



Budget in Brief

Fiscal Year (FY) 2020-2021

July 1, 2020 – June 30, 2021

The Tempe City Council has set five strategic priorities which are their most important goals for our community. The FY 2020-21 budget is aligned with these strategic priorities and demonstrates Tempe's commitment to be an inclusive, transparent and high-performing organization.



Safe & Secure Communities

Ensuring a safe and secure community through a commitment to public safety and justice.



Strong Community Connections

Developing and maintaining a strong community connection by emphasizing the importance of open government, customer service and communication with community members.



Quality of Life

Enhancing the quality of life for all Tempe residents and workers through investment in neighborhoods, parks, the arts, human services, and city amenities, with an emphasis on equity and diversity.



Sustainable Growth & Development

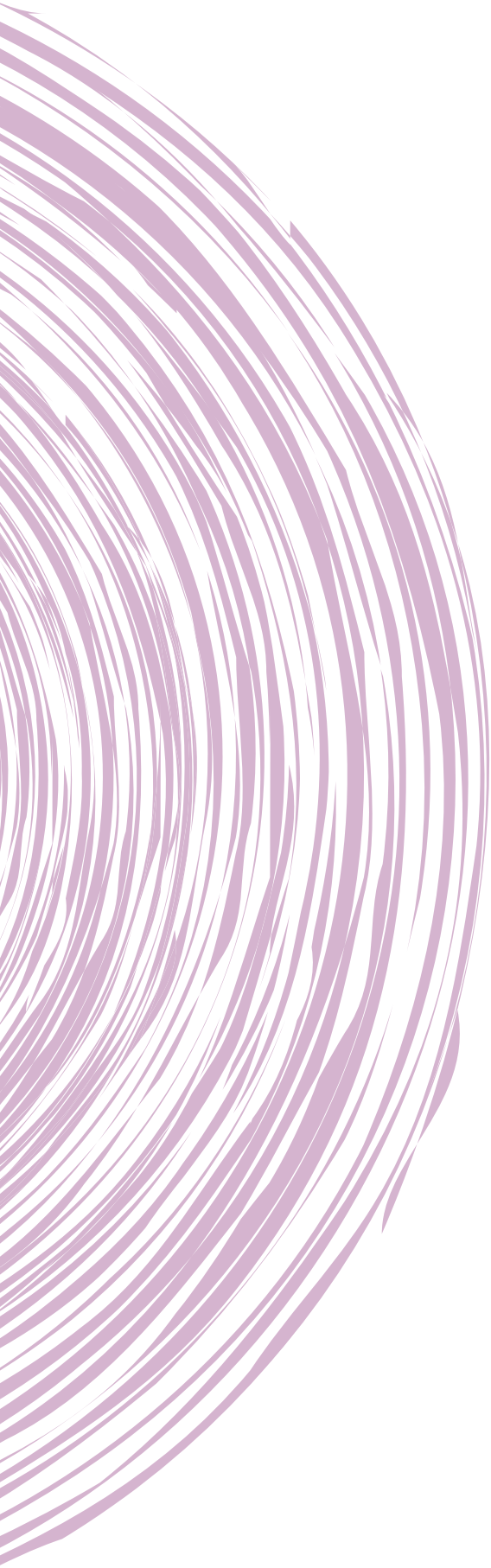
Implementing sustainable growth and development strategies to improve Tempe's environment, quality of life and economic outcomes. Tempe strives to make long-term generational investments in technology, infrastructure and public transit that create a safe, clean, equitable and healthy city.



Financial Stability & Vitality

Maintaining long-term financial stability and vitality by focusing on economic development, business retention and generating employment to create a robust and diverse economic base.

Performance measures have been adopted to measure our progress toward meeting the strategic priorities.



Cover photo by: Alex Harris

City Budget

Capital Projects \$235.4 million*

Accounts for the capital program to maintain and/or improve the city's infrastructure.

General Fund \$236.7 million*

Represents the general operating fund of the city. It is used to support city services such as police, fire, park maintenance, recreation programs, planning and more.

Special Revenue Funds \$156.7 million*

The funds are restricted for specific purposes. These include Transit (light rail, buses), Performing Arts (Tempe Center for the Arts), Highway User Revenue Fund (street maintenance) and CDBG/Section 8 (housing assistance).

Enterprise Funds \$116.8 million

Used to account for operations that are paid for by the users of the service. This would include Water/Wastewater, Solid Waste, Emergency Medical Transportation and Golf operations.

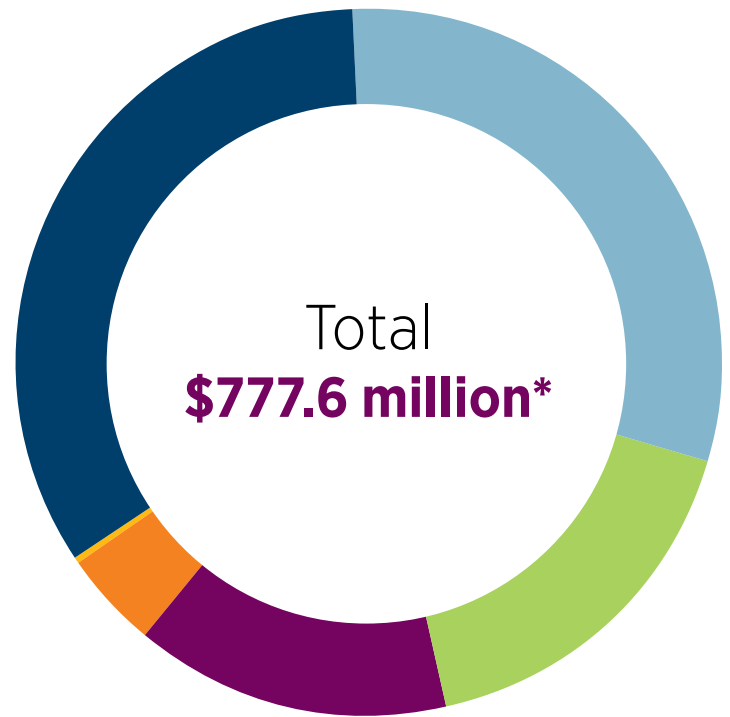
Debt Service \$30 million

A fund to receive secondary property tax revenue that is used to make principal and interest payments on voter-approved bonds.

Miscellaneous \$2 million

Used to account for various other expenditures.

* Represents the final adopted budget amount. The final budget was adjusted to reduce spending (see below).



economic impact of COVID-19 on city budget

FY 2020-21 City Budget Adjustments:

The \$777.6 million final budget was adjusted in August 2020 to reduce Department spending because of the anticipated decline in City revenues due to the economic impact of the Coronavirus disease (COVID-19) pandemic. Through a participative process that included both resident and employee feedback, the City Council approved adjusting the City budget as follows:

Fund	Budget Adjustments
General Fund (general operations of the City)	(\$11.0 million)
Performing Arts Fund (TCA and arts/cultural programs)	(\$1.0 million)
Transportation (HURF) Fund (street maintenance)	(\$1.3 million)
Total	(\$13.3 million)

These funds are the most impacted by declining tax revenues. The adjustments included reductions in Department operating budgets, use of alternative funding sources, and some increases in fees.

general fund - where the money comes from

Intergovernmental **\$54.2 M**

Revenue shared by the state via statutory formula and includes state sales and income tax, and vehicle license tax.



Miscellaneous **\$25.4 M**

Leases, facility rentals and fund balance.



Fines & Forfeits **\$4.9 M**

Court fines, parking tickets and other fines.



Local Taxes

\$110.5 M

This category includes revenue from the city's sales tax of 1.8%, the hotel/motel bed tax of 5%, franchise fees for use of the city's right-of-way.



Primary Property Taxes

\$18.9 M

The portion of the city's property tax that funds general operations of the city.



Charges for Services

\$2.4 M

Fees collected for registration and admission charges for the city's various recreational programs.



Licenses & Permits

\$10.1 M

Revenue from licenses and permits such as a city sales tax license, building permits, and right-of-way permits.

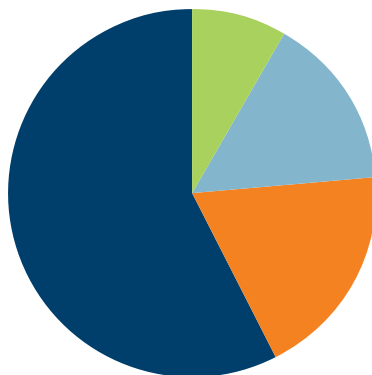
TOTAL \$226.4 M**

***Amounts were adjusted to reflect the projected decline in revenues due to the COVID-19*

general fund - where the money goes

Public Safety **\$133.1 M**

Police and Fire services.



Development & Infrastructure **\$18.2 M**

Includes engineering services, building and planning permits and services, neighborhood code compliance and sustainability.

Support Services **\$34.9 M**

Includes support functions such as human resources, legal services, accounting, budget, IT and the City Manager's Office.

Community & Human Services **\$40.2 M**

Includes library, Parks and Recreation programs, Tempe PRE, counseling, housing and CARE 7 support services.

enterprise operations

The City of Tempe provides clean water, treats solid waste and wastewater, showcases two golf courses, and offers ambulance transport. Throughout the year, customers pay for these services.




\$90.9 M
Water/Wastewater



\$18.9 M
Solid Waste



\$4.1 M
Emergency Medical Transport



\$2.8 M
Golf

Tempe continues to improve – capital projects

Tempe has a five-year capital plan that enables long-range, proactive planning for maintenance, improvements and expansions to the city's infrastructure.



Enterprise \$94.5 M
Major Projects:

- Water Transmission & Distribution System \$27 M
- Water Plant Maintenance \$6.2 M
- Wastewater Conveyance System \$6.3 M
- Wastewater Collection System Upgrades \$11.1 M



General Purpose \$60.1 M
Major Projects:

- City Building Asset Management \$3.9 M
- Storm Drain Improvements \$1.3 M
- Fire Medical Rescue Apparatus \$3.3 M
- Park Playground Infrastructure & Equipment \$4.1 M



Special Purpose - Transit \$36.6 M
Major Projects:

- Bus Pullout Construction \$2.9 M
- Multi-use Pathway Maintenance \$5.9 M



Transportation \$43.4 M
Major Projects:

- Streetlights LED Replacement \$538 K
- Rural Rd. & University Dr. Intersection Improvements \$3.2 M
- Street Resurfacing \$9.5 M
- Vision Zero Infrastructure Improvements \$250 K

where does my property tax payment go?



Schools
50%



City
21%



County &
Special Districts
18%



Community
College
11%

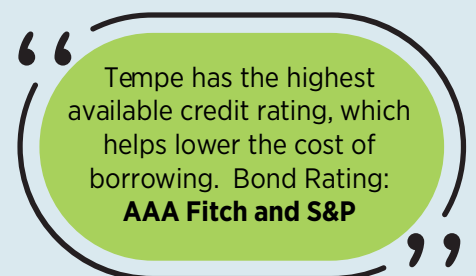
budget process & community participation



How to Become Involved in the Budget Process

The City of Tempe values public input and participation in the budget process. To set priorities and craft the best possible budget, community input is critical. Learn more at tempe.gov/budget.

- Community and Business Surveys
- Public Budget Forums
- Online Tempe Forum
- Public Budget Meetings*
- Direct email to Mayor and Council



**Due to concerns over COVID-19 exposure, the City has implemented measures to protect our community including the closing of Council Chambers and limiting public attendance of meetings to electronic means only. Members of the public were invited to participate in live virtual public budget meetings.*



Tempe City Council

Corey Woods, **Mayor**

Randy Keating, **Vice Mayor**

Jennifer Adams, **Councilmember**

Robin Arredondo-Savage, **Councilmember**

Doreen Garlid, **Councilmember**

Lauren Kuby, **Councilmember**

Joel Navarro, **Councilmember**

Tempe City Hall
31 E. Fifth Street, Tempe, AZ 85281
P: (480)350-4311

Stay connected with us:

More City of Tempe budget details can be found at

tempe.gov/budget

To learn more about the City Council Priorities, attend a Tempe Accelerates session.

Visit **tempe.gov** for city government news, alerts and service details.

