

CITY OF TUCSON



Adopted Biennial Budget Summary Fiscal Years 2009 and 2010

Volume I



CITY OF TUCSON

Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010
Presented July 1, 2008

CITY COUNCIL



HONORABLE
ROBERT E. WALKUP
MAYOR



REGINA ROMERO
WARD 1



RODNEY GLASSMAN
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

RICHARD MIRANDA
Assistant City Manager

KAREN MASBRUCH
Assistant City Manager

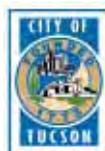


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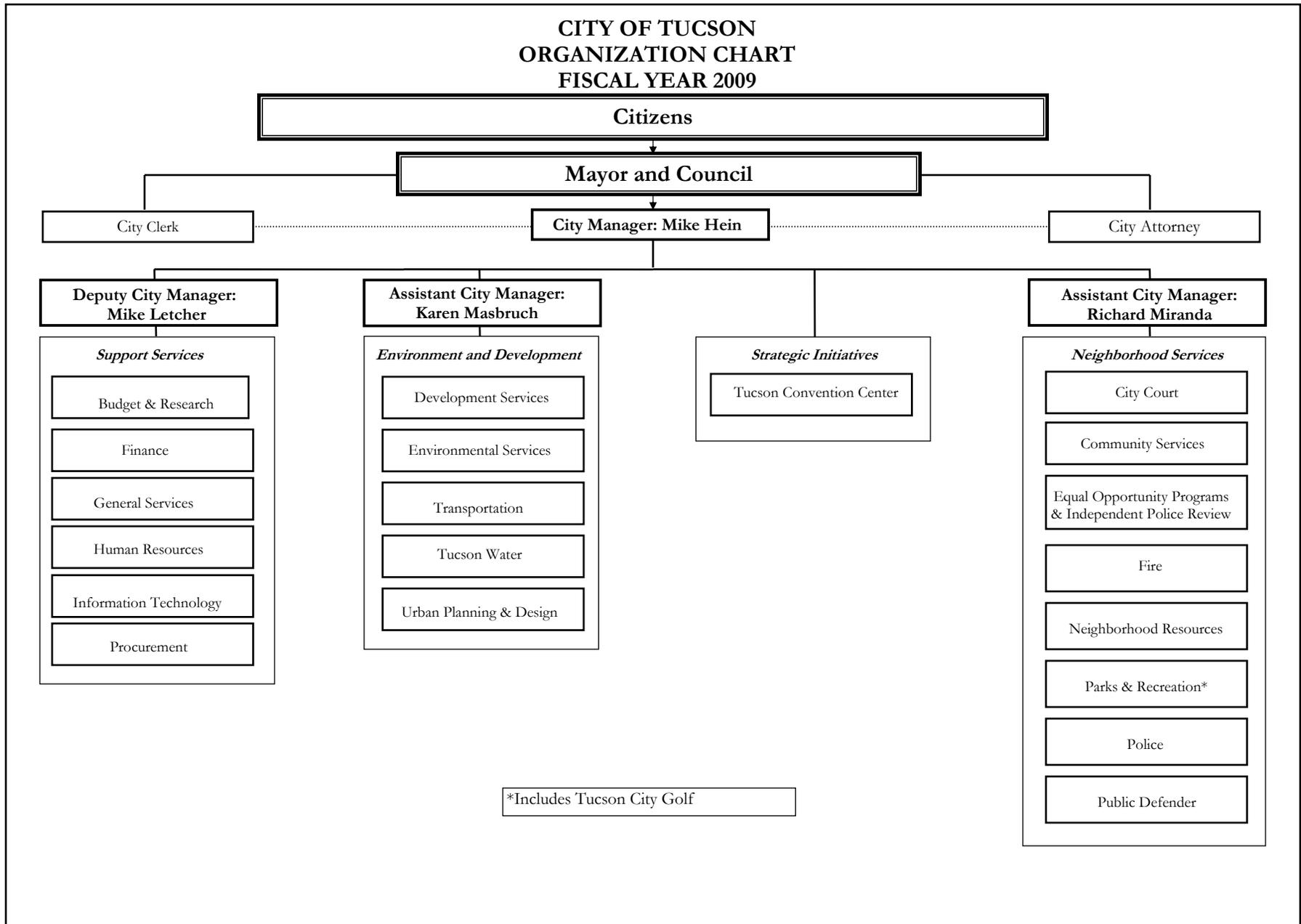
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**CITY OF TUCSON
ORGANIZATION CHART
FISCAL YEAR 2009**



CITY OF TUCSON OFFICIALS AND DIRECTORS

OFFICIALS

City Manager, *Mike Hein*

Deputy City Manager, *Michael D. Letcher*

Assistant City Manager, *Richard Miranda*

Assistant City Manager, *Karen Masbruch*

City Attorney, *Mike Rankin*

City Clerk, *Roger W. Randolph*

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, *Kermit Miller, Interim*

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, *Vacant*

STRATEGIC INITIATIVES

Tucson Convention Center, *Richard Singer*

SUPPORT SERVICES

Budget and Research, *David Cormier, Interim*

Finance, *David Cormier, Interim*

General Services, *Ronald Lewis*

Human Resources, *Cindy Bezaury*

Information Technology and Chief Information
Officer, *Ann Strine*

Procurement, *Mark A. Neihart*

BIENNIAL BUDGET CALENDAR FISCAL YEARS 2009 AND 2010

Sequence of events in the budget-setting process.

October 4, 2007	Budget kickoff.
April 22, 2008	Submission of the City Manager's Fiscal Years 2009 and 2010 Recommended Biennial Budget, and Proposed Five-Year Capital Improvement Program Fiscal Years 2009 through 2013 to Mayor and Council.
May 6, 2008	Public Hearing on Fiscal Years 2009 and 2010 Recommended Biennial Budget.
May 13, 2008	Mayor and Council Study Sessions for the purpose of discussing the Fiscal Years 2009 and 2010 Recommended Biennial Budget and Proposed Five-Year Capital Improvement Program, Fiscal Years 2009 through 2013.
May 20, 2008	Mayor and Council Study Sessions for the purpose of discussing the Fiscal Years 2009 and 2010 Recommended Biennial Budget and Proposed Five-Year Capital Improvement Program, Fiscal Years 2009 through 2013.
June 3, 2008	Tentative adoption of budget for Fiscal Year 2009.
June 10, 2008	Truth in Taxation Hearing on primary property tax levy for Fiscal Year 2009.
June 10, 2008	Public Hearing on the Biennial Budget for Fiscal Year 2009 as tentatively adopted.
June 10, 2008	Special Mayor and Council meeting for the purpose of final budget adoption.
June 25, 2008	Fixing and levying the Primary and Secondary Property Taxes for Fiscal Year 2009.

HOW TO USE THIS BUDGET

This document guide outlines the City of Tucson's Fiscal Years 2009 and 2010 Adopted Biennial Budget, which is contained in three volumes. Copies of the budget are available at all branches of the Tucson-Pima Public Library, the University of Arizona Main Library, Pima Community College 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 at <http://www.tucsonaz.gov/budget>. Information may also be obtained by calling the Department of Budget and Research at (520) 791-4551 or e-mailing the department at budget&research@tucsonaz.gov.

Presenting the budget in these volumes allows users to select the level of information that meets their needs. Volume I, the Adopted Budget Summary, provides summary level information. Volume II, the Adopted Budget Operating Detail, and its appendices in Volume IIA and B provides detailed information on staffing and city services. Volume III, the Approved Five-Year Capital Improvement Program, provides detailed information on capital projects. Following are descriptions of the contents in each volume.

Volume I

City Manager's Message - This section includes the letter from the city manager transmitting the biennial budget 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 topics:

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

Strategic Priorities - This section summarizes the strategic plan for the city including the focus areas and the proposed Financial Sustainability Plan.

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 and economic 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 here.

Capital Budget Summary - This section provides a summary of the Five-Year Capital Improvement Program.

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

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

Volume II

The Adopted Budget Operating Detail provides the detail for department budgets. It is organized in alphabetic order, except that the Mayor and Council is first and Non-Departmental is last.

Each department section includes a mission statement, an overview of the department, department financial and personnel resources, funding summaries, a summary of significant changes that compare the Fiscal Year 2008 Adopted to the Fiscal Year 2009 Adopted Budget and the Fiscal Year 2009 Adopted Budget to the Fiscal Year 2010 Approved Budget. Key measures of performance are included for the various programs within each department.

Appendix A: Position Resources by Classification - Appendix A presents, by department and division, the position resources for the Fiscal Years 2009 and 2010 Adopted Biennial Budget, as well as the Fiscal Year 2008 Adopted and Estimated budgets, and Fiscal Year 2007 actual staffing. This section includes the detail by position and pay range for all authorized positions.

Appendix B: Financial Summary - Appendix B displays, by department and division, each organization's financial summary. The information reflects the financial resources for the Fiscal Years 2009 and 2010 Adopted Biennial Budget, as well as the Fiscal Year 2008 Adopted and Estimated budgets, and Fiscal Year 2007 actual expenditures.

Volume III

The Approved Five-Year Capital Improvement Program (CIP) contains the capital budget detail. This volume has two major sections: Overview and Department Programs.

Overview - The overview provides a description of the capital program and its impact on the community, including:

- Summary Tables
- Summary of Planned Expenditures and Funding
- Department Program Highlights
- Impact on the Operating Budget
- Use of Impact Fees

Department Programs - In this section of the Approved CIP, each department's capital budget is presented. Within each department a program statement describes the highlights of the capital program, and the impact of the capital program on the operating budget are tabulated. There are project and funding summaries by major program area. The reader can find the individual project detail in this section. Each project is described, and funding sources, project costs, and other project information (such as start and end dates, ward locations) are presented.

**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.



*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section A
City Manager's Message





CITY OF TUCSON

OFFICE OF THE CITY MANAGER

July 1, 2008

Honorable Mayor and Council Members:

The Fiscal Years 2009 and 2010 Biennial Budget I am presenting to you continues the prudent, disciplined, and necessary ten-year vision that we initiated with the Financial Sustainability Plan in the Fiscal Years 2007 and 2008 Biennial Budget. This budget will allow us to weather the current economic storm, while standing our ground on the service improvements we have gained through the Financial Sustainability Plan.

Focus on Services

Through the ten-year Financial Sustainability Plan, the Mayor and Council has provided the community with a concise picture of the city's future needs and the means to achieve its goals. The plan incorporated aspects of the city's strategic priorities, as well as input from citizens and other planning processes. It focuses 60% of General Purpose Funds revenue growth on improving services to the community. The goal of this year's budget process has been to maintain the gains achieved through the Financial Sustainability Plan over the last two years.

Financial Sustainability Plan Gains in Fiscal Years 2007 and 2008. Over the past two years the city has utilized \$48.4 million of General Purpose Funds revenue growth on public safety, street repair and paving, and parks maintenance and programming:

- 80 police officers and support staff were added (\$18.6 million expended).
- 75 firefighters and paramedics were added (\$12.4 million expended).
- 24 square miles of residential streets were repaired or repaved (\$11.4 million expended).
- Parks maintenance and youth/senior programming was expanded (\$6 million expended).

In addition, \$32.2 million of General Purpose Funds revenue growth went to fund human capital increases for salaries and benefits over the past two years.

- Cost-of-living and merit increases (\$21.4 million expended).
- Police and fire officer starting salaries raised (\$0.5 million expended).
- Compression and supplemental pay for police command staff (\$0.8 million expended).
- Increased pension contributions for general workforce (\$0.5 million expended).
- Increased pension contributions for public safety workforce (\$9.0 million expended).

Financial Sustainability Plan Changes for Fiscal Years 2009 and 2010. The General Purpose Funds budget, which funds the Financial Sustainability Plan, is \$492.1 million for Fiscal Year 2009, a decrease of \$1.3 million from Fiscal Year 2008. Because the Fiscal Year 2009 General Purpose Fund revenues are just adequate to cover the recurring costs adopted in the Fiscal Year 2008 budget, funds are not available to expand services or fund human capital adjustments.

Just as there are no service increases for citizens in the Fiscal Year 2009 Adopted Budget, there are no raises for employees. However, the Fiscal Year 2009 Adopted Budget does continue the past two years of Financial Sustainability Plan’s service and human capital increases:

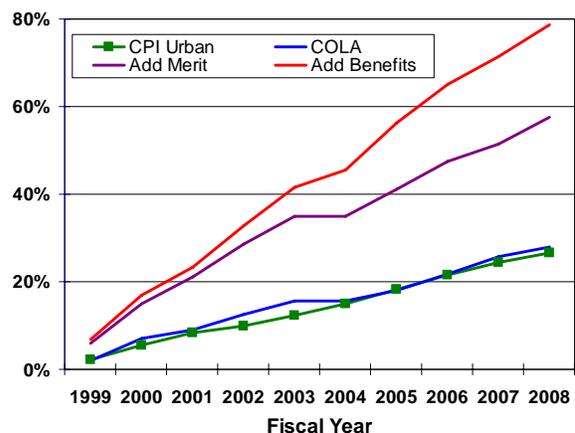
- Maintains Police and Fire staffing at the city’s highest recorded levels.
- Repairs and repaves another 16 square miles of residential streets.
- Continues 24,000 hours of maintenance and 20,000 hours of programs in Parks and Recreation.
- Funds \$800,000 in Parks and Recreation facility improvements.
- Maintains employee raises and benefit contributions.

For Fiscal Year 2010, preliminary revenue projections indicate growth of \$10.9 million that will be available for increases in Financial Sustainability Plan funding: \$6.5 million to improve services and \$4.4 million for human capital investments.

Increased Personnel Costs in Fiscal Year 2009. While there are no Financial Sustainability Plan funds for human capital adjustments, the city is still faced with increased personnel costs and no revenue growth. The Fiscal Year 2009 budget has to cover an estimated \$11 million for public safety pension contribution increases (\$6 million), the full-year cost of the Fiscal Year 2008 merits (\$3 million), and medical insurance rate increases (\$2 million). While it would have been easy to reverse course on the Financial Sustainability Plan to fund this deficit, Mayor and Council have made it clear that they don’t want to retreat from progress on their ten-year vision. Instead, to cover these increased costs, support departments will be asked to further tighten their belts.

Prior to the tentative adoption of the budget, staff transferred existing funding between departments to cover the public safety pension contribution increase and the full-year cost of Fiscal Year 2008 merits. Funding for the increased personnel costs will come from filling retiree vacancies at lower salaries and from reducing department budgets through increased turnover rates, which will require the continued management of vacancies in Fiscal Year 2009. Potential non-personnel increases in fuel and energy rate changes will be recovered through an extension of travel reductions and major acquisition deferrals begun in Fiscal Year 2008. In recognition of the economic strains on our employees and the lack of funds for pay raises, employees will be protected from reductions needed to fund these additional costs: There will be no layoffs.

The city has experienced down cycles before and has not been able to increase wages in other budget years. However, as the chart to the right shows, the city has been successful over the past ten years in providing salary and benefit increases that exceed the rate of inflation.



Ten-Year Financial Sustainability Goals. While current economic conditions will impact our ability to move forward as aggressively as originally planned for Fiscal Years 2009 and 2010, it is important that we keep our attention on the ten-year goals of the Financial Sustainability Plan:

Reduce Crime. The city anticipates adding police officers to meet the goal of 2.4 police officers per 1,000 residents and adding support staff for a total investment of close to \$330 million.

Save Lives and Property. Fire and paramedic response capabilities will be improved with funding in excess of \$200 million. Eight new fire stations are planned, which will house additional firefighters and paramedics, with the goal of reducing response time.

Maintain Our Roadways. The road maintenance program will be expanded by a total investment of more than \$151 million, including \$25 million from other agencies.

Address Social Concerns. Child and family programs such as KIDCO, JobPath, School-Plus-Jobs, and Exploring our Future, as well as new programming and services for youth and seniors, will be expanded with \$26 million in funding.

Improve Parks Facilities and Recreational Opportunities. Close to \$80 million will fund maintenance of parks and recreational facilities as well as operating funds for new facilities that will support increased programming opportunities.

While 60% of the Financial Sustainability Plan is allocated for service enhancements, the other 40% is for the human capital requirements of the city organization. Over the course of the ten-year plan, approximately \$520 million will be used to keep up with required pension contributions and salary adjustments for employees to ensure that citizens are served by a well-qualified and dedicated workforce.

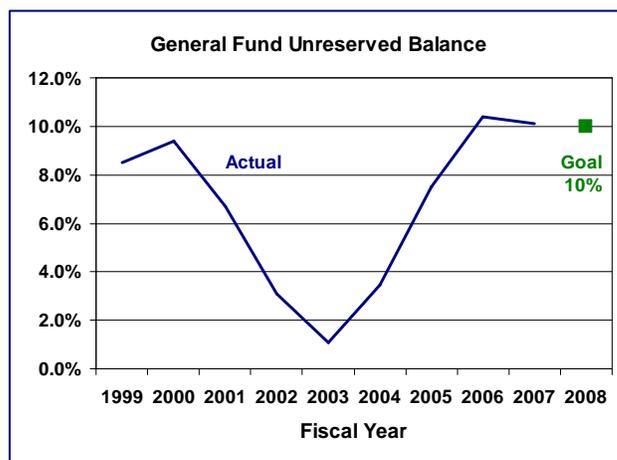
I believe the way to achieve our goals is to be patient and stay focused on the ten-year plan, making disciplined financial decisions during periods of economic slowdown and re-committing ourselves to advancing the plan when economic times are good.

Improving the City's Financial Position

Over the last ten years, the city's financial position has been improved by increasing fund balances and by controlling base budgets and staffing levels.

Increasing Fund Balance. In 2007, the Mayor and Council increased the reserve requirement from 7.5% to 10%. Reserves have grown from less than 1% in 2003 to more than 10% in 2007. This has partly been made possible by economic growth, but also by not giving in to the temptation to use one-time funds—which the reserve is—for recurring costs. Maintaining the reserve at 10% during this economic slowdown will be a challenge.

Maintenance of the General Fund Unreserved Balance at the city's policy level is critical to the financial health of the city. It also has implications for securing general obligation bonds that finance public safety and other facilities that service the public.

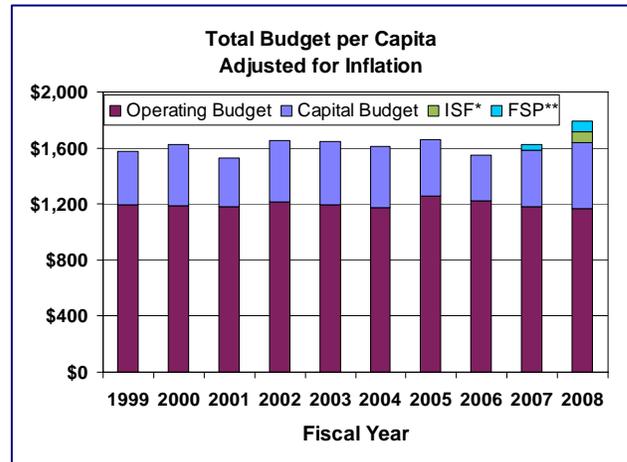


“Fund balance is a measure of an issuer’s financial flexibility to meet essential services during periods of limited liquidity. Standard & Poor’s considers an adequate fund balance to be a credit strength.” - Standard and Poor’s *Public Finance Criteria* manual.

Controlling Base Budgets. Controlling base budgets is an integral part of the Financial Sustainability Plan; without controlling our current costs we would not be able to dedicate revenue growth to improving services and investing in human capital. A basic tenet of the Financial Sustainability Plan has been that the city’s budget would offset the impact of population and inflationary pressures by generating cost savings throughout the organization.

Over the life of the plan, departments will have to continuously improve their service delivery by doing more with less. Over the past two years, departments have had to absorb the cost impacts of inflation and the demands of a growing population. Following are some of our “controlling base budgets” accomplishments to date:

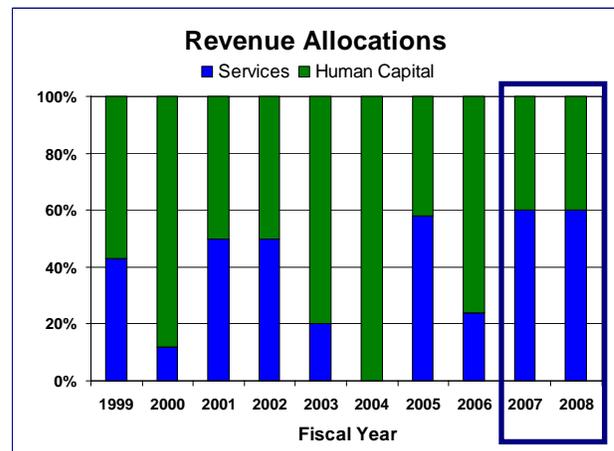
- Per capita budgets have decreased on a constant dollar basis (i.e., adjusted for inflation).
- Since 2006, new city positions have primarily been to implement Financial Sustainability Plan services, such as additional police officers and firefighters.
- Staffing has been reduced through attrition in support operations such as fleet, purchasing, personnel, etc. since 1999.
- Past and current retirement incentives have reduced recurring personnel costs.



*Internal Service Funds
*Financial Sustainability Plan

The Financial Sustainability Plan itself has helped to control base budgets by limiting funding for human capital increases to 40% of revenue growth.

Beginning in Fiscal Year 2007, the Financial Sustainability Plan reversed prior year trends that saw over 60% of funding allocated to human capital and only 40% to services.



Future Benefit Changes. To complement department efforts at reducing the costs of service delivery, several changes in employee benefits have been initiated to help control future cost pressures on base budgets.

Pension Contribution Rates. Contribution rates to Tucson Supplemental Retirement System (TSRS) for new employees will be based on the total required combined contribution rate calculated annually, which will save the city up to \$2 million annually.

Retirement Program Changes. An End of Service (EOS) Program is offered to help with the long-term goal of workforce planning. TSRS employees who are eligible to retire prior to December 31, 2010, may participate in this program, which sets aside their monthly retirement benefit in an interest-bearing account while they continue to work up to one additional year for the city.

Medical Benefit and Premium Changes. The city has had successful negotiations with our current medical insurance provider (CIGNA HealthCare) and is renewing the contract for next fiscal year. Initially, CIGNA offered the city a 14% premium rate increase, but the city was successful in negotiating that down to a 6% rate increase.

Plan offerings were changed based on feedback received from an Employee Benefit Survey conducted in March 2008. The city has offered a high premium plan, a low premium plan, and a choice fund plan. The Open Access Plus plan, which provided referral-free access to physicians, was eliminated due to low participation and high cost.

A cost saving feature built into the contract includes premium returns for employee participation in a health risk assessment. CIGNA agreed to a premium credit based on the level of employee completion of CIGNA's on-line Health Risk Assessment (HRA) by June 15, 2008. If 50% to 74% of the employees complete the HRA, a premium credit of 0.75% will be issued back to the city. A 75% or greater employee participation rate will garner the city a 1.5% premium credit.

While a lower rate increase was negotiation, the city will be absorbing a \$2 million premium increase for active and retired employees. As has been discussed with Mayor and Council, the city will move to a three tiered salary-based employee contribution, with better paid employees bearing a greater cost of their medical benefit. For employees with base salaries of \$60,000 or less (approximately 3,600 employees), their premium levels will be set at current rates for the basic HMO and HRA plans. For employees with base salaries of \$60,001 to \$100,000 (approximately 1,850 employees), premium levels will be set at 5% more than the rates for the lowest salary-based premium. Premium levels for employees with base salaries of more than \$100,001 (approximately 140 employees) will be set at 10% more. Depending upon the plan selected, employees making over \$60,000 would be paying from \$1 to \$9 more per pay period for medical insurance.

Retiree Medical Premium Changes. Like most other city, county, and state governments, the City of Tucson is facing a funding challenge related to Government Accounting Standards Board Statement 45, which requires disclosing liabilities relating to Other Post-Employment Benefits. The city's other post-employment benefit is the medical insurance provided to retirees.

While the city's policy has been to contribute 75% to the cost of medical premiums for retirees prior to Medicare eligibility (upon eligibility for Medicare, the city's contribution ceases), the city's post-employment liability can be reduced by switching to a fixed-amount subsidy. Other Arizona retirement systems provide a fixed-amount subsidy (currently \$160-240 depending on the coverage). To contain future costs, the city will offer a fixed contribution for this benefit. For those who enter the EOS Program or retire prior to January 1, 2011, the medical benefit will remain at the 75% level. For those retiring January 1, 2011 or later, the benefit will be \$200 for the retiree only, \$375 for retiree and one dependent, or \$475 for a family. As with the current policy, the city's retiree medical benefit will stop when the retiree reaches Medicare eligibility.

Managing through the Current Recession

While an economic slowdown was anticipated for Fiscal Years 2008 and 2009, revenue trends progressively deteriorated throughout 2008 with no significant recovery anticipated for 2009. The significant slowdown in the housing market and turmoil in the credit markets have had a significant impact on Arizona's economy.

Early data available in November 2007 suggested a \$5 million shortfall for the City of Tucson based on reduced local and state-shared sales tax collections. However, holiday revenues proved to be very disappointing and the estimated revenue shortfall was revised upwards to \$12 million. The City of Tucson is

not alone. Many others, including the City of Phoenix and the State of Arizona, have experienced similar downward trends with revenue estimates getting progressively worse.

In response to the city’s projected deficit in Fiscal Year 2008, a decision was made to hold non-public safety positions vacant, cut travel, and defer major acquisitions and improvements. The impact of the economic slowdown on the city’s revenues is also reflected in the General Purpose Funds portion of the Fiscal Years 2009 and 2010 Adopted Biennial Budget.

Most of the city’s revenue shortfall estimated for Fiscal Year 2008 is projected to be recovered in Fiscal Year 2009. As the following table shows, Fiscal Year 2009 General Purpose Funds revenues are anticipated to be \$1.7 million below the adopted budget for Fiscal Year 2008. For Fiscal Year 2010, a moderate increase of just under \$11 million is anticipated.

General Purpose Funds (\$ millions)

	Budget 2008	Preliminary Estimates	
		2009	2010
Sales Tax	212.9	206.8	214.1
State Shared	154.4	157.0	159.5
Other	126.1	128.3	129.0
Total Services	493.4	492.1	502.6
Change		-1.3	10.5
Financial Sustainability	53.6	53.6	64.5
Change		-0-	10.9

Permanent Reductions Are Needed. The General Purpose Funds savings efforts started in Fiscal Year 2008 and that will continue in Fiscal Year 2009 are only temporary solutions. As noted earlier, during Fiscal Year 2009, departments will be asked to evaluate the services and activities they perform to determine opportunities for permanent savings by eliminating vacant positions, consolidating services, and improving efficiencies. This effort will help us manage the recession and is a next step in the continuous improvement cycles that the Financial Sustainability Plan requires to be successful.

City Support to Outside Groups

The draft report distributed to the Mayor and Council in January was an effort to provide information on our investments in community agencies. It was intended to serve as transparent look at all city expenditures for human services, arts and cultural enrichment, and economic and workforce development that would support a more strategic approach to those investments. That report revealed that the city is spending approximately \$127 million annual in support to outside groups.

While there is no plan to make cuts in that commitment level, there are no plans to grow that investment level. Over the course of the next few years, Mayor and Council will have the opportunity to review this support and decide how to strategically allocate the available resources for the greatest benefit to the public.

Enterprise Funds

The city has three enterprise departments that are primarily funded by user fees for the services provided to citizens. Tucson Water, Environmental Services, and Tucson City Golf are also engaged in their own efforts to improve services and plan for future financial health.

Tucson Water. Tucson Water is working with Pima County on a joint study that will include an evaluation of the health of the region's water and wastewater infrastructure. Tucson Water's Fiscal Year 2009 budget incorporates a proposed 8% revenue increase, which includes a dedicated funding source for conservation efforts. The additional revenue of approximately \$9.5 million will be used to secure the city's full allotment of Colorado River water, fund projects that recharge and store that water, and enhance conservation programs.

Environmental Services. Environmental Services' Fiscal Year 2009 budget initiates a pay-as-you-go replacement program for refuse vehicles. This program is expected to reduce long-term maintenance costs and maintain current service levels for both residential and commercial customers. Their capital budget funds construction projects that will keep the city's only open landfill, Los Reales, operational, in regulatory compliance, and prepared to meet future regional needs for waste disposal.

Golf. Tucson City Golf (TCG) provides the most affordable access to golf in the region. Their facilities, some recently redesigned, provide local and visiting golfers with a golfing bargain compared to the high-end daily fee and resort courses. TCG has completed changes to the Trini Alvarez Golf Course and is working with the Tucson Conquistadors on the First Tee program. Over 500 young people signed up last year for the First Tee's instructional and educational programs. Besides providing recreational and social benefits to the young golfers and their families, this program will help TCG grow its customer base. Increasing participation level in the sport is one way that TCG can help meet the financial challenges posed by the current recession.

Total Adopted Biennial Budget

The Fiscal Year 2009 Adopted Budget totals \$1.294 billion, which is \$31.5 million more than the adopted budget for Fiscal Year 2008. As noted above, the General Purpose Funds budget, which funds the Financial Sustainability Plan and other key services to the community, is \$492.1 million for Fiscal Year 2009, a decrease of \$ 1.3 million from Fiscal Year 2008. The restricted funds budget for Fiscal Year 2009 is \$32.8 million more than Fiscal Year 2008, primarily due to the inclusion of budget capacity for potential refundings and new, financed projects.

The Fiscal Year 2010 Approved Budget totals \$1.270 billion, which is decrease of \$23.7million from the Fiscal Year 2009 Adopted Budget. The General Purpose Funds budget of \$502.6 million is a \$10.5 million increase, reflecting the anticipated revenue growth that would be allocated to the Financial Sustainability Plan. The restricted funds budget in Fiscal Year 2010 decreases a \$34.2 million due to the exclusion of refunding capacity. The decision to add refunding capacity will be made during the FY 2010 Update Year budget process.

Following this transmittal memo is an overview of the city's adopted budget that provides a summary of Fiscal Years 2009 and 2010 revenues and expenditures and the reasons for the annual changes.

Conclusion

The Financial Sustainability Plan is a ten-year vision for improving city services. During the first two years, revenues exceeded the long-term trend and during the next two years the city will experience revenue growth below that trend. While there will be future economic fluctuations, with financial discipline, the city can end the ten years attaining the Financial Sustainability Plan's goals. We live in a dynamic community that is

guaranteed to evolve over time, and the Financial Sustainability Plan will have to evolve with the community. At no time should we allow the city to go backwards in providing critical services to our citizens.

The Fiscal Years 2009 and 2010 Adopted Biennial Budget is structured to recover from an economic downturn that has been particularly deep in Arizona. This budget assumes that Fiscal Year 2009 revenues will recover to levels slightly below those budgeted in Fiscal Year 2008. This limits the city's ability to expand services and fund human capital needs through the Financial Sustainability Plan in Fiscal Year 2009. For Fiscal Year 2010, a moderate economic recovery is anticipated that will provide revenue growth to get us back on track with the Financial Sustainability Plan.

As noted earlier, budget transfers were made prior to budget adoption to cover increased personnel costs. Other changes were brought to the Mayor and Council for carryforward capacity for projects and acquisitions that won't be completed by June 30, 2008, capacity for new projects, such as the solar projects funded by Clean Renewable Energy Bonds, and capacity for potential refundings. All changes from the recommended budget to the adopted budget were identified in a wrap-up memo to Mayor and Council prior to the tentative adoption of the budget.

The efforts of city staff throughout the organization in putting this budget together are greatly appreciated. Special thanks to the staff of the Budget, Finance, and Human Resources Departments for their long hours and commitment to this year's biennial budget.

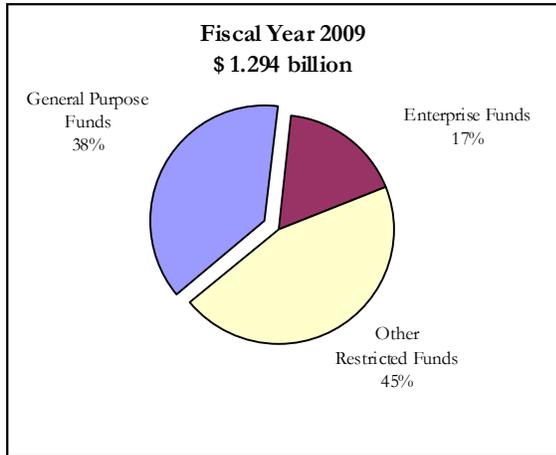
Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Mike Heir', with a long horizontal flourish extending to the right.

Mike Heir
City Manager

BUDGET OVERVIEW

The Tucson City Charter requires that the City Manager submit a recommended budget to the Mayor and Council on or before the first Monday in May for the following fiscal year. The Mayor and Council review the City Manager's recommended budget and are required by the State of Arizona to adopt a balanced budget on or before the third Monday in August. For Fiscal Years 2009 and 2010, the recommended biennial budget was submitted to the Mayor and Council on April 22, and the Mayor and Council adopted the budget on June 10.



Year 1 - Fiscal Year 2009. The Fiscal Year 2009 Adopted Budget totals \$1.294 billion. Approximately 62% is from restricted funds that can only be used for specific purposes: 17% from Enterprise Funds of \$222.2 million and 45% from Other Restricted Funds of \$579.7 million. The remaining 38% or \$492.1 million is from General Purpose Funds, which the Mayor and Council have discretion to program to meet the city's priority needs.

The Fiscal Year 2009 Adopted Budget is a status quo budget. The General Purpose Funds budget decreased by \$1.3 million due to a reduction in funds carried forward for capital projects. The Restricted Funds budget increased by \$32.8 million primarily due to the addition of budget capacity for the potential refundings (\$25 million) and for the Parque de Santa Cruz developer payment (\$4.5 million). The total

increase over the Fiscal Year 2008 Adopted Budget is \$31.5 million.

The Fiscal Year 2009 Adopted Budget continues the services added in the prior years of the Financial Sustainability Plan (FSP). However, due to the economic slowdown, new funding for the FSP is not anticipated until Fiscal Year 2010.

Year 2 - Fiscal Year 2010. The Fiscal Year 2010 budget totals \$1,270.3 million, an overall decrease of \$23.7 million from the Fiscal Year 2009 budget. The decrease is primarily in Other Restricted Funds, because of no capacity included for refundings and no carryforward for capital projects. The decrease of \$44.0 million in the Other Restricted Funds was offset by an increase in the General Purpose Funds due to the inclusion of \$10.9 million to advance the FSP.

Total Budget (\$ millions)	FY 2008	FY 2009		FY 2010	
	Budget	Budget	Change	Budget	Change
General Purpose Funds	\$ 493.4	\$ 492.1	\$ (1.3)	\$ 502.6	\$ 10.5
Enterprise Funds	209.6	222.2	12.6	232.0	9.8
Other Restricted Funds	559.5	579.7	20.2	535.7	(44.0)
Total	\$ 1,262.5	\$ 1,294.0	\$ 31.5	\$ 1,270.3	\$ (23.7)
Operating	\$ 929.6	\$ 1,048.5	\$ 118.9	\$ 1,030.7	\$ (17.8)
Capital	332.9	245.5	(87.4)	239.6	(5.9)
Total	\$ 1,262.5	\$ 1,294.0	\$ 31.5	\$ 1,270.3	\$ (23.7)

This Budget Overview is organized into six sections:

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

This overview focuses on the changes from the Adopted Fiscal Year 2008 Budget to the Adopted Fiscal Year 2009 Budget. For more detailed information on changes, see Section E of this volume and Volume II.

FINANCIAL SUSTAINABILITY PLAN

The ten-year Financial Sustainability Plan (FSP), which was implemented with the Fiscal Year 2007 Budget, focuses revenue growth on improving services and meeting the human capital requirements of the organization. Revenue growth is allocated 60% for service enhancements and 40% for human capital needs.

Due to the economic slowdown, no revenue growth is projected for Fiscal Year 2009, which leaves the FSP total at \$53.6 million from Fiscal Years 2007 and 2008 and preserves the service gains made over the past two years. Modest revenue growth of \$10.9 million is projected for Fiscal Year 2010, bringing the total for the FSP to \$64.5 million. The allocation of that revenue growth to specific service improvements will be made during the Fiscal Year 2010 update budget process.

	FY 2008	FY 2009		FY 2010*	
	Budget	Budget	Change	Budget	Change
Service Improvements					
• Expand road maintenance of residential streets	\$ 7.4	\$ 7.4	-0-	tbd	tbd
• Hiring additional police officers, plus funding for support and judicial staff	12.3	12.3	-0-	tbd	tbd
• Improving fire and paramedic response capabilities with funding and staff	8.6	8.6	-0-	tbd	tbd
• Increasing funds for Parks and Recreation programming and facilities maintenance	3.9	3.9	-0-	tbd	tbd
	32.2	32.2	-0-	38.7	6.5
Human Capital					
• Pay and benefit adjustments	21.4	21.4	-0-	25.8	4.4
	\$ 53.6	\$ 53.6	\$ -0-	\$ 64.5	\$ 10.9

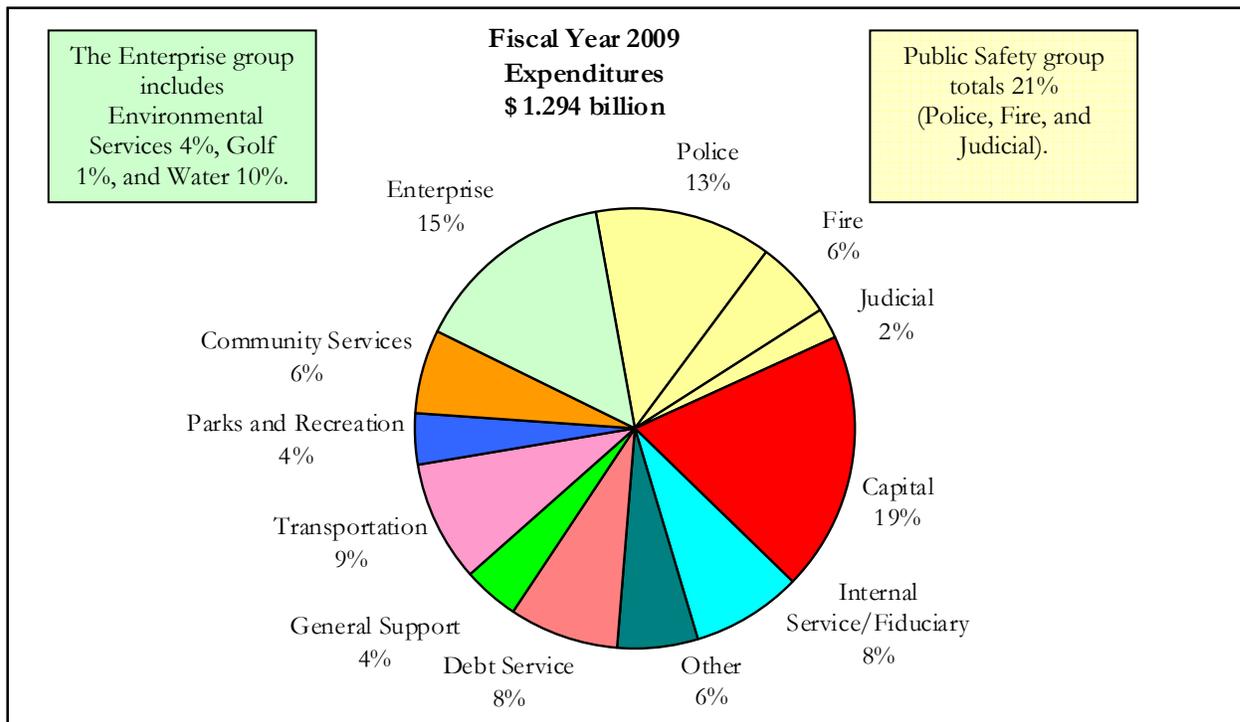
*The allocation of the \$6.5 million in revenue growth during FY 2010 for service improvements will be made during the next budget cycle.

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 departments are self-supporting and are included in the Enterprise group, which makes up 15% of the Fiscal Year 2009 Budget. The Public Safety group, consisting of Police, Fire, and Judicial departments, makes up 21% of the Fiscal Year 2009 Budget. The three largest departments providing other direct services to the public (Parks and Recreation, Transportation, and Community Services) use 19% of the budget. Other departments, including general support and debt service use 26% of the budget. The capital budget for all departments makes up the remaining 19% of the Fiscal Year 2009 Budget.



Expenditure Changes

Changes by department or department category, from Fiscal Year 2008 to Fiscal Year 2009 and from Fiscal Year 2009 to Fiscal Year 2010, are briefly noted below and on the following pages. Additional information on department budgets can be found in Volume II.

The Fiscal Year 2009 Budget contains no new funding for the Financial Sustainability Plan, which means there are no increases to department service levels or to employee compensation. For Fiscal Year 2010, \$10.9 million has tentatively been included for increases to the Financial Sustainability Plan. Those funds remain unallocated in the Non-Departmental budget.

Expenditures (\$ millions)					
	FY 2008	FY 2009		FY 2010	
	Budget	Budget	Change	Budget	Change
Public Safety					
Police	\$ 170.7	\$ 166.5	\$ (4.2)	\$ 166.8	\$ 0.3
Fire	82.6	84.4	1.8	84.4	-0-
Judicial	24.2	22.7	(1.5)	22.6	(0.1)
Public Safety Sub-Total	277.5	273.6	(3.9)	273.8	0.2
Enterprise Operations					
Golf	11.1	11.1	-0-	11.1	-0-
Environmental Services	43.5	52.2	8.7	53.1	0.9
Water	124.6	131.4	6.8	137.4	6.0
Enterprise Sub-Total	179.2	194.7	15.5	201.6	6.9
Other Operating Departments					
Transportation	108.1	111.4	3.3	113.7	2.3
Community Services	78.8	78.3	(0.5)	78.2	(0.1)
Parks and Recreation	49.7	48.0	(1.7)	47.7	(0.3)
General Support*	62.4	54.7	(7.7)	52.5	(2.2)
Debt Service	73.9	102.6	28.7	74.0	(28.6)
Internal Service and Fiduciary**	-0-	110.2	110.2	108.9	(1.3)
Other	100.0	75.0	(25.0)	80.3	5.3
Other Operating Sub-Total	472.9	580.2	107.3	555.3	(24.9)
Operating Budget Total	929.6	1,048.5	118.9	1,030.7	(17.8)
Capital Budget	332.9	245.5	(87.4)	239.6	(5.9)
Total	\$ 1,262.5	\$ 1,294.0	\$ 31.5	\$ 1,270.3	\$ (23.7)

* Includes City Clerk Elections which decreases or increases \$1 to \$2 million depending on election year.
 **Category of internal revenues and expenditures that is required by the state.

Public Safety Changes

Police. The department's operating budget decrease of \$4.2 million in Fiscal Year 2009 is due to a reduction in grant capacity. The Fiscal Year 2008 Budget included a larger amount for homeland security grants that the city received; the Fiscal Year 2009 reduced budget reflects a more realistic estimate of possible grant awards. There is a slight increase of \$0.3 million to the department's budget for Fiscal Year 2010. Financial Sustainability Plan funding for Fiscal Year 2010 remains unallocated in the Non-Departmental budget.

Public Safety Changes (continued)

Fire. Fire's operating budget increase of \$1.8 million in Fiscal Year 2009 is primarily due to increased pension contributions. There is no change for Fiscal Year 2010. Financial Sustainability Plan funding for Fiscal Year 2010 remains unallocated in the Non-Departmental budget.

Judicial. This category includes City Court, City Attorney, and Office of the Public Defender. This category is decreased \$1.5 million in Fiscal Year 2009 and \$0.1 million in Fiscal Year 2010. These decreases are due to the transfer of personnel costs to cover retiree medical and payout costs in Non-Departmental and increased pension contributions in Police and Fire. Financial Sustainability Plan funding for Fiscal Year 2010 remains unallocated in the Non-Departmental budget.

Enterprise Operations Changes

Golf. For Fiscals Year 2009 and 2010, there is no change in Golf's operating budget. For budgeting purposes, the Golf fund is projected to break even; revenues and expenditures are carefully monitored.

Environmental Services. The department's operating budget increase of \$8.7 million in Fiscal Year 2009 is primarily due to the acquisition of new refuse vehicles for \$4.0 million, an increase in debt service payments at \$2.5 million, and higher costs for vehicle operations of \$1.1 million. The remaining difference is due to a change in the accounting of expenditures and revenues at the Material Recycling Facility. For Fiscal Year 2010, the operating budget increases \$0.9 million primarily due to increases in debt service payments and the acquisition of equipment.

Water. The increase of \$6.8 million in the department's Fiscal Year 2009 Operating Budget is primarily due to \$5.0 million added for the purchase of the city's full allotment of Colorado River water and \$1.8 million in additional debt service requirements. For Fiscal Year 2010, the increase to the operating budget of \$6.0 million is due to higher debt service requirements and increased power costs.

Other Operating Department Changes

Transportation. The department's operating budget increases by \$3.3 million in Fiscal Year 2009. That increase is primarily due to additional capacity of \$6.6 million from the Regional Transportation Authority, which is partially offset by a decrease of \$5.2 million in Highway User Revenue Funds from the state for street programs. There is also a \$1.5 million transfer from the capital budget to support Sun Tran and Van Tran operations and \$1.1 million of capacity for increased costs for public transit. For Fiscal Year 2010, the operating budget is increased by \$2.3 million for increased costs for public transit. Financial Sustainability Plan funding for Fiscal Year 2010 remains unallocated in the Non-Departmental budget.

Community Services. The operating budget decreases by \$0.5 million in Fiscal Year 2009 and \$0.1 million in Fiscal Year 2010. These reductions reflect anticipated changes in the use of federal grants and the transfer of personnel costs to cover retiree medical and payout costs in Non-Departmental and increased pension contributions in Police and Fire.

Parks and Recreation. The operating budget is decreased by \$1.7 million in Fiscal Year 2009 and by \$0.3 million in Fiscal Year 2010 primarily due to the transfer of personnel costs to cover retiree medical and payout costs in Non-Departmental and increased pension contributions in Police and Fire. Financial Sustainability Plan funding for Fiscal Year 2010 remains unallocated in the Non-Departmental budget.

Other Operating Department Changes (continued)

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 General Support category decreases by \$7.7 million for the Fiscal Year 2009 Operating Budget. The major decreases are due to completion of a project in General Services for \$6.0 million and a reduction in the City Clerk's budget of \$2.0 million because there is no election during Fiscal Year 2009. For Fiscal Year 2010, the category's operating budget decreases by \$2.2 million.

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 \$28.7 million in Fiscal Year 2009 is primarily due to capacity of \$25.0 million for possible refundings of street and highway user revenue bonds. There is an increase of \$6.8 million for repayment of a H.E.L.P. (Highway Extension and Expansion Loan Program) loan for Mountain Road construction, but it is offset by a reduction in general obligation bond payments of \$3.1 million. For Fiscal Year 2010, debt service requirements will decrease by \$28.6 million primarily due to the elimination of refunding capacity and lower required payments on the H.E.L.P. loan.

Internal Service and Fiduciary. This category consolidates the Fleet Services, Facilities Management, and Risk Management Internal Service Funds and the Tucson Supplemental Retirement System (TSRS) fiduciary fund. The Fiscal Year 2009 Budget reflects an increase of \$110.2 million because the Fleet Services and Facilities Management Internal Service Funds were previously budgeted with expenditure credit offsets that resulted in a zero bottom-line increase. However, subsequent discussions with the state indicated that they should have been budgeted at their full amounts with an offset in revenues from internal charges to departments. The Risk Management and Pension Fund functions had been budgeted in Non-Departmental for Fiscal Year 2008. For Fiscal Year 2010, this category decreases by \$1.3 million due to a reduction in the use of Clean Renewable Energy Bonds (CREBs) for solar projects.

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 and General Expense.

This category's Fiscal Year 2009 Budget decreases by \$25 million. The decrease is primarily due to the elimination of contingency carryforward in Non-Departmental. The Fiscal Year 2010 increase of \$5.3 million is primarily due to the unallocated Financial Sustainability Plan funding of \$10.9 million offset by the elimination of a one-time payment to the developer of the Parque de Santa Cruz.

Capital Budget Changes

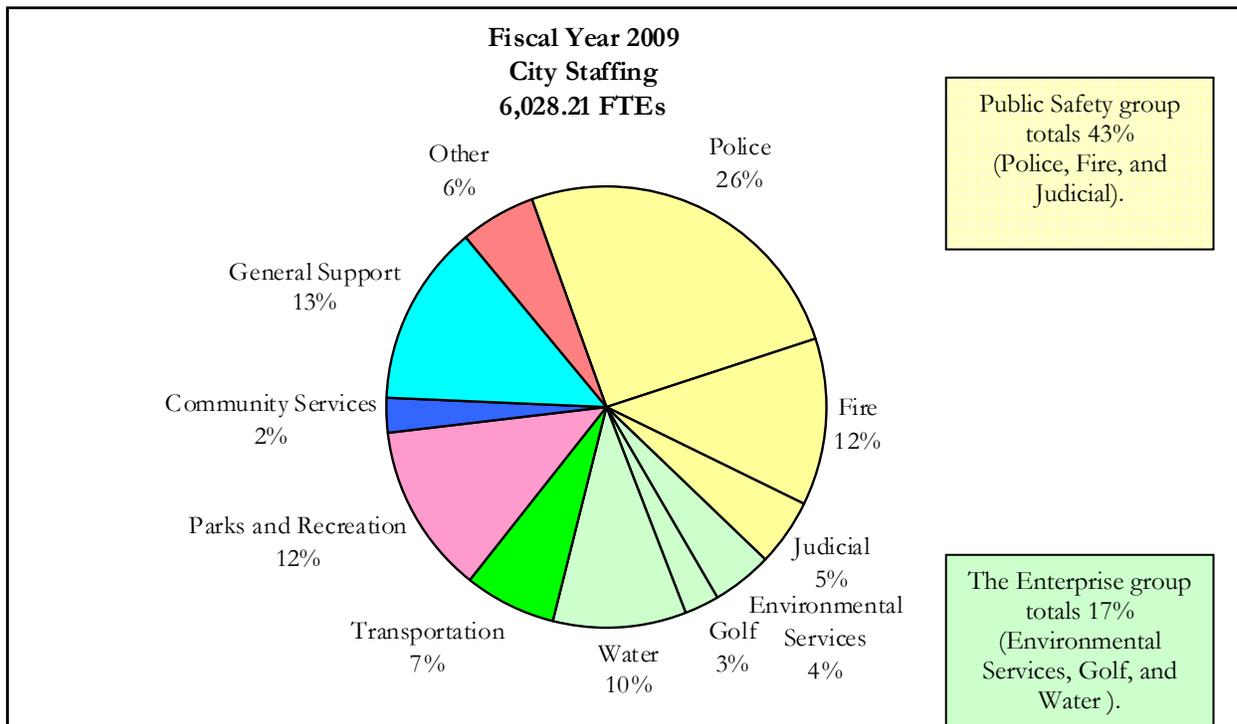
The \$87.4 million decrease in Fiscal Year 2009 is primarily due to a reduction in capacity for Transportation's projects based on historical trends. Transportation's capital capacity of \$90.3 million is a reduction of \$77.5 million from their Fiscal Year 2008 Capital Budget of \$167.8 million. Their Fiscal Year 2009 Capital Budget is a more realistic assessment of what can be accomplished in a single year. Project funding is not lost, just shifted to future years for a five-year capital improvement program of more levelized funding. The remaining reductions of \$10.4 million are due to the completion or rescheduling of projects in other departments.

Staffing

For Fiscal Year 2009, 43% of all employees are in the Public Safety group, which includes Police, Fire, and Judicial departments (City Attorney, City Court, and Public Defender). Three other large departments that provide direct services to the public—Parks and Recreation, Transportation, and Community Services—employ 21% of all 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 adopted budget for Fiscal Year 2009 totals 6,028.21, a decrease of 4.5 full-time equivalent (FTE) positions from Fiscal Year 2008. The decrease in positions is primarily due to the reduction of 20.5 positions in the City Clerk's budget, because there is no scheduled election in Fiscal Year 2009. Those decreases were offset by increases of 11.0 FTEs in the Public Safety group, 1.0 FTE added in the Enterprise group, and 4.0 FTEs in the other operating departments.

For Fiscal Year 2010, the position total is 6,048.71, an increase of 20.5 FTEs. That increase is entirely in the City Clerk's budget, because of the November 2009 election for which 20.5 non-permanent staff are hired. No additional positions for the Financial Sustainability Plan (FSP) in Fiscal Year 2010 are included; any position changes will be part of the next update to the FSP.



Note: A full-time equivalent (FTE) is equal to a 40-hour work week or 2,080 hours per year.

Staffing Changes

The changes in positions by department or department category, from Fiscal Year 2008 to Fiscal Year 2009 and from Fiscal Year 2009 to Fiscal Year 2010, are briefly noted on the following page. For more detail, see the individual department pages in Volume II and Appendix A in Volume IIA.

City Staffing (full-time equivalents)					
	FY 2008	FY 2009		FY 2010	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>	<u>Budget</u>	<u>Change</u>
Public Safety					
Police	1,525.00	1,532.50	7.50	1,532.50	-0-
Fire	741.00	745.00	4.00	745.00	-0-
Judicial	309.80	309.30	(0.50)	309.30	-0-
Public Safety Sub-Total	2,575.80	2,586.80	11.00	2,586.80	-0-
Enterprise Departments					
Environmental Services	264.00	263.00	(1.00)	263.00	-0-
Golf	154.75	154.75	-0-	154.75	-0-
Water	578.00	580.00	2.00	580.00	-0-
Enterprise Sub-Total	996.75	997.75	1.00	997.75	-0-
Other Operating Departments					
Transportation	416.50	403.50	(13.00)	403.50	-0-
Community Services	148.75	148.75	-0-	148.75	-0-
Parks and Recreation	749.50	749.50	-0-	749.50	-0-
General Support*	803.16	785.66	(17.50)	806.16	20.50
Internal Service/Fiduciary	-0-	15.00	15.00	15.00	-0-
Other	342.25	341.25	(1.00)	341.25	-0-
Other Operating Sub-Total	2,460.16	2,443.66	(16.50)	2,464.16	20.50
Total	6,032.71	6,028.21	(4.50)	6,048.71	20.50

* Includes City Clerk Elections which decreases or increases 20.5 FTEs depending on election years.

Public Safety Changes

Police. The increase for the department in Fiscal Year 2009 of 7.50 FTEs is due to 2.5 additional grant-funded positions and 5.0 positions added for the impound lot program. There is no change in FTEs for Fiscal Year 2010. Any additional positions in Fiscal Year 2010 from the Financial Sustainability Plan (FSP) will be determined during the next budget update.

Fire. The increase of 4.0 FTEs in Fiscal Year 2009 is due to 2.0 positions added in advance from the Financial Sustainability Plan (are to come from the department's next FSP allocation), the transfer of 1.0 position from the Finance Department, and 1.0 position to correct for an error in the Fiscal Year 2008 Adopted Budget. There is no change in FTEs for Fiscal Year 2010. Any additional positions in Fiscal Year 2010 from the Financial Sustainability Plan will be determined during the next budget update.

Judicial. The net reduction of 0.5 FTEs in Fiscal Year 2009 is due to 1.0 position added in the Public Defender's Office and 1.5 positions reduced in City Court. The Public Defender position was an advance Financial Sustainability Plan (FSP) position that will come from the department's next FSP allocation. The decrease of 1.5 positions in City Court is due to a decision by the department to trade out some of its FSP personnel costs and positions for non-personnel FSP costs.

Enterprise Operations Changes

Environmental Services. The department's staffing for Fiscal Year 2009 is reduced by 1.0 FTE, which was transferred to the City Manager's Office during Fiscal Year 2008. There is no change in positions for Fiscal Year 2010.

Golf. The department has no change in positions for Fiscal Years 2009 and 2010.

Water. The department's FTEs for Fiscal Year 2009 increased by 2.0 positions. These positions, which were added during Fiscal Year 2008, are for backflow device inspection and project design review. For Fiscal Year 2010, there is no change in positions.

Other Operating Department Changes

Transportation. The Fiscal Year 2009 reduction of 13.0 positions is due to the transfer of the Real Estate Division to the City Manager's Office. There is no change in positions for Fiscal Year 2010.

Community Services. The department has no change in positions for Fiscal Years 2009 and 2010.

Parks and Recreation. There is no change in positions for Parks during either Fiscal Year 2009 or 2010. Any additional positions in Fiscal Year 2010 from the Financial Sustainability Plan will be determined in the next budget cycle.

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 Fiscal Year 2009 net reduction of 17.5 positions is due to several changes. Since Fiscal Year 2009 is not an election year, the City Clerk's budget is reduced by 20.5 FTEs. Offsetting those reductions is 1.0 position in City Clerk that was added during Fiscal Year 2008. Two new positions were added to the Equal Opportunity Office and General Services for Americans with Disabilities Act (ADA) improvements and implementation of solar grant-funded projects, respectively. Risk Management and Pension positions totaling 15.00 were transferred to the Internal Service and Fiduciary group. The transfer of the Real Estate Division to the City Manager's Office added 15 FTEs: 13.0 transferred from Transportation and 2.0 new positions. The 2.0 new positions in Real Estate were offset by the elimination of 2.0 FTEs for Rio Nuevo support.

The increase of 20.5 FTEs in Fiscal Year 2010 is due to non-permanent positions in the City Clerk's budget for support of the November 2009 election.

Internal Service/Fiduciary. This group was established in Fiscal Year 2009 to comply with state budget requires for the accounting of internal service and fiduciary funds. Fifteen positions were transferred from Finance to this group.

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 and General Expense.

The decrease of 1.0 FTE in Fiscal Year 2009 is due to the transfer of a Development Services position to the City Manager's Office. There is no change in positions for Fiscal Year 2010.

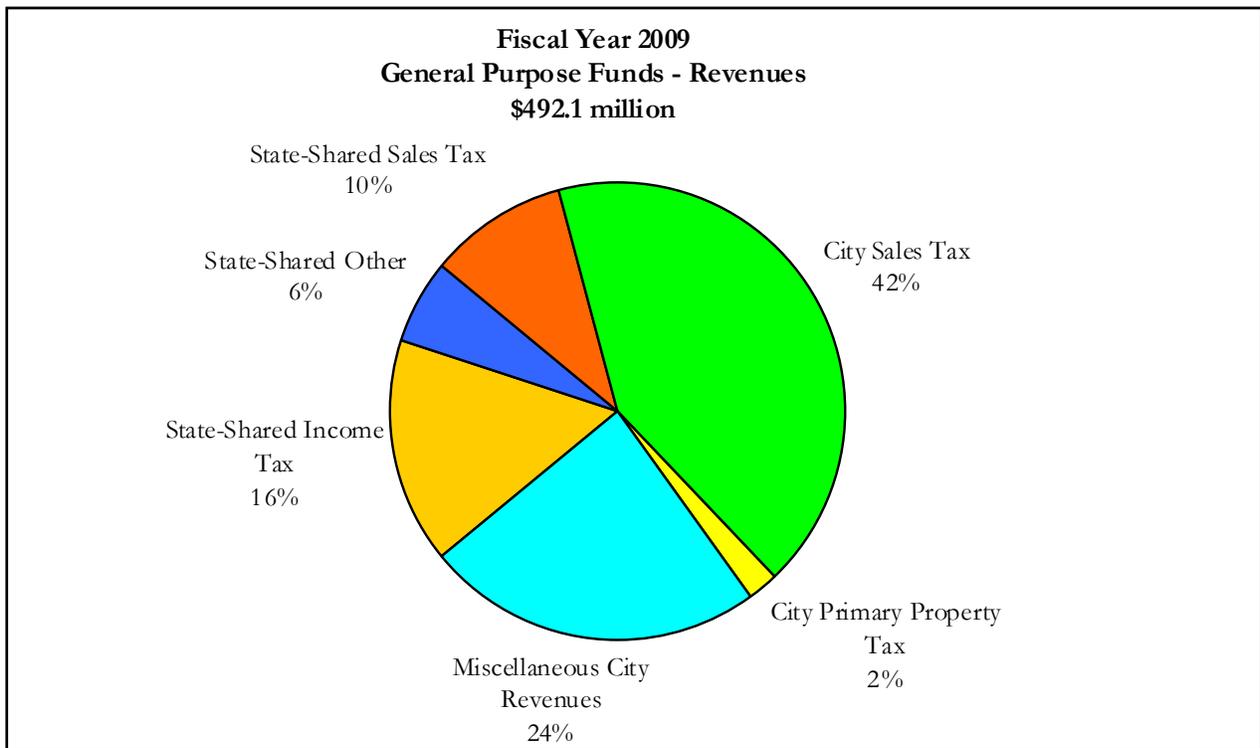
WHERE THE MONEY COMES FROM

There are three major revenue groups in the city budget: 1) General Purpose Funds, 2) Enterprise Funds, which are restricted, and 3) Other Restricted Funds. This section of the overview will first discuss General Purpose Fund revenues, followed by a discussion of Restricted Funds 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 functions. These funds account for 38% of the total Fiscal Year 2009 Budget.

Revenue for the General Purposes Funds budget comes from city-generated sources and state-shared sources. In Fiscal Year 2009, 74% of the General Purpose Funds will come from city sales tax revenue at 42% and state-shared taxes at 32%. The 24% in Miscellaneous City Revenues shown in the chart below consists of local taxes and fees, and carryforward. The city's Primary Property Tax provides only 2% of the General Purpose Funds budget.



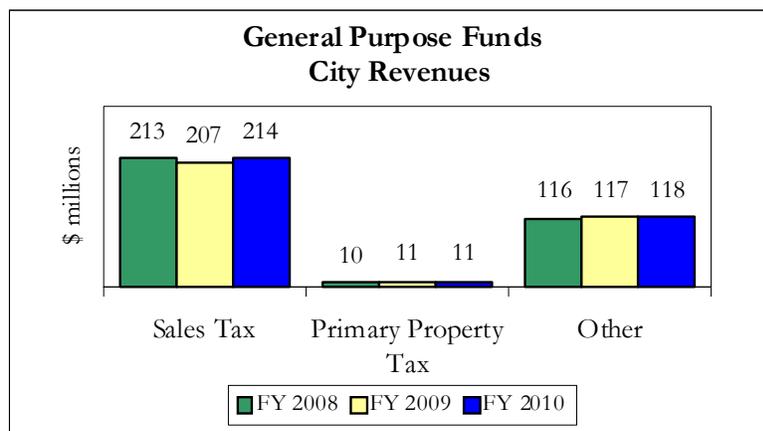
Revenue Changes – General Purpose Funds

The Fiscal Year 2009 General Purpose Funds budget is a status quo budget. It decreased \$1.3 million from the adopted budget for Fiscal Year 2008 due to a reduction in funds carried forward for capital projects. The major changes in revenue sources are summarized in the table and discussion on the following pages. Additional information on revenues is available in Section E, Summary Information, in this volume.

General Purpose Funds Revenues (\$ millions)					
	FY 2008	FY 2009		FY 2010	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>	<u>Budget</u>	<u>Change</u>
City Revenues:					
Sales Tax	212.9	206.8	(6.1)	214.1	7.3
Primary Property Tax	10.3	10.9	0.6	11.1	0.2
Other	115.7	117.3	1.6	117.8	0.5
City Sub-Total	338.9	335.0	(3.9)	343.0	8.0
State-Shared Revenues:					
Income Tax	\$ 74.6	\$ 79.2	\$ 4.6	\$ 79.2	\$ -0-
Sales Tax	54.0	50.5	(3.5)	52.5	2.0
Other	25.9	27.4	1.5	27.9	0.5
State-Shared Sub-Total	154.5	157.1	2.6	159.6	2.5
Total	\$ 493.4	\$ 492.1	\$ (1.3)	\$ 502.6	\$ 10.5

Following are brief explanations of the revenue differences between the Fiscal Year 2009 Adopted Budget and the Fiscal Year 2008 Adopted Budget and between the Fiscal Year 2009 Adopted and Fiscal Year 2010 Approved Budgets.

City Revenues. City-generated revenues account for 68% of the Fiscal Year 2009 General Purpose Funds budget. The total of \$335.0 million for Fiscal Year 2009 is a decrease of \$3.9 million. For Fiscal Year 2010, city revenues will contribute an additional \$8.0 million to the General Purpose Funds budget.

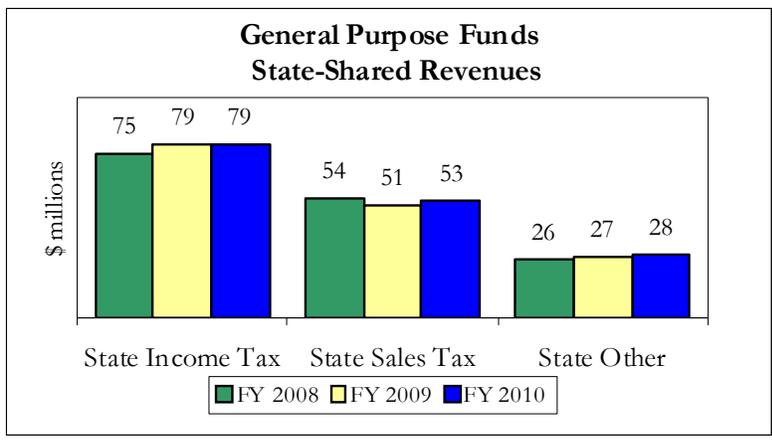


The city's sales tax is highly dependent on the local economy, which is experiencing the slowdown common to the rest of Arizona and the nation. The budget includes \$206.8 million from city sales tax, a decrease of \$6.1 million, which is a decline of 3% compared to the Fiscal Year 2008 Adopted Budget. For Fiscal Year 2010, city sales tax revenue is projected to increase by \$7.3 million based on an assumption that the economy will have recovered by then. [Subsequent to budget adoption, these revenues are being re-projected.]

The budget for Fiscal Year 2009 also includes a small increase in the primary property tax levy to maintain it at the maximum allowable level of \$10.9 million. This increase will bring in an additional \$0.6 million. For Fiscal Year 2010, the projected maximum allowable property levy of \$11.1 million will bring in another \$0.2 million. The state legislature is considering changes to property tax limits that may impact the projected growth in this revenue source.

The remaining \$1.6 million of the Fiscal Year 2009 increase is primarily the result of increased revenues from the city's use tax and fines, forfeitures, and penalties, and from carryforward from Fiscal Year 2008. These other sources are expected to increase \$0.5 million in Fiscal Year 2010.

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 32% of the General Purpose Funds budget.



For Fiscal Year 2009, total state-shared revenues are projected at \$157.1 million, an increase of \$2.6 million more than in the adopted budget for Fiscal Year 2008. For Fiscal Year 2010, it is anticipated that these revenues will increase another \$2.5 million.

State income tax distributions for Fiscal Year 2009, which will be based on collections made in 2007, are expected to total \$79.2 million, an increase of 6%. Since this revenue source has a two-year lag, it is not impacted by the

current economic slowdown. Fiscal Year 2010 income tax distributions are projected to remain the same as for Fiscal Year 2009, because given the two-year lag those distributions will likely reflect the current economic situation.

The state shared sales tax is projected to decline due to the current economic slowdown. The Fiscal Year 2009 Budget includes \$50.5 million of state-shared sales tax, which is a decrease of \$3.5 million from the Fiscal Year 2008 Budget. For Fiscal Year 2010, projections have state-shared sales tax increasing by \$2.0 million based on a moderate economic recovery.

Other state-shared revenues include auto lieu taxes and lottery proceeds used for mass transit. The auto lieu tax is projected to increase 6% or \$1.5 million in Fiscal Year 2009. A further increase of \$0.5 million is anticipated for Fiscal Year 2010. No change is anticipated for lottery proceeds in either Fiscal Year 2009 or 2010.

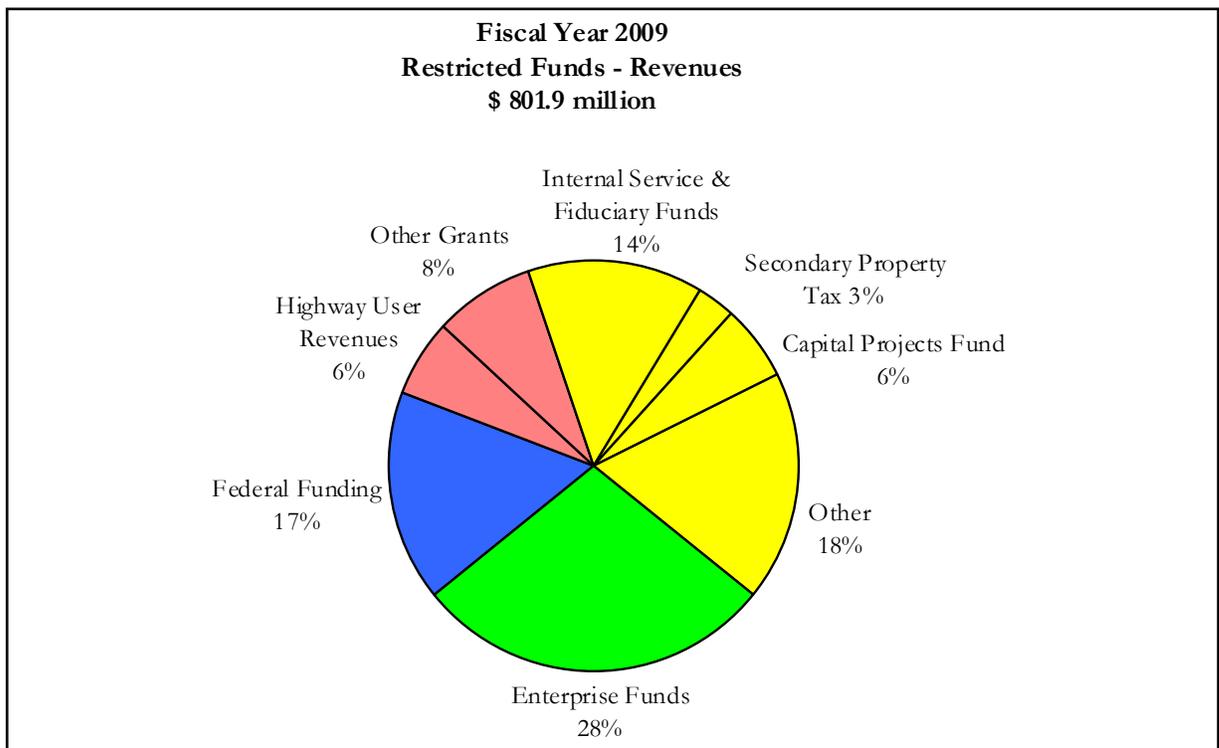
[Subsequent to the city's budget adoption, the state legislation adopted a budget that reduced state-shared revenues for Fiscal Year 2009.]

Restricted Funds – Revenues

Restricted funds account for 62% of the total Fiscal Year 2009 Budget. These funds are considered restricted because their use is limited to specific purposes. Restricted fund revenues are generated from the following sources:

- (1) grants, shared revenues, and contributions from other state and local governments
- (2) self-supporting enterprise funds
- (3) 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
- (4) internal service and fiduciary funds

Restricted Funds come from federal, state, and local sources. For Fiscal Year 2009, federal funding is 17% of the Restricted Funds budget and provides revenue for public housing, roadway, and transit programs and projects. The restricted funding from the state is from grants and state-shared Highway User Revenue Funds (HURF), which together provide approximately 14% of the Restricted Funds budget. The city's enterprise funds account for 28% of the total. The remaining 41% is from other local sources, which include internal service and fiduciary funds, bonds, certificates of participation, parking revenues, and debt service funds from the secondary property tax.



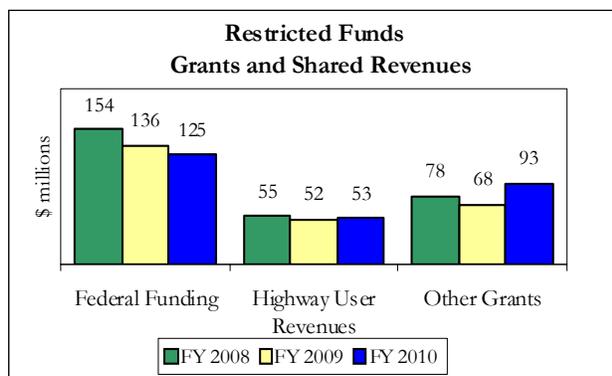
Revenue Changes – Restricted Funds Budget

In Fiscal Year 2009, revenues for the Restricted Funds Budget total \$801.9 million, a \$32.8 million increase from Fiscal Year 2008. This increase is primarily due to the inclusion of refunding capacity of \$25.0 million and new certificates of participation for capital projects. Fiscal Year 2010 funding will decrease by \$34.2 million due to no capacity for refundings or carryforward.

Restricted Fund Revenues (\$ millions)					
	FY 2008	FY 2009		FY 2010	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>	<u>Budget</u>	<u>Change</u>
Grants and Shared Revenues:					
Federal Funding	\$ 153.9	\$ 136.2	\$ (17.7)	\$ 125.2	\$ (11.0)
Highway User Revenues	54.7	51.6	(3.1)	53.2	1.6
Other Grants	78.3	67.8	(10.5)	93.1	25.3
Grants and Shared Revenues Sub-Total	286.9	255.6	(31.3)	271.5	15.9
Internal Service & Fiduciary Funds	55.0	110.2	55.2	109.0	(1.2)
Restricted City Revenues:					
Secondary Property Tax	28.0	24.9	(3.1)	24.9	-0-
Capital Projects Fund	60.9	46.7	(14.2)	40.7	(6.0)
Other	128.7	142.3	13.6	89.5	(52.8)
Restricted City Sub-Total	217.6	213.9	(3.7)	155.1	(58.8)
Enterprise Funds					
Environmental Services	52.0	59.8	7.8	64.6	4.8
Golf	11.1	11.1	-0-	11.1	-0-
Water	146.5	151.3	4.8	156.4	5.1
Enterprise Funds Sub-Total	209.6	222.2	12.6	232.1	9.9
Total Restricted	\$ 769.1	\$ 801.9	\$ 32.8	\$ 767.7	\$ (34.2)

Following are brief explanations of the revenue differences between the Fiscal Year 2009 Adopted Budget and the Fiscal Year 2008 Adopted Budget and between the Fiscal Year 2009 Adopted and 2010 Approved Budgets. Additional information on restricted revenues is provided in Section E of this volume.

Grants and Shared Revenues. Revenues from grants and shared revenues total \$255.6 million in Fiscal Year 2009, which is a decrease of \$31.3 million from Fiscal Year 2008. In Fiscal Year 2010, these revenues are anticipated to increase by \$15.9 million.



For Fiscal Year 2009, federal grants decrease \$17.7 million. Reductions of \$11.7 million in the Police and Fire budget reflect a more realistic estimate of grant awards for homeland security. The remaining reduction of \$6 million is in grant capacity carried forward for Transportation capital projects. For Fiscal Year 2010, federal grants are anticipated to decrease another \$11.0 million primarily for Transportation capital projects.

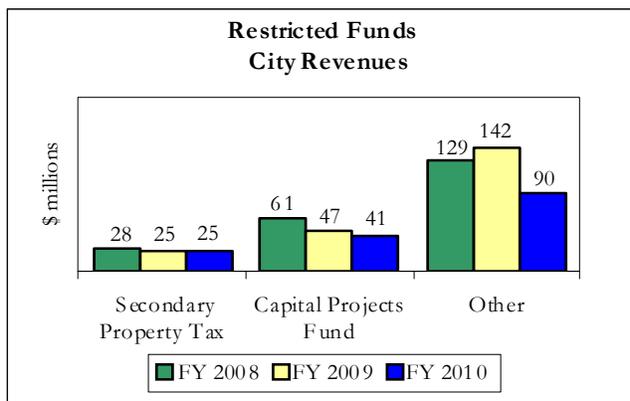
Revenues from Highway User Revenue Funds are expected to decrease by \$3.1 million in Fiscal Year 2009 from the Fiscal Year 2008 Adopted Budget and increase \$1.6 million in Fiscal Year 2010. The decrease in Fiscal Year 2009 is due to an overly optimistic revenue projection in Fiscal Year 2008. [Subsequent to the city's budget adoption, the state legislation adopted a budget that included reductions in state-shared revenues.]

The Other Grants group, which includes state grants and local contributions such as Pima County bonds, Regional Transportation Authority funds, and Highway User Revenue Funds (HURF) distributed by the Pima Association of Governments, has a decrease of \$10.5 million in Fiscal Year 2009. That decrease is primarily due to a rescheduling of Transportation projects. For Fiscal Year 2010, use of this revenue source will increase \$25.3 million due to the timing and rescheduling of Transportation projects.

Internal Service and Fiduciary Funds. This category includes the Fleet Services, Facilities Management, and Risk Management Internal Service Funds (ISFs) and the Tucson Supplemental Retirement System (TSRS) pension fund. State budget law requires that the city reflects these funds as revenues sources even though they simply reflect transactions internal to the city.

In Fiscal Year 2008, the internally-generated revenues from the Fleet Services and Facilities Management ISFs were reflected as expenditure credits rather than revenues. The Fiscal Year 2009 increase of \$55.2 million is due to their inclusion in the budget as expenditures with offsetting revenues (\$26.0 million for the Fleet Services ISF and \$17.9 million for the Facilities Management ISF) and the inclusion of Clean Renewable Energy Bonds (CREBs) to fund solar projects. For Fiscal Year 2010, there is a \$1.2 million decrease in the use of CREBs.

Restricted City Revenues. This group includes the Secondary Property Tax, Capital Projects Fund (bonds), and other restricted sources such as ParkWise, reserves, and certificates of participation totaling \$213.9 million in Fiscal Year 2009 and \$155.1 million in Fiscal Year 2010. These totals reflect a decrease of \$3.7 million in Fiscal Year 2009 and another \$58.80 million in Fiscal Year 2010.



The Fiscal Year 2009 secondary property tax levy is decreasing by \$3.1 million, because the debt repayment on general obligation bonds used for Environmental Services projects will be paid from that department's revenues.

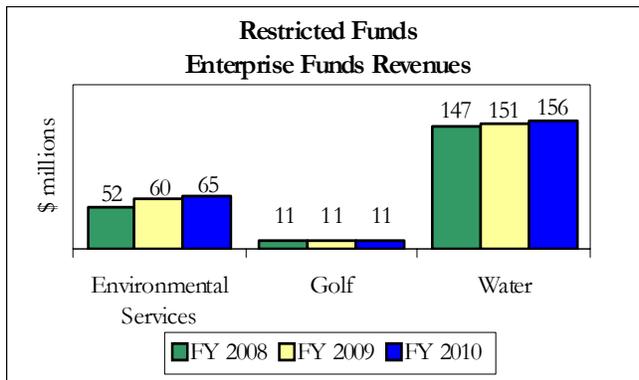
Because the voter-approved bond programs are nearing completion, Capital Project Funds decrease by \$14.2 million in Fiscal Year 2009. These funds will

decrease a further \$6.0 million in Fiscal Year 2010.

The Other group of restricted city revenues increases by \$13.6 million in Fiscal Year 2009 primarily due to the inclusion of \$25.0 million for refundings of certificates of participation and street and highway user revenue bonds and \$7.5 million in additional certifications of participation, which is offset by elimination of Transportation capital projects that were to be funded by certifications of participation (construction of a new Greyhound facility and the Depot Plaza Garage, which will now be a Rio Nuevo project). The decrease of \$52.0 million in Fiscal Year 2010 reflects the fact that no refunding capacity is included and the completion of capital projects.

Enterprise Funds Revenues. The city has three enterprise departments that are intended to be self-supporting: Environmental Services, Golf, and Tucson Water. This revenue group includes both their operating revenues and certificates of participation or other financing, but excludes bond funds used by them, which are included in the

Capital Projects Funds. The use of enterprise fund revenues will increase \$12.6 million in Fiscal Year 2009. For Fiscal Year 2010, use of these revenues increases by \$9.9 million.



The Environmental Services Fund increases by \$7.8 million in Fiscal Year 2009. Fee revisions will be proposed for commercial collections to help fund a pay-as-you-go vehicle replacement program. For Fiscal Year 2010, revenues are to increase by \$4.8 million.

There is no change in anticipated Golf revenues for either Fiscal Year 2009 or 2010.

For Fiscal Year 2009, Tucson Water's revenues increase \$4.8 million is due to anticipated revenue from potable and reclaimed water sales, the water conservation fee, and the use of its Water Infrastructure Replacement Fund. The increased revenue from water sales is dependent upon approval of proposed rate increases. For Fiscal Year 2010, water revenues are anticipated to increase by \$5.1 million

CITIZEN IMPACTS

City Property Taxes. The city's property tax rates will decrease in Fiscal Year 2009. The city imposes two taxes on 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 combined property tax rate for the Fiscal Year 2009 budget is \$0.9601 per \$100 of assessed valuation, which is a decrease of \$0.1720. For Fiscal Year 2010, the city's combined property tax rate is anticipated to drop another \$0.0302 for a combined rate of \$0.9299 per \$100 of assessed valuation.

	Actual FY 2008	Estimated FY 2009	Changes
Rate Changes			
Primary	\$ 0.3296	\$ 0.3231	\$ (0.0065)
Secondary	<u>0.8025</u>	<u>0.6370</u>	<u>(0.1655)</u>
Total	\$ 1.1321	\$0.9601	\$ (0.1720)

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% included in the budgets for Fiscal Years 2009 and 2010. Any change to the city sales tax rate requires 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 generally affect the majority of Tucson residents are the residential refuse fee and water usage rates.

There is no proposed change to the residential refuse fee. While water revenues are proposed to increase in Fiscal Year 2009, it is not known at this time if residential water rates would change.

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 an alternative 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.

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 covers the biennial period of Fiscal Years 2009 and 2010. The Mayor and Council will adopt Fiscal Year 2009; the Fiscal Year 2010 budget will be considered approved. For Fiscal Year 2010, that approved budget, with necessary adjustments, will be 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) a five-year 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—Intelligent Growth
- Economic and Workforce Development
- Rio Nuevo/Downtown, Arts, Culture, and History

Taken collectively, these priorities set the work plan for the city. A Financial Sustainability Plan presented to the Mayor and Council on April 18, 2006 provides a framework and clear benchmarks for addressing future service needs. See Section B of this volume for more information on that plan.

Step 2: Five-Year Forecast of Revenues and Expenditures. Each summer, a five-year financial forecast—the proforma—is prepared for all sources of funds. This forecast takes into consideration economic factors and strategic plans implemented by the city. All departments participate by projecting their expenditures, which are reviewed and modified by the Budget and Research Department. The Finance Department projects revenues. The expenditure and revenue forecasts are collated by the Budget and Research Department and presented to the City Manager. The proforma then serves as a reference point for development of a balanced budget for the coming year.

Step 3: Department Requests and the City Manager’s Recommendation. In the fall, department directors are asked to submit budget requests. Following a review by the Budget and Research Department, each department’s requested budget is reviewed by the City Manager. The City Manager, acting upon citywide priorities and Financial Sustainability Plan, will revise department requested budgets and prepare a recommended budget for Mayor and Council consideration.

For the Fiscal Year 2009 and 2010 Biennial Budget, departments were given financial and staffing allocations equal to their Fiscal Year 2008 Adopted Budget with some minor adjustments. To stay within those allocations, departments had to review their operations and make revisions to cover any inflationary increases.

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 property tax levy.

Budget Calendar

For a complete budget calendar for the Fiscal Years 2009 and 2010 Biennial Budget, see page iii.



*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section B
Strategic Priorities





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. In Fiscal Year 2007, a new set of strategic priorities and a long-term financial sustainability plan were 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 six 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 the 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 original Strategic Plan for the Fiscal Years 2007 and 2008 Biennial Budget.

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, strategies, and the training of employees to ensure the effective use of resources.

FINANCIAL SUSTAINABILITY PLAN

Although the City of Tucson had a number of long-term plans on specific issues such as the capital improvement program and the regional transportation improvement plan, there was not one process or plan that consolidated the city's strategic priorities, long-term plans, and financial projections into a single long-term service and financial plan. The financial sustainability process filled 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 (FSP) provides a basis for future biennial budgets and guides workforce planning and other efforts to improve the effectiveness and efficiency of city services.

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.

Use of Revenue Growth. One of the underlying premises of the Financial Sustainability Plan is that revenue growth will be allocated to ensure continuous service improvements and to address the human capital requirements of the city organization. Fiscal Year 2005, a year with positive economic conditions and a significant investment in services, was used the guide for determining the allocation amounts for the FSP. 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. 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. The FSP allocates 60% or just over \$14 million of each year's revenue growth to services. The remaining 40%, approximately \$10 million, would be used to support human capital costs, such as salary and benefit adjustments. Because new revenue growth would be reserved for service enhancements and human capital adjustments, inflationary pressure on existing costs is to be offset by anticipated savings of \$2 to \$3 million annually from efforts to improve the effectiveness and efficiency of city services.

Service Improvement Goals and Allocations. The approved goals and allocations for the priority services funded by the 60% allocation of future revenue growth 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 over ten years 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.



*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section C
Legal Authorization



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 an 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 can be adjusted by changes in market value without a cap (Article IX, Section 18 and 19, Arizona Constitution). Unlike the primary tax system which uses a controlled assessment system to determine the tax rate, state laws allow the city to levy the amount of secondary property tax necessary to pay off its general obligation bonds.

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 seven 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 July 1st, 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 prior to 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 seven program categories:

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

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 set spending limitations.

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 Recommended 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 recommended 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 XVIII, 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 and every 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 XVIII, 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 XVIII, 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 XVIII, 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 that were initially approved by the Mayor and Council on October 25, 2004.

Balanced Budget

The city shall adopt a balanced budget such 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 General Fund unreserved fund balance, previously referred to as the strategic reserve, shall be increased to 10% of expenditures. [Policy approved in 2004 at 7.5%, and subsequently increased to 10%.]

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 must 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. If a service benefits a large segment of the community and is considered a public service, then it should be funded with general tax dollars. If the service benefits individuals and is more of a private service, a market-based fee is appropriate. Services that fall in between may 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 2008, 2009, AND 2010 PROJECTED**

Property Tax	FY 2008	FY 2008	FY 2009 Levy	FY 2009	FY 2010 Levy	FY 2010	FY 2009	FY 2010
	Adopted Levy	Revised Levy		Increase/ (Decrease)		Increase/ (Decrease)	Maximum Levy Amount	Maximum Levy Amount
Primary	\$ 10,327,380	\$ 10,327,380	\$ 10,931,690	\$ 604,310	11,150,320	\$ 218,630	\$ 10,931,690 ¹	\$ 11,150,320 ¹
Secondary	28,022,940	27,962,810	24,899,560	(3,063,250)	24,919,400	19,840	24,899,560	24,919,400
Total	\$ 38,350,320	\$ 38,290,190	\$ 35,831,250	\$ (2,458,940)	\$ 36,069,720	\$ 238,470	\$ 35,831,250	\$ 36,069,720

Property Tax	Actual	Estimated	FY 2009	Estimated	FY 2010
	FY 2008 Rate	FY 2009 Rate ²	Rate Increase/ (Decrease)	FY 2010 Rate ²	Rate Increase/ (Decrease)
Primary	\$ 0.3296	\$ 0.3231	\$ (0.0065)	\$ 0.3169	\$ (0.0062)
Secondary	0.8025	0.6370	(0.1655)	0.6130	(0.0240)
Total	\$ 1.1321	\$ 0.9601	\$ (0.1720)	\$ 0.9299	\$ (0.0302)

¹ The 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 in the previous year, such as new construction and annexed property. The primary property tax levy is shown at the estimated maximum amount. The actual maximum amount may be less.

² Both rates may differ depending on the final actual assessed valuation for the respective purposes.

**CITY OF TUCSON
PROPERTY TAX SUMMARY**

Taxing Jurisdiction	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Property Tax Rates (Per \$100 of assessed value)										
Pima County ¹	\$ 5.19	\$ 5.54	\$ 5.52	\$ 5.48	\$ 5.39	\$ 5.36	\$ 5.35	\$ 5.22	\$ 4.55	\$ 4.29
Flood Control District	0.32	0.30	0.30	0.35	0.35	0.35	0.35	0.37	0.37	0.34
Library District	0.22	0.20	0.20	0.20	0.21	0.21	0.21	0.26	0.37	0.40
Fire District	0.05	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04
Tucson Unified School District ²	6.26	6.03	6.05	5.86	5.74	5.69	5.51	5.50	5.25	4.95
Pima Community College	1.19	1.37	1.56	1.55	1.53	1.49	1.34	1.31	1.25	1.18
Central Arizona Project (CAP) - Conservation District	0.14	0.14	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.10
Sub-Total without the City of Tucson	\$ 13.37	\$ 13.63	\$ 13.81	\$ 13.62	\$ 13.39	\$ 13.26	\$ 12.92	\$ 12.82	\$ 11.95	\$ 11.30
City of Tucson	0.96	1.02	1.13	1.12	1.12	1.16	1.18	1.24	1.23	1.13
Total ³	\$ 14.33	\$ 14.65	\$ 14.94	\$ 14.74	\$ 14.51	\$ 14.42	\$ 14.10	\$ 14.06	\$ 13.18	\$ 12.43
Percent increase/(decrease) from prior year	(1.1%)	2.2%	2.0%	(1.3%)	(1.6%)	(0.6%)	(2.2%)	(0.3%)	(6.2%)	(5.7%)
Assessed Valuation, City of Tucson										
Primary (billions)	\$ 1.830	\$ 1.887	\$ 1.999	\$ 2.088	\$ 2.203	\$ 2.344	\$ 2.477	\$ 2.641	\$ 2.839	\$ 3.133
Secondary (billions)	\$ 1.904	\$ 1.945	\$ 2.049	\$ 2.138	\$ 2.269	\$ 2.427	\$ 2.558	\$ 2.723	\$ 3.016	\$ 3.484

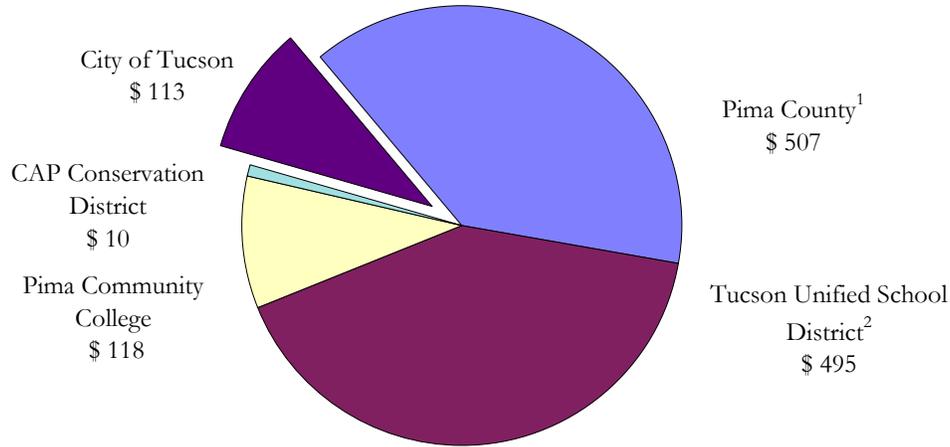
¹ Includes the Education Assistance rate, which was suspended in 2006 for three years.

² Tucson Unified School District tax levy reflects State Aid to Education reduction (\$2.10 in Fiscal Year 2008).

³ Does not include any special assessment districts.

City of Tucson
Residential Property Owner Tax Valuation
Fiscal Year 2008 Property Taxes

Owner-Occupied Home with Assessed Valuation of \$100,000



	Tax Rate Per \$1,000	Total Tax Amount ³	Percent of Total
Pima County ¹	\$ 4.67	\$ 467.00	38.8%
Tucson Unified School District ²	4.95	495.00	41.2%
Pima Community College	1.18	118.00	9.8%
Central Arizona Project (CAP) Conservation District	0.10	10.00	0.8%
Sub-Total	<u>\$ 10.90</u>	<u>\$ 1,090.00</u>	<u>90.6%</u>
City of Tucson	1.13	113.00	9.4%
Total	<u><u>\$ 12.03</u></u>	<u><u>\$ 1,203.00</u></u>	<u><u>100.0%</u></u>

¹ Includes Flood Control, 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 10, 2008

RESOLUTION NO. 20960

RELATING TO FINANCE; FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TUCSON FOR THE FISCAL YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009, 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, 2008 and ending June 30, 2009, which was tentatively adopted on June 3, 2008 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, 2008 and ending June 30, 2009, 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 2009 Fiscal Year:

<u>Purpose of Expenditure</u>	<u>Final 2009 Budget</u>
Elected and Official	\$ 19,647,060
Neighborhood Services	492,845,920
Environment and Development	471,183,570
Strategic Initiatives	7,342,350
Support Services	46,899,240
Non-Departmental	145,898,900
Internal Service and Fiduciary Funds	<u>110,176,450</u>
 TOTAL	 <u>\$ 1,293,993,490</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 2009 Fiscal Year which is subject to the State Budget Law:

<u>Purpose of Expenditure</u>	<u>Final 2009 Budget Subject to State Budget Law</u>
Elected and Official	\$ 19,085,460
Neighborhood Services	409,234,670
Environment and Development	377,505,870
Strategic Initiatives	7,342,350
Support Services	46,499,240
Non-Departmental	138,273,180
Internal Service and Fiduciary Funds	<u>110,176,450</u>
TOTAL	<u>\$ 1,108,117,220</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 10th day of June, 2008.



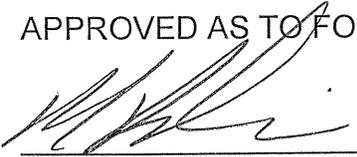
MAYOR

ATTEST:



CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

REVIEWED BY:



CITY MANAGER


DD:tc

SCHEDULE A TO RESOLUTION NO. 20960
City of Tucson
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2009

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2008	ACTUAL EXPENDITURES/EXPENSES** 2008	FUND BALANCE/ NET ASSETS*** July 1, 2008**	DIRECT PROPERTY TAX REVENUES 2009	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2009	OTHER FINANCING 2009		INTERFUND TRANSFERS 2009		TOTAL FINANCIAL RESOURCES AVAILABLE 2009	BUDGETED EXPENDITURES/EXPENSES 2009
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 511,588,670	\$ 453,587,891	\$ 33,221,940	Primary: \$ 10,931,690	\$ 498,921,720	\$	\$	\$ 3,271,590	\$ 43,125,080	\$ 503,221,860	\$ 469,999,920
2. Special Revenue Funds	380,572,360	322,537,088		Secondary:	283,034,630	66,452,330		49,049,370	8,014,760	390,521,570	390,521,570
3. Debt Service Funds Available	44,860,140	41,996,890		24,899,560	21,517,900			8,014,760		54,432,220	54,432,220
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	44,860,140	41,996,890		24,899,560	21,517,900			8,014,760		54,432,220	54,432,220
6. Capital Projects Funds	60,948,300	50,626,141				46,679,300				46,679,300	46,679,300
7. Permanent Funds											
8. Enterprise Funds Available	209,579,020	207,613,890			204,254,660	6,000,000		11,929,370		222,184,030	222,184,030
9. Less: Designation for Future Debt Retirement											
10. Total Enterprise Funds	209,579,020	207,613,890			204,254,660	6,000,000		11,929,370		222,184,030	222,184,030
11. Internal Service Funds	55,000,000	103,629,303			110,176,450					110,176,450	110,176,450
12. TOTAL ALL FUNDS	\$ 1,262,548,490	\$ 1,179,991,203	\$ 33,221,940	\$ 35,831,250	\$ 1,117,905,360	\$ 119,131,630	\$	\$ 72,265,090	\$ 51,139,840	\$ 1,327,215,430	\$ 1,293,993,490

EXPENDITURE LIMITATION COMPARISON

	2008	2009
1. Budgeted expenditures/expenses	\$ 1,262,548,490	\$ 1,293,993,490
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	1,262,548,490	1,293,993,490
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 1,262,548,490	\$ 1,293,993,490
6. EEC or voter-approved alternative expenditure limitation	\$ 1,262,548,490	\$ 1,293,993,490

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 Fiscal Year 2008 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. 20960
City of Tucson
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2009

	2008	2009
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A).	\$ 10,327,388	\$ 10,931,699
2. Amount received from primary property taxation in the 2008 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	\$ 10,327,380	\$ 10,931,690
B. Secondary property taxes	27,962,810	24,899,560
C. Total property tax levy amounts	\$ 38,290,190	\$ 35,831,250
4. Property taxes collected*		
A. Primary property taxes		
(1) 2008 year's levy	\$ 10,327,380	
(2) Prior years' levies		
(3) Total primary property taxes	\$ 10,327,380	
B. Secondary property taxes		
(1) 2008 year's levy	\$ 27,962,810	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ 27,962,810	
C. Total property taxes collected	\$ 38,290,190	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.3296	0.3231
(2) Secondary property tax rate	0.8025	0.6370
(3) Total city/town tax rate	1.1321	0.9601

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. 20960
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
GENERAL FUND			
Local taxes			
Business Privilege Tax	\$ 212,870,000	\$ 202,389,000	\$ 206,840,000
Public Utility Tax	7,210,000	7,084,000	7,080,000
Transient Occupancy Tax	10,731,000	11,347,000	11,500,000
Room Tax	2,390,000	2,151,000	2,240,000
Occupational Taxes	2,140,000	846,000	
Liquor Taxes	810,000	691,000	690,000
Use Tax	6,740,000	8,114,000	8,520,000
Licenses and permits			
Application Fees	260,000	2,167,000	3,250,000
Sign Permits	310,000	314,000	330,000
Parking Meter Collections	351,000	254,000	259,000
Vehicle Permits	580,000	8,000	5,000
Temporary Workzone Traffic Control Fee	389,000	190,000	233,000
Cable Television Licenses	3,480,000	5,379,000	5,380,000
Public, Educational, Government (PEG) Operating Support	1,090,000		
PEG Capital Support	630,000		
Telecommunications Licenses and Franchise Fees	680,000	1,224,000	1,224,000
Utility Franchise Fees	14,870,000	14,666,000	15,250,000
Intergovernmental			
Auto Lieu Taxes	23,260,000	24,328,000	24,810,000
State Sales Tax	53,970,000	49,571,000	50,460,000
State Revenue Sharing	74,600,000	74,558,000	79,240,000
Grants-in-Aid	118,820	145,859	122,650
Other	998,510	1,230,000	1,253,000
Charges for services			
General Government	8,615,610	553,000	1,044,080
Public Safety	8,389,000	8,001,250	8,380,250
Development Services Charges	11,380,000	10,155,000	10,155,000
Parks and Recreation	3,646,000	3,820,000	3,900,000
Fines and forfeits			
Civil Traffic Diversion Program	1,760,000	2,215,000	2,260,000
Civil Traffic Violations	670,000	760,000	780,000
Criminal Traffic Violations	5,970,000	5,662,000	5,758,000
Probation Fees	280,000	320,000	330,000
Parking Violations	610,000	590,000	610,000
Forfeitures/Assessments	2,184,260	2,336,370	2,302,430
Other	2,181,590	2,083,590	2,266,290
Interest on investments			
Interest Earnings	900,000	690,000	690,000

* 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. 20960
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
In-lieu property taxes			
_____	_____	_____	_____
_____	_____	_____	_____
Contributions			
_____	_____	_____	_____
_____	_____	_____	_____
Miscellaneous			
Rentals and Leases	\$ 2,247,100	\$ 2,316,000	\$ 2,310,000
Sale of Property	1,120,000	873,130	1,101,500
Recovered Expenditures	507,000	10,506,956	12,857,010
Sundry Income	313,000	419,200	488,000
Other General Revenues	2,000,000		2,000,000
Off Duty Police Program	3,003,260	3,003,260	3,003,260
Other Funding Sources	10,449,250	5,921,539	19,999,250
_____	_____	_____	_____
Total General Fund	\$ 484,704,400	\$ 466,883,154	\$ 498,921,720

* 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. 20960
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
State Grants-in-Aid	\$ 45,934,000	\$ 41,364,570	\$ 42,605,500
Interest Earnings	550,000		
Non-Revenue Receipts	1,586,490	3,148,946	1,727,500
Total Highway User Revenue Fund	\$ 48,070,490	\$ 44,513,516	\$ 44,333,000
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	\$ 10,123,000	\$ 10,255,600	\$ 11,572,330
Local Operating Assistance	3,567,000	4,114,400	4,200,000
Regional Transportation Authority Support		5,343,970	6,620,430
Federal Grants	34,726,870	12,383,418	34,431,070
Non-Revenue Receipts	570,000	570,000	570,000
Total Mass Transit	\$ 48,986,870	\$ 32,667,388	\$ 57,393,830
Intergovernmental Funds			
State Grants-in-Aid	\$ 7,457,780	\$ 5,043,346	\$ 6,968,400
County/Local	48,825,100	31,647,646	16,202,700
Regional Transportation Authority	19,444,000	13,784,405	35,442,600
Total Intergovernmental Funds	\$ 75,726,880	\$ 50,475,397	\$ 58,613,700
Housing Assistance Funds			
Public Housing Local Revenue	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000
Public Housing Federal Revenue	58,405,650	57,859,754	59,274,930
Total Housing Assistance Funds	\$ 60,685,650	\$ 60,139,754	\$ 61,554,930
Other Federal Funds			
Community Development	\$ 10,894,800	\$ 7,972,173	\$ 10,251,180
Block Grant Entitlement			
Police Grants	15,141,670	6,357,909	5,128,060
Transportation Grants	27,196,910	13,086,195	15,044,300
Other Federal Grants	7,511,960	6,756,975	12,060,300
Total Other Federal Funds	\$ 60,745,340	\$ 34,173,252	\$ 42,483,840
Other Special Revenue Funds			
Public Safety Academy	\$ 887,530	\$ 867,390	\$
Tucson Convention Center	4,312,830	3,947,200	4,211,000
ParkWise	4,558,100	3,041,000	3,113,500
Impact Fees	15,634,700	2,865,701	5,253,500
Contributions	951,000	953,000	1,598,000
Housing Trust Fund		200,000	1,887,330
Total Other Special Revenue Funds	\$ 26,344,160	\$ 11,874,291	\$ 16,063,330
Total Special Revenue Funds	\$ 323,151,390	\$ 236,435,598	\$ 283,034,630

* 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. 20960
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
DEBT SERVICE FUNDS			
Street and Highway Debt Service			
Highway User Revenue Funds	\$ 8,796,060	\$ 8,755,250	\$ 9,017,900
Refunding Proceeds			12,500,000
Total Street and Highway Debt Service	\$ 8,796,060	\$ 8,755,250	\$ 21,517,900
Total Debt Service Funds	\$ 8,796,060	\$ 8,755,250	\$ 21,517,900
CAPITAL PROJECTS FUNDS			
See Schedule D	\$	\$	\$
	\$	\$	\$
Total Capital Projects Funds	\$	\$	\$
PERMANENT FUNDS			
None	\$	\$	\$
	\$	\$	\$
Total Permanent Funds	\$	\$	\$
ENTERPRISE FUNDS			
Environmental Services Fund			
Operating Revenue	\$ 41,680,090	\$ 43,440,870	\$ 43,960,000
Non-Operating Revenue	1,510,500	1,591,190	2,341,570
Miscellaneous Grants	591,500	591,500	595,130
Total Environmental Services Fund	\$ 43,782,090	\$ 45,623,560	\$ 46,896,700
Golf Course Fund			
Operating Revenue	\$ 10,344,540	\$ 10,344,540	\$ 10,344,540
Non-Operating Revenue	719,280	719,280	719,280
Total Golf Fund	\$ 11,063,820	\$ 11,063,820	\$ 11,063,820
Water Utility Fund			
Operating Revenue	\$ 130,609,000	\$ 125,890,860	\$ 138,174,140
Non-Operating Revenue	12,906,000	7,222,000	7,428,000
Miscellaneous Grants	779,990	698,000	692,000
Total Water Utility Fund	\$ 144,294,990	\$ 133,810,860	\$ 146,294,140
Total Enterprise Funds	\$ 199,140,900	\$ 190,498,240	\$ 204,254,660

* 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. 20960
City of Tucson
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
INTERNAL SERVICE FUNDS			
Fleet Services Internal Service Fund	\$	\$ 25,155,613	\$ 25,993,950
Facilities Management Internal Service Fund		15,473,690	21,182,500
Risk Management Internal Service Fund	15,000,000	15,000,000	15,000,000
Tucson Supplemental Retirement System	40,000,000	48,000,000	48,000,000
Total Internal Service Funds	\$ 55,000,000	\$ 103,629,303	\$ 110,176,450
TOTAL ALL FUNDS	\$ 1,070,792,750	\$ 1,006,201,545	\$ 1,117,905,360

* 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. 20960

City of Tucson

**Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2009**

FUND	OTHER FINANCING 2009		INTERFUND TRANSFERS 2009	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Transfers to Special Revenue Funds	\$ _____	\$ _____	\$ _____	\$ 43,125,080
Transfers from Fund Balance	_____	_____	3,271,590	_____
Total General Fund	\$ _____	\$ _____	\$ 3,271,590	\$ 43,125,080
SPECIAL REVENUE FUNDS				
Capital Improvements Fund	\$ 66,452,330	\$ _____	\$ _____	\$ _____
Highway User Revenue Fund	_____	_____	_____	8,014,760
ParkWise Fund	_____	_____	1,431,120	_____
Tucson Convention Center Fund	_____	_____	6,906,880	_____
Mass Transit Fund	_____	_____	34,509,190	_____
Community Services' Central Office Fund	_____	_____	277,890	_____
Transfers from Fund Balance	_____	_____	5,924,290	_____
Total Special Revenue Funds	\$ 66,452,330	\$ _____	\$ 49,049,370	\$ 8,014,760
DEBT SERVICE FUNDS				
Transfer from Highway User Revenue Fund	\$ _____	\$ _____	\$ 8,014,760	\$ _____
Total Debt Service Funds	\$ _____	\$ _____	\$ 8,014,760	\$ _____
CAPITAL PROJECTS FUNDS				
General Obligation Bond Funds	\$ 5,906,300	\$ _____	\$ _____	\$ _____
Street and Highway Revenue Bond	_____	_____	_____	_____
Water Revenue Bond Funds	40,773,000	_____	_____	_____
Total Capital Projects Funds	\$ 46,679,300	\$ _____	\$ _____	\$ _____
PERMANENT FUNDS				
None	\$ _____	\$ _____	\$ _____	\$ _____
Total Permanent Funds	\$ _____	\$ _____	\$ _____	\$ _____
ENTERPRISE FUNDS				
Certificates of Participation	\$ 6,000,000	\$ _____	\$ _____	\$ _____
Transfers from/to Fund Balance	_____	_____	6,929,370	_____
Water Infrastructure Replacement Fund	_____	_____	5,000,000	_____
Total Enterprise Funds	\$ 6,000,000	\$ _____	\$ 11,929,370	\$ _____
INTERNAL SERVICE FUNDS				
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total Internal Service Funds	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL ALL FUNDS	\$ 119,131,630	\$ _____	\$ 72,265,090	\$ 51,139,840

SCHEDULE E TO RESOLUTION NO. 20960
City of Tucson
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
GENERAL FUND				
Mayor and Council	\$ 3,424,270	\$	\$ 3,424,270	\$ 3,477,650
City Manager	3,570,170		3,716,471	3,989,970
City Clerk	5,519,990		5,424,990	3,244,450
City Attorney	8,686,370		8,684,650	8,067,920
City Court	11,438,000		11,370,630	10,635,430
Community Services	9,909,560		7,841,506	7,191,610
Fire	92,923,790		75,226,843	80,535,820
Neighborhood Resources	4,697,460		4,220,676	5,643,970
Parks and Recreation	50,863,670		48,185,255	46,543,130
Police	177,837,810		151,255,986	159,710,620
Office of Equal Opportunity Programs and Independent Police Review	832,950		832,950	732,190
Office of the Public Defender	3,190,910		3,190,910	3,208,090
Development Services	12,807,510		12,451,571	10,869,580
Urban Planning and Design	4,171,250		4,168,940	3,901,730
Transportation	29,409,810		9,936,128	9,112,440
Budget And Research	1,690,740		1,675,230	1,282,450
Finance	9,764,590		9,637,735	8,141,320
Human Resources	2,904,190		2,904,190	2,971,980
Information Technology	18,395,190		14,400,070	14,146,340
General Services	18,074,860		14,003,003	11,688,210
Procurement	3,904,890		3,831,284	3,723,740
Non-Departmental	37,570,690		57,204,603	71,181,280
Total General Fund	\$ 511,588,670	\$	\$ 453,587,891	\$ 469,999,920
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund				
Neighborhood Resources	\$ 3,501,600	\$	\$ 1,541,083	\$ 3,400,000
Parks and Recreation				
Urban Planning and Design	85,550		85,550	
Transportation	41,455,720		41,670,627	34,802,820
Non-Departmental	2,943,540		2,907,400	2,606,710
Total	\$ 47,986,410	\$	\$ 46,204,660	\$ 40,809,530
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	87,140,970		67,724,038	93,336,020
Non-Departmental				
Total	\$ 87,140,970	\$	\$ 67,724,038	\$ 93,336,020
Housing Trust Fund				
Community Services			200,000	1,887,330
Total	\$	\$	\$ 200,000	\$ 1,887,330

* 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 E TO RESOLUTION NO. 20960
City of Tucson
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
Intergovernmental Funds				
City Attorney	\$ 161,920	\$	\$ 161,920	\$ 155,470
City Court	370,830		91,370	372,370
City Manager	150,000		50,000	150,000
Community Services	1,217,900		740,000	1,495,500
Fire	350,000		350,000	218,000
Parks and Recreation	12,973,030		5,647,192	12,776,130
Police	1,436,700		1,720,566	1,630,270
Urban Planning and Design	380,000		280,000	300,000
Transportation	57,956,500		41,434,349	40,521,090
Information Technology	30,000			94,870
General Services	500,000			900,000
Non-Departmental	200,000			
Total	\$ 75,726,880	\$	\$ 50,475,397	\$ 58,613,700
Housing Assistance Funds				
Community Services	\$ 60,546,850	\$	\$ 60,278,844	\$ 61,732,980
Non-Departmental	138,800		138,800	99,840
Total	\$ 60,685,650	\$	\$ 60,417,644	\$ 61,832,820
Community Development Block Grant				
Community Services	\$ 7,136,870	\$	\$ 7,284,011	\$ 6,544,900
Neighborhood Resources	3,680,400		670,632	3,680,400
Parks and Recreation	60,000			
Non-Departmental	17,530		17,530	25,880
Total	\$ 10,894,800	\$	\$ 7,972,173	\$ 10,251,180
Other Federal Grant Funds				
City Attorney	\$ 344,620	\$	\$ 311,560	\$ 311,600
City Manager	250,000		50,000	250,000
Community Services	1,584,270		1,808,945	1,467,810
Fire	2,874,440		2,874,440	1,123,300
Information Technology	300,000			300,000
Parks and Recreation	598,630		602,030	599,590
Police	15,141,670		6,357,909	5,128,060
Urban Planning and Design	460,000		460,000	408,000
Transportation	27,196,910		13,086,195	15,044,300
General Services	500,000		50,000	100,000
Non-Departmental	600,000		600,000	7,500,000
Total	\$ 49,850,540	\$	\$ 26,201,079	\$ 32,232,660
Public Safety Academy Fund				
Fire	\$ 3,021,730	\$	\$ 2,961,723	\$
Police	2,853,270		4,550,880	
Non-Departmental	278,370		278,370	
Total	\$ 6,153,370	\$	\$ 7,790,973	\$
Tucson Convention Center Fund				
Tucson Convention Center	\$ 7,355,120	\$	\$ 7,355,120	\$ 7,342,350
Non-Departmental			3,774,310	3,775,530
Total	\$ 7,355,120	\$	\$ 11,129,430	\$ 11,117,880
ParkWise Fund				
City Court	\$	\$	\$	\$
Transportation	13,549,670		3,458,180	3,408,180
Non-Departmental	2,051,250		1,138,730	1,136,440
Total	\$ 15,600,920	\$	\$ 4,596,910	\$ 4,544,620

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SCHEDULE E TO RESOLUTION NO. 20960
City of Tucson
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
Capital Improvement Fund				
Fire	\$	\$	\$ 9,806,591	\$ 33,968,000
General Services			1,662,177	3,000,000
Information Technology			5,216,010	550,330
Parks and Recreation			576,000	424,000
Police			15,907,175	24,010,000
Non-Departmental			246,130	4,500,000
Total	\$	\$	\$ 33,414,083	\$ 66,452,330
Impact Fees				
Parks and Recreation	\$ 4,671,300	\$	\$ 1,815,800	\$ 2,553,500
Transportation	10,963,400		1,049,901	2,700,000
Total	\$ 15,634,700	\$	\$ 2,865,701	\$ 5,253,500
Contributions				
Parks and Recreation	\$ 310,000	\$	\$ 312,000	\$ 947,000
Fire				10,000
Non-Departmental	641,000		641,000	641,000
Total	\$ 951,000	\$	\$ 953,000	\$ 1,598,000
Total Special Revenue Funds	\$ 380,572,360	\$	\$ 322,537,088	\$ 390,521,570
DEBT SERVICE FUNDS				
Street and Highway Debt Service				
Non-Departmental	\$ 16,837,200	\$	\$ 16,837,200	\$ 29,532,660
General Obligation Debt Service				
Non-Departmental	28,022,940		25,159,690	24,899,560
Total Debt Service Funds	\$ 44,860,140	\$	\$ 41,996,890	\$ 54,432,220
CAPITAL PROJECTS FUNDS				
General Obligation Bonds				
Fire	\$ 2,183,100	\$	\$ 1,168,345	\$ 440,000
Environmental Services	3,665,000		2,953,240	2,115,700
Parks and Recreation	3,860,900		1,790,530	3,172,100
Police				
Transportation	5,596,200		5,007,526	178,500
Non-Departmental				
Total	\$ 15,305,200	\$	\$ 10,919,641	\$ 5,906,300
Street and Highway Revenue Bonds				
Transportation	63,200			
Total	\$ 63,200	\$	\$	\$
Water Revenue Bonds				
Tucson Water	45,579,900		39,706,500	40,773,000
Total	\$ 45,579,900	\$	\$ 39,706,500	\$ 40,773,000
Total Capital Projects Funds	\$ 60,948,300	\$	\$ 50,626,141	\$ 46,679,300
PERMANENT FUNDS				
None	\$	\$	\$	\$
Total Permanent Funds	\$	\$	\$	\$

* 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 E TO RESOLUTION NO. 20960
City of Tucson
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
ENTERPRISE FUNDS				
Environmental Services	\$ 52,043,200	\$	\$ 52,043,210	\$ 59,826,070
Tucson City Golf	11,063,820		11,063,820	11,063,820
Tucson Water	146,472,000		144,506,860	151,294,140
Total Enterprise Funds	\$ 209,579,020	\$	\$ 207,613,890	\$ 222,184,030
INTERNAL SERVICE FUNDS				
Fleet Services	\$	\$	\$ 25,155,613	\$ 25,993,950
Facilities Management			15,473,690	21,182,500
Risk Management	15,000,000		15,000,000	15,000,000
Tucson Supplemental Retirement System	40,000,000		48,000,000	48,000,000
Total Internal Service Funds	\$ 55,000,000	\$	\$ 103,629,303	\$ 110,176,450
TOTAL ALL FUNDS	\$ 1,262,548,490	\$	\$ 1,179,991,203	\$ 1,293,993,490

* 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. 20960
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2009

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
Mayor and Council				
General Fund	\$ 3,424,270	\$ 0	\$ 3,424,270	\$ 3,477,650
Mayor and Council Total	\$ 3,424,270	\$ 0	\$ 3,424,270	\$ 3,477,650
Budget & Research				
General Fund	\$ 1,690,740	\$ 0	\$ 1,675,230	\$ 1,282,450
Budget & Research Total	\$ 1,690,740	\$ 0	\$ 1,675,230	\$ 1,282,450
City Attorney				
General Fund	\$ 8,686,370	\$ 0	\$ 8,684,650	\$ 8,067,920
Intergovernmental Funds	161,920	0	161,920	155,470
Other Federal Grant Funds	344,620	0	311,560	311,600
City Attorney Total	\$ 9,192,910	\$ 0	\$ 9,158,130	\$ 8,534,990
City Clerk				
General Fund	\$ 5,519,990	\$ 0	\$ 5,424,990	\$ 3,244,450
City Clerk Total	\$ 5,519,990	\$ 0	\$ 5,424,990	\$ 3,244,450
City Court				
General Fund	\$ 11,438,000	\$ 0	\$ 11,370,630	\$ 10,635,430
Intergovernmental Funds	370,830	0	91,370	372,370
City Court Total	\$ 11,808,830	\$ 0	\$ 11,462,000	\$ 11,007,800
City Manager				
General Fund	\$ 3,570,170	\$ 0	\$ 3,716,471	\$ 3,989,970
Intergovernmental Funds	150,000	0	50,000	150,000
Other Federal Grant Funds	250,000	0	50,000	250,000
City Manager Total	\$ 3,970,170	\$ 0	\$ 3,816,471	\$ 4,389,970
Community Services				
General Fund	\$ 9,909,560	\$ 0	\$ 7,841,506	\$ 7,191,610
Community Development Block Grant Entitlement	7,136,870	0	7,284,011	6,544,900
Housing Assistance Funds	60,546,850	0	60,278,844	61,732,980
Housing Trust Fund	0	0	200,000	1,887,330
Intergovernmental Funds	1,217,900	0	740,000	1,495,500
Other Federal Grant Funds	1,584,270	0	1,808,945	1,467,810
Community Services Total	\$ 80,395,450	\$ 0	\$ 78,153,306	\$ 80,320,130
Convention Center				
Tucson Convention Center Fund	\$ 7,355,120	\$ 0	\$ 7,355,120	\$ 7,342,350
Convention Center Total	\$ 7,355,120	\$ 0	\$ 7,355,120	\$ 7,342,350
Development Services				
General Fund	\$ 12,807,510	\$ 0	\$ 12,451,571	\$ 10,869,580
Development Services Total	\$ 12,807,510	\$ 0	\$ 12,451,571	\$ 10,869,580
Environmental Services				
Environmental Services Funds	\$ 52,043,200	\$ 0	\$ 52,043,210	\$ 59,826,070
General Obligation Bonds	3,665,000	0	2,953,240	2,115,700
Environmental Services Total	\$ 55,708,200	\$ 0	\$ 54,996,450	\$ 61,941,770
Equal Opportunity Programs and Independent Police Review				
General Fund	\$ 832,950	\$ 0	\$ 832,950	\$ 732,190
Department Total	\$ 832,950	\$ 0	\$ 832,950	\$ 732,190

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SCHEDULE F TO RESOLUTION NO. 20960
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2009

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
Finance				
General Fund	\$ 9,764,590	\$ 0	\$ 9,637,735	\$ 8,141,320
Finance Total	\$ 9,764,590	\$ 0	\$ 9,637,735	\$ 8,141,320
Fire				
General Fund	\$ 92,923,790	\$ 0	\$ 75,226,843	\$ 80,535,820
Capital Improvement Fund	0	0	9,806,591	33,968,000
General Obligation Bonds	2,183,100	0	1,168,345	440,000
Intergovernmental Funds	350,000	0	350,000	218,000
Other Federal Grant Funds	2,874,440	0	2,874,440	1,123,300
Public Safety Academy Fund	3,021,730	0	2,961,723	0
Contributions	0	0	0	10,000
Fire Total	\$ 101,353,060	\$ 0	\$ 92,387,942	\$ 116,295,120
General Services				
General Fund	\$ 18,074,860	\$ 0	\$ 14,003,003	\$ 11,688,210
Intergovernmental Funds	500,000	0	0	900,000
Capital Improvements Fund	0	0	1,662,177	3,000,000
Other Federal Grant Funds	500,000	0	50,000	100,000
General Services Total	\$ 19,074,860	\$ 0	\$ 15,715,180	\$ 15,688,210
Golf				
Golf	\$ 11,063,820	\$ 0	\$ 11,063,820	\$ 11,063,820
Golf Total	\$ 11,063,820	\$ 0	\$ 11,063,820	\$ 11,063,820
Human Resources				
General Fund	\$ 2,904,190	\$ 0	\$ 2,904,190	\$ 2,971,980
Human Resources Total	\$ 2,904,190	\$ 0	\$ 2,904,190	\$ 2,971,980
Information Technology				
General Fund	\$ 18,395,190	\$ 0	\$ 14,400,070	\$ 14,146,340
Capital Improvements Fund	0	0	5,216,010	550,330
Intergovernmental Funds	30,000	0	0	94,870
Other Federal Grant Funds	300,000	0	0	300,000
Information Technology Total	\$ 18,725,190	\$ 0	\$ 19,616,080	\$ 15,091,540
Neighborhood Resources				
General Fund	\$ 4,697,460	\$ 0	\$ 4,220,676	\$ 5,643,970
Community Development Block Grant Entitlement	3,680,400	0	670,632	3,680,400
Highway User Revenue Fund	3,501,600	0	1,541,083	3,400,000
Neighborhood Resources Total	\$ 11,879,460	\$ 0	\$ 6,432,391	\$ 12,724,370

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SCHEDULE F TO RESOLUTION NO. 20960
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2009

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
Parks & Recreation				
General Fund	\$ 50,863,670	\$ 0	\$ 48,185,255	\$ 46,543,130
Community Development Block Grant Entitlement	60,000	0	0	0
Contributions	310,000	0	312,000	947,000
General Obligation Bonds	3,860,900	0	1,790,530	3,172,100
Highway User Revenue Fund	0	0	0	0
Impact Fee Funds	4,671,300	0	1,815,800	2,553,500
Intergovernmental Funds	12,973,030	0	5,647,192	12,776,130
Capital Improvements Fund	0	0	576,000	424,000
Other Federal Grant Funds	598,630	0	602,030	599,590
Parks & Recreation Total	\$ 73,337,530	\$ 0	\$ 58,928,807	\$ 67,015,450
Police				
General Fund	\$ 177,837,810	\$ 0	\$ 151,255,986	\$ 159,710,620
General Obligation Bonds	0	0	0	0
Intergovernmental Funds	1,436,700	0	1,720,566	1,630,270
Capital Improvements Fund	0	0	15,907,175	24,010,000
Other Federal Grant Funds	15,141,670	0	6,357,909	5,128,060
Public Safety Academy Fund	2,853,270	0	4,550,880	0
Police Total	\$ 197,269,450	\$ 0	\$ 179,792,516	\$ 190,478,950
Procurement				
General Fund	\$ 3,904,890	\$ 0	\$ 3,831,284	\$ 3,723,740
Procurement Total	\$ 3,904,890	\$ 0	\$ 3,831,284	\$ 3,723,740
Public Defender				
General Fund	\$ 3,190,910	\$ 0	\$ 3,190,910	\$ 3,208,090
Public Defender Total	\$ 3,190,910	\$ 0	\$ 3,190,910	\$ 3,208,090
Transportation				
General Fund	\$ 29,409,810	\$ 0	\$ 9,936,128	\$ 9,112,440
General Obligation Bonds	5,596,200	0	5,007,526	178,500
Highway User Revenue Fund	41,455,720	0	41,670,627	34,802,820
Impact Fee Funds	10,963,400	0	1,049,901	2,700,000
Intergovernmental Funds	57,956,500	0	41,434,349	40,521,090
Local Transportation Assistance Fund	2,592,000	0	2,592,000	2,592,000
Mass Transit Fund	87,140,970	0	67,724,038	93,336,020
Other Federal Grant Funds	27,196,910	0	13,086,195	15,044,300
ParkWise Fund	13,549,670	0	3,458,180	3,408,180
Street and Highway Revenue Bonds	63,200	0	0	0
Transportation Total	\$ 275,924,380	\$ 0	\$ 185,958,944	\$ 201,695,350
Urban Planning and Design				
General Fund	\$ 4,171,250	\$ 0	\$ 4,168,940	\$ 3,901,730
Highway User Revenue Fund	85,550	0	85,550	0
Intergovernmental Funds	380,000	0	280,000	300,000
Other Federal Grant Funds	460,000	0	460,000	408,000
Urban Planning and Design Total	\$ 5,096,800	\$ 0	\$ 4,994,490	\$ 4,609,730

* 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. 20960
City of Tucson
Summary by Department of Expenditures/Expenses
Fiscal Year 2009

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008	EXPENDITURE/ ADJUSTMENTS APPROVED 2008	ACTUAL EXPENDITURES/ EXPENSES* 2008	BUDGETED EXPENDITURES/ EXPENSES 2009
Water				
Water Funds	\$ 146,472,000	\$ 0	\$ 144,506,860	\$ 151,294,140
Water Revenue Bonds	45,579,900	0	39,706,500	40,773,000
Water Total	\$ 192,051,900	\$ 0	\$ 184,213,360	\$ 192,067,140
Non-Departmental				
General Fund	\$ 37,570,690	\$ 0	\$ 57,204,603	\$ 71,181,280
Community Development Block Grant Entitlement	17,530	0	17,530	25,880
Tucson Convention Center Fund	0	0	3,774,310	3,775,530
Contributions	641,000	0	641,000	641,000
General Obligation Bonds	0	0	0	0
General Obligation Debt Service	28,022,940	0	25,159,690	24,899,560
Highway User Revenue Fund	2,943,540	0	2,907,400	2,606,710
Housing Assistance Funds	138,800	0	138,800	99,840
Intergovernmental Funds	200,000	0	0	0
Mass Transit Fund	0	0	0	0
Other Federal Grant Funds	600,000	0	600,000	7,500,000
ParkWise Fund	2,051,250	0	1,138,730	1,136,440
Public Safety Academy Fund	278,370	0	278,370	0
Capital Improvements Fund	0	0	246,130	4,500,000
Street and Highway Debt Service	16,837,200	0	16,837,200	29,532,660
Risk Management	15,000,000	0	0	0
Tucson Supplemental Retirement	40,000,000	0	0	0
Department Total	\$ 144,301,320	\$ 0	\$ 108,943,763	\$ 145,898,900
Internal Service and Fiduciary Funds				
Fleet Services	\$ 0	\$ 0	\$ 25,155,613	\$ 25,993,950
Facilities Management	0	0	15,473,690	21,182,500
Risk Management	0	0	15,000,000	15,000,000
Tucson Supplemental Retirement	0	0	48,000,000	48,000,000
Department Total	\$ 0	\$ 0	\$ 103,629,303	\$ 110,176,450
Total All Departments	\$ 1,262,548,490	\$ 0	\$ 1,179,991,203	\$ 1,293,993,490

* 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.

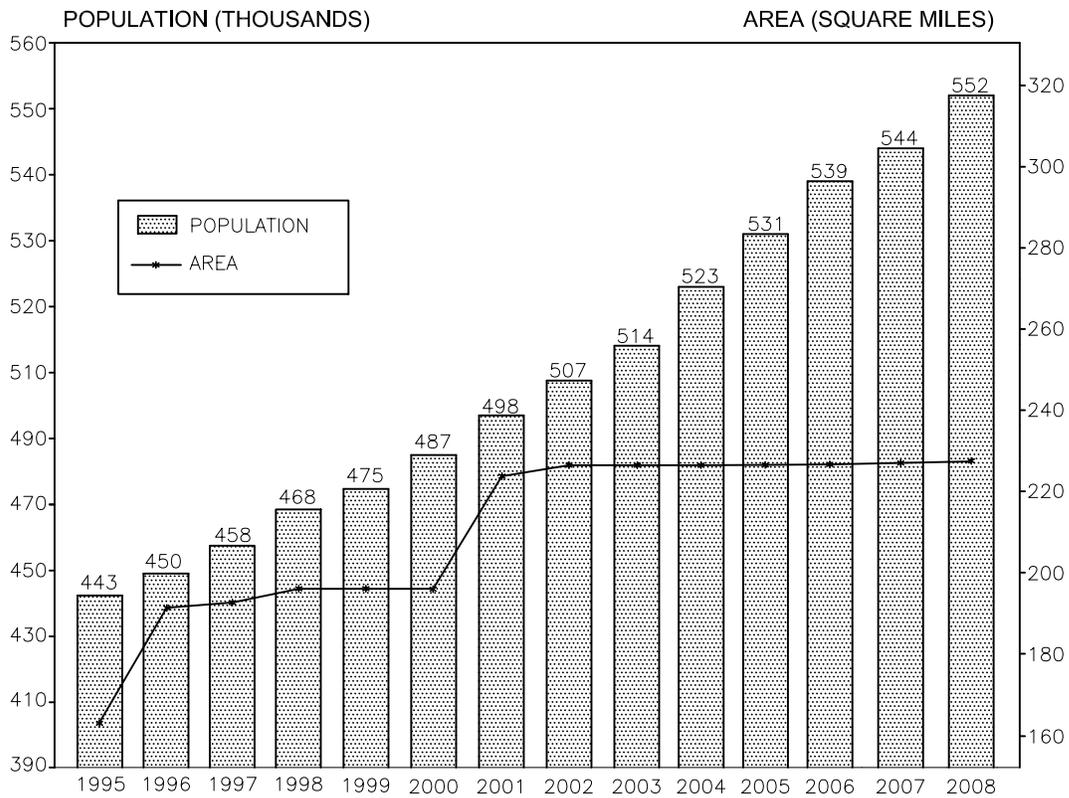
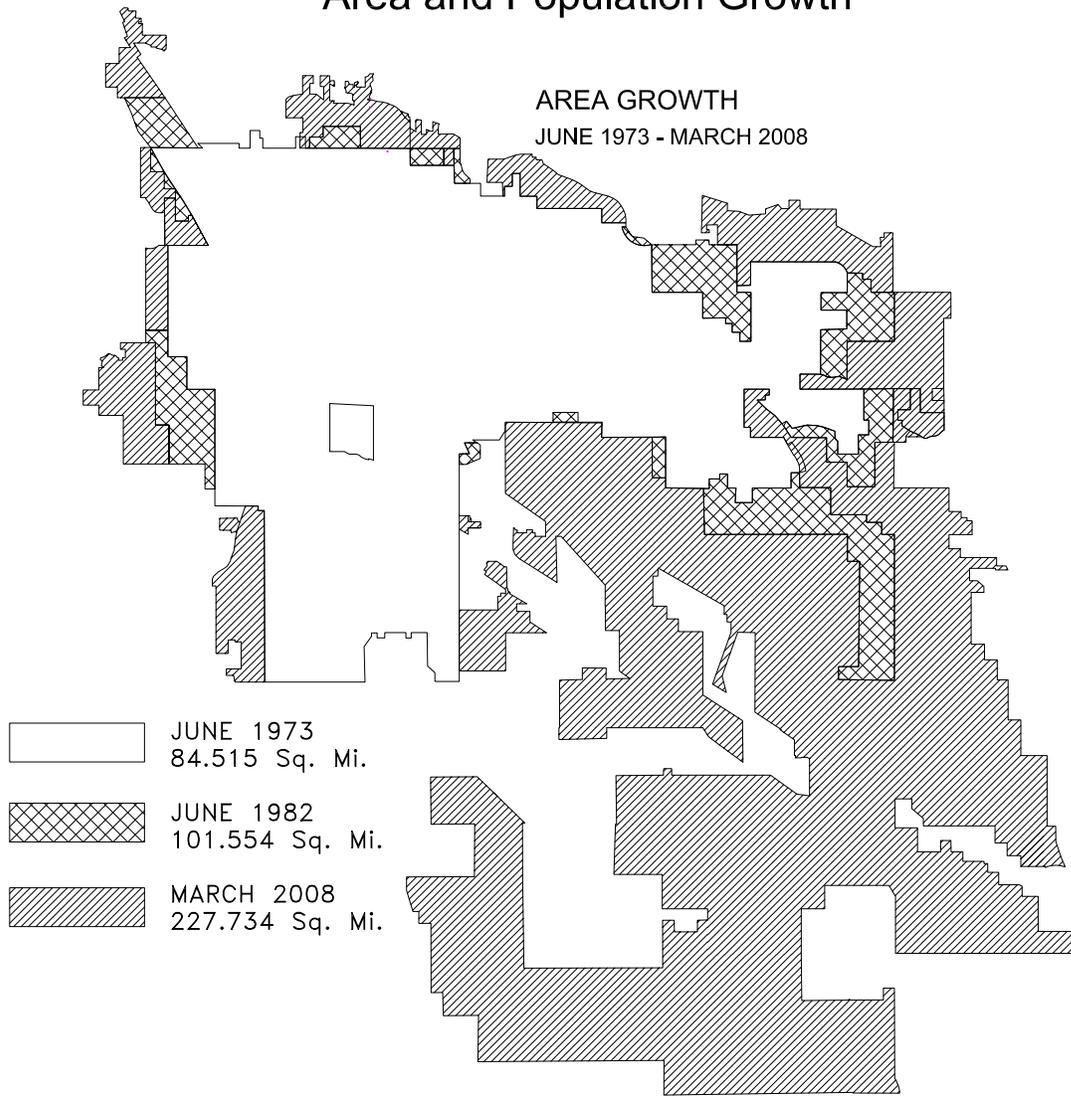


*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section D
Community Statistical Profile



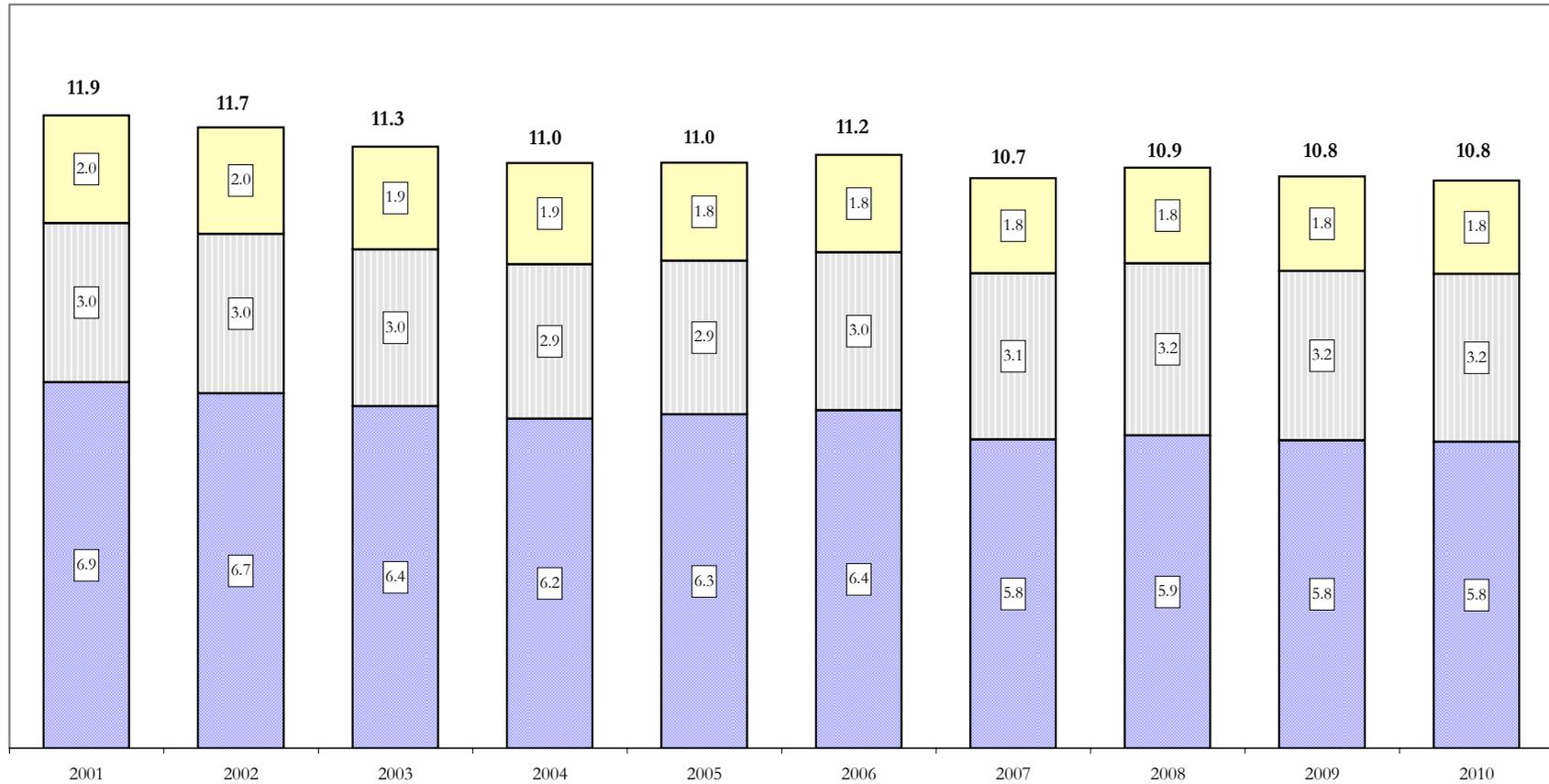
City of Tucson Area and Population Growth



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

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			
	2007	2008	2009	2010
Personal Income (Billions of Dollars)	\$ 31.875	\$ 33.178	\$ 34.115	\$ 36.162
Percentage Change from Prior Year	6.9	4.1	2.8	6.0
Retail Sales-Excluding Food (Billions of Dollars)*	\$ 9.246	\$ 9.209	\$ 9.442	\$ 9.986
Percentage Change from Prior Year	.9	(.4)	2.5	5.8
Residential Building Permits (Units)	5,237	4,027	4,745	6,748
Percentage Change from Prior Year	(38.5)	(23.1)	17.8	42.2
Gasoline Sales (Millions of Gallons)	368.1	381.7	391.2	398.6
Percentage Change from Prior Year	4.1	3.7	2.5	1.9
Population (000)**	1,003.2	1,019.3	1,036.4	1,058.3
Percentage Change from Prior Year	2.2	16.1	17.1	21.9
Wage and Salary Employment (000)	384.0	382.6	380.8	387.7
Percentage Change from Prior Year	1.2	(0.4)	(0.5)	1.8
Employment/Population Ratio	.383	.375	.367	.366
Real Per Capita Disposable Income (1982 Dollars)	\$ 13,169	\$ 13,189	\$ 13,114	\$ 13,361
Percentage Change from Prior Year	1.0	0.2	(0.6)	1.9
Annual Earnings Per Worker	\$ 41,614	\$ 42,894	\$ 44,110	\$ 45,367
Percentage Change from Prior Year	4.7	3.1	2.8	2.9
Consumer Price Index (CPI) Western Region (Percent Change)	3.2	3.1	1.6	1.6
Personal Consumption Deflator (Percent Change)	2.7	2.0	2.0	1.9

Source: Economic Outlook, May 2008, Economics and Business Research Center, Eller College of Management, University of Arizona.

*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 men’s and women’s swim teams recently won the 2008 National Collegiate Athletic Association (NCAA) championships. The women’s softball team has won eight NCAA championships including the 2006 and 2007 titles. The men’s basketball team were runners up in the NCAA championship in 2001.



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 168 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 546,700 in 2008. 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 2008.

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	545,273	1,003,918
2008*	546,767	1,028,132

Land Area

Year	Land Area (square miles)
1990	157.53
1998	194.12
1999	194.36
2000	195.40
2001	223.33
2002	226.09
2003	226.13
2004	226.15
2005	226.55
2006	226.73
2007	227.62
2008*	227.73

Land Use, 2003

Land Use	Percentage
Undeveloped	52.84%
Residential	22.50%
Commercial	4.06%
Government	3.26%
Industrial	3.09%
Open Space	2.59%
Agricultural	0.77%
Other	10.89%



Racial/Ethnic Composition, 2006 (ACS)

White, Non-Hispanic	50.6%
Hispanic	38.6%
Black	4.4%
Native American	2.3%
Asian/Pacific Islander	2.8%
Other	1.3%

Median Age

1970	25.7 years
1980	28.3 years
1990	30.8 years
2000	32.1 years
2005	32.4 years
2006	32.6 years

*Estimated figure for March 2008 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, 2007* (Based on number of full-time equivalent positions)

Raytheon Missile Systems	12,515
State of Arizona	10,754
University of Arizona	10,535
Tucson Unified School District	8,018
Davis-Monthan Air Force Base	7,701
Pima County	6,954
U.S. Army Fort Huachuca	6,701
City of Tucson	5,848**
Freeport-McMoRan Copper & Gold, Inc.***	5,840
Wal-Mart Stores	5,805
Carondelet Health Network	4,766
University Medical Center Corporation	3,304
Tucson Medical Center HealthCare	3,038
U.S. Border Patrol	2,975
Tohono O'odham Nation	2,725
Sunnyside Unified School District	2,685
Pima Community College	2,325
Pima County	2,321

*Source: "Star Two Hundred," The Arizona Daily Star, March 16, 2008

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

***Formerly Phelps Dodge Mining Company



<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%
2007	491,700	2007	4.7%

Annual Rate of Earnings

(Per worker in current dollars)

2000	\$31,475
2002	\$33,677
2003	\$35,271
2004	\$36,913
2005	\$38,603
2006	\$40,260
2007	\$41,502

Building Permits Issued

	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	1,518	129	14
2008	701	208	10

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)	140
Recreation Centers	9
Neighborhood/Senior Centers	8
After-School Program Sites	47
Senior Citizen Program Sites	15
Municipal Swimming Pools	27
Municipal Golf Courses	5
Tennis Court Sites	16
Playfields	198

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	1,840
Miles of Bikeways	550
Miles of Drainageway	1,141
Number of Street Lights	17,570
Annual Miles of Fixed-Route Bus Service	8,879,690
Annual Miles of Paratransit Service	3,798,994
Number of Traffic Signals	530

Tucson Water

Miles of Water Lines	4,500
Miles of Reclaimed Water Lines	155
Number of Water Connections	232,301
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	1,113
Average Police Emergency Response Time (in minutes)	4.43
Average Police Response Time for All Emergency, Critical, Urgent, and General Response Calls (in minutes)	42.08
Number of Commissioned Fire Personnel (including Paramedics)	673
Annual Number of Units Responding to Structural Fires	2,930
Annual Number of Paramedic Runs (Advanced Life Support only)	23,000
Annual Number of Other Emergency Responses	51,070
Number of Paramedic Personnel	147



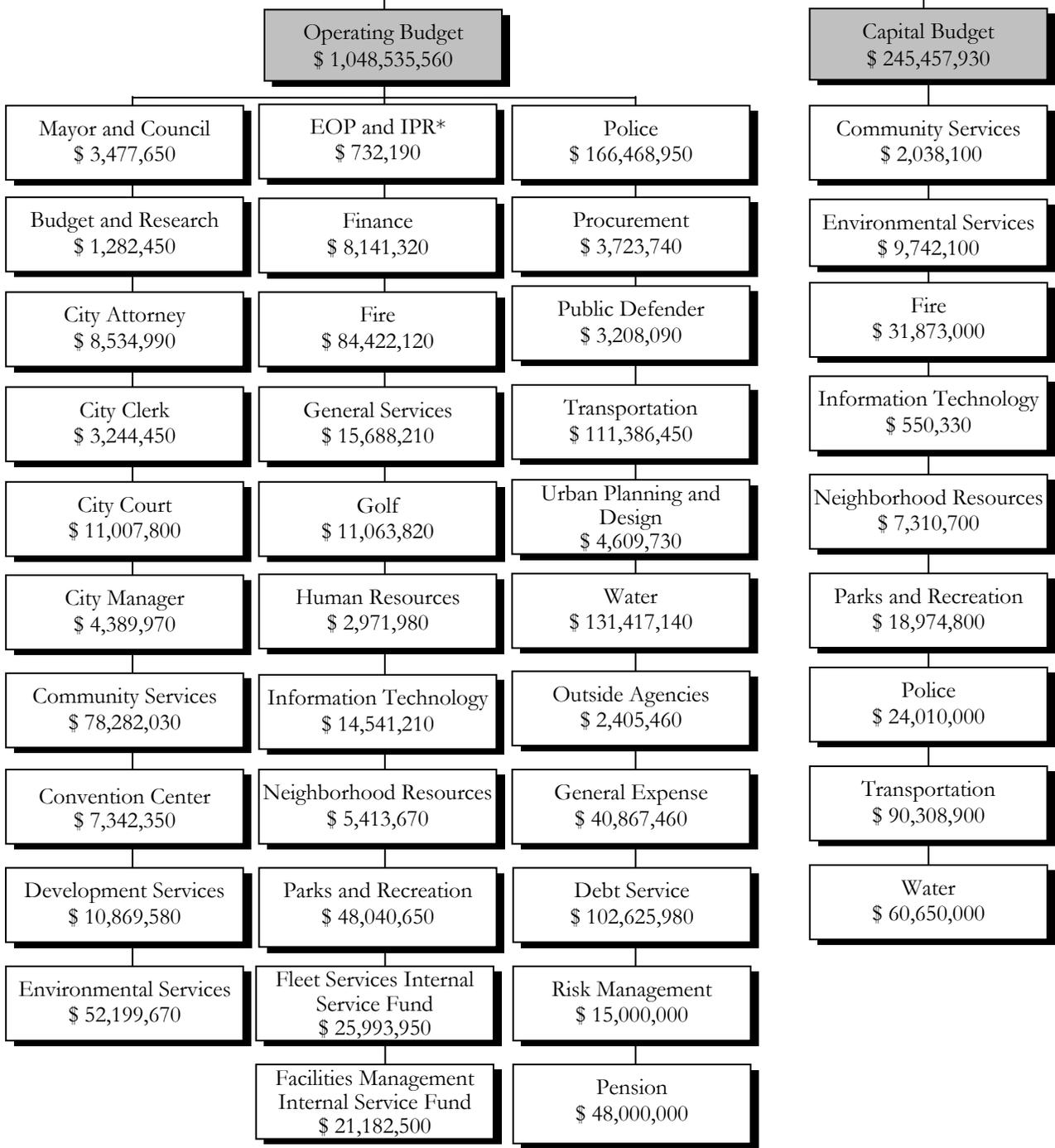
*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section E
Summary Information



CITY OF TUCSON
 Components of the Total Financial Plan
 Fiscal Year 2009

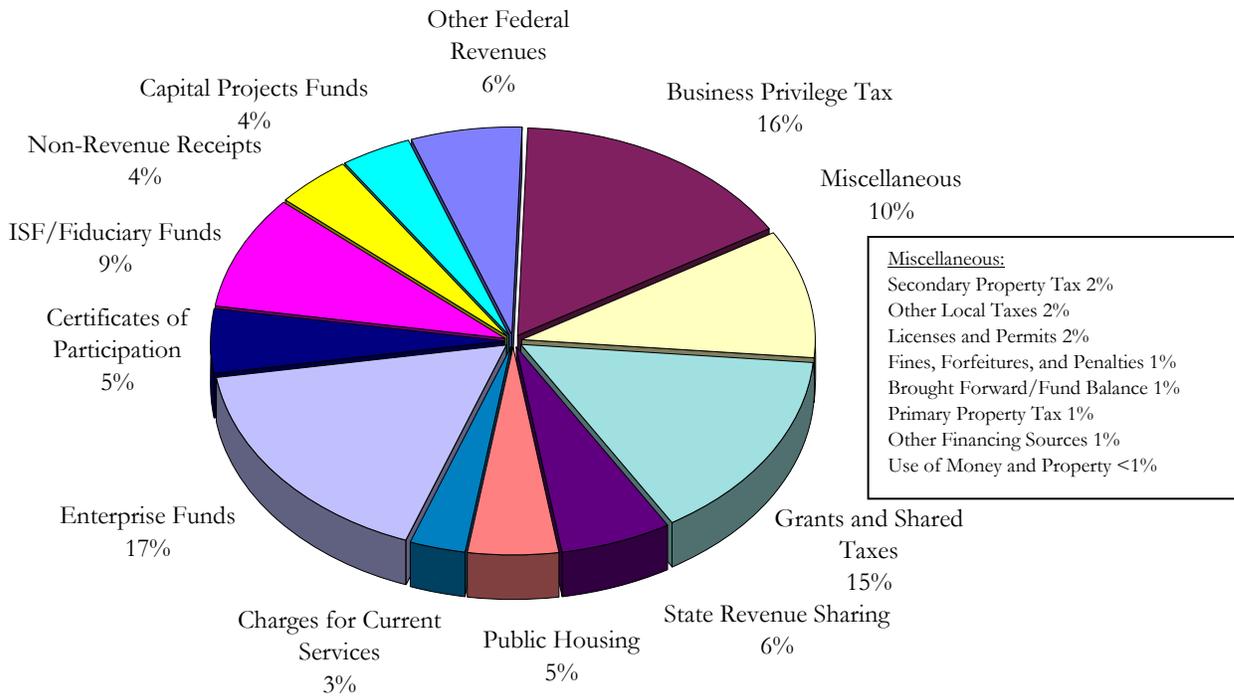
Total Budget
 \$ 1,293,993,490



*Equal Opportunity Programs and Independent Police Review

REVENUES

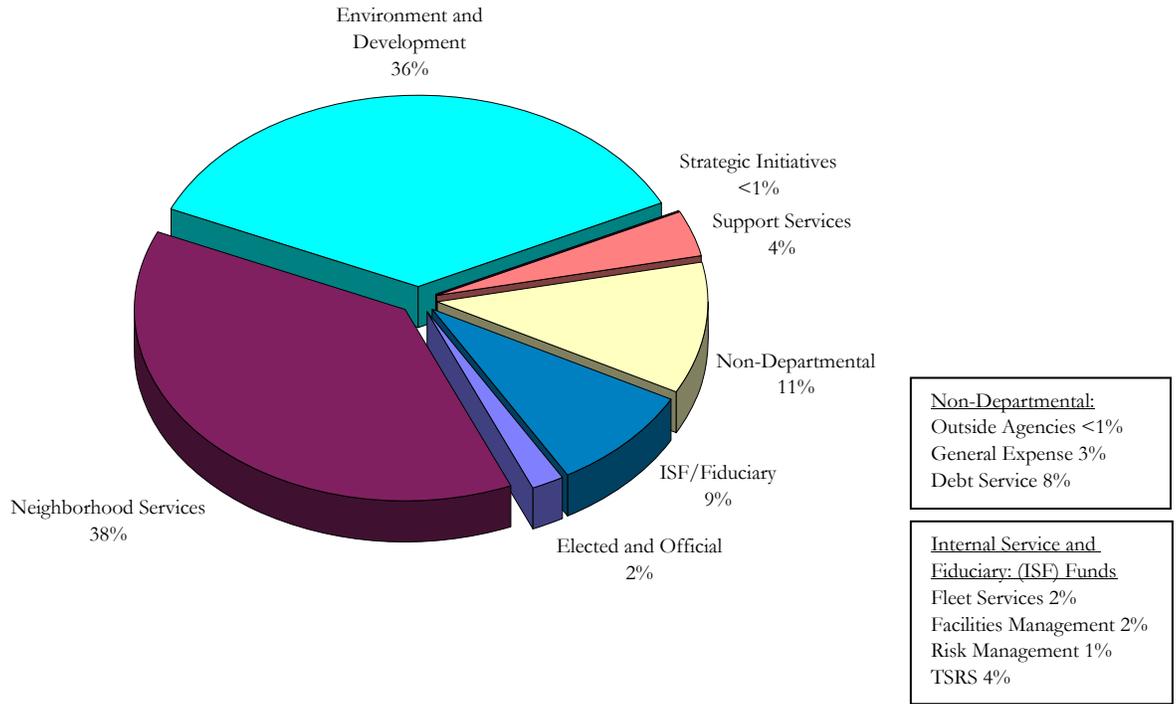
FISCAL YEAR 2009 ADOPTED



Funds Available	Annual Budget Total	Percent of Total
Primary Property Tax	\$ 10,931,690	1%
Secondary Property Tax	24,899,560	2%
Business Privilege Tax	206,840,000	16%
Other Local Taxes	30,030,000	2%
Licenses and Permits	26,634,500	2%
Fines, Forfeitures, and Penalties	14,916,720	1%
Use of Money and Property	5,060,000	<1%
Grants and Shared Taxes	194,842,180	15%
State Revenue Sharing	79,240,000	6%
Charges for Current Services	44,715,660	3%
Non-Revenue Receipts	50,225,350	4%
Public Housing	61,554,930	5%
Other Federal Revenues	76,914,910	6%
Enterprise Funds	222,184,030	17%
Certificates of Participation	66,452,330	5%
Other Financing Sources	12,500,000	1%
Capital Projects Funds	46,679,300	4%
Internal Service and Fiduciary Funds	110,176,450	9%
Brought Forward/Fund Balance	9,195,880	1%
Total Funds Available	\$ 1,293,993,490	100%

EXPENDITURES

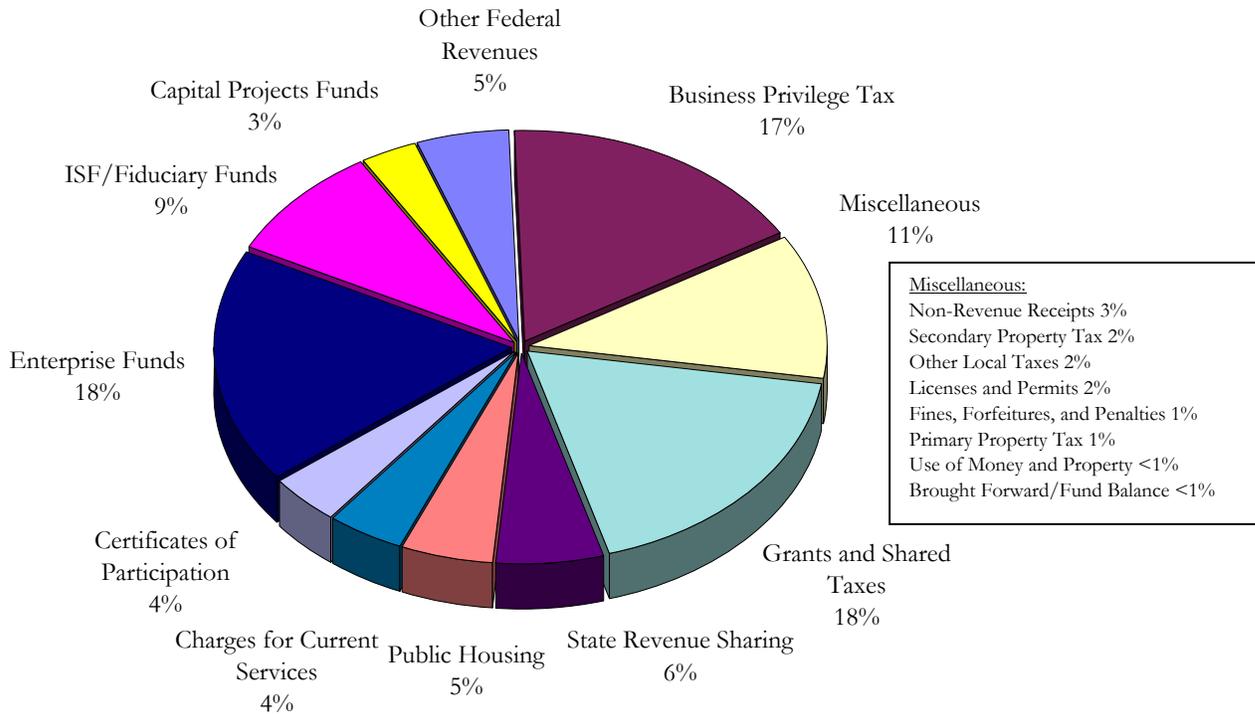
FISCAL YEAR 2009 ADOPTED



Funds Available	Annual Budget Total	Percent of Total
Elected and Official	\$ 19,647,060	2%
Neighborhood Services	492,845,920	38%
Environment and Development	471,183,570	36%
Strategic Initiatives	7,342,350	<1%
Support Services	46,899,240	4%
Non-Departmental		
Outside Agencies	2,405,460	<1%
General Expense	40,867,460	3%
Debt Service	102,625,980	8%
Internal Service and Fiduciary Funds		
Fleet Services	25,993,950	2%
Facilities Management	21,182,500	2%
Risk Management	15,000,000	1%
Tucson Supplemental Retirement System (TSRS)	48,000,000	4%
Total Funds Available	\$ 1,293,993,490	100%

REVENUES

FISCAL YEAR 2010 APPROVED

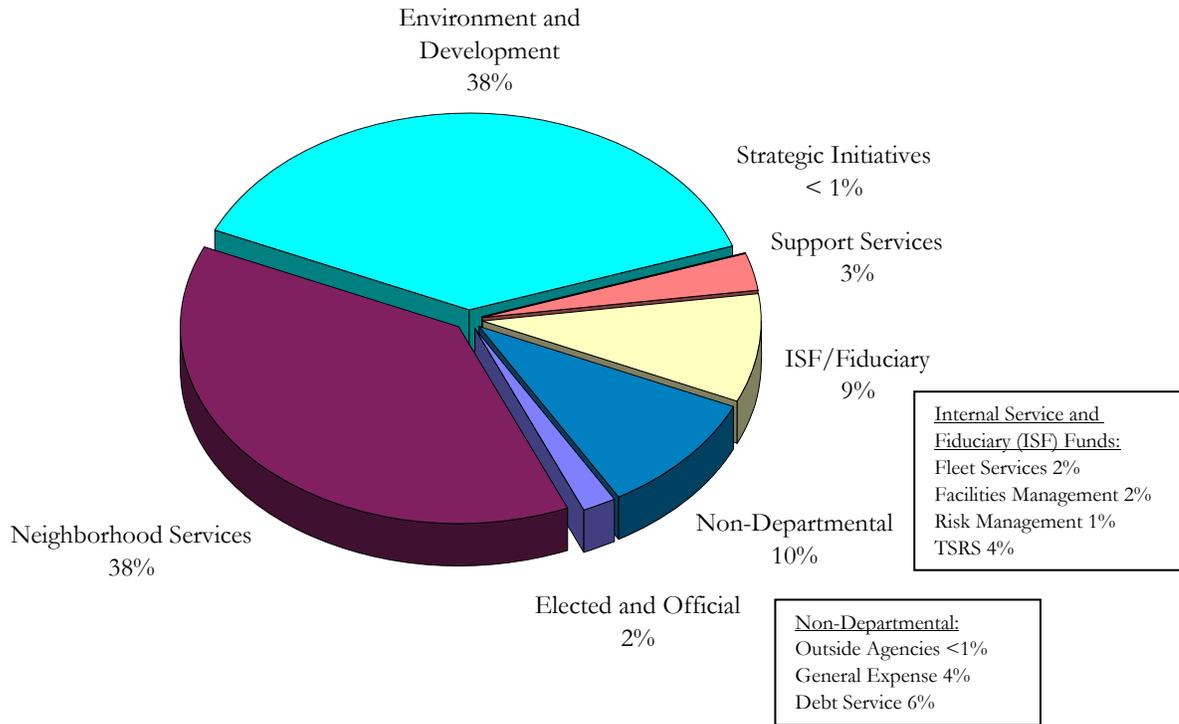


Miscellaneous:
 Non-Revenue Receipts 3%
 Secondary Property Tax 2%
 Other Local Taxes 2%
 Licenses and Permits 2%
 Fines, Forfeitures, and Penalties 1%
 Primary Property Tax 1%
 Use of Money and Property <1%
 Brought Forward/Fund Balance <1%

Funds Available	Annual Budget Total	Percent of Total
Primary Property Tax	\$ 11,150,320	1%
Secondary Property Tax	24,919,400	2%
Business Privilege Tax	214,080,000	17%
Other Local Taxes	30,960,000	2%
Licenses and Permits	27,305,000	2%
Fines, Forfeitures, and Penalties	15,175,140	1%
Use of Money and Property	5,100,000	<1%
Grants and Shared Taxes	224,138,450	18%
State Revenue Sharing	79,240,000	6%
Charges for Current Services	47,293,240	4%
Non-Revenue Receipts	31,766,160	3%
Public Housing	63,582,040	5%
Other Federal Revenues	63,936,660	5%
Enterprise Funds	232,052,060	18%
Certificates of Participation	46,455,000	4%
Capital Projects Funds	40,749,700	3%
Internal Service and Fiduciary Funds	108,896,300	9%
Brought Forward/Fund Balance	3,511,500	<1%
Total Funds Available	\$ 1,270,310,970	100%

EXPENDITURES

FISCAL YEAR 2010 APPROVED



Funds Available	Annual Budget Total	Percent of Total
Elected and Official	\$ 20,688,650	2%
Neighborhood Services	478,984,060	38%
Environment and Development	488,699,560	38%
Strategic Initiatives	7,307,830	<1%
Support Services	42,895,510	3%
Non-Departmental		
Outside Agencies	2,405,460	<1%
General Expense	46,463,500	4%
Debt Service	73,970,100	6%
Internal Service and Fiduciary Funds		
Fleet Services	25,988,800	2%
Facilities Management	19,907,500	2%
Risk Management	15,000,000	1%
Tucson Supplemental Retirement System	48,000,000	4%
Total Funds Available	\$ 1,270,310,970	100%

SUMMARY OF EXPENDITURES BY DEPARTMENT

	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Elected and Official					
Mayor and Council	\$ 3,189,236	\$ 3,424,270	\$ 3,424,270	\$ 3,477,650	\$ 3,477,650
City Manager	2,739,153	3,970,170	3,816,471	4,389,970	4,385,890
City Clerk	3,673,468	5,519,990	5,424,990	3,244,450	4,476,850
City Attorney	8,665,353	9,192,910	9,158,130	8,534,990	8,348,260
Sub-Total	18,267,210	22,107,340	21,823,861	19,647,060	20,688,650
Neighborhood Services					
City Court	\$ 10,514,608	\$ 11,808,830	\$ 11,462,000	\$ 11,007,800	\$ 10,990,460
Community Services	57,903,810	80,395,450	78,153,306	80,320,130	80,333,300
Fire	76,877,926	101,353,060	92,387,942	116,295,120	85,614,260
Library	9,808	-0-	-0-	-0-	-0-
Neighborhood Resources	6,490,450	11,879,460	6,432,391	12,724,370	8,189,970
Parks and Recreation	49,665,424	73,337,530	58,928,807	67,015,450	73,327,430
Tucson City Golf	9,870,848	11,063,820	11,063,820	11,063,820	11,063,820
Police	159,226,643	197,269,450	179,792,516	190,478,950	205,477,380
Office of Equal Opportunity Programs and Independent Police Review	737,263	832,950	832,950	732,190	755,410
Office of the Public Defender	3,028,395	3,190,910	3,190,910	3,208,090	3,232,030
Sub-Total	374,325,175	491,131,460	442,244,642	492,845,920	478,984,060
Environment and Development					
Development Services	\$ 11,263,925	\$ 12,807,510	\$ 12,451,571	\$ 10,869,580	\$ 10,639,000
Environmental Services	43,262,440	55,708,200	54,996,450	61,941,770	65,983,880
Transportation	159,742,937	275,924,380	185,958,944	201,695,350	217,113,590
Tucson Water	155,918,807	192,051,900	184,213,360	192,067,140	190,339,360
Urban Planning and Design	3,596,832	5,096,800	4,994,490	4,609,730	4,623,730
Sub-Total	373,784,941	541,588,790	442,614,815	471,183,570	488,699,560
Strategic Initiatives					
Tucson Convention Center	\$ 7,799,134	\$ 7,355,120	\$ 7,355,120	\$ 7,342,350	\$ 7,307,830
Sub-Total	7,799,134	7,355,120	7,355,120	7,342,350	7,307,830
Support Services					
Budget and Research	\$ 1,953,489	\$ 1,690,740	\$ 1,675,230	\$ 1,282,450	\$ 1,356,330
Finance	9,930,869	9,764,590	9,637,735	8,141,320	8,096,630
General Services	19,776,107	19,074,860	15,715,180	15,688,210	12,266,560
Human Resources	2,968,477	2,904,190	2,904,190	2,971,980	2,965,150
Information Technology	20,482,736	18,725,190	19,616,080	15,091,540	14,443,020
Procurement	3,901,770	3,904,890	3,831,284	3,723,740	3,767,820
Sub-Total	59,013,448	56,064,460	53,379,699	46,899,240	42,895,510

Summary of Expenditures by Department (Continued)

	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Non-Departmental					
Outside Agencies	\$ 2,225,771	\$ 2,265,460	\$ 2,265,460	\$ 2,405,460	\$ 2,405,460
General Expense	32,851,315	13,122,680	37,546,563	40,867,460	46,463,500
Debt Service	59,680,985	73,913,180	69,131,740	102,625,980	73,970,100
Risk Management	-0-	15,000,000	-0-	-0-	-0-
Pension Administration	-0-	40,000,000	-0-	-0-	-0-
Sub-Total	94,758,071	144,301,320	108,943,763	145,898,900	122,839,060
Internal Service and Fiduciary Funds					
Fleet Services Internal Service Fund	\$ 23,467,505	\$ -0-	\$ 25,155,613	\$ 25,993,950	\$ 25,988,800
Facilities Management Internal Service Fund	15,086,759	-0-	15,473,690	21,182,500	19,907,500
Risk Management Fund	17,768,325	-0-	15,000,000	15,000,000	15,000,000
Tucson Supplemental Retirement System Fund	60,313,408	-0-	48,000,000	48,000,000	48,000,000
Sub-Total	116,635,997	-0-	103,629,303	110,176,450	108,896,300
Total All Expenditures	\$ 1,044,583,976	\$ 1,262,548,490	\$ 1,179,991,203	\$ 1,293,993,490	\$ 1,270,310,970

SUMMARY BY CHARACTER OF EXPENDITURES

	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Personal Services	\$ 453,371,131	\$ 462,095,660	\$ 472,105,843	\$ 472,239,020	\$ 473,457,950
Services	247,055,971	229,138,650	238,119,451	243,611,280	235,947,150
Commodities	73,768,714	70,971,140	80,553,681	75,298,660	75,635,270
Equipment	6,804,893	10,939,290	13,539,743	14,257,860	13,221,700
Other	121,147,903	156,529,150	189,808,528	243,128,740	232,396,200
Operating Total	902,148,612	929,673,890	994,127,246	1,048,535,560	1,030,658,270
Capital Improvements	142,435,364	332,874,600	185,863,957	245,457,930	239,652,700
Total All Expenditures	\$ 1,044,583,976	\$ 1,262,548,490	\$ 1,179,991,203	\$ 1,293,993,490	\$ 1,270,310,970

REVENUES AND EXPENDITURES COMPARISONS

CLASSIFICATION	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
FUNDS AVAILABLE					
Primary Property Tax	\$ 9,975,822	\$ 10,327,380	\$ 10,327,380	\$ 10,931,690	\$ 11,150,320
Secondary Property Tax	23,331,690	28,022,940	27,962,810	24,899,560	24,919,400
Business Privilege Tax	202,340,460	212,870,000	202,389,000	206,840,000	214,080,000
Other Local Taxes	29,852,312	30,021,000	30,233,000	30,030,000	30,960,000
Licenses and Permits	22,895,022	23,181,500	24,976,600	26,634,500	27,305,000
Fines, Forfeitures, and Penalties	12,791,779	14,265,850	14,556,960	14,916,720	15,175,140
Use of Money and Property	13,134,733	6,588,700	5,021,000	5,060,000	5,100,000
Grants and Shared Taxes	141,911,645	210,397,760	182,881,505	194,842,180	224,138,450
State Revenue Sharing	62,547,187	74,600,000	74,558,000	79,240,000	79,240,000
Charges for Current Services	42,393,467	51,919,480	42,943,840	44,715,660	47,293,240
Non-Revenue Receipts	12,257,863	36,649,700	28,123,132	50,225,350	31,766,160
Public Housing	45,406,544	60,685,650	60,139,754	61,554,930	63,582,040
Other Federal Revenues	46,444,365	95,472,210	46,556,670	76,914,910	63,936,660
Enterprise Funds	191,946,945	209,579,020	207,613,890	222,184,030	232,052,060
Certificates of Participation	29,727,336	86,647,800	33,414,083	66,452,330	46,455,000
Other Financing Sources	-0-	-0-	-0-	12,500,000	-0-
Capital Projects Funds	42,654,378	60,948,300	50,626,141	46,679,300	40,749,700
Internal Service and Fiduciary Funds	117,713,510	-0-	103,629,303	110,176,450	108,896,300
Brought Forward/Fund Balance	8,788,563	50,371,200	25,009,868	9,195,880	3,511,500
TOTAL FUNDS AVAILABLE	\$ 1,056,113,621	\$ 1,262,548,490	\$ 1,170,962,936	\$ 1,293,993,490	\$ 1,270,310,970
EXPENDITURES					
Elected and Official	\$ 18,267,210	\$ 22,107,340	\$ 21,823,861	\$ 19,647,060	\$ 20,688,650
Neighborhood Services	374,325,175	491,131,460	442,244,642	492,845,920	478,984,060
Environment and Development	373,784,941	541,588,790	442,614,815	471,183,570	488,699,560
Strategic Initiatives	7,799,134	7,355,120	7,355,120	7,342,350	7,307,830
Support Services	59,013,448	56,064,460	53,379,699	46,899,240	42,895,510
Non-Departmental	94,758,071	144,301,320	108,943,763	145,898,900	122,839,060
Internal Service and Fiduciary Funds	116,635,997	-0-	103,629,303	110,176,450	108,896,300
ALL EXPENDITURES	\$ 1,044,583,976	\$ 1,262,548,490	\$ 1,179,991,203	\$ 1,293,993,490	\$ 1,270,310,970

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, and other miscellaneous funding sources. These funds are expended in the Elected and Official, Neighborhood Services, Environment and Development, 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 and Fiduciary 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, Fleet Services, and Facilities Management Internal Service Funds all operate on a cost-reimbursement basis.

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 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 have no restrictions on their use and may be either General Funds or Special Revenue Funds. Although most General Funds can be classified as general purpose funds, certain 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)

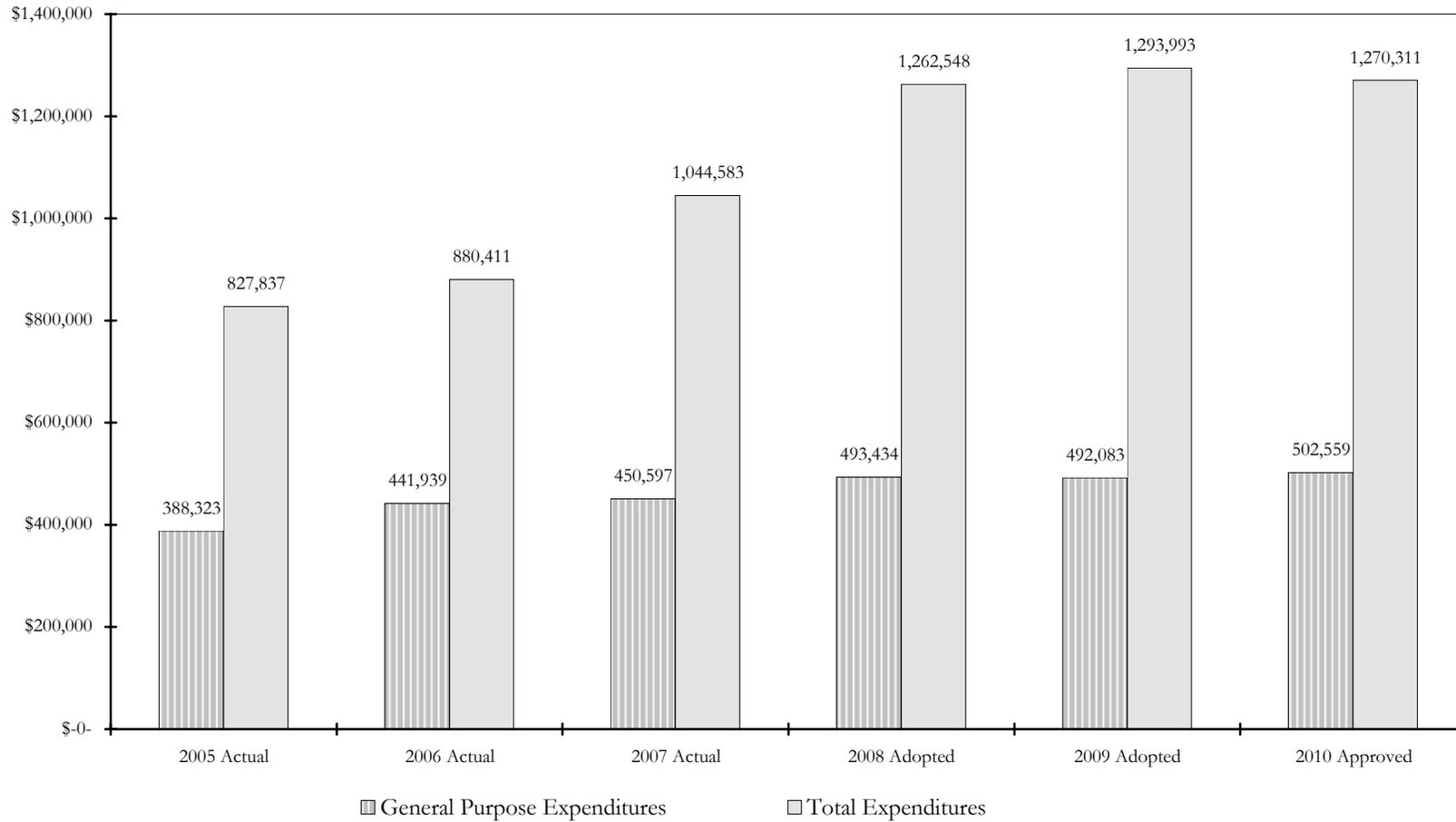
The structure of city funds is generally the same in the budget and the CAFR; however, because the CAFR uses either a modified accrual or full accrual basis of accounting, there are differences in how revenues and expenses are treated in specific areas.

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 YEARS 2009 AND 2010 BIENNIAL BUDGET

CLASSIFICATION	FY 2009 FUNDING			FY 2010 FUNDING		
	GENERAL PURPOSE	RESTRICTED	TOTAL	GENERAL PURPOSE	RESTRICTED	TOTAL
FUNDS AVAILABLE						
Primary Property Tax	\$ 10,931,690	\$ -0-	\$ 10,931,690	\$ 11,150,320	\$ -0-	\$ 11,150,320
Secondary Property Tax	-0-	24,899,560	24,899,560	-0-	24,919,400	24,919,400
Business Privilege Tax	206,840,000	-0-	206,840,000	214,080,000	-0-	214,080,000
Other Local Taxes	30,030,000	-0-	30,030,000	30,960,000	-0-	30,960,000
Licenses and Permits	25,601,000	1,033,500	26,634,500	26,370,000	935,000	27,305,000
Fines, Forfeitures, and Penalties	11,500,000	3,416,720	14,916,720	11,730,000	3,445,140	15,175,140
Use of Money and Property	2,500,000	2,560,000	5,060,000	2,500,000	2,600,000	5,100,000
Grants and Shared Taxes	77,862,000	116,980,180	194,842,180	80,402,000	143,736,450	224,138,450
State Revenue Sharing	79,240,000	-0-	79,240,000	79,240,000	-0-	79,240,000
Charges for Current Services	31,240,000	13,475,660	44,715,660	31,870,000	15,423,240	47,293,240
Non-Revenue Receipts	14,255,010	35,970,340	50,225,350	14,256,680	17,509,480	31,766,160
Public Housing	-0-	61,554,930	61,554,930	-0-	63,582,040	63,582,040
Other Federal Revenues	-0-	76,914,910	76,914,910	-0-	63,936,660	63,936,660
Enterprise Funds	-0-	222,184,030	222,184,030	-0-	232,052,060	232,052,060
Certificates of Participation	-0-	66,452,330	66,452,330	-0-	46,455,000	46,455,000
Other Financing Sources	-0-	12,500,000	12,500,000	-0-	-0-	-0-
Capital Projects Funds	-0-	46,679,300	46,679,300	-0-	40,749,700	40,749,700
Internal Service and Fiduciary Funds	-0-	110,176,450	110,176,450	-0-	108,896,300	108,896,300
Brought Forward/Fund Balance	2,083,000	7,112,880	9,195,880	-0-	3,511,500	3,511,500
TOTAL FUNDS AVAILABLE	\$ 492,082,700	\$ 801,910,790	\$ 1,293,993,490	\$ 502,559,000	\$ 767,751,970	\$ 1,270,310,970
EXPENDITURES						
Elected and Official	\$ 18,562,990	\$ 1,084,070	\$ 19,647,060	\$ 19,604,580	\$ 1,084,070	\$ 20,688,650
Neighborhood Services	303,431,820	189,414,100	492,845,920	302,923,210	176,060,850	478,984,060
Environment and Development	66,118,360	405,065,210	471,183,570	64,659,100	424,040,460	488,699,560
Strategic Initiatives	6,501,350	841,000	7,342,350	6,466,090	841,740	7,307,830
Support Services	41,435,170	5,464,070	46,899,240	41,036,590	1,858,920	42,895,510
Non-Departmental	56,033,010	89,865,890	145,898,900	67,869,430	54,969,630	122,839,060
Internal Service and Fiduciary Funds	-0-	110,176,450	110,176,450	-0-	108,896,300	108,896,300
TOTAL EXPENDITURES	\$ 492,082,700	\$ 801,910,790	\$ 1,293,993,490	\$ 502,559,000	\$ 767,751,970	\$ 1,270,310,970

REVENUES AND EXPENDITURES SUMMARY
FISCAL YEAR 2009 BY OPERATING AND CAPITAL

CLASSIFICATION	TOTAL BUDGET	GENERAL PURPOSE FUNDS			RESTRICTED FUNDS		
		OPERATING	CAPITAL	TOTAL	OPERATING	CAPITAL	TOTAL
FUNDS AVAILABLE							
Primary Property Tax	\$ 10,931,690	\$ 10,931,690	\$ -0-	\$ 10,931,690	\$ -0-	\$ -0-	\$ -0-
Secondary Property Tax	24,899,560	-0-	-0-	-0-	24,899,560	-0-	24,899,560
Business Privilege Tax	206,840,000	206,840,000	-0-	206,840,000	-0-	-0-	-0-
Other Local Taxes	30,030,000	30,030,000	-0-	30,030,000	-0-	-0-	-0-
Licenses and Permits	26,634,500	25,601,000	-0-	25,601,000	1,033,500	-0-	1,033,500
Fines, Forfeitures, and Penalties	14,916,720	11,500,000	-0-	11,500,000	3,416,720	-0-	3,416,720
Use of Money and Property	5,060,000	2,500,000	-0-	2,500,000	2,560,000	-0-	2,560,000
Grants and Shared Taxes	194,842,180	77,862,000	-0-	77,862,000	60,370,880	56,609,300	116,980,180
State Revenue Sharing	79,240,000	79,240,000	-0-	79,240,000	-0-	-0-	-0-
Charges for Current Services	44,715,660	30,738,600	501,400	31,240,000	13,475,660	-0-	13,475,660
Non-Revenue Receipts	50,225,350	14,255,010	-0-	14,255,010	28,880,840	7,089,500	35,970,340
Public Housing	61,554,930	-0-	-0-	-0-	60,416,930	1,138,000	61,554,930
Other Federal Revenues	76,914,910	-0-	-0-	-0-	29,396,510	47,518,400	76,914,910
Enterprise Funds	222,184,030	-0-	-0-	-0-	194,680,630	27,503,400	222,184,030
Certificates of Participation	66,452,330	-0-	-0-	-0-	10,035,000	56,417,330	66,452,330
Other Financing Sources	12,500,000	-0-	-0-	-0-	12,500,000	-0-	12,500,000
Capital Projects Funds	46,679,300	-0-	-0-	-0-	-0-	46,679,300	46,679,300
Internal Service and Fiduciary Funds	110,176,450	-0-	-0-	-0-	110,176,450	-0-	110,176,450
Brought Forward/Fund Balance	9,195,880	419,700	1,663,300	2,083,000	6,774,880	338,000	7,112,880
TOTAL FUNDS AVAILABLE	\$ 1,293,993,490	\$ 489,918,000	\$ 2,164,700	\$ 492,082,700	\$ 558,617,560	\$ 243,293,230	\$ 801,910,790
EXPENDITURES							
Elected and Official	\$ 19,647,060	\$ 18,562,990	\$ -0-	\$ 18,562,990	\$ 1,084,070	\$ -0-	\$ 1,084,070
Neighborhood Services	492,845,920	303,201,520	230,300	303,431,820	105,437,800	83,976,300	189,414,100
Environment and Development	471,183,570	64,183,960	1,934,400	66,118,360	246,298,610	158,766,600	405,065,210
Strategic Initiatives	7,342,350	6,501,350	-0-	6,501,350	841,000	-0-	841,000
Support Services	46,899,240	41,435,170	-0-	41,435,170	4,913,740	550,330	5,464,070
Non-Departmental	145,898,900	56,033,010	-0-	56,033,010	89,865,890	-0-	89,865,890
Internal Service and Fiduciary Funds	110,176,450	-0-	-0-	-0-	110,176,450	-0-	110,176,450
TOTAL EXPENDITURES	\$ 1,293,993,490	\$ 489,918,000	\$ 2,164,700	\$ 492,082,700	\$ 558,617,560	\$ 243,293,230	\$ 801,910,790

REVENUES AND EXPENDITURES SUMMARY
FISCAL YEAR 2010 BY OPERATING AND CAPITAL

CLASSIFICATION	TOTAL BUDGET	GENERAL PURPOSE FUNDS			RESTRICTED FUNDS		
		OPERATING	CAPITAL	TOTAL	OPERATING	CAPITAL	TOTAL
FUNDS AVAILABLE							
Primary Property Tax	\$ 11,150,320	\$ 11,150,320	\$ -0-	\$ 11,150,320	\$ -0-	\$ -0-	\$ -0-
Secondary Property Tax	24,919,400	-0-	-0-	-0-	24,919,400	-0-	24,919,400
Business Privilege Tax	214,080,000	214,080,000	-0-	214,080,000	-0-	-0-	-0-
Other Local Taxes	30,960,000	30,960,000	-0-	30,960,000	-0-	-0-	-0-
Licenses and Permits	27,305,000	26,370,000	-0-	26,370,000	935,000	-0-	935,000
Fines, Forfeitures, and Penalties	15,175,140	11,730,000	-0-	11,730,000	3,445,140	-0-	3,445,140
Use of Money and Property	5,100,000	2,500,000	-0-	2,500,000	2,600,000	-0-	2,600,000
Grants and Shared Taxes	224,138,450	80,402,000	-0-	80,402,000	64,796,350	78,940,100	143,736,450
State Revenue Sharing	79,240,000	79,240,000	-0-	79,240,000	-0-	-0-	-0-
Charges for Current Services	47,293,240	31,385,000	485,000	31,870,000	15,423,240	-0-	15,423,240
Non-Revenue Receipts	31,766,160	14,256,680	-0-	14,256,680	14,813,380	2,696,100	17,509,480
Public Housing	63,582,040	-0-	-0-	-0-	61,832,040	1,750,000	63,582,040
Other Federal Revenues	63,936,660	-0-	-0-	-0-	23,047,960	40,888,700	63,936,660
Enterprise Funds	232,052,060	-0-	-0-	-0-	201,558,960	30,493,100	232,052,060
Certificates of Participation	46,455,000	-0-	-0-	-0-	2,805,000	43,650,000	46,455,000
Capital Projects Funds	40,749,700	-0-	-0-	-0-	-0-	40,749,700	40,749,700
Internal Service and Fiduciary Funds	108,896,300	-0-	-0-	-0-	108,896,300	-0-	108,896,300
Brought Forward/Fund Balance	3,511,500	-0-	-0-	-0-	3,511,500	-0-	3,511,500
TOTAL FUNDS AVAILABLE	\$ 1,270,310,970	\$ 502,074,000	\$ 485,000	\$ 502,559,000	\$ 528,584,270	\$ 239,167,700	\$ 767,751,970
EXPENDITURES							
Elected and Official	\$ 20,688,650	\$ 19,604,580	\$ -0-	\$ 19,604,580	\$ 1,084,070	\$ -0-	\$ 1,084,070
Neighborhood Services	478,984,060	302,923,210	-0-	302,923,210	105,654,750	70,406,100	176,060,850
Environment and Development	488,699,560	64,174,100	485,000	64,659,100	255,278,860	168,761,600	424,040,460
Strategic Initiatives	7,307,830	6,466,090	-0-	6,466,090	841,740	-0-	841,740
Support Services	42,895,510	41,036,590	-0-	41,036,590	1,858,920	-0-	1,858,920
Non-Departmental	122,839,060	67,869,430	-0-	67,869,430	54,969,630	-0-	54,969,630
Internal Service and Fiduciary Funds	108,896,300	-0-	-0-	-0-	108,896,300	-0-	108,896,300
TOTAL EXPENDITURES	\$ 1,270,310,970	\$ 502,074,000	\$ 485,000	\$ 502,559,000	\$ 528,584,270	\$ 239,167,700	\$ 767,751,970

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

	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Beginning Fund Balance	\$ 41,258,164	\$ 43,000,100	\$ 43,664,330	\$ 33,221,940	\$ 33,221,940
Revenues and Other Sources					
Primary Property Tax	\$ 9,975,822	\$ 10,327,380	\$ 10,327,380	\$ 10,931,690	\$ 11,150,320
Business Privilege Tax	202,340,460	212,870,000	202,389,000	206,840,000	214,080,000
Less Transfers	(52,796,731)	(99,582,080)	(48,122,263)	(43,125,080)	(41,369,870)
Other Local Taxes	29,852,312	30,021,000	30,233,000	30,030,000	30,960,000
Licenses and Permits	21,980,168	22,640,000	24,202,000	25,931,000	26,700,000
Fines, Forfeitures, and Penalties	12,194,115	13,655,850	13,966,960	14,306,720	14,555,140
Use of Money and Property	10,380,408	3,147,100	3,006,000	3,000,000	3,000,000
Grants and Shared Taxes	73,814,918	77,348,820	74,044,859	75,392,650	77,878,150
State Revenue Sharing	62,547,187	74,600,000	74,558,000	79,240,000	79,240,000
Charges for Current Services	24,039,376	33,029,120	23,759,250	24,732,330	25,012,290
Non-Revenue Receipts	7,889,812	17,392,510	20,724,085	39,449,020	25,961,480
Certificates of Participation	29,727,336	76,847,800	-0-	-0-	-0-
Brought Forward/Fund Balance	-0-	39,291,170	12,362,774	3,271,590	1,950,810
Total Sources	431,945,183	511,588,670	441,451,045	469,999,920	469,118,320
Less Unbudgeted Fund Balance Requirements	\$ (41,258,164)	\$ (43,000,100)	\$ (43,664,330)	\$ (33,221,940)	\$ (33,221,940)
Total Funds Available	431,945,183	511,588,670	441,451,045	469,999,920	469,118,320
Expenditures					
Elected and Official	\$ 17,929,410	\$ 21,200,800	\$ 21,250,381	\$ 18,779,990	\$ 19,821,580
Neighborhood Services	286,231,166	351,694,150	302,124,756	314,200,860	312,864,050
Environment and Development	22,349,888	46,388,570	26,556,639	23,883,750	24,687,470
Strategic Initiatives	-0-	-0-	-0-	-0-	-0-
Support Services	58,756,170	54,734,460	46,451,512	41,954,040	41,500,640
Non-Departmental	46,678,549	37,570,690	57,204,603	71,181,280	70,244,580
Total Expenditures	431,945,183	511,588,670	453,587,891	469,999,920	469,118,320
Available Funds Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ (12,136,846)	\$ -0-	\$ -0-
Unbudgeted Fund Balance Requirements					
From Prior year	\$ 41,258,164	\$ 43,000,100	\$ 43,664,330	\$ 33,221,940	\$ 33,221,940
From Available Funds	-0-	-0-	(12,136,846)	-0-	-0-
Transfers from/(to) other Funds or Reserves	2,406,166	8,158,770	1,694,456	-0-	-0-
Total	\$ 43,664,330	\$ 51,158,870	\$ 33,221,940	\$ 33,221,940	\$ 33,221,940

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

	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
SPECIAL REVENUE FUNDS					
Beginning Fund Balance	\$ 34,774,991	\$ 42,980,970	\$ 31,232,789	\$ 34,341,368	\$ 34,341,368
Revenues and Other Sources	231,658,180	380,572,360	322,842,547	390,521,570	377,506,010
Expenditures	(220,128,535)	(380,572,360)	(319,733,968)	(390,521,570)	(377,506,010)
Surplus/(Deficit)	11,529,645	-0-	3,108,579	-0-	-0-
Transfers from/(to) other Funds or Reserves	(15,071,847)	-0-	-0-	-0-	-0-
Ending Fund Balance	\$ 31,232,789	\$ 42,980,970	\$ 34,341,368	\$ 34,341,368	\$ 34,341,368
ENTERPRISE FUNDS					
Beginning Fund Balance	\$ (16,769,204)	\$ (18,162,374)	\$ (20,458,204)	\$ (25,635,394)	\$ (32,564,764)
Revenues and Other Sources	191,963,197	210,548,280	202,436,700	215,254,660	224,134,880
Expenditures	(191,946,945)	(209,579,020)	(207,613,890)	(222,184,030)	(232,052,060)
Surplus/(Deficit)	16,252	969,260	(5,177,190)	(6,929,370)	(7,917,180)
Transfers from/(to) other Funds or Reserves	(3,705,252)	-0-	-0-	-0-	-0-
Ending Fund Balance	\$ (20,458,204)	\$ (17,193,114)	\$ (25,635,394)	\$ (32,564,764)	\$ (40,481,944)
DEBT SERVICE FUNDS					
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	40,195,425	44,860,140	44,800,010	54,432,220	41,988,580
Expenditures	(40,195,425)	(44,860,140)	(44,800,010)	(54,432,220)	(41,988,580)
Surplus/(Deficit)	-0-	-0-	-0-	-0-	-0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
INTERNAL SERVICE & FIDUCIARY FUNDS					
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	117,713,510	55,000,000	103,629,303	110,176,450	108,896,300
Expenditures	(117,713,510)	(55,000,000)	(103,629,303)	(110,176,450)	(108,896,300)
Surplus/(Deficit)	-0-	-0-	-0-	-0-	-0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
CAPITAL PROJECTS FUND					
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	42,654,378	60,948,300	50,626,141	46,679,300	40,749,700
Expenditures	(42,654,378)	(60,948,300)	(50,626,141)	(46,679,300)	(40,749,700)
Surplus/(Deficit)	-0-	-0-	-0-	-0-	-0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**REVENUE DETAIL
ALL FUNDS SUMMARY**

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
GENERAL FUND	\$ 431,945,183	\$ 511,588,670	\$ 441,451,045	\$ 469,999,920	\$ 469,118,320
SPECIAL REVENUE FUNDS	231,658,180	380,572,360	322,842,547	390,521,570	377,506,010
ENTERPRISE FUNDS	191,946,945	209,579,020	207,613,890	222,184,030	232,052,060
DEBT SERVICE FUNDS	40,195,425	44,860,140	44,800,010	54,432,220	41,988,580
INTERNAL SERVICE FUNDS	117,713,510	55,000,000	103,629,303	110,176,450	108,896,300
CAPITAL PROJECTS FUNDS	42,654,378	60,948,300	50,626,141	46,679,300	40,749,700
TOTAL ALL FUNDS	\$ 1,056,113,621	\$ 1,262,548,490	\$ 1,170,962,936	\$ 1,293,993,490	\$ 1,270,310,970
General Fund					
Primary Property Tax	\$ 9,975,822	\$ 10,327,380	\$ 10,327,380	\$ 10,931,690	\$ 11,150,320
Business Privilege Tax	202,340,460	212,870,000	202,389,000	206,840,000	214,080,000
Other Local Taxes	29,852,312	30,021,000	30,233,000	30,030,000	30,960,000
Licenses and Permits	21,980,168	22,640,000	24,202,000	25,931,000	26,700,000
Fines, Forfeitures, and Penalties	12,194,115	13,655,850	13,966,960	14,306,720	14,555,140
Use of Money and Property	10,380,408	3,147,100	3,006,000	3,000,000	3,000,000
Grants and Shared Taxes	73,814,918	77,348,820	74,044,859	75,392,650	77,878,150
State Revenue Sharing	62,547,187	74,600,000	74,558,000	79,240,000	79,240,000
Charges for Current Services	24,039,376	33,029,120	23,759,250	24,732,330	25,012,290
Non-Revenue Receipts	7,889,812	17,392,510	20,724,085	39,449,020	25,961,480
Transfers to Other Funds	(52,796,731)	(99,582,080)	(48,122,263)	(43,125,080)	(41,369,870)
Certificates of Participation	29,727,336	76,847,800	-0-	-0-	-0-
Brought Forward	-0-	29,784,790	1,638,500	788,000	-0-
Use of Fund Balance and Reserves	-0-	9,506,380	10,724,274	2,483,590	1,950,810
Total General Fund	\$ 431,945,183	\$ 511,588,670	\$ 441,451,045	\$ 469,999,920	\$ 469,118,320
Special Revenue Funds					
General Fund Contributions	\$ 52,796,731	\$ 44,582,080	\$ 48,122,263	\$ 43,125,080	\$ 41,369,870
Licenses and Permits	914,854	541,500	774,600	703,500	605,000
Fines, Forfeitures, and Penalties	597,664	610,000	590,000	610,000	620,000
Use of Money and Property	2,754,325	3,441,600	2,015,000	2,060,000	2,100,000
Grants and Shared Taxes	51,232,992	116,211,740	91,999,446	102,416,870	129,191,120
Charges for Current Services	18,354,091	18,890,360	19,184,590	19,983,330	22,280,950
Public Housing Local Revenue	2,555,153	2,280,000	2,280,000	2,280,000	2,280,000
Federal Grants	89,295,756	153,877,860	104,416,424	136,189,840	125,238,700
Non-Revenue Receipts	4,368,051	19,257,190	7,399,047	10,776,330	5,804,680
Certificates of Participation	-0-	9,800,000	33,414,083	66,452,330	46,455,000
Brought Forward	2,170,200	4,400,100	4,261,100	3,524,600	-0-
Use of Fund Balance	6,618,363	6,679,930	8,385,994	2,399,690	1,560,690
Total Special Revenue Funds	\$ 231,658,180	\$ 380,572,360	\$ 322,842,547	\$ 390,521,570	\$ 377,506,010

**REVENUE DETAIL
ALL FUNDS SUMMARY**

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Enterprise Funds					
Environmental Services	\$ 45,048,210	\$ 52,043,200	\$ 52,043,210	\$ 59,826,070	\$ 64,603,880
Golf Course	12,424,762	11,063,820	11,063,820	11,063,820	11,063,820
Water Utility	134,473,973	146,472,000	144,506,860	151,294,140	156,384,360
Total Enterprise Funds	<u>\$ 191,946,945</u>	<u>\$ 209,579,020</u>	<u>\$ 207,613,890</u>	<u>\$ 222,184,030</u>	<u>\$ 232,052,060</u>
Debt Service Funds					
Secondary Property Tax	\$ 23,331,690	\$ 28,022,940	\$ 27,962,810	\$ 24,899,560	\$ 24,919,400
State Shared Taxes	16,863,735	16,837,200	16,837,200	17,032,660	17,069,180
Refunding Proceeds	-0-	-0-	-0-	12,500,000	-0-
Total Debt Service Funds	<u>\$ 40,195,425</u>	<u>\$ 44,860,140</u>	<u>\$ 44,800,010</u>	<u>\$ 54,432,220</u>	<u>\$ 41,988,580</u>
Internal Service Funds					
Fleet Services Fund	\$ 23,917,219	\$ -0-	\$ 25,155,613	\$ 25,993,950	\$ 25,988,800
Facilities Management Fund	15,086,759	-0-	15,473,690	21,182,500	19,907,500
Risk Management Fund	18,396,124	15,000,000	15,000,000	15,000,000	15,000,000
TSRS* Trust Fund	60,313,408	40,000,000	48,000,000	48,000,000	48,000,000
Total Internal Service Funds	<u>\$ 117,713,510</u>	<u>\$ 55,000,000</u>	<u>\$ 103,629,303</u>	<u>\$ 110,176,450</u>	<u>\$ 108,896,300</u>
Capital Projects Funds					
Bond Funds Proceeds	\$ 42,654,378	\$ 60,948,300	\$ 50,626,141	\$ 46,679,300	\$ 40,749,700
Total Capital Projects Funds	<u>\$ 42,654,378</u>	<u>\$ 60,948,300</u>	<u>\$ 50,626,141</u>	<u>\$ 46,679,300</u>	<u>\$ 40,749,700</u>

*Tucson Supplemental Retirement System

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Primary Property Tax	\$ 9,975,822	\$ 10,327,380	\$ 10,327,380	\$ 10,931,690	\$ 11,150,320
Business Privilege Tax	\$ 202,340,460	\$ 212,870,000	\$ 202,389,000	\$ 206,840,000	\$ 214,080,000
Other Local Taxes					
Public Utility Tax	\$ 7,176,742	\$ 7,210,000	\$ 7,084,000	\$ 7,080,000	\$ 7,080,000
Transient Occupancy Tax	10,963,953	10,731,000	11,347,000	11,500,000	11,960,000
Room Tax	2,015,940	2,390,000	2,151,000	2,240,000	2,280,000
Occupational Taxes	2,124,410	2,140,000	846,000	-0-	-0-
Liquor Taxes	731,380	810,000	691,000	690,000	690,000
Use Tax	6,839,887	6,740,000	8,114,000	8,520,000	8,950,000
Total	\$ 29,852,312	\$ 30,021,000	\$ 30,233,000	\$ 30,030,000	\$ 30,960,000
Licenses and Permits					
Application Fees	\$ 252,673	\$ 260,000	\$ 2,167,000	\$ 3,250,000	\$ 3,410,000
Sign Permits	313,654	310,000	314,000	330,000	330,000
Parking Meter Collections	287,311	351,000	254,000	259,000	260,000
Vehicle Permits	457,519	580,000	8,000	5,000	5,000
Temporary Workzone Traffic Control Fee	233,200	389,000	190,000	233,000	235,000
Cable Television Licenses	3,729,912	3,480,000	5,379,000	5,380,000	5,380,000
Public, Educational, Government (PEG) Operating Support	1,026,835	1,090,000	-0-	-0-	-0-
PEG Capital Support	622,973	630,000	-0-	-0-	-0-
Telecommunications Licenses and Franchise Fees	485,372	680,000	1,224,000	1,224,000	1,220,000
Utility Franchise Fees	14,570,719	14,870,000	14,666,000	15,250,000	15,860,000
Total	\$ 21,980,168	\$ 22,640,000	\$ 24,202,000	\$ 25,931,000	\$ 26,700,000

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Fines, Forfeitures, and Penalties					
Civil Traffic Diversion Program	\$ 1,641,137	\$ 1,760,000	\$ 2,215,000	\$ 2,260,000	\$ 2,310,000
Prosecutor's Diversion Program	122,006	60,000	90,000	90,000	90,000
Civil Traffic Violations	769,939	670,000	760,000	780,000	800,000
Criminal Traffic Violations	6,199,706	5,970,000	5,662,000	5,758,000	5,868,000
Driving Under the Influence	119,377	150,000	125,100	130,000	130,000
Filing Fees-Domestic Violence	9,715	10,000	11,500	10,000	10,000
Probation Fees	332,236	280,000	320,000	330,000	340,000
City Court Miscellaneous	1,165,337	1,280,000	1,250,000	1,280,000	1,310,000
Time Payment/Fill the Gap Fees	366,137	431,590	321,590	335,110	336,380
Sub-Total	<u>10,725,590</u>	<u>10,611,590</u>	<u>10,755,190</u>	<u>10,973,110</u>	<u>11,194,380</u>
Other Fines/Forfeitures					
Parking Violations	\$ 597,206	\$ 610,000	\$ 590,000	\$ 610,000	\$ 620,000
Zoning Code Violations	10,972	20,000	24,000	20,000	20,000
Fire Code Violations	4,550	10,000	10,000	10,000	10,000
Building Code Violations	6,914	10,000	10,000	10,000	10,000
Other Civil Fines/Violations	2,211	10,000	10,000	10,000	10,000
Forfeitures/Assessments	591,201	2,184,260	2,336,370	2,302,430	2,316,400
False Alarm Violations	225,525	190,000	195,000	200,000	200,000
Crime Lab Assessment	19,270	-0-	25,000	159,180	162,360
Offroad Vehicle Violations	1,693	1,000	2,400	2,000	2,000
Dishonored Check Recovery	8,983	9,000	9,000	10,000	10,000
Sub-Total	<u>1,468,525</u>	<u>3,044,260</u>	<u>3,211,770</u>	<u>3,333,610</u>	<u>3,360,760</u>
Total	<u>\$ 12,194,115</u>	<u>\$ 13,655,850</u>	<u>\$ 13,966,960</u>	<u>\$ 14,306,720</u>	<u>\$ 14,555,140</u>
Use of Money and Property					
Rentals and Leases	1,222,774	1,530,000	1,806,000	1,802,000	1,802,000
Tenant Rent	756,489	709,100	502,000	500,000	500,000
Telephone Pay Booths	3,349	8,000	8,000	8,000	8,000
Interest Earnings	8,397,796	900,000	690,000	690,000	690,000
Total	<u>\$ 10,380,408</u>	<u>\$ 3,147,100</u>	<u>\$ 3,006,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Grants and Shared Taxes					
Shared State Taxes					
Auto Lieu Taxes	\$ 23,429,781	\$ 23,260,000	\$ 24,328,000	\$ 24,810,000	\$ 25,310,000
State Sales Tax	50,310,855	53,970,000	49,571,000	50,460,000	52,500,000
Sub-Total	<u>73,740,636</u>	<u>77,230,000</u>	<u>73,899,000</u>	<u>75,270,000</u>	<u>77,810,000</u>

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Grants and Shared Taxes (Continued)					
State and Local Grants					
Parks and Recreation Grants	\$ 29,723	\$ 45,610	\$ 10,240	\$ 18,620	\$ 18,940
General Services Grants	44,559	73,210	135,619	104,030	49,210
Sub-Total	<u>74,282</u>	<u>118,820</u>	<u>145,859</u>	<u>122,650</u>	<u>68,150</u>
Total	<u>\$ 73,814,918</u>	<u>\$ 77,348,820</u>	<u>\$ 74,044,859</u>	<u>\$ 75,392,650</u>	<u>\$ 77,878,150</u>
State Revenue Sharing	<u>\$ 62,547,187</u>	<u>\$ 74,600,000</u>	<u>\$ 74,558,000</u>	<u>\$ 79,240,000</u>	<u>\$ 79,240,000</u>
Charges for Current Services					
General Government					
Mutual Aid Communication System	\$ 33,712	\$ 26,000	\$ 26,000	\$ 23,000	\$ 23,000
Dispatch Intergovernmental Agreement	991,698	852,510	1,084,000	1,110,000	1,130,000
Sale of Codes, Regulations, and Maps	36,134	25,000	40,000	35,000	35,000
Information Technology Services	84,000	173,730	108,000	103,400	103,400
Indirect Cost Allocation to Enterprise Funds	-0-	8,391,880	-0-	-0-	-0-
Urban Planning Services	6,863	-0-	385,000	385,000	385,000
Public Safety Training	-0-	-0-	-0-	500,680	504,300
Other	10,686	25,000	20,000	20,000	20,000
Sub-Total	<u>1,163,093</u>	<u>9,494,120</u>	<u>1,663,000</u>	<u>2,177,080</u>	<u>2,200,700</u>
Public Safety					
University of Arizona Fire Services	117,409	120,000	120,000	120,000	120,000
Emergency Medical Transport	7,243,133	7,588,000	7,306,000	7,450,000	7,600,000
Police Reprographics Services	98,888	100,000	100,000	100,000	120,000
Police Vehicle Impoundment	455,115	700,000	595,250	830,250	836,590
Police Protection Orders	-0-	1,000	-0-	-0-	-0-
Sub-Total	<u>7,914,545</u>	<u>8,509,000</u>	<u>8,121,250</u>	<u>8,500,250</u>	<u>8,676,590</u>
Development Services Charges					
Permit and Inspection Fees	8,040,550	9,000,000	7,786,000	7,786,000	7,786,000
Review Fees	2,199,266	1,800,000	2,010,000	2,010,000	2,010,000
Planning Charges	542,214	530,000	159,000	159,000	159,000
Other	(59,441)	50,000	200,000	200,000	200,000
Sub-Total	<u>10,722,589</u>	<u>11,380,000</u>	<u>10,155,000</u>	<u>10,155,000</u>	<u>10,155,000</u>

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Charges for Current Services (Continued)					
Recreation					
Fee Classes	\$ 872,234	\$ 960,000	\$ 870,000	\$ 960,000	\$ 960,000
Facility Reservations	339,682	320,000	283,600	320,000	320,000
Permits	134,045	100,000	115,900	120,000	120,000
Civic Events Equipment	110,088	40,000	89,900	90,000	90,000
General Recreation Programs	408,586	260,000	414,900	400,000	400,000
Sports Programs	138,936	160,000	127,000	160,000	160,000
Udall Center Programs	149,912	160,000	164,400	160,000	160,000
Randolph Center Programs	41,353	40,000	34,000	40,000	40,000
Tennis Centers	7,539	70,000	8,600	10,000	10,000
Aquatics Fees	122,412	340,000	138,600	150,000	150,000
El Pueblo Center Programs	114,999	100,000	95,600	100,000	100,000
Zoo	1,340,701	686,000	988,800	990,000	1,000,000
Baseball	94,689	220,000	188,400	200,000	220,000
Adaptive Recreation Center	88,804	70,000	75,700	70,000	70,000
El Rio Center Programs	21,217	20,000	16,300	20,000	20,000
Quincie Douglas Center	39,536	20,000	28,900	20,000	20,000
Clements Center	123,397	40,000	106,300	40,000	80,000
Rodeo Grounds	43,791	20,000	29,300	20,000	20,000
Miscellaneous	47,228	20,000	43,800	30,000	40,000
Sub-Total	4,239,149	3,646,000	3,820,000	3,900,000	3,980,000
Total	\$ 24,039,376	\$ 33,029,120	\$ 23,759,250	\$ 24,732,330	\$ 25,012,290
Non-Revenue Receipts					
Sale of Property					
Real Property	\$ 1,525,366	\$ 620,000	\$ 499,200	\$ 620,000	\$ 620,000
Used Vehicles	3,099	200,000	90,330	171,100	171,100
Fire Equipment	-0-	-0-	20,000	20,400	20,810
Scrap and Other Materials	130,033	160,000	154,500	150,000	160,000
Unclaimed Property	68,678	40,000	56,400	40,000	40,000
Other	26,723	100,000	52,700	100,000	100,000
Sub-Total	1,753,899	1,120,000	873,130	1,101,500	1,111,910
Recovered Expenditures					
Uninsured Damages	19,746	40,000	19,100	40,000	40,000
Industrial Insurance	142,419	200,000	145,700	200,000	200,000
Payroll Deductions Charges	1,878	2,000	1,800	2,000	2,000
Reimbursement for Services	37,053	65,000	13,100	65,000	65,000
Administrative Service Charges	-0-	-0-	9,930,956	12,195,010	12,196,680
Other	686,564	200,000	396,300	355,000	355,000
Sub-Total	887,660	507,000	10,506,956	12,857,010	12,858,680

GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Non-Revenue Receipts (Continued)					
Sundry Income					
Reimbursement Court Attorney Fees	\$ 85,518	\$ 90,000	\$ 64,600	\$ 100,000	\$ 90,000
Employee Fees	8,017	8,000	8,100	8,000	8,000
Election Campaign Contributions	610	50,000	4,300	5,000	5,000
Open Space Contributions	11,163	10,000	14,200	15,000	15,000
Other	348,614	155,000	328,000	360,000	360,000
Sub-Total	<u>453,922</u>	<u>313,000</u>	<u>419,200</u>	<u>488,000</u>	<u>478,000</u>
Other General Revenues	-0-	2,000,000	-0-	2,000,000	2,000,000
Off Duty Police Program	3,139,769	3,003,260	3,003,260	3,003,260	3,003,260
Other Funding Sources	1,654,562	10,449,250	5,921,539	19,999,250	6,509,630
Total	<u>\$ 7,889,812</u>	<u>\$ 17,392,510</u>	<u>\$ 20,724,085</u>	<u>\$ 39,449,020</u>	<u>\$ 25,961,480</u>
Transfers to Other Funds	<u>\$ (52,796,731)</u>	<u>\$ (99,582,080)</u>	<u>\$ (48,122,263)</u>	<u>\$ (43,125,080)</u>	<u>\$ (41,369,870)</u>
Certificates of Participation	<u>\$ 29,727,336</u>	<u>\$ 76,847,800</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Brought Forward	<u>\$ -0-</u>	<u>\$ 29,784,790</u>	<u>\$ 1,638,500</u>	<u>\$ 788,000</u>	<u>\$ -0-</u>
Use of Fund Balance and Reserves	<u>\$ -0-</u>	<u>\$ 9,506,380</u>	<u>\$ 10,724,274</u>	<u>\$ 2,483,590</u>	<u>\$ 1,950,810</u>
Total General Fund	<u>\$ 431,945,183</u>	<u>\$ 511,588,670</u>	<u>\$ 441,451,045</u>	<u>\$ 469,999,920</u>	<u>\$ 469,118,320</u>

GENERAL FUND

CHANGE HIGHLIGHTS

Primary Property Tax

The city's Fiscal Year 2009 projected primary property tax revenue is \$604,310 higher than the Fiscal Year 2008 adopted revenue. Although the tax rate will be lower, assessed property valuations have risen, which will result in the additional revenue. The Fiscal Year 2009 levy of \$10,931,690 is set at the maximum allowable primary property tax as estimated by the Pima County Assessor. For Fiscal Year 2010, the primary property tax levy is estimated to increase by \$218,630.

Business Privilege Tax

For Fiscal Year 2009, the total projected sales tax collections decrease \$6,030,000 from the Fiscal Year 2008 Adopted Budget. The current economic slowdown translates into reduced city sales tax. In Fiscal Year 2010, the budget assumes a rebounding economy that will generate a \$7,240,000 increase in city sales tax revenue. [Subsequent to the city's budget adoption, sales tax revenues are being reviewed, which will likely result in a decrease from the budgeted estimates.]

Other Local Taxes

Other local tax revenues projected for Fiscal Year 2009 are minimally increased by \$9,000 over adopted Fiscal Year 2008 amount. Revenue increases are expected from the tourism sector and the use tax. However, these are offset by reductions in the public utility tax. The city has also ceased to collect occupational taxes, which were in this category in Fiscal Year 2008. The city now collects application fees, which are in the Licenses and Permits category. For Fiscal Year 2010, revenues are anticipated to increase by \$930,000 due to an increase in use tax collections and transient occupancy (bed tax) revenues.

Licenses and Permits

For Fiscal Year 2009, this revenue source is increased by \$3,291,000 over the adopted Fiscal Year 2008 revenues. The majority of that change is due to the change from the collection of occupational taxes, which were part of the Other Local Taxes category, to business application fees. For Fiscal Year 2010, these revenues will increase by \$769,000 due to an increase in utility franchise fees and business application fees.

Fines, Forfeitures, and Penalties

Total revenues in Fiscal Year 2009 from all fines, forfeitures, and penalties are forecast to be \$650,870 higher than Fiscal Year 2008 adopted revenues. The increase is due to additional revenues from the traffic diversion program and forfeiture collections. For Fiscal Year 2010, revenue is expected to increase another \$248,420 for the same reasons.

Use of Money and Property

A decrease of \$147,100 from the Fiscal Year 2008 adopted revenues is expected for Fiscal Year 2009. That decrease is primarily due to reduced interest earnings. For Fiscal Year 2010 no change is anticipated.

Grants and Shared Taxes

Fiscal Year 2009 grants and shared taxes are decreased by \$1,956,170 from the Fiscal Year 2008 adopted revenues. A decrease of \$3.5 million in state-shared sales tax is anticipated due to the economic slowdown. That decrease is offset by an anticipated increase of \$1.5 million in auto lieu taxes. For Fiscal Year 2010, a budgeted increase of \$2,485,500 is expected, because an economic rebound is anticipated. [Subsequent to the city's budget adoption, the state's budget was adopted and these state-shared revenues will be reduced from the adopted estimates.]

State Revenue Sharing

An increase in state-shared income taxes of \$4,640,000 is expected for Fiscal Year 2009. The Fiscal Year 2009 distribution from the state is based on Fiscal Year 2007 state income tax collections, which were prior to the current economic slowdown. No change is anticipated for Fiscal Year 2010. [Subsequent to the city's budget adoption, the state's budget was adopted and this state-shared revenue will be reduced from the adopted estimates.]

GENERAL FUND

Charges for Current Services

Total charges for current services for Fiscal Year 2009 are decreased by \$8,296,790 from Fiscal Year 2008 adopted revenues. The decrease is primarily due to a correction in the category location of the indirect cost allocation from this category to the Recovered Expenditures group within the Non-Revenue Receipts category. For Fiscal Year 2010, an increase of \$279,960 is expected.

Excluding the relocation of the indirect cost allocation revenue, there is a decrease of \$1,225,000 in Development Services revenues in Fiscal Year 2009 due to slowdowns in the housing market. That decrease is offset by increases in Parks and General Government charges.

Non-Revenue Receipts

These sources are projected to increase by \$22,056,510 for Fiscal Year 2009, primarily due to the correction in the location of the indirect cost allocation revenues—now referred to as Administrative Service Charges—from the Charges for Current Services category and capacity for refundings of outstanding certificates of participation. For Fiscal Year 2010, Non-Revenue Receipts are anticipated to decrease by \$13,487,540, because any capacity for refundings will be determined during the biennial budget update process.

Transfers to Other Funds

A portion of General Fund revenues is transferred to Special Revenue Funds to support the Mass Transit Fund, the ParkWise Fund, the Tucson Convention Center Fund, and Community Services Central Office Fund. For Fiscal Year 2009, the General Fund revenue allocated to other funds decreased by \$56,457,000 for the following reasons: elimination of a \$55,000,000 offset to Internal Service Funds for Risk Management Fund and Pension Fund revenues and a reduction in need from the General Fund of \$1,457,000, which is primarily due to the projected increase in Mass Transit Fund user revenues. For Fiscal Year 2010, these transfers will decrease another \$1,755,210 for the same reason.

Certificates of Participation

Certificates of Participation (COPs) decreased \$76,847,800, because a new fund was established for this source of revenue. General Fund COPs were transferred to a Special Revenue Fund called the Capital Improvement Fund to segregate these restricted funds from unrestricted funds within the General Fund.

Brought Forward

Brought Forward funding in Fiscal Year 2009 is decreased by \$28,996,790 from the Fiscal Year 2008 adopted amount. The criteria for establishing carryforward funding was strengthened to bring budget capacity more in line with realistic expenditure projections.

Use of Fund Balance and Reserves

The Use of Fund Balance and Reserves decreases by \$7,022,790 for Fiscal Year 2009. This decrease is due to the completion of projects that were funded from reserves. For Fiscal Year 2010, the use of reserves will be reduced another \$532,780.

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
General Fund Contributions					
Community Services Central Office	\$ -0-	\$ -0-	\$ 277,890	\$ 277,890	\$ 277,890
ParkWise Fund	1,258,709	1,103,820	1,555,910	1,431,120	1,128,920
Public Safety Academy Fund	7,922,040	5,265,840	6,923,583	-0-	-0-
Tucson Convention Center Fund	7,574,834	2,932,320	7,182,230	6,906,880	6,804,430
Mass Transit Fund	36,041,148	35,280,100	32,182,650	34,509,190	33,158,630
Total	<u>\$ 52,796,731</u>	<u>\$ 44,582,080</u>	<u>\$ 48,122,263</u>	<u>\$ 43,125,080</u>	<u>\$ 41,369,870</u>
Licenses and Permits					
ParkWise Meter Collections	\$ 403,353	\$ 526,500	\$ 381,000	\$ 388,500	\$ 390,000
Hooded Meter Fees	17,692	15,000	15,000	15,000	15,000
Highway User Revenue Fund	493,809	-0-	378,600	300,000	200,000
Total	<u>\$ 914,854</u>	<u>\$ 541,500</u>	<u>\$ 774,600</u>	<u>\$ 703,500</u>	<u>\$ 605,000</u>
Fines, Forfeitures, and Penalties					
ParkWise Parking Violations	\$ 597,664	\$ 610,000	\$ 590,000	\$ 610,000	\$ 620,000
Total	<u>\$ 597,664</u>	<u>\$ 610,000</u>	<u>\$ 590,000</u>	<u>\$ 610,000</u>	<u>\$ 620,000</u>
Use of Money and Property					
ParkWise Parking Revenues	\$ 2,042,532	\$ 2,891,600	\$ 2,015,000	\$ 2,060,000	\$ 2,100,000
Interest Earnings					
Housing Trust Fund	117	-0-	-0-	-0-	-0-
Highway User Revenue Fund	640,183	550,000	-0-	-0-	-0-
ParkWise	58,918	-0-	-0-	-0-	-0-
Public Safety Fund	12,575	-0-	-0-	-0-	-0-
Total	<u>\$ 2,754,325</u>	<u>\$ 3,441,600</u>	<u>\$ 2,015,000</u>	<u>\$ 2,060,000</u>	<u>\$ 2,100,000</u>
Grants and Shared Taxes					
Shared State Taxes					
Highway User Revenue Fund	\$ 40,586,881	\$ 45,934,000	\$ 41,364,570	\$ 42,605,500	\$ 43,884,000
Transfer to Debt Service	(9,763,403)	(8,041,140)	(8,081,950)	(8,014,760)	(7,780,780)
Local Transit Assistance Fund	2,541,284	2,592,000	2,592,000	2,592,000	2,592,000
Sub-Total	<u>33,364,762</u>	<u>40,484,860</u>	<u>35,874,620</u>	<u>37,182,740</u>	<u>38,695,220</u>

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Grants and Shared Taxes (Continued)					
State and Local Grants					
City Attorney Grants	\$ 81,350	\$ 161,920	\$ 161,920	\$ 155,470	\$ 155,470
City Court Grants	-0-	370,830	91,370	372,370	374,230
City Manager Grants	-0-	150,000	50,000	150,000	150,000
Community Services Grants	487,724	700,000	600,000	700,000	700,000
Fire Grants	8,050	350,000	350,000	218,000	200,000
Parks and Recreation Grants	109,202	1,264,330	933,000	2,240,930	1,174,930
Police Grants	1,676,657	1,436,700	1,720,566	1,630,270	1,614,260
Transportation Grants	7,864,842	32,012,500	25,393,171	4,878,490	6,912,490
Transportation - Regional Transportation Authority	5,115,894	19,444,000	13,784,405	34,442,600	53,262,800
Mass Transit - Regional Transportation Authority	353,215	-0-	5,343,970	6,620,430	7,541,950
Urban Planning	48,504	380,000	280,000	300,000	250,000
Information Technology	98,132	30,000	-0-	94,870	94,870
General Services Grants	-0-	500,000	-0-	900,000	900,000
General Expense	-0-	200,000	-0-	-0-	-0-
Pima County Bonds	2,024,660	18,726,600	7,416,424	12,530,700	17,164,900
Sub-Total	17,868,230	75,726,880	56,124,826	65,234,130	90,495,900
Total	\$ 51,232,992	\$ 116,211,740	\$ 91,999,446	\$ 102,416,870	\$ 129,191,120
Charges for Current Services					
Public Safety Academy	\$ 356,805	\$ 887,530	\$ 867,390	\$ -0-	\$ -0-
Public Transportation					
Full Fares	7,038,739	7,400,000	6,867,900	7,010,000	7,150,000
Special Reduced Fares	1,762,439	1,800,000	2,428,400	2,480,000	2,530,000
Shuttle Service	60,191	38,000	38,000	40,000	40,000
Advertising Revenue	309,341	350,000	284,500	290,000	300,000
County/Other Local Operating Assistance	4,536,473	3,567,000	4,114,400	4,200,000	4,280,000
Special Needs	418,868	330,000	428,200	440,000	450,000
Other	54,254	205,000	208,600	200,000	200,000
Capacity for Fare Increase	-0-	-0-	-0-	1,112,330	3,049,210
Sub-Total	14,180,305	13,690,000	14,370,000	15,772,330	17,999,210

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Charges for Current Services (Continued)					
Tucson Convention Center					
Room and Space Rental	\$ 1,272,596	\$ 1,588,290	\$ 1,300,000	\$ 1,330,000	\$ 1,360,000
Box Office Fees	210,658	188,000	181,700	190,000	190,000
Parking	730,205	879,500	866,700	880,000	900,000
Parking Facility Fee	81,130	127,000	96,300	250,000	250,000
Recovered Expenditures	84,401	195,000	42,200	40,000	50,000
Catering and Concessions	544,993	557,220	455,400	460,000	470,000
Novelty Sales	60,111	62,000	81,200	80,000	80,000
Commission Revenues	202,094	145,790	232,000	240,000	240,000
Facility User Fees	403,413	404,030	544,700	591,000	591,740
Miscellaneous	227,380	166,000	147,000	150,000	150,000
Sub-Total	3,816,981	4,312,830	3,947,200	4,211,000	4,281,740
Total	\$ 18,354,091	\$ 18,890,360	\$ 19,184,590	\$ 19,983,330	\$ 22,280,950
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	\$ 3,634,191	\$ 3,877,660	\$ -0-	\$ -0-	\$ -0-
Central Office Cost Center Fund	-0-	-0-	760,246	764,050	630,140
Assest Management Project Funds	-0-	-0-	9,966,412	12,573,720	15,083,670
H.O.M.E. Fund	4,171,366	12,146,060	12,910,554	6,896,150	6,513,900
Section 8 Fund	28,183,209	27,727,370	27,727,770	29,113,350	29,721,590
Public Housing Capital Fund	3,048,540	3,671,320	853,830	6,600	-0-
Miscellaneous Federal Housing Funds	2,798,394	5,372,980	3,984,243	4,559,400	4,672,680
Lead Hazard Control Grant	-0-	-0-	280,000	1,220,000	1,800,000
HOPE VI Funds	1,015,691	5,610,260	1,376,699	4,141,660	2,880,060
Sub-Total	42,851,391	58,405,650	57,859,754	59,274,930	61,302,040
Other Federal Revenue					
Community Development Block Grant Entitlement	7,252,516	10,894,800	7,972,173	10,251,180	6,873,430
City Attorney Grants	250,805	344,620	311,560	311,600	311,600
City Manager Grants	-0-	250,000	50,000	250,000	250,000
Community Services Grants	270,918	1,584,270	1,808,945	1,467,810	1,386,040
City Court Grants	1,500	-0-	-0-	-0-	-0-
Fire Grants	1,122,245	2,874,440	2,874,440	1,123,300	1,121,500
Information Technology Grants	-0-	300,000	-0-	300,000	300,000
Parks and Recreation Grants	277,900	598,630	602,030	599,590	618,060
Police Grants	3,071,450	15,141,670	6,357,909	5,128,060	5,187,440
Urban Planning Grants	132,087	460,000	460,000	408,000	482,120
Mass Transit Grants	14,520,103	34,726,870	12,383,418	34,431,070	22,681,170
Transportation Grants	19,411,014	27,196,910	13,086,195	15,044,300	22,125,300

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Federal Grants					
Other Federal Revenue (Continued)					
General Expense Grants	\$ 133,827	\$ 600,000	\$ 600,000	\$ 7,500,000	\$ 2,500,000
General Services Grants	-0-	500,000	50,000	100,000	100,000
Sub-Total	46,444,365	95,472,210	46,556,670	76,914,910	63,936,660
Total	\$ 89,295,756	\$ 153,877,860	\$ 104,416,424	\$ 136,189,840	\$ 125,238,700
Non-Revenue Receipts					
Sale of Property					
Highway User Revenue Fund	\$ 438,376	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Mass Transit	114,962	-0-	-0-	-0-	-0-
Sub-Total	553,338	-0-	-0-	-0-	-0-
Other Non-Revenue Receipts					
Contributions	1,078,475	951,000	953,000	1,598,000	966,080
Highway User Revenue Fund	715,132	1,586,490	2,770,346	1,427,500	1,157,500
Housing Trust Fund	325,023	-0-	200,000	1,887,330	1,575,000
Impact Fees	1,300,580	15,634,700	2,865,701	5,253,500	1,496,100
Mass Transit Fund	213,295	570,000	570,000	570,000	570,000
ParkWise	182,208	515,000	40,000	40,000	40,000
Sub-Total	3,814,713	19,257,190	7,399,047	10,776,330	5,804,680
Total	\$ 4,368,051	\$ 19,257,190	\$ 7,399,047	\$ 10,776,330	\$ 5,804,680
Certificates of Participation					
Capital Improvement Fund	\$ -0-	\$ -0-	\$ 33,414,083	\$ 66,452,330	\$ 46,455,000
ParkWise Fund	-0-	9,800,000	-0-	-0-	-0-
Total	\$ -0-	\$ 9,800,000	\$ 33,414,083	\$ 66,452,330	\$ 46,455,000
Brought Forward					
Highway User Revenue Fund	\$ 2,170,200	\$ 1,387,100	\$ 1,387,100	\$ 2,091,600	\$ -0-
Mass Transit Fund	-0-	2,874,000	2,874,000	1,433,000	-0-
ParkWise	-0-	139,000	-0-	-0-	-0-
Total	\$ 2,170,200	\$ 4,400,100	\$ 4,261,100	\$ 3,524,600	\$ -0-

SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Use of Fund Balance					
Highway User Revenue Fund	\$ 6,428,705	\$ 6,569,960	\$ 8,385,994	\$ 2,399,690	\$ 1,560,690
Tucson Convention Center	189,658	109,970	-0-	-0-	-0-
Total	<u>\$ 6,618,363</u>	<u>\$ 6,679,930</u>	<u>\$ 8,385,994</u>	<u>\$ 2,399,690</u>	<u>\$ 1,560,690</u>
Total Special Revenue Funds	<u>\$ 231,658,180</u>	<u>\$ 380,572,360</u>	<u>\$ 322,842,547</u>	<u>\$ 390,521,570</u>	<u>\$ 377,506,010</u>

SPECIAL REVENUE FUNDS

CHANGE HIGHLIGHTS

General Fund Contributions

For Fiscal Year 2009, budgeted General Fund Contributions decreased \$1,457,000 primarily due to a reduced need for the Mass Transit Fund, because of projected increases in user revenues given the current rate structure. The Public Safety Training Academy (PSTA) Fund has been eliminated as a Special Revenue Fund, because over 90% of its funding was the General Fund Contribution. Revenues and expenditures previously accounted for in the PSTA Fund are now in the General Fund. For Fiscal Year 2010, the budgeted General Fund Contributions decreases another \$1,755,210.

Licenses and Permits

This revenue consists of parking meter collections and fees and developer in-lieu payments for road and drainage work. An increase of \$162,000 in Fiscal Year 2009 is due to the inclusion in this category of developer in-lieu fees for street improvements; previously, developer in-lieu fees had incorrectly been placed in a different revenue category. Parking meter revenues have been reduced to more accurately reflect collections. For Fiscal Year 2010, these revenues are expected to decline \$98,500.

Fines, Forfeitures, and Penalties

Parking violation revenues, the only revenue in this category, are projected to remain the same in Fiscal Year 2009 as they were for adopted for Fiscal Year 2008. In Fiscal Year 2010, an increase of \$10,000 is budgeted.

Use of Money and Property

For Fiscal Year 2009, this revenue category is decreased by \$1,381,600 from the adopted budget for Fiscal Year 2008. ParkWise's on- and off-street parking program revenues are anticipated to be \$831,600 less than adopted for Fiscal Year 2008. No interest earnings are anticipated as fund balance in the Highway User Revenue Fund is declining. For Fiscal Year 2010, an increase of \$40,000 is anticipated for ParkWise parking program revenues.

Grants and Shared Taxes

For Fiscal Year 2009, grants and shared taxes are decreased by \$13,794,870 from the adopted budget for Fiscal Year 2008. State-shared fuel taxes are expected to decrease by \$3,302,120. State and Local grants are budgeted to decrease by \$10,492,750; the majority of the decrease is in Transportation grants due to the rescheduling of projects. For Fiscal Year 2010, grants and shared taxes are expected to increase \$26,774,250. Use of state-shared fuel taxes are anticipated to increase \$1,512,480 and state and local grants by \$25,261,770, which is primarily due to the rescheduling of Transportation grants.

Charges for Current Services

Charges for services in the Special Revenue Funds are from two sources: Public Transportation (Sun Tran and Van Tran) and the Tucson Convention Center. In Fiscal Year 2009, these user fees are projected to increase by \$1,092,970 over the adopted Fiscal Year 2008 revenues. That increase is due to a projected increase in Public Transportation user revenues given the current rate structure and the inclusion of revenue capacity for a proposed fare increases. For Fiscal Year 2010, the increase of \$2,297,620 is primarily due to the same reasons.

Public Housing Local Revenue

No change is anticipated in either Fiscal Year 2009 or Fiscal Year 2010 in these revenues.

Federal Grants

Fiscal Year 2009 federal funding is anticipated to be \$17,688,020 less than the adopted budget for Fiscal Year 2008 based on anticipated grant awards and the completion of projects. For Fiscal Year 2010, the use of federal grant revenue is expected to decrease another \$10,951,140.

SPECIAL REVENUE FUNDS

Non-Revenue Receipts

The \$8,480,860 decrease in Fiscal Year 2009 is primarily due to more realistic programming of impact fee revenue. A new inclusion to this category is the Housing Trust Fund revenues, which were previously part of the General Fund. For Fiscal Year 2010, a decrease of \$4,971,650 is anticipated due to the spending down of programmed impact fees.

Certificates of Participation

In Fiscal Year 2009, certificates of participation (COPs) funding will increase \$56,652,330, because COPs previously budgeted in the General Fund were transferred to the Capital Improvement Fund. For Fiscal Year 2010, the use of COPs decreases by \$19,997,330 due to the anticipated completion of projects.

Brought Forward

Brought forward funding reflects funds carried forward from the prior year. In Fiscal Year 2009, funds carried forward decrease by \$875,500. For Fiscal Year 2010, it is assumed that no carryforward from Fiscal Year 2009 will be needed.

Use of Fund Balance

For Fiscal Year 2009, the use of fund balances is decreased by \$4,280,240 from the adopted budget for Fiscal Year 2008. The decrease is due to reduced expenditures of Highway User Revenue Funds by Transportation to reflect an anticipated decrease in funding from state-shared gasoline taxes. For Fiscal Year 2010, the use of fund balance decreases by \$839,000.

ENTERPRISE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Environmental Services Fund					
Operating Revenue*					
Commercial Refuse Services	\$ 7,269,073	\$ 7,148,100	\$ 7,750,370	\$ 7,870,000	\$ 8,000,000
Residential Refuse Services	19,702,761	20,401,890	20,307,850	20,612,500	20,922,750
Brush and Bulky Refuse Service	3,476,960	3,321,240	3,583,740	3,637,500	3,692,250
Landfill Services Charges	8,668,618	8,000,000	8,419,150	8,550,000	8,680,000
Self Haul Fee	1,197,284	1,248,480	1,074,040	1,090,000	1,105,000
Refuse Penalties	198,086	164,000	207,970	200,000	200,000
Recycling	2,265,689	1,396,380	2,097,750	2,000,000	2,000,000
Sub-Total	<u>42,778,471</u>	<u>41,680,090</u>	<u>43,440,870</u>	<u>43,960,000</u>	<u>44,600,000</u>
Non-Operating Revenue					
Interest Earnings	582,101	196,000	535,000	500,000	500,000
Household Hazardous Waste	557,559	314,500	325,000	325,000	325,000
Federal Grants	150,825	181,500	381,500	185,130	185,130
State and Local Grants	-0-	410,000	210,000	410,000	410,000
Certificates of Participation	499,544	8,424,000	6,419,650	6,000,000	9,150,000
Miscellaneous Revenues	479,710	1,000,000	250,000	1,516,570	1,516,570
Brought Forward Funds	-0-	2,983,380	-0-	-0-	-0-
Transfers to Reserves	-0-	(3,146,270)	-0-	-0-	-0-
Use of Fund Balance*	-0-	-0-	481,190	6,929,370	7,917,180
Sub-Total	<u>2,269,739</u>	<u>10,363,110</u>	<u>8,602,340</u>	<u>15,866,070</u>	<u>20,003,880</u>
Total	<u>\$ 45,048,210</u>	<u>\$ 52,043,200</u>	<u>\$ 52,043,210</u>	<u>\$ 59,826,070</u>	<u>\$ 64,603,880</u>
Golf Course Fund					
El Rio	\$ 1,167,307	\$ 1,304,460	\$ 1,304,460	\$ 1,304,460	\$ 1,304,460
Randolph	4,896,283	5,557,200	5,557,200	5,557,200	5,557,200
Fred Enke	1,466,189	1,665,980	1,665,980	1,665,980	1,665,980
Silverbell	1,227,187	1,816,900	1,816,900	1,816,900	1,816,900
Other	3,667,796	719,280	719,280	719,280	719,280
Total	<u>\$ 12,424,762</u>	<u>\$ 11,063,820</u>	<u>\$ 11,063,820</u>	<u>\$ 11,063,820</u>	<u>\$ 11,063,820</u>

*Subsequent to budget adoption, the Mayor and Council approved Environmental Services rate changes that will result in increased operating revenues and decreased use of fund balance.

ENTERPRISE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Water Utility					
Operating Water Revenue					
Potable Water Sales	\$ 93,544,938	\$ 108,113,000	\$ 101,839,000	\$ 113,793,840	\$ 122,305,620
Central Arizona Project Surcharge	1,858,060	1,938,000	2,371,000	2,437,000	2,491,000
Water Conservation Fee	-0-	-0-	-0-	1,452,300	1,452,300
Reclaimed Water Sales	6,293,387	7,038,000	7,444,000	8,340,000	9,899,000
Connection Fees	3,628,019	2,800,000	2,244,000	2,351,000	2,351,000
Development Plan Review/ Inspection Fees	1,433,123	1,700,000	1,409,000	1,685,000	1,685,000
Miscellaneous Revenue	5,072,056	6,017,000	6,358,860	3,101,000	3,383,000
Thornsdale/Tangerine Developer Agreements	-0-	-0-	1,241,000	2,000,000	-0-
Billing Services	2,921,082	3,003,000	2,984,000	3,014,000	3,044,000
Sub-Total	<u>114,750,665</u>	<u>130,609,000</u>	<u>125,890,860</u>	<u>138,174,140</u>	<u>146,610,920</u>
Non-Operating Water Revenue					
Interest Earnings	1,760,212	1,696,000	1,236,000	1,219,000	1,228,000
Tucson Airport Remediation Project Reimbursement	1,044,791	908,000	908,000	978,000	1,015,440
Water System Equity Fees	6,664,975	8,181,000	4,323,000	4,611,000	6,456,000
CAP Water Resource Fees		1,306,000	494,000	609,000	854,000
Area Development Fees	9,657,375	815,000	261,000	11,000	-0-
Transfers from Working Capital	(16,252)	2,177,010	4,696,000	-0-	-0-
Water Infrastructure Replacement Fund	-0-	-0-	6,000,000	5,000,000	-0-
Miscellaneous Grants	612,207	779,990	698,000	692,000	220,000
Sub-Total	<u>19,723,308</u>	<u>15,863,000</u>	<u>18,616,000</u>	<u>13,120,000</u>	<u>9,773,440</u>
Total	<u>\$ 134,473,973</u>	<u>\$ 146,472,000</u>	<u>\$ 144,506,860</u>	<u>\$ 151,294,140</u>	<u>\$ 156,384,360</u>
Total Enterprise Funds	\$ 191,946,945	\$ 209,579,020	\$ 207,613,890	\$ 222,184,030	\$ 232,052,060

ENTERPRISE FUNDS

CHANGE HIGHLIGHTS

Environmental Services

Environmental Services projected revenues for Fiscal Year 2009 are increased by \$7,782,870 over the Fiscal Year 2008 adopted revenues. Operating revenues are expected to increase \$2,279,910 from collection and landfill charges based on customer demand. Non-operating revenue is expected to increase \$5,502,960, primarily due to an increased use of fund balance to cover needed capital expenditures. For Fiscal Year 2010, operating revenues are anticipated to increase by \$640,000 and non-operating revenues by \$4,137,810. [Subsequent to budget adoption, the Mayor and Council approved Environmental Services rate changes that will result in increased operating revenues and decreased use of fund balance.]

Golf Fund

Golf revenues are projected to remain the same in Fiscal Years 2009 and 2010 as was adopted for Fiscal Year 2008.

Water Utility

The projected revenue for Fiscal Year 2009 reflects an increase of \$4,822,140 over the Fiscal Year 2008 adopted amount based on growth in service demand and a rate increase that will generate more in water sale revenues. For Fiscal Year 2010, use of revenue is projected to increase another \$5,090,220.

DEBT SERVICE FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
General Obligation Debt Service					
Secondary Property Tax	\$ 23,331,690	\$ 28,022,940	\$ 27,962,810	\$ 24,899,560	\$ 24,919,400
Total	<u>\$ 23,331,690</u>	<u>\$ 28,022,940</u>	<u>\$ 27,962,810</u>	<u>\$ 24,899,560</u>	<u>\$ 24,919,400</u>
Street and Highway Debt Service					
State Shared Taxes	\$ 16,863,735	\$ 16,837,200	\$ 16,837,200	\$ 17,032,660	\$ 17,069,180
Refunding Proceeds	-0-	-0-	-0-	12,500,000	-0-
Total	<u>\$ 16,863,735</u>	<u>\$ 16,837,200</u>	<u>\$ 16,837,200</u>	<u>\$ 29,532,660</u>	<u>\$ 17,069,180</u>
Total Debt Service Funds	<u>\$ 40,195,425</u>	<u>\$ 44,860,140</u>	<u>\$ 44,800,010</u>	<u>\$ 54,432,220</u>	<u>\$ 41,988,580</u>

DEBT SERVICE FUNDS

CHANGE HIGHLIGHTS

General Obligation Debt Service

General obligation debt service is funded from the secondary property tax. For Fiscal Year 2009, the revenue from the secondary property tax levy is decreased by \$3,123,380 from the adopted Fiscal Year 2008 revenue. The decrease is due to the repayment of Environmental Services general obligation bonds switching from the secondary property tax to Environmental Services revenues. For Fiscal Year 2010, the secondary property tax levy will increase by \$19,840.

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 2009, this debt service will increase \$12,695,460 over the adopted Fiscal Year 2008 budget. Changes in the debt payment schedule accounts for \$195,460 of the increase. Capacity of \$12,500,000 was included for a potential refunding of outstanding street and highway revenue bonds. For Fiscal Year 2010, this debt service requirement will decrease by \$12,463,480. This decrease is due to no capacity for refundings, which is offset by a slight change in the debt payment schedule.

INTERNAL SERVICE AND FIDUCIARY FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
Fleet Services Internal Service Fund	\$ 23,917,219	\$ -0-	\$ 25,155,613	\$ 25,993,950	\$ 25,988,800
Total	<u>\$ 23,917,219</u>	<u>\$ -0-</u>	<u>\$ 25,155,613</u>	<u>\$ 25,993,950</u>	<u>\$ 25,988,800</u>
Facilities Management Internal Service Fund	\$ 15,086,759	\$ -0-	\$ 15,473,690	\$ 21,182,500	\$ 19,907,500
Total	<u>\$ 15,086,759</u>	<u>\$ -0-</u>	<u>\$ 15,473,690</u>	<u>\$ 21,182,500</u>	<u>\$ 19,907,500</u>
Risk Management Internal Service Fund	\$ 18,396,124	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
Total	<u>\$ 18,396,124</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Tucson Supplemental Retirement System Fund	\$ 60,313,408	\$ 40,000,000	\$ 48,000,000	\$ 48,000,000	\$ 48,000,000
Total	<u>\$ 60,313,408</u>	<u>\$ 40,000,000</u>	<u>\$ 48,000,000</u>	<u>\$ 48,000,000</u>	<u>\$ 48,000,000</u>
Total Internal Service Funds	<u>\$ 117,713,510</u>	<u>\$ 55,000,000</u>	<u>\$ 103,629,303</u>	<u>\$ 110,176,450</u>	<u>\$ 108,896,300</u>

INTERNAL SERVICE AND FIDUCIARY FUNDS

CHANGE HIGHLIGHTS

Home Rule and Government Accounting Standards require that the city budget include these internal revenues, even though the requisite revenue to cover department expenditures is already included in the external revenue categories (i.e., General Fund, Special Revenue Funds, etc.).

Fleet Services Internal Service Fund

This internal revenue source was not budgeted for in Fiscal Year 2008. These revenues are earned by charging departments for vehicle-related expenditures. The anticipated revenue for Fiscal Year 2009 is \$25,993,950. For Fiscal Year 2010, the revenue is less by \$5,150.

Facilities Management Internal Service Fund

This internal revenue source was not budgeted for in Fiscal Year 2008. These revenues are earned by charging departments for building maintenance and architectural and communication maintenance services. The anticipated revenue for Fiscal Year 2009 is \$21,182,500. For Fiscal Year 2010, there is a decrease of \$1,275,000 due to a reduced use of Clean Renewable Energy Bonds (CREBS) for capital projects.

Risk Management Internal Service Fund

There is no change in projected revenues for Fiscal Years 2009 and 2010 from the adopted budget for Fiscal Year 2008.

Tucson Supplemental Retirement System Fund

For Fiscal Year 2009, there is a budgeted increase of \$8,000,000. For Fiscal Year 2010, there is no anticipated increase.

CAPITAL PROJECTS FUNDS

FINANCIAL RESOURCES	Actual FY 2007	Adopted FY 2008	Estimated FY 2008	Adopted FY 2009	Approved FY 2010
General Obligation Bond Funds Proceeds*	\$ 11,518,733	\$ 15,305,200	\$ 7,966,401	\$ 3,790,600	\$ 5,414,700
Environmental Services Bond Funds Proceeds	2,773,340	-0-	2,953,240	2,115,700	1,380,000
Street and Highway Revenue Bond Funds Proceeds	2,838,542	63,200	-0-	-0-	-0-
Water Revenue Bond Funds Proceeds	25,523,763	45,579,900	39,706,500	40,773,000	33,955,000
Total Capital Projects Funds	\$ 42,654,378	\$ 60,948,300	\$ 50,626,141	\$ 46,679,300	\$ 40,749,700

*For Adopted Fiscal Year 2008, included general obligation bonds authorized for Environmental Services that are now shown separately.

CAPITAL PROJECTS FUNDS

CHANGE HIGHLIGHTS

General Obligation Bonds

General obligation bonds are used to finance capital projects other than street and water projects. The Fiscal Year 2009 use of these bonds is decreased by \$11,514,600 based on project completions and because Environmental Services projects were moved to a separate bond category. For Fiscal Year 2010, this revenue source is anticipated to increase by \$1,624,100.

Environmental Services Bond Funds

General obligation bonds used for Environmental Services projects were authorized in 2000, which was prior to Environmental Services becoming an enterprise fund. During Fiscal Year 2008, it was determined that these general obligation bonds need to be accounted for separately. For Fiscal Year 2009, the use of these bonds totals \$2,115,700. For Fiscal Year 2010, there is \$1,380,000 of capacity included from a proposed new authorization.

Street and Highway Revenue Bonds

Street and highway revenue bonds are used to finance Transportation's street and right-of-way capital projects. For Fiscal Years 2009 and 2010, use of these bonds is zero because all authorized street and highway revenue bonds have been expended.

Water Revenue Bonds

The water revenue bonds used to finance water capital projects in Fiscal Year 2009 are from the 2005 authorization. For Fiscal Year 2009, the use of these bonds is decreased by \$4,806,900 from the adopted budget for Fiscal Year 2008. The remaining \$9,939,000 of the 2005 authorization will be spent in Fiscal Year 2010. In Fiscal Year 2010, another \$24,016,000 is included for capacity from a proposed new authorization.

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.

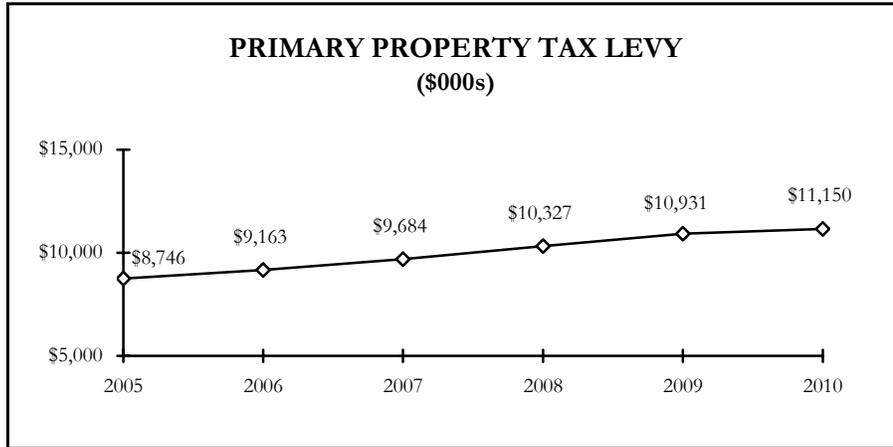
The Arizona State Constitution limits the amount of ad valorem taxes levied by the city to an amount not to exceed 2% greater than the maximum allowable levy in the preceding year. This levy limitation permits additional taxes to be levied on new or annexed property. New or annexed property may be taxed 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 2009 is \$10,931,690 or \$604,310 more than last year's actual levy of \$10,327,380. (The adopted levy for Fiscal Year 2008 was \$10,327,380.) The tax rate for Fiscal Year 2009 will decrease to \$0.3231 per \$100 of assessed valuation from \$0.3296 in Fiscal Year 2008. The estimated property tax for Fiscal Year 2010 is \$11,150,320, which is an increase of \$218,630; the rate will decrease to \$0.3169.

The following table and graph show the primary assessed valuations, levies, and rates since Fiscal Year 2005.

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>
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	3,133,309	10.4%	10,327	10,327	643	6.6%	0.3296
2009 (Estimate)	3,383,379	8.0%	10,931	10,931	604	5.8%	0.3231
2010 (Estimate)	3,518,714	4.0%	11,150	11,150	219	2.0%	0.3169



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.

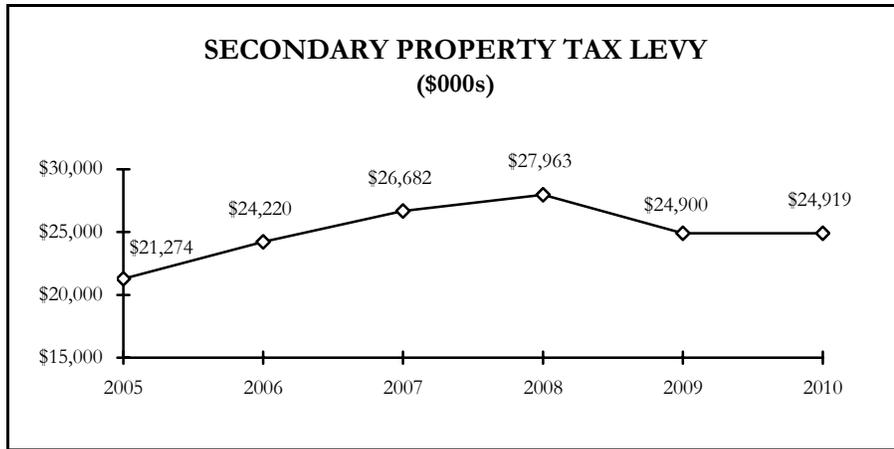
The secondary assessed valuation is based on the full cash value of real property. Full cash value is synonymous with the market value as determined by standard appraisal methods. There is no limitation on the annual increase to the full cash value as it applies to the computation of the secondary property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

The city's total estimated debt service requirement on general obligation bonds for Fiscal Year 2009 is \$24,899,560, a decrease of \$3,063,250 from the Fiscal Year 2008 actual levy of \$27,962,810. (The adopted levy for Fiscal Year 2008 was \$28,022,940.) The decrease is primarily due to Environmental Services paying the debt service on the general obligation bonds that fund its capital projects. The secondary property tax rate for Fiscal Year 2009 is estimated at \$0.6370 per \$100 of assessed valuation, a decrease from \$0.8025 in Fiscal Year 2008. For Fiscal Year 2010, the estimated secondary property tax levy is \$24,919,400; the tax rate will be \$0.6130.

The following table and graph show secondary assessed valuations, levies, and rates since Fiscal Year 2005.

**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>
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	3,484,462	15.6%	27,963	1,281	4.80%	0.8025
2009 (Estimate)	3,908,857	12.2%	24,900	(3,063)	(10.9%)	0.6370
2010 (Estimate)	4,065,211	4.0%	24,919	19	less than 1%	0.6130



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.

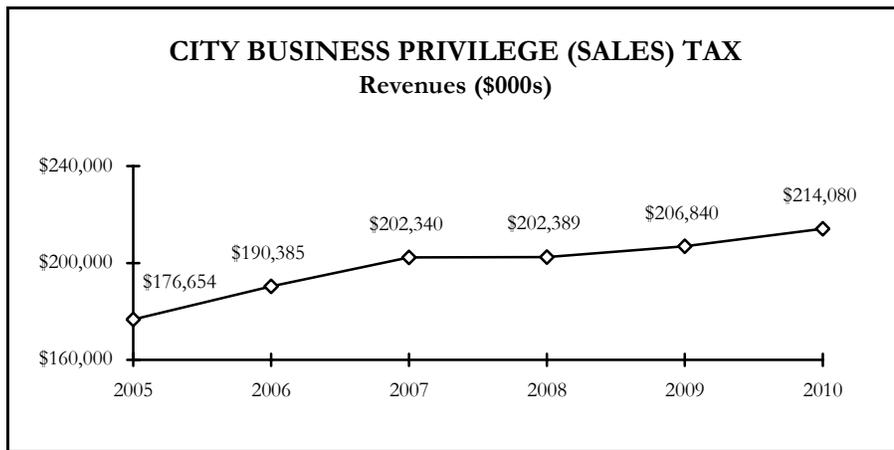
The city sales tax can be used to pay any expense legally chargeable to the General Fund. Mayor and Council policy allocates a portion of the city sales tax collected to finance part of mass transit, convention center, and public housing operations.

The city sales tax estimate of \$206,840,000 for Fiscal Year 2009 is an increase of \$4,451,000 over the revised estimate of \$202,389,000 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$212,870,000.) The recent economic slowdown has resulted in less than 1% growth for Fiscal Year 2008; modest growth of 2.2% is anticipated for Fiscal Year 2009. For Fiscal Year 2010, the estimated city sales tax revenue of \$214,080,000 is an increase of 3.5% as the economy is anticipated to start recovering. [Subsequent to budget adoption, the sales tax revenue estimated will be reviewed in light of the continuing economic downturn. It is expected that city sales tax revenue estimates will decrease from the budgeted estimates.]

The following table and graph show city business privilege tax collections since Fiscal Year 2005.

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

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2005	\$ 176,654	\$ 9,309	5.6%
2006	190,385	13,731	7.8%
2007	202,340	11,955	6.3%
2008 (Estimate)	202,389	49	less than 1.0%
2009 (Estimate)	206,840	4,451	2.2%
2010 (Estimate)	214,080	7,240	3.5%



TRANSIENT OCCUPANCY AND ROOM TAXES

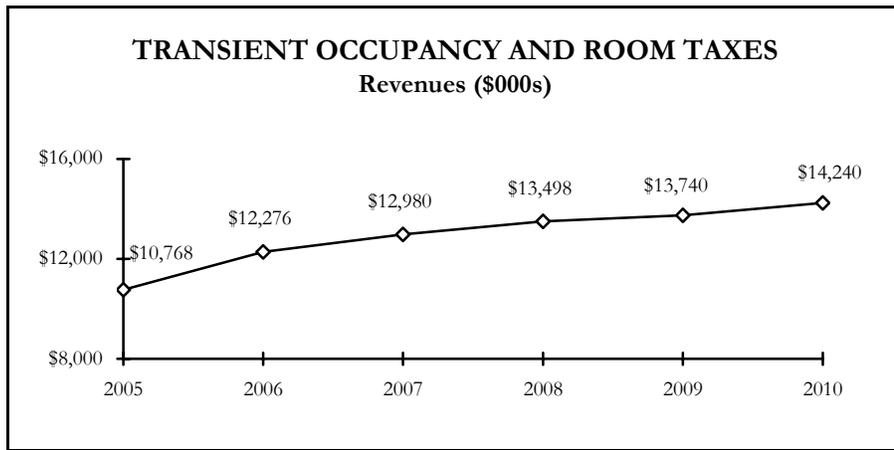
The Tucson City Code authorizes a 6% transient occupancy tax on rooms rented for 30 days or less. This rate was increased from 4% in Fiscal Year 2004, generating revenues that by state statute must be dedicated to tourism-related expenses. In Fiscal Year 1989, a daily hotel/motel surtax of \$1.00 per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

Estimated transient occupancy and room taxes for Fiscal Year 2009 total \$13,740,000, an increase of \$242,000 from the estimate of \$13,498,000 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$13,121,000.) For Fiscal Year 2010, transient occupancy and room taxes are estimated to increase by \$500,000 for a total of \$14,200,000. [Subsequent to the city’s budget adoption, revenue projections were revisited; these revenue sources are expected to be less than the adopted estimates.]

The following table and graph show Transient Occupancy and Room Tax collections since Fiscal Year 2005. The large increases in Fiscal Years 2005 and 2006 reflect the rebounding of the tourism sector of the Tucson economy after post-9/11 declines.

TRANSIENT OCCUPANCY AND ROOM TAXES
(\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2005	\$ 10,768	\$ 1,622	17.7%
2006	12,276	1,508	14.0%
2007	12,980	704	5.7%
2008 (Estimate)	13,498	518	4.0%
2009 (Estimate)	13,740	242	1.8%
2010 (Estimate)	14,240	500	3.6%



LICENSES AND PERMITS

Revenues from licenses and permits include business license application and renewal fees, sign and street work permits, parking meter collections, utility franchises, cable television, refuse hauling permits, and telecommunications licenses and franchise fees. These revenues are accounted for in both the General Fund and the Special Revenue Funds.

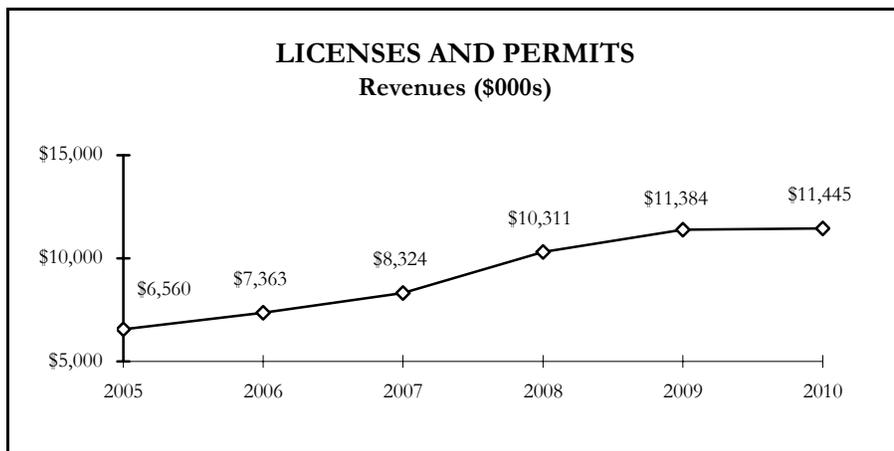
Although utility franchises are accounted for and reported within this revenue category in the city’s Comprehensive Annual Financial Report (CAFR), the discussion on estimated revenues from utility franchises granted to Tucson Electric Power and Southwest Gas is presented separately in the budget document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

Revenues from licenses and permits in Fiscal Year 2009, excluding utility franchise fees, is estimated to total \$11,384,500 (\$10,681,000 in the General Fund and \$703,500 in the Special Revenue Funds). This is a 10.4% increase over the estimate of \$10,310,600 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$8,311,500.) The increases in Fiscal Years 2008 and 2009 are due the new business license policy that went into effect on January 1, 2008. For Fiscal Year 2010, revenues from this source are projected to increase to \$11,445,000 (\$10,840,000 in the General Fund and \$605,000 in the Special Revenue Funds).

The following table and graph show revenues from licenses and permits since Fiscal Year 2005.

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

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2005	\$ 6,560	\$ (55)	(0.8%)
2006	7,363	803	12.2%
2007	8,324	961	13.0%
2008 (Estimate)	10,311	1,987	23.8%
2009 (Estimate)	11,384	1,073	10.4%
2010 (Estimate)	11,445	61	less than 1.0%



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.

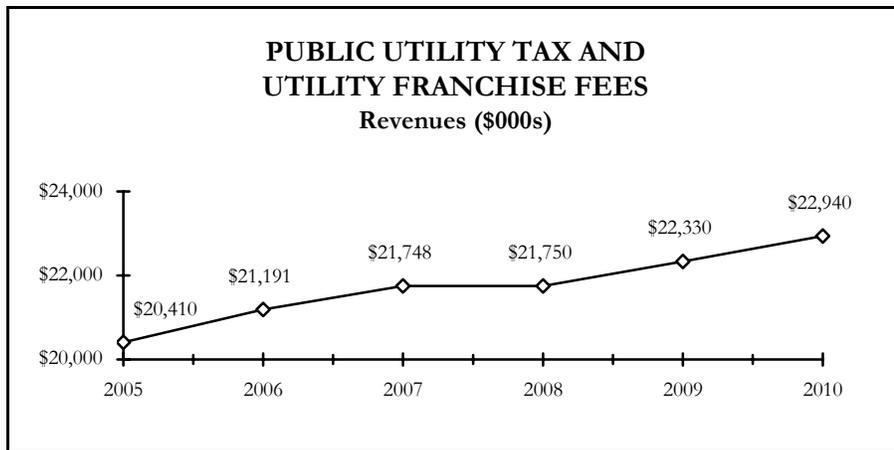
Estimated revenues from public utility taxes and utility franchise fees for Fiscal Year 2009 total \$22,330,000, which is an increase of \$580,000 over the estimate of \$21,750,000 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$22,080,000.) The increase of \$580,000 is almost solely due to anticipated growth in utility franchise fees. For Fiscal Year 2010, these revenues are anticipated to grow another \$610,000 for a total of \$22,940,000.

The minimal change from Fiscal Year 2007 to Fiscal Year 2008 is due to the current economic slowdown. The increases for Fiscal Years 2009 and 2010 are based on an assumption of a recovering economy over the next few years.

The following table and graph show revenues from public utility tax and utility franchise fees since Fiscal Year 2005.

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>
2005	\$ 7,655	\$ 12,755	\$ 20,410	\$ 906	4.6%
2006	7,585	13,606	21,191	781	3.8%
2007	7,177	14,571	21,748	557	2.6%
2008 (Estimate)	7,084	14,666	21,750	2	less than 1.0%
2009 (Estimate)	7,080	15,250	22,330	580	2.7%
2010 (Estimate)	7,080	15,860	22,940	610	2.7%



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.

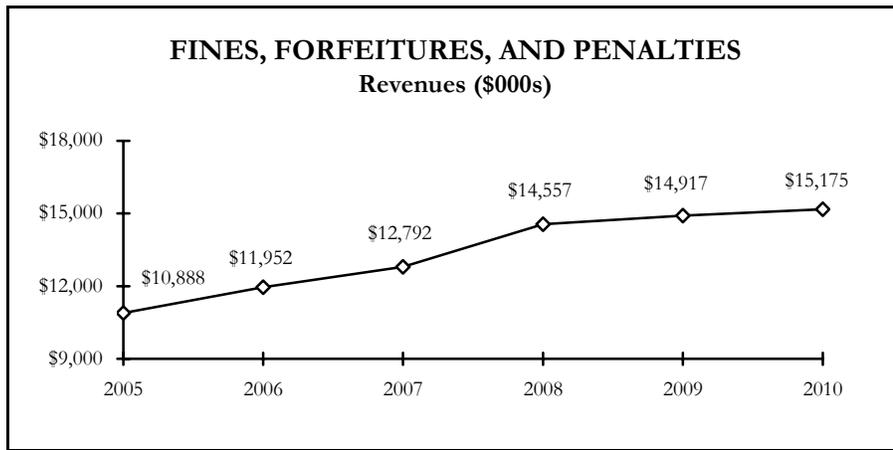
Fines and penalty revenues are accounted for in both the General Fund and the Special Revenue Funds. Forfeitures, which are accounted for in the General Fund, are restricted for specific law enforcement expenses.

The Fiscal Year 2009 estimate of \$14,916,720 (\$14,306,720 in the General Fund and \$610,000 in Special Revenue Funds) is \$359,760 more than the estimate of \$14,556,960 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$14,265,850.) The increase is primarily from fines received through the Civil Traffic Diversion Program. For Fiscal Year 2010, revenue projections from these sources total \$15,175,140 (\$14,555,140 in the General Fund and \$620,000 in Special Revenue Funds), which is an increase of another \$258,420 from traffic and court fines.

The following table and graph show revenues from fines, forfeitures, and penalties since Fiscal Year 2005.

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

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2005	\$ 10,888	\$ 1,209	12.5%
2006	11,952	1,064	9.8%
2007	12,792	840	7.0%
2008 (Estimate)	14,557	1,765	13.8%
2009 (Estimate)	14,917	360	2.5%
2010 (Estimate)	15,175	258	1.7%



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.

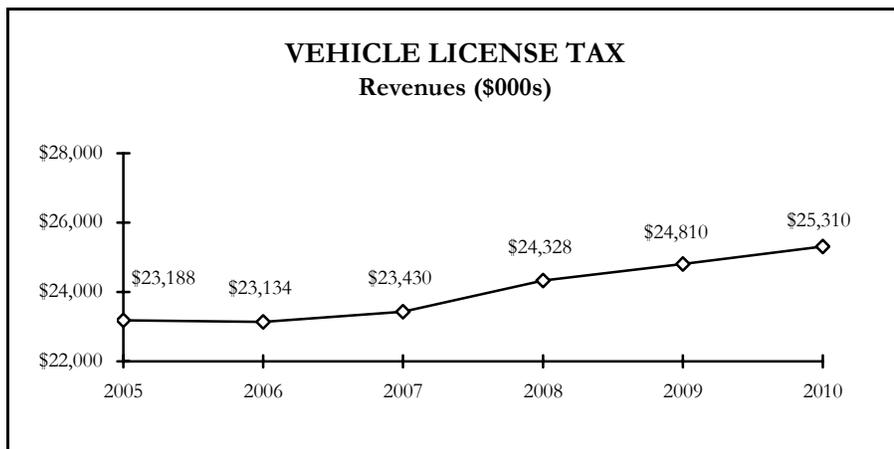
Vehicle license tax revenues received by the city can be used to pay any expense legally chargeable to the General Fund.

The City of Tucson’s vehicle license tax distributions for Fiscal Year 2009 are estimated to be \$24,810,000, which is an increase of \$482,000 over the estimate of \$24,328,000 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$23,260,000.) For Fiscal Year 2010, vehicle license tax revenue is anticipated to grow another \$500,000 for a total of \$25,310,000. [Subsequent to the city’s budget adoption, the state adopted its budget, which resulted in a reduction in the city’s adopted estimates.]

The following table and graph show the City of Tucson’s share since Fiscal Year 2005.

**VEHICLE LICENSE TAX
(\$000s)**

<u>Fiscal Year</u>	<u>City of Tucson’s Distribution</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
2005	\$ 23,188	\$ 2,110	10.0%
2006	23,134	(54)	(0.2%)
2007	23,430	296	1.3%
2008 (Estimate)	24,328	898	3.8%
2009 (Estimate)	24,810	482	2.0%
2010 (Estimate)	25,310	500	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.

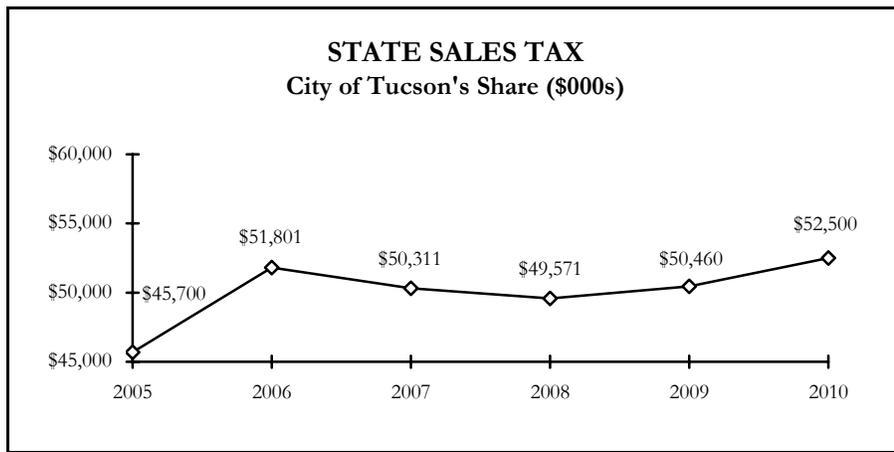
State-shared sales taxes can be used to pay any expense legally chargeable to the General Fund.

In the past couple years the city has received less from the state-shared sales tax due to the mid-decade census and an economic slowdown. For the adopted budget, the economy was expected to recover modestly, bringing in additional revenue. The City of Tucson's share of state sales tax for Fiscal Year 2009 is estimated to be \$50,460,000, an increase of \$889,000 more than the estimate of \$49,571,000 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$53,970,000.) For Fiscal Year 2010, a \$2,040,000 increase is anticipated for revenue totaling \$52,500,000. [Subsequent to the adoption of the city’s budget, state adopted its budget, which resulted in a reduction the city’s budgeted estimates.]

The following table and graph show the state sales tax allocations to the City of Tucson since Fiscal Year 2005.

**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>		
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	457,371	5.9%	11.0%	50,311	(1,490)	(2.9%)
2008 (Estimate)	450,645	(1.5%)	11.0%	49,571	(740)	(1.5%)
2009 (Estimate)	458,727	1.8%	11.0%	50,460	889	1.8%
2010 (Estimate)	477,273	4.0%	11.0%	52,500	2,040	4.0%



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. For Fiscal Year 2009, this revenue sharing is not strictly formula-based, but an allocation agreed to in budget balancing legislation.

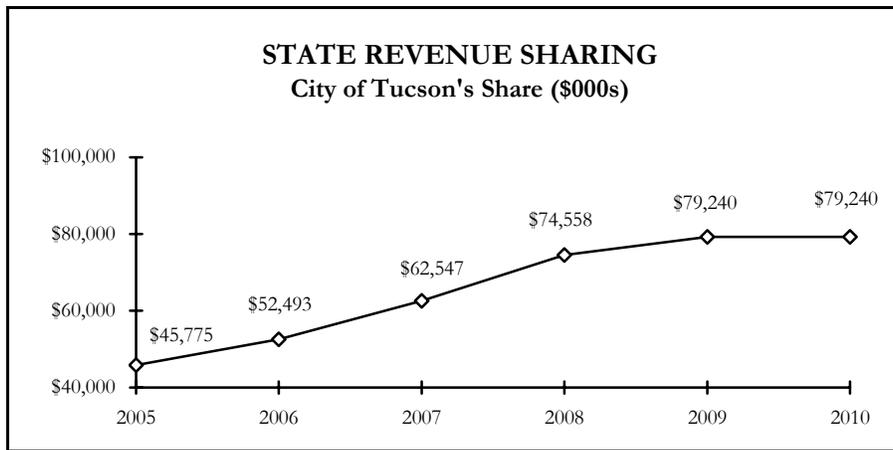
State-shared income taxes, also referred to as Urban Revenue Sharing, can be used to pay any expense legally chargeable to the General Fund.

The city's portion of state-shared income tax distributions is estimated to be \$79,240,000 for Fiscal Year 2009, which is an increase of \$4,682,000 more than the estimate of \$74,558,000 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$74,600,000.) For Fiscal Year 2010, no increase is anticipated. The Fiscal Year 2010 revenue sharing will be based on tax collections for 2008, which is a year of economic slowdown. [Subsequent to the city's budget adoption, the state adopted its budget, which resulted in a reduction to the city's budgeted estimate.]

The following table and graph show the state income tax distributions to the City of Tucson since Fiscal Year 2005.

**STATE REVENUE SHARING
(\$000s)**

<u>Fiscal Year</u>	<u>Total Distribution To Cities</u>	<u>Percent Change</u>	<u>Tucson's Share</u>		<u>Increase (Decrease)</u>	<u>Percent Change</u>
			<u>Percent</u>	<u>Amount</u>		
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	568,609	30.0%	11.0%	62,547	10,054	19.1%
2008 (Estimate)	677,800	19.2%	11.0%	74,558	12,011	19.2%
2009 (Estimate)	720,364	6.3%	11.0%	79,240	4,682	6.3%
2010 (Estimate)	720,364	0.0%	11.0%	79,240	-0-	0.0 %



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.

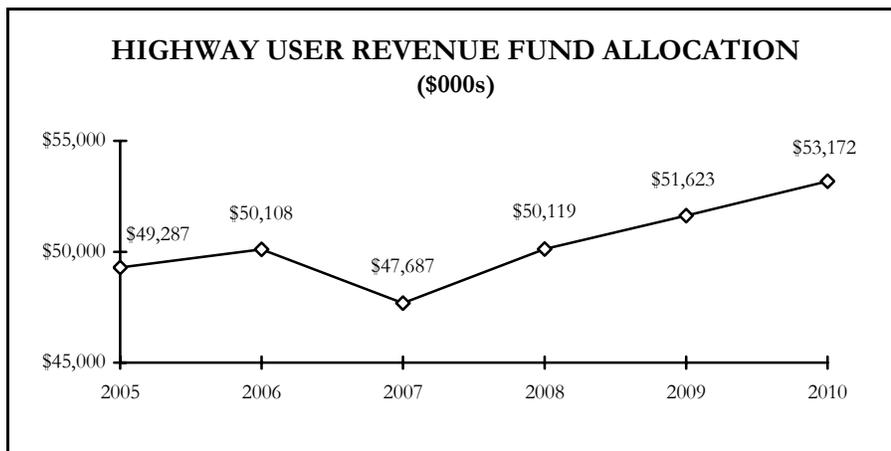
The 3% allocation distributable to cities and towns with a population greater than 300,000, sometimes referred to as “restricted HURF”, is also required to be used solely for highway and street purposes. However, these funds are further restricted to the acquisition of right-of-way or construction of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

After a decline in Fiscal Year 2007 due to the impact of the mid-decade census, the city’s HURF distribution in Fiscal Year 2008 returned to its Fiscal Year 2006 level. The city’s share of HURF distributions for Fiscal Year 2009 from the state is estimated to be \$51,623,400, which is an increase of \$1,503,580 over the estimate of \$50,119,820 for Fiscal Year 2008. (The adopted budget for Fiscal Year 2008 was \$54,730,060.) For Fiscal Year 2010, another \$1,549,000 increase is anticipated for a total of \$53,172,400.

The following table and graph show the HURF allocations to the City of Tucson since Fiscal Year 2005.

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>
2005	\$ 41,332	\$ 7,955	\$ 49,287	\$ 2,556	5.5%
2006	41,976	8,132	50,108	821	1.7%
2007	40,587	7,100	47,687	(2,421)	(4.8%)
2008 (Estimate)	41,364	8,755	50,119	2,432	5.1%
2009 (Estimate)	42,605	9,018	51,623	1,504	3.0%
2010 (Estimate)	43,884	9,288	53,172	1,549	3.0%



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 2009 which is no change from the Fiscal Year 2008 estimated amount. (The adopted budget for Fiscal Year 2008 was also \$2,592,000.) For Fiscal Year 2010, no change is anticipated.

The following table shows the LTAF distribution to the City of Tucson since Fiscal Year 2005.

**LOCAL TRANSPORTATION ASSISTANCE FUND
(\$000s)**

<u>Fiscal Year</u>	<u>Tucson's Share</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2005	\$ 2,646	\$ (44)	(1.6%)
2006	2,592	(54)	(2.0%)
2007	2,541	(51)	(2.0%)
2008 (Estimate)	2,592	51	2.0%
2009 (Estimate)	2,592	-0-	0.0%
2010 (Estimate)	2,592	-0-	0.0%

**TEN-YEAR ADOPTED CITY STAFFING COMPARISON
WITH FISCAL YEARS 2009 AND 2010**

DEPARTMENTS	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Adopted FY 2009	Approved FY 2010
Elected and Official												
Mayor	8.00	8.00	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Council	35.50	36.50	43.50	43.50	43.50	43.50	43.50	42.00	42.00	42.00	42.00	42.00
City Manager	21.00	22.00	23.75	24.25	22.25	19.25	19.00	19.00	26.00	32.00	48.00	48.00
City Clerk	44.50	69.50	43.00	63.50	41.00	58.50	37.00	58.00	37.50	58.00	38.50	59.00
City Attorney	108.00	112.00	113.00	114.00	112.00	105.00	106.00	106.00	108.50	112.00	112.00	112.00
Sub-Total	217.00	248.00	232.75	254.75	228.25	235.75	215.00	234.50	223.50	253.50	250.00	270.50
Neighborhood Services												
City Court	145.30	141.80	143.80	143.80	138.30	137.30	141.30	141.30	150.30	158.30	158.30	158.30
Community Services	167.00	160.00	157.00	155.00	157.00	153.00	153.00	152.50	152.50	148.75	148.75	148.75
Fire	528.00	539.00	570.00	571.00	572.00	572.00	612.00	646.00	694.00	741.00	745.00	745.00
Library	265.50	265.50	299.50	287.25	287.75	286.75	282.75	307.75	-0-	-0-	-0-	-0-
Neighborhood Resources	7.00	11.00	11.00	11.00	21.00	19.00	20.00	20.00	53.00	62.00	62.00	62.00
Office of Equal Opportunity Programs and Independent Police Review	11.00	11.00	12.00	12.50	11.00	10.00	9.00	10.00	11.00	11.00	12.00	12.00
Office of Public Defender	31.00	32.50	32.50	33.50	33.50	33.50	36.00	36.00	38.00	38.00	39.00	39.00
Parks and Recreation	685.75	720.25	718.75	677.50	665.00	633.75	669.75	697.00	711.00	749.50	749.50	749.50
Police	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	1,532.50	1,532.50
Tucson City Golf	103.50	96.50	163.25	169.00	153.75	154.75	154.75	154.75	154.75	154.75	154.75	154.75
Sub-Total	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	3,588.30	3,601.80	3,601.80
Environment and Development												
Development Services	66.00	72.00	100.00	101.00	111.00	113.00	133.00	127.00	123.00	120.00	119.00	119.00
Environmental Services	246.75	253.60	258.85	259.00	251.00	252.00	263.00	262.00	251.00	264.00	263.00	263.00
Transportation	386.50	401.50	395.50	399.50	399.50	393.50	398.00	405.00	404.50	416.50	403.50	403.50
Tucson Water	588.00	588.00	588.00	590.00	590.00	589.00	576.00	571.00	573.00	578.00	580.00	580.00
Urban Planning and Design	49.50	50.50	47.50	49.50	31.50	38.50	39.50	44.00	37.00	41.00	41.00	41.00
Zoning Examiner	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-0-	-0-	-0-	-0-
Sub-Total	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	1,406.50	1,406.50
Strategic Initiatives												
Intergovernmental Relations	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	-0-	-0-	-0-	-0-
Office of Economic Development	23.75	14.00	15.50	15.50	17.50	14.50	15.50	13.00	-0-	-0-	-0-	-0-
Tucson Convention Center	61.00	61.00	63.50	63.00	60.00	56.25	61.75	63.75	63.75	63.75	63.75	63.75
Tucson-Mexico Trade Office	-0-	5.00	5.00	5.00	6.00	6.00	14.00	14.00	-0-	-0-	-0-	-0-
Sub-Total	86.75	82.00	86.00	85.50	85.50	78.75	93.25	93.75	63.75	63.75	63.75	63.75

**TEN-YEAR ADOPTED CITY STAFFING COMPARISON
WITH FISCAL YEARS 2009 AND 2010**

DEPARTMENTS	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Adopted FY 2009	Approved FY 2010
Support Services												
Budget and Research	26.00	26.00	26.00	24.00	24.00	22.55	22.55	22.55	24.55	18.00	18.00	18.00
Finance	143.00	146.00	150.25	151.25	145.00	146.00	149.00	150.00	164.00	152.00	132.00	132.00
General Services	350.00	365.00	377.00	377.00	370.00	350.00	357.00	357.00	345.00	340.00	341.00	341.00
Human Resources	32.00	32.00	34.00	31.00	29.00	25.00	26.00	27.00	27.00	28.00	32.00	32.00
Information Technology	92.12	94.12	88.12	91.12	84.66	81.16	101.16	100.16	100.16	100.16	100.16	100.16
Procurement	76.00	77.00	81.00	82.00	77.00	75.00	65.00	64.00	64.00	64.00	64.00	64.00
Sub-Total	719.12	740.12	756.37	756.37	729.66	699.71	720.71	720.71	724.71	702.16	687.16	687.16
Non-Departmental												
General Expense	-0-	-0-	3.00	5.50	5.75	4.75	4.75	4.75	14.75	4.00	4.00	4.00
Sub-Total	-0-	-0-	3.00	5.50	5.75	4.75	4.75	4.75	14.75	4.00	4.00	4.00
Internal Service and Fiduciary Funds												
Risk Management Internal Service Fund	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	14.00	14.00
Tucson Supplemental Retirement System Fiduciary Fund	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1.00	1.00
Sub- Total	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	15.00	15.00
Total	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	6,031.21	6,028.21	6,048.71

**FULL-TIME EQUIVALENT POSITIONS
GENERAL PURPOSE FUNDS AND OTHER FUNDS
FISCAL YEARS 2009 AND 2010**

	Adopted Fiscal Year 2009			Approved Fiscal Year 2010		
	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	48.00	-0-	48.00	48.00	-0-	48.00
City Clerk	38.50	-0-	38.50	59.00	-0-	59.00
City Attorney	102.00	10.00	112.00	102.00	10.00	112.00
Sub-Total	240.00	10.00	250.00	260.50	10.00	270.50
Neighborhood Services						
City Court	156.30	2.00	158.30	156.30	2.00	158.30
Community Services	9.05	139.70	148.75	9.05	139.70	148.75
Fire	743.00	2.00	745.00	743.00	2.00	745.00
Neighborhood Resources	62.00	-0-	62.00	62.00	-0-	62.00
Office of Equal Opportunity Programs and Independent Police Review	12.00	-0-	12.00	12.00	-0-	12.00
Office of Public Defender	39.00	-0-	39.00	39.00	-0-	39.00
Parks and Recreation	735.75	13.75	749.50	735.75	13.75	749.50
Police	1,499.50	33.00	1,532.50	1,499.50	33.00	1,532.50
Tucson City Golf	-0-	154.75	154.75	-0-	154.75	154.75
Sub-Total	3,256.60	345.20	3,601.80	3,256.60	345.20	3,601.80
Environment and Development						
Development Services	-0-	119.00	119.00	-0-	119.00	119.00
Environmental Services	-0-	263.00	263.00	-0-	263.00	263.00
Transportation	28.00	375.50	403.50	28.00	375.50	403.50
Tucson Water	-0-	580.00	580.00	-0-	580.00	580.00
Urban Planning and Design	41.00	-0-	41.00	41.00	-0-	41.00
Sub-Total	69.00	1,337.50	1,406.50	69.00	1,337.50	1,406.50

**FULL-TIME EQUIVALENT POSITIONS
GENERAL PURPOSE FUNDS AND OTHER FUNDS
FISCAL YEARS 2009 AND 2010**

	Adopted Fiscal Year 2009			Approved Fiscal Year 2010		
	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	18.00	-0-	18.00	18.00	-0-	18.00
Finance	132.00	-0-	132.00	132.00	-0-	132.00
General Services	109.00	232.00	341.00	109.00	232.00	341.00
Human Resources	32.00	-0-	32.00	32.00	-0-	32.00
Information Technology	100.16	-0-	100.16	100.16	-0-	100.16
Procurement	63.00	1.00	64.00	63.00	1.00	64.00
Sub-Total	454.16	233.00	687.16	454.16	233.00	687.16
Non-Departmental						
General Expense	4.00	-0-	4.00	4.00	-0-	4.00
Sub-Total	4.00	-0-	4.00	4.00	-0-	4.00
Internal Service and Fiduciary Funds						
Risk Management Internal Service Fund	-0-	11.00	11.00	-0-	11.00	11.00
Tucson Supplemental Retirement System Fiduciary Fund	-0-	4.00	4.00	-0-	4.00	4.00
Sub-Total	-0-	15.00	15.00	-0-	15.00	15.00
Total	4,087.51	1,940.70	6,028.21	4,108.01	1,940.70	6,048.71

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	117,500.00	7/14/2008
0430	City Manager	211,820.00	4/4/2008
0625	City Attorney	147,056.00	6/1/2008
0629	Limited Special City Magistrate	62,995.00	10/8/2007
0630	City Magistrate	104,990.00	10/8/2007
0633	Presiding Magistrate	115,489.00	10/8/2007
0635	Special Magistrate	\$90/Session	7/1/1997

EXEMPT SCHEDULE

EFFECTIVE: July 1, 2008

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	52,686.40	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 SCHEDULE
Effective: July 1, 2008

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 SCHEDULE
EFFECTIVE: July 1, 2008

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
EXEMPT SCHEDULE
EFFECTIVE: July 1, 2008

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
EXEMPT SCHEDULE
EFFECTIVE: July 1, 2008

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	58,822.40	67,579.20	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
EXEMPT SCHEDULE
CLASSIFICATIONS WITH EXCEPTIONAL PAY COMPUTATIONS
EFFECTIVE: July 1, 2008

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: July 1, 2008

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: July 1, 2008

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: July 1, 2008

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

NON-EXEMPT SCHEDULE

EFFECTIVE: July 1, 2008

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	\$6.90 - \$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



*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section F
Capital Budget Summary



CAPITAL BUDGET SUMMARY

This section summarizes the Five-Year Capital Improvement Program (CIP) for Fiscal Years 2009 through 2013. In general, only funded projects are reflected in the five-year CIP totals. Future utility revenue bonds are an exception; these are included so that the CIP matches the Environmental Services and Tucson Water multi-year financing plans.

SUMMARY OF EXPENDITURES AND FUNDING SOURCES

The following table summarizes the CIP expenditures by service area and by funding source. For more detailed summaries, see Tables I and II on pages F-5 and F-6.

(\$000s)	Adopted Year 1 FY 2009	Approved Year 2 FY 2010	Projected Five-Year Total
Service Area Expenditures			
Neighborhood Services	\$ 84,206.6	\$ 70,406.1	\$ 188,561.9
Environment and Development	160,701.0	169,246.6	872,669.0
Support Services	550.3	-0-	550.3
Total	\$ 245,457.9	\$ 239,652.7	\$ 1,061,781.2
Funding Sources			
General Purpose Funds	\$ 2,164.7	\$ 485.0	\$ 6,249.7
Grants and Contributions	106,465.7	122,778.8	529,314.1
City Bond Funds	3,790.6	5,414.7	9,205.3
Enterprise Funds	70,392.1	65,828.1	392,921.2
Other Local Funds	62,008.8	45,146.1	123,454.9
Non-City Funds	636.0	-0-	636.0
Total	\$ 245,457.9	\$ 239,652.7	\$ 1,061,781.2

Changes from the Recommended Budget

On April 22, 2008, the Proposed Five-Year Capital Improvement Program was submitted to the Mayor and Council. The recommended budget for Fiscal Year 2009 at that time was \$244,907,600. Subsequently, the following change was made prior to adoption, which brought the total to \$245,457,900:

Department	Change (\$000s)	Reason
Information Technology	\$ 550.3	Carryforward of Fiscal Year 2008 funds

DEPARTMENT PROGRAMS

The following section summarizes the department programs within each service area. Further detail on department programs and specific projects is in the Approved Five-Year Capital Improvement Program, Volume III.

Neighborhood Services

The Neighborhood Services category, which accounts for 18% of the total five-year CIP, contains projects managed by Community Services, Fire, Neighborhood Resources, Parks and Recreation, and Police.

Community Services. The Community Services five-year program of \$4.1 million consists of two projects: construction of public housing amenities at a new Martin Luther King, Jr. apartment building and construction of rental units in the Mercado, a new mixed-used community. Funding is provided by Pima County bonds, federal HOPE VI funds, and other federal grants.

Fire. Fire's five-year program of \$33.1 million contains four projects: a new central headquarters and fire station in the downtown area, planning and design of infrastructure improvements and additions at the Public Safety Training Academy, land acquisition for future fire stations, and support facility improvements. The Capital Improvement Fund, which is for certificates of participation, and general obligation bonds will fund these projects.

Neighborhood Resources. This department's five-year CIP of \$18.4 million is for the Back to Basics Program. There is \$4.5 million carried forward in Fiscal Year 2009 for the completion of prior year projects. New funding of \$2.7 million will provide \$386,780 annually for each ward and the mayor.

Parks and Recreation. Park's five-year CIP of \$54 million contains 49 projects. These projects are funded primarily from county bonds of \$34.8 million and city bonds of \$3.4 million. Either a new city or county bond authorization is needed for \$5.2 million. Funding from the Capital Improvement Fund, which is certificates of participation, is \$4.2 million and RTA (Regional Transportation Authority) funds provide \$1 million. Revenue from impact fees, restricted General Fund revenues, non-federal grants, and contributions provide for the remaining \$5.4 million. These funds provide for a wide range of projects: improvements at regional parks, expansion of recreation centers, amenities at neighborhood parks, and the Reid Park Zoo Africa Expansion-Elephant exhibit.

Police. The Police Department's five-year program of \$78.9 million is for four projects: construction of a new Crime Lab and a new Evidence Facility, expansion of Police Headquarters, and acquisition of operational support equipment for the addition of a sixth field division. These projects are funded with certificates of participation in the Capital Improvement Fund.

Environment and Development

The Environment and Development category, which accounts for 82% of the total five-year CIP, contains projects managed by Environmental Services, Transportation, and Tucson Water.

Environmental Services. The department's five-year program of 15 projects totals \$40.2 million. Funding for these projects is from Environmental Service bonds of \$2.1 million, \$3.9 million from Environmental Service revenues, \$25.4 million from certificates of participation, and \$8.8 million from a future Environmental Service revenue bond authorization. Projects that are funded with these future bond authorizations do not begin until Fiscal Year 2010.

Transportation. The five-year Transportation program of \$479.7 million includes five program areas: Drainage for \$0.07 million, Public Transit for \$189 million, Street Lighting for \$1.3 million, Streets for \$283.4 million, and Traffic Signals for \$5.9 million. Because there are insufficient funds to meet all of Transportation's needs, this CIP simply allocates available funding to the highest priority projects.

The largest funding source for Transportation's projects is the funding from the RTA, which totals \$266.5 million. Federal funding provides another significant portion totaling \$146.8 million: \$90.9 million for transit projects and \$55.9 million for street projects. Other major funding sources are Pima County bond funds of \$25.2 million, regional Highway User Revenue Funds (HURF) of \$20.6 million, city HURF of \$5.5 million, impact fee revenue of \$2.9 million, developer contributions of \$6 million and bond funds of \$0.2 million. The remaining \$6 million is from the General Fund, which is used as the local match for federal transit grants.

Tucson Water. The five-year Tucson Water CIP of \$352.7 million includes \$314.5 million of improvements to the potable water system and \$38.2 million of improvements for the reclaimed water system. Tucson Water's CIP is funded from operations and reserve funds of \$165.7 million, 2005 revenue bonds of \$50.7 million, \$135.6 million from a future water revenue bond authorization, and \$0.6 million from a federal grant. Projects that are funded with these future bond authorizations do not begin until Fiscal Year 2010.

Support Services

The Support Services category accounts for less than 1% of the total five-year CIP and contains one capital project managed by Information Technology.

Information Technology. There is one project in the department's five-year CIP of \$550,300 carried forward from Fiscal Year 2008: completion of the Voice and Data Network and Component Upgrades. Funding for this project comes from the Capital Improvement Fund, which are certificates of participation.

SUMMARY OF CIP IMPACT ON THE OPERATING BUDGET

While the completion of a capital project provides improved service to the community, the completion of many capital projects is also the beginning of annual operating expenses for staff, maintenance, and routine operations. Operating and maintenance (O&M) impacts from projects in the five-year CIP total \$6.9 million for Fiscal Year 2009, increasing to \$9.3 million for Fiscal Year 2010, and to \$60.9 million by Fiscal Year 2013.

The O&M impacts in Fiscal Year 2009 are primarily for the Southern Avra Valley Storage and Recovery Project. Operating and staffing the Christopher Columbus Parks expansion is a significant component of the General Purpose Funds impact.

Tucson Water's Revenue and Operation Fund pays for most of the operating and maintenance impacts (90% in Fiscal Year 2009). The balance is funded from the General Fund, the city's Highway User Revenue Fund (HURF), Regional Transportation Authority (RTA) fund, and Environmental Services Fund.

The following table summarizes the operating budget impact of projects in this five-year CIP that were completed in Fiscal Year 2008 or will be completed in Fiscal Year 2009 and 2010. For a more detailed summary, see Table III on page F-7.

(\$000s)	Adopted Year 1 FY 2009	Approved Year 2 FY 2013	Projected Five-Year Total
Service Area Expenditures			
Neighborhood Services	\$ 625.0	\$ 1,516.5	\$ 12,954.1
Environment and Development	6,255.1	7,754.0	48,001.6
Total	\$ 6,880.1	\$ 9,270.5	\$ 60,955.7
Funding Sources			
General Purpose Funds	\$ 625.0	\$ 1,516.5	\$ 13,260.1
Grants and Contributions	-0-	168.5	2,053.0
Enterprise Funds	6,255.1	7,585.5	45,642.6
Total	\$ 6,880.1	\$ 9,270.5	\$ 60,955.7

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

ATTACHED TABLES

- Table I.** Five-Year Capital Improvement Program Summary by Department
- Table II.** Five-Year Capital Improvement Program Summary by Funding Source
- Table III.** Five-Year Capital Improvement Program Summary of CIP Impact on the Operating Budget

Five-Year Capital Improvement Program

Table I. Summary by Department
(\$000)

	Adopted	Approved	Projected Requirements			Five Year Total
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	
Neighborhood Services						
Community Services	\$ 2,038.1	\$ 2,087.2	\$ -0-	\$ -0-	\$ -0-	\$ 4,125.3
Fire	31,873.0	1,200.0	-0-	-0-	-0-	33,073.0
Neighborhood Resources	7,310.7	2,780.4	2,780.4	2,780.4	2,780.4	18,432.3
Parks and Recreation	18,974.8	25,638.5	6,408.0	1,500.0	1,500.0	54,021.3
Police	24,010.0	38,700.0	16,200.0	-0-	-0-	78,910.0
Sub-Total	\$ 84,206.6	\$ 70,406.1	\$ 25,388.4	\$ 4,280.4	\$ 4,280.4	\$ 188,561.9
Environment and Development						
Environmental Services	\$ 9,742.1	\$ 12,842.1	\$ 11,840.0	\$ 4,595.0	\$ 1,225.0	\$ 40,244.2
Transportation	90,308.9	103,418.5	96,171.4	117,532.5	72,316.5	479,747.8
Tucson Water	60,650.0	52,986.0	66,971.0	82,918.0	89,152.0	352,677.0
Sub-Total	\$ 160,701.0	\$ 169,246.6	\$ 174,982.4	\$ 205,045.5	\$ 162,693.5	\$ 872,669.0
Support Services						
Information Technology	\$ 550.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550.3
Sub-Total	\$ 550.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550.3
Total	\$ 245,457.9	\$ 239,652.7	\$ 200,370.8	\$ 209,325.9	\$ 166,973.9	\$ 1,061,781.2

Five-Year Capital Improvement Program

Table II. Summary by Funding Source
(\$000)

	Adopted	Approved	Projected Requirements			Five Year Total
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	
General Purpose Funds						
General Fund	\$ 230.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 230.3
Mass Transit Fund: User Fees and General Fund	1,934.4	485.0	1,200.0	1,200.0	1,200.0	6,019.4
Sub-Total	\$ 2,164.7	\$ 485.0	\$ 1,200.0	\$ 1,200.0	\$ 1,200.0	\$ 6,249.7
Grants and Contributions						
Capital Agreement Fund: PAG	\$ 3,672.0	\$ 5,706.0	\$ 4,750.0	\$ 6,500.0	\$ -0-	\$ 20,628.0
Capital Agreement Fund: Pima County Bonds	12,530.7	17,164.9	12,445.3	9,500.0	9,500.0	61,140.9
Community Development Block Grant Fund	3,785.0	1,080.4	1,080.4	1,080.4	1,080.4	8,106.6
Federal Highway Administration Grants	9,004.0	15,095.0	8,278.0	7,525.0	5,000.0	44,902.0
H.O.M.E. Grants	284.5	-0-	-0-	-0-	-0-	284.5
HOPE VI - Martin Luther King Revitalization	853.5	1,750.0	-0-	-0-	-0-	2,603.5
Highway User Revenue Fund	4,648.0	2,556.4	2,912.0	2,559.0	3,009.0	15,684.4
Highway User Revenue Fund: Contributions	200.0	200.0	200.0	200.0	200.0	1,000.0
Highway User Revenue Fund: In-Lieu Fees	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	5,000.0
Mass Transit Fund: Federal Grants	29,724.4	18,718.3	16,954.2	14,099.9	11,377.5	90,874.3
Miscellaneous Non-Federal Grants	316.0	250.0	-0-	-0-	-0-	566.0
Regional Transportation Authority Fund	35,442.6	53,262.8	56,439.9	78,148.6	44,230.0	267,523.9
State Infrastructure Bank Federal Pass-Through	5,005.0	5,995.0	-0-	-0-	-0-	11,000.0
Sub-Total	\$ 106,465.7	\$ 122,778.8	\$ 104,059.8	\$ 120,612.9	\$ 75,396.9	\$ 529,314.1
City Bond Funds						
2000 General Obligation Bond Funds	\$ 3,550.6	\$ 216.3	\$ -0-	\$ -0-	\$ -0-	\$ 3,766.9
2000 General Obligation Bond Funds: Interest	240.0	-0-	-0-	-0-	-0-	240.0
Future General Obligation Bonds	-0-	5,198.4	-0-	-0-	-0-	5,198.4
Sub-Total	\$ 3,790.6	\$ 5,414.7	\$ -0-	\$ -0-	\$ -0-	\$ 9,205.3
Enterprise Funds						
2000 Environmental Service Bonds	\$ 2,115.7	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,115.7
2005 Water Revenue Bond Funds	40,773.0	9,939.0	-0-	-0-	-0-	50,712.0
Environmental Services Fund	1,626.4	2,312.1	-0-	-0-	-0-	3,938.5
Environmental Services Fund: COPs	6,000.0	9,150.0	10,085.0	-0-	125.0	25,360.0
Future Environmental Services Revenue Bonds	-0-	1,380.0	1,755.0	4,595.0	1,100.0	8,830.0
Future Water Revenue Bonds	-0-	24,016.0	38,727.0	40,549.0	32,345.0	135,637.0

Five-Year Capital Improvement Program

Table II. Summary by Funding Source
(\$000)

	Adopted	Approved	Projected Requirements			Five Year Total
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	
Enterprise Funds (Continued)						
Tucson Water Fund: Federal Grants	\$ 542.0	\$ 70.0	\$ -0-	\$ -0-	\$ -0-	\$ 612.0
Tucson Water Revenue and Operations Fund	14,335.0	18,961.0	28,244.0	42,369.0	56,807.0	\$ 160,716.0
Water Infrastructure Reserve Fund	5,000.0	-0-	-0-	-0-	-0-	5,000.0
Sub-Total	\$ 70,392.1	\$ 65,828.1	\$ 78,811.0	\$ 87,513.0	\$ 90,377.0	\$ 392,921.2
Other Local Funds						
Capital Improvement Fund	\$ 56,417.3	\$ 43,650.0	\$ 16,200.0	\$ -0-	\$ -0-	\$ 116,267.3
General Fund: Restricted Revenues	338.0	-0-	-0-	-0-	-0-	338.0
Road and Park Impact Fee Fund: Central District	354.5	260.2	-0-	-0-	-0-	614.7
Road and Park Impact Fee Fund: East District	1,260.2	345.5	100.0	-0-	-0-	1,705.7
Road and Park Impact Fee Fund: Southeast District	911.1	325.4	-0-	-0-	-0-	1,236.5
Road and Park Impact Fee Fund: Southlands District	626.5	565.0	-0-	-0-	-0-	1,191.5
Road and Park Impact Fee Fund: West District	2,101.2	-0-	-0-	-0-	-0-	2,101.2
Sub-Total	\$ 62,008.8	\$ 45,146.1	\$ 16,300.0	\$ -0-	\$ -0-	\$ 123,454.9
Non-City Funds						
Civic Contributions Fund	\$ 636.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 636.0
Sub-Total	\$ 636.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 636.0
Total	\$ 245,457.9	\$ 239,652.7	\$ 200,370.8	\$ 209,325.9	\$ 166,973.9	\$ 1,061,781.2

Five-Year Capital Improvement Program

Table III. Summary of CIP Impact on the Operating Budget
(\$000)

	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Five Year Total
Neighborhood Services						
Fire	\$ -0-	\$ 252.5	\$ 277.7	\$ 305.5	\$ 336.0	\$ 1,171.7
Parks and Recreation	525.0	1,164.0	2,464.1	3,354.1	2,985.3	10,492.4
Police	100.0	100.0	250.0	410.0	430.0	1,290.0
Sub-Total	\$ 625.0	\$ 1,516.5	\$ 2,991.8	\$ 4,069.6	\$ 3,751.3	\$ 12,954.1
Environment and Development						
Environmental Services	\$ 60.0	\$ 60.0	\$ 260.0	\$ 260.0	\$ 380.0	\$ 1,020.0
Transportation	-0-	168.5	630.5	718.5	841.5	2,359.0
Tucson Water	6,195.1	7,525.5	9,061.0	10,891.0	10,950.0	44,622.6
Sub-Total	\$ 6,255.1	\$ 7,754.0	\$ 9,951.5	\$ 11,869.5	\$ 12,171.5	\$ 48,001.6
Total	\$ 6,880.1	\$ 9,270.5	\$ 12,943.3	\$ 15,939.0	\$ 15,922.8	\$ 60,955.7
Source of Funds Summary						
General Purpose Funds						
General Fund	\$ 625.0	\$ 1,516.5	\$ 2,991.8	\$ 4,069.6	\$ 3,751.3	\$ 12,954.1
Mass Transit Fund: User Fees and General Fund	-0-	-0-	99.0	102.0	105.0	306.0
Sub-Total	\$ 625.0	\$ 1,516.5	\$ 3,090.8	\$ 4,171.6	\$ 3,856.3	\$ 13,260.1
Grants and Contributions						
Highway User Revenue Fund	\$ -0-	\$ 144.5	\$ 507.5	\$ 562.5	\$ 682.5	\$ 1,897.0
Regional Transportation Authority Fund	-0-	24.0	24.0	54.0	54.0	156.0
Sub-Total	\$ -0-	\$ 168.5	\$ 531.5	\$ 616.5	\$ 736.5	\$ 2,053.0
Enterprise Funds						
Environmental Services Fund	\$ 60.0	\$ 60.0	\$ 260.0	\$ 260.0	\$ 380.0	\$ 1,020.0
Tucson Water Revenue and Operations Fund	6,195.1	7,525.5	9,061.0	10,891.0	10,950.0	44,622.6
Sub-Total	\$ 6,255.1	\$ 7,585.5	\$ 9,321.0	\$ 11,151.0	\$ 11,330.0	\$ 45,642.6
Total	\$ 6,880.1	\$ 9,270.5	\$ 12,943.3	\$ 15,939.0	\$ 15,922.8	\$ 60,955.7

Five-Year Capital Improvement Program

Community Services (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Martin Luther King Public Housing Amenities	\$ 1,753.6	\$ 2,087.2	\$ -0-	\$ -0-	\$ -0-	\$ 3,840.8
Mercado District Rentals - El Portal	284.5	-0-	-0-	-0-	-0-	284.5
Department Total	\$ 2,038.1	\$ 2,087.2	\$ -0-	\$ -0-	\$ -0-	\$ 4,125.3

Source of Funds Summary

Capital Agreement Fund: Pima County Bonds	\$ 795.5	\$ 337.2	\$ -0-	\$ -0-	\$ -0-	\$ 1,132.7
Community Development Block Grant Fund	104.6	-0-	-0-	-0-	-0-	104.6
H.O.M.E. Grants	284.5	-0-	-0-	-0-	-0-	284.5
HOPE VI - Martin Luther King Revitalization	853.5	1,750.0	-0-	-0-	-0-	2,603.5
Department Total	\$ 2,038.1	\$ 2,087.2	\$ -0-	\$ -0-	\$ -0-	\$ 4,125.3

Five-Year Capital Improvement Program

Environmental Services

(\$000)

Project Name	Adopted Year 1 FY 2009	Approved Year 2 FY 2010	Projected Requirements Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Five Year Total
Environmental Services - Facilities						
Landfill End-Use: Irvington	\$ -0-	\$ 150.0	\$ 150.0	\$ 100.0	\$ -0-	\$ 400.0
Landfill End-Use: Pantano Wash	-0-	150.0	100.0	100.0	-0-	350.0
Landfill End-Use: Santa Cruz	-0-	80.0	200.0	100.0	100.0	480.0
Los Reales 80-Acre Facilities Construction	-0-	9,000.0	10,085.0	-0-	-0-	19,085.0
Los Reales Infrastructure Plan	900.0	-0-	-0-	-0-	-0-	900.0
Los Reales Roadway Relocation	500.0	-0-	-0-	-0-	-0-	500.0
Sub-Total	\$ 1,400.0	\$ 9,380.0	\$ 10,535.0	\$ 300.0	\$ 100.0	\$ 21,715.0
Environmental Services - Landfill Closure						
Irvington Landfill Closure	\$ 2,995.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,995.0
Los Reales Landfill Final Closure - Cell 3	-0-	-0-	55.0	235.0	-0-	290.0
Los Reales Landfill Final Closure - Cells 1 and 2	571.9	705.0	-0-	-0-	-0-	1,276.9
Los Reales Landfill Westside Closure	0.2	757.1	-0-	-0-	-0-	757.3
Tumamoc Landfill Closure	75.0	1,000.0	500.0	1,000.0	1,000.0	3,575.0
Sub-Total	\$ 3,642.1	\$ 2,462.1	\$ 555.0	\$ 1,235.0	\$ 1,000.0	\$ 8,894.2
Environmental Services - Landfill Construction						
Los Reales Landfill Buffer Improvements	\$ 600.0	\$ 150.0	\$ -0-	\$ -0-	\$ 125.0	\$ 875.0
Los Reales Landfill Lined Cell 3	4,000.0	-0-	-0-	-0-	-0-	4,000.0
Los Reales Landfill Lined Cell 4	-0-	-0-	100.0	3,060.0	-0-	3,160.0
Sub-Total	\$ 4,600.0	\$ 150.0	\$ 100.0	\$ 3,060.0	\$ 125.0	\$ 8,035.0
Environmental Services - Remediations						
Silverbell Jail Annex Landfill Remediation	\$ 100.0	\$ 850.0	\$ 650.0	\$ -0-	\$ -0-	\$ 1,600.0
Sub-Total	\$ 100.0	\$ 850.0	\$ 650.0	\$ -0-	\$ -0-	\$ 1,600.0
Department Total	\$ 9,742.1	\$ 12,842.1	\$ 11,840.0	\$ 4,595.0	\$ 1,225.0	\$ 40,244.2
Source of Funds Summary						
2000 Environmental Service Bonds	\$ 2,115.7	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,115.7
Environmental Services Fund	1,626.4	2,312.1	-0-	-0-	-0-	3,938.5
Environmental Services Fund: COPs	6,000.0	9,150.0	10,085.0	-0-	125.0	25,360.0
Future Environmental Services Revenue Bonds	-0-	1,380.0	1,755.0	4,595.0	1,100.0	8,830.0
Department Total	\$ 9,742.1	\$ 12,842.1	\$ 11,840.0	\$ 4,595.0	\$ 1,225.0	\$ 40,244.2

Five-Year Capital Improvement Program

Fire (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Fire Central	\$ 28,714.9	\$ 1,200.0	\$ -0-	\$ -0-	\$ -0-	\$ 29,914.9
Land Acquisition for Future Stations	940.0	-0-	-0-	-0-	-0-	940.0
Public Safety Training Academy Master Plan and Design	1,700.0	-0-	-0-	-0-	-0-	1,700.0
Support Facility Improvements	518.1	-0-	-0-	-0-	-0-	518.1
Department Total	\$ 31,873.0	\$ 1,200.0	\$ -0-	\$ -0-	\$ -0-	\$ 33,073.0

Source of Funds Summary

2000 General Obligation Bond Funds	\$ 200.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 200.0
2000 General Obligation Bond Funds: Interest	240.0	-0-	-0-	-0-	-0-	240.0
Capital Improvement Fund	31,433.0	1,200.0	-0-	-0-	-0-	32,633.0
Department Total	\$ 31,873.0	\$ 1,200.0	\$ -0-	\$ -0-	\$ -0-	\$ 33,073.0

Five-Year Capital Improvement Program

Information Technology

(\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Voice and Data Network and Component Upgrades	\$ 550.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550.3
Department Total	\$ 550.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550.3
Source of Funds Summary						
Capital Improvement Fund	\$ 550.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550.3
Department Total	\$ 550.3	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550.3

Five-Year Capital Improvement Program

Neighborhood Resources

(\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Back to Basics Unallocated	\$ 7,310.7	\$ 2,780.4	\$ 2,780.4	\$ 2,780.4	\$ 2,780.4	\$ 18,432.3
Department Total	\$ 7,310.7	\$ 2,780.4	\$ 2,780.4	\$ 2,780.4	\$ 2,780.4	\$ 18,432.3

Source of Funds Summary

Community Development Block Grant Fund	\$ 3,680.4	\$ 1,080.4	\$ 1,080.4	\$ 1,080.4	\$ 1,080.4	\$ 8,002.0
General Fund	230.3	-0-	-0-	-0-	-0-	230.3
Highway User Revenue Fund	3,400.0	1,700.0	1,700.0	1,700.0	1,700.0	10,200.0
Department Total	\$ 7,310.7	\$ 2,780.4	\$ 2,780.4	\$ 2,780.4	\$ 2,780.4	\$ 18,432.3

Five-Year Capital Improvement Program

Parks and Recreation

(\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Parks and Recreation - Parks Development						
A Mountain Improvement	\$ 138.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 138.0
Alamo Wash Trail	217.8	-0-	-0-	-0-	-0-	217.8
Arcadia Park, Phase I	435.2	-0-	-0-	-0-	-0-	435.2
Arroyo Chico Urban Path: Campbell/Parkway	100.0	400.0	400.0	-0-	-0-	900.0
Arroyo Chico Urban Pathway	1,000.0	260.2	-0-	-0-	-0-	1,260.2
Atterbury Wash Sanctuary Expansion	470.0	450.0	150.0	-0-	-0-	1,070.0
Catalina Park Integrated Play Area	100.0	284.3	-0-	-0-	-0-	384.3
Cherry Avenue Center Expansion, Phase I	51.2	-0-	-0-	-0-	-0-	51.2
Christopher Columbus Park Expansion	98.0	-0-	-0-	-0-	-0-	98.0
Clements Senior Center Recreation Facility	1,435.3	-0-	-0-	-0-	-0-	1,435.3
Davidson School Park	500.0	-0-	-0-	-0-	-0-	500.0
El Pueblo Center Expansion, Phase I	60.0	-0-	-0-	-0-	-0-	60.0
Enchanted Hills Wash Trail	100.0	-0-	-0-	-0-	-0-	100.0
General Instruments Site Improvements	-0-	191.3	-0-	-0-	-0-	191.3
Grijalva School Park	200.0	-0-	-0-	-0-	-0-	200.0
Herrera Quiroz (Oury) Park	395.0	-0-	-0-	-0-	-0-	395.0
Jacinto Park	50.0	-0-	-0-	-0-	-0-	50.0
Juhan Park Expansion	747.0	-0-	-0-	-0-	-0-	747.0
Julian Wash Linear Park	2,269.1	916.9	-0-	-0-	-0-	3,186.0
Lincoln Park Area Maintenance Compound	16.6	448.4	-0-	-0-	-0-	465.0
Lincoln Park Expansion, Phase I	208.3	-0-	-0-	-0-	-0-	208.3
Lincoln Park Sport Fields	595.0	2,782.5	-0-	-0-	-0-	3,377.5
Mendoza Memorial Park	90.0	-0-	-0-	-0-	-0-	90.0
Menlo Park Improvements	-0-	260.0	-0-	-0-	-0-	260.0
Navajo Wash Trail	200.7	-0-	-0-	-0-	-0-	200.7
New Comfort Stations	409.1	-0-	-0-	-0-	-0-	409.1
Northside Recreation Center	575.5	1,825.0	2,762.0	-0-	-0-	5,162.5
Ormsby Park Expansion Plan	20.0	-0-	-0-	-0-	-0-	20.0
Pascua Neighborhood: Land Acquisition	328.0	-0-	-0-	-0-	-0-	328.0
Performing Arts Center	115.0	-0-	-0-	-0-	-0-	115.0
Pima County Bond Project Capacity	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	7,500.0
Purple Heart Park Expansion	325.4	325.4	-0-	-0-	-0-	650.8
Reid Park Expansion, Phase 1	312.5	-0-	-0-	-0-	-0-	312.5
Reuse of Landfill Areas	207.0	-0-	-0-	-0-	-0-	207.0
Rio Vista Park Expansion	1,272.1	-0-	-0-	-0-	-0-	1,272.1
Robb Wash Trail	50.0	25.0	-0-	-0-	-0-	75.0
Santa Cruz River Sports Park	-0-	823.7	-0-	-0-	-0-	823.7
Santa Rita Skate Park	148.5	-0-	-0-	-0-	-0-	148.5
Silverlake Park Soccer Field Lighting Design	200.0	250.0	-0-	-0-	-0-	450.0
South Central Community Park, Phase I	325.0	245.5	-0-	-0-	-0-	570.5
Southeast Community Park	2,002.0	2,231.0	1,596.0	-0-	-0-	5,829.0

Five-Year Capital Improvement Program

Parks and Recreation

(\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Parks and Recreation - Parks Development (Continued)						
St. John's Park	\$ 200.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 200.0
Trail System Master Plan	175.0	-0-	-0-	-0-	-0-	175.0
Tucson Children's Museum Renovations	22.0	1,229.3	-0-	-0-	-0-	1,251.3
Udall Park Sport Fields	260.0	2,125.0	-0-	-0-	-0-	2,385.0
Valencia Corridor Facilities Plan	125.0	-0-	-0-	-0-	-0-	125.0
Valencia Corridor Land Acquisition, Phase I	301.5	565.0	-0-	-0-	-0-	866.5
Valencia and Alvernon Community Park, Phase I	200.0	-0-	-0-	-0-	-0-	200.0
Sub-Total	\$ 18,550.8	\$ 17,138.5	\$ 6,408.0	\$ 1,500.0	\$ 1,500.0	\$ 45,097.3
Parks and Recreation - Zoo Improvements						
Reid Park Zoo Africa Expansion-Elephant Exhibit	\$ 424.0	\$ 8,500.0	\$ -0-	\$ -0-	\$ -0-	\$ 8,924.0
Sub-Total	\$ 424.0	\$ 8,500.0	\$ -0-	\$ -0-	\$ -0-	\$ 8,924.0
Department Total	\$ 18,974.8	\$ 25,638.5	\$ 6,408.0	\$ 1,500.0	\$ 1,500.0	\$ 54,021.3

Source of Funds Summary

2000 General Obligation Bond Funds	\$ 3,172.1	\$ 216.3	\$ -0-	\$ -0-	\$ -0-	\$ 3,388.4
Capital Agreement Fund: Pima County Bonds	10,535.2	14,827.7	6,408.0	1,500.0	1,500.0	34,770.9
Capital Improvement Fund	424.0	3,750.0	-0-	-0-	-0-	4,174.0
Civic Contributions Fund	636.0	-0-	-0-	-0-	-0-	636.0
Future General Obligation Bonds	-0-	5,198.4	-0-	-0-	-0-	5,198.4
General Fund: Restricted Revenues	338.0	-0-	-0-	-0-	-0-	338.0
Miscellaneous Non-Federal Grants	316.0	250.0	-0-	-0-	-0-	566.0
Regional Transportation Authority Fund	1,000.0	-0-	-0-	-0-	-0-	1,000.0
Road & Park Impact Fee Fund: Central District	354.5	260.2	-0-	-0-	-0-	614.7
Road & Park Impact Fee Fund: East District	510.2	245.5	-0-	-0-	-0-	755.7
Road & Park Impact Fee Fund: Southeast District	661.1	325.4	-0-	-0-	-0-	986.5
Road & Park Impact Fee Fund: Southlands District	626.5	565.0	-0-	-0-	-0-	1,191.5
Road & Park Impact Fee Fund: West District	401.2	-0-	-0-	-0-	-0-	401.2
Department Total	\$ 18,974.8	\$ 25,638.5	\$ 6,408.0	\$ 1,500.0	\$ 1,500.0	\$ 54,021.3

Five-Year Capital Improvement Program

Police (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Crime Lab and Investigative Division Renovation	\$ 14,500.0	\$ 22,000.0	\$ -0-	\$ -0-	\$ -0-	\$ 36,500.0
Evidence Facility	300.0	-0-	-0-	-0-	-0-	300.0
Police Field Support Equipment	1,110.0	-0-	-0-	-0-	-0-	1,110.0
Police Headquarters Expansion	8,100.0	16,700.0	16,200.0	-0-	-0-	41,000.0
Department Total	\$ 24,010.0	\$ 38,700.0	\$ 16,200.0	\$ -0-	\$ -0-	\$ 78,910.0
Source of Funds Summary						
Capital Improvement Fund	\$ 24,010.0	\$ 38,700.0	\$ 16,200.0	\$ -0-	\$ -0-	\$ 78,910.0
Department Total	\$ 24,010.0	\$ 38,700.0	\$ 16,200.0	\$ -0-	\$ -0-	\$ 78,910.0

Five-Year Capital Improvement Program

Transportation (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Transportation - Drainage						
Columbus Wash Drainage Relief, Phase II	\$ 50.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50.0
Park Avenue Detention Basin, Phase II	18.5	-0-	-0-	-0-	-0-	18.5
Sub-Total	\$ 68.5	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 68.5
Transportation - Public Transit						
ADA Transit Enhancements	\$ 118.0	\$ 120.0	\$ 120.0	\$ 120.0	\$ 120.0	\$ 598.0
Compressed Natural Gas Facility	479.0	-0-	-0-	-0-	-0-	479.0
Expansion Buses for Sun Tran	7,535.1	5,600.0	2,000.0	14,760.0	5,740.0	35,635.1
Expansion Vans for Van Tran	562.1	170.0	170.0	170.0	170.0	1,242.1
Greyhound Transit Center	1,000.0	-0-	-0-	-0-	-0-	1,000.0
Houghton Park-and-Ride	1,000.0	1,500.0	610.0	-0-	-0-	3,110.0
Modern Streetcar	1,950.0	8,248.5	9,100.0	9,100.0	7,100.0	35,498.5
Modern Streetcar Planning	1,254.0	-0-	-0-	-0-	-0-	1,254.0
Regional Seamless Fare System	2,650.0	5,582.1	-0-	-0-	-0-	8,232.1
Replacement Buses for Sun Tran	12,880.7	4,000.0	7,200.0	8,610.0	6,150.0	38,840.7
Replacement Vans for Van Tran	4,457.2	2,085.4	3,441.2	2,941.2	3,761.2	16,686.2
Rita Ranch Park-and-Ride	1,700.0	-0-	-0-	-0-	-0-	1,700.0
Ronstadt Transit Center	400.0	2,000.0	352.6	-0-	-0-	2,752.6
Sun Tran Maintenance Facility	19,192.2	13,935.4	5,822.3	822.3	822.3	40,594.5
Transit Centers Improvements	162.5	637.5	-0-	-0-	-0-	800.0
Transit Enhancement Program	-0-	53.0	53.0	53.0	53.0	212.0
Transit Headquarters Improvements	-0-	400.0	-0-	-0-	-0-	400.0
Sub-Total	\$ 55,340.8	\$ 44,331.9	\$ 28,869.1	\$ 36,576.5	\$ 23,916.5	\$ 189,034.8
Transportation - Street Lighting						
Amphi Neighborhood Lighting	\$ 400.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 400.0
Ft. Lowell Road: Oracle to Country Club	50.0	-0-	-0-	-0-	-0-	50.0
Julia Keen Neighborhood Lighting	500.0	-0-	-0-	-0-	-0-	500.0
Meyers Neighborhood Lighting	300.0	-0-	-0-	-0-	-0-	300.0
Midvale Park Neighborhood Lighting	60.0	-0-	-0-	-0-	-0-	60.0
Sub-Total	\$ 1,310.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,310.0
Transportation - Streets						
22nd Street: I-10 to Tucson Boulevard	\$ 1,400.0	\$ 3,700.0	\$ 6,500.0	\$ 8,500.0	\$ 13,500.0	\$ 33,600.0
6th Avenue: 18th Street Intersection	250.0	-0-	-0-	-0-	-0-	250.0
Alternate Modes Improvements	-0-	529.0	-0-	-0-	-0-	529.0
Barraza-Aviation Downtown Links, Phase I	500.0	3,348.0	5,618.0	1,544.0	-0-	11,010.0
Barraza-Aviation Parkway: 4th Avenue Underpass	3,176.0	1,370.0	-0-	-0-	-0-	4,546.0
Broadway: Euclid to Campbell	-0-	-0-	-0-	8,000.0	8,000.0	16,000.0
Broadway: Euclid to Country Club	969.0	5,954.0	4,902.0	9,804.0	9,804.0	31,433.0
Cambio Grande Street Revitalization	100.0	300.0	-0-	-0-	-0-	400.0

Five-Year Capital Improvement Program

Transportation (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Transportation - Streets (Continued)						
Camino Seco and Wrightstown Intersection	\$ 100.0	\$ 100.0	\$ 100.0	\$ 2,500.0	\$ -0-	\$ 2,800.0
Campbell Avenue Revitalization	100.0	300.0	350.0	-0-	-0-	750.0
Department of Justice Sidewalk Improvements	500.0	-0-	-0-	-0-	-0-	500.0
Downtown Pedestrian Implementation	146.0	-0-	-0-	-0-	-0-	146.0
El Camino del Cerro Reconstruction	1,400.0	-0-	-0-	-0-	-0-	1,400.0
Ft. Lowell: Campbell Intersection Improvements	-0-	2,659.0	-0-	-0-	-0-	2,659.0
Golf Links and Kolb Intersection Design	250.0	-0-	-0-	-0-	-0-	250.0
Golf Links: Wilmot Intersection Improvements	100.0	1,538.0	-0-	-0-	-0-	1,638.0
Grant Road Corridor Improvement	-0-	733.0	17,932.0	17,199.0	9,611.0	45,475.0
Grant and Craycroft Intersection Improvement	4,292.1	-0-	-0-	-0-	-0-	4,292.1
Harrison Road: Speedway to Old Spanish Trail	50.0	-0-	-0-	-0-	-0-	50.0
Harrison and Wrightstown Curve Design	450.0	-0-	-0-	-0-	-0-	450.0
Highland Avenue Bike and Pedestrian Improvements	55.0	-0-	-0-	-0-	-0-	55.0
Houghton Road Bridge Replacement	-0-	3,200.0	750.0	-0-	-0-	3,950.0
Houghton Road: I-10 to Valencia	400.0	2,250.0	-0-	-0-	-0-	2,650.0
Houghton Road: Old Spanish Trail to Valencia	400.0	2,600.0	-0-	-0-	-0-	3,000.0
Houghton Road: Speedway to Old Spanish Trail	400.0	3,056.9	-0-	-0-	-0-	3,456.9
Irvington and Campbell Intersection	300.0	-0-	-0-	-0-	-0-	300.0
Julian Wash Archaeological Improvements	10.0	-0-	-0-	-0-	-0-	10.0
Kino Parkway Overpass at 22nd Street	-0-	2,000.0	6,037.3	-0-	-0-	8,037.3
Kolb Road Extension	420.0	430.0	4,133.0	5,133.0	-0-	10,116.0
Miscellaneous Developer-Funded Improvements	1,200.0	1,200.0	1,200.0	1,200.0	1,200.0	6,000.0
Miscellaneous Street Improvements	704.0	554.0	550.0	550.0	1,000.0	3,358.0
Mountain Avenue: Roger Road to Ft. Lowell Road	5,247.7	6,647.0	2,281.0	-0-	-0-	14,175.7
Oracle and Drachman Main Intersection	50.0	-0-	-0-	-0-	-0-	50.0
Park and Euclid Bicycle and Pedestrian Bridge	20.0	-0-	-0-	-0-	-0-	20.0
Road Resurfacing, Restoration, & Rehabilitation	5,205.0	8,372.4	4,285.0	5,285.0	5,285.0	28,432.4
Santa Rita Park Pedestrian Enhancements	186.0	-0-	-0-	-0-	-0-	186.0
Silverbell: Ina to Grant Road	500.0	2,723.0	2,083.0	8,580.0	-0-	13,886.0
South 4th Avenue Streetscape Enhancement	300.0	-0-	-0-	-0-	-0-	300.0
Speedway and Main Intersection Improvements	200.0	256.0	-0-	-0-	-0-	456.0
Speedway: Camino Seco to Houghton	300.0	798.0	6,136.0	6,136.0	-0-	13,370.0
Starr Pass and Mission Intersection Improvements	200.0	1,088.3	2,200.0	-0-	-0-	3,488.3
Stone Ave: Drachman and Speedway Improvements	-0-	250.0	750.0	6,500.0	-0-	7,500.0
Stone Avenue: Pedestrian Safety Improvements	224.0	-0-	-0-	-0-	-0-	224.0
Tanque Verde and Dos Hombres Intersection	200.0	-0-	-0-	-0-	-0-	200.0
Treat Avenue Pedestrian Bridge	202.0	-0-	-0-	-0-	-0-	202.0
Tyndall Avenue Enhancements	410.0	-0-	-0-	-0-	-0-	410.0
Wilmot at Park Place Intersection Improvements	50.0	1,110.0	245.0	-0-	-0-	1,405.0
Sub-Total	\$ 30,966.8	\$ 57,066.6	\$ 66,052.3	\$ 80,931.0	\$ 48,400.0	\$ 283,416.7

Five-Year Capital Improvement Program

Transportation (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Transportation - Traffic Signals						
Changeable Message Signs	\$ 61.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 61.0
Communication System Improvements	272.0	250.0	250.0	-0-	-0-	772.0
Control Center to South Tucson Connection	110.2	-0-	-0-	-0-	-0-	110.2
Harrison/Golf Links Communication Project	165.0	-0-	-0-	-0-	-0-	165.0
Intelligent Transportation System Improvements	42.0	-0-	-0-	-0-	-0-	42.0
Intelligent Transportation System: ATLAS	33.1	-0-	-0-	-0-	-0-	33.1
Living Transportation Laboratory	40.5	-0-	-0-	-0-	-0-	40.5
Regional Transportation Data Network	387.0	1,340.0	1,000.0	25.0	-0-	2,752.0
South 6th Avenue and 14th Street HAWK	160.0	-0-	-0-	-0-	-0-	160.0
Stone Avenue and Cushing Street HAWK	160.0	-0-	-0-	-0-	-0-	160.0
Traffic Signal Network Expansion	530.0	-0-	-0-	-0-	-0-	530.0
Traffic Signal and Control Equipment	460.0	430.0	-0-	-0-	-0-	890.0
Valencia Road Fiber Optic Cabling	202.0	-0-	-0-	-0-	-0-	202.0
Sub-Total	\$ 2,622.8	\$ 2,020.0	\$ 1,250.0	\$ 25.0	\$ -0-	\$ 5,917.8
Department Total	\$ 90,308.9	\$ 103,418.5	\$ 96,171.4	\$ 117,532.5	\$ 72,316.5	\$ 479,747.8

Source of Funds Summary

2000 General Obligation Bond Funds	\$ 178.5	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 178.5
Capital Agreement Fund: PAG	3,672.0	5,706.0	4,750.0	6,500.0	-0-	20,628.0
Capital Agreement Fund: Pima County Bonds	1,200.0	2,000.0	6,037.3	8,000.0	8,000.0	25,237.3
Federal Highway Administration Grants	9,004.0	15,095.0	8,278.0	7,525.0	5,000.0	44,902.0
Highway User Revenue Fund	1,248.0	856.4	1,212.0	859.0	1,309.0	5,484.4
Highway User Revenue Fund: Contributions	200.0	200.0	200.0	200.0	200.0	1,000.0
Highway User Revenue Fund: In-Lieu Fees	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	5,000.0
Mass Transit Fund: Federal Grants	29,724.4	18,718.3	16,954.2	14,099.9	11,377.5	90,874.3
Mass Transit Fund: User Fees and General Fund	1,934.4	485.0	1,200.0	1,200.0	1,200.0	6,019.4
Regional Transportation Authority Fund	34,442.6	53,262.8	56,439.9	78,148.6	44,230.0	266,523.9
Road & Park Impact Fee Fund: East District	750.0	100.0	100.0	-0-	-0-	950.0
Road & Park Impact Fee Fund: Southeast District	250.0	-0-	-0-	-0-	-0-	250.0
Road & Park Impact Fee Fund: West District	1,700.0	-0-	-0-	-0-	-0-	1,700.0
State Infrastructure Bank Federal Pass-Through	5,005.0	5,995.0	-0-	-0-	-0-	11,000.0
Department Total	\$ 90,308.9	\$ 103,418.5	\$ 96,171.4	\$ 117,532.5	\$ 72,316.5	\$ 479,747.8

Five-Year Capital Improvement Program

Tucson Water (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Tucson Water - Potable Source Development						
CAVSARP Well Pump Improvements	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 3,000.0
Drill Production Wells	1,300.0	1,300.0	1,500.0	1,500.0	1,500.0	7,100.0
Monitor Wells	500.0	257.0	-0-	-0-	309.0	1,066.0
New Well Equipping	925.0	3,425.0	2,600.0	3,400.0	2,600.0	12,950.0
Pressure Tank Replacement	120.0	160.0	160.0	250.0	250.0	940.0
Production Well Sites	50.0	50.0	50.0	50.0	75.0	275.0
Wellfield Upgrades	500.0	1,000.0	1,000.0	1,000.0	1,000.0	4,500.0
Sub-Total	\$ 3,995.0	\$ 6,792.0	\$ 5,910.0	\$ 6,800.0	\$ 6,334.0	\$ 29,831.0
Tucson Water - Recharge and Recovery						
Southern Avra Valley Storage & Recovery Project	\$ 3,667.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 3,667.0
Sub-Total	\$ 3,667.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 3,667.0
Tucson Water - Potable Storage						
Avra Valley Augmentation-Irvington Reservoir	\$ -0-	\$ 4,000.0	\$ -0-	\$ -0-	\$ -0-	\$ 4,000.0
Disinfection Equipment Upgrades	320.0	120.0	120.0	120.0	120.0	800.0
Martin Reservoir - Liner Replacement	655.0	-0-	-0-	-0-	-0-	655.0
Rauscher Reservoir Liner	-0-	60.0	640.0	-0-	-0-	700.0
Reservoir Roof Replacements	100.0	-0-	-0-	-0-	-0-	100.0
Southeast G Zone Reservoir	900.0	2,900.0	-0-	-0-	-0-	3,800.0
Southern Avra Valley Reservoir & Booster Station	30.0	-0-	5,750.0	8,500.0	-0-	14,280.0
Thornydale/Tangerine C Zone Reservoir	3,553.0	-0-	-0-	-0-	-0-	3,553.0
Valley View Reservoir Liner	-0-	600.0	-0-	-0-	-0-	600.0
Sub-Total	\$ 5,558.0	\$ 7,680.0	\$ 6,510.0	\$ 8,620.0	\$ 120.0	\$ 28,488.0
Tucson Water - Potable Pumping Plant						
Avra Valley D Zone Pressure Regulating Valves	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 150.0	\$ 150.0
CAVSARP Booster Expansion	1,500.0	-0-	-0-	-0-	-0-	1,500.0
CAVSARP/BKW Farms Raw Water Booster	-0-	-0-	-0-	-0-	250.0	250.0
Diamond Bell Ranch G-I Zone Booster Modification	120.0	-0-	-0-	-0-	-0-	120.0
I-1 Well and Booster Modifications	50.0	-0-	-0-	-0-	-0-	50.0
Pumping Facility Modifications	310.0	310.0	310.0	310.0	310.0	1,550.0
Rockcliff Booster Improvements	90.0	-0-	-0-	-0-	-0-	90.0
Well I-002B Upgrades	73.0	-0-	-0-	-0-	-0-	73.0
Sub-Total	\$ 2,143.0	\$ 310.0	\$ 310.0	\$ 310.0	\$ 710.0	\$ 3,783.0

Five-Year Capital Improvement Program

Tucson Water (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Tucson Water - Potable Transmission						
Avra Valley Transmission Main Augmentation	\$ 280.0	\$ 1,117.0	\$ 835.0	\$ -0-	\$ -0-	\$ 2,232.0
CAVSARP Raw Water Augmentation	-0-	-0-	-0-	250.0	1,000.0	1,250.0
Cathodic Protection for Critical Pipelines	300.0	300.0	300.0	300.0	300.0	1,500.0
Pipeline Protection: Acoustic Monitoring	100.0	100.0	100.0	-0-	-0-	300.0
Rehabilitation of Critical Transmission Mains	130.0	135.0	140.0	145.0	150.0	700.0
Santa Rita Bel Air G Zone Transmission Main	-0-	2,085.0	-0-	-0-	-0-	2,085.0
South Avra Valley Raw Water Delivery Pipeline	3,550.0	-0-	-0-	-0-	-0-	3,550.0
South Avra Valley Recovered Transmission Main	2,054.0	3,000.0	22,684.0	32,316.0	-0-	60,054.0
Southeast E Zone Transmission Main	-0-	-0-	-0-	50.0	700.0	750.0
Swan to Wilmot Transmission Main	-0-	-0-	-0-	784.0	7,000.0	7,784.0
Transmission Main Projects - General	-0-	-0-	-0-	-0-	10,600.0	10,600.0
Union Pacific Railroad Potable Casing Extensions	500.0	-0-	-0-	-0-	-0-	500.0
Sub-Total	\$ 6,914.0	\$ 6,737.0	\$ 24,059.0	\$ 33,845.0	\$ 19,750.0	\$ 91,305.0
Tucson Water - Potable Distribution						
Distribution Main Projects - General	\$ 500.0	\$ 4,430.0	\$ -0-	\$ -0-	\$ 19,468	\$ 24,398.0
Emergency Main Replacement	200.0	200.0	200.0	200.0	200.0	1,000.0
Extensions for New Services	10.0	10.0	10.0	10.0	10.0	50.0
On-Call Valve Replacement Program	860.0	200.0	200.0	200.0	200.0	1,660.0
Payments to Developers for Oversized Systems	100.0	100.0	100.0	100.0	100.0	500.0
Quadrant Main Replacements	435.0	-0-	-0-	-0-	-0-	435.0
Redington Road Main Improvements	305.0	-0-	-0-	-0-	-0-	305.0
Review Developer-Financed Potable Projects	850.0	850.0	850.0	850.0	850.0	4,250.0
Road Improvement Main Replacements	3,872.0	6,986.0	7,000.0	7,550.0	8,000.0	33,408.0
SAVSARP Collector Pipelines, Ph. I and II	5.0	60.0	5,400.0	4,300.0	-0-	9,765.0
Samos Main Replacement	1,388.0	-0-	-0-	-0-	-0-	1,388.0
Tanque Verde Road Main Replacement	276.0	-0-	-0-	-0-	-0-	276.0
Tucson Airport Authority Distribution Main	750.0	-0-	-0-	-0-	-0-	750.0
Water System Acquisitions	300.0	-0-	-0-	-0-	-0-	300.0
Sub-Total	\$ 9,851.0	\$ 12,836.0	\$ 13,760.0	\$ 13,210.0	\$ 28,828.0	\$ 78,485.0
Tucson Water - Potable New Services						
Fire Services	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 10,000.0
Water Services	1,060.0	1,110.0	1,210.0	1,210.0	1,210.0	5,800.0
Sub-Total	\$ 3,060.0	\$ 3,110.0	\$ 3,210.0	\$ 3,210.0	\$ 3,210.0	\$ 15,800.0

Five-Year Capital Improvement Program

Tucson Water (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Tucson Water - Potable General Plant						
CAVSARP Security Grant	\$ 620.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 620.0
Eastside Maintenance Facility	6,100.0	-0-	-0-	-0-	-0-	6,100.0
Facility Safety and Security Infrastructure	567.0	1,148.0	1,167.0	1,390.0	1,420.0	5,692.0
La Entrada HVAC Replacement	1,378.0	-0-	-0-	-0-	-0-	1,378.0
Meter Upgrade and Replacement Program	1,460.0	1,140.0	1,000.0	878.0	600.0	5,078.0
Miscellaneous Land and Right-of-Way Acquisitions	10.0	10.0	10.0	10.0	10.0	50.0
Monitoring Equipment Grant	250.0	70.0	-0-	-0-	-0-	320.0
Plant #1 Relocation Assessment	200.0	-0-	-0-	-0-	-0-	200.0
Responsive Meter Replacement	250.0	250.0	250.0	250.0	250.0	1,250.0
Source Meter Replacement	685.0	685.0	-0-	-0-	-0-	1,370.0
Sub-Total	\$ 11,520.0	\$ 3,303.0	\$ 2,427.0	\$ 2,528.0	\$ 2,280.0	\$ 22,058.0
Tucson Water - Potable Treatment						
Clearwater Chemical Feed System Upgrades	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,000.0	\$ 1,000.0
Sub-Total	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,000.0	\$ 1,000.0
Tucson Water - Potable Process Control						
Arc Flash Service Upgrades	\$ 3,000.0	\$ 1,800.0	\$ 1,000.0	\$ 50.0	\$ 50.0	\$ 5,900.0
Control Panel Replacements: Potable	350.0	250.0	-0-	-0-	-0-	600.0
Process Control Projects - Future	-0-	1,000.0	-0-	-0-	-0-	1,000.0
Remote Control System Upgrades	550.0	500.0	500.0	500.0	500.0	2,550.0
Sub-Total	\$ 3,900.0	\$ 3,550.0	\$ 1,500.0	\$ 550.0	\$ 550.0	\$ 10,050.0
Tucson Water - Capitalized Expense						
Capitalized Expense	\$ 6,000.0	\$ 6,000.0	\$ 6,000.0	\$ 6,000.0	\$ 6,000.0	\$ 30,000.0
Sub-Total	\$ 6,000.0	\$ 6,000.0	\$ 6,000.0	\$ 6,000.0	\$ 6,000.0	\$ 30,000.0
Tucson Water - Reclaimed Source Development						
Equip Reclaimed Well EW-008	\$ 500.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 500.0
Equip Reclaimed Wells EW-009 & EW-010	-0-	50.0	950.0	-0-	-0-	1,000.0
Reclaimed Extraction Well Drilling	-0-	788.0	-0-	450.0	-0-	1,238.0
Reclaimed Storage and Recovery	-0-	-0-	-0-	500.0	5,000.0	5,500.0
Sweetwater Wetlands Lining Project	180.0	-0-	-0-	-0-	-0-	180.0
Sweetwater Wetlands Recharge Facility Upgrades	201.0	-0-	-0-	-0-	-0-	201.0
Sub-Total	\$ 881.0	\$ 838.0	\$ 950.0	\$ 950.0	\$ 5,000.0	\$ 8,619.0

Five-Year Capital Improvement Program

Tucson Water (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Tucson Water - Reclaimed Storage						
Dove Mountain Reclaimed Reservoir	\$ -0-	\$ 1,250.0	\$ 100.0	\$ 350.0	\$ 6,000.0	\$ 7,700.0
Regional Reclaimed Facility: Ina Road Reservoir	-0-	-0-	1,000.0	3,000.0	6,000.0	10,000.0
Sub-Total	\$ -0-	\$ 1,250.0	\$ 1,100.0	\$ 3,350.0	\$ 12,000.0	\$ 17,700.0
Tucson Water - Reclaimed Pumping Plant						
Regional Reclaimed Facility: Ina Road Booster	\$ -0-	\$ -0-	\$ 250.0	\$ 1,625.0	\$ 1,625.0	\$ 3,500.0
Regional Reclaimed Facility: Ina Road Pumping	100.0	100.0	500.0	500.0	600.0	1,800.0
Regional Reclaimed Facility: Roger Road Pumping	50.0	100.0	100.0	500.0	500.0	1,250.0
Roger Road Plant Booster Expansion	1,973.0	60.0	-0-	-0-	-0-	2,033.0
Sub-Total	\$ 2,123.0	\$ 260.0	\$ 850.0	\$ 2,625.0	\$ 2,725.0	\$ 8,583.0
Tucson Water - Reclaimed Transmission						
Reclaimed Emergency Main Enhancements	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 100.0	\$ 300.0
Regional Reclaimed Facility Piping Modifications	-0-	-0-	25.0	150.0	125.0	300.0
Sweetwater Recharge Facility Pipeline, Ph. II	-0-	-0-	40.0	450.0	-0-	490.0
Sweetwater Recharge Facility Pipeline, Ph.I	544.0	-0-	-0-	-0-	-0-	544.0
Sub-Total	\$ 594.0	\$ 50.0	\$ 115.0	\$ 650.0	\$ 225.0	\$ 1,634.0
Tucson Water - Reclaimed Distribution						
Developer-Financed Reclaimed Systems	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 100.0
System Enhancements: Reclaimed	184.0	100.0	100.0	100.0	100.0	584.0
Sub-Total	\$ 204.0	\$ 120.0	\$ 120.0	\$ 120.0	\$ 120.0	\$ 684.0
Tucson Water - Reclaimed New Services						
New Metered Services	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 250.0
Sub-Total	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 250.0
Tucson Water - Reclaimed Treatment						
Chlorine System Improvements	\$ 50.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50.0
Sub-Total	\$ 50.0	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50.0
Tucson Water - Reclaimed Process Control						
Control Panels: Reclaimed System	\$ 140.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 250.0	\$ 690.0
Sub-Total	\$ 140.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 250.0	\$ 690.0
Department Total	\$ 60,650.0	\$ 52,986.0	\$ 66,971.0	\$ 82,918.0	\$ 89,152.0	\$ 352,677.0

Five-Year Capital Improvement Program

Tucson Water (\$000)

Project Name	Adopted	Approved	Projected Requirements			Five
	Year 1 FY 2009	Year 2 FY 2010	Year 3 FY 2011	Year 4 FY 2012	Year 5 FY 2013	Year Total
Source of Funds Summary						
2005 Water Revenue Bond Funds	\$ 40,773.0	\$ 9,939.0	\$ -0-	\$ -0-	\$ -0-	\$ 50,712.0
Future Water Revenue Bonds	-0-	24,016.0	38,727.0	40,549.0	32,345.0	135,637.0
Tucson Water Fund: Federal Grants	542.0	70.0	-0-	-0-	-0-	612.0
Tucson Water Revenue and Operations Fund	14,335.0	18,961.0	28,244.0	42,369.0	56,807.0	160,716.0
Water Infrastructure Reserve Fund	5,000.0	-0-	-0-	-0-	-0-	5,000.0
Department Total	\$ 60,650.0	\$ 52,986.0	\$ 66,971.0	\$ 82,918.0	\$ 89,152.0	\$ 352,677.0



*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section G

Glossary



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.

GLOSSARY OF TERMS

Term	Definition
CUSTOMER	The recipient of a product or service provided by the city. Internal customers are city departments, employees, or officials who receive 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 Children, Families, and Seniors; Environment, Planning, and Resource Management; Neighborhoods, Public Safety, and Emergency Preparedness; Transportation; Economic and Workforce Development; and Rio Nuevo/Downtown, Arts, Culture, and History [See Section B, "Strategic Priorities"].

GLOSSARY OF TERMS

Term	Definition
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 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.

GLOSSARY OF TERMS

Term	Definition
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.
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.

GLOSSARY OF TERMS

Term	Definition
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 (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
ALS	Advanced Life Support
AMP	Asset Management Project
APDM	Alternative Procurement Delivery Method
ARS	Arizona Revised Statutes
ATLAS	Advanced Traffic and Logistics Algorithms and Software
CAFR	Comprehensive Annual Financial Report
CAP	Central Arizona Project
CAVSARP	Central Avra Valley Storage and Recovery Project
CAWCD	Central Arizona Water Conservation District
CDBG	Community Development Block Grant
CHRPA	Community Home Repair Project of Arizona
CIFP	Capital Improvement Funded Program
CIP	Capital Improvement Program
CNG	Compressed Natural Gas
COP	Certificates of Participation
CPI	Consumer Price Index
CWAC	Citizens' Water Advisory Committee
DNR	Department of Neighborhood Resources
DOT	Department of Transportation
DSD	Development Services Department
DUI	Driving Under the Influence
EOP and IPR	Equal Opportunity Programs and Independent Police Auditor
EMS	Emergency Medical Service
EPA	Environmental Protection Agency
FSP	Financial Sustainability Plan
FSS	Family Self-Sufficiency
FTA	Federal Transit Administration
FY	Fiscal Year
GIS	Geographic Information Systems
HAWK	High-Intensity Activity Crosswalk
HazMat	Hazardous Materials
HHW	Household Hazardous Waste
HOPE	Housing Opportunities for People Everywhere
HUD	Housing and Urban Development
HURF	Highway User Revenue Fund
HVAC-R	Heating, Ventilation, Air Conditioning and Refrigeration System
ICMA	International City/County Management Association
IFPP	Impact Fee Project Plan
IGA	Intergovernmental Agreement
I-NET	Institutional Network
ISF	Internal Service Fund
IT	Information Technology

ACRONYMS AND INITIALISMS

Acronym/Initialism	Definitions
JFS	Juvenile Fire Stopper
LAN	Local Area Network
LTAF	Local Transportation Assistance Fund
MLK	Martin Luther King
MRF	Materials Recovery Facility
OSHA	Occupational Safety and Health Administration
O&M	Operating and Maintenance
PAG	Pima Association of Governments
pCard	Procurement Card
PEG	Public, Educational, Government Operating Support
PSTA	Public Safety Training Academy
RTA	Regional Transportation Authority
RTDN	Regional Transportation Data Network
SAVSARP	South Avra Valley Storage and Recovery Project
SWAT	Special Weapons and Tactics
TUSD	Tucson Unified School District
TCC	Tucson Convention Center
TCG	Tucson City Golf
TFD	Tucson Fire Department
TPAC	Tucson-Pima Arts Council
TPD	Tucson Police Department
TSRS	Tucson Supplemental Retirement System
TUSD	Tucson Unified School District
USACE	United States Army Corps of Engineers
UNIX	Official Trademark for the Computer Operating System
VANS	Vacant and Neglected Structures
VLT	Vehicle License Tax
VOIP	Voice Over Internet Protocol
WAN	Wide Area Network
WEB	World Wide Web-Internet



*Adopted Biennial Budget Summary
Fiscal Years 2009 and 2010*

Section H

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