



CITY OF TEMPE REQUEST FOR COUNCIL ACTION

Meeting Date: 5/26/2022
Agenda Item: 2A

ACTION: Hold a public hearing to adopt a resolution adopting the fiscal year 2022/23 Tentative Budget and setting public hearings for June 9, 2022, for the following: 1) adopting the fiscal years 2022/23 through 2026/27 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2022/23 property tax levy, and 4) adopting the fiscal year 2022/23 Final Budget. Also, setting a second public hearing for the final adoption of the property tax levy rate at a meeting scheduled for June 23, 2022. (Resolution No. R2022.75)

FISCAL IMPACT: The fiscal year (FY) 2022/23 operating budget totals \$665,802,337 and the FY 2022/23 capital budget totals \$461,091,183 for a total financial program of \$1,126,893,520.

RECOMMENDATION: Adopt Resolution No. R2022.75.

BACKGROUND INFORMATION: The FY 2022/23 operating budget increased approximately \$47 million from the preliminary estimate provided at the April 21, 2022, Budget Review Session due to the requirement that the City's Internal Service Funds (Health, Risk Management and Worker's Compensation) be included in the City's adopted operating budget. The \$47 million in Internal Services expenditures will be offset by a like amount of revenue in the form of internal service charges and employer and employee health care contributions. The Internal Service Funds were excluded from the adopted budget schedules in prior years.

The operating budget includes employee compensation increases, approved operating budget supplementals, and increases in contingency appropriation. In addition, budget appropriation has been provided for the implementation of the City Manager's re-organization plan that includes one new Assistant City Manager position and the reclassification of several existing positions.

The FY 2022/23 capital budget increased approximately \$8 million from the preliminary estimate provided at the April 21, 2022, Budget Review Session due primarily to increases in requested re-appropriation budget as a result of delays of good and services that will not be received by the end of the current fiscal year, as anticipated.

The FY 2022/23 budget planning process included two virtual public forums on February 16, 2022, on-line budget forums to gather input from residents and the Mayor's Youth Advisory Committee. The on-line forum for residents was open from February 1, 2022, to March 7, 2022. A summary of the on-line questionnaire responses and comments from both the on-line forums and virtual public budget forums were included in the Initial Recommended 5-Year Capital Improvements Program (CIP) material at the March 24, 2022, Work Study Session and the FY 2022/23 Budget Review Session at the April 21, 2022, Work Study Session.

The capital budget planning process included Work Study Session public meetings on February 17 and March 24, 2022. At the April 21, 2022, Work Study Session, the City Manager presented the City's recommended operating and capital budget for FY 2022/23 with a follow-up discussion at the May 5, 2022, Work Study Session.

Based on City Council direction at the May 5, 2022, Work Study Session, the following budgetary items have been added and included as part of the City's tentative budget:

1. \$88,412 in General Fund budget appropriation for a Crisis Intervention Specialist for the Human Services Mental Health Response Team (MyHRT). Funding includes one full-time regular position in the Human Services Department.
2. \$40,000 in General Fund budget appropriation for a Fire Medical Rescue Mental Health and Wellness program.
3. \$97,450 in General Fund budget appropriation for a Sustainability and Resilience Programs Specialist – Energy Equity. Funding includes one full-time regular position in the Sustainability and Resiliency Office.
4. \$472,707 in General Fund budget appropriation for Middle School Youth Specialists. The Tempe Elementary School District will provide an offset of \$283,524 resulting in a net budgetary impact of \$189,183. Funding includes 5 full-time temporary (wage) positions. Budget appropriation is only for FY 2022/23 (one-time funding).
5. Reduction in General Fund Contingency from an initial amount of \$4.3 million to \$3.9 million to fund the supplementals noted above.
6. \$187,740 in General fund budget appropriation for Tempe Community Council (TCC) Agency Review. This budget appropriation was initially allocated for the Super Bowl LVII Host Committee but has been re-allocated to the Human Services Department for TCC Agency Review. Budget appropriation is only for FY 2022/23 (one-time funding).

The FY 2022/23 tentative budget adoption process will establish the maximum expenditure limit (spending authority) for next year's budget. As required by state statute, the tentative budget is presented in schedules A through G (Attachment A) and includes both the operating budget and the first year (FY 2022/23) of the 5-year CIP. In addition, the tentative budget will be published in a newspaper of local circulation once a week for two consecutive weeks prior to the public hearing for final budget adoption.

ATTACHMENTS:

1. RESOLUTION.DOCX
2. ATTACHMENT A (SCHEDULES A-G).PDF

STAFF CONTACT(S): Mark Day, Municipal Budget Director, (480) 350-8697

Department Director: Tom Duensing, Deputy City Manager

Legal review by: Dave Park, Assistant City Attorney

Prepared by: Benicia Benson, Executive Assistant to City Manager's Office

RESOLUTION NO. R2022.75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF TEMPE FOR THE FISCAL YEAR 2022-23; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNTS ACTUALLY LEVIED AND THE AMOUNTS ESTIMATED AS COLLECTIBLE FOR THE PREVIOUS FISCAL YEAR; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES; AND GIVING NOTICE OF THE TIMES FOR HEARING TAXPAYERS FOR ADOPTION OF THE CAPITAL IMPROVEMENTS PROGRAM AND THE BUDGET, FOR HOLDING A TRUTH IN TAXATION HEARING, AND FOR SETTING THE TAX LEVY AND RESULTING RATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE ARIZONA, as follows:

SECTION 1. In accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the estimates and schedules attached in Attachment "A" are hereby adopted for the purposes as hereinafter set forth as the tentative budget for the City of Tempe for the fiscal year 2022-23.

SECTION 2. That the City Clerk is hereby authorized and directed to publish in the manner prescribed by law, the estimates of expenditures, as set forth in Attachment "A", together with a notice that the Council will meet for the purpose of final hearing of taxpayers on June 9, 2022, immediately following the Regular Council Meeting which begins at the hour of 6:00 p.m. in the Council Chambers, 31 East Fifth Street for the following: 1) adopting the fiscal years 2022-23 through 2026-27 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2022-23 property tax levy, and 4) adopting the fiscal year 2022-23 Final Budget.

SECTION 3. That the City Clerk is hereby authorized and directed to publish in the manner prescribed by law a notice that the City Council will hold a meeting to officially set the fiscal year 2022-23 property tax levy and resulting rate on June 23, 2022 immediately following the Regular City Council meeting which begins at 6:00 p.m. in the Council Chambers, 31 East Fifth Street.

SECTION 4. The transfers of any sums within or without any specific appropriations shall conform to Section 5.08, Tempe City Charter.

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


SECTION 6. Schedules A through G are attached hereto as Attachment "A" and incorporated herein by reference. Copies of this information, along with supporting documentation, are available for public inspection at the office of the Deputy City Manager, 31 East Fifth Street, Third Floor, the City Clerk's Office, 31 East Fifth Street, Second Floor, the Library, 3500 South Rural Road, and the World Wide Web at www.tempe.gov/budget.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this 26th day of May, 2022.

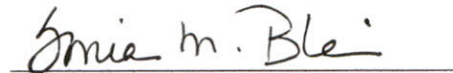


Corey D. Woods, Mayor

ATTEST:


Carla R. Reece, City Clerk

APPROVED AS TO FORM:


Sonia M. Blain, City Attorney

City of Tempe, Arizona
 Summary Schedule of Estimated Revenues and Expenditures/Expenses
 Fiscal Year 2023

| Fiscal year | S c h | Funds | | | | | | | | Total all funds |
|-------------|--|--------------|----------------------|-------------------|-----------------------|----------------------------|------------------------|----------------------------|-----------|-----------------|
| | | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Enterprise Funds Available | Internal Service Funds | Blended Component Unit (a) | | |
| 2022 | Adopted/adjusted budgeted expenditures/expenses* | E 1 | 599,290,705 | 155,903,419 | 32,920,608 | 308,089,491 | 121,926,315 | 44,997,631 | | 1,263,128,169 |
| 2022 | Actual expenditures/expenses** | E 2 | 570,273,528 | 117,615,492 | 32,672,014 | 118,358,572 | 114,024,298 | 44,162,483 | | 997,096,387 |
| 2023 | Beginning fund balance/(deficit) or net position/(deficit) at July 1*** | 3 | 142,165,547 | 103,238,232 | 2,221,118 | 115,088,269 | 96,476,577 | 15,861,107 | | 475,050,840 |
| 2023 | Primary property tax levy | B 4 | 20,948,649 | | | | | | | 20,948,649 |
| 2023 | Secondary property tax levy | B 6 | | | 35,773,967 | | | | | 35,773,967 |
| 2023 | Estimated revenues other than property taxes | C 6 | 259,924,949 | 176,559,053 | 1,984,125 | 99,431,434 | 121,423,788 | 46,848,022 | | 706,171,371 |
| 2023 | Other financing sources | D 7 | 0 | 0 | 0 | 243,780,801 | 0 | 0 | | 243,780,801 |
| 2023 | Other financing (uses) | D 8 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| 2023 | Interfund transfers in | D 9 | 84,640 | 1,750,000 | 6,069,863 | 38,604,063 | 6,566,693 | 0 | 2,878,963 | 55,954,222 |
| 2023 | Interfund Transfers (out) | D 10 | 21,102,469 | 10,420,988 | 8,249,379 | 0 | 16,181,386 | 0 | | 55,954,222 |
| 2023 | Line 11: Reduction for fund balance reserved for future budget year expenditures | 11 | | | | | | | | |
| | Maintained for future debt retirement | | 15,942,165 | | | | | | | 15,942,165 |
| 2023 | Total financial resources available | 12 | 386,079,151 | 271,126,297 | 37,799,684 | 496,904,567 | 208,285,672 | 62,709,129 | 2,878,963 | 1,465,783,453 |
| 2023 | Budgeted expenditures/expenses | E 13 | 272,404,675 | 175,478,169 | 34,846,277 | 461,091,183 | 134,713,632 | 48,359,584 | | 1,126,893,520 |

Expenditure limitation comparison

| | 2022 | 2023 |
|---|------------------|------------------|
| 1 Budgeted expenditures/expenses | \$ 1,263,128,169 | \$ 1,126,893,520 |
| 2 Add/subtract: estimated net reconciling items | (651,039,703) | (488,836,829) |
| 3 Budgeted expenditures/expenses adjusted for reconciling items | 612,088,466 | 638,056,691 |
| 4 Less: estimated exclusions | 235,631,857 | 190,480,608 |
| 5 Amount subject to the expenditure limitation | \$ 376,456,609 | \$ 447,576,083 |
| 6 EEC expenditure limitation | \$ 571,106,148 | \$ 563,090,807 |

- * Includes expenditure/expense adjustments approved in the current year from Schedule E.
- ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
- *** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund).
- (a) The Rio Saldo Community Facilities District is a blended component unit of the City of Tempe formed under the laws of the State of Arizona to facilitate development of the Rio Salado town lake project. The board of the district is comprised of the same members as the City's council.

City of Tempe, Arizona
Tax levy and tax rate information
Fiscal Year 2023

| | <u>2022</u> | <u>2023</u> |
|--|---------------|---------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A) | \$ 20,086,813 | \$ 20,948,649 |
| 2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18) | \$ _____ | |
| 3. Property tax levy amounts | | |
| A. Primary property taxes | \$ 20,086,813 | \$ 20,948,649 |
| Property tax judgment | _____ | _____ |
| B. Secondary property taxes | 33,620,224 | 35,773,957 |
| Property tax judgment | _____ | _____ |
| C. Total property tax levy amounts | \$ 53,707,037 | \$ 56,722,606 |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) Current year's levy | \$ 19,407,093 | |
| (2) Prior years' levies | 96,373 | |
| (3) Total primary property taxes | \$ 19,503,466 | |
| B. Secondary property taxes | | |
| (1) Current year's levy | \$ 32,482,546 | |
| (2) Prior years' levies | 161,304 | |
| (3) Total secondary property taxes | \$ 32,643,850 | |
| C. Total property taxes collected | \$ 52,147,316 | |
| 5. Property tax rates | | |
| A. City/Town tax rate | | |
| (1) Primary property tax rate | 0.8852 | 0.8782 |
| Property tax judgment | _____ | _____ |
| (2) Secondary property tax rate | 1.4816 | 1.4997 |
| Property tax judgment | _____ | _____ |
| (3) Total city/town tax rate | 2.3668 | 2.3779 |

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

FY 2022/23 Primary Property Tax Levy - Truth in Taxation Calculation

Calculation for Truth in Taxation Hearing Notice pursuant to A.R.S. § 42-17107

| | |
|---|------------------|
| Actual current primary property tax levy (FY21/22): | \$ 20,086,813 |
| 2022 Net assessed valuation: | \$ 2,385,407,554 |
| Net Assessed value of new construction: | \$ 52,280,158 |
| Net assessed value minus new construction: | \$ 2,333,127,396 |
| Maximum tax rate that can be imposed without a Truth in Taxation Hearing: | \$ 0.8609 |
| Growth in property tax levy capacity associated with new construction: | \$ 450,080 |
| Maximum primary property tax levy without a Truth in Taxation Hearing: | \$ 20,535,974 |
| Proposed primary property tax levy: | \$ 20,948,649 |
| Proposed increase in primary property tax levy, exclusive of new construction | \$ 403,631 |
| Proposed percentage increase in primary property tax levy: | 2.01% |
| Proposed primary property tax rate: | \$ 0.8782 |
| Proposed increase in primary property tax rate: | \$ 0.0173 |
| Proposed primary property tax levy on a home valued at \$100,000 | \$ 87.82 |
| Primary property tax levy on a home valued at \$100,000 if the tax rate was not | \$ 86.09 |
| Proposed primary property tax levy increase on a home valued at \$100,000: | \$ 1.73 |

City of Tempe, Arizona
Revenues other than property taxes
Fiscal Year 2023

| Source of revenues | Estimated revenues 2022 | Actual revenues* 2022 | Estimated revenues 2023 |
|--------------------------------|-------------------------------|--------------------------|-------------------------------|
| General Fund | | | |
| Local Taxes | | | |
| City Sales Tax | \$ 112,749,218 | \$ 131,224,866 | \$ 137,556,243 |
| Transient Lodging Tax | 3,884,399 | 9,423,764 | 10,878,201 |
| Franchise Fees | 2,719,250 | 2,971,223 | 2,724,996 |
| Licenses & Permits | 1,040,000 | 2,213,710 | 2,039,500 |
| Intergovernmental | | | |
| State | 57,618,576 | 58,355,082 | 70,464,282 |
| Other | 1,139,041 | 1,739,583 | 1,507,020 |
| Charges for Services | 13,505,500 | 14,491,854 | 16,032,830 |
| Fines & Forfeits | 4,220,155 | 4,066,696 | 3,550,446 |
| Interest on Investments | 2,171,000 | 1,101,121 | 970,586 |
| Voluntary Contributions | 3,671,817 | 3,671,817 | 3,818,690 |
| Miscellaneous | 353,412,146 | 356,398,501 | 10,382,155 |
| Total General Fund | \$ 556,131,102 | \$ 585,658,217 | \$ 259,924,949 |

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Tempe, Arizona
Revenues other than property taxes
Fiscal Year 2023

| Source of revenues | Estimated revenues 2022 | Actual revenues* 2022 | Estimated revenues 2023 |
|--|-------------------------------|--------------------------|-------------------------------|
| Special Revenue Funds | | | |
| Transit | | | |
| Transit Tax | \$ 45,991,972 | \$ 54,145,721 | \$ 55,687,942 |
| ASU-Flash Transit | 661,288 | 574,361 | 750,000 |
| Interest Income | 698,000 | 394,116 | 347,395 |
| Intergovernmental | 532,702 | 532,702 | 532,702 |
| Miscellaneous Revenue | 8,219,370 | 8,488,650 | 9,371,000 |
| | <u>\$ 56,103,332</u> | <u>\$ 64,135,550</u> | <u>\$ 66,689,039</u> |
| Highway User Revenue | | | |
| Highway User Revenue Tax | \$ 13,025,483 | \$ 14,442,186 | \$ 14,937,365 |
| Barricading Fees | 230,000 | 230,000 | 230,000 |
| Miscellaneous Revenue | 5,800 | 33,033 | 5,800 |
| | <u>\$ 13,261,283</u> | <u>\$ 14,705,219</u> | <u>\$ 15,173,165</u> |
| Arts & Culture | | | |
| Arts & Culture Tax | \$ 9,464,858 | \$ 11,139,006 | \$ 11,687,491 |
| Fees & Admissions | 627,015 | 399,544 | 625,251 |
| Interest Income | 6,514 | (1,918) | |
| Miscellaneous Revenue | 1,000 | 10,492 | 3,800 |
| | <u>\$ 10,099,387</u> | <u>\$ 11,547,124</u> | <u>\$ 12,316,542</u> |
| CDBG & Section 8 Housing | | | |
| Community Development Block Grant (CDBG) | \$ 19,526,469 | \$ 10,997,349 | \$ 25,182,183 |
| Section 8 Housing | 24,425,778 | 19,961,898 | 21,770,006 |
| | <u>\$ 43,952,247</u> | <u>\$ 30,959,247</u> | <u>\$ 46,952,189</u> |
| Restricted Revenue & Donations | <u>\$ 5,696,314</u> | <u>\$ 6,638,326</u> | <u>\$ 6,186,823</u> |
| Police Department-RICO & Grants | <u>\$ 8,728,490</u> | <u>\$ 7,804,048</u> | <u>\$ 8,416,607</u> |
| Governmental Grants | <u>\$ 13,581,380</u> | <u>\$ 9,868,410</u> | <u>\$ 19,461,097</u> |
| Court Enhancement | <u>\$ 1,313,533</u> | <u>\$ 963,966</u> | <u>\$ 1,091,991</u> |
| Peterson House Endowment | <u>\$ 148,134</u> | <u>\$ 148,134</u> | <u>\$ 2,000</u> |
| Housing Trust | <u>\$ 250,000</u> | <u>\$ 128</u> | <u>\$ 269,600</u> |
| Total Special Revenue Funds | <u>\$ 153,134,100</u> | <u>\$ 146,770,152</u> | <u>\$ 176,559,053</u> |

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Tempe, Arizona
Revenues other than property taxes
Fiscal Year 2023

| Source of revenues | Estimated revenues 2022 | Actual revenues* 2022 | Estimated revenues 2023 |
|-------------------------------------|-------------------------------|--------------------------|-------------------------------|
| Debt Service Funds | | | |
| Special Assessments | \$ 1,989,250 | \$ 1,989,250 | \$ 1,984,125 |
| | <u>\$ 1,989,250</u> | <u>\$ 1,989,250</u> | <u>\$ 1,984,125</u> |
| Total Debt Service Funds | <u>\$ 1,989,250</u> | <u>\$ 1,989,250</u> | <u>\$ 1,984,125</u> |
| Capital Projects Funds | | | |
| Development Fees | 3,895,536 | 3,877,247 | 4,231,338 |
| Grants | 9,562,068 | 111,326 | 69,779,582 |
| Federal Funding | 48,994,140 | 22,934,656 | 21,500,000 |
| Miscellaneous | 2,261,170 | 245,219 | 3,920,514 |
| | <u>\$ 64,712,914</u> | <u>\$ 27,168,448</u> | <u>\$ 99,431,434</u> |
| Total Capital Projects Funds | <u>\$ 64,712,914</u> | <u>\$ 27,168,448</u> | <u>\$ 99,431,434</u> |
| Enterprise Funds | | | |
| Water/Wastewater | \$ 89,640,732 | \$ 90,062,753 | \$ 91,225,959 |
| Solid Waste | 20,109,094 | 20,934,936 | 21,008,724 |
| Emergency Medical Transport | 4,475,932 | 4,561,342 | 5,617,446 |
| Golf | 3,021,791 | 3,866,740 | 3,571,659 |
| | <u>\$ 117,247,549</u> | <u>\$ 119,425,771</u> | <u>\$ 121,423,788</u> |
| Total Enterprise funds | <u>\$ 117,247,549</u> | <u>\$ 119,425,771</u> | <u>\$ 121,423,788</u> |
| Internal Service Funds | | | |
| Tempe Health | \$ 27,190,449 | \$ 37,861,665 | \$ 38,825,116 |
| Risk Management | 3,547,324 | 7,492,765 | 4,852,429 |
| Worker's Compensation | 2,012,186 | 2,039,486 | 3,170,477 |
| | <u>\$ 32,749,959</u> | <u>\$ 47,393,916</u> | <u>\$ 46,848,022</u> |
| Total Internal Service Funds | <u>\$ 32,749,959</u> | <u>\$ 47,393,916</u> | <u>\$ 46,848,022</u> |
| Total All Funds | <u>\$ 925,964,874</u> | <u>\$ 928,405,754</u> | <u>\$ 706,171,371</u> |

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Tempe, Arizona
Other financing sources/(uses) and interfund transfers
Fiscal Year 2023

| Fund | Other financing 2023 | | Interfund transfers 2023 | |
|-------------------------------------|-------------------------|--------|-----------------------------|---------------|
| | Sources | (Uses) | In | (Out) |
| General Fund | | | | |
| General Fund | \$ | \$ | \$ 84,640 | \$ 21,102,469 |
| Total General Fund | \$ | \$ | \$ 84,640 | \$ 21,102,469 |
| Special Revenue funds | | | | |
| Highway User Revenue | \$ | \$ | \$ 1,500,000 | \$ 2,554,547 |
| Arts & Culture | | | 250,000 | 1,419,500 |
| Transit | | | | 6,446,941 |
| Total Special Revenue Funds | \$ | \$ | \$ 1,750,000 | \$ 10,420,988 |
| Debt Service Funds | | | | |
| General Governmental | \$ | \$ | \$ 6,069,863 | \$ 8,249,379 |
| Total Debt Service Funds | \$ | \$ | \$ 6,069,863 | \$ 8,249,379 |
| Capital Projects Funds | | | | |
| Enterprise Related Capital Program | \$ 94,137,894 | \$ | \$ 9,743,477 | \$ |
| Special Purpose Capital Program | | | 9,355,586 | |
| General Purpose Capital Program | 109,629,882 | | 16,955,000 | |
| Transportation Capital Program | 40,013,025 | | 2,550,000 | |
| Total Capital Projects Funds | \$ 243,780,801 | \$ | \$ 38,604,063 | \$ |
| Enterprise Funds | | | | |
| Water/Wastewater | \$ | \$ | \$ 5,552,867 | \$ 15,652,022 |
| Solid Waste | | | 939,826 | 223,024 |
| Golf | | | 74,000 | 242,450 |
| Emergency Medical Rescue Transport | | | | 63,890 |
| Total Enterprise Funds | \$ | \$ | \$ 6,566,693 | \$ 16,181,386 |
| Blended Component Unit | | | | |
| Community Facilities District | \$ | \$ | \$ 2,878,963 | \$ |
| Total Blended Component Unit | \$ | \$ | \$ 2,878,963 | \$ |
| Total all funds | \$ 243,780,801 | \$ | \$ 55,954,222 | \$ 55,954,222 |

City of Tempe, Arizona
Expenditures/Expenses by Fund
Fiscal year 2023

| Fund/Department | Adopted budgeted expenditures/ expenses 2022 | Expenditure/ expense adjustments approved 2022 | Actual expenditures/ expenses* 2022 | Budgeted expenditures/ expenses 2023 |
|-------------------------------------|--|--|--|---|
| General Fund | | | | |
| Mayor & Council | \$ 610,375 | \$ | \$ 914,963 | \$ 699,705 |
| City Manager | 3,955,075 | 121,070 | 3,713,454 | 5,799,516 |
| Internal Audit | 633,991 | | 549,749 | 710,740 |
| Economic Development | 767,587 | 410,387 | 754,779 | 1,878,585 |
| Strategic Management & Diversity | 1,672,107 | (500,000) | 1,266,008 | 1,458,824 |
| Sustainability & Resiliency | 462,697 | | 389,949 | 1,448,366 |
| City Clerk | 1,507,533 | | 1,318,736 | 1,554,584 |
| City Court | 5,058,541 | | 4,697,952 | 5,440,960 |
| Human Resources | 5,410,677 | | 3,508,210 | 4,917,301 |
| City Attorney | 3,726,155 | 103,296 | 3,939,937 | 4,065,334 |
| Financial Services | 12,228,267 | (393,547) | 11,524,931 | 13,984,128 |
| Municipal Budget | 297,802 | | 277,454 | 384,977 |
| Information Technology | | (24,694) | | |
| Police | 103,800,745 | (7,989,407) | 92,480,061 | 102,064,333 |
| Fire | 45,152,538 | (4,521,048) | 38,471,347 | 42,144,077 |
| Community Services | 29,641,632 | (74,051) | 27,154,967 | 33,406,946 |
| Community Development | 16,347,208 | (515,457) | 14,740,266 | 16,657,070 |
| Human Services | 19,064,736 | (1,240,815) | 16,003,311 | 22,248,894 |
| Engineering & Transportation | 3,270,249 | | 2,631,951 | 3,537,221 |
| Municipal Utilities | 370,530 | 39,500 | (2,959,205) | 400,041 |
| Non-Departmental | 345,345,027 | 13,954,034 | 348,894,708 | 5,703,073 |
| General Fund Contingency | 1,500,000 | (902,035) | | 3,900,000 |
| Total General Fund | \$ 600,823,472 | \$ (1,532,767) | \$ 570,273,528 | \$ 272,404,675 |
| Special Revenue Funds | | | | |
| Highway User Revenue Fund | \$ 13,229,351 | \$ 44,345 | \$ 11,125,026 | \$ 14,811,264 |
| Transit | 59,401,122 | 4,526 | 48,022,558 | 66,584,663 |
| CDBG/HOME | 19,526,469 | | 11,065,170 | 25,182,183 |
| Section 8 Housing | 24,425,778 | | 20,135,591 | 21,770,006 |
| Housing Trust | 269,500 | | | 269,600 |
| Arts & Culture | 9,815,569 | | 7,746,815 | 11,701,935 |
| Restricted Rev & Donations | 5,696,314 | 1,300,001 | 4,915,158 | 6,186,823 |
| Police Department-RICO & Grants | 8,728,490 | (280,093) | 7,348,581 | 8,416,607 |
| Governmental Grants | 13,560,380 | (1,280,000) | 6,655,841 | 19,461,097 |
| Court Enhancement | 1,313,533 | | 452,618 | 1,091,991 |
| Petersen House Endowment | 148,134 | | 148,134 | 2,000 |
| Total Special Revenue Funds | \$ 156,114,640 | \$ (211,221) | \$ 117,615,492 | \$ 175,478,169 |
| Debt Service Funds | | | | |
| General Obligation | \$ 30,931,358 | \$ | \$ 30,682,764 | \$ 32,862,152 |
| Special Assessment | 1,989,250 | | 1,989,250 | 1,984,125 |
| Total Debt Service Funds | \$ 32,920,608 | \$ | \$ 32,672,014 | \$ 34,846,277 |
| Capital Projects Funds | | | | |
| Enterprise Related Capital Program | \$ 96,419,953 | \$ (8,406,783) | \$ 53,846,581 | \$ 110,832,111 |
| Special Purpose Capital Programs | 48,994,506 | (8,001,107) | 9,554,798 | 47,107,307 |
| General Purpose Capital Program | 139,431,156 | (1,811,671) | 39,938,529 | 250,944,320 |
| Transportation Capital Program | 51,085,619 | (9,622,182) | 15,018,664 | 52,207,445 |
| Total Capital Projects Funds | \$ 335,931,234 | \$ (27,841,743) | \$ 118,358,572 | \$ 461,091,183 |
| Enterprise Funds | | | | |
| Water/Wastewater | \$ 91,352,755 | \$ | \$ 87,814,080 | \$ 98,430,358 |
| Solid Waste | 22,226,475 | 2,519 | 19,082,690 | 26,582,460 |
| Emergency Medical Transport | 4,869,817 | | 4,120,984 | 5,966,277 |
| Golf | 3,474,749 | | 3,006,544 | 3,734,537 |
| Total Enterprise Funds | \$ 121,923,796 | \$ 2,519 | \$ 114,024,298 | \$ 134,713,632 |
| Internal Service Funds | | | | |
| Tempe Health | \$ 27,190,449 | \$ 9,791,646 | \$ 34,646,655 | \$ 38,359,969 |
| Risk Management | 5,547,324 | (40,000) | 7,492,765 | 6,852,429 |
| Worker's Compensation | 1,962,186 | 546,026 | 2,013,063 | 3,147,186 |
| Total Internal Service Funds | \$ 34,699,959 | \$ 10,297,672 | \$ 44,152,483 | \$ 48,359,584 |
| Total All Funds | \$ 1,282,413,709 | \$ (19,285,540) | \$ 997,096,387 | \$ 1,126,893,520 |

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Tempe, Arizona
Expenditures/Expenses by Department
Fiscal Year 2023

| Department/Fund | Adopted budgeted expenditures/ expenses 2022 | Expenditure/ expense adjustments approved 2022 | Actual expenditures/ expenses* 2022 | Budgeted expenditures/ expenses 2023 |
|--|--|--|--|---|
| Mayor & Council: | | | | |
| General Fund | \$ 610,375 | | 914,963 | 699,705 |
| Department Total | \$ 610,375 | \$ | \$ 914,963 | \$ 699,705 |
| City Manager: | | | | |
| General Fund | \$ 3,955,075 | 121,070 | 3,713,454 | 5,799,516 |
| Transit Fund | 708,085 | | 718,399 | 707,798 |
| Restricted Revenue & Donations | 117,016 | 123,758 | 218,307 | 38,772 |
| Governmental Grants | 4,295,138 | (394,178) | 2,029,113 | 4,198,088 |
| Department Total | \$ 9,075,314 | \$ (149,350) | \$ 6,679,273 | \$ 10,744,174 |
| Internal Audit: | | | | |
| General Fund | \$ 633,991 | | 549,749 | 710,740 |
| Department Total | \$ 633,991 | \$ | \$ 549,749 | \$ 710,740 |
| Economic Development: | | | | |
| General Fund | \$ 767,587 | 410,387 | 754,779 | 1,878,585 |
| Restricted Revenue & Donations | 220,000 | 875,910 | 243,940 | 205,970 |
| Department Total | \$ 987,587 | \$ 1,286,297 | \$ 998,719 | \$ 2,084,555 |
| Strategic Management & Diversity: | | | | |
| General Fund | \$ 1,672,107 | (500,000) | 1,266,008 | 1,458,824 |
| Restricted Revenue & Donations | 2,000 | 300,000 | 302,000 | 4,200 |
| Governmental Grants | 73,092 | 29,907 | 81,853 | 1,056,811 |
| Department Total | \$ 1,747,199 | \$ (170,093) | \$ 1,649,861 | \$ 2,519,835 |
| Sustainability & Resiliency: | | | | |
| General Fund | \$ 462,697 | | 389,949 | 1,448,366 |
| Governmental Grants | 96,753 | (27,986) | 68,500 | 267 |
| Department Total | \$ 559,450 | \$ (27,986) | \$ 458,449 | \$ 1,448,633 |
| City Clerk: | | | | |
| General Fund | \$ 1,507,533 | | 1,318,736 | 1,554,584 |
| Department Total | \$ 1,507,533 | \$ | \$ 1,318,736 | \$ 1,554,584 |
| City Court: | | | | |
| General Fund | \$ 5,058,541 | | 4,697,952 | 5,440,960 |
| Court Enhancement Fund | 1,063,533 | 2,757 | 452,618 | 841,991 |
| Department Total | \$ 6,122,074 | \$ 2,757 | \$ 5,150,570 | \$ 6,282,951 |
| Human Resources: | | | | |
| General Fund | \$ 5,410,677 | | 3,508,210 | 4,917,301 |
| Tempe Health Fund | 27,190,449 | 9,791,646 | 34,646,655 | 38,359,969 |
| Governmental Grants | 4,000 | 2,000 | 1,250 | 4,750 |
| Department Total | \$ 32,605,126 | \$ 9,793,646 | \$ 38,156,115 | \$ 43,282,020 |
| City Attorney: | | | | |
| General Fund | \$ 3,726,155 | 103,296 | 3,939,937 | 4,065,334 |
| Restricted Revenue & Donations | | 22,922 | 22,922 | |
| Governmental Grants | 85,802 | | 85,802 | |
| Department Total | \$ 3,811,957 | \$ 126,218 | \$ 4,048,661 | \$ 4,065,334 |
| Financial Services: | | | | |
| General Fund | \$ 12,228,267 | (393,547) | 11,524,931 | 13,984,128 |
| Risk Management Fund | 3,547,324 | 1,130,600 | 7,492,765 | 4,852,429 |
| Worker's Compensation Fund | 1,962,186 | 546,026 | 2,013,063 | 3,147,186 |
| Water/Wastewater Fund | 3,557,258 | | 3,348,722 | 3,548,007 |
| Department Total | \$ 21,295,035 | \$ 1,283,079 | \$ 24,379,481 | \$ 25,531,750 |
| Municipal Budget: | | | | |
| General Fund | \$ 297,802 | | 277,454 | 384,977 |
| Department Total | \$ 297,802 | \$ | \$ 277,454 | \$ 384,977 |
| Information Technology: | | | | |
| General Fund | \$ | (24,694) | | |
| Department Total | \$ | \$ (24,694) | \$ | \$ |

Attachment A

| | | | | |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Police: | | | | |
| General Fund | \$ 103,800,745 | (7,989,407) | 92,480,061 | 102,064,333 |
| Police Department-Rico & Grants | 5,728,490 | 779,423 | 7,348,581 | 5,416,607 |
| Department Total | \$ 109,529,235 | \$ (7,209,984) | \$ 99,828,642 | \$ 107,480,940 |
| Fire: | | | | |
| General Fund | \$ 45,152,538 | (4,521,048) | 38,471,347 | 42,144,077 |
| Emergency Medical Transport Fund | 4,719,817 | | 4,120,984 | 5,816,277 |
| Restricted Revenue & Donations | 95,741 | 51,137 | 72,788 | 873,416 |
| Governmental Grants | 874,886 | 4,652 | 461,079 | 573,412 |
| Department Total | \$ 50,842,982 | \$ (4,465,259) | \$ 43,126,198 | \$ 49,407,182 |
| Community Services: | | | | |
| General Fund | \$ 29,641,632 | (74,051) | 27,154,967 | 33,406,946 |
| Golf Fund | 3,024,749 | | 3,006,544 | 3,284,537 |
| Arts & Culture Fund | 7,932,017 | | 7,042,582 | 10,118,685 |
| Restricted Revenue & Donations | 518,398 | 181,608 | 471,167 | 436,504 |
| Governmental Grants | 1,405,030 | (46,818) | 703,969 | 1,674,966 |
| Petersen House Endowment | 148,134 | | 148,134 | 2,000 |
| Department Total | \$ 42,669,960 | \$ 60,739 | \$ 38,527,363 | \$ 48,923,638 |
| Community Development: | | | | |
| General Fund | \$ 16,347,208 | (515,457) | 14,740,266 | 16,657,070 |
| Restricted Revenue & Donations | 2,229,652 | (1,518,747) | 368,309 | 1,050,321 |
| Governmental Grants | 144,204 | (27,155) | 117,049 | 170,837 |
| Department Total | \$ 18,721,064 | \$ (2,061,359) | \$ 15,225,624 | \$ 17,878,228 |
| Human Services: | | | | |
| General Fund | \$ 19,064,736 | (1,240,815) | 16,003,311 | 22,248,894 |
| CDBG/HOME Fund | 9,996,055 | | 10,534,756 | 15,641,607 |
| Section 8 Housing Fund | 19,425,778 | | 20,135,591 | 16,770,006 |
| Restricted Revenue & Donations | 1,198,507 | 1,910,776 | 2,590,420 | 649,363 |
| Governmental Grants | 1,581,475 | 1,474,368 | 3,107,226 | 3,181,966 |
| Housing Trust Fund | 19,500 | | | 19,600 |
| Department Total | \$ 51,286,051 | \$ 2,144,329 | \$ 52,371,304 | \$ 58,511,436 |
| Engineering & Transportation: | | | | |
| General Fund | \$ 3,270,249 | | 2,631,951 | 3,537,221 |
| Transit Fund | 53,211,439 | 4,526 | 42,573,436 | 60,684,873 |
| Highway User Revenue Fund | 12,729,351 | 44,345 | 11,125,026 | 14,311,264 |
| Restricted Revenue & Donations | 315,000 | 50,000 | 608,926 | 428,277 |
| Department Total | \$ 69,526,039 | \$ 98,871 | \$ 56,939,339 | \$ 78,961,635 |
| Municipal Utilities: | | | | |
| General Fund | \$ 370,530 | 39,500 | (2,959,205) | 400,041 |
| Water/Wastewater Fund - Operations | 45,714,539 | | 44,240,990 | 49,596,069 |
| Solid Waste Fund - Operations | 21,726,475 | 2,519 | 19,082,690 | 26,082,460 |
| Restricted Revenue & Donations | | 16,379 | 16,379 | |
| Department Total | \$ 67,811,544 | \$ 58,398 | \$ 60,380,854 | \$ 76,078,570 |
| Non-Departmental: | | | | |
| General Fund | \$ 345,345,027 | 13,954,034 | 348,894,708 | 5,703,073 |
| Department Total | \$ 345,345,027 | \$ 13,954,034 | \$ 348,894,708 | \$ 5,703,073 |
| Contingency: | | | | |
| General Fund | \$ 1,500,000 | (902,035) | | 3,900,000 |
| Risk Management Fund | 2,000,000 | (1,170,600) | | 2,000,000 |
| Emergency Medical Transport Fund | 150,000 | | | 150,000 |
| Golf Fund | 450,000 | | | 450,000 |
| Water/Wastewater Fund | 1,000,000 | | | 1,000,000 |
| Solid Waste Fund | 500,000 | | | 500,000 |
| Arts & Culture Fund | 1,000,000 | | | 1,000,000 |
| Transit Fund | 500,000 | | | 500,000 |
| Highway User Revenue Fund | 500,000 | | | 500,000 |
| CDBG/Home Fund | 9,000,000 | | | 9,000,000 |
| Section 8 Housing Fund | 5,000,000 | | | 5,000,000 |
| Restricted Revenue & Donations Fund | 1,000,000 | (713,742) | | 2,500,000 |
| Police Department-Rico & Grants Fund | 3,000,000 | (1,059,516) | | 3,000,000 |
| Governmental Grants Fund | 5,000,000 | (2,294,790) | | 8,600,000 |
| Court Enhancement Fund | 250,000 | (2,757) | | 250,000 |
| Housing Trust Fund | 250,000 | | | 250,000 |
| Department Total | \$ 31,100,000 | \$ (6,143,440) | \$ | \$ 38,600,000 |
| Debt Service: | | | | |
| Water/Wastewater Fund | \$ 41,080,958 | | 40,224,368 | 44,286,282 |
| Arts & Cultural Fund | 883,552 | | 704,233 | 583,250 |
| Transit Fund | 4,981,598 | | 4,730,723 | 4,691,992 |
| CDBG/Home Fund | 530,414 | | 530,414 | 540,576 |
| General Obligation Fund | 30,931,358 | | 30,682,764 | 32,862,152 |
| Special Assessment Fund | 1,989,250 | | 1,989,250 | 1,984,125 |
| Department Total | \$ 80,397,130 | \$ | \$ 78,861,752 | \$ 84,948,377 |

Attachment A

| Capital: | | | | |
|------------------------------------|-------------------------|------------------------|-----------------------|-------------------------|
| Enterprise Related Capital Program | \$ 96,419,953 | \$ (8,406,783) | \$ 53,846,581 | \$ 110,832,111 |
| Special Purpose Capital Program | 48,994,506 | (8,001,107) | 9,554,798 | 47,107,307 |
| General Purpose Capital Program | 139,431,156 | (1,811,671) | 39,938,529 | 250,944,320 |
| Transportation Capital Program | 51,085,619 | (9,622,182) | 15,018,664 | 52,207,445 |
| Department Total | \$ 335,931,234 | \$ (27,841,743) | \$ 118,358,572 | \$ 461,091,183 |
| | | | | |
| TOTAL ALL DEPARTMENTS | \$ 1,282,413,709 | \$ (19,285,540) | \$ 997,096,387 | \$ 1,126,893,520 |

- * Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Tempe, Arizona
Full-time Employees and Personnel Compensation
Fiscal Year 2023

| Fund | Full-time equivalent (FTE) 2023 | Employee salaries and hourly costs 2023 | Retirement costs * 2023 | Healthcare costs 2023 | Other benefit costs ** 2023 | Total estimated personnel compensation 2023 |
|-------------------------------------|------------------------------------|--|----------------------------|--------------------------|--------------------------------|--|
| General Fund | 1,645.15 | \$ 137,236,947 | \$ 13,861,081 | \$ 20,108,332 | \$ 12,761,342 | \$ 183,967,702 |
| Special Revenue Funds | | | | | | |
| Highway User Revenue Fund | 48.50 | \$ 3,675,560 | \$ 426,695 | \$ 714,079 | \$ 312,112 | \$ 5,128,446 |
| Transit | 36.50 | 2,684,072 | 294,617 | 497,410 | 219,501 | 3,695,600 |
| CDBG/HOME | 6.00 | 456,858 | 53,698 | 73,140 | 36,022 | 619,718 |
| Section 8 Housing | 10.50 | 611,178 | 72,160 | 145,170 | 45,359 | 873,867 |
| Arts & Culture | 66.99 | 3,933,160 | 392,022 | 691,552 | 328,939 | 5,345,673 |
| Gov't Restricted Rev & Donations | 3.00 | 331,399 | 39,643 | 62,301 | 22,368 | 455,711 |
| Police Department-RICO & Grants | 8.00 | 1,603,074 | 350,345 | 307,322 | 105,877 | 2,366,618 |
| Governmental Grants | 10.40 | 1,280,382 | 70,998 | 110,244 | 44,829 | 1,506,453 |
| Court Enhancement | 2.00 | 83,658 | 10,182 | 34,994 | 6,399 | 135,233 |
| Total Special Revenue Funds | 191.89 | \$ 14,659,341 | \$ 1,710,360 | \$ 2,636,212 | \$ 1,121,406 | \$ 20,127,319 |
| Capital Projects Funds | | | | | | |
| Municipal Arts | 3.00 | \$ 208,872 | \$ 25,420 | \$ 52,561 | \$ 17,899 | \$ 304,752 |
| Total Capital Projects Funds | 3.00 | \$ 208,872 | \$ 25,420 | \$ 52,561 | \$ 17,899 | \$ 304,752 |
| Enterprise Funds | | | | | | |
| Water/Wastewater | 195.82 | \$ 14,837,466 | \$ 1,758,836 | \$ 2,956,378 | \$ 1,273,616 | \$ 20,826,296 |
| Solid Waste | 79.65 | 5,358,690 | 633,333 | 1,117,067 | 446,471 | 7,555,561 |
| Golf | 7.35 | 409,936 | 48,232 | 97,601 | 37,123 | 592,892 |
| Emergency Medical Transport | 41.89 | 2,752,291 | 330,320 | 425,928 | 207,639 | 3,716,178 |
| Total Enterprise Funds | 324.71 | \$ 23,358,383 | \$ 2,770,721 | \$ 4,596,974 | \$ 1,964,849 | \$ 32,690,927 |
| Internal Service Funds | | | | | | |
| Risk Management | 6.00 | \$ 544,012 | \$ 63,858 | \$ 77,855 | \$ 49,213 | \$ 734,938 |
| Total Internal Service Funds | 6.00 | \$ 544,012 | \$ 63,858 | \$ 77,855 | \$ 49,213 | \$ 734,938 |
| Total All Funds | 2,170.75 | \$ 176,007,555 | \$ 18,431,440 | \$ 27,471,934 | \$ 15,914,709 | \$ 237,825,638 |

Schedule G