



# The City of Tucson FY 20/21 Tentative Budget

A Town Hall Presentation

June 22, 2020

## Cities are...

- general purpose local governments
- provide essential frontline municipal services tailored to meet the unique needs of the communities they serve
- are funded mostly by locally enacted revenues
- provide land use planning and control

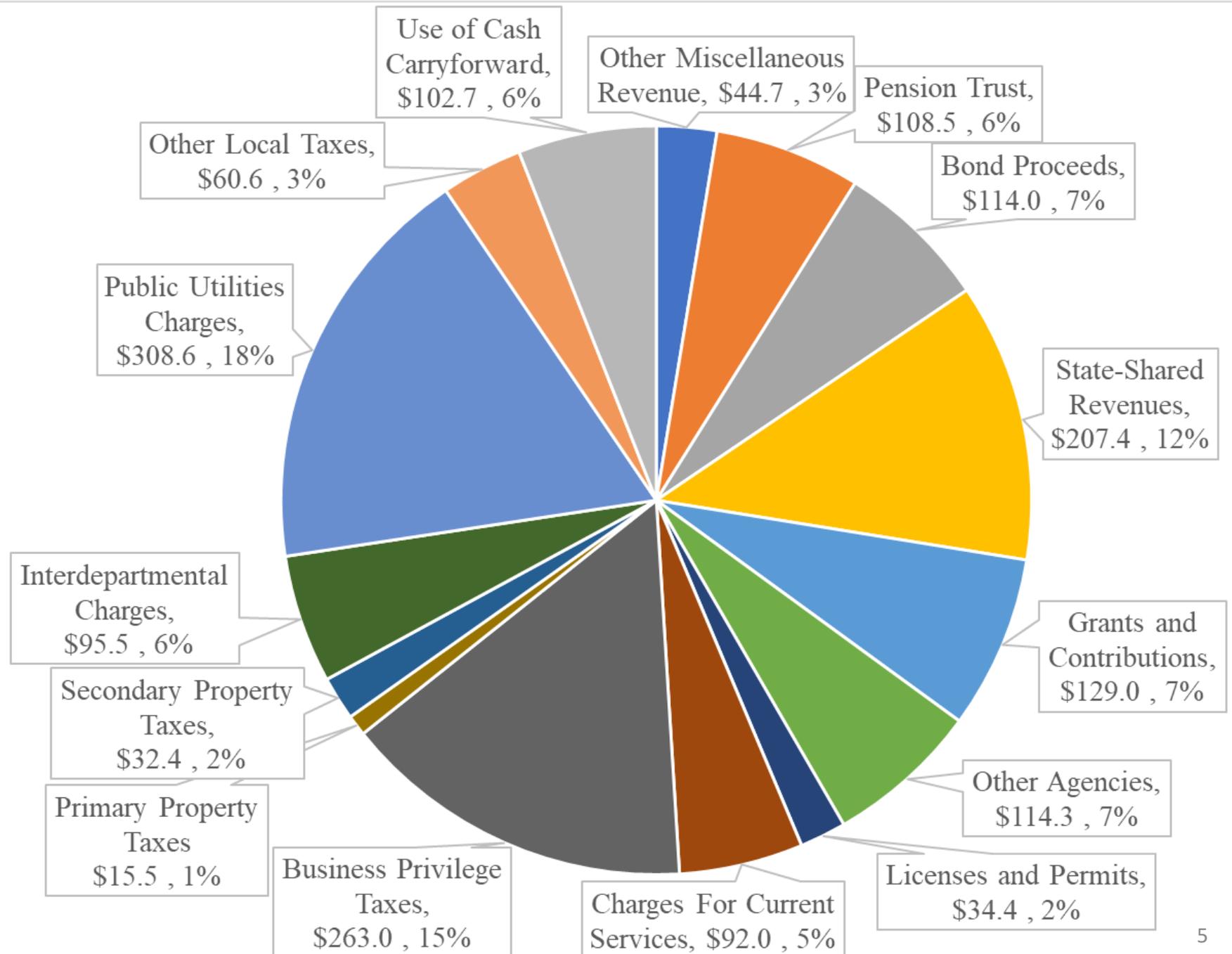
## A Budget is a...

- fiscal plan setting out anticipated revenue and expenditures for accomplishing a variety of services over a given time frame
- process concerned with the allocation of available resources among alternatives and competing departments, activities and programs
- policy document
- legal requirement

## Tentative Budget for FY 20/21

- Budget is balanced through FY 20/21
- Emphasizes long-term fiscal sustainability
- Proposed expenditures remain relatively flat
- Continued focus on enhancing the community's quality of life and safety
- Continued funding of infrastructure master plans and neighborhood enhancement projects

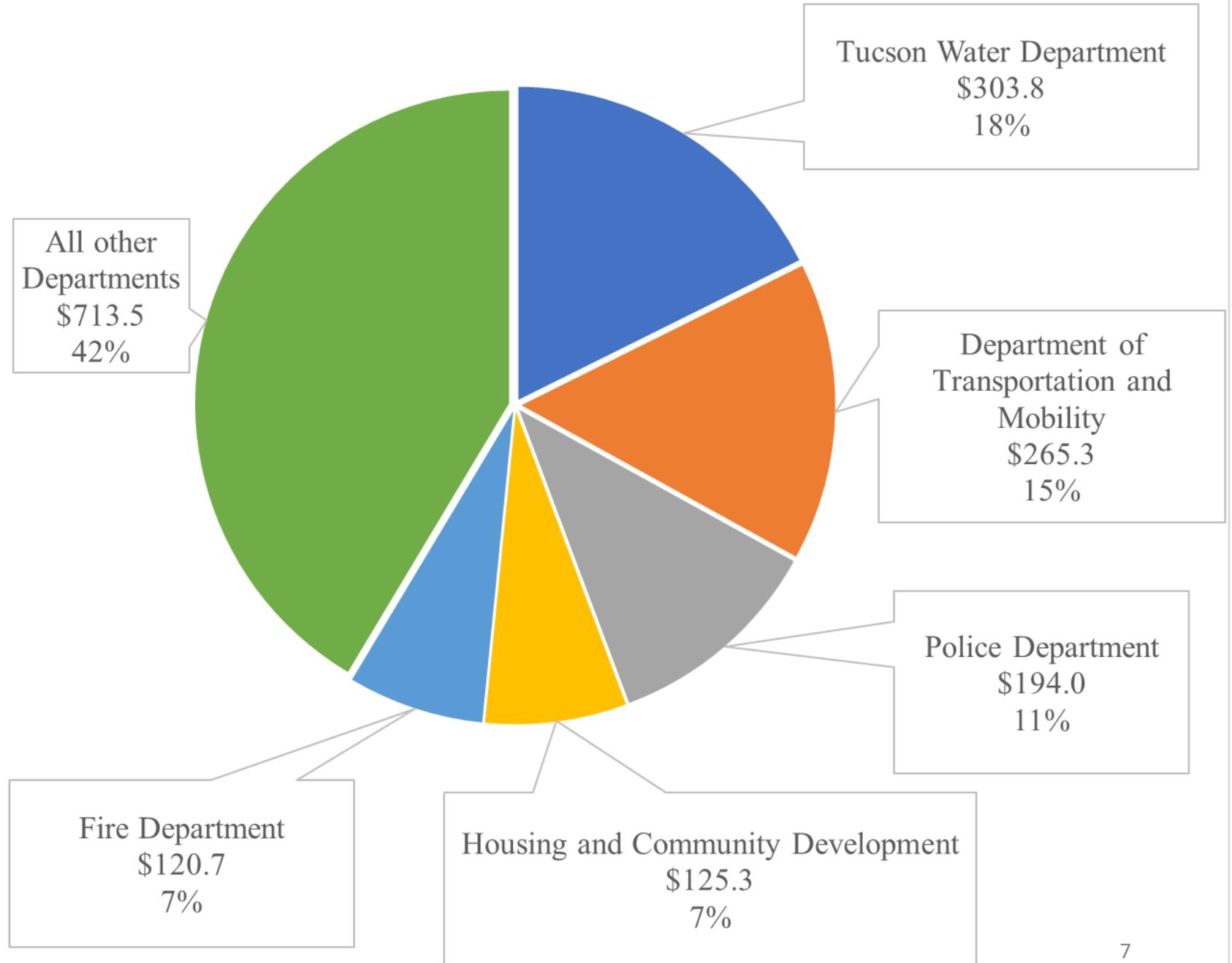
Total FY 20/21  
City Funding Sources  
\$1,722,565,310  
(amounts shown in millions)



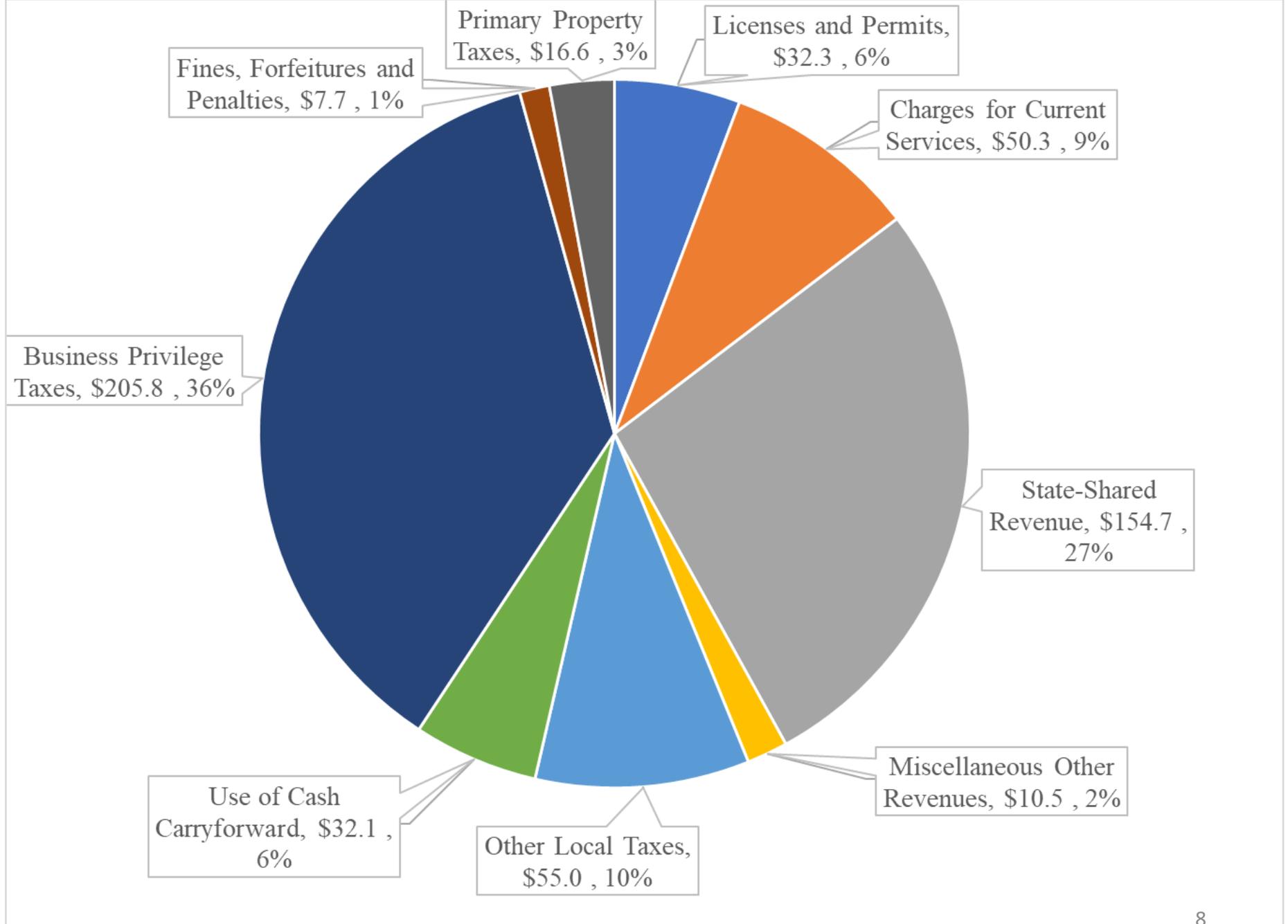
Not all funds  
can be used  
for any  
purposes

- Restricted Funding \$848.7M
  - Bond Proceeds
  - Voter Approved Sales Tax i.e. Zoo, Tucson Delivers
  - Federal and State Grants
  - Intergovernmental Agreements (Regional Transportation Authority)
  - Pension and Health Trusts
  - Secondary Property Tax
  - Development Impact Fees
- City Programmed Funding \$873.9M
  - Sales and Other Local Taxes
  - State Shared Revenue
  - Primary Property Tax
  - Fines
  - Charges for Services

**Total FY 20/21  
Tentative Budget  
\$1,722,565,310**  
(amounts shown in millions)



Total FY 20/21  
General Fund Funding  
Sources  
\$565,017,620  
(millions)



## General Fund What Does it Pay For?

### Elected and Official \$20.3M

Mayor\*Council\*City Manager\*City Attorney\*City Clerk

### Public Safety and Justice Services \$297.4M

Police\*Fire\*Public Safety Communication\*City Court\*Public Defender

### Community Enrichment and Development \$43.0M

Housing and Community Development\*Parks and Recreation\*Planning and Development Services\*Code Enforcement\*Transportation and Mobility

### Support Services \$95.6M

Business Services\*Human Resources\*Fleet Maintenance\*Facility Management\*Information Technology

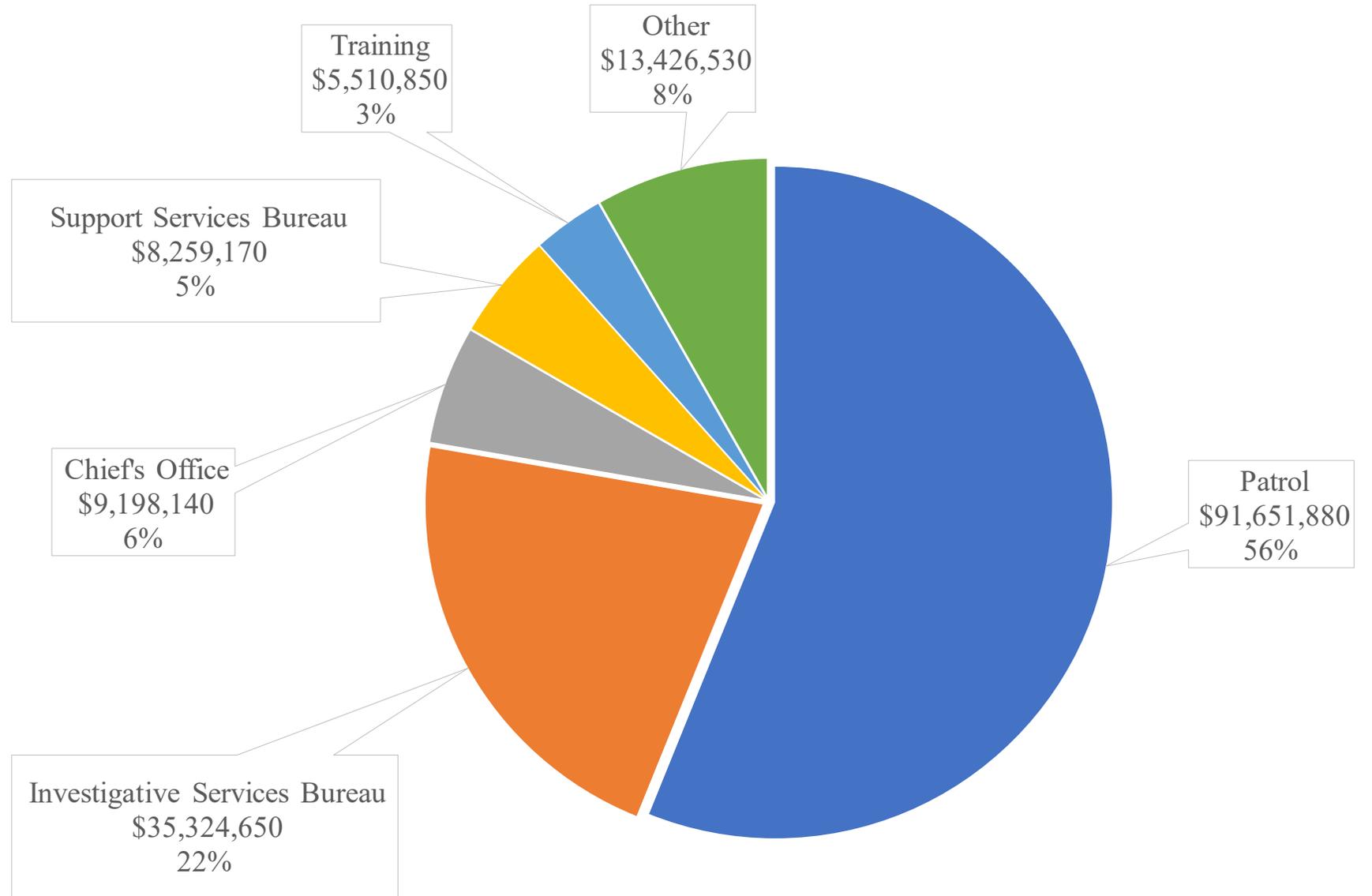
### General Government \$59.4M

Debt Service\*Jail Board\*Animal Care\*Outside Agencies\*General Government

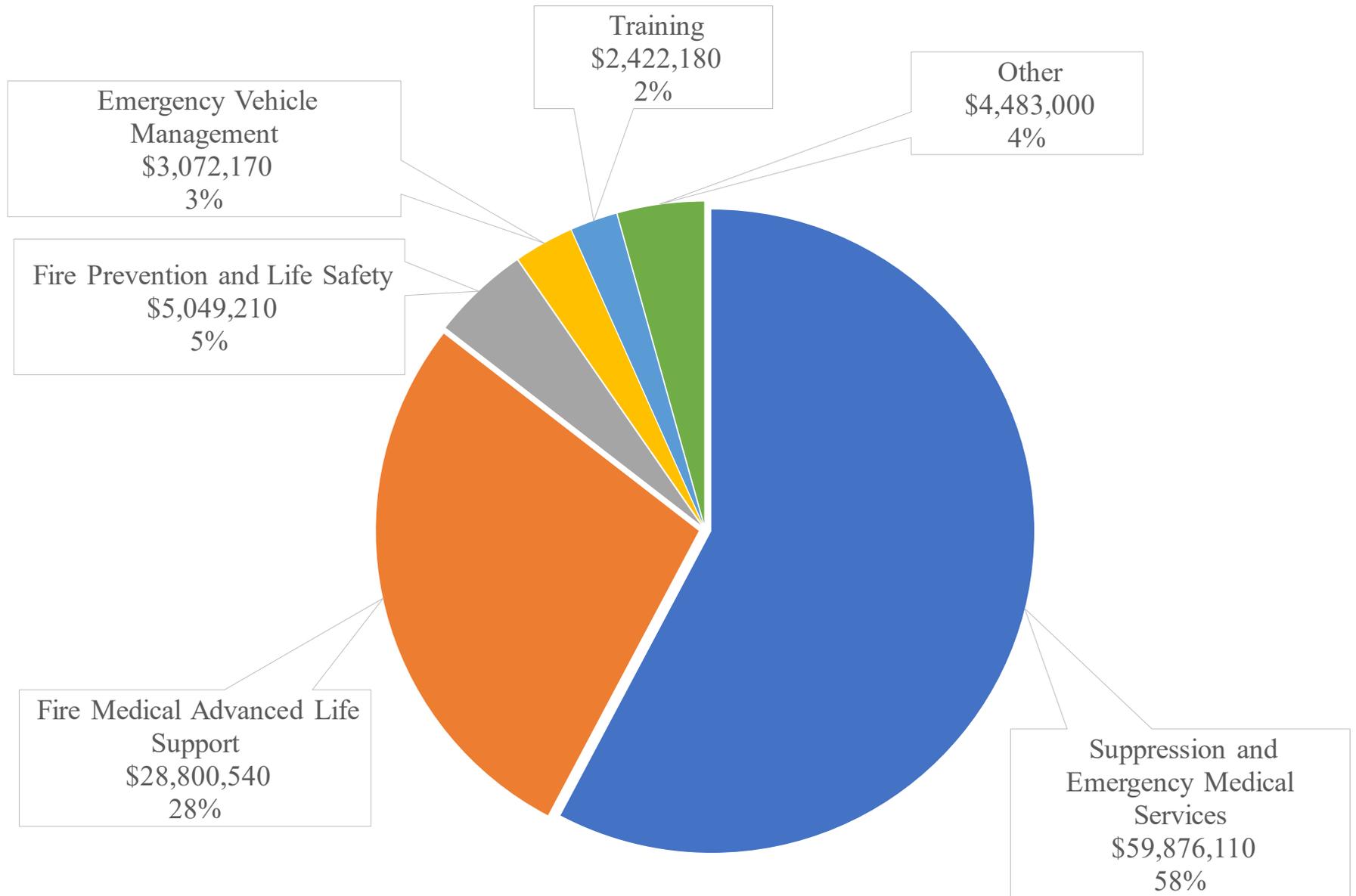
### Financial Support \$49.3M

SunTran\*SunVan\*SunLink\*Convention Center\*Development Fee

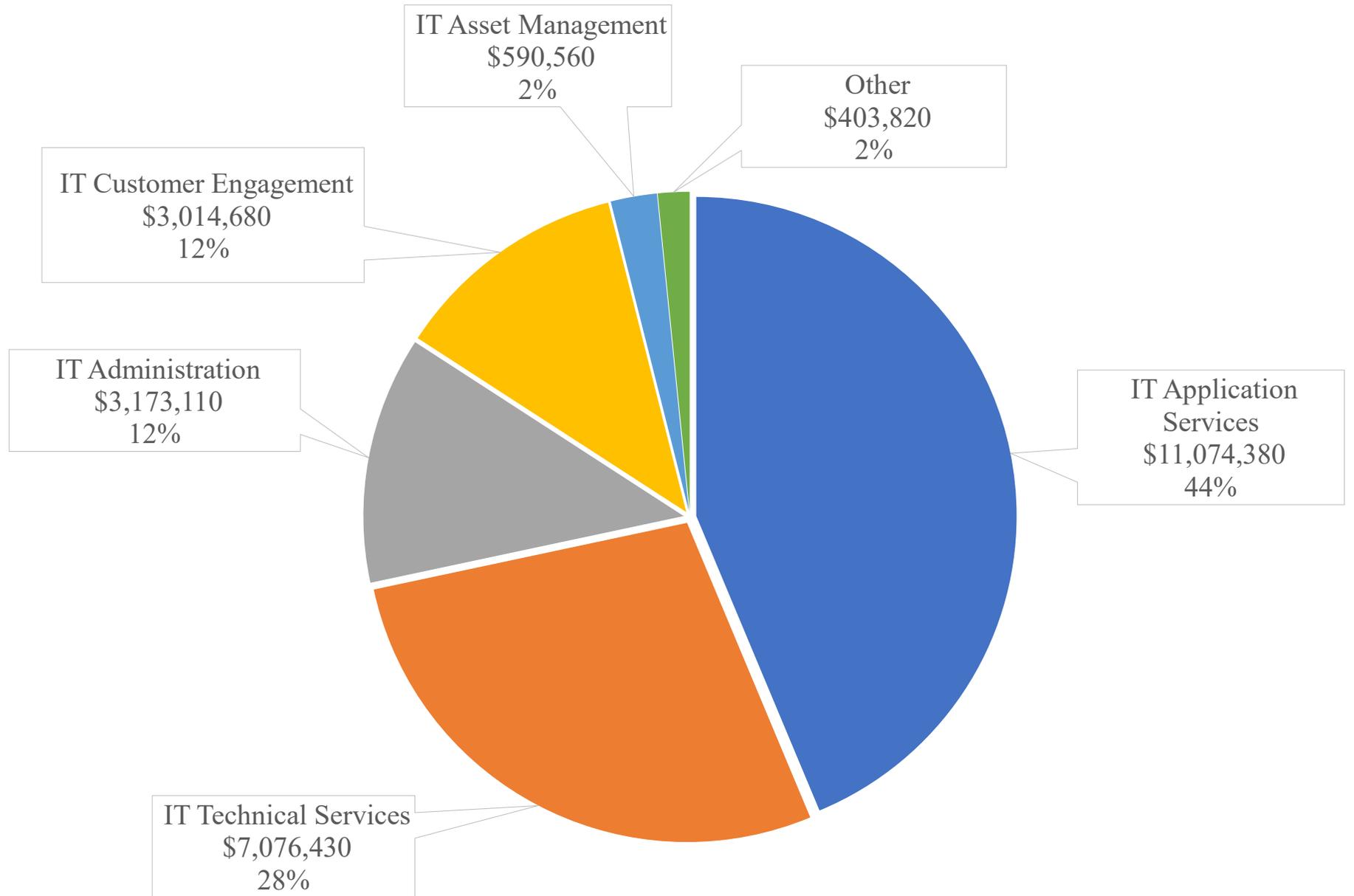
Total FY 20/21  
Police Department  
\$163,371,220



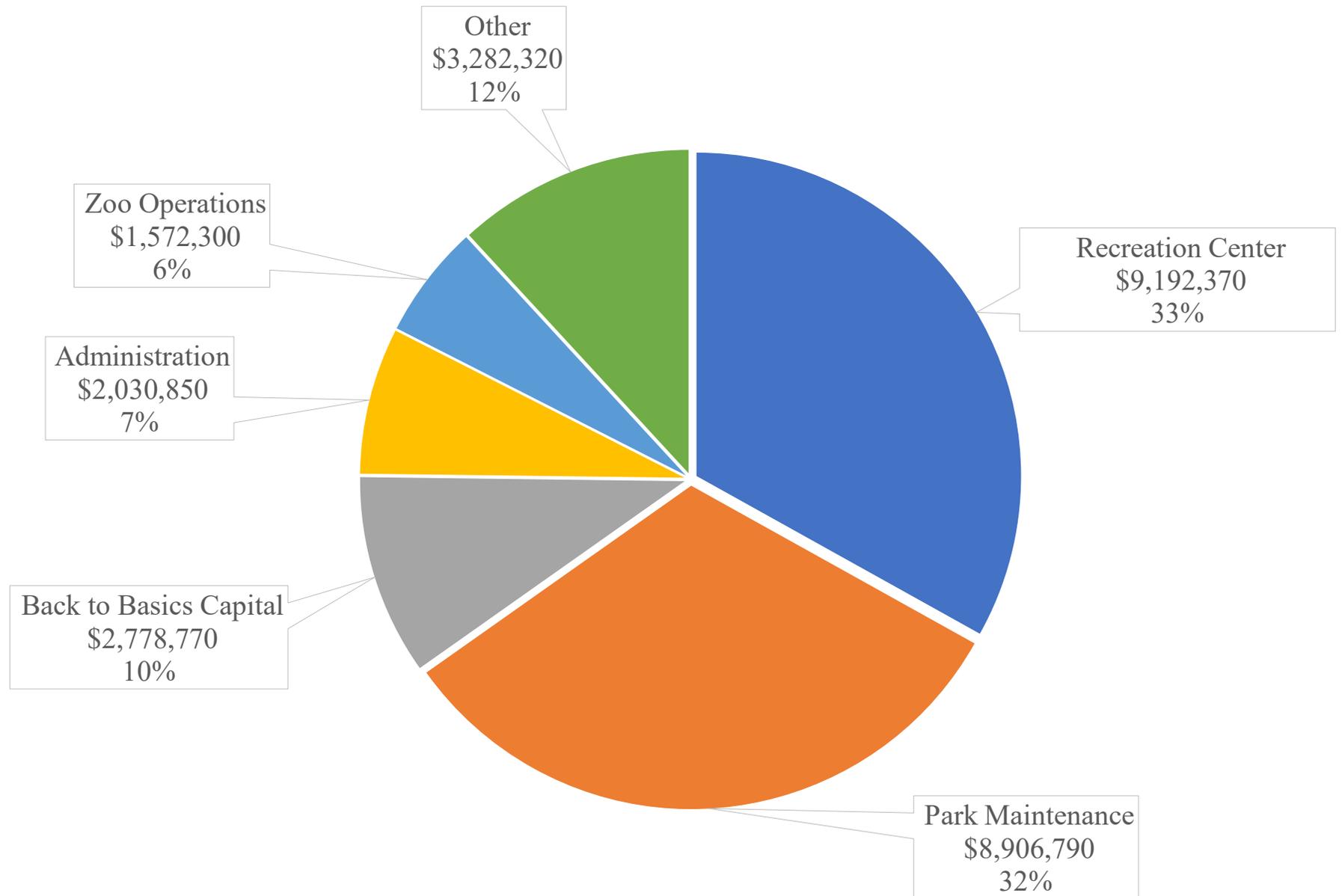
Total FY 2021  
Fire Department  
\$103,703,210



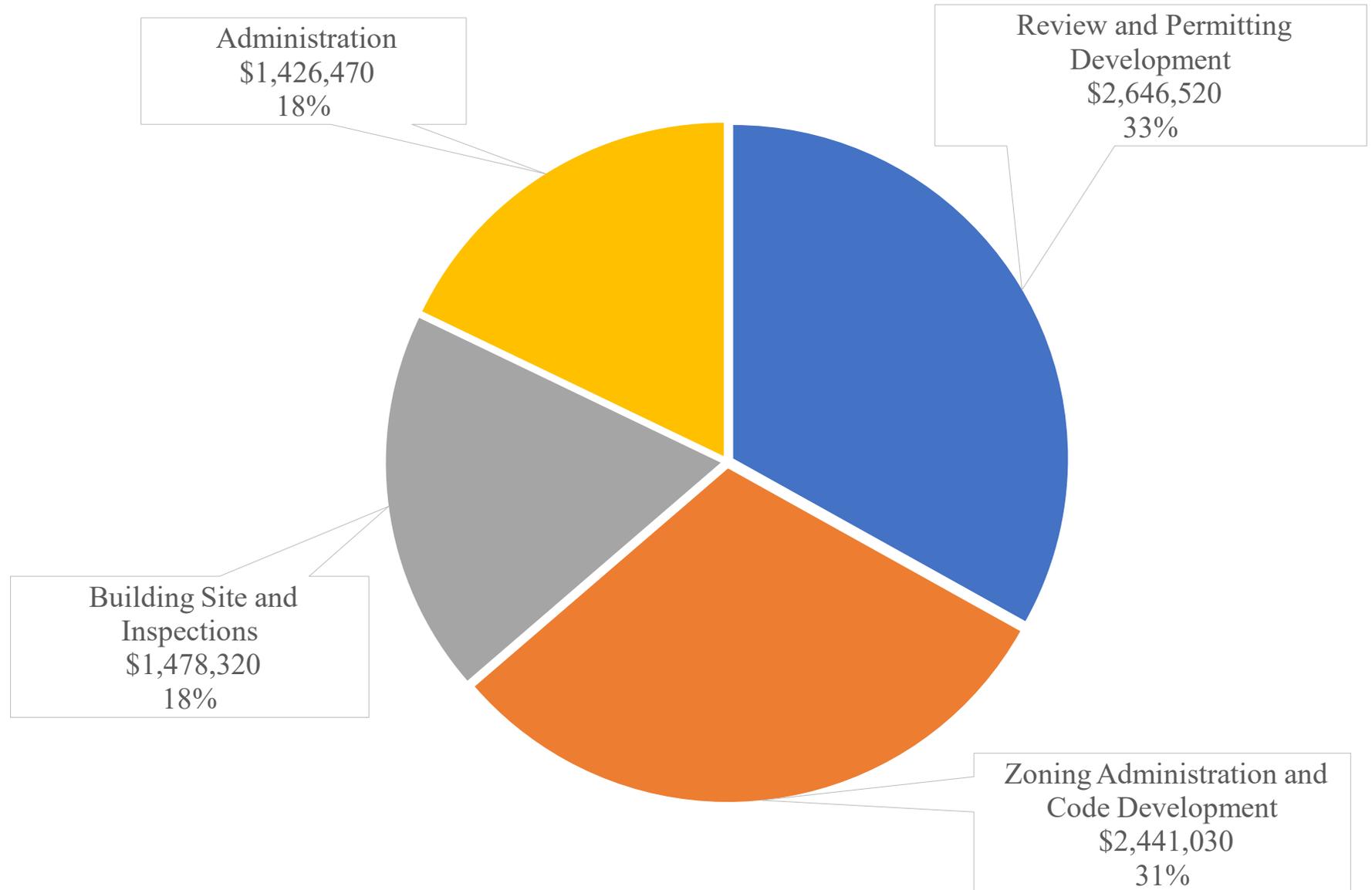
Total FY 20/21  
Information Technology  
\$25,332,980



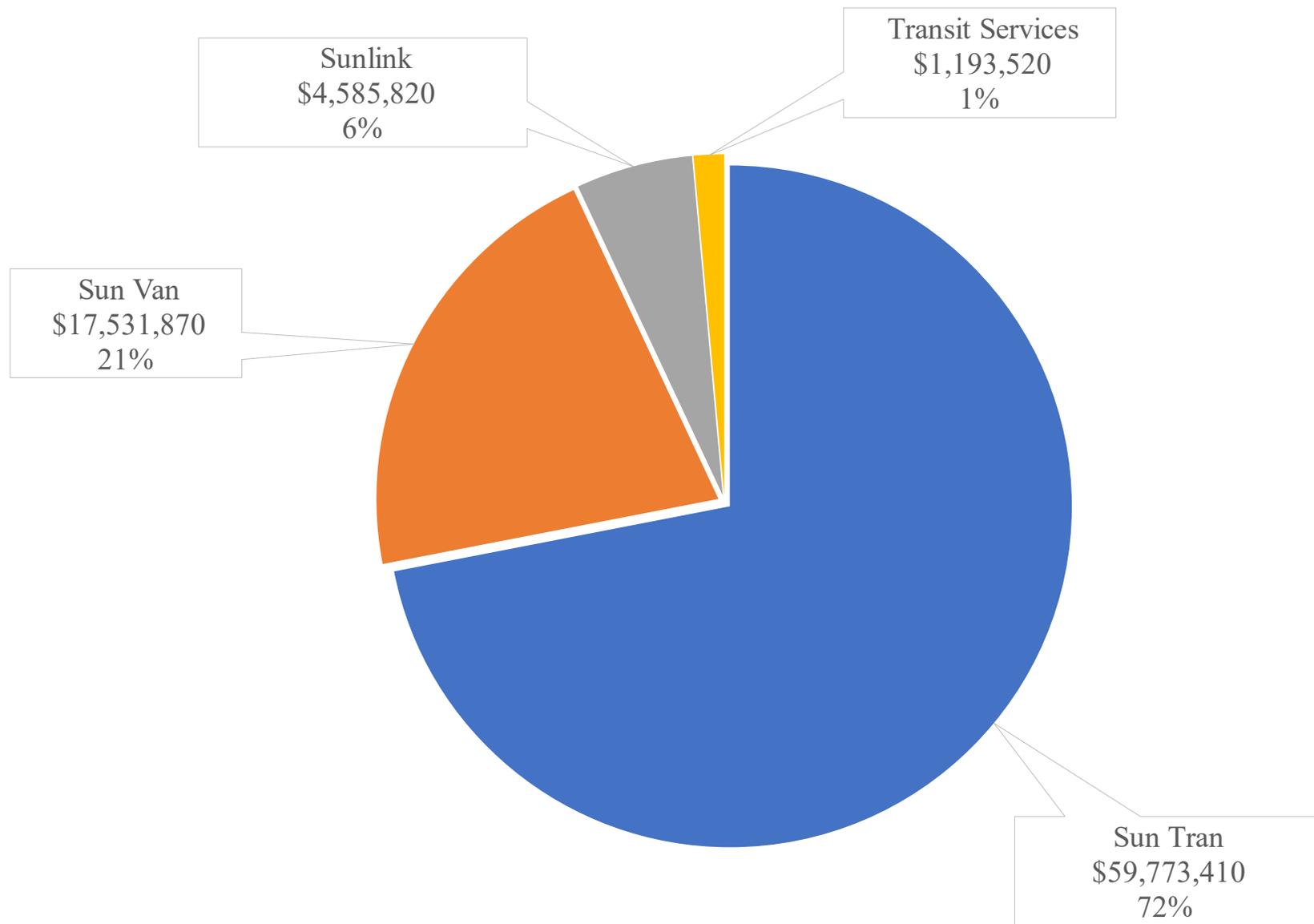
Total FY 20/21  
Parks and Recreation  
\$27,763,400



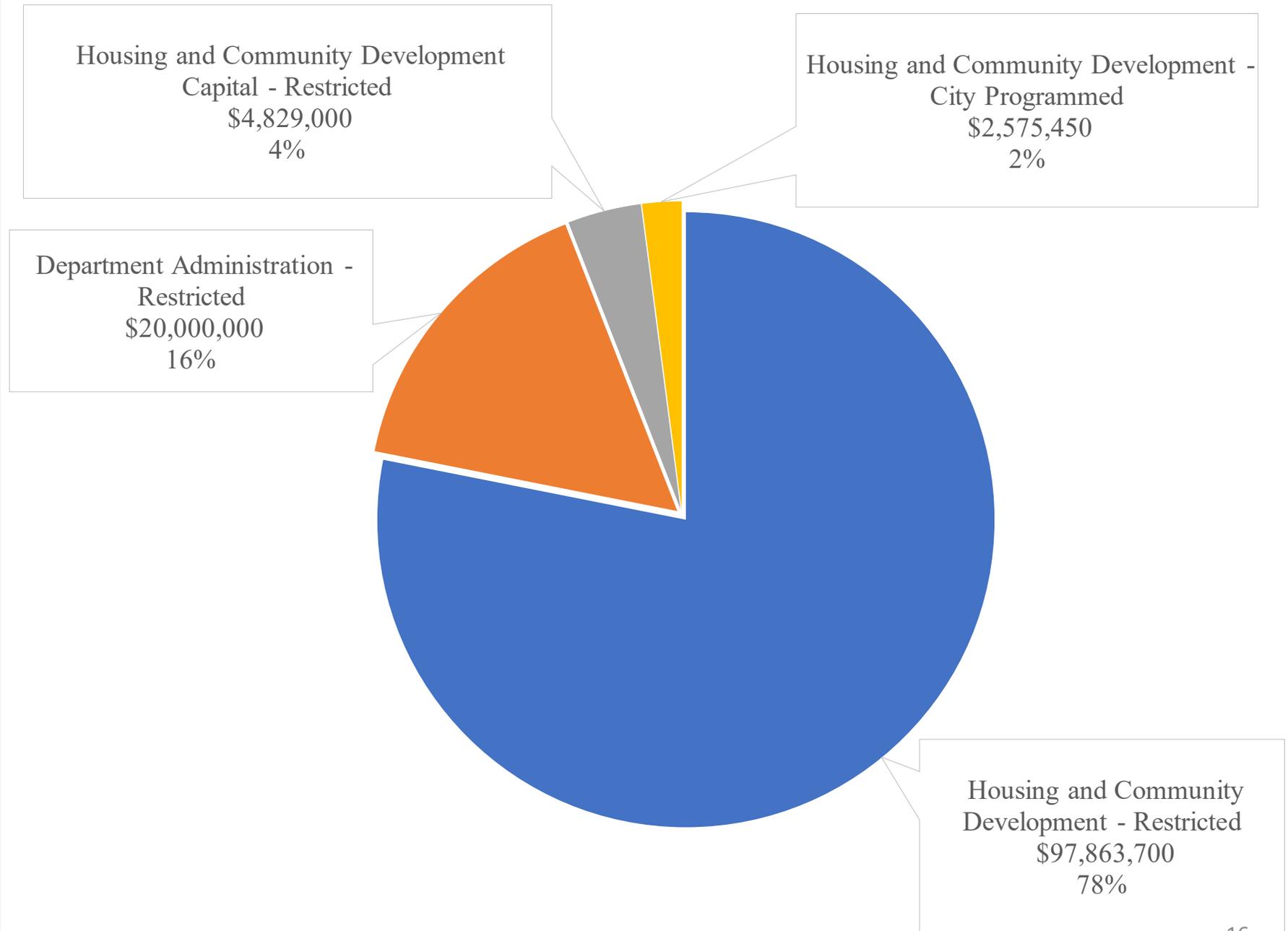
Total FY 20/21  
Planning and Development  
Services  
\$7,992,340



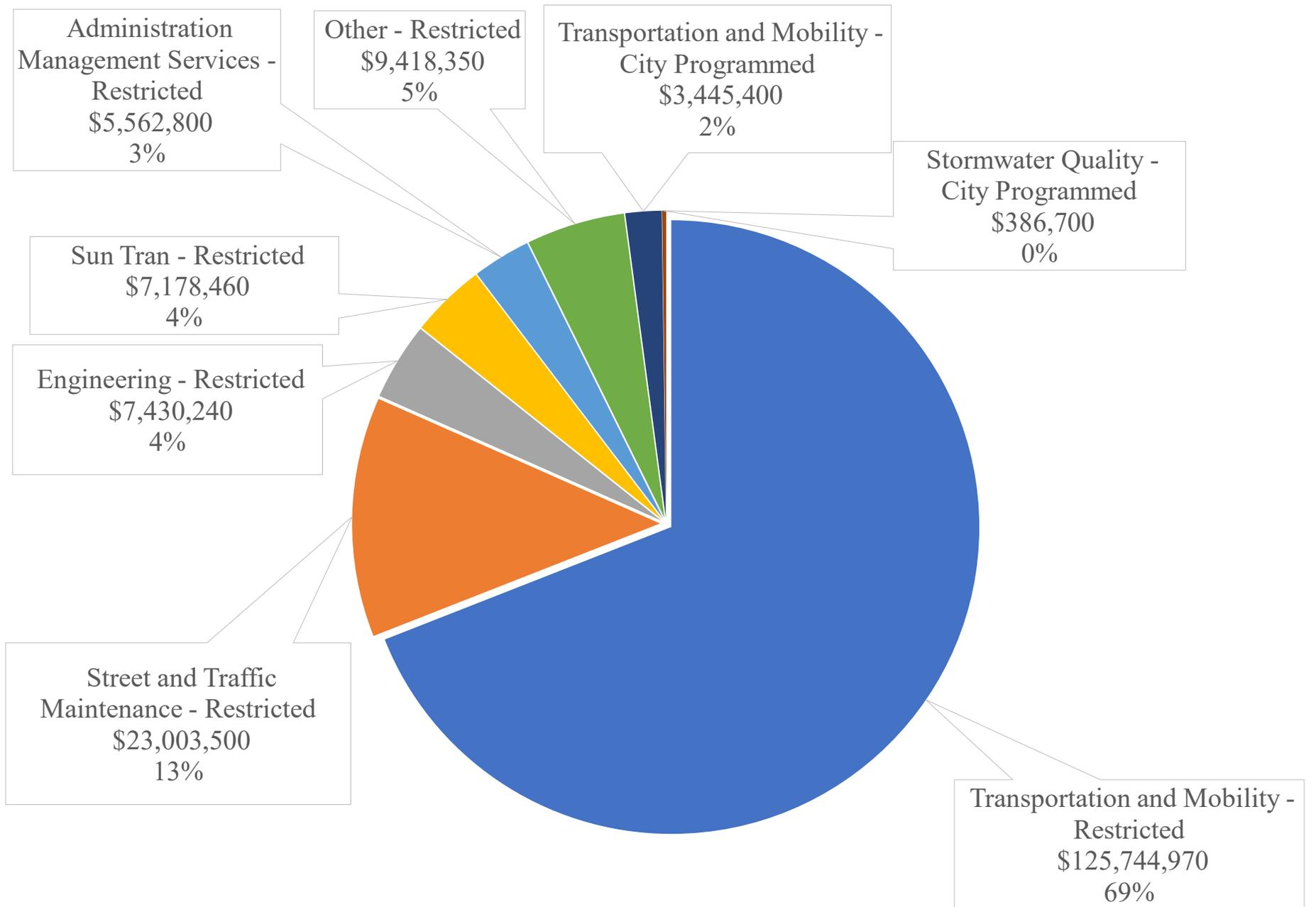
Total FY 20/21  
Transit Funding  
\$83,084,620  
(amount does not include  
federal funding)



Total FY 20/21  
Housing and Community  
Development  
\$125,268,150



Total FY 20/21  
Transportation and  
Mobility  
\$182,170,420



**The Coronavirus  
Aid, Relief, and  
Economic Security  
(CARES) Act**

- Coronavirus Relief Funds (CRF): \$95,634,512
- Federal Transit Authority Formula Grants:  
\$44,285,722
- Community Development Block Grant: \$3,295,930
- Emergency Solution Grants (ESG) (CV1): \$1,667,776
- ESG (CV2): \$5,562,939
- Housing Opportunities for Persons with AIDS  
(HOPWA): \$109,150
- Tenant-Based Rental Assistance: \$587,194
- Public Housing Operating Fund: \$874,148
- Bureau of Justice Assistance Grants: \$949,721

Total: \$152,967,092

**The Coronavirus  
Relief Funds (CRF)  
\$95.6M**

## CARES Act Mayor & Council Strategic Plan

1. Community Investment & Support \$22.1M
2. Allocated/Committed Funds \$2.5M
3. Continuity of City Operations and Services  
\$38.0M
4. Unallocated Reserves \$33.0M

	Projected FY 19/20 as of May 31, 2020	Tentative Budget FY 20/21	Forecast FY 21/22	Forecast FY 22/23	Forecast FY 23/24	Forecast FY 24/25
<b>Recurring Revenues:</b>						
Business Privilege Tax	\$ 208,307,190	\$ 205,582,770	\$ 211,750,250	\$ 217,679,260	\$ 223,774,280	\$ 230,039,960
Other Taxes	69,028,510	69,128,810	70,201,700	71,553,730	73,300,430	75,106,090
State Shared Revenues	147,252,130	154,648,750	158,958,820	163,827,660	168,828,420	174,489,110
Payment in Lieu of Taxes	2,223,720	2,223,720	2,223,720	2,223,720	2,223,720	2,223,720
All Other Revenues Combined	92,433,870	95,911,670	96,371,440	96,822,110	97,277,280	97,737,000
<b>Total Recurring Revenues</b>	<b>519,245,420</b>	<b>527,495,720</b>	<b>539,505,930</b>	<b>552,106,480</b>	<b>565,404,130</b>	<b>579,595,880</b>
<b>Recurring Expenditures:</b>						
Operating Expenditures	453,038,600	484,988,550	497,570,580	504,521,880	513,668,360	518,314,960
Parks O&M (Prop 407)			575,000	760,000	1,020,000	1,280,000
Depot Plaza Garage Settlement				285,000	285,000	285,000
Debt Service	24,901,790	24,535,780	23,957,770	23,646,150	23,645,290	23,645,290
Transfers to other Funds	60,414,130	61,626,980	61,193,720	62,819,240	63,819,240	64,319,240
<b>Total Recurring Expenditures</b>	<b>538,354,520</b>	<b>571,151,310</b>	<b>583,297,070</b>	<b>592,032,270</b>	<b>602,437,890</b>	<b>607,844,490</b>
<b>Addition of One-Time Costs Equity Assessment &amp; Climate Action Plan</b>						
Total Expenditures	<b>538,354,520</b>	<b>571,901,310</b>	<b>583,297,070</b>	<b>592,032,270</b>	<b>602,437,890</b>	<b>607,844,490</b>
<b>Total Change</b>	<b>\$ (19,109,100)</b>	<b>\$ (44,405,590)</b>	<b>\$ (43,791,140)</b>	<b>\$ (39,925,790)</b>	<b>\$ (37,033,760)</b>	<b>\$ (28,248,610)</b>
Use of Disaster Relief Funds (Payroll Costs)	24,750,000					
Use of FTA Relief	27,699,150	12,300,850				
<b>Total Change Using CARES Act Funding</b>	<b>33,340,050</b>	<b>(32,104,740)</b>	<b>(43,791,140)</b>	<b>(39,925,790)</b>	<b>(37,033,760)</b>	<b>(28,248,610)</b>
<b>Total Cumulative Change</b>		<b>\$ 1,235,310</b>	<b>\$ (42,555,830)</b>	<b>\$ (82,481,620)</b>	<b>\$ (119,515,380)</b>	<b>\$ (147,763,990)</b>
<b>Prior Commitments:</b>						
Pay Adjustments:						
\$15 per hour minimum wage			\$ 3,150,000	\$ 3,150,000	\$ 3,150,000	\$ 3,150,000
Market adjustments			5,850,000	5,850,000	5,850,000	5,850,000
20 Police Officers w/o pension (annual)			2,300,000	4,600,000	6,900,000	9,200,000
10 Police Community Service Officers (annual)			804,000	1,608,000	2,412,000	3,216,000
Convention Center			600,000	600,000	600,000	600,000
Veterans Court			272,000	272,000	272,000	272,000
Other Increased Expenditures (hardware/ software maint. agreements, FTEs (i.e. Housing First Coordinator, Capital Improvement Coordinator)			2,703,100	2,703,100	2,703,100	2,703,100
Fire Academy (annual)			1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Prior Commitments</b>			<b>\$ 16,679,100</b>	<b>\$ 19,783,100</b>	<b>\$ 22,887,100</b>	<b>\$ 25,991,100</b>

# Challenges

- Change and uncertainty of economic conditions
- Legislative changes & initiatives
- Rising employee health care & pension costs
- Growing demand for services
- Age of City's physical infrastructure (30-50 years old)
- Unfunded capital improvement needs

# Important Budget Development Dates

Study Session:  
Discussion of Budget  
Regular Session:  
Public Hearing

June 23, 2020

Special Meeting:  
Discussion of Budget  
Public Hearing  
Tentative Adoption

June 30, 2020

Study Session:  
Discussion of Budget

July 7, 2020

Regular Session:  
Public Hearing –  
Truth & Taxation  
Public Hearing –  
Tentative Adopted  
Budget  
Final Adoption

July 21, 2020

Special Meeting:  
Adoption of Property  
Tax Levies

August 11, 2020

How would you?

City of Tucson Budget Exercise x +

stories.opengov.com/tucsonaz/published/U6wwlHBe9

City of Tucson

# How Would You Prioritize the City's Budget?

Community Participatory Budget Tool

**Welcome to the Budget Prioritization Tool for the City of Tucson!**

This tool helps the City collect community input on how the City spends City Programmed budget dollars. City Programmed budget dollars are those that are not Restricted, in other words those not designated for a specific use (like Federal funding, grant funding, and/or some special revenue funds) and those not previously...

[www.tucsonaz.gov/BudgetTool](http://www.tucsonaz.gov/BudgetTool)

[www.tucsonaz.gov/BudgetTool\\_ES](http://www.tucsonaz.gov/BudgetTool_ES)