



City of Tucson



Adopted Update for Fiscal Year 2008 **Fiscal Years 2007 and 2008 Biennial Budget**

Volume I



CITY OF TUCSON

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget
Presented July 1, 2007

CITY COUNCIL



HONORABLE
ROBERT E. WALKUP
MAYOR



JOSÉ J. IBARRA
WARD 1



CAROL W. WEST
WARD 2



KARIN UHLICH
WARD 3



SHIRLEY C. SCOTT
WARD 4



STEVE LEAL
WARD 5



NINA J. TRASOFF
WARD 6

CITY ADMINISTRATION

MIKE HEIN
City Manager

MICHAEL D. LETCHER
Deputy City Manager

LIZ RODRIGUEZ MILLER
Assistant City Manager

KAREN MASBRUCH
Assistant City Manager



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**CITY OF TUCSON
ORGANIZATION CHART
FISCAL YEAR 2008**

Citizens

Mayor and Council

City Clerk

City Manager: Mike Hein

City Attorney

**Deputy City Manager:
Mike Letcher**

**Assistant City Manager:
Karen Masbruch**

**Assistant City Manager:
Liz Miller**

- Support Services*
- Budget & Research
 - Finance
 - General Services
 - Human Resources
 - Information Technology
 - Procurement

- Environment and Development*
- Development Services
 - Environmental Services
 - Transportation
 - Tucson Water
 - Urban Planning & Design

- Strategic Initiatives*
- Tucson Convention Center

- Neighborhood Services*
- City Court
 - Community Services
 - Equal Opportunity Programs & Independent Police Review
 - Fire
 - Neighborhood Resources
 - Parks & Recreation*
 - Police
 - Public Defender

*Includes Tucson City Golf

CITY OF TUCSON OFFICIALS AND DIRECTORS

OFFICIALS

City Manager, *Mike Hein*

Deputy City Manager, *Michael D. Letcher*

Assistant City Manager, *Liz Rodriguez Miller*

Assistant City Manager, *Karen Masbruch*

City Attorney, *Mike Rankin*

City Clerk, *Kathleen S. Detrick*

NEIGHBORHOOD SERVICES

City Court, *Antonio Riojas*

Community Services, *M. Emily Nottingham*

Equal Opportunity Programs and Independent Police
Review, *Liana Perez*

Fire, *Dan Newburn*

Neighborhood Resources, *Eliseo Garza*

Parks and Recreation, *Fred H. Gray, Jr.*

Police, *Richard Miranda*

Public Defender, *Charles Davies*

ENVIRONMENT AND DEVELOPMENT

Development Services, *Ernest A. Duarte*

Environmental Services, *Andrew Quigley*

Transportation, *James W. Glock*

Urban Planning and Design, *Albert Elias*

Tucson Water, *David Modeer*

STRATEGIC INITIATIVES

Tucson Convention Center, *Richard Singer*

SUPPORT SERVICES

Budget and Research, *James Cameron, Acting*

Finance, *James Cameron*

General Services, *Ronald Lewis*

Human Resources, *Cindy Bezaury*

Information Technology and Chief Information
Officer, *Ann Strine*

Procurement, *Wayne A. Casper*

BIENNIAL BUDGET CALENDAR FISCAL YEAR 2008 UPDATE

Sequence of events in the budget-setting process.

December 11 and 14, 2006	Budget kickoff.
May 1, 2007	Submission of the City Manager's Recommended Biennial Budget Update for Fiscal Year 2008, and Proposed Five-Year Capital Improvement Program Fiscal Years 2008 through 2012 to Mayor and Council.
May 15, 2007	Public Hearing on Recommended Biennial Budget Update for Fiscal Year 2008.
May 22, 2007	Mayor and Council Study Session for the purpose of discussing the Recommended Biennial Budget Update for Fiscal Year 2008 and Proposed Five-Year Capital Improvement Program, Fiscal Years 2008 through 2012.
June 5, 2007	Tentative adoption of budget for Fiscal Year 2008.
June 12, 2007	Truth in Taxation Hearing on primary property tax levy for Fiscal Year 2008.
June 12, 2007	Public Hearing on the Biennial Budget Update for Fiscal Year 2008 as tentatively adopted.
June 12, 2007	Special Mayor and Council meeting for the purpose of final budget adoption.
June 26, 2007	Fixing and levying the Primary and Secondary Property Taxes for Fiscal Year 2007.

HOW TO USE THIS BUDGET

This document guide outlines the City of Tucson's Fiscal Years 2007 and 2008 Biennial Budget Adopted Update for Fiscal Year 2008. Copies of the budget are available at all branches of the Tucson-Pima Public Library, the University of Arizona Main Library, Pima Community College branch libraries, the City Clerk's Office, and the Department of Budget and Research. In addition, the budget may be viewed on the City of Tucson Web site, <http://www.tucsonaz.gov>. Information may be obtained by calling the Department of Budget and Research at (520) 791-4551 or e-mailing the department at budget&rsearch@tucsonaz.gov.

For Fiscal Year 2008 only one volume is used to present the adopted changes to the second year of the biennial budget. This document may be used with the adopted biennial budget document for Fiscal Years 2007 and 2008. The adopted update is organized as follows.

City Manager's Message/Overview - This section includes the letter from the city manager transmitting the biennial budget update to the Mayor and Council and an overview of the budget. In the transmittal letter, the city manager highlights the key policy issues and programs in the biennial budget. The overview includes the following:

- Where the Money Goes
- Staffing
- Where the Money Comes From
- Citizen Impacts
- Expenditure Limitation

Recommendations - This section summarizes the changes from the approved Fiscal Year 2008 budget to the adopted budget for both revenues and expenditures. Major changes are highlighted for each department.

Legal Authorization - State and local legal provisions are presented, including the process for budget adoption and setting the property tax, public hearings, and a property tax summary.

Community Statistical Profile - This section of the summary provides the reader with demographic information on Tucson.

Summary Information - Schedules contained in this section provide summary level information on the consolidated (operating and capital) city budget. Expenditure and revenue information, descriptions of funds, debt service information, staffing histories, and pay scales are summarized. This section is particularly helpful if the reader is interested in an overview of the city budget.

Capital Budget Summary - This section provides a summary of the first year, Fiscal Year 2008, of the Five-Year Capital Improvement Program.

City Strategic Plan - This section summarizes the strategic plan for the city including the process followed to identify the city's focus areas.

Glossary - The glossary defines terms and acronyms used in the budget.

Index - The index provides an alphabetical listing of the contents of the budget.

A separate document containing the capital budget detail is also available. The Approved Five-Year Capital Improvement Program (CIP), Fiscal Years 2008 - 2012 includes an overview and department programs.

**DISTINGUISHED
BUDGET PRESENTATION
AWARD**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Tucson

Arizona

For the Biennium Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Tucson for its Biennial Budget for the Fiscal Years beginning July 1, 2006 through June 30, 2008.

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 communication device.

The award is valid for a period of two years.

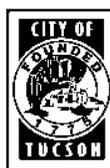


City of Tucson



Section A City Manager's Message

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget





CITY OF
TUCSON
OFFICE OF THE
CITY MANAGER

July 1, 2007

Honorable Mayor and Council Members:

It is with pleasure that I transmit to you the Adopted Update Budget for Fiscal Year 2008. This is the second year of the Fiscal Years 2007 and 2008 Biennial Budget approved by the Mayor and Council in June 2006. Fiscal Year 2008 continues the Financial Sustainability Plan begun in Fiscal Year 2007. Also included is an update to the Five-Year Capital Improvement Program, which expands the use of Regional Transportation Authority (RTA) funding and the use of impact fees. Because this budget is an update to the biennial budget, it is limited in scope and focuses on the major changes.

The total adopted budget is \$1.26 billion for Fiscal Year 2008 compared to the Fiscal Year 2007 budget of \$1.1 billion. Recent Government Accounting Standards and the state's Auditor General require that the city budget include capacity that was not required in previous budgets. As a result, additional capacity of \$113 million for bond funds, federal grants, contributions from other agencies, and project financing is included to ensure that the city will be able to move forward with programs and projects in public safety, transportation, and other priority areas. This also ensures that we can meet reporting requirements for internal transactions between city functions and fiduciary requirements such as the pension fund. Enterprise Funds increased \$15 million primarily in support of the expansion of Central Arizona Project water delivery. General Purpose Funds include \$26.6 million of revenue growth in Fiscal Year 2008 allocated to Financial Sustainability.

Financial Sustainability

The Fiscal Year 2008 allocation to the Financial Sustainability Plan of \$26.6 million provides a cumulative investment of \$53.6 million for the Fiscal Years 2007 and 2008 Biennial Budget. The increase for Fiscal Year 2008 is based on higher state-shared revenues than originally anticipated, as well as moderate growth in city sales tax revenues. The Financial Sustainability Plan funds \$10.6 million for human capital in Fiscal Year 2008. These funds with an additional \$2 million carried over from prior year revenues will provide for a salary adjustment based on the January 2007 Consumer Price Index for all Urban Consumers (CPI), merit increases, and other employee benefit requirements, primarily in public safety.

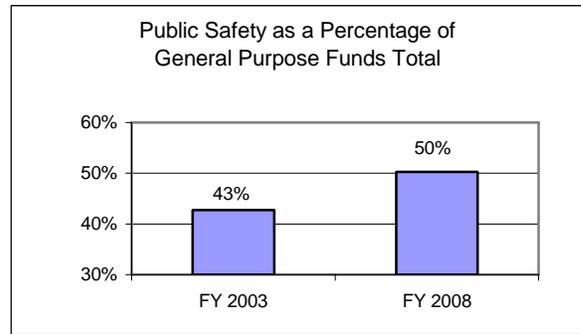
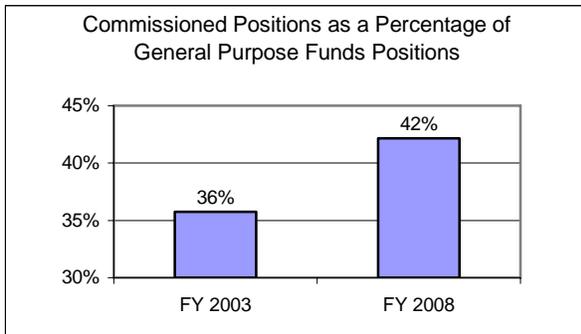
Service-related improvements are funded at \$16 million in support of residential street maintenance, Police and related Judicial programs, Fire protection, and Parks and Recreation services as follows:

- \$3.4 million to repair 16 square miles of residential streets (24 miles over two years)
- \$6.0 million for 40 police officers and support functions and equipment in the Police and Judicial departments (80 police officers over two years)
- \$4.8 million for 45 firefighters and paramedics primarily to staff a new fire station, as well as support staff and equipment (74 firefighters and paramedics over two years)
- \$1.8 million to improve maintenance and programming in Parks and Recreation including an additional 12,000 hours of youth programming (24,000 hours of programming added over two years)

The city is on target to complete the Fiscal Year 2007 service improvement goals funded with \$16.2 million:

- 8 square miles of residential street maintenance (an additional 4.8 miles of major roads were funded through Pima Association of Governments)
- 40 police officers and necessary Police and Judicial support staff, equipment, and a new Police substation
- 29 firefighters and paramedics as well as support staff and equipment
- Improved maintenance and programming in Parks and Recreation including 11,560 hours of senior and KIDCO programming

The goal of the Financial Sustainability Plan and previous initiatives is to support city priorities, public safety in particular. Each year, public safety has been allocated a larger percentage of General Purpose Funds. Commissioned Police and Fire personnel have grown from about 36% of all general purpose funded positions five years ago to over 42%. Public safety expenses now make up about 50% of the General Purpose Funds budget from about 43% five years ago.



Economic and Revenue Considerations

While the economy continued to expand strongly during much of Fiscal Year 2007, a general slowdown is anticipated in Fiscal Year 2008. The housing market will likely continue to decline into Fiscal Year 2008; however, it is difficult to project when it will hit bottom. The employment picture continues to improve and has helped support consumer confidence in light of the potential impact of the declining housing market. Fuel and energy costs continue to be a concern.

These factors are reflected in the revenue growth projected for Fiscal Year 2008 General Purpose Funds. Both city and state sales taxes are projected to increase, but at a slower pace than in Fiscal Year 2007. City sales tax collections are projected to grow 4.5% in Fiscal Year 2008 compared to a revised 7.5% in Fiscal Year 2007. State sales taxes are projected at 5.5% compared to the revised Fiscal Year 2007 growth of approximately 7.7% (prior to adjusting for the mid-decade census). State income tax distributions for Fiscal Year 2008 are based on taxes collected by the state in Fiscal Year 2006. Because these collections occurred while the economy and housing markets were still strong, state income tax distributions will be 24% higher in Fiscal Year 2008. In future years, the city will see the impact of the slowing economy and tax cuts on income tax distributions from the state.

Service to the Community

As the city develops its workforce, customer service must be at the forefront of our efforts. The next five years will provide an exceptional opportunity to change how we do business and to become less regimented in responding to the needs of our community. The baby boomer phenomenon means that about 1,600 of the city's employees will be eligible to retire in the next five years. This will create an opportunity to align our workforce to be more reflective of this community's needs.

The city has begun moving to improve services to our community with programs such as City Teams and the city's system for responding to resident questions and issues (NOVA). Several other efforts begun in Fiscal Year 2007 are also moving ahead:

Environmental Conservation. The Office of Conservation and Sustainable Development is working on a Habitat Conservation Plan, feasibility studies on Santa Cruz River restoration, and urban environmental sustainability measures.

Consolidated Code Enforcement and Remediation. Consolidation of Neighborhood Preservation Ordinance enforcement and similar code provisions has been accomplished in the Department of Neighborhood Resources (DNR). In Fiscal Year 2008 the remediation crew for addressing physical problems that need immediate attention will be fully operational. To improve service in this area, DNR must focus its resources more effectively.

Technology innovations are saving money and improving revenues. The Procurement Department continues to expand online auctions to more effectively dispose of surplus items. City Court automation through e-Tickets has sped up the processing and collection of fines. The city will complete the conversion of its phone system to Voice over Internet Protocol (VoIP) by the end of Fiscal Year 2008. Replacement of the 20 year old Business License Management System is also programmed for completion in Fiscal Year 2008.

Conclusion

The Adopted Update Budget for Fiscal Year 2008 continues to fund the financial sustainability initiatives begun in the Fiscal Years 2007 and 2008 Biennial Budget. Revenue growth during Fiscal Year 2008 of \$26.6 million is budgeted to add police officers, firefighters, and paramedics, repair more residential streets, and increase maintenance and programming by Parks and Recreation. Property tax rates are projected to decrease a combined nine cents per \$100 assessed valuation from Fiscal Year 2007. The primary rate decreased from 34 cents to 33 cents per \$100 assessed valuation.

I want to thank the Budget and Research Department, members of the Executive Leadership Team, and city staff that played a key role in developing the Fiscal Year 2008 budget.

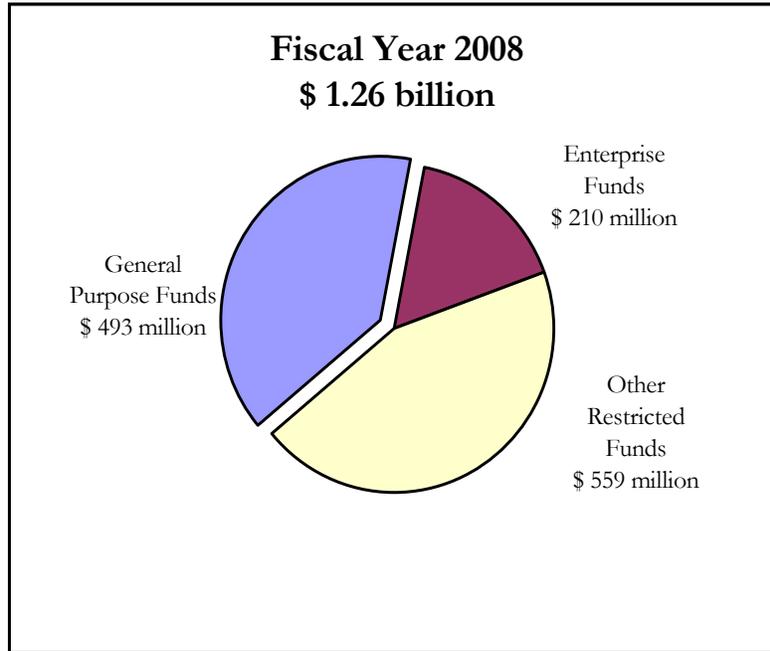
Respectfully Submitted,



Mike Hein
City Manager

BUDGET OVERVIEW

On June 13, 2006, the Mayor and Council adopted the Fiscal Years 2007 and 2008 Biennial Budget. Because state law requires that each fiscal year's budget be adopted separately, the Fiscal Year 2008 budget update was submitted to the Mayor and Council for final adoption.



The Fiscal Year 2008 Adopted Budget totals \$1.26 billion. Approximately 61% comes from restricted funds that can only be used for specific purposes: Enterprise Funds of \$209.6 million and Other Restricted Funds of \$559.5 million. The remaining 39% or \$493.4 million is from General Purpose Funds, including \$5.4 million from prior year sources. The Mayor and Council have discretion to program General Purpose Funds for any purpose to meet the city's priority needs.

The Fiscal Year 2008 Adopted Budget is an increase of \$160.2 million over the Fiscal Year 2007 Budget of \$1.1 billion. The General Purpose Funds budget was increased by \$26.6 million based on Fiscal Year 2008 revenue growth and \$5.4 million brought forward from prior years. To provide adequate capacity for grants, bonds, and other capital financing needs, the Other Restricted Funds budget increased by \$113.3 million. Enterprise Funds grew \$14.9 million, primarily to expand increased delivery of Central Arizona Project water.

This overview is organized into the following sections:

- Financial Sustainability Plan
- Where the Money Goes – Expenditure Budget and Staffing
- Where the Money Comes From – Revenue Sources
- Citizen Impacts
- Expenditure Limitation
- Budget Development Process

FINANCIAL SUSTAINABILITY PLAN

The Fiscal Year 2008 budget continues to focus revenue growth on improving services while meeting the human capital requirements of the organization. The \$26.6 million growth in Fiscal Year 2008 revenues are allocated 60% for service and 40% for human capital needs. The Fiscal Year 2008 budget incorporates the \$27.0 million recurring investment from Fiscal Year 2007 and the new funding from Fiscal Year 2008 revenue growth for a total of \$53.6 million.

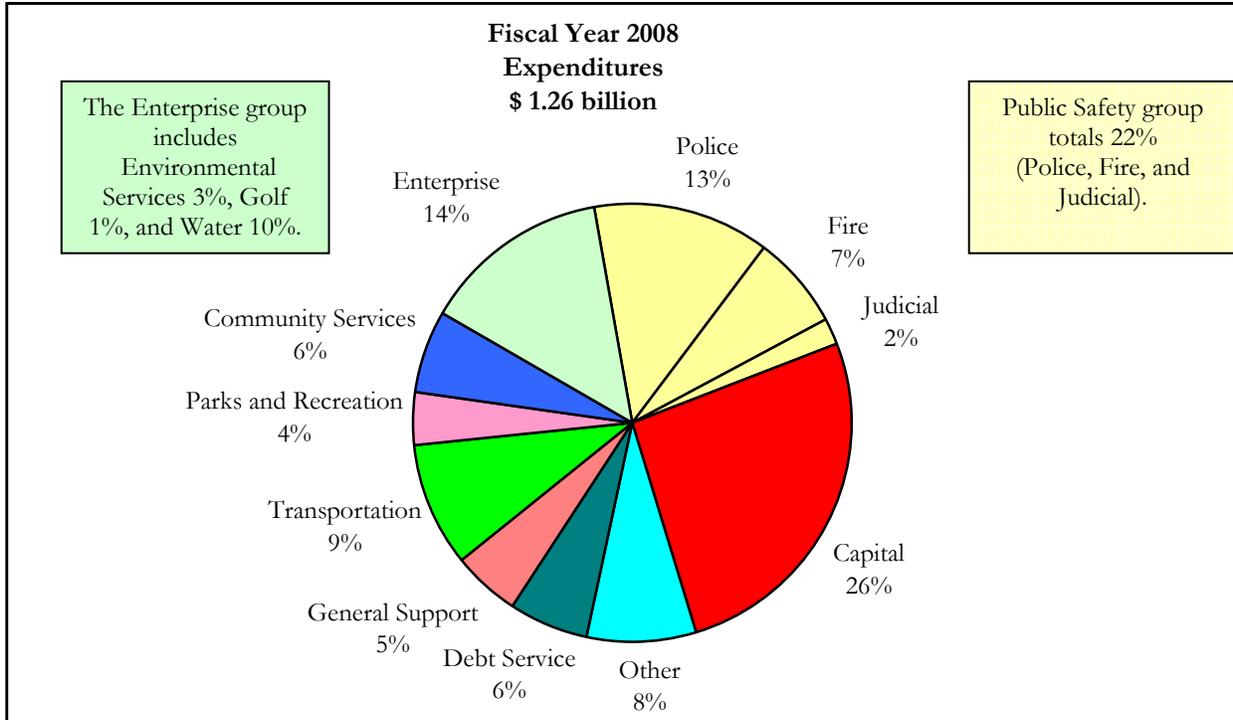
	FY 2007		FY 2008	
	<u>Adopted</u>		<u>New</u>	<u>Total</u>
Service Improvements				
• Expanding road maintenance, primarily for a total of 24 square miles of residential streets	\$ 4.0	\$	3.4	\$ 7.4
• Hiring 80 additional police officers, plus funding for support and judicial staff	6.3		6.0	12.3
• Improving fire and paramedic response capabilities with funding and staff, including 74 firefighters and paramedics	3.8		4.8	8.6
• Increasing funds for Parks and Recreation programming and facilities maintenance	2.1		1.8	3.9
	16.2		16.0	32.2
Human Capital				
• Pay and benefit adjustments	10.8		10.6	21.4
	\$ 27.0	\$	26.6	\$ 53.6

Ten Year Perspective

The Financial Sustainability Plan establishes long-term goals to guide the city in allocating future revenues towards meeting the needs of the community. Recognizing the importance of investing in our human capital, a full 40% or \$526 million of future revenues are targeted for salary and benefits. The remaining 60% allocated to city services is critical to meeting the community goals identified in this plan. The Police Department and related Judicial functions are programmed to receive 42% of the revenue growth allocated to services. An additional 26% is programmed for Fire Department services. In total, the investment in Public Safety will reach \$533 million. Road maintenance by the Department of Transportation and services by the Parks and Recreation Department (expanding parks maintenance and programming, and opening new facilities) make up the remainder of the services allocation. It will be extremely important to continue the 60% allocation to services in future years if we are to be successful in reaching the city's Financial Sustainability Plan goals.

WHERE THE MONEY GOES

The city budget funds a broad range of services. Some department operations are self-supporting; these are included in the Enterprise group, which makes up 14% of the budget. The Public Safety group, consisting of the Police, Fire, and Judicial department operations, makes up 22% of the budget. Operations of the other three largest departments that provide direct services to the public (Parks and Recreation, Transportation, and Community Services) use 19% of the budget. The capital budget for all departments makes up 26%. Other department operations, including general support and debt service, accounts for the remaining 19% of the budget.



Expenditure Changes

Changes by department or department category, from the Fiscal Year 2007 Adopted Budget to the Fiscal Year 2008 Adopted Budget, are briefly noted below and on the following pages. All department expenditure changes include adjustments to salaries and benefits based on the compensation plan: 2.1% cost-of-living adjustment, merit/step increases, and starting public safety commissioned employees at the second salary step. Additional information on department budget changes can be found in Section B of this volume.

Expenditures (\$ millions)				
	Adopted FY 2007 <u>Budget</u>	Adopted FY 2008 <u>Budget</u>	<u>Change</u>	% of Total <u>Change</u>
Public Safety				
Police	\$ 149.7	\$ 170.7	\$ 21.0	13%
Fire	73.7	82.6	8.9	6%
Judicial	22.8	24.2	1.4	1%
Public Safety Sub-Total	246.2	277.5	31.3	20%
Enterprise Operations				
Golf	10.9	11.1	0.2	0%
Environmental Services	38.0	43.5	5.5	3%
Water	113.8	124.6	10.8	7%
Enterprise Sub-Total	162.7	179.2	16.5	10%
Other Operating Departments				
Transportation	104.3	108.1	3.8	2%
Community Services	75.3	78.8	3.5	2%
Parks and Recreation	47.2	49.7	2.5	2%
General Support*	56.8	62.4	5.6	3%
Debt Service	67.0	73.9	6.9	4%
Other **	67.1	100.0	32.9	21%
Other Operating Sub-Total	417.7	472.9	55.2	34%
Operating Budget Total	826.6	929.6	103.0	64%
Capital Budget	275.7	332.9	57.2	36%
Total	\$ 1,102.3	\$ 1,262.5	\$ 160.2	100%

* Includes City Clerk Elections which decreases or increases \$1 to \$2 million depending on election year.
 ** Includes capacity for internal service and fiduciary funds.

Public Safety Changes

Police. The Fiscal Year 2008 funding increment from the Financial Sustainability Plan is \$5.2 million, which provides for 40 additional officers and 14 civilian support positions. The department's remaining increase of \$15.8 million is primarily due to \$10.6 million in grant capacity, including \$8.0 million for an Urban Area Security Initiative grant, and \$5.5 million in adjustments to salaries and benefits based on the compensation plan. The Fiscal Year 2007 budget included one-time funds that are not required in Fiscal Year 2008.

Fire. The Fiscal Year 2008 funding increment from the Financial Sustainability Plan is \$4.8 million, which provides for 47 additional positions: 45 commissioned and 2 civilian. Fire's remaining increase of \$4.1 million is primarily due to \$2.3 million in additional grant capacity, including \$2 million for an Urban Area Security Initiative grant, and \$2.8 million for adjustments to salaries and benefits based on the compensation plan. The Fiscal Year 2007 budget included one-time funds that are not required in Fiscal Year 2008.

Judicial. This category includes City Court, City Attorney, and Office of the Public Defender. The Fiscal Year 2008 funding increment from the Financial Sustainability Plan is \$0.7 million, which provides for 3.5 additional positions: 2.0 for City Court and 1.5 for the City Attorney. The remaining \$0.7 million increase is primarily due to \$0.6 million for adjustments to salaries and benefits based on the compensation plan.

Enterprise Operations Changes

Golf. For Fiscal Year 2008, there is an increase of \$0.2 million. That increase is solely due to adjustments to salaries and benefits based on the compensation plan. While the Golf fund is projected to break even, revenues and expenditures are carefully monitored.

Environmental Services. The department's \$5.5 million increase in Fiscal Year 2008 is due to several factors. Debt service payments for the use of certificates of participation in the capital budget account for \$1.6 million of the increase. Salary and benefit adjustments based on the compensation plan added \$0.6 million. Most of the remaining \$3.3 million increase is capacity for equipment and software, higher fuel costs, general government support, and the switch to in-house labor for better inspection of landfill loads and operations of the household hazardous waste program.

Water. The increase of \$10.8 million in Fiscal Year 2008 is primarily due to increases in Central Arizona Project payments of \$3.8 million, debt service payments of \$3.3 million, and energy costs of \$1.9 million. Other operational increases include the outsourcing of bill printing and water resource management contracts.

Other Operating Department Changes

Transportation. The Fiscal Year 2008 funding increment from the Financial Sustainability Plan is \$3.4 million to expand the existing road maintenance program. The department's remaining increase of \$0.4 million is due to several factors. Adjustments to salaries and benefits based on the compensation plan added \$0.5 million. The transfer of the Real Estate Division from Finance accounts for another \$0.7 million. Capacity for ParkWise's GemRide and corrections to costs charged to the capital budget added approximately \$0.7 million. These increases were offset by the elimination of one-time funds in the Fiscal Year 2007 budget that are not required in Fiscal Year 2008.

Community Services. For Fiscal Year 2008, the department's budget increase is \$3.5 million. Earned revenue, which includes land sales, adds \$3.0 million for projects such as the Martin Luther King, Jr. housing project downtown. Capacity for the Housing Trust Fund was increased by \$0.7 million for a Fiscal Year 2008 total of \$1.7 million. Adjustments to salaries and benefits based on the compensation plan increased the budget by \$0.6 million. The budget also reflects the transfer of \$0.3 million from Non-Departmental's outside agency support and \$0.3 million of additional funding for the School Plus Jobs program. Completion of projects in Fiscal Year 2007 resulted in offsetting decreases to the Fiscal Year 2008 budget.

Parks and Recreation. The Fiscal Year 2008 funding increment from the Financial Sustainability Plan is \$1.8 million, which provides for additional facility maintenance and increased programs and services. The department's remaining increase of \$0.7 million is primarily due to \$0.8 million for adjustment to salaries

and benefits based on the compensation plan, which is partially offset by the elimination of one-time funds in the Fiscal Year 2007 budget that are not required in Fiscal Year 2008.

General Support. This category includes the City Manager's Office, City Clerk, the Office of Equal Opportunity Programs and Independent Police Review, and support services departments: Budget, Finance, Human Resources, Information Technology, General Services, and Procurement.

Funding for this group of departments was increased by \$5.6 million in Fiscal Year 2008, primarily for \$6 million carried forward from Fiscal Year 2007 to complete General Services' Central Cooling Loop project. Other adjustments include \$2.0 million for elections and \$1.2 million to salaries and benefits based on the compensation plan, which are offset by reductions for acquisitions completed in Fiscal Year 2007.

Debt Service. This category includes the repayment of general government debt, which is budgeted in Non-Departmental. (The repayment of Enterprise Fund debt is budgeted in their respective departments.)

The increase of \$6.9 million in Fiscal Year 2008 is primarily due to \$5.4 million for the repayment of certificates of participation that will be used to finance additional public safety facilities and equipment. The repayment of general obligation bonds increased by \$1.2 million due to the planned sale of \$13.3 million, which will be the final sale from the 2000 authorization, and offsetting savings from a recent refunding of outstanding bonds. Also included is \$0.6 million for the repayment of special assessment bonds. These increases are offset by a reduction in repayment on an H.E.L.P. (Highway Extension and Expansion Loan Program from the Arizona Department of Transportation) loan for the Mountain Avenue project.

Other. All remaining departments and offices are included in this category: Mayor and Council, Development Services, Urban Planning and Design, Neighborhood Resources, Tucson Convention Center, and Non-Departmental's Outside Agencies, General Expense, Risk Management, and Pension.

This category's Fiscal Year 2008 budget increases by \$32.9 million. The increase primarily occurs in Non-Departmental's General Expense and is due to two factors: capacity for internal service and fiduciary funds and for an accounting change in the treatment of indirect cost allocations for general government support. Offsetting these increases are reductions for one-time payments and carryforward in Fiscal Year 2007 that are no longer required and the decline in contributions to Pima County for the Library that is part of the continued transfer of financial responsibility.

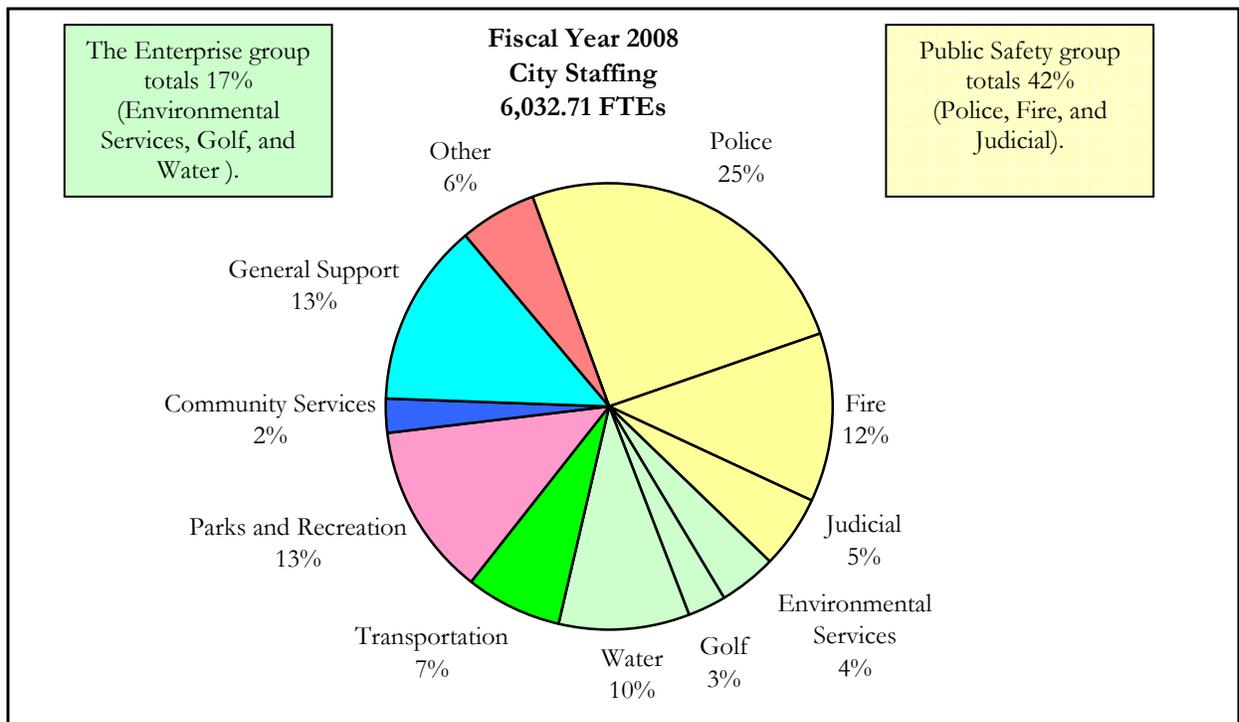
Capital Budget Changes

The \$57.2 million increase in Fiscal Year 2008 includes additional capacity for impact fees and Regional Transportation Authority funds, and capacity to expedite Tucson Water's Central Arizona Project water recharge and recovery projects.

Staffing

For Fiscal Year 2008, 42% of employees are in the Public Safety group, which includes Police, Fire, and Judicial departments. Three large departments providing other direct services to the public, Parks and Recreation, Transportation, and Community Services, employ 22% of employees. The self-supporting Enterprise group employs 17% of the city workforce. The remaining 19% of employees provide support services and other public services, including Neighborhood Resources, Development Services, and the Tucson Convention Center.

The number of city employees in the budget for Fiscal Year 2008 totals 6,032.71, an increase of 184.95 full-time equivalent (FTE) positions over the adopted budget for Fiscal Year 2007. A total of 146.00 positions were added through the Financial Sustainability Plan and will provide additional services in Police, Fire, Parks, City Attorney's Office, and City Court. Another 3.0 positions were added to Police for administration of the vehicle impound program, which is funded from new impound fees. The remaining 35.95 positions were added in the following departments. City Clerk positions were increased by 20.50 FTEs due to temporary election positions. Environmental Services gained 13.00 positions to eliminate a dependency on contracted labor and improve inspections of landfill loads. The second year of implementation for Neighborhood Services added 9.00 positions for improved customer service. Tucson Water added 5.00 positions to expedite their Central Arizona Project recharge and recovery projects. Those increases were offset by a net decrease of 11.55 positions in other departments, including 5.00 positions transferred from the city to TREO (Tucson Regional Economic Opportunities, Inc.).



Enterprise Operations Changes

Environmental Services. The department's staffing increased by 13.00 positions, which were added to eliminate dependency on contracted labor and improve landfill inspections.

Water. The department's staffing increased by 5.00 positions to expedite the construction of capital projects for the recharge and recovery of CAP (Central Arizona Project) water.

Other Operating Department Changes

Transportation. The increase of 12.00 positions in Fiscal Year 2008 resulted from organizational changes during Fiscal Year 2007: the transfer of 13.00 Real Estate Division positions from Finance and the transfer of 1.00 position to Neighborhood Resources.

Community Services. The 3.75 positions eliminated were grant-funded positions.

Parks and Recreation. Parks staffing is increased by 38.50 positions: 32.50 additional positions funded through the Financial Sustainability Plan, 5.00 custodial positions transferred from General Services, and 1.00 non-permanent position for extended zoo hours.

General Support. This category includes the City Manager's Office, City Clerk, the Office of Equal Opportunity Programs and Independent Police Review, and support services departments: Budget, Finance, Human Resources, Information Technology, General Services, and Procurement.

The increase of 3.95 positions in Fiscal Year 2008 is due to various factors. Because Fiscal Year 2008 is an election year, 20.50 positions are added in City Clerk. In addition, 1.00 position is added in Finance for the wellness program, 1.00 position transferred to Human Resources from Tucson Water, and 5.00 positions transferred from Non-Departmental to the City Manager's Office due to the realignment of the Rio Nuevo Office. These increases are offset by 13.00 positions transferred from Finance to Transportation, 5.00 positions transferred from General Services to Parks, and 5.55 positions eliminated in Budget. Within the General Support category, 1.00 position was transferred from Budget to the City Manager's Office.

Other. All remaining departments and offices are included in this category: Mayor and Council, Development Services, Urban Planning and Design, Neighborhood Resources, Tucson Convention Center, and General Expense.

The decrease of 0.75 positions in Fiscal Year 2008 is primarily due to the net increase of 10.00 positions for customer service and code enforcement in Neighborhood Resources offset by the transfer of 10.75 positions out of Non-Departmental: 5.00 Rio Nuevo positions transferred to the City Manager's Office and 0.75 Rio Nuevo position deleted, and 5.00 positions transferred to TREO (Tucson Regional Economic Opportunities, Inc.).

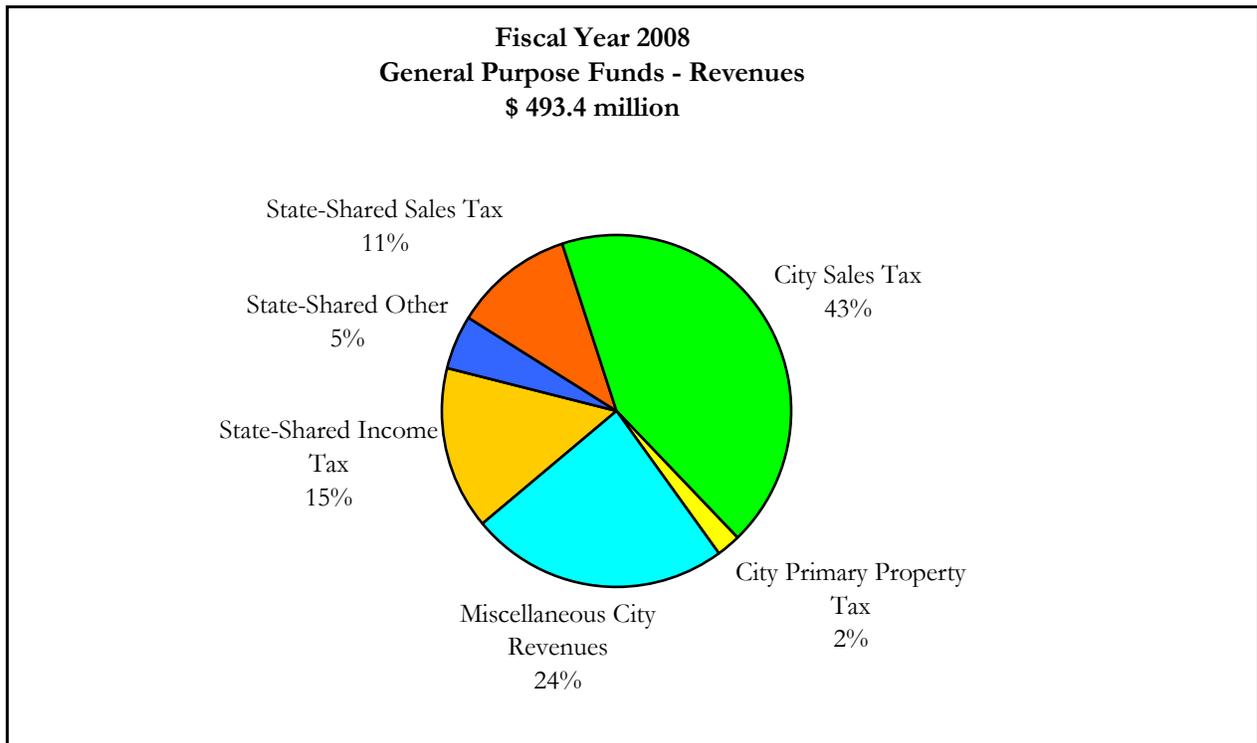
WHERE THE MONEY COMES FROM

There are two major revenue groups in the city's budget: 1) General Purpose Funds and 2) Restricted Funds, which include Enterprise Funds and Other Restricted Funds. This section of the overview will first discuss General Purpose Fund revenues, followed by a discussion of Restricted Fund revenues.

General Purpose Funds – Revenues

General Purpose Funds revenues are those revenues that the Mayor and Council have full discretion to allocate. These revenues are used for basic city services, such as police and fire protection, mass transit service, and parks and recreation opportunities. These funds account for 39% of the total Fiscal Year 2008 budget.

General Purpose Funds revenue comes from both city-generated sources and state-shared sources, as illustrated in the chart below. In Fiscal Year 2008, city sales tax and state-shared taxes will provide almost 3/4 of the General Purpose Funds: 43% from city sales tax and 31% from state-shared taxes. The 24% in Miscellaneous City Revenues consists of local taxes and fees. The city's Primary Property Tax provides only 2% of the General Purpose Funds budget.



Revenue Changes – General Purpose Funds

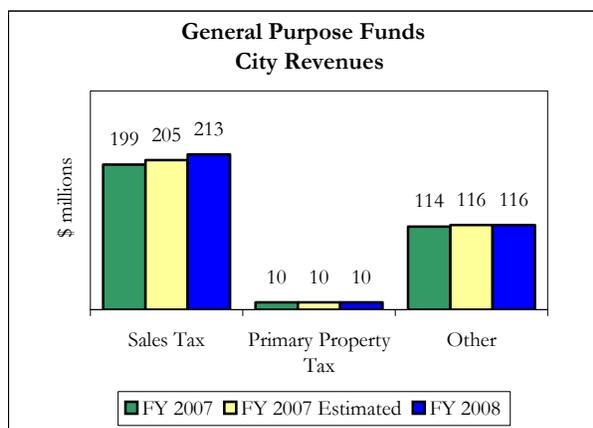
To correctly calculate the Fiscal Year 2008 General Purpose Funds revenue growth, the adopted budget of \$493.4 million is compared to the revised Fiscal Year 2007 revenue projections. The resulting increase of \$26.6 million is the basis for the Financial Sustainability Plan. The increase in estimated Fiscal Year 2007 revenues over the adopted revenues is restricted to specific requirements, including partial funding of merit increases, elections, and other contractual requirements.

The major changes are summarized in the table and discussion on the following pages. Additional information on revenues is available in Section E of this volume.

General Purpose Funds Revenues (\$ millions)				
	Adopted FY 2007 Budget	Estimated FY 2007 Budget	Adopted FY 2008 Budget	Change
City Revenues:				
Sales Tax	\$ 199.5	\$ 204.7	\$ 212.9	\$ 8.2
Primary Property Tax	9.7	9.7	10.3	0.6
Other	114.4	115.6	115.7	0.1
City Sub-Total	323.6	330.0	338.9	8.9
State-Shared Revenues:				
Income Tax	\$ 60.5	\$ 60.2	\$ 74.6	\$ 14.4
Sales Tax	51.9	51.2	54.0	2.8
Other	25.4	25.4	25.9	0.5
State-Shared Sub-Total	137.8	136.8	154.5	17.7
Total	\$ 461.4	\$ 466.8	\$ 493.4	\$ 26.6

Following are brief explanations of the revenue differences between the Fiscal Year 2008 Adopted Budget and Fiscal Year 2007 Estimated Budget.

City Revenues. City-generated revenues account for 69% of the Fiscal Year 2008 General Purpose Funds budget. The total of \$338.9 million for Fiscal Year 2008 is an increase of \$8.9 million, primarily in city sales tax revenues.



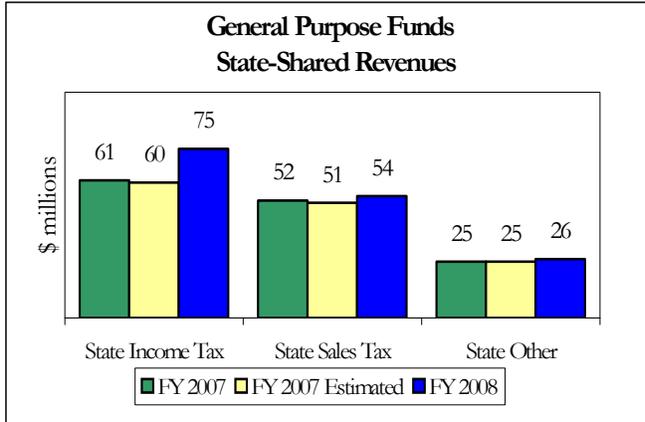
The city's sales tax is highly dependent on the strength of the local economy. The adopted budget includes \$212.9 million from city sales tax, which is an increase of \$8.2 million. That increase resulted from a modest 4.5% growth compared to 7.5% in Fiscal Year 2007. This growth is less than the 5% estimated in the approved budget for Fiscal Year 2008.

The adopted budget for Fiscal Year 2008 also includes a small increase in the primary property tax collection that is within the maximum allowable levy of \$10.3 million. This increase will bring in an additional \$0.6 million. The primary property tax rate is reduced from \$0.3411 per \$100 assessed valuation to \$0.3296 based on the value of property as estimated by the Pima County

Assessor in January 2007.

The remaining \$0.1 million of the Fiscal Year 2008 increase is primarily due to increases in the use tax and various licenses, permits, and fines that are offset by minor reductions in other revenues.

State-Shared Revenues. Annually, the State of Arizona distributes a portion of its revenue receipts to cities and counties. The state-shared revenues that are used by the city for general purposes are state income tax, state sales tax, state auto lieu tax, and lottery proceeds. These revenues provide for 31% of the General Purpose Funds budget. For Fiscal Year 2008, state-shared revenues are projected at \$154.5 million, an increase of \$17.7 million from Fiscal Year 2007 Estimated Budget.



State income tax distributions for Fiscal Year 2008, which are based on collections in 2006, are expected to be \$74.6 million, a \$14.4 million increase. That increase reflects the growth in the Arizona economy two years ago.

The budget for Fiscal Year 2008 includes \$54.0 million of state-shared sales tax, which is a \$2.8 million increase from Fiscal Year 2007 Estimated Budget. As is the case with the city's sales tax, the state sales tax reflects slower economic growth of 5.5% in Fiscal Year 2008 compared to 7.7% growth in Fiscal Year 2007 (prior to the mid-decade census adjustment).

Other state-shared revenues include auto lieu taxes and lottery proceeds used for mass transit. In total, these revenues of \$25.9 million for Fiscal Year 2008 are \$0.5 million higher than the Fiscal Year 2007 Estimated Budget. That increase is entirely from moderate growth in the auto lieu revenue from \$22.8 million to \$23.3 million. No change is anticipated for lottery proceeds.

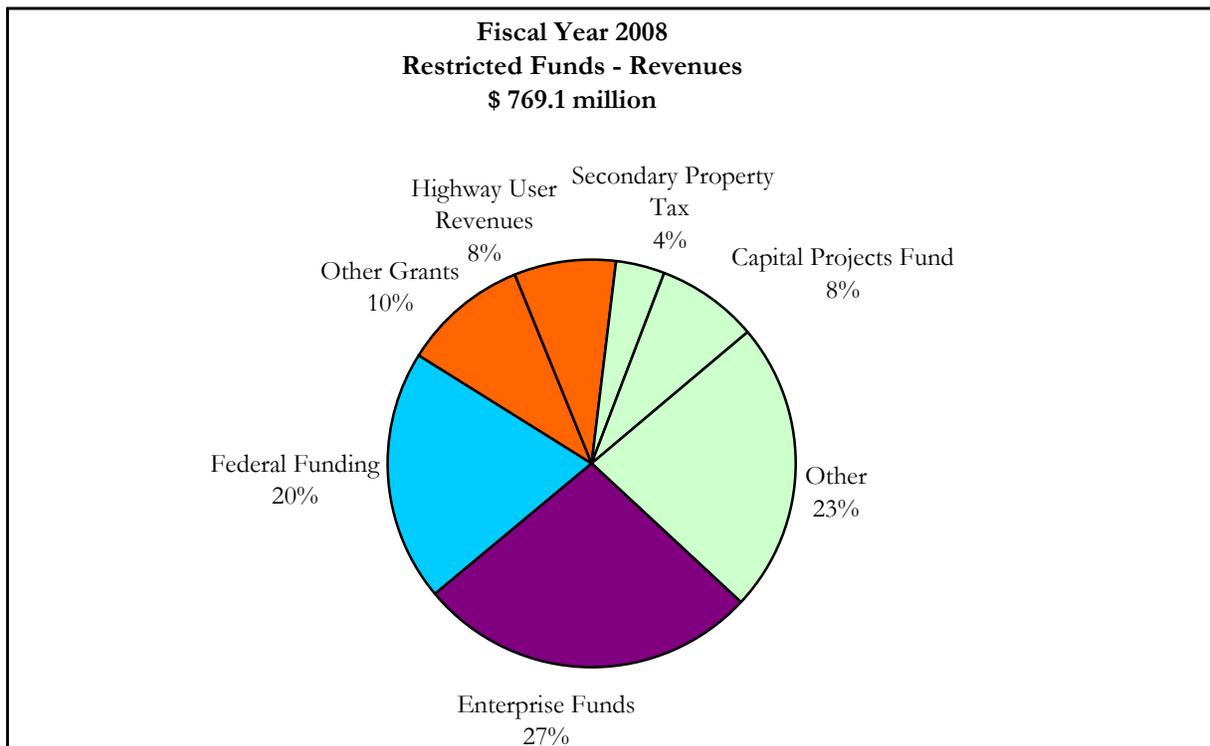
State revenues returned to the city are constantly at risk from appropriation by the legislature. Last year the state cut income taxes a combined 10% over two years. This cut will begin to impact the city in Fiscal Year 2010. The city must be vigilant in protecting this important source of funding for critical services.

Restricted Funds – Revenues

Restricted funds account for 61% of the total Fiscal Year 2008 budget. These funds are restricted because their use is limited to specific purposes. Restricted Funds come from federal, state, and local sources. Restricted fund revenues are fairly evenly divided between:

- (1) federal funding
- (2) grants, shared taxes, and contributions from state and other local governments
- (3) self-supporting enterprise funds
- (4) city revenues that are collected for a specific purpose, such as certificates of participation and other debt financing, and reserves set aside for a particular requirement

Federal funding will provide 20% of the Fiscal Year 2008 Restricted Funds Budget for public housing, roadway, and transit programs and projects. Grants, shared taxes, and contributions from the state and other local governments, including the Regional Transportation Authority, will provide another 18%. The city's self-supporting enterprise funds will provide 27%. The remaining 35% is from restricted city sources, such as bonds, certificates of participation, impact fees, parking revenues, and debt service funds from the secondary property tax.



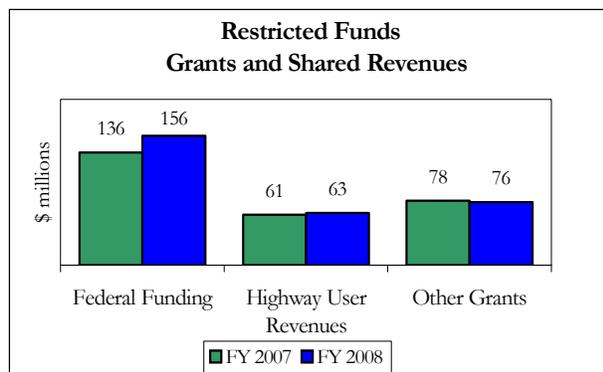
Revenue Changes – Restricted Funds Budget

In Fiscal Year 2008, the restricted funds revenues total \$769.1 million, an increase of \$128.2 million over Fiscal Year 2007 Adopted Budget. Much of that increase is to provide capacity to meet Government Accounting Standards and the state auditor general's reporting requirements and will ensure that the city will be able to move forward with programs and projects in public safety, transportation, and other priority areas.

Restricted Fund Revenues (\$ millions)			
	Adopted FY 2007 <u>Budget</u>	Adopted FY 2008 <u>Budget</u>	<u>Change</u>
Grants and Shared Revenues:			
Federal Funding	\$ 135.6	\$ 156.2	\$ 20.6
Highway User Revenues	60.8	63.2	2.4
Other Grants	78.7	75.7	(3.0)
Grants and Shared Revenues Sub-Total	275.1	295.1	20.0
Restricted City Revenues:			
Secondary Property Tax	\$ 26.8	\$ 28.0	\$ 1.2
Capital Projects Fund	51.1	61.0	9.9
Other	93.2	175.4	82.2
Restricted City Sub-Total	171.1	264.4	93.3
Enterprise Funds			
Environmental Services	\$ 39.5	\$ 52.0	\$ 12.5
Golf	10.9	11.1	0.2
Water	144.3	146.5	2.2
Enterprise Funds Sub-Total	194.7	209.6	14.9
Total Restricted	\$ 640.9	\$ 769.1	\$ 128.2

Following are brief explanations of the revenue differences between the Fiscal Year 2008 Adopted Budget and Fiscal Year 2007 Adopted Budget. Additional information on restricted revenues is provided in Section E of this volume.

Grants and Shared Revenues. Revenues from grants and shared revenues total \$295.1 million in Fiscal Year 2008, which is an increase of \$20.0 million.

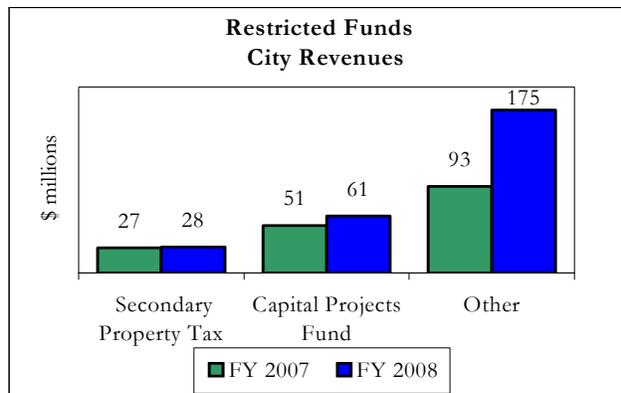


Federal grants increase \$20.6 million for housing, transportation, and public safety. Included in the federal grant funding is \$10.0 million of capacity for an Urban Area Security Initiative grant from the Department of Homeland Security and \$9.0 million for a loan from the state's infrastructure bank for Transportation's Mountain Avenue project.

Revenues from Highway User Revenue Funds are increased by \$2.4 million for Transportation programs and projects.

The Other Grants group, which includes state grants and local contributions such as Pima County bonds, Highway User Revenue Funds (HURF) distributed by the Pima Association of Governments, and Regional Transportation Authority funding, decreased by \$3.0 million in Fiscal Year 2008. That decrease is mainly due to a rescheduling of capital projects.

Restricted City Revenues. This group includes the Secondary Property Tax, Capital Projects Fund (bonds), and other restricted sources such as parking revenue, reserves, impact fees, and certificates of participation. These revenues will increase \$93.3 million in Fiscal Year 2008.

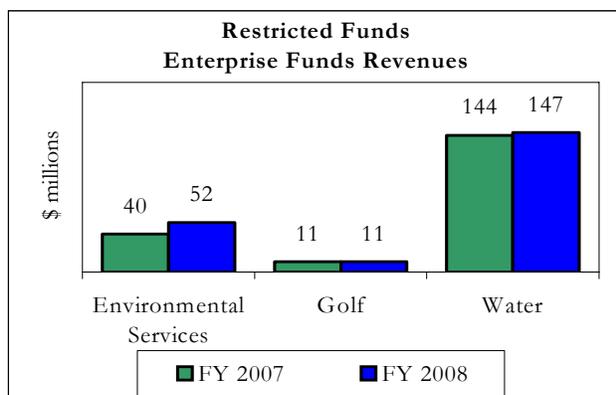


While the Fiscal Year 2008 secondary property tax levy is increasing by \$1.2 million, primarily from a planned new sale of \$13.3 million and savings from a recent refunding, the secondary property tax rate will decline from \$0.8846 per \$100 of assessed valuation to \$0.8025, a decrease of 9%.

The Capital Projects Funds group is increasing by \$9.9 million, including \$5.8 million in new funding that is primarily for the acceleration of Tucson Water's bond program related to Central Arizona Project recharge and recovery.

The Other group of restricted city revenues increases by \$82.2 million in Fiscal Year 2008 due to a combination of carryforward and new funding. The programming of impact fee revenue, certificates of participation, and internal revenues accounts for most of the new funding increase.

Enterprise Funds Revenues. This group includes both enterprise fund operating revenues and certificates of participation or other financing, but excludes bond funds. Funding for the three enterprise departments will increase a total of \$14.9 million in Fiscal Year 2008.



The Environmental Services Fund increases by \$12.5 million in Fiscal Year 2008 from carryforward, operating revenue growth, and certificates of participation. Revenue projections do not include a rate change.

Golf revenues are anticipated to stay fairly flat, increasing by just \$0.2 million.

For Fiscal Year 2008, Tucson Water's revenues will increase \$2.2 million. A rate increase of 6.2% was included in the utility's financial plan approved by Mayor and Council on April 17, 2007.

CITIZEN IMPACTS

Changes to the City's "Bill for Services"

The cost impact to the average homeowner from the Fiscal Year 2008 Adopted Budget will be approximately \$6.65 per month or 22¢ per day more than in Fiscal Year 2007. That change will come from property tax collections, due to higher assessed valuations not from rate increases, and from a potential increase to residential water usage rates based on the approved 6.2% revenue increase in Tucson Water's current financial plan.

	FY 2007	FY 2008	Increase
City Property Taxes ¹ :			
Primary	\$ 375.21	\$ 398.82	\$ 23.61
Secondary	1,273.82	1,328.94	55.12
City Sales Tax ²	434.60	434.60	-0-
Environmental	144.00	144.00	-0-
Service Fee			
Tucson Water ³	<u>234.84</u>	<u>235.87</u>	<u>1.03</u>
Annual Total	\$ 2,462.47	\$ 2,542.23	\$ 79.76
Per Month	\$ 205.20	\$ 211.85	\$ 6.65

¹Owner-occupied residence with the following assessed valuations, with the change % based on the overall increase in city property valuations:

	FY 2006	FY 2007	Change
Full cash value	\$ 144,000	\$ 165,600	+ 15%
Limited value	\$ 110,000	\$ 121,000	+ 10%

²Assumes an average income of \$41,000 with approximately 53% of net income (after federal and state income taxes) spent on taxable purchases based on U.S. Department of Labor Consumer Expenditure Survey.

³The water bill figures assume a single-family residence with 12 Ccf usage per month and the proposed rate schedule for Fiscal Year 2008.

City Property Taxes. The city imposes two taxes on the assessed value of property within the city limits. The primary property tax, which is applied to the limited value assessed by the Pima County Assessor, is used for general purposes, and the secondary property tax, which is applied to the full cash value assessed by the Pima County Assessor, is used to pay off general obligation bond debt.

The Fiscal Year 2008 property tax rates are calculated from the assessed valuations for Tax Year 2007 provided by the Pima County Assessor in January 2007. The City of Tucson's primary assessed valuation increased slightly more than 10%, from \$2,839,163,113 to \$3,133,309,748. The city's secondary assessed valuation was increased by more than 15%, from \$3,016,230,759 to \$3,491,926,602.

While primary property tax collections are increasing based on the maximum allowable levy, the primary property tax rate will decrease due to the increase in assessed valuation. Essentially, the cost per \$100 of assessed valuation is spread over a larger base, making the rate lower. The secondary property tax will also decrease, even though the levy increases, for the same reason. These decreases in the city's property tax rates are shown in the table on the following page.

City of Tucson Property Tax Comparisons			
	Actual FY 2007	Estimated FY 2008	Changes
Rate Changes			
Primary	\$ 0.3411	\$ 0.3296	\$ (0.0115)
Secondary	<u>0.8846</u>	<u>0.8025</u>	<u>(0.0821)</u>
Total	\$ 1.2257	\$ 1.1321	\$ (0.0936)

City Sales Tax. The Tucson City Charter authorizes a sales tax on many business transactions within the city. However, certain transactions, such as food purchased for home consumption, rent collected on residential units, and advertising, are exempted from the city sales tax. City sales tax collections can be used for any general purpose.

There is no change to the current city sales tax rate of 2% in the budget for Fiscal Year 2008. (Any such change would require a majority vote of the electorate.)

Charges for Services. Not all of charges for services directly impact the general public; e.g., court fines and development fee increases. The charges for service that affect the majority of Tucson residents are the Environmental Services Fee (residential refuse fee) and Tucson Water's usage rates. There is no change in this budget to the residential refuse fee. A 6.2% increase in revenues is needed to fund Tucson Water's Fiscal Year 2008 Adopted Budget. While the exact impact to residential users is not known at this time, the bill for the average single family use (about 12 Ccf or approximately 9,000 gallons per month) will increase by \$1.03 under the proposed rate schedule.

EXPENDITURE LIMITATION

Tucson, like all Arizona cities, is subject to a spending limit imposed by the state constitution, unless voters approve an alternative expenditure limitation that is also known as Home Rule.

In November 2005, city voters approved a Home Rule expenditure limitation for Fiscal Years 2007 through 2011. For each of those four fiscal years, the city's expenditure limitation will equal the total amount of budgeted expenditures in the annual budget adopted by the Mayor and Council.

Voters will have an opportunity to renew Home Rule in the November 2009 general election.

BUDGET DEVELOPMENT PROCESS

Biennial Budget

The city has chosen to prepare biennial budgets that cover a two-year period. In the first year, a complete budget document is prepared; in the second year, only an update document is prepared. In addition to planning for a longer financial horizon, the biennial process gives staff time in the second year to investigate and evaluate service improvements.

This budget document is a Fiscal Year 2008 update to the biennial budget of Fiscal Years 2007 and 2008. The Mayor and Council adopted Fiscal Year 2007 and approved the Fiscal Year 2008 budget last year. For the Fiscal Year 2008 budget, that approved budget was adjusted and brought back to the Mayor and Council for adoption.

Budget Development

While state and city legal requirements dictate certain facets of the budget process, the budget evolved through a number of steps: (1) identification of priorities, (2) long-range forecast of revenues and expenditures, (3) department requests and the City Manager's recommendation, and (4) Mayor and Council adoption.

Step 1: Identification of Priorities. The city's strategic plan serves as a guide for applying resources towards priority areas and focuses attention on the results to be achieved. In December 2001, the Mayor and Council adopted six focus areas: Transportation, Downtown, Growth, Neighborhoods, Economic Development, and Good Government. These were amended in Fiscal Year 2006 to the following six priorities:

- Transportation
- Neighborhoods, Public Safety, and Emergency Preparedness
- Children, Families, and Seniors
- Environment, Planning, and Resource Management
- Economic and Workforce Development
- Rio Nuevo/Downtown, Arts, Culture, and History

Taken collectively, these priorities set the work plan for the city. A Strategic Priorities Plan, that provides a framework and clear benchmarks for addressing future service needs, is updated annually and presented to the Mayor and Council. See Section G of this volume for more information on that plan.

Step 2: Long-Range Forecast of Revenues and Expenditures. In Fiscal Year 2007, the city implemented a Financial Sustainability Plan (FSP) with a ten-year planning horizon to consolidate the strategic priorities and long-term financial projections. One of the underlying premises of the FSP is that revenue growth should be used for service improvements in four priority areas, while still addressing the human capital needs of the city organization. The four priority areas are enhanced road maintenance, additional police officers and related support, improved response to fire and medical emergencies, and increased funding for parks facilities and programs. Fiscal Year 2005, which was a year of positive economic conditions and significant investments in services, was used as the guide for determining allocation amounts of 60% of revenue growth for service improvements and 40% for human capital costs, such as salary and benefit adjustments. The FSP provides the basis for the biennial budget process and other efforts to improve city services.

Step 3: Department Requests and the City Manager's Recommendation. For the Fiscal Year 2008 Update Budget, departments were given financial and staffing allocations equal to their Fiscal Year 2008 Approved Budget with adjustments, such as the full-year cost of the November 2007 pay adjustment and funding for the Fiscal Year 2008 pay and benefit adjustments based on the compensation plan. To stay within those allocations, departments had to review their operations and make revisions to their budgets to cover inflation. Funding was also included for increases based on the second year of the Financial Sustainability Plan.

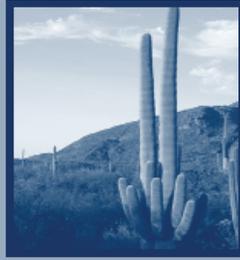
Step 4: Mayor and Council Adoption. This step in the process is governed by both state and city legal requirements and provides an opportunity for citizen comment.

Public Hearings: Citizens are provided three public hearings to express to the Mayor and Council their opinions and concerns about the recommended budget and property tax levy. The first public hearing is held prior to the Mayor and Council's study session reviews of the recommended budget. The second public hearing is held subsequent to those reviews and the Mayor and Council's tentative adoption of the budget. The third public hearing is a truth in taxation hearing regarding the primary property tax levy.

Mayor and Council Review and Adoption: Within the framework of the identified community priorities and the policy initiatives, the Mayor and Council review the city manager's recommended budget during several study sessions. Department directors are available to respond to questions. Following these reviews and public hearings to obtain taxpayer comments, the Mayor and Council adopt the budget and set the property tax levies.

Budget Calendar

For a complete budget calendar for the Adopted Update for Fiscal Year 2008, see page iii.



City of Tucson



Section B Adopted Changes

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



Revenue Adjustments for the Fiscal Year 2008 Budget

	FY 2007	FY 2008	Change
	Adopted	Adopted	
Primary Property Tax	\$ 9,733,050	\$ 10,327,380	\$ 594,330
Secondary Property Tax	26,808,660	28,022,940	1,214,280
Business Privilege Tax (City Sales Tax)	199,500,000	212,870,000	13,370,000
Other Local Taxes	29,160,000	30,021,000	861,000
Licenses and Permits	21,713,630	23,181,500	1,467,870
Fines, Forfeitures, and Penalties	15,630,610	14,265,850	(1,364,760)
Use of Money and Property	6,563,350	6,588,700	25,350
State-Shared Income Tax (State Revenue Sharing)	60,500,000	74,600,000	14,100,000
State-Shared Sales Tax	51,930,000	53,970,000	2,040,000
State-Shared Highway User Revenue Funds	50,510,000	54,730,060	4,220,060
Other Shared Taxes and Grants	101,811,630	101,697,700	(113,930)
Charges for Current Services	45,461,810	54,199,480	8,737,670
Non-Revenue Receipts	26,165,450	36,649,700	10,484,250
Federal Grants	133,299,380	153,877,860	20,578,480
Enterprise Funds			
Environmental Services	39,465,240	52,043,200	12,577,960
Golf	10,978,050	11,063,820	85,770
Water	144,281,350	146,472,000	2,190,650
Certificates of Participation	52,961,290	86,647,800	33,686,510
Capital Project Funds (Bonds)	51,059,900	60,948,300	9,888,400
Brought Forward and Use of Fund Balance	24,771,170	50,371,200	25,600,030
Total	\$ 1,102,304,570	\$ 1,262,548,490	\$ 160,243,920

Discussion of Major Revenue Adjustments

	Change
Secondary Property Tax	\$ 1,214,280
Adjustment for new bond sale in Fiscal Year 2008	
Business Privilege Tax	13,370,000
Improved prior year revenues	
Licenses and Permits	1,467,870
Growth in franchise fee and cable license collections	
Fines, Forfeitures, and Penalties	(1,364,760)
Adjustment for revenues transferred to the state	
State-Shared Income Tax (State Revenue Sharing)	14,100,000
Increased distribution based on Fiscal Year 2006 income tax collections	
State-Shared Sales Tax	2,040,000
Increased distribution based on state collections	

Revenue Adjustments for the Fiscal Year 2008 Budget

Discussion of Major Revenues Adjustments (Continued)	Change
State-Shared Highway User Revenue Funds	\$ 4,220,060
Increased distribution based on state collections	
Charges for Current Services	8,737,670
Primarily due to a change in the accounting treatment of the indirect cost allocation to Enterprise Funds for general government support	
Non-Revenue Receipts	10,484,250
Primarily due to the budgeting of additional impact fees for arterial roadway and regional park projects	
Federal Grants	20,578,480
Increased use based on the implementation of projects; includes \$10 million of additional capacity for Homeland Security's urban area grants	
Enterprise Funds	
Environmental Services - growth in service demand and increased use of certificates of participation for landfill projects	12,577,960
Water - increase from new CAP water resource fee and water sales rate adjustment	2,190,650
Certificates of Participation (COPs)	33,686,510
Carry over of projects from Fiscal Year 2007 and capacity for the Depot Plaza garage	
Capital Project Funds (Bonds)	9,888,400
Carry over of bond-funded projects from Fiscal Year 2007 and capacity for Tucson Water's expedited recharge and recovery projects	
Brought Forward and Use of Fund Balance	25,600,030
Carry over of projects and the use of Highway User Revenue Fund and other restricted reserves; includes \$2 million from prior year General Fund revenues to fund the Fiscal Year 2008 employee pay adjustments	
Other Revenues Changes	1,452,520
Miscellaneous adjustments to various tax revenue projections	
Total Revenue Adjustments	\$ 160,243,920

Expenditure Adjustments for the Fiscal Year 2008 Budget

	FY 2007 Adopted	FY 2008 Adopted	Change
Operating			
Elected and Official			
Mayor and Council	\$ 3,272,010	\$ 3,424,270	\$ 152,260
City Manager	2,825,200	3,970,170	1,144,970
City Clerk	3,699,070	5,519,990	1,820,920
City Attorney	8,766,640	9,192,910	426,270
Sub-Total	18,562,920	22,107,340	3,544,420
Neighborhood Services			
City Court	10,960,720	11,808,830	848,110
Community Services	75,322,850	78,827,950	3,505,100
Fire	73,668,260	82,647,760	8,979,500
Neighborhood Resources	3,377,380	4,449,060	1,071,680
Parks and Recreation	47,221,340	49,708,830	2,487,490
Tucson City Golf	10,908,050	11,063,820	155,770
Police	149,739,440	170,666,650	20,927,210
Office of Equal Opportunity Programs and Independent Police Review	757,470	832,950	75,480
Office of the Public Defender	3,000,810	3,190,910	190,100
Sub-Total	374,956,320	413,196,760	38,240,440
Environment and Development			
Development Services	11,122,740	12,592,510	1,469,770
Environmental Services	37,964,240	43,469,200	5,504,960
Transportation	104,293,970	108,087,480	3,793,510
Tucson Water	113,848,350	124,603,000	10,754,650
Urban Planning and Design	4,367,060	5,096,800	729,740
Sub-Total	271,596,360	293,848,990	22,252,630
Strategic Planning			
Tucson Convention Center	10,860,320	7,355,120	(3,505,200)
Sub-Total	10,860,320	7,355,120	(3,505,200)

Expenditure Adjustments for the Fiscal Year 2008 Budget

	FY 2007 Adopted	FY 2008 Adopted	Change
Operating (Continued)			
Support Services			
Budget and Research	\$ 2,455,910	\$ 1,690,740	\$ (765,170)
Finance	11,053,660	9,764,590	(1,289,070)
General Services	13,407,350	19,074,860	5,667,510
Human Resources	2,701,950	2,904,190	202,240
Information Technology	15,987,110	14,725,190	(1,261,920)
Procurement	3,841,520	3,904,890	63,370
Sub-Total	49,447,500	52,064,460	2,616,960
Non-Departmental	101,145,550	141,101,220	39,955,670
Total Operating	\$ 826,568,970	\$ 929,673,890	\$ 103,104,920
Capital	275,735,600	332,874,600	57,139,000
Total Budget	\$ 1,102,304,570	\$ 1,262,548,490	\$ 160,243,920

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Mayor and Council			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,272,010	\$ 3,424,270	\$ 152,260
Department Total	\$ 3,272,010	\$ 3,424,270	\$ 152,260
Staffing Summary	51.50	51.50	-0-
		Adopted Change Staffing Budget	
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan		-0-	\$ 152,260
Total Changes		-0-	\$ 152,260

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Budget and Research			
	FY 2007	FY 2008	
	Adopted	Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 2,455,910	\$ 1,690,740	\$ (765,170)
Department Total	\$ 2,455,910	\$ 1,690,740	\$ (765,170)
Staffing Summary	24.55	18.00	(6.55)
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 58,030
Staff and funding transferred to City Manager's Office		(1.00)	(181,230)
Positions and costs eliminated		(5.55)	(641,970)
Total Changes		(6.55)	\$ (765,170)

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

City Attorney			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 8,009,930	\$ 8,416,360	\$ 406,430
Federal Funds	338,440	344,620	6,180
Other Restricted Funds	418,270	431,930	13,660
Department Total	\$ 8,766,640	\$ 9,192,910	\$ 426,270
Staffing Summary	108.50	112.00	3.50
		Adopted Change Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 227,190
Increase to Financial Sustainability Plan funding		3.50	179,240
Increase in grant funding			19,840
Total Changes		3.50	\$ 426,270

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

City Clerk			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,699,070	\$ 5,519,990	\$ 1,820,920
Department Total	\$ 3,699,070	\$ 5,519,990	\$ 1,820,920
Staffing Summary	37.50	58.00	20.50
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 20,860
Increase for November general election		20.50	2,000,000
Reduction for carryforward from Fiscal Year 2006			(199,940)
Total Changes		20.50	\$ 1,820,920

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

City Court			
	FY 2007	FY 2008	Change
	Adopted	Adopted	
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 10,221,820	\$ 11,006,410	\$ 784,590
Other Restricted Funds	738,900	802,420	63,520
Department Total	\$ 10,960,720	\$ 11,808,830	\$ 848,110
Staffing Summary	150.30	159.80	9.50
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 261,490
Elimination of grant-funded positions; grant capacity retained		(1.50)	-0-
Increase to Financial Sustainability Plan funding		9.00	482,970
Capacity for potential new revenues			100,000
Fill the Gap program funded by the retention of a percentage of the state surcharge on certain fines		2.00	69,170
Increase for court appearance costs			36,000
Increase in grant funding			8,640
Miscellaneous other changes			5,350
Correction to accounting for ParkWise support; costs are in Transportation's budget			(115,510)
Total Changes		9.50	\$ 848,110

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

City Manager																																				
	FY 2007 Adopted	FY 2008 Adopted	Change																																	
Financial Summary																																				
Operating Budget																																				
General Purpose Funds	\$ 2,825,200	\$ 3,570,170	\$ 744,970																																	
Federal Funds	-0-	250,000	250,000																																	
Other Restricted Funds	-0-	150,000	150,000																																	
Department Total	\$ 2,825,200	\$ 3,970,170	\$ 1,144,970																																	
Staffing Summary	26.00	32.00	6.00																																	
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Adopted Change</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Staffing</th> <th style="text-align: center; border-bottom: 1px solid black;">Budget</th> </tr> </thead> <tbody> <tr> <td colspan="3">Operating Budget Changes</td> </tr> <tr> <td colspan="3">Personnel</td> </tr> <tr> <td style="padding-left: 20px;">Adjustments to salaries and benefits based on the compensation plan</td> <td></td> <td style="text-align: right;">\$ 111,130</td> </tr> <tr> <td style="padding-left: 20px;">Realignment of the Rio Nuevo Program Office to improve relationships with city departments that are key to downtown development</td> <td style="text-align: center;">5.00</td> <td style="text-align: right;">363,640</td> </tr> <tr> <td style="padding-left: 20px;">Staff and funding transferred from the Budget and Research Department</td> <td style="text-align: center;">1.00</td> <td style="text-align: right;">181,230</td> </tr> <tr> <td style="padding-left: 20px;">Capacity from General Services for a position transferred during Fiscal Year 2007</td> <td></td> <td style="text-align: right;">93,190</td> </tr> <tr> <td>Capacity for anticipated grants</td> <td></td> <td style="text-align: right;">400,000</td> </tr> <tr> <td>Miscellaneous other changes</td> <td></td> <td style="text-align: right;">(4,220)</td> </tr> <tr style="border-top: 1px solid black; border-bottom: 3px double black;"> <td style="padding-left: 20px;">Total Changes</td> <td style="text-align: center;">6.00</td> <td style="text-align: right;">\$ 1,144,970</td> </tr> </tbody> </table>					Adopted Change			Staffing	Budget	Operating Budget Changes			Personnel			Adjustments to salaries and benefits based on the compensation plan		\$ 111,130	Realignment of the Rio Nuevo Program Office to improve relationships with city departments that are key to downtown development	5.00	363,640	Staff and funding transferred from the Budget and Research Department	1.00	181,230	Capacity from General Services for a position transferred during Fiscal Year 2007		93,190	Capacity for anticipated grants		400,000	Miscellaneous other changes		(4,220)	Total Changes	6.00	\$ 1,144,970
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**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Community Services			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,965,430	\$ 4,308,500	\$ 343,070
Federal Funds	67,658,090	68,218,690	560,600
Other Restricted Funds	3,699,330	6,300,760	2,601,430
Total Operating Budget	\$ 75,322,850	\$ 78,827,950	\$ 3,505,100
Capital Budget			
Federal Funds	\$ 349,000	\$ 1,049,300	\$ 700,300
Other Restricted Funds	1,763,800	518,200	(1,245,600)
Total Capital Budget	\$ 2,112,800	\$ 1,567,500	\$ (545,300)
Department Total	\$ 77,435,650	\$ 80,395,450	\$ 2,959,800
Staffing Summary	152.50	148.75	(3.75)
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 611,250
Grant-funded positions eliminated		(3.75)	-0-
Additional earned revenue, including land sales for the Martin Luther King building project			1,621,430
Increased capacity for the Housing Trust Fund			680,000
Contributions to School Plus Jobs			620,000
Carryforward for Pima Council on Aging program			30,000
Miscellaneous other changes			(57,580)
Total Operating Budget Changes		(3.75)	\$ 3,505,100
Capital Budget Changes			
Adjustments to project budgets based on scheduled implementation and available funding		-0-	\$ (545,300)
Total Capital Budget Changes		-0-	(545,300)
Total Changes		(3.75)	\$ 2,959,800

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Development Services			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 11,122,740	\$ 12,592,510	\$ 1,469,770
Total Operating Budget	\$ 11,122,740	\$ 12,592,510	\$ 1,469,770
Capital Budget			
General Fund: Restricted	\$ 305,000	\$ 215,000	\$ (90,000)
Total Capital Budget	\$ 305,000	\$ 215,000	\$ (90,000)
Department Total	\$ 11,427,740	\$ 12,807,510	\$ 1,379,770
Staffing Summary	123.00	120.00	(3.00)
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 210,770
Position transferred from Neighborhood Resources already funded by Development Services		1.00	-0-
Positions transferred to Urban Planning and Design		(4.00)	(289,880)
Capacity for Accounting change that treats the indirect cost allocation as an expense			1,498,880
Capacity for City Manager efficiency efforts if revenues become available			250,000
Reduction in carryforward from Fiscal Year 2006			(200,000)
Total Operating Budget Changes		(3.00)	\$ 1,469,770
Capital Budget Changes			
Adjustment to project budget based on scheduled implementation and available funding			\$ (90,000)
Total Capital Budget Changes		-0-	\$ (90,000)
Total Changes		(3.00)	\$ 1,379,770

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Environmental Services			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
Environmental Services Revenues	\$ 37,053,740	\$ 42,877,700	\$ 5,823,960
Other Restricted Funds	910,500	591,500	\$ (319,000)
Total Operating Budget	\$ 37,964,240	\$ 43,469,200	\$ 5,504,960
Capital Budget			
Environmental Services Revenues	\$ -0-	\$ 150,000	\$ 150,000
General Obligation Bonds	2,899,000	3,665,000	766,000
Other Restricted Funds	1,501,000	8,424,000	6,923,000
Total Capital Budget	\$ 4,400,000	\$ 12,239,000	\$ 7,839,000
Department Total	\$ 42,364,240	\$ 55,708,200	\$ 13,343,960
Staffing Summary	251.00	264.00	13.00
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 579,850
Positions added to eliminate dependency on contracted services for collections and landfill operations		13.00	1,149,670
Realign budget for Household Hazardous Waste program from contract services to in-house labor			408,010
Increase in debt service for certificates of participation			1,578,800
Increase in capacity for equipment and software costs			900,000
Increase in indirect cost allocation for general government support			800,000
Increase in fuel costs			600,000
Miscellaneous adjustments			22,010
Decrease in contract services, including collection, and landfill operations			(533,380)
Total Operating Budget Changes		13.00	\$ 5,504,960

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Environmental Services		
	Adopted Change Staffing	Budget
Capital Budget Changes		
Adjustments to project budgets based on scheduled implementation and available financing		\$ 7,839,000
Total Capital Budget Changes	-0-	\$ 7,839,000
Total Changes	13.00	\$ 13,343,960

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Office of Equal Opportunity Programs and Independent Police Review			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 757,470	\$ 832,950	\$ 75,480
Total	\$ 757,470	\$ 832,950	\$ 75,480
Staffing Summary	11.00	11.00	-0-
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 28,440
Additional costs transferred to Non-Departmental for Americans with Disabilities (ADA) support			(25,960)
Budget for diversity training			60,000
Increase for building rent			13,000
Total Changes		-0-	\$ 75,480

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Finance			
	FY 2007	FY 2008	
	Adopted	Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 9,303,660	\$ 9,647,250	\$ 343,590
Other Restricted Funds	1,750,000	117,340	(1,632,660)
Department Total	\$ 11,053,660	\$ 9,764,590	\$ (1,289,070)
Staffing Summary	164.00	152.00	(12.00)
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 234,320
Additional staff to oversee Wellness Program (previously funded)		1.00	-0-
Real Estate Division transferred to Transportation		(13.00)	(61,890)
Capacity for accounting change that expense cost allocations			385,220
MacArthur building maintenance transferred to General Services			(96,720)
Transfer of Tax Revenue Management System project to Non-Departmental			(1,750,000)
Total Changes		(12.00)	\$ (1,289,070)

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Fire																																				
	FY 2007 Adopted	FY 2008 Adopted	Change																																	
Financial Summary																																				
Operating Budget																																				
General Purpose Funds	\$ 69,663,690	\$ 77,240,780	\$ 7,577,090																																	
Federal Funds	911,880	2,874,440	1,962,560																																	
Other Restricted Funds	3,092,690	2,532,540	(560,150)																																	
Total Operating Budget	\$ 73,668,260	\$ 82,647,760	\$ 8,979,500																																	
Capital Budget																																				
General Obligation Bonds	\$ 2,639,300	\$ 2,183,100	\$ (456,200)																																	
Other Restricted Funds	7,600,000	16,522,200	8,922,200																																	
Total Capital Budget	\$ 10,239,300	\$ 18,705,300	\$ 8,466,000																																	
Department Total	\$ 83,907,560	\$ 101,353,060	\$ 17,445,500																																	
Staffing Summary																																				
Commissioned	632.00	674.00	42.00																																	
Civilian	62.00	67.00	5.00																																	
Total Staffing	694.00	741.00	47.00																																	
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	Adopted Change Staffing	Budget																																		
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Total Changes	47.00	\$ 17,445,500																																		

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

General Services			
	FY 2007	FY 2008	
	Adopted	Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 11,975,350	\$ 12,001,650	\$ 26,300
Federal Funds	500,000	500,000	-0-
Other Restricted Funds	932,000	6,573,210	5,641,210
Department Total	\$ 13,407,350	\$ 19,074,860	\$ 5,667,510
Staffing Summary	345.00	340.00	(5.00)
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 313,180
Net change due to position transfers: one position to City Manager and one position from Environmental Services			(61,810)
Positions transferred to Parks and Recreation for custodial services (already funded in Parks and Recreation)		(5.00)	-0-
MacArthur Building maintenance expenses, including a transfer from Finance			154,720
Metropolitan Energy Commission support transferred from Non-Departmental			14,420
Capacity transferred to Debt Service for financing of remodel expenses			(128,000)
Reduction in carryforward from Fiscal Year 2006			(625,000)
Carryforward from Fiscal Year 2007 for the heating and cooling loop project			6,000,000
Total Changes		(5.00)	\$ 5,667,510

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Tucson City Golf			
	FY 2007	FY 2008	Change
	Adopted	Adopted	
Financial Summary			
Operating Budget			
Other Restricted Funds	\$ 10,908,050	\$ 11,063,820	\$ 155,770
Total Operating Budget	\$ 10,908,050	\$ 11,063,820	\$ 155,770
Capital Budget			
Other Restricted Funds	\$ 70,000	\$ -0-	\$ (70,000)
Total Capital Budget	\$ 70,000	\$ -0-	\$ (70,000)
Department Total	\$ 10,978,050	\$ 11,063,820	\$ 85,770
<hr/>			
Staffing Summary	154.75	154.75	-0-
<hr/>			
		Adopted Change	
		Staffing	Budget
<hr/>			
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 155,770
Total Operating Budget Changes		-0-	\$ 155,770
Capital Budget Changes			
Projects completed in Fiscal Year 2007			\$ (70,000)
Total Capital Budget Changes		-0-	\$ (70,000)
Total Changes		-0-	\$ 85,770

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Human Resources			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 2,701,950	\$ 2,904,190	\$ 202,240
Department Total	\$ 2,701,950	\$ 2,904,190	\$ 202,240
Staffing Summary	27.00	28.00	1.00
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 78,270
One position transferred from Tucson Water		1.00	85,460
High school intern program			18,990
Miscellaneous adjustments			19,520
Total Changes		1.00	\$ 202,240

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Information Technology			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 13,583,190	\$ 13,896,460	\$ 313,270
Federal Funds	300,000	300,000	-0-
Other Restricted Funds	2,103,920	528,730	(1,575,190)
Total Operating Budget	\$ 15,987,110	\$ 14,725,190	\$ (1,261,920)
Capital Budget			
Other Restricted Funds	\$ 16,860,000	\$ 4,000,000	\$ (12,860,000)
Total Capital Budget	\$ 16,860,000	\$ 4,000,000	\$ (12,860,000)
Department Total	\$ 32,847,110	\$ 18,725,190	\$ (14,121,920)
Staffing Summary	100.16	100.16	-0-
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 328,080
Software maintenance for hosting the Employee University			60,000
Completion of the VoIP system (Voice over Internet Protocol)			(1,650,000)
Total Operating Budget Changes		-0-	\$ (1,261,920)
Capital Budget Changes			
Adjustments to project budgets based on scheduled implementation			\$ (12,860,000)
Total Capital Budget Changes		-0-	\$ (12,860,000)
Total Changes		-0-	\$ (14,121,920)

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Neighborhood Resources			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,275,780	\$ 4,207,460	\$ 931,680
Other Restricted Funds	101,600	241,600	140,000
Total Operating Budget	\$ 3,377,380	\$ 4,449,060	\$ 1,071,680
Capital Budget			
General Purpose Funds	\$ 550,000	\$ 450,000	\$ (100,000)
Federal Funds	3,907,500	3,680,400	(227,100)
Other Restricted Funds	4,000,000	3,300,000	(700,000)
Total Capital Budget	\$ 8,457,500	\$ 7,430,400	\$ (1,027,100)
Department Total	\$ 11,834,880	\$ 11,879,460	\$ 44,580
Staffing Summary	53.00	62.00	9.00
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 143,680
Positions added to improve customer service		9.00	488,000
Position added in Fiscal Year 2007 for code enforcement administration		1.00	130,000
Position transferred to Development Services and funding used for direct customer service positions		(1.00)	(78,000)
Increased funding for graffiti abatement			180,000
Code enforcement remediation, including disposal fees and property board-ups			168,000
Increase in Youth Funding			40,000
Total Operating Budget Changes		9.00	\$ 1,071,680
Capital Budget Changes			
Adjustments to Back to Basics projects based on scheduled implementation			\$ (1,027,100)
Total Capital Budget Changes		-0-	\$ (1,027,100)
Total Changes		9.00	\$ 44,580

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Parks and Recreation			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 45,404,290	\$ 48,000,260	\$ 2,595,970
Federal Funds	581,590	598,630	17,040
Other Restricted Funds	1,235,460	1,109,940	(125,520)
Total Operating Budget	\$ 47,221,340	\$ 49,708,830	\$ 2,487,490
Capital Budget			
General Obligation Bonds	\$ 3,528,700	\$ 3,860,900	\$ 332,200
Impact Fee Funds	775,000	4,671,300	3,896,300
Other Restricted Funds	19,566,900	15,096,500	(4,470,400)
Total Capital Budget	\$ 23,870,600	\$ 23,628,700	\$ (241,900)
Department Total	\$ 71,091,940	\$ 73,337,530	\$ 2,245,590
Staffing Summary	711.00	749.50	38.50
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 821,270
Position added to support extended Zoo hours		1.00	33,700
Positions transferred from General Services; funded from existing maintenance budget		5.00	-0-
Increase to Financial Sustainability Plan funding		32.50	1,800,000
Reduction in grants and contributions			(125,520)
Miscellaneous other changes			(41,960)
Total Operating Budget Changes		38.50	\$ 2,487,490
Capital Budget Changes			
Increase to Impact Fee projects and capacity			\$ 3,896,300
Adjustments to project budgets based on scheduled implementation and available funding			(4,138,200)
Total Capital Budget Changes		-0-	\$ (241,900)
Total Changes		38.50	\$ 2,245,590

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Police			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 137,634,020	\$ 148,161,610	\$ 10,527,590
Federal Funds	5,516,110	15,141,670	9,625,560
Other Restricted Funds	6,589,310	7,363,370	774,060
Total Operating Budget	\$ 149,739,440	\$ 170,666,650	\$ 20,927,210
Capital Budget			
Other Restricted Funds	\$ 18,748,600	\$ 26,602,800	\$ 7,854,200
Total Capital Budget	\$ 18,748,600	\$ 26,602,800	\$ 7,854,200
Department Total	\$ 168,488,040	\$ 197,269,450	\$ 28,781,410
Staffing Summary			
Commissioned	1,071.00	1,112.00	41.00
Civilian	397.00	413.00	16.00
Total Staffing	1,468.00	1,525.00	57.00
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 5,459,110
Capacity for an Urban Area Security Initiative grant			8,000,000
Increase to Financial Sustainability Plan funding		54.00	5,200,000
Capacity for additional federal and state grants			2,097,310
Increase for impound fee program		3.00	500,000
Transfer of pension board support to Finance			(139,210)
Reduction in carryforward from Fiscal Year 2006			(190,000)
Total Operating Budget Changes		57.00	\$ 20,927,210
Capital Budget Changes			
Adjustments to project budgets based on scheduled implementation and available funding			\$ 7,854,200
Total Capital Budget Changes		-0-	\$ 7,854,200
Total Changes		57.00	\$ 28,781,410

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Procurement			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,751,190	\$ 3,764,560	\$ 13,370
Other Restricted Funds	90,330	140,330	50,000
Department Total	\$ 3,841,520	\$ 3,904,890	\$ 63,370
Staffing Summary	64.00	64.00	-0-
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 21,370
Increase for online auction expenses; recovered through auction revenues			50,000
Capacity for accounting changes that expense cost allocations			47,000
Reduction in carryforward from Fiscal Year 2006			(55,000)
Total Changes		-0-	\$ 63,370

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Office of the Public Defender			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,000,810	\$ 3,190,910	\$ 190,100
Department Total	\$ 3,000,810	\$ 3,190,910	\$ 190,100
Staffing Summary	38.00	38.00	-0-
		Adopted Change Staffing Budget	
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 128,900
Increase to Financial Sustainability Plan funding			61,200
Total Changes		-0-	\$ 190,100

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Transportation			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 57,397,450	\$ 59,639,610	\$ 2,242,160
Federal Funds	6,985,310	5,351,880	(1,633,430)
Other Restricted Funds	39,911,210	43,095,990	3,184,780
Total Operating Budget	\$ 104,293,970	\$ 108,087,480	\$ 3,793,510
Capital Budget			
General Purpose Funds	\$ 3,286,800	\$ 4,206,300	\$ 919,500
Federal Funds	45,724,000	56,571,900	10,847,900
General Obligation Bonds	11,632,200	5,596,200	(6,036,000)
Street and Highway Bonds	85,300	63,200	(22,100)
Non-City Funds	350,000	-0-	(350,000)
Other Restricted Funds	68,100,000	101,399,300	33,299,300
Total Capital Budget	\$ 129,178,300	\$ 167,836,900	\$ 38,658,600
Department Total	\$ 233,472,270	\$ 275,924,380	\$ 42,452,110
Staffing Summary	404.50	416.50	12.00
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 497,600
Real Estate Division transferred from Finance		13.00	735,210
Position costs no longer billable to capital improvement projects			258,290
Direct charge of two City Magistrate positions for parking violations			115,520
Position transferred to Neighborhood Resources		(1.00)	(139,100)
Increase to Financial Sustainability Plan funding			3,400,000
Building maintenance increase based on Fiscal Year 2007 trends			570,000
Shuttle service for the 2008 Gem Show; expenses to be reimbursed			500,000
Local Transportation Assistance funding increase			404,960

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Transportation		
	Adopted Change	
	Staffing	Budget
Operating Budget Changes (Continued)		
Increased funding for sub-recipient federal grants		\$ 268,820
Delay Federal Transit Administration projects		(1,363,960)
Reduction in carryforward from Fiscal Year 2006		(1,453,830)
Total Operating Budget Changes	12.00	\$ 3,793,510
Capital Budget Changes		
Adjustments to project budgets based on scheduled implementation and available funding		\$ 39,328,700
Regional Transportation Authority projects		(5,556,000)
Impact Fee projects and capacity		4,885,900
Total Capital Budget Changes	-0-	\$ 38,658,600
Total Changes	12.00	\$ 42,452,110

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Tucson Convention Center			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 10,219,320	\$ 6,714,120	\$ (3,505,200)
Other Restricted Funds	641,000	641,000	-0-
Department Total	\$ 10,860,320	\$ 7,355,120	\$ (3,505,200)
Staffing Summary			
	63.75	63.75	-0-
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Adjustments to salaries and benefits based on the compensation plan			\$ 54,080
Increase in District Heating and Cooling expenses			144,400
Lease payment to Rio Nuevo transferred to Non-Departmental			(3,703,680)
Total Changes		-0-	\$ (3,505,200)

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Tucson Water			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
Water Revenue and Operations Fund	\$ 111,725,350	\$ 122,430,010	\$ 10,704,660
Other Restricted Funds	2,123,000	2,172,990	49,990
Total Operating Budget	\$ 113,848,350	\$ 124,603,000	\$ 10,754,650
Capital Budget			
Water Revenue and Operations Fund	\$ 29,723,000	\$ 21,226,000	\$ (8,497,000)
Water Revenue Bonds	29,900,900	40,125,800	10,224,900
Water Infrastructure Finance Authority (WIFA)	-0-	5,454,100	5,454,100
Other Restricted Funds	710,000	643,000	(67,000)
Total Capital Budget	\$ 60,333,900	\$ 67,448,900	\$ 7,115,000
Department Total	\$ 174,182,250	\$ 192,051,900	\$ 17,869,650
Staffing Summary	573.00	578.00	5.00
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 945,960
Positions added and charged to Capital Improvement Program		5.00	-0-
Increase in Central Arizona Project charges			3,797,060
Increase in debt service on revenue bonds			3,327,490
Increase in energy costs for water recharge and recovery			1,989,350
Increase in contractual requirements for water resources management			550,000
Increase for postage and the outsourcing of bill printing			516,550
Increase due to transfer of projects previously budgeted within Capital Improvement Plan			373,970
Increase in indirect cost allocation for general government support			270,330
Miscellaneous adjustments			244,440

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Tucson Water		
	Adopted Change	
	Staffing	Budget
Operating Budget Changes (Continued)		
Decrease due to transfer of Regional Transportation Authority project costs to the Capital Improvement Program		\$ (1,260,500)
Total Operating Budget Changes	5.00	\$ 10,754,650
Capital Budget Changes		
Increase to reflect the requirements related to South Avra Valley Storage and Recovery facility, expediting the ability to recharge the full allocation of Central Arizona Project water.		\$ 7,115,000
Total Capital Budget Changes	-0-	\$ 7,115,000
Total Changes	5.00	\$ 17,869,650

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Urban Planning and Design			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 3,678,530	\$ 4,171,250	\$ 492,720
Federal Funds	390,000	460,000	70,000
Other Restricted Funds	298,530	465,550	167,020
Department Total	\$ 4,367,060	\$ 5,096,800	\$ 729,740
Staffing Summary	37.00	41.00	4.00
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Adjustments to salaries and benefits based on the compensation plan			\$ 102,960
Positions transferred from Development Services		4.00	289,880
Increase in grant capacity			240,000
Increase for building rent			100,000
Miscellaneous other changes			(3,100)
Total Changes		4.00	\$ 729,740

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Non-Departmental			
	FY 2007 Adopted	FY 2008 Adopted	Change
Financial Summary			
Operating Budget			
General Purpose Funds	\$ 38,848,840	\$ 43,875,890	\$ 5,027,050
Federal Funds	2,417,460	756,330	(1,661,130)
Other Restricted Funds	59,879,250	96,469,000	36,589,750
Total Operating Budget	\$ 101,145,550	\$ 141,101,220	\$ 39,955,670
Capital Budget			
Other Restricted Funds	\$ 1,159,600	\$ 3,200,100	\$ 2,040,500
Total Capital Budget	\$ 1,159,600	\$ 3,200,100	\$ 2,040,500
Department Total	\$ 102,305,150	\$ 144,301,320	\$ 41,996,170
Staffing Summary	14.75	4.00	(10.75)
		Adopted Change	
		Staffing	Budget
Operating Budget Changes			
Personnel			
Positions transferred to City Manager's Office for Downtown Development (Rio Nuevo)		(5.00)	\$ -0-
Positions transferred from the City to Tucson Regional Economic Opportunities (TREGO)		(5.00)	-0-
Position deleted		(0.75)	-0-
Capacity adjustments for Pension Fund and Risk Management Fund as required by the State Auditor General and GASB (General Accounting Standards Board)			55,000,000
Increase for debt service payments, primarily on certificates of participation			6,883,630
Lease payment to Rio Nuevo for Tucson Convention Center facilities			3,774,310
Increase for retiree medical costs			892,680
Increase for required contractual property requirements			805,000
Increase for jail charge costs			625,000
Contribution to the Tucson Conquistadors' First Tee education facility			100,000
Increased contribution to the Metropolitan Education Commission			38,000
Capacity for contribution to Skrappy's rent			24,000
Decrease in Library contribution to Pima County			(2,000,000)
Distribution of human capital set-aside to departments			(9,668,770)
Adjustments for capacity offsets			(16,518,180)
Total Operating Budget Changes		(10.75)	\$ 39,955,670

**Change from Fiscal Year 2007 Adopted
to Fiscal Year 2008 Adopted Budget**

Non-Departmental		
	Adopted Change	
	Staffing	Budget
Capital Budget Changes		
Adjustments to project budgets based on scheduled implementation		\$ 2,040,500
Total Capital Budget Changes	-0-	\$ 2,040,500
Total Changes	(10.75)	\$ 41,996,170

Position Changes for the Fiscal Year 2008 Budget			
	FY 2007	FY 2008	
	Adopted	Adopted	Change
Elected and Official	223.50	253.50	30.00
Neighborhood Services	3,432.55	3,589.80	157.25
Environmental and Development	1,388.50	1,419.50	31.00
Strategic Initiatives	63.75	63.75	-0-
Support Services	724.71	702.16	(22.55)
Non-Departmental	14.75	4.00	(10.75)
Total	5,847.76	6,032.71	184.95
Position Change Detail			
	Permanent	Non-Permanent	Total Change
Financial Sustainability Plan Changes			
Elected and Official			
City Attorney			
Assistant City Attorney	0.50	-0-	0.50
Court Clerk	3.00	-0-	3.00
Sub-Total	3.50	-0-	3.50
Total Elected and Official	3.50	-0-	3.50
Neighborhood Services			
City Court			
City Magistrate	1.00	-0-	1.00
Court Clerk	8.00	-0-	8.00
Sub-Total	9.00	-0-	9.00
Fire			
Fire Captain	7.00	-0-	7.00
Fire Captain: Eight Hour	1.00	-0-	1.00
Fire Engineer: Suppression Rate	7.00	-0-	7.00
Fire Equipment Specialist	1.00	-0-	1.00
Fire Fighter	21.00	-0-	21.00
Fire Prevention Inspector	2.00	-0-	2.00
Information Technology Specialist	1.00	-0-	1.00
Paramedic	7.00	-0-	7.00
Sub-Total	47.00	-0-	47.00
Parks and Recreation			
Groundskeeper	9.00	-0-	9.00
Lead Groundskeeper	1.00	-0-	1.00
Recreation Assistant	2.00	-0-	2.00
Recreation Program Coordinator	1.00	-0-	1.00

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Neighborhood Services (Continued)			
Parks and Recreation (Continued)			
Recreation Worker	-0-	12.75	12.75
Senior Recreation Worker	0.50	3.25	3.75
Trade Specialist	3.00	-0-	3.00
Sub-Total	16.50	16.00	32.50
Police			
Clerk Transcriptionist	2.00	-0-	2.00
Crime Scene Specialist	1.00	-0-	1.00
Detective	5.00	-0-	5.00
Police Crime Analyst	1.00	-0-	1.00
Police Evidence Technician	1.00	-0-	1.00
Police Officer	30.00	-0-	30.00
Police Records Specialist	2.00	-0-	2.00
Police Sergeant	5.00	-0-	5.00
Police Service Operator	3.00	-0-	3.00
Secretary	1.00	-0-	1.00
Senior Criminalist	1.00	-0-	1.00
Storekeeper	1.00	-0-	1.00
Systems Analyst	1.00	-0-	1.00
Sub-Total	54.00	-0-	54.00
Total Neighborhood Services	126.50	16.00	142.50
Total Financial Sustainability Plan Changes	130.00	16.00	146.00

Other Changes

Elected and Official

City Clerk

Election Specialist	-0-	2.00	2.00
Election Technician	-0-	4.50	4.50
Information Technology Manager	1.00	-0-	1.00
Management Assistant	(1.00)	-0-	(1.00)
Secretary: Assignment	6.00	-0-	6.00
Secretary	(6.00)	1.00	(5.00)
Senior Election Technician	-0-	13.00	13.00
Sub Total	-0-	20.50	20.50

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Other Changes			
City Manager			
Assistant to the City Manager	1.00	-0-	1.00
General Services Administrator	1.00	-0-	1.00
Rio Nuevo Community Outreach Officer	1.00	-0-	1.00
Rio Nuevo Project Director	1.00	-0-	1.00
Special Projects Coordinator/City Manager's Office	1.00	-0-	1.00
Staff Assistant	1.00	-0-	1.00
Sub-Total	6.00	-0-	6.00
Total Elected and Official	6.00	20.50	26.50
Neighborhood Services			
City Court			
Court Clerk	(1.00)	-0-	(1.00)
Probation Officer	1.00	-0-	1.00
Senior Court Clerk	2.00	-0-	2.00
Special Magistrate	(1.50)	-0-	(1.50)
Sub-Total	0.50	-0-	0.50
Community Services			
Accountant	1.00	-0-	1.00
Community Services Project Coordinator	(2.00)	-0-	(2.00)
Community Services Project Supervisor	1.00	-0-	1.00
Fleet Services Attendant	(0.50)	-0-	(0.50)
Housing Assistance Supervisor	(1.00)	-0-	(1.00)
Management Assistant	1.00	-0-	1.00
Office Assistant	(0.75)	0.25	(0.50)
Recreation Program Coordinator	(0.75)	-0-	(0.75)
Senior Accountant/Auditor	1.00	-0-	1.00
Senior Account Clerk	(1.00)	-0-	(1.00)
Staff Assistant	(2.00)	-0-	(2.00)
Sub-Total	(4.00)	0.25	(3.75)
Fire			
Building Permit Specialist	(1.00)	-0-	(1.00)
Fire Prevention Inspector	(3.00)	-0-	(3.00)
Fire Protection Plans Examiner	1.00	-0-	1.00
Public Safety Education Specialist	3.00	-0-	3.00
Sub-Total	-0-	-0-	-0-

Position Changes for the Fiscal Year 2008 Budget			
	Permanent	Non-Permanent	Total Change
Other Changes			
Neighborhood Resources			
Customer Service Clerk	(1.00)	-0-	(1.00)
Customer Service Representative	5.00	-0-	5.00
Deputy Director of Neighborhood Resources	1.00	-0-	1.00
Development Services/Neighborhood Resources Section Manager	(1.00)	-0-	(1.00)
Environmental Services Equipment Operator	4.00	-0-	4.00
Housing Assistant Supervisor	(1.00)	-0-	(1.00)
Housing Assistance and Outreach Coordinator	1.00	-0-	1.00
Staff Assistant	1.00	-0-	1.00
Sub-Total	9.00	-0-	9.00
Office of Equal Opportunity Programs and Independent Police Review			
Equal Opportunity Specialist	1.00	-0-	1.00
Secretary	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
Parks and Recreation			
Administrative Assistant	1.00	-0-	1.00
Capital Planning and Development Manager	1.00	-0-	1.00
Custodian	5.00	-0-	5.00
Management Coordinator	(1.00)	-0-	(1.00)
Recreation Assistant	(1.00)	-0-	(1.00)
Recreation Program Coordinator	1.00	-0-	1.00
Secretary	(1.00)	-0-	(1.00)
Zookeeper	-0-	1.00	1.00
Sub-Total	5.00	1.00	6.00
Police			
Police Records Specialist	2.00	-0-	2.00
Police Sergeant: Assignment	1.00	-0-	1.00
Sub-Total	3.00	-0-	3.00
Total Neighborhood Services	13.50	1.25	14.75
Environment and Development			
Development Services			
Customer Service Clerk	1.00	-0-	1.00
Lead Planner	(2.00)	-0-	(2.00)
Planning Technician	(1.00)	-0-	(1.00)
Principal Planner	(1.00)	-0-	(1.00)
Sub-Total	(3.00)	-0-	(3.00)

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Other Changes			
Environmental Services			
Administrative Assistant	3.00	-0-	3.00
Civil Engineer	2.00	-0-	2.00
Customer Service Representative	4.00	-0-	4.00
Department Human Resources Supervisor	1.00	-0-	1.00
Director of Environmental Services	1.00	-0-	1.00
Electrician	(1.00)	-0-	(1.00)
Environmental Inspector	1.00	-0-	1.00
Environmental Scientist	2.00	-0-	2.00
Environmental Services Accounts Representative	1.00	-0-	1.00
Environmental Services Administrator	(1.00)	-0-	(1.00)
Environmental Services Equipment Operator	(3.00)	-0-	(3.00)
Environmental Services Inspection Supervisor	1.00	-0-	1.00
Environmental Services Worker	11.00	-0-	11.00
Equipment Operation Specialist	1.00	-0-	1.00
GIS Data Analyst	2.00	-0-	2.00
GIS Supervisor	1.00	-0-	1.00
Hydrologist	1.00	-0-	1.00
Management Analyst	(2.00)	-0-	(2.00)
Management Assistant	(1.00)	-0-	(1.00)
Office Supervisor	(2.00)	-0-	(2.00)
Painter	(1.00)	-0-	(1.00)
Principal Planner	(1.00)	-0-	(1.00)
Public Information Officer	1.00	-0-	1.00
Public Information Specialist	(1.00)	-0-	(1.00)
Senior Account Clerk	(1.00)	-0-	(1.00)
Senior Engineering Associate	(2.00)	-0-	(2.00)
Senior Environmental Services Worker	(2.00)	-0-	(2.00)
Staff Assistant	1.00	-0-	1.00
Technological Intern	(4.00)	-0-	(4.00)
Utility Service Representative	(1.00)	-0-	(1.00)
Water Services Supervisor	1.00	-0-	1.00
Welder	1.00	-0-	1.00
Sub-Total	13.00	-0-	13.00
Transportation			
Cement Mason	1.00	-0-	1.00
Customer Service Clerk	1.00	-0-	1.00
Customer Service Representative	1.00	-0-	1.00
Deputy Director of Transportation	(1.00)	-0-	(1.00)

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Other Changes			
Transportation (Continued)			
Engineering Associate	(1.00)	-0-	(1.00)
Engineering Manager	1.00	-0-	1.00
Engineering Project Manager	(1.00)	-0-	(1.00)
Engineering Support Section Supervisor	(1.00)	-0-	(1.00)
Environmental Inspector	(4.00)	-0-	(4.00)
Equipment Operation Specialist	(1.00)	-0-	(1.00)
Heavy Equipment Operator	1.00	-0-	1.00
Information Technology Specialist	2.00	-0-	2.00
Inspection Supervisor	1.00	-0-	1.00
Management Assistant	1.00	-0-	1.00
Office Assistant	(2.00)	-0-	(2.00)
Property Agent	3.00	-0-	3.00
Property Manager	2.00	-0-	2.00
Real Estate Program Coordinator	4.00	-0-	4.00
Review Appraiser	1.00	-0-	1.00
Secretary	(1.00)	-0-	(1.00)
Senior Account Clerk	2.00	-0-	2.00
Senior Accountant	1.00	-0-	1.00
Senior Storekeeper	2.00	-0-	2.00
Senior Street Maintenance Worker	(1.00)	-0-	(1.00)
Storekeeper	(2.00)	-0-	(2.00)
Streets Inspector and Compliance Specialist	4.00	-0-	4.00
Streets Maintenance Supervisor	1.00	-0-	1.00
Survey Supervisor	(1.00)	-0-	(1.00)
Systems Analyst	1.00	-0-	1.00
Trade Specialist	(1.00)	-0-	(1.00)
Transportation Project Coordinator	(1.00)	-0-	(1.00)
Sub-Total	12.00	-0-	12.00
Tucson Water			
Administrative Assistant	1.00	-0-	1.00
Chief Hydrologist	(1.00)	-0-	(1.00)
Civil Engineer	1.00	-0-	1.00
Construction Inspector	3.00	-0-	3.00
Customer Service Representative	(1.00)	-0-	(1.00)
Data Base Administrator	2.00	-0-	2.00
Engineering Associate	2.00	-0-	2.00
Environmental Inspector	1.00	-0-	1.00
Environmental Scientist	(1.00)	-0-	(1.00)
Equal Opportunity Specialist	(1.00)	-0-	(1.00)
Equipment Operation Specialist	1.00	-0-	1.00

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Other Changes			
Water (Continued)			
Fleet Services Supervisor	1.00	-0-	1.00
GIS Programmer	(2.00)	-0-	(2.00)
Information Technology Specialist	1.00	-0-	1.00
Lead Utility Service Worker	4.00	-0-	4.00
Maintenance Mechanic/Electrical Supervisor	(1.00)	-0-	(1.00)
Management Assistant	1.00	-0-	1.00
Management Coordinator	1.00	-0-	1.00
Office Assistant	(1.00)	-0-	(1.00)
Office Supervisor	(1.00)	-0-	(1.00)
Senior Account Clerk	2.00	-0-	2.00
Senior Utility Service Worker	(5.00)	-0-	(5.00)
Staff Assistant	(1.00)	-0-	(1.00)
Utility Service Representative	(1.00)	-0-	(1.00)
Water Administrator	1.00	-0-	1.00
Water Quality Analyst	1.00	-0-	1.00
Welder	(1.00)	-0-	(1.00)
Well Maintenance Mechanic	(1.00)	-0-	(1.00)
Sub-Total	5.00	-0-	5.00
Urban Planning and Design			
Lead Planner	2.00	-0-	2.00
Planning Technician	1.00	-0-	1.00
Principal Planner	1.00	-0-	1.00
Sub-Total	4.00	-0-	4.00
Total Environmental and Development	31.00	-0-	31.00
Support Services			
Budget and Research			
Budget Coordinator	(1.00)	-0-	(1.00)
Deputy Director of Budget and Research	(1.00)	-0-	(1.00)
Lead Budget Analyst	(2.00)	-0-	(2.00)
Office Assistant	(0.55)	-0-	(0.55)
Organizational Development Manager	(1.00)	-0-	(1.00)
Staff Assistant	(1.00)	-0-	(1.00)
Sub-Total	(6.55)	-0-	(6.55)

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Other Changes			
Finance			
Management Assistant	(1.00)	-0-	(1.00)
Property Agent	(3.00)	-0-	(3.00)
Property Manager	(2.00)	-0-	(2.00)
Real Estate Program Coordinator	(4.00)	-0-	(4.00)
Review Appraiser	(1.00)	-0-	(1.00)
Risk Management Specialist	1.00	-0-	1.00
Secretary	(1.00)	-0-	(1.00)
Systems Analyst	(1.00)	-0-	(1.00)
Sub-Total	(12.00)	-0-	(12.00)
General Services			
Administrative Assistant	1.00	-0-	1.00
Custodian	(7.00)	-0-	(7.00)
General Services Administrator	(1.00)	-0-	(1.00)
Management Assistant	1.00	-0-	1.00
Management Coordinator	1.00	-0-	1.00
Sub-Total	(5.00)	-0-	(5.00)
Human Resources			
Equal Opportunity Specialist	1.00	-0-	1.00
Human Resources Analyst	(1.00)	-0-	(1.00)
Lead Human Resources Analyst	1.00	-0-	1.00
Sub-Total	1.00	-0-	1.00
Information Technology			
Television Production Specialist	1.00	(2.00)	(1.00)
Television Program Development Specialist	1.00	-0-	1.00
Sub-Total	2.00	(2.00)	-0-
Procurement			
Account Clerk Supervisor	(1.00)	-0-	(1.00)
Administrative Assistant	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-
Total Support Services	(20.55)	(2.00)	(22.55)

Position Changes for the Fiscal Year 2008 Budget

	Permanent	Non-Permanent	Total Change
Other Changes			
Non-Departmental			
General Expense			
Administrative Assistant	(2.00)	-0-	(2.00)
Economic Development Specialist	(2.00)	-0-	(2.00)
Management Assistant	(1.00)	-0-	(1.00)
Project Manager	(1.00)	-0-	(1.00)
Rio Nuevo Project Director	(1.00)	-0-	(1.00)
Secretary	(1.00)	-0-	(1.00)
Special Projects Coordinator/City Manager's Office	(0.75)	-0-	(0.75)
Staff Assistant	(1.00)	-0-	(1.00)
Tucson-Mexico Program Director	(1.00)	-0-	(1.00)
Sub-Total	<u>(10.75)</u>	<u>-0-</u>	<u>(10.75)</u>
Total Other Changes	<u>19.20</u>	<u>19.75</u>	<u>38.95</u>
Total Position Changes	<u>149.20</u>	<u>35.75</u>	<u>184.95</u>



City of Tucson



Section C Legal Authorization

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



LEGAL REQUIREMENTS

The city's budget is subject to requirements set by the State of Arizona's Constitution and statutes, and the Tucson City Charter.

LEGAL REQUIREMENTS IMPOSED BY THE STATE

Expenditure Limitation – Home Rule

Tucson, like all cities in the State of Arizona, is subject to numerous budgetary and related legal requirements. Article IX, Section 20(1) of the Arizona Constitution sets out limits on the city's legal budget capacity. The constitution also allows cities, with voter approval, to adopt an alternative expenditure limitation, which is commonly referred to as Home Rule.

In November 2005, the voters approved the Home Rule option for Fiscal Years 2007 through 2010. For each of those four fiscal years, the city's expenditure limitation will equal the total amount of budgeted expenditures in the annual budget adopted by the Mayor and Council after at least one public hearing. Because the city is also required to have a balanced budget, expenditures will never exceed available revenues.

Property Tax Levy Limitation

The Arizona Constitution and Arizona Revised Statutes (ARS) specify a property tax levy limitation system. This system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy may be imposed for all purposes, while the secondary levy may only be used to retire the principal and interest or redemption charges on general obligation bonded indebtedness.

Primary Property Tax Levy: There is a strict limitation on how much the city can levy as a primary property tax. This primary property tax levy is limited to an increase of 2% over the previous year's maximum allowable primary levy, plus an increased dollar amount due to a net gain in property not taxed the previous year (ARS §42-17051). Even if the city does not adopt the maximum allowable levy from year to year, the 2% allowable increase will be based on the prior year's "maximum allowable levy." The "net new property" factor is included in the calculation to take into account all new construction and any additional

property added to a community due to annexations. The 2% increase applies to all taxable property.

Secondary Property Tax Levy: The secondary property tax allows the city to levy a property tax for the purpose of retiring the principal and paying interest on general obligation bonds. This levy is referred to as the "unlimited" levy because this property tax may be levied in any amount to make necessary interest payments on, and for the retirement of, general obligation bonds issued by the city.

Not only is the dollar amount of the secondary property tax levy "unlimited," the actual full cash value of property that is used in determining the tax rate will be increased by changes in market value without a cap (Article IX, Section 18 and 19, Arizona Constitution).

Budget Adoption

State law (ARS §42-17101) requires that on or before the third Monday in July of each fiscal year, the Mayor and Council must adopt a tentative budget. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption. In effect, with the adoption of the tentative budget, the council has set its maximum "limits" for expenditure, but these limits may be reduced upon final adoption.

Once the tentative budget has been adopted, it must be published once a week for at least two consecutive weeks. The tentative budget must be fully itemized in accordance with forms supplied by the auditor general and included in the council meeting minutes.

State law (ARS §42-17104, §42-17105) specifies that fourteen or more days prior to the date the property tax levy is adopted, the city or town council must adopt the final budget for the fiscal year by roll call vote at a special meeting called for that purpose. State law requires adoption of the tax levy on or before the third Monday in August. The adopted budget then becomes the amount proposed for expenditure in the upcoming fiscal year and shall not exceed the total amount proposed for expenditure in the published estimates (ARS §42-17106). Once adopted, no expenditures shall be made for a purpose not included in the budget, and no expenditures shall be made in excess of the amounts specified for each purpose in the budget, except as provided by law. This restriction applies whether or not the city has at any time received, or has on hand, funds or revenue in excess

of those required to meet expenditures incurred under the budget. Federal and bond funds are not subject to this requirement.

Adoption Of Tax Levy

State law (ARS §42-17107) governing truth in taxation notice and hearing requires that on or before February 10 of the tax year, the county assessor shall transmit to the city an estimate of the total net assessed valuation of the city, including an estimate of new property that has been added to the tax roll since the previous levy of property taxes in the city. If the proposed primary property tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied by the city in the preceding year, the governing body shall publish a notice of tax increase. The truth in taxation hearing must be held on or before the adoption of the property tax levy.

The tax levy for the city must be adopted on or before the third Monday in August (ARS §42-17151). The tax levy must be specified in an ordinance adopted by the Mayor and Council. The levy is for both the primary and secondary tax.

Budget Revisions

ARS §42-17106 requires that no expenditures be made for a purpose not included in the adopted budget in any fiscal year in excess of the amount specified for each purpose in the budget. The City of Tucson in its annual Budget Adoption Resolution defines “purpose” as a series of departments and offices organized into the following six program categories:

- 1) Elected and Official
- 2) Neighborhood Services
- 3) Environment and Development
- 4) Strategic Initiatives
- 5) Support Services
- 6) Non-Departmental

The departments within a given program category are held accountable for their budget. Each department and the Budget and Research Department continuously monitor expenditures. If budget changes are needed, city departments prepare budget change requests that identify the areas to be increased and decreased. The Director of Budget and Research approves these budget change requests; under special circumstances the City Manager or his designee also approves the change requests. If there are major policy or program implications associated with a change, the City Manager may submit it to the Mayor and Council for approval. Once approved, the revised appropriation is entered into the city’s financial management system.

ARS §42-17106 permits the Mayor and Council, on the affirmation of a majority of the members at a duly noticed public meeting, to authorize the transfer of funds between program categories if the funds are available so long as the transfer does not violate the state spending limitation.

LEGAL REQUIREMENTS IMPOSED BY THE CITY CHARTER

Legal requirements of the Tucson City Charter related to limiting property taxes and scheduling of budget adoption are more restrictive than state law.

Property Tax Levy Limitation

Chapter IV, Section 2 of the Tucson Charter sets an upper property tax limit of \$1.75 per \$100 assessed value. Therefore, state laws notwithstanding, the city cannot levy a combined primary and secondary property tax that exceeds \$1.75.

Fiscal Year

The fiscal year of the city begins the first day of July of each year. (Tucson City Charter, Chapter XIII, Section 1)

Submission of the Adopted Budget

The City Charter requires that the City Manager prepare a written estimate of the funds required to conduct the business and affairs of the city for the next fiscal year. This estimate, which is the adopted budget, is due on or before the first Monday in May of each year, or on such date in each year as shall be fixed by the Mayor and Council. (Tucson City Charter, Chapter XIII, Section 3)

Budget Approval

On or before the first Monday in June of each year, or on such date in each year as shall be fixed by the Mayor and Council, the City Manager is required to submit to the Mayor and Council an estimate of the probable expenditures for the coming fiscal year, stating the amount in detail required to meet all expenditures necessary for city purposes, including interest and sinking funds, and outstanding indebtedness. Also required is an estimate of the amount of income expected from all sources and the probable amount required to be raised by taxation to cover expenditures, interest, and sinking funds. (Tucson City Charter, Chapter XIII, Section 4)

Budget Publication and Hearings

The budget has to be prepared in detail sufficient to show the aggregate sum and the specific items allowed for each purpose. The budget and a notice that the Mayor and Council will meet for the purpose of making tax levies must be published in the official newspaper of the city once a week for at least two consecutive weeks following the tentative adoption of such budget. (Tucson City Charter, Chapter XIII, Section 5)

Adoption of the Budget and Tax Levy

Under Chapter XIII, Section 13 of the City Charter, any unexpended funds held at the conclusion of the fiscal year, other than funds needed to pay bond

indebtedness, are no longer available for expenditure and must be credited against amounts to be raised by taxation in the succeeding fiscal year. If a budget is adopted after the beginning of the fiscal year, Chapter XIII, Section 13 may bar the expenditure of any money until a budget is in place. The implications of Chapter XIII, Section 13 are two fold. First, any non-bond related expenditure authority terminates on June 30. Second, since the clear implication of this section is that an adopted budget is necessary to provide expenditure authority, if a budget is not in place on July 1 the city cannot expend funds. To avoid any possible implications of not having a budget in place before the beginning of the fiscal year, it is advised that the Mayor and Council adopt a final budget on or before June 30.

The Mayor and Council are required to hold a public hearing at least one week prior to the day on which tax levies are made, so that taxpayers may be heard in favor of or against any proposed tax levy.

After the hearing has been concluded, the Mayor and Council adopt the budget as finally determined upon. All taxes are to be levied or voted upon in specific sums and cannot exceed the sum specified in the published estimate. (Tucson City Charter, Chapter XIII, Section 6, and Ordinance Number 1142, effective 6-23-48)

City Ordinance Setting the Tax Rate

On the day set for making tax levies, and not later than the third Monday in August, the Mayor and Council must meet and adopt an ordinance that levies upon assessed valuation of property within the city a rate of taxation sufficient to raise the amounts estimated to be required in the annual budget. (Tucson City Charter, Chapter XIII, Section 7, and Ordinance Number 1142, effective 6-23-48)

FINANCIAL POLICIES AND PRACTICES

In addition to legal requirements set by state law and the City Charter, the budget is developed and adopted under the guidelines of a series of policies and practices.

Balanced Budget

The city shall adopt a balanced budget so that expenditures approved for city purposes will not exceed the estimate of income expected from all sources, including available balances from prior years. This policy applies to expenditures and revenues within each fund such that each fund is individually balanced. Furthermore, one-time funding sources will only be used for one-time expenditures to avoid a future imbalance that would be caused by funding recurring expenditures with one-time revenues or balances from prior years.

Fund Balance

The Mayor and Council have adopted a policy of increasing the General Fund unreserved fund balance to 10% of expenditures.

Revenue Diversification

The city cannot meet the growing demand for services without diversifying its revenue base. Although the state places certain restrictions on raising revenues, restrictions due to the City Charter can be lifted if approved by the voters. The city will continue in its efforts to expand revenues such as fees for services, and to remove limitations set by the City Charter where feasible.

Fees for Service Pricing Policy

In 1995 the city developed a pricing policy decision tree to categorize services that should be fully tax supported on one extreme to fully fee supported on the other. When a service benefits a large segment of the community and is considered a public service, then it should be funded with general tax dollars. When the service benefits individuals and is more of a private service, a market-based fee is appropriate. Services that fall in between should be funded by a combination of taxes and fees.

Cost of Development

State legislation requires cities to include a cost of development element in the city's General Plan. Development is required to pay its fair share of the cost of additional public service and needs generated by new development. The General Plan provides a framework for public-private cost sharing of capital facilities needed to serve new development.

General Accounting Policies

The city complies with Generally Accepted Accounting Principles and Governmental Accounting Standards Board statements in accounting for and presenting financial information. The modified accrual basis of accounting is used for all governmental fund types while other fund types including enterprise funds comply with the full accrual basis of accounting. Encumbrance accounting records purchase orders and other contracts as reservations of fund balance and does not recognize outstanding encumbrances as expenditures at year-end. Additional information on the basis of accounting as it compares to the budget is found on page E-9.

Investment Policy

The Tucson City Charter and state statutes authorize the city to invest in obligations of the U.S. government, its agencies and instrumentalities, money market funds consisting of the above, repurchase agreements, bank certificates of deposit, commercial paper rated A-1/P-1, corporate bonds and notes rated AAA or AA, and the State of Arizona Local Government Investment Pool. Investment maturities are scheduled so that maturing principal and interest, plus ongoing, non-investment cash flow, is sufficient to cover projected payroll, operating, and capital expenses as these become payable. Funds available for the day-to-day operation of the city may be invested in authorized investments with a final maturity not exceeding three years from the date of the investment. Monies not related to the day-to-day operation of the city, such as bond proceeds, may also be invested for a maximum of three years with maturities based upon anticipated needs.

Debt Management Policy

The city's debt program includes a variety of financing mechanisms to meet long-term capital needs of the community. In all cases, the city aggressively manages the debt program with the assistance of a financial advisor and bond counsel. Restructuring, refinancing, and advance bond refunding are used to limit the city's debt service costs and provide maximum future borrowing flexibility.

**STATEMENT REQUIRED BY ARIZONA REVISED STATUTES §42-17102
RELATIVE TO PROPERTY TAXATION**

**PRIMARY AND SECONDARY TAX LEVIES
FISCAL YEARS 2007 AND 2008**

Property Tax	Adopted FY 2007 Levy	Actual FY 2007 Levy	FY 2008 Levy	FY 2008 Maximum Levy Amount	Amount of Levy Increase/ (Decrease)	Percentage Levy Increase/ (Decrease)
Primary	\$ 9,733,050	\$ 9,684,390	\$ 10,327,380	\$ 10,327,380 ¹	\$ 642,990	6.6% ²
Secondary	26,808,660	26,681,580	28,022,940 ³	28,022,940	1,341,360	5.0%
Total	\$ 36,541,710	\$ 36,365,970	\$ 38,350,320	\$ 38,350,320	\$ 1,984,350	5.5%

Property Tax	Actual FY 2007 Rate	Estimated FY 2008 Rate ⁴	Amount Rate Increase/ (Decrease)	Percentage Rate Increase/ (Decrease)
Primary	\$ 0.3411	\$ 0.3296	\$ (0.0115)	(3.4%)
Secondary	0.8846	0.8025	(0.0821)	(9.3%)
Total	\$ 1.2257	\$ 1.1321	\$ (0.0936)	(7.6%)

¹ The primary property tax levy is shown at the estimated maximum possible amount. The actual maximum amount may be less.

² The primary property tax levy is limited to an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed in the previous year. The net new property factor is included in the calculation to take into account all new construction and property annexed in the last year.

³ General obligation bonds in the amount of \$13.3 million have been sold for Fiscal Year 2008.

⁴ Both of these rates may differ depending upon the final actual assessed valuations.

**CITY OF TUCSON
PROPERTY TAX SUMMARY**

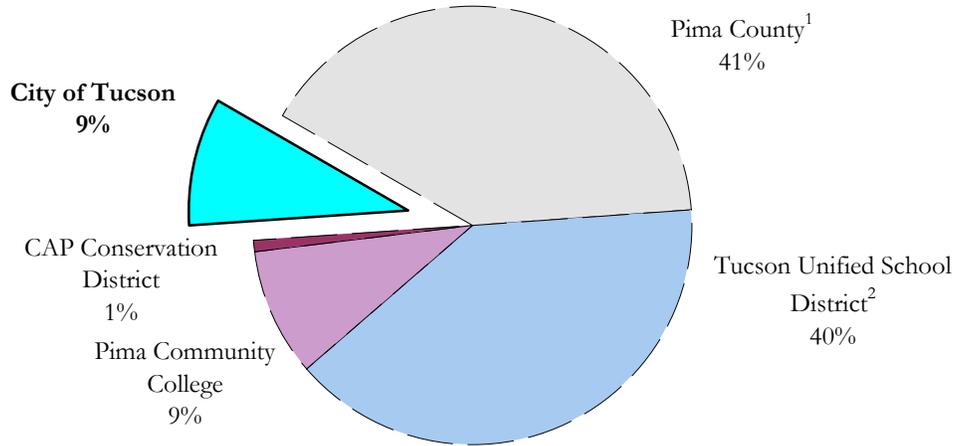
Taxing Jurisdiction	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Property Tax Rates (Per \$100 of assessed value)										
State of Arizona	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Pima County ¹	5.34	5.41	5.74	5.72	5.68	5.60	5.57	5.56	5.48	4.93
Tucson Unified School District ²	6.46	6.26	6.03	6.05	5.86	5.74	5.69	5.51	5.50	5.25
Pima Community College	1.18	1.19	1.37	1.56	1.55	1.53	1.49	1.34	1.31	1.25
Flood Control District	0.33	0.32	0.30	0.30	0.35	0.35	0.35	0.35	0.37	0.37
Fire District	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04
Central Arizona Project (CAP) - Conservation District	0.14	0.14	0.14	0.13	0.13	0.13	0.12	0.12	0.12	0.12
Sub-Total without the City of Tucson	\$ 13.50	\$ 13.37	\$ 13.63	\$ 13.81	\$ 13.62	\$ 13.39	\$ 13.26	\$ 12.92	\$ 12.82	\$ 11.96
City of Tucson	0.99	0.96	1.02	1.13	1.12	1.12	1.16	1.18	1.24	1.23
Total ³	\$ 14.49	\$ 14.33	\$ 14.65	\$ 14.94	\$ 14.74	\$ 14.51	\$ 14.42	\$ 14.10	\$ 14.06	\$ 13.19
Percent increase/(decrease) from prior year	(4.5%)	(1.1%)	2.2%	2.0%	(1.3%)	(1.6%)	(0.6%)	(2.2%)	(0.3%)	(6.2%)
Assessed Valuation										
Primary (billions)	\$ 1.727	\$ 1.830	\$ 1.887	\$ 1.999	\$ 2.088	\$ 2.203	\$ 2.344	\$ 2.477	\$ 2.641	\$ 2.839
Secondary (billions)	\$ 1.819	\$ 1.904	\$ 1.945	\$ 2.049	\$ 2.138	\$ 2.269	\$ 2.427	\$ 2.558	\$ 2.723	\$ 3.016

¹ Includes the Education Assistance rate (\$0.00 in Fiscal Year 2007).

² Tucson Unified School District tax levy reflects State Aid to Education reduction (\$2.14 in Fiscal Year 2007).

³ Does not include any special assessment districts.

**City of Tucson's Share of
Residential Property Owner Tax Valuation
Fiscal Year 2007 Property Taxes**



	Tax Rate Per \$1,000	Percent of Total
Pima County ¹	\$ 5.34	41%
Tucson Unified School District ²	5.25	40%
Pima Community College	1.25	9%
Central Arizona Project (CAP) Conservation District	0.12	1%
Sub-Total	\$ 11.96	91%
City of Tucson	1.23	9%
Total	\$ 13.19	100%

¹ Includes Flood Control, Free Library District, and Fire District tax rates.

² Tucson Unified School District actual levy after decrease for State Aid to Education.

³ The tax amount is calculated on 10% of the assessed value for tax purposes.

ADOPTED BY THE
MAYOR AND COUNCIL

June 12, 2007

RESOLUTION NO. **20686**

RELATING TO FINANCE; FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TUCSON FOR THE FISCAL YEAR BEGINNING JULY 1, 2007 AND ENDING JUNE 30, 2008, DECLARING THAT TOGETHER SAID EXPENDITURES SHALL CONSTITUTE THE BUDGET OF THE CITY OF TUCSON FOR SUCH FISCAL YEAR.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, and the Charter and Ordinances of the City of Tucson, the Mayor and Council are required to adopt an annual budget; and

WHEREAS, the Mayor and Council have prepared and filed with the City Clerk a proposed budget for the Fiscal Year beginning July 1, 2007 and ending June 30, 2008, which was tentatively adopted on June 5, 2007 and consists of estimates of the amounts of money required to meet the public expenses for that year, an estimate of expected revenues from sources other than direct taxation and the amount needed to be raised by taxation upon real and personal property; and

WHEREAS, due notice has been given by the City Clerk that this tentative budget with supplementary schedules and details is on file and open to inspection by anyone interested; and

WHEREAS, publication of the estimates has been made and the public hearing at which any taxpayer could appear and be heard in favor of or against any proposed expenditure or tax levy has been duly held, and the Mayor and Council are now

convened in special meeting to finally determine and adopt estimates of proposed expenditures for the various purposes set forth in the published proposal, all as required by law;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:

SECTION 1. The Mayor and Council have finally determined the estimates of revenue and expenditures, as set forth in Schedules A, B, C, D, E, and F attached and incorporated herein by this reference, which will be required of the City of Tucson for the Fiscal Year beginning July 1, 2007 and ending June 30, 2008, and such finally determined estimates are hereby adopted as the budget of the City of Tucson for said fiscal year.

SECTION 2. The Purposes of Expenditure and the amount finally determined upon for each purpose, as set forth in this section, are necessary for the conduct of the business of the government of the City of Tucson, and such amounts and purposes shall constitute the adopted Expenditure Plan for the City for the 2008 Fiscal Year:

<u>Purpose of Expenditure</u>	<u>Final 2008 Budget</u>
Elected and Official	\$ 22,107,340
Neighborhood Services	491,131,460
Environment and Development	541,588,790
Strategic Initiatives	7,355,120
Support Services	56,064,460
Non-Departmental	<u>144,301,320</u>
 TOTAL	 <u>\$ 1,262,548,490</u>

SECTION 3. That the Purposes of Expenditure and the amount finally determined upon for each purpose as set forth in this section constitutes the portion of

the adopted budget of the City for the 2008 Fiscal Year which is subject to the State Budget Law:

<u>Purpose of Expenditure</u>	<u>Final 2008 Budget Subject to State Budget Law</u>
Elected and Official	\$ 21,512,720
Neighborhood Services	393,464,330
Environment and Development	424,300,710
Strategic Initiatives	7,355,120
Support Services	55,264,460
Non-Departmental	<u>143,544,990</u>
 TOTAL	 <u>\$ 1,045,442,330</u>

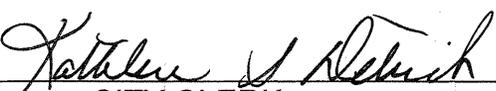
SECTION 4. That money for any fund may be used for any of the purposes set forth in Section 2, except money specifically restricted by State or Federal law or City Charter, Code, Ordinances or Resolutions or bond covenants.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona, this 12th day of June, 2007.



MAYOR

ATTEST:



CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

REVIEWED BY:



CITY MANAGER

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06/04/2007 4:49 PM

SCHEDULE A TO RESOLUTION NO. 20686
City of Tucson
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2007-08

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES 2006-07*	ACTUAL EXPENDITURES/EXPENSES 2006-07**	FUND BALANCE/NET ASSETS*** July 1, 2007**	DIRECT PROPERTY TAX REVENUES 2007-08	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2007-08	OTHER FINANCING 2007-08		INTERFUND TRANSFERS 2007-08		TOTAL FINANCIAL RESOURCES AVAILABLE 2007-08	BUDGETED EXPENDITURES/EXPENSES 2007-08
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 470,941,550	\$ 419,158,595	\$	Primary: \$ 10,327,380	\$ 484,704,400	\$ 76,847,800	\$	\$ 39,291,170	\$ 99,582,080	\$ 511,588,670	\$ 511,588,670
2. Special Revenue Funds	341,900,580	245,881,529		Secondary:	323,151,390	9,800,000		55,662,110	8,041,140	380,572,360	380,572,360
3. Debt Service Funds Available	43,677,900	42,477,900		28,022,940	8,796,060			8,041,140		44,860,140	44,860,140
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	43,677,900	42,477,900		28,022,940	8,796,060			8,041,140		44,860,140	44,860,140
6. Capital Projects Funds	51,059,900	41,357,529				60,948,300				60,948,300	60,948,300
7. Permanent Funds											
8. Enterprise Funds Available	194,724,640	184,665,288			202,124,280	8,424,000		2,177,010	3,146,270	209,579,020	209,579,020
9. Less: Designation for Future Debt Retirement											
10. Total Enterprise Funds	194,724,640	184,665,288			202,124,280	8,424,000		2,177,010	3,146,270	209,579,020	209,579,020
11. Internal Service Funds								55,000,000		55,000,000	55,000,000
12. TOTAL ALL FUNDS	\$ 1,102,304,570	\$ 933,540,841	\$	\$ 38,350,320	\$ 1,018,776,130	\$ 156,020,100	\$	\$ 160,171,430	\$ 110,769,490	\$ 1,262,548,490	\$ 1,262,548,490

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

	2006-07	2007-08 (Home Rule Option)
1. Budgeted expenditures/expenses	\$ 1,102,304,570	\$ 1,262,548,490
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	1,102,304,570	1,262,548,490
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 1,102,304,570	\$ 1,262,548,490
6. EEC or voter-approved alternative expenditure limitation	\$ 1,102,304,570	\$ 1,262,548,490

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in 2005-06 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 in this column represent Fund Balance/Net Asset amounts except for amounts invested in capital assets, net of related debt, and reserved/restricted amounts established as offsets to assets presented for informational purposes (i.e., prepaids, inventory, etc.).

SCHEDULE B TO RESOLUTION NO. 20686
City of Tucson
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2007-08

	2006-07	2007-08
	FISCAL YEAR	FISCAL YEAR
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A).	\$ 9,733,050	\$ 10,327,380
2. Amount received from primary property taxation in the 2006-07 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 9,684,390	\$ 10,327,380
B. Secondary property taxes	26,681,580	28,022,940
C. Total property tax levy amounts	\$ 36,365,970	\$ 38,350,320
4. Property taxes collected*		
A. Primary property taxes		
(1) 2006-07 year's levy	\$ 9,684,390	
(2) Prior years' levies		
(3) Total primary property taxes	\$ 9,684,390	
B. Secondary property taxes		
(1) 2006-07 year's levy	\$ 26,681,580	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ 26,681,580	
C. Total property taxes collected	\$ 36,365,970	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.3411	0.3296
(2) Secondary property tax rate	0.8846	0.8025
(3) Total city/town tax rate	1.2257	1.1321

B. Special assessment district tax rates
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating no special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* 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.

SCHEDULE C TO RESOLUTION NO. 20686
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2007-08

SOURCE OF REVENUES	ESTIMATED REVENUES 2006-07	ACTUAL REVENUES 2006-07*	ESTIMATED REVENUES 2007-08
GENERAL FUND			
Local taxes			
Business Privilege Tax	\$ 199,500,000	\$ 204,700,000	\$ 212,870,000
Public Utility Tax	7,750,000	7,212,000	7,210,000
Transient Occupancy Tax	10,210,000	10,850,000	10,731,000
Room Tax	2,280,000	2,345,000	2,390,000
Occupational Taxes	2,470,000	2,143,000	2,140,000
Liquor Taxes	810,000	805,000	810,000
Use Tax	5,640,000	6,485,000	6,740,000
Licenses and permits			
Application Fees	267,000	250,000	260,000
Sign Permits	340,000	310,000	310,000
Parking Meter Collections	388,650	290,000	351,000
Vehicle Permits	360,000	565,000	580,000
Temporary Workzone Traffic Control Fee	300,000	260,000	389,000
Cable Television Licenses	3,180,000	3,610,000	3,480,000
Public, Educational, Government (PEG) Operating Support	1,090,000	1,010,000	1,090,000
PEG Capital Support	630,000	630,000	630,000
Telecommunications Licenses and Franchise Fees	760,000	720,000	680,000
Utility Franchise Fees	13,800,000	14,300,000	14,870,000
Intergovernmental			
Auto Lieu Taxes	22,900,000	22,805,000	23,260,000
State Sales Tax	51,930,000	51,153,000	53,970,000
State Revenue Sharing	60,500,000	60,158,000	74,600,000
Grants-in-Aid	351,070	290,883	118,820
Other	995,650	1,129,320	998,510
Charges for services			
General Government	198,920	289,820	8,615,610
Public Safety	8,201,000	7,496,000	8,389,000
Development Services Charges	11,750,000	11,750,000	11,380,000
Parks and Recreation	3,540,000	3,540,000	3,646,000
Fines and forfeits			
Civil Traffic Diversion Program	1,900,000	1,727,270	1,760,000
Civil Traffic Violations	940,000	653,060	670,000
Criminal Traffic Violations	6,700,000	5,852,310	5,970,000
Probation Fees	320,000	278,440	280,000
Parking Violations	660,000	600,970	610,000
Forfeitures/Assessments	2,169,410	2,470,211	2,184,260
Other	2,281,200	2,015,930	2,181,590
Interest on investments			
Interest Earnings	1,300,000	1,400,000	900,000

SCHEDULE C TO RESOLUTION NO. 20686
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2007-08

SOURCE OF REVENUES	ESTIMATED REVENUES 2006-07	ACTUAL REVENUES 2006-07*	ESTIMATED REVENUES 2007-08
In-lieu property taxes			
Contributions			
Miscellaneous			
Rentals and Leases	\$ 1,829,100	\$ 2,247,100	\$ 2,247,100
Sale of Property	1,110,000	1,123,730	1,120,000
Recovered Expenditures	462,000	477,490	507,000
Sundry Income	278,000	256,330	313,000
Other General Revenues	2,000,000		2,000,000
Off Duty Police Program	3,003,260	3,002,907	3,003,260
Other Funding Sources	10,569,690	6,080,473	10,449,250
Total General Fund	\$ 445,664,950	\$ 443,283,244	\$ 484,704,400

* 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.

SCHEDULE C TO RESOLUTION NO. 20686

City of Tucson

Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2007-08

SOURCE OF REVENUES	ESTIMATED REVENUES 2006-07	ACTUAL REVENUES 2006-07*	ESTIMATED REVENUES 2007-08
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
State Grants-in-Aid	\$ 42,468,000	\$ 43,654,940	\$ 45,934,000
Interest Earnings	520,000	518,400	550,000
Non-Revenue Receipts	1,525,000	1,343,000	1,586,490
Total Highway User Revenue Fund	\$ 44,513,000	\$ 45,516,340	\$ 48,070,490
Local Transportation Assistance Fund			
State Grants-in-Aid	\$ 2,592,000	\$ 2,592,000	\$ 2,592,000
Total Local Transportation Assistance Fund	\$ 2,592,000	\$ 2,592,000	\$ 2,592,000
Mass Transit Fund			
Charges for Current Services	\$ 9,930,000	\$ 9,471,160	\$ 10,123,000
Local Operating Assistance	3,600,000	3,948,840	3,567,000
Federal Grants	34,853,610	8,468,690	34,726,870
Non-Revenue Receipts			570,000
Total Mass Transit	\$ 48,383,610	\$ 21,888,690	\$ 48,986,870
Intergovernmental Funds			
State Grants-in-Aid	\$ 6,261,960	\$ 4,848,087	\$ 7,457,780
County/Local	42,106,600	16,489,466	40,192,100
Pima Association of Governments	2,600,000	367,000	8,633,000
Regional Transportation Authority	25,000,000	3,683,345	19,444,000
Total Intergovernmental Funds	\$ 75,968,560	\$ 25,387,898	\$ 75,726,880
Housing Assistance Funds			
Public Housing Local Revenue	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000
Public Housing Federal Revenue	58,049,750	57,245,740	58,405,650
Total Housing Assistance Funds	\$ 60,329,750	\$ 59,525,740	\$ 60,685,650
Other Federal Funds			
Community Development	\$ 11,353,760	\$ 8,580,356	\$ 10,894,800
Block Grant Entitlement			
Police Grants	5,516,110	6,207,011	15,141,670
Transportation Grants	17,855,700	13,591,045	27,196,910
Other Federal Grants	5,670,450	2,184,590	7,511,960
Total Other Federal Funds	\$ 40,396,020	\$ 30,563,002	\$ 60,745,340
Other Special Revenue Funds			
Public Safety Academy	\$ 883,240	\$ 747,390	\$ 887,530
Tucson Convention Center	4,083,000	4,316,350	4,312,830
ParkWise	4,187,230	3,378,970	4,558,100
Impact Fees	6,852,500	2,075,000	15,634,700
Contributions	350,000	1,111,862	951,000
Total Other Special Revenue Funds	\$ 16,355,970	\$ 11,629,572	\$ 26,344,160
Total Special Revenue Funds	\$ 288,538,910	\$ 197,103,242	\$ 323,151,390

* 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.

SCHEDULE C TO RESOLUTION NO. 20686

City of Tucson

Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2007-08

SOURCE OF REVENUES	ESTIMATED REVENUES 2006-07	ACTUAL REVENUES 2006-07*	ESTIMATED REVENUES 2007-08
DEBT SERVICE FUNDS			
Street and Highway Debt Service			
Highway User Revenue Funds	\$ 8,042,000	\$ 8,457,750	\$ 8,796,060
Total Street and Highway Debt Service	\$ 8,042,000	\$ 8,457,750	\$ 8,796,060
Total Debt Service Funds	\$ 8,042,000	\$ 8,457,750	\$ 8,796,060
CAPITAL PROJECTS FUNDS			
See Schedule D	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Total Capital Projects Funds	\$ _____	\$ _____	\$ _____

* 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 Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2007-08

SOURCE OF REVENUES	ESTIMATED REVENUES 2006-07	ACTUAL REVENUES 2006-07*	ESTIMATED REVENUES 2007-08
PERMANENT FUNDS			
None	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Total Permanent Funds	\$ _____	\$ _____	\$ _____
ENTERPRISE FUNDS			
Environmental Services Fund			
Operating Revenue	\$ 39,487,600	\$ 42,428,750	\$ 41,680,090
Non-Operating Revenue	510,500	740,500	4,493,880
Miscellaneous Grants	910,500	548,200	591,500
Total Environmental Services Fund	\$ 40,908,600	\$ 43,717,450	\$ 46,765,470
Golf Course Fund			
Operating Revenue	\$ 10,344,540	\$ 10,337,598	\$ 10,344,540
Non-Operating Revenue	563,510		719,280
Total Golf Fund	\$ 10,908,050	\$ 10,337,598	\$ 11,063,820
Water Utility Fund			
Operating Revenue	\$ 120,714,000	\$ 114,864,000	\$ 130,609,000
Non-Operating Revenue	10,855,000	10,825,000	12,906,000
Miscellaneous Grants	850,000	250,000	779,990
Total Water Utility Fund	\$ 132,419,000	\$ 125,939,000	\$ 144,294,990
Total Enterprise Funds	\$ 184,235,650	\$ 179,994,048	\$ 202,124,280

* 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.

SCHEDULE C TO RESOLUTION NO. 20686
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2007-08

SOURCE OF REVENUES	ESTIMATED REVENUES 2006-07	ACTUAL REVENUES 2006-07*	ESTIMATED REVENUES 2007-08
INTERNAL SERVICE FUNDS			
Not Applicable	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Total Internal Service Funds	\$ _____	\$ _____	\$ _____
TOTAL ALL FUNDS	\$ <u>926,481,510</u>	\$ <u>828,838,284</u>	\$ <u>1,018,776,130</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.

SCHEDULE D TO RESOLUTION NO. 20686

City of Tucson

Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2007-08

FUND	OTHER FINANCING 2007-08		INTERFUND TRANSFERS 2007-08	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Certificates of Participation	\$ 76,847,800	\$	\$	\$
Business Privilege Tax				99,582,080
Transfers from Fund Balance			39,291,170	
Total General Fund	\$ 76,847,800	\$	\$ 39,291,170	\$ 99,582,080
SPECIAL REVENUE FUNDS				
Certificates of Participation	\$ 9,800,000	\$	\$	\$
Highway User Revenue Fund				8,041,140
ParkWise Fund			1,103,820	
Public Safety Academy Fund			5,265,840	
Tucson Convention Center Fund			2,932,320	
Mass Transit Fund			35,280,100	
Transfers from Fund Balance			11,080,030	
Total Special Revenue Funds	\$ 9,800,000	\$	\$ 55,662,110	\$ 8,041,140
DEBT SERVICE FUNDS				
Transfer from Highway User Revenue Fund	\$	\$	\$ 8,041,140	\$
Total Debt Service Funds	\$	\$	\$ 8,041,140	\$
CAPITAL PROJECTS FUNDS				
General Obligation Bond Funds	\$ 15,305,200	\$	\$	\$
Street and Highway Revenue Bond	63,200			
Water Revenue Bond Funds	45,579,900			
Total Capital Projects Funds	\$ 60,948,300	\$	\$	\$
PERMANENT FUNDS				
None	\$	\$	\$	\$
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Certificates of Participation	\$ 8,424,000	\$	\$	\$
Transfers from/to Fund Balance			2,177,010	3,146,270
Total Enterprise Funds	\$ 8,424,000	\$	\$ 2,177,010	\$ 3,146,270
INTERNAL SERVICE FUNDS				
Risk Management Internal	\$	\$	\$ 15,000,000	\$
Tucson Supplemental Retirement			40,000,000	
Total Internal Service Funds	\$	\$	\$ 55,000,000	\$
TOTAL ALL FUNDS	\$ 156,020,100	\$	\$ 160,171,430	\$ 110,769,490

SCHEDULE E TO RESOLUTION NO. 20686

City of Tucson

Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007-08

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
GENERAL FUND				
Mayor and Council	\$ 3,272,010	\$	\$ 3,101,496	\$ 3,424,270
City Manager	2,825,200		2,773,410	3,570,170
City Clerk	3,699,070		3,742,786	5,519,990
City Attorney	8,279,940		8,402,435	8,686,370
City Court	10,483,020		10,386,140	11,438,000
Community Services	7,455,860		7,021,760	9,909,560
Fire	75,009,730		64,852,724	92,923,790
Neighborhood Resources	3,825,780		3,256,981	4,697,460
Parks and Recreation	50,673,360		47,905,879	50,863,670
Police	158,422,580		141,300,363	177,837,810
Office of Equal Opportunity Programs and Independent Police Review	757,470		707,625	832,950
Office of the Public Defender	3,000,810		3,059,060	3,190,910
Development Services	11,427,740		10,927,796	12,807,510
Urban Planning and Design	3,678,530		3,636,718	4,171,250
Transportation	10,719,920		6,144,670	29,409,810
Budget And Research	2,455,910		2,026,155	1,690,740
Finance	11,053,660		11,157,555	9,764,590
Human Resources	2,701,950		2,703,700	2,904,190
Information Technology	32,517,110		25,167,838	18,395,190
General Services	12,407,350		11,362,849	18,074,860
Procurement	3,841,520		3,828,751	3,904,890
Non-Departmental	52,433,030		45,691,904	37,570,690
Total General Fund	\$ 470,941,550	\$	\$ 419,158,595	\$ 511,588,670
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund				
Neighborhood Resources	\$ 4,101,600	\$	\$ 1,384,999	\$ 3,501,600
Parks and Recreation			25,961	
Urban Planning and Design	88,530		66,510	85,550
Transportation	39,509,510		40,577,654	41,455,720
Non-Departmental	1,791,090		1,487,690	2,943,540
Total	\$ 45,490,730	\$	\$ 43,542,814	\$ 47,986,410
Local Transportation Assistance Fund				
Transportation	2,592,000		2,592,000	2,592,000
Total	\$ 2,592,000	\$	\$ 2,592,000	\$ 2,592,000
Mass Transit Fund				
Transportation	86,225,940		55,612,194	87,140,970
Non-Departmental				
Total	\$ 86,225,940	\$	\$ 55,612,194	\$ 87,140,970

SCHEDULE E TO RESOLUTION NO. 20686

City of Tucson

Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007-08

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
Intergovernmental Funds				
City Attorney	\$ 148,260	\$	\$ 112,920	\$ 161,920
City Court	362,190		89,880	370,830
City Manager				150,000
Community Services	1,972,700		573,743	1,217,900
Fire	350,000		381,433	350,000
Parks and Recreation	15,533,290		7,991,864	12,973,030
Police	1,181,980		1,619,829	1,436,700
Urban Planning and Design	210,000		210,000	380,000
Transportation	55,480,140		14,315,498	57,956,500
Information Technology	30,000		98,131	30,000
General Services	500,000			500,000
Non-Departmental	200,000			200,000
Total	\$ 75,968,560	\$	\$ 25,393,298	\$ 75,726,880
Housing Assistance Funds				
Community Services	\$ 60,183,380	\$	\$ 59,379,370	\$ 60,546,850
Non-Departmental	146,370		146,370	138,800
Total	\$ 60,329,750	\$	\$ 59,525,740	\$ 60,685,650
Community Development Block Grant				
Community Services	\$ 7,425,170	\$	\$ 7,757,170	\$ 7,136,870
Neighborhood Resources	3,907,500		802,096	3,680,400
Parks and Recreation				60,000
Non-Departmental	21,090		21,090	17,530
Total	\$ 11,353,760	\$	\$ 8,580,356	\$ 10,894,800
Other Federal Grant Funds				
City Attorney	\$ 338,440	\$	\$ 250,180	\$ 344,620
City Manager				250,000
Community Services	398,540		383,600	1,584,270
Fire	911,880		480,601	2,874,440
Information Technology	300,000			300,000
Parks and Recreation	581,590		546,084	598,630
Police	5,516,110		6,207,011	15,141,670
Urban Planning and Design	390,000		390,000	460,000
Transportation	17,855,700		13,591,045	27,196,910
General Services	500,000			500,000
Non-Departmental	2,250,000		134,125	600,000
Total	\$ 29,042,260	\$	\$ 21,982,646	\$ 49,850,540
Public Safety Academy Fund				
Fire	\$ 2,821,160	\$	\$ 3,029,980	\$ 3,021,730
Police	3,367,370		4,061,711	2,853,270
Non-Departmental	278,570		278,570	278,370
Total	\$ 6,467,100	\$	\$ 7,370,261	\$ 6,153,370
Tucson Convention Center Fund				
Tucson Convention Center	\$ 10,860,320	\$	\$ 11,071,214	\$ 7,355,120
Non-Departmental	4,940			
Total	\$ 10,865,260	\$	\$ 11,071,214	\$ 7,355,120
ParkWise Fund				
City Court	\$ 115,510	\$	\$ 115,510	\$
Transportation	2,944,060		3,605,484	13,549,670
Non-Departmental	1,127,660		1,127,660	2,051,250
Total	\$ 4,187,230	\$	\$ 4,848,654	\$ 15,600,920

SCHEDULE E TO RESOLUTION NO. 20686

City of Tucson

Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007-08

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
Fleet Services Funds				
Fire	\$ 2,175,490	\$	\$ 2,175,490	\$
Total	\$ 2,175,490	\$	\$ 2,175,490	\$
Impact Fees				
Parks and Recreation	\$ 775,000	\$	\$ 775,000	\$ 4,671,300
Transportation	6,077,500		1,300,000	10,963,400
Total	\$ 6,852,500	\$	\$ 2,075,000	\$ 15,634,700
Contributions				
Parks and Recreation	\$	\$	\$ 120,862	\$ 310,000
Transportation	350,000		350,000	
Non-Departmental			641,000	641,000
Total	\$ 350,000	\$	\$ 1,111,862	\$ 951,000
Total Special Revenue Funds	\$ 341,900,580	\$	\$ 245,881,529	\$ 380,572,360
DEBT SERVICE FUNDS				
Street and Highway Debt Service				
Non-Departmental	\$ 26,808,660	\$	\$ 25,608,660	\$ 28,022,940
General Obligation Debt Service				
Non-Departmental	16,869,240		16,869,240	16,837,200
Total Debt Service Funds	\$ 43,677,900	\$	\$ 42,477,900	\$ 44,860,140
CAPITAL PROJECTS FUNDS				
General Obligation Bonds				
Fire	\$ 2,639,300	\$	\$ 1,492,974	\$ 2,183,100
Environmental Services	2,899,000		2,899,000	3,665,000
Parks and Recreation	3,528,700		1,360,561	3,860,900
Police			2,399,095	
Transportation	11,632,200		3,413,448	5,596,200
Non-Departmental	374,500		342,900	
Total	\$ 21,073,700	\$	\$ 11,907,978	\$ 15,305,200
Street and Highway Revenue Bonds				
Transportation	85,300		1,035,571	63,200
Total	\$ 85,300	\$	\$ 1,035,571	\$ 63,200
Water Revenue Bonds				
Tucson Water	29,900,900		28,413,980	45,579,900
Total	\$ 29,900,900	\$	\$ 28,413,980	\$ 45,579,900
Total Capital Projects Funds	\$ 51,059,900	\$	\$ 41,357,529	\$ 60,948,300
PERMANENT FUNDS				
None	\$	\$	\$	\$
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Environmental Services	\$ 39,465,240	\$	\$ 38,477,110	\$ 52,043,200
Tucson City Golf	10,978,050		10,337,598	11,063,820
Tucson Water	144,281,350		135,850,580	146,472,000
Total Enterprise Funds	\$ 194,724,640	\$	\$ 184,665,288	\$ 209,579,020

SCHEDULE E TO RESOLUTION NO. 20686

City of Tucson

Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2007-08

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07</u>	<u>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07</u>	<u>ACTUAL EXPENDITURES/ EXPENSES 2006-07*</u>	<u>BUDGETED EXPENDITURES/ EXPENSES 2007-08</u>
INTERNAL SERVICE FUNDS				
Risk Management	\$ _____	\$ _____	\$ _____	\$ 15,000,000
Tucson Supplemental Retirement	_____	_____	_____	40,000,000
Total Internal Service Funds	\$ _____	\$ _____	\$ _____	\$ 55,000,000
TOTAL ALL FUNDS	\$ 1,102,304,570	\$ _____	\$ 933,540,841	\$ 1,262,548,490

* 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.

SCHEDULE F TO RESOLUTION NO. 20686
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2007-08

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
Mayor and Council				
General Fund	\$ 3,272,010	\$ 0	\$ 3,101,496	\$ 3,424,270
Mayor and Council Total	\$ 3,272,010	\$ 0	\$ 3,101,496	\$ 3,424,270
Budget & Research				
General Fund	\$ 2,455,910	\$ 0	\$ 2,026,155	\$ 1,690,740
Budget & Research Total	\$ 2,455,910	\$ 0	\$ 2,026,155	\$ 1,690,740
City Attorney				
General Fund	\$ 8,279,940	\$ 0	\$ 8,402,435	\$ 8,686,370
Intergovernmental Funds	148,260	0	112,920	161,920
Other Federal Grant Funds	338,440	0	250,180	344,620
City Attorney Total	\$ 8,766,640	\$ 0	\$ 8,765,535	\$ 9,192,910
City Clerk				
General Fund	\$ 3,699,070	\$ 0	\$ 3,742,786	\$ 5,519,990
City Clerk Total	\$ 3,699,070	\$ 0	\$ 3,742,786	\$ 5,519,990
City Court				
General Fund	\$ 10,483,020	\$ 0	\$ 10,386,140	\$ 11,438,000
Intergovernmental Funds	362,190	0	89,880	370,830
ParkWise Fund	115,510	0	115,510	0
City Court Total	\$ 10,960,720	\$ 0	\$ 10,591,530	\$ 11,808,830
City Manager				
General Fund	\$ 2,825,200	\$ 0	\$ 2,773,410	\$ 3,570,170
Intergovernmental Funds	0	0	0	150,000
Other Federal Grant Funds	0	0	0	250,000
City Manager Total	\$ 2,825,200	\$ 0	\$ 2,773,410	\$ 3,970,170
Community Services				
General Fund	\$ 7,455,860	\$ 0	\$ 7,021,760	\$ 9,909,560
Community Development Block Grant Entitlement	7,425,170	0	7,757,170	7,136,870
Housing Assistance Funds	60,183,380	0	59,379,370	60,546,850
Intergovernmental Funds	1,972,700	0	573,743	1,217,900
Other Federal Grant Funds	398,540	0	383,600	1,584,270
Community Services Total	\$ 77,435,650	\$ 0	\$ 75,115,643	\$ 80,395,450
Convention Center				
Tucson Convention Center Fund	\$ 10,860,320	\$ 0	\$ 11,071,214	\$ 7,355,120
Convention Center Total	\$ 10,860,320	\$ 0	\$ 11,071,214	\$ 7,355,120
Development Services				
General Fund	\$ 11,427,740	\$ 0	\$ 10,927,796	\$ 12,807,510
Development Services Total	\$ 11,427,740	\$ 0	\$ 10,927,796	\$ 12,807,510
Environmental Services				
Environmental Services Funds	\$ 39,465,240	\$ 0	\$ 38,477,110	\$ 52,043,200
General Obligation Bonds	2,899,000	0	2,899,000	3,665,000
Environmental Services Total	\$ 42,364,240	\$ 0	\$ 41,376,110	\$ 55,708,200
Equal Opportunity Programs and Independent Police Review				
General Fund	\$ 757,470	\$ 0	\$ 707,625	\$ 832,950
Department Total	\$ 757,470	\$ 0	\$ 707,625	\$ 832,950

* 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.

SCHEDULE F TO RESOLUTION NO. 20686
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2007-08

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
Finance				
General Fund	\$ 11,053,660	\$ 0	\$ 11,157,555	\$ 9,764,590
Finance Total	\$ 11,053,660	\$ 0	\$ 11,157,555	\$ 9,764,590
Fire				
General Fund	\$ 75,009,730	\$ 0	\$ 64,852,724	\$ 92,923,790
Fleet Funds	2,175,490	0	2,175,490	0
General Obligation Bonds	2,639,300	0	1,492,974	2,183,100
Intergovernmental Funds	350,000	0	381,433	350,000
Other Federal Grant Funds	911,880	0	480,601	2,874,440
Public Safety Academy Fund	2,821,160	0	3,029,980	3,021,730
Fire Total	\$ 83,907,560	\$ 0	\$ 72,413,202	\$ 101,353,060
General Services				
General Fund	\$ 12,407,350	\$ 0	\$ 11,362,849	\$ 18,074,860
Intergovernmental Funds	500,000	0	0	500,000
Other Federal Grant Funds	500,000	0	0	500,000
General Services Total	\$ 13,407,350	\$ 0	\$ 11,362,849	\$ 19,074,860
Golf				
Golf	\$ 10,978,050	\$ 0	\$ 10,337,598	\$ 11,063,820
Golf Total	\$ 10,978,050	\$ 0	\$ 10,337,598	\$ 11,063,820
Human Resources				
General Fund	\$ 2,701,950	\$ 0	\$ 2,703,700	\$ 2,904,190
Human Resources Total	\$ 2,701,950	\$ 0	\$ 2,703,700	\$ 2,904,190
Information Technology				
General Fund	\$ 32,517,110	\$ 0	\$ 25,167,838	\$ 18,395,190
Intergovernmental Funds	30,000	0	98,131	30,000
Other Federal Grant Funds	300,000	0	0	300,000
Information Technology Total	\$ 32,847,110	\$ 0	\$ 25,265,969	\$ 18,725,190
Neighborhood Resources				
General Fund	\$ 3,825,780	\$ 0	\$ 3,256,981	\$ 4,697,460
Community Development Block Grant Entitlement	3,907,500	0	802,096	3,680,400
Highway User Revenue Fund	4,101,600	0	1,384,999	3,501,600
Neighborhood Resources Total	\$ 11,834,880	\$ 0	\$ 5,444,076	\$ 11,879,460
Parks & Recreation				
General Fund	\$ 50,673,360	\$ 0	\$ 47,905,879	\$ 50,863,670
Community Development Block Grant Entitlement	0	0	0	60,000
Contributions	0	0	120,862	310,000
General Obligation Bonds	3,528,700	0	1,360,561	3,860,900
Highway User Revenue Fund	0	0	25,961	0
Impact Fee Funds	775,000	0	775,000	4,671,300
Intergovernmental Funds	15,533,290	0	7,991,864	12,973,030
Other Federal Grant Funds	581,590	0	546,084	598,630
Parks & Recreation Total	\$ 71,091,940	\$ 0	\$ 58,726,211	\$ 73,337,530

* 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.

SCHEDULE F TO RESOLUTION NO. 20686
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2007-08

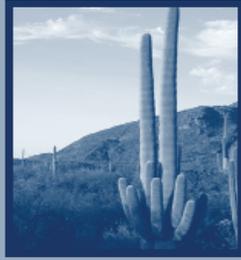
DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
Police				
General Fund	\$ 158,422,580	\$ 0	\$ 141,300,363	\$ 177,837,810
General Obligation Bonds	0	0	2,399,095	0
Intergovernmental Funds	1,181,980	0	1,619,829	1,436,700
Other Federal Grant Funds	5,516,110	0	6,207,011	15,141,670
Public Safety Academy Fund	3,367,370	0	4,061,711	2,853,270
Police Total	\$ 168,488,040	\$ 0	\$ 155,588,009	\$ 197,269,450
Procurement				
General Fund	\$ 3,841,520	\$ 0	\$ 3,828,751	\$ 3,904,890
Procurement Total	\$ 3,841,520	\$ 0	\$ 3,828,751	\$ 3,904,890
Public Defender				
General Fund	\$ 3,000,810	\$ 0	\$ 3,059,060	\$ 3,190,910
Public Defender Total	\$ 3,000,810	\$ 0	\$ 3,059,060	\$ 3,190,910
Transportation				
General Fund	\$ 10,719,920	\$ 0	\$ 6,144,670	\$ 29,409,810
Contributions	350,000	0	350,000	0
General Obligation Bonds	11,632,200	0	3,413,448	5,596,200
Highway User Revenue Fund	39,509,510	0	40,577,654	41,455,720
Impact Fee Funds	6,077,500	0	1,300,000	10,963,400
Intergovernmental Funds	55,480,140	0	14,315,498	57,956,500
Local Transportation Assistance Fund	2,592,000	0	2,592,000	2,592,000
Mass Transit Fund	86,225,940	0	55,612,194	87,140,970
Other Federal Grant Funds	17,855,700	0	13,591,045	27,196,910
ParkWise Fund	2,944,060	0	3,605,484	13,549,670
Street and Highway Revenue Bonds	85,300	0	1,035,571	63,200
Transportation Total	\$ 233,472,270	\$ 0	\$ 142,537,564	\$ 275,924,380
Urban Planning and Design				
General Fund	\$ 3,678,530	\$ 0	\$ 3,636,718	\$ 4,171,250
Highway User Revenue Fund	88,530	0	66,510	85,550
Intergovernmental Funds	210,000	0	210,000	380,000
Other Federal Grant Funds	390,000	0	390,000	460,000
Urban Planning and Design Total	\$ 4,367,060	\$ 0	\$ 4,303,228	\$ 5,096,800
Water				
Water Funds	\$ 144,281,350	\$ 0	\$ 135,850,580	\$ 146,472,000
Water Revenue Bonds	29,900,900	0	28,413,980	45,579,900
Water Total	\$ 174,182,250	\$ 0	\$ 164,264,560	\$ 192,051,900

* 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.

SCHEDULE F TO RESOLUTION NO. 20686
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2007-08

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2006-07	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2006-07	ACTUAL EXPENDITURES/ EXPENSES 2006-07*	BUDGETED EXPENDITURES/ EXPENSES 2007-08
Non-Departmental				
General Fund	\$ 52,433,030	\$ 0	\$ 45,691,904	\$ 37,570,690
Community Development Block Grant Entitlement	21,090	0	21,090	17,530
Tucson Convention Center Fund	4,940	0	0	0
Contributions	0	0	641,000	641,000
General Obligation Bonds	374,500	0	342,900	0
General Obligation Debt Service	16,869,240	0	16,869,240	16,837,200
Highway User Revenue Fund	1,791,090	0	1,487,690	2,943,540
Housing Assistance Funds	146,370	0	146,370	138,800
Intergovernmental Funds	200,000	0	0	200,000
Mass Transit Fund	0	0	0	0
Other Federal Grant Funds	2,250,000	0	134,125	600,000
ParkWise Fund	1,127,660	0	1,127,660	2,051,250
Public Safety Academy Fund	278,570	0	278,570	278,370
Street and Highway Debt Service	26,808,660	0	25,608,660	28,022,940
Risk Management Fund	0	0	0	15,000,000
Tucson Supplemental Retirement	0	0	0	40,000,000
Department Total	\$ 102,305,150	\$ 0	\$ 92,349,209	\$ 144,301,320
Total All Departments	\$ 1,102,304,570	\$ 0	\$ 933,540,841	\$ 1,262,548,490

* 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 Tucson

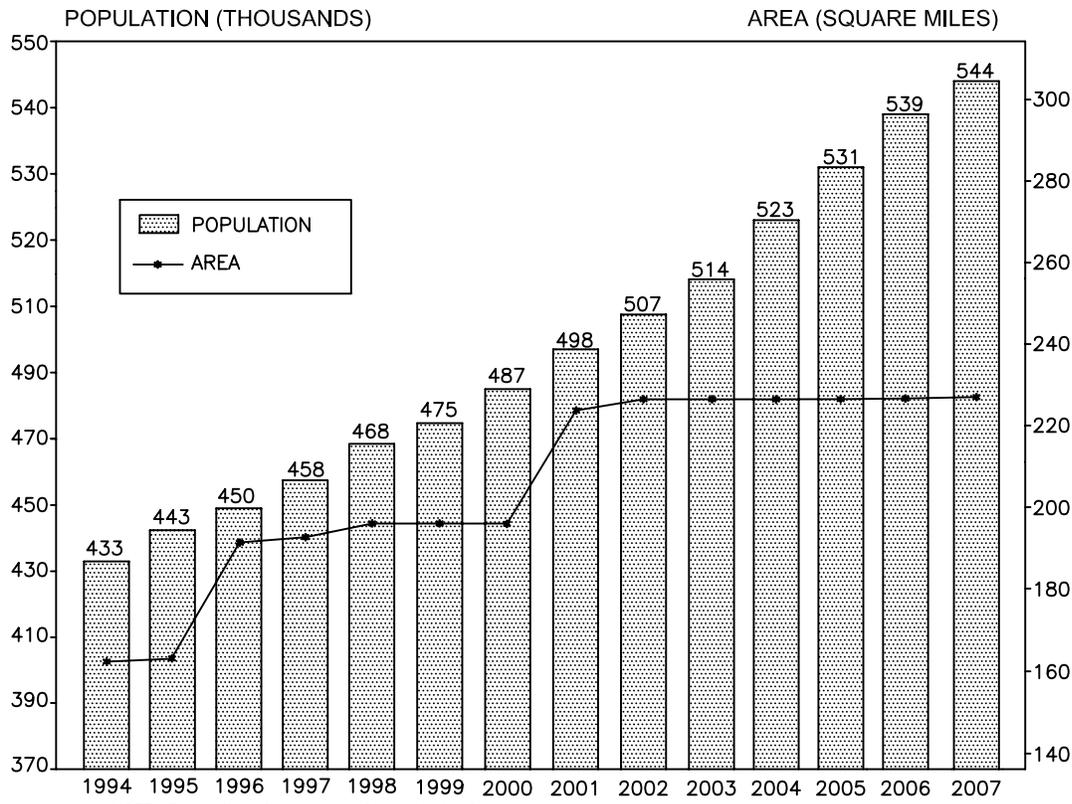
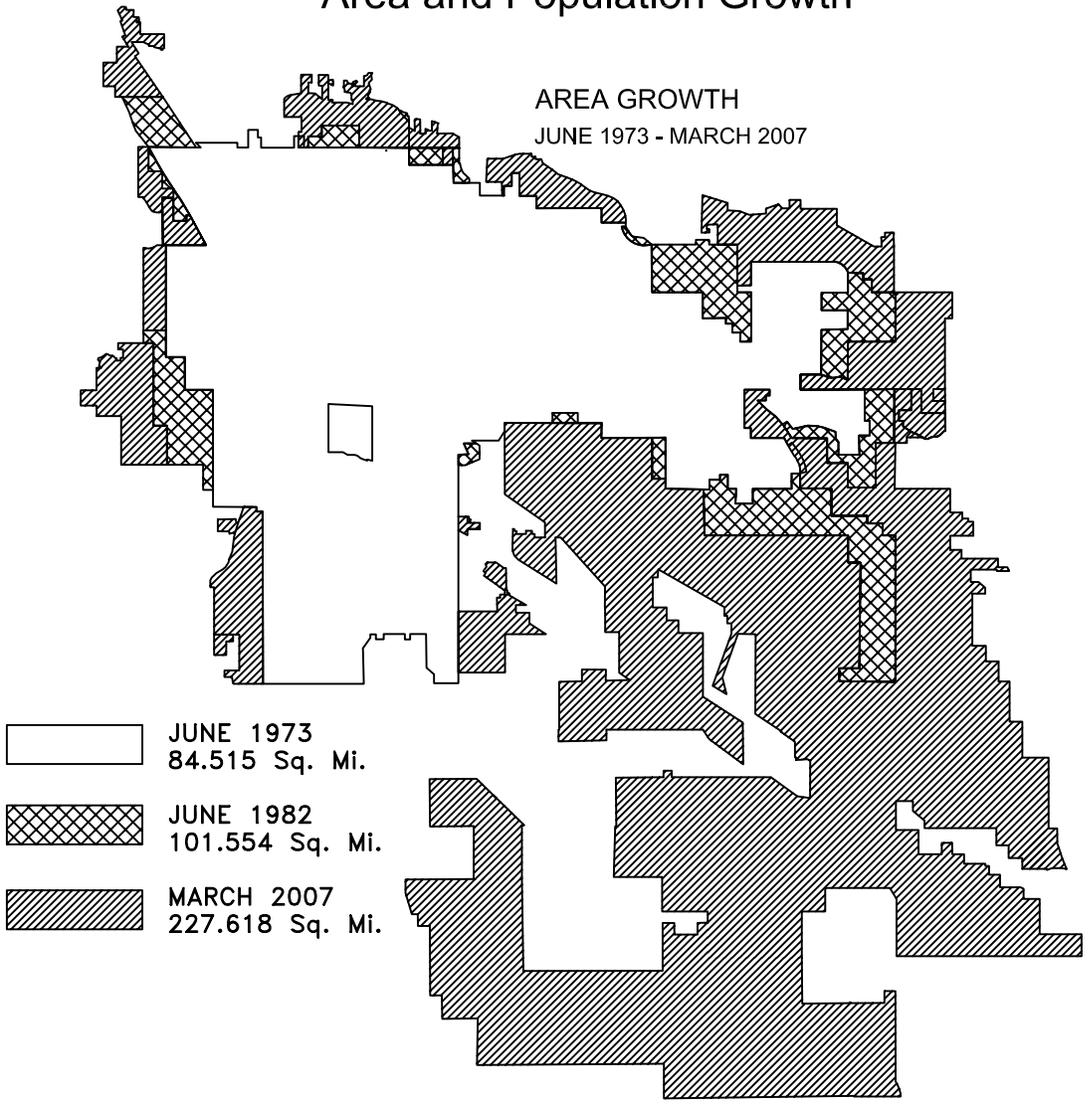


Section D Community Statistical Profile

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



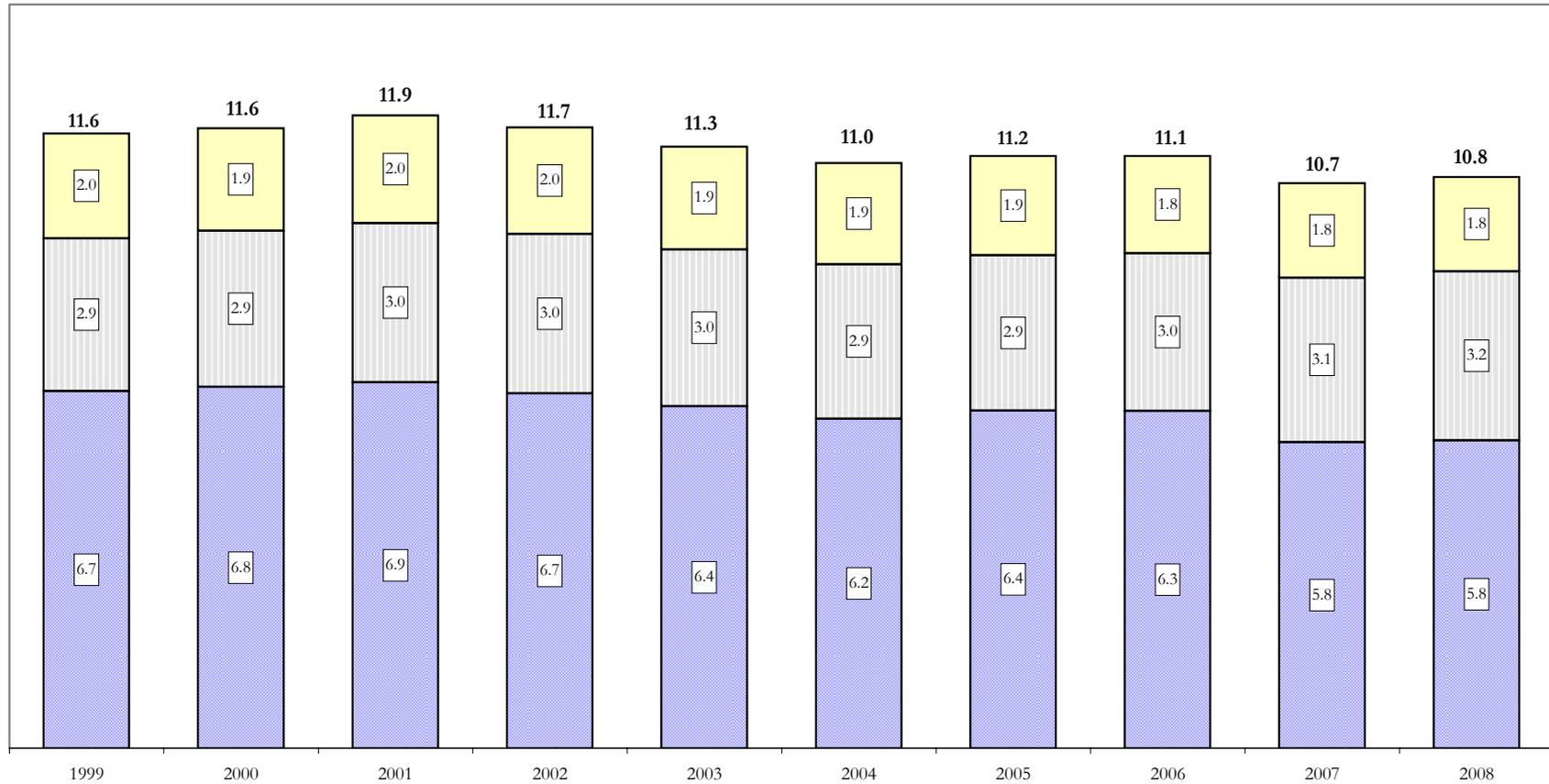
City of Tucson Area and Population Growth



NOTE: Population figures are for July 1 of each year.

NUMBER OF CITY EMPLOYEES PER 1,000 POPULATION

Other*
 Commissioned Public Safety Personnel**
 Enterprise Positions***



* Beginning in Fiscal Year 2007, Library staff was transferred to Pima County.

** Includes Fire and Police personnel.

*** Includes Environmental Services, Golf, and Tucson Water. Beginning in Fiscal Year 2005 Environmental Services became an enterprise department – prior year data has been revised for consistency.

SELECTED ECONOMIC INDICATORS Tucson Metro Area

Description	Calendar Year			
	2005	2006	2007	2008
Personal Income (Billions of Dollars)	\$ 26.155	\$ 28.895	\$ 30.838	\$ 32.602
Percentage Change from Prior Year	5.9	8.2	6.7	5.7
Retail Sales-Excluding Food (Billions of Dollars)*	\$ 8.566	\$ 9.164	\$ 9.633	\$ 10.114
Percentage Change from Prior Year	9.7	7.0	5.1	5.0
Residential Building Permits (Units)	11,913	8,315	7,293	7,717
Percentage Change from Prior Year	14.4	(30.2)	(12.3)	5.8
Gasoline Sales (Millions of Gallons)	394.0	353.6	390.5	401.9
Percentage Change from Prior Year	2.5	(10.3)	10.5	2.9
Population (000)**	957.6	981.3	1,004.9	1,027.0
Percentage Change from Prior Year	2.8	2.5	2.4	2.2
Wage and Salary Employment (000)	365.0	380.1	388.6	393.4
Percentage Change from Prior Year	1.4	3.7	2.2	1.2
Employment/Population Ratio	.381	.387	.387	.383
Real Per Capita Disposable Income (1982 Dollars)	\$ 12,248	\$ 12,633	\$ 12,840	\$ 13,032
Percentage Change from Prior Year	(1.1)	1.1	1.6	1.5
Annual Earnings Per Worker	\$ 38,327	\$ 39,882	\$ 41,556	\$ 43,019
Percentage Change from Prior Year	3.8	4.7	4.2	3.5
Consumer Price Index (CPI) Western Region (Percent Change)	3.1	3.4	2.3	2.0
Personal Consumption Deflator (Percent Change)	2.9	2.7	1.9	1.9

Source: Economic Outlook, February 2007 and May 2007, Economics and Business Research Center, Eller College of Management, University of Arizona. Data are from May 2007, except data for year 2005 is from February 2007.

*Calculated by combining retail sales (less food) with restaurant and bar sales.

**Population projections were made using different base data than the population data on page D-6.

COMMUNITY PROFILE

TUCSON - Combining a Rich History with a Bright Future

Permanent settlements were built in Tucson nearly 2,000 years ago by people of the Hohokam culture.



A Long History of Many Cultures

The Hohokam culture thrived in this region until it suddenly declined during the fourteenth century. Native American cultures believed to be descendants of the Hohokam were joined by new arrivals from Spain, Mexico, and the eastern United States.

Mission San Xavier del Bac, the “White Dove of the Desert,” was established by the Franciscan Order in the late 1600s and still serves the Tohono O’Odham Native American community. The mission has been restored; the interior frescoes were cleaned and painted by European artists, who trained local Tohono O’Odham tribal members in the craft.

More than 300 years after Tucson’s founding as a mission site, the “Old Pueblo” continues to grow and celebrate its diverse cultural influences.

An Interesting Place to Live

Located in the Sonoran Desert, Tucson is surrounded by mountain ranges and lush desert valleys. Tucsonans enjoy about 350 days of sunshine each year and an average temperature of 83 degrees.

Leisure activities are abundant. The Tucson area has more than 27,000 acres of park lands. In the nearby mountains and deserts, there are many places to camp, hike, and fish; the southern Arizona region is ranked one of the five best areas in the United States for bird watching. Golfing is available year-round on over 40 public and private golf courses. In the winter, skiing is only a one-hour drive from Tucson.

In 2007 the Professional Golfers’ Association moved the Accenture Match Play Championship to the Tucson region where it will be hosted through 2010. The annual event features the top 64 golfers in the world.

The University of Arizona provides a full range of intercollegiate athletic events. The women’s softball team has won eight National Collegiate Athletic Association (NCAA) championships including the 2006 and 2007 titles. The men’s basketball team were runners up in the NCAA championship in 2001.

Tucson is the spring training home for three major league baseball teams: Arizona Diamondbacks, Chicago White Sox, and Colorado Rockies. The Tucson Sidewinders, a minor league (AAA) affiliate of the Arizona Diamondbacks, offers a full schedule of summer baseball.



Tucson provides opportunities to stimulate the mind as well as the body. The University of Arizona offers undergraduate, graduate, and doctoral degree programs and has an extension program open to the public. The university is rich in history. It was established in 1885 as the first university in the Arizona Territory and is the state's only land grant institution. It has 334 fields of study with 18 colleges and 12 schools located on a 378-acre campus.

Pima Community College (PCC) offers courses in more than 160 program areas. It has six campuses. For many of its 35 plus years PCC has ranked among the ten largest multi campus community colleges in the nation.

There are over 215 arts groups and over 35 art galleries in Tucson. Tucson's downtown arts district hosts over 800 arts and cultural events annually, with many other events and fairs available throughout Tucson. Many museums and other attractions are located in the Tucson area, including the Tucson Museum of Art, the Arizona Historical Society Museum, the Arizona State Museum, the Center for Creative Photography, the Tucson Children's Museum, the Fort Lowell Museum, the Pima Air and Space Museum, the Tucson Botanical Gardens, the Reid Park Zoo, the Flandrau Planetarium, the Kitt Peak National Observatory, the San Xavier del Bac Mission, and the Arizona-Sonora Desert Museum (rated as one of America's top ten zoos by *Parade Magazine*).

We Mean Business

Tucson's business environment is as agreeable as its natural climate. Tourism, which contributes almost \$2.5 billion annually to the local economy, will continue to be a major contributor to the region's economic base. Not just the service sector is booming; manufacturing employment in metropolitan Tucson has more than doubled in the past ten years. Tucson is home to a premier research institution—the University of Arizona—and is recognized as one of the megatrend cities for the 21st century with its emerging presence as a center for optics, astronomy, and health services.

Balancing Growth and Preservation

The City of Tucson, incorporated in 1877, is the second largest city in the State of Arizona. Tucson is forecast to have a population of almost 550,000 in 2007. As with many communities in the West, growth has occurred at the edges of the urban area.

City leaders are committed to ensuring that growth will complement existing neighborhoods.

COMMUNITY PROFILE

Key Statistics

City Government

By charter from the State of Arizona, the City of Tucson is governed by a Mayor and Council. Council member candidates are nominated in primary elections in each of the six wards, but are elected in citywide elections. The mayor is nominated and elected citywide. The Mayor and Council set policy and appoint a city manager to provide the general supervision and direction for city government operations. Tucson is the county seat for Pima County. Pima County is the second largest county in population in Arizona.

Demographics



Tucson has grown: 45th largest city in 1980, 34th largest in 1990, the 30th largest in 2000, and the 32nd largest in 2006.

Population		
	Tucson	Pima County
1990	405,390	666,880
2000	486,699	843,746
2003	514,725	910,950
2004	522,850	932,500
2005	531,000	957,635
2006	539,341	989,953
2007*	543,838	1,009,402

Land Area		Land Use, 2003	
1990	157.53 square miles	Undeveloped	52.84%
1998	194.12 square miles	Residential	22.50%
1999	194.36 square miles	Commercial	4.06%
2000	195.40 square miles	Government	3.26%
2001	223.33 square miles	Industrial	3.09%
2002	226.09 square miles	Open Space	2.59%
2003	226.13 square miles	Agricultural	0.77%
2004	226.15 square miles	Other	10.89%
2005	226.55 square miles		
2006	226.73 square miles		
2007*	227.62 square miles		

Racial/Ethnic Composition, 2000		Median Age	
White, Non-Hispanic	54.2%	1970	25.7 years
Hispanic	35.7%	1980	28.3 years
Black	4.1%	1990	30.8 years
Native American	1.6%	2000	32.1 years
Asian/Pacific Islander	2.5%	2005	32.4 years
Other	1.9%		

*Estimated figure for March 2007 from the City of Tucson Department of Urban Planning and Design. Population figures are for July of each year.

Economy



For the next five years, Tucson is projected to be the 13th most rapidly growing metropolitan area in the United States for employment.

Major Employers - Southern Arizona, 2006* (Based on number of full-time equivalent positions)

Raytheon Missile Systems	11,184
University of Arizona	10,354
State of Arizona	9,927
U.S. Army Fort Huachuca	9,119
Davis-Monthan Air Force Base	8,233
Tucson Unified School District	7,419
Pima County	7,290
City of Tucson	5,848**
Wal-Mart Stores	5,625
Phelps Dodge Mining Company	4,900
Carondelet Health Network	4,319
Tohono O’Odham Nation	3,825
Tucson Medical Center HealthCare	3,474
University Medical Center	3,094
U.S. Border Patrol	2,763
Sunnyside Unified School District	2,690
Pima Community College	2,211
Amphitheater Public Schools	2,187

*Source: “Star Two Hundred,” *The Arizona Daily Star*, March 13, 2007

**The staffing per Adopted Budget for Fiscal Year 2007 is 5,847.76

<u>Total Employment</u>		<u>Unemployment Rates</u>	
(Pima County)		(Pima County)	
2000	444,400	2000	2.8%
2001	443,900	2001	3.5%
2002	448,900	2002	4.6%
2003	451,200	2003	4.2%
2004	465,560	2004	3.7%
2005	472,200	2005	4.4%
2006	490,200	2006	4.0%

<u>Annual Rate of Earnings</u>	
(Per worker in current dollars)	
2000	\$31,475
2002	\$33,677
2003	\$35,271
2004	\$36,913
2005	\$38,603
2006	\$40,260

<u>Building Permits Issued</u>			
	Residential	Commercial	Industrial
2002	2,719	191	17
2003	2,497	208	7
2004	2,430	268	16
2005	2,302	159	8
2006	2,904	171	6
2007	1,497	129	14

City Services



The City of Tucson is committed to providing appropriate and equitable levels of service to all of its citizens. Some examples are listed below.

Neighborhood Resources

Parks (District, Neighborhood, School, Regional, and Open Space)	136
Recreation Centers	10
Neighborhood/Senior Centers	8
After-School Program Sites	38
Senior Citizen Program Sites	13
Municipal Swimming Pools	27
Municipal Golf Courses	5
Tennis Court Sites	17
Playfields	250

Environmental Services

Tons of Waste Collected	630,741
Tons of Waste Collected by City of Tucson refuse and recycling services	320,258
Tons of Material Recycled	46,034
Number of Christmas Trees Mulched or Composted	30,984

Transportation

Number of Street Miles Maintained	1,815
Miles of Bikeways	512
Miles of Drainageway	1,141
Number of Street Lights	17,269
Annual Miles of Fixed-Route Bus Service	7,987,000
Annual Miles of Paratransit Service	4,039,253
Number of Traffic Signals	520

Tucson Water

Miles of Water Lines	4,500
Miles of Reclaimed Water Lines	155
Number of Water Connections	229,210
Millions of gallons of potable water storage capacity	290
Billions of gallons of potable water delivered annually	39.4

Public Safety

Number of Commissioned Law Enforcement Personnel	1,071
Average Police Emergency Response Time (in minutes)	5.01
Average Police Response Time for All Emergency, Critical, Urgent, and General Response Calls (in minutes)	39.56
Number of Commissioned Fire Personnel (including Paramedics)	673
Annual Number of Units Responding to Structural Fires	2,880
Annual Number of Paramedic Runs (Advanced Life Support only)	20,800
Annual Number of Other Emergency Responses	55,840
Number of Paramedic Personnel	147

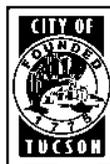


City of Tucson



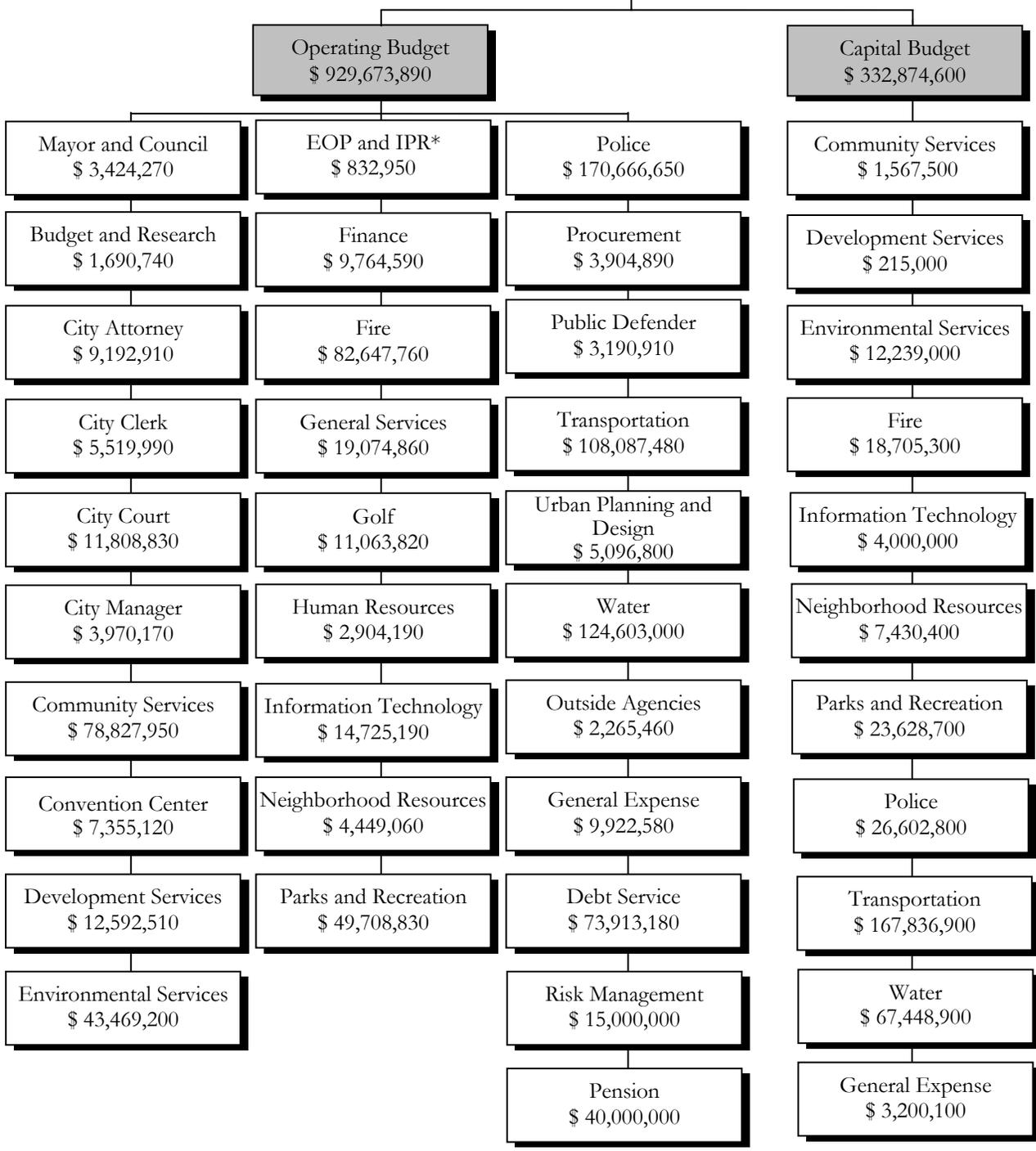
Section E Summary Information

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



CITY OF TUCSON
 Components of the Total Financial Plan
 Fiscal Year 2008

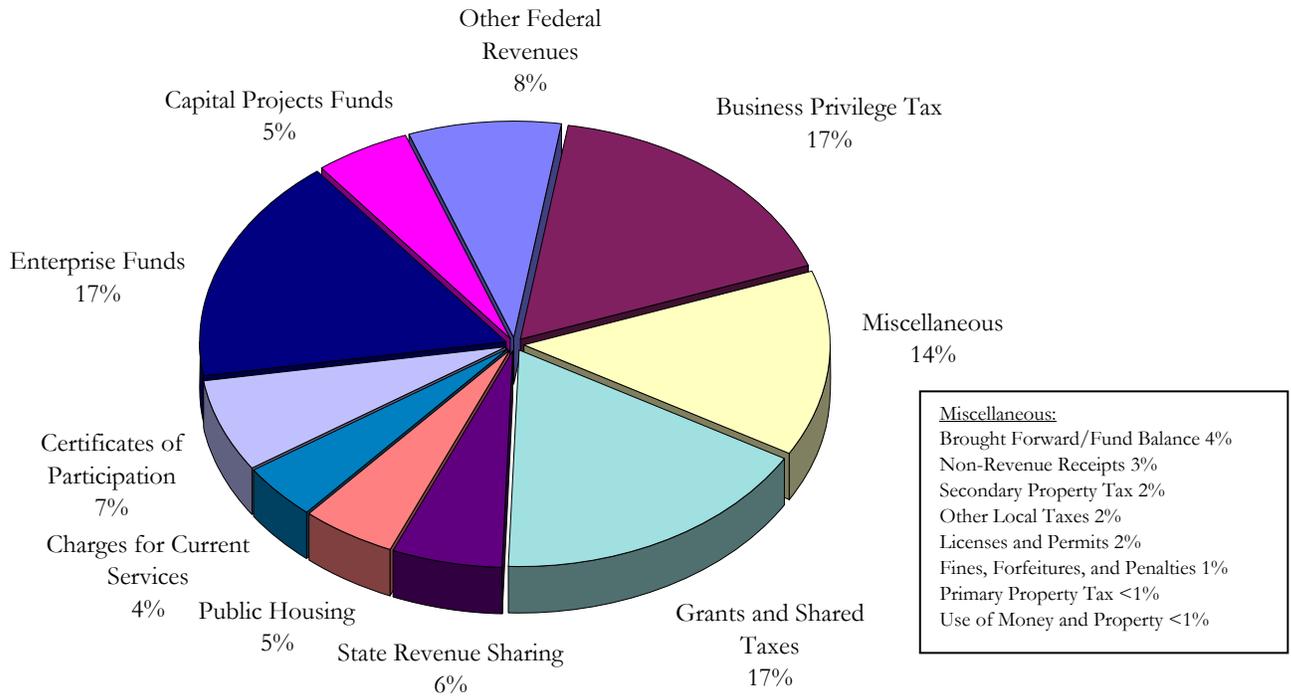
Total Budget
 \$ 1,262,548,490



*Equal Opportunity Programs and Independent Police Review

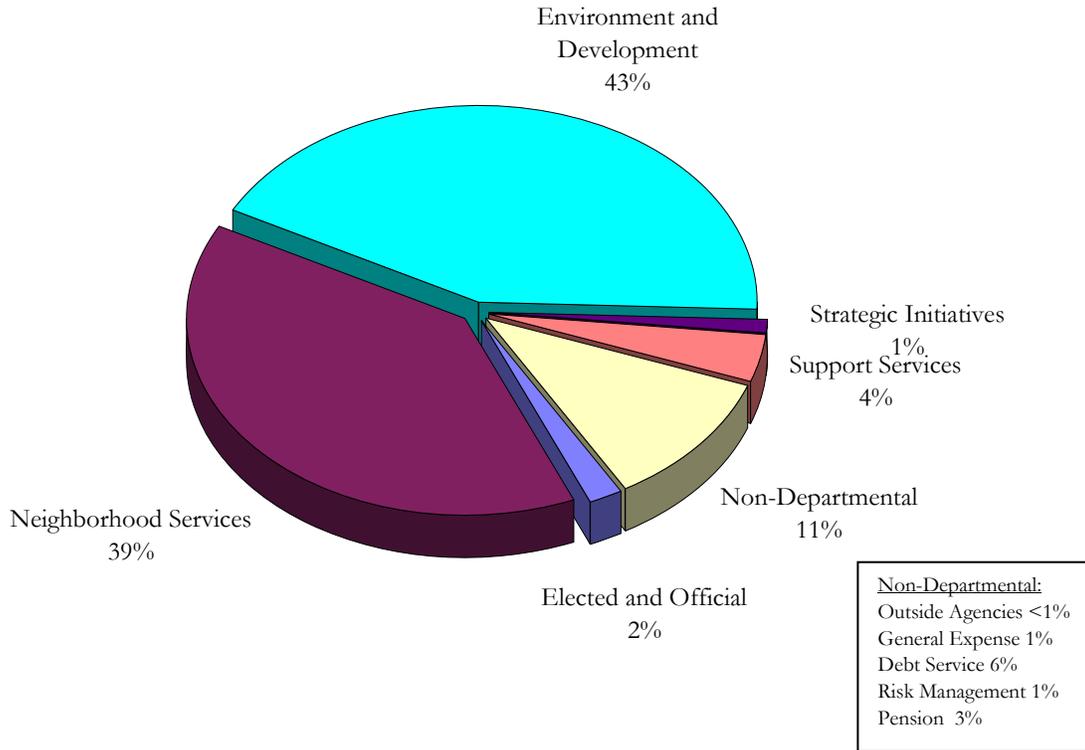
REVENUES

FISCAL YEAR 2008 ADOPTED



Funds Available	Annual Budget Total	Percent of Total
Primary Property Tax	\$ 10,327,380	<1%
Secondary Property Tax	28,022,940	2%
Business Privilege Tax	212,870,000	17%
Other Local Taxes	30,021,000	2%
Licenses and Permits	23,181,500	2%
Fines, Forfeitures, and Penalties	14,265,850	1%
Use of Money and Property	6,588,700	<1%
Grants and Shared Taxes	210,397,760	17%
State Revenue Sharing	74,600,000	6%
Charges for Current Services	51,919,480	4%
Non-Revenue Receipts	36,649,700	3%
Public Housing	60,685,650	5%
Other Federal Revenues	95,472,210	8%
Enterprise Funds	209,579,020	17%
Certificates of Participation	86,647,800	7%
Capital Projects Funds	60,948,300	5%
Brought Forward/Fund Balance	50,371,200	4%
Total Funds Available	\$ 1,262,548,490	100%

EXPENDITURES FISCAL YEAR 2008 ADOPTED



Funds Available	Annual Budget Total	Percent of Total
Elected and Official	\$ 22,107,340	2%
Neighborhood Services	491,131,460	39%
Environment and Development	541,588,790	43%
Strategic Initiatives	7,355,120	1%
Support Services	56,064,460	4%
Non-Departmental		
Outside Agencies	2,265,460	<1%
General Expense	13,122,680	1%
Debt Service	73,913,180	6%
Risk Management	15,000,000	1%
Pension	40,000,000	3%
Total Funds Available	\$ 1,262,548,490	100%

SUMMARY OF EXPENDITURES BY DEPARTMENT

	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Elected and Official					
Mayor and Council	\$ 3,199,039	\$ 3,272,010	\$ 3,101,496	\$ 3,272,010	\$ 3,424,270
City Manager	2,909,803	2,825,200	2,773,410	2,820,980	3,970,170
City Clerk	4,312,094	3,699,070	3,742,786	4,899,130	5,519,990
City Attorney	8,001,689	8,766,640	8,765,535	8,869,630	9,192,910
Sub-Total	18,422,625	18,562,920	18,383,227	19,861,750	22,107,340
Neighborhood Services					
City Court	\$ 10,561,989	\$ 10,960,720	\$ 10,591,530	\$ 11,238,860	\$ 11,808,830
Community Services	54,122,667	77,435,650	75,115,643	70,971,160	80,395,450
Fire	68,817,856	83,907,560	72,413,202	97,893,990	101,353,060
Library	22,817,244	-0-	-0-	-0-	-0-
Neighborhood Resources	6,652,151	11,834,880	5,444,076	6,420,880	11,879,460
Parks and Recreation	49,933,686	71,091,940	58,726,211	62,660,340	73,337,530
Tucson City Golf	11,872,702	10,978,050	10,337,598	10,908,050	11,063,820
Police	148,489,821	168,488,040	155,588,009	164,960,230	197,269,450
Office of Equal Opportunity Programs and Independent Police Review	748,949	757,470	707,625	757,470	832,950
Office of the Public Defender	2,829,004	3,000,810	3,059,060	2,995,810	3,190,910
Sub-Total	376,846,069	438,455,120	391,982,954	428,806,790	491,131,460
Environment and Development					
Development Services	\$ 10,563,328	\$ 11,427,740	\$ 10,927,796	\$ 11,237,740	\$ 12,807,510
Environmental Services	39,579,739	42,364,240	41,376,110	48,961,910	55,708,200
Transportation	139,245,877	233,472,270	142,537,564	185,733,940	275,924,380
Tucson Water	159,817,208	174,182,250	164,264,560	176,282,610	192,051,900
Urban Planning and Design	4,431,048	4,367,060	4,303,228	4,363,960	5,096,800
Sub-Total	353,637,200	465,813,560	363,409,258	426,580,160	541,588,790
Strategic Initiatives					
Tucson Convention Center	\$ 11,539,884	\$ 10,860,320	\$ 11,071,214	\$ 10,860,320	\$ 7,355,120
Sub-Total	11,539,884	10,860,320	11,071,214	10,860,320	7,355,120
Support Services					
Budget and Research	\$ 1,917,105	\$ 2,455,910	\$ 2,026,155	\$ 2,360,050	\$ 1,690,740
Finance	10,275,049	11,053,660	11,157,555	9,310,730	9,764,590
General Services	13,604,474	13,407,350	11,362,849	12,782,350	19,074,860
Human Resources	2,787,993	2,701,950	2,703,700	2,701,950	2,904,190
Information Technology	16,269,194	32,847,110	25,265,969	20,933,210	18,725,190
Procurement	3,495,752	3,841,520	3,828,751	3,786,520	3,904,890
Sub-Total	48,349,567	66,307,500	56,344,979	51,874,810	56,064,460

Summary of Expenditures by Department (Continued)

	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Non-Departmental					
Outside Agencies	\$ 1,964,981	\$ 2,554,670	\$ 2,233,460	\$ 2,554,670	\$ 2,265,460
General Expense	15,950,092	32,720,930	28,696,419	30,399,350	13,122,680
Debt Service	52,244,439	67,029,550	61,419,330	71,014,030	73,913,180
Risk Management	-0-	-0-	-0-	-0-	15,000,000
Pension	-0-	-0-	-0-	-0-	40,000,000
Office of Economic Development	866,035	-0-	-0-	-0-	-0-
Tucson-Mexico Trade Office	590,602	-0-	-0-	-0-	-0-
Sub-Total	71,616,149	102,305,150	92,349,209	103,968,050	144,301,320
Total All Expenditures	\$ 880,411,494	\$ 1,102,304,570	\$ 933,540,841	\$ 1,041,951,880	\$ 1,262,548,490

SUMMARY BY CHARACTER OF EXPENDITURES

	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Personal Services	\$ 385,766,448	\$ 393,941,750	\$ 394,991,362	\$ 410,382,340	\$ 462,095,660
Services	192,816,082	225,369,850	215,065,354	219,645,070	229,138,650
Commodities	60,855,574	67,017,800	70,213,841	68,279,610	70,971,140
Equipment	4,826,425	16,547,820	12,328,310	11,544,340	10,939,290
Other	98,514,962	123,691,750	109,859,284	135,532,920	156,529,150
Operating Total	742,779,491	826,568,970	802,458,151	845,384,280	929,673,890
Capital Improvements	137,632,003	275,735,600	131,082,690	196,567,600	332,874,600
Total All Expenditures	\$ 880,411,494	\$ 1,102,304,570	\$ 933,540,841	\$ 1,041,951,880	\$ 1,262,548,490

REVENUES AND EXPENDITURES COMPARISONS

CLASSIFICATION	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
FUNDS AVAILABLE					
Primary Property Tax	\$ 9,727,445	\$ 9,733,050	\$ 9,684,390	\$ 10,219,700	\$ 10,327,380
Secondary Property Tax	21,697,938	26,808,660	25,608,660	27,815,830	28,022,940
Business Privilege Tax	190,385,477	199,500,000	204,700,000	209,500,000	212,870,000
Other Local Taxes	28,033,063	29,160,000	29,840,000	29,970,000	30,021,000
Licenses and Permits	20,968,702	21,713,630	22,395,000	22,153,630	23,181,500
Fines, Forfeitures, and Penalties	11,952,502	15,630,610	14,199,161	15,906,680	14,265,850
Use of Money and Property	4,953,371	6,563,350	6,481,500	6,570,700	6,588,700
Grants and Shared Taxes	154,032,148	204,251,630	154,341,471	189,092,170	210,397,760
State Revenue Sharing	52,493,683	60,500,000	60,158,000	69,580,000	74,600,000
Charges for Current Services	43,614,637	43,181,810	42,688,880	44,256,960	51,919,480
Non-Revenue Receipts	11,199,236	26,165,450	15,482,792	20,150,220	36,649,700
Public Housing	41,801,647	60,329,750	59,525,740	55,929,320	60,685,650
Other Federal Revenues	36,407,408	75,249,630	39,031,692	54,803,430	95,472,210
Enterprise Funds	177,333,062	194,724,640	184,665,288	202,621,570	209,579,020
Certificates of Participation	13,191,783	52,961,290	18,787,612	43,604,640	86,647,800
Capital Projects Funds	61,111,629	51,059,900	41,357,529	35,331,000	60,948,300
Brought Forward/Fund Balance	8,379,437	24,771,170	15,836,042	4,446,030	50,371,200
TOTAL FUNDS AVAILABLE	\$ 887,283,168	\$ 1,102,304,570	\$ 944,783,757	\$ 1,041,951,880	\$ 1,262,548,490
EXPENDITURES					
Elected and Official	\$ 18,422,625	\$ 18,562,920	\$ 18,383,227	\$ 19,861,750	\$ 22,107,340
Neighborhood Services	376,846,069	438,455,120	391,982,954	428,806,790	491,131,460
Environment and Development	353,637,200	465,813,560	363,409,258	426,580,160	541,588,790
Strategic Initiatives	11,539,884	10,860,320	11,071,214	10,860,320	7,355,120
Support Services	48,349,567	66,307,500	56,344,979	51,874,810	56,064,460
Non-Departmental	71,616,149	102,305,150	92,349,209	103,968,050	144,301,320
ALL EXPENDITURES	\$ 880,411,494	\$ 1,102,304,570	\$ 933,540,841	\$ 1,041,951,880	\$ 1,262,548,490

EXPLANATION OF CITY FUNDS

FUND GROUPS

The city budget consists of six fund groups. Funds are accounting entities that the city uses to track specific revenue sources and expenditures. Some funds are required by state law or by bond covenants, while other funds are established for management purposes. The major funds included in the budget are the General Fund, Special Revenue Funds, Enterprise Funds, Debt Service Funds, Internal Service Funds, and Capital Projects Funds.

General Fund

The General Fund accounts for all revenues and expenditures used to finance traditional services associated with a municipal government that are not accounted for in other funds. Revenues accounted for in the General Fund include local taxes and shared-state taxes, license and permit fees, fines and penalties, charges for services, certificates of participation, and other miscellaneous funding sources. These funds are expended in the Elected and Official, Neighborhood Services, Environment and Development, Strategic Initiatives, Support Services, and Non-Departmental program categories.

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from taxes or other revenue sources earmarked for a specific use. They are usually required by statute, charter provision, local ordinance, or federal grant regulation to account for particular operating or capital functions of the city.

Enterprise Funds

Enterprise Funds are established to account for city functions that are financed and operated in a manner similar to private business enterprises and where periodic determination of net income is desired. Expenses for goods or services provided to the general public are recovered primarily through user charges. The three enterprise funds of the city are Environmental Services, Golf, and Water Utility.

Debt Service Funds

Debt Service Funds are created to account for the payment of principal and interest on long-term bonded debt other than that issued for and serviced by an enterprise fund. The two funds in this group are for general obligation bonds paid with proceeds from the secondary property tax and street and highway revenue bonds paid with Highway User Revenue Funds.

Internal Service Funds

Internal Service Funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost-reimbursement basis. The goal of an internal service fund is to measure the full cost of providing goods or services for the purpose of fully recovering that cost through fees or charges. The Risk Management Fund is such a fund; departments are assessed charges to fund the city's self-insurance expenses.

Also included in this budget category is the Tucson Supplemental Retirement System pension fund, which is a fiduciary fund used to report assets held in a trustee capacity and therefore cannot be used to support the city's programs.

Capital Projects Funds

Funds for capital projects are created to account for the purchase or construction of major capital facilities which are not financed by General, Special Revenue, or Enterprise Funds. Voter-authorized bonds are the primary source of funds in this group. Proceeds from bond sales are reflected in the year that they are expended.

EXPLANATION OF CITY FUNDS (Continued)

FUND BALANCE

The budget treats Fund Balance as the unreserved fund balance defined in the Comprehensive Annual Financial Report (CAFR) as “available spendable resources.”

GENERAL PURPOSE FUNDS

Throughout the budget a distinction is made between general purpose funds and restricted funds. General purpose funds include funding that has no restrictions on its use and may be either General Funds or Special Revenue Funds. Although most General Funds can be classified as general purpose funds, certain sources such as certificates of participation or any revenues collected for a specific purpose are not. Any General Fund contributions reflected in Special Revenue Funds are also considered general purpose funds in that the original sources are unrestricted revenues. In addition, certain user fees in Special Revenues are classified as general purpose where there is no legal restriction and those funds close out against the General Fund.

BASIS OF BUDGETING

The basis of budgeting is best described as a modified cash basis, because funds are budgeted in the year expended. As a result, revenues that may be received in a prior year are budgeted in the year that they will be expended. A good example is bond funds, which are sold and received in the fiscal year prior to the fiscal year they are budgeted and expended.

Comparison to the Basis of Accounting for the Comprehensive Annual Financial Report (CAFR)

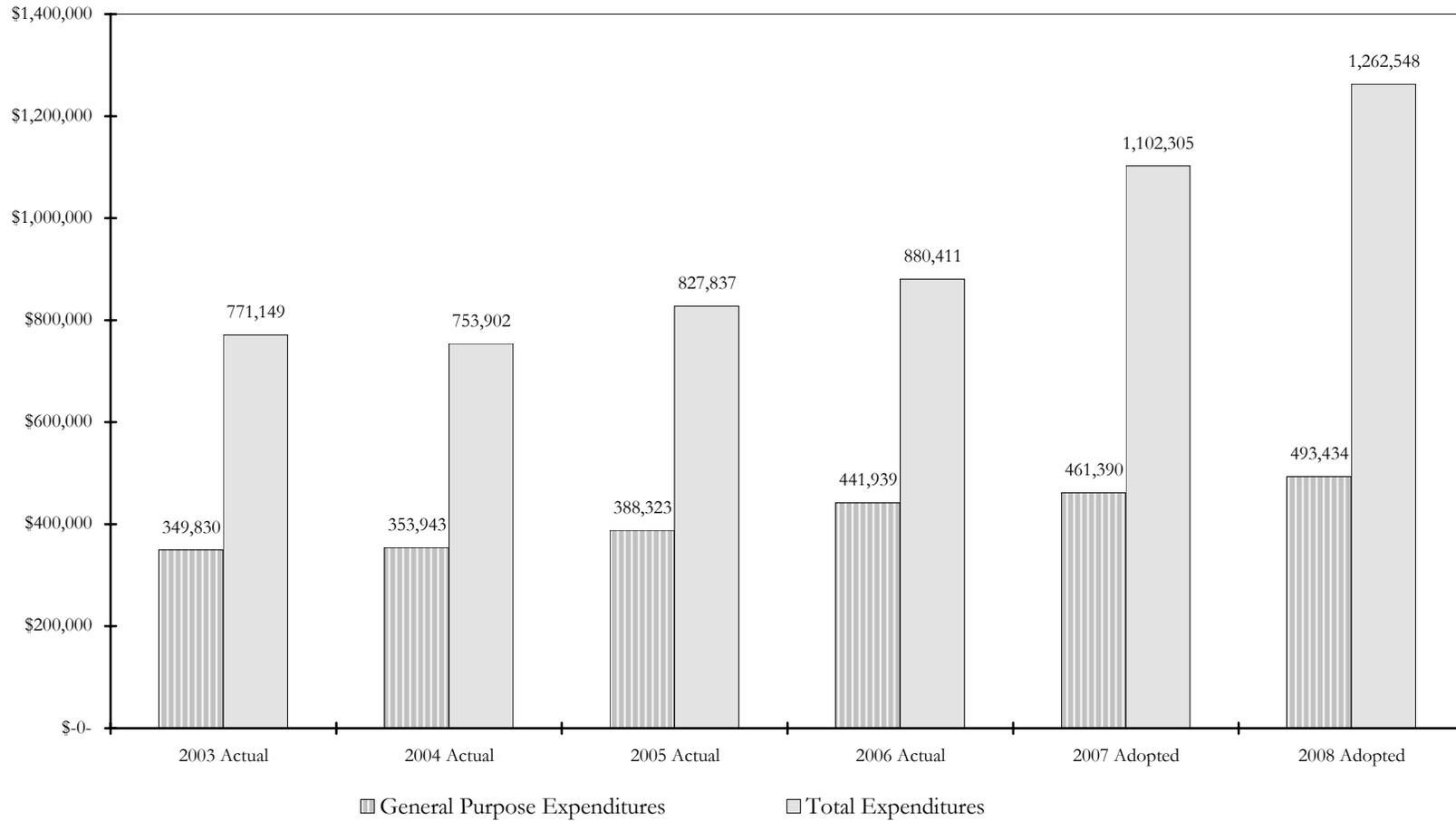
The structure of city funds is generally the same in the budget and the CAFR; however, because the CAFR uses either a modified accrual or full accrual basis of accounting, there are differences in how revenues and expenses are treated in specific areas.

Where the general fund contributes to a special revenue fund, those special revenue funds do not carry an unreserved fund balance, because only the amount of general fund required to cover expenses and obligations are transferred. This treatment is essentially the same in both the budget and the CAFR.

The budget matches revenues to expenditures in the year expended for funds other than the general fund. This may result in differences with the CAFR where a revenue may be received prior to the start of the fiscal year, such as is the case with bond funds and other financing, while the CAFR would report the proceeds in the year received.

The budget does not record expenditures such as depreciation that are accrued under Generally Accepted Accounting Principles.

USE OF GENERAL PURPOSE FUNDS COMPARED TO TOTAL FUNDS (\$000s)



Note: Beginning in Fiscal Year 2005, general purpose funds no longer include Environmental Services based on the decision to make it an enterprise fund.

REVENUES AND EXPENDITURES SUMMARY
FISCAL YEAR 2008 BY OPERATING AND CAPITAL

CLASSIFICATION	TOTAL BUDGET	GENERAL PURPOSE FUNDS			RESTRICTED FUNDS		
		OPERATING	CAPITAL	TOTAL	OPERATING	CAPITAL	TOTAL
FUNDS AVAILABLE							
Primary Property Tax	\$ 10,327,380	\$ 10,327,380	\$ -0-	\$ 10,327,380	\$ -0-	\$ -0-	\$ -0-
Secondary Property Tax	28,022,940	-0-	-0-	-0-	28,022,940	-0-	28,022,940
Business Privilege Tax	212,870,000	212,870,000	-0-	212,870,000	-0-	-0-	-0-
Other Local Taxes	30,021,000	30,021,000	-0-	30,021,000	-0-	-0-	-0-
Licenses and Permits	23,181,500	22,010,000	-0-	22,010,000	1,171,500	-0-	1,171,500
Fines, Forfeitures, and Penalties	14,265,850	11,040,000	-0-	11,040,000	3,225,850	-0-	3,225,850
Use of Money and Property	6,588,700	2,438,000	-0-	2,438,000	4,150,700	-0-	4,150,700
Grants and Shared Taxes	210,397,760	79,822,000	-0-	79,822,000	57,256,260	73,319,500	130,575,760
State Revenue Sharing	74,600,000	74,600,000	-0-	74,600,000	-0-	-0-	-0-
Charges for Current Services	51,919,480	40,077,010	1,332,300	41,409,310	10,282,970	227,200	10,510,170
Non-Revenue Receipts	36,649,700	1,740,000	-0-	1,740,000	19,275,000	15,634,700	34,909,700
Public Housing	60,685,650	-0-	-0-	-0-	59,636,350	1,049,300	60,685,650
Other Federal Revenues	95,472,210	-0-	-0-	-0-	35,159,910	60,312,300	95,472,210
Enterprise Funds	209,579,020	-0-	-0-	-0-	179,136,020	30,443,000	209,579,020
Certificates of Participation	86,647,800	-0-	-0-	-0-	7,905,000	78,742,800	86,647,800
Capital Projects Funds	60,948,300	-0-	-0-	-0-	-0-	60,948,300	60,948,300
Brought Forward/Fund Balance	50,371,200	3,832,510	3,324,000	7,156,510	35,673,490	7,541,200	43,214,690
TOTAL FUNDS AVAILABLE	\$ 1,262,548,490	\$ 488,777,900	\$ 4,656,300	\$ 493,434,200	\$ 440,895,990	\$ 328,218,300	\$ 769,114,290
EXPENDITURES							
Elected and Official	\$ 22,107,340	\$ 20,930,790	\$ -0-	\$ 20,930,790	\$ 1,176,550	\$ -0-	\$ 1,176,550
Neighborhood Services	491,131,460	296,948,880	450,000	297,398,880	116,247,880	77,484,700	193,732,580
Environment and Development	541,588,790	76,403,370	4,206,300	80,609,670	217,445,620	243,533,500	460,979,120
Strategic Initiatives	7,355,120	6,714,120	-0-	6,714,120	641,000	-0-	641,000
Support Services	56,064,460	43,904,850	-0-	43,904,850	8,159,610	4,000,000	12,159,610
Non-Departmental	144,301,320	43,875,890	-0-	43,875,890	97,225,330	3,200,100	100,425,430
TOTAL EXPENDITURES	\$ 1,262,548,490	\$ 488,777,900	\$ 4,656,300	\$ 493,434,200	\$ 440,895,990	\$ 328,218,300	\$ 769,114,290

**REVENUES AND EXPENDITURES COMPARISONS AND FUND BALANCE
GENERAL FUND**

	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Beginning Fund Balance	\$ 28,315,663	\$ 35,174,030	\$ 41,258,164	\$ 43,000,100	\$ 43,000,100
Revenues and Other Sources					
Primary Property Tax	9,727,445	9,733,050	9,684,390	10,219,700	10,327,380
Business Privilege Tax	190,385,477	199,500,000	204,700,000	209,500,000	212,870,000
Less Transfers	(57,529,243)	(47,890,350)	(46,108,753)	(47,468,510)	(99,582,080)
Other Local Taxes	28,033,063	29,160,000	29,840,000	29,970,000	30,021,000
Licenses and Permits	20,552,526	21,115,650	21,945,000	21,540,650	22,640,000
Fines, Forfeitures, and Penalties	11,356,932	14,970,610	13,598,191	15,236,680	13,655,850
Use of Money and Property	2,650,861	3,129,100	3,647,100	3,129,100	3,147,100
Grants and Shared Taxes	74,979,228	75,181,070	74,248,883	79,130,070	77,348,820
State Revenue Sharing	52,493,683	60,500,000	60,158,000	69,580,000	74,600,000
Charges for Current Services	25,926,236	24,685,570	24,205,140	25,258,430	33,029,120
Non-Revenue Receipts	9,031,937	17,422,950	10,940,930	18,385,220	17,392,510
Certificates of Participation	10,736,792	50,785,800	16,612,122	41,999,640	76,847,800
Brought Forward/Fund Balance	-0-	12,648,100	6,935,908	470,000	39,291,170
Total Sources	378,344,937	470,941,550	430,406,911	476,950,980	511,588,670
Less Unbudgeted Fund Balance Requirements	\$ (28,315,663)	\$ (35,174,030)	\$ (41,258,164)	\$ (43,000,100)	\$ (43,000,100)
Total Funds Available	378,344,937	470,941,550	430,406,911	476,950,980	511,588,670
Expenditures					
Elected and Official	\$ 18,044,782	\$ 18,076,220	\$ 18,020,127	\$ 19,375,050	\$ 21,200,800
Neighborhood Services	261,906,883	309,628,610	278,490,532	323,729,400	351,694,150
Environment and Development	19,616,937	25,826,190	20,709,184	29,665,160	46,388,570
Strategic Initiatives	1,456,637	-0-	-0-	-0-	-0-
Support Services	48,330,234	64,977,500	56,246,848	50,544,810	54,734,460
Non-Departmental	24,907,743	52,433,030	45,691,904	53,636,560	37,570,690
Total Expenditures	374,263,216	470,941,550	419,158,595	476,950,980	511,588,670
Available Funds Over/(Under) Expenditures	\$ 4,081,721	\$ -0-	\$ 11,248,316	\$ -0-	\$ -0-
Unbudgeted Fund Balance Requirements					
From Prior year	\$ 28,315,663	\$ 35,174,030	\$ 41,258,164	\$ 43,000,100	\$ 43,000,100
From Available Funds	4,081,721	-0-	11,248,316	-0-	-0-
Transfers from/ (to) other Funds or Reserves	8,860,780	-0-	(9,506,380)	-0-	-0-
Total	\$ 41,258,164	\$ 35,174,030	\$ 43,000,100	\$ 43,000,100	\$ 43,000,100

**REVENUES AND EXPENDITURES COMPARISONS AND FUND BALANCE
OTHER FUNDS**

	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
SPECIAL REVENUE FUNDS					
Beginning Fund Balance	\$ 30,978,515	\$ 33,761,787	\$ 42,986,370	\$ 42,980,970	\$ 42,980,970
Revenues and Other Sources	231,877,980	341,900,580	245,876,129	282,395,300	380,572,360
Expenditures	(229,088,027)	(341,900,580)	(245,881,529)	(282,395,300)	(380,572,360)
Surplus/(Deficit)	2,789,953	-0-	(5,400)	-0-	-0-
Transfers from/(to) other Funds or Reserves	9,217,902	-0-	-0-	-0-	-0-
Ending Fund Balance	<u>\$ 42,986,370</u>	<u>\$ 33,761,787</u>	<u>\$ 42,980,970</u>	<u>\$ 42,980,970</u>	<u>\$ 42,980,970</u>
ENTERPRISE FUNDS					
Beginning Fund Balance	\$ (18,560,531)	\$ 42,124,882	\$ (16,769,204)	\$ (20,552,444)	\$ (18,162,374)
Revenues and Other Sources	182,286,773	185,806,650	180,882,048	205,011,640	210,548,280
Expenditures	(177,333,062)	(194,724,640)	(184,665,288)	(202,621,570)	(209,579,020)
Surplus/(Deficit)	4,953,711	(8,917,990)	(3,783,240)	2,390,070	969,260
Transfers from/(to) other Funds or Reserves	(3,162,384)	-0-	-0-	-0-	-0-
Ending Fund Balance	<u>\$ (16,769,204)</u>	<u>\$ 33,206,892</u>	<u>\$ (20,552,444)</u>	<u>\$ (18,162,374)</u>	<u>\$ (17,193,114)</u>
DEBT SERVICE FUNDS					
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	38,615,560	43,677,900	42,477,900	44,653,030	44,860,140
Expenditures	(38,615,560)	(43,677,900)	(42,477,900)	(44,653,030)	(44,860,140)
Surplus/(Deficit)	-0-	-0-	-0-	-0-	-0-
Ending Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
INTERNAL SERVICE FUNDS					
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	-0-	-0-	-0-	-0-	55,000,000
Expenditures	-0-	-0-	-0-	-0-	(55,000,000)
Surplus/(Deficit)	-0-	-0-	-0-	-0-	-0-
Ending Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
CAPITAL PROJECTS FUND					
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	61,111,629	51,059,900	41,357,529	35,331,000	60,948,300
Expenditures	(61,111,629)	(51,059,900)	(41,357,529)	(35,331,000)	(60,948,300)
Surplus/(Deficit)	-0-	-0-	-0-	-0-	-0-
Ending Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**REVENUE DETAIL
ALL FUNDS SUMMARY**

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
GENERAL FUND	\$ 378,344,937	\$ 470,941,550	\$ 430,406,911	\$ 476,950,980	\$ 511,588,670
SPECIAL REVENUE FUNDS	231,877,980	341,900,580	245,876,129	282,395,300	380,572,360
ENTERPRISE FUNDS	177,333,062	194,724,640	184,665,288	202,621,570	209,579,020
DEBT SERVICE FUNDS	38,615,560	43,677,900	42,477,900	44,653,030	44,860,140
INTERNAL SERVICE FUNDS	-0-	-0-	-0-	-0-	55,000,000
CAPITAL PROJECTS FUNDS	61,111,629	51,059,900	41,357,529	35,331,000	60,948,300
TOTAL ALL FUNDS	\$ 887,283,168	\$ 1,102,304,570	\$ 944,783,757	\$ 1,041,951,880	\$ 1,262,548,490
General Fund					
Primary Property Tax	\$ 9,727,445	\$ 9,733,050	\$ 9,684,390	\$ 10,219,700	\$ 10,327,380
Business Privilege Tax	190,385,477	199,500,000	204,700,000	209,500,000	212,870,000
Other Local Taxes	28,033,063	29,160,000	29,840,000	29,970,000	30,021,000
Licenses and Permits	20,552,526	21,115,650	21,945,000	21,540,650	22,640,000
Fines, Forfeitures, and Penalties	11,356,932	14,970,610	13,598,191	15,236,680	13,655,850
Use of Money and Property	2,650,861	3,129,100	3,647,100	3,129,100	3,147,100
Grants and Shared Taxes	74,979,228	75,181,070	74,248,883	79,130,070	77,348,820
State Revenue Sharing	52,493,683	60,500,000	60,158,000	69,580,000	74,600,000
Charges for Current Services	25,926,236	24,685,570	24,205,140	25,258,430	33,029,120
Non-Revenue Receipts	9,031,937	17,422,950	10,940,930	18,385,220	17,392,510
Transfers to Other Funds	(57,529,243)	(47,890,350)	(46,108,753)	(47,468,510)	(99,582,080)
Certificates of Participation	10,736,792	50,785,800	16,612,122	41,999,640	76,847,800
Brought Forward	-0-	4,078,100	2,970,400	-0-	29,784,790
Use of Fund Balance	-0-	8,570,000	3,965,508	470,000	9,506,380
Total General Fund	\$ 378,344,937	\$ 470,941,550	\$ 430,406,911	\$ 476,950,980	\$ 511,588,670
Special Revenue Funds					
General Fund Contributions	\$ 57,529,243	\$ 47,890,350	\$ 46,108,753	\$ 47,468,510	\$ 44,582,080
Licenses and Permits	416,176	597,980	450,000	612,980	541,500
Fines, Forfeitures, and Penalties	595,570	660,000	600,970	670,000	610,000
Use of Money and Property	2,302,510	3,434,250	2,834,400	3,441,600	3,441,600
Grants and Shared Taxes	62,135,298	112,201,320	63,223,348	93,124,900	116,211,740
Charges for Current Services	17,688,401	18,496,240	18,483,740	18,998,530	18,890,360
Public Housing Local Revenue	2,555,153	2,280,000	2,280,000	2,280,000	2,280,000
Federal Grants	75,653,902	133,299,380	96,277,432	108,452,750	153,877,860
Non-Revenue Receipts	2,167,299	8,742,500	4,541,862	1,765,000	19,257,190
Certificates of Participation	2,454,991	2,175,490	2,175,490	1,605,000	9,800,000
Brought Forward	1,539,920	5,717,400	3,575,800	-0-	4,400,100
Use of Fund Balance	6,839,517	6,405,670	5,324,334	3,976,030	6,679,930
Total Special Revenue Funds	\$ 231,877,980	\$ 341,900,580	\$ 245,876,129	\$ 282,395,300	\$ 380,572,360

**REVENUE DETAIL
ALL FUNDS SUMMARY**

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Enterprise Funds					
Environmental Services	\$ 35,098,360	\$ 39,465,240	\$ 38,477,110	\$ 47,460,910	\$ 52,043,200
Golf Course	11,872,702	10,978,050	10,337,598	10,908,050	11,063,820
Water Utility	130,362,000	144,281,350	135,850,580	144,252,610	146,472,000
Total Enterprise Funds	<u>\$ 177,333,062</u>	<u>\$ 194,724,640</u>	<u>\$ 184,665,288</u>	<u>\$ 202,621,570</u>	<u>\$ 209,579,020</u>
Debt Service Funds					
Secondary Property Tax	\$ 21,697,938	\$ 26,808,660	\$ 25,608,660	\$ 27,815,830	\$ 28,022,940
State Shared Taxes	16,917,622	16,869,240	16,869,240	16,837,200	16,837,200
Total Debt Service Funds	<u>\$ 38,615,560</u>	<u>\$ 43,677,900</u>	<u>\$ 42,477,900</u>	<u>\$ 44,653,030</u>	<u>\$ 44,860,140</u>
Internal Service Funds					
Risk Management Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 15,000,000
TSRS* Trust Fund	-0-	-0-	-0-	-0-	40,000,000
Total Internal Service Funds	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 55,000,000</u>
Capital Projects Funds					
Bond Funds Proceeds	\$ 61,111,629	\$ 51,059,900	\$ 41,357,529	\$ 35,331,000	\$ 60,948,300
Total Capital Projects Funds	<u>\$ 61,111,629</u>	<u>\$ 51,059,900</u>	<u>\$ 41,357,529</u>	<u>\$ 35,331,000</u>	<u>\$ 60,948,300</u>

*Tucson Supplemental Retirement System

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Primary Property Tax	\$ 9,727,445	\$ 9,733,050	\$ 9,684,390	\$ 10,219,700	\$ 10,327,380
Business Privilege Tax	\$ 190,385,477	\$ 199,500,000	\$ 204,700,000	\$ 209,500,000	\$ 212,870,000
Other Local Taxes					
Public Utility Tax	\$ 7,585,462	\$ 7,750,000	\$ 7,212,000	\$ 7,750,000	\$ 7,210,000
Transient Occupancy Tax	10,206,786	10,210,000	10,850,000	10,620,000	10,731,000
Room Tax	2,069,415	2,280,000	2,345,000	2,330,000	2,390,000
Occupational Taxes	2,044,040	2,470,000	2,143,000	2,520,000	2,140,000
Liquor Taxes	721,117	810,000	805,000	830,000	810,000
Use Tax	5,406,243	5,640,000	6,485,000	5,920,000	6,740,000
Total	\$ 28,033,063	\$ 29,160,000	\$ 29,840,000	\$ 29,970,000	\$ 30,021,000
Licenses and Permits					
Application Fees	\$ 233,440	\$ 267,000	\$ 250,000	\$ 267,000	\$ 260,000
Sign Permits	291,430	340,000	310,000	340,000	310,000
Parking Meter Collections	287,264	388,650	290,000	398,650	351,000
Vehicle Permits	390,451	360,000	565,000	365,000	580,000
Temporary Workzone Traffic Control Fee	171,625	300,000	260,000	310,000	389,000
Cable Television Licenses	3,313,223	3,180,000	3,610,000	3,180,000	3,480,000
Public, Educational, Government (PEG) Operating Support	976,908	1,090,000	1,010,000	1,090,000	1,090,000
PEG Capital Support	604,752	630,000	630,000	630,000	630,000
Telecommunications Licenses and Franchise Fees	677,556	760,000	720,000	760,000	680,000
Utility Franchise Fees	13,605,877	13,800,000	14,300,000	14,200,000	14,870,000
Total	\$ 20,552,526	\$ 21,115,650	\$ 21,945,000	\$ 21,540,650	\$ 22,640,000

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Fines, Forfeitures, and Penalties					
Civil Traffic Diversion Program	\$ 1,417,684	\$ 1,900,000	\$ 1,727,270	\$ 1,940,000	\$ 1,760,000
Prosecutor's Diversion Program	241,069	300,000	59,970	308,000	60,000
Civil Traffic Violations	804,042	940,000	653,060	960,000	670,000
Criminal Traffic Violations	5,746,128	6,700,000	5,852,310	6,830,000	5,970,000
Driving Under the Influence	139,624	160,000	144,470	160,000	150,000
Filing Fees-Domestic Violence	11,913	16,000	9,660	16,000	10,000
Probation Fees	277,316	320,000	278,440	330,000	280,000
City Court Miscellaneous	1,171,925	1,260,000	1,291,600	1,285,000	1,280,000
Time Payment/Fill the Gap Fees	471,365	261,200	261,200	262,420	431,590
Sub-Total	10,281,066	11,857,200	10,277,980	12,091,420	10,611,590
Other Fines/Forfeitures					
Parking Violations	\$ 594,466	\$ 660,000	\$ 600,970	\$ 670,000	\$ 610,000
Zoning Code Violations	21,667	25,000	18,860	30,000	20,000
Fire Code Violations	3,460	10,000	1,720	10,000	10,000
Building Code Violations	6,343	10,000	7,250	10,000	10,000
Other Civil Fines/Violations	5,761	8,000	7,130	10,000	10,000
Forfeitures/Assessments	241,229	2,169,410	2,470,211	2,184,260	2,184,260
False Alarm Violations	192,920	220,000	200,130	220,000	190,000
Offroad Vehicle Violations	1,189	1,000	1,960	1,000	1,000
Dishonored Check Recovery	8,831	10,000	11,980	10,000	9,000
Sub-Total	1,075,866	3,113,410	3,320,211	3,145,260	3,044,260
Total	\$ 11,356,932	\$ 14,970,610	\$ 13,598,191	\$ 15,236,680	\$ 13,655,850
Use of Money and Property					
Rentals and Leases	677,896	1,112,000	1,530,000	1,112,000	1,530,000
Tenant Rent	749,407	709,100	709,100	709,100	709,100
Telephone Pay Booths	9,382	8,000	8,000	8,000	8,000
Interest Earnings	1,214,176	1,300,000	1,400,000	1,300,000	900,000
Total	\$ 2,650,861	\$ 3,129,100	\$ 3,647,100	\$ 3,129,100	\$ 3,147,100
Grants and Shared Taxes					
Shared State Taxes					
Auto Lieu Taxes	\$ 23,134,336	\$ 22,900,000	\$ 22,805,000	\$ 23,820,000	\$ 23,260,000
State Sales Tax	51,801,435	51,930,000	51,153,000	55,050,000	53,970,000
Sub-Total	74,935,771	74,830,000	73,958,000	78,870,000	77,230,000

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Grants and Shared Taxes (Continued)					
State and Local Grants					
Parks and Recreation Grants	\$ 31,780	\$ 269,070	\$ 218,033	\$ 194,070	\$ 45,610
General Services Grants	11,677	82,000	72,850	66,000	73,210
Sub-Total	43,457	351,070	290,883	260,070	118,820
Total	<u>\$ 74,979,228</u>	<u>\$ 75,181,070</u>	<u>\$ 74,248,883</u>	<u>\$ 79,130,070</u>	<u>\$ 77,348,820</u>
State Revenue Sharing	<u>\$ 52,493,683</u>	<u>\$ 60,500,000</u>	<u>\$ 60,158,000</u>	<u>\$ 69,580,000</u>	<u>\$ 74,600,000</u>
Charges for Current Services					
General Government					
Mutual Aid Communication System	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000
Dispatch Intergovernmental Agreement	756,711	849,650	983,320	852,510	852,510
Sale of Codes, Regulations, and Maps	26,947	25,000	20,000	25,000	25,000
Information Technology Services	84,000	148,920	249,820	148,920	173,730
Tucson-Mexico Trade Office	142,849	-0-	-0-	-0-	-0-
Indirect Cost Allocation to Enterprise Funds	-0-	-0-	-0-	-0-	8,391,880
Other	33,714	25,000	20,000	25,000	25,000
Sub-Total	1,070,221	1,074,570	1,299,140	1,077,430	9,494,120
Public Safety					
University of Arizona Fire Services	117,777	120,000	120,000	120,000	120,000
Emergency Medical Transport	7,184,781	8,030,000	7,200,000	8,430,000	7,588,000
Police Reprographics Services	74,411	100,000	95,000	100,000	100,000
Police Vehicle Impoundment	141,625	70,000	200,000	70,000	700,000
Police Protection Orders	-0-	1,000	1,000	1,000	1,000
Sub-Total	7,518,594	8,321,000	7,616,000	8,721,000	8,509,000
Development Services Charges					
Permit and Inspection Fees	9,931,519	9,100,000	9,100,000	9,190,000	9,000,000
Review Fees	2,227,572	1,990,000	1,990,000	1,990,000	1,800,000
Zoning Adjustments	583,318	610,000	610,000	610,000	530,000
Other	206,991	50,000	50,000	50,000	50,000
Sub-Total	12,949,400	11,750,000	11,750,000	11,840,000	11,380,000

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Charges for Current Services (Continued)					
Recreation					
Fee Classes	\$ 982,215	\$ 940,000	\$ 940,000	\$ 960,000	\$ 960,000
Facility Reservations	458,412	320,000	320,000	320,000	320,000
Permits	141,353	100,000	100,000	100,000	100,000
Civic Events Equipment	58,971	40,000	40,000	40,000	40,000
General Recreation Programs	320,007	260,000	260,000	260,000	260,000
Sports Programs	170,601	160,000	160,000	160,000	160,000
Udall Center Programs	203,554	160,000	160,000	160,000	160,000
Randolph Center Programs	45,742	30,000	30,000	40,000	40,000
Tennis Centers	7,684	70,000	70,000	70,000	70,000
Aquatics Fees	176,234	340,000	340,000	340,000	340,000
El Pueblo Center Programs	141,213	100,000	100,000	100,000	100,000
Zoo	1,065,103	620,000	620,000	650,000	686,000
Baseball	264,017	200,000	200,000	220,000	220,000
Adaptive Recreation Center	108,090	70,000	70,000	70,000	70,000
El Rio Center Programs	23,263	20,000	20,000	20,000	20,000
Quincie Douglas Center	31,471	20,000	20,000	20,000	20,000
Clements Center	104,457	40,000	40,000	40,000	40,000
Rodeo Grounds	47,373	20,000	20,000	20,000	20,000
Miscellaneous	38,261	30,000	30,000	30,000	20,000
Sub-Total	4,388,021	3,540,000	3,540,000	3,620,000	3,646,000
Total	\$ 25,926,236	\$ 24,685,570	\$ 24,205,140	\$ 25,258,430	\$ 33,029,120
Non-Revenue Receipts					
Sale of Property					
Real Property	\$ 2,615,165	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000
Used Vehicles	46,915	200,000	202,000	200,000	200,000
Inventory and Other Materials	505,322	150,000	192,110	150,000	160,000
Unclaimed Property	51,080	40,000	42,550	40,000	40,000
Other	57,492	100,000	67,070	100,000	100,000
Sub-Total	3,275,974	1,110,000	1,123,730	1,110,000	1,120,000
Recovered Expenditures					
Uninsured Damages	51,484	40,000	40,000	40,000	40,000
Industrial Insurance	116,992	200,000	200,000	200,000	200,000
Payroll Deductions Charges	1,963	2,000	2,000	2,000	2,000
Reimbursement for Services	235,248	50,000	65,490	50,000	65,000
Other	590,526	170,000	170,000	170,000	200,000
Sub-Total	996,213	462,000	477,490	462,000	507,000

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Non-Revenue Receipts (Continued)					
Sundry Income					
Reimbursement Court Attorney Fees	\$ 85,217	\$ 80,000	\$ 86,210	\$ 80,000	\$ 90,000
Employee Fees	8,536	8,000	7,340	8,000	8,000
Election Campaign Contributions	8,702	50,000	50,000	50,000	50,000
Open Space Contributions	10,364	10,000	11,260	10,000	10,000
Other	33,644	130,000	101,520	130,000	155,000
Sub-Total	<u>146,463</u>	<u>278,000</u>	<u>256,330</u>	<u>278,000</u>	<u>313,000</u>
Other General Revenues	-0-	2,000,000	-0-	2,000,000	2,000,000
Off Duty Police Program	2,961,471	3,003,260	3,002,907	3,003,260	3,003,260
Other Funding Sources	1,651,816	10,569,690	6,080,473	11,531,960	10,449,250
Total	<u>\$ 9,031,937</u>	<u>\$ 17,422,950</u>	<u>\$ 10,940,930</u>	<u>\$ 18,385,220</u>	<u>\$ 17,392,510</u>
Transfers to Other Funds	<u>\$ (57,529,243)</u>	<u>\$ (47,890,350)</u>	<u>\$ (46,108,753)</u>	<u>\$ (47,468,510)</u>	<u>\$ (99,582,080)</u>
Certificates of Participation	<u>\$ 10,736,792</u>	<u>\$ 50,785,800</u>	<u>\$ 16,612,122</u>	<u>\$ 41,999,640</u>	<u>\$ 76,847,800</u>
Brought Forward	<u>\$ -0-</u>	<u>\$ 4,078,100</u>	<u>\$ 2,970,400</u>	<u>\$ -0-</u>	<u>\$ 29,784,790</u>
Use/Transfers to Fund Balance					
Uses of Fund Balance	\$ -0-	\$ 8,570,000	\$ 3,965,508	\$ 470,000	\$ 9,506,380
Transfers to Fund Balance	-0-	-0-	-0-	-0-	-0-
Use/Transfers to Fund Balance	<u>\$ -0-</u>	<u>\$ 8,570,000</u>	<u>\$ 3,965,508</u>	<u>\$ 470,000</u>	<u>\$ 9,506,380</u>
Total General Fund	<u>\$ 378,344,937</u>	<u>\$ 470,941,550</u>	<u>\$ 430,406,911</u>	<u>\$ 476,950,980</u>	<u>\$ 511,588,670</u>

GENERAL FUND

HIGHLIGHTS

Primary Property Tax

The city's Fiscal Year 2008 projected primary property tax revenue is \$594,330 higher than the Fiscal Year 2007 adopted revenue. Although the tax rate will be lower, assessed property valuations have risen, which results in the additional revenue. The Fiscal Year 2008 levy of \$10,327,380 is set at the maximum allowable primary property tax as estimated by the Pima County Assessor.

Business Privilege Tax

Revenue from the business privilege tax, or sales tax, is a funding source for both the General Fund and the Special Revenue Funds. For Fiscal Year 2008, the total projected sales tax collections are \$212,870,000, an increase of \$13,370,000 over the Fiscal Year 2007 Adopted Budget. While the Fiscal Year 2007 revenue growth continued at a strong 7.5%, Fiscal Year 2008 revenues are projected to grow at 4.5% after adjusting for one-time payments received in Fiscal Year 2007.

Other Local Taxes

Other local tax revenues projected for Fiscal Year 2008 are increased by \$861,000 over adopted Fiscal Year 2007 amounts, or a 3% increase. Revenue increases are expected from the tourism sector and the use tax. However, these are offset by reductions in occupational taxes and the public utility tax.

Licenses and Permits

For Fiscal Year 2008, this revenue source is increased by \$1,524,350 or 7% over the adopted Fiscal Year 2007 revenues. The majority of that growth is due to an increase in Utility Franchise Fees, which is partially due to an amendment to the Southwest Gas Corporation agreement that provides additional funds to be set aside for utility relocations.

Fines, Forfeitures, and Penalties

Total revenues in Fiscal Year 2008 from all fines, forfeitures, and penalties are forecast to be \$1,314,760 lower than Fiscal Year 2007 adopted revenues. The decrease reflects an adjustment for court revenues transferred to the state. The projected amounts for Fiscal Year 2008 were lowered to be consistent with prior year collections.

Use of Money and Property

A small increase of \$18,000 over the Fiscal Year 2007 adopted revenues is expected for Fiscal Year 2008. Falling interest rates result in an anticipated loss of \$400,000 in interest earnings. That loss is offset by a \$418,000 increase in rentals and leases, based on Fiscal Year 2007 estimated revenues.

Grants and Shared Taxes

Fiscal Year 2008 grant and shared taxes are increased by \$2,167,750, which is 3% more than the Fiscal Year 2007 adopted revenues. That increase is primarily due to an expected increase of \$2,040,000 in shared state sales tax. Auto lieu taxes are projected to increase \$360,000. Those increases are offset by an anticipated reduction of \$232,250 in state grants.

GENERAL FUND

State Revenue Sharing

An increase in state-shared income taxes of \$14,100,000 is expected for Fiscal Year 2008. The Fiscal Year 2008 distribution from the state is based on Fiscal Year 2006 state income tax collections.

Charges for Current Services

Total charges for current services for Fiscal Year 2008 are increased by \$8,343,550 over Fiscal Year 2007 adopted revenues. The increase is primarily due to a change in the accounting for the indirect cost allocation of \$8,391,880 from the General Fund to the Enterprise Funds. In prior years, this charge for general government support was done as a negative expense in the Non-Departmental budget. For Fiscal Year 2008, this support is shown as revenue from the Enterprise Funds to the General Fund.

Excluding the indirect cost allocation revenue, there is a decrease of \$48,330 in this revenue category. Increases are anticipated in police vehicle impoundment and recreation charges. However, these are offset by expected reductions in Development Services charges as the housing market cools and in emergency medical transport revenues, because increases included for the Fiscal Year 2007 Adopted Budget did not materialize.

Non-Revenue Receipts

These sources are projected to decrease by \$30,440 for Fiscal Year 2008, primarily due to reductions in the Other Funding Sources category.

Transfers to Other Funds

A portion of the business privilege tax (city sales tax) is transferred to Special Revenue Funds to support the Mass Transit Fund, the ParkWise Fund, the Public Safety Training Academy Fund, and the Tucson Convention Center Fund. For Fiscal Year 2008, the \$44,582,080 in city sales tax allocated to Special Revenue Funds decreased by \$3,308,270, primarily due to the transfer of the Tucson Convention Center's lease payment to the General Fund.

Also transferred out is \$55,000,000 to Internal Service Funds for Risk Management Fund and Pension Fund expenditures. This budgeted amount is new in Fiscal Year 2008 due to requirements of the Government Accounting Standards Board and the state's Auditor General.

Certificates of Participation

Certificates of participation increased \$26,062,000 based on new financing requirements in Fiscal Year 2008, primarily for public safety and transit facilities.

Brought Forward

Brought Forward funding in Fiscal Year 2008 is increased by \$25,706,690 over the Fiscal Year 2007 adopted amount based on Fiscal Year 2008 carryforward requirements.

Use/Transfers to Fund Balances

The Use of Fund Balance increases by \$936,380 for Fiscal Year 2008. This includes the use of reserves set aside for the new tax revenue management system and fire apparatus, and for partial funding of the employee pay adjustment.

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
General Fund Contributions					
Library Fund	\$ 9,978,956	\$ -0-	\$ -0-	\$ -0-	\$ -0-
ParkWise Fund	-0-	-0-	1,469,684	-0-	1,103,820
Public Safety Academy Fund	6,517,893	5,583,860	6,622,871	5,614,050	5,265,840
Tucson Convention Center Fund	6,736,966	6,624,260	6,452,794	6,444,260	2,932,320
Mass Transit Fund	34,295,428	35,682,230	31,563,404	35,410,200	35,280,100
Total	<u>\$ 57,529,243</u>	<u>\$ 47,890,350</u>	<u>\$ 46,108,753</u>	<u>\$ 47,468,510</u>	<u>\$ 44,582,080</u>
Licenses and Permits					
ParkWise Meter Collections	\$ 400,675	\$ 582,980	\$ 435,000	\$ 597,980	\$ 526,500
Hooded Meter Fees	15,501	15,000	15,000	15,000	15,000
Total	<u>\$ 416,176</u>	<u>\$ 597,980</u>	<u>\$ 450,000</u>	<u>\$ 612,980</u>	<u>\$ 541,500</u>
Fines, Forfeitures, and Penalties					
ParkWise Parking Violations	\$ 595,570	\$ 660,000	\$ 600,970	\$ 670,000	\$ 610,000
Total	<u>\$ 595,570</u>	<u>\$ 660,000</u>	<u>\$ 600,970</u>	<u>\$ 670,000</u>	<u>\$ 610,000</u>
Use of Money and Property					
ParkWise Parking Revenues	\$ 1,678,712	\$ 2,914,250	\$ 2,316,000	\$ 2,891,600	\$ 2,891,600
Interest Earnings					
Public Safety Fund	7,098	-0-	-0-	-0-	-0-
ParkWise	38,748	-0-	-0-	-0-	-0-
Highway User Revenue Fund	577,952	520,000	518,400	550,000	550,000
Total	<u>\$ 2,302,510</u>	<u>\$ 3,434,250</u>	<u>\$ 2,834,400</u>	<u>\$ 3,441,600</u>	<u>\$ 3,441,600</u>
Grants and Shared Taxes					
Shared State Taxes					
Highway User Revenue Fund	\$ 41,975,903	\$ 42,468,000	\$ 43,654,940	\$ 44,167,000	\$ 45,934,000
Transfer to Debt Service	(8,785,169)	(8,827,240)	(8,411,490)	(7,656,870)	(8,041,140)
Local Transit Assistance Fund	2,592,000	2,592,000	2,592,000	2,592,000	2,592,000
Sub-Total	<u>35,782,734</u>	<u>36,232,760</u>	<u>37,835,450</u>	<u>39,102,130</u>	<u>40,484,860</u>

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Grants and Shared Taxes (Continued)					
State and Local Grants					
City Attorney Grants	\$ 75,401	\$ 148,260	\$ 112,920	\$ 148,260	\$ 161,920
City Court Grants	-0-	362,190	89,880	363,970	370,830
City Manager Grants	-0-	-0-	-0-	-0-	150,000
Community Services Grants	63,600	700,000	573,743	700,000	700,000
Fire Grants	37,391	350,000	381,433	350,000	350,000
Library Grants	174,129	-0-	-0-	-0-	-0-
Library - Pima County Support	11,871,008	-0-	-0-	-0-	-0-
Parks and Recreation Grants	812,077	966,390	289,111	966,390	1,264,330
Police Grants	1,373,805	1,181,980	1,619,829	1,107,110	1,436,700
Transportation Grants	6,605,071	52,280,140	12,525,710	33,924,040	51,456,500
Urban Planning	-0-	210,000	210,000	210,000	380,000
Information Technology	15,000	30,000	98,131	30,000	30,000
General Services Grants	-0-	500,000	-0-	500,000	500,000
General Expense	-0-	200,000	-0-	200,000	200,000
Debt Service	1,300,000	-0-	-0-	-0-	-0-
Pima County Bonds	4,025,082	19,039,600	9,487,141	15,523,000	18,726,600
Sub-Total	26,352,564	75,968,560	25,387,898	54,022,770	75,726,880
Total	\$ 62,135,298	\$ 112,201,320	\$ 63,223,348	\$ 93,124,900	\$ 116,211,740
Charges for Current Services					
Public Safety Academy	\$ 387,098	\$ 883,240	\$ 747,390	\$ 887,530	\$ 887,530
Library Charges	622,646	-0-	-0-	-0-	-0-
Public Transportation					
Full Fares	6,655,255	6,750,000	7,080,750	6,850,000	7,400,000
Special Reduced Fares	1,639,812	2,340,000	1,651,060	2,340,000	1,800,000
Shuttle Service	28,497	20,000	60,190	20,000	38,000
Advertising Revenue	126,793	310,000	70,000	320,000	350,000
County/Other Local Operating Assistance	4,383,076	3,600,000	3,948,840	3,760,000	3,567,000
Special Needs	386,480	330,000	409,160	330,000	330,000
Other	21,252	180,000	200,000	180,000	205,000
Sub-Total	13,241,165	13,530,000	13,420,000	13,800,000	13,690,000

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Charges for Current Services (Continued)					
Tucson Convention Center					
Room and Space Rental	\$ 1,163,801	\$ 1,500,000	\$ 1,575,750	\$ 1,590,000	\$ 1,588,290
Box Office Fees	174,350	175,000	233,420	188,000	188,000
Parking	716,055	981,000	924,750	1,007,000	879,500
Parking Facility Fee	72,000	120,000	110,000	127,000	127,000
Recovered Expenditures	45,503	126,000	31,820	126,000	195,000
Catering and Concessions	536,682	516,000	652,910	557,000	557,220
Program Sales	40,466	60,000	23,430	60,000	62,000
Commission Revenues	171,482	136,000	225,610	146,000	145,790
Facility User Fees	341,331	363,000	340,000	404,000	404,030
Miscellaneous	175,822	106,000	198,660	106,000	166,000
Sub-Total	3,437,492	4,083,000	4,316,350	4,311,000	4,312,830
Total	\$ 17,688,401	\$ 18,496,240	\$ 18,483,740	\$ 18,998,530	\$ 18,890,360
Public Housing Local Revenue	\$ 2,555,153	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000
Federal Grants					
Public Housing Federal Revenue					
Conventional/Development Fund	\$ 3,651,284	\$ 3,818,200	\$ 3,741,819	\$ 3,868,200	\$ 3,877,660
H.O.M.E. Fund	3,437,747	9,142,280	8,742,280	8,277,500	12,146,060
Section 8 Fund	25,963,775	27,710,190	28,000,776	27,603,790	27,727,370
Public Housing Capital Fund	1,907,790	3,388,130	3,583,816	3,203,200	3,671,320
Miscellaneous Federal Housing Funds	2,710,025	4,889,270	5,489,519	4,789,350	5,372,980
HOPE VI Funds	1,575,873	9,101,680	7,687,530	5,907,280	5,610,260
Sub-Total	39,246,494	58,049,750	57,245,740	53,649,320	58,405,650
Other Federal Revenue					
Community Development Block Grant Entitlement	7,650,383	11,353,760	8,580,356	8,010,290	10,894,800
City Attorney Grants	302,442	338,440	250,180	338,440	344,620
City Manager Grants	-0-	-0-	-0-	-0-	250,000
Community Services Grants	406,559	398,540	383,600	317,870	1,584,270
City Court Grants	26,597	-0-	-0-	-0-	-0-
Fire Grants	1,314,640	911,880	480,601	556,840	2,874,440
Information Technology Grants	-0-	300,000	-0-	300,000	300,000
Library Grants	53,250	-0-	-0-	-0-	-0-
Parks and Recreation Grants	313,226	581,590	546,084	581,590	598,630
Police Grants	4,614,284	5,516,110	6,207,011	5,373,950	15,141,670
Urban Planning Grants	192,227	390,000	390,000	390,000	460,000
Mass Transit Grants	15,471,293	34,853,610	8,468,690	25,981,510	34,726,870
Transportation Grants	6,026,632	17,855,700	13,591,045	10,852,940	27,196,910

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Federal Grants					
Other Federal Revenue (Continued)					
General Expense Grants	\$ 35,875	\$ 2,250,000	\$ 134,125	\$ 1,600,000	\$ 600,000
General Services Grants	-0-	500,000	-0-	500,000	500,000
Sub-Total	36,407,408	75,249,630	39,031,692	54,803,430	95,472,210
Total	\$ 75,653,902	\$ 133,299,380	\$ 96,277,432	\$ 108,452,750	\$ 153,877,860
Non-Revenue Receipts					
Sale of Property					
Highway User Revenue Fund	\$ 406,987	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Mass Transit	19,883	-0-	-0-	-0-	-0-
Sub-Total	426,870	-0-	-0-	-0-	-0-
Other Non-Revenue Receipts					
Library Fund	144	-0-	-0-	-0-	-0-
Contributions	1,210,886	350,000	1,111,862	350,000	951,000
Highway User Revenue Fund	347,095	1,525,000	1,343,000	1,400,000	1,586,490
Impact Fees	170,272	6,852,500	2,075,000	-0-	15,634,700
Mass Transit Fund	-0-	-0-	-0-	-0-	570,000
ParkWise Shuttle	12,032	15,000	12,000	15,000	515,000
Sub-Total	1,740,429	8,742,500	4,541,862	1,765,000	19,257,190
Total	\$ 2,167,299	\$ 8,742,500	\$ 4,541,862	\$ 1,765,000	\$ 19,257,190
Certificates of Participation					
ParkWise	\$ 2,454,991	\$ -0-	\$ -0-	\$ -0-	\$ 9,800,000
Fleet Services Fund	-0-	2,175,490	2,175,490	1,605,000	-0-
Total	\$ 2,454,991	\$ 2,175,490	\$ 2,175,490	\$ 1,605,000	\$ 9,800,000
Brought Forward					
Highway User Revenue Fund	\$ 802,100	\$ 3,557,300	\$ 1,415,700	\$ -0-	\$ 1,387,100
Mass Transit Fund	737,820	2,160,100	2,160,100	-0-	2,874,000
ParkWise	-0-	-0-	-0-	-0-	139,000
Total	\$ 1,539,920	\$ 5,717,400	\$ 3,575,800	\$ -0-	\$ 4,400,100

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Use of Fund Balance					
Highway User Revenue Fund	\$ 5,233,210	\$ 6,247,670	\$ 5,022,264	\$ 3,866,030	\$ 6,569,960
ParkWise Fund	1,146,946	-0-	-0-	-0-	-0-
Public Safety Academy	943	-0-	-0-	-0-	-0-
Tucson Convention Center	458,418	158,000	302,070	110,000	109,970
Total	<u>\$ 6,839,517</u>	<u>\$ 6,405,670</u>	<u>\$ 5,324,334</u>	<u>\$ 3,976,030</u>	<u>\$ 6,679,930</u>
Total Special Revenue Funds	\$ 231,877,980	\$ 341,900,580	\$ 245,876,129	\$ 282,395,300	\$ 380,572,360

SPECIAL REVENUE FUNDS

HIGHLIGHTS

General Fund Contributions

Changes from adopted Fiscal Year 2007 contribution amounts reflect increases and decreases necessary to offset the expenditures of specific funds based on their projected budgets and revenues. For Fiscal Year 2008, General Fund Contributions decreased a total of \$3,308,270. The transfer of the Tucson Convention Center's Rio Nuevo lease payment to the General Fund accounts for most of that decrease. Contributions to the Public Safety Academy and the Mass Transit funds also decreased, but those were offset by the contribution to ParkWise.

Licenses and Permits

This revenue consists of parking meter collections and fees, which are projected to decrease by \$56,480 from the Fiscal Year 2007 adopted revenues. Anticipated increases from new parking meter installations in Fiscal Year 2006 have not materialized.

Fines, Forfeitures, and Penalties

Parking violation fine revenues, the only revenue in this category, are projected to decrease by \$50,000 from the adopted Fiscal Year 2007 budget. Current revenue collections do not bear out the additional revenue that was added to the Fiscal Year 2007 Adopted Budget

Use of Money and Property

For Fiscal Year 2008, this revenue category is increased by just \$7,350 over the adopted budget for Fiscal Year 2007. While interest earnings are anticipated to be \$30,000 more, off-street parking revenue is decreased by \$22,650. Increased parking garage revenues from the Pennington Garage have not been realized.

Grants and Shared Taxes

For Fiscal Year 2008, grants and shared taxes are increased by \$4,010,420 over the adopted budget for Fiscal Year 2007. Shared state fuel taxes increased by \$4,252,100, but grant funding decreased by \$241,680.

Charges for Current Services

Charges for services in the Special Revenue Funds are from three sources: the Public Safety Academy, Sun Tran/Van Tran public transit, and the Tucson Convention Center. These user fees are projected to increase by \$394,120 in Fiscal Year 2008 over the adopted Fiscal Year 2007 revenues. While revenues from the Public Safety Academy are projected to remain essentially the same, increases are anticipated in public transit and convention center revenues.

Federal Grants

Fiscal Year 2008 federal funding is anticipated to be \$20,578,480 higher than the adopted budget for Fiscal Year 2007 based on anticipated grant awards and the completion of projects. Increased capacity of \$10 million is included for Homeland Security grants to urban areas. Most of the rest of the increase is for Transportation transit and roadway grants.

Non-Revenue Receipts

The \$10,514,690 increase in Fiscal Year 2008 is primarily due to the programming of impact fee revenue. While capacity for impact fees was included in the Fiscal Year 2007 budget, that capacity has been increased by \$8,782,200 based on actual impact fees collected. Other major increases include \$500,000 for ParkWise's GemRide shuttle revenue, \$570,000 in lease payments at Transportation facilities, and \$601,000 in civic contributions and special assessments.

SPECIAL REVENUE FUNDS

Certificates of Participation

Certificates of Participation totaling \$9,800,000 are added in Fiscal Year 2008 for the Depot Plaza Garage. That increase is offset by a correction in the funding source for replacement fire apparatus from the Fleet Service Fund to the General Fund.

Brought Forward

Brought forward funding is decreased by \$1,317,300 for Fiscal Year 2008 due to less carryforward needed for unfinished projects.

Use of Fund Balance

For Fiscal Year 2008, the use of fund balances is increased by \$274,260 from the adopted budget for Fiscal Year 2007. The increase is based on reserve requirements for Transportation and ParkWise programs and projects, and an increased use of developer in-lieu fees collected in prior years.

ENTERPRISE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Environmental Services Fund					
Operating Revenue					
Commercial Refuse Services	\$ 6,496,796	\$ 6,460,600	\$ 7,148,100	\$ 6,460,600	\$ 7,148,100
Residential Refuse Services	19,741,538	19,772,000	20,199,890	20,167,000	20,401,890
Brush and Bulky Refuse Service	3,213,739	3,295,000	3,288,360	3,361,000	3,321,240
Landfill Services Charges	7,536,460	7,209,000	9,037,000	7,353,000	8,000,000
Self Haul Fee	1,177,281	1,224,000	1,221,000	1,248,000	1,248,480
Refuse Penalties	144,812	158,000	158,000	161,000	164,000
Recycling	1,326,093	1,369,000	1,376,400	1,396,000	1,396,380
Sub-Total	39,636,719	39,487,600	42,428,750	40,146,600	41,680,090
Non-Operating Revenue					
Interest Earnings	-0-	196,000	346,000	196,000	196,000
Household Hazardous Waste	310,846	314,500	314,500	314,500	314,500
Federal Grants	-0-	500,500	138,200	181,500	181,500
State and Local Grants	-0-	410,000	410,000	410,000	410,000
Certificates of Participation	-0-	1,501,000	888,000	8,144,000	8,424,000
Miscellaneous Revenues	104,506	-0-	80,000	-0-	1,000,000
Brought Forward Funds	-0-	-0-	-0-	-0-	2,983,380
Transfers to Reserves	(4,953,711)	(2,944,360)	(6,128,340)	(1,931,690)	(3,146,270)
Sub-Total	(4,538,359)	(22,360)	(3,951,640)	7,314,310	10,363,110
Total	\$ 35,098,360	\$ 39,465,240	\$ 38,477,110	\$ 47,460,910	\$ 52,043,200
Golf Course Fund					
El Rio	\$ 781,145	\$ 1,304,460	\$ 1,304,460	\$ 1,304,460	\$ 1,304,460
Randolph	4,836,872	5,557,200	5,557,200	5,557,200	5,557,200
Fred Enke	1,533,518	1,665,980	1,665,980	1,665,980	1,665,980
Silverbell	952,158	1,816,900	1,809,958	1,816,900	1,816,900
Other	3,769,009	563,510	-0-	563,510	719,280
Certificates of Participation	-0-	70,000	-0-	-0-	-0-
Total	\$ 11,872,702	\$ 10,978,050	\$ 10,337,598	\$ 10,908,050	\$ 11,063,820

ENTERPRISE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Water Utility					
Operating Water Revenue					
Potable Water Sales	\$ 98,096,000	\$ 101,813,000	\$ 96,451,000	\$ 110,762,000	\$ 108,113,000
Central Arizona Project Surcharge	1,966,000	1,983,000	1,848,000	2,026,000	1,938,000
Reclaimed Water Sales	5,856,000	6,103,000	5,883,000	6,632,000	7,038,000
Connection Fees	3,767,000	2,900,000	3,100,000	2,900,000	2,800,000
Development Plan Review/ Inspection Fees	1,867,000	-0-	1,700,000	-0-	1,700,000
Miscellaneous Revenue	3,374,000	4,923,000	2,909,000	8,028,000	6,017,000
Billing Services	2,962,000	2,992,000	2,973,000	3,022,000	3,003,000
Sub-Total	<u>117,888,000</u>	<u>120,714,000</u>	<u>114,864,000</u>	<u>133,370,000</u>	<u>130,609,000</u>
Non-Operating Water Revenue					
Interest Earnings	2,216,000	1,233,000	1,727,000	1,208,000	1,696,000
Tucson Airport Remediation Project Reimbursement	1,172,000	816,000	816,000	908,000	908,000
Water System Equity Fees	7,844,000	8,332,000	7,182,000	8,594,000	8,181,000
CAP Water Resource Fees	-0-	-0-	-0-	-0-	1,306,000
Area Development Fees	1,231,000	474,000	1,100,000	474,000	815,000
Transfers from Working Capital	-0-	11,862,350	9,911,580	(458,380)	2,177,010
Miscellaneous Grants	11,000	850,000	250,000	156,990	779,990
Sub-Total	<u>12,474,000</u>	<u>23,567,350</u>	<u>20,986,580</u>	<u>10,882,610</u>	<u>15,863,000</u>
Total	<u>\$ 130,362,000</u>	<u>\$ 144,281,350</u>	<u>\$ 135,850,580</u>	<u>\$ 144,252,610</u>	<u>\$ 146,472,000</u>
Total Enterprise Funds	\$ 177,333,062	\$ 194,724,640	\$ 184,665,288	\$ 202,621,570	\$ 209,579,020

ENTERPRISE FUNDS

HIGHLIGHTS

Environmental Services

Environmental Services total revenues projected for Fiscal Year 2008 are increased by \$12,577,960 over the Fiscal Year 2007 adopted revenues. Operating revenues are expected to increase by \$2,192,490 from collection and landfill charges based on customer demand. The other major increases are an additional \$6,923,000 in certificates of participation for landfill projects and \$1,000,000 in capacity for possible new revenues. For Fiscal Year 2008, the transfer to reserves is anticipated to be \$201,910 more than the adopted budget for Fiscal Year 2007.

Golf Fund

Golf revenues are projected to increase by \$85,770 for Fiscal Year 2008 from pro shop and concessions activities.

Water Utility

The projected revenue for Fiscal Year 2008 reflects an increase of \$2,190,650 over the Fiscal Year 2007 adopted amount based on growth in service demand and a rate increase that will generate a 6.2% more in water sale revenues. The revenue increase in Fiscal Year 2008 is partially driven by the need to purchase, recharge, and recover additional Central Arizona Project water.

DEBT SERVICE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
General Obligation Debt Service					
Secondary Property Tax	\$ 21,697,938	\$ 26,808,660	\$ 25,608,660	\$ 27,815,830	\$ 28,022,940
Total	<u>\$ 21,697,938</u>	<u>\$ 26,808,660</u>	<u>\$ 25,608,660</u>	<u>\$ 27,815,830</u>	<u>\$ 28,022,940</u>
Street and Highway Debt Service					
State Shared Taxes	\$ 16,917,622	\$ 16,869,240	\$ 16,869,240	\$ 16,837,200	\$ 16,837,200
Total	<u>\$ 16,917,622</u>	<u>\$ 16,869,240</u>	<u>\$ 16,869,240</u>	<u>\$ 16,837,200</u>	<u>\$ 16,837,200</u>
Total Debt Service Funds	<u>\$ 38,615,560</u>	<u>\$ 43,677,900</u>	<u>\$ 42,477,900</u>	<u>\$ 44,653,030</u>	<u>\$ 44,860,140</u>

DEBT SERVICE FUNDS

HIGHLIGHTS

General Obligation Debt Service

General obligation debt service is funded from the secondary property tax. For Fiscal Year 2008, the revenue from the secondary property tax is increased by \$1,214,280 over the adopted Fiscal Year 2007 revenue. The increase is due to an anticipated sale of \$13.3 million, the last of the 2000 bond authorization, and changes in the debt repayment schedule due to a recent refunding. The current repayment schedule on the outstanding bonds extends to 2021.

Street and Highway Debt Service

Street and highway debt service is financed entirely from state-shared gasoline taxes and highway user fees and charges. For Fiscal Year 2008, this debt service will decrease by \$32,040 from the adopted Fiscal Year 2007 requirement. The city has sold all of the 2000 street and highway revenue bond authorization. The current repayment schedule extends to 2018.

INTERNAL SERVICE FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
Risk Management Internal Service Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 15,000,000
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 15,000,000</u>
Tucson Supplemental Retirement System Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 40,000,000
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 40,000,000</u>
Total Internal Service Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 55,000,000

INTERNAL SERVICE FUNDS

HIGHLIGHTS

Risk Management Internal Service Fund

Home Rule and recent Government Accounting Standards require that the city budget include capacity not previously budgeted. In prior year budgets, expenses associated with the city's risk management program, which includes self-insurance liability, loss prevention, and wellness functions, was budgeted only in user department budgets. However, those expenses must now be shown in user department budgets and again in the internal service fund's budget. For Fiscal Year 2008, capacity of \$15,000,000 has been estimated.

Tucson Supplemental Retirement System Fund

The city's retirement-related expenses are also required to be budgeted both in user departments and in the pension fund. In prior years, pension expenses were budgeted on in the user departments' budgets. For Fiscal Year 2008, capacity of \$40,000,000 has been estimated.

CAPITAL PROJECTS FUNDS

FINANCIAL RESOURCES	Actual FY 2006	Adopted FY 2007	Estimated FY 2007	Approved FY 2008	Adopted FY 2008
General Obligation Bond Funds Proceeds*	\$ 26,673,400	\$ 21,073,700	\$ 11,907,978	\$ 3,301,000	\$ 15,305,200
Street and Highway Revenue Bond Funds Proceeds	2,926,712	85,300	1,035,571	-0-	63,200
Water Revenue Bond Funds Proceeds	31,511,517	29,900,900	28,413,980	32,030,000	45,579,900
Total Capital Projects Funds	\$ 61,111,629	\$ 51,059,900	\$ 41,357,529	\$ 35,331,000	\$ 60,948,300

*Includes general obligation bonds authorized for Environmental Services that were previously shown separately.

CAPITAL PROJECTS FUNDS

HIGHLIGHTS

General Obligation Bonds

General obligation bonds are used to finance capital projects other than street and water projects. The Fiscal Year 2008 use of these bonds is decreased by \$5,768,500 based on project implementation and completion. It is anticipated that the 2000 authorization will be fully expended in Fiscal Year 2010.

Street and Highway Revenue Bonds

Street and highway revenue bonds are used to finance Transportation's street and right-of-way capital projects. The Fiscal Year 2008 use of these bonds is decreased \$22,100 due to delays in project completion. The 2000 authorization will be fully expended in Fiscal Year 2008.

Water Revenue Bonds

The water revenue bonds used to finance water capital projects in Fiscal Year 2008 are from the 2005 authorization. For Fiscal Year 2008 use of these bonds is increased by \$15,679,000 over the adopted budget for Fiscal Year 2007. Much of that increase is due to an acceleration of recharge and recovery projects. It is anticipated that the 2005 authorization will fund projects through Fiscal Year 2009.

REVENUE DESCRIPTIONS

PRIMARY PROPERTY TAX

The city imposes a primary property tax on real and personal property located within the city limits. Revenues from the primary property tax can be used to pay any expense legally chargeable to the General Fund.

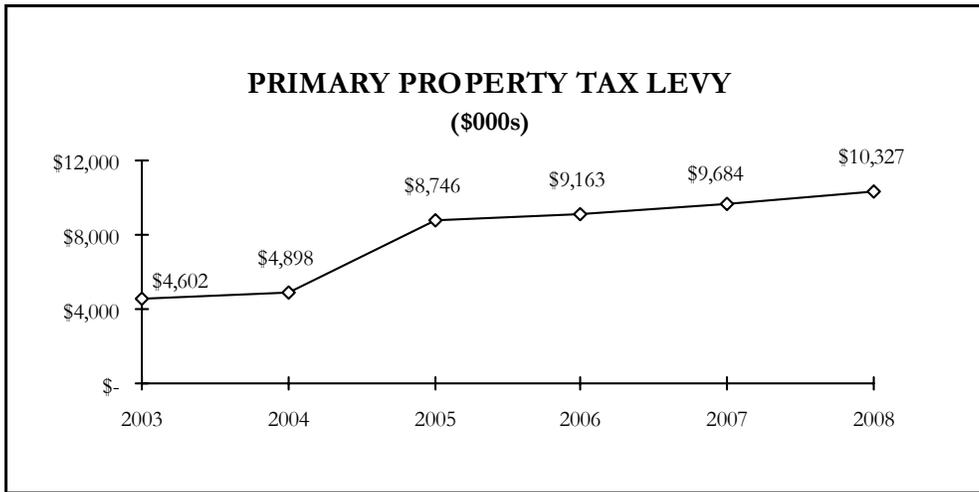
The Arizona State Constitution limits the amount of ad valorem taxes levied by the city to an amount not to exceed 2% greater than the maximum allowable levy in the preceding year. This levy limitation permits additional taxes to be levied on new or annexed property. New or annexed property may be taxed at the allowable rate computed for property taxed in the preceding year. Property annexed by November 1 will be taxable in the following year. The city is required, under the Truth in Taxation law, to notify taxpayers of its intention to increase primary property taxes over the previous year's levy, unless the amount increased is solely attributable to new construction and annexations.

The estimated primary property tax for Fiscal Year 2008 is \$10,327,380 or \$642,990 more than last year's actual levy of \$9,684,390. (The adopted levy for Fiscal Year 2007 was \$9,733,050.) The tax rate for Fiscal Year 2008 will decrease to \$0.3296 per \$100 of assessed valuation from \$0.3411 in Fiscal Year 2007.

The following table and graph show the primary assessed valuations, levies, and rates since Fiscal Year 2003.

PRIMARY PROPERTY TAX (\$000s)

<u>Fiscal Year</u>	<u>Primary Assessed Valuation</u>	<u>Percent Change</u>	<u>Maximum Allowable Tax Levy</u>	<u>Primary Tax Levy</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>Rate per \$100 Assessed Valuation</u>
2003	\$ 2,202,934	5.4%	\$ 8,146	\$ 4,602	\$ 1,671	57.0%	\$ 0.2089
2004	2,344,619	6.4%	8,477	4,898	296	6.4%	0.2089
2005	2,477,050	5.6%	8,812	8,746	3,848	78.6%	0.3531
2006	2,641,419	6.6%	9,175	9,163	417	4.8%	0.3469
2007	2,839,163	7.5%	9,733	9,684	521	5.7%	0.3411
2008 (Estimate)	3,133,309	10.4%	10,327	10,327	643	6.6%	0.3296



SECONDARY PROPERTY TAX

The city imposes a secondary property tax on real property located within the city limits. The secondary property tax is used solely to pay the principal and interest on general obligation bonds approved by the voters.

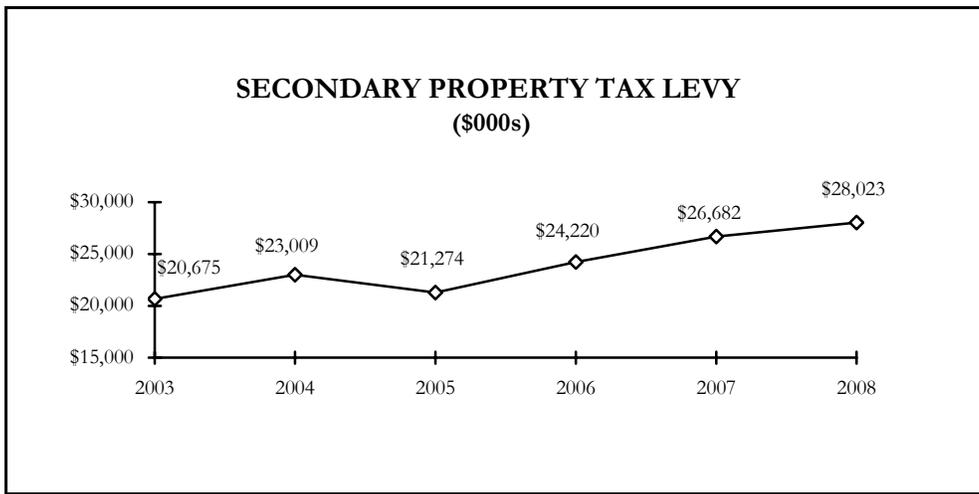
The secondary assessed valuation is based on the full cash value of real property. Full cash value is synonymous with the market value as determined by standard appraisal methods. There is no limitation on the annual increase to the full cash value as it applies to the computation of the secondary property tax.

The city's total estimated debt service requirement on general obligation bonds for Fiscal Year 2008 is \$28,022,940, an increase of \$1,341,360 over the Fiscal Year 2007 actual levy of \$26,681,580. (The adopted levy for Fiscal Year 2007 was \$26,808,660.) A new sale of \$13,300,000 has been held for projects in Fiscal Year 2008; this was the final sale of the 2000 general obligation bond authorization. The secondary property tax rate for Fiscal Year 2008 is estimated at \$0.8025 per \$100 of assessed valuation, a decrease from \$0.8846 in Fiscal Year 2007.

The following table and graph show secondary assessed valuations, levies, and rates since Fiscal Year 2003.

**SECONDARY PROPERTY TAX
(\$000s)**

<u>Fiscal Year</u>	<u>Secondary Assessed Valuation</u>	<u>Percent Change</u>	<u>Secondary Tax Levy</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>Rate per \$100 Assessed Valuation</u>
2003	\$ 2,268,733	6.1%	\$ 20,675	(279)	(1.3%)	\$ 0.9113
2004	2,427,124	7.0%	23,009	2,334	11.3%	0.9480
2005	2,558,231	5.4%	21,274	(1,735)	(7.5%)	0.8316
2006	2,722,916	6.4%	24,220	2,946	13.8%	0.8895
2007	3,016,231	10.8%	26,682	2,462	10.2%	0.8846
2008 (Estimate)	3,491,927	15.8%	28,023	1,341	5.0%	0.8025



CITY BUSINESS PRIVILEGE (SALES) TAX

The Tucson City Charter authorizes a 2% tax on taxable business activity transacted within the city. The tax is imposed on 15 separate business activities. The charter exempts food purchased for home consumption, but allows the taxation of food consumed in restaurants or carried out. The charter further provides that as long as the city sales tax is imposed, no ad valorem tax shall be imposed on real or personal property within the city in excess of \$1.75 per \$100 of assessed valuation.

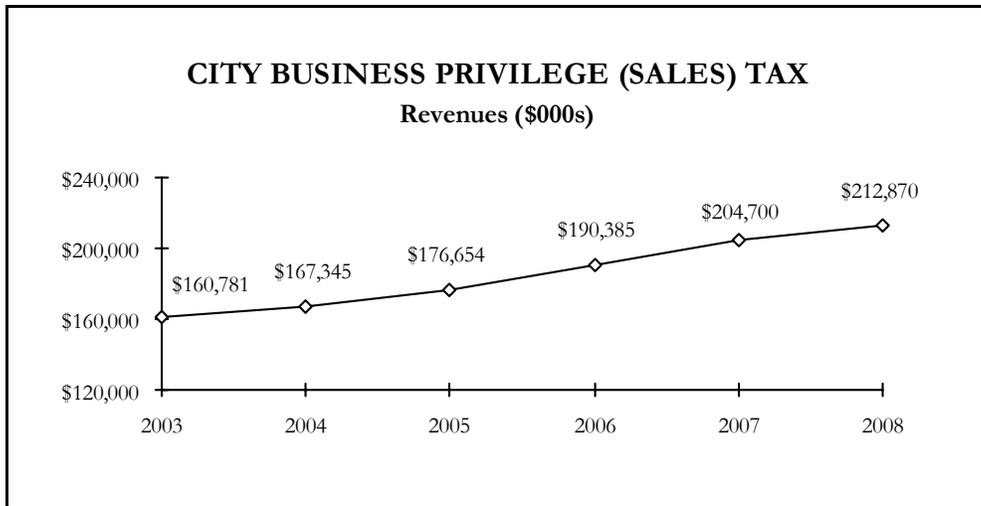
The city sales tax can be used to pay any expense legally chargeable to the General Fund. Mayor and Council policy allocates a portion of the city sales tax collected to finance part of mass transit, convention center, and public housing operations.

Tucson's economy is anticipated to grow, and sales tax revenues are projected to increase 4.5% in Fiscal Year 2008 after adjustment for one-time payments in Fiscal Year 2007, for a net increase of 4%. The city sales tax estimate of \$212,870,000 for Fiscal Year 2008 is an increase of \$8,170,000 over the revised estimate of \$204,700,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$199,500,000.)

The following table and graph show city business privilege tax collections since Fiscal Year 2003.

**CITY BUSINESS PRIVILEGE (SALES) TAX
(\$000s)**

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 160,781	\$ 2,642	1.7%
2004*	167,345	6,564	4.1%
2005	176,654	9,309	5.6%
2006	190,385	13,731	7.8%
2007 (Estimate)	204,700	14,315	7.5%
2008 (Estimate)	212,870	8,170	4.0%



*Does not include recognition of a one-time settlement from Qwest of \$7 million.

TRANSIENT OCCUPANCY AND ROOM TAXES

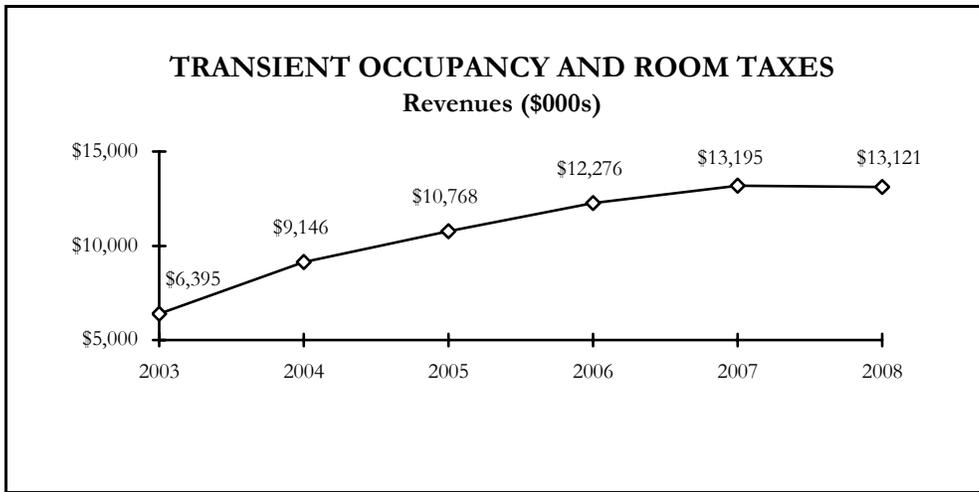
The Tucson City Code authorizes a 6% transient occupancy tax on rooms rented for 30 days or less. This rate was increased from 4% in Fiscal Year 2004, generating revenues that by state statute must be dedicated to tourism-related expenses. In Fiscal Year 1989, a daily hotel/motel surtax of \$1.00 per rented room was authorized.

Estimated transient occupancy and room taxes for Fiscal Year 2008 total \$13,121,000, a decrease of \$74,000 from the estimate of \$13,195,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$12,490,000.) The large increases in Fiscal Years 2004, 2005, and 2006 reflect the rebounding of the tourism sector of the Tucson economy. The increase for Fiscal Years 2007 is expected to be more moderate, leveling off for Fiscal Year 2008.

The following table and graph show Transient Occupancy and Room Tax collections since Fiscal Year 2003.

TRANSIENT OCCUPANCY AND ROOM TAXES
(\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 6,395	\$ 56	0.9%
2004	9,146	2,751	43.0%
2005	10,768	1,622	17.7%
2006	12,276	1,508	14.0%
2007 (Estimate)	13,195	919	7.5%
2008 (Estimate)	13,121	(74)	(0.1%)



LICENSES AND PERMITS

Revenues from licenses and permits include sign and street work permits, parking meter collections, utility franchises, cable television, refuse hauling permits, and telecommunications licenses and franchise fees.

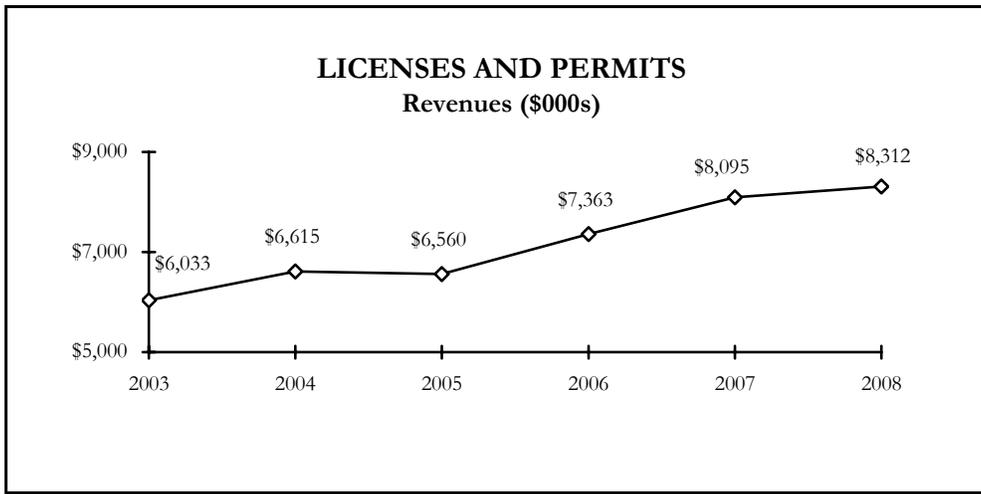
Although utility franchises are accounted for and reported within this revenue category in the city’s Comprehensive Annual Financial Report (CAFR), the discussion on estimated revenues from utility franchises granted to Tucson Electric Power and Southwest Gas is presented separately in the budget document under Public Utility Tax and Utility Franchise Fees on the following page.

Revenues from licenses and permits in Fiscal Year 2008, excluding utility franchise fees, is estimated to total \$8,311,500 which is close to a 3% increase over the estimate of \$8,095,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$7,913,630.) The increase is primarily due to parking meter collections from new meters and a temporary workzone traffic control fees. Those increases are offset by a reduction in cable television license revenues.

The following table and graph show revenues from licenses and permits since Fiscal Year 2003.

**LICENSES AND PERMITS
(\$000s)**

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 6,033	\$ 1,136	23.2%
2004	6,615	582	9.6%
2005	6,560	(55)	(0.8%)
2006	7,363	803	12.2%
2007 (Estimate)	8,095	732	9.9%
2008 (Estimate)	8,312	217	2.7%



PUBLIC UTILITY TAX AND UTILITY FRANCHISE FEES

The Tucson City Charter authorizes a tax on the gross sales by public utilities to consumers within the city limits. By ordinance, the tax rate is set at 2% and is imposed in addition to the 2% city sales tax.

Under the terms of voter-approved franchises granted to Tucson Electric Power and Southwest Gas for use of public rights-of-way, the city collects 2.25% on gross sales of electricity and 3.0% on natural gas consumed within the city (1% is set aside for utility relocation reimbursements). Franchise fee payments received from Tucson Electric Power and Southwest Gas reduce the public utility tax due from them.

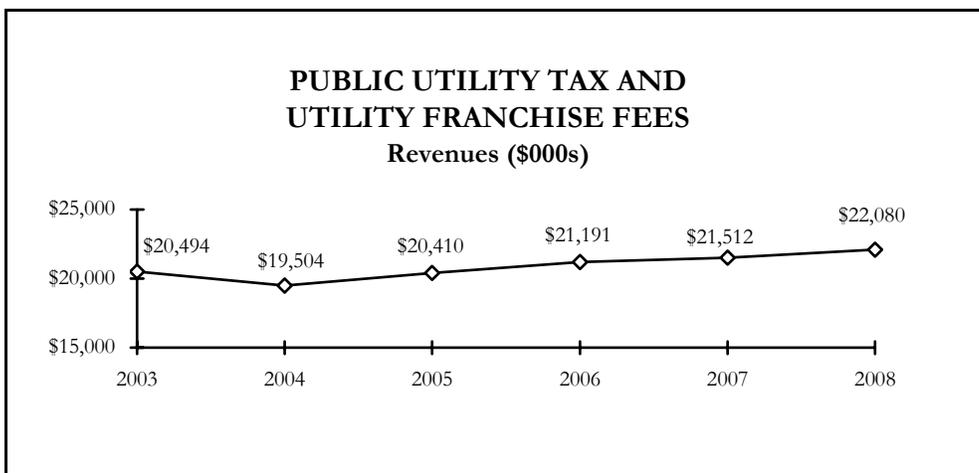
Monies received from public utility taxes and utility franchise fees can be used to pay any expense legally chargeable to the General Fund.

Estimated revenues from public utility taxes and utility franchise fees for Fiscal Year 2008 total \$22,080,000, which is less than a 3% increase over the estimate of \$21,512,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$21,550,000.) The increase of \$568,000 from both revenues is primarily due to anticipated growth of \$570,000 in the utility franchise fees.

The following table and graph show revenues from public utility tax and utility franchise fees since Fiscal Year 2003.

PUBLIC UTILITY TAX AND UTILITY FRANCHISE FEES
(\$000s)

<u>Fiscal Year</u>	<u>Public Utility Tax</u>	<u>Utility Franchise Fees</u>	<u>Combined Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 9,267	\$ 11,227	\$ 20,494	\$ 1,439	7.6%
2004	7,888	11,616	19,504	(990)	(4.8%)
2005	7,655	12,755	20,410	906	4.6%
2006	7,585	13,606	21,191	781	3.8%
2007 (Estimate)	7,212	14,300	21,512	321	1.5%
2008 (Estimate)	7,210	14,870	22,080	568	2.6%



FINES, FORFEITURES, AND PENALTIES

This revenue is derived from fines for violations of state statutes and the Tucson City Code, and from forfeitures collected by the Tucson Police Department and the City Attorney. Fines include driving under the influence and other criminal misdemeanors, civil traffic violations, and parking violations.

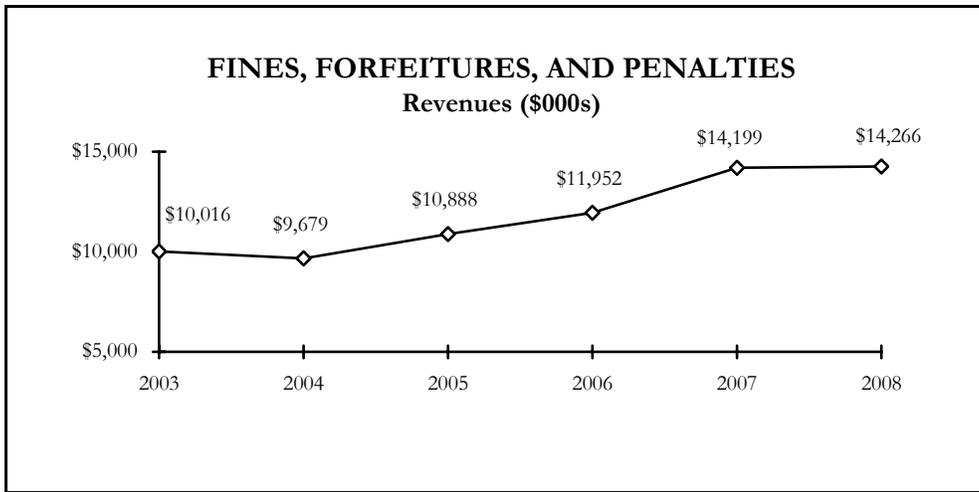
Fine revenues can be used by the city to pay any expense legally chargeable to the General Fund. Forfeitures are restricted for specific law enforcement expenses.

The Fiscal Year 2008 estimate of \$14,265,850 is less than 1% higher than the estimate of \$14,199,161 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$15,630,610, which included an anticipated increase in court default fees.)

The following table and graph show revenues from fines, forfeitures, and penalties since Fiscal Year 2003.

FINES, FORFEITURES, AND PENALTIES
(\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 10,016	\$ 2,065	25.9%
2004	9,679	(337)	(3.4%)
2005	10,888	1,209	12.5%
2006	11,952	1,064	9.8%
2007 (Estimate)*	14,199	2,247	18.8%
2008 (Estimate)	14,266	67	0.5%



*In Fiscal Year 2007, there is an increase in anticipated forfeiture funds.

VEHICLE LICENSE (AUTO LIEU) TAX

This tax is imposed by the Arizona Constitution as an “in-lieu” tax for all ad valorem property taxes assessed on motor vehicles. The Arizona Constitution requires that vehicle license tax (VLT) revenues be distributed to the state, counties, and cities. Additionally, the Arizona Constitution requires that a portion of the state’s distribution go to fund education. The vehicle license tax is based on each \$100 of a vehicle’s value. The valuation base for the first year is 60% of the manufacturer’s base retail price and the annual depreciation rate for each succeeding year is 16.25%. The statute sets specific rates for each vehicle license to be charged for each distribution recipient. The rate for incorporated cities and towns is sixty-nine cents (\$0.69) for a new vehicle and seventy-one cents (\$0.71) for a vehicle older than one year.

Current law provides that 41.37% of vehicle license taxes collected be retained by the state in the Highway User Revenue Fund (HURF). The statute establishes distributions that include 22.62% to the county treasurer to be distributed to the incorporated cities and towns of the county in proportion to the population of each as shown in the most recent United States census. As a result of the 2005 mid-decade census, Tucson’s portion of the state’s population declined, which diminished the city’s state-shared revenues.

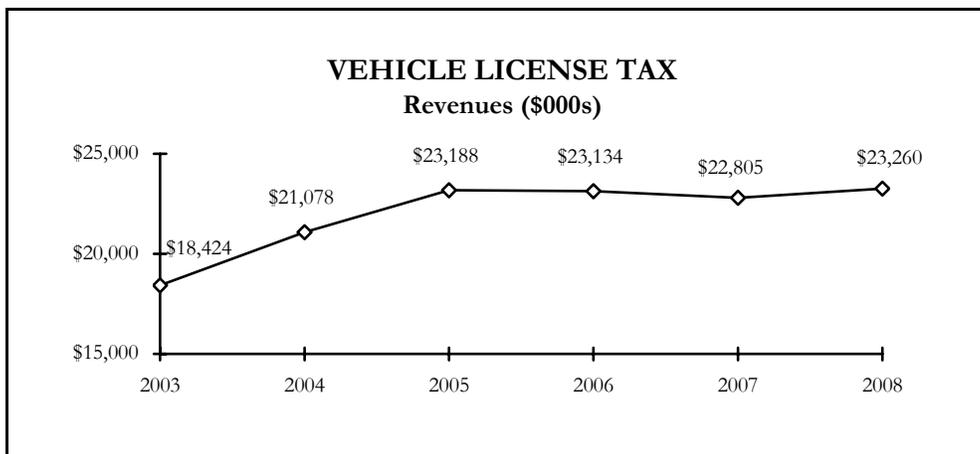
Vehicle license tax revenues received by the city can be used to pay any expense legally chargeable to the General Fund.

The City of Tucson’s vehicle license tax distributions for Fiscal Year 2008 are estimated to be \$23,260,000, which is an increase of 2% from the estimate of \$22,805,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$22,900,000.) Because the mid-decade census resulted in a loss of \$1,979,000 in Fiscal Year 2007, the increase of \$455,000 anticipated for Fiscal Year 2008 is just getting the city back to the pre-census level.

The following table and graph show the City of Tucson’s share since Fiscal Year 2003.

VEHICLE LICENSE TAX (\$000s)

<u>Fiscal Year</u>	<u>City of Tucson’s Distribution</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
2003	\$ 18,424	\$ (634)	(3.3%)
2004	21,078	2,654	14.4%
2005	23,188	2,110	10.0%
2006	23,134	(54)	(0.2%)
2007 (Estimate)	22,805	(329)	(1.4%)
2008 (Estimate)	23,260	455	2.0%



STATE SALES TAX

The state sales tax is assessed on the taxable income of business activities within the State of Arizona. The state taxes approximately 20 separate business activities using various rates ranging from 3.1% to 5.6%. Approximately 78% of the state sales tax is retained by the state’s general fund with 14% set aside for distribution to counties and 8% to incorporated cities and towns. Each city’s share is allocated in proportion to its population compared to the total population of the state. As a result of the mid-decade census, Tucson dropped in proportionate population of the state, which has diminished our distribution of this state-shared revenue.

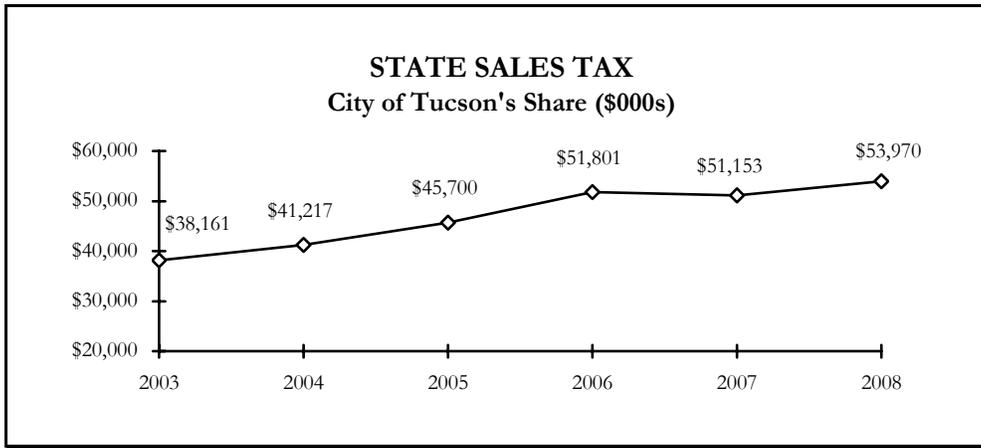
State-shared sales taxes can be used to pay any expense legally chargeable to the General Fund.

The City of Tucson's share of state sales tax for Fiscal Year 2008 is estimated to be \$53,970,000, an increase of more than 5% over the estimate of \$51,153,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$51,930,000.) The Fiscal Year 2008 increase of \$2,817,000 is based on state collection estimates.

The following table and graph show the state sales tax allocations to the City of Tucson since Fiscal Year 2003.

**STATE SALES TAX
(\$000s)**

<u>Fiscal Year</u>	<u>Total Distribution To Cities</u>	<u>Percent Change</u>	<u>City of Tucson's Share</u>		<u>Increase (Decrease)</u>	<u>Percent Change</u>
			<u>Percent</u>	<u>Amount</u>		
2003	\$ 318,000	2.4%	12.0%	\$ 38,161	\$ 628	1.7%
2004	343,475	8.0%	12.0%	41,217	3,056	8.0%
2005	380,830	10.9%	12.0%	45,700	4,483	10.9%
2006	431,675	13.4%	12.0%	51,801	6,101	13.3%
2007 (Estimate)	465,030	7.7%	11.0%	51,153	(648)	(1.2%)
2008 (Estimate)	490,630	5.5%	11.0%	53,970	2,817	5.5%



STATE REVENUE SHARING

Incorporated cities and towns are prohibited from imposing local income taxes, but in exchange they receive a share of net individual and corporate income taxes collected by the state. Distributions are made to cities and towns two fiscal years following the fiscal year in which the state collects the income taxes. The portion (of net income taxes collected two years earlier) currently distributable to incorporated cities and towns was set by statute at 15%. For Fiscal Year 2004, the state changed the rate to 14.8% by the state. For Fiscal Year 2005 and thereafter, the rate has been reinstated to 15%. Each city's share is allocated in proportion to its population compared to the total population of the state. As a result of the mid-decade census, Tucson dropped in proportionate population of the state, which has diminished our distribution of this state-shared revenue.

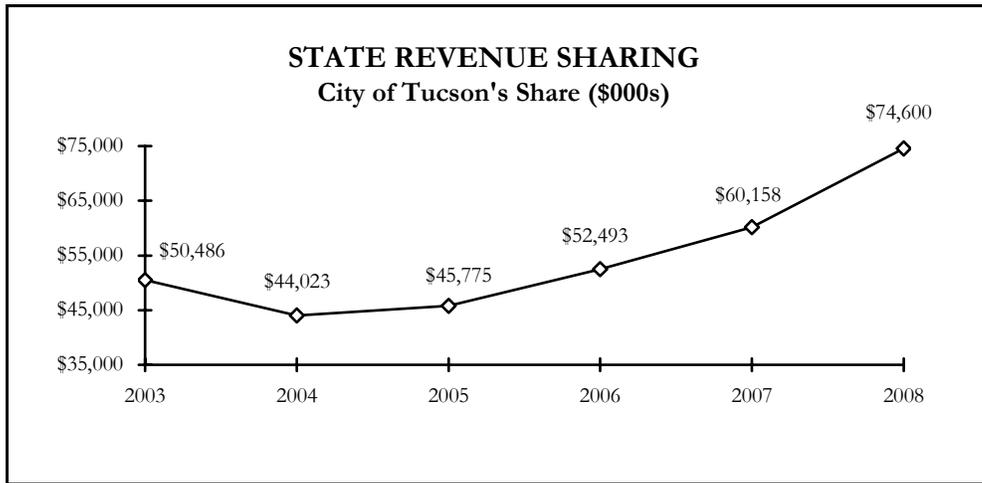
State-shared income taxes, also referred to as Urban Revenue Sharing, can be used to pay any expense legally chargeable to the General Fund.

The city's portion of state-shared income tax distributions is estimated to be \$74,600,000 for Fiscal Year 2008, which is an increase of 24% from the estimate of \$60,158,000 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$60,500,000.) The Fiscal Year 2008 increase of \$14,442,000 is based on state income tax collections from 2006, which reflected an improved statewide economy.

The following table and graph show the state income tax distributions to the City of Tucson since Fiscal Year 2003.

STATE REVENUE SHARING
(\$000s)

<u>Fiscal Year</u>	Total Distribution <u>To Cities</u>	Percent Change	Tucson's Share		Increase (Decrease)	Percent Change
			<u>Percent</u>	<u>Amount</u>		
2003	\$ 420,716	2.3%	12.0%	\$ 50,486	\$ (447)	(0.9%)
2004	366,858	(12.8%)	12.0%	44,023	(6,463)	(12.8%)
2005	381,458	4.0%	12.0%	45,775	1,752	4.0%
2006	437,442	14.7%	12.0%	52,493	6,718	14.7%
2007 (Estimate)	546,890	25.0%	11.0%	60,158	7,665	14.6%
2008 (Estimate)	678,180	24.0%	11.0%	74,600	14,442	24.0%



HIGHWAY USER REVENUE FUND (HURF) ALLOCATION

State of Arizona gasoline tax and highway user fees and charges are deposited in the state’s Highway User Revenue Fund (HURF). Prior to allocation to counties and cities, funds are distributed to the Arizona Department of Public Safety to fund highway patrol costs and to the Arizona Economic Strength Fund. The current distribution formula provides that 50.5% be retained in the state highway fund, 19% be distributed to counties, 27.5% be distributed to all incorporated cities and towns, and a final 3% be distributed to cities with a population greater than 300,000.

The 27.5% share earmarked for distribution to all incorporated cities and towns is often referred to as “regular HURF”; the Arizona Constitution requires that these funds be used solely for highway and street purposes, which includes payment of principal and interest on street and highway bonds. These funds are allocated to individual cities and towns using a two-tier distribution formula. One-half of the “regular HURF” is apportioned to each city or town based on the population each bears to the population of all cities and towns in the state. The remaining half is then apportioned to counties based on each county’s proportion of motor vehicle fuel sales within the state and is then distributed to each city or town within each county on the basis of its population.

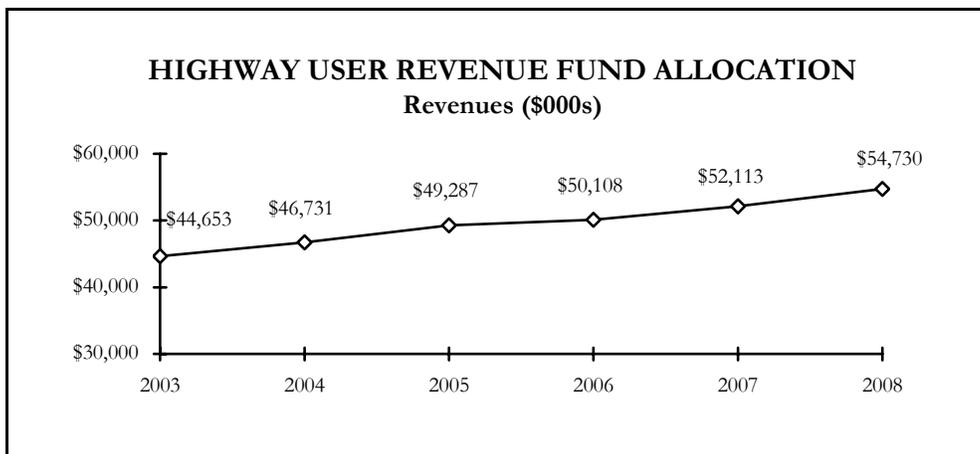
The 3% allocation distributable to cities and towns with a population greater than 300,000, sometimes referred to as “restricted HURF”, is also required to be used solely for highway and street purposes. However, these funds are further restricted to the acquisition of right-of-way or construction of streets or highways other than controlled-access highways. Phoenix, Tucson, and Mesa are the only cities currently sharing in this distribution, which is based on population.

The city’s share of HURF distributions from the state is estimated to be \$54,730,060 for Fiscal Year 2008, which is a 5% increase over the estimate of \$52,112,690 for Fiscal Year 2007. (The adopted budget for Fiscal Year 2007 was \$50,510,000.)

The following table and graph show the HURF allocations to the City of Tucson since Fiscal Year 2003.

HIGHWAY USER REVENUE FUND ALLOCATION (\$000s)

<u>Fiscal Year</u>	<u>27.5% Share</u>	<u>3% Share</u>	<u>Total</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 37,905	\$ 6,748	\$ 44,653	\$ 2,135	5.0%
2004	39,264	7,467	46,731	2,078	4.7%
2005	41,332	7,955	49,287	2,556	5.5%
2006	41,976	8,132	50,108	821	1.7%
2007 (Estimate)	43,655	8,458	52,113	2,005	4.0%
2008 (Estimate)	45,934	8,796	54,730	2,617	5.0%



LOCAL TRANSPORTATION ASSISTANCE FUND (LTAF)

In July 1981, the state legislature established the Local Transportation Assistance Fund (LTAF) consisting of monies deposited initially from the state lottery fund to be distributed to Arizona cities and towns. Current law places an annual ceiling of \$23,000,000 on funds deposited from the state lottery fund into the LTAF for distribution to cities and towns. However, regardless of lottery revenues, the Arizona Legislature must appropriate whatever amount is necessary to ensure that a minimum of \$20,500,000 annually is deposited in the LTAF.

Tucson, having a population of more than 300,000, is required to use these LTAF monies for public transportation operating expenses and related capital purposes. Statutes provide that cities may adopt resolutions authorizing the use of up to 10% annually of the LTAF monies for cultural, educational, historical, recreational, or scientific facilities or programs, or for certain non-residential outpatient local programs or services. However, the monies used in this manner must be matched equally with non-public monies spent for the same purposes.

In recent years, the LTAF has also been used as the depository for Arizona's share of revenues from the multi-state lottery (Powerball). The statutes place a ceiling of \$18,000,000 on multi-state lottery proceeds available for distribution to the cities and towns. Statutory annual minimum appropriations to the state's general fund were enacted by the Arizona Legislature before receipts from multi-state lottery sales are made available for distribution to cities and towns.

The city is expected to receive \$2,592,000 in Fiscal Year 2008 which is no change from the Fiscal Year 2007 estimated amount. (The adopted budget for Fiscal Year 2007 was also \$2,592,000.)

The following table shows the LTAF distribution to the City of Tucson since Fiscal Year 2003.

LOCAL TRANSPORTATION ASSISTANCE FUND (\$000s)

<u>Fiscal Year</u>	<u>Tucson's Share</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2003	\$ 2,721	\$ (42)	(1.5%)
2004	2,690	(31)	(1.1%)
2005	2,646	(44)	(1.6%)
2006	2,592	(54)	(2.0%)
2007 (Estimate)	2,592	-0-	0.0%
2008 (Estimate)	2,592	-0-	0.0%

**TEN-YEAR ADOPTED CITY STAFFING COMPARISON
WITH FISCAL YEARS 2007 AND 2008**

DEPARTMENTS	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Adopted FY 2008
Elected and Official												
Mayor	7.50	8.00	8.00	8.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Council	32.50	35.50	35.50	36.50	43.50	43.50	43.50	43.50	43.50	42.00	42.00	42.00
City Manager	23.00	22.00	21.00	22.00	23.75	24.25	22.25	19.25	19.00	19.00	26.00	32.00
City Clerk	40.50	73.00	44.50	69.50	43.00	63.50	41.00	58.50	37.00	58.00	37.50	58.00
City Attorney	108.00	108.00	108.00	112.00	113.00	114.00	112.00	105.00	106.00	106.00	108.50	112.00
Sub-Total	211.50	246.50	217.00	248.00	232.75	254.75	228.25	235.75	215.00	234.50	223.50	253.50
Neighborhood Services												
City Court	138.80	141.30	145.30	141.80	143.80	143.80	138.30	137.30	141.30	141.30	150.30	159.80
Community Services	159.25	169.00	167.00	160.00	157.00	155.00	157.00	153.00	153.00	152.50	152.50	148.75
Fire	519.50	569.00	528.00	539.00	570.00	571.00	572.00	572.00	612.00	646.00	694.00	741.00
Library	253.00	253.00	265.50	265.50	299.50	287.25	287.75	286.75	282.75	307.75	-0-	-0-
Neighborhood Resources	5.00	7.00	7.00	11.00	11.00	11.00	21.00	19.00	20.00	20.00	53.00	62.00
Office of Equal Opportunity Programs and Independent Police Review	9.00	11.00	11.00	11.00	12.00	12.50	11.00	10.00	9.00	10.00	11.00	11.00
Office of Public Defender	31.00	31.00	31.00	32.50	32.50	33.50	33.50	33.50	36.00	36.00	38.00	38.00
Parks and Recreation	596.00	631.50	685.75	720.25	718.75	677.50	665.00	633.75	669.75	697.00	711.00	749.50
Police	1,146.00	1,154.00	1,191.50	1,266.50	1,355.00	1,362.00	1,356.00	1,353.50	1,373.50	1,411.50	1,468.00	1,525.00
Tucson City Golf	103.00	103.00	103.50	96.50	163.25	169.00	153.75	154.75	154.75	154.75	154.75	154.75
Sub-Total	2,960.55	3,069.80	3,135.55	3,244.05	3,462.80	3,422.55	3,395.30	3,353.55	3,452.05	3,576.80	3,432.55	3,589.80
Environment and Development												
Development Services	64.00	66.00	66.00	72.00	100.00	101.00	111.00	113.00	133.00	127.00	123.00	120.00
Environmental Services	234.00	235.75	246.75	253.60	258.85	259.00	251.00	252.00	263.00	262.00	251.00	264.00
Transportation	378.50	384.00	386.50	401.50	395.50	399.50	399.50	393.50	398.00	405.00	404.50	416.50
Tucson Water	588.00	589.00	588.00	588.00	588.00	590.00	590.00	589.00	576.00	571.00	573.00	578.00
Urban Planning and Design	46.50	46.50	49.50	50.50	47.50	49.50	31.50	38.50	39.50	44.00	37.00	41.00
Zoning Examiner	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-0-	-0-
Sub-Total	1,313.00	1,323.25	1,338.75	1,367.60	1,391.85	1,401.00	1,385.00	1,388.00	1,411.50	1,411.00	1,388.50	1,419.50
Strategic Initiatives												
Intergovernmental Relations	2.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	-0-	-0-
Office of Economic Development	18.10	22.10	23.75	14.00	15.50	15.50	17.50	14.50	15.50	13.00	-0-	-0-
Tucson Convention Center	58.00	62.00	61.00	61.00	63.50	63.00	60.00	56.25	61.75	63.75	63.75	63.75
Tucson-Mexico Trade Office	-0-	-0-	-0-	5.00	5.00	5.00	6.00	6.00	14.00	14.00	-0-	-0-
Sub-Total	78.85	86.10	86.75	82.00	86.00	85.50	85.50	78.75	93.25	93.75	63.75	63.75

**TEN-YEAR ADOPTED CITY STAFFING COMPARISON
WITH FISCAL YEARS 2007 AND 2008**

DEPARTMENTS	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Adopted FY 2008
Support Services												
Budget and Research	27.00	26.00	26.00	26.00	26.00	24.00	24.00	22.55	22.55	22.55	24.55	18.00
Finance	139.00	138.00	143.00	146.00	150.25	151.25	145.00	146.00	149.00	150.00	164.00	152.00
General Services	337.00	341.00	350.00	365.00	377.00	377.00	370.00	350.00	357.00	357.00	345.00	340.00
Human Resources	28.00	32.00	32.00	32.00	34.00	31.00	29.00	25.00	26.00	27.00	27.00	28.00
Information Technology	82.42	82.42	92.12	94.12	88.12	91.12	84.66	81.16	101.16	100.16	100.16	100.16
Procurement	75.00	75.00	76.00	77.00	81.00	82.00	77.00	75.00	65.00	64.00	64.00	64.00
Sub-Total	688.42	694.42	719.12	740.12	756.37	756.37	729.66	699.71	720.71	720.71	724.71	702.16
Non-Departmental												
General Expense	-0-	-0-	-0-	-0-	3.00	5.50	5.75	4.75	4.75	4.75	14.75	4.00
Sub-Total	-0-	-0-	-0-	-0-	3.00	5.50	5.75	4.75	4.75	4.75	14.75	4.00
Total	5,252.32	5,420.07	5,497.17	5,681.77	5,932.77	5,925.67	5,829.46	5,760.51	5,897.26	6,041.51	5,847.76	6,032.71

**FULL-TIME EQUIVALENT POSITIONS
GENERAL PURPOSE FUNDS AND OTHER FUNDS
FISCAL YEARS 2007 AND 2008**

	Adopted Fiscal Year 2007			Adopted Fiscal Year 2008		
	General Purpose	Other	Total	General Purpose	Other	Total
Elected and Official						
Mayor and Council	51.50	-0-	51.50	51.50	-0-	51.50
City Manager	26.00	-0-	26.00	32.00	-0-	32.00
City Clerk	37.50	-0-	37.50	58.00	-0-	58.00
City Attorney	98.50	10.00	108.50	102.00	10.00	112.00
Sub-Total	213.50	10.00	223.50	243.50	10.00	253.50
Neighborhood Services						
City Court	146.80	3.50	150.30	157.80	2.00	159.80
Community Services	8.00	144.50	152.50	10.05	138.70	148.75
Fire	692.00	2.00	694.00	739.00	2.00	741.00
Neighborhood Resources	53.00	-0-	53.00	62.00	-0-	62.00
Office of Equal Opportunity Programs and Independent Police Review	11.00	-0-	11.00	11.00	-0-	11.00
Office of Public Defender	38.00	-0-	38.00	38.00	-0-	38.00
Parks and Recreation	693.25	17.75	711.00	732.75	16.75	749.50
Police	1,422.00	46.00	1,468.00	1,499.00	26.00	1,525.00
Tucson City Golf	-0-	154.75	154.75	-0-	154.75	154.75
Sub-Total	3,064.05	368.50	3,432.55	3,249.60	340.20	3,589.80
Environment and Development						
Development Services	123.00	-0-	123.00	120.00	-0-	120.00
Environmental Services	-0-	251.00	251.00	-0-	264.00	264.00
Transportation	34.00	370.50	404.50	41.00	375.50	416.50
Tucson Water	-0-	573.00	573.00	-0-	578.00	578.00
Urban Planning and Design	37.00	-0-	37.00	41.00	-0-	41.00
Sub-Total	194.00	1,194.50	1,388.50	202.00	1,217.50	1,419.50

**FULL-TIME EQUIVALENT POSITIONS
GENERAL PURPOSE FUNDS AND OTHER FUNDS
FISCAL YEARS 2007 AND 2008**

	Adopted Fiscal Year 2007			Adopted Fiscal Year 2008		
	General Purpose	Other	Total	General Purpose	Other	Total
Strategic Initiatives						
Tucson Convention Center	63.75	-0-	63.75	63.75	-0-	63.75
Sub-Total	63.75	-0-	63.75	63.75	-0-	63.75
Support Services						
Budget and Research	24.55	-0-	24.55	18.00	-0-	18.00
Finance	149.00	15.00	164.00	136.00	16.00	152.00
General Services	125.00	220.00	345.00	126.00	214.00	340.00
Human Resources	27.00	-0-	27.00	28.00	-0-	28.00
Information Technology	100.16	-0-	100.16	100.16	-0-	100.16
Procurement	63.00	1.00	64.00	64.00	-0-	64.00
Sub-Total	488.71	236.00	724.71	472.16	230.00	702.16
Non-Departmental						
General Expense	9.00	5.75	14.75	4.00	-0-	4.00
Sub-Total	9.00	5.75	14.75	4.00	-0-	4.00
Total	4,033.01	1,814.75	5,847.76	4,235.01	1,797.70	6,032.71

City of Tucson
Elected and Mayor/Council Appointed Officials
(Unclassified)

Class Code	Class Title	Annual Rate	Effective
0400	Mayor	42,000.00	6/18/2000
0401	Council Member	24,000.00	6/18/2000
0409	City Clerk	128,060.00	1/1/2006
0430	City Manager	198,986.00	4/2/2006
0625	City Attorney	141,856.00	6/1/2006
0629	Limited Special City Magistrate	59,394.00	1/2/2006
0630	City Magistrate	98,990.00	1/2/2006
0633	Presiding Magistrate	106,490.00	1/2/2006
0634	Senior Special Magistrate	98,990.00	1/2/2006
0635	Special Magistrate	\$90/Session	7/1/1997

EXEMPT SCHEDULE

EFFECTIVE: June 24, 2007

Grade No.	Minimum	Midpoint	Maximum
810	32,448.00	43,492.80	54,516.80
811	34,736.00	46,571.20	58,385.60
812	37,398.40	50,107.20	62,816.00
813	40,456.00	54,204.80	67,953.60
814	43,971.20	58,926.40	73,860.80
815	48,006.40	64,334.40	80,662.40
816	52,686.00	70,616.00	88,524.80
817	58,094.40	77,875.20	97,635.20
818	64,396.80	86,278.40	108,160.00
819	71,697.60	96,075.20	120,432.00
820	80,184.00	107,452.80	134,721.60
821	90,147.20	120,785.60	151,424.00
822	101,774.40	136,385.60	170,996.80
823	115,003.20	154,107.20	193,211.20

POLICE
(EXEMPT)
Effective: June 24, 2007

Grade No.	Minimum	Midpoint	Maximum
320	86,049.60	97,947.20	109,844.80
321	96,116.80	109,574.40	123,032.00
322	107,640.00	122,720.00	137,779.20
323	120,556.80	137,446.40	154,336.00
324	137,446.40	157,851.20	178,235.20

FIRE
(EXEMPT)
EFFECTIVE: June 24, 2007

Range No.	Minimum	Midpoint	Maximum
420	82,056.00	89,190.40	96,304.00
421	86,153.60	99,403.20	112,652.80
422	89,710.40	109,283.20	128,835.20
423	134,347.20	154,731.20	175,094.40

INFORMATION TECHNOLOGY SCHEDULE
(EXEMPT)
EFFECTIVE: June 24, 2007

Grade No.	Minimum	Midpoint	Maximum
712	40,352.00	53,435.20	66,518.40
713	43,638.40	57,844.80	72,030.40
714	47,819.20	63,356.80	78,873.60
715	52,936.00	70,137.60	87,318.40
716	59,280.00	78,561.60	97,822.40
717	67,142.40	88,982.40	110,801.60
718	76,044.80	100,755.20	125,465.60
719	86,112.00	114,088.00	142,064.00

LEGAL SCHEDULE
(EXEMPT)
EFFECTIVE: June 24, 2007

Grade No.	Minimum	Midpoint	Maximum
610	34,548.80	45,760.00	56,971.20
611	38,001.60	50,336.00	62,649.60
612	41,870.40	55,473.60	69,076.80
613	46,280.00	61,318.40	76,336.00
614	51,272.00	67,912.00	84,552.00
615	56,888.00	75,379.20	93,870.40
616	63,315.20	83,865.60	104,395.20
617	70,574.40	93,516.80	116,438.40
618	78,852.80	104,499.20	130,124.80
619	88,316.80	117,020.80	145,724.80

GOLF SCHEDULE
(EXEMPT)
CLASSIFICATIONS WITH EXCEPTIONAL PAY COMPUTATIONS
EFFECTIVE: June 24, 2007

Grade No.	Minimum	Midpoint	Maximum
501	22,256.00	28,433.60	34,590.40
502	23,524.80	30,056.00	36,566.40
514	43,971.20	58,926.40	73,860.80
515	48,006.40	64,334.40	80,662.40

Range 501 and 502 receive 50% earnings from golf lesson revenue.

Range 514 receive 100% earnings form golf lesson revenue up to \$12,000 per year.

Range 515 receive 100% earnings form golf lesson revenue up to \$5,000 per year.

NON-EXEMPT SCHEDULE

EFFECTIVE: June 24, 2007

Grade														
No.	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11	STEP 12	STEP 13	STEP 14
910	21,174.40	22,256.00	23,358.40	24,502.40	25,750.40	27,040.00	27,705.60	28,392.00	29,120.00	29,848.00	30,576.00	31,366.40	32,156.80	32,947.20
911	22,256.00	23,358.40	24,502.40	25,750.40	27,040.00	28,371.20	29,099.20	29,848.00	30,555.20	31,345.60	32,115.20	32,926.40	33,737.60	34,590.40
912	23,524.80	24,689.60	25,958.40	27,227.20	28,600.00	30,014.40	30,763.20	31,532.80	32,344.00	33,155.20	33,987.20	34,798.40	35,672.00	36,566.40
913	25,064.00	26,312.00	27,622.40	29,016.00	30,451.20	31,969.60	32,760.00	33,592.00	34,424.00	35,297.60	36,192.00	37,086.40	38,022.40	38,979.20
914	26,894.40	28,204.80	29,640.00	31,096.00	32,656.00	34,299.20	35,172.80	36,046.40	36,940.80	37,856.00	38,792.00	39,769.60	40,768.00	41,787.20
915	29,036.80	30,472.00	31,990.40	33,592.00	35,276.80	37,044.80	37,980.80	38,896.00	39,873.60	40,872.00	41,891.20	42,931.20	44,054.40	45,136.00
916	31,553.60	33,155.20	34,777.60	36,524.80	38,355.20	40,268.80	41,308.80	42,328.00	43,388.80	44,470.40	45,572.80	46,716.80	47,881.60	49,088.00
917	34,569.60	36,296.00	38,105.60	39,998.40	42,016.00	44,116.80	45,219.20	46,342.40	47,486.40	48,692.80	49,878.40	51,147.20	52,436.80	53,726.40
918	38,105.60	39,998.40	42,016.00	44,116.80	46,321.60	48,630.40	49,836.80	51,105.60	52,374.40	53,664.00	55,016.00	56,388.80	57,803.20	59,238.40
919	42,307.20	44,408.00	46,633.60	48,963.20	51,417.60	53,996.80	55,328.00	56,721.60	58,115.20	59,592.00	61,068.80	62,587.20	64,147.20	65,769.60
920	47,278.40	49,628.80	52,124.80	54,704.00	57,449.60	60,340.80	61,817.60	63,398.40	64,979.20	66,601.60	68,244.80	69,950.40	71,718.40	73,507.20

POLICE
NON-EXEMPT SCHEDULE
Effective: June 24, 2007

Grade								
No.	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8
302		45,510.40	47,819.20	50,190.40	52,686.40	55,328.00	58,094.40	60,985.60
303		47,819.20	50,190.40	52,686.40	55,328.00	58,094.40	60,985.60	64,064.00
304	47,819.20	50,190.40	52,686.40	55,328.00	58,094.40	60,985.60	64,064.00	67,288.00
305	50,190.40	52,686.40	55,328.00	58,094.40	60,985.60	64,064.00	67,288.00	70,616.00
306							74,131.20	77,854.40
307							77,854.40	81,744.00
351	37,252.80	39,145.60	41,080.00	43,139.20	45,302.40	47,569.60	49,920.00	52,436.80

FIRE
NON-EXEMPT SCHEDULE
Effective: June 24, 2007

Grade										
No.	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10
400		35,547.20								
401		41,845.44	43,912.96	46,126.08	48,426.56	49,649.60	50,901.76	52,183.04	53,493.44	54,832.96
403		43,912.96	46,126.08	48,426.56	50,901.76	52,183.04	53,493.44	54,832.96	56,201.60	57,599.36
404						54,832.96	56,201.60	57,599.36	59,055.36	60,511.36
405						57,599.36	59,055.36	60,511.36	62,025.60	63,568.96
406						63,568.96	65,141.44	66,772.16	68,432.00	70,150.08
407						66,772.16	68,432.00	70,150.08	71,897.28	73,673.60
408						71,177.60	72,966.40	74,796.80	76,668.80	78,582.40

HOURLY NON-PERMANENT CLASSIFICATIONS AND SCHEDULE

(NON-EXEMPT)

EFFECTIVE: June 24, 2007

Class Title (alpha order)	Grade	Hourly Rate
Aquatics Program Supervisor	1025	\$11.73
Camera Operator	1029	\$12.68 - \$19.04
Center Attendant	1004	\$6.92
Class Instructor, Fine Arts	1008	\$8.50 - \$17.00
Class Instructor, Sports and Movement	1008	\$8.50 - \$17.00
Class Instructor, Health and Fitness	1008	\$8.50 - \$17.00
Concession Worker	1003	\$6.89 - \$7.88
Election Specialist	1043	\$18.04 - \$24.79
Election Technician	1022	\$11.26 - \$15.47
General Maintenance Trainee/Worker	1015	\$9.27 - \$10.73
General Officer Worker	1003	\$6.89 - \$7.88
Golf Host	1021	\$10.98
Program Instructor	1035	\$14.18 - \$19.00
Lifeguard	1013	\$9.03
Program Coordinator	1023	\$11.01
Recreation Worker	1006	\$7.81
Senior Election Technician	1027	\$12.37 - \$16.99
Senior Recreation Worker	1011	\$8.71
Short Order Cook	1010	\$8.59 - \$11.11
Swimming Pool Supervisor	1019	\$10.26
Water Safety Instructor/Senior Lifeguard	1017	\$9.53



City of Tucson



Section F Capital Budget Summary

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



CAPITAL BUDGET SUMMARY

Capital improvement projects are assigned to city departments to ensure proper project management. The following two tables summarize the \$332.9 million Fiscal Year 2008 capital budget by service area and by funding type. For a breakout by individual departments and funding sources, see Table I. Capital Budget Summary by Department and Table II. Capital Budget Summary by Funding Source on pages F-4 and F-5.

Fiscal Year 2008 Capital Budget Summary of Expenditures (\$000s)			
	Carryforward	New Funding	Total
Neighborhood Services	\$ 31,974.1	\$ 45,960.6	\$ 77,934.7
Environment and Development	71,789.0	175,950.8	247,739.8
Support Services	4,000.0	-0-	4,000.0
Non-Departmental	1,050.0	2,150.1	3,200.1
Total	\$ 108,813.1	\$ 224,061.5	\$ 332,874.6

Fiscal Year 2008 Capital Budget Summary of Funding Sources (\$000s)			
	Carryforward	New Funding	Total
General Purpose Funds	\$ 3,324.0	\$ 1,332.3	\$ 4,656.3
Grants and Contributions	60,000.1	77,558.1	137,558.2
City Bond Funds	9,156.8	6,211.6	15,368.4
Enterprise Funds	10,374.9	65,648.0	76,022.9
Other Local Funds	25,942.3	73,216.5	99,158.8
Non-City Funds	15.0	95.0	110.0
Total	\$ 108,813.1	\$ 224,061.5	\$ 332,874.6

Changes from the Recommended Budget

On May 1, 2007, the Proposed Five-Year Capital Improvement Program was submitted to the Mayor and Council. The recommended budget for Fiscal Year 2008 at that time was \$331,217,400. Subsequently, the following change was made prior to adoption, which brought the total to \$332,874,600:

Department	Change (\$000s)	Reason
Water	\$ 1,657.2	Carryforward of Fiscal Year 2007 funds

DEPARTMENT PROGRAMS

The following section summarizes the approved Fiscal Year 2008 department programs within each service area. Project listings for each department begin on page F-8.

Neighborhood Services

Projects in the Neighborhood Services category include those managed by Community Services, Fire, Neighborhood Resources, Parks and Recreation, and Police.

Community Services. The Community Services capital budget of \$1.6 million in Fiscal Year 2008 consists of three projects: completion of the Fry Apartments rehabilitation project, construction of public housing resident amenities at a new Martin Luther King, Jr. apartment building, and construction of rental units in the Mercado. Funding is provided by federal HOPE VI funds, other federal grants, and Pima County bonds.

Fire. Fire's \$18.7 million capital budget for Fiscal Year 2008 includes the following projects: three new multi-company fire stations, a new headquarters and fire station in the downtown area, improvements to support facilities, and the replacement of mobile data terminals for fire vehicles. Certificates of participation, general obligation bonds, and the General Fund reserves will fund these projects.

Neighborhood Resources. Back to Basics projects continue with \$7.4 million in Fiscal Year 2008: \$4.6 million in carryforward to complete previous year projects and \$2.8 million in new funding.

Parks and Recreation. Park's capital budget of \$23.6 million in Fiscal Year 2008 provides for 42 projects, ranging from improvements at regional parks, expansion of recreation centers, amenities at neighborhood parks, and zoo improvements. These projects are funded primarily by city and county bonds, certificates of participation, impact fees, federal and non-federal grants, and contributions.

Police. Police's \$26.6 million capital budget for Fiscal Year 2008 provides for five projects: renovation of Patrol Division East substation, construction of a new evidence facility, expansion of headquarters, acquisition of operational support equipment for the addition a sixth field division, and completion of a new substation that replaces the Rillitio Substation. These projects are funded with certificates of participation.

Environment and Development

The Environment and Development category contains projects managed by the following departments: Development Services, Environmental Services, Transportation, and Tucson Water.

Development Services. The \$0.2 million in the Development Services Fiscal Year 2008 capital budget continues with the upgrading of the department's computerized permitting system. The project is funded from the Development Services fees reserved for service improvements.

Environmental Services. Nineteen projects totaling \$12.2 million are included in the Environmental Services capital budget for Fiscal Year 2008. These projects are in four program areas: Facilities at \$4.8 million, Landfill Closure at \$2.5 million, Landfill Construction at \$3.8 million, and Remediations at \$1.1 million. Funding is provided by city general obligation bonds, Environmental Services revenue, and certificates of participation.

Transportation: This department's capital budget for Fiscal Year 2008 totals \$167.8 million in six program areas: Drainage, Parking Garages, Public Transit, Street Lighting, Streets, and Traffic Signals. The three largest program areas are Streets at \$80.0 million, Public Transit at \$57.3 million, and Drainage at \$13.7 million. The remaining three areas total \$16.8 million: Street Lighting at \$1.5 million, Traffic Signals at \$5.1 million, and Parking at \$10.2 million.

Tucson Water. Tucson Water's capital budget for Fiscal Year 2008 totals \$67.4 million: \$64.8 million for the Potable Water System and \$2.6 million for the Reclaimed Water System. Tucson Water's CIP was revised to push forward Central Arizona Project (CAP) water recharge and recovery projects.

Support Services

The Support Services category contains projects managed by the Information Technology Department.

Information Technology. There is only one project in Information Technology's Fiscal Year 2008 capital budget of \$4.0 million: the Voice and Data Network and Component Upgrades project. This project is funded with certificates of participation.

Non-Departmental

The Non-Departmental category contains projects budgeted as General Expense, because the projects are not associated with a specific department.

General Expense. The Fiscal Year 2008 budget of \$3.2 million provides for two projects: Human Resources Management System and the Tax Revenue Management System. These projects are funded by General Fund reserves.

SUMMARY OF THE CIP IMPACT ON THE OPERATING BUDGET

The completion of many capital projects is the beginning of annual operating expenses for staff, maintenance, and routine operations. Operating and maintenance impacts in Fiscal Year 2008 are estimated to be \$6.5 million, including funding for 41 new positions. Most of the impact is for the opening of Fire Station 22 and operating costs for Tucson Water's South Avra Valley Recharge and Recovery project and Environmental Services remediation projects.

The following table summarizes the impact of this five-year CIP on the Fiscal Year 2008 Operating Budget. For a more detailed summary, see Table III. Capital Budget Summary of Operating Budget Impacts on page F-7.

(\$000s)	Adopted Year 1 FY 2008
Service Area Expenditures	
Neighborhood Services	\$ 3,674.9
Environment and Development	2,792.8
Total	\$ 6,467.7
Source of Funds	
General Purpose Funds	\$ 3,751.9
Grants and Contributions	269.6
Enterprise Funds	2,446.2
Total	\$ 6,467.7

For additional information on specific projects that have an impact on the operating budget, see the Approved Capital Improvement Program, Volume II.

SUMMARY TABLES

- Table I** Capital Budget Summary by Department
- Table II** Capital Budget Summary by Funding Source
- Table III** Capital Budget Summary of Operating Budget Impacts

**TABLE I
CAPITAL BUDGET
SUMMARY BY DEPARTMENT**

Service Area/Department	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Neighborhood Services			
Community Services	\$ -0-	\$ 1,567,500	\$ 1,567,500
Fire	6,255,000	12,450,300	18,705,300
Neighborhood Resources	4,650,000	2,780,400	7,430,400
Parks and Recreation	11,320,500	12,308,200	23,628,700
Police	9,748,600	16,854,200	26,602,800
Sub-Total	\$ 31,974,100	\$ 45,960,600	\$ 77,934,700
Environment and Development			
Development Services	\$ 115,000	\$ 100,000	\$ 215,000
Environmental Services	123,000	12,116,000	12,239,000
Transportation	61,299,100	106,537,800	167,836,900
Tucson Water	10,251,900	57,197,000	67,448,900
Sub-Total	\$ 71,789,000	\$ 175,950,800	\$ 247,739,800
Support Services			
Information Technology	\$ 4,000,000	\$ -0-	\$ 4,000,000
Sub-Total	\$ 4,000,000	\$ -0-	\$ 4,000,000
Non-Departmental			
Non-Departmental: General Expense	\$ 1,050,000	\$ 2,150,100	\$ 3,200,100
Sub-Total	\$ 1,050,000	\$ 2,150,100	\$ 3,200,100
Total	\$ 108,813,100	\$ 224,061,500	\$ 332,874,600

TABLE II
CAPITAL BUDGET
SUMMARY BY FUNDING SOURCE

Fund Category/Fund	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
General Purpose Funds			
General Fund	\$ 450,000	\$ -0-	\$ 450,000
Mass Transit Fund: General Fund Transfer	2,874,000	1,332,300	4,206,300
Sub- Total	\$ 3,324,000	\$ 1,332,300	\$ 4,656,300
Grants and Contributions			
Capital Agreement Fund	\$ -0-	\$ 150,500	\$ 150,500
Capital Agreement Fund: PAG	14,436,000	6,879,000	21,315,000
Capital Agreement Fund: Pima County Bonds	8,087,800	10,638,800	18,726,600
Capital Agreement Fund: Pima County Contribution	2,233,000	6,400,000	8,633,000
Community Development Block Grant Fund	2,600,000	1,140,400	3,740,400
Federal Highway Administration Grants	7,664,100	13,261,900	20,926,000
H.O.M.E. Grants	-0-	778,000	778,000
HOPE VI - Martin Luther King Revitalization	-0-	183,400	183,400
Highway User Revenue Fund	2,987,100	2,958,400	5,945,500
Highway User Revenue Fund: Contributions	-0-	200,000	200,000
Highway User Revenue Fund: In-Lieu Fees	182,000	1,200,000	1,382,000
Mass Transit Fund: Federal Grants	19,861,100	10,779,800	30,640,900
Miscellaneous Non-Federal Grants	-0-	400,000	400,000
Public Housing Capital Fund	-0-	87,900	87,900
Regional Transportation Authority Fund	1,949,000	17,495,000	19,444,000
State Infrastructure Bank Federal Pass-Through	-0-	5,005,000	5,005,000
Sub- Total	\$ 60,000,100	\$ 77,558,100	\$ 137,558,200
City Bond Funds			
2000 General Obligation Bond Funds	\$ 8,143,600	\$ 6,211,600	\$ 14,355,200
2000 General Obligation Bond Funds - Interest	950,000	-0-	950,000
2000 Street and Highway Revenue Bond Funds	63,200	-0-	63,200
Sub- Total	\$ 9,156,800	\$ 6,211,600	\$ 15,368,400
Enterprise Funds			
2005 Water Revenue Bond Funds	\$ 10,251,900	\$ 35,328,000	\$ 45,579,900
Central Arizona Project Reserve Fund	-0-	20,000	20,000
Environmental Services Fund	-0-	150,000	150,000
Environmental Services Fund: COPs	123,000	8,301,000	8,424,000
Tucson Water Fund: State Grants	-0-	623,000	623,000
Tucson Water Revenue and Operations Fund	-0-	21,226,000	21,226,000
Sub- Total	\$ 10,374,900	\$ 65,648,000	\$ 76,022,900

**TABLE II
CAPITAL BUDGET
SUMMARY BY FUNDING SOURCE**

Fund Category/Fund	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Other Local Funds			
General Fund: Certificates of Participation	\$ 23,638,300	\$ 45,304,500	\$ 68,942,800
General Fund: Earned Revenue	-0-	300	300
General Fund: Restricted	2,165,000	2,250,100	4,415,100
Parkwise: Certificates of Participation	-0-	9,800,000	9,800,000
Parkwise: Fees and Charges	139,000	226,900	365,900
Road and Park Impact Fee Fund: Central District	-0-	3,311,100	3,311,100
Road and Park Impact Fee Fund: East District	-0-	2,527,500	2,527,500
Road and Park Impact Fee Fund: Southeast District	-0-	2,581,700	2,581,700
Road and Park Impact Fee Fund: Southlands District	-0-	4,003,900	4,003,900
Road and Park Impact Fee Fund: West District	-0-	3,210,500	3,210,500
Sub- Total	\$ 25,942,300	\$ 73,216,500	\$ 99,158,800
Non-City Funds			
Civic Contributions Fund	\$ 15,000	\$ 95,000	\$ 110,000
Sub- Total	\$ 15,000	\$ 95,000	\$ 110,000
Total	\$ 108,813,100	\$ 224,061,500	\$ 332,874,600

**TABLE III
CAPITAL BUDGET
SUMMARY OF OPERATING BUDGET IMPACTS**

Service Area/Department	Adopted Fiscal Year 2008
Neighborhood Services	
Fire	\$ 3,316,400
Parks and Recreation	138,540
Police	220,000
Sub-Total	<u>\$ 3,674,940</u>
Environment and Development	
Development Services	\$ 15,000
Environmental Services	1,059,000
Transportation	331,600
Tucson Water	1,387,206
Sub-Total	<u>\$ 2,792,806</u>
Total	<u>\$ 6,467,746</u>
Source of Funds Summary	
General Purpose Funds	
General Fund	\$ 3,674,940
General Fund: Fees and Charges	15,000
Mass Transit Fund: General Fund Transfer	62,000
Sub-Total	<u>\$ 3,751,940</u>
Grants and Contributions	
Highway User Revenue Fund	<u>\$ 269,600</u>
Sub-Total	<u>\$ 269,600</u>
Enterprise Funds	
Environmental Services Fund	\$ 1,059,000
Tucson Water Revenue and Operations Fund	1,387,206
Sub-Total	<u>\$ 2,446,206</u>
Total	<u>\$ 6,467,746</u>

Community Services

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Fry Apartments Rehabilitation	\$ -0-	\$ 298,000	\$ 298,000
Martin Luther King Public Housing Amenities	-0-	789,500	789,500
Mercado District Rentals - El Portal	-0-	480,000	480,000
Department Total	\$ -0-	\$ 1,567,500	\$ 1,567,500

Source of Funds Summary

Capital Agreement Fund: Pima County Bonds	\$ -0-	\$ 517,900	\$ 517,900
General Fund: Earned Revenue	-0-	300	300
H.O.M.E. Grants	-0-	778,000	778,000
HOPE VI - Martin Luther King Revitalization	-0-	183,400	183,400
Public Housing Capital Fund	-0-	87,900	87,900
Department Total	\$ -0-	\$ 1,567,500	\$ 1,567,500

Fire

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Fire Central	\$ 2,610,500	\$ 12,450,300	\$ 15,060,800
Fire Station 20	203,700	-0-	203,700
Fire Station 21	91,700	-0-	91,700
Fire Station 22	2,450,000	-0-	2,450,000
Fire Station Remodels	150,000	-0-	150,000
Mobile Data Terminal Upgrades	111,400	-0-	111,400
Support Facility Improvements	637,700	-0-	637,700
Department Total	\$ 6,255,000	\$ 12,450,300	\$ 18,705,300
Source of Funds Summary			
2000 General Obligation Bond Funds	\$ 1,233,100	\$ -0-	\$ 1,233,100
2000 General Obligation Bond Funds - Interest	950,000	-0-	950,000
General Fund: Certificates of Participation	3,071,900	12,450,300	15,522,200
General Fund: Restricted	1,000,000	-0-	1,000,000
Department Total	\$ 6,255,000	\$ 12,450,300	\$ 18,705,300

Neighborhood Resources

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry		
	Forward	New Funding	Total
Back to Basics Unallocated	\$ 4,650,000	\$ 2,780,400	\$ 7,430,400
Department Total	\$ 4,650,000	\$ 2,780,400	\$ 7,430,400
Source of Funds Summary			
Community Development Block Grant Fund	\$ 2,600,000	\$ 1,080,400	\$ 3,680,400
General Fund	450,000	-0-	450,000
Highway User Revenue Fund	1,600,000	1,700,000	3,300,000
Department Total	\$ 4,650,000	\$ 2,780,400	\$ 7,430,400

Parks and Recreation

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Parks and Recreation - Parks Development			
Arcadia Park, Phase I	\$ -0-	\$ 464,800	\$ 464,800
Arroyo Chico Wash Improvements	-0-	204,600	204,600
Atturbury Wash Sanctuary Expansion	320,000	-0-	320,000
Cherry Avenue Center Expansion, Phase I	-0-	226,200	226,200
Christopher Columbus Park Expansion	-0-	500,000	500,000
Clements Senior Center Recreation Facility	300,000	-0-	300,000
El Pueblo Center Expansion, Phase I	-0-	200,000	200,000
General Instruments Site Improvements	189,000	-0-	189,000
Greenway and Natural Resource Area Acquisition	460,200	436,800	897,000
Grijalva School Park	-0-	1,146,300	1,146,300
Houghton Greenway	346,800	1,010,900	1,357,700
Impact Fee Capacity - Regional Park Improvements	-0-	1,000,000	1,000,000
Juhan Park Expansion	-0-	100,000	100,000
Julian Wash Linear Park	450,000	-0-	450,000
Lincoln Park Expansion, Phase I	-0-	150,000	150,000
Lincoln Park Sport Fields	500,000	-0-	500,000
Mendoza Memorial Park	-0-	155,000	155,000
Miscellaneous Parks Development/Renovations	228,700	17,300	246,000
New Comfort Stations	300,000	-0-	300,000
Northside Recreation Center	775,500	-0-	775,500
Ormsby Park Expansion Plan	-0-	100,000	100,000
Performing Arts Center	145,000	480,000	625,000
Pima County Bond Project Capacity	82,300	3,066,400	3,148,700
Purple Heart Park Expansion	-0-	149,200	149,200
Reid Park Expansion, Phase I	-0-	300,000	300,000
Reid Park Renovation	350,000	-0-	350,000
Reuse of Landfill Areas	207,000	-0-	207,000
Rio Vista Park Expansion	201,500	761,000	962,500
Rodeo Grounds Improvements	100,000	6,900	106,900
Santa Cruz River Sports Park	802,400	21,300	823,700
Santa Rita Skate Park	140,300	-0-	140,300
Silverlake Park Soccer Field Lighting Design	-0-	500,000	500,000
South Central Community Park, Phase I	-0-	400,000	400,000
Southeast Community Park	2,019,000	-0-	2,019,000
Sunnyside Neighborhood Improvements	5,000	-0-	5,000
Udall Park Sport Fields	300,000	-0-	300,000
Valencia and Alvernon Community Park, Phase I	-0-	300,000	300,000
Valencia Corridor Facilities Plan	-0-	250,000	250,000
Valencia Corridor Land Acquisition, Phase I	-0-	301,500	301,500
William Clements Center Expansion	265,000	-0-	265,000
Sub-Total	\$ 8,487,700	\$ 12,248,200	\$ 20,735,900

Parks and Recreation

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Parks and Recreation - Zoo Improvements			
Reid Park Zoo Africa Expansion-Elephant Exhibit	\$ 700,000	\$ -0-	\$ 700,000
Reid Park Zoo Conservation Learning Center	2,132,800	60,000	2,192,800
Sub-Total	\$ 2,832,800	\$ 60,000	\$ 2,892,800
Department Total	\$ 11,320,500	\$ 12,308,200	\$ 23,628,700
 Source of Funds Summary			
2000 General Obligation Bond Funds	\$ 2,399,900	\$ 1,461,000	\$ 3,860,900
Capital Agreement Fund: Pima County Bonds	6,087,800	5,620,900	11,708,700
Civic Contributions Fund	15,000	95,000	110,000
Community Development Block Grant Fund	-0-	60,000	60,000
General Fund: Certificates of Participation	2,817,800	-0-	2,817,800
Miscellaneous Non-Federal Grants	-0-	400,000	400,000
Road and Park Impact Fee Fund: Central District	-0-	829,600	829,600
Road and Park Impact Fee Fund: East District	-0-	814,800	814,800
Road and Park Impact Fee Fund: Southeast District	-0-	749,200	749,200
Road and Park Impact Fee Fund: Southlands District	-0-	1,051,500	1,051,500
Road and Park Impact Fee Fund: West District	-0-	1,226,200	1,226,200
Department Total	\$ 11,320,500	\$ 12,308,200	\$ 23,628,700

Police

Adopted Fiscal Year 2008

Program Area/Project Name	Carry Forward	New Funding	Total
Eastside Renovation	\$ -0-	\$ 300,000	\$ 300,000
Evidence Facility	3,000,000	7,399,100	10,399,100
Police Field Support Equipment	150,000	1,350,000	1,500,000
Police Headquarters Expansion	-0-	4,500,000	4,500,000
Police Substation	6,598,600	3,305,100	9,903,700
Department Total	\$ 9,748,600	\$ 16,854,200	\$ 26,602,800
Source of Funds Summary			
General Fund: Certificates of Participation	\$ 9,748,600	\$ 16,854,200	\$ 26,602,800
Department Total	\$ 9,748,600	\$ 16,854,200	\$ 26,602,800

Development Services

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Computerized Permitting System Upgrade	\$ 115,000	\$ 100,000	\$ 215,000
Department Total	\$ 115,000	\$ 100,000	\$ 215,000
Source of Funds Summary			
General Fund: Restricted	\$ 115,000	\$ 100,000	\$ 215,000
Department Total	\$ 115,000	\$ 100,000	\$ 215,000

Environmental Services

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Environmental Services - Facilities			
Gas-to-Energy: Harrison Landfill	\$ -0-	\$ 50,000	\$ 50,000
Gas-to-Energy: Mullins Landfill	-0-	100,000	100,000
Los Reales Infrastructure Plan	-0-	1,435,000	1,435,000
Los Reales Recycling Facilities	-0-	220,000	220,000
Los Reales Roadway Relocation	75,000	2,025,000	2,100,000
Los Reales Scalehouse	-0-	440,000	440,000
Los Reales Self Hauler Facility	-0-	460,000	460,000
Sub-Total	\$ 75,000	\$ 4,730,000	\$ 4,805,000
Environmental Services - Landfill Closure			
Irvington Landfill Closure	\$ -0-	\$ 1,305,000	\$ 1,305,000
Los Reales Intermediate Closures	-0-	185,000	185,000
Los Reales Landfill Final Closure-Cells 1 and 2	-0-	275,000	275,000
Tumamoc Landfill Closure	-0-	750,000	750,000
Sub-Total	\$ -0-	\$ 2,515,000	\$ 2,515,000
Environmental Services - Landfill Construction			
Los Reales Landfill Buffer Improvements	\$ 48,000	\$ 115,000	\$ 163,000
Los Reales Landfill Lined Cell 3	-0-	3,126,000	3,126,000
Los Reales Landfill West Property Acquisition	-0-	480,000	480,000
Sub-Total	\$ 48,000	\$ 3,721,000	\$ 3,769,000
Environmental Services - Remediations			
Broadway-Pantano Groundwater Remediation	\$ -0-	\$ 500,000	\$ 500,000
Harrison Landfill Groundwater Remediation	-0-	150,000	150,000
Los Reales Landfill Groundwater Remediation	-0-	150,000	150,000
Price Service Center Remediation	-0-	100,000	100,000
Silverbell Jail Annex Landfill Remediation	-0-	250,000	250,000
Sub-Total	\$ -0-	\$ 1,150,000	\$ 1,150,000
Department Total	\$ 123,000	\$ 12,116,000	\$ 12,239,000
Source of Funds Summary			
2000 General Obligation Bond Funds	\$ -0-	\$ 3,665,000	\$ 3,665,000
Environmental Services Fund	-0-	150,000	150,000
Environmental Services Fund: COPs	123,000	8,301,000	8,424,000
Department Total	\$ 123,000	\$ 12,116,000	\$ 12,239,000

Transportation

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Transportation - Drainage			
Alamo Wash Drainage Improvements	\$ 1,875,000	\$ 700,000	\$ 2,575,000
Arroyo Chico Drainage Improvements	107,100	-0-	107,100
Columbus Wash Drainage Relief, Phase II	3,729,500	4,400,000	8,129,500
High School Wash	350,000	-0-	350,000
Navajo Wash Drainage Improvements	233,000	2,000,000	2,233,000
Park Avenue Detention Basin, Phase II	180,000	122,600	302,600
Sub-Total	\$ 6,474,600	\$ 7,222,600	\$ 13,697,200
Transportation - Parking Garages			
City/State Parking Garage Improvements	\$ 100,000	\$ 156,900	\$ 256,900
Depot Plaza Parking Garage	-0-	9,800,000	9,800,000
Main Library Parking Garage Improvements	39,000	70,000	109,000
Sub-Total	\$ 139,000	\$ 10,026,900	\$ 10,165,900
Transportation - Public Transit			
ADA Transit Enhancements	\$ 102,500	\$ 9,500	\$ 112,000
Automated Vehicle Locating System	401,900	-0-	401,900
Bus Shelters	374,800	-0-	374,800
Compressed Natural Gas Facility	130,000	-0-	130,000
Contingency Local Match for Future Grants	-0-	1,050,200	1,050,200
Downtown Intermodal Center, Phase IV	1,241,200	-0-	1,241,200
Expansion Vans for Van Tran	545,400	16,800	562,200
Greyhound Transit Center	4,000,000	16,000,000	20,000,000
Replacement Buses for Sun Tran	7,562,300	1,588,200	9,150,500
Replacement Vans for Van Tran	5,986,000	1,564,900	7,550,900
Ronstadt Transit Center	2,912,600	-0-	2,912,600
Sun Tran Maintenance Facility	1,660,000	5,750,000	7,410,000
Transit Alternatives Analysis	2,014,700	3,400,000	5,414,700
Transit Enhancement Program	-0-	212,100	212,100
Transit Headquarters Improvements	-0-	822,300	822,300
Sub-Total	\$ 26,931,400	\$ 30,414,000	\$ 57,345,400
Transportation - Street Lighting			
1st Avenue: Prince Road to River Road	\$ 619,000	\$ -0-	\$ 619,000
Electrical Systems Upgrades	-0-	150,000	150,000
Ft. Lowell Road: Oracle to Country Club	-0-	263,000	263,000
Julia Keen Neighborhood Lighting	150,000	-0-	150,000
Midvale Park Neighborhood Lighting	300,000	-0-	300,000
Sub-Total	\$ 1,069,000	\$ 413,000	\$ 1,482,000

Transportation

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Transportation - Streets			
22nd Street: I-10 to Kino Boulevard	\$ -0-	\$ 1,200,000	\$ 1,200,000
6th Avenue: 18th Street Intersection	2,359,000	55,000	2,414,000
Ajo to Silverlake Bikeway Project, Phase II	-0-	424,200	424,200
Anklam Road Traffic Safety Improvements	5,000	-0-	5,000
Barraza-Aviation Downtown Links, Phase I	-0-	600,000	600,000
Barraza-Aviation Parkway: 4th Avenue Underpass	13,000,000	4,165,000	17,165,000
Broadway Boulevard: Euclid to Campbell	550,000	2,000,000	2,550,000
Broadway: Euclid to Country Club	-0-	2,110,000	2,110,000
Cambio Grande Street Revitalization	492,000	-0-	492,000
Camino Seco and Wrightstown Intersection	-0-	200,000	200,000
Campbell Avenue Revitalization	-0-	851,600	851,600
Congress Street Bikeway Project, Phase II	-0-	70,000	70,000
Downtown Pedestrian Implementation	146,000	-0-	146,000
El Camino del Cerro Reconstruction	-0-	500,000	500,000
Ft. Lowell: Campbell Intersection Improvements	-0-	373,000	373,000
Golf Links and Kolb Intersection Design	-0-	250,000	250,000
Golf Links: Wilmot Intersection Improvements	68,000	193,000	261,000
Grant and Craycroft Intersection Improvement	950,000	3,500,000	4,450,000
Grant Road Corridor	-0-	1,437,000	1,437,000
Harrison and Wrightstown Curve Design	-0-	50,000	50,000
Harrison Road: Speedway to Old Spanish Trail	300,000	3,106,700	3,406,700
Highland Avenue Bike and Pedestrian Improvements	1,150,000	-0-	1,150,000
Houghton Road Bridge Replacement	982,000	1,000,000	1,982,000
Houghton Road: I-10 to Valencia	-0-	1,550,000	1,550,000
Houghton Road: Old Spanish Trail to Valencia	-0-	1,800,000	1,800,000
Houghton Road: Speedway to Old Spanish Trail	-0-	1,275,000	1,275,000
Impact Fee Capacity - Road Improvements	-0-	8,913,400	8,913,400
Irvington and Campbell Intersection	-0-	800,000	800,000
Kino Parkway Overpass at 22nd Street	1,000,000	2,500,000	3,500,000
Miscellaneous Developer-Funded Improvements	-0-	1,200,000	1,200,000
Miscellaneous Street Improvements	-0-	550,000	550,000
Mountain Avenue: Roger Road to Ft. Lowell Road	-0-	5,005,000	5,005,000
Oracle and Drachman Main Intersection	1,200,000	400,000	1,600,000
Park and Euclid Bicycle and Pedestrian Bridge	1,500,000	-0-	1,500,000
Presidio Trail ADA Improvements	-0-	260,000	260,000
Road Resurfacing, Restoration, and Rehabilitation	-0-	5,512,300	5,512,300
Santa Rita Park Pedestrian Enhancements	186,000	14,000	200,000
South 4th Avenue Streetscape Enhancement	328,000	-0-	328,000
Speedway and Main Intersection Improvements	-0-	1,000,000	1,000,000
Speedway: Camino Seco to Houghton	-0-	755,000	755,000
Starr Pass: Mission Intersection Improvements	558,000	-0-	558,000
Stone Ave: Drachman and Speedway Improvements	40,000	300,000	340,000
Stone Avenue: 6th Street to Speedway	50,000	-0-	50,000
Stone Avenue: Pedestrian Safety Improvements	64,400	162,600	227,000

Transportation

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Tanque Verde and Dos Hombres Intersection	\$ -0-	\$ 250,000	\$ 250,000
Tyndall Avenue Enhancements	505,000	-0-	505,000
Wilmot at Park Place Intersection Improvements	45,000	198,000	243,000
Sub-Total	<u>\$ 25,478,400</u>	<u>\$ 54,530,800</u>	<u>\$ 80,009,200</u>

Transportation - Traffic Signals

6th Street and Euclid Signal Upgrade	\$ 50,000	\$ -0-	\$ 50,000
Changeable Message Signs	-0-	150,000	150,000
Communication System Improvements	60,000	1,829,000	1,889,000
Control Center to South Tucson Connection	109,800	-0-	109,800
Country Club and Pima Signal Upgrade	175,000	75,000	250,000
Harrison/Golf Links Communication Project	171,000	-0-	171,000
Intelligent Transportation System Improvements	37,000	-0-	37,000
Intelligent Transportation System: ATLAS	-0-	50,000	50,000
Intelligent Transportation System: ER Link	-0-	325,000	325,000
Living Transportation Laboratory	133,000	-0-	133,000
Nogales Highway and Drexel Signal Upgrade	75,000	-0-	75,000
Old Vail and Valencia Signal Upgrade	25,000	50,000	75,000
Pre-emption and Transit Signal Priority	-0-	75,000	75,000
Regional Transportation Data Network	-0-	600,000	600,000
Rita Road and Old Vail Signal Upgrade	-0-	75,000	75,000
School Flasher Construction	150,500	150,500	301,000
Starr Pass and La Cholla Traffic Signal	3,000	26,000	29,000
Stone Avenue and Glenn Signal Upgrade	-0-	75,000	75,000
Traffic Signal and Control Equipment	-0-	450,000	450,000
Valencia Road Fiber Optic Cabling	217,400	-0-	217,400
Sub-Total	<u>\$ 1,206,700</u>	<u>\$ 3,930,500</u>	<u>\$ 5,137,200</u>

Department Total

\$ 61,299,100 \$ 106,537,800 \$ 167,836,900

Source of Funds Summary

2000 General Obligation Bond Funds	\$ 4,510,600	\$ 1,085,600	\$ 5,596,200
2000 Street and Highway Revenue Bond Funds	63,200	-0-	63,200
Capital Agreement Fund	-0-	150,500	150,500
Capital Agreement Fund: PAG	14,436,000	6,879,000	21,315,000
Capital Agreement Fund: Pima County Bonds	2,000,000	4,500,000	6,500,000
Capital Agreement Fund: Pima County Contribution	2,233,000	6,400,000	8,633,000
Federal Highway Administration Grants	7,664,100	13,261,900	20,926,000
General Fund: Certificates of Participation	4,000,000	16,000,000	20,000,000
Highway User Revenue Fund	1,387,100	1,258,400	2,645,500
Highway User Revenue Fund: Contributions	-0-	200,000	200,000
Highway User Revenue Fund: In-Lieu Fees	182,000	1,200,000	1,382,000
Mass Transit Fund: Federal Grants	19,861,100	10,779,800	30,640,900
Mass Transit Fund: General Fund Transfer	2,874,000	1,332,300	4,206,300

Transportation

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Source of Funds Summary			
Parkwise: Certificates of Participation	\$ -0-	\$ 9,800,000	\$ 9,800,000
Parkwise: Fees and Charges	139,000	226,900	365,900
Regional Transportation Authority Fund	1,949,000	17,495,000	19,444,000
Road and Park Impact Fee Fund: Central District	-0-	2,481,500	2,481,500
Road and Park Impact Fee Fund: East District	-0-	1,712,700	1,712,700
Road and Park Impact Fee Fund: Southeast District	-0-	1,832,500	1,832,500
Road and Park Impact Fee Fund: Southlands District	-0-	2,952,400	2,952,400
Road and Park Impact Fee Fund: West District	-0-	1,984,300	1,984,300
State Infrastructure Bank Federal Pass-Through	-0-	5,005,000	5,005,000
Department Total	\$ 61,299,100	\$106,537,800	\$167,836,900

Tucson Water

Adopted Fiscal Year 2008

Program Area/Project Name	Carry		
	Forward	New Funding	Total
Tucson Water - Potable Water System			
Tucson Water - Potable Source Development			
CAVSARP Well Pump Improvements	\$ -0-	\$ 600,000	\$ 600,000
Drill Production Wells	-0-	1,500,000	1,500,000
New Well Equipping	-0-	1,300,000	1,300,000
Pressure Tank Replacement	-0-	300,000	300,000
Production Well Sites	13,000	50,000	63,000
Wellfield Upgrades	-0-	100,000	100,000
Sub-Total	\$ 13,000	\$ 3,850,000	\$ 3,863,000
Tucson Water - Recharge and Recovery			
South Avra Valley Storage and Recovery Project	\$ 2,454,100	\$ 11,520,000	\$ 13,974,100
Sub-Total	\$ 2,454,100	\$ 11,520,000	\$ 13,974,100
Tucson Water - Potable Storage			
Devine Reservoir Vault and Piping Modifications	\$ 177,000	\$ -0-	\$ 177,000
Disinfection Equipment Upgrades	744,600	120,000	864,600
Martin Reservoir - Liner Replacement	-0-	50,000	50,000
South Avra Valley Reservoir and Booster Station	-0-	250,000	250,000
Southeast G Zone Reservoir	-0-	200,000	200,000
Thornydale/Tangerine C Zone Reservoir	2,903,000	1,000,000	3,903,000
Sub-Total	\$ 3,824,600	\$ 1,620,000	\$ 5,444,600
Tucson Water - Potable Pumping Plant			
CAVSARP Booster Expansion	\$ -0-	\$ 3,000,000	\$ 3,000,000
Diamond Bell Ranch G-I Zone Booster Modification	184,000	-0-	184,000
I-1 Well and Booster Modifications	36,000	-0-	36,000
Las Palomas B-C Booster Station Modifications	207,000	-0-	207,000
Pumping Facility Modifications	-0-	310,000	310,000
Well I-002B Upgrades	150,000	-0-	150,000
Sub-Total	\$ 577,000	\$ 3,310,000	\$ 3,887,000
Tucson Water - Potable Transmission			
Cathodic Protection for Critical Pipelines	\$ -0-	\$ 300,000	\$ 300,000
Pipeline Protection: Manhole Upgrades	-0-	115,000	115,000
Rehabilitation of Critical Transmission Mains	-0-	135,000	135,000
South Avra Valley Raw Water Delivery Pipeline	1,000,000	9,000,000	10,000,000
Sub-Total	\$ 1,000,000	\$ 9,550,000	\$ 10,550,000
Tucson Water - Potable Distribution			
CAVSARP Collector Lines	\$ -0-	\$ 900,000	\$ 900,000
Emergency Main Replacement	-0-	300,000	300,000
Extensions for New Services	-0-	10,000	10,000
Jefferson Park Addition Main Replacement	-0-	50,000	50,000

Tucson Water

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry		
	Forward	New Funding	Total
On-Call Valve Replacement Program	\$ 175,000	\$ -0-	\$ 175,000
Payments to Developers for Oversized Systems	-0-	100,000	100,000
Quadrant Main Replacements	309,200	700,000	1,009,200
Review Developer-Financed Potable Projects	-0-	850,000	850,000
Road Improvement Main Replacements	-0-	5,264,000	5,264,000
Routine Main Replacements	-0-	800,000	800,000
Samos Main Replacement	350,000	1,213,000	1,563,000
Vista Las Catalinas Main Replacement	100,000	-0-	100,000
Water System Acquisitions	-0-	300,000	300,000
Sub-Total	\$ 934,200	\$ 10,487,000	\$ 11,421,200
Tucson Water - Potable New Services			
Fire Services	\$ -0-	\$ 1,500,000	\$ 1,500,000
Water Services	-0-	1,210,000	1,210,000
Sub-Total	\$ -0-	\$ 2,710,000	\$ 2,710,000
Tucson Water - Potable General Plant			
CAVSARP Security	\$ -0-	\$ 413,000	\$ 413,000
Eastside Maintenance Facility	-0-	3,750,000	3,750,000
Facility Safety and Security Infrastructure	-0-	567,000	567,000
Meter Upgrade and Replacement Program	-0-	1,460,000	1,460,000
Miscellaneous Land and Right-of-Way Acquisitions	-0-	10,000	10,000
SCADA Communications Upgrade	-0-	150,000	150,000
Tucson Water Document Management	-0-	250,000	250,000
Sub-Total	\$ -0-	\$ 6,600,000	\$ 6,600,000
Tucson Water - Potable Process Control			
Control Panel Replacements: Potable	\$ 10,000	\$ 600,000	\$ 610,000
Remote Control System Upgrades	-0-	800,000	800,000
Sub-Total	\$ 10,000	\$ 1,400,000	\$ 1,410,000
Tucson Water - Capitalized Expense			
Capitalized Expense	\$ -0-	\$ 5,000,000	\$ 5,000,000
Sub-Total	\$ -0-	\$ 5,000,000	\$ 5,000,000
Tucson Water - Potable Water System Sub-Total			
	\$ 8,812,900	\$ 56,047,000	\$ 64,859,900
Tucson Water - Reclaimed Water System			
Tucson Water - Reclaimed Source Development			
Reclaimed Storage and Recovery	\$ 89,000	\$ -0-	\$ 89,000
Sweetwater Wetlands Recharge Facility	600,000	-0-	600,000
Sub-Total	\$ 689,000	\$ -0-	\$ 689,000

Tucson Water

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Tucson Water - Reclaimed Pumping Plant			
Forty-Niners Control Valve	\$ 110,000	\$ -0-	\$ 110,000
Reclaimed Pumping Plant Projects - General	-0-	55,000	55,000
Roger Road Plant Booster Expansion	-0-	600,000	600,000
Sub-Total	\$ 110,000	655,000	\$ 765,000
Tucson Water - Reclaimed Transmission			
Reclaimed Emergency Main Enhancements	\$ -0-	\$ 50,000	\$ 50,000
Sub-Total	\$ -0-	\$ 50,000	\$ 50,000
Tucson Water - Reclaimed Distribution			
Developer-Financed Reclaimed Systems	\$ -0-	\$ 60,000	\$ 60,000
Main Extensions: Miscellaneous	-0-	55,000	55,000
Rose Elementary Reclaimed Lateral	50,000	-0-	50,000
System Enhancements: Reclaimed	-0-	100,000	100,000
Sub-Total	\$ 50,000	\$ 215,000	\$ 265,000
Tucson Water - Reclaimed New Services			
New Metered Services	\$ -0-	\$ 50,000	\$ 50,000
Sub-Total	\$ -0-	\$ 50,000	\$ 50,000
Tucson Water - Reclaimed Treatment			
Roger Road Reclaimed Water Treatment Plant	\$ 580,000	\$ -0-	\$ 580,000
Sub-Total	\$ 580,000	\$ -0-	\$ 580,000
Tucson Water - Reclaimed Process Control			
Control Panels: Reclaimed System	\$ 10,000	\$ 180,000	\$ 190,000
Sub-Total	\$ 10,000	\$ 180,000	\$ 190,000
Tucson Water - Reclaimed Water System Sub-Total	\$ 1,439,000	\$ 1,150,000	\$ 2,589,000
Department Total	\$ 10,251,900	\$ 57,197,000	\$ 67,448,900
Source of Funds Summary			
2005 Water Revenue Bond Funds	\$ 10,251,900	\$ 35,328,000	\$ 45,579,900
Central Arizona Project Reserve Fund	-0-	20,000	20,000
Tucson Water Fund: State Grants	-0-	623,000	623,000
Tucson Water Revenue and Operations Fund	-0-	21,226,000	21,226,000
Department Total	\$ 10,251,900	\$ 57,197,000	\$ 67,448,900

Information Technology

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Voice and Data Network and Component Upgrades	\$ 4,000,000	\$ -0-	\$ 4,000,000
Department Total	\$ 4,000,000	\$ -0-	\$ 4,000,000
Source of Funds Summary			
General Fund: Certificates of Participation	\$ 4,000,000	\$ -0-	\$ 4,000,000
Department Total	\$ 4,000,000	\$ -0-	\$ 4,000,000

Non-Departmental - General Expense

Program Area/Project Name	Adopted Fiscal Year 2008		
	Carry Forward	New Funding	Total
Human Resources Management System	\$ -0-	\$ 1,000,000	\$ 1,000,000
Tax Revenue Management System	1,050,000	1,150,100	2,200,100
Department Total	\$ 1,050,000	\$ 2,150,100	\$ 3,200,100
Source of Funds Summary			
General Fund: Restricted	\$ 1,050,000	\$ 2,150,100	\$ 3,200,100
Department Total	\$ 1,050,000	\$ 2,150,100	\$ 3,200,100



City of Tucson



Section G City Strategic Plan

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget





CITY STRATEGIC PRIORITIES & FINANCIAL SUSTAINABILITY

VISION

Through cooperative leadership, provide the resources, expertise, and enduring spirit required to be one of the top cities in the United States.

STRATEGIC PRIORITIES

The City of Tucson continues to move towards being a more strategic, results-oriented organization. The process began in the mid-1990s with the introduction of performance measurement and the Livable Tucson program. Fiscal Years 2007 and 2008 began with a new set of strategic priorities and a long-term financial sustainability plan approved by the Mayor and Council.

The Strategic Priorities for the City of Tucson are:

Children, Families, and Seniors

Environment, Planning, and Resource Management

Neighborhoods, Public Safety, and Emergency Preparedness

Transportation

Economic and Workforce Development

Rio Nuevo/Downtown, Arts, Culture, and History

The Mayor and Council has established subcommittees, made up of three council members each, to review and discuss strategies, information, and issues related to their assigned strategic priority. Recommendations are forwarded to the full Mayor and Council for consideration and action.

Citizen Participation

The Livable Tucson process provided an initial foundation for community values and interests. However, our community is ever changing, and additional sources of data are needed to ensure that our priorities remain reflective of the community. One source of new community data is coming from citizen surveys. Gathering feedback from a broad section of Tucson residents on a routine basis is an important tool to gauge community perceptions of our city. In 2001, the City of Tucson in partnership with the International City/County Management Association (ICMA) conducted its first citizen survey. A second citizen survey was done in 2004 using a similar survey instrument. Results from the citizen surveys are being used by the Mayor and Council and the city organization to assess current practices and to help set future priorities.

Strategic Planning Process

The Mayor and Council adopted the city's first Strategic Plan in the spring of 2002. The plan was based on six focus areas approved by the Mayor and Council in December, 2001, and included associated goals, strategies, and priority projects. Since that time, the plan has evolved based on citizen surveys and progress achieved on the plan's strategies and projects. The Mayor and Council unanimously approved the 2007-08 Strategic Plan. Each council member leads a subcommittee for each of the six focus area. With more citizen input these subcommittees will understand the community's priorities and work on specific projects to meet these priorities.

In the Strategic Plan, each priority area is composed of strategies or goals and important performance measures that will be used to measure success. The priority areas will allow the city to concentrate management initiatives, projects, and strategies, as well as direct the training of employees and ensure the effective use of resources.

The City of Tucson follows a basic four-step strategic approach:

- Mayor and Council (and its six strategic subcommittees) establish and define the city's priorities.
- The city organization is aligned to effectively carry out the priorities.
- Programs and projects are approved and funded to further the priorities.
- Results are measured and evaluated with the goal of improved services.

It is anticipated that an updated Strategic Plan will be presented to the Mayor and Council in the fall of 2007.

Financial Sustainability Plan

Although the City of Tucson has a number of long-term plans on specific issues such as the capital improvement program and transportation, there was not one process that consolidates the strategic priorities and long-term plans and financial projections into a single long-term service and financial plan. The financial sustainability process fills that need by identifying future service levels consistent with the city's strategic priorities and the resources required to provide those services. The Financial Sustainability Plan will provide a basis for future biennial budgets and will guide workforce planning and other efforts to improve the effectiveness and efficiency of city services.

While the needs of the community appear daunting, a significant impact can be achieved through a managed effort that consistently grows the amount of funding allocated to priority services one year at a time.

Background. During December 2005 and January 2006, presentations were made to the Mayor and Council on three primary services that are the focus of the plan: road maintenance, public safety, and parks and recreational programs and services. The discussions also included such issues as crime prevention and youth funding. Staff developed revenue projections and a plan that allocated revenue growth to the primary services presented to the Mayor and Council. The Financial Sustainability Plan was approved by the Mayor and Council on April 18, 2006. The Strategic Plan has been updated based on revised revenue projections.

Use of Revenue Growth. One of the underlying premises of the Financial Sustainability Plan is that revenue growth would be applied to ensure continuous service improvements while still addressing human capital requirements of the city organization. Fiscal Year 2005, a year with positive economic conditions and a significant investment in services, was used as a guide for determining the allocation amounts. In that fiscal year, 58% of the year's revenue growth went to services and 42% was used for human capital.

Although it is recognized that future revenue growth will vary based on economic cycles, an average annual growth of \$24 million is anticipated over the next ten years. It is recommended that 60% or just over \$14 million of each year's revenue growth be allocated to services. Less than \$10 million would be used to support human capital costs, such as salary and benefit adjustments. Savings of \$2 to \$3 million annually are anticipated from efforts to improve the effectiveness and efficiency of city services that will offset inflationary costs. The total allocation for service improvements for the ten-year plan is over \$790 million beginning with \$16 million in the first year, Fiscal Year 2007, and growing to more than \$144 million in the tenth year. Fiscal Year 2008 funding for services is also \$16 million for a cumulative \$32 million. (Revenue projections do not include any general tax increases or new revenue sources.)

The recommended goals and allocations for the priority services are as follows:

Road Maintenance. Establish a sustainable road maintenance program to raise the condition of every roadway to "good" or better, with an emphasis on residential streets. The Financial Sustainability Plan proposes \$151 million from future General Fund revenues be allocated to this goal; an additional \$25 million is anticipated from Pima Association of Governments.



Public Safety – Police. Increase the number of Police officers to 2.4 per thousand residents to improve service and timely response, emphasizing crime prevention. A total of \$329 million over 10 years is allocated to increase the Police force by 560 officers, including investments to improve effectiveness. This allocation includes \$39 million for the judicial support required because of the increase in enforcement.

Public Safety – Fire. Add new firefighters to ensure emergency call response within an average of 4 minutes and increase medical response capabilities, fire prevention efforts, and emergency and hazardous materials preparedness. The ten-year plan allocates \$205 million for this goal, including the addition of 312 firefighters and paramedics.

Parks and Recreation. Take care of our existing parks and centers and increase programs with an emphasis on youth, families, and seniors. Improvements in maintenance, programming, and other services, including those for social and educational issues, will be achieved with \$106 million in funding over ten years.

While many service needs are driven by a growing community, a significant portion is required to “catch up.” The above amounts do not include capital improvement project costs. Impact fees will help offset some of the costs associated with growth and capital improvements may be funded by future voter authorized bonds and other funding mechanisms. Revenue projections do not include any general tax increases or new revenue sources.



City of Tucson



Section H Glossary

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



GLOSSARY OF TERMS

Term	Definition
ACCOUNTABILITY	The state of being obliged to explain actions to justify what was done. Accountability requires justification for the raising of public funds and the purposes for which they are used.
ACTIVITY	A group of related functions performed by one or more organizational units for the purpose of satisfying a need for which the city is responsible.
ALLOCATION	Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.
ANALYSIS	A process that separates the whole into its parts to determine their nature, proportion, function, and relationship.
ANNUALIZED COSTS	Operating costs incurred at annual rates for a portion of the prior fiscal year that must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.
APPROPRIATION	An authorization granted by the Mayor and Council to make expenditures and to incur obligations for purposes specified in the appropriation resolution.
ASSESSED VALUATION	A valuation set upon real estate or other property by the county assessor and the state as a basis for levying taxes.
BIENNIAL BUDGET	A form of multi-year budgeting that covers a two-year period, rather than the one-year period of an annual budget. Each year within the biennial period is budgeted and shown separately within a single budget document published at the start of the first year. At the start of each fiscal year, the Mayor and Council formally adopt each budget within the two-year period in compliance with state budget law. Second year budgets can be adjusted as necessary with the Mayor and Council budgetary policies.
BOND	A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity date), together with periodic interest at a specific rate.
BOND FUNDS	Funds used for the purchase or construction of major capital facilities, which are not financed by other funds. The use of bond funds is limited to ensure that bond proceeds are spent only in the amounts and for the purposes authorized.
BOND PROCEEDS	Funds derived from the sale of bonds for the purpose of constructing major capital facilities.
BONDS - GENERAL OBLIGATION	Limited tax bonds that are secured by the city's secondary property tax.

GLOSSARY OF TERMS

Term	Definition
BUDGET	A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.
CAPITAL BUDGET	A financial plan of proposed capital expenditures and the means of financing them.
CAPITAL CARRYFORWARD	Capital funds unspent and brought forward from prior years.
CAPITAL IMPROVEMENT PROGRAM	A plan separate from the annual budget that identifies: (1) all capital improvements which are proposed to be undertaken during a five fiscal year period, (2) the cost estimate for each improvement, (3) the method of financing each improvement, and (4) the planned implementation schedule for each project.
CAPITAL PROJECT	Any project having assets of significant value and a useful life of six years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital improvements are permanent attachments intended to remain on the land. Capital projects may include the acquisition of heavy equipment and machinery or specialized vehicles using capital funding sources.
CARRYFORWARD CAPITAL IMPROVEMENT PROJECT	Any capital project that has been previously approved by the Mayor and Council, but for various reasons has not been implemented on schedule. Under state law and Generally Accepted Accounting Principles, only those costs relating to work actually done on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and, therefore, violate state budget law, such a project and the associated projected costs are included in the subsequent fiscal year's budget.
CARRYFORWARD OPERATING FUND BALANCES	Operating funds unspent and brought forward from prior fiscal years.
CERTIFICATES OF PARTICIPATION	A debt financing tool which is used to enable the city to purchase large equipment and improve or construct city facilities. Interest is paid and principal repaid through annual payments made from funds appropriated each fiscal year by the Mayor and Council.
COMMODITIES	Expendable items used by operating departments. Examples include office supplies, repair and replacement parts for equipment, books, and gasoline.
CUSTOMER	The recipient of a product or service provided by the city. Internal customers are city departments, employees, or officials who receive

GLOSSARY OF TERMS

Term	Definition
	products or services provided by other city departments. External customers are citizens, neighborhoods, community organizations, businesses, or other public entities who receive products or services provided by a city department.
DEBT SERVICE	The amount required to retire the principal and pay the interest on outstanding debt.
ENCUMBRANCES	Obligations in the form of purchase orders, contracts, or other commitments that 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 extinguished.
ENTERPRISE FUND	An accounting entity established to account for the acquisition, operation, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting.
EQUIPMENT	An item of machinery or furniture having a unit cost of more than \$5,000 and an estimated useful life of more than one year. Heavy equipment and machinery that are capital improvements are included in the capital budget and are not considered equipment items in the operating budget.
EXPENDITURE	Any authorization made for the payment or disbursing of funds during the fiscal year.
FIDUCIARY FUNDS	Funds used to report assets held in a trustee capacity and therefore cannot be used to support the city's programs. The Tucson Supplemental Retirement System fund is a fiduciary fund.
FISCAL YEAR	A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. Fiscal Year 2008, for the City of Tucson, refers to the period July 1, 2007 through June 30, 2008.
FOCUS AREA	Areas selected by the Mayor and Council as part of a strategic planning process that guide city improvement and development efforts for the budget year. The focus areas are Transportation; Neighborhoods, Public Safety, and Emergency Preparedness; Children, Families, and Seniors; Environment, Planning, and Resource Management; Economic and Workforce Development; and Rio Nuevo/Downtown, Arts, Culture, and History [See Section G, "Strategic Priorities"].
FULL-TIME EQUIVALENT POSITION (FTE)	A full-time position, or part-time position converted to a decimal equivalent of a full-time position, based on 2,080 hours per year. For example, a summer lifeguard working for four months, or 690 hours, would be equivalent to .33 of a full-time position.
FUND	An independent fiscal and accounting entity with a self-balancing

GLOSSARY OF TERMS

Term	Definition
	set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.
GENERAL FUND	A fund used to account for all general purpose transactions of the city that do not require a special type of fund.
INTER ACTIVITY TRANSFERS	Transactions between city organizations or funds that would be treated as revenues or expenditures if they involved parties external to the city. Transactions may be charged against other organizations or funds.
INTERNAL SERVICE FUNDS	Funds used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost-reimbursement basis. The goal of an internal service funds is to measure the full cost of providing goods or services for the purpose of fully recovering that cost through fees or charges. The Risk Management Fund is such a fund; departments are assessed charges to fund the city's self-insurance expenses.
MISSION	A succinct description of the scope and purpose of a city department. It specifies the business activities of a department.
NON-PERSONAL SERVICES	Costs related to expendable services, such as supplies, materials, utilities, printing, rent, and contracted and professional services.
NON-RECURRING REVENUE	Proceeds of general obligation bonds, revenue bonds, and other restricted revenue.
OPERATING BUDGET	A financial plan which applies to all proposed expenditures other than for capital improvements.
OPERATING FUNDS	Resources derived from recurring revenue sources used to finance operating expenditures and pay-as-you-go capital expenditures.
ORGANIZATION	The smallest unit of budgetary accountability and control which encompasses specific and distinguishable lines of work performed for the purpose of accomplishing a function for which the city is responsible.
OTHER COSTS	This classification of costs includes Sun Tran expenditures, contributions to outside agencies, specific federal fund expenditures, and miscellaneous expenditures.
OUTCOME	The result or community benefit derived from programs or services expressed as a measure and used to evaluate quality or effectiveness. Examples of outcomes are the number of traffic signals operating trouble-free on a daily basis and the percent of customers satisfied with park conditions.

GLOSSARY OF TERMS

Term	Definition
OUTPUT	A quantitative measure of activities or efforts undertaken to provide a service or program. Examples of outputs are the number of responses to emergency 9-1-1 calls and the number of tons of recyclable materials collected.
OUTSIDE AGENCIES	A group of organizations which are neither associated with, nor allocated to, any particular city department. Economic Development, Cultural Enrichment, Community Health and Safety, Mayor and Council Appointed Commissions, Annual Community Events, and Tucson Community Cable Corporation (Access Tucson) are the major program groupings for outside agencies.
PERFORMANCE MEASURE	An annual indicator of achievement or measure of production for a program or a unit as defined in the organization of the budget. Measures may be expressed as a number count, fraction, or percent of achievement. Examples are the number of water meters read, number of customer calls received, or percent of customers rating the service as “good” or higher.
PERSONAL SERVICES	The costs of compensating employees of the City of Tucson, including salaries and employee benefit costs, such as health, dental, and life insurance, city contributions for retirement, social security, and workers’ compensation insurance.
PRIMARY PROPERTY TAXES	All ad valorem taxes, except the secondary property taxes, which can be used for any lawful purpose.
PROGRAMS	Desired output-oriented accomplishments which can be measured and achieved within a given time frame. Achievement of the programs advance the activity and organization toward fulfillment of a corresponding need.
PROJECTS	Unique assignments having a finite time span and a deliverable; normally associated with capital improvements such as roadways, neighborhood facilities, etc.
RECURRING REVENUES	Revenue sources available on a continuing basis to support operating and capital budgetary needs.
RESTRICTED REVENUES	Revenues which are legally restricted for a specific purpose by the federal, state, or local governments.
REVENUES	Income from taxes and other sources during the fiscal year.
SECONDARY PROPERTY TAXES	Ad valorem taxes or special property assessments used to pay the principal, interest, and redemption charges on any bonded indebtedness or other lawful long-term obligation issued or incurred for a specific purpose by a municipality, county, or taxing district; and assessments levied by or for assessment districts and for limited purpose districts other than school districts and community colleges pursuant to an election to temporarily exceed

GLOSSARY OF TERMS

Term	Definition
	(up to one year) budget, expenditure, or tax limitations.
SECONDARY TAX RATE	The rate per one hundred dollars of assessed value employed in the levy of secondary property taxes. The assessed value derived from the current full cash value (market value) is the basis for computing taxes for budget overrides, bonds, and for sanitary, fire, and other special districts.
SERVICES	Costs which involve the performance of a specific service by an outside organization or other city organization. Examples of services include consultants, utilities, and vehicle maintenance.
STREET AND HIGHWAY BONDS	Revenue bonds which are secured by the city's Highway User Revenues and used for the construction of street, highway, and related capital projects.
SUNSET CLAUSE	A provision, inserted in a set of regulations, for the expiration of specified arrangements should certain conditions prevail or the initiative is not extended past the agreed upon time frame.
TAX LEVY	The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.
TAX RATE	The amount of tax levied for each one hundred dollars of assessed valuation.

ACRONYMS AND INITIALISMS

Acronym/Initialism	Definitions
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADEQ LUST	Arizona Department of Environmental Quality Leaking Underground Storage Tank
ATLAS	Advanced Traffic and Logistics Algorithms and Software
CAP	Central Arizona Project
CAVSARP	Central Avra Valley Storage and Recovery Project
Ccf	A water billing unit that equals 100 cubic feet or 748 gallons
CIFP	Capital Improvement Funded Program
CIP	Capital Improvement Program
CNG	Compressed Natural Gas
COP	Certificates of Participation
ER	Emergency Room
FSP	Financial Sustainability Plan
FTE	Full-time Equivalent
FY	Fiscal Year
GIS	Geographic Information Systems
HELP	Highway Expansion and Extension Loan Program
HURF	Highway User Revenue Fund
LEED	Leadership in Energy and Environmental Design
MGD	million gallons per day
PRV	pressure reducing valve
PVC	polyvinyl chloride
RHODES	Real-time Hierarchical Optimized Distributed Effective System
RTDN	Regional Transportation Data Network
SAVSARP	South Avra Valley Storage and Recovery Project
SCDA	Supervisory Control and Data Acquisition
TPD	Tucson Police Department
TREO	Tucson Regional Economic Opportunities, Inc.
TUSD	Tucson Unified School District
VoIP	Voice over Internet Protocol
WIFA	Water Infrastructure Finance Authority

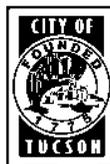


City of Tucson



Section I Index

Adopted Update for Fiscal Year 2008
Fiscal Years 2007 and 2008 Biennial Budget



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