*
- Coordinate local transportation funding issues, including CIP projects resulting from the transportation plan *Ongoing*
- Discuss stability of funding sources that are based on population (e.g., HURF, LTAF) *Ongoing*



COMMUNITY/SCHOOLS/ASU PARTNERSHIP COMMITTEE

Status at a Glance		
17 Action Items		
✓	Completed	3
✓	Ongoing	14
✓	On Hold	0

Goal 1: To enhance the relationship and foster partnerships between Tempe schools, Arizona State University and the City of Tempe

- Establish a joint meeting between the City Council and the School Boards *Ongoing*
- Establish and promote Teen Screen Program with the Tempe Union High School District *Completed*
- Improve and enhance Pappas School partnerships *Ongoing*
- Improve and enhance Kid Zone Partnerships *Ongoing*
- Enhance and promote athletic partnerships with the schools *Ongoing*
- Promote school and community diversity efforts through partnerships with ASU and the Mexican Cultural Center *Ongoing*
- Partner with schools and continue to provide officers on school campuses *Ongoing*

Goal 2: To maximize resources and improve services through the development of community partnerships

- Re-establish working relationships with Tempe St. Luke’s Hospital *Ongoing*
- Work with ASU and Tempe School Districts to enhance partnerships such as transit/transportation opportunities, neighborhood issues *Ongoing*
- Promote and enhance the Fire Department’s Urban Survival Program *Ongoing*
- Coordinate City and school district lobbying efforts to promote healthy schools and neighborhoods *Ongoing*
- Improve and enhance school ground maintenance partnerships and explore other opportunities for partnerships *Ongoing*
- Promote the use of Mexican National Identification Cards to access City services (in conjunction with Neighborhood Enhancement and People Improvement Program Council Committee) *Completed*
- Explore opportunities to maximize resources and enhance efficiency at the Community Centers *Ongoing*

Goal 3: Enhance communication and information sharing and dissemination through the development of community partnerships

- Utilize existing forms of communication such as Channel 11 and water bill to promote community, school and higher education partnerships *Ongoing*
- Utilize schools to distribute City information to promote City services and encourage community

Per Capita Performance Budget



The citywide operating budget for FY 2003-04 totals \$365.5 million and for FY 2004-05 totals \$433.7 million. This represents per capita growth of 5.2% and 1.7%.

for 68% of the total departmental budgets in each respective year. Budget increases, in these departments, are primarily due to increased retirement contributions and rising health care costs.

In each fiscal year, the City continues to give priority to the areas of Public Works, Public Safety, and Community Services, which accounts

Department	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Mayor & Council	3.12	3.33	3.29	2.33	2.35
City Manager	6.14	3.48	3.04	1.68	1.69
Internal Audit	1.69	3.33	3.29	2.57	2.63
Community Relations	13.32	15.88	16.08	16.34	16.62
Diversity Programs	0	0	2.04	2.69	2.73
Economic Development/Rio Salado	7.56	9.83	9.51	11.11	11.71
City Clerk	4.85	2.93	2.72	4.18	2.82
City Court	19.29	19.77	19.08	19.21	19.65
Human Resources	25.23	22.63	22.03	12.49	12.63
City Attorney	17.11	17.51	16.55	15.43	16.28
Financial Services	30.63	41.10	41.45	35.44	36.00
Information Technology	0	0	0	0	0
Development Services	94.86	106.28	119.19	110.25	110.95
Police	266.27	283.15	279.35	288.76	293.91
Fire	89.44	95.31	94.29	96.05	97.12
Community Services	115.53	118.90	113.72	111.13	114.81
Public Works	335.96	345.81	346.50	355.85	362.79
Water Utilities	146.00	150.97	140.33	169.36	169.83
Total Departmental Per Capita	\$1,177.00	\$1,240.21	\$1,232.46	\$1,254.87	\$1,274.52
Debt Service	173.94	153.91	153.91	239.70	274.69
Non-Departmental	22.20	23.73	23.73	29.04	29.44
Contingencies	28.21	28.58	28.58	21.53	15.91
Capital Improvement Projects	535.52	819.44	819.44	736.28	1,099.12
Total Operating Per Capita	\$1,936.87	\$2,265.87	\$2,174.96	\$2,281.42	\$2,693.68

Performance Budget Summary



Department	Personal Services	Supplies/Services/ Contributions	Capital Outlay	Internal Services	Total Budget
2003-04					
Mayor & Council	\$288,631	\$110,301		(\$24,866)	\$374,066
City Manager	265,819	13,100		(9,871)	269,048
Internal Audit	359,468	22,752		30,015	412,235
Community Relations	1,520,936	900,647		197,159	2,618,742
Diversity Program	230,455	188,331		11,727	430,513
Economic Development	956,707	966,443		(142,932)	1,780,218
City Clerk	301,392	324,600		43,778	669,770
City Court	2,245,985	362,529		469,154	3,077,668
Human Resources	1,675,313	568,949		(243,507)	2,000,755
City Attorney	2,078,200	283,993		110,551	2,472,744
Financial Services	4,246,739	1,379,015	46,480	6,319	5,678,553
Information Technology	6,131,991	5,021,270	831,500	(11,984,761)	-
Development Services	5,874,667	11,005,707	4,800	779,147	17,664,321
Police	36,558,638	2,845,786		6,861,576	46,266,000
Fire	12,918,858	998,682	294,000	1,177,589	15,389,129
Community Services	12,719,873	5,023,704		62,324	17,805,901
Public Works	21,935,450	33,398,609	1,917,130	(236,146)	57,015,043
Water Utilities	9,258,446	13,329,937	389,400	4,156,791	27,134,574
Total Departmental	\$119,567,568	\$76,744,355	\$3,483,310	\$1,264,047	\$201,059,280
Debt Service		38,404,580			38,404,580
Non-Departmental Contingencies		2,221,001		232,971	4,652,168
		3,449,232			3,449,232
Total Operating Budget	\$119,567,568	123,017,364	\$3,483,310	1,497,018	\$247,565,261
Capital Improvements		117,968,707			117,968,707
Total Financial Program	\$119,567,568	240,986,072	3,483,310	1,497,018	\$365,533,968
2004-05					
Mayor & Council	\$293,344	\$110,301		(\$25,050)	\$378,595
City Manager	267,678	13,100		(8,277)	272,501
Internal Audit	370,518	22,752		30,502	423,772
Community Relations	1,564,512	911,870		200,360	2,676,742
Diversity Program	239,153	188,331		11,918	439,402
Economic Development	987,022	1,044,304		(145,675)	1,885,651
City Clerk	315,258	94,600		44,486	454,344
City Court	2,325,189	362,529		476,809	3,164,527
Human Resources	1,713,732	568,949		(249,373)	2,033,308
City Attorney	2,226,804	281,993		113,349	2,622,146
Financial Services	4,400,403	1,334,014	60,900	1,350	5,796,667
Information Technology	6,324,661	5,021,270	831,500	(12,177,431)	-
Development Services	6,071,205	10,977,966	4,800	810,756	17,864,727
Police	37,388,504	2,843,970		7,093,055	47,325,529
Fire	13,154,619	998,682	294,000	1,191,120	15,638,421
Community Services	13,040,180	5,383,915		62,324	18,486,419
Public Works	22,603,103	34,312,058	1,858,270	(355,304)	58,418,128
Water Utilities	9,506,250	13,384,182	216,670	4,239,359	27,346,461
Total Departmental	\$122,792,135	\$77,854,786	\$3,266,140	\$1,314,278	\$205,227,340
Debt Service		44,230,919			44,230,919
Non-Departmental Contingencies		4,507,731		232,971	4,740,702
		2,562,182			2,562,182
Total Operating Budget	\$122,792,135	\$129,155,618	\$3,266,140	\$1,547,24	\$256,761,144
Capital Improvements		176,983,222			176,983,222
Total Financial Program	\$122,792,135	\$306,138,84	\$3,266,14	\$1,547,249	\$433,744,366



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 project currently underway to develop 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 which will be used as the City moves on to the next phases of benchmarking.

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.

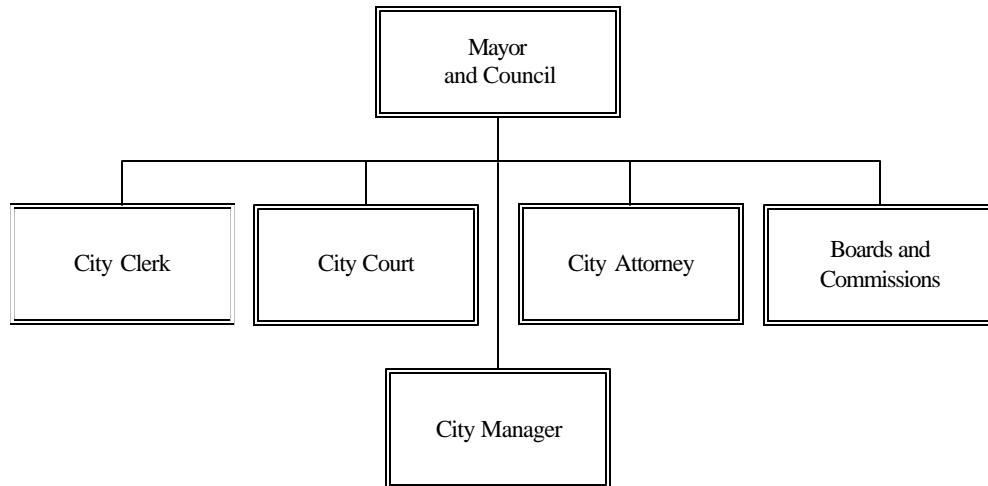
The City has tracked performance indicators for several years as a means of identifying service trends and communicating results to the public. The City made a commitment to develop a benchmarking program modeled after other successful private and public sector efforts. Taking advantage of much work 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 1994 with its participation in an experimental program coordinated by the Innovation Group, a non-profit organization serving local government. Data for Innovation Group-suggested benchmarks were gathered for a “test” group of City departments for possible comparisons with other local governments in the Innovation Group benchmark database. In addition, the City formally participated in ICMA’s Comparative Performance Measurement Program.

Within the past year, the City has further refined 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 have identified the most important 25-30 comparative benchmarks.

Concurrent with these efforts, a comparative benchmarking program was established with peer cities. The goal was to develop and maintain partnerships with cities having comparable demographic and financial characteristics (i.e., population and operating budget size). Further, our intention was to gather data from the benchmark cities to evaluate Tempe’s performance across critical operational areas. The first Peer City Comparative Benchmarking Program Report was generated in FY 2000.

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



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

Expenditure by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$235,574	\$286,321	\$280,689	\$288,631	\$293,344
Supplies and Services	128,694	89,101	89,101	33,601	33,601
Capital Outlay	592	0	0	0	0
Internal Services	70,397	78,650	78,650	(24,866)	(25,050)
Contributions	62,760	76,700	76,700	76,700	76,700
Expenditure Total	\$498,017	\$530,772	\$525,140	\$374,066	\$378,595
Per Capita	\$3.12	\$3.33	\$3.29	\$2.33	\$2.35

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Mayor and Council	7			7			7		
Total	7			7			7		



Goal: To represent the citizens of Tempe and formulate and enact policy as the legislative and policy-making body of the municipal government.					
Objective: To formulate policy in response to current and anticipated needs within political, administrative and fiscal constraints.					
Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Council & Council Committee Meetings	140	140	140	140	140
Agenda Items	1,700	1,700	1,700	1,700	1,700
Balanced Budget	Yes	Yes	Yes	Yes	Yes

Goal: To provide effective professional leadership in the implementation of City policy and coordination and administration of the City organization; and to provide community leadership in the					
Objective: 1) To supervise City administration; and 2) to oversee citizen boards and commissions.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Council appointees reviewed	4	4	4	4	4
Citizen boards and commissions	29	29	29	29	29

Goal: To implement an annual survey of citizen satisfaction with City services and resource allocation priorities.					
Objective: To enhance citizen input into the budget process.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Citizen survey	Yes	Yes	Yes	No	Yes
Overall City Satisfaction	97%	97%	97%	N/A	98%



City Manager

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

Expenditures by Type	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$1,129,503	\$543,096	\$502,199	\$265,819	\$267,678
Supplies and Services	111,328	56,400	26,400	13,100	13,100
Capital Outlay	644	0	0	0	0
Internal Services	(261,425)	(44,375)	(44,375)	(9,871)	(8,277)
Expenditure Total	\$980,050	\$555,121	\$484,224	\$269,048	\$272,501
Per Capita	\$6.14	\$3.48	\$3.04	\$1.68	\$1.69

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
City Manager	4		0.5	2		0.5	2		0.5
Total	4		0.5	2		0.5	2		0.5



Internal Audit

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

Expenditures by Type	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$240,632	\$467,634	\$466,453	\$359,468	\$370,518
Supplies and Services	4,131	24,932	20,101	22,752	22,752
Capital Outlay	0	1,545	1,545	0	0
Internal Services	25,553	36,176	36,176	30,015	30,502
Expenditure Total	\$270,316	\$530,287	\$524,275	\$412,235	\$423,772
Per Capita	\$1.69	\$3.33	\$3.29	\$2.57	\$2.63

	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Internal Audit	5			4			4		
Total	5			4			4		

Goal: To provide an internal consulting service to City Administration and the operating departments that assists in evaluating the operations of the various departments and strives to ensure that products and services are provided in an efficient and effective manner.

Objective: To perform independent evaluation and quality improvement initiatives/studies of City departments, divisions, and systems or units thereof.

Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Management advisory services	8	6	10	8	8
Citywide audit plan	1	1	1	1	1
Performance and operational audits	2	2	2	2	2
Internal control review audits	2	3	2	2	2
Contract compliance audits	1	1	1	1	1
Self-assessment projects	0	1	0	1	1



Diversity Program

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

2003-05 Highlights: The Diversity Office budget was established in 2002 to support the newly created

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$0	\$0	\$128,803	\$230,455	\$239,153
Supplies and Services	0	0	195,631	188,331	188,331
Internal Services	0	0	0	11,727	11,918
Expenditure Total	\$0	\$0	\$324,434	\$430,513	\$439,402
Per Capita	\$0	\$0	\$2.04	\$2.69	\$2.73

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Diversity	3			3			3		
Total	3			3			3		

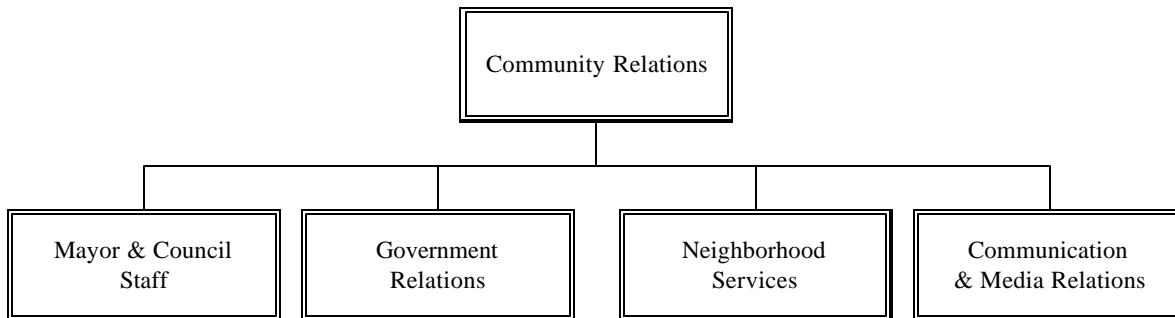
Goal: To create a fair and equitable work environment for City of Tempe employees.					
Objective: (1) To develop and implement the Diversity Action Plan; and (2) serve as a Safe Haven for City employees					
Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Diversity Action Plan implementation*	-	-	1	1	1
Employee advocacy groups*	-	-	1	3	3
Mentoring Program*	-	-	0	1	1
Management advisory services*	-	-	30	30	30
Employee Safe Haven people served*	-	-	225	150	100
Coordination and facilitation of Workshops*	-	-	2	7	7

* New measure



Goal:	To develop community related programs and community events to facilitate cultural awareness and diversity within the City of Tempe.				
Objective:	(1) To design and coordinate community diversity celebrations; and (2) create and implement community awareness opportunities.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Martin Luther King, Jr. Celebration*	0	0	700	8,000	10,000
Fiesta Bowl Thank You Reception*	0	0	250	250	250
Tempe Talks: A Diversity Dialogue*	0	0	65	75	75
Cesar Chavez Celebration*	0	0	50	250	250
Tempe Talks: A Community Conversation*	0	0	80	80	80
Mayor's Early Riser Celebration*	0	0	600	0	0
Beautification Awards*	0	0	250	250	250
Tardeada*	0	0	8,000	8,500	8,500
Boards and Commission Dinner*	0	0	500	500	500
Fiesta Parade Brunch*	0	0	250	250	250

*New measure



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

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

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

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

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

2003-05 Highlights:

The Community Relations Department (CRD) is a new department that was created during the last biennial budget. The CRD was created from positions that were originally in the City Manager’s office. This shifting of reporting responsibilities allowed the elimination of assistant city manager positions and resulted in all department managers reporting to the city manager. The result is a more effective relationship between operating departments and the city manager. The creation of the CRD centralizes functions that specialize in internal and external communication activities. The CRD is comprised of the Mayor and Council staff, Government Relations, Neighborhood Services and Communication and Media Relations.



Expenditures by Type	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$1,021,443	\$1,677,560	\$1,598,735	\$1,520,936	\$1,564,512
Supplies and Services	465,137	528,190	535,290	615,543	625,542
Contributions	468,871	184,500	286,574	285,104	286,328
Capital Outlay	23,977	0	0	0	0
Internal Services	148,483	142,200	142,200	197,159	200,360
Expenditure Total	\$2,127,911	\$2,532,450	\$2,562,799	\$2,618,742	\$2,676,742
Per Capita	\$13.32	\$15.88	\$16.08	\$16.34	\$16.62
Expenditures by Division					
2001-02 Actual 2002-03 Budget 2002-03 Revised 2003-04 Budget 2004-05 Budget					
Community Relations– Admin;					
Government Relations	769,731	472,741	575,171	519,061	526,173
Neighborhood Services	251,699	270,553	279,272	218,582	233,320
Communication & Media Relations	1,106,481	1,030,446	995,290	1,049,744	1,062,494
Expenditure Total	\$2,127,911	\$2,532,450	\$2,562,799	\$2,618,742	\$2,676,742

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp FTE
Community Relations-Admin; Mayor and							8		
Government Relations	3			2			2		
Neighborhood Services	3			2			2		
Communication & Media							6		
Total	21		1.83	18		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 these Council committees: Community/Schools/Higher Education Partnerships, Tourism & Economic Development, Transportation/Light Rail & Development Services, Finance & Diversity Issues, Neighborhood Enhancement & People Improvement Program, Cultural and Community Programs and the Rio Salado Committee of the Whole.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$0	\$664,583	\$610,939	\$629,941	\$652,206
Supplies and Services	0	31,187	39,187	132,300	132,299
Internal Services	0	62,940	62,940	69,114	70,250
Expenditure Total	\$0	\$758,710	\$713,066	\$831,355	\$854,755
Per Capita	\$0	\$4.76	\$4.47	\$5.19	\$5.31

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Community Relations - Admin; Mayor and									
Total	9	0.98		8	0.98		8		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, Deputy City Managers and Mayor and City Council; and (5) serve as a liaison to the Tempe Sports Authority.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$239,828	\$256,387	\$257,743	\$198,227	\$203,736
Supplies and Services	43,051	13,731	12,731	12,727	12,727
Internal Services	17,981	18,123	18,123	23,003	23,382
Contributions	468,872	184,500	286,574	285,104	286,328
Expenditure Total	\$769,732	\$472,741	\$575,171	\$519,061	\$526,173
Per Capita	\$4.82	\$2.97	\$3.61	\$3.24	\$3.27

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Government Relations	3			2			2		
Total	3			2			2		

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

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

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Joint City Council/Legislative meetings	2	2	2	2	2
Briefings with federal legislative delegation	3	2	2	2	2

Neighborhood Services



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

Expenditures by Type	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$223,965	\$243,415	\$242,134	\$186,301	\$190,735
Supplies and Services	14,976	15,206	25,206	13,350	23,350
Capital Outlay	200	0	0	0	0
Internal Services	12,558	11,932	11,932	18,931	19,235
Expenditure Total	\$251,699	\$270,553	\$279,272	\$218,582	\$233,320
Per Capita	\$1.58	\$1.70	\$1.75	\$1.36	\$1.45

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Neighborhood Services	3			2			2		
Total	3			2			2		



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

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

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Participating households	36,155	37,000	37,075	37,500	38,000
Percent change	-	2.8%	2.5%	1.3%	1.31%
Grant applications received	57	45	55	60	65
Households awarded grants	12,549	8,000	9216	10,000	11,000
Grant funds awarded	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000
Matching funds received	\$160,000	\$150,000	\$146,000	\$150,000	\$150,000
Mailing sent by office	50,000	60,000	44,000	45,000	47,500

Communication and Media Relations



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

Expenditures by Type	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$557,650	\$513,175	\$487,919	\$506,467	\$517,835
Supplies and Services	407,111	468,066	458,166	457,166	457,166
Capital Outlay	23,777	0	0	0	0
Internal Services	117,944	49,205	49,205	86,111	87,493
Expenditure Total	\$1,106,482	\$1,030,446	\$995,290	\$1,049,744	\$1,062,494
Per Capita	\$6.93	\$6.46	\$6.24	\$6.55	\$6.60

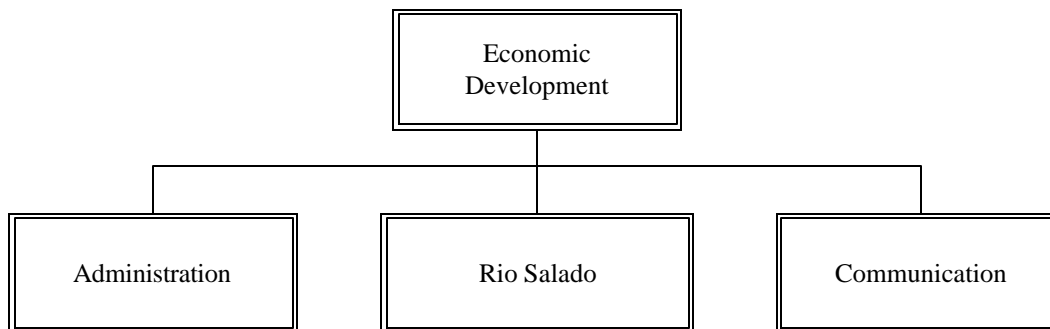
Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Communication & Media	6		0.85	6		0.85	6		0.85
Total	6		0.85	6		0.85	6		0.85



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

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

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Tempe Today water bill newsletter	12	12	12	12	12
Newsbreak city employee newsletter	50	50	12	12	12
Newspaper advertisements	25	30	20	12	12
Press releases	140	144	139	144	144
Informational publications	85	85	85	85	85
Major publication ads	15	15	15	15	15
Fiesta Bowl media packets	1,000	1,000	1,200	1,600	1,600
Water bill insert flyers	12	12	12	12	12
Newsletters for other divisions	8	8	8	8	8
City, Transit & Fire Performance Reports	3	3	3	3	3
Special Projects	10	10	10	10	10
Major event graphic support	10	10	10	10	10
Audio/visual equipment & staging	45	50	98	100	100
Still photography assignments	50	60	56	60	60
Video productions	175	200	314	300	300



Economic Development is responsible for a wide range of activities that focus on promoting Tempe as a favorable place for business location and expansion. Its other responsibilities include management of the Rio Salado Town Lake project and coordinating development in the Rio Salado region. Economic Development performs the following activities: (1) work with prospective businesses; (2) coordinate regional and local entities in attracting quality companies; (3) broaden the Tempe tax base; (4) encourage educational, cultural and recreational opportunities that make for a well-balanced city and contribute to the quality of life; and (5) foster the development of the Rio Salado area.

2003-05 Highlights:

The biennial budget includes funding to develop a retail marketing initiative as well as funding to continue participation in regional economic development efforts. The Rio Salado Fund budget saw a slight decrease from the previous 2001-03 biennial budget.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$701,525	\$880,605	\$869,573	\$956,707	\$987,022
Supplies and Services	539,235	729,461	692,727	771,478	847,470
Capital Outlay	32,114	25,525	24,250	0	0
Internal Services	(266,813)	(276,165)	(276,165)	(142,932)	(145,675)
Contributions	198,650	208,346	205,079	194,965	196,834
Expenditure Total	\$1,204,711	\$1,567,772	\$1,515,464	\$1,780,218	\$1,885,651
Per Capita	\$7.56	\$9.83	\$9.51	\$11.11	\$11.71

Expenditures by Division	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Economic Development	\$500,917	\$622,002	\$619,823	\$676,033	\$768,137
Rio Salado	703,794	945,770	895,641	1,104,185	1,117,514
Total	\$1,204,711	\$1,567,772	\$1,515,464	\$1,780,218	\$1,885,651

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Economic Development	4			4			4		
Rio Salado	8		0.49	8		0.49	8		0.49
Total	12		0.49	12		0.49	12		0.49

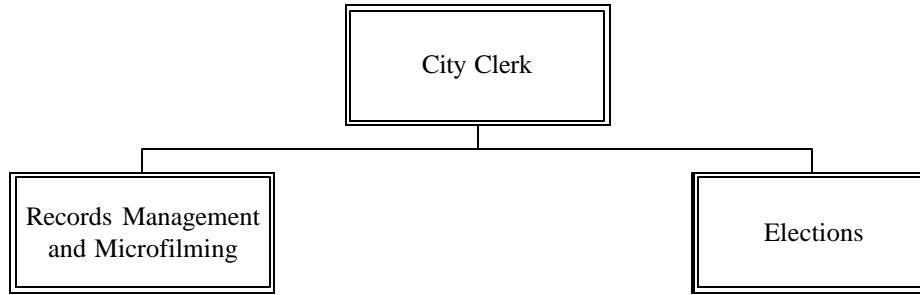


Goal: 1) To foster good communication between existing businesses and local government; and 2) increase job opportunities for residents.					
Objective: 1) To retain existing businesses in Tempe; and 2) hold quarterly business round-table meetings with Mayor and City Council.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Calls on existing Tempe businesses	50	50	120	120	120
Quarterly business round-table meetings with Mayor and City Council	3	4	2	4	4
Opportunities to retain Tempe businesses	5	5	5	5	5

Goal: To diversify the Tempe economy.					
Objective: To continue to "trigger" development in Tempe, including the Rio Salado project area.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
New research and development operations	1	1	0	1	1
New office users	6	6	3	6	6
New sales tax generator	1	1	1	4	4
Jobs generated by new companies	2,500	2,500	3,000	3,000	3,000
New businesses brought to Tempe	10	10	10	10	10
Successful business retentions and expansions	5	5	5	5	5

Goal: To increase use of Tempe Town Lake and the surrounding Rio Salado parks.					
Objective: To increase revenues from annual and daily boat permits, boating classes, and park reservations/permits.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Boat permit revenues*	\$21,900	\$29,000	\$24,276	\$24,410	\$25,000
Boating class revenues*	\$5,890	\$7,250	\$3,900	\$4,200	\$4,500
Rio Salado park permit revenues*	\$321	\$12,000	\$2,283	\$2,450	\$2,460
Rental charges (vendors)*	\$4,454	\$4,500	\$4,531	\$4,997	\$5,188

*New measure



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

Expenditure by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$325,398	\$334,664	\$303,642	\$301,392	\$315,258
Supplies and Services	415,397	96,900	94,600	324,600	94,600
Capital Outlay	200	0	0	0	0
Internal Services	31,715	35,762	35,762	43,778	44,486
Expenditure Total	\$772,710	\$467,326	\$434,004	\$669,770	\$454,344
Per Capita	\$4.85	\$2.93	\$2.72	\$4.18	\$2.82

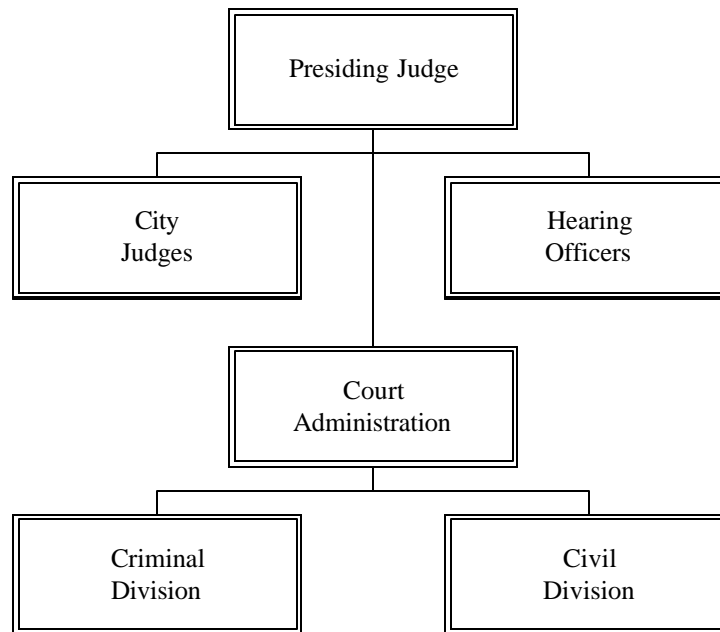
	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
City Clerk	5		0.58	4		0.58	4		0.58
Total	5		0.58	4		0.58	4		0.58



Goal: To continue providing an effective microfilming program through the development of a					
Objective: To maintain a sufficient level of microfilming for various departments in accordance with the State of Arizona Department of Library and Archives.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Rolls microfilmed	60	65	70	70	80
Percent change	-	8.3%	7.7%	0.0%	14.3%

Goal: To monitor and maintain all council and citywide contracts and agreements, process all ordinances					
Objective: 1) To effectively maintain and monitor all contracts/agreements for the city and ensure that an original signed and executed copy is on file in the clerk's office; 2) effectively process all ordinances and resolutions including advertising, signatures, recording with the county recorder, distributing to all code users and keeping current files; and 3) advertise and post all bids in accordance with state statutes.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Contracts and agreements processed	250	260	269	300	300
Ordinances and resolutions processed	350	375	383	400	400
Bids advertised and posted	130	140	147	150	150

Goal: To administer citywide elections.					
Objective: To administer Mayor/Council election in the spring of 2002.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Elections Conducted	-	2	3	2	-
Voter Turnout					
2002 Primary (18%)	13,614	-	-	14,000	-
2002 General (27%)	20,056	-	-	20,100	-
2002 Special-Bed Tax (21%)	16,417	-	-	16,500	-



City Court consists of three divisions including (1) Administration, (2) Criminal, and (3) Civil. It is a municipal limited jurisdiction court and deals with criminal misdemeanor and primarily civil traffic cases. The court includes all judicial, administrative, and staff functions necessary to accomplish the court’s mission. This includes initial appearances, arraignments, pre-trial conferences, orders to show cause, subpoenas, arrest warrants, jury and non-jury trials, hearings, misdemeanor search warrants, orders of protection, injunctions against harassment, and financial services to collect fines, fees, surcharges and restitution.

2003-05 Highlights:

The Courts have reduced staffing by 2 positions as part of streamlining efforts. To enhance security, the police/courts building is currently undergoing remodeling that includes a single point of entry as well as the installation of more secure counters in the lobby areas. Finally, the Tempe Municipal Court is presently developing a Mental Health Court for mentally ill offenders, which includes the homeless and

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,137,937	\$2,256,332	\$2,186,924	\$2,245,985	\$2,325,189
Supplies and Services	427,271	403,314	362,529	362,529	362,529
Internal Services	515,648	491,602	491,602	469,154	476,809
Expenditure Total	\$3,080,856	\$3,151,248	\$3,041,055	\$3,077,668	\$3,164,527
Per Capita	\$19.29	\$19.77	\$19.08	\$19.21	\$19.65

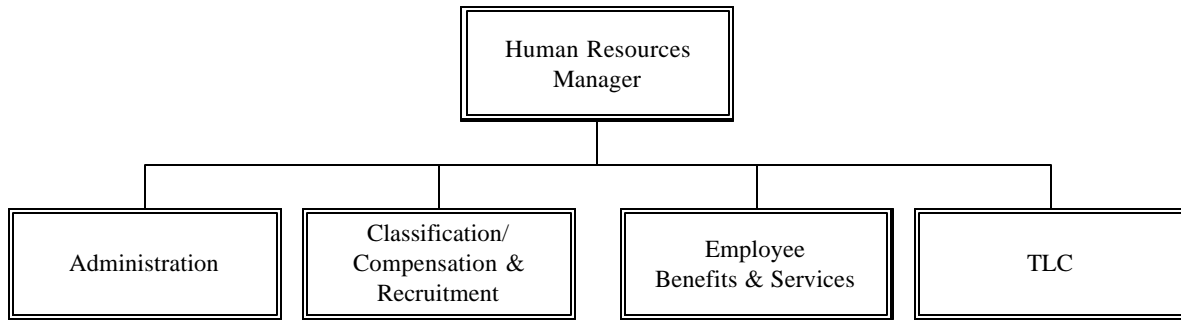
Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
City Court	35		4.2	33		4.2	33		4.2
Total	35		4.2	33		4.2	33		4.2



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

Objective: 1) To ensure that an arrest warrant will be issued within 48 hours for all defendants who fail to appear for a criminal arraignment; and 2) ensure that a driver's license default will be issued within 48 hours for all defendants who fail to appear for a civil arraignment.

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Failures to Appear Criminal Arraignments	6,068	6,300	7,916	8,700	9,100
Percent Change	-	9%	10%	10%	5%
Failures to Appear Civil Arraignments	16,112	17,400	21,688	23,800	24,860
Percent Change	-	4%	25%	10%	5%
Arrest warrants issued within 48 hours	6,068	6,300	7,916	8,700	9,100
Percent issued	100%	100%	100%	100%	100%
Defaults issued within 48 hours	16,112	17,400	21,688	23,800	24,860
Percent issued	100%	100%	100%	100%	100%



The Human Resources Department consists of four divisions: Administration; Classification/Compensation and Recruitment; Employee Benefits and Services; and the Tempe Learning Center (TLC) which directly and indirectly service 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.

2003-05 Highlights:

Human Resources experienced a 19% decrease in staffing during the 2002-2003 fiscal year resulting in the loss of two Human Resources Analyst I/II positions and one Human Resources Technician I/II position, yet maintains services by restructuring resources to meet client demands and forging partnerships with other City departments. A comprehensive market review and analysis of the current compensation system was completed without using non-recurring funds that budgeted during 2002-2003 to hire a contract analyst. Improvements identified in the 2002 Compensation Study were not, however, implemented due to the City’s revenue shortfall. Future budgetary appropriations will therefore be required to fund market adjustment recommendations already identified and to study movement that has occurred since the 2002 Compensation Study was completed.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$3,498,999	\$1,901,522	\$1,791,580	\$1,675,313	\$1,713,732
Materials and Supplies	108,786	77,417	95,417	82,817	82,817
Fees and Services/Travel	936,851	494,088	490,338	486,132	486,132
Internal Services	(522,880)	1,134,499	1,134,499	(243,507)	(249,373)
Expenditure Total	4,021,756	3,607,526	3,511,834	2,000,755	2,033,308
Per Capita	\$25.23	\$22.63	\$22.03	\$12.49	\$12.63

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Human Resources	18	0.50		16	0.50		16	0.50	
Tempe Learning Center	2			2			2		
Total	20	0.50		18	0.50		18	0.50	



Goal: To attract and retain a diverse and qualified workforce.					
Objective: A low annual turnover rate of less than 10% of the total workforce.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Employee Turnover Rate</i>	7.70%	7.0%	7.0%	8.0%	8.0%

Goal: To improve organizational productivity, effectiveness and efficiency.					
Objective: 1) To minimize increases in cost and Human Resources positions; and 2) minimize the number of days to complete recruitments.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Total cost per citywide FTE</i>	\$2,336	\$2,132	\$2,076	\$1,225	\$1,245
Percent change		(9%)	(11%)	(41%)	2%
<i>Citywide FTE's served per Human Resources staff</i>	99	99	104	107	107
Percent change	-	-	5%	8%	-
Average number of days to complete an <u>external</u> , competitive	40	40	42	35	35
Average number of days to complete an <u>internal</u> , competitive re-	26	26	16	16	16

Comparative Benchmark



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 five-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 mandatory skills training series for managers and supervisors, educational partnerships for academic -degree and vocational/ technical certifications, and workshops targeting specific training needs.

2003-05 Highlights:

During 2003, TLC reclassified a Human Resources Technician II+ position to a Management Assistant I/II position in response to the City’s changing needs and increased demand for educational partnership programs, and training and development programs (i.e., Mandatory Supervisory Training III).

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$602,552	\$508,217	597,971	\$446,044	\$450,751
Supplies and Services	45,067	29,965	29,965	28,365	28,365
Capital Outlay	53,240	58,976	58,976	54,770	54,770
Internal Services	20,967	25,380	25,380	(78,186)	(78,721)
Expenditure Total	\$721,826	\$622,538	\$712,292	\$450,993	\$455,165
Per Capita	\$4.53	\$3.90	\$4.47	\$2.81	\$2.83

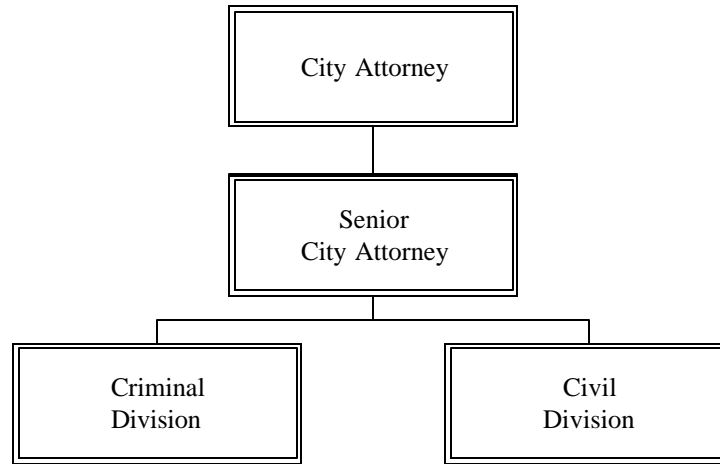
	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Authorized Personnel									
Tempe Learning Center	2			2			2		
Total	2			2			2		



Goal:	1) To facilitate continuous learning throughout the City of Tempe by providing academic, vocational and professional development programs that build leadership skills.				
Objective:	1) Sponsor professional development programs that include technical professional development opportunities.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Classes conducted by the TLC programs	3	3	4	4	4
New employees attending Tempe Essentials	249	150	124	124	124
Customer Service – Team Building	25	25	30	30	30
Customized Spanish courses participants	107	210	38	38	38
Effective Minute Taking*	0	0	62	62	62

Goal:	To create a culture that is responsive to change and continuous improvement, encourages innovation, fosters teamwork, and provides measurable results. TLC is designed to provide a clearinghouse for all learning-related activities in the City of Tempe, including supervisory and				
Objective:	1) Increase the number of internal training courses; 2) establish new educational partnership programs to include technical and trade partnerships; 3) implement on-line courses on city specific topics; and 4) initiate special projects to enhance learning opportunities for city employees.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Internal training courses & workshops/seminars	4	15	9	10	15
Participants	857	850	922	922	922
Educational partnership efforts established	5	11	7	7	8
Participants	75	75	92	92	92

* New measure



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

2003-05 Highlights:

With several recent retirements, the City Attorney’s Office has undergone a reorganization of the Civil and Criminal Divisions. The Criminal Division will be directly supervised by the City Prosecutor who will report to the City Attorney. The Criminal Division has been reduced by one Administrative Assistant I and by one Assistant City Prosecutor.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,188,533	\$2,291,417	\$2,243,711	\$2,078,200	\$2,226,804
Supplies and Services	39,532	41,915	39,415	41,249	41,249
Fees and Services/Travel	314,353	330,531	227,293	242,744	240,744
Internal Services	185,619	127,335	127,335	110,551	113,349
Expenditure Total	\$2,728,037	\$2,791,198	\$2,637,754	\$2,472,744	\$2,622,146
Per Capita	\$17.11	\$17.51	\$16.55	\$15.43	\$16.28

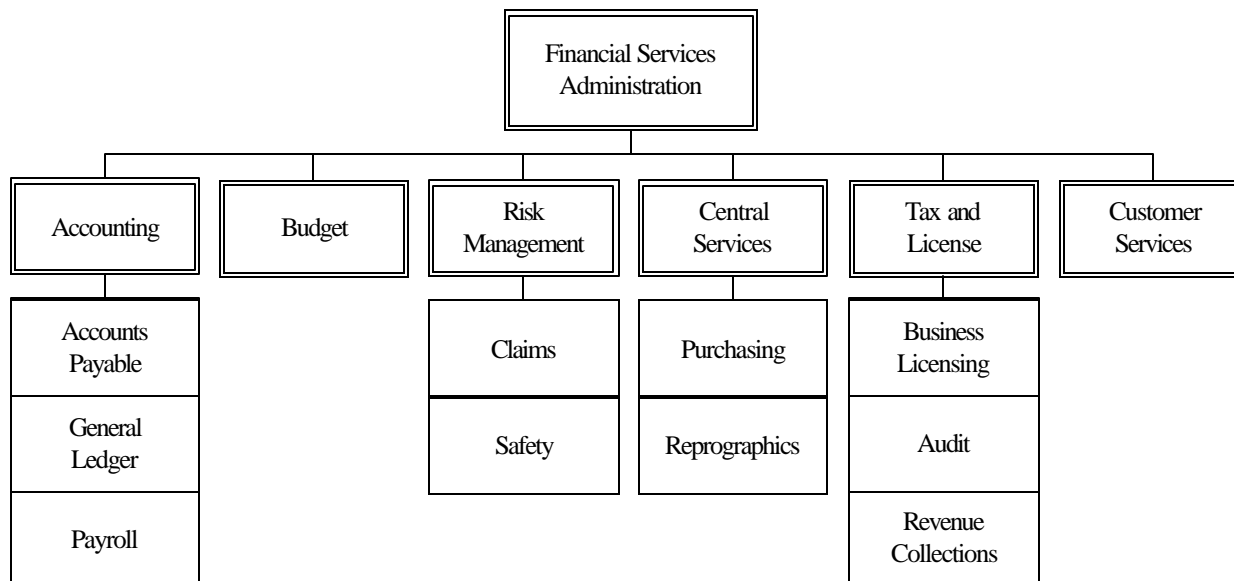
Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
City Attorney	23	0.5	0.62	21	0.75	0.62	21	0.75	0.62
City Attorney - Water	3			3			3		
Total	26	0.5	0.62	24	0.75	0.62	24	0.75	0.62



Goal: To effectively and efficiently represent the City as a party in legal proceedings.					
Objective: To defend and resolve litigation in the City's best interest while managing caseload fluctuations.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Lawsuits:					
Pending civil lawsuits	45	65	45	95	60
Forfeiture actions	35	18	37	35	35
Tax hearings	10	10	10	10	10
Lawsuits filed by/against City	27	17	26	75	45
Percent change in caseload	-	(37%)	(4%)	188%	73%

Goal: To effectively serve as legal counsel for the City and practice preventative law.					
Objective: To provide legal expertise to cover all major legal issues of the City and issue quality legal					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Ordinances, resolutions and contracts reviewed/drafted	600	635	700	770	847
Written and verbal legal opinions	2,200	2,020	2,100	2,310	2,541

Goal: To prosecute misdemeanors effectively and efficiently with an emphasis on serious crimes, and					
Objective: 1) To obtain early resolution of criminal cases consistent with doing justice and speedy resolution of cases at arraignment by effectively managing cases per attorney; 2) increase emphasis on DUI cases; 3) decrease number of pretrials as exemplified by number of trials; and 4) increase resources for implementing victim's rights and ensure compliance with and information on victim's rights, as well as seeking restitution and emphasizing prosecution of crimes involving bodily injury.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Criminal, criminal traffic and DUI cases	8,854	11,500	11,500	12,000	12,000
Per attorney	1,265	1,643	1,700	2,000	2,000
DUI cases (included above)	1,351	1,500	1,580	1,600	1,600
Criminal traffic trials	34	80	53	60	60
Criminal trials (other than traffic)	122	140	176	180	180
Victim contacts	18,443	19,000	16,829	17,000	17,000
Percent of cases going to trial	1.8%	2.0%	1.9%	2.0%	2.0%



The Financial Services Department is comprised of the divisions of Accounting, Budget, Risk Management, Central Services, Tax & License, and Customer Services. The department’s operational functions include all finance, accounting, budget, purchasing, reprographics, business licensing responsibilities, and customer service billing operations.

2003-05 Highlights:

Financial Services began the new biennium with 68 full-time positions, having lost 11 positions as a result of a citywide streamlining operation intended to find efficiencies and reduce costs, especially in the General Fund.

The Customer Services Division including 16 full-time employees was reorganized under the Financial Services Department. The FY 2003-04 budget included the authorization of 4 additional new positions (2

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$3,441,892	\$4,574,293	\$4,456,736	\$4,246,739	\$4,400,403
Supplies and Services	1,728,740	2,016,202	2,220,656	1,379,015	1,334,014
Capital Outlay	15,626	31,500	0	46,480	60,900
Internal Services	(340,640)	(69,269)	(69,269)	6,319	1,350
Contributions	3,448	0	0	0	0
Expenditure Total	\$4,849,066	\$6,552,726	\$6,608,123	\$5,678,553	\$5,796,667
Per Capita	\$30.63	\$41.10	\$41.45	\$35.44	\$36.00

Expenditures by Division	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Financial Services Administration	\$139,235	\$248,993	\$292,313	\$262,728	\$270,288
Accounting	897,574	1,065,614	958,411	914,108	909,790
Budget	238,875	274,350	286,992	276,148	278,419
Risk Management	1,080,285	927,567	1,114,173	0	0
Central Services	1,194,848	1,117,379	1,094,350	1,076,757	1,095,919
Tax and License	1,298,249	1,496,659	1,410,302	1,460,322	1,506,471
Customer Services	0	1,422,164	1,451,582	1,688,490	1,735,780
Total	\$4,849,066	\$6,552,726	\$6,608,123	\$5,678,553	\$5,796,667



Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Financial Services-Admin.	3			2			2		
Accounting	12		0.63	11		0.63	11		0.63
Budget	4			4			4		
Risk Management	4	0.5		3	0.5		3	0.5	
Central Services	12		0.62	11		0.62	11		0.62
Tax and License	17			17			17		
Customer Services	16			20			20		
Total	68	0.5	1.25	68	0.5	1.25	68	0.5	1.25

Functions related to Financial Services include Administration, Accounting, Budget, Risk Management, Central Services, Tax & License, Customer Service, and provide the following services:

Administration is responsible for the overall management of the department;

Accounting services include payroll, accounts payable, special assessments, accounts receivable, and financial reporting;

Budget responsibilities include preparation of budget documents, a Comprehensive Financial Plan, revenue forecasting, capital improvements program, budget monitoring, forecasting, benchmarking, and special financial studies;

Risk Management functions include liability claims resolution, worker's compensation claims, and the employee safety program;

Central Services functions include purchasing, contract negotiations for goods and services, duplicating services, and mail delivery;

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

Customer Services is responsible for billing and collecting charges for water, sewer, refuse,

Goal: 1) To effectively perform accounts payable, payroll and other accounting functions for City departments; and 2) maintain adequate internal controls, adhere to generally accepted accounting					
Objective: To maintain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Accounting</i>					
GFOA Certificate of Achievement	Yes	Yes	Yes	Yes	Yes
Compliance with State and Federal Reporting Requirements	Yes	Yes	Yes	Yes	Yes
Investment Policy Compliance	Yes	Yes	Yes	Yes	Yes
Unqualified Audit Opinion	Yes	Yes	Yes	Yes	Yes
Maintain Effective System of Internal Controls	Yes	Yes	Yes	Yes	Yes



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	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Administration and Budget</i>					
Fund balance coverage	28%	25%	28%	25%	25%
Long-term net-direct debt per capita	\$397.73	\$482.74	\$482.74	\$491.07	\$547.24

Goal: To minimize the City's exposure to liability and worker's compensation claims through a proactive approach to risk management, loss prevention and employee safety education.					
Objective: To minimize the City's liability and worker's compensation claims paid as measured by claims per capita and claims per employee.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Risk Management</i>					
General and property liability claims	\$510,854	\$650,000	\$650,000	\$700,000	\$725,000
Worker's compensation claims	\$241,771	\$875,000	\$1,100,000	\$1,100,000	\$1,100,000
Cost of general and property liability claims per capita	\$320	\$3.97	\$4.08	\$4.39	\$4.55
Cost of general and property liability claims per 100 employees	\$31,340	\$33,372	\$34,210	\$38,888	\$40,278
Cost of worker's compensation claims per 100 employees	\$14,832	\$44,924	\$57,894	\$61,111	\$66,666

Goal: To procure low cost, quality goods and services for City departments, while ensuring that purchases are made in a timely and ethical manner.					
Objective: 1) To procure at least 45% of lower cost items through annual contracts; and 2) maintain compliance with the American Bar Association's Model Procurement Code.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Central Services</i>					
Conformity to American Bar Association Model Procurement Code	Conform	Conform	Conform	Conform	Conform
Lower cost purchases made through annual contracts	40%	40%	40%	45%	45%
Bid award recommendations accepted by City Council	95%	95%	100%	95%	95%
Maintain at least 80% customer department satisfaction	80%	80%	80%	80%	80%
Maintain an automated bidder registration program and Procurement	Maintained	Maintained	Maintained	Maintained	Maintained
Maintain and monitor a city procurement card program	Maintained	Maintained	Maintained	Maintained	Maintained

Comparative Benchmark

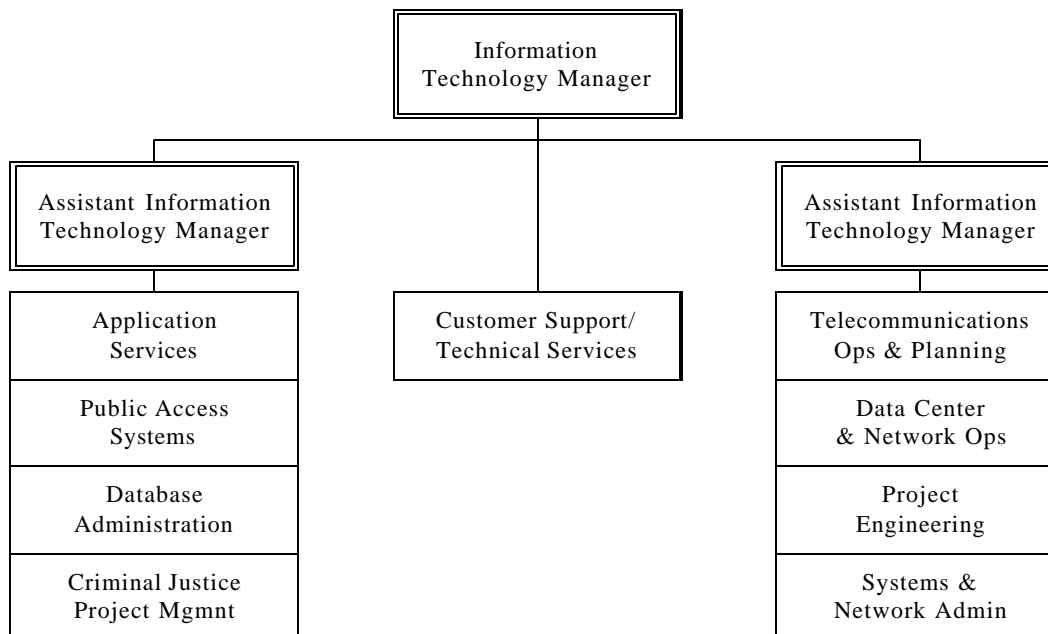


Goal: To implement the city's tax ordinances by ensuring that all businesses and individuals subject to the tax ordinances pay taxes as prescribed.					
Objective: To maximize the productivity of the Tax and License staff as measured by taxable accounts and					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Tax and License</i>					
Taxable sales (Millions \$)	5,155,027,000	5,946,076,000	5,046,755,000	5,137,597,000	5,240,349,000
Sales tax license holders (accounts)	13,202	12,950	13,427	13,800	14,000
Taxable sales per capita (\$)	32,333	36,367	31,656	32,065	32,544
Taxable sales per Tax and License employee (\$)	303,237,000	312,951,000	296,868,000	302,212,000	308,256,000
Accounts per Tax and License employee	777	682	790	812	824
Collections for Auditors and Revenue Collectors (\$)	2,202,000	-	2,383,000	1,000,000	1,000,000

Goal: To provide efficient and timely services to the City's utility customers.					
Objective: 1) To maximize employee productivity as measured by accounts per employee and accounts per Customer Service Representative; and 2) ensure prompt and accurate customer service by keeping the call abandonment rate at no more than 10% and reading water meters accurately 99% of the time.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Customer Services</i>					
Utility services accounts	40,822	41,100	41,265	41,300	41,300
Percent change	0%	0.2%	0%	0%	0%
Utility services accounts per Customer Services employee	2,401	2,418	2,579	2,065	2,065
Percent of calls abandoned	6.91%	5.0%	9.99%	10.00%	10.00%
Percent of meters read accurately*	-	-	-	99%	99%

Goal: To be a low cost provider of utility billing customer services.					
Objective: To minimize the cost of providing the City's utility billing function as measured by cost per account, and cost per employee.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Cost per utility services account (annual)	\$32.00	\$34.80	\$37.00	\$39.76	\$40.55
Percent change	14.5%	(4.3%)	15.7%	7.5%	2.0%
Cost per Customer Services employee	\$75,723	\$84,145	\$76,603	\$82,101	\$83,744

* New measure



The Information Technology Department 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.

2003-05 Highlights:

The Biennial Budget includes the elimination of 8.5 FTE: (two Program Consultants, one Sr. Management Assistant, one Support Services Supervisor, one Training Coordinator, 2.5 Programmer Analysts, and one Communications Network Technician).

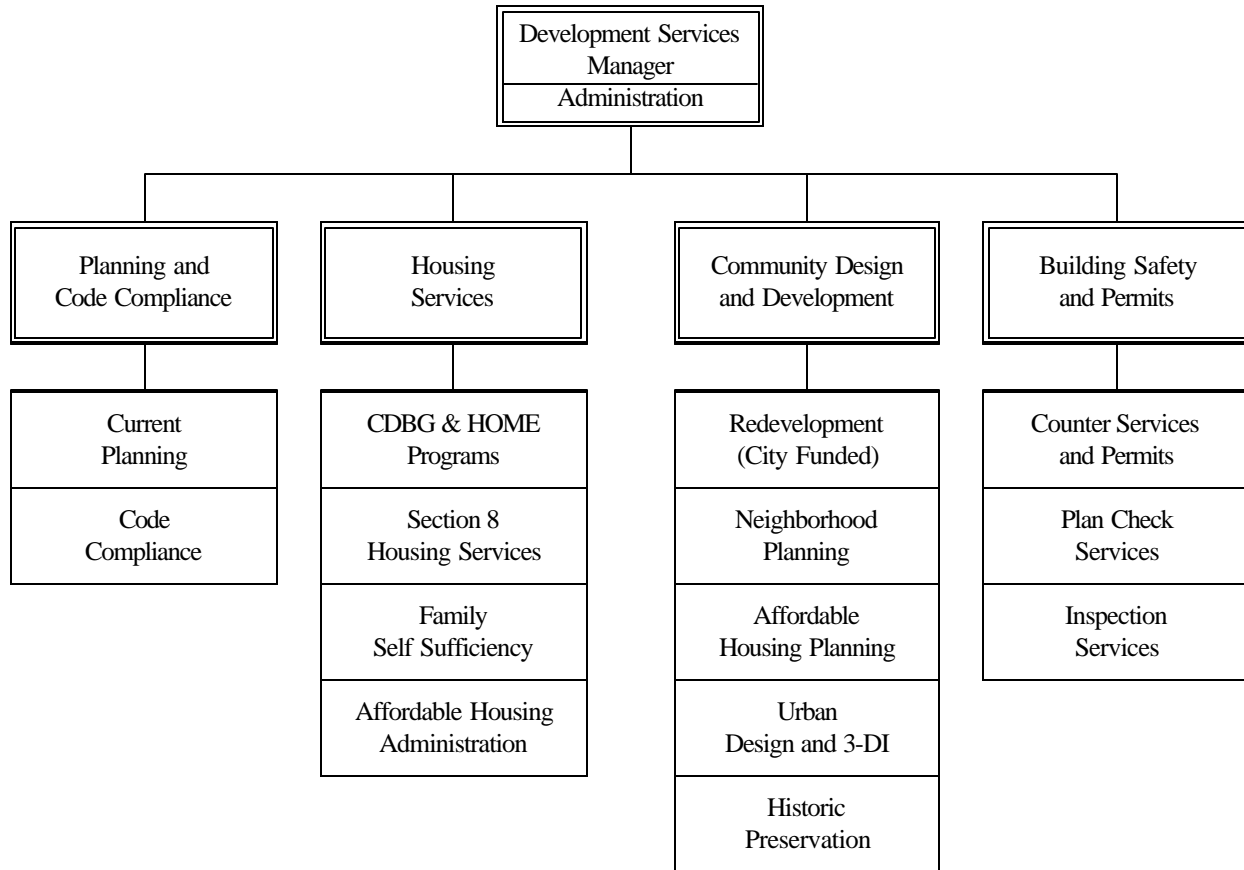
Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$6,141,799	\$ 6,473,752	\$ 6,438,359	\$6,131,991	\$6,324,661
Supplies and Services	5,240,916	5,114,434	4,966,355	5,021,270	5,021,270
Capital Outlay	1,140,951	755,810	745,955	831,500	831,500
Internal Services	\$(12,523,666)	\$(12,343,996)	\$(12,343,996)	\$(11,984,761)	\$(12,177,431)
Expenditure Total	\$0	\$0	(\$193,327)	\$0	\$0

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Administration	6			4			4		
Application Services	38			37			37		
Customer Support	9			8			8		
Technical Services	15			14			14		
Telecommunications	11			10			10		
Total	79			73			73		



Goal: To provide low cost, high quality computing and telecommunications services to City departments.					
Objective: 1) To operate in a cost-effective manner as measured by cost per computer workstation; and 2) maximize staff productivity as measured by computer workstations and telephone inventory.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal computer inventory	2,086	2,094	2,207	2,227	2,247
Percent change		0.38%	5.80%	0.91%	0.90%
Telephone inventory	2,865	2,891	2,899	2,925	2,945
Percent change		0.91%	1.19%	0.90%	0.68%
<i>Cost per computer and terminal workstation</i>	<i>\$4,626</i>	<i>\$4,690</i>	<i>\$4,325</i>	<i>\$4,151</i>	<i>\$4,187</i>

Comparative Benchmark



The Development Services Department is responsible for enhancing the quality of Tempe’s living environment and its economic base. The major divisions include Planning & Code Compliance, Housing Services (Section 8, Community Development Block Grant (CDBG) and Home Occupancy Made Easier (HOME)), Community Design & Development and Building Safety and Permits. Services provided are as follows: (1) current planning-Administrative support for Design Review, Board of Adjustment, Planning Commission, and City Council; (2) receive and investigate complaints of all alleged city code violations, and initiate action to abate violations; (3) recommend codes and ordinances, rules and regulations applicable to construction and property conservation; (4) check building plans and specifications of all proposed construction; (5) conduct on-site building inspections; (6) develop neighborhood plans; (7) provide affordable housing planning; (8) provide low interest housing rehabilitation loans for the elderly, persons with disabilities and low-income individuals and families; (9) provide rental assistance payments for the elderly, persons with disabilities and low-income individuals and families; (10) administer redevelopment and historic preservation programs; and (11) maintain



Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$6,353,691	\$7,093,343	\$6,424,327	\$5,874,667	\$6,071,205
Supplies and Services	7,398,042	7,941,454	10,640,202	10,276,541	10,265,266
Capital Outlay	17,289	0	93,418	4,800	4,800
Internal Services	882,954	1,180,679	1,180,679	779,147	810,756
Contributions	500,130	525,870	460,526	583,765	583,765
Contingencies	0	202,507	202,507	145,401	128,935
Expenditure Total	\$15,152,106	\$16,943,853	\$19,001,660	\$17,664,321	\$17,864,727
Per Capita	\$94.86	\$106.28	\$119.19	\$110.25	\$110.95

Expenditures by Division	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Development Services - Admin.	\$266,812	\$194,930	\$180,567	\$183,222	\$184,174
Planning	1,465,349	1,639,505	1,549,149	1,224,167	1,261,674
Code Compliance	990,721	1,020,708	1,090,812	1,112,054	1,148,645
Housing Services					
CDBG & HOME Grants	1,801,935	2,687,608	5,468,374	3,291,230	3,291,230
Section 8 Housing Grants	6,164,682	6,051,264	6,201,285	7,676,991	7,676,991
Community Design & Dev.	1,435,182	1,631,589	1,480,728	1,562,331	1,611,358
Building Safety & Permits	3,027,424	3,718,249	3,030,744	2,614,324	2,690,655
Total	\$15,152,106	\$16,943,853	\$19,001,660	\$17,664,321	\$17,864,727

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Administration	1			1			1		
Planning	17		1.86	16		1.86	16		1.86
Code Compliance	14			13			13		
Housing Services – CDBG & HOME	5			5			5		
Housing Services – Section 8	9			9			9		
Community Design & Development	17			11			11		
Building Safety & Permits	32	1.00		29		1.00	29		1.00
Total	95	1.00	1.86	84		2.86	84		2.86

Administration and Planning & Code Compliance



The Planning and Code Compliance Division is responsible for current planning, special projects, regulation of signs and code compliance. Services provided by this division are as follows; (1) Current Planning that is responsible for administrative support for Design Review, Board of Adjustment, Planning Commission, and City Council; (2) Special Projects is responsible for Special Projects, Public Relations & Presentations; (3) Sign Permits and inspections; and (4) Code Compliance which is responsible for inspecting residential, commercial and industrial properties for compliance with zoning, city code, sign and landscape standards and obtaining compliance when violations are observed.

2003-05 Highlights:

The Planning and Code Compliance Division staffing was reduced by 4 positions during the biennium as part of a citywide streamlining and cost reduction effort.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,104,258	\$2,281,175	\$2,245,809	\$1,967,726	\$2,037,699
Supplies and Services	124,462	141,093	140,043	113,743	113,743
Capital Outlay	16,495	0	1,800	1,800	1,800
Internal Services	295,757	327,875	327,875	301,317	306,394
Contributions	181,910	105,000	105,000	134,857	134,857
Expenditure Total	\$2,722,882	\$2,855,143	\$2,820,528	\$2,519,443	\$2,594,493
Per Capita	\$17.05	\$17.91	\$17.69	\$15.72	\$16.11

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Development Services-Admin.	1			1			1		
Current Planning	17		1.86	16		1.86	16		1.86
Code Compliance	14			13			13		
Total	32		1.86	30		1.86	30		1.86



Goal: To ensure the resources necessary to continue to provide the high level of quality services our Objective: 1) To monitor and minimize O&M costs by accurately comparing number of staff and benchmarks; and 2) target a score of 4.5 on the Customer Service Score Card.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Planning</i>					
Total O&M costs	\$1,465,349	\$1,731,269	\$1,549,149	\$1,224,167	\$1,261,674
Planner FTE positions	13	9.0	14.0	10.0	10.0
Planning and zoning cases processed	4,991	1,100	900	930	960
Percent change	(8)%	-	(19%)	3%	3%
Planning and zoning caseload per FTE	713	122	100	116	120
O&M per planning and zoning case	\$293.60	\$1,574	\$1,721	\$1,316	\$1,314
Customer service score card	N/A	4.5	4.5	4.5	4.5

Goal: To obtain compliance with City codes that relate to nuisances, property enhancements, rental Objective: 1) To respond to complaints and proactively pursue code violations within one day of receiving the complaint or observing the violation; and 2) resolve code issues within 40 days or less.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Code Enforcement</i>					
Total O&M costs	\$990,721	\$1,055,316	\$1,090,812	\$1,112,054	\$1,148,645
Total number of Code Inspectors	8.5	9	9	9	9
Number of days to resolve code violations	42	43	43	40	40
Code enforcement cases received	4,780	5,500	5,500	5,600	5,750
Code enforcement cases closed	4,719	5,500	5,500	5,600	5,750
O&M per code enforcement case	\$209	\$192	\$198	\$199	\$200
Cases per inspector per month	47	51	51	58	60

Housing Services (Section 8, CDBG & HOME)



The Housing Services Division provides the following services: (1) rehabilitation of structures with low-interest loans; (2) Section 8 rental assistance for the elderly, persons with disabilities and low-income individuals and families; (3) Community Development Block Grant (CDBG) and Home Occupancy Made Easier (HOME) program administration; (4) Family Self-Sufficiency Programs; (5) Fair Housing activities; and (6) Social Services funding through CDBG and HOME programs. Also included in this division is general funds for matching dollars for the HOME Programs and first-time homebuyer's program. General funds are also used for low interest rehabilitation loans for qualified applicants in the 81-120% income range.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	849,811	886,777	1,060,671	867,993	911,819
Supplies and Services	6,766,667	7,211,108	9,941,727	9,502,920	9,475,559
Capital Outlay	697	0	91,618	3,000	3,000
Internal Services	31,223	17,610	17,610	0	0
Contributions	318,220	420,870	355,525	448,908	448,908
Contingencies	0	202,507	202,507	145,401	128,935
Expenditure Total	7,966,618	8,738,872	11,669,659	10,968,222	10,968,221
Per Capita	\$49.87	\$54.81	\$73.20	\$68.46	\$68.12

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Community Development Block	4			4			4		
City Funded Development	1			1			1		
Section 8 Housing	9			9			9		
Total	14			14			14		



Goal: To preserve the City's neighborhoods and standard housing stock by providing housing assistance to low income people in Tempe, at standards required by the U.S. Department of Housing and Urban					
Objective: To increase the number of houses rehabilitated using federal Community Development Block Grant and HOME program funding, while maximizing staff productivity and controlling administrative costs.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Single family houses rehabilitated:					
Community Development Block Grant	41	60	50	60	60
HOME (Home Occupancy Made Easier) Program Funds	20	20	20	20	20
Households assisted per FTE staff – CDBG	11.36	15.0	15.0	26.0	26.0
O&M expenditures per household assisted - CDBG		\$44,793	\$35,954	\$40,319	\$40,040
First-time Homebuyer Program (CAMP) General Fund	25	30	30	30	30
Households Assisted per FTE	25	15	13	15	15

Goal: To provide decent, safe and sanitary housing for the City's low and moderate income citizens.					
Objective: To provide rental subsidies and family self-sufficiency guidance to low income people living in private rental housing within Tempe.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Households receiving rental subsidies	863	1,022	925	987	1,022
Housing certifications/inspections provided					
Certifications	381	400	400	350	400
Inspections	1,125	1,000	1,000	1,000	1,000
Households assisted per FTE staff - Section 8	95.9	113.6	77.1	109.7	113.6
O&M expenditures per household assisted - Section 8	\$7,143	\$4,910	\$6,569	\$7,626	\$7,364

Community Design and Development



The Community Design and Development Division is responsible for neighborhood planning, redevelopment, affordable housing planning, urban design & 3D imaging, historic preservation, statistics & demographics and major development project management for the City.

2003-05 Highlights:

The Community Design and Development Staff was reduced by 6 positions during the biennium as part of a citywide streamlining and cost reduction effort.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$916,938	\$1,083,037	\$932,176	\$863,883	\$894,350
Supplies and Services	431,767	449,577	449,577	551,202	567,289
Internal Services	86,477	98,975	98,975	147,246	149,719
Expenditure Total	\$1,435,182	\$1,631,589	\$1,480,728	\$1,562,331	\$1,611,358
Per Capita	\$8.98	\$10.23	\$9.29	\$9.75	\$10.01

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Community Design &									
Total	17			11			11		

Goal: To ensure the resources necessary to continue to provide the high level of planning, design and

Objective: To monitor and minimize operating and maintenance (O&M) costs associated with the delivery of the Division's services.

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
O&M costs	\$1,435,182	\$1,939,924	\$1,480,728	\$1,562,331	\$1,611,358
Planner FTE position	15	15	14	9	9

Building Safety and Permits



The Building Safety & Permits Division is responsible for enforcing City code pertaining to building, plumbing, electrical and mechanical installations, use, occupancy and location requirements. Services provided by this division are as follows: (1) recommend codes and ordinances, rules and regulations applicable to construction and property conservation; (2) check plans, specifications and calculations of all proposed construction, including alterations and additions for compliance with building code, ADA, and planning requirements prior to issuance of building permits; (3) conduct on-site inspections of new construction, alterations, additions, mobile home installations for compliance with all applicable code requirements; (4) receive and investigate complaints of all alleged building violations, and initiate action to abate violations; and (5) issue building, electrical, mechanical, plumbing, engineering, and fire permits related to private development.

2003-05 Highlights:

The Building Safety and Permits Division staff was reduced by 3 positions as part of a citywide streamlining and cost reduction effort.

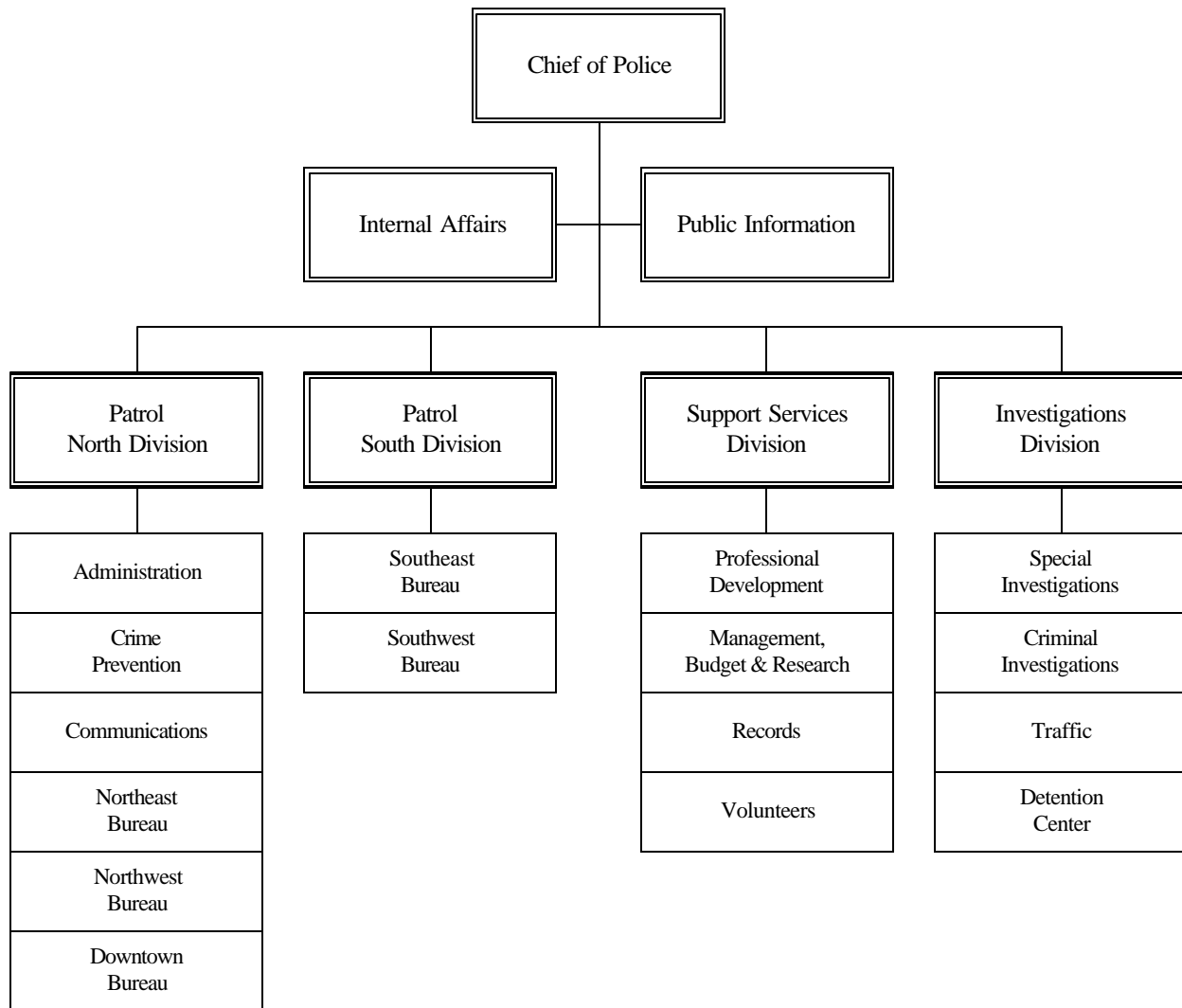
Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,482,684	\$2,842,354	\$2,185,671	\$2,175,065	\$2,227,337
Supplies and Services	75,146	139,676	108,854	108,675	108,675
Capital Outlay	97	0	0	0	0
Internal Services	469,497	736,219	736,219	330,584	354,643
Expenditure Total	\$3,027,424	\$3,718,249	\$3,030,744	\$2,614,324	\$2,690,655
Per Capita	\$18.95	\$23.32	\$19.01	\$16.32	\$16.71

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Building Safety & Permits	32	1.00		29		1.00	29		1.00
Total	32	1.00		29		1.00	29		1.00



Goal:	To verify through formal plan check and permit processes that plans, specs, and engineering calculations meet minimum requirements for adopted building codes, ADA, and planning & zoning ordinances.				
Objective:	To provide thorough, accurate, objective plan check services for all applicants within the following standard timeframes: new commercial building 20 days; new residential construction 12 days.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Plan Check</i>					
Total O&M	\$1,465,349	\$1,639,505	\$1,549,149	\$1,224,167	\$1,261,674
Total number of Plan Checkers	8	12.0	9.0	9.0	9.0
Building plans submitted	1,547	2,000	1,500	1,540	1,580
O&M per plan check	\$836	\$820	\$1,033	\$795	\$799
Plans checked per month (weighted)	146	167		140	145
Average plan review time (days):					
<i>New commercial building</i>	20	15	20	20	20
<i>New residential construction</i>	12	8	12	12	12

Goal:	To perform on-site inspections of commercial and residential buildings, and to inspect damaged				
Objective:	To consistently perform at least 33 inspections per inspector per day on a sustained basis without reducing the level of service or quality of inspections.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Building Inspection</i>					
Total O&M	3,027,424	\$3,027,424	\$3,718,249	\$3,030,745	\$2,614,325
Total number of Building Inspectors	10	14.0	10.0	10.0	10.0
Number of inspections performed	48,950	70,000	44,000	45,100	46,000
O&M per inspection	\$62	\$43	\$85	\$67	\$57
Inspections per inspector per day	31.9	33.0	34.9	33.0	33.0



The Police Department consists of Office of the Chief, Patrol, Support Services, and Investigations. The department’s responsibilities include effective and efficient police protection through investigations of criminal offenses, reinforcement of state laws and City ordinances, response to citizen requests for services, and maintenance of support services.

2003-05 Highlights:

The Police Department, which is considered a basic City service, was held relatively harmless in the biennial budget streamlining of personnel and operating costs process. The Police Department eliminated two non-sworn positions, froze three unfilled positions, and had operating cuts of less than \$100,000 of



Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$32,656,515	\$35,803,163	\$35,194,003	\$36,558,638	\$37,388,504
Supplies and Services	2,882,744	2,896,306	2,900,676	2,845,786	2,843,970
Capital Outlay	220,708	0	0	0	0
Internal Services	6,693,006	6,441,123	6,441,123	6,861,576	7,093,055
Expenditure Total	\$42,452,973	\$45,140,592	\$44,535,802	\$46,266,000	\$47,325,529

Expenditures by Division	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Office of the Chief	\$3,394,143	\$3,414,210	\$3,400,518	\$3,581,944	\$3,614,667
Patrol	18,266,838	18,961,654	18,993,221	19,707,494	20,312,693
Support Services	8,545,675	9,019,818	8,935,130	9,346,886	9,607,576
Investigations	12,246,317	13,744,910	13,206,933	13,629,676	13,790,593
Total	\$42,452,973	\$45,140,592	\$44,535,802	\$46,266,000	\$47,325,529
<i>Per Capita</i>	<i>\$266.27</i>	<i>\$283.15</i>	<i>\$279.35</i>	<i>\$288.76</i>	<i>\$293.91</i>

Comparative Benchmark

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Office of the Chief	12			12			12		
Patrol	218		3.29	222		3.29	222		3.29
Support Services	135	1.00	1.70	133	1.00	1.70	133	1.00	1.70
Investigations	153		1.26	148		1.26	148		1.26
Total	518	1.00	6.25	515	1.00	6.25	515	1.00	6.25
Sworn	340			339			339		
Non-Sworn	<u>178</u>			<u>176</u>			<u>176</u>		
Total	<u>518</u>			<u>515</u>			<u>515</u>		

Office of the Chief



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.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$970,119	\$821,180	\$833,759	\$1,285,813	\$1,309,334
Supplies and Services	1,431,015	1,379,177	1,352,907	1,362,874	1,361,059
Capital Outlay	29,851	0	0	0	0
Internal Services	963,158	1,213,853	1,213,853	933,257	944,274
Expenditure Total	\$3,394,143	\$3,414,210	\$3,400,519	\$3,581,944	\$3,614,667
Per Capita	\$ 21.29	\$21.42	\$21.33	\$22.36	\$22.45

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Office of the Chief	12			12			12		
Total	12			12			12		



Goal: To uphold and enforce the laws of the State and City through professional law enforcement, and maintain the department's awareness of how the public perceives the department.

Objective: 1) To maintain or improve clearance rate of Part 1 crimes; 2) maintain at a minimum of 90% the level of citizens' satisfaction with police services as measured by the annual citizen survey; and 3) efficiently manage resources to meet the needs of citizens with less than 2.11 sworn full-time equivalents (FTE) per 1,000 capita.

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Part 1 Crimes-Property	15,961	15,818	14,706	17,941	19,367
Clearance Rate	14.8%	18.7%	14.8%	18.7%	18.7%
Part 1 Crimes-Persons	610	784	955	1,388	1,552
Clearance Rate	61.8%	52.6%	61.8%	61.8%	61.8%
<i>Part I Crimes Per 1,000 Capita</i>	<i>104</i>	<i>104</i>	<i>96</i>	<i>121</i>	<i>130</i>
Citizen satisfaction		82	90	90	90
<i>O&M Cost Per Capita</i>	<i>266</i>	<i>283</i>	<i>279</i>	<i>289</i>	<i>294</i>
<i>Sworn FTE's per Capita (1,000)</i>	<i>2.11</i>	<i>2.11</i>	<i>2.06</i>	<i>2.12</i>	<i>2.11</i>
Percent change		0.0%	(2.5%)	2.7%	(0.5%)
<i>Non-Sworn FTE's per Capita (1,000)</i>	<i>1.06</i>	<i>1.07</i>	<i>1.04</i>	<i>1.10</i>	<i>1.09</i>

Comparative Benchmark

Patrol



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

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$14,679,601	\$15,750,615	\$15,771,697	\$15,844,075	\$16,339,480
Supplies and Services	273,004	310,836	321,320	299,772	299,772
Capital Outlay	139,934	0	0	0	0
Internal Services	3,174,299	2,900,203	2,900,204	3,563,647	3,673,441
Expenditure Total	\$18,266,838	\$18,961,654	\$18,993,221	\$19,707,494	\$20,312,693
Per Capita	\$114.57	\$118.94	\$119.14	\$123.00	\$126.15

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Patrol	218		3.29	222		3.29	222		3.29
Total	218		3.29	222		3.29	222		3.29



Goal:	To effectively answer "911" requests for Police, Fire, and emergency medical calls, and to provide proactive neighborhood programs.				
Objective:	1) To respond to all citizen calls for police services; respond to accident emergency calls within an average of 5:00 minutes; and 2) maintain or increase neighborhoods participating in the Crime				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
"911" calls answered	4,883	4,979	4,979	5,077	5,153
Percent change	-	2.0%	2.0%	2.0%	1.5%
<i>Citizen calls for police service</i>	<i>131,471</i>	<i>141,492</i>	<i>133,675</i>	<i>135,000</i>	<i>135,000</i>
Percent change	-	2.0%	1.7%	2.0%	1.5%
<i>Average response time to emergency calls</i>	<i>5:25</i>	<i>5:30</i>	<i>4:59</i>	<i>4:59</i>	<i>4:59</i>
Operating expenses per citizen calls	\$138.94	\$134.01	\$142.09	\$145.98	\$150.46
Neighborhoods with Crime Watch Program	300	300	300	300	300

Comparative Benchmark

Support Services



The Support Services Division is comprised of Personnel Services, Communications, Records, Operations Support, Public Information, and Volunteers in Policing. Support Services is responsible for providing comprehensive support services to the entire Police Department. Services provided by this division are as follows: (1) to answer all incoming calls and provide 24-hour dispatch service; (2) to provide radio communications between the police station and all patrol field units; (3) to provide full service police records management services; (4) to respond to media requests for information; (5) to recruit, test, and hire sworn police officers and civilian personnel; (6) to provide in-service training programs; (7) to investigate internal complaints and liaison with the Tempe Citizens' Panel for Review of Police Complaints and Use of Force; (8) to provide jail and booking service and transport all prisoners to the City Court; (9) to update and implement organizational policy and procedure; (10) to process and maintain all impounded property; and (11) to provide crime scene photography and evidence collection services.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$7,227,644	\$7,817,810	\$7,723,980	\$8,115,669	\$8,359,427
Material and Supplies	364,288	317,538	326,681	310,756	310,756
Fees and Services/Travel	142,404	102,587	102,587	99,587	99,587
Internal Services	811,339	781,883	781,882	820,874	837,806
Expenditure Total	\$8,545,675	\$9,019,818	\$8,935,130	\$9,346,886	\$9,607,576
Per Capita	\$53.60	\$56.58	\$56.05	\$58.34	\$59.67

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Support Services	135	1.00	1.70	133	1.00	1.70	133	1.00	1.70
Total	135	1.00	1.70	133	1.00	1.70	133	1.00	1.70

Investigations



The Investigations Division is comprised of Criminal Investigations, Special Investigations, Special Services, and Traffic Investigations. The Investigations Division is responsible for investigating felony, misdemeanor crimes; working in the schools; providing undercover and narcotics investigations, testifying in court, and providing basic services in the Downtown and Rio Salado areas. Services provided by this division are as follows: (1) investigate and report incidents of crime; (2) investigate and report motor vehicle accidents; (3) investigate and clear Part I and Part II crimes against persons and property; (4) investigate and prevent traffic accidents; (5) develop selective enforcement programs against special or increasing crime problems; and (6) provide specialty services including Mounted and K-9 functions.

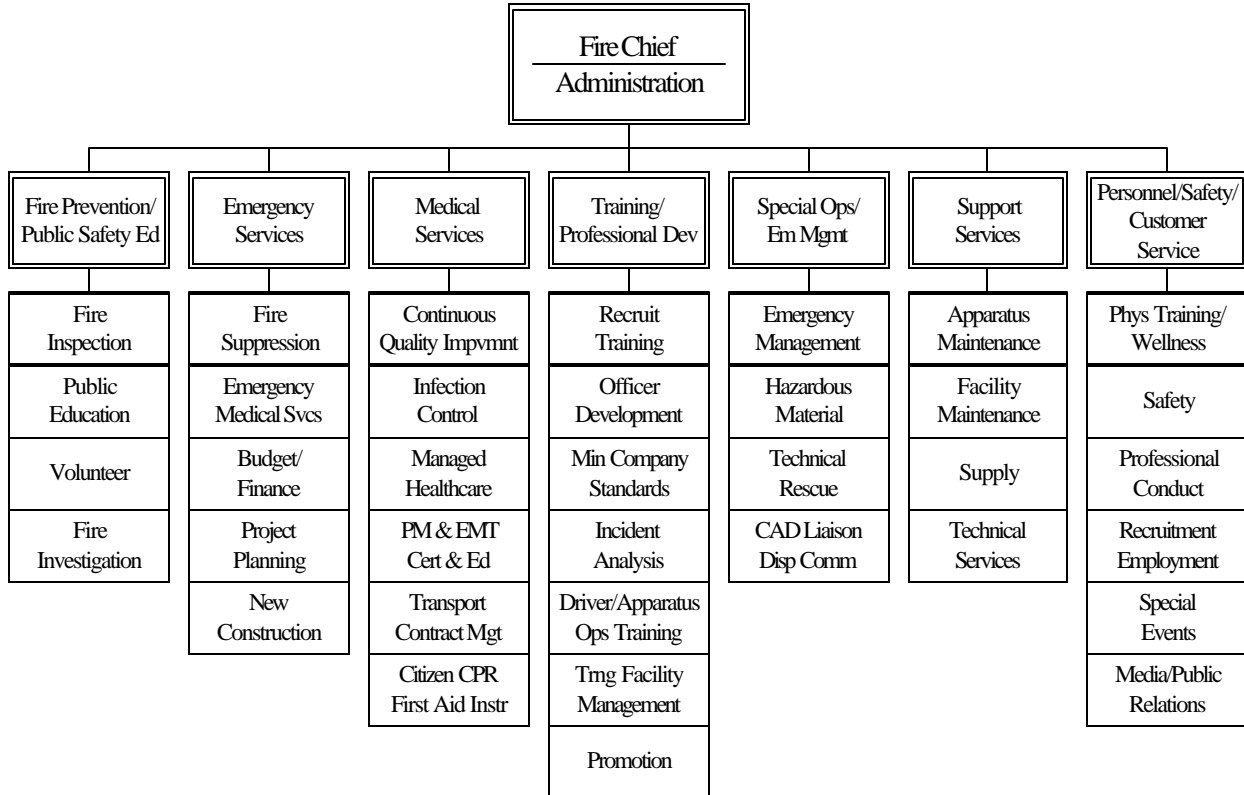
Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$9,779,149	\$11,413,558	\$10,864,566	\$11,313,082	\$11,380,263
Supplies and Services	328,969	325,169	336,182	312,685	312,685
Capital Outlay	393,989	460,999	460,999	460,112	460,112
Internal Services	1,744,210	1,545,184	1,545,186	1,543,797	1,637,533
Expenditure Total	\$12,246,317	\$13,744,910	\$13,206,933	\$13,629,676	\$13,790,593
Per Capita	\$76.81	\$86.22	\$82.84	\$85.07	\$85.64

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Investigations	153		1.26	148		1.26	148		1.26
Total	153		1.26	148		1.26	148		1.26



Goal: To investigate and clear cases assigned to the Criminal Investigations Division.					
Objective: To effectively manage property caseload per investigator.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Property cases assigned	3,061	1,662	3,100	3,100	3,100
Cases per investigator	117	128	117	117	117

Goal: To investigate and clear cases assigned to the Criminal Investigations Division.					
Objective: To effectively manage persons caseload per investigator.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Persons cases assigned	2,233	2,937	2,200	2,200	2,200
Cases per investigator	170	113	170	170	170



The Fire Department consists of Administration and Fire Prevention, Emergency and Medical Services, Training and Professional Development, Special Operations, Support Services, and Personnel Safety Divisions.

The Department's operational areas include administrative services, fire suppression, emergency management, emergency medical services, hazardous materials control, technical rescue, communications, equipment and facilities maintenance, training, fire prevention and inspection, and public

2003-05 Highlights:

During the Biennial Budget, there are two key activities which will take place in the Fire Department. First, is the completion and opening of the new Fire Station 6 at 655 S. Ash Ave. Completion of the facility is scheduled for early September 2003. With the opening of this station, we will close the old station at 1000 E. University Dr. Second, is taking possession of a new 114 foot "Bronto" aerial ladder truck scheduled to arrive in January 2004.



Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$11,715,101	\$12,408,529	\$12,298,548	\$12,918,858	\$13,154,619
Supplies and Services	1,044,047	1,049,255	1,003,328	985,682	985,682
Capital Outlay	176,571	650,190	644,957	294,000	294,000
Internal Services	1,313,444	1,073,218	1,073,218	1,177,589	1,191,120
Contributions	11,089	13,000	11,773	13,000	13,000
Expenditure Total	\$14,260,252	\$15,194,192	\$15,031,824	\$15,389,129	\$15,638,421
<i>Per Capita</i>	<i>\$89.44</i>	<i>\$95.31</i>	<i>\$94.29</i>	<i>\$96.05</i>	<i>\$97.12</i>

Comparative Benchmark

Expenditures by Division	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Administration and Fire	\$2,571,759	\$2,565,953	\$2,451,419	\$2,521,669	\$2,559,090
Emergency and Medical	10,116,871	10,636,690	10,431,303	11,013,406	11,207,630
Training and Professional	300,251	321,385	333,235	305,065	307,840
Special Operations	233,060	204,986	354,987	247,814	250,693
Support Services and Personnel	1,038,311	1,465,178	1,460,880	1,301,175	1,313,168
Total	\$14,260,252	\$15,194,192	\$15,031,824	\$15,389,129	\$15,638,421

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Administration and Fire	19			17			17		
Emergency and Medical	128			128			128		
Training and Professional	3			3			3		
Special Operations	3			3			3		
Support Services	6	0.5		5	1.00		5	1.00	
Total	159	0.5		156	1.00		156	1.00	

Administration and Fire Prevention/Personnel Safety



Administration is responsible for general policy and direction of the department, as delineated in the Six Year Strategic Plan and Operational Guide, by providing management and leadership for the operating divisions within the Fire Department. Development and administration of the budget, recruitment, member safety and wellness program management are also basic responsibilities of Administration.

The basic responsibility of the Fire Prevention Division is the prevention of fires through inspection and code enforcement, public safety education, and the investigation of fires. Services include: (1) inspection of commercial properties, hospitals, nursing homes, child care facilities, and vacant building and land parcels; (2) response to citizen fire hazard complaints; (3) approval of plans for and inspections of new construction; (4) determination of cause and origin of fires; (5) investigation of false alarms; and (6) public safety education programs.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$1,447,375	\$1,561,987	\$1,484,776	\$1,477,032	\$1,501,860
Supplies and Services	24,481	22,622	19,032	15,000	15,000
Capital Outlay	138,496	180,492	146,759	170,727	170,727
Internal Services	961,406	800,852	800,852	858,910	871,503
Expenditure Total	\$2,571,758	\$2,565,953	\$2,451,419	\$2,521,669	\$2,559,090
Per Capita	\$16.13	\$16.10	\$15.38	\$15.74	\$15.89

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Administration	8			6			6		
Fire Prevention and Person-	11			11			11		
Total	19			17			17		

Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Goal: To provide high quality cost efficient fire services.					
Objective: To efficiently manage resources to meet the needs of citizens with 7.7 sworn full-time equivalents (FTE) per capita and .15 fire stations per square mile.					
Department cost per fire employee	89,406	95,261	95,744	98,020	99,608
Firefighters per capita (10,000)	7.84	7.84	7.84	7.80	7.76
Non-Firefighters per capita (10,000)	2.16	2.16	2.01	2.00	1.99
Companies per capita (10,000)	0.056	0.056	0.056	0.056	0.056
Fire Stations per capita (10,000)/square	.31/.13	.38/.15	.38/.15	.37/.15	.37/.15
Insurance Services Office (ISO) rating	2	2	2	2	2
Operating Expenditures per \$100,000 of property protected	1,051	1,043	1,032	911	926
Percent Change		(0.76%)	(0.02%)	(11.70%)	1.62%

Comparative Benchmark



Emergency and Medical Services

The basic responsibility of Emergency Services is to deliver rapid effective service when fire, medical and other hazardous emergencies occur. These services are extended through the use of seven engine companies and two ladder trucks located at six fire stations throughout the City. Services provided by this division are as follows: (1) respond to and extinguish fires, prevent fires in cases of fuel spills and electrical malfunctions, and deliver effective medical and rescue services; (2) deliver emergency medical training and paramedic level medical services for injuries, illnesses, and accidents; (3) respond to and control hazardous materials emergencies; (4) conduct company fire prevention inspections; and (5) provide technical rescue services.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$9,541,375	\$10,087,362	\$9,897,029	\$10,588,984	\$10,783,208
Supplies and Services	433,667	424,503	414,682	395,422	395,422
Capital Outlay	139,333	124,825	119,592	29,000	29,000
Internal Services	2,496	0	0	0	0
Expenditure Total	\$10,116,871	\$10,636,690	\$10,431,303	\$11,013,406	\$11,207,630
Per Capita	\$63.45	\$66.72	\$65.43	\$68.74	\$69.60

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Emergency Services	125			125			125		
Medical Services	3			3			3		
Total	128			128			128		

Goal: To provide efficient response to fire, medical, hazardous materials, and rescue emergencies.					
Objective: 1) To reduce safe emergency responses by an average of five seconds; and 2) maintain a 99% or better citizen satisfaction with fire and paramedic services.					
Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Responses to fire alarms	2,430	2,440	2,300	2,400	2,450
Responses to emergency medical inci-	12,296	14,900	12,400	12,600	12,900
Responses to special operations inci-	141	95	65	75	80
Responses to other emergency services	1,936	1,810	2,000	2,050	2,100
<i>Average emergency response time in minutes (from call receipt to arrival)</i>	<i>4:13</i>	<i>5:00</i>	<i>4:30</i>	<i>4:25</i>	<i>4:25</i>
% of emergency responses taking 5.0 minutes or less	68%	75%	69%	72%	74%
<i>Calls per capita (1,000)</i>	<i>105</i>	<i>121</i>	<i>105</i>	<i>107</i>	<i>109</i>
Percent change		14.5%	(0.2%)	1.6%	1.9%
Citizen Satisfaction with Fire/Paramedic Services	99%	-	-	99%	-

Comparative Benchmark

*Calls do not include alarm processing time

Training/Professional Development



Training/Professional Development includes all categories of departmental training including recruits, officer development, driver training, and minimum company standards. Incident analysis is another method used to improve the quality of our service by reviewing emergency incidents and applying lessons learned. All promotional and assignments tests are administered through this section. Section provides oversight and maintenance of Department personnel certifications.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$240,789	\$258,184	\$269,934	\$250,789	\$253,564
Supplies and Services	6,867	5,725	5,300	4,000	4,000
Fees and Services/Travel	52,595	57,476	58,001	50,276	50,276
Expenditure Total	\$300,251	\$321,385	\$333,235	\$305,065	\$307,840
Per Capita	\$1.88	\$2.02	\$2.09	\$1.90	\$1.91

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Training/Professional	3			3			3		
Total	3			3			3		

Goal:	To provide training and evaluation standards for all phases of emergency services.				
Objective:	1) To evaluate all Emergency Services Division personnel quarterly for compliance with Tempe Fire Department standards relating to fireground, EMS and special operations procedures; and 2) maintain current percentages of completion.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Percentage of companies completing minimum company standards evaluations	100%	100%	100%	100%	100%
Percentage of individuals who successfully attain compliance with minimum company standards	98%	98%	100%	100%	100%
Percentage of individuals who successfully attain self contained breathing apparatus proficiency compliance	98%	98%	100%	100%	100%

Special Operations



Special Operations involves oversight of development, training, and certification of all special type emergency procedures including hazardous materials and technical rescue (high angle, confined space, swift water, etc.).

The Fire Department is charged with management of the City's emergency preparedness plan for disaster type issues. This includes development and maintenance of the plan, conducting disaster drills, and coordination of disaster preparedness with the County.

Also under the auspices of this section is dispatch liaison with the City of Phoenix Fire Dispatch Center. This includes helping to draft and implement policy and coordination of the technical aspect relevant to Tempe.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$127,963	\$117,014	\$271,542	\$205,679	\$208,558
Supplies and Services	57,629	34,307	31,007	29,135	29,135
Contributions	11,089	13,000	11,773	13,000	13,000
Capital Outlay	36,379	40,665	40,665	0	0
Expenditure Total	\$233,060	\$204,986	\$354,987	\$247,814	\$250,693
Per Capita	\$1.46	\$1.29	\$2.23	\$1.55	\$1.56

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Special Operations	3			3			3		
Total	3			3			3		

Goal:	To provide efficient response to emergencies that involve hazardous materials.				
Objective:	To effectively manage the number of first responders.				
Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
First responders	102	102	101	101	101
Hazardous materials technicians	24	24	24	24	24
First responders per technician	4.3	4.3	4.2	4.2	4.2

Support Services

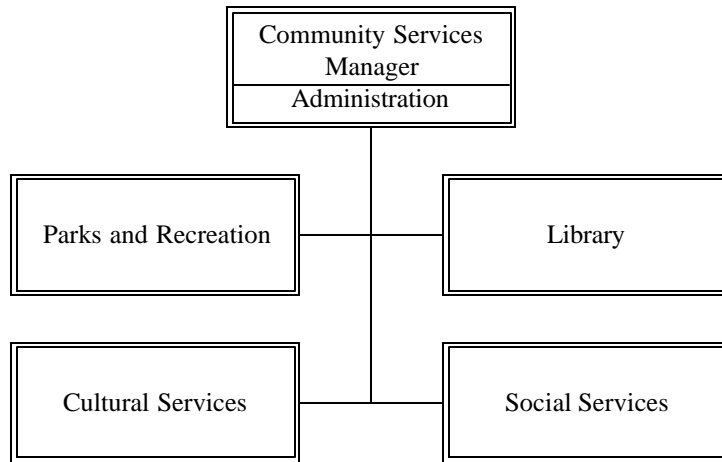


Primary responsibilities of Support Services and Personnel Safety include equipment maintenance and repair, apparatus construction management, maintaining the Department's communications systems, and writing equipment bid specifications. In addition, the division orders and distributes fire-fighting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

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$357,600	\$383,982	\$375,267	\$396,373	\$407,429
Supplies and Services	330,414	324,130	328,547	321,122	321,122
Capital Outlay	859	484,700	484,700	265,000	265,000
Internal Services	349,438	272,366	272,366	318,680	319,617
Expenditure Total	\$1,038,311	\$1,465,178	\$1,460,880	\$1,301,175	\$1,313,168
Per Capita	\$6.51	\$9.19	\$9.16	\$8.12	\$8.16

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Support Services	6	0.5		5	1.00		5	1.00	
Total	6	0.5		5	1.00		5	1.00	

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 schedule.				
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Vehicles maintained	21	21	21	22	23
Preventive maintenance inspections	252	252	252	258	276
Percent completed within PM schedule	100%	100%	100%	100%	100%



The Community Services Department consists of Administration, Parks & Recreation, Library, Cultural Services, and Social Services Divisions.

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



Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$12,707,432	\$13,492,965	\$12,750,221	\$12,719,873	\$13,040,180
Supplies and Services	3,355,721	2,752,772	2,670,394	2,580,378	2,880,378
Capital Outlay	88,511	39,500	39,500	0	0
Internal Services	2,266,236	2,607,532	2,607,532	2,443,326	2,503,537
Contributions	36,977	62,324	62,324	62,324	62,324
Expenditure Total	\$18,454,877	\$18,955,093	\$18,129,971	\$17,805,901	\$18,486,419
Per Capita	\$115.53	\$118.90	\$113.72	\$111.13	\$114.81

Expenditures by Division	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Administration	\$565,980	\$554,498	\$541,473	\$503,529	\$512,125
Parks and Recreation	5,949,287	6,103,483	5,745,333	5,964,800	6,084,365
Library	4,356,351	4,553,244	4,402,875	4,399,697	4,488,484
Cultural Services	1,524,732	1,635,508	1,468,617	3,118,015	3,498,918
Social Services	6,058,525	6,108,360	5,971,673	3,819,859	3,902,526
Total	\$18,454,877	\$18,955,093	\$18,129,971	\$17,805,901	\$18,486,419

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Community Services Admin. and	39	4.25	66.87	37	4.25	67.87	37	4.25	67.87
Library	35	7.00	9.84	34	4.75	9.84	34	4.75	9.84
Cultural Services	14	0.50	8.02	14	1.50	8.02	14	1.50	8.02
Social Services	39	17.90	62.10	41	2.15	81.49	41	2.15	81.49
Total	127	29.65	146.83	126	12.65	167.22	126	12.65	167.22

Administration and Parks & Recreation



Community Services Administration is responsible for overall management of the City's recreation, library, cultural, and social services resources. In this role, Administration manages services provided at municipal parks, golf courses, stadium facilities, swimming pools, the Tempe Public Library, the Tempe Historical Museum, the Pyle Adult Recreation Center, the Vihel Cultural Center, and at community events occurring throughout the city.

Services provided by Parks and Recreation are as follows: (1) facilities coordination and scheduling; (2) general recreation; (3) special recreation for retired citizens; (4) instructional programs; (5) community special events; (6) aquatics maintenance and programming; (7) baseball and softball programs; (8) oversight of golf course operations; and (9) park planning and design.

2003-05 Highlights:

During FY 2003-2005, Parks & Recreation will: assume management of the lease for the Westside Community Center, coordinate special events for economic development and tourism, redevelop and renovate Tempe Diablo Stadium Complex, coordinate the design and construction for Phase I of the expansion and renovation of Tempe Double Butte Cemetery, complete the design and construct a skateboard park, renovate ramadas and install a new playground at Kiwanis Community Park, construct Phase II of Tempe Sports Complex, develop an Arizona Diamondbacks "Field of Dreams" baseball field in the community and continue to refine the adapted recreation programs and the boating instructional

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$4,220,518	\$4,506,806	\$4,223,137	\$4,643,629	\$4,741,675
Supplies and Services	1,596,219	1,287,911	1,200,405	1,156,938	1,156,938
Capital Outlay	20,530	35,000	35,000	0	0
Internal Services	641,023	765,940	765,940	605,438	635,553
Contributions	36,977	62,324	62,324	62,324	62,324
Expenditure Total	\$6,515,267	\$6,657,981	\$6,286,806	\$6,468,329	\$6,596,490
Per Capita	\$40.79	\$41.76	\$39.43	\$40.37	\$40.97

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Administration	3		0.52	3		0.52	3		0.52
Parks and Recreation	36	4.25	66.35	34	4.25	67.35	34	4.25	67.35
Total	39	4.25	66.87	37	4.25	67.87	37	4.25	67.87



Goal: 1) To provide quality recreation services to the community, to coordinate the effective use of community facilities; and 2) provide a wide variety of leisure opportunities.

Objective: 1) To provide recreational opportunities at a cost that compares favorably with other cities as measured by cost per capita; and 2) maintain 95% citizen satisfaction with parks and recreation

Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>O&M cost per capita</i>	\$36.71	\$39.19	\$35.10	\$36.08	\$36.43
Parks & Recreation revenue	\$2,087,133	\$2,006,543	\$1,818,009	\$1,910,600	\$2,235,600
Cost Recovery	35%	33%	32%	32%	37%
Percentage of citizens who have used a City park or recreation program in the past 12 months	78%	-	-	80%	80%
Percentage of citizens who rate parks and recreation facilities as satisfactory	95%	-	-	95%	95%

Comparative Benchmark



The Tempe Public Library serves the needs of the citizens of Tempe by providing books, audio-visual materials, and computer-based information resources to inform, instruct, and entertain people of all ages, levels of ability, and educational backgrounds. Services provided by this division are as follows: (1) check-out of print and audio-visual materials; (2) reference and reader's advisory services; (3) children's story hours, reading incentive programs, lecture and discussion programs, book discussion groups, and class visits; (4) community outreach; (5) inter-library loan service; (6) computer and Internet instructional classes; (7) public access computing; and (8) In-house and remote access to electronic information resources via the library Web site and online public catalog.

2003-05 Highlights:

The biennial budget reflects a streamlined process for the delivery of library services to the community. By using self-service technology and processes wherever possible, quality library services and

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,679,789	\$2,842,764	\$2,696,645	\$2,710,076	\$2,783,770
Supplies and Services	858,190	781,300	777,050	772,879	772,879
Capital Outlay	1,533	0	0	0	0
Internal Services	816,839	929,180	929,180	916,742	931,835
Expenditure Total	\$4,356,351	\$4,553,244	\$4,402,875	\$4,399,697	\$4,488,484
Per Capita	\$27.27	\$28.56	\$27.62	\$27.46	\$27.87

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Library	35	7.00	9.84	34	4.75	9.84	34	4.75	9.84
Total	35	7.00	9.84	34	4.75	9.84	34	4.75	9.84



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

Objective: To increase community usage of the library's collection and electronic research resources.

Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Library visitors (door count)	1,027,642	911,014	1,015,579	1,035,890	1,035,890
Registered borrowers	151,711	167,483	147,160	147,160	147,160
Percent change	(8%)	0.5%	(12%)	0%	0%
Circulation	1,265,451	1,123,650	1,304,680	1,330,774	1,330,774
Percent change	15%	1.0%	16%	2%	0%
Public Computer Usage	162,181	128,878	162,181	162,181	162,181
Percent Change	36%	3%	26%	0%	0%
<i>Operating cost per volume circulated</i>	<i>\$3.44</i>	<i>\$4.23</i>	<i>\$3.37</i>	<i>\$3.31</i>	<i>\$3.37</i>
<i>Library FTE per 1,000 population</i>	<i>0.34</i>	<i>0.28</i>	<i>0.32</i>	<i>0.29</i>	<i>0.29</i>
<i>Circulation per capita</i>	<i>7.81</i>	<i>6.9</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>

Comparative Benchmark



The Cultural Services Division includes four program areas: Tempe Historical Museum, Community Arts Program, Fine Arts Program, and Tempe Center for the Arts. Services include management of the Peterson House, Vihel Center for the Arts, the Tempe Performing Arts Center, exhibits, community arts and cultural classes, grants for arts organizations and schools, and public art. The Division is also overseeing the design and development of the new Tempe Center for the Arts.

2003-05 Highlights:

The biennial budget reflects a streamlined approach to services provided through the Cultural Services

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$1,154,841	\$1,264,717	\$1,097,827	\$2,653,409	\$2,731,030
Supplies and Services	163,338	181,928	181,927	257,200	557,200
Capital Outlay	36,785	4,500	4,500	0	0
Internal Services	169,768	184,363	184,363	207,406	210,688
Expenditure Total	\$1,524,732	\$1,635,508	\$1,468,617	\$3,118,015	\$3,498,918
Per Capita	\$9.55	\$10.26	\$9.21	\$19.46	\$21.73

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Cultural Services	12	0.5	8.02	11	1.0	8.02	11	1.0	8.02
Performing Arts	2			3	0.5		3	0.5	
Total	14	0.5	8.02	14	1.5	8.02	14	1.5	8.02



Goal: To collect, record, and preserve tangible aspects of Tempe's past; and present and interpret Tempe's history to the general public.					
Objective: 1) To maintain the number of catalogued objects in the permanent artifact collections of the Tempe Historical Museum; and 2) increase public visitation at the Historical Museum and Peterson House					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Objects catalogued	3,000	3,000	3,000	3,000	3,000
Visitors to Historical Museum and Peterson House	15,000	15,000	21,000	19,000	19,000

Goal: To provide quality arts programming to the community, facilitate the effective use of arts facilities, and provide a diverse array of arts opportunities.					
Objective: 1) To support arts programming through grants funding of arts organizations and schools; and 2)					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Program enrollment	5,308	5,500	5,500	5,500	5,500
Arts Classes revenues	\$123,243	\$124,000	\$124,000	\$124,000	\$138,000
Grants provided to Art Organizations and Schools	\$126,325	\$130,000	\$114,235	\$122,500	\$122,500
Participants reached through grants	215,000	220,000	204,100	210,000	210,000

Social Services



The Social Services Division provides a wide array of services for Tempe youth and families. Activities and services are offered to all age groups in order to promote positive and healthy lifestyles. Services for youth include pre-school programs at the Escalante and West Side Multigenerational Centers, Kid Zone before and after school enrichment program, Teen Zone which encourages youth involvement in positive activities and services, and the Youth Employment Program which promotes strong work values and assists youth in exploring career opportunities. Residents of all ages may participate in State Licensed Counseling and/or Crisis Intervention Services. The Diversion/Probation Program provides a constructive program of case management, assessment, counseling and community service to individuals referred from Tempe City Court.

2003-05 Highlights:

The biennial budget allows for program restructuring through partnerships and collaborations to ensure

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$4,652,284	\$4,878,678	\$4,732,612	\$2,712,759	\$2,783,705
Supplies and Services	737,972	501,633	511,012	393,360	393,360
Capital Outlay	29,663	0	0	0	0
Internal Services	638,606	728,049	728,049	713,740	725,461
Expenditure Total	\$6,058,525	\$6,108,360	\$5,971,673	\$3,819,859	\$3,902,526
Per Capita	\$37.93	\$38.31	\$37.46	\$23.84	\$24.24

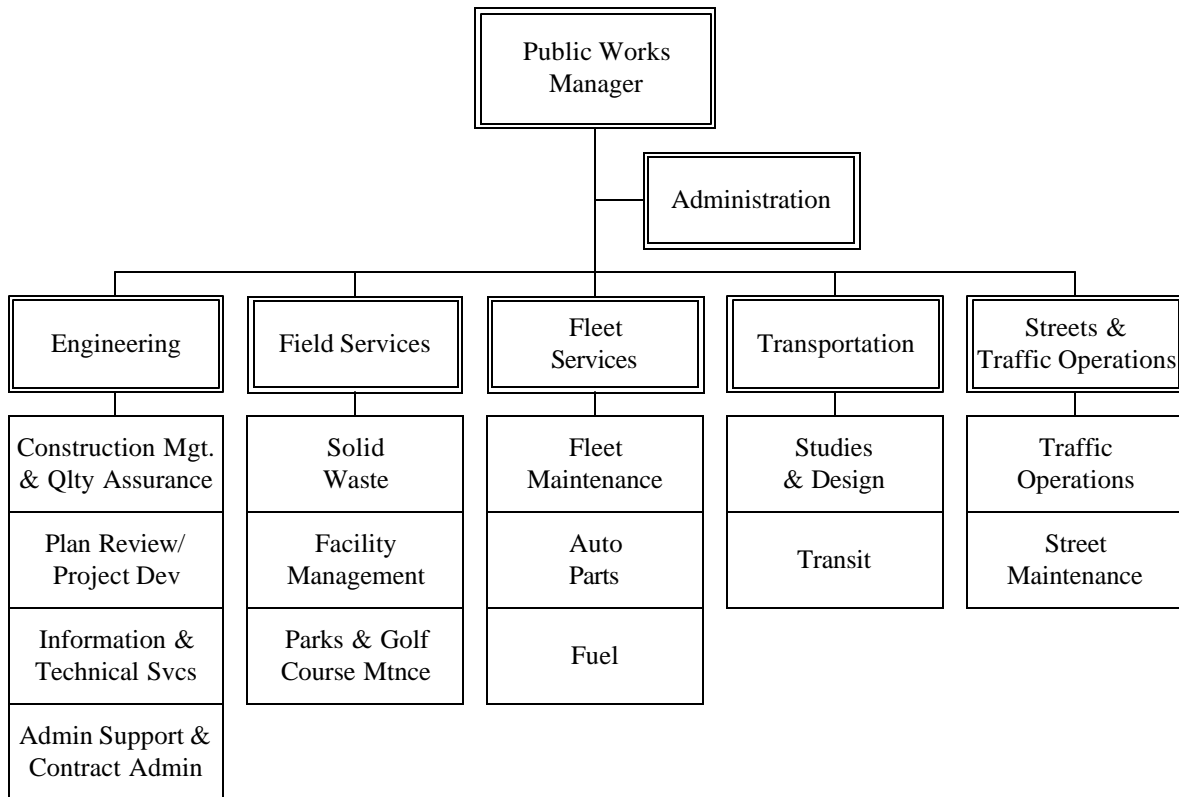
Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Social Services/Administration	33	3.90	14.67	22	2.15	15.56	22	2.15	15.56
Social Services/ KID ZONE	6	14.00	47.43	19		65.93	19		65.93
Total	39	17.90	62.10	41	2.15	81.49	41	2.15	81.49



Goal: To promote healthy family atmospheres by providing education classes for youth and adults.					
Objective: To maintain a 95% level of satisfaction with the quality of community education among participants.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Kid Zone Participants	3,294	3,350	3,240	3,350	3,350
Escalante Usage contacts*	126,596	-	135,512	142,288	149,402
Teen Leadership/Recognition contacts*	-	-	1,090	1,090	1,090
Care 7 number served*	3,539	3,500	3,494	3,400	3,500
Level of Satisfaction	95%	95%	95%	95%	95%

Goal: 1) To redirect adult first-time offenders into positive community activities by providing counseling and educational programs; 2) provide case management services for offenders assigned to probation by the court to participate in counseling, domestic violence and drug and alcohol treatment programs'; and 3) provide screening services for offenders referred by the court to					
Objective: 1) To attain a success rate of 75% for adult diversion clients; 2) attain a success rate of 60% for probation clients; and 3) attain a success rate of 80% for screening services clients.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
New Adult Diversion Program	846	1,150	773	850	850
New Probation	284	200	305	300	300
New Screenings	1,066	900	1,124	1,000	1,000
Percent Completion:					
Adult diversion clients	77%	75%	79%	75%	75%
Probation clients	75%	60%	60%	60%	60%
Screening services	82%	80%	82%	80%	80%

* New measure



The Public Works Department consists of Administration and Engineering, Field Services, Fleet Services, Transportation, and Streets and Traffic Operations.

The Engineering Division provides CIP project implementation, utility management, real estate services, property addressing, right-of-way permitting, project design, and construction management.

Field Services consists of Solid Waste, Parks and Golf Course Maintenance, and Facility Management. Field Services is responsible for maintaining all the City’s public parks and 2 golf courses, performing building maintenance and custodial services, and solid waste recycling, collection and disposal.

Fleet Services is responsible for the City’s vehicle and equipment acquisition, repair, preventative maintenance, accident damage, fleet road service, utilization and disposal.

The Transportation group currently includes two major sections: Study and Design 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.



Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$20,154,146	\$21,819,341	\$21,208,160	\$21,935,450	\$22,603,103
Supplies and Services	32,190,571	31,614,872	32,446,707	33,398,609	34,312,058
Capital Outlay	2,293,867	2,577,770	2,471,827	1,917,130	1,858,270
Internal Services	(1,084,829)	(918,132)	(918,132)	(236,146)	(355,304)
Contributions	10,574	36,261	32,762	0	0
Expenditure Total	\$53,564,329	\$55,130,112	\$55,241,324	\$57,015,043	\$58,418,128
Per Capita	\$335.96	\$345.81	\$346.50	\$355.85	\$362.79

Expenditures by Division	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Administration and Engineering	\$908,439	\$2,129,635	\$2,018,867	\$1,391,715	\$1,412,432
Field Services:					
Administration & Solid Waste	10,669,313	10,479,136	10,475,764	10,973,675	10,905,110
Facility Management	4,328,345	4,644,543	4,480,401	4,561,555	4,670,942
Parks and Golf Course Maintenance	8,429,851	8,739,346	8,663,881	8,730,579	8,985,879
Fleet Services	2,642	0	156,706	0	0
Transportation	21,853,331	21,650,346	21,832,396	23,921,015	24,881,072
Streets and Traffic Operations	7,372,408	7,487,106	7,613,309	7,436,504	7,562,693
Total	\$53,564,329	\$55,130,112	\$55,241,324	\$57,015,043	\$58,418,128

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Administration and Engineering	40		0.49	34		0.49	34		0.49
Field Services	222	1.50	8.69	214	0.50	8.69	214	0.50	8.69
Fleet Services	34		0.50	33		0.50	33		0.50
Transportation	33	0.50		35	0.50		35	0.50	
Streets and Traffic Operations	53			50			50		
Total	382	2.00	9.68	366	1.00	9.68	366	1.00	9.68

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 budget and acquisition of capital outlay; (2) approve all Public Works personnel actions; (3) submit recommendations on Public Works and related activities to the City Council; (4) monitor public improvement projects; (5) plans review, technical standards, design services, and engineering studies; (6) coordinate and administer the Capital Improvements Program (estimates, scheduling, specifications, improvement districts, surveying and staking); (7) control public rights-of-way: construction permits, construction inspection, Water, Sewer and Storm Drain Extension Ordinance, Grading and Drainage Ordinance, Flood Plain Ordinance and as-built records/information; and (8) provide real estate services (acquisitions, annexations, abandonments, encroachments and appraisals).

The Engineering Division has the primary responsibility of providing engineering, surveying, inspection, testing and contractual services for all improvements constructed within the public right-of-way.

2003-05 Highlights:

Numerous major projects with a combined budget of more than \$200 million will be under construction or under design during the next two years. These projects include the Tempe Center for the Arts, North Side Multi-generational Center, Kyrene Water Reclamation Facility Expansion, Johnny G. Martinez Water Treatment Plant Expansion, Light Rail and Transit Center, and Police Property Facility/Police Substation on Apache Boulevard. Managing the design/construction of these projects presents a

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,732,263	\$2,867,846	\$2,778,969	\$2,492,337	\$2,557,755
Supplies and Services	420,037	481,267	459,376	435,767	435,767
Capital Outlay	508	0	0	0	0
Internal Services	(2,244,369)	(1,219,478)	(1,219,478)	(1,536,389)	(1,581,090)
Expenditure Total	\$908,439	\$2,129,635	\$2,018,867	\$1,391,715	\$1,412,432
Per Capita	\$5.70	\$13.36	\$12.66	\$8.69	\$8.77

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Administration	4		0.49	3		0.49	3		0.49
Engineering	36			31			31		
Total	40		0.49	34		0.49	34		0.49



Goal: To efficiently provide for improved community quality of life by strategic planning, budgeting, design, and construction of capital improvement projects which address recreational, municipal facilities, public utilities, transportation, and public safety needs.					
Objective: To commit 90% of funding for budgeted projects within 18 months.					
Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
CIP dollars budgeted	\$71.8M	\$130.2M	\$130.6M	\$117.9M	\$176.9M
Projects budgeted	108	103	98	74	65
Consultants managed	150	150	154	125	120
Projects designed privately	60	65	68	55	55
Value of projects designed privately	\$39M	\$75M	\$42M	\$40M	\$90M
Projects committed within 18 months	90%	90%	90%	90%	90%

Goal: To insure that the construction of private developments and related utility work is coordinated with the City's infrastructure, transportation plan and quality standards, and is in compliance with applicable codes and ordinances.					
Objective: 1) To issue 275 private development and 150 new private development permits; and 2) spend 6,240 staff hours inspecting the work for all utility and private development construction activity.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Private development permits issued	275	275	230	260	275
Utility permits issued	2,000	2,000	1,360	1,500	1,650
New private developments	150	150	120	140	150
Staff hours for inspection	6,240	6,240	6,240	6,240	6,240

Goal: To plan for the maintenance, upgrade or replacement of the City's infrastructure (water, sewer, storm drain, irrigation, pavement, and concrete) to maximize its life and maintain its level of					
Objective: To maintain a database of the facility type, condition, and history which is used to prioritize projects that will minimize disruption of service, extend the useful life, and maintain quality service to the public.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>(In millions)</i>					
Pavement maintained (square yards)	11.87	11.87	11.87	11.87	13.06
Concrete curbs maintained (linear feet)	5.8	5.8	5.8	5.8	6.4
Sidewalk maintained (square yards)	8.1	8.1	8.1	8.1	8.9
Funds required for preventive maintenance	\$2.92	\$3.38	\$3.38	\$1.94	\$5.16

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 division are as follows: (1) provide plastic solid waste containers to all residential customers, collect residential solid waste and transport to the transfer station; (2) curbside collection of commingled residential recyclables; (3) provide metal bulk solid waste containers to commercial customers, collect commercial solid waste and transport to transfer station; (4) collect cardboard and paper from commercial accounts for recycling; (5) collect uncontained solid waste from residential customers and transport to transfer station; and (6) repair and maintain 90 and 300 gallon plastic solid waste containers, roll off containers and various sizes of solid waste metal containers.

2003-05 Highlights:

Funding is provided to enhance the Alley Maintenance Program in the first year of the biennium. Other plans for the Administration and Solid Waste section include revision of the Solid Waste Code, and

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$3,724,785	\$3,751,235	\$3,912,061	\$4,220,542	\$4,349,801
Supplies and Services	3,431,091	3,220,062	3,109,496	3,236,723	3,236,723
Capital Outlay	1,051,551	1,177,150	1,129,779	782,780	489,950
Internal Services	2,460,138	2,324,428	2,324,428	2,733,630	2,828,636
Contributions	1,748	6,261	0	0	0
Expenditure Total	\$10,669,313	\$10,479,136	\$10,475,764	\$10,973,675	\$10,905,110
Per Capita	\$66.92	\$65.73	\$65.71	\$68.49	\$67.72

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Field Services Administration	7			5			5		
Solid Waste	62	0.50		65	0.50		65	0.50	
Total	69	0.50		70	0.50		70	0.50	



Goal: To properly collect and dispose of all contained and uncontained solid waste and green waste generated by residential customers.					
Objective: 1) To provide excellent service to residential customers; 2) divert 24% of residential waste stream, and 3) maintain a high level of citizen satisfaction with solid waste collection and recycling.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Residential households serviced	32,542	33,444	33,703	33,720	33,740
Total O&M: (Including Admin. & Support Services)					
Residential contained/recycling	\$3,373,263	\$2,475,178	\$3,420,491	\$3,650,771	\$3,702,751
Residential uncontained/green waste	\$1,614,483	\$2,126,448	\$1,584,036	\$1,838,644	\$1,910,969
Tons of solid waste collected:					
Residential contained	39,988	39,384	40,302	40,705	41,112
Residential uncontained	18,443	16,905	18,704	18,893	19,081
Recycling	12,616	13,700	13,278	13,412	13,547
Collection cost per ton:					
<i>Residential contained/recycling</i>	<i>\$64.12</i>	<i>\$76.32</i>	<i>\$63.83</i>	<i>\$67.46</i>	<i>\$67.74</i>
Residential uncontained	\$87.53	\$125.78	\$84.68	\$97.31	\$100.15
Residential diversion rate (recycling)	17%	24%	24%	24%	24%
Citizen satisfaction with trash collection	-	97%	-	-	-
Citizen satisfaction with recycling	-	94%	-	-	-
<i>Residential Contained Solid Waste tons per capita (1,000)</i>	<i>251</i>	<i>247</i>	<i>253</i>	<i>254</i>	<i>255</i>

Goal: To properly collect and dispose of all solid waste generated by commercial customers and multi-family housing units within the City.					
Objective: 1) To continue to provide quality and timely collection service to all commercial accounts; and 2) minimize collection cost per ton to \$39.27.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Commercial accounts serviced per month	2,255	2,166	1,975	2,172	2,390
Percent change	-	(3.9%)	(12.4%)	10.0%	21.0%
Total O&M—Commercial	\$4,132,589	\$5,015,557	\$3,917,464	\$4,323,272	\$4,420,062
Tons of solid waste collected	94,264	97,370	93,002	102,279	112,544
Collection cost per ton	\$43.84	\$51.51	\$42.12	\$42.26	\$39.27

Comparative Benchmark

Field Services/Facility Management



The Facility Management Services Section provides maintenance and repair service to all City owned buildings and area lighting for City parks and parking lots. The maintenance and repair activities provided are: carpentry, painting, plumbing, electrical, heating, cooling, ventilation, locks, security, building automation systems, and energy management.

The Custodial Services Section provides interior cleaning of City owned buildings and park restrooms. The basic services provided are: trash removal, mopping, waxing, and vacuuming.

2003-05 Highlights:

As part of a citywide personnel reduction plan, Facility Management reduced staff by three Custodians and one Facility Technician II. The Custodial section took over the responsibility for cleaning park restrooms. Also, a number of new buildings will be added during the biennium, including Fire Station

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,650,530	\$2,752,203	\$2,641,879	\$2,851,747	\$2,926,546
Supplies and Services	2,063,418	2,198,572	2,143,254	2,097,072	2,097,072
Capital Outlay	11,406	0	1,500	1,500	1,500
Internal Services	(397,009)	(306,232)	(306,232)	(388,764)	(354,176)
Expenditure Total	\$4,328,345	\$4,644,543	\$4,480,401	\$4,561,555	\$4,670,972
Per Capita	\$27.15	\$29.13	\$28.10	\$28.47	\$29.01

Authorized Personnel	2000-01 Revised			2001-02 Budget			2002-03 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Facility Services	21			19			19		
Custodial Services	36	0.50	0.49	38		0.49	38		0.49
Total	57	0.50	0.49	57		0.49	57		0.49



Goal: To provide efficient maintenance and custodial services to all City facilities while maintaining a safe, clean and productive work environment.					
Objective: 1) To provide preventative maintenance of City facilities as required by manufacturer or industry standards; and 2) provide manpower coverage between 50,000 to 55,000 square foot per 10 hour					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Facility Maintenance</i>					
Total O&M	\$2,892,549	\$3,345,573	\$3,210,738	\$3,071,164	\$3,130,857
Full-time Equivalents (FTE's)	20	21	18.5	18.5	18.5
Buildings maintained	72	72	78	80	80
Square feet maintained	1,225,525	1,225,525	1,252,285	1,262,085	1,262,085
Percent change	-	0%	2.2%	0.8%	0.8%
O&M per square foot maintained	\$2.36	\$2.73	\$2.56	\$2.43	\$2.48
Square feet maintained per FTE	61,276	58,358	67,691	68,220	68,220

Goal: To provide efficient maintenance and custodial services to all City facilities while maintaining a safe, clean and productive work environment.					
Objective: To hold custodial costs per square foot per year between \$1.50 and \$2.00; and maintain square footage per custodian between 18,000 to 18,500 per 8 hour shift for routine cleaning.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Custodial Services</i>					
Total O&M	\$1,424,389	\$1,530,600	\$1,433,805	\$1,490,391	\$1,540,085
Full-time Equivalents	39	39.99	37.5	37.5	37.5
Total square feet	1,225,525	1,225,525	1,252,285	1,262,085	1,262,085
Total square feet cleaned	883,967	883,957	907,917	916,917	916,917
Percent change	-	0%	2.7%	1.0%	1.0%
Number of buildings cleaned	62	62	66	68	68
O&M per square foot cleaned	\$1.61	\$1.73	\$1.57	\$1.62	\$1.67
Square feet cleaned per FTE	22,666	22,104	24,211	24,451	24,451

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.

2003-05 Highlights:

As part of a citywide personnel reduction plan, the Parks section reduced staff by fifteen positions, a majority of these positions being Groundskeepers. This will result in an evaluation and reorganization of this area to redistribute the workload among existing staff. In addition, this section took over responsibility for cleaning the downtown area, and is anticipating an increase in maintenance needs at the Rio Salado Town Lake due to the number of special events planned. The Parks section plans to

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$4,116,012	\$4,723,022	\$4,523,809	\$4,611,227	\$4,755,411
Supplies and Services	3,320,816	3,247,976	3,371,724	3,209,906	3,226,538
Capital Outlay	123,802	182,800	182,800	0	0
Internal Services	869,221	585,548	585,548	909,446	1,003,900
Expenditure Total	\$8,429,851	\$8,739,346	\$8,663,881	\$8,730,579	\$8,985,879
Per Capita	\$52.87	\$54.82	\$54.34	\$54.49	\$55.80

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Parks Maintenance	50		5.12	46		5.12	46		5.12
Pest Control	5			5			5		
Baseball Facility	10		0.56	8		0.56	8		0.56
Golf Courses	22		2.42	22		2.42	22		2.42
Landscape Maintenance	3			1			1		
Rio Salado	4	0.50	0.10	4		0.10	4		0.10
Double Butte Cemetery	2			1			1		
Total	96	0.50	8.20	87		8.20	87		8.20



Goal: To maintain rights-of-way in an attractive and pleasing manner.					
Objective: To manage the landscape contract for the care and maintenance of the City's rights-of-way, medians and facility grounds and perform manual watering in designated areas.					
Measures	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Landscape maintained (square feet)	10,208,333	10,416,666	8,461,990	9,461,990	11,461,990
Percent change	-	2%	(17%)	12%	35%
Landscape maintained (acres)	234	240	225	250	254

Goal: To provide recreational facilities for leisure opportunities that are accessible, attractive, enjoyable and					
Objective: To provide facilities to meet the public's recreational needs and maintain high standards for all recreational use.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Total acres maintained	1,089	1,089	1,089	1,089	1,089
Per employee:					
Stadium	5.55	5.55	15	15	15
Parks/Special Facilities	19.13	19.13	21.35	21.35	21.57
Golf courses	10.37	10.37	10.37	10.37	10.37
Parks/Special Facilities maintained	51	51	51	51	52
Golf course rounds of play:					
Ken McDonald (18 hole rounds)	89,807	90,000	86,000	85,000	85,000
Percent change	-	0.2%	(4.2%)	(1.1%)	(1.1%)
Rolling Hills (9 hole rounds)	108,703	113,000	108,000	95,000	95,000
Percent change	-	4.0%	(0.6%)	(12.0%)	(12.0%)
Diablo stadium special events	150	150	150	160	170

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; and (7) equipment specifications preparation.

2003-05 Highlights:

The Fleet Services Division prides itself with the continued efforts and participation of all employees' talents and ideas to provide efficient and cost effective programs to maintain the fleet. Implementation of an aggressive tire management program, increased warranty tracking, development of motor pools and extended replacement mileage are programs being implemented to meet the challenges of the FY 2003-05 budget cycle.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,038,778	\$2,205,904	\$2,070,899	\$2,141,686	\$2,226,516
Supplies and Services	1,901,788	1,712,881	2,064,592	1,774,631	1,774,631
Capital Outlay	930,020	973,100	913,100	679,350	953,420
Internal Services	(4,867,944)	(4,891,885)	(4,891,885)	(4,595,667)	(4,954,567)
Expenditure Total	\$2,642	\$0	\$156,706	\$0	\$0

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Fleet Services	34		0.5	33		0.5	33		0.5
Total	34		0.5	33		0.5	33		0.5



Goal: To maintain the City's fleet at a low cost.					
Objective: 1) To contain the growth in maintenance and repair, fuel and capital costs as measured by cost per mile; and 2) adhere to a vehicle replacement policy that results in vehicles without excessive mileage and related higher repair and maintenance costs.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Cost per mile (maintenance and repair,</i>					
<i>Police patrol sedans (\$)</i>	<i>0.49</i>	<i>0.45</i>	<i>0.40</i>	<i>0.44</i>	<i>0.48</i>
<i>Light duty trucks (\$)</i>	<i>0.30</i>	<i>0.29</i>	<i>0.34</i>	<i>0.37</i>	<i>0.40</i>
<i>Solid Waste trucks (\$)</i>	<i>2.39</i>	<i>2.00</i>	<i>2.44</i>	<i>2.68</i>	<i>2.94</i>
<i>Vehicle age in miles:</i>					
<i>Police patrol sedans</i>	<i>46,488</i>	<i>42,200</i>	<i>41,000</i>	<i>41,000</i>	<i>41,000</i>
<i>Light duty trucks</i>	<i>50,340</i>	<i>50,000</i>	<i>42,500</i>	<i>46,750</i>	<i>51,425</i>
<i>Solid Waste trucks</i>	<i>48,111</i>	<i>55,000</i>	<i>57,550</i>	<i>63,305</i>	<i>69,635</i>
<i>Preventive maintenance compliance rate</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
<i>Replacement guidelines for:</i>					
<i>Police patrol sedans (miles)</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>
<i>Light duty trucks (miles)</i>	<i>85,000</i>	<i>85,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>
<i>Solid Waste trucks (miles)</i>	<i>140,000</i>	<i>140,000</i>	<i>140,000</i>	<i>140,000</i>	<i>140,000</i>

Goal: To utilize equipment and personnel resources in an efficient manner.					
Objective: 1) To maximize to the extent practicable utilization of fleet and mechanic time; and 2) target 68% mechanic productivity as measured by mechanic utilization rate (percent of work hours spent on direct repair and maintenance of vehicles).					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Annual vehicle utilization (miles):</i>					
<i>Police patrol sedans</i>	<i>1,279,044</i>	<i>1,342,996</i>	<i>1,382,431</i>	<i>1,300,000</i>	<i>1,300,000</i>
<i>Light duty trucks</i>	<i>905,061</i>	<i>875,000</i>	<i>585,479</i>	<i>500,000</i>	<i>500,000</i>
<i>Solid Waste trucks</i>	<i>664,256</i>	<i>665,000</i>	<i>690,659</i>	<i>650,000</i>	<i>650,000</i>
<i>Miles per mechanic hour:</i>					
<i>Police patrol sedans</i>	<i>266</i>	<i>400</i>	<i>469</i>	<i>400</i>	<i>400</i>
<i>Light duty trucks</i>	<i>430</i>	<i>500</i>	<i>760</i>	<i>700</i>	<i>700</i>
<i>Solid Waste trucks</i>	<i>89</i>	<i>95</i>	<i>64</i>	<i>70</i>	<i>70</i>
<i>Mechanic utilization rate</i>	<i>62.2%</i>	<i>68.0%</i>	<i>67.8%</i>	<i>68.0%</i>	<i>68.0%</i>
<i>Vehicles per mechanic</i>	<i>56</i>	<i>56</i>	<i>62</i>	<i>62</i>	<i>62</i>

Comparative Benchmark

Transportation



The Transportation Division is responsible, through its two sections (Traffic Engineering and Transit), for all transportation activities throughout the City. Services provided by this division include: (1) review subdivision plats, site development plans and permits; (2) study and analyze accidents at hazardous locations and conduct traffic engineering studies; (3) provide traffic volume data to general public and other agencies, and provide technical and professional assistance to other divisions; (4) prepare traffic signal, lighting, striping, signing designs, and other plans; (5) provide sight restriction abatements; (6) participate in regional transportation/transit planning and programming; (7) plan, coordinate, benchmark and provide transit services; (8) plan and administer bicycle facilities and encouragement projects; and (9) staff the Transportation Commission which provides oversight over the 1996 dedicated transit tax.

2003-05 Highlights:

The Transportation Division, which includes Traffic Engineering, Transportation Planning, and Transit functions, was reorganized during 2003 and continues to provide high levels of citizen service with limited staff resources. During 2003, the light rail project, in which Tempe is a major participant, received federal approval to enter into final design, keeping the project on track for future milestones including a full funding grant agreement and timely project opening. This project, along with maintenance of basic services such as participation in regional and local planning efforts, provision of traffic engineering services including neighborhood traffic calming and design activities, and provision of customer-friendly bus service, will be a primary focus for the division during this budget cycle.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$1,913,318	\$2,347,442	\$2,066,908	\$2,485,612	\$2,567,711
Supplies and Services	19,157,766	18,769,416	19,232,001	20,659,217	21,511,474
Capital Outlay	8,869	1,000	1,000	74,000	85,660
Internal Services	773,378	502,488	502,488	702,186	716,228
Contributions	0	30,000	30,000	0	0
Expenditure Total	\$21,853,331	\$21,650,346	\$21,832,396	\$23,921,015	\$24,881,072
Per Capita	\$137.07	\$135.80	\$136.94	\$149.30	\$154.52

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Studies and Design	6			7			7		
Transit	27	0.5		28	0.5		28	0.5	
Total	33	0.5		35	0.5		35	0.5	



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	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Total O&M (bus)	\$19,507,000	\$19,395,471	\$19,173,560	\$20,936,470	\$21,901,846
Total O&M (dial-a-ride)	\$1,240,000	\$1,351,113	\$1,018,917	\$1,153,602	\$1,150,430
Vehicle revenue miles (bus)	6,069,132	4,936,561	5,834,931	5,500,000	5,800,000
Vehicle revenue miles (dial-a-ride)	380,999	251,370	379,574	380,460	380,460
O&M per vehicle revenue mile (bus)	\$3.21	\$3.93	\$3.29	\$3.81	\$3.78
O&M per vehicle revenue mile (dial-a-ride)	\$3.25	\$5.37	\$2.68	\$3.03	\$3.02
<i>Boardings per vehicle revenue mile (bus)</i>	<i>1.14</i>	<i>1.56</i>	<i>1.57</i>	<i>1.64</i>	<i>1.63</i>
Boardings per vehicle revenue mile (dial-a-ride)	0.12	0.22	0.11	0.11	0.11
Annual boardings (dial-a-ride)	44,114	55,899	42,604	42,604	42,604

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 15%; 2) meet the dial-a-ride industry standard of 95% of trips on time (minimum); and 3) meet the industry standard of 85% of trips on time (minimum).					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Annual boardings (bus)	6,897,311	7,720,744	9,175,209	10,552,000	12,135,000
Percent Change	-	10%	33%	(2%)	5%
On-time performance (bus)	91%	95%	95%	95%	95%
On-time performance-(dial-a-ride)	92%	85%	95%	95%	95%

Goal: To provide outstanding customer service to bus and dial-a-ride customers.					
Objective: To meet contract standards by limiting bus service complaints to 25 per 100,000 boardings (maximum) and dial-a-ride service complaints to 3 per 1,000 boardings (maximum).					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Complaints per 100,000 boardings (bus)	10	25	15	25	25
Complaints per 100,000 boardings (dial-a-ride)	1	8	1	3	3

Comparative Benchmark



Goal: To provide a transportation system within Tempe and connecting to neighboring communities which is multi-modal and accessible for all residents.					
Objective: 1) To improve the bicycle and accessible pedestrian facilities available, and to encourage their use; and 2) increase attendance at bike events by 25%.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Bikeway miles added	5	5	5	5	5
Attendance at bike events	1,800	3,500	2,000	2,500	3,125
Percent change	89%	192%	(57%)	25%	25%

Goal: To create a physical and social environment that supports mixing of transportation modes through traffic calming efforts.					
Objective: 1) To increase citizen awareness, respect, and responsibility; 2) process all citizens requests for speed humps; 3) improve environment for bicyclists and pedestrians; and 4) reduce speed limits on arterial streets through education and public awareness efforts.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Traffic calming/speed hump studies conducted	50	50	51	50	50
Speed humps installed	160	150	90	80	80
Traffic calming projects (other than speed humps)	4	6	6	6	6
Arterial street pedestrian crossings designed	-	2	3	2	2
Arterial street pedestrian crossings constructed	-	2	3	2	2
Public outreach events held	6	8	12	8	8

Streets and Traffic Operations



The Streets and Traffic Operations Division, through its two sections – Street Maintenance and Traffic Operations – is responsible for the following work programs: 1) pavement marking and striping; 2) traffic signal maintenance and construction; 3) street lighting; 4) street sign fabrication, installation, and maintenance; 5) bus shelter maintenance; 6) alley reconstruction and maintenance; 7) street sweeping; 8) pavement management; 9) CIP project management/contract administration of annual street maintenance programs, including major and local street renovation and minor concrete improvements; 10) street repair; and 11) right-of-way maintenance, including graffiti removal and tree trimming.

2003-05 Highlights:

During fiscal year 2001-03, the Streets Maintenance section of Public Works was organizationally realigned from the Field Services division (Streets and Solid Waste section) to the newly formed Streets and Traffic Operations Division. The realignment, subsequent budget and staffing reduction measures, and restructuring of several rights-of-way maintenance programs resulted in a net staffing reduction of 4 FTE's for the division. In addition to delivering high level transportation related operations and maintenance work programs to the community and traveling public with reduced staff, FY 2003-05 highlights include full implementation of a citywide alley reconstruction program and completion of an automated infrastructure asset management system.

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$2,978,456	\$3,171,689	\$3,213,636	\$3,132,299	\$3,219,335
Supplies and Services	1,904,535	1,984,698	2,069,026	1,983,793	1,983,793
Capital Outlay	167,713	243,720	243,648	381,000	373,800
Internal Services	2,321,705	2,086,999	2,086,999	1,939,412	1,985,765
Expenditure Total	\$7,372,408	\$7,487,106	\$7,613,309	\$7,436,504	\$7,562,693
Per Capita	\$46.24	\$46.96	\$47.75	\$46.41	\$46.97

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE	Full Time	Perm FTE	Temp FTE
Street Maintenance	28			24			24		
Traffic Operations	25			26			26		
Total	53			50			50		



Goal: To perform preventative maintenance and/or minor construction on existing streets and alleys					
Objective: 1) To provide crack routing and sealing operations on all streets; and 2) keep all streets and paved alleys free of potholes, and to ensure that utility cuts are leveled out.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Street Maintenance (Construction)</i>					
Total O&M:					
Crack filling	\$479,110	\$330,928	\$510,516	\$410,932	\$423,260
Utility cut repairs	\$126,025	\$140,008	\$137,860	\$140,617	\$147,732
Asphalt milling	\$210,688	\$330,928	\$233,420	\$42,133	Complete
Miles of cracks filled	433	348	460	360	360
Street utility cuts repaired (square feet)	20,000	25,700	25,700	26,214	26,740
Asphalt milling (linear feet)	500,000	535,000	554,000	100,000	Complete
Cost per mile of cracks filled	\$1,106	\$951	\$1,109	\$1,141	\$1,175
Cost per utility cut repaired (square feet)	\$6.30	\$5.45	\$5.36	\$5.36	\$5.52
Cost per square foot of asphalt milled	\$0.42	\$0.62	\$0.42	\$0.43	Complete

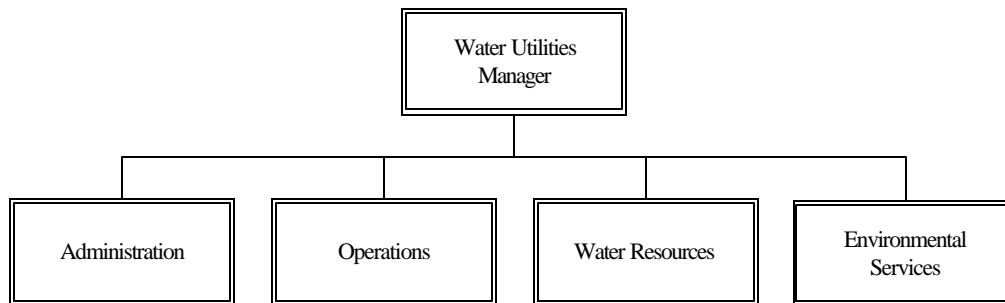
Goal: To provide safe and well-maintained streets for the citizens of Tempe.					
Objective: To hold maintenance costs to under \$9.00 per curb mile swept.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Sweeping (Right-of-Way)</i>					
Total O&M	\$413,080	\$330,928	\$418,877	\$424,314	\$431,001
Curb miles of street swept	50,324	50,324	50,324	50,324	50,324
Cost per curb mile swept	\$8.20	\$6.56	\$8.32	\$8.43	\$8.56
<i>Total O&M per lane mile</i>	<i>\$924</i>	<i>\$740</i>	<i>\$937</i>	<i>\$949</i>	<i>\$964</i>

Comparative Benchmark



Goal: To improve and ensure the safety and efficiency of the city's transportation system.					
Objective: 1) To paint 1.8M linear ft. of roadway striping and 400 crosswalks annually; 2) provide quality traffic signing along streets; 3) assure that traffic signals work as designed at all times by annually rewiring intersections and performing preventative maintenance on all traffic control cabinets twice annually; 4) perform preventative maintenance through the replacement of signs;					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Lane lines striped annually (linear feet)	2,198,352	1,800,000	2,042,389	1,800,000	1,800,000
Crosswalks striped	539	625	431	485	485
Develop infrastructure management	45%	35%	25%	20%	Complete
Preventative maintenance of street signs	6	6	32	20	20
Intersections upgraded (rewired)	2	12	1	2	2
Traffic control cabinets upgraded	124	20	7	Complete	Complete
Traffic control cabinets preventative maintenance (new cabinets installed in FY	172	360	294	360	360
Light Emitting Diode (LED) retrofits	80	80	80	5	Complete
Street light lamp upgrades*	400	400	0	0	0
Evaluate structural integrity of streetlights	181	Complete	0	0	0
Replace structurally deficient street poles	200	100	200	160	160

* Eliminated through Budget Reduction Program



In December 2000, the City Council approved the establishment of a Water Utilities Department. The new department is made up of elements of the Public Works Department (Water Management Division and Environmental Division). The Office of the General Manager provides overall utility management, and includes administration of the city’s ownership rights in the regional wastewater system, and assigned information technology and legal staff. In addition to the Office of the Manager, the Water Utilities Department consists of four divisions: Administration, Operations, Water Resources, and

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$7,601,705	\$7,896,238	\$8,500,000	\$9,258,446	\$9,506,250
Supplies and Services	9,824,719	12,182,925	10,251,518	13,329,437	13,383,682
Capital Outlay	433,757	388,200	17,861	389,400	216,670
Internal Services	5,412,314	3,601,538	3,601,538	4,156,791	4,239,359
Contributions	5,279	0	500	500	500
Expenditure Total	\$23,277,774	\$24,068,901	\$22,371,417	\$27,134,574	\$27,346,461
Per Capita	\$146.00	\$150.97	\$140.33	\$169.36	\$169.83

Expenditures by Division	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Water Utilities Administration	\$21,786,518	\$22,378,115	\$20,801,683	\$25,503,596	\$25,692,711
Environmental Services	1,491,256	1,690,786	1,569,734	1,630,978	1,653,750
Total	\$23,277,774	\$24,068,901	\$22,371,417	\$27,134,574	\$27,346,461

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Water Utilities Administration	109		0.49	107		0.49	107		0.49
Environmental Services	17	0.5		23	0.5		23	0.5	
Total	126	0.5	0.49	130	0.5	0.49	130	0.5	0.49



Goal: To provide a safe and adequate domestic water supply to all citizens in Tempe, while at the same					
Objective: 1) To monitor increases in water treatment costs for the Johnny G. Martinez and South Tempe Plants; and 2) maintain an O&M per 1,000 gallons treated under seventy cents.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Water Treatment</i>					
Total O&M	\$11,092,980	\$11,691,876	\$10,661,196	\$12,554,412	\$12,787,732
Number of customer accounts	41,000	41,000	41,641	41,642	41,642
Total gallons treated (Million gallons- MG)	18,700	18,810	17,605	18,810	18,810
<i>O&M per 1,000 gallons treated</i>	\$.59	\$.62	\$.61	\$.67	\$.68
Percent Change	-	5.1%	3.4%	9.8%	1.5%
O&M per customer account	\$270.56	\$285.31	\$256.03	\$301.48	\$307.09
Percent Change	-	5.5%	(5.4%)	17.8%	19.9%

Goal: To maintain the water distribution system to assure an adequate supply of drinking water to our					
Objective: 1) To maintain water distribution costs at FY 2001-02 level for FY 2003-04 and FY 2004-05; and 2) retain the same response time.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Water Distribution</i>					
Total O&M	\$4,018,574	\$3,298,161	\$3,572,024	\$3,948,057	\$3,917,430
Number of miles of waterline	781	785	838	750	750
O&M per mile of distribution system	\$5,145	\$4,201	\$4,263	\$5,264	\$5,223
Percent Change	-	(18.3%)	(17.1%)	23.5%	22.5%
Service calls responded to within 30 minutes and repaired in 24 hours	100%	100%	100%	100%	100%

Goal: To reduce operating and maintenance costs of the wastewater collection system.					
Objective: To achieve wastewater collection costs that are less than \$5,000.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
<i>Wastewater Collection</i>					
Total O&M	\$3,672,128	\$2,750,278	\$3,059,562	\$3,460,120	\$3,555,328
Miles of mains in collection system	551	553	501	500	500
O&M per mile	\$3,664	\$4,973	\$6,107	\$6,920	\$7,111
Percent Change	-	35.7%	66.7%	13.3%	2.8%

Comparative Benchmark

Water Utilities–Environmental



The Environmental Division is responsible for managing the City's comprehensive environmental program. Services provided by this division include: providing educational/awareness information on environmental issues; providing technical assistance to City departments regarding environmental issues and regulations; coordinating investigative, enforcement and public information aspects of environmental incidents including illegal dumping, fires involving hazardous materials, and hazardous material spills; and managing environmental issues related to the superfund site and other properties located in Tempe.

2003-05 Highlights:

Two full-time Environmental Investigators have been authorized to manage the Phase I Stormwater

Expenditures by Type	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Personal Services	\$988,959	\$1,165,516	\$1,047,430	\$1,064,947	\$1,084,694
Supplies and Services	364,116	369,695	366,729	364,935	364,640
Capital Outlay	6,398	0	0	19,000	19,000
Internal Services	131,783	155,575	155,575	182,096	185,416
Expenditure Total	\$1,491,256	\$1,690,786	\$1,569,734	\$1,630,978	\$1,653,750
Per Capita	\$9.35	\$10.61	\$9.85	\$10.18	\$10.27

Authorized Personnel	2002-03 Revised			2003-04 Budget			2004-05 Budget		
	Full	Perm	Temp	Full	Perm	Temp	Full	Perm	Temp
Environmental Services	17	0.5		23	0.5		23	0.5	
Total	17	0.5		23	0.5		23	0.5	

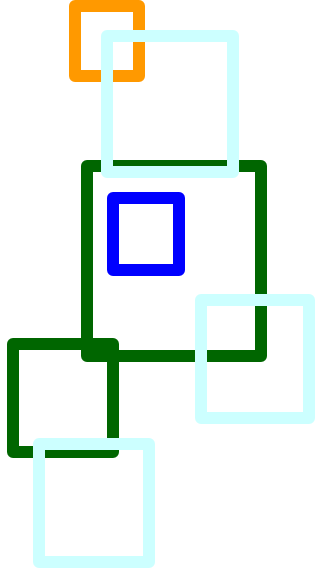


Goal: To reduce water pollution by industrial enterprises from discharges into the wastewater collection system.					
Objective: 1) To inspect each SIU (Significant Industrial User) twice per year; 2) sample each SIU eight days per year; and 3) reduce significant non-compliance with EPA and local regulations to 0%.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Number of SIU's	37	37	37	37	37
Total inspections	92	82	74	76	76
Number of sampling visits	539	504	526	488	488
Percent of permitted industries in significant non-compliance	11%	0%	9.8%	0%	0%

Goal: To develop an ongoing Public Information program as required by the EPA in the 91 st Avenue National Pollution Discharge Elimination System (NPDES) permit.					
Objective: 1) To continue with the informational newsletter for industries operating in Tempe and prepare one for school age children; and 2) develop public information/pollution prevention outreach program					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Total newsletters	4	4	4	5	5
Total brochures	2	2	2	4	4

Goal: To establish a hazardous waste management program for City facilities and operations.					
Objective: To reduce by 25% the quantity of hazardous waste generated by City facilities.					
Measures	2001-02	2002-03 Budget	2002-03 Revised	2003-04 Budget	2004-05 Budget
Amount of hazardous waste generated by					
City facilities (lbs.):*	4,958	10,000	13,739	10,000	10,000
Recycled hazardous waste*	46.0%	25%	13.4%	25%	25%
Incinerated hazardous waste*	27.6%	0%	32.0%	0%	0%
Reduction of hazardous waste generated	46%	25%	13%	25%	25%

* New Measure



Schedules and Summaries

This section includes the City's budget resolution, property tax information, budgetary units, and budget concepts along with personnel schedules and miscellaneous statistical data.



Budget Resolution

Property Tax Ordinance

Budget Schedules

- Estimated Revenues and Expenditures Summary
- Tax Levy and Tax Rate Information
- Revenues Other Than Property Taxes
- Other Financing Sources and Interfund Transfers Summary
- Expenditures Within Each Fund Summary

Budget Basis, Units, and Changes

- Accounting/Budgetary Basis
- Budgetary Units
- Changes to the Budget

Financial Structure and Organization

- Type of Budgeting
- Level of Revenue and Expenditure Detail
- Relationship Between Budgeting and Accounting
- Fund Structure

Annexation Progress

Tempe Community Profile

Personnel Summary

Personnel Schedules

Glossary of Terms

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OMB Staff



RESOLUTION NO. 2003.32

A RESOLUTION DETERMINING AND ADOPTING FINAL ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TEMPE FOR THE FISCAL YEAR BEGINNING JULY 1, 2003, AND ENDING JUNE 30, 2004, 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 2, 2003, 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 19, 2003, at which meeting any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures or tax levy, and

WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the City Council set a property tax public hearing for July 10, 2003, and set an adoption date of July 17, 2003, 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 2003-2004.

PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 19th day of June 2003.

Neil Giuliano
MAYOR

ATTEST: *Kathy...*
CITY CLERK

APPROVED AS TO FORM:

Maria A. Pontrelli
CITY ATTORNEY

Jerry L. Hart
FINANCIAL SERVICES MANAGER



ORDINANCE NO. 2003.13

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, 2004; AND ADOPTED EFFECTIVE IMMEDIATELY.

PURSUANT to A.R.S. §42-17151, the ordinance levying taxes for Fiscal Year 2003-2004 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:

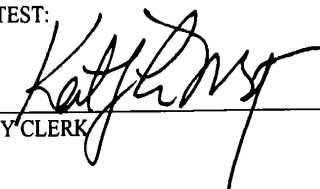
Section 1: There is hereby levied on each One Hundred Dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation, a primary property tax rate, for general and administrative expenses of the City of Tempe. The primary property tax rate shall equal the maximum allowable primary tax rate for 2003 as determined by the Maricopa County Department of Finance.

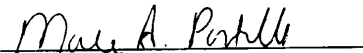
Section 2: In addition to the rate set in Section 1 hereof, there is hereby levied on each One Hundred Dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Tempe, except such property as may be by law exempt from taxation, a secondary property tax rate equal to the difference between the primary tax rate, established in Section 1, and \$1.3500.

Section 3: The combined tax rate as set forth in Sections 1 and 2 shall equal \$1.3500 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 proceed-


MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY


FINANCIAL SERVICES MANAGER



Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/Expenses	Actual Expenditures/Expenses 2002-03	Fund Balance/Retained Earnings 7-1-2003	Direct Property Tax Revenues 2003-04
General Fund	\$128,498,814	\$119,280,493	\$33,751,999	\$8,543,551
Special Revenue	39,841,045	41,712,723	67,052,368	78,000
Debt Service	11,518,082	11,518,082	9,718,444	13,554,896
Capital Projects	95,318,794	64,361,152	22,119,879	0
Enterprise	52,988,244	51,263,013	65,267,045	0
Total	\$328,164,979	\$288,135,463	\$197,909,735	\$22,176,447

Fund	Estimated Revenues Other than Property Taxes 2003-04	Proceeds From Other Financing Sources 2003-04	Interfund Transfers 2003-04		Total Financial Resources Available 2003-04	Budgeted Expenditures/Expenses 2003-04
			In	(Out)		
General Fund	\$113,282,412	\$0	\$0	\$0	\$155,577,962	\$121,825,963
Special Revenue	62,513,125	0	0	(21,475,070)	108,168,423	53,817,868
Debt Service	654,200	0	2,000,000	(1,227,000)	24,700,540	13,083,608
Capital Projects	0	86,021,394	31,247,313	0	139,388,586	117,968,707
Enterprise	58,055,364	0		(10,545,243)	112,777,166	58,837,822
TOTAL	\$234,505,101	\$86,021,394	\$33,247,313	(\$33,247,313)	\$540,612,677	\$365,533,968

Expenditure Limitation Comparison

	2002-03	2003-04
1. Budgeted Expenditures/Expenses	\$328,164,979	\$365,533,968
2. Less: Estimated Exclusions*	(170,178,822)	(130,326,284)
3. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	157,986,157	235,207,684
4. Expenditure Limitation	\$157,986,157	\$235,207,684

* FY 2001-02 Estimate from the League of Arizona Cities and Towns.



Summary of Tax Levy and Tax Rate Information

	2002-03 Fiscal Year	Estimated 2003-04 Fiscal Year
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		\$8,621,551
2. Amount Received from Primary Property Taxation in the 2002-03 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))	\$0	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	7,288,511	8,621,551
B. Secondary Property Taxes	12,897,095	13,554,896
C. Total Property Tax Levy Amounts	\$20,185,606	\$22,176,447
4. Property Taxes Collected*		
A. Primary Property Taxes		
1. 2002-03 Levy	7,288,511	
2. Prior Years' Levies	0	
3. Total Primary Property Taxes	<u>\$7,288,511</u>	
B. Secondary Property Taxes		
1. 2002-03 Levy	12,897,095	
2. Prior Years' Levies	0	
3. Total Secondary Property Taxes	<u>\$12,897,095</u>	
C. Total Property Taxes Collected	<u>\$20,185,606</u>	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5214	0.5472
2. Secondary Property Tax Rate	0.8286	0.8028
3. Total City Tax Rate	\$1.3500	\$1.3500
B. Special District Tax Rates		
<p>Secondary Property Tax Rates-As of the date proposed budget was prepared, the city was operating -0- special assessments districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their taxrates, please contact the city.</p>		



Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Estimated Revenues 2002-03	Actual Revenues 2002-03	Estimated Revenues 2003-04
General Fund			
Local taxes			
City Sales Tax	\$61,011,600	\$57,300,000	\$58,500,000
Hotel Bed Tax	1,713,400	2,000,000	2,250,000
Franchise Taxes	1,913,319	1,531,200	1,704,200
Licenses and permits			
Business Licenses	1,087,150	1,072,525	1,090,877
Intergovernmental revenues			
State-Shared	29,674,000	29,185,000	26,866,160
County	5,050,000	5,600,000	5,600,000
Charges for services	6,087,900	6,548,648	6,988,051
Fines and forfeits	4,216,200	4,413,086	4,947,485
Interest on investments	4,400,000	3,233,700	2,600,000
Voluntary contributions			
SRP In-lieu Tax	395,900	428,862	450,000
Miscellaneous revenues	1,743,120	2,783,061	2,285,639
Total General Fund	117,292,589	114,096,082	113,282,412
Special Revenue Funds			
Highway Users Revenue Fund			
Intergovernmental	9,965,400	9,965,400	10,986,169
Maintenance of Effort/Other	1,850,000	-	-
Total Highway Users Revenue Fund	11,815,400	9,965,400	10,986,169
Local Trans. Assistance Fund (LTAF)			
Intergovernmental	901,600	901,600	883,600
Lottery Transfer to Transit	(297,500)	(297,500)	(291,600)
Total LTAF	604,100	604,100	592,000
Transit Fund			
Transit Tax	26,465,100	25,326,325	26,027,864
Lottery Transfer In	297,500	297,500	291,600
ASU-Flash Transit	367,000	352,776	375,440
Interest Earned - Trust Invest.	2,300,000	1,969,100	1,261,900
Miscellaneous Revenue	5,086,000	5,434,996	5,953,189
Total Transit Fund	34,515,600	33,380,697	33,909,993



Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Estimated Revenues 2002-03	Actual Revenues 2002-03	Estimated Revenues 2003-04
Rio Salado Fund			
City Sales Tax	639,000	475,000	490,000
Miscellaneous Revenue	544,200	362,625	288,800
Total Rio Salado Fund	1,183,200	837,625	778,800
Performing Arts Fund			
Performing Arts Tax/Interest Income	5,396,000	5,471,540	5,428,500
Total Performing Arts Fund	5,396,000	5,471,540	5,428,500
Community Devel. Block Grant (CDBG)	8,614,252	11,480,214	10,817,663
Total Special Revenue Funds	62,128,552	61,739,576	62,513,125
Debt Service Fund			
SRP In-Lieu Tax	635,156	635,156	654,200
Total Debt Service Fund	635,156	635,156	654,200
Enterprise Funds			
Golf Fund	2,253,000	2,055,000	2,066,800
Water/Wastewater Fund	45,364,062	46,199,534	45,384,864
Sanitation Fund	10,040,100	10,305,234	10,603,700
Total Enterprise Funds	57,657,162	58,559,768	58,055,364
TOTAL ALL FUNDS	\$237,713,459	\$235,030,582	\$234,505,101



Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources 2003-04	Interfund Transfers	
		In	Out
General Fund		\$0	\$0
Special Revenue Funds			
HURF/LTAF			(2,945,000)
Transit			(18,130,070)
Performing Arts			(400,000)
Total Special Revenue Funds			(21,475,070)
Debt Service Fund			
Total Debt Service Fund		2,000,000	(1,227,000)
Capital Projects Funds		31,247,313	
Bond/Note Proceeds	77,971,520		
CIP-Other Funding	8,049,874		
Total Capital Projects Funds	86,021,394	31,247,313	0
Enterprise Funds			
Water/Wastewater Fund			(10,545,243)
Sanitation Fund			
Golf Fund			
Total Enterprise Funds			(10,545,243)
Total All Funds	\$86,021,394	\$33,247,313	\$(33,247,313)



Summary by Department of Expenditures/Expenses Within Each Fund

	Adopted Budgeted Expenditures/ Ex- penses 2002-03	Expenditure/ Ex- pense Adjustments Ap- proved	Revised Expenditures/ Expenses 2002-03	Budgeted Expenditures/ Expenses 2003-04
General Fund				
Mayor and Council	\$ 530,772	(2,122)	\$ 525,140	\$ 374,066
City Manager	555,121	(13,959)	484,224	269,047
Community Relations	2,532,449	(14,919)	2,531,799	2,633,742
Diversity Program	0	364,120	324,434	430,513
Internal Audit	530,287	0	524,274	412,235
City Clerk	467,326	0	434,003	669,770
City Court	3,151,248	0	3,041,055	3,083,668
Human Resources	3,607,526	(86,647)	3,511,834	2,003,755
City Attorney	2,492,332	(17,114)	2,377,131	2,171,149
Financial Services	5,130,562	360,703	5,126,542	3,993,062
Development Services	8,329,601	(85,015)	7,436,621	6,858,657
Police	45,140,592	47,516	44,592,509	46,284,000
Fire	15,194,192	8,612	15,031,824	15,395,129
Community Services	18,637,189	(270,220)	17,906,238	17,417,253
Public Works - General	13,535,598	(33,236)	11,181,907	12,959,151
Economic Development	622,002	0	619,823	676,033
Non-Departmental	5,551,135	(1,081,896)	3,631,135	4,194,733
Contingencies	2,490,882	0	0	2,000,000
Total General Fund	128,498,814	(824,177)	119,280,493	121,825,963
Special Revenue Funds				
Highway Users Revenue Fund				
Streets	8,040,436	1,463,280	8,040,436	8,082,560
Total HURF	8,040,436	1,463,280	8,040,436	8,082,560
Transit	21,546,248	2,460	20,661,437	27,221,366
CDBG	2,687,608	0	5,403,549	3,291,231
Section 8 Housing	5,926,644	0	6,141,490	7,526,433
Rio Salado	1,322,206	19,934	1,272,078	1,480,621
Performing Arts Center	317,903	0	193,733	6,215,657
Total Special Rev. Fund	39,841,045	1,485,674	41,712,723	53,817,868
Debt Service Fund				
Debt Service	11,518,082	0	11,518,082	13,083,608
Total Debt Service Fund	11,518,082	0	11,518,082	13,083,608
Capital Projects Funds				
All Capital Projects	95,318,794	0	64,361,152	117,968,707
Total Capital Proj. Funds	95,318,794	0	64,361,152	117,968,707
Enterprise Funds				
Water/Wastewater	40,332,402		38,626,093	45,965,050
Golf	2,485,184		2,466,718	2,279,870
Sanitation	10,170,658		10,170,202	10,592,902
Total Enterprise Funds	52,988,244	0	51,263,013	58,837,822
Total All Funds	\$328,164,979	661,497	\$288,135,463	\$365,533,968



The City of Tempe operating budget is legally adopted by Council resolution each fiscal year on a modified accrual basis, consistent with Generally Accepted Accounting Principles (GAAP) except that a) encumbrances are considered to be expenditures chargeable to appropriations, b) no depreciation is budgeted in enterprise funds, c) investments in supply inventories and assets restricted for self-insurance purposes are not considered to be appropriable, d) revenues accruing to sinking funds are not appropriable, and e) contributions into sinking funds are not budgeted.

- **Funds (Fund Accounting)**

The City's Operating Budget is organized by funds in conformity with GAAP with guidelines established by the Governmental Accounting Standards Board (GASB). The accounts of the City are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. With this account structure, the revenues and expenditures/expenses are budgeted and approved prior to the beginning of each fiscal year by a resolution passed by the City Council.

The various funds are grouped by two types, governmental fund and proprietary fund types. Governmental funds are those through which most governmental functions of the City are financed and include the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Project Funds. Proprietary funds are used to account for the City's organizations and activities which are similar to those often found in the private sector. The Enterprise Funds are the City's proprietary funds and include the Water/Wastewater, Solid Waste, and Golf Funds. The Comprehensive Annual Financial Report includes the combined financial statements of all funds.

- **Programs**

Presentation of the operating budget is also structured by programs which delineate budget expenditures in terms of broad goals and objectives. Major programs include 1) General Services, 2) Development Services, 3) Public Safety, 4) Environmental Health, 5) Community Services, and 6) Transportation.

Programs may transcend specific fund or departmental boundaries in that a program encompasses all associated activities, regardless of fund or department, directed toward the attainment of a general goal or objective. The relationship between programs and funds is presented in summary form in the Summaries Budget section as is their relation to the Departments and Divisions engaged in the pursuit of the respective goals and objectives.

- **Departments**

Finally, the Performance Budget section of the operating budget illustrates the distribution of budget appropriations along the major organization units of City departments and their



- **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 Management and Budget 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 Council Personnel or Finance Committee with recommended action.

- **Budget Transfers**

The department should process a budget transfer request form anytime a shortfall is anticipated in a departmental subtotal budget. Budget transfers are no longer necessary to address a shortfall within summary account groups as long as sufficient monies are available in the subtotal departmental budget. The subtotal budget includes salaries and wages, fringe benefits, materials and supplies, fees and services, travel and other expenses, contributions, and capital outlay, and excludes internal services.

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

- **Transfer of Appropriation**

At any time during the fiscal year the Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency. Upon written request by the Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another

(Section 5.08, City of Tempe Charter).

- **Permission to Exceed Budget**

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



- **Types of Budgeting**

Two separate budgets are adopted at the aggregate level for both the Operating and Capital Improvements Program and are then presented in program budget, performance and line item form. The program budget portrays total and per capita expenditures along six broad programs or functions, including General Services, Development Services, Public Safety, Environmental Health, Community Services, and Transportation. This budget information is presented in the Budget Summaries section of the Biennial Budget. The performance budget focuses on departmental and divisional goals and objectives. Benchmark and other workload data are collected in order to assess the effectiveness and efficiency of services. This information is published in the performance budget section of our Biennial 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**

Revenues are presented at several levels within the revenue information section of the Biennial Budget. Revenues are given by fund type (General Governmental, Special Revenue, and Enterprise), by revenue category, and by source. Additionally, all key revenues are 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 revenues are also presented in the Schedules and Summaries section of the Biennial 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 Biennial Line-Item Budget. Performance, program, and fund level expenditure data are presented in the Biennial

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 revenues and expenditures, (e.g., compensated absences) 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.



- **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 revenues used to make principal and interest payments on City debt. They are used to account for the accumulation of resources and the payment of general obligation and special assessment debt principal, interest and related costs, except the debt service accounted for in the Special Revenue Funds and Enterprise Funds.

General Fund: The General Fund is the general operating fund of the City. It is used to account for all activities of the City not accounted for in some other fund.

Special Revenue Funds: Special Revenue Funds are established to account for legally restricted funding. Our Special Revenue Funds include the Performing Arts Fund, the Highway User Fund, the Local Transportation Assistance Fund, the Transit Fund, the Capital Development Funds, and the Housing Assistance Fund.

- **Proprietary Funds**

Enterprise Funds: Enterprise Funds are used to account for operations including debt service that are: (a) financed and operated in a manner similar to private businesses, where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing

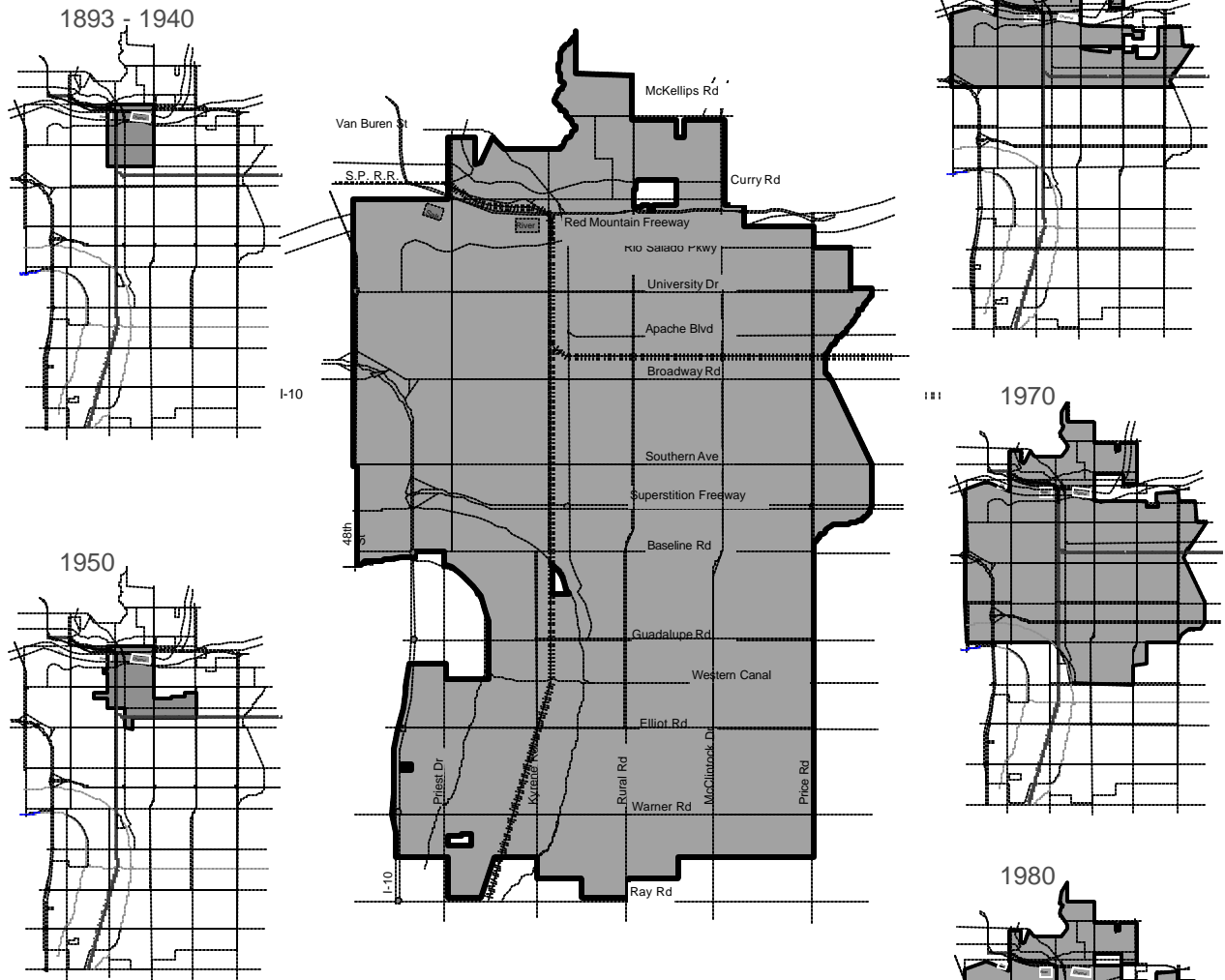
body has determined that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Our Enterprise Funds include the Water and Wastewater Fund, the Solid Waste Fund, and the Golf Fund.

- **Fiduciary Funds**

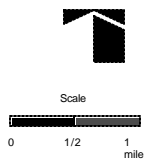
Trust and Agency: Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include the Nonexpendable Pension Trust and Deferred Compensation Agency Fund.



2003 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	2003	40





Date of Incorporation - November 26, 1894

Date Charter Adopted - October 19, 1964

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 and Tempe Beach Park will be joined by the Town Lake Marina in November 2003 and the Tempe Center for the Arts in May 2006. These projects will further enhance the status of both the Lake and Tempe downtown as valley destinations. Tempe is currently home to Arizona State University, Fiesta Bowl, the Arizona Cardinals and the California Angels' spring training. Due to the recent 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





DEMOGRAPHICS

Area- Square Miles ⁽¹⁾

2000	40.0	1992	39.3
1999	39.8	1991	39.3
1998	39.8	1990	39.3
1997	39.8	1980	38.1
1996	39.8	1970	25.3
1995	39.8	1960	17.5
1994	39.8	1950	2.7
1993	39.6	1894	1.8

Population ⁽²⁾

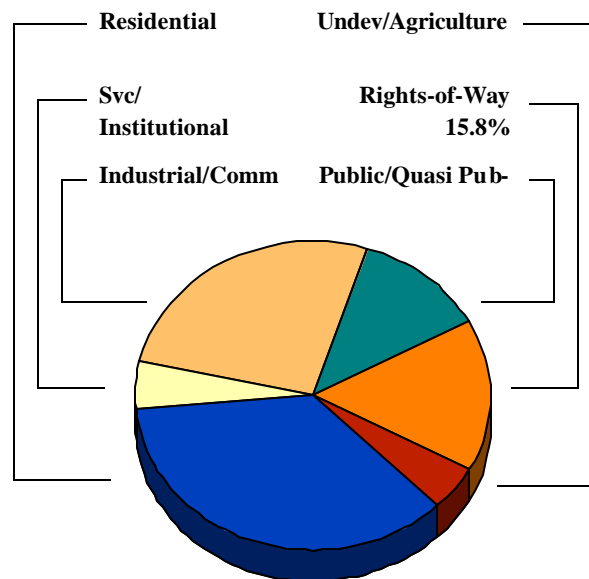
2000	U.S. Census	158,625
1995	Interim Census	153,821
1990	U.S. Census	142,165
1985	Interim Census	132,942
1980	U.S. Census	106,743
1970		63,550
1960		24,897
1950		7,906

Building Permits ⁽³⁾

	Number	Value (\$000)
2002-03	1,313	\$199,570
2001-02	1,148	99,197
2000-01	1,417	262,266
1999-00	1,717	317,143
1998-99	1,905	304,600
1997-98	2,533	492,419
1996-97	1,984	406,821
1995-96	2,038	248,476
1994-95	2,291	275,409
1993-94	2,298	265,148
1992-93	1,307	87,841
1991-92	1,294	147,168

Land Use (1999)(%)⁽⁴⁾

Residential	36.0
Undeveloped/Agricultural	4.8
Rights-of-Way	15.8
Public/Quasi Public	12.1
Industrial/Commercial	26.4
Service/Institutional	4.9



Elections ⁽⁵⁾

Registered voters	Primary	74,238
	General	75,724
Voter Turnout	Primary	13,614
	General	20,056
% Voting	Primary	18.34%
	General	26.49%

**DEMOGRAPHICS, continued****School Registration ⁽⁶⁾**

Tempe Elementary District	13,522
Tempe Union High School District	12,462
ASU University (Fall 2002)	47,359

Education Attainment (%) ⁽⁷⁾

4 years or more College	39.6
1-3 years College	32.5
High School degree	17.9
Less than High School degree	9.9

Racial Composition (%) ⁽⁸⁾

White	69.7
Hispanic	17.9
Asian	4.7
Black	3.5
Other	4.2

Gender/Age Composition (%) ⁽⁸⁾

Male	51.7
Female	48.3
Under 5 years	5.7
5-14 years	10.8
15-19 years	9.2
20-24 years	15.4
25-44 years	33.2
45-64 years	18.5
65+ years	7.2

Household Income (1999)(%) ⁽⁹⁾

Less than \$15,000	14.6
\$15,000 -\$34,999	25.5
\$35,000-\$49,999	17.3
\$50,000-\$100,000	30.0
\$100,000+	12.7

Median Household Income \$42,361

Occupational Composition (%) ⁽¹⁰⁾

Sales and Office	29.4
Managerial and Professional	39.7
Service	14.6
Construction, Extraction, Maintenance	6.8
Production, Transportation, Material	
Farming, Forestry and Fishing	0.1

Industrial Composition (%) ⁽¹⁰⁾

Agriculture, Forestry, Fishing,	
Construction	5.2
Manufacturing	11.4
Wholesale trade	3.7
Retail trade	11.1
Transportation, Warehousing and	
Information	3.6
Finance, Insurance, Real Estate, and	
Professional, Scientific, Management, Administrative, and Waste	
Educational, Health, and Social Serv-	
Arts, Entertainment, Recreation, Accommodation, and Food Serv-	
Other Services	3.6
Public Administration	3.7

**ECONOMICS****Property Tax Rate ⁽¹¹⁾**

Primary	0.55
Secondary	0.80
Total	<u>\$1.35</u>

City Sales Tax 1.8%

Bond Rating

Fitch	AAA
Standard and Poor's	AA+
Moody's	Aa1

SERVICE STATISTICS**Police ⁽¹²⁾**

Sworn Personnel	339
Non-Sworn Personnel	176
Total	<u>515</u>

Avg. Emergency Response Time (min.)	5:25
Crime Index (CY 2000)	15,246
Part I Crime Per 1,000 Capita	104

Fire

Sworn Personnel	137
Non-Sworn Personnel	19
Total	<u>156</u>

Fire Stations 6

Avg. Emergency Response Time (min.)	4:13
Response to emergency medical incidents	12,296
Total emergency response incidents	16,803

Sanitation

Residential Accounts Serviced	32,588
Commercial Accounts Serviced	2,332
Solid Waste Collected (tons)	165,286

Parks/Golf Courses

Developed Parks	46
Parks Acres Maintained	1,074
Municipal Golf Courses:	2
Rounds of Play:	
Ken McDonald (18 holes)	83,670
Rolling Hills (9 holes)	86,065

Water/Wastewater

Active Accounts Serviced	40,822
Water Treated and Distributed	
(billions of gallons)	18.9
Sanitary Sewers (miles)	549

Source: (1) Area-Square Miles, City of Tempe-Development Services; (2) Population, Maricopa Association of Governments; (3) Building Permits, City of Tempe-Development Services; (4) Land Use, City of Tempe-Development Services; (5) Elections, City of Tempe-City Clerk's Office; (6) School Registration, Tempe Elementary & High School District, ASU; (7) Education Attainment, 2000 U.S. Census; (8) Racial, Gender/Age Composition, 2000 U.S. Census; (9) Household Income, 1999 Special Census; (10) Occupational, Industrial Composition, 2000 U.S. Census; (11) Property Tax Rate, City Sales Tax, Bond Rating, City of Tempe-Financial Services; (12) Police, Fire, Sanitation, Parks/Golf Courses, Water/Wastewater, City of Tempe Bien-

Personnel Summary



Department	2001-02 Actual			2002-03 Budget			2003-04 Budget			2004-05 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	4		1.00	13		1.49	2		0.50	2		0.50
Diversity Program	0			0			3			3		
Internal Audit	3			3			4			4		
Community Relations	22		1.83	14		1.34	18		1.83	18		1.83
City Clerk	5		0.58	5		0.58	4		0.58	4		0.58
City Court	34		4.20	34		4.20	33		4.20	33		4.20
City Attorney	27	0.50	0.62	27	0.50	0.62	24	0.75	0.62	24	0.75	0.62
Financial Services	57	0.50	1.25	59	0.50	1.25	68	0.50	1.25	68	0.50	1.25
Economic Development	3			3			4			4		
Rio Salado	9		0.49	9		0.49	8		0.49	8		0.49
Strategic Planning	2			2			0			0		
Human Resources	21	0.50		22			18	0.50		18	0.50	
Information Technology	82	0.50		82			73			73		
Development Services	105	1.00	1.86	105	1.00	1.86	84		2.86	84		2.86
Police	512	1.00	6.25	507	1.00	6.25	515	1.00	6.25	515	1.00	6.25
Fire	159	0.50		158	0.50		156	1.00		156	1.00	
Community Services	136	33.90	144.08	139	34.65	144.83	126	12.65	167.22	126	12.65	167.22
Water Utilities	143	0.50	0.49	144	0.50	0.49	130	0.50	0.49	130	0.50	0.49
Public Works												
Admin & Engineering	44		0.49	46		0.49	34		0.49	34		0.49
Field Services	250	1.50	8.69	289	1.50	9.19	212	0.50	8.69	212	0.50	8.69
Fleet Services	36		0.50				33		0.50	33		0.50
Transportation	61	0.50		66	0.50		87	0.50		87	0.50	
Total Public Works	391	2.00	9.68	401	2.00	9.68	366	1.00	9.68	366	1.00	9.68
Sub Total	1,722	40.90	172.33	1,734	40.65	173.08	1,643	17.90	195.97	1,643	17.90	195.97
Total Personnel		1,935.23			1,947.73			1,856.87			1,856.87	

The number of full-time employees for FY 2003-04 and FY 2004-05 totals 1,856.87 full-time equivalents (FTE), including 1,643 full-time, 17.90 permanent full-time equivalents, and 195.97 temporary full-time equivalent employees. This total translates to a 4.7% decrease over the 1,947.73 full-time equivalents budgeted in FY 2002-03, and a 4.0% decrease over the 1,935.23 full-time equivalent employees in FY 2001-02.

Public Works and Police account for over 48% of the total work force in both fiscal years, representing 376.68 and 522.25 full-time equivalents in FY 2003-04 and FY 2004-05.

Personnel Schedules



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
1110	MAYOR & COUNCIL					
	Mayor	99	1	1	1	1
	Council Member	98	6	6	6	6
	Total Full -Time		7	7	7	7
Mayor & Council Department Total Full-Time			7	7	7	7
1210	CITY MANAGER					
	Administration					
	City Manager	103	1	1	1	1
	Assistant City Manager	171	1	1	0	0
	Executive Assistant to the City Manager/Mayor II	28	1	1	1	1
	Executive Assistant	26	1	1	0	0
	Administrative Intern*		1.0	0.5	0.5	0.5
	City Manager Department Total Full-Time		4	4	2	2
City Manager Department Total Temp FTE*			1.00	0.50	0.50	0.50
1212	Diversity Program					
	Diversity Director	148	0	1	1	1
	Events Coordinator	31	0	1	1	1
	Administrative Assistant II	16	0	1	1	1
Diversity Program Total Full-Time			0	3	3	3
1213	Internal Audit					
	Internal Audit Director	154	1	1	1	1
	Organizational Efficiency Director	200	0	1	0	0
	Internal Auditor	36	2	2	2	2
	Contract Administrator	31	0	1	1	1
Internal Audit Division Total Full-Time			3	5	4	4
1219	COMMUNITY RELATIONS					
	Administration					
	Community Relations Manager	163	1	1	1	1
	City Council Chief of Staff	200	1	0	0	0
	Mayor's Chief of Staff	154	1	1	1	1
	Executive Assistant to the City Manager/Mayor II	30	1	1	1	1
	Mayoral/Council Aide II	30	1	1	1	1
	Mayoral/City Council Aide I	28	2	3	2	2
	Executive Assistant	26	1	1	1	1
	Mayoral Aide	26	1	0	0	0
	Management Intern	15	1	1	1	1
	Administrative Intern*		0.00	0.49	0.49	0.49
	COE*		0.49	0.49	0.49	0.49
Total Full-Time		10	9	8	8	
Total Temp FTE*		0.49	0.98	0.98	0.98	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
1214	Communication & Media Relations					
	Communication & Media Relations Director	154	1	1	1	1
	Media Services Coordinator	39	1	1	1	1
	Communications Relations Coordinator	36	2	2	2	2
	Media Services Producer I/II+	29	2	2	2	2
	Media Services Assistant *		0.19	0.19	0.19	0.19
	Media Services Intern*		0.66	0.66	0.66	0.66
	COE*		0.49	0.00	0.00	0.00
	Total Full-Time		6	6	6	6
	Total Temp FTE*		1.34	0.85	0.85	0.85
1215	Neighborhood Program					
	Neighborhood Program Director	154	1	1	1	1
	Neighborhood Services Specialist	37	1	1	1	1
	Management Assistant II	35	1	1	0	0
	Total Full-Time		3	3	2	2
1216	Government Relations					
	Government Relations Director	154	1	1	1	1
	Aviation Coordinator	40	1	1	0	0
	Management Assistant I/II+	35	1	1	1	1
	Total Full-Time		3	3	2	2
Community Relations Department Total Full-Time			22	21	18	18
Community Relations Department Total Temp FTE*			1.83	1.83	1.83	1.83
1310	CITY CLERK					
	City Clerk	107	1	1	1	1
	Deputy City Clerk	29	1	1	0	0
	Executive Assistant	26	1	3	3	3
	Records Specialist	14	1	0	0	0
	Micrographics Operator I/II+	8	1	0	0	0
	COE *		0.58	0.58	0.58	0.58
City Clerk Department Total Full-Time			5	5	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	114	1	1	1	1
	Court Manager	153	1	1	1	1
	City Judge	104	2	2	2	2
	Deputy Court Manager	45	2	2	2	2
	Hearing Officer	45	2	2	2	2
	Court Services Supervisor	27	1	0	0	0
Executive Assistant	26	0	1	1	1	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget	
1411	Court Interpreter (Grant funded position for two years - through 04-05)	21	0	1	1	1	
	Total Full-Time		9	10	10	10	
	Criminal Division						
	Court Services Supervisor	27	2	2	2	2	
	Court Services Specialist I/II+ COE*	18	8	8	7	7	
	Total Full-Time		2.1	2.1	2.1	2.1	
	Total Temp FTE*		10	10	9	9	
	Total Temp FTE*		2.1	2.1	2.1	2.1	
1412	Civil Division						
	Court Services Supervisor	27	3	3	3	3	
	Court Services Specialist I/II+ COE*	18	12	12	11	11	
	Total Full-Time		2.1	2.1	2.1	2.1	
	Total Temp FTE*		15	15	14	14	
	Total Temp FTE*		2.1	2.1	2.1	2.1	
City Court Department Total Full-Time			34	35	33	33	
City Court Department Total Temp FTE*			4.2	4.2	4.2	4.2	
1710	CITY ATTORNEY						
	Legal Services						
	City Attorney	114	1	1	1	1	
	Deputy City Attorney	60	1	1	1	1	
	Assistant City Attorney	300	4	4	4	4	
	City Prosecutor	54	1	1	1	1	
	Senior Prosecutor	50	1	1	0	0	
	Prosecutor I/II+	40	5	5	5	5	
	Legal Executive Assistant	27	1	1	1	1	
	Paralegal II+	28	1	1	1	1	
	Paralegal I+	24	2	2	1	1	
	<i>(1 position 60% funded by General Fund / 40% by Victim's Rights Grants)</i>						
	Legal Specialist I/II+	19	1	1	1	1	
	Senior Legal Assistant	18	1	1	1	1	
	Legal Assistant	16	4	4	4	4	
	Administrative Assistant I	10	1	0	0	0	
	Paralegal**		0.50	0.50	0.75	0.75	
	Law Intern*		0.62	0.62	0.62	0.62	
	Total Full-Time		24	23	21	21	
	Total Perm FTE**		0.50	0.50	0.75	0.75	
Total Temp FTE*		0.62	0.62	0.62	0.62		
3115	City Attorney/Water						
	Assistant City Attorney	300	2	2	2	2	
	Administrative Assistant II	16	1	1	1	1	
	Total Full-Time		3	3	3	3	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	City Attorney Department Total Full-Time		27	26	24	24
	City Attorney Department Total Perm FTE**		0.50	0.50	0.75	0.75
	City Attorney Department Total Temp FTE*		0.62	0.62	0.62	0.62
	FINANCIAL SERVICES					
1810	Administration					
	Financial Services Manager	163	1	1	1	1
	Executive Assistant	26	1	1	1	1
	Administrative Assistant II	16	1	1	0	0
	Total Full-Time		3	3	2	2
1812	Budget					
	Deputy Financial Services Manager	155	1	1	1	1
	Lead Budget and Research Analyst	39	0	1	1	1
	Budget and Research Analyst I/II+	36	3	2	2	2
	Total Full-Time		4	4	4	4
2621	Risk Management					
	Risk Manager	44	1	1	1	1
	Safety Officer	33	1	1	0	0
	Claims Officer - Liability	33	1	1	1	1
	Industrial Hygienist	33	1	1	0	0
	Administrative Assistant II	16	0	0	1	1
	Workers Compensation Rep**	15	0.5	0.5	0.5	0.5
	Total Full-Time		4	4	3	3
	Total Perm FTE**		0.5	0.5	0.5	0.5
1831	Accounting					
	Deputy Financial Services Manager	155	1	0	0	0
	Accounting Administrator	51	0	1	1	1
	Accounting Supervisor	42	2	1	1	1
	Senior Accountant	37	0	0	1	1
	Financial Applications Analyst	36	1	0	0	0
	Cash Management Specialist	36	1	1	1	1
	Accountant	31	2	2	1	1
	Payroll Supervisor	31	0	0	1	1
	Senior Financial Services Technician	21	1	1	0	0
	Payroll Specialist	20	0	0	1	1
	Financial Services Technician I/II+	18	6	6	4	4
	Accounting Assistant*		0.63	0.63	0.63	0.63
	Total Full-Time		14	12	11	11
	Total Temp FTE*		0.63	0.63	0.63	0.63



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
1832	Tax and Licensing					
	Tax and License Administrator	49	1	1	1	1
	License & Collections Supervisor	42	1	1	1	1
	Tax Audit Supervisor	42	1	1	1	1
	Tax Auditor I/II+	32	5	5	5	5
	Specialty Licenses Coordinator	31	1	1	1	1
	Tax Audit Analyst	27	1	1	1	1
	Executive Assistant	26	1	0	0	0
	License Inspector	25	1	1	0	0
	Revenue Compliance Officer I/II	25	0	0	3	3
	Revenue Collector	23	2	2	0	0
	Financial Services Technician I/II+	18	4	4	4	4
	Total Full-Time		18	17	17	17
1841	Customer Services					
	Deputy Financial Services Manager	155	0	1	1	1
	Customer Services Administrator	48	0	0	1	1
	Customer Services Office Supervisor	33	0	1	1	1
	Customer Services Field Supervisor	27	0	0	1	1
	Senior Financial Services Technician	21	0	1	0	0
	Financial Services Technician I/II+	18	0	7	9	9
	Water Service Representative	16	0	1	0	0
	Water Meter Reader Tech	13	0	1	1	1
	Water Meter Reader	10	0	4	6	6
	Total Full-Time		0	16	20	20
1851	Central Services/Purchasing					
	Central Services Administrator	46	1	1	1	1
	Procurement Officer	31	3	3	2	2
	Assistant Buyer	25	1	0	0	0
	Financial Services Technician I/II+	18	3	3	3	3
	Administrative Assistant II	16	1	1	1	1
	Unclassified Temporary-Office*		0.62	0.62	0.62	0.62
	Total Full-Time		9	8	7	7
	Total Temp FTE*		0.62	0.62	0.62	0.62
1852	Central Services/Duplicating & Supplies					
	Senior Reprographics Operator	18	2	2	2	2
	Reprographics Operator	10	2	1	1	1
	Distribution Clerk	8	1	1	1	1
	Total Full-Time		5	4	4	4
	Financial Services Department Total Full-Time		57	68	68	68
	Financial Services Department Total Perm FTE**		0.50	0.50	0.50	0.50
	Financial Services Department Total Temp FTE*		1.25	1.25	1.25	1.25
1870	Economic Development					
	Economic Development Manager	163	1	1	1	1
	Economic Development Specialist	43	1	1	1	1
	Retail Specialist	32	0	1	1	1



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Executive Assistant	26	0	1	1	1
	Administrative Assistant II	16	1	0	0	0
	Economic Development Division Total Full-Time		3	4	4	4
4410	Economic Development - Rio Salado					
	Rio Salado Manager	47	1	1	1	1
	Senior Planner	38	1	1	1	1
	Community Relations Coordinator	36	1	1	1	1
	Management Assistant I/II+	35	1	1	2	2
	Executive Assistant	26	1	1	0	0
	Administrative Assistant II	16	1	1	1	1
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		6	6	6	6
	Total Temp FTE *		0.49	0.49	0.49	0.49
4413	Rio Salado Park					
	Administrative Assistant I	10	3	2	2	2
	Total Full-Time		3	2	2	2
	Rio Salado Division Total Full-Time		9	8	8	8
	Rio Salado Division Total Temp FTE*		0.49	0.49	0.49	0.49
1890	Strategic Planning					
	Strategic Planning Director	200	1	0	0	0
	Contract Administrator	31	1	0	0	0
	Strategic Planning Division Total Full-Time		2	0	0	0
	HUMAN RESOURCES					
1911	Human Resources -Administration					
	Human Resources Manager	163	1	1	1	1
	Deputy Human Resources Manager	155	1	1	1	1
	Employee Benefits Supervisor	41	1	1	1	1
	Human Resources Supervisor	37	1	1	0	0
	Human Resources Analyst I/II+	36	5	4	4	4
	Executive Assistant	26	1	1	1	1
	Benefits Specialist	20	1	1	1	1
	Human Resources Technician I/II+	20	7	7	6	6
	Administrative Assistant II	16	1	1	1	1
	Human Resources Analyst I/II+**		0.5	0.5	0.5	0.5
	Total Full-Time		19	18	16	16
	Total Perm FTE**		0.5	0.5	0.5	0.5
1920	Tempe Learning Center					
	Org Development Administrator	48	1	1	1	1
	Management Assistant I/II+	35	0	0	1	1
	Human Resources Technician II	20	1	1	0	0
	Total Full-Time		2	2	2	2
	Human Resources Department Total Full-Time		21	20	18	18
	Human Resources Department Total Perm FTE**		0.5	0.5	0.5	0.5



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	INFORMATION TECHNOLOGY					
1981	Information Technology/Administration					
	Information Technology Manager	163	1	1	1	1
	Deputy Information Tech Manager	155	2	2	2	2
	Planning & Research Analyst	40	1	0	0	0
	Program Consultant	37	2	2	0	0
	Executive Assistant	26	1	1	1	1
	Total Full-Time		7	6	4	4
1982	Information Technology/Customer Support					
	PC Services Supervisor	46	0	1	1	1
	Support Services Supervisor	44	1	1	0	0
	Customer Support Coordinator	39	2	0	0	0
	Sr. PC Services Consultant	34	1	1	1	1
	PC Services Consultant I/II+	31	6	6	6	6
	Total Full-Time		10	9	8	8
1983	Information Technology/Technical Services					
	System Network Supervisor	47	1	1	1	1
	Data Center & Network Operations Supervisor	46	1	1	1	1
	Sr. Technical Support Analyst	44	2	2	2	2
	Technical Support Analyst	41	5	5	5	5
	Production Control Coordinator	33	1	1	1	1
	Data Center Support Specialist	25	2	2	1	1
	Data Center Operator I/II+	20	3	3	3	3
	Total Full-Time		15	15	14	14
1984	Information Technology/Application Services					
	Application Services Supervisor	49	1	1	1	1
	IT Project Coordinator	47	1	1	1	1
	Customer Support Supervisor	46	0	1	1	1
	Database Administrator	46	1	3	3	3
	Webmaster	46	2	2	2	2
	Business Analyst	46	8	8	8	8
	(1 position funded by Water/Wastewater)					
	Database Analyst	42	2	0	0	0
	Senior Programmer Analyst	44	9	9	9	9
	(1 position funded by Water/Wastewater)					
	Programmer Analyst I/II+	41	8	7	6	6
	(1 position funded by Water/Wastewater)					
	IT Training Coordinator	37	1	1	1	1
	Customer Support Specialist I/II+	31	5	5	5	5
	Programmer Analyst**		0.5	0	0	0
	Total Full-Time		38	38	37	37
	Total Perm FTE**		0.5	0	0	0
1985	Information Technology/Telecommunications					
	Telecommunications Supervisor	46	1	1	1	1
	Telecommunications Operations Supervisor	39	1	1	1	1



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Telecommunications Network Engineer	39	3	3	3	3
	Sr Communication Network Technician	31	1	1	1	1
	Communication Network Technician	28	4	4	3	3
	Administrative Assistant II	16	2	1	1	1
	Total Full-Time		12	11	10	10
	Information Technology Department Total Full-Time		82	79	73	73
	Information Technology Department Total Perm FTE**		0.5	0.0	0.0	0.0
	DEVELOPMENT SERVICES					
2710	Development Services - Administration					
	Development Services Manager	165	1	1	1	1
	Executive Assistant	26	1	0	0	0
	Total Full-Time		2	1	1	1
2721	Building Safety and Permits					
	Deputy Dev Services Manager-BS	157	1	1	1	1
	Plan Check Administrator	45	1	1	1	1
	Permits Center Manager	42	1	1	0	0
	Bldg. Inspection Superintendent	40	1	1	1	1
	Senior Plan Check Engineer	39	2	2	2	2
	Sr Building Inspector	36	1	1	1	1
	Plan Check Engineer	35	4	4	4	4
	Permits Center Supervisor	36	0	1	1	1
	ADA Plan Check Engineer	35	1	0	0	0
	Planner I/II+	34	1	1	0	0
	Plans Examiner	32	2	2	2	2
	Building Code Complaint Investigator	31	1	1	1	1
	Building Inspector I/II+	31	10	6	6	6
	Executive Assistant	26	1	1	1	1
	Senior Development Services Specialist	25	1	0	0	0
	Sign Code Inspector	25	1	1	1	1
	Planning Code Inspector I/II	25	1	1	1	1
	Planning Technician I/II	25	1	1	0	0
	Dev Services Specialist I/II +	22	9	5	5	5
	Administrative Assistant II	16	1	1	1	1
	Administrative Assistant I	16	1	0	0	0
	Building Inspector I/II+**		1	1	0	0
	Dev Services Specialist I/II + *		0	0	1	1
	Total Full-Time		42	32	29	29
	Total Perm FTE**		1	1	0	0
	Total Temp FTE*		0	0	1	1
2731	Planning					
	Deputy Dev Services Manager - Planning	157	1	1	0	0
	Principal Planner	45	3	3	2	2
	Senior Planner	39	4	4	4	4
	Planner I/II+	34	6	6	7	7



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Executive Assistant	26	0	1	0	0
	Administrative Assistant II	16	2	2	3	3
	COE*		1.86	1.86	1.86	1.86
	Total Full-Time		16	17	16	16
	Total Temp FTE*		1.86	1.86	1.86	1.86
2732	Code Compliance					
	Code Enforcement Manager	40	1	1	1	1
	Senior Code Inspector Specialist	32	1	1	1	1
	Senior Code Inspector	27	1	1	1	1
	Code Inspector I/II+	26	9	9	8	8
	Administrative Assistant II	16	1	1	1	1
	Administrative Assistant I	8	1	1	1	1
	Total Full-Time		14	14	13	13
2741	Redevelopment, Neighborhood Planning & Urban Design					
	Deputy Dev Svcs Manager - Comm. Design & Dev.	157	1	1	1	1
	Principal Planner	45	4	4	3	3
	Senior Planner	39	5	4	3	3
	<i>(2 positions funded by Federal Grant)</i>					
	Planner I/II+	34	3	3	3	3
	Planning Technician I/II+	25	3	3	0	0
	<i>(1 Position 50% funded by Federal Grant)</i>					
	Housing Services Specialist I/II	25	0	1	0	0
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		17	17	11	11
2761-2774	Housing Services Division					
	Dep Dev Svcs Manager - Housing Svcs	157	1	1	1	1
	Housing Services Supervisor	33	1	1	1	1
	Accountant	31	1	1	1	1
	Homeless Coordinator	31	0	1	1	1
	Family Self Sufficiency Specialist	26	1	1	1	1
	Housing Services Specialist (CDBG & HOME)	25	4	3	3	3
	Housing Services Specialist (Section 8)	22	5	5	5	5
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		14	14	14	14
Development Services Department Total Full-Time			105	95	84	84
Development Services Department Total Perm FTE*			1	1	0	0
Development Services Department Total Temp FTE*			1.86	1.86	2.86	2.86
2210	POLICE					
	Office of the Chief					
	Police Chief	167	1	1	1	1
	Police Administration Manager	44	1	1	1	1
	Management Assistant II	35	2	2	2	2
	Crime Analyst I/II+	31	3	3	3	3



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget	
2231	Executive Assistant	26	1	1	1	1	
	Alarm Coordinator	21	1	1	1	1	
	Administrative Assistant II	16	1	1	1	1	
	Police Records Clerk II	14	1	1	1	1	
	Administrative Assistant I	10	1	1	1	1	
	Total Full-Time		12	12	12	12	
	Detention Facility						
	Police Detention & Support Manager	48	1	1	1	1	
	Police Identification Supervisor	31	1	1	1	1	
	Police Property Supervisor	28	1	1	1	1	
2231	Detention Supervisor	27	6	6	6	6	
	Police ID Technician	22	5	6	5	5	
	Detention Officer	19	19	19	19	19	
	Police Property Technician	18	5	5	5	5	
	Fingerprint Technician	17	2	2	2	2	
	Detention Officer**		1	1	1	1	
	Total Full-Time		40	41	40	40	
	Total Perm FTE**		1.0	1.0	1.0	1.0	
	2232	Communications Bureau					
		Police Communications Manager	42	1	1	1	1
Police Communications Shift Supvr.		32	6	6	6	6	
Police Communications Dispatcher I/II+		22	36	36	36	36	
	Total Full-Time		43	43	43	43	
2233	Records Bureau						
	Police Information Manager	42	1	1	1	1	
	Senior Police Records Clerk	24	3	3	3	3	
	Police Records Clerk II	16	15	15	15	15	
	Administrative Assistant I	10	2	2	1	1	
	Police Records Clerk I	8	8	8	8	8	
COE*		1	1	1	1		
	Total Full-Time		29	29	28	28	
	Total Temp FTE*		1	1	1	1	
2236	Crime Prevention						
	Police Sergeant	36	1	1	1	1	
	Crime Free Multi-Housing Coordinator	29	1	1	1	1	
	Police Officer	28	4	5	5	5	
	Administrative Assistant II	16	1	1	1	1	
	Total Full-Time		7	8	8	8	
2241	Investigations/Criminal Investigations						
	Assistant Police Chief	160	1	1	1	1	
	Police Commander	50	1	1	1	1	
	Police Sergeant	36A	6	6	6	6	
	Police Officer	28	38	39	39	39	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget	
	Executive Assistant	26	1	1	1	1	
	Police Community Service Officer	20	3	3	3	3	
	Police Investigative Asst.	16	3	3	3	3	
	Administrative Assistant II	16	1	1	1	1	
	COE*		1.26	1.26	1.26	1.26	
	Total Full-Time		54	55	55	55	
	Total Temp FTE*		1.26	1.26	1.26	1.26	
	2242	Investigations/Traffic Investigations					
		Police Commander	50	1	1	1	1
		Police Sergeant	36A	5	5	5	5
	Police Officer	28	26	25	25	25	
	Administrative Assistant II	16	1	1	1	1	
	Administrative Assistant I	10	1	1	1	1	
	Traffic Enforcement Aide	10	7	7	7	7	
	Total Full-Time		41	40	40	40	
2243	SEU						
	Police Commander	50	1	1	1	1	
	Police Sergeant	36A	4	5	5	5	
	Criminal Intelligence Analyst	31	0	0	1	1	
	Police Officer <i>(1 position is a Senior Intelligence Officer)</i>	28	23	22	22	22	
	Police Community Service Officer	20	1	1	1	1	
	Police Investigative Assistant	16	2	2	1	1	
	Administrative Assistant II	16	1	1	1	1	
	Total Full-Time		32	32	32	32	
2248	Downtown Unit						
	Police Commander	50	1	1	1	1	
	Police Sergeant	36A	3	3	3	3	
	Police Officer	28	21	21	16	16	
	Police Licensing Specialist	26	1	1	1	1	
	Total Full-Time		26	26	21	21	
2251	Administration						
	Assistant Chief	160	1	1	1	1	
	Police Commander	50	1	1	1	1	
	Police Sergeant	36A	8	8	8	8	
	Management Assistant I/II	35	1	1	1	1	
	Police Polygraph Examiner I/II+ <i>(1 position sworn, 1 non-sworn)</i>	34	2	2	2	2	
	Volunteer Coordinator	31	1	1	1	1	
	Police Officer	28	4	4	4	4	
	Policy Procedures Officer		1	1	1	1	
	Administrative Assistant II	16	2	2	2	2	
	Administrative Assistant I	10	1	1	1	1	
	COE*		0.7	0.7	0.7	0.7	
	Total Full-Time		22	22	22	22	
	Total Temp FTE*		0.7	0.7	0.7	0.7	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
2258	Rio Salado - Park Rangers Park Ranger Total Full-Time	13	0 0	6 6	6 6	6 6
2259	Rio Salado - Sworn Police officer Total Full-Time	28	0 0	0 0	5 5	5 5
2271	Patrol-Administration Assistant Chief Police Commander Police Sergeant Police Officer Administrative Assistant II Administrative Assistant I Police Reserves* Service Aide* COE* Total Full-Time Total Temp FTE*	57 50 36A 28 16 10	1 1 2 1 2 2 0.16 2.5 0.63 9 3.29	1 1 2 1 2 2 0.16 2.5 0.63 9 3.29	1 1 2 1 2 2 0.16 2.5 0.63 9 3.29	1 1 2 1 2 2 0.16 2.5 0.63 9 3.29
2272	Patrol Police Commander Police Sergeant Police Officer Police Community Service Officer Total Full-Time	50 36A 28 20	5 24 138 10 177	5 23 138 10 176	5 23 137 10 175	5 23 137 10 175
2273	City Security Team Police Sergeant (.5 funded by Rio Salado) Park Ranger Total Full-Time	36A 13	2 10 12	2 9 11	2 9 11	2 9 11
2274	Recruits Police Officer Total Full-Time	28	8 8	8 8	8 8	8 8
Police Department Total Full-Time			512	518	515	515
Police Department Total Perm FTE**			1.0	1.0	1.0	1.0
Police Department Total Temp FTE*			6.25	6.25	6.25	6.25
2310	FIRE Administration Fire Chief Assistant Fire Chief Fire Battalion Chief Senior Management Assistant	165 158 48 40	1 1 3 1	1 1 3 1	1 1 3 0	1 1 3 0



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Executive Assistant	26	1	1	0	0
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		8	8	6	6
2330	Fire Prevention					
	Fire Marshal	48	1	1	1	1
	Fire Inspector I/II+	31	7	7	7	7
	Fire Education Specialist	18	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		11	11	11	11
2340	Fire Emergency Services					
	Fire Captain	34	30	30	30	30
	Fire Engineer	28	33	33	33	33
	Firefighter <i>(57 of Firefighter, Engineer or Captain positions are paramedic assignment.)</i>	25	62	62	62	62
Total Full-Time		125	125	125	125	
2350	Training/Professional Development					
	Fire Battalion Chief	48	1	1	1	1
	Fire Captain - Assgt.	37A	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
Total Full-Time		3	3	3	3	
2363	Fire Apparatus Maintenance					
	Senior Fire Mechanic	33	1	1	1	1
	Fire Mechanic	28	1	1	1	1
	Inventory Services Specialist **	13	0.5	0.5	0.5	0.5
	Total Full-Time		2	2	2	2
Total Perm FTE**		0.5	0.5	0.5	0.5	
2364	Support Services - Administration					
	Fire Battalion Chief	48	1	1	1	1
	Fire Services Inventory Technician	24	1	1	1	1
	Fire Support Services Technician	13	1	1	1	1
	Service Aide		1	1	0	0
	Service Aide **		0.00	0.00	0.50	0.50
	Total Full-Time		4	4	3	3
Total Perm FTE**		0.00	0.00	0.50	0.50	
2370	Medical Services					
	Fire Battalion Chief	48	1	1	1	1
	Fire Captain - Paramedic-Assgt.	41A	1	1	1	1
	Medical Services Coordinator	33	1	1	1	1
Total Full-Time		3	3	3	3	
2380	Special Operations					
	Fire Battalion Chief	48	1	1	1	1



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Haz Mat Program Specialist	36	1	1	1	1
	Fire Captain	34	1	1	1	1
	Total Full-Time		3	3	3	3
	Fire Department Total Full-Time		159	159	156	156
	Fire Department Total Perm FTE**		0.5	0.5	1.0	1.0
			159.50	159.50	157.00	157.00
	COMMUNITY SERVICES					
2410	Administration					
	Community Services Manager	165	1	1	1	1
	Volunteer Coordinator	31	1	1	1	1
	Executive Assistant	26	1	1	1	1
	Recreation Worker*		0.38	0	0	0
	Unclassified Temporary*		0.14	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	157	1	1	1	1
	Management Assistant II	35	1	1	1	1
	Recreation Coordinator	31	1	1	1	1
	Community Services Registration Tech	19	1	1	1	1
	Administrative Assistant II	16	3	3	3	3
	Administrative Assistant II**		0.00	1.50	1.50	1.50
	Administrative Assistant I**		1.50	0.00	0.00	0.00
	Unclassified Temporary*		0.22	0.22	0.22	0.22
	Total Full-Time		7	7	7	7
	Total Perm FTE**		1.50	1.50	1.50	1.50
	Total Temp FTE*		0.22	0.22	0.22	0.22
2422 (2483)	Recreation/Community Events					
	Community Services Supervisor	39	1	1	1	1
	Public Relations and Events Coordinator	31	1	0	0	0
	Recreation Coordinator	31	2	2	1	1
	Assistant Recreation Coordinator	23	1	1	1	1
	Unclassified Temporary*		1.18	1.18	1.18	1.18
	Total Full-Time		5	4	3	3
	Total Temp FTE*		1.18	1.18	1.18	1.18
2423	Recreation/Special Populations					
	Recreation Coordinator	31	1	1	1	1
	Asst. Recreation Coordinator	23	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Asst. Recreation Coordinator **		0.50	0.00	0.00	0.00
	Unclassified Temporary*		2.87	2.87	2.87	2.87
	Total Full-Time		3	3	3	3
	Total Perm FTE**		0.50	0.00	0.00	0.00
	Total Temp FTE*		2.87	2.87	2.87	2.87



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
2424	Recreation/Rec. Instructional					
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	2	3	3	3
	Assistant Recreation Coordinator	23	1	0	0	0
	Recreation Leader III*		1.93	1.93	1.93	1.93
	Unclassified Temporary*		4.72	4.72	4.72	4.72
	Total Full-Time		4	4	4	4
Total Temp FTE*		6.65	6.65	6.65	6.65	
2425	Recreation/Youth Sports					
	Recreation Coordinator	31	2	2	2	2
	Unclassified Temporary*		3.84	3.84	3.84	3.84
	Total Full-Time		2	2	2	2
Total Temp FTE*		3.84	3.84	3.84	3.84	
2426	Recreation/Adult Sports					
	Community Services Supervisor	39	1	1	1	1
	Program Coordinator	35	1	0	0	0
	Recreation Coordinator	31	2	2	2	2
	Unclassified Temporary*		2.89	3.89	3.89	3.89
Total Full-Time		4	3	3	3	
Total Temp FTE*		2.89	3.89	3.89	3.89	
2427	Recreation Resources					
	Recreation Coordinator	31	1	1	1	1
	Unclassified Temporary*		4.1	4.1	4.1	4.1
	Total Full-Time		1	1	1	1
Total Temp FTE*		4.1	4.1	4.1	4.1	
2429	Recreation/Diablo Stadium Operation					
	Recreation Coordinator	31	1	1	1	1
	Unclassified Temporary*		2.41	2.41	2.41	2.41
	Total Full-Time		1	1	1	1
Total Temp FTE*		2.41	2.41	2.41	2.41	
2431	Recreation/Kiwanis Center					
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	1	1	1	1
	Asst. Recreation Coordinator	23	3	2	2	2
	Administrative Assistant II	16	0	1	1	1
	Administrative Assistant II**		3.75	1.75	1.75	1.75
	Recreation Leader I*		0.75	0.75	0.75	0.75
	Recreation Worker*		0.50	0.50	0.50	0.50
	Unclassified Temporary*		18.46	18.46	18.46	18.46
	Total Full-Time		5	5	5	5
Total Perm FTE**		3.75	2.75	2.75	2.75	
Total Temp FTE*		19.71	19.71	19.71	19.71	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
2432	Recreation/Kiwanis Concession					
	Unclassified Temporary*		1.99	1.99	1.99	1.99
	Total Temp FTE*		1.99	1.99	1.99	1.99
2433	Recreation/Aquatics					
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	1	1	1	1
	Swimming Pool Maint Mechanic	23	1	1	1	1
	Swimming Pool Maint Technician	20	1	1	1	1
	Asst. Recreation Coordinator**		0.75	0	0	0
	Unclassified Temporary*		17.33	18.08	18.08	18.08
	Total Full-Time		4	4	4	4
Total Perm FTE**		0.75	0.00	0.00	0.00	
Total Temp FTE*		17.33	18.08	18.08	18.08	
2435	Recreation/Kiwanis Batting Cage					
	Batting Cage Coordinator	27	1	1	1	1
	Batting Range Operator	9	1	1	0	0
	Unclassified Temp*		1.41	1.41	2.41	2.41
	Total Full-Time		2	2	1	1
	Total Temp FTE*		1.41	1.41	2.41	2.41
2440	Library					
	Dep Comm Svcs Mgr - Library	157	1	1	1	1
	Administrative Librarian	39	1	1	0	0
	Library Supervisor	39	4	4	4	4
	Recreation Coordinator	31	1	1	1	1
	Catalog Services Coordinator	31	1	1	1	1
	Librarian I/II+	30	13	11	11	11
	Circulation Services Coordinator	28	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Library Specialist I/II+	15	6	6	9	9
	Library Specialist I+	11	3	3	0	0
	Library Assistant	8	5	5	5	5
	Librarian I/II+**		2	1.25	0.50	0.50
	Library Specialist II**		1.75	1.75	1.00	1.00
	Library Assistant**		4.50	4.00	3.25	3.25
Unclassified Temp - Office*		9.84	9.84	9.84	9.84	
	Total Full-Time		37	35	34	34
	Total Perm FTE**		8.25	7.00	4.75	4.75
	Total Temp FTE*		9.84	9.84	9.84	9.84
2486	Social Services/Administration					
	Dep Comm Svcs Mgr - Social Services	157	0	0	1	1
	Management Assistant II	35	0	0	1	1
	Administrative Assistant II	16	0	0	4	4
	Unclassified Temporary*		0.00	0.00	0.85	0.85
	Total Full-Time		0	0	6	6
	Total Temp FTE*		0.00	0.00	0.85	0.85



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget	
2451	Social Services/Diversion						
	Dep Comm Svcs Mgr - Social Services	157	1	1	0	0	
	Community Services Supervisor	39	2	2	0	0	
	Social Services Supervisor	39	3	3	1	1	
	Social Services Counselor I/II+	35	10	9	3	3	
	Community Youth Coordinator	31	2	2	0	0	
	Youth Employment Coordinator	31	1	1	0	0	
	Social Services Coordinator	31	3	3	0	0	
	Asst Recreation Coordinator	23	2	2	0	0	
	Program Specialist	17	2	2	0	0	
	Administrative Assistant II	16	8	8	0	0	
	Social Services Coordinator**			1.50	1.75	0	0
	Customer Support Specialist I**			0.75	0.75	0	0
	Secretary**			0.75	0.75	0.00	0.00
	Social Services Counselor**			0.65	0.65	0.65	0.65
	Asst Comm Youth Coordinator*			0.06	0.06	0.00	0.00
	Program Supervisor*			4.00	4.00	0.00	0.00
	Program Leader*			3.25	3.25	0.00	0.00
	Unclassified Temp - Office*			7.36	7.36	0.00	0.00
		Total Full-Time		34	33	4	4
	Total Perm FTE**		3.65	3.90	0.65	0.65	
	Total Temp FTE*		14.67	14.67	0.00	0.00	
2457	Social Services/KID ZONE						
	Community Services Supervisor	39	1	1	1	1	
	Management Assistant II	35	1	1	0	0	
	Social Services Coordinator	31	4	3	5	5	
	Assistant Recreation Coordinator	23	1	1	11	11	
	Administrative Assistant II	16	0	0	1	1	
	Inventory Services Specialist	13	0	0	1	1	
	Social Services Coordinator**			2.00	2.00	0.00	0.00
	Secretary**			1.00	1.00	0.00	0.00
	Inventory Services Specialist**			1.00	1.00	0.00	0.00
	Program Coordinator**			10.00	10.00	0.00	0.00
	Program Coordinator*			0.48	0.48	0.00	0.00
	Unclassified Temporary*			46.95	46.95	65.93	65.93
		Total Full-Time		7	6	19	19
		Total Perm FTE**		14.00	14.00	0.00	0.00
	Total Temp FTE*		47.43	47.43	65.93	65.93	
2485	Social Services/Partnerships						
	Social Services Supervisor	39	0	0	2	2	
	Social Services Counselor II	35	0	0	1	1	
	Social Services Coordinator	31	0	0	2	2	
	Crisis Intervention Specialist	27	0	0	1	1	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Unclassified Temporary *		0.00	0.00	7.43	7.43
	Total Full-Time		0	0	6	6
	Total Temp FTE*		0.00	0.00	7.43	7.43
2487	Social Services/Escalante					
	Community Services Supervisor	39	0	0	1	1
	Social Services Coordinator	31	0	0	2	2
	Assistant Recreation Coordinator	23	0	0	2	2
	Administrative Assistant II	16	0	0	1	1
	Customer Support Specialist I**	23	0.00	0.00	0.75	0.75
	Administrative Assistant I**	10	0.00	0.00	0.75	0.75
	Unclassified Temporary*		0.00	0.00	7.28	7.28
	Total Full-Time		0	0	6	6
	Total Perm FTE**		0.00	0.00	1.50	1.50
	Total Temp FTE*		0.00	0.00	7.28	7.28
2481	Cultural Services - Administration					
	Dep Comm Svcs Mgr - Cultural Services	157	1	1	0	0
	Community Services Supervisor	39	1	1	1	1
	Recreation Coordinator	31	1	0	0	0
	Fine Arts Coordinator	31	2	2	2	2
	Administrative Assistant II	16	1	1	1	1
	Assistant Recreation Coordinator**		1.0	0.0	0.0	0.0
	Dep Comm Svcs Mgr - Cultural Services**		0.00	0.00	0.50	0.50
	<i>(.50 funded by General Fund, .50 by Performing Arts Fund)</i>					
	Recreation Leader III*		0.95	0.95	0.95	0.95
	Recreation Leader IV*		0.36	0.36	0.36	0.36
	Unclassified Temporary*		5.01	6.01	6.01	6.01
	Total Full-Time		6	5	4	4
	Total Perm FTE**		1.00	0.00	0.50	0.50
	Total Temp FTE*		6.32	7.32	7.32	7.32
2484 (2445)	Historical Museum					
	Museum Administrator	39	1	1	1	1
	Museum Curator	28	5	4	4	4
	Museum Registrar	23	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Museum Aide**		0.5	0.5	0.5	0.5
	Unclassified Temp - Office*		0.7	0.7	0.7	0.7
	Total Full-Time		8	7	7	7
	Total Perm FTE**		0.5	0.5	0.5	0.5
	Total Temp FTE*		0.7	0.7	0.7	0.7
3610	Performing Arts - Administration					
	Cultural Facilities Administrator	37	1	1	1	1
	Fine Arts Coordinator	31	1	1	1	1



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Administrative Assistant II	10	1	0	1	1
	Dep Comm Svcs Mgr - Cultural Services**		0.00	0.00	0.50	0.50
	<i>(.50 funded by General Fund, .50 by Performing Arts Fund)</i>					
	Total Full-Time		3	2	3	3
	Total Perm FTE**		0.00	0.00	0.50	0.50
	Community Services Department Total Full-Time		136	127	126	126
	Community Services Department Total Perm FTE**		33.90	29.65	12.65	12.65
	Community Services Department Total Temp FTE*		144.08	146.83	167.22	167.22
	PUBLIC WORKS					
3210	Administration					
	Public Works Manager	165	1	1	1	1
	Administrative Services Coordinator	42	1	1	0	0
	Management Assistant II	35	1	1	1	1
	Executive Assistant	26	1	1	1	1
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		4	4	3	3
	Total Temp FTE*		0.49	0.49	0.49	0.49
3221	Engineering/Admin. Support/Contract Admin.					
	Deputy PW Manager-Engineering	157	1	1	1	1
	Engineering Manager	40	1	1	0	0
	Senior Management Assistant	40	0	0	1	1
	Senior Civil Engineer	39	1	1	0	0
	Contract Administrator	31	0	0	1	1
	Senior Engineering Associate+	29	1	1	0	0
	Executive Assistant	26	1	1	0	0
	Engineering Associate+	25	1	1	0	0
	Engineering Technician II+	22	1	1	0	0
	Administrative Assistant II	16	2	2	2	2
	Engineering Technician I+	15	1	1	0	0
	Total Full-Time		10	10	5	5
3222	Engineering/Construction Mgt. & Quality Assurance					
	Principal Civil Engineer	44	0	0	1	1
	Engineering Manager	41	1	1	0	0
	Engineering Permit Inspection Coordinator	36	0	0	1	1
	Senior Engineering Associate+	31	7	6	4	4
	Engineering Associate+	27	2	2	1	1
	Total Full-Time		10	9	7	7
3223	Engineering/Plan Review/Project Development					
	Assistant City Engineer	53	1	1	0	0
	Principal Civil Engineer	44	1	1	1	1
	Engineering Supervisor	41	1	1	0	0
	Senior Civil Engineer+	41	3	3	2	2
	<i>(One position funded by Water/Wastewater)</i>					



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Municipal Property Specialist	38	2	2	0	0
	Civil Engineer + <i>(One position funded by Water/Wastewater)</i>	36	1	1	1	1
	Engineering Systems Supervisor	35	1	1	0	0
	Real Estate Property Specialist	33	0	0	0	0
	Utility Infrastructure Coordinator	33	1	1	1	1
	Senior Engineering Associate+	31	4	2	3	3
	Senior Survey Technician	22	1	1	0	0
	Engineering Technician I/II+	22	3	3	0	0
	Survey Technician I/II+	18	1	0	0	0
	Total Full-Time		20	17	8	8
3225	Engineering/Information & Technical Services					
	Engineering Supervisor	41	0	0	1	1
	Engineering Systems Supervisor	35	0	0	1	1
	Real Estate Property Specialist	33	0	0	1	1
	Senior Engineering Associate+	31	0	0	3	3
	Engineering Technician I/II+	22	0	0	4	4
	Survey Technician II	18	0	0	1	1
	Total Full-Time		0	0	11	11
	Admin & Engineering Division Total Full-Time		44	40	34	34
	Admin & Engineering Division Total Temp FTE*		0.49	0.49	0.49	0.49
3231	Field Services/Administration					
	Deputy PW Manager-Field Services	157	1	1	1	1
	Senior Management Assistant	40	1	1	1	1
	Management Assistant I/II+	35	1	1	1	1
	Administrative Assistant II	16	3	3	2	2
	Administrative Assistant I	10	1	1	0	0
	Total Full-Time		7	7	5	5
3241	Field Services/Facility Maintenance Administration					
	Asst. Field Serv. Director-Facility Management	44	1	1	1	1
	Facility Services Supervisor	32	1	1	1	1
	Facility Automation Technician	29	1	1	1	1
	Facility Electrician	26	1	1	1	1
	Facility Technician I/II+	23	16	17	15	15
	Total Full-Time		20	21	19	19
3250	Field Services/Custodial Services					
	Custodial Supervisor	28	2	1	4	4
	Lead Custodian	14	4	4	0	0
	Custodian	5	33	31	34	34
	Custodian**		0.5	0.5	0.0	0.0
	Custodian*		0.49	0.49	0.49	0.49
	Total Full-Time		39	36	38	38
	Total Perm FTE**		0.5	0.5	0.0	0.0
	Total Temp FTE*		0.49	0.49	0.49	0.49



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
3252	Field Services/Parks Maintenance					
	Asst. Field Services Director - Park/Golf Course Maintenance	44	1	1	1	1
	Parks and Golf Course Supervisor	31	3	3	3	3
	Parks Facility Maint. Wkr. I/II+	23	2	2	2	2
	Senior Equipment Operator	22	1	1	0	0
	Senior Groundskeeper	21	8	8	7	7
	Parks & Golf Course Mechanic	20	1	1	1	1
	Equipment Operator II (1 position funded by HURF)	19	5	5	6	6
	Sprinkler Sys. Maint. Worker I/II+	16	7	7	7	7
	Equipment Operator I	9	2	2	4	4
	Groundskeeper	8	21	20	15	15
	Groundskeeper*		2.62	2.62	2.62	2.62
	Unclassified Temporary*		2.5	2.5	2.5	2.5
	Total Full-Time			51	50	46
Total Temp FTE*			5.12	5.12	5.12	5.12
3253	Field Services/Baseball Facility					
	Parks and Golf Course Supervisor	31	1	1	1	1
	Senior Groundskeeper	21	0	0	2	2
	Equipment Operator I	9	2	2	0	0
	Groundskeeper	8	7	7	5	5
	Groundskeeper*		0.56	0.56	0.56	0.56
Total Full-Time			10	10	8	8
Total Temp FTE*			0.56	0.56	0.56	0.56
3254	Field Services/Rio Salado					
	Senior Groundskeeper	21	1	1	1	1
	Groundskeeper	8	1	1	1	1
	Custodian**		0.5	0.5	0	0
	Groundskeeper*		0.1	0.1	0.1	0.1
Total Full-Time			2	2	2	2
Total Perm FTE**			0.5	0.5	0.0	0.0
Total Temp FTE*			0.1	0.1	0.1	0.1
3255	Field Services/Landscape Maintenance Contract					
	Parks and Golf Course Supervisor	31	1	1	1	1
	Groundskeeper	8	2	2	0	0
Total Full-Time			3	3	1	1
3256	Field Services/Pest Control					
	Senior Pest Control Worker	23	1	1	1	1
	Pest Control Technician	16	4	4	4	4
Total Full-Time			5	5	5	5
3257	Field Services/Rio Salado - CFD					
	Groundskeeper	8	2	2	2	2
Total Full-Time			2	2	2	2



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
3258	Double Butte Cemetery Groundskeeper	8	2	2	1	1
	Total Full-Time		2	2	1	1
3712	Field Services/Solid Waste Support Services					
	Asst. Field Services Manager - Solid Waste	44	1	1	1	1
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Solid Waste Services Specialist	22	1	1	1	1
	Administrative Assistant II		0	0	1	1
Total Full-Time		3	3	4	4	
3713	Field Services/Solid Waste Residential Refuse					
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Equipment Operator II	19	19	19	19	19
Total Full-Time		20	20	20	20	
3714	Field Services/Solid Waste Commercial Refuse					
	Solid Waste Supervisor	31	1	1	1	1
	Equipment Operator II	19	15	15	15	15
Total Full-Time		16	16	16	16	
3715	Field Services/Roll Off Tilt Frame					
	Senior Equipment Operator	22	3	3	3	3
Total Full-Time		3	3	3	3	
3716	Field Services/Solid Waste Support Services					
	Lead Solid Waste Technician	22	1	1	1	1
	Solid Waste Technician	19	3	3	3	3
	Equipment Operator II	19	1	1	0	0
	Equipment Operator II**		0.0	0.0	0.5	0.5
	Total Full-Time		5	5	4	4
Total Perm FTE**		0.0	0.0	0.5	0.5	
3718	Field Services/Solid Waste Uncontained Refuse					
	Solid Waste/Recycling Supervisor	31	1	1	1	1
	Equipment Operator II	19	14	14	15	15
	Equipment Operator II**		0.5	0.5	0.0	0.0
	Total Full-Time		15	15	16	16
Total Perm FTE**		0.5	0.5	0.0	0.0	
3813	Field Services/Street Maintenance					
	Street Maintenance Supervisor	41	1	1	0	0
	Senior Engineering Associate	29	0	2	0	0
	Senior Equipment Operator	22	5	6	0	0
	Equipment Operator II	19	19	19	0	0
Total Full-Time		25	28	0	0	
2511	Field Services/Rolling Hills Golf Parks & Golf Course Supervisor	31	1	1	1	1



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
2512	Senior Groundskeeper	21	0	0	1	1
	Parks & Golf Course Mechanic	20	1	1	1	1
	Equipment Operator II	19	2	2	1	1
	Sprinkler Systems Maint. Worker I/II+	16	1	1	1	1
	Equipment Operator I	9	1	1	1	1
	Groundskeeper	8	4	4	4	4
	Groundskeeper*		1.07	1.07	1.07	1.07
	Total Full-Time		10	10	10	10
	Total Temp FTE*		1.07	1.07	1.07	1.07
	Field Services/Ken McDonald Golf					
Parks & Golf Course Supervisor	31	1	1	1	1	
Senior Groundskeeper	21	0	0	1	1	
Parks & Golf Course Mechanic	20	1	1	1	1	
Equipment Operator II	19	3	3	2	2	
Sprinkler System Maint. Worker I/II+	16	1	1	1	1	
Equipment Operator I	9	1	1	1	1	
Groundskeeper	8	5	5	5	5	
Groundskeeper*		1.35	1.35	1.35	1.35	
Total Full-Time		12	12	12	12	
Total Temp FTE*		1.35	1.35	1.35	1.35	
Field Services Division Total Full-Time			250	250	212	212
Field Services Division Total Perm FTE**			1.5	1.5	0.5	0.5
Field Services Division Total Temp FTE*			8.69	8.69	8.69	8.69
3261	Fleet Services/Fleet Management					
	Fleet Director	147	1	1	1	1
	Equipment Maintenance Supt.	39	1	0	0	0
	Fleet Systems Coordinator	35	0	0	1	1
	Equipment Control Coordinator	30	0	0	1	1
	Automotive Parts Supervisor	27	1	1	1	1
	Senior Auto Parts Specialist	21	1	1	1	1
	Auto Parts Specialist	16	3	3	2	2
	Administrative Assistant II	16	1	1	1	1
	Administrative Assistant I	8	1	0	0	0
Auto Parts Messenger*		0.5	0.5	0.5	0.5	
Total Full-Time		9	7	8	8	
Total Temp FTE*		0.5	0.5	0.5	0.5	
3262	Fleet Services/Fleet Maintenance					
	Equipment Maint. Supervisor	33	3	3	3	3
	Equipment Control Coordinator	30	0	0	1	1
	Lead Equipment Mechanic	28	3	3	2	2
	Equipment Mechanic	25	15	15	14	14
	Motorcycle Repair Technician	24	1	1	0	0
	Equipment Paint & Body Repair Worker	22	1	1	1	1
	Equipment Service Worker II	13	4	4	4	4
Total Full-Time		27	27	25	25	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Fleet Services Division Total Full-Time		36	34	33	33
	Fleet Services Division Total Temp FTE*		0.50	0.50	0.50	0.50
3813	Streets & Traffic Operations/Street Maintenance					
	Street Maintenance Superintendent	41	0	0	1	1
	Street Maintenance Supervisor	31	0	0	1	1
	Senior Engineering Associate	29	0	0	1	1
	Senior Equipment Operator	22	0	0	3	3
	Equipment Operator II	19	0	0	20	20
	<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>					
	Total Full-Time		0	0	26	26
3821	Streets & Traffic Operations/Administration					
	Deputy Public Works Manager - Transportation	157	1	0	1	1
	Management Assistant II	35	0	0	1	1
	Administrative Assistant II	16	1	1	1	1
	Total Full-Time		2	1	3	3
3822	Transportation/Studies & Design					
	Traffic Engineering Supervisor	42	1	1	1	1
	Senior Civil Engineer+	41	2	1	1	1
	Transportation Engineering Planner	36	0	0	1	1
	Senior Traffic Engineering Technician+	31	4	4	4	4
	Total Full-Time		7	6	7	7
3823	Streets & Traffic Operations/Operations					
	Traffic Operations Supervisor	41	1	1	1	1
	Senior Sign Technician	30	1	1	1	1
	Traffic Operations Crew Leader	20	2	2	2	2
	Sign Technician	18	1	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Transportation Worker I/II+	15	5	4	4	4
	Total Full-Time		11	10	10	10
3824	Streets & Traffic Operations/Street Lighting					
	Transportation Engineering Planner	36	1	1	0	0
	Management Assistant I/II+	35	1	1	1	1
	Lighting Systems Coordinator	27	1	1	1	1
	Total Full-Time		3	3	2	2
3825	Streets and Traffic Operations/Signal System					
	Intelligent Trans. System Coordinator	39	1	1	1	1
	Traffic Signal Supervisor	35	0	0	1	1
	Signal Systems Analyst	34	1	0	0	0
	Senior Traffic Signal Technician	33	1	1	0	0
	Traffic Signal Technician I/II+	26	3	3	3	3
	Underground Utilities Coordinator	22	1	1	1	1
	Traffic Signal Service Worker I/II+	21	5	5	5	5
	Total Full-Time		12	11	11	11



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
3911	Transportation/Transit					
	Deputy Public Works Manager	157	1	1	1	1
	Transit Administrator	44	1	1	1	1
	Principal Planner	45	2	2	2	2
	Principal Civil Engineer	44	1	1	1	1
	Sr Civil Engineer+	41	0	2	2	2
	Senior Transportation Planner +	40	1	1	2	2
	Transit Operations Supervisor	37	1	1	1	1
	Transportation Planner +	36	2	2	2	2
	Community Outreach & Marketing Coordinator	36	1	1	1	1
	Transit Finance Specialist	36	1	1	1	1
	Transit Operations Coordinator	32	1	1	1	1
	Alternative Modes Specialist	29	1	1	1	1
	Transit Information Specialist	27	1	1	1	1
	Transit Support Services Supervisor	26	1	1	1	1
	Transit Operations Technician	18	2	1	1	1
	Administrative Assistant II	16	1	1	1	1
	Transportation Operations Worker I/II+	15	5	5	0	0
	Management Intern**		0.5	0.5	0.5	0.5
	Total Full-Time		23	24	20	20
	Total Perm FTE**		0.5	0.5	0.5	0.5
3915	Transportation/Transit Store					
	Senior Financial Services Technician	18	1	1	1	1
	Financial Services Clerk I/II+	18	2	2	2	2
	Total Full-Time		3	3	3	3
3917	Transportation/Bus Stop Maintenance					
	Transportation Operations Worker I/II+	15	0	0	5	5
	Total Full-Time		0	0	5	5
	Transportation Division Total Full-Time		61	58	87	87
	Transportation Division Total Perm FTE**		0.5	0.5	0.5	0.5
	Public Works Department Total Full-Time		391	382	366	366
	Public Works Department Total Perm FTE**		2.0	2.0	1.0	1.0
	Public Works Department Total Temp FTE*		9.68	9.68	9.68	9.68
3002	WATER UTILITIES					
	Water Utilities - Administration					
	Water Utilities Dept. Manager	165	1	1	1	1
	Deputy Water Utilities Manager - Operations	157	1	1	1	1
	Principal Infrastructure Engineering Planner	42	1	1	1	1
	Senior Management Assistant	40	1	1	1	1
	Planning and Research Analyst	40	1	1	1	1
	Environmental Program Supervisor	39	0	1	0	0
	Air Quality Specialist	36	0	1	0	0



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
	Management Assistant I/II+	35	1	2	1	1
	Water Utility Safety & Training Coordinator	33	1	1	1	1
	Executive Assistant	26	1	1	1	1
	Administrative Assistant II	16	2	2	2	2
	COE*		0.49	0.49	0.49	0.49
	Total Full-Time		10	13	10	10
	Total Temp FTE*		0.49	0.49	0.49	0.49
3003	Water Utilities Warehouse					
	Warehouse Supervisor	25	1	1	1	1
	Inventory Services Specialist	13	1	1	1	1
	Distribution Clerk	8	1	1	1	1
	Total Full-Time		3	3	3	3
3004	Water Utilities Security					
	Management Assistant I/II+	35	0	0	1	1
	Water Utility Security Guard	13	0	0	2	2
	Total Full-Time		0	0	3	3
3011	Water Quality - Administration					
	Plant Operations Administrator	47	1	1	1	1
	Total Full-Time		1	1	1	1
3012	Control Center Operations					
	Control Center Supervisor	36	1	1	1	1
	Instrumentation and Control Tech (4 SBP)	27	4	4	4	4
	Control Center Operator	25	4	4	4	4
	Total Full-Time		9	9	9	9
3013	Johnny G. Martinez Water Plant					
	Plant Team Leader	36	1	1	1	1
	Plant Electrician (SBP)	26	1	1	1	1
	Plant Operator I/II+ (5 SBP)	23	6	6	7	7
	Plant Mechanic (SBP)	22	2	2	2	2
	Total Full-Time		10	10	11	11
3014	South Tempe Water Plant					
	Plant Team Leader	36	1	1	1	1
	Plant Electrician (1 SBP)	26	1	1	1	1
	Plant Operator I/II+ (3 SBP)	23	5	5	5	5
	Utility Services Mechanic	22	1	1	0	0
	Plant Mechanic (2 SBP)	19	1	1	2	2
	Total Full-Time		9	9	9	9
3021	Distribution System Services - Administration					
	Transmission and Collection Administrator	47	1	1	1	1
	Total Full-Time		1	1	1	1



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget	
3022	Distribution System Maintenance						
	Utility Services Supervisor	37	1	1	1	1	
	Utility Services Team Lead (SBP)	27	3	3	2	2	
	Senior Utility Services Worker	17	1	1	0	0	
	Utility Services Tech I/II+ (SBP)	17	8	8	10	10	
	Total Full-Time		13	13	13	13	
3024	Irrigation						
	Water Systems Supervisor	33	1	1	1	1	
	Water Systems Coordinator	24	1	1	1	1	
	Irrigator	5	7	7	7	7	
	Total Full-Time		9	9	9	9	
3025	Technical Support Team						
	CMMS Tech II	23	4	4	4	4	
	Underground Utilities Coordinator	22	2	2	2	2	
	Engineering Tech II	22	2	2	2	2	
	Administrative Assistant II	16	1	1	1	1	
	Total Full-Time		9	9	9	9	
3027	Environmental Services						
	Environmental Services Administrator	47	0	0	1	1	
	Environmental Program Supervisor	39	0	0	1	1	
	Environmental Quality Specialist	37	0	0	3	3	
	Environmental Investigator+	31	0	0	2	2	
	Sr. Cross Connection Control Inspector	29	0	0	1	1	
	Cross Connection Control Inspector	24	0	0	1	1	
	Administrative Assistant II**		0.0	0.0	0.5	0.5	
		Total Full-Time		0	0	9	9
		Total Perm FTE**		0.0	0.0	0.5	0.5
3028	Environmental - SROG						
	Environmental Compliance Supervisor	39	1	0	0	0	
	Sr. Environmental Investigator	35	0	0	1	1	
	Environmental Investigator I/II+	31	5	5	4	4	
	Sr. Cross Connection Control Inspector	29	0	1	0	0	
	Lead Environmental Technician	24	1	1	0	0	
	Cross Connection Control Inspector	24	0	1	0	0	
	Environmental Technician I/II+	22	3	3	4	4	
	Administrative Assistant II	16	2	2	2	2	
	Utility Security Technician	13	2	2	0	0	
	Administrative Assistant II**		0.0	0.5	0.0	0.0	
		Total Full-Time		14	15	11	11
		Total Perm FTE**		0.0	0.5	0.0	0.0
3029	Household Hazardous Product						
	Environmental Haz. Mat. Supervisor	35	1	1	1	1	
	Industrial Hygienist	33	0	0	1	1	
	Environmental Investigator+	31	1	1	1	1	
	Total Full-Time		2	2	3	3	



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
3031	Wastewater Services - Administration S.R.O.G Program Administrator Total Full-Time	47	1	1	1	1
			1	1	1	1
3033	Wastewater Utility Services Utility Services Team Lead (SBP) Utility Services Tech I/II+ (SBP) Total Full-Time	27 17	2	2	2	2
			8	8	8	8
			10	10	10	10
3034	Kyrene Water Reclamation Plant Plant Team Leader (SBP) Plant Operator I/II+ (SBP) Plant Mechanic+ (SBP) Total Full-Time	36 23	1	1	1	1
			2	2	1	1
			0	0	1	1
			3	3	3	3
3035	Field Facilities - Wastewater Plant Team Leader (SBP) Utility Services Mechanic Plant Mechanic+ (SBP) Total Full-Time	36 22 22	1	1	1	1
			1	1	0	0
			2	2	2	2
			4	4	3	3
3041	Laboratory Services - Administration Environmental Services Administrator Senior Chemist Chemist I/II+ Administrative Assistant II Laboratory Technician Total Full-Time	47 35 32 16 14	1	1	0	0
			1	1	1	1
			5	5	5	5
			1	1	1	1
			1	1	1	1
			9	9	8	8
3051	Water Resources - Administration Water Resource Administrator Water Resources Hydrologist Water Quality Specialist Total Full-Time	47 38 37	1	1	1	1
			1	1	1	1
			1	1	0	0
			3	3	2	2
3052	Water Conservation Water Conservation Coordinator Water Resources Technician Total Full-Time	31 20	1	1	1	1
			1	1	1	1
			2	2	2	2
3061	Customer Services Customer Services Manager Customer Services Supervisor Senior Financial Services Technician Financial Services Technician I/II+ Water Service Representative Water Meter Reader Total Full-Time	44 33 21 18 16 10	1	0	0	0
			1	0	0	0
			1	0	0	0
			7	0	0	0
			1	0	0	0
			5	0	0	0
			16	0	0	0



Cost Center	Position	Range	2001-02 Actual	2002-03 Revised	2003-04 Budget	2004-05 Budget
3224	Environmental Management					
	Deputy Water Utilities Mgr-Environmental	51	0	0	0	0
	Environmental Program Supervisor	39	1	0	0	0
	Air Quality Specialist	36	1	0	0	0
	Management Assistant I/II+	35	1	0	0	0
	Sr. Cross Connection Control Inspector	29	1	0	0	0
	Environmental Program Technician	29	0	0	0	0
	Cross Connection Control Inspector	24	1	0	0	0
	Administrative Assistant II**		0.5	0	0	0
	Total Full-Time		5	0	0	0
	Total Perm FTE**		0.5	0	0	0
	Water Utilities Department Total Full-Time		143	126	130	130
	Water Utilities Department Total Perm FTE*		0.50	0.50	0.50	0.50
	Water Utilities Department Total Temp FTE*		0.49	0.49	0.49	0.49
	Grand Total Full-Time		1722	1692	1643	1643
	Grand Total Perm FTE**		40.90	36.15	17.90	17.90
	Grand Total Temp FTE*		172.33	174.58	195.97	195.97
**Permanent Full-Time Equivalent *Temporary Full-Time Equivalent ()Former Cost Center Number						



Grant Funded Personnel (Included in above totals)	2001-02 Actual	2002-03 Actual	2003-04 Budget	2004-05 Budget
City Attorney				
Legal Services (Victims Right Grant)	1	1	1	1
City Court	0	0	1	1
Development Services				
Redevelopment/Section 8 Housing	14	14	14	14
Redevelopment, Neighborhood Planning and Urban Design	3	3	3	3
Total	17	17	17	17
Police				
Grant Funded	18	8	0	0
Total	18	8	0	0
Grand Total	36	26	18	18
Personnel by Fund (Full-Time Only)	2001-02 Actual	2002-03 Actual	2003-04 Budget	2004-05 Budget
General Fund	1,383	1,345	1,276	1,276
Special Revenue Funds				
HURF	60	59	54	54
Transit	26	27	28	28
Rio Salado	9	14	19	19
Performing Arts	3	2	3	3
CDBG/Section 8	14	14	14	14
Enterprise Funds				
Golf	22	22	22	22
Water/Wastewater	143	147	162	162
Solid Waste	62	62	65	65
Grand Total	1,722	1,692	1,643	1,643



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.

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.

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 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 Biennial Budget authorizes, and provides the basis for control of, financial operations during the fiscal year.

Capital Improvements Program Budget - A Capital Improvements Program (CIP) 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) revenues

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 revenues.

Capital Budget - The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

Capital Improvements - Expenditures related to 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.

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 relatedly 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 Revenues.

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 revenues (e.g. water bond repaid from water utility income/special assessment bonds).

Outstanding Tax Supported Debt - Direct debt minus self-supporting debt. Debt for which the City has pledged a repayment from its secondary property taxes.

Overlapping Debt - The City's proportionate share of the debt of other local governmental units which either overlap it or underlie it. The debt is generally apportioned based on relative

assessed value.

Overall Net Debt - Net direct debt plus overlapping debt.

Debt Service Fund Requirements - The amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures over revenues during a single accounting period.

Department - A major administrative division of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A group of homogeneous cost centers within a department, i.e., all traffic engineering, traffic operations and transit cost centers make up the Transportation Division within the Public Works Department.

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.

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 revenues 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 revenues 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 revenues 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, and the Golf Course Fund.

Fund Balance - The difference between revenues and expenditures. The beginning fund balance represents the residual funds brought forward from the previous year (ending balance).

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Governmental Revenue - The revenues of a government other than those derived from and retained in an enterprise fund. General Governmental revenues include those from the General, Debt Service, and Special Revenue Funds.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from secondary property taxes, and these bonds are backed by the "full faith and credit" of the issuing government.

Goal - A long-term, attainable target for an organization—its vision of the future.

Grant - A contribution by the State or Federal government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Indirect Cost - A cost necessary for the

functioning of the organization as a whole, but which cannot be directly assigned, such as administrative support, facility maintenance or custodial services.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Interfund Transfer - The movement of monies between funds of the same governmental entity.

Internal Services Charges - The charges to user departments for internal services provided by another government agency, such as data processing, fleet services and communications.

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.

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 revenues. Operating revenues are used to pay for day-to-day services.

Pay-As-You-Go Financing - A term used to describe a financial policy by which the capital program is financed from current revenues rather than through borrowing.

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.

Personal Services - Expenditures for salaries, wages, and fringe benefits of a government's employees.

Policy - A plan, course of action or guiding principle, designed to set parameters for decisions and actions.

Prior Year Encumbrances - Obligations from previous years in the form of purchase orders or contracts which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program Budget - A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments. The City's program budget is divided into six major programs:

(1) **General Services** consist of: Mayor and Council; City Manager; Internal Audit; Diversity Program; Community Relations;

City Clerk; Human Resources; City Attorney; Financial Services; Public Works; Information Technology; and Other Programs.

(2) **Development Services** consist of: Development Services - Section 8 Housing; 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- Sanitation; and Development Services – Code Enforcement.

(5) **Community Services** consist of: Community Services – Recreation/Library/ Social Services; and Public Works – Park Maintenance.

(6) **Transportation** consists of: Public Works – Transit/Street Maintenance.

Property Tax - A levy upon the assessed valuation of the property within the City of Tempe upon each \$100 of valuation. Property taxes in Arizona consist of both primary and secondary levies.

Primary Property Tax - A statutory limited tax levy which may be imposed for any purpose.

Secondary Property Tax - An unlimited tax levy which may be used only to retire the principal and interest or redemption charges on bond indebtedness.

Retained Earnings - An equity account reflecting the accumulated earnings of an enterprise or internal service fund.



Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds - Bonds usually sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest of the bond.

Reserve - An account used to indicate that a portion of a fund's assets are legally 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 revenues, fund transfers, and beginning balances.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

Source of Revenue - Revenues are classified according to their source or point of origin.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out - Amounts transferred from

one fund to another to assist in financing the services for the recipient fund.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated).



Even though the budget is heard by the Mayor and Council in March and April, its preparation begins months prior, with projections of City funding sources, remaining bond authorization, reserves, revenues, 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.

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**Please see City of Tempe budget documents on the World Wide Web.
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www.tempe.gov**

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